Spotify to cut nearly 20% of its workforce despite £55m profit

Popular music-streaming app Spotify will cut almost a fifth of its workforce despite turning a profit of €65m (£55.7m), according to its latest figures.

The firm's latest round of job cuts will affect around 1,500 people – which is 17% of its current total of 9,300 employees.

It's the third round of job losses at the streaming firm this year, with 200 workers let go in June and another 600 in January.

It's not clear how many roles would be affected in the UK, but 881 people are employed by Spotify in the country, which could suggest around 150 jobs may be at risk.

This comes after the company posted a profit in the three months to September – its first quarterly profit in a year – after **bumping up prices** and reporting a growth in subscribers.

Spotify currently has 601 million users, up from 345 million at the end of 2020.

But its chief executive, Daniel Ek, said in a letter to employees the company hired more in 2020 and 2021.

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On Monday, he said the latest reduction in staff numbers will feel large given the recent positive earnings report and its performance.

But he added: “By most metrics, we were more productive but less efficient. We need to be both.

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“We debated making smaller reductions throughout 2024 and 2025.

“Yet, considering the gap between our financial goal state and our current operational costs, I decided that a substantial action to rightsize our costs was the best option to accomplish our objectives.”

He also said the business will “build an even stronger Spotify” in 2024 as a result of the cuts.

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The company will start informing affected employees on Monday, with each person getting about five months of severance pay for the severance period.

The company will also offer immigration support for anyone whose visa is connected with their employment.

In recent years, Spotify has invested more than a billion

dollars to build up its podcast business and signed up celebrities such as Kim Kardashian, Prince Harry and his wife Meghan.

It ultimately hopes to reach a billion users by 2030.