2023 - 2025 FREE CASH FLOW

Reconciliation of cash provided by operating activities to Free cash flow

	2023		2024		2025	
(millions of euros)	HY23	FY23	HY24	FY24	HY25	FY25
Net cash provided by/(used for) operating activities before income tax paid	703	2,278	436	2,104	488	2,142
Income tax paid	(208)	(393)	(199)	(349)	(236)	(403)
Net cash provided by/(used for) operating activities	495	1,885	237	1,755	252	1,739
Withheld taxes on share based compensation	125	132	194	198	95	116
Other intangible asset investments	(32)	(74)	(43)	(92)	(58)	(125)
Capital expenditures	(22)	(47)	(28)	(91)	(23)	(70)
Dividends from unconsolidated investments*	3	7	11	15	6	20
Repayment of lease liabilities and related interest expenses	(47)	(94)	(53)	(102)	(46)	(93)
Interest, net	(38)	(77)	(35)	(81)	(66)	(81)
Other cash items related to financing activities	-	(10)	6	2	3	(9)
Free cash flow	484	1,722	289	1,604	163	1,497

New Definition of Free Cash Flow

In the second quarter of 2026, UMG revised the definition of Free Cash Flow to better reflect the cash generated by the business that is available for strategic investments and capital returns. This factsheet restates three years of historical results in the new presentation.

Free Cash Flow

UMG defines Free Cash Flow as net cash provided by/(used for) operating activities after adding back withheld taxes paid on share based compensation, less capital expenditures and other intangible assets investments, repayment of lease liabilities and payment on interest of lease liabilities, interest net and other cash items related to financing activities and plus dividends received from equity affiliates and investments.

UMG considers Free Cash Flow, a non-IFRS measure, to be a relevant indicator of its cash flow generated to fund strategic investment, dividend payments, share repurchases and repayment of debt. Free Cash Flow is not a measure of performance calculated in accordance with IFRS and therefore it should not be considered in isolation of, or as a substitute for cash flow provided by operating activities as a measure of liquidity. Free Cash Flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, Free Cash Flow does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs.

*Dividends from unconsolidated investments includes Dividends received from equity affiliates and Dividends received from investments.