



## Universal Music Group N.V. Reports Financial Results for the Second Quarter and Half Year Ended June 30, 2024

### Q2 2024 Results Highlights<sup>1</sup>

- Revenue of €2,932 million increased 8.7% year-over-year, or 9.6% in constant currency, driven by growth across all segments
- Recorded Music revenue grew 5.8% year-over-year, or 6.8% in constant currency, while Music Publishing grew 10.1% year-over-year, or 10.4% in constant currency and Merchandising grew 44.6% year-over-year, or 43.7% in constant currency
- Recorded Music subscription revenue grew 6.5% year-over-year, or 6.9% in constant currency and streaming revenue decreased 4.2% year-over-year, or 3.9% in constant currency, while physical revenue grew 9.5% year-over-year, or 14.4% in constant currency and license and other revenue grew 18.0% year-over-year on both a reported and constant currency basis
- Adjusted EBITDA of €649 million increased 10.0% year-over-year, or 11.3% in constant currency, and Adjusted EBITDA margin expanded 0.2 percentage points to 22.1%
- Recorded Music top sellers included Taylor Swift, Billie Eilish, SEVENTEEN, Morgan Wallen and Ae! group

### H1 2024 Results Highlights<sup>1</sup>

- Revenue of €5,526 million increased 7.3% year-over-year, or 8.8% in constant currency, driven by growth across all segments
- Recorded Music revenue grew 4.7% year-over-year, or 6.3% in constant currency, while Music Publishing grew 13.4% year-over-year, or 14.3% in constant currency and Merchandising grew 29.2% year-over-year, or 29.7% in constant currency
- Recorded Music subscription revenue grew 8.5% year-over-year, or 9.6% in constant currency and streaming revenue grew 1.8% year-over-year, or 2.5% in constant currency, while physical revenue declined 4.2% year-over-year, but grew 0.3% in constant currency and license and other revenue grew 9.3% year-over-year, or 10.2% in constant currency
- Adjusted EBITDA of €1,240 million increased 11.5% year-over-year, or 13.4% in constant currency, and Adjusted EBITDA margin expanded 0.8 percentage points to 22.4%
- EPS of €0.50 per share compared to €0.34 in the first half of 2023 and Adjusted EPS of €0.44 per share compared to €0.42 in the first half of 2023
- Interim dividend of €439 million, or €0.24 per share

**Hilversum, The Netherlands, July 24, 2024** -- Universal Music Group N.V. ("UMG" or "the Company") today announced its financial results for the second quarter and half year ended June 30, 2024.

UMG's Chairman and CEO Sir Lucian Grainge said, "Our continued strong revenue growth this quarter demonstrates that we are, by design, a multifaceted music entertainment company that places our artists at the center of everything we do. Our unique structure, which is both innovative and constantly evolving, enables us to support our recording artists and songwriters with an ever-expanding array of revenue sources, reinforced by new products and the exciting next phase of development of streaming services."

<sup>1</sup> This press release includes certain alternative performance indicators which are not defined in the International Financial Reporting 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 Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements which is available on our website at [investors.universalmusic.com/reports](https://investors.universalmusic.com/reports).

“Our varied revenue streams, across both emerging and established businesses, allowed us to once again achieve high-single digit revenue growth and double-digit Adjusted EBITDA growth this quarter” said Boyd Muir, UMG's EVP, CFO and President of Operations. “We continue to invest into the growth we see ahead of us as we execute against our long-term strategic plan.”

## UMG Results

(in millions of euros)	Three Months Ended June 30,		%		Six Months Ended June 30,		%	
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Revenue	2,932	2,697	8.7%	9.6%	5,526	5,148	7.3%	8.8%
EBITDA	580	505	14.9%	17.4%	1,069	767	39.4%	43.5%
<i>EBITDA margin</i>	<i>19.8%</i>	<i>18.7%</i>	<i>1.1pp</i>		<i>19.3%</i>	<i>14.9%</i>	<i>4.4pp</i>	
Adjusted EBITDA	649	590	10.0%	11.3%	1,240	1,112	11.5%	13.4%
<i>Adjusted EBITDA margin</i>	<i>22.1%</i>	<i>21.9%</i>	<i>0.2pp</i>		<i>22.4%</i>	<i>21.6%</i>	<i>0.8pp</i>	
Operating profit					756	591	27.9%	32.4%
Net profit attributable to equity holders of the parent					914	625	46.2%	48.6%
Adjusted net profit					809	765	5.8%	
Net cash provided by operating activities before income tax paid					436	703	(38.0%)	
Free cash flow					(460)	(13)		
Weighted average number of shares outstanding					1,825	1,817		
EPS - basic					0.50	0.34		
EPS - diluted					0.49	0.34		
Adjusted EPS - basic					0.44	0.42		
Adjusted EPS - diluted					0.44	0.42		

(in millions of euros)	As at		YoY	%
	June 30, 2024	December 31, 2023		
	<i>(unaudited)</i>	<i>(audited)</i>		
Net Debt	(2,612)	(1,689)	54.6%	

*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.*

### Q2 2024 Results

Revenue for the second quarter of 2024 was €2,932 million, an increase of 8.7% year-over-year, or 9.6% in constant currency, driven by growth in the Recorded Music, Music Publishing and Merchandising and Other segments, as discussed further below.

