
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-32502

Warner Music Group Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-4271875
(I.R.S. Employer
Identification No.)

1633 Broadway
New York, NY 10019
(Address of principal executive offices)

(212) 275-2000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.001 par value per share	WMG	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

As of February 4, 2026, there were 146,965,855 shares of Class A Common Stock and 375,380,313 shares of Class B Common Stock of the registrant outstanding.

WARNER MUSIC GROUP CORP.
QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

TABLE OF CONTENTS

	Page Number
Part I. Financial Information	
Item 1. <u>Financial Statements (Unaudited)</u>	1
<u>Condensed Consolidated Balance Sheets as of December 31, 2025 and September 30, 2025</u>	1
<u>Condensed Consolidated Statements of Operations for the Three Months Ended December 31, 2025 and December 31, 2024</u>	2
<u>Condensed Consolidated Statements of Comprehensive Income for the Three Months Ended December 31, 2025 and December 31, 2024</u>	3
<u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended December 31, 2025 and December 31, 2024</u>	4
<u>Condensed Consolidated Statements of Equity for the Three Months Ended December 31, 2025 and December 31, 2024</u>	5
<u>Notes to Condensed Consolidated Financial Statements</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	43
Item 4. <u>Controls and Procedures</u>	44
Part II. Other Information	
Item 1. <u>Legal Proceedings</u>	46
Item 1A. <u>Risk Factors</u>	46
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	46
Item 3. <u>Defaults Upon Senior Securities</u>	47
Item 4. <u>Mine Safety Disclosures</u>	47
Item 5. <u>Other Information</u>	47
Item 6. <u>Exhibits</u>	48
<u>Signatures</u>	49

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Warner Music Group Corp. **Condensed Consolidated Balance Sheets** *(In millions, except share amounts which are reflected in thousands)* *(Unaudited)*

	December 31, 2025	September 30, 2025
Assets		
Current assets:		
Cash and equivalents	\$ 751	\$ 532
Accounts receivable, net of allowances of \$28 million and \$27 million	1,374	1,340
Inventories	60	62
Royalty advances expected to be recouped within one year	584	581
Assets held for sale	80	89
Prepaid and other current assets	169	166
Total current assets	3,018	2,770
Royalty advances expected to be recouped after one year	1,082	1,079
Property, plant and equipment, net of accumulated depreciation of \$718 million and \$701 million	418	441
Operating lease right-of-use assets, net	179	189
Goodwill	2,063	2,061
Intangible assets subject to amortization, net	2,690	2,725
Intangible assets not subject to amortization	154	154
Deferred tax assets, net	90	111
Other assets	317	299
Total assets	\$ 10,011	\$ 9,829
Liabilities, Redeemable Noncontrolling Interest and Equity		
Current liabilities:		
Accounts payable	\$ 201	\$ 257
Accrued royalties	2,938	2,740
Accrued liabilities	667	666
Accrued interest	39	31
Operating lease liabilities, current	47	43
Deferred revenue	246	286
Liabilities held for sale	48	49
Other current liabilities	124	129
Total current liabilities	4,310	4,201
Acquisition Corp. long-term debt	4,064	4,063
Other long-term debt	307	302
Operating lease liabilities, noncurrent	188	200
Deferred tax liabilities, net	169	164
Other noncurrent liabilities	144	142
Total liabilities	\$ 9,182	\$ 9,072
Redeemable noncontrolling interest	5	—
Equity:		
Class A common stock, \$0.001 par value; 1,000,000 shares authorized, 146,146 and 146,906 shares issued and outstanding as of December 31, 2025 and September 30, 2025, respectively	\$ —	\$ —
Class B common stock, \$0.001 par value; 1,000,000 shares authorized, 375,380 issued and outstanding as of December 31, 2025 and September 30, 2025, respectively	1	1
Additional paid-in capital	2,154	2,166
Accumulated deficit	(1,255)	(1,331)
Accumulated other comprehensive loss, net	(180)	(189)
Total Warner Music Group Corp. equity	720	647
Noncontrolling interest	104	110
Total equity	824	757
Total liabilities, redeemable noncontrolling interest and equity	\$ 10,011	\$ 9,829

See accompanying notes

Warner Music Group Corp.
Condensed Consolidated Statements of Operations
(In millions, except share amounts which are reflected in thousands, and per share data)
(Unaudited)

	Three Months Ended December 31,	
	2025	2024
Revenue	\$ 1,840	\$ 1,666
Costs and expenses:		
Cost of revenue	(987)	(894)
Selling, general and administrative expenses (a)	(458)	(474)
Restructuring and impairments	(34)	(27)
Amortization expense	(68)	(57)
Total costs and expenses	(1,547)	(1,452)
Net loss on divestitures	(5)	—
Operating income	288	214
Interest expense, net	(45)	(37)
Other income	3	153
Income before income taxes	246	330
Income tax expense	(71)	(89)
Net income	175	241
Less: (Income) loss attributable to noncontrolling interest	1	(5)
Net income attributable to Warner Music Group Corp.	\$ 176	\$ 236
Net income per share attributable to common stockholders:		
Class A – Basic and Diluted	\$ 0.33	\$ 0.45
Class B – Basic and Diluted	\$ 0.33	\$ 0.45
Weighted average common shares:		
Class A – Basic and Diluted	146,755	143,053
Class B – Basic and Diluted	375,380	375,380
(a) Includes depreciation expense:	\$ (31)	\$ (29)

See accompanying notes

Warner Music Group Corp.
Condensed Consolidated Statements of Comprehensive Income
(In millions)
(Unaudited)

	Three Months Ended December 31,	
	2025	2024
Net income	\$ 175	\$ 241
Other comprehensive income (loss), net of tax:		
Foreign currency adjustment	9	(129)
Other comprehensive income (loss), net of tax	9	(129)
Total comprehensive income	184	112
Less: (Income) loss attributable to noncontrolling interest	1	(5)
Comprehensive income attributable to Warner Music Group Corp.	\$ 185	\$ 107

See accompanying notes

Warner Music Group Corp.
Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended December 31,	
	2025	2024
Cash flows from operating activities		
Net income	\$ 175	\$ 241
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	99	86
Unrealized losses and remeasurement of foreign-denominated loans and foreign currency forward exchange contracts	3	(120)
Deferred income taxes	25	23
Net gain on investments	1	(28)
Net loss on divestitures	5	—
Non-cash interest expense	1	2
Non-cash stock-based compensation expense	19	13
Non-cash impairments	9	26
Changes in operating assets and liabilities:		
Accounts receivable, net	(33)	24
Inventories	12	10
Royalty advances	(7)	(42)
Other noncurrent assets	7	3
Accounts payable and accrued liabilities	(34)	(183)
Royalty payables	195	173
Accrued interest	8	24
Operating lease liabilities	2	(2)
Deferred revenue	(44)	66
Other balance sheet changes, net	(3)	16
Net cash provided by operating activities	440	332
Cash flows from investing activities		
Acquisition of music publishing rights and music catalogs	(30)	(41)
Capital expenditures	(20)	(36)
Investments and acquisitions of businesses, net of cash received	(12)	(40)
Proceeds from the sale of investments	—	36
Proceeds from divestitures	10	—
Net cash used in investing activities	(52)	(81)
Cash flows from financing activities		
Proceeds from Beethoven Credit Agreement	4	—
Deferred financing costs paid	(8)	—
Distribution to noncontrolling interest holders	(4)	(7)
Contributions from redeemable noncontrolling interest holder	5	—
Dividends paid	(100)	(94)
Payment of deferred consideration	(25)	(17)
Taxes paid related to net share settlement of restricted stock units and common stock	(5)	(2)
Common stock repurchased and retired	(26)	(2)
Other financing activity	—	(5)
Net cash used in financing activities	(159)	(127)
Effect of exchange rate changes on cash and equivalents	3	(16)
Cash balances classified as assets held for sale	(16)	—
Net increase in cash and equivalents	216	108
Cash and equivalents at beginning of period	535	694
Cash and equivalents at end of period	\$ 751	\$ 802

See accompanying notes

Warner Music Group Corp.
Condensed Consolidated Statements of Equity

(In millions, except share amounts which are reflected in thousands, and per share data)
(Unaudited)

**Three Months Ended
December 31, 2025**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Warner Music Group Corp. Equity	Non- controlling Interest	Total Equity	Redeemable Non- controlling Interest
	Shares	Value	Shares	Value							
Balance at September 30, 2025	146,906	\$ —	375,380	\$ 1	\$ 2,166	\$ (1,331)	\$ (189)	\$ 647	\$ 110	\$ 757	\$ —
Net income	—	—	—	—	—	176	—	176	(1)	175	—
Other comprehensive income, net of tax	—	—	—	—	—	—	9	9	—	9	—
Dividends (\$0.19 per share)	—	—	—	—	—	(100)	—	(100)	—	(100)	—
Stock-based compensation	—	—	—	—	19	—	—	19	—	19	—
Distribution to noncontrolling interest holders	—	—	—	—	—	—	—	—	(5)	(5)	—
Vesting of restricted stock units, net of shares withheld for employee taxes	160	—	—	—	(5)	—	—	(5)	—	(5)	—
Common shares repurchased and retired	(920)	—	—	—	(26)	—	—	(26)	—	(26)	—
Contributions from redeemable non-controlling interest holders	—	—	—	—	—	—	—	—	—	—	5
Balance at December 31, 2025	146,146	\$ —	375,380	\$ 1	\$ 2,154	\$ (1,255)	\$ (180)	\$ 720	\$ 104	\$ 824	\$ 5

**Three Months Ended
December 31, 2024**

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Warner Music Group Corp. Equity	Non- controlling Interest	Total Equity	Redeemable Non- controlling Interest
	Shares	Value	Shares	Value							
Balance at September 30, 2024	142,559	\$ —	375,380	\$ 1	\$ 2,077	\$ (1,313)	\$ (247)	\$ 518	\$ 157	\$ 675	\$ —
Net income	—	—	—	—	—	236	—	236	5	241	—
Other comprehensive loss, net of tax	—	—	—	—	—	—	(129)	(129)	—	(129)	—
Dividends (\$0.18 per share)	—	—	—	—	—	(94)	—	(94)	—	(94)	—
Stock-based compensation	—	—	—	—	20	—	—	20	—	20	—
Distribution to noncontrolling interest holders	—	—	—	—	—	—	—	—	(8)	(8)	—
Vesting of restricted stock units, net of shares withheld	64	—	—	—	(2)	—	—	(2)	—	(2)	—
Shares issued under the Plan	1,738	—	—	—	—	—	—	—	—	—	—
Common shares repurchased and retired	(60)	—	—	—	(2)	—	—	(2)	—	(2)	—
Other	—	—	—	—	(2)	—	—	(2)	(2)	(4)	—
Balance at December 31, 2024	144,301	\$ —	375,380	\$ 1	\$ 2,091	\$ (1,171)	\$ (376)	\$ 545	\$ 152	\$ 697	\$ —

See accompanying notes

Warner Music Group Corp.
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Description of Business

Warner Music Group Corp. (the “Company”) was formed on November 21, 2003. The Company is the direct parent of WMG Holdings Corp. (“Holdings”), which is the direct parent of WMG Acquisition Corp. (“Acquisition Corp.”). Acquisition Corp. is one of the world’s major music entertainment companies. We classify our business interests into two fundamental operations: Recorded Music and Music Publishing.

Recorded Music Operations

Our Recorded Music business primarily consists of the discovery and development of recording artists and the related marketing, promotion, distribution, sale and licensing of music created by such recording artists. We play an integral role in virtually all aspects of the recorded music value chain from discovering and developing talent to producing, distributing and selling music to marketing and promoting recording artists and their music.

Music Publishing Operations

While Recorded Music is focused on marketing, promoting, distributing and licensing a particular recording of a musical composition, Music Publishing is an intellectual property business focused on generating revenue from uses of the musical composition itself. In return for promoting, placing, marketing and administering the creative output of a songwriter, or engaging in those activities for other rightsholders, our Music Publishing business shares the revenues generated from use of the musical compositions with the songwriter or other rightsholders.

2. Summary of Significant Accounting Policies

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended December 31, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2026.

The consolidated balance sheet at September 30, 2025 has been derived from the audited consolidated financial statements at that date but does not include all the information and notes required by U.S. GAAP for complete financial statements.

For further information, refer to the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2025 (File No. 001-32502).

Basis of Consolidation

The accompanying financial statements present the consolidated accounts of all entities in which the Company has a controlling financial interest required to be consolidated in accordance with U.S. GAAP. All intercompany balances and transactions have been eliminated.

As of December 31, 2025 and September 30, 2025, there were approximately \$59 million and \$65 million of assets, respectively, related to variable interest entities (“VIEs”) included in our condensed consolidated balance sheets. As of December 31, 2025 and September 30, 2025, there were approximately \$2 million and \$2 million of liabilities, respectively, related to VIEs included in our condensed consolidated balance sheets.

The Company has performed a review of all subsequent events through the date the financial statements were issued and has determined that no additional disclosures are necessary.

Noncontrolling Interests

Interests held by third parties in consolidated subsidiaries are presented as noncontrolling interests, which represents the noncontrolling shareholders' interests in the underlying net assets of the Company's consolidated subsidiaries. Noncontrolling interests that are not redeemable are reported in the equity section of the Consolidated Balance Sheets.

Noncontrolling interests, where the Company may be required to redeem the noncontrolling interest under contractual redemption requirements that are not solely within the control of Company, are reported in the Consolidated Balance Sheets between liabilities and equity, as redeemable noncontrolling interests. The Company adjusts the redeemable noncontrolling interests to the higher of the current redemption value or the carrying value of the interests, the capital contributed by the third party adjusted for the noncontrolling interest's share of net income (loss) and distributions, on each balance sheet date with changes in redemption value recognized as an adjustment to retained earnings attributable to common shareholders.

Income Taxes

The Company uses the estimated annual effective tax rate method in computing its interim tax provision. Certain items, including those deemed to be unusual and infrequent are excluded from the estimated annual effective tax rate. In such cases, the actual tax expense or benefit is reported in the same period as the related item. Certain tax effects are also not reflected in the estimated annual effective tax rate, primarily certain changes in the realizability of deferred tax assets and uncertain tax positions, and are recorded in the period in which the change occurs.

Global Intangible Low-Taxed Income ("GILTI") imposes U.S. taxes on the excess of a deemed return on tangible assets of certain foreign subsidiaries. The Company made an election to recognize GILTI tax in the specific period in which it occurs.

New Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendment enhances income tax disclosure requirements, by requiring enhanced disclosures on the income tax rate reconciliation and income taxes paid. The amendments in this ASU are effective for fiscal years beginning after December 15, 2024. The Company will include the required disclosures in its Annual Report on Form 10-K for the fiscal year ending September 30, 2026.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The amendment requires new financial statement disclosures to provide disaggregated information for certain types of expenses, including purchases of inventory, employee compensation, depreciation, and amortization in commonly presented expense captions such as cost of revenue and selling, general and administrative expenses. The amendments in this ASU are effective for our fiscal year ending September 30, 2028, and interim periods within our fiscal year ending September 30, 2029. The Company is in the process of evaluating the effect that the adoption of these standards will have on its consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, *Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The amendment aligns internal use software capitalization practices with agile development methodologies and an external use software model by introducing updated capitalization criteria and removing existing project staging guidance. The amendments in this ASU are effective for our fiscal year ending September 30, 2029. The Company is in the process of evaluating the effect that the adoption of these standards will have on its consolidated financial statements.

3. Earnings per Share

The Company utilizes the two-class method to report earnings per share. Basic earnings per share is computed by dividing net income available to each class of stock, less earnings available to participating securities, divided by the weighted average number of outstanding common shares for each class of stock. Diluted earnings per share is computed by dividing net income available to each class of stock, less earnings available to participating securities, divided by the weighted average number of outstanding common shares, plus dilutive potential common shares, which is calculated using the treasury-stock method. The potentially dilutive common shares did not have a dilutive effect on the Company's EPS calculation for the three months ended December 31, 2025 and 2024.

The following table sets forth the calculation of basic and diluted net income per common share under the two-class method for the three months ended December 31, 2025 and 2024 (in millions, except share amounts, which are reflected in thousands, and per share data):

	Three Months Ended December 31,			
	2025		2024	
	Class A	Class B	Class A	Class B
Basic and Diluted EPS:				
Numerator				
Net income (loss) attributable to Warner Music Group Corp.	\$ 51	\$ 125	\$ 67	\$ 169
Less: Net loss attributable to participating securities (a)	(2)	—	(3)	—
Net income (loss) attributable to common stockholders	\$ 49	\$ 125	\$ 64	\$ 169
Denominator				
Weighted average shares outstanding	146,755	375,380	143,053	375,380
Basic and Diluted Earnings Per Share (b)	<u>\$ 0.33</u>	<u>\$ 0.33</u>	<u>\$ 0.45</u>	<u>\$ 0.45</u>

- (a) Participating securities include unvested restricted stock units, which include the right to receive non-forfeitable dividend equivalents. Participating securities are not contractually obligated to share in losses.
- (b) For the three months ended December 31, 2025, the weighted average shares outstanding for Diluted EPS includes the dilutive effect of approximately 2,750 shares. As the resulting Diluted EPS rounds to the same reported amount as Basic EPS, both Basic and Diluted EPS for the three months ended December 31, 2025 are presented as \$0.33 per share. There were no dilutive potentially issuable shares for the three months ended December 31, 2024.

4. Revenue Recognition

Disaggregation of Revenue

The Company's revenue consists of the following categories, which aggregate into the segments – Recorded Music and Music Publishing:

	Three Months Ended December 31,	
	2025	2024
	(in millions)	
Revenue by Type		
Digital	\$ 976	\$ 873
Physical	152	166
Total digital and physical	1,128	1,039
Artist services and expanded-rights	231	196
Licensing	121	110
Total Recorded Music	1,480	1,345
Performance	64	56
Digital	215	207
Mechanical	18	14
Synchronization	60	39
Other	5	7
Total Music Publishing	362	323
Intersegment eliminations	(2)	(2)
Total revenues	<u>\$ 1,840</u>	<u>\$ 1,666</u>
Revenue by geographical location		
U.S. Recorded Music	\$ 577	\$ 532
U.S. Music Publishing	190	173
Total U.S.	767	705
International Recorded Music	903	813
International Music Publishing	172	150
Total international	1,075	963
Intersegment eliminations	(2)	(2)
Total revenues	<u>\$ 1,840</u>	<u>\$ 1,666</u>

Sales Returns and Uncollectible Accounts

Based on management's analysis of sales returns, refund liabilities of \$21 million and \$17 million were established at December 31, 2025 and September 30, 2025, respectively.

Based on management's analysis of estimated credit losses, reserves of \$28 million and \$27 million were established at December 31, 2025 and September 30, 2025, respectively.

Deferred Revenue

Deferred revenue increased by \$142 million during the three months ended December 31, 2025 related to cash received from customers for fixed fees and minimum guarantees in advance of performance, including amounts recognized in the period. Revenues of \$127 million were recognized during the three months ended December 31, 2025 related to the balance of deferred revenue at September 30, 2025. There were no other significant changes to deferred revenue during the reporting period.

Performance Obligations

For the three months ended December 31, 2025 and December 31, 2024, the Company recognized revenue of \$18 million and \$40 million, respectively, from performance obligations satisfied in previous periods.

Revenues expected to be recognized in the future related to performance obligations that are unsatisfied at December 31, 2025 are as follows:

	Rest of FY26	FY27	FY28	Thereafter	Total
	(in millions)				
Remaining performance obligations	\$ 298	\$ 224	\$ 129	\$ 43	\$ 694
Total	<u>\$ 298</u>	<u>\$ 224</u>	<u>\$ 129</u>	<u>\$ 43</u>	<u>\$ 694</u>

5. Comprehensive Income

Comprehensive income, which is reported in the accompanying condensed consolidated statements of equity, consists of net income and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income. For the Company, the components of other comprehensive income primarily consist of foreign currency translation gains and losses, minimum pension liabilities, and deferred gains and losses on financial instruments designated as hedges under ASC 815, *Derivatives and Hedging*. The following summary sets forth the changes in the components of accumulated other comprehensive loss.

	Foreign Currency Translation Loss (a)	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Loss, net
	(in millions)		
Balances at September 30, 2024	\$ (244)	\$ (3)	\$ (247)
Other comprehensive loss	(129)	—	(129)
Balances at December 31, 2024	<u>\$ (373)</u>	<u>\$ (3)</u>	<u>\$ (376)</u>
Balances at September 30, 2025	\$ (188)	\$ (1)	\$ (189)
Other comprehensive income	9	—	9
Balances at December 31, 2025	<u>\$ (179)</u>	<u>\$ (1)</u>	<u>\$ (180)</u>

(a) Includes historical foreign currency translation related to certain intra-entity transactions.

6. Goodwill and Intangible Assets

Goodwill

The following analysis details the changes in goodwill for each reportable segment:

	Recorded Music	Music Publishing	Total
	(in millions)		
Balances at September 30, 2025	\$ 1,597	\$ 464	\$ 2,061
Acquisitions	—	—	—
Other adjustments (a)	<u>2</u>	<u>—</u>	<u>2</u>
Balances at December 31, 2025	<u>\$ 1,599</u>	<u>\$ 464</u>	<u>\$ 2,063</u>

(a) Other adjustments during the three months ended December 31, 2025 represent foreign currency movements.

The Company performs its annual goodwill impairment test in accordance with ASC 350, *Intangibles—Goodwill and Other*, during the fourth quarter of each fiscal year as of July 1. The Company may conduct an earlier review if events or circumstances occur that would suggest the carrying value of the Company's goodwill may not be recoverable. No indicators of impairment were identified during the current period that required the Company to perform an interim assessment or recoverability test.

Intangible Assets

Intangible assets consist of the following:

	Weighted-Average Useful Life	December 31, 2025	September 30, 2025
(in millions)			
Intangible assets subject to amortization:			
Recorded music catalog	12 years	\$ 1,810	\$ 1,799
Music publishing copyrights	23 years	2,717	2,692
Artist and songwriter contracts	13 years	1,138	1,137
Trademarks	16 years	29	29
Other intangible assets	6 years	53	58
Total gross intangible assets subject to amortization		5,747	5,715
Accumulated amortization		(3,057)	(2,990)
Total net intangible assets subject to amortization		2,690	2,725
Intangible assets not subject to amortization:			
Trademarks and tradenames	Indefinite	154	154
Total net intangible assets		\$ 2,844	\$ 2,879

7. Debt

Debt Capitalization

As of December 31, 2025, our long-term debt consists of the following:

	December 31, 2025	September 30, 2025
(in millions)		
Revolving Credit Facility (a)	\$ —	\$ —
Senior Term Loan Facility due 2031	1,295	1,295
2.750% Senior Secured Notes due 2028	382	381
3.750% Senior Secured Notes due 2029	540	540
3.875% Senior Secured Notes due 2030	535	535
2.250% Senior Secured Notes due 2031	522	522
3.000% Senior Secured Notes due 2031	800	800
Mortgage Term Loan due 2033	17	17
Total debt, including the current portion	4,091	4,090
Premium less unamortized discount and unamortized DFCs	(27)	(27)
Total Acquisition Corp. long-term debt, including the current portion, net	\$ 4,064	\$ 4,063
Beethoven Credit Agreement (b)	4	—
Tempo Asset-Based Notes due 2050 (c)	311	311
Unamortized discount	(8)	(9)
Total other long-term debt, including the current portion, net	\$ 307	\$ 302
Total long-term debt, including the current portion, net	\$ 4,371	\$ 4,365

- (a) Reflects \$350 million of commitments under the Revolving Credit Facility with no letters of credit outstanding at December 31, 2025 and September 30, 2025. There were no loans outstanding under the Revolving Credit Facility as of December 31, 2025 and September 30, 2025.
- (b) Reflects \$500 million of commitments under the Beethoven Credit Agreement. There were \$4 million in loans outstanding under the Beethoven Credit Agreement at December 31, 2025. Loans outstanding under the Beethoven Credit Agreement are secured only by certain music rights owned by Beethoven JV 1, LLC, a Delaware limited liability company (“Beethoven”), and are nonrecourse to the Company and its subsidiaries, other than Beethoven.
- (c) The Tempo Asset-Based Notes due 2050 are secured only by certain music rights owned by Tempo Music Holdings, LLC (“Tempo Music”) and are nonrecourse to the Company and its subsidiaries, other than Tempo Music.

Acquisition Corp. Long-Term Debt

The Company is the direct parent of Holdings, which is the direct parent of Acquisition Corp. Acquisition Corp. is party to and the borrower under a \$1,295 million senior secured term loan credit facility, pursuant to a credit agreement dated November 1, 2012, as amended or supplemented (the “Senior Term Loan Credit Agreement”) with JPMorgan Chase Bank NA, as administrative agent and collateral agent, and the other financial institutions and lenders from time to time party thereto (the “Senior Term Loan Facility”). Additionally, as of December 31, 2025 Acquisition Corp. had issued and outstanding the 2.750% Senior Secured Notes due 2028, the 3.750% Senior Secured Notes due 2029, the 3.875% Senior Secured Notes due 2030, the 2.250% Senior Secured Notes due 2031 and the 3.000% Senior Secured Notes due 2031 (together, the “Acquisition Corp. Notes”).

