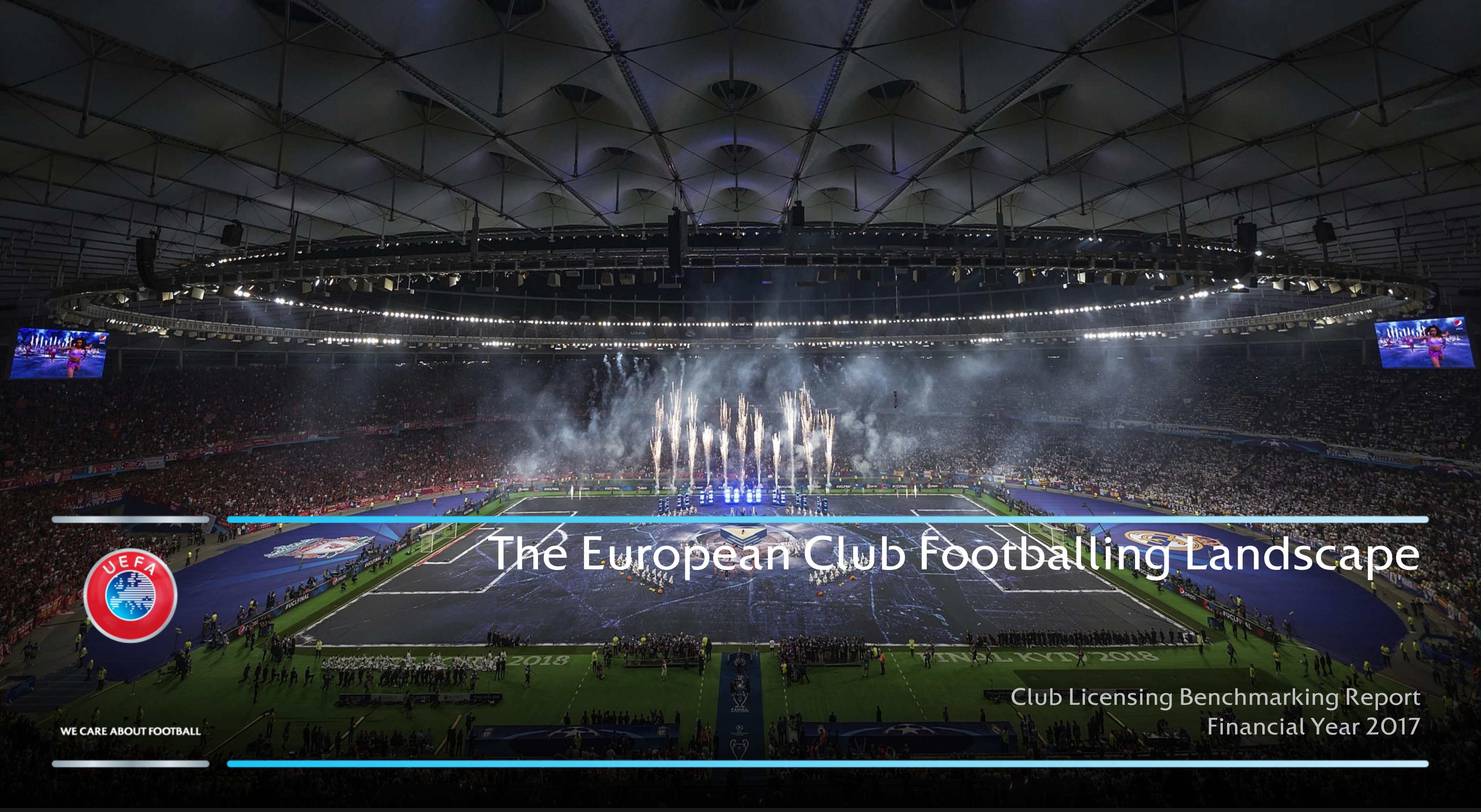


The European Club Footballing Landscape

WE CARE ABOUT FOOTBALL

Club Licensing Benchmarking Report
Financial Year 2017

Foreword

Welcome to the tenth edition of the UEFA Club Licensing Benchmarking Report, which again shines a light on financial and other off-the-pitch developments in European club football.

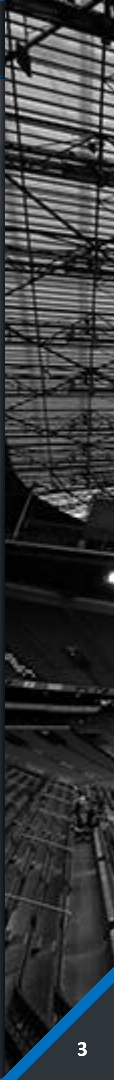
This report showcases the many successes of European football. It shows that the positive revenue, investment and profitability trends identified in last year's report are continuing. The underlying health of European club football is highlighted, with the 700 top-division clubs together generating the first bottom-line profit in history. Year-on-year revenue growth of almost 9% means European clubs have never added so much revenue in a single year, and league attendances are the highest ever recorded in the Benchmarking Report. Is it therefore any wonder that interest in European football is radiating outwards across the globe as demonstrated by the many millions of social media activations and by the numerous club acquisitions from foreign investors.

The data in this report and other research by our new intelligence centre helps to inform our decision-making. Indeed maybe the greatest strength of this report, is that it is unique in presenting a panoramic picture across all UEFA territories, highlighting the many differences and challenges that football faces from the large to the small, from the North to the South and West to East. This transparency is important and reflects UEFA's commitment to supporting good governance in the European game.

Recent issues of this report have brought the challenges of polarisation and competitive balance into focus, illustrating how financial gaps are augmented by globalisation and technological change and it is therefore more essential than ever that all stakeholders work together to keep football strong up and down the pyramid. Football will never be equal, it doesn't live in a bubble, but I truly believe it is UEFA's role as guardians of the European game to ensure that football in every one of the 55 member associations can exploit its full potential, and we will work to support this.

Aleksander Čeferin

UEFA President



Introduction

The UEFA Club Licensing Benchmarking Report offers an authoritative overview of European club football, on the one hand providing a granular guide to club football across all 55 UEFA member associations, and on the other hand identifying and documenting many of the important trends of our time.

This report is always evolving, and this year we celebrate ten years of the publication by presenting details of some of the major trends observed over that ten-year period, before highlighting a number of areas where we expect to see the report developing in the future, such as youth investment and women's football. Looking back over the last ten years, there is a clear narrative comprising two distinct time periods: the post-recession and pre-regulation years of 2008–11; and the period since 2012, when financial regulations were introduced.

Professional football in Europe operates as a unique ecosystem, with clubs bound together in leagues and sharing mutual interests. This stable pyramid helps to make club football remarkably resilient when looked at as a whole. Indeed, it allowed club football to ride out the global recession of 2008–09 in much better health than most other activities and industries, with top-division revenue growth averaging 5% a year in the period 2008–11. At the level of individual clubs, however, the situation is not as stable, with some clubs facing the threat or reality of relegation and others glimpsing a chance of glory, and directors and owners have long been encouraged to overstretch themselves. As financial rewards have grown, this tendency has increased in parallel, and in the period 2008–11 European club losses totalled more than €5bn, with losses increasing year on year. In response to those developments and growing calls for action from within the game, UEFA launched its ambitious financial fair play initiative, which seeks to regulate clubs' finances.

The health of European club football has improved dramatically since 2012, with losses declining every year and overall profitability being reported for the first time in this year's report. The relative stability of the media landscape, the loyalty of football supporters and the introduction of regulation, helping clubs to professionalise their approaches and manage their costs, has helped European club football to end the last ten years in far stronger health than it began them. However, that stable landscape should not be taken for granted, as football will never be completely immune to outside trends. Technology is driving an increasingly polarised world of 'haves' and 'have nots', with resources being concentrated in the hands of the few. TV revenues are concentrated in the largest leagues, while revenue from sponsorship and commercial activities is heavily skewed in favour of the largest clubs.

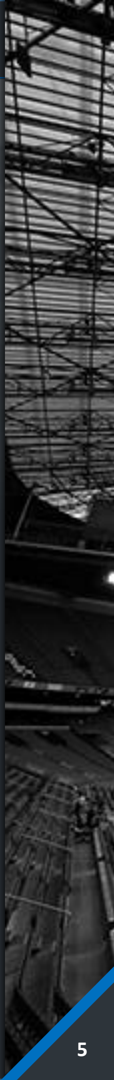
Looking forward, no one can predict with any certainty the impact that the increasingly rapid fragmentation of the media landscape will have on football, but the general consensus is that the financial situation is likely to change considerably over the next ten years, both across Europe and beyond. Clubs, leagues and other organisations will have to adapt their business models and strategies in this fast-changing environment – something that will not be easy or painless for what is still quite a traditional game. Future versions of this report will document the impact of those developments.

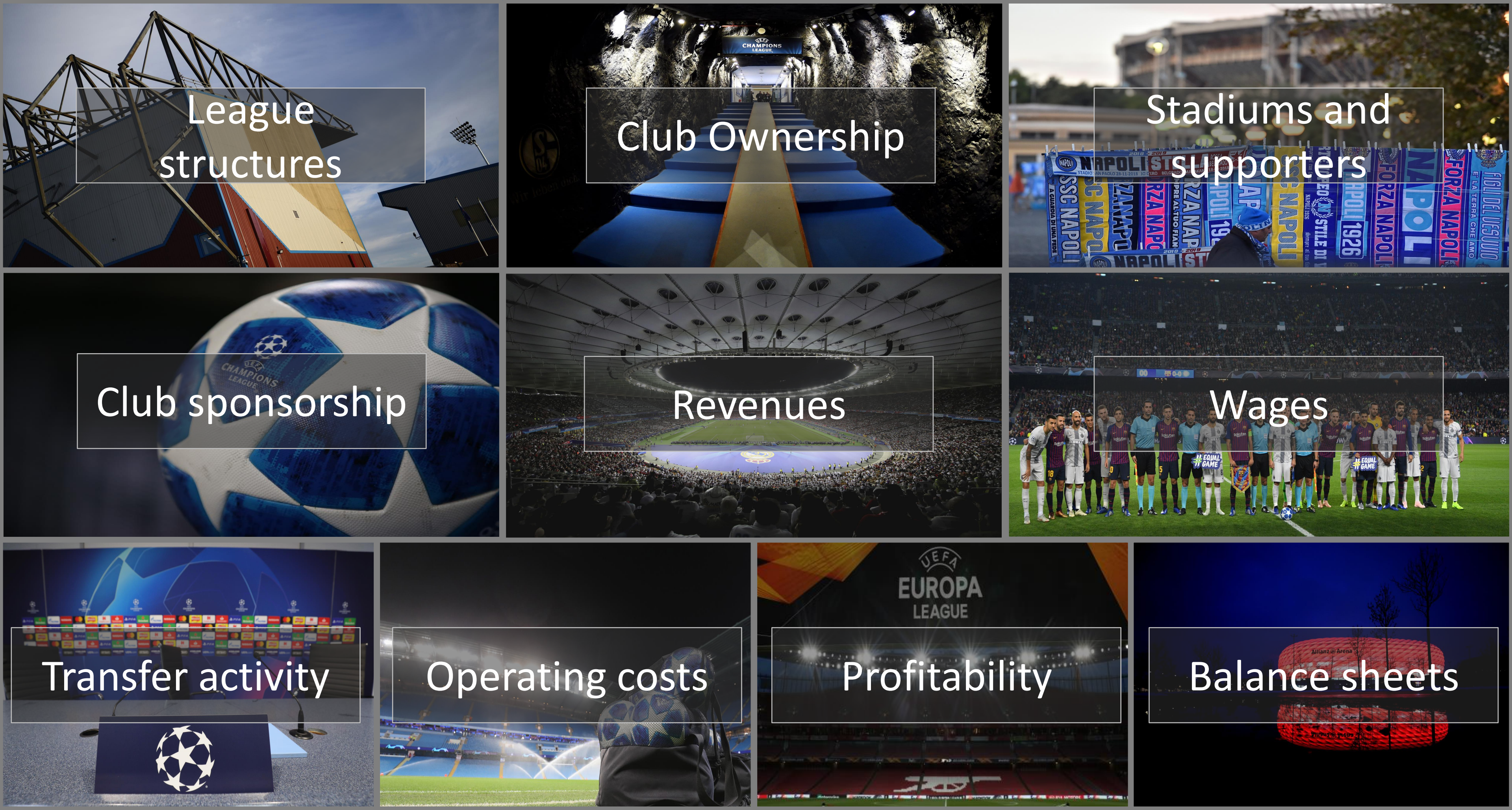
This year's report includes the usual analysis of attendance trends, domestic league structures and club finances based on data provided directly to UEFA and more than 500 follow-up clarifications. In addition, the report has broadened its horizons in a number of respects, for example by analysing club ownership and sponsorship across all 55 member associations, thereby providing the first full panoramic picture of all 700 or so top-division clubs. The analysis of social media has also been expanded to cover Instagram, in addition to Twitter and Facebook.

