



Cool, calm, collected: PRS For Music client Cynthia Erivo and Sound Royalties client Lil Wayne



A ROYALTY AFFAIR

The **royalties sector** is booming right now. And not only that, it's at the heart of some of the biggest issues in the music business. It's a complex world, but in this **special report** *Music Week* unites some of this area's most distinguished names to break it all down. Here, we dissect some big successes, changes and challenges...

WORDS: JAMES HANLEY

In an industry built on creativity, it stands to reason that those at the heart of it are routinely finding new ways to earn from their work. As a consequence, the royalties business is moving faster than ever in 2025 to keep pace with the changing times.

"Traditional revenue from record sales and streaming platforms remain hugely important, but we're also seeing artists diversify into brand deals, sync licensing, fan-engagement platforms and short-form content creation across TikTok, YouTube Shorts and more," observes Sound Royalties CEO Alex Heiche, who advises that the trend has led to increased complexities.

"Monetisation now spans multiple platforms, regions and formats – each with different timelines, royalty structures and rights considerations," he adds. "At the same time, new payout models and technology are reshaping how royalties flow to artists and songwriters. That's why it's more essential than ever for creatives to have knowledgeable and trusted financial resources."

Founded in 2014, Sound Royalties works with a broad range of creators, including established names such as Lil Wayne, DJ Khaled and Wyclef Jean, plus emerging talent like Nashville-based singer-songwriter Sonia Leigh and Grammy-nominated artist and producer Brent Faiyaz. Over the past 12 months, the music finance company has expanded and adapted its services to reflect the fast-moving environment.

"Our focus at Sound Royalties has always been on supporting creatives at every stage – helping them unlock the value of their royalties, plan for future projects and stay in control of their rights," continues Heiche. "In all cases, the common thread is that our customers earn from their creativity – and we provide them with financial solutions that help unlock that value. Above all, we see this



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**AUSTIN JACOBS,
PRAGER METIS**

as a moment of opportunity for the music industry – and we're here to help creators take full advantage of it."

PRS For Music, which represents more than 180,000 songwriters, composers and music publishers, including Raye, Andre Rieu, Charli XCX, Robbie Williams, Myles Smith, Cynthia Erivo, Dave Grohl, Diljit Dosanjh and Yungblud, knows a thing or two about seizing the day. In 2024, the organisation became a billion-pound society two years ahead of schedule by distributing £1.02 billion to its members. Its latest annual figures saw revenues increase by 6.1% year-on-year to £1.15bn.

According to PRS CEO Andrea Czapary Martin, the primary driver for the record growth remains online services, including platforms such as Spotify, Apple Music and YouTube.

"We have increased royalties ten-fold from this sector in the last nine years, and online now represents our largest revenue stream," she tells *Music Week*.

PRS' international collections reached £351.4 million at the end of 2024 – an increase of 79.6% compared to 2015 – while public performance collections have seen a 49.6% uptick in the six years since the launch of the groundbreaking PPL-PRS joint venture.

"We measure success by the royalties paid out, not the amount collected, and getting more money, to more members, has continued to be our core focus over the last year," says Martin. "In March, we piloted the payment of monthly rather than quarterly online streaming royalties, meaning more than £23.4 million was paid to members that month."

Another bonus has been the phenomenal success of major stadium and arena tours over the past 18 months, which fuelled a 30.6% rise in collections from the live sector to £89.6m, although things do not appear quite so rosy lower down the chain.



Ahead of the Curve:
Mascot act Beth Hart is represented by Curve

“Live music is a cornerstone of the music economy and last year we paid more members from live performance than ever before, reaching over 39,000,” says Martin. “But while major tours dominate headlines, the real health of the sector depends on the entire ecosystem. Our data shows a 27% drop in live performance claims for small and mid-sized European events and festivals between 2019 and 2023, driven by post-Brexit barriers, rising costs and under-reporting.”

Martin insists that ensuring live royalties are both accurate and timely relies on all elements of the music community working efficiently together.

“Managers, publishers, promoters, venues and collection societies all share a responsibility to ensure live performances are properly reported,” she says. “Songwriters and composers aren’t always in the room when their music or compositions are played, they rely on the rest of us to get it right.”

Be that as it may, Prager Metis partner Austin Jacobs admits to being impressed by the “notable resilience” displayed by the royalties market over the past 12 months.

