



UNIVERSAL MUSIC GROUP

Universal Music Group N.V. Reports Financial Results for the Fourth Quarter and Full Year Ended December 31, 2024

Summary Q4 2024 Results¹

- Revenue of €3,439 million increased 7.2% year-over-year, or 7.9% in constant currency, driven by growth across all segments. Excluding items impacting comparability detailed below, revenue grew 6.1% in constant currency.
- Recorded Music subscription revenue grew 7.9% year-over-year, or 9.0% in constant currency, while streaming revenue declined 5.1% year-over-year, or 4.1% in constant currency. Excluding an item impacting comparability, subscription revenue grew 7.2% in constant currency.
- Adjusted EBITDA of €799 million increased 18.0% year-over-year, or 19.1% in constant currency, and Adjusted EBITDA margin increased 2.1 percentage points to 23.2%. Excluding items impacting comparability, Adjusted EBITDA grew 10.5% year-over-year in constant currency, and Adjusted EBITDA margin expanded 0.8 percentage points to 22.4%.
- Top sellers included Taylor Swift, Sabrina Carpenter, Billie Eilish, Chappell Roan and Wicked: The Soundtrack.

Summary FY 2024 Results¹

- Revenue of €11,834 million increased 6.5% year-over-year, or 7.6% in constant currency, driven by growth across all segments.
- Recorded Music subscription revenue grew 8.2% year-over-year, or 9.1% in constant currency and streaming revenue declined 0.8% year-over-year, but grew 0.1% in constant currency.
- Adjusted EBITDA of €2,661 million increased 12.3% year-over-year, or 13.8% in constant currency, and Adjusted EBITDA margin expanded 1.2 percentage points to 22.5%.
- Net cash provided by operating activities before income tax paid of €2,104 million decreased 7.6% compared to €2,278 million in 2023.
- Subject to shareholder approval, final dividend proposal of €512 million, or €0.28 per share, which would bring total dividend for 2024 to €951 million, or €0.52 per share.

2024 Business Highlights

- Global artist success, including: 9 of the Top 10 on the IFPI Global Artist Chart; the two biggest artist breakthroughs in the world in Sabrina Carpenter and Chappell Roan; 6 of the Top 10 global artists on Spotify; and 6 of the Top 10 most-streamed songs globally on Apple Music.
- Introduction of Streaming 2.0: represents a new era of innovation, consumer segmentation, geographic expansion, greater consumer value and ARPU growth for subscription music.
- Progress on strategy to accelerate investment in high-growth music markets and local repertoire, including investments in: Mavin Global (Nigeria), RS Group (Thailand) and Outdustry (China/India), among others.
- Continued focus on growing artist and label-services business: Acquired the remaining share of [PIAS] two years after taking an initial stake in the company, announced an agreement to acquire Downtown Music Holdings and added a number of important artist and label partnerships around the world.
- Furthered Responsible AI initiatives: Strategic collaborations with KLAY Vision Inc., SoundLabs, and ProRata.ai, with additional ones in process; published the Principles for Music Creation with AI with Roland

¹ This press release includes certain alternative performance indicators which are not defined in the IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board as endorsed by the EU. The descriptions of these alternative performance indicators and reconciliations of non-IFRS to IFRS measures are included in the Appendix to this press release.

Corporation. Continued to drive innovation through responsible use of AI on the last Beatles track, "Now and Then", and in the Spanish language adaptation of Brenda Lee's iconic "Rockin' Around the Christmas Tree".

Hilversum, The Netherlands, March 6, 2025 -- Universal Music Group N.V. ("UMG" or "the Company") today announced its financial results for the fourth quarter and full year ended December 31, 2024.

"2024 was a year distinguished by the exceptional performance of our artists and songwriters and significant progress on our strategic initiatives," said Sir Lucian Grainge, UMG's Chairman and CEO. "Our industry-leading investment in talent continued to produce spectacular results, both from global superstars, as well as developing artists from around the world. We continue to create value for both our artists and shareholders by advancing our artist-centric strategy, ushering the next evolution of streaming—'Streaming 2.0,' and advancing a responsible and effective approach to AI."

Boyd Muir, COO and CFO of UMG, said, "Our artist investment has translated into continued strong financial performance in 2024, with healthy growth on both the top and bottom line. We continue to strategically reinvest in the business, while returning cash to our shareholders through meaningful dividends, and are well positioned to meet the growth targets laid out at our recent Capital Markets Day."