In 2018, the UEFA Executive Committee approved the creation of a new strategic research unit – the UEFA intelligence centre – which includes a data scientist, an econometricist, a statistician and a rights advisor, who together combine specific technical expertise with in-depth knowledge of the football landscape. This is providing decision makers with a better understanding of the environment they are regulating in key areas such as the transfer system, and competitive balance. The UEFA Intelligence Centre routinely cooperates with member associations on strategic topics. A current example of such an assignment includes analysing the impact of foreign player rules on the relative standing of an association's national team and domestic league. The writing and production of this benchmarking report also falls within the remit of the UEFA intelligence centre, thereby contributing to one of UEFA's key objectives – greater transparency in the off-pitch workings of European football.

This report would not have been possible without the considerable input and support of a great many clubs and national licensing managers, as well as numerous colleagues, to whom we extend our thanks.

Sefton Perry
Head of UEFA Intelligence Centre Analytics




League structures
Club Ownership
Stadiums and supporters
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Revenues
Wages
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Operating costs
Profitability
Balance sheets

CONTENTS

TEN YEARS OF BENCHMARKING THE EUROPEAN CLUB LANDSCAPE

Club revenues rise ever higher

Club football is resilient and booming: Revenues have grown each and every year by at least 3%, and between 2008 and 2017 they grew by an average of 7%, with more additional revenue in 2017 than ever before.

Central TV money more evenly spread within leagues

The majority of leagues (14 of top 20) have a more even spread of central TV money in 2017 than they did in 2008, with the average high-to-median ratio down from 3.1x to 2.4x. Italy and Spain have shifted from individual to collective selling, leaving only Cyprus and Portugal.

Gap between the biggest clubs, big clubs and the rest

The 20 Premier League clubs have €1.8bn more TV money than in 2008, the 78 clubs from the other five other ‘ big leagues’ have €1.6bn more TV money between them, and the remaining 600 clubs from smaller TV markets have €400m more TV money between them all.

Global even more important than big

Regardless of TV market size, the 12 most ‘global’ clubs have more than tripled their sponsorship and commercial revenues since 2008 adding €1.6bn between them, compared with less than €1bn for the remaining 700 top-division clubs.

Rocketing UEFA and transfer incomes

Club revenues from UEFA have tripled over the ten years, with transfer income more than doubling and also outpacing domestic TV, sponsorship and commercial income growth.

Matchday support

For most clubs, the matchday fans remain the heartbeat of the club, but the percentage of overall club revenue that is accounted for by ticketing has continued to decline, falling from 22% in 2008 to 14% in 2017.

TEN YEARS OF BENCHMARKING THE EUROPEAN CLUB LANDSCAPE

Ever-increasing wages, but more in balance
European clubs' current wage-to-revenue ratio of 61.3% is the lowest on record and follow three successive years of declines.

Profitability
Spiralling club costs (mainly in the form of wages) sent club losses soaring from €600m in 2008 to €1.7bn in 2011. Losses have been cut every year since the introduction of financial fair play, with top-division clubs now reporting a combined profit of more than €600m.

Transfer spending
After remaining broadly unchanged between 2008 and 2014, transfer spending doubled between 2014 and 2017.

Strengthening of balance sheets
Clubs' net equity quadrupled from €1.8bn in 2008 to €7.7bn in 2017, although clubs in 18 of the 55 countries still have more liabilities than assets.

Transfer prices
The transfer price inflation observed since 2014 has affected all parts of the transfer market, with 'superstar' prices actually growing at a slower rate than prices in the middle and bottom segments of the market.

Reduction in net debt
The ratio of net debt to revenue has decreased significantly, falling from 63% in 2008 to just 34% in 2017.

TEN YEARS OF BENCHMARKING THE EUROPEAN CLUB LANDSCAPE

First divisions reducing in size
Over the last decade, the number of first-division clubs has dropped from 728 to 710, despite two new UEFA member associations, Gibraltar and Kosovo, joining within this period.

More leagues with a post-season
In the last ten years, the number of leagues with a split-season format has more than doubled, rising from 8 to 18.

Foreign owners from 22 different countries
Over the last decade, 46 foreign investors have acquired controlling stakes at European top-division clubs.

Highest domestic combined attendance figure on record
Last year’s attendances of 105 million is the highest of the last decade, marginally outperforming the level recorded in 2011/12.

Stadium development is widespread
Clubs and associations in 33 different countries have concluded at least one significant stadium project in the last decade.

Upward trend in stadium projects
Since 2009, European clubs and associations have built 104 brand new stadiums, rebuilt 16 stadiums and carried out major renovation work at 40 stadiums.

LOOKING AHEAD TO THE NEXT TEN YEARS

More transparency in club finances

Thanks to expanded club licensing requirements, all top-division clubs will have to publish financial results on their websites next year, supporting this publication's efforts to increase transparency in club football and hold clubs' custodians (i.e. owners and directors) to account.

Development of women's football

New licensing requirements for clubs entering the UEFA Women's Champions League should allow us to include and benchmark women's football in future reports.

Club youth development systems

Increased scrutiny of clubs' approved youth development programmes should facilitate better benchmarking of youth football in future reports.

Training facilities and infrastructure

Stadiums are an important part of the football landscape, but future reports will also incorporate benchmarking of training facilities and other club infrastructure.

CHAPTER #01

Domestic competitions and governance

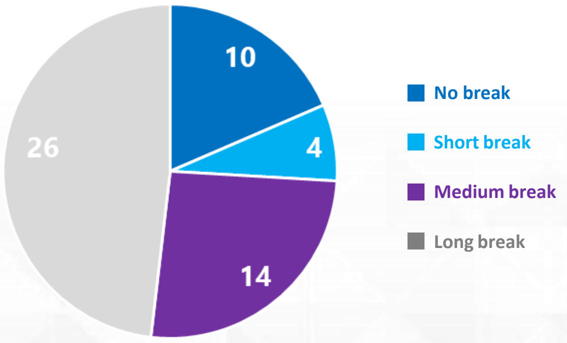
Mid-season breaks range from no break at all to 87 days

This report traditionally kicks off with a look at league structures. This year, this opening chapter has a particular focus on domestic calendars, the format of top-tier competitions and differences in governance arrangements. It should be noted that this chapter is based on countries' most recent domestic seasons (i.e. summer 2018 or winter 2018/19), rather than the 2017 financial year.

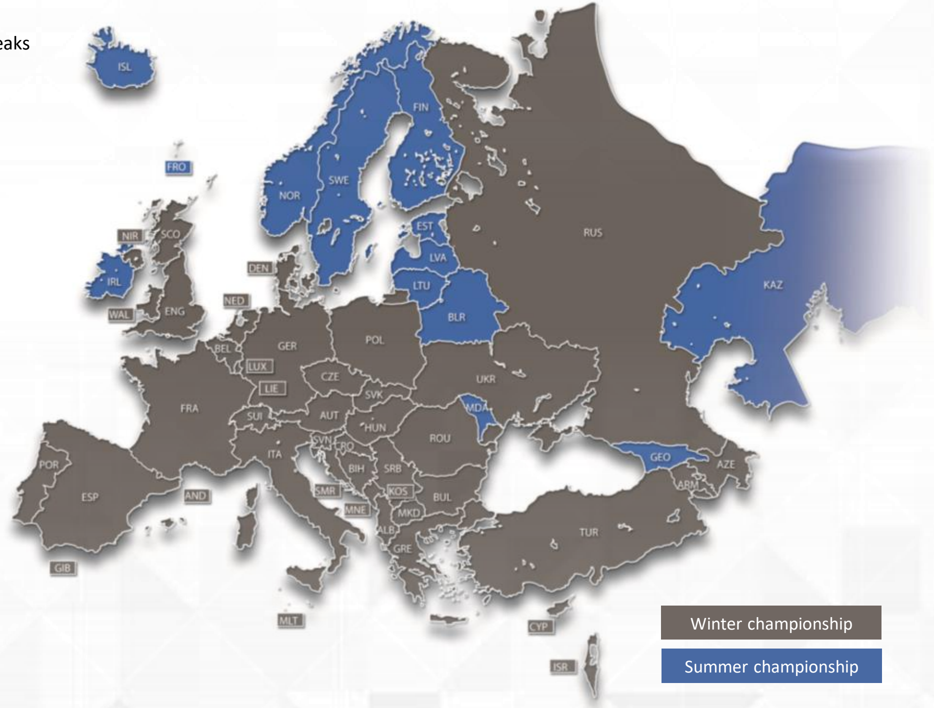
Ten leagues without a mid-season break

Almost half of all domestic leagues have a mid-season break lasting more than one month, while there are still ten top divisions with no break at all. The remaining 18 leagues have breaks of between one week and one month.

