



2019 ANNUAL REPORT

# CONTENTS

**04** Our Company

**08** Our Strategy

**12** Our Industry

**17** Live Nation Venue Details

WE BELIEVE  
THAT WE ARE  
THE LARGEST LIVE  
ENTERTAINMENT  
COMPANY IN  
THE WORLD

OUR  
COMPANY

With connecting over 570 million fans across all of our concerts and ticketing platforms in approximately 44 countries during 2019.

**We believe we are the largest producer of live music concerts in the world**, based on total fans that attend Live Nation events as compared to events of other promoters, connecting nearly 93 million fans to almost 35,000 events for over 4,500 artists in 2019. Live Nation owns, operates, has exclusive booking rights for or has an equity interest in 237 venues, including House of Blues® music venues and prestigious locations such as The Fillmore® in San Francisco, the Hollywood Palladium, the Ziggo Dome in Amsterdam,

3Arena in Ireland, Royal Arena in Copenhagen and Spark Arena in New Zealand. **We believe we are one of the world's leading artist management companies** based on the number of artists represented. Our artist management companies manage music artists and acts across all music genres. As of December 31, 2019, we had nearly 110 managers providing services to more than 400 artists.

**We believe our global footprint is the world's largest music advertising network** for corporate brands and includes one of the world's leading ecommerce websites, based on a comparison of gross sales of top internet retailers.

We believe we are the world's leading live entertainment ticketing sales and marketing company, based on the number of tickets we sell. Ticketmaster provides ticket sales, ticket resale services and marketing and distribution globally through ticketmaster.com and livenation.com and our other websites, numerous retail outlets and call centers, selling over 480 million tickets in 2019 through our systems. Ticketmaster serves approximately 12,000 clients worldwide across multiple event categories, providing ticketing services for leading arenas, stadiums, festival and concert promoters, professional sports franchises and leagues, college sports teams, performing arts venues, museums and theaters.

We were incorporated in Delaware on August 2, 2005 in preparation for the contribution and transfer by Clear Channel Communications, Inc. of substantially all of its entertainment assets and liabilities to us. We completed this separation on December 21, 2005, and became a publicly traded company on the New York Stock Exchange trading under the symbol "LYV."


On January 25, 2010, we merged with Ticketmaster Entertainment LLC and it became a wholly-owned subsidiary of Live Nation. Effective with the merger, Live Nation, Inc. changed its name to Live Nation Entertainment, Inc. As of December 31, 2019, we had approximately 9,500 full-time employees, including 6,200 in North America and 3,300 international employees, of which approximately 9,300 were employed in our operations departments and approximately 200 were employed in our corporate group. Our staffing needs vary significantly throughout the year. Therefore, we also employ

seasonal and part-time employees, primarily for our live music venues and festivals. As of December 31, 2019, we employed approximately 13,000 seasonal and 10 part-time employees and during peak seasonal periods, particularly in the summer months, we employed as many as 29,000 seasonal and part-time employees in 2019.

The stagehands at some of our venues and other employees are subject to collective bargaining agreements. Our union agreements typically have a term of three years and thus regularly expire and require negotiation in the course of our business.

We believe that we have good relationships with our employees and other unionized labor involved in our events, and there have been no significant work stoppages in the past three years. Upon the expiration of any of our collective bargaining agreements, however, we may be unable to renegotiate on terms favorable to us, and our business operations at one or more of our facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating our collective bargaining agreements. In addition, our business operations at one or more of our facilities may also be interrupted as a result of labor disputes by outside unions attempting to unionize a venue even though we do not have unionized labor at that venue currently. A work stoppage at one or more of our owned or operated venues or at our promoted events could have a material adverse effect on our business, results of operations.

CONNECTING  
570  
MILLION  
FANS TO  
LIVE  
EVENTS



EVERY 16 MINUTES  
A LIVE NATION  
CONCERT STARTS

# OUR STRATEGY

We create, own and distribute intellectual property worldwide. It is our practice to protect our trademarks, brands, copyrights, patents and other original and acquired works. We have registered many of our trademarks in the United States and in numerous foreign countries. We believe that our intellectual property has significant value and is important to our brandbuilding efforts and the marketing of our products and services. We cannot predict, however, whether steps taken by us to protect our proprietary rights will be adequate to prevent misappropriation of these rights.

