

Live Nation: A Leading Player in the Live Entertainment Industry

Live Nation Entertainment, Inc. (LYV) is a major live entertainment company, specializing in concert promotions, ticketing solutions, and venue operations, with a business model centered around maximizing the value of live events and experiences for artists, fans, and stakeholders.

Core Segments

Concerts: Live Nation promotes thousands of live events worldwide annually, partnering with artists, managing logistics, and leveraging its ownership and operation of numerous venues to drive high-value, large-scale productions. In 2024 LYV engaged with 11,000 artists at 54,000 events. Live Nation owns, operates, has exclusive booking rights for or has an equity interest for which we have a significant influence in 394 venues globally.

Ticketing: Through its Ticketmaster platform, the company is a key player in global event ticketing, providing technology services to venues, artists, and event organizers while generating revenue through ticket fees and value-added services. LYV's key digital asset brands are ticketmaster.com and livenation.com. In 2024 LYV distributed ~637 million tickets serving approximately 11,500 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.

Sponsorship & Advertising: Live Nation monetizes its platform by connecting global advertisers and sponsors with its massive audience reach through brand partnerships, digital advertising, and event sponsorship packages.

Business Model & Strategy Highlights

- The company emphasizes a vertically integrated model spanning artist booking, production, ticketing, and fan engagement, allowing operational synergies and effective data-driven marketing.
- Live Nation leverages its extensive data and analytics to optimize ticket pricing, event attendance, and personalized marketing, driving consistent growth in both top-line sales and profit margins.
- Continuous investment in digital platforms and venue infrastructure underpins growth, enabling faster adaptation to changing consumer trends and enhancing overall fan experience.

LYV's Key Strategic Initiatives Summary

- Grow global leadership in live entertainment by increasing show volume, expanding ticketing capabilities, and deepening sponsorship and advertising partnerships to drive revenue, earnings, and cash flow.
- Expand Concert Footprint: Increase number of shows, enter new global music markets, invest in new and existing venues, and support emerging artist development.
- Increase Revenue per Show: Optimize ticket pricing, expand distribution, enhance marketing, and grow onsite monetization through improved food & beverage, merchandise, and premium fan experiences.
- Invest in Ticketing Platform: Enhance enterprise system with new technology, digital tools, marketing capabilities, and analytics to better serve venues, promoters, and fans.
- Scale Marketplace Capabilities: Broaden mobile and affiliate sales channels, grow trusted secondary ticketing, and develop non-service fee revenue streams (e.g., insurance, payment integration).
- Grow Sponsorship & Advertising: Expand existing partnerships, attract new brand sponsors, and scale onsite and digital ad products to monetize fan engagement.

Market Position

Live Nation is the largest concert promoter and ticketing operator globally, with substantial international presence and a proven ability to attract top talent, large audiences, and blue-chip sponsors. Despite competition and regulatory scrutiny, the company's scale, technology leadership, and vertically integrated approach give it a strong competitive moat and consistent revenue streams.

Key Business Risks Summary

LYV is subject to various risks, but we believe that these are manageable. Industry trends are robust, and the key risk is largely from the regulatory angle. Of course, any economic slowdown / consumer weakness will impact the business but that is not a major risk in our opinion.

- Regulatory and legal risks, including antitrust investigations and lawsuits related to monopolistic practices in the ticketing industry.
- Risks related to competition in concert promotion, ticketing, and sponsorship sectors.
- Operational risks from venue management, event cancellations, or disruptions (e.g., due to pandemics or security concerns).
- Dependence on popular artists and the ability to secure content and tickets.
- Technological risks related to ticketing systems, cybersecurity, and digital platform disruptions.
- Economic risks affecting consumer spending on live entertainment.
- Risks arising from global market expansion, including geopolitical and currency risks.

