MID-YEAR 2019
RIAA LATIN MUSIC REVENUES REPORT

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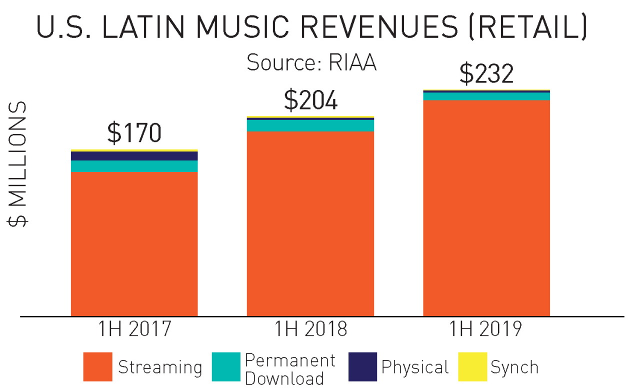
The U.S. Latin music market is continuing to flourish, building on the last three years of double-digit growth. Latin music is attracting a diverse and growing global audience, and rightfully so. Latin artists continue to claim growing representation on the mainstream charts and gain in critical recognition, as greater numbers of consumers are embracing Latin music and driving more consumer demand for it.

- Mitch Glazier, Chairman and CEO, RIAA

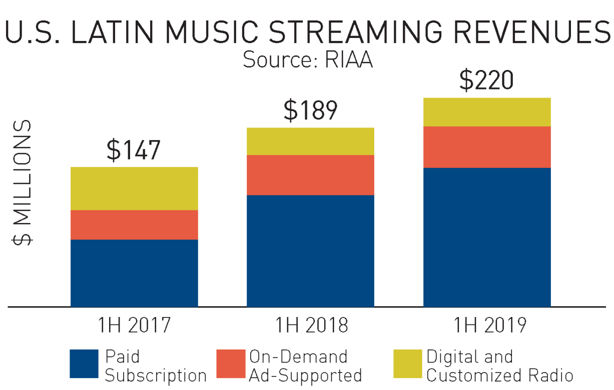
In the first half of 2019, the U.S. Latin music business continued to grow at a double digit pace. Latin music revenues grew 13.5% to $232 million at estimated retail value versus the prior year, building on three consecutive years of growth through the end of 2018. Total streaming revenues grew 17% to $220 million, accounting for 95% of the Latin music market.

FIGURE 1



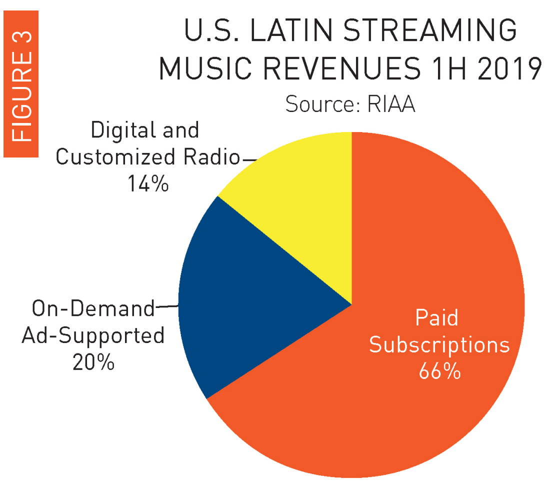
The continued growth of streaming formats of many kinds drove the Latin market, but paid subscriptions continued to be the biggest driver of growth. Paid subscription streaming (a category that includes services like Apple Music, paid Spotify, Amazon Unlimited, Tidal, among others) grew 25% to $146 million – accounting for 2/3rds of the Latin music streaming market in 1H 2019.

FIGURE 2



Revenues from ad-supported on-demand streams (a category that includes services like YouTube, Vevo, and the free version of Spotify) grew just 4% to $44 million. SoundExchange distributions and payments from similar directly licensed services for Latin music were up 5% to $30 million. Together these categories accounted for 32% of the Latin music market – a far higher proportion than the 18% of the overall U.S. market that those formats account for.

FIGURE 3



Physical and digital unit-based formats continued to shrink in sales and share of the market in 1H 2019. Digital download singles and albums declined 29% and 33% by value in 1H 2019, totaling $8 million. Revenues from physical shipments of Latin music products fell 17% to $2 million. Combined, sales of these unit based formats accounted for just 4% of the market.

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MID-YEAR 2019
RIAA LATIN 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 STREAMING

		1H 2018	1H 2019	% CHANGE 1H '18 to 1H '19
(Units) (Dollar Value)	Paid Subscription	$117.5	$146.3	24.5%
	On-Demand Streaming (Ad-Supported)[1]	$42.2	$43.8	3.8%
	SoundExchange Distributions[2]	$16.7	$18.2	9.4%
	Other Ad-Supported Streaming[3]	$12.2	$12.0	-1.2%
	Total Streaming Revenues	**$188.5**	**$220.4**	**16.9%**

PERMANENT DOWNLOAD

		1H 2018	1H 2019	% CHANGE 1H '18 to 1H '19
(Units) (Dollar Value)	Download Single	6.2 $7.5	4.6 $5.3	-26.5% -29.2%
	Download Album	0.4 $3.5	0.3 $2.3	-31.4% -32.6%
	Other Downloads[4]	0.1 $0.1	0.1 $0.1	-20.8% -21.5%
	Ringtones & Ringbacks[5]	0.2 $0.6	0.2 $0.4	-32.9% --32.9%
	Total Permanent Download Units **Total Permanent Download Value**	**6.9** **$11.7**	**5.1** **$8.2**	**-26.9%** **-30.3%**

TOTAL DIGITAL VALUE

	1H 2018	1H 2019	% CHANGE 1H '18 to 1H '19
TOTAL DIGITAL VALUE	$200.2	$228.5	14.1%
Synchronization Royalties[6]	$1.6	$1.4	-14.2%

PHYSICAL

		1H 2018	1H 2019	% CHANGE 1H '18 to 1H '19
(Units Shipped) (Dollar Value)	CD	0.2 $2.3	0.2 $2.0	-19.5% -15.9%
	Music Video[7]	0.0 $0.0	0.0 $0.0	-152.3% -158.2%
	Total Physical Units **Total Physical Value**	**0.2** **$2.4**	**0.2** **$2.0**	**-20.3%** **-17.2%**

TOTAL U.S. LATIN MUSIC REVENUES

	1H 2018	1H 2019	% CHANGE 1H '18 to 1H '19
Total Units **Total Value**	**7.2** **$204.2**	**5.2** **$231.9**	**-26.7%** **13.5%**
% of Shipments[8]	**1H 2018**	**1H 2019**	
Physical	1.2%	0.8%	
Digital	98.8%	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 2017, 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