UMG Results

(in millions of euros)	Three Months Ended				Year ended December 31,			
	December 31,		%	%			%	%
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Revenue	3,439	3,208	7.2%	7.9%	11,834	11,108	6.5%	7.6%
EBITDA	706	564	25.2%	26.3%	2,332	1,808	29.0%	31.3%
<i>EBITDA margin</i>	<i>20.5%</i>	<i>17.6%</i>	<i>2.9pp</i>		<i>19.7%</i>	<i>16.3%</i>	<i>3.4pp</i>	
Adjusted EBITDA	799	677	18.0%	19.1%	2,661	2,369	12.3%	13.8%
<i>Adjusted EBITDA margin</i>	<i>23.2%</i>	<i>21.1%</i>	<i>2.1pp</i>		<i>22.5%</i>	<i>21.3%</i>	<i>1.2pp</i>	
Operating Profit					1,775	1,418	25.2%	28.0%
Net profit attributable to equity holders of the parent					2,086	1,259	65.7%	
Adjusted Net Profit ¹					1,782	1,626	9.6%	
Net Debt					2,098	1,689	24.2%	
Net cash provided by operating activities before income tax paid					2,104	2,278	(7.6%)	
Free Cash Flow					523	1,082	(51.7%)	
Weighted Average Number of Shares Outstanding					1,827	1,819		
EPS - basic					1.14	0.69		
EPS - diluted					1.13	0.68		
Adjusted EPS - basic ¹					0.98	0.89		
Adjusted EPS - diluted ¹					0.96	0.88		

¹ Following a change in the definition, the FY23 Adjusted Net Profit has been restated to exclude the impacts of restructuring expenses and related tax impacts.

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency. Constant currency is calculated by taking current year results and comparing against prior year results restated at current year rates.

Q4 2024 Results

Revenue for the fourth quarter of 2024 was €3,439 million, an increase of 7.2% year-over-year, or 7.9% in constant currency, with growth in Recorded Music, Music Publishing and Merchandising, as discussed further below.

As detailed in the section "Items Impacting Comparability of Results" below, Q4 2024 revenue included the benefit of DSP Catch-Up Income and Legal Settlements. Excluding these items, revenue grew 6.1% year-over-year in constant currency.

EBITDA grew 25.2% year-over-year, or 26.3% in constant currency, to €706 million and EBITDA margin was 20.5%, compared to 17.6% in the fourth quarter of 2023. EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €93 million during the fourth quarter of 2024, and by €113 million of non-cash share-based compensation expenses during the fourth quarter of 2023. Excluding these amounts, Adjusted EBITDA for the quarter was €799 million, up 18.0% year-over-year, or 19.1% in constant currency. Adjusted EBITDA margin increased 2.1pp to 23.2% compared to 21.1% in the fourth quarter of 2023. The improvement in Adjusted EBITDA and Adjusted EBITDA margin was driven by revenue growth, operating leverage and cost savings from the previously announced strategic organizational redesign.

As detailed below, Q4 2024 EBITDA and Adjusted EBITDA included the benefit of DSP Catch-Up Income and Legal Settlements while Q4 2023 EBITDA and Adjusted EBITDA included the negative impact of a previously disclosed Legal Provision. Excluding these items, Adjusted EBITDA grew 10.5% year-over-year in constant currency, and Adjusted EBITDA margin increased 0.8pp year-over-year to 22.4%.

FY 2024 Results

Revenue for 2024 of €11,834 million increased by 6.5% compared to 2023, or 7.6% in constant currency, driven by improvements across all segments, as discussed further below.

As detailed below, 2024 revenue included the benefit of Legal Settlements, while 2023 revenue included the benefit of the Copyright Royalty Board Phonorecords III Accrual. Excluding these items from both years, full year revenue grew 7.7% year-over-year in constant currency.

Cost of revenues, consisting of artist and product costs, increased by 8.7% to €6,746 million in 2024 while Cost of revenues as a percentage of revenues increased to 57.0% in 2024 from 55.9% in 2023. The increase in Cost of revenues as a percentage of revenues related to higher product costs and a greater proportion of Music Publishing and Merchandising and Other revenues, which have higher Cost of revenues compared to Recorded Music. Product costs as a percentage of revenues increased to 10.8% from 9.5% driven primarily by the higher proportion of merchandising sales within total revenue. Artist costs as a percentage of revenues decreased to 46.2% in 2024 from 46.4% in 2023, due to repertoire mix.

EBITDA of €2,332 million increased 29.0% year-over-year, or 31.3% in constant currency, and EBITDA margin was 19.7%, compared to 16.3% in the prior year. EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €329 million during 2024 compared to €561 million during 2023. Excluding these amounts, Adjusted EBITDA was €2,661 million, up 12.3% in 2024, or 13.8% in constant currency, and Adjusted EBITDA margin improved 1.2pp year-over-year to 22.5% driven by the revenue growth, operating leverage and cost savings from the previously announced strategic organizational redesign, partially offset by the higher product costs discussed above.

As detailed below, 2024 EBITDA and Adjusted EBITDA included the benefit of Legal Settlements, while 2023 EBITDA and Adjusted EBITDA included the benefit of the Copyright Royalty Board Phonorecords III Accrual and the negative impact of a Legal Provision. Excluding these items from both years, Adjusted EBITDA grew 12.4% year-over-year in constant currency, and Adjusted EBITDA margin increased 0.8pp year-over-year to 22.3%, compared to 21.5% in 2023.

