



Wrestlenomics: Building a new Brand

Christopher Harrington
SVP Business Strategy, All Elite Wrestling



Background

- 41 Years Old
- B.A. Mathematics & Economics; University of Rochester '03
- Live in Saint Paul, MN (since 2006); grew up in Greece, NY
- Work History:
 - Money Management (Reconciling)
 - Non-Standard Auto Insurance
 - Medical Foods
 - Grocery/Retail Consulting
 - Law (Pricing/Business Analysis)
 - Medical Devices
- Married 15 years; wife Alissa is a lawyer
- Founder: Wrestlenomics podcast/brand (Now run independently by Brandon Thurston)
- Two Dogs: Meliora & Henson



All Elite Wrestling

- **All Elite Wrestling**

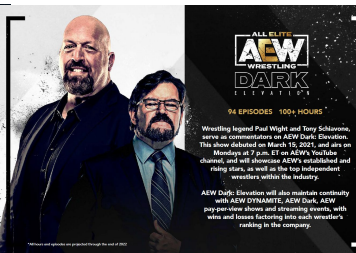
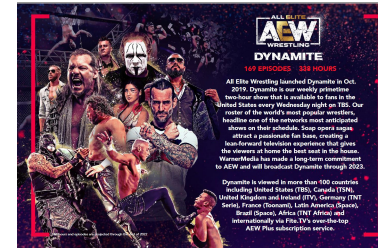
- Founded in January 2019 by Tony Khan
- 2nd largest Professional Wrestling Organization in the World
- Multi-year domestic TV contracts with WarnerMedia including two weekly television shows:
 - Dynamite (TBS, Wed 8 pm - 10 pm)
 - Rampage (TNT, 10 pm - 11 pm)
- Produces quarterly Battle of the Belts Specials (airing on TNT) and pay-per-view events
- AEWPlus - international SVOD platform
- International television broadcasts - AEW shown in 110+ countries worldwide including UK (ITV), Germany (TNT Serie), Mexico (SPACE), India (Eurosport)

- **SVP Business Strategy (Chris Harrington)**

- Began working with Tony Khan on AEW project in July 2018
- First AEW employee
- Responsibilities include TV+PPV Media deals (dom/int'l), streaming/FAST/SVOD, contract management, ratings & key metrics analysis

