

**Q4/18 Results**

**February 1, 2019**



# Forward Looking Statements

This presentation contains forward-looking statements that are based on our management's belief 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 presentation 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 presentation may include statements about: anticipated trends, conditions and investor sentiment in the global markets and exchange-traded products ("ETPs"); anticipated levels of inflows into and outflows out of our ETPs; our ability to deliver favorable rates of return to investors; 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 expand our business into non-U.S. markets; competition in our business; and the effect of laws and regulations that apply to our business.

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

- Net outflows in our two largest ETFs – 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.
- 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 customers 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.
- 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 the performance of these products and our ability to maintain the AUM of these products, as well as investor sentiment toward investing in the products' strategies and market-specific and political and economic risk.
- A significant portion of our AUM is held in our U.S. listed ETFs that invest in foreign securities and we therefore have substantial exposure to foreign market conditions and are subject to currency exchange rate risks.
- Many of our ETPs and ETFs 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 our customers.

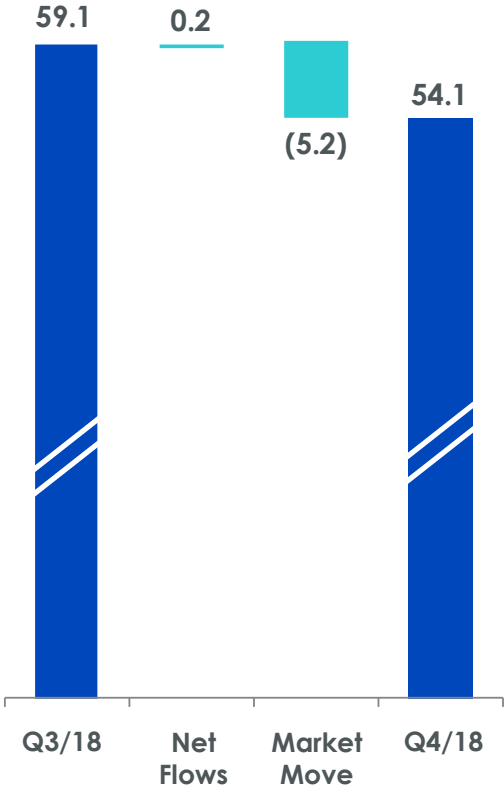
Other factors, such as general economic conditions, including currency exchange rate fluctuations, also may have an effect on the results of our operations. For a more complete description of the risks noted above and other risks that could cause our actual results to differ from our current expectations, please see the section entitled "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2018.

The forward-looking statements in this presentation 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.

# Positive organic growth in a volatile quarter

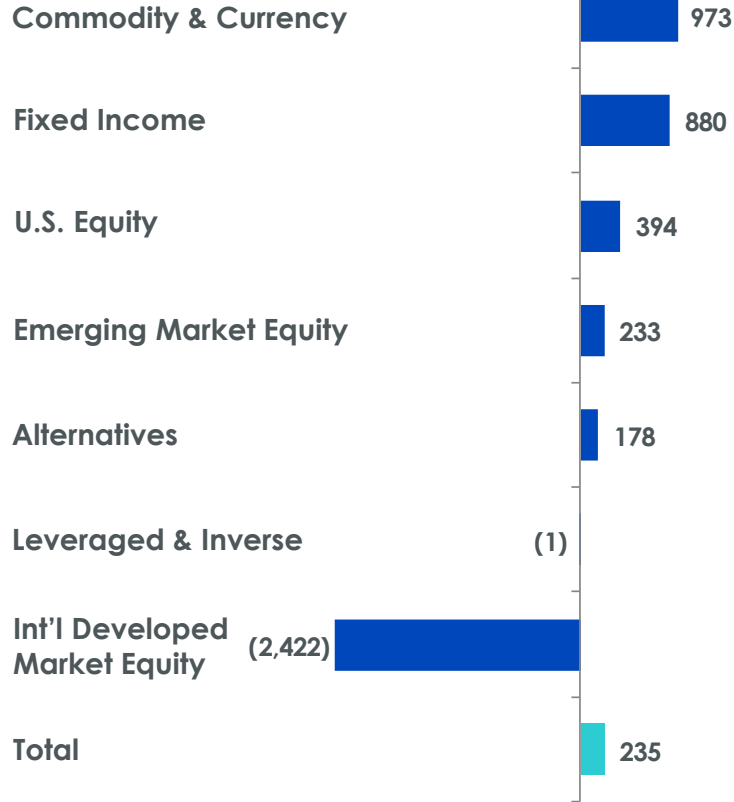
## Quarterly ETF AUM Change

(\$ billions)



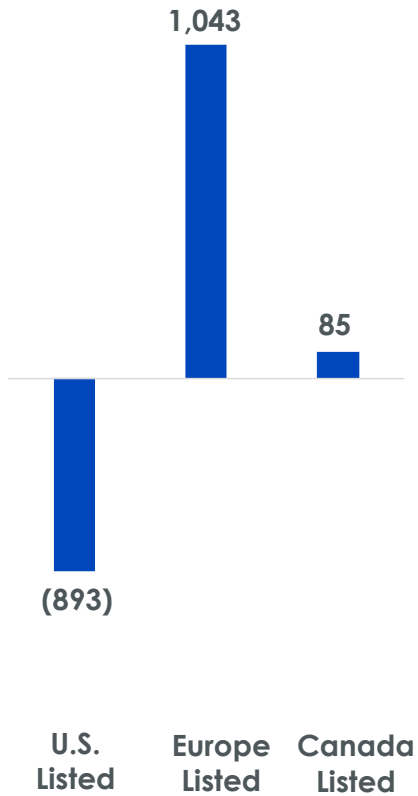
## Q4/18 Net Flows by Category

(\$ millions)



## Q4/18 Net Flows by Region

(\$ millions)

