

# **2<sup>ND</sup> QUARTER & 1<sup>ST</sup> HALF 2023 RESULTS**

**WEDNESDAY JULY 26, 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" or "UMG") 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 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 2022 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, 2023 which is available on our website at [investors.universalmusic.com/reports](https://investors.universalmusic.com/reports).

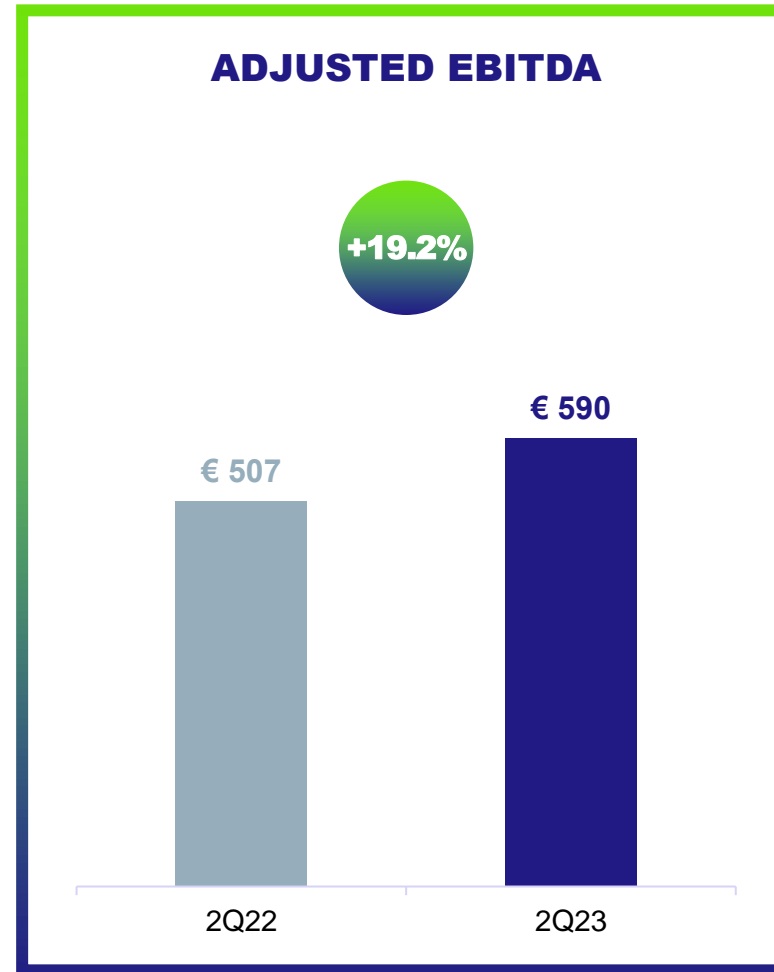
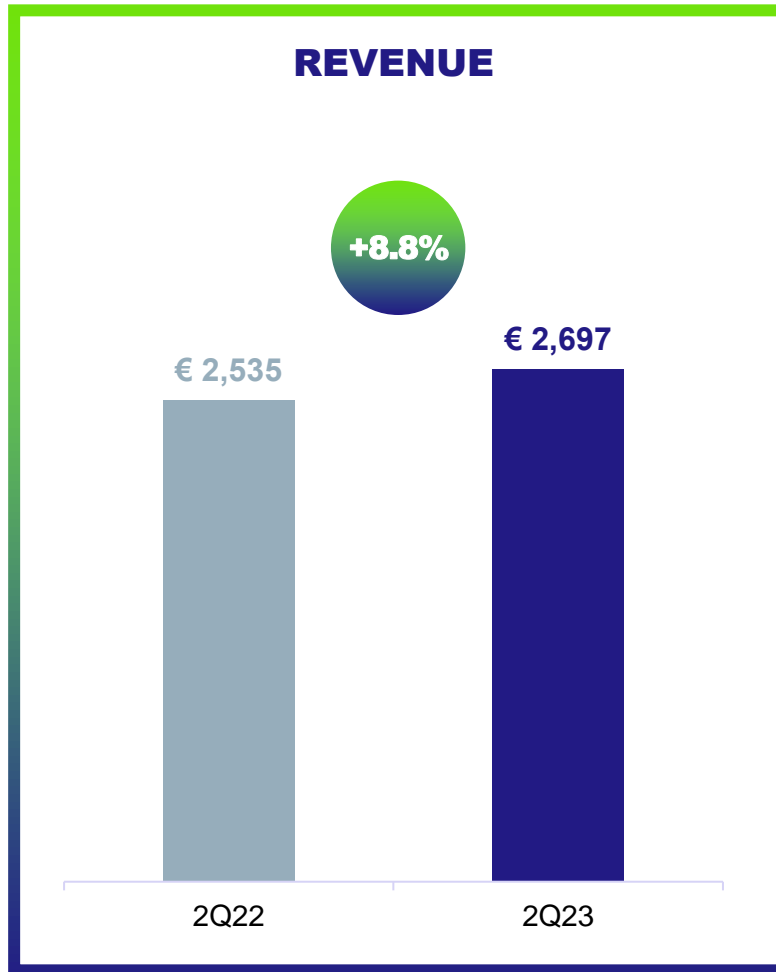
## MARKET AND INDUSTRY DATA

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**

# 2Q23 CONSOLIDATED RESULTS



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

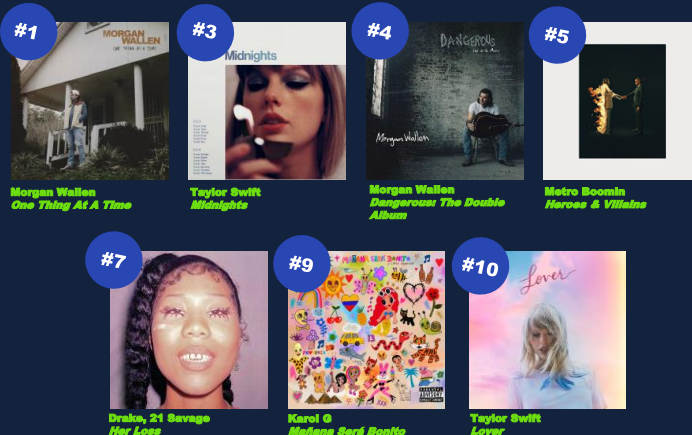
# H1 2023 U.S. SUCCESS

## TOP ALBUMS

**7** OF THE **TOP 10**  
ALBUMS IN 2023 IN THE U.S.

INCLUDING

**4** OF THE **TOP 5**



## TOP SONGS

**6** OF THE **TOP 10**  
SONGS IN 2023 IN THE U.S.

INCLUDING

**No. 1**



## TOP ALBUM DEBUTS

**5** OF THE **TOP 5**  
ALBUM DEBUT WEEKS IN 2023 IN THE U.S.



Source: Luminate.

# H1 2023 U.K. SUCCESS

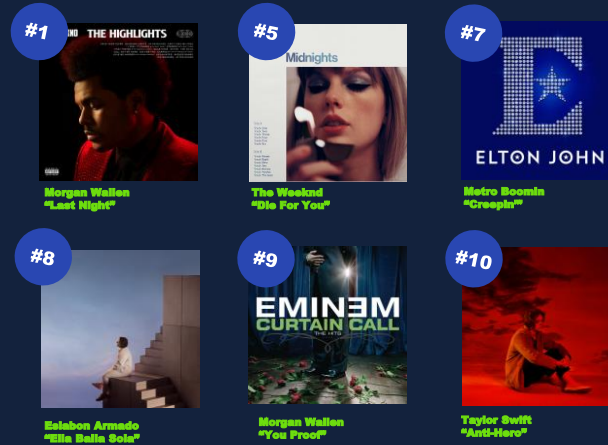
## TOP ARTISTS

**6** OF THE **TOP 10**  
ARTISTS IN 2023 IN THE U.K.



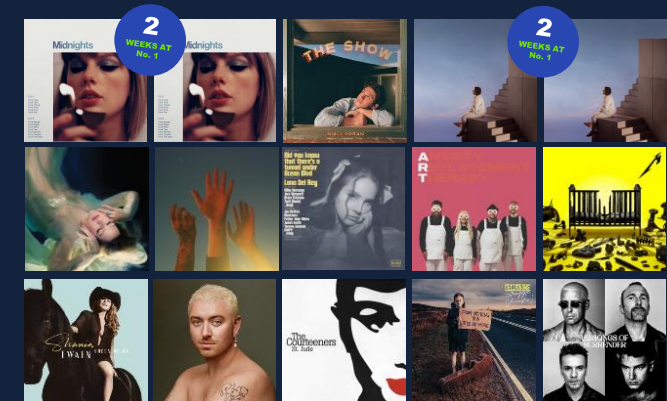
## TOP ALBUMS

**6** OF THE **TOP 10**  
ALBUMS IN 2023 IN THE U.K.



## TOP ALBUMS

UMG ARTISTS HELD  
THE No.1 POSITION FOR  
**15** OF THE **26** CHART WEEKS



Source: Official Charts Company (OCC)

