

Warner Music Group Corp. (WMG)

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

Warner Music Group Corp.	
WMG; other	
Grade	D fourth fifth of 336 graded peers percentile 73.1; sampling error 2.6 points; lower is stronger
Rank	246 of 336
Profitability	B/C percentile 40.5
Solvency	D percentile 70.5
Growth and financing	C/D percentile 58.8
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 active not computable: dilution, distress
Inputs computable	11 of 14
Graded from	filings received through Nov 20, 2025 323 days before the rescans; latest periodic filing 10-Q received Aug 5, 2026
Last close	\$28.90 2026-10-08; market equity \$0
Price used in grade	None

D, the sloth
fourth fifth of its sector; letters are fifths of the 336 graded peers

Share price, twelve months to the rescans
split-adjusted close; the letter is fixed at the rescans that set it

Rescans on file: D/E from Nov 21, 2025, D from Dec 21, 2025, D/E from Feb 2, 2026

Letter at every rescan

Jan 21, 2012 to Oct 9, 2026; sector percentile, stronger toward the top; facts filed by each date only



Business, in the company's words

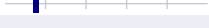
opening of Item 1 of the 10-K received Nov 20, 2025

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.

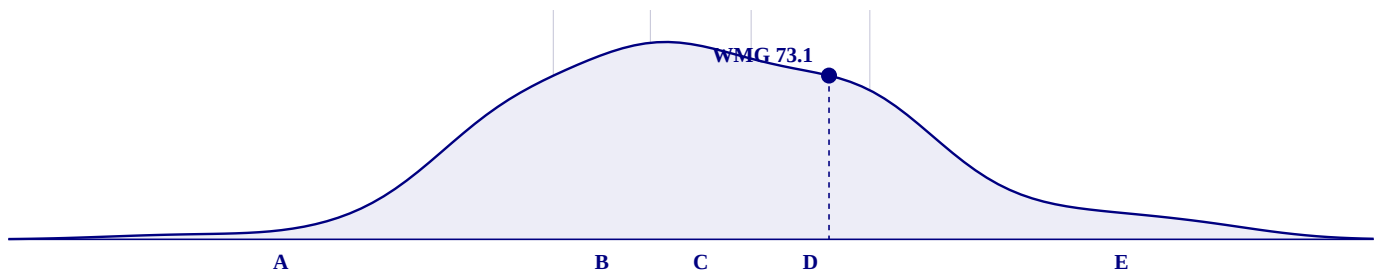
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 40.5						
Gross profitability		31.3%	27.1%	41.7	289	2025-09-30
Return on invested capital		12.6%	10.0%	36.7	151	2025-09-30
Accruals ratio		(3.3%)	(5.9%)	68.3	506	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)	2.05	64.4	386	2025-09-30
Net debt to EBITDA		3.58x	2.52x	63.4	184	2025-09-30
Interest coverage		not computable	2.18x			latest aligned inputs end 2012-09-30; latest annual assets end 2025-09-30
Current ratio		0.66x	1.32x	83.6	506	2025-09-30
Growth and financing, sleeve percentile 58.8						
Revenue growth, three-year compound		4.3%	5.1%	50.7	403	2025-09-30
Free cash flow growth, three-year compound		(3.9%)	8.7%	67.6	220	2025-09-30
Reinvestment rate		(79.0%)	11.9%	83.6	190	2025-09-30
Asset growth, three years		7.9%	4.1%	33.2	438	2025-09-30
Net share issuance, one year		not computable	(0.4%)			raw and split-adjusted prices do not align at 2019-11-27

Among 336 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	Alight, Inc. Delaware (ALIT)	71.6	D	
242	Royal Caribbean Cruises Ltd. (RCL)	71.9	D	
243	Monarch Casino & Resort Inc. (MCRI)	72.2	D	
244	Priority Technology Holdings, Inc. (PRTH)	72.5	D	

245	Genco Shipping & Trading Ltd. (GNK)	72.8	D
246	Warner Music Group Corp. (WMG) <	73.1	D
247	PayPal Holdings, Inc. (PYPL)	73.4	D
248	Groupon, Inc. (GRPN)	73.7	D
249	Insperity, Inc. (NSP)	74.0	D
250	Wyndham Hotels & Resorts, Inc. (WH)	74.3	D
251	AIR T Inc. (AIRT)	74.8	D

