Warner Music Group Corp.

WMG

Nasdaq; other; SIC 7900, Services-Amusement & Recreation Services; CIK 0001319161

D

fourth fifth of 335 graded peers in other

rank 246 of 335; percentile 73.4; sampling error 2.6 points; lower is stronger

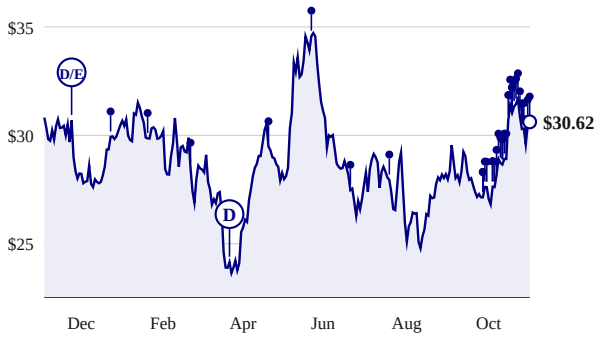
A B C D E

D, the sloth



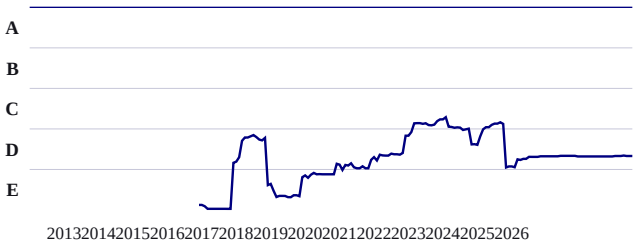
Scoreboard	
Profitability	B/C percentile 40.4
Solvency	D percentile 70.5
Growth and financing	C/D percentile 59.0
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $9.8B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: dilution, distress
Inputs computable	11 of 14
Graded from	filings received through Nov 20, 2025 347 days before the rescan; latest periodic filing 10-Q received Aug 5, 2026
Last close	$30.61 2026-10-30; market equity $0; no price enters the letter

Share price, twelve months to the rescan



Split-adjusted close. Each lollipop is a rescan and carries the letter held then.

Letter at every rescan, 2012 to 2026



Sector percentile at each rescan, stronger toward the top; facts filed by each date only.

Business, in the company's words

opening of Item 1 of the 10-K received Nov 20, 2025

Warner Music Group Corp. (the "Company") was formed on November 21, 2003. We are the direct parent of WMG Holdings Corp. ("Holdings"), which is the direct parent of WMG Acquisition Corp. ("Acquisition Corp."). Acquisition Corp. is one of the world's major music entertainment companies. The Company and Holdings are holding companies that conduct substantially all of their business operations through their subsidiaries. The terms "we," "us," "our," "ours" and the "Company" refer collectively to Warner Music Group Corp. and its consolidated subsidiaries, unless the context refers only to Warner Music Group Corp. as a corporate entity.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

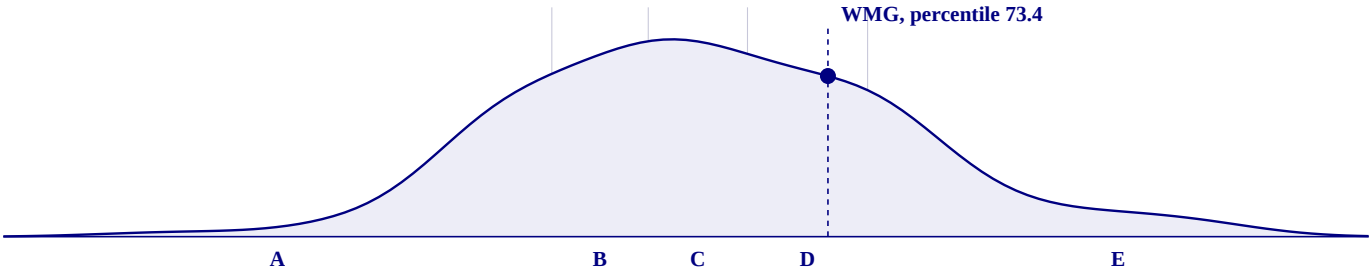
Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 40.4						
Gross profitability	31.3%	27.0%		41.3	287	2025-09-30
Return on invested capital	12.6%	10.0%		36.7	151	2025-09-30

