



UNIVERSAL MUSIC GROUP

## Universal Music Group N.V. Reports Financial Results for the Fourth Quarter and Full Year Ended December 31, 2025

Hilversum, The Netherlands, March 5, 2026 -- Universal Music Group N.V. ("UMG" or "the Company") today announced its financial results for the fourth quarter and full year ended December 31, 2025.

"2025 was another standout year for UMG; creatively, commercially, and strategically," said Sir Lucian Grainge, UMG's Chairman and CEO. "We delivered real, measurable progress across our plan: advancing Streaming 2.0, scaling artist and label services, accelerating superfan initiatives, expanding in high-growth markets, and leading on responsible AI. The result is a stronger, more connected and growing ecosystem, creating greater opportunities for our artists and songwriters, and delivering long-term value for shareholders."

Matt Ellis, UMG's CFO, said, "Our strong top- and bottom-line growth in 2025 reflects disciplined execution against our strategic priorities and continued investment in our artists, songwriters, and global organization. We're encouraged by the start to 2026, having completed our acquisition of Downtown Music and investment in Excel Entertainment and broadened our partnerships across established platforms and emerging innovators, as we focus on delivering sustainable returns for all our stakeholders."

### Summary Q4 2025 Results<sup>1</sup>

- Revenue of €3,605 million increased 4.8% year-over-year, or 10.6% in constant currency, driven by strong growth in the Recorded Music segment. Excluding items impacting comparability detailed below, revenue grew 11.2% in constant currency.
- Recorded Music subscription revenue grew 2.4% year-over-year, or 7.7% in constant currency and streaming revenue grew 3.2% year-over-year, or 9.3% in constant currency. Excluding an item impacting comparability in the prior year, subscription revenue grew 9.6% in constant currency.
- Adjusted EBITDA of €810 million increased 1.4% year-over-year, or 6.4% in constant currency, while Adjusted EBITDA margin decreased 0.7pp to 22.5%. Excluding items impacting comparability, Adjusted EBITDA grew 8.6% year-over-year in constant currency, and Adjusted EBITDA margin decreased 0.4pp to 22.0%.
- Recorded Music top sellers included Taylor Swift, the KPop Demon Hunters soundtrack, Olivia Dean, Stray Kids and Morgan Wallen.

### Summary FY 2025 Results<sup>1</sup>

- Revenue of €12,507 million increased 5.7% year-over-year, or 8.7% in constant currency, driven by growth across the Recorded Music and Music Publishing segments.
- Recorded Music subscription revenue grew 5.6% year-over-year, or 8.6% in constant currency, and streaming revenue grew 1.5% year-over-year, or 4.7% in constant currency.
- Adjusted EBITDA of €2,810 million increased 5.6% year-over-year, or 8.6% in constant currency, and Adjusted EBITDA margin remained constant at 22.5%.
- Net cash provided by operating activities before income tax paid of €2,142 million increased €38 million compared to €2,104 million in 2024.
- Subject to shareholder approval, final dividend proposal of €514 million, or €0.28 per share, which would bring total dividend for 2025 to €954 million, or €0.52 per share.

<sup>1</sup> 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.

## 2025 Business Highlights

- Global artist success included: 9 of the Top 10 on the IFPI Global Artist Chart for the third consecutive year; 4 of the Top 5 global artists on Spotify, with Universal Music Publishing Group (UMPG) representing 7 of the Top 10; 7 of the Top 10 most-streamed songs globally on Apple Music, with UMPG representing 8 of the Top 10; 7 of the Top 10 U.S. songs on YouTube; and all of the Top 5 albums and 7 of the Top 10 artists on Amazon Music.
- Reached “Streaming 2.0” agreements with two additional global DSP partners, Spotify and YouTube, which enhance consumer value, promote platform innovation, encourage smarter consumer segmentation and drive ARPU growth.
- Continued implementing Artist-Centric deal components which reward the value our artists bring to platforms, including provisions preventing AI slop from diluting the royalties of our artists and songwriters.
- Furthered Responsible AI partnerships, including: Agreements with AI platforms Udio and Klay Vision to evolve music experiences for superfans; Collaboration with SoundPatrol to protect artists from copyright infringement from AI music generators; Strategic alliances with Stability AI and Splice to develop next-generation professional music creation tools.
- Progressed strategy to accelerate investment in high-growth music markets and local repertoire, including: Significant minority investment in Excel Entertainment, a leading Indian film and digital content studio; Acquisition of the recorded music catalogue of the “Queen of Turkish Pop” Sezen Aksu; Launch of Deutsche Grammophon China and Blue Note Records China; Acquisition of A-Sketch, a leading Japanese music company.