# H1 2023 JAPAN SUCCESS

## TOP SELLING ARTIST

### KING & PRINCE

#1



## TOP NEW ARTISTS

### #1 LE SSERAFIM



### TRAVIS JAPAN



Source: Oricon mid-year charts 2023

# KEY LATIN SIGNINGS

**KAROL G**



**KAROL G SIGNS WITH  
INTERSCOPE RECORDS**

*1<sup>st</sup> Woman To Debut No. 1 on Billboard 200  
with Spanish-Language Album*

**ANITTA**



**ANITTA SIGNS TO  
REPUBLIC RECORDS**

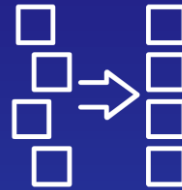
*1<sup>st</sup> Solo Latin Artist to Reach No. 1  
on Spotify Globally*



# ARTIST CENTRIC MODEL



**BETTER VALUES**  
**ARTISTRY AND THE**  
**ARTIST / FAN**  
**RELATIONSHIP**



**GREATER**  
**ALIGNMENT**  
**BETWEEN**  
**ARTISTS**  
**AND PLATFORMS**



**ENHANCED PLATFORM**  
**VALUE, ACCELERATED**  
**GROWTH, BETTER**  
**SUBSCRIBER**  
**ECONOMICS**

# DRIVING PRESENCE IN HIGH-GROWTH MARKETS

**SIGN & DEVELOP**

**SIGN AND  
DEVELOP  
LOCAL ARTISTS**

**PARTNER**

**PARTNER WITH  
LOCAL LABELS**  
**& PROVIDE THEM WITH GLOBAL  
PROMOTION, DISTRIBUTION AND A  
FULL SUITE OF ARTIST SERVICES**

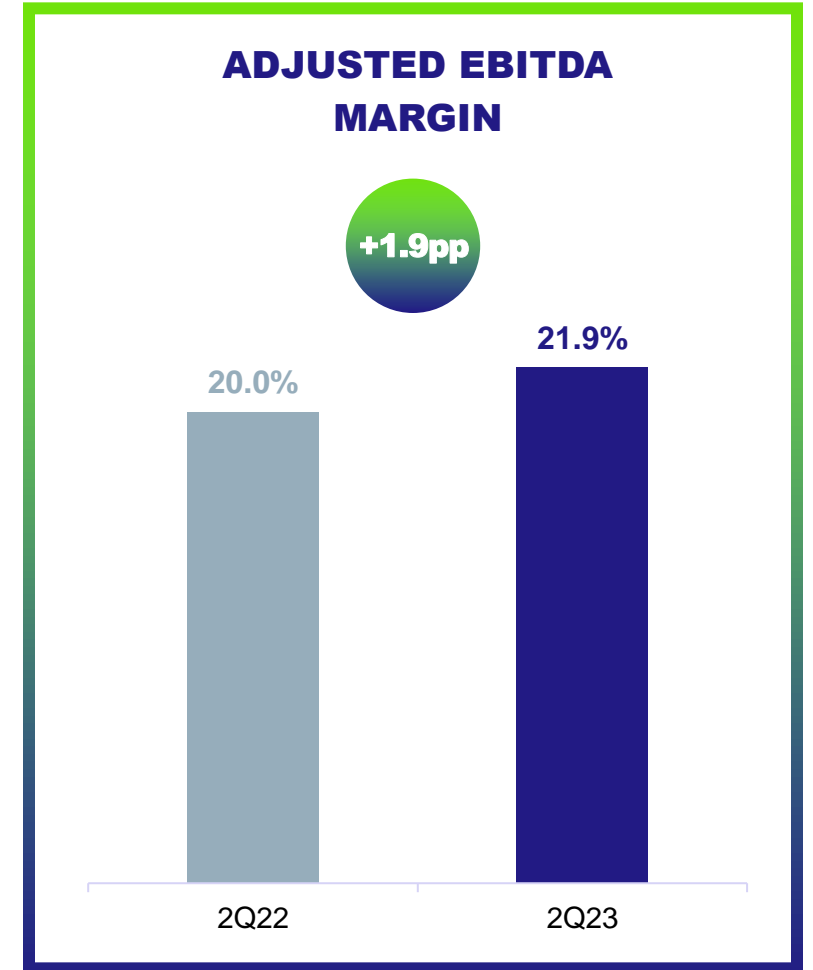
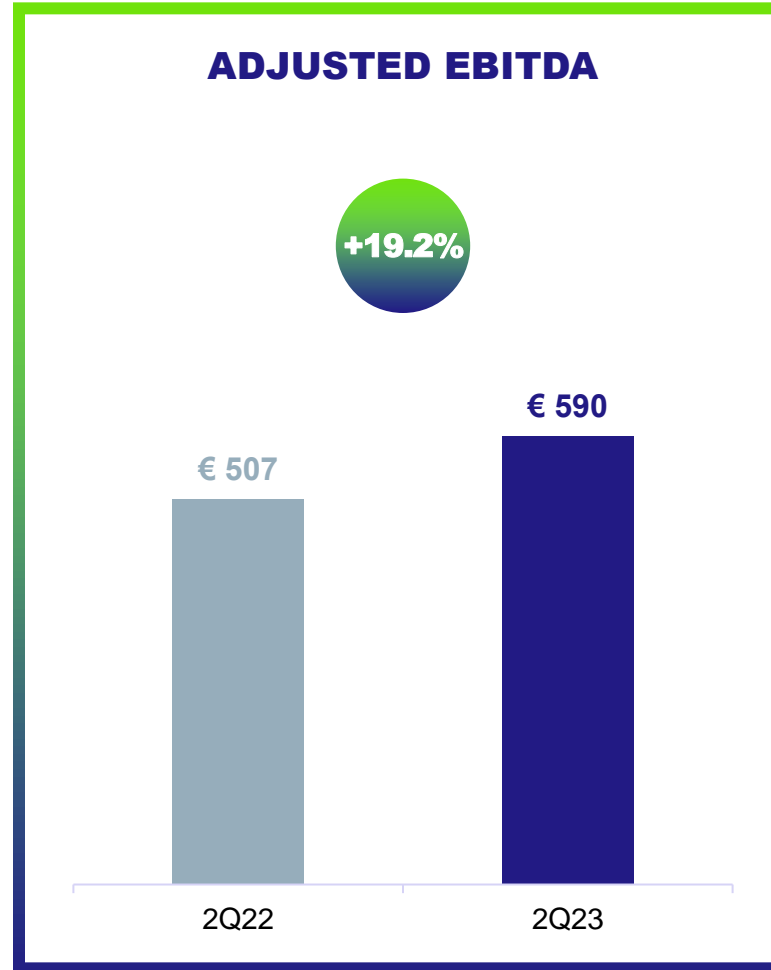
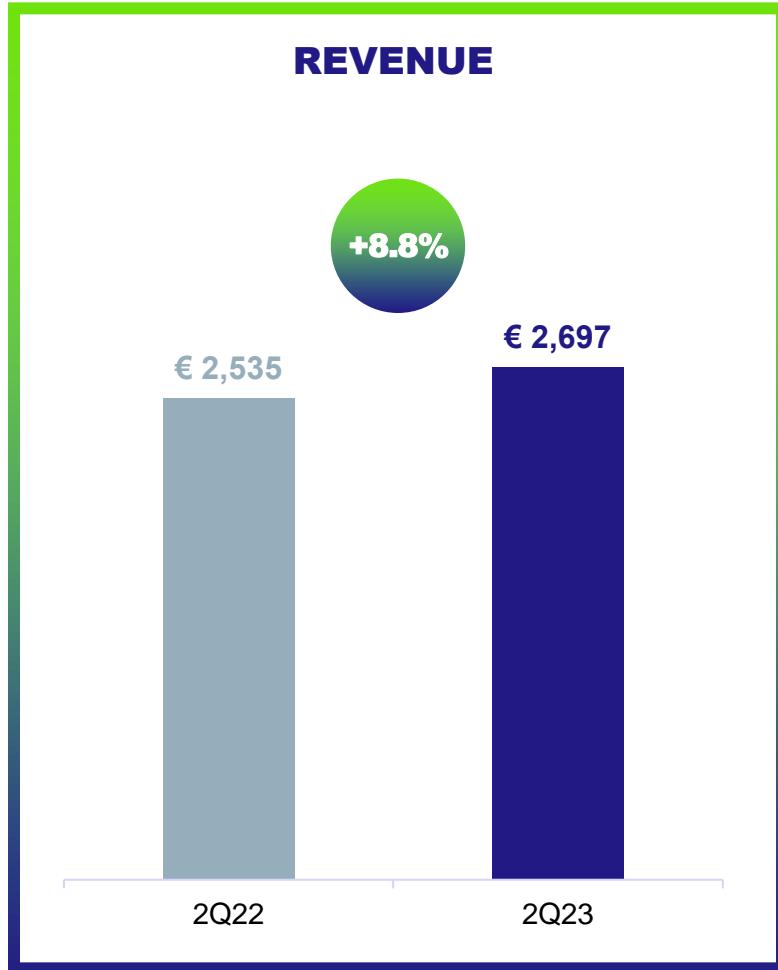
**ACQUIRE**

