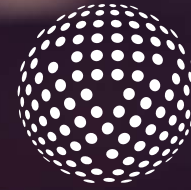


September 2023



Houlihan
Lokey

A pair of black over-ear headphones with gold-colored accents on the ear cups is resting on a laptop keyboard. The background is a blurred laptop screen and keyboard.

The Future of Audio
Audio Market Update—Fall 2023

Audio Market Update—Fall 2023

Topics Covered in This Report

» The Music Industry

- Updated Sector TAM Estimates
- Streaming Subscribers/ARPU
- Under-Monetization of Streaming
- Impact of Emerging Platforms
- Music Catalog Valuation Environment
- Generative AI

» The Creator Economy

» Podcast Engagement

» Digital Transformation of Radio

» Sector Valuation Environment

- Recent Sector M&A and Financing Transactions
- Public Market Performance


- At our recent **Midsummer Music Tech Dinner** in New York, we were joined by **MIDiA Research’s Tatiana Cirisano**, who shared some of her firm’s perspectives on three industry themes:
 - Music industry forecasts:
 - Recorded music’s staying power.
 - **Streaming subscription business model reaching saturation—time to start considering the next phase of growth** in the industry.
 - Music creation trends:
 - With a growing base of consumers empowered to make music, the **creator tool industry is establishing itself as a central part of the music business**.
 - AI takeaways:
 - AI will challenge labels and artists, but “remix culture” offers an opportunity for new revenue streams around music.
 - **The music world will increasingly center around fandom, identity, and creativity.**
- **Please reach out to us or to MIDiA (Tatiana@MIDiAResearch.com) directly for more insight into these topics.**
- The industry continues to be highly active, attracting investment and M&A from top-tier PE funds, underscoring the importance of the creator tool component to the broader music industry (Avid, Antares). We are encouraged by the momentum in this market!
- **At our Global Tech Conference in New York on October 3, we’ll have a panel discussion titled “The Future of Creator Tools” with the heads of Image-Line, SoundCloud, Vidmob, and Storyblocks. We hope to see you there! [Click here to register for the event.](#)**

Houlihan Lokey's Leading Digital Audio Franchise

Digital Audio Team




John Lambros
Managing Director
Co-Head of U.S.
Technology
New York




Daniel Gossels
Managing Director
New York




Jonathan Norman
Managing Director
London




Sameer Jindal
Managing Director
Mumbai




Brian Marler
Director
Los Angeles




Jared Shaber
Vice President
New York




Conrad Kolasa
Vice President
Los Angeles



John Focosi
Associate
Los Angeles











Ishan Pinto
Financial Analyst
New York













Rahul Amin
Financial Analyst
New York

Highly Relevant Sector Experience










D2C Audio

 completed an \$80M share/warrant repurchase, representing 100% of the outstanding securities of  Financial Advisor	 has been acquired by  Sellside Advisor	 has been acquired by  Sellside Advisor	 has received a strategic investment from  Sellside Advisor*
--	--	--	---









Creator Tools

 EHH PARTNERS has sold a majority stake in  to  Sellside Advisor*	 has acquired  Buyside Advisor	 has been acquired by  a portfolio company of  Sellside Advisor	 has acquired  Buyside Advisor*
--	---	---	--

Live Events

 has been merged into  Merger Advisor	 NEW YORK CITY has been acquired by EV Events Center, LLC a joint venture between Brooklyn Sports & Entertainment and AEG Presents with its regional partner The Bowery Presents   Sellside Advisor	 parent company of  has received financing from Coran Capshaw Founder of  Sellside Advisor	 has confirmed a Chapter 11 Plan of Reorganization, restructuring approximately \$450 million of debt Second Lien Noteholder Advisor
--	--	--	---

IP

 has completed a financing transaction in connection with its acquisition of  Fairness Opinion	 \$50,000,000 Financing  Financial Advisor*	Melody Holdings, L.P., parent of SESAC Music Group  a portfolio company of  has completed a \$265 million debt recapitalization Financial Opinion	 has acquired  Financial Advisor*
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*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

A Global Leader in Technology Advisory

Partner-Led Approach

Providing unbiased, insightful advice in the best interest of our clients, Houlihan Lokey dedicates **significant senior resources** to guiding clients.

Key Facts and Figures



36

LOCATIONS
WORLDWIDE⁽¹⁾

~2,000

TOTAL FINANCIAL
PROFESSIONALS

326

MANAGING
DIRECTORS^(1,2)

2,000+

CLIENTS SERVED
ANNUALLY

\$7B+

MARKET
CAPITALIZATION⁽³⁾

\$1.8B

REVENUE⁽⁴⁾

Expertise in High-Growth Technology Sectors

Significant experience and expertise across vertical and horizontal business management software, HCM, property tech, tech-enabled services, UCaaS, industrial tech, data and analytics, FinTech, adtech, cyber, and digital audio.

Global Tech Coverage and Knowledge

Our global footprint with offices in key M&A markets in the Americas, Asia, and Europe gives us integrated coverage, while our local roots mean that we have a strong understanding of the markets we cover.

Broad and Deep Investor Coverage

24 senior officers dedicated to the sponsor community in the Americas and Europe.

Coverage of **1,000+** private equity firms, **250+** credit funds, and **75+** family offices.

Catalog and deal experience on financial sponsor preferences and behaviors.

Houlihan Lokey's Capital Markets Group comprises 90 dedicated professionals across 11 offices in five countries who have raised **~\$25 billion** and advised on an additional **~\$12 billion** across **250+** transactions over the past two fiscal years.

15 technology offices globally

220+ technology-focused bankers

40+ technology-focused Managing Directors

2022 M&A Advisory Rankings All Global Technology Transactions

	Advisor	Deals
1	Houlihan Lokey	116
2	Goldman Sachs	106
3	Morgan Stanley	79
4	Rothschild	76
5	JP Morgan	75

Notes: Ranking based on data provided by Refinitiv. Excludes accounting firms and brokers.

(1) As of June 30, 2023.

(2) Excludes corporate MDs.

(3) As of August 2023.

(4) LTM ended June 30, 2023.

Our Tech M&A Team Is No. 1 Globally With Unrivaled Reach

Americas

Atlanta

Miami

Baltimore

Minneapolis

Boston

New York

Chicago

San Francisco

Dallas

São Paulo

Houston

Washington, D.C.

Los Angeles

Europe and Middle East

Amsterdam

Milan

Antwerp

Munich

Dubai

Paris

Frankfurt

Stockholm

London

Tel Aviv

Madrid

Zurich

Manchester

Asia-Pacific

Beijing

Nagoya

Fukuoka

Shanghai

Gurugram

Singapore

Hong Kong SAR

Sydney

Mumbai

Tokyo

No. 1

TECH M&A
ADVISOR*

36

LOCATIONS
WORLDWIDE

220+

TECHNOLOGY
BANKERS

40+

TECH MANAGING
DIRECTORS

116

TECHNOLOGY
DEALS IN CY22

Local Technology team

Houlihan Lokey Global Tech Conference 2023

October 3, 2023 | Lotte New York Palace Hotel

WHAT TO EXPECT AT THE EVENT

- **Panel Discussions With CEOs of High-Growth Companies:** A wide range of speakers will share their insights about navigating current market conditions and positioning their companies for future success across a variety of technology sectors.
- **Featured Speakers:** The conference will feature high-profile speakers and candid panel discussions with distinguished tech thought leaders, covering a variety of topical themes.
- **Targeted One-on-One Meetings:** Houlihan Lokey will arrange targeted, one-on-one meetings for presenting companies over the course of the conference, advising on prospects, meeting structure and materials, and coordinating any follow-up.
- **Networking Opportunities:** Join an audience of strategic, financial, and institutional investors as well as other capital providers for lunch and end-of-day cocktails.

AGENDA

OCTOBER 2

Evening Pre-Conference
VIP Reception

OCTOBER 3

CONFERENCE:
Panels and 1x1s



Interested in presenting your company at GTC 2023?
Email GTConference@HL.com

100+
PARTICIPATING COMPANIES

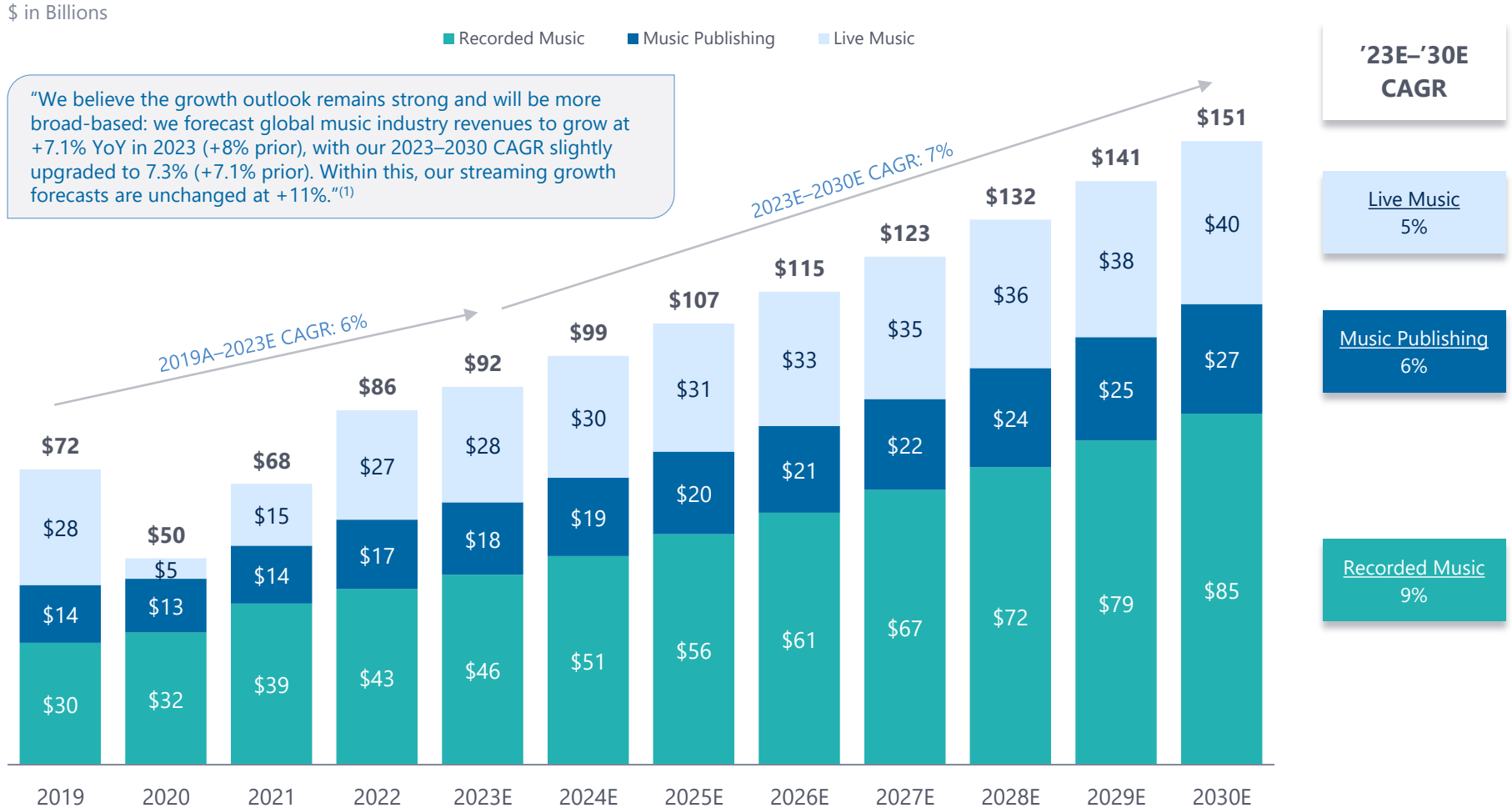
TARGETED
ONE-ON-ONE MEETINGS WITH
INVESTORS AND STRATEGIC
PARTNERS

700+
CONFERENCE ATTENDEES

Music Industry Outlook Remains Robust

The sector exhibited resilience throughout 2022, and recent analyst growth forecasts have remained materially unchanged from prior estimates.

Total Global Industry Revenues by Segment⁽¹⁾



"We believe the growth outlook remains strong and will be more broad-based: we forecast global music industry revenues to grow at +7.1% YoY in 2023 (+8% prior), with our 2023–2030 CAGR slightly upgraded to 7.3% (+7.1% prior). Within this, our streaming growth forecasts are unchanged at +11%."⁽¹⁾

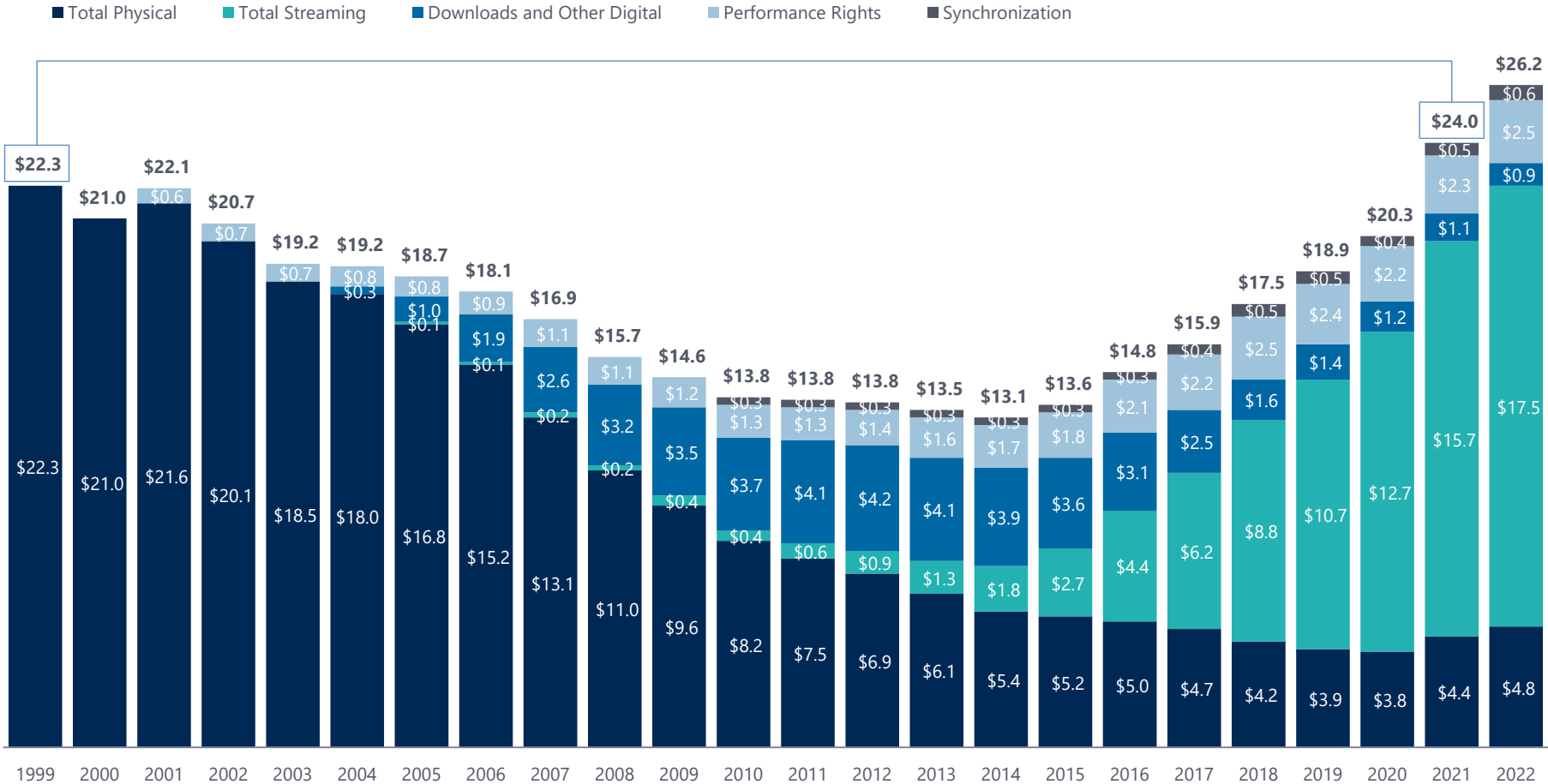
(1) Goldman Sachs, "Music Is in the Air."

Streaming Has Rebuilt the Music Industry

In 2021, global recorded music revenue surpassed the previous high reached in 1999 driven by the rapid growth in streaming.

Global Recorded Music Historical Revenue

\$ in Billions

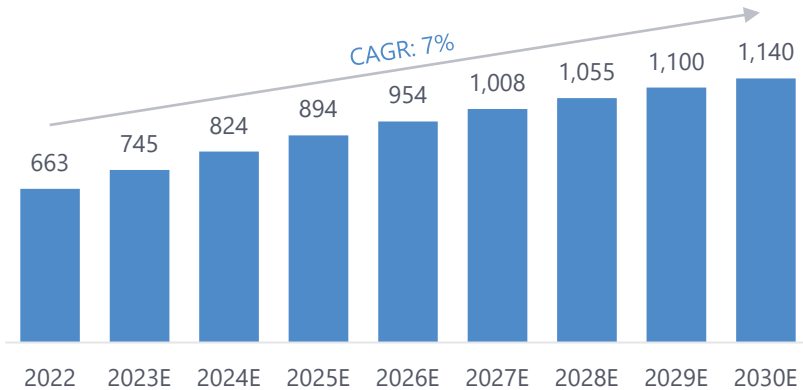


Source: IFPI Global Music Report 2023.

