TABLE OF CONTENTS

04  PRESIDENT & CEO REPORT
08  ROSTER & REPERTOIRE
12  REVENUE PERFORMANCE
13  PROTECTING THE FUTURE OF MUSIC
15  DISTRIBUTION & ADMINISTRATION
16  TECHNOLOGY
with the COVID-19 crisis profoundly transforming the world and deeply affecting the creative and business communities BMI is entrusted to serve. In response, BMI’s commitment to meeting the diverse and evolving needs of our songwriters, composers, publishers and licensees has never been stronger. The Company was well positioned to navigate this challenging time, and despite the unprecedented impact of the global pandemic I am pleased to share that BMI is reporting record-breaking results for the fiscal year ended June 30, 2020. BMI generated historic revenues of $1.311 billion, an increase of $28 million, or 2%, over the prior year. Notably, BMI absorbed a $60 million negative impact due to the pandemic’s effect across multiple businesses, yet the Company still surpassed last year’s performance. Moreover, BMI distributed and administered a record-setting $1.233 billion to our songwriters, composers and publishers, $37 million more than last year, or a 3% increase. For the fifth consecutive year, BMI’s results represent the highest reported public performance revenues and royalty distributions of any music rights organization in the world, highlighting the increasing value BMI continues to provide to our creative and business communities.

The $1.233 billion total in distributions includes domestic and international royalties, as well as distributions from direct deals that BMI administers on behalf of our publisher and digital service provider clients. Those deals, which account for $71 million, represent an increase of $9 million over last year and approximately 6% of BMI’s total distribution.

BMI’s long-term strategic focus on diversifying revenue streams enabled the Company to weather declines that resulted from the pandemic. To that end, strong growth in the Digital and Radio categories helped offset a significant downturn in the General Licensing sector. For the first time ever, revenue from Digital sources represented the largest portion of BMI’s domestic total with 32%, or $304 million, an increase of $42 million, or 16%, over last year. Radio came in at $155 million, $27 million higher than last year, or an increase of 21%. This growth is thanks to BMI’s rate court settlement with the Radio Music Licensing Committee (RMLC) that resulted in a new agreement and retroactive payments; further detail is available below. General Licensing, along with other income, totaled $130 million, down $39 million, or 23%, from last year. This directly correlates to the hit taken by bars, restaurants, fitness centers, hotels, retail establishments and multiple other businesses.
that shut down in the second half of the year. Overseas, BMI’s international revenue reached an all-time high of $350 million, up $10 million, or 3%, over last year. This impressive total would have been $9 million higher were it not for a negative foreign exchange impact.

Throughout the year BMI took critical action to support the ongoing creation of new music, to the benefit of both our affiliates and licensees. To do so effectively, a primary focus was placed on safeguarding the health, safety and well-being of our team members. Like so many others, the BMI team began working remotely in mid-March. We seamlessly transitioned our operational capabilities, which notably enabled us to distribute two quarters of royalty payments earlier than scheduled to our affiliates for the first time ever. Concurrently, BMI took strategic measures to significantly reduce expenses in order to minimize the pandemic’s financial impact on our creative community, now and into the future.

BMI’s success is directly due to the unmatched creativity and talent of our songwriters and composers and the incredible worldwide appeal of their music. Across genres, BMI’s stellar affiliates made remarkable achievements. Icelandic composer Hildur Guðnadóttir won several major awards for her stunning music in Joker; not only did it land her a Golden Globe and a BAFTA, but she also became the first solo woman to win the Academy Award for Original Score. Guðnadóttir also picked up an Emmy and GRAMMY for her powerful score in the HBO series, Chernobyl. GRAMMY gold also went to hitmakers including Lizzo, Gary Clark Jr., Lil Nas X, Billy Ray Cyrus, and Lady Gaga, among many others, while Music City’s Luke Combs and Kacey Musgraves swept the CMAs, and Latin superstars such as Luis Fonsi and J Balvin took Premio Lo Nuestro Awards. Taylor Swift’s album, Lover, was the top-selling album of 2019, and she also released the documentary, Miss Americana, on Netflix, to rave reviews. These are just a few of many accomplishments by our affiliates.

BMI’s outstanding composers scored films accounting for over $2.5 billion in domestic box office grosses before the pandemic curtailed theater attendance. In addition to Guðnadóttir’s extraordinary year, highlights included Star Wars: Episode IX - The Rise of Skywalker concluding the legendary contributions of John Williams to the 42-year Star Wars saga after nine feature films and more than 20 hours of music. Other hits included 1917 (Thomas Newman) and Little Women (Alexandre Desplat), to name just a few.

Over 60% of this season’s primetime network TV shows featured themes and/or scores written by BMI composers. There were many standout series this year with music created by BMI composers, including Mike Post (Law & Order: SVU, Magnum P.I.), Atli Örvarsson (Chicago Fire, Chicago Med, Chicago P.D., FBI, FBI: Most Wanted), Ramin Djawadi (Tom Clancy’s Jack Ryan), Brian Tyler (Yellowstone), Blake Neely (You), and Kris Bowers (When They See Us), among others.

