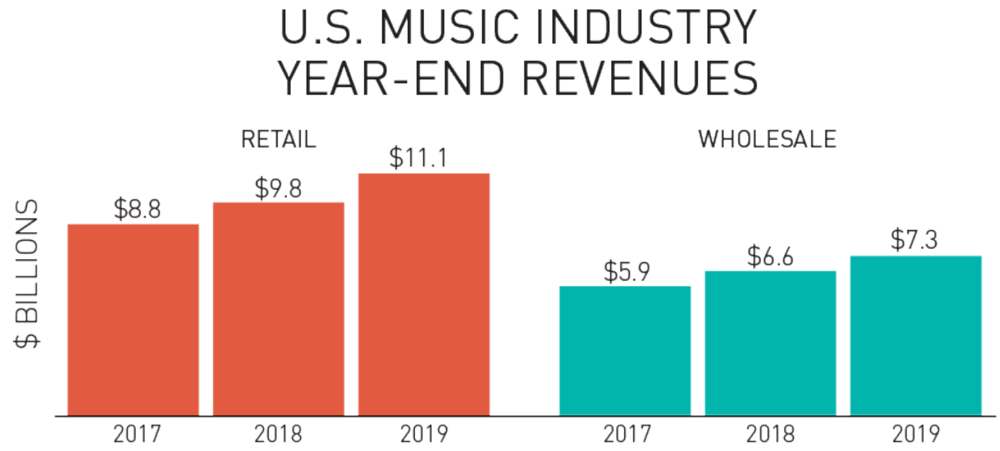
YEAR-END 2019 RIAA MUSIC REVENUES REPORT

Joshua P. Friedlander | Senior Vice President, Research & Economics, RIAA

Revenues from recorded music in the United States grew 13% in 2019 from $9.8 billion to $11.1 billion at estimated retail value. This is the fourth year in a row of double digit growth, reflecting continued increases primarily from paid subscription services, which reached more than 60 million subscriptions in the United States. Revenues from recorded music measured at wholesale value grew 11% to $7.3 billion.

FIGURE 1



Streaming

Total revenues from streaming music grew 19.9% to $8.8 billion in 2019, accounting for 79.5% of all recorded music revenues. The streaming category includes a wide variety of formats, including premium subscription services, ad-supported on-demand services (such as YouTube, Vevo, and ad-supported Spotify), and streaming radio services (like Pandora, SiriusXM, and other Internet radio services). The streaming market alone in 2019 was larger than the entire U.S. recorded music market just 2 years ago in 2017.

Paid subscriptions to on-demand streaming services contributed by far the largest share of revenues as well as the biggest portion of revenue growth for the year. Total 2019 subscription revenues of $6.8 billion were up 25% versus the prior year, and accounted for 61% of total recorded music revenues in the U.S. That total includes $829 million in revenues from "Limited Tier" paid subscriptions (services limited by factors such as mobile access, catalog availability, on-demand limitations, or device restrictions). Services like Amazon Prime, Pandora Plus, and other subscriptions are included in this category.

FIGURE 2

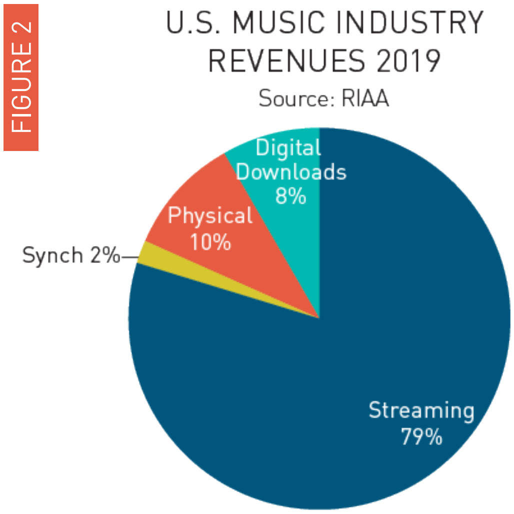
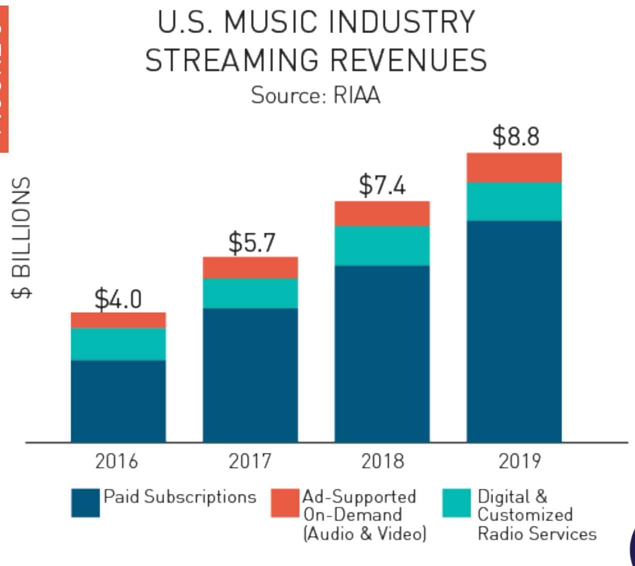


