

**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 March 31, 2026

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 May 4, 2026, there were 146,235,215 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 AND SIX MONTHS ENDED MARCH 31, 2026

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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)

	March 31, 2026	September 30, 2025
Assets		
Current assets:		
Cash and equivalents	\$ 741	\$ 532
Accounts receivable, net of allowances of \$28 million and \$27 million	1,505	1,340
Inventories	65	62
Royalty advances expected to be recouped within one year	649	581
Assets held for sale	68	89
Prepaid and other current assets	192	166
Total current assets	3,220	2,770
Royalty advances expected to be recouped after one year	1,082	1,079
Property, plant and equipment, net of accumulated depreciation of \$749 million and \$701 million	414	441
Operating lease right-of-use assets, net	168	189
Goodwill	2,054	2,061
Intangible assets subject to amortization, net	3,101	2,725
Intangible assets not subject to amortization	153	154
Deferred tax assets, net	90	111
Other assets	330	299
Total assets	\$ 10,612	\$ 9,829
Liabilities, Redeemable Noncontrolling Interest and Equity		
Current liabilities:		
Accounts payable	\$ 452	\$ 257
Accrued royalties	2,834	2,740
Accrued liabilities	468	666
Accrued interest	27	31
Operating lease liabilities, current	48	43
Deferred revenue	451	286
Liabilities held for sale	38	49
Other current liabilities	103	129
Total current liabilities	4,421	4,201
Acquisition Corp. long-term debt	4,046	4,063
Other long-term debt	673	302
Operating lease liabilities, noncurrent	174	200
Deferred tax liabilities, net	180	164
Other noncurrent liabilities	146	142
Total liabilities	\$ 9,640	\$ 9,072
Redeemable noncontrolling interest	133	—
Equity:		
Class A common stock, \$0.001 par value; 1,000,000 shares authorized, 146,235 and 146,906 shares issued and outstanding as of March 31, 2026 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 March 31, 2026 and September 30, 2025, respectively	1	1
Additional paid-in capital	2,134	2,166
Accumulated deficit	(1,172)	(1,331)
Accumulated other comprehensive loss, net	(225)	(189)
Total Warner Music Group Corp. equity	738	647
Noncontrolling interest	101	110
Total equity	839	757
Total liabilities, redeemable noncontrolling interest and equity	\$ 10,612	\$ 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 March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Revenue	\$ 1,732	\$ 1,484	\$ 3,572	\$ 3,150
Costs and expenses:				
Cost of revenue	(930)	(791)	(1,917)	(1,685)
Selling, general and administrative expenses (a)	(460)	(450)	(918)	(924)
Restructuring and impairments	(6)	(13)	(40)	(40)
Amortization expense	(72)	(62)	(140)	(119)
Total costs and expenses	(1,468)	(1,316)	(3,015)	(2,768)
Net loss on divestitures	—	—	(5)	—
Operating income	264	168	552	382
Loss on extinguishment of debt	(7)	—	(7)	—
Interest expense, net	(41)	(39)	(86)	(76)
Other income (expense)	38	(64)	41	89
Income before income taxes	254	65	500	395
Income tax expense	(73)	(29)	(144)	(118)
Net income	181	36	356	277
Less: (Income) loss attributable to noncontrolling interest	2	—	3	(5)
Net income attributable to Warner Music Group Corp.	<u>\$ 183</u>	<u>\$ 36</u>	<u>\$ 359</u>	<u>\$ 272</u>
Net income per share attributable to common stockholders:				
Class A – Basic	\$ 0.35	\$ 0.07	\$ 0.68	\$ 0.52
Class A – Diluted	<u>\$ 0.34</u>	<u>\$ 0.07</u>	<u>\$ 0.67</u>	<u>\$ 0.52</u>
Class B – Basic	\$ 0.35	\$ 0.07	\$ 0.68	\$ 0.52
Class B – Diluted	<u>\$ 0.34</u>	<u>\$ 0.07</u>	<u>\$ 0.67</u>	<u>\$ 0.52</u>
Weighted average common shares:				
Class A – Basic	146,573	144,938	146,664	143,995
Class A – Diluted	149,323	144,938	149,414	143,995
Class B – Basic and Diluted	375,380	375,380	375,380	375,380
(a) Includes depreciation expense:	<u>\$ (31)</u>	<u>\$ (28)</u>	<u>\$ (62)</u>	<u>\$ (57)</u>

See accompanying notes

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Net income	\$ 181	\$ 36	\$ 356	\$ 277
Other comprehensive (loss) income, net of tax:				
Foreign currency adjustment	(45)	84	(36)	(45)
Other comprehensive (loss) income, net of tax	(45)	84	(36)	(45)
Total comprehensive income	136	120	320	232
Less: (Income) loss attributable to noncontrolling interest	2	—	3	(5)
Comprehensive income attributable to Warner Music Group Corp.	<u>\$ 138</u>	<u>\$ 120</u>	<u>\$ 323</u>	<u>\$ 227</u>

See accompanying notes

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

	Six Months Ended March 31,	
	2026	2025
Cash flows from operating activities		
Net income	\$ 356	\$ 277
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	202	176
Unrealized losses and remeasurement of foreign-denominated loans and foreign currency forward exchange contracts	(41)	(40)
Deferred income taxes	39	24
Loss on extinguishment of debt	7	—
Net gain on investments	1	(27)
Net loss on divestitures	5	—
Non-cash interest expense	4	3
Non-cash stock-based compensation expense	31	27
Non-cash impairments	11	32
Remeasurement of share-settled liability	4	—
Changes in operating assets and liabilities:		
Accounts receivable, net	(175)	34
Inventories	5	9
Royalty advances	(72)	(127)
Other noncurrent assets	8	2
Accounts payable and accrued liabilities	(35)	(119)
Royalty payables	112	83
Accrued interest	(4)	13
Operating lease liabilities	(1)	(5)
Deferred revenue	166	69
Income taxes payable	(23)	(7)
Other balance sheet changes, net	(34)	(23)
Net cash provided by operating activities	566	401
Cash flows from investing activities		
Acquisition of music publishing rights and music catalogs	(457)	(120)
Capital expenditures	(47)	(72)
Investments and acquisitions of businesses, net of cash received	(29)	(46)
Proceeds from the sale of investments	—	36
Proceeds from divestitures	10	—
Net cash used in investing activities	(523)	(202)
Cash flows from financing activities		
Proceeds from Senior Term Loan A Facility	1,295	—
Repayment of Senior Term Loan B Facility	(1,295)	—
Proceeds from Beethoven Credit Agreement	370	—
Deferred financing costs paid	(12)	—
Distribution to noncontrolling interest holders	(7)	(8)
Contributions from redeemable noncontrolling interest holder	134	—
Dividends paid	(200)	(189)
Payment of deferred consideration	(42)	(23)
Taxes paid related to net share settlement of restricted stock units and common stock	(26)	(19)
Common stock repurchased and retired	(48)	(2)
Other financing activity	—	(7)
Net cash provided by (used in) financing activities	169	(248)
Effect of exchange rate changes on cash and equivalents	(2)	(8)
Effect of change in cash balances classified as assets held for sale	(1)	—
Net increase (decrease) in cash and equivalents	209	(57)
Cash and equivalents at beginning of period	532	694
Cash and equivalents at end of period	\$ 741	\$ 637

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)

**Six Months Ended March 31,
2026**

	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	—	—	—	—	—	359	—	359	(2)	357	(1)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(36)	(36)	—	(36)	—
Dividends (\$0.38 per share)	—	—	—	—	—	(200)	—	(200)	—	(200)	—
Stock-based compensation expense	—	—	—	—	31	—	—	31	—	31	—
Distribution to noncontrolling interest holders	—	—	—	—	—	—	—	—	(7)	(7)	—
Vesting of restricted stock units, net of shares withheld for employee taxes	999	—	—	—	(26)	—	—	(26)	—	(26)	—
Common shares repurchased and retired	(1,671)	—	—	—	(48)	—	—	(48)	—	(48)	—
Redemption of noncontrolling interests	—	—	—	—	11	—	—	11	—	11	—
Contributions from redeemable non-controlling interest holders	—	—	—	—	—	—	—	—	—	—	134
Balance at March 31, 2026	<u>146,235</u>	<u>\$ —</u>	<u>375,380</u>	<u>\$ 1</u>	<u>\$ 2,134</u>	<u>\$ (1,172)</u>	<u>\$ (225)</u>	<u>\$ 738</u>	<u>\$ 101</u>	<u>\$ 839</u>	<u>\$ 133</u>

**Three Months Ended March 31,
2026**

	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 December 31, 2025	146,146	\$ —	375,380	\$ 1	\$ 2,154	\$ (1,255)	\$ (180)	\$ 720	\$ 104	\$ 824	\$ 5
Net income	—	—	—	—	—	183	—	183	(1)	182	(1)
Other comprehensive loss, net of tax	—	—	—	—	—	—	(45)	(45)	—	(45)	—
Dividends (\$0.19 per share)	—	—	—	—	—	(100)	—	(100)	—	(100)	—
Stock-based compensation expense	—	—	—	—	12	—	—	12	—	12	—
Distribution to noncontrolling interest holders	—	—	—	—	—	—	—	—	(2)	(2)	—
Vesting of restricted stock units, net of shares withheld for employee taxes	840	—	—	—	(21)	—	—	(21)	—	(21)	—
Common shares repurchased and retired	(751)	—	—	—	(22)	—	—	(22)	—	(22)	—
Redemption of noncontrolling interests	—	—	—	—	11	—	—	11	—	11	—
Contributions from redeemable non-controlling interest holders	—	—	—	—	—	—	—	—	—	—	129
Balance at March 31, 2026	<u>146,235</u>	<u>\$ —</u>	<u>375,380</u>	<u>\$ 1</u>	<u>\$ 2,134</u>	<u>\$ (1,172)</u>	<u>\$ (225)</u>	<u>\$ 738</u>	<u>\$ 101</u>	<u>\$ 839</u>	<u>\$ 133</u>

**Six Months Ended March 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, 2024	142,559	\$ —	375,380	\$ 1	\$ 2,077	\$ (1,313)	\$ (247)	\$ 518	\$ 157	\$ 675	\$ —
Net income	—	—	—	—	—	272	—	272	5	277	—
Other comprehensive loss, net of tax	—	—	—	—	—	—	(45)	(45)	—	(45)	—
Dividends (\$0.36 per share)	—	—	—	—	—	(189)	—	(189)	—	(189)	—
Stock-based compensation expense	—	—	—	—	34	—	—	34	—	34	—
Distribution to noncontrolling interest holders	—	—	—	—	—	—	—	—	(8)	(8)	—
Acquisition of noncontrolling interests	—	—	—	—	—	—	—	—	74	74	—
Vesting of restricted stock units, net of shares withheld for employee taxes	795	—	—	—	(19)	—	—	(19)	—	(19)	—
Shares issued under the Plan	1,738	—	—	—	—	—	—	—	—	—	—
Common shares repurchased and retired	(60)	—	—	—	(2)	—	—	(2)	—	(2)	—
Other	—	—	—	—	(2)	—	—	(2)	(5)	(7)	—
Balance at March 31, 2025	<u>145,032</u>	<u>\$ —</u>	<u>375,380</u>	<u>\$ 1</u>	<u>\$ 2,088</u>	<u>\$ (1,230)</u>	<u>\$ (292)</u>	<u>\$ 567</u>	<u>\$ 223</u>	<u>\$ 790</u>	<u>\$ —</u>

**Three Months Ended March 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 December 31, 2024	144,301	\$ —	375,380	\$ 1	\$ 2,091	\$ (1,171)	\$ (376)	\$ 545	\$ 152	\$ 697	\$ —
Net income	—	—	—	—	—	36	—	36	—	36	—
Other comprehensive income, net of tax	—	—	—	—	—	—	84	84	—	84	—
Dividends (\$0.18 per share)	—	—	—	—	—	(95)	—	(95)	—	(95)	—
Stock-based compensation expense	—	—	—	—	14	—	—	14	—	14	—
Acquisition of noncontrolling interests	—	—	—	—	—	—	—	—	74	74	—
Vesting of restricted stock units, net of shares withheld for employee taxes	731	—	—	—	(17)	—	—	(17)	—	(17)	—
Other	—	—	—	—	—	—	—	—	(3)	(3)	—
Balance at March 31, 2025	<u>145,032</u>	<u>\$ —</u>	<u>375,380</u>	<u>\$ 1</u>	<u>\$ 2,088</u>	<u>\$ (1,230)</u>	<u>\$ (292)</u>	<u>\$ 567</u>	<u>\$ 223</u>	<u>\$ 790</u>	<u>\$ —</u>

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 and six months ended March 31, 2026 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 March 31, 2026 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 both March 31, 2026 and September 30, 2025, there was approximately \$2 million of liabilities 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 represent 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 the 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 potentially dilutive common shares, which is calculated using the treasury-stock method. The potentially dilutive common shares had a dilutive effect on the Company's EPS calculation for the three and six months ended March 31, 2026 and 2025.