“Despite earlier concerns around catalogue valuations, the sustained interest from private equity and institutional investors has helped maintain strong asset values,” he says. “Additionally, recent price increases by streaming platforms have not deterred subscriber growth, which is an encouraging sign for the long-term stability and revenue potential of music rights.”

An international advisory and accounting firm, Prager Metis has successfully integrated its UK and US teams in order to “deliver a truly global service offering”.

“We’ve been able to provide clients with seamless, cross-border advisory support, particularly in the complex and evolving area of music royalties,” says Jacobs. “This collaborative approach has enhanced our ability to deliver tailored, strategic solutions that reflect the nuances of both markets.”

PPL, which licenses the use of recorded music in the UK and collects neighbouring rights royalties from around the world, also enjoyed a record-setting 2024. It generated £301m – the highest in its 90-year history – and paid more than 172,000 performers and recording rights holders. Clients include Charli XCX, Dua Lipa, Cat Burns, Lewis Capaldi, Yoko Ono and the estate of John Lennon.

For PPL, a key area of growth was public performance revenues – licensing of recorded music in public places such as shops, bars, restaurants, gyms, offices and warehouses – which grew by 9% to £121.4m.

“As more companies looked to attract staff back into the workplace, we saw an uplift of 8% in revenues from factories and offices taking a music licence in 2024,” reports Kate Reilly, PPL’s chief membership and people officer. “We also saw international revenue grow by 7% in 2024 – more territories are recognising neighbouring rights and it’s encouraging to see greater collaboration across the sector.”

The neighbouring rights market reached \$2.9bn in 2024, up 5.9% year-on-year and the fourth year of successive growth according to the IFPI. Last year, performance rights revenues represented 9.7% of



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MUSIC SERVICES
(SESAC MUSIC
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CZAPARY
MARTIN, PRS
FOR MUSIC**



“It’s essential for creatives to have knowledgeable and trusted financial resources”

**ALEX HEICHE,
SOUND
ROYALTIES**

total recorded music revenues globally, and PPL has no intention of wavering from the task at hand.

“Goldman Sachs estimated that the neighbouring rights market could be worth over \$4bn by 2030, meaning there is \$1bn of untapped revenue to be captured in the next five years – that is an exciting prospect,” says Reilly. “As the leader in international collections, with 115 agreements in place covering 95% of the neighbouring rights market by value, we believe we are well placed to collect this revenue for our mandated members.”

Adopting a similarly global outlook, industry veteran Andy Bodkin has overseen the development of SESAC Music Group’s Music Services division outside of the US since his appointment as president, international, last year. The team is responsible for licensing, royalty collection and administration to clients worldwide.

“We’ve grown our international reach in a big way – building out local infrastructure, improving payment timelines, and bringing more clarity to collections worldwide and in emerging markets,” he explains. “We’ve also strengthened our partnerships with clients and societies around the world, making our service faster, more accurate and more responsive to the needs of today’s music creative community. Together, we make sure we are not leaving money on the table that rightfully belongs to the writer, label or publisher.”

Music Services works with clients from independent songwriters to “top-tier” music publishers, record labels and artists. As a division of SESAC Music Group, it also works closely with PROs, CMOs, IMEs and DSPs worldwide to create efficiencies in licensing and administration, including Soundreef, AAMRO and KOSCAP.

“Some of the clients we work with are Silva Screen, Gaiter and Sun Records, and there are many more across genres and territories as well,” says Bodkin. “Our core focus is helping rights holders maximise their global royalty collections, and we’re proud to support such a diverse and talented group of music creators and businesses.”

Bodkin notes that multi-territorial licensing “continues to



evolve”, with Music Services at the forefront of that development “particularly in emerging markets”.

“At the same time, there’s been a big shift toward ensuring better data, faster payments and more transparency, driving a deeper understanding of the importance of how rights are tracked and royalties are distributed,” he adds. “As the world of digital music becomes more complex to track and monetise, publishers, labels and artists are looking for increasingly effective and efficient back-office and administrative support. This support allows them to concentrate on the creative part of their business and leave the complexity of royalty collection to a trusted specialist.”

Downtown’s Curve Royalty Systems launched last year as a new service offering for labels, publishers and distributors looking to outsource all, or part, of their royalty-processing tasks. Its wide-ranging client base includes global enterprises, record labels and music companies such as Armada Music, Involved Group and Mascot Label Group.

