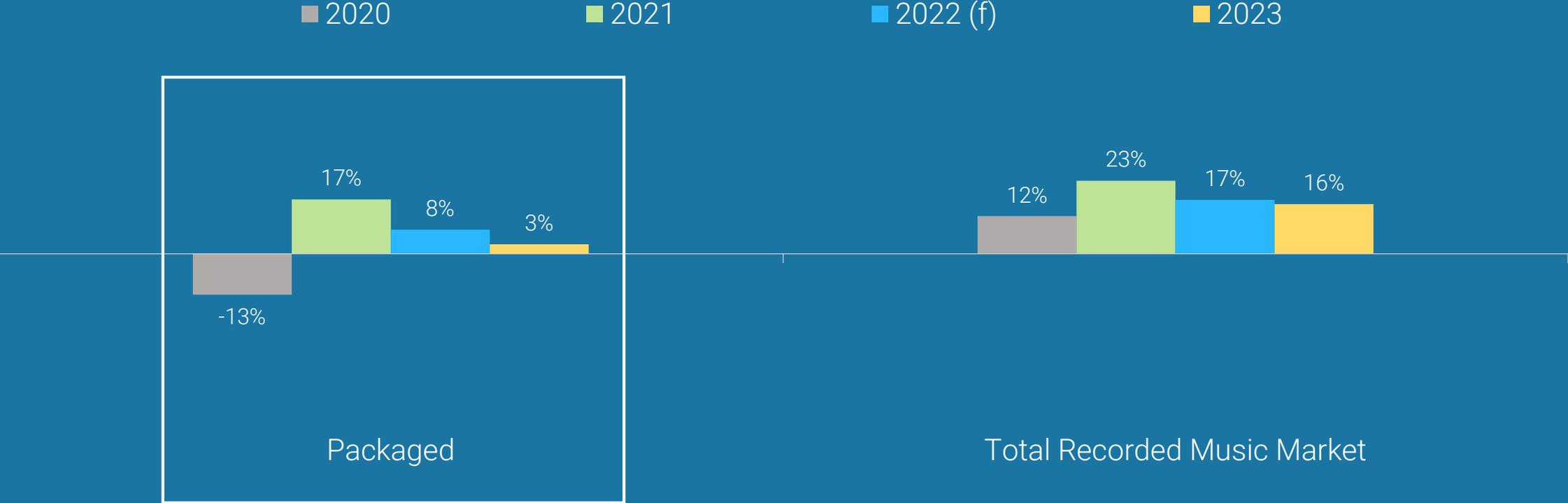


# Vinyl By The Numbers

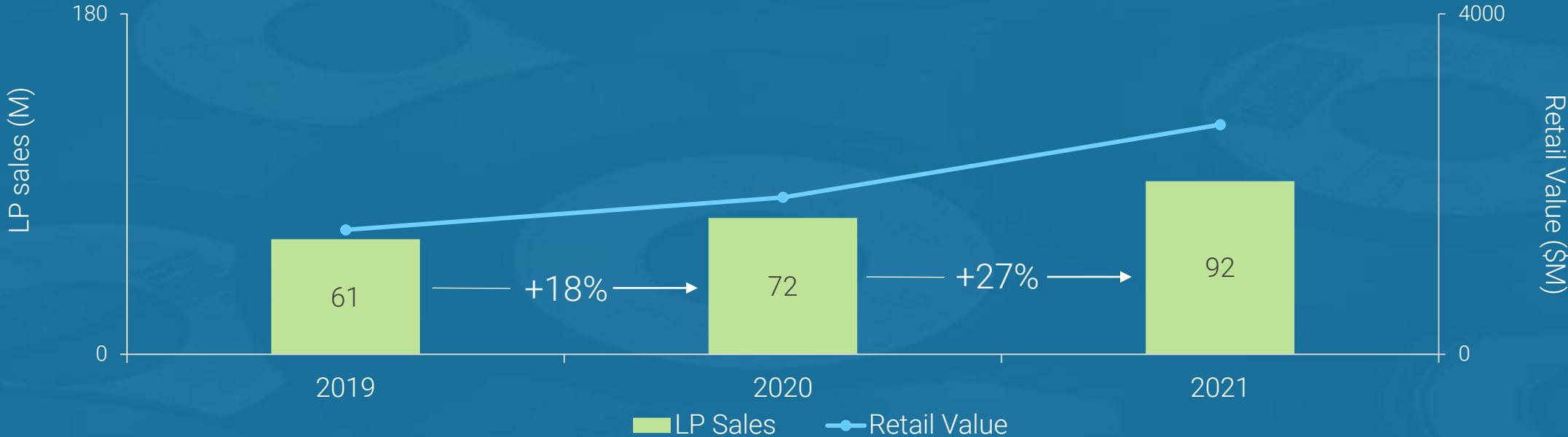
# PACKAGED MUSIC GETTING BACK TO GROWTH

## YoY Change in Global Consumer Spend on Music by Format



# GLOBAL VINYL MARKET BOOMING DURING THE PANDEMIC

Global Vinyl Album (LP) Market Overview, 2019-2021



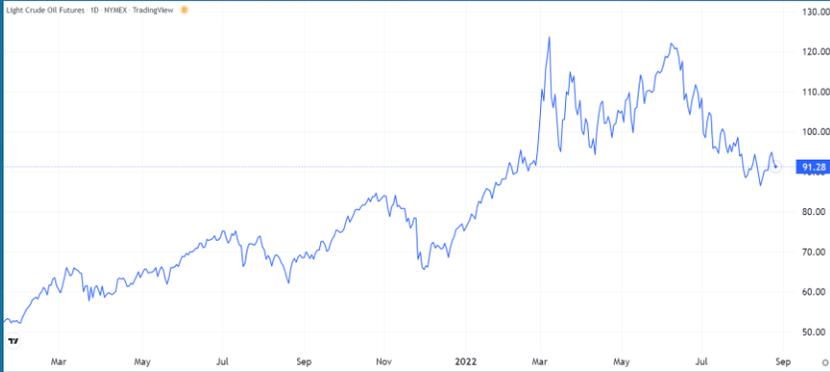
- | Artists and labels heavily embracing vinyl
  - Direct to consumer channels becoming increasingly important
- | Abba, Adele and Ed Sheeran driving sales in Q4 2021
