Houlihan Lokey



The Future of Audio

Audio Market Update

Fall 2024

Executive Summary

Houlihan Lokey is pleased to present its latest edition of The Future of Audio.

The rebuilding and transformation of the audio sector continues to be fueled by a digital replatforming and explosive growth in streaming. As the sector enters its next phase of growth—one focused on globalization, monetization expansion, and a growing creator class—it will simultaneously have to navigate a multifaceted relationship with AI. The industry is highly active, attracting investment and M&A from top-tier PE funds. We are encouraged by the momentum of this market and would look forward to discussing the content of this report with you. Please reach out to a team member listed to the right to schedule a call.

Topics Covered in This Report

- Overview of Houlihan Lokey and our team's credentials, including our deal track record and relevant industry expertise
- Key observations driving growth across the audio ecosystem
- Houlihan Lokey's proprietary audio landscape
- Current market and valuation environment, including public market performance and recent M&A/financing dashboard

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About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2023 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**352**
2	Rothschild & Co	349
3	Goldman Sachs & Co	300
3	JP Morgan	300
5	Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Markets Advisor

FINANCIAL RESTRUCTURING

2023 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**73**
2	PJT Partners Inc	64
3	Rothschild & Co	51
4	Lazard	37
5	Evercore Partners	27

Source: LSEG (formerly Refinitiv).

No. 1
Global Restructuring Advisor

1,700+
Restructuring Transactions Completed Valued at More Than $3.5 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

1999–2023 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,247**
2	JP Morgan	1,035
3	Duff & Phelps, A Kroll Business	977
4	UBS	884
5	Morgan Stanley	716

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1
Global M&A Fairness Opinion Advisor Over the Past 25 Years

2,000+
Annual Valuation Engagements



Learn more about how our advisors can serve your needs:

Corporate Finance →

Financial Restructuring →

Financial and Valuation Advisory →

Our Industry Coverage →



Global M&A Capabilities Bolstered by Local Presence

36
Offices in the Americas, Europe, the Middle East, and Asia-Pacific

600+
Cross-Border Deals Since 2011

AMERICAS	Atlanta	Los Angeles
	Baltimore	Miami
	Boston	Minneapolis
	Charlotte	New York
	Chicago	San Francisco
	Dallas	São Paulo
	Houston	Washington, D.C.
EUROPE AND MIDDLE EAST	Amsterdam	Milan
	Antwerp	Munich
	Dubai	Paris
	Frankfurt	Stockholm
	London	Tel Aviv
	Madrid	Zurich
	Manchester	
ASIA-PACIFIC	Beijing	Shanghai
	Fukuoka	Singapore
	Gurugram	Sydney
	Hong Kong SAR	Tokyo
	Mumbai	

Fully Integrated Global Capital Markets and Financial Sponsor Coverage Teams

Global Capital Markets

100+
Professionals Across 14 Offices in Six Countries

~$19B+
Capital Raised and Advised in FY2024

Senior-Level
Contact Into All Major Investors

Financial Sponsor Coverage

29
Senior Officers Dedicated to the Sponsor Community in the Americas and Europe

1,300+
Sponsors Covered, Providing Critical Knowledge of Buyer Behavior

800+
Companies Sold to Financial Sponsors Over the Past Five Years

Houlihan Lokey Is the **No. 1 Global Technology Advisor**

LEADING GLOBAL M&A ADVISOR

2023 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**352**
2	Rothschild	349
3	Goldman Sachs	300
3	JP Morgan	300
5	Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

2023 M&A Advisory Rankings
Global Transactions Under $1 Billion

	Advisor	Deals
1	**Houlihan Lokey**	**346**
2	Rothschild	308
3	Lazard	200
4	JP Morgan	187
5	Goldman Sachs	176

Source: LSEG (formerly Refinitiv). Excludes accounting firms and brokers.

PREEMINENT TECHNOLOGY M&A FRANCHISE

2023 M&A Advisory Rankings
All Global Technology Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**89**
2	Rothschild	76
3	JP Morgan	68
4	Goldman Sachs	63
5	Morgan Stanley	59

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

2023 M&A Advisory Rankings
U.S. Technology Transactions Under $1 Billion

	Advisor	Deals
1	**Houlihan Lokey**	**36**
2	Canaccord Genuity Grp	31
3	Lincoln International	25
4	Raymond James Financial	24
5	Generational Equity	20

Source: LSEG (formerly Refinitiv).

No. 1
M&A Advisor Globally

No. 1
M&A Advisor to Privately Held Mid-Cap Companies

1,500+
M&A Transactions Under $1 Billion in the Past Five Years

No. 1
Technology M&A Advisor Globally

150
Technology Finance Professionals Globally

35
Subverticals Covered



Houlihan Lokey Has an **Unparalleled Track Record Advising Companies Across the Audio Landscape**

YAMAHA has acquired CMG CÓRDOBA MUSIC GROUP — Buyside Advisor	IDEAT has been merged into Superstruct Entertainment — Merger Advisor	townsquare completed an $80M share/warrant repurchase, representing 100% of the outstanding securities of OAKTREE — Financial Advisor	EMH PARTNERS has sold a majority stake in NATIVE INSTRUMENTS to FP FRANCISCO PARTNERS — Sellside Advisor*	Beatport has acquired Loopmasters — Buyside Advisor	Beatport has successfully placed a senior secured credit facility in support of an acquisition — Placement Agent	Motion Array has been acquired by Artlist a portfolio company of KKR — Sellside Advisor	SISTER has made an investment in SPRINGHILL COMPANY — Financial Advisor*	Iconoclast Fund GP, LLC ICONOCLAST has acquired certain music catalogs of Empire of the Sun and Murder Inc. — Financial Opinion	Spotify a portfolio investment of PSAM — Valuation Opinion
DOWNTOWN has acquired FUGA — Buyside Advisor*	Zya has been acquired by Google — Sellside Advisor	Cadence13 has been acquired by Entercom — Sellside Advisor	PARCAST has been acquired by Spotify — Sellside Advisor	Slacker RADIO has been acquired by LIVEXLIVE — Sellside Advisor	WEBSTER HALL NEW YORK CITY has been acquired by EV Events Center, LLC a joint venture between Brooklyn Sports & Entertainment and AEG Presents with its regional partner The Bowery Presents BROOKLYN SPORTS & ENTERTAINMENT AEG PRESENTS — Sellside Advisor	DAYGLO VENTURES parent company of BROOKLYN BOWL has received financing from Coran Capshaw *Founder of* RED LIGHT MANAGEMENT — Sellside Advisor	PLAYNETWORK has been acquired by TouchTunes A portfolio company of SEARCHLIGHT — Sellside Advisor	SpiritMusic GROUP $50,000,000 Financing FORTRESS — Financial Advisor*	CONCORD BICYCLE MUSIC has completed a financing transaction in connection with its acquisition of IMAGEM — Fairness Opinion
sfx has confirmed a Chapter 11 Plan of Reorganization, restructuring approximately $450 million of debt — Second Lien Noteholder Advisor	TIDAL has received a strategic investment from Sprint — Sellside Advisor*	Songza has been acquired by Google — Financial Advisor*	dj downtown investment from RELATIVITY — Financial Advisor*	townsquare radio has exchanged stations with CUMULUS — Financial Opinion	WIND-UP RECORDS has been acquired by — Financial Advisor*	VIACOM has divested its equity stake in Rhapsody to ColumbusNova — Financial Advisor*	Rhapsody Secured Financing — Financial Advisor*	Axton Copyrights, LLC dba Concord Music concord has acquired certain assets of Downtown Music Holdings DOWNTOWN — Financial Opinion	WOOD CREEK CAPITAL MANAGEMENT has acquired CONCORD MUSIC GROUP — Financial Advisor*
CUTTING EDGE has raised equity from Wood Creek Capital to acquire VARÈSE SARABANDE — Financial Advisor*	MOG MUSIC NETWORK has been acquired by Townsquare Media — Financial Advisor*	MOG has been acquired by — Financial Advisor*	dmx has been acquired by mood media — Sellside Advisor	MBO has been acquired by UNIVERSAL MUSIC GROUP — Sellside Advisor*	TouchTunes Preferred Stock Offering 3i — Financial Advisor*	BMG has acquired Chrysalis — Buyside Advisor*	MOG $9,500,000 Series E Preferred Stock MENLO VENTURES balderton capital — Financial Advisor*	Melody Holdings, L.P., parent of SESAC Music Group SESAC MUSIC GROUP a portfolio company of Blackstone has completed a $265 million debt recapitalization — Financial Opinion	HOUSE OF BLUES HOB Entertainment, Inc. has completed a $110 million recapitalization of its preferred and common stock — Financial Advisor & Fairness Opinion

IP Valuation and Fairness Transactions

Tombstones included herein represent transactions closed from 2004 forward.
**Selected transaction was executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.*

Houlihan Lokey Is at the **Forefront of Thought Leadership in Audio and Digital Media**

Houlihan Lokey is highly active and up to date with the latest market trends across audio and digital media.

The Future of Audio



BUSINESS INSIDER

An M&A Expert Breaks Down the Winners and Losers of the Creator Economy's Next Phase

By Dan Whateley and Sydney Bradley, August 17, 2024

"Influencers, or people who make social content as a career, aren't the big growth opportunity in the creator economy. They're never going to be great customers, and they can be volatile. Instead, look at companies that sell tools for content creation that service a wider swath of users," Lambros told Business Insider. There aren't going to be any more successful single-feature startups in the creator economy. You have to offer more than one service. Businesses are important customers for these startups, which have to think beyond individual influencers. Exit opportunities, such as mergers and acquisitions, remain relatively uncommon in the nascent industry. But companies that can help streamline content creation, like Avid or Squarespace, are well positioned for exits.



Bloomberg

AI Drives Artsy M&A Debate at Houlihan Lokey Conference

By Emma Sanchez, October 17, 2023

"The Future of Creator Tools" panel featured leaders at platforms familiar to those who dream of quitting their day jobs: TJ Leonard, CEO of stock library Storyblocks; Tracy Chan, Chief Content Officer of song-sharing community SoundCloud; Constantin Koehncke, CEO of music software company Image-Line; and Alex Collmer, Co-Founder and CEO of video content creation platform VidMob.





Multiple Factors Driving Growth and Change Across the Audio Landscape

Massive Expansion in Paid and Ad-Supported Streaming Continues to Underpin the Sector.

Emerging Markets Are Driving the Next Phase of Streaming User Growth.

DSPs Are Implementing Long-Awaited Price Hikes to Improve Monetization.

New Platforms Have Enabled a Booming Indie Creator Class.

Audio Is Pioneering the Future of AI-Driven Creativity.

Spoken Audio Usage Is Growing Among a Highly Valuable Listener Base.

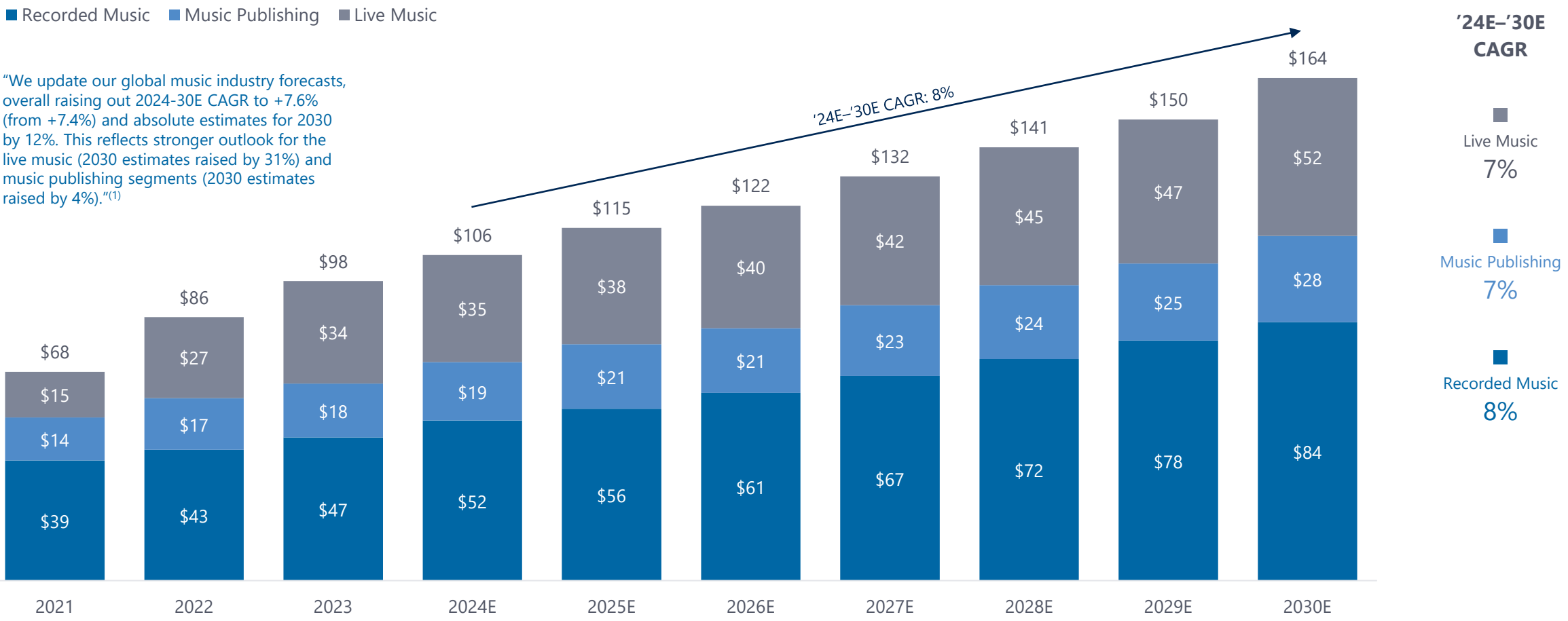
Radio's Signal Still Reaches a Massive, Engaged Audience.

Music IP as an Asset Class Continues to Attract Robust Interest From the Investor Community.

Music Industry Outlook Remains Robust

Total Global Industry Revenues by Segment

$ in Billions[1]

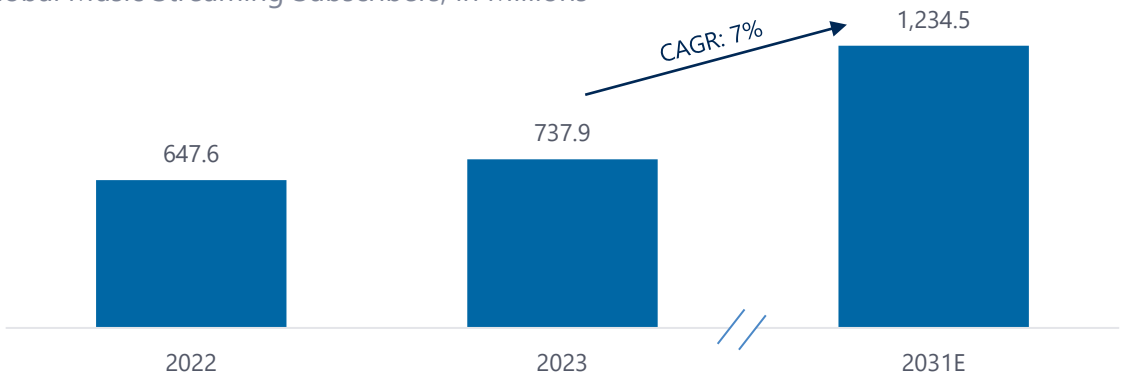


Source:
(1) Goldman Sachs, "Music Is in the Air," 2024.

Massive Expansion in Streaming Underpins the Sector

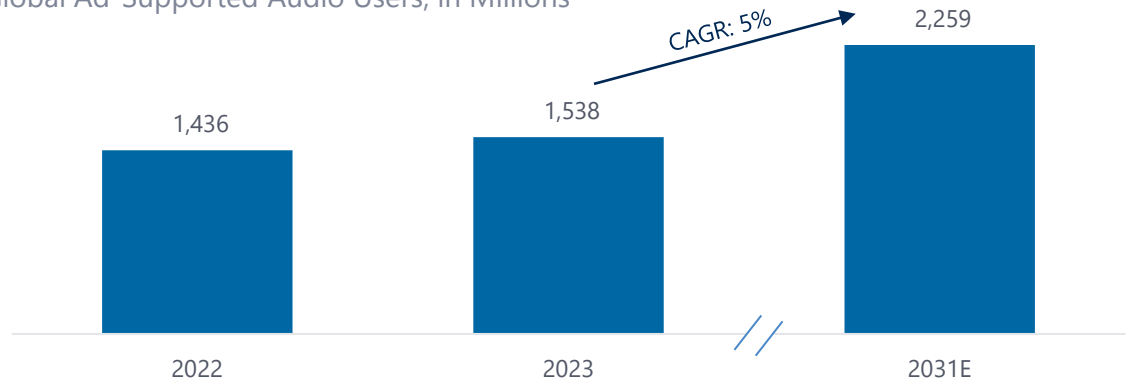
Music Subscribers to Reach 1.2 Billion

Global Music Streaming Subscribers, in Millions



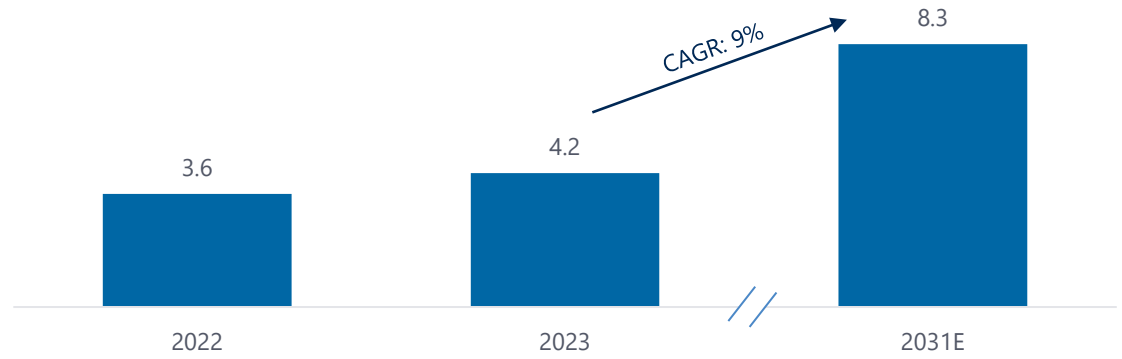
Ad-Supported Audio Users to Reach 2.3 Billion

