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

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**Form 10-Q**

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

For the quarterly period ended September 30, 2023

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 001-32601

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**LIVE NATION ENTERTAINMENT, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State of Incorporation)

**20-3247759**  
(I.R.S. Employer Identification No.)

**9348 Civic Center Drive  
Beverly Hills, CA 90210**

(Address of principal executive offices, including zip code)

**(310) 867-7000**

(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, \$0.01 Par Value Per Share	LYV	New York Stock Exchange

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, a 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

On October 26, 2023, there were 230,325,360 outstanding shares of the registrant's common stock, \$0.01 par value per share, including 1,475,979 shares of unvested restricted stock awards and excluding 408,024 shares held in treasury.

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**LIVE NATION ENTERTAINMENT, INC.  
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**GLOSSARY OF KEY TERMS**

AOCI	Accumulated other comprehensive income (loss)
AOI	Adjusted operating income (loss)
FASB	Financial Accounting Standards Board
GAAP	United States Generally Accepted Accounting Principles
GTV	Gross transaction value
LIBOR	London Inter-Bank Offered Rate
Live Nation	Live Nation Entertainment, Inc. and subsidiaries
LNE	Live Nation Entertainment, Inc.
SEC	United States Securities and Exchange Commission
SOFR	Secured Overnight Financing Rate
Ticketmaster	Our ticketing business
VIE	Variable interest entities (as defined under GAAP)

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

LIVE NATION ENTERTAINMENT, INC.  
CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

	September 30, 2023	December 31, 2022
<i>(in thousands)</i>		
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,948,511	\$ 5,606,457
Accounts receivable, less allowance of \$71,553 and \$63,294, respectively	2,503,135	1,465,383
Prepaid expenses	1,424,561	949,826
Restricted cash	6,851	5,917
Other current assets	123,620	131,939
<b>Total current assets</b>	<b>10,006,678</b>	<b>8,159,522</b>
Property, plant and equipment, net	1,955,906	1,487,663
Operating lease assets	1,594,093	1,571,395
Intangible assets		
Definite-lived intangible assets, net	1,123,151	1,050,622
Indefinite-lived intangible assets, net	376,964	368,712
Goodwill	2,653,526	2,529,380
Long-term advances	510,633	568,558
Other long-term assets	919,622	724,989
<b>Total assets</b>	<b>\$ 19,140,573</b>	<b>\$ 16,460,841</b>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable, client accounts	\$ 1,742,004	\$ 1,791,025
Accounts payable	276,982	180,076
Accrued expenses	3,315,483	2,368,434
Deferred revenue	3,083,668	3,134,800
Current portion of long-term debt, net	50,609	620,032
Current portion of operating lease liabilities	150,304	140,232
Other current liabilities	132,471	68,716
<b>Total current liabilities</b>	<b>8,751,521</b>	<b>8,303,315</b>
Long-term debt, net	6,546,061	5,283,467
Long-term operating lease liabilities	1,673,750	1,654,525
Other long-term liabilities	468,504	455,971
Commitments and contingent liabilities		
Redeemable noncontrolling interests	835,768	669,766
Stockholders' equity		
Common stock	2,293	2,285
Additional paid-in capital	2,411,302	2,698,316
Accumulated deficit	(2,197,221)	(2,971,229)
Cost of shares held in treasury	(6,865)	(6,865)
Accumulated other comprehensive income (loss)	12,242	(90,076)
<b>Total Live Nation stockholders' equity</b>	<b>221,751</b>	<b>(367,569)</b>
Noncontrolling interests	643,218	461,366
<b>Total equity</b>	<b>864,969</b>	<b>93,797</b>
<b>Total liabilities and equity</b>	<b>\$ 19,140,573</b>	<b>\$ 16,460,841</b>

See Notes to Consolidated Financial Statements

**LIVE NATION ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(in thousands except share and per share data)</i>			
Revenue	\$ 8,152,019	\$ 6,153,535	\$ 16,910,132	\$ 12,390,517
Operating expenses:				
Direct operating expenses	6,330,465	4,707,848	12,610,832	9,045,893
Selling, general and administrative expenses	974,150	805,910	2,533,066	2,048,305
Depreciation and amortization	130,653	102,093	382,352	318,489
Gain on disposal of operating assets	(1,583)	(35,285)	(8,092)	(32,555)
Corporate expenses	99,802	66,720	244,295	158,377
Operating income	618,532	506,249	1,147,679	852,008
Interest expense	86,215	70,514	257,425	205,722
Loss on extinguishment of debt	—	—	18,366	—
Interest income	(78,107)	(25,809)	(174,872)	(46,565)
Equity in losses (earnings) of nonconsolidated affiliates	(5,382)	14,283	(15,047)	8,040
Other expense, net	19,251	7,960	24,235	22,398
Income before income taxes	596,555	439,301	1,037,572	662,413
Income tax expense	55,874	41,898	121,362	85,589
Net income	540,681	397,403	916,210	576,824
Net income attributable to noncontrolling interests	57,186	36,001	142,202	77,804
Net income attributable to common stockholders of Live Nation	\$ 483,495	\$ 361,402	\$ 774,008	\$ 499,020
Basic net income per common share available to common stockholders of Live Nation	\$ 1.85	\$ 1.47	\$ 2.63	\$ 1.79
Diluted net income per common share available to common stockholders of Live Nation	\$ 1.78	\$ 1.39	\$ 2.59	\$ 1.73
Weighted average common shares outstanding:				
Basic	228,787,263	225,761,777	228,497,712	224,123,130
Diluted	244,163,678	243,686,803	235,146,395	239,617,920
Reconciliation to net income available to common stockholders of Live Nation:				
Net income attributable to common stockholders of Live Nation	\$ 483,495	\$ 361,402	\$ 774,008	\$ 499,020
Accretion of redeemable noncontrolling interests	(60,882)	(29,915)	(172,436)	(97,723)
Net income available to common stockholders of Live Nation—basic	\$ 422,613	\$ 331,487	\$ 601,572	\$ 401,297
Convertible debt interest, net of tax	10,877	6,365	7,835	12,124
Net income available to common stockholders of Live Nation—diluted	\$ 433,490	\$ 337,852	\$ 609,407	\$ 413,421

See Notes to Consolidated Financial Statements

**LIVE NATION ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(in thousands)</i>			
Net income	\$ 540,681	\$ 397,403	\$ 916,210	\$ 576,824
Other comprehensive income, net of tax:				
Unrealized gain on cash flow hedge	6,293	18,522	14,002	50,178
Realized loss (gain) on cash flow hedge	(4,632)	(515)	(12,436)	2,634
Foreign currency translation adjustments	(48,672)	(42,319)	100,752	(58,731)
Comprehensive income	493,670	373,091	1,018,528	570,905
Comprehensive income attributable to noncontrolling interests	57,186	36,001	142,202	77,804
Comprehensive income attributable to common stockholders of Live Nation	<u>\$ 436,484</u>	<u>\$ 337,090</u>	<u>\$ 876,326</u>	<u>\$ 493,101</u>

See Notes to Consolidated Financial Statements

**LIVE NATION ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(UNAUDITED)**

	Live Nation Stockholders' Equity								Redeemable Noncontrolling Interests
	Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Income	Noncontrolling Interests	Total Equity	
	<i>(in thousands, except share data)</i>								<i>(in thousands)</i>
<b>Balances at June 30, 2023</b>	229,084,194	\$ 2,291	\$ 2,438,660	\$ (2,680,716)	\$ (6,865)	\$ 59,253	\$ 558,806	\$ 371,429	\$ 753,519
Non-cash and stock-based compensation	58	—	26,537	—	—	—	—	26,537	—
Common stock issued under stock plans, net of shares withheld for employee taxes	11,905	—	(537)	—	—	—	—	(537)	—
Exercise of stock options	161,225	2	3,342	—	—	—	—	3,344	—
Acquisitions	—	—	—	—	—	—	49,387	49,387	20,411
Purchases of noncontrolling interests	—	—	3,927	—	—	—	—	3,927	(5,498)
Redeemable noncontrolling interests fair value adjustments	—	—	(60,627)	—	—	—	—	(60,627)	60,627
Contributions received	—	—	—	—	—	—	772	772	—
Cash distributions	—	—	—	—	—	—	(13,489)	(13,489)	(2,691)
Other	—	—	—	—	—	—	2,164	2,164	(2,208)
Comprehensive income (loss):									
Net income	—	—	—	483,495	—	—	45,578	529,073	11,608
Unrealized gain on cash flow hedge	—	—	—	—	—	6,293	—	6,293	—
Realized gain on cash flow hedge	—	—	—	—	—	(4,632)	—	(4,632)	—
Foreign currency translation adjustments	—	—	—	—	—	(48,672)	—	(48,672)	—
<b>Balances at September 30, 2023</b>	<u>229,257,382</u>	<u>\$ 2,293</u>	<u>\$ 2,411,302</u>	<u>\$ (2,197,221)</u>	<u>\$ (6,865)</u>	<u>\$ 12,242</u>	<u>\$ 643,218</u>	<u>\$ 864,969</u>	<u>\$ 835,768</u>

See Notes to Consolidated Financial Statements

Live Nation Stockholders' Equity									
	Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
	<i>(in thousands, except share data)</i>								<i>(in thousands)</i>
<b>Balances at December 31, 2022</b>	228,498,102	\$ 2,285	\$ 2,698,316	\$ (2,971,229)	\$ (6,865)	\$ (90,076)	\$ 461,366	\$ 93,797	\$ 669,766
Non-cash and stock-based compensation	58	—	81,871	—	—	—	—	81,871	—
Common stock issued under stock plans, net of shares withheld for employee taxes	229,406	2	(9,003)	—	—	—	—	(9,001)	—
Exercise of stock options	373,066	4	8,339	—	—	—	—	8,343	—
Repurchase of 2.5% convertible senior notes due 2023	156,750	2	(27,327)	—	—	—	—	(27,325)	—
Capped call transactions for 3.125% convertible senior notes due 2029	—	—	(75,500)	—	—	—	—	(75,500)	—
Acquisitions	—	—	—	—	—	—	116,630	116,630	46,707
Purchases of noncontrolling interests	—	—	(93,721)	—	—	—	(27,090)	(120,811)	(4,839)
Redeemable noncontrolling interests fair value adjustments	—	—	(171,673)	—	—	—	—	(171,673)	171,673
Contributions received	—	—	—	—	—	—	15,403	15,403	85
Cash distributions	—	—	—	—	—	—	(88,182)	(88,182)	(65,607)
Other	—	—	—	—	—	—	56,484	56,484	(15,612)
Comprehensive income (loss):									
Net income	—	—	—	774,008	—	—	108,607	882,615	33,595
Unrealized gain on cash flow hedge	—	—	—	—	—	14,002	—	14,002	—
Realized gain on cash flow hedge	—	—	—	—	—	(12,436)	—	(12,436)	—
Foreign currency translation adjustments	—	—	—	—	—	100,752	—	100,752	—
<b>Balance at September 30, 2023</b>	<u>229,257,382</u>	<u>\$ 2,293</u>	<u>\$ 2,411,302</u>	<u>\$ (2,197,221)</u>	<u>\$ (6,865)</u>	<u>\$ 12,242</u>	<u>\$ 643,218</u>	<u>\$ 864,969</u>	<u>\$ 835,768</u>