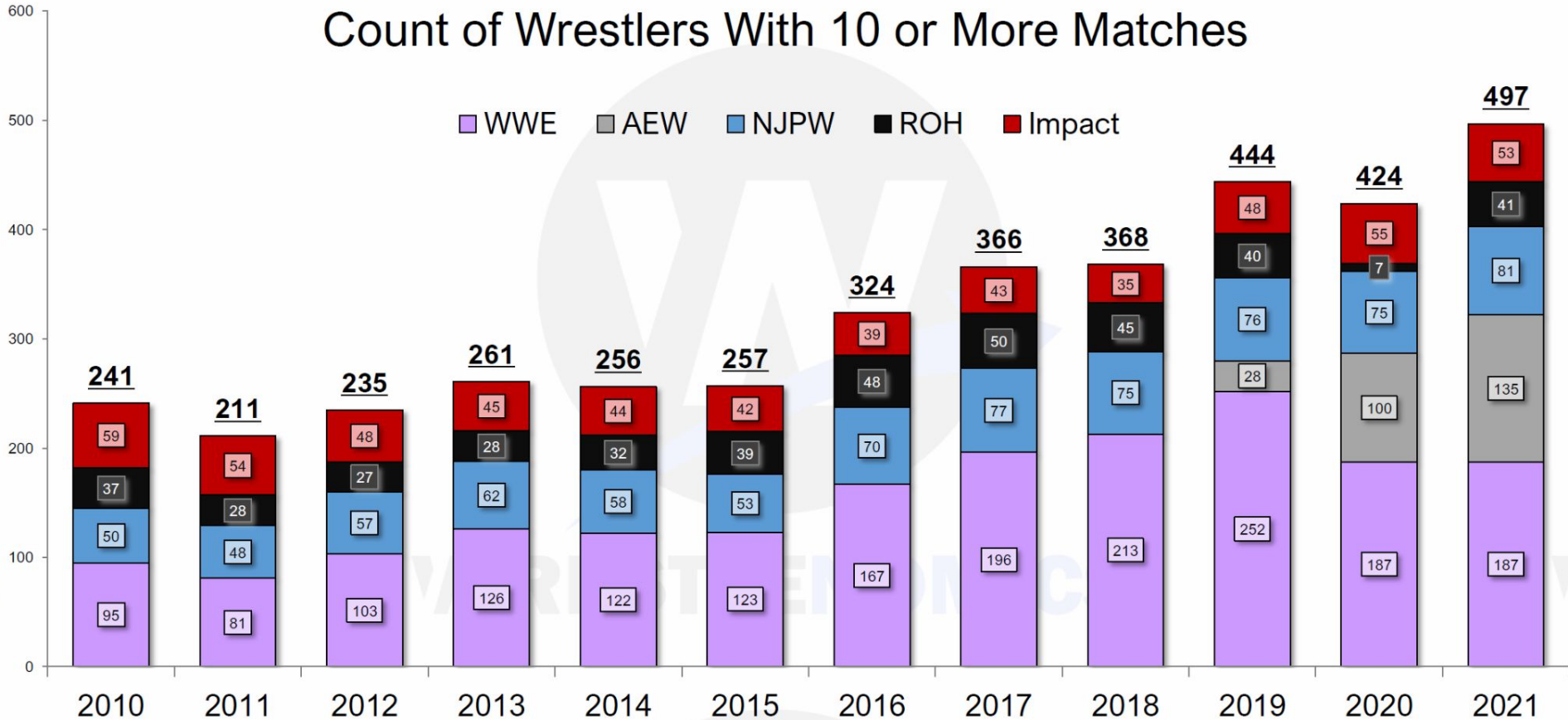


Tony Khan



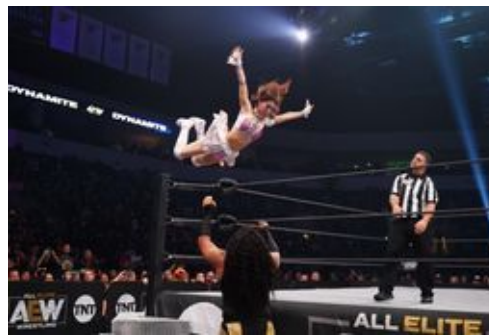
Count of Wrestlers With 10 or More Matches

WWE AEW NJPW ROH Impact



All Elite Wrestling

- **AEW**
 - Touring 52 weeks/year (no off season)
 - 5 hours+ weekly new content
 - Monday: Dark: Elevation (YouTube)
 - Tuesday: Dark (YouTube)
 - Wednesday: Dynamite (2 hour - TBS)
 - Friday: Rampage (1 hour - TNT)
 - Over 100 exclusive talent under contract
 - CM Punk
 - Bryan Danielson
 - Christian Cage
 - Young Bucks
 - Kenny Omega
 - Dr. Britt Baker
 - MJF
 - Nyla Rose
 - Darby Allin
 - Keith Lee
 - Jungle Boy
 - Hikaru Shida
 - Thunder Rosa
 - Plus referees, announcers, coaches
 - Selling out large events
 - USTA Arthur Ashe Stadium (New York City)
 - MGM Grand Garden Arena (Las Vegas)
 - United Center (Chicago, IL)



Revenue Generation in Professional Wrestling

February 3, 2022

Consider WWE's Model
(from the latest [Trending Schedules](#))

- Media
 - Network/PPV
 - Core content rights fees
 - Advertising & Sponsorship
 - Digital Revenue
- Live Events
 - NA Ticket Sales
 - Int'l Ticket Sales
 - Advertising & Sponsorship
- Consumer Products
 - Licensing
 - Venue Merchandise
 - eCommerce

2021 TRENDING SCHEDULES - BASIS OF PRESENTATION

Business Segments

The Company reports financial performance using three reportable segments: Media, Live Events and Consumer Products.

Media

The Media segment reflects the production and monetization of long-form and short-form video content across various platforms, including *WWE Network*, broadcast and pay television, digital and social media, as well as filmed entertainment. Across these platforms, revenue principally consists of content rights fees associated with the distribution of our programming content, subscriptions to *WWE Network*, and advertising and sponsorships. Effective March 18, 2021, the domestic monetization of *WWE Network* is generated from content license fees and certain shared sponsorship revenue from NBC Universal ("NBCU"). Media segment revenue for the three months ended March 31, 2021 includes the upfront revenue recognition related to the delivery of certain intellectual property rights under this agreement.

Live Events

Live events provide ongoing content for the Company's media platforms. Live event segment revenue consists primarily of ticket sales, revenues from events for which the Company receives a fixed fee, as well as 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. The Consumer Products segment revenue consists principally of royalties and licensee fees related to WWE branded products, and sales of merchandise distributed at our live events and through eCommerce platforms.

RECENT EVENT



WWE® to Report Fourth Quarter and Full Year 2021 Results

Thursday, February 03, 2022 05:00 PM EST

[Earnings Press Release](#)

[Trending Schedules](#)

[Webcast](#)

[Key Performance Indicators](#)

[Investor Presentation](#)

[Advisory](#)

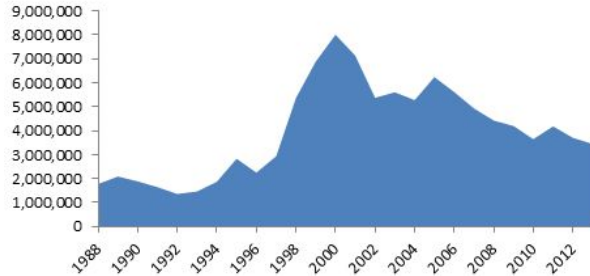


Historical Wrestling Revenue Generators (1980s-today)

