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

Form 10-Q

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

For the quarterly period ended March 31, 2022

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

LIVE NATION ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

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, \$.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 April 28, 2022, there were 228,063,872 outstanding shares of the registrant's common stock, \$0.01 par value per share, including 3,569,853 shares of unvested restricted and deferred stock awards and excluding 408,024 shares held in treasury.

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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
Live Nation	Live Nation Entertainment, Inc. and subsidiaries
LNE	Live Nation Entertainment, Inc.
OCESA	OCESA Entretenimiento, S.A. de C.V. and certain other related subsidiaries of Corporación Interamericana de Entretenimiento, S.A.B. de C.V.
SEC	United States Securities and Exchange Commission
Ticketmaster	Our ticketing business

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

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

	March 31, 2022	December 31, 2021
	<i>(in thousands)</i>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,871,905	\$ 4,884,729
Accounts receivable, less allowance of \$50,225 and \$50,491, respectively	1,210,007	1,066,573
Prepaid expenses	963,227	654,894
Restricted cash	3,114	3,063
Other current assets	62,182	74,834
Total current assets	<u>8,110,435</u>	<u>6,684,093</u>
Property, plant and equipment, net	1,086,307	1,091,929
Operating lease assets	1,649,982	1,538,911
Intangible assets		
Definite-lived intangible assets, net	1,004,446	1,026,338
Indefinite-lived intangible assets	368,943	369,028
Goodwill	2,604,811	2,590,869
Long-term advances	576,601	552,697
Other long-term assets	605,077	548,453
Total assets	<u>\$ 16,006,602</u>	<u>\$ 14,402,318</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable, client accounts	\$ 1,804,348	\$ 1,532,345
Accounts payable	67,008	110,623
Accrued expenses	1,511,446	1,645,906
Deferred revenue	4,049,866	2,774,792
Current portion of long-term debt, net	611,319	585,254
Current portion of operating lease liabilities	139,050	123,715
Other current liabilities	95,450	83,087
Total current liabilities	<u>8,278,487</u>	<u>6,855,722</u>
Long-term debt, net	5,146,681	5,145,484
Long-term operating lease liabilities	1,708,610	1,606,064
Other long-term liabilities	436,789	431,581
Commitments and contingent liabilities		
Redeemable noncontrolling interests	581,652	551,921
Stockholders' equity		
Common stock	2,235	2,220
Additional paid-in capital	2,888,551	2,897,695
Accumulated deficit	(3,317,397)	(3,327,737)
Cost of shares held in treasury	(6,865)	(6,865)
Accumulated other comprehensive loss	(84,341)	(147,964)
Total Live Nation stockholders' equity	<u>(517,817)</u>	<u>(582,651)</u>
Noncontrolling interests	372,200	394,197
Total equity	<u>(145,617)</u>	<u>(188,454)</u>
Total liabilities and equity	<u>\$ 16,006,602</u>	<u>\$ 14,402,318</u>

See Notes to Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands except share and per share data)</i>	
Revenue	\$ 1,802,808	\$ 290,609
Operating expenses:		
Direct operating expenses	1,071,022	133,966
Selling, general and administrative expenses	570,182	322,853
Depreciation and amortization	100,469	108,876
Loss on disposal of operating assets	1,665	138
Corporate expenses	32,410	27,948
Operating income (loss)	27,060	(303,172)
Interest expense	66,773	70,830
Interest income	(7,564)	(1,149)
Equity in earnings of nonconsolidated affiliates	(4,288)	(581)
Loss (gain) from sale of investments in nonconsolidated affiliates	132	(55,933)
Other expense (income), net	9,267	(6)
Loss before income taxes	(37,260)	(316,333)
Income tax expense	11,696	6,389
Net loss	(48,956)	(322,722)
Net income (loss) attributable to noncontrolling interests	1,226	(15,529)
Net loss attributable to common stockholders of Live Nation	<u>\$ (50,182)</u>	<u>\$ (307,193)</u>
Basic and diluted net loss per common share available to common stockholders of Live Nation	<u>\$ (0.39)</u>	<u>\$ (1.44)</u>
Weighted average common shares outstanding:		
Basic and diluted	221,890,625	214,531,958
Reconciliation to net loss available to common stockholders of Live Nation:		
Net loss attributable to common stockholders of Live Nation	\$ (50,182)	\$ (307,193)
Accretion of redeemable noncontrolling interests	(35,714)	(916)
Basic and diluted net loss available to common stockholders of Live Nation	<u>\$ (85,896)</u>	<u>\$ (308,109)</u>

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

	Three Months Ended	
	March 31,	
	2022	2021
	<i>(in thousands)</i>	
Net loss	\$ (48,956)	\$ (322,722)
Other comprehensive income (loss), net of tax:		
Unrealized gain on cash flow hedge	23,969	15,096
Realized loss on cash flow hedge	1,902	1,916
Foreign currency translation adjustments	37,752	(13,219)
Comprehensive income (loss)	14,667	(318,929)
Comprehensive income (loss) attributable to noncontrolling interests	1,226	(15,529)
Comprehensive income (loss) attributable to common stockholders of Live Nation	<u>\$ 13,441</u>	<u>\$ (303,400)</u>

See Notes to Consolidated Financial Statements

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

	Live Nation Stockholders' Equity							Total Equity	Redeemable Noncontrolling Interests
	Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Loss	Noncontrolling Interests		
	<i>(in thousands, except share data)</i>								<i>(in thousands)</i>
Balances at December 31, 2021	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	—	—	161,590	—	—	—	—	161,590	—
Common stock issued under stock plans, net of shares withheld for employee taxes	552,669	5	(36,573)	—	—	—	—	(36,568)	—
Exercise of stock options	1,013,898	10	12,739	—	—	—	—	12,749	—
Acquisitions	—	—	—	—	—	—	399	399	5,654
Purchases of noncontrolling interests	—	—	(15,241)	—	—	—	(2,898)	(18,139)	—
Sales of noncontrolling interests	—	—	—	—	—	—	(336)	(336)	—
Redeemable noncontrolling interests fair value adjustments	—	—	(35,714)	—	—	—	—	(35,714)	35,714
Contributions received	—	—	—	—	—	—	6,212	6,212	25
Cash distributions	—	—	—	—	—	—	(31,808)	(31,808)	(7,158)
Other	—	—	41	—	—	—	1,783	1,824	(1,079)
Comprehensive income (loss):									
Net income (loss)	—	—	—	(50,182)	—	—	4,651	(45,531)	(3,425)
Unrealized gain on cash flow hedge	—	—	—	—	—	23,969	—	23,969	—
Realized loss on cash flow hedge	—	—	—	—	—	1,902	—	1,902	—
Foreign currency translation adjustments	—	—	—	—	—	37,752	—	37,752	—
Balances at March 31, 2022	223,531,301	\$ 2,235	\$ 2,888,551	\$ (3,317,397)	\$ (6,865)	\$ (84,341)	\$ 372,200	\$ (145,617)	\$ 581,652

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	Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests	
<i>(in thousands, except share data)</i>								<i>(in thousands)</i>	
Balances at December 31, 2020	214,466,988	\$ 2,145	\$ 2,386,790	\$ (2,676,833)	\$ (6,865)	\$ (177,009)	\$ 338,020	\$ (133,752)	\$ 272,449
Non-cash and stock-based compensation	—	—	40,017	—	—	—	—	40,017	—
Common stock issued under stock plans, net of shares withheld for employee taxes	566,285	5	(19,949)	—	—	—	—	(19,944)	—
Exercise of stock options	994,273	10	25,784	—	—	—	—	25,794	—
Purchases of noncontrolling interests	—	—	(500)	—	—	—	—	(500)	—
Sales of noncontrolling interests	—	—	161	—	—	—	8,868	9,029	—
Redeemable noncontrolling interests fair value adjustments	—	—	(916)	—	—	—	—	(916)	916
Contributions received	—	—	—	—	—	—	1,722	1,722	—
Cash distributions	—	—	—	—	—	—	(4,477)	(4,477)	(1,139)
Other	—	—	—	—	—	—	—	—	—
Comprehensive loss:									
Net loss	—	—	—	(307,193)	—	—	(7,687)	(314,880)	(7,842)
Unrealized gain on cash flow hedge	—	—	—	—	—	15,096	—	15,096	—
Realized loss on cash flow hedge	—	—	—	—	—	1,916	—	1,916	—
Foreign currency translation adjustments	—	—	—	—	—	(13,219)	—	(13,219)	—
Balances at March 31, 2021	<u>216,027,546</u>	<u>\$ 2,160</u>	<u>\$ 2,431,387</u>	<u>\$ (2,984,026)</u>	<u>\$ (6,865)</u>	<u>\$ (173,216)</u>	<u>\$ 336,446</u>	<u>\$ (394,114)</u>	<u>\$ 264,384</u>

See Notes to Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (48,956)	\$ (322,722)
Reconciling items:		
Depreciation	50,760	56,975
Amortization	49,709	51,901
Amortization of non-recoupable ticketing contract advances	18,527	10,621
Amortization of debt issuance costs and discounts	4,114	9,196
Non-cash compensation expense	49,241	40,017
Unrealized changes in fair value of contingent consideration	10,904	(9,440)
Loss (gain) on sale of investments in nonconsolidated affiliates	132	(53,899)
Other, net	7,500	2,921
Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Decrease (increase) in accounts receivable	(152,725)	21,861
Decrease (increase) in prepaid expenses and other assets	(338,017)	4,704
Increase (decrease) in accounts payable, accrued expenses and other liabilities	236,584	(39,044)
Increase in deferred revenue	1,310,527	301,483
Net cash provided by operating activities	1,198,300	74,574
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances of notes receivable	(18,399)	(10,784)
Collections of notes receivable	6,709	884
Investments made in nonconsolidated affiliates	(26,243)	(5,506)
Purchases of property, plant and equipment	(62,525)	(23,763)
Cash paid for acquisitions, net of cash acquired	(13,962)	(6,132)
Proceeds from sale of investments in nonconsolidated affiliates	332	60,308
Other, net	(865)	(4,899)
Net cash provided by (used in) investing activities	(114,953)	10,108
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt, net of debt issuance costs	700	501,366
Payments on long-term debt	(12,784)	(80,316)
Contributions from noncontrolling interests	5,712	1,722
Distributions to noncontrolling interests	(38,966)	(5,616)
Proceeds from exercise of stock options	10,907	25,794
Taxes paid for net share settlement of equity awards	(36,568)	(19,944)
Other, net	(4,042)	(5,989)
Net cash provided by (used in) financing activities	(75,041)	417,017
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(21,079)	(30,681)
Net increase in cash, cash equivalents, and restricted cash	987,227	471,018
Cash, cash equivalents and restricted cash at beginning of period	4,887,792	2,546,439
Cash, cash equivalents and restricted cash at end of period	\$ 5,875,019	\$ 3,017,457

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 2021 Annual Report on Form 10-K filed with the SEC on February 23, 2022.

Seasonality

Our Concerts and Sponsorship & Advertising segments typically experience higher revenue and operating income in the second and third quarters as our outdoor venues and festivals are primarily used in or occur from May through October in certain major markets. In addition, the timing of when tickets are sold and the tours of top-grossing acts can impact comparability of quarterly results year over year, although annual results may not be impacted. Our Ticketing segment revenue is impacted by fluctuations in the availability 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 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 owned or operated venues, notably amphitheatres, festivals, theaters and clubs. Internationally, this cash is from a combination of both events in our owned or 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 return to normal in 2022 as events in our major markets resumed late in the second quarter of 2021.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less. Our cash and cash equivalents include domestic and foreign bank accounts as well as interest-bearing accounts consisting primarily of bank deposits and money market accounts managed by third-party financial institutions. These balances are stated at cost, which approximates fair value.

Included in the March 31, 2022 and December 31, 2021 cash and cash equivalents balance is \$1.5 billion and \$1.3 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.

Restricted cash primarily consists of cash held in escrow accounts to fund capital improvements of certain leased or operated venues. The cash is held in these accounts pursuant to the related lease or operating agreement.

Cash held in interest-bearing operating accounts in many cases exceeds the Federal Deposit Insurance Corporation insurance limits. To reduce our credit risk, we monitor the credit standing of the financial institutions that hold our cash and cash equivalents; however, these balances could be impacted in the future if the underlying financial institutions fail. To date, we have experienced no loss or lack of access to our cash or cash equivalents; however, we can provide no assurances that access to our cash and cash equivalents will not be impacted in the future by adverse conditions in the financial markets.

