



Brazilian football clubs' financials 2021

The year of the resumption, marketing showed its strength. – May 2022
INCLUDES DISRUPTIVE STRATEGIES FOR CLUBS.



SUMMARY

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METHODOLOGY

Sports Value has the extensive historical series of financial statements data from football clubs in Latin America.



The data makes up one of the largest finance / marketing / digital data analytics in the football world. We have decades of global data and current information from digital, finance, marketing and trends.



The analysis of Brazilian clubs has a historical series that began in 2003. The most extensive on the market. We have data from all over Latin America, Europe, USA and Asia.

The data in this report are extracted from the public financial statements of the 20 clubs with the highest revenues in Brazil.



The TOP 20 make up our League, if Brazil had it, to compare with international markets.

INTRODUCTION



COVID-19 impacted negatively the Brazilian football clubs' finances. According to Sports Value's study on the 2020 data, the reduction in revenues was more than US\$ 180 million. In the current study, we identified losses of US\$ 215 million.



A very significant part of the losses was due to the completion of the 2020 that finished just in 2021. This resulted in a shortfall in cash flow in 2020 and that returned to clubs only in 2021. Thus, the figures presented in this report are impacted by more than US\$ 90 million in paid TV revenues in 2021, referring to 2020.



Another important aspect was the excellent performance of Brazilian clubs in international competitions, such as the cases of Palmeiras and Flamengo.

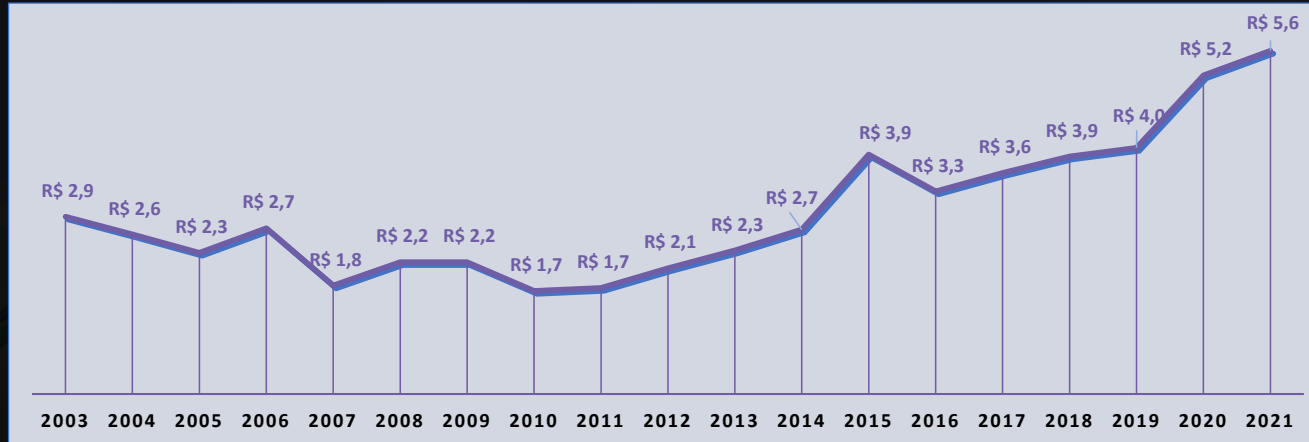


Extremely positive highlight were the revenues from sponsorships, which surpassed, for the first time, R\$ 850 million. (US\$ 152 million). All numbers were impacted to exchange rate, in 2019 US\$ 1 = R\$ 4,01, and in 2021 R\$ 5,59, +39%.



INTRODUCTION

Exchange rate – US\$ - R\$ - 2003-2021



INTRODUCTION

Some 2021´s data:



Revenues grew 47% in 2021 in R\$ terms. In US\$ increased 21%.



TOP 20 clubs reached R\$ 7 billion (US\$ 1.25 billion) . There were about US\$ 393 million new. Given the impacts of inflation, real growth was 28%. (in R\$)



The main impacts were the resources with TV rights and prize money that went from US\$ 329 million in 2020 to US\$ 608 million in 2021. In this value is instilled the TV rights that was not entered in 2020.



Sponsorship revenues jumped greatly in 2021, from US\$ 102 million in 2020 to US\$ 152 million in 2021.



Players´ Transfers fell by 7%, in R\$ terms in 2021, but 28% in US\$.

INTRODUCTION

Some 2021 data:



TOP 20 teams' analysis showed a total football costs of US\$ 876 million, compared to US\$ 847 million in 2020. In 2019 the costs were US\$ 1.1 billion. (these numbers really impacted by Brazilian exchange rate).



The 2020's losses that were US\$ -204 million become US\$ 96 million profits in 2021.



The debts that had surpassed US\$ 1.9 billion in 2020, were reduced by 10% in dollars and are US\$ 1.7 billion for the TOP 20 teams.



Elder tax debts represented 28% or US\$ 501 million.

TOTAL REVENUES



Revenues from the TOP 20 teams reached US\$ 1.25 billion in 2021, a high value, after the 2020 reduction. So far from US\$ 2.4 billion in 2012, when the exchange rate was totally different from nowadays.



Before the pandemic in 2019, the TOP 20 teams generated US\$ 1.6 billion .



In 2021, in addition to the growth of broadcast rights, revenues from sponsorships also grew considerably,



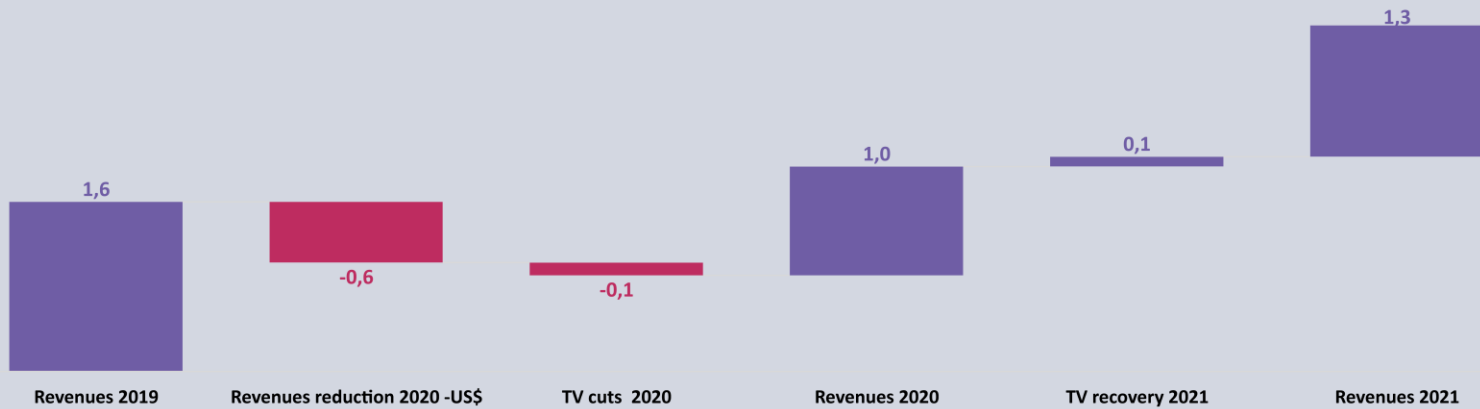
Revenues from members dropped, also players' transfers .



The following slide is the revenue losses cash flow due to COVID-19 in 2020 and the resources recompositing in 2021.

COVID 19- LOSSES & RECOVERY

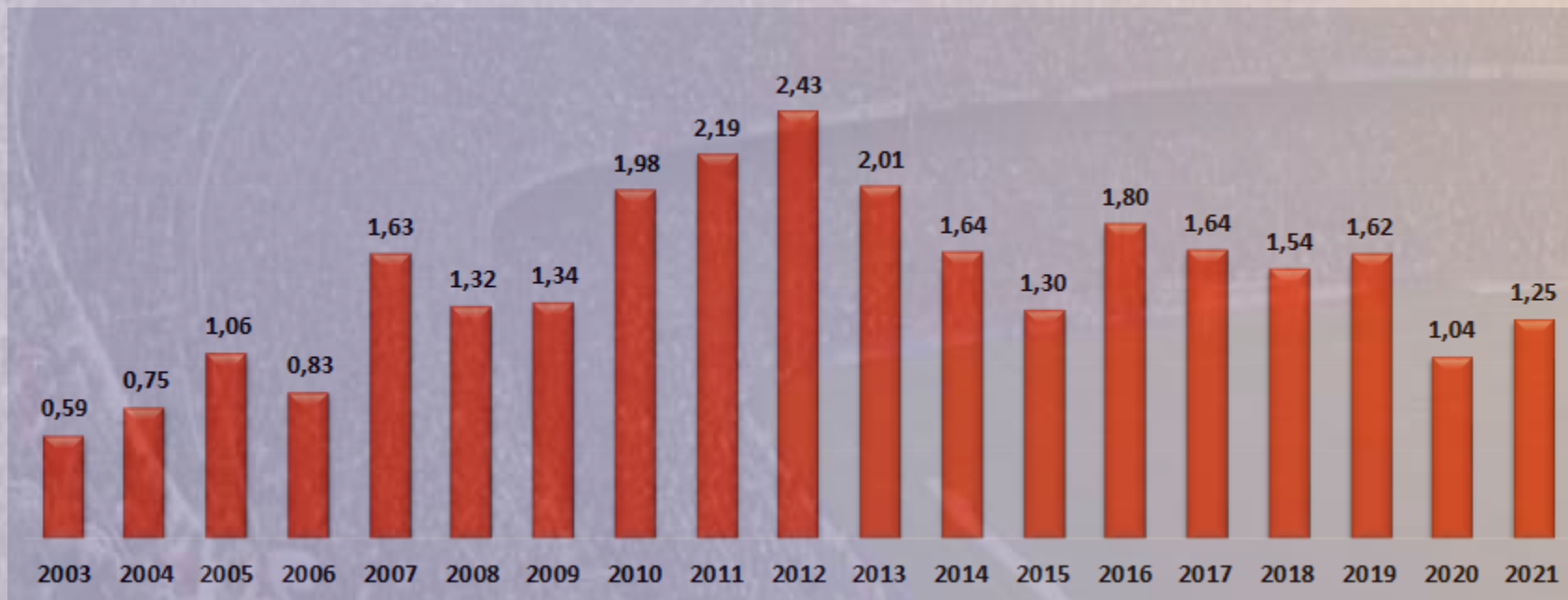
In US\$ million



TOTAL REVENUES

TOP 20 clubs- Total revenues- US\$ billion

Updated by inflation and annual exchange rate



TOTAL REVENUES

With the 2021 figures published, it was possible to verify changes in the participation of the clubs' revenues sources .

TV rights and prize money represented 37% of the total in 2020 rose to 52% (without the impacts of 2020 would be 46% of the total).

Players Transfers went from 32% of the total to 20%. Revenues from members and social club fell from 13% to 9% and are now the fourth income source.

