UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number: 001-16131

WORLD WRESTLING ENTERTAINMENT, INC.
(Exact name of Registrant as specified in its charter)

Delaware	**04-2693383**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

1241 East Main Street
Stamford, CT 06902
(203) 352-8600
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	*Trading Symbol(s)*	*Name of each exchange on which registered*
Class A Common Stock, par value $0.01 per share	WWE	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At May 1, 2022, the number of shares outstanding of the Registrant's Class A common stock, par value $.01 per share, was 43,402,401 and the number of shares outstanding of the Registrant's Class B common stock, par value $.01 per share, was 31,099,011.

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WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net revenues	$ 297,551	$ 333,448
Operating expenses	175,584	180,685
Marketing and selling expenses	16,380	18,420
General and administrative expenses	43,492	32,227
Depreciation and amortization	8,983	9,707
Operating income	53,112	92,409
Interest expense	4,253	6,345
Other income, net	2,453	321
Income before income taxes	51,312	86,385
Provision for income taxes	14,634	20,344
Net income	$ 36,678	$ 66,041
Earnings per share: basic	$ 0.49	$ 0.88
Earnings per share: diluted	$ 0.43	$ 0.77
Weighted average common shares outstanding:		
Basic	74,441	74,781
Diluted	89,258	87,575
Dividends declared per common share (Class A and B)	$ 0.12	$ 0.12

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2023	2022
Net income	$ 36,678	$ 66,041
Other comprehensive income (loss):		
Foreign currency translation adjustments	17	(60)
Net unrealized holding gains (losses) on available-for-sale debt securities (net of tax expense (benefit) of $220 and $(525), respectively)	698	(1,663)
Reclassification adjustment for losses realized in net income from available-for-sale debt securities (net of tax benefit of $85 and $0, respectively)	268	—
Total other comprehensive income (loss)	983	(1,723)
Comprehensive income	$ 37,661	$ 64,318

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)

	As of	
	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 197,656	$ 220,230
Short-term investments, net	267,693	258,487
Accounts receivable (net of allowance for doubtful accounts and returns of $5,322 and $5,055, respectively)	103,299	112,362
Inventory, net	3,984	2,915
Prepaid expenses and other current assets	66,675	33,154
Total current assets	639,307	627,148
Property and equipment, net	352,737	329,141
Finance lease right-of-use assets, net	296,426	296,643
Operating lease right-of-use assets, net	15,305	16,278
Content production assets, net	17,089	16,518
Investment securities	11,797	11,797
Deferred income tax assets, net	42,559	45,619
Other assets, net	11,510	12,425
Total assets	$ 1,386,730	$ 1,355,569
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	$ 454	$ 449
Finance lease liabilities	11,574	11,677
Operating lease liabilities	3,272	3,604
Convertible debt	214,335	214,100
Accounts payable and accrued expenses	98,847	122,856
Deferred revenues	67,399	79,750
Total current liabilities	395,881	432,436
Long-term debt	20,733	20,848
Finance lease liabilities	365,884	364,900
Operating lease liabilities	12,583	13,145
Other non-current liabilities	4,957	6,989
Total liabilities	800,038	838,318
Commitments and contingencies		
Stockholders' equity:		
Class A common stock: ($0.01 par value; 180,000,000 shares authorized; 43,347,119 and 43,317,422 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively)	434	433
Class B convertible common stock: ($0.01 par value; 60,000,000 shares authorized; 31,099,011 shares issued and outstanding)	311	311
Additional paid-in capital	464,723	424,010
Accumulated other comprehensive income	1,145	162
Retained earnings	120,079	92,335
Total stockholders’ equity	586,692	517,251
Total liabilities and stockholders' equity	$ 1,386,730	$ 1,355,569

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Stockholders' Equity
(In thousands)
(Unaudited)

	Three Months March 31, 2023							
	Common Stock							
	Class A		Class B					
	Shares	Amount	Shares	Amount	Additional Paid - in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance, December 31, 2022	**43,317**	**$ 433**	**31,099**	**$ 311**	**$ 424,010**	**$ 162**	**$ 92,335**	**$ 517,251**
Net income	—	—	—	—	—	—	36,678	36,678
Other comprehensive income	—	—	—	—	—	983	—	983
Stock issuances and other, net	30	1	—	—	1,394	—	—	1,395
Controlling stockholder contributions	—	—	—	—	25,738	—	—	25,738
Taxes paid related to net settlement upon vesting of equity awards	—	—	—	—	(80)	—	—	(80)
Cash dividends declared	—	—	—	—	—	—	(8,934)	(8,934)
Stock-based compensation	—	—	—	—	13,661	—	—	13,661
Balance, March 31, 2023	**43,347**	**$ 434**	**31,099**	**$ 311**	**$ 464,723**	**$ 1,145**	**$ 120,079**	**$ 586,692**

	Three Months March 31, 2022							
	Common Stock							
	Class A		Class B					
	Shares	Amount	Shares	Amount	Additional Paid - in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total
Balance, December 31, 2021	**43,733**	**$ 438**	**31,099**	**$ 311**	**$ 422,884**	**$ 2,420**	**$ (51,393)**	**$ 374,660**
Cumulative effect of adopting ASU 2020-06	—	—	—	—	(26,383)	—	17,609	(8,774)
Net income	—	—	—	—	—	—	66,041	66,041
Other comprehensive loss	—	—	—	—	—	(1,723)	—	(1,723)
Repurchases and retirements of common stock	(525)	(5)	—	—	(4,916)	—	(25,085)	(30,006)
Stock issuances and other, net	34	—	—	—	3,439	—	—	3,439
Taxes paid related to net settlement upon vesting of equity awards	—	—	—	—	(32)	—	—	(32)
Cash dividends declared	—	—	—	—	—	—	(8,931)	(8,931)
Stock-based compensation	—	—	—	—	6,770	—	—	6,770
Balance, March 31, 2022	**43,242**	**$ 433**	**31,099**	**$ 311**	**$ 401,762**	**$ 697**	**$ (1,759)**	**$ 401,444**

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
OPERATING ACTIVITIES:		
Net income	$ 36,678	$ 66,041
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization and impairments of content production assets	2,521	9,820
Depreciation and amortization	10,743	11,980
Other amortization	2,747	3,516
Stock-based compensation	13,661	9,618
Benefit from deferred income taxes	2,842	297
Other non-cash adjustments	2,096	345
Cash provided by (used in) changes in operating assets and liabilities:		
Accounts receivable	8,769	3,470
Inventory	(1,050)	(872)
Prepaid expenses and other assets	(30,471)	1,302
Content production assets	(3,051)	(11,714)
Accounts payable, accrued expenses and other liabilities	(20,555)	(9,278)
Deferred revenues	(12,351)	9,286
Net cash provided by operating activities	12,579	93,811
INVESTING ACTIVITIES:		
Purchases of property and equipment and other assets	(33,227)	(24,177)
Purchases of short-term investments	(81,210)	(111,623)
Proceeds from sales and maturities of short-term investments	73,033	47,424
Proceeds from infrastructure improvement incentives	—	4,329
Net cash used in investing activities	(41,404)	(84,047)
FINANCING ACTIVITIES:		
Repayment of long-term debt	(110)	(106)
Repayment of finance leases	(3,914)	(3,435)
Dividends paid	(8,934)	(8,931)
Proceeds from tenant improvement allowances	489	2,273
Proceeds from controlling stockholder contributions	17,405	—
Taxes paid related to net settlement upon vesting of equity awards	(80)	(32)
Proceeds from issuance of stock and other	1,395	1,239
Repurchase and retirement of common stock	—	(30,006)
Net cash provided by (used in) financing activities	6,251	(38,998)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,574)	(29,234)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	220,230	134,828
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 197,656	$ 105,594
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Purchases of property and equipment recorded in accounts payable and accrued expenses (See Note 12)	$ 19,665	$ 21,352
Controlling stockholder contributions (See Note 20)	$ 8,333	$ 2,200

See accompanying notes to consolidated financial statements.

WORLD WRESTLING ENTERTAINMENT, INC.

Notes to Consolidated Financial Statements
(In thousands, except share data)
(Unaudited)

1. Basis of Presentation and Business Description

The accompanying consolidated financial statements include the accounts of WWE. “WWE” refers to World Wrestling Entertainment, Inc. and its subsidiaries, unless the context otherwise requires. References to “we,” “us,” “our” and the “Company” refer to WWE.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The accompanying consolidated financial statements are unaudited. All adjustments (consisting of normal and recurring adjustments) considered necessary for a fair presentation of financial position, results of operations, and cash flows at the dates and for the periods presented have been included. The results of operations of any interim period are not necessarily indicative of the results of operations for the full year. All intercompany balances are eliminated in consolidation.

Certain information and note disclosures normally included in annual financial statements have been condensed or omitted from these interim financial statements; these financial statements should be read in conjunction with the financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2022.

Certain prior period amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

We are an integrated media and entertainment company, principally engaged in the production and distribution of unique and creative wrestling entertainment content through various channels, including content rights agreements for our flagship programs, *Raw* and *SmackDown*, and our premium over-the-top network (“WWE Network”), premium live event programming, monetization across social media outlets, live events, licensing of various WWE themed products, and the sale of merchandise at our live events. Our operations are organized around the following principal activities:

Media:

- The Media segment reflects the production and monetization of long-form and short-form video content across various platforms, including broadcast and pay television, streaming, as well as digital and social media. Across these platforms, revenues principally consist of content rights fees associated with the distribution of our programming content, subscriptions to WWE Network, and advertising and sponsorships.

Live Events:

- Live events provide ongoing content for our media platforms. Live Event segment revenues consist primarily of ticket sales, as well as revenues from events for which we receive a fixed fee and the sale of travel packages associated with the Company’s global live events.

Consumer Products:

- The Consumer Products segment engages in the merchandising of WWE branded products, such as video games, toys and apparel, through licensing arrangements and direct-to-consumer sales. Revenues principally consist of royalties and licensee fees related to WWE branded products, and sales of merchandise distributed at our live events and through eCommerce platforms. Beginning July 2022, we launched an exclusive, multi-year partnership with Fanatics to create a new, enhanced experience for WWE fans globally, and transitioned our digital retail platform to Fanatics.

(In thousands, except share data)

2. Significant Accounting Policies

Our significant accounting policies are detailed in Note 2, *Summary of Significant Accounting Policies*, in the Notes to Consolidated Financial Statements within our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no material changes to the Company's significant accounting policies described in our Annual Report on Form 10-K.

Operating Expenses

Operating expenses consist of our production costs associated with developing our content, venue rental and related costs associated with the staging of our live events, compensation costs for our talent, as well as material and related costs associated with our consumer product merchandise sales. In addition, Operating expenses include the operating costs associated with talent development, data analytics, data engineering, business strategy and real estate and facilities functions.

Included within Operating expenses are the following:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Amortization and impairment of content production assets	$ 2,521	$ 9,820
Depreciation and amortization of WWE Network content delivery and technology assets	1,548	2,176
Amortization of right-of-use assets - finance leases of equipment	2,578	2,222
Depreciation on equipment used directly to support operations	212	166
Total depreciation and amortization included in operating expenses	$ 6,859	$ 14,384

Costs to produce our live event programming are expensed when the event is first broadcast and are not included in the depreciation and amortization table noted above. These costs include production-related costs, such as lighting, pyrotechnics and staging, associated with our weekly, in-ring televised programming as well as our premium live events, which are included as a component of our Media segment operating expenses. We also incur event-related costs, such as venue rental, security and travel, associated with our premium live events as well as our televised and non-televised events, which are included as a component of our Live Events segment operating expenses. Talent-related costs primarily associated with our premium live events and televised programming are included within our Media segment, while talent-related costs associated with our non-televised events are included within our Live Events segment.

Recent Accounting Pronouncements

No recently issued accounting pronouncements materially impacted or are expected to impact our Consolidated Financial Statements.

3. Segment Information

The Company currently classifies its operations into three reportable segments: Media, Live Events and Consumer Products. Segment information is prepared on the same basis that our chief operating decision maker, our Chief Executive Officer, manages the segments, evaluates financial results, and makes key operating decisions.

Unallocated corporate general and administrative expenses largely relate to corporate functions such as finance, investor relations, community relations, corporate communications, information technology, legal, facilities, human resources and our Board of Directors. These unallocated corporate general and administrative expenses will be shown, as applicable, as a reconciling item in tables where segment and consolidated results are both shown.

The Company presents Adjusted OIBDA as the primary measure of segment profit (loss). The Company defines Adjusted OIBDA as Operating income before Depreciation and amortization, excluding stock-based compensation, certain impairment charges and other non-recurring items that management deems would impact the comparability of results between periods. Adjusted OIBDA includes depreciation and amortization expenses directly related to supporting the operations of our segments, including content production asset amortization, depreciation and amortization of costs related to content delivery and technology assets utilized for WWE Network, as well as amortization of right-of-use assets related to finance leases of equipment used to produce and broadcast our live events. The Company believes the presentation of Adjusted OIBDA is relevant and useful for investors because it allows investors to view our segment performance in the same manner as the primary method used by management to evaluate segment performance and make decisions about allocating resources. Additionally, we believe that Adjusted OIBDA is a primary measure used by media investors, analysts and peers for comparative purposes.

(In thousands, except share data)

We do not disclose assets by segment information. We do not provide assets by segment information to our chief operating decision maker, as that information is not typically used in the determination of resource allocation and assessing business performance of each reportable segment.

The following tables present summarized financial information for each of the Company's reportable segments:

	Three Months Ended March 31,	
	2023	2022
Net revenues:		
Media	$ 225,727	$ 278,119
Live Events	32,601	23,101
Consumer Products	39,223	32,228
Total net revenues	$ 297,551	$ 333,448
Adjusted OIBDA:		
Media	$ 87,829	$ 128,217
Live Events	6,975	2,814
Consumer Products	22,216	11,873
Corporate	(32,840)	(31,170)
Total Adjusted OIBDA	$ 84,180	$ 111,734

Reconciliation of Total Operating Income to Total Adjusted OIBDA

	Three Months Ended March 31,	
	2023	2022
Total operating income	$ 53,112	$ 92,409
Depreciation and amortization	8,983	9,707
Stock-based compensation	13,661	9,618
Other adjustments (1)	8,424	—
Total Adjusted OIBDA	$ 84,180	$ 111,734

(1) Other adjustments for the three months ended March 31, 2023 include $6,680 of legal and professional fees associated with the Company's strategic alternatives review and recently announced Transaction Agreement with Endeavor (refer to Note 21, *Subsequent Events*, for further information), as well as $1,744 of expenses paid by Mr. McMahon for plaintiffs' attorneys' fees in connection with a shareholder lawsuit that was mooted (refer to Note 20, *Related Party Transactions*, for further information) and other costs associated with the investigation by the Special Committee of members of the Company's Board of Directors.

4. Revenues

We derive our revenues principally from the following sources: (i) content rights fees associated with the distribution of WWE's media content, including our weekly flagship programs as well as premium live event and original programming, (ii) subscriptions to WWE Network, (iii) advertising and sponsorship sales, (iv) live event ticket sales, (v) consumer product licensing royalties from the sale by third-party licensees of WWE branded merchandise, including eCommerce, and (vi) direct-to-consumer sales of merchandise at our live event venues.

WORLD WRESTLING ENTERTAINMENT, INC.

Notes to Consolidated Financial Statements
(In thousands, except share data)
(Unaudited)

Disaggregated Revenues

The following table presents our revenues disaggregated by primary revenue sources. Sales and usage-based taxes are excluded from revenues.