The following table sets forth the calculation of basic and diluted net income per common share under the two-class method for the three and six months ended March 31, 2026 and 2025 (in millions, except share amounts, which are reflected in thousands, and per share data):

	Three Months Ended March 31,			
	2026		2025	
	Class A	Class B	Class A	Class B
Numerator				
Net income (loss) attributable to Warner Music Group Corp.	\$ 53	\$ 130	\$ 10	\$ 26
Less: Net loss (income) attributable to participating securities (a)	(2)	—	—	—
Net income (loss) attributable to common stockholders - Basic	\$ 51	\$ 130	\$ 10	\$ 26
Less: Net loss (income) attributable to shares to be issued on redemption of noncontrolling interests	(1)	(1)	—	—
Net income (loss) attributable to common stockholders - Diluted	\$ 50	\$ 129	\$ 10	\$ 26
Denominator				
Weighted average shares outstanding - Basic	146,573	375,380	144,938	375,380
Shares to be issued on redemption of noncontrolling interests	2,750	—	—	—
Weighted average shares outstanding - Diluted	149,323	375,380	144,938	375,380
Earnings Per Share - Basic	\$ 0.35	\$ 0.35	\$ 0.07	\$ 0.07
Earnings Per Share - Diluted	\$ 0.34	\$ 0.34	\$ 0.07	\$ 0.07
	Six Months Ended March 31,			
	2026		2025	
	Class A	Class B	Class A	Class B
Numerator				
Net income (loss) attributable to Warner Music Group Corp.	\$ 103	\$ 256	\$ 78	\$ 194
Less: Net loss (income) attributable to participating securities (a)	(4)	—	(3)	—
Net income (loss) attributable to common stockholders - Basic	\$ 99	\$ 256	\$ 75	\$ 194
Less: Net loss (income) attributable to shares to be issued on redemption of noncontrolling interests	(1)	(3)	—	—
Net income (loss) attributable to common stockholders - Diluted	\$ 98	\$ 253	\$ 75	\$ 194
Denominator				
Weighted average shares outstanding - Basic	146,664	375,380	143,995	375,380
Shares to be issued on redemption of noncontrolling interests	2,750	—	—	—
Weighted average shares outstanding - Diluted	149,414	375,380	143,995	375,380
Earnings Per Share - Basic	\$ 0.68	\$ 0.68	\$ 0.52	\$ 0.52
Earnings Per Share - Diluted	\$ 0.67	\$ 0.67	\$ 0.52	\$ 0.52

(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.

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 March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
	(in millions)			
Revenue by Type				
Digital	\$ 975	\$ 841	\$ 1,951	\$ 1,714
Physical	137	112	289	278
Total digital and physical	1,112	953	2,240	1,992
Artist services and expanded-rights	164	117	395	313
Licensing	104	105	225	215
Total Recorded Music	1,380	1,175	2,860	2,520
Performance	58	53	122	109
Digital	224	188	439	395
Mechanical	17	16	35	30
Synchronization	50	49	110	88
Other	4	4	9	11
Total Music Publishing	353	310	715	633
Intersegment eliminations	(1)	(1)	(3)	(3)
Total revenues	\$ 1,732	\$ 1,484	\$ 3,572	\$ 3,150
Revenue by geographical location				
U.S. Recorded Music	\$ 565	\$ 497	\$ 1,142	\$ 1,029
U.S. Music Publishing	178	161	368	334
Total U.S.	743	658	1,510	1,363
International Recorded Music	815	678	1,718	1,491
International Music Publishing	175	149	347	299
Total international	990	827	2,065	1,790
Intersegment eliminations	(1)	(1)	(3)	(3)
Total revenues	\$ 1,732	\$ 1,484	\$ 3,572	\$ 3,150

Sales Returns and Uncollectible Accounts

Based on management's analysis of sales returns, refund liabilities of \$16 million and \$17 million were established at March 31, 2026 and September 30, 2025, respectively.

Based on management's analysis of estimated credit losses, reserves of \$28 million and \$27 million were established at March 31, 2026 and September 30, 2025, respectively.

Deferred Revenue

Deferred revenue increased by \$540 million during the six months ended March 31, 2026 related to cash received from customers for fixed fees and minimum guarantees in advance of performance, including amounts recognized in the period. Revenues of \$186 million were recognized during the six months ended March 31, 2026 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 March 31, 2026 and March 31, 2025, the Company recognized revenue of \$20 million and \$17 million, respectively, from performance obligations satisfied in previous periods. For the six months ended March 31, 2026 and March 31, 2025, the Company recognized revenue of \$38 million and \$57 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 March 31, 2026 are as follows:

	Rest of FY26	FY27	FY28	Thereafter	Total
	(in millions)				
Remaining performance obligations	\$ 270	\$ 399	\$ 171	\$ 43	\$ 883
Total	<u>\$ 270</u>	<u>\$ 399</u>	<u>\$ 171</u>	<u>\$ 43</u>	<u>\$ 883</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	(45)	—	(45)
Balances at March 31, 2025	<u>\$ (289)</u>	<u>\$ (3)</u>	<u>\$ (292)</u>
Balances at September 30, 2025	\$ (188)	\$ (1)	\$ (189)
Other comprehensive loss	(36)	—	(36)
Balances at March 31, 2026	<u>\$ (224)</u>	<u>\$ (1)</u>	<u>\$ (225)</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	4	—	4
Other adjustments (a)	(11)	—	(11)
Balances at March 31, 2026	<u>\$ 1,590</u>	<u>\$ 464</u>	<u>\$ 2,054</u>

(a) Other adjustments during the six months ended March 31, 2026 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	March 31, 2026	September 30, 2025
(in millions)			
Intangible assets subject to amortization:			
Recorded music catalog	14 years	\$ 2,216	\$ 1,799
Music publishing copyrights	23 years	2,769	2,692
Artist and songwriter contracts	13 years	1,127	1,137
Trademarks	16 years	30	29
Other intangible assets	6 years	55	58
Total gross intangible assets subject to amortization		6,197	5,715
Accumulated amortization		(3,096)	(2,990)
Total net intangible assets subject to amortization		3,101	2,725
Intangible assets not subject to amortization:			
Trademarks and tradenames	Indefinite	153	154
Total net intangible assets		\$ 3,254	\$ 2,879

The increase in net intangible assets during the six months ended March 31, 2026 is primarily related to the acquisitions of recorded music catalogs and music publishing copyrights for approximately \$401 million through the Beethoven joint venture. See Note 7 and Note 11 for additional information regarding the structure and activities of the joint venture.

7. Debt

Debt Capitalization

As of March 31, 2026, our long-term debt consists of the following:

	March 31, 2026	September 30, 2025
(in millions)		
Revolving Credit Facility (a)	\$ —	\$ —
Senior Term Loan A Facility due 2031 (b)	1,295	—
Senior Term Loan B Facility due 2031 (b)	—	1,295
2.750% Senior Secured Notes due 2028	372	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	509	522
3.000% Senior Secured Notes due 2031	800	800
Mortgage Term Loan due 2033	17	17
Total debt, including the current portion	4,068	4,090
Premium less unamortized discount and unamortized DFCs	(22)	(27)
Total Acquisition Corp. long-term debt, including the current portion, net	\$ 4,046	\$ 4,063
Beethoven Credit Agreement (c)	370	—
Tempo Asset-Based Notes due 2050 (d)	311	311
Unamortized discount	(8)	(9)
Total other long-term debt, including the current portion, net	\$ 673	\$ 302
Total long-term debt, including the current portion, net	\$ 4,719	\$ 4,365

(a) Reflects \$350 million of commitments under the Revolving Credit Facility with no letters of credit outstanding at March 31, 2026 and September 30, 2025. There were no loans outstanding under the Revolving Credit Facility as of March 31, 2026 and September 30, 2025.

(b) On March 11, 2026, Acquisition Corp. borrowed all of the Term Loan A Facility to repay all of the outstanding loans under the Term Loan B Facility.

- (c) Reflects \$500 million of commitments under the Beethoven Credit Agreement with the ability, subject to the consent of the Lenders (as defined below), to increase the size of the facility to \$700 million. There were \$370 million in loans outstanding under the Beethoven Credit Agreement at March 31, 2026. 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.
- (d) 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 term loan A facility and a \$350 million revolving facility, pursuant to an amended and restated credit agreement dated March 11, 2026 (the “Credit Agreement”), with JPMorgan Chase Bank NA, as administrative agent, and the other financial institutions and lenders from time to time party thereto. Additionally, as of March 31, 2026, 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. 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 Agreement for the Acquisition Corp. credit facilities, including the Revolving Credit Facility (as defined below) and the Tranche A Term Loans (as defined below).

The Company was in compliance with its covenants under its outstanding notes, the Revolving Credit Facility and the Tranche A Term Loans as of March 31, 2026.

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 March 31, 2026, 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 \$370 million of loans outstanding under the Beethoven Credit Agreement at March 31, 2026. As of March 31, 2026, the Initial Borrower is in compliance with the covenants under the Beethoven Credit Agreement. On May 5, 2026, the Lenders, pursuant to an amendment to the Beethoven Credit Agreement (the “Credit Agreement Amendment”) agreed to increase the aggregate commitments under the Beethoven Credit Agreement from \$500 million to \$750 million. The Credit Agreement Amendment also provides that, subject to the consent of the Lenders, the Borrowers may further increase the size of the facility up to an aggregate commitment of \$950 million.

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.

Fiscal 2026 Transactions

March 2026 Credit Agreement Amendment

On March 11, 2026, Acquisition Corp. entered into the Credit Agreement among Acquisition Corp., as borrower, the guarantors party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and the other financial institutions and lenders from time to time party thereto. The Credit Agreement amends and restates in its entirety the Credit Agreement, dated as of November 1, 2012, among Acquisition Corp., JPMorgan Chase Bank, N.A., as administrative agent and the lenders party thereto, and incorporates, as amended and restated, the revolving credit facility provided under the Credit Agreement, dated as of January 31, 2018, among Acquisition Corp., JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto.

The Credit Agreement provides for a \$350 million revolving credit facility (the “Revolving Credit Facility”) and a \$1,295 million term loan A facility (the “Tranche A Term Loans”). Subject to certain conditions, Acquisition Corp. may obtain increases in the commitments under the Revolving Credit Facility and incur incremental term loans. As of March 31, 2026, Acquisition Corp. had borrowed all of the Tranche A Term Loans to repay Acquisition Corp.’s term loan B facility. No amounts were drawn under the Revolving Credit Facility as of March 31, 2026.

In connection with the Credit Agreement, the Company recorded a loss on extinguishment of debt of approximately \$7 million for the three months ended March 31, 2026, which represents the unamortized balances of original issuance discounts and deferred financing costs. The use of proceeds from the \$1,295 million Tranche A Term Loans has been presented in the accompanying consolidated statement of cash flows. The Company recognized deferred financing costs of \$4 million associated with the amendment.

Interest Rates

The loans under the Credit Agreement bear interest at Acquisition Corp.’s election at a rate equal to (i) a forward-looking term rate based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York for the applicable interest period (“SOFR”), subject to a zero floor, plus the applicable margin, or (ii) an alternative base rate (“ABR”), 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) one-month Term SOFR (as defined in the Credit Agreement) plus 1.0% per annum, in each case, subject to a 1.00% floor plus the applicable margin. The applicable margin for the Tranche A Term Loans range from 1.250% to 1.625% per annum for SOFR loans and from 0.250% to 0.625% per annum for ABR loans, in each case based upon Acquisition Corp.’s issuer credit ratings. The applicable margin for borrowings under the Revolving Credit Facility ranges from 1.125% to 1.750% per annum for SOFR loans and 0.125% to 0.750% per annum for ABR loans, in each case based upon Acquisition Corp.’s issuer credit ratings.

Based on the Applicable Debt Rating of BBB- at March 31, 2026, the applicable margin for SOFR loans and risk-free rate loans would be 1.250% instead of 1.750% and the applicable margin for ABR loans would be 0.250% instead of 0.750% in the case of Initial Revolving Loans, and the applicable margin for SOFR loans and risk-free rate loans would be 1.375% instead of 1.625% and the applicable margin for ABR loans would be 0.375% instead of 0.625% in the case of the Tranche A Term Loan. 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 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 March 31, 2026, there are no interest rate swaps outstanding.

Maturity of Tranche A Term Loans

The loans outstanding under the Tranche A Term Loans mature on March 11, 2031.

Maturity of Revolving Credit Facility

The maturity date of the Revolving Credit Facility is March 11, 2031.

Maturities of Senior Secured Notes

As of March 31, 2026, there are no scheduled maturities of notes until 2028, when \$372 million is scheduled to mature. Thereafter, \$2.384 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 \$41 million and \$39 million for the three months ended March 31, 2026 and 2025, respectively, and \$86 million and \$76 million for the six months ended March 31, 2026 and 2025, respectively. Interest expense, net includes interest expense related to our outstanding indebtedness of \$44 million for both the three months ended March 31, 2026 and 2025, and \$90 million and \$87 million for the six months ended March 31, 2026 and 2025, respectively. The weighted-average interest rate of the Company's total debt was 4.0% at March 31, 2026, 4.1% at September 30, 2025, and 4.1% at March 31, 2025.

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 March 31, 2026, total severance and other termination costs recorded in connection with the 2025 Strategic Restructuring Plan were \$5 million, all of which was recognized in our Recorded Music segment. For the six months ended March 31, 2026, total severance and other termination costs recorded in connection with the 2025 Strategic Restructuring Plan were \$30 million, of which \$18 million of expense was recognized in our Recorded Music segment and \$12 million was recognized in Corporate. As of March 31, 2026, total cumulative restructuring and impairment charges recognized in connection with the 2025 Strategic Restructuring Plan were \$148 million with \$98 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 \$120 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 six months ended March 31, 2026 in the restructuring accrual associated with the 2025 Restructuring Plan included within accrued liabilities in the accompanying consolidated balance sheets:

	<u>Severance Costs</u> <u>(in millions)</u>
Balance at September 30, 2025	\$ 85
Restructuring charges	30
Cash payments	(61)
Balance at March 31, 2026	<u>\$ 54</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 March 31, 2026, total cumulative restructuring and impairment charges recognized in connection with the 2024 Strategic Restructuring Plan were \$215 million with \$206 million of costs recognized in our Recorded Music segment and \$9 million recognized in Corporate. These costs are composed of \$133 million of severance and other contract termination costs, of which \$7 million was non-cash, and \$82 million of non-cash impairment charges. There was a \$1 million benefit recognized for the three and six months ended March 31, 2026 related to the 2024 Strategic Restructuring Plan.

