

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

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024
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 **20-3247759**
(State of Incorporation) (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

Title of each class	Trading Symbol(s)	Name of each exchange
Common stock, \$.01 Par Value Per Share	LYV	New York

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. x 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 x 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 25, 2024, there were 231,442,568 outstanding shares of the registrant’s common stock, \$0.01 par value per share, including 1,698,794 shares of unvested restricted stock awards and excluding 408,024 shares held in treasury.

**LIVE NATION ENTERTAINMENT, INC.
INDEX TO FORM 10-Q**

	Page
PART I—FINANCIAL INFORMATION	
Item 1. Financial Statements	2
Consolidated Balance Sheets as of March 31, 2024 (Unaudited) and December 31, 2023	2
Consolidated Statements of Operations (Unaudited) for the three months ended March 31, 2024 and 2023	3
Consolidated Statements of Comprehensive Income (Loss) (Unaudited) for the three months ended March 31, 2024 and 2023	4
Consolidated Statements of Changes in Equity (Unaudited) for the three months ended March 31, 2024 and 2023	5
Consolidated Statements of Cash Flows (Unaudited) for the three months ended March 31, 2024 and 2023	7
Notes to Consolidated Financial Statements (Unaudited)	8
Management’s Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures About Market Risk	34
Item 4. Controls and Procedures	34
PART II—OTHER INFORMATION	
Item 1. Legal Proceedings	35
Item 1A. Risk Factors	35
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	35
Item 3. Defaults Upon Senior Securities	35
Item 5. Other Information	35
Item 6. Exhibits	36

GLOSSARY OF KEY TERMS

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

[Table of Contents](#)

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

LIVE NATION ENTERTAINMENT, INC.

CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

March 31, December 31,
2024 2023

(in thousands)

ASSETS

Current assets

Cash and cash equivalents	\$ 6,501,709	\$ 6,231,866
Accounts receivable, less allowance of \$73,157 and \$82,350, respectively	2,279,906	2,069,054
Prepaid expenses	1,474,295	1,147,581
Restricted cash	7,640	7,090
Other current assets	164,230	122,163

Total current assets

10,427,780 9,577,754

Property, plant and equipment, net

2,116,632 2,101,463

Operating lease assets

1,577,490 1,606,389

Intangible assets

Definite-lived intangible assets, net	1,162,783	1,161,621
Indefinite-lived intangible assets, net	377,894	377,349

Goodwill

2,699,480 2,691,466

Long-term advances

608,506 623,154

Other long-term assets

1,059,624 934,849

Total assets

\$20,030,189 \$19,074,045

LIABILITIES AND EQUITY

Current liabilities

Accounts payable, client accounts	\$ 1,878,540	\$ 1,866,864
Accounts payable	248,196	267,493
Accrued expenses	2,766,166	3,006,281
Deferred revenue	5,025,357	3,398,028
Current portion of long-term debt, net	1,137,262	1,134,386
Current portion of operating lease liabilities	159,372	158,421
Other current liabilities	113,517	128,430

Total current liabilities

11,328,410 9,959,903

Long-term debt, net

5,082,211 5,459,026

Long-term operating lease liabilities

1,642,377 1,686,091

Other long-term liabilities

524,454 488,159

Commitments and contingent liabilities (see Note 6)

Redeemable noncontrolling interests

983,550 893,709

Stockholders' equity

Common stock	2,302	2,298
Additional paid-in capital	2,308,595	2,367,918
Accumulated deficit	(2,454,682)	(2,407,949)
Cost of shares held in treasury	(6,865)	(6,865)
Accumulated other comprehensive income	35,818	27,450

Total Live Nation stockholders' equity

(114,832) (17,148)

Noncontrolling interests

584,019 604,305

Total equity

469,187 587,157

Total liabilities and equity

\$20,030,189 \$19,074,045

See Notes to Consolidated Financial Statements

[Table of Contents](#)

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

	Three Months Ended March 31,	
	2024	2023
	(in thousands except share and per share data)	
Revenue	\$ 3,799,529	\$ 3,127,390
Operating expenses:		
Direct operating expenses	2,646,457	2,115,589
Selling, general and administrative expenses	981,559	690,321
Depreciation and amortization	132,594	115,185
Loss (gain) on disposal of operating assets	(651)	504
Corporate expenses	76,077	63,015
Operating income (loss)	(36,507)	142,776
Interest expense	80,691	89,215
Loss on extinguishment of debt	—	18,366
Interest income	(43,257)	(40,313)
Equity in earnings of nonconsolidated affiliates	(84)	(4,107)
Other expense (income), net	(77,054)	11,583
Income before income taxes	3,197	68,032
Income tax expense	35,414	23,840
Net income (loss)	(32,217)	44,192
Net income attributable to noncontrolling interests	14,516	47,361
Net loss attributable to common stockholders of Live Nation	<u>\$ (46,733)</u>	<u>\$ (3,169)</u>
Basic and diluted net loss per common share available to common stockholders of Live Nation	<u>\$ (0.53)</u>	<u>\$ (0.25)</u>
Weighted average common shares outstanding:		
Basic and diluted	229,471,184	228,162,831
Reconciliation to net loss available to common stockholders of Live Nation:		
Net loss attributable to common stockholders of Live Nation	\$ (46,733)	\$ (3,169)
Accretion of redeemable noncontrolling interests	(75,109)	(54,933)
Net loss available to common stockholders of Live Nation—basic and diluted	<u>\$ (121,842)</u>	<u>\$ (58,102)</u>

See Notes to Consolidated Financial Statements

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

	Three Months Ended	
	March 31,	
	2024	2023
	(in thousands)	
Net income (loss)	\$ (32,217)	\$ 44,192
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on cash flow hedge	8,369	(3,949)
Realized gain on cash flow hedge	(4,730)	(3,548)
Foreign currency translation adjustments	4,729	80,148
Comprehensive income (loss)	(23,849)	116,843
Comprehensive income attributable to noncontrolling interests	14,516	47,361
Comprehensive income (loss) attributable to common stockholders of Live Nation	\$ (38,365)	\$ 69,482

See Notes to Consolidated Financial Statements

[Table of Contents](#)

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

	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
	(in thousands, except share data)						
Balances at December 31, 2023	229,785,241	\$2,298	\$2,367,918	\$(2,407,949)	\$(6,865)	\$ 27,450	\$ 604,305
Non-cash and stock-based compensation	—	—	36,665	—	—	—	—
Common stock issued under stock plans, net of shares withheld for employee taxes	348,102	3	(25,486)	—	—	—	—
Exercise of stock options	64,364	1	1,786	—	—	—	—
Acquisitions	—	—	—	—	—	—	16,687
Purchases of noncontrolling interests	—	—	2,260	—	—	—	(9)
Redeemable noncontrolling interests fair value adjustments	—	—	(74,548)	—	—	—	—
Contributions received	—	—	—	—	—	—	—
Cash distributions	—	—	—	—	—	—	(48,832)
Other	—	—	—	—	—	—	2,106
Comprehensive income (loss):							
Net income (loss)	—	—	—	(46,733)	—	—	9,762
Unrealized gain on cash flow hedge	—	—	—	—	—	8,369	—
Realized gain on cash flow hedge	—	—	—	—	—	(4,730)	—
Foreign currency translation adjustments	—	—	—	—	—	4,729	—
Balance at March 31, 2024	230,197,707	\$2,302	\$2,308,595	\$(2,454,682)	\$(6,865)	\$ 35,818	\$ 584,019

