

Includes outputs to  
the crisis



June, 2020

# COVID-19 impacts on Brazilian football clubs' revenues

## Sports Value

**Sports Value** specializes in sports marketing, branding, sponsorships, activations, brand valuation and sports properties valuation.

The company is born with the purpose of offering a new sports marketing vision to sponsors, clubs, leagues, athletes, federations and media groups.

Sports Value is guided by the search for adding positive values to its clients' projects, always with effective return, both in tangible and intangible terms.

Amir Somoggi, company founder, for 20 years dedicates his professional trajectory in the contribution to a more professional, transparent and creative sports marketing projects.

The Sports Value brand represents 360 degrees vision of sports marketing and is also a target in the constant pursuit of return for its clients.

The company has the largest database in the market, with data from the last three decades of Brazilian and worldwide sports business.

The evaluations have their own solid methodology, thanks to this extensive database. All strategies for the clients are based on their business, using reliable, tested, and value-based assumptions of their brands and projects.

## Methodology

- **Sports Value** has just completed a study analyzing the COVID-19 impacts on the Brazilian football clubs' market.
- We analyzed global impacts of the pandemic and the effects on revenues of Brazilian clubs in 2020, considered as the "new normal" of revenues, by Spots Value view.
- This analysis shows how Coronavirus will brutally impact the accounts of football clubs in Brazil. All historical figures were updated by inflation and impacted by the annually exchange rate.
- The analysis shows losses from gate receipts and other matchday impacts. And other revenues such as TV rights, transfers, sponsorships and products sales.





## COVID-19 impacts to European clubs

## European clubs' revenues losses

The global sports market is suffering brutally from COVID-19 economic and social impacts.

According to a previous analysis by Sports Value, [here](#), the global professional sport will lose revenues of more than **US\$ 15 billion**, due to the pandemic.

When added to these figures, losses in traditional sports retail, clubs, gyms, betting and different infrastructure, losses exceed **US\$ 40 billion**.

According to Deutsche Bank's analysis, Europe's football elite, Deloitte's Top 20 teams in revenues, could lose more than **€ 1,2 billion** in minimal losses, just in 2020.

In the worst-case scenario the losses in 2020 will be **€ 2,7 billion**. Losses over the next 2 years could exceed **€ 3,9 billion**.



## COVID-19 impacts to European clubs

## European clubs' revenues losses

The Top 20 teams in revenues in Europe, generated € 9,2 billion in 2019, according to Deloitte.

**In the most optimistic scenario will lose 13% of revenues and in the pessimistic / realistic, losses will be up to 29%.**

**Revenues in 2019 and the "New Normal" in 2020- € million**

Teams	Revenues 2019	Revenues		Minimum	Maximum
		New normal minimum	New normal maximum	Losses	Losses
Barcelona	841	721	581	-14%	-31%
Real Madrid	757	657	527	-13%	-30%
Manchester United	712	622	497	-13%	-30%
Bayern de Munique	660	580	460	-12%	-30%
PSG	636	536	441	-16%	-31%
Manchester City	611	536	426	-12%	-30%
Liverpool	605	530	420	-12%	-31%
Tottenham Hotspur	521	451	361	-13%	-31%
Chelsea	513	453	358	-12%	-30%
Juventus	460	395	320	-14%	-30%
Arsenal	446	381	306	-15%	-31%
Borussia Dortmund	377	327	262	-13%	-30%
Atlético de Madrid	368	318	258	-14%	-30%
Inter de Milão	365	315	255	-14%	-30%
Schalke 04	325	285	225	-12%	-31%
Roma	231	201	161	-13%	-30%
Olympique Lyon	221	191	156	-14%	-29%
West Ham	216	191	151	-12%	-30%
Everton	213	188	148	-12%	-31%
Napoli	207	182	147	-12%	-29%



## Brazilian clubs' revenues losses

According to **Sports Value**'s analysis, Brazilian football clubs market generated **US\$ 1,7 billion** in revenues in 2019. The elite of football in Brazil, the TOP 20 clubs in revenues, achieved consolidate revenues of **US\$ 1,5 billion**.

