

# Universal Music Group

Second Quarter & First Half Ended June 30, 2024



UNIVERSAL MUSIC GROUP

# Important Information

## Forward Looking Statements

This presentation may contain statements that constitute forward-looking statements relating to the business, financial performance and results of Universal Music Group N.V. (the “Company” or “UMG”) and the industry in which the Company operates. Such forward-looking statements may be identified by the use of words such as "expectation", "belief", "estimate", "plan", "target", or "forecast" and similar expressions or the negative thereof; or by the 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 presentation. 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 financial information included in this presentation is unaudited.

## 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. The descriptions of these alternative performance measures and reconciliations of non-IFRS to IFRS measures are included in the Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements for the six-month period ended June 30, 2024 which is available on our website at [investors.universalmusic.com/reports](https://investors.universalmusic.com/reports).

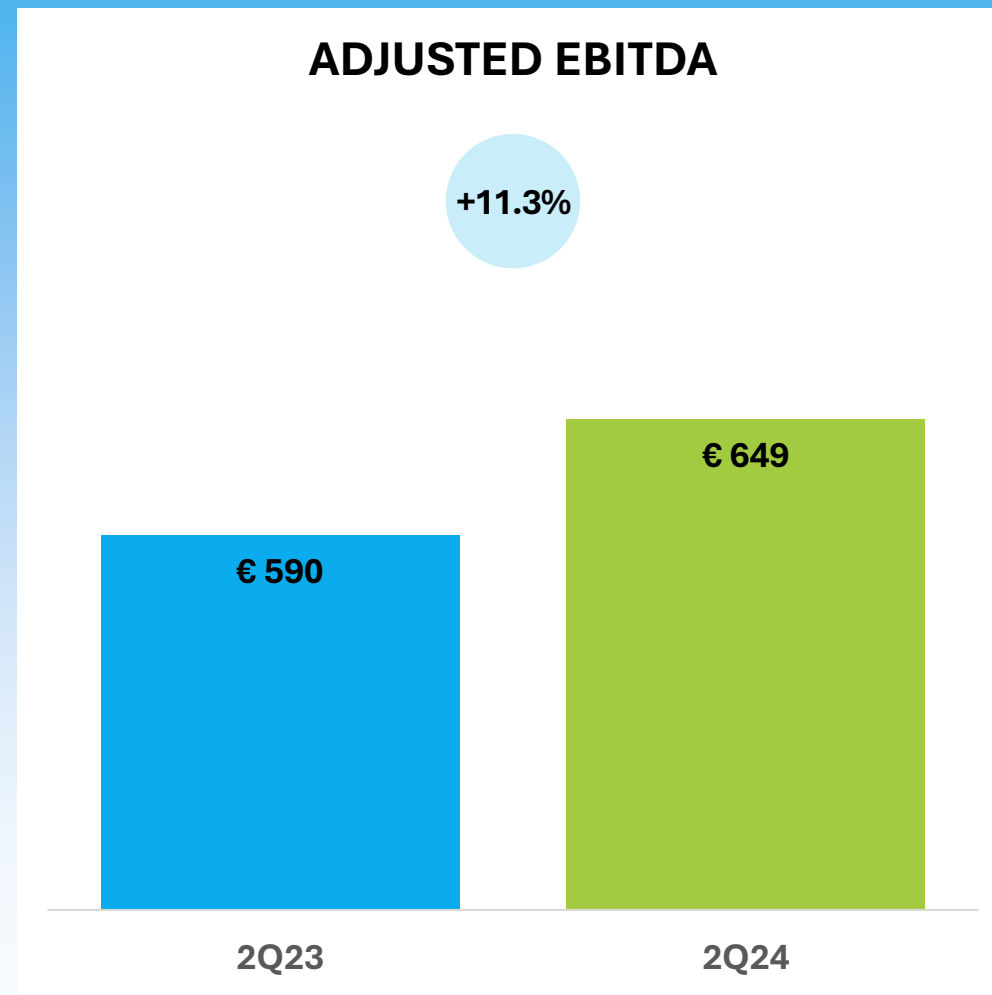
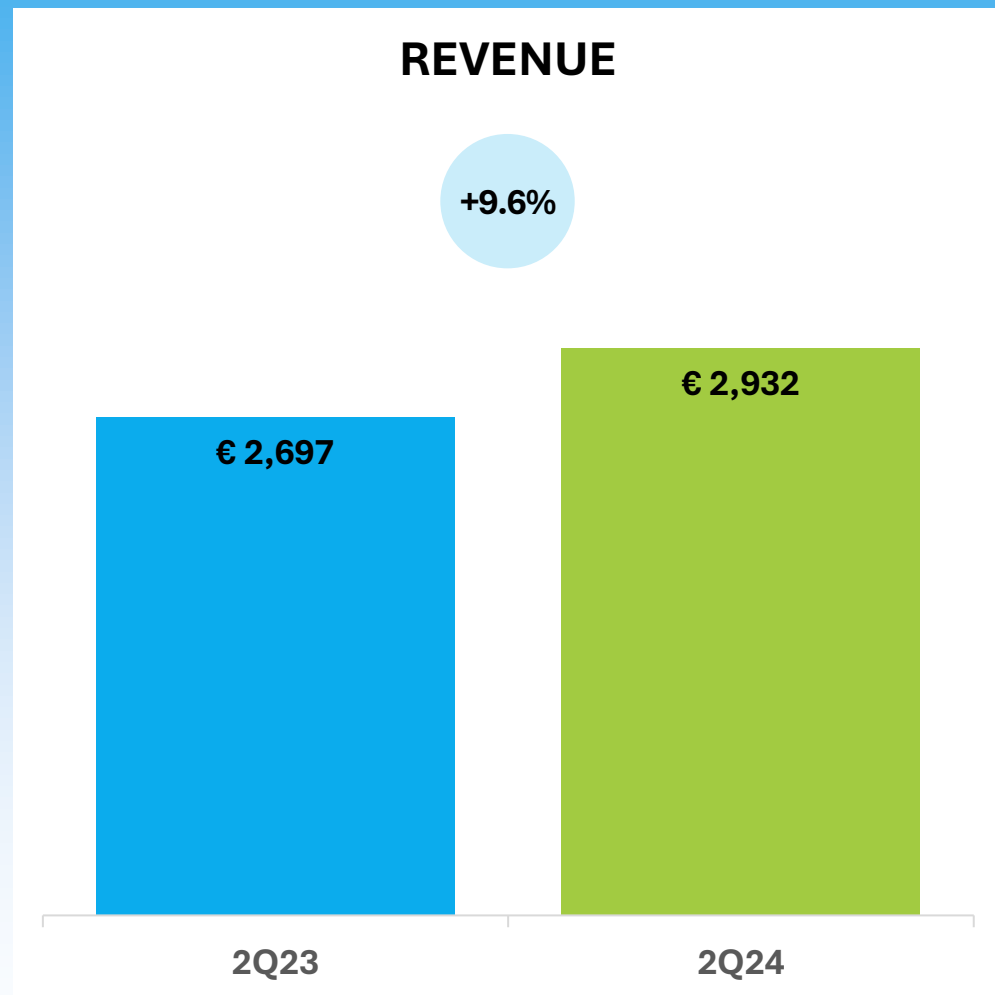
## Market and industry data

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  
Universal Music Group

# 2Q24 Consolidated Results



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

# UMG is a Multi-Faceted Music-Entertainment Company



**Wide variety of recurring revenue streams**



**Mix of established and emerging businesses**



**Diverse creative and commercial initiatives across multiple countries and regions**

# 1H24 Strategic and Operational Highlights



**Diversified revenue streams propel UMG towards continued sustainable growth**



**Industry-leading track record in breaking new artists and taking established artists to new heights - creatively and commercially**