See Notes to Consolidated Financial Statements

[Table of Contents](#)

	Live Nation Stockholders' Equity						
	Common Shares Issued	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Cost of Shares Held in Treasury	Accumulated Other Comprehensive Loss	Noncontrolling Interests
	(in thousands, except share data)						
Balances at December 31, 2022	228,498,102	\$2,285	\$2,698,316	\$(2,971,229)	\$(6,865)	\$ (90,076)	\$ 461,366
Non-cash and stock-based compensation	—	—	27,571	—	—	—	—
Common stock issued under stock plans, net of shares withheld for employee taxes	184,975	1	(7,950)	—	—	—	—
Exercise of stock options	19,962	1	993	—	—	—	—
Repurchase of 2.5% convertible senior notes due 2023	156,750	2	(27,327)	—	—	—	—
Capped call transactions for 3.125% convertible senior notes due 2029	—	—	(75,500)	—	—	—	—
Acquisitions	—	—	—	—	—	—	58,466
Purchases of noncontrolling interests	—	—	(25,872)	—	—	—	(11,406)
Redeemable noncontrolling interests fair value adjustments	—	—	(54,678)	—	—	—	—
Contributions received	—	—	—	—	—	—	5,859
Cash distributions	—	—	—	—	—	—	(44,209)
Other	—	—	—	—	—	—	28,025
Comprehensive income (loss):							
Net income (loss)	—	—	—	(3,169)	—	—	41,891
Unrealized loss on cash							

See Notes to Consolidated Financial Statements

[Table of Contents](#)

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

**Three Months Ended
March 31,**

2024 2023

(in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (loss)	\$ (32,217)	\$ 44,192
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Reconciling items:

Depreciation	70,589	57,710
Amortization	62,005	57,475
Amortization of non-recoupable ticketing contract advances	24,080	20,363
Deferred income tax benefit	(5,729)	(2,550)
Amortization of debt issuance costs and discounts	3,943	4,630
Loss on extinguishment of debt	—	18,366
Stock-based compensation expense	31,402	27,571
Unrealized changes in fair value of contingent consideration	12,807	9,702
Equity in losses of nonconsolidated affiliates, net of distributions	3,571	7,793
Provision for uncollectible accounts receivable	1,248	6,054
Gain on mark-to-market of investments in nonconsolidated affiliates	(89,840)	(668)
Other, net	(10,386)	2,911

Changes in operating assets and liabilities, net of effects of acquisitions and dispositions:

Increase in accounts receivable	(217,998)	(163,603)
Increase in prepaid expenses and other assets	(360,997)	(369,494)
Decrease in accounts payable, accrued expenses and other liabilities	(185,039)	(460,749)
Increase in deferred revenue	1,681,431	1,896,145
Net cash provided by operating activities	988,870	1,155,848

CASH FLOWS FROM INVESTING ACTIVITIES

Advances of notes receivable	(31,495)	(33,579)
Collections of notes receivable	2,639	2,825
Investments made in nonconsolidated affiliates	(12,392)	(6,455)
Purchases of property, plant and equipment	(134,053)	(116,886)
Cash acquired from acquisitions, net of cash paid	10,010	96,382
Purchases of intangible assets	(11,673)	—
Other, net	6,265	(2,076)
Net cash used in investing activities	(170,699)	(59,789)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from long-term debt, net of debt issuance costs	562	987,793
Payments on long-term debt	(373,253)	(604,584)
Contributions from noncontrolling interests	28	5,944
Distributions to noncontrolling interests	(56,162)	(54,915)
Purchases of noncontrolling interests, net	(8,795)	(21,606)
Payments for capped call transactions	—	(75,500)
Proceeds from exercise of stock options	1,787	994
Taxes paid for net share settlement of equity awards	(25,483)	(7,949)
Payments for deferred and contingent consideration	(16,421)	(2,606)
Other, net	(619)	(1,870)

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 2023 Annual Report on Form 10-K filed with the SEC on February 22, 2024.

Use of Estimates

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

Seasonality

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

Cash flows from our Concerts segment typically have a slightly different seasonality as partial payments are often made for artist performance fees and production costs for tours in advance of the date the related event tickets go on sale. These artist fees and production costs are expensed when the event occurs. Once tickets for an event go on sale, we generally begin to receive payments from ticket sales in advance of when the event occurs. In the United States, this cash is largely associated with events in our operated venues, notably amphitheaters, festivals, theaters and clubs. Internationally, this cash is from a combination of both events in our 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 evolve as we continue to expand our global operations.

Variable Interest Entities

In the normal course of business, we enter into joint ventures or make investments in companies that will allow us to expand our core business and enter new markets. In certain instances, such ventures or investments may be considered a VIE because the equity at risk is insufficient to permit it to carry on its activities without additional financial support from its equity owners. In determining whether we are the primary beneficiary of a VIE, we assess whether we have the power to direct activities that most significantly impact the economic performance of the entity and have the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. The activities we believe most significantly impact the economic performance of our VIEs include the unilateral ability to approve the annual budget, to terminate key management and to approve entering into agreements with artists, among others. We have certain rights and obligations related to our involvement in the VIEs, including the requirement to provide operational cash flow funding.

As of March 31, 2024 and December 31, 2023, excluding intercompany balances and allocated goodwill and intangible assets, there were approximately \$928 million and \$940 million of assets and \$590 million and \$592 million of liabilities, respectively, related to VIEs included in our balance sheets. None of our VIEs are significant on an individual basis.

Cash and Cash Equivalents

Included in the March 31, 2024 and December 31, 2023 cash and cash equivalents balance is \$1.4 billion and \$1.5 billion, respectively, of cash received that includes the face value of tickets sold on behalf of our ticketing clients and their share of service charges (“client cash”), which amounts are to be remitted to these clients. We generally do not utilize client cash for our own financing or investing activities as the amounts are payable to our clients on a regular basis. These amounts due to our clients are included in accounts payable, client accounts.

Income Taxes

Each reporting period, we evaluate the realizability of our deferred tax assets in each tax jurisdiction. As of March 31, 2024, 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 2024.

Accounting Pronouncements

In June 2022, the FASB issued Accounting Standards Update 2022-03, which clarifies guidance for fair value measurement of an equity security subject to a contractual sale restriction and establishes new disclosure requirements for such equity securities. We adopted this guidance on January 1, 2024. The adoption did not and is not expected to have a material impact on our consolidated financial statements.

In November 2023, the FASB issued Accounting Standards Update 2023-07, which expands segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. This guidance is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting this guidance.

