

Struggle to make streaming profitable

Spotify is the most successful streaming music service in the world and streaming is the music industry's fastest-growing revenue source, yet none of the popular services has ever turned a profit

Global music industry revenues (2015) \$15 billion

Digital revenue \$6.75bn

Physical sales
\$5.85bn

Performance
rights \$2.1bn

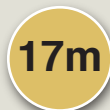


*music used in films, television, advertisements, video games etc.



● Total listeners

● Paying subscribers



SoundCloud: Launches 2007 in Sweden, based in Berlin

Spotify: Launches 2006 in Sweden and UK

Apple Music: Apple acquires **Beats Music** in 2014, launches 2015

Catalogue **135m** tracks

Catalogue **30m+** tracks

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Revenue (2014) **€17.4m**

Revenue (2015) **€1.95bn**

Revenue (est.) **\$2.04bn[†]**

Royalties – only paid to “premier partners” – estimated at **€1.99m**

Royalties – 70% of revenue paid to rights-holders **€1.37bn**

Royalties – 71.5%-73% paid to rights-holders **\$1.46bn-\$1.49bn**

Loss for year **€39.14m**

Loss for year **€173.1m**

Profit/loss unknown

The winners: Sony Music Entertainment's streaming revenue grew by 57% to **\$986m** over 12 months to March 2016.

Universal Music Group's was up 56.2% to **€954m**.

Warner Music Group earned **\$181m** in first three months of 2016

[†] 17 million subscribers paying \$9.99 per month

Sources: IFPI Global Music Report 2016, Music Business Worldwide.com

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