## COVID-19 impacts to Brazilian clubs

### Main revenues sources from the elite of Brazilian football in 2019



## Brazilian clubs' revenues losses

### COVID-19 impacts to Brazilian clubs

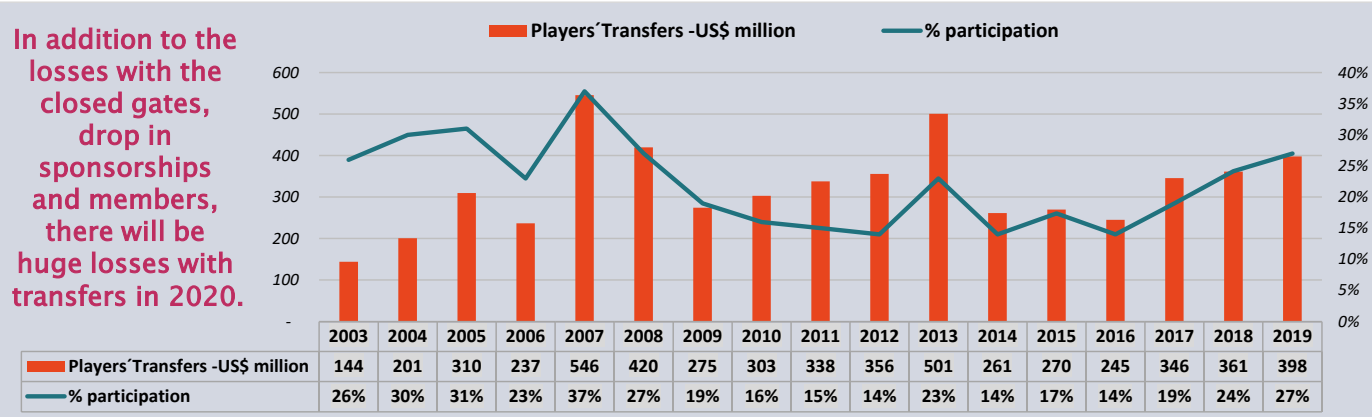
In 2019, Brazilian clubs had the best revenue in history (in R\$ terms), especially due to the increase in revenues from transfers, which generated more than **US\$ 400 million** to the market.

According to projections from Europe, the global transfer market is expected to fall by about 40% due to the Coronavirus crisis. In 2019, the global player transfer market moved nearly **US\$ 8 billion**.

### Brazilian- TOP 20 clubs -Revenue from players' transfers – US\$ million

Values updated by inflation

In addition to the losses with the closed gates, drop in sponsorships and members, there will be huge losses with transfers in 2020.



Source:Sports Value

## Brazilian clubs' revenues losses

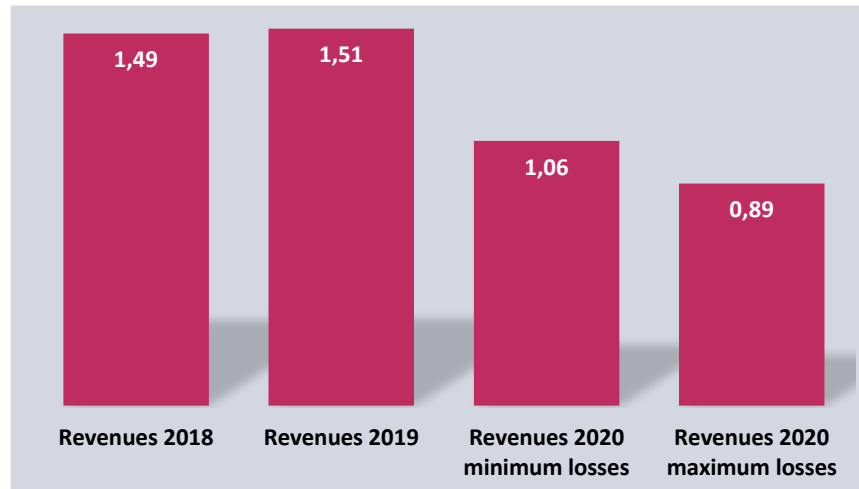
### COVID-19 impacts to Brazilian clubs

Like European teams, Brazilian clubs will have a general reduction in revenues. The revenues of Brazilian clubs will drop in 2020, with many reflections in 2021 and 2022.