See Notes to Consolidated Financial Statements

Live Nation Stockholders' Equity									
Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	
								(in thousands, except share data)	(in thousands)
<b>Balances at June 30, 2022</b>	225,581,279	\$ 2,256	\$ 2,853,613	\$ (3,129,597)	\$ (6,865)	\$ (129,571)	\$ 445,162	\$ 34,998	\$ 565,024
Non-cash and stock-based compensation	—	—	23,929	—	—	—	—	23,929	—
Common stock issued under stock plans, net of shares withheld for employee taxes	519,012	5	(5,227)	—	—	—	—	(5,222)	—
Exercise of stock options	1,037,290	10	9,637	—	—	—	—	9,647	—
Acquisitions	—	—	—	—	—	—	—	—	9,729
Purchases of noncontrolling interests	—	—	(2,405)	—	—	—	19	(2,386)	—
Redeemable noncontrolling interests fair value adjustments	—	—	(29,840)	—	—	—	—	(29,840)	30,140
Contributions received	—	—	—	—	—	—	1,317	1,317	—
Cash distributions	—	—	—	—	—	—	(14,712)	(14,712)	(1,026)
Other	—	—	2,405	—	—	—	775	3,180	(181)
Comprehensive income (loss):									
Net income (loss)	—	—	—	361,402	—	—	40,555	401,957	(4,554)
Unrealized gain on cash flow hedge	—	—	—	—	—	18,522	—	18,522	—
Realized gain on cash flow hedge	—	—	—	—	—	(515)	—	(515)	—
Foreign currency translation adjustments	—	—	—	—	—	(42,319)	—	(42,319)	(151)
<b>Balances at September 30, 2022</b>	<u>227,137,581</u>	<u>\$ 2,271</u>	<u>\$ 2,852,112</u>	<u>\$ (2,768,195)</u>	<u>\$ (6,865)</u>	<u>\$ (153,883)</u>	<u>\$ 473,116</u>	<u>\$ 398,556</u>	<u>\$ 598,981</u>

See Notes to Consolidated Financial Statements



Live Nation Stockholders' Equity									
	Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
	<i>(in thousands, except share data)</i>								<i>(in thousands)</i>
<b>Balances at December 31, 2021</b>	221,964,734	\$ 2,220	\$ 2,897,695	\$ (3,327,737)	\$ (6,865)	\$ (147,964)	\$ 394,197	\$ (188,454)	\$ 551,921
Cumulative effect of change in accounting principle	—	—	(95,986)	60,522	—	—	—	(35,464)	—
Non-cash and stock-based compensation	—	—	198,740	—	—	—	—	198,740	—
Common stock issued under stock plans, net of shares withheld for employee taxes	1,616,274	16	(46,969)	—	—	—	—	(46,953)	—
Exercise of stock options	3,556,573	35	35,663	—	—	—	—	35,698	—
Acquisitions	—	—	—	—	—	—	5,181	5,181	18,406
Purchases of noncontrolling interests	—	—	(38,492)	—	—	—	(7,653)	(46,145)	(1,457)
Sales of noncontrolling interests	—	—	—	—	—	—	(336)	(336)	—
Redeemable noncontrolling interests fair value adjustments	—	—	(98,574)	—	—	—	—	(98,574)	98,414
Contributions received	—	—	—	—	—	—	16,719	16,719	25
Cash distributions	—	—	—	—	—	—	(64,682)	(64,682)	(17,170)
Other	—	—	35	—	—	—	49,007	49,042	(48,128)
Comprehensive income (loss):									
Net income	—	—	—	499,020	—	—	80,683	579,703	(2,879)
Unrealized gain on cash flow hedge	—	—	—	—	—	50,178	—	50,178	—
Realized loss on cash flow hedge	—	—	—	—	—	2,634	—	2,634	—
Foreign currency translation adjustments	—	—	—	—	—	(58,731)	—	(58,731)	(151)
<b>Balances at September 30, 2022</b>	<u>227,137,581</u>	<u>\$ 2,271</u>	<u>\$ 2,852,112</u>	<u>\$ (2,768,195)</u>	<u>\$ (6,865)</u>	<u>\$ (153,883)</u>	<u>\$ 473,116</u>	<u>\$ 398,556</u>	<u>\$ 598,981</u>

See Notes to Consolidated Financial Statements

**LIVE NATION ENTERTAINMENT, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	Nine Months Ended September 30,	
	2023	2022
<i>(in thousands)</i>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 916,210	\$ 576,824
Reconciling items:		
Depreciation	193,654	162,943
Amortization	188,698	155,546
Amortization of non-recoupable ticketing contract advances	58,518	56,121
Deferred income tax benefit	(10,419)	(155)
Amortization of debt issuance costs and discounts	13,707	12,333
Loss on extinguishment of debt	18,366	—
Stock-based compensation expense	85,905	86,178
Unrealized changes in fair value of contingent consideration	42,092	23,601
Equity in losses of nonconsolidated affiliates, net of distributions	7,013	31,420
Provision for uncollectible accounts receivable	35,707	40,736
Gain on mark-to-market of equity investments	(46,720)	(6,757)
Other, net	(12,249)	(4,077)
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Increase in accounts receivable	(1,014,739)	(1,009,472)
Increase in prepaid expenses and other assets	(479,434)	(297,379)
Increase in accounts payable, accrued expenses and other liabilities	916,619	1,536,196
Decrease in deferred revenue	(150,487)	(435,701)
Net cash provided by operating activities	<u>762,441</u>	<u>928,357</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Advances of notes receivable	(129,532)	(58,307)
Collections of notes receivable	9,550	16,473
Investments made in nonconsolidated affiliates	(45,439)	(73,335)
Purchases of property, plant and equipment	(304,882)	(205,987)
Cash acquired from (paid for) acquisitions, net of cash paid (acquired)	29,151	(38,770)
Purchases of intangible assets	(36,653)	(6,764)
Other, net	13,841	6,962
Net cash used in investing activities	<u>(463,964)</u>	<u>(359,728)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt, net of debt issuance costs	988,310	5,750
Payments on long-term debt	(625,659)	(29,462)
Contributions from noncontrolling interests	15,488	14,340
Distributions to noncontrolling interests	(153,789)	(81,852)
Purchases and sales of noncontrolling interests, net	(89,819)	(27,104)
Payments for capped call transactions	(75,500)	—
Proceeds from exercise of stock options	8,343	35,698
Taxes paid for net share settlement of equity awards	(9,001)	(46,953)
Payments for deferred and contingent consideration	(13,690)	(45,164)
Other, net	249	(472)
Net cash provided by (used in) financing activities	<u>44,932</u>	<u>(175,219)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(421)	(325,011)
Net increase in cash, cash equivalents, and restricted cash	<u>342,988</u>	<u>68,399</u>
Cash, cash equivalents and restricted cash at beginning of period	5,612,374	4,887,792
Cash, cash equivalents and restricted cash at end of period	<u>\$ 5,955,362</u>	<u>\$ 4,956,191</u>

See Notes to Consolidated Financial Statements

**LIVE NATION ENTERTAINMENT, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1—BASIS OF PRESENTATION AND OTHER INFORMATION**

***Preparation of Interim Financial Statements***

The accompanying unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X issued by the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, they include all normal and recurring accruals and adjustments necessary to present fairly the results of the interim periods shown. The financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our 2022 Annual Report on Form 10-K filed with the SEC on February 23, 2023.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes including, but not limited to, legal, tax and insurance accruals, acquisition accounting and impairments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

***Seasonality***

Our Concerts and Sponsorship & Advertising segments typically experience higher revenue and operating income in the second and third quarters as our outdoor venue concerts and festivals primarily occur from May through October in most major markets. Our Ticketing segment revenue is impacted by fluctuations in the availability and timing of events for sale to the public, which vary depending upon scheduling by our clients.

Cash flows from our Concerts segment typically have a slightly different seasonality as partial payments are often made for artist performance fees and production costs for tours in advance of the date the related event tickets go on sale. These artist fees and production costs are expensed when the event occurs. Once tickets for an event go on sale, we generally begin to receive payments from ticket sales in advance of when the event occurs. In the United States, this cash is largely associated with events in our operated venues, notably amphitheaters, festivals, theaters and clubs. Internationally, this cash is from a combination of both events in our operated venues, as well as events in third-party venues associated with our promoter's share of tickets in allocation markets. We record these ticket sales as revenue when the event occurs. Our seasonality also results in higher balances in cash and cash equivalents, accounts receivable, prepaid expenses, accrued expenses and deferred revenue at different times in the year.

We expect our seasonality trends to evolve as we continue to expand our global operations.

***Variable Interest Entities***

In the normal course of business, we enter into joint ventures or make investments in companies that will allow us to expand our core business and enter new markets. In certain instances, such ventures or investments may be considered a VIE because the equity owners or the equity holders, as a group, lack the characteristics of a controlling financial interest. In determining whether we are the primary beneficiary of a VIE, we assess whether we have the power to direct activities that most significantly impact the economic performance of the entity and have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. The activities we believe most significantly impact the economic performance of our VIEs include the unilateral ability to approve the annual budget, to terminate key management and to approve entering into agreements with artists, among others. We have certain rights and obligations related to our involvement in the VIEs, including the requirement to provide operational cash flow funding. As of September 30, 2023 and December 31, 2022, excluding intercompany balances and allocated goodwill and intangible assets, there were approximately \$920 million and \$514 million of assets and \$570 million and \$427 million of liabilities, respectively, related to VIEs included in our balance sheets. None of our VIEs are significant on an individual basis.

***Cash and Cash Equivalents***

Included in the September 30, 2023 and December 31, 2022 cash and cash equivalents balance is \$1.3 billion and \$1.5 billion, respectively, of cash received that includes the face value of tickets sold on behalf of our ticketing clients and their share of service charges ("client cash"), which amounts are to be remitted to these clients. We generally do not utilize client cash for our own financing or investing activities as the amounts are payable to our clients on a regular basis. These amounts due to our clients are included in accounts payable, client accounts.

***Income Taxes***

Each reporting period, we evaluate the realizability of our deferred tax assets in each tax jurisdiction. As of September 30, 2023, we continued to maintain a full valuation allowance against our net deferred tax assets in certain jurisdictions due to cumulative pre-tax losses. As a result of the valuation allowances, no tax benefits have been recognized for losses incurred, if any, in those tax jurisdictions for the first nine months of 2023.

In August 2022, the Inflation Reduction Act (IRA) was enacted in the United States, which includes health care, clean energy, and income tax provisions. The income tax provisions amend the Internal Revenue Code to include among other things a corporate alternative minimum tax starting in the 2023 tax year. The Company is still assessing the impact due to a lack of United States Treasury regulations on this matter; however, the IRA is not expected to have a material impact on the Company's financial statements due to net operating losses and full valuation allowances for the United States, which is our most significant jurisdiction. We will continue to monitor to ensure our financial results and related tax disclosures are in compliance with the IRA tax legislation.

***Accounting Pronouncements - Adopted***

In October 2021, the FASB issued Accounting Standards Update (ASU) 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers. This ASU should be applied prospectively to acquisitions occurring on or after the effective date of December 15, 2022, and early adoption is permitted. We adopted this guidance on January 1, 2023. The adoption is not expected to have a material impact on our consolidated financial statements.

**NOTE 2—LONG-LIVED ASSETS, INTANGIBLES, AND GOODWILL**
**Property, Plant and Equipment, Net**

Property, plant and equipment, net, consisted of the following:

	September 30, 2023	December 31, 2022
	<i>(in thousands)</i>	
Land, buildings and improvements	\$ 1,987,508	\$ 1,648,488
Computer equipment and capitalized software	870,881	910,793
Furniture and other equipment	573,239	535,719
Construction in progress	281,862	244,618
Property, plant and equipment, gross	3,713,490	3,339,618
Less: accumulated depreciation	1,757,584	1,851,955
Property, plant and equipment, net	\$ 1,955,906	\$ 1,487,663

**Definite-lived Intangible Assets**

The following table presents the changes in the gross carrying amount and accumulated amortization of definite-lived intangible assets for the nine months ended September 30, 2023:

	Client / vendor relationships	Revenue- generating contracts	Venue management and leaseholds	Trademarks and naming rights	Technology and Other <sup>(1)</sup>	Total
	<i>(in thousands)</i>					
<b>Balance as of December 31, 2022:</b>						
Gross carrying amount	\$ 563,210	\$ 824,785	\$ 148,022	\$ 188,596	\$ 35,736	\$ 1,760,349
Accumulated amortization	(209,518)	(316,581)	(58,588)	(97,931)	(27,109)	(709,727)
Net	353,692	508,204	89,434	90,665	8,627	1,050,622
Gross carrying amount:						
Acquisitions and additions—current year	47,478	51,369	77,074	—	21,789	197,710
Acquisitions and additions—prior year	619	(1,830)	(11)	—	—	(1,222)
Foreign exchange	8,582	38,841	1,166	5,560	(429)	53,720
Other <sup>(2)</sup>	(16,527)	(53,926)	(583)	(13,625)	(37,015)	(121,676)
Net change	40,152	34,454	77,646	(8,065)	(15,655)	128,532
Accumulated amortization:						
Amortization	(59,064)	(73,939)	(15,540)	(13,912)	(13,680)	(176,135)
Foreign exchange	223	(1,079)	107	(446)	(368)	(1,563)
Other <sup>(2)</sup>	16,301	53,926	650	13,781	37,037	121,695
Net change	(42,540)	(21,092)	(14,783)	(577)	22,989	(56,003)
<b>Balance as of September 30, 2023:</b>						
Gross carrying amount	603,362	859,239	225,668	180,531	20,081	1,888,881
Accumulated amortization	(252,058)	(337,673)	(73,371)	(98,508)	(4,120)	(765,730)
Net	\$ 351,304	\$ 521,566	\$ 152,297	\$ 82,023	\$ 15,961	\$ 1,123,151

<sup>(1)</sup> Other primarily includes intangible assets for non-compete agreements.

