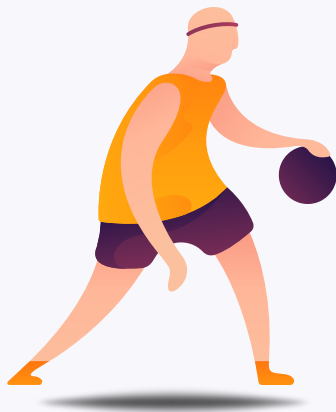




# Research of the industry of sports and entertainment companies in Georgia

Prepared based on 2020 data





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## Reason of research

This study provides an overview of the sports and entertainment industry, identifying current trends, by size category, based on the companies' 2020 financial statements.

The report presents the average financial indicators of the industry, which forms a "benchmark" of the industry and provides information on its financial situation.



# Methodology

The data used in the study were taken from the website of the reporting portal, where annual financial statements are published in accordance with the legislation of Georgia.

These sports entertainment companies belong to the second and third categories.

The mentioned information is based on the data of 2020, the research will consider the companies operating in the sports and entertainment industry, the total number of which is 22.

The study focuses on the overview of the industry, specifically on the number of companies and financial indicators, the data is taken from the National Statistics Service of Georgia and the reporting portal.





# Research Results

The study reviews the companies in the field of sports and entertainment industry, whose total turnover in 2020 exceeds 27 million GEL, and the total assets are 375 million GEL.

In addition, financial ratios for industry average liquidity, solvency and profitability were determined.



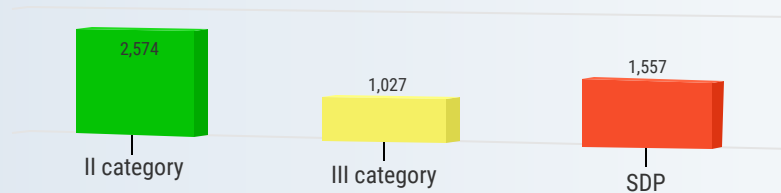


# Research Results

As a result of the research, the average data of sports and entertainment companies for 2020 was also revealed. Out of these 22 companies, 3 belong to the second category, 18 to the second category, and 1 to SDP.

