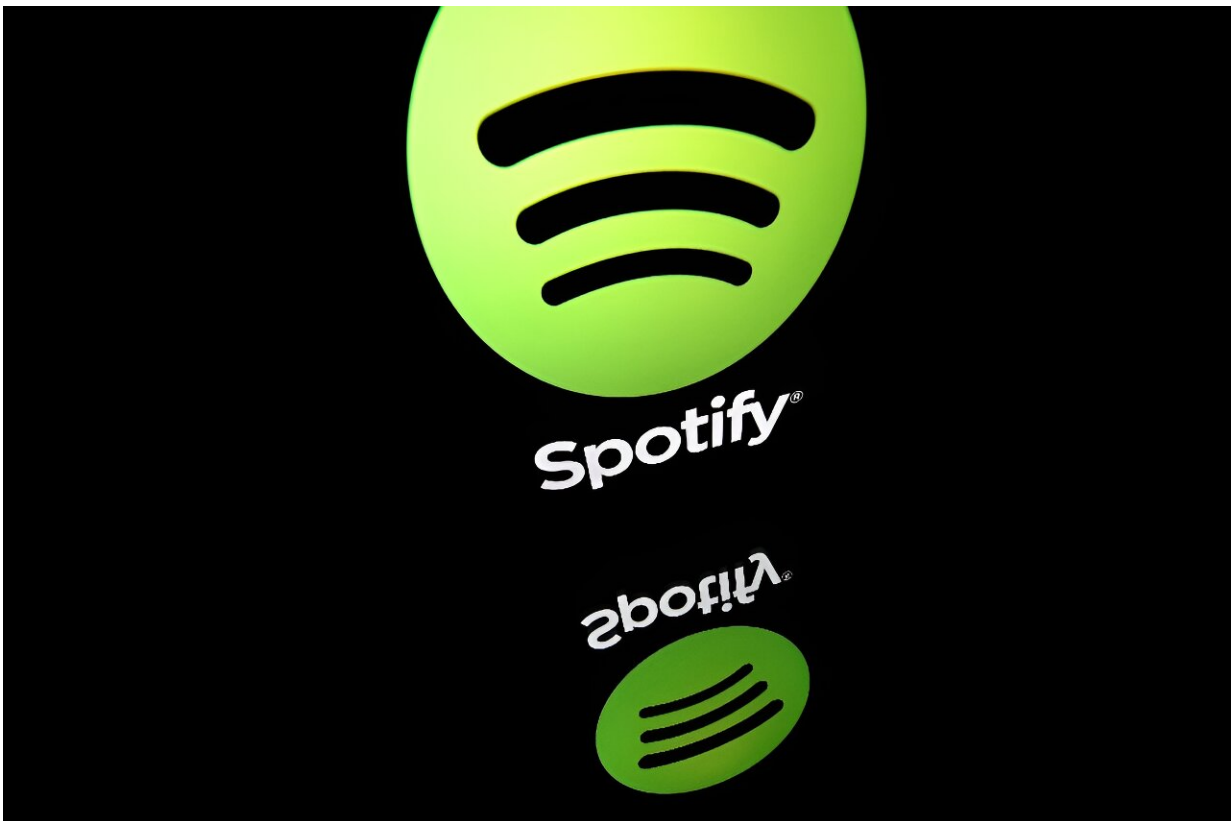


Spotify swings to profit, paying subscribers rise

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Music and podcast streaming giant Spotify reported Tuesday an increase in the number of paying subscribers and a rare but lower-than-expected

operating profit for the first quarter.

The company posted a "new quarterly high" operating profit of 168 million euros (\$179 million)—a turnaround from a loss of 156 million euros over the same period last year.

But the figure was lower than its guidance of 180 million euros.

Spotify said the operating profit had been impacted by higher-than-expected payroll taxes which are tied to share-based compensations.

The audio group said it had 615 million active users at the end of the quarter, just short of its guidance of 618 million.

However, of those 239 million were paying subscribers, just in line with its projections.

Spotify said the business had "performed well" in the quarter, "led by healthy subscriber gains, improved monetization and record strength in profitability."

"Overall, we are encouraged by the strong start to the year," the company said in its [earnings report](#).

Revenue grew 20 percent year-on-year to 3.6 billion euros, but was down one percent compared to the preceding quarter.

Spotify has invested heavily since its launch to fuel growth with expansions into new markets and, in later years, exclusive content such as podcasts.

Despite its success in the online music market, the company has never posted a full-year net profit and only occasionally quarterly profits.

On Tuesday it said it expected an [operating profit](#) of 250 million euros in the second quarter of the year.

In December, Spotify announced it would reduce its staff by around 17 percent in a bid to reduce costs, which followed earlier cuts announced in January and June of 2023.

In July 2023, the Swedish company, which is listed on the New York stock exchange, announced it was raising its prices for premium [subscribers](#) "across a number of markets around the world," following in the footsteps of similar moves by competing [music services](#) from Apple and Amazon.

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