Global Ad-Supported Audio Users, in Millions



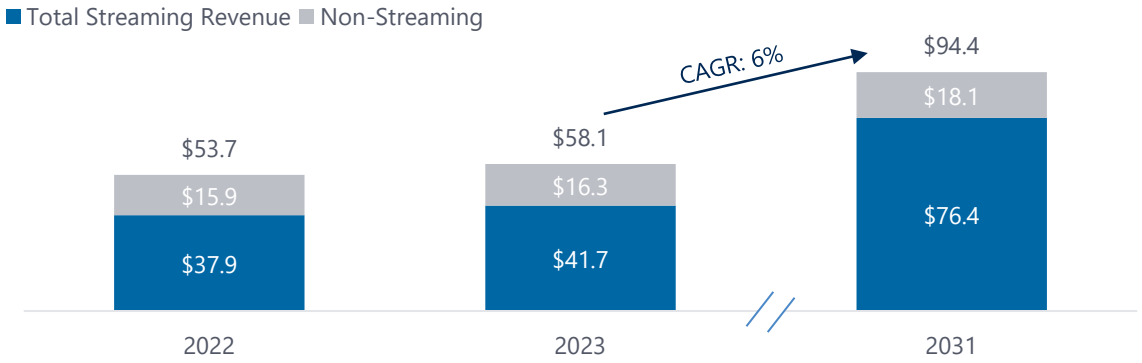
Global Music Streams to Nearly Double by 2031

Global Count of ISCR Streams, by Year(1)



Streaming Will Drive Industry Revenues

Global Recorded Music Revenue, Retail Values,(2) $ in Billions

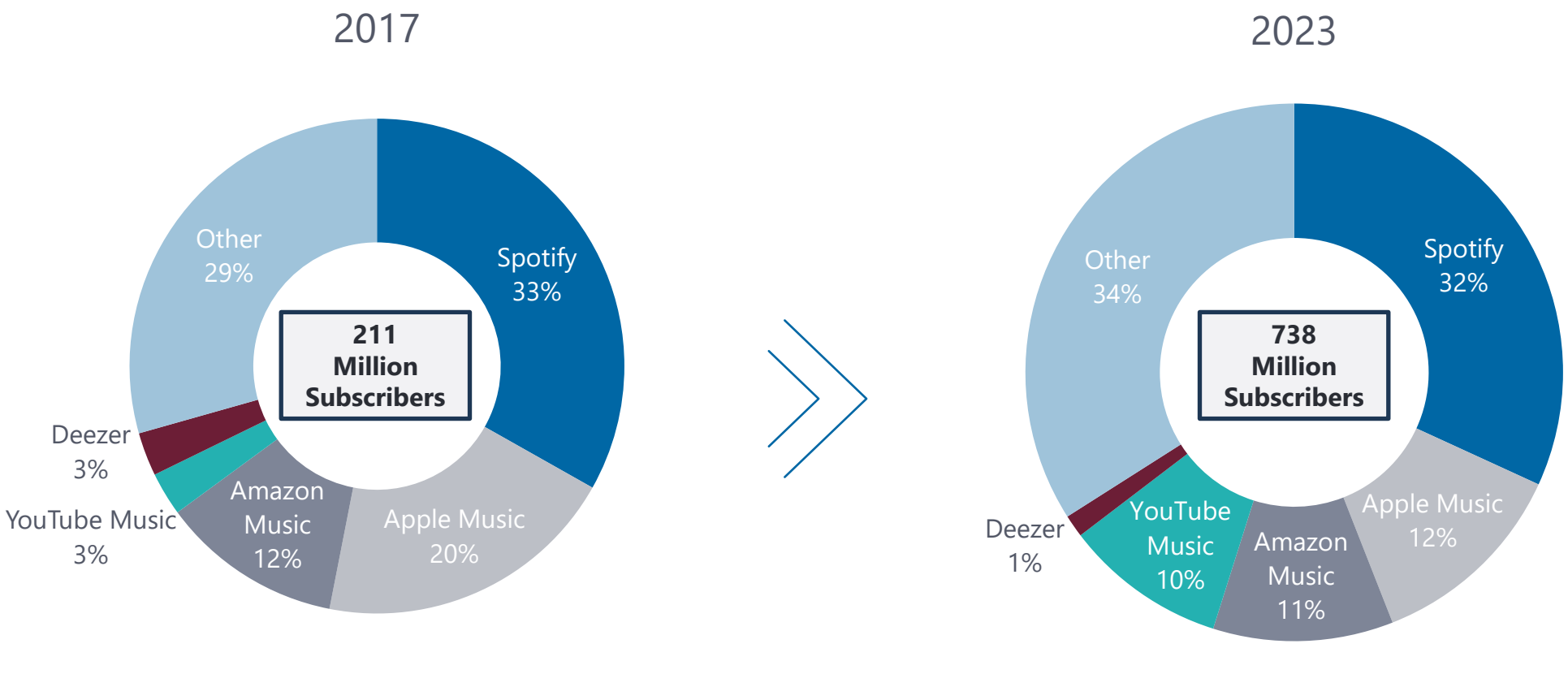


Source: MIDiA Research, Music Forecasts May 2024.
(1) Reflects on-demand audio streams.
(2) Retail values refers to total revenues generated.

DSPs Have Grown in Tandem With Rapid Expansion of Streaming

Global Paid Subscribers by Platform (2017–2023)

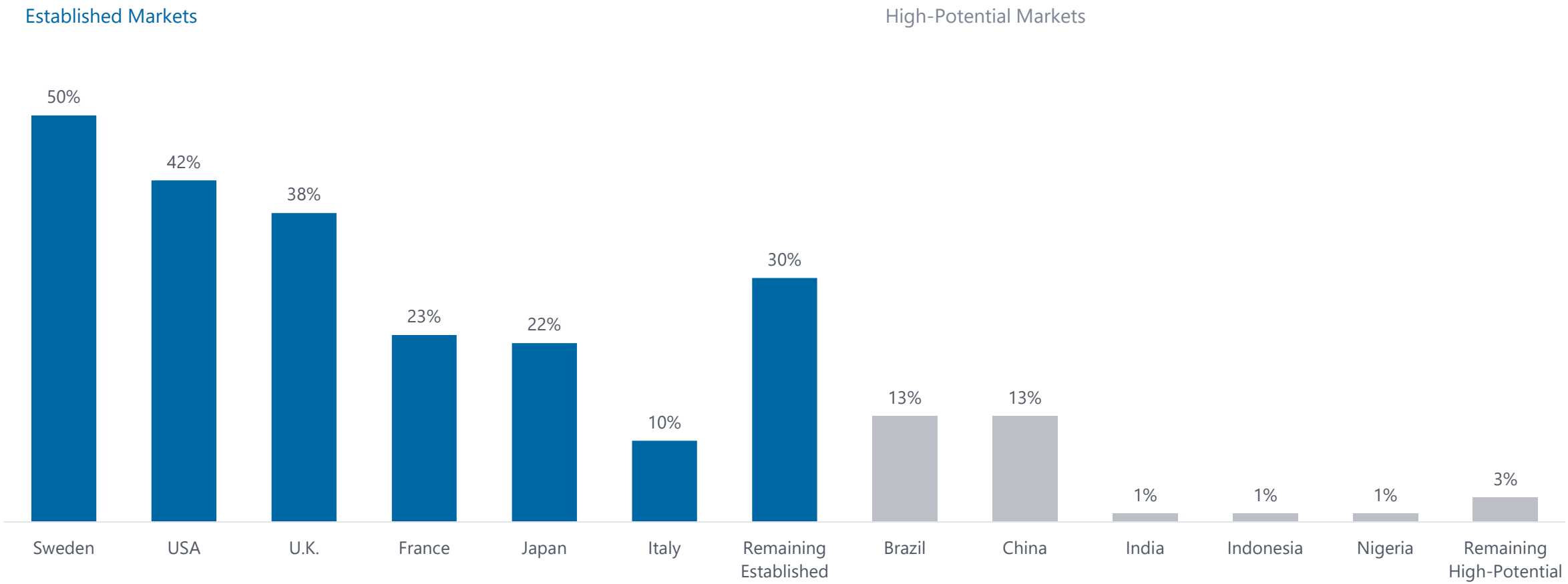
In Millions



Source: MIDiA Research.

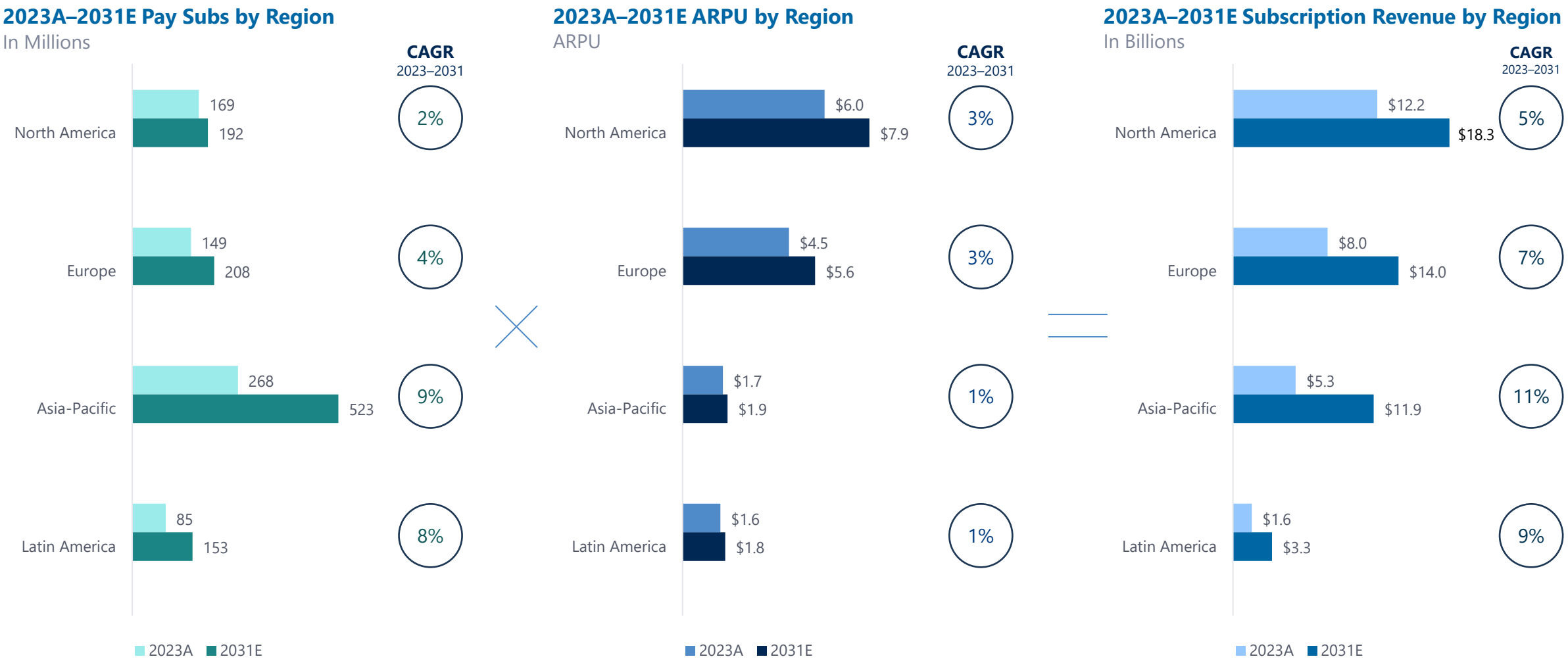
There Is Ample Runway for Subscriber Growth

Paid Music Subscriber Penetration Rate (2023)



Source: UMG 2024 Capital Markets Day deck, which is based on data from IFPI, World Bank, and UMG.
Note: Penetration calculated as the share of paid subscribers out of total population.

Global Subscription Revenues to Be Driven by Rising ARPU in Western Markets and Massive Subscriber Growth in Asia Pacific

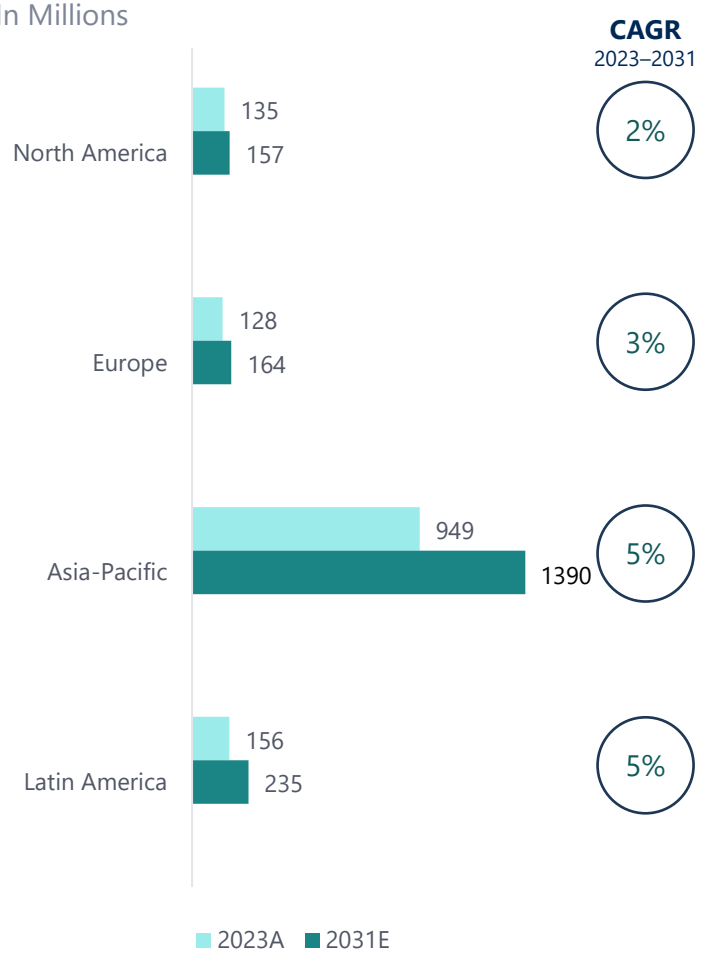


Source: MIDiA Research, Music Forecasts May 2024.
Note: Revenue figures are retail values.

Ad-Supported Streaming to More Than Double by 2031 Across All Markets

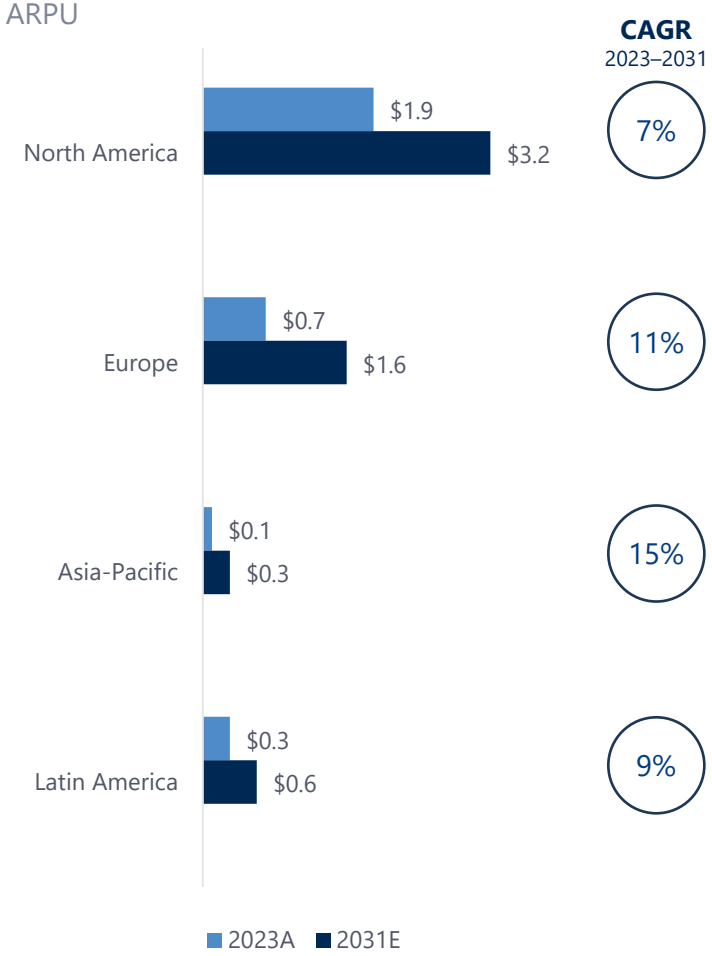
2023A–2031E Ad-Supported Subs by Region

In Millions



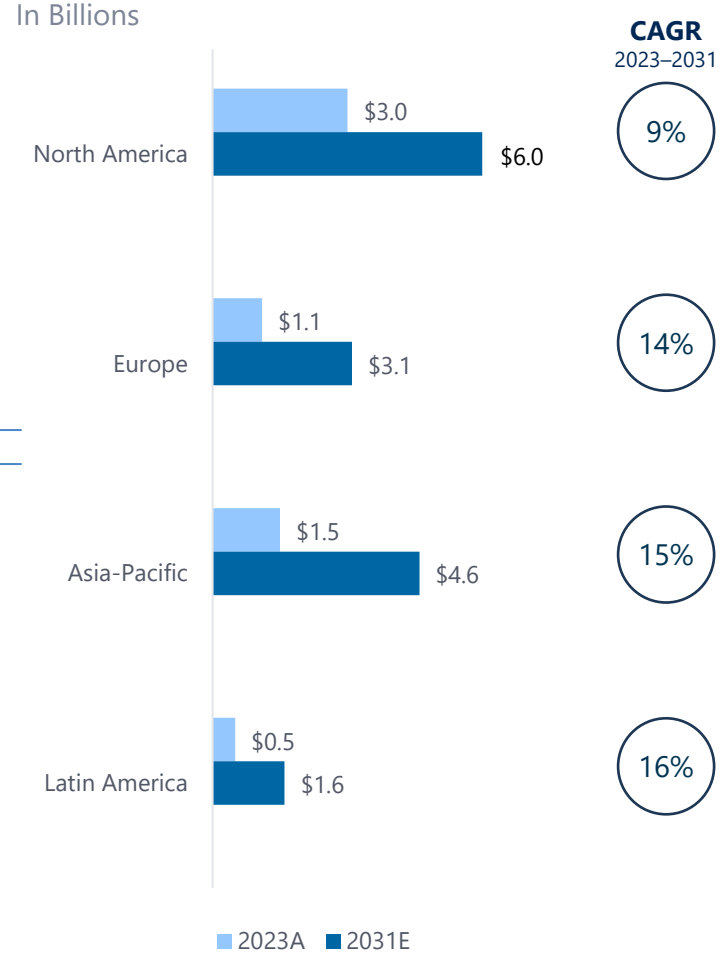
2023A–2031E ARPU by Region

ARPU



2023A–2031E Ad-Supported Revenue by Region

In Billions



Source: MIDiA Research, Music Forecasts May 2024.
Note: Revenue figures are retail values.

Strategics Are Using M&A and Investment to Gain Exposure to Growth of Emerging Markets

Jan. 2023 — U.K.