Operating profit increased by 25.2%, or 28.0% in constant currency, to €1,775 million in 2024 due to the improved revenues and lower non-cash share-based compensation expenses. This was partially offset by the increase in restructuring charges which amounted to €169 million in 2024 compared to €41 million in 2023 as a result of the strategic organizational redesign.

Net profit attributable to equity holders of the parent grew 65.7% to €2,086 million in 2024 compared to €1,259 million in 2023, resulting in Basic EPS of €1.14 in 2024, up 65.2% compared to €0.69 in 2023, and Diluted EPS of €1.13 in 2024, up 66.2% compared to €0.68 in 2023. The increase in Net profit attributable to equity holders of the parent was due in part to the variance in revaluation of investments in listed companies (including Spotify and Tencent Music Entertainment, among others) that resulted in net income in 2024 of €1,163 million compared to net income in 2023 of €425 million. Adjusted net profit, which adjusts for the revaluation of investments, non-cash share-based compensation expense, amortization of catalogues and other items detailed in the Appendix, amounted to €1,782 million in 2024, up 9.6% compared to €1,626 million in 2023, resulting in Adjusted Basic EPS of €0.98 in 2024, up 10.1% compared to €0.89 in 2023 and Adjusted Diluted EPS of €0.96 in 2024, up 9.1% compared to €0.88 in 2023. The increase in Adjusted net profit was driven by the growth in Adjusted EBITDA.

Net debt, defined as total debt minus cash and cash equivalents, at the end of 2024 was €2,098 million compared to €1,689 million at the end of 2023. The net leverage ratio at year-end 2024, defined as Net debt over EBITDA, was 0.9x, consistent with 0.9x at year-end 2023.

Net cash provided by operating activities before income tax paid declined by 7.6% to €2,104 million compared to €2,278 million in 2023, due in part to higher royalty advance payments, net of recoupments, which increased to €186 million in 2024 from €100 million in 2023, due to the timing of major artist renewals. Net cash provided by operating activities was also impacted by an increase in restructuring charges and an increase in cash used to cover employee withholding taxes related to our equity plan.

Cash paid for catalogue acquisitions increased to €266 million in 2024 compared to €178 million in 2023 and included the acquisition of the remaining stake in RS Group in Thailand and the completion of a 2023 catalogue acquisition for which the cash had been previously paid into escrow. In addition, the Company continued to strategically invest in the long-term growth of the business, with investments including Chord Music Partners, NTWRK, Mavin Global and the acquisition of the remaining stake in [PIAS]. As a result, Free cash flow decreased to €523 million in 2024 compared to €1,082 million in 2023.

In accordance with UMG's dividend policy to pay a dividend of 50% of Net Profit (subject to agreed non-cash items and applicable law), UMG has proposed to pay a final dividend of €512 million, or €0.28 per share for the year ended December 31, 2024. If approved by shareholders, this would bring UMG's total dividend for 2024 to €951 million, or €0.52 per share. This dividend proposal is subject to approval by shareholders at the Annual General Meeting of Shareholders.

Recorded Music

(in millions of euros)	Three Months Ended				Year ended December 31,			
	December 31,		%	%	December 31,		%	%
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Subscriptions and streaming revenue	1,602	1,532	4.6%	5.6%	6,038	5,700	5.9%	6.8%
<i>of which streaming</i>	375	395	(5.1%)	(4.1%)	1,414	1,425	(0.8%)	0.1%
<i>of which subscription</i>	1,227	1,137	7.9%	9.0%	4,624	4,275	8.2%	9.1%
Downloads and other digital revenue	44	32	37.5%	37.5%	180	207	(13.0%)	(11.8%)
Physical revenue	458	447	2.5%	3.4%	1,358	1,380	(1.6%)	1.1%
License and other revenue	462	410	12.7%	12.4%	1,325	1,174	12.9%	13.5%
Recorded Music Revenues	2,566	2,421	6.0%	6.8%	8,901	8,461	5.2%	6.4%
EBITDA					2,073	1,618	28.1%	30.5%
<i>EBITDA margin</i>					23.3%	19.1%	4.2pp	
Adjusted EBITDA					2,275	2,042	11.4%	12.9%
<i>Adjusted EBITDA margin</i>					25.6%	24.1%	1.5pp	

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency.

Q4 2024

Recorded Music revenue for the fourth quarter of 2024 was €2,566 million, up 6.0% compared to the fourth quarter of 2023, or 6.8% in constant currency. As detailed below, Q4 2024 Recorded Music revenue included the benefit of the DSP Catch-Up Income and Legal Settlements. Excluding these items, Recorded Music revenue grew 4.6% year-over-year in constant currency.