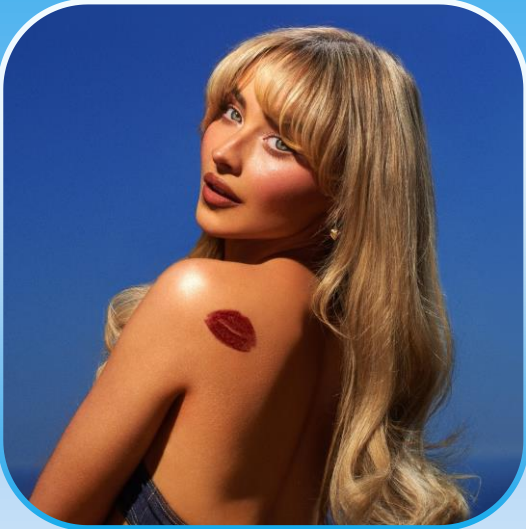


**Proactively addressing the challenges and opportunities presented by the rapid advance of A.I.**

# **Sir Lucian Grainge**

Chairman & CEO  
Universal Music Group

# New & Established Artists Achievements





# 1H 2024 Global Chart Success

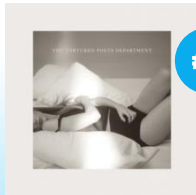
U.S.

**11** of the **TOP 15**

Albums including the

**TOP 3**

Albums



#1

Taylor Swift  
Morgan Wallen  
Noah Kahan

UMG albums at **No. 1** for  
**18 WEEKS**



**13** of the **15**  
Songs to hit **No.1**

U.K.

**8** of the **TOP 10**

Albums



Taylor Swift **x4**  
Noah Kahan  
Olivia Rodrigo  
Ariana Grande  
Billie Eilish

UMG artists at **No. 1** for  
**18 WEEKS**

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



#1

Noah Kahan "Stick Season"  
Sabrina Carpenter "Espresso"  
Hozier "Too Sweet"

Japan

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

Artists



#1

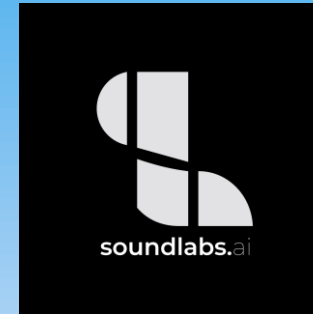
Mrs. GREEN APPLE  
back number  
Ado

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

**TOP SELLING  
NEW ARTIST**

Ae! group

# Responsibly Embracing A.I. Advancements



- **Protect against harmful A.I.**
- **Safeguard UMG, its artists and the music industry**
- **Enhance & amplify human creativity**
- **Advance musical innovation**
- **Expand audio production & sound technology responsibly**

**Universal Music Group  
Capital Markets Day**

**20  
24**



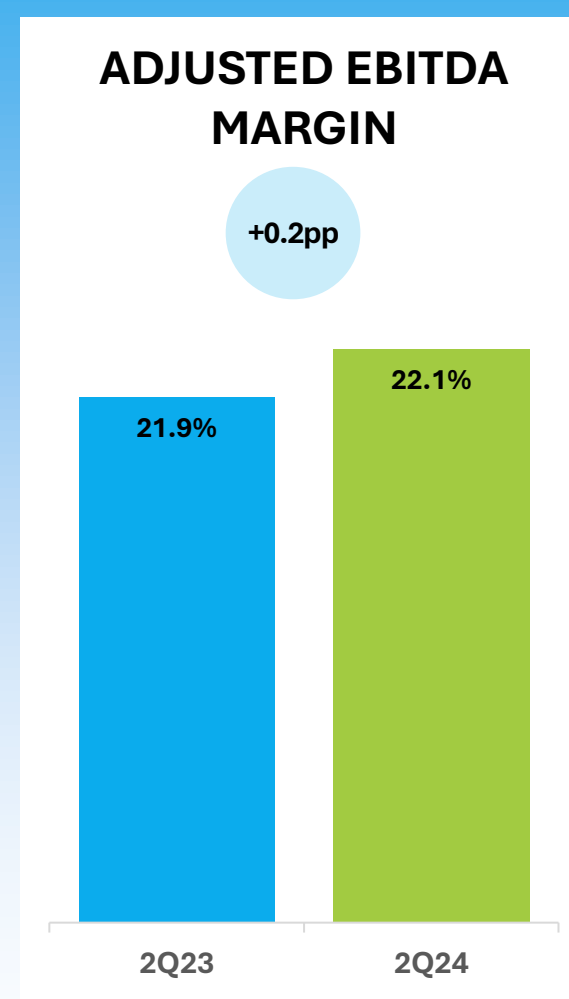
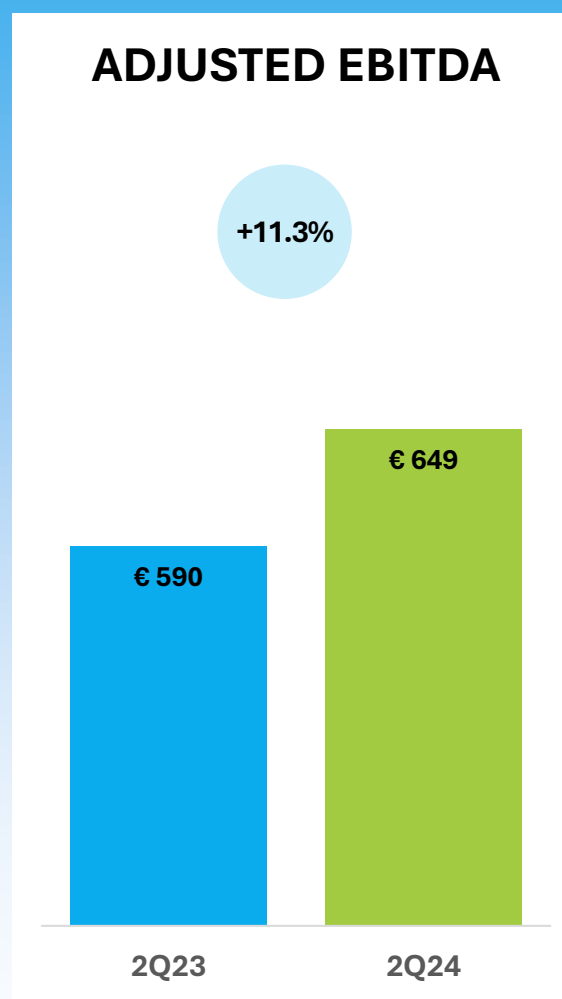
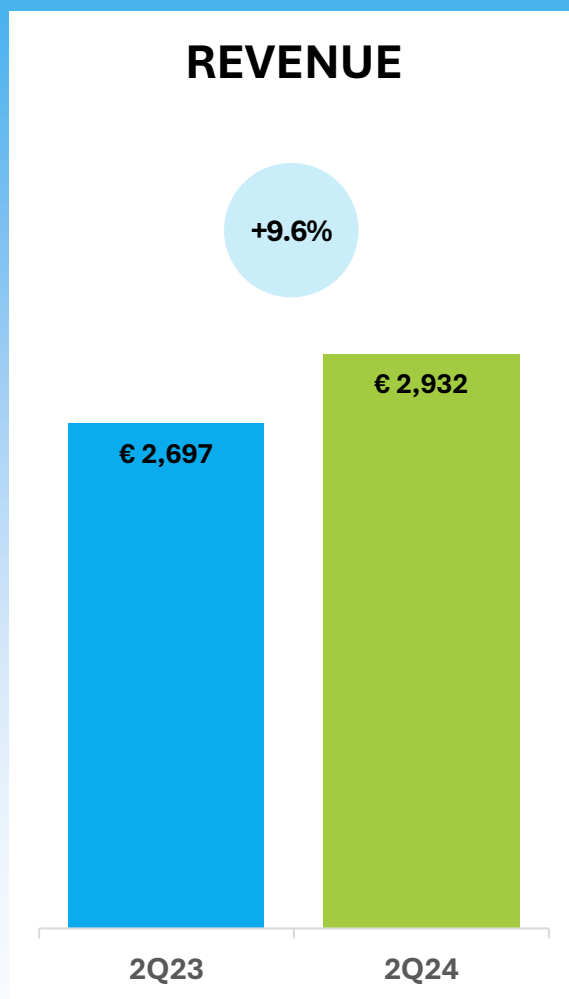
**Abbey Road Studios  
London**