Mid-season breaks

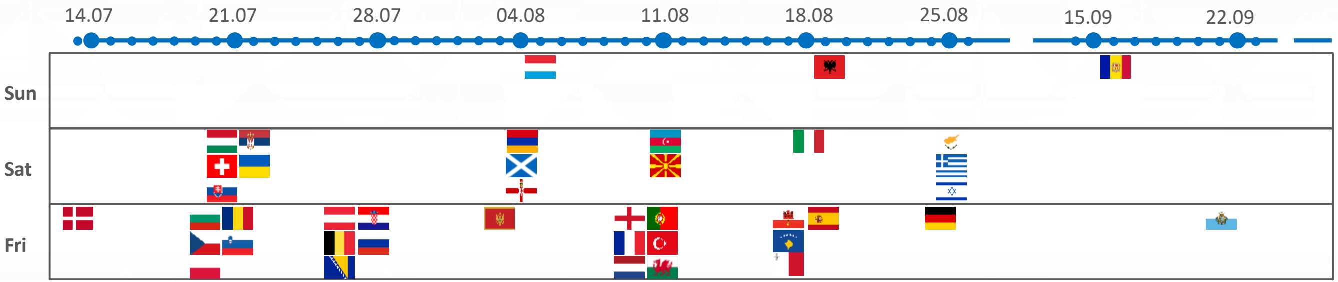


Timing of seasons



Only seven domestic leagues start and finish on the same day of the week

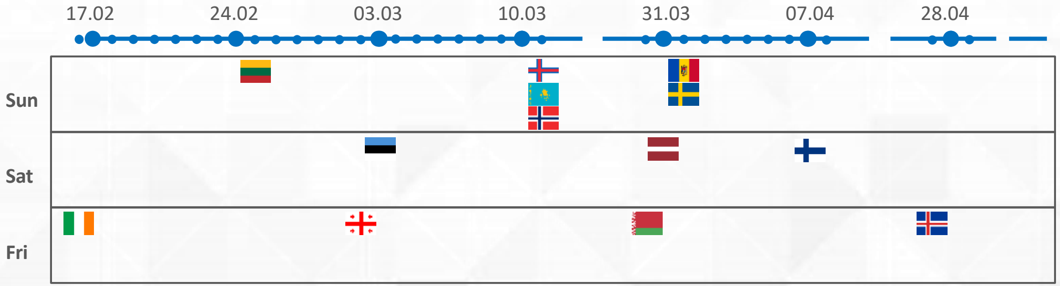
Season start dates: winter competitions



Friday starts increasingly being used

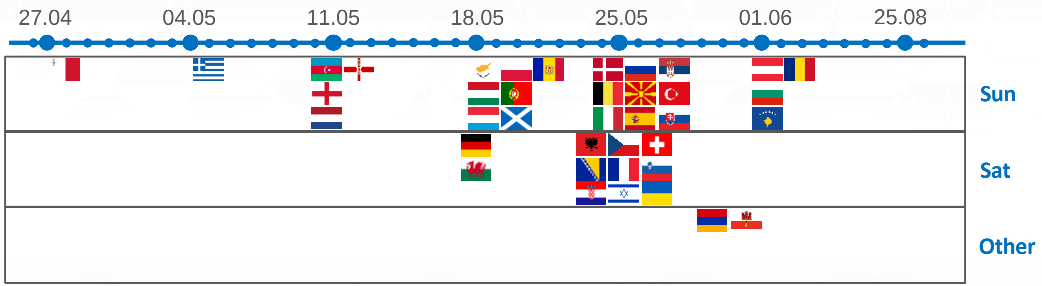
The League of Ireland Premier Division was the first summer competition to start in 2018, kicking off on Friday 16 February. Indeed, more than half of all leagues (28 out of 54) chose to start their most recent season on a Friday, with 17 choosing to begin on a Saturday and the other 9 opting for a Sunday start.

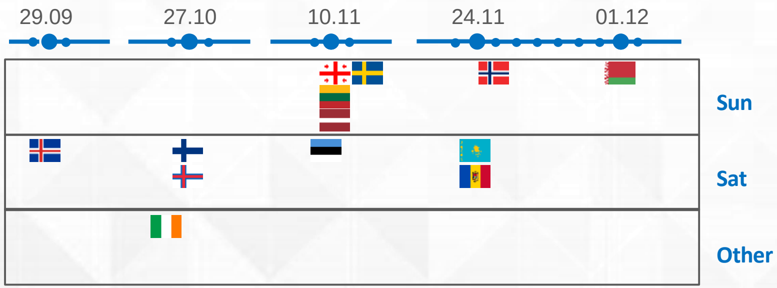
Season start dates: summer competitions



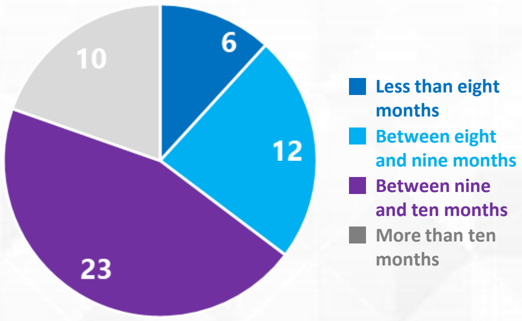
Seasons range from 155 to 317 days

Iceland has the shortest domestic league season, with a total duration of 155 days (equivalent to only five months). At the other end of the spectrum, the Danish, Bulgarian and Romanian leagues have a duration of 317 days (equivalent to just over ten months). The domestic leagues in Armenia, Gibraltar and the Republic of Ireland are the only three competitions which do not play their final matches at the weekend, with those matches being scheduled for a Thursday in the case of Armenia and a Friday in the case of Gibraltar and the Republic of Ireland.





Duration of domestic leagues



Trend towards creative league formats continuing, with six leagues introducing changes this season

Number of clubs in top division

20	ENG, ESP, FRA, ITA
18	GER, NED, POR, TUR
16	BEL, BLR, CZE, GRE, NOR, POL, RUS, SRB, SWE
15	SMR
14	BUL, DEN, ISR, LUX, MLT, ROU
12	AUT, BIH, CYP, FIN, HUN, ISL, KAZ, KOS, NIR, SCO, SVK, UKR, WAL
10	ALB, CRO, EST, FRO, GEO, GIB, IRL, MKD, MNE, SUI, SVN
9	ARM
8	AND, AZE, LTU, LVA, MDA

Number of clubs broadly stable

The total number of European top-division teams has decreased by one for the 2018/19 season, falling from 711 to 710, highlighting the stability of European top-division football.

Six leagues have changed their formats this season

For the 2018/19 season, six countries have made changes to the format of their domestic top-tier competition. Armenia is the only country to increase the number of first-division teams, with Cyprus, Moldova and the Republic of Ireland all reducing the number of teams. Meanwhile, the top divisions in Austria and the Czech Republic have changed from a traditional two-round format to a split season, with clubs being split into two groups halfway through the season.

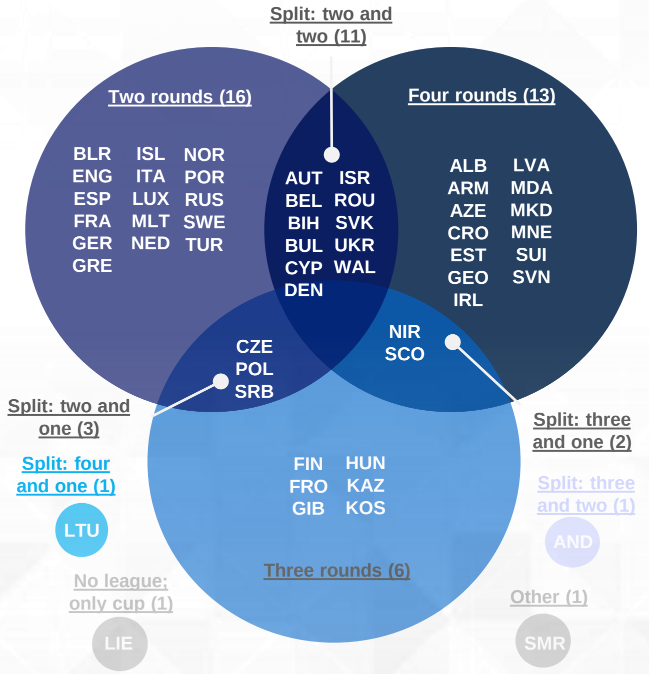
Season-splits becoming more widespread

There are now 18 leagues that use a split-season format. This is becoming more widespread, although the better-known leagues with global audiences still tend to use a traditional two-round format.

Number of clubs has decreased over time

Over the last decade, the number of top-division clubs has dropped from 728 to 710, despite two new UEFA member associations (Gibraltar and Kosovo) joining in that period. The number of leagues with a split-season format has more than doubled over that period, rising from 8 to 18.

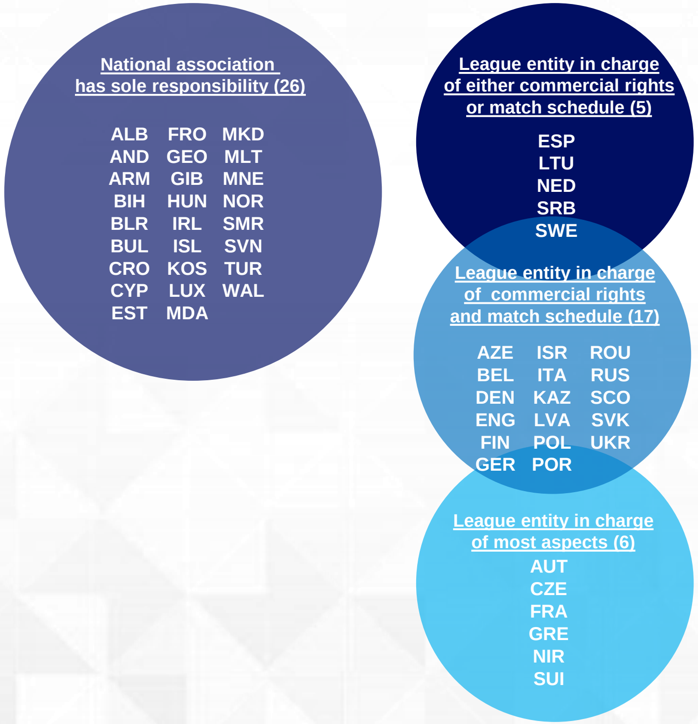
Basic format of domestic top-tier competitions



Just under half of all first divisions organised by national associations

When it comes to the organisation of top-tier domestic league competitions, countries fall into four categories: (i) countries where leagues are fully controlled by the national association; (ii) countries where a separate league entity has sole responsibility for either commercial rights or the fixture schedule (but not both); (iii) countries where a separate league entity is responsible for both commercial rights and the fixture schedule; and (iv) countries where a separate league entity is responsible for commercial rights, the fixture schedule and other aspects (e.g. refereeing or disciplinary matters).

Organisation of top domestic league*



Commercial rights or fixture schedule managed by league entity

Four countries have a separate league entity which is solely responsible for the management of the league's commercial rights. Serbia is an exception in that it is the only country where a league entity is responsible for the match calendar without also being in charge of commercial rights.

Commercial rights and match schedule managed by league entity

In the majority of countries where a separate league entity exists alongside the national association, that entity is responsible for the management of both commercial rights and the fixture schedule, with the national association retaining responsibility for disciplinary and refereeing matters.

Most aspects managed by league entity

There are six countries where the responsibilities of the league entity go beyond the organisation of commercial rights and the fixture schedule. In five of the six, that entity is in charge of disciplinary matters, while the national association manages refereeing matters. In Northern Ireland, however, that entity is responsible for refereeing, while the association is in charge of disciplinary matters.

League organisation stable over last five years

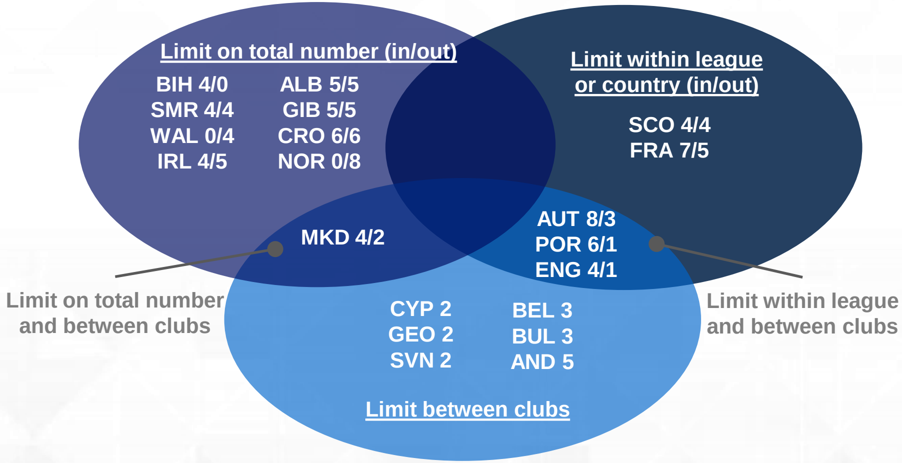
There are currently 28 countries with a separate league entity. This figure has remained broadly unchanged since 2014, although there have been some changes in individual countries. In that five-year period, the Czech Republic and Israel have established separate league entities responsible for some aspects of the top domestic league, while two other countries have brought their leagues back under the control of the national association.