EBITDA for the quarter improved 14.9% year-over-year, or 17.4% in constant currency, to €580 million. EBITDA margin was 19.8%, compared to 18.7% in the second quarter of 2023. EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €69 million during the second quarter of 2024, compared to €85 million during the second quarter of 2023. Excluding non-cash share-based compensation expenses, Adjusted EBITDA for the quarter was €649 million, up 10.0% year-over-year, or 11.3% in constant currency, and Adjusted EBITDA margin improved to 22.1%, compared to 21.9% in the second quarter of 2023, as a result of revenue growth and cost savings from the previously announced strategic organizational redesign, partially offset by the unfavourable impact of revenue mix resulting from a greater proportion of merchandising and physical sales.

### H1 2024 Results

In the half year ended June 30, 2024 ("H1 2024"), UMG's revenue increased to €5,526 million, up by 7.3%, or 8.8% in constant currency, compared to the half year ended June 30, 2023 ("H1 2023"). This increase was driven by improvements across all segments, as discussed further below.

Cost of revenues, consisting of artist and product costs, increased by €302 million to €3,113 million in H1 2024, reflecting higher revenue. Cost of revenue as a percentage of revenue increased to 56.3% in H1 2024 from 54.6% in H1 2023 primarily driven by a greater proportion of Music Publishing and Merchandising and Other revenues, which have a higher cost of revenues compared to Recorded Music, and in particular by higher product costs. Artist costs increased by €199 million to €2,584 million in H1 2024 from €2,385 million in H1 2023 driven by the increase in sales. As a percentage of revenues, artists costs increased to 46.8% in H1 2024 from 46.3% in H1 2023 on higher relative costs from both Music Publishing and Merchandising and Other. Product costs increased by €103 million to €529 million in H1 2024 from €426 million in H1 2023 reflecting the growth in revenues. Product costs as a percentage of revenues increased to 9.6% from 8.3% driven primarily by the higher proportion of merchandising sales.

EBITDA of €1,069 million improved 39.4% year-over-year, or 43.5% in constant currency, and EBITDA margin was 19.3% compared to 14.9% in H1 2023. EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €171 million during H1 2024 and €345 million during H1 2023. Excluding these amounts, Adjusted EBITDA was €1,240 million, up 11.5% year-over-year, or 13.4% in constant currency, and Adjusted EBITDA margin expanded 0.8pp year-over-year to 22.4% driven by revenue growth and cost savings from the previously announced strategic organizational redesign, partially offset by the higher cost of revenues discussed above.

Operating profit improved 27.9% year-over-year, or 32.4% in constant currency, to €756 million due to the improved revenues and lower non-cash share-based compensation expenses in H1 2024 compared to H1 2023 as discussed above. This was partially offset by the increase in restructuring charges that were €113 million in H1 2024 compared to €15 million in H1 2023 as a result of the strategic organizational redesign.

Net profit attributable to equity holders of the parent in H1 2024 amounted to €914 million compared to €625 million in H1 2023, resulting in EPS of €0.50 in H1 2024, compared to €0.34 in H1 2023. The improvement in net profit attributable to equity holders of the parent was due to the improvement in operating profit and the variance in revaluation of investments in listed and other companies (including Spotify and Tencent Music Entertainment, among others) that was a net income in H1 2024 of €566 million compared to a net income in H1 2023 of €313 million. Adjusted net profit, which adjusts for the revaluation of investments, non-cash share-based compensation expense, amortization of catalogues, restructuring charges and other items, amounted to €809 million in H1 2024, compared to €765 million in H1 2023, resulting in Adjusted EPS of €0.44 in H1 2024, compared to €0.42 in H1 2023.

Net cash provided by operating activities before income tax paid decreased 38.0% to €436 million compared to €703 million in H1 2023 due predominately to the increase in royalty advance payments, net of recoupments, which was €315 million in H1 2024 compared to €95 million in H1 2023, due to the timing of certain major artist deal renewals and extensions, partially offset by the increase in recoupment.

Cash paid for catalogue acquisitions was €96 million in H1 2024 compared to €89 million in H1 2023 and included the completion of a catalogue acquisition for which the cash had been previously paid into escrow. In addition, the Company continued to strategically invest in the long-term growth of the business, with the previously disclosed investments in Chord Music Partners, NTRWK and Mavin Global during H1 2024. As a result, Free cash flow decreased to a €460 million outflow in H1 2024 compared to a €13 million outflow in H1 2023.