	Three Months Ended March 31,	
	2023	2022
Net revenues:		
Media Segment:		
Network (including pay-per-view) (1)	$ 51,380	$ 58,779
Core content rights fees (2)	153,916	139,079
Advertising and sponsorships (3)	15,637	19,767
Other (4)	4,794	60,494
Total Media Segment net revenues	225,727	278,119
Live Events Segment:		
North American ticket sales	30,164	19,888
International ticket sales	—	—
Advertising and sponsorships (5)	1,012	1,145
Other (6)	1,425	2,068
Total Live Events Segment net revenues	32,601	23,101
Consumer Products Segment:		
Consumer product licensing	26,741	20,006
eCommerce	3,818	7,717
Venue merchandise	8,664	4,505
Total Consumer Products Segment net revenues	39,223	32,228
Total net revenues	$ 297,551	$ 333,448

(1) Network revenues consist primarily of license fees from the global distribution of WWE Network content associated with our licensed partner agreements.

(2) Core content rights fees consist primarily of licensing revenues from the distribution of our flagship programs, *RAW* and *SmackDown*, as well as our *NXT* programming, through global broadcast, pay television and digital platforms.

(3) Advertising and sponsorships revenues within our Media segment consist primarily of advertising revenues from the Company's content on third-party social media platforms and sponsorship fees from sponsors who promote their products utilizing the Company's media platforms, including promotion on the Company's digital websites and on-air promotional media spots.

(4) Other revenues within our Media segment reflect revenues earned from the distribution of other WWE content, including, but not limited to, certain live in-ring programming content in international markets, scripted, reality and other programming.

(5) Advertising and sponsorships revenues within our Live Events segment primarily consist of fees from advertisers and sponsors who promote their products utilizing the Company's live events (i.e., presenting sponsor of fan engagement events and advertising signage at the event).

(6) Other revenues within our Live Events segment primarily consist of the sale of travel packages associated with the Company's global live events, as well as revenues from events for which the Company receives a fixed fee.

WWE Network subscriptions revenues for international subscribers are recorded over time during the subscription term. In addition, our consumer product licensing revenues, as well as our eCommerce revenues beginning in July 2022, are recorded over time during the licensing period. Other revenue streams identified in the table above are generally recognized at a point-in-time when the performance obligations are satisfied.

Remaining Performance Obligations

As of March 31, 2023, for contracts greater than one year, the aggregate amount of the transaction price allocated to remaining performance obligations is approximately $2,590,000, comprised of our multi-year content distribution, consumer product licensing and sponsorship contracts. We will recognize rights fees related to our multi-year content distribution contracts as content is delivered to the distributors during the periods 2023 through 2028. We will recognize the revenues associated with the minimum guarantees on our multi-year consumer product licensing arrangements throughout the licensing periods, which range from 2023 through 2031. For our multi-year sponsorship arrangements, we will recognize sponsorship revenues as the sponsorship obligations are satisfied during the periods 2023 through 2028. The transaction prices related to these future obligations do not include any amounts of variable consideration related to sales or usage-based royalties earned related to our consumer product licensing. The variability related to these sales or usage-based royalties will be resolved in the periods when the licensee generates sales related to the intellectual property license. For transaction prices related to these future obligations that may contain material amounts of variable consideration related to quantities in a contract, we estimate the quantities each reporting period.

Contract Assets and Contract Liabilities (Deferred Revenues)

A contract asset results when goods or services have been transferred to the customer, but payment is contingent upon a future event, other than the passage of time. The Company does not have any material contract assets, only accounts receivable as disclosed on our Consolidated Balance Sheets.

We record deferred revenues (also referred to as contract liabilities under ASC Topic 606) when cash payments are received or due in advance of our performance. Our deferred revenue balance primarily relates to advance payments received related to our content distribution rights agreements, our consumer product licensing agreements, and our sponsorship and advertising arrangements. The Company's deferred revenue (i.e., contract liabilities) as of March 31, 2023 and December 31, 2022 was $67,399 and $79,750, respectively, and are included within Deferred revenues on our Consolidated Balance Sheets.

Revenue recognized during the three months ended March 31, 2023 and 2022 that was included in the respective deferred revenue balance at the beginning of each period was $62,856 and $50,314, respectively.

5. Earnings Per Share

For purposes of calculating basic and diluted earnings per share, we used the following weighted average common shares outstanding (in thousands):

	Three Months Ended March 31,	
	2023	2022
Net income for basic earnings per share	$ 36,678	$ 66,041
Effect of potentially dilutive shares:		
Interest expense related to the Convertible Notes	1,465	1,566
Net income for diluted earnings per share	$ 38,143	$ 67,607
Weighted average basic common shares outstanding	74,441	74,781
Dilutive effect of restricted and performance stock units	780	526
Dilutive effect of convertible debt instruments	14,037	12,266
Dilutive effect of employee share purchase plan	—	2
Weighted average dilutive common shares outstanding	89,258	87,575
Earnings per share:		
Basic	$ 0.49	$ 0.88
Diluted	$ 0.43	$ 0.77
Anti-dilutive shares (excluded from per-share calculations):		
Net shares received on purchased call of convertible debt hedge	6,113	4,728

Effect of Convertible Notes and Related Convertible Note Hedge and Warrants

In connection with the issuance of the Convertible Notes, the Company entered into Convertible Note Hedge and Warrant transactions as described further in Note 13, *Convertible Debt*. The collective impact of the Convertible Note Hedge and Warrants effectively eliminates any economic dilution that may occur from the actual conversion of the Convertible Notes between the conversion price of $24.91 per share and the strike price of the Warrants of $31.89 per share.

Under the if-converted method, diluted earnings per share is calculated assuming that all the Convertible Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive.

(In thousands, except share data)

Prior to actual conversion, for purposes of calculating diluted earnings per share, the denominator also includes the additional shares issued related to the Warrants using the treasury stock method to the extent the average price of our common stock exceeds the strike price of the Warrants of $31.89 per share. In addition, prior to actual conversion, the Convertible Note Hedges are not considered for purposes of the calculation of diluted earnings per share, as their effect would be anti-dilutive.

The dilution from the Convertible Notes had a $0.08 and $0.13 impact on diluted earnings per share for the three months ended March 31, 2023 and 2022, respectively.

6. Stock-based Compensation

The Company provides for the grant of stock-based awards under our 2016 Omnibus Incentive Plan. We also provide a stock purchase plan for our employees under our 2012 Employee Stock Purchase Plan. Refer to Note 18, *Stock-based Compensation*, within our Annual Report on Form 10-K for the year ended December 31, 2022 for further information.

Stock-based compensation expense consisted of the following:

	Three Months Ended March 31,	
	2023	**2022**
Restricted stock units ("RSUs")	$ 4,705	$ 1,996
Performance stock units ("PSUs")	8,054	7,034
Performance stock units tied to relative total shareholder return ("PSU-TSRs")	68	105
Employee stock purchase plan	678	251
Board of Directors	156	232
Stock-based compensation expense	$ 13,661	$ 9,618

Restricted Stock Units

The following table summarizes the RSU activity during the three months ended March 31, 2023:

	Units
Unvested at January 1, 2023	467,798
Granted	527,457
Vested	(2,402)
Forfeited	(8,099)
Dividend equivalents	1,049
Unvested at March 31, 2023	985,803

Performance Stock Units

During the first quarter of 2023, the Compensation and Human Capital Committed approved an amendment to the vesting schedules for performance stock units ("PSUs") under the Company's 2016 Omnibus Incentive Plan. The vesting of these PSUs are subject to certain performance conditions and a service requirement of typically 3.5 years. For PSUs granted prior to 2023, these awards vest in equal annual installments. For PSUs granted in 2023, these awards vest in their entirety after the service requirement. For PSUs granted prior to 2023, stock compensation costs are recognized over the requisite service period using the graded vesting method, net of estimated forfeitures. For PSUs granted in 2023, stock compensation costs are recognized over the requisite service period using the straight-line method, net of estimated forfeitures.

(In thousands, except share data)

The following table summarizes the PSU activity during the three months ended March 31, 2023:

	Units
Unvested at January 1, 2023	1,015,085
Granted	207,095
Achievement adjustment (1)	64,335
Vested	—
Forfeited	(244,861)
Dividend equivalents	834
Unvested at March 31, 2023	1,042,488

(1) During the first quarter of 2023, it was determined that the performance conditions related to 2022 PSU grants were exceeded, which resulted in an achievement adjustment increase in 2023 relating to these PSU grants.

Performance Stock Units with a Market Condition Tied to Relative Total Shareholder Return

The following table summarizes the PSU-TSR activity during the three months ended March 31, 2023:

	Units
Unvested at January 1, 2023	34,098
Granted	—
Achievement adjustment (1)	10,229
Vested	—
Forfeited	—
Dividend equivalents	—
Unvested at March 31, 2023	44,327

(1) During the first quarter of 2023, it was determined that the percentile ranking of WWE's total shareholder return performance related to the fourth performance period were met, which resulted in an achievement adjustment increase in 2023 relating to the initial 2018 PSU-TSR grant.

7. Property and Equipment

Property and equipment consisted of the following:

	As of	
	March 31, 2023	December 31, 2022
Land, buildings and improvements	$ 118,431	$ 158,806
Equipment and software	171,255	166,249
Corporate aircraft	32,249	32,249
Vehicles	993	993
Projects in progress (1)	244,276	216,710
	567,204	575,007
Less: accumulated depreciation and amortization	(214,467)	(245,866)
Total	$ 352,737	$ 329,141

(1) As of March 31, 2023 and December 31, 2022, our projects in progress balance included $232,563 and $200,552, respectively, of capital expenditures related to the Company's new headquarter facility. A portion of the new headquarter facility became available for its intended use on April 18, 2023. The Company will begin to depreciate the assets associated with this portion of the new headquarter facility during the second quarter of 2023.

Depreciation expense for property and equipment totaled $8,107 and $9,316 for the three months ended March 31, 2023 and 2022, respectively.

Assets held for sale represent land, buildings and improvements less accumulated depreciation that are held for sale in conjunction with the sale of a business. The Company records assets held for sale in accordance with Accounting Standards Codification ("ASC") 360, *Property, Plant, and Equipment*, at the lower of carrying value or fair value less cost to sell. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent purchase offers, market comparables and/or data obtained from our commercial real estate broker. Our estimate as to fair value is regularly reviewed and subject to changes in the commercial real estate markets and our continuing evaluation as to the facility's acceptable sale price.

As of March 31, 2023, the Company reclassified cost and accumulated depreciation of $42,176 and $39,499, respectively, related to land, building and improvements associated with our current Stamford, Connecticut headquarter property as held for sale. The net assets held for sale of $2,677 are included as a component of Prepaid expenses and other current assets within our Consolidated Balance Sheets as of March 31, 2023. The effect of suspending depreciation on this property held for sale is immaterial to the Company's results of operations. These assets held for sale are being marketed for sale and it is the Company's intention to complete the sale of these assets within the next twelve months.

The Company capitalizes interest during the construction period for significant long-term projects in progress. During the three months ended March 31, 2023, the Company capitalized $1,981 of interest associated with its projects in progress.

8. Leases

Information about the Nature of WWE's Lease Portfolio

As of March 31, 2023, the Company's lease portfolio consists of operating and finance real estate leases for its sales offices, performance centers, warehouses and corporate related facilities. In addition, we have various live event production service arrangements that contain operating and finance equipment leases. With the exception of our global headquarter lease that commenced on July 1, 2019 with an 18-month free rent period followed by an initial base term of 15 years with options to renew, our other real estate leases have remaining lease terms of approximately one year to nine years, some of which may also include options to extend the lease terms. Our equipment leases, which are included as part of various operating service arrangements, generally have remaining lease terms of approximately one year to seven years. Generally, no covenants are imposed by our lease agreements.

As it relates to the Company's global headquarter lease, in November 2020 the landlord granted a rent deferral of $6,590 for a portion of the rental payments due during 2021. The rent deferral amount will be payable over a five year period from 2022 through 2026. The FASB has provided relief under ASC 842, "*Leases*," related to the COVID-19 pandemic. Under this relief, companies can make an accounting policy election on how to treat lease concessions resulting directly from COVID-19, provided that the modified lease contract results in total cash flows that are substantially the same or less than the cash flows in the original lease contract. The Company has elected to account for the rent deferral resulting directly from COVID-19 as though the enforceable rights and obligations to the deferral existed in the original lease contract at lease inception, and did not account for the concession as a lease modification. In lieu of applying lease modification accounting, the Company accounted for the rent deferral by accruing an accounts payable during the rent concession periods in 2021 and will relieve the payable during 2022 through 2026 when the deferred rents are due. The amount of this deferral was $5,250 as of March 31, 2023, with $3,945 included as a component of Other non-current liabilities and $1,305 included as a component of Accounts payable and accrued expenses on our Consolidated Balance Sheet.

(In thousands, except share data)

Quantitative Disclosures Related to Leases

The following table provides quantitative disclosure about the Company's operating and financing leases for the periods presented:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Lease costs		
Finance lease costs:		
Amortization of right-of-use assets	$ 5,014	$ 4,671
Interest on lease liabilities	3,746	3,804
Operating lease costs	1,341	1,172
Other short-term and variable lease costs	555	673
Sublease income (1)	—	(26)
Total lease costs	$ 10,656	$ 10,294
Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 3,748	$ 3,805
Operating cash flows from operating leases	$ 1,031	$ 1,075
Finance cash flows from finance leases	$ 3,914	$ 3,435
Right-of-use assets obtained in exchange for new finance lease liabilities	$ 4,796	$ —
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 172	$ 8,605

	As of March 31, 2023	As of December 31, 2022
Weighted-average remaining lease term - finance leases	26.0 years	26.4 years
Weighted-average remaining lease term - operating leases	6.5 years	6.5 years
Weighted-average discount rate - finance leases	4.0%	4.0%
Weighted-average discount rate - operating leases	3.5%	3.4%

(1) Sublease income excludes rental income from owned properties.

Maturity of lease liabilities as of March 31, 2023 were as follows:

	Operating Leases	Finance Leases
2023	$ 2,934	$ 19,703
2024	2,733	25,894
2025	2,559	22,750
2026	2,328	23,110
2027	2,225	20,551
Thereafter	5,027	519,000
Total lease payment	17,806	631,008
Less: imputed interest	(1,951)	(253,550)
Total future minimum lease payments	$ 15,855	$ 377,458

(In thousands, except share data)

9. Content Production Assets, Net

Content production assets consisted of the following:

	Predominantly Monetized Individually As of March 31, 2023	Predominantly Monetized Individually As of December 31, 2022	Predominantly Monetized as a Film Group As of March 31, 2023	Predominantly Monetized as a Film Group As of December 31, 2022
In release	$ 2,452	$ 3,090	$ 28	$ 7
Completed but not released	6,418	—	—	—
In production	7,936	13,122	245	289
In development	10	10	—	—
Total	$ 16,816	$ 16,222	$ 273	$ 296

As of March 31, 2023, all of the "completed but not released" content assets that are monetized individually are estimated to be amortized over the next 12 months and approximately 80% of the "in release" content assets monetized individually are estimated to be amortized over the next three years.

As of March 31, 2023, all of the "in release" content assets monetized as a film group are estimated to be amortized over the next 12 months.

Amortization and impairment of content production assets consisted of the following:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Content production amortization expense - assets monetized individually	$ 1,836	$ 8,105
Content production amortization expense - assets monetized as a film group	685	1,622
Content production impairment charges (1)	—	—
Content production development write-offs (2)	—	93
Total amortization and impairment of content production assets	$ 2,521	$ 9,820

(1) Unamortized content production assets are evaluated for impairment whenever events or changes in circumstances indicate that the fair value of a film predominantly monetized on its own or a film group may be less than its unamortized costs. If conditions indicate a potential impairment, and the estimated future cash flows are not sufficient to recover the unamortized asset, the asset is written down to fair value. In addition, if we determine that content will not likely air, we will expense the remaining unamortized asset.

(2) Capitalized script development costs are evaluated at each reporting period for impairment and to determine if a project is deemed to be abandoned.

Amortization and impairment expenses related to content production assets are included in the Company's Media segment, and as a component of Operating expenses on the Consolidated Statements of Operations. Costs to produce our live event programming are expensed immediately when the event is first broadcast and are not included in the content asset amortization amounts above.

