



UNIVERSAL MUSIC GROUP

Universal Music Group N.V. Reports Financial Results for the First Quarter Ended March 31, 2026

Announces Authorizations for Additional Share Buyback and Monetization of a Portion of Spotify Stake

Q1 2026 Results Highlights¹

- Revenue of €2,900 million was flat year-over-year, while it grew 8.1% in constant currency, with the consolidation of Downtown Music Holdings ("Downtown"), initial pricing benefits of Streaming 2.0 agreements, strong physical sales and healthy synchronization income contributing to growth in Recorded Music and Music Publishing.
- Recorded Music subscription revenue grew 4.1% year-over-year, or 12.5% in constant currency, benefitting from the consolidation of Downtown, as well as from initial pricing benefits of Streaming 2.0 agreements.
- Adjusted EBITDA of €636 million declined 3.8% year-over-year, and increased 3.9% in constant currency driven by revenue growth, while Adjusted EBITDA margin decreased 0.9pp to 21.9%, primarily due to the consolidation of Downtown.
- Top sellers included BTS, Olivia Dean, Taylor Swift, the KPop Demon Hunters soundtrack and Morgan Wallen.
- Closing of Downtown acquisition provides UMG with capabilities and infrastructure to deliver further growth in the fast-growing label and artist services sector.

Hilversum, The Netherlands, April 29, 2026 -- Universal Music Group N.V. ("UMG" or "the Company") today announced its financial results for the first quarter ended March 31, 2026.

Sir Lucian Grainge, Chairman and Chief Executive Officer of UMG, said, "We delivered a solid quarter of growth in our core businesses, complemented by our strategic development and investment in fast-growing areas of the industry. We continue to build the most successful music company in history by attracting the world's top talent, engaging fans globally, and delivering long-term value for stakeholders. Central to that mission is fostering an environment that protects artists and songwriters, champions human creativity, and embraces innovation at a pivotal moment for our industry."

Matt Ellis, UMG's CFO, said, "Against the backdrop of a healthy industry, we are consistently driving sustained revenue growth through our multi-faceted strategy, while continuing to expand EBITDA and reinvest for the future. In addition, the important steps we are announcing today to increase our share buyback authorization and monetize a portion of our equity stake in Spotify will lead to enhanced shareholder value while maintaining the flexibility the Company requires to drive further success."

¹ 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.

UMG Results

(in millions of euros)	Three Months Ended March 31,			%	%	%
	2026 ¹	2026 excl. Downtown	2025	YoY	const.	const. excl. Downtown
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>			
Revenue	2,900	2,814	2,901	0.0%	8.1%	4.9%
EBITDA	571	568	603	(5.3%)	2.1%	1.6%
<i>EBITDA margin</i>	19.7%	20.2%	20.8%	(1.1pp)		(0.6pp)
Adjusted EBITDA	636	633	661	(3.8%)	3.9%	3.4%
<i>Adjusted EBITDA margin</i>	21.9%	22.5%	22.8%	(0.9pp)		(0.3pp)

1 Downtown results included are from the date of acquisition on February 20, 2026.

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.

Q1 2026 Results

Revenue for the first quarter of 2026 grew 8.1% in constant currency, with the consolidation of Downtown as of February 20, 2026. Excluding Downtown, revenue grew 4.9% in constant currency with improvement in Recorded Music and Music Publishing due to:

- Initial pricing benefits of Streaming 2.0 agreements;
- Strong physical sales; and
- Healthy synchronization income.

Adjusted EBITDA grew 3.9% in constant currency. Excluding Downtown, Adjusted EBITDA grew 3.4% in constant currency and Adjusted EBITDA margin declined 0.3pp year-over-year due to:

- Improvement in Music Publishing margin and flat Recorded Music margin;
- An increase in corporate overhead, largely associated with strategic technology initiatives; and
- Lower margins in Merchandising.