UMG acquires the catalog of South Asian record label Oriental Star Agencies

Feb. 2023 — India

WMG majority invests in Divo, a digital media and music company

Mar. 2023 — Hong Kong

Live Nation majority invests in Clockenflap, an event organizer for music festivals and concerts

Jun. 2023 — Thailand

UMG acquires RS Group's vast music catalog, the second-largest in Thailand

Jul. 2023 — Columbia

Live Nation majority invests in Páramo Presenta, a music promoter company

Aug. 2023 — UAE

UMG acquires Chabaka, expanding UMG's reach into the Middle East and North Africa

Oct. 2023 — India

WMG acquires E-Positive, expanding its presence in India and its artist offering

Nov. 2023 — U.S.

HYBE acquires EXILE, a Latin music label, to expand and establish HYBE Latin America

Nov. 2023 — Chile / Peru

CTS Eventim and Sony Music acquire ticketing firms Punto Ticket (Chile) and Teleticket (Peru)

Nov. 2023 — Latin America

HYBE acquires Latin American label Exile Music and launches HYBE Latin America

Jan. 2024 — Pakistan

WMG partners with Giraffe, a Pakistani music and audio production company

Jan. 2024 — U.S.

VMG, a division of UMG, acquires Saban Music Latin's catalog, including future artist releases

Feb. 2024 — Philippines

UMG relaunches EMI Records' Philippines branch, highlighting local and rising artists

Feb. 2024 — Nigeria

UMG majority invests in Mavin, an independent record label working with Afrobeats artists

Mar. 2024 — Slovenia

WMG minority invests in NIKA, an independent label with upstream potential

Apr. 2024 — China

UMG announces strategic partnership with Chinese-Pop (C-Pop) company TF Entertainment

Jun. 2024 — Croatia

WMG minority invests in Dancing Bear to continue to expand in Southeast Europe

Jul. 2024 — Brazil

WMG and ADA minority invest in Sua Música to expand their presence in the Brazil region

Jul. 2024 — South Africa

Ticketmaster acquires Quicket to support Africa's rapidly growing live events market

Aug. 2024 — Turkey

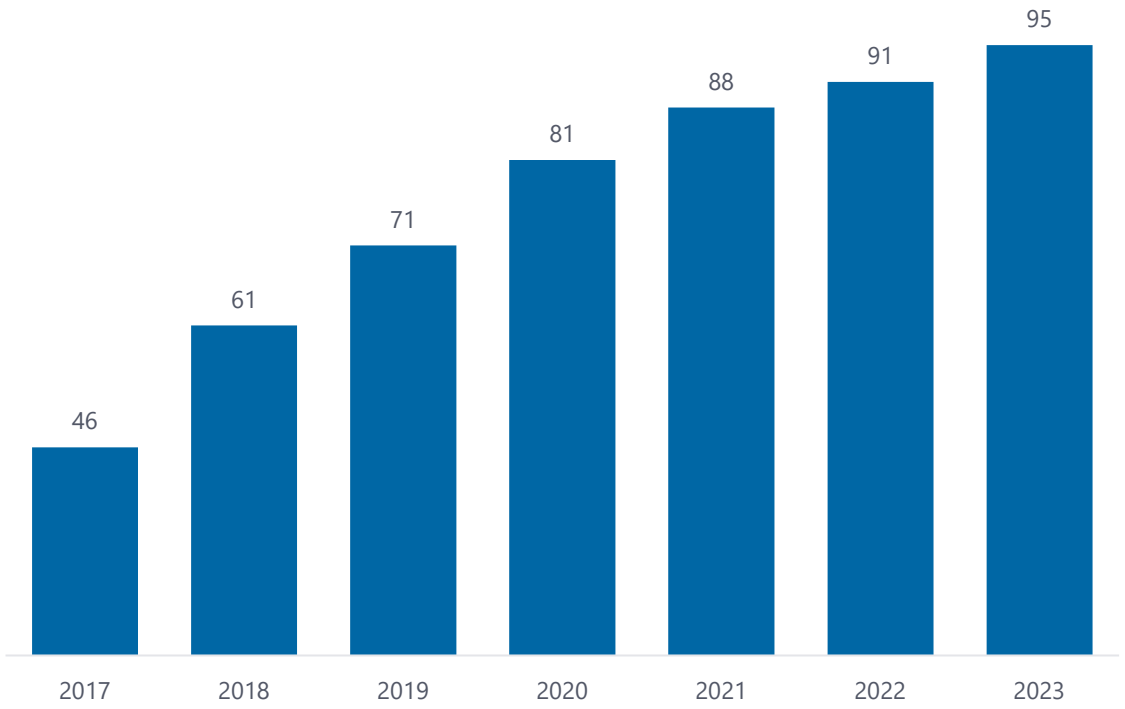
Believe acquires Doğan Music to grow across small but global markets

Sources: Company announcements, Music Business Worldwide, S&P Capital IQ, and other publicly available information.

Low-Cost Streaming Models Supported Massive Subscriber Growth, but Economics Have Lagged

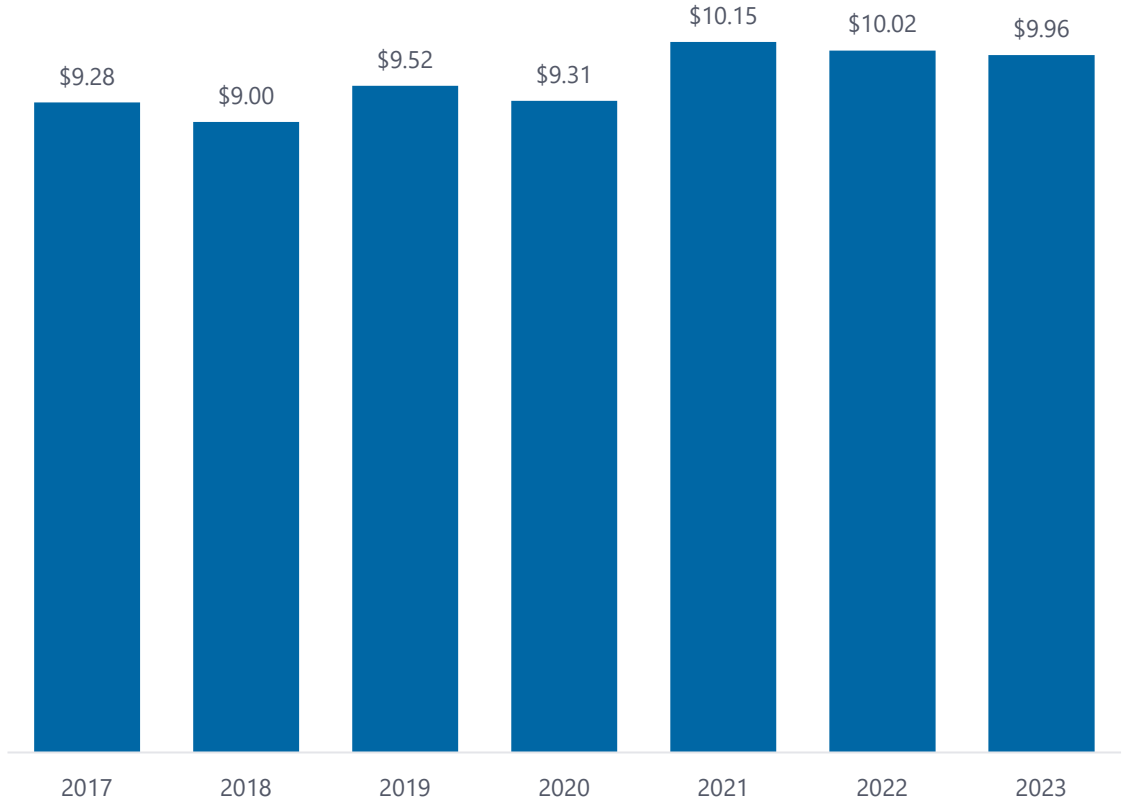
U.S. Paid Subs Doubled Between 2017 and 2023…

U.S. Unique Subscriber Accounts, in Millions[1]



…While ARPU Has Been Flat

Inflation-Adjusted ARPU[1]

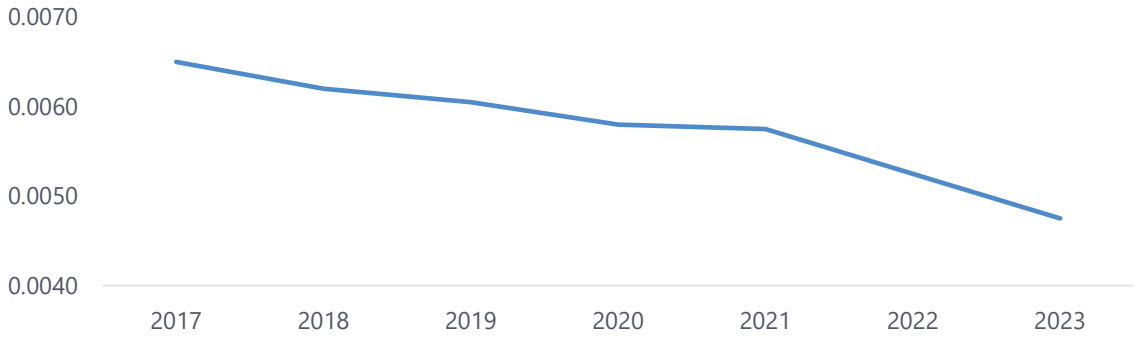


Source: MIDiA Research, Music Forecasts May 2024.
(1) Figures were converted from nominal to real using 2023 U.S. CPI as the base.

After Years of Unchanged Subscription Pricing, DSPs Have Begun a Series of Price Hikes

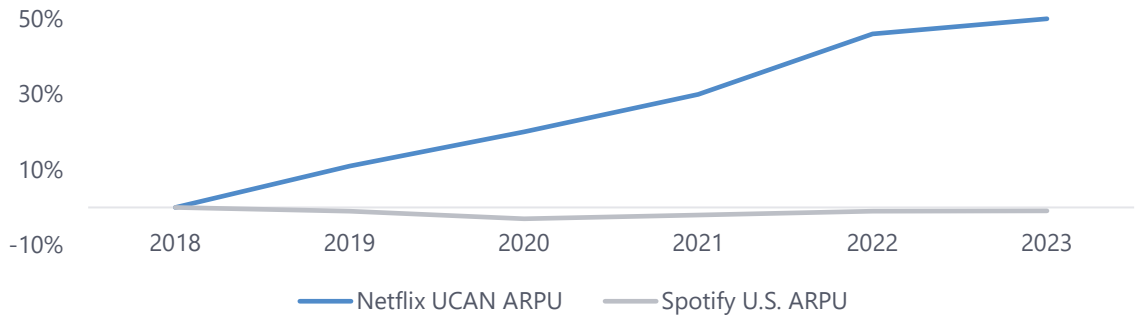
Revenue per Stream Has Declined

Global Revenue per Stream, $[1]



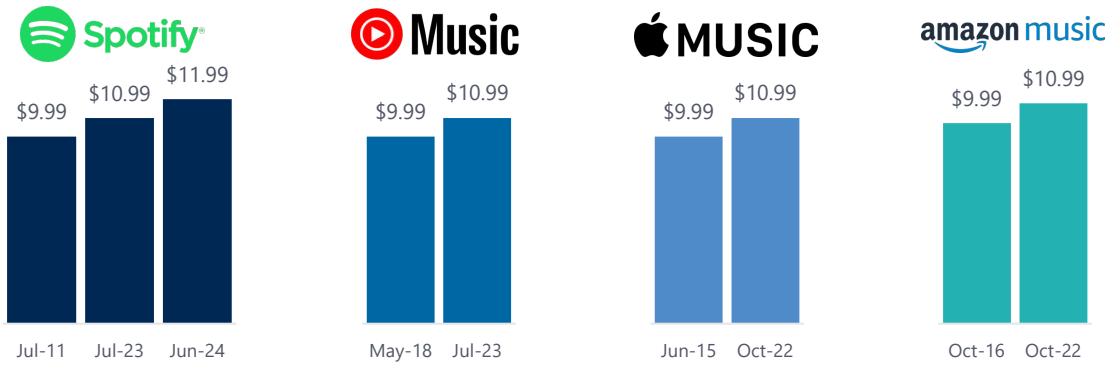
Monetization Growth Has Lagged Behind Peers in Video

ARPU Growth, Indexed to 2018[2]



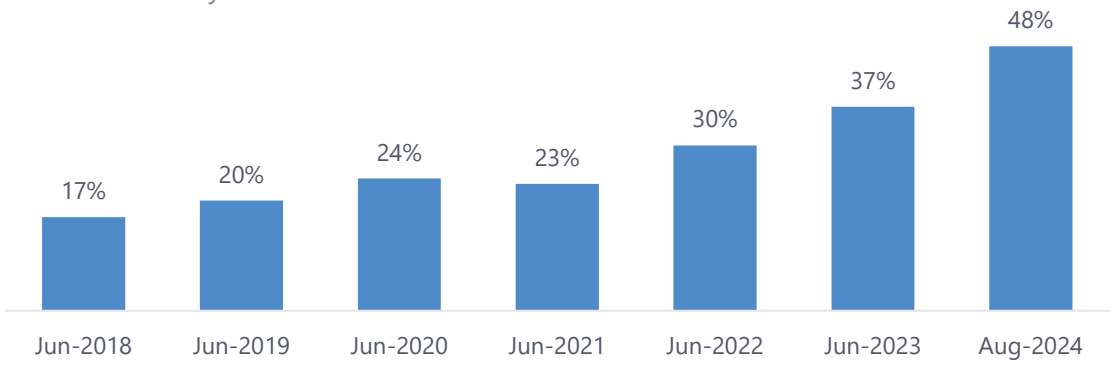
DSPs Have Begun a Series of Price Increases

Pricing for Single-Flagship Offering for Selected Streaming Services



Consumers Are Signaling Sensitivity to Further Increases

Likelihood of Canceling Music Streaming Service Given a $1/Month Price Increase, Based on Survey Data[3]



Sources:
(1) Goldman Sachs, "Music in the Air."
(2) Morgan Stanley, "From Dissonance to Harmony."
(3) Survey data per Evercore ISI equity research.

Superfan Model Presents a New Lever to Improve Monetization

By offering the most dedicated fans differentiated products and experiences, this lucrative segment of the market presents the potential for a material uplift in industry revenues.

Superfan Highlights

20%

of streaming subs can be defined as superfans[1]

68%

incremental spend compared to the average music listener[2]

$4.5B

potential revenue opportunity by 2025[1]

126%

superfans spend 126% more on artist merch[2]

76%

superfans spend 76% more on physical music[2]

51%

Gen Z spends 51% more on artist merch[2]

Strategics Make Efforts to Engage Superfans

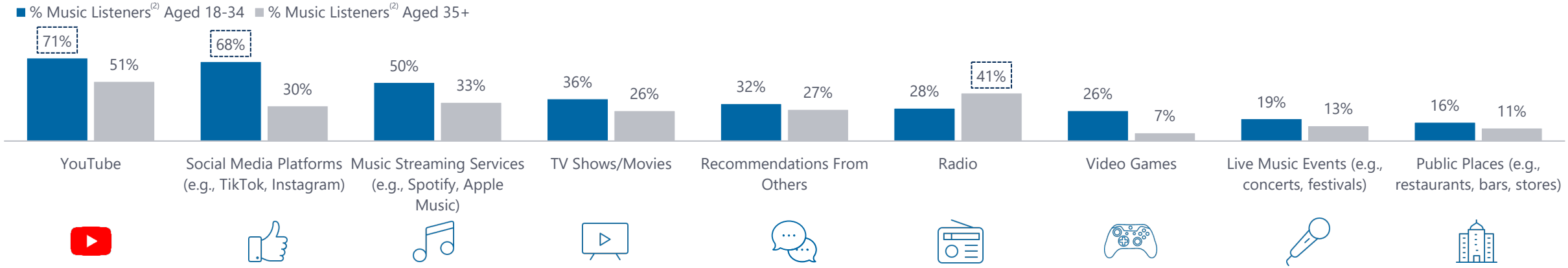
- **Jun. 2024:** Bloomberg reports that Spotify is planning to introduce a premium tier that will cost at least $5/month more for HiFi audio, new tools for playlisting
- **Jun. 2024:** HYBE subsidiary, Binary Korea, announces planned launch of THEUS, a superfan/creator engagement platform
- **Feb. 2024:** Michael Rapino says Live Nation is investing in offerings including VIP clubs, viewing decks, etc., to increase premium revenues from 9% to 30%-35%
- **Feb. 2024:** Robert Kyncl says Warner Music Group is building a superfan platform aimed at better connecting its artists with their biggest fans
- **Jan. 2024:** Lucian Grange says Universal Music Group is building its in-house superfan capabilities through groundbreaking partnerships
- **Oct. 2023:** Sony Music and Warner Music Group reinvest in superfan-focused startup Fave

Sources:
(1) Goldman Sachs, "Music in the Air."
(2) Luminate, 2023 Year-End Music Report.
Note: Figures are for U.S. listeners.

Social Media and YouTube Are the Primary Outlets for Artist Discovery

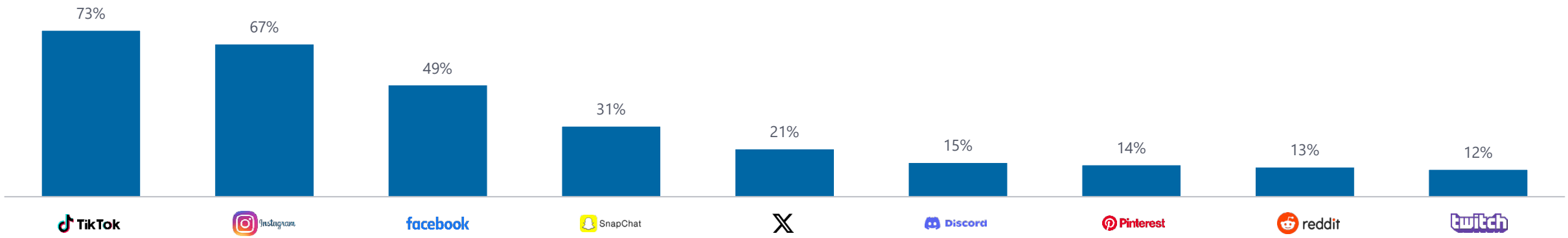
Music Discovery(1) Is Transitioning Toward Social Platforms

Source of Music Discovery in 2023(1)



TikTok Is the Top Social Media for Music Discovery

% of Music Listeners Aged 18–34 Who Discover Music Through Social Media Across Select Platforms(2)

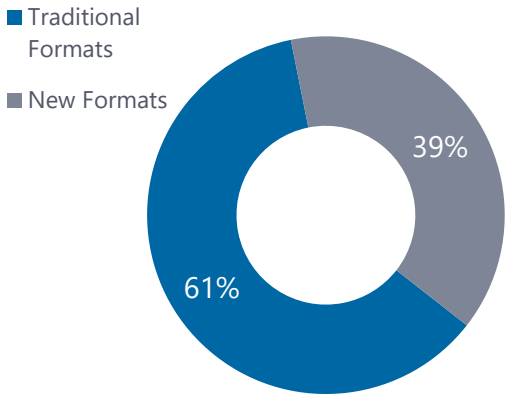


Sources: Activate analysis, Activate 2023 Consumer Technology & Media Research Study.
(1) "Music discovery" is defined as new music/music artists in the past 12 months.
(2) "Music listeners" are defined as adults aged 18–34 who spend any time listening to music.