10. Investment Securities and Short-Term Investments

Investment Securities

Included within Investment Securities are the following:

	As of March 31, 2023	As of December 31, 2022
Nonmarketable equity investments without readily determinable fair values	$ 11,797	$ 11,797
Total investment securities	$ 11,797	$ 11,797

(In thousands, except share data)

Nonmarketable Equity Investments Without Readily Determinable Fair Values

We evaluate our nonmarketable equity investments without readily determinable fair values for impairment if factors indicate that a significant decrease in value has occurred. The Company has elected to use the measurement alternative to fair value that will allow these investments to be recorded at cost, less impairment, and adjusted for subsequent observable price changes.

The Company did not record any impairment charges on these investments during the three months ended March 31, 2023 and 2022. In addition, there were no observable price change events that were completed during the three months ended March 31, 2023 and 2022.

Short-Term Investments

Short-term investments consist of available-for-sale debt securities which are measured at fair value and consisted of the following:

	As of March 31, 2023				As of December 31, 2022			
		Gross Unrealized				Gross Unrealized		
	Amortized Cost	Gain	(Loss)	Fair Value	Amortized Cost	Gain	(Loss)	Fair Value
U.S. Treasury securities	$ 93,853	$ —	$ (592)	$ 93,261	$ 94,287	$ —	$ (1,095)	$ 93,192
Corporate bonds	108,805	32	(913)	107,924	117,947	1	(1,435)	116,513
Government agency bonds	67,004	31	(527)	66,508	49,494	12	(724)	48,782
Total	$ 269,662	$ 63	$ (2,032)	$ 267,693	$ 261,728	$ 13	$ (3,254)	$ 258,487

The Company evaluates its individual available-for-sale debt securities that are in an unrealized loss position each reporting period and determines whether the decline in fair value below the amortized cost basis results from a credit loss or other factors. The amount of the decline related to credit losses are recorded as a credit loss expense in earnings with a corresponding allowance for credit losses and the amount of the decline not related to credit losses are recorded through other comprehensive income, net of tax. As of March 31, 2023 and 2022, the aggregate total amount of unrealized losses (that is, the amount by which amortized cost basis exceeds fair value) was insignificant. We did not record an allowance for credit losses on these securities. Accordingly, during the three months ended March 31, 2023 and 2022, the entire amount of the decline in fair value below the amortized cost basis was recorded as an unrealized loss, net of tax, in Other comprehensive income (loss) in the Consolidated Statements of Comprehensive Income. Unrealized gains are also reflected, net of tax, as Other comprehensive income (loss) in the Consolidated Statements of Comprehensive Income.

Our U.S. Treasury securities, corporate bonds and government agency bonds are included in Short-term investments, net on our Consolidated Balance Sheets. Realized gains and losses on investments are included within Other income, net in the Consolidated Statements of Operations and are derived using the specific identification method for determining the cost of securities sold.

As of March 31, 2023, contractual remaining maturities of these securities are as follows:

	Maturities
U.S. Treasury securities	2 months - 2 years
Corporate bonds	1 month - 2 years
Government agency bonds	1 month - 1 year

During the three months ended March 31, 2023 and 2022, we recognized $3,201 and $263, respectively, of interest income on our short-term investments. Interest income is reflected as a component of Other income (expense), net on our Consolidated Statements of Operations.

The following table summarizes the short-term investment activity:

	Three Months Ended March 31,	
	2023	2022
Proceeds from sales and maturities of short-term investments	$ 73,033	$ 47,424
Purchases of short-term investments	$ 81,210	$ 111,623
Gross realized (losses) gains on sale of short-term investments	$ (354)	$ —

(In thousands, except share data)

11. Fair Value Measurement

Fair value is determined based on the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

The accounting guidance establishes a three-level hierarchy that ranks the quality and reliability of information used in developing fair value estimates. The hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. In cases where two or more levels of inputs are used to determine fair value, a financial instrument's level is determined based on the lowest level input that is considered significant to the fair value measurement in its entirety. The three input levels of the fair value hierarchy are summarized as follows:

Level 1-	Observable inputs such as quoted prices in active markets for identical assets or liabilities;
Level 2-	Inputs other than quoted prices in active markets for similar assets and liabilities that are directly or indirectly observable; or
Level 3-	Unobservable inputs, such as discounted cash flow models or valuations, in which little or no market data exists.

Certain financial instruments are carried at cost on the Consolidated Balance Sheets, which approximates fair value due to their short-term, highly liquid nature. The carrying amounts of cash and cash equivalents, money market accounts, accounts receivable, and accounts payable approximate fair value because of the short-term nature of such instruments.

We have classified our investment in U.S. Treasury securities, corporate bonds and government agency bonds, which collectively are investments in available-for-sale debt securities, within Level 2, as their valuation requires quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and/or model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data. The U.S. Treasury securities, corporate bonds and government agency bonds are valued based on model-driven valuations. A third-party service provider assists the Company with compiling market prices from a variety of industry standard data sources, security master files from large financial institutions and other third-party sources that are used to value our corporate bond, U.S. Treasury securities and government agency bond investments. The Company did not have any transfers between Level 1, Level 2, and Level 3 fair value investments during the periods presented.

The fair value measurements of our equity investments without readily determinable fair values and our equity method investments are classified within Level 3 as significant unobservable inputs are used as part of the determination of fair value. Significant unobservable inputs may include variables such as near-term prospects of the investees, recent financing activities of the investees, and the investees' capital structure, as well as other economic variables, which reflect assumptions market participants would use in pricing these assets. For our equity investments without readily determinable fair values, the Company has elected to use the measurement alternative to fair value that will allow these investments to be recorded at cost, less impairment, and adjusted for subsequent observable price changes. The Company did not record any impairment charges on our investment securities during the three months ended March 31, 2023 and 2022.

The Company's long-lived property and equipment and content production assets are required to be measured at fair value on a non-recurring basis if it is determined that indicators of impairment exist. These assets are recorded at fair value only when an impairment is recognized. The Company did not record any impairment charges on long lived property and equipment during the three months ended March 31, 2023 and 2022. The Company classifies these assets as Level 3 within the fair value hierarchy due to significant unobservable inputs.

The Company did not record any impairment charges on content production assets during the three months ended March 31, 2023 and 2022. Refer to Note 9, *Content Production Assets, Net*, for further discussion. The Company classifies these assets as Level 3 within the fair value hierarchy due to significant unobservable inputs. The Company utilizes a discounted cash flows model to determine the fair value of content production assets where indicators of impairment exist.

The fair value of the Company's debt, consisting of a mortgage loan assumed in connection with a building purchase, is estimated based upon quoted price estimates for similar debt arrangements. At March 31, 2023, the face amount of the mortgage loan approximates its fair value.

(In thousands, except share data)

The convertible debt is not marked to fair value at the end of each reporting period, but instead is reported at amortized cost. As of March 31, 2023 and December 31, 2022, the fair value of the Company's convertible debt was $789,033 and $605,494, respectively, based on external pricing data, including quoted market prices of these instruments among other factors, and was classified as a Level 2 measurement within the fair value hierarchy.

12. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following:

	As of	
	March 31, 2023	December 31, 2022
Trade related	$ 7,075	$ 9,816
Staff related	13,541	13,828
Management incentive compensation	8,942	31,204
Talent related	7,752	6,274
Accrued WWE Network related expenses	3,073	3,331
Accrued event and television production	8,803	11,599
Accrued legal and professional (1)	18,379	14,980
Accrued purchases of property and equipment	19,665	18,567
Accrued income taxes	—	1,415
Accrued other (2)	11,617	11,842
Total	$ 98,847	$ 122,856

(1) Accrued legal and professional as of March 31, 2023 includes $6,500 of legal and professional fees associated with the Company's strategic alternatives review and recently announced Transaction Agreement with Endeavor (refer to Note 21, *Subsequent Events*, for further information). As of March 31, 2023 and December 31, 2022, accrued legal and professional also includes $3,238 and $1,992, respectively, of costs associated with the investigation by the Special Committee of independent members of the Company's Board of Directors. Additionally, accrued legal and professional as of March 31, 2023 and December 31, 2022 include certain amounts of $4,142 and $9,125, respectively, to be paid by the Company's controlling stockholder (refer to Note 20, *Related Party Transactions*, for further information).

(2) Accrued other includes accruals for our international and licensing business activities, as well as other miscellaneous accruals, none of which categories individually exceeds 5% of current liabilities.

13. Convertible Debt

In December 2016 and January 2017, we issued $215,000 aggregate principal amount of 3.375% convertible senior notes (the "Convertible Notes"). The Convertible Notes are due December 15, 2023, unless earlier repurchased by us or converted. Interest is payable semi-annually in arrears on June 15 and December 15 of each year, beginning on June 15, 2017.

The Convertible Notes are governed by an Indenture between us, as issuer, and U.S. Bank, National Association, as trustee. The Convertible Notes will be our general unsecured obligations and will rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to any of our unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure secured debt will be available to pay obligations on the Convertible Notes only after all indebtedness under such secured debt has been repaid in full from such assets.

Upon conversion of the Convertible Notes, we will pay or deliver, as the case may be, cash, shares of our Class A common stock or a combination of cash and shares of Class A common stock, at our election, at a conversion rate of approximately 40.1405 shares of common stock per $1 principal amount of the Convertible Notes, which corresponds to an initial conversion price of approximately $24.91 per share of our Class A common stock. At any time, prior to the close on the business day immediately preceding June 15, 2023, the Convertible Notes will be convertible under the following circumstances:

a) During any calendar quarter beginning after the calendar quarter ending on December 31, 2016 (and only during such calendar quarter), if the last reported sale price of our Class A common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price on each applicable trading day;

(In thousands, except share data)

b) During the 5 business day period after any 10 consecutive trading day period (the "measurement period") in which the trading price per $1 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the conversion rate on each such trading day;

c) Upon the occurrence of specified corporate events; or

d) On or after June 15, 2023 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Notes, in multiples of $1 principal amount, at the option of the holder regardless of the foregoing circumstances.

Pursuant to item (a) noted above, the Convertible Notes have been convertible since April 1, 2018, and holders of the Convertible Notes have the right to convert their notes at any time through at least June 30, 2023. As of March 31, 2023, since the Convertible Notes mature on December 15, 2023 and are convertible at the option of the holders, the Convertible Notes are reflected in current liabilities on our Consolidated Balance Sheet. As of March 31, 2023, no actual conversions have occurred to date. Refer to Note 5, *Earnings Per Share*, for a description of the dilutive nature of the Convertible Notes.

The Convertible Notes consisted of the following components:

	As of	
	March 31, 2023	December 31, 2022
Debt component:		
Principal	$ 215,000	$ 215,000
Less: Unamortized debt issuance costs	(665)	(900)
Net carrying amount	$ 214,335	$ 214,100

The following table sets forth total interest expense recognized related to the Convertible Notes:

	Three Months Ended March 31,	
	2023	2022
3.375% contractual coupon	$ 1,814	$ 1,814
Amortization of debt issuance costs	235	235
Interest expense	$ 2,049	$ 2,049

Convertible Note Hedge

In connection with the pricing of the Convertible Notes in December 2016 and January 2017, we entered into convertible note hedge transactions with respect to our Class A common stock (the "Note Hedge"). The Note Hedge transactions cover approximately 8.63 million shares of our Class A common stock and are exercisable upon conversion of the Convertible Notes. The Note Hedge will expire on December 15, 2023, unless earlier terminated. The Note Hedge transactions have been accounted for as part of additional paid-in capital.

Warrant Transactions

In connection with entering into the Note Hedge transactions described above, we also concurrently entered into separate warrant transactions (the "Warrants"), to sell warrants to acquire approximately 8.63 million shares of our Class A common stock in connection with the Note Hedge transactions at an initial strike price of approximately $31.89 per share, which represents a premium of approximately 60.0% over the last reported sale price of our Class A common stock of $19.93 on December 12, 2016 (initial issuance date of the Convertible Notes). The Warrants transactions have been accounted for as part of additional paid-in capital.

(In thousands, except share data)

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14. Long-Term Debt and Credit Facility

Included within Long-Term Debt are the following:

	As of	
	March 31, 2023	December 31, 2022
Current portion of long-term debt:		
Mortgage	$ 454	$ 449
Total current portion of long-term debt	$ 454	$ 449
Long-term debt:		
Mortgage	$ 20,733	$ 20,848
Total long-term debt	$ 20,733	$ 20,848
Total	$ 21,187	$ 21,297

Revolving Credit Facility

In May 2019, the Company entered into an amended and restated $200,000 senior unsecured revolving credit facility with a syndicated group of banks, with JPMorgan Chase Bank, N.A. acting as Administrative Agent (the "Revolving Credit Facility"). The Revolving Credit Facility has a maturity date of May 24, 2024. Applicable interest rates for the borrowings under the Revolving Credit Facility are based on the Company's current consolidated leverage ratio. As of March 31, 2023, the LIBOR-based rate plus margin was 6.19%, and the Company is required to pay a commitment fee calculated at a rate per annum of 0.15% on the average daily unused portion of the Revolving Credit Facility. Under the terms of the Revolving Credit Facility, the Company is subject to certain financial covenants and restrictions, including restrictions on our ability to pay dividends and limitations with respect to our indebtedness, liens, mergers and acquisitions, dispositions of assets, investments, capital expenditures and transactions with affiliates.

As of March 31, 2023, the Company was in compliance with the terms of the Revolving Credit Facility and had available debt capacity under the Revolving Credit Facility of $200,000. As of March 31, 2023 and December 31, 2022, there were no amounts outstanding under the Revolving Credit Facility.

Mortgage

In September 2016, the Company acquired real property and assumed future obligations under a loan agreement, dated June 8, 2015, in the principal amount of $23,000, which loan is secured by a mortgage on the property. The loan bears interest at the rate of 4.50% per annum and requires monthly interest only payments of $86 until June 2018 and interest and principal payments of $117 per month thereafter, with a balloon payment upon maturity on July 5, 2025. Pursuant to the loan agreement, since the assets of WWE Real Estate, a subsidiary of the Company, represent collateral for the underlying mortgage, these assets will not be available to satisfy debts and obligations due to any other creditors of the Company.

15. Concentration of Credit Risk

We continually monitor our position with, and the credit quality of, the financial institutions that are counterparties to our financial instruments. Our accounts receivable relates principally to a limited number of distributors, including WWE Network, television, and premium live event distributors, and licensees. We closely monitor the status of receivables with these customers and maintain allowances for anticipated losses as deemed appropriate. We believe credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company's major customers. At March 31, 2023 our largest receivable balance from an individual customer was 11% of our gross accounts receivable. At December 31, 2022, our largest receivable balance from an individual customer was 19% of our gross accounts receivable. No other customers individually exceeded 10% of our gross accounts receivable balance.

16. Income Taxes

As of March 31, 2023 and December 31, 2022, we had $42,559 and $45,619, respectively, of deferred income tax assets, net, included in our Consolidated Balance Sheets.

On August 16, 2022, the U.S. government enacted the Inflation Reduction Act ("The Act"). The Act introduced new provisions including a 15% corporate alternative minimum tax for certain large corporations. The Company does not believe it will be subject to such tax in the near future. The Act also imposes a 1% excise tax on certain stock repurchases made by publicly traded companies after December 31, 2022. The total taxable value of shares repurchased will be reduced by the fair market value of any newly issued shares during the taxable year. While additional guidance has not been issued, we are currently evaluating the applicability and the effect of the new law to our future cash flows and, based on our preliminary assessment, we do not expect a material impact on our Consolidated Financial Statements.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is required to reduce the net deferred tax assets to the amount that is more likely than not to be realized in future periods. The Company believes that based on past performance, expected future taxable income and prudent and feasible tax planning strategies, it is more likely than not that the net deferred tax assets will be realized. Changes in these factors may cause us to increase our valuation allowance on deferred tax assets, which would impact our income tax expense in the period we determine that these factors have changed.

