

Q4/19 Results

January 31, 2020



Forward Looking Statements

This presentation contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, the risks described below. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this press release completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this press release may include statements about: anticipated trends, conditions and investor sentiment in the global markets and ETPs; anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; competition in our business; our ability to develop new products and services; our ability to maintain current vendors or find new vendors to provide services to us at favorable costs; our ability to successfully operate and expand our business in non-U.S. markets; and the effect of laws and regulations that apply to our business.

Our business is subject to many risks and uncertainties, including without limitation:

- Declining prices of securities, precious metals and other commodities can adversely affect our business by reducing the market value of the assets we manage or causing WisdomTree ETP investors to sell their fund shares and trigger redemptions.
- Fluctuations in the amount and mix of our AUM, whether caused by disruptions in the financial markets or otherwise, may negatively impact revenues and operating margins, and may impede our ability to refinance our debt upon maturity, increase the cost of borrowing or result in our debt being called prior to maturity.
- Withdrawals or broad changes in investments in our ETPs by investors with significant positions may negatively impact revenues and operating margins.
- Competitive pressures could reduce revenues and profit margins.
- We derive a substantial portion of our revenues from a limited number of products, and as a result, our operating results are particularly exposed to investor sentiment toward investing in the products' strategies, our ability to maintain the AUM of these products, the performance of these products and market-specific and political and economic risk.
- A significant portion of our AUM is held in ETPs that invest in foreign securities and we therefore have substantial exposure to foreign market conditions and are subject to currency exchange rate risks.
- Net outflows in our two largest currency hedged ETPs – the WisdomTree Europe Hedged Equity Fund and the WisdomTree Japan Hedged Equity Fund – have had, and in the future could continue to have, a negative impact on our revenues.
- Over the last few years, we have expanded our business globally. This expansion subjects us to increased operational, regulatory, financial and other risks.
- Many of our ETPs have a limited track record, and poor investment performance could cause our revenues to decline.
- We depend on third parties to provide many critical services to operate our business and our ETPs. The failure of key vendors to adequately provide such services could materially affect our operating business and harm WisdomTree ETP investors.

Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, please see the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

The forward-looking statements in this press release represent our views as of the date of this presentation. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this presentation.

Q4/19 & 2019 AUM and flow highlights

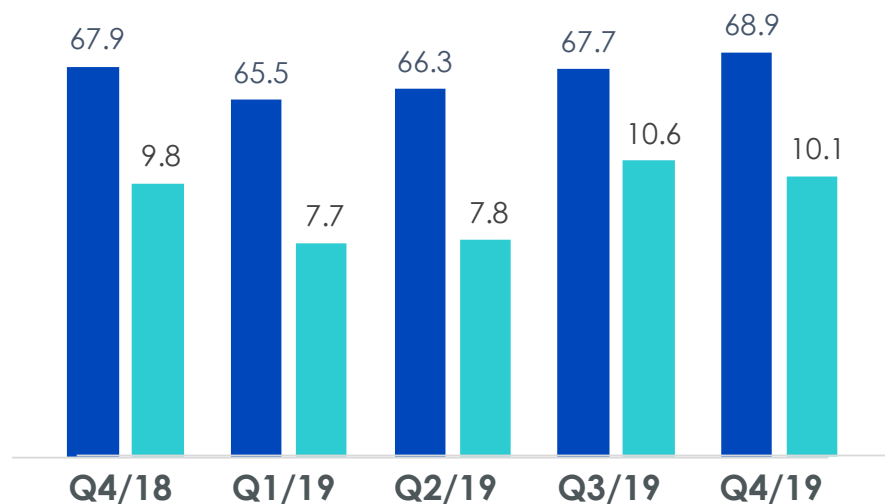
- **Record quarter-end AUM of \$63.6 billion**, up 17.6% in 2019
- **Net inflows of \$368 million in Q4/19** driven by SGBS LN, XSOE, DGRW and DGS. Organic growth for the quarter was 2.5%. Excluding DXJ & HEDJ outflows of (\$192) million organic growth was 4.2%
- **Net inflows of \$572 million in 2019**. Excluding DXJ & HEDJ outflows of (\$2.7) billion net inflows totaled +\$3.3 billion representing 7% organic growth
- **Domestic Equity, Fixed Income and Emerging Markets drove Q4/19 inflows.**
 - + Domestic Equities: Inflows of +\$468 million (11.4% organic growth) with 5 funds taking in over \$50 million
 - + Fixed income: Inflows of +\$220 million (24% organic growth) driven by AGGY which remains well positioned for the low interest rate environment.
 - + Emerging markets: Inflows of +\$193m (13.3% organic growth) driven by demand for ex-state-owned enterprises fund (XSOE, +\$229m) and small caps (DGS +\$150m)

Solid growth in key operating metrics

Revenue, Income, EPS

(\$ millions)

Total Revenue ■ Adjusted Net Income (non-GAAP) ⁽¹⁾ ■



EPS:	(\$0.08) ⁽²⁾	\$0.05	\$0.01 ⁽³⁾	\$0.02 ⁽³⁾	\$0.02 ⁽³⁾
Adjusted EPS (non-GAAP) ⁽¹⁾ :	\$0.06	\$0.05	\$0.05	\$0.06	\$0.06
Net Income:	(11.6)	8.8	2.5	4.2	4.3