- Live Events
 - Domestic Shows
 - International Shows
 - “Bought” Shows
 - Travel Packages
- TV Advertising
- TV Rights
 - Domestic
 - International
- Digital Revenue
 - YouTube
 - Other Social Media
- Merchandise
 - DTC / eCommerce
 - Venue Merchandise
 - Subscription Boxes
- PPV / OTT / Streaming
 - PPV (per event)
 - DTC SVOD (subscription)
 - Streaming (bundle)
 - Movie Theatres (location)
- Licensing
 - Action Figures
 - Trading Cards
 - Video Games (Mobile + Console)
 - Food & Beverages
- Sponsorship
 - Live Event
 - Television
- Producing / Publishing
 - Books
 - Movies
 - Music
- Future
 - NFTs
 - Fantasy Gaming
 - Augmented Reality

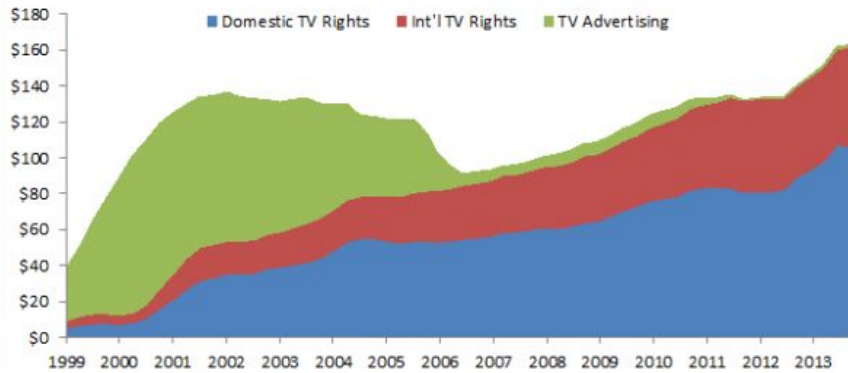
Historical Wrestling Revenue Generators (1980s-today)

WWF/WWE Annual PPV Buys
(SummerSlam 1988 through WM 30)



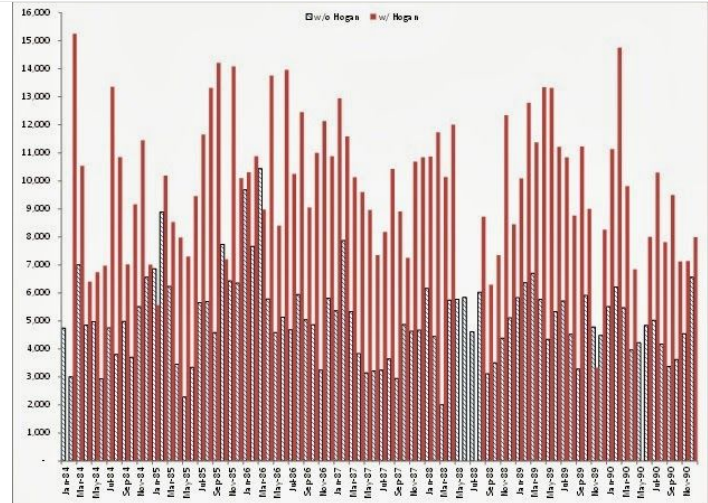
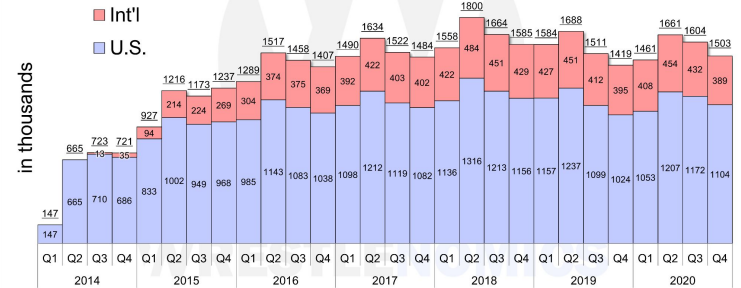
WWE TV Rights Fees

Analysis: Chris Harrington (chris.harrington@gmail.com)



