



**FIRST QUARTER 2020  
SUPPLEMENTAL OPERATIONAL AND FINANCIAL INFORMATION**

**\*\* Information presented is as of May 7, 2020 unless otherwise indicated \*\***

**Concerts**

Through February 2020 (prior to the shutdown of operations), the company had promoted approximately 5,500 shows for nearly 8 million fans, up by 17% and 2%, respectively, compared to the same period in 2019.

With approximately 2,100 March shows cancelled or rescheduled to a future date, the company lost approximately \$40 million of anticipated contribution margin on those shows.

The company additionally had a one-time expense of approximately \$25 million for sunk costs for cancelled shows, which included the cost of paying show employees for those shows that didn't happen during the second half of March.

**Sponsorship & Advertising**

The company's sponsorship business was least impacted by the March shutdown, losing less than \$5 million in contribution margin as a result.

**Ticketing**

Through February 2020, the company was on track for a strong first quarter, with fee-bearing gross transaction value (GTV) up 31% compared to the prior year, to approximately \$3.2 billion. Net of refunds, the company then ended the first quarter with approximately \$3.0 billion fee-bearing GTV, down 22% from the prior year. This reduction in fee-bearing GTV led to an approximately \$65 million reduction in contribution margin relative to the company's February forecast for the business.

The company refunded approximately 5.2 million tickets for approximately \$432 million GTV during March 2020 and this, along with an accrual for future refunds of shows cancelled in April, resulted in an approximately \$35 million reduction in contribution margin.

Through this past weekend, additional details on refund activity include:

- Ticketmaster has had approximately 65,000 shows impacted by the virus.
  - Virtually all cancelled shows are currently refunding.
  - Approximately 80% of rescheduled or postponed shows are offering refunds.
- For Live Nation concerts, approximately 9,000 shows have been impacted.
  - Of those shows, approximately 20% have canceled and 80% are rescheduling.
  - Almost all canceled shows are currently refunding.
  - Over 90% of rescheduled shows are offering refunds with the remaining shows scheduled to be refunding in the near future.

## **Miscellaneous**

The company has taken quick and aggressive actions to conserve cash, including its cost savings initiatives and cash management program, which eliminates or defers \$1 billion in cash outflows for 2020 relative to the company's budget. In addition to \$600 million in cost savings, these cash impacts include a reduction in capital expenditures, lower acquisition activity and deferrals of concert and ticketing advances.

The company currently projects its monthly operational costs burn rate to be approximately \$150 million per month for the second quarter and through the remainder of 2020, prior to interest expense, debt payments, capital expenditures, and other non-operational items.

The direct COVID-19 impact on the company's \$21 million adjusted operating income loss for the first quarter was approximately \$165 million, which was partially offset by approximately \$30 million in cost savings during the quarter.

The company is now estimating its full year capital expenditures to be approximately \$200 million, with \$74 million of that spend in the first quarter. Of the remaining \$126 million in capital expenditures for the year, approximately \$50 million is for capitalized labor in the ticketing segment, with the remainder largely venue-related long-term projects.

Following the April amendments to the company's credit facility, beginning in the fourth quarter of 2020, the net leverage covenant will use the bank-defined EBITDA from Q2 and Q3 of 2019 instead of the Q2 and Q3 2020 results, and the company will continue to have a 20% add-back in that EBITDA calculation.

## **Forward-Looking Statements**

The supplemental information provided above contains certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ, including statements regarding Live Nation's anticipated future operational and financial performance. Please refer to Live Nation's SEC filings (including its most recently filed Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K), available in the SEC Filings section of its website at [investors.livenationentertainment.com](https://investors.livenationentertainment.com), for a description of risks and uncertainties that could impact the actual results.