All of the Acquisition Corp. Notes are guaranteed by all of Acquisition Corp.’s domestic wholly-owned subsidiaries. The guarantee of the Acquisition Corp. Notes by Acquisition Corp.’s domestic wholly-owned subsidiaries is full, unconditional and joint and several. The secured notes are guaranteed on a senior secured basis.

The Company and Holdings are holding companies that conduct substantially all of their business operations through Acquisition Corp. Accordingly, while Acquisition Corp. and its subsidiaries are not currently restricted from distributing funds to the Company and Holdings under the indentures for the Acquisition Corp. Notes or the credit agreements for the Acquisition Corp. Senior Credit Facilities, including the Revolving Credit Facility (as defined below) and the Senior Term Loan Facility, should Acquisition Corp.’s Total Indebtedness to EBITDA Ratio increase above 3.50:1.00 and the term loans not achieve an investment grade rating, the covenants under the Revolving Credit Facility, which are currently suspended, will be reinstated and the ability of the Company and Holdings to obtain funds from their subsidiaries will be restricted by the Revolving Credit Facility. The Company was in compliance with its covenants under its outstanding notes, the Revolving Credit Facility and the Senior Term Loan Facility as of December 31, 2025.

Other Long-Term Debt

The Company holds approximately \$311 million of asset-based securities due November 2050 (“Asset-Based Notes”) issued by a subsidiary of Tempo Music secured only by certain music rights owned by Tempo Music and is nonrecourse to the Company and its subsidiaries, other than Tempo Music. These notes, which consist of multiple fixed rate tranches, will accrue at a fixed weighted average rate of 4.62% until November 30, 2027, with higher interest rates thereafter. Principal and interest are payable in equal semi-annual installments. As of December 31, 2025, Tempo Music is in compliance with the covenants under the Asset-Based Notes.

Additionally, WMG BC Holdco LLC (“WMGCo”), a wholly-owned indirect subsidiary of the Company, and BCSS W JV Investments (B), L.P. (“BainCo”), a wholly-owned indirect subsidiary of Bain Capital Special Situations, LP, operate Beethoven, which is party to a Credit and Security Agreement (the “Beethoven Credit Agreement”), dated as of June 29, 2025, with the Bank of New York Mellon, as administrative agent for the Lenders and as collateral agent for the Secured Parties (in each case, as defined in the Beethoven Credit Agreement) pursuant to which the Lenders have agreed to extend up to \$500 million in commitment amounts to Beethoven Financing 1, LLC, a Delaware limited liability company and wholly-owned indirect subsidiary of Beethoven, as the initial borrower (the “Initial Borrower” and, together with each additional borrower from time to time party thereto, the “Borrowers”) (the “Beethoven Credit Facility”). The obligations of the Borrowers under the Beethoven Credit Agreement are (a) secured by the Borrowers with a first priority security interest in all of their respective assets and (b) guaranteed by Beethoven Holdings 1 LLC, a Delaware limited liability company and a wholly-owned direct subsidiary of Beethoven and the direct parent of the Initial Borrower, as the initial guarantor (together with the additional guarantors from time to time party thereto, the “Guarantors”) with a first priority security interest in all of the Guarantors’ respective assets. The advances under the Beethoven Credit Agreement shall bear interest at the rates described below under “—Interest Rates.” The Beethoven Credit Agreement contains customary affirmative and negative covenants for this type of facility, and the ability, subject to the consent of the Lenders, to increase the size of the facility to \$700 million. There were \$4 million of loans outstanding under the Beethoven Credit Agreement at December 31, 2025. As of December 31, 2025, the Initial Borrower is in compliance with the covenants under the Beethoven Credit Agreement.

On February 4, 2026, WMGCo entered into an amendment (the “Amendment”) to a Master Operations and Economics Agreement, dated as of June 29, 2025 (as amended from time to time, the “Master Operations and Economics Agreement”), by and among WMGCo, BainCo, and certain affiliates of the foregoing parties. Pursuant to the Amendment, WMGCo and BainCo have committed to increase their respective initial equity commitment amounts by \$100 million each.

Interest Rates

The loans under the Revolving Credit Facility bear interest at Acquisition Corp.’s election at a rate equal to (i) the secured overnight financing rate as administered by the Federal Reserve Bank of New York for the applicable interest period (“Revolving Term SOFR”), and other rates for alternate currencies, such as EURIBOR and SONIA, as provided in the Revolving Credit Agreement, subject to a zero floor, plus 1.75% per annum in the case of Initial Revolving Loans (as defined in the Revolving Credit

Agreement), or 1.875% per annum in the case of 2020 Revolving Loans (as defined in the Revolving Credit Agreement), or (ii) the base rate, which is the highest of (x) the corporate base rate established by the administrative agent from time to time, (y) 0.50% in excess of the overnight federal funds rate and (z) the one-month Revolving Term SOFR plus 1.0% per annum, plus, in each case, 0.75% per annum in the case of Initial Revolving Loans, or 0.875% per annum in the case of 2020 Revolving Loans; provided that, in respect of 2020 Revolving Loans, the applicable margin with respect to such loans is subject to adjustment as set forth in the pricing grid in the Revolving Credit Agreement. Based on the Senior Secured Indebtedness to EBITDA Ratio of 1.83x at December 31, 2025, the applicable margin for SOFR loans and risk-free rate loans would be 1.375% instead of 1.875% and the applicable margin for ABR loans would be 0.375% instead of 0.875% in the case of 2020 Revolving Loans. If there is a payment default at any time, then the interest rate applicable to overdue principal will be the rate otherwise applicable to such loan plus 2.0% per annum. Default interest will also be payable on other overdue amounts at a rate of 2.0% per annum above the amount that would apply to an alternative base rate loan.

The loans under the Senior Term Loan Facility bear interest at Acquisition Corp.'s election at a rate equal to (i) the forward-looking term rate based on Term SOFR subject to a zero floor, plus 1.75% per annum or (ii) the base rate, which is the highest of (x) the corporate base rate established by the administrative agent as its prime rate in effect at its principal office in New York City from time to time, (y) 0.50% in excess of the overnight federal funds rate and (z) one-month Term SOFR, plus 1.00% per annum, subject to a 1.00% floor, plus, in each case, 1.00% per annum. If there is a payment default at any time, then the interest rate applicable to overdue principal and interest will be the rate otherwise applicable to such loan plus 2.00% per annum. Default interest will also be payable on other overdue amounts at a rate of 2.00% per annum above the amount that would apply to an alternative base rate loan.

The term loan entered into on January 27, 2023 (the "Term Loan Mortgage") bears interest at a rate of 30-day SOFR plus the applicable margin of 1.40%, subject to a zero floor.

Interest on the Asset-Based Notes, which consist of multiple fixed rate tranches, will accrue at a fixed weighted average rate of 4.62% until November 30, 2027. Following November 30, 2027, if the Asset-Based Notes remain outstanding, the interest rate on the outstanding Asset-Based Notes will increase by a per annum rate equal to the greater of: (i) 5.0% and (ii) the amount, if any, by which the sum of the following exceeds the interest rate otherwise payable with respect to such Asset-Based Notes: (A) the yield to maturity (adjusted to a quarterly bond-equivalent basis) on November 30, 2027 of the U.S. treasury security having a term closest to seven years plus (B) 5.0%, plus (C) with respect to class A notes, 3.53% and, with respect to class B notes, 4.28%.

The advances under the Beethoven Credit Agreement shall bear interest (a) in the case of a base rate advance, at a rate equal to the base rate, which means, for any day, the highest of (i) the prime rate in effect on such day; (ii) the federal funds rate in effect on such day plus 0.50%; and (iii) Term SOFR for a one-month tenor in effect on such day plus 1.00% per annum, plus the applicable margin of 1.00% and (b) in the case of a Term SOFR advance, the Term SOFR for the interest accrual period plus the applicable margin of 2.00%.

The Company has entered into, and in the future may enter into, interest rate swaps to manage interest rate risk. As of December 31, 2025, there are no interest rate swaps outstanding.

Maturity of Senior Term Loan Facility

The loans outstanding under the Senior Term Loan Facility mature on January 24, 2031.

Maturity of Revolving Credit Facility

The maturity date of the Revolving Credit Facility is November 30, 2028.

Maturities of Senior Secured Notes

As of December 31, 2025, there are no scheduled maturities of notes until 2028, when \$382 million is scheduled to mature. Thereafter, \$2.397 billion is scheduled to mature.

Maturity of Term Loan Mortgage

The maturity date of the Term Loan Mortgage is January 27, 2033, subject to a call option exercisable by Truist Bank at any time after January 27, 2028 if certain criteria relating to the Company's creditworthiness are met.

Maturity of Tempo Asset-Based Notes

The maturity date of the Asset-Based Notes is November 30, 2050.

Maturity of Beethoven Credit Agreement

The maturity date of the Beethoven Credit Facility is June 29, 2030.

Interest Expense, net

Total interest expense, net was \$45 million and \$37 million for the three months ended December 31, 2025 and 2024, respectively. Interest expense, net includes interest expense related to our outstanding indebtedness of \$46 million and \$43 million for the three months ended December 31, 2025 and 2024, respectively. The weighted-average interest rate of the Company's total debt was 4.0% at December 31, 2025, 4.1% at September 30, 2025, and 4.2% at December 31, 2024.

8. Restructuring and Impairments

2025 Restructuring Plan

On July 1, 2025, the Company announced a strategic restructuring plan (the "2025 Restructuring Plan") designed to free up funds to invest in music and to accelerate the Company's long-term growth. The 2025 Restructuring Plan is expected to be fully implemented by the end of calendar year 2026. The Company expects to incur total charges of approximately \$200 million on a pre-tax basis or approximately \$150 million on an after-tax basis. Approximately \$170 million of the charges will be for severance payments and other related termination costs and approximately \$30 million of certain other charges. The Company anticipates that the Plan will result in cash expenditures of approximately \$200 million, of which \$170 million is expected to be paid by the end of fiscal year 2026.

For the three months ended December 31, 2025, total severance and other termination costs recorded in connection with the 2025 Strategic Restructuring Plan were \$25 million, of which \$13 million of expense was recognized in our Recorded Music segment and \$12 million was recognized in Corporate. As of December 31, 2025, total cumulative restructuring and impairment charges recognized in connection with the 2025 Strategic Restructuring Plan were \$143 million with \$93 million of costs recognized in our Recorded Music segment, \$5 million of costs recognized in our Music Publishing segment, and \$45 million recognized in Corporate. These costs are composed of \$115 million of severance costs and \$28 million of non-cash impairment charges primarily related to impairments of operating lease right-of-use assets that are no longer in use and royalty advances based on operational changes in the intended use of these assets.

The following table sets forth the activity for the three months ended December 31, 2025 in the restructuring accrual associated with the 2025 Restructuring Plan included within accrued liabilities in the accompanying consolidated balance sheets:

	Severance Costs (in millions)
Balance at September 30, 2025	\$ 85
Restructuring charges	25
Cash payments	(35)
Balance at December 31, 2025	<u>\$ 75</u>

2024 Strategic Restructuring Plan

In 2024, the Company announced a strategic restructuring plan (the "2024 Strategic Restructuring Plan") designed to free up additional funds to invest in music and accelerate the Company's growth for the next decade. The 2024 Strategic Restructuring Plan is complete and the remaining associated cash payments are expected to be made by the end of fiscal year 2026.

As of September 30, 2025, total cumulative restructuring and impairment charges recognized in connection with the 2024 Strategic Restructuring Plan were \$216 million with \$206 million of costs recognized in our Recorded Music segment and \$10 million recognized in Corporate. These costs are composed of \$134 million of severance and other contract termination costs, of which \$7 million was non-cash, and \$82 million of non-cash impairment charges. There were no restructuring costs recognized for the three months ended December 31, 2025 related to the 2024 Strategic Restructuring Plan.

The below table sets forth the activity for the three months ended December 31, 2025 in the restructuring accrual associated with the 2024 Strategic Restructuring Plan included within accrued liabilities in the accompanying condensed consolidated balance sheets.

	Severance Costs	Contract Termination Costs	Total
		(in millions)	
Balance at September 30, 2025	\$ 23	\$ 7	\$ 30
Cash payments	(10)	(2)	(12)
Balance at December 31, 2025	\$ 13	\$ 5	\$ 18

Other Impairments

For the three months ended December 31, 2025, the Company recognized an impairment charge of \$9 million within the Recorded Music segment for long-lived assets associated with EMP Merchandising (“EMP”), which was the result of remeasuring the carrying value to fair value as it has been classified as held for sale since September 30, 2025. Please refer to Note 15 for further discussion.

9. Commitments and Contingencies

From time to time the Company is involved in claims and legal proceedings that arise in the ordinary course of business. The Company is currently subject to several such claims and legal proceedings. Based on currently available information, the Company does not believe that resolution of pending matters will have a material adverse effect on its financial condition, cash flows or results of operations. However, litigation is subject to inherent uncertainties, and there can be no assurances that the Company’s defenses will be successful or that any such lawsuit or claim would not have a material adverse impact on the Company’s business, financial condition, cash flows and results of operations in a particular period. Any claims or proceedings against the Company, whether meritorious or not, can have an adverse impact because of defense costs, diversion of management and operational resources, negative publicity and other factors.

10. Equity

Stock-Based Compensation

The Company’s stock-based compensation plans are described in Note 13, “Equity,” to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2025. Stock-based compensation consists primarily of common stock, restricted stock units (“RSUs”), deferred share units, stock options, and market-based performance share units (“PSUs”) granted to eligible employees and executives under the Omnibus Incentive Plan. The Company recognized \$19 million and \$13 million of non-cash stock-based compensation expense for the three months ended December 31, 2025 and 2024, respectively, which was recorded to additional paid-in capital.

Common Stock

During the three months ended December 31, 2025, the Company satisfied the vesting of PSUs and RSUs by issuing 159,580 shares of Class A Common Stock under the Omnibus Incentive Plan, which is net of shares used to settle employee income tax obligations.

Share Repurchase Program

On November 14, 2024, the Company’s board of directors authorized a new \$100 million share repurchase program (the “Share Repurchase Program”), which is intended to offset dilution from the Omnibus Incentive Plan. Under this authorization, the Company may, from time to time, purchase shares of its Class A Common Stock through open market transactions, privately negotiated transactions, forward, derivative, or accelerated repurchase transactions, tender offers or otherwise, in accordance with all applicable securities laws and regulations, including Rule 10b-18 of the Exchange Act. The \$100 million share repurchase authorization does not obligate the Company to purchase any shares and the Share Repurchase Program does not have a fixed expiration date. The Company may enter into a pre-arranged stock trading plan in accordance with the guidelines specified under Rule 10b5-1 to effectuate all or a portion of the Share Repurchase Program. The Company expects to finance any repurchases from a combination of cash on hand and cash provided by operating activities. The timing and method of any repurchases, which will depend on a variety of factors, including market conditions, are subject to our results of operations, financial condition, liquidity and other factors. The authorization for the Share Repurchase Program may be suspended, terminated, increased or decreased by the Company’s board of directors at any time.

The following table summarizes our total share repurchases and retirement under the Share Repurchase Program during the three months ended December 31, 2025:

Share Repurchase Type	Three Months Ended December 31, 2025		Three Months Ended December 31, 2024	
	Shares	Amount (in millions)	Shares	Amount (in millions)
Open Market Repurchases	920,000	\$ 26	60,383	\$ 2

11. Redeemable Noncontrolling Interest

As of December 31, 2025, the redeemable noncontrolling interests (“RNCI”) consist of interests in Beethoven, a consolidated subsidiary. The Company consolidates Beethoven based on its controlling financial interest of the joint venture through the Company's majority representation on the board. The noncontrolling interest holder in Beethoven, which is BainCo as described in Note 7, has a 50% ownership share and is entitled to receive 50% of the required quarterly distributions made by the joint venture from available cash. For distributions resulting from a liquidity event, including the sale of the joint venture, an initial public offering, or other liquidity event as defined in the Master Operations and Economics Agreement, the noncontrolling interest holder is entitled to proceeds from such event until its contributed capital is returned with an annualized return of 8%, after which the Company will receive distributions for an equal amount, with any additional amounts distributed equally.

Beginning on the sixth anniversary of formation, the noncontrolling interest holder has an exit right, that upon providing notice, the Company has the option to acquire the noncontrolling interest holders interest for a price negotiated with noncontrolling interest holder or otherwise determined by an independent fair market valuation, if elected. If not acquired by the Company, the noncontrolling interest holder can initiate and complete a sale of Beethoven or an initial public offering that include the interests held by the Company. Beginning on the eighth anniversary, the Company will also have a similar exit right, that provides similar rights to negotiate the sale of the Company’s interests to the noncontrolling interest holder.

Given the exit rights held by the noncontrolling interest holder may result in the interests being redeemed by the Company based on events that are not solely in its control, the noncontrolling interest is presented in the Consolidated Balance Sheets at the greater of the current estimated redemption value or carrying value of the interests including adjustments for the attribution of income to the noncontrolling interest holder. The Company adjusts the redeemable noncontrolling interest to the redemption at the end of each reporting period with changes recognized as adjustments to retained earnings. The Company recognized \$5 million as the redeemable noncontrolling interest balance as of December 31, 2025.

12. Income Taxes

For the three months ended December 31, 2025, the Company recorded an income tax expense of \$71 million. The income tax expense for the three months ended December 31, 2025 is higher than the expected tax expense at the statutory rate of 21% primarily due to foreign income taxed at rates higher than in the United States, including withholding taxes, U.S. state and local taxes, the net impact of GILTI and foreign derived intangible income (“FDII”), and non-deductible executive compensation under IRC Section 162(m).

For the three months ended December 31, 2024, the Company recorded an income tax expense of \$89 million. The income tax expense for the three months ended December 31, 2024 is higher than the expected tax expense at the statutory rate of 21% primarily due to foreign income taxed at rates higher than the United States, including withholding taxes, and U.S. state and local taxes, unrecognized tax benefit related to uncertain tax positions, and non-deductible executive compensation under IRC Section 162(m). These charges were partially offset by tax benefits associated with R&D credits, and the net impact of GILTI and FDII.

The Company has determined that it is reasonably possible that the gross unrecognized tax benefits as of December 31, 2025 could decrease by up to approximately \$1 million related to various ongoing audits and settlement discussions in various jurisdictions during the next twelve months.

The Organization Economic Co-operation and Development (“OECD”) introduced Base Erosion and Profit Shifting (“BEPS”) Pillar 2 rules that impose a global minimum tax rate of 15%. Numerous countries, including European Union member states, have enacted legislation as of January 1, 2025 and others are expected to enact legislation in the next few years. The Company has evaluated the potential impact of the rules based on the most recently available information. For the fiscal year ended September 30, 2026, the impact on the Company is expected to be immaterial. The Company will continue to monitor legislative developments to determine if there are significant changes to Pillar 2 rules that could lead to a material impact.

On July 4, 2025, President Trump signed into law the One Big Beautiful Bill Act, which introduces a wide-ranging set of tax reform provisions. In fiscal year 2026, the Company is benefitting from the changes to the business interest expense deduction limitation, allowing for an accelerated deduction, and restored expensing for domestic research and development costs.

13. Derivative Financial Instruments

The Company uses derivative financial instruments, primarily foreign currency forward exchange contracts, for the purposes of managing foreign currency exchange rate risk on expected future cash flows.

As of December 31, 2025, the Company had outstanding foreign currency forward exchange contracts for the sale of \$541 million and the purchase of \$327 million of foreign currencies at fixed rates. As of September 30, 2025, the Company had outstanding foreign currency forward exchange contracts for the sale of \$460 million and the purchase of \$170 million of foreign currencies at fixed rates.

The Company recorded no realized pre-tax gains and unrealized pre-tax losses of \$1 million related to its foreign currency forward exchange contracts in the condensed consolidated statement of operations as other expense for the three months ended December 31, 2025. The Company recorded realized pre-tax gains of \$3 million and unrealized pre-tax gains of \$12 million related to its foreign currency forward exchange contracts in the condensed consolidated statement of operations as other expense for the three months ended December 31, 2024.

The following is a summary of amounts recorded in the consolidated balance sheets pertaining to the Company's derivative instruments at December 31, 2025 and September 30, 2025:

	December 31, 2025	September 30, 2025
	(in millions)	
<i>Other Current Assets:</i>		
Foreign currency forward exchange contracts (a)	\$ —	\$ —
<i>Other Current Liabilities:</i>		
Foreign currency forward exchange contracts (a)	\$ (1)	\$ (3)

- (a) For December 31, 2025 includes \$6 million and \$7 million of foreign exchange derivative contracts in asset and liability positions, respectively, which net to \$0 million of current assets and \$1 million of current liabilities, respectively. For September 30, 2025 includes \$3 million and \$6 million of foreign exchange derivative contracts in asset and liability positions, respectively, which net to \$0 million of current assets and \$3 million of current liabilities, respectively.

14. Segment Information

Based on the nature of its products and services, the Company classifies its business interests into two fundamental operations: Recorded Music and Music Publishing, which also represent the reportable segments of the Company. Information as to each of these operations and further description of these segments is set forth below and can be found in Note 1. The Company's Chief Operating Decision Maker, which is our Chief Executive Officer, allocates resources and evaluates performance based on several factors, including operating income (loss) and other financial measures.

The accounting policies of the Company's business segments are the same as those described in Note 2, "Summary of Significant Accounting Policies," to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2025. The Company accounts for intersegment sales at fair value as if the sales were to third parties. While intercompany transactions are treated like third-party transactions to determine segment performance, the revenues (and corresponding expenses recognized by the segment that is counterparty to the transaction) are eliminated in consolidation, and therefore, do not themselves impact consolidated results.

Three Months Ended	Recorded Music	Music Publishing	Corporate expenses and eliminations	Total
	(in millions)			
December 31, 2025				
Revenues	\$ 1,480	\$ 362	\$ (2)	\$ 1,840
Cost of revenue	760	228	(1)	987
Selling and marketing expense	150	1	4	155
Distribution expense	31	—	—	31
General and administrative expense	154	34	84	272
Restructuring & Impairment	22	—	12	34
Amortization expense	34	34	—	68
Net loss on divestitures	—	—	(5)	(5)
Operating income (loss)	<u>\$ 329</u>	<u>\$ 65</u>	<u>\$ (106)</u>	<u>\$ 288</u>
Depreciation expense (a)	12	1	18	31
December 31, 2024				
Revenues	\$ 1,345	\$ 323	\$ (2)	\$ 1,666
Cost of revenue	686	210	(2)	894
Selling and marketing expense	151	1	6	158
Distribution expense	32	—	—	32
General and administrative expense	180	31	73	284
Restructuring & Impairment	28	—	(1)	27
Amortization expense	30	26	1	57
Operating income (loss)	<u>\$ 238</u>	<u>\$ 55</u>	<u>\$ (79)</u>	<u>\$ 214</u>
Depreciation expense (a)	15	1	13	29

(a) Depreciation expense is a component of general and administrative expense

15. Additional Financial Information

Supplemental Cash Flow Disclosures

The Company made interest payments of approximately \$38 million and \$18 million during the three months ended December 31, 2025 and 2024, respectively. The Company paid approximately \$68 million and \$43 million of income and withholding taxes, net of refunds, for the three months ended December 31, 2025 and 2024, respectively. Non-cash investing activities were approximately \$8 million related to the receipt of noncash consideration and the acquisition of music publishing rights and music catalogs during the three months ended December 31, 2025 and \$18 million related to business combinations and the acquisition of music publishing rights and music catalogs during the three months ended December 31, 2024.

Assets and Liabilities Held for Sale

In the fourth quarter of fiscal year 2025, the Company signed a non-binding letter of intent to sell its EMP business within our Recorded Music segment and was classified as held for sale. The sale is expected to be completed in the second quarter of fiscal year 2026. Upon classification as held for sale, the business was measured at the lower of its carrying amount or its estimated fair value less costs to sell. For the three months ended December 31, 2025, the Company recognized an impairment charge of \$9 million within the Recorded Music segment for long-lived assets associated with EMP, which was the result of remeasuring the carrying value to fair value as it has been classified as held for sale since September 30, 2025. The recoverable fair value was determined based on current market indicators.

The major classes of assets and liabilities of the business held for sale as of December 31, 2025 are as follows:

	December 31, 2025	September 30, 2025
	(in millions)	(in millions)
Cash	\$ 16	\$ 3
Inventories	40	50
Property, plant and equipment, net	13	20
Intangible assets subject to amortization, net	7	10
Other assets	4	6
Assets of business held for sale	\$ 80	\$ 89
Accounts payable and accrued liabilities	\$ 29	\$ 34
Other liabilities	19	15
Liabilities of business held for sale	\$ 48	\$ 49

Net Gain (Loss) on Divestitures

The Company recognized a pre-tax loss of \$5 million during the three months ended December 31, 2025, in connection with the divestiture of certain assets which have been reflected as a net loss (gain) on divestiture in the accompanying condensed consolidated statement of operations.

Net Gain on Sale of Investments

The Company recognized a pre-tax realized net gain of \$29 million during the three months ended December 31, 2024 in connection with the sale of an investment that has been presented within the Other income (expense) line of the accompanying condensed consolidated statement of operations.

