Spotify CFO cashes in £7.2m in shares after value surges on news of job cuts

Publication Date: 2023-12-07

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Section: Technology

Tags: Spotify, Digital music and audio, Internet, Job losses, Sweden, news

Article URL: https://www.theguardian.com/technology/2023/dec/07/spotify-cfo-cashes-in-72m-in-shares-after-value-surges-on-news-of-job-cuts

One of Spotify's top executives cashed in more than $9m (£7.2m) in shares as the value of the world's biggest music streaming service surged after it announced it was laying off almost a fifth of its workforce to cut costs. Paul Vogel, Spotify's chief financial officer, moved to sell the $9.4m worth of stock on Tuesday, a day after investors sent the company's share price soaring in response to reports that the cuts would help it sustain profitability amid slowing economic growth. Vogel was not the only one to cash in on the jump. Spotify's share price rose by as much as 8% on the day of the announcement and has remained elevated since. Two other senior executives have cashed in more than $1.6m in shares, according to filings with the US Securities and Exchange Commission. On Friday, the last day of trading before Spotify announced it was to lay off about 1,500 staff, the company traded at $180 a share. On Monday, the day of the cuts announcement, it surged to $194 rising to $199 on Tuesday, when the SEC filing shows that Vogel sold 47,859 shares. Investors have continued to fuel the share price rises, which hit a 52-week high of $202.88 during trading on Wednesday, valuing the Stockholm-based company at $37.9bn. The sale of stock immediately after a round of cuts is completely legal, but the optics of appearing to cash in on a share-price surge as many staff face redundancy at Christmas are not the best. "Despite our efforts to reduce costs this past year, our cost structure for where we need to be is too big," Spotify's founder and chief executive, Daniel Ek, said in a blog post announcing the cuts on Monday. "I recognise this will impact a number of individuals who have made valuable contributions. To be blunt, many smart, talented and hard-working people will be departing us." Spotify cut 6% of its jobs in January, bringing its global workforce down to 9,200, and four months later it cut another 200 jobs, mostly in its podcasting division. The company has struggled to achieve profitability and reported a net loss of around $500m for the nine months to September, despite growing its monthly active users to 574 million in the third quarter. It has also found it difficult to make its expensive foray beyond music into podcasting pay off. In June, the company ended its multimillion-dollar deal with the media group run by Prince Harry and his wife, Meghan, the Duchess of Sussex, by mutual agreement. The couple produced just one series under their Archewell Audio podcast imprint after inking the agreement in 2020 for a reported $20m (£15.6m or A$29.1m). Spotify declined to comment.