## UMG Results

| (in millions of euros)   | Three Months Ended |                    |                |        | Year ended December 31, |                    |              |        |
|--|--------------------|--------------------|----------------|--------|-------------------------|--------------------|--------------|--------|
|  | December 31,       |                    | %              | %      | December 31,            |                    | %            | %      |
|  | 2025               | 2024               | YoY            | const. | 2025                    | 2024               | YoY          | const. |
|  | <i>(unaudited)</i> | <i>(unaudited)</i> |                |        | <i>(unaudited)</i>      | <i>(unaudited)</i> |              |        |
| Revenue  | 3,605              | 3,439              | 4.8%           | 10.6%  | 12,507                  | 11,834             | 5.7%         | 8.7%   |
| EBITDA <sup>1</sup>  | 730                | 706                | 3.4%           | 8.6%   | 2,538                   | 2,332              | 8.8%         | 12.2%  |
| <i>EBITDA margin<sup>1</sup></i>                                 | <i>20.2%</i>       | <i>20.5%</i>       | <i>(0.3pp)</i> |        | <i>20.3%</i>            | <i>19.7%</i>       | <i>0.6pp</i> |        |
| Adjusted EBITDA <sup>1</sup>                                     | 810                | 799                | 1.4%           | 6.4%   | 2,810                   | 2,661              | 5.6%         | 8.6%   |
| <i>Adjusted EBITDA margin<sup>1</sup></i>                        | <i>22.5%</i>       | <i>23.2%</i>       | <i>(0.7pp)</i> |        | <i>22.5%</i>            | <i>22.5%</i>       | <i>0.0pp</i> |        |
| Operating Profit   |                    |                    |                |        | 1,998                   | 1,775              | 12.6%        | 16.6%  |
| Net profit attributable to equity holders of the parent          |                    |                    |                |        | 1,533                   | 2,086              | (26.5%)      |        |
| Adjusted Net Profit <sup>1</sup>                                 |                    |                    |                |        | 1,907                   | 1,782              | 7.0%         |        |
| Net Debt <sup>1</sup>  |                    |                    |                |        | 2,390                   | 2,098              | 13.9%        |        |
| Net cash provided by operating activities before income tax paid |                    |                    |                |        | 2,142                   | 2,104              | 1.8%         |        |
| Free Cash Flow <sup>1</sup>                                      |                    |                    |                |        | 702                     | 523                | 34.2%        |        |
| Weighted Average Number of Shares Outstanding                    |                    |                    |                |        | 1,833                   | 1,827              |              |        |
| EPS - basic  |                    |                    |                |        | 0.84                    | 1.14               |              |        |
| EPS - diluted  |                    |                    |                |        | 0.83                    | 1.13               |              |        |
| Adjusted EPS - basic <sup>1</sup>                                |                    |                    |                |        | 1.04                    | 0.98               |              |        |
| Adjusted EPS - diluted <sup>1</sup>                              |                    |                    |                |        | 1.03                    | 0.96               |              |        |

<sup>1</sup> As defined in the Appendix to this Press Release

*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 2025 Results

Revenue for the fourth quarter of 2025 was €3,605 million, an increase of 4.8% year-over-year, or 10.6% in constant currency, with growth driven primarily by strength in Recorded Music, as discussed further below.

As detailed in the section "Items Impacting Comparability of Results" below, Q4 2025 revenue included the benefit of a Legal Resolution, whereas Q4 2024 revenue included the previously disclosed DSP Catch-Up Income and Legal Settlements. Excluding these items, revenue grew 11.2% year-over-year in constant currency.

EBITDA grew 3.4% year-over-year, or 8.6% in constant currency, to €730 million and EBITDA margin was 20.2% compared to 20.5% in the prior year. EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €63 million as well as U.S. listing preparation costs and certain M&A advisory costs of €17 million during the fourth quarter of 2025, and by non-cash share-based compensation expenses of €93 million during the fourth quarter of 2024. Excluding these amounts, Adjusted EBITDA for the quarter was €810 million, up 1.4% year-over-year, or 6.4% in constant currency, driven by revenue growth. Adjusted EBITDA margin decreased 0.7pp to 22.5% compared to 23.2% in the fourth quarter of 2024 due to the negative impact of revenue mix and repertoire mix in Recorded Music as well as cost pressures in Merchandising and Other.

As detailed below, Q4 2025 EBITDA and Adjusted EBITDA included the benefit of the Legal Resolution while Q4 2024 EBITDA and Adjusted EBITDA included the benefit of previously disclosed DSP Catch-Up Income and Legal Settlements. Excluding these items, Adjusted EBITDA grew 8.6% year-over-year in constant currency, and Adjusted EBITDA margin decreased 0.4pp year-over-year to 22.0% for the reasons described above.

#### FY 2025 Results

Revenue for 2025 of €12,507 million increased by 5.7% compared to 2024, or 8.7% in constant currency, driven by improvements in Recorded Music and Music Publishing, as discussed further below.

As detailed below, 2025 revenue included the benefit of the Legal Resolution and 2024 revenue included the benefit of Legal Settlements. Excluding these items, full year revenue grew 8.7% year-over-year in constant currency.

Cost of revenues, consisting of artist and product costs, increased by €450 million to €7,196 million in 2025 while Cost of revenues as a percentage of revenues increased to 57.5% in 2025 from 57.0% in 2024. The increase in Cost of revenues as a percentage of revenues related in part to higher relative artist costs that increased to 46.7% in 2025 from 46.2% in 2024, due to repertoire mix in both Recorded Music and Music Publishing. In addition, product costs as a percentage of revenues increased to 10.9% from 10.8% driven by higher manufacturing and distribution costs in Merchandising and Other.

EBITDA of €2,538 million increased 8.8% year-over-year, or 12.2% in constant currency, and EBITDA margin was 20.3%, compared to 19.7% in the prior year. EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €227 million as well as U.S. listing preparation costs and certain M&A advisory costs of €45 million in 2025 compared to non-cash share-based compensation expenses of €329 million in 2024. Excluding these amounts, Adjusted EBITDA was €2,810 million, up 5.6% in 2025, or 8.6% in constant currency, and Adjusted EBITDA margin remained constant year-over-year at 22.5% as the revenue growth, operating leverage and cost savings from the previously announced strategic organizational redesign were offset by the negative impact of revenue mix and repertoire mix in Recorded Music, cost pressures in Merchandising and Other and incremental overheads from business combinations.