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Accruals ratio	(3.3%)	(5.8%)	68.3	500	2025-09-30
Gross margin stability, five years	0.9 pts	2.2 pts	15.3	204	2025-09-30
Solvency, sleeve percentile 70.5					
Twelve-month failure probability	not computable	0.04%			
liabilities and a nearby cover-page share count are required at 2026-06-30					
Altman Z double-prime	(0.85)	2.06	64.8	384	2025-09-30
Net debt to EBITDA	3.58x	2.52x	63.5	182	2025-09-30
Interest coverage	not computable	2.45x			
latest aligned inputs end 2012-09-30; latest annual assets end 2025-09-30					
Current ratio	0.66x	1.33x	83.3	505	2025-09-30
Growth and financing, sleeve percentile 59.0					
Revenue growth, three-year compound	4.3%	5.1%	51.0	397	2025-09-30
Free cash flow growth, three-year compound	(3.9%)	8.9%	67.9	219	2025-09-30
Reinvestment rate	(79.0%)	11.9%	83.6	190	2025-09-30
Asset growth, three years	7.9%	4.1%	33.5	434	2025-09-30
Net share issuance, one year	not computable	(0.5%)			
raw and split-adjusted prices do not align at 2019-11-27					

Among 335 peers

other; letters are fifths of this list



Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.

Rank	Company	Percentile	Letter	Warnings
241	Travel & Leisure Co. (TNL)	71.9	D	
242	Alight, Inc. Delaware (ALIT)	72.2	D	
243	Monarch Casino & Resort Inc. (MCRI)	72.5	D	
244	Royal Caribbean Cruises Ltd. (RCL)	72.8	D	
245	Priority Technology Holdings, Inc. (PRTH)	73.1	D	
246	Warner Music Group Corp. (WMG)	73.4	D	
247	Genco Shipping & Trading Ltd. (GNK)	73.7	D	
248	Groupon, Inc. (GRPN)	74.0	D	
249	Insperity, Inc. (NSP)	74.3	D	
250	Heartland Express Inc. (HTLD)	74.6	D	
251	AIR T Inc. (AIRT)	75.0	D	

What the price implies

at the 2026-10-30 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(11.4%)	(0.6%)	41
Distance from 52-week high	(11.8%)	(23.9%)	68
EBIT to enterprise value	not computable	4.3%	
Free cash flow yield	not computable	4.1%	
Book value to price	not computable	0.34	
Sales to price	not computable	0.70	

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Composite equity issuance, five years	not computable	(8.8%)	
Relative strength against the sector, log excess return	(0.24)	(0.13)	41

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-09-30	
Return on assets above zero	pass
Operating cash flow above zero	pass
Return on assets improved	fail
Operating cash flow exceeds net income	pass
Long-term leverage fell	pass
Current ratio improved	fail
No new shares issued	fail
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$618.0M
Operating cash flow, four quarters	$939.0M
Months of runway	not finite
Days since last periodic filing	89 (10-Q received Aug 5, 2026)
Median daily dollar volume, 63 sessions	$56.6M