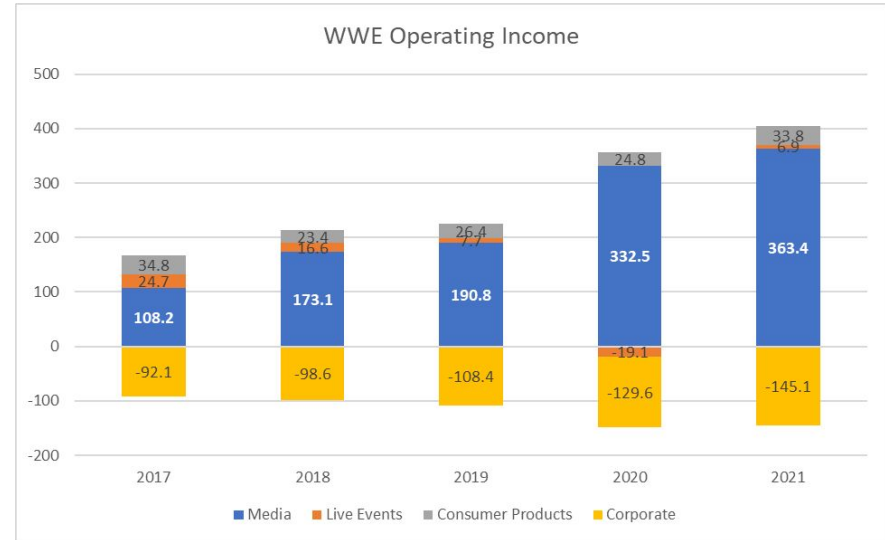
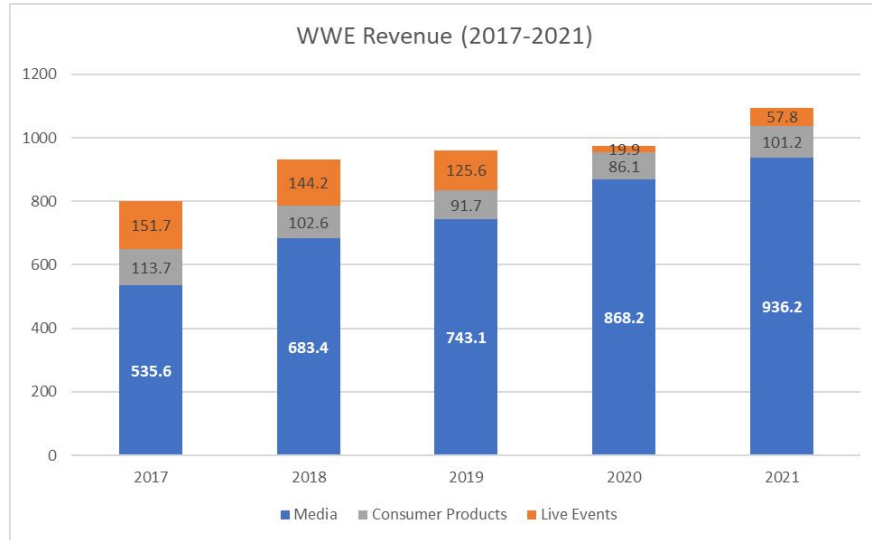
WWE Network average paid subscribers, by quarter

Source: WWE filings



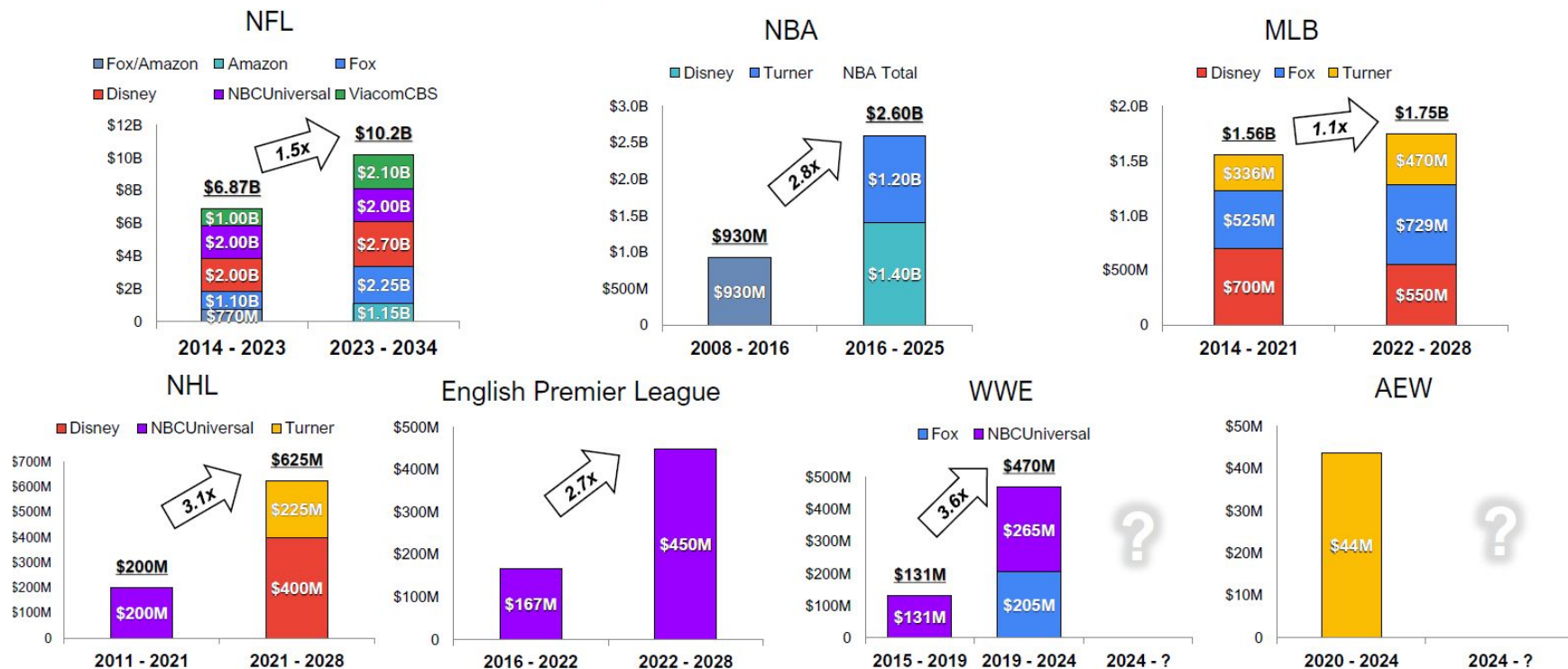
WWE growth & profitability is driven by Media revenue

