



KKR to sell majority stake in Chord Music Partners to Universal Music Group and Dundee Partners led Investor Consortium

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Joins with Dundee Partners to form long-term strategic partnership for management and acquisition of world-class music IP

UMG to globally administer publishing and distribute recordings for Chord's existing catalogs, with more than 60,000 music copyrights

KKR to sell its majority stake in Chord to current shareholder Dundee Partners and its investor consortium with a minority stake held by UMG

SANTA MONICA, Calif. and HILVERSUM, The Netherlands, Feb. 20, 2024 /PRNewswire/ -- Universal Music Group (UMG), the world-leader in music-based entertainment, and Dundee Partners, the investment office of the Hendel family, today announced that UMG will acquire a 25.8% interest in Chord Music Partners (Chord) for US\$240 million (approximately €223 million when translated into € at today's current EUR/USD rate), in a deal that values Chord at US\$1.85 billion.

Chord, which was formed in 2021 by KKR and Dundee Partners, is a pure-play catalog of premier music intellectual property (IP). Chord's portfolio includes works from many of the world's most iconic artists and songwriters, including The Weeknd, Ryan Tedder/OneRepublic, David Guetta, Lorde, Kid Cudi, Diplo, Jimmy Jam & Terry Lewis, Ellie Goulding, ZZ Top, John Legend, Twenty One Pilots and many more.

UMG and Dundee Partners will enter into a new long-term strategic partnership to actively manage Chord's rights through UMG's global network and to acquire additional catalogs via Chord in the future. Chord's music publishing rights will be administered through Universal Music Publishing Group (UMPG) and recorded music through UMG's Virgin Music Group (VMG).

Sir Lucian Grainge, Chairman and CEO of Universal Music Group said, "Finding partners who share our passion for identifying iconic songs and recordings that will stand the test of time and deliver long-term growth is essential, which is why we're so pleased to be working with Stephen and Sam Hendel and Dundee Partners. With the leadership of Jody Gerson at UMPG, Nat Pastor and JT Myers at Virgin, and the support of our experienced creative executives around the world, no one can do more with music rights than our teams. We look forward to creating maximum commercial and creative value for the songwriters and artists in Chord and building for the future."

Boyd Muir, Universal Music Group's Executive Vice President, Chief Financial Officer and President of Operations said: "We're excited to partner with the Hendel family in Chord for a number of reasons. First, KKR and Dundee have built a very high-quality catalog that will benefit from our first-rate management and global capabilities. Second, this new structure provides us with an efficient vehicle for future catalog acquisitions, without significant capital allocation through a combination of leverage and partner equity capital. And finally, it offers us the perfect partner to approach future growth opportunistically and flexibly, one who is equally bullish on the long-term prospects for music."

Sam Hendel, Dundee Partners' Managing Principal and Co-Founder of Chord, said: "We're thrilled to be partnering with Universal Music Group and embarking on this next exciting chapter for Chord. By combining a best-in-class financial acquisition vehicle with the world's leading music company, we are creating both a premier platform for music investment as well as a permanent home for premier artist's legacies and their iconic cultural works. We'd like to thank the team at KKR for their partnership and creating a strong foundation for Chord and its future success."

"We are grateful to have had the opportunity to collaborate with many leading artists and to create significant value for our investors by building Chord into a differentiated and scaled portfolio. We believe that Dundee and UMG will drive further value creation for artists and that they share our commitment to being respectful stewards of artists' music," said Jenny Box, Partner, KKR.

KKR will exit Chord upon completion of the transaction, with the Dundee consortium and UMG owning 74.2% and 25.8% respectively.

As a leader in music-based entertainment, UMG is positioned and resourced to manage and drive growth for Chord's existing rights catalogs, while UMG and Dundee Partners are both aligned in their long-term vision for the acquisition, management and growth opportunities for significant, timeless music-rights catalogs.

UMG was advised by Goldman Sachs, Kirkland & Ellis LLP and Freshfields. DLA Piper and Axinn, Veltrop & Harkrider LLP served as legal advisors to Dundee. Fifth Third Bank, National Association served as financial advisor and provided committed financing to Dundee and UMG. The Raine Group served as exclusive financial advisor and Manatt, Phelps and Phillips, LLP served as legal advisor to Chord Music Partners. Latham & Watkins LLP. served as legal counsel to KKR.

About Universal Music Group

At Universal Music Group, we exist to shape culture through the power of artistry. UMG is the world leader in music-based entertainment, with a broad array of businesses engaged in recorded music, music publishing, merchandising, and audiovisual content. Featuring the most comprehensive catalogue of recordings and songs across every musical genre, UMG identifies and develops artists and produces and distributes the most critically acclaimed and commercially successful music in the world. Committed to artistry, innovation, and entrepreneurship, UMG fosters the development of services, platforms, and business models in order to broaden artistic and commercial opportunities for our artists and create new experiences for fans. For more information, visit www.universalmusic.com.

About Dundee Partners

Dundee Partners is the investment office of the Hendel family and has a long history of unwavering dedication to the promotion of arts and culture. The family is proud of its decades-long support for theater and notably were lead producers of the Broadway hit "Fela!". In addition to co-founding Chord Music Partners, Dundee is the majority owner of Knitting Factory Entertainment, Partisan Records, and Kino Lorber. Beyond those endeavors, the family continues to make strategic investments at the intersection of music and technology, shaping industry and cultural evolution.

About KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com. For additional information about Global Atlantic Financial Group, please visit Global Atlantic Financial Group's website at www.globalatlantic.com.

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