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

Property, plant and equipment includes expenditures for 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 along with the renewal and improvement of existing venues and technology systems, web development and administrative offices.

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

	March 31, 2024	December 31, 2023
	(in thousands)	
Land, buildings and improvements	\$ 2,085,796	\$ 2,043,595
Computer equipment and capitalized software	903,837	888,065
Furniture and other equipment	651,519	646,966
Construction in progress	318,633	317,028
Property, plant and equipment, gross	3,959,785	3,895,654
Less: accumulated depreciation	1,843,153	1,794,191
Property, plant and equipment, net	<u>\$ 2,116,632</u>	<u>\$ 2,101,463</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, 2024:

	Revenue- generating contracts	Client / vendor relationships	Venue management and leaseholds	Trademarks and naming rights	Technology and Other (1)	Total
(in thousands)						
Balance as of December 31, 2023:						
Gross carrying amount	\$925,257	\$ 583,436	\$ 226,788	\$ 183,493	\$ 20,220	\$1,939,194
Accumulated amortization	(336,625)	(251,649)	(79,218)	(104,036)	(6,045)	(777,573)
Net	588,632	331,787	147,570	79,457	14,175	1,161,621
Gross carrying amount:						
Acquisitions and additions —current year	57,447	—	—	—	129	57,576
Acquisitions and additions —prior year	(2,479)	3,894	(237)	(63)	—	1,115
Foreign exchange	4,938	(2,807)	(946)	842	(41)	1,986
Other (2)	(596)	(1,145)	(4,202)	(869)	47	(6,765)
Net change	59,310	(58)	(5,385)	(90)	135	53,912
Accumulated amortization:						
Amortization	(27,378)	(21,851)	(6,450)	(4,520)	(1,806)	(62,005)
Foreign exchange	311	2,113	569	279	(346)	2,926
Other (2)	596	1,145	4,222	47	319	6,329
Net change	(26,471)	(18,593)	(1,659)	(4,194)	(1,833)	(52,750)
Balance as of March 31, 2024:						
Gross carrying amount	984,567	583,378	221,403	183,403	20,355	1,993,106
Accumulated amortization	(363,096)	(270,242)	(80,877)	(108,230)	(7,878)	(830,323)
Net	<u>\$621,471</u>	<u>\$ 313,136</u>	<u>\$ 140,526</u>	<u>\$ 75,173</u>	<u>\$ 12,477</u>	<u>\$1,162,783</u>

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

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

[Table of Contents](#)

Included in the current year acquisitions amounts above are definite-lived intangible assets primarily associated with the acquisition of a festival promotion business in the United States.

The 2024 acquisitions and additions to definite-lived intangible assets had weighted-average lives as follows:

	Weighted- Average Life (years)
Revenue-generating contracts	10
Technology	3
All categories	10

Amortization of definite-lived intangible assets for the three months ended March 31, 2024 and 2023 was \$62.0 million and \$57.5 million, respectively. As acquisitions and dispositions occur in the future and the valuations of intangible assets for recent acquisitions are completed, amortization expense may 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, 2024:

			Sponsorship & Advertising	
	Concerts	Ticketing		Total
	(in thousands)			
Balance as of December 31, 2023:				
Goodwill	\$1,439,579	\$1,012,530	\$ 674,720	\$3,126,829
Accumulated impairment losses	(435,363)	—	—	(435,363)
Net	1,004,216	1,012,530	674,720	2,691,466
Acquisitions— current year	2,334	—	—	2,334
Acquisitions— prior year	8,772	—	—	8,772
Dispositions	88	—	—	88
Foreign exchange	(10,091)	3,082	3,829	(3,180)
Balance as of March 31, 2024:				
Goodwill	1,440,682	1,015,612	678,549	3,134,843
Accumulated impairment losses	(435,363)	—	—	(435,363)
Net	\$1,005,319	\$1,015,612	\$ 678,549	\$2,699,480

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

Investments in Nonconsolidated Affiliates

At March 31, 2024 and December 31, 2023, we had investments in nonconsolidated affiliates of \$513.1 million and \$447.5 million, respectively, included in other long-term assets on our consolidated balance sheets.

NOTE 3—LEASES

The significant components of operating lease expense are as follows:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Operating lease expense	\$ 65,736	\$ 65,329
Variable and short-term lease expense	25,195	31,342
Sublease income	(1,409)	(2,188)
Net lease expense	<u>\$ 89,522</u>	<u>\$ 94,483</u>

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

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

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Cash paid for amounts included in the measurement of lease liabilities	\$ 79,177	\$ 73,489
Lease assets obtained in exchange for lease obligations, net of terminations	\$ 10,950	\$ 43,636

As of March 31, 2024, we have additional operating leases that have not yet commenced with total lease payments of \$113.8 million. These operating leases, which are not included on our consolidated balance sheets, have commencement dates ranging from April 2024 to June 2030 with lease terms ranging from 2 to 30 years.

NOTE 4—LONG-TERM DEBT

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

	March 31, 2024	December 31, 2023
	(in thousands)	
Senior Secured Credit Facility:		
Term loan B	834,718	836,903
Revolving credit facility	—	370,000
6.5% Senior Secured Notes due 2027	1,200,000	1,200,000
3.75% Senior Secured Notes due 2028	500,000	500,000
4.875% Senior Notes due 2024	575,000	575,000
5.625% Senior Notes due 2026	300,000	300,000
4.75% Senior Notes due 2027	950,000	950,000
2.0% Convertible Senior Notes due 2025	400,000	400,000
3.125% Convertible Senior Notes due 2029	1,000,000	1,000,000
Other long-term debt	505,980	511,210
Total principal amount	6,265,698	6,643,113
Less: unamortized discounts and debt issuance costs	(46,225)	(49,701)
Total long-term debt, net of unamortized discounts and debt issuance costs	6,219,473	6,593,412
Less: current portion	1,137,262	1,134,386
Total long-term debt, net	<u>\$ 5,082,211</u>	<u>\$ 5,459,026</u>

[Table of Contents](#)

Future maturities of long-term debt at March 31, 2024 are as follows:

	(in thousands)
Remainder of 2024	\$ 1,128,810
2025	25,700
2026	1,398,192
2027	2,153,870
2028	1,515,542
Thereafter	43,584
Total	<u>\$ 6,265,698</u>

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

Other Long-term Debt

As of March 31, 2024, other long-term debt includes \$275.0 million for a note due in 2026 related to an acquisition of a venue management business during the first quarter of 2023 in the United States and \$124.4 million for a Euro denominated note due in 2024.