Recorded Music

(in millions of euros)	Three Months Ended March 31,			%	%	%
	2026 ¹	2026 excl. Downtown	2025	YoY	const.	const. excl. Downtown
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>			
Subscriptions and streaming revenue	1,642	1,576	1,605	2.3%	10.9%	6.4%
of which subscription	1,303	1,249	1,252	4.1%	12.5%	7.9%
of which streaming	339	327	353	(4.0%)	5.0%	1.2%
Downloads and other digital revenue	34	32	40	(15.0%)	(5.6%)	(11.1%)
Physical revenue	310	310	300	3.3%	12.7%	12.7%
License and other revenue	267	263	296	(9.8%)	(3.6%)	(5.1%)
Recorded Music revenues	2,253	2,181	2,241	0.5%	8.9%	5.4%
EBITDA	525	521	538	(2.4%)	5.2%	4.4%
<i>EBITDA margin</i>	<i>23.3%</i>	<i>23.9%</i>	<i>24.0%</i>	<i>(0.7pp)</i>		<i>(0.1pp)</i>
Adjusted EBITDA	565	561	575	(1.7%)	6.0%	5.3%
<i>Adjusted EBITDA margin</i>	<i>25.1%</i>	<i>25.7%</i>	<i>25.7%</i>	<i>(0.6pp)</i>		<i>0.0pp</i>

1 Downtown results included are from the date of acquisition on February 20, 2026.

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

Q1 2026

Recorded Music revenue grew 8.9% in constant currency, and grew 5.4% in constant currency excluding Downtown:

- Subscription revenue grew 12.5% in constant currency, and grew 7.9% in constant currency excluding Downtown. Wholesale price increases contributed 3pp to the growth rate, partially offset by a 2pp negative impact from a light release schedule which led to lower market share against strong market share in the prior-year quarter.
- Streaming revenue increased 5.0% in constant currency, and grew 1.2% in constant currency excluding Downtown, as consumers continue to shift consumption from better monetized video platforms to short-form platforms.
- Downloads and other digital revenue declined 5.6% in constant currency, and declined 11.1% in constant currency excluding Downtown, due to continued industry-wide format shift.
- Physical revenue increased 12.7% in constant currency, both with and excluding Downtown, with particular strength in Japan and the U.S.
- License and other revenue decreased 3.6% in constant currency, and declined 5.1% in constant currency excluding Downtown, as underlying licensing revenue growth from strong synchronization revenue was more than offset by meaningful, non-recurring live income in the first quarter of 2025.

Recorded Music Adjusted EBITDA was up 6.0% in constant currency, and grew 5.3% in constant currency excluding Downtown, while Adjusted EBITDA margin was flat excluding Downtown, reflecting:

- Operating leverage driven by Streaming 2.0 price increases;
- A negative impact of repertoire mix.

Music Publishing

(in millions of euros)	Three Months Ended March 31,			%	%	%
	2026 ¹	2026 excl. Downtown	2025	YoY	const.	const. excl. Downtown
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>			
Performance revenue	115	114	114	0.9%	6.5%	5.6%
Synchronisation revenue	68	67	64	6.3%	15.3%	13.6%
Digital revenue	328	317	339	(3.2%)	4.8%	1.3%
Mechanical revenue	28	28	26	7.7%	12.0%	12.0%
Other revenue	13	12	12	8.3%	18.2%	9.1%
Music Publishing revenues	552	538	555	(0.5%)	7.0%	4.3%
EBITDA	131	132	126	4.0%	12.0%	12.8%
<i>EBITDA margin</i>	<i>23.7%</i>	<i>24.5%</i>	<i>22.7%</i>	<i>1.0pp</i>		<i>1.8pp</i>
Adjusted EBITDA	135	136	130	3.8%	11.6%	12.4%
<i>Adjusted EBITDA margin</i>	<i>24.5%</i>	<i>25.3%</i>	<i>23.4%</i>	<i>1.1pp</i>		<i>1.9pp</i>

1 Downtown results included are from the date of acquisition on February 20, 2026.

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

Q1 2026

Music Publishing revenue grew 7.0% in constant currency, and grew 4.3% in constant currency excluding Downtown:

- Performance revenue increased 6.5% in constant currency, and grew 5.6% in constant currency excluding Downtown.
- Synchronization revenue increased 15.3% in constant currency, and grew 13.6% in constant currency excluding Downtown driven by stronger advertising, trailers and motion picture income.
- Digital revenue grew 4.8% in constant currency, and grew 1.3% in constant currency excluding Downtown, with a difficult comparison against strong digital growth in the prior-year quarter.
- Mechanical revenue grew 12.0% in constant currency, with and without Downtown, partially due to physical strength in Japan.