Powerful Tailwinds Driving Music Industry Growth

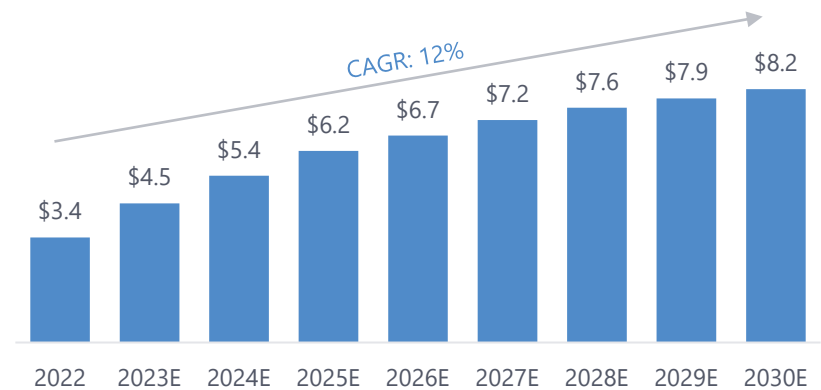
Music Streaming Expansion

Global Music Streaming Subscribers; in Millions⁽¹⁾



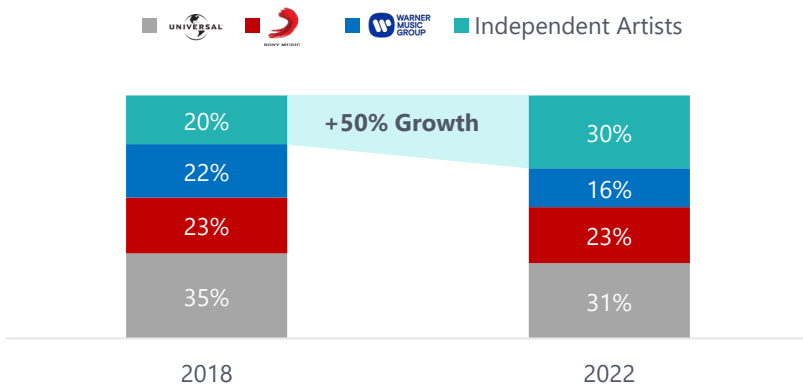
New Digital Media Platforms (Non-DSPs)

Global Music Streaming Revenue From Non-DSP Platforms; \$ in Billions⁽¹⁾



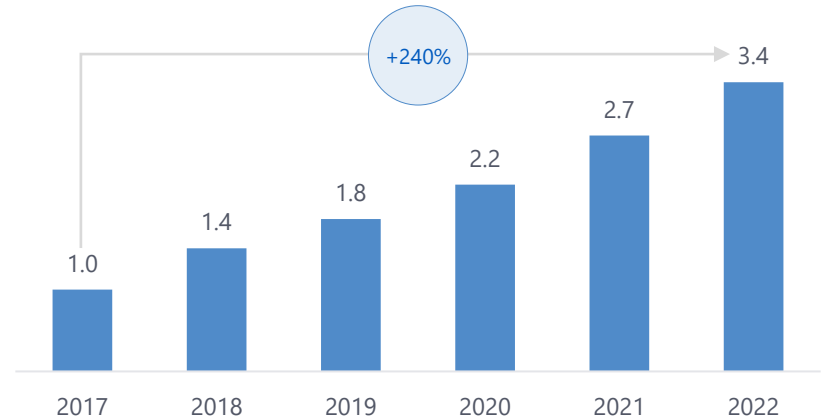
Growth of Independent Artists

Global Streaming Market Share⁽²⁾



Music Consumption Rapidly Increasing

Global On-Demand Song Streams; in Trillions⁽³⁾



(1) MIDiA Research 2023–2030 global music forecasts. Non-DSP platforms include TikTok, Meta, Snap, Twitch, Peloton, Roblox, Apple Fitness.

(2) Goldman Sachs, "Music Is in the Air", Houlihan Lokey estimates. Emerging platforms include revenues from social media platforms, podcasts, gaming, etc.

(3) Luminate.

Music Subscriber Expansion Expected to Continue Across All Regions

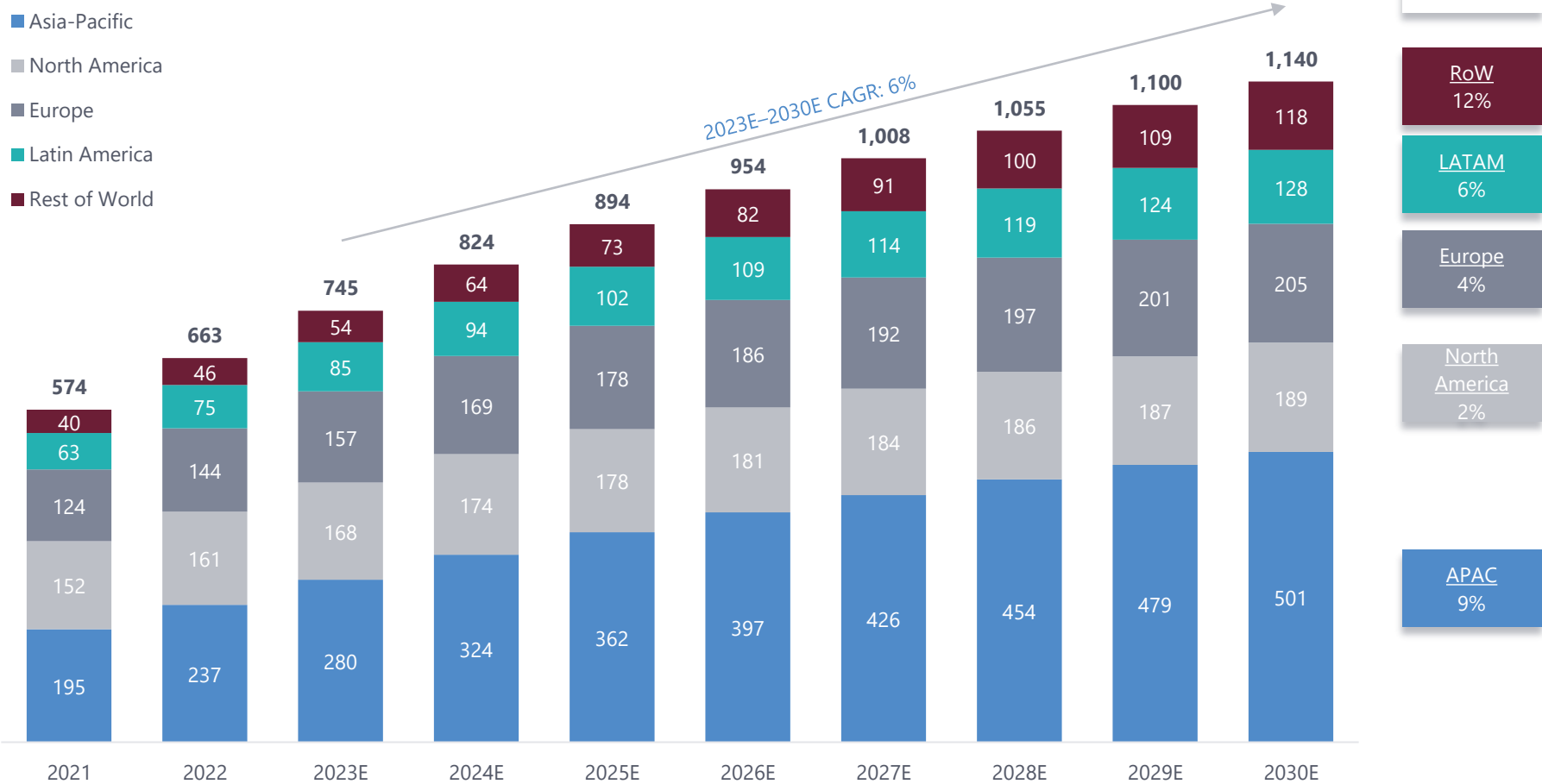
APAC is expected to account for more than half of net adds between 2023 and 2030.

Audio Subscribers by Region⁽¹⁾

In Millions

- Asia-Pacific
- North America
- Europe
- Latin America
- Rest of World

2023E-2030E CAGR: 6%

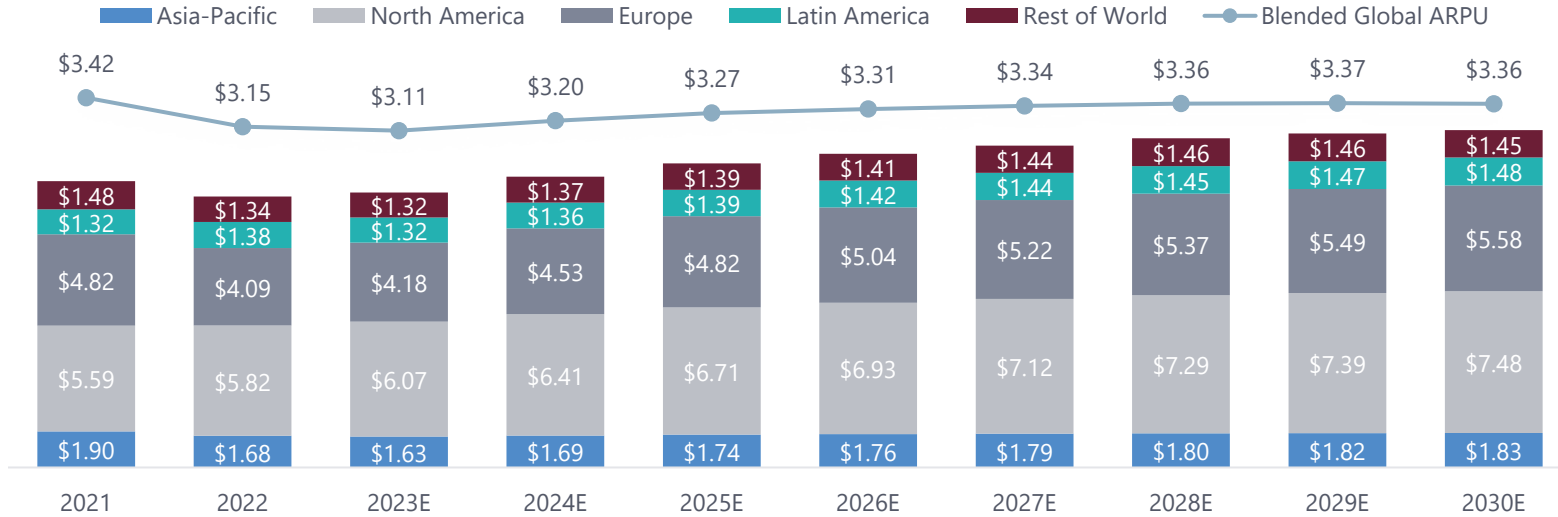


(1) MIDiA Research 2023-2030 global music forecasts.

Under-Monetization of Music Streaming Increasingly Apparent

ARPU Growth Has Been Anemic

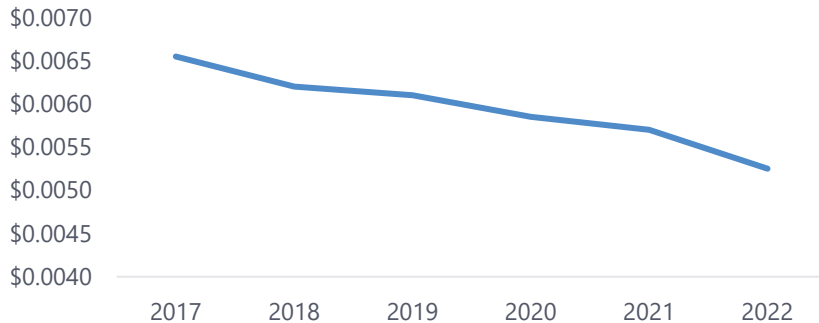
Monthly Music Subscriber Blended ARPU (Retail)⁽¹⁾



'23E-'30E CAGR	
Global	1%
RoW	1%
LATAM	2%
Europe	4%
N. America	3%
APAC	2%

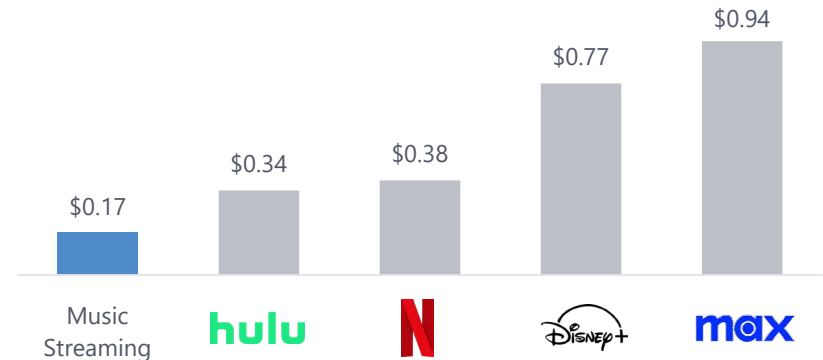
Revenue per Stream Continues to Slip

Global Revenue per Stream⁽¹⁾



Music Undervalued Compared to Video

Price per Hour of Consumption⁽²⁾






(1) MIDiA Research 2023–2030 global music forecasts.

(2) Goldman Sachs, "Music is in the Air."

The Industry Is Attempting to Address Under-Monetization

Major Streamers Implemented Long-Awaited Price Hikes...

Platform	Date	Plan/Change	Region
 Spotify	July 2023	Premium/+ 10%	Global
 Music	July 2023	Premium/+ 10%	Global
 TIDAL	July 2023	Base Individual/+ 10% Family/+ 13%	U.S.
 amazon music	January 2023	Unlimited/+ 10%	U.S./U.K.
 MUSIC	October 2022	Premier/+ 10% Family/+ 13%	Global

The Superfan Model Presents a New Monetization Opportunity

Superfans are highly engaged music listeners who are willing to spend more on music, merchandise, and other artist content. The superfan model involves segmenting this population and offering exclusive and premium content, allowing for increased subscription ARPU and enhanced monetization.



Super listeners comprise **2%** of an artist's monthly listenership but account for more than **18%** of monthly streams.⁽¹⁾



19% of music listeners in the U.S. can be categorized as superfans.⁽²⁾



Superfans spend **80%** more on average per month relative to non-superfans.⁽²⁾



Superfans are **54%** more likely to be "the first among their friends to discover new music and artists."⁽²⁾

(1) Spotify, based on streaming activity for February 15 to March 15, 2023.

(2) Luminate.

...With Further Increases Expected

"If the monthly price of a music subscription had gone up by the same proportion [as video streaming], it would have increased from \$9.99, where it was in 2011, to \$19.37 today... We believe the market will bear further price increases in the future, and we're expecting that they'll arrive on a more regular cadence than in the past."



Robert Kyncl
CEO, WMG
(Q3 '23 Earnings)

"We believe that breaking the \$10 barrier [on music streaming services] is a watershed moment, as other platforms will likely follow suit, and regular price increases will become the norm in the audio streaming industry as they are in the video streaming industry."



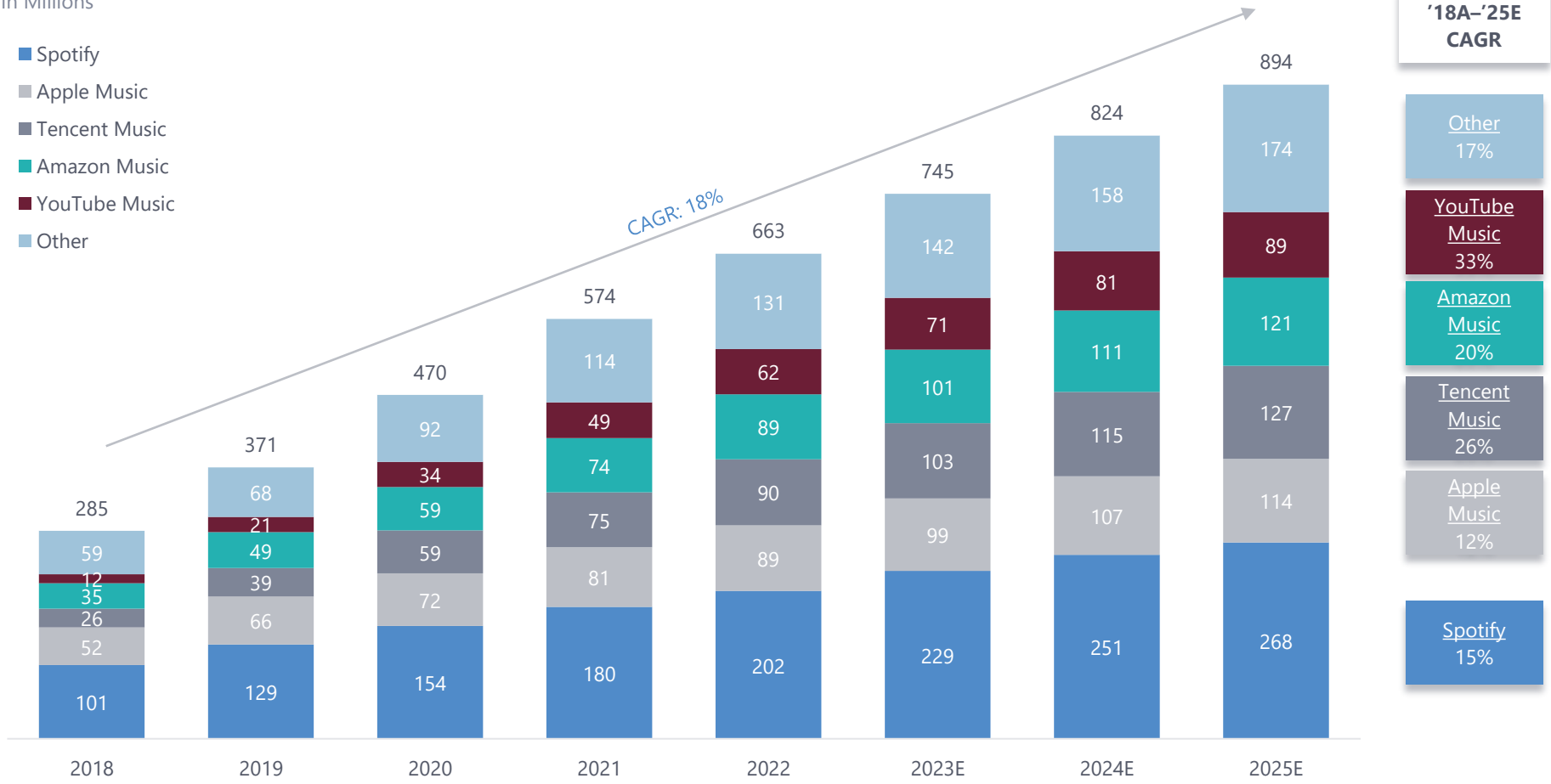
Pershing Square
('22 Letter to Shareholders)

DSP Sub Growth Continues—Amazon, YouTube, and Tencent Gaining Share

Emerging platforms will be a source of new subscriber growth.