<sup>(2)</sup> Other primarily includes netdowns of fully amortized or impaired assets.

Included in the current year acquisitions and additions amounts above are definite-lived intangible assets primarily associated with the acquisitions of certain venue and artist management businesses located in the United States, a promoter business in South America, as well as additions for music publishing rights.

The 2023 acquisitions and additions to definite-lived intangible assets had weighted-average lives as follows:

	Weighted-Average Life (years)
Revenue-generating contracts	6
Client/vendor relationships	5
Venue management and leaseholds	13
Technology <sup>(1)</sup>	3
All categories	8

<sup>(1)</sup> The weighted average life of technology intangibles does not include purchased software licenses that are typically amortized over 1 to 3 years.

Amortization of definite-lived intangible assets for the three months ended September 30, 2023 and 2022 was \$3.4 million and \$48.1 million, respectively, and for the nine months ended September 30, 2023 and 2022 was \$176.1 million and \$150.4 million, respectively. As acquisitions and dispositions occur in the future and the valuations of intangible assets for recent acquisitions are completed, amortization will vary.

**Goodwill**

The following table presents the changes in the carrying amount of goodwill in each of our reportable segments for the nine months ended September 30, 2023:

	Concerts	Ticketing	Sponsorship & Advertising	Total
	<i>(in thousands)</i>			
<b>Balance as of December 31, 2022:</b>				
Goodwill	\$ 1,349,426	\$ 979,742	\$ 635,575	\$ 2,964,743
Accumulated impairment losses	(435,363)	—	—	(435,363)
Net	914,063	979,742	635,575	2,529,380
Acquisitions—current year	90,765	—	—	90,765
Acquisitions—prior year	233	143	—	376
Dispositions	(6,183)	—	—	(6,183)
Foreign exchange	(1,444)	22,127	18,505	39,188
<b>Balance as of September 30, 2023:</b>				
Goodwill	1,432,797	1,002,012	654,080	3,088,889
Accumulated impairment losses	(435,363)	—	—	(435,363)
Net	\$ 997,434	\$ 1,002,012	\$ 654,080	\$ 2,653,526

Included in the current year acquisitions amounts above is goodwill primarily associated with the acquisitions of certain venue and artist management businesses located in the United States and Europe as well as a promoter business in South America.

We are in various stages of finalizing our acquisition accounting for recent acquisitions, which may include the use of external valuation consultants, and the completion of this accounting could result in a change to the associated purchase price allocations, including goodwill and our allocation between segments.

**Investments in Nonconsolidated Affiliates**

At September 30, 2023 and December 31, 2022, we had investments in nonconsolidated affiliates of \$427.9 million and \$408.8 million, respectively, included in other long-term assets on our consolidated balance sheets.

**NOTE 3—LEASES**

The significant components of operating lease expense are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(in thousands)</i>			
Operating lease expense	\$ 63,954	\$ 60,003	\$ 206,282	\$ 195,514
Variable and short-term lease expense	85,148	64,548	157,453	117,441
Sublease income	(1,865)	(1,627)	(6,477)	(3,901)
Net lease expense	\$ 147,237	\$ 122,924	\$ 357,258	\$ 309,054

Many of our leases contain contingent rent obligations based on revenue, tickets sold or other variables. Contingent rent obligations, including those related to subsequent changes in the prevailing index or market rate after lease inception, are not included in the initial measurement of the lease asset or liability and are recorded as rent expense in the period that the contingency is resolved.

Supplemental cash flow information for our operating leases is as follows:

	Nine Months Ended September 30,	
	2023	2022
	<i>(in thousands)</i>	
Cash paid for amounts included in the measurement of lease liabilities	\$ 195,945	\$ 177,847
Lease assets obtained in exchange for lease obligations, net of terminations	\$ 148,960	\$ 289,977

As of September 30, 2023, we have additional operating leases that have not yet commenced, with total lease payments of \$22.9 million. These operating leases, which are not included on our consolidated balance sheets, have commencement dates ranging from October 2023 to June 2030 due to certain offices and venues under construction, with lease terms ranging from 2 to 30 years.

**NOTE 4—LONG-TERM DEBT**

Long-term debt, which includes finance leases, consisted of the following:

	September 30, 2023	December 31, 2022
	<i>(in thousands)</i>	
Senior Secured Credit Facility:		
Term loan A	\$ 367,500	\$ 382,500
Term loan B	839,089	845,644
6.5% Senior Secured Notes due 2027	1,200,000	1,200,000
3.75% Senior Secured Notes due 2028	500,000	500,000
4.875% Senior Notes due 2024	575,000	575,000
5.625% Senior Notes due 2026	300,000	300,000
4.75% Senior Notes due 2027	950,000	950,000
2.5% Convertible Senior Notes due 2023	—	550,000
2.0% Convertible Senior Notes due 2025	400,000	400,000
3.125% Convertible Senior Notes due 2029	1,000,000	—
Other long-term debt	520,506	252,199
<b>Total principal amount</b>	<b>6,652,095</b>	<b>5,955,343</b>
Less: unamortized discounts and debt issuance costs	(55,425)	(51,844)
<b>Total long-term debt, net of unamortized discounts and debt issuance costs</b>	<b>6,596,670</b>	<b>5,903,499</b>
Less: current portion	50,609	620,032
<b>Total long-term debt, net</b>	<b>\$ 6,546,061</b>	<b>\$ 5,283,467</b>

Future maturities of long-term debt at September 30, 2023 are as follows:

	<i>(in thousands)</i>
Remainder of 2023	\$ 24,581
2024	1,473,511
2025	49,320
2026	1,394,829
2027	2,153,779
Thereafter	1,556,075
<b>Total</b>	<b>\$ 6,652,095</b>

All long-term debt without a stated maturity date is considered current and is reflected as maturing in the earliest period shown in the table above. See Note 5 – Fair Value Measurements for discussion of the fair value measurement of our long-term debt.

**3.125% Convertible Senior Notes due 2029**

In January 2023, we issued \$1.0 billion principal amount of 3.125% convertible senior notes due 2029 (the “2029 Notes”). Interest on the 2029 Notes is payable semi-annually in arrears on January 15 and July 15, beginning July 15, 2023, at a rate of 3.125% per annum. The notes will mature on January 15, 2029. The notes will be convertible, under certain circumstances, until October 15, 2028, and on or after such date without condition, at an initial conversion rate of 9.2259 shares of our common stock per \$1,000 principal amount of notes, subject to adjustment, which represents a 50% conversion premium based on the last reported sale price for our common stock of \$72.26 on January 9, 2023 prior to issuing the debt. Upon conversion, the notes may be settled in, at our election, shares of common stock or cash or a combination of cash and shares of common stock. Assuming we fully settle the notes in shares, the maximum number of shares that could be issued to satisfy the conversion is 13.8 million as of September 30, 2023.



We may redeem for cash all or any portion of the notes, at our option, on or after January 21, 2026 and before the 41st scheduled trading day before the maturity date, if the sales price of our common stock reaches specified targets as defined in the indenture. The redemption price will equal 100% of the principal amount of the notes plus accrued interest, if any.

If we experience a fundamental change, as defined in the indenture governing the notes, the holders of the 2029 Notes may require us to purchase for cash all or a portion of their notes, subject to specified exceptions, at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, if any.

As of September 30, 2023, the remaining period for the unamortized debt issuance costs balance of \$4.0 million was approximately five years and the value of the notes, if converted and fully settled in shares, did not exceed the principal amount of the notes. As of September 30, 2023, the effective interest rate on the notes was 3.4%.

In connection with the issuance of the 2029 Notes, we entered into privately negotiated capped call transactions with several counterparties. The cap price of the capped call transactions is initially \$144.52, which represents a premium of 100% over the last reported sale price of the Company's common stock on January 9, 2023. The cost of the capped call transactions was \$75.5 million and was charged to additional paid-in capital.

***Debt Extinguishment***

In conjunction with the issuance of the 2029 Notes, we used approximately \$485.8 million of the net proceeds to repurchase \$440.0 million aggregate principal amount of the 2.5% convertible senior notes due 2023 resulting in a loss on debt repurchase of \$8.4 million and a charge to additional paid-in capital for the induced conversion of \$27.3 million. On March 15, 2023, we redeemed the remaining \$110.0 million aggregate principal amount of the 2.5% convertible senior notes and issued 156,750 common shares of stock.

***Senior Secured Facility Amendment***

In February 2023, we amended our senior secured credit facility. The amendments provide for, among other things: (i) replacement of the benchmark reference rate of the Eurodollar Rate (as defined in the Credit Agreement) with the Term SOFR Rate for borrowings denominated in United States Dollars and for each Alternative Currency (as defined in the Credit Agreement), a corresponding reference rate, as set forth in the Amended Credit Agreement, (ii) deletion of the provisions regarding Canadian bankers' acceptances, and (iii) the addition of the Company's ability to draw letters of credit in Canadian Dollars.

***Other Long-term Debt***

As of September 30, 2023, other long-term debt includes \$271.0 million for debt due in 2026 acquired as part of an acquisition of a venue management business in the United States during the first quarter of 2023.

**NOTE 5—FAIR VALUE MEASUREMENTS**

**Recurring**

The following table shows the fair value of our significant financial assets that are required to be measured at fair value on a recurring basis, which are classified on the consolidated balance sheets as cash and cash equivalents.

	Estimated Fair Value					
	September 30, 2023			December 31, 2022		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	<i>(in thousands)</i>					
<b>Assets:</b>						
Cash equivalents	\$ 573,696	\$ —	\$ 573,696	\$ 503,964	\$ —	\$ 503,964
Interest rate swaps	\$ —	\$ 59,291	\$ 59,291	\$ —	\$ 41,515	\$ 41,515

Cash equivalents consist of money market funds. Fair values for cash equivalents are based on quoted prices in an active market. The fair value for our interest rate swaps are based upon inputs corroborated by observable market data with similar tenors.

Our outstanding debt held by third-party financial institutions is carried at cost, adjusted for any discounts or debt issuance costs. Our debt is not publicly traded and the carrying amounts typically approximate fair value for debt that accrues interest at a variable rate, which are considered to be Level 2 inputs as defined in the FASB guidance.

The following table presents the estimated fair values of our senior secured notes, senior notes and convertible senior notes:

	Estimated Fair Value at			
	September 30, 2023		December 31, 2022	
	Level 2		Level 2	
	<i>(in thousands)</i>			
6.5% Senior Secured Notes due 2027	\$	1,183,812	\$	1,175,460
3.75% Senior Secured Notes due 2028	\$	443,305	\$	429,035
4.875% Senior Notes due 2024	\$	565,294	\$	560,027
5.625% Senior Notes due 2026	\$	288,531	\$	285,315
4.75% Senior Notes due 2027	\$	870,856	\$	847,562
2.5% Convertible Senior Notes due 2023	\$	—	\$	588,473
2.0% Convertible Senior Notes due 2025	\$	409,280	\$	397,536
3.125% Convertible Senior Notes due 2029	\$	1,039,520	\$	—

The estimated fair value of our third-party fixed-rate debt is based on quoted market prices in active markets for the same or similar debt, which are considered to be Level 2 inputs.