**September 17  
2024**

# **Boyd Muir**

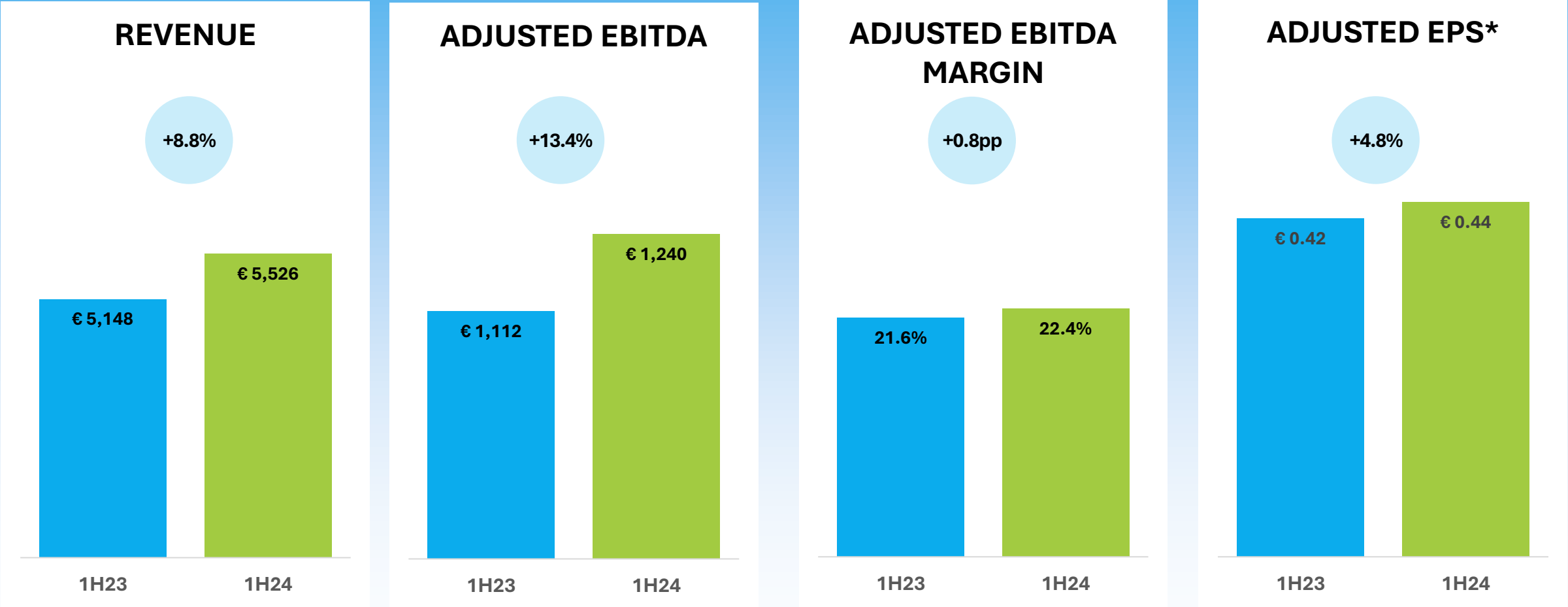
EVP, CFO & President of Operations  
Universal Music Group