Subscription revenue grew 7.9% year-over-year, or 9.0% in constant currency. Excluding the DSP Catch-Up Income which impacted comparability, subscription revenue grew 7.2% in constant currency driven primarily by the growth in global subscribers. Streaming revenue declined 5.1% year-over-year, or 4.1% in constant currency, as consumption grows but continues to shift from better monetized video platforms to short-form platforms, which are not yet as well monetized. Physical revenue grew 2.5% year-over-year, or 3.4% in constant currency, driven primarily by strong releases in Japan, which more than offset a difficult comparison in the U.S. and Europe. Downloads and other digital revenue increased 37.5% year-over-year both as reported and in constant currency against an easy comparison. License and other revenue improved 12.7% year-over-year, or 12.4% in constant currency. Excluding Legal Settlements, License and other revenue was up 4.6% in constant currency driven by strength in neighboring rights, synchronization, touring and audio-visual production income, while the prior-year quarter included the timing related benefit of a new licensing deal which created a difficult comparison. Top sellers for the quarter included Taylor Swift, Sabrina Carpenter, Billie Eilish, Chappell Roan and Wicked: The Soundtrack, while top sellers in the prior-year quarter included albums from Taylor Swift, The Rolling Stones, Drake, Jung Kook, and Stray Kids.

FY 2024

Recorded Music revenue in 2024 was €8,901 million, up 5.2% compared to 2023, or 6.4% in constant currency. As detailed below, Recorded Music revenue included the benefit of Legal Settlements in 2024. Excluding these items, Recorded Music revenue in 2024 grew 6.0% year-over-year in constant currency.

Subscription revenue grew 8.2% year-over-year, or 9.1% in constant currency, driven by growth in global subscribers and the benefit of price increases. Streaming revenue declined by 0.8% year-over-year, but increased 0.1% in constant currency. Physical revenue declined 1.6% year-over-year, but grew 1.1% in constant currency. Downloads and other digital revenue declined 13.0% year-over-year, or 11.8% in constant currency. License and other revenue improved 12.9% year-over-year, or 13.5% in constant currency. Excluding the Legal

Settlements, License and other revenue grew 10.8% in constant currency. Top sellers for the year included multiple albums from Taylor Swift, and albums from Billie Eilish, Sabrina Carpenter, Morgan Wallen and Chappell Roan. Top sellers in the prior year included multiple albums from Taylor Swift, and albums from Morgan Wallen, King & Prince, Karol G, and The Weeknd.

Recorded Music EBITDA in 2024 was €2,073 million, up 28.1% year-over-year, or 30.5% in constant currency and Recorded Music EBITDA margin increased 4.2pp to 23.3% from 19.1% in 2023. Recorded Music EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €202 million during 2024, compared to €424 million during 2023. Excluding these amounts, Recorded Music Adjusted EBITDA in 2024 was €2,275 million, up 11.4% year-over-year, or 12.9% in constant currency, and Recorded Music Adjusted EBITDA margin improved 1.5pp to 25.6% from 24.1% in 2023 driven by revenue growth, operating leverage and cost savings from the previously announced strategic organizational redesign.

As detailed below, EBITDA and Adjusted EBITDA reflect the benefit of Legal Settlements in 2024, and the negative impact of a Legal Provision in 2023. Excluding these items, Adjusted EBITDA grew 10.7% year-over-year in constant currency, and Adjusted EBITDA margin was 25.3%, up 1.0pp compared to 24.3% in 2023.

Music Publishing

(in millions of euros)	Three Months Ended				Year ended December 31,			
	December 31,		%	%			%	%
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Performance revenue	127	123	3.3%	4.1%	442	416	6.3%	7.3%
Synchronisation revenue	66	70	(5.7%)	(5.7%)	253	254	(0.4%)	0.4%
Digital revenue	378	339	11.5%	12.2%	1,268	1,128	12.4%	12.9%
Mechanical revenue	24	31	(22.6%)	(22.6%)	103	108	(4.6%)	(4.6%)
Other revenue	18	13	38.5%	38.5%	55	50	10.0%	10.0%
Music Publishing Revenues	613	576	6.4%	7.0%	2,121	1,956	8.4%	9.0%
EBITDA					486	420	15.7%	16.3%
<i>EBITDA margin</i>					22.9%	21.5%	1.4pp	
Adjusted EBITDA					511	470	8.7%	9.2%
<i>Adjusted EBITDA margin</i>					24.1%	24.0%	0.1pp	

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency.

Q4 2024

Music Publishing revenue in the fourth quarter of 2024 was €613 million, up 6.4% year-over-year, or 7.0% in constant currency. As detailed below, 2024 Music Publishing revenue included the benefit of Legal Settlements. Excluding this item, revenue grew 5.6% year-over-year in constant currency, driven by continued growth in subscription and streaming revenue and improvements in performance revenue.

FY 2024

Music Publishing revenue was €2,121 million in 2024, up 8.4% year-over-year, or 9.0% in constant currency. Excluding the benefit from Legal Settlements in 2024 and the CRB Phonorecords III Accrual in 2023, Music Publishing revenue grew 11.7% year-over-year in constant currency. This strong underlying growth was primarily due to the continued growth in subscription and streaming revenue and improvements in performance revenue.

