

Spotify: Face the Music



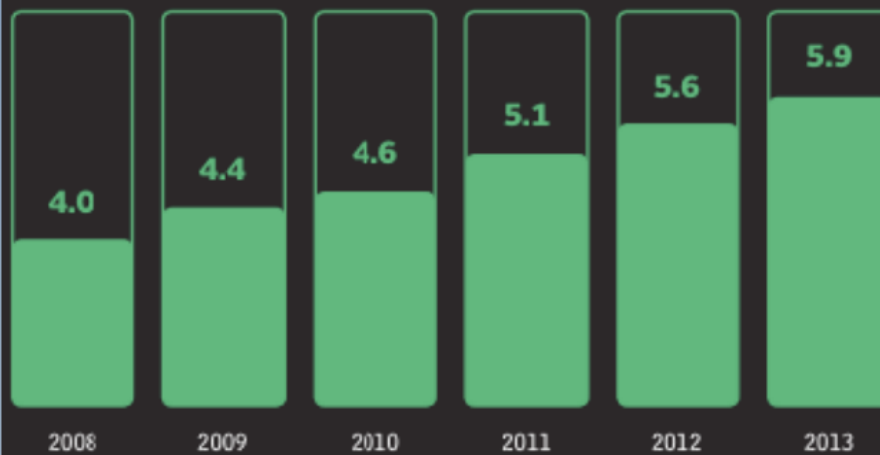
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Background

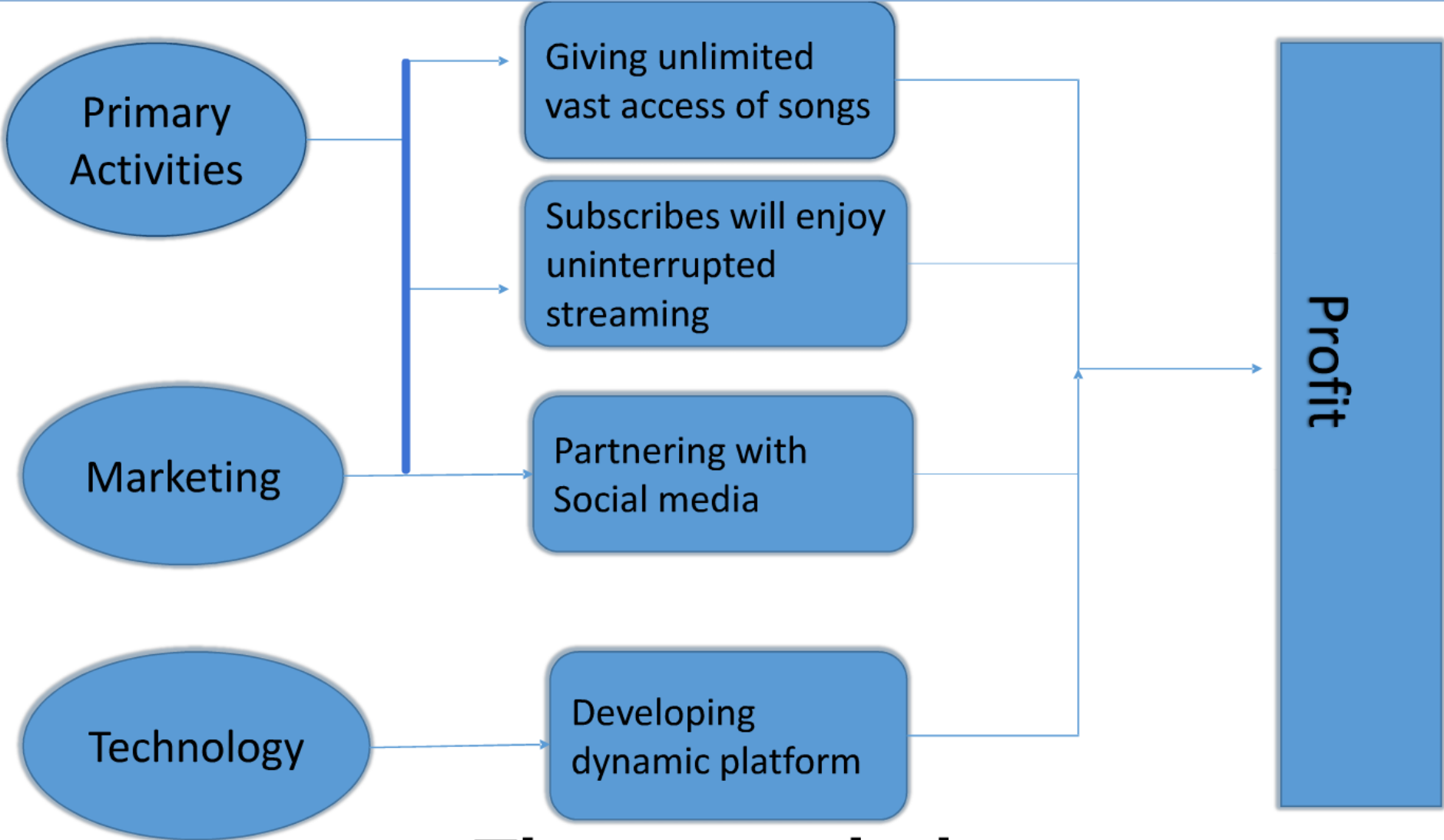
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- Founded in 2006 by Daniel Elk & Martin Lorentzon
- Increase in Digital Music Market through multiple servers on the same platform
- Inspiration from pirating through peer-to-peer architecture
- Creation of a more superior technology infrastructure than pirating platforms