Celebrating our affiliates and promoting their music, amid the new normal brought on by the pandemic, was a priority for the Company. When all in-person music events were canceled, from festivals and showcases to our award shows, BMI developed many exciting new digital initiatives to highlight our songwriters, composers and publishers on our online platforms. Additional detail on these projects is available in our “Roster & Repertoire” section. Easing our affiliates’ financial hardship was also very important to us. BMI was proud to join with other PROs to create a special fund as part of the MusiCares COVID-19 Relief Fund to specifically support songwriters and composers in need during this time.

This year, BMI’s membership increased by nearly 10%, bringing our new total number of creators and copyright owners to 1.1 million, and we look forward to protecting their rights and royalties now and into the future. BMI also saw our number of licensed musical works grow to over 17 million. In addition, BMI processed approximately two trillion performances this
CARES Act, as well as many other useful resources for financial assistance and beyond.

In Washington, D.C., the U.S. Department of Justice (DOJ) is continuing to evaluate the future of the BMI and ASCAP consent decrees.* Recognizing that immediate termination of the decrees would lead us down the dangerous path of compulsory licensing, in August of 2019 BMI put forth our proposal for reform to the DOJ, along with ASCAP, recommending a gradual shift to a free market with protections in place for all parties. This would facilitate a level playing field for everyone involved, while protecting competition and enabling creators to be fairly compensated for their intellectual property. Later that month, BMI had the opportunity to take part in the Orrin G. Hatch Foundation’s symposium on “Music Licensing in the 21st Century,” where I reinforced our proposal for decree reform before Makan Delrahim, Assistant

year. While this number is slightly lower than last year’s total, this is only due to a change in BMI’s internal performance tracking system. The Company actually saw a 26% increase in performances processed when comparing year-over-year with this new approach.

On the advocacy front, BMI led a productive effort to petition Congress to keep the needs of music creators front and center in any federal stimulus package. We were gratified when the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020, which offered relief to songwriters and composers who are independent contractors, sole proprietors, or self-employed, and made them eligible for small business loans, emergency grants, and unemployment insurance. Furthermore, we created a comprehensive informational hub called the BMI Resource Center on our website, providing detail on how creators could practically benefit from the CARES Act, as well as many other useful resources for financial assistance and beyond.

In Washington, D.C., the U.S. Department of Justice (DOJ) is continuing to evaluate the future of the BMI and ASCAP consent decrees.* Recognizing that immediate termination of the decrees would lead us down the dangerous path of compulsory licensing, in August of 2019 BMI put forth our proposal for reform to the DOJ, along with ASCAP, recommending a gradual shift to a free market with protections in place for all parties. This would facilitate a level playing field for everyone involved, while protecting competition and enabling creators to be fairly compensated for their intellectual property. Later that month, BMI had the opportunity to take part in the Orrin G. Hatch Foundation’s symposium on “Music Licensing in the 21st Century,” where I reinforced our proposal for decree reform before Makan Delrahim, Assistant

*On January 15, 2021, the DOJ formally closed its review of the BMI and ASCAP consent decrees, announcing it will take no action to modify or terminate the decrees but leaving open the possibility of changes in the future.
Phase one of Songview successfully launched on December 21, 2020. This year we also saw a powerful movement for racial justice sweep the nation. BMI is proud to stand in solidarity with the Black community and to express my gratitude to the entire BMI Board of Directors as well as the Senior Management team for all of their extraordinary efforts and help lead our Company to new heights of success.

BMI saw internal change this year with the retirement of several executive team members: our friends Charlie Feldman, Vice President of Creative in New York; Jody Williams, Vice President of Creative in Nashville; Eddie Gulley, Senior Vice President of Technology; and Joe DiMona, Vice President of Legal in New York. I’m happy to share that Mike West was promoted to Senior Vice President of Technology; Doreen-Ringer Ross was elevated to Vice President of Creative Relations; and we welcomed Natalie Baartz as BMI’s new Vice President of Film, TV & Visual Media in Los Angeles. We also welcomed back Clay Bradley as BMI’s Vice President of Creative, Nashville. Across the pond, Shirin Foroutan joined as Vice President of European Relations in our London office. I’m confident that our current team will build on BMI’s strong track record and help lead our Company to new heights of success.

This year we also saw a powerful movement for racial justice sweep the nation. BMI is proud to stand in solidarity with the Black community and we are committed to supporting this long overdue change. To address the need for awareness and action, both internally and externally, BMI took multiple steps, including pledging to bring on a Diversity, Equity, Inclusion and Social Responsibility Officer, who will be a member of my leadership team. We also formed a Diversity, Equity & Inclusion Task Force, helmed by Catherine Brewton, Vice President of Creative, Atlanta. Moreover, we are giving all BMI team members four extra paid days to focus on volunteering within their local communities. Notably, BMI also pledged a $275,000 donation to various organizations at the local and national level that support the advancement of racial justice, voting rights, underserved communities and social justice reform. These causes and the organizations we are donating to were thoughtfully selected by the Task Force. As a Company founded on the principle of inclusion, we are dedicated to combating systemic racism, upholding BMI’s Core Values, and driving meaningful change.

BMI strongly believes in data transparency and that authoritative information to identify copyright ownership of musical works must be easily available to all stakeholders. To that end, this year we continued to work on Songview** and carried out an extensive testing phase. We anticipate launching the first phase of Songview by the end of 2020. More information on this project can be found in the “Distribution & Administration” and “Technology” sections of this report.