* Data taken from the independently conducted SGS audit and the UEFA club licensing system.

Trend towards more national associations introducing loan limits

Two years ago this report featured for the first time a broad picture of current practices of squad limits, loan restrictions and nationality rules. The next four pages will provide an update on these different topics which have been collected through UEFA's club licensing audit of all national association licensing departments. This update will again illustrate the ad hoc nature of controlling mechanisms across European club football. The analyses highlights that while squad limits linked to individual competitions are common, there is little evidence of direct limits on the number of players that club's can contract and few examples of indirect limits, through combination of squad and outwards loan restrictions.

Simplified picture of loan limits and restrictions in top-tier leagues



Five leagues have introduced loan limits

Bosnia and Herzegovina, San Marino, the Republic of Ireland, Slovenia and Portugal have all introduced limits on the total number of loans in their domestic leagues over the last two seasons. Gibraltar and Scotland, meanwhile, have adjusted their existing loan restrictions. Gibraltar has increased the maximum number of loans from three to five, while Scotland has reduced its loan limit from five to four for the 2018/19 season.

Most common approach is to limit total number of loan players at a club

The most common type of rule in this regard is a limit on the total number of loan players that a club can have in a single season. In some cases (e.g. Austria, England, France, Portugal and Scotland), this limit is applied at the level of the specific league or country. In ten domestic leagues, there are restrictions limiting the number of loan transfers that two clubs can have with each other at any one time.

Loan limits vary significantly

A total of 20 leagues across Europe now have restrictions on the total number of loans allowed per season, with limits either on incoming loans, outgoing loans or both. Five of those leagues have introduced restrictions in the last two years. As the diagram to the left shows, those limits vary significantly from league to league. The other 34 countries currently have no restrictions on the use of loan players in their highest domestic leagues.

Just over half of all first divisions have a squad limit in place, with a limit of 25 players being most common

Basic UEFA squad size limit

UEFA rules on squad limits state that clubs must submit details of their 'A list' squads at specific points in the season; namely at each stage of qualifying, before the play-off stage, before the group stage and before the knockout stages. This list may contain no more than 25 players and is reduced if fewer than four club-trained and four association-trained players are included. Clubs can register additional youth players at short notice throughout the season, by means of the ‘B list’. From the 2018-21 cycle clubs are also allowed three subsequent player registrations before the start of the first knock-out phase (including players who have already played for another club in UEFA competitions in that season).

Four countries make changes to domestic squad limits

Four countries have adjusted their domestic squad limits over the last two seasons. In Portugal, Cyprus and Russia, squad limits have been increased from 25 to 27, 22 to 25 and 23 to 25 players respectively. And for the 2018/19 season, San Marino introduced a squad limit (of 25 players) for the first time.

Squad limit of 25 players

Squad limit other than 25 players

No specific squad limit

Squad limit of 25 players most common

All in all, 28 of the 54 top-tier leagues in Europe have some form of squad limit in place. The most common limit, applied across 17 leagues, consists of a maximum of 25 players, in many cases with an unlimited number of additional youth players (‘B list’). This is broadly in line with the squad rules applied in UEFA’s club competitions. There remains a significant disparity when it comes to domestic squad limits, with clubs in Belarus allowed to register up to 60 players, compared with a limit of just 20 players for Northern Irish clubs.

* Under Paragraphs 44.01 to 44.12 of the Regulations of the UEFA Champions League 2018–21 Cycle and Paragraphs 42.01 to 42.12 of the equivalent Regulations of the UEFA Europa League, each club is entitled to register an unlimited number of players on List B during the season. The list must be submitted no later than 24.00 CET on the day before the match in question. A player may be registered on List B if he is born on or after 1 January 1997 and has been eligible to play for the club concerned for any uninterrupted period of two years since his 15th birthday by the time he is registered with UEFA. Players aged 16 may be registered on List B if they have been registered with the participating club for the previous two years without interruption.

Locally trained player rules being adopted by more national associations

These rules relate to players who, between the age of 15 (or the start of the season during which the player turns 15) and 21 (or the end of the season during which the player turns 21), have been registered with a club ('club-trained player' or CTP) or with other clubs affiliated to the same association as that of their current club ('locally-trained player' or LTP) for a period, continuous or not, of three entire seasons or 36 months, irrespective of the relevant player's nationality or current age.

UEFA-style locally trained player rules in domestic leagues

Almost half of Europe's top-tier competitions currently have some form of UEFA-style locally trained player regulations in place – i.e. squad limits are reduced if the minimum number of locally trained players is not complied with. Ten of those leagues, including some of the most high-profile competitions (e.g. the English Premier League, the German Bundesliga and Italy's Serie A), use the same basic '4 + 4' requirement as UEFA (four association-trained players and four club-trained players).

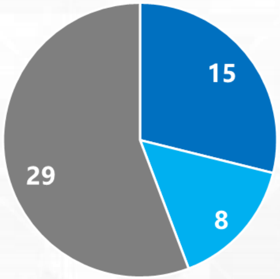
Three leagues introduce new rules

Bulgaria, Iceland and Kazakhstan have all introduced home-grown or locally trained player rules over the last two seasons (each with different restrictions). Iceland has gone for the UEFA approach, whereas Bulgaria and Kazakhstan have opted for a hard requirement by demanding that a minimum number of locally trained players be registered in club squads. Meanwhile, Estonia, Finland, Gibraltar, Portugal, Romania and Turkey have adjusted their existing rules, highlighting the inconsistent nature of such regulations. Estonia and Finland have added extra measures to their existing policies, while Gibraltar, Romania and Turkey have adjusted their quotas.

Hard minimum requirements in top-tier leagues

Eight leagues apply hard locally trained player requirements that must be met in order for clubs to compete, rather than offering incentives or financial benefits. These rules vary from league to league and may relate to the starting 11, the matchday squad or the overall club squad.

Breakdown of home-grown and locally trained player rules



Summary of home-grown and locally trained player requirements in top-tier leagues*

League	UEFA style approach	Hard requirement	Details if specified
ALB	4 + 4		
BEL	4 + 4		
BUL		15 + 0	in squad
CYP		2 + 0	in starting XI
DEN	4 + 4		
ENG	4 + 4		
EST		25 + 1	14 LTP on match-sheet, 1 CTP on pitch
FIN		9 + 4	9 LTP on match-sheet, 4 CTP on pitch
GEO	0 + 5		
GER	4 + 4		
GIB		3 + 0	on pitch
ISL	4 + 4		
ITA	4 + 4		
KAZ		8 + 0*	*Non-LTP in squad(8x) / on pitch (6x)
LUX		7 + 0**	**LTP: first registered in LUX
MDA	8 + 0		
NOR	14 + 2		Out of squad of 25 players
POR	10 + 0		10 LTP if B-team, 8 if no B-team
ROU	6 + 2		
SUI	4 + 4		
SWE		9 + 0	match-sheet
TUR	4 + 4		
UKR	4 + 4		

* In some countries leagues have regulated other incentives to influence the usage of home-grown and locally trained player requirements. For example, Austria has given clubs another incentive by ringfencing a third of all centralised broadcast revenue allocations for clubs that register at least 12 players who either (i) have Austrian citizenship or (ii) were registered in Austria before their 18th birthday.

Nationality-based rules becoming more flexible

21 leagues with limits on numbers of foreign players

Direct restrictions on the use of foreign players are fairly common in Europe's domestic leagues. Currently there are 21 leagues with such restrictions in place. For example, clubs in Montenegro's top division are allowed to field a maximum of three foreign players. At the other end of the scale, clubs in Turkey are allowed 14 foreign players in their squads (including a maximum of two foreign goalkeepers).

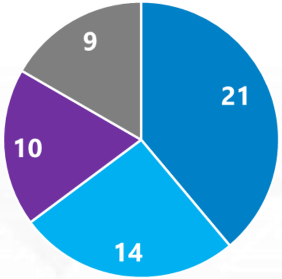
14 leagues with limits on numbers of non-EU players

The second most common restriction is a limit on the number of non-EU players. Such rules are currently in place in 14 leagues. A maximum of two non-EU players can be on the pitch at any one time in Poland, whereas eight non-EU players can be fielded in a match in Croatia.

Restrictions on work permits

A further ten countries rely solely on national work permit regulations, which can, in practice, impose squad restrictions of varying degrees of severity depending on the regime in place.

Breakdown of nationality-based rules



Use of Under-21 players encouraged

Several leagues have rules in place to encourage clubs to use young players. In Azerbaijan, Bosnia and Herzegovina, Moldova, FYR Macedonia, Montenegro and Romania, there are rules in place requiring clubs to actively involve Under-21 players.

Significant variation in competition rules

As the previous four pages have shown, competition rules vary significantly from country to country. The typology presented on this page is not able to cover all of the various types of rule that are applied across Europe. One example of this is the restriction currently in place in France stating that during the last two games of the season, clubs are obliged to select a minimum number of players that also featured in previous games.

15 leagues make changes to their requirements

Seven countries (Azerbaijan, Belarus, Croatia, Georgia, Kazakhstan, Romania and San Marino) have adjusted their rules on foreign players to make them more flexible. In addition, Armenia has removed all restrictions on the use of foreign players. Italy* and Serbia, on the other hand, have tightened their rules, allowing a maximum of three non-EU players and four foreign players respectively, in order to further encourage the use of domestic players in their top leagues.

League	Summary of rules	Details if specified	Work permits
ALB	4 Non-national	On pitch same time	
AND			All
ARM			
AUT			
AZE	6 Non-national		
BEL			
BIH	4 Non-national		Non-nationals
BLR	5 Non-national		
BUL	3 / 5 Non-EU	On pitch/in squad	Non-EU
CRO	8 Non-EU	Fielded during match	
CYP	5 Non-EU	Fielded during match	
CZE	5 Non-EU	Fielded during match	
DEN			
ENG			Non-EU
ESP			Non-EU
EST	5 Non-national		
FIN	3 Non-EU	Matchday squad	
FRA	4 Non-EU		
FRO	4 Non-Scandinavian	Fielded during match	
GEO	8 Non-national		
GER	12 German	Under contract	
GIB			Non-EU
GRE			
HUN	5 Non-EU	Fielded during match	
IRL			Non-EU
ISL	3 Non-EU	Matchday squad	Non-EU
ISR	5 / 6 Non-national	On pitch/squad	
ITA	3 Non-EU*		
KAZ	6 / 8 Non-LTP	On pitch/squad	
KOS			
LTU	6 Non-national		
LUX			
LVA	5 Non-national	On pitch same time	
MDA	7 Non-national	Fielded during match	
MKD	8 Non-national		
MLT	7 Non-national	On pitch same time	
MNE	3 Non-national	Fielded during match	
NED			Non-EU
NIR			Non-EU
NOR			Non-EU
POL	2 Non-EU	On pitch same time	
POR			
ROU	4 Non-EU		
RUS	5 Non-national	On pitch same time	
SCO			Non-EU
SMR	8 Non-national	On pitch same time	
SRB	4 Non-national		
SUI	5 Non-EU/LTP	On pitch same time	
SVK	5 Non-EU	Matchday squad	
SVN	3 Non-EU	Fielded during match	
SWE			Non-EU
TUR	14 Non-national	Squad incl. max 2 GK	
UKR	7 Non-national	On pitch same time	
WAL			

* Italy's amended regulations provide for a transitional exemption for clubs that already had more than two players from non-EU countries on 30 June 2018. The regulations allow those clubs to register two additional non-EU players, provided that those additional players either (i) replace other non-EU players or (ii) have been selected for the relevant national team in at least two matches.