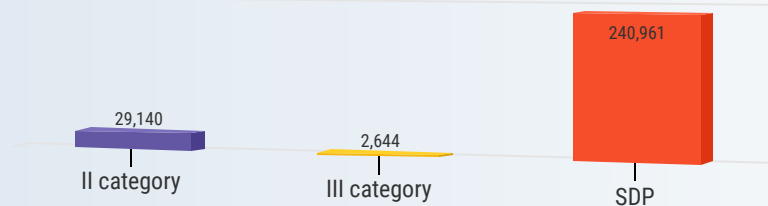
Thousand, Gel

### Average Sales



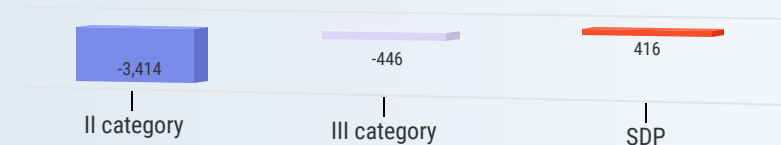
### Average total assets

Thousand, Gel



Thousand, Gel

### Average profit/loss before tax



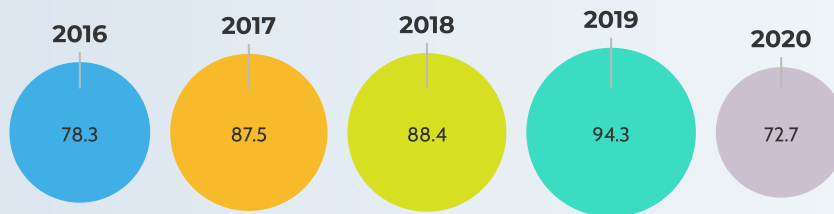


# Industry overview of sports and entertainment companies

In 2020, the volume of companies engaged in sports and entertainment activities in Georgia amounted to 72.7 million GEL, which is 21.6 million GEL less compared to the data of the previous year, which was caused by the current pandemic situation and imposed restrictions. It is expected and realistic that after overcoming the crisis situation, the mentioned industry in Georgia will continue to grow prospectively, in parallel with the economy's return to its old standards. It is important for sports and entertainment companies to make the necessary changes and introduce appropriate standards, which are in line with both Georgia and the world, in order to make the field even more attractive. According to the National Statistics Service of Georgia, the total turnover of sports and entertainment companies over the last five years looks like this:

million GEL

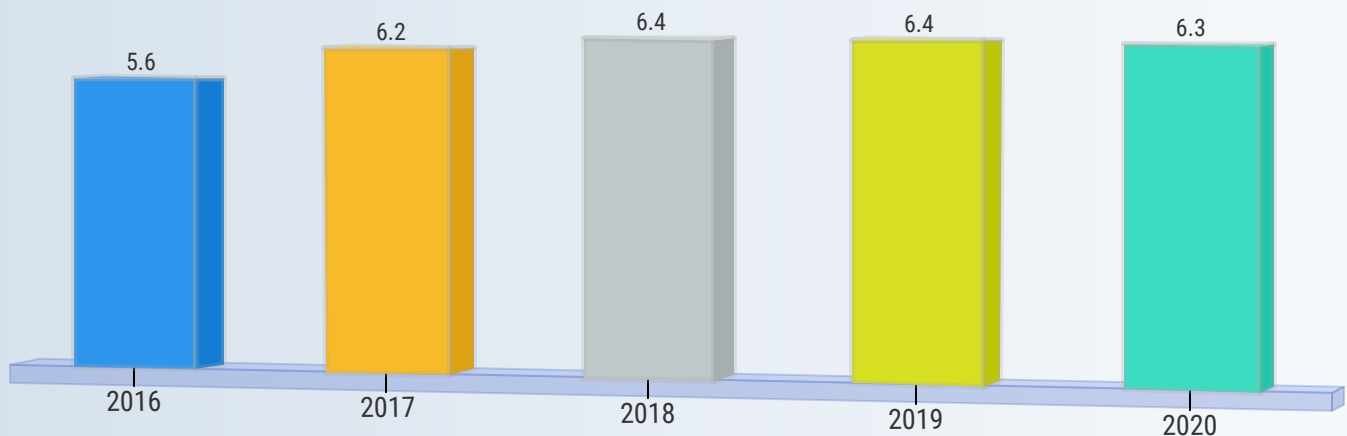
### Turnover volume of sports and entertainment companies