Regarding rate court developments, I am pleased that BMI and the RMLC have settled our ongoing rate court dispute and entered into a new agreement covering the 2017-2021 period. The new license reflects the strength of the BMI repertoire and more appropriately reflects the value our affiliates’ music brings to the radio industry. As mentioned earlier, retroactive payments have contributed to the increase in this category and helped offset the impact of the pandemic across other sectors. We are also working with radio stations to help them spread out their settlement fees owed to BMI in an effort to help lessen the impact of COVID-19 on their business. Greater detail about BMI’s rate court activity is also available in our “Protecting the Future of Music” section.

BMI also pledged a $275,000 donation to various organizations at the local and national level that support the advancement of racial justice, voting rights, underserved communities and social justice reform. These causes and the organizations we are donating to were thoughtfully selected by the Task Force. As a Company founded on the principle of inclusion, we are dedicated to combating systemic racism, upholding BMI’s Core Values, and driving meaningful change.

BMI was well positioned to navigate this challenging time.

---

**Phase one of Songview successfully launched on December 21, 2020.**
the effects of this challenging year, the unrivaled creativity, talent and resilience of BMI’s incomparable roster of songwriters and composers continued to drive the industry forward. Across all genres, the BMI repertoire raised the bar and made an electrifying impact on a global scale, demonstrated in unsurpassed airplay, streams, use in audiovisual content, and beyond. Throughout the year, BMI made significant strides in protecting and growing the value of our affiliates’ creative work, provided meaningful career opportunities, and helped guide our songwriters, composers and publishers through this difficult period. Attracting the best and brightest talent, BMI continued to see increased market share and solidified our role as home to the world’s most groundbreaking and sought-after music creators.

BMI affiliates once again made a spectacular mark on the industry. For her stunning score in Joker, Icelandic composer Hildur Guðnadóttir claimed the Academy Award for Original Score, making her the first solo woman to win in this category, and she also earned a Golden Globe and BAFTA for this project. In addition, Guðnadóttir’s extraordinary year included Emmy and GRAMMY wins for her powerful score in the HBO series, Chernobyl. Hitmakers such as Lizzo, Gary Clark, Jr., Anderson .Paak, Lil Nas X and Billy Ray Cyrus also took GRAMMY gold, while Iggy Pop, the late John Prine and Public Enemy received prestigious Lifetime Achievement Awards. Continuing its phenomenal ascent, Lil Nas X’s “Old Town Road” was certified diamond, hitting 12-times platinum. Taylor Swift had many highlights this year. Lover was the top-selling album of 2019, she released Miss Americana, a hugely popular Netflix documentary, and she won Billboard’s Woman of the Decade Award. Luke Combs’ 4-times platinum “Beautiful Crazy” dominated the #1 spot on the Hot Country Songs chart for 11 weeks, and his album This One’s For You was the most-streamed country record of 2019. P!nk’s Beautiful Trauma tour, which wrapped at the end of 2019, grossed nearly $385 million and stands as the most successful tour by a woman in this decade. Jennifer Lopez and Shakira gave sensational performances as headliners at the 2020 Super Bowl. Lady Gaga curated “One World: Together at Home,” a day-long livestream event featuring performances from some of the biggest stars in the world. The event raised nearly $128 million for COVID relief. These are among the many outstanding achievements of BMI’s creative community.

In addition, some of the most performed songs of the year were written by Edgar Barrera, Geovani Cabrera, Camila Cabello, Luke Combs, Ross Copperman, Kirk Franklin, Gaby Music, Todd Galberth, Nicolle Galyon, Halsey, Lucius B. Hoskins, Tay Keith, Khalid, Kendrick Lamar, Ozuna, Tayla Parx, Charlie Puth, SZA and tobyMac. BMI composers scored many of the year’s most successful films, television, cable and streaming series, including Nathan Barr, Tyler Bates, Jeff Danna, Mychael Danna, Alexandre Desplat, Ramin Djawadi, Danny Elfman and Hildur Guðnadóttir.

During the year, BMI welcomed many notable new affiliates such as Succession composer Nicholas Britell, Chance the Rapper, H.E.R., Tame Impala, Dave Mustaine, and Juan and Oscar Salinas of Play-N-Skillz, to name a few. Affiliates who extended their relationships with BMI include Ellie Goulding, Elton John, Khalid, Marshmello, Willie Nelson, Ozuna, Horacio Palencia, Lil Wayne, John Williams and Bebe Winans, among others.

INDUSTRY AWARDS

BMI affiliates were the recipients of multiple industry accolades this year, in addition to those noted above. Elton John won the Academy Award for Best Original Song for “(I’m Gonna) Love Me Again” from the biopic Rocketman. BMI writers took the majority of CMA honors, with multiple awards going to country stars Luke Combs and Kacey Musgraves. Multiple Latin GRAMMYs went to Rosalia and Juan Luis Guerra, while Thalia and Juanes received special honors for their outstanding musical contributions. Well-earned Emmys were presented to Ramin Djawadi, Alex Lacamoire and Rachel Bloom. During the Premio Lo
**BMI Awards**

BMI was honored to celebrate our exceptional songwriters, composers and publishers at the Company’s annual award shows. The first half of the fiscal year included our traditional in-person celebrations, with Brandy, Noel Gallagher, and Dwight Yoakam receiving the BMI President’s Award, and John Hiatt receiving the BMI Troubadour Award. This year, BMI introduced two new accolades. At the London Awards, pop singer/songwriter Raye was honored with the BMI Impact Award for her groundbreaking artistry, creative vision and impact on the future of music, and at the Country Awards, Dane and Del Bryant accepted the inaugural Evergreen Award for “Rocky Top,” written by their parents, Felice and Boudleaux Bryant. The Evergreen Award recognizes one-of-a-kind songs that have left an unforgettable imprint on our lives and an enduring legacy through the years.