Music Publishing Adjusted EBITDA increased 11.6% in constant currency, and grew 12.4% in constant currency excluding Downtown. Excluding Downtown, Music Publishing Adjusted EBITDA margin grew 1.9pp as a result of:

- Favorable revenue mix;
- Partially offset by higher legal fees related to copyright enforcement.

Merchandising and Other

(in millions of euros)	Three Months Ended March 31,			%	%	%
	2026	2026 excl. Downtown	2025	YoY	const.	const. excl. Downtown
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>			
Merchandising and other revenues	101	101	112	(9.8%)	(1.9%)	(1.9%)
EBITDA	(10)	(10)	(4)	(150.0%)	(150.0%)	(150.0%)
<i>EBITDA margin</i>	<i>(9.9%)</i>	<i>(9.9%)</i>	<i>(3.6%)</i>	<i>(6.3pp)</i>		<i>(6.3pp)</i>
Adjusted EBITDA	(10)	(10)	(4)	(150.0%)	(233.3%)	(233.3%)
<i>Adjusted EBITDA margin</i>	<i>(9.9%)</i>	<i>(9.9%)</i>	<i>(3.6%)</i>	<i>(6.3pp)</i>		<i>(6.3pp)</i>

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

Q1 2026

Merchandising and Other revenue decreased 1.9% in constant currency, primarily driven by:

- Decline in direct-to-consumer revenue due to the timing of product releases, which was particularly strong in the first quarter of 2025, and a decline in retail sales;
- Partially offset by strong growth in touring income driven by tours for Lady Gaga, Conan Grey and Nine Inch Nails, amongst others.

Merchandising and Other Adjusted EBITDA loss widened in the first quarter of 2026 and Merchandising and Other Adjusted EBITDA margin declined 6.3pp to (9.9%) due to:

- Seasonally lower revenue against fixed overhead;
- Unfavorable revenue mix with proportionally higher touring revenues; and
- Higher marketing spend, largely due to timing.

Update on Capital Allocation and Management Initiatives

As a company operating in a fast-evolving sector, UMG and its Board of Directors (the "Board") continuously assess the Company's business and financial strategy. Today, the Company can update shareholders on certain capital allocation and management initiatives that the Board and management have been considering since 2025:

- **Share buyback:** The Board considers UMG's share price to be undervalued relative to its business performance and prospects, and has accordingly increased the size of its share buyback authorization to €1 billion. When the Company completes the €500 million share buyback program announced on March 30, 2026, it intends to initiate another share buyback program for the incremental €500 million authorization, subject to market conditions and the shareholders approving a new share buyback authorization at UMG's 2026 Annual General Meeting of Shareholders (AGM). The Company intends to use the repurchased shares to meet its obligations under the 2022 Universal Music Group Global Equity Plan, and subplans thereof ("the equity plan"), and/or to reduce the share capital of the Company. Dependent on factors including market conditions, the Board may further increase the buyback authorization in subsequent periods.
- **Monetization of Spotify stake:** Given the importance of capital discipline, the expected returns from buying back UMG's shares, and the Company's confidence in the the long-term growth of the ecosystem, in March 2026 the Board authorized the monetization of half of the Company's equity stake in Spotify. Consistent with the Company's approach to artist compensation, artists will share in the proceeds. UMG's share will initially be directed towards its buyback program.

