

Third Quarter 2025 Earnings Conference Call Transcript

November 4, 2025

Presenters

Michael Rapino, President and CEO

Joe Berchtold, President and CFO

Amy Yong, Head of Investor Relations

Q&A Participants

Brandon Ross – LightShed Partners

Stephen Laszcyk – Goldman Sachs

Cameron Mansson-Perrone – Morgan Stanley

David Karnovsky – J.P. Morgan

Robert Fishman – MoffettNathanson

Logan Angress – Wolfe Research

Peter Henderson – BofA Securities

Jason Bazinet – Citi

Eric Handler – Roth Capital

Ian Moore – Bernstein Research

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 Third Quarter 2025 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 Third Quarter 2025 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 the 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.

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, going into 2025, it seemed like it was one where the sun, the moon, the stars were all going to align with stadiums and arenas and amphitheaters all coming together. It's turned out it seems to be a great stadium year but there's definitely been underperformance in the other venue sizes.

Can you explain what happened with amps and arenas this year? And what can give us confidence that they will rebound strongly in 2026? And I have a follow-up.

Michael Rapino

Thanks, Brandon. I'll take it.

Just to be clear, we had an incredible quarter, incredible year, so far. We had revenue up 11%, operating up 24%, AOI 14%. These are numbers you pray for every quarter. So we've had an incredible year.

One of the things we've always said about Live Nation is the great strength you have in investing in us is we are a global diversified business, both geographically and venue type. Sometimes Europe overdelivers and America underdelivers. Sometimes the amps are having a record year. Sometimes the stadiums are having a record year. That's always been the pattern here.

What's great is, at the end of the day, we're going to deliver our AOI, 10% [errata note: "10%" should be "double-digit"] growth. Had an incredible growth internationally: Mexico, Latin America, a lot of our European businesses and stadiums, up 60%. Again, we would hope we have this problem every year where stadiums are dominating the business. It just continues to show the strength of the consumer and the buyer.

This year, we had a few less amphitheater shows. We're looking towards '26. It looks like it's going to be a great pipeline. It looks like amphitheaters, arenas, and stadiums are going to have a very strong year next year, on both international and American basis. Probably be sitting here in a year from now telling you one of those markets overdelivered. That's the strength of our diversified platform.

So we don't think there's anything structural. We think there is a lot of content out there. A lot of artists decided not to play arenas and amphitheaters and go for stadiums. We support that on a global basis. That helped deliver our global revenue growth of over 11%.

We think, next year, we'll have the same great combination on a global basis and deliver what we've been delivering for many years. Record attendance, record revenue, and record AOI will be in the books again for next year, with the combination of international amps and arenas.

Brandon Ross

Great. And then, on the Ticketmaster side, following the FTC suit, it seems like you've really begun to crack down a lot on ticket scalpers. Can you remind us of the actions that you've taken, so far? What impact you expect each to have on both LYV financials and the broader ticketing industry?

It seems like most of the work that you're doing, most of the changes you're making, are concerts only, as opposed to both concerts and sports. Any color on why that's the case?

Joe Berchtold

Sure, Brandon. I'll get going and Michael can jump in. First, again, as always, just to set the context: secondary is a low single-digit percentage of our revenue. It's a feature to us, as we've long talked. We focus on primary and helping content get the tickets priced and sold how they want.

First, just to answer sports versus concerts, it's very different. Sports, the teams and leagues use secondary as a distribution platform for disaggregation of season tickets. So the second area I would think about is being – it's really heavily a liquidity market in sports.

In concerts, because they're all sold one-off, there is no liquidity market. It's all a price arbitrage market. So as we look at it, it's a matter of how much are the scalpers taking? How much arbitrage are they getting? The actions that we're taking, I think, are heavily driven by the fact when we look hard at it, it's just too much.

So the pieces, first, even though it gets press is less important is TradeDesk. It's a tool that brokers use to manage their tickets and simultaneously place them on multiple marketplaces. It started because of sports. It's often confused that somehow, it's a tool that the brokers can use to get tickets in some advantaged form, relative to fans. It's not this. It's never been this.

But just to eliminate the noise, we're shutting it down. We don't expect it to have any financial impact on us or on the market. We expect most of these folks will either do it manually or go to one or the other multitude of platforms that offer this service.

More impactful to the industry is the identity verification tools we've started to deploy. So now, when our system identifies high-risk accounts based on 100 different signals, we can require a validation that the account holder is a person and their government ID matches the account. This is a key tool we've used in canceling over a million accounts over the past month.

