

**Universal  
Music Group**  
Annual General  
Meeting **2024**



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 2023 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 2023 financial information included in this presentation contains only part of the 2023 financial statements which are included in the 2023 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, 2023 and the first quarter ended March 31, 2024 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 2023

# **Sir Lucian Grainge CBE**

Chairman & CEO  
Universal Music Group

# FY2023 Consolidated Results

## Revenue

+11.1%

+12.4%\*

€ 10,340

€ 11,108

2022

2023

## Adjusted EBITDA

+14.6%

+18.5%\*

€ 2,135

€ 2,369

2022

2023

\*Excludes the CRB Phonorecords III Accrual and the Legal Provision from 2023; Excludes the Change in Society Accounting and the Legal Settlement from 2022. See Items Impacting Comparability of Results in our earnings press release for more information.  
Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency

# 9 of the Top 10 Global Recording Artists of 2023

**1** Taylor Swift\*

**2** SEVENTEEN

**3** Stray Kids

**4** Drake\*

**5** The Weeknd\*

**6** Morgan Wallen

**7** TOMORROW X TOGETHER

**8** NewJeans

**9** Bad Bunny\*

**10** Lana Del Rey\*



# 2023 Global Artist Success

Spotify



**6** of the **TOP 10**  
Global Artists

**#1** Taylor Swift  
The Weeknd  
Drake  
Feid  
Karol G  
Lana Del Rey

Apple Music



**13** of the **TOP 20**  
Global Songs

**#1** Morgan Wallen *"Last Night"*  
Drake & 21 Savage *"Rich Flex"*  
Taylor Swift *"Anti-Hero"*  
Metro Boomin, The Weeknd & 21 Savage *"Creepin'"*  
Drake & 21 Savage *"Spin Bout U"*  
Rema, Selena Gomez *"Calm Down"*  
Lil Baby *"Freestyle"*  
Taylor Swift *"Cruel Summer"*  
Sam Smith, Kim Petras *"Unholy"*  
Eslabon Armado, Peso Pluma *"Ella Baila Sola"*  
NewJeans *"Ditto"*  
Future Ft. Drake, Tems *"WAIT FOR U"*  
Morgan Wallen *"You Proof"*

YouTube



**3** of the **TOP 5**  
Global Songs

**#1** Toosii  
*"Favorite Song"*  
Eslabon Armado,  
Peso Pluma  
*"Ella Baila Sola"*  
Morgan Wallen  
*"Last Night"*

# 2023 U.S. Artist & Songwriters Success

Spotify



The **TOP 4**  
Artists in the U.S.

#1 Taylor Swift

Drake

Morgan Wallen

The Weeknd

Apple Music



**5** of the **TOP 7**  
Songs in the U.S.

#1 Morgan Wallen “Last Night”

Drake & 21 Savage “Rich Flex”

Drake & 21 Savage “Spin Bout U”

Lil Baby “Freestyle”

Morgan Wallen “You Proof”

Billboard

billboard

**6** of the **TOP 10**  
Albums on the U.S. Billboard 200  
Year-End Chart

#1 Morgan Wallen *One Thing At A Time*  
Taylor Swift *Midnights*

Drake & 21 Savage *Her Loss*

Metro Boomin *Heroes & Villains*

Morgan Wallen *Dangerous: The Double Album*

Taylor Swift *Lover*

**3** of the **TOP 5**  
Songwriters on the U.S. Hot 100  
Songwriters Chart

Taylor Swift • Jack Antonoff • SZA

# 2023 Success in Industry's Top Music Markets

## United Kingdom

**7** of the **TOP 10**  
Artists

*including*

**3** of the **TOP 5**

**#1** Taylor Swift  
Drake  
The Weeknd

## Japan

**5** of the **TOP 10**  
Albums

**#1** King & Prince *Mr. 5*  
SEVENTEEN *FML*  
SEVENTEEN *ALWAYS YOURS*  
SEVENTEEN *SEVENTEENTH HEAVEN*  
TOMORROW X TOGETHER *SWEET*

**15 WEEKS** at **No. 1**  
on Billboard Japan's Weekly  
Streaming Chart

**ADO**  
"Show"

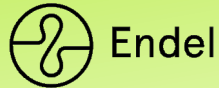
## Germany

**6** of the **TOP 10**  
Albums

**#1** The Rolling Stones *Hackney Diamonds*  
Metallica *72 Seasons*  
Taylor Swift *1989 (Taylor's Version)*  
Herbert Grönemeyer *Das ist los*  
Taylor Swift *Midnights*  
Kontra K *Die Hoffnung klaut mir niemand*

# Our Impact

## Music + Health



## All Together Now Foundation



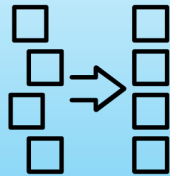
## Environment



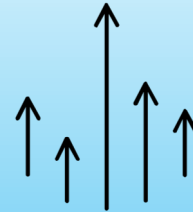
# Artist-Centric Approach



**Better Values  
Artistry And The  
Artist / Fan  
Relationship**



**Greater  
Alignment  
Between Artists  
And Platforms**



**Enhanced User  
Experiences,  
Accelerated  
Growth, Better  
Subscription  
Economics**



**Premium Tiers  
And Products  
For Superfans  
And High-value  
Customers**

# Responsible AI Initiative



**Center the conversation  
on artists**



**Defend their interests  
and our rights**



**Forge new commercial  
and creative opportunities**



**Advance artist-centric  
approaches to deploy AI  
tools and products in  
innovative ways**



**Lead industry advocacy  
and cross-industry  
coalitions**

# Redesigning Our Global Organization



**Empowers labels with new capabilities and additional agility**



**Provides labels with enhanced access to highest-performing internal teams and resources**



**Achieves efficiencies in targeted cost areas while providing labels with capabilities to deepen artist and fan connections via new experiential, commerce, and content offerings**