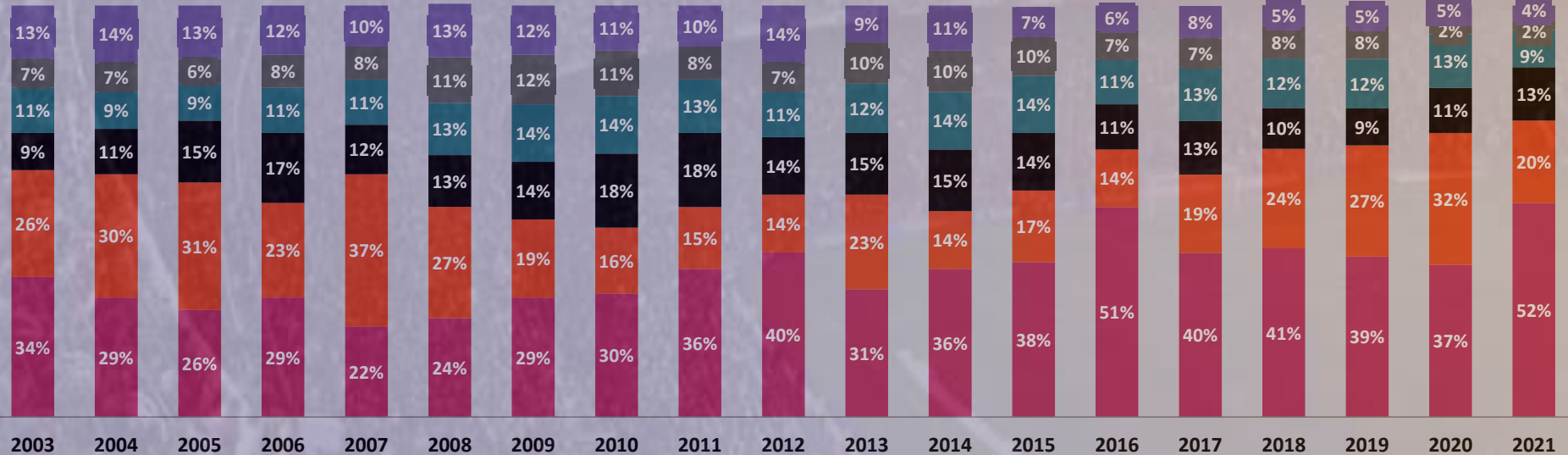
Sponsorships jumped from 11% of the total to 13% and are now the third source for clubs. Gate receipts remains at 2%, with all 2021 restrictions

Brazilian football needs to leverage marketing, digital revenues and create generation of recurring resources from digital transformation.

From page 49 we've deepened the theme.

TOP 20 clubs – Revenues breakdown - In %

■ TV & Prize
 ■ Transfers
 ■ Sponsorship
 ■ Members / Social
 ■ Gate receipts
 ■ Other



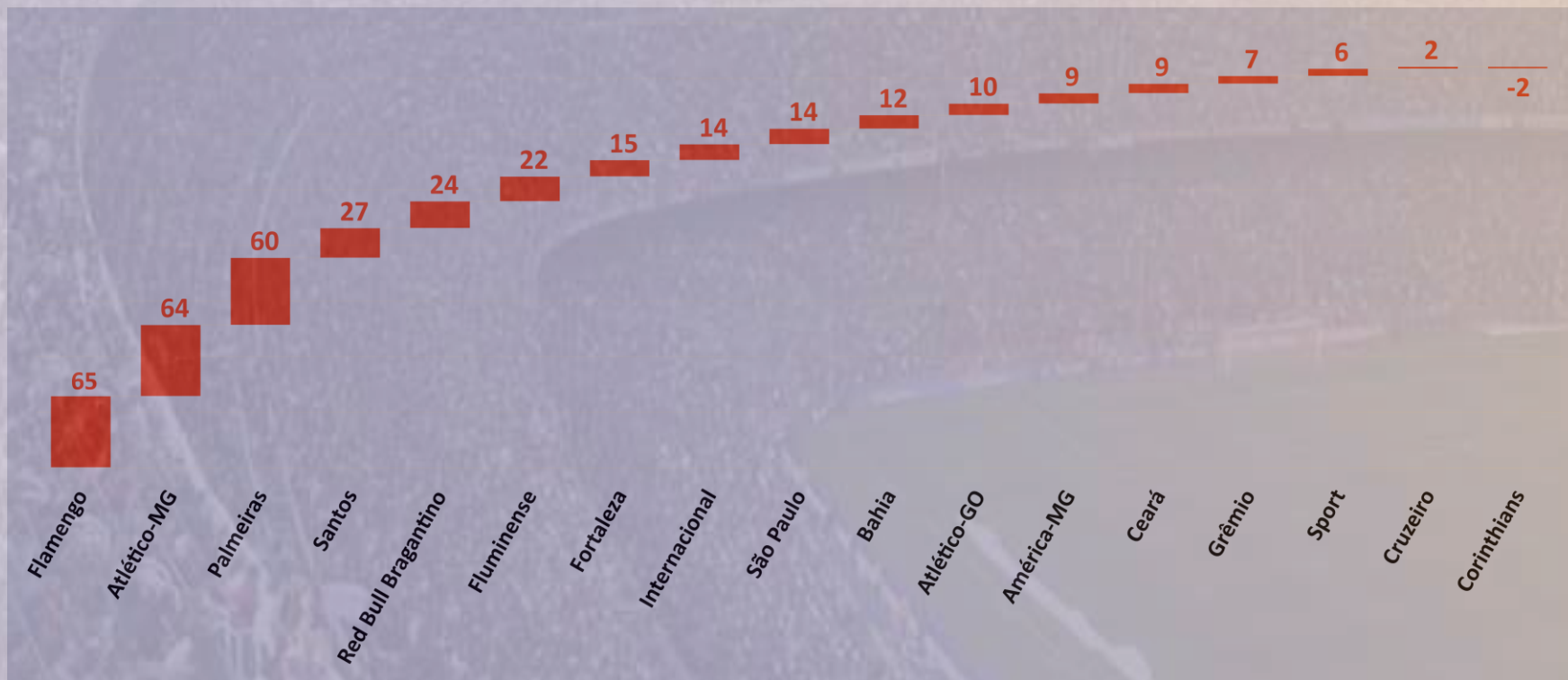
TOTAL REVENUES

Total revenues – US\$ million

RK 2021	Clubs	Revenues US\$ million			Charge
		2021	2020	2019	2020-2021
1	Flamengo	194	129	237	50%
2	Palmeiras	163	102	160	59%
3	Atlético-MG	90	26	88	242%
4	Corinthians	90	91	106	-2%
5	Grêmio	89	82	110	9%
6	São Paulo	83	69	99	21%
7	Santos	73	46	100	58%
8	Internacional	68	54	110	26%
9	Fluminense	60	37	66	59%
10	Red Bull Bragantino	52	28	10	86%
11	Athletico-PR	50	63	97	-21%
12	Bahia	37	25	47	48%
13	Vasco da Gama	33	37	54	-9%
14	Fortaleza	31	17	30	89%
15	Ceará	28	20	26	43%
16	Cruzeiro	26	24	72	8%
17	Botafogo	22	31	53	-30%
18	Atlético-GO	20	10	5	105%
19	América-MG	18	9	8	100%
20	Sport	17	11	10	60%

TOTAL REVENUES

Absolute revenue growth - 2020 to 2021- US\$ million



Consolidate Revenues TOP 20 Brazilian football teams in 2021



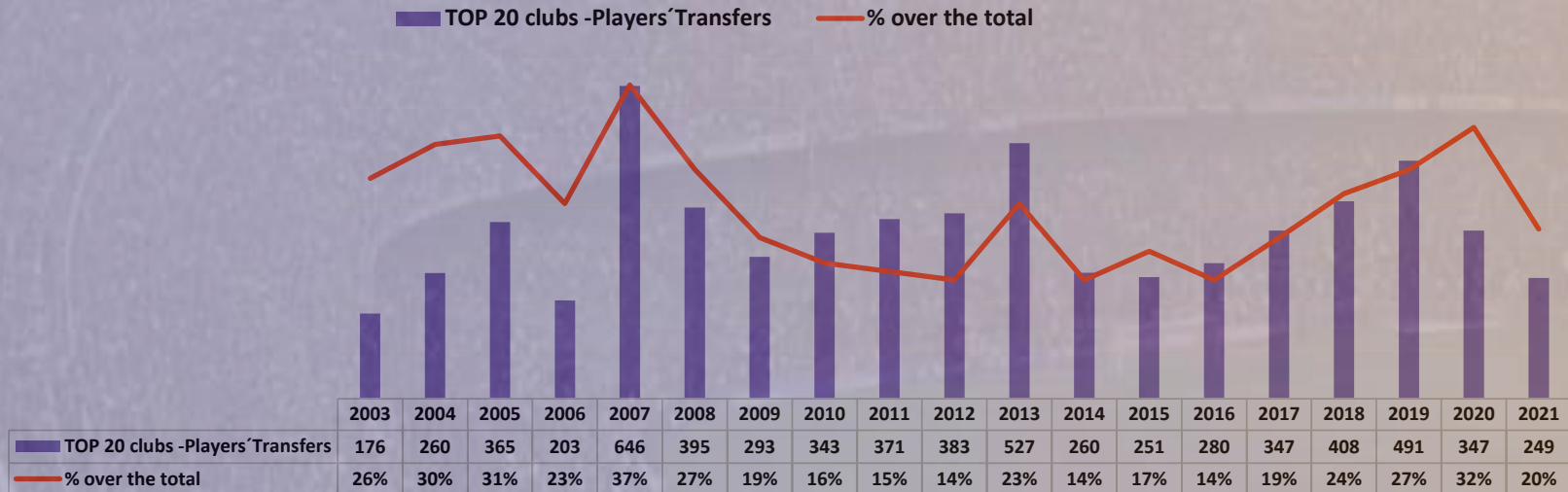
By club - Share of revenue sources - In %

RK 2021	Clubes	TV & Prize			Players / Transfers			Sponsorships			Members & Social			Gate receipts			Other		
		2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
1	Flamengo	32%	33%	26%	36%	29%	42%	8%	14%	15%	12%	19%	10%	12%	4%	3%	0%	0%	5%
2	Palmeiras	18%	28%	15%	36%	34%	55%	19%	22%	19%	14%	10%	6%	8%	1%	1%	5%	5%	3%
3	Atlético-MG	30%	20%	20%	34%	46%	55%	6%	15%	10%	6%	13%	4%	5%	1%	8%	19%	5%	2%
4	Corinthians	11%	40%	6%	44%	34%	53%	17%	15%	25%	8%	7%	11%	15%	2%	3%	5%	3%	2%
5	Grêmio	24%	28%	32%	41%	38%	42%	8%	8%	9%	19%	17%	11%	0%	0%	0%	8%	10%	5%
6	São Paulo	26%	42%	26%	34%	35%	52%	5%	5%	7%	11%	9%	8%	10%	2%	2%	3%	7%	15%
7	Santos	54%	35%	26%	28%	46%	56%	6%	10%	12%	3%	4%	3%	6%	1%	0%	4%	3%	2%
8	Internacional	31%	24%	23%	35%	36%	45%	11%	11%	10%	17%	24%	16%	4%	1%	1%	2%	4%	5%
9	Fluminense	40%	26%	33%	41%	45%	53%	4%	5%	6%	8%	12%	7%	6%	2%	1%	2%	11%	1%
10	Athletico-PR	34%	61%	11%	41%	23%	67%	5%	4%	6%	7%	7%	8%	6%	1%	2%	7%	4%	6%
11	Bahia	24%	17%	17%	43%	41%	59%	8%	8%	9%	10%	23%	10%	9%	4%	1%	6%	8%	5%
12	Vasco da Gama	5%	15%	32%	55%	51%	40%	7%	8%	11%	20%	19%	17%	7%	1%	0%	5%	5%	0%
13	Fortaleza	5%	12%	2%	40%	37%	65%	6%	8%	5%	15%	13%	8%	10%	2%	3%	23%	28%	16%
14	Ceará	14%	26%	19%	52%	51%	57%	9%	8%	10%	10%	10%	8%	13%	1%	2%	2%	5%	4%
16	Cruzeiro	37%	19%	14%	35%	33%	31%	9%	27%	26%	10%	16%	11%	6%	1%	2%	2%	5%	16%
17	Botafogo	18%	26%	29%	47%	46%	39%	4%	4%	7%	10%	9%	12%	5%	1%	2%	15%	14%	11%
19	Atlético-GO	3%	7%	3%	50%	76%	88%	15%	7%	3%	17%	0%	0%	7%	0%	1%	8%	9%	5%
20	América-MG	13%	10%	2%	32%	55%	71%	18%	4%	14%	36%	29%	9%	1%	2%	4%	0%	0%	0%

TOTAL REVENUES

Players' transfers revenues and participation over the total -US\$ million

Updated by inflation and annual exchange rate



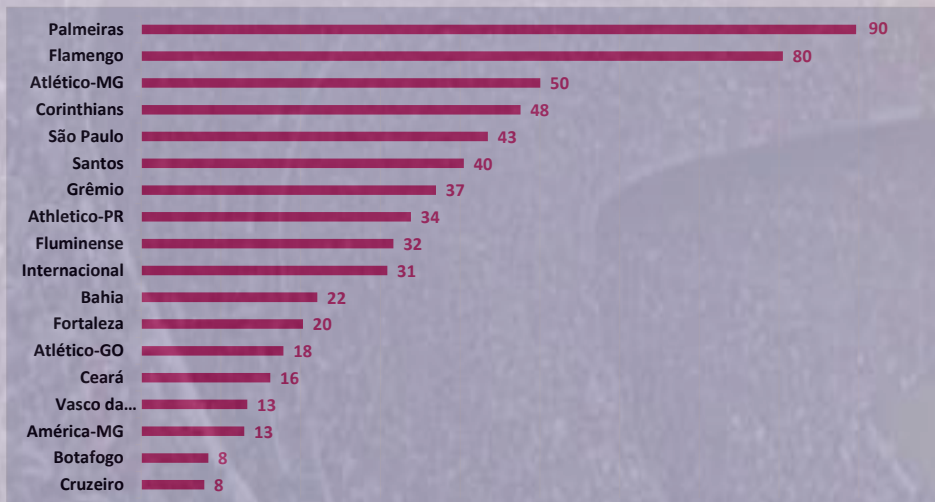
In the last 5 years Brazilian clubs have generated US\$ 1.8 billion in players' transfers.