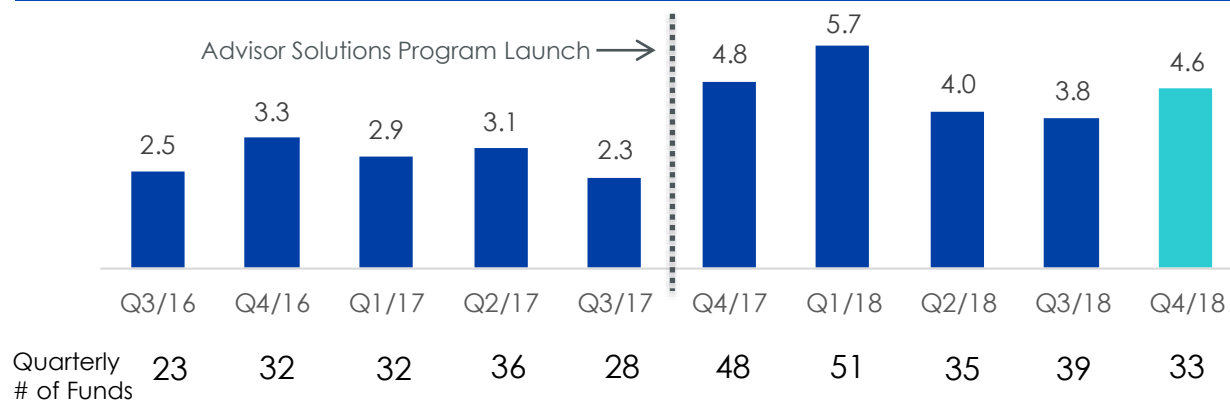


# U.S. listed product diversification continues

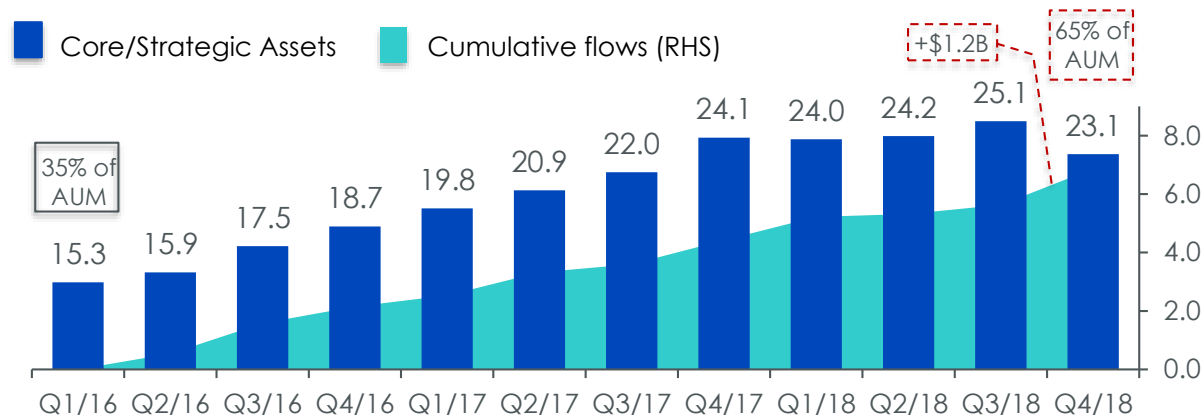
## Notable U.S. Flow Highlights

- + Strong demand for floating rate treasury ETF amid rising rates and market volatility
  - USFR +\$790m – expanding position as category leader
- + Demand for U.S. Equity ETFs with largest inflows since Q4/16
- + Rebound in Emerging Market equity demand trends
- + Reversal of demand for International SmallCaps
- + Assets in 51 funds viewed as core holdings represent 65% of total AUM at 12/31/18 and generated inflows for the 13<sup>th</sup> straight quarter (+\$1.2B in Q4)

## Daily Average Number of Funds Creating and Quarterly Number of Funds with Net Inflows



## Core<sup>(1)</sup> AUM Growth (\$ in billions)



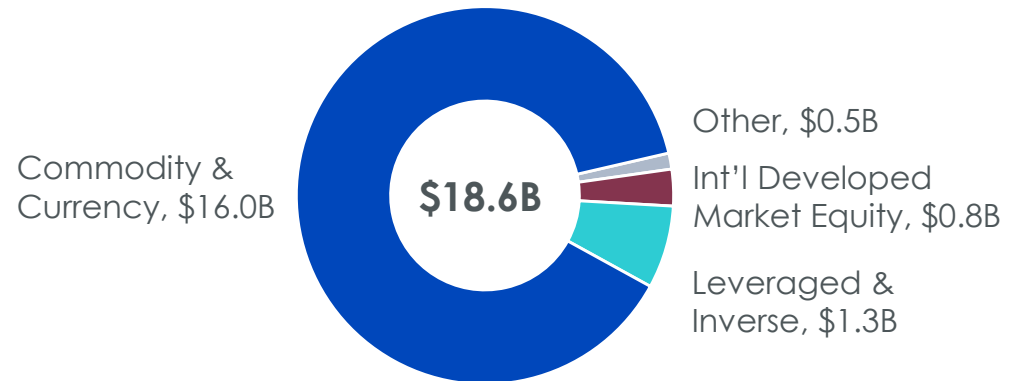
(1) Core includes: AGGY, DDLS, DDWM, DEM, DES, DEW, DGS, DGRE, DGRS, DGRW, DHDG, DHS, DIM, DLN, DLS, DNL, DOL, DON, DOO, DRW, DTD, DTH, DTN, DVEM, DWM, DWMF, EES, EMMF, EPS, EXT, EZM, GCC, GLBY, GSD, HGSD, IHDG, IQDG, NTSX, PUTW, QSY, RPUT, SFHY, SFIG, SHAG, USFR, USMF, WBAL, WFHY, WFIG, XMX, XSOE

# International Segment flow highlights

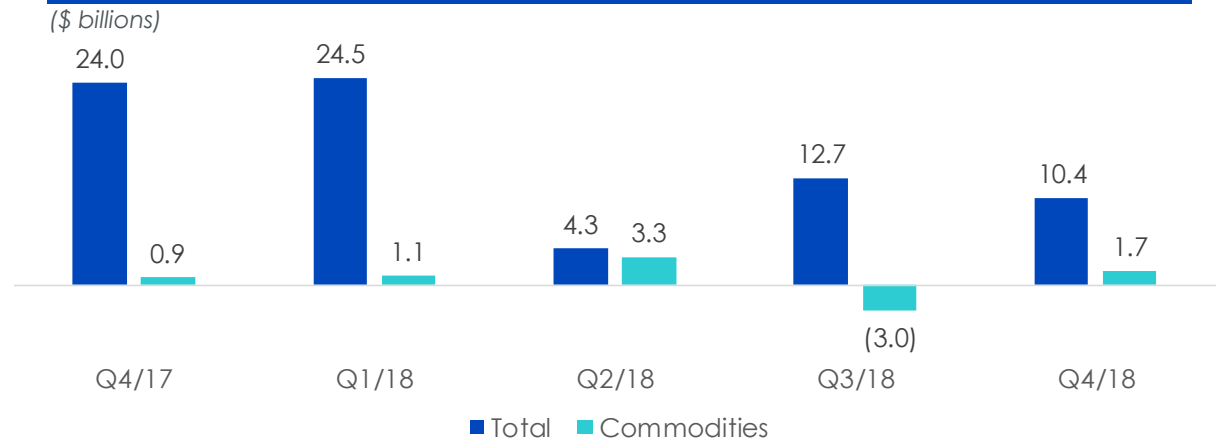
## Notable Int'l Flow Highlights

- + ETFs inflows of +\$793m reflecting commodities demand
  - Gold: +\$667m and flow market share (27%) exceeded AUM market share (25%)
  - Oil: +\$436m
  - 51% flow market share of Europe listed commodity ETPs
  