CHAPTER #02

Club ownership

First-division clubs split fairly evenly between private and public ownership

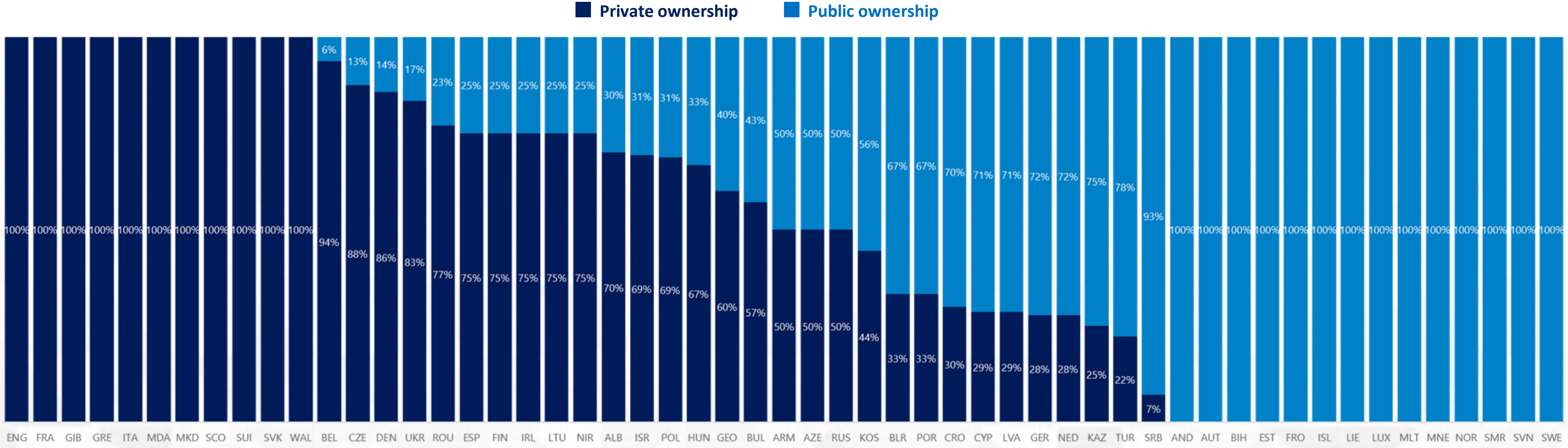
As in previous editions of this report, the next seven pages provide a high-level summary of ownership profiles and trends across European football. There are various forms of club ownership structure across Europe, partly owing to differences in statutory regulations, domestic legislation and commercial ambitions. This year's edition contains an overview of all 55 member associations (which, as with the analysis of club finances in this report, is based on the submissions of 680 clubs). The analysis on this page introduces a typology of private and public club owners* across Europe, which is followed by more detailed information on the origins of private owners across the 55 member associations.

Limited company is most popular legal form for private ownership

More than half (51%) of all top-division clubs for which sufficient information on ownership was provided** are controlled by a private party. In the vast majority of cases, these clubs have a limited company (e.g. a limited liability company, a joint stock company or a public corporation) or a private person as the ultimate controlling party.

12 leagues feature public institutions

A total of 12 European top divisions feature clubs which are considered to be under public ownership. This form of club ownership is most commonly encountered in Kazakhstan (nine clubs), Belarus (eight clubs) and Russia (six clubs). Institutions categorised as public include municipal entities or state-funded entities.



* This page distinguishes between private ownership (where ownership can be traced back to private persons) and public ownership (where legal entities such as associations and public institutions are the ultimate controlling party). ** 58 clubs did not provide UEFA with sufficient information regarding their ownership structure. The majority of these clubs did not apply for a licence for the following season.

England, France and Italy account for almost half of all foreign owners across all first divisions

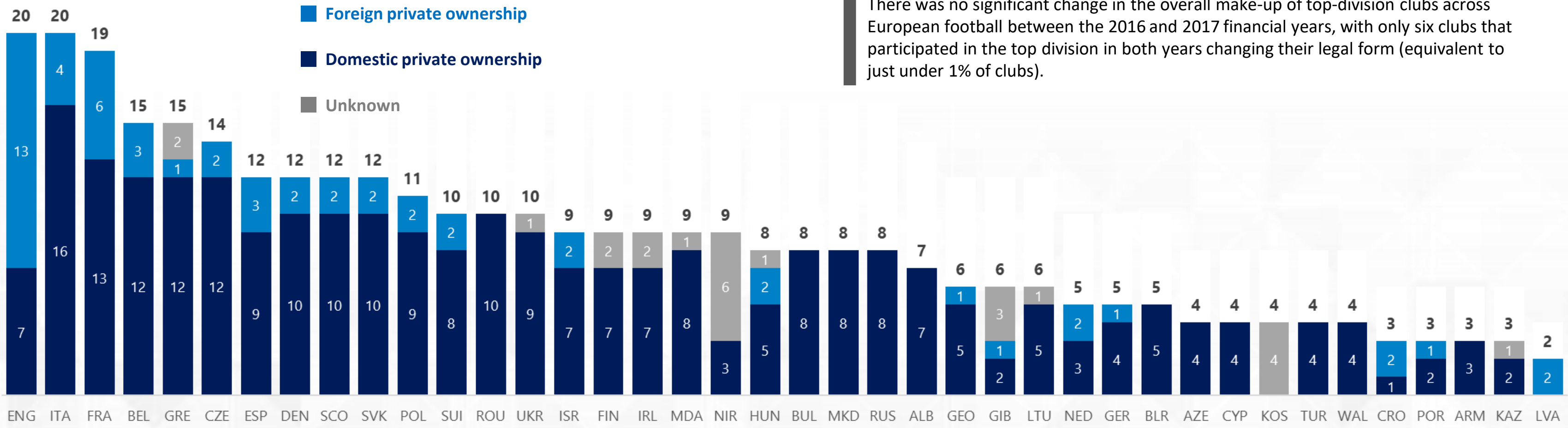
Three-quarters of private owners come from the same country as the club in question

In the 41 leagues where private club ownership can be found, most private owners (77%) come from the same country as the club in question, with the remaining owners coming from a foreign country. In the Czech Republic, England, Italy and Slovakia, all clubs currently have a single party with a majority share. Almost half of all foreign owners (41%) can be found in three leagues: the English Premier League, France's Ligue 1 and Italy's Serie A.

Checks and tests for new owners

Nine countries currently have special requirements governing the acquisition of clubs which go beyond the domestic financial reporting or listing procedures that clubs are required to undertake as private companies. England, Greece, Israel, Italy, the Netherlands, the Republic of Ireland, Scotland, Spain and Switzerland all have some sort of rules on new owners in the form of 'fit and proper person tests' and/or proof of funds requirements.

Ownership types per league



Clubs' legal forms broadly unchanged

There was no significant change in the overall make-up of top-division clubs across European football between the 2016 and 2017 financial years, with only six clubs that participated in the top division in both years changing their legal form (equivalent to just under 1% of clubs).

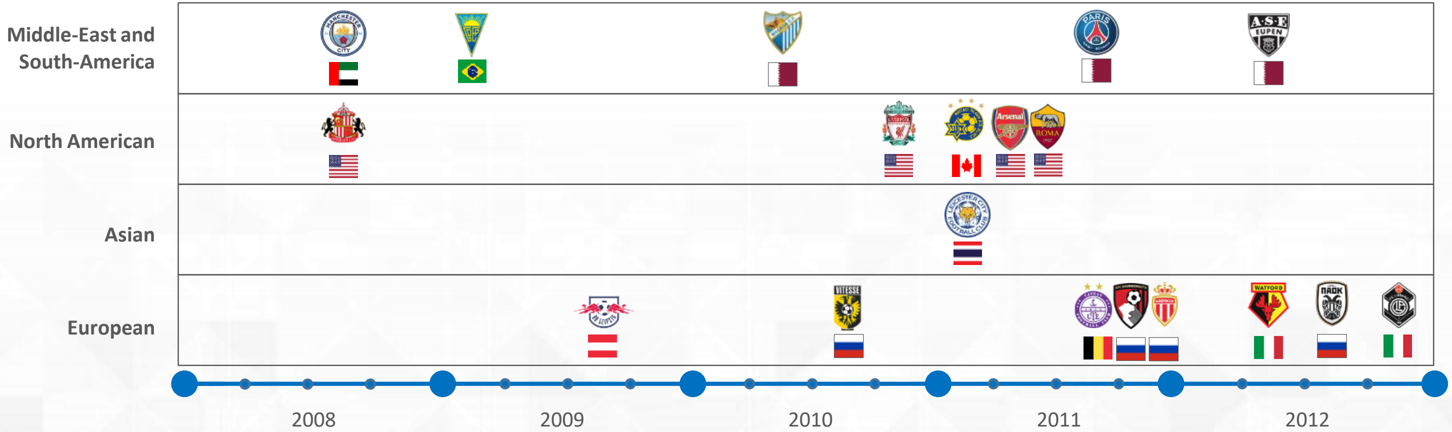

#OOTBALLPEOPLE

Over the last decade, European football has become increasingly attractive to foreign investors

The timeline on the next two pages shows all the foreign owners that acquired controlling stakes in first-division clubs in the period 2008–17 across all 55 member associations*. That timeline illustrates the national and regional diversity of club owners and shows how the profile of club ownership has shifted over the last decade. There are now 20 countries where foreign owners control one or more top-division clubs.

Minority foreign shares in European football

The timeline on the next two pages focusses on investments from foreign parties in European top division clubs. As well as those who have taken full ownership of clubs, there have been several examples in recent years of foreign investors that have obtained non-controlling shares. This has been mostly the case with Chinese parties where recent notable examples of investments in clubs include: Manchester City FC, Club Atlético de Madrid and Olympique Lyonnais.



* Since the timeline above only shows club owners that have acquired a controlling stake in the last decade, the following clubs do not appear, having been acquired prior to 1 January 2008: Celtic FC, Chelsea FC, Hapoel Haifa FC, FK Teplice, Manchester United FC, Budapest Honvéd FC, FK AS Trenčín and FC Nantes.