When the need to cancel in-person events became clear during the second half of the fiscal year, BMI transitioned to celebrating our affiliates with special online tributes featured on BMI.com and our social media platforms. Multiple BMI award winners created special acceptance videos for these occasions, as well as stunning performances to share on our digital channels. BMI’s Latin Awards, Film, TV & Visual Media Awards, Trailblazers of Gospel Music Awards, Pop Awards and Christian Awards were all held virtually and were extremely well received by BMI’s music creators and copyright owners.

**Film, TV & Visual Media Highlights**

On the big screen, BMI composers scored films accounting for over $2.5 billion in domestic box office grosses, prior to the impact of the pandemic on theater attendance. Highlights included *Star Wars: Episode IX - The Rise of Skywalker* concluding the legendary contributions of John Williams to the 42-year *Star Wars* saga after nine feature films and more than 20 hours of music. Other hits included *Fast & Furious Presents: Hobbs & Shaw* (Tyler Bates), 1917 (Thomas Newman), Little Women (Alexandre Desplat), and The Addams Family (Jeff Danna [SOCAN], Mychael Danna).

During the stay-at-home period this year, viewers turned to their favorite movies, television, cable and streaming series for indoor entertainment. Over 60% of this season’s primetime network TV shows featured themes and/or scores written by BMI composers. Standout series this year included music composed by Mike Post (*Law & Order: SVU, Magnum P.I.*), Brian Kirk (*NCIS*), Mac Quayle (*9-1-1, 9-1-1: Lone Star*), Atli Örvarsson (*Chicago Fire, Chicago Med, Chicago P.D.*, FBI, FBI: Most Wanted), Ramin Djawadi (*Game of Thrones*), Brian Tyler (*Yellowstone*), Blake Neely (*You*), Kris Bowers (*When They See Us*), and Kevin Kiner (*Narcos: Mexico*).

**Industry Trends**

This year saw several interesting trends in the industry, including the power of both social media and remixes to take songs to the next level. For instance, the year was led by Lil Nas X’s “Old Town Road,” which initially gained notoriety through memes, SoundCloud and TikTok, then exploded with the remix featuring Billy Ray Cyrus, which dominated the charts at #1 for a record-breaking 19 weeks. We also saw new rappers Megan Thee Stallion and Doja Cat go viral on TikTok with “Savage” and “Say So,” respectively, each with their own dance challenges. From there, “Savage” was remixed featuring Beyoncé and “Say So” was remixed featuring Nicki Minaj. Both tracks hit also #1 on the Hot 100, further illustrating the trend of remixes eclipsing original songs.

In the face of the pandemic, BMI songwriters remained as productive and focused as ever, with technology keeping the creative community connected with each other and their fans. Remote collaboration flourished as writers came together online to deliver new music that provided inspiration and captivated listeners. Instead of in-person concerts, BMI singer/songwriters began doing more at-home streamed performances on Instagram Live and Facebook Live. Thomas Rhett launched a popular live-streamed at-home concert series, while others such as Miley Cyrus, Mannie Fresh, Bebe Rexha, and Alessia Cara also tapped into this trend.

BMI composers also found innovative ways to stay creative, including remote orchestra performances that resulted in groundbreaking experiences. For example, Atli Örvarsson created a concert filmed in an empty concert hall, with musicians sitting six feet apart, designed with lighting and full production, as part of the virtual Krakow Film Music Festival. In Los Angeles, the pandemic arrived as Fil Eisler and his orchestral team were undertaking post-production work on the sixth and final season of *Empire*. With a desire to keep musicians working...
and thriving, and a commitment to the hit show, Eisler brought his musicians together in the digital space to complete their scoring in virtual orchestra sessions, while all were still safely sheltering in place.

Without in-person events, promotion shifted to the digital arena, with BMI’s website and social media platforms acting as important platforms to showcase our songwriters’ and composers’ work. All of BMI’s social media channels experienced growth this year, with Instagram gaining the largest increase in followers with 36% more than last year, and YouTube seeing a 21% increase in subscribers. Our YouTube growth can partly be attributed to the start of our new video series, BMI’s Jam Sessions, which launched at the start of the pandemic to serve as an online performance outlet for our singer/songwriters and composers. Since inception, we premiered 37 videos with performances by John Oates, Jody Watley, Bobby V and many more. In addition, BMI’s channel was selected by YouTube to be included in multiple virtual presentations they gave to their global partners as an example of a channel featuring excellent original content and creative playlists. BMI also increased its Instagram Takeovers, with 75% more affiliates taking part this year than last, including Tayla Parx, Lisa Loeb and many others. These takeovers received over 500,000 views, an 87% increase from last year. Additionally, BMI’s playful Emoji That Track series, which features affiliates trying to guess their song titles that have been translated into emojis, received a coveted Webby Award nomination for Best Social Media Video Series.