Highlights/Unusual Items

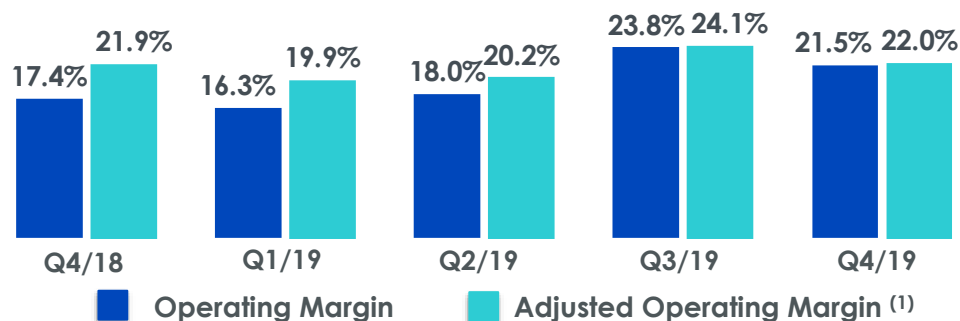
- \$5.4 million (after-tax) non-cash charge associated with revaluation of deferred consideration (gold payment)
- \$0.4 million of disposition related costs associated with the pending sale of our Canadian business
- We are currently pursuing an exit from our \$58 million investment in AdvisorEngine. Process is not yet finalized, but we anticipate a non-cash impairment charge of \$22-\$30 million in Q4/19 which is not yet included in our results. The final impairment charge will be recognized and disclosed in our Form 10-K
- We do not anticipate the exit from our investment in AdvisorEngine will result in any asset attrition or change our organic growth outlook



(1) See "Non-GAAP Financial Measurements"
 (2) Includes \$0.14 of net gains
 (3) Includes \$0.04 of net losses

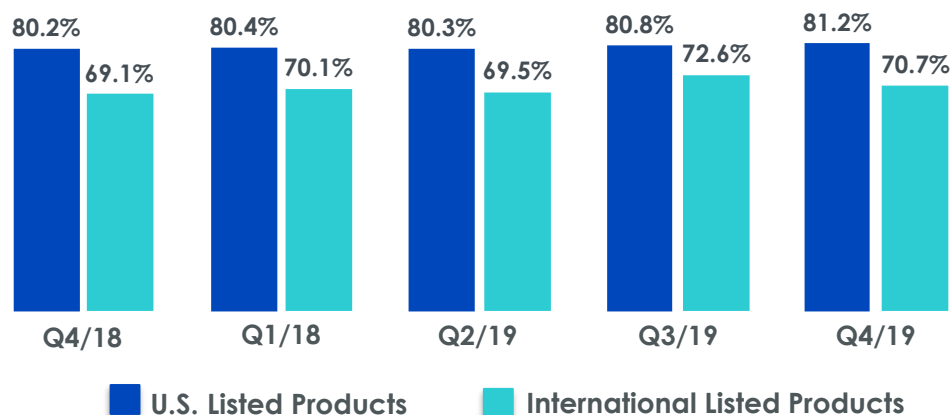
Margins trends mixed in Q4/19

Operating Margins



- Adjusted operating margins declined sequentially reflecting lower gross margins and increased sales and business development costs in Europe associated with the launch of our Bitcoin ETP

Gross Margins ⁽¹⁾



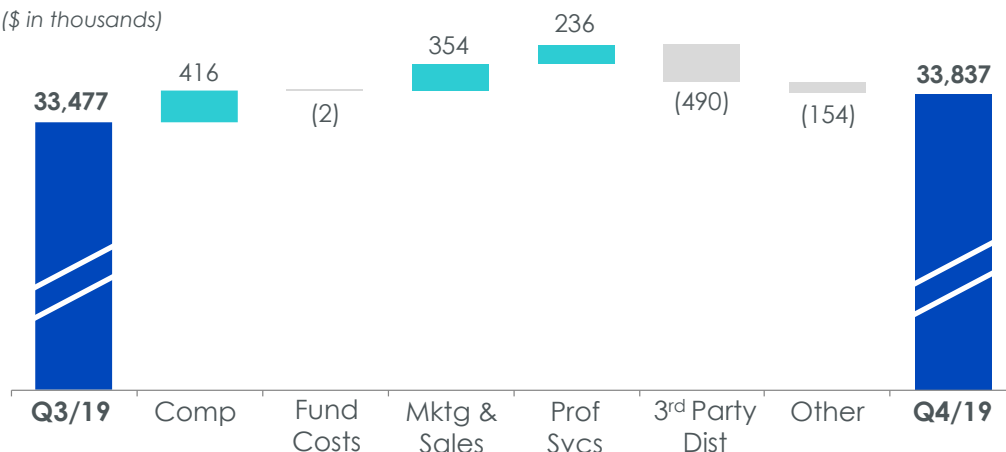
- Gross margins of U.S. listed products expanded reflecting scale benefits
- Gross margins of International listed products contracted due to costs associated with preparing our products for Brexit as well as the impact of new market making agreements

(1) See "Non-GAAP Financial Measurements"

Disciplined expense control in 2019

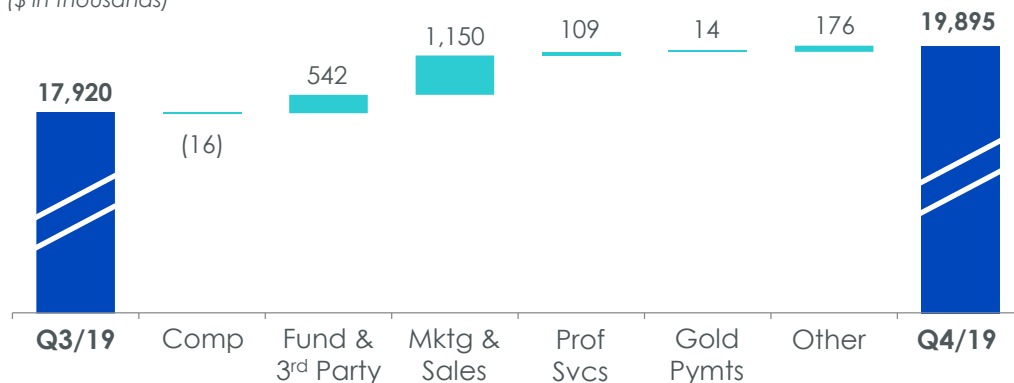
U.S. Expense Base Change – Q3/19 to Q4/19 ⁽¹⁾

(\$ in thousands)



International Expense Base Change – Q3/19 to Q4/19 ⁽²⁾

(\$ in thousands)