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, 2024			December 31, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
(in thousands)						
Assets:						
Cash equivalents	\$608,161	\$ —	\$608,161	\$580,126	\$ —	\$580,126
Interest rate swaps	—	45,076	45,076	—	39,232	39,232

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

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

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

	Estimated Fair Value at	
	March 31, 2024	December 31, 2023
	Level 2	
	(in thousands)	
6.5% Senior Secured Notes due 2027	\$ 1,214,040	\$ 1,222,608
3.75% Senior Secured Notes due 2028	\$ 464,685	\$ 469,515
4.875% Senior Notes due 2024	\$ 572,177	\$ 570,412
5.625% Senior Notes due 2026	\$ 297,102	\$ 297,606
4.75% Senior Notes due 2027	\$ 908,210	\$ 913,653
2.0% Convertible Senior Notes due 2025	\$ 445,020	\$ 423,668
3.125% Convertible Senior Notes due 2029	\$ 1,203,590	\$ 1,136,160

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.

Non-recurring

For the three months ended March 31, 2024, we recorded a gain related to an investment in a nonconsolidated affiliate of \$31.8 million as well as a gain related to a warrant on the same investment in a nonconsolidated affiliate of \$32.6 million, as a component of other income, net. To calculate the gain on the investment, we remeasured the investment to fair value of \$142.2 million using an observable price from orderly transactions for a similar investment of the same issuer. We remeasured the warrant to fair value of \$52.6 million using an option pricing model.

For the three months ended March 31, 2024, we also recorded a gain related to an investment in a nonconsolidated affiliate of \$24.3 million, as a component of other income, net. The gain was related to the acquisition of a controlling interest in a concert business, which was previously accounted for as an equity-method investment. To calculate the gain, we remeasured the investment to fair value of \$35.2 million using the income approach method.

The key inputs in these fair value measurements include a future cash flow projection, including revenue, profit margins, and adjustment related to discount for lack of marketability. The key inputs used for these non-recurring fair value measurements are considered Level 3 inputs.

For the three months ended March 31, 2023, there were no significant non-recurring fair value measurements.

NOTE 6—COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

Consumer Class Actions

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

The Canadian lawsuits make similar factual allegations that Live Nation and/or Ticketmaster engage in conduct that is intended to encourage the resale of tickets on secondary ticket exchanges at elevated prices. Based on these allegations, each plaintiff asserts violations of different provincial and federal laws. Each plaintiff also seeks to represent a class of individuals who purchased tickets on a secondary ticket exchange, as defined in each plaintiff's complaint. The Watch complaint also makes claims related to Ticketmaster's fee display practices on the primary market. The complaints seek a variety of remedies, including unspecified compensatory damages, punitive damages, restitution, injunctive relief and attorneys' fees and costs.

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

The court in the Watch matter issued its class certification ruling in November 2022. The court declined to certify and dismissed all claims other than those pled under provincial consumer protection statutes relating to drip pricing and certified a class of consumers who purchased tickets between September 2015 and June 2018 from Ticketmaster.ca on the

primary market. In December 2022, the parties filed cross-motions with the Court of Appeal for Saskatchewan, seeking leave to appeal the court's ruling. A hearing on the parties' motions for leave to appeal took place in March 2023, and in July 2023, the Court of Appeal granted leave to appeal to both parties. The appeals are fully briefed.

The class certification hearing in the Thompson-Marcial matter took place in March 2024. In April 2024, the court certified common issues in relation to the claims for breach of contract, breach of ticketing legislation, unlawful means conspiracy, negligence and unjust enrichment, but dismissed the claims under the Competition Act and consumer protection legislation.

The McPhee matter is stayed pending the outcome of the Watch matter.

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

Astroworld Litigation

On November 5, 2021, the Astroworld music festival was held in Houston, Texas. During the course of the festival, ten members of the audience sustained fatal injuries and others suffered non-fatal injuries. Following these events, at least 450 civil lawsuits have been filed against Live Nation Entertainment, Inc. and related entities, asserting insufficient crowd control and other theories, seeking compensatory and punitive damages. Pursuant to a February 2022 order of the state Multidistrict Litigation Panel, matter 21-1033, the civil cases have been assigned to Judge Kristen Hawkins of the 11th District Court of Harris County, Texas, for oversight of pretrial matters under Texas's rules governing multidistrict litigation.

[Table of Contents](#)

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

During the three-month period ending, and subsequent to, March 31, 2024, we settled certain lawsuits and began settlement discussions in earnest with certain remaining parties. As a result, we have recognized \$186 million in the first quarter within selling, general and administrative expenses for the estimated probable losses in excess of our expected probable insurance recoveries. Our assessment of loss, which resulted from a complex series of judgments about future events and uncertainties, are based on estimates and assumptions that have been deemed reasonable by management, but that may prove to be incomplete or inaccurate, and unanticipated events and circumstances may occur that might cause us to change those estimates and assumptions or recognize additional losses. The amount of additional liability, if any, that may result from these or related matters cannot be estimated at this time.

Other Litigation

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

NOTE 7—EQUITY

Accumulated Other Comprehensive Income (Loss)

The following table presents changes in the components of AOCI, net of taxes, for the three months ended March 31, 2024:

	Cash Flow Hedge	Foreign Currency Items	Total
	(in thousands)		
Balance at December 31, 2023	\$ 29,350	\$ (1,900)	\$ 27,450
Other comprehensive income before reclassifications	8,369	4,729	13,098
Amount reclassified from AOCI	(4,730)	—	(4,730)
Net other comprehensive income	3,639	4,729	8,368
Balance at March 31, 2024	<u>\$ 32,989</u>	<u>\$ 2,829</u>	<u>\$ 35,818</u>

Earnings Per Share

Basic net income per common share is computed by dividing the net income available to common stockholders by the weighted average number of common shares outstanding during the period. The calculation of diluted net income 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, 2024 and 2023 there were no reconciling items to the weighted average common shares outstanding in the calculation of diluted net loss per common share.

[Table of Contents](#)

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

	Three Months Ended	
	March 31,	
	2024	2023
Options to purchase shares of common stock	2,301,848	3,237,229
Restricted stock and deferred stock—unvested	4,159,664	3,593,402
Conversion shares related to the convertible senior notes	13,004,660	13,004,660
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	19,466,172	19,835,291

NOTE 8—SEGMENTS AND REVENUE RECOGNITION

Our reportable segments are Concerts, Ticketing and Sponsorship & Advertising. We use AOI to evaluate the performance of our operating segments and define AOI as operating income (loss) before certain acquisition expenses (including transaction costs, changes in the fair value of accrued acquisition-related contingent consideration obligations, and acquisition-related severance and compensation), amortization of non-recoupable ticketing contract advances, depreciation and amortization (including goodwill impairment), loss (gain) on disposal of operating assets, and stock-based compensation expense. We also exclude from AOI the impact of estimated or realized liabilities for settlements or damages arising out of the Astroworld matter that exceed our estimated insurance recovery, due to the significant and non-recurring nature of the matter, which involved multiple fatalities and injury claims. Ongoing legal costs associated with defense of these claims, such as attorney fees, are not excluded from AOI. AOI assists investors by allowing them to evaluate changes in the operating results of our portfolio of businesses separate from non-operational factors that affect net income (loss), thus providing insights into both operations and the other factors that affect reported results.

Revenue and expenses earned and charged between segments are eliminated in consolidation. 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 and related depreciation and amortization have not been presented.