Nonconsolidated Affiliates

In general, nonconsolidated investments in which we own more than 20% of the common stock or otherwise exercise significant influence over an affiliate are accounted for under the equity method. We review the value of equity method investments and record impairment charges in the statements of operations for any decline in value that is determined to be other-than-temporary. If we obtain control of a nonconsolidated affiliate through the purchase of additional ownership interest or changes in the governing agreements, we remeasure our investment to fair value first and then apply the accounting guidance for business combinations. Any gain or loss resulting from the remeasurement to fair value is recorded as a component of other expense (income), net in the statements of operations. At March 31, 2022 and December 31, 2021, we had investments in nonconsolidated affiliates of \$318.1 million and \$293.6 million, respectively, included in other long-term assets on our consolidated balance sheets.

Income Taxes

Each reporting period, we evaluate the realizability of our deferred tax assets in each tax jurisdiction. As of March 31, 2022, 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 three months of 2022.

Accounting Pronouncements - Adopted

In August 2020, the FASB issued guidance that simplifies the accounting for convertible instruments and its application of the derivatives scope exception for contracts in an entity's own equity. The new guidance reduces the number of accounting models that require separating embedded conversion features from convertible instruments. As a result, only conversion features accounted for under the substantial premium model and those that require bifurcation will be accounted for separately. For contracts in an entity's own equity, the new guidance eliminates some of the current requirements for equity classification. The guidance also addresses how convertible instruments are accounted for in the diluted earnings per share calculation and requires enhanced disclosures about the terms of convertible instruments and contracts in an entity's own equity. We adopted this guidance on January 1, 2022, using the modified retrospective method and recorded a cumulative-effect adjustment of \$60.5 million as a reduction to accumulated deficit in the consolidated balance sheets. The impact of adoption also resulted in a reduction of additional paid-in capital of \$96.0 million and increased our current portion of long-term debt, net and long-term debt, net by \$14.7 million and \$20.8 million, respectively, as a result of reversal of the separation of the convertible debt between debt and equity. The adoption did not have a material effect on our consolidated statements of operations or consolidated statements of cash flows.

NOTE 2—BUSINESS ACQUISITIONS

During December 2021, we completed the acquisition of an aggregate 51% interest in OCESA. This acquisition was accounted for as a business combination under the acquisition method of accounting. With the exception of OCESA, all other acquisitions were not material on an individual basis or in the aggregate.

OCESA Acquisition

Description of Transaction

On December 6, 2021, we completed our acquisition of an aggregate 51% of the capital stock of OCESA (the "Acquisition") for \$431.9 million, subject to certain adjustments. Upon closing of the Acquisition, we and Corporación Interamericana de Entretenimiento, S.A.B. de C.V. terminated the then pending International Chamber of Commerce arbitration in connection with the earlier termination of the purchase agreements, and any related litigation was also dismissed.

One of the most prominent live event businesses globally, OCESA has a robust business portfolio in ticketing, sponsorship, concession, merchandise, and venue operation across Mexico and Latin America. As part of the Acquisition, we also acquired an equity interest in OcesaSeitrack, OCESA's booking and artist management joint venture; ICREA, one of Mexico's special and corporate event specialists; and Centro Citibanamex, an exhibition and convention center in Mexico City. We expect the Acquisition to add value and growth to our Concerts, Ticketing and Sponsorship & Advertising segments.

Recording of Assets Acquired and Liabilities Assumed

The following table summarizes the preliminary acquisition-date fair value of the identifiable assets acquired, liabilities assumed and noncontrolling interests including goodwill:

	Initial Allocation <i>(in thousands)</i>
Fair value of consideration transferred	\$ 431,943
Fair value of redeemable noncontrolling interests	280,000
Fair value of noncontrolling interests	7,000
Fair value of pre-existing investment in nonconsolidated affiliates	50,000
Less: Preliminary recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	105,118
Accounts receivable	85,586
Prepaid expenses	33,060
Other current assets	658
Property, plant and equipment	25,318
Operating lease assets	67,142
Intangible assets	340,000
Investments in nonconsolidated affiliates	30,000
Other long-term assets	36,525
Accounts payable, client accounts	(12,566)
Accounts payable	(13,344)
Accrued expenses	(59,120)
Deferred revenue	(144,557)
Current portion of operating lease liabilities	(9,209)
Long-term operating lease liabilities	(57,984)
Long-term deferred income taxes	(102,279)
Goodwill	<u>\$ 444,595</u>

Goodwill represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. The goodwill arising from the Acquisition consists largely of cost savings and new opportunities expected from combining the operations of Live Nation and OCESA. The anticipated synergies primarily relate to growth in promotion and festivals as well as sponsorship opportunities. Of the total amount of preliminary goodwill recognized in connection with the Acquisition, none will be deductible for tax purposes. Preliminary goodwill of \$45.7 million, \$160.8 million and \$238.1 million has been allocated to the Concerts, Ticketing and Sponsorship & Advertising segments, respectively, as a result of the Acquisition.

Below is a summary of the methodologies and significant assumptions used in estimating the fair value of intangible assets and noncontrolling interests.

Intangible assets — the preliminary fair value of the acquired intangible assets is currently being evaluated using commonly used valuation techniques. In estimating the fair value of the acquired intangible assets, we utilized the valuation

methodology determined to be most appropriate for the individual intangible asset being valued. The acquired definite-lived intangible assets include the following:

	Preliminary Estimated Fair Value	Preliminary Estimated Useful Lives ⁽¹⁾
	<i>(in thousands)</i>	<i>(years)</i>
Client/vendor relationships	\$ 102,000	5 to 10
Revenue-generating contracts	90,000	4 to 10
Venue management and leaseholds	107,000	10
Trademarks and naming rights	41,000	5 to 10
Total acquired intangible assets	\$ 340,000	

⁽¹⁾ Determination of the preliminary estimated useful lives of the individual categories of intangible assets was based on the nature of the applicable intangible asset and the expected future cash flows to be derived from the intangible asset. Amortization of intangible assets with definite lives is recognized over the shorter of the respective lives of the agreement or the period of time the assets are expected to contribute to future cash flows.

Some of the more significant estimates and assumptions inherent in determining the fair value of the identifiable intangible assets are associated with forecasting cash flows and profitability. The primary assumptions used were generally based upon the present value of anticipated cash flows discounted at rates ranging from 12% to 13%. Estimated years of projected earnings generally follow the range of estimated remaining useful lives for each intangible asset class.

Noncontrolling interests — The preliminary fair value of the redeemable noncontrolling interests and noncontrolling interests of \$280.0 million and \$7.0 million, respectively, were estimated by applying the market approach. The fair value estimates are based on fair value of consideration transferred, adjustment of 20% to account for acquisition premium and adjustments of 10% to 20% to account for lack of marketability that market participants would consider when estimating the fair value of the individual noncontrolling interests.

Actual and Pro Forma Impact of Acquisition

The revenue, loss from continuing operations and net loss of OCESA that are included in our consolidated statements of operations are not material for the year ended December 31, 2021 since the Acquisition closed on December 6, 2021. Pro forma results of operations, assuming that OCESA had been acquired on January 1, 2020, for the years ended December 31, 2021 and 2020 were not material to our consolidated statements of operations.

We incurred a cumulative total of \$12.5 million of acquisition transaction expenses relating to the Acquisition, of which \$0.2 million and \$0.6 million are included in selling, general and administrative expenses within our consolidated statements of operations for the three months ended March 31, 2022 and 2021, respectively.

We are in the process of completing our purchase accounting in accordance with GAAP, whereby the purchase price is allocated to the assets acquired and liabilities assumed based upon their estimated fair values on the acquisition date. As we completed the Acquisition in the last month of the year ended December 31, 2021 and given the size of the Acquisition, the purchase accounting should be considered preliminary and is subject to revision based on final determinations of fair value and allocations of purchase price to the identifiable assets and liabilities acquired.

NOTE 3—LONG-LIVED ASSETS

Property, Plant and Equipment, Net

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

	March 31, 2022	December 31, 2021
	<i>(in thousands)</i>	
Land, buildings and improvements	\$ 1,353,171	\$ 1,324,278
Computer equipment and capitalized software	885,573	910,581
Furniture and other equipment	446,734	411,403
Construction in progress	123,978	173,865
	<u>2,809,456</u>	<u>2,820,127</u>
Less: accumulated depreciation	1,723,149	1,728,198
	<u>\$ 1,086,307</u>	<u>\$ 1,091,929</u>

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 three months ended March 31, 2022:

	Client / vendor relationships	Revenue- generating contracts	Venue management and leaseholds	Trademarks and naming rights	Technology	Other ⁽¹⁾	Total
	<i>(in thousands)</i>						
Balance as of December 31, 2021:							
Gross carrying amount	\$ 576,930	\$ 593,258	\$ 232,856	\$ 180,865	\$ 37,335	\$ 10,414	\$ 1,631,658
Accumulated amortization	(178,725)	(275,909)	(46,929)	(79,349)	(18,375)	(6,033)	(605,320)
Net	398,205	317,349	185,927	101,516	18,960	4,381	1,026,338
Gross carrying amount:							
Acquisitions—current year	1,003	—	9,978	—	—	—	10,981
Acquisitions—prior year	(2)	—	—	—	—	—	(2)
Foreign exchange	4,416	7,307	2,518	3,729	(10)	12	17,972
Other ⁽²⁾	—	—	—	—	(5,612)	(540)	(6,152)
Net change	<u>5,417</u>	<u>7,307</u>	<u>12,496</u>	<u>3,729</u>	<u>(5,622)</u>	<u>(528)</u>	<u>22,799</u>
Accumulated amortization:							
Amortization	(18,106)	(17,218)	(6,046)	(4,556)	(2,959)	(824)	(49,709)
Foreign exchange	(35)	(759)	269	(788)	5	185	(1,123)
Other ⁽²⁾	—	—	(7)	2	5,706	440	6,141
Net change	<u>(18,141)</u>	<u>(17,977)</u>	<u>(5,784)</u>	<u>(5,342)</u>	<u>2,752</u>	<u>(199)</u>	<u>(44,691)</u>
Balance as of March 31, 2022:							
Gross carrying amount	582,347	600,565	245,352	184,594	31,713	9,886	1,654,457
Accumulated amortization	(196,866)	(293,886)	(52,713)	(84,691)	(15,623)	(6,232)	(650,011)
Net	<u>\$ 385,481</u>	<u>\$ 306,679</u>	<u>\$ 192,639</u>	<u>\$ 99,903</u>	<u>\$ 16,090</u>	<u>\$ 3,654</u>	<u>\$ 1,004,446</u>

⁽¹⁾ Other primarily includes intangible assets for non-compete agreements.

⁽²⁾ Other primarily includes netdowns of fully amortized or impaired assets.

The 2022 additions to definite-lived intangible assets from acquisitions have weighted-average lives as follows:

	Weighted-Average Life (years)
Client/vendor relationships	3
Venue management and leaseholds	30
All categories	28

Amortization of definite-lived intangible assets for the three months ended March 31, 2022 and 2021 was \$49.7 million and \$51.9 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 three months ended March 31, 2022:

	Concerts	Ticketing	Sponsorship & Advertising	Total
	<i>(in thousands)</i>			
Balance as of December 31, 2021:				
Goodwill	\$ 1,390,451	\$ 930,064	\$ 705,717	\$ 3,026,232
Accumulated impairment losses	(435,363)	—	—	(435,363)
Net	955,088	930,064	705,717	2,590,869
Balance as of March 31, 2022:				
Goodwill	1,393,682	939,055	707,437	3,040,174
Accumulated impairment losses	(435,363)	—	—	(435,363)
Net	<u>\$ 958,319</u>	<u>\$ 939,055</u>	<u>\$ 707,437</u>	<u>\$ 2,604,811</u>

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

During the three months ended March 31, 2021, we sold certain investments in nonconsolidated affiliates for \$60.3 million in cash plus \$6.8 million in deferred purchase price consideration resulting in a gain on sale of investments in nonconsolidated affiliates of \$55.9 million. During the three months ended March 31, 2022, there were no significant sales of investments in nonconsolidated affiliates.

NOTE 4—LEASES

The significant components of operating lease expense are as follows:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Operating lease cost	\$ 63,761	\$ 55,299
Variable and short-term lease cost	18,032	9,453
Sublease income	(970)	(2,282)
Net lease cost	<u>\$ 80,823</u>	<u>\$ 62,470</u>

Many of our leases contain contingent rent obligations based on revenue, tickets sold or other variables, while others include periodic adjustments to rent obligations based on the prevailing inflationary index or market rental rates. Contingent rent obligations 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:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Cash paid for amounts included in the measurement of lease liabilities	\$ 66,232	\$ 58,914
Lease assets obtained in exchange for lease obligations, net of terminations	\$ 157,244	\$ 6,771

Future maturities of our operating lease liabilities at March 31, 2022 are as follows:

	<i>(in thousands)</i>
April 1 - December 31, 2022	\$ 166,639
2023	247,013
2024	232,688
2025	216,901
2026	205,071
Thereafter	1,689,663
Total lease payments	<u>2,757,975</u>
Less: Interest	910,315
Present value of lease liabilities	<u>\$ 1,847,660</u>

The weighted average remaining lease term and weighted average discount rate for our operating leases are as follows:

	March 31, 2022	December 31, 2021
Weighted average remaining lease term (in years)	13.8	13.2
Weighted average discount rate	5.94%	6.10%

As of March 31, 2022, we have additional operating leases that have not yet commenced, with total lease payments of \$184.2 million. These operating leases, which are not included on our consolidated balance sheets, have commencement dates ranging from April 2022 to June 2030, with lease terms ranging from 2 to 27 years.

