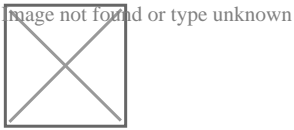


[Universal Music Group \[2,450 articles\]](#)>[Universal Music Group](#) (UMG), the world's biggest music rights-holder, [listed](#) on the Euronext Amsterdam Stock Exchange on September 21 with an opening valuation of \$54.3 billion.



Today (October 27), just over a month on from UMG's blockbuster IPO, all eyes are on the music company again, as it announces its first ever financial results as a publicly-traded entity, for the three months to end of September (Q3).

[As reported](#) by MBW earlier today, UMG delivered another bumper set of quarterly results.

Across all of its divisions (including recorded music, publishing and more), UMG saw revenues in the three months to end of September (Q3) of €2.153 billion (approx. \$2.5bn at current exchange rates).

That was up 17.4% YoY at constant currency, and up by 6.5% on the [€2.022 billion revenues](#) UMG posted in the prior quarter (Q2).

In addition to filing its first financial results today, the company conducted its first ever earnings call as a publicly-traded company, on which Executive Vice President of Digital Strategy Michael Nash and EVP, Chief Financial Officer Boyd Muir were grilled about UMG's results.

On the call, UMG Chairman and CEO [Sir Lucian Grainge \[396 articles\]](#)>[Sir Lucian Grainge](#) addressed investors himself, during opening remarks in which he hailed the "beginning of a new wave of growth and evolution" in the music industry.

Read Sir Lucian Grainge's address in full, below:

I'm delighted to be here with you for this, our very first earnings call with Universal Music Group as a public company.

Let me begin by setting the context with a fundamental fact. Music is on a stunningly powerful trajectory.

For example, just last week, [IFPI \[378 articles\]](#)>The IFPI, the global [recorded music] trade association, issued a report underscoring what we see every day in the marketplace about music's increasing influence. After surveying more than 40,000 music fans in 20 countries, the report found that average [per person] listening grew to 18.5 hours a week, the equivalent of 368 songs per consumer. And over the past two years, the amount of time fans spent on subscription audio streaming rose by 51%.

When you combine this increased time with further penetration of streaming monetization in both developed and high-growth music streaming markets, it's easy to understand our optimism about industry growth.

People are not only enjoying more music than ever before, they're also connecting with artists in ways that were unimaginable just a few years ago. A diverse mix of musical genres are delighting fans across an expanding landscape that includes short-form video, social networks, fitness apps, gaming, live streams, digital goods and much more.

And even as all that is taking place, the demand for physical products continues to grow. This expanding music consumption landscape means expanding music monetization. In a few minutes, Boyd [Muir] will be addressing our financial results in more detail. But for now, here are two highlights for the quarter just ended.

All segments contributed to a 17% revenue growth [at UMG], compared to the prior year quarter and to an increase [in margin to] 21% of adjusted EBITDA.

We feel that these numbers speak for themselves. Looking ahead, we believe there is unprecedented opportunity for further growth. Given that fans now have access to essentially all of the world's music in the palm of their hands, and that consumer demand for music across cultures, eras, languages, and genres is at historic highs, I remain unwavering in my confidence that the path we're on will lead us on to greater heights.

As someone who's been in the business for his entire career. I can tell you that growth like this doesn't just happen. It begins, as of course it must, with great music from gifted artists and songwriters. But from there, it takes hard work by inspired professionals and investment by companies like ours to grow and broaden the entire music system.

But make no mistake, there really are no other companies like ours.

“UMG is the driving force of progress and innovation in the industry, at a time when the music market seemingly has no barriers to entry.”

UMG is the driving force of progress and innovation in the industry, at a time when the music market seemingly has no barriers to entry. When anyone anywhere can record and distribute audio content. And when every single day, approximately 60,000 tracks are uploaded to [Spotify \[2,607 articles\]](#)>Spotify alone, the reality is it's harder than ever for artists to cut through all of the noise to find and expand their

audience.

That is exactly why we place the utmost priority on maximising opportunities for artists to bring their music to the world and to connect with fans in increasingly rich ways. When we help artists break through to commercial success, we're also empowering them to reach new levels of artistic creativity and to go on to hopefully develop really sustainable careers. By prioritizing our focus on artist development, and consistently delivering greater opportunities for artists' success.

We remain the destination of choice for those artists seeking a partner that both shares a long-term, career-oriented vision and has an unmatched track record to prove it. As I said, we are uniquely positioned to drive the greatest value, based on our global resources and marketing experience. That simply is why the world's greatest artists of every stage in their career, continue to sign, renew and expand their partnerships with UMG.

Let me highlight some developments this quarter with a few of our artist partnerships.

Last month, Germany's most successful music artist, Helene Fischer, [extended her partnership](#) with Universal Music Germany. Fischer has topped Germany's annual sales charts for five of the last eight years, more than any other artist in German chart history. Her new studio album, *Rausch*, debuted on October 15, is already this year's fastest-selling album [in the market]. In August, we entered into an extensive worldwide alliance [with Aerosmith](#), the best selling American hard rock band of all time.

“We are uniquely positioned to drive the greatest value, based on our global resources and marketing experience.”

That [deal] includes their entire discography, merchandise and audiovisual projects. We couldn't be more excited to unite the work of this iconic group at UMG ahead of their upcoming 50th anniversary. For the first time, all of Aerosmith's incredible recordings will be marketed and distributed exclusively by one company: us.

