

First Quarter 2026 Earnings Conference Call Transcript May 5, 2026

Presenters

Michael Rapino – President & CEO
Joe Berchtold – President & CFO
Amy Yong – Head of Investor Relations

Q&A Participants

Brandon Ross – LightShed Partners
Stephen Laszczyk – Goldman Sachs
David Karnovsky – J.P. Morgan
Cameron Mansson-Perrone – Morgan Stanley
Peter Supino – Wolfe Research
Batya Levi – UBS
Ian Moore – Bernstein Research
Kutgun Maral – Evercore ISI
Jason Bazinet – Citi

Operator

Good afternoon. My name is Joe and I will be your conference operator today. At this time, I would like to welcome everyone to Live Nation's First Quarter 2026 Earnings Call. I would now like to turn the call over to Ms. Amy Yong. Thank you, Ms. Yong. You may begin.

Amy Yong

Good afternoon and welcome to the Live Nation First Quarter 2026 Earnings Conference Call. Joining us today is our President and CEO, Michael Rapino, and our President and CFO, Joe Berchtold. We would like to remind you that this afternoon's call will contain certain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ, including statements related to the company's anticipated financial performance, business prospects, new developments, and similar matters. Please refer to Live Nation's SEC filings, including the risk factors and cautionary statements included in the company's most recent filings on Forms 10-K, 10-Q, and 8-K, for a description of risks and uncertainties that could impact the actual results.

Live Nation will also refer to some non-GAAP measures on this call. In accordance with SEC Regulation G, Live Nation has provided definitions of these measures and a full reconciliation to the most comparable GAAP measures in our earnings release. The release reconciliation can be found under the Financial Information section on Live Nation's website.

With that, we will now take your questions. Operator?

Operator

Thank you. Ladies and gentlemen, if you would like to ask a question, please press star, one, on your telephone keypad and a confirmation tone will indicate your line is in the question queue. You may press star, two, if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment, please, while we poll for questions.

And the first question comes from the line of Brandon Ross with LightShed Partners. Please proceed.

Brandon Ross

Hey, guys. Thanks for taking the questions. First, you call out timing shifts in fan count due to venue mix in the release. Can you first explain why this year looks different than most, and then how that translates to AOI phasing throughout the year?

Michael Rapino

Yeah, Joe. Joe will take you through the timing.

Joe Berchtold

Yeah. Sure. Yeah, yeah. Sure, Brandon. So really, what's going on with timing is because we have very strong growth globally in stadiums and strong growth in amphitheatres in the U.S., those tend to skew more towards Q3, just from a calendar standpoint. Most of the summer months are in Q3. So we were just trying to call out that as you think about the weighting of the different quarters this year, while we have strong growth across all of the pieces, that growth is really going to come in more strongly in Q3 than it would in previous years. That will translate into stronger AOI for Q3 and then, on the margin, also shaping up to have a very strong Q4.

Brandon Ross

Ok. And then speaking of amphitheatres, I guess the big stumble last year was in amps, really, on the supply side. And it seems that you have made up, or more than made up for that this year. How sure are you that the demand is there on the amps to fill that supply? The leading indicators seem great, but amps are more of a real-time purchase, and every time there's elevated gas prices, there is a little more worry about amphitheater performance. And there's also been some cancellations lately, as there are every year, but if you could address that too.

Michael Rapino

Yeah. Well, let's start with cancellations and work backwards, just because I know that – I saw some of those articles. This year would be no different than any other year. We always have a few cancellations. To give you perspective, we tend to have a 1% to 2% cancellation rate historically, both at Ticketmaster across the industry and at Live Nation. We're tracking slightly below the industry, so we see no challenges at all in that. To give you, again, perspective, we have about 15,000 shows on sale; 100 will be canceled. That would be typical. So we see nothing

about cancellations in '26 full-calendar that would be extraordinary, always a tour, one or two that doesn't work out.

Amphitheaters, as you said, we're having a strong 2026, focused the team on the supply to make sure we have the show count. We definitely have that this year. And we know sitting in May, the demand side, we would know by this time of the year how we're filling up for the summer. It is not last minute; it's on sale. And as you see from the numbers in our releases, we're tracking ahead of last year on show count, on ticket sales, up over double-digits. So we see a strong year in amphitheaters. We think they're a great product. Demand will always be there. They tend to be lower priced than arenas and stadiums. It's a lower cost entry point to come in, so it's a volume game. And onsite, just started. We are days into the season, but we see positive numbers so far. So our premium sales are onsite, and our demand indicate we are going to have a strong 2026 in amps.