**ACQUIRE  
LOCAL LABELS,  
CATALOGS &  
ARTIST SERVICES  
BUSINESSES**

**BOYD MUIR**

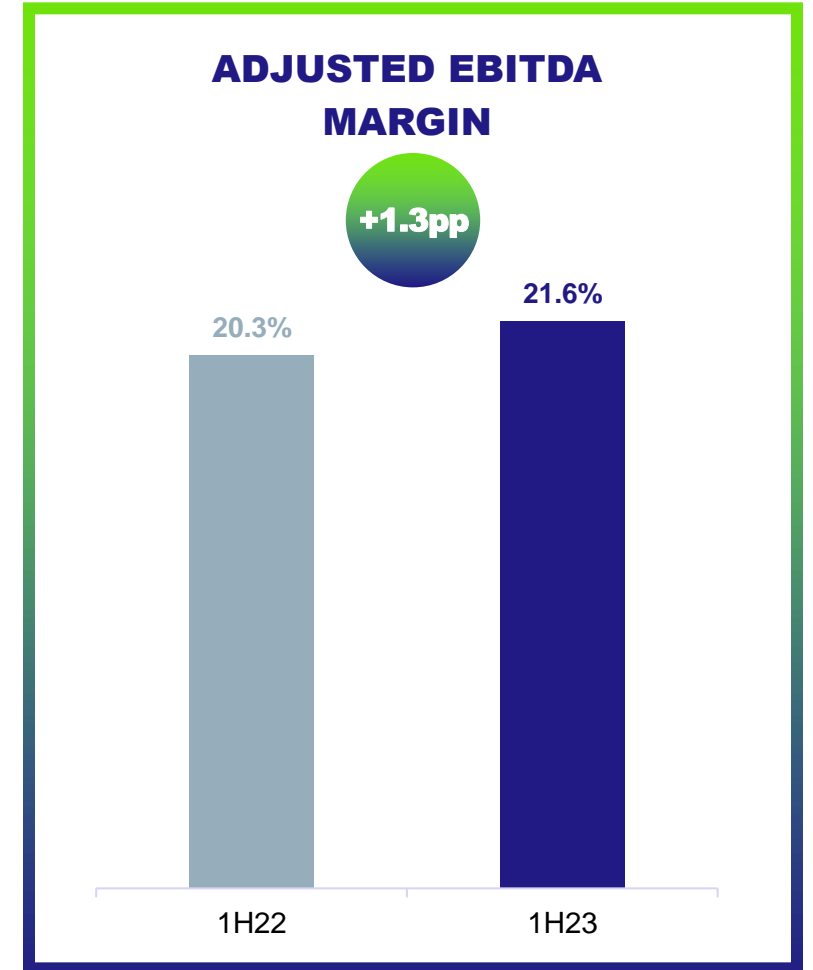
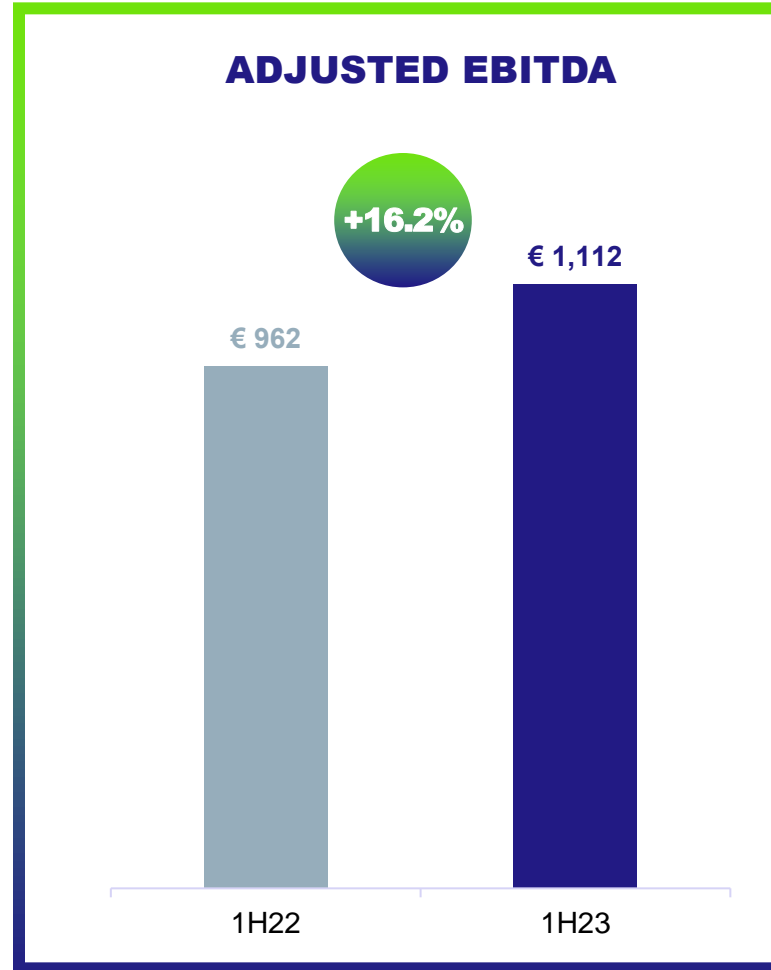
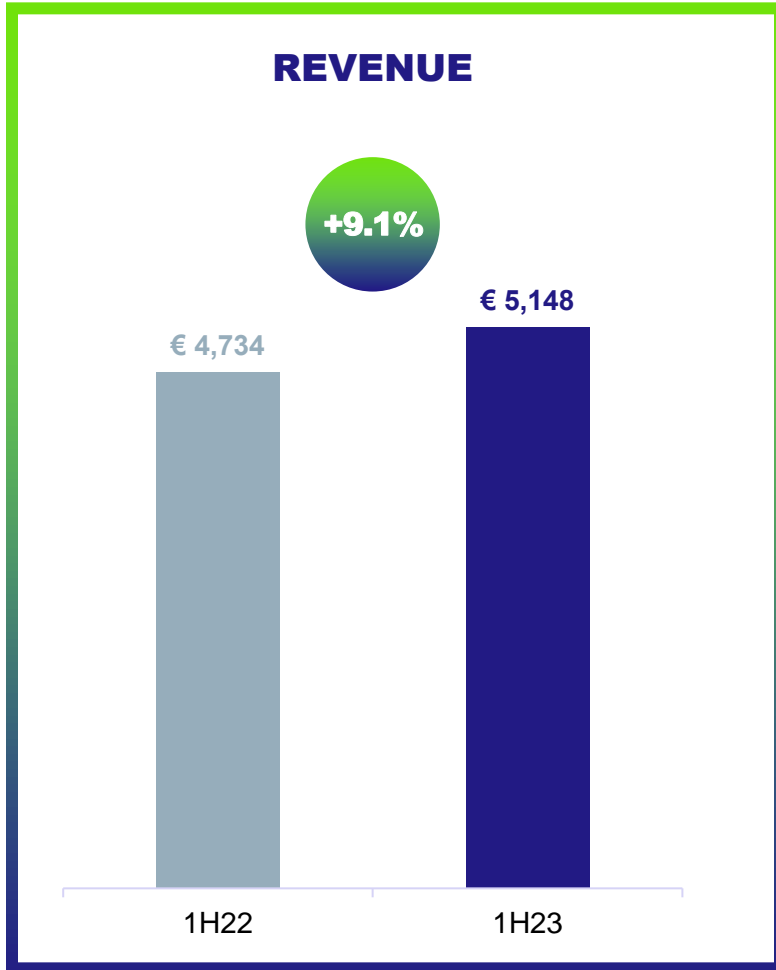
**EVP, CFO &  
PRESIDENT OF OPERATIONS**