The below table sets forth the activity for the six months ended March 31, 2026 in the restructuring accrual associated with the 2024 Strategic Restructuring Plan included within accrued liabilities in the accompanying condensed consolidated balance sheets.

	<u>Severance Costs</u>	<u>Contract Termination</u> <u>Costs</u>	<u>Total</u>
	<u>(in millions)</u>		
Balance at September 30, 2025	\$ 23	\$ 7	\$ 30
Restructuring charges	(1)	—	(1)
Cash payments	(16)	(4)	(20)
Balance at March 31, 2026	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ 9</u>

Other Impairments

For the three and six months ended March 31, 2026, the Company recognized an impairment charge of \$2 million and \$11 million, respectively, 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 \$12 million and \$14 million of non-cash stock-based compensation expense for the three months ended March 31, 2026 and 2025, respectively, all of which was recorded to additional paid-in capital. The Company recognized \$31 million and \$27 million of non-cash stock-based compensation expense for the six months ended March 31, 2026 and 2025, respectively, all of which was recorded to additional paid-in capital.

Common Stock

During the three and six months ended March 31, 2026, the Company satisfied the vesting of PSUs and RSUs by issuing 839,801 and 999,381 shares, respectively, 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 and six months ended March 31, 2026 and 2025:

Share Repurchase Type	Three Months Ended March 31,		Six Months Ended March 31,	
	2026	2025	2026	2025
Number of shares repurchased	750,500	—	1,670,500	60,383
Amount (in millions)	\$ 22	\$ —	\$ 48	\$ 2

11. Redeemable Noncontrolling Interest

As of March 31, 2026, 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%, subject to certain adjustments, 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 holder's interest for a price negotiated with the noncontrolling interest holder or otherwise determined by an independent fair market valuation, subject to certain adjustments, 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 greater of the current estimated redemption value or carrying value at the end of each reporting period, with changes recognized as adjustments to retained earnings. The Company recognized \$133 million as the redeemable noncontrolling interest balance as of March 31, 2026.

In the second quarter of fiscal year 2026, the Company sold recorded music catalog rights to Beethoven for consideration of \$233 million, receiving \$182 million of cash in return, net of the Company's portion of contributions to the joint venture for the acquisition. Given the Company consolidates Beethoven, no gain was recognized, and the cash received is recognized as contributions from redeemable noncontrolling interest holder and issuance of debt under the Beethoven Credit Facility.

12. Income Taxes

For the three and six months ended March 31, 2026, the Company recorded an income tax expense of \$73 million and \$144 million, respectively. The income tax expense for the three and six months ended March 31, 2026 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, taxable gain on contribution to Beethoven JV, and non-deductible executive compensation under IRC Section 162(m). These charges were partially offset by tax benefit associated with partial release of valuation allowance on EMP.

For the three and six months ended March 31, 2025, the Company recorded an income tax expense of \$29 million and \$118 million, respectively. The income tax expense for the three and six months ended March 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 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 March 31, 2026 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 for 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 March 31, 2026, the Company had outstanding foreign currency forward exchange contracts for the sale of \$591 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 realized pre-tax losses of \$2 million and unrealized pre-tax gains of \$2 million related to its foreign currency forward exchange contracts in the condensed consolidated statement of operations as other expense for the six months ended March 31, 2026. The Company recorded realized pre-tax gains of \$7 million and unrealized pre-tax gains of \$3 million related to its foreign currency forward exchange contracts in the condensed consolidated statement of operations as other expense for the six months ended March 31, 2025.

The following is a summary of amounts recorded in the consolidated balance sheets pertaining to the Company's derivative instruments at March 31, 2026 and September 30, 2025:

	March 31, 2026	September 30, 2025
	(in millions)	
<i>Other Current Assets:</i>		
Foreign currency forward exchange contracts (a)	\$ 3	\$ —
<i>Other Current Liabilities:</i>		
Foreign currency forward exchange contracts (a)	\$ (2)	\$ (3)

(a) For March 31, 2026 includes \$13 million and \$12 million of foreign exchange derivative contracts in asset and liability positions, respectively, which net to \$3 million of current assets and \$2 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)			
March 31, 2026				
Revenues	\$ 1,380	\$ 353	\$ (1)	\$ 1,732
Cost of revenue	707	224	(1)	930
Selling and marketing expense	159	1	7	167
Distribution expense	30	—	—	30
General and administrative expense	153	32	78	263
Restructuring & Impairment	6	—	—	6
Amortization expense	37	35	—	72
Net loss on divestitures	—	—	—	—
Operating income (loss)	\$ 288	\$ 61	\$ (85)	\$ 264
Loss on extinguishment of debt				7
Interest expense, net				41
Other expense, net				(38)
Income before income taxes				254
Depreciation expense (a)	10	—	21	31
March 31, 2025				
Revenues	\$ 1,175	\$ 310	\$ (1)	\$ 1,484
Cost of revenue	599	194	(2)	791
Selling and marketing expense	149	1	7	157
Distribution expense	17	—	—	17

General and administrative expense	161	34	81	276
Restructuring & Impairment	13	—	—	13
Amortization expense	33	29	—	62
Operating income (loss)	\$ 203	\$ 52	\$ (87)	\$ 168
Interest expense, net				39
Other expense, net				64
Income before income taxes				65
Depreciation expense (a)	13	2	13	28

	Recorded Music	Music Publishing	Corporate expenses and eliminations	Total
Six Months Ended	(in millions)			
March 31, 2026				
Revenues	\$ 2,860	\$ 715	\$ (3)	\$ 3,572
Cost of revenue	1,467	452	(2)	1,917
Selling and marketing expense	309	2	11	322
Distribution expense	61	—	—	61
General and administrative expense	307	66	162	535
Restructuring & Impairment	28	—	12	40
Amortization expense	71	69	—	140
Net loss on divestitures	—	—	5	5
Operating income (loss)	\$ 617	\$ 126	\$ (191)	\$ 552
Loss on extinguishment of debt				7
Interest expense, net				86
Other expense, net				(41)
Income before income taxes				500
Depreciation expense (a)	22	1	39	62
March 31, 2025				
Revenues	\$ 2,520	\$ 633	\$ (3)	\$ 3,150
Cost of revenue	1,285	404	(4)	1,685
Selling and marketing expense	300	2	13	315
Distribution expense	49	—	—	49
General and administrative expense	341	65	154	560
Restructuring & Impairment	41	—	(1)	40
Amortization expense	63	55	1	119
Operating income (loss)	\$ 441	\$ 107	\$ (166)	\$ 382
Interest expense, net				76
Other expense, net				(89)
Income before income taxes				395
Depreciation expense (a)	28	3	26	57

(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 \$54 million and \$53 million during the three months ended March 31, 2026 and 2025, respectively, and approximately \$92 million and \$71 million during the six months ended March 31, 2026 and 2025, respectively. The Company paid approximately \$58 million of income and withholding taxes, net of refunds, for each of the three months ended March 31, 2026 and 2025, and approximately \$126 million and \$101 million of income and withholding taxes, net of refunds, for the six months ended March 31, 2026 and 2025, respectively. Non-cash investing activities were approximately \$73 million and are primarily related to the acquisition of music publishing rights and music catalogs and the receipt of noncash consideration during the six months ended March 31, 2026 and \$34 million related to business combinations and the acquisition of music catalogs during the six months ended March 31, 2025.

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 by the end of the current fiscal year. 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 and six months ended March 31, 2026, the Company recognized an impairment charge of \$2 million and \$11 million, respectively, 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 March 31, 2026 are as follows:

	March 31, 2026		September 30, 2025	
	(in millions)		(in millions)	
Cash	\$	4	\$	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	\$	68	\$	89
Accounts payable and accrued liabilities	\$	26	\$	34
Other liabilities		12		15
Liabilities of business held for sale	\$	38	\$	49

Net Gain (Loss) on Divestitures

The Company recognized a pre-tax loss of \$5 million during the six months ended March 31, 2026 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 six months ended March 31, 2025 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 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 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, which was paid to stockholders on March 3, 2026. The Company paid an aggregate of approximately \$100 million and \$200 million, or \$0.19 and \$0.38 per share, in cash dividends to stockholders and participating security holders for the three and six months ended March 31, 2026, respectively.

On May 7, 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 June 2, 2026, to stockholders of record as of the close of business on May 26, 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 March 31, 2026 and September 30, 2025.

	Fair Value Measurements as of March 31, 2026			
	(Level 1)	(Level 2)	(Level 3)	Total
	(in millions)			
<i>Other Current Assets:</i>				
Foreign currency forward exchange contracts (a)	\$ —	\$ 3	\$ —	\$ 3
<i>Other current liabilities:</i>				
Foreign currency forward exchange contracts (a)	\$ —	\$ (2)	\$ —	\$ (2)
<i>Other noncurrent assets:</i>				
Equity investments with readily determinable fair value (b)	\$ 7	\$ —	\$ —	\$ 7
	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 and six months ended March 31, 2026 and recorded approximately \$2 million and \$3 million of impairment charges on these investments during the three and six months ended March 31, 2025, respectively. In addition, there were no observable price changes events that were completed during the three and six months ended March 31, 2026 and 2025.

Fair Value of Debt

Based on the level of interest rates prevailing at March 31, 2026, the fair value of the Company's debt was \$4.574 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 March 31, 2026 (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 and six months ended March 31, 2026 and March 31, 2025. 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 six months ended March 31, 2026 and March 31, 2025, as well as a discussion of our financial condition and liquidity as of March 31, 2026. 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 March 31, 2026, total severance and other termination costs recorded in connection with the 2025 Strategic Restructuring Plan were \$5 million, all of which was recognized in our Recorded Music segment. For the six months ended March 31, 2026, total severance and other termination costs recorded in connection with the 2025 Strategic Restructuring Plan were \$30 million, of which \$18 million of expense was recognized in our Recorded Music segment and \$12 million was recognized in Corporate. As of March 31, 2026, total cumulative restructuring and impairment charges recognized in connection with the 2025 Strategic Restructuring Plan were \$148 million with \$98 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 \$120 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 transformation 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 March 31, 2026, total cumulative restructuring and impairment charges recognized in connection with the 2024 Strategic Restructuring Plan were \$215 million with \$206 million of costs recognized in our Recorded Music segment and \$9 million recognized in Corporate. These costs are composed of \$133 million of severance and other contract termination costs, of which \$7 million was non-cash, and \$82 million of non-cash impairment charges. There was a \$1 million benefit recognized for the three and six months ended March 31, 2026 related to the 2024 Strategic Restructuring Plan.

Other Impairments

For the three and six months ended March 31, 2026, the Company recognized an impairment charge of \$2 million and \$11 million, respectively, 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 March 31, 2026 Compared with Three Months Ended March 31, 2025

Consolidated Results

Revenues

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

	For the Three Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Revenue by Type				
Digital	\$ 975	\$ 841	\$ 134	16 %
Physical	137	112	25	22 %
Total digital and physical	1,112	953	159	17 %
Artist services and expanded-rights	164	117	47	40 %
Licensing	104	105	(1)	-1 %
Total Recorded Music	1,380	1,175	205	17 %
Performance	58	53	5	9 %
Digital	224	188	36	19 %
Mechanical	17	16	1	6 %
Synchronization	50	49	1	2 %
Other	4	4	—	— %
Total Music Publishing	353	310	43	14 %
Intersegment eliminations	(1)	(1)	—	— %
Total revenues	\$ 1,732	\$ 1,484	\$ 248	17 %
Revenue by Geographical Location				
U.S. Recorded Music	\$ 565	\$ 497	\$ 68	14 %
U.S. Music Publishing	178	161	17	11 %
Total U.S.	743	658	85	13 %
International Recorded Music	815	678	137	20 %
International Music Publishing	175	149	26	17 %
Total international	990	827	163	20 %
Intersegment eliminations	(1)	(1)	—	— %
Total revenues	\$ 1,732	\$ 1,484	\$ 248	17 %

Total Revenues

Total revenues increased by \$248 million, or 17%, to \$1,732 million for the three months ended March 31, 2026 from \$1,484 million for the three months ended March 31, 2025. Revenue growth was impacted by a digital revenue settlement of \$11 million 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. Adjusted for these items, total revenues increased by \$265 million, or 18%, which includes \$61 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 March 31, 2026, respectively, and 79% and 21% of total revenue for the three months ended March 31, 2025, respectively. Prior to intersegment eliminations, U.S. and international revenues represented 43% and 57% of total revenues for the three months ended March 31, 2026 and 44% and 56% of total revenues for the three months ended March 31, 2025.

Total digital revenues after intersegment eliminations increased by \$172 million, or 17%, to \$1,199 million for the three months ended March 31, 2026 from \$1,027 million for the three months ended March 31, 2025. Total streaming revenue increased by \$173 million, driven by growth in Recorded Music and Music Publishing. Total streaming revenue includes \$38 million of favorable currency exchange fluctuations. Prior to intersegment eliminations, total digital revenues for the three months ended March 31, 2026 were composed of U.S. revenues of \$537 million and international revenues of \$662 million, or 45% and 55% of total digital revenues, respectively. Prior to intersegment eliminations, total digital revenues for the three months ended March 31, 2025 were composed of U.S. revenues of \$490 million and international revenues of \$539 million, or 48% and 52% of total digital revenues, respectively.