In line with UMG's dividend policy to pay a dividend of at least 50% of adjusted net profit, UMG's Board of Directors declared an interim dividend for H1 2024 of €439 million, or €0.24 per share. The ex-dividend date will be on October 2, 2024, the record date will be on October 3, 2024 and the payment date will be on October 25, 2024.

Net debt at the end of H1 2024 was €2,612 million compared to €1,689 million at the end of 2023. The increase in net debt was primarily used to fund investing activities and dividends partially offset by cash generated by operating activities.

## Recorded Music

(in millions of euros)	Three Months Ended June 30,		%	%	Six Months Ended June 30,		%	%
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Subscriptions and streaming	1,480	1,426	3.8%	4.1%	2,945	2,755	6.9%	7.9%
of which streaming	343	358	(4.2%)	(3.9%)	685	673	1.8%	2.5%
of which subscription	1,137	1,068	6.5%	6.9%	2,260	2,082	8.5%	9.6%
Downloads and other digital	48	61	(21.3%)	(18.6%)	94	116	(19.0%)	(16.8%)
Physical	357	326	9.5%	14.4%	612	639	(4.2%)	0.3%
License and other	315	267	18.0%	18.0%	539	493	9.3%	10.2%
<b>Recorded Music revenues</b>	<b>2,200</b>	<b>2,080</b>	<b>5.8%</b>	<b>6.8%</b>	<b>4,190</b>	<b>4,003</b>	<b>4.7%</b>	<b>6.3%</b>
EBITDA					959	698	37.4%	41.4%
EBITDA margin					22.9%	17.4%	5.5pp	
Adjusted EBITDA					1,065	969	9.9%	11.9%
Adjusted EBITDA margin					25.4%	24.2%	1.2pp	

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

### Q2 2024

Recorded Music revenue for the second quarter of 2024 was €2,200 million, up 5.8% compared to the second quarter of 2023, or 6.8% in constant currency. Subscription revenue grew 6.5% year-over-year, or 6.9% in constant currency, driven primarily by the growth in global subscribers as well as the impact of certain price increases. Streaming revenue declined 4.2% year-over-year, or 3.9% in constant currency, due to a deceleration in growth at key advertising-based platform partners as well as shortfalls on certain platforms related to the timing of deal renewals. Physical revenue increased by 9.5% year-over-year, or 14.4% in constant currency, due to a favorable release schedule driving vinyl sales in the U.S. and Europe, which more than offset a difficult comparison against last year's strong CD sales in Japan. Downloads and other digital revenue declined 21.3% year-over-year, or 18.6% in constant currency, as download sales continued their industry-wide decline. License and other revenue improved 18.0% year-over-year on both a reported and constant currency basis, as a result of improvements in synchronization income, greater live and audiovisual production income and increased direct-to-consumer related activities. Top sellers for the quarter included releases from Taylor Swift, Billie Eilish, SEVENTEEN, Morgan Wallen and Ae! group, while top sellers in the prior-year quarter included King & Prince, Morgan Wallen, SEVENTEEN, Taylor Swift and Stray Kids.

### H1 2024

Recorded Music revenue in H1 2024 was €4,190 million, up 4.7% compared to H1 2023, or 6.3% in constant currency.

Subscription revenue grew 8.5% year-over-year, or 9.6% in constant currency. Streaming revenue grew 1.8% year-over-year, or 2.5% in constant currency. Physical revenue declined 4.2% year-over-year, but grew 0.3% in constant currency. Downloads and other digital revenue decreased by 19.0% year-over-year, or 16.8% in constant currency. License and other revenue improved 9.3% year-over-year, or 10.2% in constant currency. Top sellers for H1 2024 included Taylor Swift, Morgan Wallen, Noah Kahan, Billie Eilish and Ariana Grande, while top sellers for H1 2023 included King & Prince, Morgan Wallen, Taylor Swift, Metro Boomin and TOMORROW X TOGETHER.

Recorded Music EBITDA of €959 million improved 37.4% year-over-year, or 41.4% in constant currency, while Recorded Music EBITDA margin increased 5.5pp to 22.9% from 17.4% in H1 2023. Recorded Music EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €106 million in H1 2024 and €271 million in H1 2023. Excluding non-cash share-based compensation, Recorded Music Adjusted EBITDA in H1 2024 was €1,065 million, up 9.9% year-over-year, or 11.9% in constant currency, and Recorded Music Adjusted

EBITDA margin improved 1.2pp to 25.4% from 24.2% in H1 2023 driven by the growth in revenue, operating leverage and cost savings from the strategic organizational redesign.