- + UCITS inflows of +\$223m reflecting strength in broad-based commodities
  
- + Canada inflows of +\$85m driven by the launch of core+ bond fund and Canada Quality Dividend Growth
  - 2018 inflows of \$312m represented 100%+ annualized organic growth and 2.2% flow market share

## International Segment AUM Breakdown by Asset Class <sup>(1)</sup>



## Industry Europe Listed ETF Flow Trends



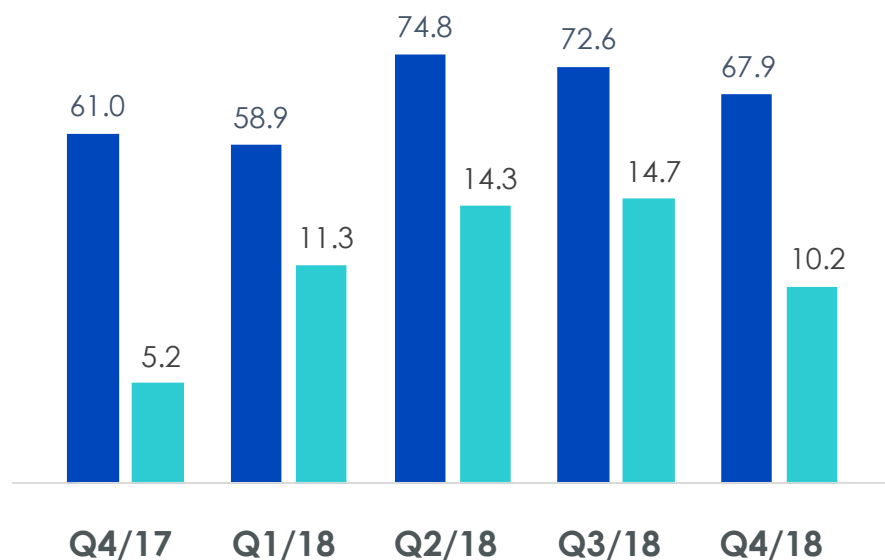
Source: Morningstar, WisdomTree  
 (1) As of 12/31/18

# Financial results impacted by several unusual items

## Revenue, Income, EPS

(\$ millions)

Total Revenue ■ Adjusted Net Income (non-GAAP) <sup>(1)</sup> ■



EPS: **\$0.00** <sup>(2)</sup>   **\$0.07** <sup>(3)</sup>   **\$0.10** <sup>(4)</sup>   **\$0.13** <sup>(5)</sup>   **(\$0.08)** <sup>(6)</sup>

Adjusted EPS (non-GAAP) <sup>(1)</sup>: **\$0.04**   **\$0.08**   **\$0.09**   **\$0.09**   **\$0.06**

Net Income: **0.2**   **9.4**   **16.7**   **22.0**   **(11.6)**

## Highlights/Unusual Items

- + \$5.4 million (after-tax) loss associated with revaluation of deferred consideration (gold payment)
- + \$13.7 million (after-tax) of impairments including \$3.3 million upon expiration of AdvisorEngine option, \$7.5 million impairment of GCC intangibles, \$2.9 million write-down of Thesys carrying value,
- + \$1.5 million (after-tax) of severance costs
- + \$0.3 million (after-tax) impairment associated with Japan office restructuring
- + \$0.8 million (after-tax) of acquisition-related costs
- + Adjusted effective tax rate of 22.6% in Q4/18. Expect 26-27% in the near term



(1) See "Non-GAAP Financial Measurements"

(2) Includes \$0.04 of acquisition-related costs and DTA remeasurement

(3) Includes \$0.01 of acquisition-related costs

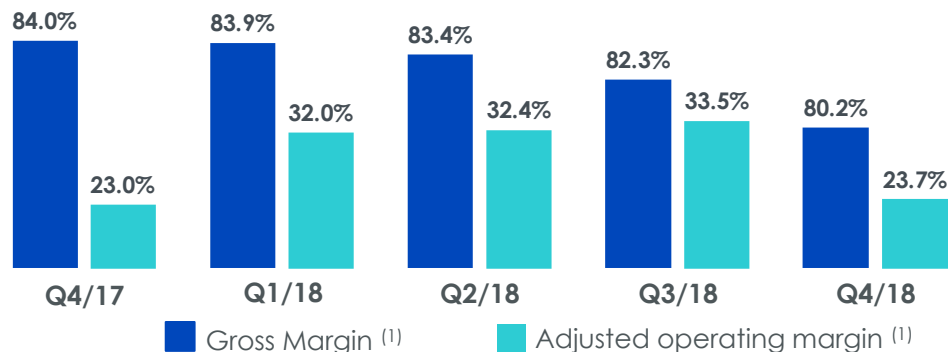
(4) Includes \$0.01 of net gains

(5) Includes \$0.04 of net gains

(6) Includes \$0.14 of net losses

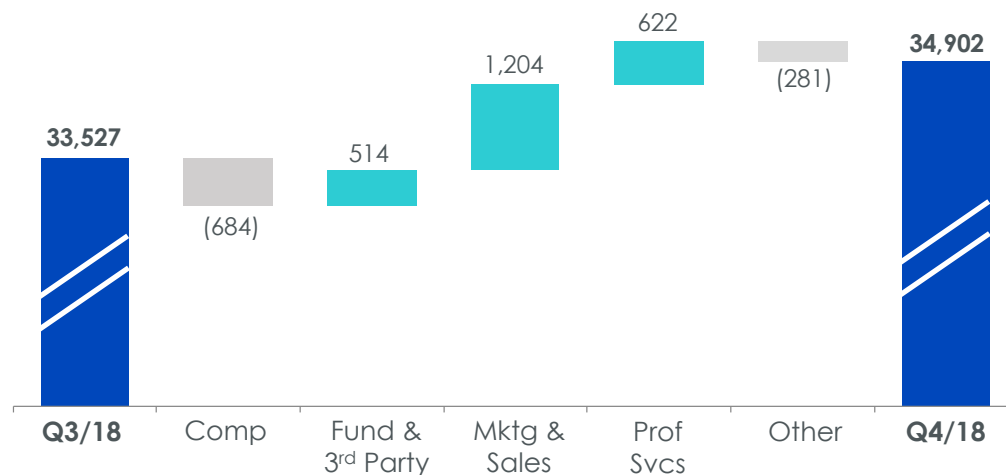
# U.S. Segment expenses

## U.S. Business Segment Margins



## U.S. Expense Base Change – Q3/18 to Q4/18 <sup>(2) (3)</sup>

(\$ thousands)