# 2Q23 CONSOLIDATED RESULTS



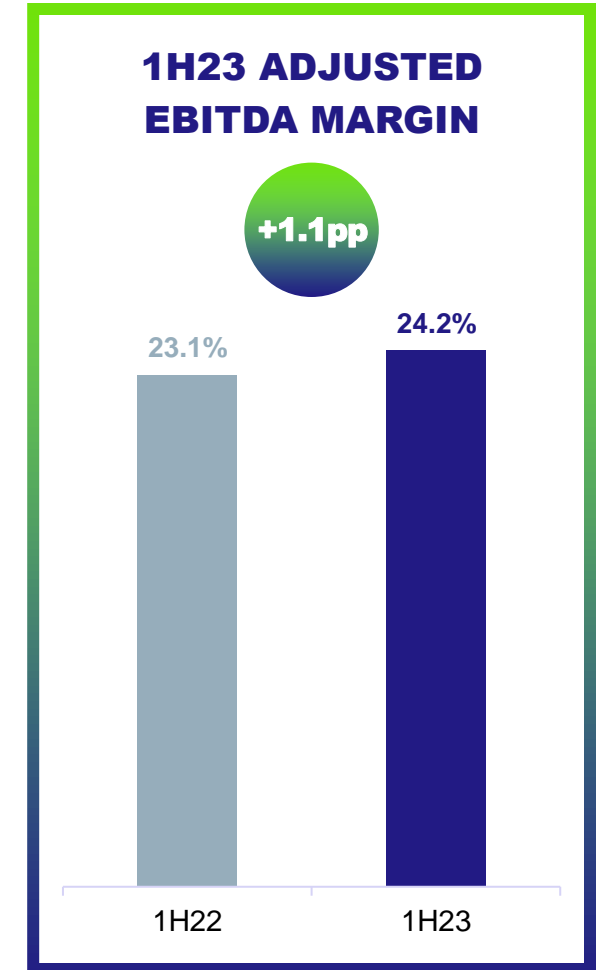
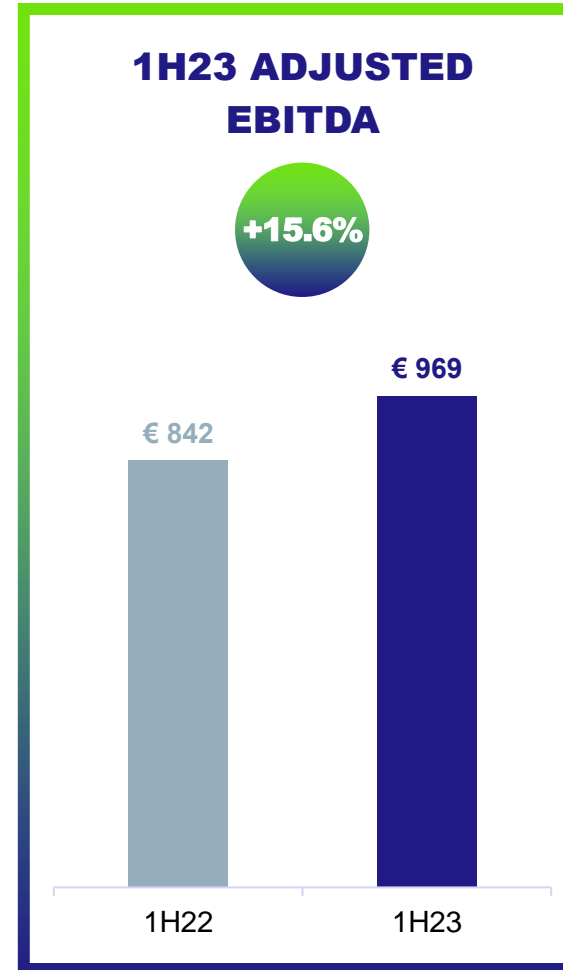
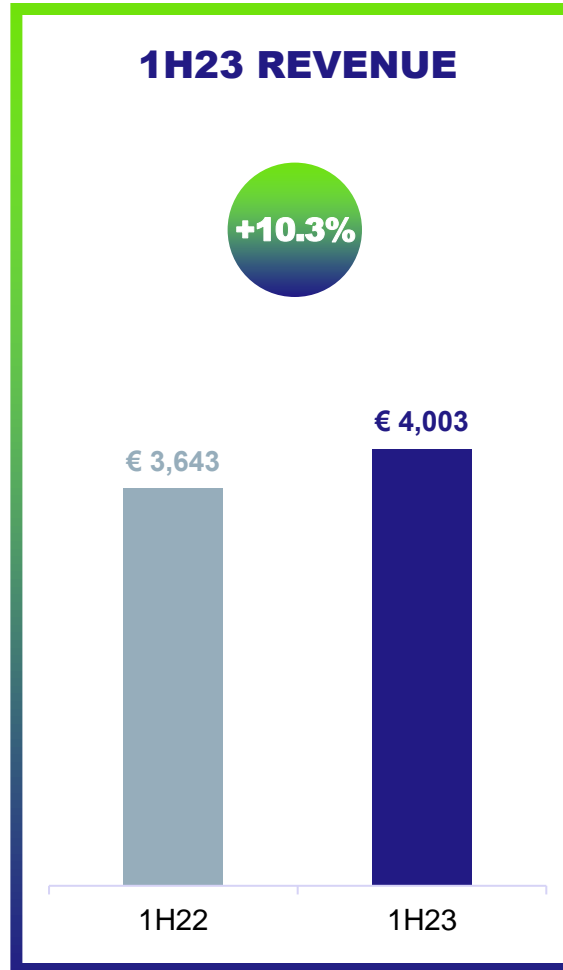
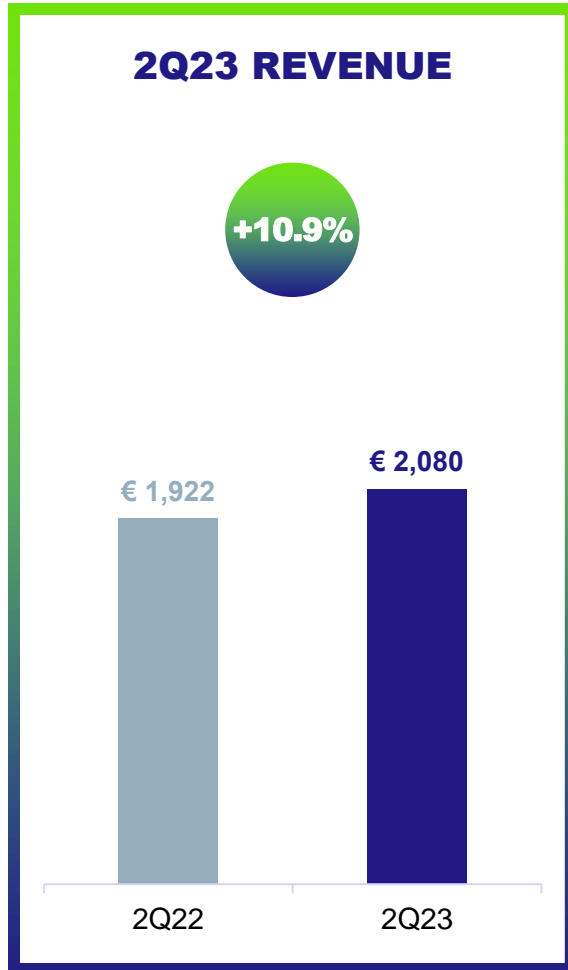
Note: € in Millions; Revenue and Adjusted EBITDA growth in constant currency.