Audio Consumption Through New Channels Presents Potential for Monetization Upside

New Mediums Account for a Material Share of Audio Listening…

% of Time Spent Listening to Music[1]

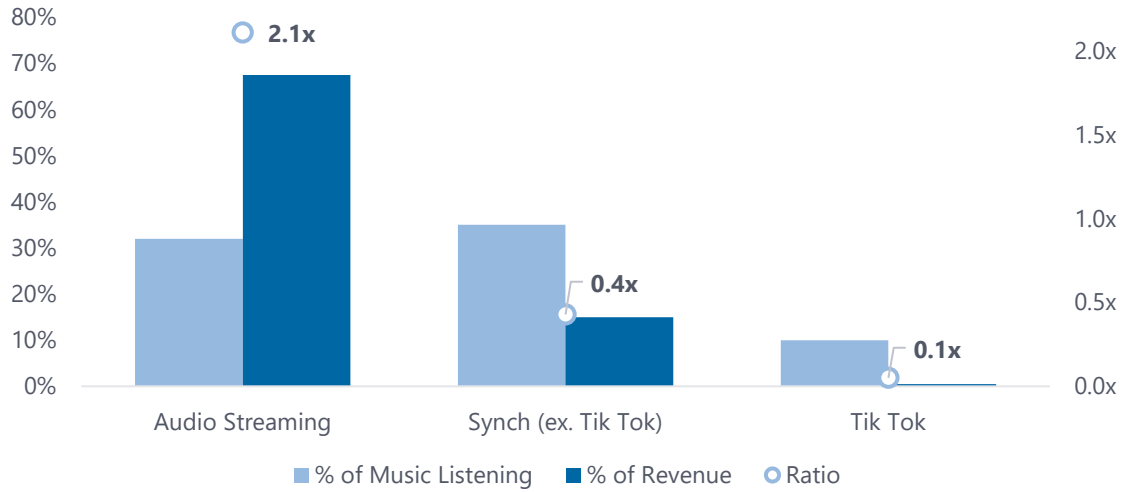


39%

of time spent listening to music in 2023 was with new mediums, including social media, short-form video, and video streaming. The remaining 61% was spent with traditional formats (streaming, radio, live, etc.)[1]

…But Have Been Monetized at a Fraction of Traditional Channels

Revenue per Hour Spent[1]



> Meta has renewed its "strategic partnership" with Merlin. …According to the announcement, Merlin's members and their artists "have seen significant engagement with Meta's Reels feature on Instagram and Facebook." …Elsewhere at Meta, [WMG] inked a licensing deal with the company in 2022. The agreement enabled WMG and its artists to receive a portion of revenue from the use of licensed music on Facebook creators' posts. The deal arrived nearly two weeks after [UMG] revealed that it had formed a similar partnership with the Facebook owner.

Jun. 2024 MUSICBUSINESS WORLDWIDE

> **The months-long standoff between Universal Music Group and TikTok over royalty payments and AI policies** is finally over, at least for the time being, with the announcement that the two entities have struck a deal to bring the label's music back on the platform. As part of the agreement, the companies stated that they will "**deliver improved remuneration for UMG's songwriters and artists**, new promotional and engagement opportunities for their recordings and songs, and industry-leading protections with respect to generative AI."

May 2024 VARIETY

Note: Synch includes audio in short-/long-form video, social media, fitness, gaming, podcast, etc.
(1) Wolfe Research, July 2024.

Creator-to-Fan Engagement Is Unlocking Tremendous Value for Musicians and Their Audiences

New Platforms Have Changed the Way Creators and Fans Engage

Legacy Model (Mass Appeal, Fans Engage With Platforms)

Creator-Led Model (Niche Appeal, Fans Engage With Creators Across Platforms)



TechCrunch
Dec. 2023

Musicians are increasingly searching for direct ownership in their own communities and avoiding third-party platforms where interactions with fans are complex to manage.

MIDiA
Mar. 2024

....**Fan communities become the best way for artists to present their art in a finished form and build a real and meaningful connection with fans** where they share the narrative—and maximize the value.

HyperTribe
Jul. 2024

In terms of fan involvement, social media channels are very vital. They **provide musicians a direct and quick approach to interact with their supporters, give updates, and cultivate a devoted following.**

Allfeat.
Aug. 2024

Through governance tokens, fans can participate in important decisions regarding their favorite artists' musical projects, thereby strengthening the community and enhancing engagement.

groovenexus
Aug. 2024

Leveraging the metaverse, artists and music companies can create unique experiences that **allow fans to engage with their favorite artists in new ways.**

Indie Music and Artists Are the Fastest Growing Segment of the Music Industry

Indies have grown in importance in terms of the number of tracks added to streaming platforms and in share of revenue.

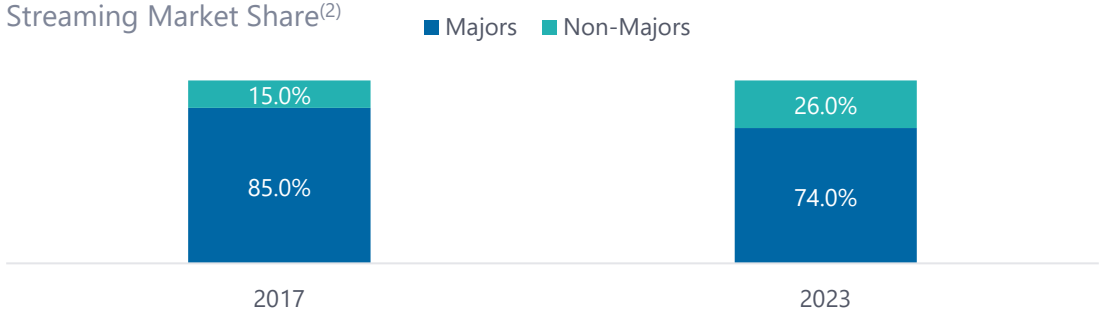
Independent Artists Account for Outsized Revenue Growth

2023 Revenue Growth, Overall Industry vs. Indies[1]



Non-Majors Taking Share From Majors

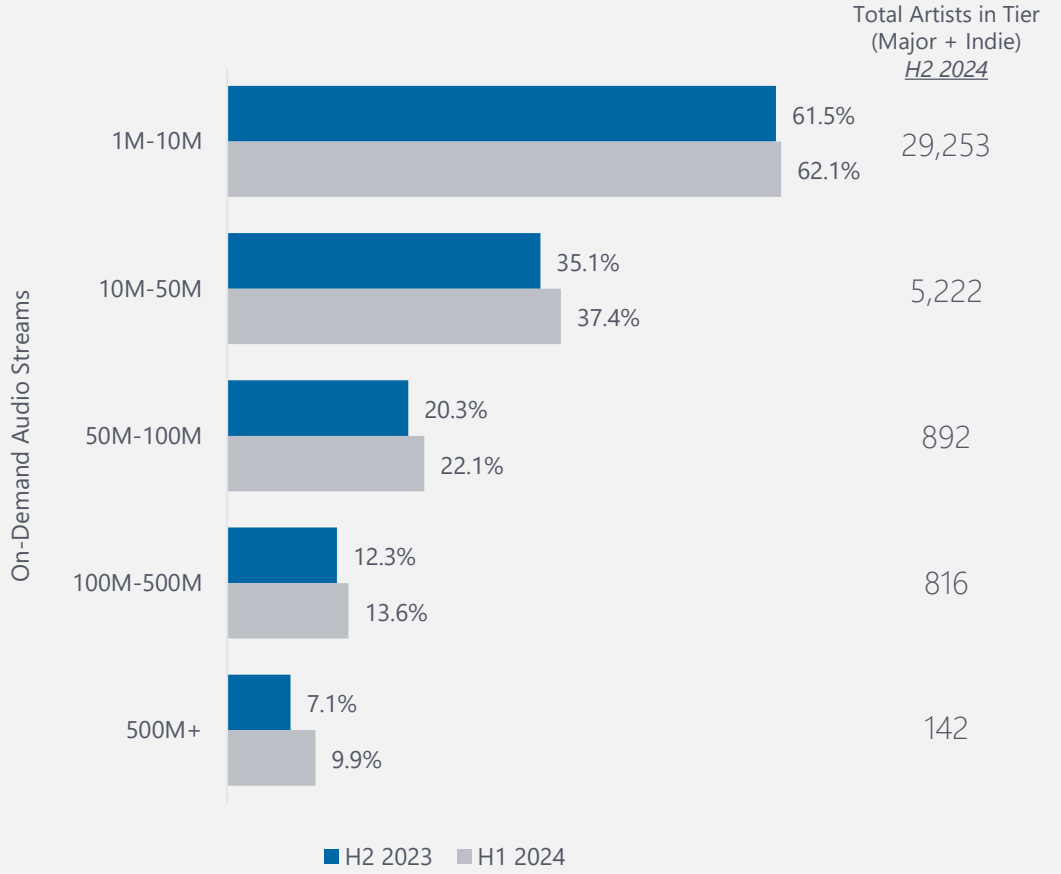
Streaming Market Share[2]



Sources:
(1) IFPI.
(2) Goldman Sachs, "Music in the Air." Majors include UMG, WMG, and SME.
(3) Luminate, Midyear Music Report, June 2024.

Indie Artist Share Is Increasing Across All Distribution Tiers

Indie Share of Artists to Reach On-Demand Audio Streams, H1 2024 vs. H2 2023[3]

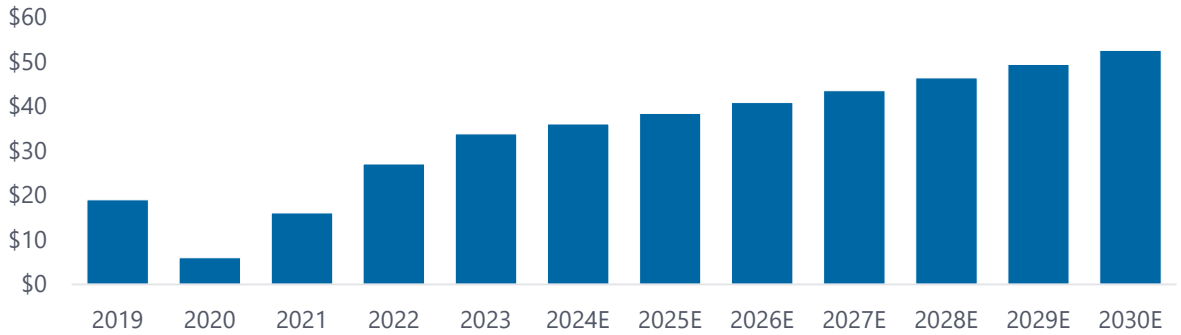


Live Music Outlook Remains Bright

Live music grew ~25% YoY in 2023 and is benefiting from strong consumer tailwinds and improved promotion via social media.

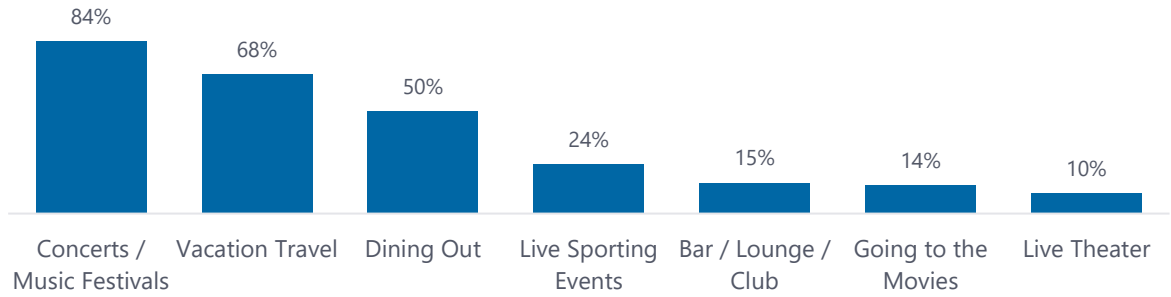
Global Live Music Market Exceeded $30 Billion in 2023

$ in Billions[1]



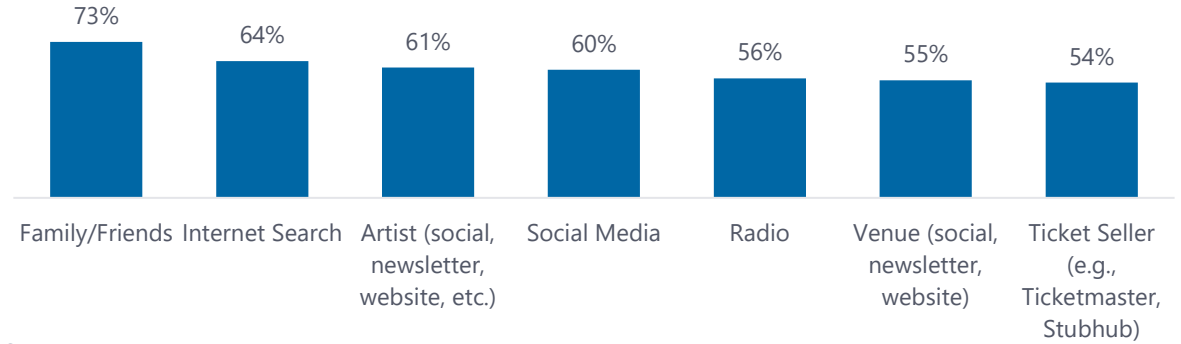
Live Music Is a Top Priority for Consumers

% Represent the Share of Individuals Who Ranked Category in Top Three[2]



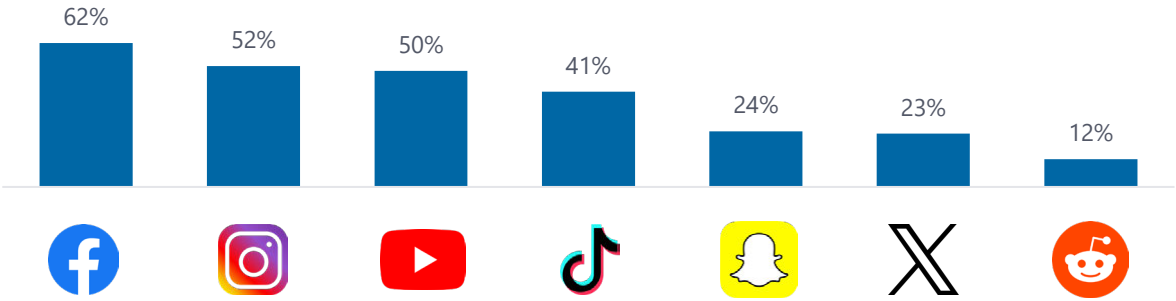
Social Platforms Have Become a Top Live Concert Discovery Channel

Where Consumers Learn of Ticketed Concerts or Music Festivals[3]



Top Social Platforms for Live Music Event Discovery

Where Consumers Learn of Ticketed Concerts or Music Festivals[3]

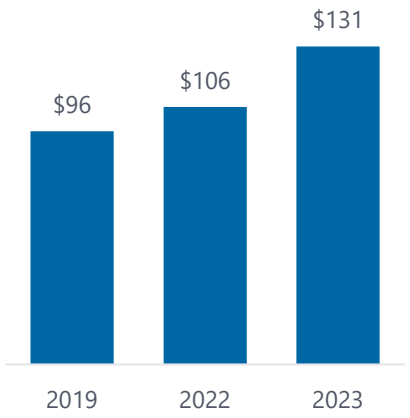


Sources:
(1) Goldman Sach, "Music in the Air."
(2) Live Nation Survey, November 2022.
(3) Variety Intelligence, Peak Performance, 2024. Figures are based on online survey data among consumers 15–69.

Concert Ticket Prices Are Drawing Scrutiny

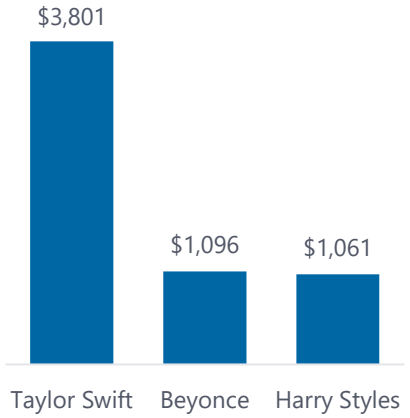
Ticket Prices Have Risen Sharply Since the Pandemic

Avg. ticket price for top 100 worldwide tours[1]



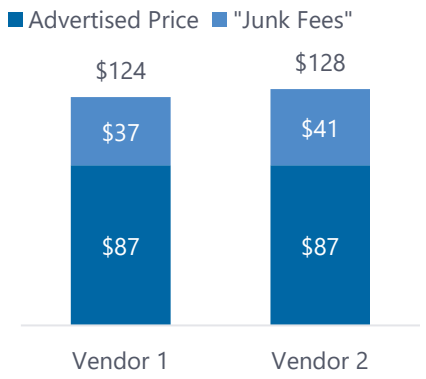
Reseller/Dynamic Models are Driving Prices Higher

Avg. reseller ticket prices for current tour for select artists[2]



"Junk Fees" Distort Buying Process

Advertised price for a concert vs. final price, when factoring in "junk fees" (e.g., taxes, service fee, delivery, etc.)[3]



"

The fact is, concerts have steadily gotten more expensive even on the primary market—the place where someone can originally buy tickets, like Ticketmaster—before any scalper upcharge is added. …Though there are a number of factors involved in this price creep (including high fees, which a 2018 Government Accountability Office report says make up an average of 27 percent of the ticket's total cost), the **heart of the matter is simple: demand. People all over the world are clamoring to go to just a handful of the most popular artists' concerts.**

May 2024 Vox

Sources:
(1) Pollstar.
(2) Variety Intelligence, Peak Performance, 2024.
(3) The White House, "How Junk Fees Distort Competition," 2023.

LIVE NATION ticketmaster

DOJ Suing Live Nation and Ticketmaster for Alleged Monopoly

- In May 2024, the justice department, along with 30 states and district attorneys general, filed an antitrust lawsuit against Live Nation and Ticketmaster for unlawful competition practices in the live entertainment industry.
- DOJ position: "As a result of its conduct, music fans in the United States are deprived of ticketing innovation and forced to use outdated technology while paying more for tickets than fans in other countries. At the same time, Live Nation-Ticketmaster exercises its power over performers, venues, and independent promoters in ways that harm competition. Live Nation-Ticketmaster also imposes barriers to competition that limit the entry and expansion of its rivals."
- Live Nation position: (i) this lawsuit won't reduce ticket prices or service fees; (ii) there is more competition than ever, and Ticketmaster's market share has declined since 2010; (iii) net profits don't exhibit monopoly power; and (iv) the lawsuit distracts from real solutions that would decrease prices and protect fans.