Global Paid Subs by Platform⁽¹⁾

In Millions

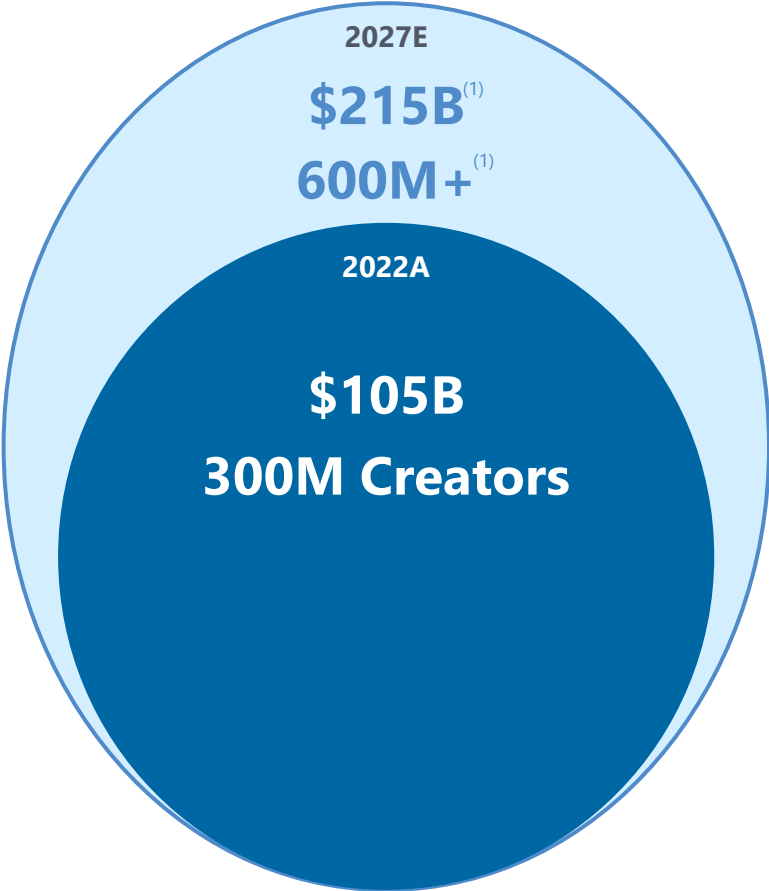


(1) Wells Fargo Equity Research, Music Business Worldwide, MIDiA.

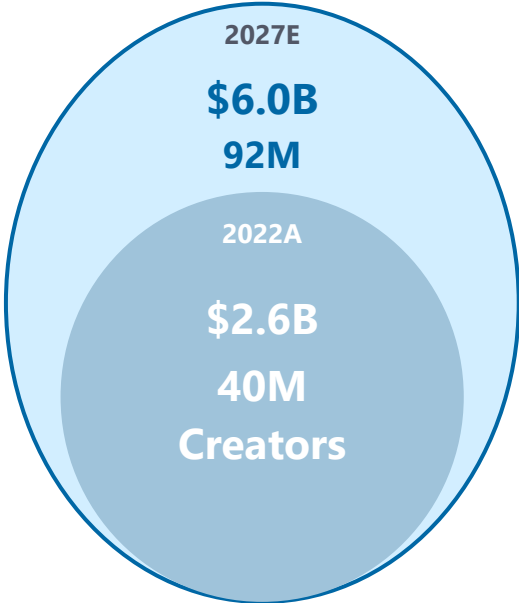
The Creator Economy Has the Potential to Transform the Industry

The overall creator economy is massive, and within the music industry, the market for enthusiasts is twice the size of the market for professionals and is expected to grow significantly.

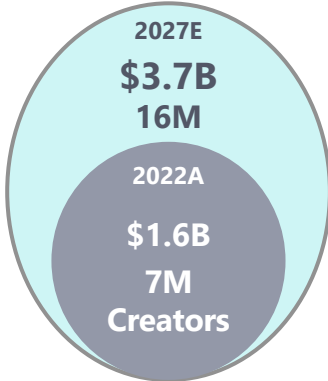
Global Creator Economy



Music Enthusiasts and Beginners



Music Professionals and Aspiring Professionals



Sources: MIDiA Research, Adobe Research, New Creator Manifesto.

(1) 15.5% CAGR applied to calculate 2027E market size figures based on forecasted creator count growth from ~300 million in 2022 to ~400 million in 2024.

Market Leaders Are Vocal About the Creator Economy

“

At SoundCloud, we are driving a more equitable and exciting future for ALL artists. **SoundCloud continues to be a creator-first company, focusing on what artists need to build their careers and thrive...** Artists, producers and songwriters are the driving force that continues to push what's next.



Tracy Chan
SVP, SoundCloud



”

“

Our foundational audio technologies are essential to the ecosystem for entertainment audio. They're delivered across a very broad range of consumer entertainment devices... **We continue to be focused on the opportunity to bring the Dolby experience to an even wider range of use cases.**



Kevin Yeaman
CEO, Dolby Labs



”

“

When creators are happy, when creators are engaging, when they're adding more content to Spotify, Spotify just becomes better... **The real goal is to understand how to help creators really reach their fans, really gain new audiences, and really monetize as best as they can.**



Paul Vogel
CFO, Spotify



”

“

We just saw so **much organic growth from the software tools side among the creators** that it became a no-brainer that this is what we should focus on.



Anjali Sud
CEO, Vimeo



”

“

We're heading towards a future where more people can do creative work they enjoy, and I want platforms like ours to play a role in making that happen.



Mark Zuckerberg
CEO, Meta



”

“

The creator economy is this birth of, you know, now **hundreds of millions of people who are taking advantage of these wonderful creation tools** that are now available to so many people.



Jack Conte
CEO, Patreon



”

“

It's a competitive landscape, and creators certainly can go other places... But at the end of the day, **if we offer the most amount of reach and the most amount of dollars or financial success, creators will come to us.**



Susan Wojcicki
CEO, YouTube



”

“

The unprecedented growth of **the creator economy provides a platform for everyone to be a creator.** Individuals, solopreneurs, small business owners, and content creators can now express themselves and explore creative and artistic pursuits in new ways.



Scott Belsky
CPO, Adobe

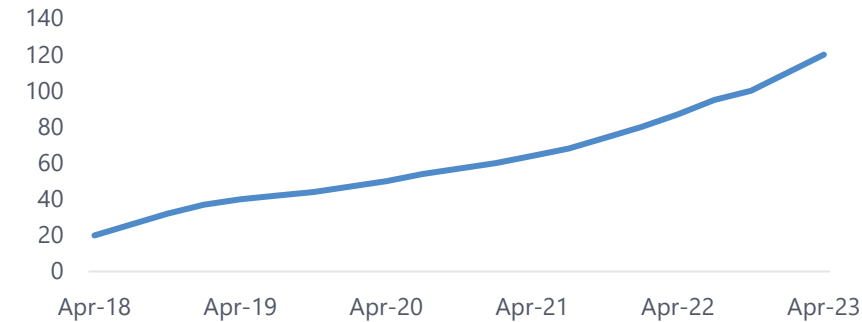


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Non-Professional Music Creators Are Transforming the Music Industry

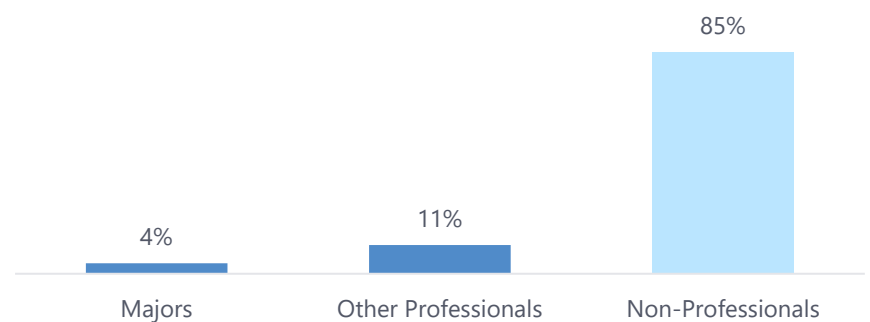
~120k Songs Uploaded Daily to Spotify...

Number of Songs Uploaded to Spotify Daily; in Thousands⁽¹⁾









...85% of Which Are Coming From Non-Professional Creators

% of New Tracks Uploaded⁽¹⁾



Selected Creator Tool Platforms

Company	Founded	Website	Mission
 Beatport	2004	beatport.com	Beatport provides world-class products and services that help DJs and producers at all stages of their careers elevate their craft. Its indefinite pursuit of innovation and inspiration helps lead the category and define the progression of DJ culture around the world.
 IMAGE LINE	1994	image-line.com	Image-Line is the company behind FL Studio, the world's leading music production platform. FL Studio's iconic user-friendly interface, expansive capabilities, and extensive library of plugins and effects have made it a favorite for producers around the globe—from passionate beatmakers to the biggest producers of our generation. Through a steady stream of relevant updates and improvements, FL Studio has cemented itself as the first-choice digital audio workstation (DAW) for music producers and has spawned a passionate community of millions of music-makers around the globe.
 output	2013	output.com	Output's core mission is centered around revolutionizing the music creation process by providing innovative tools and technology to musicians, producers, and composers. Its primary objective is to empower artists to unleash their creativity and bring their unique visions to life through cutting-edge software and instruments.
 PEX	2014	pex.com	Pex specializes in digital rights technology. It ensures transparency and accuracy in attribution by bringing together all stakeholders and industries to license and manage content. Its advanced licensing infrastructure allows platforms to manage and license content before it's published, empowering creators to upload freely while respecting copyright.
 SOUND CLOUD	2008	soundcloud.com	SoundCloud is a next-generation music entertainment company that offers innovative products, tools, and services that empower artists to build and grow their careers while allowing its young, influential audience to discover what's new and next in music.
 splice	2013	splice.com	Splice seeks to empower all musicians to realize their creative potential and share it with the world. With its cloud-based music creation platform that helps music creators bring their ideas to life through a vast, industry-leading catalog of high-quality licensed samples, paired with powerful AI, Splice's creative ecosystem accelerates deep sound discovery and inspiration.

(1) Goldman Sachs, "Music Is in the Air."

If Harnessed Effectively, Generative AI Will Be a Productive Creator Tool

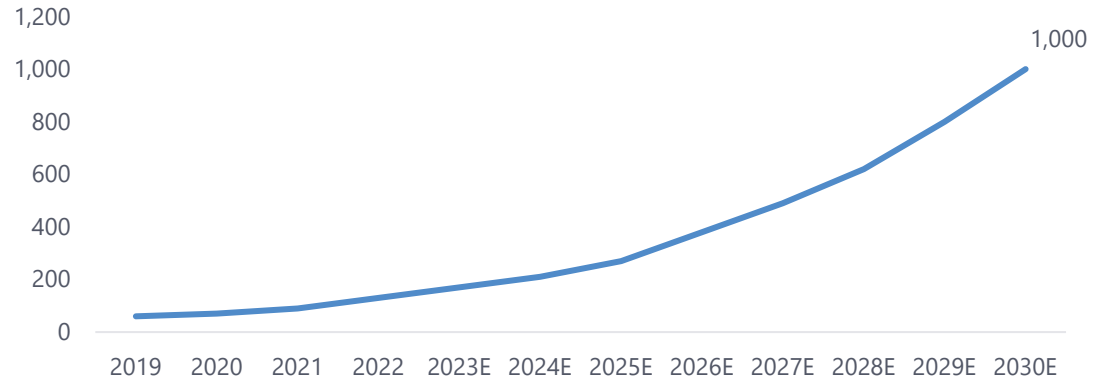
With the proper framework, likely determined by rightsholders, artists, and labels, generative AI could be a boon to the industry.

Potential Implications From AI: A Discussion⁽¹⁾

- “Consumerization” of music-making: Non-professionals creating music.
- Monetization opportunities for creator tools companies and rightsholders:
 - Consumer-g geared music-making tools and games.
 - Social media integration.
 - Artists selling stem packs to fans.
- Vast increase in the scale of music creation with a high volume of songs being released on DSPs.
- “Choose your poison” scenario for Majors (e.g., WMG, UMG, SME):
 - AI music stays on DSPs: AI music overtakes background music; DSPs internally generate AI music and lower royalties for Majors due to dilution.
 - Majors force DSPs to strike down AI music: Growth of social and user-generated content platforms increases their cultural capital and lowers royalties for Majors due to DSPs’ smaller user bases.

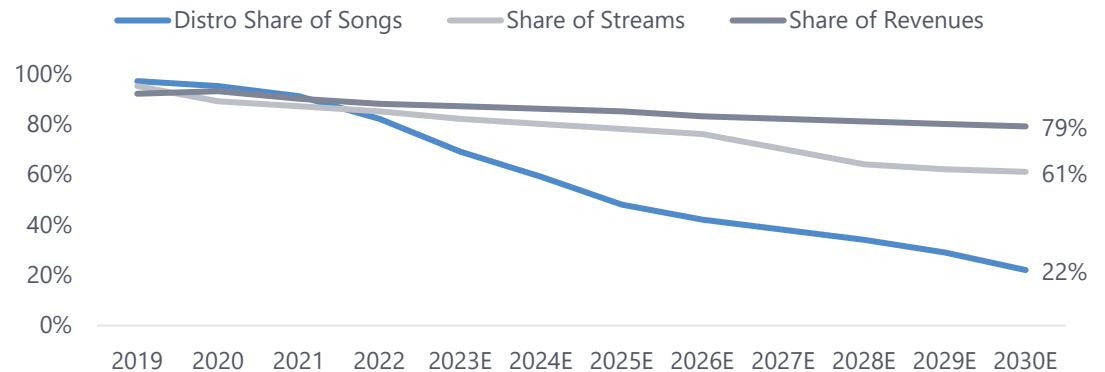
Songs on DSPs to Boom if AI Left Unregulated...

Total Songs on DSPs, in Millions⁽²⁾



...Potentially Diminishing the Position of Labels

Majors’ Illustrative Share of Songs, Streams, and Subscription Revenues⁽²⁾



(1) From a conversation about AI from Houlihan Lokey’s Midsummer Music Tech Dinner, July 2023.

(2) JP Morgan Research.

Spotlight on New Player: Aimi Leverages Generative AI and Rights Cleared Music to Enhance the Music Creation Process



Company Overview

Headquarters:	Austin, Texas
Founded:	2019
CEO:	Edward Balassanian
Description:	Aimi operates as a software platform that lowers the barriers to music creation. It allows fans, enthusiasts, and creators to interact in the music creation process. By leveraging rights-cleared music and generative AI, Aimi enhances the ability of artists to create great, unique music in a new way.
Recent Financing:	In November 2021, Aimi raised \$20 million in a series B led by Great Mountain Partners.

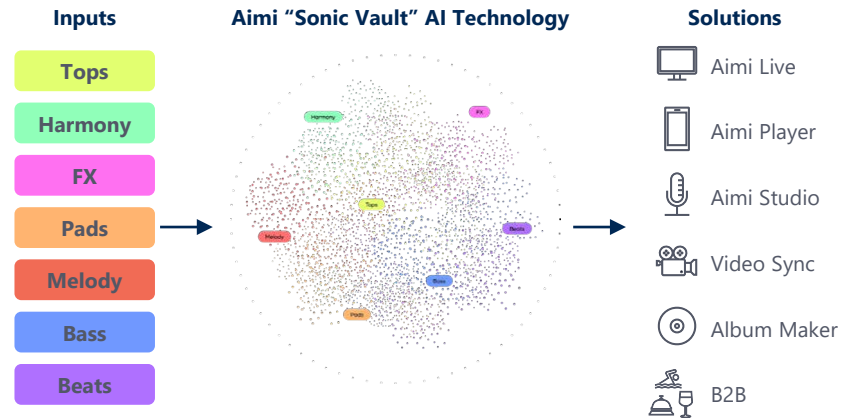
Selected Commentary

"We founded Aimi in 2019 with a simple vision: to **enable human artistry to guide AI in the creation of beautiful music**. We are a generative music platform. We do use AI, but we've always had the artist at the front of that."



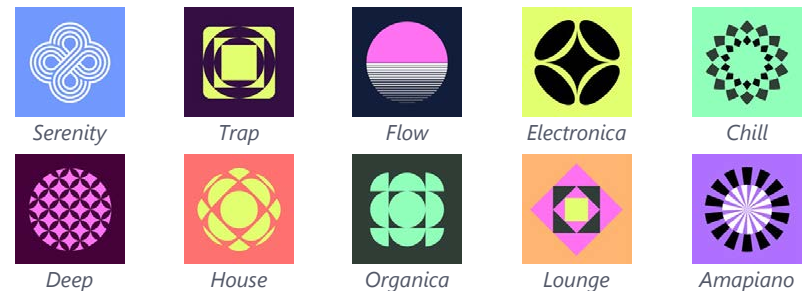
Edward Balassanian, Founder and CEO
SXSW 2023 Presentation

How Aimi Leverages AI to Enhance Music Creation



Aimi Offers Interactive Music Experiences on Aimi Player and Live Channels on YouTube

















Generative AI Music Stations for a Consumer's Listening Pleasure



Live Channels Are Not Pre-Recorded but Are Generated Live by Aimi's AI Running on Web Servers

Sources: Company website, PitchBook, S&P Capital IQ.

Featured Recent Transactions in Generative AI

Ann. Date	Type	Company	Investor/Acquirer	Investment/Purchase Price (\$M)	Company Description
June 2023	Financing			\$20	WAVS AI's music streaming platform uses AI to analyze samples on a user's hard drive and then categorize and tag them.
May 2023	Financing		FORERUNNER	\$7	Boombox designs software to empower the modern remote musician and offers tools to collaborate on songwriting remotely and manage song splits.
May 2023	Financing			\$2.7	Operator of music stems creation platform intended for artists to make more money from their music. AudioShake's platform separates recordings into their different component parts.
October 2022	Acquisition		HYBE	\$32	Supertone offers voice synthesis and cloning for singing and speaking, enabling users to create artificial voices that sound like real humans.
October 2022	Financing			\$101	Stability AI is a community-driven, open-source AI company for imagery, language, audio, video, etc.
June 2022	Financing			N/A	Authentic Artists makes interactive virtual artists using deep learning technologies.
June 2022	Financing			~\$3.1	Boomy is a generative AI company that enables anyone with a smartphone to produce and monetize original songs.
April 2022	Financing			\$15	Endel's app creates individually tailored soundscapes that are designed to help people relax, focus, and sleep.
March 2022	Financing			\$14.5	Using AI and building blocks supplied by real-world musicians, LifeScore delivers an ever-evolving composition.

