

MLB Advanced Media Revenues at \$600 Million Annually

Written by Maury Brown
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MLB Advanced Media (MLBAM) has been a cash cow for Major League Baseball and its 30 clubs, but how it has increased over the past few years has been unreported. As part of an [extensive report by Bloomberg](#) that shows the enterprise value of each club in MLB, it's reported that annual revenues from the digital-rights arm of baseball is now at \$600 million annually and that the equity value of MLBAM is now at \$3.3 billion. Since each of the 30 clubs invested equally in it when launched in 2000, according to the report, each club garners \$110 million in value each year via the lucrative digital-media arm.

To place this in perspective, launched in 2000, MLB.com was funded by the clubs in an agreement that had them each investing \$1 million a year over four years. The cost was targeted at \$120 million. To the joy of the owners and MLB, the website started generating excess revenue in only the second year of its existence, allowing them to invest only \$70-\$75 million before beginning to see a return on their investment.

While each club does not see \$110 million annually in cash, MLBAM and the overall explosion in television media rights shows why when owners sell clubs they reap incredible rewards over what they initially purchased clubs for. The equity value of MLB Advanced Media is just one reason why when you hear, "We can't afford to spend on player payroll at competitive levels," it needs to be taken with a grain of salt.

UPCOMING ARTICLE.... Inside the Bloomberg MLB enterprise valuations



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