Rise in investment from other European countries

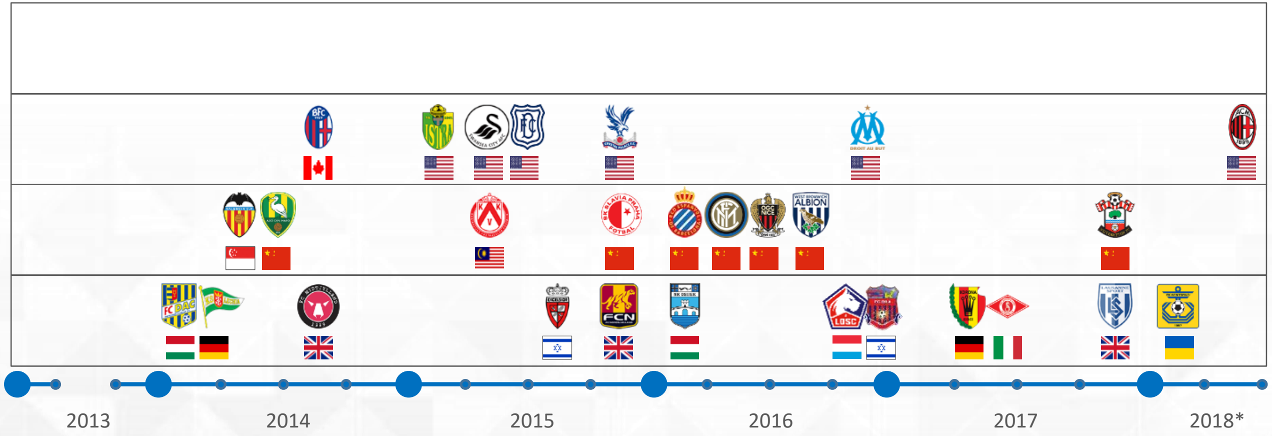
Foreign investment from elsewhere in Europe is becoming more widespread, with foreign owners from 13 different countries investing across 16 leagues. Investment from Russia is particularly common, with Russian owners acquiring a controlling stake at five clubs in other countries.

US investment most widespread

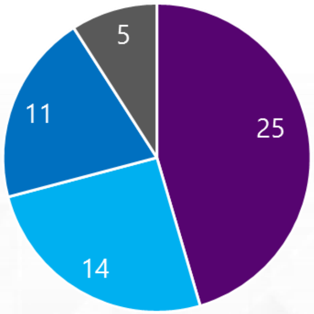
There are US-based owners in seven different European leagues, with the English Premier League being the most common destination.

Chinese investment has increased since 2015

Chinese investors are the second most reported foreign club owners across UEFA associations, with controlling stakes in two English clubs and single clubs in France, Italy, Spain, the Netherlands and the Czech Republic.



Origin of current foreign owners



* The analysis on this page is only contains finalised changes in club ownership communicated up until July 2018. Any changes that have occurred after this period, will not be displayed in the timeline above.

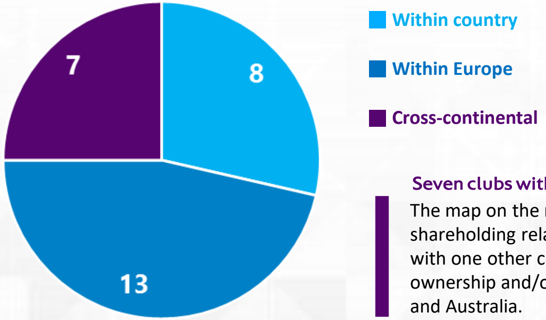
26 first-division clubs with cross-ownership relations with football clubs around the world

Last year's edition of the European Club Footballing Landscape report introduced the topic of cross-ownership relations between clubs. Whereas that report contained information on clubs in 15 leagues, this year's report covers all 55 member associations. For the purposes of this analysis, clubs have been divided into three different categories: (i) clubs with cross-ownership relations with other clubs in the same country; (ii) clubs with cross-ownership relations with clubs elsewhere in Europe; and (iii) clubs with cross-ownership relations with other clubs around the world.*

Cross-ownership most prevalent in England and Belgium

The map on the right shows all reported ownership and shareholding links between European clubs. A total of eight European first-division clubs (illustrated by their logos) reported ownership or shareholding links with other clubs in the same country. These are located in Belgium, Italy, Estonia, Belarus, Hungary and Turkey. Furthermore, there are also 14 first-division clubs (also illustrated by their logos) which reported ownership or shareholding links with clubs in other European countries. These all involve a Belgian or an English first-division club, confirming the prevalence of cross-ownership in those two countries.

Number of first-division clubs with cross-ownership relations



Seven clubs with cross-ownership relations with other continents

The map on the right shows all European first-division clubs with ownership or shareholding relations with clubs in other continents. While six of the seven have links with one other club, Manchester City FC (through the City Football Group) have ownership and/or shareholding relations with clubs in North America, South America and Australia.

* For the purposes of this page, cross-ownership is defined as (i) a private person having control and/or a decisive influence over more than one club, (ii) entities ('related entities') having control and/or a decisive influence over more than one club, and (iii) clubs having control and/or a decisive influence over other clubs.

Only four of Europe's top divisions have multiple clubs listed on the stock exchange

Around the turn of the millennium, many European clubs, especially in the UK, looked to the stock market in order to raise capital. Today, 21 European top-division clubs are listed on the stock exchange, but this appears to be a declining trend. Owing to the multi-faceted nature of many clubs, share prices do not always move in line with success or failure on the pitch. Stadium management, the performance of other sporting assets, commercial agreements and external, domestic political factors can all affect share prices.

More common in some countries than others

The listing of clubs on the stock exchange* is more prevalent in some European countries than others. Several clubs in Denmark, Italy, Turkey and Portugal have been listed for almost 20 years. With other European clubs increasingly becoming global enterprises, their owners may also begin to consider floating on the stock market.

Some clubs have delisted

In the last ten years, however, a number of clubs (five in England and one in Scotland) have delisted, principally owing to takeovers.

Delisted top-division clubs by year

Clubs listed on the stock exchange

* This page shows all top-division European clubs that are listed on stock exchanges. These range from full share offerings to minority share listings (e.g. Fenerbahçe SK, where the club association has a controlling stake of 67%, with the remaining 33% being listed on the stock exchange). In addition to the clubs on this page, there are a handful of clubs in lower leagues which are listed (e.g. Silkeborg IF in Denmark and FK Teteks in FYR Macedonia).

CHAPTER #03

Stadiums and supporters

160 football stadium projects in the last ten years

The UEFA Intelligence Centre's composite stadium database combines UEFA's own research with external data sources to create a unique picture of stadium developments around the world. Stadium projects come in many different shapes and sizes, so for reasons of consistency the analysis in this report is limited to outdoor stadiums with a capacity of over 5,000, in line with the analysis contained in the report two years ago. It also focuses solely on projects completed over the last decade (i.e. between 2009 and 2018).

495

Stadium projects

UEFA's database contains details of a total of 495 officially confirmed projects involving outdoor stadiums with a capacity of over 5,000 since 2007. Those projects involve more than ten different sports and span all six continents around the world.

234

UEFA associations

Of those 495 major stadium projects around the world, 234 have taken place in the 55 UEFA countries. The overwhelming majority (221) are football stadium projects, with most of the remainder involving rugby or speedway venues.

159

Football projects

159 of those football stadiums were constructed in the period from 2009 to 2018. This is the sample that will be used for the analysis in this section, with those projects being broken down by type of stadium, year of completion, type of stadium tenant post-construction and stadium capacity.

Poland and Turkey have completed 50+ major stadium projects in the last decade

The analysis below is based on a sample comprising 159 stadium projects over the last ten years. As such projects are highly diverse in nature, stadiums have been categorised as follows:

New build: A completely new stadium in a new location. Almost two-thirds (65%) of the 159 projects fall into this category.

Rebuild: A stadium that has been largely rebuilt on the original site. This accounts for 10% of those projects.

Renovation: The remaining 25% of projects concern existing stadiums that underwent significant renovation work. Cosmetic renovations (e.g. the replacement of seating) are not included.

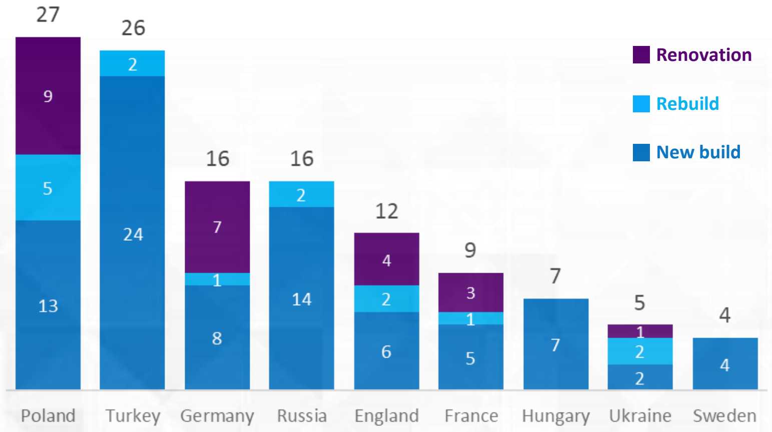
Turkish stadium projects have an aggregate capacity of almost 750,000

Poland and Turkey have been highly active in the area of stadium construction, having completed at least ten more projects than any other European country in the last decade. In terms of size, those stadiums in Turkey have an aggregate capacity of almost 750,000, just ahead of Russia (around 700,000) and Poland (around 600,000). The 34 other stadiums that are not included in the chart below were constructed in member associations which have completed fewer than four stadium projects over the last decade.

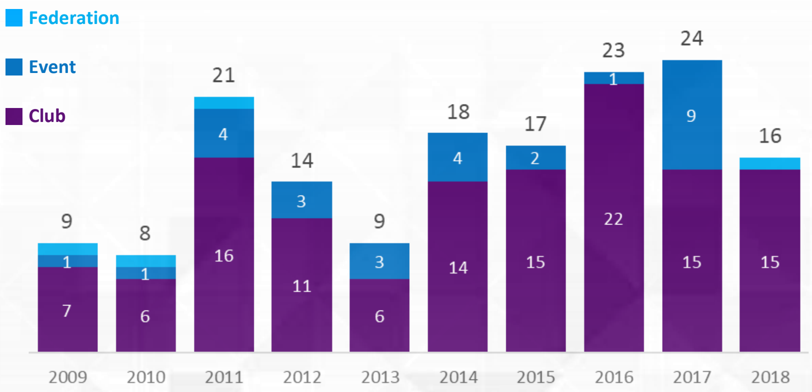
Major sporting events remain a key driver of infrastructure projects

Overall, the last ten years have seen an upward trend in the number of stadium projects being completed (despite a decline in 2018). 17% of projects (29) were driven by major international sporting events, such as the 2018 FIFA World Cup in Russia and EURO 2012 and EURO 2016. In nearly every instance, a club or federation became the anchor tenant post-event. Kazakhstan, the Republic of Ireland, Romania and Albania were the only associations to complete a new stadium which was planned to be used primarily for the national football team.

Top nine countries by number of stadium projects, 2009–18



Stadium projects by year of completion




PIRELLI
8
37
unicef
10
BROZOVIĆ

Projects completed in 33 different countries in the last ten years

The timeline presented on the next two pages plots the 159 football stadium projects that have been completed over the last decade. Those projects are broken down by country, project type, stadium size and date of completion.

Upward trend in numbers of stadium projects

Over the last ten years, there has been a clear upward trend in the number of stadium projects across Europe, notwithstanding the direct influence of the hosting of major international sporting events. Even excluding stadiums constructed specifically for such events, the number of projects has increased in four of the last five years.

Poland most active during first half of decade

Between 2009 and 2013, Poland was the most active country in this area, with 18 completed projects. Germany was the second most active country in this period, with all ten of its projects being carried out by clubs. The hosting of EURO 2012 and EURO 2016 had a big influence on the number of projects being completed in Poland, Ukraine and France over this five-year period.