- WWE new TV rights deal began in Q4'2019
- WWE shuttered domestic WWENetwork for Peacock deal in 2021



Source: WWE Trending Schedules (corporate.wwe.com)

Current Average Annual Value of U.S. Media Rights



Sources: Sporting News, Sports Pro Media, New York Post, The Athletic, The Hollywood Reporter, New York Times, USA Today, Sports Business Daily, SB Nation

Why value Live Sports so much?

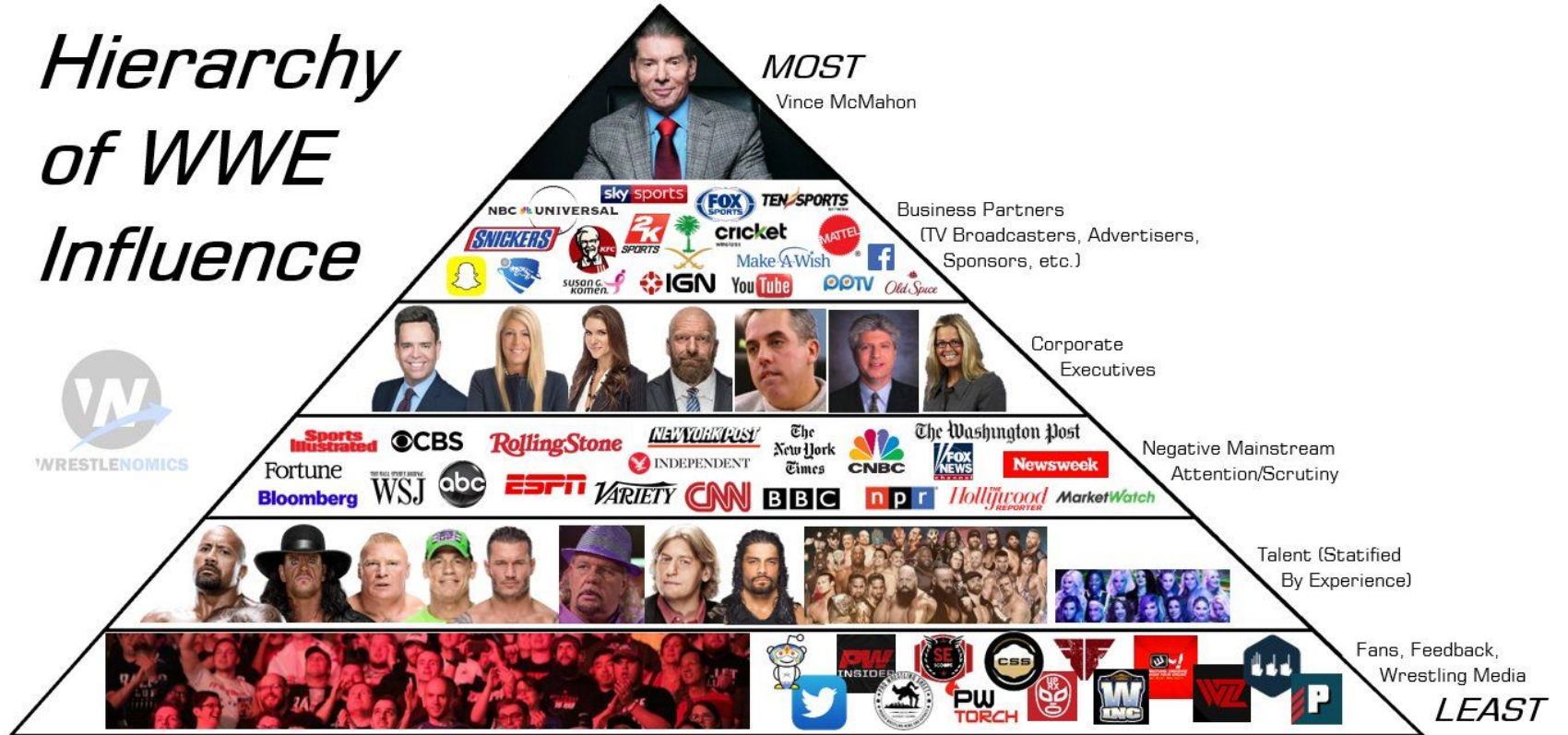
- Not just about the Ratings vs. Rights Fees

