

4TH QUARTER & FULL YEAR 2022 RESULTS

THURSDAY MARCH 2, 2023



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. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. All statements regarding the future are subject to inherent risks and uncertainties and various factors could cause actual future results, performance or events to differ materially from those described or implied in these statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and none of the Company, the Company's shareholders or any adviser acting on behalf of the Company or any such shareholders, or their respective subsidiary undertakings, affiliates, agents or advisers or any of such persons’ directors, officers, employees, members or agents nor any other person accepts any responsibility for the accuracy of the opinions expressed in this presentation or the underlying assumptions. Past performance is not an indication of future results and past performance should not be taken as a representation that trends or activities underlying past performance will continue in the future. The forward-looking statements in this presentation speak only as at the date of this presentation. Subject to any continuing obligations under applicable law or any relevant stock market listing rules, the Company, the Company's shareholders or any adviser acting on behalf of the Company or such shareholders, and their respective subsidiary undertakings, affiliates, agents and advisers and any of such persons’ directors, officers, employees, members or agents expressly disclaim any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based after the date of this presentation or to update or to keep current any other information contained in this presentation. You are therefore cautioned not to place any undue reliance on such forward-looking statements.

PRESENTATION

The financial information included in this presentation is unaudited. The 2022 financial information included in this presentation contains only part of the 2022 financial statements which still have to be adopted by the shareholders at the upcoming annual general meeting of shareholders and will be included in the 2022 annual report. The 2022 annual report has not yet been published and an auditors’ opinion has not yet been issued.

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 release of the same date of this Presentation and the reconciliations of such non-IFRS measures included in the Appendix to such press release.

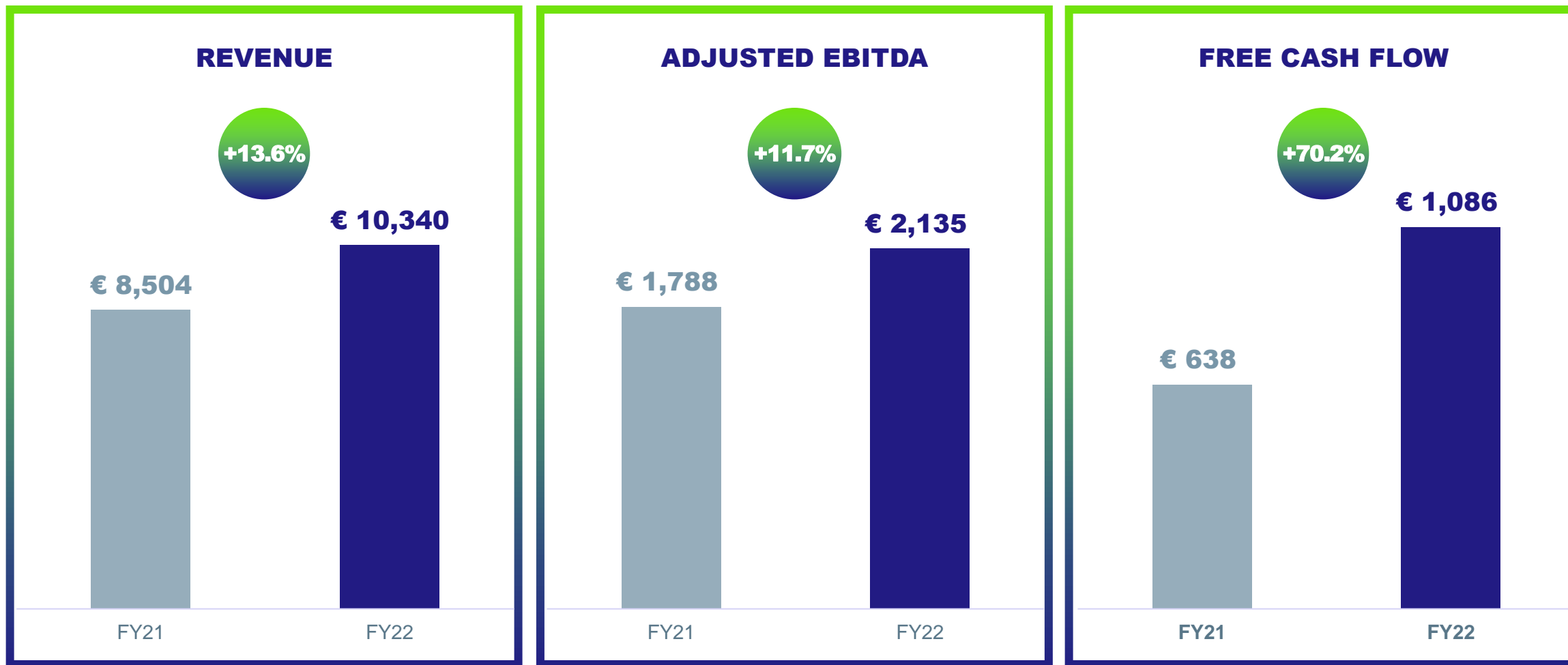
MARKET AND INDUSTRY DATA

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.

SIR LUCIAN GRAINGE

CHAIRMAN & CEO

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

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

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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 *Midnights*

TAYLOR SWIFT *Red (Taylor's Version)*

ENCANTO CAST *Encanto (Original Motion Picture Soundtrack)*

OLIVIA RODRIGO *SOOR*


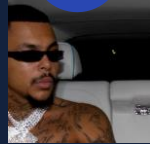

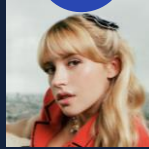

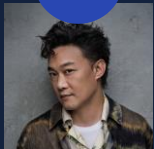
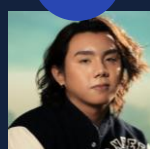
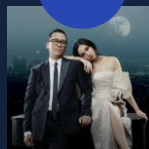


DRAKE *Certified Lover Boy*

THE WEEKND *Highlights*

SOURCE: SPOTIFY, YOUTUBE, BILLBOARD

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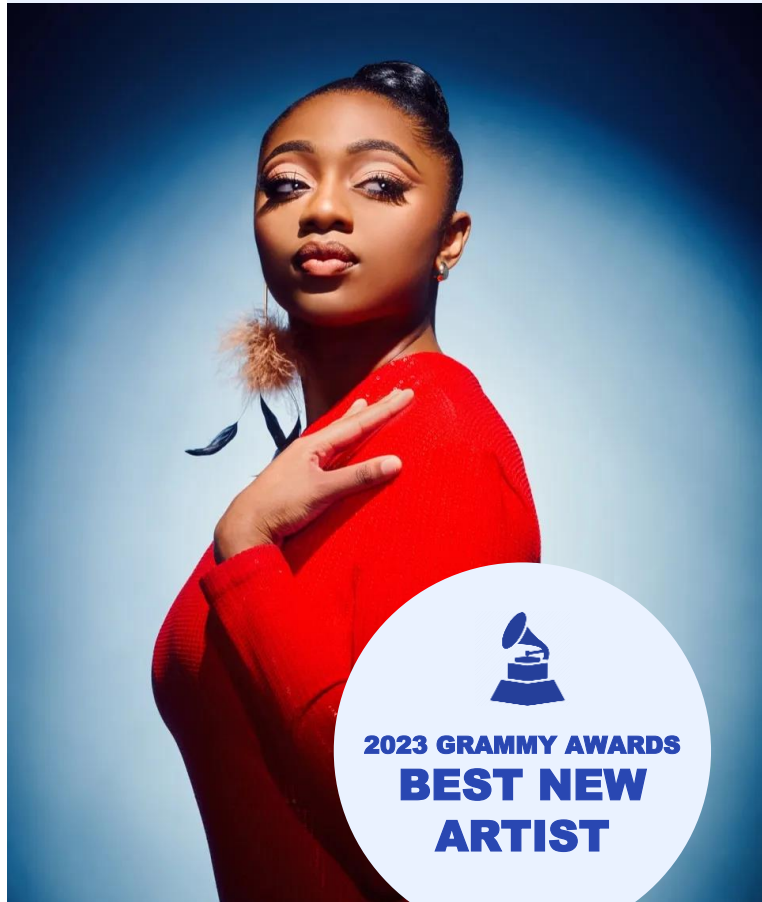
2022 REGIONAL SUCCESS

<p>UNITED KINGDOM</p> <p>6 OF THE TOP 10 ARTISTS OF THE YEAR</p> <p>TAYLOR SWIFT DRAKE EMINEM THE WEEKND KANYE WEST D-BLOCK EUROPE</p> <p>#1</p> 	<p>GERMANY</p> <p>7 OF THE TOP 10 MOST-STREAMED ARTISTS ON SPOTIFY</p> <p>LUCIANO BONEZ & RAF CRO EMINEM CAPITAL BRA DRAKE SIDO</p> <p>#1</p> 	<p>ITALY</p> <p>7 OF THE TOP 10 MOST-STREAMED ARTISTS ON SPOTIFY</p> <p>SFERA EBBASTA LAZZA BLANCO MARRACASH RKOMI MADAME GUÉ</p> <p>#1</p> 	<p>FRANCE</p> <p>THE TOP FEMALE ARTIST</p> <p>ANGÉLE</p> <p>#1</p> 	<p>JAPAN</p> <p>THE #1 ARTIST ON BILLBOARD'S YEAR-END CHART</p> <p>ADO</p> 
<p>CHINA</p> <p>THE MOST-STREAMED SONG IN CHINA'S HISTORY</p> <p>EASON CHAN "The Lone Warrior"</p> <p>7+ BILLION STREAMS</p> 	<p>PHILIPPINES</p> <p>THE #1 ARTIST AND #1 SONG ON SPOTIFY</p> <p>ZACK TABUDLO "Pano"</p> <p>#1</p> 	<p>INDONESIA</p> <p>UMG HAD THE #1 SONG FOR 30 WEEKS IN 2022 WITH 29 BEING DOMESTIC ARTISTS</p> <p>LYODRA & ANDI RIANTO "Sang Dewi"</p> <p>#1 FOR 12 WEEKS</p> 	<p>LATIN AMERICA</p> <p>3 OF THE TOP 5 LATIN ARTISTS ON GLOBAL SPOTIFY</p> <p>J BALVIN DADDY YANKEE KAROL G</p> 	<p>THE FIRST JAPANESE SONG TO REACH #1 ON APPLE MUSIC'S TOP 100 GLOBAL DAILY CHART</p> <p>ADO "New Genesis"</p> 

SOURCE: OCC, GFK, SPOTIFY, BILLBOARD

WELCOMING FUTURE STARS & ESTABLISHED ARTISTS

SAMARA JOY



FLO



DJ KHALED



SIR LUCIAN GRAINGE

CHAIRMAN & CEO

GROWTH IN SUBSCRIBERS



SIR LUCIAN GRAINGE

CHAIRMAN & CEO

HARNESSING NEW TECHNOLOGY TO DRIVE VALUE OF CATALOG

ELTON JOHN

X

ROBLOX

"Beyond The Yellow Brick Road"

