

05
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UNIVERSAL MUSIC GROUP ANNUAL GENERAL MEETING



UNIVERSAL MUSIC GROUP

Important Information

FORWARD LOOKING STATEMENTS

This presentation contains statements that may constitute forward-looking statements relating to the business, financial performance and results of Universal Music Group N.V. (the “Company”) and the industry in which the Company operates. These statements may be identified by words such as “expectation”, “belief”, “estimate”, “plan”, “target”, or “forecast” and similar expressions or the negative thereof; or by forward-looking nature of discussions of strategy, plans or intentions; or by their context. 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, UMG’s inability to protect its intellectual property and against piracy, UMG’s inability to attract and retain key personnel, changes in laws and regulations and the other risks that are described in the 2022 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.

PRESENTATION

The 2022 financial information included in this presentation contains only part of the 2022 financial statements which are included in the 2022 annual report and still have to be adopted by the shareholders at the upcoming annual general meeting of shareholders.

NON-IFRS MEASURES

This presentation includes certain alternative performance measures which are not defined in IFRS issued by the International Accounting Standards Board as endorsed by the EU. For further information on non-IFRS measures used by the Company, see the relevant definitions included in the press releases for the fourth quarter and full year ended December 31, 2022 and the first quarter ended March 31, 2023 and the reconciliations of such non-IFRS measures included in the Appendices to such press releases, as applicable.

MARKET AND INDUSTRY DATA

The Company obtained market data used in this presentation from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications.

SHERRY LANSING
**CHAIRMAN OF THE BOARD &
INDEPENDENT NON-EXECUTIVE DIRECTOR**

AGENDA ITEM 1

OPENING

AGENDA ITEM 2

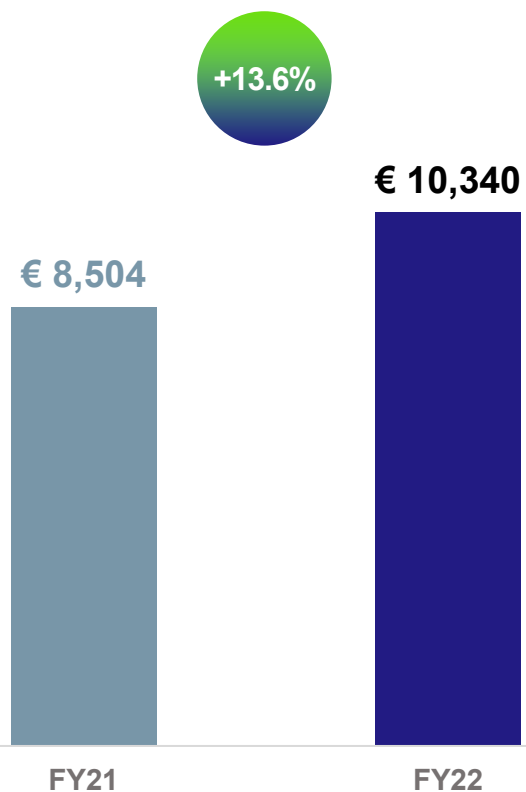
DISCUSSION OF THE ANNUAL REPORT 2022

SIR LUCIAN GRAINGE CBE

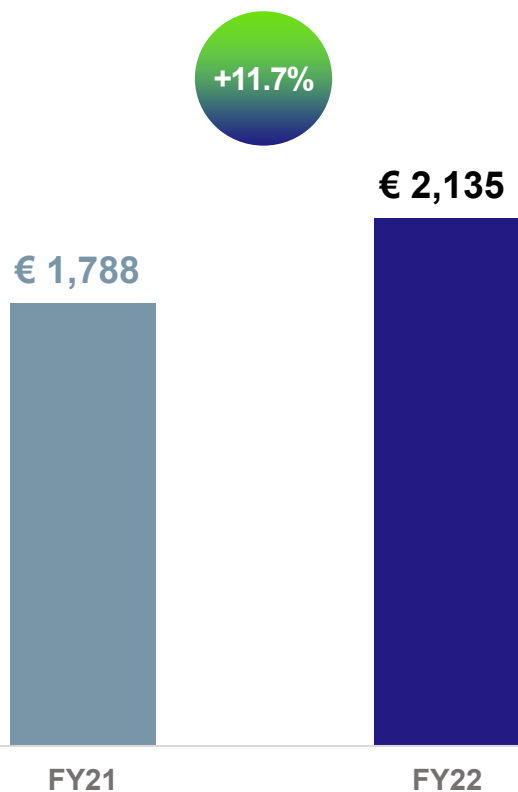
**CHAIRMAN & CEO
UNIVERSAL MUSIC GROUP**

FY2022 CONSOLIDATED RESULTS

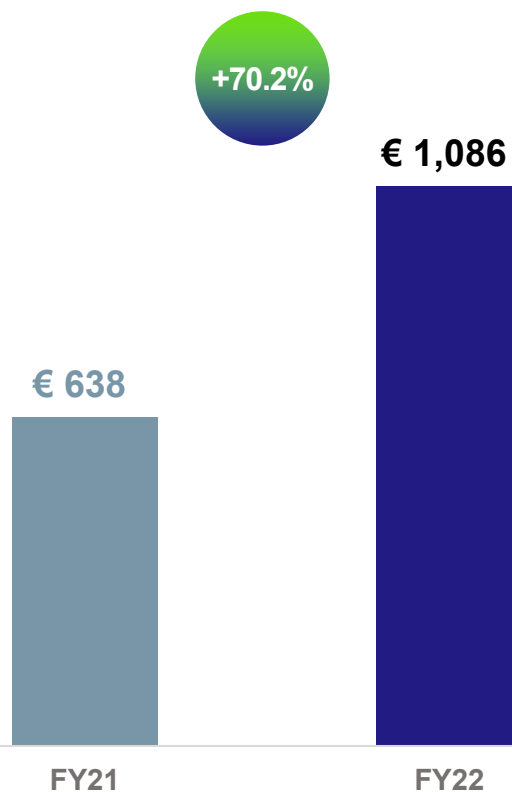
REVENUE



ADJUSTED EBITDA



FREE CASH FLOW



Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency, Adjusted EBITDA margin change in percentage points, Free Cash Flow growth as reported

4 OF THE TOP 5 GLOBAL ARTISTS IN 2022



1

TAYLOR SWIFT



2

BTS



3

DRAKE



5

THE WEEKND

AND
15
OF THE
TOP 20
GLOBAL
ARTISTS
IN 2022

SOURCE: IFPI

UNIVERSAL MUSIC GROUP

2022 GLOBAL ARTIST & SONGWRITER SUCCESS

SPOTIFY



4 OF THE **TOP 5**
GLOBAL ARTISTS OF 2022

TAYLOR SWIFT • DRAKE
THE WEEKND • BTS



DEEZER



THE **TOP 2**
&
5 OF THE **TOP 10**
GLOBAL ARTISTS OF 2022

IMAGINE DRAGONS
THE WEEKND
EMINEM
BILLIE EILISH
QUEEN



APPLE MUSIC



UMPG SONGWRITERS IN
9 OF THE **TOP 10**
GLOBALLY STREAMED SONGS

“STAY”
“As It Was”
“WAIT FOR U”
“Super Gremlin”
“Easy On Me”
“Cold Heart (PNAU Remix)”
“First Class”
“Me Porto Bonito”
“abcdefu”

SOURCE: SPOTIFY, DEEZER, APPLE MUSIC

UNIVERSAL MUSIC GROUP

2022 U.S. SUCCESS

SPOTIFY



4 OF THE **TOP 5**
ARTISTS OF 2022 IN THE U.S.

DRAKE • TAYLOR SWIFT
KANYE WEST • THE WEEKND

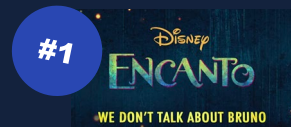
#1



YOUTUBE



7 OF THE **TOP 10**
SONGS IN THE U.S.



ENCANTO CAST "We Don't Talk About Bruno"

JESSICA DARROW "Surface Pressure"

FUTURE FT. DRAKE, TEMS "Wait For U"

KAROL G, BECKY G "Mamiii"

IMAGINE DRAGONS "Enemy"

KAROL G "Provenza"

LIL BABY "In A Minute"

BILLBOARD

billboard

THE **NO. 1**
SONG ON THE HOT 100 YEAR-END CHART



GLASS ANIMALS "Heat Waves"