# 2Q24 Consolidated Results



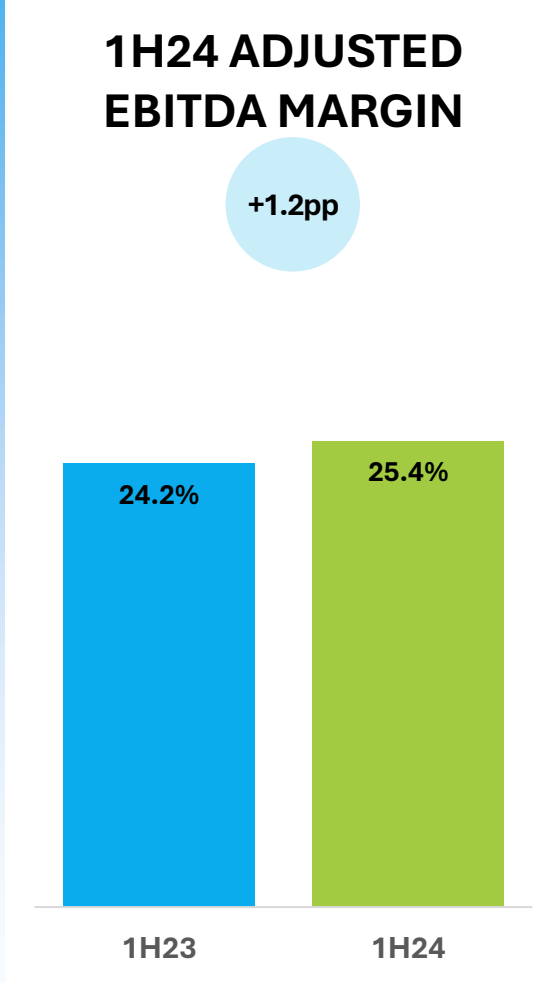
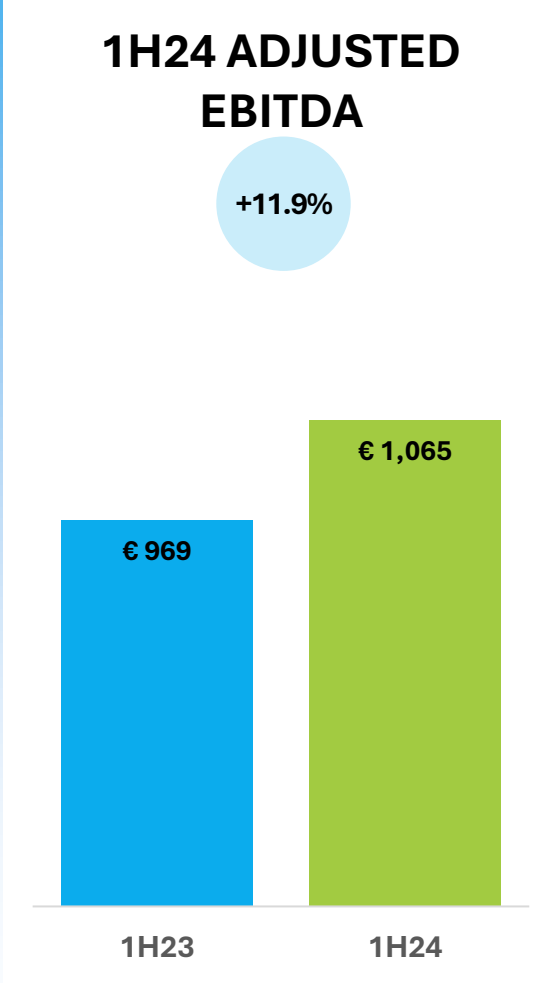
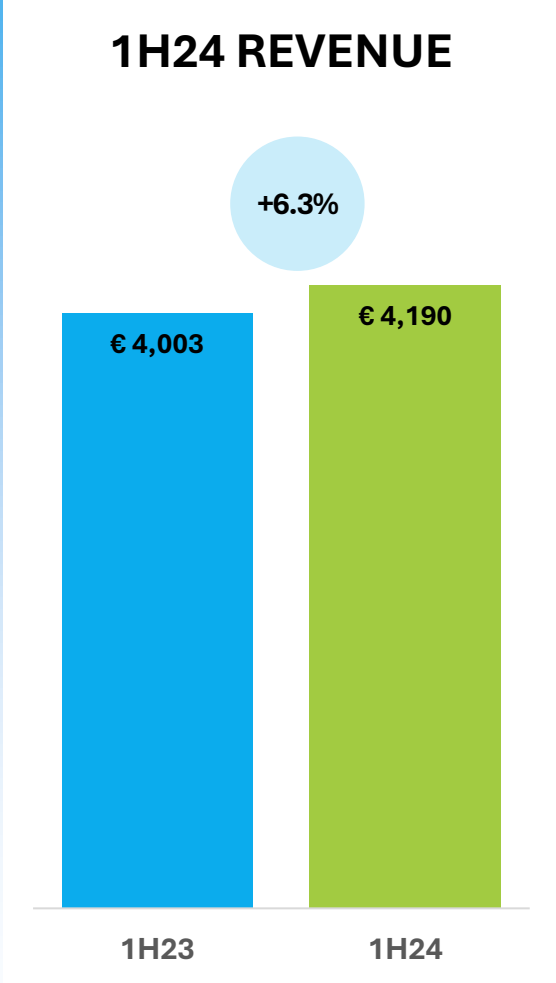
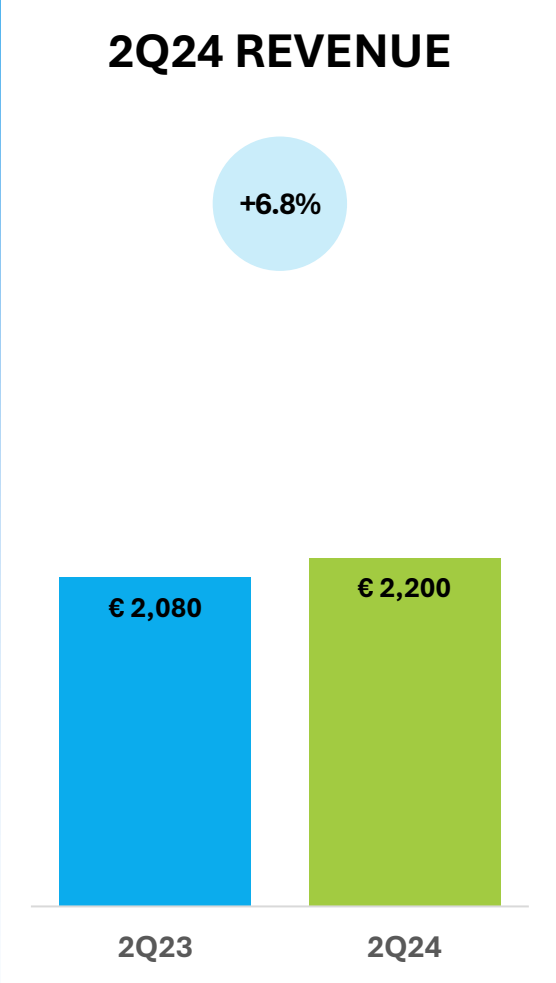
Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency, Adjusted EBITDA margin change in percentage points.

# 1H24 Consolidated Results



Note: € in Millions; Revenue and Adjusted EBITDA growth shown in constant currency, Adjusted Diluted EPS as reported, Adjusted EBITDA margin change in percentage points.  
\*1H23 Adjusted EPS has been restated to exclude restructuring charges and related tax impacts.