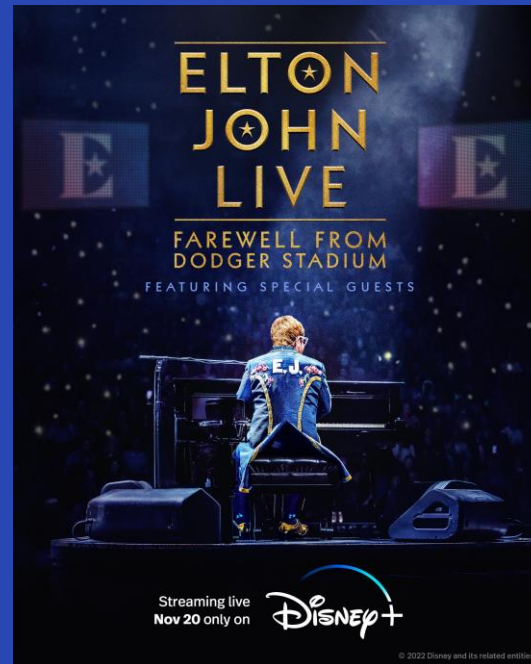


ELTON JOHN

X

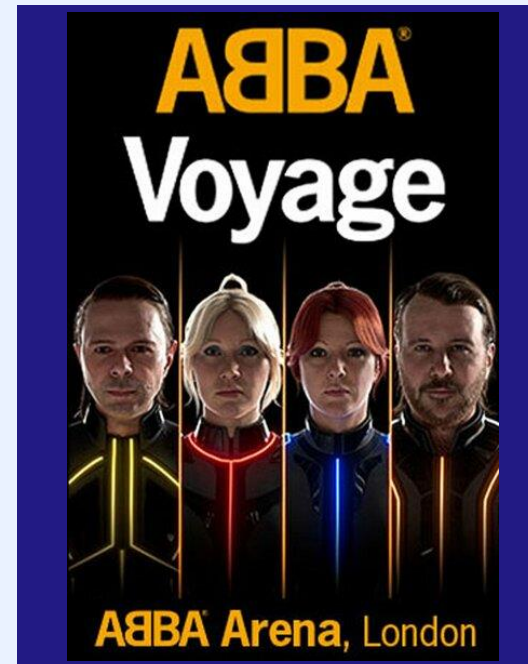
DISNEY+

*Elton John Live
Farewell From Dodger Stadium*



**ABBA
VOYAGE**

Digital Avatar Live Concert

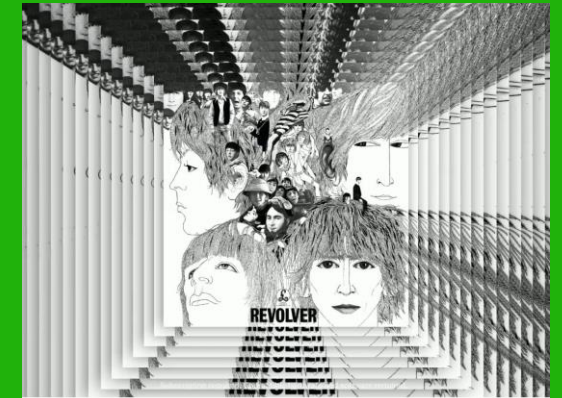


THE BEATLES

X

DOLBY ATMOS

Revolver



The Beatles
in Spatial Audio
feat. Dolby Atmos

Apple Music

SIR LUCIAN GRAINGE

CHAIRMAN & CEO

WE REMAIN HIGHLY SELECTIVE IN OUR CATALOG ACQUISITION STRATEGY

CASH MONEY RECORDED MUSIC



>75 Artists including Nicki Minaj, Lil Wayne, Birdman and multiple Drake albums

>140M total Monthly Listeners from Top 4 artists

12.3B Streams

BOB DYLAN PUBLISHING



>600 songs

9.4M Monthly Listeners

1.6B Streams

STING PUBLISHING



>450 songs

9.5M Monthly Listeners

1.2B Streams

NEIL DIAMOND

(Recorded Music & Publishing, 100+ previously unreleased songs)