Brandon Ross

Thank you.

Operator

The next question comes from the line of Stephen Laszczyk with Goldman Sachs. Please proceed.

Stephen Laszczyk

Hey, guys. Thanks for taking the questions. Michael, maybe just to broaden out the question around supply this year, in the release, you highlighted concert bookings pacing up across stadiums, arenas, and amps. Would just be curious if you could maybe talk a little bit more about how touring activity is shaping up for this year, where in the slate you are seeing the strongest inflections year-over-year in supply, and then where might there still be opportunity to add event supply as we make our way into the summer concert season here over the next couple of months?

Michael Rapino

Yes. I mean, if we step back, as we do in our investor day, on supply, there are more bands on the road on a global basis, so the pie is growing. Our job is just to keep making sure we maintain our market share and grow with that expanding pie of supply. So we're seeing this global supply of artists continually grow. So that will just mean, ultimately, more bands on the road and they'll be filling all levels, from the club up to the stadium, which we're seeing this year. So most of the supply is coming from the growing market on a global basis on all levels of supply.

We think that's going to happen for many years to come as this world has been flattened and bands from all over, from Latin America to K-Pop to Colombia to India, are now on the road and able to travel and tour in all of the different venues and festivals around the world. So strong supply across the globe right now. We're seeing our international business strong, maybe even stronger than America, in terms of growth. Latin America is on fire from small to big to festivals.

So we're seeing great global supply and demand, as we predicted in our investor day, coming to life this year.

Stephen Laszczyk

That's great. Thanks for that. And then, Joe, maybe on regulatory, I think this is the first time we have connected since the settlement on the federal side and then the ruling on the state case. Would just be curious if you could provide us with an update on where we stand today in that process, where you feel like your views still differ from how the rulings played out, and how investors should expect the process to play out from here?

Joe Berchtold

Yeah. I think there is a day in court on Thursday, where there'll be a discussion on the process. So there's three key elements here. One is we have a few motions that we made as it related to some of the evidence and how that proceeds, so we need a ruling on that. Two is the judge determining the process for the review of the settlement with the Department of Justice. And then third is the remedies portion of the trial that just concluded. So we have views on how we think it should proceed, but the judge will decide that, and then that will define the timing and the exact pieces. So until then, we just have to wait a minute and see how he lays it out.

Stephen Laszczyk

Great. Thank you.

Operator

The next question comes from the line of David Karnovsky with J.P. Morgan. Please proceed.

David Karnovsky

Hey. Thank you. Joe, in the 10-Q, there's some detail on a venue securitization transaction. Wanted to see if you could you walk through the structure at a high level? And then how does this kind of play into your Venue Nation plans over the long-term as far as buying or building locations?

Joe Berchtold

Yeah, sure. This is a great vehicle that the team developed to think about how we fund the venue side of the business going forward. I've talked before about how, in my mind, there is a little bit of a PropCo/OpCo, two businesses that we have here, and there is an opportunity with the PropCo to effectively have a synthetic component of the balance sheet. We're still keeping it all under one roof for the flexibility and control, but effectively, thinking about it as, you have a PropCo that you can have more leverage on, which is collateralized by all your venue holdings. And we have an initial raise that we did of just over €600 million, using some of the venues as collateral.

And then as we grow the venue portfolio, we can take the venues that we add and put those in as additional collateral, which lets this component of our balance sheet continue to grow as we

build out the venue portfolio, that, obviously, being kept separate then and not being used to securitize the more OpCo side of the business. So this is an innovative financing that we came up with, which we think works very well in giving us the first step to really enable our funding and continue to build out the venue side of the business.

David Karnovsky

Ok. And then maybe just sticking on Venue Nation. Early this year, you announced in Argentina, an agreement with Club Atlético for certain booking and naming rights as it relates to a stadium there. I am curious how replicable this model is, meaning partnerships with sports teams in Latin America or, really, even other regions where you are expanding venues, where maybe there are existing properties sitting there in need of capital or a refresh, that you can enter as a partner?