Source:geostat.ge

A thousand human

### Average number of employees



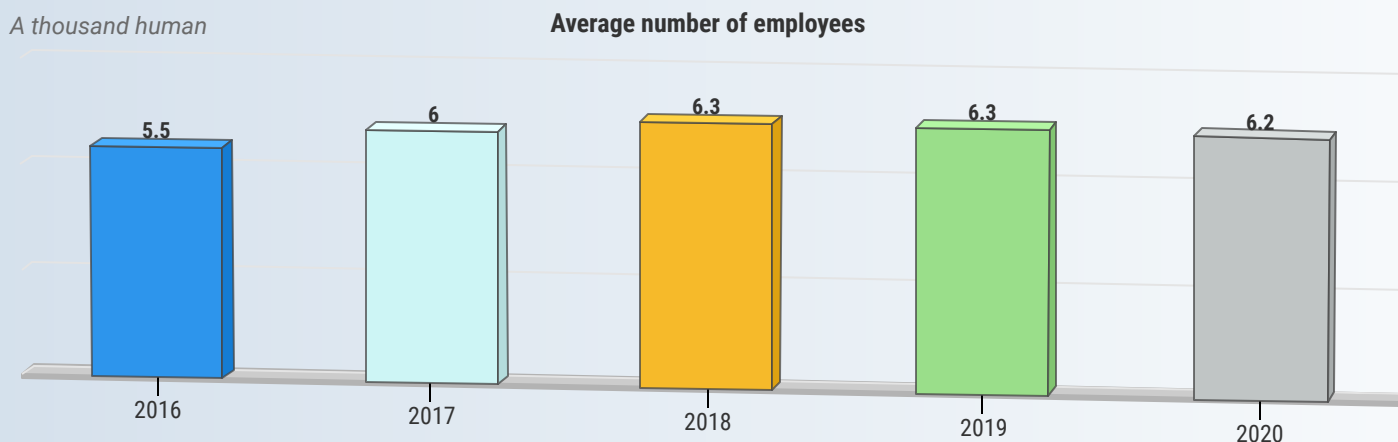
Source:geostat.ge

As can be seen from the diagram, the average number of employees in companies engaged in sports and entertainment activities is increasing up to and including 2018. In 2020 it decreased and amounted to 6.3 thousand people.

# Industry overview of sports and entertainment companies

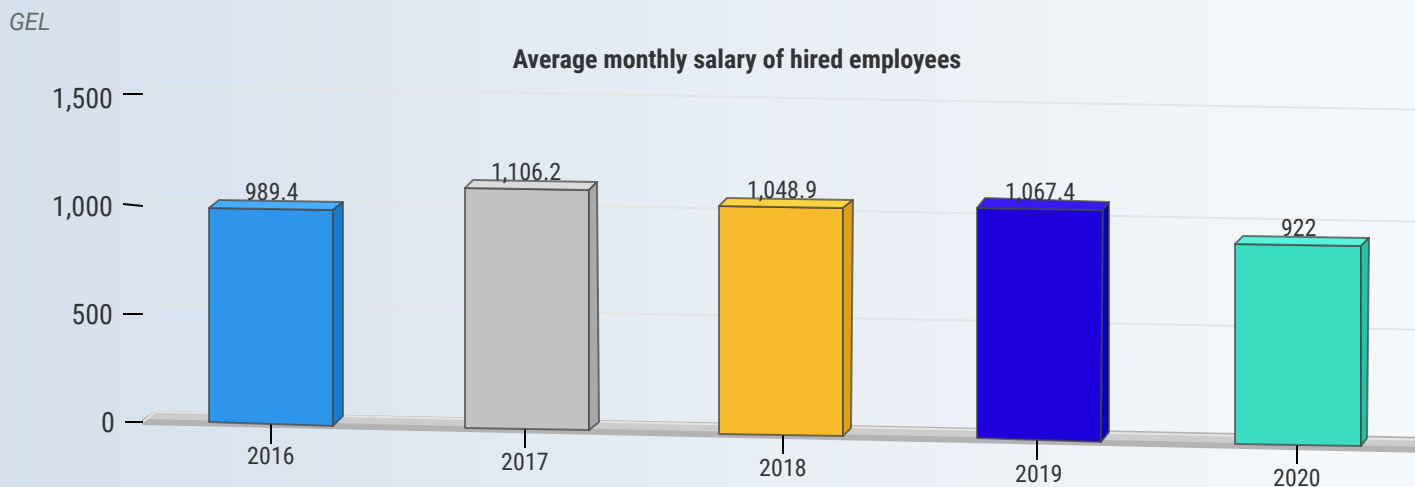


The number of employees in sports and entertainment companies in Georgia in the first quarter of 2022 amounted to 64,509 people. Data from previous years look like this:



Source:geostat.ge

As can be seen from the diagram, the average number of employees in sports-entertainment companies up to 2018 was increasing, in 2019 the same number was fixed, and in 2020 it decreased by 0.1 thousand people. As for the average monthly salary of the hired employees in the mentioned companies, for the last five years, it is as follows:



Source:geostat.ge

As can be seen from the diagram, over the last five years, the average monthly salary of the hired employees in the above-mentioned companies was the highest in 2017, and the lowest in 2020.