>480 songs

6.7M Monthly Listeners

0.9B Streams

CATALOG

SPOTIFY LISTENERS

SPOTIFY TOP 10 SONG STREAMS

IN ALL THESE CASES WE'RE ACQUIRING FULL CONTROL AND ACTIVE RIGHTS

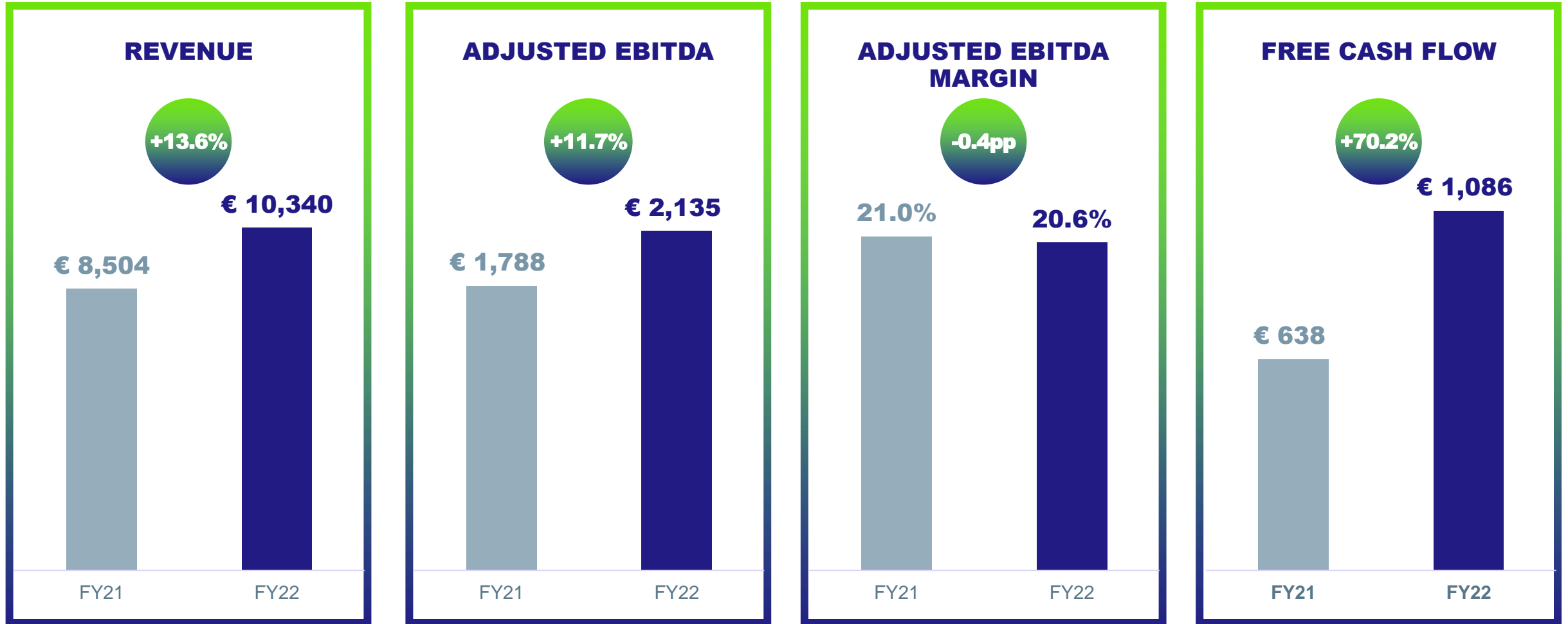
SIR LUCIAN GRAINGE

CHAIRMAN & CEO

BOYD MUIR

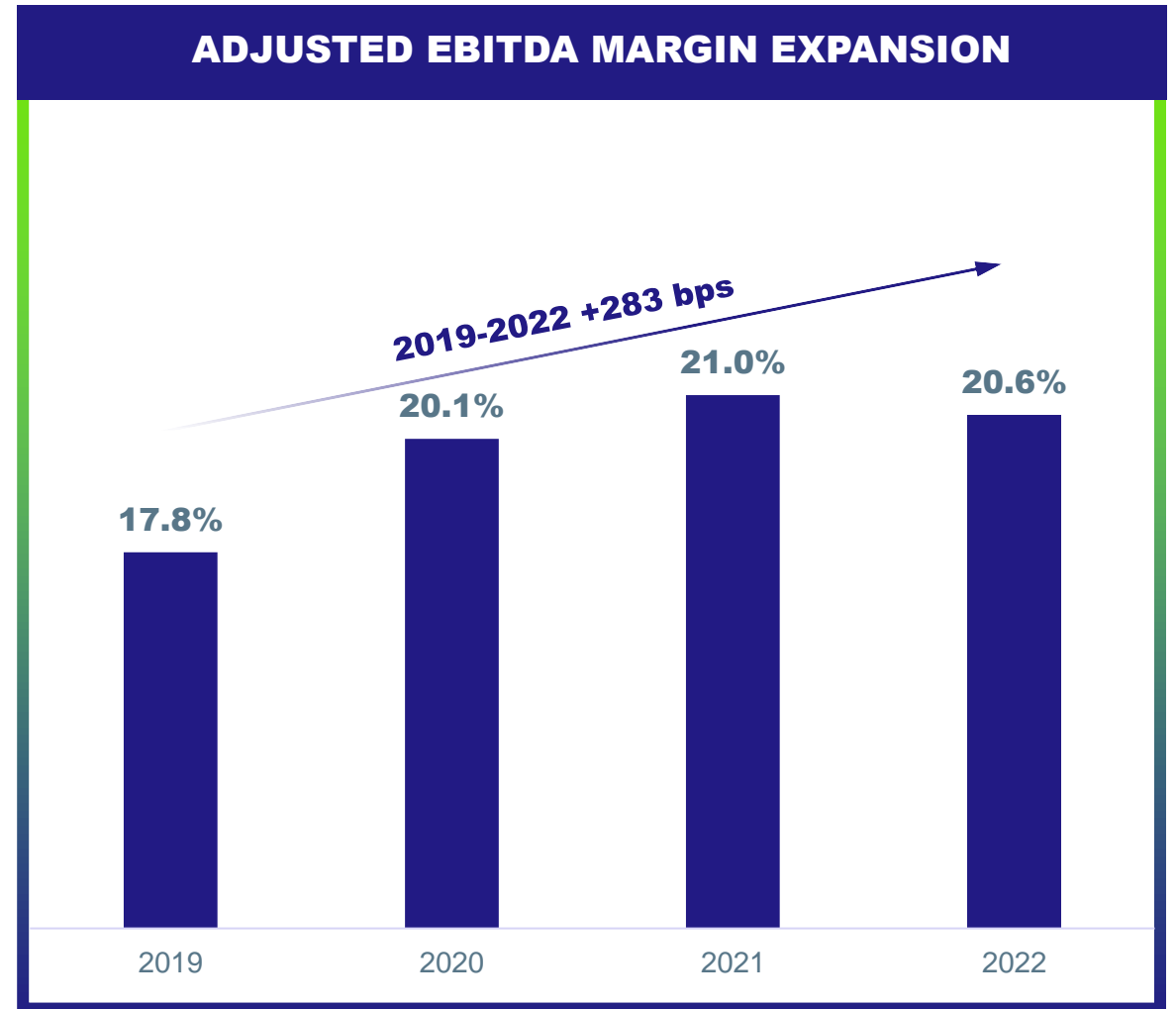
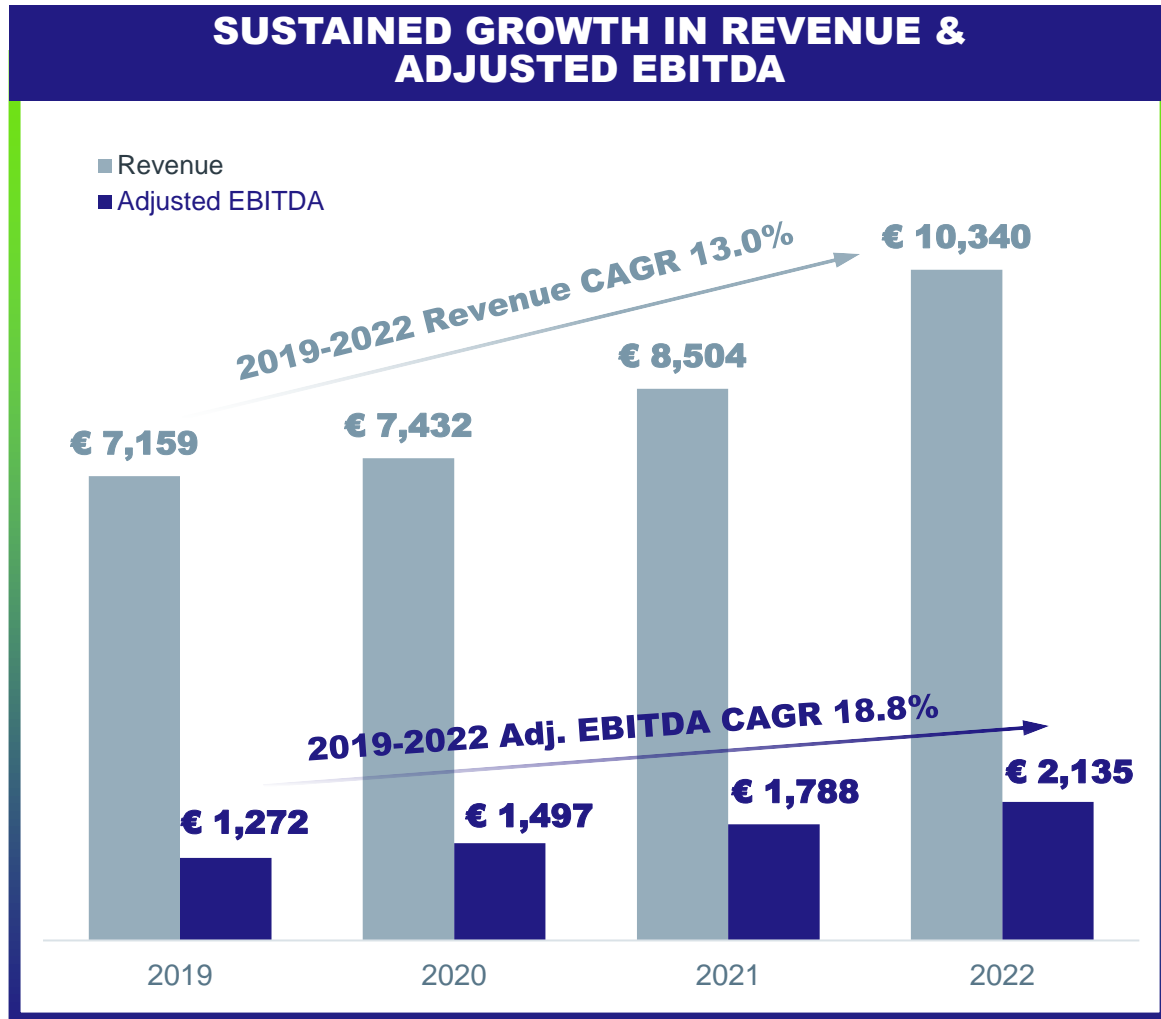
**EVP, CFO &
PRESIDENT OF OPERATIONS**

FY2022 CONSOLIDATED RESULTS



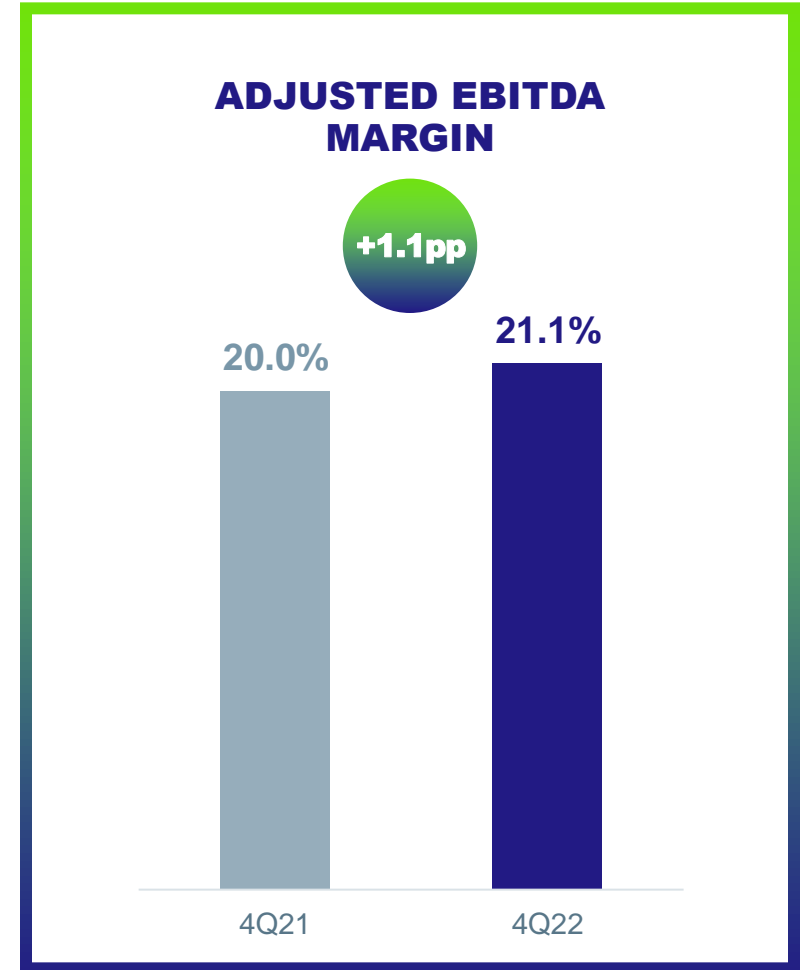
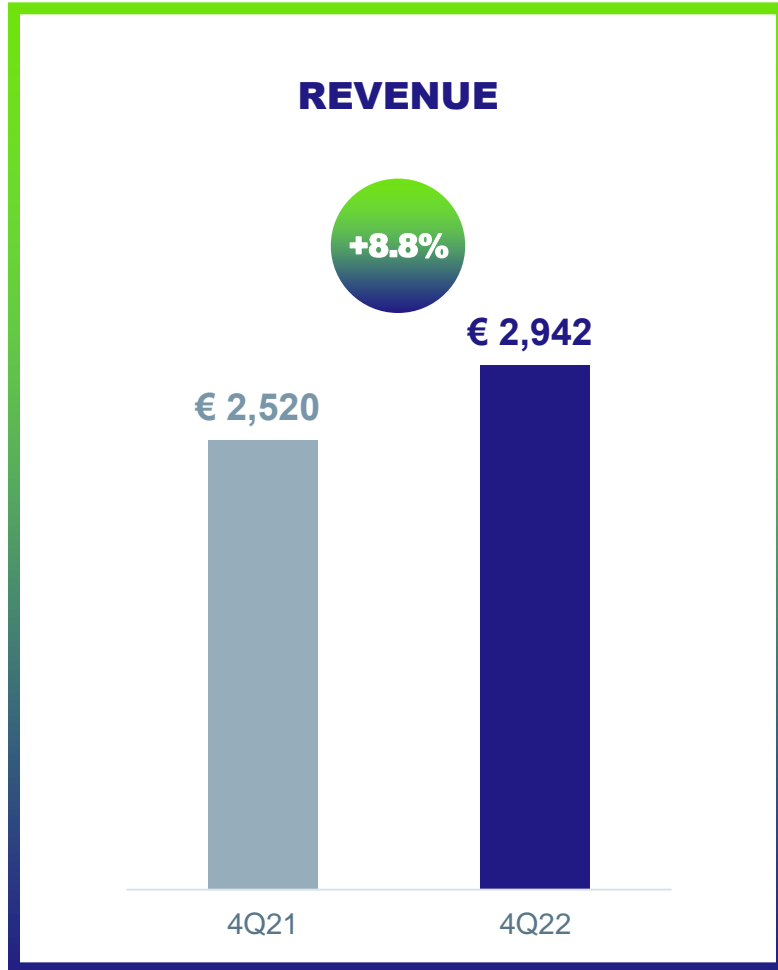
Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency, Adjusted EBITDA margin change in percentage points, Free Cash Flow growth as reported