The following table presents the results of operations for our reportable segments for the three months ended March 31, 2024 and 2023:

	Concerts	Ticketing	Sponsorship & Advertising	Other & Eliminations	Corporate	Consolidated
(in thousands)						
Three Months Ended March 31, 2024						
Revenue	\$ 2,879,375	\$ 723,178	\$ 211,277	\$ (14,301)	\$ —	\$ 3,799,529
% of Consolidated Revenue	75.8%	19.0%	5.6%	(0.4)%		
Intersegment revenue	\$ 10,125	\$ 4,133	\$ 43	\$ (14,301)	\$ —	\$ —
AOI	\$ 3,072	\$ 284,115	\$ 129,975	\$ (7,209)	\$ (42,563)	\$ 367,390
Three Months Ended March 31, 2023						
Revenue	\$ 2,281,212	\$ 677,741	\$ 170,118	\$ (1,681)	\$ —	\$ 3,127,390
% of Consolidated Revenue	72.9%	21.7%	5.4%	—%		
Intersegment revenue	\$ 898	\$ 783	\$ —	\$ (1,681)	\$ —	\$ —
AOI	\$ 832	\$ 271,051	\$ 95,531	\$ (7,939)	\$ (39,765)	\$ 319,710

[Table of Contents](#)

The following table sets forth the reconciliation of consolidated AOI to operating income for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
AOI	\$ 367,390	\$ 319,710
Acquisition expenses	30,557	13,311
Amortization of non-recoupable ticketing contract advances	24,080	20,363
Depreciation and amortization	132,594	115,185
Loss (gain) on disposal of operating assets	(651)	504
Astroworld estimated loss contingencies	185,915	—
Stock-based compensation expense	31,402	27,571
Operating income (loss)	<u>\$ (36,507)</u>	<u>\$ 142,776</u>

Contract Advances

At March 31, 2024 and December 31, 2023, we had ticketing contract advances of \$115.1 million and \$143.9 million, respectively, recorded in prepaid expenses and \$127.6 million and \$135.6 million, respectively, recorded in long-term advances on the consolidated balance sheets.

Sponsorship Agreements

At March 31, 2024, we had contracted sponsorship agreements with terms greater than one year that had approximately \$1.6 billion of revenue related to future benefits to be provided by us. We expect to recognize, based on current projections, approximately 32%, 28%, 21% and 19% of this revenue in the remainder of 2024, 2025, 2026 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.

The table below summarizes the amount of the preceding December 31 current deferred revenue recognized during the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Concerts	\$ 657,150	\$ 681,380
Ticketing	54,809	34,600
Sponsorship & Advertising	46,487	50,680
	<u>\$ 758,446</u>	<u>\$ 766,660</u>

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

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

Special Note About Forward-Looking Statements

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

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from those in such statements. Factors that could cause actual results to differ from those discussed in the forward-looking statements include, but are not limited to, those set forth below under Part II—Other Information—Item 1A.—Risk Factors, in Part I—Item 1A.—Risk Factors of our 2023 Annual Report on Form 10-K as well as other factors described herein or in our annual, quarterly and other reports we file with the SEC (collectively, “cautionary statements”). Based upon changing conditions, should any risk or uncertainty that has already materialized, worsen in scope, impact or duration, or should one or more of the currently unrealized risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described in any forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We do not intend to update these forward-looking statements, except as required by applicable law

Executive Overview

For the third year in a row, the first quarter was a record start to the year for the Company with strong fan demand across all our markets. Our overall revenue increased by 21% to \$3.8 billion on a reported basis, or 22% growth on a constant currency basis as compared to the same period of the prior year. Concerts and Sponsorship both had revenue growth in excess of 20% while Ticketing had high single-digit growth. The most significant

growth came from our Concerts segment as a result of increased shows and fans. Our operating income for the quarter decreased by \$179.3 million, from an operating income of \$142.8 million in the first quarter of 2023 to an operating loss of \$36.5 million in the first quarter of 2024 due to higher performance from all three of our major business segments offset by Astroworld estimated loss contingencies in our Concerts segment. The decrease in operating income was \$166.4 million at constant currency.

Based on our strong pipeline of arena, amphitheater and theater and club shows for the remainder of the year, coupled with our current deferred revenue balance of \$5.0 billion as of March 31, 2024, we are optimistic for continued success in the remainder of the year even with reduced stadium activity relative to the prior year.

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

Our Concerts segment revenue for the quarter increased by \$598 million, or 26%, from \$2.3 billion in the first quarter of 2023 to \$2.9 billion in the first quarter of 2024. The revenue growth was largely the result of more shows and fans both domestically and in our International markets. The number of events for the first quarter of 2024 was approximately 11,200 compared to approximately 9,900 in the first quarter of 2023, an increase of approximately 1,300 events or 13%. The number of fans for the quarter was 22.9 million compared to approximately 18.9 million last year, for growth of 4.0 million fans or 21%. The increase was largely in the United States, Canada and Mexico. Arena shows fueled the improvement with fan count up nearly 40% in these venues. Some of the notable acts touring in the first quarter included Coldplay, Pink, Bad Bunny and Madonna. Our festivals in Latin America included Estereo Picnic in Bogota, Lollapalooza in Sao Paulo and EDC Mexico in Mexico City. Combined, our festivals in these markets had three quarters of a million fans. Concerts AOI for the quarter was \$3 million compared to \$1 million in the first quarter of 2023.

[Table of Contents](#)

Our Ticketing segment revenue for the quarter increased by \$45 million, or 7%, from \$678 million in the first quarter of 2023 to \$723 million in the first quarter of 2024. The improvement resulted from an increase in ticket sales, notably in Europe and Latin America. We sold approximately 77 million fee-bearing tickets in the first quarter of 2024 compared to 72 million tickets in the same period of the prior year, an increase of 6%. This was our highest first quarter ever for fee-bearing ticket sales driven by double-digit growth in Europe, Asia-Pacific and Latin America. It was our highest first quarter for GTV as well. In the first quarter, we signed 7 million net new tickets of which 70% came from our International markets – one of our best leading indicators regarding the future success of our Ticketing business. Ticketing AOI for the quarter improved by \$13 million, from \$271 million in the first quarter of 2023 to \$284 million in the first quarter of 2024. The combination of record ticket sales, GTV and the expansion of our resale business resulted in our strongest Ticketing AOI ever for the first quarter.

Our Sponsorship & Advertising segment revenue for the quarter increased by \$41 million, or 24%, from \$170 million in the first quarter of 2023 to \$211 million in the first quarter of 2024. The improvement was largely due to our festivals in Latin America. It was our inaugural year consolidating the Estero Picnic festival in Colombia as well as Lollapalooza in Brazil. These two events, along with a number of well attended festivals in Mexico, led to significant revenue and AOI growth for Sponsorship & Advertising. AOI for the quarter increased by \$34 million, from \$96 million in the first quarter of 2023 to \$130 million in the first quarter of 2024.