## Music Publishing

(in millions of euros)	Three Months Ended June 30,		%		Six Months Ended June 30,		%	
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Performance	100	97	3.1%	4.2%	214	187	14.4%	15.7%
Synchronisation	61	60	1.7%	1.7%	124	129	(3.9%)	(3.1%)
Digital	311	264	17.8%	17.4%	595	495	20.2%	20.7%
Mechanical	26	29	(10.3%)	(10.3%)	51	52	(1.9%)	(1.9%)
Other	13	14	(7.1%)	0.0%	24	26	(7.7%)	0.0%
<b>Music Publishing revenues</b>	<b>511</b>	<b>464</b>	<b>10.1%</b>	<b>10.4%</b>	<b>1,008</b>	<b>889</b>	<b>13.4%</b>	<b>14.3%</b>
EBITDA					229	186	23.1%	23.8%
<i>EBITDA margin</i>					22.7%	20.9%	1.8pp	
Adjusted EBITDA					241	216	11.6%	12.1%
<i>Adjusted EBITDA margin</i>					23.9%	24.3%	(0.4pp)	

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

### Q2 2024

Music Publishing revenue in the second quarter of 2024 was €511 million, up 10.1% year-over-year, or 10.4% in constant currency. Digital revenue improved 17.8% year-over-year, or 17.4% in constant currency due to the growth in streaming and subscription revenue and the timing of deals. Performance revenue grew 3.1% year-over-year, or 4.2% in constant currency and Synchronization revenue improved 1.7% year-over-year on both a reported and constant currency basis. Mechanical revenue declined 10.3% both year-over-year and in constant currency as a result of the industry's continued shift towards digital formats.

### H1 2024

Music Publishing revenue amounted to €1,008 million in H1 2024, up 13.4% year-over-year, or 14.3% in constant currency, as a result of the continued organic growth in streaming and subscription revenue and improvement in performance revenue.

Music Publishing EBITDA of €229 million improved 23.1% year-over-year, or 23.8% in constant currency, while Music Publishing EBITDA margin increased 1.8pp to 22.7% from 20.9% in H1 2023. Music Publishing EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €12 million in H1 2024 and €30 million in H1 2023. Excluding non-cash share-based compensation, Music Publishing Adjusted EBITDA was €241 million in H1 2024, up 11.6% year-over-year, or 12.1% in constant currency. Music Publishing Adjusted EBITDA margin declined 0.4pp to 23.9% from 24.3% in H1 2023 driven by revenue and repertoire mix.

## Merchandising and Other

(in millions of euros)	Three Months Ended June 30,		%	%	Six Months Ended June 30,		%	%
	2024	2023	YoY	const.	2024	2023	YoY	const.
	<i>(unaudited)</i>	<i>(unaudited)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>		
Merchandising and other revenues	227	157	44.6%	43.7%	341	264	29.2%	29.7%
EBITDA					18	17	5.9%	5.9%
EBITDA margin					5.3%	6.4%	(1.1pp)	
Adjusted EBITDA					18	20	(10.0%)	(10.0%)
Adjusted EBITDA margin					5.3%	7.6%	(2.3pp)	

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

### Q2 2024

Merchandising and Other revenue in the second quarter of 2024 was €227 million, up 44.6% year-over-year, or 43.7% in constant currency, driven by growth in direct-to-consumer sales and higher touring merchandise sales as a result of strong touring activity in the period.

### H1 2024

Merchandising and Other revenue grew to €341 million in H1 2024, up 29.2% year-over-year, or 29.7% in constant currency, driven by the growth in touring merchandise sales and direct-to-consumer sales.

Merchandising and Other EBITDA of €18 million grew 5.9%, year-over-year on both a reported and constant currency basis, while Merchandising and Other EBITDA margin declined 1.1pp to 5.3% from 6.4% in H1 2024. Merchandising and Other EBITDA and EBITDA margin were impacted by non-cash share-based compensation expenses of €3 million H1 2023. Merchandising and Other Adjusted EBITDA in H1 2024 was €18 million, down 10.0% year-over-year on both a reported and constant currency basis and Merchandising and Other Adjusted EBITDA margin decreased by 2.3pp to 5.3% as a result of higher relative artist costs due to artist mix.

## Conference Call Details

The Company will host a conference call to discuss these results on July 24, 2024 at 6:15PM CEST. A link to the live audio webcast will be available on [investors.universalmusic.com](https://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](https://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, 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 our 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.

## Alternative Performance Indicators

This press release includes certain alternative performance indicators which are not defined in 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 Interim Financial Review and Unaudited Condensed Consolidated Interim Financial Statements which is available on our website at [investors.universalmusic.com/reports](https://investors.universalmusic.com/reports).

## 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](https://www.universalmusic.com).

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## Upcoming Calendar

### Capital Markets Day

September 17, 2024 (additional details available at [investors.universalmusic.com](https://investors.universalmusic.com) )