LONG-TERM GROWTH AND MARGIN EXPANSION



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

4Q22 CONSOLIDATED RESULTS



Note: € in Millions; Revenue and Adjusted EBITDA growth in constant currency

EQUITY PLAN

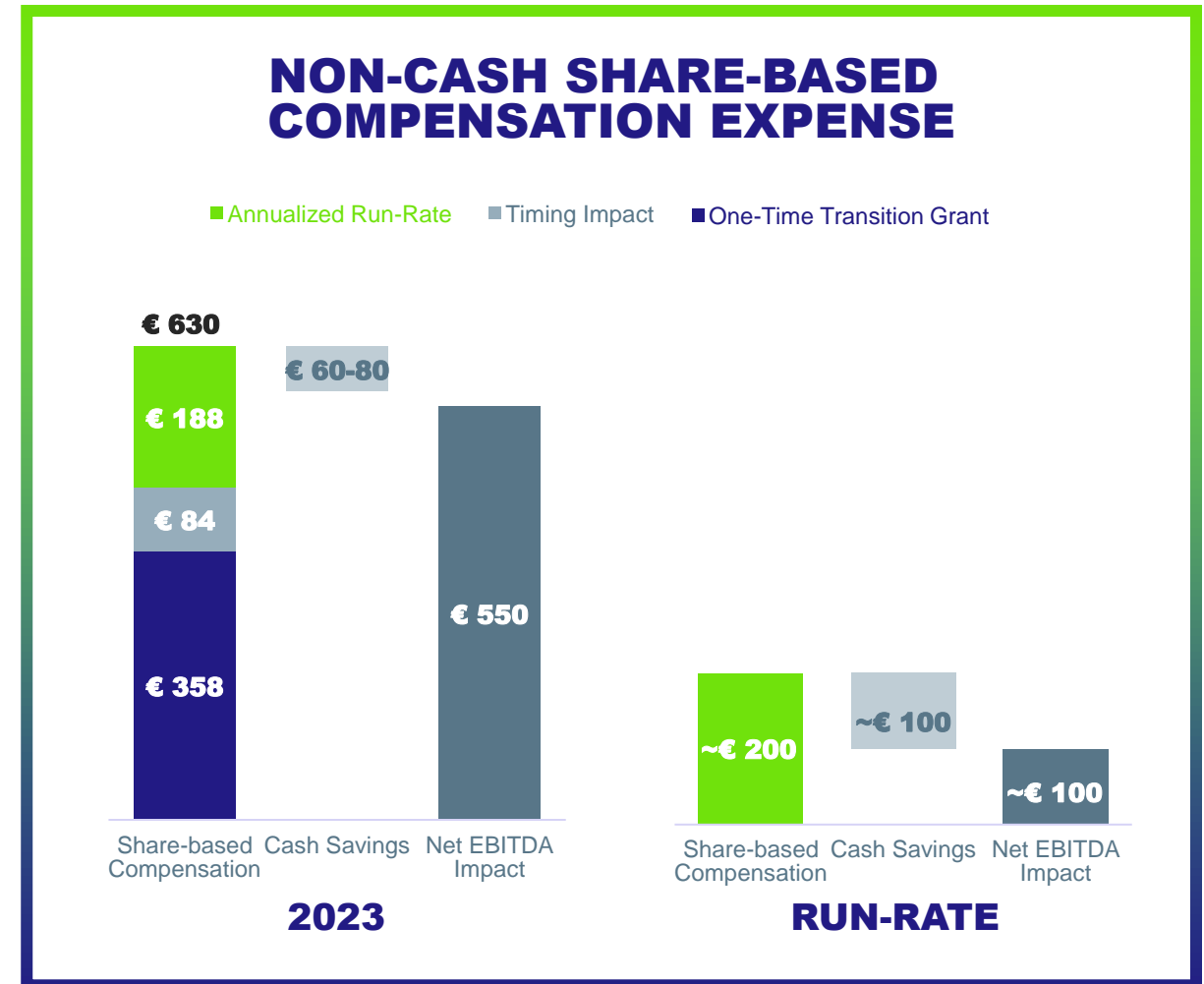
Following the successful listing of UMG, the Board and Shareholders agreed to finalize an equity plan that would:

- 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

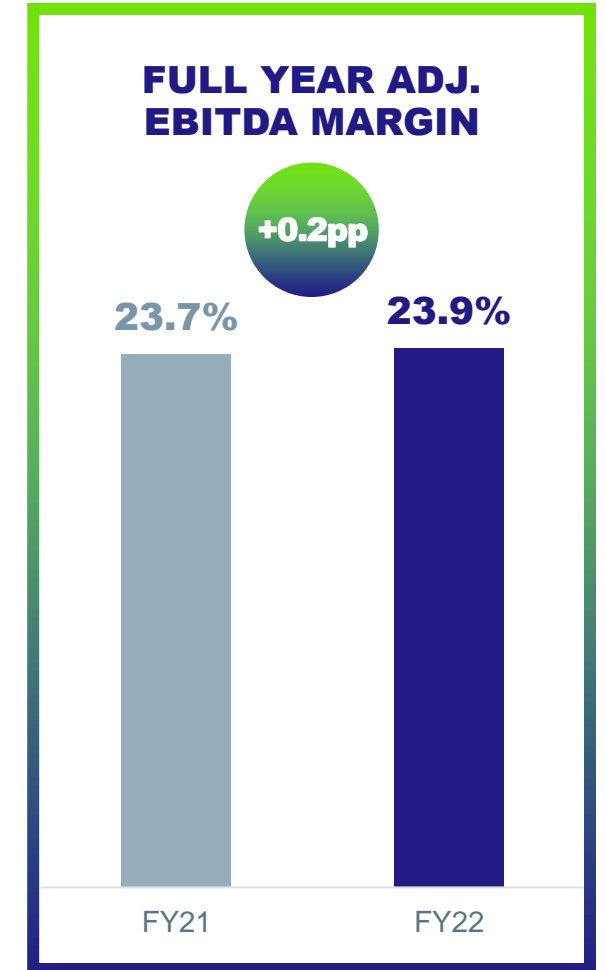
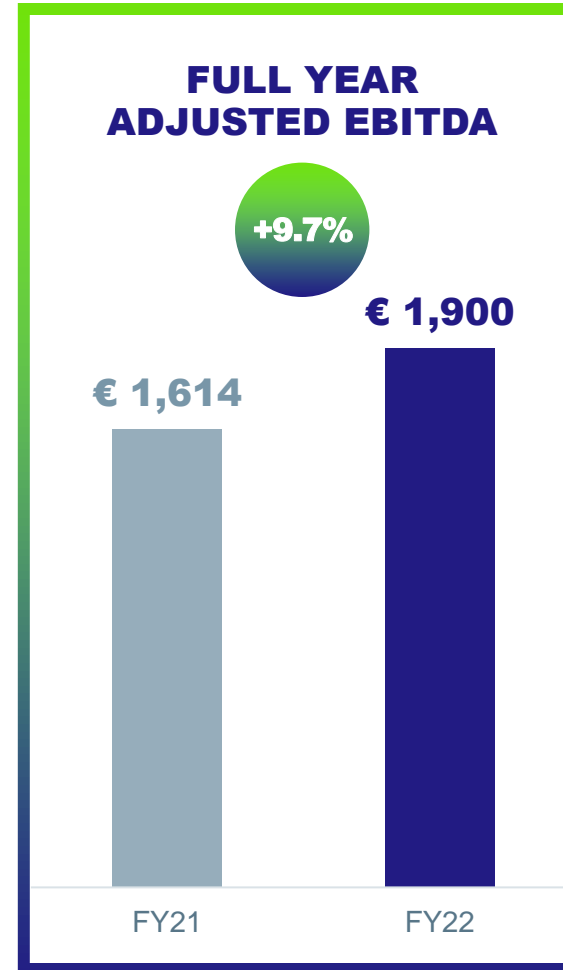
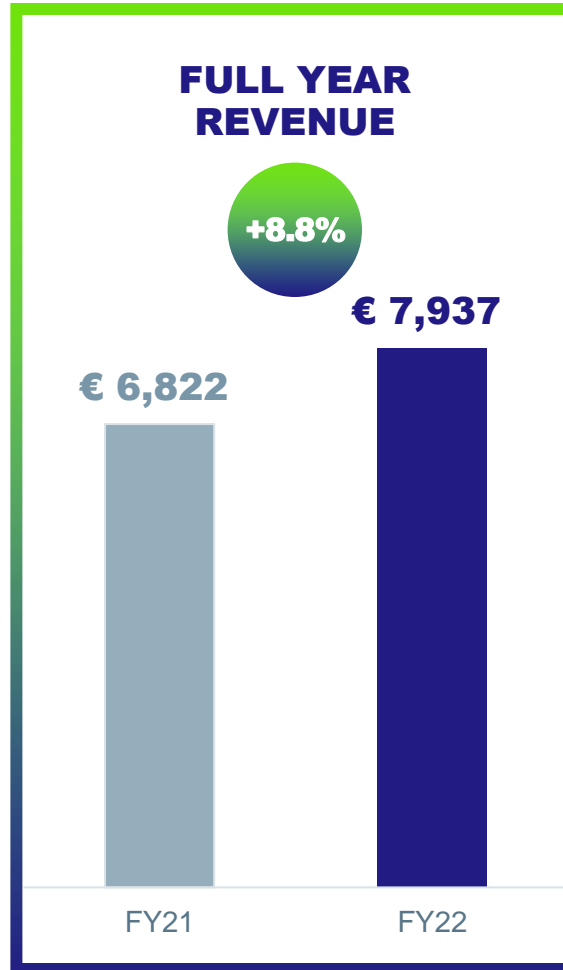
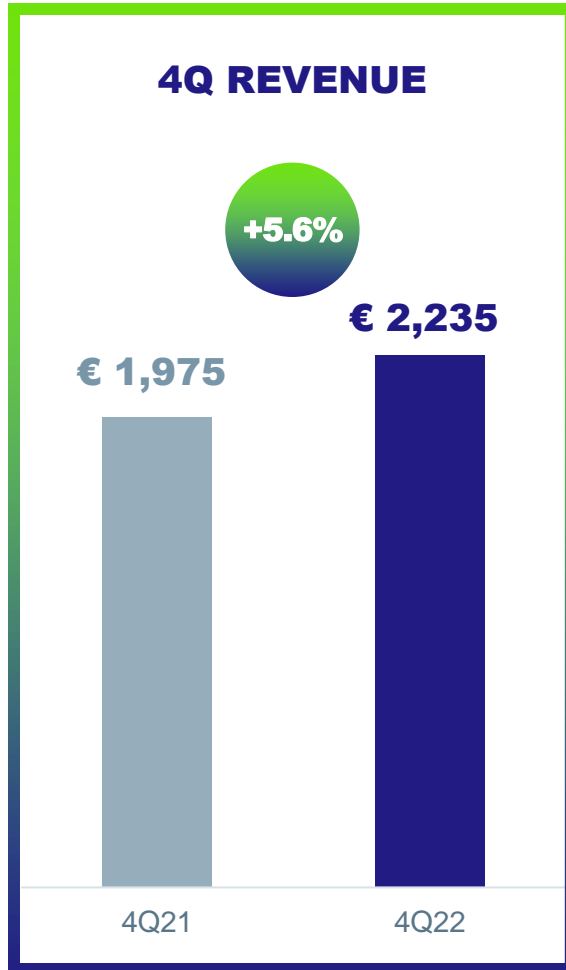
Run rate of ~€100M in cash savings and ~€200M in non-cash share-based compensation