“Our mission statement is simply ‘Make Royalties Better,’” says Curve president Richard Leach. “That means making them quicker, more transparent, easier to understand, complete, and, most importantly, easier for our clients to fulfil their reporting obligations. I’d like to think that we made royalty software companies friendly. That we rocked up with a sincere desire to help and that, for the most part, we delivered.”

Leach contends that dealing with royalties “has always been cumbersome” for the music business and the digital revolution “underlines the need for a great royalty solution”.

“I’ve always said the industry has two jobs – put the music out there and then pay the creator for it,” he argues. “If a business fails at either of those then they have an existential problem. Faffing about running calculations on lines of data under an immovable deadline is dull as ditchwater to many in our industry, but it is absolutely essential. If we can contribute to making that a bit easier, then we are pleased to have been of service.”

US-based Music Reports, meanwhile, has worked with digital music services such as Spotify, TikTok, Amazon and Tidal, to name but a few, as well as music rights owners and administrators, VOD streamers including Netflix, HBO and Tubi, and leading US TV broadcasters like ABC, CBS, NBC and Fox.

“The Music Reports team is proud to work every day on ensuring artists and songwriters are paid as quickly and accurately as possible,” beams COO and general counsel Bill Colitre. “It’s often an unsung effort, but one we take very seriously and are honoured to perform.”

Music Reports recently completed its integration of Blokur, a London-based provider of music publishing rights management solutions, merging “two distinct teams of IT professionals with complementary approaches to the hardest problems in music rights”. Together, they will tackle issues such as ingesting copyright registration information at scale, matching songs to recordings, and efficiently rendering related data analytics and royalty administration functions.

Colitre hails the proliferation of subscribers to music services around the world as the “greatest macro trend driving growth”.

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**BEN MARLOW,
Y ROYALTIES**



Sound on:
Sound Royalties
client Wyclef
and (below) PPL
member Cat
Burns

early-adopter countries, remains in double-digit growth for many countries with large populations,” he says. “We see this trend continuing for the foreseeable future.”

Y Royalties, which started as the royalties division at accounts firm CC Young & Co, was established in 2023. The company specialises in royalty audits, rights management, catalogue valuation and transaction due diligence.

Director Ben Marlow says one aspect of royalties where Y Royalties has seen considerable change is the often thorny subject of royalty audits.

“Things have taken off here since the Covid-19 pandemic when artists, unable to tour, practise or record, were sitting at home looking at their royalty statements with renewed scrutiny, as they became the vital source of income to see them through the lockdowns,” remarks Marlow. “Since then, Y Royalties has been bringing together an investigative curiosity, a forensic mindset with cutting-edge technology and data models, to handle a growing number of audit requests, and in the process often revealing anomalies in the royalty chain.”

From the point of view of the creative, Marlow feels “we have reached a pivotal point” for the future of royalty audits and what can be achieved with the existing structures.

“All parties involved are currently facing a backlog of audit requests, and the queues are getting longer; typically, we have to wait nine to 18 months from the audit notice being served before we can commence an audit,” says Marlow. “A conventional audit clause will allow a review period of up to three years, and it is now not unusual for an audit notice to be serviced for a new three-year period whilst the previous audit of the same agreement is yet to be settled.”

Marlow ponders why the process is not developing at the same pace as the technology around it.

“At Y Royalties, we see the issue being a difference in perceptions of the scope of the audit clause,” he says. “For most creatives, managers and advisors, an audit is an opportunity to not only review the statements for completeness and accuracy, but also to understand the way in which works are licensed and the various parties involved in the royalty chain from DSP through to artist. Much of this royalty chain is still covered by NDAs and is inaccessible to anyone outside of the process, restricting the scope of what can be audited, keeping much of the data out of reach.”

Marlow says that attempts to create a transparency code of conduct have stalled, putting much of the source data in the royalty chain out of reach.

“While Y Royalties services use innovative approaches, processes and tools that are 100% focused on enhancing client value and realising the maximum commercial potential of their music assets, we still need to work towards innovating existing structures,” he adds.





A cut above: Involved Group act Above & Beyond are represented by Curve

Elsewhere, Prager Metis' Jacobs addresses the elephant in the room – the role of generative AI in the creation of new music.