&

7 OF THE **TOP 10**
ALBUMS ON YEAR-END CHART

MORGAN WALLEN *Dangerous: The Double Album*

TAYLOR SWIFT *Midnight*

TAYLOR SWIFT *Red (Taylor's Version)*

ENCANTO CAST *Encanto (Original Motion Picture Soundtrack)*

OLIVIA RODRIGO *SOUR*

DRAKE *Certified Lover Boy*

THE WEEKND *Highlights*

SOURCE: SPOTIFY, YOUTUBE, BILLBOARD

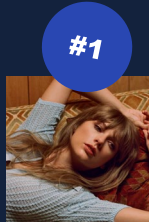
UNIVERSAL MUSIC GROUP

2022 REGIONAL SUCCESS

UNITED KINGDOM

**6 OF THE
TOP 10**
ARTISTS OF THE YEAR

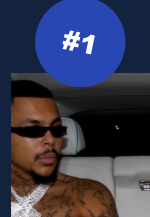
TAYLOR SWIFT
DRAKE
EMINEM
THE WEEKND
KANYE WEST
D-BLOCK EUROPE



GERMANY

 **7 OF THE
TOP 10**
MOST-STREAMED ARTISTS
ON SPOTIFY

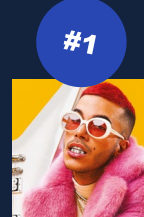
LUCIANO
BONEZ & RAF
CRO
EMINEM
CAPITAL BRA
DRAKE
SIDO



ITALY

 **7 OF THE
TOP 10**
MOST-STREAMED ARTISTS
ON SPOTIFY

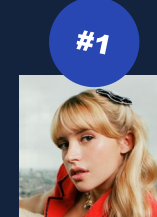
SFERA EBBASTA
LAZZA
BLANCO
MARRACASH
RKOMI
MADAME
GUÉ



FRANCE

THE
**TOP FEMALE
ARTIST**

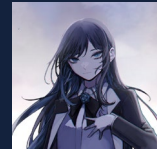
ANGÉLE



JAPAN

THE
#1 ARTIST
ON BILLBOARD'S
YEAR-END CHART

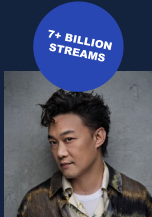
ADO



CHINA

THE
**MOST-STREAMED
SONG**
IN CHINA'S HISTORY

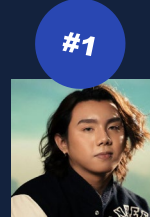
**EASON
CHAN**
"The Lone Warrior"



PHILIPPINES

THE
**#1 ARTIST AND
#1 SONG**
ON SPOTIFY

**ZACK
TABUDLO**
"Pano"




INDONESIA

UMG HAD THE
#1 SONG
FOR 30 WEEKS IN 2022
WITH 29 BEING DOMESTIC
ARTISTS

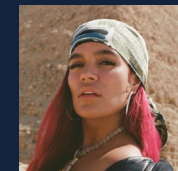
**LYODRA &
ANDI Rianto**
"Sang Dewi"



LATIN AMERICA

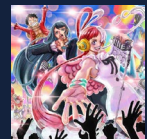
 **3 OF THE
TOP 5**
LATIN ARTISTS ON GLOBAL
SPOTIFY

**J BALVIN
DADDY YANKEE
KAROL G**



THE
**FIRST JAPANESE
SONG TO REACH #1**
ON APPLE MUSIC'S TOP 100
GLOBAL DAILY CHART

ADO
"New Genesis"



SOURCE: OCC, GFK, SPOTIFY, BILLBOARD

UNIVERSAL MUSIC GROUP

GROWTH IN SUBSCRIBERS

amazon music

Apple Music

deezer




TENCENT MUSIC
ENTERTAINMENT

KKBOX

 Spotify®

pandora®

The Joox logo, featuring the word 'Joox' in white stylized text on a pink background.


SOUNDCLOUD

 YouTube Music

 TIDAL

 WYNKMUSIC

 LINE MUSIC

HARNESSING NEW TECHNOLOGY TO DRIVE VALUE OF CATALOG

ELTON JOHN

X

ROBLOX

"Beyond The Yellow Brick Road"

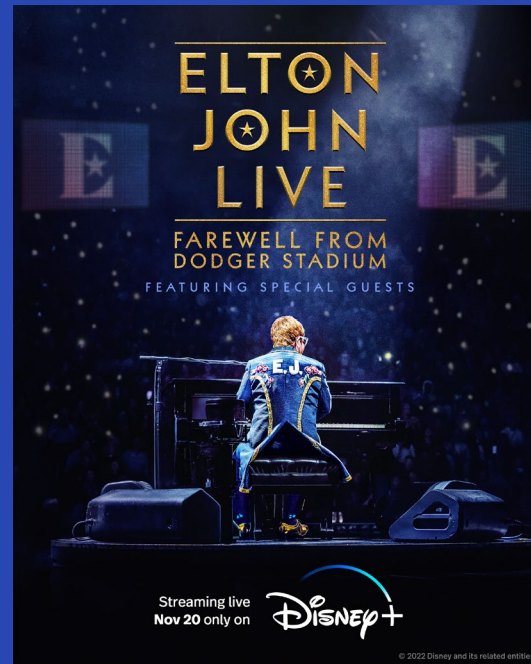


ELTON JOHN

X

DISNEY+

*Elton John Live
Farewell From Dodger Stadium*



**ABBA
VOYAGE**

Digital Avatar Live Concert

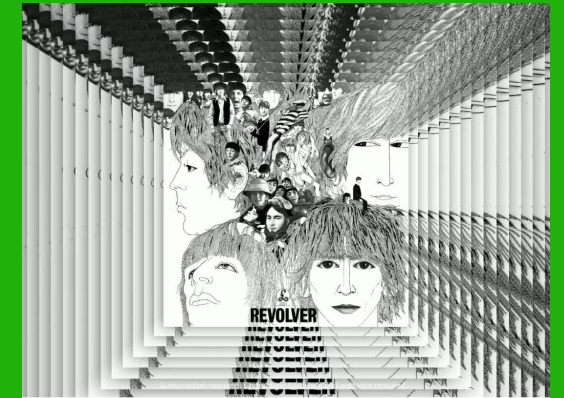


THE BEATLES

X

DOLBY ATMOS

Revolver



The Beatles
in Spatial Audio
feat. Dolby Atmos

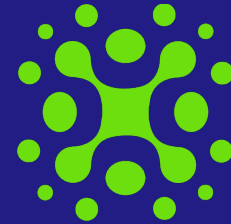
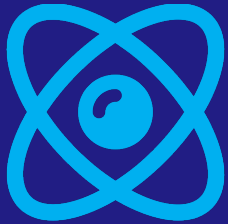
Apple Music



UMG is committed to building a sustainable business and harnessing the collective power of our people, artists, and fans to protect the planet and create an equitable future for generations to come.



WE WILL **STRENGTHEN TODAY'S CORE BUSINESS,**
EXPAND ACROSS HIGH GROWTH GEOGRAPHIES
AND PLATFORMS, AND **CREATE & SCALE** NEW
BUSINESSES