CAREER SUPPORT & OPPORTUNITIES

Through their extensive expertise and diverse industry relationships, BMI’s Creative team continued to guide and champion promising new songwriting and composing talent. By focusing on areas of development, education, and performance opportunities, affiliates were given a broad range of support to help them gain new skills, navigate the industry, and advance their careers.

Multiple productive song camps were held in the first half of the year, including ones in partnership with Warner Chappell in Los Angeles and VIP Music Records in New York City, as well as the Company’s in-demand Speed Dating for Songwriters sessions in London and New York City. These events brought together creators for invaluable collaboration and networking opportunities. BMI also continued its flagship workshops such as the BMI Lehman Engel Workshop, Conducting and Composing for the Screen Workshops, as well as our long-term partnership with the Sundance Sound Design Lab. BMI creators gained exposure to new audiences and industry decision-makers with stage performances at national events.
like Lollapalooza and the Sundance Film Festival, as well as BMI’s Maui Songwriters Festival, BMI’s Know Them Now – Thank You for Hip-Hop showcase, as well as through our many series in Nashville, including Rooftop on the Row and 8 off 8th. In addition, this year BMI had its first ever stage at the buzzworthy ONE Music Fest in Atlanta.

BMI’s Creative department was highly resourceful in the second half of the year. Many of the initiatives that might have slowed down in the virtual world have continued and we’re very proud of that. For instance, the Film, TV & Visual Media team continued to lead and bring composers to virtual BMI/NYU Workshops in Advertising and Scoring for Film, sharing tips and insights with the next generation of composers. The Pop/Rock team created a Zoom video series, in collaboration with She is the Music, an organization that advances inclusivity and equality for women in the music business, in which two female BMI creators have a conversation about craft, process, and the landscape for women in the industry.

In an additional effort to help creators, at the start of the pandemic BMI compiled a comprehensive informational hub on our website called the BMI Resource Guide. This featured extensive information on how the CARES Act can benefit creators, as well as a listing of specific sources of relief for our affiliates to use to take action, including detail on national and regional charitable funds, unemployment benefits, legal resources, health insurance resources, mortgage relief and much more.

As mentioned earlier in this report, BMI proudly stood with the Black community in supporting the powerful movement for racial justice and equality that we saw this year. In addition to supporting Black Out Tuesday in solidarity with Black music creators, BMI developed the Guide to Create Change for our website. This resource contains information on how to register and exercise the right to vote, contact local legislators, and also how to engage with, and donate to, leading organizations in the fight against racism.

Building on the long tradition of music driving social change, many BMI songwriters crafted moving songs that underscore an urgent call to action, such as BeBe Winans’ “Black Lives Matter,” John Ellison’s “Wake Up Call (Black Like Me),” Keedron Bryant and will.i.am’s “I Just Wanna Live,” H.E.R.’s “I Can’t Breathe,” Anderson .Paak’s “Lockdown,” J. Cole’s “Snow on the Bluff,” and Kane Brown’s “Worldwide Beautiful,” among many others. BMI promoted all of these songs and more in an online resource entitled Songs For Change.

**INTERNATIONAL**

The unparalleled global popularity of the BMI repertoire was on full display this year, with tremendous performances across platforms. Some of the most-performed songs internationally included “Señorita,” “Memories,” “Circles,” and “Don’t Start Now,” written by chart-topping creators including Camila Cabello, Ali Tamposi, Adam Levine, and Ian Kirkpatrick. Other active songs that continued to contribute to BMI’s international success were “Shallow,” “Havana,” “I Will Always Love You,” “Daydream Believer,” “Despacito,” and “Uptown Funk,” among many others.

Overseas, global audiences were drawn to many blockbuster films scored by BMI’s exceptional composers. Hildur Guðnadóttir, Robert Lopez, John Williams, Tyler Bates and Thomas Newman shared their sonic vision in movies across the genre spectrum, including Joker, Frozen 2, Star Wars: Episode IX: Rise of Skywalker, Fast & Furious Presents Hobbs & Shaw, and 1917. Top exported television and cable series such as NCIS, Law & Order: SVU, Mentalist, Law & Order: Criminal Intent, Hawaii Five-O, SportsCenter and Game of Thrones remained global favorites.

BMI’s exceptionally talented roster of songwriters and composers continues to create the most popular and profitable music across all genres around the globe.
BMI once again broke revenue records,


despite the challenges brought on by the global pandemic, generating an unprecedented $1.311 billion for the fiscal year ended June 30, 2020, an increase of $28 million, over the prior year. BMI estimates it absorbed a $60 million negative impact to its revenues due to the COVID-19 effect across multiple businesses. For the fifth consecutive year, BMI’s historic results represent the most public performance revenue reported by any music rights organization in the world. Moreover, this figure indicates that the stellar strength of the BMI repertoire and the value of BMI’s licensing offerings continue to be unmatched in the industry.