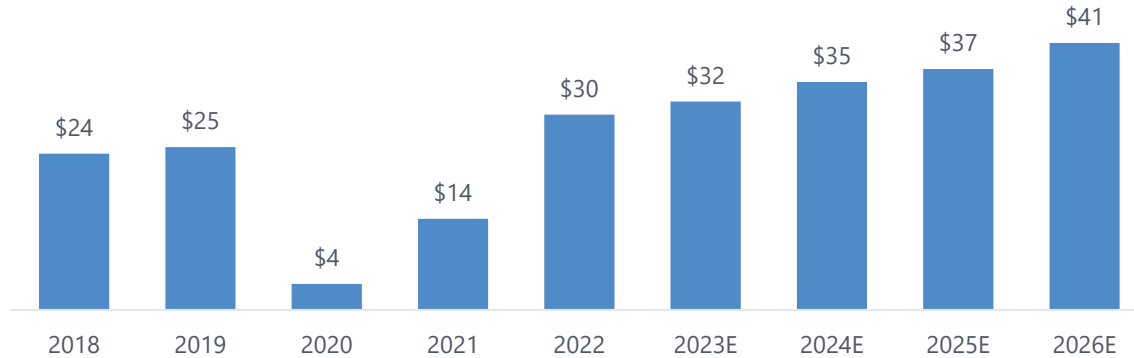
Sources: S&P Capital IQ, PitchBook, 451 Research, Mergermarket, Music Business Worldwide, Wall Street Research, Musical.ly.

A New Era in Live Music

Since 2019, U.S. concert attendance is up 24% and average ticket resale prices have more than doubled.⁽¹⁾

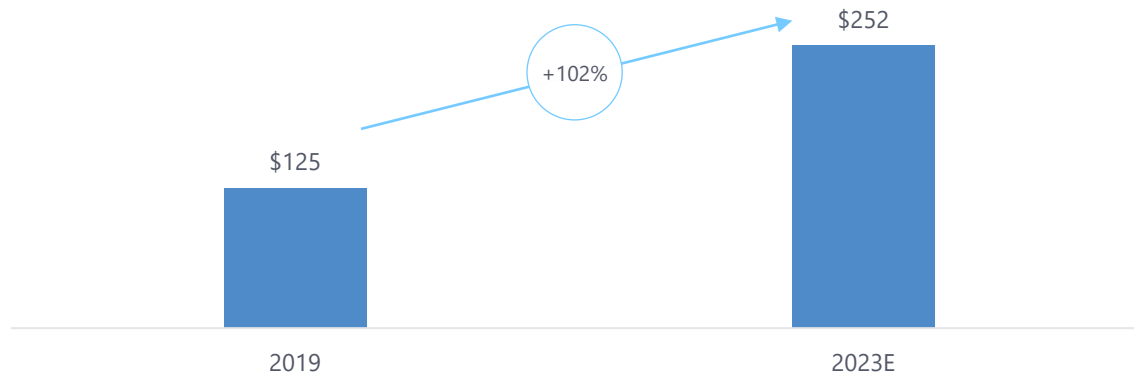
Segment Revenue Well Above Pre-Pandemic Levels

Global Concert Ticketing Revenue; \$ in Billions⁽¹⁾



Ticket Prices Have More Than Doubled Since 2019

Average Resale Price for Concert Tickets on SeatGeek⁽²⁾



“...2023 is off to a tremendous start. For the first time in three years, all of our markets are fully opened... What is clear as we look at our results and operating metrics is that global demand for live events continues to reach new heights.” Michael Rapino, President, CEO and Director, Live Nation⁽³⁾

“The Eras Tour, which started in March and ends in the U.S. on August 9, is on track to become the biggest in concert history, potentially grossing \$1 billion. It felt like 2019 again in Las Vegas when Swift performed there in March. The tourism authority in Vegas credited the superstar’s concerts with boosting visitor numbers to nearly pre-pandemic levels.”

WSJ July 2023



“Live music will be recession-proof. Amid inflation and an impending recession, major artists and popular festivals will continue to capture the largest share of consumers’ spending on live entertainment. Attending concerts with friends is worth the cost for music enthusiasts, and it should continue to perform better than other types of entertainment.”

Fabrice Sergent, Managing Partner, Bandsintown⁽⁴⁾

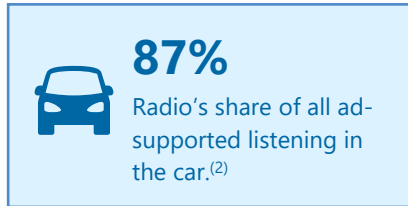
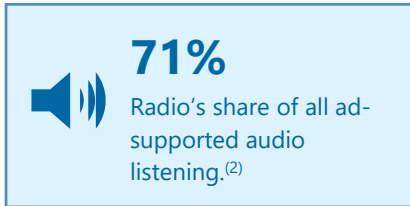
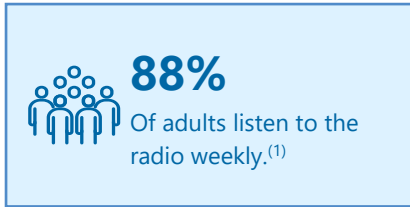
(1) Live Nation, Pollstar, PWC, Seaport Research Partners.
 (2) WSJ, The Year of the \$1,000 Concert Ticket.

(3) Live Nation Entertainment, Q1 2023 earnings call.
 (4) EDMIdentity, Bandsintown Managing Partner Fabrice Sergent Talks 2023 Trends.

Radio Remains a Critical Component of Audio

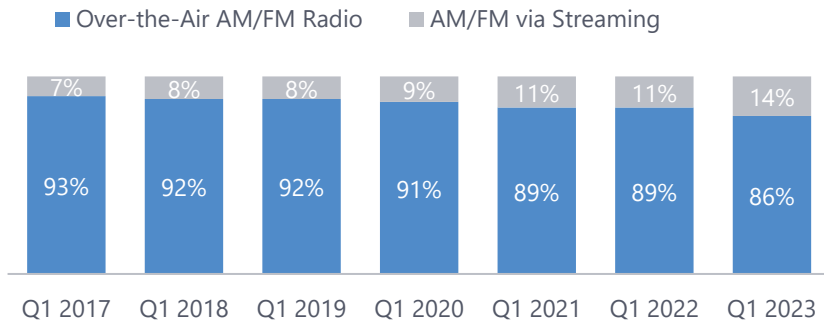
Radio's signal still reaches a massive, engaged audience.

Radio Fundamentals Endure...



Streaming Is Growing as a Percent of Total AM/FM Listening

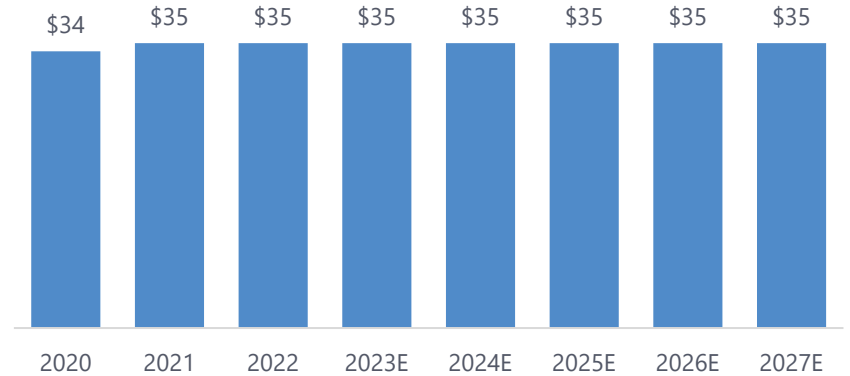
Share of Audio Time Spent Between Over-the-Air AM/FM Listening and Digital Streaming AM/FM Radio, Persons Aged 25–54 ⁽²⁾



(1) Beyond Words, "Spoken-Word Audio Statistics 2022: Listener Habits & Demographics."
 (2) Edison Research, "Share of Ear," Q1 2023.

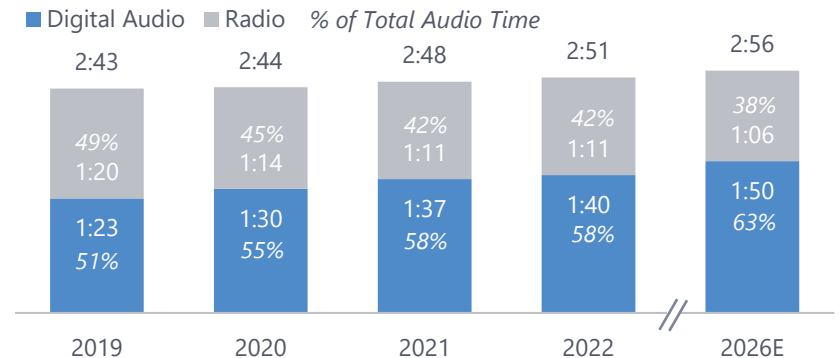
...Supporting a Steady Outlook

Global Radio Revenues; \$ in Billions⁽³⁾



Engagement on Streaming Platforms Has Surpassed Radio

Average Daily Audio Time per Adult Aged 18+ by Type⁽⁴⁾



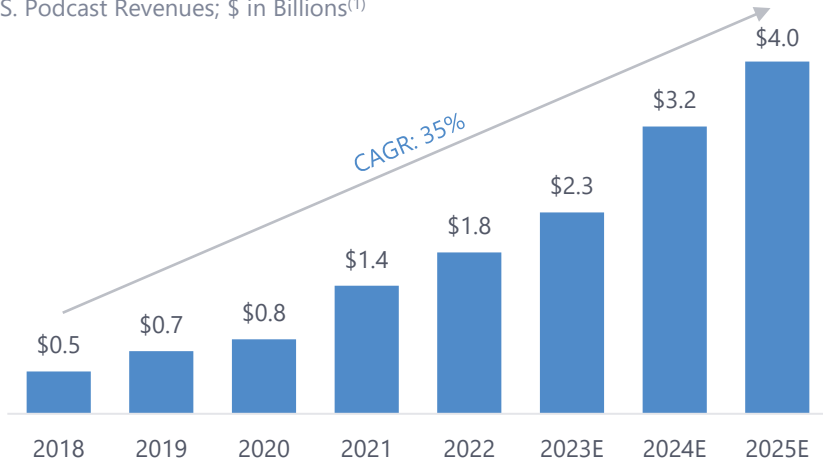
(3) Statista.

(4) Activate Consulting, Activate Technology & Media Outlook 2023. "Digital Audio" includes audio streamed via mobile and desktop/laptop; "Radio" excludes digital radio.

Podcast Engagement and Monetization Have Risen Sharply

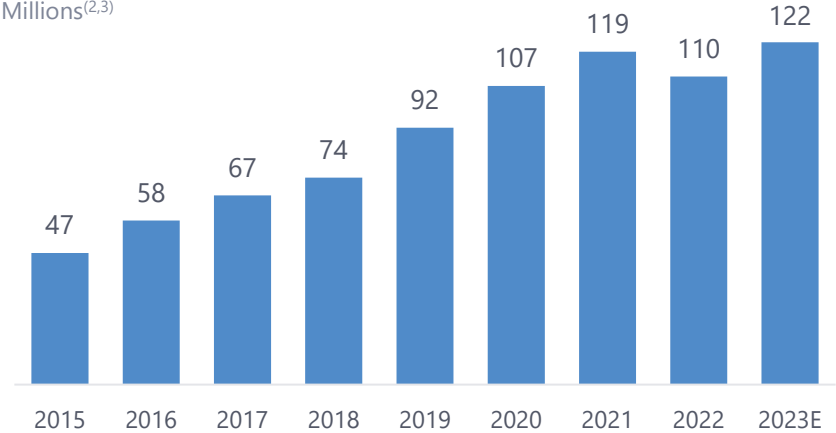
U.S. Podcast Revenue Booming

U.S. Podcast Revenues; \$ in Billions⁽¹⁾



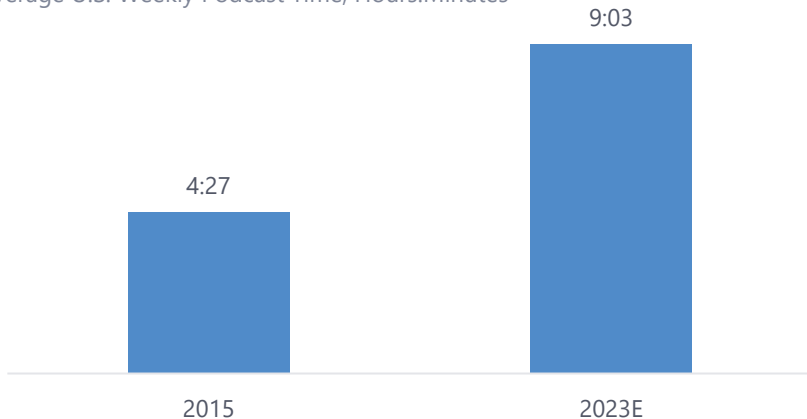
Monthly U.S. Podcast Listenership Has Reached 122 Million

People Who Listened to a Podcast in the Past Month—U.S. Population 12+; Millions^(2,3)



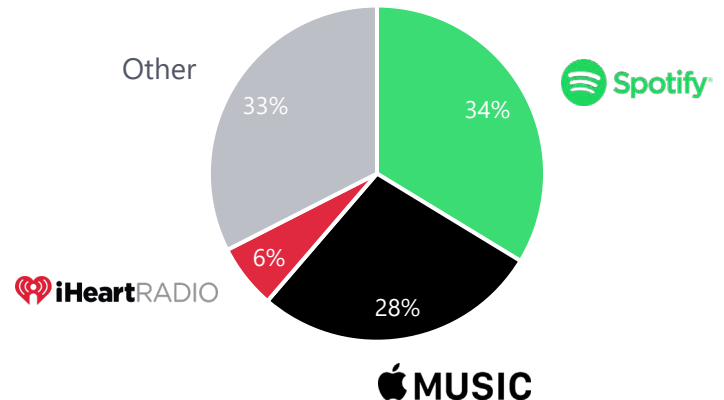
Since 2015, the Average Time Weekly Podcast Listeners Spend With Podcasts Has Doubled

Average U.S. Weekly Podcast Time; Hours:Minutes⁽²⁾



Spotify and Apple Dominate Podcast Streams

Market Share of Podcast Streams⁽⁴⁾⁽⁵⁾



(1) Variety, Talking Audio Report.

(2) The Podcast Consumer 2023: An Infinite Dial Report, Edison Research.

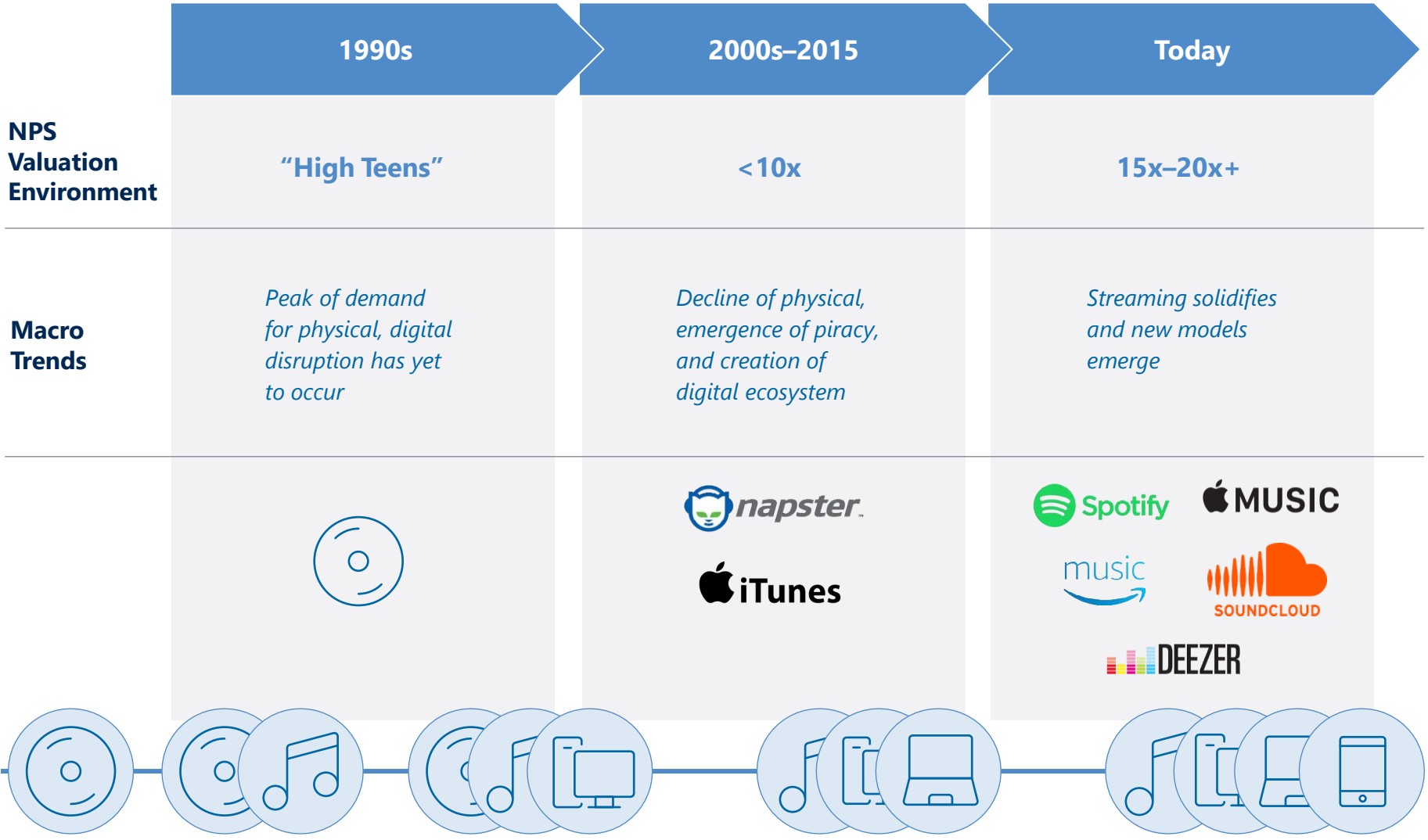
(3) U.S. Census Bureau.