On a recent high demand on sale, they got some press. We used it after the fact, looking at the signals and putting fans through to determine whether they were real fans, or it was bot purchased.

So that's been helpful. We're optimistic that in the short term, this can help rain in some of the excessive abuse that's developed. But, frankly, we're also realistic that without legislative and enforcement changes, the scalpers will continue to invest in new tools to fool our systems and mask the fact that they're bots.

So it's hard to fully translate into financial impacts. But I think given the low percentage of revenue that secondary accounts for, what we've seen so far in terms of the activity and the volume, we don't have any reason to think it would be more than low to mid-single-digit impact to Ticketmaster's AOI next year.

But, even more importantly, we don't see this fundamentally impacting our growth strategy, given our focus on the primary side. So as we lay out our multi-year strategy tomorrow, this is not going to have an impact on that strategy or on the numbers that we would show you, in terms of where we think we can get to.

Brandon Ross

Great, thank you very much.

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. Joe, maybe on the Concert segment for the quarter, I was wondering if you could help us break down some of the puts-and-takes to concert segment AOI growth in 3Q. I think there's a number of factors that investors are trying to better understand.

You have growth in Venue Nation attendance and the profitability that might be coming on, as you layer on some new capacity there. You have more stadium activity, as you called out earlier and then, some pressure on amp and arena attendance. I think any color to help us better understand the sizing of some of these drivers would be helpful, as we look into next year. I would appreciate any of that. And then, I have a follow-up.

Joe Berchtold

Sure. I'll give you the detail on the quarter. Overall, for the concert segment, we grew AOI by about \$40 million, with roughly a million or just over a million fans. So pretty good per fan incremental profitability.

It's 120 more stadium shows that really drove the growth, which was pretty well balanced between the U.S. and international. It was also heavily driven by stadiums that we operate. So Estadio GNP reopening and building back up the Rogers Stadium in Toronto. So it was a lot of fans that we operate at, which is what drove some of the high profitability per fan.

We had about 250 fewer amp shows, as Michael alluded to. Just from a cyclical standpoint, fewer shows. Arenas are about flat, but we did grow our activity in our operated arenas, with the new Portugal arena coming online and some of our other European arenas. So a big shift to stadiums. Overall, in some of the large venues, outside of the amps, we had more activity in our operated venues that helped in the context of the fewer amp shows.

Stephen Laszczyk

Great, thanks for that. And then, maybe, secondly, just as a follow-up on regulatory and some of the commitments you made on the FTC side, just would love any other color you could provide about where we stand in your dialogue with the FTC? And then, maybe, related to that, where we stand in the DOJ's process? To what extent you feel like, maybe, some of the more recent dialogue you've had – maybe

perhaps, both agencies – created a framework or common ground with these agencies or lawmakers? Thank you.

Joe Berchtold

Sure. I'll start with the FTC. I think the government shut down pretty much immediately after it came out. So no real action there.

What I would say, and we've said this before when this happened, we feel very good about our case with the FTC. We think it's an extremely expansionist view of the BOTS Act. The fact that they would file this suit when we do more to stop bots and to counter a lot of this activity than the rest of the industry combined, we find to be very far afield. From a legal standpoint, we don't believe that they have a strong case.

A lot of the changes that we just talked about are friendly things that have been in motion for a while. Obviously, you don't roll out identity verification in two weeks. That's a tool we've been building. We're just ready to deploy it. So we have done so.

On the DOJ, that case is advanced procedurally. Generally speaking, discovery is complete. Everybody is exchanged expert reports. We're in the middle of some of the expert depositions. All that's left as a few straggler depositions. So that process continues. The judge reaffirmed the March 6th date for the trial. So we'll continue on that process for now.

But the other development that I think is of real note is we think the remedies' decision in the Google Search case is very much validated our view that the claims in our case can't lead to a breakup of Live Nation and Ticketmaster, even if the DOJ prevails on one claim or another. So we expected that but certainly welcome news in that side.

Stephen Laszczyk

Great, thank you, Joe.

Operator

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

Cameron Mansson-Perrone

Thank you for taking the questions. First, on the ticketing side of the business, you've talked about the competitiveness in the ticketing industry in the past, particularly in the U.S. I was wondering if you could just describe how that landscape has been evolving and how you've been responding to that level of competitiveness? Particularly, whether it raises your appetite or the attractiveness of capturing international growth within that segment of your business?