FIGURE 3



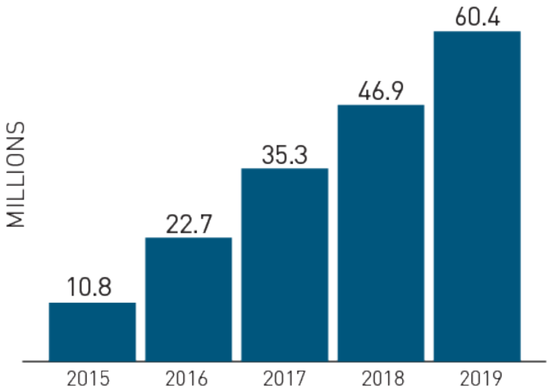
RIAA data analysis by **Joshua P. Friedlander**, Senior Vice President, and **Matthew Bass**, Manager

The number of paid subscriptions to on-demand streaming services continued reaching new highs in 2019. For the year, the number of subscriptions grew 29% to an average of 60.4 million, compared with 46.9[1] million for 2018. These figures exclude limited-tier services.

FIGURE 4

U.S. PAID MUSIC SUBSCRIPTIONS

Source: RIAA



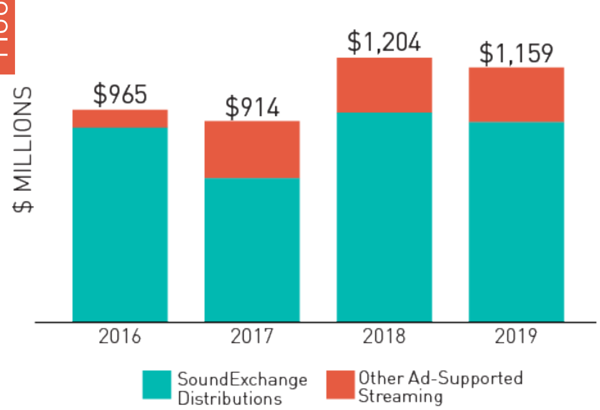
Revenues from on-demand streaming services supported by advertising (such as YouTube, Vevo, and the free version of Spotify) grew 20% annually to $908 million. These types of services streamed more than 500 billion songs to more than 100 million listeners in the Unites States, yet contributed only 8% to total music revenues for the year.

Revenues from digital and customized radio services decreased 4% year-over-year to $1.16 billion in 2019. The category includes SoundExchange distributions for revenues from services like SiriusXM and internet radio stations, as well as payments directly paid by similar services, included in this report as "other ad-supported streaming". SoundExchange distributions of $908 million were down 5% versus the previous year, while other ad-supported streaming revenues of $251 million were flat.

FIGURE 5

U.S. DIGITAL AND CUSTOMIZED RADIO

Source: RIAA



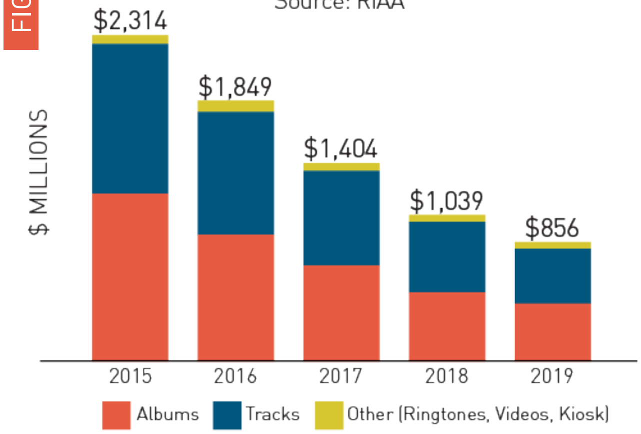
DIGITAL DOWNLOADS

Total revenues from digitally downloaded music were down 18% to $856 million in 2019, marking the first time since 2006 that revenues from downloaded tracks and albums fell below $1 billion. Permanent downloads of albums fell 21% by value to $395 million, and individual track sales were down 15% to $415 million in 2019. Downloads accounted for only 8% of revenues in 2019.