The "new normal" will drastically reduce revenues, such as the more than US\$ 249 million generated in 2019 with gate receipts, football members and other matchday income.

Another aspect will be the declines with TV rights, sponsorships, social club and product sales. In addition the reductions in players' transfers.

**Brazilian- TOP 20 clubs – Revenues and the “New Normal” of revenues in 2020– US\$ million**



**Minimum losses**  
**US\$ 448 million**  
**(-29%)**

**Maximum losses**  
**US\$ 622 million**  
**(-37%)**

Source: Sports Value



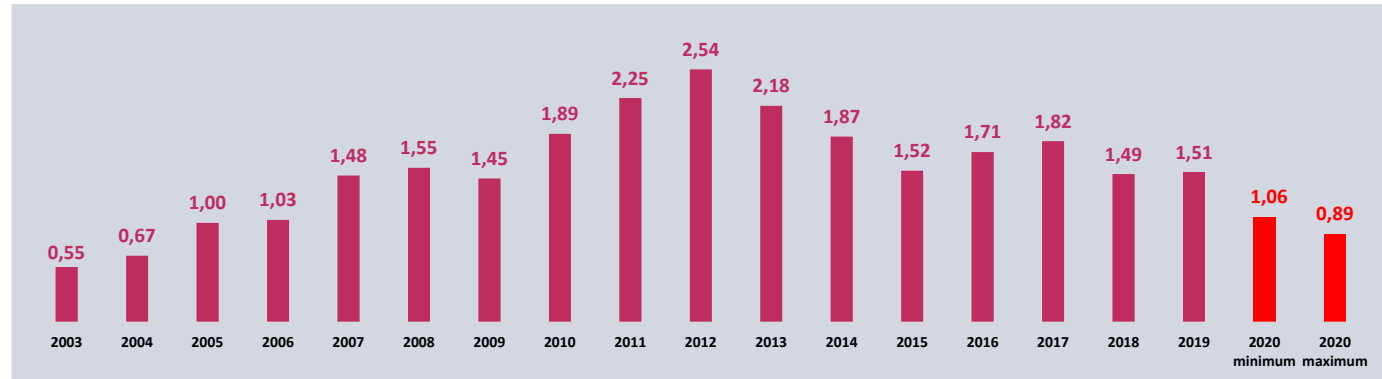
## Brazilian clubs' revenues losses

**COVID-19  
impacts to  
Brazilian  
clubs**

The revenues reductions caused by COVID-19 crisis will greatly impact clubs' numbers in 2020.

*Brazilian- TOP 20 clubs –Revenues and the “New Normal” of revenues– US\$ billion*

