

1-3 Year Financial Forecast

Key Assumptions:

Six 10-track albums per year with £2,000–£5,000 gross income per year from sync fees and royalties. Realistically this revenue will accrue gradually over several years due to backend royalties and staggered placements.

First-year revenue for new albums will be limited, as most income (backend royalties, licensing fees) takes 12–18 months; taking into account typical payout cycles and delays. It is important to note that payments from publishers like Bibliotheque Music and Twisted Jukebox are semi-annual, while backend royalties (PRS in the UK) lag by up to 1–2 years. Finally, not all albums will generate high returns; some may underperform or take longer to gain traction, this is why a ‘blitzkrieg’ approach of multiple album releases is necessary for a more stable income stream.

Yearly Revenue Forecast:

Year 1: Starting Phase

In the first year, of the 6 potential album releases only 2–3 of these albums will likely generate meaningful income, contributing roughly 25–50% of their lifetime revenue. The remaining 3–4 albums produce minimal or no income within the year due to payment delays. Estimated revenue for the year is between £4,000–£8,000, with early returns averaging £1,000–£2,500 per performing album.

Year 2: Growing Catalog

In the second year, another six new albums will be added to the catalog. The albums from Year 1 begin to generate 50–100% of their lifetime revenue, amounting to £6,000–£15,000. The newly released albums contribute minimally, adding £2,000–£4,000 to the total. The estimated revenue for Year 2 is between £8,000–£19,000.

Year 3: Stabilizing Income

By the end of Year 3, a total of 18 albums will be released. The albums from Year 1 near their full lifetime revenue, contributing £12,000–£20,000. The albums from Year 2 generate about 50% of their lifetime revenue, adding £6,000–£15,000. Newly released albums in Year 3 contribute minimally, around £2,000–£4,000. Total estimated revenue for Year 3 ranges from £10,000–£25,000.

Key Considerations and Outlook

Some albums may underperform and generate less over their lifetime, while exceptional albums could exceed £5,000 per year it is important to treat such cases as a rarity. Revenue distribution often follows a “long tail” pattern, where a few popular tracks drive a significant portion of income. Backend royalties from PRS, MCPS, and international collections typically take 12–24 months to materialize, creating delays in cash flow. Working with multiple publishers can help offset these delays by diversifying income sources.