**Our strategy is to grow our leadership position in live entertainment,** to promote more shows, sell more tickets and partner with more sponsors, thereby increasing our revenue, earnings and cash flow. We

serve artists, venues and teams to secure content and tickets; we invest in technology to build innovative products which advance our ticketing, advertising and mobile platforms; and we are paid by advertisers that want to connect their brands with our passionate fan base.

Our core businesses surrounding the promotion of live events include ticketing, and sponsorship and advertising. We believe our focus on growing these businesses will increase shareholder value as we continue to enhance our revenue streams and achieve economies of scale with our global platforms. We also continue to strengthen our core operations, further expanding into global markets and optimizing our cost structure. **Our strategy is to grow and innovate through the initiatives**



## EXPAND OUR CONCERT PLATFORM

We will deliver more shows, grow our fan base and increase our ticket sales by continuing to build our portfolio of concerts globally, expanding our business into additional top global music markets, and further building our presence in existing markets. Through our strong partnership with artist managers, we believe we can continue to expand our concert base by delivering strong and consistent services to our artist managers and their clients.

## GROW OUR REVENUE PER SHOW

We will grow our revenue per show across our venues through more effective ticket pricing, broader ticketing distribution and more targeted promotional marketing. We will also grow our onsite fan monetization through improved onsite products, merchandising, and enhanced buying experiences for our fans.

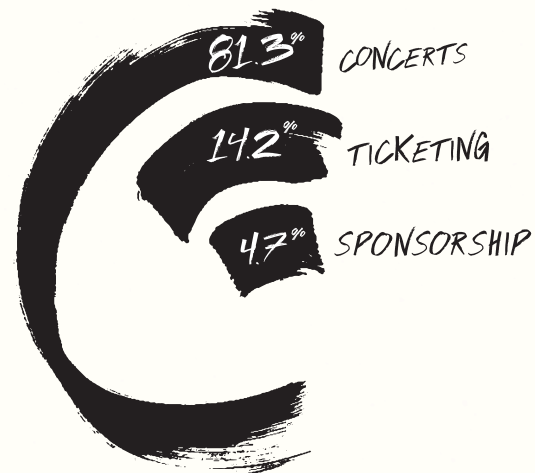
## GROW SPONSORSHIP AND ADVERTISING PARTNERSHIPS

We will continue to drive growth in our sponsorship relationships and capture a larger share of the global music sponsorship market. We will focus on expanding existing partnerships and developing new corporate sponsor partners to provide them with targeted strategic programs, accessing our nearly 93 million fans attending our shows each year. We will continue to develop and to scale new products in order to drive

## SELL MORE TICKETS AND INVEST IN PRODUCT IMPROVEMENTS

We are focused on selling tickets through a wide set of sales channels, including mobile and online, and leveraging our fan database. We will continue to enhance our API features to reach a broader audience and expand our digital ticketing rollout, strengthening control distribution for all parties and creating new and unique marketing opportunities. We will continue to invest in our ticketing platforms and develop innovative products to build fan traffic to our sales channels, drive increased ticket sales, and continue to build our client base.

### 2020 Revenue Breakdown



# STRENGTHS

## FANS

During 2019, we connected over 570 million fans to their favorite live event. Our database of fans and their interests provides us with the means to efficiently market our shows to them.

## ARTISTS

We have extensive relationships with artists ranging from those just beginning their careers to established superstars. In 2019, we promoted shows or tours for over 4,500 artists globally. In addition, through our artist management companies, we manage more than 400 artists.

## ONLINE SERVICES AND TICKETING

We own and operate various branded websites, both in the United States and abroad, which are customized to reflect services offered in each jurisdiction. Our primary websites, [livenation.com](https://www.livenation.com) and [ticketmaster.com](https://www.ticketmaster.com), together with our other branded ticketing websites, are designed to promote ticket sales for live events. We also have both Live Nation and Ticketmaster mobile apps that our fans can use to access event information and buy tickets.