Live Sports Viewing

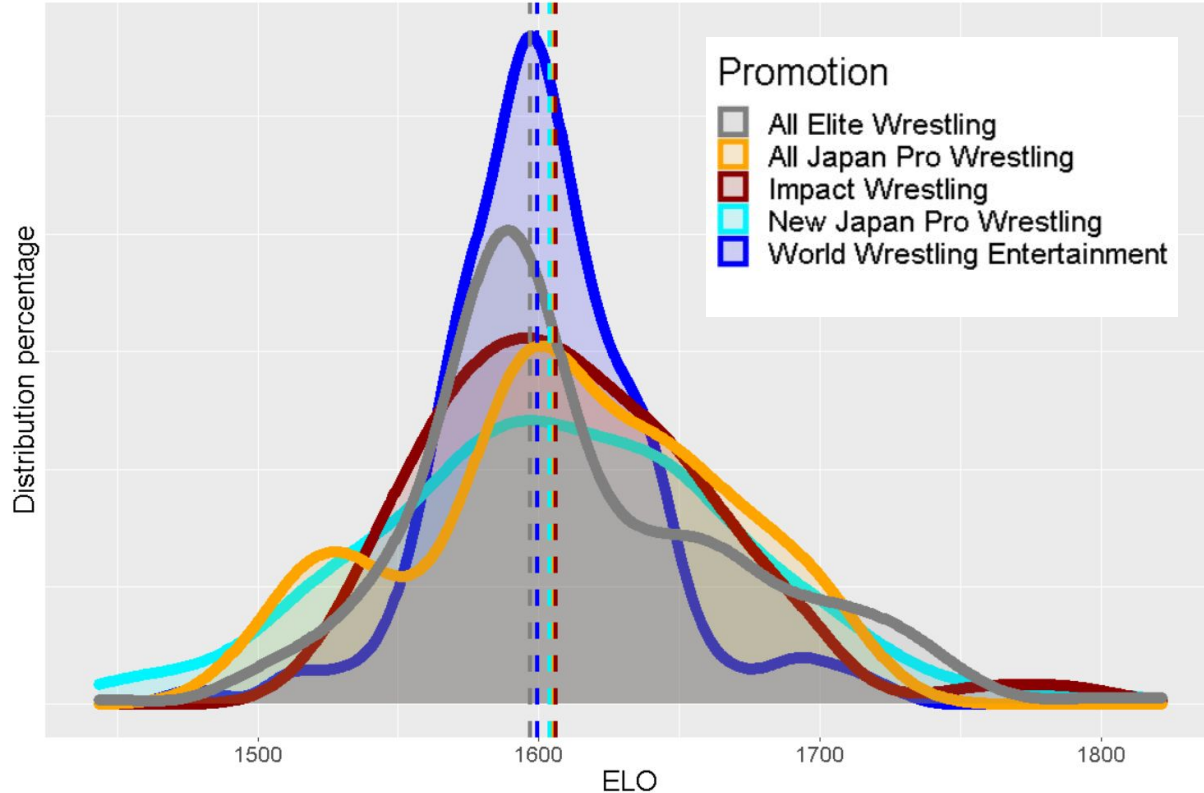
1. Carriage Fees
2. Advertising Rates => income / affinity
3. DVR-proof
4. Playoffs
5. Growth over time
6. Audience / Players dynamic

Hierarchy of WWE Influence (Oct 2018 - @wrestlenomics)