STRENGTHEN

OUR CORE BUSINESS

EXPAND

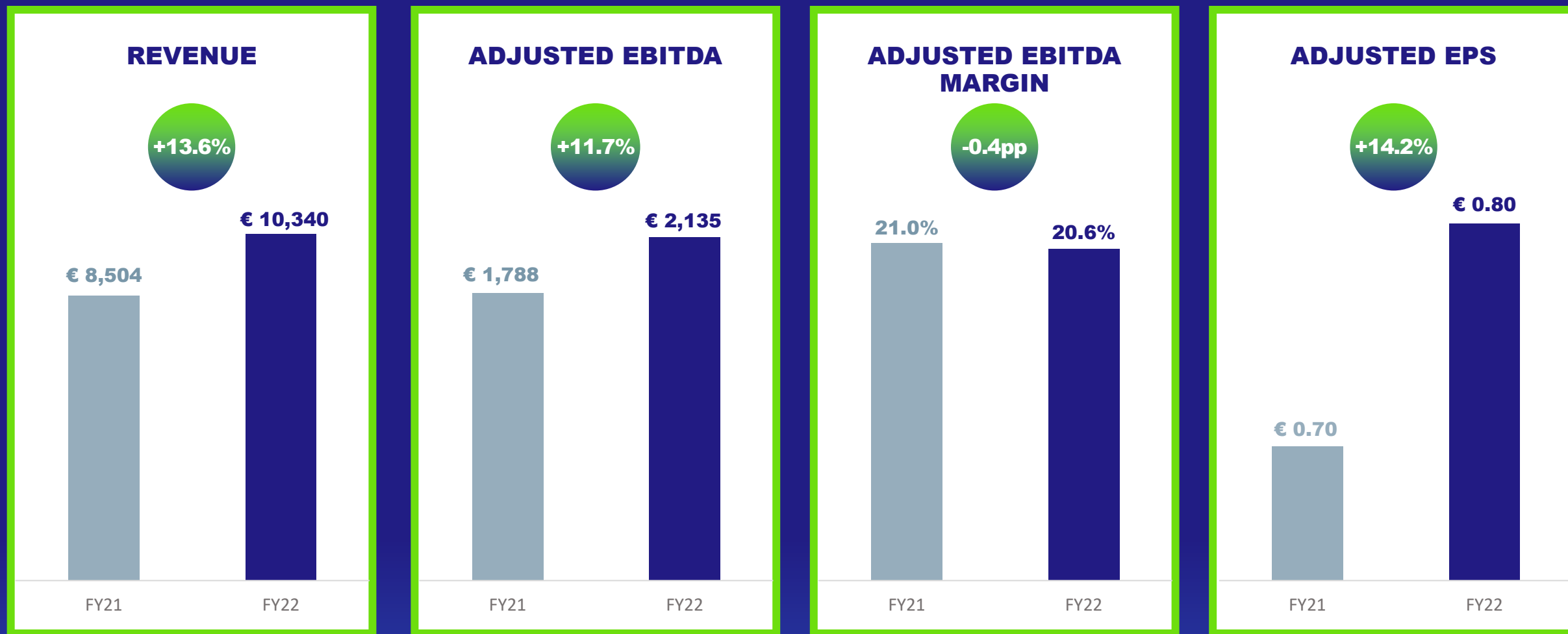
OUR CORE

GROW

BEYOND OUR CORE

BOYD MUIR
EVP, CFO & PRESIDENT OF OPERATIONS
UNIVERSAL MUSIC GROUP

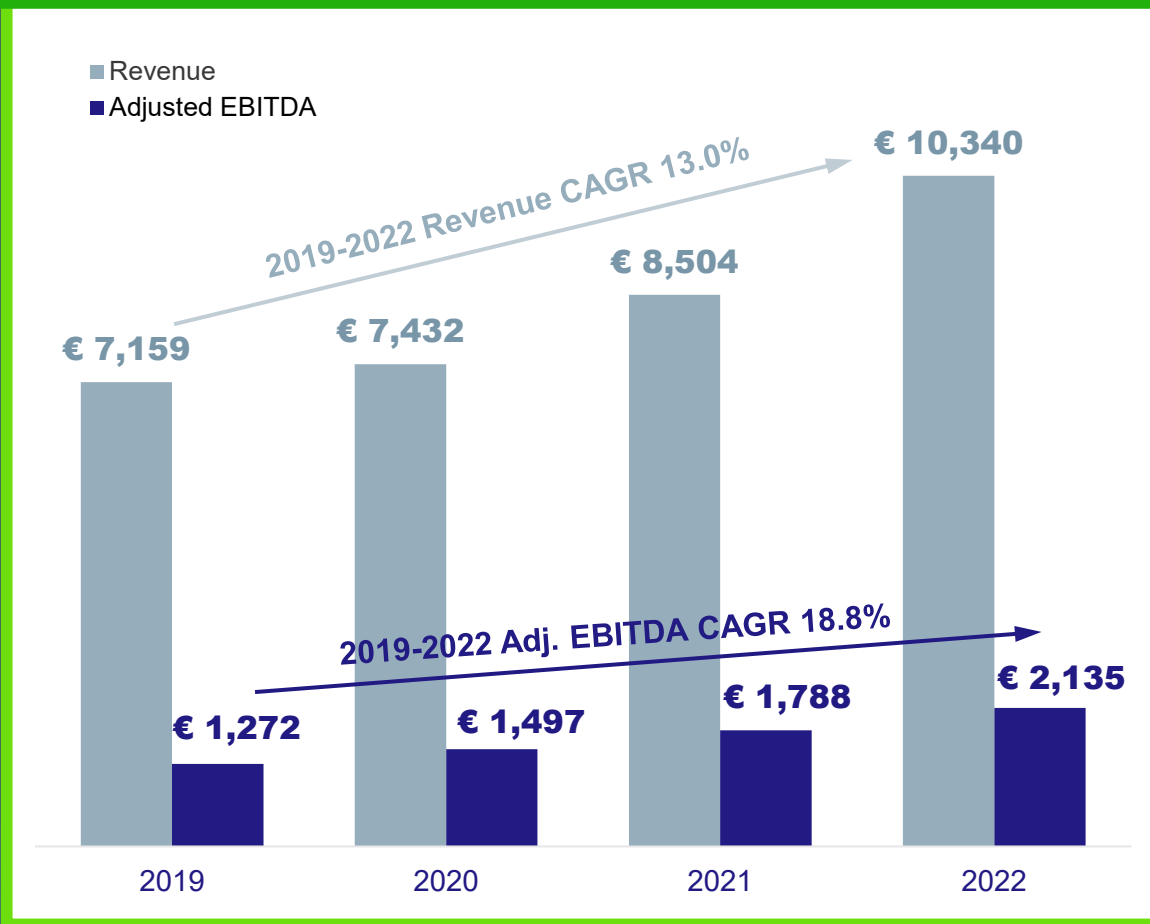
FY2022 CONSOLIDATED RESULTS



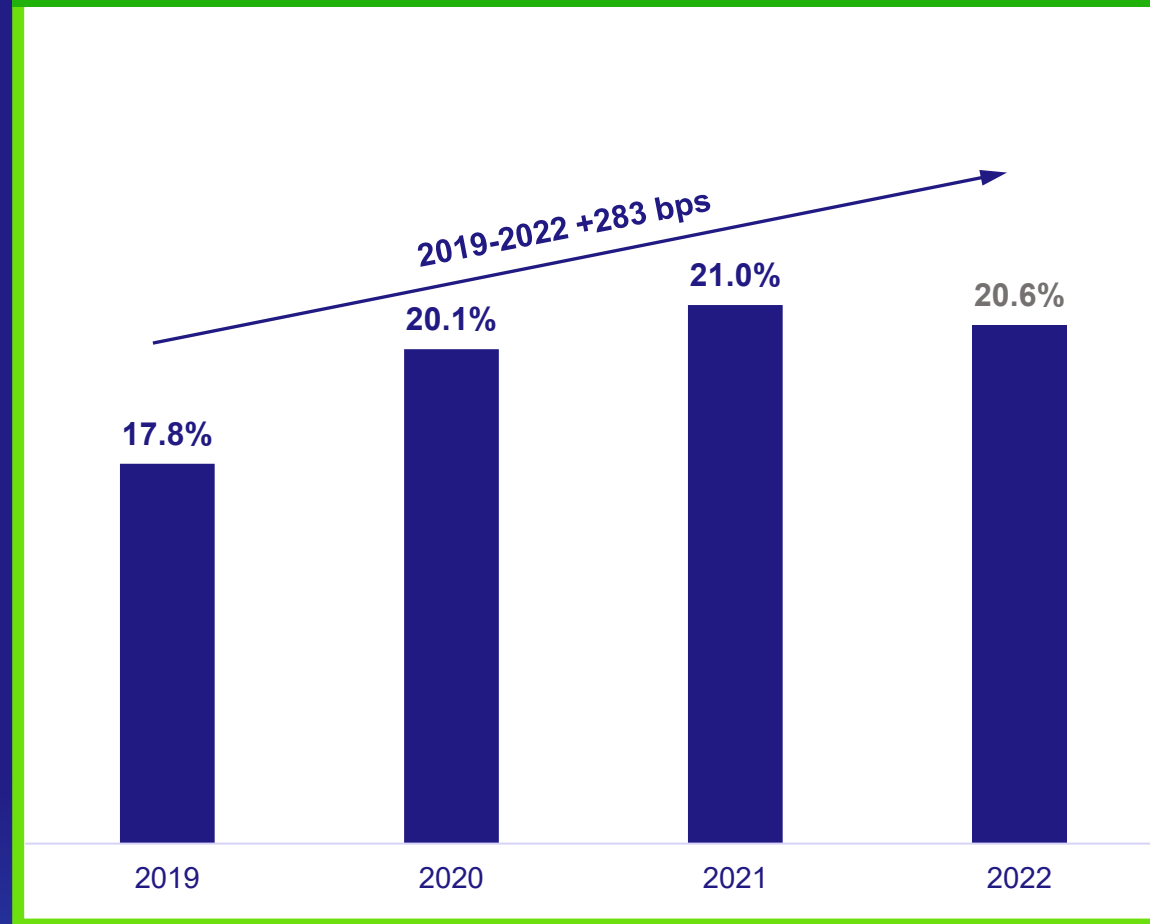
Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency, Adjusted EBITDA margin change in percentage points, Free Cash Flow growth as reported