BMI’s long-term strategic focus on diversified revenue streams enabled the Company to hit new benchmarks in key categories that helped offset declines due to the impact of the pandemic. To that end, strong growth in the Digital and Radio categories helped weather a decline in other areas, notably the General Licensing sector, where businesses such as live concert venues, bars, restaurants, fitness centers, retail establishments and many others faced closures as a result of the pandemic. Total domestic revenues, including Digital, Media and General Licensing, came in at $961 million, an increase of $18 million, or 2%, over last year. Revenue from digital sources represented 32% of BMI’s domestic total at $304 million, an increase of $42 million, or 16%, compared to last year. Total domestic media licensing revenue, comprised of cable and satellite, broadcast television and radio, came in at $527 million, an increase of $14 million, or 3%, over last year. Of this, cable and satellite-derived income remained the largest contributor at $271 million. Radio revenues totaled $155 million, $27 million higher than last year, or an increase of 21%, thanks to BMI’s rate court settlement with the Radio Music Licensing Committee (RMLC) that resulted in a new agreement and retroactive payments. Broadcast television revenue came in at $101 million, flat to last year. General Licensing, along with other income, came in at $130 million, down $39 million, or 23%, from last year. BMI’s international revenue hit a landmark total of $350 million, up $10 million, or 3%, over last year.

**DIGITAL**

BMI’s Digital Licensing team had a record-setting year of $304 million, representing 32% of BMI’s total domestic revenues and marking the first time this category eclipsed all others. As more and more people stayed home during the pandemic, they turned to indoor entertainment which translated to increases in viewers and listeners. Growth was primarily generated from subscription streaming services that feature TV series, movies and music. Notably, several new services launched this year, which points to continuing expansion of this sector. BMI entered into new digital audiovisual licensing agreements with Disney+, Apple TV+, HBO Max and Peacock, and the Company will continue to license new services as they enter the market.

**INTERNATIONAL PERFORMANCE**

The unsurpassed strength of BMI’s repertoire worldwide resulted in international revenue totaling an all-time high of $350 million, an increase of $10 million, or 3%, over last year. This total would have been $9 million higher if not for negative foreign exchange impact.

In fiscal year 2020, we saw organic revenue growth across several regions, with Western Europe once again contributing the largest portion of BMI’s total international revenue. We experienced overall growth in the digital market and are now seeing revenue from various licensing agreements in effect overseas. Revenue from digital audiovisual sources also continued to increase.

In spite of the many logistical and economic challenges around the globe, BMI was able to stay in continual, productive communication with each of our sister societies, with a focus on reinforcing our shared commitment to transparency and service to songwriters, composers and publishers. We are grateful for the strength of BMI’s longstanding mutual partnerships with societies of all sizes in the Collective Management Organization (CMO) world, which has helped all parties efficiently and effectively continue to serve the worldwide creative community during this crisis.
BMI’S ADVOCACY EFFORTS THIS YEAR HELPED

drive the conversation about the critical need for a modernized music licensing landscape that reflects the transformative changes in our industry and better serves creators, licensees and the public. To that end, BMI submitted its proposal for consent decree reform to the U.S. Department of Justice (DOJ), recommending a gradual transition to a free market with protections in place for all parties. On the rate court front, BMI and the Radio Music License Committee (RMLC) settled our ongoing rate dispute and entered into a new agreement that reflects the strength of the BMI repertoire and safeguards the value of our affiliates’ creative work. BMI’s legislative activity reinforced our decree reform proposal, while concurrently leading a successful initiative on Capitol Hill to ensure music creators received relief in the federal stimulus package developed in response to the COVID-19 pandemic.

DEPARTMENT OF JUSTICE UPDATE

BMI engaged with the DOJ regarding our consent decree throughout the year, seeking to gain clarity about the future of our business from a regulatory perspective.* In August of 2019, BMI President and CEO Mike O’Neill participated in a symposium entitled “Music Licensing in the 21st Century” held by the Hatch Center, the policy arm of the Orrin G. Hatch Foundation, in Park City, Utah. Attended by Makan Delrahim, Assistant Attorney General for the Antitrust Division of the DOJ, and multiple business leaders, the event focused on striking a balance in music licensing by creating an environment in which both businesses and creators thrive.

O’Neill outlined the proposal for consent decree reform that BMI submitted, along with ASCAP, in the form of a public comment to the DOJ earlier that month. To recap, BMI believes that a free market is the best model for creators to be fairly compensated for their intellectual property, for competition to thrive, and to establish a more productive, efficient and level playing field for everyone involved. Knowing that an immediate termination of the decrees would likely lead us down the path of Congress imposing compulsory licensing, a model that we are not in favor of due to the harm it would cause the creative community, our proposal ensures a gradual and orderly transition that would protect all parties.

A FREE MARKET IS THE BEST MODEL FOR CREATORS TO BE FAIRLY COMPENSATED, FOR COMPETITION TO THRIVE, AND TO ESTABLISH A LEVEL PLAYING FIELD FOR ALL PARTIES.

We recommend that the DOJ replace the current BMI and ASCAP consent decrees with newly-formed decrees, which – like all modern consent decrees – would include a sunset provision. The new decrees would include four key provisions:

1. Allow all music users to continue to gain automatic access to the BMI and ASCAP repertoires with the immediate right to public performance. However, this right should be contingent upon a fairer, more efficient, less costly and automatic mechanism for the payment of interim fees.