- + Gross margin down reflecting average AUM levels and mix, recent product launches and seasonal items.
- + Adjusted operating margin of 23.7%, down sequentially reflecting the lower gross margin, higher sales & business development expenses and higher professional fees partially offset by lower compensation (excluding severance costs) and lower other expenses
- + U.S. segment compensation ratio of 27.4% for full year 2018<sup>(3)</sup> compared to original guidance of 27-29%



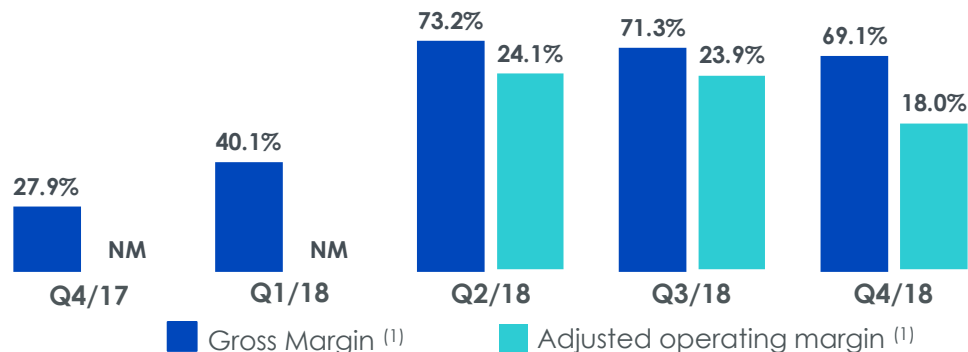
(1) See "Non-GAAP Financial Measurements"

(2) Excludes acquisition-related costs of \$72 in Q4/18 and \$247 in Q3/18

(3) Excludes 2018 severance costs including \$2.0m in Q4/18

# International Segment

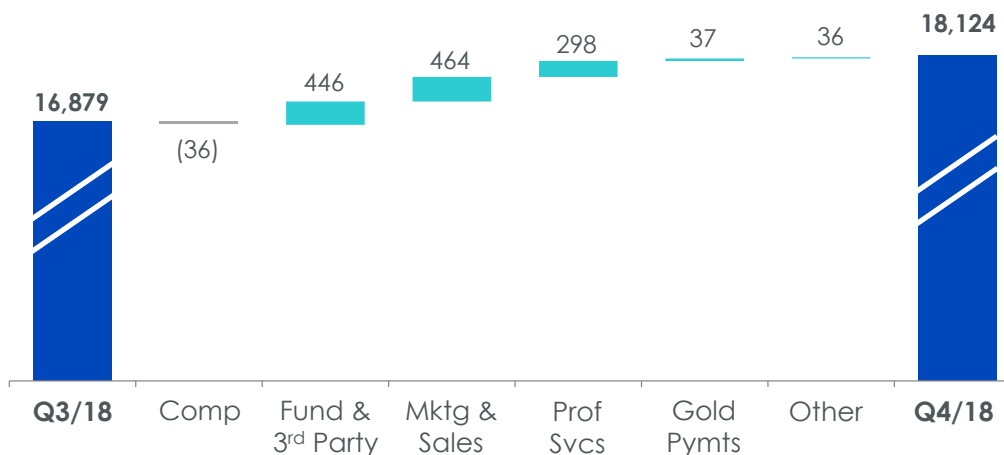
## International Business Segment Margins



- + Gross margin declined reflecting the timing of certain expenses
- + Adjusted operating margin of 18.0%, down reflecting lower creation/redemption fees combined with lower gross margins and increased discretionary spending

## International Expense Base Change – Q3/18 to Q4/18 <sup>(2)</sup>

(\$ thousands)



(1) See "Non-GAAP Financial Measurements"

(2) Excludes acquisition-related costs of \$936 in Q4/18 and \$209 in Q3/18



# 2019 Guidance Items

	U.S. Segment	International Segment	Consolidated
<b>Compensation</b>	\$53 - 63m	\$17 - 19m	\$70 - 82m
<b>Gross Margin</b>	80-81% at current AUM/revenue	70-72% at current AUM/revenue	
<b>Third-Party Distribution Fees</b>	~3.5% of advisory fees		
<b>Other Discretionary Spending</b> (marketing, sales, professional fees, occupancy & equipment, depreciation & amortization, other)	~\$44m (flat to 2H18)	~\$14m (flat to 2H18)	~\$58m

*As business scales we continue to see considerable margin upside with operating leverage across compensation, fund costs and discretionary items*

# Focused on strategy & execution

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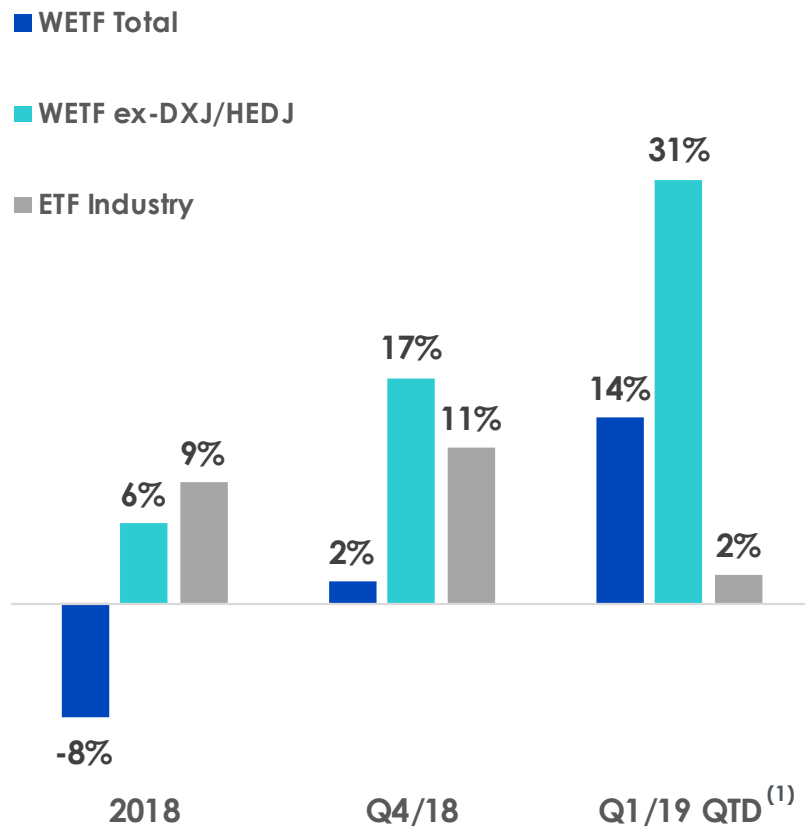
## Strategic priority to improve diversification and position WisdomTree to generate organic growth in a broader range of macro environments