Hierarchy of WWE Influence

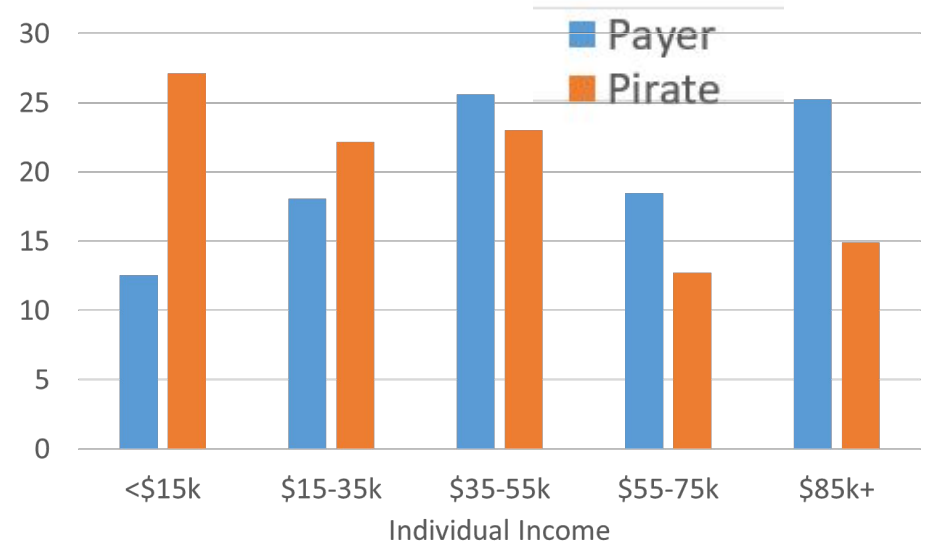


ocELOt: overly complicated ELO theorem



Wreddit census

- Respondents who pirate AEW PPVs from the U.S. (n=1166)
- Pirates of AEW PPVs are similar to those who pay in terms of:
 - Age
 - Pirates skew younger (18-33 years old)
 - Education
 - Years of fandom
- Pirates differ somewhat in the following categories:
 - Individual income (<\$35k)
 - Fewer TV/streaming subscriptions
 - Fewer on-demand wrestling services
 - Paid less for live shows

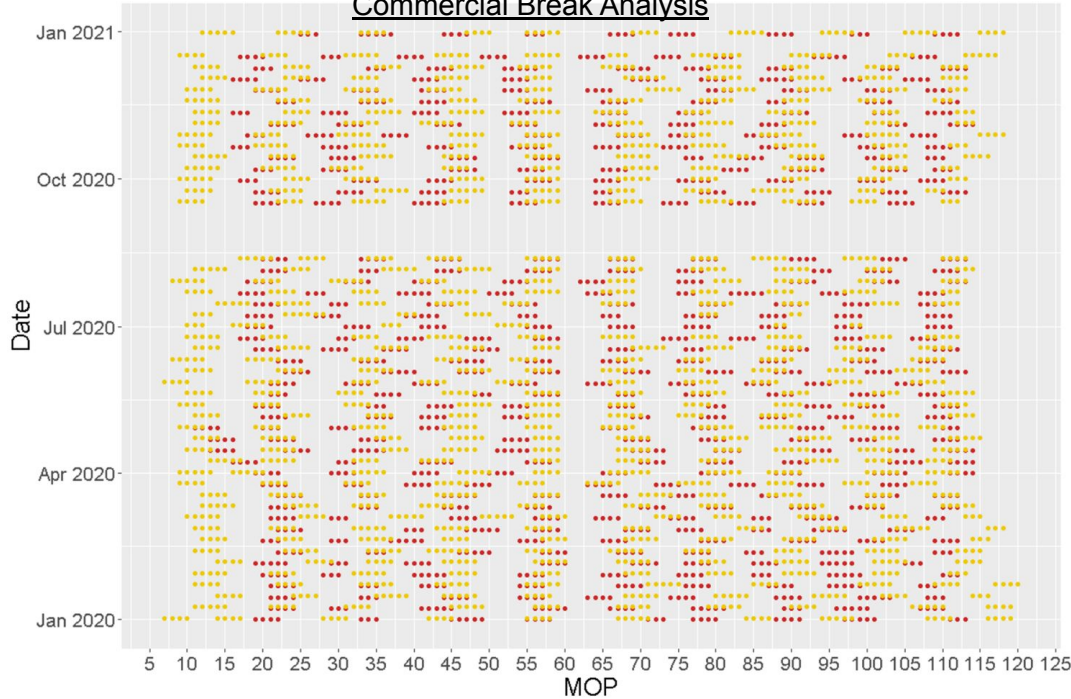


Super-spenders (n= 1470 (26.3%); only US respondents):
-2+ on-demand wrestling services
-OR paid for a PPV in the last 12 months
-OR pay for extra content though Patreon

Almost no difference in years of fandom, age group, education, live event ticket spend, children or income.

