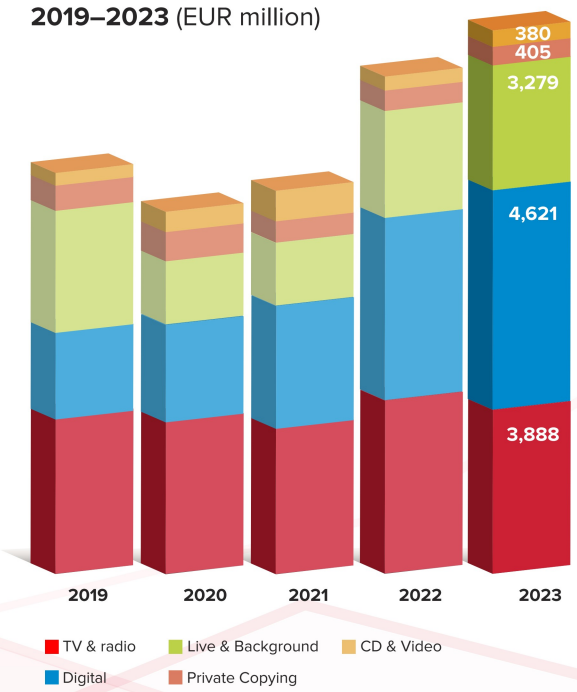
2023 market analysis

DIGITAL AND LIVE DRIVE +7.6% INCREASE IN GLOBAL ROYALTY COLLECTIONS

Global collections in 2023 increased by +7.6% to a new record high of EUR13.09bn. This was led by continued steady growth in digital income, which moved further ahead of broadcast as creators' largest royalty source on the back of streaming subscription revenue increases. There was also a strong recovery in live and public performance activity, which after three years of disruption caused by the pandemic grew by +22.0% year-on-year to finish nearly +12.6% above pre-COVID levels.

Creators' major collections sources, 2019–2023 (EUR million)



The five-year trend of creators' most important royalty sources highlights a major shift in the balance of income streams, notably the rapid growth of digital collections. Digital income has more than doubled in five years, rising by +120.7% since 2019. This has helped collections as a whole grow by +29.9% during this time.

By contrast, TV and radio income has risen only marginally during this period to drop below digital. The full recovery of the live and background sector, including concerts, exhibitions and public entertainment, is highlighted by income now +12.6% above where it was before the start of the pandemic.

As a result of all the additional royalty income generated since 2019, 84% of it comes from digital—and the vast majority of that from the spread of subscription streaming.

84% of collections growth since 2019 comes from digital

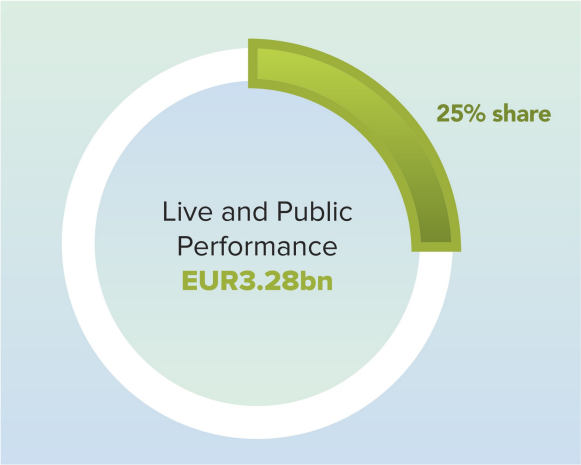
Market trends uniform for large and small markets

Analysis of global collections data over the last five years shows that, despite varied conditions in different territories, the trend over the past five years has been broadly the same for societies in large and small markets.

Ranked by size, the top ten national markets saw collections grow by +29.6% between 2019 and 2023. Markets ranked 11 to 20 and 31 to 40 grew by +35.3% and +38.1% respectively.

LIVE AND BACKGROUND MOVES ABOVE PRE-PANDEMIC LEVELS

Live and public performance collections delivered the biggest percentage growth for a second consecutive year, with income rising by +22% to an all-time high of EUR3.28bn. Having been the first sector impacted by the pandemic, in 2023 this sector became the last to return to pre-COVID levels.