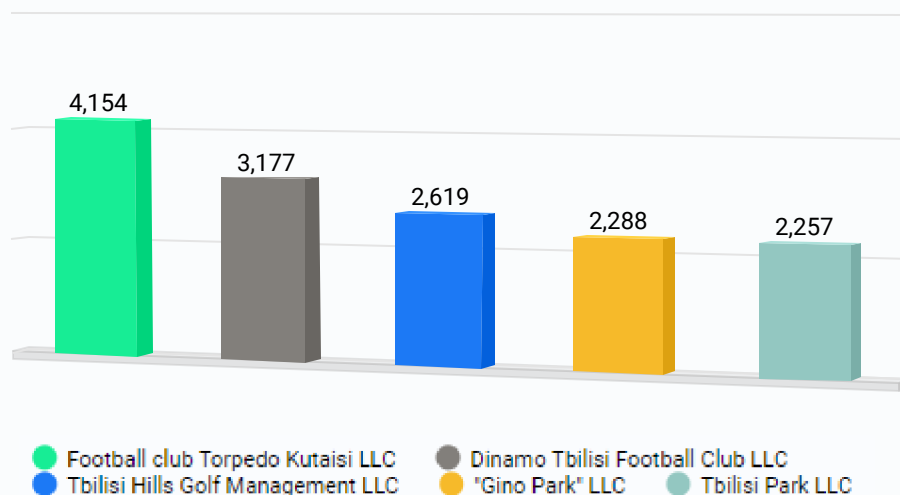


## Top Market Players (2020)

thousand, GEL

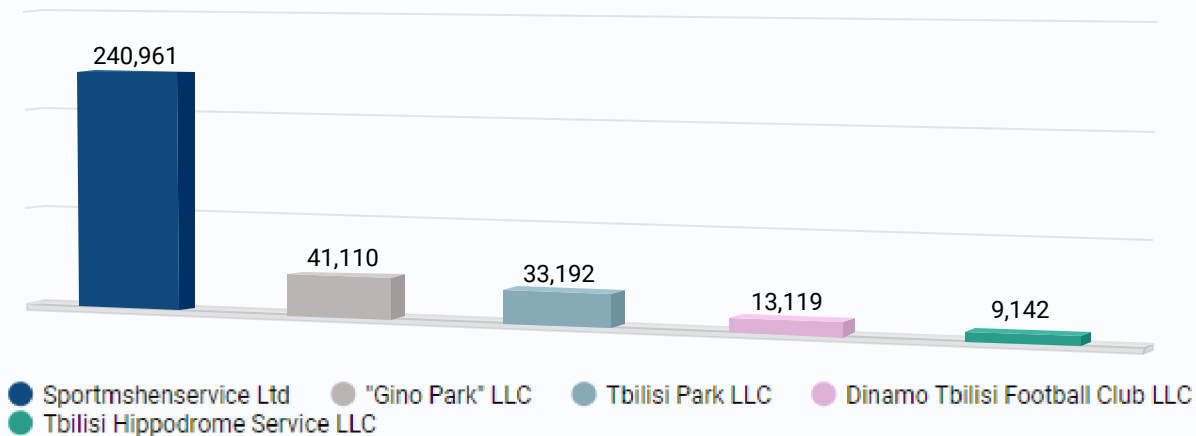
The total income of the mentioned companies represents 52% of the total income of the companies presented in the study.