As of March 31, 2023, based on current facts and circumstances, management believes that it is more likely than not that the Company will not realize the benefit for a portion of its deferred tax assets associated with foreign tax credits. Accordingly, a partial valuation allowance of $1,386 has been recorded as of March 31, 2023. The Company will continue to assess the realizability of these deferred assets on a quarterly basis.

17. Content Production Incentives

The Company has access to various governmental programs that are designed to promote content production within the United States of America and certain international jurisdictions. These programs primarily consist of nonrefundable tax credits issued by a jurisdiction on an annual basis for qualifying expenses incurred during the year in the production of certain entertainment content created in whole or in part within the jurisdiction.

During the three months ended March 31, 2023, the Company recorded content production incentives of $2,479 related to qualifying television production activities. These incentives are recorded as an offset to production expenses within Operating expenses on our Consolidated Statements of Operations. We did not record any content production incentives during the three months ended March 31, 2022.

18. Commitments and Contingencies

Our future commitments related to our operating and finance leases are separately disclosed in Note 8, *Leases*.

Legal Proceedings

On January 11, 2022, a complaint was filed against the Company by MLW Media LLC ("MLW"), captioned *MLW Media LLC v. World Wrestling Entertainment, Inc.*, No. 5:22-cv-00179-EJD (N.D. Cal.) alleging that the Company supposedly interfered with MLW's contractual relationship with Tubi, a streaming service owned by Fox Corp., and MLW's prospective economic advantage with respect to its relationship with VICE TV, and supposedly engaged in unfair business practices in violation of the Sherman Antitrust Act and California law. Such supposedly unfair business practices are alleged to include cutting off competitors' access to licensing opportunities, interfering with contracts, poaching talent, and eliminating price competition. On February 13, 2023, the court dismissed all MLW's claims, allowing MLW leave to amend. On March 6, 2023, MLW filed its first amended complaint. On April 7, 2023, the Company moved to dismiss all claims asserted in the first amended complaint, and the Company anticipates that the motion will be fully briefed and under the court's consideration by May 29, 2023. The Company believes that all claims in the lawsuit are without merit and intends to defend itself vigorously against them.

As previously disclosed, a Special Committee of independent members of the Company's Board of Directors (the "Special Committee") was formed to investigate alleged misconduct by the Company's then-Chief Executive Officer, Vincent K. McMahon. Mr. McMahon initially resigned from all positions held with the Company on July 22, 2022 but remains a stockholder with a controlling interest and, as of January 9, 2023, serves as Executive Chairman of the Board of Directors. Although the Special Committee investigation is complete, the Company has received, and may receive in the future, regulatory, investigative and enforcement inquiries, subpoenas, demands and/or other claims and complaints arising from, related to, or in connection with these matters.

On January 13, 2023, two purported stockholders of the Company, Carol Casale and Chrystal Lavalle, filed a derivative complaint in the Delaware Court of Chancery entitled *Carol Casale v. Vincent K. McMahon*, No. 2023-0039-JTL purportedly on behalf of the Company, against Mr. McMahon. The plaintiffs allege that Mr. McMahon breached his fiduciary duties by engaging in alleged misconduct (including the alleged misconduct investigated by the Special Committee), by purportedly failing to disclose that alleged misconduct to the Board of Directors and allegedly frustrating the Board's investigation thereof, and by later re-appointing himself to the Board via written consent. The plaintiffs seek damages, declaratory relief, their costs and expenses, and other unspecified relief. On March 20, 2023, Mr. McMahon and the Company responded to the complaint in this action. By stipulated order entered on May 3, 2023, this action was, among other things, consolidated with the action described below, entitled *Dennis Palkon v. World Wrestling Entertainment, Inc.*, No. 2023-0274-JTL, and dismissed with prejudice as to the named plaintiffs only on the ground of mootness. The court will retain jurisdiction solely for purposes of adjudicating any application related to an award of attorneys' fees and expenses for counsel for the plaintiffs.

On March 6, 2023, purported stockholder Dennis Palkon filed a derivative complaint in the Delaware Court of Chancery entitled *Dennis Palkon v. World Wrestling Entertainment, Inc.*, No. 2023-0274-JTL, purportedly on behalf of the Company, against Mr. McMahon, Mr. Barrios, and Ms. Wilson. The plaintiff alleges that Mr. McMahon breached his fiduciary duties by engaging in misconduct (including the alleged misconduct investigated by the Special Committee) by failing to disclose that alleged misconduct to the Board of Directors and allegedly frustrating the Board's investigation thereof, and by later re-appointing himself to the Board via written consent. The plaintiff alleges that Mr. Barrios and Ms. Wilson aided and abetted certain of Mr. McMahon's purported breaches of fiduciary duty. The plaintiff seeks damages, declaratory relief, his costs and expenses, and other unspecified relief. By stipulated order entered on May 3, 2023, this action was, among other things, consolidated with the action described above, entitled *Carol Casale v. World Wrestling Entertainment, Inc.*, No. 2023-0039-JTL, and dismissed with prejudice as to the named plaintiffs only on the ground of mootness. The court will retain jurisdiction solely for purposes of adjudicating any application related to an award of attorneys' fees and expenses for counsel for the plaintiffs.

In addition to the foregoing, from time to time we become a party to other lawsuits and claims. By its nature, the outcome of litigation is not known, but the Company does not currently expect this ordinary course litigation to have a material adverse effect on our financial condition, results of operations or liquidity.

19. Stockholders' Equity

Stock Repurchase Program

In February 2019, the Company's Board of Directors authorized a stock repurchase program of up to $500,000 of our common stock. Repurchases may be made from time to time at management's discretion subject to certain pre-approved parameters and in accordance with all applicable securities and other laws and regulations. The stock repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares and may be modified, suspended or discontinued at any time. The Company suspended the stock repurchase program during the second quarter of 2022 and, as a result of the Transaction Agreement (as defined below in Note 21, *Subsequent Events*), currently has no plans to resume the program.

The Company did not repurchase any shares of common stock in the open market during the three months ended March 31, 2023. During the three months ended March 31, 2022, the Company repurchased 524,498 shares of common stock in the open market at an average price of $57.21 for an aggregate amount of $30,006. As of March 31, 2023, $210,924 of common stock remained under the original stock repurchase program authorization.

Controlling Stockholder Contributions

During the three months ended March 31, 2023, Controlling stockholder contributions in our Consolidated Statements of Stockholders' Equity include cash capital contributions of $17,405 from our controlling stockholder. During the three months ended

March 31, 2023 and 2022, Controlling stockholder contributions in our Consolidated Statements of Stockholders' Equity also include non-cash capital contributions of $8,333 and $2,200, respectively, from our controlling stockholder. These cash and non-cash capital contributions represent amounts paid personally by Mr. McMahon, our controlling stockholder, to the Company and certain counterparties. See Note 20, *Related Party Transactions*, for additional information.

20. Related Party Transactions

Vincent K. McMahon, who serves as Executive Chairman of the Company's Board of Directors, controls a substantial majority of the voting power of the issued and outstanding shares of our common stock ("Mr. McMahon"). Through the beneficial ownership of a substantial majority of our Class B common stock, Mr. McMahon can effectively exercise control over our affairs.

During the three months ended March 31, 2023 and 2022, Mr. McMahon made payments of $8,333 and $2,200, respectively, associated with certain payments that Mr. McMahon agreed to make during the period of 2006 through 2022 (including amounts paid and payable in the future) to certain counterparties. These payments are considered non-cash capital contributions and are included as a component of Controlling stockholder contributions on our Consolidated Statements of Stockholders' Equity. As of March 31, 2023 and December 31, 2022, total liabilities of $3,492 and $11,825, respectively, were included on our Consolidated Balance Sheets related to the future payments owed under these agreements by Mr. McMahon.

Additionally, during the three months ended March 31, 2023, Mr. McMahon made a payment of $17,405 to reimburse the Company for the costs that have been incurred and paid by the Company, through January 31, 2023, in connection with and/or arising from the investigation conducted by a Special Committee of the Company's Board of Directors, related revisions to the Company's financial statements and other matters. Mr. McMahon has agreed to review in good faith and reimburse the Company for additional costs incurred by the Company subsequent to January 31, 2023 (or that have been incurred by the Company and not yet paid as of January 31, 2023), in connection with and/or arising from the same matters.

During the three months ended March 31, 2023, the Company incurred $1,650 of expenses paid by Mr. McMahon for plaintiffs' attorneys' fees in connection with a shareholder lawsuit that was mooted. Other shareholder litigation remains ongoing as described in Note 18, *Commitments and Contingencies*.

21. Subsequent Events

On April 2, 2023, the Company entered into a Transaction Agreement (the "Transaction Agreement"), by and among the Company, Endeavor Group Holdings, Inc. ("Endeavor"), and various other WWE and Endeavor subsidiaries, pursuant to which, among other things, WWE and Endeavor agreed to combine the businesses of WWE and Zuffa Parent, LLC ("HoldCo"), a wholly-owned subsidiary of Endeavor which owns and operates the Ultimate Fighting Championship ("UFC"), which combined business will be managed by a new publicly traded company ("New PubCo").

Upon closing, among other things, Endeavor and its subsidiaries are expected to collectively own 51% of the voting power of New PubCo and 51% of the economic interests in HoldCo, with former securityholders of WWE effectively owning 49% of economic interests in HoldCo, 49% of the voting power of New PubCo and 100% of the economic ownership of New PubCo, in each case on a fully diluted basis.

The various transactions set forth in the Transaction Agreement (the "Transactions") are expected to close in the second half of 2023, subject to satisfaction or waiver of certain customary conditions. The consummation of the Transactions is not subject to a financing condition.

During the three months ended March 31, 2023, the Company incurred $6,680 of legal and professional fees associated with our strategic alternatives review and the Transaction Agreement.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

You should read the following discussion in conjunction with the consolidated financial statements and related notes included elsewhere in this report.

Our operations are organized around the following principal activities:

Media:

- The Media segment reflects the production and monetization of long-form and short-form video content across various platforms, including broadcast and pay television, streaming, as well as digital and social media. Across these platforms, revenues principally consist of content rights fees associated with the distribution of our programming content, subscriptions to WWE Network, and advertising and sponsorships.

Live Events:

- Live events provide ongoing content for our media platforms. Live Event segment revenues consist primarily of ticket sales, as well as revenues from events for which we receive a fixed fee and the sale of travel packages associated with the Company's global live events.

Consumer Products:

- The Consumer Products segment engages in the merchandising of WWE branded products, such as video games, toys and apparel, through licensing arrangements and direct-to-consumer sales. Revenues principally consist of royalties and licensee fees related to WWE branded products, and sales of merchandise distributed at our live events and through eCommerce platforms. Beginning July 2022, we launched an exclusive, multi-year partnership with Fanatics to create a new, enhanced experience for WWE fans globally, and transitioned our digital retail platform to Fanatics.

Results of Operations

The Company presents Adjusted OIBDA as the primary measure of segment profit (loss). The Company defines Adjusted OIBDA as operating income before depreciation and amortization, excluding stock-based compensation, certain impairment charges and other non-recurring items that management deems would impact the comparability of results between periods. Adjusted OIBDA includes depreciation and amortization expenses directly related to supporting the operations of our segments, including content production asset amortization, depreciation and amortization of costs related to content delivery and technology assets utilized for WWE Network, as well as amortization of right-of-use assets related to finance leases of equipment used to produce and broadcast our live events. The Company believes the presentation of Adjusted OIBDA is relevant and useful for investors because it allows investors to view our segment performance in the same manner as the primary method used by management to evaluate segment performance and make decisions about allocating resources. Additionally, we believe that Adjusted OIBDA is a primary measure used by media investors, analysts and peers for comparative purposes.

Adjusted OIBDA is a non-GAAP financial measure and may be different than similarly titled non-GAAP financial measures used by other companies. A limitation of Adjusted OIBDA is that it excludes depreciation and amortization, which represents the periodic charge for certain fixed assets and intangible assets used in our business. Additionally, Adjusted OIBDA excludes stock-based compensation, a non-cash expense that may vary between periods with limited correlation to underlying operating performance, as well as other non-recurring items that management deems would impact the comparability of results between periods. Adjusted OIBDA should not be regarded as an alternative to operating income or net income as an indicator of operating performance, or to the statement of cash flows as a measure of liquidity, nor should it be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA.

Unallocated corporate general and administrative expenses largely relate to corporate functions such as finance, investor relations, community relations, corporate communications, information technology, legal, facilities, human resources and our Board of Directors. These unallocated corporate general and administrative expenses will be shown, as applicable, as a reconciling item in tables where segment and consolidated results are both shown.

Summary

On April 2, 2023, the Company entered into a Transaction Agreement (the "Transaction Agreement"), by and among the Company, Endeavor, and various other WWE and Endeavor subsidiaries, pursuant to which, among other things, WWE and Endeavor agreed to combine the businesses of WWE and Zuffa Parent, LLC ("HoldCo"), a wholly owned subsidiary of Endeavor which owns and operates the Ultimate Fighting Championship ("UFC"), which combined business will be managed by a new publicly traded company ("New PubCo"). Upon closing, among other things, Endeavor and its subsidiaries are expected to collectively own 51% of the voting power of New PubCo and 51% of the economic interests in HoldCo, with former securityholders of WWE effectively owning 49% of the economic interests in HoldCo, 49% of the voting power of New PubCo and 100% of the economic ownership of New PubCo, in each case on a fully diluted basis. The various transactions set forth in the Transaction Agreement (the "Transactions") are expected to close in the second half of 2023, subject to satisfaction or waiver of certain customary conditions. The consummation of the Transactions is not subject to a financing condition. Additionally, please refer to Part II, Item 1A, *Risk Factors*, which provides a discussion of risk factors related to the Transaction Agreement and the Transactions.

Three Months Ended March 31, 2023 compared to Three Months Ended March 31, 2022
(dollars in millions, except where noted)

The following tables present our consolidated results followed by our Adjusted OIBDA results:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Increase (decrease)
Net revenues			
Media	$ 225.7	$ 278.1	(19)%
Live Events	32.6	23.1	41 %
Consumer Products	39.3	32.2	22 %
Total net revenues (1)	297.6	333.4	(11)%
Operating expenses			
Media	135.2	142.4	(5)%
Live Events	23.6	18.7	26 %
Consumer Products	16.8	19.6	(14)%
Total operating expenses (2)	175.6	180.7	(3)%
Marketing and selling expenses			
Media	12.5	14.7	(15)%
Live Events	2.8	2.4	17 %
Consumer Products	1.1	1.3	(15)%
Total marketing and selling expenses	16.4	18.4	(11)%
General and administrative expenses (3)	43.5	32.2	35 %
Depreciation and amortization	9.0	9.7	(7)%
Operating income	53.1	92.4	(43)%
Interest expense	4.3	6.3	(32)%
Other income, net	2.5	0.3	733 %
Income before income taxes	51.3	86.4	(41)%
Provision for income taxes	14.6	20.3	(28)%
Net income	$ 36.7	$ 66.1	(44)%

(1) Our consolidated net revenues decreased by $35.8 million, or 11%, in the current year quarter as compared to the prior year quarter. This decrease was driven by the timing of a large-scale international event which occurred in the prior year quarter, partially offset by $14.5 million of increased ticket and merchandise sales at our live events. The current year quarter also includes $8.1 million in incremental revenues associated with our key content distribution agreements. For further analysis, refer to Management's Discussion and Analysis of our business segments.

(2) Our consolidated operating expenses decreased by $5.1 million, or 3%, in the current year quarter as compared to the prior year quarter. This decrease was primarily driven by the timing of a large-scale international event. The current year quarter also includes a reduction of $7.5 million of production-related costs associated with the timing of third-party original programming as well as $4.1 million of lower variable costs driven by the transition of our digital retail platforms. These declines were partially offset by $10.5 million of higher production-related costs within our Media segment associated with the creation of the Company's weekly, in-ring content and premium live event programming. The current year quarter also includes $5.7 million of higher stock-based compensation expenses as well as $4.5 million of higher event-related costs within our Live Events segment. For further analysis, refer to Management's Discussion and Analysis of our business segments.