Between 2003 and 2021 US\$ 6.6 billion.

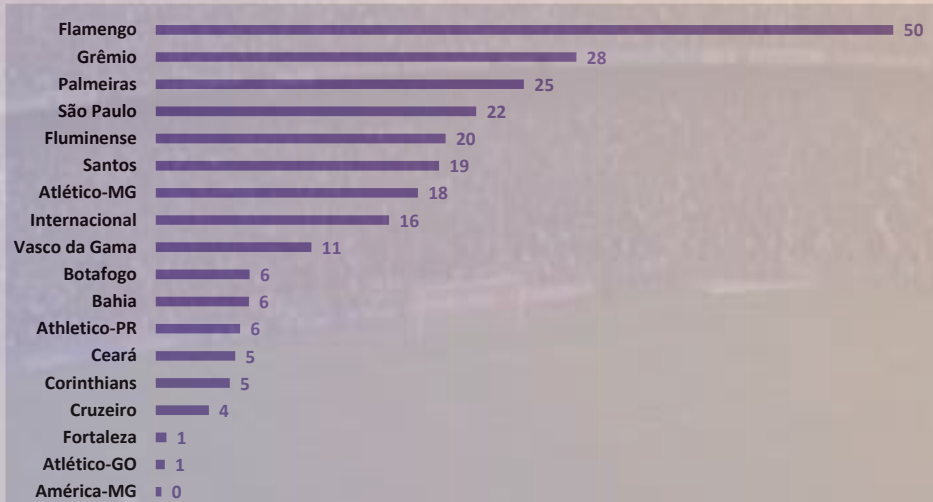
TOTAL REVENUES

Revenues - US\$ million - 2021

TV & prize money



Players' transfers



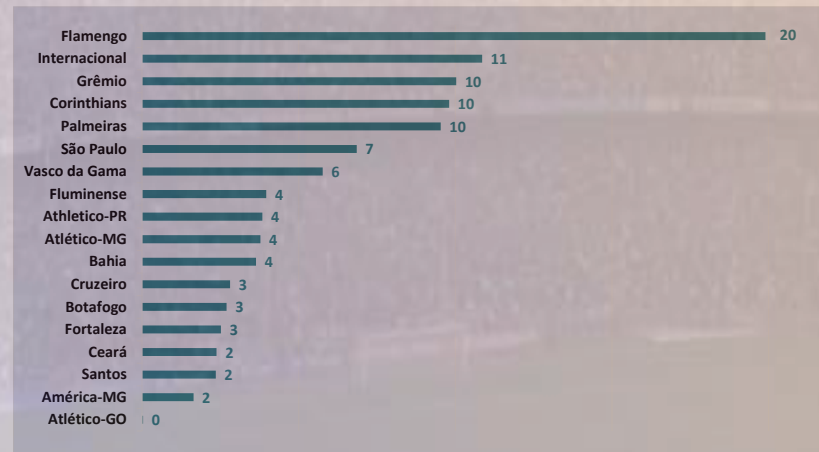
TOTAL REVENUES

Revenues - US\$ million - 2021

Sponsorship



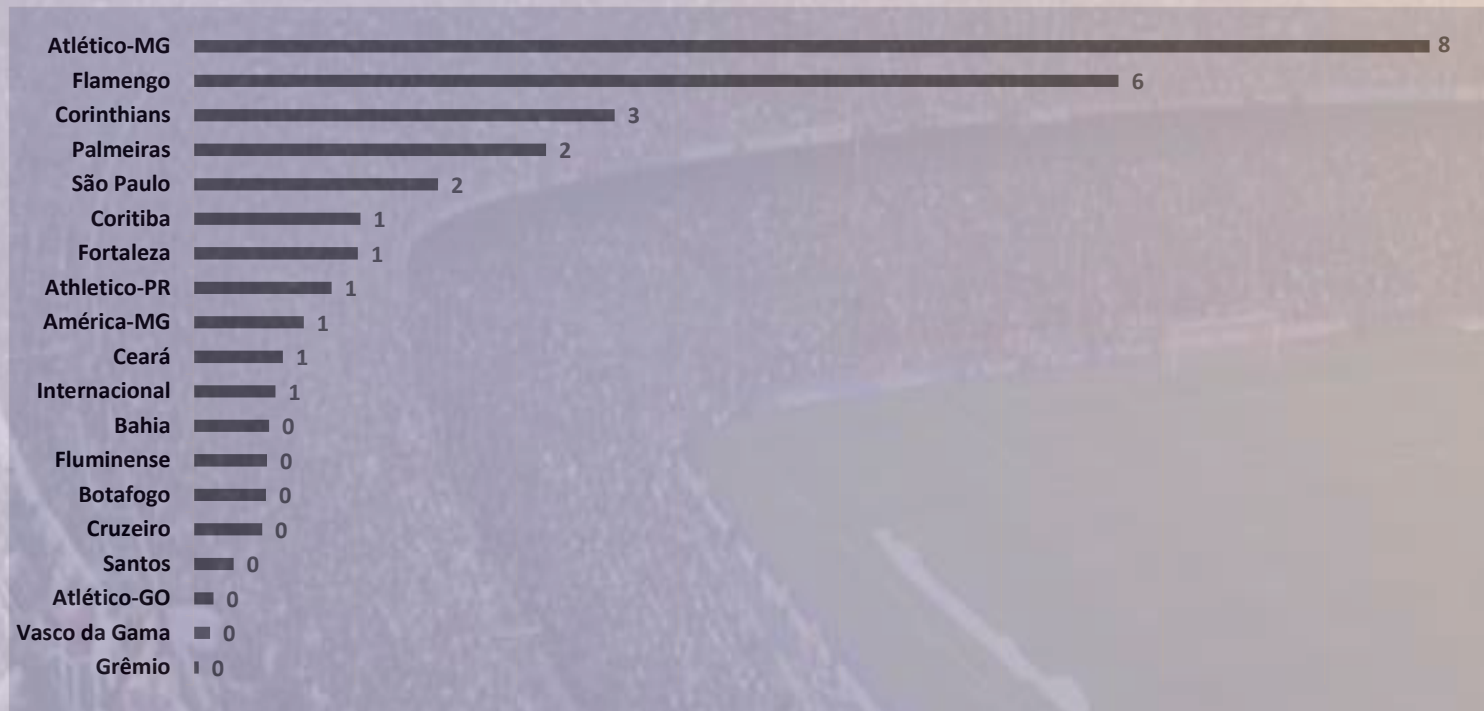
Members & Social



TOTAL REVENUES

Revenues - US\$ million - 2021

Gate receipts

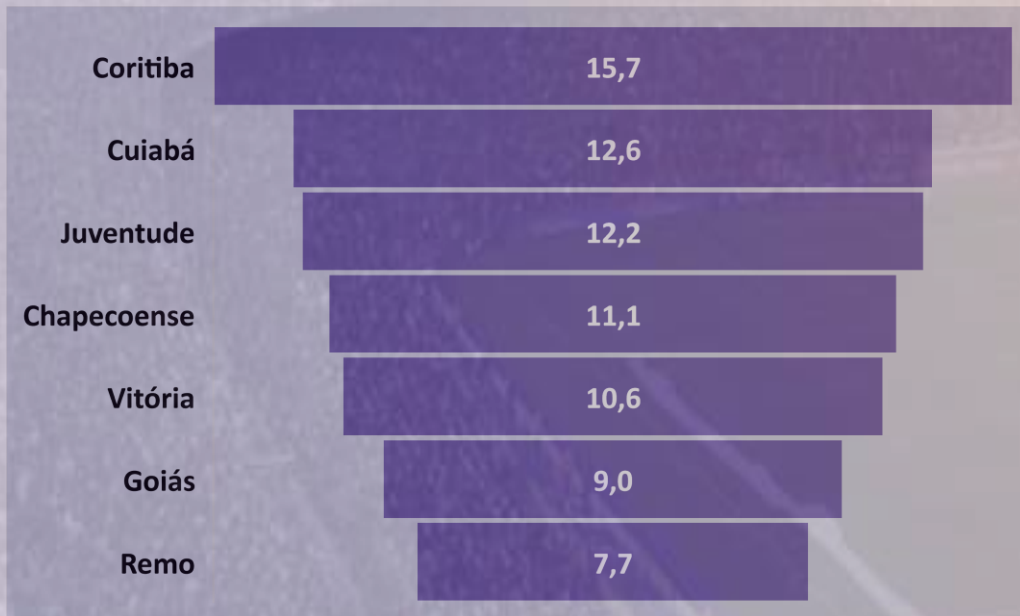


TOTAL REVENUES

Who's coming right behind?

These clubs presented revenues that can lead them, in future studies, to participate in the TOP 20.

Revenues in 2021- US\$ million



REVENUES WITHOUT TRANSFERS

Sports Value always analyzes revenues without players' transfers, in order to understand the operating revenues of each club.

Without the transfers the impact the volume generated by the TOP 20 clubs was US\$ 1 billion in 2021, a 41% growth. In 2011/2012, the operating revenues surpassed US\$ 2 billion.

Flamengo, Palmeiras, Corinthians and Atlético-MG are the TOP 4 in operating revenues in Brazilian football in 2021.



REVENUES WITHOUT TRANSFERS

Top 20 clubs – Operating revenues- US\$ million

Updated by inflation and annual exchange rate



Numbers improved a lot in R\$ terms, Brazil was in 2020 at similar level to 2011. It was the year of the resumption!

REVENUES WITHOUT TRANSFERS

Operating revenues- US\$ million

RK 2021	Clubs	Operating revenues			Charge
		2021	2020	2019	2020-2021
1	Flamengo	143,8	86,1	162,2	67%
2	Palmeiras	137,9	73,8	133,1	87%
3	Corinthians	84,7	54,3	95,0	56%
4	Atlético-MG	72,6	21,0	47,0	245%
5	São Paulo	61,6	39,9	73,1	54%
6	Grêmio	61,1	59,0	82,8	4%
7	Fluminense	59,7	37,4	39,8	60%
8	Santos	53,6	30,1	45,9	78%
9	Internacional	52,6	41,1	76,2	28%
10	Athletico-PR	44,4	24,6	64,1	80%
11	Bahia	31,0	22,5	36,1	37%
12	Fortaleza	30,5	14,5	28,4	110%
13	Botafogo	29,4	20,0	43,6	47%
14	Cruzeiro	24,9	19,2	45,2	29%
15	Ceará	23,1	14,7	22,5	57%
16	Vasco da Gama	22,8	31,2	50,9	-27%
17	Atlético-GO	19,6	9,2	4,8	114%
18	América-MG	10,7	4,8	6,9	121%
19	Red Bull Bragantino	NA	NA	NA	-
20	Sport	NA	NA	NA	-

FOOTBALL COSTS

TOP 20 clubs sought to reduce costs in this pandemic period, which resulted in more balanced figures in 2021. The clubs had football costs in 2021 of US\$ 876 million, compared to US\$ 970 million in 2020. (salaries, structure, trips, hires.)