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					
	March 31, 2022			December 31, 2021		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	<i>(in thousands)</i>					
Assets:						
Cash equivalents	\$ 852,653	\$ —	\$ 852,653	\$ 620,980	\$ —	\$ 620,980

Cash equivalents consist of money market funds. Fair values for cash equivalents are based on quoted prices in an active market.

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	
	March 31, 2022	December 31, 2021
	Level 2	
	<i>(in thousands)</i>	
6.5% Senior Secured Notes due 2027	\$ 1,278,408	\$ 1,315,284
3.75% Senior Secured Notes due 2028	\$ 471,290	\$ 498,380
4.75% Senior Notes due 2027	\$ 927,134	\$ 978,358
4.875% Senior Notes due 2024	\$ 578,404	\$ 582,952
5.625% Senior Notes due 2026	\$ 305,865	\$ 310,284
2.5% Convertible Senior Notes due 2023	\$ 972,725	\$ 996,369
2.0% Convertible Senior Notes due 2025	\$ 518,376	\$ 531,040

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.

The McPhee matter is stayed pending the outcome of the Watch matter, and the Thompson-Marcial, Watch, and Gomel cases are in the class certification phase. In April 2021, the court in the Gomel lawsuit refused to certify all claims other than those pled under British Columbia’s Business Practices and Consumer Protection Act and claims for punitive damages, but 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 30, 2015 through April 15, 2021 that were initially purchased on Ticketmaster.ca. We filed a notice of appeal of the class certification ruling in May 2021, and the plaintiff filed a cross-appeal shortly thereafter. The appeals have been fully briefed, and we are awaiting the scheduling of a hearing date.

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 14, 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.

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.

NOTE 7—EQUITY

Accumulated Other Comprehensive Loss

The following table presents changes in the components of AOCI, net of taxes, for the three months ended March 31, 2022:

	<u>Cash Flow Hedge</u>	<u>Foreign Currency Items</u>	<u>Total</u>
	<i>(in thousands)</i>		
Balance at December 31, 2021	\$ (8,558)	\$ (139,406)	\$ (147,964)
Other comprehensive income before reclassifications	23,969	37,752	61,721
Amount reclassified from AOCI	1,902	—	1,902
Net other comprehensive income	25,871	37,752	63,623
Balance at March 31, 2022	<u>\$ 17,313</u>	<u>\$ (101,654)</u>	<u>\$ (84,341)</u>

Earnings Per Share

Basic net loss per common share is computed by dividing the net loss available to common stockholders by the weighted average number of common shares outstanding during the period. The calculation of diluted net 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. For the three months ended March 31, 2022 and 2021, there were no reconciling items to the weighted average common shares outstanding in the calculation of diluted net loss per common share.

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

	Three Months Ended March 31,	
	2022	2021
Options to purchase shares of common stock	6,705,816	8,334,027
Restricted stock and deferred stock—unvested	3,805,686	3,066,145
Conversion shares related to the convertible senior notes	11,864,035	11,864,035
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	<u>22,375,537</u>	<u>23,264,207</u>

NOTE 8—REVENUE RECOGNITION

The global COVID-19 pandemic significantly impacted revenue for our Concerts, Ticketing and Sponsorship & Advertising segments during 2021. Late in the second quarter of 2021 we began to see the positive impacts of successful vaccination rollouts in many of our key markets, mainly the United States and United Kingdom, with social distancing restrictions easing and live events resuming. In the third quarter of 2021, we saw a meaningful restart of our operations with outdoor amphitheater events and festivals taking place in both the United States and United Kingdom. As we moved into 2022, more of our larger markets began resuming shows with the exception of some of our Asia-Pacific markets who continued to experience disruptions from COVID-19 variants.

Concerts

Concerts revenue, including intersegment revenue, for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Total Concerts Revenue	\$ 1,207,825	\$ 239,416
Percentage of consolidated revenue	67.0%	82.4%

Our Concerts segment generates revenue from the promotion or production of live music events and festivals in our owned or operated venues and in rented third-party venues, artist management commissions and the sale of merchandise for music artists at events. As a promoter and venue operator, we earn revenue primarily from the sale of tickets, concessions, merchandise, parking, ticket rebates or service charges on tickets sold by Ticketmaster or third-party ticketing agreements, and rental of our owned or operated venues. As an artist manager, we earn commissions on the earnings of the artists and other clients we represent, primarily derived from clients’ earnings for concert tours. Over 95% of Concerts’ revenue, whether related to promotion, venue operations, artist management or artist event merchandising, is recognized on the day of the related event. The majority of consideration for our Concerts segment is collected in advance of, or on the day, of the event. Consideration received in advance of the event is recorded as deferred revenue or in other long-term liabilities if the event is more than twelve months from the balance sheet date. Any consideration not collected by the day of the event is typically received within three months after the event date.

Ticketing

Ticketing revenue, including intersegment revenue, for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Total Ticketing Revenue	\$ 480,399	\$ 28,322
Percentage of consolidated revenue	26.6%	9.7%

Ticket fee revenue is generated from convenience and order processing fees, or service charges, charged at the time a ticket for an event is sold in either the primary or secondary markets. Our Ticketing segment is primarily an agency business that sells tickets for events on behalf of its clients, which include venues, concert promoters, professional sports franchises and

leagues, college sports teams, theater producers and museums. Our Ticketing segment records revenue arising from the portion of convenience and order processing fees it retains, regardless of whether these fees are related to tickets sold in the primary or secondary market, and regardless of whether these fees are associated with our concert events or third-party clients' concert events. Our Ticketing segment does not record the face value of the tickets as revenue. Ticket fee revenue is recognized when the ticket is sold for third-party clients and secondary market sales, as we have no further obligation to our client's customers following the sale of the ticket. For our concert events where our concert promoters control ticketing, ticket fee revenue is recognized when the event occurs because we also have the obligation to deliver the event to the fan. The delivery of the ticket to the fan is not considered a distinct performance obligation for our concert events because the fan cannot receive the benefits of the ticket unless we also fulfill our obligation to deliver the event. The majority of ticket fee revenue is collected within the month of the ticket sale. Revenue received from the sale of tickets in advance of our concert events is recorded as deferred revenue or in other long-term liabilities if the date of the event is more than twelve months from the balance sheet date. Reported revenue is net of any refunds made or committed to and also the impact of any cancellations of events that occurred during the period.

Ticketing contract advances, which can be either recoupable or non-recoupable, represent amounts paid in advance to our clients pursuant to ticketing agreements and are reflected in prepaid expenses or in long-term advances if the amount is expected to be recouped or recognized over a period of more than twelve months. Recoupable ticketing contract advances are generally recoupable against future royalties earned by the client, based on the contract terms, over the life of the contract. Royalties are typically earned by the client when tickets are sold. Royalties paid to clients are recorded as a reduction to revenue when the tickets are sold and the corresponding service charge revenue is recognized. Non-recoupable ticketing contract advances, excluding those amounts paid to support clients' advertising costs, are fixed additional incentives occasionally paid by us to certain clients to secure the contract and are typically amortized over the life of the contract on a straight-line basis as a reduction to revenue.

At March 31, 2022 and December 31, 2021, we had ticketing contract advances of \$87.6 million and \$90.5 million, respectively, recorded in prepaid expenses and \$97.5 million and \$86.5 million, respectively, recorded in long-term advances on the consolidated balance sheets. We amortized \$18.5 million and \$10.6 million for the three months ended March 31, 2022 and 2021, respectively, related to non-recoupable ticketing contract advances.

Sponsorship & Advertising

Sponsorship & Advertising revenue, including intersegment revenue, for the three months ended March 31, 2022 and 2021 are as follows:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Total Sponsorship & Advertising Revenue	\$ 115,689	\$ 22,647
Percentage of consolidated revenue	6.4%	7.8%

Our Sponsorship & Advertising segment generates revenue from sponsorship and marketing programs that provide its sponsors with strategic, international, national and local opportunities to reach customers through our venue, concert and ticketing assets, including advertising on our websites. These programs can also include custom events or programs for the sponsors' specific brands, which are typically experienced exclusively by the sponsors' customers. Sponsorship agreements may contain multiple elements, which provide several distinct benefits to the sponsor over the term of the agreement, and can be for a single or multi-year term. We also earn revenue from exclusive access rights provided to sponsors in various categories such as ticket pre-sales, beverage pouring rights, venue naming rights, media campaigns, signage within our venues, and advertising on our websites. Revenue from sponsorship agreements is allocated to the multiple elements based on the relative stand-alone selling price of each separate element, which are determined using vendor-specific evidence, third-party evidence or our best estimate of the fair value. Revenue 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. Revenue is collected in installment payments during the year, typically in advance of providing the benefit or the event. Revenue received in advance of the event or the sponsor receiving the benefit is recorded as deferred revenue or in other long-term liabilities if the date of the event is more than twelve months from the balance sheet date.

At March 31, 2022, we had contracted sponsorship agreements with terms greater than one year that had approximately \$1.2 billion of revenue related to future benefits to be provided by us. We expect to recognize, based on current projections, approximately 39%, 22%, 19% and 20% of this revenue in the remainder of 2022, 2023, 2024 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 \$2.8 billion and \$1.8 billion at December 31, 2021 and 2020, respectively.

The table below summarizes the amount of the preceding December 31 current deferred revenue recognized during the three months ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Concerts	\$ 278,546	\$ 37,824
Ticketing	23,043	4,421
Sponsorship & Advertising	34,239	5,583
	<u>\$ 335,828</u>	<u>\$ 47,828</u>

NOTE 9—SEGMENT DATA

Our reportable segments are Concerts, Ticketing and Sponsorship & Advertising. Our Concerts segment involves the promotion of live music events globally in our owned or operated venues and in rented third-party venues, the production of music festivals, the operation and management of music venues, the creation or streaming of associated content and the provision of management and other services to artists. Our Ticketing segment involves the management of our global ticketing operations, including providing ticketing software and services to clients, and consumers with a marketplace, both online and mobile, for tickets and event information, and is responsible for our primary ticketing website, www.ticketmaster.com. Our Sponsorship & Advertising segment manages the development of strategic sponsorship programs in addition to the sale of international, national and local sponsorships and placement of advertising such as signage, promotional programs, rich media offerings, including advertising associated with live streaming and music-related content, and ads across our distribution network of venues, events and websites.

Revenue and expenses earned and charged between segments are eliminated in consolidation. Our capital expenditures below include accruals for amounts incurred but not yet paid for, but are not reduced by reimbursements received from outside parties such as landlords and noncontrolling interest partners or replacements funded by insurance proceeds.

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 have not been presented.