### Top 5 Companies by Revenue (2020)



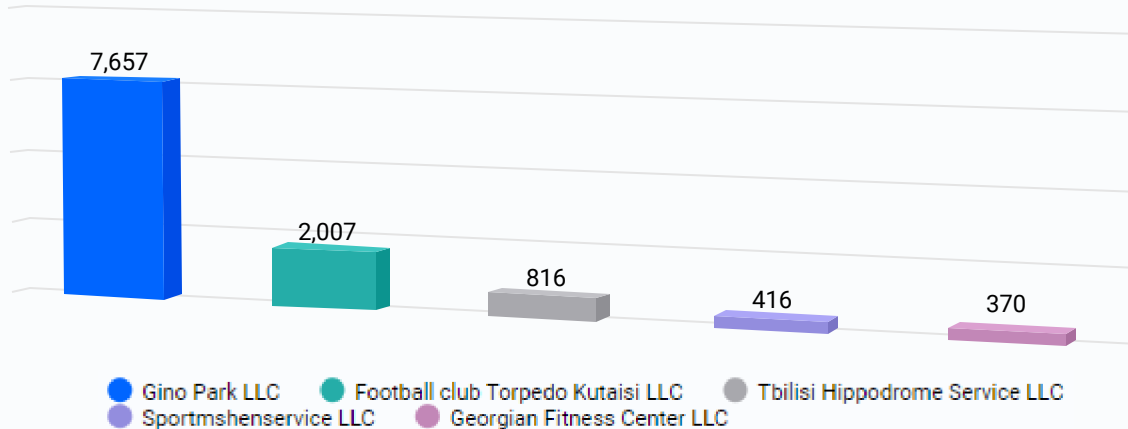
### Top 5 companies by assets (2020)

thousand, GEL



### Profit before tax, top 5 companies (2020)

thousand, GEL



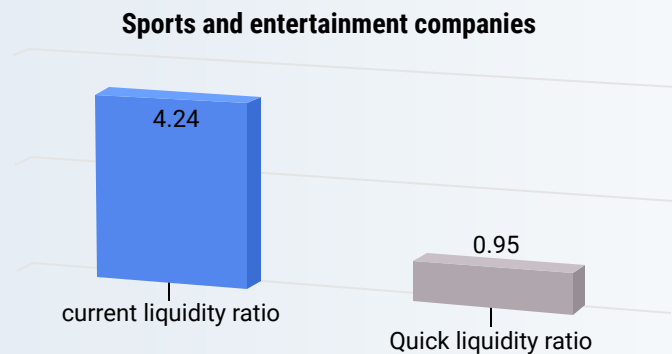




## Industry Average Financial Ratios (2020)

### Liquidity ratios

As a result of the research, the liquidity ratios of sports and entertainment companies were revealed. Current and quick liquidity ratios were 4.24 and 0.95, when the liquidity ratio is greater than 1, the indicator is considered satisfactory.

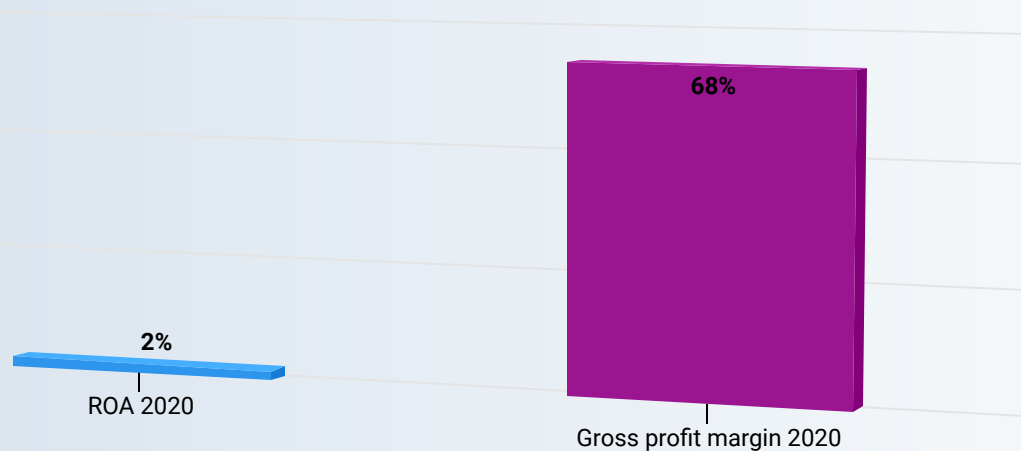


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### Profitability ratios

The profitability ratios of sports and entertainment companies operating in Georgia were as follows: Gross Margin Ratio is 68% Annual Return on Assets (ROA) is 2%.