(4) Demandsage.

(5) Total may not sum to 100% due to rounding.

Music Streaming Has Revitalized Music Catalog Valuations

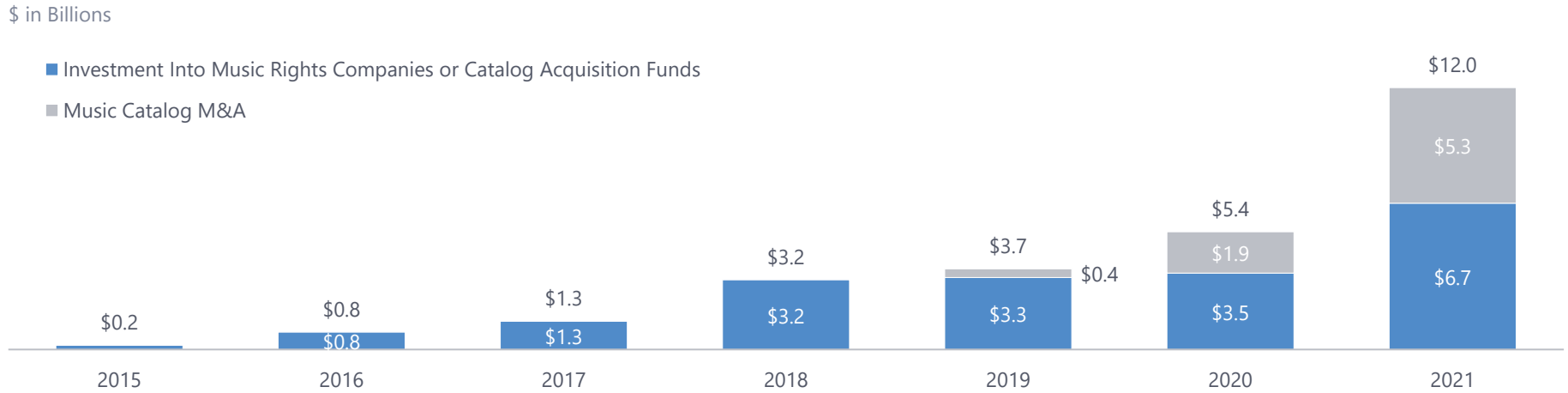
As the industry has evolved, music catalog valuation multiples (as measured by Net Publisher's Share or "NPS") have returned to levels seen prior to disruption from technological change in the early 2000s.



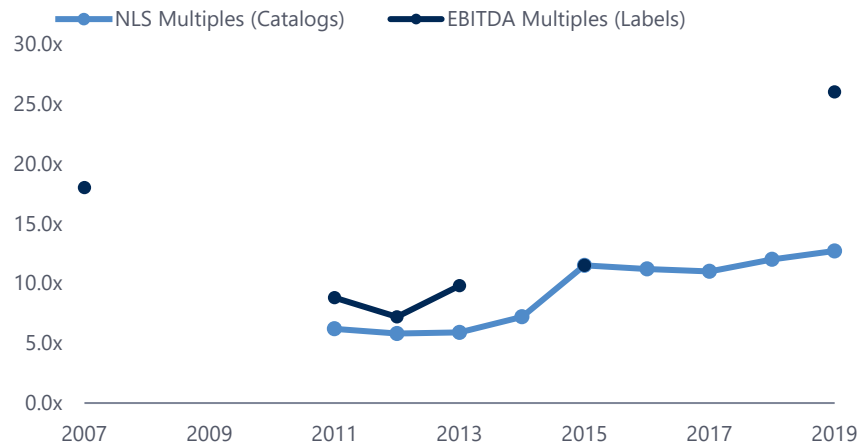
Demand for Music Assets Has Increased With Market Entrants

Music catalog demand has increased in recent years due to uncorrelated features of the asset and an annuity-like earnings stream.

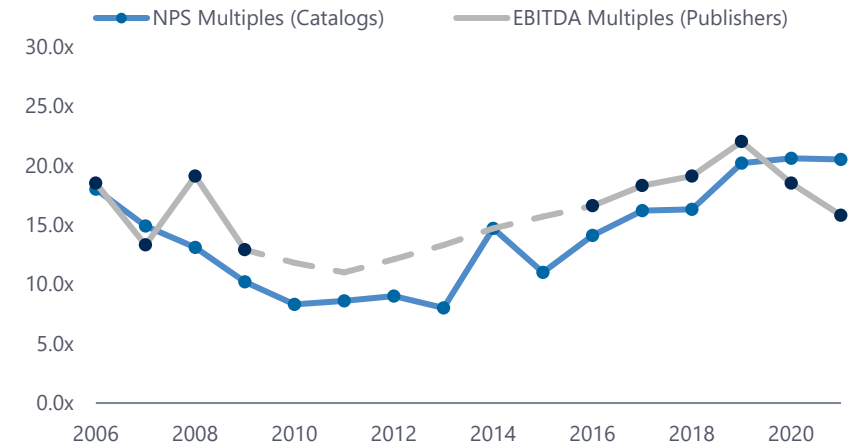
Global Investment in Music Royalties



Recorded Music



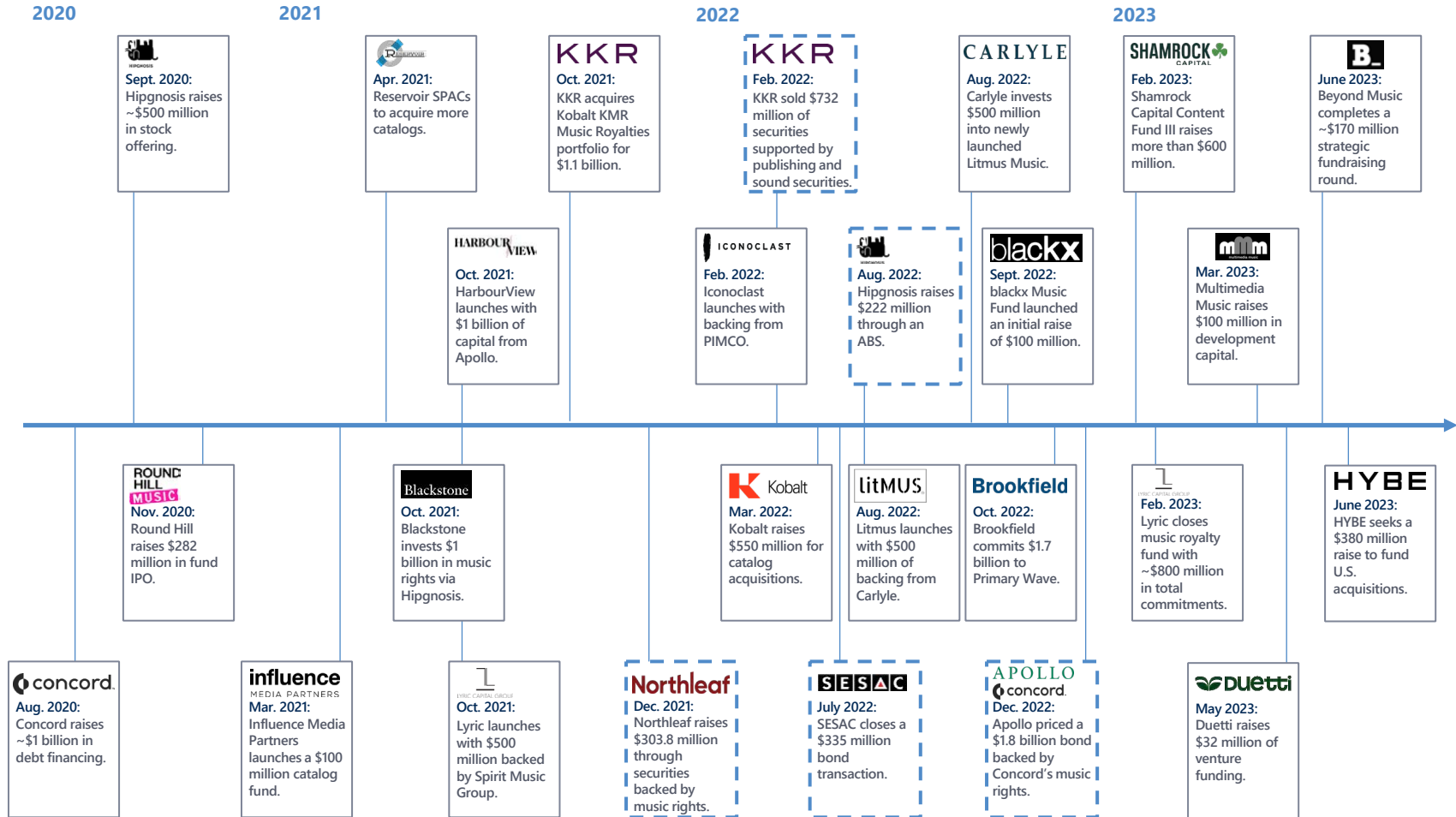
Music Publishing



Sources: Shot Tower Capital, Musonomics (Larry S. Miller), Barclays Research, Solomon Partners.

The Song as an Asset Class

Music catalog funds have continued to raise significant capital throughout 2023.



Reflects Music ABS Transaction

Sources: Company announcements, MusicBusinessWorldwide.com, DigitalMusicNews.com, Bloomberg.com, Billboard.com, Variety.com, PitchBook, S&P Capital IQ, other publicly available information.

Select Recent Music Catalog Acquisitions

Q3 2022

BMG Acquires Jean-Michel Jarre Catalog

July 2022
Value: N/A



Harbourview Acquires Stake in Brad Paisley Catalog

July 2022
Value: N/A



Influence Media Partners Acquires Future Catalog

Sept. 2022
Value: ~\$75M



Concord Acquires Phil Collins Catalog

Sept. 2022
Value: \$300M



Q4 2022

Primary Wave Acquires Whitney Houston Catalog

Nov. 2022
Value: ~\$50M-\$100M



Primary Wave Acquires Huey Lewis Catalog

Nov. 2022
Value: N/A



BMG Acquires Chris Rea Catalog

Dec. 2022
Value: N/A



Shamrock/Universal Acquires Dr. Dre Catalog

Jan. 2023
Value: ~\$200M+



Q1 2023

Hipgnosis Acquires Justin Bieber Catalog

Jan. 2023
Value: \$200M+



Mojo Music & Media Acquires Several Catalogs

Mar. 2023
Value: N/A



Q2 2023

Anthem Acquires Additional Interest in Timbaland Catalog

June 2023
Value: N/A



BMG Acquires Paul Simon Catalog

June 2023
Value: N/A



Q3 2023

Harbourview Acquires Selected Nelly Assets

July 2023
Value: \$50M



Harbourview Acquires Stake in Lady A Catalog

July 2022
Value: N/A



BMG Acquires Haddaway Catalog

Nov. 2022
Value: N/A



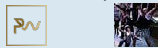
BMG Acquires Peter Frampton Catalog

Dec. 2022
Value: N/A



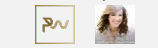
Primary Wave Acquires Manzanera/Krieger Rights in The Doors Catalog

Jan. 2023
Value: N/A



Primary Wave Acquires Stake in Sarah McLachlan Catalog

Apr. 2023
Value: N/A



BMG Acquires The Hollies Catalog

June 2023
Value: N/A



Reach Music Acquires Chuck D Catalog

Sept. 2022
Value: N/A



Domain Capital Acquires Iggy Azalea Catalog

Nov. 2022
Value: N/A



Litmus Acquires Keith Urban Catalog

Dec. 2022
Value: N/A



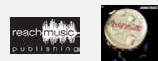
WMG Acquires Yes Catalog

Jan. 2023
Value: N/A



Reach Music Acquires Rights to Two Judas Priest Albums

Apr. 2023
Value: N/A



Primary Wave Acquires Joey Tempest Catalog

June 2023
Value: N/A



- Despite the rising interest rate environment, music catalogs have continued to trade at robust valuations.
- While multiples have been trading at approximately 15x–20x NPS, iconic artist catalogs have been transacting at ~20x+ NPS.
- A few factors are potentially supporting the sustained valuation levels:
 - The influx of capital in recent years earmarked for catalog acquisitions.
 - Continued strong industry growth, supported by healthy expected sub-growth, new monetization channels (e.g., TikTok, Peloton, metaverse), and the over-indexing of catalogs in streaming.
- In 2020/2021, there were concerns that the Biden administration would amend the treatment of capital gains. With the post-midterm divided government, a revision in capital gains tax treatment seems less likely.

Sources: Company announcements, MusicBusinessWorldwide.com, DigitalMusicNews.com, Bloomberg.com, Billboard.com, Variety.com, other publicly available information.

Spotlight on New Player: Duetti Raises \$32 Million to Further Expand Microfinancing Efforts



Duetti Receives \$32 Million in Early-Stage Funding

Transaction highlights a new wave in the artist catalog microfinancing industry.

Company Overview

Headquarters: New York, New York

Founded: 2022

Description:

Duetti is a microfinancing platform that provides cash for artists' music catalogs, allowing artists to receive transparent, data-driven offers.

- Announced: **May 2023**
- Roc Nation, Presight Capital, and Viola Ventures participated in the round.
- The investment will be used to scale the business to match the growing demand by expanding the team, partnering with new artists, and implementing financial optimization opportunities for acquired catalogs.
- Duetti marks the first major investment into the artist microfinancing space, as they have quickly scaled as a tool for more than 60 independent artists and partnered on deals across over 100 tracks, with artists receiving up to \$400,000 per deal.

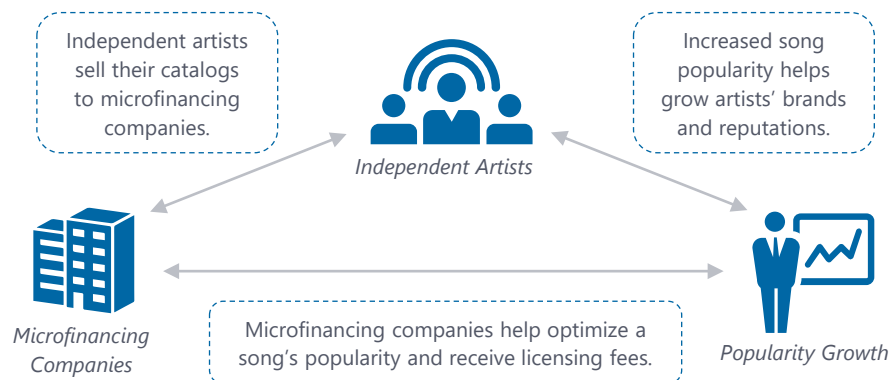
Selected Commentary

"In recent years, the trend of legacy A-list musicians selling their entire catalogs has left independent artists out of the equation. Now, artists at all stages of their careers can easily capture the potential of their tracks and catalogs to help them reach the next step of their journey."



Lior Tibon, CEO of Duetti

How Microfinancing of an Artist's Catalog Works



Sources: Company website, PitchBook, S&P Capital IQ.

Recent Sector Transactions



Antares Receives Significant Investment From Atairos

Landmark transaction supercharges Auto-Tune's next phase of growth.

Company Overview

Headquarters: Santa Cruz, California

Founded: 1990

Description: Audio-based software products intended to serve the music industry. The company's software offers an algorithm for vocal and instrumental processing, pitch correction, enhancement, and special effects, thereby enabling clients to enhance and manipulate their voices.

Transaction Highlights

- Announced: **August 2023**
- Atairos makes a minority investment in Antares Audio, creator of Auto-Tune, joining existing investors Ulysses Management and Orkila Capital.
- Auto-Tune has become one of the largest and fastest-growing creator tools companies in the world.
- The partnership will provide Auto-Tune with financial and strategic resources as the company continues to expand.
- Investment amount of \$100 million

Selected Commentary

"Since it was first invented by Dr. Andy Hildebrand, **Auto-Tune has revolutionized the music industry and has indisputably become the sound of the 21st century.** We are proud that a world-class investor such as Atairos sees the massive untapped potential in using our technology to enhance creativity."

Steve Berkley, CEO at Auto-Tune



Serato Acquired by Pioneer DJ (AlphaTheta)

Transaction highlights expansion efforts of creator tools to the Pioneer DJ platform.

Company Overview

Headquarters: Auckland, New Zealand

Founded: 1998

Description: Serato is a developer of software for music production. The company has different products that target professional studios, DJs, producers, and recreational music creators.

Transaction Highlights

- Announced: **July 2023**
- AlphaTheta, parent company of Pioneer DJ, via its financial sponsor KKR, acquired Serato.
- Acquisition advances KKR's effort in the music creator space, particularly targeting DJs.
- Serato and AlphaTheta will continue to operate as stand-alone brands.
- Deal value of \$71.2 million (¥10.15 billion)

Selected Commentary

"I am delighted to announce the acquisition of Serato. Through extensive discussions within our company and with Serato's management team, we have been exploring new ways to contribute to the industry. Bringing Serato into the AlphaTheta Group will lead to **new synergies and significant technological innovations**, adding continued value to the community."

Yoshinori Kataoka, CEO at AlphaTheta

Recent Sector Transactions (cont.)



RBmedia Acquired by H.I.G. Capital

RBmedia acquisition represents financial sponsors' value of the audiobook industry.

Company Overview

Headquarters: Landover, Maryland

Founded: 2019

Description: RBmedia is the largest publisher of audiobooks in the world. RBmedia has published more than 60,000 titles and has the broadest distribution network reaching millions of listeners worldwide.

Transaction Highlights

- Announced: **July 2023**
- H.I.G. Capital acquired RBmedia from KKR for an undisclosed sum.
- Since KKR's investment in 2018, RBmedia has doubled the size of its catalog and expanded its distribution channels.
- The transaction marks H.I.G. Capital's entrance into the audiobook space and represents one of the largest audiobook transactions to date.

Selected Commentary

"The **audiobook market is set for significant growth** and investment in the coming years... We are thrilled to partner with RBmedia's world-class management team and to help them build on their success to date as they continue to shape the digital media landscape."

Aaron Tolson, Managing Director at H.I.G. Capital



Musixmatch Receives Significant Investment From TPG

Transaction highlights Musixmatch's aim to expand internationally and in new verticals.

Company Overview

Headquarters: Bologna, Italy

Founded: 2010

Description: Musixmatch is a developer of a global music data platform intended to change the way people experience music and lyrics. The company's platform offers a catalog of song lyrics and translations that are synchronized word-by-word.