(3) Our consolidated general and administrative expenses increased by $11.3 million, or 35%, in the current year quarter as compared to the prior year quarter. The increase was primarily driven by $10.6 million of additional legal and professional fees, including $6.7 million of costs associated with the Company's strategic alternatives review and recently announced Transaction Agreement with Endeavor, as well as $4.1 million of costs associated with the investigation by the Special Committee of independent members of the Company's Board of Directors and

expenses paid by Mr. McMahon for plaintiffs' attorneys' fees in connection with a shareholder lawsuit that was mooted. For further analysis, refer to Management's Discussion and Analysis of our business segments.

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2023		2023 % of Rev	2022		2022 % of Rev
Operating income	$	53.1	18 %	$	92.4	28 %
Depreciation and amortization		9.0	3 %		9.7	3 %
Stock-based compensation		13.7	5 %		9.6	3 %
Other adjustments (1)		8.4	3 %		—	— %
Adjusted OIBDA	$	84.2	28 %	$	111.7	34 %

(1) Other adjustments in the current year quarter include $6.7 million of legal and professional fees associated with the Company's strategic alternatives review and recently announced Transaction Agreement with Endeavor, as well as $1.7 million of expenses paid by Mr. McMahon for plaintiffs' attorneys' fees in connection with a shareholder lawsuit that was mooted and other costs associated with the investigation by the Special Committee of members of the Company's Board of Directors.

Adjusted OIBDA	Three Months Ended March 31, 2023		2022		Increase (decrease)
Media	$	87.8	$	128.2	(32)%
Live Events		7.0		2.8	150 %
Consumer Products		22.2		11.9	87 %
Corporate		(32.8)		(31.2)	(5)%
Total Adjusted OIBDA	$	84.2	$	111.7	(25)%

Media

The following tables present the performance results and key drivers for our Media segment:

Net Revenues	Three Months Ended March 31, 2023		2022		Increase (decrease)
Network (including pay-per-view) (1)	$	51.4	$	58.7	(12)%
Core content rights fees (2)		153.9		139.1	11 %
Advertising and sponsorship (3)		15.6		19.8	(21)%
Other (4)		4.8		60.5	(92)%
Total net revenues	$	225.7	$	278.1	(19) %

(1) Network revenues consist primarily of license fees from the global distribution of WWE Network content associated with our licensed partner agreements.

(2) Core content rights fees consist primarily of licensing revenues from the distribution of our flagship programs, *RAW* and *SmackDown*, as well as our *NXT* programming, through global broadcast, pay television and digital platforms.

(3) Advertising and sponsorships revenues within our Media segment consist primarily of advertising revenues from the Company's content on third-party social media platforms and sponsorship fees from sponsors who promote their products utilizing the Company's media platforms, including promotion on the Company's digital websites and on-air promotional media spots.

(4) Other revenues within our Media segment reflect revenues from the distribution of other WWE content, including, but not limited to, certain live in-ring programming content in international markets, scripted, reality and other programming.

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2023		2022	
		% of Rev		% of Rev
Operating income	$ 73.6	33 %	$ 117.4	42 %
Depreciation and amortization	4.4	2 %	3.6	1 %
Stock-based compensation	9.8	4 %	7.2	3 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 87.8	39 %	$ 128.2	46 %

Media net revenues decreased by $52.4 million, or 19%, in the current year quarter as compared to the prior year quarter. This decrease was driven by the decline in other revenues within the Media segment of $55.7 million, driven primarily by the timing of a large-scale international event which occurred in the prior year quarter. Our Network revenues declined by $7.3 million, or 12%, driven primarily by the timing of our premium live events. These reductions were partially offset by an increase in our core content rights fees of $14.8 million, or 11%, driven primarily by the contractual escalations of our key domestic distribution agreements for our flagship programs, *Raw* and *SmackDown*.

Media Adjusted OIBDA as a percentage of revenues decreased in the current year quarter as compared to the prior year quarter. This decrease was primarily driven by the timing of a large-scale international event coupled with $10.5 million of higher production-related costs associated with the creation of the Company's weekly and premium live event content. These declines were partially offset by $8.1 million in incremental revenues associated with our key content distribution agreements.

Live Events

The following tables present the performance results and key drivers for our Live Events segment:

	Three Months Ended March 31, 2023	2022	Increase (decrease)
Net Revenues			
North American ticket sales	$ 30.2	$ 19.9	52%
International ticket sales	—	—	—%
Advertising and sponsorship (1)	1.0	1.1	(9)%
Other (2)	1.4	2.1	(33) %
Total net revenues	$ 32.6	$ 23.1	41 %
Operating Metrics (3)			
Total live event attendance	392,700	296,800	32%
Number of North American events	50	52	(4)%
Average North American attendance	7,850	5,710	37%
Average North American ticket price (dollars)	$ 74.52	$ 67.00	11%
Number of international events	—	1	(100)%
Average international attendance	—	—	—%
Average international ticket price (dollars)	$ —	$ —	—%

(1) Advertising and sponsorships revenues within our Live Events segment primarily consists of fees from advertisers and sponsors who promote their products utilizing the Company's live events (i.e., presenting sponsor of fan engagement events and advertising signage at the event).

(2) Other revenues within our Live Events segment primarily consists of the sale of travel packages associated with the Company's global live events, as well as revenues from events for which the Company receives a fixed fee.

(3) Metrics exclude the events for our developmental NXT brands that typically conduct their events in smaller venues with lower ticket prices.

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2023	% of Rev	2022	% of Rev
Operating income	$ 6.1	19 %	$ 2.0	9%
Depreciation and amortization	—	— %	—	— %
Stock-based compensation	0.9	3 %	0.8	3 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 7.0	21 %	$ 2.8	12%

Live Events net revenues, which include revenues from ticket sales and travel packages, increased by $9.5 million, or 41%, in the current year quarter as compared to the prior year quarter. Revenues from our North American ticket sales increased by $10.3 million, or 52%, due to the impact of a 37% increase in average attendance coupled with an 11% in average ticket prices.

Live Events Adjusted OIBDA as a percentage of revenues increased in the current year quarter as compared to the prior year quarter. This increase was driven by the increase in ticket sales, as discussed above, partially offset by $5.3 million of increased event-related costs resulting from a change in venue mix.

Consumer Products

The following tables present the performance results and key drivers for our Consumer Products segment:

Net Revenues	Three Months Ended March 31, 2023	2022	Increase (decrease)
Consumer product licensing	$ 26.8	$ 20.0	34 %
eCommerce	3.8	7.7	(51)%
Venue merchandise	8.7	4.5	93 %
Total net revenues	$ 39.3	$ 32.2	22 %

Reconciliation of Operating Income to Adjusted OIBDA	Three Months Ended March 31, 2023	% of Rev	2022	% of Rev
Operating income	$ 21.4	54 %	$ 11.2	35 %
Depreciation and amortization	0.1	0 %	0.1	0 %
Stock-based compensation	0.7	2 %	0.6	2 %
Other adjustments	—	— %	—	— %
Adjusted OIBDA	$ 22.2	56 %	$ 11.9	37 %

Consumer Products net revenues increased by $7.1 million, or 22%, in the current year quarter as compared to the prior year quarter. This increase was primarily driven by incremental consumer product licensing revenues of $6.8 million, or 34%, primarily due to the early termination of an agreement for our licensed collectibles. Venue merchandise revenues increased by $4.2 million, or 93%, resulting from the impact of a 37% increase in average attendance. These increases were partially offset by eCommerce declines of $3.9 million, or 51%, primarily driven by the impact of the July 2022 transition of our digital retail platforms.

Consumer Products Adjusted OIBDA as a percentage of revenues increased in the current year quarter as compared to the prior year quarter. This increase was driven by increased revenues, as discussed above.

Corporate

Unallocated corporate general and administrative expenses largely relate to corporate administrative functions, including finance, investor relations, community relations, corporate communications, information technology, legal, facilities, human resources and our Board of Directors. The Company does not allocate these general and administrative expenses to its business segments.

Reconciliation of Operating Loss to Adjusted OIBDA	Three Months Ended March 31, 2023	% of Rev	2022	% of Rev
Operating loss	$ (48.0)	(16)%	$ (38.2)	(11)%
Depreciation and amortization	4.5	2 %	6.0	2 %
Stock-based compensation	2.3	1 %	1.0	0 %
Other adjustments (1)	8.4	3 %	—	— %
Adjusted OIBDA	$ (32.8)	(11)%	$ (31.2)	(9)%

(1) Other adjustments in the current year quarter include $6.7 million of legal and professional fees associated with the Company's strategic alternatives review and recently announced Transaction Agreement with Endeavor, as well as $1.7 million of expenses paid by Mr. McMahon for plaintiffs' attorneys' fees in connection with a shareholder lawsuit that was mooted and other costs associated with the investigation by the Special Committee of members of the Company's Board of Directors.

Corporate Adjusted OIBDA decreased by $1.6 million, or 5%, in the current year quarter as compared to the prior year quarter. This decrease was primarily driven by $2.6 million of additional staff-related costs.

Depreciation and Amortization

	Three Months Ended March 31, 2023	2022	Increase (decrease)
Depreciation and amortization	$ 9.0	$ 9.7	(7) %

Depreciation and amortization expense declined by $0.7 million, or 7%, in the current year quarter as compared to the prior year quarter. This decline was driven by the impact of prior period capital expenditures that have fully depreciated.

Interest Expense

	Three Months Ended March 31, 2023	2022	Increase (decrease)
Interest expense	$ 4.3	$ 6.3	(32)%

Interest expense relates primarily to interest and amortization associated with our convertible notes, our real estate and equipment finance leases, the revolving credit facility and mortgage. The decrease in the current year quarter as compared to the prior year quarter was driven by the impact of capitalized interest associated with the Company's projects in progress.

Other Income, Net

	Three Months Ended March 31, 2023	2022	Increase (decrease)
Other income, net	$ 2.5	$ 0.3	733%

Other income, net is comprised of interest income, gains and losses recorded on our equity investments, realized translation gains and losses, and rental income. The increase in the current year quarter as compared to the prior year quarter was primarily driven by a $2.9 million increase in interest income associated with our short-term investments.

Income Taxes

	Three Months Ended March 31, 2023	2022	Increase (decrease)
Provision for income taxes	$ 14.6	$ 20.3	(28) %
Effective tax rate	29 %	24 %	

The effective tax rate increased in the current year quarter as compared to the prior year quarter. This increase was primarily driven by the establishment of a valuation allowance against the foreign tax credits generated that will not be fully utilized during 2023.

Liquidity and Capital Resources

We had cash and cash equivalents and short-term investments of $465.3 million and $478.7 million as of March 31, 2023 and December 31, 2022, respectively. Our short-term investments consist primarily of U.S. Treasury securities, corporate bonds and government agency bonds. Our debt balance totaled $235.5 million and $235.4 million as of March 31, 2023 and December 31, 2022, respectively, and includes the carrying value of $214.3 million and $214.1 million related to our convertible senior notes due December 15, 2023 as of March 31, 2023 and December 31, 2022, respectively.

We believe that our existing cash and cash equivalents and short-term investment balances, along with cash generated from operations, will be sufficient to meet our ongoing operating requirements for at least the next twelve months, inclusive of transaction costs, dividend payments, debt service, content production activities, planned capital expenditures and for any discretionary repurchase of shares of our common stock under our share repurchase program, as described below. The Company also has available capacity of $200.0 million under its Revolving Credit Facility, as defined below.

As previously discussed, on April 2, 2023, the Company entered into a Transaction Agreement by and among the Company, Endeavor, and various other WWE and Endeavor subsidiaries, pursuant to which, among other things, WWE and Endeavor agreed to combine the businesses of WWE and UFC, which combined business will be managed by a new publicly traded company. The Company has incurred and will continue to incur other significant costs, expenses and fees for professional services and other transaction costs in connection with the Transactions. Refer to Part II, Item 1A, *Risk Factors*, which provides a discussion of risk factors related to the Transactions.

The Company estimates that total capital expenditures related to the Company's new headquarter facility, for which construction will be completed in 2023, will be approximately $290 million to $310 million in the aggregate, partially offset by tenant improvement allowances, tax credits and proceeds from the sale of other real estate assets. Excluding these items, the total net cost of the Company's new headquarter is estimated within a range of $180 million to $190 million. The Company expects total capital expenditures will return to approximately 4% to 5% of revenues once construction of the Company's new headquarter has been completed.

In February 2019, the Company's Board of Directors authorized a stock repurchase program of up to $500.0 million of our common stock. Repurchases may be made from time to time at management's discretion subject to certain pre-approved parameters and in accordance with all applicable securities and other laws and regulations. The extent to which WWE repurchases its shares, and the timing of such repurchases, will depend upon a variety of factors, including liquidity, capital needs of the business, market conditions, regulatory requirements and other corporate considerations. Repurchases under this program may be funded by one or a combination of existing cash balances and free cash flow. The stock repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares, and may be modified, suspended or discontinued at any time. The Company suspended the stock repurchase program during the second quarter of 2022 and, as a result of the Transaction Agreement, currently has no plans to resume the program.

As it relates to our Convertible Notes (defined below), which pursuant to the terms are currently convertible, we believe that if note holders elect to convert their notes prior to maturity on December 15, 2023, the Company has sufficient means to settle the Convertible Notes using any combination of existing or new liquidity or through the issuance of shares.

Debt Summary and Borrowing Capacity

The Company has $215.0 million aggregate principal amount of 3.375% convertible senior notes (the "Convertible Notes") due December 15, 2023. Refer to Note 13, *Convertible Debt*, and Note 5, *Earnings Per Share*, in the Notes to Consolidated Financial Statements for further information on the Convertible Notes, including the dilutive nature of the Convertible Notes.

In May 2019, the Company entered into an amended and restated $200.0 million senior unsecured revolving credit facility with a syndicated group of banks, with JPMorgan Chase Bank, N.A. acting as Administrative Agent (the "Revolving Credit Facility"). The Revolving Credit Facility has a maturity date of May 24, 2024. As of March 31, 2023, the Company was in compliance with the provisions of our Revolving Credit Facility, there were no amounts outstanding, and the Company had available capacity under the terms of the facility of $200.0 million.

In September 2016, the Company acquired land and a building located in Stamford, Connecticut adjacent to our production facility. In connection with the acquisition, we assumed future obligations under a loan agreement, in the principal amount of $23.0 million, which loan is secured by a mortgage on the property. Pursuant to the loan agreement, the assets of WWE Real Estate, a subsidiary of the Company, represent collateral for the underlying mortgage, therefore these assets will not be available to satisfy debts and obligations due to any other creditors of the Company. As of March 31, 2023 and December 31, 2022, the amounts outstanding of the mortgage were $21.2 million and $21.3 million, respectively.

Cash Flows from Operating Activities

Cash generated from operating activities was $12.6 million in the three months ended March 31, 2023, as compared to $93.8 million for the corresponding period in the prior year. The $81.2 million decrease in the current year period was primarily driven by working capital requirements and the timing of a large-scale international event.

In the current year period, we spent $3.1 million on content production activities, including *WWE's Most Wanted Treasures, A&E: Biography*, and various programs for WWE Network, as compared to $11.7 million in the prior year period. We anticipate spending approximately $10 million to $20 million on content production activities during the remainder of the current year. We received content production incentives of $4.0 million in the current year period, as compared to $2.7 million received in the prior year period. We anticipate receiving approximately $15 million to $20 million of content production related incentives during the remainder of the year.

Our accounts receivable represents a significant portion of our current assets and relate principally to a limited number of distributors and licensees. At March 31, 2023, our largest receivable balance from customers was 11% of our gross accounts receivable. Changes in the financial condition or operations of our distributors, customers or licensees may result in delayed payments or non-payments which would adversely impact our cash flows from operating activities and/or our results of operations. We believe credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company's major customers.