**NOTE 6—COMMITMENTS AND CONTINGENT LIABILITIES**

**Litigation**

**Consumer Class Actions**

The following putative class action lawsuits were filed against Live Nation and/or Ticketmaster in Canada: Thompson-Marcial and Smith v. Ticketmaster Canada Holdings ULC (Ontario Superior Court of Justice, filed September 2018); McPhee v. Live Nation Entertainment, Inc., et al. (Superior Court of Quebec, District of Montreal, filed September 2018); Crystal Watch v. Live Nation Entertainment, Inc., et al. (Court of Queen’s Bench for Saskatchewan, by amendments filed September 2018); and Gomel v. Live Nation Entertainment, Inc., et al. (Supreme Court of British Columbia, Vancouver Registry, filed October 2018). Similar putative class actions were filed in the United States during the same time period, but as of November 2020, each of the lawsuits filed in the United States has been dismissed with prejudice.

The Canadian lawsuits make similar factual allegations that Live Nation and/or Ticketmaster engage in conduct that is intended to encourage the resale of tickets on secondary ticket exchanges at elevated prices. Based on these allegations, each

plaintiff asserts violations of different provincial and federal laws. Each plaintiff also seeks to represent a class of individuals who purchased tickets on a secondary ticket exchange, as defined in each plaintiff's complaint. The Watch complaint also makes claims related to Ticketmaster's fee display practices on the primary market. The complaints seek a variety of remedies, including unspecified compensatory damages, punitive damages, restitution, injunctive relief and attorneys' fees and costs.

In April 2021, the court in the Gomel lawsuit declined to certify all claims other than those pled under British Columbia's Business Practices and Consumer Protection Act and claims for punitive damages. The court did certify a class of British Columbia residents who purchased tickets to an event in Canada on any secondary market exchange from June 2015 through April 2021 that were initially purchased on Ticketmaster.ca. In May 2021, Ticketmaster and Live Nation filed a notice of appeal of the class certification ruling, and the plaintiff filed a cross-appeal shortly thereafter. The appeals were heard in early February 2023. In July 2023, the Court of Appeal for British Columbia issued its ruling, finding that the trial court erred by certifying common issues related to damages in the absence of any evidence supporting a plausible methodology to determine damages on a class-wide basis and remitted the matter back to the motion judge to reconsider his ruling. The Court of Appeal also allowed plaintiff's cross-appeal in part and returned the issue of whether the plaintiff's Competition Act and Unjust Enrichment claims should be certified to the motion judge for reconsideration. In September 2023, Ticketmaster and Live Nation filed an application for leave to appeal the Court of Appeal decision to the Supreme Court of Canada.

The court in the Watch matter issued its class certification ruling in November 2022. The court declined to certify and dismissed all claims other than those pled under provincial consumer protection statutes relating to drip pricing and certified a class of consumers who purchased tickets between September 2015 and June 2018 from Ticketmaster.ca on the primary market. In December 2022, the parties filed cross-notice of appeal of the court's ruling. A hearing on the parties' motions for leave to appeal took place in March 2023, and in July 2023, the court granted leave to appeal to both parties. Ticketmaster and Live Nation filed a notice of appeal to the Court of Appeal of Saskatchewan in August 2023.

The class certification hearing in the Thompson-Marcial matter has been scheduled for December 2023. The McPhee matter is stayed pending the outcome of the Watch matter.

Based on information presently known to management, we do not believe that a loss is probable of occurring at this time, and we believe that the potential liability, if any, will not have a material adverse effect on our financial position, cash flows or results of operations. Further, we do not currently believe that the claims asserted in these lawsuits have merit, and considerable uncertainty exists regarding any monetary damages that will be asserted against us. We continue to vigorously defend these actions.

#### ***Astroworld Litigation***

On November 5, 2021, the Astroworld music festival was held in Houston, Texas. During the course of the festival, ten members of the audience sustained fatal injuries and others suffered non-fatal injuries. Following these events, approximately 450 civil lawsuits have been filed against Live Nation Entertainment, Inc. and related entities, asserting insufficient crowd control and other theories, seeking compensatory and punitive damages. Pursuant to a February 2022 order of the state Multidistrict Litigation Panel, matter 21-1033, the civil cases have been assigned to Judge Kristen Hawkins of the 11th District Court of Harris County, Texas, for oversight of pretrial matters under Texas's rules governing multidistrict litigation. Confidential settlements were reached with the families of three of the deceased plaintiffs in August through December 2022. Discovery is underway in the remaining cases, and the first trial is scheduled to begin in May 2024.

In June 2023, the Houston Police Department concluded its investigation, and a Grand Jury was empaneled to determine whether criminal charges should be brought against any persons or entities involved in the festival. The Grand Jury returned no indictments, and the criminal matter is now complete.

We are currently unable to reliably predict the developments in, outcome of, and economic costs and other consequences of pending or future litigation related to these matters. We will continue to investigate the factual and legal defenses, and evaluate these matters based on subsequent events, new information and future circumstances. We currently expect that liability insurance can provide sufficient coverage, but at this time there are no assurances of such coverage. Given that these cases are in the early stages and in light of the uncertainties surrounding them, we do not currently possess sufficient information to determine a range of reasonably possible liability. Notwithstanding the foregoing, and without admitting liability or wrongdoing, we may incur material liabilities from the 2021 Astroworld event, which could have a material impact on our business, financial condition, results of operations and/or cash flows.

### Other Litigation

From time to time, we are involved in other legal proceedings arising in the ordinary course of our business, including proceedings and claims based upon purported violations of antitrust laws, intellectual property rights and tortious interference, which could cause us to incur significant expenses. We have also been the subject of personal injury and wrongful death claims relating to accidents at our venues in connection with our operations. As required, we have accrued our estimate of the probable settlement or other losses for the resolution of any outstanding claims. These estimates have been developed in consultation with counsel and are based upon an analysis of potential results, including, in some cases, estimated redemption rates for the settlement offered, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular period could be materially affected by changes in our assumptions or the outcomes of proceedings.

### NOTE 7—EQUITY

#### Accumulated Other Comprehensive Income (Loss)

The following table presents changes in the components of AOCI, net of taxes, for the nine months ended September 30, 2023:

	Cash Flow Hedge	Foreign Currency Items <i>(in thousands)</i>	Total
<b>Balance at December 31, 2022</b>	\$ 41,283	\$ (131,359)	\$ (90,076)
Other comprehensive income before reclassifications	14,002	100,752	114,754
Amount reclassified from AOCI	(12,436)	—	(12,436)
Net other comprehensive income	1,566	100,752	102,318
<b>Balance at September 30, 2023</b>	<b>\$ 42,849</b>	<b>\$ (30,607)</b>	<b>\$ 12,242</b>

#### Earnings Per Share

Basic net income (loss) per common share is computed by dividing the net income (loss) available to common stockholders by the weighted average number of common shares outstanding during the period. The calculation of diluted net income (loss) per common share includes the effects of the assumed exercise of any outstanding stock options, the assumed vesting of shares of restricted and deferred stock awards and the assumed conversion of our convertible senior notes, where dilutive.

The following table sets forth the computation of weighted average common shares outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Weighted average common shares—basic	228,787,263	225,761,777	228,497,712	224,123,130
Effect of dilutive securities:				
Stock options and restricted stock	2,371,755	6,060,991	2,252,391	7,409,515
Convertible senior notes	13,004,660	11,864,035	4,396,292	8,085,275
Weighted average common shares—diluted	<u>244,163,678</u>	<u>243,686,803</u>	<u>235,146,395</u>	<u>239,617,920</u>

The following table shows securities excluded from the calculation of diluted net income per common share because such securities are anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Options to purchase shares of common stock	3,750	3,750	3,750	3,750
Restricted stock and deferred stock—unvested	2,361,832	1,340,319	2,430,242	1,260,701
Conversion shares related to the convertible senior notes	—	—	8,921,749	3,778,760
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	<u>2,365,582</u>	<u>1,344,069</u>	<u>11,355,741</u>	<u>5,043,211</u>

**NOTE 8—SEGMENTS AND REVENUE RECOGNITION**

For the nine months ended September 30, 2023 and 2022, our reportable segments are Concerts, Ticketing and Sponsorship & Advertising. We use AOI to evaluate the performance of our operating segments and define AOI as operating income (loss) before certain stock-based compensation expense, loss (gain) on disposal of operating assets, depreciation and amortization (including goodwill impairment), amortization of non-recoupable ticketing contract advances and acquisition expenses (including transaction costs, changes in the fair value of accrued acquisition-related contingent consideration obligations, and acquisition-related severance and compensation). AOI assists investors by allowing them to evaluate changes in the operating results of our portfolio of businesses separate from non-operational factors that affect net income (loss), thus providing insights into both operations and the other factors that affect reported results.

Revenue and expenses earned and charged between segments are eliminated in consolidation.

We manage our working capital on a consolidated basis. Accordingly, segment assets are not reported to, or used by, our management to allocate resources to or assess performance of our segments, and therefore, total segment assets and related depreciation and amortization have not been presented.

The following table presents the results of operations for our reportable segments for the three and nine months ended September 30, 2023 and 2022:

	Concerts		Ticketing		Sponsorship & Advertising		Other & Eliminations		Corporate		Consolidated	
	<i>(in thousands)</i>											
<b>Three Months Ended September 30, 2023</b>												
Revenue	\$	6,974,326	\$	832,584	\$	366,822	\$	(21,713)	\$	—	\$	8,152,019
% of Consolidated Revenue		85.6%		10.2%		4.5%		(0.3)%				
Intersegment revenue	\$	5,698	\$	9,501	\$	—	\$	(15,199)	\$	—	\$	—
AOI	\$	340,904	\$	316,448	\$	250,265	\$	(6,818)	\$	(64,736)	\$	836,063
<b>Three Months Ended September 30, 2022</b>												
Revenue	\$	5,292,594	\$	531,570	\$	343,029	\$	(13,658)	\$	—	\$	6,153,535
% of Consolidated Revenue		86.0%		8.6%		5.6%		(0.2)%				
Intersegment revenue	\$	4,408	\$	9,748	\$	—	\$	(14,156)	\$	—	\$	—
AOI	\$	280,809	\$	163,176	\$	226,234	\$	(3,420)	\$	(46,081)	\$	620,718
<b>Nine Months Ended September 30, 2023</b>												
Revenue	\$	13,888,829	\$	2,219,667	\$	839,799	\$	(38,163)	\$	—	\$	16,910,132
% of Consolidated Revenue		82.1%		13.1%		5.0%		(0.2)%				
Intersegment revenue	\$	9,896	\$	12,681	\$	—	\$	(22,577)	\$	—	\$	—
AOI	\$	509,794	\$	880,184	\$	548,935	\$	(32,899)	\$	(160,544)	\$	1,745,470
<b>Nine Months Ended September 30, 2022</b>												
Revenue	\$	10,098,180	\$	1,587,274	\$	722,504	\$	(17,441)	\$	—	\$	12,390,517
% of Consolidated Revenue		81.5%		12.8%		5.8%		(0.1)%				
Intersegment revenue	\$	6,635	\$	12,660	\$	—	\$	(19,295)	\$	—	\$	—
AOI	\$	354,587	\$	600,155	\$	474,238	\$	(9,827)	\$	(109,797)	\$	1,309,356

The following table sets forth the reconciliation of consolidated AOI to operating income for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(in thousands)</i>			
AOI	\$ 836,063	\$ 620,718	\$ 1,745,470	\$ 1,309,356
Acquisition expenses	40,968	7,495	79,108	29,115
Amortization of non-recoupable ticketing contract advances	16,921	15,729	58,518	56,121
Depreciation and amortization	130,653	102,093	382,352	318,489
Gain on disposal of operating assets	(1,583)	(35,285)	(8,092)	(32,555)
Stock-based compensation expense	30,572	24,437	85,905	86,178
Operating income	<u>\$ 618,532</u>	<u>\$ 506,249</u>	<u>\$ 1,147,679</u>	<u>\$ 852,008</u>

#### **Contract Advances**

At September 30, 2023 and December 31, 2022, we had ticketing contract advances of \$152.1 million and \$106.5 million, respectively, recorded in prepaid expenses and \$126.4 million and \$105.0 million, respectively, recorded in long-term advances on the consolidated balance sheets. We amortized \$16.9 million and \$15.7 million for the three months ended September 30, 2023 and 2022, respectively, and \$58.5 million and \$56.1 million for the nine months ended September 30, 2023 and 2022, respectively, related to non-recoupable ticketing contract advances.