Stadium project timeline

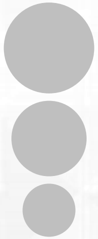
The timeline on the right shows projects' completion dates (horizontal axis) and stadium capacities (vertical axis and circle size). In addition, different colours are used for the three different types of project:

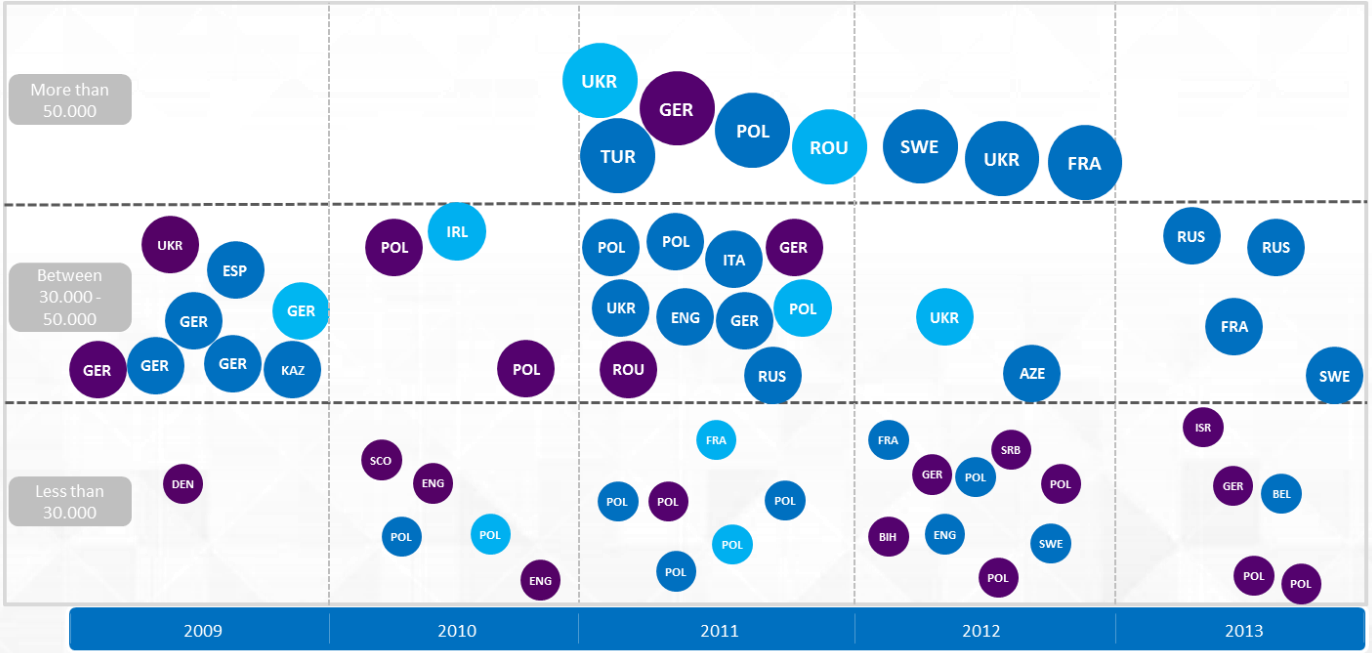
Capacity

More than 50,000

Between 30,000 and 50,000

Less than 30,000





A sign of a healthy game

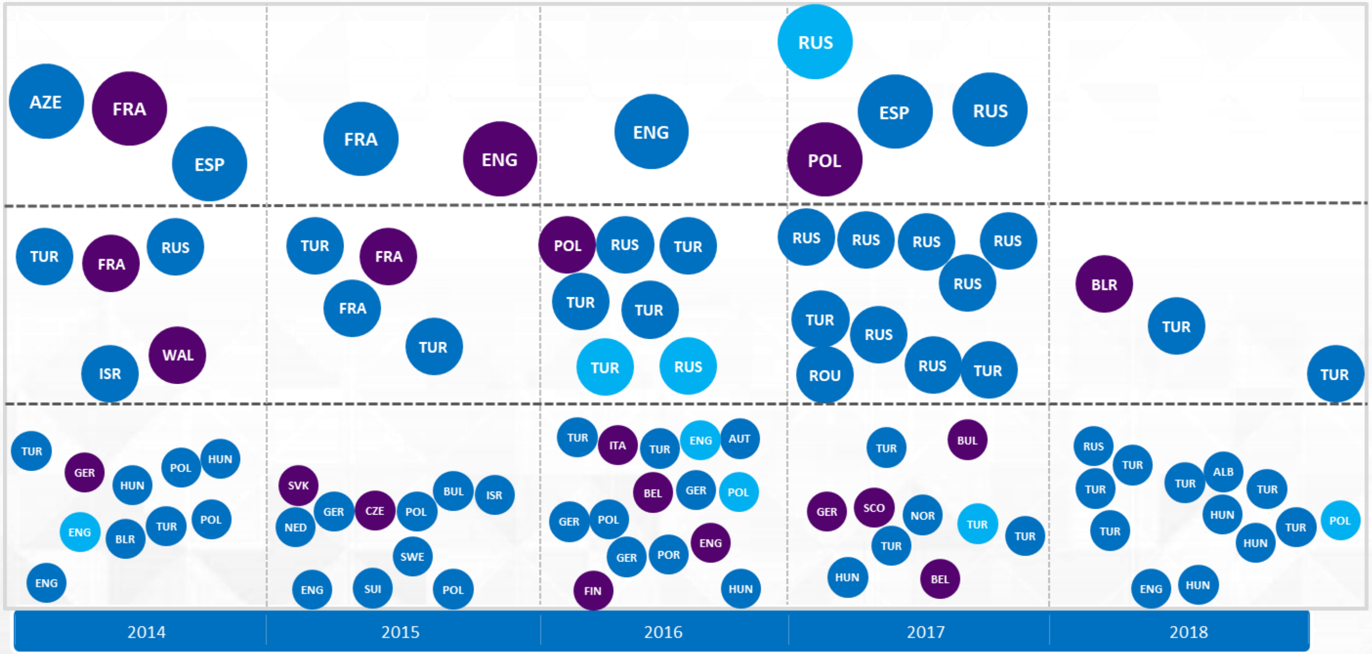
Stadium projects have been completed by clubs and associations in 33 different countries over the last decade. The fact that such investment in infrastructure can be observed in more than half of all UEFA member associations is a sign of a healthy game. UEFA's financial fair play system acknowledges the benefits of such investment and is structured in such a way that it encourages clubs to continue to improve facilities for the long-term benefit of European football.

Russia responsible for largest venues

The hosting of the 2018 FIFA World Cup was clearly a factor in many of the stadium projects that were completed in 2017 in Russia. Nine projects were finalised in Russia in that year, with an aggregate capacity of more than 400,000. Those projects included the largest new build of the last ten years, Krestovsky Stadium in Saint Petersburg, and the largest rebuild, Luzhniki Stadium in Moscow.

Turkey most active in recent years

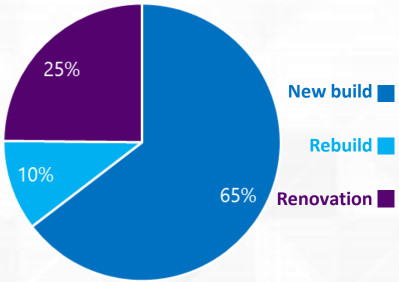
A total of 98 stadium projects have been completed in the last five years. In the last two years, Turkish clubs have been the most active with 14 projects, followed by Hungarian clubs with four. It is worth noting that every Turkish stadium project has been either a new build or a rebuild, with no significant renovations reported in the last decade.



Looking ahead to the next five years

Four 60,000+ capacity stadium projects are already scheduled for completion in the next five years: the Tottenham Hotspur Stadium in England, the Puskás Ferenc Stadium in Hungary, the rebuilding of Ankara 19 Mayıs Stadium in Turkey and the Feyenoord City new build in the Netherlands. At the time of writing, stadium projects in 17 different countries are due to be completed in the next five years.

Breakdown by type of project, 2009–18



Highest aggregate attendance level on record in 2017/18

The number of people making their way to football stadiums to support their team remains an important indicator of the health of club football. The following three pages provide a broad overview of the situation in Europe's top divisions in the 2017/18 season.

Domestic attendances surpass one hundred million mark

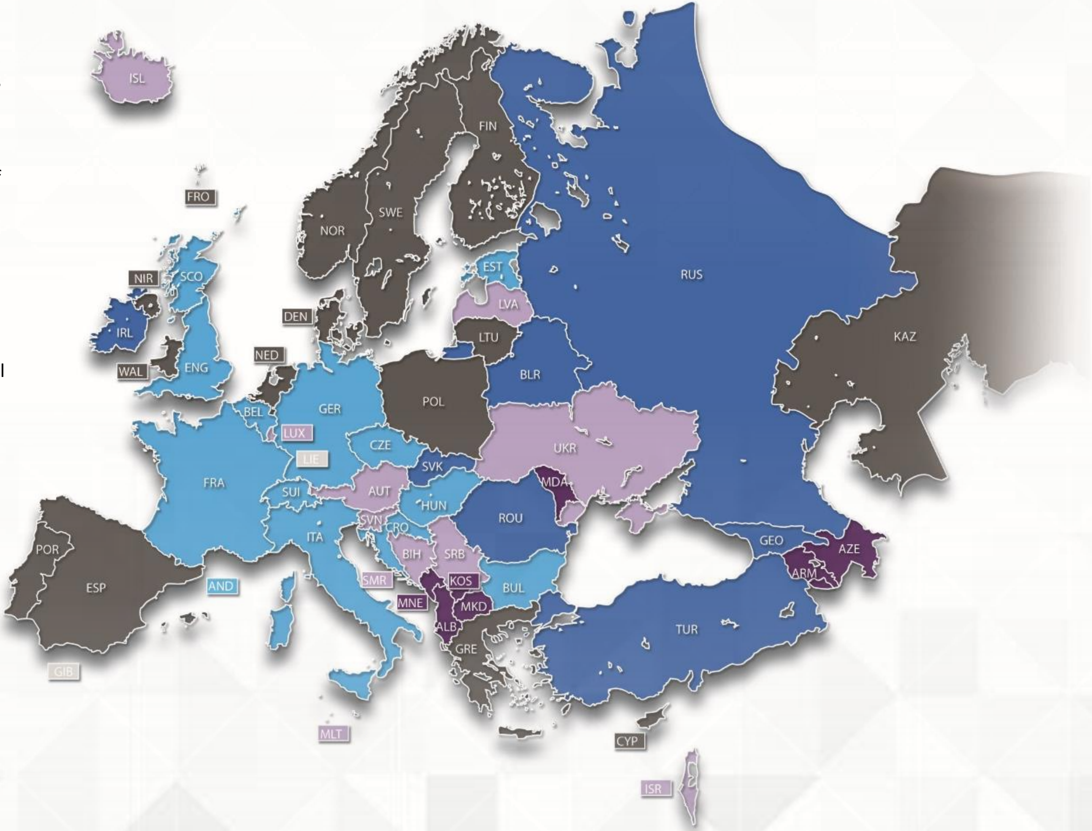
Stadium attendance levels in Europe are on the rise, with 2017/18 crowd figures up 6.4% relative to 2016/17. Indeed, aggregate European league attendance figures exceeded 100 million in 2017/18, the first time that had been achieved since 2013/14. Almost half of all top divisions (25) saw a rise in ticket sales, with the biggest increases coming in Turkey, Italy, England and Germany. Increases of more than a million were seen in Italy and Turkey, driven mainly by their most successful clubs: FC Internazionale Milano, AC Milan, AS Roma, SSC Napoli and SS Lazio in Italy, and Galatasaray AŞ and Fenerbahçe SK in Turkey.

Attendance levels fairly stable in many countries

As was found in last year's report, attendance trends are fairly stable across UEFA's member associations, with 15 associations reporting year-on-year changes of less than 5%. This stability serves as a valuable indicator of the overall success of European club football.