## DISTRIBUTION NETWORK

We believe that our global distribution network of promoters, venues and festivals provides us with a strong position in the live concert industry. We believe we have one of the largest global networks of live entertainment businesses in the world, with offices in 40 countries worldwide. In addition, we own, operate, have exclusive booking rights for, or have an equity interest in, 237 venues located across 11 countries as of the end of 2019, making us, we believe, the second largest operator of music venues in the world. We also believe that we are one of the largest music festival producers in the world with 104 festivals globally. In addition, we believe that our global ticketing distribution network—which includes one of the largest ecommerce sites and apps, with over 61 million downloads and approximately 12,000 clients worldwide—makes us the largest ticketing network in the world.

## SPONSORS

We employ a sales force of over 450 people that worked with over 1,000 sponsors during 2019, through a combination of strategic partnerships, local venue-related deals, national agreements and digital campaigns, both in North America and internationally. Our sponsors include some of the most well-recognized national and global brands including Citibank, O2, American Express,



# INDUSTRY

## **We operate in the following main industries**

**within the live entertainment business:** live music events, music venue operations, the provision of management and other services to artists, sponsorship and advertising sales, and ticketing services. The live music industry includes concert promotion and/or production of music events or tours. Booking agents then contact promoters, who will contract with them or with artists directly, to arrange events. **Promoters earn revenue primarily from the sale of tickets.** In addition, promoters may also reimburse artists for certain costs of production, such as sound and lights.

Promoters may renegotiate lower guarantees or cancel events because of insufficient ticket sales in order to reduce their losses. Promoters can also reduce the risk of losses by entering into global or national touring agreements with artists and including the right to offset lower performing shows against higher performing shows on the tour in the determination of overall artist fees. **Artist managers primarily provide services to music recording artists to manage their careers.** The artist manager negotiates on behalf of the artist and is paid a fee, generally as a percentage of the artist's earnings. For music tours, two to nine months between initially booking artists and the first performances. Promoters market events, sell tickets, rent or otherwise provide venues and arrange for local production services, such as stages and equipment.

Venue operators typically contract with promoters to have their venues rented for specific events on specific dates and receive fixed fees or percentages

of ticket sales as rental income. In addition, **venue operators provide services such as concessions, parking, security, ushering and ticket-taking, and receive some or all of the revenue from concessions, merchandise, parking and premium seating.** The sponsorship and advertising industry within the live entertainment business involves the sale of international, national, regional and local advertising and promotional programs to a variety of companies to advertise or promote their brand, product or service. These sponsorships typically include venue naming rights, onsite venue signage, online advertisements and exclusive partner rights in various categories such as credit card, beverage, travel and telecommunications, and may include event pre-sales and onsite product activation.

**Ticketing services include the sale of tickets primarily through online and mobile channels but also through phone, box office channels.**

Ticketing companies will contract with venues and/or promoters to sell tickets to events over a period of time, generally three to five years. The ticketing company receives the cash for the ticket sales and related service charges at the time the ticket is sold and periodically remits these receipts to the venue and/or promoter after deducting its fee. Ticketing resale services generally refers to the sale of tickets by a holder who originally obtained the tickets from a venue or other entity, or a ticketing services provider selling on behalf of a venue or other entity.

**Our reportable segments are Concerts, Sponsorship & Advertising and Ticketing.**

Our Concerts segment principally involves the global promotion of live music events in our owned or operated venues and in rented third-party venues, the operation and management of music venues, the production of music festivals across the world, the creation of associated content and the provision of management and other services to artists. Including intersegment revenue, our Concerts business generated \$8.8 billion, or 81.3%, of our total revenue during 2019. We promoted almost 35,000 live music and other events in 2019, including artists such as Beyoncé and Jay-Z, P!nk, Kevin Hart, Justin Timberlake, Imagine Dragons and Bruno Mars and through festivals such as Austin City Limits, Rock Werchter, Reading and Download. While our Concerts segment operates year-round, we generally experience higher revenue during the second and third quarters due to the seasonal nature of shows at our outdoor amphitheaters and festivals, which primarily occur from May through October.