#### **Sponsorship Agreements**

At September 30, 2023, we had contracted sponsorship agreements with terms greater than one year that had approximately \$3.4 billion of revenue related to future benefits to be provided by us. We expect to recognize, based on current projections, approximately 9%, 35%, 25% and 31% of this revenue in the remainder of 2023, 2024, 2025 and thereafter, respectively.

#### **Deferred Revenue**

The majority of our deferred revenue is typically classified as current and is shown as a separate line item on the consolidated balance sheets. Deferred revenue that is not expected to be recognized within the next twelve months is classified as long-term and reflected in other long-term liabilities on the consolidated balance sheets. We had current deferred revenue of \$3.1 billion and \$2.8 billion at December 31, 2022 and 2021, respectively.

The table below summarizes the amount of the preceding December 31 current deferred revenue recognized during the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	<i>(in thousands)</i>			
Concerts	\$ 814,504	\$ 825,573	\$ 2,629,546	\$ 2,135,814
Ticketing	37,124	40,803	133,365	120,543
Sponsorship & Advertising	17,432	36,703	125,359	128,035
	<u>\$ 869,060</u>	<u>\$ 903,079</u>	<u>\$ 2,888,270</u>	<u>\$ 2,384,392</u>

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*"Live Nation" (which may be referred to as the "Company," "we," "us" or "our") means Live Nation Entertainment, Inc. and its subsidiaries, or one of our segments or subsidiaries, as the context requires. You should read the following discussion of our financial condition and results of operations together with the unaudited consolidated financial statements and notes to the financial statements included elsewhere in this quarterly report.*

### Special Note About Forward-Looking Statements

Certain statements contained in this quarterly report (or otherwise made by us or on our behalf from time to time in other reports, filings with the SEC, news releases, conferences, internet postings or otherwise) that are not statements of historical fact constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended, notwithstanding that such statements are not specifically identified. Forward-looking statements include, but are not limited to, statements about our financial position, business strategy, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition, the effects of future legislation or regulations and plans and objectives of our management for future operations. We have based our forward-looking statements on our beliefs and assumptions considering the information available to us at the time the statements are made. Use of the words "may," "should," "continue," "plan," "potential," "anticipate," "believe," "estimate," "expect," "intend," "outlook," "could," "target," "project," "seek," "predict," or variations of such words and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those set forth below under Part II—Other Information—Item 1A.—Risk Factors, in Part I—Item 1A.—Risk Factors of our 2022 Annual Report on Form 10-K as well as other factors described herein or in our annual, quarterly and other reports we file with the SEC (collectively, "cautionary statements"). Based upon changing conditions, should any risk or uncertainty that has already materialized, worsen in scope, impact or duration, or should one or more of the currently unrealized risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We do not intend to update these forward-looking statements, except as required by applicable law.

### Executive Overview

It was another strong quarter for the Company both financially and in our key performance indicators, setting records for revenues, operating income and AOI. The Company generated more AOI in the third quarter of this year than we did five years ago for all of 2018. We saw exceptional fan demand with double-digit growth in fans and ticket sales globally. Our overall revenue increased by \$2.0 billion, or 32%, to \$8.2 billion as compared to last year. Our operating income for the quarter improved by \$112 million, or 22%, to \$619 million in the third quarter of 2023 due to stronger performance from all three of our major business segments. Consolidated AOI for the third quarter increased by \$215 million, or 35%, to \$836 million this year, outpacing revenue growth.

For the first nine months of 2023, our consolidated revenue increased by \$4.5 billion, or 36%, to \$16.9 billion as compared to last year. Consolidated operating income and AOI for the first nine months increased by \$296 million and \$436 million, or 35% and 33%, to \$1.1 billion and \$1.75 billion, respectively, as compared to prior year.

Our event-related deferred revenue balance of \$2.6 billion as of September 30, 2023 is up \$730 million or over 39% growth compared to September 30, 2022. This, coupled with current ticket sales, suggests continued strong demand for concerts, making us confident for continued success in the remainder of the year and looking ahead to 2024.

All of the segment financial comments to follow are based on reported foreign currency exchange rates.

Our Concerts segment revenue for the quarter compared to the same period in 2022 increased by \$1.7 billion, or 32%, from \$5.3 billion to \$7.0 billion. The revenue growth was the result of more fans enjoying their favorite artists and spending more money at the events to maximize their unique live experiences. Approximately 52 million fans attended our shows in the quarter, compared to approximately 44 million last year, a growth of over 8 million fans or 18%. The growth was relatively evenly distributed across our global markets with notable strength in mainland Europe, Mexico and Canada. Growth in amphitheater, stadium and arena fan count drove the majority of the increase in show attendance. Some of the larger acts touring globally in the third quarter included Beyoncé, Morgan Wallen, Drake and Karol G, reflecting the global diversified base of our artists. Our ancillary revenue spending at our United States amphitheater shows was nearly \$41 per fan for the first

nine months of 2023, close to 10% growth over 2022 levels, driven by higher food and beverage spending as well as upsells. Concerts AOI for the quarter increased by \$60 million, or 21%, compared to the same period in 2022, from \$281 million to \$341 million.

For the first nine months of 2023, Concerts revenue grew \$3.8 billion, or 38%, compared to the same period in 2022, from \$10.1 billion to \$13.9 billion. Concerts AOI for the first nine months increased by \$155 million, or 44%, compared to the same period in 2022, from \$355 million to \$510 million. Through the end of September 2023, our approximately 108 million fans attended our shows compared to approximately 89 million last year, a growth of 19 million fans or 21%.

Our Ticketing segment revenue for the quarter increased by \$301 million, or 57%, compared to the same period in 2022 from \$532 million to \$833 million. The improvement resulted from an increase in ticket sales, upward pricing momentum due to higher fan demand and higher non-service fee revenue. We sold approximately 89 million fee-bearing tickets in the third quarter of 2023 compared to 73 million tickets in the same period of the prior year, an increase of 22%. With respect to GTV, North America increased by 32% on fee-bearing ticket sales while International rose by 49% compared to the same period last year. Pricing on our fee-bearing tickets increased by double-digits, reflecting strong consumer demand, particularly for premium seats and VIP experiences. Ticketing AOI for the quarter improved by \$153 million compared to the same period in 2022, from \$163 million to \$316 million.

For the first nine months of 2023, our Ticketing revenue grew by \$632 million, or 40%, compared to the same period in 2022, from \$1.6 billion to \$2.2 billion. Ticketing AOI for the first nine months of 2023 increased by \$280 million, or 47%, compared to the same period in 2022, from \$600 million to \$880 million. Through the end of September 2023, our fee-bearing ticket sales were 240 million tickets, 44 million ahead of 2022, an increase of 22%. Overall pricing on our fee-bearing tickets for the first nine months of 2023 increased 13% compared to 2022. Lastly, we have signed 17 million net new tickets so far this year, which gives us confidence our ticketing platforms' features and functionalities will continue to fuel growth going forward.

Our Sponsorship & Advertising segment revenue for the quarter increased by \$24 million, or 7%, compared to the same period in 2022 from \$343 million to \$367 million. The increase was largely driven by our United States business with new strategic deals, expanded deals across our venue, festival and digital assets, and the addition of the Moody Center arena in Austin. We also added new marketing partners in Mexico, including a new banking client that sponsored an inaugural festival and other local events. Sponsorship & Advertising AOI for the quarter increased by \$24 million, or 11%, compared to the same period in 2022, from \$226 million to \$250 million.

For the first nine months of 2023, our Sponsorship & Advertising revenue grew \$117 million, or 16%, compared to the same period in 2022, from \$723 million to \$840 million. Sponsorship & Advertising AOI for the first nine month increased by \$75 million, or 16%, compared to the same period in 2022, from \$474 million to \$549 million.

We are optimistic about the long-term potential of our Company and are focused on the key elements of our business model: expanding our concerts platform with more shows and fans in both existing and new markets as well as improving the on-site experience for our fans by enhancing food and beverage products and premium service offerings. We will drive ticket sales through development of innovative products for fans, with a focus on reducing friction in the ticket purchase experience and creating additional revenue opportunities. In addition, we continue to grow our sponsorship and advertising partnerships, enabling our clients to reach customers via the powerful connection that live shows create with ardent fans.



## Consolidated Results of Operations

### Three Months

	Three Months Ended September 30,						% Change	
	2023			2022			As Reported	At Constant Currency**
	As Reported	Currency Impacts	At Constant Currency**	As Reported	As Reported	At Constant Currency**		
	<i>(in thousands)</i>							
Revenue	\$ 8,152,019	\$ (143,572)	\$ 8,008,447	\$ 6,153,535			32%	30%
Operating expenses:								
Direct operating expenses	6,330,465	(109,569)	6,220,896	4,707,848			34%	32%
Selling, general and administrative expenses	974,150	(14,590)	959,560	805,910			21%	19%
Depreciation and amortization	130,653	(3,500)	127,153	102,093			28%	25%
Gain on disposal of operating assets	(1,583)	(1)	(1,584)	(35,285)			(96)%	(96)%
Corporate expenses	99,802	6	99,808	66,720			50%	50%
Operating income	618,532	\$ (15,918)	\$ 602,614	506,249			22%	19%
Operating margin	7.6%		7.5%	8.2%				
Interest expense	86,215			70,514				
Interest income	(78,107)			(25,809)				
Equity in losses (earnings) of nonconsolidated affiliates	(5,382)			14,283				
Other expense, net	19,251			7,960				
Income before income taxes	596,555			439,301				
Income tax expense	55,874			41,898				
Net income	540,681			397,403				
Net income attributable to noncontrolling interests	57,186			36,001				
Net income attributable to common stockholders of Live Nation	\$ 483,495			\$ 361,402				

\* Percentages are not meaningful.

\*\* Constant currency is a non-GAAP financial measure. We calculate currency impacts as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior period's currency exchange rates. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations.

### Revenue

Revenue increased \$2.0 billion during the three months ended September 30, 2023 as compared to the same period of the prior year due to increased revenue in our Concerts segment of \$1.7 billion, Ticketing segment of \$301.0 million and Sponsorship & Advertising of \$23.8 million as further discussed within each segment's operating results.

### Gain on disposal of operating assets

Gain on disposal of operating assets decreased \$33.7 million during the three months ended September 30, 2023 as compared to the same period of the prior year primarily driven by nonrecurring sales of artist catalog rights in 2022.

***Operating income***

Operating income increased \$112.3 million during the three months ended September 30, 2023 as compared to the same period of the prior year primarily driven by increased operating income in our Ticketing segment of \$151.1 million and Sponsorship & Advertising segment of \$14.9 million partially offset by a decrease in operating income in our Concerts segment of \$18.4 million as further discussed within each segment's operating results. These increases were partially offset by higher acquisition transaction expenses due to more accretion expense in the third quarter of 2023.

***Interest income***

Interest income increased \$52.3 million during the three months ended September 30, 2023 as compared to the same period of the prior year, primarily attributed to higher rate of return on our cash and cash equivalents in 2023 and an increase in our cash and cash equivalents.

***Equity in losses (earnings) of nonconsolidated affiliates***

Equity in losses (earnings) of nonconsolidated affiliates was earnings of \$5.4 million during the three months ended September 30, 2023 as compared to losses of \$14.3 million for the comparable period of the prior year due to higher operating results from certain nonconsolidated affiliates.

***Net income attributable to noncontrolling interests***

Net income attributable to noncontrolling interests increased \$21.2 million during the three months ended September 30, 2023 as compared to the same period of the prior year primarily due to higher operating results from certain concert and festival promotion businesses.

## Consolidated Results of Operations

### Nine Months

	Nine Months Ended September 30,				% Change	
	2023		2022		As Reported	At Constant Currency**
	As Reported	Currency Impacts	At Constant Currency**	As Reported		
	<i>(in thousands)</i>					
Revenue	\$ 16,910,132	\$ (107,757)	\$ 16,802,375	\$ 12,390,517	36%	36%
Operating expenses:						
Direct operating expenses	12,610,832	(79,557)	12,531,275	9,045,893	39%	39%
Selling, general and administrative expenses	2,533,066	(3,233)	2,529,833	2,048,305	24%	24%
Depreciation and amortization	382,352	(9,046)	373,306	318,489	20%	17%
Gain on disposal of operating assets	(8,092)	15	(8,077)	(32,555)	(75)%	(75)%
Corporate expenses	244,295	6	244,301	158,377	54%	54%
Operating income	1,147,679	\$ (15,942)	\$ 1,131,737	852,008	35%	33%
Operating margin	6.8%		6.7%	6.9%		
Interest expense	257,425			205,722		
Loss on extinguishment of debt	18,366			—		
Interest income	(174,872)			(46,565)		
Equity in losses (earnings) of nonconsolidated affiliates	(15,047)			8,040		
Other expense, net	24,235			22,398		
Income before income taxes	1,037,572			662,413		
Income tax expense	121,362			85,589		
Net income	916,210			576,824		
Net income attributable to noncontrolling interests	142,202			77,804		
Net income attributable to common stockholders of Live Nation	\$ 774,008			\$ 499,020		

\* Percentages are not meaningful.