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



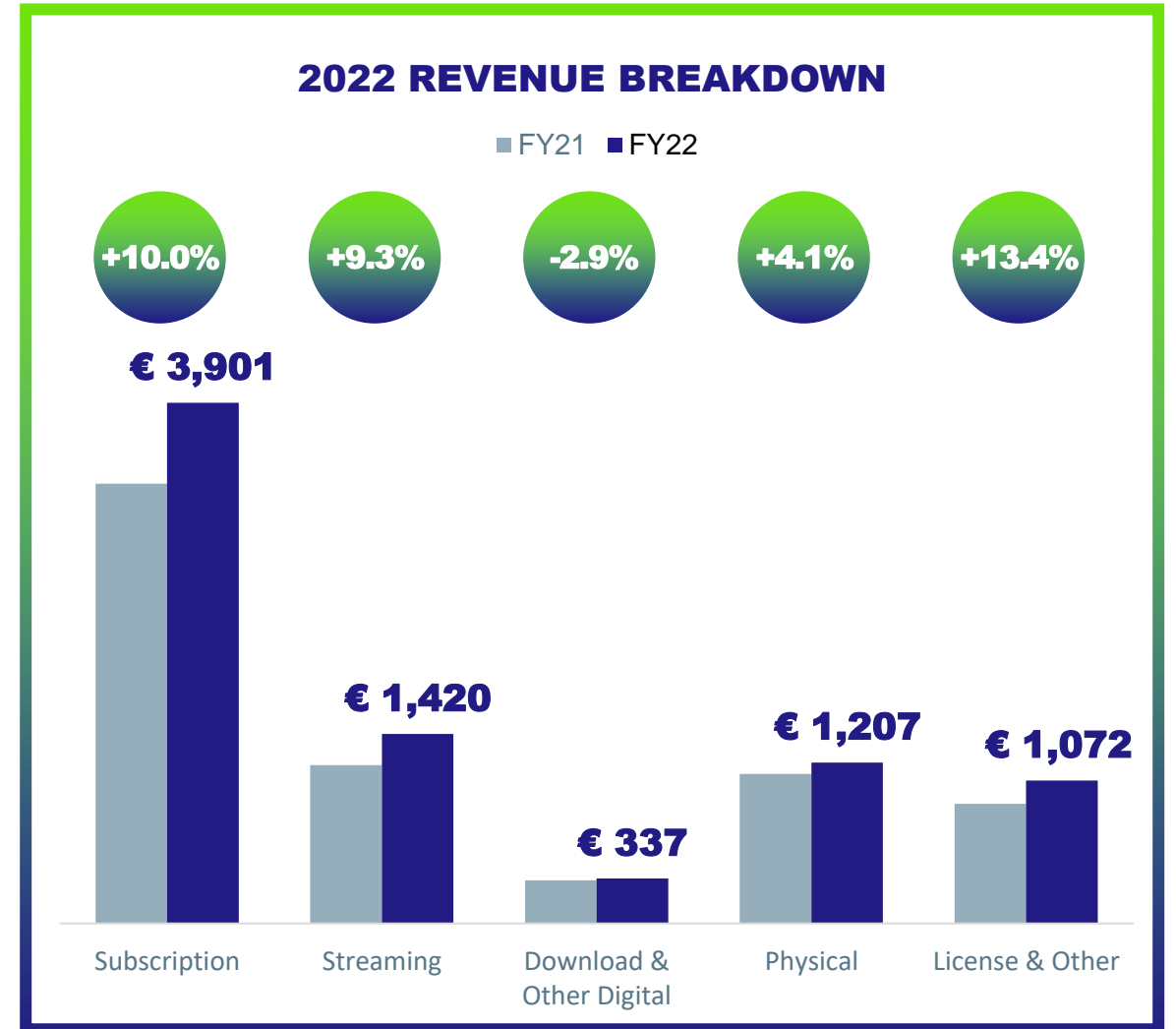
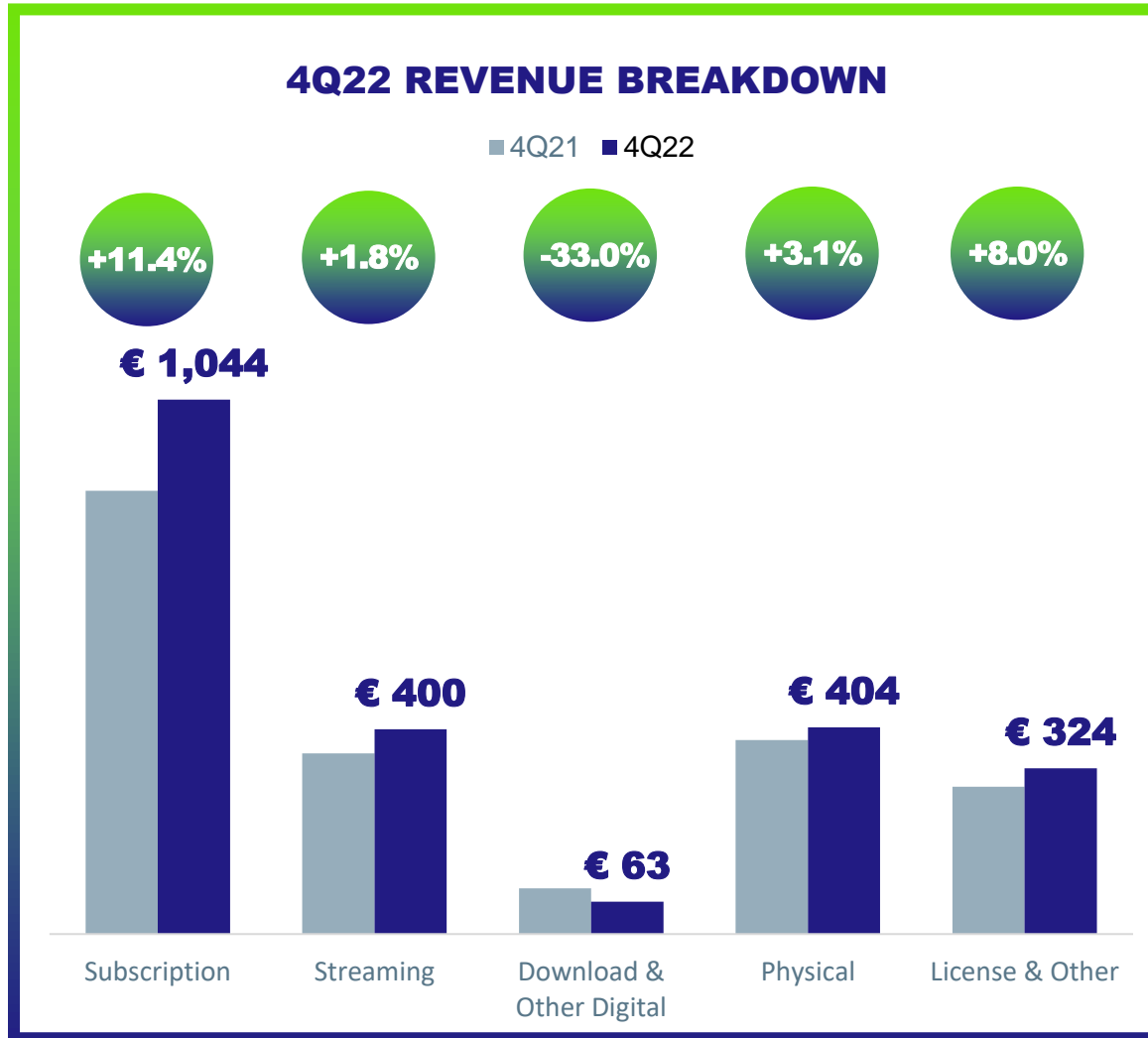
Note: € in Millions.

RECORDED MUSIC



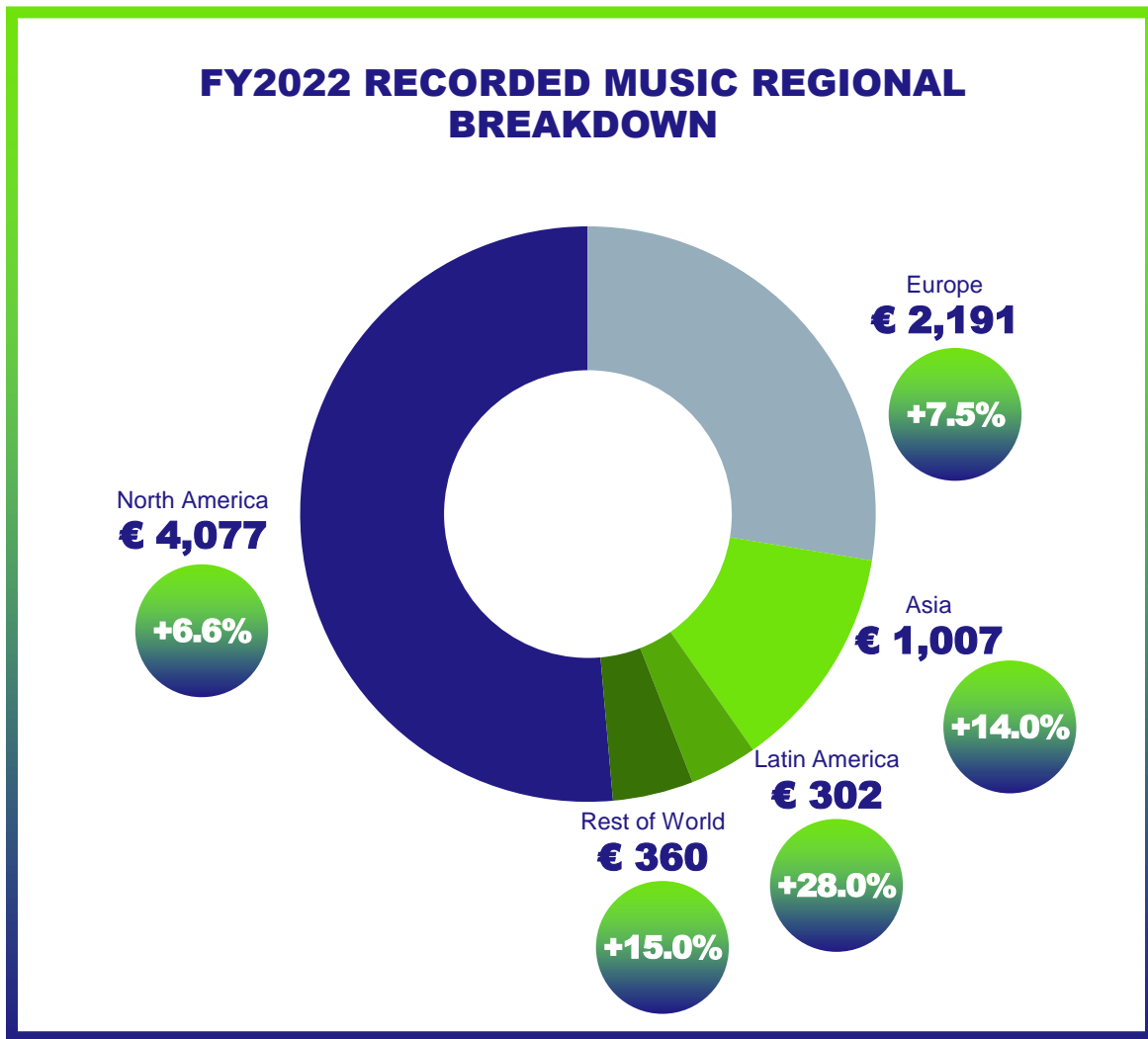
Note: € in Millions; All growth rates are in constant currency.