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The following table presents the results of operations for our reportable segments for the three months ended March 31, 2022 and 2021:

	<u>Concerts</u>	<u>Ticketing</u>	<u>Sponsorship & Advertising</u>	<u>Other</u>	<u>Corporate</u>	<u>Eliminations</u>	<u>Consolidated</u>
	<i>(in thousands)</i>						
Three Months Ended March 31, 2022							
Revenue	\$ 1,207,825	\$ 480,399	\$ 115,689	\$ 813	\$ —	\$ (1,918)	\$ 1,802,808
Direct operating expenses	910,277	150,306	12,357	—	—	(1,918)	1,071,022
Selling, general and administrative expenses	384,118	147,456	36,100	2,508	—	—	570,182
Depreciation and amortization	61,163	28,052	8,225	51	2,978	—	100,469
Loss (gain) on disposal of operating assets	1,868	(203)	—	—	—	—	1,665
Corporate expenses	—	—	—	—	32,410	—	32,410
Operating income (loss)	<u>\$ (149,601)</u>	<u>\$ 154,788</u>	<u>\$ 59,007</u>	<u>\$ (1,746)</u>	<u>\$ (35,388)</u>	<u>\$ —</u>	<u>\$ 27,060</u>
Intersegment revenue	\$ 652	\$ 1,266	\$ —	\$ —	\$ —	\$ (1,918)	\$ —
Capital expenditures	\$ 31,993	\$ 11,503	\$ 1,752	\$ —	\$ 1,241	\$ —	\$ 46,489
Three Months Ended March 31, 2021							
Revenue	\$ 239,416	\$ 28,322	\$ 22,647	\$ 815	\$ —	\$ (591)	\$ 290,609
Direct operating expenses	113,904	17,832	2,821	—	—	(591)	133,966
Selling, general and administrative expenses	207,847	94,668	19,103	1,235	—	—	322,853
Depreciation and amortization	62,886	36,478	7,164	11	2,337	—	108,876
Loss on disposal of operating assets	138	—	—	—	—	—	138
Corporate expenses	—	—	—	—	27,948	—	27,948
Operating loss	<u>\$ (145,359)</u>	<u>\$ (120,656)</u>	<u>\$ (6,441)</u>	<u>\$ (431)</u>	<u>\$ (30,285)</u>	<u>\$ —</u>	<u>\$ (303,172)</u>
Intersegment revenue	\$ 591	\$ —	\$ —	\$ —	\$ —	\$ (591)	\$ —
Capital expenditures	\$ 6,653	\$ 9,675	\$ 1,160	\$ —	\$ 1,449	\$ —	\$ 18,937

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 2021 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, such as, for example, the risks and uncertainties posed by the global COVID-19 pandemic, 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

The first quarter of 2022 was a record start to the year for our company, a remarkable feat considering our position one year ago and the fact that many of our markets remained closed for at least some portion of the quarter. Despite some disruption caused by COVID-19 variants, the general trend has been towards re-opening business and re-starting shows as the prevalence of COVID-19 shifts from pandemic to endemic in our larger markets. Fan demand has never been stronger, which led to a record first quarter for our Ticketing segment and sets us up for a strong year across all three of our segments.

Even with the challenges associated with the pandemic, the conflict in Eastern Europe, supply chain issues, labor shortages and inflationary pressures, the supply and demand dynamic with artists and fans continues to strengthen. Live shows offer a unique and uplifting experience for people of all ages – perhaps even more powerful in these times than ever before. The appeal of live concerts and sporting events is evidenced by the ticket sales we have seen so far this year. The first quarter of 2022 was our second highest quarter ever for transacted GTV and two of our top three transacted volume months occurred in the first quarter.

Our overall revenue increased by nearly \$1.5 billion for the quarter. All three of our segments had revenue growth in the quarter with the largest increase coming from our Concerts segment as a result of major markets re-opening for shows, most notably the United States and the United Kingdom. We had operating income of \$27 million in the first quarter of 2022 compared to an operating loss of \$303 million in the first quarter of 2021, an improvement of \$330 million, resulting from shows and sponsorship restarting leading to notably improved ticketing sales. The impact of changes in foreign exchange rates did not materially impact our year-over-year variances.

Our Concerts segment revenue for the quarter increased by \$968 million, from \$239 million in the first quarter of 2021 to \$1.2 billion in the first quarter of 2022. The revenue growth was a result of more shows and fans coming back to venues to enjoy their favorite artists. The number of events for the quarter was approximately 6,600 compared to approximately 670 in the first quarter of 2021. The number of fans for the quarter was 10.8 million compared to approximately 0.5 million last year. The growth was largely in the United States and United Kingdom. Concerts operating loss for the quarter increased by \$4

million, from a loss of \$145 million in the first quarter of 2021 to a loss of \$150 million in the first quarter of 2022. While there were more shows and fans in the quarter, this activity was more than offset by the increase in expenses as we ramped up our staffing and infrastructure to prepare for what we expect will be our busiest summer ever. The first quarter is typically our lightest with respect to show count and fans, but even based on the limited activity we have, we saw improvements to profit per show in the arena, theater and club events in the quarter. So while we are seeing increases to some of our expenses such as labor and fuel, the ticket pricing and spend per fan has more than offset these cost increases.

Our Ticketing segment revenue for the quarter increased by \$452 million, from \$28 million in the first quarter of 2021 to \$480 million in the first quarter of 2022. The improvement resulted from an increase in ticket sales, upward pricing momentum due to higher fan demand, and higher ancillary revenue streams. Excluding refunds, we sold 57 million fee-bearing tickets in the first quarter compared to 10 million tickets in the same period of the prior year. The increase was largely driven by sales in the United States, the United Kingdom and the addition of OCESA. We also started to see sales pick up in some of our other major European markets. Pricing on our fee-bearing tickets increased by double-digits, reflecting strong consumer demand, particularly for premium seats and VIP experiences. Platinum sales volumes and GTV have more than doubled compared to the first quarter of 2019 this quarter. Our resale business continued its pronounced rebound in the first quarter, with our second highest resale quarter ever, and double our sales from the first quarter of 2019. Ticketing operating income for the quarter improved by \$275 million, from a \$121 million loss in the first quarter of 2021 to income of \$155 million in the first quarter of 2022. The growth in operating results was largely driven by increased ticket sales, upward pricing momentum due to higher fan demand and higher ancillary revenue streams.

Our Sponsorship & Advertising segment revenue for the quarter increased by \$93 million, from \$23 million in the first quarter of 2021 to \$116 million in the first quarter of 2022. The improvement was due to higher activations with our marketing partners driven by more events going on sale, venues re-opening and supplying more advertising content to our clients. Operating income for the quarter increased by \$65 million, from a loss of \$6 million in the first quarter of 2021 to income of \$59 million in the first quarter of 2022. The improvement was due to more sponsor and online advertising resulting from the restart of live events and rapidly increasing ticket sales, particularly in the United States.

As ticket sales and events scale up in key markets, we are balancing our ramp-up with the cost-savings initiatives we implemented across the organization and are also protecting our liquidity by managing cash outflows associated with all our major expenditures: operating expenses, capital expenditures, acquisitions, and advances in both our ticketing and concert businesses. 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 and improving the on-site experience for our fans, driving conversion of ticket sales through development of innovative products to sell more tickets, and developing unique marketing and content programs for top brands.

Impact of the Global COVID-19 Pandemic

The global COVID-19 pandemic significantly impacted the business of our Concerts, Ticketing and Sponsorship & Advertising segments from mid-March 2020 through the first half of 2021. In the third quarter of 2021, we saw a meaningful restart of our operations with outdoor amphitheater events and festivals taking place in both the United States and United Kingdom. As we moved into 2022, more of our larger markets began resuming shows with the exception of some of our Asia-Pacific markets which continued to experience disruptions from COVID-19 variants. As discussed above and in our segment operating results below, the impact of the resumption of shows has resulted in significant improvement in both revenue and operating income in the first quarter of 2022 when compared to the same period of the prior year.

We believe the measures we took in 2020 and 2021 to expand our liquidity along with the cost-savings initiatives implemented during the global COVID-19 pandemic provided us the flexibility to manage our business through the disruption that we experienced while our operations were shut down. We will continue to evaluate future financing opportunities to further expand liquidity at a reasonable cost as we continue to resume concerts across all our markets and pursue growth opportunities through strategic acquisitions or investments.

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 owned or 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 owned or 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. We use GTV to evaluate changes in ticket fee revenue that are driven by the pricing of our service charges.

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, the overall number of customers in our database, the number and percentage of tickets sold via mobile and the number of app installs. 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, and the percentage of expected revenue under contract. 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.

Key Operating Metrics

	Three Months Ended March 31,	
	2022	2021
<i>(in thousands except estimated events)</i>		
Concerts ⁽¹⁾		
Estimated events:		
North America	4,716	304
International	1,891	364
Total estimated events	<u>6,607</u>	<u>668</u>
Estimated fans:		
North America	6,780	69
International	4,020	429
Total estimated fans	<u>10,800</u>	<u>498</u>
Ticketing ⁽²⁾		
Estimated number of fee-bearing tickets sold	51,380	6,593
Estimated number of non-fee-bearing tickets sold	59,912	10,558
Total estimated tickets sold	<u>111,292</u>	<u>17,151</u>

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- (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. Fee-bearing tickets sold above are net of refunds of 5.2 million and 3.0 million tickets for the three months ended March 31, 2022 and 2021, respectively.

Non-GAAP Measures

The following table sets forth the reconciliation of AOI to operating income (loss):

	Operating income (loss)	Stock- based compensation expense	Loss (gain) on disposal of operating assets	Depreciation and amortization	Amortization of non-recoupable ticketing contract advances	Acquisition expenses	AOI
	<i>(in thousands)</i>						
Three Months Ended March 31, 2022							
Concerts	\$ (149,601)	\$ 25,675	\$ 1,868	\$ 61,163	\$ —	\$ 11,729	\$ (49,166)
Ticketing	154,788	2,371	(203)	28,052	21,212	—	206,220
Sponsorship & Advertising	59,007	2,468	—	8,225	—	—	69,700
Other and Eliminations	(1,746)	—	—	51	(2,685)	—	(4,380)
Corporate	(35,388)	18,727	—	2,978	—	348	(13,335)
Total	<u>\$ 27,060</u>	<u>\$ 49,241</u>	<u>\$ 1,665</u>	<u>\$ 100,469</u>	<u>\$ 18,527</u>	<u>\$ 12,077</u>	<u>\$ 209,039</u>
Three Months Ended March 31, 2021							
Concerts	\$ (145,359)	\$ 17,475	\$ 138	\$ 62,886	\$ —	\$ (9,679)	\$ (74,539)
Ticketing	(120,656)	7,806	—	36,478	12,423	1,197	(62,752)
Sponsorship & Advertising	(6,441)	2,793	—	7,164	—	—	3,516
Other and Eliminations	(431)	—	—	11	(1,802)	—	(2,222)
Corporate	(30,285)	11,943	—	2,337	—	258	(15,747)
Total	<u>\$ (303,172)</u>	<u>\$ 40,017</u>	<u>\$ 138</u>	<u>\$ 108,876</u>	<u>\$ 10,621</u>	<u>\$ (8,224)</u>	<u>\$ (151,744)</u>

Adjusted Operating Income (Loss)

AOI is a non-GAAP financial measure that we define 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). We use AOI to evaluate the performance of our operating segments. We believe that information about 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. AOI is not calculated or presented in accordance with GAAP. A limitation of the use of AOI 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 should be considered in addition to, and not as a substitute for, operating income (loss), net income (loss), and other measures of financial performance reported in accordance with GAAP. Furthermore, this measure may vary among other companies; thus, AOI as presented herein may not be comparable to similarly titled measures of other companies.

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.

Constant Currency

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.

Segment Operating Results

Concerts

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

	Three Months Ended March 31,		% Change
	2022	2021	
	<i>(in thousands)</i>		
Revenue	\$ 1,207,825	\$ 239,416	*
Direct operating expenses	910,277	113,904	*
Selling, general and administrative expenses	384,118	207,847	85%
Depreciation and amortization	61,163	62,886	(3)%
Loss on disposal of operating assets	1,868	138	*
Operating loss	<u>\$ (149,601)</u>	<u>\$ (145,359)</u>	(3)%
Operating margin	(12.4%)	(60.7%)	
AOI **	\$ (49,166)	\$ (74,539)	34%
AOI margin **	(4.1%)	(31.1%)	

* Percentages are not meaningful.

** See “—Non-GAAP Measures” above for the definition of AOI and AOI margin as well as reconciliation of AOI.

Three Months

Revenue

Concerts revenue increased \$968.4 million during the three months ended March 31, 2022 as compared to the same period of the prior year primarily due to the resumption of shows and festivals in major markets including the United States and United Kingdom as compared to the lack of events during the same period in 2021 driven by the global COVID-19 pandemic. Concerts had incremental revenue of \$131.0 million during the three months ended March 31, 2022 from acquisitions, including OCESA.

Operating results

Concerts operating loss increased \$4.2 million during the three months ended March 31, 2022 as compared to the same period of the prior year primarily driven by an increase in selling, general and administrative expenses due to higher compensation costs resulting from increased headcount and higher venue-related costs as shows and festivals resumed in 2022. This decline was partially offset by improved results from the resumption of shows and festivals discussed above. Concerts operating results during the three months ended March 31, 2022 include net operating losses of \$25.2 million related to acquisitions and new venues.

Ticketing

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

	Three Months Ended March 31,		% Change
	2022	2021	
	<i>(in thousands)</i>		
Revenue	\$ 480,399	\$ 28,322	*
Direct operating expenses	150,306	17,832	*
Selling, general and administrative expenses	147,456	94,668	56%
Depreciation and amortization	28,052	36,478	(23)%
Gain on disposal of operating assets	(203)	—	*
Operating income (loss)	<u>\$ 154,788</u>	<u>\$ (120,656)</u>	*
Operating margin	32.2 %		*
AOI **	\$ 206,220	\$ (62,752)	*
AOI margin **	42.9%		*

* Percentages are not meaningful.