Among the biggest Brazilian clubs, Corinthians, Cruzeiro and Botafogo presented the most concrete reduction in football costs.

Many clubs continue to spend much more than their revenues allow, such as the cases of América- MG, Atlético-MG, Sport and São Paulo.

Botafogo and Vasco da Gama greatly reduced the costs of football and today spend much less than teams like Fortaleza, Ceará and Red Bull Bragantino. They lost sports performance.

Brazilian clubs can create a virtuous cycle of new revenues, that will impact positively the football investment.

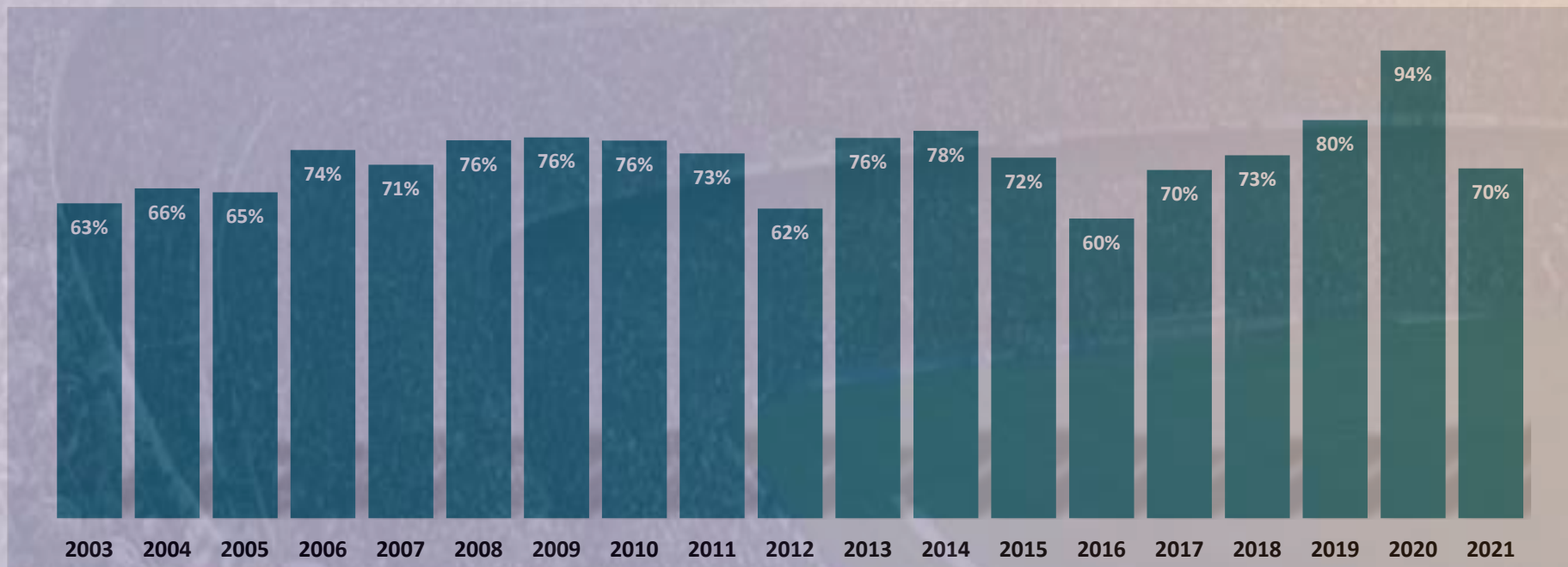
FOOTBALL COSTS

Top 20 clubs – Football costs – US\$ million

Updated by inflation and annual exchange rate



Top 20 clubs - Football Costs / Total Revenue – Index In %



Football Costs- US\$ million

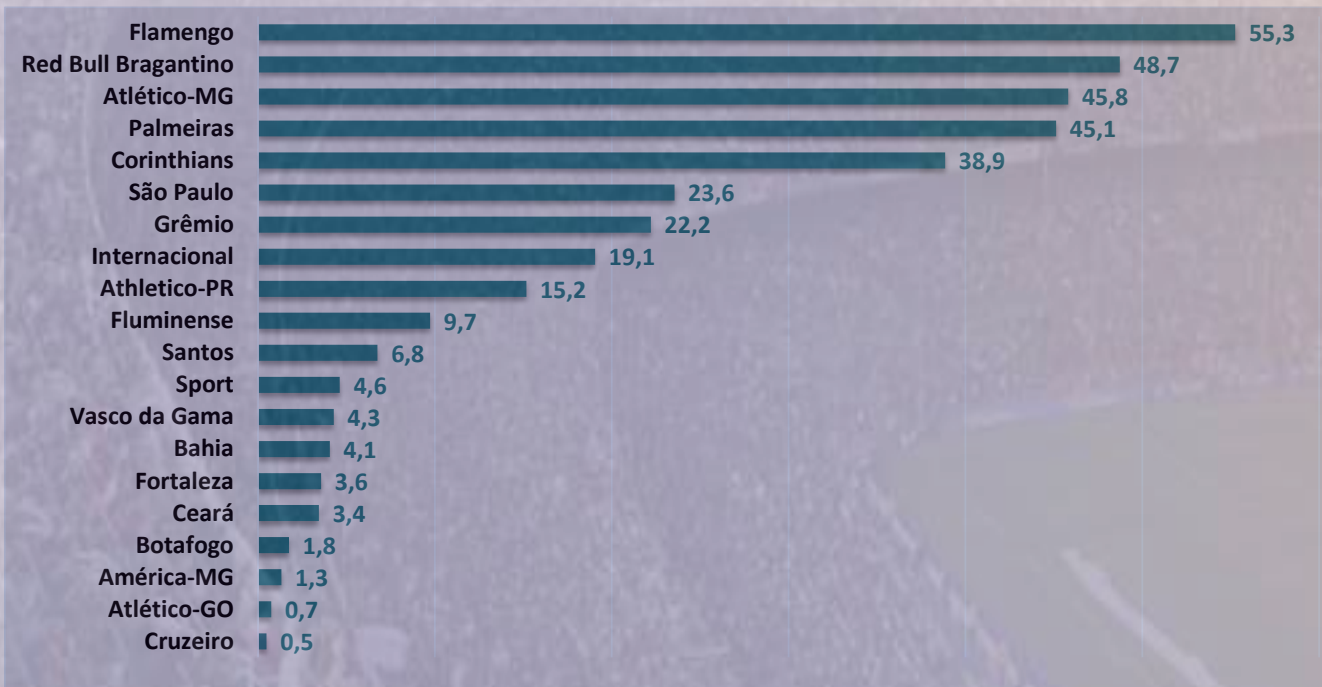
RK 2021	Clubs	Football Costs			Charge
		2021	2020	2019	2020-2021
1	Flamengo	124,1	119,3	154,1	4%
2	Palmeiras	110,6	100,4	126,8	10%
3	Atlético-MG	93,4	60,4	76,0	55%
4	São Paulo	73,7	64,0	105,7	15%
5	Grêmio	65,6	59,7	77,5	10%
6	Corinthians	59,3	88,9	113,3	-33%
7	Internacional	50,5	52,1	75,7	-3%
8	Santos	45,6	60,2	68,4	-24%
9	Fluminense	43,3	27,0	46,2	60%
10	Red Bull Bragantino	30,0	21,6	7,3	39%
11	Athletico-PR	29,4	30,3	48,2	-3%
12	Bahia	28,4	26,0	34,0	9%
13	Cruzeiro	22,3	48,1	109,2	-54%
14	Ceará	21,8	14,8	18,7	47%
15	Fortaleza	19,1	11,6	17,5	65%
16	Vasco da Gama	16,5	18,4	32,1	-10%
17	Botafogo	15,2	23,4	29,0	-35%
18	Atlético-GO	14,5	9,2	4,5	59%
19	América-MG	11,9	6,3	7,8	88%
20	Sport	11,7	7,7	10,8	52%

Football Costs / Total Revenue – Index In %

RK 2021	Clubes	Football costs / Total Revenues				Football costs / Total Revenues						
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1	Botafogo	43%	83%	55%	57%	42%	63%	63%	74%	92%	80%	101%
2	Vasco da Gama	49%	50%	60%	52%	93%	57%	54%	60%	72%	65%	57%
3	Athletico-PR	59%	48%	50%	81%	72%	65%	68%	59%	88%	34%	85%
4	Fortaleza	61%	70%	58%	99%	99%	104%	25%	48%	ND	ND	ND
5	Santos	63%	130%	69%	90%	73%	59%	102%	96%	88%	68%	75%
6	Flamengo	64%	84%	65%	65%	54%	39%	41%	49%	66%	78%	59%
7	Corinthians	66%	98%	107%	80%	75%	62%	84%	92%	79%	65%	68%
8	Palmeiras	68%	98%	79%	82%	73%	61%	70%	83%	74%	57%	78%
9	Fluminense	73%	72%	70%	56%	84%	62%	68%	67%	66%	50%	80%
10	Grêmio	74%	73%	70%	62%	68%	59%	92%	75%	79%	58%	67%
11	Internacional	74%	96%	69%	76%	87%	60%	72%	94%	81%	76%	78%
12	Bahia	76%	103%	72%	70%	85%	53%	56%	83%	94%	81%	106%
13	Ceará	77%	75%	72%	94%	67%	70%	63%	ND	ND	ND	ND
14	Cruzeiro	78%	242%	151%	84%	71%	81%	84%	87%	84%	82%	69%
15	Red Bull Bragantino	80%	86%	75%	361%	63%	-	-	-	-	-	-
16	Atlético-GO	86%	87%	46%	74%	87%	ND	ND	ND	ND	ND	ND
17	São Paulo	89%	93%	106%	75%	74%	69%	83%	95%	68%	67%	65%
18	Sport	93%	174%	171%	68%	69%	45%	66%	84%	89%	57%	80%
19	Atlético-MG	103%	229%	86%	80%	71%	74%	68%	106%	64%	77%	91%
20	América-MG	107%	110%	41%	64%	44%	52%	81%	86%	84%	-	-

On average, the 20 clubs have an index of 70%, but the indicator is greatly impacted by the tv resources of 2020. It should increase a lot in 2022.

Top 20 clubs - Intangible Assets Amounts invested in players- In 2021- In US\$ million



The 20 clubs combined represent an intangible asset of US\$ 340 million in 2021.

Red Bull Bragantino grew more than 2x in 1 year.

PROFIT / LOSS

As mentioned, the clubs showed a revenues reduction in 2020 of US\$ 215 million , which generated a deficit around US\$ -234 million.

In 2021, the loss picture was reversed, and the clubs closed with net profits of US\$ 96 million. A representative part of this surplus was due to tv resources, paid in 2021, but for 2020.

