

Free ad-supported listening lands hundreds of millions of MAUs; Premium Individual (\$12.99 US), Duo (\$18.99), Family (\$21.99), and Student (\$6.99) convert fans to paid; podcast and audiobook features deepen the day; Ads Manager plus Artists Marquee/Showcase monetize attention and artist spend; B2B ad and partner surfaces sit on top of the consumer flywheel.

KEY PARTNERS

- **Major & indie labels / rights holders** — required licenses (FACT filings narrative).
- Podcast creators & networks; audiobook publishers / authors.
- **Device OEMs** — CarPlay, Android Auto, speakers, TVs, wearables (FACT Premium marketing).
- Hulu bundle on Premium Student (FACT student offer).
- Peloton-powered fitness classes narrative on Premium (FACT claim).
- Advertisers + artist teams via Ads Manager and Artists Campaigns (FACT).

KEY ACTIVITIES

- License, host, and stream music / podcasts / audiobooks globally.
- **Personalize discovery (DJ expansion, Talk to Spotify, Running Mode** — Q2 product FACT).
- Operate Free + Premium + Family/Duo/Student plan surfaces.
- Sell & serve ads (Ads Manager; automated vs direct channels).
- Run Artists Marquee / Showcase campaigns.
- Expand audiobook add-ons and podcast experiences.

KEY RESOURCES

- Licensed music + podcast + audiobook catalog (FACT filings narrative).
- 777M MAUs / 300M Premium subscribers (FACT Q2'26).
- Personalization stack (DJ, Talk to Spotify, recommendations).
- Streaming + client apps across 2,000+ claimed devices.
- Ad inventory + Artists Campaign Kit formats.
- **Premium brand / cultural moments (Wrapped, live, Reserved** — marketing FACT).

VALUE PROPOSITIONS

- **Free** — discover music/podcasts with ads (FACT product).
- **Premium** — ad-free, offline, on-demand, lossless up to 24-bit/44.1 kHz (FACT marketing).
- **Duo/Family** — 2-6 accounts at one address; Kids / parental controls (FACT).
- **Student** — \$6.99 + Hulu eligibility (FACT).
- Audiobooks catalog 700k+ titles claim; Audiobooks+ add-on (FACT pages/newsroom).
- **Artists** — Campaigns (Marquee/Showcase); brands: Ads Manager (FACT).

CUSTOMER RELATIONSHIPS

- Self-serve Free/Premium accounts + in-app upgrades (FACT).
- **Personalization loops** — DJ, Blend, Jam, Talk to Spotify (FACT Q2/product).
- **Household admin** — Duo/Family invites + Kids controls (FACT).
- Student SheerID verification + Hulu bundle (FACT).
- Spotify for Artists analytics + Campaigns (FACT).
- Ads Manager self-serve; enterprise ad buying as needed (FACT ads site).

CHANNELS

- **Primary** — iOS/Android/desktop apps + web player.
- OEM/car/speaker/TV integrations (FACT Premium marketing).
- spotify.com Premium / Family / Student plan pages.
- artists.spotify.com Campaigns; ads.spotify.com Ads Manager.
- In-app Home/Search/playlist inventory for ads & Marquee.
- Newsroom, live events, Reserved ticket access narratives.

CUSTOMER SEGMENTS

- **Free / Ad-Supported listeners (494M MAUs Q2'26** — FACT).
- **Premium Individuals (\$12.99 US list** — FACT).
- Duo couples & Family households (up to 6) (FACT).
- **Verified students (SheerID; Hulu bundle** — FACT).
- Podcast & audiobook-heavy listeners; Audiobooks+ buyers (FACT newsroom).
- Artists/labels (Campaigns) and brand advertisers (Ads Manager).

COST STRUCTURE

- **Cost of revenue €3.181B in Q2'26 (royalties/content-heavy** — FACT 6-K).
- Gross margin 33.4% (+~193 bps Y/Y) (FACT newsroom).
- R&D €403M; Sales & marketing €390M; G&A €148M (Q2'26 FACT).
- Operating income €655M (FACT).
- Platform/personalization engineering (INFERENCE from product ship cadence).
- No invented per-stream royalty tables.

REVENUE STREAMS

- **Premium subscriptions** — €4.331B in Q2'26 (+15% Y/Y) (FACT).
- **US list** — Individual \$12.99 · Duo \$18.99 · Family \$21.99 · Student \$6.99 (FACT).
- **Ad-Supported** — €446M in Q2'26; Free tier attention (FACT).
- **Audiobooks+ add-ons** — 1.5M subscribers (FACT newsroom claim).
- **Ads Manager** — audio/video/display for brands (FACT).
- **Artists Marquee/Showcase** — campaign budgets from \$100 min (FACT help).
- **Partner/OEM and enterprise ad deals** — product-real, no invented ARPU.

Sources: newsroom.spotify.com/2026-08-04/spotify-q2-2026-earnings · spotify.com/us/premium · ads.spotify.com/en-US · support.spotify.com/us/artists · investors.spotify.com · spotify.com/us/family · spotify.com/us/student · support.spotify.com/us/artists
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