Radio Remains a Critical Component of Audio

Radio's signal still reaches a massive, engaged audience.

Radio Fundamentals Endure...

63%
Radio's daily reach among persons 13+ in the U.S.(1)

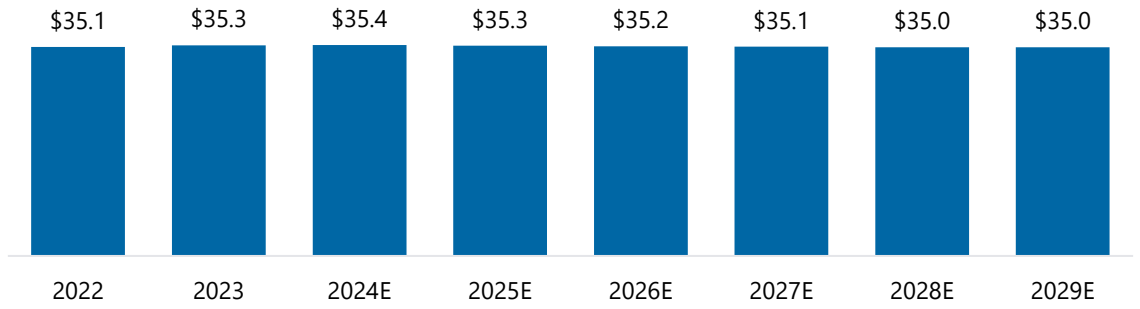
1 hr 16 mins
The average daily time listened among persons 18+(2)

68%
Radio's share of all ad-supported audio listening(1)

86%
Radio's share of all ad-supported listening in the car(1)

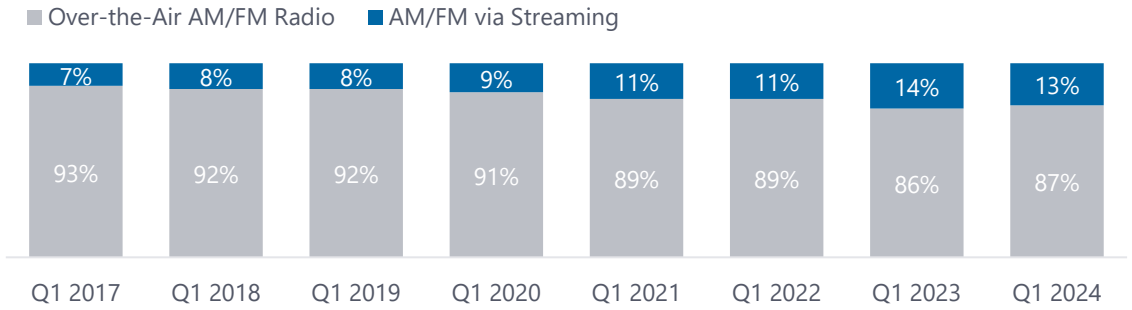
...Supporting a Steady Outlook

Global Radio Revenues, $ in Billions(3)



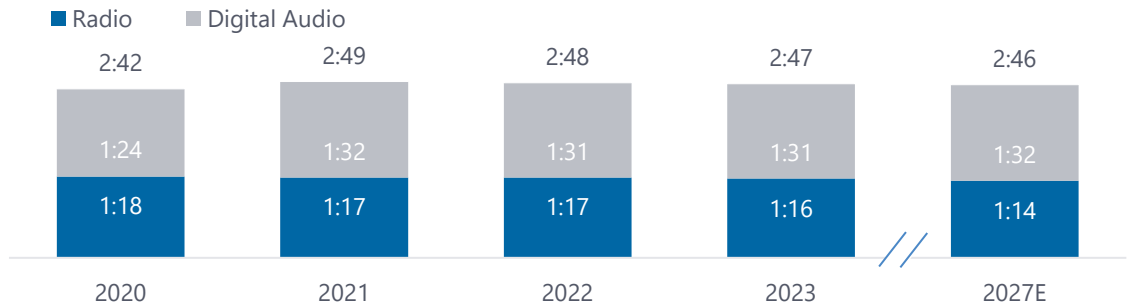
Streaming Is Growing as a Percent of Total AM/FM Listening

Time Spent Between Terrestrial AM/FM and Streaming AM/FM Radio, Persons Aged 18+(2)



Radio Remains a Critical Component of Audio, Even With the Increased Popularity of Streaming

Average Daily Audio Time per Adult Aged 18+ by Type(2)

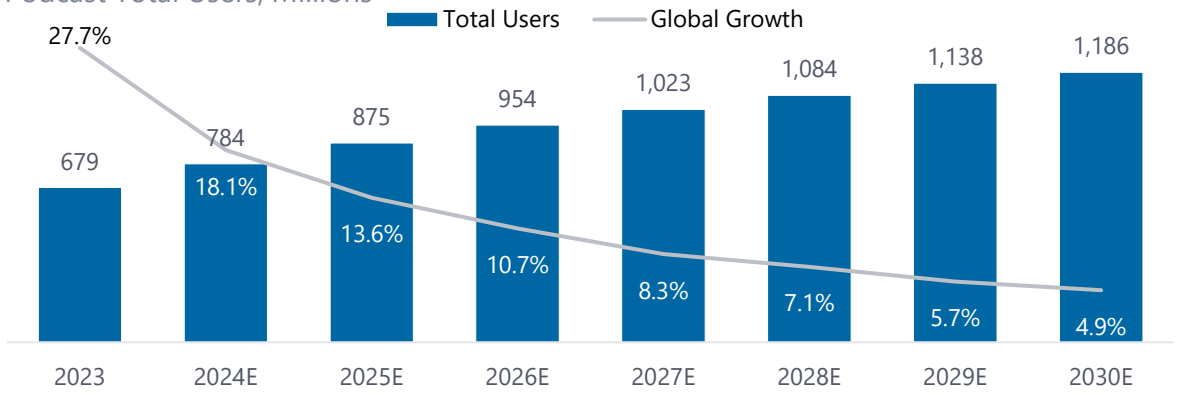


Sources:
(1) Edison Research, "Share of Ear," Q1 2024.
(2) Activate Consulting, Activate Technology & Media Outlook 2024 "Digital Audio" includes audio streamed via mobile and desktop/laptop; "Radio" excludes digital radio.
(3) Statista.

Podcasting Sector Update

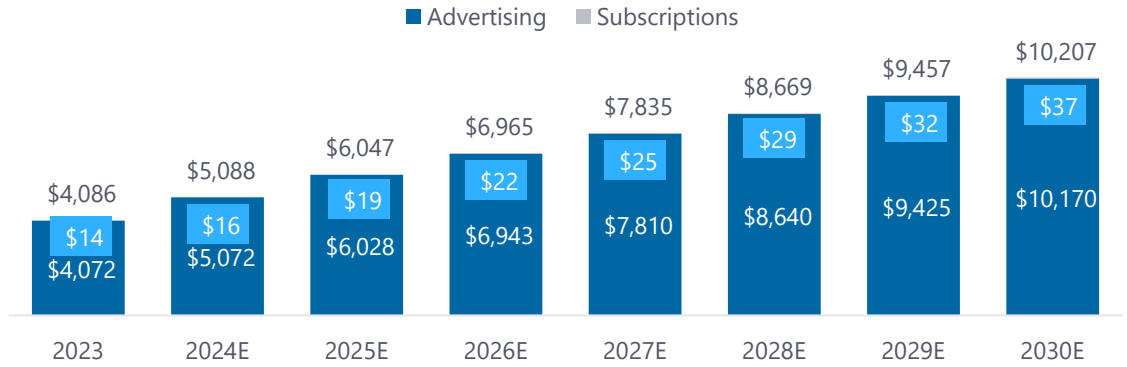
Podcast Listeners to Exceed 1 Billion by 2027

Podcast Total Users, Millions[1]



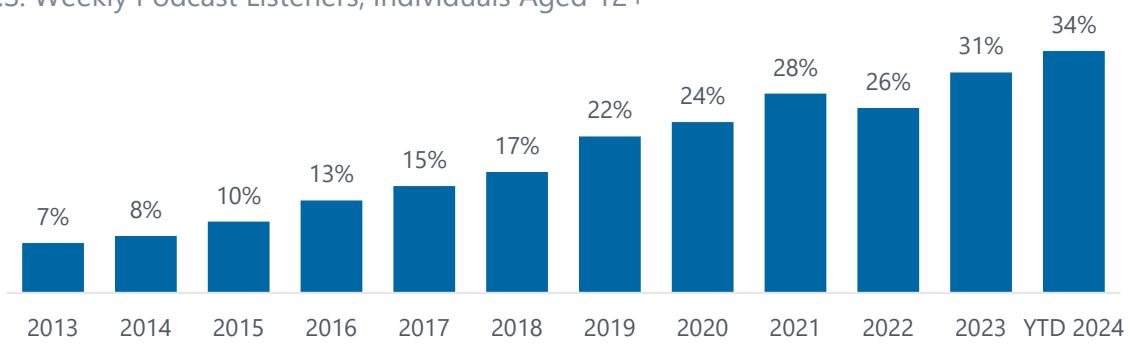
Vast Majority of Revenues Will Continue to Be Ad-Supported

Global Podcast Revenues, $ in Millions[1]



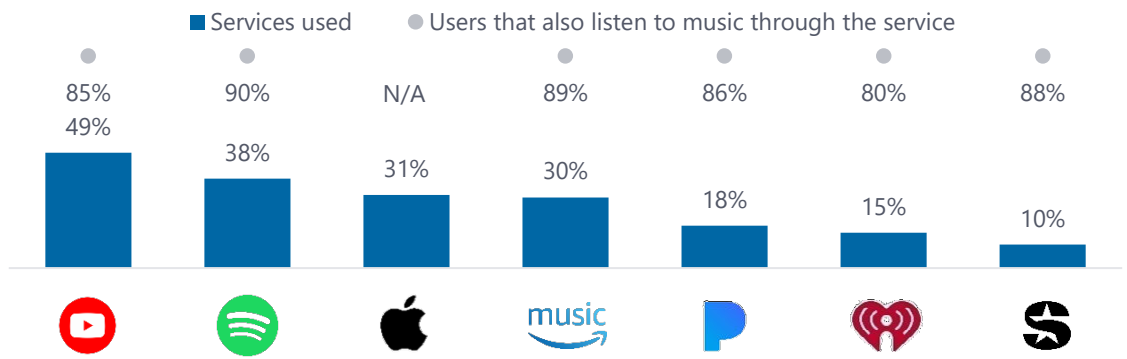
Podcast Reach Continues to Expand

U.S. Weekly Podcast Listeners, Individuals Aged 12+[2]



Podcasts Help DSPs to Differentiate and Drive User Growth/Engagement

Selected Podcast Services Used, U.S., 2023, % of Podcast Listeners That Used Service[3]

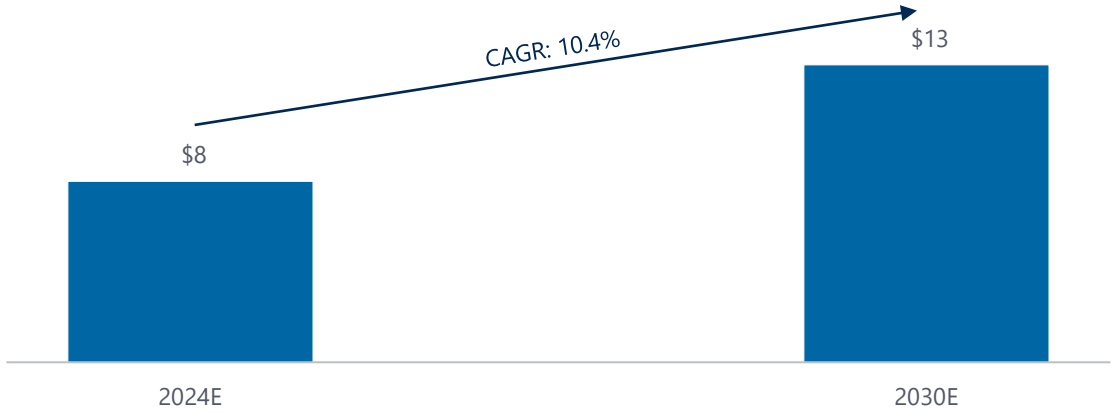


Sources:
(1) MIDiA Research, 2024–2030 global podcast forecasts.
(2) Edison Research, Evercore ISI. Figures are based on survey data of 1,500+ individuals.
(3) Activate Consulting, Activate Technology & Media Outlook 2024.

Audiobook Space Is Rapidly Growing

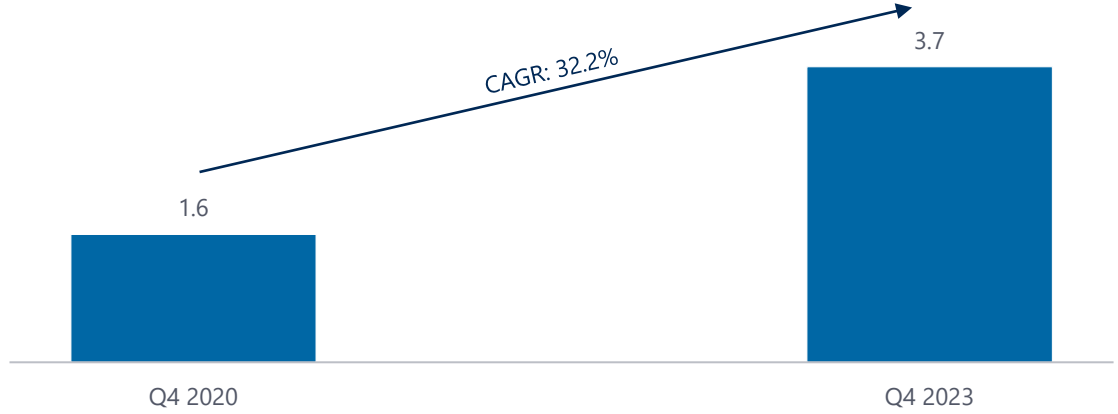
Audiobook Market TAM

$ in Billions[1]



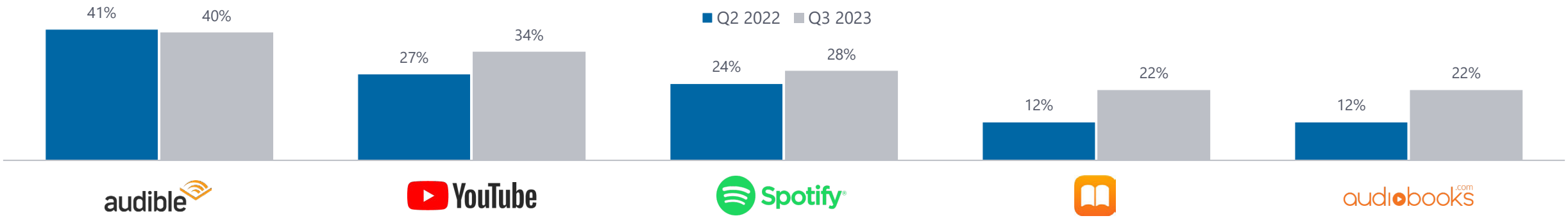
Audiobook Listening Hours Rose by Over 100% in Past Three Years

Consumer Average Hours Spent Listening to Audio[2]



Audible Leads Top Five Audiobook Platforms in Active Listeners

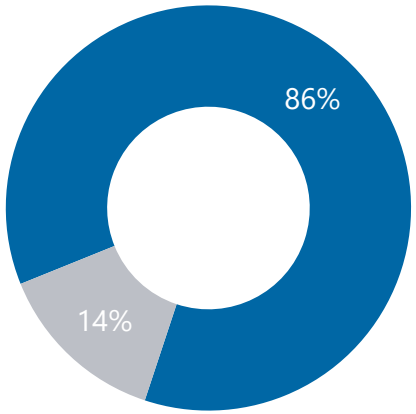
Audiobook Listeners' Top Five Audiobook Platforms, Change From Q2 2022 to Q2 2023[2]



Sources:
(1) Statista, August 2024.
(2) MIDiA, "Audiobook consumer profile | A focused, engaged niche," February 2024.

AI Could Exacerbate Existing Challenges With Artist Discovery

Music streaming is already crowded and difficult for emerging artists to gain a foothold with audiences and labels alike, a problem that will worsen with a proliferation of AI-generated content.

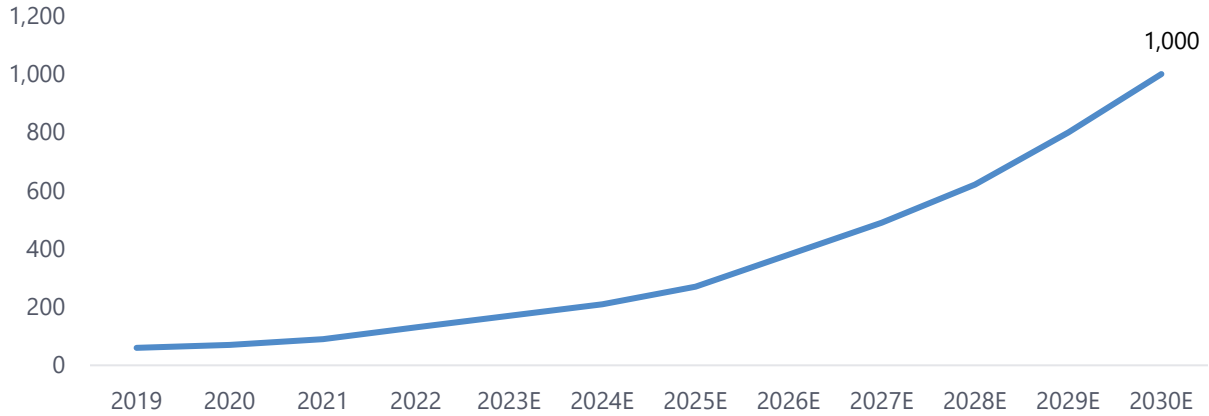


86%

of the 184 million **ISRCs** tracked were **streamed fewer than 1,000 times** in 2023 (nearly 70% had fewer than 100)[1]

Total Songs on DSPs Could Reach 1 Billion if AI Is Left Unregulated

Total Songs on DSPs, in Millions[2]



> We obviously need to deal with the issue of AI as a source of a massive amount of new music or new content creation. We want to give our customers a high-quality experience and relevant content, so obviously **getting AI to flood our catalog is not something we're super keen on**, and we're working on that. ...The intention is to declutter the platform, **focus on tracks that are valuable to our users, and increase the market share for all artists who create this music.**

Jeronimo Folgueira
Former CEO, Deezer
Mar. 2024

> [Streaming] **platforms are clogged with aspiring musicians, hoping that an algorithm will notice them**. ...It seems that Spotify, which in many ways could be considered the Netflix of music, has also become something like Friendster: a place for amateurs to post homemade work for friends. ...In [Lucian] Grainge's view, this **oversupply is "getting in the way of real talent and real songwriters**," ...AI was likely to vastly increase what he called the "sea of noise."