- | Continuous demand from larger pool of customers

# VINYL SUPPLY DISRUPTIONS STABILISING

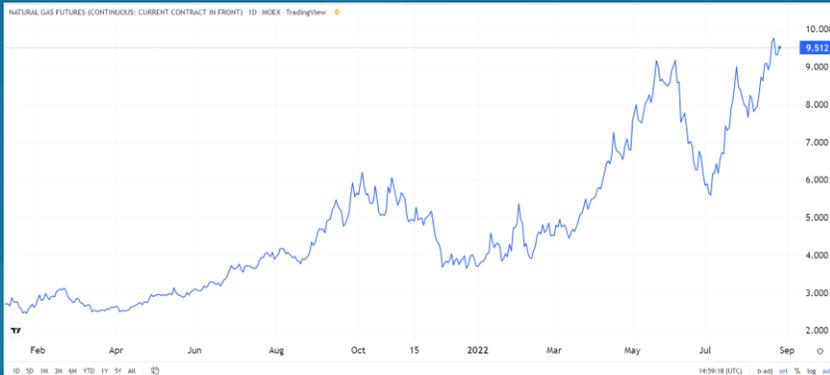
- | Vinyl pressing plant increased capacity in 2021 and 2022
- | New pressing machines backlog + Bottleneck with stamper manufacturing
- | Shipping and transport disruptions
- | Important and long-term labour shortages
- | Price of raw materials skyrocketed in 2021 and in 2022
- | Vinyl supply chain adapted to these new market conditions
- | Able to work around shortages but production cost continues to increase