FIGURE 6

U.S. PERMANENT DIGITAL DOWNLOAD REVENUES

Source: RIAA



PHYSICAL PRODUCTS

Revenues from physical products in 2019 were down slightly year-over-year at $1.15 billion (down 0.6%). A decline of 12% in revenues from CDs to $615 mil offset a 19% increase to $504 million from vinyl records. This represents the largest revenues from vinyl since 1988, and 14 years in a row of growth for vinyl albums, but the category only represents 4.5% of total revenues.

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NOTE – Historical data updated for 2016 - 2018, including updated revenue accounting standards starting in 2016. Formats with no retail value equivalent included at wholesale value. RIAA presents the most up-to-date information available in its industry revenue reports and online statistics database: https://www.riaa.com/u-s-sales-database

[1]Figure revised due to updated data received. Previous report estimated 50.2 million paid subscriptions.

FOR NEWS MEDIA INQUIRIES, PLEASE CONTACT:
Brendan Daly
Kim Atterbury
202-775-0101

YEAR-END 2019
RIAA MUSIC REVENUE STATISTICS

For a list of authorized services see www.whymusicmatters.com

United States Estimated Retail Dollar Value (In Millions, net after returns)

DIGITAL SUBSCRIPTION & STREAMING

		2018	2019	% CHANGE '18 to '19
(Units) (Dollar Value)	**Paid Subscription[1]**	46.9 $4,656.0	60.4 $5,934.4	28.7% 27.5%
	Limited Tier Paid Subscription[2]	$747.1	$829.5	11.0%
	On-Demand Streaming (Ad-Supported)[3]	$759.5	$908.1	19.6%
	SoundExchange Distributions[4]	$952.8	$908.2	-4.7%
	Other Ad-Supported Streaming[5]	$251.4	$251.1	-0.1%
	Total Streaming Revenues	**$7,366.8**	**$8,831.3**	**19.9%**

DIGITAL PERMANENT DOWNLOAD

		2018	2019	% CHANGE '18 to '19
(Units) (Dollar Value)	**Download Single**	399.8 $490.4	335.3 $414.8	-16.1% -15.4%
	Download Album	49.7 $499.7	40.2 $394.5	-19.2% -21.0%
	Ringtones & Ringbacks	10.0 $24.9	8.6 $21.4	-14.1% -14.1%
	Other Digital[6]	2.2 $24.1	1.8 $25.0	-17.6% 3.8%
	Total Digital Download Revenues	**$1,039.1**	**$855.7**	**-17.6%**

TOTAL DIGITAL VALUE

	2018	2019	% CHANGE '18 to '19
TOTAL DIGITAL VALUE	$8,405.8	$9,687.0	15.2%
Synchronization Royalties[7]	$285.5	$276.3	-3.2%

PHYSICAL

		2018	2019	% CHANGE '18 to '19
(Units Shipped) (Dollar Value)	**CD**	52.0 $698.4	46.5 $614.5	-10.5% -12.0%
	LP/EP	16.7 $419.2	19.1 $497.6	14.6% 18.7%
	Music Video	1.4 $27.6	1.3 $27.7	-5.2% 0.5%
	Other Physical[8]	0.5 $9.6	0.4 $8.5	-17.2% -11.9%
	Total Physical Units **Total Physical Value**	**70.5** **$1,154.8**	**67.3** **$1,148.3**	**-4.5%** **-0.6%**

TOTAL DIGITAL AND PHYSICAL

	2018	2019	% CHANGE '18 to '19
Total Units[9] **Total Value**	**532.3** **$9,846.1**	**453.3** **$11,111.6**	**-14.8%** **12.9%**
% of Revenues[10] Physical Digital	**2018** 12% 88%	**2019** 11% 89%	

Retail Value is for products at recommended or estimated list price
Formats with no retail value equivalent included at wholesale value

Note: Historical data updated for 2019

1 Streaming, tethered, and other paid subscription services not operating under statutory licenses
Subscription volume is annual average number of subscriptions, excludes limited tier

2 Paid streaming services with interactivity limitations by availability, device restriction, catalog limitations, on demand access, or other factors

3 Ad-supported audio and music video services not operating under statutory licenses

4 Estimated payments to performers and copyright holders for digital and customized radio services under statutory licenses

5 Revenues from statutory services that are not distributed by SoundExchange and not included in other streaming categories

6 Includes Kiosks, music video downloads, and starting in 2016 other digital music licensing

7 Includes fees and royalties from synchronization of sound recordings with other media

8 Includes CD Singles, Cassettes, Vinyl Singles, DVD Audio, SACD

9 Units total includes both albums and singles, and does not include subscriptions or royalties

10 Synchronization Royalties excluded from calculation