



# NEYMAR JR TO PSG

## THE FINANCES BEHIND THE TRANSFER

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# THE TRANSFER MARKET

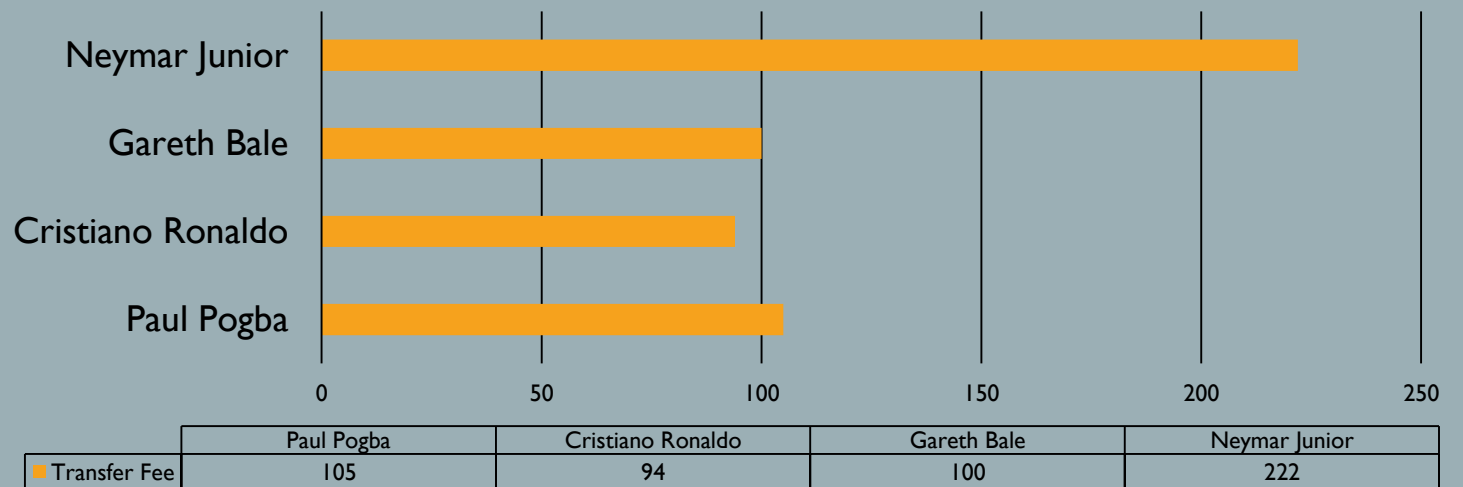
Soccer leagues are unique labor markets with highly concentrated “realistic” buyers for top talent such as Neymar, Pogba, Ronaldo, or Griezmann. Deep coffers are required to pay multi million euro transfer fees, as well as offer players lucrative weekly wages

On the sell side, clubs know that they can often lock these buyers into a bidding war raising the value of their player’s transfer fees

Transfer fees are not paid to players but rather clubs, and in Spain where buyout clauses are mandatory, these fees are payed to La Liga who oversee distribution to individual clubs



Record Transfer Fees in Millions of Euros



	Paul Pogba	Cristiano Ronaldo	Gareth Bale	Neymar Junior
Transfer Fee	105	94	100	222

## HOW WILL PSG PAY?

UEFA's Financial Fair Play ruling requires clubs to balance soccer related expenditures such as wages/transfers with TV/ticket income as well as commercial sponsorship revenue. Losses cannot exceed €30 million over 3 years

PSG is owned by Onyx Qatar Sports Investments, an arm of The State of Qatar and has been accused of financial "doping"

In 2014 PSG used a €125 million "sponsorship" deal with the Qatar Tourism Authority (QTA) to balance out their books. It was revealed this sponsorship was overvalued and PSG was fined

Although Barcelona has demanded the transfer fee of € 222 million to be paid upfront, UEFA allows PSG to amortize this value over the course of Neymar's 5 year contract

While paying Barcelona up front they will be recording the fee at roughly € 44 million a year over 5 years, which is easily offset by transfer revenue from selling players as well as further "sponsorships"