**As a promoter,** we earn revenue primarily from the sale of tickets and pay artists under one of several formulas, including a fixed guaranteed amount and/or a percentage of ticket sales or event profits. For each event we promote, we either use a venue we own or operate, or rent a third-party venue. Revenue is generally impacted by the number of events, volume of ticket sales and ticket prices. Event costs such as artist fees and production expenses are included in direct operating expenses and are typically substantial in relation to the revenue. As a result, significant increases or decreases in promotion revenue do not typically result in comparable changes to operating income.

**As a venue operator,** we generate revenue primarily from the sale of concessions, parking, premium seating, rental income and ticket rebates or service charges earned on tickets sold through our internal ticketing operations or by third parties under ticketing agreements. In our amphitheaters, the sale of concessions is outsourced and we receive a share of the net revenue from the concessionaire, which is recorded in revenue with limited associated direct operating expenses. Revenue generated from venue operations typically has a higher margin than promotion revenue and therefore typically has a more direct relationship to changes in operating income.

**As a festival promoter,** we typically book artists, secure festival sites, provide for third-party production services, sell tickets and advertise events to attract fans. We also provide or arrange for third parties to provide operational services as needed such as concessions, merchandising and security. We earn revenue from the sale of tickets and typically pay artists a fixed guaranteed amount. We also earn revenue from the sale of concessions, camping fees and service charges earned on tickets sold. For each event, we either use a festival site we own or rent a third-party festival site. Revenue is generally impacted by the number of events, volume of ticket sales and ticket prices. **Event costs such as artist fees and production expenses are included in direct operating expenses and are typically substantial in relation to the revenue.** Since the artist fees are typically fixed guarantees for these events, significant increases or decreases in festival promotion revenue will generally result in comparable changes to operating income.

**SPONSORSHIP & ADVERTISING**

Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors through a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our concert, festival, venue, artist relationship and ticketing assets, including advertising on our websites. We work with our corporate clients to help create marketing programs that support their business goals and connect their brands directly with fans and artists. We also develop, book and produce custom events or programs for our clients' specific brands, which are typically presented exclusively to the clients' consumers. These custom events can involve live music events with talent and media, using both online and traditional outlets. Including intersegment revenue, our Sponsorship & Advertising business generated \$504 million, or 4.7%, of our total revenue during 2019. We typically experience higher revenue

in the second and third quarters as a large portion of sponsorships are typically associated with our outdoor venues and festivals, which are primarily used in or occur from May through October.

We believe that we have a unique opportunity to connect the music fan to corporate sponsors and therefore seek to optimize this relationship through strategic sponsorship programs. We continue to also pursue the sale of national and local sponsorships, both domestically and internationally, and placement of advertising, including signage, online advertising and promotional programs. Many of our venues have naming rights sponsorship programs. We believe national and international sponsorships allow us to maximize our network of venues and festivals and to arrange multi-venue or multi-festival branding opportunities for advertisers. Our local and venue-focused sponsorships include venue signage, promotional programs, onsite activation, hospitality and tickets, and are derived from a variety of client companies across various industry categories.

**Financial Results end Q4 of 2019**

We ended 2019 with revenue up 6% year-to-date at \$8.7B. Our adjusted operating income was up 13% year-to-date ending at \$861.8M. Our operating income was up 12% year-to-date end at \$407.7M.





## TICKETING

Our Ticketing segment is primarily an agency business that sells tickets for events on behalf of its clients and retains a fee, or service charge, for these services. We sell tickets for our events and also for third-party clients across multiple live event categories, providing ticketing services for leading arenas, stadiums, amphitheaters, music clubs, concert promoters, professional sports franchises and leagues, college sports teams, performing arts venues, museums and theaters. We sell tickets through websites, mobile apps, ticket outlets and telephone call centers.