Recorded Music revenues increased by \$205 million, or 17%, to \$1,380 million for the three months ended March 31, 2026 from \$1,175 million for the three months ended March 31, 2025. The increase includes \$50 million of favorable currency exchange fluctuations. U.S. Recorded Music revenues were \$565 million and \$497 million, or 41% and 42% of consolidated Recorded Music revenues for each of the three months ended March 31, 2026 and March 31, 2025, respectively. International Recorded Music revenues were \$815 million and \$678 million, or 59% and 58%, of consolidated Recorded Music revenues for each of the three months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Recorded Music revenue was driven by increases in digital, artist services and expanded-rights and physical revenues, partially offset by a decrease in licensing revenue. Digital revenue increased by \$134 million, or 16%, which includes a favorable impact of currency exchange fluctuations of \$34 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 \$136 million, or 16%, to \$961 million for the three months ended March 31, 2026 from \$825 million for the three months ended March 31, 2025. Adjusted for the impacts of the DSP True-Up and Settlement Payments and the BMG Termination in the prior-year quarter, Recorded Music streaming revenue increased \$153 million, or 19%, to \$961 million for the three months ended March 31, 2026 from \$808 million for the three months ended March 31, 2025. Download and other digital revenues decreased by \$2 million, or 13%, to \$14 million for the three months ended March 31, 2026 from \$16 million for the three months ended March 31, 2025. Artist services and expanded-rights revenue increased by \$47 million, or 40%, due to higher concert promotion revenue primarily in France, higher merchandising revenue, and a favorable impact of foreign currency exchange rates of \$6 million. Physical revenue increased by \$25 million, or 22%, primarily driven by strong releases in the quarter as well as catalog and carryover success, and a favorable impact of foreign currency exchange rates of \$4 million. Licensing revenue decreased by \$1 million, or 1%. Top sellers in the quarter included Bruno Mars, Alex Warren, sombr, Ed Sheeran and Melanie Martinez.

Music Publishing revenues increased by \$43 million, or 14%, to \$353 million for the three months ended March 31, 2026 from \$310 million for the three months ended March 31, 2025. U.S. Music Publishing revenues were \$178 million and \$161 million, or 50% and 52% of consolidated Music Publishing revenues, for the three months ended March 31, 2026 and March 31, 2025, respectively. International Music Publishing revenues were \$175 million and \$149 million, or 50% and 48% of consolidated Music Publishing revenues, for the three months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Music Publishing revenue was driven by increases in digital, performance, synchronization, and mechanical revenues. Digital revenue increased by \$36 million, or 19%, driven by an increase in streaming revenue. Revenue from streaming services grew by \$37 million, or 20%, to \$222 million for the three months ended March 31, 2026 from \$185 million for the three months ended March 31, 2025, driven by the impact of new deals and renewals, continued market growth and a favorable impact of foreign currency exchange rates of \$6 million. Performance revenue increased by \$5 million, or 9%, driven by growth from touring and live events primarily in Europe, and a favorable impact of foreign currency exchange rates of \$3 million. Synchronization revenue increased by \$1 million, or 2%, attributable to a favorable impact of foreign currency exchange rates of \$2 million. Mechanical revenue increased by \$1 million, or 6%, driven by the timing of distributions.

Revenue by Geographical Location

U.S. revenue increased by \$85 million, or 13%, to \$743 million for the three months ended March 31, 2026 from \$658 million for the three months ended March 31, 2025. U.S. Recorded Music revenue increased by \$68 million, or 14%. U.S. Recorded Music digital revenue increased by \$29 million, or 8%, driven by higher streaming revenue of \$31 million, or 8%, including the impact of the BMG Termination in the prior-year quarter. U.S. Recorded Music licensing revenue increased by \$2 million, or 5%, driven by higher copyright infringement settlements. U.S. Recorded Music physical revenue increased \$23 million, or 43%, driven by strong releases in the quarter as well as catalog and carryover success. U.S. Recorded Music artist services and expanded-rights revenues increased by \$14 million, or 61%, driven by higher merchandising revenue. U.S. Music Publishing revenue increased by \$17 million, or 11%, to \$178 million for the three months ended March 31, 2026 from \$161 million for the three months ended March 31, 2025. U.S. Music Publishing digital revenue increased by \$18 million, or 17%, attributable to higher streaming revenue of \$19 million, or 18%. U.S. Music Publishing synchronization revenue increased by \$3 million, or 10%, driven by timing of certain copyright infringement settlements and the impact of acquisitions. U.S. Music Publishing performance decreased by \$3 million, or 16%, and mechanical revenue decreased by \$1 million driven by the timing of distributions.

International revenue increased by \$163 million, or 20%, to \$990 million for the three months ended March 31, 2026 from \$827 million for the three months ended March 31, 2025. Excluding the favorable impact of foreign currency exchange rates of \$62 million, International revenue increased by \$101 million, or 11%. International Recorded Music revenue increased by \$137 million, which includes a favorable impact of foreign currency exchange rates of \$50 million, driven by growth across digital, artist services and expanded rights and physical revenues, partially offset by a decrease in licensing revenue. International Recorded Music digital revenue increased by \$105 million, attributable to higher streaming revenue of \$105 million, or 23%, which includes the impacts of the DSP True-Up and Settlement Payments and the BMG Termination in the prior-year quarter, and a favorable impact of foreign currency exchange rates of \$32 million. International Recorded Music artist services and expanded-rights revenue increased by \$33 million, or 35%, driven by higher concert promotion revenue primarily in France, and the favorable impact of foreign currency exchange rates of \$6 million. International Recorded Music physical revenue increased by \$2 million driven by the favorable impact of foreign currency exchange rates of \$4 million. These increases were partially offset by a decrease in licensing revenue of \$3 million, or 4%. International Music Publishing revenue increased by \$26 million, or 17%, to \$175 million for the three months ended March 31, 2026 from \$149 million for the three months ended March 31, 2025. International Music Publishing revenue growth was driven by increases in digital revenue of \$18 million due to growth in streaming, performance revenue of \$8 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 decreased by \$2 million, or 10%.

Cost of revenues

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

	For the Three Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Artist and repertoire costs	\$ 617	\$ 531	\$ 86	16 %
Product costs	313	260	53	20 %
Total cost of revenues	\$ 930	\$ 791	\$ 139	18 %

Artist and repertoire costs increased by \$86 million, to \$617 million for the three months ended March 31, 2026 from \$531 million for the three months ended March 31, 2025. Artist and repertoire costs as a percentage of revenue remained constant at 36% for each of the three months ended March 31, 2026 and March 31, 2025.

Product costs increased by \$53 million, to \$313 million for the three months ended March 31, 2026 from \$260 million for the three months ended March 31, 2025. Product costs as a percentage of revenue remained constant at 18% for each of the three months ended March 31, 2026 and March 31, 2025.

Selling, general and administrative expenses

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

	For the Three Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
General and administrative expense (1)	\$ 263	\$ 276	\$ (13)	-5 %
Selling and marketing expense	167	157	10	6 %
Distribution expense	30	17	13	76 %
Total selling, general and administrative expense	\$ 460	\$ 450	\$ 10	2 %

(1) Includes depreciation expense of \$31 million and \$28 million for the three months ended March 31, 2026 and March 31, 2025, respectively.

Total selling, general and administrative expense increased by \$10 million, to \$460 million for the three months ended March 31, 2026 from \$450 million for the three months ended March 31, 2025, primarily driven by unfavorable movements in foreign currency exchange rates of \$12 million. Expressed as a percentage of revenue, total selling, general and administrative expense decreased to 27% for the three months ended March 31, 2026 from 30% for the three months ended March 31, 2025 due to the factors noted below.

General and administrative expense decreased by \$13 million to \$263 million for the three months ended March 31, 2026 from \$276 million for the three months ended March 31, 2025. 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 \$3 million due to the core financials component of our new technology platform being placed into service. Expressed as a percentage of revenue, general and administrative expense decreased to 15% for the three months ended March 31, 2026 compared to 19% for the three months ended March 31, 2025.

Selling and marketing expense increased by \$10 million, or 6%, to \$167 million for the three months ended March 31, 2026 from \$157 million for the three months ended March 31, 2025. Expressed as a percentage of revenue, selling and marketing expense decreased to 10% for the three months ended March 31, 2026 from 11% for the three months ended March 31, 2025 due to savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business, partially offset by higher marketing and advertising spend for key releases.

Distribution expense increased by \$13 million to \$30 million for the three months ended March 31, 2026 from \$17 million for the three months ended March 31, 2025. Expressed as a percentage of revenue, distribution expense increased to 2% for the three months ended March 31, 2026 compared to 1% for the three months ended March 31, 2025, driven by higher physical and merchandising revenues.

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 March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Net income attributable to Warner Music Group Corp.	\$ 183	\$ 36	\$ 147	— %
Income attributable to noncontrolling interest	(2)	—	(2)	— %
Net income	181	36	145	— %
Income tax expense	73	29	44	— %
Net income before income taxes	254	65	189	— %
Other (income) expense	(38)	64	(102)	— %
Interest expense, net	41	39	2	5 %
Loss on extinguishment of debt	7	—	7	— %
Operating income	264	168	96	57 %
Amortization expense	72	62	10	16 %
Depreciation expense	31	28	3	11 %
Restructuring and impairments	6	13	(7)	(54)%
Transformation initiative costs	12	18	(6)	(33)%
Non-cash stock-based compensation and other related costs	12	14	(2)	(14)%
Adjusted OIBDA	\$ 397	\$ 303	\$ 94	31 %

Adjusted OIBDA

Adjusted OIBDA increased by \$94 million to \$397 million for the three months ended March 31, 2026 from \$303 million for the three months ended March 31, 2025, driven by the impact of the DSP True-Up and Settlement Payments of \$7 million and the BMG Termination of \$1 million in the prior-year quarter, as well as revenue mix and savings from the Company's restructuring plans, a portion of which has been reinvested in the Company's business, partially offset by unfavorable movements in foreign currency exchange rates of approximately \$13 million. Expressed as a percentage of total revenue, Adjusted OIBDA margin increased to 23% for the three months ended March 31, 2026 from 20% for the three months ended March 31, 2025.

Non-cash stock-based compensation and other related costs

Our non-cash stock-based compensation and other related costs decreased by \$2 million to \$12 million for the three months ended March 31, 2026 from \$14 million for the three months ended March 31, 2025.

Transformation initiative costs

Our transformation initiative costs, which include costs associated with our finance transformation, decreased by \$6 million to \$12 million for the three months ended March 31, 2026 from \$18 million for the three months ended March 31, 2025.

Restructuring and Impairments

Our restructuring and impairment charges decreased to \$6 million for the three months ended March 31, 2026 from \$13 million for the three months ended March 31, 2025. The three months ended March 31, 2026 includes an impairment charge of \$2 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 \$3 million to \$31 million for the three months ended March 31, 2026 from \$28 million for the three months ended March 31, 2025. 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 \$10 million, to \$72 million for the three months ended March 31, 2026 from \$62 million for the three months ended March 31, 2025. 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 \$96 million to \$264 million for the three months ended March 31, 2026 from \$168 million for the three months ended March 31, 2025, primarily due to the factors impacting Adjusted OIBDA described above and a decrease in restructuring and impairment charges of \$7 million. The increase in operating income was partially offset by higher amortization expenses of \$10 million for the three months ended March 31, 2026.

Loss on extinguishment of debt

We recorded a loss on extinguishment of debt in the amount of \$7 million for the three months ended March 31, 2026, which represents the unamortized balances of original issuance discounts and deferred financing costs in connection with the refinancing of our Tranche B Term Loans. There was no loss on extinguishment of debt for the three months ended March 31, 2025.

Interest expense, net

Our interest expense, net, increased to \$41 million for the three months ended March 31, 2026 from \$39 million for the three months ended March 31, 2025 due to incremental debt related to the Tempo Asset-Based Notes acquired in connection with the acquisition of Tempo Music in the prior year as well as incremental debt related to the Beethoven Credit Agreement in the quarter, partially offset by lower interest rates on variable rate debt in the quarter.

Other (income) expense

Other income for the three months ended March 31, 2026 primarily includes foreign currency gains on our Euro-denominated debt of \$22 million and a currency exchange gain on intercompany loans of \$12 million. This compares to foreign currency losses on our Euro-denominated debt of \$34 million, currency exchange losses on our intercompany loans of \$27 million, and realized and unrealized losses on hedging activity of \$6 million for the three months ended March 31, 2025.

Income tax expense

Our income tax expense increased by \$44 million to \$73 million for the three months ended March 31, 2026 from \$29 million for the three months ended March 31, 2025. The increase of \$44 million in income tax expense is primarily due to an increase in pre-tax income in the quarter and a taxable gain on the Company's sale of certain recorded music catalog rights to Beethoven JV, partially offset by the tax benefit associated with partial release of valuation allowance on EMP.

Net income

Net income increased by \$145 million to \$181 million for the three months ended March 31, 2026 from \$36 million for the three months ended March 31, 2025 as a result of the factors described above.

Noncontrolling interest

There was income attributable to noncontrolling interest of \$2 million during the three months ended March 31, 2026. There was no loss or income attributable to noncontrolling interest for the three months ended March 31, 2025.