**Preserves unique label brands and entrepreneurial cultures**

# Expanding Our Global Presence

China



India



Thailand



South Asia



Africa



MENA





# Universal Music Group Annual General Meeting **2024**

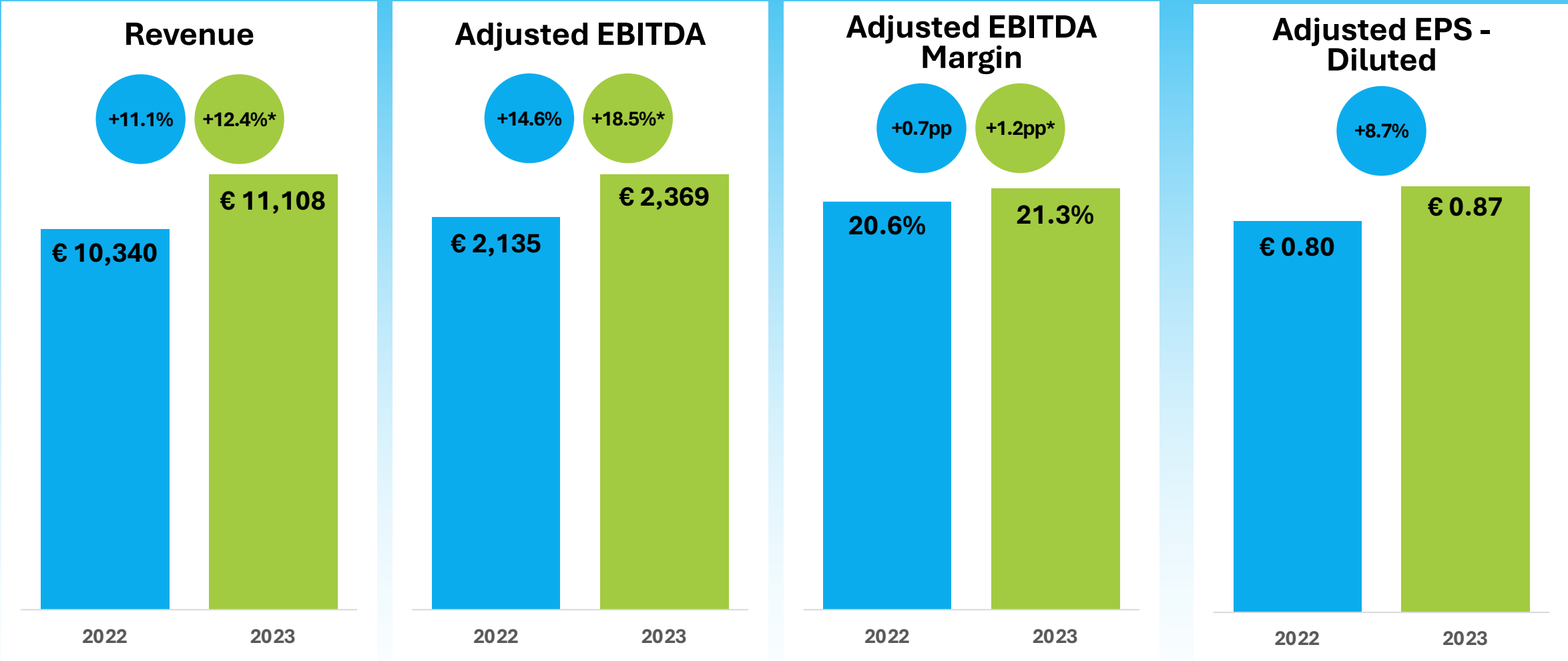


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# **Boyd Muir**

EVP, CFO & President of Operations  
Universal Music Group

# FY2023 Consolidated Results

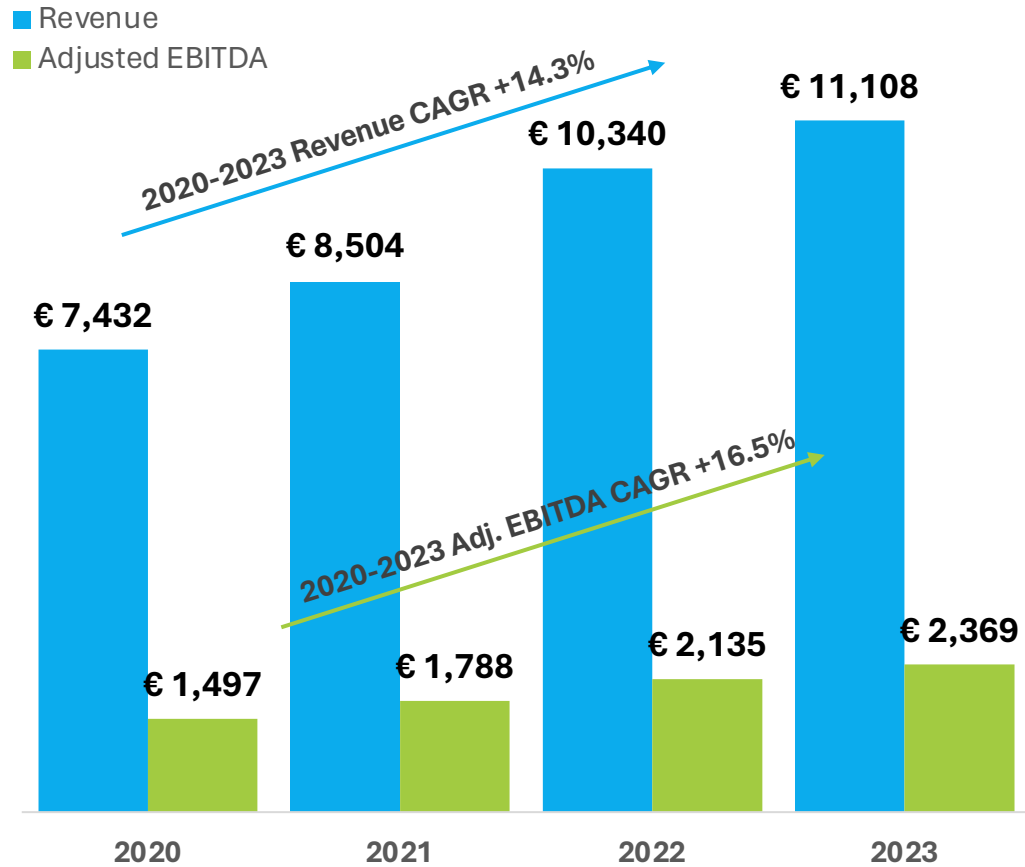


\*Excludes the CRB Phonorecords III Accrual and the Legal Provision from 2023; Excludes the Change in Society Accounting and the Legal Settlement from 2022. See Items Impacting Comparability of Results in our FY 2023 earnings press release for more information