Figure 1: Global digital revenues 2008 –13 (US\$ Billions)



Source: IFPI

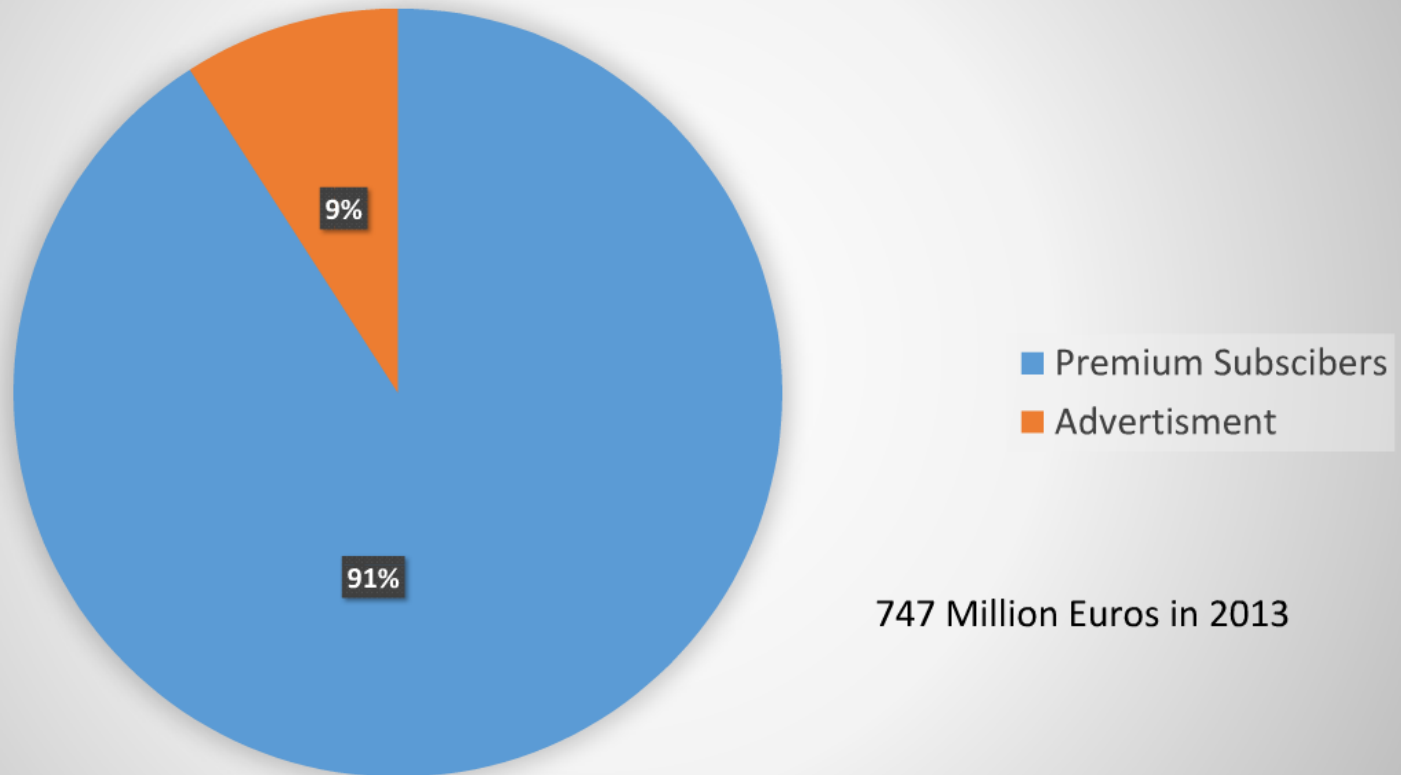


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