2025 EBITDA and Adjusted EBITDA included the benefit of the Legal Resolution and 2024 EBITDA and Adjusted EBITDA included the benefit of Legal Settlements. Excluding these items, Adjusted EBITDA grew 8.8% year-over-year in constant currency, and Adjusted EBITDA margin remained constant at 22.3% for the reasons described above.

Operating profit increased by 12.6% year-over-year, or 16.6% in constant currency, to €1,998 million in 2025 due to the improved revenues and lower non-cash share-based compensation expenses, as well as a decrease in restructuring charges in relation to the strategic organizational redesign, which amounted to €95 million in 2025 compared to €169 million in 2024. This was partly offset by U.S. listing preparation costs and certain M&A advisory costs of €45 million in 2025.

Net profit attributable to equity holders of the parent decreased by 26.5% to €1,533 million in 2025 compared to €2,086 million in 2024, resulting in Basic EPS of €0.84 in 2025, down 26.3% compared to €1.14 in 2024, and Diluted EPS of €0.83 in 2025, down 26.5% compared to €1.13 in 2024. The decrease in Net profit attributable to equity holders of the parent was primarily due to the variance in revaluation of investments in listed companies (including Spotify and Tencent Music Entertainment, among others) that resulted in net income in 2025 of €283 million compared to net income in 2024 of €1,163 million. Adjusted net profit, which adjusts for the revaluation of investments in listed companies, non-cash share-based compensation expense, amortization of catalogues and other items detailed in the Appendix, amounted to €1,907 million in 2025, up 7.0% compared to €1,782 million in 2024. This resulted in Adjusted Basic EPS of €1.04 in 2025, up 6.1% compared to €0.98 in 2024 and Adjusted Diluted EPS of €1.03 in 2025, up 7.3% compared to €0.96 in 2024. 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 2025 was €2,390 million compared to €2,098 million at the end of 2024. The net leverage ratio at year-end 2025, defined as Net debt over EBITDA, was 0.9x, consistent with 0.9x at year-end 2024.

Net cash provided by operating activities before income tax paid improved by €38 million to €2,142 million compared to €2,104 million in 2024, due to higher operating profit partly offset by higher royalty advance payments, net of recoupments, which increased to €402 million in 2025 from €186 million in 2024, due to the timing of major artist renewals and extensions. Net cash provided by operating activities was also impacted by restructuring charges and cash used to cover employee withholding taxes related to our equity plan, which lessens shareholder dilution.

Cash paid for catalogue acquisitions, net of divestments of intangible assets, increased to €280 million in 2025 compared to €266 million in 2024. Other strategic investments were meaningfully lower year-over-year and Free cash flow increased to €702 million in 2025 compared to €523 million in 2024.

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 €514 million, or €0.28 per share for the year ended December 31, 2025. If approved by shareholders, this would bring UMG's total dividend for 2025 to €954 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,            |                    | %           | %           |
|   | 2025               | 2024               | YoY         | const.       | 2025                    | 2024               | YoY         | const.      |
|   | <i>(unaudited)</i> | <i>(unaudited)</i> |             |              | <i>(unaudited)</i>      | <i>(unaudited)</i> |             |             |
| Subscriptions and streaming revenue       | 1,644              | 1,602              | 2.6%        | 8.1%         | 6,319                   | 6,038              | 4.7%        | 7.6%        |
| <i>of which streaming</i>                 | 387                | 375                | 3.2%        | 9.3%         | 1,435                   | 1,414              | 1.5%        | 4.7%        |
| <i>of which subscription</i>              | 1,257              | 1,227              | 2.4%        | 7.7%         | 4,884                   | 4,624              | 5.6%        | 8.6%        |
| Downloads and other digital revenue       | 85                 | 44                 | 93.2%       | 107.3%       | 234                     | 180                | 30.0%       | 34.5%       |
| Physical revenue                          | 524                | 458                | 14.4%       | 21.3%        | 1,475                   | 1,358              | 8.6%        | 11.4%       |
| License and other revenue                 | 516                | 462                | 11.7%       | 18.1%        | 1,428                   | 1,325              | 7.8%        | 11.0%       |
| <b>Recorded Music Revenues</b>            | <b>2,769</b>       | <b>2,566</b>       | <b>7.9%</b> | <b>13.9%</b> | <b>9,456</b>            | <b>8,901</b>       | <b>6.2%</b> | <b>9.3%</b> |
| EBITDA <sup>1</sup>                       |                    |                    |             |              | 2,282                   | 2,073              | 10.1%       | 13.5%       |
| <i>EBITDA margin<sup>1</sup></i>          |                    |                    |             |              | 24.1%                   | 23.3%              | 0.8pp       |             |
| Adjusted EBITDA <sup>1</sup>              |                    |                    |             |              | 2,423                   | 2,275              | 6.5%        | 9.6%        |
| <i>Adjusted EBITDA margin<sup>1</sup></i> |                    |                    |             |              | 25.6%                   | 25.6%              | 0.0pp       |             |

<sup>1</sup> As defined in the Appendix to this Press Release

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

### Q4 2025

Recorded Music revenue for the fourth quarter of 2025 was €2,769 million, up 7.9% compared to the fourth quarter of 2024, or 13.9% in constant currency. As detailed below, Q4 2025 Recorded Music revenue included the benefit of the Legal Resolution and Q4 2024 Recorded Music revenue included the benefit of the DSP Catch-Up Income and Legal Settlements. Excluding these items, Recorded Music revenue grew 14.4% year-over-year in constant currency.