LONG-TERM GROWTH AND MARGIN EXPANSION

SUSTAINED GROWTH IN REVENUE & ADJUSTED EBITDA

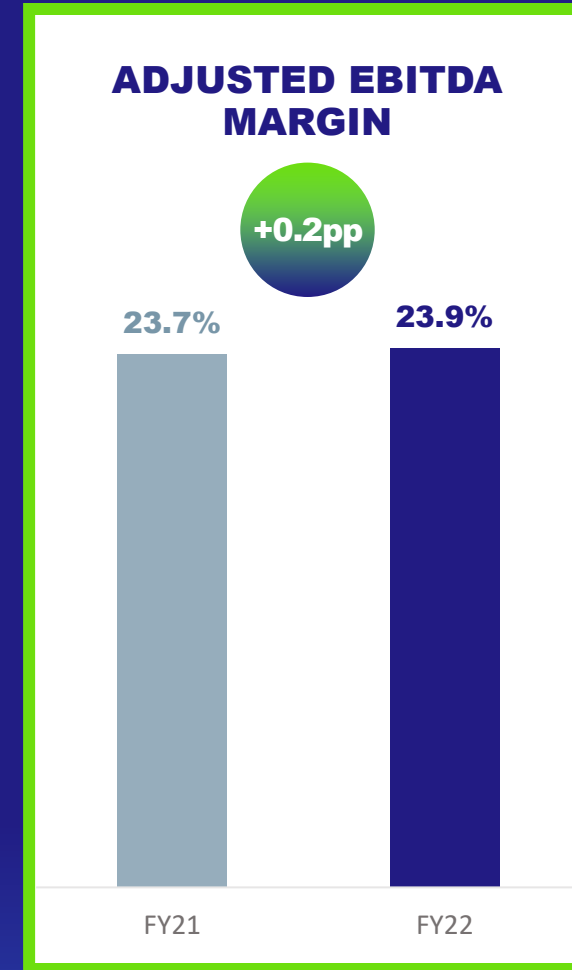
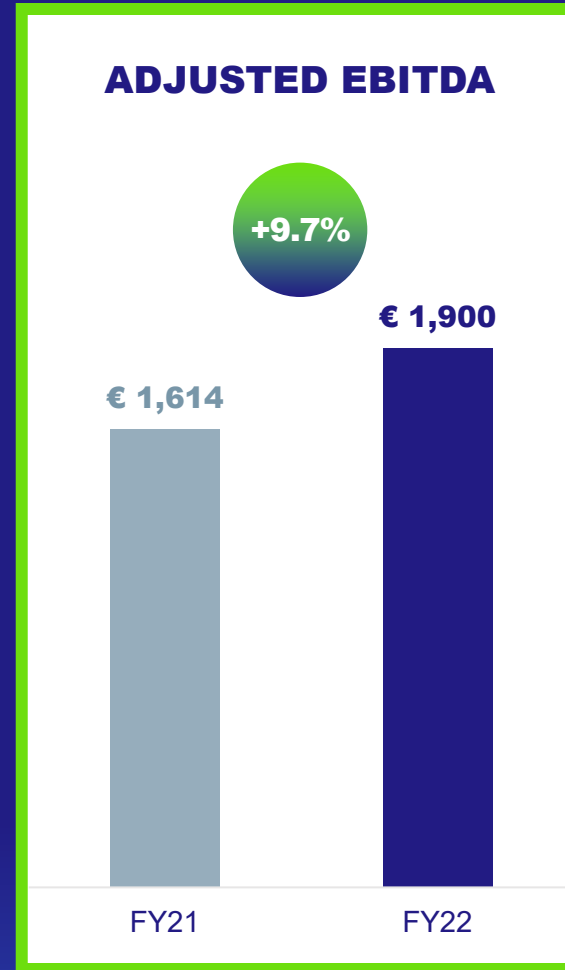
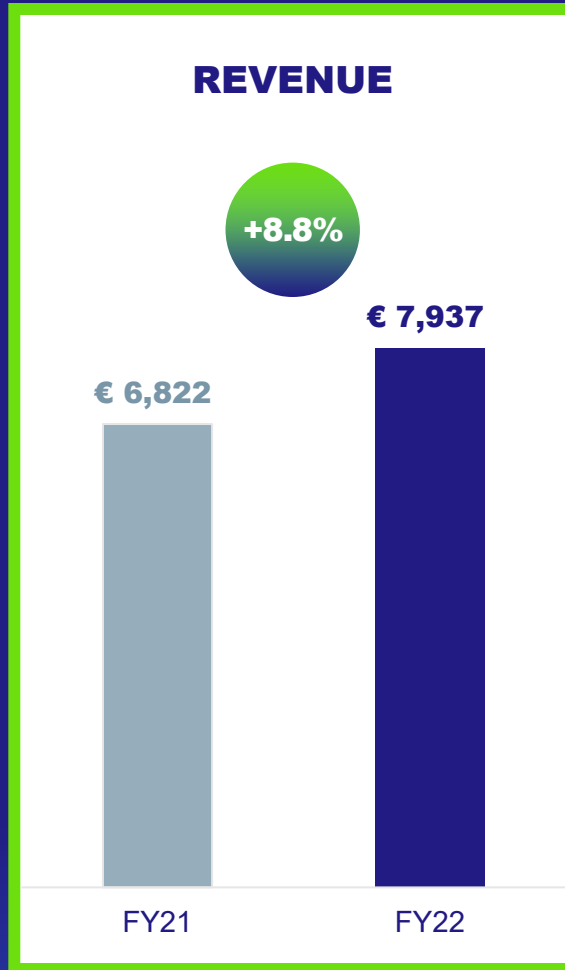