What the price implies

at the 2026-10-08 close; none enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(15.0%)	2.0%	34
Distance from 52-week high	(16.7%)	(26.8%)	66
EBIT to enterprise value	not computable	4.4%	
Free cash flow yield	not computable	4.1%	
Book value to price	not computable	0.34	
Sales to price	not computable	0.70	
Composite equity issuance, five years	not computable	(8.8%)	
Relative strength against the sector, log excess return	(0.31)	(0.13)	34

Diagnostics

not in 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	65 (10-Q received Aug 5, 2026)
Median daily dollar volume, 63 sessions	\$50.1M

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$6.7B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
2	cost of revenue	us-gaap:CostOfRevenue	\$3.6B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
3	assets	us-gaap:Assets	\$9.8B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
4	operating income	us-gaap:OperatingIncomeLoss	\$694.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
5	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordnaryItemsAndNoncontrollingInterests	\$490.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
6	income tax	us-gaap:IncomeTaxExpenseBenefit	\$120.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
7	total debt	us-gaap:LongTermDebt	\$4.4B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
8	book equity	us-gaap:StockholdersEquity	\$647.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$532.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
10	total debt	us-gaap:LongTermDebt	\$4.0B	2024-09-30	2025-11-20	10-K	0001319161-25-000034
11	book equity	us-gaap:StockholdersEquity	\$518.0M	2024-09-30	2025-11-20	10-K	0001319161-25-000034
12	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$694.0M	2024-09-30	2025-11-20	10-K	0001319161-25-000034
13	net income	us-gaap:NetIncomeLoss	\$365.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$678.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034

15	assets	us-gaap:Assets	\$9.2B	2024-09-30	2025-11-20	10-K	0001319161-25-000034
16	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$6.4B	2024-09-30	2025-11-20	10-K	0001319161-25-000034
17	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$3.4B	2024-09-30	2025-11-20	10-K	0001319161-25-000034
18	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$6.0B	2023-09-30	2025-11-20	10-K	0001319161-25-000034
19	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$3.2B	2023-09-30	2025-11-20	10-K	0001319161-25-000034
20	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$5.9B	2022-09-30	2024-11-21	10-K	0001319161-24-000039
21	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$3.1B	2022-09-30	2024-11-21	10-K	0001319161-24-000039
22	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$5.3B	2021-09-30	2023-11-21	10-K	0001319161-23-000036
23	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$2.7B	2021-09-30	2023-11-21	10-K	0001319161-23-000036
24	current assets	us-gaap:AssetsCurrent	\$2.8B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
25	current liabilities	us-gaap:LiabilitiesCurrent	\$4.2B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$1.3B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
27	liabilities	us-gaap:Liabilities	\$9.1B	2025-09-30	2025-11-20	10-K	0001319161-25-000034
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$376.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
29	operating income	us-gaap:OperatingIncomeLoss	\$109.0M	2012-09-30	2014-12-11	10-K	0001564590-14-006162
30	interest expense	us-gaap:InterestExpense	\$225.0M	2012-09-30	2012-12-13	10-K	0001193125-12-500884
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$139.0M	2025-09-30	2025-11-20	10-K	0001319161-25-000034
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$754.0M	2024-09-30	2025-11-20	10-K	0001319161-25-000034
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$116.0M	2024-09-30	2025-11-20	10-K	0001319161-25-000034
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$687.0M	2023-09-30	2025-11-20	10-K	0001319161-25-000034
35	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$127.0M	2023-09-30	2025-11-20	10-K	0001319161-25-000034
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$742.0M	2022-09-30	2024-11-21	10-K	0001319161-24-000039
37	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$135.0M	2022-09-30	2024-11-21	10-K	0001319161-24-000039
38	current assets	us-gaap:AssetsCurrent	\$2.6B	2024-09-30	2025-11-20	10-K	0001319161-25-000034
39	current liabilities	us-gaap:LiabilitiesCurrent	\$3.9B	2024-09-30	2025-11-20	10-K	0001319161-25-000034
40	assets	us-gaap:Assets	\$8.5B	2023-09-30	2024-11-21	10-K	0001319161-24-000039
41	assets	us-gaap:Assets	\$7.8B	2022-09-30	2023-11-21	10-K	0001319161-23-000036
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	1,060	2019-11-27	2019-11-27	10-K	0001319161-19-000010
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	1,052	2018-12-20	2018-12-20	10-K	0001564590-18-031166