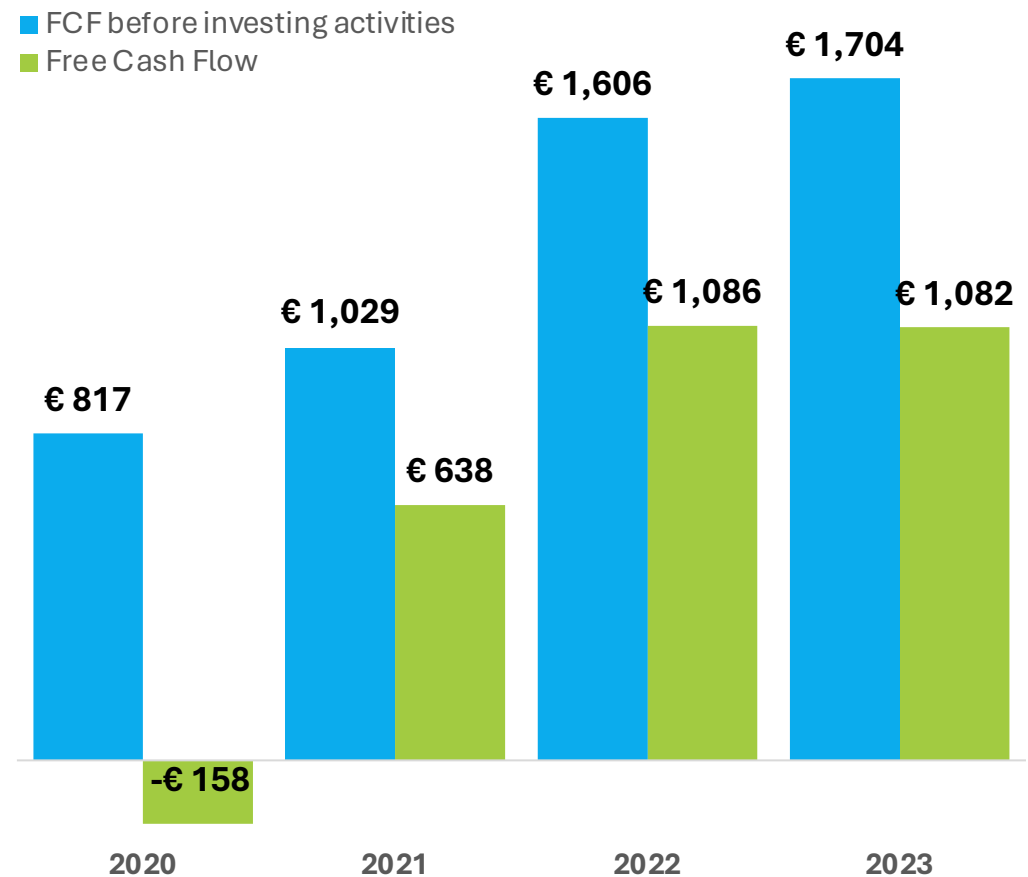
Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency, Adjusted EBITDA margin change in percentage points

# Healthy Growth & Cash Flow Generation Since Listing

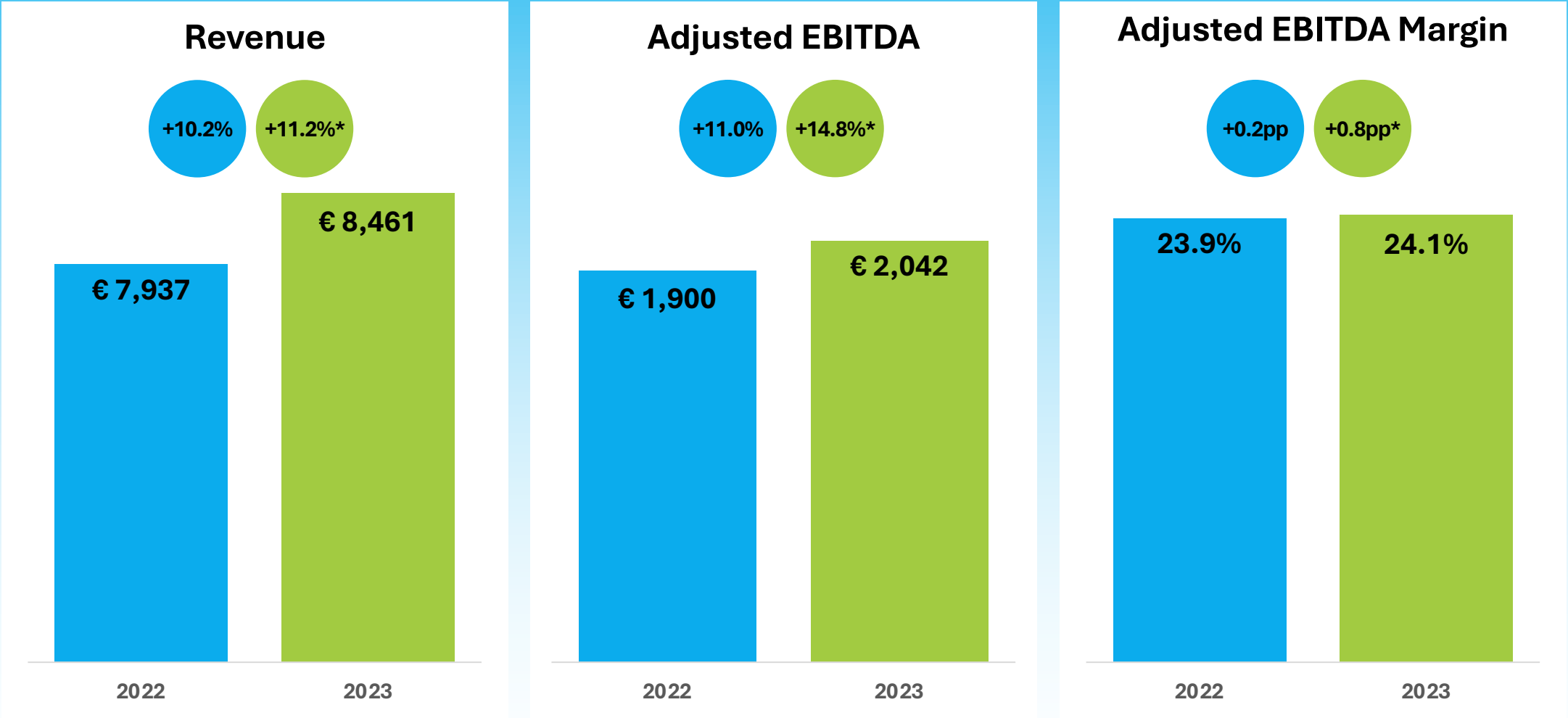
## Sustained Growth In Revenue & Adjusted EBITDA