Areas of Success in 2018 include:

- + **Increased presence in Commodities and Europe**
  - + ETF Securities acquisition was transformational, immediately and significantly accretive
  - + Saw diversification benefits in Q4/18 with commodities AUM +8% driven by nearly \$1 billion of inflows
  - + Commodities strength has carried over into January with +\$380m of inflows
- + **Growing domestic fixed income business**
  - + Executed very well when sentiment aligned with rising rate fixed income suite
  - + Domestic fixed income AUM grew from under \$500 million to start the year to \$2.1 billion at year-end to \$3 billion today
  - + USFR scaled from \$1 million at start of 2018 to \$2 billion today
  - + Fundamental fixed income suite well positioned as investor focus shifts to credit quality
- + **Transformed distribution**
  - + Signed numerous distribution agreements with platforms/intermediaries to deliver our differentiated products and solutions program
  - + Feedback on solutions program has been exceptional and it is already driving increased client wallet share

# Flows accelerating ex-DXJ/HEDJ

## Organic Growth Trends



- + DXJ/HEDJ outflows are masking success in growing and diversifying our net flows
- + Positive trends are accelerating with Q1/19 off to a strong start despite continued pressure on DXJ/HEDJ and weak ETF industry flow trends
- + DXJ/HEDJ outflows have been driven by negative sentiment rather than sizable market share shifts vs. largest competing funds (12/31 market share – DXJ 72%, HEDJ 67%)



(1) Q1/19 QTD flows through 1/31/19 for WETF, 1/30/19 for the industry

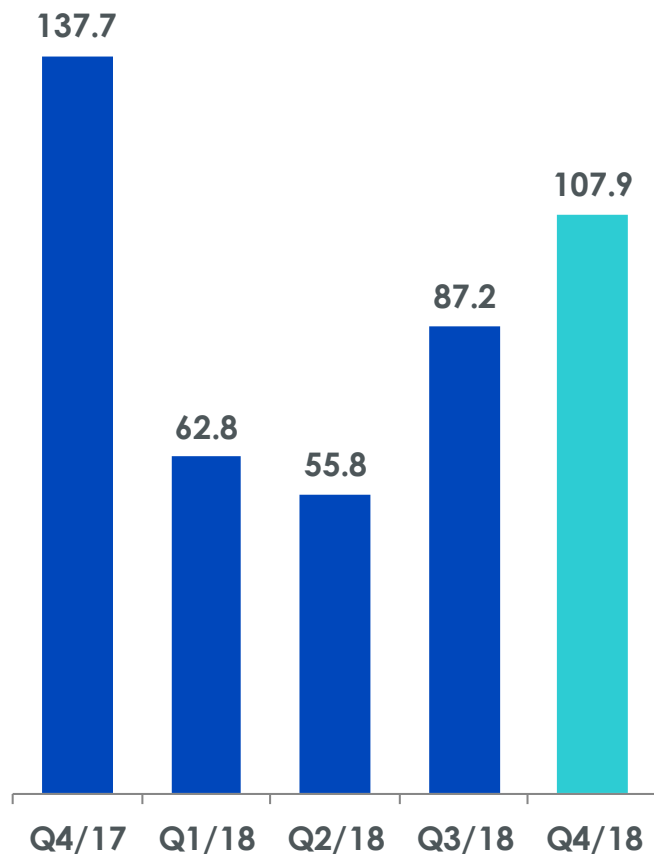
Note: organic growth is annualized to allow for comparison across time periods. ETF Industry reflects aggregate of U.S., Europe and Canada