ADJUSTED EBITDA MARGIN EXPANSION



Note: € in Millions; historical financials and growth CAGRs are as reported

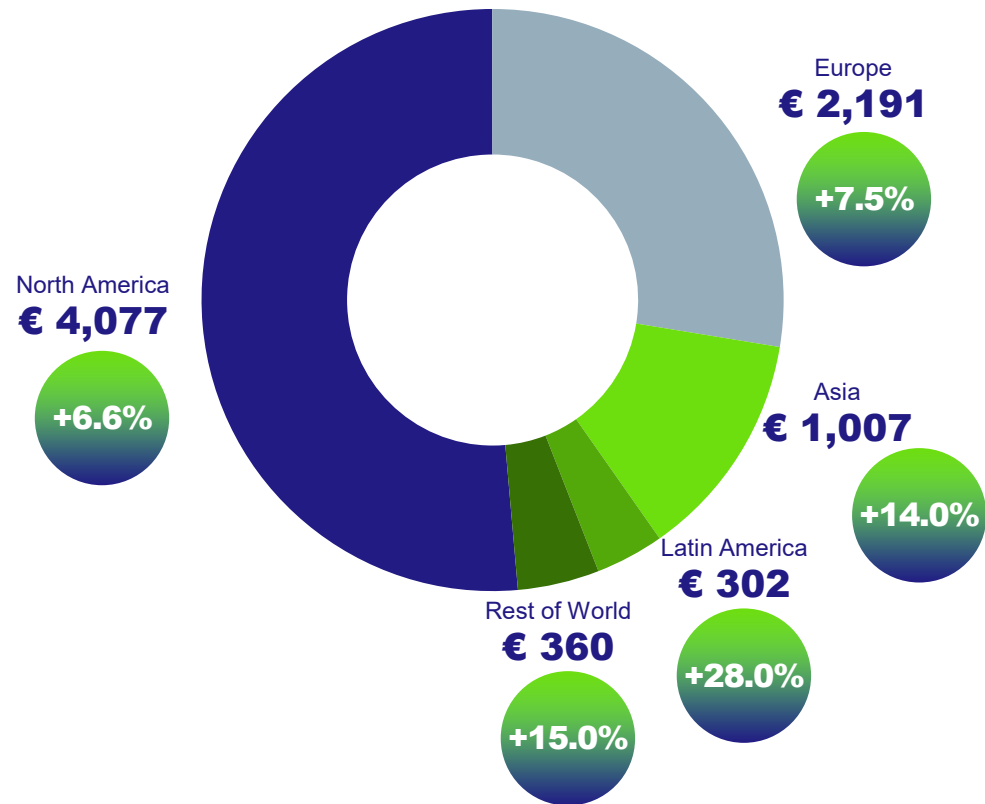
RECORDED MUSIC



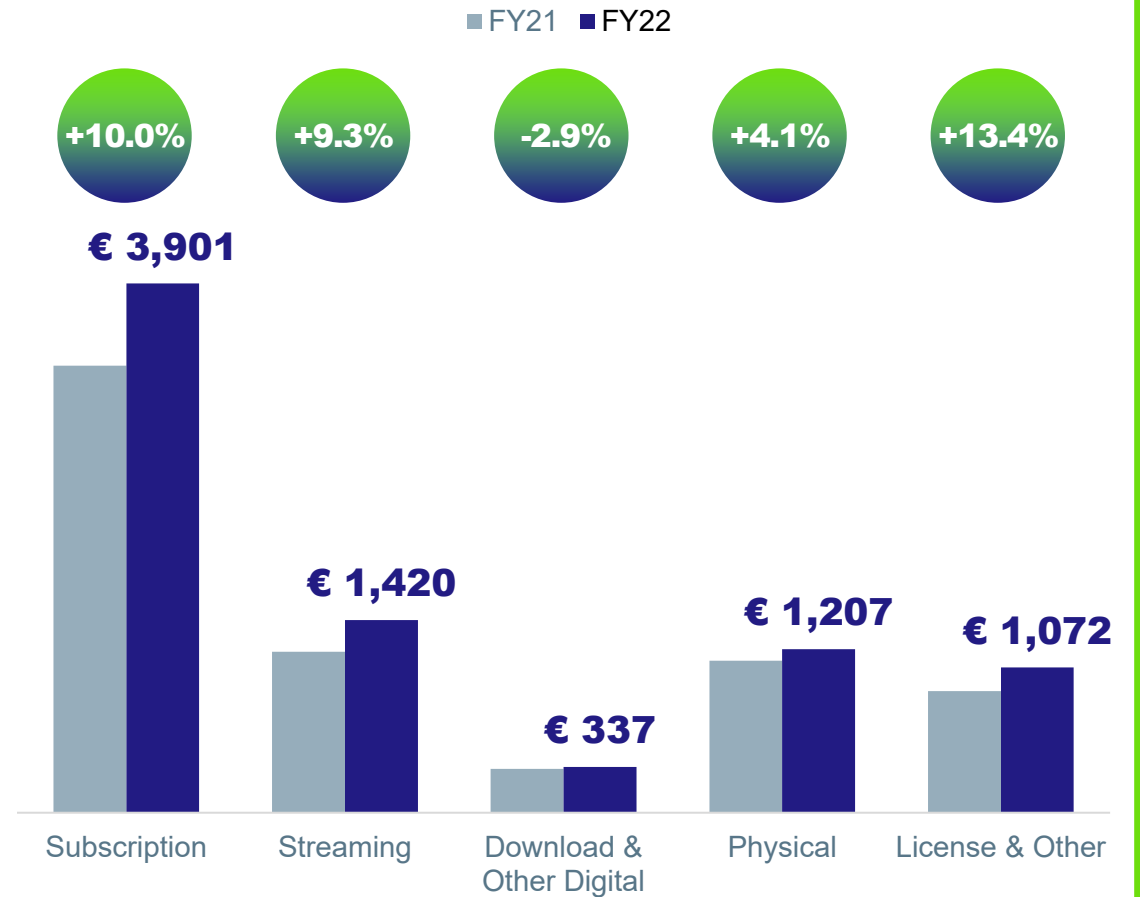
Note: € in Millions; All growth rates are in constant currency.

RECORDED MUSIC REVENUE

FY2022 RECORDED MUSIC REGIONAL BREAKDOWN

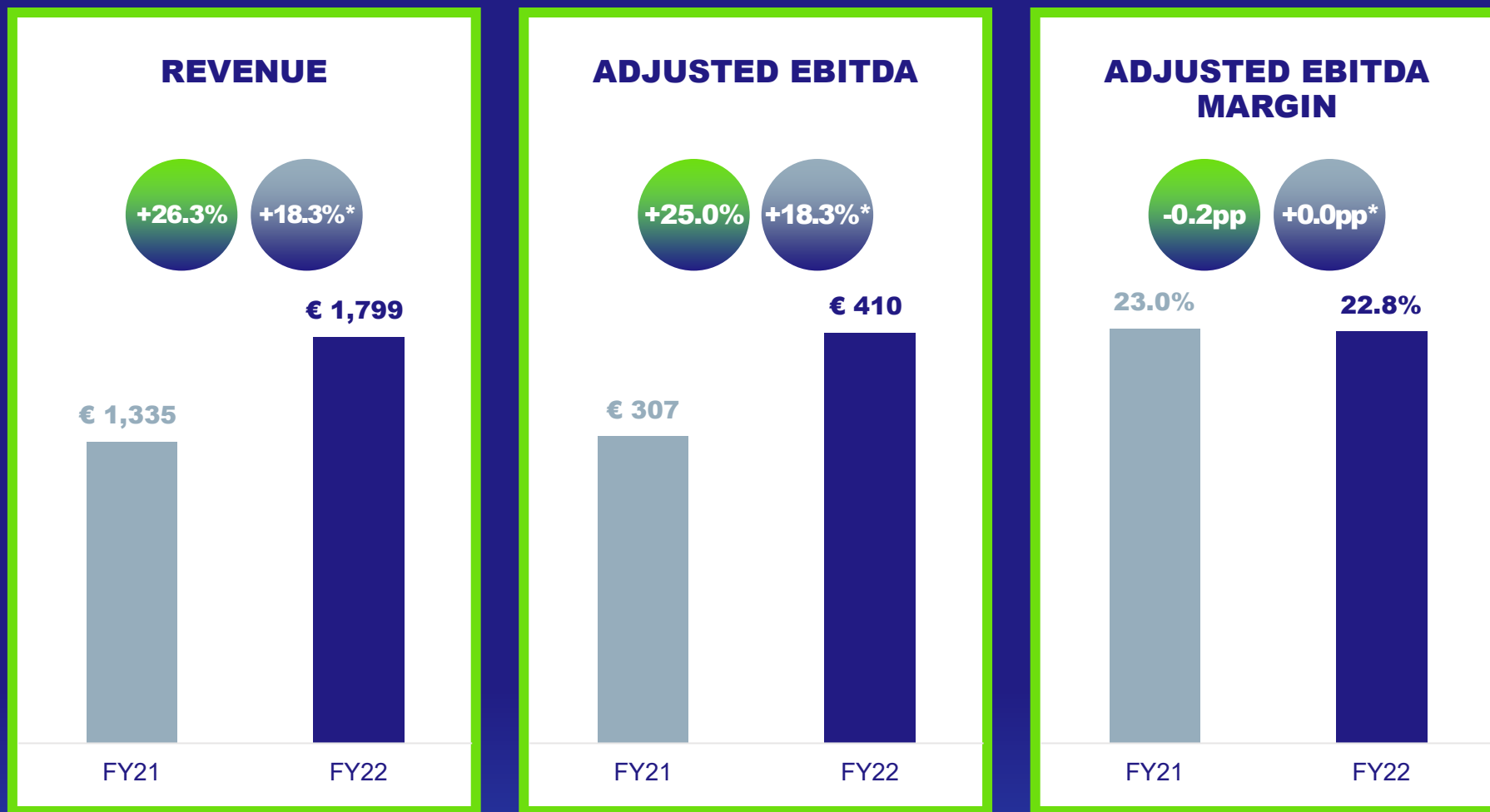


2022 REVENUE BREAKDOWN



Note: € in Millions; All growth rates are in constant currency.

