

Prince Alwaleed Takes \$266.7 Million Stake In French Music Streaming Service Deezer

Saudi Arabian business tycoon Prince Alwaleed Bin Talal has announced that he has completed a \$266.7 million (SAR1 billion) deal to buy newly issued shares in French music streaming service Deezer.

The investment was made through Kingdom Holding Company and Rotana Group.

The Saudi-based entertainment company, owned by Prince Alwaleed, also entered into an agreement with Deezer, where the latter will distribute Rotana's audio and video content in the Middle East and North Africa (MENA) region. The distribution channel will include fast-growing entertainment markets such as Saudi Arabia, UAE, Egypt, Lebanon, Morocco, Algeria, Tunisia and Turkey.

The agreement with Rotana helps Deezer penetrate a fast-growing region like MENA which has a population of over 400 million people. A leader in France and Latin America, Deezer will use the new investments to fuel development of music streaming in the MENA markets.

Founded in 2007 by Daniel Marhely as Blogmusik, Deezer is available in 180 countries across the globe connecting 14 million active users to 53 million tracks. Headquartered in Paris, the music streaming service provider has offices in Berlin, London, Moscow, Sao Paulo and Miami among other offices in key markets around the world.

Deezer said in a separate statement that it raised \$185 million (€160 million) through existing investors including Kingdom Holding Company, Rotana Group and new investors such as Access Industries, Orange and LBO Finance.

"The investment of Kingdom Holding and Rotana Group in Deezer represents one of the many premium investments that we have always sought for our shareholders and the signing of the distribution agreement will move Rotana to the international arena," said Prince Alwaleed bin Talal.

Streaming companies are increasingly turning to be a favorite among investors, thanks to their reach among a large number of users.

According to IFPI Global Music Report 2018, global music revenues reached \$17.3 billion in 2017, up by nearly 8.1% from \$16 billion in 2016. Streaming services and subscriptions have contributed the most to these revenues with a growth of 38.4% year-over-year to reach \$7.4 billion or 41.1% of all revenues.

Anghami, founded by Elie Habib and Eddy Maroun and termed as the Middle East's Spotify, has over 33 million users across the MENA region and is easily the leader in the region.

Deezer, which was an early mover in the online music streaming industry, is yet to catch up with the scale of other players such as Apple Music, Amazon Music and Spotify that dominate the market.

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