Financial Reviews

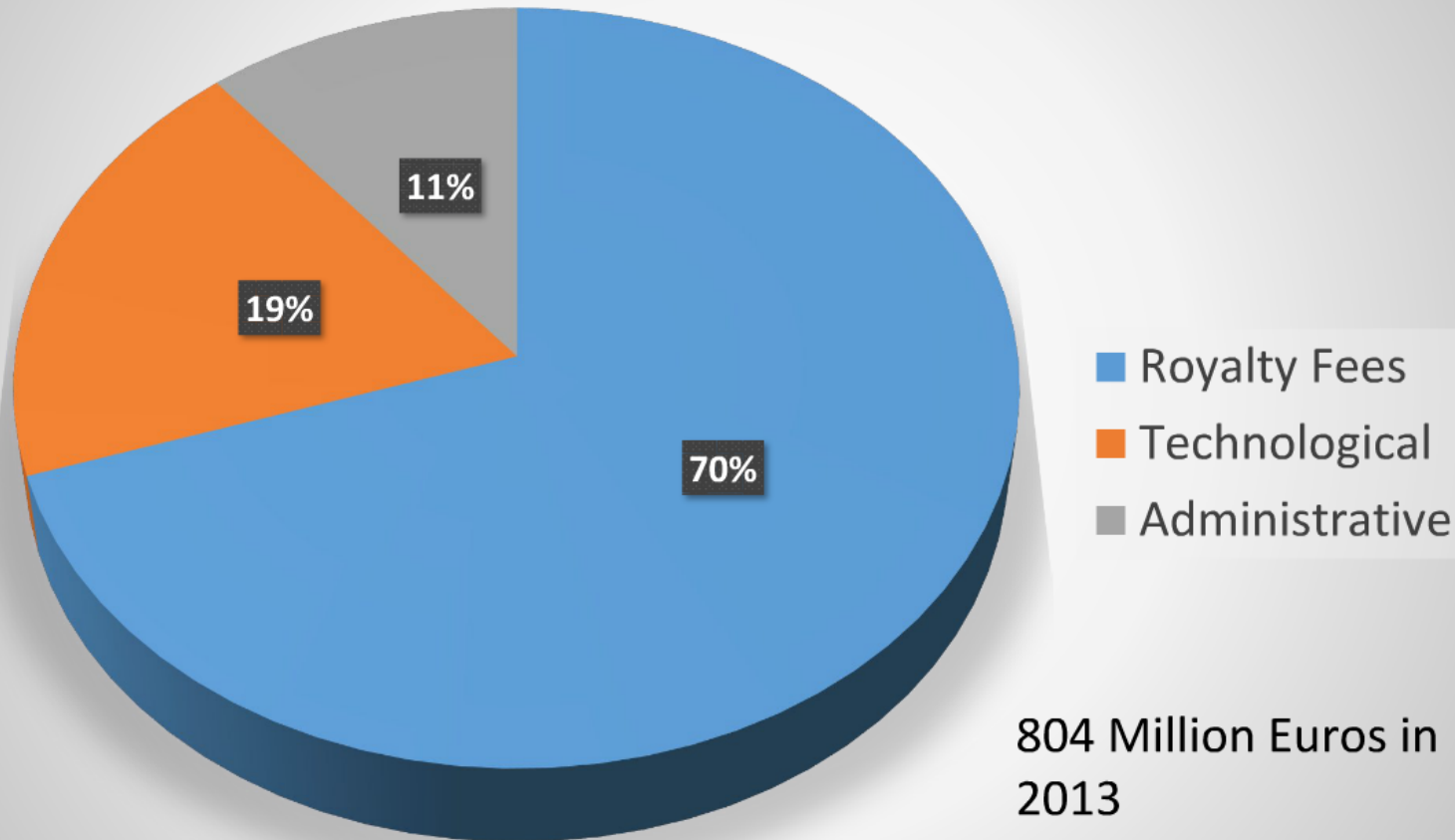
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Revenue