## Strong Free Cash Flow Generation



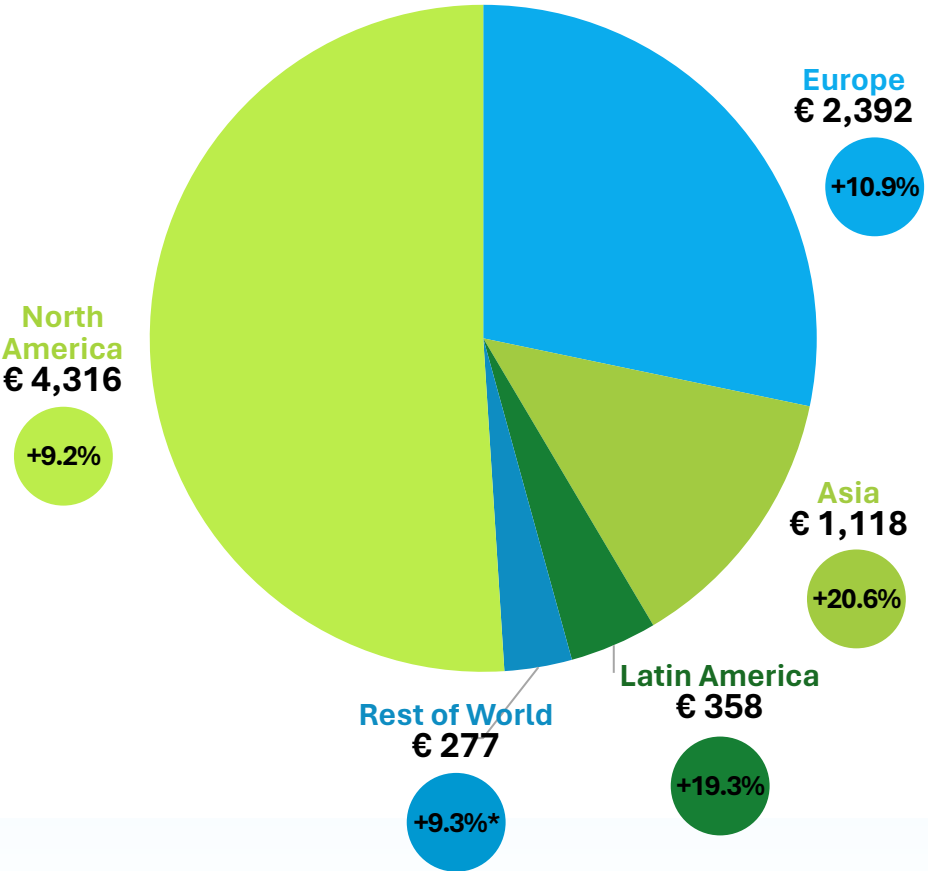
# Recorded Music



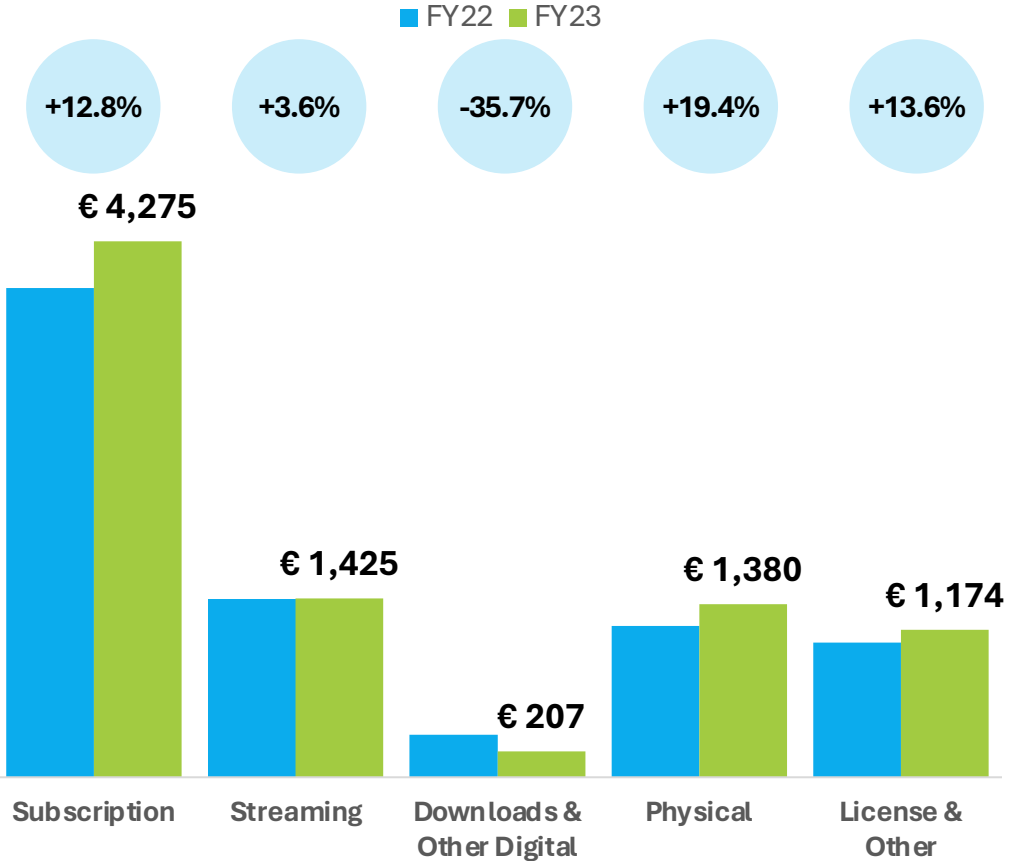
\*Excludes the Legal Provision from 2023; Excludes the Legal Settlement from 2022. See Items Impacting Comparability of Results in our FY 2023 earnings press release for more information  
Note: € in Millions; All growth rates are in constant currency