Our Ticketing segment also manages our online activities including enhancements to our websites and product offerings. Including intersegment revenue, our Ticketing business generated \$1.5 billion, or 14.2%, of total revenue during 2019, which excludes the face value of tickets sold and is net of the fees paid to our ticketing clients. Through all ticketing services, we sold 217 million tickets in 2019 on which we were paid fees for our services. In addition, 265 million tickets were sold using our Ticketmaster systems, including through season seat packages, our venue clients' box offices, and other channels through which do not receive a fee.

Our ticketing sales are impacted by fluctuations in the availability of events for sale, which may vary depending upon event scheduling by our clients. As ticket sales increase, related Ticketing operating income generally increases as well.

We sell tickets on behalf of our clients through our ticketing platforms across the world. We generally enter into written agreements with individual clients to provide primary ticketing services for specified multi-year periods, typically ranging from three to five years. Pursuant to these agreements, clients generally determine and then tell us what tickets will be available for sale, when such tickets will go on sale to the public and what the ticket price will be, sometimes with our guidance and recommendations. Agreements with venue clients in North America and Australia generally grant us exclusive rights to sell tickets for all events presented at the relevant venue for which tickets are made available to the general public. Agreements with promoter clients in other international markets generally grant us the right to an allocation of tickets for events presented by a given promoter at any venue, unless that venue is already covered by an existing exclusive agreement with our ticketing business or another ticketing service provider.

Similarly, in such international markets we have venue agreements which provide Ticketmaster an allocation of tickets for all events at those venues. Where we have exclusive venue contracts, clients may not utilize, authorize or promote the services of third-party ticketing companies or technologies while under contract with us.

A large crowd of people is seen from behind, looking towards a stage at a concert. The stage features large speakers and a complex lighting rig. The scene is dimly lit, with some stage lights visible. The text "EVERY SECOND 15 TICKETS ARE PURCHASED" is overlaid on the image in a stylized, hand-painted font. "EVERY SECOND" and "ARE PURCHASED" are in white, while "15 TICKETS" is in yellow.

EVERY SECOND  
15 TICKETS  
ARE PURCHASED

# LIVE NATION VENUE DETAILS

## STADIUMS

Stadiums are multi-purpose facilities, often housing local sports teams. Stadiums typically have 30,000 or more seats. Although they are the largest venues available for live music, they are not specifically designed for live music.

## AMPHITHEATERS

Amphitheaters are generally outdoor venues with between 5,000 and 30,000 seats that are used primarily in the summer season. We believe they are popular because they are designed specifically for concert events, with premium seat packages and better lines of sight and acoustics.

## ARENAS

Arenas are indoor venues that are used as multi-purpose facilities, often housing local sports teams. Arenas typically have between 5,000 and 20,000 seats. Because they are indoors, they are able to offer amenities that other similar-sized outdoor venues cannot, such as luxury suites and premium club memberships.

## THEATERS

Theaters are indoor venues that are built primarily for music events, but may include theatrical performances. These venues typically have a capacity of between 1,000 and 6,500. Theaters represent less risk to concert promoters because they have lower fixed costs associated with hosting a concert and may provide a more appropriately-sized venue for developing artists and more artists in general, economic upside on a per show basis.

## CLUBS

Clubs are indoor venues that are built primarily for music events, but may also include comedy clubs. These venues typically have a capacity of less than 1,000 and often without full fixed seating. Because of their small size, they do not offer as much economic upside, but they also represent less risk to a concert promoter because they have lower fixed costs associated with hosting a concert and also may provide a more appropriately-sized venue for developing artists.

### Amount of Seating Available at Our Venues

Stadium: 30,000 seats; Amphitheaters: 5,000 - 30,000 seats; Arenas: 5,000 - 20,000 seats; Theatres: 1,000 - 6,500 seats; Club: 1,000 seats.

 STADIUMS

 AMPHITHEATERS

 ARENA

 THEATER

 CLUBS

**Live Nation Entertainment, Inc.**

9348 Civic Center Drive, Beverly Hills,  
California 90210