Jan. 2024 THE NEW YORKER

Sources:
(1) Luminate, 2023 Year-End Music Report.
(2) JP Morgan equity research.

AI Is Shaping the Future of Song Creation

Artists are using AI to handle routine tasks and improve certain aspects of song production.

Stage of Creation

Songwriting / Composing	Arranging / Recording	Editing / Mixing / Mastering
Generating lyrics, chords, melodies, harmonies, and rhythms	Augmenting song recordings with automated instrumental arrangements	Post-production adjustments, including noise reduction, pitch correction, and equalization

% of Music Creators Using AI(1)



> AI is already being used by music producers for more mundane parts of their jobs. AI can help correct vocal pitch and **allow engineers to mix and master recordings much more quickly and cheaply**. The Beatles recently used AI to isolate John Lennon's voice from a 1978 demo, stripping out the other instruments and ambient noises in order to build a new, pristinely produced song.

Dec. 2023 TIME

> Generative AI holds transformative potential for the music industry, acting as a catalyst for creativity and innovation. In this domain, it can create new compositions, **generating novel melodies, harmonies, and rhythms that can inspire or aid musicians in their work**. Artists and producers can leverage AI tools to explore diverse musical styles and experiment with unique sounds, thereby expanding the boundaries of musical genres.

Oct. 2023 Forbes

Source:
(1) Activate, Technology and Media Outlook, 2024. Figures are per survey data. Music creators are defined as individuals 18+ that create music.

The Music Industry Is at the Forefront of Determining How Creative Companies Will Work With AI

Music IP owners are working to prevent the unauthorized use of copyrighted works by AI models.

Industry and Government Are Grappling With Unauthorized Use

- **Jul. 2024:** COPIED Act introduced in the U.S. Senate, which would make removing digital watermarks illegal
- **Jul. 2024:** YouTube enables ability for artists to submit takedown requests when AI-generated content mimics appearance or voice
- **May 2024:** SME sends letter to 700 AI music streaming companies declaring it is opting out of AI training
- **Apr. 2024:** Tupac Shakur's estate threatens to sue Drake over use of AI-generated versions of Tupac's voice
- **Apr. 2024:** Gen AI Copyright Disclosure Act was introduced in the U.S. House to require AI developers to disclose use of copyrighted materials
- **Oct. 2023:** Universal, Concord, and ABKCO sue Anthropic for copyright violation

Legal Battle Between Majors and AI Developers May Have Important Implications

UNIVERSAL MUSIC GROUP | SONY MUSIC | WARNER MUSIC GROUP | VS | Suno | udio

Overview	**June 2024** UMG, SME, and WMG file $350 million lawsuit accusing Suno AI and Unchartered Labs, the developer of Udio AI, of illegally training on copyrighted recordings and distributing similar works.
Background	• Majors claim that the AI platforms' software trained on copyrighted songs without authorization. • Several side-by-side excerpts were included in the suit, showing similarities in copyrighted works and outputs generated by the AI platforms.
Potential Implications	• May help further interpret the fair use doctrine and create a framework for how copyrighted works can be used in AI training sets.

Music Strategics Are Selectively Partnering With AI Platforms

Most partnerships formed have been to build tools and capabilities vs. leveraging IP.

Mar. 2022

WMG participates in $14.5 million LifeScore AI capital raise

Jun. 2022

WMG and Crush Ventures invest an undisclosed amount in Authentic Artists, an interactive platform

Oct. 2022

HYBE acquires Supertone, an AI-generated voice platform, for $32 million

May 2023

Endel and UMG partner to enable artists and labels to create soundscapes

Jul. 2023

BeatStars and Lemonaide partner to provide tools for creators and establish ethical use of AI

Aug. 2023

YouTube launched YouTube Music AI Incubator, AI music principles, with UMG partnership

Sept. 2023

APM Music partners with AI recommendations startup Incantio

Oct. 2023

WMG's EDM label Spinnin' Records and Endel partner to produce 50 albums

Nov. 2023

Spotify and Google Cloud expand their partnership to increase engagement with AI

Nov. 2023

YouTube experiments with Dream Track in YouTube Shorts to enable prompting for AI-generated vocals

Jan. 2024

SoundCloud partners with Fadr, Soundful, and Voice-Swap to leverage AI in artists' tools

Mar. 2024

Roland and UMG partner to advocate for responsible use of AI in the music industry

Mar. 2024

Runway and Musixmatch partner to give Musixmatch users access to AI video generating

Jun. 2024

UMG and SoundLabs partner to give UMG artists and producers access to AI vocal plug-in

Illustrative Music AI Platforms

Generative Music

Aiva Technologies
BandLab SongStarter
beatoven.ai
CASSETTE
boomy
ecrett music
databass
Jukebox
lemonaide
Loudly
MusicLM
MUSICO
Riffusion
rightsify
RIPPLE
soundful
SOUNDRAW
Soundry AI
splash
Stable Audio
Suno
udio
waveai
wavtool

Dynamic Streaming

AIMI
brain.fm
Endel
GetSound.Ai
LifeScore
Mubert
PLUSMUSIC
REACTIONAL MUSIC

Production

Aflorithmic
DAACI
Fadr
Harmonai
iZOTOPE
LANDR
Loudly
magenta
Mawf
Nectar 4
neutone
okio
roex
splash
TUNEFLOW
WAVES

Stem Separation Tools

audioshake
Demucs
EasySplitter
LALAL.AI
moises
PhonicMind
splitter
spleeter

Voice Conversion

covers.ai
hooky
Kits.AI
lalals
MURF AI
Musicfy
supertone
UBERDUCK
voiceswap
VOICIFY.AI

Interest Rate Headwinds Have Impacted the Music IP Transaction Environment

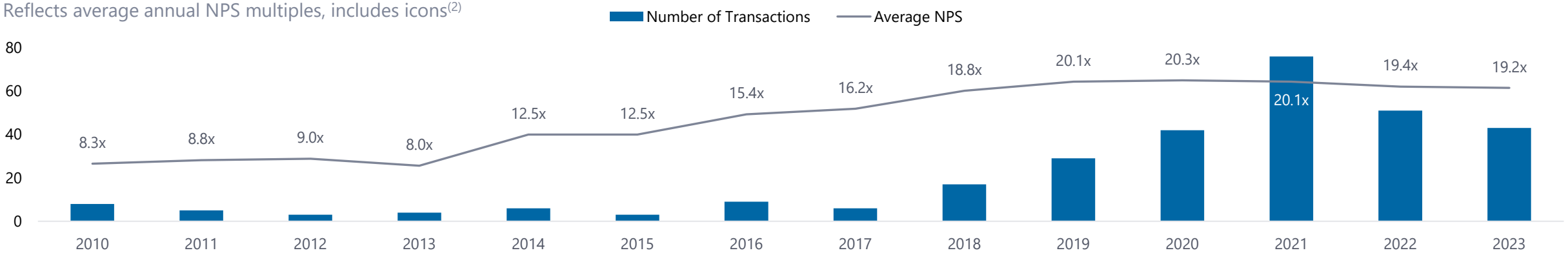
Capital Costs Remain at Elevated Levels

30Y U.S. Treasury Yield[1]



Number of Transactions and Valuations Have Decreased Between 2021 and 2023

Reflects average annual NPS multiples, includes icons[2]



Sources:
(1) U.S. Treasury.
(2) NPS data are per Shot Tower Capital, Billboard, and Houlihan Lokey estimates. Number of transactions includes both recording/publishing rights and is based on publicly available information.

Select Recent Music Catalog Acquisitions

Q1 2023

Shamrock/Universal Acquires Dr. Dre Catalog
Jan. 2023
Value: ~$200M+

WMG Acquires Yes Catalog
Jan. 2023
Value: N/A

Primary Wave Acquires Manzarek/Krieger Rights in The Doors Catalog
Jan. 2023
Value: N/A

Hipgnosis Acquires Justin Bieber Catalog
Jan. 2023
Value: $200M+

Mojo Music & Media Acquires Several Catalogs
Mar. 2023
Value: N/A

Q2 2023

Primary Wave Acquires Stake in Sarah McLachlan Catalog
Apr. 2023
Value: N/A

Reach Music Acquires Rights to Two Judas Priest Albums
Apr. 2023
Value: N/A

Anthem Acquires Additional Interest in Timbaland Catalog
Jun. 2023
Value: N/A

BMG Acquires The Hollies Catalog
Jun. 2023
Value: N/A

Primary Wave Acquires Joey Tempest Catalog
Jun. 2023
Value: N/A

Q3 2023

BMG Acquires Paul Simon Catalog
Jun. 2023
Value: N/A

BEAT Music Fund Acquires Chocolate Puma Catalog
Jun. 2023
Value: N/A

HarbourView Acquires Selected Nelly Assets
July 2023
Value: $50M

Iconic Artists Acquires Selected Assets From Cher
August 2023
Value: N/A

Litmus Music Acquires Katy Perry Catalog
September 2023
Value: $225M

BMG Acquires Jet Recordings Catalog
September 2023
Value: N/A

Primary Wave Music Acquires Rights to Isaac Hayes' Name, Image, and Likeness
October 2023
Value: N/A

Iconic Artists Group Acquires Graham Nash Catalog
October 2023
Value: N/A

HarbourView Acquires Selected Assets From Pat Benatar and Neil Giraldo
October 2023
Value: N/A

Q4 2023

Influence Media Acquires Enrique Iglesias Music Catalog
December 2023
Value: N/A

Q1 2024

Sony Music Acquires Half of Michael Jackson Music Catalog
February 2024
Value: $1.2B

Iconic Music Group Acquires Rights to Rod Stewart Catalog
February 2024
Value: $100M

Pophouse Entertainment Acquires Majority Stake in Cyndi Lauper Catalog
February 2024
Value: N/A

Q2 2024

Iconoclast Acquires Tony Bennett Catalog
March 2024
Value: N/A

Pophouse Entertainment Acquires Kiss Catalog
April 2024
Value: $300M

Beyond Music Acquires Yandel Catalog
April 2024
Value: N/A

Sony Music Acquires Queen Catalog
Jun. 2024
Value: $1.27B

Shamrock Acquires Calvin Harris Catalog From Vine Investments
July 2024
Value: N/A

Q3 2024

Sony Music Acquires Pink Floyd Catalog
October 2024
Value: $400M

Company Spotlight

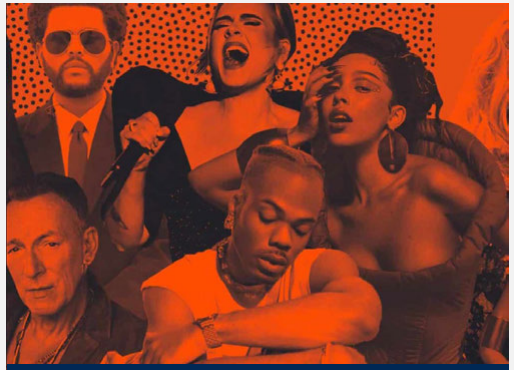
LUMINATE

Luminate is the leading entertainment data and insights company, unleashing access to the most essential, objective, and trustworthy information across music, film, and television, with data compiled from hundreds of verified sources. Working with thousands of customers globally—such as record labels and publishers, live events and ticketing companies, streamers and studios, collections organizations and catalog investors, and ultimately artists and talent—Luminate provides an invaluable source of comprehensive and independent entertainment data to a vibrant industry. In addition, Luminate is proud to power the iconic Billboard music charts and the Variety Streaming Originals Charts.

In recent years, Luminate has also become an invaluable source of data and insights to the entertainment investment community, providing years of comprehensive artist, catalog, and category data. Luminate's data disambiguation products can ingest and annotate entire catalogs with unique artist identifiers and links, enabling identification of missed revenue opportunities for artists and rights holders.

Luminate provided invaluable input in the preparation of this report. We encourage readers to check out Luminate's outstanding entertainment sector reports.

See below for links to some of their recent work:



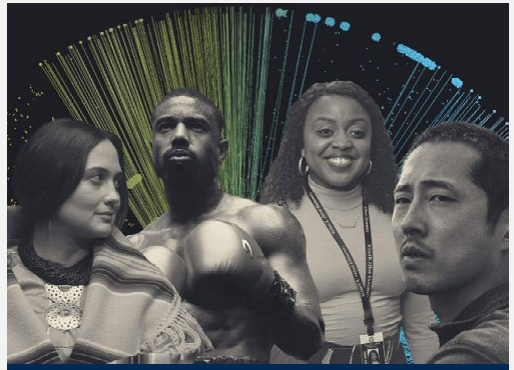
Year-End and Mid-Year Music Reports



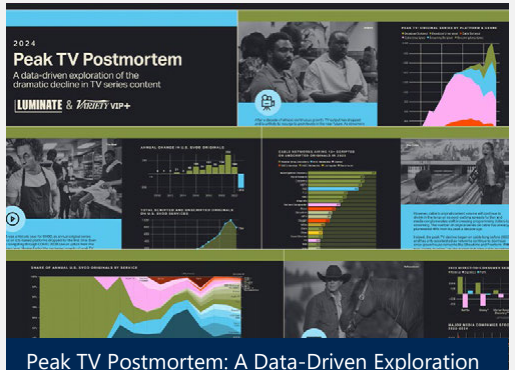
Streaming Hits or Misses: Was Big Spending Worth It?



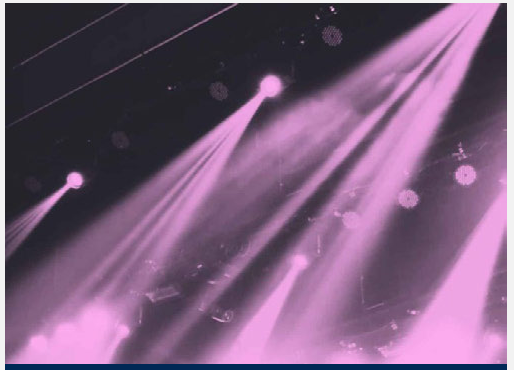
2024 Film Industry Hurdles



2024 Entertainment Diversity Progress Report



Peak TV Postmortem: A Data-Driven Exploration of the Dramatic Decline in TV Series Content



The Shared Impact of Touring and Streaming

See additional insights from Luminate on the following pages.

LUMINATE

2023 Global Audio Track Streaming Pyramid

436K tracks (ISRCs) were streamed 1M or more times globally in 2023, up from 373.5K in 2022. This year, 45.6M tracks had zero streams.

1B+ YTD Streams	19
100M-1B YTD Streams	4K
10M-100M YTD Streams	52.3K
1M-10M YTD Streams	380K
100K-1M YTD Streams	1.9M
1K-100K YTD Streams	45.2M
101-1K YTD Streams	33.7M
11-100 YTD Streams	45.2M
0-19 YTD Streams	79.7M

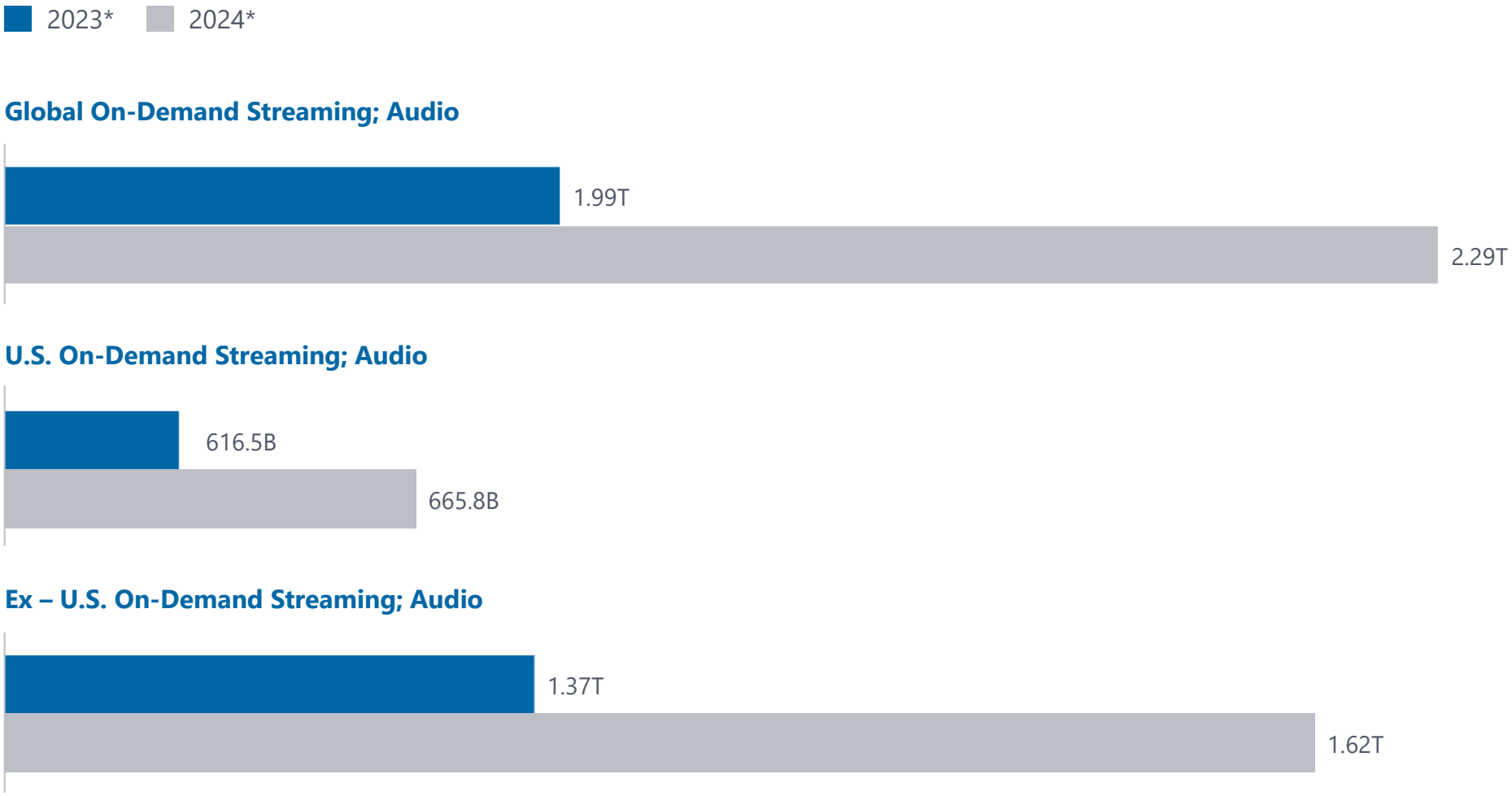
184M

Total Audio ISRCs Tracked

Source: Luminate Music Consumption Data.