US Segment

- Compensation costs of \$14.9 million brought full-year 2019 compensation to \$59 million ⁽³⁾, near the mid-point of our original guidance
- Third Party Distribution declined \$0.5 million following the move to commission-free trading at many brokerage platforms
- Full-year discretionary spending ⁽⁴⁾ of \$38.0m, \$6m (13%) below the initial guidance range

International Segment

- Growth in marketing and sales costs largely reflects costs associated with our Bitcoin ETP launch
- Full year discretionary spending of \$13.1 million was roughly in-line with our initial guidance range



(1) Excludes disposition costs of \$170 in Q4/19
 (2) Excludes acquisition and disposition related costs of \$196 in Q4/19 and \$190 in Q3/19
 (3) Excludes \$3.5m of severance costs
 (4) Discretionary spending includes marketing, sales, professional fees, occupancy, D&A and Other

2020 Strategic Priorities – Capitalize on tailwinds & continue to drive efficiencies

➤ Capitalize on tailwinds

+ Take advantage of the macro environment

- Among the best positioned for a shift from growth to value
- Well positioned for a lower-for-longer interest rate environment
- Recognize shorter-term market trends and drive tactical flows

+ Accelerate Model Portfolio Momentum

- Over \$250 million of model portfolio inflows in Q4/19 with momentum building
- Siegel-WisdomTree models launched at TD Ameritrade conference this week

+ Benefit from migration to ETFs from active mutual funds

- ETF penetration continues to grow among advisors
- WisdomTree's Modern Alpha® approach appealing to legacy active mutual fund users

➤ Continue to drive efficiencies

+ Divest to reinvest

- Exit Canada and AdvisorEngine to reinvest in core growth initiatives and future innovation
- Remain focused on driving operational efficiencies in all aspects of the business

➤ Flow momentum has been building

S&P Growth vs. Value (1)



Siegel-WisdomTree Global Equity Model Siegel-WisdomTree Longevity Model



SIEGEL-WISDOMTREE GLOBAL EQUITY MODEL

100% Equity

Advisors seeking to align their clients' investments with the core principals of Professor Jeremy Siegel and WisdomTree.

SIEGEL-WISDOMTREE LONGEVITY MODEL

75% Equity
25% Fixed Income

Advisors seeking an alternative to a traditional 60/40 portfolio for balancing income needs with longevity risks.

2020 Expense guidance

- Moving to one reporting segment starting Q1/20

	2019 U.S. Segment	2019 International Segment	2019 Consolidated	2020 Guidance
Compensation	\$59.6 million	\$17.7 million	\$77.3 million ⁽¹⁾	\$75-\$85 million
Gross Margin	80.7%	70.8%	77.1%	77-78%
Third-Party Distribution Fees	\$6.5 million	\$0.5 million	\$7.0 million	\$7.0 million (flat to 2019)
Other Discretionary Spending (marketing, sales, professional fees, occupancy & equipment, depreciation & amortization, other)	\$38.4 million	\$13.1 million	\$51.5 million	\$51.5 million (flat to 2019)
Contractual Gold Payments (9500 oz at average daily gold spot price)	\$0	\$13.2 million	\$13.2 million	\$14.9 million ⁽²⁾
Adjusted Tax Rate			28.6%	~27%

- Capital management priorities: Debt reduction, dividends, dry powder for organic growth and strategic investments



(1) Excludes \$3.5 million of severance costs

(2) Based on Gold price of 1570/oz as of 1/29/20

History of innovation

➤ History of innovation in the ETF structure

- + Pioneer of self-indexing and Modern Alpha® with many first-to-market strategies
- + Launched Bitcoin ETP in Europe in December

➤ Strategic investment in Securrency

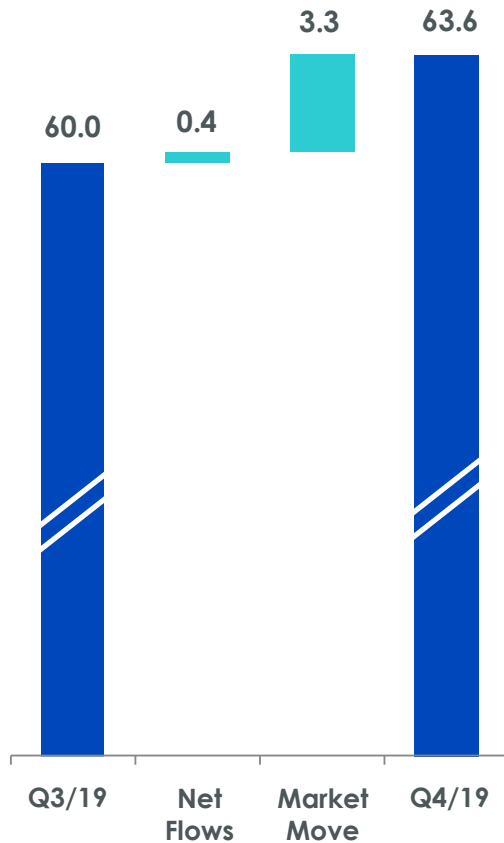
- + Blockchain-based financial services infrastructure company with a unique focus on regulatory compliance
- + Pursuing the launch of fully regulated tokenized version of ETFs – bring the benefits of blockchain to the ETF ecosystem and expanding ETFs to the growing digital asset investor base
- + Blockchain has the potential to revolutionize financial services and WisdomTree has the right vision and partner to be a global leader in digital assets

