

# A Decade of 'Livin' on a Prayer' by Bon Jovi

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## Publishing Income 2009-19 (US\$)

The income generated by 'Livin' On A Prayer' since 2009 provides an illustration of the enduring appeal and consumption of Songs in our Portfolio and how effective active management adds to the underlying performance. It encapsulates themes of activity the investment adviser will emulate and prioritise on all its classic assets.

The 44% increase in total income over the past decade for 'Livin' On A Prayer' is reflective of the overall music publishing business which has enjoyed fantastic growth over the past 5 years. This growth was driven by the global online subscriptions in Streaming from c.1 million<sup>1</sup> in 2009 to 358 million in 2019<sup>2</sup> more than offsetting the declines seen within Mechanicals and Downloads.

### Performance (2)

Performance income has increased steadily reflecting better collections seen globally combined with growth in tv and radio. Between 2018 and 2019 there was a significant uptick of 66% driven by Bon Jovi touring income. Bon Jovi are currently planning a new World Tour for 2021/2022.

### Streaming (3)

Over the past decade there has been a fundamental shift in streaming. Between 2009 and 2011, only 3% of total royalties were generated from streaming services. Since 2009, Streaming has grown from close to zero revenue to the second largest revenue source with the fastest current growth rate.

Streaming growth rate increased following Spotify's US launch in 2012. The growth in streaming for 'Livin' On A Prayer' has been impressive, at a staggering 276% since 2016.

We expect to see this income type become more dominant in the years to come with the continued adoption of DSPs such as Spotify and Apple Music, as well as new entrants to the marketplace such as Tik Tok and Peloton, which are being adopted by a widening demographic of user age groups.

### Synchronisation (4)

Synchronisation is buoyant over the period, reflecting that the song is highly 'syncable' with strong opportunities for Active Management. Synchronisation deals over the period include the song being placed in the iconic video games 'American Guitar Hero' and 'Rock Band 2' both in 2009, in 2014 was on the trailer for the 2013 animation film 'Free Birds' and in 2016 the football video series 'Madden NFL 2017'. These lucrative licenses across the decade demonstrate the continued earning power of the song.

### Mechanicals (5) and Downloads (6)

Downloads and Mechanicals account for a small proportion of total royalties earned between 2017 and 2019. This trend is reminiscent of the general sentiment in music consumption of accessing music via streaming rather than ownership through downloads and the decline in physical sales, which both trigger a mechanical royalty.

### Other (7)

Income was also generated from Print rights, for the song to be reproduced as sheet music, and Grand rights, to use the song in theatrical stage productions and musicals.

<sup>1</sup> Source: Wired Magazine 'Spotify Has 1 Million Paid Subscribers...'

<sup>2</sup> Source: Counterpoint 3 April 2020 'Global Online Music Streaming Grew 32% YoY to Cross 350 Million Subscriptions in 2019'

## 2009

Synchronisation royalties for the iconic video game 'American Guitar Hero' and for music video game 'Rock Band 2'.

## 2011

Marked the highpoint in Mechanical royalties for the song over the decade with Mechanical sales declining for most of the period thereafter, common with the general trend in music consumption.

## 2012

The launch of Spotify in 2012 marks the start of an upward trend for Streaming which by 2019 accounted for 25% of total revenue for this Song. The growth in streaming has been impressive at a staggering 276% since 2016.

### KEY

- 1 Total
- 2 Performance
- 3 Streaming
- 4 Synchronisation
- 5 Mechanicals
- 6 Downloads
- 7 Other

## 2016

Synchronisation earnings growth in 2016 was driven by license for the football video series 'Madden NFL 2017'.

## 2018-19

saw a 66% growth in total income for the song. The growth was driven by Performance and Streaming, more than offsetting the declines in Mechanical and Download.