# Recorded Music Revenue

**FY2023 Recorded Music Regional Breakdown**

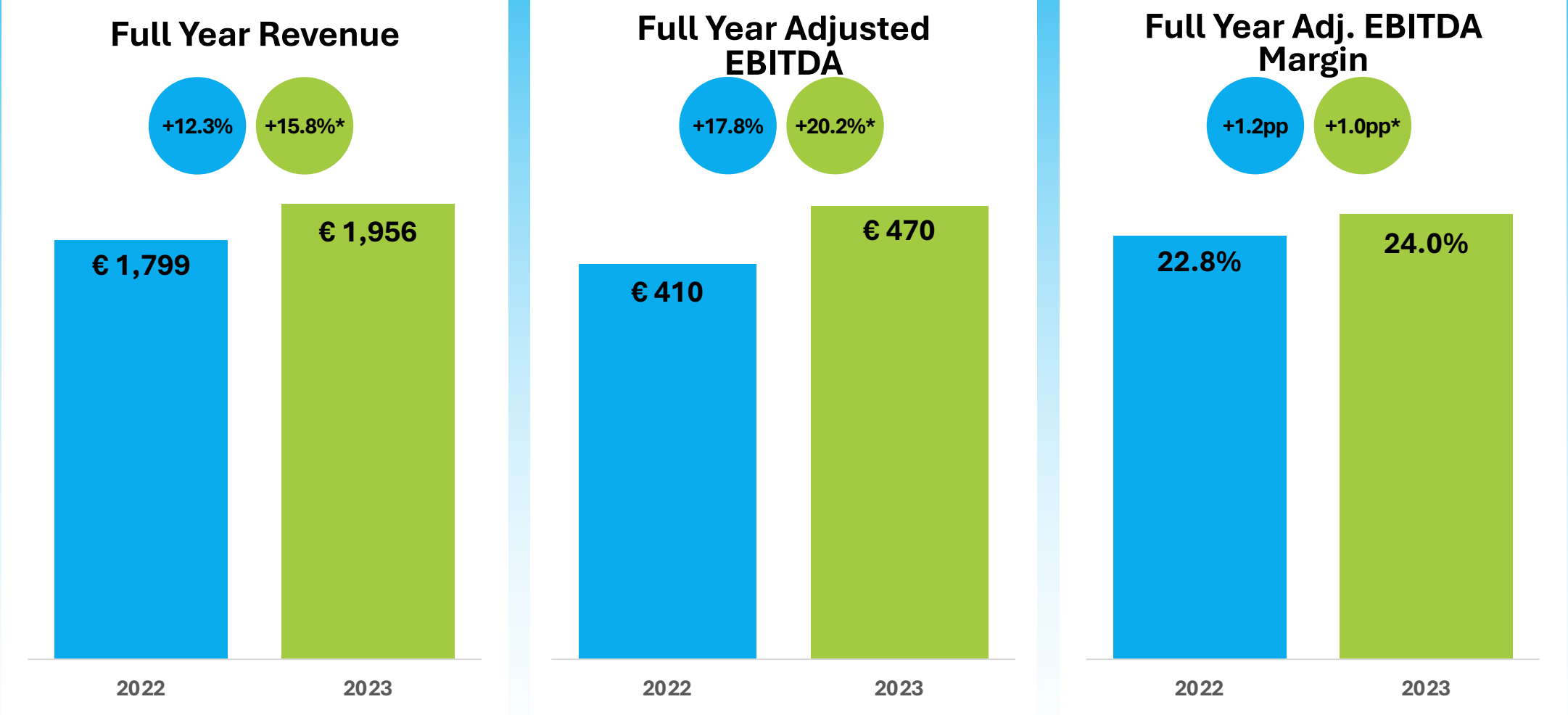


**2023 Revenue Breakdown**



Note: € in Millions. All growth rates are in constant currency.  
 \*Adjusted to exclude intercompany allocations.

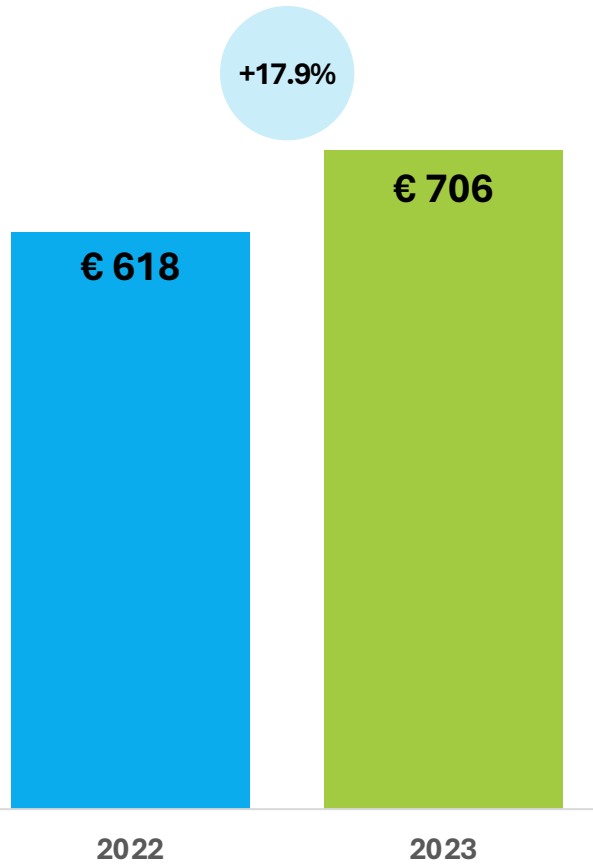
# Music Publishing



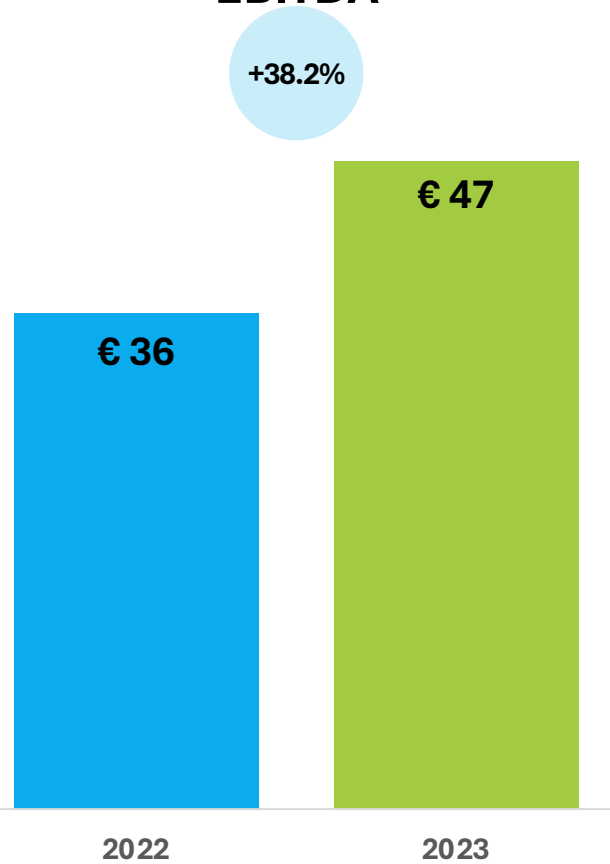
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Note: € in Millions; All growth rates are in constant currency