# CONFLICT IN UKRAINE AND INFLATION IN 2022



Crude Oil Index Progression 2021-2022\*



Natural Gas Index Progression 2021-2022\*

| Russia is a key supplier of Gas, Petrol and Nickel

- An embargo on Russian gas could have a significant impact in Europe

| Growing concerns around inflation in most markets

| Consumers expected to buy less vinyl than they did in 2021

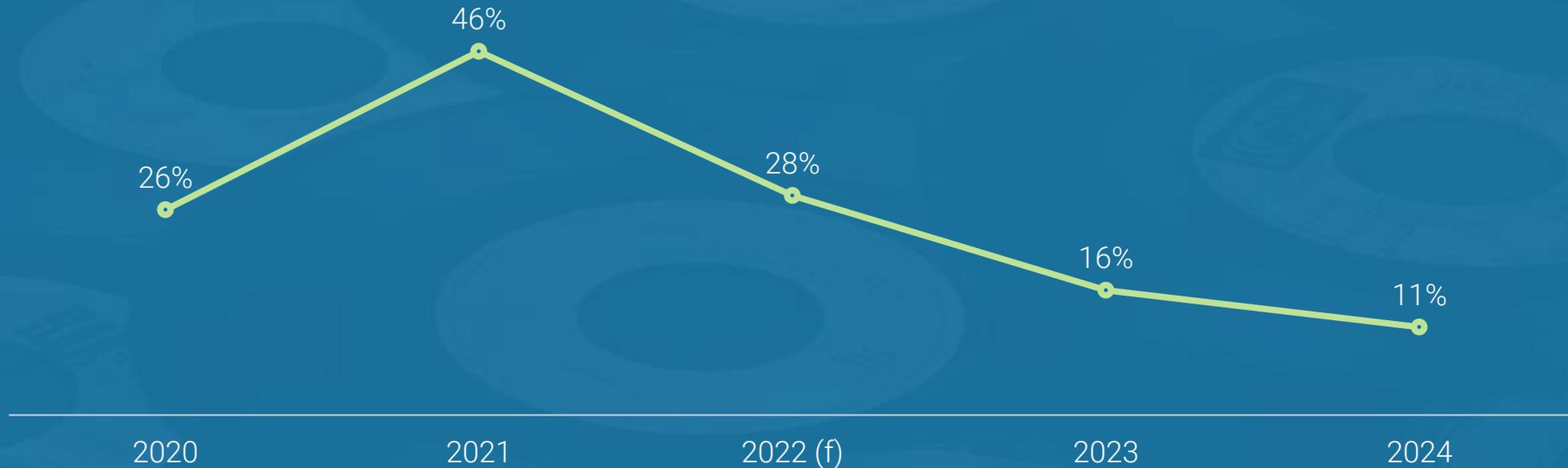
- Vinyl is replaceable and increasingly a luxury product

| Yet larger pool of customers expected to compensate

\*Source: Trading View

# VINYL MARKET OUTLOOK

Growth of Global Consumer Spend on Vinyl, 2020-2024 (f)



| From 2023, market forecasted to stabilise

- Supply challenges expected to improve
- Vinyl to become a “Forever Format”
- Consumers shifting from collectors to listeners

# VINYL TO BECOME A FOREVER FORMAT – CONSUMER INSIGHTS

Vinyl Buyers Increasingly Owning a Turntable\*

90% Of Vinyl Buyers Own a Turntable

Do You Listen to All of the Vinyl that You Buy?\*\*\*

52%

Of Vinyl Buyers **Don't** Listen to All of the Vinyl that they Buy

\*Taken from Futuresource's Living With Digital Consumer Research. February 2022. 14,028 respondents evenly spread between the US, CA UK, DE, FR, ES, IT. Nationally representative sample.

\*\*Taken from Futuresource's Audio Tech Lifestyles Consumer Research. August 2022. 10,202 audio hardware owners evenly spread between the US, UK, DE, JP, CN

# AUDIO BRANDS EASING ADOPTION ON VINYL

| Audio products are increasingly vinyl friendly

- Wireless speakers with analog input
- Some models even have built-in phono stage

| Turntable manufacturers launching more affordable models

- Some with Bluetooth connectivity to use with wireless speaker





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