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Global Metrics



+15%
Vol. Change

+8.0%
Vol. Change

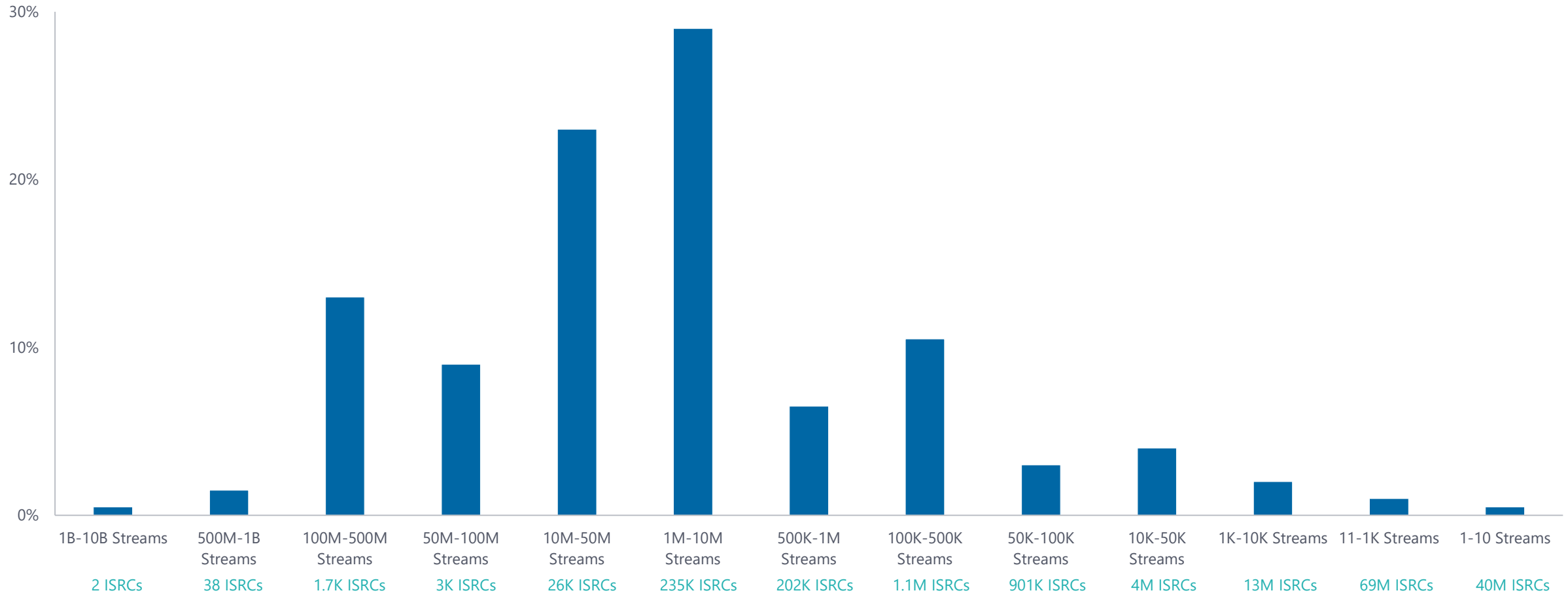
+18.2%
Vol. Change

Source: Luminate, Midyear Music Report, June 2024.
**12/29/2023–6/27/24 (as compared to 12/30/22–6/29/23).*
**SEA (Stream-Equivalent Albums): 1250 Premium Streams – One Album // 3750 Ad-Supported Streams – Album; TEA (Track-Equivalent Albums): 10 Digital Tracks – One Album.*
***Catalog – older than 18 months.*

Share of Global On-Demand Audio Streaming by Tier

Tracks With 1M–50M Global ODA Make Up 51.4% of All Streaming.

ODA Streams, H1 2024 (Weeks 1–26, 2024)



Source: Luminate, Midyear Music Report, June 2024.

LUMINATE

Premium and Ad-Supported Streaming Outside of the U.S.

Top 5 Countries in Premium Streaming Share

Rank	Country	Premium
1	Norway	93.5%
2	Iceland	92.9%
3	Sweden	89.6%
4	Netherlands	87.6%
5	Denmark	87.1%

Median 5 Countries in Premium Streaming Share

Rank	Country	Premium
22	Japan	70.5%
23	Hungary	69.4%
24	Taiwan	68.0%
25	France	67.0%
26	Chile	65.4%

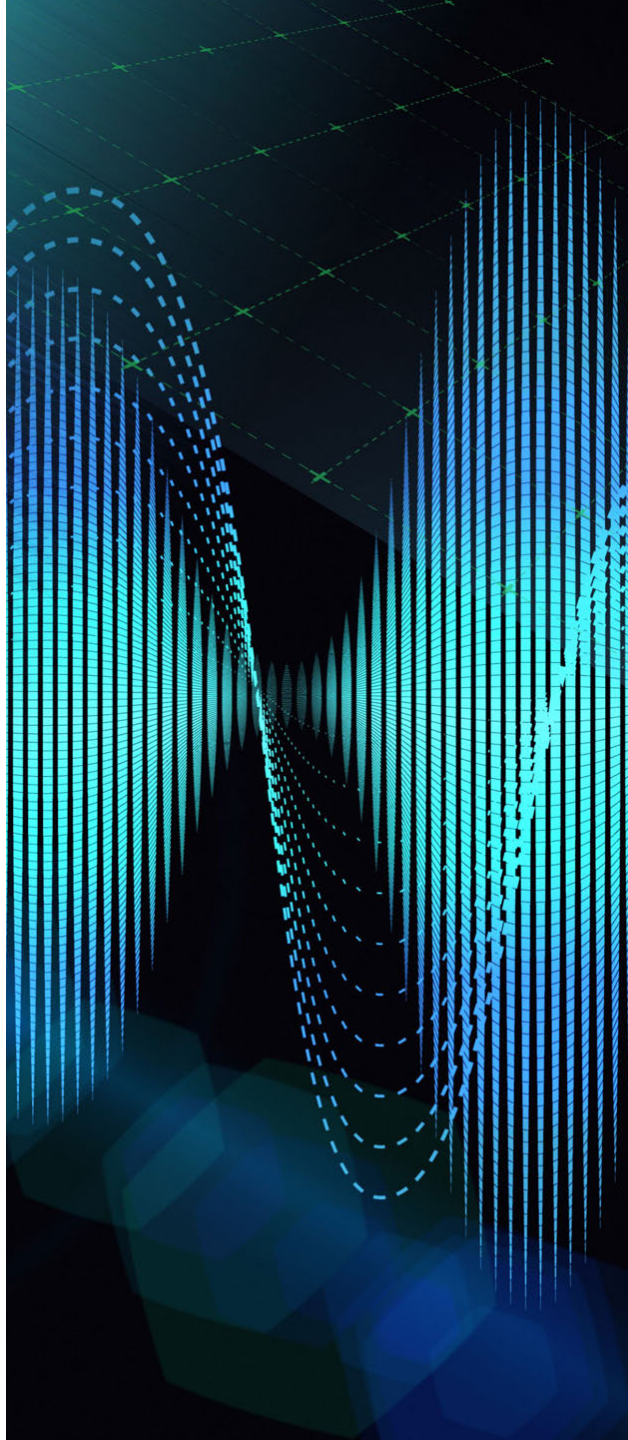
Lowest 5 Countries in Premium Streaming Share

Rank	Country	Premium
45	Peru	30.9%
46	Bolivia	22.8%
47	Vietnam	17.6%
48	Indonesia	15.5%
49	India	9.7%



57.5%

Premium streaming globally accounts for 57.5% of Total On-Demand (combined Audio and Video) streaming share

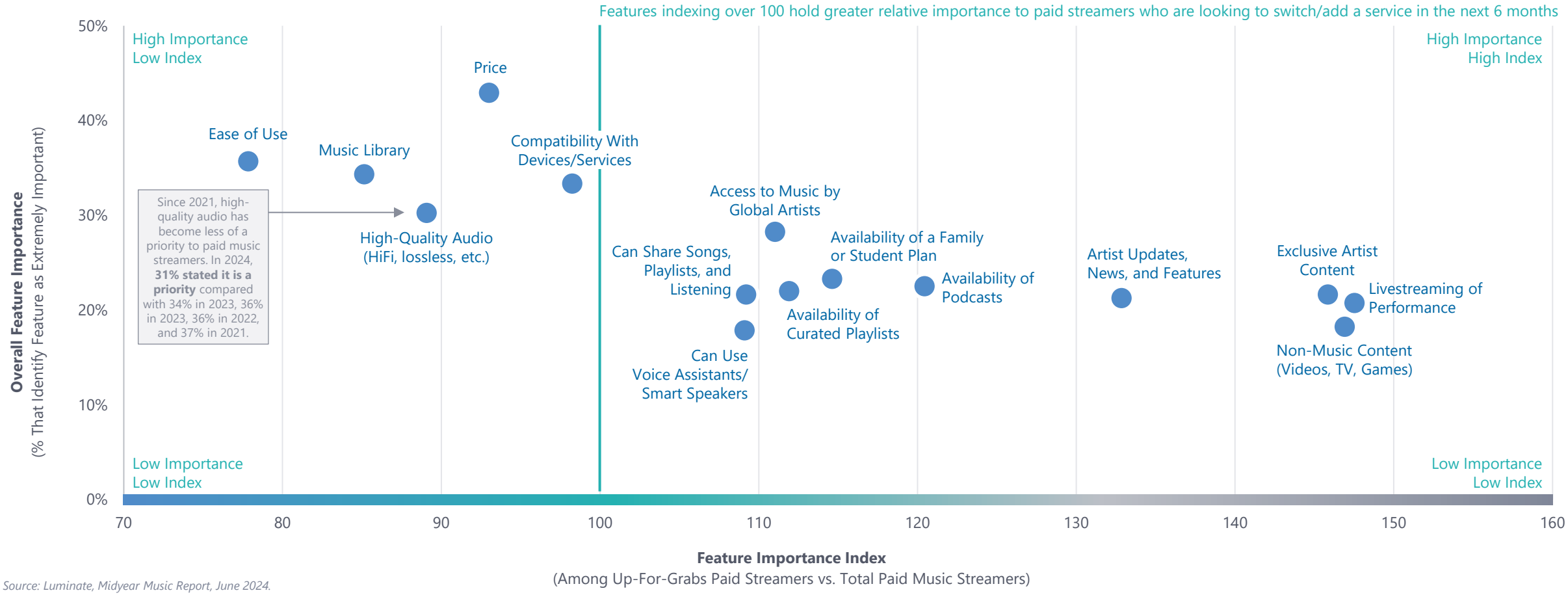


Source: Luminate Music Consumption Data.

Audience Feature Priorities on Streaming Platforms

Identifying what matters most to "up-for-grabs paid music streamers" could help differentiate streaming services and acquire new subscribers.

Among U.S. Paid Streamers Considering Switching or Trying a New Service in the Next 6 Months



Source: Luminate, Midyear Music Report, June 2024.

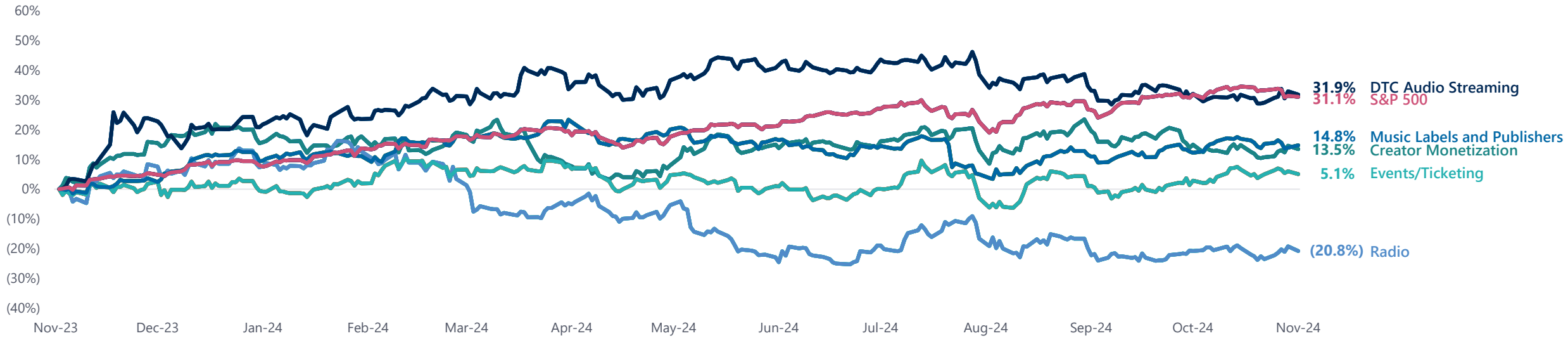
To view a full market map, please contact:
John.Lambros@HL.com, DGossels@HL.com,
or JFocosi@HL.com

The Music Industry Is Evolving With Digital Replatforming



Audio Sector Public Trading Metrics

LTM Share Price Performance



DTC Audio Streaming

Acast, amazon, anghami, Audioboom, DEEZER, Google, LIVEXONE, podcastone, SiriusXM, SONOS, Spotify, storytel, TME TENCENT MUSIC ENTERTAINMENT

Music Labels and Publishers

believe, HYBE, RESERVOIR, SONY MUSIC, UNIVERSAL, UNIVERSAL MUSIC GROUP, WARNER MUSIC GROUP

Radio

CUMULUS MEDIA, entravision, iHeartRADIO, SiriusXM, STINGRAY, townsquare

Events/Ticketing

CTS, eventbrite, LIVE NATION, MADISON SQUARE GARDEN ENTERTAINMENT, MADISON SQUARE GARDEN SPORTS, sphere, vividseats

Creator Monetization

Acast, Adobe, Dolby, Etsy, gettyimages, Pinterest, shutterstock, vimeo

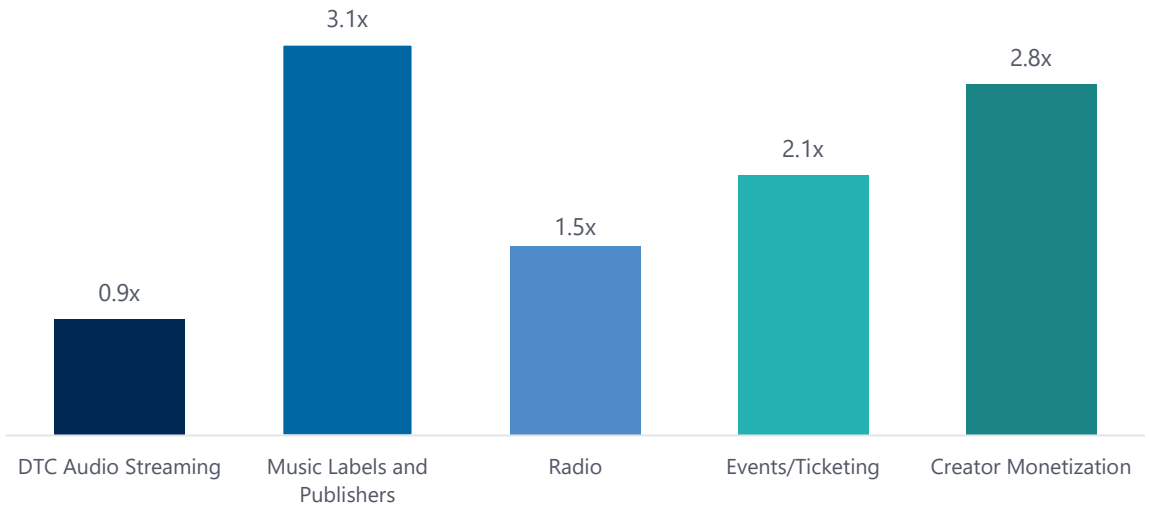
31.9%	14.8%	(20.8%)	5.1%	13.5%

LTM Share Price Performance

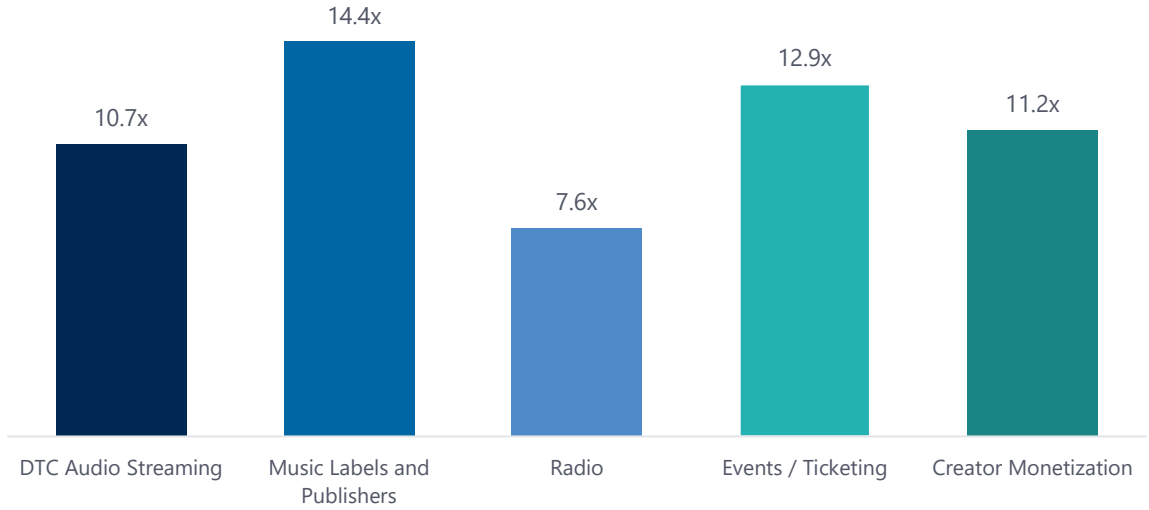
Source: S&P Capital IQ as of November 4, 2024.

Audio Sector Public Trading Metrics (cont.)

Enterprise Value / 2025E Revenue



Enterprise Value / 2025E EBITDA



DTC Audio Streaming

Acast, amazon, anghami, Audioboom, DEEZER, Google, LIVEXONE, podcastone, SiriusXM, SONOS, Spotify, storytel, TME TENCENT MUSIC ENTERTAINMENT

Music Labels and Publishers

believe, HYBE, RESERVOIR, SONY MUSIC, UNIVERSAL, UNIVERSAL MUSIC GROUP, WARNER MUSIC GROUP

Radio

CUMULUS MEDIA, entravision, iHeartRADIO, SiriusXM, STINGRAY, townsquare

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CTS, eventbrite, LIVE NATION, MADISON SQUARE GARDEN ENTERTAINMENT, MADISON SQUARE GARDEN SPORTS, sphere, vividseats

Creator Monetization

Acast, Adobe, Dolby, Etsy, gettyimages, Pinterest, shutterstock, vimeo

DTC Audio Streaming	Music Labels and Publishers	Radio	Events/Ticketing	Creator Monetization
0.9x / 10.7x	3.1x / 14.4x	1.5x / 7.6x	2.1x / 12.9x	2.8x / 11.2x

2025E Revenue / 2025E EBITDA Multiple

Note: Multiples shown represent median value of sector group. Source: S&P Capital IQ as of November 4, 2024.