Key Operating and Business Highlights from 2024

- 150 million+ fans across over 50,000 shows in 45+ countries, with 60 million fans hosted at LYV's own venues
- Social Media and the Experience Economy Are Fueling Live Growth Fans are prioritizing real-life experiences over material goods — and platforms like TikTok and Instagram are accelerating the path from online buzz to sold-out shows. T
- Global tours that used to mean U.S. and Europe now span five continents with dates in Asia, Australia, Latin America, and more. Artists are reaching international stardom faster, while genres like K-pop, Latin, Afrobeats, and Country are breaking down cultural barriers and fueling worldwide demand.
- In states where resale caps aren't allowed, average resale prices are 2x higher — with some markups reaching 10 to 50 times face value. Fixing this is key to creating a smoother, fairer ticket-buying experience. LYV is advancing pro-fan reforms — from all-in pricing for transparency, to supporting artist resale caps, to advocating for stronger anti-bot protections like the BOTS Act.

Venue Stats – LYV Has Exposure to and control of a Large Number of Venues

Summary of LYV venues by type that the Company owned, leased, operated, had exclusive booking rights for or had an equity interest over which LYV had a significant influence as of December 31, 2024.

Venue Type	Capacity	Owned	Leased	Operated	Exclusive Booking Rights	Equity Interest	Total
Stadium	More than 30,000	—	2	1	—	—	3
Amphitheater	5,000 - 30,000	10	44	1	18	—	73
Arena	5,000 - 20,000	3	15	2	5	—	25
Theater	1,000 - 6,500	10	76	9	32	2	129
Club	Less than 1,000	5	56	1	13	—	75
Restaurants & Music Halls	1,000 - 2,000	2	15	—	—	—	17
Festival Sites ⁽¹⁾	Varies	2	—	53	—	—	55
Other Venues	Varies	—	14	—	1	2	17
Total venues in operation		32	222	67	69	4	394
Venues currently under construction		—	13	—	—	1	14
Venues not currently in operation		2	—	—	5	3	10
Total venues in operation by location:							
North America		22	169	25	68	4	288
International		10	53	42	1	—	106

Key Operating Metrics – Solid Growth in Fundamental Value Drivers

- Total estimated events: 43.6k in 2022 to 54.7k in 2024.
- Total estimated fans: 121m in 2022 to 151m in 2024.
- Total estimated tickets: 550m in 2022 to 637m in 2024.

		Year Ended December 31,		
		2024	2023	2022
		(in thousands except estimated events)		
Concerts ⁽¹⁾				
Estimated events:				
North America ⁽²⁾		36,673	33,629	29,170
International		18,014	16,430	14,475
Total estimated events		54,687	50,059	43,645
Estimated fans:				
North America ⁽²⁾		86,563	81,252	69,693
International		64,486	64,538	51,459
Total estimated fans		151,049	145,790	121,152
Ticketing ⁽³⁾				
Estimated number of fee-bearing tickets sold		330,567	329,116	280,862
Estimated number of non-fee-bearing tickets sold		307,164	291,295	269,814
Total estimated tickets sold		637,731	620,411	550,676

Segment Operating Performance

Concerts segment though not profitable drives profitability in the two other segments i.e. Ticketing and Sponsorship & Advertising.

Concerts (\$ thousands)		Ticketing		Sponsorship & Advertising	
Revenue ⁽¹⁾	\$ 19,024,302	Revenue	\$ 2,988,685	Revenue	\$ 1,195,019
Direct operating expenses ⁽²⁾	16,041,350	Direct operating expenses ⁽¹⁾	1,089,608	Direct operating expenses	242,536
Selling, general and administrative expenses	3,005,885	Selling, general and administrative expenses	888,198	Selling, general and administrative expenses	197,565
Depreciation and amortization	370,108	Depreciation and amortization	100,329	Depreciation and amortization	62,934
Gain on disposal of operating assets	(11,094)	Loss (gain) on disposal of operating assets	41	Loss on sale of operating assets	38
Operating loss ⁽³⁾	\$ (381,947)	Operating income ⁽²⁾	\$ 910,509	Operating income	\$ 691,946

Key Financials, Stock Valuation and Leverage

- LYV's stock trades at 32x Trailing PE and EV/LTM EBITDA of 15.5x.
- Street Consensus: 19 buys/ 3 holds / 2 sells with an average price target of \$176.50 vs. current stock price of \$155.2 (+~14% stock return potential)
- Revenue forecast to grow 9% in 2026 while EBITDA is forecast to grow ~13%.
- With an EV of nearly \$40b and LTM Revenue of ~\$24b LYV is much larger than many small and mid-cap issuers in the concert universe. In addition, though it is a focused business the revenues are diversified across thousands of events, artists, venues and by segment. The tail winds for live entertainment are robust. With increased scale and investment in technology and the benefits of deep fan engagement via digital channels/assets we expect LYV's growth and profitability to improve further.
- LYV's total debt stands at \$8.4b with a healthy cash balance of \$7.06b.
- Debt/Adj EBITDA multiple is reasonable at 3.3x and LYV generated LTM FCF of \$1.08b.