Subscription revenue grew 2.4% year-over-year, or 7.7% in constant currency. Excluding the DSP Catch-Up Income in Q4 2024, which impacts comparability, subscription revenue grew 9.6% in constant currency driven primarily by the growth in global subscribers. Streaming revenue increased 3.2% year-over-year, or 9.3% in constant currency, with growth on several major platforms. Physical revenue grew 14.4% year-over-year, or 21.3% in constant currency, supported by strong vinyl sales in the U.S. and Europe. Downloads and other digital revenue increased 93.2% year-over-year, or 107.3% in constant currency due to the Legal Resolution detailed below. License and other revenue improved 11.7% year-over-year, or 18.1% in constant currency. Excluding the Legal Settlements in the prior year, License and other revenue grew 26.8% in constant currency driven by strong live event and other related income, primarily in Japan, as well as by a compensatory payment as part of a strategic licensing agreement with an AI music platform. Top sellers for the quarter included Taylor Swift, the KPop Demon Hunters soundtrack, Olivia Dean, Stray Kids and Morgan Wallen, while top sellers in the prior-year quarter included albums from Taylor Swift, Sabrina Carpenter, Billie Eilish, Chappell Roan and Wicked: The Soundtrack.

### FY 2025

Recorded Music revenue in 2025 was €9,456 million, up 6.2% compared to 2024, or 9.3% in constant currency. As detailed below, Recorded Music revenue in 2025 included the benefit of the Legal Resolution and in 2024 included Legal Settlements. Excluding these items, Recorded Music revenue in 2025 grew 9.1% year-over-year in constant currency.

Subscription revenue grew 5.6% year-over-year, or 8.6% in constant currency, driven primarily by the growth in global subscribers. Streaming revenue improved by 1.5% year-over-year, or 4.7% in constant currency.

Physical revenue increased 8.6% year-over-year, or 11.4% in constant currency. Downloads and other digital revenue grew 30.0% year-over-year, or 34.5% in constant currency due to the Legal Resolution detailed below. License and other revenue improved 7.8% year-over-year, or 11.0% in constant currency. Excluding the Legal Settlements in the prior year, License and other revenue grew 13.6% in constant currency. Top sellers for the year included Taylor Swift, the KPop Demon Hunters soundtrack, Morgan Wallen, Lady Gaga and Sabrina Carpenter. Top sellers in the prior year included multiple albums from Taylor Swift, and albums from Billie Eilish, Sabrina Carpenter, Morgan Wallen and Chappell Roan.

Recorded Music EBITDA in 2025 was €2,282 million, up 10.1% year-over-year, or 13.5% in constant currency and Recorded Music EBITDA margin increased 0.8pp to 24.1% from 23.3% in 2024. Recorded Music EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €135 million during 2025 and certain M&A advisory costs of €6 million, compared to €202 million non-cash share-based compensation expenses during 2024. Excluding these amounts, Recorded Music Adjusted EBITDA in 2025 was €2,423 million, up 6.5% year-over-year, or 9.6% in constant currency, driven by revenue growth. Recorded Music Adjusted EBITDA margin was constant at 25.6% as the benefit of cost savings and operating leverage offset margin headwinds from repertoire mix, outsized growth in lower-margin physical sales and incremental overheads from business combinations.

As detailed below, EBITDA and Adjusted EBITDA reflect the benefit of the Legal Resolution in 2025 and Legal Settlements in 2024. Excluding these items, Adjusted EBITDA grew 9.7% year-over-year in constant currency, and Adjusted EBITDA margin was 25.5%, up 0.2pp compared to 25.3% in 2024.

## Music Publishing

| (in millions of euros)                    | Three Months Ended |                    |               |             | Year ended December 31, |                    |              |             |
|---|--------------------|--------------------|---------------|-------------|-------------------------|--------------------|--------------|-------------|
|   | December 31,       |                    | %             | %           |                         |                    | %            | %           |
|   | 2025               | 2024               | YoY           | const.      | 2025                    | 2024               | YoY          | const.      |
|   | <i>(unaudited)</i> | <i>(unaudited)</i> |               |             | <i>(unaudited)</i>      | <i>(unaudited)</i> |              |             |
| Performance revenue                       | 116                | 127                | (8.7%)        | (5.7%)      | 456                     | 442                | 3.2%         | 5.1%        |
| Synchronisation revenue                   | 79                 | 66                 | 19.7%         | 27.4%       | 272                     | 253                | 7.5%         | 10.6%       |
| Digital revenue                           | 354                | 378                | (6.3%)        | (1.1%)      | 1,371                   | 1,268              | 8.1%         | 11.4%       |
| Mechanical revenue                        | 26                 | 24                 | 8.3%          | 13.0%       | 107                     | 103                | 3.9%         | 4.9%        |
| Other revenue                             | 18                 | 18                 | 0.0%          | (5.3%)      | 54                      | 55                 | (1.8%)       | 0.0%        |
| <b>Music Publishing Revenues</b>          | <b>593</b>         | <b>613</b>         | <b>(3.3%)</b> | <b>1.4%</b> | <b>2,260</b>            | <b>2,121</b>       | <b>6.6%</b>  | <b>9.3%</b> |
| EBITDA <sup>1</sup>                       |                    |                    |               |             | 531                     | 486                | 9.3%         | 11.8%       |
| <i>EBITDA margin<sup>1</sup></i>          |                    |                    |               |             | <i>23.5%</i>            | <i>22.9%</i>       | <i>0.6pp</i> |             |
| Adjusted EBITDA <sup>1</sup>              |                    |                    |               |             | 549                     | 511                | 7.4%         | 10.0%       |
| <i>Adjusted EBITDA margin<sup>1</sup></i> |                    |                    |               |             | <i>24.3%</i>            | <i>24.1%</i>       | <i>0.2pp</i> |             |