2. Retain the rate court process for resolution of rate disputes, as modified by the Music Modernization Act.

3. Continue to receive non-exclusive U.S. rights from writers and publishers, which allows licensees, songwriters, composers and publishers to enter into direct license deals if they so choose.

4. Preserve the current forms of licenses that the industry has grown accustomed to beyond the traditional blanket license, such as the per-program license and adjustable fee blanket license, while also ridding the decree of restrictions, thereby allowing us to offer new forms of licenses and explore innovative business solutions.

BMI believes this is a compromise solution that will allow the industry to function more efficiently and effectively, while facilitating a thoughtful transition to a free market that will benefit all stakeholders. To date, the DOJ has not yet announced its position regarding the possibility of decree reform, but we expect it in the near future.

RATE COURT ACTIONS

In January, BMI and the RMLC reached an agreement to settle our rate dispute. With the Court’s final approval in March, the parties entered into a new multi-year agreement covering the 2017-2021 period. The new license’s rate better reflects the strength of the BMI repertoire and the number of radio performances it receives, and more appropriately recognizes the value of our affiliates’ creative work. In addition to the new rate, which is retroactive to 2017, the RMLC has agreed to a one-time payment to BMI for litigation fees. The agreement also clarifies and preserves the platforms that are covered by the scope of the license and associated revenue, including over-the-air broadcasts, as well as the stations’ simulcast streaming, podcasts and HD radio. While litigation is sometimes a necessary step, BMI’s preference is always to work out an amicable solution with our licensing partners while continually keeping our songwriters’ best interests top of mind.

*On January 15, 2021, the DOJ formally closed its review of the BMI and ASCAP consent decrees, announcing it will take no action to modify or terminate the decrees but leaving open the possibility of changes in the future.
COPYRIGHT ROYALTY UPDATE

In March of 2020, oral argument was held in the appeal of the Copyright Royalty Judges (CRJs) determination of increased mechanical compulsory license rates for streams, downloads and other uses from 2018 to 2022. On August 7, 2011, the Court of Appeals reversed and remanded the decision back to the CRJs, rejecting (i) the CRJ’s reformulating the structure of the rates without proper notice to the Streaming Services and (ii) the CRJ’s failure to explain why it did not rely on the prior Phonorecords settlement as a benchmark. Dates for the new hearing have not been announced.

The global pandemic delayed the hearing in Webcasting V, which will set terms for webcast transmissions for the 2021-2025 period. The hearing that was originally scheduled for March 16, 2020, commenced via Zoom on August 4. By law, the CRJs must determine the new rates by December 16, 2020.

LEGISLATIVE UPDATE

The pandemic suddenly and severely disrupted the income stream for American songwriters and composers. In response, BMI spearheaded a successful effort on Capitol Hill to protect the livelihood of creators. Notably, in March several songwriting organizations signed a BMI-led letter to Congress, asking that they include assistance for music creators in any forthcoming pandemic relief legislation. In this letter, we explained how songwriters and composers are, in many cases, our nation’s ultimate small businesses. We also highlighted that the streaming marketplace has already decimated the livelihoods of many of America’s music creators. We underscored that our partners in the bar, restaurant, airline, fitness, theater, live concert and hotel industries faced temporary closures and that significant source of royalty income for creators was at risk.

Congress heard our call and on March 27, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law, which offered relief to songwriters and composers who are independent contractors, sole proprietors, or self-employed, and made them eligible for small business loans, including the Paycheck Protection Program, emergency grants, and unemployment insurance. All of these provisions were able to help safeguard our affiliates’ livelihoods during this challenging time.

BMI led another letter with our friends in the songwriting community urging Congress to extend these vital provisions beyond the end of July when they were scheduled to expire. Unfortunately, Congress failed to act, leading to a lapse in assistance for creators and all Americans struggling with the economic impact of the COVID-19 pandemic. BMI will continue to advocate on Capitol Hill on behalf of our music creators to push for the protections and assistance they need now more than ever.

U.S. COPYRIGHT OFFICE - 512 STUDY

In May, the U.S. Copyright Office concluded the first government study on the impact and effectiveness of the safe harbor provisions in section 512 of the Digital Millennium Copyright Act since it was enacted over 20 years ago. Section 512 established a notice-and-take-down system for copyright owners and online businesses to address online copyright infringements. After a comment period and lengthy review, the Copyright Office determined that the operation of the section 512 safe harbor system today is unbalanced, and its current implementation is out of sync with Congress’ original intent. The Office recommended that Congress fine-tune section 512’s current operation, which favors online companies over copyright owners, in order to better balance the rights and responsibilities of online service providers and rightsholders in the creative industries.

Preliminary discussions have begun on Capitol Hill about what action, if any, legislators will take to reform Section 512 following the Office’s recommendations. BMI will be involved in these discussions and will keep our affiliates up to date on any progress on this important issue.

BMI PAC

BMI is committed to supporting legislative candidates who fight for the music industry and promote strong copyright laws in Congress. Our collective voice is educating candidates and letting them know what issues are important to their constituents with regard to the growth and success of the music business. Thanks to many of you, BMI’s PAC has been very active and has continued to grow since it was restarted two years ago, putting us in a strong position to support candidates who seek to protect the rights of creators and advance their interests in policy matters. We are making a meaningful difference together.
BMI’S EXCEPTIONAL AFFILIATES

once again delivered the most-performed music in the world, and as a result, BMI distributed and administered an unprecedented $1.233 to our songwriters, composers and publishers, $37 million more than last year. This represents the highest public performance royalty distributions of any music rights organization in the world.