# Appendix

# Industry U.S. listed ETF flows

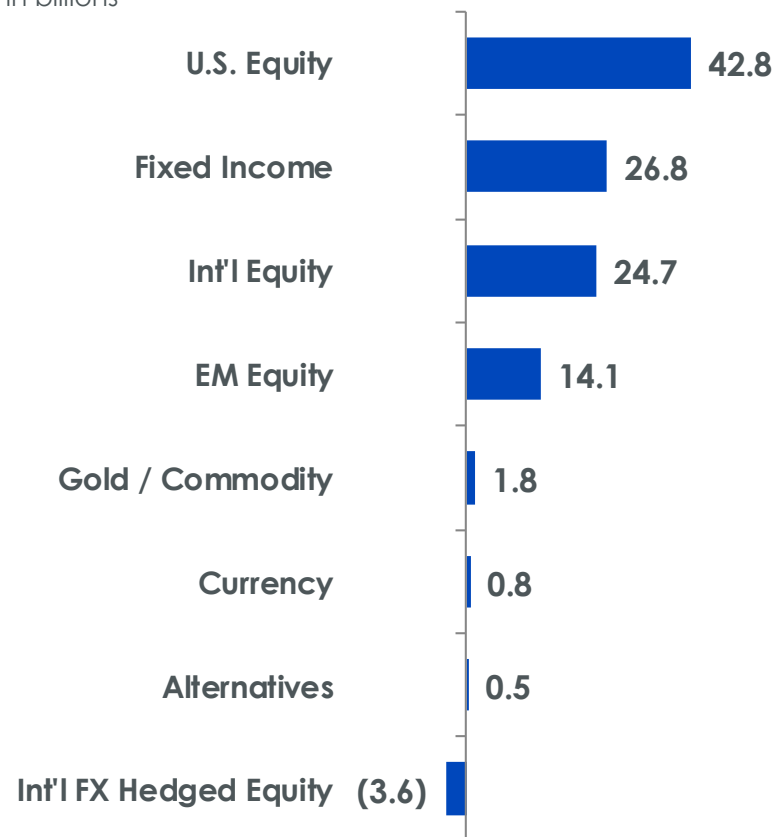
## U.S. ETF Industry Net Inflows

\$ in billions



## Industry Net Inflows by Category Q4/18

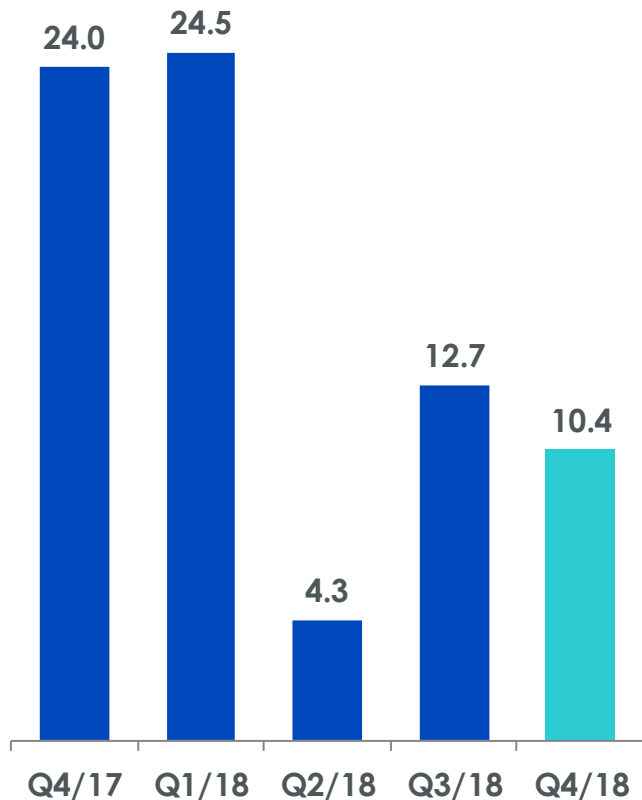
\$ in billions



# Industry Europe listed ETF flows

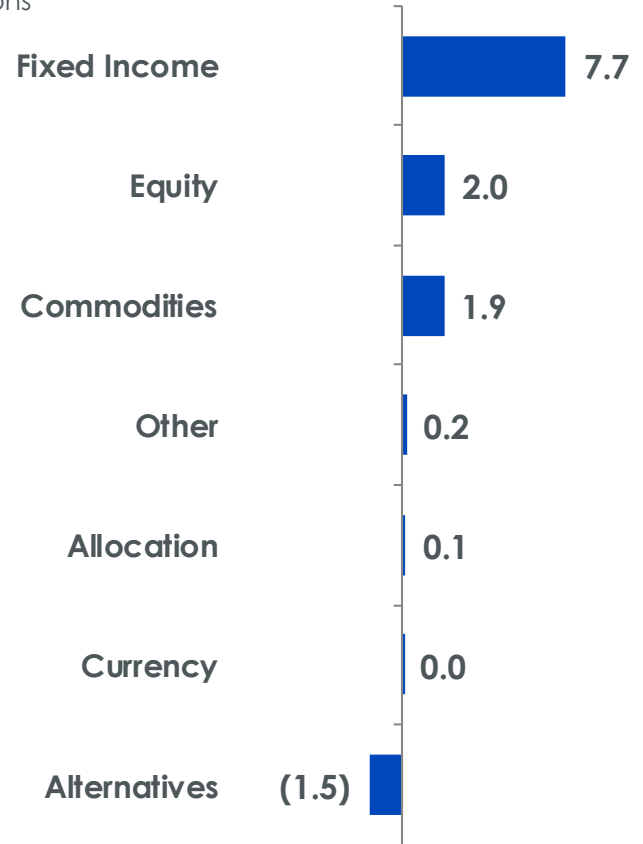
## Europe ETF Industry Net Inflows

\$ in billions



## Industry Net Inflows by Category Q4/18

\$ in billions

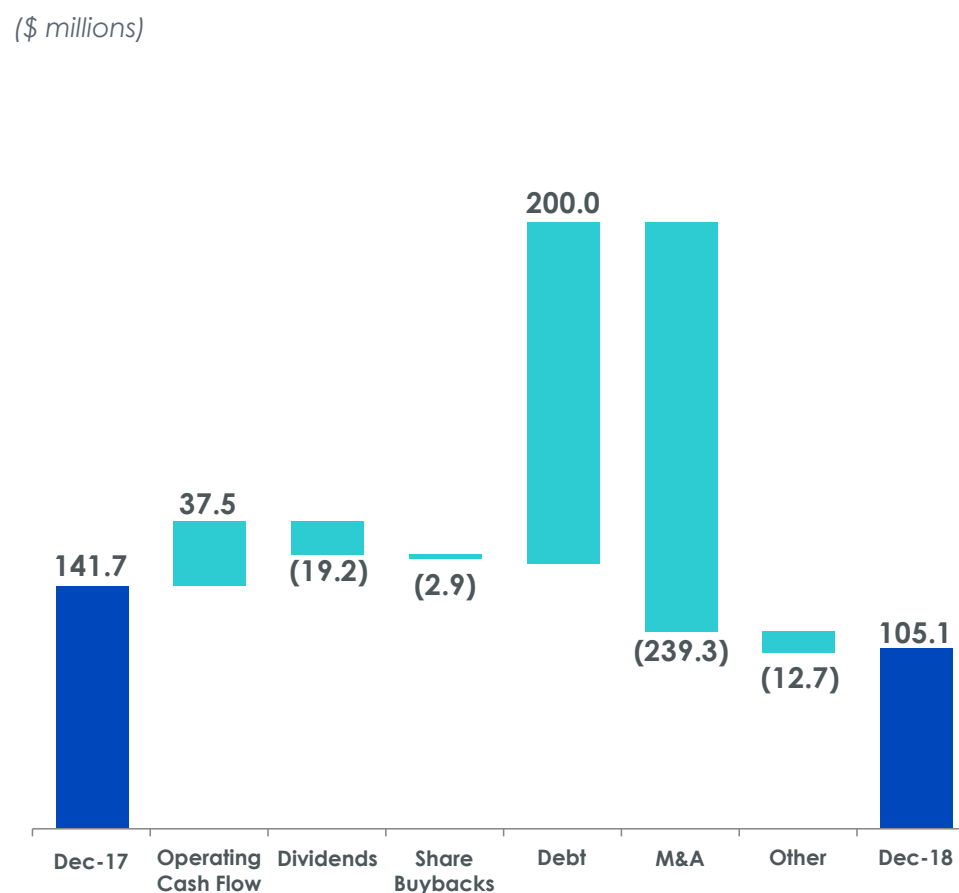


# Balance Sheet

## Balance Sheet

(\$ millions)	Dec. 31, 2018	Dec. 31, 2017
<b>Assets</b>		
Cash and securities <sup>(1)</sup>	\$105.1	\$141.7
Investments <sup>(2)</sup>	56.8	53.9
Accounts receivable	25.8	21.3
Deferred tax asset, net	7.0	1.1
Fixed assets, net	9.1	10.7
Goodwill and intangibles	689.1	13.9
Other assets	9.7	12.4
<b>Total assets</b>	<b>\$902.6</b>	<b>\$255.0</b>
<b>Liabilities</b>		
Fund management and administration	\$22.5	\$20.1
Compensation and benefits	18.5	28.1
Accounts payable and other liabilities	10.0	9.1
Long-term debt	194.6	0.0
Deferred consideration (gold payments)	161.5	0.0
Deferred rent	4.6	4.7
Total liabilities	411.7	62.0
Preferred stock	132.6	0.0
Stockholders' equity	358.3	193.0
<b>Total liabilities and stockholders' equity</b>	<b>\$902.6</b>	<b>\$255.0</b>

## 2018 Change in Cash & Securities <sup>(1)</sup>



(1) Includes securities owned and securities held to maturity

(2) Includes note receivable associated with AdvisorEngine

# Estimated impact from stock-based comp tax changes

- + Tax effects of stock-based compensation are recorded in income tax expenses which increases volatility in reported income tax expense
- + Awards vesting or being exercised at stock price below/above their grant date price will increase/decrease income tax expense
- + On a cash basis, tax windfalls reduce cash taxes while shortfalls are non-cash

(shares and dollars in '000s)

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D = (C-B) x A</b>	<b>E</b>	<b>-D x E</b>
Vest Period	# of Shares	Weighted Average Grant Date Price	Vest Date Stock Price (Illustrative)	Tax Windfall/ (Shortfall)	Tax Rate (Illustrative)	(Decrease)/ Increase to Tax Expense
<b>Expected Vestings - 2019</b>						
Q1 2019	817,786	\$11.44	\$6.70	(\$3,877,068)	26%	\$1,008,038
Q2 2019	104,527	\$9.11	\$6.70	(\$251,817)	26%	\$65,472
Q3 2019	105,212	\$12.57	\$6.70	(\$617,574)	26%	\$160,569
