MID-YEAR 2021 RIAA REVENUE STATISTICS

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Recorded music revenues in the U.S. grew 27% in the first half of 2021 versus the prior year, from $5.6 to $7.1 billion at retail value. Paid subscriptions continued to be the strongest contributor to growth, comprising nearly two-thirds of total revenue, and more than 80 million paid subscriptions for the first time. At wholesale value revenues rose 25%, from $3.7 billion in 1H 2020 to $4.6 billion in 1H 2021. The effects of Covid-19 continued to affect the industry, and year-over-year comparisons are significantly impacted by store closures, tour cancellations, and other disruptions from both 2020 and 2021.

FIGURE 1

U.S. MUSIC INDUSTRY MID-YEAR REVENUES

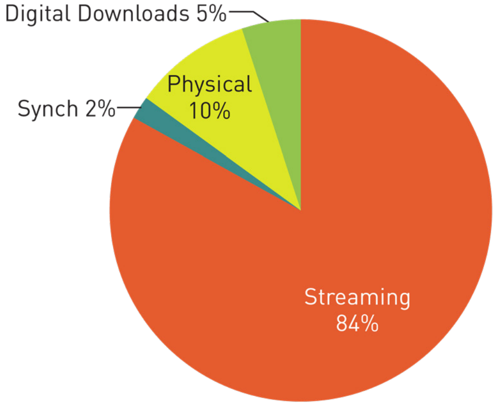
Streaming

Revenues from streaming music, a category including a wide range of formats such as paid subscription services, ad-supported services, digital and customized radio, and licenses for music on Facebook and digital fitness apps, grew 26% to $5.9 billion in the first half of 2021. Streaming accounted for 84% of total revenues for the period, about the same level as for 1H 2020.

FIGURE 2

U.S. MUSIC INDUSTRY REVENUES 1H 2021

Source: RIAA



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

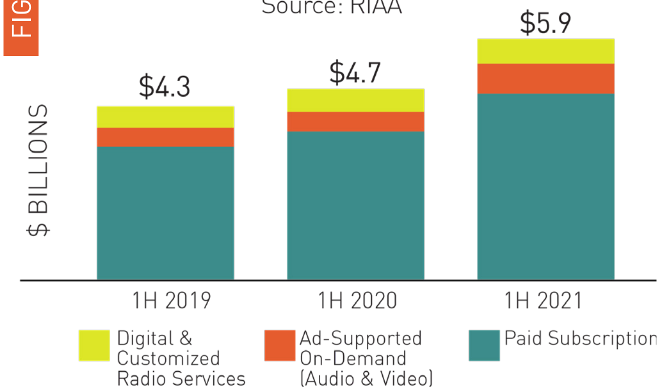
Paid subscriptions continued to account for the largest share of recorded music revenues in the U.S., up 26% year-over-year and totaling $4.6 Billion in 1H 2021. They accounted for nearly 2/3 of total revenues, and 78% of streaming revenue. That carries forward a multiyear trend of strong growth in this area extending beyond the unique circumstances of 2020 – in the two years since 1H 2019, paid subscription revenues have grown a total of 40%.

This total includes $452 million in revenues from "Limited Tier" paid subscriptions (for services limited by factors such as mobile access, catalog availability, on-demand limitations, or device restrictions). Those types of services accounted for 10% of subscription revenues, a slight increase versus 1H 2020.

FIGURE 3

U.S. MUSIC INDUSTRY STREAMING REVENUES

Source: RIAA



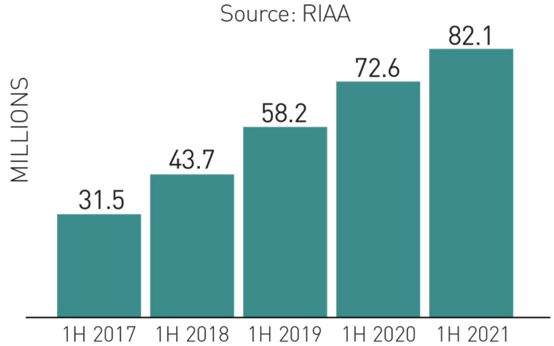
RIAA data analysis by **Joshua P. Friedlander**, Senior Vice President, and **Matthew Bass**, Manager

The number of paid subscriptions to on-demand music streaming services continued to increase. For 1H 2021, the average number of subscriptions reached a record 82 million, up 13% compared with 73 million for 1H 2021. These figures count multi-user plans as a single subscription, and exclude limited-tier services.

FIGURE 4

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

Source: RIAA



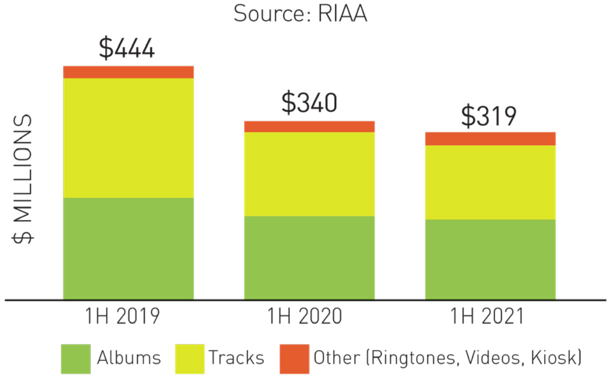
Advertising supported on-demand streaming music revenues (from services like YouTube, the ad-supported version of Spotify, and Facebook) rebounded significantly in 1H 2021, growing 54% to $741 million. This category only grew 3% the prior year as it was significantly impacted by the post Covid-19 decline in advertising revenue growth across many forms of media. Even though these services account for hundreds of billions of streams to more than 100 million listeners in the United States, the category only accounted for 11% of total revenues.