Items Impacting Comparability of Results

Downtown Results

ANALYSIS OF REVENUES AND OPERATING RESULTS BY BUSINESS SEGMENT

(in millions of euros)	Q1 2026		
	UMG excl. Downtown	Downtown ¹	UMG Total
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenues			
Recorded Music	2,181	72	2,253
Music Publishing	538	14	552
Merchandising & Other	101	-	101
Total UMG²	2,814	86	2,900
Adjusted EBITDA			
Recorded Music	561	4	565
Music Publishing	136	(1)	135
Merchandising & Other	(10)	-	(10)
Total UMG	633	3	636
<i>Adjusted EBITDA margin</i>	<i>22.5%</i>	<i>3.5%</i>	<i>21.9%</i>
EBITDA	568	3	571
<i>EBITDA margin</i>	<i>20.2%</i>	<i>3.5%</i>	<i>19.7%</i>

1 Downtown results included are from the date of acquisition on February 20, 2026.

2 Total UMG revenues includes the elimination of intercompany revenues.

RECORDED MUSIC

(in millions of euros)	Q1 2026		
	UMG excl. Downtown	Downtown ¹	UMG Total
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Subscriptions and streaming revenue	1,576	66	1,642
<i>of which subscription</i>	1,249	54	1,303
<i>of which streaming</i>	327	12	339
Downloads and other digital revenue	32	2	34
Physical revenue	310	-	310
License and other revenue	263	4	267
Recorded Music revenues	2,181	72	2,253
EBITDA	521	4	525
<i>EBITDA margin</i>	<i>23.9%</i>	<i>5.6%</i>	<i>23.3%</i>
Adjusted EBITDA	561	4	565
<i>Adjusted EBITDA margin</i>	<i>25.7%</i>	<i>5.6%</i>	<i>25.1%</i>

1 Downtown results included are from the date of acquisition on February 20, 2026.

MUSIC PUBLISHING

	Q1 2026		
(in millions of euros)	UMG excl. Downtown	Downtown ¹	UMG Total
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Performance revenue	114	1	115
Synchronisation revenue	67	1	68
Digital revenue	317	11	328
Mechanical revenue	28	-	28
Other revenue	12	1	13
Music Publishing revenues	538	14	552
EBITDA	132	(1)	131
<i>EBITDA margin</i>	<i>24.5%</i>	<i>(7.1%)</i>	<i>23.7%</i>
Adjusted EBITDA	136	(1)	135
<i>Adjusted EBITDA margin</i>	<i>25.3%</i>	<i>(7.1%)</i>	<i>24.5%</i>

¹ Downtown results included are from the date of acquisition on February 20, 2026.

Conference Call Details

The Company will host a conference call to discuss these results on Wednesday, April 29, 2026 at 6:15PM CEST. A link to the live audio webcast will be available on 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 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 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.

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Upcoming Calendar

Annual General Meeting of Shareholders: May 13, 2026

Appendix

Non-IFRS Alternative Performance Indicators and Reconciliations

Reconciliation of Adjusted EBITDA by Segment

(in millions of euros)	Recorded Music ¹	Music Publishing ¹	Merchandising and Other	Corporate Centres	Total UMG ¹
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>Three months ended March 31, 2026</i>					
EBITDA	525	131	(10)	(75)	571
Non-cash share-based compensation expenses	39	4	-	17	60
Integration and business transformation costs ²	1	-	-	4	5
Adjusted EBITDA	565	135	(10)	(54)	636
<i>Three months ended March 31, 2025</i>					
EBITDA	538	126	(4)	(57)	603
Non-cash share-based compensation expenses	37	4	-	17	58
Integration and business transformation costs ²	-	-	-	-	-
Adjusted EBITDA	575	130	(4)	(40)	661

1 Downtown results included are from the date of acquisition on February 20, 2026.

2 Includes integration costs related to the Downtown transaction and previously committed US listing preparation costs.

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, IFRS measures of operating and financial performance 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, integration and business transformation costs 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 segments excluding items that may be incidental to normal business activity and excluding non-cash share based compensation which may impact period-to-period comparability.