Joe Berchtold

Yeah. Cameron, I don't think we think of it as an either/or. We look at it as a global business or a global platform. We're global in concerts. We're global in ticketing. We're underdeveloped in international markets in Ticketmaster, particularly if you look at Latin America, if you look at Asia, even parts of Europe. So there's a heavy focus on building out our presence in those markets.

We think we have the best ticketing platform and enterprise tools out there. That's clearly been helping us win a lot of business, as we've given you those numbers over the past several years in international markets.

North America is competitive but that's fine. Most businesses in life are competitive. I think we continue to win a lot because we can compete effectively on all dimensions. We've continued to add clients and tickets in North America, as well. We'll continue to fight that fight. But we certainly see international over the next several years as a great growth opportunity.

Cameron Mansson-Perrone

Got it. And then, on the numbers in the release around deferred revenue, some pretty healthy growth, both in event-related deferred revs and ticketing revs. Any color you can provide in terms of how we should think about that as indicative of 4Q activity, relative to indicative of 2026 activity?

Joe Berchtold

Yeah. I think most of that will be getting into next year at this point, given the size of those numbers and the fact that Q4 is cyclically one of the smaller quarters. It goes hand-in-hand with the other things we've given you on the strength of the pipeline for '26, in terms of large venues and the fact that our ticket sales for shows next year are up double-digits. Ticketmaster, you'll continue to see some growth in the deferred, also, as we're adding more venues and the tickets for those venues get deferred.

Cameron Mansson-Perrone

Got it, helpful. Thanks.

Operator

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

David Karnovsky

I wanted to see if you could refresh on the venue pipeline that will impact in 2026 in terms of the buildings opening in the second half of this year and those planned for the coming year. When we look at your fan count growth at Venue Nation, I think you had previously guided us to around seven million fans. Any reason to think you wouldn't be able to sustain that pace comparable to that next year?

Michael Rapino

(multiple speakers) I was going to jump in. The good news, David, is we're going to take this through our investor day tomorrow and get into more detail on the venue stuff. So that's probably the best place for it. But, no, we continue to see the same pipeline of growth, as we've outlined previously. We've made great progress this year in getting these buildings either started or opened up this year. Tomorrow, we'll take you to the longer-term vision of it.

David Karnovsky

Okay. And then, just on the stadium outlook. I just wanted to see if you could check in on the pipeline for next year. I know there had been some hope expressed in September that you could get to a comparable year in the U.S. with the growth internationally, despite the FIFA factor. Just want to get an update there.

Michael Rapino

Yeah. I would say that the World Cup FIFA, some of those fears that everyone had earlier haven't seem to come to life. We are looking right now at this time of the year, which is early still but good for stadiums to have a very strong year, next year. International, which already had a spectacular year, looks very strong on a global basis. So we look at next year being a very, very strong stadium year again.

Going to Brandon's concern, add a few extra shows in amphitheaters and arenas and you're back to your annual higher double-digit fan growth that we've been able to do for the last 15 years or so. So we see that consistency will continue onward for the next few years.

Operator

The next question comes from the line of Robert Fishman with MoffettNathanson. Please proceed.

Robert Fishman

Hi, good afternoon. I have two for either Michael or Joe. Maybe just following up on where you just went.

The earnings release calls out the international fan count is on track to surpass the U.S. for the first time. So I'm just wondering if you can shed some additional light on where you see that mix shift going with international fan growth over time? How much of that factors into your confidence of delivering another year of double-digit AOI growth in 2016? I'll start there.

Michael Rapino

I'm not sure I got the question right, but I think if you're asking about international, we believe this will be a continued global, international business. Most of our growth, both in Ticketmaster, sponsorship, venues, concerts will continue to be on a global basis, given there's so many markets that were not very high in market share or haven't entered yet. So that mix will continue to grow and continue to be an international story for many years to come.

Robert Fishman

Got it. And then, just secondly, can you discuss your recent hire of a new global president for Ticketmaster and maybe how you expect that to help in the AI transformation of your overall business or at least with Ticketmaster?

Michael Rapino

Yeah. I think we thought it was time. Mark has done an incredible job, grown the business dramatically. Our focus under Mark, based out of London originally, was to really focus Ticketmaster to be a much more international business, get it away from being just solely U.S.-focused and think about a global platform.

We had many different technologies at time. Carlos and Mark have done a fabulous job standardizing our global business launching in many markets. Mark will continue as Chairman. That will be his focus, to keep running hard on international.