Sources

every fact behind the inputs; each row links to its filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$6.7B	2025-09-30	2025-11-20	10-K	25-000034
2	cost of revenue	us-gaap:CostOfRevenue	$3.6B	2025-09-30	2025-11-20	10-K	25-000034
3	assets	us-gaap:Assets	$9.8B	2025-09-30	2025-11-20	10-K	25-000034
4	operating income	us-gaap:OperatingIncomeLoss	$694.0M	2025-09-30	2025-11-20	10-K	25-000034
5	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$490.0M	2025-09-30	2025-11-20	10-K	25-000034
6	income tax	us-gaap:IncomeTaxExpenseBenefit	$120.0M	2025-09-30	2025-11-20	10-K	25-000034
7	total debt	us-gaap:LongTermDebt	$4.4B	2025-09-30	2025-11-20	10-K	25-000034
8	book equity	us-gaap:StockholdersEquity	$647.0M	2025-09-30	2025-11-20	10-K	25-000034
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$532.0M	2025-09-30	2025-11-20	10-K	25-000034
10	total debt	us-gaap:LongTermDebt	$4.0B	2024-09-30	2025-11-20	10-K	25-000034
11	book equity	us-gaap:StockholdersEquity	$518.0M	2024-09-30	2025-11-20	10-K	25-000034
12	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$694.0M	2024-09-30	2025-11-20	10-K	25-000034
13	net income	us-gaap:NetIncomeLoss	$365.0M	2025-09-30	2025-11-20	10-K	25-000034
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$678.0M	2025-09-30	2025-11-20	10-K	25-000034
15	assets	us-gaap:Assets	$9.2B	2024-09-30	2025-11-20	10-K	25-000034
16	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$6.4B	2024-09-30	2025-11-20	10-K	25-000034
17	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$3.4B	2024-09-30	2025-11-20	10-K	25-000034
18	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$6.0B	2023-09-30	2025-11-20	10-K	25-000034
19	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$3.2B	2023-09-30	2025-11-20	10-K	25-000034
20	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$5.9B	2022-09-30	2024-11-21	10-K	24-000039
21	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$3.1B	2022-09-30	2024-11-21	10-K	24-000039
22	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$5.3B	2021-09-30	2023-11-21	10-K	23-000036
23	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$2.7B	2021-09-30	2023-11-21	10-K	23-000036
24	current assets	us-gaap:AssetsCurrent	$2.8B	2025-09-30	2025-11-20	10-K	25-000034
25	current liabilities	us-gaap:LiabilitiesCurrent	$4.2B	2025-09-30	2025-11-20	10-K	25-000034
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$1.3B	2025-09-30	2025-11-20	10-K	25-000034
27	liabilities	us-gaap:Liabilities	$9.1B	2025-09-30	2025-11-20	10-K	25-000034
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$376.0M	2025-09-30	2025-11-20	10-K	25-000034
29	operating income	us-gaap:OperatingIncomeLoss	$109.0M	2012-09-30	2014-12-11	10-K	14-006162

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30	interest expense	us-gaap:InterestExpense	$225.0M	2012-09-30	2012-12-13	10-K	12-500884
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$139.0M	2025-09-30	2025-11-20	10-K	25-000034
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$754.0M	2024-09-30	2025-11-20	10-K	25-000034
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$116.0M	2024-09-30	2025-11-20	10-K	25-000034
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$687.0M	2023-09-30	2025-11-20	10-K	25-000034
35	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$127.0M	2023-09-30	2025-11-20	10-K	25-000034
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$742.0M	2022-09-30	2024-11-21	10-K	24-000039
37	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$135.0M	2022-09-30	2024-11-21	10-K	24-000039
38	current assets	us-gaap:AssetsCurrent	$2.6B	2024-09-30	2025-11-20	10-K	25-000034
39	current liabilities	us-gaap:LiabilitiesCurrent	$3.9B	2024-09-30	2025-11-20	10-K	25-000034
40	assets	us-gaap:Assets	$8.5B	2023-09-30	2024-11-21	10-K	24-000039
41	assets	us-gaap:Assets	$7.8B	2022-09-30	2023-11-21	10-K	23-000036
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	1,060	2019-11-27	2019-11-27	10-K	19-000010
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	1,052	2018-12-20	2018-12-20	10-K	18-031166

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