Music Publishing EBITDA in 2024 was €486 million, up 15.7% year-over-year, or 16.3% in constant currency, and Music Publishing EBITDA margin increased 1.4pp to 22.9% from 21.5% in 2023. Music Publishing EBITDA

and EBITDA margin were impacted by non-cash share-based compensation expenses of €25 million during 2024, compared to €50 million during 2023. Excluding these amounts, Music Publishing Adjusted EBITDA of €511 million was up 8.7% year-over-year, or 9.2% in constant currency, driven by revenue growth and Music Publishing Adjusted EBITDA margin increased 0.1pp year-over-year to 24.1% from 24.0% in 2023. Excluding the impact of Legal Settlements in 2024 and the CRB Phonorecords III Accrual in 2023, Music Publishing Adjusted EBITDA grew 11.5% year-over-year in constant currency and Music Publishing Adjusted EBITDA margin was flat at 24.1%.

Merchandising and Other

(in millions of euros)	Three Months Ended				Year ended December 31,			
	December 31,		%		%		%	
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Merchandising and Other Revenues	264	215	22.8%	23.4%	842	706	19.3%	19.3%
EBITDA					42	43	(2.3%)	(2.3%)
<i>EBITDA margin</i>					5.0%	6.1%	(1.1pp)	
Adjusted EBITDA					43	47	(8.5%)	(6.5%)
<i>Adjusted EBITDA margin</i>					5.1%	6.7%	(1.6pp)	

Note: % YoY indicates % change year-over-year; % const. indicates % change year-over-year adjusted for constant currency.

Q4 2024

Merchandising and Other revenue in the fourth quarter of 2024 was €264 million, up 22.8% year-over-year, or 23.4% in constant currency, driven by growth in direct-to-consumer and touring merchandise sales.

FY 2024

Merchandising and Other revenue grew to €842 million in 2024, up 19.3% year-over-year both as reported and in constant currency, driven by growth in direct-to-consumer and touring merchandise sales.

Merchandising and Other EBITDA in 2024 was €42 million, down 2.3% year-over-year both as reported and in constant currency, and Merchandising and Other EBITDA margin decreased 1.1pp to 5.0% from 6.1% in 2023. Merchandising and Other EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €1 million in 2024 and €4 million in 2023. Excluding these amounts, Merchandising and Other Adjusted EBITDA in 2024 was €43 million, down 8.5% year-over-year, or 6.5% in constant currency, and Merchandising and Other Adjusted EBITDA margin declined by 1.6pp to 5.1% driven by higher manufacturing and distribution costs related to product mix as well as the growth in lower-margin touring merchandise sales.

Items Impacting Comparability of Results

TOTAL UMG

(in millions of euros)	FY24					FY23				
	Q1 24	Q2 24	Q3 24	Q4 24	FY24 Total	Q1 23	Q2 23	Q3 23	Q4 23	FY23 Total
Revenue										
CRB Phonorecords III Accrual	-	-	-	-	-	-	-	53	-	53
DSP Catch-Up Income	-	-	-	20	-	-	-	-	-	-
Legal Settlements	-	-	-	40	40	-	-	-	-	-
Adjusted EBITDA										
CRB Phonorecords III Accrual	-	-	-	-	-	-	-	11	-	11
Legal Provision	-	-	-	-	-	-	-	-	(15)	(15)
DSP Catch-Up Income	-	-	-	12	-	-	-	-	-	-
Legal Settlements	-	-	-	29	29	-	-	-	-	-

RECORDED MUSIC

(in millions of euros)	FY24					FY23				
	Q1 24	Q2 24	Q3 24	Q4 24	FY24 Total	Q1 23	Q2 23	Q3 23	Q4 23	FY23 Total
Revenue										
DSP Catch-Up Income	-	-	-	20	-	-	-	-	-	-
Legal Settlements	-	-	-	32	32	-	-	-	-	-
Adjusted EBITDA										
Legal Provision	-	-	-	-	-	-	-	-	(15)	(15)
DSP Catch-Up Income	-	-	-	12	-	-	-	-	-	-
Legal Settlements	-	-	-	27	27	-	-	-	-	-

MUSIC PUBLISHING

(in millions of euros)	FY24					FY23				
	Q1 24	Q2 24	Q3 24	Q4 24	FY24 Total	Q1 23	Q2 23	Q3 23	Q4 23	FY23 Total
Revenue										
CRB Phonorecords III Accrual	-	-	-	-	-	-	-	53	-	53
Legal Settlements	-	-	-	8	8	-	-	-	-	-
Adjusted EBITDA										
CRB Phonorecords III Accrual	-	-	-	-	-	-	-	11	-	11
Legal Settlements	-	-	-	2	2	-	-	-	-	-

CRB Phonorecords III Accrual

Revenue, EBITDA and Adjusted EBITDA in 2023 included the accrual for a catch-up payment from certain DSPs related to the Copyright Royalty Board Phonorecords III ruling in 2023 disclosed and booked in Q3 2023.

Legal Provision

EBITDA and Adjusted EBITDA in Q4 2023 were negatively impacted by a provision reflected in relation to a decades-old, ongoing artist estate litigation in Latin America.