Transaction Highlights

- Announced: **July 2022**
- TPG—through its middle-market and growth equity platform TPG Growth—made a significant strategic investment in Musixmatch.
- Partnership advances Musixmatch's mission to provide lyrical content, tools, enriched metadata, and services to a growing community.
- Musixmatch joins TPG's extensive portfolio of music and broader media investments, including Calm and Creative Artists Agency (CAA).

Selected Commentary

"We have long admired the impressive platform that Max and his team have built and believe Musixmatch's **unparalleled metadata catalog**, proprietary lyrics sourcing engine, and **extensive relationships** with streaming platforms and IP owners will **continue to position the company for success** in this large and growing market."

Jacqui Hawwa, Business Unit Partner at TPG Growth

Avid Technology to Be Acquired by STG for \$1.4 Billion

Transaction Overview



has entered into a definitive agreement to be acquired by



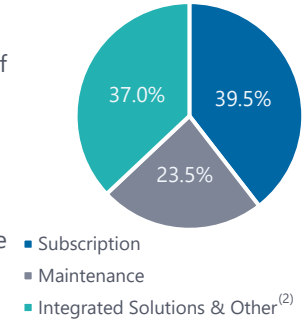
~\$1,400,000,000

- On August 9, 2023, Avid, a leading provider of software and integrated solutions to the media and entertainment industry, announced that it had entered into a definitive agreement to be acquired by an affiliate of STG, a leading private equity firm, in an all-cash transaction valuing Avid at approximately \$1.4 billion, inclusive of Avid's net debt.
- Under the terms of the agreement, Avid shareholders will receive \$27.05 in cash for each share of Avid common stock.
- The purchase price represents a premium of 32.1% over the company's unaffected closing share price on May 23, 2023.
- The transaction is expected to close in Q4 '23.

Avid Financial Profile and Q2 '23 Business Highlights

- Paid Cloud-enabled software subscriptions reached ~544,400 as of June 30, 2023 (+21% YoY).
- Subscription ARR was \$154 million as of June 30, 2023 (+27% YoY).
- Total ARR was \$248 million as of June 30, 2023 (+7% YoY).
- LTM recurring revenue percent was 83.3% of the company's revenue for the 12 months ending June 30, 2023, up from 79.7% for the 12 months ending June 30, 2022.

LTM Revenue Breakdown⁽¹⁾



Implied Transaction Multiples

3.3x
EV/LTM Revenue⁽¹⁾

18.6x
EV/LTM EBITDA⁽¹⁾

Avid Platform Overview



Creative Software Solutions

Digital Media Composition

Robust Editing Software

Sophisticated Digital Production



Enterprise Software Solutions

Media Production Suite

Post-Production Environments

Editorial Workflow Modules



Integrated Solutions

Shared Storage Systems

Live Sound and Console Systems

Video Servers and Broadcasting

Selected Deal Commentary

Avid has delivered technology that enables individuals and enterprises who create media for a living to make, manage, and monetize today's most celebrated video and audio content across the globe. We are pleased to announce this transaction with STG, who share our conviction and excitement.

—**Jeff Rosica**,
Avid CEO



STG has admired Avid's heritage as a category creator and pioneer in the media and entertainment software market for many years. We are excited to partner with Jeff and the management team to build on the company's history of delivering differentiated and innovative content creation and management software solutions.

—**William Chisholm**,
STG Partner



Sources: Press releases, SEC filings, company website.

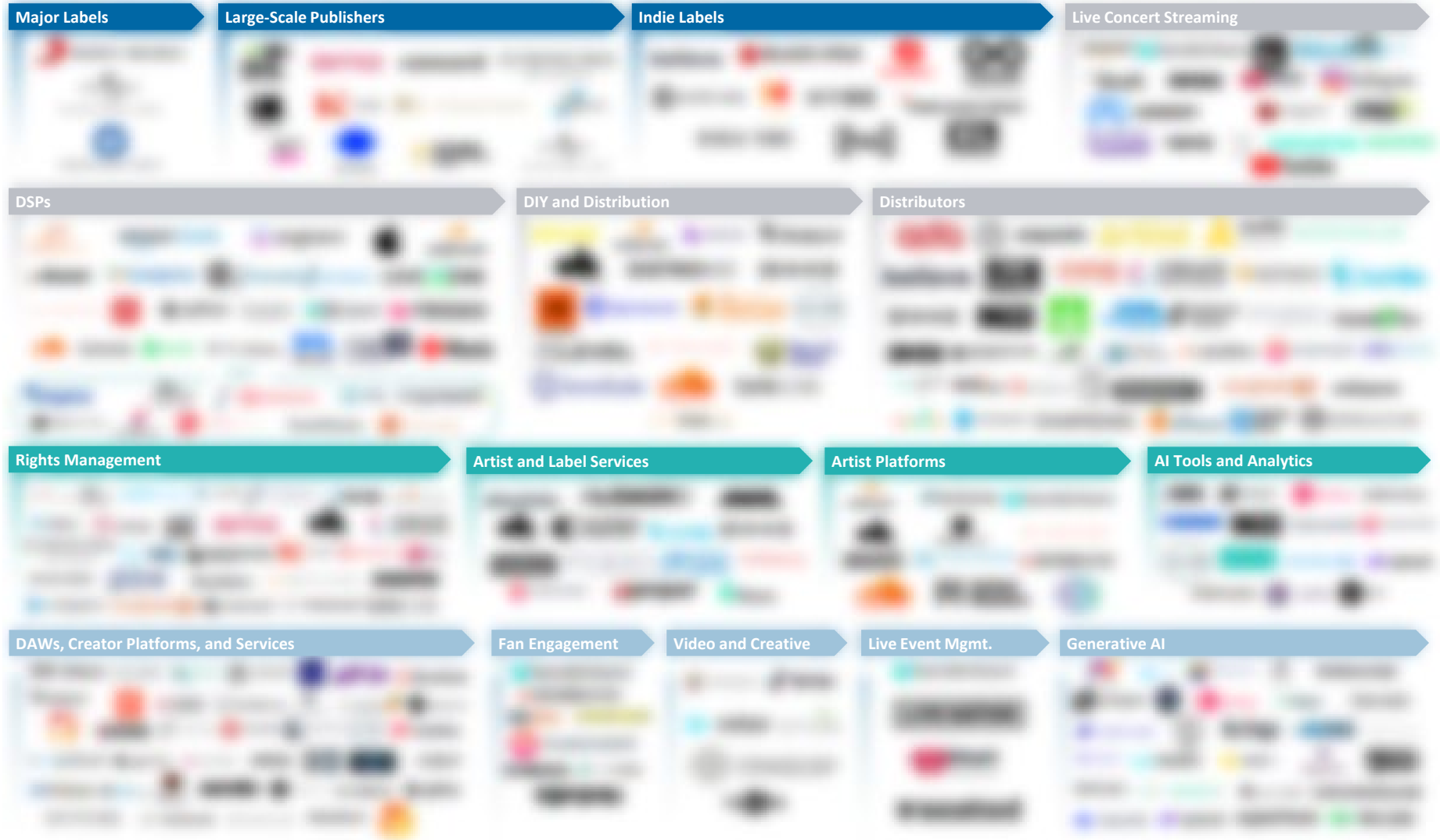
(1) LTM refers to the 12 months ending on June 30, 2023.

(2) Includes Professional Services and Training revenue.

The Music Landscape Is Evolving With Digital Replatforming

To view full market map, please contact:
John.Lambros@HL.com; DGossels@HL.com

**MUSIC
VALUE
CHAIN:**



Featured Audio Transactions

Featured 2023 Audio M&A Transactions

Date	Acquirer	Target	Enterprise Value (\$M)
Aug-23			\$1,400
Jul-23			~\$1,000 ⁽¹⁾
Jul-23			\$71
May-23			-
May-23			-
May-23			-
Mar-23			\$57
Mar-23			-
Feb-23			-
Feb-23			\$24
Feb-23			\$300

Featured 2023 Audio Private Placement Transactions

Date	Company	Investor(s)	Investment Size (\$M)
Aug-23		 Ahdriz Holding  	\$65
Aug-23			\$100
Jul-23			\$250 ⁽²⁾
Jul-23			\$20
Jun-23			\$15
Jun-23			\$170
May-23			\$25
May-23		 	\$32
Mar-23			\$100
Mar-23		  	\$75
Feb-23			\$100
Feb-23		 Asset Management	\$110

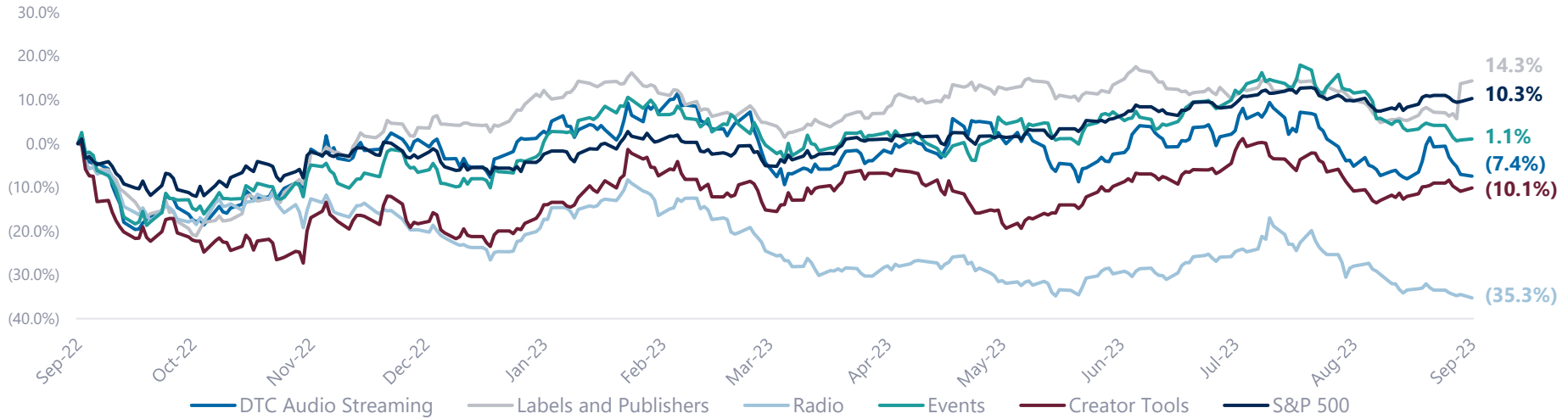
Sources: Company website, PitchBook, S&P Capital IQ.

(1) Houlihan Lokey estimate.

(2) A \$250 million credit facility from Victory Park Capital that will enable Stem to provide artists' advance checks.

Public Market Performance

LTM Share Price Performance



DTC Audio Streaming

(7.4%)

Labels and Publishers

14.3%

Radio

(35.3%)

Events

1.1%

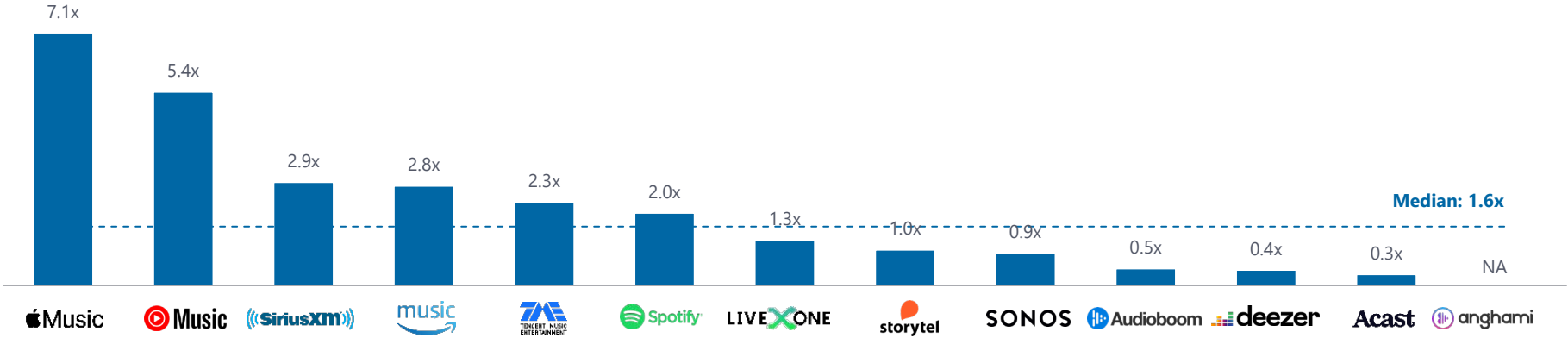
Creator Tools

(10.1%)

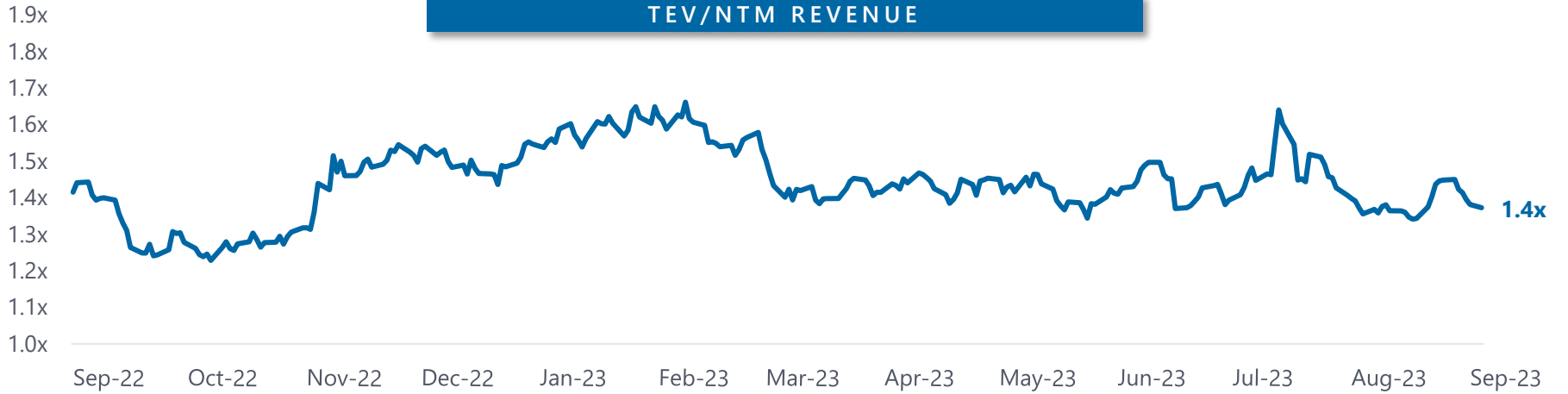
Source: S&P Capital IQ as of September 11, 2023.

Public Market Performance (DTC Audio Streaming)

TEV/CY 2023E REVENUE

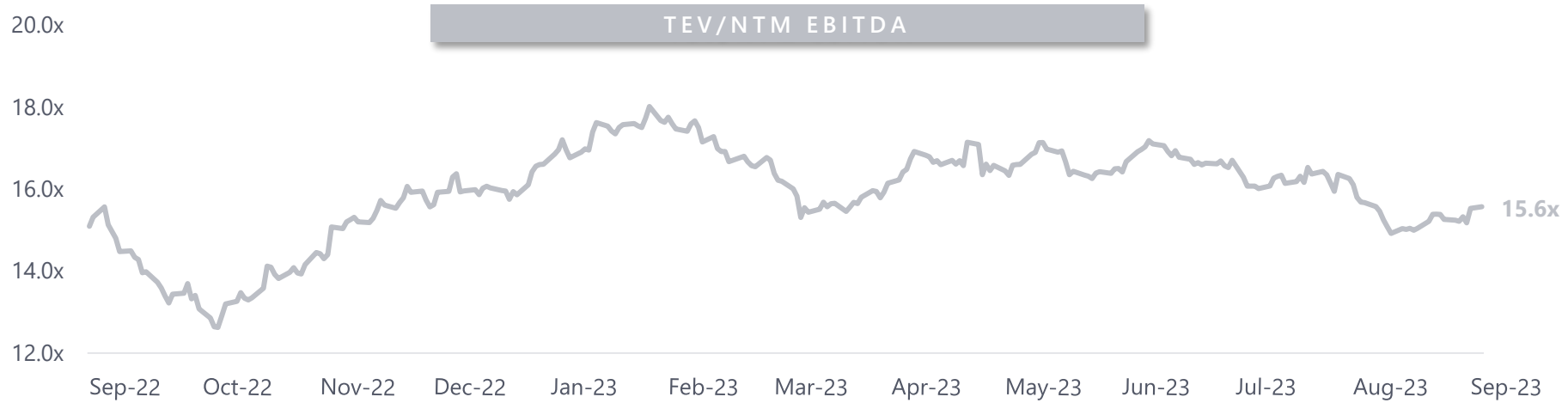
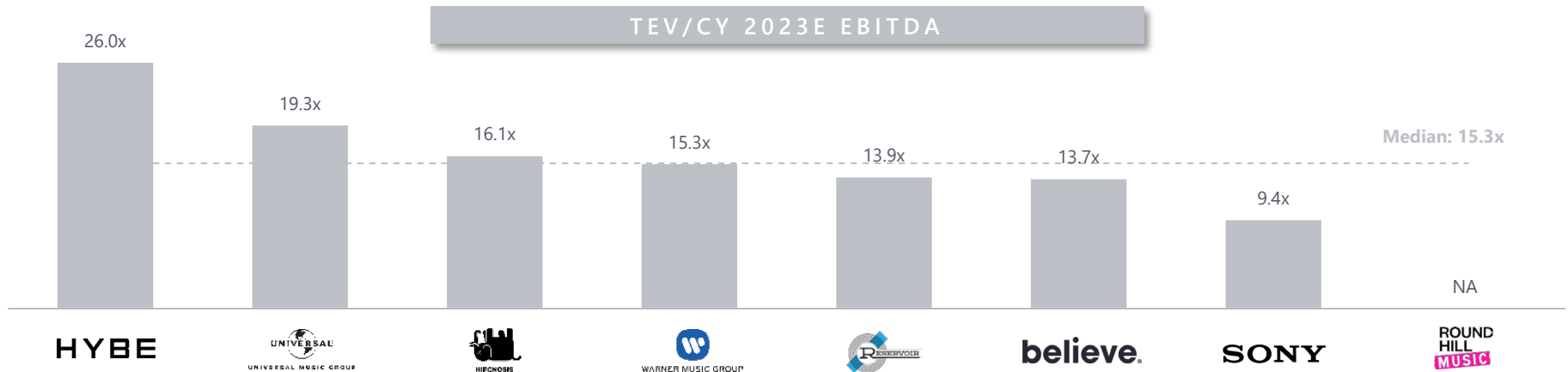