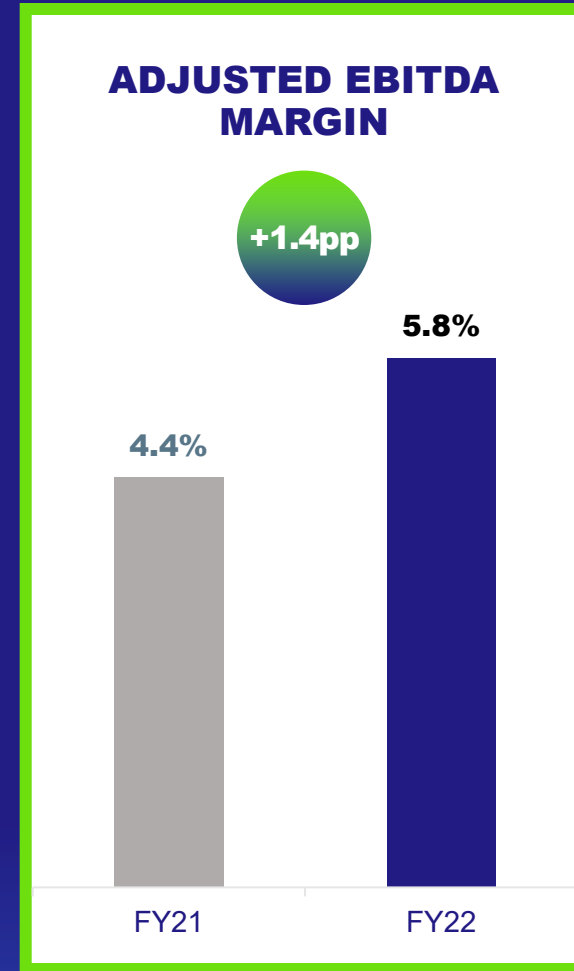
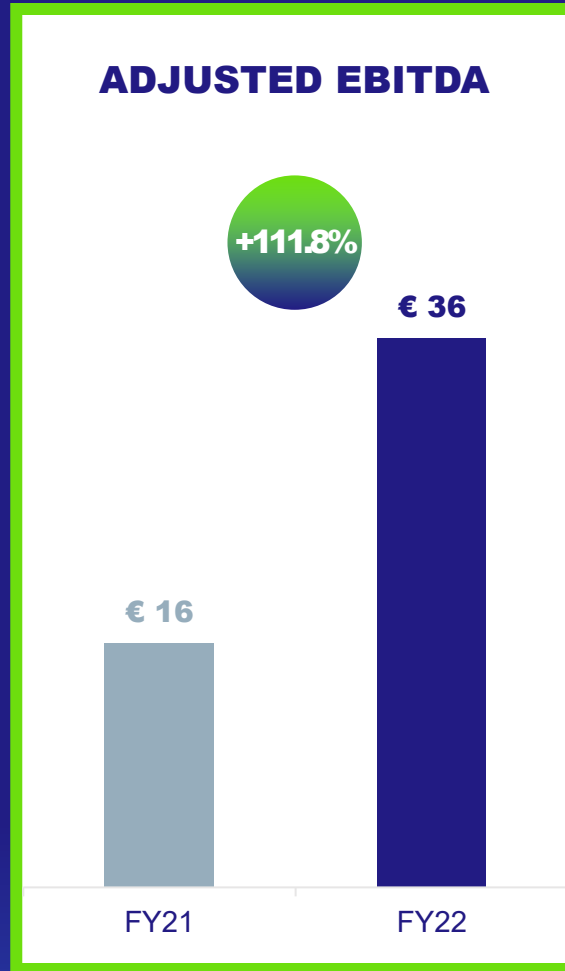
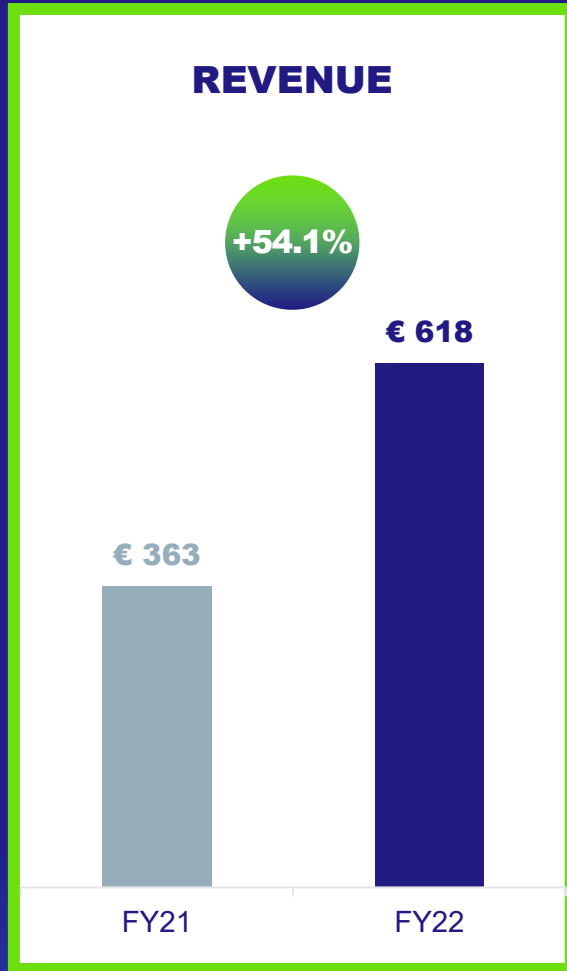
MUSIC PUBLISHING



Note: € in Millions; All growth rates are in constant currency.
*Adjusted to exclude impact of Change in Society Accounting.

UNIVERSAL MUSIC GROUP

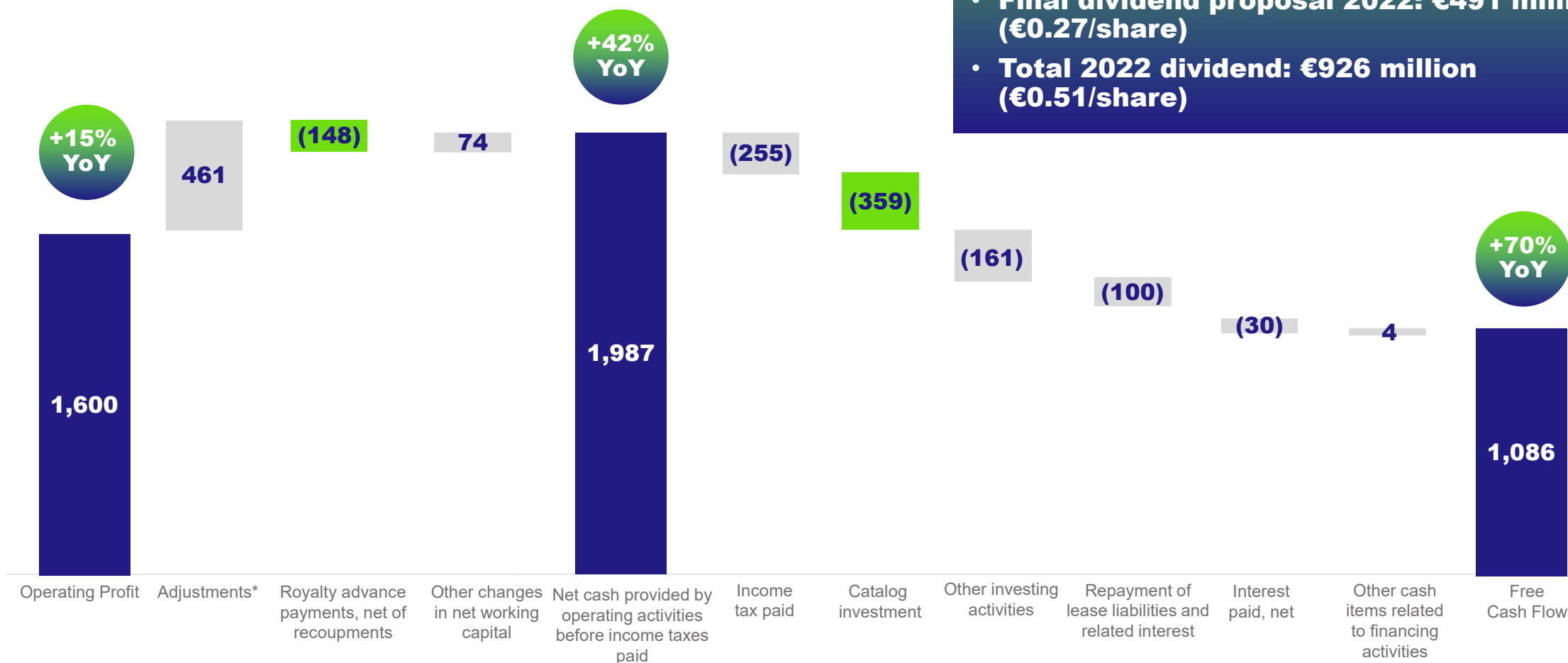
MERCHANDISING & OTHER



Note: € in Millions; All growth rates are in constant currency.