## Comparable Summer Transfer Budgets



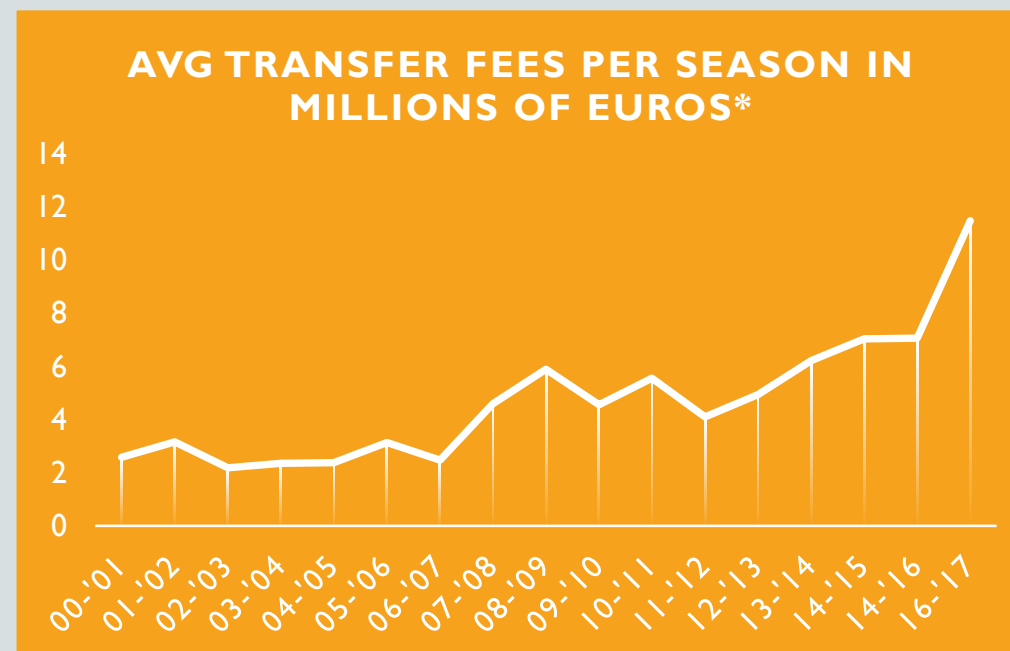
Arsenal (1) – € 220 million



Bayern Munich (2) – € 100 million



AC Milan (3) – € 150 million



Source: Transferleague.co.uk \*:Average Transfers in The Premier League

## IS NEYMAR CASHING OUT?

Neymar will be paid roughly €31 million in wages a year after taxes. This equates to roughly €573,505 in net income per week

These figures exclude his sponsorship deals, and other commercial ventures. By entering a new market it is inevitable he will be able to secure new sponsors. He faces less competition in marketability as he has to compete with fewer superstars in Paris

Prior to his new contract, Neymar was the only soccer player who made more from endorsement deals than wages. His largest sponsor Nike, has signed him to a € 97.2 million deal over 11 years.

He currently nets € 19.88 million a year from endorsement deals alone

Neymar's old Barcelona contract had been reported to be in the region of €165,700 after taxes per week

Barcelona had to pay a reported 52% tax on these wages in Spain meaning Neymar cost the club about € 251,864 per week

246% ↑

Neymar's after tax wage increase since signing his new contract with PSG excluding endorsements, and performance/tournament related bonuses

## APPENDIX



(1) <http://metro.co.uk/2017/04/12/arsene-wenger-to-be-given-200m-transfer-budget-by-arsenal-6569522/>

(2) <http://www.sportbible.com/football/news-bayern-munich-to-spend-100-million-on-five-players-this-summer-20170514>

(3) <http://www.tribalfootball.com/articles/ac-milan-prepare-150m-summer-transfer-budget-4180017>

<http://www.financialfairplay.co.uk/latest-news/paris-st-germain-find-%E2%82%AC125m-to-help-them-break-even>

<https://www.theguardian.com/football/2017/aug/02/psg-200m-ney-mar-barcelona-financial-fair-play>

<http://www.espnfc.us/paris-saint-germain/story/2936608/paris-saint-germain-to-value-qa-contract-at-175m-euros-report>

<http://www.uefa.com/community/news/newsid=2064391.html>

<https://www.thesun.co.uk/sport/football/4153401/ney-mar-net-worth-contract-sponsorship-deals-nike/>