

YEAR-END 2019 RIAA U.S. LATIN MUSIC REVENUES REPORT

Joshua P. Friedlander, Senior Vice President, Research and Economics

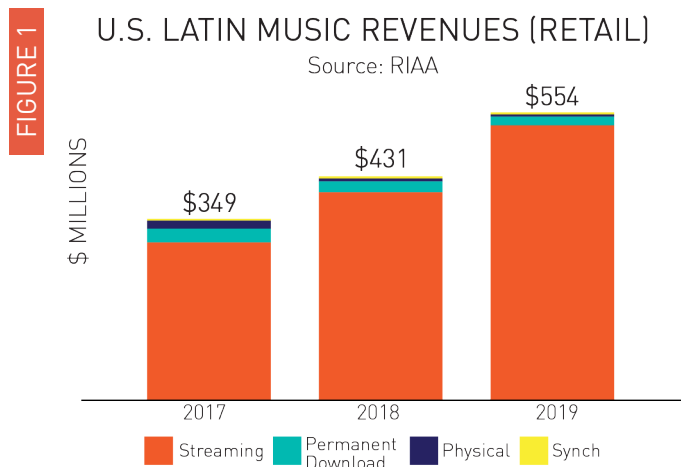
Matthew Bass, Manager, Research

“We at RIAA, together with the entire music community, are focused at this time on helping musicians, songwriters and others impacted by the COVID-19 pandemic. For anyone needing help, please visit the resources collected at [MusicCovidRelief.com](https://www.musiccovidrelief.com).

Every spring, we release different metrics about the prior year’s music industry, including an annual report focused on Latin music. Because these numbers have long-term significance and value, we are releasing that report today. Our thoughts remain with everyone affected by the pandemic.”

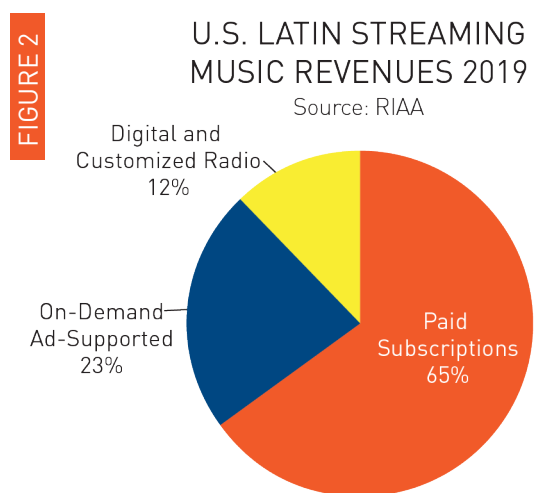
– Michele Ballantyne, Chief Operating Officer, RIAA

As streaming has become the dominant format in Latin music in the U.S., it has driven the market to its highest level since 2006. Total revenues of \$554 million were up 28%, growing at a faster rate than the overall U.S. music market that was up 13% for the year. Streaming formats grew 32% to \$529 million, comprising 95% of total Latin music revenues in 2019. In 2019, Latin music accounted for 5.0% of the total \$11.1 billion U.S. recorded music business, an increase versus 4.4% in 2018.



Paid subscriptions contributed 65% of Latin streaming music revenues in the U.S. in 2019. The category (which includes services like Apple Music, Spotify Premium, Amazon Unlimited, among others) grew 36% year-over-year to \$344 million, and alone accounted for over two-thirds of the growth in Latin streaming revenues.

Revenues from on-demand ad-supported services (which includes YouTube, Vevo, ad-supported Spotify, and others) grew 29% to \$121 million. This category made up 23% of Latin music streaming revenues, a significantly larger proportion than the 10% it contributed to the overall U.S. music market.



Digital and customized radio revenues (including services like Pandora, SiriusXM, and Internet radio services) reversed 2018’s decline. Revenues from SoundExchange distributions and royalties from similar directly licensed services increased 18% to \$64 million, accounting for 12% of streaming revenues.

Unit based formats of Latin music continued to experience declining revenues. Digital download sales fell 20% to \$17 million, and revenue from physical product was only \$4.2 million, down 24% versus 2018. Combined, they accounted for just 4% of U.S. Latin music revenues.

NOTE – Historical data updated for 2016 - 2018. RIAA data for U.S. Latin market includes estimates for both major record label and indie-distributed Latin music starting with data from 2016.

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YEAR-END 2019 RIAA U.S. LATIN MUSIC REVENUE STATISTICS

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

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

DIGITAL STREAMING

	2018	2019	% CHANGE '18 to '19
(Units) (Dollar Value)			
Paid Subscription	\$252.3	\$343.8	36.3%
On-Demand Streaming (Ad-Supported)¹	\$93.8	\$120.9	28.9%
SoundExchange Distributions²	\$32.5	\$38.9	19.6%
Other Ad-Supported Streaming³	\$21.8	\$25.2	15.3%
Total Streaming Revenues	\$400.3	\$528.7	32.1%

PERMANENT DOWNLOAD

	2018	2019	% CHANGE '18 to '19
(Units) (Dollar Value)			
Download Single	11.3 \$13.8	9.5 \$11.1	-15.7% -19.6%
Download Album	0.7 \$5.8	0.5 \$4.7	-25.5% -20.1%
Other Downloads⁴	0.1 \$0.2	0.1 \$0.2	-11.0% -11.3%
Ringtones & Ringbacks⁵	0.4 \$1.1	0.3 \$0.8	-23.4% -23.4%
Total Permanent Download Units	12.6	10.5	-16.5%
Total Permanent Download Value	\$20.9	\$16.8	-19.9%

TOTAL DIGITAL VALUE

	2018	2019	% CHANGE '18 to '19
	\$421.2	\$545.5	29.5%
Synchronization Royalties⁶	\$4.2	\$4.1	-2.5%

PHYSICAL

	2018	2019	% CHANGE '18 to '19
(Units Shipped) (Dollar Value)			
CD	0.5 \$5.5	0.4 \$4.0	-29.5% -27.2%
Music Video⁷	0.0 \$0.1	0.0 \$0.2	170.2% 162.1%
Total Physical Units	0.5	0.4	-27.6%
Total Physical Value	\$5.6	\$4.2	-24.4%

TOTAL U.S. LATIN MUSIC REVENUES

	2018	2019	% CHANGE '18 to '19
Total Units	13.1	10.9	-16.9%
Total Value	\$431.0	\$553.8	28.5%
% of Shipments⁸			
Physical	1.3%	0.8%	
Digital	98.7%	99.2%	

Retail Value is the value of shipments at recommended or estimated list price. Formats with no retail value equivalent included at wholesale value.

Note: Historical data updated for 2018, including updated revenue accounting standards

¹ Ad-supported audio and music video services not operating under statutory licenses

² Estimated payments in dollars to performers and copyright holders for digital radio services under statutory licenses

³ Revenues from services that are not distributed by SoundExchange and not included in other streaming categories

⁴ Includes Kiosk singles and albums, and Digital Music Videos

⁵ Includes Master Ringtones, Ringbacks, and Other Mobile

⁶ Includes fees and royalties from synchronization of sound recordings with other media

⁷ Includes DVD music video

⁸ Synchronization royalties excluded from calculation

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