<sup>1</sup> As defined in the Appendix to this Press Release

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

### Q4 2025

Music Publishing revenue in the fourth quarter of 2025 was €593 million, down 3.3% year-over-year, but up 1.4% in constant currency. As detailed below, 2024 Music Publishing revenue included the benefit of Legal Settlements. Excluding this item, revenue grew 2.8% year-over-year in constant currency, primarily driven by synchronization revenue growth. While growth was impacted by the timing of collections from certain societies and other sources, which helped results in the prior-year quarter, underlying growth remains healthy.

## FY 2025

Music Publishing revenue was €2,260 million in 2025, up 6.6% year-over-year, or 9.3% in constant currency. Excluding the benefit from Legal Settlements in 2024, Music Publishing revenue grew 9.8% year-over-year in constant currency. The solid underlying growth was primarily driven by the growth in digital revenue, thanks to continued growth in subscription and streaming revenue and new business wins, as well as improvements in synchronisation, performance and mechanical revenue.

Music Publishing EBITDA in 2025 was €531 million, up 9.3% year-over-year, or 11.8% in constant currency, and Music Publishing EBITDA margin increased 0.6pp to 23.5% from 22.9% in 2024. Music Publishing EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €18 million during 2025, compared to €25 million during 2024. Excluding these amounts, Music Publishing Adjusted EBITDA of €549 million was up 7.4% year-over-year, or 10.0% in constant currency, driven by revenue growth and Music Publishing Adjusted EBITDA margin increased 0.2pp year-over-year to 24.3% from 24.1% in 2024. Excluding the impact of Legal Settlements in 2024, Music Publishing Adjusted EBITDA grew 10.5% year-over-year in constant currency and Music Publishing Adjusted EBITDA margin increased by 0.2pp year-over-year to 24.3%.

## Merchandising and Other

| (in millions of euros)              | Three Months Ended |                    |        |        | Year ended December 31, |                    |         |         |
|-------------------------------------|--------------------|--------------------|--------|--------|-------------------------|--------------------|---------|---------|
|                                     | December 31,       |                    | %      | %      | December 31,            |                    | %       | %       |
|                                     | 2025               | 2024               | YoY    | const. | 2025                    | 2024               | YoY     | const.  |
|                                     | <i>(unaudited)</i> | <i>(unaudited)</i> |        |        | <i>(unaudited)</i>      | <i>(unaudited)</i> |         |         |
| Merchandising and Other Revenues    | 248                | 264                | (6.1%) | 0.0%   | 811                     | 842                | (3.7%)  | 0.0%    |
| EBITDA <sup>1</sup>                 |                    |                    |        |        | 16                      | 42                 | (61.9%) | (60.0%) |
| EBITDA margin <sup>1</sup>          |                    |                    |        |        | 2.0%                    | 5.0%               | (3.0pp) |         |
| Adjusted EBITDA <sup>1</sup>        |                    |                    |        |        | 16                      | 43                 | (62.8%) | (61.0%) |
| Adjusted EBITDA margin <sup>1</sup> |                    |                    |        |        | 2.0%                    | 5.1%               | (3.1pp) |         |

1 As defined in the Appendix to this Press Release

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

## Q4 2025

Merchandising and Other revenue in the fourth quarter of 2025 of €248 million was down 6.1% year-over-year and was flat in constant currency, as growth in merchandising touring revenues and direct-to-consumer sales offset lower retail sales.

## FY 2025

Merchandising and Other revenue of €811 million in 2025 was down 3.7% year-over-year and was flat in constant currency. Merchandising touring revenues were up year-over-year but this was offset by lower direct-to-consumer sales which were very strong last year in connection with the timing of artist tours.

Merchandising and Other EBITDA in 2025 was €16 million, down 61.9% year-over-year, or 60.0% in constant currency, and Merchandising and Other EBITDA margin decreased 3.0pp to 2.0% from 5.0% in 2024. Merchandising and Other EBITDA and EBITDA margin were impacted by non-cash share-based compensation expense of €1 million in 2024. Excluding this amount, Merchandising and Other Adjusted EBITDA in 2025 of €16 million was down 62.8% year-over-year, or 61.0% in constant currency. Merchandising and Other Adjusted EBITDA margin declined 3.1pp to 2.0% due to higher manufacturing and distribution costs, driven both by product mix and broader cost pressures.

## U.S. Listing Update

With the uncertainty in the market creating a meaningful dislocation in UMG's valuation, the Company's Board of Directors has decided that it is not the right time to move ahead with a U.S. listing. Should that change, the Company will provide an update.