This figure is comprised of $1.162 billion in traditional distributions, plus $71 million in distributions as a result of direct deals that BMI administers on behalf of its publisher and digital service provider (DSP) clients.

When team members transitioned to working from home in mid-March, BMI endeavored to continue delivering seamless service to our affiliates. The BMI Distribution team surpassed this goal by distributing two quarters of royalty payments (March and June 2020) earlier than scheduled to our creative community for the first time ever. Communication, collaboration, and accountability among multiple teams were our guideposts, while BMI’s attention to data accuracy and operational efficiency facilitated this achievement for our affiliates.

Knowing that the economic impact of the pandemic will be reflected in our January 2021 distribution, the Distribution and Licensing teams worked in lockstep this year to plan ahead, taking a strategic approach to monitor, model and mitigate the situation to reduce the financial impact on our creative community.

The Distribution team also worked closely with the Creative department on analysis and modeling, and also kept up extraordinary communication with BMI’s publishers surrounding forecasting and projections. In addition, BMI had heightened communication with our sister societies regarding distributions and offered guidance during this unprecedented time.

This year, BMI processed approximately two trillion performances. While this number is slightly lower than last year’s total, this is only due to a change in BMI’s internal performance tracking system. The Company actually saw a 26% increase in performances processed when comparing year-over-year with this new approach.

BMI processed nearly 100,000 new applications and agreements for new songwriters, composers and publishers. As a result, BMI’s new total number of affiliates is 1.1 million. We also saw our number of works licensed increase, with BMI’s new total number of licensed musical works now over 17 million.

Furthermore, intensive testing on SongView,** the combined view of BMI and ASCAP musical works, continued throughout the year. This critical phase is essential in identifying any technical issues, so they can be addressed at this stage. We are excited to soon offer a single, authoritative look at copyright ownership data and increase transparency in the marketplace. Additional detail on this topic can be found in the “Technology” section of this Report.

BMI continues to make process improvements to ensure efficient, accurate and timely payments to our affiliates and support the creation of the world’s best music.
INNOVATION AND EVOLUTION

define the culture at BMI and ensure that the Company keeps adapting to meet today’s technological needs of our songwriters, composers, publishers and licensees. Throughout the year, BMI focused on optimizing our core services, while exploring new capabilities and systems to align with the direction of the industry.

BMI has always advocated for data transparency and this year we continued to make progress with ASCAP on SongView.** The Technology team carried out extensive testing and addressed software development changes as needed. Once delivered to market, this important initiative will provide the industry with an accurate and user-friendly single look at copyright ownership information for the works in both PRO repertoires. We are currently on track for phase one to launch by the end of 2020.

Additionally, BMI has built and is testing a new system to assist the International Operations & Technology Group (IOTG) with foreign outgoing files. We now support the new file format that is in line with our sister societies’ preference, which will also benefit our foreign incoming revenue streams.

Additionally, BMI’s Technology team played a vital role in the Company’s internal pandemic response. BMI was well prepared to transition team members to working remotely as our infrastructure was already in place, which allowed us to move quickly. Within a week and a half, the Technology team readied 600 plus team members to work from home.

INTERNATIONAL OPERATIONS & TECHNOLOGY UPDATE

BMI’s International Operations and Technology Group (IOTG) has been actively engaged in a sweeping CISAC project to modernize the entire ISWC (International Standard Musical Work Code) system. The ISWC plays an important role in identifying each unique musical composition and has become an essential element in the successful functioning of the global digital music market. BMI extensively tested the enhanced ISWC business rules and features, while ensuring that seamless interfaces between BMI’s systems and the new ISWC services were established.

BMI’s ability to obtain unique ISWCs for musical works registered by our affiliates is guided by the quality and adherence of our musical works data to established international data standards. IOTG manages BMI’s participation in the quarterly data quality assessment which occurs on all musical works information available on the international CIS-Net network. BMI posted an impressive 13.1 million domestic/international musical works to our CIS-Net database. BMI is consistently on the forefront of data quality and is ranked first among all CIS-Net contributors, with 99.5% compliance with established international data standards.

PHASE ONE OF SONGVIEW IS ON TRACK TO LAUNCH BY THE END OF 2020.**

As noted above, IOTG also collaborated with the International and Technology Departments and coordinated the preparations for moving our foreign outgoing distribution format to the most current International Standard, Common Royalty Distribution (CRD) v2.2. The key advantage of the CRD format is that it allows for more information about music usage, which allows greater transparency of affiliates’ income. The use of the CRD format will also lead to a more cost-efficient way of communicating royalty distribution information with our sister societies.

These achievements are possible due to BMI’s active leadership role in key CISAC and FastTrack initiatives, Governance committees, as well as through collaboration with technical and business representatives from various international sister societies.

Moving ahead, BMI looks forward to our continued leadership in a new era of music rights management, one in which competition thrives, transparency is increased, and all stakeholders operate on a level playing field.

**Phase one of Songview successfully launched on December 21, 2020.