As a sign of the truly great global nature of UMG's business today, in July, we were thrilled to [sign an exclusive global agreement](#) with Indian music superstar and entrepreneur Badshah. With more than 15 billion streams worldwide, he's a dynamic Delhi-born rapper, singer, and music producer, and is one of the world's most popular musical artists.

Our multi-year agreement embraces all elements of his career, including future recordings, music publishing rights for non-film compositions, brand licensing and partnerships. He's a most welcome addition to our family.

We also announced a new agreement with one of the world's most acclaimed artists, multiple Grammy winner [Andrea Bocelli](#). And just last week, BTS – the world's number one best selling group, according to the IFPI – announced that they will be expanding their relationship with UMG, partnering with us globally, including in the US.

Earlier I mentioned our long-term, career-oriented approach to artist partnerships, an approach that also includes finding innovative ways to introduce legendary artists' music to new generations. This quarter, I can cite no better example than ABBA, one of the most successful pop groups of all time. ABBA recently announced the upcoming UMG release of their first studio album in 40 years – and we're also partnering with the band on a revolutionary type of concert.

Next year the group will perform as avatars in an immersive digital concert experience with a live 10-piece band in an arena in London. The news of the upcoming concert took ABBA's back catalog to the top of the streaming charts and gained them, in just one week, over a million followers on TikTok alone.

“Because UMG has today's most popular artists and hits as well as the world's deepest and why this catalog, we are in a unique position to deliver the essential content and platform engagement new digital businesses seek, in order to accelerate their business models.”

There's yet another way in which we are the industry's driving force: Because UMG has today's most popular artists and hits as well as the world's deepest and widest catalog, we are in a unique position to deliver the essential content and platform engagement [that] new digital businesses seek, in order to accelerate their business models.

Our position inevitably leads us to focus relentlessly on the future; and we do. I've [already] described music as becoming an indispensable ingredient in a wide range of media, short-form video on social networks, fit tech, gaming, etc. Music is everywhere today. And it will be everywhere in the future, as innovation drives market transformation and the landscape keeps expanding.

Looking at health for example, where we've promoted exciting new applications in music licensing within fitness services, we've now established a partnership that harnesses music as a key component of medical therapy. Something which I'm particularly excited about.

We recently partnered with a digital therapeutics company, Medrhythms, our first deal in the medical area. And the first deal of its kind in the industry, for the use of our catalog is first prescription music to stimulate parts of a patient's brain.

This is just one example that points to the ever expanding scope of the music business landscape. We are also fostering innovative new partnerships in social media building on the solid foundation of our industry leading strategic relationships with [YouTube \[1,200 articles\]](#)>YouTube, [Facebook \[352 articles\]](#)>Facebook, [Instagram \[277 articles\]](#)>Instagram, TikTok. Over the last four months, we have completed new deals with SNAP, Lomotif and Kuaishou.

We're expanding our social media partnership portfolio with innovative services that further extend engagement and monetization opportunities for our artists with fanbases around the world.

Another area where we intensely focused and have bolstered our efforts is the production of original film and TV content. This is a key facet of our ability to promote our IP outside of the traditional realms of music.

Our success in this arena was already evident at the recent 2021 US Emmy Awards: UMG's PolyGram Entertainment garnered 11 nominations, with the Bee Gees *How Can You Mend a Broken Heart* receiving six nominations and winning one Emmy.

Polygram Entertainment's *Zoey's Extraordinary Playlist* received five nominations; Interscope's film *Billie Eilish: The World's a Little Blurry* received four. And in July, The Velvet Underground documentary premiered at the Cannes Film Festival to rave reviews before opening last week both theatrically and on [Apple \[876 articles\]](#)>Apple Plus.

"I firmly believe the music industry is only at the beginning of a new wave of growth and evolution. We're positioning UMG to lead this evolution for the benefit of our artists, fans, [and] obviously shareholders."

While we're talking about awards, I'd be remiss not to mention a few remarkable chart statistics as well.

Through the third quarter of 2021, according to [MRC Data \[13 articles\]](#)>MRC Data, in the US UMG has all of the top four albums [of the quarter] – from Morgan Wallen, Olivia Rodrigo, Pop Smoke and Justin Bieber, as well as the No.1 album for 33 of the 39 first weeks of the year. [That's] as well as all of this year's Top Seven [biggest] debut weeks, from Drake, Kanye West, Olivia Rodrigo, Taylor Swift, J. Cole, Morgan Wallen and Billie Eilish. In the UK, according to the Official Charts Company, so far this year, we have eight of the Top 10 artists [plus the year's] top album, with Olivia Rodrigo *Sour* and three of the top four singles.

On Spotify's Global chart, Olivia had the No.1 song through the third quarter of 2021, remaining in that spot for 45 consecutive days.

This is just a small sample of what is happening around the world at Universal Music Group. I'm proud of all that we've done to bring us to this point and in particular, what we've accomplished this quarter.

Let me assure you, our vision remains far reaching and our strategy is, and always will be, long term.

I firmly believe the music industry is only at the beginning of a new wave of growth and evolution. We're positioning UMG to lead this evolution for the benefit of our artists, fans, [and] obviously shareholders. Thank you. Music Business Worldwide

Source: [Read Sir Lucian Grainge's first statement to investors as the CEO of a publicly-traded Universal Music Group](#)