# 1H23 CONSOLIDATED RESULTS



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

# RECORDED MUSIC

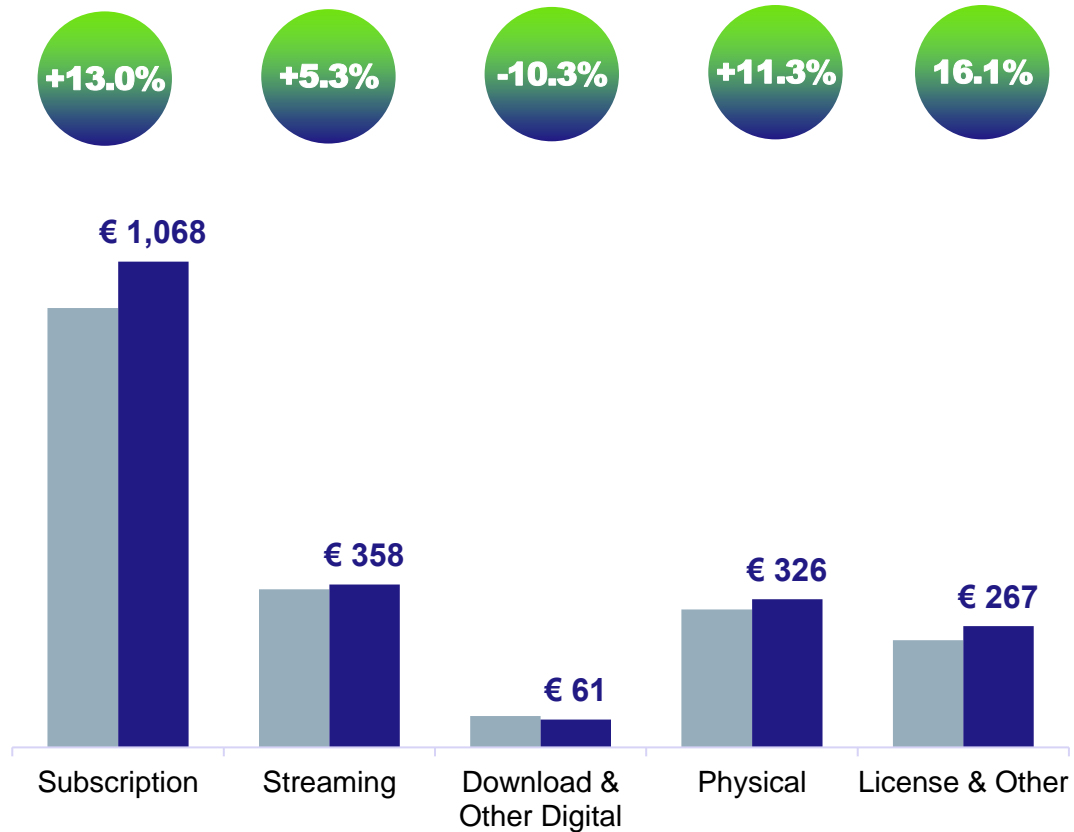


Note: € in Millions; All growth rates are in constant currency.