Business Segment Results

Results by business segment were as follows (in millions):

	For the Three Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Recorded Music				
Revenues	\$ 1,380	\$ 1,175	\$ 205	17 %
Operating income	288	203	85	42 %
Depreciation and amortization expense	47	46	1	2 %
Restructuring and impairments	6	13	(7)	-54 %
Non-cash stock-based compensation and other related costs	5	8	(3)	-38 %
Adjusted OIBDA	346	270	76	28 %
Music Publishing				
Revenues	353	310	43	14 %
Operating income (loss)	61	52	9	17 %
Depreciation and amortization expense	35	31	4	13 %
Non-cash stock-based compensation and other related costs	1	2	(1)	-50 %
Adjusted OIBDA	97	85	12	14 %
Corporate expenses and eliminations				
Revenue eliminations	(1)	(1)	—	— %
Operating loss	(85)	(87)	2	-2 %
Depreciation and amortization expense	21	13	8	62 %
Transformation initiatives and other related costs	12	18	(6)	-33 %
Non-cash stock-based compensation and other related costs	6	4	2	50 %
Adjusted OIBDA loss	(46)	(52)	6	-12 %
Total				
Revenues	1,732	1,484	248	17 %
Operating income	264	168	96	57 %
Adjusted OIBDA	397	303	94	31 %

Recorded Music

Revenues

Recorded Music revenue increased by \$205 million, or 17%, to \$1,380 million for the three months ended March 31, 2026 from \$1,175 million for the three months ended March 31, 2025. U.S. Recorded Music revenues were \$565 million and \$497 million, or 41% and 42% of consolidated Recorded Music revenues, for the three months ended March 31, 2026 and March 31, 2025, respectively. International Recorded Music revenues were \$815 million and \$678 million, or 59% and 58% of consolidated Recorded Music revenues, for the three months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Recorded Music revenue was driven by higher revenue across digital, artist services and expanded-rights and physical, partially offset by a decrease in licensing 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 March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Artist and repertoire costs	\$ 394	\$ 339	\$ 55	16 %
Product costs	313	260	53	20 %
Total cost of revenues	\$ 707	\$ 599	\$ 108	18 %

Recorded Music cost of revenues increased by \$108 million, to \$707 million for the three months ended March 31, 2026 from \$599 million for the three months ended March 31, 2025. Expressed as a percentage of Recorded Music revenue, Recorded Music artist and repertoire costs remained constant at 29% for each of the three months ended March 31, 2026 and March 31, 2025. Expressed as a percentage of Recorded Music revenue, Recorded Music product costs increased to 23% for the three months ended March 31, 2026 from 22% for the three months ended March 31, 2025, 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 March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
General and administrative expense (1)	\$ 153	\$ 161	\$ (8)	-5 %
Selling and marketing expense	159	149	10	7 %
Distribution expense	30	17	13	76 %
Total selling, general and administrative expense	\$ 342	\$ 327	\$ 15	5 %

(1) Includes depreciation expense of \$10 million and \$13 million for the three months ended March 31, 2026 and March 31, 2025, respectively.

Recorded Music selling, general and administrative expense increased by \$15 million, to \$342 million for the three months ended March 31, 2026 from \$327 million for the three months ended March 31, 2025, primarily driven by unfavorable movements in foreign currency exchange rates of \$12 million. 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 increase in selling and marketing expense was driven by higher variable marketing spend for key releases. The increase in distribution expense was primarily driven by revenue mix from higher merchandising and physical revenues. Expressed as a percentage of Recorded Music revenue, Recorded Music selling, general and administrative expense decreased to 25% for the three months ended March 31, 2026 from 28% for the three months ended March 31, 2025.

Operating Income and Adjusted OIBDA

Recorded Music operating income increased by \$85 million to \$288 million for the three months ended March 31, 2026 from \$203 million for the three months ended March 31, 2025. 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 \$7 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 \$76 million to \$346 million for the three months ended March 31, 2026 from \$270 million for the three months ended March 31, 2025, largely driven by savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business, partially offset by the impact of the DSP True-Up and Settlement Payments of \$7 million and the BMG Termination of \$1 million in the prior-year quarter, as well as unfavorable movements in foreign currency exchange rates of approximately \$9 million. Expressed as a percentage of Recorded Music revenue, Recorded Music Adjusted OIBDA margin increased to 25% for the three months ended March 31, 2026 from 23% for the three months ended March 31, 2025 due to the factors noted above.

Music Publishing

Revenues

Music Publishing revenues increased by \$43 million, or 14%, to \$353 million for the three months ended March 31, 2026 from \$310 million for the three months ended March 31, 2025. U.S. Music Publishing revenues were \$178 million and \$161 million, or 50% and 52% of consolidated Music Publishing revenues, for the three months ended March 31, 2026 and March 31, 2025, respectively. International Music Publishing revenues were \$175 million and \$149 million, or 50% and 48% of consolidated Music Publishing revenues, for the three months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Music Publishing revenue was driven by growth in digital, performance, synchronization, 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 March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Artist and repertoire costs	\$ 224	\$ 194	\$ 30	15 %
Total cost of revenues	\$ 224	\$ 194	\$ 30	15 %

Music Publishing cost of revenues increased by \$30 million, or 16%, to \$224 million for the three months ended March 31, 2026 from \$194 million for the three months ended March 31, 2025. Expressed as a percentage of Music Publishing revenue, Music Publishing cost of revenues remained constant at 63% for each of the three months ended March 31, 2026 and March 31, 2025.

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 March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
General and administrative expense (1)	\$ 32	\$ 34	\$ (2)	-6 %
Selling and marketing expense	1	1	—	— %
Total selling, general and administrative expense	\$ 33	\$ 35	\$ (2)	-6 %

(1) Includes depreciation expense of \$2 million for the three months ended March 31, 2025. There was no depreciation expense for the three months ended March 31, 2026.

Music Publishing selling, general and administrative expense decreased by \$2 million, or 6%, to \$33 million for the three months ended March 31, 2026 from \$35 million for the three months ended March 31, 2025, primarily due to cost savings from the Company’s restructuring plans, a portion of which has been reinvested into the Company’s business. Expressed as a percentage of Music Publishing revenue, Music Publishing selling, general and administrative expense decreased to 9% for the three months ended March 31, 2026 from 11% for the three months ended March 31, 2025.

Operating Income and Adjusted OIBDA

Music Publishing operating income increased by \$9 million to \$61 million for the three months ended March 31, 2026 from \$52 million for the three months ended March 31, 2025. The increase is driven by the same factors affecting Adjusted OIBDA discussed below, as well as lower depreciation expenses of \$2 million, partially offset by an increase in amortization expense of \$6 million related to the impact of acquisitions.

Music Publishing Adjusted OIBDA increased by \$12 million, or 14%, to \$97 million for the three months ended March 31, 2026 from \$85 million for the three months ended March 31, 2025, primarily driven by revenue growth and strong operating performance, as well as savings from the Company’s restructuring plans, a portion of which has been reinvested in the Company’s business, partially offset by unfavorable movements in foreign exchange rates of approximately \$4 million. Expressed as a percentage of Music Publishing revenue, Music Publishing Adjusted OIBDA margin remained constant at 27% for each of the three months ended March 31, 2026 and March 31, 2025.

Corporate Expenses and Eliminations

Our operating loss from corporate expenses and eliminations decreased by \$2 million for the three months ended March 31, 2026 to \$85 million from \$87 million for the three months ended March 31, 2025, driven by 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 \$8 million driven by the core financials and global revenue solution components of our new technology platform being placed into service, and higher non-cash stock-based compensation and other related expenses of \$2 million.

Our Adjusted OIBDA loss from corporate expenses and eliminations decreased by \$6 million to \$46 million for the three months ended March 31, 2026 from \$52 million for the three months ended March 31, 2025, primarily due to savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business.

RESULTS OF OPERATIONS

Six Months Ended March 31, 2026 Compared with Six Months Ended March 31, 2025

Consolidated Results

Revenues

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

	For the Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Revenue by Type				
Digital	\$ 1,951	\$ 1,714	\$ 237	14 %
Physical	289	278	11	4 %
Total digital and physical	2,240	1,992	248	12 %
Artist services and expanded-rights	395	313	82	26 %
Licensing	225	215	10	5 %
Total Recorded Music	2,860	2,520	340	13 %
Performance	122	109	13	12 %
Digital	439	395	44	11 %
Mechanical	35	30	5	17 %
Synchronization	110	88	22	25 %
Other	9	11	(2)	-18 %
Total Music Publishing	715	633	82	13 %
Intersegment eliminations	(3)	(3)	—	— %
Total revenues	\$ 3,572	\$ 3,150	\$ 422	13 %
Revenue by Geographical Location				
U.S. Recorded Music	\$ 1,142	\$ 1,029	\$ 113	11 %
U.S. Music Publishing	368	334	34	10 %
Total U.S.	1,510	1,363	147	11 %
International Recorded Music	1,718	1,491	227	15 %
International Music Publishing	347	299	48	16 %
Total international	2,065	1,790	275	15 %
Intersegment eliminations	(3)	(3)	—	— %
Total revenues	\$ 3,572	\$ 3,150	\$ 422	13 %

Total Revenues

Total revenues increased by \$422 million, or 13%, to \$3,572 million for the six months ended March 31, 2026 from \$3,150 million for the six months ended March 31, 2025. Revenue growth was impacted by \$12 million of Recorded Music digital revenue from the DSP True-Up and Settlement Payments in the current year and \$4 million in the prior year. Revenue growth was also unfavorably impacted by the BMG Termination, which resulted in \$12 million lower Recorded Music streaming revenue compared to the six months ended March 31, 2025. Music Publishing revenue was impacted by \$17 million of revenue in the prior year recognized in connection with historical matched royalties that were processed to date by the Mechanical Licensing Collective (the “MLC Historical Matched Royalties”). Prior to intersegment eliminations, Recorded Music and Music Publishing revenues represented 80% and 20% of total revenues for each of the six months ended March 31, 2026 and March 31, 2025. Prior to intersegment eliminations, U.S. and international revenues represented 42% and 58% for the six months ended March 31, 2026, respectively, and 43% and 57% for the six months ended March 31, 2025, respectively.

Total digital revenues after intersegment eliminations increased by \$280 million, or 13%, to \$2,389 million for the six months ended March 31, 2026 from \$2,109 million for the six months ended March 31, 2025. Total streaming revenue increased 14% primarily driven by an increase in streaming revenue at Recorded Music. Total digital revenues remained constant at 67% of consolidated revenues for each of the six months ended March 31, 2026 and March 31, 2025. Prior to intersegment eliminations, total digital revenues for the six months ended March 31, 2026 were composed of U.S. revenues of \$1,071 million and international revenues of \$1,319 million, or 45% and 55% of total digital revenues, respectively. Prior to intersegment eliminations, total digital

revenues for the six months ended March 31, 2025 were composed of U.S. revenues of \$998 million and international revenues of \$1,111 million, or 47% and 53% of total digital revenues, respectively.

Recorded Music revenues increased by \$340 million to \$2,860 million for the six months ended March 31, 2026 compared to \$2,520 million for the six months ended March 31, 2025, which includes \$93 million of favorable currency exchange fluctuations. U.S. Recorded Music revenues were \$1,142 million and \$1,029 million, or 40% and 41% of consolidated Recorded Music revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively. International Recorded Music revenues were \$1,718 million and \$1,491 million, or 60% and 59% of consolidated Recorded Music revenues for the six months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Recorded Music revenue was driven by increases in digital, artist services and expanded-rights, physical, and licensing revenues. Digital revenue increased by \$237 million for the six months ended March 31, 2026 compared to the six months ended March 31, 2025, which includes a favorable impact of currency exchange fluctuations of \$60 million, and reflects the impacts of the DSP True-Up and Settlement Payments of \$12 million in the current year and \$4 million in the prior year, as well as the BMG Termination of \$12 million in the prior year. Revenue from streaming services increased \$242 million to \$1,921 million for the six months ended March 31, 2026 compared to \$1,679 million for the six months ended March 31, 2025, which includes the favorable impact of foreign currency exchange rates of \$58 million, and reflects the impacts of the DSP True-Up and Settlement Payments of \$12 million in the current year and \$4 million in the prior year, as well as the BMG Termination of \$12 million in the prior year. Download and other digital revenues decreased by \$5 million, or 14%, to \$30 million for the six months ended March 31, 2026 from \$35 million for the six months ended March 31, 2025, primarily due to the continued shift to streaming services. Artist services and expanded-rights revenue increased by \$82 million, or 26%, attributable to higher concert promotion revenue primarily in France, higher merchandising revenue and the favorable impact of foreign currency exchange rates of \$15 million. Physical revenue increased by \$11 million, or 4%, driven by strong U.S. releases in the current year as well as catalog and carryover success and a favorable impact of foreign currency exchange rates of \$9 million, partially offset by strong releases in Japan and Korea the prior year. Licensing revenue increased by \$10 million, or 5%, primarily driven by the favorable impact of foreign currency exchange rates of \$9 million. Top sellers for the six months ended March 31, 2026 included Alex Warren, sombr, Bruno Mars, Ed Sheeran and Melanie Martinez.

Music Publishing revenues increased by \$82 million, or 13%, to \$715 million for the six months ended March 31, 2026 from \$633 million for the six months ended March 31, 2025. U.S. Music Publishing revenues were \$368 million and \$334 million, or 51% and 53% of consolidated Music Publishing revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively. International Music Publishing revenues were \$347 million and \$299 million, or 49% and 47% of Music Publishing revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Music Publishing revenue was attributable to increases in digital revenue of \$44 million, or 11%, performance revenue of \$13 million, or 12%, synchronization revenue of \$22 million, or 12%, and mechanical revenue of \$5 million, or 17%. The increase in digital revenue was primarily driven by continued growth in streaming revenue, partially offset by the impact of the MLC Historical Matched Royalties of \$17 million in the prior year. Revenue from streaming services grew by \$44 million, or 11%, to \$434 million for the six months ended March 31, 2026 from \$390 million for the six months ended March 31, 2025, reflecting the impact of new deals and renewals, continued market growth and a favorable impact of foreign currency exchange rates of \$10 million. The growth in performance revenue is attributable to growth from touring, radio and live events primarily in Europe, and the growth in synchronization revenue is attributable to the timing of other copyright infringement settlements, higher television and commercial licensing activity, and the \$4 million impact of our acquisition of Tempo. The growth in mechanical revenue is primarily driven by the impact of new deals and the timing of distributions.

