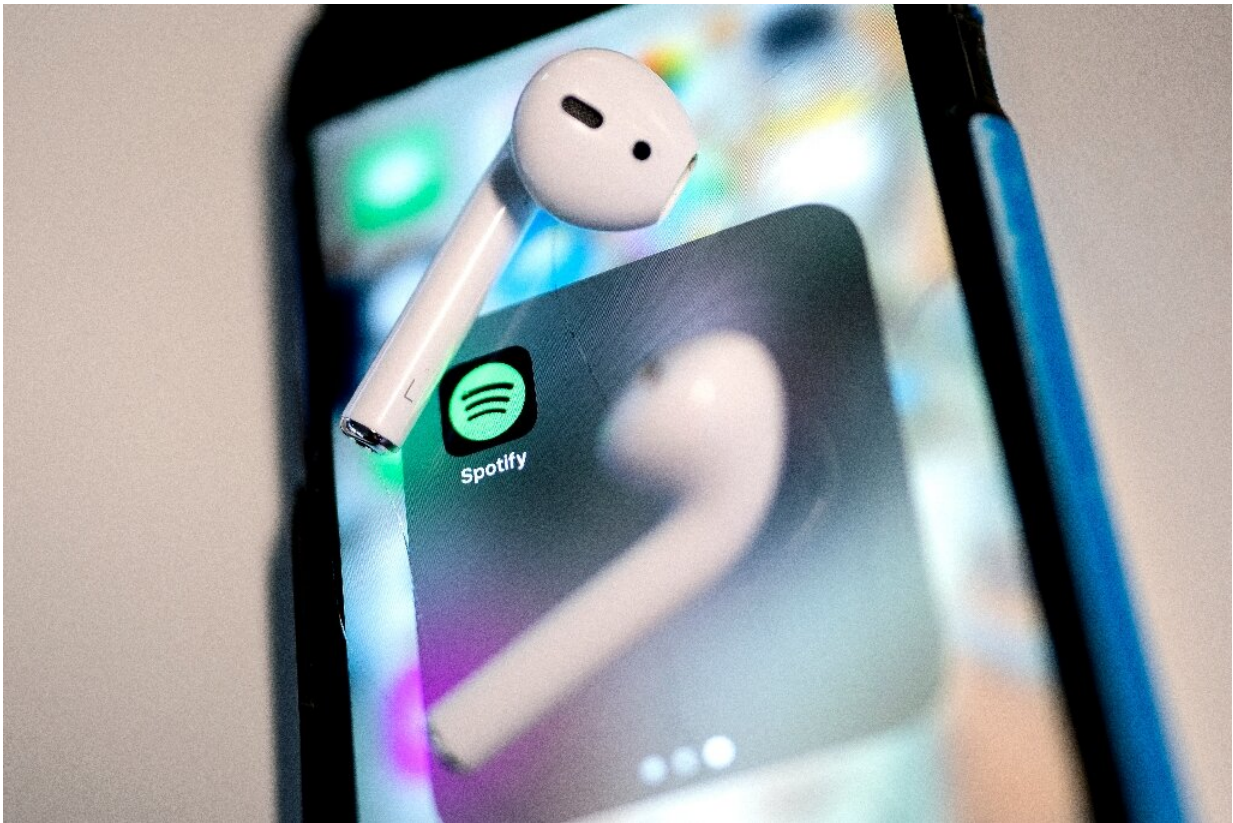


Spotify losses widen as costs and subscribers increase

July 27 2022



Spotify's paying subscribers rose by 14 percent to 188 million.

The world's most popular streaming service Spotify on Wednesday recorded wider losses on rising costs even though subscriber numbers beat expectations in the second quarter.

Between April and June, the Swedish giant suffered a [net loss](#) of 125 million euros (\$126 million), compared to 20 million euros in the second quarter of 2021.

In the same period, the number of paying subscribers rose by 14 percent to 188 million out of a total of 433 million including non-paying users.

The 19 percent increase in overall users is the largest ever in the second quarter, the company said.

Analysts had expected a loss of 127 million euros (\$128 million) and a rise in paying subscribers to 187 million, Bloomberg reported.

The rise in paying subscribers confounded concerns that the rising cost of living would push consumers to cut back on non-essential spending such as entertainment.

Spotify's operating losses hit 194 million in the second quarter, compared with operating profits of 12 million euros a year earlier.

Spotify blamed the losses on higher staff costs after expanding its team and new acquisitions as it widens its reach into the world of podcasts.

Spotify raised hackles earlier this year with a \$100 million multi-year deal with controversial star podcaster Joe Rogan.

At the end of the [second quarter](#), Spotify listed 4.4 million podcasts on its platform, a rise of 400,000 from the end of March.

The number of users that engaged with podcasts grew in the "substantial double-digits" year-on-year and "per user podcast consumption rates continued to rise", it said.

Spotify expects operating losses of 218 million euros in the third quarter due to unfavourable exchange rates.

The [euro](#) has slumped against the dollar in recent months, triggered by the war in Ukraine and the mounting risks to the European Union's economy, as well as a relatively slow increase of interest rates by the ECB.

Spotify shares rose 16 percent in morning trading on the New York Stock Exchange.

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