YEAR-END 2020 RIAA REVENUE STATISTICS

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

United States recorded music revenues grew 9.2% in 2020 to $12.2 billion at estimated retail value. This is the fifth consecutive year of growth for the industry, as paid subscription services continued to be the primary driver of revenue increases, and reached a record number of subscriptions. Covid-19 affected the industry significantly through tour cancellations, retail store closures, and other disruptions. Revenues from recorded music measured at wholesale value grew 8.9% to $8.0 billion.

U.S. MUSIC INDUSTRY REVENUES

Source: RIAA

FIGURE 1

Streaming

Encompassing a wide range of services, streaming music revenues grew 13.4% to $10.1 billion in 2020. This category includes paid subscription services like Spotify, Apple Music, and Amazon Music Unlimited, ad-supported on-demand services such as Vevo, YouTube and the free version of Spotify, and digital and customized digital radio like Pandora, SiriusXM, and other Internet radio services. The streaming category for the first time includes music license revenues from Facebook and streaming fitness services (included for 2019 data as well). Streaming's share of total revenues has continued to grow, reaching 83% in 2020.

FIGURE 2

U.S. MUSIC INDUSTRY STREAMING REVENUES

Source: RIAA

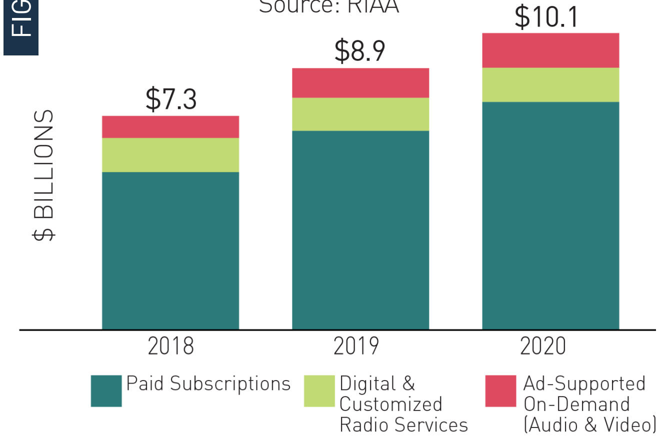
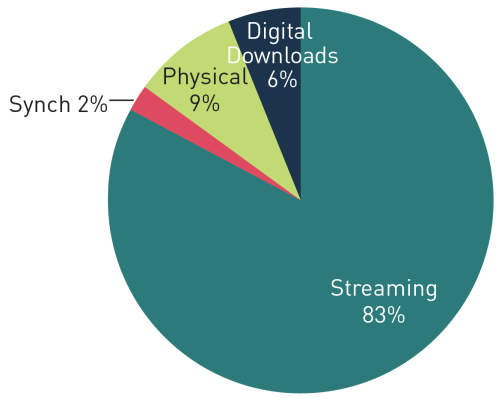


FIGURE 3

U.S. MUSIC INDUSTRY REVENUES 2020

Source: RIAA



Paid subscriptions to on-demand streaming services have contributed the majority of recorded music revenues each year since 2018. In 2020, full service paid subscriptions grew 14.6% to $7.0 billion. Additionally, limited tier paid subscriptions (services limited by factors such as mobile access, catalog availability, product features or device restrictions) grew 13.4% to $724 million. Services like Amazon Prime, Pandora Plus, music licenses for streaming fitness services, and other subscriptions are included in this category. Combined, total paid subscriptions accounted for 64% of total revenues at estimated retail value.

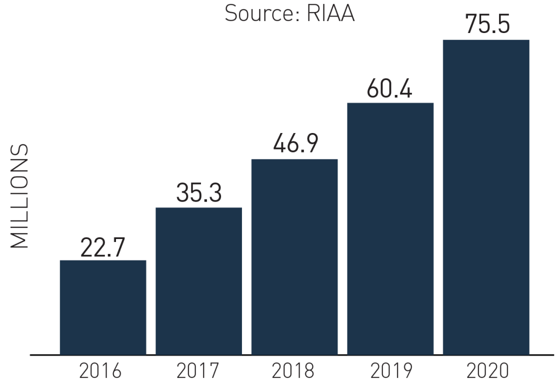
RIAA data analysis by **Joshua P. Friedlander**, Senior Vice President, and **Matthew Bass**, Manager

The number of paid subscriptions to on-demand streaming services continued to increase at double-digit rates in 2020. The average number of subscriptions grew by 15 million from 60.4 million in 2019 to 75.5 million in 2020, the biggest ever increase in a single year. These figures exclude limited-tier services, and count multi-user plans as a single subscription.

FIGURE 4

U.S. PAID MUSIC SUBSCRIPTIONS (ANNUAL AVERAGE)

Source: RIAA



A broad post-Covid-19 decline in advertising revenue growth across many forms of media impacted ad-supported on-demand revenues for music. Revenues from these services (such as YouTube, the free version of Spotify, and Facebook) grew 16.8% annually to $1.2 billion in 2020, compared with an average of nearly 30% growth rate in the 3 years prior. The volume of music streams on these services continued to grow, with hundreds of billions of streams delivered to more than 100 million listeners in the United States, but only contributed 9.7% of revenues.

Revenues from digital and customized radio services grew 3.9% to $1.2 billion in 2020. 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 $947 million were up 4.3% versus the previous year, while other ad-supported streaming revenues of $211 million were up 1.9%.