Live and public performance has taken five years to match pre-pandemic levels, with income now +12.6% higher than in 2019. The trend has restored live and public performance to one-quarter of total global collections, having hit a low of 16.6% in 2021. All regions reported further strong recoveries in live and background collections in 2023, including for concerts, exhibitions and licensing venues and businesses.

Live music outpaces recovery of other sectors

Data gathered by CISAC uniquely for the music sector show an important rebalancing of income streams within the overall live and public performance section. The data, collected from more than 100 CISAC member societies, breaks down royalties creators received in a wider range of entertainment activity. It reveals, in particular, a marked difference in the trends for the two largest segments—live concerts and background music.

Live music royalties increased by +24.0% since 2019, while background rose by +6.1%. By contrast, other income channels have as yet failed to recover from the pandemic: authors' collections for karaoke total EUR118.2m, which is -23.9% lower than in 2019. In its largest market, Japan, karaoke income is expected to return to growth in 2024 but against a longer-term trend, even before COVID, of gradual decline. Similarly, cinema royalties, at EUR85m, are -17.9% down on pre-COVID levels.

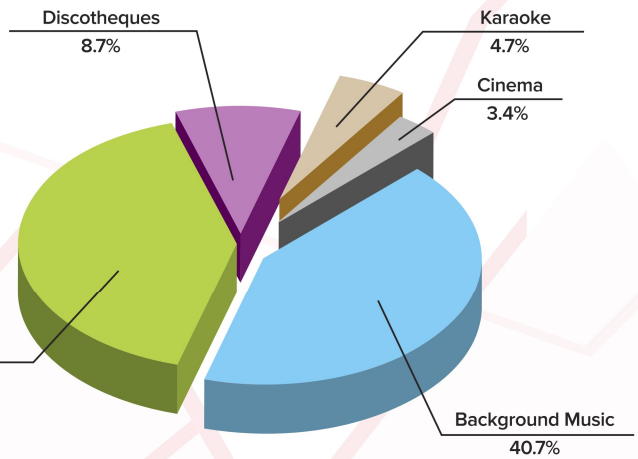
This is mirrored in other data. Although global box office revenues increased by +29.4% in 2023, WIPO and Omdia figures reveal they were still nearly USD9bn lower than in 2019.

The data confirms a mixed picture in trends of different revenue sources since COVID.

Live and Background growth of main income streams 2019–2023 (EUR million)

Use category	2019	2023	Growth 2019–2023
Background music	972	1,032	+6.1%
Live music	832	1,031	+24.0%
Discotheques	196	220	+11.9%
Karaoke	155	118	-23.9%
Cinema	104	85	-17.9%

Live and background main income streams in 2023



Latin America leads growth

Latin America and Asia-Pacific, whose live sectors were slower to return after the pandemic, are now seeing the fastest recovery. In Latin America, income grew by +57.9% year-on-year and was +32.7% ahead of 2019, with Brazil outperforming global trends. This was helped by significant renewed demand in the market for live festivals. Asia-Pacific was up +18% on the year as live concert collections increased substantially in Japan, driven by higher attendances and a rise in the number of large-scale concerts held in urban areas. However, the Asia-Pacific region has been the slowest to recover and is the only region that has yet to match pre-pandemic levels.

Growth of Live & background collections by region

Region	2023	Growth 2019–2023
AFRICA	+13.7%	+8.0%
ASIA-PACIFIC	+18.0%	+0.8%
CANADA/USA	+22.7%	+21.3%
LATIN AMERICA	+57.9%	+32.7%
E. EUROPE	+22.2%	-2.2%
W. EUROPE	+19.4%	+12.3%
GRAND TOTAL	**+22.0%**	**+12.6%**

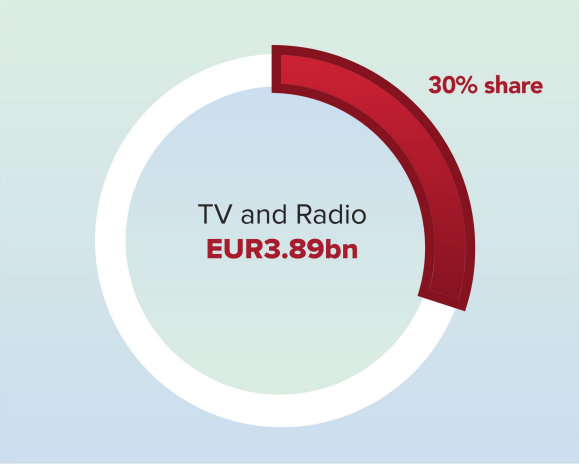
Mixed outlook for live sector, especially small venues