DSP Catch-Up Income

Revenue, EBITDA and Adjusted EBITDA in Q4 2024 included income from a DSP that was only able to be recognised in Q4 but related to Q2 and Q3 2024 activity. This revenue impacted comparability for Q4 2024, but not for FY 2024.

Legal Settlements

Revenue, EBITDA and Adjusted EBITDA in 2024 benefitted from 1) the settlement of a copyright infringement lawsuit booked in Q4 2024 and 2) a settlement associated with an exit in Q4 2024 by UMG from a JV partnership.

Conference Call Details

The Company will host a conference call to discuss these results on Thursday, March 6, 2025 at 6:15PM CET. A link to the live audio webcast will be available on investors.universalmusic.com and a link to the replay will be available after the call.

While listeners may use the webcast, a dial-in telephone number is required for investors and analysts to ask questions. Investors and analysts interested in asking questions can pre-register for a dial-in line at investors.universalmusic.com under the "Financial Reports" tab.

Cautionary Notice

This press release is published by Universal Music Group N.V. and contains inside information within the meaning of article 7 (1) of Regulation (EU) No 596/2014 (Market Abuse Regulation).

Forward-looking statements

This press release may contain statements that constitute forward-looking statements with respect to UMG's financial condition, results of operations, business, strategy and plans. Such forward-looking statements may be identified by the use of words such as 'profit forecast', 'expect', 'estimate', 'project', 'anticipate', 'should', 'intend', 'plan', 'probability', 'risk', 'target', 'goal', 'objective', 'will', 'endeavour', 'optimistic', 'prospects' and similar expressions or variations on such expressions. Although UMG believes that such forward-looking statements are based on reasonable assumptions, they are not guarantees of future performance. Actual results may differ materially from such forward-looking statements as a result of a number of risks and uncertainties, many of which are related to factors that are outside UMG's control, including, but not limited to, UMG's inability to compete successfully and to identify, attract, sign and retain successful recording artists and songwriters, failure of streaming and subscription adoption or revenue to grow or to grow less rapidly than anticipated, UMG's reliance on digital service providers, UMG's inability to execute its business strategy, the global nature of UMG's operations, changes in global economic and financial conditions, UMG's inability to protect its intellectual property and against piracy, challenges related to generative AI, UMG's inability to attract and retain key personnel, UMG's restructuring and reorganization activities, UMG's acquisitions and other investments, changes in laws and regulations (and UMG's compliance therewith) and the other risks that are described in our 2023 Annual Report and that will be described in our 2024 Annual Report. Accordingly, UMG cautions readers against placing undue reliance on such forward-looking statements. Such forward-looking statements are made as of the date of this press release. UMG disclaims any intention or obligation to provide, update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Alternative Performance Indicators

This press release includes certain alternative performance indicators which are not defined in IFRS Accounting Standards issued by the International Accounting Standards Board as endorsed by the EU. The descriptions of these alternative performance indicators and reconciliations of non-IFRS to IFRS measures are included in the Appendix to this press release.

About Universal Music Group

At Universal Music Group (EURONEXT: UMG), we exist to shape culture through the power of artistry. UMG is the world leader in music-based entertainment, with a broad array of businesses engaged in recorded music, music publishing, merchandising and audiovisual content. Featuring the most comprehensive catalogue of recordings and songs across every musical genre, UMG identifies and develops artists and produces and distributes the most critically acclaimed and commercially successful music in the world. Committed to artistry, innovation and entrepreneurship, UMG fosters the development of services, platforms and business models in order to broaden artistic and commercial opportunities for our artists and create new experiences for fans. For more information on Universal Music Group N.V. visit www.universalmusic.com.

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Upcoming Calendar

2024 Annual Report: March 27, 2025

Appendix

The Consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board as endorsed by the EU and comply with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code.

The financial information included in this press release is unaudited. The 2024 financial information included in this press release contains only part of the 2024 financial statements which will be included in the 2024 Annual Report and which still must be adopted by the shareholders at the upcoming Annual General Meeting of Shareholders. The 2024 Annual Report has not yet been published and an auditors' opinion has not yet been issued.

Condensed Consolidated Financial Statements

Unaudited Consolidated Statement of Profit and Loss

(in millions of euros)	Year ended December 31,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenues	11,834	11,108
Cost of revenues	(6,746)	(6,208)
Selling, general and administrative expenses	(3,015)	(3,213)
Amortisation and impairment losses on intangible assets	(298)	(269)
Operating profit	1,775	1,418
Financial income	1,279	454
Financial expenses	(187)	(151)
	1,092	303
Income/(loss) from equity affiliates	4	-
Profit before income taxes	2,871	1,721
Income taxes	(778)	(458)
Net profit	2,093	1,263
Of which:		
Net profit attributable to equity holders of the parent	2,086	1,259
Net profit attributable to non-controlling interests	7	4
<i>Earnings per share (in euros)</i>		
Earnings for the period attributable to equity holders of the parent - basic	1.14	0.69
Earnings for the period attributable to equity holders of the parent - diluted	1.13	0.68