Appendix

AUM and net flow trends

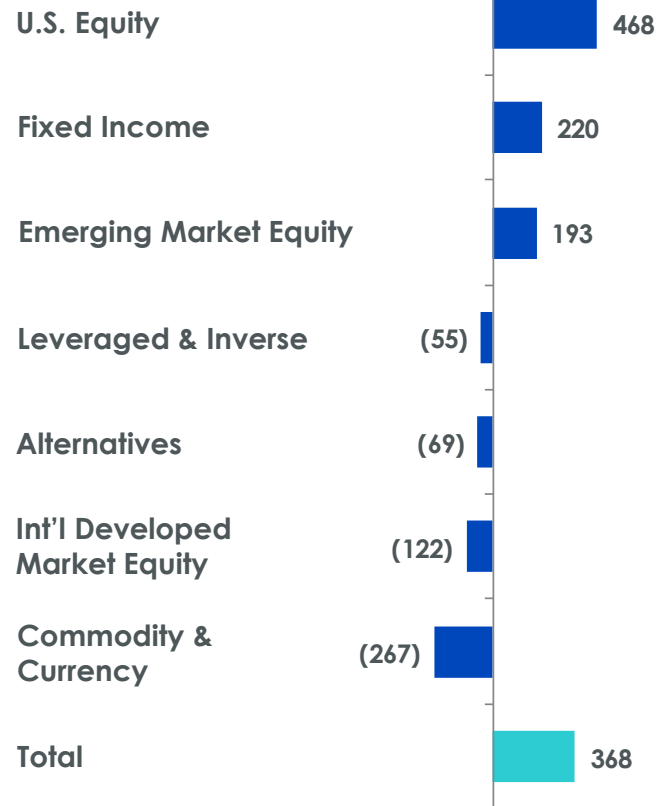
Quarterly ETF AUM Change

(\$ billions)



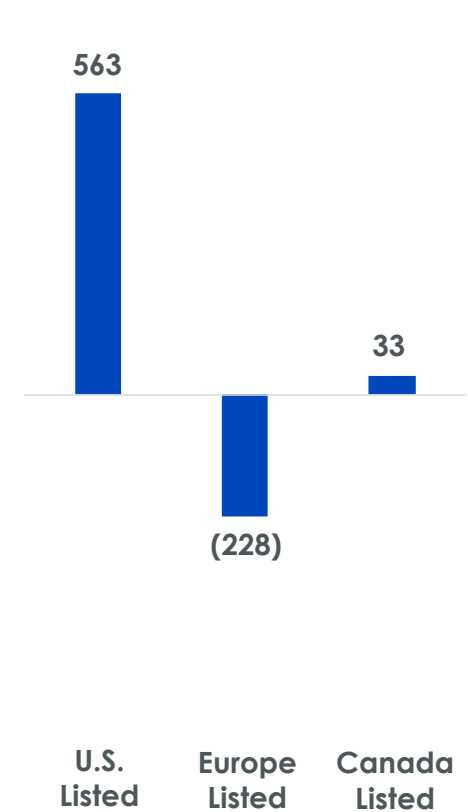
Q4/19 Net Flows by Category

(\$ millions)



Q4/19 Net Flows by Region

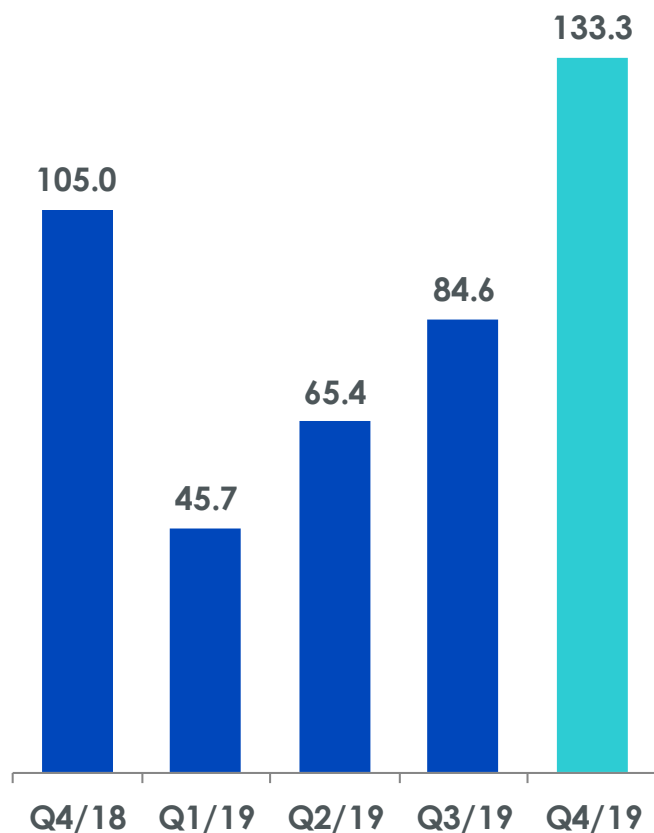
(\$ millions)