RECORDED MUSIC REVENUE



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

RECORDED MUSIC REVENUE



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

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TOP SELLERS

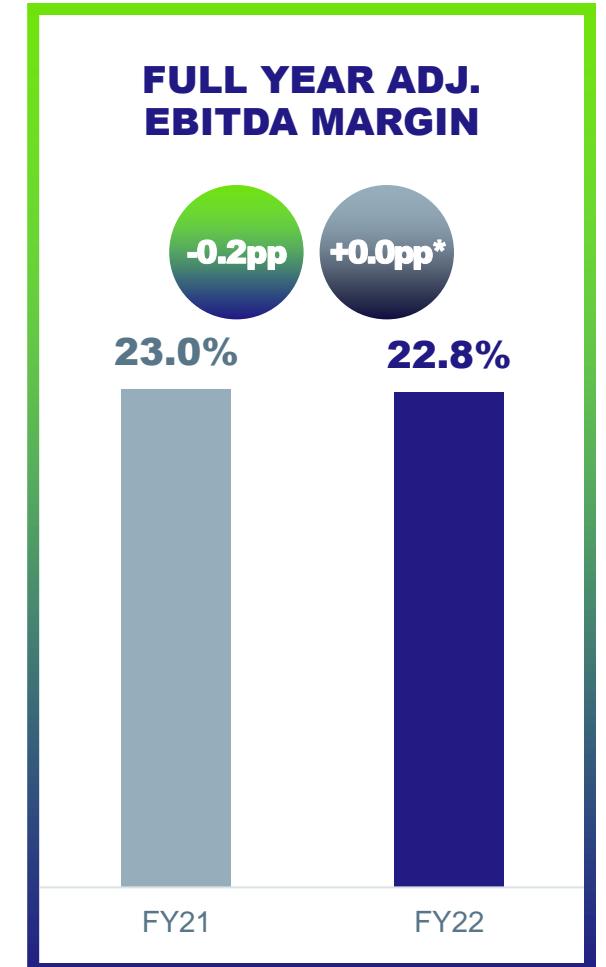
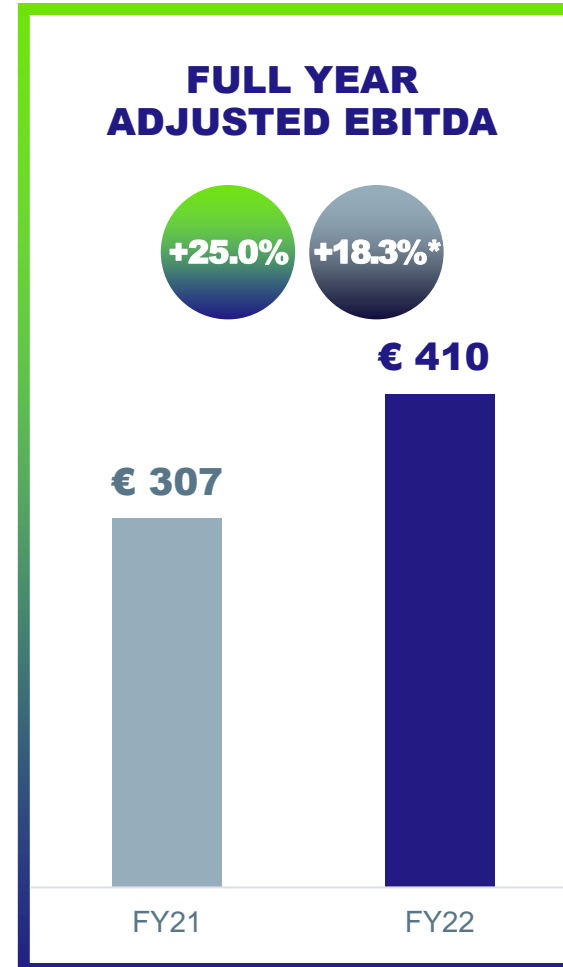
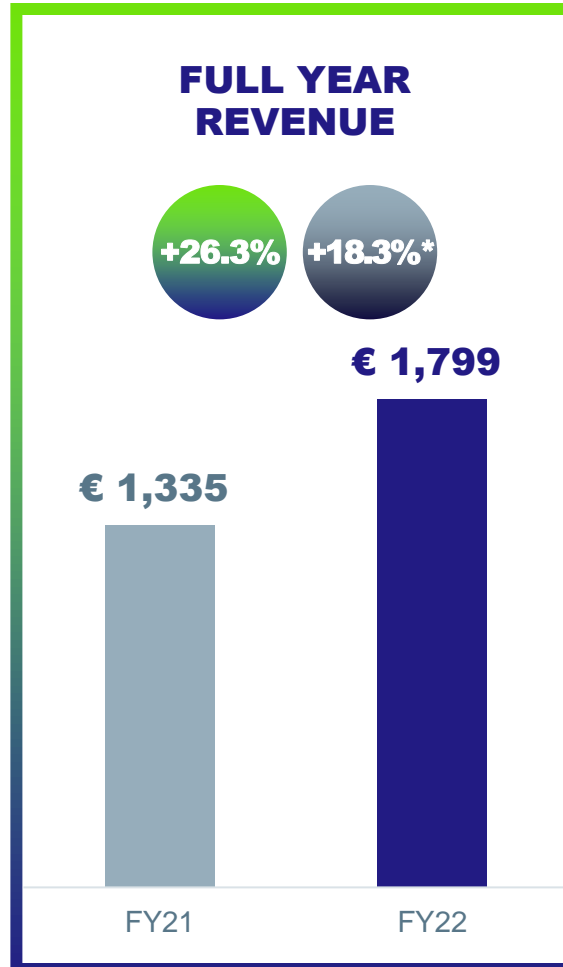
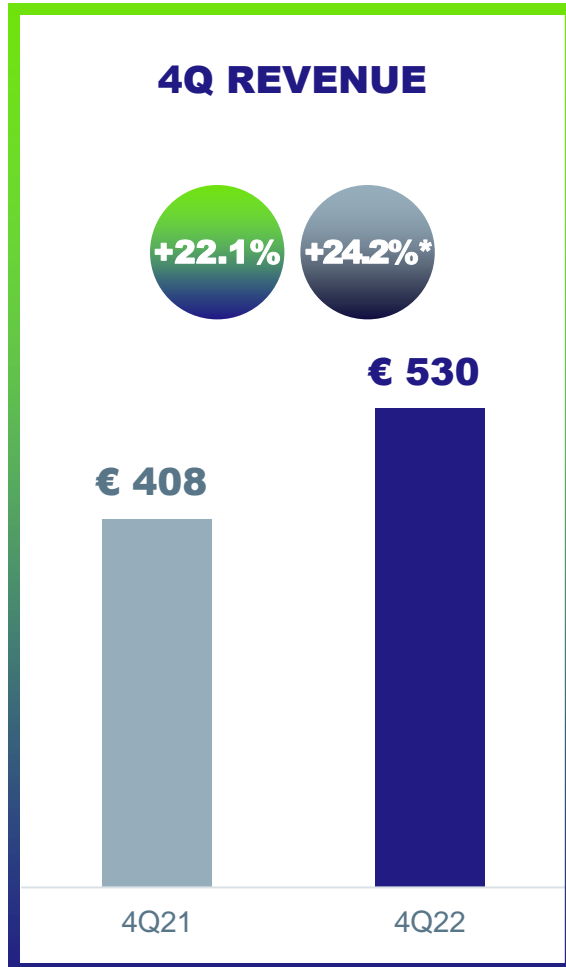
2022

Taylor Swift	BTS	Encanto OST	Olivia Rodrigo	Morgan Wallen
The Beatles	The Weeknd Dawn FM	Kendrick Lamar	The Weeknd After Hours	Imagine Dragons

2021

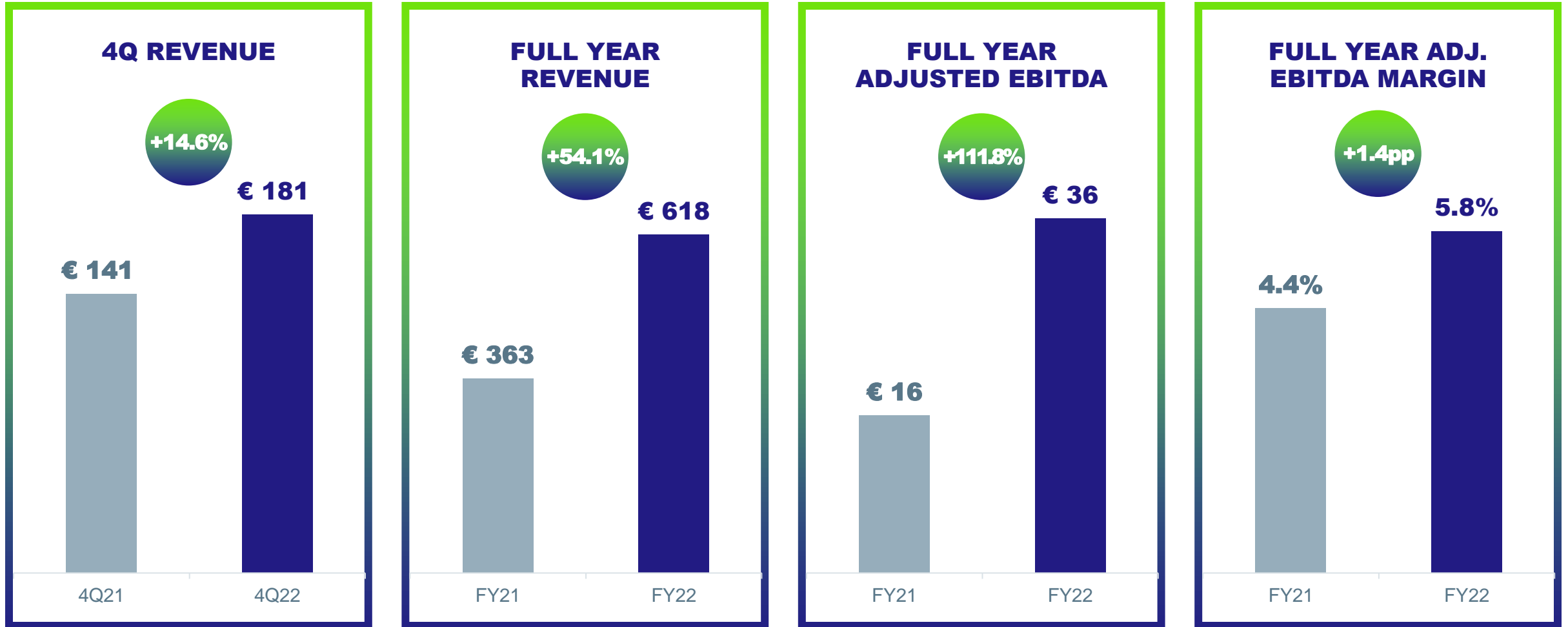
Olivia Rodrigo	Justin Bieber	BTS	The Weeknd	Morgan Wallen
ABBA	Taylor Swift	Billie Eilish	The Beatles	Drake