## Items Impacting Comparability of Results

### TOTAL UMG

| (in millions of euros) | FY25  |       |       |       |            | FY24  |       |       |       |            |
|------------------------|-------|-------|-------|-------|------------|-------|-------|-------|-------|------------|
|                        | Q1 25 | Q2 25 | Q3 25 | Q4 25 | FY25 Total | Q1 24 | Q2 24 | Q3 24 | Q4 24 | FY24 Total |
| <b>Revenue</b>         |       |       |       |       |            |       |       |       |       |            |
| DSP Catch-Up Income    | -     | -     | -     | -     | -          | -     | -     | -     | 20    | -          |
| Legal Settlements      | -     | -     | -     | -     | -          | -     | -     | -     | 40    | 40         |
| Legal Resolution       | -     | -     | -     | 45    | 45         | -     | -     | -     | -     | -          |
| <b>Adjusted EBITDA</b> |       |       |       |       |            |       |       |       |       |            |
| DSP Catch-Up Income    | -     | -     | -     | -     | -          | -     | -     | -     | 12    | -          |
| Legal Settlements      | -     | -     | -     | -     | -          | -     | -     | -     | 29    | 29         |
| Legal Resolution       | -     | -     | -     | 26    | 26         | -     | -     | -     | -     | -          |

### RECORDED MUSIC

| (in millions of euros) | FY25  |       |       |       |            | FY24  |       |       |       |            |
|------------------------|-------|-------|-------|-------|------------|-------|-------|-------|-------|------------|
|                        | Q1 25 | Q2 25 | Q3 25 | Q4 25 | FY25 Total | Q1 24 | Q2 24 | Q3 24 | Q4 24 | FY24 Total |
| <b>Revenue</b>         |       |       |       |       |            |       |       |       |       |            |
| DSP Catch-Up Income    | -     | -     | -     | -     | -          | -     | -     | -     | 20    | -          |
| Legal Settlements      | -     | -     | -     | -     | -          | -     | -     | -     | 32    | 32         |
| Legal Resolution       | -     | -     | -     | 45    | 45         | -     | -     | -     | -     | -          |
| <b>Adjusted EBITDA</b> |       |       |       |       |            |       |       |       |       |            |
| DSP Catch-Up Income    | -     | -     | -     | -     | -          | -     | -     | -     | 12    | -          |
| Legal Settlements      | -     | -     | -     | -     | -          | -     | -     | -     | 27    | 27         |
| Legal Resolution       | -     | -     | -     | 26    | 26         | -     | -     | -     | -     | -          |

### MUSIC PUBLISHING

| (in millions of euros) | FY25  |       |       |       |            | FY24  |       |       |       |            |
|------------------------|-------|-------|-------|-------|------------|-------|-------|-------|-------|------------|
|                        | Q1 25 | Q2 25 | Q3 25 | Q4 25 | FY25 Total | Q1 24 | Q2 24 | Q3 24 | Q4 24 | FY24 Total |
| <b>Revenue</b>         |       |       |       |       |            |       |       |       |       |            |
| Legal Settlements      | -     | -     | -     | -     | -          | -     | -     | -     | 8     | 8          |
| <b>Adjusted EBITDA</b> |       |       |       |       |            |       |       |       |       |            |
| Legal Settlements      | -     | -     | -     | -     | -          | -     | -     | -     | 2     | 2          |

### 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.

### Legal Resolution

Revenue, EBITDA and Adjusted EBITDA in 2025 benefitted from the resolution of a confidential legal matter booked in Q4 2025.

## Conference Call Details

The Company will host a conference call to discuss these results on Thursday, March 5, 2026 at 6:15PM CET. A link to the live audio webcast will be available on [investors.universalmusic.com](https://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](https://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 2024 Annual Report and that will be described in our 2025 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](http://www.universalmusic.com).

## Contacts

### Media

James Steven - [communicationsnl@umusic.com](mailto:communicationsnl@umusic.com)

### Investors

Erika Begun - [investorrelations@umusic.com](mailto:investorrelations@umusic.com)

## Upcoming Calendar

2025 Annual Report: March 26, 2026

## 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 2025 financial information included in this press release contains only part of the 2025 financial statements which will be included in the 2025 Annual Report and which still must be adopted by the shareholders at the upcoming Annual General Meeting of Shareholders. The 2025 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, |                    |
|--|-------------------------|--------------------|
|  | 2025                    | 2024               |
|  | <i>(unaudited)</i>      | <i>(unaudited)</i> |
| <b>Revenues</b>  | <b>12,507</b>           | <b>11,834</b>      |
| Cost of revenues   | (7,196)                 | (6,746)            |
| Selling, general and administrative expenses                                   | (2,982)                 | (3,015)            |
| Amortisation and impairment losses on intangible assets                        | (331)                   | (298)              |
| <b>Operating profit</b>  | <b>1,998</b>            | <b>1,775</b>       |
| Financial income   | 339                     | 1,279              |
| Financial expenses   | (233)                   | (187)              |
|  | <b>106</b>              | <b>1,092</b>       |
| Income/(loss) from equity affiliates   | (18)                    | 4                  |
| Profit before income taxes   | <b>2,086</b>            | <b>2,871</b>       |
| Income taxes   | (546)                   | (778)              |
| <b>Net profit</b>  | <b>1,540</b>            | <b>2,093</b>       |
| Of which:  |                         |                    |
| Net profit attributable to equity holders of the parent                        | 1,533                   | 2,086              |
| Net profit attributable to non-controlling interests                           | 7                       | 7                  |
| <i>Earnings per share (in euros)</i>   |                         |                    |
| Earnings for the period attributable to equity holders of the parent - basic   | 0.84                    | 1.14               |
| Earnings for the period attributable to equity holders of the parent - diluted | 0.83                    | 1.13               |