Michael Rapino

Yeah. We love that deal, and we absolutely think on a global basis it's something we can replicate. Lots of these stadiums around the world, these are not NFL-activity kind of venues, so they don't have as much activity going on. So we're a great partner to help make sure we can put some shows in there, bring some sponsorship expertise, and some capital, if we have to. We have a similar arrangement in Argentina with River Stadium [errata note: "River Stadium" should be "River Plate Stadium"]. So yes, we think on a global basis, we like building arenas, but we like, on the stadium side, partnering with them, and a little less capital intensive but locks up a lot of the revenue streams.

David Karnovsky

Great. Thank you.

Operator

The next question comes from the line of Cameron Mansson-Perrone with Morgan Stanley. Please proceed.

Cameron Mansson-Perrone

Thanks. Two on the ticketing business, if I could. Michael, could you just update us on what you and Saumil are focused on from a product perspective with Ticketmaster? And then, in the past, you've talked about driving ancillaries at Ticketmaster. Do you see that as an increasingly important factor for that business going forward, given what seems like increased sensitivity around fees? And then one more.

Michael Rapino

I'll start, then Joe will jump in.

Joe Berchtold

Yeah.

Michael Rapino

I mean, listen, we're thrilled in general with our new hire. Saumil is just a real strong product engineer. Joe and I have ongoing dialogue with him on the product roadmap on a global basis, from how to inject AI into the consumer side and the B2B side. But I would say, our continual top priority is to make that on sale smooth, more transparent, and drive as much consumer confidence as we can in the process. So he's doing a lot of work on that right now, identifying and building out our Face Value Exchange program to be much more robust for artists to use, giving them more tools in general for the on sale. That's our biggest pain point.

We've made great progress in the last few years. We're the best in the business at it, but we will continue to make that a better and better process, with more tools for artists and fans. That's the front end. Joe will fill you in on kind of the wider perspective.

Joe Berchtold

Yeah. And I think, on the back end, the biggest unlock that Saumil has been bringing is how we think about a lot of the new markets we are going into. The strategies he has been developing for Latin America, for Asia, particularly for Japan, figuring out how we're not locked into some of our legacy constraints of great platforms, but built in a time before we needed the flexibility we need today. So in part, using some AI tools and just, I think, pretty innovative approaches, he's rapidly accelerating the pace at which we're moving into those markets with the ticketing solution, so that would be the big back-end piece.

And then, absolutely, we're continuing to be very focused on how we use the platform to continue to drive additional economics from the scale of what we are doing. We know that the venue clients we have that are really keeping the bulk of the service fee will continue to keep the bulk of the service fee, and we need to continue to find ways that we can build value off the platform and keep our fair share of that.

Cameron Mansson-Perrone

Thanks. That's helpful and interesting. My follow up was on headwinds you call out in terms of the mid-single-digit headwind at the ticketing segment this year. I was wondering if you could remind me, or us, what exactly is incorporated or captured in that, or contemplated? And then any guidance or expectation with regard to how you see the legal expenses that are running through ticketing, whether we should we expect that run rate through the remainder of the year, or any color or expectation there would be helpful? Thanks.

Joe Berchtold

Yeah. Yeah, those mid-single-digit headwinds are really talking about steps that we've taken in the secondary, that we announced earlier. Some pretty dramatic steps that limit the broker inventory being put on the Ticketmaster system, that we said would be a step down, a structural step down, that would have that level of impact. That's a one-time thing, so as we grow to offset that this year and still have, hopefully, some growth or expect to have some growth on Ticketmaster for the year, and then that weight we comp and is no longer an issue as we move forward into the future.

As it's related to some of the one-time expenses, I don't think we will continue to have this level of elevated expenses. We will continue to have some expenses on the legal side. Those will be related to the FTC and some other activities, but I think they should get moderated over the next few quarters from where they're at today.

Cameron Mansson-Perrone

Got it. That's great. Thanks.

Operator

The next question comes from the line of with Peter Supino with Wolfe Research. Please proceed.

Peter Supino

Hi. I think two for Joe, if I may. One on the velocity of new venue openings. In the last three years ending in 2025, your CapEx rose from \$400 million a year to \$600 million, to \$1 billion last year. It would be equal or higher this year, and so I'm wondering about the dollar value of venues opening in 2026 and 2027. Are we right to assume that 2027 ought to be a bigger opening year, in terms of dollar value and revenue, than '26 was?