TEV/NTM REVENUE



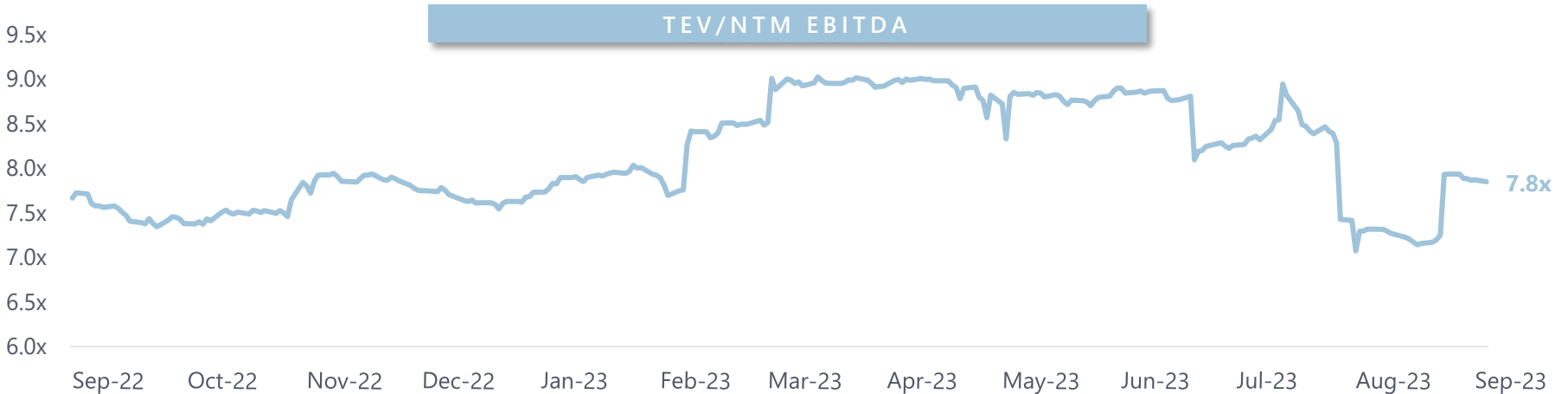
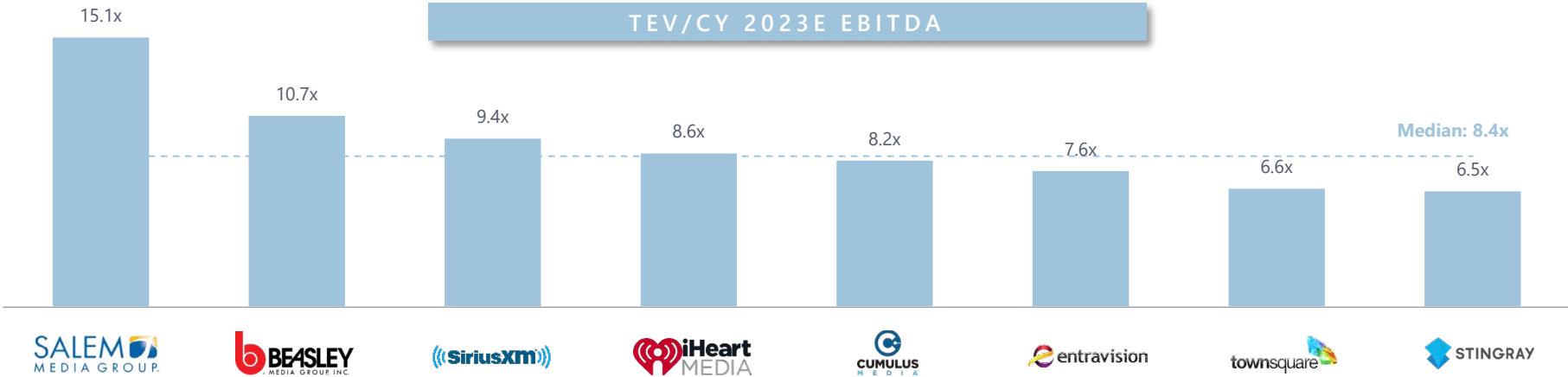
Source: S&P Capital IQ as of September 11, 2023.
 Note: TEV/Forward Revenue chart excludes Apple, Amazon, and Alphabet.

Public Market Performance (Labels and Publishers)



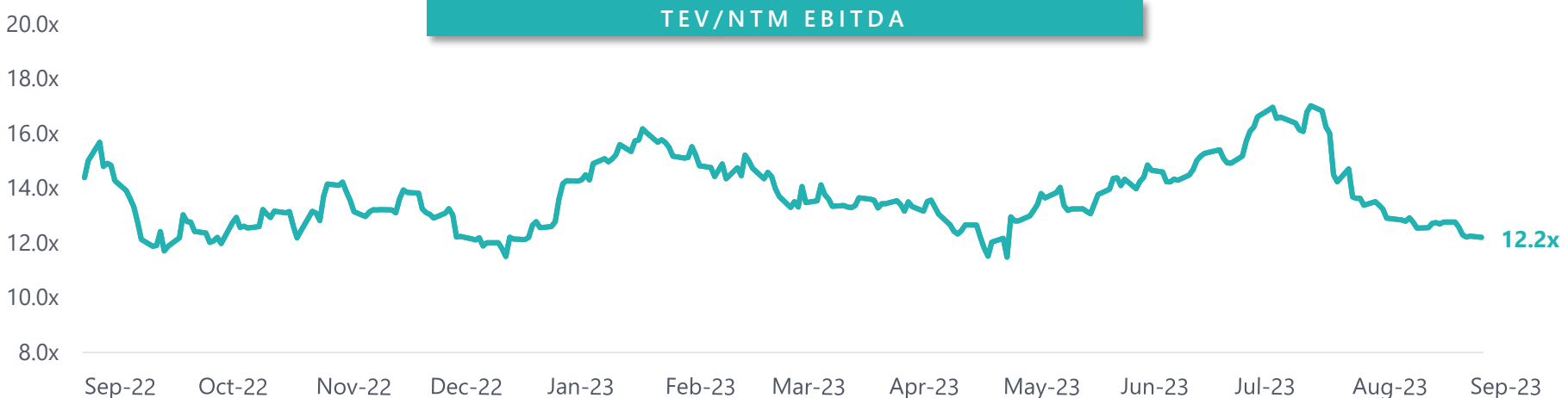
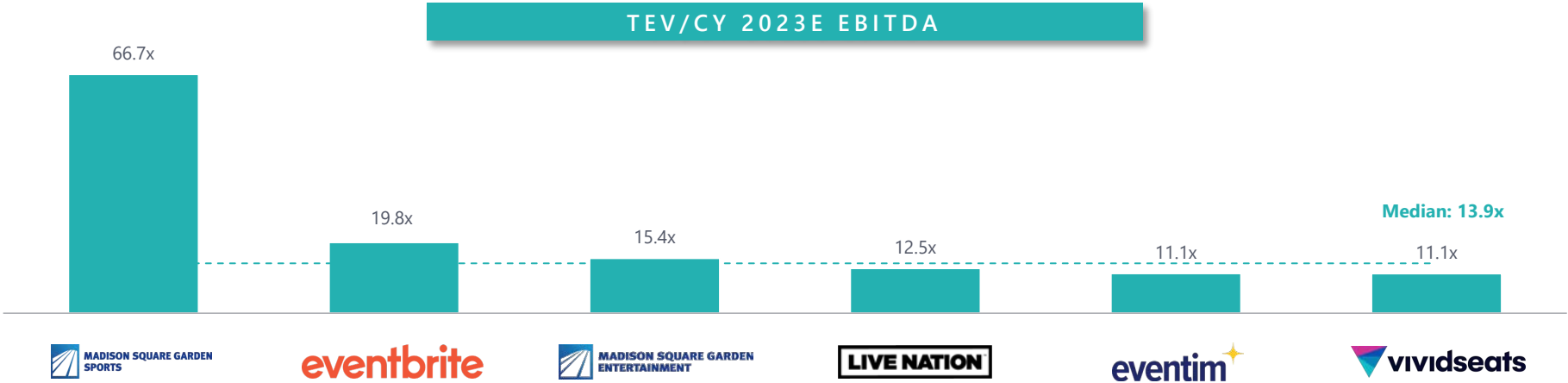
Source: S&P Capital IQ as of September 11, 2023.
 Note: TEV/Forward EBITDA chart excludes Round Hill Music.

Public Market Performance (Ratio)



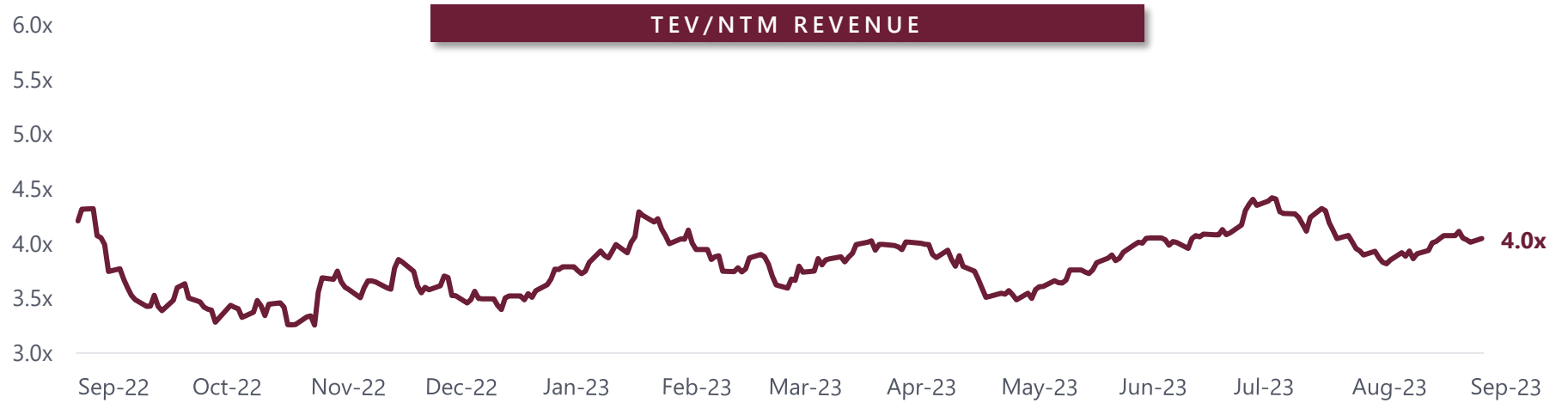
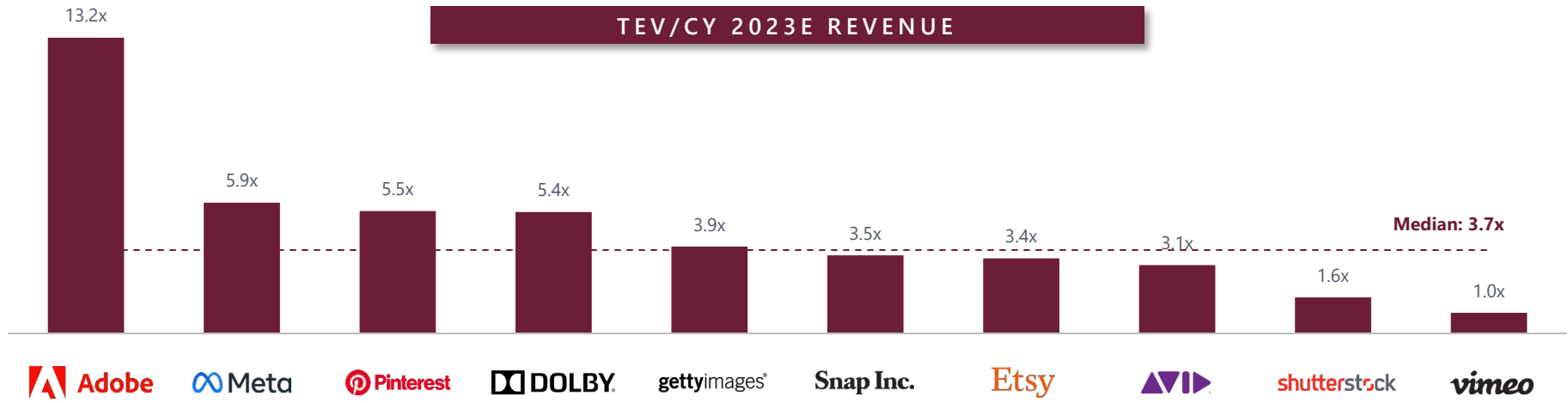
Source: S&P Capital IQ as of September 11, 2023.

Public Market Performance (Events and Ticketing)



Source: S&P Capital IQ as of September 11, 2023.

Public Market Performance (Creator Tools)



Source: S&P Capital IQ as of September 11, 2023.

Recent Sector M&A Detail

(\$ in Millions) Announced	Target	Acquirer	Target Description	Target TEV
Aug-23	Avid Technology	STG Partners	Developer of an open and integrated technology platform designed for digital media content production, management, secured content storage, and distribution.	\$1,400.0
Aug-23	Belift Lab	Hybe	Launched in 2018 as a Korean-based joint venture between Hybe and CJ ENM, Belift Lab was established to manufacture and promote idol groups. In November 2020, Belift launched Enhypen. The seven-member boy band emerged from the reality TV show <i>I-Land</i> and has since enjoyed three million-selling albums.	\$221.0
Jul-23	RBmedia	H.I.G. Capital	Provider of audiobooks and digital media intended for consumer, retail, professional, school, library, and infotainment markets.	--
Jul-23	Absolute Label Services	Management Buyout	Provider of music label services intended to help artists take their music to market.	--
Jul-23	Nelly (Selected Recorded Assets)	HarbourView Equity Partners	Recording artist music catalog.	\$50.0
Jul-23	Serato Audio Research Ltd.	AlphaTheta Corp. (Parent of Pioneer DJ)	DJ musician software creator tools for novice to professional musicians. The software is sold primarily on a monthly subscription basis. Serato was founded in 1998 and is based in Auckland, New Zealand.	\$71.0
Jun-23	LOGIC	Influence Media Partners	Recording artist music catalog.	--
Jun-23	Paul Simon Catalog	BMG	Recording artist music catalog.	--
Jun-23	Joey Tempest Catalog	Primary Wave	Music publishing catalog.	--
Jun-23	The Hollies Catalog	BMG	Recording artist music catalog.	--
Jun-23	Royal Streaming	Pamir Partners	Developer of exclusive sounds and music concepts intended to serve both local and global brands. The Swedish company offers branded music, handles everything from streaming to managing rights, and provides complete solutions for all stores in a large international chain and individual hotels.	--
May-23	Listen Entertainment	PodX Group	Operator of a radio and podcast production company based in Shirley, United Kingdom. The company creates podcasts, radio shows, and social-first content as well as distributes it on various podcast apps.	--
May-23	Proactiv	Sony Music Masterworks	Operator of an event management firm intended to produce and promote large-scale shows, international exhibitions, and music concerts. The company offers the production, promotion, organization, and communication of any show or event, among other services.	--
May-23	Callin	Rumble	Operator of a social podcasting platform intended to create, discover, and consume live and recorded audio content in one place. The company's platform provides users with quality audio podcasts that combine social audio and podcasting in a seamless fashion.	--
May-23	Comhear	WiSA Technologies	Operator of an audio technology company intended to bring people close together through pristine communication. The company's technology offers patented audio enhancement software and beamforming technology that enhances immersive entertainment with the physical sensation of sound.	--

Sources: S&P Capital IQ, PitchBook, 451 Research, Mergermarket, Music Business Worldwide.

Recent Sector M&A Detail (cont.)

<i>(\$ in Millions)</i> Announced	Target	Acquirer	Target Description	Target TEV
May-23	Blinkist	Go1	Operator of an app-based book summarizing platform intended to gather key insights from nonfiction books to read or listen to in short explanations.	--
Apr-23	Red 11 Music	Endeavor	Operator of a talent booking agency based in Austin, Texas. The company specializes in booking live performances for their clients at venues across the United States.	--
Apr-23	Bose Professional Division	Transom Capital Group	Developer of audio systems that are easy to design, install, and operate for performance, commercial, and conferencing applications, and has worked with AV integrators, system designers, installers, and consultants to deliver audio experiences.	--
Mar-23	Sentric	Believe	Developer of an online music publishing platform designed to empower artists and songwriters to collect the royalties they're owed and add creative value to their songs.	\$57.0
Mar-23	Clockenflap	Live Nation Entertainment	Operator of event organizing company based in Hong Kong, China. The company specializes in hosting music and arts festivals and events.	--
Mar-23	AudioSalad	SESAC Music Group	Platform that provides artist metadata and media asset management services as well as delivery and distribution services.	--
Feb-23	Hyperion Records	Universal Music Group	Operator of a music company intended to provide recordings of music of all styles and from all periods, from the twelfth century to the 21st. The company's specialties include classical music, recording, production, download, and distribution.	--
Feb-23	7digital Group PLC	Songtradr	7digital Group PLC is a business-to-business digital music and radio services company.	\$23.8
Feb-23	QC Media	Hybe	Provider of label and management services based in Atlanta, Georgia. The company specializes in creating music with several artists and producing music for online audio and video series catering to music enthusiasts, businesses, and individuals.	\$300.0
Jan-23	Justin Bieber Catalog	Hipgnosis	Recording artist music catalog.	\$200.0
Jan-23	Soundmouse	Orfium	Soundmouse provides music cue sheet reporting and monitoring for the broadcast and entertainment production spaces.	--
Jan-23	Dr. Dre	Shamrock Capital	Recording artist music catalog.	\$200.0
Dec-22	AMI Entertainment	Coral Tree Partners	Provides music and music video entertainment, as well as advanced digital advertising capabilities, to bars and restaurants through its digital jukebox offering.	\$175.0
Dec-22	Greg Wells	Beyond Music	Producer/songwriter Greg Wells' music catalog.	--
Dec-22	Keith Urban	Litmus	Recording artist music catalog.	--

Sources: S&P Capital IQ, PitchBook, 451 Research, Mergermarket, Music Business Worldwide.