Expense

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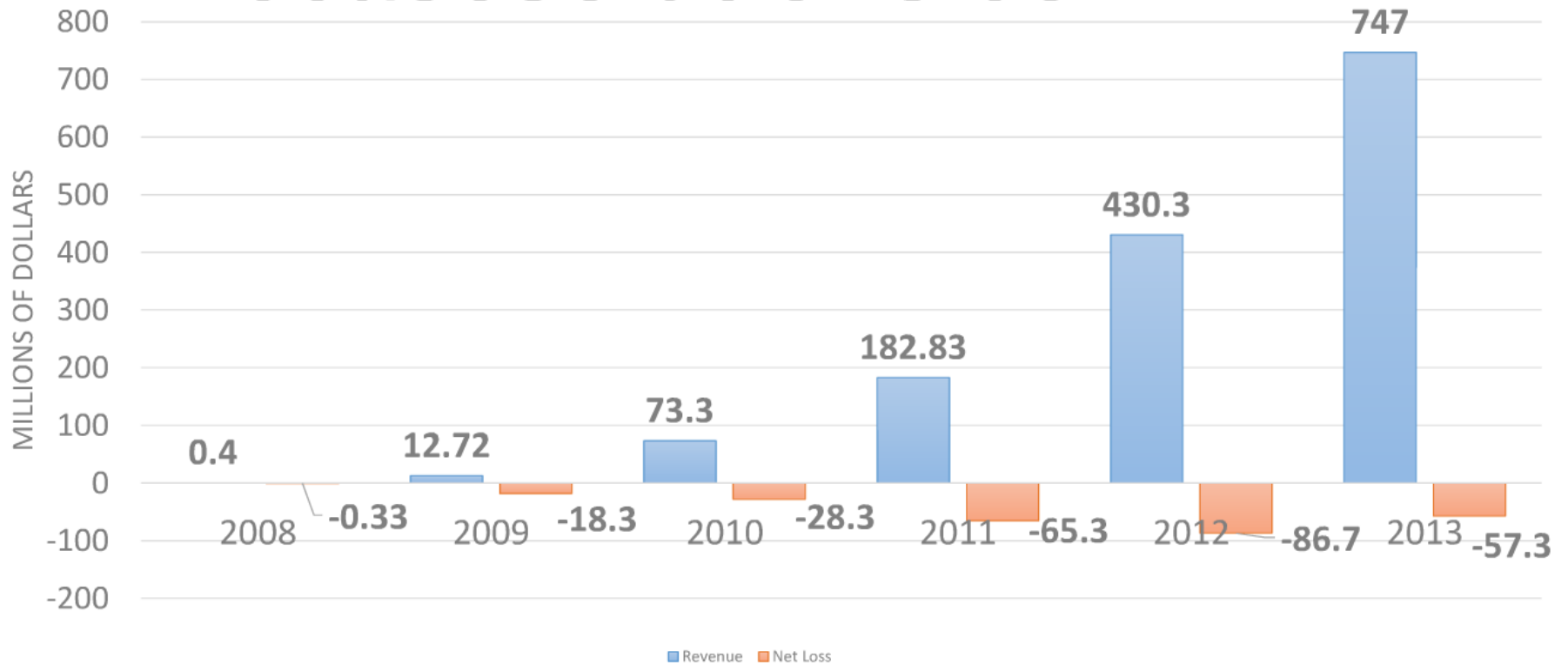