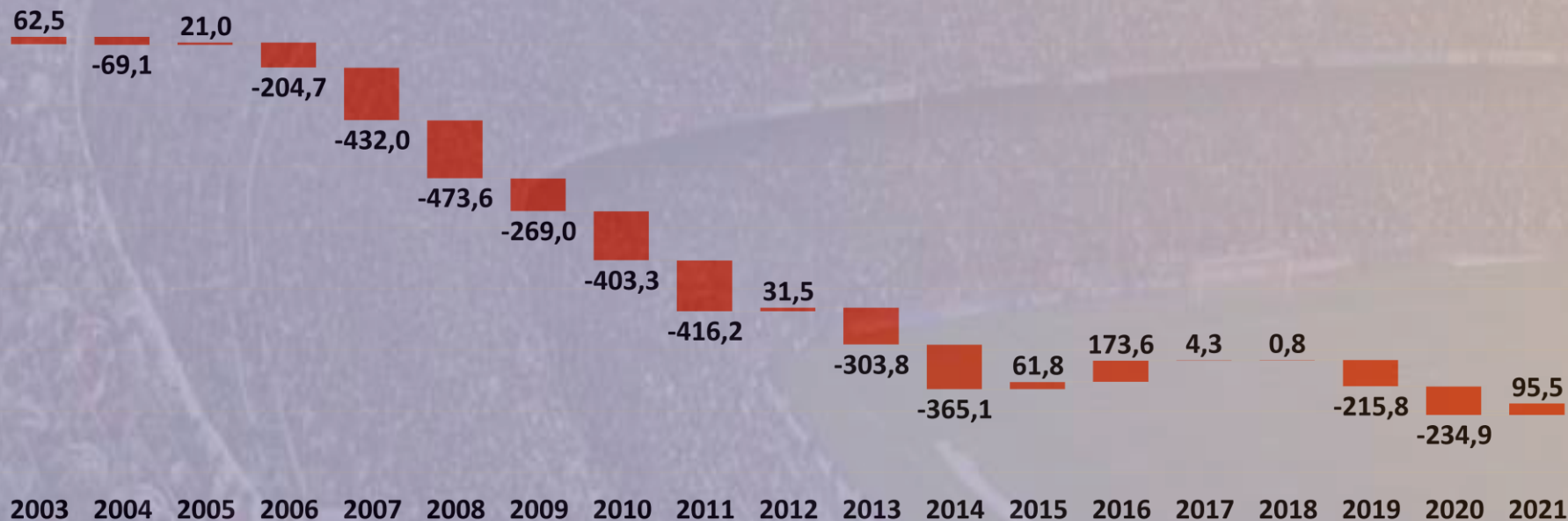
A 2021 with high performance of Flamengo, Palmeiras helped in the profits' growth. Financial revenues from Botafogo and Vasco, thanks to discounts received in debts and real estate operation of Atlético-MG also helped to the high positive result.

In the last 4 years the TOP 20 teams presented totaled losses of US\$ 354 million. In the last 18 years, the accumulated value is more than US\$ 2.9 billion in deficits.

PROFIT / LOSS

Top 20 clubs – Net Profits / Losses- US\$ million

Updated by inflation and annual exchange rate



Net Profits / Losses- US\$ million

RK 2021	Clubs	Net Profit / Loss				Cumulated Last 4 years
		2021	2020	2019	2018	
1	Flamengo	31,8	-20,6	15,7	11,9	38,7
2	Palmeiras	22,1	-29,1	0,4	7,9	1,3
3	Vasco da Gama	21,9	-14,9	-6,1	16,8	17,6
4	Atlético-MG	18,2	3,7	-11,8	-5,6	4,5
5	Botafogo	14,0	-26,8	-5,5	-4,4	-22,7
6	Athletico-PR	11,9	25,9	15,8	4,3	57,8
7	Santos	7,9	-23,1	5,9	-20,0	-29,4
8	Atlético-GO	5,5	0,5	0,3	1,6	8,0
9	Bahia	5,0	-9,7	1,0	1,2	-2,7
10	Red Bull Bragantino	3,9	2,6	0,0	-7,5	-0,9
11	Fortaleza	2,7	-1,9	0,9	-0,4	1,3
12	Grêmio	2,5	7,2	5,5	13,8	29,1
13	Corinthians	1,0	-28,6	-48,6	-4,8	-81,1
14	Internacional	0,1	-17,7	-0,8	-2,5	-20,8
15	Ceará	0,1	0,1	1,4	0,8	2,3
16	Fluminense	-0,4	-0,6	-2,3	-0,4	-3,6
17	América-MG	-0,9	-1,6	-4,4	-1,0	-7,9
18	Sport	-12,6	0,5	-5,6	-3,7	-21,4
19	São Paulo	-19,0	-25,0	-38,9	1,9	-81,1
20	Cruzeiro	-20,2	-43,6	-98,3	-19,1	-181,2

DEBTS

The debts that had passed from US\$ 2.3 billion in 2020 were reduced by 22% (in US\$), and in 2021 were US\$ 1.8 billion for the TOP 20 teams. All values updated by inflation.

The clubs that substantially improved the numbers were Flamengo, Botafogo, Vasco da Gama, Palmeiras, Santos and Corinthians. These clubs were instrumental in reducing the total indebtedness of clubs in 2021.

Elder tax debts represented 28% or US\$ 501 million. Federal Government negotiations helped to control these fiscal liabilities.

Financial expenses with loans and updating of tax debts in 2021 generated an impact of more than US\$ 161 million on clubs 'finances.

DEBTS

Top 20 clubs – Total Net Debts- US\$ billion

Updated by inflation and annual exchange rate



Clubs have managed to effectively reduce debts and currently the debt is lower than that recorded in 2019. The trend is to rise again in 2022.

Total Net Debts- US\$ million

RK 2021	Clubs	Net Debts			Charge
		2021	2020	2019	2020-2021
1	Atlético-MG	234,7	237,9	186,2	-1%
2	Cruzeiro	182,5	185,5	199,3	-2%
3	Corinthians	163,2	182,9	195,4	-11%
4	Internacional	154,6	170,1	198,1	-9%
5	Botafogo	154,4	181,3	206,1	-15%
6	Vasco da Gama	127,0	159,6	184,9	-20%
7	Fluminense	118,8	125,1	160,2	-5%
8	São Paulo	114,9	110,8	125,5	4%
9	Santos	91,1	109,5	109,8	-17%
10	Palmeiras	77,7	108,9	125,0	-29%
11	Flamengo	76,6	144,3	127,0	-47%
12	Grêmio	71,9	76,3	102,3	-6%
13	Red Bull Bragantino	49,2	27,7	31,3	77%
14	Sport	41,2	34,5	44,4	20%
15	Bahia	40,3	51,6	55,9	-22%
16	Athletico-PR	34,2	38,6	69,5	-11%
17	América-MG	16,4	16,6	20,5	-1%
18	Fortaleza	6,5	7,3	6,2	-11%
19	Ceará	5,7	5,1	3,6	11%
20	Atlético-GO	1,6	6,4	7,1	-75%

Top 20 clubs – Index- Net Debts / Total Revenues

RK	Clubs	Net Debt / Total Revenues										
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1	Atlético-GO	0,09	0,61	1,43	1,18	0,73	ND	ND	ND	ND	ND	ND
2	Ceará	0,20	0,26	0,14	0,19	0,30	0,40	0,32	ND	ND	ND	ND
3	Fortaleza	0,21	0,44	0,21	0,60	1,32	-	2,19	ND	ND	ND	ND
4	Flamengo	0,40	1,02	0,54	0,76	0,52	0,90	1,63	2,01	2,78	3,79	1,92
5	Palmeiras	0,48	1,06	0,78	0,71	0,78	0,83	1,17	1,36	1,72	1,33	1,62
6	Athletico-PR	0,68	0,61	0,71	1,52	1,79	1,61	1,57	1,68	1,16	0,00	0,06
7	Grêmio	0,81	0,93	0,93	0,98	0,97	1,22	2,22	1,85	1,44	0,80	1,39
8	Bahia	1,08	2,05	1,18	1,51	1,63	1,38	1,93	2,85	2,60	0,92	1,58
9	Santos	1,25	2,37	1,10	2,05	1,19	1,21	2,41	2,18	1,56	1,41	1,10
10	Red Bull Bragantino	1,32	1,10	3,20	6,67	0,15	-	-	-	-	-	-
11	São Paulo	1,38	1,60	1,26	0,93	0,61	0,86	1,09	1,38	0,69	0,96	0,70
12	América-MG	1,47	2,89	1,09	0,79	1,44	1,45	1,00	2,10	2,55	2,39	
13	Corinthians	1,82	2,01	1,84	1,01	0,94	0,88	1,52	1,44	0,61	0,49	0,61
14	Fluminense	1,99	3,34	2,42	2,12	2,48	1,71	2,56	3,60	3,39	2,94	5,05
15	Internacional	2,26	3,14	1,80	2,48	2,85	2,26	2,19	1,66	0,88	0,85	1,05
16	Sport	2,45	3,28	4,54	0,00	1,68	1,56	0,85	0,96	0,91	0,96	0,15
17	Atlético-MG	2,51	2,99	2,11	2,31	1,73	1,64	2,03	2,75	1,92	2,54	3,68
18	Vasco da Gama	3,81	4,35	3,45	2,39	2,94	2,14	2,46	4,62	3,64	2,94	3,08
19	Botafogo	4,31	6,47	3,87	4,28	2,54	4,69	6,04	5,19	3,85	5,38	9,57
20	Cruzeiro	6,41	9,33	7,62	1,46	1,08	1,52	0,80	1,13	1,06	1,19	0,93

Brazilian clubs include in EBITDA* player transfers, different from Europe.

Debts / Revenues

It's a great diagnosis to analyze the financial reality of clubs. The lower the indicator, the more balanced financially.

Ideally, it's close to 1.

SOLID MANAGEMENT MODEL

Brazilian football market showed a great recovery in 2021, but many of the values presented will not be repeated.

The teams presented more balanced administration and football department efficiency.

Our best examples of 2021:

The most balanced administration models of today in Brazil: Flamengo, Palmeiras, Athletico-PR, Grêmio, Fortaleza, Ceará and Atlético-GO.





Atlético Goianiense

*A giant in performance
indicators*

A giant in performance indicators



The 2021 figures of Atlético-GO were different from the other clubs. Sports value's analysis showed that the clubs remains very efficient in Serie A, maintains a lean budget, reduced liabilities and presented the best debt / revenues indicator in Brazil

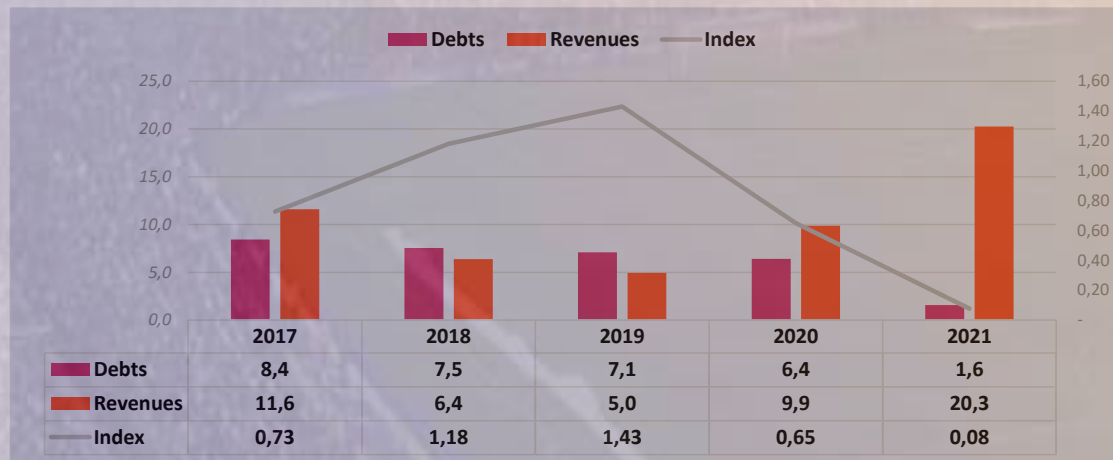
Atlético-GO, according to Sports Value is the successful model of club management to other clubs, which reach Serie A, but has difficulty to stay in the top division. And they often have leveraged management and increased debts, which make the club financially unfeasible a few years later.