Cash Flows from Investing Activities

Cash used in investing activities was $41.4 million in the three months ended March 31, 2023, as compared to $84.0 million in the prior year period. During the current year period, we purchased $81.2 million of new short-term investments and received proceeds from the maturities of these investments of $73.0 million, as compared to purchases of $111.6 million and proceeds of $47.4 million in the prior year period. Capital expenditures increased by $9.1 million in the current year period, including an additional $16.5 million related to construction activity on the Company's global headquarter space in Stamford, Connecticut. Capital expenditures for the remainder of the current year are estimated to range between $120 million and $140 million, with a large portion of this spend associated with the Company's global headquarter, as previously discussed. In the prior year period, the Company received tax credits of $4.3 million relating to our infrastructure improvements in conjunction with qualified capital projects to support our increased content production efforts.

Cash Flows from Financing Activities

Cash provided by financing activities was $6.2 million for the three months ended March 31, 2023, as compared to cash used of $39.0 million in the prior year period. In the current year period, the Company received contributions of $17.4 million from our controlling stockholder to reimburse the Company for the costs that have been incurred and paid by the Company in connection with and/or arising from the investigation conducted by a Special Committee of the Company's Board of Directors. In the prior year period, the Company paid $30.0 million for stock repurchases under its approved stock repurchase program. Additionally, the Company made dividend payments of $8.9 million and $8.9 million during the three months ended March 31, 2023 and 2022, respectively.

Contractual Obligations

Other than for obligations in the ordinary course of business, there have been no significant changes to our contractual obligations that were previously disclosed in our Report on Form 10-K for the fiscal year ended December 31, 2022.

Application of Critical Accounting Policies

There have been no significant changes to our critical accounting policies that were previously disclosed in our Report on Form 10-K for our fiscal year ended December 31, 2022 or in the methodology used in formulating these significant judgments and estimates that affect the application of these policies.

Recent Accounting Pronouncements

The information set forth under Note 2 to the Consolidated Financial Statements under the caption *"Recent Accounting Pronouncements"* is incorporated herein by reference.

Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995

This Form 10-Q contains, and oral statements made from time to time by our representatives may contain, forward-looking statements pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Forward looking statements include, without limitations, statements relating to our outlook regarding future financial results, the impact of recent changes to management and our board of directors (the "Board"); the timing and outcome of the Company's media and other rights negotiations including major domestic programming licenses expected to be negotiated in 2023; the pending business combination with UFC; our plans to remediate identified material weaknesses in our disclosure control and procedures and our internal control over financial reporting; and regulatory, investigative or enforcement inquiries, subpoenas or demands arising from, related to, or in connection with these matters. The words "may," "will," "could," "anticipate," "plan," "continue," "project," "intend," "estimate," "believe," "expect," "outlook," "target," "goal," "guidance" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words. These statements relate to future possible events, as well as our plans, objectives, expectations and intentions and are not historical facts and accordingly involve known and unknown risks and uncertainties and other factors that may cause the actual results or the performance by us to be materially different from expected future results or performance expressed or implied by any forward-looking statements.

These forward-looking statements are subject to uncertainties relating to, without limitation, the impact of actions by Mr. McMahon (who has a controlling interest in the Company due to his ownership of a substantial majority of our Class B common stock and whose interests could conflict with those of our Class A common stockholders), as well as the consummation of the pending business combination with UFC in the expected timeline or at all, in each case which could have adverse financial and operational impacts.

The following additional factors, among others, could cause actual results to differ materially from those contained in forward-looking statements: diversion of management's time and attention due to the pending business combination with UFC; the possibility that neither WWE nor Endeavor will have sufficient cash at close to distribute to shareholders of the new public company (or that the amount of cash available for distribution will be less than what the parties expected); COVID-19, which may continue to affect negatively world economies as well as our industry, business and results of operations; a rapidly evolving and highly competitive media landscape; WWE Network; computer systems, content delivery and online operations of our Company and our business partners; privacy norms and regulations; our need to continue to develop creative and entertaining programs and events; our need to retain and continue to recruit key performers; the possibility of a decline in the popularity of our brand of sports entertainment; possible adverse changes in the regulatory atmosphere and related private sector initiatives; the highly competitive, rapidly changing and increasingly fragmented nature of the markets in which we operate and/or our inability to compete effectively, especially against competitors with greater financial resources or marketplace presence; uncertainties associated with international markets including possible disruptions and reputational risks; our difficulty or inability to promote and conduct our live events and/or other businesses if we do not comply with applicable regulations; our dependence on our intellectual property rights, our need to protect those rights, and the risks of our infringement of others' intellectual property rights; potential substantial liability in the event of accidents or injuries occurring during our physically demanding events; large public events as well as travel to and from such events; our expansion into new or complementary businesses, strategic investments and/or acquisitions; our accounts receivable; the construction and move to our new leased corporate and media production headquarters; litigation and other actions, investigations or proceedings; a change in the tax laws of key jurisdictions; inflationary pressures and interest rate changes; our indebtedness including our convertible notes; our potential failure to meet market expectations for our financial performance; our share repurchase program; a substantial number of shares are eligible for sale by the McMahons and the sale, or the perception of possible sales, of those shares could cause our stock price to decline; and the volatility in trading prices of our Class A common stock. In addition, our dividend and share repurchases are dependent on a number of factors, including, among other things, our liquidity and historical and projected cash flow, strategic plan (including alternative uses of capital), our financial results and condition, contractual and legal restrictions, general economic and competitive conditions and such other factors as our Board may consider relevant.

Forward-looking statements made by the Company speak only as of the date made and are subject to change without any obligation on the part of the Company to update or revise them. Undue reliance should not be placed on these statements. For more information about risks and uncertainties associated with the Company's business and our forward-looking statements, please refer to the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in this Form 10-Q and our other SEC filings.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

There have been no significant changes to our market risk factors that were previously disclosed in our Report on Form 10-K for our fiscal year ended December 31, 2022.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. As a result of the material weaknesses in our internal control over financial reporting, as previously disclosed under Part II, "Item 9A, Controls and Procedures" in our Annual Report on Form 10-K for the year ended December 31, 2022, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective as of March 31, 2023.

Notwithstanding the ineffective disclosure controls and procedures as a result of the identified material weaknesses, our Chief Executive Officer and Chief Financial Officer have concluded that the consolidated financial statements as issued in this Quarterly Report on Form 10-Q present fairly, in all material respects, the Company's financial position, results of operations and cash flows in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Remediation Plan and Status

Although the material weaknesses previously disclosed have not yet been fully remediated as of March 31, 2023, our management is committed to remediating identified control deficiencies (including both those that rise to the level of a material weakness and those that do not), fostering continuous improvement in our internal controls and enhancing our overall internal controls environment. Our management believes that these actions, when fully implemented, will remediate the material weaknesses we have identified and strengthen our internal control over financial reporting. Our remediation efforts are ongoing and additional initiatives may be necessary.

Remediation of the identified material weaknesses and strengthening our internal control environment will require a substantial effort. We will test the ongoing operating effectiveness of the new and existing controls in future periods. The material weaknesses cannot be considered completely remediated until the applicable controls have operated for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

While we believe the steps planned will remediate the effectiveness of our internal control over financial reporting, we have not completed all of our planned remediation efforts. Accordingly, as we continue to monitor the effectiveness of our internal control over financial reporting in the areas affected by the material weaknesses previously disclosed, we have and will continue to perform additional procedures prescribed by management, including the use of manual mitigating control procedures and employing additional tools and resources, to ensure that our consolidated financial statements are fairly stated in all material respects.

Changes in Internal Control Over Financial Reporting

Other than measures taken in response to the material weaknesses previously disclosed, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information with respect to this item may be found in Note 18, *Commitments and Contingencies*, to the Consolidated Financial Statements.

Item 1A. *Risk Factors*

We do not believe there have been any material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, except as described below.

Risks Related to the Transactions

The announcement and pendency of the Transactions may result in disruptions to our business.

On April 2, 2023, we entered into the Transaction Agreement with Endeavor and various other WWE and Endeavor subsidiaries, pursuant to which, among other things, WWE and Endeavor agreed to combine the businesses of WWE and HoldCo, which owns and operates the UFC. The Transaction Agreement generally requires us to operate our business in the ordinary course pending consummation of the Transactions and restricts us, without Endeavor's consent, from taking certain specified actions until the

Transactions are completed. These restrictions may affect our ability to execute our business strategies and attain financial and other goals and may impact our financial condition, results of operations and cash flows.

Further, in connection with the Transactions, our current and prospective employees may experience uncertainty about their future roles with us following the Transactions, which may materially adversely affect our ability to attract and retain key personnel while the Transactions are pending. Key employees may depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with us following the Transactions, and may depart prior to the consummation of the Transactions. Accordingly, no assurance can be given that we will be able to attract and retain key employees to the same extent that we have been able to in the past.

The Transactions further could cause disruptions to our business or business relationships, which could have an adverse impact on our results of operations. Parties with which we have business relationships may experience uncertainty as to the future of such relationships and may delay or defer certain business decisions, seek alternative relationships with third parties or seek to alter their present business relationships with us. Parties with whom we otherwise may have sought to establish business relationships may seek alternative relationships with third parties.

The pursuit of the Transactions may place a significant burden on management and internal resources. It may also divert management's time and attention from the day-to-day operation of our remaining businesses and the execution of our other strategic initiatives. This could adversely affect our financial results. In addition, we have incurred and will continue to incur other significant costs, expenses and fees for professional services and other transaction costs in connection with the Transactions, and many of these fees and costs are payable regardless of whether or not the Transactions are consummated.

Any of the foregoing could adversely affect our business, our financial condition and our results of operations and prospects.

The Transactions may not be completed within the intended timeframe, or at all, and the failure to complete the Transactions could adversely affect our business, results of operations, financial condition, and the market price of our common stock.

There can be no assurance that the Transactions will be completed in the intended timeframe, or at all. The Transaction Agreement contains a number of conditions that must be satisfied or waived prior to the completion of the Merger, including, among others, (i) the affirmative vote of holders of a majority of the voting power of the Class A common stock in favor of adopting the Transaction Agreement (which was satisfied on April 2, 2023 upon the delivery of a written consent by Mr. McMahon), (ii) the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (iii) obtaining other applicable regulatory approvals, (iv) the absence of any order or legal requirement that enjoins, restrains or otherwise prevents the consummation of the Transactions, (v) the effectiveness of New PubCo's registration statement on Form S-4 and the absence of any stop order or other proceeding that suspends or otherwise threatens such effectiveness, (vi) the registration, and the authorization for listing on the NYSE, of New PubCo Class A common stock, (vii) the consummation of an internal reorganization of WWE and (viii) delivery by Endeavor to us of certain required audited financial statements of HoldCo, and the operating level of operating income reflected in such financial statements to be no less than 92.5% of the operating income reflects in unaudited financial statements of HoldCo previously provided to us. There can be no assurance that all required approvals will be obtained or that all closing conditions will otherwise be satisfied (or waived, if applicable), and, if all required approvals are obtained and all closing conditions are satisfied (or waived, if applicable), we can provide no assurance as to the terms, conditions and timing of such approvals or that the Transactions will be completed in a timely manner or at all. Many of the conditions to completion of the Transactions are not within our control, and we cannot predict when or if these conditions will be satisfied (or waived, as applicable). Even if regulatory approval is obtained, it is possible conditions will be imposed that could result in a material delay in, or the abandonment of, the Transactions or otherwise have an adverse effect on us.

If the Transactions are not completed within the intended timeframe or at all, we may be subject to a number of material risks. The price of our Class A common stock may decline to the extent that current market prices reflect a market assumption that the Transactions will be completed. In addition, some costs related to the Transactions must be paid whether or not the Transactions are completed, and we have incurred, and will continue to incur, significant costs, expenses and fees for professional services and other transaction costs in connection with the Transaction, as well as the diversion of management and resources towards the Transactions, for which we will have received little or no benefit if completion of the Transactions does not occur. We may also experience negative reactions from our investors, customers, partners, suppliers, and employees.

Stockholder litigation could prevent or delay the closing of the Transactions or otherwise negatively impact our business, operating results and financial condition.

We may incur additional costs in connection with the defense or settlement of any future stockholder litigation in connection with the pending Transactions. Such litigation may adversely affect our ability to complete the Transactions. We could incur significant costs in connection with any such litigation, including costs associated with the indemnification of obligations to our directors.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

The following table presents information with respect to purchases of common stock of the Company made during the three months ended March 31, 2023 pursuant to the Company's authorized share repurchase program:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value that May Yet Be Purchased Under the Program (1)
January 1, 2023 to January 31, 2023	—	—	—	210,923,524
February 1, 2023 to February 28, 2023	—	—	—	210,923,524
March 1, 2023 to March 31, 2023	—	—	—	210,923,524
Total	—	$ —	—	$ 210,923,524

(1) In February 2019, the Company's Board of Directors authorized a stock repurchase program of up to $500.0 million of our common stock. Repurchases may be made from time to time at management's discretion subject to certain pre-approved parameters and in accordance with all applicable securities and other laws and regulations. The stock repurchase program does not obligate the Company to repurchase any minimum dollar amount or number of shares, has no pre-established termination date and may be modified, suspended or discontinued at any time. The Company suspended the stock repurchase program during the second quarter of 2022 and, as a result of the Transaction Agreement, currently has no plans to resume the program. Since the program's inception, the Company has repurchased approximately 5.3 million shares of common stock in the open market for an aggregate amount of $289.1 million. All repurchased shares were subsequently retired.

Item 6. ***Exhibits***

(a) **Exhibits**:

Exhibit No.	Description of Exhibit
2.1	Transaction Agreement, dated April 2, 2023, by and among Endeavor Group Holdings, Inc., Endeavor Operating Company, LLC, Zuffa Parent, LLC, World Wrestling Entertainment, Inc., New Whale Inc., and Whale Merger Sub Inc. (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K, filed April 3, 2023).
10.1	Reimbursement Agreement with Vincent K. McMahon, effective as of March 20, 2023 (filed herewith).
10.2*	First Amendment to the Second Amended and Restated Employment Agreement with Nick Khan, dated March 29, 2023 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, filed March 31, 2023).
10.3*	Employment Agreement with Vincent K. McMahon, dated March 29, 2023 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, filed March 31, 2023).
10.4*	Offer Letter, dated March 11, 2022, between World Wrestling Entertainment, Inc. and Suzette Ramirez-Carr (filed herewith).
10.5*	Change in Control Letter Agreement between World Wrestling Entertainment, Inc. and Suzette Ramirez-Carr, effective as of December 27, 2022 (filed herewith).
31.1	Certification by Nick Khan pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification by Frank A. Riddick III pursuant to Section 302 of Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification by Nick Khan and Frank A. Riddick III pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

World Wrestling Entertainment, Inc.
(Registrant)

Dated: May 3, 2023

By: /s/ FRANK A. RIDDICK III
Frank A. Riddick III
President & Chief Financial Officer
(principal financial officer and authorized signatory)

By: /s/ KAREN MULLANE
Karen Mullane
Chief Accounting Officer

(principal accounting officer and authorized signatory)

World Wrestling Entertainment, Inc.
1241 East Main Street
Stamford, CT 06902

March 20, 2023

Vincent K. McMahon Executive Chairman
World Wrestling Entertainment, Inc. 1241 East Main Street
Stamford, CT 06902

Re: Reimbursement of Investigation Expenses

Dear Vince:

This letter sets forth the terms of certain agreements between you and World Wrestling Entertainment, Inc., a Delaware corporation (the *"Company"),* subject to your acceptance of the terms and execution of this letter agreement (the *"Agreement").*

1. *Reimbursement of Costs Incurred by the Company.* You hereby agree to make a payment to the Company in *the* amount of $17,405,000, to reimburse the Company for the costs that have been incurred and paid by the Company and/or its subsidiaries, through January 31, 2023, in connection with and/or arising from the Covered Matters, as set forth in reasonable detail in a schedule to be provided to you by the Company. Such payment shall be made in cash in immediately available funds by check or wire transfer to the Company's Account within sixty (60) days after the date of this Agreement.