Revenue by Geographical Location

U.S. revenue increased by \$147 million, or 11%, to \$1,510 million for the six months ended March 31, 2026 from \$1,363 million for the six months ended March 31, 2025. U.S. Recorded Music revenue increased by \$113 million, or 11%, primarily driven by an increase in digital revenue of \$65 million, or 9%, which reflects higher streaming revenue of \$67 million, or 9%, partially offset by lower download and other digital revenue of \$2 million, or 11%. The increase in streaming revenue is largely attributable to the impacts of the DSP True-Up and Settlement Payments in both the current and prior years, as well as the BMG Termination in the prior year. The decrease in download and other digital revenue is due to the continued shift to streaming. U.S. Recorded Music physical revenue increased by \$25 million, or 20%, driven by strong releases in the current year as well as catalog and carryover success. U.S. Recorded Music artist services and expanded-rights revenue increased by \$14 million, or 19%, driven by higher merchandising revenue, and licensing revenue increased by \$9 million, or 13%, primarily driven by higher copyright infringement settlements compared to the prior year. U.S. Music Publishing revenue increased by \$34 million, or 10%, to \$368 million for the six months ended March 31, 2026 from \$334 million for the six months ended March 31, 2025. U.S. Music Publishing digital revenue increased by \$8 million, attributable to higher streaming revenue of \$9 million, or 4%, partially offset by a decrease in download and other digital revenue of \$1 million. U.S. Music Publishing synchronization revenue increased by \$24 million, or 47%, driven by timing of other

copyright infringement settlements, higher television and commercial licensing activity and the impact of acquisitions. U.S. Music Publishing mechanical revenue increased by \$1 million, or 14%, and U.S. Music Publishing performance revenue increased \$1 million, or 3%, for the six months ended March 31, 2026 compared to the six months ended March 31, 2025.

International revenue increased by \$275 million, or 15%, to \$2,065 million for the six months ended March 31, 2026 from \$1,790 million for the six months ended March 31, 2025. Excluding the favorable impact of foreign currency exchange rates of \$113 million, International revenue increased by \$162 million, or 9%. International Recorded Music revenue increased by \$227 million, driven by increases in digital revenue of \$172 million, artist services and expanded-rights revenue of \$68 million, licensing revenue of \$1 million, partially offset by a decrease in physical revenue of \$14 million. International Recorded Music digital revenue increased by \$172 million, attributable to higher streaming revenue of \$175 million which includes the impact of certain DSP True-Up and Settlement Payments in the current and prior years, as well as the BMG Termination in the prior year, and a favorable impact of foreign currency exchange rates of \$58 million, partially offset by lower download and other digital revenue of \$3 million. International Recorded Music artist services and expanded-rights revenue increased by \$68 million, primarily due to higher concert promotion revenue in France, and international Recorded Music licensing revenue slightly increased by \$1 million. International Recorded Music physical revenue decreased by \$14 million, driven by strong releases primarily in Japan and Korea in the prior year, partially offset by a favorable impact of foreign currency exchange rates of \$9 million. International Music Publishing revenue increased by \$48 million, or 16%, to \$347 million for the six months ended March 31, 2026 from \$299 million for the six months ended March 31, 2025. This was driven by increases in digital revenue of \$36 million, performance revenue of \$12 million due to higher concert, touring and live events revenue, and mechanical revenue of \$4 million, partially offset by a decrease in synchronization revenue of \$2 million. International Music Publishing digital growth is primarily driven by streaming revenue growth of \$35 million, or 22%.

Cost of revenues

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

	For the Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Artist and repertoire costs	\$ 1,261	\$ 1,105	\$ 156	14 %
Product costs	656	580	76	13 %
Total cost of revenues	\$ 1,917	\$ 1,685	\$ 232	14 %

Artist and repertoire costs increased by \$156 million, to \$1,261 million for the six months ended March 31, 2026 from \$1,105 million for the six months ended March 31, 2025. Artist and repertoire costs as a percentage of revenue remained constant at 35% for each of the six months ended March 31, 2026 and March 31, 2025.

Product costs increased by \$76 million, to \$656 million for the six months ended March 31, 2026 from \$580 million for the six months ended March 31, 2025. Product costs as a percentage of revenue remained constant at 18% for each of the six months ended March 31, 2026 and March 31, 2025.

Selling, general and administrative expenses

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

	For the Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
General and administrative expense (1)	\$ 535	\$ 560	\$ (25)	-4 %
Selling and marketing expense	322	315	7	2 %
Distribution expense	61	49	12	24 %
Total selling, general and administrative expense	\$ 918	\$ 924	\$ (6)	-1 %

(1) Includes depreciation expense of \$62 million and \$57 million for the six months ended March 31, 2026 and March 31, 2025, respectively.

Total selling, general and administrative expense decreased by \$6 million, to \$918 million for the six months ended March 31, 2026 from \$924 million for the six months ended March 31, 2025, driven by savings from the Company's restructuring plans, of which a portion has been reinvested into the Company's business, partially offset by unfavorable movements in foreign currency exchange rates of approximately \$22 million. Expressed as a percentage of revenue, total selling, general and administrative

expense decreased to 26% for the six months ended March 31, 2026, from 29% for the six months ended March 31, 2025 due to the factors noted below.

General and administrative expense decreased by \$25 million to \$535 million for the six months ended March 31, 2026 from \$560 million for the six months ended March 31, 2025. The decrease in general and administrative expense was driven by savings from the Company's restructuring plans, of which a portion has been reinvested into the Company's business and lower non-cash stock-based compensation expense of \$1 million, partially offset by higher depreciation expense of \$5 million related to technology assets being placed into service, including the core financials component of our new technology platform. Expressed as a percentage of revenue, general and administrative expense decreased to 15% for the six months ended March 31, 2026 from 18% for the six months ended March 31, 2025 due to the factors noted above.

Selling and marketing expense increased by \$7 million, or 2%, to \$322 million for the six months ended March 31, 2026 from \$315 million for the six months ended March 31, 2025. Expressed as a percentage of revenue, selling and marketing expense decreased to 9% for the six months ended March 31, 2026, from 10% for the six months ended March 31, 2025, due to lower variable marketing spend and savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business, partially offset by higher marketing and advertising spend for key releases.

Distribution expense increased by \$12 million to \$61 million for the six months ended March 31, 2026 from \$49 million for the six months ended March 31, 2025. Expressed as a percentage of revenue, distribution expense remained constant at 2% for each of the six months ended March 31, 2026 and March 31, 2025.

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 Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Net income attributable to Warner Music Group Corp.	\$ 359	\$ 272	\$ 87	32 %
Income attributable to noncontrolling interest	(3)	5	(8)	— %
Net income	356	277	79	29 %
Income tax expense	144	118	26	22 %
Income before income taxes	500	395	105	27 %
Other income	(41)	(89)	48	-54 %
Interest expense, net	86	76	10	13 %
Loss on extinguishment of debt	7	—	7	— %
Operating income	552	382	170	45 %
Amortization expense	140	119	21	18 %
Depreciation expense	62	57	5	9 %
Restructuring and impairments	40	40	—	— %
Transformation initiatives and other related costs	29	35	(6)	-17 %
Net loss on divestitures	5	—	5	— %
Non-cash stock-based compensation and other related costs	32	33	(1)	-3 %
Adjusted OIBDA	\$ 860	\$ 666	\$ 194	29 %

Adjusted OIBDA

Adjusted OIBDA increased by \$194 million to \$860 million for the six months ended March 31, 2026 as compared to \$666 million for the six months ended March 31, 2025, driven by the impacts of the DSP True-Up and Settlement Payments of \$7 million in the current year and \$3 million in the prior year, and the \$4 million impact of the MLC Historical Matched Royalties and the \$1 million impact of the BMG Termination in the prior year, as well as revenue mix, savings from the Company's strategic restructuring plans, a portion of which has been reinvested in the Company's business, and favorable movements in currency exchange rates of approximately \$13 million. Expressed as a percentage of total revenue, Adjusted OIBDA margin increased to 24% for the six months ended March 31, 2026 from 21% for the six months ended March 31, 2025.

Non-cash stock-based compensation and other related costs

Our non-cash stock-based compensation and other related costs decreased by \$1 million to \$32 million for the six months ended March 31, 2026 from \$33 million for the six months ended March 31, 2025.

Net loss on divestitures

Net loss on divestitures during the six months ended March 31, 2026 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 six months ended March 31, 2025.

Transformation initiatives and other related costs

Our transformation initiatives and other related costs decreased by \$6 million to \$29 million for the six months ended March 31, 2026 from \$35 million for the six months ended March 31, 2025.

Restructuring and Impairments

Our restructuring and impairment charges remained constant at \$40 million for each of the six months ended March 31, 2026 and March 31, 2025. The current year includes an impairment charge of \$11 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 \$5 million to \$62 million for the six months ended March 31, 2026 from \$57 million for the six months ended March 31, 2025. This 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 \$21 million, or 18%, to \$140 million for the six months ended March 31, 2026 from \$119 million for the six months ended March 31, 2025. 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 \$170 million to \$552 million for the six months ended March 31, 2026 from \$382 million for the six months ended March 31, 2025. The increase in operating income was due to the same factors affecting Adjusted OIBDA discussed above, partially offset by higher amortization expenses of \$21 million and higher depreciation expenses of \$5 million, as noted above.

Interest expense, net

Our interest expense, net, increased to \$86 million for the six months ended March 31, 2026 from \$76 million for the six months ended March 31, 2025, primarily due to incremental debt related to the Tempo Asset-Based Notes acquired in connection with the acquisition of Tempo Music in the prior year, as well as incremental debt related to the Beethoven Credit Agreement, partially offset by lower interest rates on variable rate debt in the quarter.

Other income

Other income for the six months ended March 31, 2026 primarily includes foreign currency gains on our Euro-denominated debt of \$21 million, currency exchange gains on our intercompany loans of \$13 million, and realized and unrealized losses on hedging activity of \$1 million. This compares to foreign currency gains on our Euro-denominated debt of \$27 million, currency exchange gains on our intercompany loans of \$19 million, realized gains on the sale of an investment of \$29 million, and realized and unrealized gains on hedging activity of \$9 million for the six months ended March 31, 2025.

Loss on extinguishment of debt

We recorded a loss on extinguishment of debt in the amount of \$7 million for the six months ended March 31, 2026, which represents the unamortized balances of original issuance discounts and deferred financing costs in connection with the refinancing of our Tranche B Term Loans. There was no loss on extinguishment of debt for the six months ended March 31, 2025.

Income tax expense

Our income tax expense increased by \$26 million to \$144 million for the six months ended March 31, 2026 from \$118 million for the six months ended March 31, 2025. The increase of \$26 million in income tax expense is primarily due to an increase in pretax income in the current year and a taxable gain on the Company's sale of certain recorded music catalog rights to Beethoven JV, partially offset by the tax benefit associated with partial release of valuation allowance on EMP.

Net income

Net income increased by \$79 million to \$356 million for the six months ended March 31, 2026 from \$277 million for the six months ended March 31, 2025 as a result of the factors described above.

Noncontrolling interest

There was income attributable to noncontrolling interest of \$3 million for the six months ended March 31, 2026 compared to a loss of \$5 million for the six months ended March 31, 2025.

Business Segment Results

Results by business segment were as follows (in millions):

	For the Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Recorded Music				
Revenues	\$ 2,860	\$ 2,520	\$ 340	13 %
Operating income	617	441	176	40 %
Depreciation and amortization expense	93	91	2	2 %
Restructuring and impairments	28	41	(13)	-32 %
Non-cash stock-based compensation and other related costs	11	20	(9)	-45 %
Adjusted OIBDA	749	593	156	26 %
Music Publishing				
Revenues	\$ 715	\$ 633	\$ 82	13 %
Operating income	126	107	19	18 %
Depreciation and amortization expense	70	58	12	21 %
Non-cash stock-based compensation and other related costs	3	3	—	— %
Adjusted OIBDA	199	168	31	18 %
Corporate expenses and eliminations				
Revenue eliminations	\$ (3)	\$ (3)	\$ —	— %
Operating loss	(191)	(166)	(25)	15 %
Depreciation and amortization expense	39	27	12	44 %
Restructuring and impairments	12	(1)	13	— %
Transformation initiatives and other related costs	29	35	(6)	-17 %
Net gain on divestitures	5	—	5	— %
Non-cash stock-based compensation and other related costs	18	10	8	80 %
Adjusted OIBDA loss	(88)	(95)	7	-7 %
Total				
Revenues	\$ 3,572	\$ 3,150	\$ 422	13 %
Operating income	552	382	170	45 %
Adjusted OIBDA	860	666	194	29 %

Recorded Music

Revenues

Recorded Music revenues increased by \$340 million to \$2,860 million for the six months ended March 31, 2026 compared to \$2,520 million for the six months ended March 31, 2025. U.S. Recorded Music revenues were \$1,142 million and \$1,029 million, or 40% and 41% of consolidated Recorded Music revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively. International Recorded Music revenues were \$1,718 million and \$1,491 million, or 60% and 59% of consolidated Recorded Music revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Recorded Music revenue was driven by increases in digital, artist services and expanded-rights, physical and licensing revenues, 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 Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Artist and repertoire costs	\$ 811	\$ 705	\$ 106	15 %
Product costs	656	580	76	13 %
Total cost of revenues	\$ 1,467	\$ 1,285	\$ 182	14 %

Recorded Music cost of revenues increased by \$182 million, to \$1,467 million for the six months ended March 31, 2026 from \$1,285 million for the six months ended March 31, 2025. Expressed as a percentage of Recorded Music revenue, Recorded Music artist and repertoire costs remained constant at 28% for each of the six months ended March 31, 2026 and March 31, 2025. Expressed as a percentage of Recorded Music revenue, Recorded Music product costs remained constant at 23% for each of the six months ended March 31, 2026 and March 31, 2025.