Believe Transaction Overview

Transaction Overview

believe

acquired by

EQT TCV

Denis Ladegaillerie

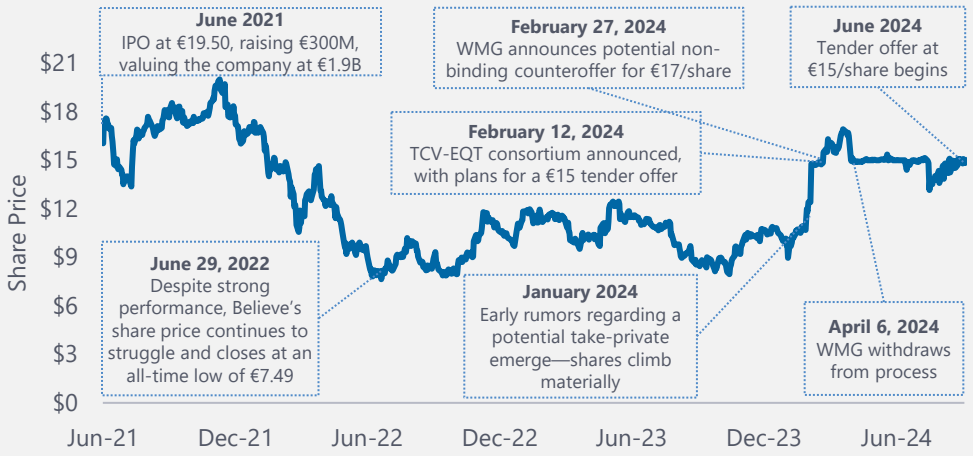
€1,523,000,000[1]

- On February 12, 2024, a consortium formed by the EQT X fund, funds advised by TCV, and Denis Ladegaillerie, announced an acquisition of Believe for an estimated ~€1.5 billion.
- Under the terms, Believe shareholders will receive €15 per share, following the acquisition of a block representing 71.92% of the share capital and 77.42% of the theoretical voting rights of the company.
- The purchase price represents a premium of 43.8% over the volume-weighted average share price of the 30 trading days preceding the announcement of the offer.

Implied Transaction Multiples	~1.5x	~26.7x
	EV/LTM Revenue[2]	EV/LTM EBITDA[2]

Sources: PitchBook, S&P Capital IQ, press releases, and company website.
(1) Represents equity value.
(2) LTM refers to the 12 months ending on December 31, 2023.

Believe Stock Chart From IPO to September 2024



Company Overview

Believe is a digital music company that provides independent artists and labels the solutions to grow their audience at each stage of their development.

Date Founded:	Founder:	Headquarters:	2023A Revenue:	2023A Adj. EBITDA:
2005	Denis Ladegaillerie	Paris, France	~€880M	~€50M

Platform Overview

Premium Solutions

believe. Artist Services

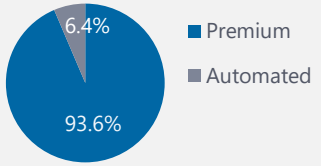
Customized services for top indie artists

Automated Solutions

tunecore

Tech-enabled solution for DIY artists

LTM Revenue Breakdown[2]



Selected Deal Commentary

"Believe's track record in developing labels and artists worldwide is exceptional. With the music market growth and digitalization, Believe has significant potential to continue thriving, through organic expansion and strategic acquisitions. We are excited to invest alongside TCV and Denis to back that next phase of development."



Nicolas Brugere,
Partner, EQT

"Believe is strongly positioned as the partner of choice for independent artists and labels globally, as well as for artists and labels that have a digital-first mindset. We at TCV see Believe's focus on local content, coupled with its full-stack offering addressing all artist segments and focusing on digital artist development over the long term."



John Doran,
General Partner, TCV

Hipgnosis Taken Private by Blackstone

HIPGNOSIS

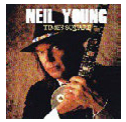
- **Hipgnosis Songs Fund** (HSF) was the first U.K. investment company offering investors a **pure-play** exposure to songs and associated musical intellectual property rights. The strategy was to focus on proven, culturally relevant songs that have a high exposure to streaming and a low exposure to live performance.
- HSF owned catalogs from Red Hot Chili Peppers, Justin Bieber, Shakira, Neil Young, and many more.

Catalogs
140+

Songs
40,000+

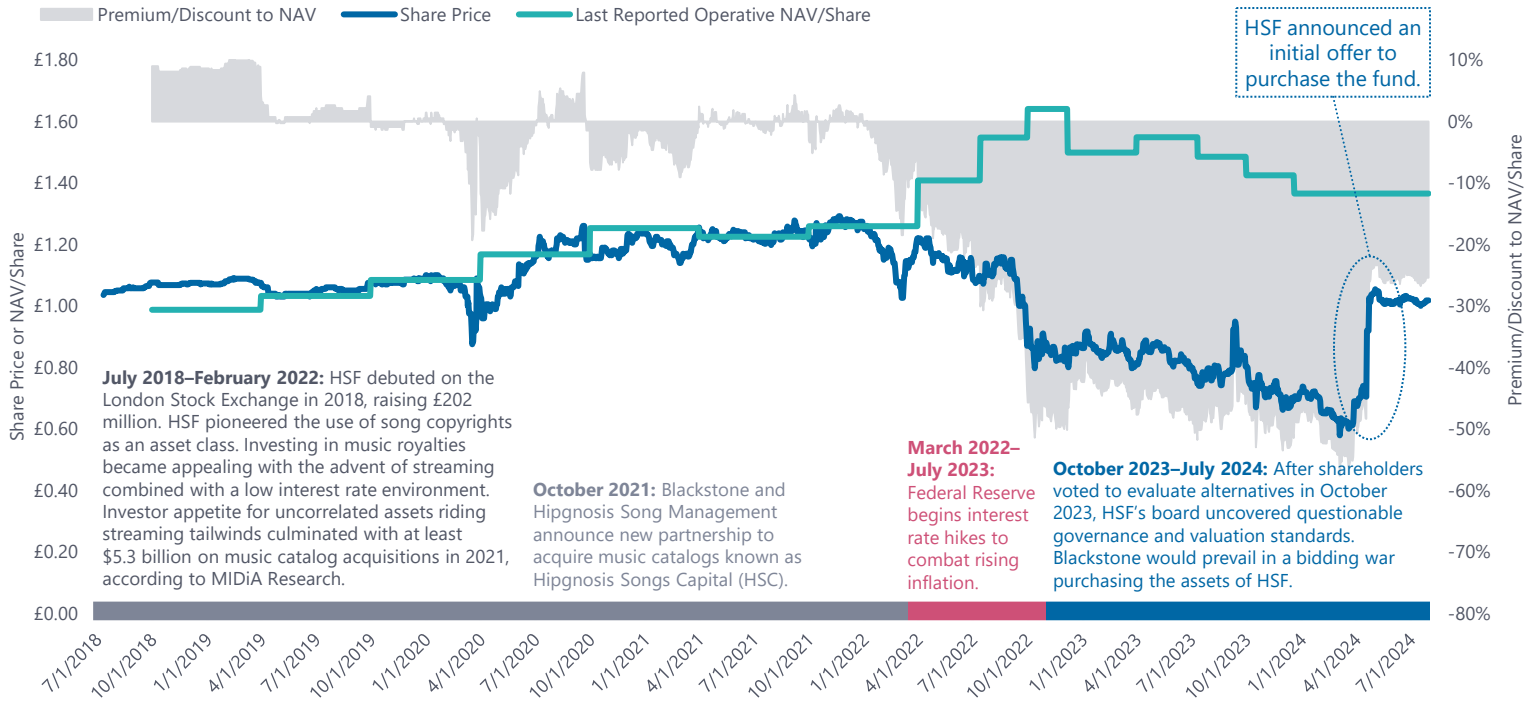
Grammys
163








The Hipgnosis Story in Charts

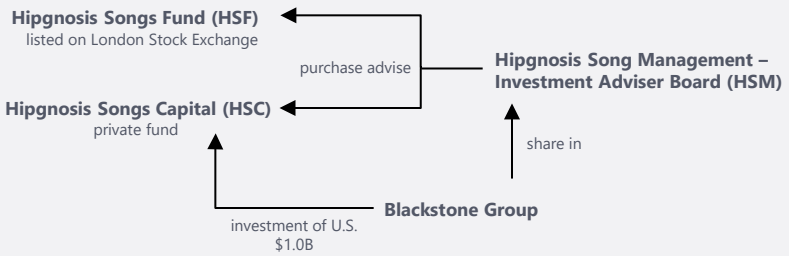


Sources: S&P Capital IQ, Music Business Worldwide, Music Business Research, public filings, and public articles.

Hipgnosis Considers Strategic Alternatives

- **October 2023:** In response to a lagging share price and continued divergence from reported NAV, HSF announced a plan to sell 29 catalogs to HSC for £365 million. HSF shareholders voted against the sale and against continuing the business in its current form, spurring the board to evaluate strategic alternatives by April 2024.
- **March 2024:** HSF issued a damning report compiled by Shot Tower Capital suggesting that HSF materially overstated the fund's revenue and EBITDA, supported catalog acquisitions with analyses that were "below music industry standards," overpaid for the majority of the catalogs it acquired attributable to inadequate diligence and underwriting standards, and overstated ownership control in disclosures, among other findings. The report included a valuation of £1.54 billion ($1.95 billion), a decrease of nearly 25% from the last stated NAV.
- **April 2024:** HSF announced an offer from Concord to purchase the company at a price of 93 pence on April 18. On April 20, Blackstone entered the bidding, and the two exchanged bids prior to Concord dropping out. Blackstone won the bid at £1.01 ($1.31), a premium to the Shot Tower Capital valuation of approximately 10%.
- **July 2024:** HSF voted to accept Blackstone's offer to purchase the assets, and Merck Mercuriadis announced that he would leave Hipgnosis Song Management once Blackstone's acquisition of the full catalog was completed. HSF was delisted from the London Stock Exchange.

Corporate Structure After October 2021 Blackstone Investment



Highlighted M&A Transactions

Target	Acquirer	Date	Target Description	Enterprise Value ($M)	Revenue Multiple	EBITDA Multiple
GLOBAL MUSIC RIGHTS	Hellman & Friedman	Sep-24	Provider of music rights management services intended to assist artists in the public performance licensing of their catalogs	$3,300	N/A	N/A
Encore	M-XCLOUD	Sep-24	Developer of a musician hiring platform designed to connect people with musicians	N/A	N/A	N/A
opus MUSIC GROUP	litMUS	Sep-24	Independent record label and music publisher. Owns rights to music catalogs, including Juice WRLD, Ozuna, Maluma, and Rauw Alejandro	N/A	N/A	N/A
BLACK SKY	SONY MUSIC	Aug-24	Los Angeles–based producer of immersive entertainment, experiential retail, and live experiences	N/A	N/A	N/A
HIPGNOSIS	Blackstone	Jul-24	Major music rights investment fund	$2,200	14.9x	18.7x
Superstruct Entertainment	KKR	Jun-24	Operator of large-scale festivals and live music events in Europe and Australia	$1,400	N/A	N/A
vivendi *Festival and ticketing business*	eventim	Jun-24	Operator of a leading U.K. ticketer, See Tickets, as well as the Junction 2 and Garorock music festivals	$323	N/A	N/A
Audiotonix	PAI PARTNERS	Apr-24	Manufacturer of professional audio mixing consoles	$2,500	N/A	N/A
NEON HUM	SONY MUSIC	Apr-24	Los Angeles–based podcast production company	N/A	N/A	N/A
NIKA	WARNER MUSIC GROUP *South East Europe*	Mar-24	Slovenian indie label	N/A	N/A	N/A
believe	EQT TCV	Feb-24	Provider of music distribution and marketing services for artists and labels worldwide	~$1,400	~1.5x	~26.7x

Sources: PitchBook, company websites, and company press releases.

Highlighted M&A Transactions (cont.)

Target	Acquirer	Date	Target Description	Enterprise Value ($M)	Revenue Multiple	EBITDA Multiple
MAVIN RECORDS	UNIVERSAL MUSIC GROUP	Feb-24	Lagos, Nigeria–based Afrobeats label	N/A	N/A	N/A
Chord Music	UNIVERSAL MUSIC GROUP	Feb-24	Formed in 2021 by KKR and Dundee Partners, the investment office of the Hendel family, Chord's portfolio includes works from The Weeknd, Ryan Tedder/OneRepublic, David Guetta, Lorde, Kid Cudi, and Diplo. UMG acquired a 25.8% interest in Chord	$1,850	N/A	N/A
HAL•LEONARD	muse group FP FRANCISCO PARTNERS	Dec-23	Hal Leonard is a publisher of sheet music and educational content. Maintains exclusively licensed, premium arrangements from some of the world's best-known artists and scores, from Taylor Swift and The Beatles to John Williams and Disney soundtracks	N/A	N/A	N/A
roon	HARMAN	Nov-23	Roon is a music player platform for music enthusiasts that features an interface for browsing and discovering music, compatibility with almost any audio device, and a playback engine	N/A	N/A	N/A
BMI	NMC New Mountain Capital	Nov-23	BMI (Broadcast Music, Inc.) is a global music performance rights manager. BMI represents 22.4 million musical works created by 1.4+ million songwriters, composers, and publishers	$1,500	1.0x	N/A
EXILE Music	HYBE	Nov-23	Exile Music is a Latin American music label. Prior to Hybe's acquisition, it was a subsidiary of Exile Content, a division of Candle Media	N/A	N/A	N/A
HIFI	BLOCK	Oct-23	Operator of a financial platform that aggregates data from labels, distributors, PROs, music publishers, and others, enabling artists to have greater visibility of their earnings	N/A	N/A	N/A
bandcamp	Songtradr	Sep-23	Artist/listener-centric music publishing platform for the discovery and purchase of music	N/A	N/A	N/A
MOJO MUSIC & MEDIA	concord	Sep-23	Music publisher founded in 2018 and based in New York, Nashville, and London. Mojo's catalog of 30K+ songs includes works from REO Speedwagon, KISS, and Cheap Trick	N/A	N/A	N/A
BANDZOOGLE	DISTROKID	Sep-23	Operator of a platform for independent and DIY musicians to build websites and manage their direct-to-fan marketing and sales	N/A	N/A	N/A
ROUND HILL MUSIC	concord	Sep-23	Round Hill Music Royalty Fund is a publicly listed fund that includes 51 catalogs comprising more than 150,000 songs. The vehicle went public on the LSE in 2020	$549	12.6x	23.5x

Sources: PitchBook, company websites, and company press releases.

Highlighted Financings

Company	Investor(s)	Date	Description	Investment ($M)	Pre-Money Valuation ($M)
Duetti	Flexpoint Ford, nyca, Viola Ventures	Oct-24	Operator of a music licensing platform that acquires rights from independent musicians	$114	N/A
tune.fm	gem global emerging markets	Sep-24	San Francisco-based web3 decentralized music platform	$50	N/A
fancircles	*Individuals*	Aug-24	U.K.-headquartered SaaS platform that connects artists directly with their fans	$2	N/A
TURNTABLE LAB	Founders Fund, *(others)*	Aug-24	Social music platform	$8	N/A
TickPick	Brighton Park Capital, Symphony	Aug-24	Developer of an online ticket-sales platform intended to serve concerts, sports and theater audiences	$250	N/A
Sony Music	Apollo	Jul-24	Music rights acquisition vehicle managed by SME	$700	N/A
Create Music Group	Flexpoint Ford	Jun-24	Tech-enabled label that provides a suite of tools and services, including distribution, publishing, sync licensing, digital right mgmt., A&R and marketing, and recording services	$165	$1,000
Suno	Lightspeed, *(others)*	Apr-24	AI music generation platform	$125	$500
udio	a16z, *(others)*	Apr-24	AI music generation platform	$10	N/A
Pocket FM	Lightspeed, *(others)*	Mar-24	India-based spoken audio streaming platform	$103	N/A
HarbourView	KKR	Mar-24	Music rights acquisition company with 50+ catalog acquisition to date. KKR's provided debt financing through a private securitization of HarbourView's catalog	$500	N/A

Sources: PitchBook, company websites, and company press releases.

Highlighted Financings (cont.)

Company	Investor(s)	Date	Description	Investment ($M)	Pre-Money Valuation ($M)
Duetti	nyca Northleaf *(others)*	Feb-24	Operator of a music licensing platform that acquires rights from independent musicians	$90	N/A
Iconic Artists Group	HPS	Feb-24	Music catalog	$1,000	N/A
cinq Music Group	GoDigital Media Group	Feb-24	Developer of a global music distribution and rights management platform designed to reach music fans via hundreds of digital, physical and mobile retailers	$250	N/A
gamma.	Alpha Wave	Feb-24	Founded by former Apple Music Global Creative Director Larry Jackson and veteran music executive Ike Youssef, gamma. offers creative and business services across all artistic and commercial touchpoints: from content creation and distribution, to creative guidance, innovative payment solutions, etc.	$100	$400
tune.fm	LDA Capital	Jan-24	Developer of a music streaming platform and NFT marketplace designed to allow artists to earn money while playing music	$20	N/A
podimo	EIFO	Dec-23	Operator of an audio entertainment subscription platform intended to build an ecosystem for podcasters that rewards creators for making content	$48	N/A
Medallion	Dragonfly Lightspeed Faction *(others)*	Dec-23	Direct to fan platform helping artists better engage with and monetize superfans. since launching in 2022, it has scaled to around 200,000 music fans, and numerous musical artists who use the platform's white-label fan experience and e-commerce services	$14	N/A
mozaic	Volition Capital	Nov-23	Global payment platform for co-creators that helps people to send, receive and split payments for their work. The company initially focused on musicians and has since	$20	N/A
Songtradr	Epic Games, Perennial Private Investments, Argo Investments *Richard White (Wisetech founder)*	Nov-23	Operator of a B2B music licensing marketplace intended to connect artists with brands, advertisers, film, TV, and similar digital platforms	$70	$530
DICE	Music, Structural Capital, Exor Ventures, Mirabaud Asset Management	Aug-23	U.K.-based mobile ticketing platform for live music events	$65	N/A
Antares	Atairos	Aug-23	Leading software vocal production product that has revolutionized the music industry and is used in the vast majority of The Billboard Hot 100 tracks	N/A	N/A

Sources: PitchBook, company websites, and company press releases.

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