MUSIC PUBLISHING



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

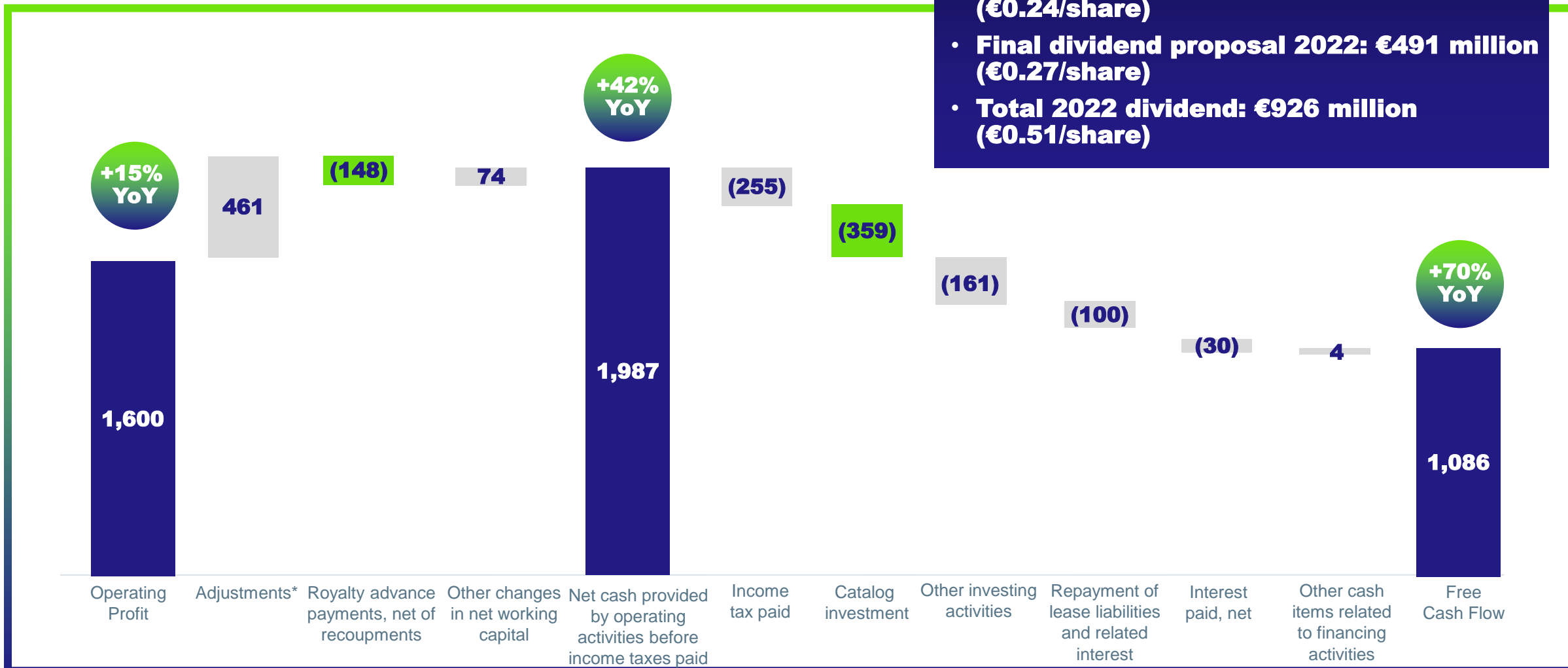
MERCHANDISING & OTHER



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

FY2022 FREE CASH FLOW

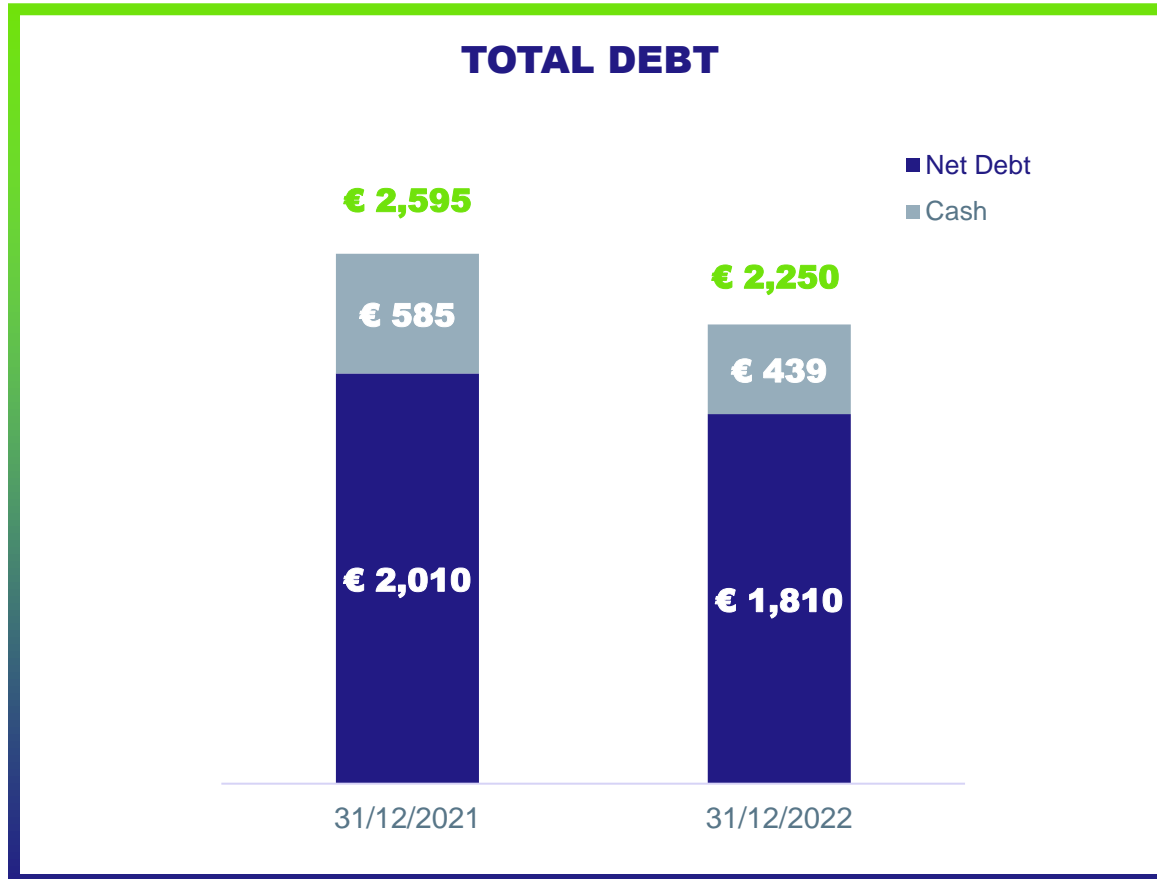
- **Dividend policy: 50% of net income**
- **2022 interim dividend: €435 million (€0.24/share)**
- **Final dividend proposal 2022: €491 million (€0.27/share)**
- **Total 2022 dividend: €926 million (€0.51/share)**



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.