\*\* Constant currency is a non-GAAP financial measure. We calculate currency impacts as the difference between current period activity translated using the current period's currency exchange rates and the comparable prior period's currency exchange rates. We present constant currency information to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations.

#### Revenue

Revenue increased \$4.5 billion during the nine months ended September 30, 2023 as compared to the same period of the prior year driven by increased revenue in our Concerts segment of \$3.8 billion, Ticketing segment of \$632.4 million and Sponsorship & Advertising of \$117.3 million as further discussed within each segment's operating results.

#### Gain on disposal of operating assets

Gain on disposal of operating assets decreased \$24.5 million during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily driven by sales of nonrecurring artist catalog rights in 2022.

***Operating income***

Operating income increased \$295.7 million during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily driven by increased operating income in our Concerts segment of \$87.5 million, Ticketing segment of \$276.8 million and Sponsorship & Advertising segment of \$38.4 million, as further discussed within each segment's operating results. These increases were partially offset by higher Corporate expenses and greater accretion expense in 2023.

***Interest expense***

Interest expense increased \$51.7 million during the nine months ended September 30, 2023 as compared to the same period of the prior year, primarily driven by the issuance of our 3.125% convertible senior notes due 2029 in January 2023.

***Interest income***

Interest income increased \$128.3 million during the nine months ended September 30, 2023 as compared to the same period of the prior year, primarily attributed to higher rate of return on our cash and cash equivalents in 2023 and an increase in our cash and cash equivalents.

***Equity in losses (earnings) of nonconsolidated affiliates***

Equity in losses (earnings) of nonconsolidated affiliates was earnings of \$15.0 million during the nine months ended September 30, 2023 as compared to losses of \$8.0 million for the comparable period of the prior year due to higher operating results from certain nonconsolidated affiliates.

***Income tax expense***

For the nine months ended September 30, 2023, we had a net tax expense of \$121.4 million on income before income taxes of \$1.0 billion compared to a net tax expense of \$85.6 million on an income before income taxes of \$662.4 million for the nine months ended September 30, 2022. For the nine months ended September 30, 2023, the income tax expense consisted of \$113.4 million related to foreign entities, \$3.6 million related to United States federal taxes, and \$4.4 million related to state and local income taxes. The net increase in tax expense of \$35.8 million was primarily due to profits in certain non-United States jurisdictions.

***Net income attributable to noncontrolling interests***

Net income attributable to noncontrolling interests increased \$64.4 million during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily due to higher operating results from certain concert businesses during the first nine months of 2023 as compared to the prior year.

## Segment Overview

Our reportable segments are Concerts, Ticketing and Sponsorship & Advertising.

### *Concerts*

Revenue and related costs for events are generally deferred and recognized when the event occurs. All advertising costs incurred during the year for shows in future years are expensed at the end of the year. If a current year event is rescheduled into a future year, all advertising costs incurred to date are expensed in the period when the event is rescheduled.

Concerts direct operating expenses include artist fees, event production costs, show-related marketing and advertising expenses, along with other costs.

To judge the health of our Concerts segment, we primarily monitor the number of confirmed events and fan attendance in our network of operated and third-party venues, talent fees, average paid attendance, market ticket pricing, advance ticket sales and the number of major artist clients under management. In addition, at our operated venues and festivals, we monitor ancillary revenue per fan and premium ticket sales. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of changes in foreign exchange rates.

### *Ticketing*

Revenue related to ticketing service charges is recognized when the ticket is sold for our third-party clients. For our own events, where our concert promoters control ticketing, revenue is deferred and recognized when the event occurs. GTV represents the total amount of the transaction related to a ticket sale and includes the face value of the ticket as well as the service charge.

Ticketing direct operating expenses include call center costs and credit card fees, along with other costs.

To judge the health of our Ticketing segment, we primarily review the GTV and the number of tickets sold through our ticketing operations, the number of clients renewed or added and the average royalty rate paid to clients who use our ticketing services. In addition, we review the number of visits to our websites, cost of customer acquisition, the purchase conversion rate, and the per ticket non-service fee revenue streams. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of changes in foreign exchange rates.

### *Sponsorship & Advertising*

Revenue related to sponsorship and advertising programs is recognized over the term of the agreement or operating season as the benefits are provided to the sponsor unless the revenue is associated with a specific event, in which case it is recognized when the event occurs.

Sponsorship & Advertising direct operating expenses include fulfillment costs related to our sponsorship programs, along with other costs.

To judge the health of our Sponsorship & Advertising segment, we primarily review the revenue generated through sponsorship arrangements and online advertising, the percentage of expected revenue under contract, and what portion of our sponsorship business is driven by large multi-element, multi-year relationships. For business that is conducted in foreign markets, we also compare the operating results from our foreign operations to prior periods without the impact of changes in foreign exchange rates.

## Non-GAAP Measure

### *AOI Margin*

AOI margin is a non-GAAP financial measure that we calculate by dividing AOI by revenue. We use AOI margin to evaluate the performance of our operating segments. We believe that information about AOI margin assists investors by allowing them to evaluate changes in the operating results of our portfolio of businesses separate from non-operational factors that affect net income (loss), thus providing insights into both operations and the other factors that affect reported results. AOI margin is not calculated or presented in accordance with GAAP. A limitation of the use of AOI margin as a performance measure is that it does not reflect the periodic costs of certain amortizing assets used in generating revenue in our business. Accordingly, AOI margin should be considered in addition to, and not as a substitute for, operating income (loss) margin, and other measures of financial performance reported in accordance with GAAP. Furthermore, this measure may vary among other companies; thus, AOI margin as presented herein may not be comparable to similarly titled measures of other companies.

**Key Operating Metrics**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<i>(in thousands except estimated events)</i>				
<b>Concerts <sup>(1)</sup></b>				
Estimated events:				
North America	9,080	8,267	23,500	21,060
International	3,010	2,960	10,736	9,429
Total estimated events	12,090	11,227	34,236	30,489
Estimated fans:				
North America	34,192	29,187	60,323	53,442
International	18,085	15,217	47,927	35,702
Total estimated fans	52,277	44,404	108,250	89,144
<b>Ticketing <sup>(2)</sup></b>				
Estimated number of fee-bearing tickets sold	89,300	73,378	240,445	196,907
Estimated number of non-fee-bearing tickets sold	66,083	61,933	210,519	189,663
Total estimated tickets sold	155,383	135,311	450,964	386,570

(1) Events generally represent a single performance by an artist. Fans generally represent the number of people who attend an event. Festivals are counted as one event in the quarter in which the festival begins, but the number of fans is based on the days the fans were present at the festival and thus can be reported across multiple quarters. Events and fan attendance metrics are estimated each quarter.

(2) The fee-bearing tickets estimated above include primary and secondary tickets that are sold using our Ticketmaster systems or that we issue through affiliates. This includes primary tickets sold during the year regardless of event timing, except for our own events where our concert promoters control ticketing which are reported when the events occur. The non-fee-bearing tickets estimated above include primary tickets sold using our Ticketmaster systems, through season seat packages and our venue clients' box offices, along with tickets sold on our "do it yourself" platform. These metrics are net of any refunds requested and any cancellations that occurred during the period, which may result in a negative number.

## Segment Operating Results

### Concerts

Our Concerts segment operating results were, and discussions of significant variances are, as follows:

	Three Months Ended September 30,			% Change	Nine Months Ended September 30,			% Change
	2023	2022			2023	2022		
	<i>(in thousands)</i>				<i>(in thousands)</i>			
Revenue	\$ 6,974,326	\$ 5,292,594		32%	\$ 13,888,829	\$ 10,098,180		38%
Direct operating expenses	5,970,793	4,452,949		34%	11,693,477	8,381,689		40%
Selling, general and administrative expenses	695,257	568,481		22%	1,756,135	1,420,488		24%
Depreciation and amortization	84,912	61,770		37%	228,353	195,528		17%
Gain on disposal of operating assets	(1,584)	(33,983)		(95)%	(8,143)	(31,057)		(74)%
Operating income	\$ 224,948	\$ 243,377		(8)%	\$ 219,007	\$ 131,532		67%
Operating margin	3.2 %	4.6 %			1.6 %	1.3 %		
AOI	\$ 340,904	\$ 280,809		21%	\$ 509,794	\$ 354,587		44%
AOI margin **	4.9 %	5.3 %			3.7 %	3.5 %		

\* Percentages are not meaningful.

\*\* See “—Non-GAAP Measure” above for the definition of AOI margin.

### Three Months

#### Revenue

Concerts revenue increased \$1.7 billion during the three months ended September 30, 2023 as compared to the same period of the prior year primarily due to higher revenues for increased shows and fans globally. In the United States, the growth was driven by stadium, arena and amphitheater activity while in Europe, stadium shows drove the increase. Concerts had incremental revenue of \$118.4 million during the three months ended September 30, 2023 from acquisitions and new venues.

#### Operating results

Concerts AOI increased \$60.1 million and operating income decreased \$18.4 million for the three months ended September 30, 2023 as compared to the same period of the prior year. The increase in AOI was primarily driven by increases in revenue associated with the higher number of shows discussed above as well as higher ancillary sales including on-site food and beverage and upsell spend. These increases were partially offset by related costs, including increased compensation expenses due to increased headcount from more shows compared to the prior period. The remaining change in operating income outside of AOI of \$78.5 million is primarily associated to lower gains on disposals of operating assets of \$32.4 million, higher depreciation and amortization of \$23.1 million for additional capital expenditures incurred to support the increased operations, and higher acquisition expense of \$19.0 million for costs incurred related to contingent considerations changes and legal matters.

### Nine Months

#### Revenue

Concerts revenue increased \$3.8 billion during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily due to more shows in the United States and Europe as well as the Asia Pacific market, which was largely closed during the first six months of 2022. Concerts had incremental revenue of \$417.6 million during the nine months ended September 30, 2023 from acquisitions and new venues.

#### Operating results

Concerts AOI increased \$155.2 million and operating income increased \$87.5 million during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily driven by an increase in revenues from the number of shows discussed above partially offset by increased direct operating expenses to support these events and increased selling general and administrative expenses primarily related to increased headcount and compensation expenses. The remaining change in operating income outside of AOI of \$67.7 million is primarily related to higher depreciation and amortization of \$32.8 million for additional capital expenditures incurred to support the increased operations, higher acquisition

expense of \$25.3 million for costs incurred related to contingent considerations changes and legal matters, and lower gains on disposals of operating assets of \$22.9 million.

## Ticketing

Our Ticketing segment operating results were, and discussions of significant variances are, as follows:

	Three Months Ended September 30,		% Change	Nine Months Ended September 30,		% Change
	2023	2022		2023	2022	
	<i>(in thousands)</i>			<i>(in thousands)</i>		
Revenue	\$ 832,584	\$ 531,570	57%	\$ 2,219,667	\$ 1,587,274	40%
Direct operating expenses	309,324	196,879	57%	780,561	541,056	44%
Selling, general and administrative expenses	228,746	192,398	19%	632,341	513,601	23%
Depreciation and amortization	27,005	25,900	4%	79,712	82,557	(3)%
Loss (gain) on disposal of operating assets	—	—	*	34	(196)	*
Operating income	\$ 267,509	\$ 116,393	*	\$ 727,019	\$ 450,256	61%
Operating margin	32.1 %	21.9 %		32.8 %	28.4 %	
AOI	\$ 316,448	\$ 163,176	94%	\$ 880,184	\$ 600,155	47%
AOI margin **	38.0 %	30.7 %		39.7 %	37.8 %	

\* Percentages are not meaningful.