Recent Sector Private Placement Detail

(\$ in Millions)

Announced	Target	Investor	Target Description	Investment Amount	Pre-Money Valuation
Aug-23	DICE	MUSIC, Ahdritz Holding, Structural Capital, Exor Ventures, Mirabaud Lifestyle Fund	A U.K.-based mobile ticketing platform for live music events.	\$65.0	--
Aug-23	Antares Audio Technologies	Atairos	Leading software vocal production product that has revolutionized the music industry and is used in the vast majority of The Billboard Hot 100 tracks.	\$100.0	--
Jul-23	Sound.xyz	Andreessen Horowitz, Snoop Dogg, Ryan Tedder, others	Allows artists to mint their songs on-chain as a non-fungible token (NFT) to sell directly to fans and has helped music creators generate \$5.5 million on their music sales since its beta launch in 2022. Raised a \$5 million seed round in December 2021.	\$20.0	--
Jun-23	Xposure Music	Lalotte Ventures	Developer of an artist development and music discovery platform intended to easily submit their music to an array of industry insiders. The company's platform helps to connect directly with recognized marketers, producers, and managers from the labels and companies.	--	--
Jun-23	Soundtrack Your Brand	MUSIC	Subscription-based music streaming service targeting SMBs, helping SMBs play music that fits their brand and managing the commercial licensing.	\$15.0	--
Jun-23	WAVs AI	Regal Investments	Generative AI music creation platform.	--	--
Jun-23	Beatclub	Anthem Entertainment	Operator of a digital global marketplace intended to connect the music creator community with record labels.	--	--
Jun-23	JKBX	Maywic Select Investments, Valor Equity Partners	Operator of a music investment platform intended to democratize ownership of music royalties using blockchain and securitization. The company offers fans, retail investors, and music lovers the opportunity to invest in music royalties at a scale.	\$16.1	\$60.0
Jun-23	Beyond Music	Praxis Capital	South Korea-based music catalog acquisition company that has made more than 70 catalog acquisitions as of June 2023. The firm says it manages nearly \$400 million in AUM and the rights to 27,000 songs.	\$170.0	--
May-23	Playlist (Movies, Music, and Entertainment)	Altos Ventures, Hana Securities	Operator of a digital platform intended to enjoy drama and music content from playlists. The company's platform specializes in producing and creating web drama content and is focused on the adult segment across a variety of genres and through enjoyable content.	\$10.7	--
May-23	Kuku FM	International Finance Corporation	Kuku FM is India's leading audio content platform that creates, produces, markets, and distributes exclusive premium audio content in the form of audiobooks, stories, summaries, courses, and more categories via its mobile app and website, available on Android and iOS.	\$10.0	--
May-23	BandLab	Cercano Management (formerly Vulcan Capital)	Developer of a social music-making platform designed to make music and share the creative process with musicians and fans.	\$25.0	\$400.0
May-23	ElevenLabs	Andreessen Horowitz	Developer of voice dubbing tools designed to automatically dub videos and podcasts into other languages.	--	--
May-23	Duetti	Presight Capital, Roc Nation, Viola Ventures	Operator of a music licensing platform intended to provide new and empowering financial prospects. The company's platform engages to buy catalog rights from independent musicians and monetize them with data and social media marketing.	\$32.0	--
Apr-23	Fireside Chat	Red Beard Capital, Paris Hilton, others	Developer of a next-generation podcast platform intended for creators to bring the audience into the story through live, interactive, virtual shows. The company's platform is made for podcasting and conversing with listeners through said podcasts.	\$25.0	\$113.0
Mar-23	Times Music	Primary Wave Music	A subsidiary of media giant Times of India Group, Times Music is an Indian record label and music publisher whose library represents bollywood, indie, pop, rock, regional, spiritual, and other non-film music genres.	\$100.0	--
Mar-23	Multimedia Music	Bardin Hill Investment Partners, Metropolitan Partners, Pinnacle Bank	Operator of a music group company focused on acquiring and managing music rights from commercially proven films and television series.	\$100.0	--
Mar-23	Trala	Seven Seven Six	Developer of a music education application designed to teach users to play the violin. The company's application offers tutorials, daily lessons, and real-time feedback on mistakes.	\$19.2	--
Mar-23	Netwerk Music Group	Beedie Capital, Flexpoint Ford, Vistara Growth	Operator of a record label and artist management company located in Vancouver, Canada. The company specializes in publishing and distributing music recordings and rosters.	\$75.0	--

Sources: S&P Capital IQ, PitchBook, 451 Research, Mergermarket, Music Business Worldwide.










































































Recent Sector Private Placement Detail (cont.)

(\$ in Millions)				Investment	Pre-Money
Announced	Target	Investor	Target Description	Amount	Valuation
Feb-23	Cutting Edge Media Music	Pinnacle Financial Partners	Financing and investment company and operating units that provide music publishing, record label, and other music services to feature films, TV shows, musical theatre productions, and video games.	\$100.0	--
Feb-23	Beatclub	Hipgnosis Songs	Operator of a digital global marketplace intended to connect the music creator community with record labels.	\$17.6	--
Feb-23	Fever	Goldman Sachs	Live entertainment tech company that runs exclusive events and directs its users to restaurants, concerts, night life, sports events, fashion shows, pop-ups, and more.	\$110.0	--
Jan-23	Yuehua Entertainment	HengTen Networks Group, Maoyan	YH Entertainment Group is an artist management company in China. The company has grown into a cultural and entertainment platform comprising three complementary business segments of artist management, music IP production and operation, and pan-entertainment business.	\$489.8	--
Dec-22	Audio Up	Ben Lurie, others	Podcast content creator focused on the development and ownership of premium audio IP.	\$10.0	\$150.0
Nov-22	Vampr	Downtown Music	Vampr, launched in 2016, is dubbed as the "LinkedIn for Creatives."	--	--
Nov-22	Orfium	Big Pi Ventures	Orfium is a music management platform that identifies online copyright violations and monetizes content for producers, publishers, record companies, and other IP owners.	\$27.0	--
Nov-22	Wonder Inventions	IVP	The company's platform automatically composes tracks that synchronize precisely with their source video, allowing creators to forego stock music.	\$30.0	--
Oct-22	Stability AI	Coatue, Lightspeed, O'Shaughnessy Ventures	Developer of an open AI tool that allows users to create images and audio based on text inputs.	\$101.0	\$1,000.0
Oct-22	Primary Wave	Brookfield Asset Management and CAA	An independent music publisher with a portfolio that includes songs by Stevie Nicks, Whitney Houston, etc. Primary Wave also raises and manages funds that are used to acquire music rights.	\$1,700.0	--
Sep-22	Kuku FM	Fundamentum, Paramark, existing investors	Kuku FM is India's leading audio content platform that creates, produces, markets, and distributes exclusive premium audio content in the form of audiobooks, stories, summaries, courses, and more categories via its mobile app and website, available on Android and iOS.	\$21.8	--
Sep-22	Podimo	83North, Headline, Heartcore, Highland Europe, Saban, others	Podimo is a podcast and short-form audio platform that offers personalized recommendations for users and supports podcast creators through a revenue share model, driven by its subscription-based service.	\$57.0	--
Aug-22	Proof	Andreessen Horowitz, BR Capital, Flamingo DAO, others	Operator of a media, podcast, and in-person event company intended for NFT members.	\$50.0	--
Aug-22	Songfinch	Valor Equity Partners	Developer of an online music platform intended to let users buy personalized songs from musicians.	\$17.0	--
Jul-22	Musixmatch	TPG Growth	Musixmatch is an Italian music data company and platform for users to search and share song lyrics with translations. It is the largest platform of this kind in the world, having 80 million users, 8 million lyrics, and 130+ employees.	--	--
Jul-22	Stationhead	Buttonwood Group Advisors	Stationhead is a social music platform for artists and fans to connect, livestream, create, and share curated playlists. The platform has five million users, with 30k stations across 200 countries.	\$12.0	--
Jul-22	AssemblyAI	Insight Partners, Accel, Y Combinator, others	Developer of a speech recognition system that uses AI to automate audio transcriptions.	\$30.0	--
Jul-22	Blue Wire	Pirate Entrepreneurship Fund, Dot Capital, East Carolina Angels	Blue Wire is a sports podcasting network, with 150+ podcasts that create high-quality, original audio content, and has partnered with world-class athletes who are looking to grow their audio platform and expand their influence.	\$2.5	--
Jun-22	Nextory	Acacia Asset Management, Industrifonden, LK Finans	Sweden-based subscription model audiobook platform allowing users to download and listen to a library of books and comics.	\$10.0	--

Sources: S&P Capital IQ, PitchBook, 451 Research, Mergermarket, Music Business Worldwide.

Featured Audio Market Experience

Houlihan Lokey professionals have unparalleled experience in advising audio companies across a wide range of transactions.















































 <p>has been merged into</p>  <p>Merger Advisor</p>	 <p>completed an \$80M share/warrant repurchase, representing 100% of the outstanding securities of</p>  <p>Financial Advisor</p>	 <p>has sold a majority stake in</p>  <p>to</p>  <p>Sellside Advisor*</p>	 <p>has acquired</p>  <p>Buyside Advisor</p>	 <p>has successfully placed a senior secured credit facility in support of an acquisition</p> <p>Placement Agent</p>	 <p>has been acquired by</p>  <p>a portfolio company of</p>  <p>Sellside Advisor</p>	 <p>has made an investment in</p>  <p>Financial Advisor*</p>	 <p>has acquired</p>  <p>Buyside Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>
 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has completed a financing transaction in connection with its acquisition of</p>  <p>Fairness Opinion</p>	 <p>has been acquired by EV Events Center, LLC a joint venture between Brooklyn Sports & Entertainment and AEG Presents with its regional partner The Bowery Presents</p>  <p>AEG PRESENTS</p> <p>Sellside Advisor</p>	 <p>parent company of</p>  <p>has received financing from</p> <p>Coran Capshaw Founder of</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>A portfolio company of</p>  <p>Sellside Advisor</p>	 <p>has confirmed a Chapter 11 Plan of Reorganization, restructuring approximately \$450 million of debt</p> <p>Second Lien Noteholder Advisor</p>	 <p>has received a strategic investment from</p>  <p>Sellside Advisor*</p>
 <p>has acquired</p>  <p>Financial Advisor*</p>	 <p>a portfolio investment of</p>  <p>Valuation Opinion</p>	 <p>\$50,000,000 Financing</p>  <p>Financial Advisor*</p>	 <p>has been acquired by</p>  <p>Financial Advisor*</p>	 <p>investment from</p>  <p>Financial Advisor*</p>	 <p>has exchanged stations with</p>  <p>Financial Opinion</p>	 <p>has been acquired by</p>  <p>Financial Advisor*</p>	 <p>has divested its equity stake in</p>  <p>to</p>  <p>Financial Advisor*</p>	 <p>Secured Financing</p> <p>Financial Advisor*</p>
 <p>has raised equity from Wood Creek Capital to acquire</p>  <p>Financial Advisor*</p>	 <p>Beats Electronics, LLC has licensed certain trademarks and trade names to</p> <p>Daisy, LLC</p> <p>Fairness Opinion</p>	 <p>has been acquired by</p>  <p>Financial Advisor*</p>	 <p>has been acquired by</p>  <p>Financial Advisor*</p>	 <p>has been acquired by</p>  <p>Sellside Advisor</p>	 <p>has been acquired by</p>  <p>Sellside Advisor*</p>	 <p>Preferred Stock Offering</p>  <p>Financial Advisor*</p>	 <p>has acquired</p>  <p>Buyside Advisor*</p>	 <p>\$9,500,000 Series E Preferred Stock</p>  <p>balderston capital</p> <p>Financial Advisor*</p>

Tombstones included herein represent transactions closed from 2010 forward

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Featured Audio Market Experience (cont.)

Houlihan Lokey is a leader in providing valuation and financial opinions in the media and entertainment industry.

 <p>has completed a financing transaction in connection with its acquisition of</p>  <p>Fairness Opinion</p>	 <p>has acquired</p> <p>axstv HDNET+MOVIES</p> <p>We rendered a valuation opinion for financial reporting purposes to Anthem Sports & Entertainment regarding the acquisition of HDNet LLC a/k/a AXS TV</p> <p>Financial Opinion</p>	 <p>Beats Electronics, LLC</p> <p>has licensed certain trademarks and trade names to</p> <p>Daisy, LLC</p> <p>We rendered a valuation opinion for tax & financial reporting purposes to The Topps Company regarding its sports & entertainment business</p> <p>Fairness Opinion</p>	 <p>has licensed certain trademarks and trade names to</p> <p>Daisy, LLC</p> <p>We rendered a valuation opinion for tax & financial reporting purposes to The Topps Company regarding its sports & entertainment business</p> <p>Financial Opinion</p>	 <p>a portfolio investment of</p>  <p>Valuation Opinion</p>	<p>Axon Copyrights, LLC dba Concord Music</p> <p>concord</p> <p>has acquired certain assets of Downtown Music Holdings</p> <p>DOWNTOWN</p> <p>Financial Opinion</p>	<p>Alchemy Copyrights, LLC dba Concord Music</p> <p>concord</p> <p>has acquired certain music catalogs of Genesis, Phil Collins, Michael Rutherford, and Anthony Banks</p> <p>Financial Opinion</p>	<p>Iconoclast Fund GP, LLC</p>  <p>ICONOCLAST</p> <p>has acquired certain music catalogs of Empire of the Sun and Murder Inc.</p> <p>Financial Opinion</p>	 <p>Valuation of a film library for collateral lending purposes in connection with Sound Point Capital Management's acquisition of Relativity Media.</p>  <p>Collateral Valuation</p>
 <p>Provided financial advisory services and a valuation opinion in connection with the purchase of Tribune Media's 5% interest in Chicago Entertainment Ventures, LLC</p> <p>Financial Opinion</p>	 <p>has successfully completed the spin-off of</p>  <p>Houlihan Lokey provided financial opinions to the Board of Directors of both Twenty-First Century Fox and Fox Corporation.</p> <p>Financial Opinion</p>	 <p>Valuation of a film and television library for collateral lending purposes</p> <p>Collateral Valuation</p>	 <p>Accelerated Global Content, LLC</p> <p>Valuation opinion in connection with strategic initiatives following AGC's launch</p> <p>Financial Opinion</p>	 <p>We rendered a valuation opinion for financial reporting purposes to MGM regarding its intangible assets including the MGM film and television library</p> <p>Financial Opinion</p>	<p>Alchemy Copyrights, LLC dba Concord Music</p>  <p>has been acquired by Axton Copyrights, LLC</p> <p>We rendered a valuation opinion for financial reporting purposes to Axton Copyrights regarding its acquisition of Concord Music</p> <p>Financial Opinion</p>	<p>Axon Copyrights, LLC dba Concord Music</p> <p>concord</p> <p>has acquired certain assets of Downtown Music Holdings</p> <p>DOWNTOWN</p> <p>Financial Opinion</p>	 <p>has acquired a controlling interest in</p>  <p>Kids Station Inc.</p> <p>We rendered a valuation opinion for financial reporting purposes to Sony Pictures Television Inc. regarding the intangible assets of Kids Station Inc.</p> <p>Financial Opinion</p>	 <p>has completed a special dividend recapitalization through an add-on to its existing term loan</p> <p>Financial Opinion</p>
 <p>has acquired an interest in</p>  <p>from</p>  <p>Valuation Specialist / Services</p>	 <p>has acquired</p>  <p>Financial & Tax Due Diligence</p>	 <p>We rendered a valuation opinion for financial reporting purposes to Yankee Entertainment & Sports Network</p> <p>Financial Opinion</p>	 <p>Valuation opinion in connection with a potential transaction</p> <p>Financial Opinion</p>	 <p>has completed a spin-off of</p>  <p>Financial Opinion</p>	 <p>We rendered a valuation opinion for corporate planning purposes to Image Entertainment regarding its film and television library</p> <p>IP Valuation</p>	<p>CrownMedia HOLDINGS, INC.</p> <p>has completed a recapitalization transaction with</p>  <p>Financial Advisor & Fairness Opinion</p>	 <p>formerly known as</p>  <p>has completed the restructuring of €2.8 billion of debt</p> <p>Financial Opinion</p>	 <p>ValueVision Media, Inc.</p> <p>has entered into an agreement to restructure and extend its Series A Redeemable Convertible Preferred Stock held by</p> <p>GE Capital Equity Investments, Inc.</p> <p>The Series A Redeemable Convertible Preferred Stock has been exchanged for: 4.9 million shares of 12% Series B Redeemable Preferred Stock due 2014; Warrants to purchase 6.0 million common shares at \$0.75 per share \$3.4 million cash</p> <p>Financial Advisor & Fairness Opinion</p>
<p>Red Envelope Entertainment, LLC</p> <p>a subsidiary of</p>  <p>Netflix, Inc.</p> <p>Financial Opinion</p>	 <p>has been acquired by</p> <p>Citadel Limited Partnership and NBC Universal, Inc.</p>  <p>Financial Opinions</p>	 <p>We rendered a valuation opinion for financial reporting purposes to Hastco, Inc. regarding the feature film</p>  <p>Financial Opinion</p>	 <p>has paid a special dividend of \$10 per share on its common stock (approximately \$3 billion in aggregate)</p> <p>Financial Opinion</p>	<p>Providence Equity Partners, 3i Investments plc, and Sparrowhawk Media (the "Consortium")</p> <p>have acquired the international businesses of the</p>  <p>for approximately \$242 million</p> <p>Financial Opinion</p>	 <p>HOB Entertainment, Inc. has completed a \$110 million recapitalization of its preferred and common stock</p> <p>Financial Advisor & Fairness Opinion</p>	 <p>DreamWorks Animation, Inc.</p> <p>has separated from</p>  <p>DreamWorks LLC</p> <p>a new publicly traded corporation</p> <p>Financial Opinion</p>	<p>Sony Corporation of America, Providence Equity Partners, Texas Pacific Group, DLI Merchant Banking Partners and Comcast Corporation (the "Consortium")</p> <p>have agreed to acquire</p>  <p>for approximately \$4.85 billion</p> <p>Financial Opinion</p>	 <p>has successfully completed a financial restructuring of its €2.4bn credit facilities</p> <p>Company Advisor</p>

Tombstones included herein represent transactions closed from 2004 forward.

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