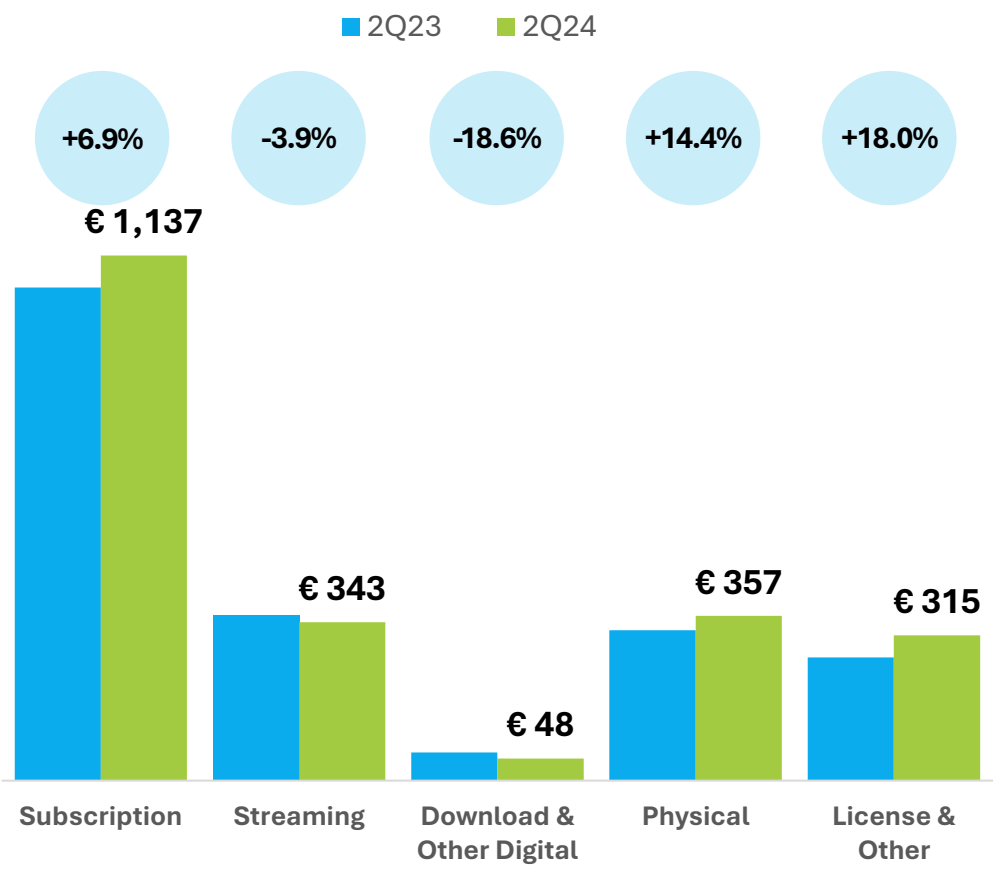
# Recorded Music



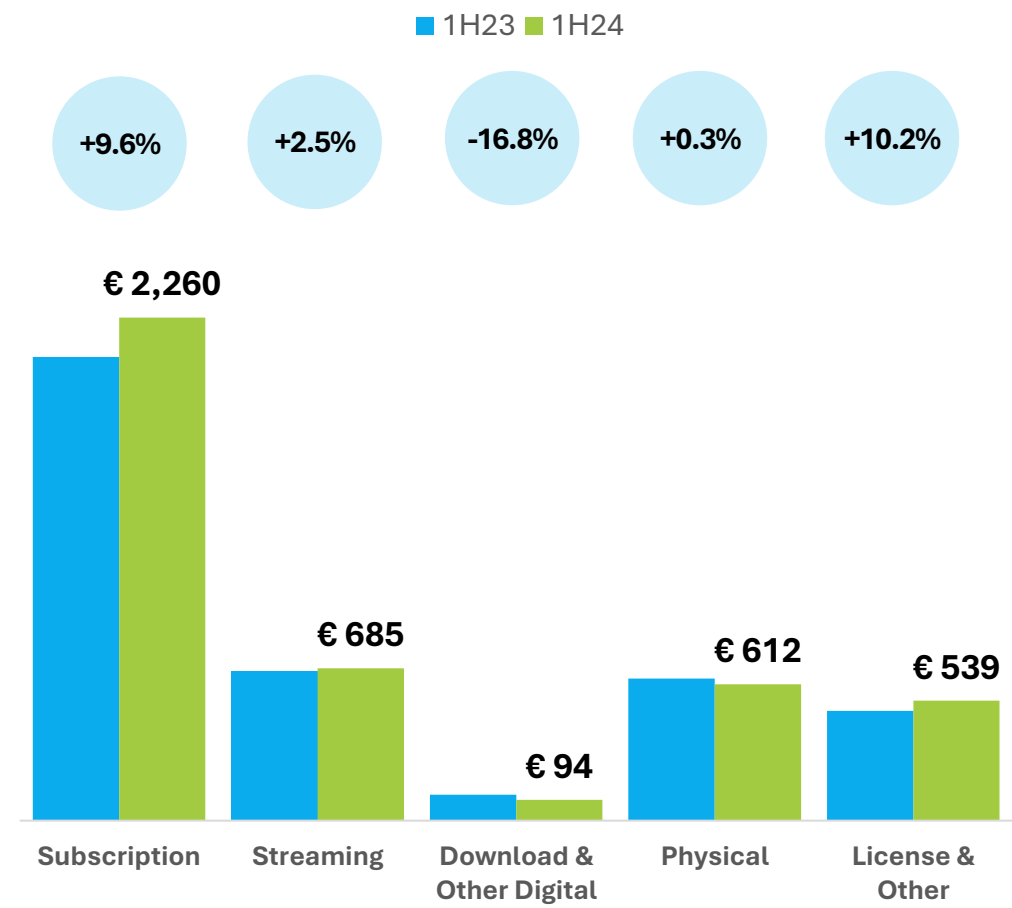
Note: € in Millions; All growth rates are in constant currency.

# Recorded Music Revenue

## 2Q24 Recorded Music Revenue Breakdown



## 1H24 Recorded Music Revenue Breakdown

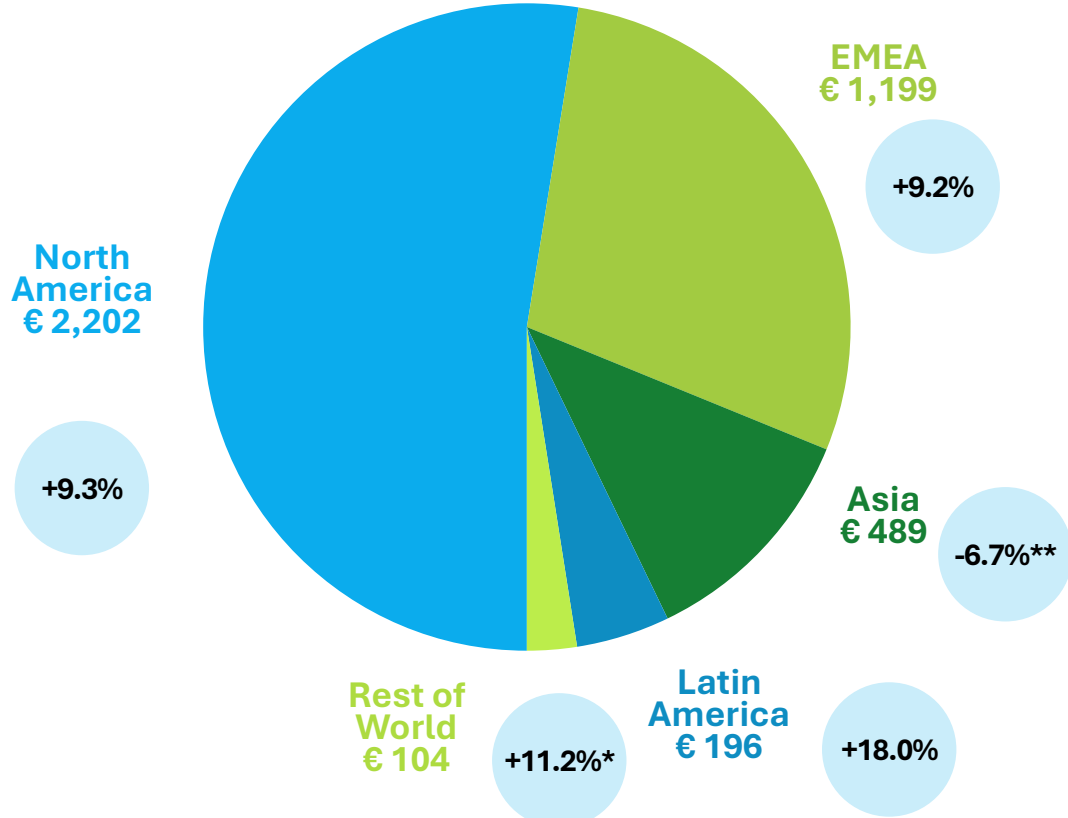


Note: € in Millions; All growth rates are in constant currency.



# Recorded Music Revenue

## 1H24 Recorded Music Regional Breakdown



Note: € in Millions; All growth rates are in constant currency.  
 \*Rest of World growth rate is adjusted to exclude intercompany allocations.  
 \*\*Asia decline was driven by Japan which faced a very difficult comparison against strong 1H23 physical sales.