In Millions of USD 12 Months Ending	FY 2023 12/31/2023	FY 2024 12/31/2024	Current/LTM 06/30/2025	FY 2025 Est 12/31/2025	FY 2026 Est 12/31/2026
Market Capitalization	21,837.2	30,350.1	36,397.2		
- Cash & Equivalents	6,231.9	6,095.4	7,057.0		
+ Preferred & Other	1,464.2	1,772.0	1,945.5		
+ Total Debt	8,437.9	8,271.7	8,419.6		
Enterprise Value	25,507.5	34,298.5	39,705.4		
Revenue, Adj	22,726.3	23,155.6	23,721.4	25,777.4	28,126.0
<i>Growth %, YoY</i>	36.2	1.9	-0.3	11.3	9.1
Gross Profit, Adj	5,475.8	5,827.5	5,982.3	6,533.3	7,253.1
<i>Margin %</i>	24.1	25.2	25.2	25.3	25.8
EBITDA, Adj	1,948.5	2,205.2	2,567.2	2,432.3	2,741.9
<i>Margin %</i>	8.6	9.5	10.8	9.4	9.7
Net Income, Adj	387.1	1,092.4	1,111.0	314.0	694.7
<i>Margin %</i>	1.7	4.7	4.7	1.2	2.5
EPS, Adj	1.68	4.66	4.73	0.92	2.86
<i>Growth %, YoY</i>	160.73	178.15	600.34	-80.22	210.63
Cash from Operations	1,363.0	1,725.2	1,868.9		
Capital Expenditures	-438.6	-666.6	-788.0	-946.3	-909.6
Free Cash Flow	924.4	1,058.5	1,081.0	1,315.7	1,279.5

Source: Bloomberg

LYV Converts: Income and Defensive Equity Exposure in an Attractive Growth Stock

We like the 2.875% coupon converts as a balanced way to invest in LYV's continued growth story. Between the two we prefer the new 2.875% converts given their lower dollar price, extended maturity, slightly higher delta, positive yield to maturity pickup and higher threshold to the PC trigger.

Outright holders of the older 3.125% should consider swapping into the 2.875% due 2031 converts to

- Lower the dollar price from 155 to 101
- Increase the maturity term from 3.3Y to 6Y
- Get positive Yield to Maturity of 2.65%
- Own a more defensive profile but still with good equity exposure (62 delta instead of 90 delta)
- Increase the appreciation buffer to the Provisional Call threshold from -9% to +88% and also extend the hard call date from Jan 2026 to October 2028.
- Retain good liquidity given the new convert's large \$1.3b size.

Given the strong run in several high growth stocks, we also suggest that investors exposed to those names consider swapping into the more reasonably valued LYV converts.

Size (\$mn)	Cpn (%)	Yrs to Mat	Maturity Date	Convert Price	Stk Px Ref (\$)	Yld to Mat (%)	Current Yield (%)	Prem. (%)	Delta (%)	PC Stx Px % Apprc.	Prov Call Date	Cvt High Px	Cvt High Px Date
1000	3.125	3.3	1/15/2029	155.4	155.2	(10.70)	2.01	8.5	90	-9%	1/21/26	170.8	9/12/2025
1100	2.875	4.3	1/15/2030	108.9	155.2	0.7	2.6	34.9	58	61%	1/24/28	114.2	9/15/2025
1300	2.875	6.0	10/15/2031	101.2	155.2	2.65	2.84	46.7	62	88%	10/20/28	101.2	10/15/2025

IMPORTANT DISCLOSURES

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