Dividends

The Company's ability to pay dividends may be restricted by covenants in the credit agreement for the Revolving Credit Facility which are currently suspended but which will be reinstated if Acquisition Corp.'s Total Indebtedness to EBITDA Ratio increases above 3.50:1.00 and the term loans do not achieve an investment grade rating.

The Company has been paying quarterly cash dividends to holders of its Class A Common Stock and Class B Common Stock. The declaration of each dividend will continue to be at the discretion of the Company's board of directors and will depend on the Company's financial condition, earnings, liquidity and capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by Delaware law, general business conditions and any other factors that the Company's board of directors deems relevant in making such a determination. Therefore, there can be no assurance that the Company will pay any dividends to holders of the Company's common stock, or as to the amount of any such dividends.

On November 7, 2025, the Company's board of directors declared a cash dividend of \$0.19 per share on the Company's Class A Common Stock and Class B Common Stock, as well as related payments under certain stock-based compensation plans, which was paid to stockholders on December 2, 2025. The Company paid an aggregate of approximately \$100 million, or \$0.19 per share, in cash dividends to stockholders and participating security holders for the three months ended December 31, 2025.

On February 5, 2026, the Company's board of directors declared a cash dividend of \$0.19 per share on the Company's Class A Common Stock and Class B Common Stock, as well as related payments under certain stock-based compensation plans, payable on March 3, 2026 to stockholders of record as of the close of business on February 18, 2026.

16. Fair Value Measurements

The following tables show the fair value of the Company's financial instruments that are required to be measured at fair value as of December 31, 2025 and September 30, 2025.

	Fair Value Measurements as of December 31, 2025							
	(Level 1)		(Level 2)		(Level 3)		Total	
	(in millions)							
<i>Other Current Assets:</i>								
Foreign currency forward exchange contracts (a)	\$	—	\$	—	\$	—	\$	—
<i>Other current liabilities:</i>								
Foreign currency forward exchange contracts (a)	\$	—	\$	(1)	\$	—	\$	(1)
<i>Other noncurrent assets:</i>								
Equity investments with readily determinable fair value (b)	\$	6	\$	—	\$	—	\$	6

	Fair Value Measurements as of September 30, 2025							
	(Level 1)		(Level 2)		(Level 3)		Total	
	(in millions)							
<i>Other current liabilities:</i>								
Foreign currency forward exchange contracts (a)	\$	—	\$	(3)	\$	—	\$	(3)
<i>Other noncurrent assets:</i>								
Equity investment with readily determinable fair value (b)	\$	8	\$	—	\$	—	\$	8

- (a) The fair value of foreign currency forward exchange contracts is based on dealer quotes of market forward rates and reflects the amount that the Company would receive or pay at their maturity dates for contracts involving the same currencies and maturity dates.
- (b) These represent equity investments with a readily determinable fair value. The Company has measured its investments to fair value in accordance with ASC 321, *Investments—Equity Securities*, based on quoted prices in active markets.

The majority of the Company's non-financial instruments, which include goodwill, intangible assets, inventories and property, plant and equipment, are not required to be re-measured to fair value on a recurring basis. These assets are evaluated for impairment if certain triggering events occur. If such evaluation indicates that impairment exists, the asset is written down to its fair value. In addition, an impairment analysis is performed at least annually for goodwill and indefinite-lived intangible assets. Furthermore, assets classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. When the Company determines that the fair value of an asset group held for sale is less than its carrying value, a non-recurring fair value adjustment is recognized as a loss in the period the held-for-sale criteria are met. The Company estimated the fair value of the assets held for sale based on current market indicators.

Equity Investments Without Readily Determinable Fair Value

The Company evaluates its equity investments without readily determinable fair values for impairment if factors indicate that a significant decrease in value has occurred. The Company has elected to use the measurement alternative to fair value that will allow these investments to be recorded at cost, less impairment, and adjusted for subsequent observable price changes. The Company did not record any impairment charges on these investments during the three months ended December 31, 2025 and recorded approximately \$1 million of impairment charges on these investments during the three months ended December 31, 2024. In addition, there were no observable price changes events that were completed during the three months ended December 31, 2025 and 2024.

Fair Value of Debt

Based on the level of interest rates prevailing at December 31, 2025, the fair value of the Company's debt was \$4.290 billion. Based on the level of interest rates prevailing at September 30, 2025, the fair value of the Company's debt was \$4.270 billion. The fair value of the Company's debt instruments is determined using quoted market prices from less active markets or by using quoted market prices for instruments with identical terms and maturities; both approaches are considered a Level 2 measurement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our results of operations and financial condition with the unaudited interim financial statements included elsewhere in this Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2025 (the "Quarterly Report").

"SAFE HARBOR" STATEMENT UNDER PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This Quarterly Report includes forward-looking statements and cautionary statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Some of the forward-looking statements can be identified by the use of forward-looking terms such as "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "projects," "is optimistic," "intends," "plans," "estimates," "anticipates" or other comparable terms or the negative thereof. Forward-looking statements include, without limitation, all matters that are not historical facts. They appear in a number of places throughout this Quarterly Report and include, without limitation, our ability to compete in the highly competitive markets in which we operate, statements regarding our ability to develop talent and attract future talent, our ability to reduce future capital expenditures, our ability to monetize our music, including through new distribution channels and formats to capitalize on the growth areas of the music entertainment industry, our ability to effectively deploy our capital, the development of digital music and the effect of digital distribution channels on our business, including whether we will be able to achieve higher margins from digital sales, the success of strategic actions we are taking to accelerate our transformation as we redefine our role in the music entertainment industry, the effectiveness of our ongoing efforts to reduce overhead expenditures and manage our variable and fixed cost structure and our ability to generate expected cost savings from such efforts, our success in limiting piracy, the growth of the music entertainment industry and the effect of our and the industry's efforts to combat piracy on the industry, our intention and ability to pay dividends or repurchase or retire our outstanding debt or notes in open market purchases, privately or otherwise, the impact on us of potential strategic transactions, our ability to fund our future capital needs and the effect of litigation on us.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of the market in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report. In addition, even if our results of operations, financial condition and cash flows, and the development of the market in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report, those results or developments may not be indicative of results or developments in subsequent periods. New factors emerge from time to time that may cause our business not to develop as we expect, and it is not possible for us to accurately predict all of them. Factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation:

- our inability to compete successfully in the highly competitive markets in which we operate;
- our ability to identify, sign and retain recording artists and songwriters and the existence or absence of superstar releases;
- slower growth in streaming adoption and revenue;
- our dependence on a limited number of digital music services for the online distribution and marketing of our music and their ability to significantly influence the pricing structure for online music stores;
- the popular demand for particular recording artists and/or songwriters and music and the timely delivery to us of music by major recording artists and/or songwriters;
- risks related to the effects of climate change and natural or man-made disasters;
- the diversity and quality of our recording artists, songwriters and releases;
- trends, developments or other events in the United States and in some foreign countries in which we operate, including the impact of tariffs imposed or threatened by the U.S. or foreign governments;
- risks associated with our non-U.S. operations, including limited legal protections of our intellectual property rights and restrictions on the repatriation of capital;
- unfavorable currency exchange rate fluctuations;
- the impact of heightened and intensive competition in the recorded music and music publishing industries and our inability to execute our business strategy;

- significant fluctuations in our operations, cash flows and the trading price of our common stock from period to period;
- our failure to attract and retain our executive officers and other key personnel;
- a significant portion of our revenues are subject to rate regulation either by government entities or by local third-party collecting societies throughout the world and rates on other income streams may be set by governmental proceedings, which may limit our profitability;
- risks associated with obtaining, maintaining, protecting and enforcing our intellectual property rights;
- our involvement in intellectual property litigation;
- threats to our business associated with digital piracy, including organized industrial piracy;
- risks associated with the development and use of artificial intelligence;
- an impairment in the carrying value of goodwill or other intangible and long-lived assets;
- the impact of, and risks inherent in, acquisitions or other business combinations;
- risks inherent to our outsourcing certain finance and accounting functions;
- the fact that we have engaged in substantial restructuring activities in the past, and may need to implement further restructurings in the future and our restructuring efforts may not be successful or generate expected cost savings;
- our and our service providers' ability to maintain the security of information relating to our customers, employees and vendors and our music;
- risks related to evolving laws and regulations concerning data privacy which might result in increased regulation and different industry standards;
- new legislation that affects the terms of our contracts with recording artists and songwriters;
- a potential loss of catalog if it is determined that recording artists have a right to recapture U.S. rights in their recordings under the U.S. Copyright Act;
- the impact of our substantial leverage on our ability to raise additional capital to fund our operations, on our ability to react to changes in the economy or our industry and on our ability to meet our obligations under our indebtedness;
- the ability to generate sufficient cash to service all of our indebtedness, and the risk that we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful;
- the fact that our debt agreements contain restrictions that may limit our flexibility in operating our business;
- the significant amount of cash required to service our indebtedness and the ability to generate cash or refinance indebtedness as it becomes due depends on many factors, some of which are beyond our control;
- our indebtedness levels, and the fact that we may be able to incur substantially more indebtedness, which may increase the risks created by our substantial indebtedness;
- risks of downgrade, suspension or withdrawal of the rating assigned by a rating agency to us could impact our cost of capital;
- the dual class structure of our common stock and Access's existing ownership of our Class B Common Stock have the effect of concentrating control over our management and affairs and over matters requiring stockholder approval with Access;
- the fact that we maintain certain cash deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits, which could have an adverse effect on liquidity and financial performance in the event of a bank failure or receivership; and
- risks related to other factors discussed under "Risk Factors" of this Quarterly Report and in our Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

You should read this Quarterly Report completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this Quarterly Report are qualified by these cautionary statements. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, and changes in future operating results over time or otherwise.

Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Other risks, uncertainties and factors, including those discussed in the “Risk Factors” of our Quarterly Reports and our Annual Report on Form 10-K, could cause our actual results to differ materially from those projected in any forward-looking statements we make. You should read carefully the factors described in the “Risk Factors” section of our Quarterly Reports and our Annual Report on Form 10-K to better understand the risks and uncertainties inherent in our business and underlying any forward-looking statements.

INTRODUCTION

Warner Music Group Corp. (the “Company”) was formed on November 21, 2003. The Company is the direct parent of WMG Holdings Corp. (“Holdings”), which is the direct parent of WMG Acquisition Corp. (“Acquisition Corp.”). Acquisition Corp. is one of the world’s major music entertainment companies.

The Company and Holdings are holding companies that conduct substantially all of their business operations through their subsidiaries. The terms “we,” “us,” “our,” “ours” and the “Company” refer collectively to Warner Music Group Corp. and its consolidated subsidiaries, except where otherwise indicated.

Management’s discussion and analysis of financial condition and results of operations (“MD&A”) is provided as a supplement to the unaudited financial statements and related notes thereto included elsewhere herein to help provide an understanding of our financial condition, changes in financial condition and results of our operations. MD&A is organized as follows:

- *Business overview.* This section provides a general description of our business, as well as a discussion of factors that we believe are important in understanding our results of operations and comparability and in anticipating future trends.
- *Results of operations.* This section provides an analysis of our results of operations for the three months ended December 31, 2025 and December 31, 2024. This analysis is presented on both a consolidated and segment basis.
- *Financial condition and liquidity.* This section provides an analysis of our cash flows for the three months ended December 31, 2025 and December 31, 2024, as well as a discussion of our financial condition and liquidity as of December 31, 2025. The discussion of our financial condition and liquidity includes recent debt financings and a summary of the key debt covenant compliance measures under our debt agreements.

Use of Adjusted OIBDA

We evaluate our operating performance based on several factors, including Adjusted OIBDA. We define Adjusted OIBDA as operating income (loss) adjusted to exclude the following items: (i) non-cash depreciation of tangible assets, (ii) non-cash amortization of intangible assets, (iii) non-cash stock-based compensation and other related expenses, (iv) gains or losses on divestitures, (v) expenses related to restructuring and transformation initiatives, which includes costs associated with the Company’s financial transformation initiative to design and implement new information technology and upgrade our finance infrastructure, and (vi) executive transition costs. Items excluded are not viewed to contribute directly to management’s evaluation of operating results. We consider Adjusted OIBDA to be an important indicator of the operational strengths and performance of our businesses. However, a limitation of the use of Adjusted OIBDA as a performance measure is that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our businesses. Accordingly, Adjusted OIBDA should be considered in addition to, not as a substitute for, operating income (loss), net income (loss) attributable to Warner Music Group Corp. and other measures of financial performance reported in accordance with United States generally accepted accounting principles (“U.S. GAAP”). In addition, our definition of Adjusted OIBDA may differ from similarly titled measures used by other companies. A reconciliation of consolidated Adjusted OIBDA to operating income (loss) and net income (loss) attributable to Warner Music Group Corp. is provided in our “Results of Operations.”

Use of Constant Currency

As exchange rates are an important factor in understanding period to period comparisons, we believe the presentation of revenue and Adjusted OIBDA on a constant-currency basis in addition to reported results helps improve the ability to understand our operating results and evaluate our performance in comparison to prior periods. Constant-currency information compares revenue and Adjusted OIBDA between periods as if exchange rates had remained constant period over period. We use revenue and Adjusted OIBDA on a constant-currency basis as one measure to evaluate our performance. We calculate constant-currency by calculating prior-year revenue and Adjusted OIBDA using current-year foreign currency exchange rates. We generally refer to such amounts calculated on a constant-currency basis as “excluding the impact of foreign currency exchange rates.” Revenue and Adjusted OIBDA

on a constant-currency basis should be considered in addition to, not as a substitute for, revenue and Adjusted OIBDA reported in accordance with U.S. GAAP. Revenue and Adjusted OIBDA on a constant-currency basis, as we present it, may not be comparable to similarly titled measures used by other companies and are not a measure of performance presented in accordance with U.S. GAAP.

BUSINESS OVERVIEW

We are one of the world's leading music entertainment companies. Our renowned family of iconic record labels, including Atlantic Records, Warner Records, Elektra Records and Parlophone Records, is home to many of the world's most popular and influential recording artists. In addition, Warner Chappell Music, our global music publishing business, boasts an extraordinary catalog that includes timeless standards and contemporary hits, representing works by over 190,000 songwriters and composers, with a global collection of more than one and a half million musical compositions. We classify our business interests into two fundamental operations: Recorded Music and Music Publishing. A brief description of each of those operations is presented below.

Components of Our Operating Results

Recorded Music Operations

Our Recorded Music business primarily consists of the discovery and development of recording artists and the related marketing, promotion, distribution, sale and licensing of music created by such recording artists. We play an integral role in virtually all aspects of the recorded music value chain from discovering and developing talent to producing, distributing and selling music to marketing and promoting recording artists and their music.

In the United States, our Recorded Music business is conducted principally through our major record labels—Atlantic Records and Warner Records. Our Recorded Music business also includes Rhino Entertainment, a division that specializes in marketing our recorded music catalog through compilations, reissues of previously released music and video titles and releasing previously unreleased material from our vault. We also conduct our Recorded Music business through a collection of additional record labels including Asylum, Big Beat, Canvasback, East West, Erato, FFRR, Nonesuch, Parlophone, Reprise, Sire, Spinnin' Records, TenThousand Projects, Warner Classics and Warner Records Nashville.

Outside the United States, our Recorded Music business is conducted through various subsidiaries, affiliates and non-affiliated licensees. Internationally, we engage in the same activities as in the United States: discovering and signing artists and distributing, selling, marketing and promoting their music. In most cases, we also market, promote, distribute and sell the music of those recording artists for whom our domestic record labels have international rights. In certain smaller markets, we license the right to distribute and sell our music to non-affiliated third-party record labels.

Our Recorded Music business's operations include WMX, a next generation services division that connects artists with fans and amplifies brands in creative, immersive, and engaging ways. This division includes a rebranded WEA commercial services and marketing network (formerly Warner-Elektra-Atlantic Corporation, or WEA Corp.), which markets, distributes and sells music and video products to retailers and wholesale distributors, and enhances relationships with fans by creating artist merchandise, which we operate, market and sell across various channels, including e-commerce and retail. and through touring. Our business's distribution operations also include Alternative Distribution Alliance ("ADA"), which markets, distributes and sells the products of independent labels to retail and wholesale distributors; and various distribution centers and ventures operated internationally.

In addition to our music being sold in physical retail outlets, our music is also sold in physical form to online physical retailers, such as amazon.com, barnesandnoble.com and bestbuy.com, and distributed in digital form to an expanded universe of digital partners, including streaming services such as those of Amazon, Apple, Deezer, SoundCloud, Spotify, Tencent Music and YouTube, radio services such as iHeart Radio and SiriusXM and other download services.

We have integrated the marketing of digital content into all aspects of our business, including artists and repertoire ("A&R") and distribution. Our business development executives work closely with A&R departments to ensure that while music is being produced, digital assets are also created with all distribution channels in mind, including streaming services, social networking sites, online portals and music-centered destinations. We also work side-by-side with our online and mobile partners to test new concepts. We believe existing and new digital businesses will be a significant source of growth and will provide new opportunities to successfully monetize our assets and create new revenue streams. The proportion of digital revenues attributable to each distribution channel varies by region and proportions may change as the introduction of new technologies continues. As one of the world's largest music entertainment companies, we believe we are well positioned to take advantage of growth in digital distribution and emerging technologies to maximize the value of our assets.

We have diversified our revenues beyond our traditional businesses by entering into expanded-rights deals with recording artists in order to partner with such artists in other aspects of their careers. Under these agreements, we provide services to and

participate in recording artists' activities outside the traditional recorded music business such as touring, merchandising and sponsorships. We have built and acquired artist services capabilities and platforms for marketing and distributing this broader set of music-related rights and participating more widely in the monetization of the artist brands we help create. We believe that entering into expanded-rights deals and enhancing our artist services capabilities in areas such as merchandising, VIP ticketing, fan clubs, concert promotion and management has permitted us to diversify revenue streams and capitalize on other revenue opportunities. This provides for improved long-term relationships with our recording artists and allows us to more effectively connect recording artists and fans.

Recorded Music revenues are derived from four main sources:

- *Digital*: the rightsholder receives revenues with respect to streaming and download services;
- *Physical*: the rightsholder receives revenues with respect to sales of physical products such as vinyl, CDs and DVDs;
- *Artist services and expanded-rights*: the rightsholder receives revenues with respect to our artist services businesses and our participation in expanded rights, including advertising, merchandising such as direct-to-consumer sales, touring, concert promotion, ticketing, sponsorship, fan clubs, artist websites, social publishing, and artist and brand management; and
- *Licensing*: the rightsholder receives royalties or fees for the right to use sound recordings in combination with visual images such as in films or television programs, television commercials and video games; the rightsholder also receives royalties if sound recordings are performed publicly through broadcast of music on television, radio and cable, and in public spaces such as shops, workplaces, restaurants, bars and clubs.

The principal costs associated with our Recorded Music business are as follows:

- *A&R costs*: the costs associated with (i) paying royalties to recording artists, producers, songwriters, other copyright holders and trade unions; (ii) signing and developing recording artists; and (iii) creating master recordings in the studio;
- *Product costs*: the costs to manufacture, package and distribute products to wholesale and retail distribution outlets, the royalty costs associated with distributing products of independent labels to wholesale and retail distribution outlets, as well as the costs related to our artist services business;
- *Selling and marketing expenses*: the costs associated with the promotion and marketing of recording artists and music, including costs to produce music videos for promotional purposes and artist tour support; and
- *General and administrative expenses*: the costs associated with general overhead and other administrative expenses.

Music Publishing Operations

While Recorded Music is focused on marketing, promoting, distributing and licensing a particular recording of a musical composition, Music Publishing is an intellectual property business focused on generating revenue from uses of the musical composition itself. In return for promoting, placing, marketing and administering the creative output of a songwriter, or engaging in those activities for other rightsholders, our Music Publishing business shares the revenues generated from use of the musical compositions with the songwriter or other rightsholders.

The operations of our Music Publishing business are conducted principally through Warner Chappell Music, our global music publishing company headquartered in Los Angeles, through various subsidiaries, affiliates, and non-affiliated licensees and sub-publishers. We own or control rights to more than two million musical compositions, including numerous pop hits, American standards, folk songs and motion picture and theatrical compositions. Assembled over decades, our award-winning catalog includes over 190,000 songwriters and composers and a diverse range of genres including pop, rock, jazz, classical, country, R&B, hip-hop, rap, reggae, Latin, folk, blues, symphonic, soul, Broadway, electronic, alternative and gospel. Warner Chappell Music also administers the music and soundtracks of several third-party television and film producers and studios. We have an extensive production music catalog collectively branded as Warner Chappell Production Music.

Music Publishing revenues are derived from five main sources:

- *Digital*: the rightsholder receives revenues with respect to musical compositions embodied in recordings distributed in streaming services, download services, digital performance and other digital music services;
- *Performance*: the rightsholder receives revenues if the musical composition is performed publicly through broadcast of music on television, radio and cable and in retail locations (e.g., bars and restaurants), live performance at a concert or other venue (e.g., arena concerts and nightclubs), and performance of music in staged theatrical productions;

- *Mechanical*: the rightsholder receives revenues with respect to musical compositions embodied in recordings sold in any physical format or configuration such as vinyl, CDs and DVDs;
- *Synchronization*: the rightsholder receives revenues for the right to use the musical composition in combination with visual images such as in films or television programs, television commercials and video games as well as from other uses such as in toys or novelty items and merchandise; and
- *Other*: the rightsholder receives revenues for use in sheet music and other uses.

The principal costs associated with our Music Publishing business are as follows:

- *A&R costs*: the costs associated with (i) paying royalties to songwriters, co-publishers and other copyright holders in connection with income generated from the uses of their works and (ii) signing and developing songwriters; and
- *Selling and marketing, general overhead and other administrative expenses*: the costs associated with selling and marketing, general overhead and other administrative expenses.

Recent Events and Factors Affecting Results of Operations and Comparability

2025 Restructuring Plan

On July 1, 2025, the Company announced a strategic restructuring plan (the “2025 Restructuring Plan”) designed to free up funds to invest in music and to accelerate the Company’s long-term growth. The Company expects the 2025 Restructuring Plan to generate pre-tax cost savings of approximately \$300 million on an annualized run-rate basis by the end of the fiscal year 2027 and expects the majority of the cost savings under the 2025 Restructuring Plan to be accretive to Adjusted OIBDA. The 2025 Restructuring Plan is expected to be fully implemented by the end of calendar year 2026. The Company expects to incur total charges of approximately \$200 million on a pre-tax basis or approximately \$150 million on an after-tax basis. Approximately \$170 million of the charges will be for severance payments and other related termination costs and approximately \$30 million of certain other charges. The Company anticipates that the Plan will result in cash expenditures of approximately \$200 million of which \$170 million is expected to be paid by the end of fiscal year 2026.

For the three months ended December 31, 2025, total severance and other termination costs recorded in connection with the 2025 Strategic Restructuring Plan were \$25 million, of which \$13 million of expense was recognized in our Recorded Music segment and \$12 million was recognized in Corporate. As of December 31, 2025, total cumulative restructuring and impairment charges recognized in connection with the 2025 Strategic Restructuring Plan were \$143 million with \$93 million of costs recognized in our Recorded Music segment, \$5 million of costs recognized in our Music Publishing segment, and \$45 million recognized at Corporate. These costs are composed of \$115 million of severance costs and \$28 million of non-cash impairment charges primarily related to impairments of operating lease right-of-use assets that are no longer in use and royalty advances based on operational changes in the intended use of these assets.

2024 Strategic Restructuring Plan

In 2024, the Company announced a strategic restructuring plan (the “2024 Strategic Restructuring Plan”) designed to free up additional funds to invest in music and accelerate the Company’s growth for the next decade. The 2024 Strategic Restructuring Plan is complete and the remaining associated cash payments are expected to be made by the end of fiscal year 2026.

The cost savings under the 2024 Strategic Restructuring Plan will be achieved through a combination of the disposal or winding down of non-core operations, continuing to manage overhead, sharpening focus, expanding shared services, and implementing previously disclosed expected operational efficiencies made possible by the Company’s financial transformative initiative. The Company allocated a majority of the costs savings to increase investment in the Company’s core Recorded Music and Music Publishing businesses, new skill sets and tech capabilities.

As of September 30, 2025, total cumulative restructuring and impairment charges recognized in connection with the 2024 Strategic Restructuring Plan were \$216 million with \$206 million of costs recognized in our Recorded Music segment and \$10 million recognized at Corporate. These costs are composed of \$134 million of severance and other contract termination costs, of which \$7 million was non-cash, and \$82 million of non-cash impairment charges. There were no restructuring costs recognized for the three months ended December 31, 2025 related to the 2024 Strategic Restructuring Plan.

Other Impairments

For the three months ended December 31, 2025, the Company recognized an impairment charge of \$9 million within the Recorded Music segment for long-lived assets associated with EMP, which was the result of remeasuring the carrying value to fair value as it has been classified as held for sale since September 30, 2025.

BMG Termination

In September 2023, the Company terminated its distribution agreement with BMG as BMG began to bring digital distribution in-house and license directly with digital service partners in fiscal 2024 while also licensing its physical distribution with a different provider (the “BMG Termination”). Alternative Distribution Alliance (“ADA”), which is part of our Recorded Music business, had previously been distributing BMG’s recorded music catalog and revenues are reported within our Recorded Music segment. The shift to digital direct deals by BMG was a phased in-sourcing of distribution during the prior fiscal year with BMG rolled off at the end of the prior fiscal year.