We are optimistic about the long-term potential of our Company and are focused on the key elements of our business model: expanding our global concerts platform to connect artists and fans, bringing more shows to fans in existing and new markets as well as improving the on-site experience for our fans by enhancing food and beverage products and premium service offerings. We operate the world's leading ticketing software and marketplace, tailored to achieving the goals of content owners, venues and sports teams. We expect to drive conversion of ticket sales through development of innovative products that support selling tickets to fans. Our ticket marketplaces have reduced friction in the ticket purchase experience and created additional revenue opportunities. In addition, we continue to grow our sponsorship and advertising partnerships and our clients are able to reach their customers via the powerful connection that live shows creates with ardent fans.

[Table of Contents](#)

Consolidated Results of Operations

Three Months

	Three Months Ended March 31,					
	2024			2023	% Change	
	As Reported	Currency	At Constant	As Reported	As	At
		Impacts	Currency**		Reported	Constant
						Currency**
	(in thousands)					
Revenue	\$3,799,529	\$ 7,443	\$ 3,806,972	\$3,127,390	21%	22%
Operating expenses:						
Direct operating expenses	2,646,457			2,115,589	25%	
Selling, general and administrative expenses	981,559			690,321	42%	
Depreciation and amortization	132,594			115,185	15%	
Loss (gain) on disposal of operating assets	(651)			504	*	
Corporate expenses	76,077			63,015	21%	
Operating income (loss)	(36,507)	12,902	(23,605)	142,776	*	*
Operating margin	(1.0)%		(0.6)%	4.6%		
Interest expense	80,691			89,215		
Loss on extinguishment of debt	—			18,366		
Interest income	(43,257)			(40,313)		
Equity in earnings of nonconsolidated affiliates	(84)			(4,107)		
Other expense (income), net	(77,054)			11,583		
Income before income taxes	3,197			68,032		
Income tax expense	35,414			23,840		
Net income (loss)	(32,217)			44,192		
Net income attributable to noncontrolling interests	14,516			47,361		
Net loss attributable to common stockholders of Live Nation	\$ (46,733)			\$ (3,169)		

* Percentages are not meaningful.

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

Revenue

Revenue increased \$672.1 million during the three months ended March 31, 2024 as compared to the same period of the prior year driven by increased revenue in our Concerts segment of \$598.2 million, Ticketing segment of \$45.4 million and Sponsorship & Advertising of \$41.2 million as further discussed within each segment's operating results.

Operating income

Operating income decreased \$179.3 million during the three months ended March 31, 2024 as compared to the same period of the prior year primarily driven by increased operating losses in our Concerts segment of \$212.2 million partially offset by higher operating income in our Sponsorship & Advertising segment of \$34.6 million and Ticketing segment of \$9.6 million as further discussed within each segment's operating results.

Other expense (income), net

For the three months ended March 31, 2024, we had other income, net of \$77.1 million which includes mark to market adjustments for certain investments in nonconsolidated affiliates of \$88.7 million, partially offset by net foreign exchange rate losses of \$11.8 million. For the three months ended March 31, 2023, we had other expense, net of \$11.6 million which includes net foreign exchange rate losses of \$9.5 million. The net foreign exchange rate losses result primarily from revaluation of certain foreign currency denominated net assets held internationally.

Income tax expense

For the three months ended March 31, 2024, we had a net tax expense of \$35.4 million on income before income taxes of \$3.2 million compared to a net tax expense of \$23.8 million on income before income taxes of \$68.0 million for the three months ended March 31, 2023. For the three months ended March 31, 2024, the income tax expense consisted of \$28.0 million related to foreign entities, \$1.3 million related to United States federal taxes, and \$6.1 million related to state and local income taxes. The net increase in tax expense of \$11.6 million was primarily due to profits in certain non-United States jurisdictions.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests decreased \$32.8 million during the three months ended March 31, 2024 as compared to the same period of the prior year primarily due to lower operating results from certain concert businesses during the first three months of 2024 as compared to the prior year.

Non-GAAP Measure

AOI

AOI is a non-GAAP financial measure that we define as consolidated operating income (loss) before certain acquisition expenses (including transaction costs, changes in the fair value of accrued acquisition-related contingent consideration obligations, and acquisition-related severance and compensation), amortization of non-recoupable ticketing contract advances, depreciation and amortization (including goodwill impairment), loss (gain) on disposal of operating assets, and stock-based compensation expense. We also exclude from AOI the impact of estimated or realized liabilities for settlements or damages arising out of the Astroworld matter that exceed our estimated insurance recovery, due to the significant and non-recurring nature of the matter, which involved multiple fatalities and injury claims. Ongoing legal costs associated with defense of these claims, such as attorney fees, are not excluded from AOI.

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.

[Table of Contents](#)

The following table sets forth the reconciliation of consolidated operating income to consolidated AOI for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Operating income (loss)	\$ (36,507)	\$ 142,776
Acquisition expenses	30,557	13,311
Amortization of non-recoupable ticketing contract advances	24,080	20,363
Depreciation and amortization	132,594	115,185
Loss (gain) on disposal of operating assets	(651)	504
Astroworld estimated loss contingencies	185,915	—
Stock-based compensation expense	31,402	27,571
AOI	<u>\$ 367,390</u>	<u>\$ 319,710</u>

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 APF 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 primary and secondary ticketing operations, the number of clients renewed or added and the average royalty rate paid to clients who use our ticketing services. In addition, we review the number of visits to our websites, cost of customer acquisition, the purchase conversion rate, and the overall number of customers in our database. 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,	
	2024	2023
(in thousands except estimated events)		
Concerts ⁽¹⁾		
Estimated events:		
North America ⁽²⁾	7,177	6,309
International	4,026	3,596
Total estimated events	11,203	9,905
Estimated fans:		
North America ⁽²⁾	10,891	7,658
International	12,039	11,243
Total estimated fans	22,930	18,901
Ticketing ⁽³⁾		
Estimated number of fee-bearing tickets sold	76,578	72,266
Estimated number of non-fee-bearing tickets sold	78,432	73,200
Total estimated tickets sold	155,010	145,466

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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) North America refers to our events and fans within the United States and Canada.
- (3) 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 metric 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 ticketing metrics are net of any refunds requested and any cancellations that occurred during the period and up to the time of reporting of these consolidated financial statements.

Segment Operating Results

Concerts

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

	Three Months Ended March 31,		% Change
	2024	2023	
(in thousands)			
Revenue	\$ 2,879,375	\$ 2,281,212	26%
Direct operating expenses	2,359,491	1,838,446	28%
Selling, general and administrative expenses	726,840	456,545	59%
Depreciation and amortization	90,363	70,528	28%
Loss (gain) on disposal of operating assets	(712)	115	*
Operating loss	\$ (296,607)	\$ (84,422)	*
Operating margin	(10.3)%	(3.7)%	
AOI	\$ 3,072	\$ 832	*
AOI margin **	0.1 %	— %	

* Percentages are not meaningful.