2. *Future Costs.* To the extent there are additional costs incurred by the Company and/or its subsidiaries subsequent to January 31, 2023 (or that have been incurred by the Company and/or its subsidiaries and not yet paid as of January 31, 2023), in connection with and/or arising from the Covered Matters, you agree to review such costs in good faith and to reimburse the Company for such additional costs if no good faith basis exists to dispute such costs.

3. *The Company's Release as to You.* The Company, including but not limited to its Affiliates to the extent acting by or at its direction, hereby unconditionally, irrevocably, fully and forever waives, releases and discharges you from any and all claims, demands, damages, actions and causes of action, of every nature, whether based upon tort, contract, misrepresentation, breach of fiduciary duty, aiding and abetting, or any other theory of liability or recovery, to the extent based on or seeking to recover (i) the costs described in Section 1 above in the total amount of $17,405,000 that have been incurred and paid by the Company and/or its subsidiaries through January 31, 2023, and (ii) any costs not included in Section 1 above that are accrued or paid after January 31, 2023, and for which you reimburse the Company.

4. *Release by You as to the Company.* You, on your own behalf and on behalf of all others who may have or purport to have the right to assert claims on your behalf, including but not limited to your Affiliates to the extent acting by or at your direction (collectively, the *"Releasing Parties"),* hereby unconditionally, irrevocably, fully and forever waive, release and discharge the Company and each of its current and former directors, officers and advisors, consultants, lawyers and other similar service providers to the Company and/or its current or former officers and directors (together with their respective heirs, successors and assigns, the *"Released Parties")* from any and all claims, demands, damages (actual, statutory, and punitive), debts, disputes, liabilities, accounts, obligations, costs, expenses, actions and causes of action, of every nature, whether based upon tort, contract, misrepresentation, breach of fiduciary duty, aiding and abetting, or any other theory of liability or recovery, whether at law or in equity, whether under municipal, state, or federal law or any other rule, regulation or authority, whether known or unknown, suspected or unsuspected, contingent or fixed, liquidated or unliquidated, direct or derivative, which you or any of the other Releasing Parties have, own or hold or ever had, owned or held against the Released Parties, by reason of any facts, circumstances, events or transactions occurring on or before the date of this Agreement relating to or arising out of the Covered Matters or the review and consideration of the Demand) (the *"Released Claims");* provided, however, that "Released Claims" shall not include any claim, action, suit or proceeding (i) with respect to any of your rights to exculpation, indemnification, advancement, contribution, or insurance to the extent not connected with or arising from the Covered Matters, and (ii) with respect to your right to enforce the Company's performance of its obligations under this Agreement. By executing this Agreement, you, on your own behalf and on behalf of the other Releasing Parties, waive and relinquish any and all rights and benefits afforded by any law of any state or territory of the United States, or principle of common law, which are similar, comparable, or equivalent to Section 1542 of the Civil Code of the State of California with respect to the Released Parties and the Released Claims. You, on your own behalf and on behalf of the other Releasing Parties, acknowledge, agree and understand that with respect to any Released Claims (a) the facts upon which the releases made in this Agreement are given may tum out to be other than or different from the facts now known or believed by you to be true, and (b) accept and assume the risk of such facts turning out to be different and acknowledge that this Agreement shall be and remain in all respects effective and not subject to termination or rescission for any such difference in facts. You, on your behalf and on behalf of the Released Parties, understand and agree that this Agreement extends to Released Claims of every nature and kind, known or unknown, suspected or unsuspected, and all rights under Section 1542 of the California Civil Code and the rights and benefits thereunder are hereby expressly relinquished and waived with respect to Released Claims. Section 1542 reads as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HISOR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

You further acknowledge that you have consulted or have had the opportunity to consult with an attorney, that you understand the breadth of this waiver, and that you knowingly and voluntarily consent to it.

5. *Representations & Warranties.*

(a) You hereby represent and warrant to the Company that:

(i) you have the legal capacity, power and authority to enter into this Agreement and to perform your obligations hereunder;

(ii) this Agreement has been duly and validly executed and delivered by you and constitutes your valid and binding agreement, enforceable against you in accordance with its terms, except as enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally;

(iii) the execution and delivery of this Agreement by you, and the performance by you of your obligations hereunder, does not and will not violate any instrument, agreement, judgment, decree, order, statute, rule, or governmental regulation applicable to you or to which you are a party or by which you or any of your properties or other assets is bound; and

(iv) your payment of the amount set forth in Paragraph 1, any future payments made pursuant to Paragraph 2, and all actions taken in connection therewith, will be made or taken in compliance with all applicable law, rules and regulations.

(b) *Representations & Warranties*. The Company hereby represents and warrants to you that:

(i) it has the legal capacity, power and authority to enter into this Agreement and to perform its obligations hereunder;

(ii) this Agreement has been duly and validly executed and delivered by it and constitutes a valid and binding agreement of it, enforceable against it in accordance with its terms, except as enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally; and

(iii) the execution and delivery of this Agreement by it, and the performance by it of its obligations hereunder, does not and will not violate any instrument, agreement, judgment, decree, order, statute, rule, or governmental regulation applicable to it or to which it is a party or by which it or any of its properties or other assets is bound.

6. *Cooperation.* You agree to reasonably cooperate with the Company and its counsel as well as counsel to the Board or any committee of the Board, if different, with respect to any (i) internal investigation, including any investigation being conducted by or on behalf of the Board or a committee of the Board, (ii) administrative, regulatory or judicial proceedings involving the Company, and (iii) matters within the scope of your duties and responsibilities to the Company or its Affiliates during your employment with the Company. For the avoidance of doubt, nothing in this Agreement prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity or otherwise limits or restricts your right to communicate directly with, cooperate with, or provide information to any governmental agency or entity.

7. *Governing Law.* This Agreement, and the matters and other transactions contemplated by this Agreement, arising hereunder or otherwise related hereto, shall be construed in accordance with the laws of the State of Delaware, without giving effect to its conflicts of laws principles.

8. *Exclusive Jurisdiction.* Each of the parties hereto (i) agrees that any suit, action, or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought only to the exclusive jurisdiction of the Court of Chancery of the State of Delaware or, if the Court of Chancery of the State of Delaware lacks jurisdiction, the state or federal courts in the State of Delaware; (ii) consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action, or proceeding and irrevocably agrees not to commence any litigation relating thereto except in the court identified in accordance with clause (i) hereof and further waives any objection to the laying of venue of any such litigation in such court; and (iii) agrees not to plead or claim in such court that such litigation brought therein has been brought in an inconvenient forum. Each of the parties hereto agrees that, after a legal dispute is before a court as specified in this section, and during the pendency of such dispute before such court, all actions, suits, or proceedings with respect to such dispute or any other dispute, including without limitation, any counterclaim, cross-claim, or interpleader, shall be subject to the exclusive jurisdiction of such court. Process in any such suit, action, or proceeding may be served on any party hereto anywhere in the world, whether within or without the jurisdiction of any such court. Each of the parties hereto agrees that a final judgment in any action, suit, or proceeding described in this subsection after the expiration of any period permitted for appeal and subject to any stay during appeal shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable laws. Each of the parties hereto hereby knowingly, voluntarily and intentionally waives all rights to trial by jury in any action or proceeding instituted by or against such party which pertains directly or indirectly to this Agreement.

9. *Termination; Amendments and Waivers; Third-Party Beneficiaries.* This Agreement may only be terminated pursuant to a written instrument signed by you and the Company. This Agreement may not be amended, modified or supplemented, and no provision hereof may be waived, except pursuant to a written instrument signed by you and the Company. Notwithstanding anything to the contrary herein, any termination by the Company of this Agreement, and the authorization by the Company of any amendment, modification, supplement or waiver of this Agreement, must be approved by the Special Litigation Committee of independent members of the Board established on February 17, 2023. Except for the Released Parties, who shall be express third-party beneficiaries under Sections 3 and 4 hereof, this Agreement is not intended to confer any rights or benefits upon any person other than the parties hereto.

10. *Notices.* All notices, requests, demands, and other communications required or given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered (i) personally, (ii) on the day of transmission if sent by electronic mail and the sender does not receive a "bounceback" or similar automated response indicating that the electronic mail was not delivered, (iii) at the time of receipt if given by overnight delivery with a reputable national overnight delivery service, or (v) by mail or by certified mail, return receipt requested, and postage prepaid. If any notice is mailed, it shall be deemed given five (5) business days after the date such notice is deposited in the United States mail. All such notices, requests, demands, and other communications shall be sent: (a) to you at 14 Hurlingham Drive, Greenwich, CT 06831, email: cobvkm@outlook.com (with a copy to T. Brad Davey, Potter Anderson & Corroon LLP, 1313 N. Market Street, 6th Floor, Wilmington DE, 19801, email: bdavey@potteranderson.com), and (b) to the Company at World Wrestling Entertainment, Inc., 1241 East Main Street, Stamford, CT 06902, Attn: Maurice Edelson, General Counsel, email: maurice.edelson@wwecorp.com, or to such other address as you or the Company may provide the other from time to time in accordance herewith.

11. *Definitions.* For the purpose of this Agreement, the following terms shall have the following meanings:

"Account' means any bank account of the Company that the Company shall have designated to you by furnishing wire transfer instructions for purposes of any payments made by you hereunder.

"Affiliate" shall mean, with respect to any specified person or entity, any other person or entity who or which, directly or indirectly, controls, is controlled by, or is under common control with such person or entity.

"Board' means the Board of Directors of the Company.

"Covered Matters" means the facts, circumstances and issues relating to or arising out of any of (i) the investigation by the Special Committee of independent members of the Board, created on or about June 15, 2022 (ii) the accounting errors described in the Company's Form 10- K/A and Form 10-Q/A filed August 16, 2022, including the payments referred to as "unrecorded expenses" and the agreements pursuant to which such payments were made, (iii) the Demand, (iv) allegations against you regarding sexual harassment, assault or discrimination, and (v) investigations by governmental agencies concerning the investigation by the Special Committee referenced in (i) of this definition of "Covered Matters" and/or the accounting errors referenced in
(ii) of this definition of "Covered Matters."

"Demand' means the demand letter dated July 25, 2022 delivered to the Company on behalf of a putative stockholder of the Company.

***

If the foregoing is acceptable to you, please sign and date this Agreement in the space provided below and return it to the Company.

Very truly yours,

WORLD WRESTLING ENTERTAINMENT, INC.

By: /s/ FRANK A. RIDDICK III
Name: Frank A. Riddick III
Title: President and CFO
Date: March 20, 2023

Acknowledged and agreed:

/s/ VINCENT K. MCMAHON
Name: Vincent K. McMahon
Date: March 20, 2023

March 11, 2022

Suzette Ramirez

Dear Suzette:

World Wrestling Entertainment, Inc. (“WWE”) is happy to extend the following offer of employment to you:

Title: Executive Vice President, Chief Human Resources Officer

Location: 1241 E. Main Street, Stamford, CT 06902

Department: Human Resources

Reports to: Vince McMahon, Chairman of the Board & Chief Executive Officer

Start Date: To be determined upon acceptance

<u>Compensation and Benefits</u>

Base Salary: The starting base salary is $725,000 annually, less withholding, which will be paid bi-weekly.

Merit Increases: All merit increases will be paid out in accordance with our merit pay-out schedule.

Incentive Bonus: You are eligible to participate in the WWE Bonus Plan. The funding of the plan is based upon the Company’s achievement of financial and/or strategic performance measures, as determined by the WWE in its discretion. The bonus pool funding can increase, decrease or be forfeited based on the level of achievement of the performance measures. The target bonus for your position is 50% of your base salary. Your individual award will be determined based upon your performance appraisal score and management discretion. The terms of any bonus eligibility can be modified or deleted at any time within WWE’s sole discretion.

WWE Sign-on Equity: Conditional upon full Board approval, you will be granted restricted stock units of Class A Common Stock of WWE valued at $500,000, to be received on your official start date. These restricted stock units (less applicable taxes and other deductions required by law) will vest in equal annual installments over three years, at all times subject to and governed by the terms of the Company’s Omnibus Incentive Plan (“OIP”). These shares, as well as future shares, may also be subject to the Company's stock ownership guidelines, and at all times, all other terms and conditions of your eligibility for equity shall be governed by the OIP.

WWE Equity: You will be eligible to participate in all future stock programs that are offered to other key executives in the Company, including the Performance/Restricted Stock (PSU/RSU) program, at all times subject to management's and the Compensation Committee's discretion and at all times, all other terms and conditions of your eligibility for equity shall be governed by the OIP. The equity grant is typically determined as a percentage of base salary, which is 80% for your management level. WWE equity vests in equal annual installments over a period of three years following the date of the grant and remains subject to management's and the Compensation Committee's sole discretion.

Sign-On Bonus: In consideration of accepting employment and your agreement to the provisions herein, you will be entitled to receive a one-time sign-on bonus in the amount of $650,000 less applicable deductions payable on the first pay date following 30 days of employment.

- If you voluntarily terminate employment with WWE, or your employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within your first full year of employment, you must reimburse WWE 100% of your sign-on bonus payment.
- If you voluntarily terminate employment with WWE, or your employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within two years of your date of hire you must reimburse WWE 67% of your sign-on bonus payment.
- If you voluntarily terminate employment with WWE, or your employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within three years of your date of hire you must reimburse WWE 33% of your sign-on bonus payment.

Reimbursement is due on or before your last day of employment, and you expressly authorize us to withhold, to the full extent allowed by law, any unpaid amount from any and all amounts (including 25% of salary) the Company would otherwise owe you. Please acknowledge your approval of such withholding by signing the direction letter attached hereto as Exhibit A.

Relocation: WWE will assist you with expenses related to relocation which are incurred by you during the first 12 months of employment up to a maximum amount of $50,000 issued as follows:

- $5,000 (Net) lump sum, plus an additional $45,000 (Net) in reimbursable relocation expenses to cover relocation expenses, payable through WWE's Global Mobility & Relocation partner, Graebel.
- In addition, WWE shall provide you with up to (9) months of temporary housing to be secured by WWE.
- WWE shall provide you with a car allowance within reason for the calendar year of 2022

All reimbursement is conditioned on your submitting to our relocation vendor, Graebel, all appropriate receipts and any other documentation requested by the WWE within thirty (30) days of the expense being incurred by you. You are responsible for any required tax reporting of, and all taxes due relating to, such reimbursements. Most relocation expenses including temporary housing are considered ordinary income according to IRS regulations and will be added to your taxable income on your W-2 at year-end pursuant to applicable law.

If you voluntarily terminate employment with WWE, or your employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within one year of your date of hire, you must reimburse WWE 100% of relocation costs incurred by WWE on your behalf. Reimbursement is due within 10 days following last day of employment, and you hereby authorize WWE to reduce any final compensation due you to the maximum extent permissible by law to apply to any such amounts owed back to WWE. Accordingly, please also execute the attached acknowledgment.

Benefits: You will be eligible for full company benefits on the first day of the month coincident or following your date of hire. WWE benefits include (but are not limited to): medical, dental, life and disability. To help you build a financially secure future, you will be automatically enrolled in our 401k plan at 3%. Should you elect to opt out of the 401k auto-enrollment, please call Fidelity at 1-800- 835-5097, after you receive their confirmation letter. WWE currently matches fifty percent (50%) of your contributions up to six percent (6%) of salary. This match is subject to a one-year vesting and may be changed by the Company at any time within WWE's sole discretion.

Vacation: Three (3) weeks' vacation and three (3) personal days for the calendar year of 2022. Vacation accrual and use subject to WWE policy then in force.

Severance: According to WWE's Severance Policy, if any, in force at the time of separation from employment

Work Week: While the standard work week is 40 hours per week, such hours are subject to business needs as determined by management in its discretion. As an exempt employee, your salary covers all hours worked during any given work week or other time period. You are further expected to work all hours necessary to meet the requirements of your position.

Acceptance and Onboarding

This offer is contingent upon satisfactory reference and background checks and compliance with all Immigration Control and Reform Act requirements. At all times, your employment relationship with WWE will be "at-will." This means that either you or WWE can end your employment at any time, for any or no reason.