## Unaudited Consolidated Statement of Cash Flows

| (in millions of euros)   | Year ended December 31, |                    |
|--|-------------------------|--------------------|
|  | 2025                    | 2024               |
|  | <i>(unaudited)</i>      | <i>(unaudited)</i> |
| <b>Operating activities</b>  |                         |                    |
| Operating profit   | 1,998                   | 1,775              |
| Adjustments  | 508                     | 520                |
| Royalty advances payments, net of recoupments  | (402)                   | (186)              |
| <b>Gross cash provided by/(used for) operating activities before income tax paid</b> | <b>2,104</b>            | <b>2,109</b>       |
| Other changes in net working capital   | 38                      | (5)                |
| <b>Net cash provided by/(used for) operating activities before income tax paid</b>   | <b>2,142</b>            | <b>2,104</b>       |
| Income tax paid  | (403)                   | (349)              |
| <b>Net cash provided by/(used for) operating activities</b>                          | <b>1,739</b>            | <b>1,755</b>       |
| <b>Investing activities</b>  |                         |                    |
| Catalogue investments  | (345)                   | (266)              |
| Other intangible assets investments  | (125)                   | (92)               |
| Capital expenditures   | (70)                    | (91)               |
| Purchases of consolidated companies, after acquired cash                             | (62)                    | (163)              |
| Investments in equity affiliates   | (198)                   | (390)              |
| Purchase of financial assets   | (152)                   | (145)              |
| <b>Investments</b>   | <b>(952)</b>            | <b>(1,147)</b>     |
| Proceeds from sales of property, plant, equipment and intangible assets              | 65                      | 2                  |
| Proceeds from sale of financial assets   | 13                      | 79                 |
| <b>Divestitures</b>  | <b>78</b>               | <b>81</b>          |
| Dividends received from equity affiliates  | 18                      | 12                 |
| Dividends received from investments  | 2                       | 3                  |
| <b>Net cash provided by/(used for) investing activities</b>                          | <b>(854)</b>            | <b>(1,051)</b>     |
| <b>Financing activities</b>  |                         |                    |
| Distributions to shareowners   | (953)                   | (933)              |
| Dividends paid by consolidated companies to their non-controlling interests          | (6)                     | (4)                |
| <b>Transactions with shareowners</b>   | <b>(959)</b>            | <b>(937)</b>       |
| Proceeds from borrowings   | 4,523                   | 4,321              |
| Repayments of borrowings   | (4,369)                 | (3,755)            |
| Interest, net  | (81)                    | (81)               |
| Other cash items related to financing activities                                     | (9)                     | 2                  |
| <b>Transactions on borrowings and other financial liabilities</b>                    | <b>64</b>               | <b>487</b>         |
| Repayment of lease liabilities   | (72)                    | (81)               |
| Payment of interest of lease liabilities   | (21)                    | (21)               |
| <b>Net cash provided by/(used for) financing activities</b>                          | <b>(988)</b>            | <b>(552)</b>       |
| <b>Net change in cash and cash equivalents</b>                                       | <b>(103)</b>            | <b>152</b>         |
| Foreign currency translation adjustments   | (65)                    | 6                  |
| <b>Change in cash and cash equivalents</b>   | <b>(168)</b>            | <b>158</b>         |
| <b>Cash and cash equivalents</b>   |                         |                    |
| At beginning of the period   | 545                     | 387                |
| At end of the period   | 377                     | 545                |

## Cost of Revenues

| (in millions of euros) | Year ended December 31, |                    |
|------------------------|-------------------------|--------------------|
|                        | 2025                    | 2024               |
|                        | <i>(unaudited)</i>      | <i>(unaudited)</i> |
| Artist costs           | 5,836                   | 5,464              |
| Product costs          | 1,360                   | 1,282              |
| Cost of Revenues       | <b>7,196</b>            | <b>6,746</b>       |

## Non-IFRS Alternative Performance Indicators and Reconciliations

### Financial Net Debt

| (in millions of euros)            | Year ended December 31, |                    |
|-----------------------------------|-------------------------|--------------------|
|                                   | 2025                    | 2024               |
|                                   | <i>(unaudited)</i>      | <i>(unaudited)</i> |
| Cash and cash equivalents         | 451                     | 553                |
| Derivative financial assets       | 5                       | -                  |
| Drawn revolving credit facilities | (8)                     | -                  |
| Bank overdrafts                   | (74)                    | (8)                |
| Bonds                             | (2,293)                 | (1,810)            |
| Commercial papers                 | (384)                   | (746)              |
| Other                             | (87)                    | (87)               |
| Borrowings at amortized cost      | <b>(2,846)</b>          | <b>(2,651)</b>     |
| Financial Net Debt                | <b>(2,390)</b>          | <b>(2,098)</b>     |

### Reconciliation of Operating Profit to EBITDA and Adjusted EBITDA

| (millions of euros)                       | Year ended December 31, |                    |
|---|-------------------------|--------------------|
|   | 2025                    | 2024               |
|   | <i>(unaudited)</i>      | <i>(unaudited)</i> |
| Operating Profit                          | 1,998                   | 1,775              |
| <b>Adjustments</b>                        |                         |                    |
| Amortisation and depreciation expense     | 446                     | 409                |
| Restructuring expenses                    | 95                      | 169                |
| (Gain)/loss on sale of assets             | (4)                     | (23)               |
| Impairment on intangible assets           | 3                       | 2                  |
| EBITDA                                    | <b>2,538</b>            | <b>2,332</b>       |
| Non-cash share-based compensation expense | 227                     | 329                |
| Certain one-time items <sup>1</sup>       | 45                      | -                  |
| Adjusted EBITDA                           | <b>2,810</b>            | <b>2,661</b>       |

<sup>1</sup> Certain one-time items consists of US listing preparation costs and certain M&A advisory costs.