Selling, general and administrative expense

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

	For the Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
General and administrative expense (1)	\$ 307	\$ 341	\$ (34)	-10 %
Selling and marketing expense	309	300	9	3 %
Distribution expense	61	49	12	24 %
Total selling, general and administrative expense	\$ 677	\$ 690	\$ (13)	-2 %

(1) Includes depreciation expense of \$22 million and \$28 million for the six months ended March 31, 2026 and March 31, 2025, respectively.

Recorded Music selling, general and administrative expense decreased by \$13 million, to \$677 million for the six months ended March 31, 2026 from \$690 million for the six months ended March 31, 2025, which includes unfavorable movements in foreign currency exchange rates of \$21 million. The decrease in general and administrative expense was primarily due to savings from the Company's restructuring plans, a portion of which has been reinvested into the Company's business, and lower non-cash stock-based compensation and other related expenses of \$9 million. The increase in selling and marketing expense was primarily due to higher variable marketing spend for key releases. The increase in distribution expense was primarily due to revenue mix from higher merchandising and physical revenues. Expressed as a percentage of Recorded Music revenue, Recorded Music selling, general and administrative expense decreased to 24% for the six months ended March 31, 2026 from 27% for the six months ended March 31, 2025.

Operating Income and Adjusted OIBDA

Recorded Music operating income increased by \$176 million to \$617 million for the six months ended March 31, 2026 from \$441 million for the six months ended March 31, 2025. In addition to the factors impacting Recorded Music Adjusted OIBDA noted below, the increase in operating income was driven by a decrease in restructuring and non-cash impairment charges of \$13 million, lower non-cash stock-based compensation expense and other related costs of \$9 million, and lower depreciation expense of \$6 million compared to the prior year, partially offset by higher amortization expenses of \$8 million related to acquisitions of music-related assets.

Recorded Music Adjusted OIBDA increased by \$156 million, to \$749 million for the six months ended March 31, 2026 from \$593 million for the six months ended March 31, 2025, largely attributable to savings from the Company's strategic restructuring plans, of which a portion has been reinvested in the Company's business, the impact of the DSP True-Up and Settlement Payments of \$7 million in the current year and favorable movements in foreign currency exchange rates of approximately \$9 million, partially offset by the prior year \$3 million impact of the DSP True-Up and Settlement Payments and \$1 million impact of the BMG Termination. Expressed as a percentage of Recorded Music revenue, Recorded Music Adjusted OIBDA margin increased to 26% for the six months ended March 31, 2026 from 24% for the six months ended March 31, 2025, due to the factors noted above.

Music Publishing

Revenues

Music Publishing revenues increased by \$82 million, or 13%, to \$715 million for the six months ended March 31, 2026 from \$633 million for the six months ended March 31, 2025. U.S. Music Publishing revenues were \$368 million and \$334 million, or 51% and 53% of consolidated Music Publishing revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively. International Music Publishing revenues were \$347 million and \$299 million, or 49% and 47% of consolidated Music Publishing revenues, for the six months ended March 31, 2026 and March 31, 2025, respectively.

The overall increase in Music Publishing revenue was driven by growth across 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 Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
Artist and repertoire costs	\$ 452	\$ 404	\$ 48	12 %
Total cost of revenues	\$ 452	\$ 404	\$ 48	12 %

Music Publishing cost of revenues increased by \$48 million, or 12%, to \$452 million for the six months ended March 31, 2026 from \$404 million for the six months ended March 31, 2025. Expressed as a percentage of Music Publishing revenue, Music Publishing cost of revenues decreased to 63% for the six months ended March 31, 2026 from 64% for the six months ended March 31, 2025.

Selling, general and administrative expense

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

	For the Six Months Ended March 31,		2026 vs. 2025	
	2026	2025	\$ Change	% Change
General and administrative expense (1)	\$ 66	\$ 65	\$ 1	2 %
Selling and marketing expense	2	2	—	— %
Total selling, general and administrative expense	\$ 68	\$ 67	\$ 1	1 %

(1) Includes depreciation expense of \$1 million and \$3 million for the six months ended March 31, 2026 and March 31, 2025, respectively.

Music Publishing selling, general and administrative expense slightly increased to \$68 million for the six months ended March 31, 2026 from \$67 million for the six months ended March 31, 2025. Expressed as a percentage of Music Publishing revenue, Music Publishing selling, general and administrative expense decreased to 10% for the six months ended March 31, 2026 from 11% for the six months ended March 31, 2025.

Operating Income and Adjusted OIBDA

Music Publishing operating income increased by \$19 million to \$126 million for the six months ended March 31, 2026 from \$107 million operating income for the six months ended March 31, 2025 largely due to the factors that impacted Music Publishing Adjusted OIBDA noted below, coupled with lower depreciation expenses of \$2 million, partially offset by higher amortization expenses of \$14 million related to acquisitions.

Music Publishing Adjusted OIBDA increased by \$31 million to \$199 million for the six months ended March 31, 2026 from \$168 million for the six months ended March 31, 2025, primarily driven by strong operating performance and revenue growth, savings from the Company’s restructuring plans, and favorable movements in foreign exchange rates of approximately \$4 million, partially offset by the \$4 million impact of the MLC Historical Matched Royalties in the prior year. Expressed as a percentage of Music Publishing revenue, Music Publishing Adjusted OIBDA margin increased to 28% for the six months ended March 31, 2026 from 27% for the six months ended March 31, 2025.

Corporate Expenses and Eliminations

Our operating loss from corporate expenses and eliminations increased by \$25 million to \$191 million for the six months ended March 31, 2026 from \$166 million for the six months ended March 31, 2025, primarily due to an increase in restructuring and impairment costs of \$13 million, higher depreciation expense of \$13 million, higher non-cash stock-based compensation and other related expenses of \$8 million and a net loss on divestitures of \$5 million, partially offset by lower expenses related to transformation initiatives and related costs of \$6 million.

Our Adjusted OIBDA loss from corporate expenses and eliminations decreased by \$7 million to \$88 million for the six months ended March 31, 2026 from \$95 million for the six months ended March 31, 2025, largely due to savings from the Company's restructuring plans, of which a portion has been reinvested in the Company's business.

FINANCIAL CONDITION AND LIQUIDITY

Financial Condition at March 31, 2026

At March 31, 2026, we had \$4.719 billion of debt (which is net of \$30 million of premiums, discounts and deferred financing costs), \$741 million of cash and equivalents (net debt of \$3.978 billion, defined as total debt, less cash and equivalents and premiums, discounts and deferred financing costs) and \$738 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 six months ended March 31, 2026 and March 31, 2025 are unaudited and have been derived from our condensed consolidated interim financial statements included elsewhere herein.

	Six Months Ended March 31,	
	2026	2025
Cash provided by (used in):		
Operating activities	\$ 566	\$ 401
Investing activities	(523)	(202)
Financing activities	169	(248)

Operating Activities

Cash provided by operating activities was \$566 million for the six months ended March 31, 2026 as compared with cash provided by operating activities of \$401 million for the six months ended March 31, 2025. The \$165 million increase in cash provided by operating activities was largely a result of strong operating performance.

Investing Activities

Cash used in investing activities was \$523 million for the six months ended March 31, 2026 as compared with cash used in investing activities of \$202 million for the six months ended March 31, 2025. The \$523 million of cash used in investing activities in the six months ended March 31, 2026 consisted of \$29 million relating to investments and acquisitions of businesses, \$457 million to acquire music-related assets and \$47 million relating to capital expenditures, partially offset by \$10 million of proceeds from net divestitures. The \$202 million of cash used in investing activities in the six months ended March 31, 2025 consisted of \$46 million relating to investments and acquisitions of businesses, \$120 million to acquire music-related assets, and \$72 million relating to capital expenditures, partially offset by \$36 million of proceeds from the sale of investments.

Financing Activities

Cash provided by financing activities was \$169 million for the six months ended March 31, 2026 as compared with cash used in financing activities of \$248 million for the six months ended March 31, 2025. The \$169 million of cash provided by financing activities for the six months ended March 31, 2026 consisted of dividends paid of \$200 million, payment of deferred consideration of \$42 million, distributions to noncontrolling interest holders of \$7 million, taxes paid related to net share settlement of restricted stock units and common stock of \$26 million, common stock repurchased and retired of \$48 million, deferred financing costs paid of \$12 million, partially offset by proceeds from the Beethoven Credit Agreement of \$370 million and contributions from redeemable noncontrolling interest holder of \$134 million. The \$248 million of cash used in financing activities for the six months ended March 31, 2025 consisted of dividends paid of \$189 million, payment of deferred consideration of \$23 million, distributions to noncontrolling interest holders of \$8 million, taxes paid related to net share settlement of restricted stock units and common stock of \$19 million, common stock repurchased and retired of \$2 million and other financing activity of \$7 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 from the date of this filing.

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 March 31, 2026. 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 750,500 shares for \$22 million during the three months ended March 31, 2026. The Company repurchased and retired 1,670,500 shares for \$48 million during the six months ended March 31, 2026. As of March 31, 2026, approximately \$37 million of the \$100 million share repurchase authorization remained available.

Existing Debt as of March 31, 2026

As of March 31, 2026, our long-term debt was as follows (in millions):

Revolving Credit Facility (a)	\$	—
Senior Term Loan A Facility due 2031		1,295
2.750% Senior Secured Notes due 2028		372
3.750% Senior Secured Notes due 2029		540
3.875% Senior Secured Notes due 2030		535
2.250% Senior Secured Notes due 2031		509
3.000% Senior Secured Notes due 2031		800
Mortgage Term Loan due 2033		17
Total debt, including the current portion		4,068
Premium less unamortized discount and unamortized deferred financing costs		(22)
Total Acquisition Corp. long-term debt, including the current portion, net	\$	4,046
Beethoven Credit Agreement (b)		370
Tempo Asset-Based Notes due 2050 (c)		311
Unamortized discount		(8)
Total other long-term debt, including the current portion, net	\$	673
Total long-term debt, including the current portion, net	\$	4,719

- (a) Reflects \$350 million of commitments under the Revolving Credit Facility with no letters of credit outstanding at March 31, 2026. There were no loans outstanding under the Revolving Credit Facility at March 31, 2026.
- (b) Reflects \$500 million of commitments under the Beethoven Credit Agreement with the ability, subject to the consent of the Lenders, to increase the size of the facility to \$700 million. There were \$370 million in loans outstanding under the Beethoven Credit Agreement at March 31, 2026. 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 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 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, which was paid to stockholders on March 3, 2026. The Company paid an aggregate of approximately \$100 million and \$200 million, or \$0.19 and \$0.38 per share, in cash dividends to stockholders and participating security holders for the three and six months ended March 31, 2026, respectively.

On May 7, 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 June 2, 2026, to stockholders of record as of the close of business on May 26, 2026.

Covenant Compliance

The Company was in compliance with its covenants under its outstanding notes, the Credit Agreement and the Asset-Based Notes as of March 31, 2026.

The Credit Agreement contains a covenant that is tied to a leverage ratio based on EBITDA, which is defined under the Credit Agreement. So long as Tranche A Term Loans remain outstanding and/or during a collateral suspension period, we are required to meet the leverage ratio test at the end of each fiscal quarter. Other than during a collateral suspension period and so long as no Tranche A Term Loans remain outstanding, our ability to borrow funds under the Revolving Credit Facility may depend on 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. EBITDA as defined in the Credit Agreement is based on Consolidated Net Income (as defined in the Credit Agreement), 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 Credit Agreement, 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 Credit Agreement 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 Secured Notes Indenture uses 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 Credit Agreement.

EBITDA as defined in the Credit Agreement (referred to in this section as “Adjusted EBITDA”) is presented herein because it is a material component of the leverage ratio contained in the Credit Agreement. Non-compliance with the leverage ratio could result in a default under the Credit Agreement (or, if during a collateral suspension period and so long as no Tranche A Term Loans remain outstanding, 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 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 March 31, 2026, for the twelve months ended March 31, 2025 and for the three months ended March 31, 2026 and March 31, 2025. 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 Credit Agreement for the most recently ended four fiscal quarters, or the twelve months ended March 31, 2026. The terms and related calculations are defined in the Credit Agreement. All amounts in the reconciliation below reflect Acquisition Corp. (in millions, except ratios):

	Twelve Months Ended March 31,		Three Months Ended March 31,	
	2026	2025	2026	2025
Net Income	\$ 449	\$ 466	\$ 181	\$ 36
Income tax expense	146	151	73	29
Interest expense, net	172	156	41	39
Depreciation and amortization	402	339	103	90
Loss on extinguishment of debt	7	—	7	—
Net losses (gains) on divestitures and sale of securities	3	(30)	(1)	—
Restructuring costs (a)	125	95	5	9
Net foreign exchange losses (gains) (b)	103	(4)	(34)	67
Transaction costs	3	5	—	1
Business optimization expenses (c)	77	100	13	20
Non-cash stock-based compensation expense (d)	58	61	11	14
Other non-cash charges (e)	121	31	2	7
Bona fide joint venture income (f)	(26)	(4)	(7)	(4)
Pro forma impact of cost savings initiatives and specified transactions (g)	214	101	34	9
Adjusted EBITDA	\$ 1,854	\$ 1,467	\$ 428	\$ 317
Senior Secured Indebtedness (f, h)	\$ 3,447			
Leverage Ratio (i)	1.86x			

- (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 \$12 million and \$60 million related to our finance transformation for the three and twelve months ended March 31, 2026, respectively, as well as \$18 million and \$73 million for the three and twelve months ended March 31, 2025, 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 \$2 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) Tempo Music and Beethoven are both bona fide joint ventures, and are therefore excluded from the calculation of net income and Adjusted EBITDA. Similarly, the Asset-Based Notes issued by a subsidiary of Tempo Music and the Beethoven Credit Facility are 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 March 31, 2026.
- (h) Reflects the balance of senior secured debt at Acquisition Corp. of approximately \$4.051 billion less cash of \$600 million, which excludes cash and debt held at Tempo Music and Beethoven, which are both bona fide joint ventures.
- (i) Reflects the ratio of Total Indebtedness, including Revolving Credit Indebtedness, to Adjusted EBITDA. This is calculated net of cash and equivalents of the Company as of March 31, 2026 not exceeding \$600 million in accordance with the Credit Agreement. During a collateral suspension period, whether or not there are any Tranche A Term Loans outstanding, Total Indebtedness to EBITDA Ratio may not exceed 4.00:1.00. Other than during a collateral suspension period, so long as the Tranche A Term Loans are outstanding, Senior Secured Indebtedness to EBITDA Ratio may not exceed 5.00:1.00. Other than during a collateral suspension period, and if no Tranche A Term Loans are outstanding, and only if the outstanding aggregate principal amount of borrowings under the Revolving Credit Facility and drawings under letters of credit which

have not been reimbursed under the Revolving Credit Facility is greater than \$140 million at the end of a fiscal quarter, Senior Secured Indebtedness to EBITDA Ratio may not exceed 5.00:1.00.