# RECORDED MUSIC REVENUE

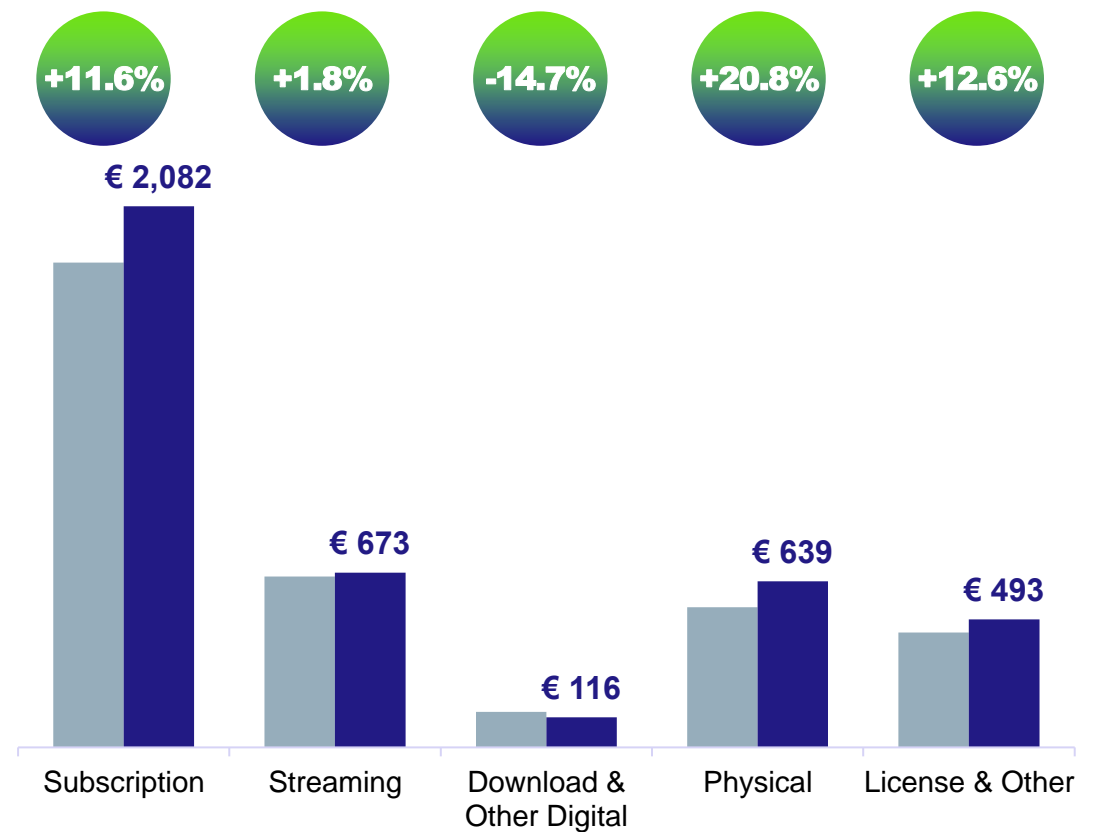
## 2Q23 REVENUE BREAKDOWN

■ 2Q22 ■ 2Q23



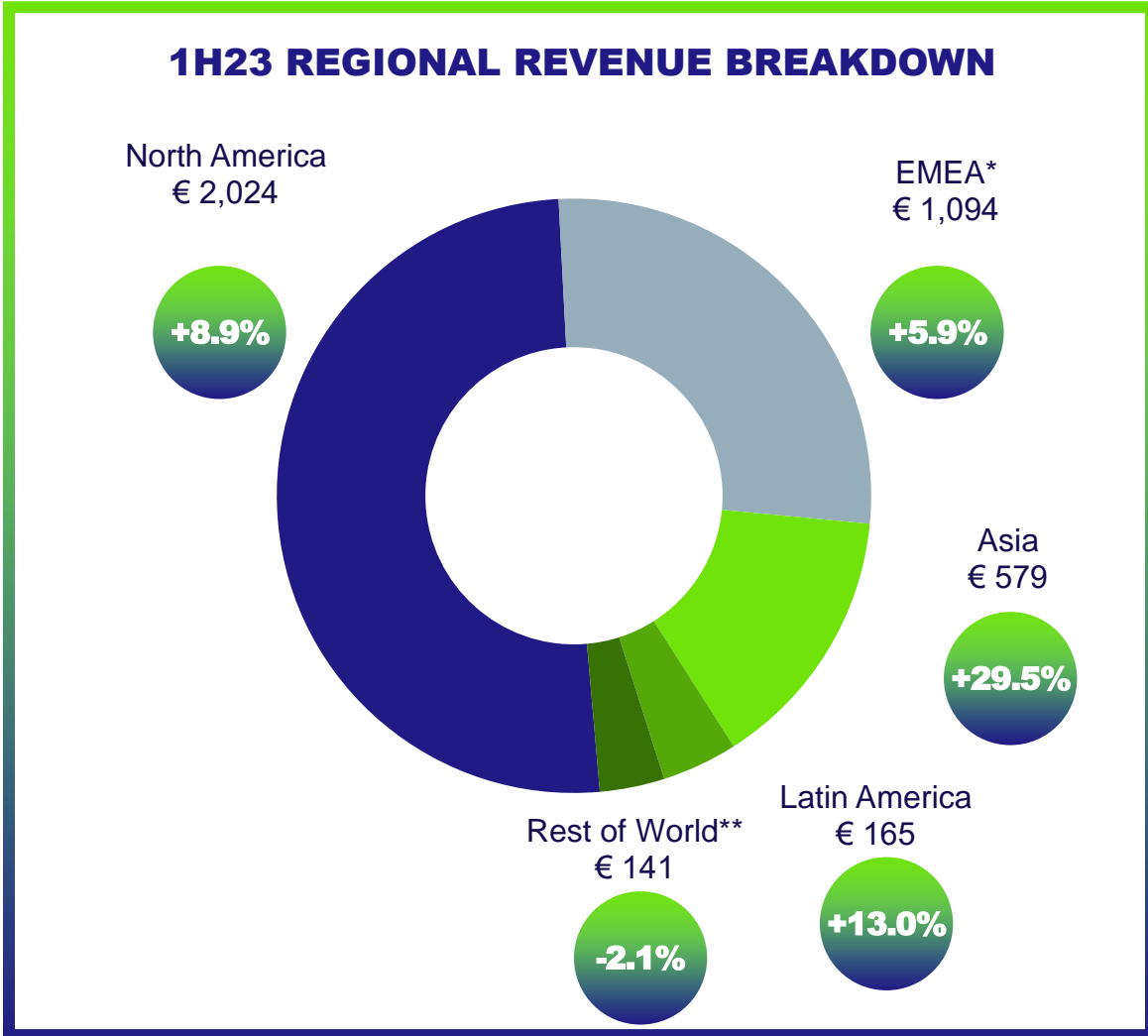
## 1H23 REVENUE BREAKDOWN

■ 1H22 ■ 1H23



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

# RECORDED MUSIC REVENUE



Note: € in Millions; All growth rates are in constant currency.  
 \*EMEA previously labeled as Europe in past reports. Countries included in this category have not been changed.  
 \*\*Rest of World includes Australia and New Zealand as well as corporate centers.

UNIVERSAL MUSIC GROUP

# TOP SELLERS

## 1H23

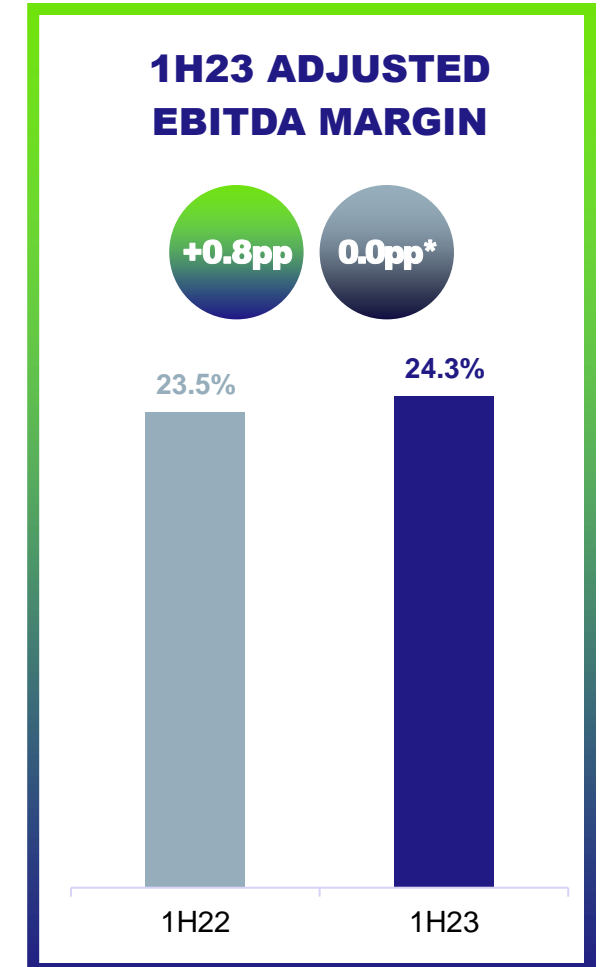
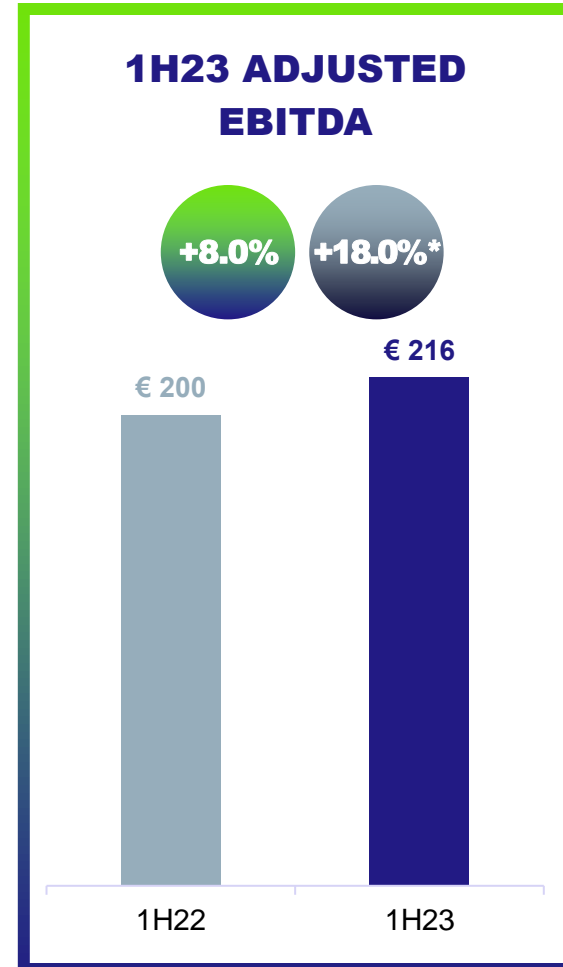
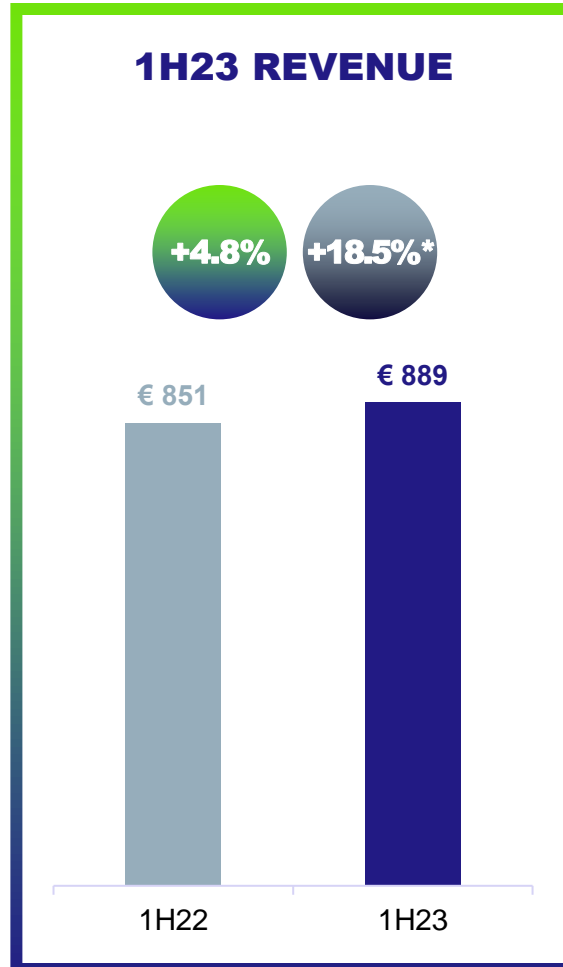
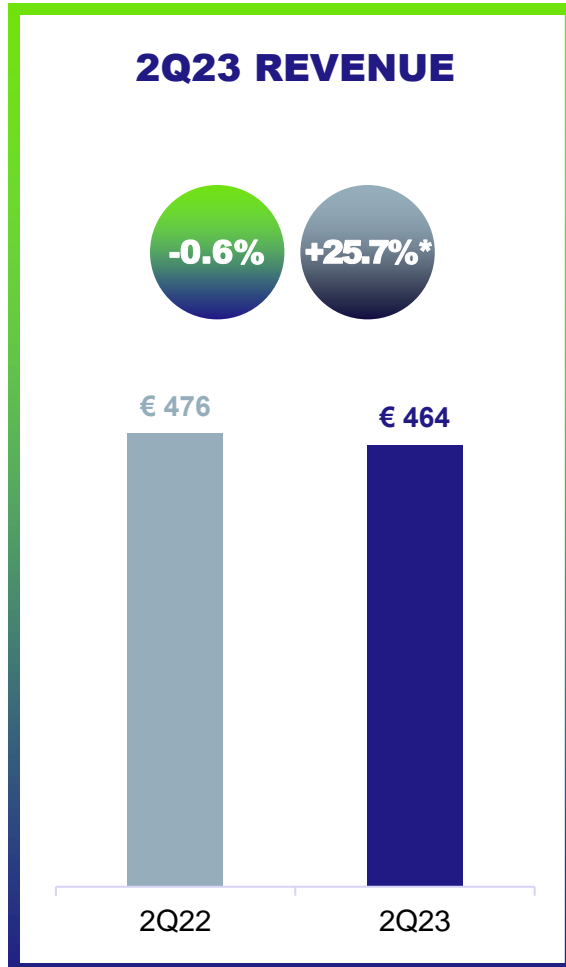
<b>King &amp; Prince</b> Mr. 5	<b>Morgan Wallen</b> One Thing at a Time	<b>King &amp; Prince</b> First Dome Tour	<b>Taylor Swift</b> Midnights	<b>King &amp; Prince</b> Arena Tour 2022
<b>Metro Boomin</b> Mr. 5	<b>TOMORROW X TOGETHER</b> TEMPTATION	<b>Karol G</b>	<b>The Weeknd</b> STARBOY	<b>Morgan Wallen</b> Dangerous