Q4 2019	85,203	\$11.67	\$6.70	(\$423,301)	26%	\$110,058

Note: Analysis above assumes options expiring in 2019 are exercised in the quarter in which they expire. Vesting stock price and tax rate is illustrative.



# Consolidated Financial Results

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Revenues</b>								
Advisory fees	\$ 53,028	\$ 55,856	\$ 57,293	\$ 60,515	\$ 58,456	\$ 73,778	\$ 71,679	\$ 67,191
Other income	339	386	421	458	448	997	891	676
Total revenues	53,367	56,242	57,714	60,973	58,904	74,775	72,570	67,867
<b>Expenses</b>								
Compensation and benefits	17,874	18,421	19,492	25,706	18,832	19,301	17,544	18,838
Fund management and administration	9,600	10,112	10,862	11,570	10,912	14,621	15,292	15,861
Marketing and advertising	3,537	3,825	3,314	3,726	3,195	3,778	3,239	3,672
Sales and business development	2,962	3,389	3,617	3,843	3,813	4,503	3,801	5,036
Contractual gold payments	--	--	--	--	--	2,715	2,880	2,917
Professional and consulting fees	1,558	1,221	1,035	1,440	1,636	1,560	1,934	2,854
Occupancy, communications and equipment	1,353	1,371	1,378	1,313	1,363	1,574	1,722	1,544
Depreciation and amortization	337	352	353	353	355	337	306	303
Third party distribution fees	932	670	710	1,081	1,725	1,666	1,407	1,813
Acquisition-related costs	--	--	--	4,832	2,062	7,928	456	1,008
Other	1,624	1,842	1,729	1,873	1,790	2,261	2,281	2,202
Total expenses	39,777	41,203	42,490	55,737	45,683	60,244	50,862	56,048
<b>Operating Income</b>	13,590	15,039	15,224	5,236	13,221	14,531	21,708	11,819
Interest Expense	--	--	--	--	--	(2,356)	(2,747)	(2,859)
Gain/(loss) on revaluation of deferred consideration	--	--	--	--	--	9,898	7,732	(5,410)
Interest Income	584	641	773	861	962	612	719	800
Impairments	--	--	--	--	--	--	--	(17,386)
Settlement gain	--	6,909	--	--	--	--	--	--
Other gains/(losses)	648	(364)	(501)	(448)	(261)	(501)	118	439
<b>Income before taxes</b>	<b>14,822</b>	<b>22,225</b>	<b>15,496</b>	<b>5,649</b>	<b>13,922</b>	<b>22,184</b>	<b>27,530</b>	<b>(12,597)</b>
Income tax (benefit)/expense	7,942	10,120	7,520	5,411	4,498	5,460	5,481	(1,033)
<b>Net Income</b>	<b>\$ 6,880</b>	<b>\$ 12,105</b>	<b>\$ 7,976</b>	<b>\$ 238</b>	<b>\$ 9,424</b>	<b>\$ 16,724</b>	<b>\$ 22,049</b>	<b>\$ (11,564)</b>
Note:								
Stock-based compensation included above	\$ 3,421	\$ 3,530	\$ 3,607	\$ 4,159	\$ 3,309	\$ 3,352	\$ 3,417	\$ 3,177

# Segment Financial Results

## U.S. Business Segment

(\$ in thousands)