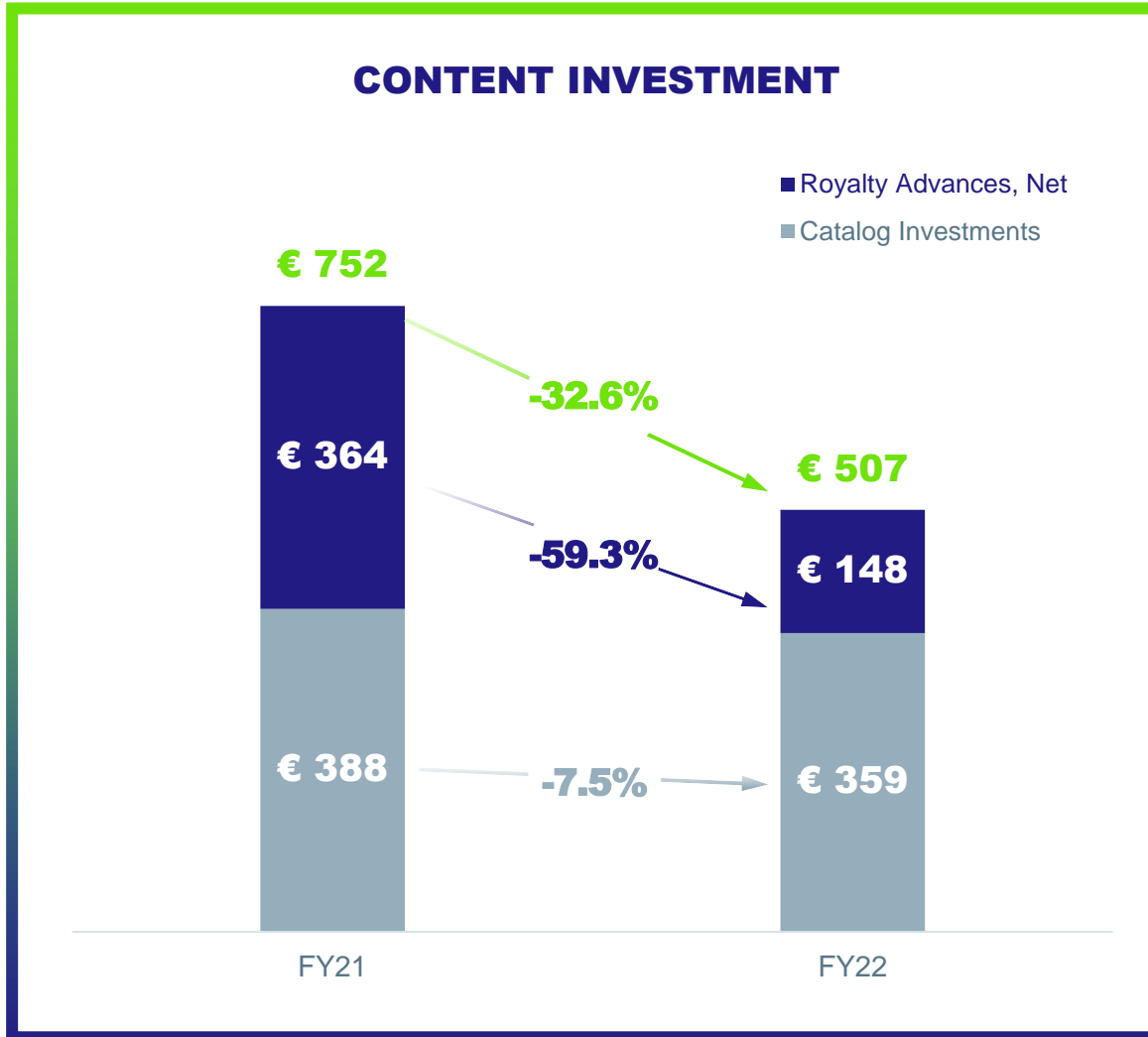
UNIVERSAL MUSIC GROUP

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

CONTENT INVESTMENT



Note: € in Millions; Growth rates are as reported

ROYALTY ADVANCES, NET

- **Required / core to our business**
- **Drives long-term growth / Grows our frontline IP**
- **Investing into a growing music market**
- **Mix of new and established artists**
- **Includes expanded relationships with superstar artists wanting more services from UMG. Front loaded advances to secure long-term, multifaceted rights**

CATALOG INVESTMENTS

- **Not required to grow, more like M&A**
- **Highly selective acquirers of strategic assets that we can control & improve monetization within our portfolio**
- **Strong financial discipline**
- **Multiple ways to finance: Cash from operations, Balance sheet capacity, Special purpose vehicles**

CATALOG ACQUISITIONS: OUR BUSINESS IS HIGHLY CASH GENERATIVE

UMG CASH GENERATION

CAGR '20-'22

Revenue: 18%

Adjusted EBITDA: 19%

Net cash from op. activities: 32%

**Net cash from
operating
activities before
income taxes paid**

€ 1,133

€ 1,395

€ 1,987

2020

2021

2022

**Net cash as %
of Adj. EBITDA**

76%

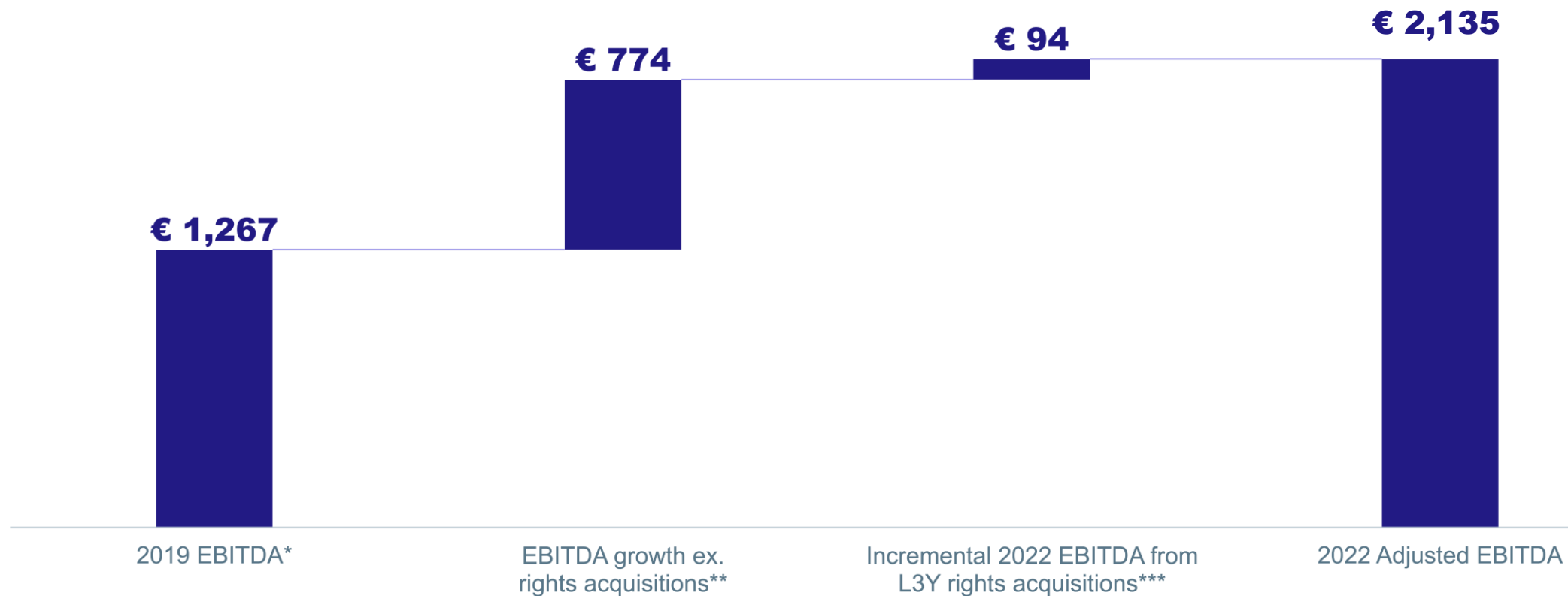
78%

93%

Note: 2020 values based on UMG's restated financials

OUR GROWTH IS OVERWHELMINGLY ORGANIC

UMG ADJUSTED EBITDA BUILD 2019-2022



Note: Excludes Corporate M&A which is immaterial in this time frame; *Reported 2019 EBITDA as no adjustments in this year; **Rights acquisitions includes all acquisitions over €10M. ***Based on 2022 EBITDA impact of rights acquisitions made between 2019 and 2022 – these rights are not all incremental for first time in 2022 and additional rights from certain acquisitions are still transferring to UMG.

WE REMAIN HIGHLY SELECTIVE IN OUR CATALOG ACQUISITION STRATEGY

We see everything

A seat at every table ensures we see all available catalogs and can cherry-pick the best assets for our portfolio

We understand what's good

Unparalleled industry experience gives us unique insight into catalogs that offer strategic and financial value

We can do more

Creative know-how and deep industry relationships let us do more with the rights we acquire than anyone else

We are highly disciplined

Proprietary data and analytics enables us to make the right acquisitions at the right price



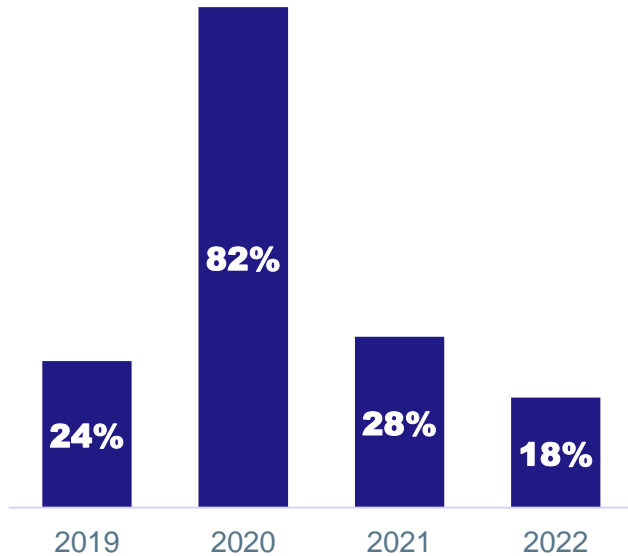
WE BRING A HIGH DEGREE OF ANALYTICAL RIGOR TO OUR CATALOG INVESTMENT DECISIONS

- ✓ **Proprietary bottom-up model** of music industry drivers to inform outlook of major investments
- ✓ **Advanced analytical analysis** including detailed financial analysis with multiple potential scenario outcomes
- ✓ **Experience to know** where to add value in frontline and catalog repertoire
- ✓ **Our expertise** in every major music market, our people on the ground, our D2C initiatives, and our proprietary cross-platform data give us a unique understanding of opportunities

ATTRACTIVE MULTIPLES FOR THE MOST PREMIUM ASSETS

- **Catalog expenditure typically represents ~30% of cash flows**
- **Have spent ~€1.6 billion 2019-22**

% of UMG net cash from operating activities* allocated to catalog acquisitions



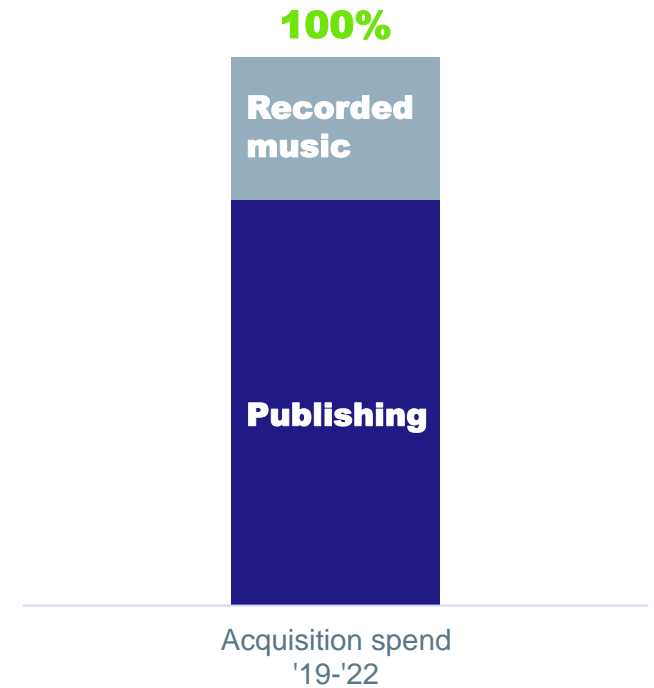
Deal multiples average ~16x, dropping to <13x with UMG improved monetization

UMG weighted avg. deal multiple, 2019-2022



~75% of acquisition is publishing rights

Composition of acquisition spend**



Note: *Net cash provided by/(used for) operating activities before income tax paid; ** Only includes deals >€10M, 2019-2022

Q&A

SIR LUCIAN GRAINGE
CHAIRMAN AND CEO

BOYD MUIR
EVP, CFO & PRESIDENT OF OPERATIONS

MICHAEL NASH
EVP, CHIEF DIGITAL OFFICER