Industry U.S. listed ETF flows

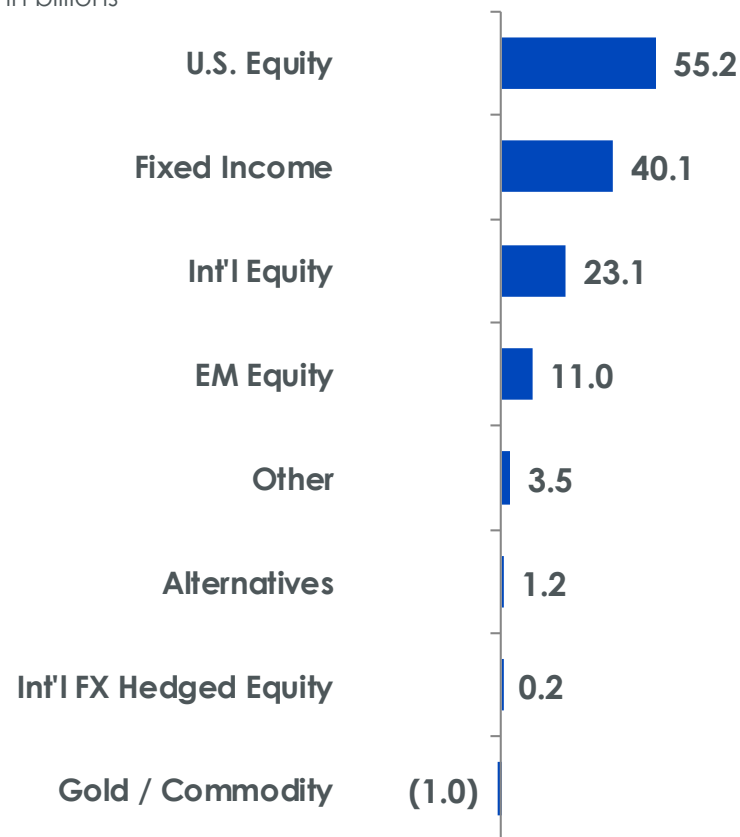
U.S. ETF Industry Net Inflows

\$ in billions



Industry Net Inflows by Category Q4/19

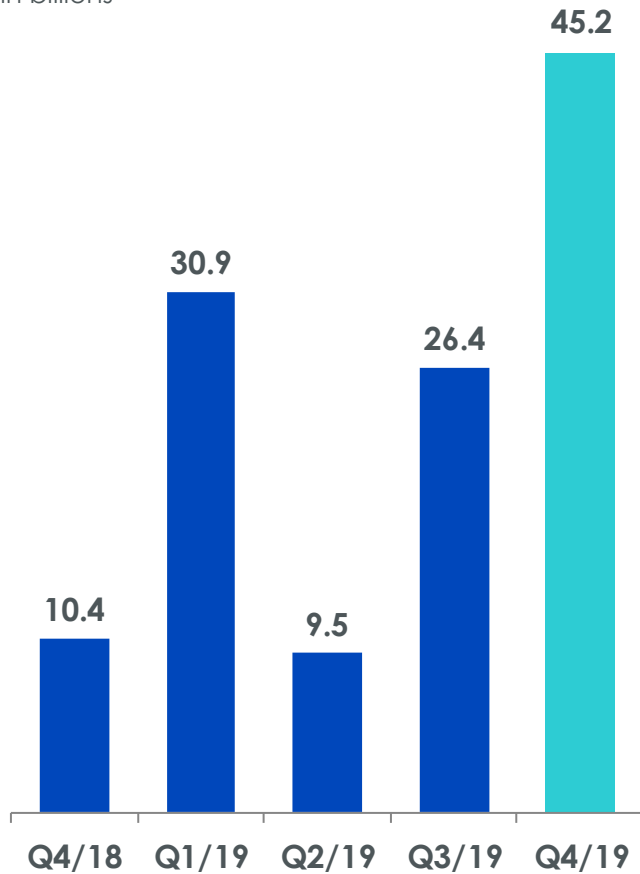
\$ in billions



Industry Europe listed ETF flows

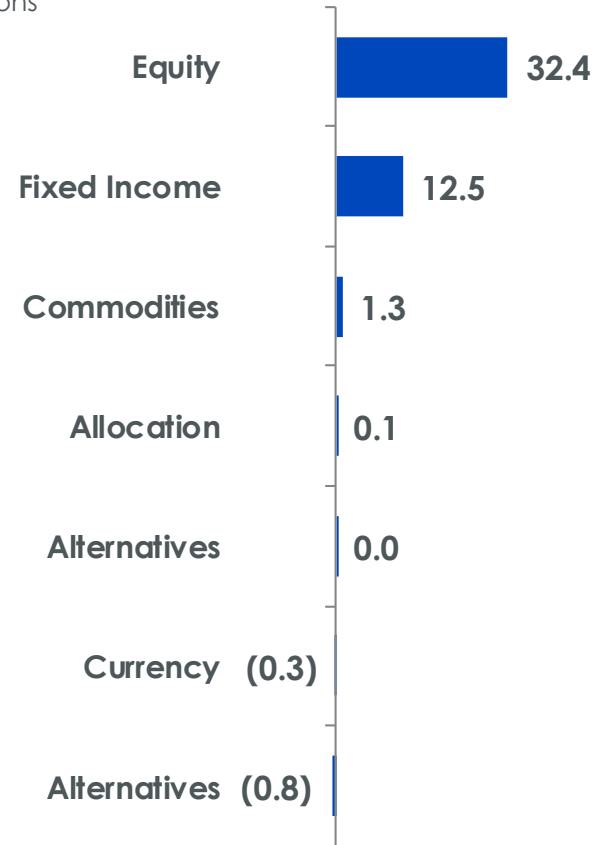
Europe ETF Industry Net Inflows

\$ in billions



Industry Net Inflows by Category Q4/19

\$ in billions

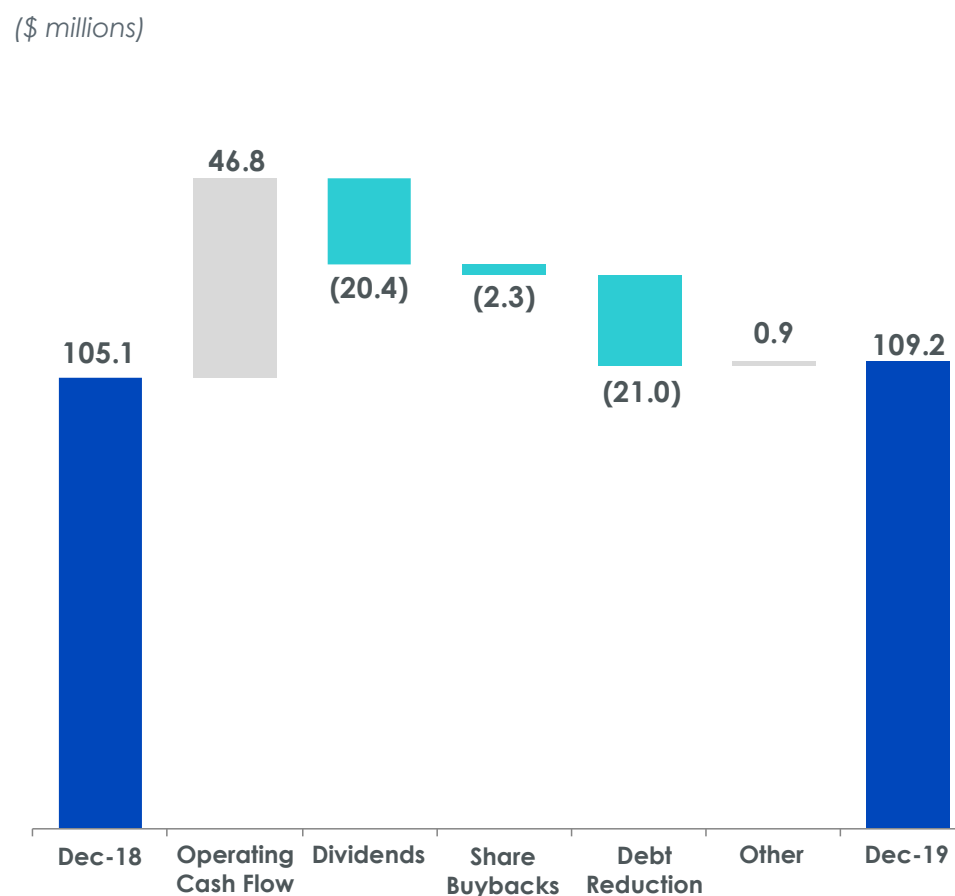


Balance Sheet

Balance Sheet

(\$ millions)	Dec. 30, 2019	Dec. 31, 2018
Assets		
Cash and securities ⁽¹⁾	\$109.2	\$105.1
Investments ⁽²⁾	69.5	56.8
Accounts receivable	26.8	25.8
Deferred tax asset, net	7.4	7.0
Fixed assets, net	8.1	9.1
Goodwill and intangibles	689.2	689.1
Other assets	23.0	9.7
Total assets	\$933.2	\$902.6
Liabilities		
Fund management and administration	\$22.0	\$22.5
Compensation and benefits	26.5	18.5
Accounts payable and other liabilities	12.9	10.0
Long-term debt	176.0	194.6
Deferred consideration (gold payments)	173.0	161.5
Lease Liabilities	22.7	4.6
Total liabilities	433.1	411.7
Preferred stock	132.6	132.6
Stockholders' equity	367.5	358.3
Total liabilities and stockholders' equity	\$933.2	\$902.6

2019 Change in Cash & Securities ⁽¹⁾



- (1) Includes securities owned and securities held to maturity
 (2) Includes note receivable associated with AdvisorEngine

Consolidated Financial Results - GAAP

	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenues												
Advisory fees	\$ 53,028	\$ 55,856	\$ 57,293	\$ 60,515	\$ 58,456	\$ 73,778	\$ 71,679	\$ 67,191	\$ 64,840	\$ 65,627	\$ 67,006	\$ 68,179
Other income	339	386	421	458	448	997	891	676	645	666	712	728
Total revenues	53,367	56,242	57,714	60,973	58,904	74,775	72,570	67,867	65,485	66,293	67,718	68,907
Expenses												
Compensation and benefits	17,874	18,421	19,492	25,706	18,832	19,301	17,544	18,838	21,301	21,300	18,880	19,280
Fund management and administration	9,600	10,112	10,862	11,570	10,912	14,621	15,292	15,861	15,166	15,576	15,110	15,650