## 1H22

<b>BTS</b>	<b>Encanto OST</b>	<b>Olivia Rodrigo</b>	<b>The Weeknd</b>	<b>King &amp; Prince</b> Re:Sense
<b>Morgan Wallen</b> Dangerous	<b>King &amp; Prince</b> Made in	<b>Rammstein</b>	<b>Justin Bieber</b>	<b>Drake</b>



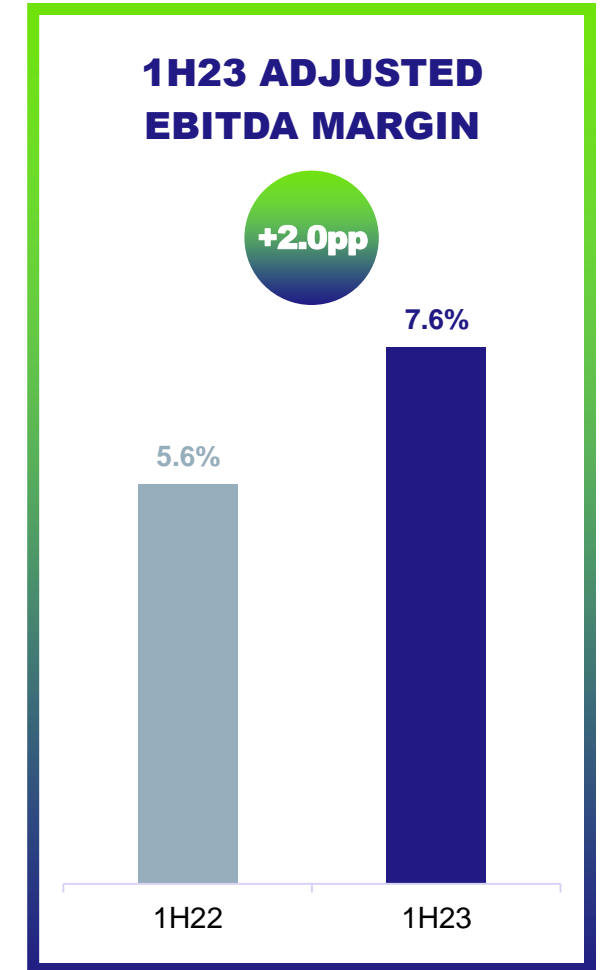
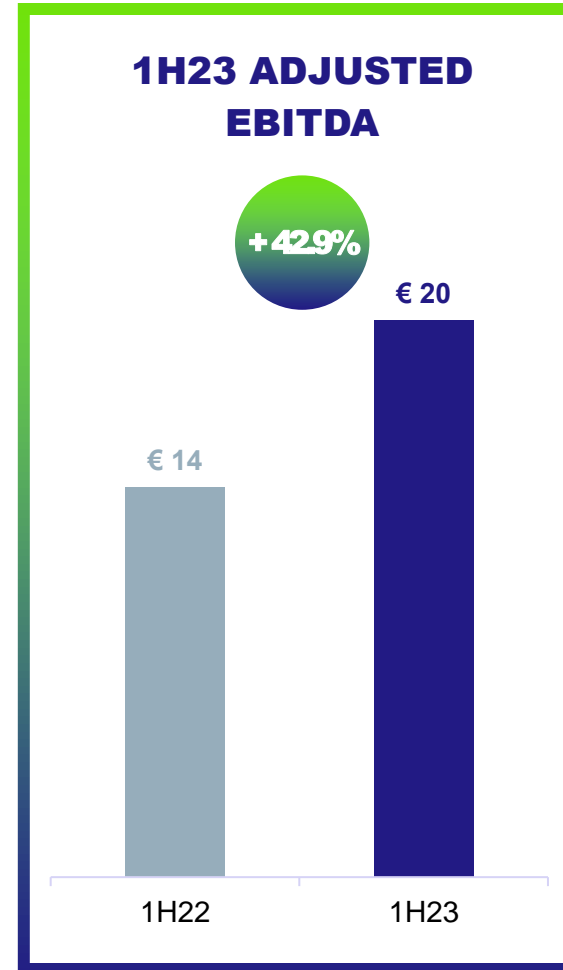
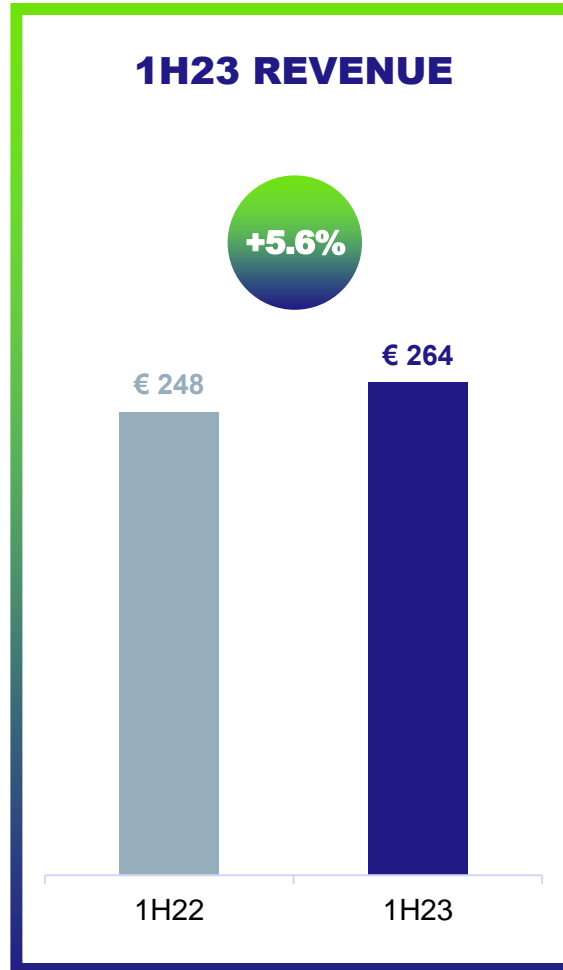
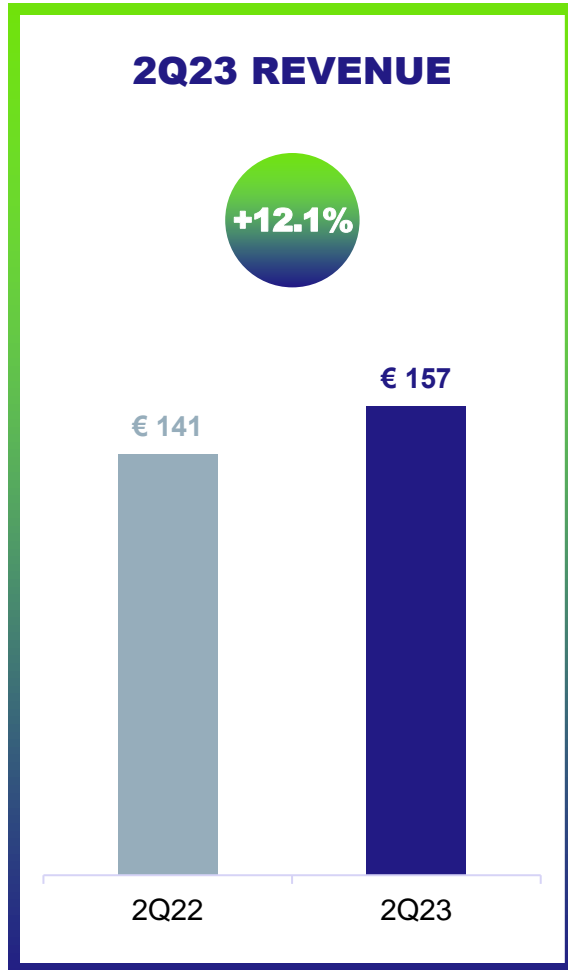
# MUSIC PUBLISHING



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

\*Adjusted to exclude unusual impact of prior-year benefit from Change in Society Accounting.