RESULTS OF OPERATIONS

Three Months Ended December 31, 2025 Compared with Three Months Ended December 31, 2024

Consolidated Results

Revenues

Our revenues were composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
Revenue by Type				
Digital	\$ 976	\$ 873	\$ 103	12 %
Physical	152	166	(14)	-8 %
Total digital and physical	1,128	1,039	89	9 %
Artist services and expanded-rights	231	196	35	18 %
Licensing	121	110	11	10 %
Total Recorded Music	1,480	1,345	135	10 %
Performance	64	56	8	14 %
Digital	215	207	8	4 %
Mechanical	18	14	4	29 %
Synchronization	60	39	21	54 %
Other	5	7	(2)	-29 %
Total Music Publishing	362	323	39	12 %
Intersegment eliminations	(2)	(2)	—	— %
Total revenues	<u>\$ 1,840</u>	<u>\$ 1,666</u>	<u>\$ 174</u>	<u>10 %</u>
Revenue by Geographical Location				
U.S. Recorded Music	\$ 577	\$ 532	\$ 45	8 %
U.S. Music Publishing	190	173	17	10 %
Total U.S.	767	705	62	9 %
International Recorded Music	903	813	90	11 %
International Music Publishing	172	150	22	15 %
Total international	1,075	963	112	12 %
Intersegment eliminations	(2)	(2)	—	— %
Total revenues	<u>\$ 1,840</u>	<u>\$ 1,666</u>	<u>\$ 174</u>	<u>10 %</u>

Total Revenues

Total revenues increased by \$174 million, or 10%, to \$1,840 million for the three months ended December 31, 2025 from \$1,666 million for the three months ended December 31, 2024. Revenue growth was impacted by a digital revenue settlement of \$12 million in the quarter and a \$7 million downward revenue true-up in the prior-year quarter (the “DSP True-Up and Settlement Payments”). Recorded Music revenue growth was also unfavorably impacted by the BMG Termination, which resulted in \$6 million less Recorded Music digital revenue compared to the prior-year quarter. Music Publishing revenue was impacted by \$17 million of revenue in the prior-year quarter recognized in connection with historical matched royalties that were processed to date by the Mechanical Licensing Collective (the “MLC Historical Matched Royalties”). Adjusted for these items, total revenues increased by \$178 million, or 11%, which includes \$52 million of favorable currency exchange fluctuations. Prior to intersegment eliminations, Recorded Music and Music Publishing revenues represented 80% and 20% of total revenue for the three months ended December 31, 2025, respectively, and 81% and 19% of total revenue for the three months ended December 31, 2024, respectively. Prior to intersegment eliminations, U.S. and international revenues represented 42% and 58% of total revenues for each of the three months ended December 31, 2025 and December 31, 2024.

Total digital revenues after intersegment eliminations increased by \$108 million, or 10%, to \$1,190 million for the three months ended December 31, 2025 from \$1,082 million for the three months ended December 31, 2024. Total streaming revenue increased by \$113 million, driven by growth in Recorded Music and Music Publishing. Total streaming revenue includes \$30 million of favorable currency exchange fluctuations. Prior to intersegment eliminations, total digital revenues for the three months ended December 31, 2025 were composed of U.S. revenues of \$534 million and international revenues of \$657 million, or 45% and 55% of total digital revenues, respectively. Prior to intersegment eliminations, total digital revenues for the three months ended December 31, 2024 were composed of U.S. revenues of \$508 million and international revenues of \$572 million, or 47% and 53% of total digital revenues, respectively.

Recorded Music revenues increased by \$135 million, or 10%, to \$1,480 million for the three months ended December 31, 2025 from \$1,345 million for the three months ended December 31, 2024. The increase includes \$43 million of favorable currency exchange fluctuations. U.S. Recorded Music revenues were \$577 million and \$532 million, or 39% and 40% of consolidated Recorded Music revenues for each of the three months ended December 31, 2025 and December 31, 2024, respectively. International Recorded Music revenues were \$903 million and \$813 million, or 61% and 60%, of consolidated Recorded Music revenues for each of the three months ended December 31, 2025 and December 31, 2024, respectively.

The overall increase in Recorded Music revenue was driven by increases in digital, artist services and expanded-rights and licensing revenues, partially offset by a decrease in physical revenue. Digital revenue increased by \$103 million, or 12%, which includes a favorable impact of currency exchange fluctuations of \$26 million, primarily due to growth in streaming revenue as a result of the continued growth in streaming services, including growth in subscription and ad-supported revenues. Revenue from streaming services increased by \$106 million, or 12%, to \$960 million for the three months ended December 31, 2025 from \$854 million for the three months ended December 31, 2024. Adjusted for the impacts of the DSP True-Up and Settlement Payments in the current and prior-year quarters and the BMG Termination in the prior-year quarter, Recorded Music streaming revenue increased \$93 million, or 11%, to \$948 million for the three months ended December 31, 2025 from \$855 million for the three months ended December 31, 2024. Download and other digital revenues decreased by \$3 million, or 16%, to \$16 million for the three months ended December 31, 2025 from \$19 million for the three months ended December 31, 2024. Artist services and expanded-rights revenue increased by \$35 million, or 18%, due to higher concert promotion revenue primarily in France, and a favorable impact of foreign currency exchange rates of \$9 million. Licensing revenue increased by \$11 million, or 10%, driven by higher licensing activity, a \$2 million increase in copyright infringement settlements in the quarter, and a favorable impact of foreign currency exchange rates of \$3 million. Physical revenue, which includes a favorable impact of foreign currency exchange rates of \$5 million, decreased by \$14 million, or 8%, primarily driven by strong releases in Japan and Korea in the prior-year quarter. Top sellers in the quarter included Alex Warren, sombr, Cardi B, Ed Sheeran, and Teddy Swims.

Music Publishing revenues increased by \$39 million, or 12%, to \$362 million for the three months ended December 31, 2025 from \$323 million for the three months ended December 31, 2024. U.S. Music Publishing revenues were \$190 million and \$173 million, or 52% and 54% of consolidated Music Publishing revenues, for the three months ended December 31, 2025 and December 31, 2024, respectively. International Music Publishing revenues were \$172 million and \$150 million, or 48% and 46% of consolidated Music Publishing revenues, for the three months ended December 31, 2025 and December 31, 2024, respectively.

The overall increase in Music Publishing revenue was driven by increases in digital, synchronization, performance, and mechanical revenues. Digital revenue increased by \$8 million, or 4%, driven by an increase in streaming revenue. Revenue from streaming services grew by \$7 million, or 3%, to \$212 million for the three months ended December 31, 2025 from \$205 million for the three months ended December 31, 2024, driven by the impact of new deals and renewals and a favorable impact of foreign currency exchange rates of \$4 million, partially offset by the \$17 million impact of the MLC Historical Matched Royalties in the prior-year quarter. Adjusted for this item, Music Publishing streaming revenue increased \$24 million, or 13%, to \$212 million for the three months ended December 31, 2025 from \$188 million for the three months ended December 31, 2024. Synchronization revenue increased by \$21 million, or 54%, attributable to higher television and commercial licensing activity, a \$3 million increase in copyright infringement settlements in the quarter, and the \$3 million impact of our acquisition of Tempo Music. Performance revenue increased by \$8 million, or 14%, driven by growth from concerts, radio and live events, and a favorable impact of foreign currency exchange rates of \$2 million. Mechanical revenue increased by \$4 million, or 29%, driven by the timing of distributions and includes a favorable impact of foreign currency exchange rates of \$1 million.

Revenue by Geographical Location

U.S. revenue increased by \$62 million, or 9%, to \$767 million for the three months ended December 31, 2025 from \$705 million for the three months ended December 31, 2024. U.S. Recorded Music revenue increased by \$45 million, or 8%. U.S. Recorded Music digital revenue increased by \$36 million, or 9%, driven by higher streaming revenue of \$36 million, or 10%, including the impacts of the DSP True-Up and Settlement Payments in the current and prior-year quarters, and the BMG Termination in the prior-year quarter. U.S. Recorded Music licensing revenue increased by \$7 million, or 20%, driven by higher copyright infringement settlements. U.S. Recorded Music physical revenue increased \$2 million, or 3%, driven by strong releases in the quarter and carryover success. U.S. Recorded Music artist services and expanded-rights revenues remained constant for the three months ended December 31, 2025 compared to the three months ended December 31, 2024. U.S. Music Publishing revenue increased by \$17 million, or 10%, to \$190 million for the three months ended December 31, 2025 from \$173 million for the three months ended December 31, 2024. U.S. Music Publishing digital revenue decreased by \$10 million, or 8%, attributable to lower streaming revenue of \$10 million, or 8%, which includes the impact of the MLC Historical Matched Royalties in the prior-year quarter. U.S. Music Publishing synchronization revenue increased by \$21 million, or 95%, driven by timing of certain copyright infringement settlements, higher television and commercial licensing activity and the impact of acquisitions. U.S. Music Publishing performance increased by \$4 million, or 21%, due to radio activity, and mechanical revenue increased by \$2 million driven by the timing of distributions.

International revenue increased by \$112 million, or 12%, to \$1,075 million for the three months ended December 31, 2025 from \$963 million for the three months ended December 31, 2024. Excluding the favorable impact of foreign currency exchange rates of \$51 million, International revenue increased by \$61 million, or 6%. International Recorded Music revenue increased by \$90 million, which includes a favorable impact of foreign currency exchange rates of \$43 million, driven by growth across digital, artist services and expanded rights and licensing revenues, partially offset by a decrease in physical revenue. International Recorded Music digital revenue increased by \$67 million, attributable to higher streaming revenue of \$70 million, or 14%, which includes the impacts of the DSP True-Up and Settlement Payments in the current and prior-year quarters, and the BMG Termination in the prior-year quarter, and reflects a favorable impact of foreign currency exchange rates of \$26 million. International Recorded Music artist services and expanded-rights revenue increased by \$35 million, or 24%, driven by higher concert promotion revenue primarily in France, and the favorable impact of foreign currency exchange rates of \$9 million. International Recorded Music licensing revenue increased by \$4 million, or 5%, primarily driven by favorable movements in foreign currency exchange rates of \$3 million. These increases were partially offset by a decrease in physical revenue of \$16 million driven by strong releases in Japan and Korea in the prior-year quarter, partially offset by the favorable impact of foreign currency exchange rates of \$5 million. International Music Publishing revenue increased by \$22 million, or 15%, to \$172 million for the three months ended December 31, 2025 from \$150 million for the three months ended December 31, 2024. International Music Publishing revenue growth was driven by increases in digital revenue of \$18 million due to growth in streaming, performance revenue of \$4 million due to growth from concerts and live events primarily in Europe, and mechanical revenue of \$2 million driven by the timing of distributions. Synchronization revenue remained constant for the three months ended December 31, 2025 compared to the three months ended December 31, 2024.

Cost of revenues

Our cost of revenues was composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
Artist and repertoire costs	\$ 644	\$ 574	\$ 70	12 %
Product costs	343	320	23	7 %
Total cost of revenues	<u>\$ 987</u>	<u>\$ 894</u>	<u>\$ 93</u>	<u>10 %</u>

Artist and repertoire costs increased by \$70 million, to \$644 million for the three months ended December 31, 2025 from \$574 million for the three months ended December 31, 2024. Artist and repertoire costs as a percentage of revenue increased to 35% for the three months ended December 31, 2025 from 34% for the three months ended December 31, 2024, primarily due to revenue mix.

Product costs increased by \$23 million, to \$343 million for the three months ended December 31, 2025 from \$320 million for the three months ended December 31, 2024. Product costs as a percentage of revenue remained constant at 19% for each of the three months ended December 31, 2025 and December 31, 2024.

Selling, general and administrative expenses

Our selling, general and administrative expenses were composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
General and administrative expense (1)	\$ 272	\$ 284	\$ (12)	-4 %
Selling and marketing expense	155	158	(3)	-2 %
Distribution expense	31	32	(1)	-3 %
Total selling, general and administrative expense	<u>\$ 458</u>	<u>\$ 474</u>	<u>\$ (16)</u>	<u>-3 %</u>

(1) Includes depreciation expense of \$31 million and \$29 million for the three months ended December 31, 2025 and December 31, 2024, respectively.

Total selling, general and administrative expense decreased by \$16 million, to \$458 million for the three months ended December 31, 2025 from \$474 million for the three months ended December 31, 2024. Expressed as a percentage of revenue, total selling, general and administrative expense decreased to 25% for the three months ended December 31, 2025 from 28% for the three months ended December 31, 2024 due to the factors noted below.

General and administrative expense decreased by \$12 million to \$272 million for the three months ended December 31, 2025 from \$284 million for the three months ended December 31, 2024. The decrease in general and administrative expense was primarily driven by cost savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business, partially offset by higher depreciation expense of \$2 million due to the core financials component of our new technology platform being placed into service, and the impact of acquisitions of \$2 million. Expressed as a percentage of revenue, general and administrative expense decreased to 15% for the three months ended December 31, 2025 compared to 17% for the three months ended December 31, 2024.

Selling and marketing expense decreased by \$3 million, or 2%, to \$155 million for the three months ended December 31, 2025 from \$158 million for the three months ended December 31, 2024. Expressed as a percentage of revenue, selling and marketing expense decreased to 8% for the three months ended December 31, 2025 from 9% for the three months ended December 31, 2024 due to savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business.

Distribution expense decreased by \$1 million to \$31 million for the three months ended December 31, 2025 from \$32 million for the three months ended December 31, 2024. Expressed as a percentage of revenue, distribution expense remained constant at 2% for each of the three months ended December 31, 2025 and December 31, 2024.

Reconciliation of Net Income Attributable to Warner Music Group Corp. and Operating Income to Consolidated Adjusted OIBDA

As previously described, we use Adjusted OIBDA as our primary measure of financial performance. The following table reconciles operating income to Adjusted OIBDA, and further provides the components from net income attributable to Warner Music Group Corp. to operating income for purposes of the discussion that follows (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
Net income attributable to Warner Music Group Corp.	\$ 176	\$ 236	\$ (60)	(25)%
Income attributable to noncontrolling interest	(1)	5	(6)	— %
Net income	175	241	(66)	(27)%
Income tax expense	71	89	(18)	(20)%
Net income before income taxes	246	330	(84)	(25)%
Other income	(3)	(153)	150	(98)%
Interest expense, net	45	37	8	22 %
Operating income	288	214	74	35 %
Amortization expense	68	57	11	19 %
Depreciation expense	31	29	2	7 %
Restructuring and impairments	34	27	7	26 %
Transformation initiative costs	17	17	—	— %
Net loss on divestitures	5	—	5	— %
Non-cash stock-based compensation and other related costs	20	19	1	5 %
Adjusted OIBDA	<u>\$ 463</u>	<u>\$ 363</u>	<u>\$ 100</u>	<u>28 %</u>

Adjusted OIBDA

Adjusted OIBDA increased by \$100 million to \$463 million for the three months ended December 31, 2025 from \$363 million for the three months ended December 31, 2024, driven by the impact of the DSP True-Up and Settlement Payments of \$7 million in the quarter and \$4 million in the prior-year quarter, and the MLC Historical Matched Royalties of \$4 million in the prior-year quarter, as well as revenue mix, savings from the Company's restructuring plans, a portion of which has been reinvested in the Company's business, and favorable movements in currency exchange rates of approximately \$25 million compared to the prior-year quarter. Expressed as a percentage of total revenue, Adjusted OIBDA margin increased to 25% for the three months ended December 31, 2025 from 22% for the three months ended December 31, 2024.

Non-cash stock-based compensation and other related costs

Our non-cash stock-based compensation and other related costs increased by \$1 million to \$20 million for the three months ended December 31, 2025 from \$19 million for the three months ended December 31, 2024.

Net loss on divestitures

Net loss on divestitures during the three months ended December 31, 2025 includes a pre-tax loss of \$5 million in connection with the divestiture of certain assets. There was no net loss on divestitures during the three months ended December 31, 2024.

Transformation initiative costs

Our transformation initiative costs, which include costs associated with our finance transformation, remained constant at \$17 million for each of the three months ended December 31, 2025 and December 31, 2024.

Restructuring and Impairments

Our restructuring and impairment charges increased to \$34 million for the three months ended December 31, 2025 from \$27 million for the three months ended December 31, 2024. The three months ended December 31, 2025 includes an impairment charge of

\$9 million for long-lived assets associated with EMP, which was the result of remeasuring the carrying value to fair value as it has been classified as held for sale since September 30, 2025.

Depreciation expense

Our depreciation expense increased by \$2 million to \$31 million for the three months ended December 31, 2025 from \$29 million for the three months ended December 31, 2024. The increase is primarily driven by the core financials and global revenue solution components of our new technology platform being placed into service.

Amortization expense

Our amortization expense increased by \$11 million, to \$68 million for the three months ended December 31, 2025 from \$57 million for the three months ended December 31, 2024. The increase is driven by incremental amortization related to acquisitions of music-related assets, partially offset by EMP intangible assets, which have been classified as held for sale.

Operating income

Our operating income increased by \$74 million to \$288 million for the three months ended December 31, 2025 from \$214 million for the three months ended December 31, 2024, primarily due to the factors impacting Adjusted OIBDA described above. The increase in operating income was partially offset by higher amortization expenses of \$11 million, an increase in restructuring and impairment charges of \$7 million, and the impact of a \$5 million net loss on divestitures for the three months ended December 31, 2025 compared to the three months ended December 31, 2024.

Interest expense, net

Our interest expense, net, increased to \$45 million for the three months ended December 31, 2025 from \$37 million for the three months ended December 31, 2024 due to incremental debt related to the Tempo Asset-Based Notes acquired in connection with the acquisition of Tempo Music in the prior year, partially offset by lower interest rates on variable rate debt in the quarter.

Other income

Other income for the three months ended December 31, 2025 primarily includes income earned on equity method investments of \$2 million and a currency exchange gain on our intercompany loans of \$1 million, partially offset by a foreign currency loss on our Euro-denominated debt of \$1 million, and a realized and unrealized loss on hedging activity of \$1 million. This compares to foreign currency gains on our Euro-denominated debt of \$61 million, currency exchange gains on our intercompany loans of \$46 million, and realized and unrealized gains on hedging activity of \$15 million for the three months ended December 31, 2024.

Income tax expense

Our income tax expense decreased by \$18 million to \$71 million for the three months ended December 31, 2025 from \$89 million for the three months ended December 31, 2024. The decrease of \$18 million in income tax expense is primarily due to a decrease in pre-tax income in the quarter.

Net income

Net income decreased by \$66 million to \$175 million for the three months ended December 31, 2025 from \$241 million for the three months ended December 31, 2024 as a result of the factors described above.

Noncontrolling interest

There was a loss attributable to noncontrolling interest of \$1 million during the three months ended December 31, 2025 compared to income of \$5 million for the three months ended December 31, 2024.

Business Segment Results

Revenues, operating income (loss) and Adjusted OIBDA by business segment were as follows (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
Recorded Music				
Revenues	\$ 1,480	\$ 1,345	\$ 135	10 %
Operating income	329	238	91	38 %
Adjusted OIBDA	403	323	80	25 %
Music Publishing				
Revenues	362	323	39	12 %
Operating income	65	55	10	18 %
Adjusted OIBDA	102	83	19	23 %
Corporate expenses and eliminations				
Revenue eliminations	(2)	(2)	—	— %
Operating loss	(106)	(79)	(27)	34 %
Adjusted OIBDA loss	(42)	(43)	1	-2 %
Total				
Revenues	1,840	1,666	174	10 %
Operating income	288	214	74	35 %
Adjusted OIBDA	463	363	100	28 %

Recorded Music

Revenues

Recorded Music revenue increased by \$135 million, or 10%, to \$1,480 million for the three months ended December 31, 2025 from \$1,345 million for the three months ended December 31, 2024. U.S. Recorded Music revenues were \$577 million and \$532 million, or 39% and 40% of consolidated Recorded Music revenues, for the three months ended December 31, 2025 and December 31, 2024, respectively. International Recorded Music revenues were \$903 million and \$813 million, or 61% and 60% of consolidated Recorded Music revenues, for the three months ended December 31, 2025 and December 31, 2024, respectively.

The overall increase in Recorded Music revenue was driven by higher revenue across digital, artist services and expanded-rights and licensing, partially offset by a decrease in physical revenue, as described in the “Total Revenues” and “Revenue by Geographical Location” sections above.

Cost of revenues

Recorded Music cost of revenues was composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
Artist and repertoire costs	\$ 417	\$ 366	\$ 51	14 %
Product costs	343	320	23	7 %
Total cost of revenues	\$ 760	\$ 686	\$ 74	11 %

Recorded Music cost of revenues increased by \$74 million, to \$760 million for the three months ended December 31, 2025 from \$686 million for the three months ended December 31, 2024. Expressed as a percentage of Recorded Music revenue, Recorded Music artist and repertoire costs increased to 28% for the three months ended December 31, 2025 from 27% for the three months ended December 31, 2024 primarily due to revenue mix. Expressed as a percentage of Recorded Music revenue, Recorded Music product costs decreased to 23% for the three months ended December 31, 2025 from 24% for the three months ended December 31, 2024, driven by revenue and deal mix.

Selling, general and administrative expense

Recorded Music selling, general and administrative expenses were composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
General and administrative expense (1)	\$ 154	\$ 180	\$ (26)	-14 %
Selling and marketing expense	150	151	(1)	-1 %
Distribution expense	31	32	(1)	-3 %
Total selling, general and administrative expense	<u>\$ 335</u>	<u>\$ 363</u>	<u>\$ (28)</u>	<u>-8 %</u>

(1) Includes depreciation expense of \$12 million and \$15 million for the three months ended December 31, 2025 and December 31, 2024, respectively.

Recorded Music selling, general and administrative expense decreased by \$28 million, to \$335 million for the three months ended December 31, 2025 from \$363 million for the three months ended December 31, 2024. The decrease in general and administrative expense was largely driven by cost savings from the Company's restructuring plans, a portion of which has been reinvested into the Company's business. The decrease in selling and marketing expense was also driven by savings from the Company's restructuring plans, as well as lower variable marketing spend. The decrease in distribution expense was primarily driven by revenue mix. Expressed as a percentage of Recorded Music revenue, Recorded Music selling, general and administrative expense decreased to 23% for the three months ended December 31, 2025 from 27% for the three months ended December 31, 2024.

Operating Income and Adjusted OIBDA

Recorded Music operating income increased by \$91 million to \$329 million for the three months ended December 31, 2025 from \$238 million for the three months ended December 31, 2024. In addition to the factors impacting Adjusted OIBDA described below, the increase in operating income was driven by decreases in restructuring and impairment charges of \$6 million and depreciation expense of \$3 million compared to the prior-year quarter, partially offset by higher amortization expenses of \$4 million related to acquisitions of music-related assets.

Recorded Music Adjusted OIBDA increased by \$80 million to \$403 million for the three months ended December 31, 2025 from \$323 million for the three months ended December 31, 2024, largely driven by the impact of the DSP True-Up and Settlement Payments of \$7 million in the quarter and \$4 million in the prior-year quarter, as well as savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business, and favorable movements in foreign currency exchange rates of approximately \$18 million. Expressed as a percentage of Recorded Music revenue, Recorded Music Adjusted OIBDA margin increased to 27% for the three months ended December 31, 2025 from 24% for the three months ended December 31, 2024 due to the factors noted above.

Music Publishing

Revenues

Music Publishing revenues increased by \$39 million, or 12%, to \$362 million for the three months ended December 31, 2025 from \$323 million for the three months ended December 31, 2024. U.S. Music Publishing revenues were \$190 million and \$173 million, or 52% and 54% of consolidated Music Publishing revenues, for the three months ended December 31, 2025 and December 31, 2024, respectively. International Music Publishing revenues were \$172 million and \$150 million, or 48% and 46% of consolidated Music Publishing revenues, for the three months ended December 31, 2025 and December 31, 2024, respectively.

The overall increase in Music Publishing revenue was driven by growth in digital, synchronization, performance, and mechanical revenues, as described in the "Total Revenues" and "Revenue by Geographical Location" sections above.

Cost of revenues

Music Publishing cost of revenues were composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
Artist and repertoire costs	\$ 228	\$ 210	\$ 18	9 %
Total cost of revenues	\$ 228	\$ 210	\$ 18	9 %

Music Publishing cost of revenues increased by \$18 million, or 9%, to \$228 million for the three months ended December 31, 2025 from \$210 million for the three months ended December 31, 2024. Expressed as a percentage of Music Publishing revenue, Music Publishing cost of revenues decreased to 63% for the three months ended December 31, 2025 from 65% for the three months ended December 31, 2024, largely due to revenue mix.

Selling, general and administrative expense

Music Publishing selling, general and administrative expenses were composed of the following amounts (in millions):

	For the Three Months Ended December 31,		2025 vs. 2024	
	2025	2024	\$ Change	% Change
General and administrative expense (1)	\$ 34	\$ 31	\$ 3	10 %
Selling and marketing expense	1	1	—	— %
Total selling, general and administrative expense	\$ 35	\$ 32	\$ 3	9 %

(1) Includes depreciation expense of \$1 million for each of the three months ended December 31, 2025 and December 31, 2024.