FREE CASH FLOW

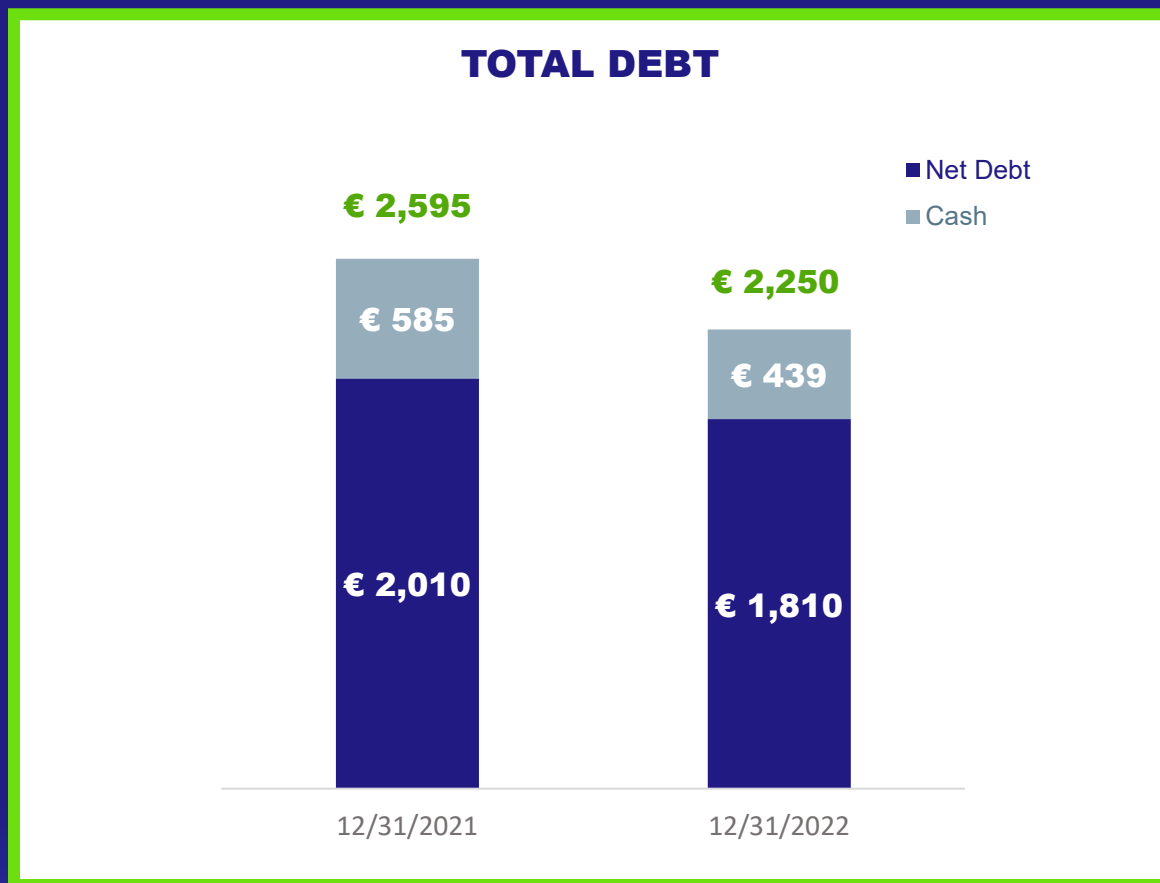
- **Dividend policy: 50% of net income**
- **2022 interim dividend: €435 million (€0.24/share)**
- **Final dividend proposal 2022: €491 million (€0.27/share)**
- **Total 2022 dividend: €926 million (€0.51/share)**



Note: € in Millions; Y/Y growth rates as reported

*Adjustments include amortization and depreciation of intangible assets, change in provisions, gain/(loss) on sale of assets and other non-recurring items.

BALANCE SHEET AND LIQUIDITY



Note: € in Millions.

STRONG BALANCE SHEET PROVIDES STRATEGIC FLEXIBILITY

- **Net Debt/Adjusted EBITDA of 0.9x**
- **Investment grade rating**
- **Average debt maturity: 5.2 years**
- **Variable rate exposure halved in 2022**
- **Capital allocation priorities:**
 - Investing in core business
 - Strategic M&A (including catalogs)
 - Returning capital to shareholders (currently through dividends)

SINCE LISTING, €1,289 MILLION RETURNED TO SHAREHOLDERS THROUGH DIVIDENDS

EQUITY PLAN

Following the successful listing of UMG, the Board and Shareholders agreed to finalize an equity plan that would:

- Reduce cash compensation costs
- Align and incentivize executives and management towards long-term value creation
- Enhance retention and recruitment of key executives

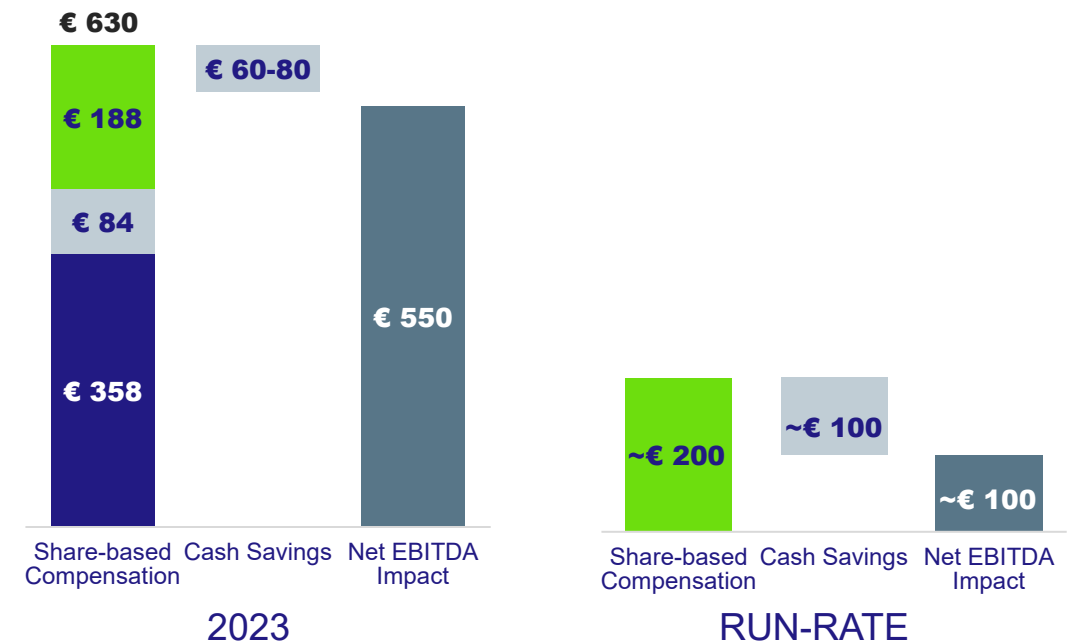
Approval at May 12, 2022 AGM to issue up to 5% of share capital over 5 years for creation of an equity plan

Run rate of ~€100M in cash savings and ~€200M in non-cash share-based compensation

One-time transition grants and front-loaded accounting recognition result in higher non-cash share-based comp in 2023