Live music industry publication, Pollstar, described 2023 as "a colossus, the likes of which the live industry has never before seen" as it reported that total grosses for the year's worldwide top 100 tours were up by +46% on the previous year. Buoyant festivals and tours, and pent-up demand in previous years combined with higher prices to drive this boom. This positive outlook was echoed in May 2024 by global events company Live Nation, stating that: "Global fan demand is stronger than ever. More artists are out on the road and more revenues are being added to bring them together".

However, while superstar artists such as Taylor Swift and Beyoncé are propelling record revenues at the top end of the market, it is a different story at the grassroots level, with the number of venues declining dramatically in many markets. This includes Australia, which, despite the live music industry enjoying a record year in 2023, has lost 1,300 small- and mid-sized live music venues since the start of the pandemic, according to APRA AMCOS's annual report (see Australia's "Revive Live" campaign page 42).

TV AND RADIO: INCOME DROPS MARGINALLY

Broadcast collections fell by -4.0% in 2023 as digital extended its lead as creators' biggest royalty source. TV and radio income was +0.7% ahead of 2019. Societies report a continued gentle plateau in collections for traditional radio and TV income.



Broadcast remains a significant and resilient source of income for creators, but changing consumer behaviour is driving a continual shift to digital. Traditional broadcasters are increasingly shifting to digital progamming to compete with subscription video platforms. Royalties are most affected by the fall in viewer numbers and TV advertising income.

Back in 2013, TV and radio made up 46% of CISAC's total collections and digital just 6%. By 2022, broadcast's share had fallen to 33% when it was overtaken by digital for the first time. It dropped to 30% in 2023.

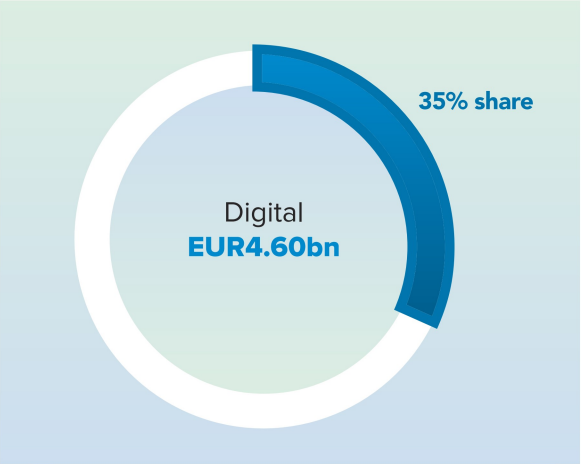
The growth of subscription video on demand services is thought to be compensating for the decline of traditional TV broadcasting in many markets. Nielsen data reveals that in May 2024, streaming claimed an all-time high of +38.8% of US TV viewing, led by YouTube, Netflix, Hulu and Prime Video. This was up 2.2 percentage points on the same month in 2023, with broadcast and cable combined taking just over 50% of the market.

Advertising revenues are helping to power this switch in broadcast income. This trend is highlighted by figures from GroupM, the world's leading media buying agency, which forecasts that global advertising revenue will grow by +7.8% in 2024 to USD898.8bn. It is then predicted to surpass USD1trn in 2025, led by digital ad growth.

CISAC's network of CMOs continues to play a key role in deriving value from creators' works used on TV and radio. This work includes many markets where linear TV and radio remain widely used, digital has a lower penetration and where there is greater engagement with traditional broadcast platforms.

DIGITAL WIDENS GAP AS CREATORS' MAIN INCOME SOURCE

Digital revenues are the most important lifeline for creators worldwide. Having overtaken broadcast to become creators' largest revenue source in 2022, digital further extended its lead in 2023 with +9.6% income growth to EUR4.60bn. This was +120.7% higher than in 2019 and accounted for 35% of total collections.



The increase reflects continued organic subscriber growth in the digital market, as well as the first price rises introduced by the main music streaming services. Spotify reported having 246 million premium subscribers in Q2 2024, up +12% year-on-year. It expected to add 5 million net new subscribers in Q3.