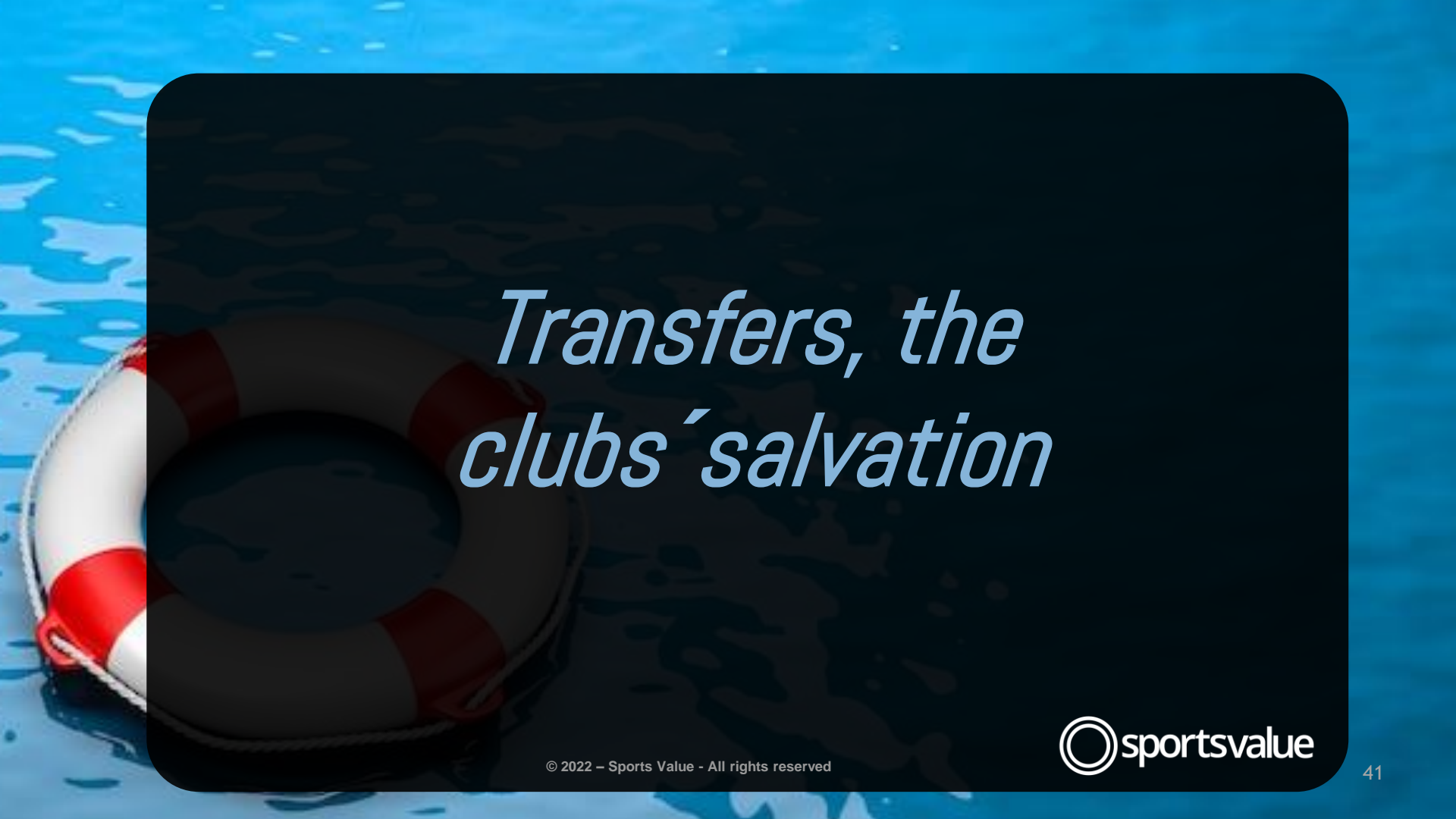
Atlético-GO was one of the clubs that grew the most in valuation held by Sports Value.

[Click here to access the full Valuation study of the TOP 30 clubs in Brazil, Sports Value.](#)



Atlético-GO – Debts / Revenues- US\$ million





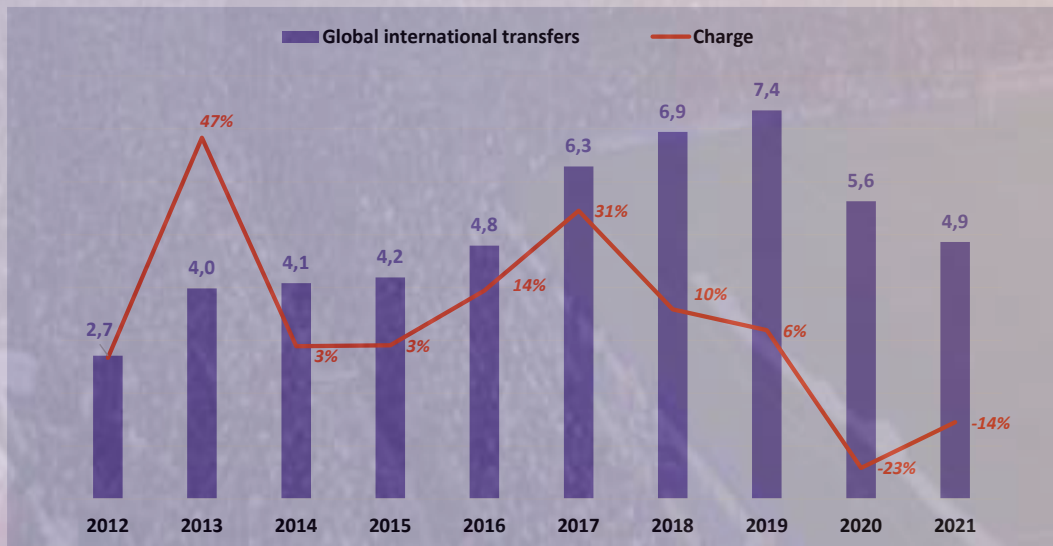
*Transfers, the
clubs' salvation*

Transfers, the clubs' salvation

Brazilian clubs have always depended on transfers to balance their finances. The extraordinary revenues from overseas talent sales are the only way to keep the club's operation balanced. Rare clubs are exceptions and manage to survive without transfers.

Sports Value produced an exclusive analysis, evaluating the global transfer market, Brazil's role in the global context and especially in the Latin American market.

Global international players' transfers revenues - US\$ billion



Transfers, the clubs' salvation

Worldwide, between 2010 and 2021, more than US\$ 53 billion in players' transfers were generated. Of that total, UEFA clubs took US\$ 45 billion, or 83%.

Conmebol clubs took 12% of the total, or US\$ 6 billion. Brazil is the biggest in exports and imports players from Latin America, more than 8120 players exported since 2010.

England ranks second as a global exporter, with 7385 players exported since 2010, Spain with 5086 athletes and Argentina 4749.

Total exported players from 2010 to 2021
World

Confederation	2010 to 2021
UEFA	83.927
CONMEBOL	24.665
AFC	15.595
CONCACAF	9.396
CAF	17.472
OFC	238

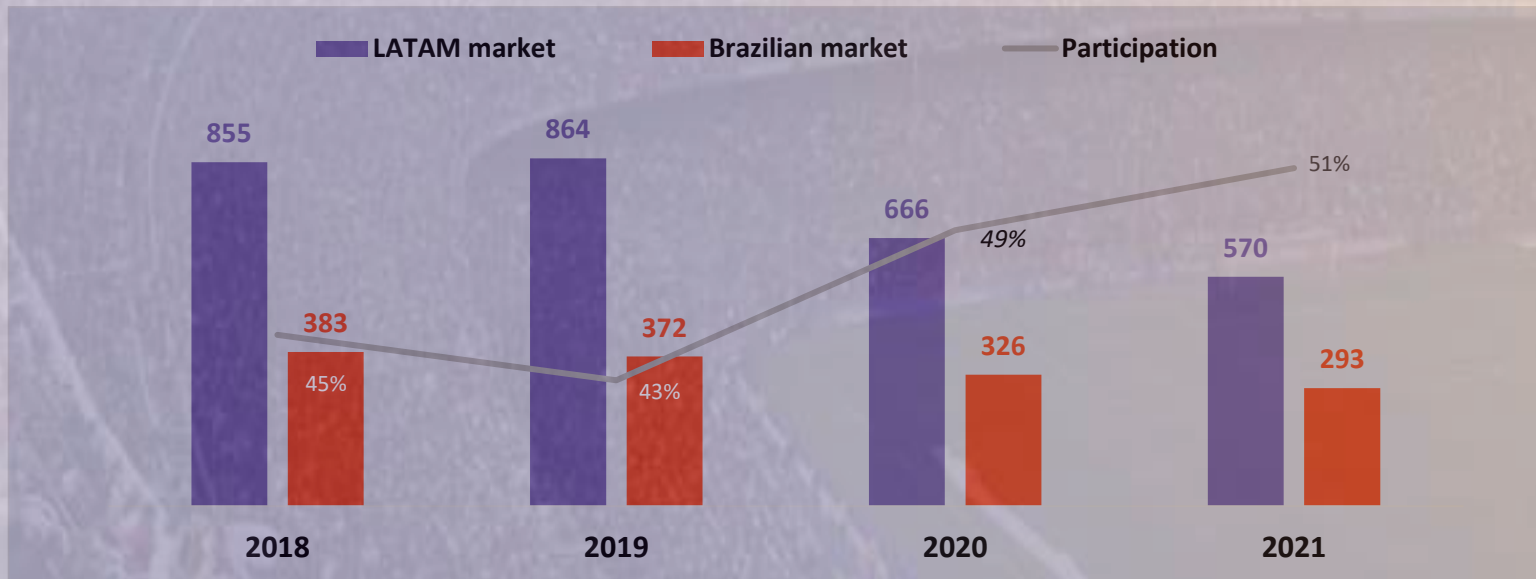
Total exported players from 2021
World

Confederation	2021
UEFA	10.366
CONMEBOL	2.578
CAF	2.392
AFC	1.719
CONCACAF	1.000
OFC	13

Transfers, the clubs' salvation

Latin American Market moved US\$ 570 million with transfers in 2021, a 34% decrease compared to 2019. Brazil accounted for 46% of the total, in the average of the last 4 years.

Transfers' Revenues - LATAM X Brazil - US\$ million



Source: FIFA

Transfers, the clubs' salvation

Transfers' Revenues - LATAM - US\$ million

Countries	2018	2019	2020	2021	TOTAL 4 YEARS
Brazil	383	372	326	293	1.374
Argentina	198	212	132	155	697
Mexico	94	110	72	14	290
Uruguay	56	47	57	22	182
Colombia	37	43	34	38	152
Ecuador	23	31	18	15	87
Paraguay	24	19	3	19	65
Chile	19	17	12	8	55
Venezuela	7	4	5	1	17
Peru	6	2	3	3	14
Costa Rica	3	4	3	3	12
Panama	1	1	2	0	5

Source: FIFA

Transfers, the clubs' salvation

Analyzing Latam markets, according to the number of players exported in relation to the size of the population, it is possible to verify a new analysis index.

Players' transfers by the size of the country.

The number of transfers has been considered FIFA TMS data in the last decade.

Sports Value Index

Number of transfers last decade X Population of the country



In this case, Uruguay is the most efficient in the number of players exported, in relation to their size. Uruguay is 18 times more efficient than Brazil and almost 7 times better than Argentina.



As previously presented, Brazilian clubs showed a reduction in their revenues from players' transfers in 2021. Transfers remain the second most important revenue source but have lost importance.

The clubs that generated the most revenue from transfers between 2003 and 2021 were São Paulo, Internacional and Corinthians. In recent years, there has been Flamengo and Palmeiras strong rise.