Please indicate your acceptance by signing below by March 14, 2022. If you have any questions, please reach out to Trupti Pullen via email at Trupti.Pullen@wwecorp.com.

Following acceptance of this offer, as it gets closer to your start date, you will receive a communication granting you access to our Workday HR system where you will have the opportunity to review and sign our policies and procedures.

On behalf of WWE, we are very pleased that you have accepted this offer and look forward to having you join our team.

Sincerely,

/s/ MEREDITH HUTT

Meredith Hutt
Vice President, Human Resources

/s/ SUZETTE RAMIREZ-CARR March 11, 2022
Suzette Ramirez Date

Exhibit A

Human Resources Department
World Wrestling Entertainment, Inc.
1241 East Main Street
Stamford, CT 06902

To whom it may concern:

This Exhibit A acknowledges receipt of a $650,000 of a sign-on bonus which will be payable to me on the first pay date following 30 days of employment and which is reimbursable to WWE as follows:

- If I voluntarily terminate employment with WWE, or my employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within my first full year of employment, I will reimburse WWE 100% of my sign-on bonus payment.
- If I voluntarily terminate employment with WWE, or my employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within two years of my date of hire I will reimburse WWE 67% of my sign-on bonus payment.
- If I voluntarily terminate employment with WWE, or my employment is terminated by WWE for "cause" as currently defined in the Company's Severance policy, within three years of my date of hire I will reimburse WWE 33% of my sign-on bonus payment.

In such case, WWE is hereby authorized and directed to the full extent allowed by law, to withhold the maximum amount permitted by law from any remaining salary due to me and/or any vacation pay or other amounts then due to me from the Company. If any amount due back to WWE remains over and above the offset described herein, I will pay such remaining portion on or before my last day of work with the Company.

This Exhibit A also acknowledges that WWE will reimburse me for expenses related to relocation which are incurred by me during the first 12 months of employment up to the maximum amount of $50,000. If I voluntarily terminate employment with WWE within one year of my first day of active work, I must reimburse WWE all relocation expenses paid to me as of the termination date; and I will be solely responsible for any such expenses incurred after that termination date. Reimbursement is due within 10 days following last day of employment, and I hereby authorize WWE to reduce any final compensation due me to the maximum extent permissible by law to apply to any such amounts owed back to WWE.

Very truly yours,

/s/ SUZETTE RAMIREZ-CARR March 11, 2022
Suzette Ramirez Date

CHANGE IN CONTROL LETTER AGREEMENT

THIS CHANGE IN CONTROL LETTER AGREEMENT ("Agreement") is entered into as of the 27th day of December, 2022 by and between World Wrestling Entertainment, Inc. ("Employer" or "WWE") and Suzette Ramirez-Carr ("Employee") with reference to the following facts:

A. Employee provides or will provide services to Employer as its EVP, Chief Human Resources Officer; and

B. In recognition of Employee's ongoing services to WWE and the value that Employee's services bring, Employer desires to provide Employee severance benefits on the terms and conditions set forth below.

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, Employer and Employee agree as follows:

I. SEVERANCE BENEFITS.

In the event of a "Qualifying Termination" as defined in Section II, Employee shall be entitled to the severance benefits described below upon execution of a standard separation agreement, which shall contain, among other provisions, a full release and waiver of claims or potential claims against WWE as therein defined, a confidentiality and non- disparagement provision and re-affirmation of all other post-employment obligations by Employee, in the form provided by WWE, which separation agreement must be executed and irrevocable by the deadlines set by then applicable laws, but no later than the sixtieth (60th) day following the effective termination of employment, whichever is less. Any payments or benefits otherwise payable during such period will accrue and be paid, without interest, on the first payroll date following such sixty (60) day period. Any payments pursuant to this Section I shall be reduced by applicable federal and state tax withholding and any other deductions authorized by Employee.

A. Lump Sum Severance Payment. Employee shall be entitled to lump sum cash severance payment in an amount equal to (i) twelve (12) months of pay at Employee's annual base salary then in effect and (ii) one (1) times employee's target annual bonus opportunity for the year in which the Qualifying Termination occurs, with such aggregate amount payable on the sixtieth (60th) calendar day following the Qualifying Termination.

B. Pro Rata Annual Incentive Bonus. Employee shall be entitled to an annual incentive bonus payment for the year in which the Qualifying Termination occurs with the amount of such bonus, if any, based on actual performance, prorated for the portion of the calendar year that has lapsed prior to such Qualifying Termination and payable in accordance with WWE's standard practices regarding annual bonus payments.

C. WWE Equity. Employee shall be entitled to acceleration and 100% vesting of all then-outstanding equity awards granted pursuant to WWE's 2016 Omnibus

Incentive Plan and any other similar stock award plan adopted by WWE, including without limitation, all special grants previously made to Employee, and for any performance awards that have not previously vested, (x) any payout in respect of performance criteria that have not yet been attained as of the date of the Qualifying Termination for any incomplete award period shall be determined based on l 00% of target-level achievement and (y) any payout in respect of performance criteria that have been attained as of the date of the Qualifying Termination for any incomplete award period shall be determined based on actual performance as of the date of such Qualifying Termination in accordance with the terms and conditions of the applicable award agreement for such performance award.

D. Group Medical Insurance. Subject to Employee's timely election in accordance with the Consolidated Omnibus Reconciliation Act, as amended ("COBRA") and continued eligibility, continued coverage for twelve (12) months following the Qualifying Termination (or until Employee becomes eligible for comparable coverage under the medical health plans of a successor employer, if earlier) (the "CIC COBRA Benefit Period") for employee and any eligible dependents under WWE's group health insurance coverage in which Employee and any such dependents participated in immediately prior to the date of the Qualifying Termination, to the extent permitted thereunder and subject to any active-employee cost-sharing or similar provisions in effect for Employee thereunder as of immediately prior to the date of Employee's termination of employment; provided that such coverage shall not be provided in the event WWE would be subject to any excise tax under Section 4980D of the Internal Revenue Code or other penalty or liability pursuant to the provisions of the Patient Protection and Affordable Care Act of 2010 (as amended from time to time) or to the extent not permitted by other applicable law, and in lieu of providing the coverage described above, WWE shall instead pay to Employee a monthly cash payment in an amount equal to the portion of the monthly COBRA premiums WWE would have paid during the CIC COBRA Benefit Period, after taking into account any active employee cost-sharing or similar provisions in effect for Employee, with such monthly payment being made on the last day of each month of the remainder of the CIC COBRA Benefit Period.

E. Other Plans. Except as expressly provided to the contrary in Section I, upon any termination of employment, including without limitation a Qualifying Termination, Employee's right to participate in any retirement or benefit plans and perquisites shall cease as of the date of termination.

In addition to the severance benefits described above, Employer shall pay Employee the full amount of any earned but unpaid salary through the date of the Qualifying Termination, plus any benefits to which Employee may be entitled under any applicable plans or programs of WWE as of the termination date.

II. DEFINITIONS.

The following capitalized terms shall have the meanings specified below:

A. "Cause" for purposes of this Agreement shall have the meaning set forth in the then-applicable WWE Severance Policy (a copy of which may be requested by Employee).

B. "Change in Control" for purposes of this Agreement shall mean the occurrence of any of the following; provided, however, that a "Change in Control" shall mean any "Change in Control" or similar definition contained in Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") in any instance in which amounts are paid under a compensation agreement as a result of a Change in Control and such amounts are treated as deferred compensation under Code Section 409A: (A) the acquisition in one or more transactions, other than from WWE, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder ("Exchange Act")), other than WWE, a WWE subsidiary or any employee benefit plan (or related trust) sponsored or maintained by WWE or a WWE subsidiary, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of a number of WWE securities aggregating 30% or more of the vote of all voting securities; (B) any change in the composition of the Board of Directors of WWE (the "Board") within a 24-month period that results in more than fifty percent (50%) of the independent members of the Board consisting of persons other than (x) those persons who were independent members of the Board at the beginning of such 24-month period and/or (y) persons who were nominated for election as independent members of the Board at a time when more than fifty percent (50%) of the Board consisted of persons who were independent members of the Board at the beginning of such 24-month period; provided, however, that any person nominated for election by the Board, more than fifty percent (50%) of whom consisted of persons described in clauses (x) and (y), shall, for this purpose, be deemed to have been nominated by a Board composed of persons described in (x); (C) the consummation (i.e. closing) of a reorganization, merger or consolidation involving WWE, unless, following such reorganization, merger or consolidation, all or substantially all of the individuals and entities who were the beneficial owners of WWE's common stock immediately prior to such reorganization, merger or consolidation, following such reorganization, merger or consolidation, beneficially own, directly or indirectly, more than seventy percent (70%) of both the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities of the entity resulting from such reorganization, merger or consolidation in substantially the same proportion as their ownership of WWE's common stock and outstanding voting securities immediately prior to such reorganization, merger or consolidation; (D) the consummation (i.e. closing) of a sale or other disposition of all or substantially all of the assets of WWE, unless, following such sale or disposition, all or substantially all of the individuals and entities who were the beneficial owners of WWE's common stock immediately prior to such sale, beneficially own, directly or indirectly, more than sixty percent (60%) of both the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities of the entity purchasing such assets in substantially the same proportion as their ownership of WWE's common stock and outstanding voting securities immediately prior to such sale or disposition; (E) the consummation of any transaction described in (A) or (C) above, following which Vincent K. McMahon and his family (as defined in Section 267(c)(4) of the Internal Revenue Code) retain beneficial ownership of voting securities of, as applicable, WWE, its successor or the ultimate parent corporation or other entity of the chain of corporations or other entities, which includes WWE or its successor, representing voting power that is less than that of any other individual, entity or group; or (F) a complete liquidation or dissolution of WWE.

C. **"Good Reason"** for purposes of this Agreement shall mean, without Employee's prior written consent: (A) a material reduction in annual base salary and/or target annual incentive compensation; (B) a material, adverse change of title, authority, duties or responsibilities; (C) a material, adverse change in the reporting structure applicable to Employee; (D) a material breach by WWE or the successor of the terms and conditions of any employment or other compensation agreement with Employee; or (E) the failure to obtain an agreement from any successor to assume and agree to perform all equity and other compensatory agreements in the same manner and to the same extent as would be the case if no change had occurred (unless such assumption occurs by operation of law). Notwithstanding the foregoing, in the event Employee asserts that one of the foregoing reasons exists for potential termination of employment, Employee shall first provide WWE written notice specifying the nature of the reason and WWE will have at least thirty (30) days to cure or remedy the situation. If Employee has not terminated employment within ninety (90) days after the occurrence of such Good Reason situation or event that has not been cured or remedied by WWE, Employee will be deemed to have waived the right to terminate on the basis of Good Reason with respect to the situation or event giving rise to Good Reason.

D. "Qualifying Termination" for purposes of this Agreement shall mean the occurrence of either of the following events during the term of Employee's employment on the date of or within the two (2) year period following a Change in Control: (i) a termination of Employee's employment by Employer other than for "Cause"; or (ii) Employee's termination of employment with Employer for "Good Reason".

III. MISCELLANEOUS.

A. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Connecticut applicable to contracts entered into and performed in such State.

B. Jurisdiction and Venue.

(i) Employee irrevocably and unconditionally submits, for Employee and Employee's property, to the exclusive jurisdiction of the U.S. District Court for the District of Connecticut and the State Courts of Connecticut for any action or proceeding arising out of or relating to this Agreement.

(ii) Employee and WWE agree that the mailing by certified or registered mail, return receipt requested to both: (A) the other party; and (B) counsel for the other party, of any notice required under this Agreement, or of any process required by any such court, shall constitute valid and lawful notice or service of process against them, as applicable, without the necessity for service by any other means provided by law. Notwithstanding the foregoing, if and to the extent a court holds such means to be unenforceable, each of the parties' respective counsel shall be deemed to have been designated agent for service of process on behalf of its respective client, and any service upon such respective counsel effected in a manner that is permitted by applicable law shall constitute valid and lawful service of process against the applicable party.

C. Successors. This Agreement shall be binding upon and inure to the benefit of Employee (and Employee's personal representatives and heirs), Employer, or any affiliated parent or subsidiary entities, and any organization that succeeds to substantially all of the business or assets of the foregoing, or any portion thereof.

D. Other Agreements. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and any prior agreement, arrangement or understanding between Employer and Employee, relating to or in connection with the possible payment of severance to Employee upon a termination of employment that would be deemed a Qualifying Termination, is hereby terminated and superseded in its entirety by this Agreement.

The severance payable under this Agreement for a Qualifying Termination shall be in lieu of the severance payable under any other plan, agreement or arrangement.

E. Amendments, Waivers, Etc. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing.

F. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

G. Headings. The headings contained in this Agreement are intended solely for convenience of reference and shall not affect the rights of the parties to this Agreement.

H. Section 409A. The intent of the parties is that payments and benefits under this Agreement comply with or be exempt from Code Section 409A and, accordingly, to the maximum extent permitted this Agreement shall be interpreted to be in compliance therewith or exempt therefrom. In no event whatsoever shall WWE be liable for any additional tax, interest or penalty that may be imposed on Employee by Code Section 409A or damages for failing to comply with Code Section 409A. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of non-qualified, deferred compensation subject to Code Section 409A upon or following a termination of employment unless such termination is also a "separation from service" (as that term is defined in Treasury Regulation Section l.409A-l(h)) from WWE and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with WWE under Treasury Regulation Section 1.409A-l(h)(3), and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding any other payment schedule provided herein to the contrary, if Employee is identified on the date of Employee's separation from service as a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B)(i), then the following shall apply: (i) with regard to any payment that is considered non-qualified, deferred compensation subject to Code Section 409A, as determined by WWE in its sole discretion, and payable on account of a separation from service, such payment shall be made on the date that is the earlier of: (A) the expiration of the six (6) month period measured from the date pf Employee's separation from service; and (B) the date of Employee's death (the "Delay Period") to the extent required under Code Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid to Employee in a lump sum, and all remaining payments due under this Agreement shall be paid or provided in accordance with the n01mal payment dates specified for them herein. For purposes of Code Section 409A, Employee's right to receive any installment payment pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. To the extent that any benefits or reimbursements pursuant to this Agreement are taxable to Employee, any reimbursement payment due to Employee shall be paid to Employee on or before the last day of the Employee's taxable year following the taxable year in which the related expense was incurred. The benefits and reimbursements pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursements that Employee receives in one taxable year shall not affect the amount of such benefits or reimbursements that Employee receives in any other taxable year.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

"Employer"

WORLD WRESTLING ENTERTAINMENT, INC.

By: /s/ STEPHANIE MCMAHON
Name: Stephanie McMahon
Title: Chairwoman and Co-CEO

"Employee"

By: /s/ SUZETTE RAMIREZ-CARR
Name: Suzette Ramirez-Carr
Title: EVP, Chief Human Resources Officer

Certification required by Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Nick Khan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of World Wrestling Entertainment, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated:	May 3, 2023	By:	/s/ NICK KHAN
			Nick Khan
			Chief Executive Officer

Exhibit 31.2

Certification required by Securities and Exchange Act of 1934 Rule 13a-14 as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Frank A. Riddick III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of World Wrestling Entertainment, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated:	May 3, 2023	By:	/s/ FRANK A. RIDDICK III
			Frank A. Riddick III
			President and Chief Financial Officer

Exhibit 32.1

Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report on Form 10-Q of World Wrestling Entertainment, Inc. (the "Company") for the quarter ended March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Nick Khan as Chief Executive Officer of the Company and Frank A. Riddick III as President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his or her knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

(2) The information contained in the report fairly presents, in all material aspects, the financial condition and results of operations of the Company.

Dated:	May 3, 2023	By: /s/ NICK KHAN Nick Khan *Chief Executive Officer*
		By: /s/ FRANK A. RIDDICK III Frank A. Riddick III *President and Chief Financial Officer*