“A key question is whether these technologies can evolve to fairly attribute and compensate existing copyright holders whose works have been used in training datasets,” he says. “The outcome of this debate will be pivotal in determining whether generative AI can become a collaborative force within the music industry, unlocking new revenue streams for rights holders while fostering innovation in content creation.”

Curve's general manager, North America, Adam Rabinovitz anticipates AI permeating “many parts” of the firm's day-to-day business, including product development cycles and data pipelines, without losing the human touch.

“The excellent support and knowledge base which Curve's team provides each day to our clients is a core part of our offering and not something we have any plans to change,” he explains. “We do think a lot about how to integrate scaled technologies into our existing human workflows and we encourage our teams to try new ideas and share what is working for them.”

Sound Royalties' Heiche notes the upside of modern technology, particularly when it comes to how royalties are tracked and paid.

“For years, artists and rights holders have faced delays and gaps in getting properly credited, but now, new technology is helping change that,” he says. “Tools like AI and blockchain are starting to streamline the process, making it easier to track where music is used and ensure faster, more accurate payments.”

“At Sound Royalties, we're already using AI to help us analyse complex royalty data and forecast income, so creatives can access funding with more confidence and transparency. We need to make sure technology protects, not exploits, creators, moving the industry forward – but always on the artist's terms.”

PRS' Martin agrees that finding that balance will be key, acknowledging AI's “capacity to improve royalty matching, earnings prediction and system efficiency”.

“Artificial Intelligence is reshaping our industry, not in theory but in practice,” she says. “We're determined to embrace the opportunities of AI, whilst robustly defending members' rights and livelihoods. If AI companies want to ingest members' works, they must first obtain authorisation and then pay fairly for the value they will undoubtedly generate for their services; this is non-negotiable.”

Music Reports' Colitre points to another trend to have shaken up the market.

“While gen AI has yet to impact the market directly, perhaps the biggest development has been the more subtle maturation of the market for music rights,” he says. “When many predicted that higher interest rates would end large-scale investment in composition and recording catalogues, in fact the volume of deals, dollars and market participants has only grown as the market has matured. Rather than



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**BILL COLITRE,
MUSIC REPORTS**

proving a fad, 2024-2025 has proved that music as an asset class is big business and here to stay.”

PPL's Reilly is also keeping on top of the movement, observing that music rights “are increasingly being viewed as an asset class” and “attractive investment opportunity”.

“This shift has attracted a wave of new entrants into the market – private equity firms, institutional investors, family offices and others – who previously operated outside the traditional music ecosystem,” she says. “These players are now actively acquiring catalogues and investing in music companies to unlock rights-based revenues. PPL is now working more closely with many of these investors and organisations, helping them to navigate the complexities of neighbouring rights and maximise the value of the rights they acquire.”

Moreover, Reilly hopes to see continued industry commitment to improving data quality such as the Repertoire Data Exchange (RDx), the music data exchange service from the IFPI and Worldwide Independent Network (WIN), built and operated by PPL.

“It enables recording rights holders and music licensing companies i.e. CMOs, to submit and access authoritative recording data via a single point, to improve the timeliness, accuracy and efficiency of neighbouring rights revenue distributions to rights holders worldwide,” she adds.

With the global music streaming market tipped to grow by just 7% for music publishing over the next five years – and declines in royalties from radio, TV and public performance (excluding live) predicted in certain quarters, allied to the uncharted waters of AI, PRS' Martin signs off on a cautious note.

“As we look forward to the years to come, it is clear the music industry is facing stronger headwinds,” she says. “We're entering a period where growth will be harder won. It's clearer than ever that to maintain momentum, we must look beyond traditional markets and territories. The gaming sector offers that opportunity – predicted to reach \$300 billion by 2030 [as reported by GamesIndustry.biz and Midia] – while focusing our efforts in unserved and ineffective territories will ensure more money is returned to members.”

To finish, Music Services' Lynn Lowe, president, label and publishing administration, senses the royalties sector is moving towards being faster, more transparent, and driven by more connected systems.

“Songwriters and publishers expect better visibility and quicker payments, and technology is finally catching up to meet those expectations,” she says. “Collaboration and centralised collection systems across the industry will be key to making that happen. The front end of the music ecosystem no longer wants to deal with multiple companies for their collections. They are looking for a strategic partner that can help them grow and deal with the complexity of royalty collection transparently and fairly, with expertise and a team that cares.”