But we absolutely wanted to find somebody that had a very strong technical background, engineering, AI-based, that could look at the platform overall and not just how do we make the enterprise marketplace better but, of course, how do we make sure we are leading the charge on AI, from an agent perspective, at the front door, to all the places that we're adding on the enterprise level.

Robert Fishman

Alright, thank you very much.

Operator

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

Logan Angress

Hi, this is Logan Angress, on for Peter. Just a quick question for me.

Your release reiterates your expectations for long-term AOI compounding but doesn't discuss 2026 specifically. I'm curious, given all the strong leading indicators that you've called out, is it fair to assume that you can continue to grow AOI double-digits next year? Or are there mitigating factors that we should keep in mind?

Joe Berchtold

Hey, this is Joe. I think what I would say is no mitigating factors. We've just never, sitting in November before the year has started, made that call. I think that's traditionally a conversation that we have in February. I think what we try to give you now, which is what we're looking at, is the leading indicators that have to do with our show pipeline, tickets sold, our sponsorship committed, our deferred revenue, a lot of factors that are pointing extremely positively.

But I think we all view, we'll get to – and nothing, no mitigating, no concerns. But we generally want to wait and get to February and have the full data set to make that call.

Michael Rapino

But your point is what we've been saying for year after year, the last few years, is we think this business, on a global basis, has incredible growth ahead of it that would mirror the history we've been able to deliver.

Operator

The next question comes from the line of Peter Henderson with Bank of America. Please proceed.

Peter Henderson

I'll just ask one on Sponsorship. How much upside (technical difficulty)

Operator

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

Jason Bazinet

I know you guys have long held that your business is not particularly economically sensitive. But there seems to be growing press reports about maybe the low-end consumer running out of gas. I just wonder, underneath the hood, are you seeing any signs of maybe bimodal behavior with the high-end consumer spending more, but you are seeing a little bit of pressure at the low end to offset some of the strength at the high end? Or is that not what you're observing?

Michael Rapino

No. We have not seen any of that. Our business is very diverse. It's powered from clubs to arenas to festivals to stadiums; small town to big, on a global basis. So we see it all.

We need all levels of consumers consuming to make the show sellout. We're already on sale for next year for many shows and festivals of certain sizes. They are selling as fast as ever.

So the appetite, the consumption, going to that show still seems to be the number one priority for them. We saw no pullback anywhere yet.

Jason Bazinet

Thank you.

Operator

The next question comes from the line of Eric Handler with ROTH Capital. Please proceed.

Eric Handler

Good afternoon, thanks for the question. Just wondering if you could talk about corporate appetite for Sponsorships now, in terms of what they're willing to do and how much they're willing to spend?

Michael Rapino

Yeah. Again, our Sponsorship numbers, you saw the 14%. They've been growing for double-digits for years. As we grow our business, we provide more inventory. The more arenas, the more international. The more cities we add, the more inventory our team has to sell.

So we think that that live show, continually, right now, to a marketer is a really good return on investment. They may not have all the other media channels solved while they're figuring out where to put their dollars, but if you want to absolutely touch consumers on a live location like sports or music, these two places are where marketers tend to be spending more money today.

So we're matching that with them. We have the best inventory in the world. We see continued growth for a long time in sponsorship and brands that want to be part of that exciting two hours of magic.

Eric Handler

Thank you.

Operator

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

Ian Moore

Hi, thanks, guys. I just wanted to zoom in a little bit, hone in on food and beverage spend. I was just wondering if you could stratify the growth that you're seeing a little bit across different venue types and then, front-of-the-house, back-of-the-house, VIP, if possible.

Michael Rapino

Yeah. We've had a strong year again with food and beverage. On our amphitheaters, our festivals, owned and operated clubs, we delivered on our growth targets this year, again. Continue to be better at diversifying our portfolio, increasing our hospitality, increasing our offerings across all platforms.

So had a strong year. We continue to see year-over-year growth onsite, food and beverage, VIP, hospitality, premium, all of the ancillary revenues. When they come to that show, they still want to find that place to have fun and spend some dollars to enjoy it.

Operator

Thank you. There are no further questions at this time. I'd like to hand the call back to Michael Rapino for closing remarks.

Michael Rapino

Thank you, everyone, for your participation. We'll talk to you tomorrow afternoon at our investor day. Look forward to it. Thank you.

Operator

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