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 Tranche A Term Loans. 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 Credit Agreement 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 March 31, 2026, 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 March 31, 2026, the Company had outstanding foreign currency forward exchange contracts for the sale of \$591 million and the purchase of \$327 million of foreign currencies at fixed rates. Subsequent to March 31, 2026, 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 March 31, 2026, 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 \$26 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 \$4.749 billion of principal debt outstanding at March 31, 2026, of which \$1.682 billion was variable-rate debt and \$3.067 billion was fixed-rate debt. As such, we are exposed to changes in interest rates. At March 31, 2026, 65% of the Company's debt was at a fixed rate. In addition, as of March 31, 2026, 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 March 31, 2026, the fair value of the Company's fixed-rate and variable-rate debt was approximately \$4.574 billion. Further, as of March 31, 2026, 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 \$26 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 and six months ended March 31, 2026 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 in Part II, Item 1A "Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended December 31, 2025 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.

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 March 31, 2026:

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)
January 2026	—	\$ —	—	\$ —
February 2026	750,500	29.32	750,500	37
March 2026	—	—	—	—

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On May 5, 2026, Beethoven Financing 1, LLC (the “Initial Borrower”), a Delaware limited liability company and an indirect subsidiary of the Company entered into an amendment (the “Credit Agreement Amendment”) to the Credit and Security Agreement dated as of June 29, 2025 (as amended from time to time, the “Beethoven Credit Agreement”) among the Initial Borrower, as borrower, the additional borrowers from time to time party thereto (together with the Initial Borrower, the “Borrowers”), Beethoven Holdings 1, LLC, a Delaware limited liability company, as guarantor, the additional guarantors from time to time party thereto, each of the commercial paper conduits from time to time party thereto (the “Conduit Lenders”), each of the financial institutions from time to time party thereto as committed lenders (the “Committed Lenders” and, together with the Conduit Lenders, the “Lenders”), the conduit managing agents from time to time party thereto, The Bank of New York Mellon, as administrative agent for the Lenders, The Bank of New York Mellon, as collateral agent for the Secured Parties (as defined in the Beethoven Credit Agreement) and The Bank of New York Mellon, as calculation agent.

Pursuant to the Credit Agreement Amendment, the Lenders have agreed to increase the aggregate commitments under the Beethoven Credit Agreement from \$500 million to \$750 million. The Credit Agreement Amendment also provides that, subject to the consent of the Lenders, the Borrowers may further increase the size of the facility up to an aggregate commitment of \$950 million.

The foregoing description of the Credit Agreement Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the complete text of the Credit Agreement Amendment, a copy of which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026.

On May 6, 2026, the Company entered into an amendment to the employment agreement (the “Employment Agreement Amendment”) with Armin Zerza, pursuant to which he will be appointed Chief Operating Officer and Chief Financial Officer of the Company, effective May 8, 2026. All other terms of Mr. Zerza’s employment remain unchanged from their previously disclosed terms.

Prior to the Employment Agreement Amendment, Mr. Zerza, age 56, was the Executive Vice President and Chief Financial Officer of the Company since May 2025. Prior to joining the Company, beginning in 2015, Mr. Zerza served as CFO and then COO of Blizzard Entertainment and as Chief Commercial Officer and then CFO of Activision Blizzard. Beginning in 2004, Mr. Zerza served successively as Director, Mergers & Acquisitions, CFO, Europe Baby Care and CFO, Latin America for Procter & Gamble. Mr. Zerza holds a master’s degree in economics and commerce from the Vienna University of Economics and Business. There are no family relationships between Mr. Zerza and any director or executive officer of the Company, and no arrangements or understandings between Mr. Zerza and any other person pursuant to which he was selected as Chief Operating Officer and Chief Financial Officer. Mr. Zerza is not a party to any current or proposed transaction with the Company for which disclosure is required under Item 404(a) of Regulation S-K.

The foregoing description of the Employment Agreement Amendment does not purport to be complete and is subject to, and qualified in its entirety by, the complete text of the Employment Agreement Amendment, a copy of which will be filed with the Company’s Quarterly Report on Form 10-Q for the period ending June 30, 2026.

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.

<u>Exhibit Number</u>	<u>Exhibit Description</u>
10.1*	First Amendment to Master Operations and Economics Agreement, dated February 4, 2026 among WMGCo, BainCo and certain affiliates of the foregoing parties.
10.2***	Credit Agreement, dated as of March 11, 2026, among WMG Acquisition Corp., as borrower, the guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.
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.

*** Incorporated by reference to Warner Music Group Corp.’s Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission on March 11, 2026 (File No. 001-32502).

AMENDMENT NO. 1 TO THE MASTER OPERATIONS AND ECONOMICS AGREEMENT

This AMENDMENT NO. 1 TO THE MASTER OPERATIONS AND ECONOMICS AGREEMENT (this “**Amendment**”), is made and entered into as of February 4, 2026, by and among BCSS W JV Investments (B), L.P., a Delaware limited partnership (the “**BCSS Member**”), WMG BC Holdco LLC, a Delaware limited liability company (the “**Warner Member**”), Beethoven JV 1, LLC, a Delaware limited liability company (“**Beethoven 1**”), Beethoven Holdings 1, LLC, a Delaware limited liability company, a direct, wholly owned subsidiary of Beethoven 1 (“**Beethoven Holdings 1**”), Beethoven Financing 1, LLC, a Delaware limited liability company, a direct, wholly owned subsidiary of Beethoven Holdings 1 (“**Beethoven Financing 1**”), the BCSS Funds (as defined in the Master Agreement (as defined below)), BCSS W GP LLC, a Delaware limited liability company and WMG Acquisition Corp., a Delaware corporation. Capitalized terms used but not defined in this Amendment have the meanings given to such terms in the Master Agreement.

WITNESSETH:

WHEREAS, the parties hereto have entered into that certain Master Operations and Economics Agreement, dated as of June 29, 2025 (the “**Master Agreement**”);

WHEREAS, the Beethoven Entities have acquired, or expect to acquire, In-Scope Catalogs that would be reasonably likely to cause the Members to make cash Capital Contributions in an aggregate amount that will exceed the Initial Commitment Amount set forth on the existing Exhibit A to the Master Agreement;

WHEREAS, pursuant to Section 11.01 of the Master Agreement (and subject to the limitations set forth therein), the provisions of the Master Agreement, including Exhibit A, may be amended from time to time as determined by the Board of Beethoven 1;

WHEREAS, the Board of Beethoven 1 has determined that it is advisable and in the best interests of Beethoven 1 and the Beethoven Entities to amend Exhibit A to the Master Agreement to reflect additional capital commitments of the Members; and

WHEREAS the parties hereto wish to amend the Master Agreement as set forth in this Amendment.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Amendments to Master Agreement. From and after the date of this Amendment, the Master Agreement is hereby amended as follows:

(A) Exhibit A to the Master Agreement is hereby deleted in its entirety and replaced with Exhibit A to this Amendment.

(B) The first sentence of Section 3.01(a)(i) is hereby amended to delete the ~~struck~~ language below and to add the double-underlined language below:

As of the ~~Effective Date~~ February 4, 2026, each Member has committed to make cash Capital Contributions in an aggregate amount across all of the Beethoven Topcos equal to the “Initial Commitment Amount” set forth opposite such Member’s name on Exhibit A (such Member’s “Initial Commitment”), which shall be used by the Beethoven Topcos or a Subsidiary thereof to fund the purchase of In-Scope Catalogs.

2. Binding Effect. This Amendment will be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and permitted assigns.

3. Entire Agreement; Integration; References. The Master Agreement, as amended by this Amendment, each of the Beethoven Limited Liability Company Agreements, the Commercial Agreements, the Commercial Agreement Side Letters, the Warner Services Agreement and the Bain Services Agreement and all Schedules and Exhibits of each of the foregoing constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof and thereof. The provisions set forth in this Amendment shall be deemed to be and shall be construed as part of the Master Agreement to the same extent as if fully set forth verbatim therein.

4. General. Except to the extent expressly modified hereby, the provisions of the Master Agreement remain unmodified and are hereby confirmed as being in full force and effect. The headings in this Amendment are inserted for convenience of reference only and shall not be a part of or control or affect the meaning hereof.

5. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. Section 14.01 (Governing Law; Submission to Jurisdiction; Waiver of Jury Trial) of the Master Agreement is incorporated by reference herein, *mutatis mutandis*.

6. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Amendment shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by each other party hereto, this Amendment shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the date first written above.

BCSS MEMBER:

BCSS W JV INVESTMENTS (B), L.P.

By: BCSS W GP, LLC, its General Partner

By: Bain Capital Credit Member, LLC, its
Manager

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

BCSS GUARANTORS:

**BAIN CAPITAL SPECIAL SITUATIONS
ASIA II, L.P.**

By: Bain Capital Special Situations Asia II
General Partner, LLC, its General Partner

By: Bain Capital Credit Member, LLC, its
Manager

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

**BAIN CAPITAL SPECIAL SITUATIONS
EUROPE II SCSP**

By: Bain Capital Special Situations Europe II
General Partner S.à r.l., its General Partner

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

**BAIN CAPITAL CREDIT MANAGED
ACCOUNT (VFMC) L.P.**

By: Bain Capital Distressed and Special
Situations 2019 Investors, LLC, its General
Partner

By: Bain Capital Credit Member II, Ltd., its
Manager

By: /s/ Andrew S. Viens
Name: Andrew S. Viens
Title: Authorized Signatory

BAIN CAPITAL GSS 2022 (A), L.P.

By: Bain Capital GSS 2022 General Partner,
LLC, its General Partner

By: Bain Capital Credit Member III, LLC, its
Manager

By: /s/ Andrew S. Viens
Name: Andrew S. Viens
Title: Authorized Signatory

BAIN CAPITAL GSS 2022 (B), SCSP

By: Bain Capital GSS 2022 General Partner,
SARL, its Managing General Partner

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Manager A

By: _____

Name: Matthieu Huffling

Title: Manager B

POINT LONSDALE FUND, L.P.

By: Bain Capital Distressed and Special
Situations 2019 Investors, LLC, its General
Partner

By: Bain Capital Credit Member II, Ltd., its
Manager

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

**BAIN CAPITAL SPECIAL SITUATIONS
MANAGED ACCOUNT (N), L.P.**

By: Bain Capital Special Situations Managed
Account General Partner (N), LLC, its General
Partner

By: Bain Capital Credit Member, LLC, its
Manager

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

**BAIN CAPITAL SPECIAL SITUATIONS
MANAGED ACCOUNT (CLP), L.P.**

By: Bain Capital Special Situations Managed
Account General Partner (CLP), LLC, its General
Partner

By: Bain Capital Credit Member, LLC, its
Manager

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

**BAIN CAPITAL CREDIT MANAGED
ACCOUNT (BC), L.P.**

By: Bain Capital Credit Managed Account (BC)
General Partner, LLC, its General Partner

By: Bain Capital Credit Member, LLC, its
Manager

By: /s/ Andrew S. Viens

Name: Andrew S. Viens

Title: Authorized Signatory

BCSS GP:

BCSS W GP, LLC

By: Bain Capital Credit Member, LLC,
its manager

By: /s/ Andrew S. Viens
Name: Andrew S. Viens
Title: Authorized Signatory

WARNER:

WMG BC HOLDCO LLC

By: /s/ Paul M. Robinson

Name: Paul M. Robinson

Title: Vice President & Secretary

WMG ACQUISITION CORP.

By: /s/ Paul M. Robinson

Name: Paul M. Robinson

Title: Vice President, General Counsel &
Assistant Secretary

BEETHOVEN ENTITIES:

BEETHOVEN JV 1, LLC

By: /s/ Paul M. Robinson
Name: Paul M. Robinson
Title: Vice President & Secretary

BEETHOVEN HOLDINGS 1, LLC

By: /s/ Paul M. Robinson
Name: Paul M. Robinson
Title: Vice President & Secretary

BEETHOVEN FINANCING 1, LLC

By: /s/ Paul M. Robinson
Name: Paul M. Robinson
Title: Vice President & Secretary

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Robert Kyncl, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2026 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: May 7, 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 March 31, 2026 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: May 7, 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 March 31, 2026 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: May 7, 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 March 31, 2026 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: May 7, 2026

/s/ ARMIN ZERZA

Armin Zerza
Chief Financial Officer