# Merchandising & Other

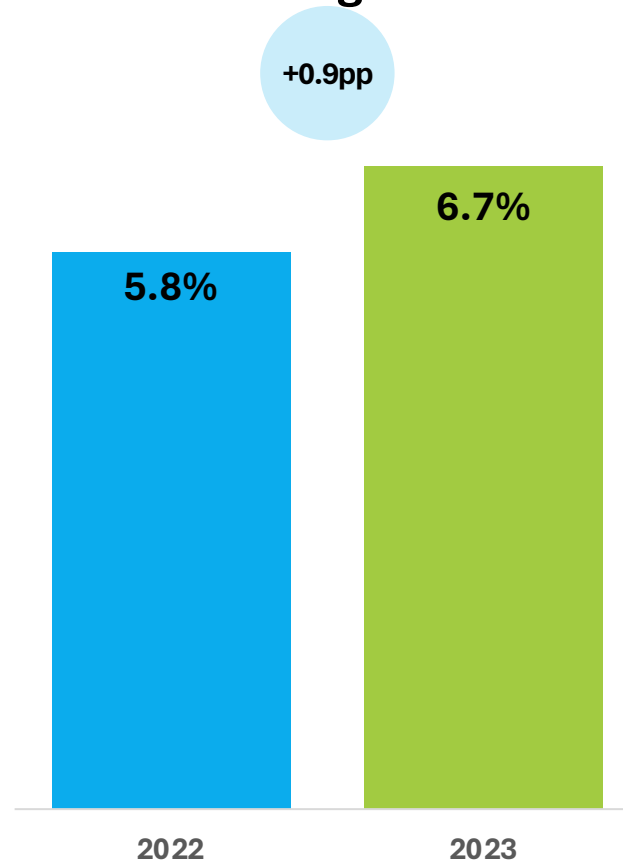
Full Year Revenue



Full Year Adjusted EBITDA

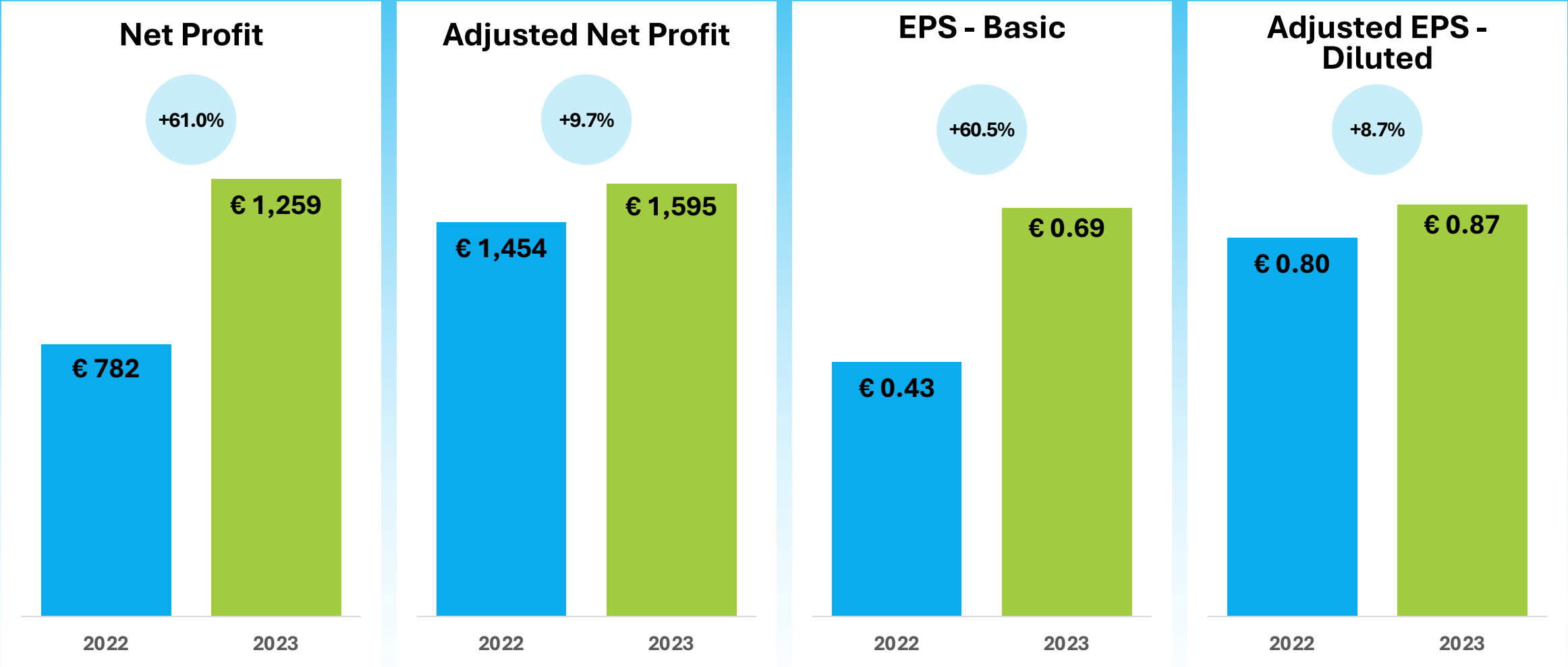


Full Year Adj. EBITDA Margin





# Net Profit and EPS



Note: Net Profit € Millions; All growth rates are YoY as reported.

# Strategic Organization Redesign

2024	2025	2026
<p><b><u>Phase 1</u></b></p> <p>Achieve partial year cost savings</p> <p><b>€75m</b></p> <p>Cost savings tied to headcount reduction</p>	<p>Achieve Phase 1 run-rate cost savings</p> <p><b>€125m</b></p> <p><b><u>Phase 2</u></b></p> <p>Combination of further ex-US headcount reduction and other operational efficiencies</p>	<p><b><u>Phase 2</u></b></p> <p>Fully implemented by year end</p> <p>Run-rate cost savings</p> <p><b>€250m</b></p>

## Strategy

- Empowers labels with new capabilities and additional agility
- Provides labels with enhanced access to highest-performing internal teams and resources
- Achieves efficiencies in targeted cost areas while providing labels with capabilities to deepen artist and fan connections via new experiential, commerce, and content offerings
- Preserves unique label brands and entrepreneurial cultures