Digital and customized radio service revenues grew 3% to $585 million in 1H 2020. This category includes SoundExchange distributions for 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".

FIGURE 5

U.S. PERMANENT DIGITAL DOWNLOAD REVENUES

Source: RIAA



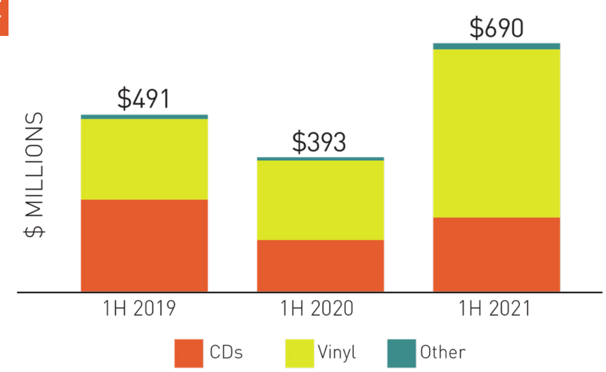
Digital Downloads

Permanent downloads declined both in absolute dollars as well as share of total revenue. In 1H 2021, revenues from digital downloads fell 6% by value to $319 million, accounting for 5% of total revenues. Revenues from digitally downloaded tracks and albums were down 12% and 4% respectively from the same period the prior year.

FIGURE 6

U.S. PHYSICAL MUSIC REVENUES 1H 2020

Source: RIAA



Physical Products

Vinyl records continued a remarkable resurgence in the first half of 2021. Revenues from vinyl albums grew 94% to $467 million, though the comparison versus the prior year includes a period in which retail stores were significantly impacted by Covid-19, and Record Store Day 2020 was delayed and did not occur in the spring (as it did in 2021). Revenues from CDs increased 44% to $205 million, but still remain 19% lower than they were in 1H 2019. CDs only accounted for 30% of physical revenues, while vinyl accounted for more than 2/3 of physical format revenues.

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

NOTE – Historical data updated for 2017 – 2020. 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

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MID-YEAR 2021
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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

		1H 2020	1H 2021	% CHANGE 1H '20 to 1H '21
(Units) (Dollar Value)	**Paid Subscription[1]**	72.6 $3,307.1	82.1 $4,130.6	13.0% 24.9%
	Limited Tier Paid Subscription[2]	$338.5	$451.5	33.4%
	On-Demand Streaming (Ad-Supported)[3]	$480.5	$741.3	54.3%
	SoundExchange Distributions[4]	$467.7	$487.0	4.1%
	Other Ad-Supported Streaming[5]	$97.5	$97.8	0.3%
	Total Streaming Revenues	**$4,691.3**	**$5,908.4**	**25.9%**

DIGITAL PERMANENT DOWNLOAD

		1H 2020	1H 2021	% CHANGE 1H '20 to 1H '21
(Units) (Dollar Value)	**Download Single**	130.3 $158.8	114.4 $140.2	-12.3% -11.7%
	Download Album	16.4 $159.8	15.7 $153.8	-4.5% -3.8%
	Ringtones & Ringbacks	4.4 $10.9	3.6 $9.0	-17.1% -17.1%
	Other Digital[6]	0.8 $10.2	0.8 $15.7	-1.6% 53.6%
	Total Digital Download Revenues	**$339.7**	**$318.7**	**-6.2%**

TOTAL DIGITAL VALUE

	1H 2020	1H 2021	% CHANGE 1H '20 to 1H '21
TOTAL DIGITAL VALUE	$5,031.0	$6,227.0	23.8%
Synchronization Royalties[7]	$128.7	$137.0	6.4%

PHYSICAL

		1H 2020	1H 2021	% CHANGE 1H '20 to 1H '21
(Units Shipped) (Dollar Value)	**CD**	10.7 $142.7	16.1 $205.3	50.2% 43.9%
	LP/EP	9.1 $240.9	17.0 $467.4	85.7% 94.0%
	Music Video	0.4 $7.1	0.5 $10.6	22.4% 49.2%
	Other Physical[8]	0.1 $2.0	0.4 $6.8	217.7% 230.3%
	Total Physical Units **Total Physical Value**	**20.3** **$392.7**	**33.9** **$690.1**	**66.6%** **75.7%**

TOTAL DIGITAL AND PHYSICAL

	1H 2020	1H 2021	% CHANGE 1H '20 to 1H '21
Total Units[9] **Total Value**	**172.3** **$5,552.5**	**168.4** **$7,054.0**	**-2.3%** **27.0%**
% of Shipments[10] Physical Digital	**1H 2020** 7% 93%	**1H 2021** 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 2020

[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