## Top Sellers

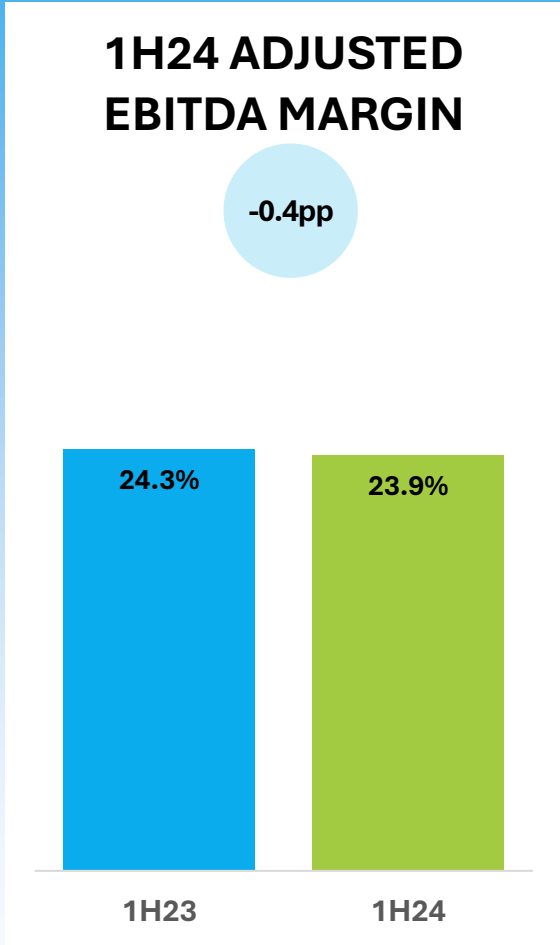
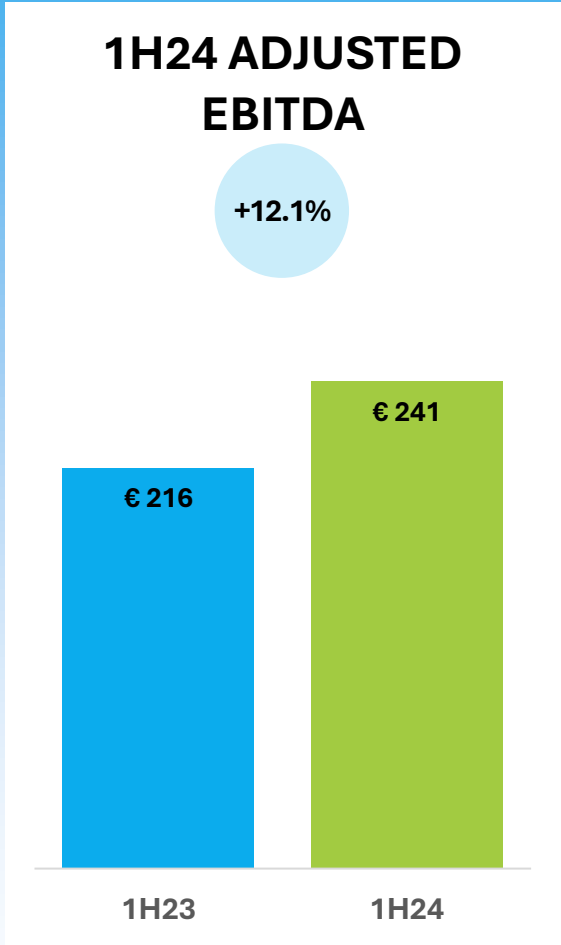
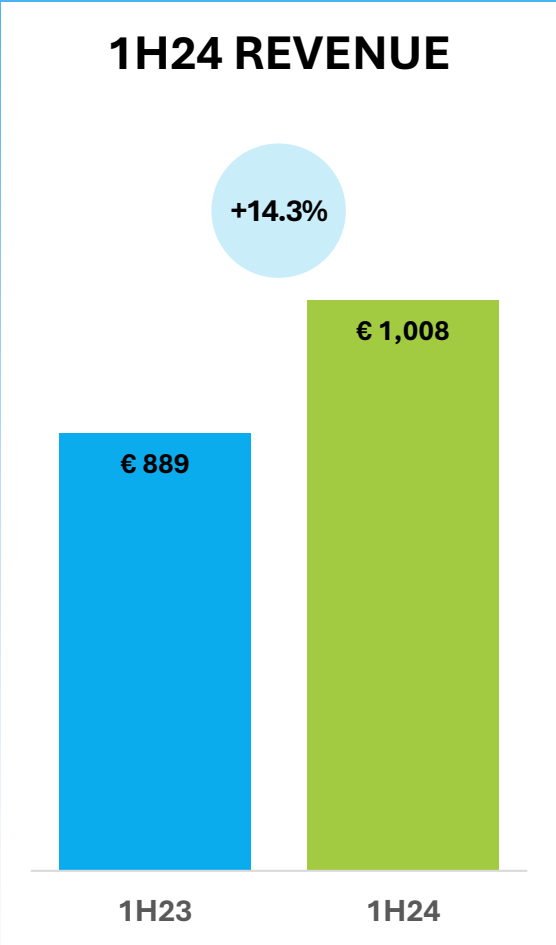
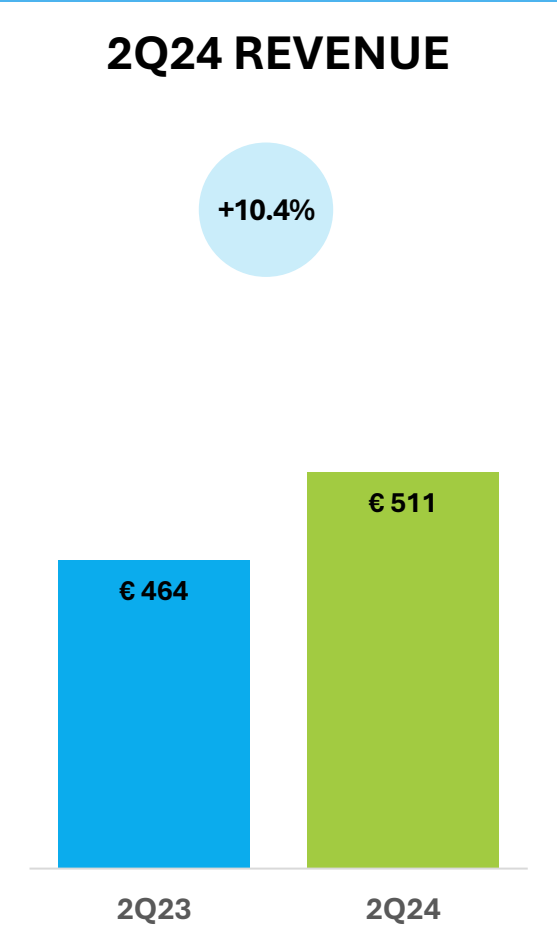
### 1H2024

Taylor Swift <i>The Tortured Poets Department</i>	Taylor Swift <i>1989 (Taylor's Version)</i>	Taylor Swift <i>Lover</i>	Morgan Wallen	Noah Kahan
Billie Eilish	Taylor Swift <i>Midnights</i>	Ariana Grande	Taylor Swift <i>Folklore</i>	Olivia Rodrigo