Music Publishing selling, general and administrative expense increased by \$3 million, or 9%, to \$35 million for the three months ended December 31, 2025 from \$32 million for the three months ended December 31, 2024, which includes the impact of our acquisition of Tempo Music in the prior year. Expressed as a percentage of Music Publishing revenue, Music Publishing selling, general and administrative expense remained constant at 10% for each of the three months ended December 31, 2025 and December 31, 2024.

Operating Income and Adjusted OIBDA

Music Publishing operating income increased by \$10 million to \$65 million for the three months ended December 31, 2025 from \$55 million for the three months ended December 31, 2024, driven by the same factors affecting Adjusted OIBDA discussed below, partially offset by an increase in amortization expense of \$8 million related to the impact of acquisitions for the three months ended December 31, 2025 compared to the three months ended December 31, 2024.

Music Publishing Adjusted OIBDA increased by \$19 million, or 23%, to \$102 million for the three months ended December 31, 2025 from \$83 million for the three months ended December 31, 2024, primarily driven by revenue mix, the \$4 million impact of the MLC Historical Matched Royalties in the prior-year quarter, and favorable movements in foreign exchange rates of approximately \$7 million. Expressed as a percentage of Music Publishing revenue, Music Publishing Adjusted OIBDA margin increased to 28% for the three months ended December 31, 2025 from 26% for the three months ended December 31, 2024.

Corporate Expenses and Eliminations

Our operating loss from corporate expenses and eliminations increased by \$27 million for the three months ended December 31, 2025 to \$106 million from \$79 million for the three months ended December 31, 2024, driven by an increase in restructuring and impairment costs of \$13 million, an increase in non-cash stock-based compensation and other related expenses of \$6 million, higher depreciation expense of \$5 million driven by the core financials and global revenue solution components of our new technology platform being placed into service, and a net loss on divestitures of \$5 million in the quarter.

Our Adjusted OIBDA loss from corporate expenses and eliminations decreased by \$1 million to \$42 million for the three months ended December 31, 2025 from \$43 million for the three months ended December 31, 2024, primarily due to the factors discussed above, as well as savings from the Company's restructuring plans, of which a portion has been reinvested into the Company's business.

FINANCIAL CONDITION AND LIQUIDITY

Financial Condition at December 31, 2025

At December 31, 2025, we had \$4.371 billion of debt (which is net of \$35 million of premiums, discounts and deferred financing costs), \$751 million of cash and equivalents (net debt of \$3.620 billion, defined as total debt, less cash and equivalents and premiums, discounts and deferred financing costs) and \$720 million of Warner Music Group Corp. equity. This compares to \$4.365 billion of debt (which is net of \$36 million of premiums, discounts and deferred financing costs), \$532 million of cash and equivalents (net debt of \$3.833 billion) and \$647 million of Warner Music Group Corp. equity at September 30, 2025.

Cash Flows

The following table summarizes our historical cash flows (in millions). The financial data for the three months ended December 31, 2025 and December 31, 2024 are unaudited and have been derived from our condensed consolidated interim financial statements included elsewhere herein.

	Three Months Ended December 31,	
	2025	2024
Cash provided by (used in):		
Operating activities	\$ 440	\$ 332
Investing activities	(52)	(81)
Financing activities	(159)	(127)

Operating Activities

Cash provided by operating activities was \$440 million for the three months ended December 31, 2025 as compared with cash provided by operating activities of \$332 million for the three months ended December 31, 2024. The \$108 million increase in cash provided by operating activities was largely a result of operating performance.

Investing Activities

Cash used in investing activities was \$52 million for the three months ended December 31, 2025 as compared with cash used in investing activities of \$81 million for the three months ended December 31, 2024. The \$52 million of cash used in investing activities in the three months ended December 31, 2025 consisted of \$12 million relating to investments and acquisitions of businesses, \$30 million to acquire music-related assets and \$20 million relating to capital expenditures, partially offset by \$10 million of proceeds from net divestitures. The \$81 million of cash used in investing activities in the three months ended December 31, 2024 consisted of \$40 million relating to investments and acquisitions of businesses, \$41 million to acquire music-related assets, and \$36 million relating to capital expenditures, partially offset by \$36 million of proceeds from the sale of investments.

Financing Activities

Cash used in financing activities was \$159 million for the three months ended December 31, 2025 as compared with cash used in financing activities of \$127 million for the three months ended December 31, 2024. The \$159 million of cash used in financing activities for the three months ended December 31, 2025 consisted of dividends paid of \$100 million, payment of deferred consideration of \$25 million, distributions to noncontrolling interest holders of \$4 million, taxes paid related to net share settlement of restricted stock units and common stock of \$5 million, common stock repurchased and retired of \$26 million, deferred financing costs paid of \$8 million, partially offset by proceeds from the Beethoven Credit Agreement of \$4 million and contributions from redeemable noncontrolling interest holder of \$5 million. The \$127 million of cash used in financing activities for the three months ended December 31, 2024 consisted of dividends paid of \$94 million, payment of deferred consideration of \$17 million, distributions to noncontrolling interest holders of \$7 million, taxes paid related to net share settlement of restricted stock units and common stock of \$2 million, common stock repurchased and retired of \$2 million and other financing activity of \$5 million.

Liquidity

Our primary sources of liquidity are the cash flows generated from our subsidiaries' operations, available cash and equivalents and funds available for drawing under our Revolving Credit Facility. These sources of liquidity are needed to fund our debt service requirements, working capital requirements, capital expenditure requirements, strategic acquisitions and investments, and dividends, prepayments of debt, repurchases or retirement of our outstanding debt or notes or repurchases of our outstanding equity securities in open market purchases, privately negotiated purchases or otherwise, we may elect to pay or make in the future. We maintain our cash in various banks and other financial institutions around the world, and in some cases those cash deposits are in

excess of FDIC or other deposit insurance. In the event of a bank failure or receivership, we may not have access to those cash deposits in excess of the relevant deposit insurance, which could have an adverse effect on our liquidity and financial performance.

We believe that our primary sources of liquidity will be sufficient to support our existing operations over the next twelve months.

Debt Capital Structure

Since Access acquired us in 2011, we have sought to extend the maturity dates on our outstanding indebtedness, reduce interest expense and improve our debt ratings. For example, our S&P corporate credit rating improved from B in 2017 to BBB- in August 2024 with a stable outlook, and our Moody's corporate family rating improved from B1 in 2016 to Ba1 in March 2025. In September 2025, Fitch assigned us a BBB- long-term credit rating with a stable outlook. In addition, our weighted-average interest rate on our outstanding indebtedness has decreased from 10.5% in 2011 to 4.0% as of December 31, 2025. Our nearest-term maturity date is in 2028. Subject to market conditions, we continue to take opportunistic steps to extend our maturity dates, reduce related interest expense and make other changes. From time to time, we may incur additional indebtedness for, among other things, working capital, repurchasing, redeeming or tendering for existing indebtedness and acquisitions or other strategic transactions.

Repurchase Program

On November 14, 2024, the Company's board of directors authorized a new \$100 million share repurchase program (the "Share Repurchase Program"), which is intended to offset dilution from the Omnibus Incentive Plan. The \$100 million share repurchase authorization does not obligate the Company to purchase any shares and the Share Repurchase Program does not have a fixed expiration date. The Company repurchased and retired 920,000 shares for \$26 million during the three months ended December 31, 2025. As of December 31, 2025, approximately \$58 million of the \$100 million share repurchase authorization remained available.

Existing Debt as of December 31, 2025

As of December 31, 2025, our long-term debt was as follows (in millions):

Revolving Credit Facility (a)	\$	—
Senior Term Loan Facility due 2031		1,295
2.750% Senior Secured Notes due 2028		382
3.750% Senior Secured Notes due 2029		540
3.875% Senior Secured Notes due 2030		535
2.250% Senior Secured Notes due 2031		522
3.000% Senior Secured Notes due 2031		800
Mortgage Term Loan due 2033		17
Total debt, including the current portion		4,091
Premium less unamortized discount and unamortized deferred financing costs		(27)
Total Acquisition Corp. long-term debt, including the current portion, net	\$	4,064
Beethoven Credit Agreement (b)		4
Tempo Asset-Based Notes due 2050 (c)		311
Unamortized discount		(8)
Total other long-term debt, including the current portion, net	\$	307
Total long-term debt, including the current portion, net	\$	4,371

- (a) Reflects \$350 million of commitments under the Revolving Credit Facility with no letters of credit outstanding at December 31, 2025. There were no loan outstanding under the Revolving Credit Facility at December 31, 2025.
- (b) Reflects \$500 million of commitments under the Beethoven Credit Agreement. There were \$4 million in loans outstanding under the Beethoven Credit Agreement at December 31, 2025. Loans outstanding under the Beethoven Credit Agreement are secured only by certain music rights owned by Beethoven and are nonrecourse to the Company and its subsidiaries, other than Beethoven.
- (c) The Asset-Based Notes are secured only by certain music rights owned by Tempo Music and are nonrecourse to the Company and its subsidiaries, other than Tempo Music.

Pursuant to the Amendment, WMGCo and BainCo have committed to increase their respective initial equity commitment amounts by \$100 million each.

For further discussion of our debt agreements, see “Liquidity” in the “Financial Condition and Liquidity” section of our Annual Report on Form 10-K for the fiscal year ended September 30, 2025.

Dividends

The Company’s ability to pay dividends may be restricted by covenants in the credit agreement for the Revolving Credit Facility which are currently suspended but which will be reinstated if Acquisition Corp.’s Total Indebtedness to EBITDA Ratio increases above 3.50:1.00 and the term loans do not achieve an investment grade rating.

The Company intends to pay quarterly cash dividends to holders of its Class A Common Stock and Class B Common Stock. The declaration of each dividend will continue to be at the discretion of the Company’s board of directors and will depend on the Company’s financial condition, earnings, liquidity and capital requirements, level of indebtedness, contractual restrictions with respect to payment of dividends, restrictions imposed by Delaware law, general business conditions and any other factors that the Company’s board of directors deems relevant in making such a determination. Therefore, there can be no assurance that the Company will pay any dividends to holders of the Company’s common stock, or as to the amount of any such dividends.

On November 7, 2025, the Company’s board of directors declared a cash dividend of \$0.19 per share on the Company’s Class A Common Stock and Class B Common Stock, as well as related payments under certain stock-based compensation plans, which was paid to stockholders on December 2, 2025. The Company paid an aggregate of approximately \$100 million, or \$0.19 per share, in cash dividends to stockholders and participating security holders for the three months ended December 31, 2025.

On February 5, 2026, the Company’s board of directors declared a cash dividend of \$0.19 per share on the Company’s Class A Common Stock and Class B Common Stock, as well as related payments under certain stock-based compensation plans, payable on March 3, 2026 to stockholders of record as of the close of business on February 18, 2026.

Covenant Compliance

The Company was in compliance with its covenants under its outstanding notes, the Revolving Credit Facility, Senior Term Loan Facility and the Asset-Based Notes as of December 31, 2025.

On January 18, 2019, we delivered a notice to the trustee under the 2012 Secured Indenture and 2014 Unsecured Indenture changing the Fixed GAAP Date, as defined under the indentures, to October 1, 2018. Under the Senior Term Loan Facility, the Revolving Credit Facility and the Secured Notes Indenture, the Fixed GAAP Date is set for April 3, 2020, other than in respect of capital leases, which are frozen at November 1, 2012.

The Revolving Credit Facility contains a springing leverage ratio that is tied to a ratio based on EBITDA, which is defined under the Revolving Credit Agreement. Our ability to borrow funds under the Revolving Credit Facility may depend upon our ability to meet the leverage ratio test at the end of a fiscal quarter to the extent we have drawn a certain amount of revolving loans. On May 4, 2021, certain covenants set forth in our Revolving Credit Facility were suspended, including the restriction on incurring certain additional indebtedness, based on the determination that the total indebtedness to EBITDA ratio is below the required threshold specified therein. EBITDA as defined in the Revolving Credit Facility is based on Consolidated Net Income (as defined in the Revolving Credit Facility), both of which terms differ from the terms “EBITDA” and “net income” as they are commonly used. For example, the calculation of EBITDA under the Revolving Credit Facility, in addition to adjusting net income to exclude interest expense, income taxes and depreciation and amortization, also adjusts net income by excluding items or expenses such as, among other items, (1) the amount of any restructuring charges or reserves; (2) any non-cash charges (including any impairment charges); (3) any net loss resulting from hedging currency exchange risks; (4) the amount of management, monitoring, consulting and advisory fees paid to Access; (5) business optimization expenses (including consolidation initiatives, severance costs and other costs relating to initiatives aimed at profitability improvement); (6) transaction expenses; (7) equity-based compensation expense; and (8) certain extraordinary, unusual or non-recurring items. The definition of EBITDA under the Revolving Credit Facility also includes adjustments for the pro forma impact of certain projected cost savings, operating expense reductions and synergies and any quality of earnings analysis prepared by independent certified public accountants in connection with an acquisition, merger, consolidation or other investment. The Senior Term Loan Facility and the Secured Notes Indenture use financial measures called “Consolidated EBITDA” or “EBITDA” and “Consolidated Net Income” that have substantially the same definitions to EBITDA and Consolidated Net Income, each as defined under the Revolving Credit Agreement.

EBITDA as defined in the Revolving Credit Facility (referred to in this section as “Adjusted EBITDA”) is presented herein because it is a material component of the leverage ratio contained in the Revolving Credit Agreement. Non-compliance with the leverage ratio could result in the inability to use the Revolving Credit Facility, which could have a material adverse effect on our results of operations, financial position and cash flow. Adjusted EBITDA does not represent net income or cash from operating activities as those terms are defined by U.S. GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. While Adjusted EBITDA and similar measures are frequently used as measures of operations and the ability to meet debt service requirements, these terms are not necessarily comparable to other similarly titled captions of other companies due to the potential inconsistencies in the method of calculation. Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we may consider not to be indicative of our ongoing operations. In particular, the definition of Adjusted EBITDA in the Revolving Credit Agreement allows us to add back certain non-cash, extraordinary, unusual or non-recurring charges that are deducted in calculating net income. However, these are expenses that may recur, vary greatly and are difficult to predict.

Adjusted EBITDA as presented below should not be used by investors as an indicator of performance for any future period. Further, our debt instruments require that it be calculated for the most recent four fiscal quarters. As a result, the measure can be disproportionately affected by a particularly strong or weak quarter. Further, it may not be comparable to the measure for any subsequent four-quarter period or any complete fiscal year. In addition, our debt instruments require that the leverage ratio be calculated on a pro forma basis for certain transactions including acquisitions as if such transactions had occurred on the first date of the measurement period and may include expected cost savings and synergies resulting from or related to any such transaction. There can be no assurances that any such cost savings or synergies will be achieved in full.

In addition, Adjusted EBITDA is a key measure used by our management to understand and evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. Some of those limitations include: (1) it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenue for our business; (2) it does not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on our indebtedness; and (3) it does not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments. In particular, this measure adds back certain non-cash, extraordinary, unusual or non-recurring charges that are deducted in calculating net income; however, these are expenses that may recur, vary greatly and are difficult to predict. In addition, Adjusted EBITDA is not the same as net income or cash flow provided by operating activities as those terms are defined by U.S. GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. Accordingly, Adjusted EBITDA should be considered in addition to, not as a substitute for, net income (loss) and other measures of financial performance reported in accordance with U.S. GAAP.

The following is a reconciliation of net income (loss), which is a U.S. GAAP measure of our operating results, to Adjusted EBITDA as defined, for the most recently ended four fiscal quarters, or the twelve months ended December 31, 2025, for the twelve months ended December 31, 2024 and for the three months ended December 31, 2025 and December 31, 2024. In addition, the reconciliation includes the calculation of the Senior Secured Indebtedness to Adjusted EBITDA ratio, which we refer to as the Leverage Ratio, under the Revolving Credit Agreement for the most recently ended four fiscal quarters, or the twelve months ended December 31, 2025. The terms and related calculations are defined in the Revolving Credit Agreement. All amounts in the reconciliation below reflect Acquisition Corp. (in millions, except ratios):

	Twelve Months Ended December 31,		Three Months Ended December 31,	
	2025	2024	2025	2024
Net Income	\$ 304	\$ 526	\$ 175	\$ 241
Income tax expense	102	140	71	89
Interest expense, net	170	159	45	37
Depreciation and amortization	389	332	99	86
Net losses (gains) on divestitures and sale of securities	4	(47)	5	(29)
Restructuring costs (a)	129	132	25	3
Net foreign exchange losses (gains) (b)	204	(103)	1	(123)
Transaction costs	4	7	—	—
Business optimization expenses (c)	84	104	20	25
Non-cash stock-based compensation expense (d)	61	56	19	12
Other non-cash charges (e)	126	76	10	26
Unrestricted subsidiary (losses) (f)	(23)	—	(7)	—
Pro forma impact of cost savings initiatives and specified transactions (g)	257	137	39	16
Adjusted EBITDA	\$ 1,811	\$ 1,519	\$ 502	\$ 383
Senior Secured Indebtedness (f, h)	\$ 3,314			
Leverage Ratio (i)	1.83x			

- (a) Reflects severance costs and other restructuring related expenses, including those related to the Company's restructuring plans.
- (b) Reflects unrealized losses (gains) due to foreign exchange on our Euro-denominated debt, losses (gains) from foreign currency forward exchange contracts and intercompany transactions.
- (c) Reflects costs associated with our transformation initiatives and technology system updates, which includes costs of \$17 million and \$67 million related to our finance transformation for the three and twelve months ended December 31, 2025, respectively, as well as \$17 million and \$74 million for the three and twelve months ended December 31, 2024, respectively.
- (d) Reflects non-cash stock-based compensation expense related to the Omnibus Incentive Plan.
- (e) Reflects non-cash activity, including the unrealized losses (gains) on the mark-to-market adjustment of equity investments, investment losses (gains) and non-cash impairment losses resulting from the Company's restructuring plans as well as an additional impairment charge of \$9 million in the quarter for long-lived assets associated with EMP, which was the result of remeasuring the carrying value to fair value as it has been classified as held for sale since September 30, 2025.
- (f) In connection with the acquisition of Tempo Music, the acquired entity was designated as an unrestricted subsidiary, and therefore net income and Adjusted EBITDA do not include the results of Tempo Music, and the Asset-Based Notes issued by a subsidiary of Tempo Music are not included in our indebtedness for purposes of calculating the Leverage Ratio. Similarly, Beethoven was also designated as an unrestricted subsidiary, and therefore its results are not included in net income and Adjusted EBITDA, and the Beethoven Credit Facility is not included in our indebtedness for purposes of calculating the Leverage Ratio.
- (g) Reflects expected savings resulting from transformation initiatives, including the 2025 Restructuring Plan, the 2024 Strategic Restructuring Plan, and the 2023 Restructuring Plan, as well as the pro forma impact of certain specified transactions for the three and twelve months ended December 31, 2025. Certain of these cost savings initiatives and transactions impacted quarters prior to the quarter during which they were identified within the last twelve-month period. The pro forma impact of these specified transactions and initiatives resulted in a \$65 million increase in the twelve months ended December 31, 2025 Adjusted EBITDA.
- (h) Reflects the balance of senior secured debt at Acquisition Corp. of approximately \$4.064 billion less cash of \$750 million, which excludes cash and debt held at Tempo Music and Beethoven, which are unrestricted subsidiaries.
- (i) Reflects the ratio of Senior Secured Indebtedness, including Revolving Credit Agreement Indebtedness, to Adjusted EBITDA. This is calculated net of cash and equivalents of the Company as of December 31, 2025 not exceeding \$750 million

in accordance with the Sixth Revolving Credit Agreement Amendment. If the outstanding aggregate principal amount of borrowings and drawings under letters of credit which have not been reimbursed under our Revolving Credit Facility is greater than \$140 million at the end of a fiscal quarter, the maximum leverage ratio permitted under the Revolving Credit Facility is 5.00:1.00. The Company's Revolving Credit Facility does not impose any "leverage ratio" maintenance requirement on the Company when the aggregate principal amount of borrowings and drawings under letters of credit, which have not been reimbursed under the Revolving Credit Facility, is less than or equal to \$140 million at the end of a fiscal quarter. On May 4, 2021, certain covenants set forth in our Revolving Credit Facility were suspended, including the restriction on incurring certain additional indebtedness, based on the determination that the total indebtedness to EBITDA ratio is below the required threshold specified therein.

Summary

Management believes that funds generated from our operations and borrowings under the Revolving Credit Facility and available cash and equivalents will be sufficient to fund our debt service requirements, working capital requirements and capital expenditure requirements for the foreseeable future. We also have additional borrowing capacity under our indentures and the Senior Term Loan Facility. However, our ability to continue to fund these items and to reduce debt may be affected by general economic, financial, competitive, legislative and regulatory factors, as well as other industry-specific factors such as the ability to control music piracy and the continued transition from physical to digital formats in the recorded music and music publishing industries. It could also be affected by the severity and duration of geopolitical conflicts or natural or man-made disasters, including pandemics. We and our affiliates continue to evaluate opportunities to, from time to time, depending on market conditions and prices, contractual restrictions, our financial liquidity and other factors, seek to pay dividends or prepay outstanding debt or repurchase or retire Acquisition Corp.'s outstanding debt or debt securities or repurchase our outstanding equity securities in open market purchases, privately negotiated purchases or otherwise. The amounts involved in any such transactions, individually or in the aggregate, may be material and may be funded from available cash or from additional borrowings. In addition, from time to time, depending on market conditions and prices, contractual restrictions, our financial liquidity and other factors, we may seek to refinance the Senior Credit Facilities or our outstanding debt or debt securities with existing cash and/or with funds provided from additional borrowings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As discussed in Note 16 to our audited consolidated financial statements for the fiscal year ended September 30, 2025, the Company is exposed to market risk arising from changes in market rates and prices, including movements in foreign currency exchange rates and interest rates. As of December 31, 2025, other than as described below, there have been no material changes to the Company's exposure to market risk since September 30, 2025.

Foreign Currency Risk

Within our global business operations, we have transactional exposures that may be adversely affected by changes in foreign currency exchange rates relative to the U.S. dollar. We may at times choose to use foreign exchange currency derivatives, primarily forward contracts, to manage the risk associated with the volatility of future cash flows denominated in foreign currencies, such as unremitted or future royalties and license fees owed to our U.S. companies for the sale or licensing of U.S.-based music and merchandise abroad that may be adversely affected by changes in foreign currency exchange rates. We focus on managing the level of exposure to the risk of foreign currency exchange rate fluctuations on major currencies, which can include the Euro, British pound sterling, Japanese yen, Canadian dollar, Swedish krona, Australian dollar, Brazilian real, Mexican Peso, Norwegian krone, and Polish Zloty and in many cases we have natural hedges where we have expenses associated with local operations that offset the revenue in local currency and our Euro-denominated debt, which can offset fluctuations in the Euro. As of December 31, 2025, the Company had outstanding foreign currency forward exchange contracts for the sale of \$541 million and the purchase of \$327 million of foreign currencies at fixed rates. Subsequent to December 31, 2025, certain of our foreign exchange contracts expired and were not replaced.

The fair value of foreign exchange contracts is subject to changes in foreign currency exchange rates. For the purpose of assessing the specific risks, we use a sensitivity analysis to determine the effects that market risk exposures may have on the fair value of our financial instruments. For foreign exchange forward contracts outstanding at December 31, 2025, we typically perform a sensitivity analysis assuming a hypothetical 10% depreciation of the U.S. dollar against foreign currencies from prevailing foreign currency exchange rates and assuming no change in interest rates. The fair value of the foreign exchange forward contracts would have decreased by \$21 million based on this analysis. Hypothetically, even if there was a decrease in the fair value of the forward contracts, because our foreign exchange contracts are used to manage foreign currency exchange rate risk, these losses would be largely offset by gains on the underlying transactions.

Interest Rate Risk

We had \$4.406 billion of principal debt outstanding at December 31, 2025, of which \$1.316 billion was variable-rate debt and \$3.090 billion was fixed-rate debt. As such, we are exposed to changes in interest rates. At December 31, 2025, 70% of the Company's debt was at a fixed rate. In addition, as of December 31, 2025, we have the option under our floating rate loans under the Senior Term Loan Facility to select a one, three or six month Term SOFR.

Based on the level of interest rates prevailing at December 31, 2025, the fair value of the Company's fixed-rate and variable-rate debt was approximately \$4.290 billion. Further, as of December 31, 2025, based on the amount of the Company's fixed-rate debt, a 25 basis point increase or decrease in the level of interest rates would decrease the fair value of the fixed-rate debt by approximately \$29 million or increase the fair value of the fixed-rate debt by approximately \$27 million. This potential fluctuation is based on the simplified assumption that the level of fixed-rate debt remains constant with an immediate across the board increase or decrease in the level of interest rates with no subsequent changes in rates for the remainder of the period.

Inflation Risk

Inflationary factors such as increases in overhead costs may adversely affect our results of operations. We do not believe that inflation has had a material effect on our business, financial condition or results of operations to date. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases for services. Our inability or failure to do so could harm our business, financial condition or results of operations.