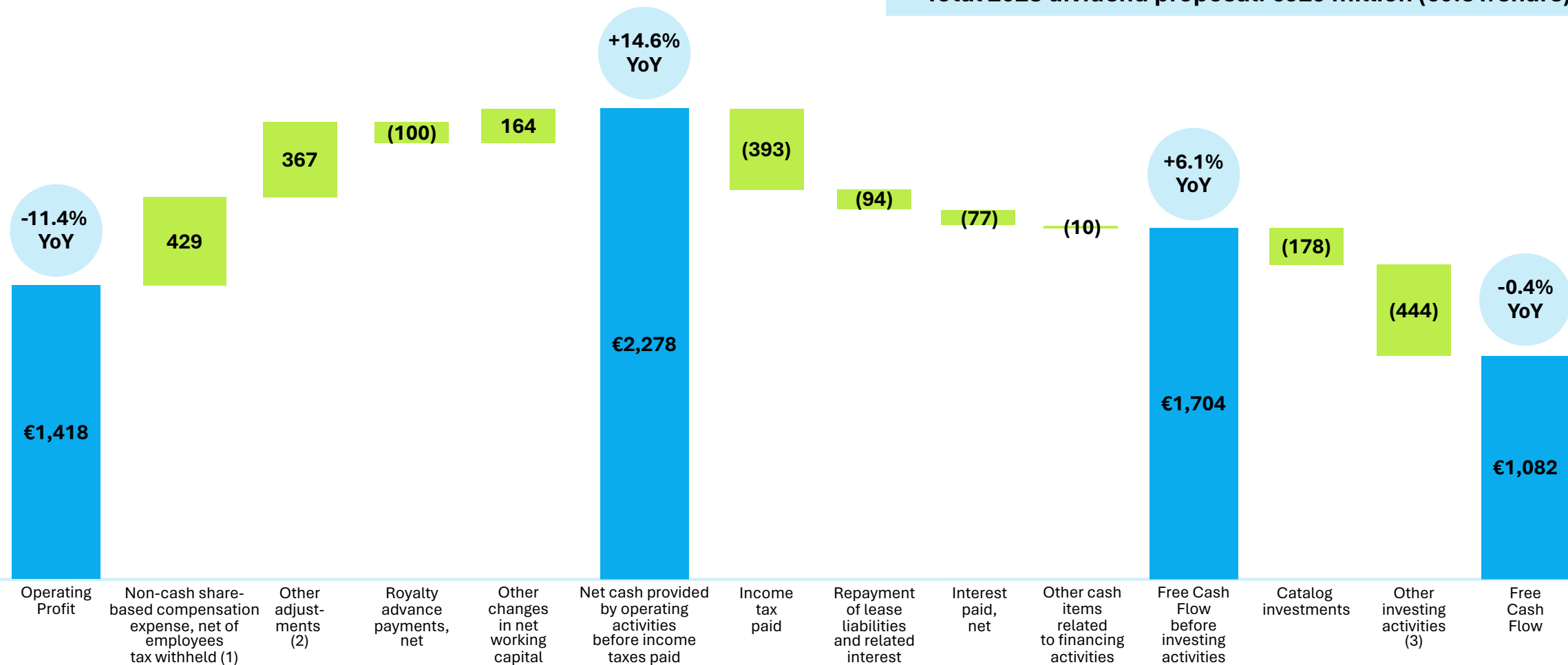
## Implementation and Impact

- First phase of redesign began March 2024
- Run rate €250m in cost savings
- Savings to be realized through headcount reduction and other operational efficiencies

Note: In 2024, we expect to incur €125m of restructuring charges related to Phase 1 of the Strategic Realignment, €92m of which fell in the first quarter.

# FY2023 Free Cash Flow

- €132m tax paid to cover employee withholding largely on transition grants; lessens dilutive impact of equity plan
- Dividend policy: 50% of adjusted net income
- FY23 final dividend proposal: €492m (€0.27/share)
- Total 2023 dividend proposal: €929 million (€0.51/share)



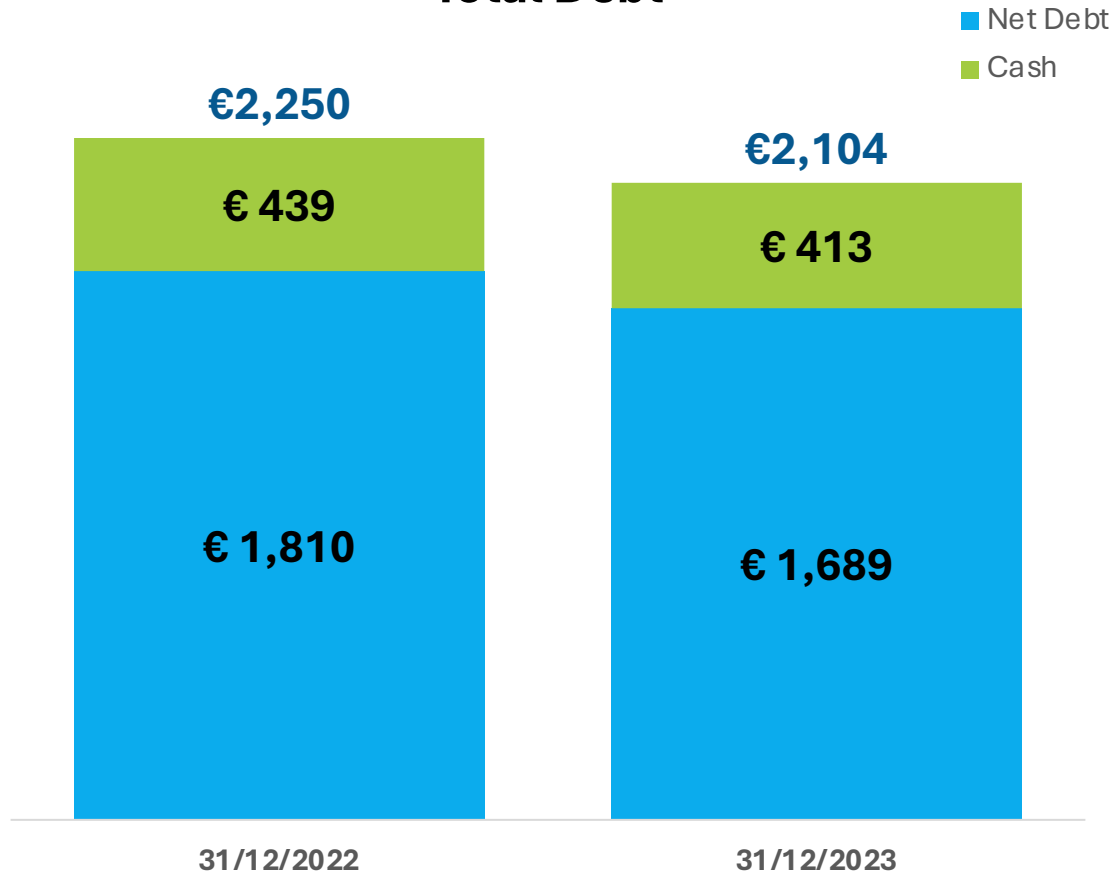
Note: € in Millions; Y/Y growth rates as reported; (1) Non-cash share-based compensation expense of €561m less €132m employees tax withheld;

(2) Other adjustments include amortization and depreciation of intangible assets, change in provisions, net, and gain/(loss) on sale of assets;

(3) Other investing activities includes Other intangible assets investments, Capital expenditures, Purchases of consolidated companies, Investments in equity affiliates, Purchase of financial assets, divestitures and dividends received.