### 1H2023

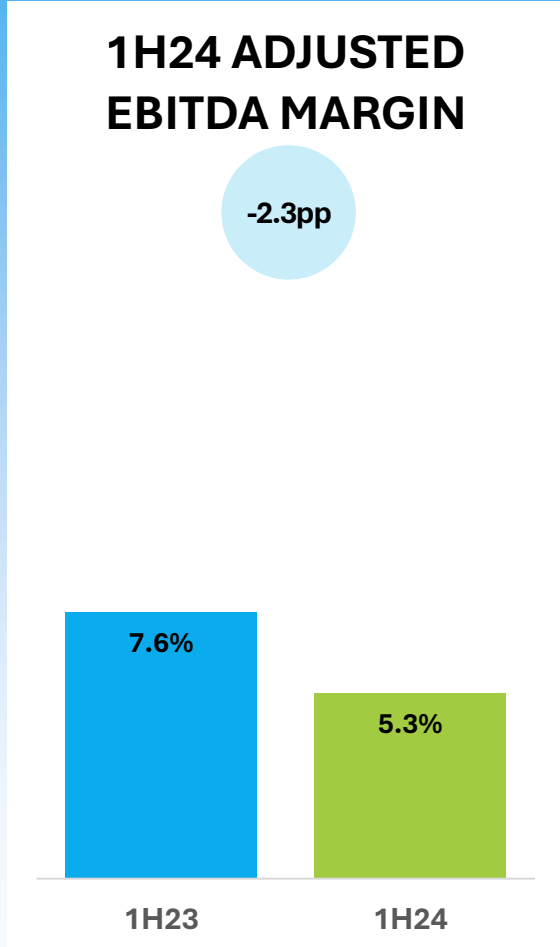
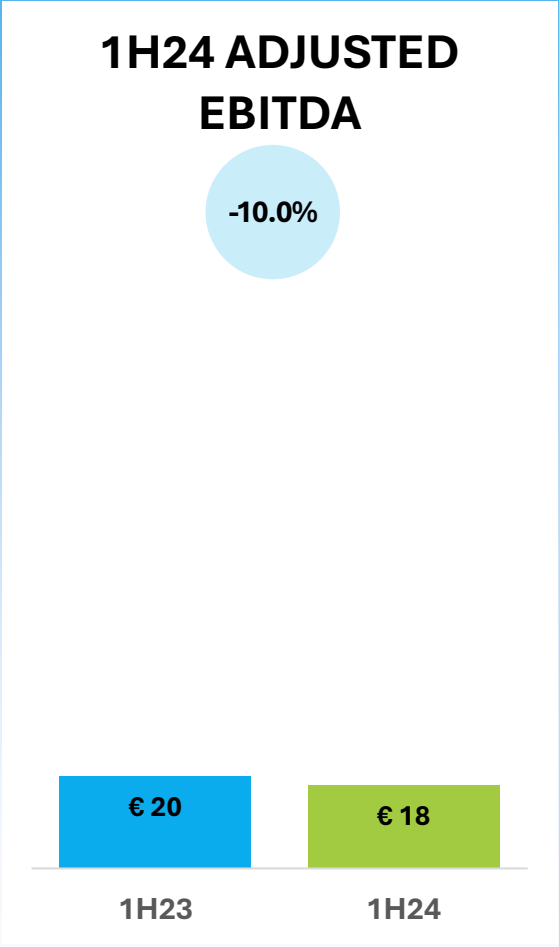
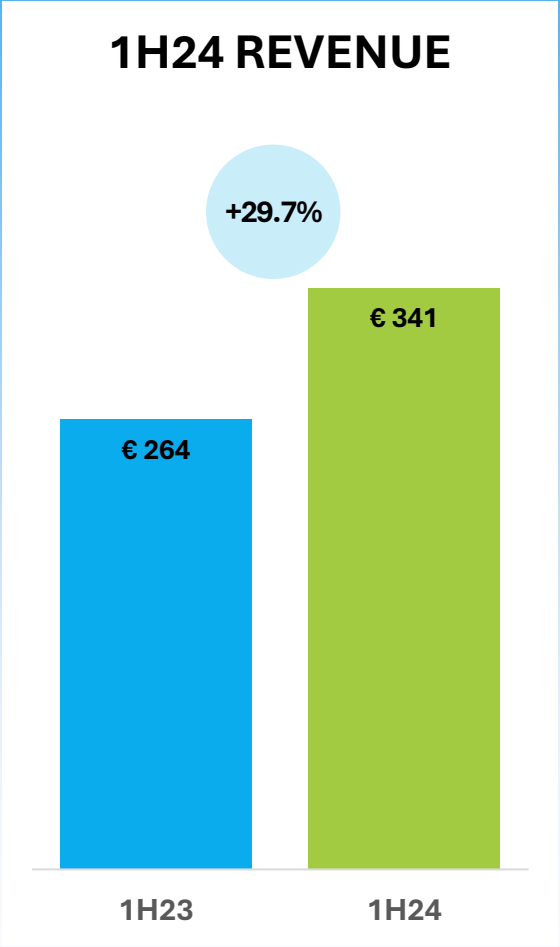
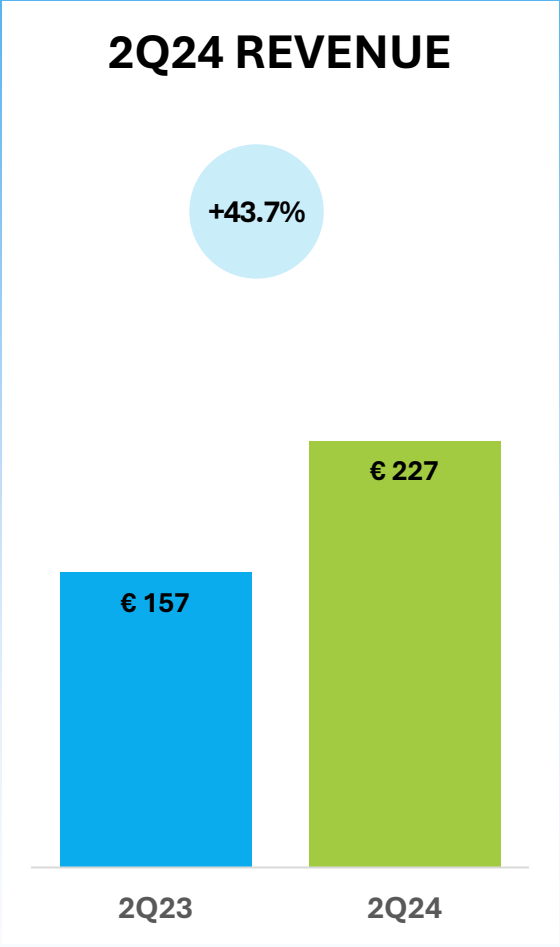
King & Prince <i>Mr. 5</i>	Morgan Wallen <i>One Thing At A Time</i>	King & Prince <i>First Dome Tour</i>	Taylor Swift	King & Prince <i>Arena Tour 2022</i>
Metro Boomin	TOMORROW X TOGETHER	Karol G	The Weeknd	Morgan Wallen <i>Dangerous</i>

# Music Publishing



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

# Merchandising & Other

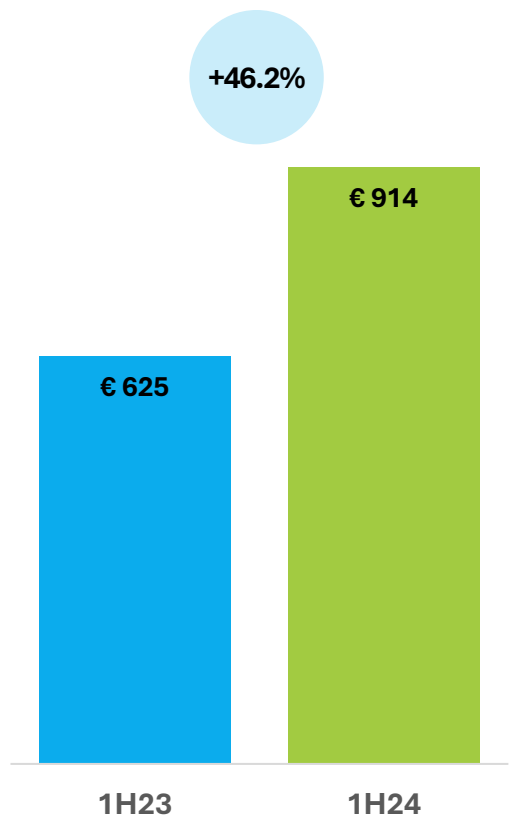


Note: € in Millions; All growth rates are in constant currency.

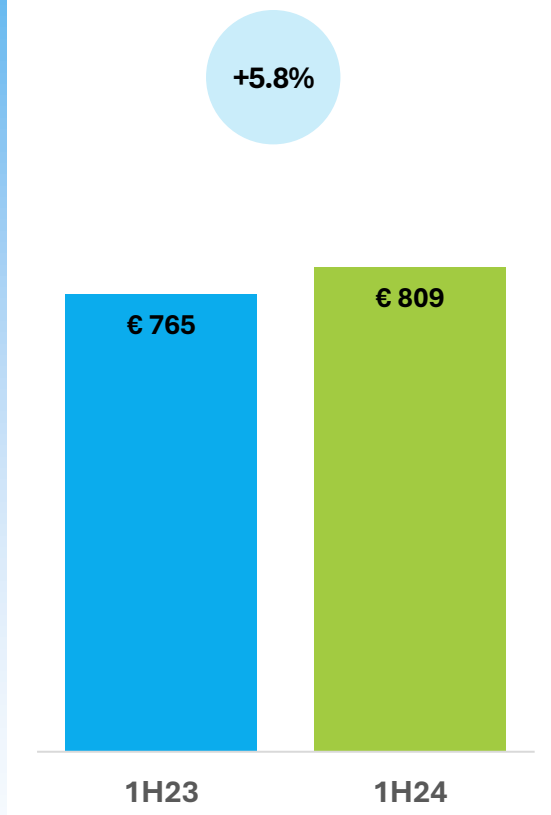
# Net Profit and EPS

- Dividend policy: 50% of net profits adjusted for certain non-cash items
- 1H24 interim dividend proposal: €439m (€0.24/share)