** See “—Non-GAAP Measures” above for the definition of AOI and AOI margin as well as reconciliation of AOI.

Three Months

Revenue

Ticketing revenue increased \$452.1 million during the three months ended March 31, 2022 as compared to the same period of the prior year primarily due to an increase in North America primary and secondary ticket fees driven by more events on sale due to the resumption of concerts and sporting events starting in the second quarter of 2021 and upward pricing momentum due to higher fan demand. Ticketing had incremental revenue of \$27.5 million during three months ended March 31, 2022 due to the OCESA acquisition.

Operating results

Ticketing operating income for the three months ended March 31, 2022 was \$154.8 million as compared to an operating loss of \$120.7 million for the same period of the prior year primarily driven by the increased ticketing activity discussed above partially offset by higher selling, general and administrative expenses driven by increased compensation expenses from increased headcount as operations have resumed.

Sponsorship & Advertising

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

	Three Months Ended March 31,		% Change
	2022	2021	
	<i>(in thousands)</i>		
Revenue	\$ 115,689	\$ 22,647	*
Direct operating expenses	12,357	2,821	*
Selling, general and administrative expenses	36,100	19,103	89%
Depreciation and amortization	8,225	7,164	15%
Operating income (loss)	<u>\$ 59,007</u>	<u>\$ (6,441)</u>	*
Operating margin	51.0 %	(28.4)%	
AOI **	\$ 69,700	\$ 3,516	*
AOI margin **	60.2%	15.5%	

* Percentages are not meaningful.

** See “—Non-GAAP Measures” above for the definition of AOI and AOI margin as well as reconciliation of AOI.

Three Months

Revenue

Sponsorship & Advertising revenue increased \$93.0 million during the three months ended March 31, 2022 as compared to the same period of the prior year primarily due to increased activity in national and local sponsorship programs, festival sponsorships and online advertising in North America due to the resumption of concert events and festivals starting in the second quarter of 2021. Sponsorship & Advertising had incremental revenue of \$24.0 million during three months ended March 31, 2022 from acquisitions, including OCESA.

Operating results

Sponsorship & Advertising operating income for the three months ended March 31, 2022 was \$59.0 million as compared to an operating loss of \$6.4 million for the same period of the prior year primarily driven by higher sponsorship activity discussed above along with incremental operating income from acquisitions including OCESA.

Consolidated Results of Operations

Three Months

	Three Months Ended March 31,						
	2022			2021		% Change	
	As Reported	Currency Impacts	At Constant Currency**	As Reported	As Reported	At Constant Currency**	
	<i>(in thousands)</i>						
Revenue	\$1,802,808	\$ 14,020	\$1,816,828	\$ 290,609	*	*	
Operating expenses:							
Direct operating expenses	1,071,022	7,841	1,078,863	133,966	*	*	
Selling, general and administrative expenses	570,182	7,310	577,492	322,853	77%	79%	
Depreciation and amortization	100,469	950	101,419	108,876	(8)%	(7)%	
Loss on disposal of operating assets	1,665	(2)	1,663	138	*	*	
Corporate expenses	32,410	20	32,430	27,948	16%	16%	
Operating income (loss)	27,060	\$ (2,099)	\$ 24,961	(303,172)	*	*	
Operating margin	1.5 %		1.4 %	*			
Interest expense	66,773			70,830			
Interest income	(7,564)			(1,149)			
Equity in earnings of nonconsolidated affiliates	(4,288)			(581)			
Loss (gain) from sale of investments in nonconsolidated affiliates	132			(55,933)			
Other expense (income), net	9,267			(6)			
Loss before income taxes	(37,260)			(316,333)			
Income tax expense	11,696			6,389			
Net loss	(48,956)			(322,722)			
Net income (loss) attributable to noncontrolling interests	1,226			(15,529)			
Net loss attributable to common stockholders of Live Nation	<u>\$ (50,182)</u>			<u>\$ (307,193)</u>			

* Percentages are not meaningful.

** See “—Non-GAAP Measures” above for the definition of constant currency.

Loss (gain) from sale of investments in nonconsolidated affiliates

Loss (gain) from sale of investments in nonconsolidated affiliates during the three months ended March 31, 2022 was a loss of \$0.1 million as compared to a gain of \$55.9 million for the same period of the prior year primarily due to the sale of certain cost basis investments during the first three months of 2021.

Income tax expense

For the three months ended March 31, 2022, we had a net tax expense of \$11.7 million on a loss before income taxes of \$37.3 million compared to a net tax expense of \$6.4 million on a loss before income taxes of \$316.3 million for the three months ended March 31, 2021. For the three months ended March 31, 2022, the income tax expense consisted of \$9.5 million related to foreign entities, \$1.9 million related to United States federal taxes, and \$0.3 million related to state and local income taxes. The net increase in tax expense of \$5.3 million was primarily due to profits in certain non-United States jurisdictions.

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 March 31, 2022 and \$4.9 billion at December 31, 2021. Included in the March 31, 2022 and December 31, 2021 cash and cash equivalents balances are \$1.5 billion and \$1.3 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 \$1.8 billion in cash and cash equivalents, excluding client cash, at March 31, 2022. 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 \$5.8 billion and \$5.7 billion at March 31, 2022 and December 31, 2021, respectively. Our weighted-average cost of debt, excluding unamortized debt discounts and debt issuance costs on our term loans and notes, was 4.3% at March 31, 2022.

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. 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, including those resulting from the global COVID-19 pandemic.

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 owned or operated venues, notably amphitheatres, festivals, theaters and clubs. Internationally, this cash is from a combination of both events in our owned or 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, pay artist advances 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, including those resulting from the global COVID-19 pandemic. 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 counterparty to our interest rate hedge agreement 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, including those resulting from the global COVID-19 pandemic. 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 2021, we issued \$500 million principal amount of 3.75% senior secured notes due 2028. The proceeds were used to pay fees of \$7.7 million and repay \$75.0 million aggregate principal amount of our senior secured term loan B facility, leaving approximately \$417.3 million for general corporate purposes, including acquisitions and organic investment opportunities.

In September 2021, we elected to draw down the \$400 million term loan A under the amended senior secured credit facility prior to expiration of the drawdown period on October 17, 2021. We intend to use the proceeds from the drawdown for general corporate purposes. We also completed the public offering of 5,239,259 shares of common stock. A portion of the gross proceeds of \$455.3 million were used to pay fees of \$5.7 million, leaving \$449.6 million of net proceeds. We used the net proceeds to fund the acquisition of 51% of the capital stock of OCESA and any remaining proceeds for general corporate purposes.

Amended Senior Secured Credit Facility

At March 31, 2022, 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 Eurodollar 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 Eurodollar 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 3.397% through October 2026. The interest rates per annum applicable to the incremental revolving credit facility are, at our option, equal to either Eurodollar 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 and delayed draw term loan A, 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 increasing over time from \$2.5 million to \$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.

There were no borrowings under the revolving credit facilities as of March 31, 2022. Based on our outstanding letters of credit of \$66.9 million, \$563.1 million was available for future borrowings from revolving credit facilities.

3.75% Senior Secured Notes Due 2028

In January 2021, we issued \$500 million principal amount of 3.75% senior secured notes due 2028. Interest on the notes is payable semi-annually in cash in arrears on January 15 and July 15 of each year and began on July 15, 2021, and the notes will mature on January 15, 2028. We may redeem some or all of the notes, at any time prior to January 15, 2024, at a price equal to 100% of the aggregate principal amount, plus any accrued and unpaid interest to the date of redemption, plus a ‘make-whole’ premium. We may redeem up to 35% of the aggregate principal amount of the notes from the proceeds of certain equity offerings prior to January 15, 2024, at a price equal to 103.75% of the aggregate principal amount, plus accrued and unpaid interest thereon to the date of redemption. In addition, on or after January 15, 2024 we may redeem some or all of the notes at any time at redemption prices specified in the notes indenture, plus any accrued and unpaid interest to the date of redemption.

We must make an offer to redeem the notes at 101% of their aggregate principal amount, plus accrued and unpaid interest to the repurchase date, if we experience certain defined changes of control. The notes are 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.

Debt Covenants

Our amended senior secured credit facility contains a number of restrictions that, among other things, require us to satisfy a financial covenant and restrict our and our subsidiaries’ ability to incur additional debt, make certain investments and acquisitions, repurchase our stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of our business, enter into sale-leaseback transactions, transfer and sell material assets, merge or consolidate, and pay dividends and make distributions (with the exception of subsidiary dividends or distributions to the parent company or other subsidiaries on at least a pro-rata basis with any noncontrolling interest partners). Non-compliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the credit facility becoming immediately due and payable. The amended senior secured credit facility agreement has one covenant, measured quarterly, that relates to net leverage. We are required to maintain a ratio of consolidated total net debt to consolidated EBITDA (both as defined in the amended credit agreement) for the trailing four consecutive quarters of 6.75x through September 30, 2022 with step downs to 6.25x on December 31, 2022, 5.75x on December 31, 2023, 5.50x on December 31, 2024 and 5.25x on June 30, 2025 through maturity, except that calculations of consolidated EBITDA (as defined in the agreement) will be substituted with an annualized consolidated EBITDA (as defined in the agreement) through June 30, 2022.

The indentures governing our 6.5% senior secured notes, 3.75% senior secured notes, 4.75% senior notes, 4.875% senior notes and 5.625% senior notes contain covenants that limit, among other things, our ability and the ability of our restricted subsidiaries to incur certain additional indebtedness and issue preferred stock, make certain distributions, investments and other restricted payments, sell certain assets, agree to any restrictions on the ability of restricted subsidiaries to make payments to us, merge, consolidate or sell all of our assets, create certain liens, and engage in transactions with affiliates on terms that are not on an arms-length basis. Certain covenants, including those pertaining to incurrence of indebtedness, restricted payments, asset sales, mergers, and transactions with affiliates will be suspended during any period in which the notes are rated investment grade by both rating agencies and no default or event of default under the indenture has occurred and is continuing. All of these notes contain two incurrence-based financial covenants, as defined, requiring a minimum fixed charge coverage ratio of 2.0x and a maximum secured indebtedness leverage ratio of 3.5x.

Some of our other subsidiary indebtedness includes restrictions on entering into various transactions, such as acquisitions and disposals, and prohibits payment of ordinary dividends. They also have financial covenants including minimum consolidated EBITDA to consolidated net interest payable, minimum consolidated cash flow to consolidated debt service, maximum consolidated debt to consolidated EBITDA and minimum liquidity, all as defined in the applicable debt agreements.

As of March 31, 2022, 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 2022.

Uses of Cash

Acquisitions

When we make acquisitions, the acquired entity may have cash on its balance sheet at the time of acquisition. All amounts related to the use of cash for acquisitions discussed in this section are presented net of any cash acquired. During the three months ended March 31, 2022, we used \$14.0 million of cash primarily for the acquisition of a venue management business in the United States.

During the three months ended March 31, 2021, we used \$6.1 million of cash primarily for the acquisition of a venue in the United Kingdom.

Capital Expenditures

Venue and ticketing operations are capital intensive businesses, requiring continual investment in our existing venues and ticketing systems in order 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, 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:

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Maintenance	\$ 13,761	\$ 5,657
Revenue generating	33,127	11,438
Total capital expenditures	\$ 46,888	\$ 17,095

Maintenance capital expenditures during the first three months of 2022 increased from the same period of the prior year primarily due to leasehold improvements of certain office facilities and venue-related projects.

Revenue generating capital expenditures during the first three months of 2022 increased from the same period of the prior year primarily due to enhancements at our venues and higher investments in technology-related projects.

We currently expect capital expenditures to be approximately \$375 million for the full year of 2022.

Cash Flows

	Three Months Ended March 31,	
	2022	2021
	<i>(in thousands)</i>	
Cash provided by (used in):		
Operating activities	\$ 1,198,300	\$ 74,574
Investing activities	\$ (114,953)	\$ 10,108
Financing activities	\$ (75,041)	\$ 417,017

Operating Activities

Cash provided by operating activities increased by \$1.1 billion for the three months ended March 31, 2022 as compared to the same period of the prior year primarily due to increases in deferred revenue resulting from the resumption of events in

certain markets starting late in the second quarter of 2021 and continuing into the first quarter of 2022 along with a reduction of net loss year over year.

Investing Activities

Cash used in investing activities was \$115.0 million for the three months ended March 31, 2022 as compared to cash provided by investing activities of \$10.1 million for the same period of the prior year primarily due to more cash paid for capital expenditures along with higher proceeds from the sale of investments in nonconsolidated affiliates in 2021 that did not recur in 2022. See “—Uses of Cash” above for further discussion.