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

Three Months

Revenue

Concerts revenue increased \$598.2 million during the three months ended March 31, 2024 as compared to the same period of the prior year, primarily due to increased shows and fan growth across the United States and international markets. In particular, higher arena shows and fan count contributed to the increase in revenue. Concerts had incremental revenue of \$59.2 million during the three months ended March 31, 2024 from acquisitions and new venues.

Operating results

Concerts AOI increased \$2.2 million for the three months ended March 31, 2024 as compared to the same period of the prior year primarily driven by an increase in revenue discussed above partially offset by higher direct operating expenses to support increased shows and fan growth at events and higher selling, general and administrative expenses related to additional headcount and compensation expenses. The increase in operating losses of \$212.2 million and remaining change in operating loss outside of AOI of \$214.4 million is primarily associated with Astroworld estimated loss contingencies of \$185.9 million

during the current year and higher depreciation and amortization of \$19.8 million for additional capital expenditures incurred to support the increased operations.

Ticketing

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

	Three Months Ended March 31,		% Change
	2024	2023	
	(in thousands)		
Revenue	\$ 723,178	\$ 677,741	7%
Direct operating expenses	253,834	238,157	7%
Selling, general and administrative expenses	215,255	193,195	11%
Depreciation and amortization	23,514	25,084	(6)%
Loss on disposal of operating assets	44	374	(88)%
Operating income	<u>\$ 230,531</u>	<u>\$ 220,931</u>	4%
Operating margin	31.9 %	32.6 %	
AOI	\$ 284,115	\$ 271,051	5%
AOI margin **	39.3 %	40.0 %	

* Percentages are not meaningful.

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

Three Months

Revenue

Ticketing revenue increased \$45.4 million during the three months ended March 31, 2024 as compared to the same period of the prior year. This increase is primarily due to higher sales volumes in international markets driven by more events on sale due to more fan demand in 2024 as compared to 2023.

Operating results

Ticketing AOI increased by \$13.1 million and operating income increased \$9.6 million during the three months ended March 31, 2024 as compared to the same period of the prior year. These increases was primarily driven by increased ticketing activity discussed above. These increases were partially offset by higher direct operating expenses to support the increased operations and enterprise growth.

Sponsorship & Advertising

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

	Three Months Ended March 31,		% Change
	2024	2023	
(in thousands)			
Revenue	\$ 211,277	\$ 170,118	24%
Direct operating expenses	45,537	40,667	12%
Selling, general and administrative expenses	38,292	36,072	6%
Depreciation and amortization	15,740	16,242	(3)%
Loss on sale of operating assets	17	—	100%
Operating income	\$ 111,691	\$ 77,137	45%
Operating margin	52.9 %	45.3 %	
AOI	\$ 129,975	\$ 95,531	36%
AOI margin **	61.5 %	56.2 %	

* Percentages are not meaningful.

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

Three Months

Revenue

Sponsorship & Advertising revenue increased \$41.2 million during the three months ended March 31, 2024 as compared to the same period of the prior year primarily driven by increased sponsorship activity from our festivals in Latin America.

Operating results

Sponsorship & Advertising AOI increased \$34.4 million and operating income increased \$34.6 million for the three months ended March 31, 2024 as compared to the same period of the prior year. These increases were primarily due to increased revenues from higher sponsorship activity discussed above. The increases were partially offset by higher direct operating expenses due to additional fulfillment costs to support the growth in sponsorship activity.

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 \$6.5 billion at March 31, 2024 and \$6.2 billion at December 31, 2023. Included in the March 31, 2024 and December 31, 2023 cash and cash equivalents balances are \$1.4 billion and \$1.5 billion, respectively, of cash received that includes the face value of tickets sold on behalf of our ticketing clients and their share of service charges, which we refer to as client cash. We generally do not utilize client cash for our own financing or investing activities as the amounts are payable to clients on a regular basis. Our foreign subsidiaries held approximately \$3.1 billion in cash and cash equivalents, excluding client cash, at March 31, 2024. We generally do not repatriate these funds, but if we did, we would need to accrue and pay United States state income taxes as well as any applicable foreign withholding or transaction taxes on future repatriations.

We may from time to time enter into borrowings under our revolving credit facility. If the original maturity of these borrowings is 90 days or less, we present the borrowings and subsequent repayments on a net basis in the statement of cash flows to better represent our financing activities. Our balance sheet reflects total net debt of \$6.2 billion and \$6.6 billion, respectively, at March 31, 2024 and December 31, 2023. Our weighted-average cost of debt, excluding unamortized debt discounts and debt issuance costs on our term loans and notes, was 4.6% at March 31, 2024 with approximately 93% of our debt at a fixed rate. Our weighted-average cost of debt for short-term borrowings outstanding at March 31, 2024, excluding unamortized debt discounts and debt issuance costs on our term loans and notes, was 4.1%.

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.

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 amphitheaters, 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, and finance capital expenditures.

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

[Table of Contents](#)

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. 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

Amended Senior Secured Credit Facility

Our senior secured credit facility provides for borrowings of up to \$1.3 billion with a \$250 million sublimit for the issuance of letters of credit and a \$100 million for swingline borrowings. The revolving credit facility allows for a \$780 million sublimit for borrowings in U.S. Dollars, Euros, or Sterling, and a \$260 million sublimit for borrowings in those or one or more other approved non-U.S. currencies. The revolving credit facility will be available to us and, if designated in the future, certain of our foreign subsidiaries. The Amended Credit Agreement provides for the right, subject to certain conditions, to increase the term B loan and revolving facilities by an amount not to exceed an amount equal to the sum of (x) \$1.625 billion, (y) the aggregate principal amount of voluntary prepayments of the term B loans 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, on a pro-forma basis after giving effect to such increase, is no greater than 4.50x.

Our obligations under the Amended Credit Agreement will continue to be guaranteed by the majority of our direct and indirect domestic subsidiaries, subject to certain exceptions, and the obligations of the foreign subsidiary borrowers, if any, will be guaranteed by us, the majority of our direct and indirect domestic subsidiaries, and by certain of our wholly-owned foreign subsidiaries. The obligations under the Amended Credit Agreement and the guarantees will continue to be secured by a lien on substantially all of our tangible and intangible personal property and the 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 and, if there are any foreign borrowers, by certain of the assets of such foreign borrowers and certain foreign subsidiaries, subject to limited exceptions.

The interest rates per annum applicable to the revolving credit facility under the amended senior secured credit facility are, at our option, equal to either Term SOFR plus 1.75% or a base rate (as defined in the Credit Agreement) plus 0.75%.

The interest rates per annum applicable to the term loan B are, at our option, equal to either Term Benchmark Loans or RFR Loans (as defined in the Credit Agreement) plus 1.75% or a base rate plus 0.75%. We have an interest rate swap agreement that ensures the interest rate on \$500 million principal amount of our outstanding term loan B does not exceed 3.445% through October 2026. 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. We are also required to make mandatory prepayments of the loan, subject to specified exceptions, from excess cash flow and with the proceeds of asset sales, debt issuances and specified other events.