Marketing and advertising	3,537	3,825	3,314	3,726	3,195	3,778	3,239	3,672	2,680	2,910	3,022	3,551
Sales and business development	2,962	3,389	3,617	3,843	3,813	4,503	3,801	5,036	4,422	4,171	4,354	5,329
Contractual gold payments	--	--	--	--	--	2,715	2,880	2,917	3,098	3,110	3,502	3,516
Professional and consulting fees	1,558	1,221	1,035	1,440	1,636	1,560	1,934	2,854	1,482	1,296	1,259	1,604
Occupancy, communications and equipment	1,353	1,371	1,378	1,313	1,363	1,574	1,722	1,544	1,618	1,548	1,549	1,587
Depreciation and amortization	337	352	353	353	355	337	306	303	269	264	259	253
Third party distribution fees	932	670	710	1,081	1,725	1,666	1,407	1,813	2,400	1,919	1,503	1,146
Acquisition & disposition related costs	--	--	--	4,832	2,062	7,928	456	1,008	313	33	190	366
Other	1,624	1,842	1,729	1,873	1,790	2,261	2,281	2,202	2,053	2,255	1,959	1,816
Total expenses	39,777	41,203	42,490	55,737	45,683	60,244	50,862	56,048	54,802	54,382	51,587	54,098
Operating Income	13,590	15,039	15,224	5,236	13,221	14,531	21,708	11,819	10,683	11,911	16,131	14,809
Interest Expense	--	--	--	--	--	(2,356)	(2,747)	(2,859)	(2,892)	(2,910)	(2,832)	(2,606)
Gain/(loss) on revaluation of deferred consideration	--	--	--	--	--	9,898	7,732	(5,410)	4,404	(4,037)	(6,306)	(5,354)
Interest Income	584	641	773	861	962	612	719	800	779	818	799	936
Impairments	--	--	--	--	--	--	--	(17,386)	(572)	--	--	--
Settlement gain	--	6,909	--	--	--	--	--	--	--	--	--	--
Other gains/(losses)	648	(364)	(501)	(448)	(261)	(501)	118	439	(4,627)	284	843	(2)
Income before taxes	14,822	22,225	15,496	5,649	13,922	22,184	27,530	(12,597)	7,775	6,066	8,635	7,783
Income tax (benefit)/expense	7,942	10,120	7,520	5,411	4,498	5,460	5,481	(1,033)	(1,049)	3,587	4,483	3,525
Net Income	\$ 6,880	\$ 12,105	\$ 7,976	\$ 238	\$ 9,424	\$ 16,724	\$ 22,049	\$ (11,564)	\$ 8,824	\$ 2,479	\$ 4,152	\$ 4,258
Note:												
Stock-based compensation included above	\$ 3,421	\$ 3,530	\$ 3,607	\$ 4,159	\$ 3,309	\$ 3,352	\$ 3,417	\$ 3,177	\$ 3,072	\$ 3,135	\$ 2,374	\$ 3,009