Revenues from transfers-2016 to 2021 - Brazil - US\$ million

Clubs	2016	2017	2018	2019	2020	2021	TOTAL 6 years
Flamengo	4	58	18	77	43	50	250
São Paulo	41	60	43	27	29	22	221
Corinthians	53	31	34	12	36	5	171
Palmeiras	19	12	49	28	29	25	161
Santos	27	25	10	55	18	19	154
Grêmio	7	24	38	28	23	28	148
Fluminense	19	14	34	27	10	20	123
Athletico-PR	12	9	12	34	39	6	112

Transfers, the clubs' salvation

Total player hiring expenses
 Period 2012 -2022- European Times - US\$ million



Where does the money
 come from to hire the
 players?

KPI's

Revenues >> Digital



Revenues >> Digital



Sports Value has established a strategic alliance with *Zeeng Data Driven*.

The two companies are already developing many joint analyses, especially for the sponsorship market.

We are analyzing data and trends, so the brands can achieve effective return with sponsorship investments.

We also help clubs to understand how to monetize their digital assets.

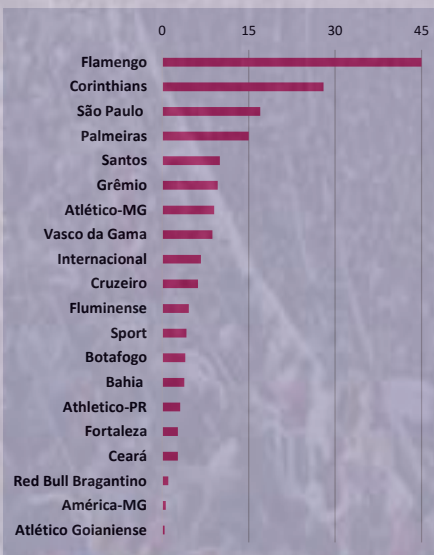
Some studies available- Click on the image



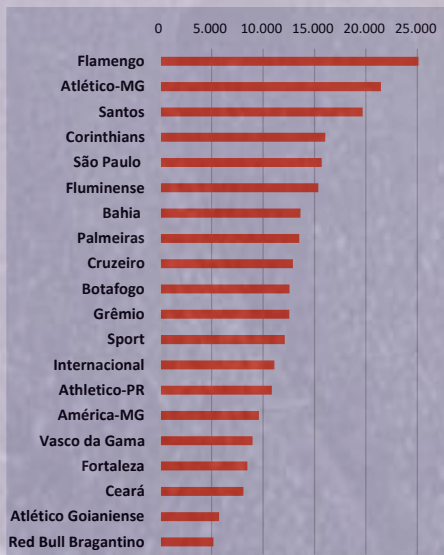
Sports Value analyzed different variables from the TOP 20 clubs on Zeeng's platform to establish metrics with revenues. The number of followers, although relevant, does not help to understand the numbers dynamism. Analysis about total posts, total interactions, average interactions per post and views.

Data from January to December 2021 - - Consolidated numbers of all social networks

Followers M



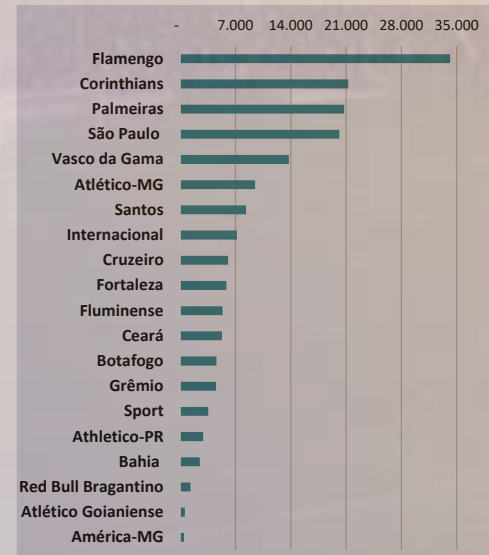
Total posts



Total Interactions M



Average interactions per post



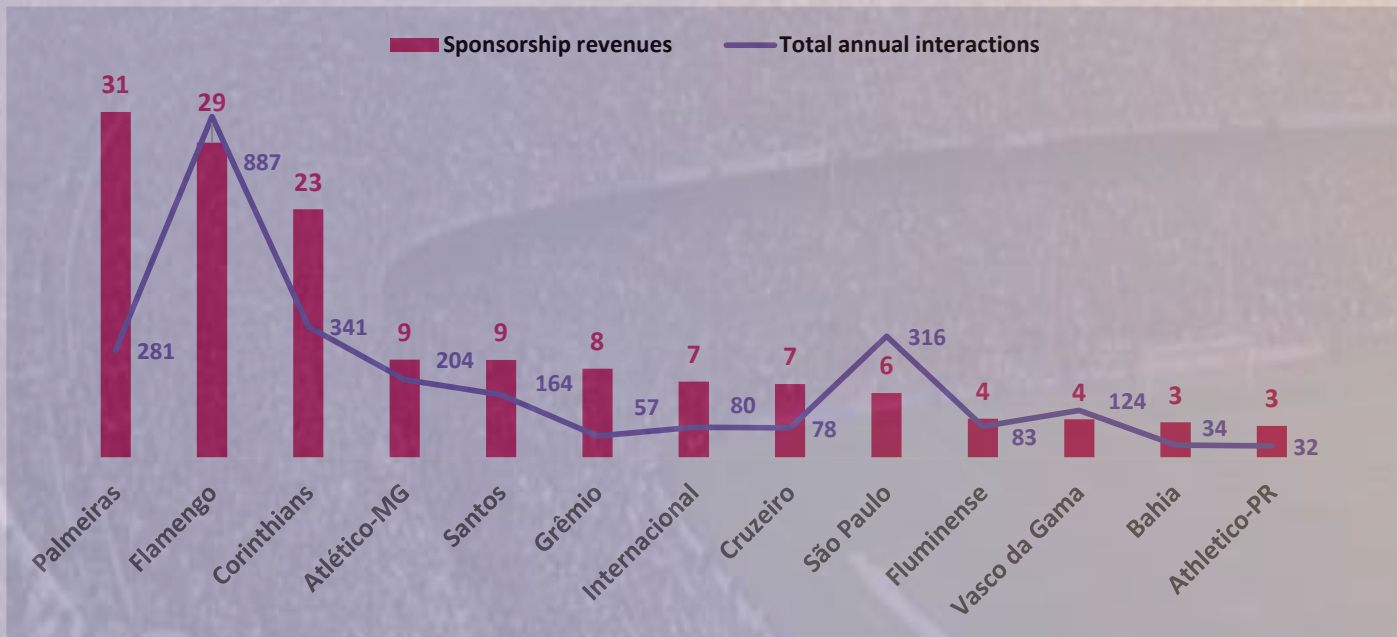
KPI's Revenues >> Digital

Total Revenues X Followers



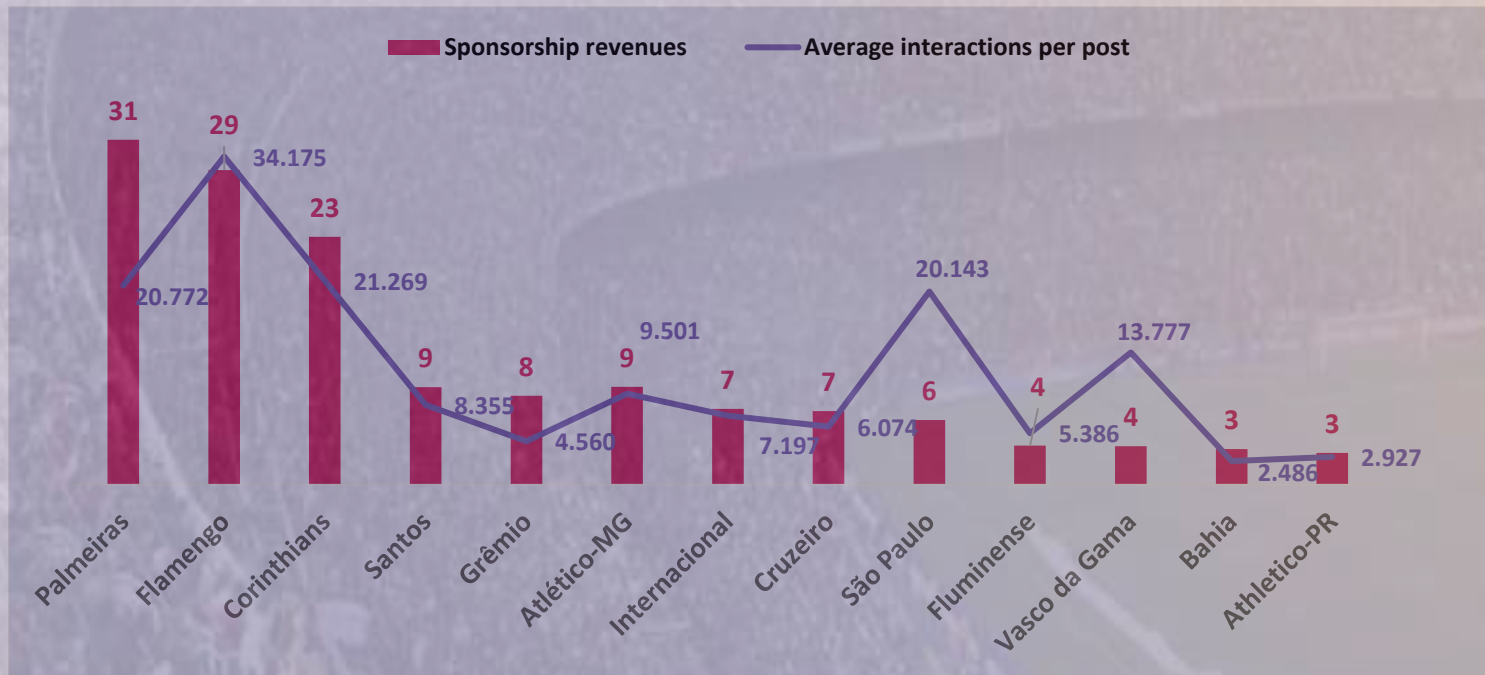
KPI's Revenues >>Digital

Sponsorships revenues US\$ million X Total interactions in million
In 2021



Clubs like São Paulo and Vasco da Gama have enormous potential to expand sponsorship revenues.

Sponsorships revenues US\$ million X Average interactions per post In 2021



Average interactions per post are critical for sponsoring brands.

Clubs that grow in this indicator ensure high impact and recurrence for the sponsors.

Posts with greater digital repercussion in 2021 generated high returns for sponsoring brands.



11/04/2021



♥ 1mi curtidas

💬 28.9k coment.

👤 10,35% de engaj.



23/05/2021



♥ 200.4k curtidas

💬 2.8k coment.

👤 9,86% de engaj.



12/05/2021



♥ 553.1k curtidas

💬 15k coment.

👤 10,17% de engaj.



This post from Flamengo in Insta obtained 1M of likes, the largest in Brazilian football in 2021.



22/05/2021



♥ 970.8k curtidas

💬 11.8k coment.

👤 9,41% de engaj.



02/12/2021



♥ 279k curtidas

💬 16.6k coment.

👤 14,88% de engaj.



Disruptive strategies for clubs

Disruptive strategies for clubs

The sports market cannot convert into revenues the full magnitude it represents. In both professional and eSports, millions of fans leave little money into the club.

In practice, teams make very little money compared to large business groups that use sport as a platform to sell more.

Next, we present different disruptive strategies for clubs to innovate truth, seeking to leverage their business, with much more profitability. Our trend reports help our clients to understand how to create profitable, high-impact creative business models.



1. The most important content is no longer the game

The digital age allows teams to explore beyond the game, as an important revenue source.

Additional content related to live matches or not has more strength than ever before. Highlights and special content about the games show greater interest and impact more than the game itself.

Teams need to stop simply posting valuable content on social networks and integrate all this content into a digital business model.