ITEM 4. CONTROLS AND PROCEDURES

Certification

The certifications of the principal executive officer and the principal financial officer (or persons performing similar functions) required by Rules 13a-14(a) and 15d-14(a) of the Exchange Act (the “Certifications”) are filed as exhibits to this report. This section of the report contains the information concerning the evaluation of the Company’s disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) (“Disclosure Controls”) and changes to internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) (“Internal Controls”) referred to in the Certifications and this information should be read in conjunction with the Certifications for a more complete understanding of the topics presented.

Introduction

The SEC’s rules define “disclosure controls and procedures” as controls and procedures that are designed to ensure that information required to be disclosed by public companies in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by public companies in the reports that they file or submit under the Exchange Act is accumulated and communicated to a company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The SEC’s rules define “internal control over financial reporting” as a process designed by, or under the supervision of, a public company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the Company’s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, or U.S. GAAP, including those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

The Company’s management, including its principal executive officer and principal financial officer, does not expect that our Disclosure Controls or Internal Controls will prevent or detect all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the limitations in any and all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Further, the design of any control system is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of these inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected even when effective Disclosure Controls and Internal Controls are in place.

The Company previously started a multi-year implementation to upgrade our information technology and finance infrastructure, including related systems and processes. The upgrades are designed to enhance our financial records and the flow of financial information, improve data analysis and accelerate our financial reporting. The deployment of our new technology platform is currently being implemented using a wave-based approach. During the first quarter of fiscal year 2026, the Company began launching the Revenue ingestion component of our Enterprise Resource Planning (“ERP”) system for certain of our Recorded Music segment revenue types and continued the roll out of the core financials component of our platform to additional Recorded Music territories, including the U.S. and several large European affiliates. The Company will continue to roll out the Core Financials component of the ERP system in phases across our organization.

In connection with this ERP implementation, the Company has updated our internal controls over financial reporting, as necessary, to allow for modifications to our business processes and accounting procedures. As the wave-based implementation of our new technology platform continues, the Company will continue to change its processes and procedures which, in turn, could result in further changes to our internal controls over financial reporting. As such changes occur, the Company will evaluate whether such changes materially affect our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Based on management’s evaluation (with the participation of the Company’s principal executive officer and principal financial officer), as of the end of the period covered by this report, the Company’s principal executive officer and principal financial officer have concluded that the Company’s Disclosure Controls are effective to provide reasonable assurance that information required

to be disclosed by the Company in reports that it files or submits under the Exchange Act will be recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, including that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Except as described above, there have been no changes in our internal control over financial reporting that occurred during the three months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time the Company is involved in claims and legal proceedings that arise in the ordinary course of business. The Company is currently subject to several such claims and legal proceedings. Based on currently available information, the Company does not believe that resolution of pending matters will have a material adverse effect on its financial condition, cash flows or results of operations. However, litigation is subject to inherent uncertainties, and there can be no assurances that the Company's defenses will be successful or that any such lawsuit or claim would not have a material adverse impact on the Company's business, financial condition, cash flows and results of operations in a particular period. Any claims or proceedings against the Company, whether meritorious or not, can have an adverse impact because of defense costs, diversion of management and operational resources, negative publicity and other factors.

ITEM 1A. RISK FACTORS

In addition to the other information contained in this Quarterly Report on Form 10-Q, certain risk factors should be considered carefully in evaluating our business. A wide range of risks may affect our business and financial results, now and in the future. We consider the risks described in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended September 30, 2025, and the risk set forth below to be the most significant. There may be other currently unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results.

We face a potential loss of catalog to the extent that our recording artists or songwriters have a right to recapture rights in their recordings or musical compositions under the U.S. Copyright Act.

The U.S. Copyright Act provides authors (or their heirs) a right to terminate U.S. licenses or assignments of rights in their copyrighted works in certain circumstances. This right does not apply to works that are "works made for hire." Since the enactment of the Sound Recordings Act of 1971, which first accorded federal copyright protection for sound recordings in the U.S., virtually all of our agreements with recording artists provide that such recording artists render services under a work-made-for-hire relationship. A termination right exists under the U.S. Copyright Act for U.S. rights in musical compositions that are not "works made for hire." If any of our commercially available sound recordings were determined not to be "works made for hire," then the recording artists (or their heirs) could have the right to terminate the U.S. federal copyright rights they granted to us, generally during a five-year period starting at the end of 35 years from the date of release of a recording under a post-1977 license or assignment (or, in the case of a pre-1978 grant in a pre-1978 recording, generally during a five-year period starting at the end of 56 years from the date of copyright). A termination of U.S. federal copyright rights could have an adverse effect on our Recorded Music business. From time to time, authors (or their heirs) have the opportunity to terminate our U.S. rights in musical compositions. We believe the effect of any potential terminations is already reflected in the financial results of our business.

On January 12, 2026, the United States Court of Appeals for the Fifth Circuit in *Vetter v. Resnik Music Group* affirmed a district court decision holding that statutory termination of a copyright grant and contingent copyright renewal rights apply worldwide and are not limited to rights in the United States. The decision represents an expansion of U.S. copyright law as currently understood, and could have significant implications under international agreements and treaties, as well as devalue foreign copyright grants. We expect that the decision will be further appealed, but we continue to evaluate the impact that the decision would have on our business, which impact could be material.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about purchases made by or on behalf of the Company or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Exchange Act) of the Company's Class A common stock during the three months ended December 31, 2025:

Period	Total Number of Shares Repurchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
October 2025	—	\$ —	—	\$ —
November 2025	—	\$ —	—	\$ —
December 2025	920,000	\$ 28.06	920,000	\$ 58

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Exhibit Number	Exhibit Description
10.1*†	Employment Agreement, dated November 24, 2025, between Warner Music Group Corp. and Robert Kyncl
10.2*†	Employment Agreement, dated October 3, 2023, between Warner Music Inc. and Carletta Higginson
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Pursuant to SEC Release No. 33-8212, this certification will be treated as “accompanying” this Quarterly Report on Form 10-Q and not “filed” as part of such report for purposes of Section 18 of the Securities Exchange Act, as amended, or otherwise subject to the liability of Section 18 of the Securities Exchange Act, as amended, and this certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, except to the extent that the registrant specifically incorporates it by reference.

† Identifies each management contract or compensatory plan or arrangement in which directors and/or executive officers are eligible to participate.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 9, 2026

WARNER MUSIC GROUP CORP.

By: /s/ ROBERT KYNCL

Name: Robert Kyncl
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ ARMIN ZERZA

Name: Armin Zerza
Title: Chief Financial Officer
(Principal Financial Officer)

CONFIDENTIAL EXECUTION VERSION

WARNER MUSIC GROUP CORP.
1633 Broadway New York, NY 10019

November 24, 2025

Robert Kyncl

Address on file with Company Dear Robert:

Please refer to the employment agreement between Warner Music Group Corp. (“Company”) and you dated September 20, 2022, as amended January 2, 2025 (the “Agreement”).

This letter, when signed by you and countersigned by Company, shall constitute our agreement to amend the Agreement as set forth herein. Unless otherwise indicated, capitalized terms shall have the meanings set forth in the Agreement.

1. Effective as of the date hereof, Paragraph 3(c) (“Annual RSU Award”) of the Agreement is hereby amended and restated in its entirety as follows:

“(c) Annual Long-Term Incentive Plan Awards: You shall be eligible to participate in Company’s 2020 Omnibus Incentive Plan (as may be amended from time to time, the “Plan”). Beginning with Company’s 2026 fiscal year, you shall receive an annual Award of Restricted Stock Units and an annual Award of Performance Shares (as such terms are defined in the Plan) as provided in this Paragraph 3(c), in each case on a date selected by the Administrator (as defined in the Plan) on which annual equity awards are made to Company’s other senior executives, which is expected to be in January of each year of your employment with Company, so long as the common stock of Company is publicly traded, with the first such grant to be made in January 2026.

- (i) Restricted Stock Units. The target “grant date value” of each annual Award of Restricted Stock Units (“RSUs”) shall be \$10,600,000, with the number of shares of Company’s Class A common stock covered by each such annual Award of RSUs determined by dividing the grant date value by the average closing share price of Company’s Class A Common Stock for the 6-months preceding the grant date. The grant date value of any annual Award of RSUs may be higher or lower than the target, and shall be determined by the Board in its sole discretion based on factors including the strength of your performance and the performance of Company. The RSUs shall vest in four equal installments on each of the first four anniversaries of the grant date subject to your continued employment through such date. Other terms and conditions of each RSU Award shall be consistent with

Company's form of Restricted Stock Unit Award Agreement for senior executives as in effect from time to time, except as otherwise agreed in writing between you and Company and approved by the Administrator.

(ii) Performance Shares.

- a. The target "grant date value" of each annual Award of Performance Shares ("PSUs") shall be \$5,000,000, with the target number of shares of Company's Class A common stock covered by each such annual Award of PSUs determined by dividing \$5,000,000 by the average closing share price of Company's Class A Common Stock for the twenty (20) trading days preceding the grant date.
- b. The PSUs shall vest based on a three-fiscal-year performance period. The PSU Award payout shall be based on the achievement of corporate key performance indicator targets derived from Company's Long Range Plan (which is expected to be approved by the Board during Company's 2026 fiscal year), *provided*, that the targets for the first year of the performance period of the Award to be granted in January 2026 will be revenue and Operating Income Before Depreciation and Amortization achievement measured against Company's fiscal year 2026 budget, as approved by the Board. Each PSU Award will be eligible for a total payout from 0% to 200% of target based on achievement of targets during the performance period, with one third of the payout based on achievement of targets set for each of the three fiscal years during the performance period. The performance goals and other vesting terms and conditions shall be set forth in the applicable grant notice accompanying the PSU Agreement for that PSU Award.
- c. Other terms and conditions of each PSU Award shall be consistent with the form of Performance Share Award Agreement set forth on Exhibit A hereto (the "PSU Agreement"), except as otherwise agreed in writing between you and Company and approved by the Administrator."

2. Effective as of the date hereof, Paragraph 3(d) ("One-Time Option Award") of the Agreement is hereby amended and restated in its entirety as follows:

"You shall be eligible to receive a one-time Award of a number of Options (as defined in the Plan) ("Options") having a total, grant date pre-tax fair value of \$10,000,000, consisting of three tranches, each determined to have a grant date pre-tax fair value of approximately \$3,333,333 as determined in accordance with Black-Scholes, based on an exercise price equal to the volume-weighted average closing price of Company Common Stock on the date hereof (the "Calculation Date") and an expiration date seven years from the grant date, and using Monte Carlo

simulation to account for the conditions on exercisability set forth in (i)-(iii) of this Paragraph 3(d) below. The Options will become exercisable as follows, subject to satisfaction of the Service Condition (as defined below):

- (i) One tranche of the Options will become exercisable if the closing price of a share of Company Common Stock exceeds x for 20 consecutive trading days within three years following the Calculation Date, where x is the dollar amount that would achieve a three-year TSR of 8% from the Calculation Date (assuming a dividend rate of 2.5%);
- (ii) A second tranche of the Options will become exercisable if the closing price of a share of Company Common Stock exceeds y for 20 consecutive trading days within three years following the Calculation Date, where y is the dollar amount that would achieve a three-year TSR of 10% from the Calculation Date (assuming a dividend rate of 2.5%);
- (iii) A third tranche of the Options will become exercisable if the closing price of a share of Company Common Stock exceeds z for 20 consecutive trading days within three years following the Calculation Date, where z is the dollar amount that would achieve a three-year TSR of 12% from the Calculation Date (assuming a dividend rate of 2.5%).

For purposes of this Paragraph 3(d), “TSR” shall have the meaning set forth in that certain Notice of Award of CEO Performance Shares dated as of April 3, 2024.

Each tranche of the Options shall vest in equal annual installments on each of the first three anniversaries of the Calculation Date, subject to your continued employment with Company (the “Service Condition”), and shall expire on the seventh anniversary of the date hereof. Other terms and conditions of the Options shall be consistent with the form of Option Award Agreement set forth on Exhibit B hereto (the “Option Agreement”).

3. Effective as of the date hereof, Paragraph 11(e) (“Special Termination Payment”) of the Agreement is hereby amended and restated in its entirety as follows:

“‘Special Termination Payment’ shall mean the sum of (i) an amount equal to Company’s good faith estimate of your out-of-pocket cost for COBRA health plan continuation coverage for the twelve-month period immediately following the Benefits Period, grossed up such that you would be left with an amount which, after payment of tax and/or social security costs, is equivalent to such good faith estimate, plus (ii) a dollar amount equal to the sum of (A) your base salary, (B) target annual bonus and (C) the grant date target value of your annual equity award entitlement, in each case of (A)-(C) as in effect for the year of such termination, but excluding the value of the Option Award described in Paragraph 3(d) and any other one-time awards or payments (for example, the dollar amount described in clause (ii) of this paragraph as of the date hereof equals \$20,600,000, representing the sum of your \$2,000,000 base salary, \$3,000,000 target bonus, \$10,600,000 RSU Award target grant date value and \$5,000,000 PSU Award target grant date value).”

4. The reference in Paragraph 10(b)(i) of the Employment Agreement to the “annual RSU award” is hereby amended to refer to the annual award of RSUs and PSUs described in Paragraph 3(c) of the Employment Agreement as amended hereby.

5. Exhibit A and Exhibit B to the Employment Agreement are hereby amended and restated in their entirety in the form of Exhibit A and Exhibit B hereto.

This letter may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this letter by facsimile transmission or by email or other electronic transmission method, and signatures created or transmitted by electronic means, including DocuSign (or any other signature complying with the federal ESIGN Act of 2000 or any applicable Uniform Electronic Transactions Act or Electronic Signatures and Records Act), PDF or JPEG, shall constitute original signatures, shall be deemed to have been duly and validly created and delivered, and shall be valid and binding for all purposes.

Except as expressly amended herein, the terms and provisions of the Agreement shall remain in full force and effect.

[signature page follows]

If the foregoing correctly sets forth our understanding, please sign below and return this letter to Company.

Very truly yours,
WARNER MUSIC GROUP CORP.

By: /s/ Paul Robinson
Name: Paul Robinson
Title: EVP & General Counsel

Accepted and Agreed:

/s/ Robert Kyncl
Robert Kyncl

Form of PSU Agreement
(see next page)

WARNER MUSIC GROUP CORP.

FORM OF CEO PERFORMANCE SHARE AWARD AGREEMENT

By Notice of the Award of Performance Shares attached to this document (the “Notice”), effective as of the date specified in the Notice (the “Grant Date”), Warner Music Group Corp. (the “Company”), pursuant to the Warner Music Group Corp. 2020 Omnibus Incentive Plan, as amended from time to time (the “Plan”), has granted to the Company’s Chief Executive Officer whose name is shown on the Notice (the “Participant”) a number of Performance Shares (as defined in the Plan) equal to the Target multiplied by the Earned Percentage certified for the Performance Cycle, subject to the vesting provisions specified herein and in the Notice (this “PSU Award”). The applicable Target and Performance Cycle are set forth in the Notice. The Earned Percentage shall be determined after the Performance Cycle based on the Performance Goals specified in the Notice. This PSU Award is subject to adjustment as provided in the Plan, and the following terms and conditions (this “Award Agreement”):

1. Relationship to Plan and Company Agreements.

This PSU Award is a Performance Award under the Plan and is subject to all applicable Plan terms, conditions, provisions and administrative interpretations, if any, adopted by the Administrator. Except as defined in this Award Agreement, capitalized terms have the same meanings ascribed to them in the Plan. This Award Agreement is intended to satisfy any obligation of the Company to provide a Performance Share award to the Participant under the employment agreement between the Company and the Participant, dated as of September , 2022 (as amended, the “Employment Agreement”) or otherwise, and the Participant agrees and acknowledges that this Award Agreement fulfills the Company’s obligations under the Participant’s employment agreement, this Award Agreement shall be interpreted and construed to the fullest extent possible consistent with such employment agreement, and in the event of a conflict between the terms of such employment agreement and the terms of this Award Agreement, the terms of this Award Agreement shall control.

2. Definitions.

The following definitions apply to this Award Agreement:

(a) “Date of Termination” means the date on which the Participant ceases to be an Employee. For purposes of this Award Agreement, employment with the Company will be deemed to include service as an employee of the Company or Company’s Affiliates, but in the case of employment with or service to an Affiliate, only during such time as such Affiliate is an affiliate of the Company.

(b) “Earned Percentage” means the percentage of the Target that is earned during the Performance Cycle. The Earned Percentage is multiplied by the Target to determine the number of Performance Shares granted under this PSU Award. The Earned Percentage shall be determined in accordance with the following:

(i) Following the close of the Performance Cycle, the Administrator shall determine and certify the Earned Percentage for the Performance Cycle;

(ii) The Earned Percentage shall not exceed 200%;

(iii) In the event the Participant is terminated for Cause, the Administrator may reduce the Participant's Earned Percentage to the extent the Administrator deems appropriate under the circumstances (including to zero and forfeiture of the entire PSU Award); and

(iv) In the event of a Change in Control, the Earned Percentage shall be calculated by reference to the attainment of Performance Goals as of the close of the last trading day on or before the Change in Control.

(d) "Performance Cycle" means the three-fiscal-year period set forth in the Notice.

(e) "Performance Goals" means the performance goal or goals as set forth in the Notice.

(f) "Qualifying Resignation without Good Reason" means the Participant provides at least nine months' advance written notice to the Company that the Participant is resigning without Good Reason.

(g) "Qualifying Retirement" means the Participant's "separation from service" within the meaning of Section 409A of the Code after the Participant has attained age 60 and completed at least 10 years of employment with the Company.

(h) "Shares" means shares of the Company's Class A common stock.

(i) "Special Termination" has the meaning ascribed to it in the Employment Agreement.

(j) "Target" means the projected target number of Performance Shares, as determined by the Administrator and set forth in the Notice, that may be payable to the Participant in satisfaction of this Award Agreement if the Administrator determines that all Performance Goals for the Performance Cycle have been achieved and certifies an Earned Percentage of 100%.

3. Vesting Schedule.

(a) This PSU Award shall fully vest upon the date following the end of the Performance Cycle upon which the Administrator certifies the Earned Percentage applicable to the Performance Cycle (to occur as soon as practicable following the end of the Performance Cycle) ("Vesting Date"), provided that the Participant is in continuous employment as an Employee from the Grant Date through the Vesting Date. Except as provided below, this PSU Award shall be forfeited if the Participant terminates employment prior to the Vesting Date.

(b) Notwithstanding paragraph (a) of this Section, the Participant shall become vested in this PSU Award upon the Vesting Date, provided that the Participant terminates employment prior to the Vesting Date due to a Qualifying Retirement.

(c) Notwithstanding paragraph (a) of this Section, the Participant shall become vested in a pro-rated portion of this PSU Award upon the earliest of (i) the date of the Participant's Disability (as defined in the Employment Agreement) while an Employee, (ii) the Participant's Date of Termination due to death or Special Termination or (iii) the Participant's Date of Termination due to Qualifying Resignation without Good Reason. The portion of this PSU Award that shall vest under this paragraph (c) shall be determined by multiplying the number of Performance Shares granted in this PSU Award (which is equal to product of the Target and the Earned Percentage for the Performance Cycle) by a fraction, the numerator of which shall be the number of whole calendar months of the Participant's employment in such Performance Cycle ending on the earliest of the date of Disability or Date of Termination, as applicable, (plus twelve (12) additional months in the event of Participant's Disability or termination due to death) and the denominator of which shall be the number of whole calendar months in the Performance Cycle; provided that for purposes of this Section, partial service in a calendar month shall be considered service for the whole calendar month. If the Participant is eligible for Qualifying Retirement, this paragraph (c) shall not apply and paragraph (b) shall control.

(d) Notwithstanding paragraph (a) of this Section, upon a Change in Control, the Earned Percentage shall be calculated by reference to the attainment of Performance Goals as of the close of the last trading day on or before the Change in Control. Following a Change in Control, the Participant shall fully vest in this PSU Award (which, for purposes of the Plan, shall be treated as an Alternative Award), on the last day of the Performance Cycle, if the Participant is in continuous employment as an Employee from the Grant Date through such date or the Participant's Date of Termination prior to such date was due to a Qualifying Retirement and shall forfeit this PSU Award if the Participant's employment terminates prior to vesting and without qualifying for a Qualifying Retirement. Notwithstanding the foregoing, the Participant shall become fully vested in the Alternative Award resulting from this PSU Award upon a Special Termination (whether or not the Employment Agreement is then in effect) or termination due to death or Disability within one year following the Change in Control.

(e) Notwithstanding the foregoing, in the event the Participant terminates employment for reasons which, in the judgment of the Administrator, are deemed to be special circumstances, the Administrator may consider such circumstances and may take such action (to the extent consistent with Section 409A of the Code) as it may deem appropriate under the circumstances, including extending the rights of the Participant to continue participation in the Plan beyond the Participant's Date of Termination; provided, however, that in no event may participation be extended beyond the term of the Performance Cycle in question.

4. Terms and Conditions.

(a) The Participant shall not be entitled to any payment under Section 5 until this PSU Award vests under Section 3.

(b) No rights related to this PSU Award may be sold, transferred, assigned, pledged or otherwise encumbered or disposed of prior to the vesting of this PSU Award.

(c) This PSU Award shall be forfeited on the date the Participant's employment terminates except as otherwise provided in this Award Agreement.

5. Settlement.

(a) When this PSU Award, or a portion thereof, vests under Section 3, the Participant shall become entitled to receive a number of Shares equal to the number of Performance Shares granted in this PSU Award that have vested. Subject to paragraph (b) in this Section and Sections 7 and 10, the Shares shall be paid in a single lump sum payment as soon as practicable but in any event within sixty (60) days following the end of the Performance Cycle; provided, however, that in the event all or a portion of this PSU Award becomes an Alternative Award as a result of a Change in Control and the Alternative Award vests upon a Special Termination or termination due to death or Disability of the Participant within one year following a Change in Control pursuant to Section 3(d), the Participant shall receive the payment required under clause (ii) of the proviso in Section 11.2 of the Plan as soon as practicable but in any event within sixty (60) days following the Participant's Date of Termination. Any Shares paid under this PSU Award shall remain subject to any clawback or recapture policy that the Company may have in effect from time to time as set forth in Section 10.

(b) In the case of vesting due to a Special Termination or Qualifying Resignation without Good Reason pursuant to Section 3(c), payment of Shares to the Participant shall be conditioned on the Participant executing a general release of claims in favor of the Company and its Affiliates, directors and officers in a form provided by the Company and to such release becoming irrevocable within 45 days after such termination (such 45-day period, the "Release Period"). If the Participant fails to timely satisfy this release requirement, all Performance Shares otherwise vesting in a Special Termination or Qualifying Resignation without Good Reason shall be forfeited and the Participant will have no further rights with respect thereto.

(c) In the event of the death of the Participant, the delivery of Shares under this Section 5 shall be made to the Participant's estate or to a beneficiary designated in accordance with the Company's requirements as in effect from time to time.

(d) Any Shares issued or transferred to the Participant pursuant to this PSU Award, including under Section 6, shall be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the Notice, this Award Agreement or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal or state laws or relevant securities laws of the jurisdiction of the domicile of the Participant, and the Administrator may cause a legend or legends to be put on any certificates representing such Shares or make an appropriate entry on the record books of the appropriate registered book-entry custodian, if the Shares are not certificated, to make appropriate reference to such restrictions.

6. Dividend Equivalents.

If, prior to the date Shares are delivered to the Participant in accordance with Section 5, the Company declares a dividend on Shares, then the Participant's Target shall be increased by the amount of the dividend the Participant would have received if he had been the actual owner on the dividend date of one Share for each Performance Share of the Participant's Target. The increase in the Target shall be calculated as follows:

(a) In the event of a stock dividend, the Target shall be increased by one Performance Share for each Share (rounded down to the nearest whole share) the Participant would have received under the dividend.

(b) In the event of a cash dividend, after the Performance Cycle, the Target shall be increased by the number of Performance Shares determined by dividing the value of all cash dividends the Participant would have received during the Performance Cycle by the fair market value of one Share as of the last day of the Performance Cycle (rounded down to the nearest whole share).

Any increase in the Target granted under this Section 6 shall be subject to the same terms and conditions as the original Target and shall vest and be forfeited (if applicable) at the same time as the original Target.

7. Withholding.

(a) The Company and the Participant shall cooperate to satisfy applicable federal, state and local income and employment tax withholding requirements applicable to the grant, vesting and settlement of this PSU Award and any dividends or distributions payable under Section 7 (the "Required Withholding"). The Company shall withhold from the Shares that would otherwise have been transferred to the Participant in settlement of vested Performance Shares the number of Shares necessary to satisfy the Participant's Required Withholding unless the Required Withholding shall previously have been satisfied by the Participant or from other amounts payable by the Company to the Participant and, if applicable, shall deliver the remaining Shares to the Participant. The Company shall withhold from any dividends or distributions payable under Section 7(b) a cash amount equal to the Required Withholding applicable thereto. The amount of the Required Withholding and the number of Shares to be withheld by the Company, if applicable, to satisfy Participant's Required Withholding, as well as the amount reflected on tax reports filed by the Company, shall be based on the Fair Market Value of the Shares on the date prior to the applicable Vesting Date or the date on which the Shares are delivered to the Participant, as appropriate. The obligations of the Company under this Agreement will be conditioned on such satisfaction of the Required Withholding. The payment of any applicable withholding taxes through the withholding of Shares otherwise issuable under this PSU Award shall not exceed the minimum required withholding liability.