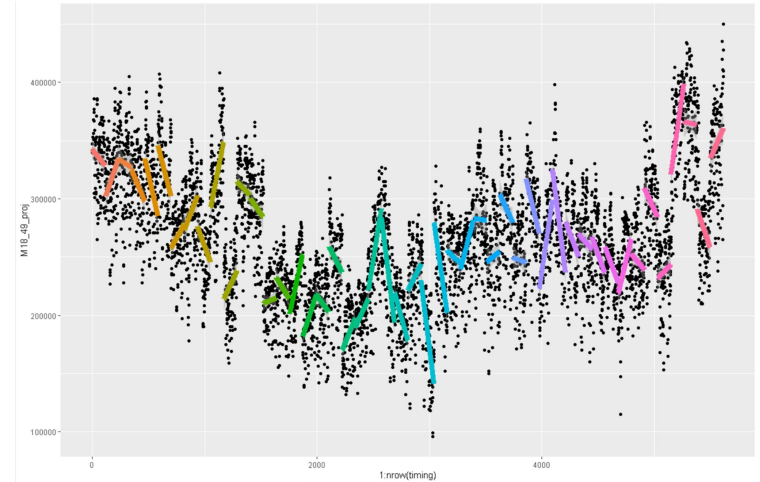
WWE NXT / AEW Dynamite TV Competition

Commercial Break Analysis

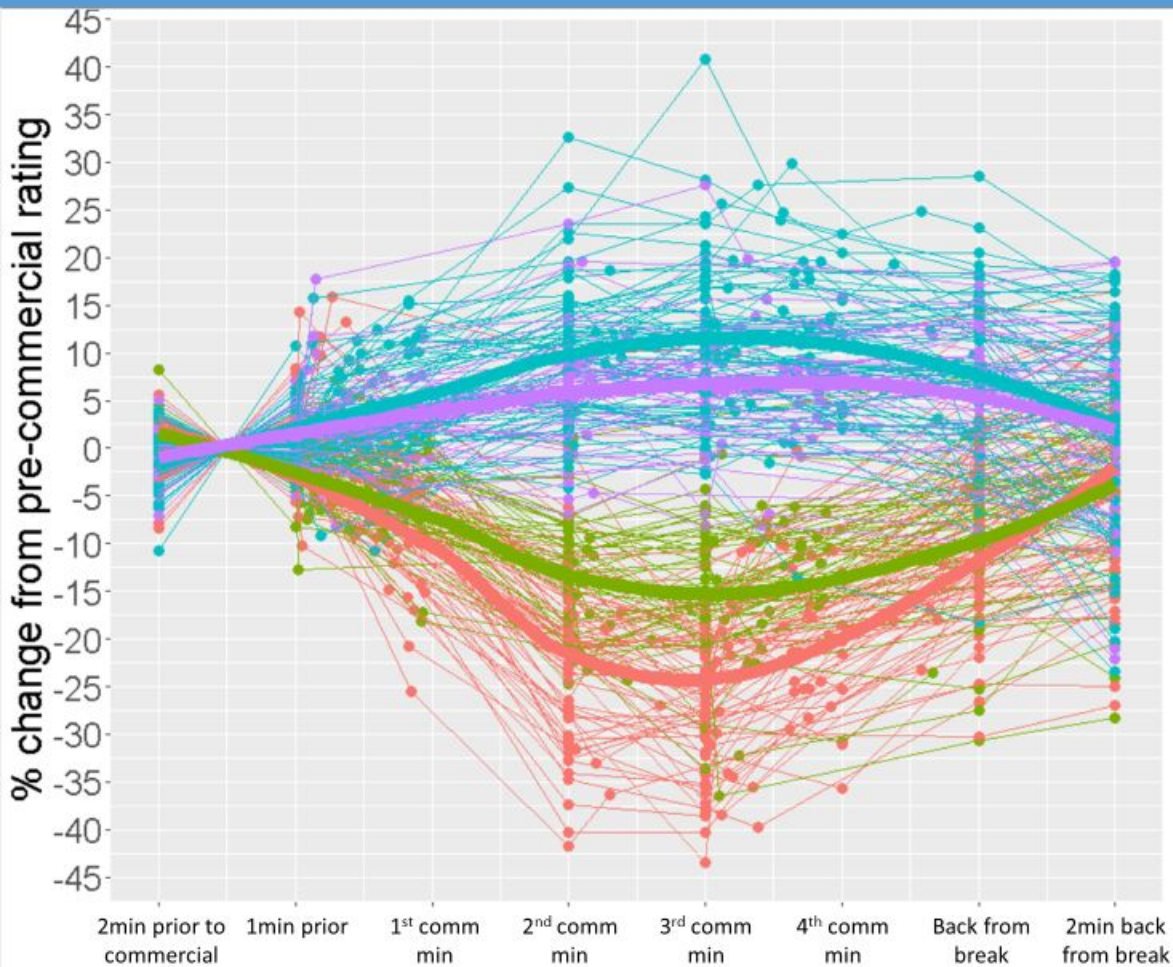


- AEW: ALL ELITE WRESTLING
- WWE NXT

Viewership across 48 episodes running concurrently with NXT (M18-49)
Lines denote slope w/in an episode



M18-49 viewership changes: AEW—commercial/ PiP, NXT— On air



- **NXT: During AEW commercial**
- **NXT: During AEW PiP**
- **AEW: Picture-in-picture (n=49)**
- **AEW: Commercial (n=65)**

	NXT	During break	Return from break
Commercials		9.00%	4.96%
PiPs		5.40%	3.84%
AEW	During break	Return from break	
PiPs		-11.51%	-6.45%
Commercials		-17.59%	-6.07%

Content Creation (Feed the beast = quantity)

TV

YouTube

Merchandise

PPV