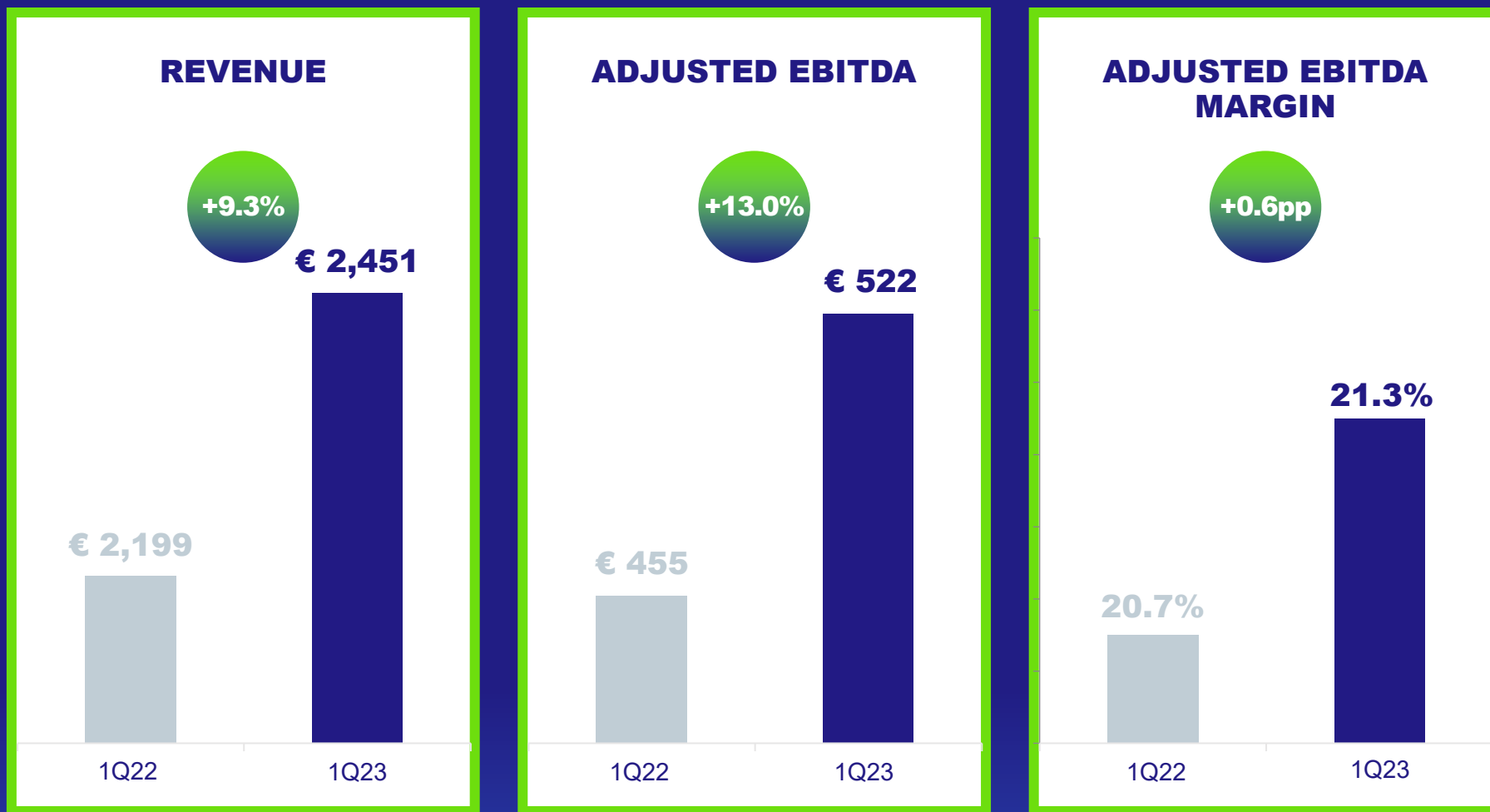
NON-CASH SHARE-BASED COMPENSATION EXPENSE

■ Annualized Run-Rate ■ Timing Impact ■ One-Time Transition Grant



Note: € in Millions.

1Q23 CONSOLIDATED RESULTS



Note: € in Millions; All growth rates are in constant currency.

Q&A

AGENDA ITEM 3

DISCUSSION OF AND ADVISORY VOTE ON THE REMUNERATION REPORT 2022

Q&A

REMUNERATION REPORT 2022

(ADVISORY) VOTING ITEM

AGENDA ITEM 4

DISCUSSION AND ADOPTION OF THE FINANCIAL STATEMENTS 2022

ERNST & YOUNG
ACCOUNTANTS LLP
EXTERNAL AUDITOR

DELOITTE ACCOUNTANTS B.V.
EXTERNAL AUDITOR

THE INDEPENDENT AUDITOR'S REPORT

SCOPE & OUTCOME

- Scope of group audit included procedures performed by component auditors (determined based on size, complexity and risk) and procedures performed at group level
- Audit coverage of 83% of revenue, 87% of profit before tax and 85% of total assets
- Use of various specialists, such as: information technology, tax, accounting, forensic, pensions and sustainability
- Unqualified auditor's opinion provided on 30 March 2023
- Use of the Going concern assumption

MATERIALITY

- Materiality for the financial statements as a whole was assessed at EUR 75 million
- Profit before tax used as primary benchmark and a percentage of 8,3% was applied
- We did not report misstatements below EUR 3,75 million

KEY AUDIT MATTER

- Valuation of royalty advances to artists and repertoire owners

BOARD REPORT

- The report was prepared in accordance with Part 9 Book 2 of the Dutch Civil Code
- Consistent with consolidated financial statements and does not contain material misstatements
- Our procedures were performed in accordance with the Dutch Law including the Dutch Standard 720 "Responsibilities of the auditor on other information"

SUSTAINABILITY

- EY provided limited assurance on 3 sustainability KPIs:
 - Global turnover on permanent contracts
 - Voluntary turnover on permanent contracts
 - Carbon emissions, now including more Scope 3 categories

FRAUD & COMPLIANCE

- The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance. As auditors, we obtain reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

Company and consolidated financial statements of
Universal Music Group N.V.
for the year 2022

Q&A

FINANCIAL STATEMENTS 2022

VOTING ITEM

AGENDA ITEM 5

DIVIDEND

AGENDA ITEM 5A

DISCUSSION OF DIVIDEND POLICY

Q&A

AGENDA ITEM 5B

ADOPTION OF THE DIVIDEND PROPOSAL

Q&A

DIVIDEND PROPOSAL

VOTING ITEM

AGENDA ITEM 6

DISCHARGE

AGENDA ITEM 6A

DISCHARGE OF THE EXECUTIVE DIRECTORS

Q&A

DISCHARGE OF THE EXECUTIVE DIRECTORS

VOTING ITEM

AGENDA ITEM 6B

DISCHARGE OF THE NON-EXECUTIVE DIRECTORS

Q&A

DISCHARGE OF THE NON-EXECUTIVE DIRECTORS

VOTING ITEM

AGENDA ITEM 7

EXECUTIVE DIRECTOR

AGENDA ITEM 7A

RE-APPOINTMENT OF SIR LUCIAN GRAINGE AS EXECUTIVE DIRECTOR

Q&A

**RE-APPOINTMENT OF
SIR LUCIAN GRAINGE
AS EXECUTIVE DIRECTOR**

VOTING ITEM

AGENDA ITEM 7B

**APPROVAL OF A SUPPLEMENT TO THE COMPANY'S
EXISTING EXECUTIVE DIRECTORS REMUNERATION
POLICY IN RESPECT OF SIR LUCIAN GRAINGE**

ANNA JONES

CHAIR OF THE REMUNERATION COMMITTEE & INDEPENDENT NON-EXECUTIVE DIRECTOR

AGENDA ITEM 7B

**APPROVAL OF A SUPPLEMENT TO THE COMPANY'S
EXISTING EXECUTIVE DIRECTORS REMUNERATION
POLICY IN RESPECT OF SIR LUCIAN GRAINGE**

Q&A

**APPROVAL OF A SUPPLEMENT TO THE
COMPANY'S EXISTING EXECUTIVE
DIRECTORS REMUNERATION POLICY IN
RESPECT OF SIR LUCIAN GRAINGE
VOTING ITEM**

AGENDA ITEM 8

NON-EXECUTIVE DIRECTORS

AGENDA ITEM 8A
RE-APPOINTMENT OF SHERRY LANSING
AS NON-EXECUTIVE DIRECTOR

Q&A

**RE-APPOINTMENT OF
SHERRY LANSING
AS NON-EXECUTIVE DIRECTOR**

VOTING ITEM

AGENDA ITEM 8B
RE-APPOINTMENT OF ANNA JONES
AS NON-EXECUTIVE DIRECTOR

Q&A

**RE-APPOINTMENT OF
ANNA JONES
AS NON-EXECUTIVE DIRECTOR**
VOTING ITEM

AGENDA ITEM 8C

RE-APPOINTMENT OF LUC VAN OS AS NON-EXECUTIVE DIRECTOR

Q&A

**RE-APPOINTMENT OF
LUC VAN OS
AS NON-EXECUTIVE DIRECTOR**
VOTING ITEM

AGENDA ITEM 8D

APPOINTMENT OF HAIM SABAN AS NON-EXECUTIVE DIRECTOR

Q&A

**APPOINTMENT OF
HAIM SABAN
AS NON-EXECUTIVE DIRECTOR**

VOTING ITEM

AGENDA ITEM 9

AUTHORIZATION OF THE BOARD AS THE COMPETENT BODY TO REPURCHASE OWN SHARES

Q&A

**AUTHORIZATION OF THE BOARD
AS THE COMPETENT BODY TO
REPURCHASE OWN SHARES**
VOTING ITEM

AGENDA ITEM 10

**APPOINTMENT OF THE EXTERNAL AUDITOR
FOR THE FINANCIAL YEARS 2023 UP TO AND
INCLUDING 2025**

Q&A

APPOINTMENT OF THE EXTERNAL AUDITOR FOR THE FINANCIAL YEARS 2023 UP TO AND INCLUDING 2025

VOTING ITEM

AGENDA ITEM 11

ANY OTHER BUSINESS

AGENDA ITEM 12

CLOSING