Behind-the-scenes, best moments, teams' idols, technical staff, former stars, in a great project of digital monetization. If content is gold, it should be treated as such.



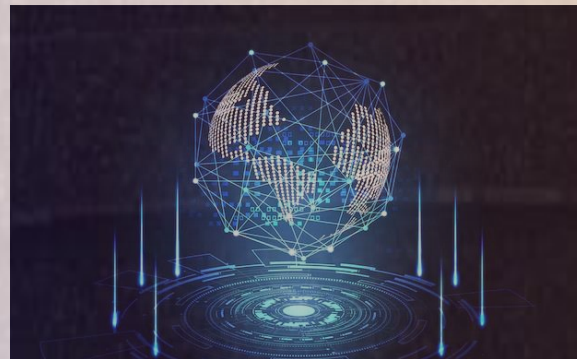
2. Being a digital business model

For a long time, teams understood that posting on social networks, raising likes and fan engagement, was enough to leverage sponsorships and marketing revenues.

This model has weakened the sporting world, since a very small part of its fans are members of the teams. And millions are on social media.

The approach is to manage large social networks as a sales channel for your digital service. Just as Spotify or Netflix require login to consume, even if it is free, the same needs to happen with the teams.

It makes no sense big teams have generated billions of dollars in digital engagement and that doesn't turn into revenue. Digital model can turn teams into media and retail giants.



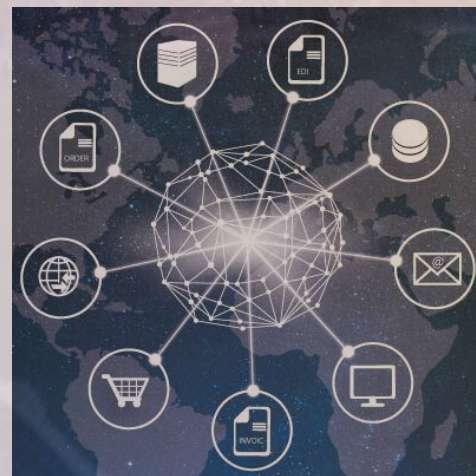
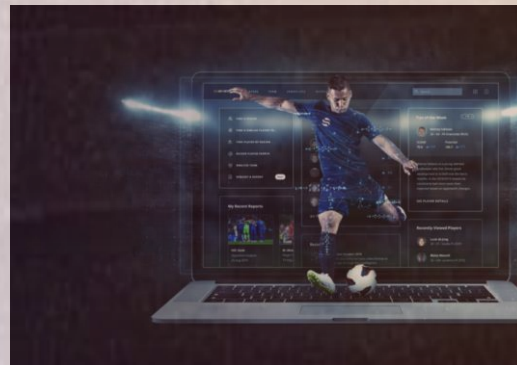
3. Be a partner of a large retail

A club will hardly have a retail operation like a major player in the industry. But it is possible to establish deep business relationships with retail companies and leverage sales.

Global retail moves more than US\$ 26 trillion a year, and in sport it represents US\$ 270 billion annually in sales alone. Teams get an insignificant share of global retail market.

Being a retail and live commerce operation, using exclusive content will exponentially increase team revenues. They should sell what their fans want, not just official products.

Teams can help retail companies sell whatever they want, through their audience of millions of fans.



4. Data driven sponsorships

One of the most exciting themes of today's sport is about the conceptual change of sponsorships as an important marketing tool, in the post-pandemic world.

More and more sponsorships will be aligned with relevant purposes. And they will necessarily relate to content marketing and data analytics. It doesn't make more sense to put brands on the court, field or uniforms and not relate this association with increasingly smart and creative activations.

The hyperconnected fan wants to participate and that's all the sponsors need. Nothing is more relevant to brands than being able to relate positively to the target. Sports world offers return on opportunities for sponsors, on an unthinkable level

More the brand knows about the fan, more assertive their activations and campaigns will be.



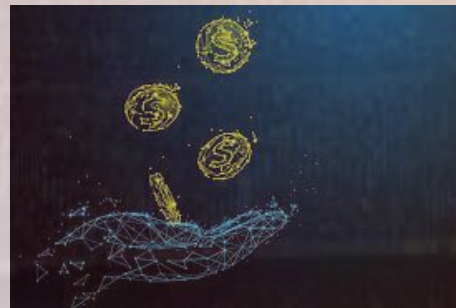
5. Crypto is money!

Teams around the world have been exploring the countless possibilities of the Crypto world. However, most projects generate little revenue for teams, being more profitable for their partners.

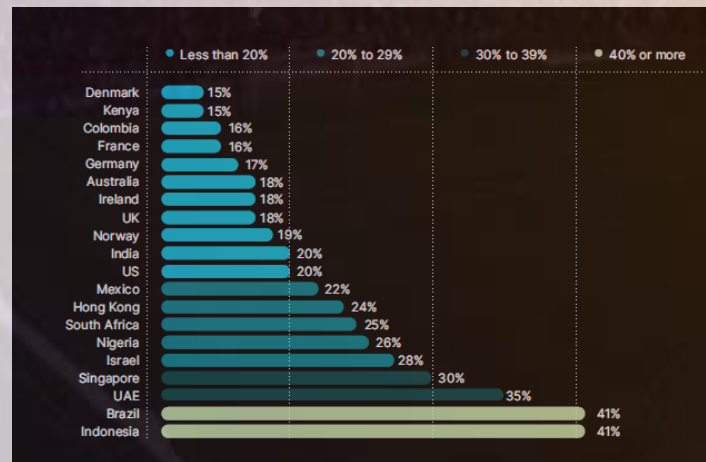
From token to NFTs, the model is generally focused on association with an already established partner, which generates the data for the teams. Something like what happens on Instagram, YouTube or Tik Tok.

The oil of the current world, the data, does not stay with the club and the partners become the big marketplace, making a lot of revenue, from the club's fan.

According to the Gemini's study, Global State of Crypto Report 2022, the largest active Crypto consumers are people 25-34 yo. In 2021 there was an increase in the younger audience of 18-24 yo.



Brazil is the country with the highest crypto penetration in the world



6. OTT is more than broadcast

The fight over broadcasts is an impossible war for teams. The battle for rights is fierce and teams depend on it to survive.

For **Sports Value's analysis**, the focus should always be on non-live content. All that is own clubs' content, broadcasts that have not been negotiated, doc series, humor programs, Olympic sports, eSports, the possibilities are infinite.

Having a service of your own OTT, offering the best in terms of content will change the level of revenues, financial and marketing return for partners, being sponsors or a retail operation.

There's a lot of money available to sports teams that are disruptive at this time of big changes, that we're experiencing.



7. ESG must be a mandatory agenda

Brazilian clubs are long behind when we talk about sustainability and effective actions related to the theme.

Brazil is an environmental powerhouse and clubs need to understand its role. In developed countries, clubs and leagues work in line with the United Nations Sustainable Development Goals.

Clubs in Brazil invest little resources and energy in sustainability projects and actions with high impact with the community.

Topics such as CO2 emissions, solid waste recycling, pollution and rising ocean temperatures, improving the living conditions. There's a lot to do!

Current model will have to change, values linked to the environment are increasingly fundamental for all stakeholders in today's world.



8. Women's football, it's time to invest!

Women's football has been growing at an accelerated pace.

Looking at the female audience is fundamental to the of football development

There is a hole between men and women when it comes to sport. Brazilian clubs need to invest in more women practicing, consuming and working with sports.

Sports practice and women's interest in sport is fundamental. Sports industry depends on it to rise.

Women's football needs more space and more support, focusing on expanding its economic and marketing impacts.



Impact of a new calendar and League in Brazil

SPORTS VALUE and FUTBOX

Together for the New Brazilian Football Calendar

SPORTS VALUE and FUTBOX establish a partnership to disclose the financial numbers and the positive impacts for the football market in Brazil, from the implementation of a New Calendar and future Professional League in Brazil.

FUTBOX has already presented a modern proposal for a more efficient New Calendar for the CBF. The analyzes will include, in addition to direct economic impacts, indirect ones such as GDP share, employment and tax revenues.

All solutions for the Brazilian football market, whether technological, commercial or tactical, go through the reformulation of the current calendar.

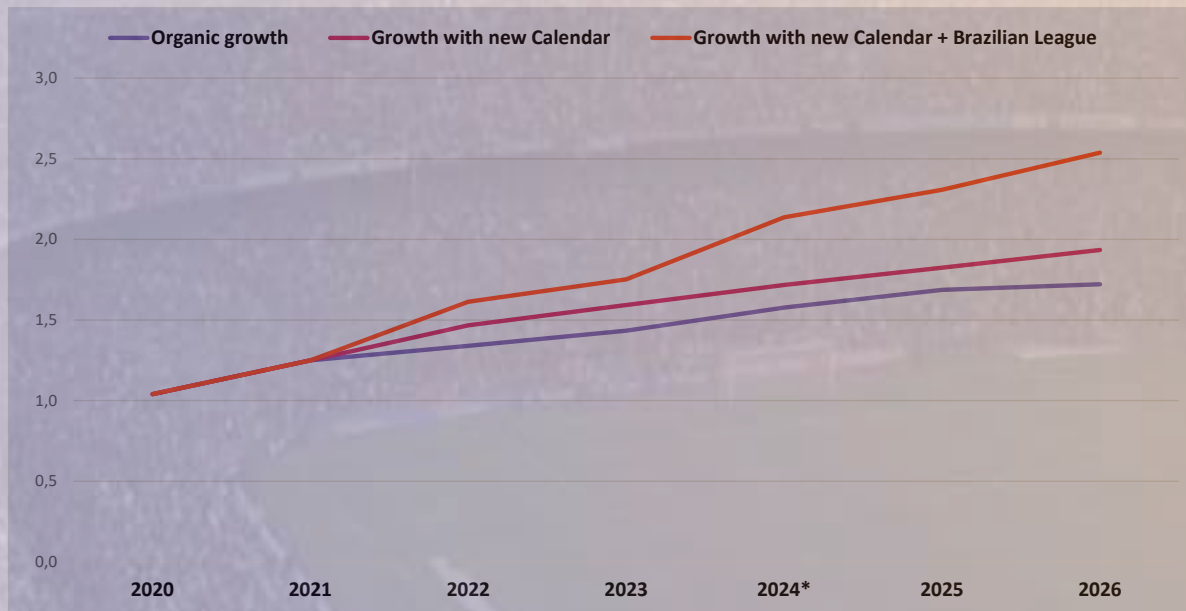
Impact of a new calendar and League in Brazil

According to Sports Value's analysis, a New Brazilian Football Calendar can impact on new revenues.

The change in the calendar, according to Sports Value, can produce in 5 years, **US\$ 700 million** in new revenues.

The creation of a Professional League of Clubs, can bring new revenues of more than **US\$ 1.3 billion** in 5 years.

Projected revenues TOP 20 teams - In US\$ million



We considered 2024 the year of new broadcast contracts.

NEW SPORTS MARKETING INDEXES

Sports Value has been developing a series of exclusive services to corporate clients.

Sponsors, clubs, startups, investors, agencies, federations and communication groups have all benefited from these unique analyses, in Brazil and abroad.

Some of the most innovative ideas of crossing financial, marketing, digital and trends data are being put into practice.

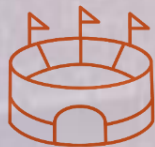
If your company or club's goal is to increase returns with disruptive strategies in sport, Sports Value can help a lot.



Digital Transformation



Smart Stadium



Fan Engagement



Data Driven Sponsorships



Sports practice



Sports trends



Startups consultancy



Business Plan to investors



ESG & Sports



SPORTS VALUE'S 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.

A hand is shown on the left side of the frame, reaching out towards a central globe. The globe is rendered with a wireframe or network overlay, consisting of white dots connected by thin lines. The background is a dark blue gradient with a subtle pattern of white dots and lines, suggesting a digital or network environment. The text is overlaid on this background.

Thank you!

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