Unaudited Consolidated Statement of Cash Flows

(in millions of euros)	Year ended December 31,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating activities		
Operating profit	1,775	1,418
Adjustments	520	796
Royalty advances payments, net of recoupments	(186)	(100)
Gross cash provided by/(used for) operating activities before income tax paid	2,109	2,114
Other changes in net working capital	(5)	164
Net cash provided by/(used for) operating activities before income tax paid	2,104	2,278
Income tax paid	(349)	(393)
Net cash provided by/(used for) operating activities	1,755	1,885
Investing activities		
Catalogue investments	(266)	(178)
Other intangible assets investments	(92)	(74)
Capital expenditures	(91)	(47)
Purchases of consolidated companies, after acquired cash	(163)	(97)
Investments in equity affiliates	(390)	(81)
Purchase of financial assets	(145)	(154)
Investments	(1,147)	(631)
Proceeds from sales of property, plant, equipment and intangible assets	2	-
Proceeds from sales of consolidated companies, after divested cash	-	1
Proceeds from sale of financial assets	79	1
Divestitures	81	2
Dividends received from equity affiliates	12	4
Dividends received from investments	3	3
Net cash provided by/(used for) investing activities	(1,051)	(622)
Financing activities		
Distributions to shareowners	(933)	(929)
Dividends paid by consolidated companies to their non-controlling interests	(4)	(2)
Transactions with shareowners	(937)	(931)
Proceeds from borrowings	4,321	6,647
Repayments of borrowings	(3,755)	(6,815)
Interest, net	(81)	(77)
Other cash items related to financing activities	2	(10)
Transactions on borrowings and other financial liabilities	487	(255)
Repayment of lease liabilities	(81)	(80)
Payment of interest of lease liabilities	(21)	(14)
Net cash provided by/(used for) financing activities	(552)	(1,280)
Net change in cash and cash equivalents	152	(17)
Foreign currency translation adjustments	6	(34)
Change in cash and cash equivalents	158	(51)
Cash and cash equivalents		
At beginning of the period	387	438
At end of the period	545	387

Cost of Revenues

(in millions of euros)	Year ended December 31,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Artist costs	5,464	5,152
Product costs	1,282	1,056
Cost of Revenues	6,746	6,208

Non-IFRS Alternative Performance Indicators and Reconciliations

Financial Net Debt

(in millions of euros)	Year ended December 31,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash and cash equivalents	553	413
Derivative financial assets	-	2
Drawn revolving credit facilities	-	-
Bank overdrafts	(8)	(26)
Bonds	(1,810)	(1,808)
Commercial papers	(746)	(197)
Other	(87)	(73)
Borrowings at amortized cost	(2,651)	(2,104)
Financial Net Debt	(2,098)	(1,689)

Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA

(millions of euros)	Year ended December 31,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating Profit	1,775	1,418
Adjustments		
Amortization and depreciation expense	409	382
Restructuring expenses	169	41
(Gain)/loss on sale of assets	(23)	(26)
Impairment on intangible assets	2	(7)
EBITDA	2,332	1,808
Non-cash share-based compensation expense	329	561
Adjusted EBITDA	2,661	2,369

Reconciliation of net profit attributable to equity holders of the parent to Adjusted net profit

(in millions of euros)	Year ended, December 31	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net profit attributable to equity holders of the parent	2,086	1,259
Financial income and expenses, excluding interest and income from investments	(1,177)	(377)
Non-cash share-based compensation expense	329	561
Restructuring expense	169	41
Impairment of intangible assets	2	(7)
Amortization of catalogues	245	236
Income tax on adjustments	128	(87)
Adjusted Net Profit¹	1,782	1,626

¹ Following a change in the definition, the FY23 Adjusted Net Profit has been restated to exclude the impacts of restructuring expenses and related tax impacts.

Reconciliation of net cash provided by/(used for) operating activities to Free Cash Flow

(in millions of euros)	Year ended December 31,	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net cash provided by/(used for) operating activities before income tax paid	2,104	2,278
Income tax paid	(349)	(393)
Net cash provided by/(used for) operating activities	1,755	1,885
Net cash provided by/(used for) investing activities	(1,051)	(622)
Repayment of lease liabilities and related interest expenses	(102)	(94)
Interest, net	(81)	(77)
Other cash items related to financing activities	2	(10)
Free Cash Flow	523	1,082

Net cash provided by/(used for) operating activities – Adjustments

Operating profit includes certain non-cash items that are adjusted to get to Net cash provided by operating activities as follows:

(in millions of euros)	Year ended, December 31	
	2024	2023
	<i>(unaudited)</i>	<i>(unaudited)</i>
Amortization and depreciation expense	409	382
Non-cash share-based compensation expense, net of employees tax withheld	131	429
Impairment of intangible assets	2	(7)
Changes in provisions, net	1	18
(Gain)/loss on sale of assets	(23)	(26)
Adjustments	520	796