And then a longer-term question about your cash flow. I'm wondering if the business were not expanding capacity, what do you think Live Nation could generate in terms of EBITDA, free cash flow as a percentage of EBITDA? What do you think the free cash flow margin of this business is at steady state? Thanks.

Joe Berchtold

Wow. Algebra test in real time. I'm not sure I'm going to try to give you exact numbers. I think that, yeah, if we stopped investing this \$1 billion and stopped buying venues, we're going to be able to throw off a lot of cash. If you take the two pieces, the Ticketmaster business today is an extremely high cash flow conversion business. We've been using a lot of that cash to drive growth on the venue side, but it would be throwing off a tremendous amount of cash. And then on the concert side, again, we give you the maintenance capital. Maintenance capital is really only a couple hundred million dollars, so you would be throwing off pretty healthy cash on the concert side as well.

Now, that said, we still see a long runway of opportunities for venues. We do expect to see acceleration in their opening. And again, I'm not going to give you the exact '27 versus '28 timing on the venues that we have under construction, but these are all multiyear construction projects. So the ones that we started last year, and this year will take a few years, and we're opening a couple great amps this year. We're opening a number of other theaters and other venues, and we expect that to accelerate as we get out into '27 and '28.

Operator

The next question comes from the line of Batya Levi with UBS. Please proceed.

Batya Levi

Great. Thank you. A follow up on the ticketing side. Adjusting for that legal spend, it looks like margins were up nicely year-over-year. Can you talk about where the outperformance came from? Are you seeing benefit of these AI tools already flowing through? And same, maybe, on the concert side. Can you talk a bit about the outperformance despite tough comps that you had in LatAm? And any regions that you would call out for the rest of the year? Thanks.

Joe Berchtold

I'll start with the ticketing side. I mean, we're giving you the volume here. The ticketing sales are up nicely, so we continue to grow the business, notwithstanding some of the headwinds on the secondary side because of the actions we've taken there. So a lot of the growth on the Ticketmaster side is coming from additional concert tickets that are being sold. And yeah, the business, operationally and its fundamentals, continue to be in good shape. We're adding more clients globally. We're selling more tickets. The underlying business is all working very well and setting us up nicely as we go into the latter part of this year and into next year.

On the concert side, again, a lot of bouncing around quarter-to-quarter. This was a very good quarter in Latin America, which drove both concerts and sponsorship performance, some festivals there that we had, that did well. Going forward, we see both North America and international markets performing very strongly this year. Michael talked earlier, stadiums are up globally, up in the U.S. despite a very strong year last year, up strongly in international markets. Amphitheatres and arenas are up nicely in the U.S., so that should drive solid growth throughout North America. You have Latin America, you got Europe, you got parts of Asia, so we're seeing very strong global demand for concerts, which is then translating into the sponsorship and ticketing businesses.

Batya Levi

Got it. Thank you.

Operator

The next question comes from the line of Ian Moore with Bernstein Research. Please proceed.

Ian Moore

Hi. Thanks. The secondary ticketing business is clearly undergoing a number of changes, right, in order to further mitigate scalping and bot activity. In the past, you've sized secondary as a low double-digit percent of fee-bearing GTV. But given the sustainability of primary ticketing growth, where do you see secondary share of fee-bearing GTV going as those changes play out? Is it high-singles or mid-singles? Thanks.

Joe Berchtold

Yeah. I think it's probably a gradual decline. I don't think there's anything that is, notwithstanding some of the changes we're making this year, there will be a structural drop. I just think over time,

primary will win. Content will control its tickets, and it will be a slow decline. We've long said we consider this to be a feature, not a standalone product. It's part of, while secondary is being offered, we want to make sure fans can come to our site for a safe exchange and get a ticket they know they're going to have delivered. But it's there because it is part of the ecosystem, and we don't have that as a strategy to grow it. So if we're successful, it will decline into the single digits over the next several years.

Ian Moore

Thank you.

Operator

The next question comes from the line of Kutgun Maral with Evercore ISI. Please proceed.

Kutgun Maral

Thanks for taking the questions. First, I know Live Nation is really a supply-driven business, but I did want to follow up on the demand side, just given investor focus. So maybe underneath the surface, are you seeing any differences by, maybe, geography, income cohort, venue types, or price points? And given the broader macro and geopolitical volatility, including the disruption in the Middle East, is there anything you are seeing in either the U.S. or international markets that could affect demand, routing, or fan behavior as we move throughout the year?