Financing Activities

Cash used in financing activities was \$75.0 million for the three months ended March 31, 2022 as compared to cash provided by financing activities of \$417.0 million for the same period of the prior year primarily due to higher net proceeds in 2021 from debt issuances. 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. Currently, we do not have significant operations in hyper-inflationary countries. Our foreign operations reported an operating loss of \$45.4 million for the three months ended March 31, 2022. We estimate that a 10% change in the value of the United States dollar relative to foreign currencies would change our operating loss for the three months ended March 31, 2022 by \$4.5 million. As of March 31, 2022, 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. We also may enter into forward currency contracts to minimize the risks and/or costs associated with changes in foreign currency rates on forecasted operating income. At March 31, 2022, we had forward currency contracts outstanding with a notional amount of \$93.0 million.

Interest Rate Risk

Our market risk is also affected by changes in interest rates. We had \$5.8 billion of total debt, excluding unamortized debt discounts and issuance costs, outstanding as of March 31, 2022. Of the total amount, we had \$5.0 billion of fixed-rate debt and \$0.8 billion of floating-rate debt.

Based on the amount of our floating-rate debt as of March 31, 2022, each 25-basis point increase or decrease in interest rates would increase or decrease our annual interest expense and cash outlay by approximately \$1.9 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 March 31, 2022 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 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 3.397%.

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 2021 Annual Report on Form 10-K filed with the SEC on February 23, 2022.

There have been no changes to our critical accounting policies during the three months ended March 31, 2022.

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 March 31, 2022, 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

We are in the process of integrating OCESA, which was acquired in December 2021, into our overall internal control over financial reporting process. Other than this integration, there have been no changes 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. We have not experienced any material impact to our internal controls over financial reporting resulting from the fact that employees are working remotely due to the global COVID-19 pandemic. We are continually monitoring and assessing the impact of the global COVID-19 pandemic on our internal controls to minimize the affects on their design and operating effectiveness.

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 2021 Annual Report on Form 10-K filed with the SEC on February 23, 2022, 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 2021 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 March 31, 2022:

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽²⁾	Maximum Fair Value of Shares that May Yet Be Purchased Under the Program ⁽²⁾
January 2022	29,489	\$113.87		
February 2022	109,091	\$119.83		
March 2022	183,618	\$109.67		
	322,198			

⁽¹⁾ 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.

⁽²⁾ 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

(a) On May 5, 2022, Live Nation entered into an employment agreement with Brian Capo effective as of January 1, 2022 (the “Capo Agreement”) to serve as Live Nation’s Chief Accounting Officer. The term of the Capo Agreement ends on December 31, 2026. After that date, unless earlier terminated, Mr. Capo’s employment with Live Nation will be on an at-will basis. Mr. Capo’s existing employment agreement was extinguished upon execution of the Capo Agreement.

Under the Capo Agreement, Mr. Capo will receive a base salary of \$425,000 per year, and will be eligible to receive annual salary increases at the discretion of the Compensation Committee. Mr. Capo is eligible to receive an annual cash performance bonus with a target equal to 50% of his base salary, with such bonus based 50% on Live Nation achieving its adjusted operating income target for the applicable year, and 50% on the achievement of specific performance targets to be established annually.

If Mr. Capo is terminated by Live Nation without cause or Mr. Capo terminates his employment for good reason, subject to Mr. Capo’s execution of a general release of claims, he will receive a cash payment equal to nine months of his base salary.

The Capo Agreement also contains customary non-disclosure, non-solicitation and non-disparagement provisions. The description of the Capo Agreement set forth above is qualified in its entirety by the Capo Agreement attached as Exhibit 10.1 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit No.	Filing Date	
10.1 §	Employment Agreement, effective January 1, 2022, between Live Nation Worldwide, Inc. and Brian Capo.					X
31.1	Certification of Chief Executive Officer.					X
31.2	Certification of Chief Financial Officer.					X
32.1	Section 1350 Certification of Chief Executive Officer.					X
32.2	Section 1350 Certification of Chief Financial Officer.					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.

EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) is entered into and effective January 1, 2022 (the “Effective Date”) by and between Live Nation Worldwide, Inc., a Delaware corporation (together with its parent, subsidiary and other affiliated entities, “Live Nation”), and Brian Capo (the “Employee”).

WHEREAS, the Employee and Live Nation have previously entered into a Compensation Arrangement dated December 17, 2007, as amended effective December 31, 2008, as amended effective October 22, 2009, and as amended effective January 1, 2017 (the “2007 Agreement”); and

WHEREAS, Live Nation and the Employee desire to forever extinguish the 2007 Agreement and enter into an employment relationship under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements included in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

1. TERM OF EMPLOYMENT.

The Employee’s term of employment starts on the Effective Date and ends on the close of business on December 31, 2026 (the “Term”), unless terminated earlier pursuant to the terms set forth in Section 5 below. If this Agreement is not terminated prior to the conclusion of the Term and the Agreement is not renewed in writing by Live Nation and the Employee, the Employee’s employment will no longer be subject to the terms of this Agreement and the Employee’s employment will remain at-will, meaning either Live Nation or the Employee will have the right to terminate the Employee’s employment at any time, with or without advance notice and with or without Cause; provided, however, that any continuing obligations owed to Live Nation by the Employee in accordance with Live Nation’s Employee Handbook, Code of Business Conduct and Ethics, or other policies will remain in full force and effect.

2. TITLE AND DUTIES; EXCLUSIVE SERVICES.

a. Title and Duties. The Employee agrees to be employed by Live Nation as its Chief Accounting Officer as such title may change during the Term upon mutual agreement of the parties. The Employee will perform such job duties as are usual and customary for this position and will perform such additional services and duties as Live Nation may from time to time designate and which are consistent with this position (collectively, the “Services”). The Employee will report to Live Nation’s President and Chief Financial Officer, currently Joe Berchtold, or his successor or designee (collectively, the “Reporting Manager”). The Employee agrees to abide by Live Nation’s rules, regulations and practices as adopted or modified from time to time by Live Nation, including, without limitation, those set forth in Live Nation’s Employee Handbook and its Code of Business Conduct and Ethics.

b. Exclusive Services. The Employee will devote the Employee’s full working time and efforts to the business and affairs of Live Nation. During employment with Live Nation, the Employee shall not (i) accept any other employment or consultancy, (ii) serve on the board of directors or similar body of any other entity or (iii) engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be competitive with, or that might place the Employee in a competing position to, that of Live Nation. Notwithstanding the foregoing, to the extent it does not materially interfere with the performance of the Employee’s duties and responsibilities under this Agreement and is not for any entity or person that is competitive to Live Nation, the Employee will be permitted to serve on other corporate, trade associates, civic or charitable boards and committees and participate in cultural, philanthropic and community affairs and projects.

3. COMPENSATION AND BENEFITS.

- a. Base Salary. As of January 1, 2022, Live Nation will pay the Employee an annual gross base salary of \$425,000 (the “Base Salary”), less appropriate payroll deductions and all required withholdings. Due to the COVID-19 pandemic and the impact it has had on Live Nation’s business operations (“COVID-19 Issue”), the Employee previously agreed to temporary COVID-19 reductions of his annual gross base salary consistent with similarly situated Live Nation executives. Employee further agrees that Live Nation reserves the right to further temporarily reduce his base salary consistent with reductions to similarly situated Live Nation executives due to the COVID-19 Issue if Live Nation determines the COVID-19 Issue requires a further temporary reduction in base salary. The Employee will be eligible to receive annual increases in such Base Salary in the sole and absolute discretion of the Compensation Committee (the “Committee”) of the Board of Directors of Live Nation (the “Board”). All payments of Base Salary, less appropriate payroll deductions and all required withholdings, are payable in regular installments in accordance with Live Nation’s normal payroll practices, as in effect from time to time and prorated monthly or weekly or for any partial pay period of employment. Currently, pay dates are on the 15th and last day of each month.
- b. Annual Bonus. During the Term, in addition to the Employee’s Base Salary, the Employee will be eligible for an annual target bonus of up to 50% of the Employee’s Base Salary to be calculated as follows: (i) 50% of the bonus is based upon Live Nation Entertainment, Inc. achieving its adjusted operating income (“AOI”) target for the applicable calendar year (as determined and calculated by Live Nation in its sole and absolute discretion), and (ii) the other 50% of the bonus is based upon the Employee achieving specific performance targets to be set and determined annually by the Reporting Manager (“Annual Bonus”); notwithstanding the foregoing, however, no Annual Bonus is due if Live Nation Entertainment, Inc. does not achieve its annual AOI target for the applicable calendar year (as determined and calculated by Live Nation in its sole and absolute discretion), regardless of whether the other performance targets are met. Live Nation reserves the right to modify any Annual Bonus in its sole discretion due to business circumstances such as business acquisitions, business sales, venue additions, accounting or non-operational circumstances. The Employee must remain employed by Live Nation through the date on which the Annual Bonus is actually paid in order to be eligible to receive any Annual Bonus.
- c. Bonus Advance. Live Nation agreed to advance to the Employee \$350,000, less withholding for applicable taxes, as an advance on potential future bonuses and incorporated herein by this reference, which was paid to the Employee on June 30, 2021 (the “**Bonus Advance**”). Live Nation recouped \$200,000 of the 2021 Bonus to be paid to the Employee and will continue to recoup this Bonus Advance during the course of the Employee’s employment through offsets of a minimum amount of 75% of each annual bonus earned by the Employee during the Term until the Bonus Advance is recouped in full. The current amount of the Bonus Advance remaining to be recouped is \$150,000. If the Employee’s employment terminates for any reason before the Bonus Advance is fully recouped, the Employee shall pay any such remaining unrecouped amount in full within ten (10) business days following termination.
- d. Employee Benefits. During the Term, the Employee will be eligible to participate in such group health, hospitalization, retirement, leave, time off, disability and other insurance plans, programs and policies as are maintained or sponsored by Live Nation from time to time and in which other similarly-situated employees of Live Nation may participate, subject to the terms and conditions of the applicable plans, programs or policies, as may be amended from time to time in Live Nation’s sole and absolute discretion.
- e. Expenses. Upon timely submission of proper documentation in accordance with Live Nation’s applicable expense reimbursement policies, as in effect from time to time, Live Nation will pay or reimburse the Employee for all normal and reasonable business expenses actually incurred by the Employee in connection with the Employee’s provision of the Services. To the extent that any reimbursements paid under this paragraph are deemed to constitute taxable compensation to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed to the Employee promptly, but in no event later than December 31 of the year following the year in which the expense was incurred. The amount of any payments under this paragraph eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and the Employee’s right to such payments or reimbursement shall not be subject to liquidation or exchange for any other benefit.

4. COVENANTS.

a. Live Nation Confidential Information. During the course of the Employee's employment with Live Nation, Live Nation will provide the Employee with access to certain confidential information, trade secrets and other matters which are of a confidential or proprietary nature, including, without limitation, Live Nation's customer lists, pricing information, production and cost data, compensation and fee information, strategic business plans, budgets, financial statements, employment pay information and data and other information Live Nation treats as confidential or proprietary (collectively, the "Confidential Information"). The Employee understands that Confidential Information shall not include the factual information related to any claim of unlawful employment practices, discrimination, or harassment occurring in the workplace, at work-related events, or off the employment premises involving employees, and/or employees and the employer, including claims of sexual misconduct, sexual assault, sexual harassment, or harassment or discrimination based on sex. Live Nation provides on an ongoing basis such Confidential Information as Live Nation deems necessary or desirable to aid the Employee in the performance of the Employee's duties. The Employee understands and acknowledges that such Confidential Information is confidential and proprietary, and agrees not to disclose such Confidential Information to anyone outside Live Nation except to the extent that: (i) the Employee deems such disclosure or use reasonably necessary or appropriate in connection with performing the Employee's duties on behalf of Live Nation; (ii) the Employee is required by order of a court of competent jurisdiction (by subpoena or similar process) to disclose or discuss any Confidential Information, provided that in such case, the Employee will promptly inform Live Nation of such event, will cooperate with Live Nation in attempting to obtain a protective order or to otherwise restrict such disclosure and will only disclose Confidential Information to the minimum extent necessary to comply with any such court order; or (iii) such Confidential Information becomes generally known to and available for use in the industries in which Live Nation does business, other than as a result of any breach by the Employee of this Section 4(a). Notwithstanding the foregoing, in accordance with the Defend Trade Secrets Act of 2016, Employee understands that Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information or trade secret that (A) is made (x) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (y) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Employee further agrees that the Employee will not, during the Term and/or at any time thereafter, use such Confidential Information for any purpose other than legitimate purposes in the performance of the Employee's duties, including, without limitation, competing, directly or indirectly, with Live Nation. At such time as the Employee ceases to be employed by Live Nation or earlier upon Live Nation's request, the Employee will immediately turn over to Live Nation all Confidential Information, including papers, documents, writings, electronically stored information, other property and all copies of them, provided to or created by the Employee during the course of the Employee's employment with Live Nation.