Average currency rates

	Three Months Ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
EUR vs.				
USD	0.92	0.93	0.92	0.92
GBP	1.20	1.15	1.18	1.15
JPY	6.17	6.27	6.10	6.64

Definitions

In this press release, UMG presents certain financial measures when discussing UMG's performance that are not measures of financial performance or liquidity under IFRS ("non-IFRS"). These non-IFRS measures (also known as alternative performance indicators) are presented because management considers them important supplemental measures of UMG's performance and believes that they are widely used in the industry in which UMG operates as a means of evaluating a company's operating performance and liquidity. UMG believes that an understanding of its sales performance, profitability, financial strength and funding requirements is enhanced by reporting the following non-IFRS measures. All non-IFRS measures should be considered in addition to, and not as a substitute for, other IFRS measures of operating and financial performance as presented in UMG's Consolidated Financial Statements and the related Notes, or as described in this press release. In addition, it should be noted that other companies may have definitions and calculations for these non-IFRS measures that differ from those used by UMG, thereby affecting comparability.

EBITDA and EBITDA margin

UMG considers EBITDA and EBITDA margin, non-IFRS measures, to be relevant measures to assess its operating performance and the performance of its operating segments as reported in the segment data. It enables UMG to compare the operating performance of operating segments regardless of whether their performance is driven by the operating segment's organic growth or by acquisitions. It excludes restructuring expenses, which may impact period-to-period comparability. EBITDA margin is EBITDA divided by revenue.

To calculate EBITDA, the accounting impact of the following items is excluded from the Operating Profit:

- i. amortization of intangible assets;
- ii. impairment on goodwill and other intangibles;
- iii. depreciation of tangible assets including right of use assets;
- iv. (gains)/losses on the sale of tangible assets, including right of use assets and intangible assets; and
- v. restructuring expenses.

Adjusted EBITDA and Adjusted EBITDA margin

The difference between EBITDA and Adjusted EBITDA consists of non-cash share-based compensation expenses and certain one-time items when applicable, that are deemed by management to be significant and incidental to normal business activity. Adjusted EBITDA margin is Adjusted EBITDA divided by revenue.

UMG considers Adjusted EBITDA and Adjusted EBITDA margin, non-IFRS measures, to be relevant measures to assess performance of its operating activities excluding items that may be incidental to normal business activity and excluding non-cash share based compensation which may impact period-to-period comparability.

Adjusted Net Profit/Adjusted Net Profit per share

UMG's use of Adjusted net profit is appropriate as UMG uses it as the basis for the Adjusted net profit per share (in EUR) – diluted, both of which are non-IFRS measures. Adjusted net profit may be subject to limitations as an analytical tool for investors, as it excludes certain items and therefore does not reflect the expense associated with such items, which may be significant and have a significant effect on UMG's net profit. During 2024, UMG updated the definition of Adjusted net profit to exclude restructuring expenses which may impact period-to-period comparability.

The accounting impact of the following items are excluded from Net profit attributable to equity holders of the parent:

- i. amortisation of catalogues;
- ii. impairment losses on goodwill and intangible assets;
- iii. financial income and expenses, excluding interest and income from investments;
- iv. restructuring expenses;
- v. earnings from discontinued operations;
- vi. non-cash share-based compensation expense;
- vii. certain one-time items that are deemed by management to be significant and incidental to normal business activity;
- viii. income tax impact on the above adjustments;
- ix. non-recurring tax items; and
- x. adjustments attributable to non-controlling interests.

Financial Net Debt

UMG considers Financial Net Debt, a non-IFRS measure, to be a relevant indicator of its liquidity and capital resources. UMG management uses this indicator for reporting, management and planning purposes. Financial Net Debt is calculated as the sum of:

- i. cash and cash equivalents, as reported in the Consolidated Statement of Financial Position, including (i) cash in banks and deposits, whether or not compensated, corresponding to cash, and (ii) money market funds;
- ii. cash management financial assets, included in the Consolidated Statement of Financial Position under "financial assets", relating to financial investments, which do not satisfy the criteria for classification as cash equivalents set forth in IAS 7; and
- iii. derivative financial instruments, net (assets and liabilities) where the underlying instruments are Financial Net Debt items, as well as cash deposits securing borrowings included in the Consolidated Statement of Financial Position under "financial assets";

less:

- i. the value of borrowings at amortized cost as reported in the Consolidated Statement of Financial Position

Free Cash Flow

UMG defines Free Cash Flow as net cash provided by/(used for) operating activities plus net cash provided by/(used for) investing activities, less repayment of lease liabilities, interest paid, net and other cash items related to financing activities. UMG considers Free Cash Flow, a non-IFRS measure, to be a relevant indicator of its cash flow generated to fund dividend payments and repayment of debt. Free Cash Flow is not a measure of performance calculated in accordance with IFRS and therefore it should not be considered in isolation of, or as a substitute for cash flow provided by operating activities as a measure of liquidity. Free Cash Flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, Free Cash Flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs.