# RIAA MID-YEAR 2023 REVENUE REPORT

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**In the first half of 2023, recorded music revenues continued to set new milestones and reflect the results of more than a decade of industry transformation. Total revenues grew 9.3% at estimated retail value to an all-time first half high of $8.4 billion. At wholesale value, revenues grew 8.3% to $5.3 billion. Paid subscriptions continued to be the strongest driver of revenue growth, increasing by more than $550 million and averaging nearly 96 million subscriptions during the period.**

## U.S. RECORDED MUSIC MID-YEAR REVENUES

FIGURE 1

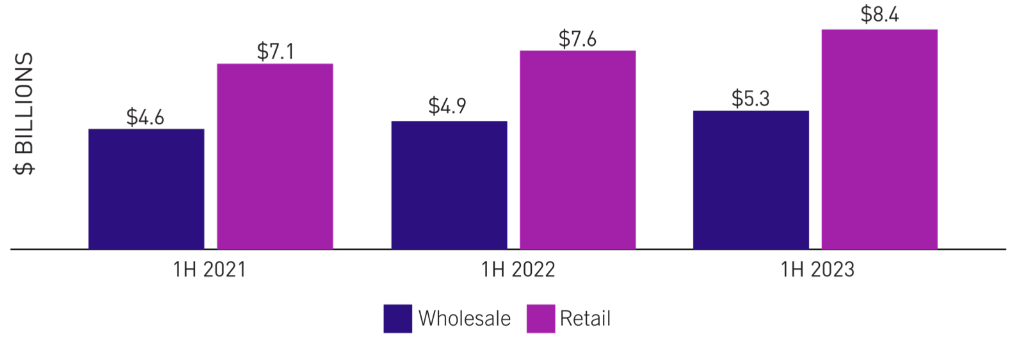
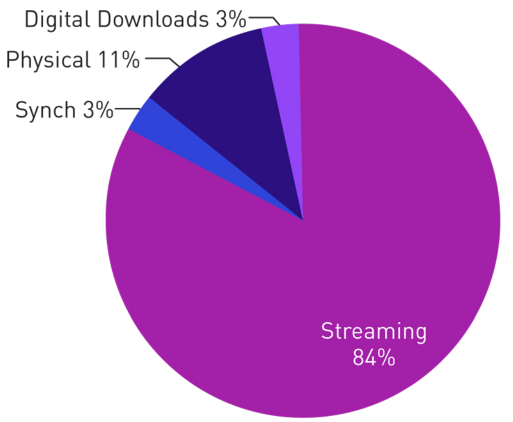



FIGURE 2

### U.S. RECORDED MUSIC REVENUES 1H 2023

Source: RIAA




*Figures don't add to 100% due to rounding

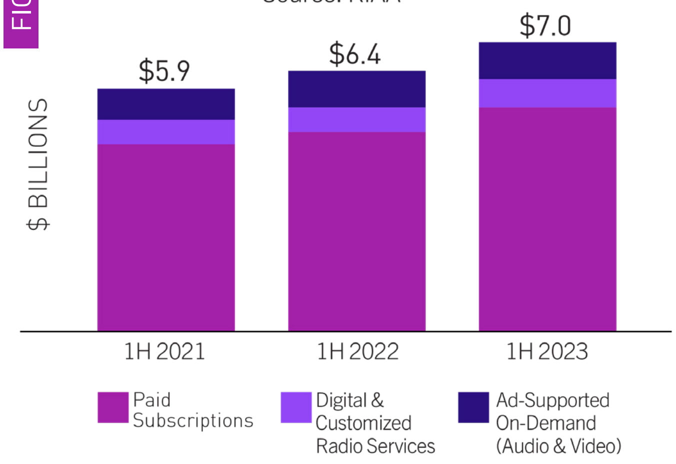
## STREAMING

In the first half of 2023, revenues from streaming services made up 84% of total recorded music revenues in the U.S., growing 10.3% to $7.0 billion. This includes formats such as paid subscription services, ad-supported services, digital and customized radio, and licenses for music on social media and digital fitness apps. It was the 4th year in a row that streaming made up between 83% and 84% of total revenues.

FIGURE 3

### U.S. STREAMING MUSIC REVENUES

Source: RIAA




Growth in revenues from paid subscription services outpaced the growth in the number of accounts. Total revenue from paid subscription services grew 11% to $5.5 billion, compared with 6% growth for the number of accounts. Nearly 2/3 of total revenues - and more than 3/4 of streaming revenues - came from these paid subscription services.

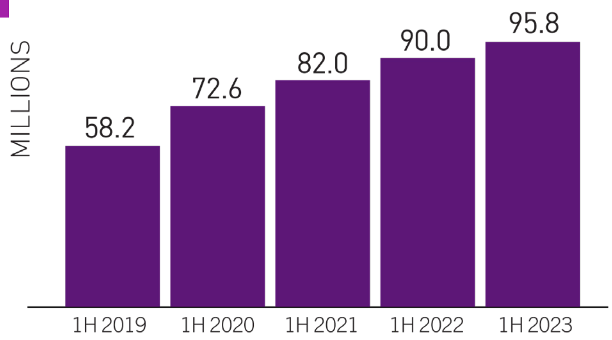
RIAA data analysis by **Joshua P. Friedlander**, Senior Vice President, and **Matthew Bass**, Director

The number of paid subscriptions to on-demand music services continued to grow, but the pace was lower than in prior years. The average number of subscriptions through the first six months of 2023 was 95.8 million, compared with 90.0 million for 1H 2022. These figures exclude limited tier services and count multi-user plans as a single subscription.

FIGURE 4

U.S. PAID MUSIC SUBSCRIPTIONS (1H AVERAGE)

Source: RIAA




Revenues from music streaming services based on advertisements grew at a slower rate than paid forms of streaming. On-demand services (such as YouTube, the ad-supported version of Spotify, Facebook, and others) were up just 1% to $870 million. This follows a more volatile period when the effects of Covid-19 stalled growth in 2020 before rebounding in 2021 and 2022.

Digital and customized radio music revenues grew 16% to $657 million in 1H 2023. 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 grew 7% to $498 million, while other ad-supported streaming revenues of $159 million were up 57%.

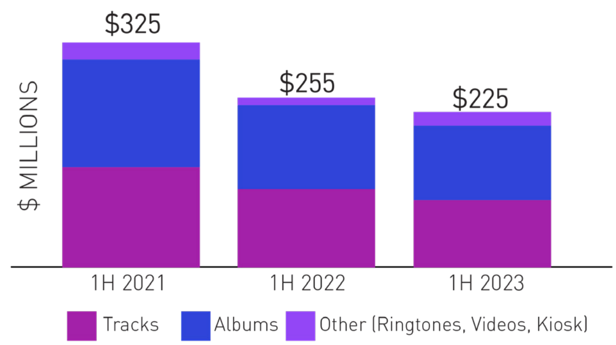
## DIGITAL DOWNLOADS

Revenues from digitally downloaded music continued to decline in 1H 2023, down 12% to $225 million. Digital album sales were down 12% to $107 million while individual track sales were down 14% to $97 million. Downloads accounted for just 3% of U.S. recorded music revenues in 1H 2023.

FIGURE 5

U.S. PERMANENT DIGITAL DOWNLOAD REVENUES

Source: RIAA



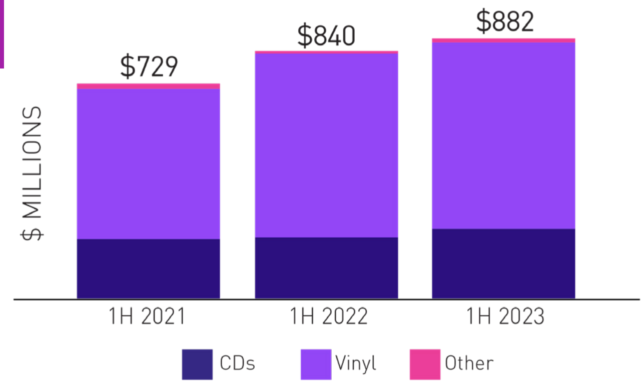

## PHYSICAL PRODUCTS

Revenues from physical music formats continued to grow, reaching the highest level since 1H 2013. Total physical revenues of $882 million were up 5% versus the prior year. Revenues from vinyl records grew 1% to $632 million and accounted for 72% of physical format revenues. For the third consecutive year, vinyl albums outsold CDs in units (23 million vs 15 million).

FIGURE 6

U.S. PHYSICAL MUSIC REVENUES

Source: RIAA




**NOTE** – Updates were incorporated for historical data for 2019 – 2022. Formats with no retail value equivalent were 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

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# MID-YEAR 2023
# RIAA MUSIC REVENUE STATISTICS

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

## DIGITAL SUBSCRIPTION & STREAMING

| | | 1H 2022 | 1H 2023 | % CHANGE 1H '22 to 1H '23 |
|---|---|---|---|---|
| (Units)<br>(Dollar Value) | **Paid Subscription[1]** | 90.0<br>$4,424.6 | 95.8<br>$4,973.5 | 6.4%<br>12.4% |
| | **Limited Tier Paid Subscription[2]** | $515.4 | $524.4 | 1.8% |
| | **On-Demand Streaming (Ad-Supported)[3]** | $865.0 | $870.1 | 0.6% |
| | **SoundExchange Distributions[4]** | $464.9 | $497.8 | 7.1% |
| | **Other Ad-Supported Streaming[5]** | $101.5 | $159.1 | 56.8% |
| | **Total Streaming Revenues** | **$6,371.3** | **$7,024.9** | **10.3%** |

## DIGITAL PERMANENT DOWNLOAD

| | | 1H 2022 | 1H 2023 | % CHANGE 1H '22 to 1H '23 |
|---|---|---|---|---|
| (Units)<br>(Dollar Value) | **Download Single** | 91.6<br>$113.3 | 75.3<br>$97.4 | -17.8%<br>-14.0% |
| | **Download Album** | 12.4<br>$121.5 | 10.5<br>$107.3 | -14.7%<br>-11.7% |
| | **Ringtones & Ringbacks** | 2.5<br>$6.2 | 2.3<br>$6.0 | -9.0%<br>-2.9% |
| | **Other Digital[6]** | 0.5<br>$14.5 | 0.5<br>$14.0 | -7.7%<br>-3.3% |
| | **Total Digital Download Revenues** | **$255.5** | **$224.8** | **-12.0%** |

## TOTAL DIGITAL VALUE

| | 1H 2022 | 1H 2023 | % CHANGE 1H '22 to 1H '23 |
|---|---|---|---|
| TOTAL DIGITAL VALUE | $6,626.8 | $7,249.7 | 9.4% |
| **Synchronization Royalties[7]** | $178.0 | $222.7 | 25.1% |

## PHYSICAL

| | | 1H 2022 | 1H 2023 | % CHANGE 1H '22 to 1H '23 |
|---|---|---|---|---|
| (Units Shipped)<br>(Dollar Value) | **CD** | 18.3<br>$206.4 | 15.1<br>$236.0 | -17.2%<br>14.3% |
| | **LP/EP** | 23.8<br>$624.2 | 23.4<br>$632.4 | -1.8%<br>1.3% |
| | **Music Video** | 0.3<br>$5.2 | 0.3<br>$5.5 | -11.7%<br>6.3% |
| | **Other Physical[8]** | 0.2<br>$4.0 | 0.5<br>$7.9 | 116.5%<br>96.7% |
| | **Total Physical Units**<br>**Total Physical Value** | **42.6**<br>**$839.8** | **39.3**<br>**$881.8** | **-7.8%**<br>**5.0%** |

## TOTAL DIGITAL AND PHYSICAL

| | 1H 2022 | 1H 2023 | % CHANGE 1H '22 to 1H '23 |
|---|---|---|---|
| **Total Units[9]**<br>**Total Value** | **149.5**<br>**$7,644.7** | **127.8**<br>**$8,354.2** | **-14.5%**<br>**9.3%** |
| **% of Shipments[10]**<br>Physical<br>Digital | **1H 2022**<br>11%<br>89% | **1H 2023**<br>11%<br>89% | |

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

**Note: Historical data updated for 2022**

[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