Segment Financial Results

U.S. Business Segment

(\$ in thousands)

U.S. Business Segment

	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19
Revenues					
Advisory fees	\$45,633	\$42,517	\$43,070	\$41,950	\$42,952
Other income	126	106	76	81	76
Total revenues	45,759	42,623	43,146	42,031	43,028
Expenses					
Compensation and benefits	14,370	16,779	16,696	14,531	14,947
Fund management and administration	9,038	8,340	8,505	8,072	8,070
Marketing and advertising	2,704	2,162	2,336	2,411	2,745
Contractual gold payment	--	--	--	--	--
Sales and business development	3,747	3,359	2,867	3,124	3,144
Professional and consulting fees	2,166	1,072	1,055	908	1,144
Acquisition-related costs	72	11	--	--	170
Occupancy, communications and equipment	1,205	1,283	1,211	1,215	1,235
Depreciation and amortization	280	246	242	238	235
Third party distribution fees	1,789	2,338	1,867	1,404	914
Other	1,617	1,586	1,628	1,574	1,403
Total expenses	36,988	37,176	36,407	33,477	34,007
Operating Income	\$ 8,771	\$ 5,447	\$ 6,739	\$ 8,554	\$ 9,021
Adjusted operating margin ⁽¹⁾	23.7%	17.5%	18.8%	20.4%	21.4%
Compensation ratio	31.4%	39.4%	38.7%	34.6%	34.7%
Gross margin ⁽¹⁾	80.2%	80.4%	80.3%	80.8%	81.2%

International Business Segment

(\$ in thousands)

International Business Segment

	Q4/18	Q1/19	Q2/19	Q3/19	Q4/19
Revenues					
Advisory fees	\$21,558	\$22,323	\$22,557	\$25,056	\$25,227
Other income	550	539	590	631	652
Total revenues	22,108	22,862	23,147	25,687	25,879
Expenses					
Compensation and benefits	4,468	4,522	4,604	4,349	4,333
Fund management and administration	6,823	6,826	7,071	7,038	7,580
Marketing and advertising	968	518	574	611	806
Contractual gold payment	2,917	3,098	3,110	3,502	3,516
Sales and business development	1,289	1,063	1,304	1,230	2,185
Professional and consulting fees	688	410	241	351	460
Acquisition-related costs	936	302	33	190	196
Occupancy, communications and equipment	339	335	337	334	352
Depreciation and amortization	23	23	22	21	18
Third party distribution fees	24	62	52	99	232
Other	585	467	627	385	413
Total expenses	19,060	17,626	17,975	18,110	20,091
Operating Income	\$ 3,048	\$ 5,236	\$ 5,172	\$ 7,577	\$ 5,788
Adjusted operating margin ⁽¹⁾	18.0%	24.2%	23.0%	30.2%	23.1%
Compensation ratio	20.2%	19.8%	19.9%	16.9%	16.7%
Gross margin ⁽¹⁾	69.1%	70.1%	69.5%	72.6%	70.7%

(1) See "Non-GAAP Financial Measurements"

Non-GAAP Financial Measurements

In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. The non-GAAP financial measurements contained in this release include:

- *Adjusted compensation, operating income, income before income taxes, income tax expense, net income and diluted earnings per share.* We disclose adjusted compensation, operating income, income before income taxes, income tax expense, net income and diluted earnings per share as non-GAAP financial measurements in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting these non-GAAP financial measures provides investors with a consistent way to analyze our performance. These non-GAAP financial measures exclude the following:
 - *Unrealized gains or losses on the revaluation of deferred consideration:* Deferred consideration is an obligation we assumed in connection with the ETFs acquisition that is carried at fair value. This item represents the present value of an obligation to pay fixed ounces of gold into perpetuity and is measured using forward-looking gold prices. Changes in the forward-looking price of gold may have a material impact on the carrying value of the deferred consideration and our reported financial results. We exclude this item when calculating our non-GAAP financial measurements as it is not core to our operating business. The item is not adjusted for income taxes as the obligation was assumed by a wholly-owned subsidiary of ours that is based in Jersey, a jurisdiction where we are subject to a zero percent tax rate.
 - *Tax shortfalls and windfalls upon vesting and exercise of stock-based compensation awards:* GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting and exercise of stock-based compensation awards and the magnitude is directly correlated to the number of awards vesting/exercised as well as the difference between the price of our stock on the date the award was granted and the date the award vested or was exercised. We exclude these items when calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.
 - *Other items:* Impairment charges, severance expense and acquisition and disposition-related costs are excluded when calculating our non-GAAP financial measurements.
- *Adjusted effective income tax rate.* We disclose our adjusted effective income tax rate as a non-GAAP financial measurement in order to report our effective income tax rate exclusive of items that are non-recurring or not core to our operating business. We believe reporting our adjusted effective income tax rate provides investors with a consistent way to analyze our income taxes. Our adjusted effective income tax rate is calculated by dividing adjusted income tax expense by adjusted income before income taxes. See above for information regarding the items that are excluded.
- *Gross margin and gross margin percentage.* We disclose our gross margin and gross margin percentage as non-GAAP financial measurements for our U.S. Business segment and International Business segment because we believe they provide investors with a consistent way to analyze the amount we retain after paying third-party service providers to operate our ETPs. These ratios also assist us in analyzing the profitability of our products. We define gross margin as total operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total operating revenues.
- *Adjusted operating income margin.* We disclose adjusted operating income margin as a non-GAAP financial measurement on a consolidated basis, as well as for our U.S. Business segment and International Business segment in order to report our operating income margin exclusive of items that are non-recurring or not core to our operating business.