# Balance Sheet and Liquidity

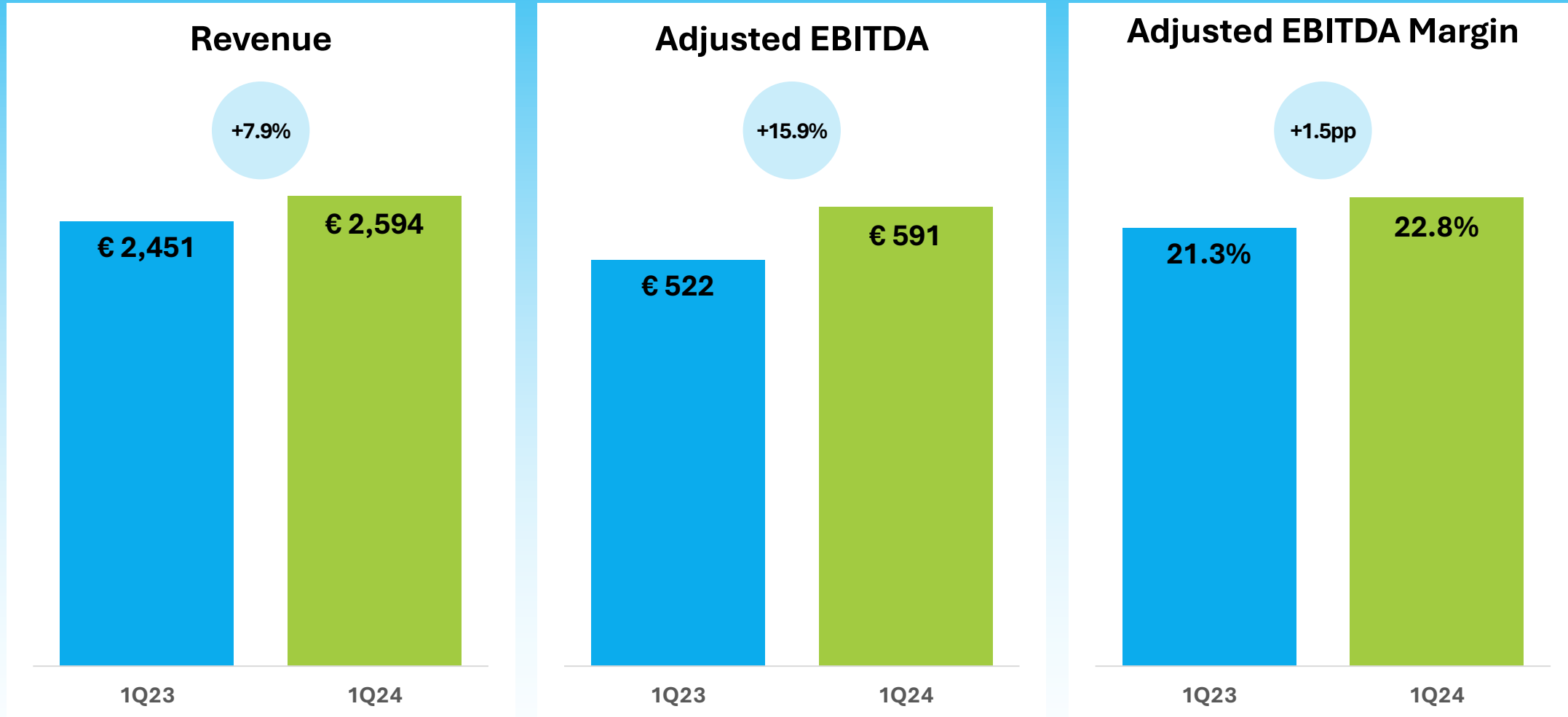
## Total Debt



## Strong Balance Sheet Provides Strategic Flexibility

- Net Debt/EBITDA of 0.9x
- Investment grade rating
- Average debt maturity: 4.9 years
- 85% of gross debt at fixed rate
- Capital allocation priorities:
  - Investing in core business
  - Strategic M&A (includes catalogs)
  - Returning capital to shareholders (currently through dividends)

# 1Q24 Consolidated Results



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

# Universal Music Group Annual General Meeting **2024**



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**Q&A**

# **Agenda Item 3**

Discussion of the implementation of the revised  
Dutch Corporate Governance Code



**Q&A**

# **Agenda Item 4**

Advisory vote on the remuneration report 2023

**Q&A**

# **Remuneration Report 2023**

(Advisory) Voting Item

# **Agenda Item 5**

Adoption of the financial statements 2023

# **Ernst & Young Accountants LLP**

External Auditor

**Q&A**

# **Financial Statements 2023**

Voting Item



# **Agenda Item 6**

## Dividend

# **Agenda Item 6A**

Discussion of the dividend policy

**Q&A**

# **Agenda Item 6B**

Adoption of the dividend proposal

**Q&A**

# **Dividend Proposal**

Voting Item

# **Agenda Item 7**

## Discharge

# **Agenda Item 7A**

Discharge of the Executive Directors



**Q&A**

# **Discharge of the Executive Directors**

Voting Item

# **Agenda Item 7B**

Discharge of the Non-Executive Directors

**Q&A**

# **Discharge of the Non-Executive Directors**

Voting Item

# **Agenda Item 8**

Re-appointment of  
Vincent Vallejo as Executive Director

**Q&A**

**Re-Appointment of  
Vincent Vallejo  
as Executive Director**

Voting Item



# **Agenda Item 9**

## Non-Executive Directors

# **Agenda Item 9A**

Re-appointment of  
Bill Ackman as Non-Executive Director

**Q&A**

**Re-Appointment of  
Bill Ackman  
as Non-Executive Director**

Voting Item

# **Agenda Item 9B**

Re-appointment of  
Cathia Lawson-Hall as Non-Executive Director

**Q&A**

# **Re-appointment of Cathia Lawson-Hall as Non-Executive Director**

Voting Item

# **Agenda Item 9C**

Re-appointment of  
Cyrille Bolloré as Non-Executive Director



**Q&A**

**Re-appointment of  
Cyrille Bolloré  
as Non-Executive Director**

Voting Item

# **Agenda Item 9D**

Re-appointment of  
James Mitchell as Non-Executive Director

**Q&A**

**Re-appointment of  
James Mitchell  
as Executive Director**

Voting Item

# **Agenda Item 9E**

Re-appointment of  
Manning Doherty as Non-Executive Director

**Q&A**

**Re-appointment of  
Manning Doherty  
as Non-Executive Director**

Voting Item



# **Agenda Item 9F**

Re-appointment of Margaret Frerejean-Taittinger  
as Non-Executive Director

**Q&A**

**Re-appointment of  
Margaret Frerejean-Taittinger  
as Non-Executive Director**

Voting Item

# **Agenda Item 9G**

Re-appointment of  
Nicole Avant as Non-Executive Director

**Q&A**

**Re-appointment of  
Nicole Avant  
as Non-Executive Director**

Voting Item

# **Agenda Item 9H**

Appointment of  
Eric Sprunk as Non-Executive Director

**Q&A**



**Appointment of  
Eric Sprunk  
as Non-Executive Director**

Voting Item

# **Agenda Item 9I**

Appointment of  
Mandy Ginsberg as Non-Executive Director

**Q&A**

**Appointment of  
Mandy Ginsberg  
as Non-Executive Director**

Voting Item

# **Agenda Item 10**

Non-Executive Director Remuneration

**Manning Doherty**

Non-Executive Director

# **Agenda Item 10A**

Adoption of the Non-Executive Directors'  
Remuneration Policy

**Q&A**



# **Adoption of the Non-Executive Directors' Remuneration Policy**

Voting Item

# **Agenda Item 10B**

Authorization to issue shares and to grant rights to subscribe for shares to Non-Executive Directors under the Non-Executive Directors' Remuneration Policy

**Q&A**

**Authorization to issue shares and  
grant rights to subscribe shares to  
Non-Executive Directors under  
the Non-Executive Directors'  
Remuneration Policy**

Voting Item

# **Agenda Item 11**

Repurchase and Cancellation of Shares

# **Agenda Item 11A**

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 11B**

Cancellation of shares

**Q&A**

# **Cancellation of shares**

Voting Item

# **Agenda Item 12**

Any other business

# **Agenda Item 13**

## Closing