<https://blogs.fangraphs.com/the-braves-made-some-money-in-2021/>

* Commissioner Rob Manfred claimed that owning a baseball team is a worse investment than putting money into the stock market
* A lot of people challenged his claim and when the Brave's financials were released after the season it helped challenge that claim even more

Braves:

* Overall the Brave’s profit was $104 million (OIBDA-Operating Income Before Depreciation and Amortization)
* Their 4-year operating income including the shortened 2020 pandemic season to $193 million
* Operating income - the leftover money after the team gets all of its revenue and has paid all its costs for the year.
  + Revenue - the cost of goods sold - operating expenses
* In what the Brave’s called “Baseball revenue” they brought in $526 million in 2021
  + This includes ballpark revenue (tickets, concessions, retail, and suites/boxes), local tv and radio rights, and shared MLB revenue from broadcast rights and licensing
* The team spent $457 million
  + $377 million in operating expenses
  + $80 million in “selling, general, and administrative expenses”
* The BDA part of OIBDA does not represent actual monetary values instead they are accounting-based estimates of the value of a company's assets lost over the course of a year. (“If you buy a factory for $100 million dollars and plan to use it for 20 years before it becomes worthless, the tax code (and generally accepted accounting practices) allow you to spread that decline in value out over those 20 years via depreciation, $5 million per year.”)
* The Braves did not include or “break down” their depreciation and amortization costs
  + They add up to $72 million
  + What's likely on there are…
    - The stadium, they put $201 million of their $622 million budget to build Truist Park
    - International player contracts etc
    - Because of the “roster depreciation allowance” teams are able to depreciate the purchase price of a franchise for tax reasons. This means baseball teams' depreciation and amortization could encompass almost anything
* This information simply means that the Braves made a lot of money in 2021
  + It's tough to look at this for multiple reasons.
    - They are one of two teams that has to release their financials which makes it hard to compare to the rest of the league.
    - The bigger one is that they won the world series last year and hosted a ton of playoff games which brings in an absorbent amount of money compared to the rest of the year.
    - They also benefit from having very lax COVID restrictions allowing them to reach full attendance much quicker than the rest of the league. Overall they had the 2nd highest attendance in 2021, if using average ticket prices they made about $50 million more than the average team in-stadium revenue, with probably about $10 million more from playoff games.
  + It still represents the health of a major league franchise to an extent
  + They do on other hand have a worse than average TV deal
    - Liberty Media CEO Greg Maffei. “It’s one of the lowest fees out there,”
    - Their deal doesn't end till 2027 and is supposed to be above $80 million per year
  + They also had a payroll that was about $20 million higher than the league average
  + They probably made about $40 million more than the average team but its almost impossible to figure out the true number without the other team's finances and the Brave's more specific numbers
* They did lose money in 2020 like a lot of teams, they were likely around average with most teams
* They had a lower payroll that year and because fans weren't allowed into games no team made any money from attendance
* They also came home with average returns in 2018 and 2019
* To get a really rough estimate of what other teams made from 2018 to 2021 you just need to take the $40 million off their previous season's results, which comes out to about $145 million in operating incomes over the past 4 years
* Things like liberty media's sale of BAMTech isn’t included in operating income
* There are other factors included, the Braves own the mixed-use development around the stadium which they can profit off of
* On average they look to be one of the median teams, learning more toward profitable
* In 2021 they made $62 million in cash flow on “operating activities”
  + They spent $25 million on “investing activities”, brought in $22 million from “financing activities”. Basically issuing debt.
* In 2019, the last “normal” season they brought in $75 million in cash from operating activities, they spent $107 million on investing activities and took in $54 million from financing activities
  + **Operating activities (earned)| 2021:** $62 million **|** **2019:** $75 million
  + **Investing activities (spent)| 2021:** $25 million **| 2019:** $107 million
  + **Financing activities (earned)| 2021:** $22 million **| 2019:** $54 million
  + So in a normal season they had a lot more financial movement on both spending an earning despite not having the same playoff success as 2021
* This does allow teams to be able to go out and say they didn’t make money, its technically true
* What they do is dump the excess profits or cash into new ventures or improvements, which in turn increases the franchise value without cash profit. This is very normal and most teams probably operate very similarly in this area.
* The Braves scaled down their cash expenditures in 2021 and were able to become cash-flow positive in one year after the terrible 2020 season
* Using OIBDA is a fair way to look at team revenue
* Depreciation and amortization are not reliable as tools to measure profit, mainly for teams that got their stadiums funded by the public or that were sold/bought in last 15 years
* With stadium capacity back to full for this year and the new gaming(gambling) revenue that a lot of teams have dipped their toes into, revenue should continue to increase.