Non-GAAP Financial Measurements

WISDOMTREE INVESTMENTS, INC. AND SUBSIDIARIES

GAAP to NON-GAAP RECONCILIATION

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2019	Sept. 30, 2019	Jun 30, 2019	31-Mar 2019	Dec. 31, 2018
Adjusted net income and diluted earnings per share:					
Net income, as reported	\$ 4,258	\$ 4,152	\$ 2,479	\$ 8,824	\$ (11,564)
Add back: Impairments, net of income taxes	--	--	--	572	14,048
Add back: Severance expense, net of income taxes	--	--	1,194	1,521	1,526
Add back: Acquisition and disposition related costs, net of income taxes	353	154	27	253	812
Add back/(deduct): Tax shortfalls/(windfalls) up vesting and exercise of stock-based compensation awards	142	30	76	971	(403)
Add back / (deduct): Unrealized loss/(gain) on revaluation of deferred consideration	5,354	6,306	4,037	(4,404)	5,410
Adjusted net income	10,107	10,642	7,813	7,737	9,829
Weighted average common share - diluted	167,203	167,163	167,249	166,811	166,686
Adjusted earnings per share - diluted	\$ 0.06	\$ 0.06	\$ 0.05	\$ 0.05	\$ 0.06
Adjusted operating income margin:					
Operating revenues	\$ 68,907	\$ 67,718	\$ 66,293	\$ 65,485	\$ 67,867
Operating income	14,809	16,131	11,911	10,683	11,819
Add back: Severance expense, before income taxes	--	--	1,475	2,020	2,014
Add: Acquisition and disposition related costs, before income taxes	366	190	33	313	1,008
Adjusted operating income	\$ 15,175	\$ 16,321	\$ 13,419	\$ 13,016	\$ 14,841
Adjusted operating income margin	22.0%	24.1%	20.2%	19.9%	21.9%
U.S. Segment Gross Margin and Gross Margin Percentage					
Operating revenues	\$ 43,028	\$ 42,031	\$ 43,146	\$ 42,623	\$ 45,759
Less: Fund management and administration	(8,070)	(8,072)	(8,505)	(8,340)	(9,038)
Gross margin	\$ 34,958	\$ 33,959	\$ 34,641	\$ 34,283	\$ 36,721
Gross margin percentage	81.2%	80.8%	80.3%	80.4%	80.2%
U.S. Segment Adjusted Operating Income Margin					
Operating revenues	\$ 43,028	\$ 42,031	\$ 43,146	\$ 42,623	\$ 45,759
Operating income	9,021	8,554	6,739	5,447	8,771
Add back: Severance expense, before income taxes	--	--	1,366	2,020	2,014
Add back: Acquisition and disposition related costs, before income taxes	170	--	--	11	72
Adjusted operating income	\$ 9,191	\$ 8,554	\$ 8,105	\$ 7,478	\$ 10,857
Adjusted operating income margin	21.4%	20.4%	18.8%	17.5%	23.7%
Adjusted Compensation					
Compensation Expense	\$ 19,280	\$ 18,880	\$ 21,300	\$ 21,301	\$ 18,838
Deduct: Severance expense, before taxes	--	--	(1,475)	(2,020)	(2,014)
Adjusted Compensation	\$ 19,280	\$ 18,880	\$ 19,825	\$ 19,281	\$ 16,824

WISDOMTREE INVESTMENTS, INC. AND SUBSIDIARIES

GAAP to NON-GAAP RECONCILIATION

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31 2019	Sept. 30, 2019	Jun 30, 2019	31-Mar 2019	Dec. 31, 2018
International Segment Gross Margin and Gross Margin Percentage					
Operating revenues	\$ 25,879	\$ 25,687	\$ 23,147	\$ 22,862	\$ 22,108
Less: Fund management and administration	(7,580)	(7,038)	(7,071)	(6,826)	(6,823)
Gross margin	\$ 18,299	\$ 18,649	\$ 16,076	\$ 16,036	\$ 15,285
Gross margin percentage	70.7%	72.6%	69.5%	70.1%	69.1%
International Segment Adjusted Operating Income Margin					
Operating revenues	\$ 25,879	\$ 25,687	\$ 23,147	\$ 22,862	\$ 22,108
Operating income	5,788	7,577	5,172	5,236	3,048
Add back: Severance expense, before income tax	--	--	109	--	--
Add back: Acquisition and disposition related costs, before income taxes	196	190	33	302	936
Adjusted operating income	\$ 5,984	\$ 7,767	\$ 5,314	\$ 5,538	\$ 3,984
Adjusted operating income margin	23.1%	30.2%	23.0%	24.2%	18.0%
Adjusted Effective Income Tax Rate					
Income/(loss) before income taxes	\$ 7,783	\$ 8,635	\$ 6,066	\$ 7,775	\$ (12,597)
Add back/(deduct): Unrealized loss/(gain) on revaluation of deferred consideration	5,354	6,306	4,037	(4,404)	5,410
Add back: Loss recognized upon reduction of tax indemnification asset	--	--	--	4,310	--
Add back: Severance expense, before income tax	--	--	1,475	2,020	2,014
Add back: Impairments, before income tax	--	--	--	572	17,386
Add back: Acquisition and disposition related costs, before income taxes	366	190	33	313	1,008
Adjusted income before income taxes	\$ 13,503	\$ 15,131	\$ 11,611	\$ 10,586	\$ 13,221
Income tax (benefit)/expense	\$ 3,525	\$ 4,483	\$ 3,587	\$ (1,049)	\$ (1,033)
Add back: Tax benefit arising from impairments	--	--	--	--	3,338
Add back: Tax benefit arising reduction in unrecognized tax benefits	--	--	--	4,310	--
Add back/(deduct): Tax windfalls/(shortfalls) upon vesting and exercise of stock-based compensation awards	(142)	(30)	(76)	(971)	403
Add back: Tax benefit arising from severance expense	--	--	281	499	488
Add back: Tax benefit arising from acquisition related costs	13	36	6	60	196
Adjusted income tax expense	\$ 3,396	\$ 4,489	\$ 3,798	\$ 2,849	\$ 3,392
Adjusted effective income tax rate	25.1%	29.7%	32.7%	26.9%	25.7%



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