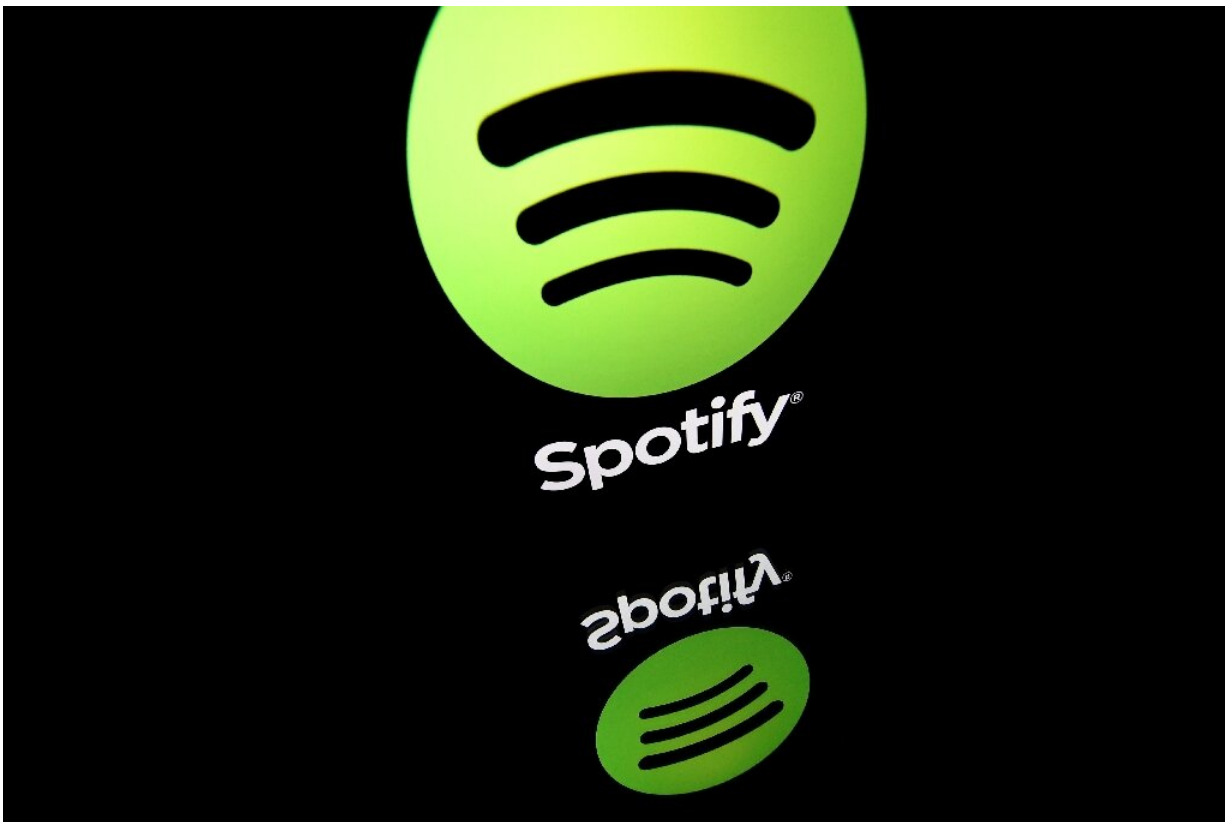


Spotify shares tumble on weak profit forecast

February 2 2022



Shares of Spotify fell after it projected weaker profit margins in the first quarter of 2022.

Shares of Spotify tumbled Wednesday after the music streaming service reported a quarterly loss and projected lower profit margins in the coming earnings period.

The company announced a loss of 39 million euros (\$44.1 million) and forecast its first-quarter 2022 gross profit margin would fall to 25 percent from 26.5 percent.

Its press release made no mention of the controversy surrounding podcaster Joe Rogan, whose statements about Covid-19 vaccines have led to the departures of some high-profile musicians from the service.

However, Spotify said its podcasting platform had seen increased consumer engagement.

"Consumption trends remained strong," Spotify said of the podcasting service.

The company pointed to "continued momentum in our subscription business and meaningful advertising results," adding that "we see a tremendous amount of greenfield on the horizon."

Shares of Spotify have fallen steeply over the last year, along with other "stay-at-home" stocks that benefited from the disruptions to [daily life](#) caused by the Covid-19 pandemic.

Spotify's shares fell 12.7 percent to \$167.50 in after-hours trading.

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