### Sports and entertainment companies

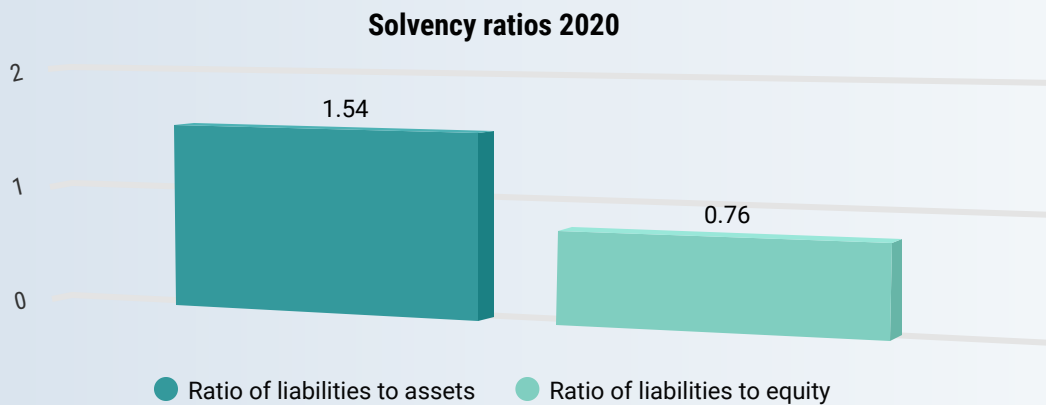




## Industry Average Financial Ratios (2020)

### Solvency ratios

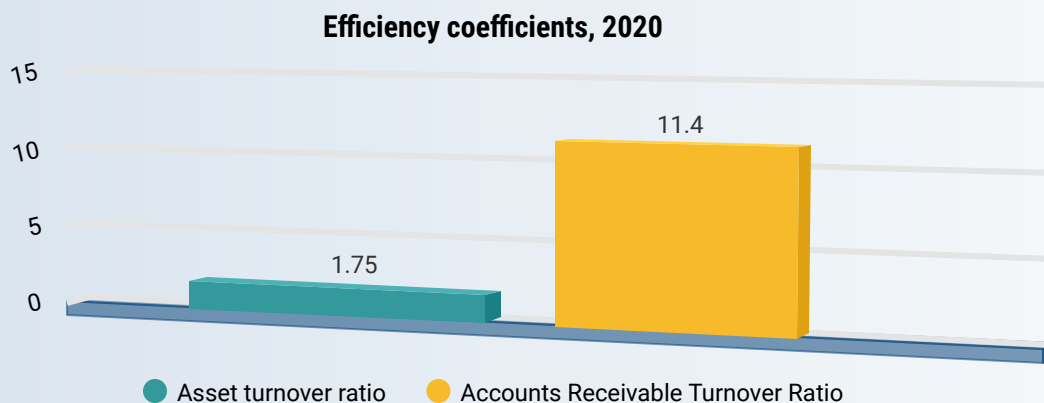
The liabilities to assets ratio shows the ratio of total assets to liabilities. For sports entertainment companies, it is equal to 1.54, and the ratio of liabilities to capital, which is 0.76, is noteworthy. This ratio indicates how much liabilities exceed capital expenditures.



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### Efficiency coefficients

The asset turnover ratio is equal to 1.75, the higher this ratio, the more efficiently the company is able to use its assets in relation to the sales volume, and the receivable debt ratio was 11.4.



# AGIC

The report was prepared by the consulting company AGIC, which has been operating since 2007 and provides the highest quality services in the areas of auditing, accounting, business consulting and marketing.

The company's team consists of more than 50 highly qualified, experienced and professional employees who focus on development and customer success.

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