We are required to pay a commitment fee of 0.35% per year on the undrawn portion available under the revolving credit facility and variable fees on outstanding letters of credit. Based on our outstanding letters of credit of \$31.5 million, \$1.27 billion was available for future borrowings from our revolving credit facility as of March 31, 2024.

The revolving credit facility matures on November 16, 2028, provided, that if (x) any of the term loan B, our 6.5% Senior Secured Notes due 2027, or our 4.75% Senior Notes due 2027 remain outstanding on the date that is ninety-one days prior to the stated maturity thereof in an aggregate principal amount in excess of \$500 million and (y) our consolidated free cash on such date is less than the sum of such outstanding principal amount plus \$500 million, then the maturity date of the amended senior secured credit facility will instead be such date.

During the three months ended March 31, 2024, we repaid \$370 million of principal related to our revolving credit facility. No material gain or loss was recorded as a result of this repayment.

Debt Covenants

As of March 31, 2024, 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 2024.

Uses of Cash

Acquisitions

During the three months ended March 31, 2024, we completed various acquisitions that resulted in cash acquired, net of cash paid of \$10.0 million.

Capital Expenditures

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

We categorize capital outlays between revenue generating capital expenditures and maintenance capital expenditures. Revenue generating capital expenditures generally relate to the construction of new venues to expand our global footprint, major renovations to existing buildings or buildings that are being added to our venue network, the development of new ticketing tools and technology enhancements. Revenue generating capital expenditures can also include smaller projects whose purpose is to increase revenue and/or improve operating income. Maintenance capital expenditures are associated with the renewal and improvement of existing venues and technology systems, web development and administrative offices. 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,	
	2024	2023
	(in thousands)	
Revenue generating	\$ 75,474	\$ 57,428
Maintenance	22,491	8,640
Total capital expenditures	<u>\$ 97,965</u>	<u>\$ 66,068</u>

Revenue generating capital expenditures during the first three months of 2024 increased from the same period of the prior year primarily due to enhancements at our theaters and amphitheaters in the United States.

We expect capital expenditures to be approximately \$600 million for the year ending December 31, 2024 with approximately 75% of the capital expenditures on revenue generating projects.

Cash Flows

	Three Months Ended March 31,	
	2024	2023
(in thousands)		
Cash provided by (used in):		
Operating activities	\$ 988,870	\$ 1,155,848
Investing activities	\$ (170,699)	\$ (59,789)
Financing activities	\$ (478,356)	\$ 225,701

Operating Activities

Cash provided by operating activities decreased \$167.0 million for the three months ended March 31, 2024 as compared to the same period of the prior year primarily due to higher mark-to-market gains on certain investments in nonconsolidated affiliates combined with an overall decrease in 2024 operating results as discussed within each segment's operating results partially offset by changes in operating assets and liabilities from timing of events on sale, payments and receipts.

Investing Activities

Cash used in investing activities increased \$110.9 million for the three months ended March 31, 2024 as compared to the prior year primarily due to lower cash acquired from acquisitions, net of cash paid. See "—Uses of Cash - Acquisitions and Capital Expenditures" above for further discussion.

Financing Activities

Cash used in financing activities was \$478.4 million for the three months ended March 31, 2024 primarily due to the principal repayment of our revolving credit facility as compared to cash provided by financing activities of \$225.7 million for the same period of the prior year primarily due to proceeds in 2023 from the issuance of our 3.125% convertible senior notes partially offset by the repurchase of our 2.5% convertible senior notes and capped call transactions in 2023. 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. Our foreign operations reported operating income of \$77.3 million for the three months ended March 31, 2024. We estimate that a 10% change in the value of the United States dollar relative to foreign currencies would change our operating income for the three months ended March 31, 2024 by \$7.7 million. As of March 31, 2024, 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, 2024, we had forward currency contracts outstanding with an aggregate notional amount of \$267.8 million.

Interest Rate Risk

Our market risk is also affected by changes in interest rates. We had \$6.3 billion of total debt, excluding unamortized debt discounts and issuance costs, outstanding as of March 31, 2024. Of the total amount, we had \$5.8 billion of fixed-rate debt and \$0.5 billion of floating-rate debt.

Based on the amount of our floating-rate debt as of March 31, 2024, each 25-basis point increase or decrease in interest rates would increase or decrease our annual interest expense and cash outlay by approximately \$1.2 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, 2024 with no subsequent change in rates for the remainder of the period.

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

Accounting and Other 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.

[Table of Contents](#)

In August 2022, the Inflation Reduction Act (IRA) was enacted in the United States, which includes health care, clean energy, and income tax provisions. The income tax provisions amend the Internal Revenue Code to include among other things a corporate alternative minimum tax for the 2023 tax year. The Company is still assessing the impact due to lack of United States Treasury regulations which are anticipated to be issued in 2024; however, the IRA is not expected to have a material impact on the Company's financial statements due to net operating losses and full valuation allowances for the United States, which is our most significant jurisdiction. We will continue to monitor to ensure our financial results and related tax disclosures are in compliance with the IRA tax legislation.

On December 20, 2021, the Organization for Economic Co-operation and Development ("OECD") released Pillar Two model rules designed to ensure large multinational enterprises ("MNE") pay a minimum level of tax arising in each jurisdiction they operate. Over 135 jurisdictions joined a plan to update key elements of the international tax system and provide for a coordinated system of taxation that imposes top-up tax on profits arising in a jurisdiction whenever the effective rate is below the minimum rate. Effective January 1, 2024, many of these jurisdictions have enacted a global 15% minimum effective tax rate. This minimum rate applies to MNE's with consolidated revenue above €750 million. While additional guidance is expected from the OECD in 2024, we do not expect The Pillar Two rules to have a material impact to our financial statement income or tax cash flows for the current period. We will continue to monitor further guidance from the OECD and evaluate any impact it may have to our consolidated financial results.

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 2023 Annual Report on Form 10-K filed with the SEC on February 22, 2024.

There have been no changes to our critical accounting policies during the three months ended March 31, 2024.

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, 2024, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) are effective to ensure that (1) the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (2) the information we are required to disclose in such reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

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

Changes in Internal Control Over Financial Reporting

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

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

While we attempt to identify, manage and mitigate risks and uncertainties associated with our business to the extent practical under the circumstances, some level of risk and uncertainty will always be present. Part I—Item 1A.—Risk Factors of our 2023 Annual Report on Form 10-K filed with the SEC on February 22, 2024, 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 2023 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, 2024:

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 2024	51,479	\$91.81		
February 2024	47,462	\$93.42		
March 2024	154,613	\$105.57		
	<u>253,554</u>			

⁽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

No director or officer adopted or terminated any Rule 10b5-1 plan, or any other written trading arrangement that meets the requirements of a “non-Rule 10b5-1 trading arrangement” during the three months ended March 31, 2024.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference			Filing Date	Filed Herewith
		Form	File No.	Exhibit No.		
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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on May 2, 2024.

LIVE NATION ENTERTAINMENT, INC.

By: /s/ Brian Capo

Brian Capo

**Chief Accounting Officer (Duly Authorized
Officer)**