(b) This PSU Award and this Award Agreement are intended to comply with Section 409A of the Code and should be interpreted accordingly. To the extent necessary to give effect to this intent, in the case of any conflict or potential inconsistency between the provisions of the Plan and this Award Agreement, the provisions of this Award Agreement will govern, and

in the case of any conflict or potential inconsistency between this Section 7 and the other provisions of this Award Agreement, this Section 7 will govern. Nonetheless, the Company does not guarantee the tax treatment of this PSU Award.

(c) In no event will the Participant be permitted to designate, directly or indirectly, the taxable year of the delivery. To the extent this PSU Award includes a “series of installment payments” as described in Treas. Reg. § 1.409A-2(b)(2)(iii), the Participant’s right to the series of installment payments will be treated as a right to a series of separate payments and not as a right to a single payment. This PSU Award is subject to offset solely to the extent permitted by the Plan and Section 409A of the Code. To the extent any payment under this PSU Award is conditioned on the effectiveness of a release of claims pursuant to Section 5(b) and the Release Period spans two taxable years of the Participant, payment will be made in the second taxable year.

(d) Notwithstanding anything in this PSU Award to the contrary, (i) to the extent permitted by Treas. Reg. § 1.409A-3(j)(4)(vi), settlement of this PSU Award may be accelerated to the extent necessary to satisfy employment tax withholding obligations that arise with respect to this PSU Award, and (ii) the Company may terminate this arrangement and deliver Shares hereunder in a manner consistent with Treas. Reg. § 1.409A-3(j)(4)(ix).

8. Successors and Assigns.

(a) This Award Agreement shall bind and inure to the benefit of and be enforceable by the Participant, the Company and their respective permitted successors and assigns (including personal representatives, heirs and legatees), but the Participant may not assign any rights or obligations under this Award Agreement except to the extent and in the manner expressly permitted.

(b) Notwithstanding paragraph (a) of this Section, the Participant may file with the Company a written designation of a beneficiary on such form as may be prescribed by the Company and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant’s estate shall be deemed to be the Participant’s beneficiary. The Participant’s beneficiary shall succeed to the rights and obligations of the Participant hereunder upon the Participant’s death, except as maybe otherwise described herein or in the Plan.

9. No Guaranteed Employment.

No provision of this Award Agreement shall confer any right to continued employment.

10. Clawback/Forfeiture; Other Company Policies.

(a) Notwithstanding anything to the contrary contained herein or in the Plan, in consideration for the grant of this PSU Award, the Participant agrees that the Performance Shares and any Shares or cash delivered in settlement of the Performance Shares, including in respect of dividends or distributions pursuant to Section 6, (i) will be subject to the terms of any clawback or recapture policy that the Company may have in effect from time to time and, in accordance with such policy, may be subject to the requirement that the Shares subject to

the Performance Shares or any cash payments made in respect thereof be repaid to the Company after they have been distributed to the Participant, and (ii) will, along with any other equity interests in the Company held by the Participant, be subject to any policy with respect to hedging or pledging of Shares that the Company may have in effect from time to time.

(b) Unless otherwise approved by the Administrator, as a condition vesting upon a Qualifying Retirement provided in Section 3(b), the Participant shall not, to the extent permitted by applicable law, during the period following a Qualifying Retirement and prior to the Vesting Date, without the prior written consent of Company, directly or indirectly, as an employee, agent, consultant, partner, joint venturer, owner, officer, director, member of any other firm, partnership, corporation or other entity, or in any other capacity, (i) own any interest in, manage, control, participate in, consult with, render services for, or otherwise be or be connected in any manner with, any recorded music, music distribution, music publishing or music entertainment business or any other business that the Company and its Affiliates has conducted during the one-year period immediately preceding the date of such Qualifying Retirement or has plans to conduct as of the date of such Qualifying Retirement anywhere in the world, or (ii) solicit, negotiate with, induce or encourage any record label, recording artist (including a duo or a group), publisher or songwriter who at the time is, or who within the preceding one-year prior period was, either directly or through a furnishing entity, under contract to Company or any affiliate of Company or a label distributed by Company or an affiliate of Company, to end its relationship with Company, Company affiliate or label, to violate any provision of his or her contract or to enter into an exclusive recording or music publishing agreement with any other party. Accordingly, the Participant agrees that, unless otherwise approved by the Administrator, without limiting any of the Company's rights pursuant to any clawback or recapture policy that the Company may have in effect from time to time, in the event of the Participant's violation of any of the covenants contained in this Section 10(b), the Participant will immediately forfeit all unvested Performance Shares held by the Participant, and the Participant will have no further rights with respect thereto.

11. Choice of Law.

THIS PSU AWARD, THIS AWARD AGREEMENT AND THE NOTICE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE WHOLLY PERFORMED WITHIN THAT STATE. ANY ACTION TO ENFORCE THIS PSU AWARD, THIS AWARD AGREEMENT OR THE NOTICE MUST BE BROUGHT IN A COURT SITUATED IN, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF, COURTS SITUATED IN NEW YORK COUNTY, NEW YORK. EACH PARTY HEREBY WAIVES THE RIGHTS TO CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

12. Waiver.

The Company's failure to enforce any provisions of this Award Agreement shall not in any way be construed as a waiver of any such provisions or prevent the Company thereafter from enforcing each and every other provision of this Award Agreement.

13. Entire Agreement; Severability.

The Plan, this Award Agreement and the Notice contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of the Notice or this Award Agreement shall be valid unless the same be in writing and signed by the parties hereto. Whenever possible, each provision of this Award Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Award Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Award Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

14. Acceptance of Performance Shares and this Award Agreement.

The Participant has indicated the Participant's consent and acknowledgement of the terms of this Award Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that the Participant has read and understood this Award Agreement, the Notice and the Plan, and, as an express condition to the grant of the Performance Shares under this Award Agreement, agrees to be bound by the terms of both this Award Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a click-through button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of this Award Agreement and the Performance Shares is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Award Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Award Agreement.

* * *



WARNER MUSIC GROUP

NOTICE OF AWARD OF CEO PERFORMANCE SHARES

Warner Music Group Corp. (the “Company”), pursuant to its 2020 Omnibus Incentive Plan, as amended from time to time (the “Plan”), hereby awards to you a performance share award (this “PSU Award”) with respect to the number of shares of the Company’s Class A common stock (“Shares”) indicated below in this Notice of Award of CEO Performance Shares (the “Notice”). This PSU Award is effective on the grant date indicated below and is subject to the terms set forth herein and in the CEO Performance Share Award Agreement accompanying this Notice (this “Award Agreement”) and the Plan, each of which is incorporated by reference.

Participant: Robert Kyncl

Grant Date: [●]

Target Number of

Performance Shares Granted: [●]

Performance Goals: 100% of the Performance Shares in this Award are
designated as “KPI Shares”

Performance Cycle: [Three (3)-year period commencing October 1,
202[●] and ending September 30, 202[●].]

1. Earning of KPI Shares. No portion of the KPI Shares shall become earned unless actual achievement of the KPI Performance Goal is equal to or greater than [●]% (the “Minimum KPI Achievement”). If the Minimum KPI Achievement has been satisfied, the number of Shares that may be earned with respect to the KPI Shares shall be the “Applicable Percentage” determined as set forth in the table below.

For purposes of the KPI Shares in this PSU Award, the following definitions will apply:

- “KPI Performance Goal” means an annual target or targets to be established [●].
- [Insert other definitions, as applicable]

[Insert table of “Applicable Percentages”].¹

¹ 1/3 of the target number of PSUs will be subject to vesting based on achievement of KPI Performance Goals for each of the three fiscal years during the Performance Cycle. KPI Performance Goals for the first fiscal year of the Performance Cycle of the 2026 PSU Award will be based on revenue and OIBDA achievement measured against Company’s fiscal year 2026 budget, as approved by the Board. Thereafter, KPI Performance Goals will be based on the achievement of targets derived from Company’s Long Range Plan.

2. **Determinations, etc.** In the event of any ambiguity or discrepancy, the determination of the Administrator shall be final and binding.

* * *

Please review the Plan and the accompanying Award Agreement for important information about the Performance Shares. For your award to be effective, the accompanying must be electronically reviewed and accepted on the Fidelity NetBenefits website on or before [●]. If you have any questions regarding the Fidelity NetBenefits website and you are located in the U.S., you can call 1-800-544-9354, outside of the U.S., you can go to [FIDELITY.COM/GLOBALCALL](https://www.fidelity.com/globalcall) for dialing instructions. If you have general inquiries on your Award, please contact EmployeeEquity@wmg.com.

Form of Option Agreement
(see next page)



NOTICE OF CEO OPTION AWARD

Warner Music Group Corp. (the “Company”), pursuant to its 2020 Omnibus Incentive Plan, as amended from time to time (the “Plan”), hereby awards to you an award of Options (the “Options”) with respect to the number of shares of the Company’s Class A common stock (“Shares”) indicated below in this Notice of Option Award (the “Notice”). This award of Options is effective on the grant date indicated below and is subject to the terms set forth herein and in the Option Award Terms and Conditions attached hereto (the “Terms and Conditions”) and the Plan, each of which is incorporated by reference.

Participant: Robert Kyncl

Grant Date: [November 24, 2025]

Number of Options Granted: [●]

Option Price: [●]

Expiration Date: [7th Anniversary of Grant Date]

Vesting Conditions: Subject to the Performance Conditions (as defined

below), the Options will vest in three substantially equal installments on each of the first, second and third anniversaries of the grant date (the “Service Condition”), subject to the Participant’s continued employment with the Company or one or more of its Affiliates through each vesting date and subject further to continued or accelerated vesting in certain cases, all as specified in the attached Terms and Conditions.

Vesting of the Options will be further subject to achievement of the following (the “Performance Conditions”):

- [●] of the Options will vest and become exercisable if the closing price of a share of Company Common Stock exceeds x for 20 consecutive trading days within three years following November 24, 2025, where x is the dollar amount that would achieve a three-year total shareholder return of 8% from November 24, 2025 (assuming a dividend rate of 2.5%);
- [●] of the Options will vest and become exercisable

if the closing price of a share of Company Common Stock exceeds y for 20 consecutive trading days within three years following November 24, 2025, where y is the dollar amount that would achieve a three-year total shareholder return of 10% from November 24, 2025 (assuming a dividend rate of 2.5%);

- [●] of the Options will vest and become exercisable if the closing price of a share of Company Common Stock exceeds z for 20 consecutive trading days within three years following November 24, 2025, where z is the dollar amount that would achieve a three-year total shareholder return of 12% from November 24, 2025 (assuming a dividend rate of 2.5%).

References in the Terms and Conditions to the “Vesting Date” shall be deemed to refer to the date, if any, on which both the Service Condition and the Performance Condition are satisfied.

Please review the Plan and the attached Terms and Conditions for important information about the Options. For your award to be effective, the Terms and Conditions must be electronically reviewed and accepted on the Fidelity NetBenefits website on or before [●]. If you have any questions regarding the Fidelity NetBenefits website and you are located in the U.S., you can call 1-800-544-9354, outside of the U.S., you can go to FIDELITY.COM/GLOBALCALL for dialing instructions. If you have general inquiries on your Options, please contact EmployeeEquity@wmg.com.

Attachments: Option Award Terms and Conditions

CEO OPTION AWARD TERMS AND CONDITIONS

This document contains the Terms and Conditions of the Options awarded by the Company to the Participant indicated in the Notice of Option Award to which this document is attached (the “Notice”), and constitutes a binding agreement by and between Warner Music Group Corp. (the “Company”), and the employee whose name is set forth on the Notice. Capitalized terms used but not defined herein shall have the respective meanings given to them in the Warner Music Group Corp. 2020 Omnibus Incentive Plan, as amended from time to time (the “Plan”).

1. Grant of Options. The Company hereby evidences and confirms its grant to the individual whose name is set forth on the Notice (the “Participant”), effective as of the grant date set forth on the Notice (the “Grant Date”), of the number of Options to purchase Shares set forth on the Notice at the Option Price set forth on the Grant Notice (the “Options”). The Options are intended to be Non-Qualified Stock Options and not Incentive Stock Options. The Options are subject to the terms and conditions of the Plan, which are incorporated by reference herein.

2. Vesting. Except as otherwise provided in this Section 2 or in the Plan or as approved by the Administrator, the Options shall vest in accordance with the terms of these Terms and Conditions (including the Notice and the Plan), as follows (the occurrence of each such event described in Section 2(a)-(d), a “Vesting Event”):

(a) the Options shall become vested on the earliest to occur of the (i) vesting dates set forth in the Notice (each, a “Vesting Date”), (ii) the Participant’s death and (iii) the Participant’s Disability, subject in each case to the Participant’s continued employment with the Company or its Affiliate through such date;

(b) upon the occurrence of a Change in Control, all then outstanding unvested Options shall be treated as provided in the Plan;

(c) if the Participant’s employment terminates in a Special Termination prior to the Vesting Date, then (i) a pro rata portion of the Options shall become vested as of the date of such termination based on the portion of the vesting period that has elapsed as of such date and (ii) the balance of the Options shall remain outstanding and unvested and shall become vested on the applicable Vesting Date provided (A) the Participant has not violated Section 13(b) through the Vesting Date and (B) the Participant has provided annual certification of such ongoing compliance with Section 13(b) in writing to the Company on each anniversary of the Grant Date (if any) that occurs following such Special Termination and prior to the Vesting Date, and a final certification to such effect prior to (but no more than 90 days prior to) the Vesting Date; provided, that, if such termination occurs within one year following a Change in Control, the Options shall immediately vest in full upon such termination; and

(d) if the Participant’s employment terminates in a Qualifying Retirement (as defined below) prior to the Vesting Date, the Options shall become vested on the Vesting Dates set forth in the Notice provided (i) the Participant has not violated Section 13(b) through the applicable Vesting Date and (ii) the Participant has provided annual certification of such ongoing compliance with Section 13(b) in writing to the Company on each anniversary of the Grant Date (if any) that

occurs following such Qualifying Retirement and prior to the applicable Vesting Date, and a final certification to such effect prior to (but no more than 90 days prior to) the applicable Vesting Date.

For purposes of these Terms and Conditions, employment with the Company will be deemed to include employment with, or, if approved by the Administrator, other service to, the Company or Company's Affiliates, but in the case of employment with or service to an Affiliate, only during such time as such Affiliate is an affiliate of the Company.

Notwithstanding anything contained in these Terms and Conditions to the contrary, the Administrator, in its sole discretion, may accelerate the vesting of any Options, at such times and upon such terms and conditions as the Administrator shall determine.

3. Termination for Cause. If the Participant's employment is terminated for Cause, or if the Participant resigns at such time as the Company could have terminated the Participant's employment for Cause, then notwithstanding any other provision of these Terms and Conditions, the Participant will immediately forfeit any remaining Options, along with any Shares issuable with respect to such Options (even if otherwise vested and/or exercised) for which Shares have not yet been delivered.

4. Manner of Exercise.

(a) The exercise of vested Options by the Participant shall be pursuant to procedures contained in the Plan and shall include the Participant specifying in writing the proposed date on which the Participant desires to exercise a vested Option (the "Exercise Date"), the number of whole shares with respect to which the Options are being exercised (the "Exercise Shares") and the aggregate Option Price for such Exercise Shares (the "Exercise Price"), or such other or different procedures and/or requirements as may be specified by the Administrator. Unless otherwise determined by the Administrator, (i) on or before the Exercise Date the Participant shall deliver to the Company full payment for the Exercise Shares in cash, or cash equivalents satisfactory to the Company, in an amount equal to the Exercise Price plus any required withholding taxes or other similar taxes, charges or fees, or, so long as there is a public market for the Shares at such time, pursuant to a broker-assisted exercise program established by the Company, the Participant may exercise vested Options by an exercise and sell procedure (cashless exercise) in which the Exercise Price (together with any required withholding taxes or other similar taxes, charges or fees) is deducted from the proceeds of the exercise of an Option and paid promptly to the Company and (ii) the Company shall register the issuance of the Exercise Shares on its records (or direct such issuance to be registered by the Company's transfer agent). The Administrator may require the Participant to furnish or execute such other documents as the Administrator shall reasonably deem necessary (A) to evidence such exercise or (B) to comply with or satisfy the requirements of the Securities Act, applicable state or non-U.S. securities laws or any other law.

(b) Options may not be exercised following the Participant's termination of employment, except that, subject to Section 13(b), (i) if the Participant's employment terminates as a result of the Participant's death or Disability, vested and outstanding Options may be exercised through the first anniversary of the later of (A) the Participant's termination of employment and

(B) the Vesting Date of such Option, (ii) if the Participant's employment terminates in a Qualifying

Retirement, vested and outstanding Options may be exercised until the Expiration Date set forth in the Notice and (iii) if the Participant's employment terminates for any reason other than a termination by the Company for Cause, the Options may be exercised through the later of 90 days following (A) the Participant's termination of employment and (B) the Vesting Date of such Option. Any Options held by the Participant upon termination of the Participant's employment that are not eligible for exercise in accordance with this Section 4(b) will be automatically forfeited on the termination date without consideration therefor. Notwithstanding anything to the contrary, no Option may be exercised following the Expiration Date set forth in the Notice

5. Certain Definitions. For purposes of these Terms and Conditions and notwithstanding any provision of the Plan to the contrary, the following definitions will apply:

(a) "Cause" with respect to the Participant, has the meaning set forth in (i) the Participant's employment agreement or offer letter with the Company or its Affiliate, or (ii) if the Participant is not party to an employment agreement or offer letter with the Company or its Affiliate agreement that contains a "cause" definition, the Warner Music Inc. Severance Plan for Regular U.S. Employees or its successor plan, as in effect from time to time.

(b) "Employment Agreement" means the Employment Agreement, dated as of September 20, 2022 by and between the Participant and the Company, as amended.

(c) "Qualifying Retirement" means the Participant's "separation from service" within the meaning of Section 409A of the Code after the Participant has attained age 60 and completed at least 10 years of employment with the Company.

(d) "Special Termination" has the meaning set forth in the Employment Agreement between the Participant and the Company.

6. Adjustments Upon Certain Events. The Administrator may, in its sole discretion, make equitable substitutions or adjustments to the number of Shares, the Option Price or other terms of the Options pursuant to Section 3.3 of the Plan.

7. No Right to Continued Employment. Neither the Plan, the Notice nor these Terms and Conditions shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship with, the Company or any of its Affiliates. Further, the Company (or, as applicable, its Affiliates) may at any time dismiss the Participant, free from any liability or any claim under the Plan, the Notice or these Terms and Conditions, except as otherwise expressly provided herein.

8. No Acquired Rights. The Options have been granted entirely at the discretion of the Administrator. The grant of the Options does not obligate the Company to grant additional Options or other awards to the Participant in the future (whether on the same or different terms).

9. No Rights of a Stockholder. The Participant shall not have any rights or privileges as a stockholder of the Company in respect of Options or the Shares underlying the Options, which for the avoidance of doubt includes no rights to dividends or to vote, until the Shares in question have been registered in the Company's register of stockholders as being held by the Participant.

10. Transferability of Shares. Any Shares issued or transferred to the Participant upon exercise of the Options shall be subject to such stop transfer orders and other restrictions as the Administrator may deem advisable under the Plan, the Notice, these Terms and Conditions or the rules, regulations and other requirements of the U.S. Securities and Exchange Commission, any stock exchange upon which such Shares are listed, and any applicable federal or state laws or relevant securities laws of the jurisdiction of the domicile of the Participant, and the Administrator may cause a legend or legends to be put on any certificates representing such Shares or make an appropriate entry on the record books of the appropriate registered book-entry custodian, if the Shares are not certificated, to make appropriate reference to such restrictions.

11. Transferability of Options. Except as set forth in Section 16 of these Terms and Conditions or Section 12.1 of the Plan, the Options (and, prior to their actual issuance, the Shares underlying the Options) may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted by this Section 11 shall be void and unenforceable.

12. Withholding; Taxation. The Company and the Participant shall cooperate to satisfy applicable federal, state and local income and employment tax withholding requirements applicable to the grant, vesting, exercise and settlement of the Options (the “Required Withholding”). The Company shall withhold from the Shares that would otherwise have been transferred to the Participant in settlement of vested and exercised Options the number of Shares necessary to satisfy the Participant’s Required Withholding unless the Required Withholding shall previously have been satisfied by the Participant or from other amounts payable by the Company to the Participant and, if applicable, shall deliver the remaining Shares to the Participant. The amount of the Required Withholding and the number of Shares to be withheld by the Company, if applicable, to satisfy Participant’s Required Withholding, as well as the amount reflected on tax reports filed by the Company, shall be based on the Exercise Price and the Fair Market Value of the Shares on the date prior to the applicable Vesting Date or the date on which the Shares are delivered to the Participant, as appropriate. The obligations of the Company under these Terms and Conditions will be conditioned on such satisfaction of the Required Withholding. The payment of any applicable withholding taxes through the withholding of Shares otherwise issuable under in respect of the Options shall not exceed the minimum required withholding liability.

13. Clawback/Forfeiture; Other Company Policies.

(a) Notwithstanding anything to the contrary contained herein or in the Plan, in consideration for the grant of the Options, the Participant agrees that the Options and any Shares delivered upon exercise of the Options, (i) will be subject to the terms of any clawback or recapture policy that the Company may have in effect from time to time and, in accordance with such policy, may be subject to the requirement that the Shares subject to the Options or any cash payments made in respect thereof be repaid to the Company after they have been distributed to the Participant, and (ii) will, along with any other equity interests in the Company held by the Participant, be subject to any policy with respect to hedging or pledging of Shares that the Company may have in effect from time to time.

(b) Unless otherwise approved by the Administrator, as a condition to any Vesting Event described in Sections 2(c)-2(d), the Participant shall not, to the extent permitted by applicable law, during the period following the Participant's employment and prior to the Vesting Date, without the prior written consent of Company, directly or indirectly, as an employee, agent, consultant, partner, joint venturer, owner, officer, director, member of any other firm, partnership, corporation or other entity, or in any other capacity, (i) own any interest in, manage, control, participate in, consult with, render services for, or otherwise be or be connected in any manner with, any recorded music, music distribution, music publishing or music entertainment business or any other business that the Company and its Affiliates has conducted during the one-year period immediately preceding the date of such termination or has plans to conduct as of the date of such termination anywhere in the world, or (ii) solicit, negotiate with, induce or encourage any record label, recording artist (including a duo or a group), publisher or songwriter who at the time is, or who within the preceding one-year prior period was, either directly or through a furnishing entity, under contract to Company or any affiliate of Company or a label distributed by Company or an affiliate of Company, to end its relationship with Company, Company affiliate or label, to violate any provision of his or her contract or to enter into an exclusive recording or music publishing agreement with any other party. Accordingly, the Participant agrees that, unless otherwise approved by the Administrator, without limiting any of the Company's rights pursuant to any clawback or recapture policy that the Company may have in effect from time to time, in the event of the Participant's violation of any of the covenants contained in this Section 13(b), the Participant will immediately forfeit all unvested Options held by the Participant, and the Participant will have no further rights with respect thereto.

14. Choice of Law. THE OPTIONS, THESE TERMS AND CONDITIONS AND THE NOTICE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS MADE AND TO BE WHOLLY PERFORMED WITHIN THAT STATE. ANY ACTION TO ENFORCE THE TERMS OF THE OPTIONS, THE PLAN, THESE TERMS AND CONDITIONS OR THE NOTICE MUST BE BROUGHT IN A COURT SITUATED IN, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF, COURTS SITUATED IN NEW YORK COUNTY, NEW YORK. EACH PARTY HEREBY WAIVES THE RIGHTS TO CLAIM THAT ANY SUCH COURT IS AN INCONVENIENT FORUM FOR THE RESOLUTION OF ANY SUCH ACTION.

15. Options Subject to Plan. All the Options are subject to the Plan, a copy of which has been provided to the Participant and the terms of which are incorporated herein by this reference. Except as set forth in Section 12(b), if there is any inconsistency between any express provision of these Terms and Conditions and any express term of the Plan, the express term of the Plan shall govern.

16. Beneficiary. The Participant may file with the Company a written designation of a beneficiary on such form as may be prescribed by the Company and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary. The Participant's beneficiary shall succeed to the rights and obligations of the Participant hereunder upon the Participant's death, except as maybe otherwise described herein or in the Plan.

17. Entire Agreement; Severability. The Plan, these Terms and Conditions and the Notice contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of the Notice or these Terms and Conditions shall be valid unless the same be in writing and signed by the parties hereto. Whenever possible, each provision of these Terms and Conditions shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of these Terms and Conditions is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but these Terms and Conditions shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

18. Additional Terms. Notwithstanding any other provision of the Plan, these Terms and Conditions or the Notice, the Options shall be subject to any special terms and conditions set forth in an addendum to these Terms and Conditions for the Participant's country or jurisdiction, if any. Moreover, if the Participant relocates to one of the countries included in such addendum, if applicable, the special terms and conditions for such country will apply to Participant, without the Participant's consent, to the extent the Company determines in its sole discretion that the application of such terms or conditions is necessary or advisable for legal or administrative reasons. Any such addendum provided to the Participant will constitute part of these Terms and Conditions.