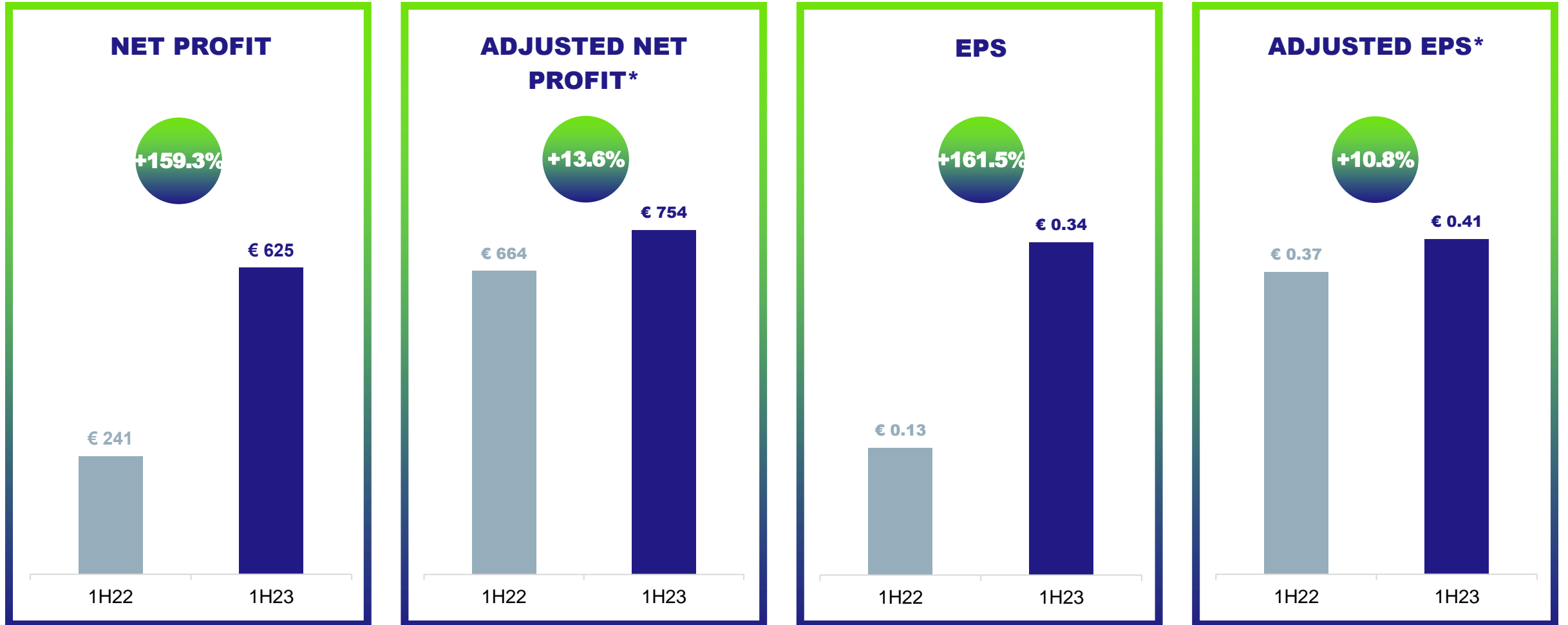
# MERCHANDISING & OTHER



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

# 1H23 NET PROFIT AND EPS

(NET PROFIT IN € MILLIONS)

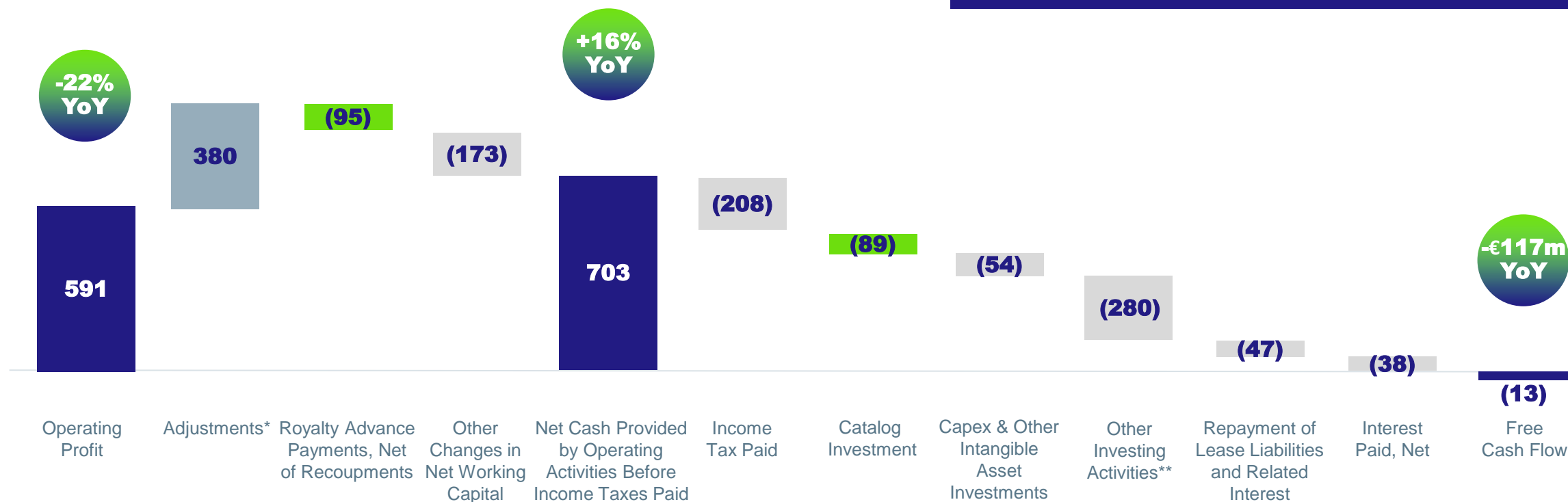


Note: Net Profit € Millions; All growth rates are YoY as reported.

\* 2022 restated amounts are presented in the reconciliation of Adjusted net profit and Adjusted net profit per share in the 2023 Interim Financial Review.

# 1H23 FREE CASH FLOW

- Strong growth in operating cash flow funds long-term strategic M&A and other investment in the business
- €125m taxes paid to cover employee withholding on transition grants to lessen dilutive impact of equity plan
- Dividend policy: At least 50% of adjusted net income
- 1H23 interim dividend proposal: €437m (€0.24/share)



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

\*Adjustments include €220m for share-based compensation (€345m of non-cash share-based compensation expense offset by €125m of taxes withheld on behalf of employees), amortization and depreciation of intangible assets, change in provisions, income/(loss) from equity affiliates, gain/(loss) on sale of assets and other non-recurring items.

\*\*Other investing activities includes acquisition of 50% stake in entity that owns Capitol Records building, strategic acquisitions of a brand services company and a niche record label, and cash put into escrow for a catalog acquisition, among other items.

# Q&A

**SIR LUCIAN GRAINGE**

**CHAIRMAN AND CEO**

**BOYD MUIR**

**EVP, CFO & PRESIDENT OF OPERATIONS**

**MICHAEL NASH**

**EVP, CHIEF DIGITAL OFFICER**