*Values updated by inflation*



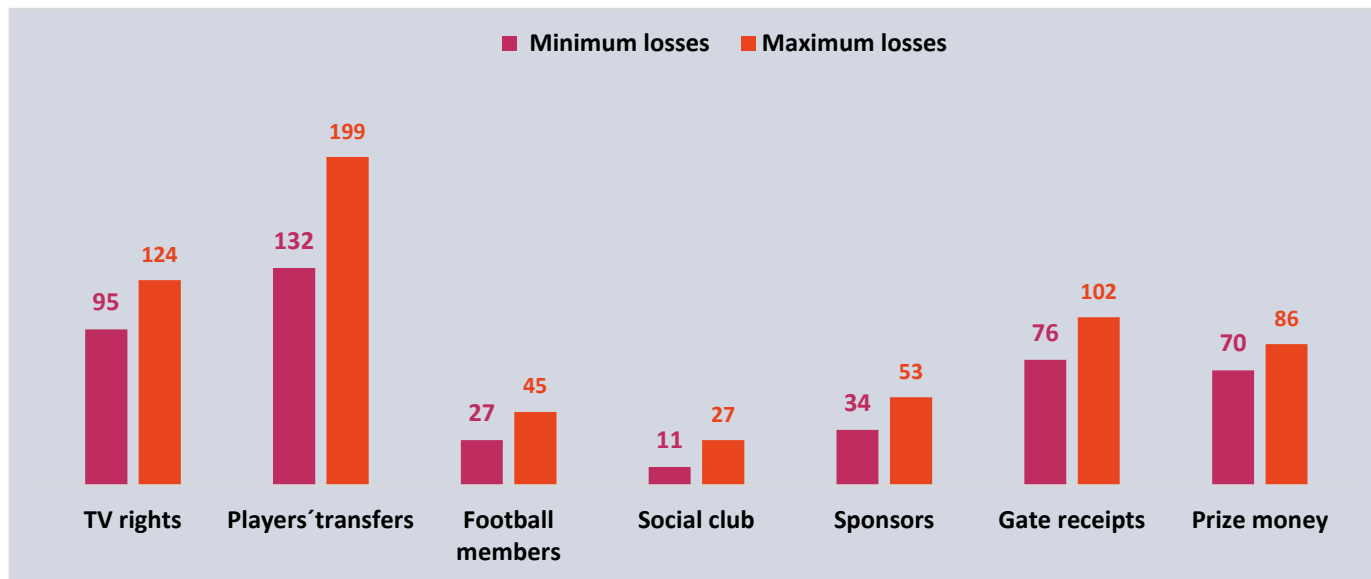
Source:Sports Value

Depending on how clubs react to the crisis, and how the transfer market will behave, we may present revenues like 2010/2011. ( R\$ terms)

An unprecedented setback in the history of Brazilian football.

## Brazilian clubs' revenues losses

Minimum and maximum losses– TOP 20 clubs- US\$ million

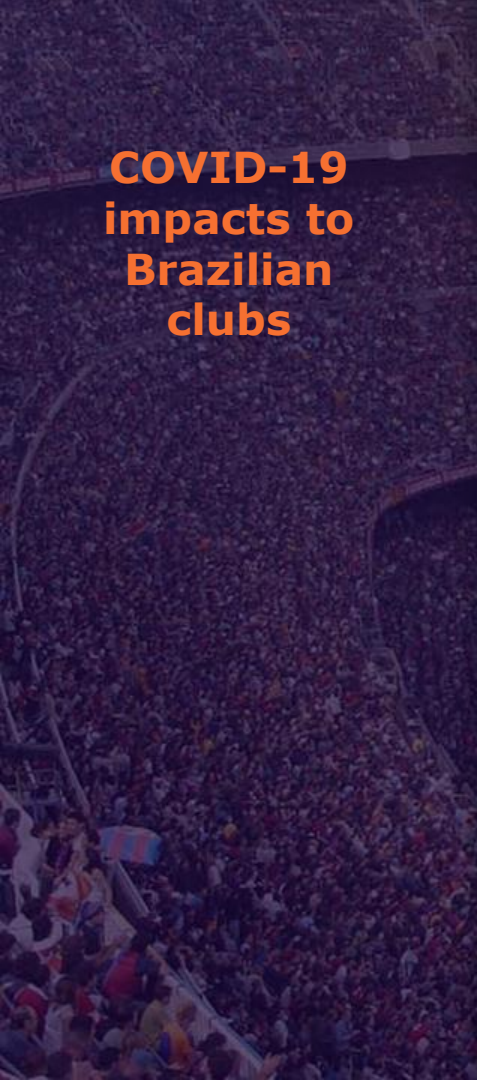


Source: Sports Value

Minimum and maximum losses are a projection based on current data.

Sports Value will update the information over the months, according to new data available in the market.