### U.S. Business Segment

	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
<b>Revenues</b>					
Advisory fees	\$57,605	\$55,518	\$52,931	\$50,216	\$45,633
Other income	147	147	162	173	126
Total revenues	57,752	55,665	53,093	50,389	45,759
<b>Expenses</b>					
Compensation and benefits	23,132	16,371	14,526	13,040	14,370
Fund management and administration	9,247	8,973	8,802	8,915	9,038
Marketing and advertising	3,169	2,843	2,987	2,469	2,704
Contractual gold payment	--	--	--	--	--
Sales and business development	3,427	3,455	3,446	2,778	3,747
Professional and consulting fees	1,190	1,325	1,134	1,544	2,166
Acquisition-related costs	4,832	1,197	6,773	247	72
Occupancy, communications and equipment	1,178	1,225	1,309	1,423	1,205
Depreciation and amortization	339	339	314	282	280
Third party distribution fees	1,072	1,649	1,621	1,398	1,789
Other	1,734	1,653	1,726	1,678	1,617
Total expenses	49,320	39,030	42,638	33,774	36,988
<b>Operating Income</b>	<b>\$ 8,432</b>	<b>\$16,635</b>	<b>\$10,455</b>	<b>\$16,615</b>	<b>\$ 8,771</b>
Operating margin <sup>(1)</sup>	23.0%	32.0%	32.4%	33.5%	19.3%
Compensation ratio	40.1%	29.4%	27.4%	25.9%	31.4%
Gross Margin <sup>(1)</sup>	84.0%	83.9%	83.4%	82.3%	80.2%

## International Business Segment

(\$ in thousands)

### International Business Segment

	Q4/17	Q1/18	Q2/18	Q3/18	Q4/18
<b>Revenues</b>					
Advisory fees	\$ 2,910	\$ 2,938	\$20,847	\$21,463	\$21,558
Other income	311	301	835	718	550
Total revenues	3,221	3,239	21,682	22,181	22,108
<b>Expenses</b>					
Compensation and benefits	2,574	2,461	4,775	4,504	4,468
Fund management and administration	2,323	1,939	5,819	6,377	6,823
Marketing and advertising	557	352	791	770	968
Contractual gold payment	--	--	2,715	2,880	2,917
Sales and business development	416	358	1,057	1,023	1,289
Professional and consulting fees	250	311	426	390	688
Acquisition-related costs	--	865	1,155	209	936
Occupancy, communications and equipment	135	138	265	299	339
Depreciation and amortization	14	16	23	24	23
Third party distribution fees	9	76	45	9	24
Other	139	137	535	603	585
Total expenses	6,417	6,653	17,606	17,088	19,060
<b>Operating Income</b>	<b>\$ (3,196)</b>	<b>\$ (3,414)</b>	<b>\$ 4,076</b>	<b>\$ 5,093</b>	<b>\$ 3,048</b>
Operating margin <sup>(1)</sup>	NM	NM	24.1%	23.9%	18.0%
Compensation ratio	NM	NM	22.0%	20.3%	20.2%
Gross Margin <sup>(1)</sup>	27.9%	40.1%	73.2%	71.3%	69.1%

(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 net income and adjusted diluted earnings per share.** We disclose adjusted net income and adjusted 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 price of gold may have a material impact on the carrying value of the deferred consideration and our reported net income. We exclude this item when arriving at adjusted net income and adjusted diluted earnings per share 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.
  - Non-recurring items: See GAAP to non-GAAP reconciliation.
- **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 "adjusted net income and adjusted diluted earnings per share" 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

## WISDOMTREE INVESTMENTS, INC. AND SUBSIDIARIES

### GAAP to NON-GAAP RECONCILIATION

(\$ in thousands) Unaudited	Three Months Ended				
	Dec. 31, 2018	Sept. 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec. 31, 2017
<b><u>Adjusted net income and diluted earnings per share:</u></b>					
Net income, as reported	\$ (11,564)	\$22,049	\$16,724	\$ 9,424	\$ 238
Add back: Impairments, net of income taxes	14,048	--	--	--	--
Add back: Severance expense, net of income taxes	1,526	--	--	--	--
Add back: Acquisition-related costs, net of income taxes	812	356	7,489	1,851	4,540
Add back: Remeasurement of net deferred tax assets (tax reform)	--	--	--	--	411
Subtract Unrealized gain on revaluation of deferred consideration	5,410	(7,732)	(9,898)	--	--
Adjusted net income	10,232	14,673	14,315	11,275	5,189
Weighted average common share - diluted	166,686	166,622	163,346	136,468	136,568
Adjusted earnings per share - diluted	\$0.06	\$0.09	\$0.09	\$0.08	\$0.04
<b><u>Adjusted operating income margin:</u></b>					
Operating revenues	\$ 67,867	\$72,570	\$74,775	\$58,904	\$60,973
Operating income	11,819	21,708	14,531	13,221	5,236
Add back: Severance expense, before income taxes	2,014	--	--	--	--
Add: Acquisition related costs, before income taxes	1,008	456	7,928	2,062	4,832
Adjusted operating income	\$ 14,841	\$22,164	\$22,459	\$15,283	\$10,068
Adjusted operating income margin	21.9%	30.5%	30.0%	25.9%	16.5%
<b><u>U.S. Segment Gross Margin and Gross Margin Percentage</u></b>					
Operating revenues	\$ 45,759	\$50,389	\$53,093	\$55,665	\$57,752
Less: Fund management and administration	(9,038)	(8,915)	(8,802)	(8,973)	(9,247)
Gross margin	\$ 36,721	\$41,474	\$44,291	\$46,692	\$48,505
Gross margin percentage	80.2%	82.3%	83.4%	83.9%	84.0%
<b><u>U.S. Segment Adjusted Operating Income Margin</u></b>					
Operating revenues	\$ 45,759	\$50,389	\$53,093	\$55,665	\$57,752
Operating income	8,771	16,615	10,455	16,635	8,432
Add back: Severance expense, before income taxes	2,014	--	--	--	--
Add back: Acquisition-related costs, before income taxes	72	247	6,773	1,197	4,832
Adjusted operating income	\$ 10,857	\$16,862	\$17,228	\$17,832	\$13,264
Adjusted operating income margin	23.7%	33.5%	32.4%	32.0%	23.0%
<b><u>International Segment Gross Margin and Gross Margin Percentage</u></b>					
Operating revenues	\$ 22,108	\$22,181	\$21,682	\$ 3,239	\$ 3,221
Less: Fund management and administration	(6,823)	(6,377)	(5,819)	(1,939)	(2,323)
Gross margin	\$ 15,285	\$15,804	\$15,863	\$ 1,300	\$ 898
Gross margin percentage	69.1%	71.3%	73.2%	40.1%	27.9%
<b><u>International Segment Adjusted Operating Income Margin</u></b>					
Operating revenues	\$ 22,108	\$22,181	\$21,682	n/a	n/a
Operating income	3,048	5,093	4,076	n/a	n/a
Add back: Acquisition-related costs, before income taxes	936	209	1,155	n/a	n/a
Adjusted operating income	\$ 3,984	\$ 5,302	\$ 5,231	n/a	n/a
Adjusted operating income margin	18.0%	23.9%	24.1%	n/a	n/a



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