\*\* See “—Non-GAAP Measure” above for the definition of AOI margin.

### Three Months

#### Revenue

Ticketing revenue increased \$301.0 million during the three months ended September 30, 2023 as compared to the same period of the prior year. This increase is primarily due to higher primary and secondary sales volumes driven by more events on sale and upward pricing momentum due to more fan demand and artist mix in 2023 as compared to 2022.

#### Operating results

Ticketing AOI increased \$153.3 million and operating income increased \$151.1 million during the three months ended September 30, 2023 as compared to the same period of the prior year primarily driven by increased ticketing activity discussed above. These increases were partially offset by higher direct operating expenses to support the increased operations and enterprise growth as well as higher selling, general and administrative expenses attributable to increased compensation expenses from increased headcount as compared to the prior year.

### Nine Months

#### Revenue

Ticketing revenue increased \$632.4 million during the nine months ended September 30, 2023 as compared to the same period of the prior year. This increase is primarily due to higher primary and secondary sales volumes driven by more events on sale and upward pricing momentum due to more fan demand and artist mix in 2023 as compared to 2022.

#### Operating results

Ticketing AOI increased \$280.0 million and operating income increased \$276.8 million during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily driven by increased ticketing activity discussed above. These increases were partially offset by higher direct operating expenses to support the increased operations and enterprise growth as well as higher selling, general and administrative expenses attributable to increased compensation expenses from increased headcount as compared to the prior year.



## Sponsorship & Advertising

Our Sponsorship & Advertising segment operating results were, and discussions of significant variances are, as follows:

	Three Months Ended September 30,				% Change	Nine Months Ended September 30,				% Change
	2023		2022			2023		2022		
	<i>(in thousands)</i>					<i>(in thousands)</i>				
Revenue	\$	366,822	\$	343,029	7%	\$	839,799	\$	722,504	16%
Direct operating expenses		70,902		72,176	(2)%		171,412		142,443	20%
Selling, general and administrative expenses		48,083		45,342	6%		126,390		109,692	15%
Depreciation and amortization		15,924		8,505	87%		58,687		25,442	*
Operating income	\$	231,913	\$	217,006	7%	\$	483,310	\$	444,927	9%
Operating margin	63.2	%	63.3	%		57.6	%	61.6	%	
AOI	\$	250,265	\$	226,234	11%	\$	548,935	\$	474,238	16%
AOI margin *	68.2	%	66.0	%		65.4	%	65.6	%	

\* See “—Non-GAAP Measure” above for the definition of AOI margin.

### Three Months

#### Revenue

Sponsorship & Advertising revenue increased \$23.8 million during the three months ended September 30, 2023 as compared to the same period of the prior year primarily driven by new and expanded sponsorships across all of our platforms as well as our expanded footprint.

#### Operating results

Sponsorship & Advertising AOI increased \$24.0 million and operating income increased \$14.9 million for the three months ended September 30, 2023 as compared to the same period of the prior year. These increases were primarily due to increased revenues from higher sponsorship activity discussed above. The increases were partially offset by increases in selling, general and administrative expenses.

### Nine Months

#### Revenue

Sponsorship & Advertising revenue increased \$117.3 million during the nine months ended September 30, 2023 as compared to the same period of the prior year primarily due to new and expanded sponsorships across all of our platforms as well as our expanded footprint. Sponsorship & Advertising had incremental revenue of \$27.8 million during the nine months ended September 30, 2023 from acquisitions of new venues.

#### Operating results

Sponsorship & Advertising AOI increased \$74.7 million and operating income increased \$38.4 million during the nine months ended September 30, 2023 as compared to the same period of the prior year. These increases were primarily due to higher sponsorship activity revenues discussed above. The increases were partially offset by increases in direct operating expenses, including higher artist activation costs. The remaining change in operating income outside of AOI of \$36.3 million was primarily due to depreciation and amortization related to assets utilized to support higher activity levels as compared to the prior year.

## Liquidity and Capital Resources

Our cash is centrally managed on a worldwide basis. Our primary short-term liquidity needs are to fund general working capital requirements, capital expenditures and debt service requirements while our long-term liquidity needs are primarily related to acquisitions and debt repayment. Our primary sources of funds for our short-term liquidity needs will be cash flows from operations and borrowings under our amended senior secured credit facility, while our long-term sources of funds will be from cash flows from operations, long-term bank borrowings and other debt or equity financings. We may from time to time engage in open market purchases of our outstanding debt securities or redeem or otherwise repay such debt.

Our balance sheet reflects cash and cash equivalents of \$5.9 billion at September 30, 2023 and \$5.6 billion at December 31, 2022. Included in the September 30, 2023 and December 31, 2022 cash and cash equivalents balances are \$1.3 billion and \$1.5 billion, respectively, of cash received that includes the face value of tickets sold on behalf of our ticketing clients and their share of service charges, which we refer to as client cash. We generally do not utilize client cash for our own financing or investing activities as the amounts are payable to clients on a regular basis. Our foreign subsidiaries held approximately \$2.4 billion in cash and cash equivalents, excluding client cash, at September 30, 2023. We generally do not repatriate these funds, but if we did, we would need to accrue and pay United States state income taxes as well as any applicable foreign withholding or transaction taxes on future repatriations. We may from time to time enter into borrowings under our revolving credit facility. If the original maturity of these borrowings is 90 days or less, we present the borrowings and subsequent repayments on a net basis in the statement of cash flows to better represent our financing activities. Our balance sheet reflects total net debt of \$6.6 billion and \$5.9 billion at September 30, 2023 and December 31, 2022, respectively. Our weighted-average cost of debt, excluding unamortized debt discounts and debt issuance costs on our term loans and notes, was 4.8% at September 30, 2023, with approximately 87% of our debt at fixed rates.

Our cash and cash equivalents are held in accounts managed by third-party financial institutions and consist of cash in our operating accounts and invested cash. Cash held in non-interest-bearing and interest-bearing operating accounts in many cases exceeds the Federal Deposit Insurance Corporation insurance limits. The invested cash is in interest-bearing funds consisting primarily of bank deposits and money market funds for which we earn interest based on prevailing market rates which is recorded in interest income in our consolidated financial statements. For the three and nine months ended September 30, 2023, the amount of interest income we earned rose more than interest expense for the same period. While we monitor cash and cash equivalents balances in our operating accounts on a regular basis and adjust the balances as appropriate, these balances could be impacted if the underlying financial institutions fail. To date, we have experienced no loss or lack of access to our cash and cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

For our Concerts segment, we often receive cash related to ticket revenue in advance of the event, which is recorded in deferred revenue until the event occurs. In the United States, this cash is largely associated with events in our operated venues, notably amphitheatres, festivals, theaters and clubs. Internationally, this cash is from a combination of both events in our operated venues, as well as events in third-party venues associated with our promoter's share of tickets in allocation markets. With the exception of some upfront costs and artist advances, which are recorded in prepaid expenses until the event occurs, we pay the majority of event-related expenses at or after the event. Artists are paid when the event occurs under one of several different formulas, which may include fixed guarantees and/or a percentage of ticket sales or event profits, net of any advance they have received. When an event is cancelled, any cash held in deferred revenue is reclassified to accrued expenses as those funds are typically refunded to the fan within 30 days of event cancellation. When a show is rescheduled, fans have the ability to request a refund if they do not want to attend the event on the new date, although historically we have had low levels of refund requests for rescheduled events.

We view our available cash as cash and cash equivalents, less ticketing-related client cash, less event-related deferred revenue, less accrued expenses due to artists and cash collected on behalf of others, plus event-related prepaid expenses. This is essentially our cash available to, among other things, repay debt balances, make acquisitions, and finance capital expenditures.

Our intra-year cash fluctuations are impacted by the seasonality of our various businesses. Examples of seasonal effects include our Concerts segment, which reports the majority of its revenue in the second and third quarters. Cash inflows and outflows depend on the timing of event-related payments but the majority of the inflows generally occur prior to the event. See "—Seasonality" below. We believe that we have sufficient financial flexibility to fund these fluctuations and to access the global capital markets on satisfactory terms and in adequate amounts, although there can be no assurance that this will be the case, and capital could be less accessible and/or more costly given current economic conditions. We expect cash flows from operations and borrowings under our amended senior secured credit facility, along with other financing alternatives, to satisfy working capital requirements, capital expenditures and debt service requirements for at least the succeeding year.

We may need to incur additional debt or issue equity to make other strategic acquisitions or investments. There can be no assurance that such financing will be available to us on acceptable terms or at all. We may make significant acquisitions in the near term, subject to limitations imposed by our financing agreements and market conditions.

The lenders under our revolving loans and counterparties to our interest rate hedge agreements consists of banks and other third-party financial institutions. While we currently have no indications or expectations that such lenders will be unable to fund their commitments as required, we can provide no assurances that future funding availability will not be impacted by adverse conditions in the financial markets. Should an individual lender default on its obligations, the remaining lenders would not be required to fund the shortfall, resulting in a reduction in the total amount available to us for future borrowings, but would remain obligated to fund their own commitments. Should the counterparty to our interest rate hedge agreement default on its obligation, we could experience higher interest rate volatility during the period of any such default.

#### Sources of Cash

In January 2023, we issued \$1.0 billion principal amount of 3.125% convertible senior notes due 2029. In conjunction with this issuance, we used approximately \$485.8 million of the net proceeds to repurchase \$440.0 million aggregate principal amount of our 2.5% convertible senior notes due 2023, entered into capped call transactions at a cost of \$75.5 million, paid debt issuance costs of \$15.0 million, with any remaining proceeds available for general corporate purposes.

#### *Amended Senior Secured Credit Facility*

In February 2023, we amended our senior secured credit facility. The amendments provide for, among other things: (i) replacement of the benchmark reference rate of the Eurodollar Rate (as defined in the Credit Agreement) with the Term SOFR Rate for borrowings denominated in United States Dollars and for each Alternative Currency (as defined in the Credit Agreement), a corresponding reference rate, as set forth in the Amended Credit Agreement, (ii) deletion of the provisions regarding Canadian bankers' acceptances, and (iii) the addition of the Company's ability to draw letters of credit in Canadian Dollars.

Our senior secured credit facility consists of (i) a \$400 million term loan A facility, (ii) a \$950 million term loan B facility, (iii) a \$500 million revolving credit facility and (iv) a \$130 million incremental revolving credit facility. In addition, subject to certain conditions, we have the right to increase such facilities by an amount equal to the sum of (x) \$855 million, (y) the aggregate principal amount of voluntary prepayments of the term loan A and term loan B and permanent reductions of the revolving credit facility commitments, in each case, other than from proceeds of long-term indebtedness, and (z) additional amounts so long as the senior secured leverage ratio calculated on a pro-forma basis (as defined in the agreement) is no greater than 3.75x. The combined revolving credit facilities provide for borrowings up to \$630 million with sublimits of up to (i) \$150 million for the issuance of letters of credit, (ii) \$50 million for swingline loans, (iii) \$300 million for borrowings in Dollars, Euros or British Pounds and (iv) \$100 million for borrowings in those or one or more other approved currencies. The amended senior secured credit facility is secured by a first priority lien on substantially all of the tangible and intangible personal property of LNE and LNE's domestic subsidiaries that are guarantors, and by a pledge of substantially all of the shares of stock, partnership interests and limited liability company interests of our direct and indirect domestic subsidiaries and 65% of each class of capital stock of any first-tier foreign subsidiaries, subject to certain exceptions.

The interest rates per annum applicable to revolving credit facility loans and term loan A under the amended senior secured credit facility are, at our option, equal to either Term Benchmark Loans or RFR Loans (as defined in the Credit Agreement) plus 2.25% or a base rate plus 1.25%. The interest rates per annum applicable to the term loan B are, at our option, equal to either Term Benchmark Loans or RFR Loans plus 1.75% or a base rate plus 0.75%. We have an interest rate swap agreement that ensures the interest rate on \$500.0 million principal amount of our outstanding term loan B does not exceed 3.445% through October 2026. The agreement was amended in February 2023 along with the transition from LIBOR to SOFR. The interest rates per annum applicable to the incremental revolving credit facility are, at our option, equal to either Term Benchmark Loans or RFR Loans plus 2.5% or a base rate plus 1.5%. We are required to pay a commitment fee of 0.5% per year on the undrawn portion available under the revolving credit facility, 1.75% per year on the undrawn portion available under the incremental revolving credit facility and variable fees on outstanding letters of credit.