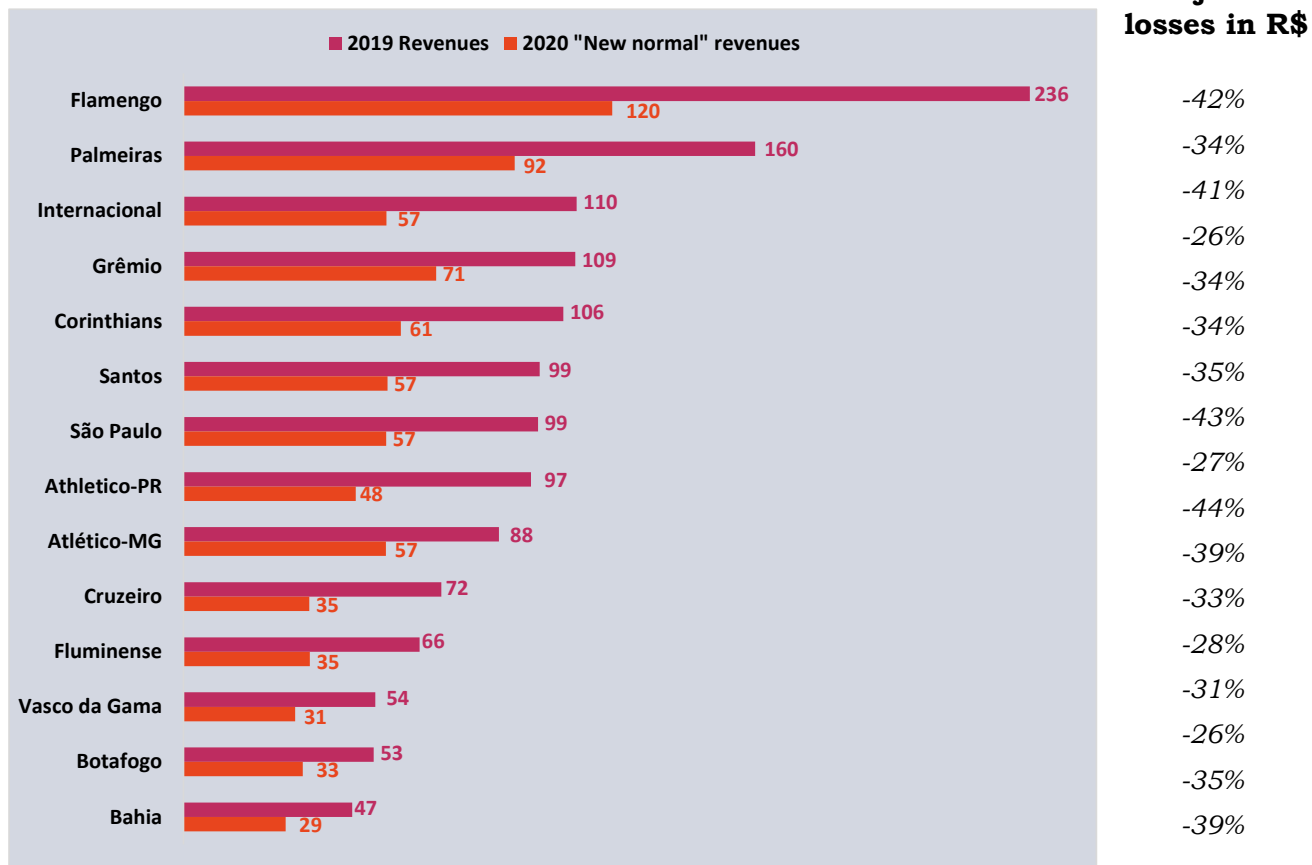
**COVID-19  
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## COVID-19 impacts to Brazilian clubs

### Brazilian clubs' revenues losses

2019 revenues and the "New Normal" of revenues in 2020– US\$ million





### Solutions & suggestions, according to Sports Value

#### Clubs digital transformation

*Current crisis needs to serve as an accelerator for the digital transformation of clubs, practically analogic today.*