Spotify also rolled out its second wave of price rises in a year in 2024. However, controversially, for the US increase, it reclassified its premium tier as a "bundle", which now includes audiobooks alongside music. Under statutory rates agreed in 2022 between DSPs and publishers, bundles pay a lower mechanical royalties rate. The move was widely criticised by songwriters, publishers, their representative groups and some leading US politicians.

Streaming is not working for most creators

Despite digital now established as their biggest income source, the vast majority of creators say streaming income cannot support a career or livelihood. This is especially true for those outside the small coterie of highly successful artists, and those who cannot rely on other income streams, such as performing live, to build their career. The issue is becoming more critical as digital's share of collections grows.

CISAC members cite multiple reasons for this situation. One is the growing long tail of creators that is expanding at a far faster rate than revenue is rising, as well as more releases in the market. Research analysts Luminate says an average of 120,000 new recordings a day are now being added to streaming services.

Most societies have seen huge increases in membership over recent years, increasing the overall "pie" of royalty recipients getting paid. For example, UBC in Brazil has seen its members rise from about 9,400 in 2009 to more than 68,000 in 2024. In the UK, PRS for Music's membership grew by 10,000 in 2023, more

than in any previous year. Despite the audio streaming market in Germany having increased by almost 10% in 2023, GEMA says the revenues it delivered barely increased from the year before.

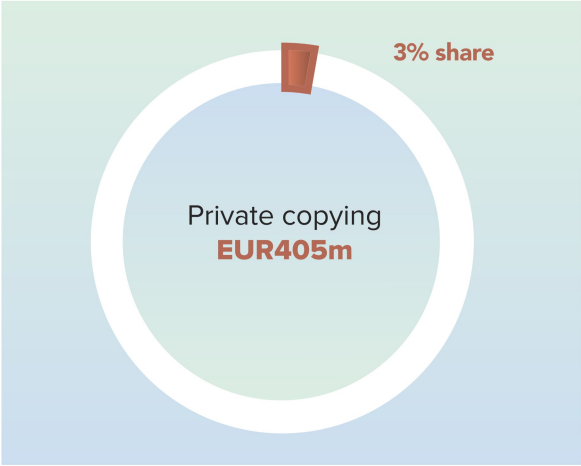
Digital value challenges

The issue is exacerbated in markets where digital is an exceptionally significant collections source, accounting for two-thirds or more of all income. This includes many markets in the Asia-Pacific region, which has a higher dependence on digital income than other regions.

An example is India, which has seen years of strong subscription streaming collections growth and is home to one of the world's fastest-growing audiences for creative works. Streaming growth has helped push India from 37 to 26 in the global collections rankings between 2019 and 2023. Despite this, local CMOs are challenged by a long-established culture of "free content" where the vast majority of music and video subscribers are on free or very limited payment deals.

Authors' societies work relentlessly to negotiate with DSPs rates that reflect the true value of creators' works. Hugely popular platforms such as TikTok pose another challenge, paying out lower levels of revenue for creative content than DSPs or other social media companies.

PRIVATE COPYING: A KEY INCOME STREAM RETURNS TO GROWTH



After two consecutive years of decline, private copying returned to growth in 2023 with income increasing by +9.7% to EUR405m. Although this is down from its peak of EUR470m achieved in 2020, it is now established as creators' fourth biggest income source behind digital, TV and radio, and live and background, but ahead of CD and video.

Private copying provides a vital source of remuneration for creators and rightsholders around the world, being paid whenever digital media and devices that can copy works are sold. In territories where such levies exist, they can help to fund investment in a range of cultural programmes and activity.

In France, SACEM invests 25% of the revenue generated by private copying in cultural and social programmes, which includes supporting the development of songwriters' careers and artistic and cultural education. In 2023, this investment totalled EUR22.5m and supported 3,657 cultural projects.

CISAC actively works with member CMOs in many countries to implement effective private copying legislation. This includes West Africa, where it worked with the eight-member-state UEMOA (West African Economic Monetary Union) on a regional Directive harmonising rules on private copying. This was unanimously adopted by UEMOA's Council of Ministers in September 2023. Prior to this, only two of UEMOA's member states—Burkina Faso and Côte d'Ivoire—had a functional private copying scheme.