b. Third-Party Confidential Information. The Employee agrees that any confidential or proprietary information and materials that the Employee receives from third parties in connection with or relating to the Employee's employment with Live Nation shall also be deemed "Confidential Information" for all purposes of this Agreement and will be subject to all limitations on use and disclosure set forth in this Agreement. The Employee will not use or disclose any such information and materials in any manner inconsistent with any of Live Nation's obligations towards such third party. Additionally, the Employee acknowledges the Employee's obligation to preserve the trade secrets and confidential and proprietary information of the Employee's prior employers.

c. Non-Solicitation. To further preserve the rights of Live Nation pursuant to the non-disclosure covenant above and to protect Live Nation's legitimate interest in the integrity of its workforce, the members of which would be unknown to the Employee absent the Employee's employment hereunder, during the Term and for a period of twelve (12) months following the termination of the Employee's employment with Live Nation for any reason, the Employee will not, directly or indirectly: (i) solicit or encourage any current employee to terminate his or her employment with Live Nation; (ii) solicit or encourage any current Live Nation employee or any former Live Nation employee whose employment terminated within six months of the termination of the Employee's employment with Live Nation (each, a "Current or Former Employee") to accept employment with any business, person or entity with which the Employee may be associated; or (iii) encourage or assist in any way any such business, person or entity

from taking any action which the Employee could not take individually under this Section 4(c), including, without limitation, identifying any Current or Former Employee as a potential candidate for employment therewith.

d. Non-Competition. To further preserve the rights of Live Nation pursuant to the covenants in this Section 4, and for the consideration promised by Live Nation under this Agreement, during the Term and for a period of twelve (12) months following the termination of the Employee's employment with Live Nation for any reason, the Employee will not, directly or indirectly, including, without limitation, as an owner, director, principal, agent, officer, employee, partner, consultant or otherwise, carry on, operate, manage, control or become involved in any manner with any business, operation, corporation, partnership, association, agency or other person or entity which is in the same business as Live Nation in any location in which Live Nation operates, including any area within a 50-mile radius of any such location. The foregoing shall not prohibit the Employee from owning up to 5% of the outstanding capital stock of any publicly-held company.

To further preserve the rights of Live Nation pursuant to the non-disclosure covenant above, and for the consideration promised by Live Nation under this Agreement, during the Term and for a period of twelve (12) months following the termination of the Employee's employment with Live Nation for any reason, the Employee will not, directly or indirectly, either for the Employee or for any other business, operation, corporation, partnership, association, agency or other person or entity, call upon, compete for, solicit, divert, take away or attempt to divert or take away, current or prospective customers or clients of Live Nation, including, without limitation, any customer or client: (i) with whom Live Nation has an existing agreement or business relationship; or (ii) with whom Live Nation has had an agreement or business relationship within the six-month period preceding the Employee's last day of employment with Live Nation.

e. Non-Disparagement. During the Term and for a period of twelve (12) months following termination of the Employee's employment with Live Nation for any reason, the Employee agrees that the Employee shall not publicly or privately disparage, defame or criticize Live Nation or its officers, directors, employees or representatives. The Employee understands that this provision does not relate to the Employee disclosing factual information related to any claim of unlawful employment practices, discrimination, or harassment occurring in the workplace, at work-related events, or off the employment premises involving employees, and/or employees and the employer, including claims of sexual misconduct, sexual assault, sexual harassment, or harassment or discrimination based on sex.

f. Written, Printed or Electronic Material. All written, printed and electronic material, notebooks and records including, without limitation, computer disks used by the Employee in performing duties for Live Nation, including any Confidential Information and all copies thereof in any medium contained, are and shall remain the sole property of Live Nation. Upon termination of the Employee's employment or any earlier request by Live Nation, the Employee shall promptly return all such materials (including all copies, extracts and summaries thereof) to Live Nation.

g. Proprietary Rights; Assignment. All Employee Developments shall be made for hire by the Employee for Live Nation or any of its subsidiaries or affiliates. "Employee Developments" means any idea, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other word or authorship that (i) relates to the business or operations of Live Nation or any of its subsidiaries or affiliates, or (ii) results from or is suggested by any undertaking assigned to the Employee or work performed by the Employee for or on behalf of Live Nation or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours. All Confidential Information and all Employee Developments shall remain the sole property of Live Nation or any of its subsidiaries or affiliates. The Employee shall acquire no proprietary interest in any Confidential Information or Employee Developments developed or acquired during the Term. To the extent the Employee may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Employee Development, the Employee hereby assigns to Live Nation all such proprietary rights. The Employee shall, both during and after the Term, upon Live Nation's request, promptly execute and deliver to Live Nation all such assignments, certificates and instruments, and shall promptly perform such other acts, as Live Nation may from time to time in its discretion deem necessary or

desirable to evidence, establish, maintain, perfect, enforce or defend Live Nation's rights in Confidential Information and Employee Developments.

h. Reasonableness of Covenants. Live Nation and the Employee agree that the restrictions contained in this Section 4 are reasonable in scope and duration and are necessary to protect Live Nation's legitimate business interests and Confidential Information. If any provision of this Section 4 as applied to any party or to any circumstance is judged by a court or arbitrator to be invalid or unenforceable, the same will in no way affect the validity or enforceability of the remainder of this Agreement. If any such provision of this Section 4, or any part thereof, is held to be unenforceable because of the scope, duration or geographic area covered thereby, the parties agree that the court or arbitrator making such determination will have the power to reduce the scope and/or duration and/or geographic area of such provision, and/or to delete specific words or phrases, and in its reduced form, such provision shall then be enforceable and shall be enforced.

i. Breach of Covenants. The parties acknowledge and agree that any breach of this Section 4 by the Employee will cause irreparable damage to Live Nation, and upon any such breach of any provision of these covenants, Live Nation shall be entitled to injunctive relief, specific performance or other equitable relief without the need to post bond or other security therefor; provided, however, that this Section 4(h) shall in no way limit any other remedies which Live Nation may have (including, without limitation, the right to seek monetary damages). Should the Employee violate any provision of this Section 4, then, in addition to all other rights and remedies available to Live Nation at law or in equity, the duration of this covenant shall automatically be extended for the period of time from which the Employee began such violation until the Employee permanently ceases such violation.

5. **TERMINATION.**

The Employee's employment with Live Nation may be terminated at any time under the following circumstances:

a. Termination Without Cause or for Good Reason. Live Nation may terminate the Employee's employment without Cause (as defined below) or the Employee may terminate the Employee's employment for Good Reason (as defined below) at any time during the Term. If the Employee experiences a "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulation Section 1.409A-1(h)) (a "Separation from Service") due to the termination of the Employee's employment by Live Nation without Cause or the Employee's termination of the Employee's employment for Good Reason during the Term, Live Nation shall promptly or, in the case of obligations described in clause (iii) below, as such obligations become due, pay or provide to the Employee, (i) the Employee's earned but unpaid Base Salary accrued through the date of such Separation from Service (the "Termination Date"), (ii) reimbursement of any business expenses incurred by the Employee prior to the Termination Date that are reimbursable under Section 3(e) above, and (iii) any vested benefits and other amounts due to the Employee under any plan, program or policy of Live Nation (together, the "Accrued Obligations"). In addition, subject to the Employee's execution and non-revocation of a binding release in accordance with Section 5(g) below, in the event of the Employee's Separation from Service with Live Nation by reason of a termination without Cause or a termination by the Employee for Good Reason, Live Nation shall pay to the Employee in a lump-sum payment within 90 days of the Employee's Termination Date, but in no event later than March 15 of the calendar year immediately following the calendar year in which the Termination Date occurs, provided the Employee has executed and not revoked the binding release prior to that date, the equivalent of nine (9) months Base Salary, as in effect immediately prior to the Termination Date, less withholdings for applicable taxes and appropriate payroll deductions (the "Severance"). Additionally, if, due to the ongoing COVID-19 Issue or such similar pandemic or other infectious control measures, acts of God, mandates and / or restrictions imposed by applicable local, state or federal governments, live events and/or the concert business is significantly impeded or prevented from operating and there are company- or division-wide furloughs occurring related to similarly situated employees and the Employee's employment is temporarily furloughed or Base Salary is reduced, the Employee agrees that such temporary furlough or salary reduction shall not be deemed a termination without Cause under this Agreement or deemed a breach of this Agreement. Notwithstanding the foregoing, the Employee will remain eligible for Severance in accordance with the provisions contained

in this Section 5 based on the date the furlough occurred only for purposes of determining how much Severance may be owed under this Section 5 under the following circumstances: (A) such temporary furlough exceeds twelve (12) months; or (B) Live Nation notifies the Employee that the Employee's employment with Live Nation is terminated without Cause immediately after or during the furlough.

b. Resignation. The Employee may terminate his employment by resigning at any time upon thirty (30) days' written notice provided to Live Nation in accordance with Section 6 below; provided, however, that Live Nation may, in its sole discretion, waive such notice period without payment in lieu thereof. Upon such a resignation, the Employee shall be entitled to receive the Accrued Obligations promptly or, in the case of benefits described in Section 5(a) (iii) above, as such obligations become due.

c. Death; Disability. If the Employee dies during the Term or the Employee's employment is terminated due to his total and permanent disability (as determined by Live Nation), the Employee or the Employee's estate, as applicable, shall be entitled to receive the Accrued Obligations promptly or, in the case of benefits described in Section 5(a)(iii) above, as such obligations become due.

d. Cause. Live Nation may terminate the Employee's employment immediately for Cause by providing notice to the Employee in accordance with Section 6 below. If Live Nation terminates the Employee's employment for Cause, the Employee shall be entitled to receive the Accrued Obligations promptly or, in the case of benefits described in Section 5(a) (iii) above, as such obligations become due.

e. Termination by Live Nation or the Employee Upon Expiration of the Term. If the Employee's employment with Live Nation is terminated by Live Nation or the Employee upon expiration of the Term (including any Extension Term), the Employee shall be entitled to receive the Accrued Obligations promptly or, in the case of benefits described in Section 5(a)(iii) above, as such obligations become due.

f. Potential Six-Month Payment Delay. Notwithstanding anything to the contrary in this Agreement, if on the Employee's Termination Date, the Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B), as determined by Live Nation in accordance with the requirements of Treasury Regulation Section 1.409A-1(i), compensation and benefits that become payable in connection with a Separation from Service (if any), including, without limitation, any Severance payments, shall be paid to the Employee during the 6-month period following the Employee's Termination Date only to the extent that Live Nation reasonably determines that paying such amounts at the time or times indicated in this Agreement will not cause the Employee to incur additional taxes under Section 409A. If the payment of any such amounts is delayed as a result of the previous sentence, then, within 30 days following the end of such 6-month period (or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes, including as a result of the Employee's death), Live Nation shall pay to the Employee (or the Employee's beneficiary in the event of the Employee's death) a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Employee during such 6-month period, without interest thereon.

g. Release. The Employee's right to receive the Severance set forth in this Section 5 is conditioned on and subject to, within 60 days of the Employee's Termination Date, the Employee executing and not revoking a general release and waiver of claims against Live Nation, in a form prescribed by Live Nation. If the Employee does not execute such release within 60 days following the Termination Date, no Severance shall be payable under this Section 5.

h. Exclusivity of Benefits. Except as expressly provided in this Section 5, the Employee acknowledges that Live Nation shall have no further obligations to the Employee following the Termination Date, whether under this Agreement, in connection with the Employee's employment, the termination thereof or otherwise.

i. Definitions. For purposes of this Agreement:

"Good Reason" shall mean a material reduction in the Employee's duties, responsibilities and/or compensation without the Employee's consent or a material breach of this Agreement (collectively or individually, the "Event"). A termination by the Employee will not be for Good Reason unless and until (A) within 30 days of the Event first occurring the Employee provides Live Nation with written notice describing such Event, (B) such Event

(if susceptible to correction) is not corrected by Live Nation within 30 days after Live Nation's receipt of such notice and (C) the Employee terminates employment no later than 30 days after the expiration of the correction period provided in clause (B) above.