*The world is witnessing a revolution, accelerated by the pandemic, and Brazilian football is not realizing it.*

*Clubs need a deep immersion in technological innovations, turn into startup incubators and apply new concepts of fan engagement.*

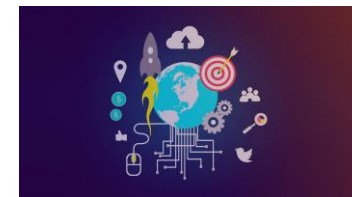


#### Fan engagement

*The current scenario is favorable to effective relationship projects with the millions of fans of each club.*

*Fans are increasingly connected and enthusiastic to help and consume the club's brand.*

*Digital transformation involves making this crisis at a moment to transform Brazilian clubs.*



### Solutions & suggestions, according to Sports Value

#### ○ Digital deliveries to sponsors

*One of the most important aspects is to offer deliveries to sponsors, even without football matches.*

*Technology and digital transformation enable effective deliveries to club partners' brands.*

*Augmented reality, virtual reality, 3D videos are spectacular deliveries for sponsors.*



#### ○ Monetization of own content

*Football clubs in Brazil need to understand the power of producing and monetize their own content.*

*Revenue losses from TV rights can and should be minimized by producing content (outside of match broadcasts).*

*Documentaries, backstage, historical images, added to the current lives, exploration of the image of athletes, own streaming, e-sports are great routes to content monetization.*



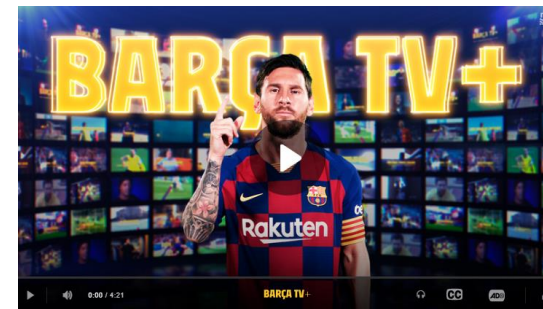
## Examples to inspire

### Solutions & suggestions, according to Sports Value

#### Barça TV +

*Club's streaming service, which created by Barça Studios.*

*Service costs €2.99/month and has the potential to reach 30 million subscribers worldwide.*



#### Atlético Nacional, Colombia

*Colombian club intensified work in the digital environment during the pandemic crisis.*

*Recurring digital actions boosted e-commerce sales and reduced the losses of media space, without football matches.*



#### EC Bahia, Brazil

*During the pandemic crisis created the digital membership service.*

*Club will produce content and digital offers to minimize revenues losses and closed gates.*





## Contact



Sports marketing, branding, sponsorships, activations, brand valuation and sports properties valuation.

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## Services

# OUR SERVICES



### Sports Marketing

Sport offers a unique platform for brands enhancement, engagement and consumer loyalty and effective sales expansion.



### Sponsorships and activations

Sports sponsorship and its complementary activation actions are proven to be the best marketing tool for today.



### Trends Reports

The ever-changing world requires companies, agencies, clubs and federations to make their decisions in anticipation of trends and directions in today's world.



### Startups Consultancy

The world's startup ecosystem represents US\$ 1 trillion today. In sports already exceeds US\$ 9 billion and is expected to triple over the next five years.



### Sports Branding

In today's ever-changing world and with increasing consumer demand, branding or brand management becomes even more essential.



### Brand valuation

Branding is a fundamental discipline in the global business. Brands are constantly evolving and must be at the heart of every management.



### Sports properties valuation

Sports Value is the first company in the Brazilian market to evaluate sports assets, with its own methodology and extremely consistent premises.



### International Affairs

The rapidly evolving world demands that sports marketing projects have a global character today.

<https://www.sportsvalue.com.br/en/initial/>

An aerial view of a large football stadium filled with spectators at night. The pitch is visible in the lower half of the frame. The Sportsvalue logo, consisting of two concentric circles and the text 'sportsvalue', is overlaid in white on the left side of the image.

 sportsvalue