

French music-streaming service Deezer plans IPO

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French music-streaming service Deezer's Chief Executive Officer (CEO) Hans-Holger Albrecht speaks during a press conference in Paris on September 22, 2015

French music-streaming service Deezer said Tuesday it plans to launch an initial public offering on the Paris stock exchange by year's end aiming to consolidate its position in the online music market.

"Entering the stock market is an important step for Deezer at a decisive time for the [music industry](#)," the company said in a statement.

"The [music](#)-streaming market, still young, is growing faster now and set to become the main means of music distribution," CEO Hans-Holger Albrecht said.

Deezer's entry in the [stock market](#) is expected to take place "before the end of the year", operations director Simon Baldeyrou told a press conference.

He did not reveal the potential value of the company, which several analysts have estimated at one billion euros (\$1.1 billion).

Baldeyrou had earlier told AFP the IPO move would give Deezer access to "a more diversified and more international base".

"It will also give the company greater visibility," he said.

Founded in 2007, the company raised its last private funding of 100 million euros from Russian-American billionaire Len Blavatnik in 2012.

With six million subscribers and 16 million individual users each month, Deezer needs to speed up its development especially on the international level where the competition is fierce in music streaming.

Its main rival, Sweden's Spotify, claims 75 million users of whom 20 million subscribe to its paying version and is valued at more than eight billion dollars.

Competitive heat is also being felt from US giant Apple which launched its music-streaming service on June 30.

The race for a share of the music streaming business has been fuelled by consumers abandoning CDs.

Revenue from full-length CDs, which long dominated the industry, fell by 31.5 percent in the first half of 2015 in the United States compared with a year earlier to \$494.8 million, the Recording Industry Association of America said Monday.

CD singles, which briefly enjoyed popularity until the rise of digital music and its song-driven format, nosedived by 81 percent in revenue.

But overall music revenue in the United States, the world's largest [market](#), dropped only slightly to \$3.2 billion thanks to the rapid rise of streaming, the industry added.

Streaming accounted for one-third of the industry's total revenue, up from 26 percent in the first six months of 2014, the association said.

Deezer has followed the trend, reporting in 2014 a 53 percent jump in revenue to 142 million euros.

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