"Cause" shall mean: (i) continued or repeated non-performance by the Employee of the Employee's duties hereunder (other than by reason of the Employee's physical or mental illness, incapacity or disability); (ii) the Employee's refusal or failure to follow lawful directives from Live Nation; (iii) commission by the Employee of a felony or other crime involving moral turpitude or other conduct by the Employee that, as determined in the sole discretion of Live Nation, has resulted in, or could reasonably be expected to result in, material injury to the reputation or financial condition of Live Nation, including, without limitation, commission of a theft, fraud or embezzlement; (iv) a breach by the Employee of any provision of this Agreement; (v) an act or omission by the Employee constituting a material act of misconduct in connection with the performance of the Employee's duties hereunder, including, without limitation, any violation of Live Nation's policy on sexual harassment or discrimination, or any misappropriation of funds or property of Live Nation other than the occasional, customary and de minimis use of Live Nation property for personal purposes; (vi) any other act of misconduct as determined in the sole discretion of Live Nation; or (vii) a violation by the Employee of Live Nation's employment policies, including, without limitation, those set forth in Live Nation's Employee Handbook, or Live Nation's Code of Business Conduct and Ethics. The Employee will be given written notice and ten (10) days' notice to cure any of the Cause provisions set forth in sections (i), (ii), (iv), (vi) and (vii) above, if such violation is susceptible to cure as determined by Live Nation in its reasonable discretion.

6. NOTICES.

Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and delivered personally or sent by facsimile, e-mail or registered or certified mail, postage prepaid, addressed as follows (or if it is sent through any other method, or to anyone other than as described below, as agreed upon by the parties):

If to Live Nation:

9348 Civic Center Drive
Beverly Hills, California 90210
Telephone: (310) 975-6875
Attention: Lori S. Lilly

If to the Employee:

to the Employee's most current home address on file with Live Nation's Human Resources Department, or to such other address as any party hereto may designate by notice to the other in accordance with this Section 6, and any such notice shall be deemed to have been given upon receipt.

7. SECTION 409A.

To the fullest extent applicable, the compensation and benefits payable under this Agreement are intended to be exempt from the definition of "nonqualified deferred compensation" under Section 409A in accordance with one or more of the exemptions available under the final Treasury Regulations promulgated under Section 409A (the "Treasury Regulations"). To the extent that any such compensation or benefit under this Agreement is or becomes subject to Section 409A due to a failure to qualify for an exemption from the definition of nonqualified deferred compensation in accordance with the Treasury Regulations, this Agreement is intended to comply with the applicable requirements of Section 409A with respect to the payment of such compensation or benefits. This Agreement shall be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent. Notwithstanding anything herein to the contrary, the Employee expressly agrees and acknowledges that in the event that any taxes are imposed under Section 409A in respect of any compensation or benefits payable to the Employee, whether in connection with a Separation from Service under this Agreement or otherwise, then (i) the payment of such taxes shall be solely the Employee's responsibility, (ii) neither Live Nation, its affiliated entities nor any of their respective past or present directors, officers, employees or agents shall have any liability for any such taxes and (iii) the Employee shall indemnify and hold harmless, to the greatest extent permitted

under law, each of the foregoing from and against any claims or liabilities that may arise in respect of any such taxes.

8. PARTIES BENEFITTED; ASSIGNMENT.

This Agreement shall be binding upon the Employee, the Employee's heirs and the Employee's personal representative or representatives, and upon Live Nation and its respective successors and assigns. Neither this Agreement nor any rights or obligations hereunder may be assigned by the Employee, other than by will or by the laws of descent and distribution.

9. GOVERNING LAW; VENUE.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to any choice of law or conflict provisions or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Texas. Subject to Section 11 below, the Employee hereby expressly consents to the personal jurisdiction of the state and federal courts located in Houston, Texas for any lawsuit arising from or relating to this Agreement.

10. LITIGATION AND REGULATORY MATTERS.

During and after the Term, the Employee will reasonably cooperate with Live Nation in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of Live Nation which relate to events or occurrences that transpired while the Employee was employed by Live Nation. The Employee's cooperation in connection with such claims or actions shall include, without limitation, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of Live Nation at mutually convenient times. During and after the Employee's employment, the Employee also shall cooperate fully with Live Nation in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Employee was employed by Live Nation. If any such cooperation occurs after the Employee's termination of employment with Live Nation, then Live Nation shall reimburse the Employee for all reasonable costs and expenses incurred in connection with the Employee's performance under this Section 10.

11. ARBITRATION.

In consideration of the mutual covenants and agreements included in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, agree as follows:

The Employee agrees that, to the fullest extent permitted by law, any and all claims or controversies between the Employee and Live Nation (or between the Employee and any present or former officer, director, agent or employee of Live Nation or any parent, subsidiary or other entity affiliated with Live Nation and the successors and assigns of any of the listed persons or entities), shall be resolved by final and binding arbitration only and will not be decided by a court or jury or any other forum, except as otherwise provided in this Section 11. Claims subject to arbitration ("Covered Claims") shall include, without limitation: any and all claims, disputes or controversies that Live Nation may have, now or in the future against the Employee or that the Employee may have now or in the future, against Live Nation or one of its employees or agents, arising out of or related to the Employee's employment with Live Nation or the termination of the Employee's employment, with the exception of the Claims Not Covered as described below. The parties agree that any dispute, controversy or claim, whether based on contract, tort, statute, discrimination, retaliation or otherwise, relating to, arising from or connected in any manner to this Agreement, or to any alleged breach of this Agreement, or arising out of or relating to the Employee's employment or termination of employment, shall, upon the timely written request of either party be submitted to and resolved by binding arbitration. Claims not subject to arbitration ("Claims Not Covered") shall include claims for unemployment benefits, and workers' compensation claims or claims that may not, as a matter of law be subject to arbitration. Live Nation and the Employee are voluntarily entering into this agreement, and as valid consideration, both parties have mutually agreed to arbitrate all Covered Claims that each may have against the other with respect to the Employee's employment with Live Nation. The Employee may only bring claims under this Agreement in the Employee's individual capacity and not as a plaintiff or class member in any purported class, collective or

representative proceeding. Further, the arbitrator may not consolidate more than one person's claims, and may not otherwise preside over any form of a representative or class, collective or representative proceeding. The arbitration shall be conducted in Houston, Texas. Any arbitration proceeding shall be conducted in accordance with the Employment Arbitration Rules and Procedures of New Era ("New Era") ADR (the "New Era Rules"), which can be found at <https://www.neweraadr.com/rules-and-procedures/>, a copy of which will be provided to the Employee upon his request. Unless otherwise agreed to by the parties in writing, the arbitration shall be conducted by one arbitrator who is a member of New Era and who is selected pursuant to the methods set out in the New Era Rules. Any claims received after the applicable/relevant statute of limitations period has passed shall be deemed null and void. The award of the arbitrator shall be a reasoned award with findings of fact and conclusions of law. Either party may bring an action in any court of competent jurisdiction to compel arbitration under this Agreement, to enforce an arbitration award and to vacate an arbitration award. However, in actions seeking to vacate an award, the standard of review to be applied by said court to the arbitrator's findings of fact and conclusions of law will be the same as that applied by an appellate court reviewing a decision of a trial court sitting without a jury. Live Nation will pay the actual costs of arbitration excluding attorneys' fees, to the extent required by law. Each party will pay its own attorneys' fees and other costs incurred by their respective attorneys. **THE PARTIES UNDERSTAND AND AGREE THAT THIS AGREEMENT CONSTITUTES A WAIVER OF THEIR RIGHT TO A TRIAL BY JURY OF ANY CLAIMS OR CONTROVERSIES COVERED BY THIS AGREEMENT OR TO PARTICIPATE IN A CLASS, COLLECTIVE OR REPRESENTATIVE ACTION, UNLESS APPLICABLE STATE OR FEDERAL LAW PROHIBITS SUCH WAIVER OF CLASS, COLLECTIVE OR REPRESENTATIVE ACTION. THE PARTIES AGREE THAT, TO THE FULLEST EXTENT ALLOWED BY LAW, NONE OF THOSE CLAIMS OR CONTROVERSIES SHALL BE RESOLVED BY A JURY TRIAL OR IN A CLASS, COLLECTIVE OR REPRESENTATIVE ACTION, UNLESS APPLICABLE STATE OR FEDERAL LAW PROHIBITS SUCH WAIVER OF CLASS, COLLECTIVE OR REPRESENTATIVE ACTION.** However, the Employee acknowledges that the Employee has the right to: report any good faith allegation of unlawful employment practices to any appropriate federal, state, or local government agency enforcing discrimination laws; report any good faith allegation of criminal conduct to any appropriate federal, state, or local official; participate in a proceeding with any appropriate federal, state, or local government agency enforcing discrimination laws; make any truthful statements or disclosures required by law, regulation, or legal process; and request or receive confidential legal advice.

12. REPRESENTATIONS AND WARRANTIES OF THE EMPLOYEE.

The Employee represents and warrants to Live Nation that: (i) the Employee is under no contractual or other restriction which is inconsistent with the execution of this Agreement, the performance of the Employee's duties hereunder or the other rights of Live Nation hereunder; (ii) the Employee is under no physical or mental disability that would hinder the performance of the Employee's duties under this Agreement; and (iii) the Employee's execution of this Agreement and performance of the Services under this Agreement will not violate any obligations that the Employee may have to any other or former employer, person or entity, including any obligations to keep in confidence proprietary information, knowledge or data acquired by the Employee in confidence or in trust prior to becoming an employee of Live Nation. The Employee further represents, warrants and covenants that the Employee will not disclose to Live Nation, or use in connection with the Employee's activities as an employee of Live Nation, or induce Live Nation to use, any proprietary or confidential information or trade secrets of the Employee or any third party at any time, including, without limitation, any proprietary, confidential information or trade secrets of any former employer.

13. MORALITY CLAUSE.

The Employee agrees that he shall not commit any act or do anything which might reasonably be considered to be immoral, deceptive, scandalous, or obscene and has the potential to injure, tarnish, damage or otherwise negatively affect the reputation and goodwill associated with Live Nation or any of its employees, subsidiaries, affiliates, joint ventures or parent(s) as determined by Live Nation in its reasonable discretion. Should the Employee violate this clause, it shall be deemed sufficient basis for a Cause termination under Section 5(d) above.

14. MISCELLANEOUS.

- a. Amendment. The terms of this Agreement may not be amended or modified other than by a written instrument executed by the parties hereto or their respective successors.
- b. Withholding. Live Nation shall withhold from any amounts payable under this Agreement all federal, state, local and/or foreign taxes, as Live Nation determines to be legally required pursuant to any applicable laws or regulations.
- c. No Waiver. Failure by either party hereto to insist upon strict compliance with any provision of this Agreement or to assert any right such party may have hereunder shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement. A waiver of the breach of any term or condition of this Agreement shall not be deemed to constitute a waiver of any subsequent breach of the same or any other term or condition.
- d. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement, or the application thereof to any person or circumstance, shall, for any reason and to any extent, be held invalid or unenforceable, such invalidity and unenforceability shall not affect the remaining provisions hereof or the application of such provisions to other persons or circumstances, all of which shall be enforced to the greatest extent permitted by law.
- e. Construction. The parties hereto acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has had the opportunity to contribute to its revision. Accordingly, any rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to all parties hereto and not in favor or against any party by the rule of construction abovementioned.
- f. Assignment. This Agreement is binding on and for the benefit of the parties hereto and their respective successors, heirs, executors, administrators and other legal representatives. Neither this Agreement nor any right or obligation hereunder may be assigned by the Employee.
- g. Entire Agreement. As of the Effective Date, this Agreement, constitutes the final, complete and exclusive agreement and understanding between Live Nation and the Employee with respect to the subject matter hereof and replaces and supersedes any and all other agreements, offers or promises, whether oral or written, made to the Employee by Live Nation or any representative thereof.
- h. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
- i. Captions. The captions of this Agreement are not part of the provisions hereof, rather they are included for convenience only and shall have no force or effect.

THE EMPLOYEE ACKNOWLEDGES THAT THE EMPLOYEE (I) HAS BEEN ADVISED BY LIVE NATION TO CONSULT WITH LEGAL COUNSEL CONCERNING THIS AGREEMENT AND HAS HAD THE OPPORTUNITY TO DO SO, (II) HAS READ AND UNDERSTANDS THIS AGREEMENT, (III) IS FULLY AWARE OF THE LEGAL EFFECT OF THIS AGREEMENT AND (IV) HAS ENTERED INTO IT FREELY BASED ON THE EMPLOYEE'S OWN JUDGMENT AND NOT ON ANY REPRESENTATIONS OR PROMISES OTHER THAN THOSE CONTAINED IN THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Agreement effective as of the date first written above.

THE EMPLOYEE

Date: May 3, 2022

/s/ Brian Capo

Brian Capo

LIVE NATION WORLDWIDE, INC.

Date: May 3, 2022

By: /s/ Joe Berchtold

Name: Joe Berchtold

Title: President, Live Nation Entertainment

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 March 31, 2022 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: May 5, 2022

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 March 31, 2022 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: May 5, 2022

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.