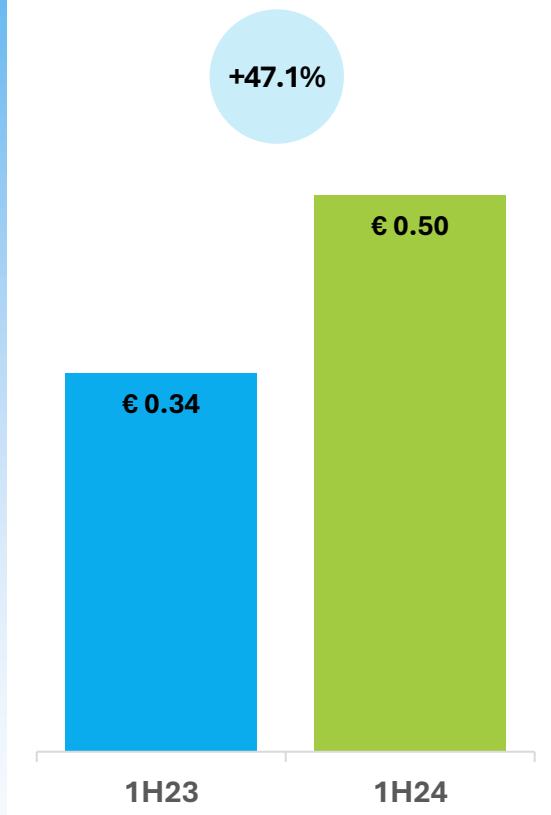
## NET PROFIT



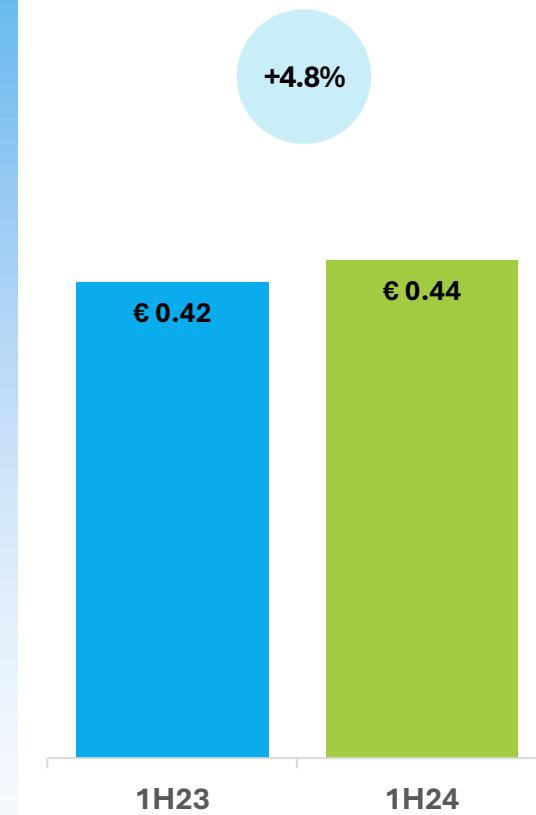
## ADJUSTED NET PROFIT\*



## EPS - BASIC



## ADJUSTED EPS\*

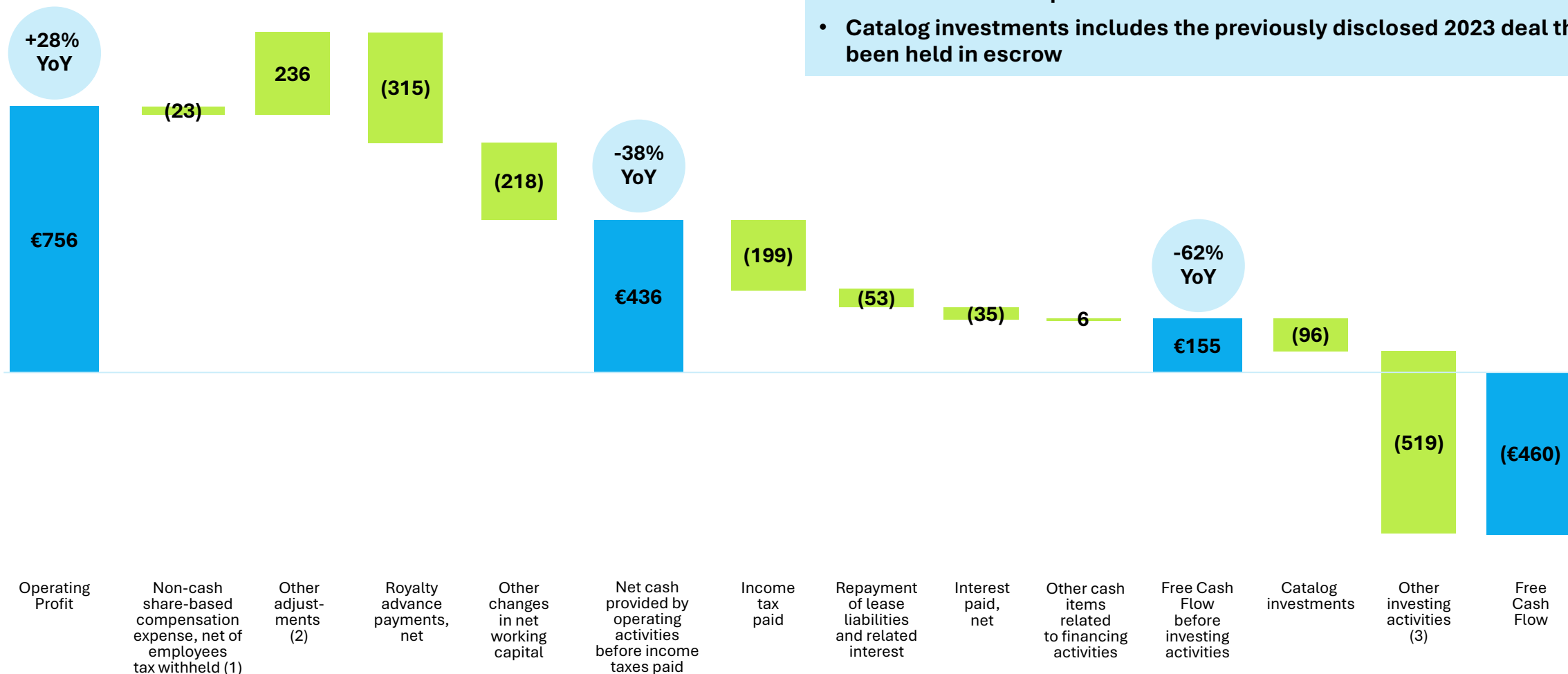


Note: Net Profit € Millions; All growth rates are YoY as reported.

\*1H23 Adjusted Net Profit and Adjusted EPS restated to exclude restructuring charges and related tax impacts.

# Free Cash Flow

- €194m tax paid to cover employee withholding and other obligations, largely on transition grants; lessens dilutive impact of equity plan
- Other investing activities includes previously disclosed deals: stake in Chord Music Partners, majority stake in Mavin Global, and minority investment in Complex / NTWRK
- Catalog investments includes the previously disclosed 2023 deal that had been held in escrow



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

(1) Non-cash share-based compensation expense of €171m less €194m tax paid to cover employee withholding and other obligations.

(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.

# Q&A

**Sir Lucian Grainge**

Chairman and CEO

**Boyd Muir**

EVP, CFO and President of Operations

**Michael Nash**

EVP, Chief Digital Officer