19. Acceptance of Options and Agreement. The Participant has indicated the Participant's consent and acknowledgement of the terms of these Terms and Conditions pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that the Participant has read and understood these Terms and Conditions and the Plan, and, as an express condition to the grant of the Options under these Terms and Conditions, agrees to be bound by the terms of both these Terms and Conditions and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a click-through button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of these Terms and Conditions and the Options is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed these Terms and Conditions in paper form. The same use of electronic media may be used for any amendment or waiver of these Terms and Conditions.

WARNER MUSIC INC.
1633 Broadway
New York, NY 10019

October 3, 2023

Carletta Higginson

Address on file with Company

Dear Carletta:

This letter, when signed by you and countersigned by us ("Company"), shall, subject to (a) your successful completion of the employment application process (including completion of a criminal background investigation and reference checks) in accordance with Company's policy to the reasonable satisfaction of Company, and (b) the approval of the Compensation Committee of WMG Corp. (as defined below) of the terms of this Agreement, constitute our agreement (the "Agreement") with respect to your employment with Company.

1. Position: Executive Vice President and Chief Digital Officer, Warner Music Group Corp. (including any successor or assignee, "WMG Corp.")

2. Period of Your Employment: Your employment with Company shall commence on November 1, 2023 or such earlier date as you and Company mutually agree (the "Start Date") and shall not be for a fixed period. You or Company may terminate your employment at any time upon thirty (30) days' advance written notice to the other party hereto (except that, regardless of which party hereto provides such notice, Company may waive all or any portion of such notice period, in which case your employment would terminate immediately (or as otherwise specified by Company) and the amounts payable to you would be as set forth in Paragraph 1 I). If your employment is terminated as a result of your Disability (as defined below) or death, the date of termination of your employment shall be determined by Paragraph 9. In the case of a termination by Company of your employment for Cause (as defined below) or your resignation for Good Reason (as defined below), the notice period for the termination of your employment need only comply with Paragraph 10(a) or Paragraph 10(b), respectively.

3. Compensation:

(a) Salary: During your employment hereunder, Company shall pay you a salary at the rate of \$1,137,500 per annum.

(b) Annual Discretionary Bonus: With respect to each fiscal year of your employment, commencing with the fiscal year that begins October 1, 2023 and ends September 30, 2024 (i.e., the 2024 fiscal year), Company shall consider granting to you an annual bonus (or a pro rata portion thereof for a portion of such fiscal year), payable in accordance with Company policy. Your bonus target for each fiscal year, shall be \$1,137,500 (or a pro rata portion thereof for a portion of such fiscal year); provided, that the amount of any annual bonus awarded to you may be higher or lower and

shall be determined by WMG Corp. in its sole discretion based on factors including the strength of your performance and the performance of WMG Corp. Annual bonuses payable to you pursuant to this Paragraph shall be paid to you not later than such time as bonuses with respect to the applicable fiscal year are paid to employees of Company generally.

(c) Equity Award: With respect to each fiscal year of your employment hereunder and so long as the common stock of WMG Corp. is publicly traded, you shall be eligible to receive, in the sole discretion of the Administrator of WMG Corp.'s 2020 Omnibus Incentive Plan (as may be amended from time to time, the "Plan"), one or more "Awards" as defined under, and to be granted to you pursuant to, the Plan. The aggregate annual pre-tax, grant date target value of Awards granted to you in each fiscal year shall be \$1,500,000, with the number of shares of WMG Corp.'s Class A common stock covered by such Award(s) determined by reference to the closing share price of WMG Corp.'s Class A Common Stock on a date or dates selected by the Administrator. The actual pre-tax grant date value of Award(s) granted to you in any fiscal year may be lower than the target amount and will be determined by the Administrator in its sole discretion based on factors determined by the Administrator, which may include the strength of your performance and the performance of WMG Corp. Any annual Awards that you may be eligible to receive are expected to be granted in the same fiscal quarter as annual Awards are generally granted to other executives of Company and its affiliates (with the first grant expected to be made in January 2024), unless otherwise determined by the Administrator. The terms and conditions of each Award, including vesting requirements, active employment on the grant date and treatment of Awards upon termination of employment, shall be determined in the sole discretion of the Administrator and be subject to the Plan and an individual "Award Agreement" in such form as approved by the Administrator.

(d) Signing Bonus: Company shall pay to you a signing bonus in the amount of \$1,250,000, payable as two installments as follows: (i) \$625,000 concurrently with your first payment of salary hereunder and (ii) provided that you are employed by Company on the one-year anniversary of the Start Date and provided you have not terminated your employment under Paragraph 2 prior to such date, \$625,000 on or about the first anniversary of the Start Date.

(e) Payment of Compensation: Compensation accruing to you during your employment with Company shall be payable in accordance with Company's regular payroll practices for employees at your level. You shall not be entitled to additional compensation for performing any services for Company's affiliates.

4. Exclusivity: Your employment with Company shall be full-time and exclusive. During your employment with Company (including any required notice period) you shall not render any services for others, or for your own account, in the field of entertainment or otherwise; provided, however, to the extent such activities do not interfere with the performance of your duties hereunder, you shall not be precluded from occasionally rendering services to charitable organizations, including serving as a board member of such organizations.

5. Reporting: You shall at all times report directly to and work under the supervision and direction of the Chief Executive Officer of Warner Music Group (currently, Robert Kyncl). You shall perform such duties consistent with your position as you shall reasonably be directed to perform by such senior executive officer.

6. Place of Employment: The greater New York metropolitan area. You shall render services in the offices designated by Company at such location. You also agree to travel on temporary

trips to such other place or places as may be required from time to time to perform your duties hereunder.

7. Travel and Entertainment Expenses: Company shall pay for reasonable expenses actually incurred, or reimburse you for reasonable expenses paid, by you during your employment with Company in the performance of your services hereunder in accordance with Company's policy for employees at your level upon presentation of expense statements or such other supporting information as Company may customarily require. You shall be entitled to travel in accordance with Company's policies for employees at your level.

8. Benefits: While you are employed hereunder, you shall be entitled to all fringe benefits generally accorded to employees of Company at your level from time to time, including medical health and accident, group insurance, 401(k) and other benefits, provided that you are eligible under the general provisions of any applicable plan or program and Company continues to maintain such plan or program during your employment hereunder. You shall also be entitled to time off (with pay) during each calendar year in accordance with Company's time off policies for employees generally.

9. Disability/Death: If you become physically or mentally incapacitated from performing your duties hereunder, and such incapacity continues for a period of four (4) consecutive months or more or for shorter periods aggregating four (4) months or more in any twelve (12)-month period, Company shall have the right (before the termination of such incapacity), at its option, to terminate your employment with no consequence, except if such termination would be prohibited by law, and to pay to you the Basic Termination Payments (as defined below). In the event of your death, your employment with Company shall automatically terminate as of such date and Company shall pay to your estate the Basic Termination Payments.

10. Termination by Company for Cause; Termination by You for Good Reason:

(a) Termination by Company for Cause: The following acts shall constitute "Cause" hereunder: (i) any willful or intentional act or omission having the effect, which effect is reasonably foreseeable, of injuring, to an extent that is not de minimis, the reputation, business, business relationships or employment relationships of Company or its affiliates; (ii) conviction of, or plea of nolo contendere to, a misdemeanor involving theft, fraud, forgery, embezzlement or the sale or possession of illicit substances or a felony, unless prohibited by applicable law; (iii) breach of any material representation, warranty or covenant contained in this Agreement; (iv) a material violation of Company's or WMG Corp.'s policies, including those described in Paragraph 17(b), as determined by Company in good faith; and (v) repeated or continuous failure, neglect or refusal to perform your material duties hereunder. Notice of termination for Cause given to you by Company shall specify the reason(s) for such termination. In the case where a cause for termination described in clause (iii), (iv) or (v) above is susceptible of cure (as determined by Company), and such notice of termination is the first notice of termination given to you for such reason, if you fail to cure such Cause for termination to the reasonable satisfaction of Company within ten (10) business days after the date of such notice, termination shall be effective upon the expiration of such ten (10) business days, and if you cure such Cause within such ten (10) business days, such notice of termination shall be ineffective. In all other cases of termination for Cause, notice of termination shall be effective on the date thereof. In the event of the termination of your employment pursuant to this Paragraph 10(a), this Agreement shall automatically terminate except that Company shall pay to you the Basic Termination Payments.

(b) Termination by You for Good Reason:

(i) For purposes of this Paragraph 10(b), Company shall be in breach of its obligations to you hereunder if there shall have occurred any of the following events (each such event being referred to as a "Good Reason"): (A) a material reduction in your title shall have been put into effect; (B) Company fails to pay to you any monies due hereunder in accordance with applicable law;

(C) Company requires you to relocate your primary residence outside the greater New York metropolitan area in order to perform your duties to Company hereunder; (D) you shall have been required to report to anyone other than as provided in Paragraph 5; or (E) Company assigns its rights and obligations under this Agreement in contravention of the provisions of Paragraph 17(e).

(ii) You may exercise your right to terminate your employment and this Agreement for Good Reason pursuant to this Paragraph 10(b) by notice given to Company in writing specifying the Good Reason for termination within sixty (60) days after the occurrence of any such event constituting Good Reason, otherwise your right to terminate your employment and this Agreement by reason of the occurrence of such event shall expire and shall be deemed to have permanently lapsed. Any such termination in compliance with the provisions of this Paragraph 10(b) shall be effective thirty (30) days after the date of your written notice of termination, except that if Company shall cure such specified Good Reason within such thirty (30) days, you shall not be entitled to terminate your employment and this Agreement by reason of such specified Good Reason and the notice of termination given by you shall be null and void and of no effect whatsoever.

11. Consequences of Termination of Employment:

(a) In the event of a Special Termination (as defined below), your sole remedy shall be that, Company shall pay to you the Basic Termination Payments, and, subject to your execution of a Release (as defined below), Company shall also pay to you (i) the Severance (as defined below); and

(ii) a pro rata portion of the annual bonus described in Paragraph 3(b), if any, that would have been payable to you based on actual performance during the fiscal year of your termination of employment, prorated based on the length of your employment with Company during such fiscal year (the "Pro Rata Bonus"), payable at such time as annual bonus payments are made to other senior executives of Company in respect of such fiscal year; and (iii) you shall be eligible for the COBRA Subsidy (as defined below). In the event you do not deliver a Release in connection with a Special Termination, Company shall only be obligated to pay to you the Basic Termination Payments.

(b) The "Basic Termination Payments" shall mean any accrued but unpaid salary, any unreimbursed expenses pursuant to Paragraph 7, plus any accrued and vested but unpaid benefits in accordance with Paragraph 8, in each case to the date on which your employment terminates (the "Separation Date"). Basic Termination Payments shall be paid to you in accordance with Company policy or in accordance with the terms of the applicable plan.

(c) A "Release" shall mean a mutual, irrevocable release agreement in Company's standard form, which you and your personal attorney shall have a right to review and return during the time period set forth therein and which shall include (i) a release by you of Company from claims which you may have relating to your employment with Company and the termination of such employment and (ii) a release by Company of you from claims which Company may have relating to your employment with Company and the termination of such employment.

(d) A "Special Termination" shall have occurred in the event that (i) Company terminates your employment hereunder other than pursuant to Paragraph 9 or 10(a); or (ii) you terminate your employment pursuant to Paragraph 10(b).

(e) "Severance" shall mean an amount equal to the per annum salary rate as in effect hereunder on the Separation Date, which shall be paid in the form of salary continuation over a period of fifty-two (52) weeks, in accordance with Company's regular payroll practices as in effect from time to time. Severance payments shall commence in the next possible pay cycle following the later of the Separation Date and the date your Release is effective and nonrevocable; provided if your Release consideration period (together with the revocation period, if any) spans two calendar years, then Severance payments shall not commence until the second calendar year even if your Release is fully executed and irrevocable in the earlier year.

(f) During the period commencing immediately following the Separation Date and through the last day of the calendar month in which the Separation Date occurs (such period, the "Benefits Period"), Company shall continue to provide you and your eligible family members with medical health insurance coverage, including dental and vision insurance coverage, under the group insurance plans maintained by Company ("Benefits Coverage") in accordance with the terms of the applicable plans and to the extent that you had elected such coverage prior to the Separation Date. Following the Benefits Period, you and/or your eligible family members may have the right, in accordance with and subject to the Consolidated Omnibus Budget Reconciliation Act, as amended ("COBRA"), to elect to continue Benefits Coverage for such period as required under COBRA and at your expense (subject to any premium subsidy required under applicable law). In the event of a Special Termination, subject to your timely COBRA coverage election (and payment of your share of premiums) and your execution of an irrevocable Release, Company shall subsidize your monthly medical plan COBRA premium up to a maximum subsidy of \$500 per month for the first four (4) months of your COBRA continuation period (the "COBRA Subsidy").

(g) In the event that you have provided thirty (30) days' advance written notice to Company prior to your resignation other than for Good Reason (a "Qualifying Resignation without Good Reason"), subject to your execution of a Release, Company shall pay you the Pro Rata Bonus for the fiscal year of the termination of your employment, payable at such time as annual bonus payments are made to other senior executives of Company in respect of such fiscal year.

(h) In the event your employment terminates due to your resignation from your employment other than for Good Reason and not pursuant to a Qualifying Resignation without Good Reason, such resignation is a material breach hereunder and without limitation of other rights or remedies available to Company, Company shall have no further obligations to you under this Agreement or otherwise, except to pay you the Basic Termination Payments.

(i) You shall have no duty to seek substitute employment, and Company shall have no right of offset against any amounts payable to you under this Paragraph 11 with respect to any compensation or fees received by you from any employment obtained or consultancy arrangement entered into by you following your termination of employment with Company.

12. Confidential Matters: You shall keep secret all confidential matters of Company and its affiliates (for purposes of this Paragraph, collectively, "Company"), and shall not disclose them to anyone outside of Company, either during or after your employment with Company, except (a) with

Company's prior written consent; (b) as required by law or judicial process or as permitted by law for the purpose of reporting a violation of law; (c) to your professional advisors to the extent reasonable and necessary; or (d) if such information is widely known to the general public other than as a result of a breach by you of your obligations hereunder. Company hereby informs you, and you hereby acknowledge, in accordance with 18 U.S.C. Section 1833(b), that you may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret where the disclosure (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Furthermore, nothing in this Agreement prevents you from making any statement or engaging in any activity to the extent protected by the National Labor Relations Act.

You shall deliver promptly to Company upon termination of your employment, or at any time as Company may request, all confidential memoranda, notes, records, reports and other documents (and all copies thereof) relating to the business of Company which you may then possess or have under your control; provided that you may retain your personal files (i.e., your files not related to Company) and a copy of your address book.

13. Non-Solicitation: While you are employed by Company and for a period of one (1) year thereafter, you shall not, without the prior written consent of Company, directly or indirectly, as an employee, agent, consultant, partner, joint venturer, owner, officer, director, member of any other firm, partnership, corporation or other entity, or in any other capacity: (a) solicit, negotiate with, induce or encourage any recording artist (including a duo or a group), publisher or songwriter who at the time is, or who within the one-year period prior to such time was, either directly or through a furnishing entity, under contract to Company, any of its affiliates or a label distributed by any of them (for purposes of this Paragraph, collectively, "Company"), to end its relationship with Company, to violate any provision of its contract with Company or to enter into an exclusive recording or music publishing agreement with any other party or (b) solicit, negotiate with, induce or encourage any individual who at the time is, or who within the six-month period prior to such time was, an employee of Company in the United States to leave employment with Company or to commence employment with any other party.

14. Results and Proceeds of Employment: You acknowledge that Company shall own all rights of every kind and character throughout the world in perpetuity in and to any material and/or ideas written, suggested or in any way created by you within the scope of your employment and all other results and proceeds of your services hereunder, including all copyrightable material created by you. You agree to execute and deliver to Company such assignments or other instruments as Company may require from time to time to evidence Company's ownership of the results and proceeds of your services.

15. Indemnity: Company agrees to indemnify you against expenses (including final judgments and amounts paid in settlement to which Company has consented in writing, which consent shall not be unreasonably withheld) in connection with third-party litigation against you arising out of the performance of your duties hereunder; provided that (a) the foregoing indemnity shall only apply to matters for which you perform your duties for Company in good faith and in a manner you reasonably believe to be in or not opposed to the best interests of Company and not in contravention of the instructions of any senior officer of Company and (b) you shall have provided Company with prompt

notice of the commencement of any such litigation. Company will provide defense counsel selected and paid for by Company. You agree to cooperate in connection with any such litigation.

16. Notices: All notices, requests, consents and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by prepaid courier, or mailed first-class, postage prepaid, by registered or certified mail, return receipt requested or via email as follows:

TO YOU: TO COMPANY:

At your address on file with
Company

Warner Music Inc.
1633 Broadway
New York, NY 10019
Attn: General Counsel

Either you or Company may change the address to which notices are to be sent by giving written notice of such change of address to the other in the manner herein provided for giving notice.

17. Miscellaneous:

(a) Representations and Warranties: You represent and warrant as follows: (i) you are free to enter into this Agreement and to perform each of the terms and covenants hereunder; (ii) you are not restricted or prohibited, contractually or otherwise, from entering into and performing under this Agreement and that your execution of and performance under this Agreement is not a violation or breach of any other agreement; and (iii) you have not disclosed to Company or its affiliates any proprietary information or trade secrets of any former employer or of your current employer (if applicable). You represent and warrant that you have disclosed to Company all restrictive covenants in favor of any prior employer to which you are subject as of the Start Date and, except to the extent so disclosed, your most recent employer has agreed to release you from all contractual commitments effective no later than the Start Date. Upon request of Company, you shall provide or have provided as of the date hereof, Company with a copy of any release document signed by your current employer. You further covenant that you shall not enter into any other agreements (including an extension or amendment of any agreement) that would restrict or prohibit you from entering into or performing under this Agreement.

(b) Company Policies: You acknowledge and agree that while you are employed by Company you shall comply with WMG Corp.'s Code of Conduct (or any successor document) and other corporate policies including the requirements of WMG Corp.'s compliance and ethics program, each as in effect from time to time, of which you are made aware.

(c) Remedies: You acknowledge that services to be rendered by you under this Agreement are of a special, unique and intellectual character which gives them peculiar value, and that a breach or threatened breach of any provision of this Agreement, particularly a violation by you of the notice requirement in Paragraph 2 or any of your covenants contained in this Agreement (including the provisions of Paragraphs 4, 12, 13 and 14), will cause Company immediate irreparable injury and damage which cannot be reasonably or adequately compensated in damages in an action at law. Accordingly, without limiting any right or remedy which Company may have in such event, you specifically agree that Company shall be entitled to seek injunctive relief to enforce and protect its

rights under this Agreement. The preceding sentence shall not be construed as a waiver by Company of any rights which Company may have to damages or any other remedy or by you as a waiver by you of any rights which you may have to offer fact-based defenses to any request made by Company for injunctive relief.

(d) Complete Agreement: This Agreement sets forth the entire agreement and understanding of the parties hereto, and supersedes and terminates any and all prior agreements, arrangements and understandings. No representation, promise or inducement has been made by either party hereto that is not embodied in this Agreement, and neither party hereto shall be bound by or liable for any alleged representation, promise or inducement not herein set forth.

(e) Execution in Counterparts: This Agreement may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile transmission or by email or other electronic transmission method, and signatures created or transmitted by electronic means, including DocuSign (or any other signature complying with the federal E-SIGN Act of 2000 or any applicable Uniform Electronic Transactions Act or Electronic Signatures and Records Act), PDF or JPEG, shall constitute original signatures, shall be deemed to have been duly and validly created and delivered, and shall be valid and binding for all purposes.

(f) Severability: If any provision of this Agreement or the application thereof is held to be wholly invalid, such invalidity shall not affect any other provisions or the application of any provision of this Agreement that can be given effect without the invalid provisions or application, and to this end the provisions of this Agreement are hereby declared to be severable.

(g) Assignment: The provisions of this Agreement shall inure to the benefit of the parties hereto, their heirs, legal representatives, successors and permitted assigns. This Agreement, and your rights and obligations hereunder, may not be assigned by you. By operation of law or otherwise, Company may assign its rights, together with its obligations, hereunder in connection with any sale, transfer or other disposition of all or a substantial portion of the stock or assets of Company, or to any direct or indirect parent of Company.

(h) Amendments: This Agreement may be amended, modified, superseded, canceled, renewed or extended, and the terms or covenants hereof may be waived, only by a written instrument executed by both of the parties hereto, or in the case of a waiver, by the party hereto waiving compliance. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing obligation of Company to employ you at any time or for any period (including for the notice period set forth in Paragraph 2, if applicable). The failure of either party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by either party hereto of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.

(i) Governing Law: This Agreement shall be governed by and construed according to the laws of the State of New York as applicable to agreements executed in and to be wholly performed within such State. Exclusive jurisdiction of any dispute, action, proceeding or claim arising

out of or relating to this Agreement shall lie in the state or federal courts in the State of New York, located in New York County.

G) JURY TRIAL WAIVER: IN THE UNLIKELY EVENT THAT DIFFERENCES ARISE BETWEEN THE PARTIES HERETO RELATING TO OR ARISING FROM THIS AGREEMENT THAT ARE NOT RESOLVED BY MUTUAL AGREEMENT, THE PARTIES HERETO AGREE NOT TO DEMAND A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM IN ORDER TO FACILITATE A JUDICIAL RESOLUTION AND SAVE TIME AND EXPENSE.

(k) Withholding and Taxes: All payments made to you hereunder shall be subject to applicable withholding, social security taxes and other ordinary and customary payroll deductions, including medical and other insurance premiums.

(l) Interpretation: The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. The words (i) "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," and (ii) "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof.

18. Section 409A: This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (including the regulations and guidance promulgated thereunder, "Section 409A") and shall be interpreted in a manner intended to comply with Section 409A.

Amounts payable under this Agreement shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the exceptions set forth in Treas. Reg. Section 1.409A-

l(b)(4) ("short-term deferrals") and Treas. Reg. Section 1.409A-1(b)(9) ("separation pay plans") and other applicable provisions of Treas. Reg. Section 1.409A-1 through A-6. References under this Agreement to a termination of your employment shall be deemed to refer to the date upon which you have experienced a "separation from service" within the meaning of Section 409A.

Notwithstanding anything herein to the contrary, (a) if at the time of your separation from service with Company you are a "Specified Employee" as defined in the WMG Corp. Section 409A Specified Employee Policy as then in effect, payment of any "nonqualified deferred compensation" amounts (within the meaning of Section 409A and after taking into account all exclusions applicable to such payments under Section 409A) required to be made to you upon or as a result of your separation from service shall be delayed (without any reduction in such payments or benefits ultimately paid or provided to you) to the extent necessary to comply with and avoid the imposition of taxes, interest and penalties under Section 409A until the first payroll following the six-month anniversary of your separation from service, at which point all payments delayed pursuant to this Paragraph shall be paid to you in a lump sum and (b) if any other payments of money or other benefits due to you hereunder could cause the imposition of any accelerated or additional taxes, interest or penalties under Section 409A, such payments or other benefits shall be deferred if deferral shall make such payment or other benefits compliant under Section 409A, or otherwise such payment or other benefits shall be restructured, to the extent possible,

in a manner, determined by Company, that does not cause such an accelerated or additional tax. To the extent any reimbursements or in-kind benefits due to you under this Agreement constitute "deferred compensation" under Section 409A, any such reimbursements or in-kind benefits shall be paid to you in a manner consistent with Treas. Reg. Section 1.409A-3(i)(1)(iv). Each payment made under this Agreement shall be designated as a "separate payment" within the meaning of Section 409A. For the avoidance of doubt, any continued health benefit plan coverage that you are entitled to receive

following your termination of employment is expected to be exempt from Section 409A and, as such, shall not be subject to delay pursuant to this Paragraph.

If the foregoing correctly sets forth our understanding, please sign below and return this Agreement to Company.

Very truly yours,

WARNER MUSIC INC.

By: /s/ Paul Robinson

Name: Paul Robinson

Accepted and Agreed:

/s/ Carletta Higginson

Carletta Higginson

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Robert Kyncl, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended December 31, 2025 of Warner Music Group Corp. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Dated: February 9, 2026

/s/ ROBERT KYNCL

Chief Executive Officer
(Principal Executive Officer)

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Armin Zerza, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended December 31, 2025 of Warner Music Group Corp. (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s Board of Directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Dated: February 9, 2026

/s/ ARMIN ZERZA
 Chief Financial Officer
 (Principal Financial and Accounting Officer)

**Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Warner Music Group Corp. (the “Company”) on Form 10-Q for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Robert Kyncl, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 9, 2026

/s/ ROBERT KYNCL

Robert Kyncl
Chief Executive Officer

**Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Warner Music Group Corp. (the “Company”) on Form 10-Q for the period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Armin Zerza, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 9, 2026

/s/ ARMIN ZERZA
Armin Zerza
Chief Financial Officer