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

| (in millions of euros)  | Year ended,<br>December 31 |                    |
|---|----------------------------|--------------------|
|   | 2025                       | 2024               |
|   | <i>(unaudited)</i>         | <i>(unaudited)</i> |
| <b>Net profit attributable to equity holders of the parent</b>                | <b>1,533</b>               | <b>2,086</b>       |
| Financial income and expenses, excluding interest and income from investments | (187)                      | (1,177)            |
| Non-cash share-based compensation expense                                     | 227                        | 329                |
| Certain one-time items <sup>1</sup>   | 47                         | -                  |
| Restructuring expense   | 95                         | 169                |
| Impairment of intangible assets   | 3                          | 2                  |
| Amortisation of catalogues  | 256                        | 245                |
| Income tax on adjustments   | (93)                       | 128                |
| Other income taxes adjusting items  | 26                         | -                  |
| <b>Adjusted Net Profit</b>  | <b>1,907</b>               | <b>1,782</b>       |

1 Certain one-time items consists of US listing preparation costs, certain M&A advisory costs and interest expense in relation to the other income taxes adjusting items.

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

| (in millions of euros)   | Year ended December 31, |                    |
|--|-------------------------|--------------------|
|  | 2025                    | 2024               |
|  | <i>(unaudited)</i>      | <i>(unaudited)</i> |
| <b>Net cash provided by/(used for) operating activities before income tax paid</b> | <b>2,142</b>            | <b>2,104</b>       |
| Income tax paid  | (403)                   | (349)              |
| <b>Net cash provided by/(used for) operating activities</b>                        | <b>1,739</b>            | <b>1,755</b>       |
| <b>Net cash provided by/(used for) investing activities</b>                        | <b>(854)</b>            | <b>(1,051)</b>     |
| Repayment of lease liabilities and related interest expenses                       | (93)                    | (102)              |
| Interest, net  | (81)                    | (81)               |
| Other cash items related to financing activities                                   | (9)                     | 2                  |
| <b>Free Cash Flow</b>  | <b>702</b>              | <b>523</b>         |

## 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,<br>December 31 |                    |
|--|----------------------------|--------------------|
|  | 2025                       | 2024               |
|  | <i>(unaudited)</i>         | <i>(unaudited)</i> |
| Amortisation and depreciation expense                                    | 446                        | 409                |
| Non-cash share-based compensation expense, net of employees tax withheld | 111                        | 131                |
| Impairment of intangible assets  | 3                          | 2                  |
| Changes in provisions, net   | (48)                       | 1                  |
| (Gain)/loss on sale of assets  | (4)                        | (23)               |
| <b>Adjustments</b>   | <b>508</b>                 | <b>520</b>         |

## Average currency rates

|         | Three Months Ended December 31, |      | Year ended December 31, |      |
|---------|---------------------------------|------|-------------------------|------|
|         | 2025                            | 2024 | 2025                    | 2024 |
| EUR vs. |                                 |      |                         |      |
| USD     | 0.86                            | 0.92 | 0.89                    | 0.92 |
| GBP     | 1.14                            | 1.20 | 1.17                    | 1.18 |
| JPY     | 5.64                            | 6.17 | 5.97                    | 6.10 |

## 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. 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. amortisation of intangible assets;
- ii. impairment of 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 expense and certain one-time items, 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 its operating performance and performance of its operating activities excluding items that may be incidental to normal business activity and excluding non-cash share based compensation expenses which may impact period-to-period comparability.

### Adjusted Net Profit/Adjusted Net Profit per share

UMG uses Adjusted Net Profit as the basis for Adjusted Net Profit Per Share both of which are non-IFRS financial measures. UMG considers Adjusted Net Profit and Adjusted Net Profit Per Share to be relevant measures to represent profitability as it removes the impact of unusual or non-recurring items. Adjusted net profit and Adjusted Net Profit Per Share may be subject to limitations as an analytical tool for investors, as it excludes certain unusual or non-recurring items or items that impact year on year comparability and therefore do not reflect the expense associated with such items, which may be significant and have a significant effect on UMG's net profit.

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. other income taxes adjusting items that are deemed by management to be significant and incidental to normal business activity; and
- x. adjustments attributable to non-controlling interests.

Adjusted Net Profit Per Share is defined as Adjusted Net Profit divided by the weighted average number of shares outstanding during the period. UMG presents both basic and diluted Adjusted Net Profit Per Share.

Adjusted Net Profit Per Share — basic is calculated by dividing Adjusted Net Profit by the weighted average number of shares outstanding during the period. Adjusted Net Profit Per Share — diluted is calculated by dividing Adjusted Net Profit by the weighted average number of shares outstanding during the period, adjusted for the effects of all potentially dilutive shares, which comprise share rights and options granted to employees.

#### **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:

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

less 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 “Other current 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 “Other current financial assets”.

#### **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 and related interest expense, 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.