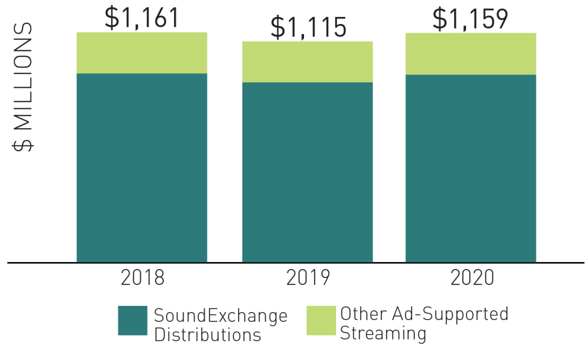
Digital Downloads

Revenues from digitally downloaded music were down 18% to $674 million in 2020. Permanent downloads of albums fell 13% by value to $320 million, and individual track sales were down 23% to $313 million in 2020. Downloads accounted for only 6% of total recorded music revenues in 2020.

FIGURE 5

U.S. DIGITAL AND CUSTOMIZED RADIO REVENUES

Source: RIAA



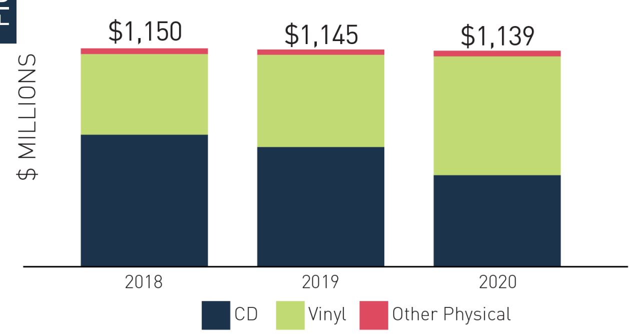
Physical Products

For the first time since 1986, revenues from vinyl records were larger than from CDs. Total revenues from physical products were virtually flat at $1.1 billion (down 0.5%). Despite the challenges to retail sales from Covid-19 restrictions, vinyl grew 28.7% by value year-over-year to $626 million, though still only account for 5.2% of total revenues by value. Revenues from CDs declined 23% to $483 million, continuing a long-term decline.

FIGURE 6

U.S. PHYSICAL FORMAT RECORDED MUSIC REVENUES

Source: RIAA



PLEASE READ THE COMMENTARY OF MITCH GLAZIER, CHAIRMAN AND CEO, HERE: MEDIUM.COM/@RIAA

NOTE – Historical data updated for 2016 - 2019, 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

FOR NEWS MEDIA INQUIRIES, PLEASE CONTACT:
K. Kim Atterbury | 202-775-0101 | KAtterbury@riaa.com

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

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

DIGITAL SUBSCRIPTION & STREAMING

		2019	2020	% CHANGE 2019-2020
(Units) (Dollar Value)	**Paid Subscription[1]**	60.4 $6,115.2	75.5 $7,009.2	25.0% 14.6%
	Limited Tier Paid Subscription[2]	$638.2	$723.6	13.4%
	On-Demand Streaming (Ad-Supported)[3]	$1,013.1	$1,183.1	16.8%
	SoundExchange Distributions[4]	$908.2	$947.4	4.3%
	Other Ad-Supported Streaming[5]	$207.3	$211.2	1.9%
	Total Streaming Revenues	**$8,882.0**	**$10,074.5**	**13.4%**

DIGITAL PERMANENT DOWNLOAD

		2019	2020	% CHANGE 2019-2020
(Units) (Dollar Value)	**Download Single**	329.7 $408.4	257.2 $312.8	-22.0% -23.4%
	Download Album	37.5 $368.8	33.1 $319.5	-11.7% -13.4%
	Ringtones & Ringbacks	8.3 $20.6	8.1 $20.2	-1.9% -1.9%
	Other Digital[6]	1.8 $25.0	1.6 $21.9	-12.9% -12.4%
	Total Digital Download Revenues	**$822.7**	**$674.4**	**-18.0%**

TOTAL DIGITAL VALUE

	2019	2020	% CHANGE 2019-2020
TOTAL DIGITAL VALUE	$9,704.7	$10,749.0	10.8%
Synchronization Royalties[7]	$281.1	$265.2	-5.6%

PHYSICAL

		2019	2020	% CHANGE 2019-2020
(Units Shipped) (Dollar Value)	**CD**	47.5 $630.7	31.6 $483.3	-33.6% -23.4%
	LP/EP	18.5 $479.5	22.9 $619.6	23.6% 29.2%
	Music Video	1.3 $25.8	1.0 $27.4	-20.9% 6.2%
	Other Physical[8]	0.4 $8.5	0.5 $8.8	24.0% 3.1%
	Total Physical Units **Total Physical Value**	**67.7** **$1,144.6**	**55.9** **$1,139.1**	**-17.4%** **-0.5%**

TOTAL DIGITAL AND PHYSICAL

	2019	2020	% CHANGE 2019-2020
Total Units[9] **Total Value**	**445.0** **$11,130.4**	**355.9** **$12,153.4**	**-20.0%** **9.2%**
% of Shipments[10] Physical Digital	**2019** 11% 89%	**2020** 10% 90%	

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 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 for 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