For the term loan A, we are required to make quarterly payments of \$5.0 million with the balance due at maturity in October 2024. For the term loan B, we are required to make quarterly payments of \$2.4 million with the balance due at maturity in October 2026. Both the existing and incremental revolving credit facilities mature in October 2024. We are also required to make mandatory prepayments of the loans under the amended credit agreement, subject to specified exceptions, from excess cash flow and with the proceeds of asset sales, debt issuances and specified other events. As of September 30, 2023, the outstanding principal amount of our term loan A facility is \$367.5 million and term loan B facility is \$839.1 million.

There were no borrowings under the revolving credit facilities as of September 30, 2023. Based on our outstanding letters of credit of \$46.1 million, \$583.9 million was available for future borrowings from revolving credit facilities.

**Debt Covenants**

As of September 30, 2023, we believe we were in compliance with all of our debt covenants related to our senior secured credit facility and our corporate senior secured notes, senior notes and convertible senior notes. We expect to remain in compliance with all of these covenants throughout 2023.

**Uses of Cash**

**Acquisitions**

During the nine months ended September 30, 2023, we completed various acquisitions that resulted in cash acquired, net of cash paid, of \$29.2 million. This includes acquisition of businesses for which we assumed debt of \$271.3 million.

**Capital Expenditures**

Venue and ticketing operations require ongoing investment in our existing venues and ticketing systems to address fan and artist expectations, technological industry advances and various federal, state and/or local regulations.

We categorize capital outlays between maintenance capital expenditures and revenue generating capital expenditures. Maintenance capital expenditures are associated with the renewal and improvement of existing venues and technology systems, web development and administrative offices. Revenue generating capital expenditures generally relate to the construction of new venues to expand our global footprint, major renovations to existing buildings or buildings that are being added to our venue network, the development of new ticketing tools and technology enhancements. Revenue generating capital expenditures can also include smaller projects whose purpose is to increase revenue and/or improve operating income. Capital expenditures typically increase during periods when our venues are not in operation since that is the time that such improvements can be completed.

Our capital expenditures, including accruals for amounts incurred but not yet paid for, but net of expenditures funded by outside parties such as landlords and noncontrolling interest partners or expenditures funded by insurance proceeds, consisted of the following:

	Nine Months Ended September 30,	
	2023	2022
	<i>(in thousands)</i>	
Revenue generating	\$ 185,148	\$ 119,620
Maintenance	72,546	56,755
Total capital expenditures	<u>\$ 257,694</u>	<u>\$ 176,375</u>

Revenue generating capital expenditures during the first nine months of 2023 increased from the same period of the prior year primarily due to enhancements at our amphitheaters and theaters in North America.

We currently expect capital expenditures to be approximately \$450 million for the full year of 2023 as we continue catching up on projects delayed due to supply chain constraints and further expand our global platform, with approximately two-thirds of this capital expenditure to be for revenue generating projects.

**Cash Flows**

	Nine Months Ended September 30,	
	2023	2022
	<i>(in thousands)</i>	
Cash provided by (used in):		
Operating activities	\$ 762,441	\$ 928,357
Investing activities	\$ (463,964)	\$ (359,728)
Financing activities	\$ 44,932	\$ (175,219)

**Operating Activities**

Cash provided by operating activities decreased \$165.9 million for the nine months ended September 30, 2023 as compared to the same period of the prior year primarily due to lower accounts payable, accrued expenses and other liabilities from the timing of payments and higher prepaid expenses and other assets due to timing of shows. This was partially offset by

an increase in 2023 operating results as discussed within each segment's operating results as well as higher deferred revenue from timing of events on sale.

***Investing Activities***

Cash used in investing activities increased \$104.2 million for the nine months ended September 30, 2023 as compared to the prior year primarily due to an increase of \$98.9 million in purchases of property, plant and equipment in 2023 for revenue generating and maintenance capital expenditures and \$71.2 million in higher advances of notes receivable. This was partially offset by cash acquired from acquisitions, net of cash paid of \$29.2 million during the current year whereas the prior year was cash paid for acquisitions, net of cash acquired of \$38.8 million. See “—Uses of Cash - Acquisitions and Capital Expenditures” above for further discussion.

***Financing Activities***

Cash provided by financing activities was \$44.9 million for the nine months ended September 30, 2023 as compared to cash used in financing activities of \$175.2 million for the same period of the prior year primarily due to proceeds in 2023 from the issuance of our 3.125% convertible senior notes partially offset by the repurchase of our 2.5% convertible senior notes and capped call transactions in connection with such issuance, as well as higher distributions to noncontrolling interests. See “—Sources of Cash” above for further discussion.

**Seasonality**

Information regarding the seasonality of our business can be found in Part I—Financial Information—Item 1.—Financial Statements—Note 1 – Basis of Presentation and Other Information.

**Market Risk**

We are exposed to market risks arising from changes in market rates and prices, including movements in foreign currency exchange rates and interest rates.

***Foreign Currency Risk***

We have operations in countries throughout the world. The financial results of our foreign operations are measured in their local currencies. Our foreign subsidiaries also carry certain net assets or liabilities that are denominated in a currency other than that subsidiary's functional currency. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which we have operations. We operate in certain countries that are hyper-inflationary, for example Argentina, however the impact of these currencies did not have a material impact on our statement of operations for the three and nine months ended September 30, 2023 and 2022. Our foreign operations reported an operating income of \$443.0 million for the nine months ended September 30, 2023. We estimate that a 10% change in the value of the United States dollar relative to foreign currencies would change our operating income for the nine months ended September 30, 2023 by \$44.3 million. As of September 30, 2023, our most significant foreign exchange exposure included the Euro, British Pound, Australian Dollar, Canadian Dollar and Mexican Peso. This analysis does not consider the implication such currency fluctuations could have on the overall economic conditions of the United States or other foreign countries in which we operate or on the results of operations of our foreign entities. In addition, the reported carrying value of our assets and liabilities, including the total cash and cash equivalents held by our foreign operations, will also be affected by changes in foreign currency exchange rates.

We primarily use forward currency contracts, in addition to options, to reduce our exposure to foreign currency risk associated with short-term artist fee commitments. At September 30, 2023, we had forward currency contracts outstanding with an aggregate notional amount of \$159.6 million.

***Interest Rate Risk***

Our market risk is also affected by changes in interest rates. We had \$6.7 billion of total debt, excluding unamortized debt discounts and issuance costs, outstanding as of September 30, 2023. Of the total amount, we had \$5.8 billion of fixed-rate debt and \$835.0 million of floating-rate debt.

Based on the amount of our floating-rate debt as of September 30, 2023, each 25-basis point increase or decrease in interest rates would increase or decrease our annual interest expense and cash outlay by approximately \$2.1 million. This potential increase or decrease is based on the simplified assumption that the level of floating-rate debt remains constant with an immediate across-the-board increase or decrease as of September 30, 2023 with no subsequent change in rates for the remainder of the period.

In January 2020, we entered into an interest rate swap agreement that is designated as a cash flow hedge for accounting purposes to effectively convert a portion of our floating-rate debt to a fixed-rate basis. The agreement was amended in February 2023 for the transition from LIBOR to SOFR. The swap agreement expires in October 2026, has a notional amount of \$500.0 million and ensures that a portion of our floating-rate debt does not exceed 3.445%.

#### **Accounting Pronouncements**

Information regarding recently issued and adopted accounting pronouncements can be found in Part I — Financial Information—Item 1.—Financial Statements—Note 1 – Basis of Presentation and Other Information.

#### **Critical Accounting Policies and Estimates**

The preparation of our financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. On an ongoing basis, we evaluate our estimates that are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of revenue and expenses that are not readily apparent from other sources. Because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such difference could be material.

Management believes that the accounting estimates involved in business combinations, impairment of long-lived assets and goodwill, revenue recognition, and income taxes are the most critical to aid in fully understanding and evaluating our reported financial results, and they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. These critical accounting estimates, the judgments and assumptions and the effect if actual results differ from these assumptions are described in Part II—Financial Information—Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2022 Annual Report on Form 10-K filed with the SEC on February 23, 2023.

There have been no changes to our critical accounting policies during the nine months ended September 30, 2023.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Required information is within Part I — Financial Information—Item 2.—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Market Risk.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

We have established disclosure controls and procedures to ensure that material information relating to our company, including our consolidated subsidiaries, is made known to the officers who certify our financial reports and to other members of senior management and our board of directors.

Based on their evaluation as of September 30, 2023, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective to ensure that (1) the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) the information we are required to disclose in such reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal controls will prevent all possible errors and fraud. Our disclosure controls and procedures are, however, designed to provide reasonable assurance of achieving their objectives, and our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective at that reasonable assurance level.

**Changes in Internal Control Over Financial Reporting**

There has been no change in our internal control over financial reporting during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II—OTHER INFORMATION****Item 1. Legal Proceedings**

Information regarding our legal proceedings can be found in Part I—Financial Information—Item 1. Financial Statements—Note 6 – Commitments and Contingent Liabilities.

**Item 1A. Risk Factors**

While we attempt to identify, manage and mitigate risks and uncertainties associated with our business to the extent practical under the circumstances, some level of risk and uncertainty will always be present. Part I—Item 1A.—Risk Factors of our 2022 Annual Report on Form 10-K filed with the SEC on February 23, 2023, describes some of the risks and uncertainties associated with our business which could materially and adversely affect our business, financial condition, cash flows and results of operations, and the trading price of our common stock could decline as a result. We do not believe that there have been any material changes to the risk factors previously disclosed in our 2022 Annual Report on Form 10-K.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds****Purchase of Equity Securities**

The following table provides information regarding repurchases of our common stock during the three months ended September 30, 2023:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid per Share <sup>(1)</sup>	Total Number of Shares Purchased as Part of Publicly Announced Program <sup>(2)</sup>	Maximum Fair Value of Shares that May Yet Be Purchased Under the Program <sup>(2)</sup>
July 2023	25	\$91.75		
August 2023	2,102	\$87.82		
September 2023	4,327	\$81.04		
	<u>6,454</u>			

<sup>(1)</sup> Represents shares of common stock that employees surrendered as part of the default option to satisfy withholding taxes in connection with the vesting of restricted stock awards under our stock incentive plan. Pursuant to the terms of our stock plan, such shares revert to available shares under the plan.

<sup>(2)</sup> We do not have a publicly announced program to purchase shares of our common stock. Accordingly, there were no shares purchased as part of a publicly announced program.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 5. Other Information**

No director or officer adopted or terminated any Rule 10b5-1 plan, or any other written trading arrangement that meets the requirements of a “non-Rule 10b5-1 trading arrangement” during the three months ended September 30, 2023.



**Item 6. Exhibits**

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit No.	Filing Date	
31.1	<a href="#">Certification of Chief Executive Officer.</a>					X
31.2	<a href="#">Certification of Chief Financial Officer.</a>					X
32.1	<a href="#">Section 1350 Certification of Chief Executive Officer.</a>					X
32.2	<a href="#">Section 1350 Certification of Chief Financial Officer.</a>					X
101.INS	XBRL Instance Document - this instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	XBRL Taxonomy Schema Document.					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Label Linkbase Document.					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (Formatted as Inline XBRL and contained in Exhibit 101)					X

§ Management contract or compensatory plan or arrangement.



## CERTIFICATION OF CHIEF EXECUTIVE OFFICER

**CERTIFICATION**

I, Michael Rapino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Live Nation Entertainment, Inc.;
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(s) 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(s) 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.

Date: November 2, 2023

By: /s/ Michael Rapino  
Michael Rapino  
President and Chief Executive Officer



SECTION 1350 CERTIFICATION OF CHIEF EXECUTIVE OFFICER

In connection with this Quarterly Report of Live Nation Entertainment, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Rapino, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 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.

Date: November 2, 2023

By: /s/ Michael Rapino  
Michael Rapino  
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SECTION 1350 CERTIFICATION OF CHIEF FINANCIAL OFFICER

In connection with this Quarterly Report of Live Nation Entertainment, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joe Berchtold, President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 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.

Date: November 2, 2023

By: /s/ Joe Berchtold  
Joe Berchtold  
President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.