804 Million Euros in
2013

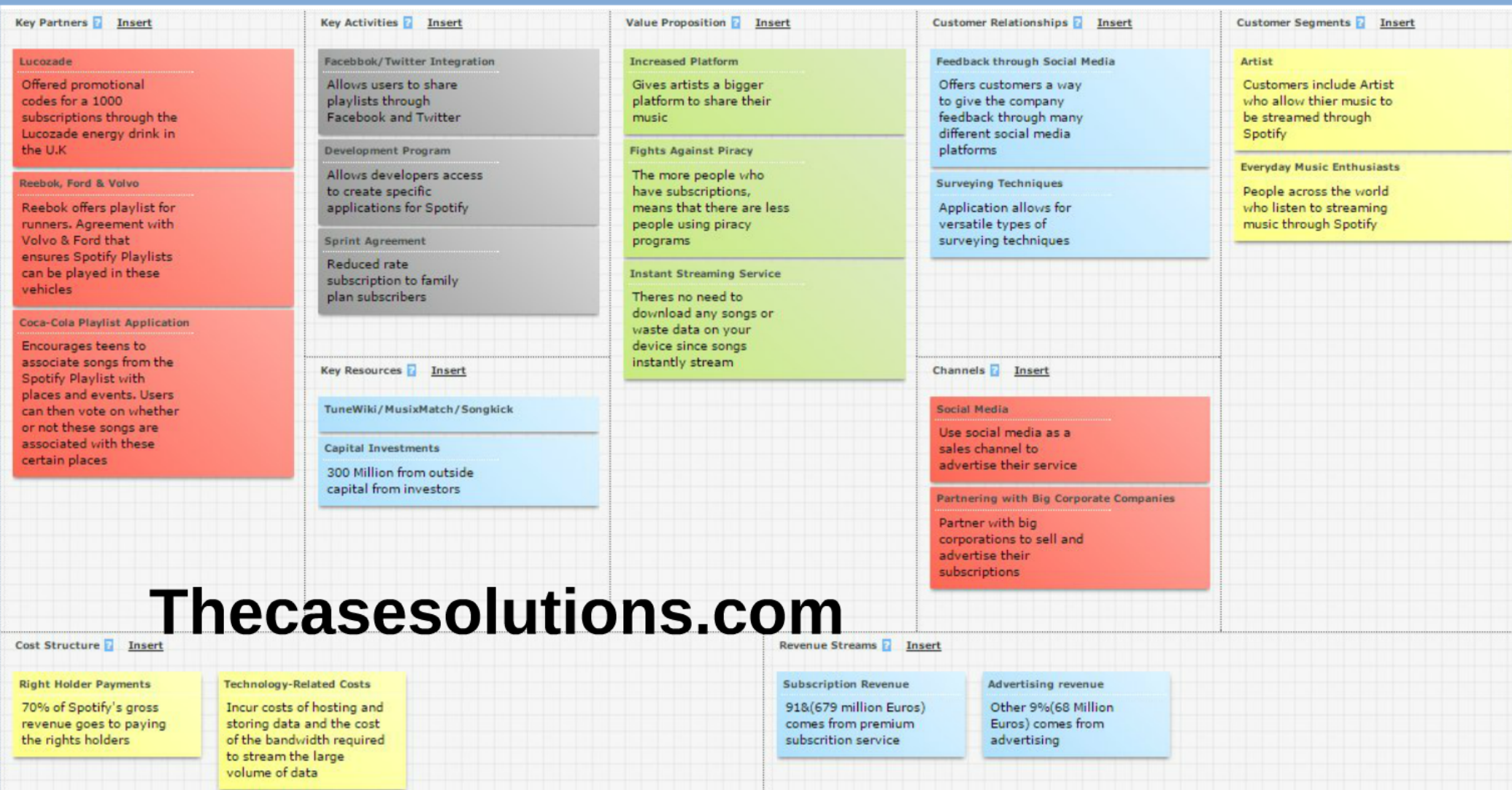
The cost of royalty paid is increasing as the number of subscribers increases. Which then limits the growth in net income

Spotify's Revenue and Net Income from 2008 to 2013

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Business Model Analysis



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Resources

- Social media integration and continuity
- Developmental platform that allows outside developers the opportunity to create 3rd party apps for Spotify(MusixMatch/SongKick)
- Extensive promotions through corporate partnerships
- Close to 300 million in outside capital from investors

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