And maybe second, I want to ask about premium hospitality within Venue Nation. The release called out the ongoing rollout of the Vinyl Room, for example, with onsite spending at the Hollywood Palladium already over \$100 per fan, which is highly encouraging. How applicable is that playbook across the broad venue portfolio? And as you scale these types of premium hospitality concepts globally, how meaningful can they become as a driver of per fan monetization and Venue Nation AOI over the next few years? Thank you.

Michael Rapino

All right. Hit a few of those. I'll start with the Middle East because you brought it up. It doesn't affect our business today. The Middle East is a very, very, very small touring market overall, so it would have no material effect to our business. We expect that over the long-term, it will be a touring region but does not affect routing today. We had no tours; no shows planned in that market right now. On the demand side, we have this ongoing reports we get. We understand fan demographics, all of that, that come to our shows. It's very broad, as you can imagine. Concerts kind of appeal from 12 to the 90 years old, depending on the artist and where they're playing, so we see no slowdown in any genre, no demographic.

We see, across the board, whether it's a club show, whether it's an amphitheater in Indianapolis or an expensive stadium show in New York, we've seen no demand pullback anywhere. Same thing in the rest of the world, Argentina to Milan to Singapore, still don't see any pullback. Consumers still consider that live show very, very important in their social calendar for the year. Whether they're going to one, two, or three shows a year, it's paramount that they get to that

show. So we've seen no pullback. Broad, strong demand across the board on all genres at all theater sizes.

On the premium, and we've talked about this at length, many investor presentations, but yes, we think, in general, the music business, and the venues, and the festivals can do a better job of providing a better service and a better product. Historically, the concert has been about 99% GA and 1% premium. We now see that people will pay for a better experience. So I was in a building meeting this morning. We're looking at two new arenas we are building, and our goal there is to have up to 30% of that house in a premium capacity, so we can have a better experience where fans want to come for the night and upgrade and sit in a better suite or sit in a box or have a better hospitality.

So a lot of the CapEx we spend at our amphitheaters is doing that. We've outfitted three this summer, Indianapolis and Dallas, where we took the existing business, added upscale premium offerings, like a Vinyl Room that we have scaled or similar clubs, The Back Lot [errata note: "The Back Lot" should be "The Backyard"]. And we're taking those amphitheaters from 1%, 2%, 5% premium, up to 25% premium. So long haul to get there; easier when you are building them from scratch, but yes, we believe that there's tons of opportunity in premium and a better experience. It's not even about just being premium, it's just, consumers will pay for a shorter line, better parking, better hospitality, so we're looking at that, much like sports arenas have done over the last 10, 15 years.

Kutgun Maral

Very helpful. Thank you.

Operator

And the next question comes from the line of Jason Bazinet with Citi. Please proceed.

Jason Bazinet

I remember, I think it was back in November when you guys gave the Venue Nation fan count of five million and it sort of disappointed folks. And I think in the release today, you took that number up. And I didn't know if that was just sort of M&A is happening more rapidly or building is happening more rapidly, and if we should we take the 2029/2030 numbers up, or it's more just a function of front-loading the Venue Nation fan count relative to what you said in November. Thanks.

Joe Berchtold

I think what we said is, is we're expecting to grow the Venue Nation fan count this year by double-digits, right?

Jason Bazinet

Yep. Yep. I think, previously, it was five million on 65 base.

Joe Berchtold

Right. Yeah, yeah. So 60 – yeah, so that's exactly where I was going, so 65 million, so that tells you it is going to be somewhat more. It's probably pretty evenly distributed between just increased performance at our existing venues that we're operating and what we've been adding. So we feel good about this year. I don't think we're ready quite yet to start contemplating exactly what we are going to add to that in '27, '28, and '29, but we think this year is a great demonstration of the power of what we're doing with the venue strategy.

Jason Bazinet

I agree. Thank you.

Operator

Thank you. Ladies and gentlemen, this concludes the question-and-answer session, and I would like to turn the call back to Michael Rapino for closing remarks.

Michael Rapino

Thank you, everyone, for your support. We're looking forward to a great summer, and we'll talk to you in August.

Operator

Thank you. This concludes today's conference. You may disconnect your lines at this time, and we thank you for your participation.