Aggregate match attendance trends: 2016/17 to 2017/18

Increase of more than 15%	7x
Increase of 5% to 15%	13x
Increase/decrease of less than 5%	15x
Decrease of 5% to 15%	11x
Decrease of more than 15%	7x
Unknown	2x



15 clubs had aggregate attendances of more than 1 million in 2017/18

The 1 million mark

Last year's report identified a record 11 clubs with aggregate league attendances of over 1 million. The 2017/18 season surpassed last year's record, with 15 clubs achieving that landmark figure. Tottenham Hotspur FC, Club Atlético de Madrid and Milan-based teams FC Internazionale Milano and AC Milan joined that select club, with last year's 11 clubs all repeating the feat in 2017/18.

Big increase for Tottenham Hotspur FC

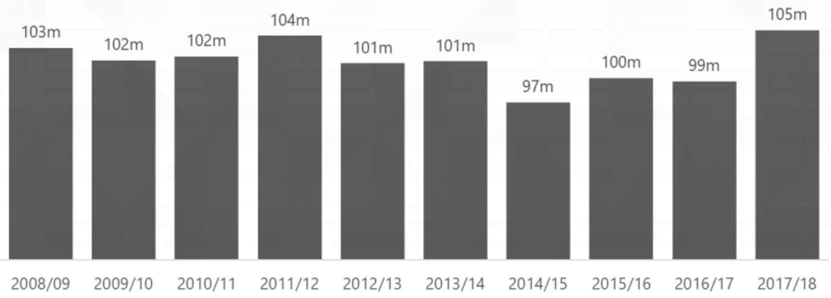
Tottenham Hotspur FC saw a big increase in ticket sales thanks to their temporary move to Wembley Stadium, while AC Milan also achieved improved figures. In addition, two newly promoted clubs, Newcastle United FC and VfB Stuttgart, reclaimed their places among Europe's top 20. As a result, VfL Borussia Mönchengladbach, AFC Ajax, Hamburger SV and Hertha BSC Berlin all dropped out of the top 20.

Top 20 clubs by aggregate home league attendances 2017/18	Average	Total
1. Manchester United FC (ENG)	74'976	1'424'544
2. Borussia Dortmund (GER)	79'496	1'351'432
3. Tottenham Hotspur FC (ENG)	67'953	1'291'107
4. FC Bayern München (GER)	75'000	1'275'000
5. FC Barcelona (ESP)	66'603	1'265'457
6. Real Madrid CF (ESP)	66'161	1'257'059
7. Arsenal FC (ENG)	59'323	1'127'137
8. FC Internazionale Milano (ITA)	57'529	1'093'051
9. Celtic FC (SCO)	57'523	1'092'937
10. West Ham United FC (ENG)	56'885	1'080'815
11. Club Atlético de Madrid (ESP)	55'483	1'054'177
12. FC Schalke 04 (GER)	61'197	1'040'349
13. Manchester City FC (ENG)	54'070	1'027'330
14. Liverpool FC (ENG)	53'049	1'007'931
15. AC Milan (ITA)	52'690	1'001'110
16. Newcastle United FC (ENG)	51'992	987'848
17. SL Benfica (POR)	53'209	957'762
18. VfB Stuttgart (GER)	56'045	952'765
19. Rangers FC (SCO)	49'174	934'306
20. Paris Saint-Germain FC (FRA)	46'929	891'651

Top 20 clubs based on aggregate attendances in 2017/18

Highest domestic league attendances on record

Aggregate European attendance figures over the last ten years



Domestic attendances bounce back

Over the last decade, aggregate European attendances have surpassed the 100 million mark seven times. The difference between the highest recorded figure and the lowest over that decade is around 7%, illustrating the stability of one of European's most popular pastimes. Furthermore, European attendance levels seem to have recovered from the dip that was observed in 2014/15, when Italy and Turkey (the countries with the largest increases in 2017/18) reported the largest declines. Last year's figure of 105 million is the highest of the last decade, marginally outperforming the level achieved in 2011/12.

Nine clubs with 10,000+ increase

Nine clubs added 10,000 or more to their average league attendance figures in 2017/18. Tottenham Hotspur FC topped the list, benefiting from their season-long move to Wembley Stadium. Club Atlético de Madrid and FC Zenit St Petersburg also moved to new venues before or during the 2017/18 season, leading to significant increases in their attendances, while Real Betis Balompié increased their capacity by nearly 8,000 seats before the start of the season. A further eight clubs in seven different countries increased their average attendances by more than 5,000, underlining the growth in crowd figures across the continent.

Biggest increases in average attendance figures

Club rank by attendance increase	2016/17 season	2017/18 season	Increase
1. Tottenham Hotspur FC (ENG)	31'639	67'953	36'314
2. FC Zenit St Petersburg (RUS)	18'557	43'963	25'406
3. Galatasaray AŞ (TUR)	21'351	40'778	19'427
4. Real Betis Balompié (ESP)	33'097	46'711	13'614
5. Fenerbahçe SK (TUR)	16'485	29'035	12'550
6. AC Milan (ITA)	40'326	52'690	12'364
7. FC Internazionale Milano (ITA)	46'622	57'529	10'907
8. Club Atlético de Madrid (ESP)	44'710	55'483	10'773
9. SS Lazio (ITA)	20'453	30'990	10'537

Germany by average, England by aggregate

Once again, the German Bundesliga and the English Premier League occupy the top two spots in terms of average and aggregate attendances. A total of 12 first divisions averaged more than 10,000 spectators per game in 2017/18: the ten in the table below, plus the Belgian Pro League and the Swiss Super League. Of that top ten, Spain's La Liga and the Dutch Eredivisie reported minor declines in attendances, with the other eight leagues outperforming the previous year's figures. The largest crowd of the 2017/18 season was recorded on 6 May 2018 at a match between FC Barcelona and Real Madrid CF, with 97,939 spectators in attendance.

Top ten European leagues by average attendance*

League	Number of teams	Number of matches	Average	Aggregate	Highest
1. GER	18	306	44'511	13'620'468	81'360
2. ENG	20	380	38'310	14'557'667	83'222
3. ESP	20	380	27'068	10'285'878	97'939
4. ITA	20	380	24'706	9'388'185	78'328
5. FRA	20	380	22'548	8'568'164	60'410
6. NED	18	306	19'082	5'838'990	53'320
7. SCO	12	228	15'986	3'644'865	59'259
8. RUS	16	240	13'969	3'352'560	53'359
9. TUR	18	306	12'874	3'939'410	53'304
10. POR	18	306	11'945	3'655'204	63'526

* The table lists the top ten top tier leagues in Europe, consistent with the rest of the report. It is worth noting that the second tier English league, 'The Championship', had the sixth highest average attendance in Europe and third highest aggregate attendance and the second tier German league, Bundesliga II, had the 8th highest average and aggregate European attendance.

Nine clubs with more than 10 million followers on Instagram

The analysis below builds on the findings of last year's report examining the popularity of clubs and their players on social media platforms. Follower numbers on Twitter and Facebook have been updated,* and details of Instagram followings have also been included. All figures are taken from official club and player accounts.

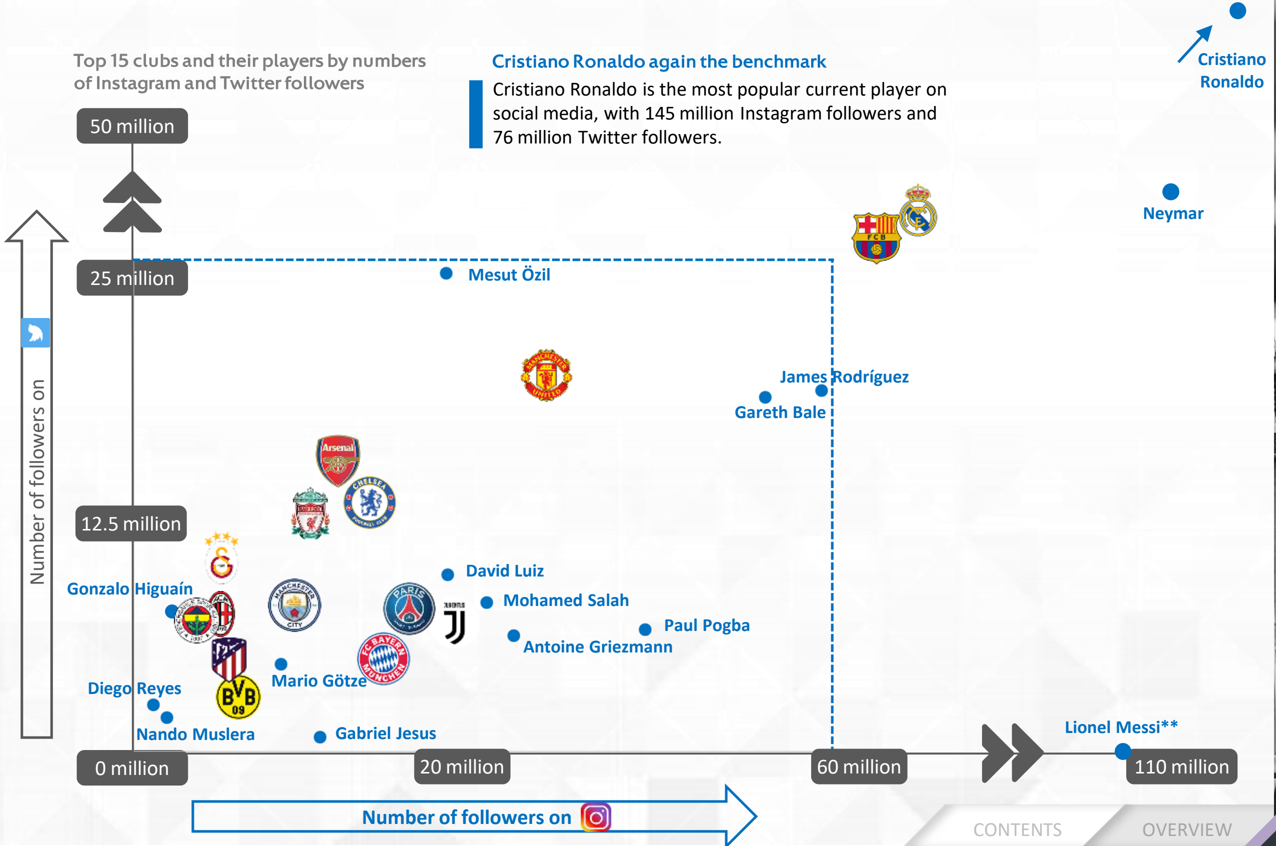
Players have more followers on Instagram than Twitter

Top players tend to have more followers on Instagram than Twitter (often double the number). While Instagram attracts a younger demographic which is more active on social media, these findings also suggest that football fans may be more interested in exclusive images and video content than players' opinions and messages in text form (which are more commonly found on Twitter).

Domestic markets a big driver of popularity

Players tend to accumulate followers at a faster rate than clubs, with significant increases coming with every transfer, especially when switching between leagues. Players born in countries with large populations will often have a big advantage over players from smaller countries when it comes to accumulating followers.

Top 15 clubs and their players by numbers of Instagram and Twitter followers



Cristiano Ronaldo again the benchmark

Cristiano Ronaldo is the most popular current player on social media, with 145 million Instagram followers and 76 million Twitter followers.

* The social media figures in this section were collected in mid-November 2018.

** Lionel Messi does not have an official Twitter account.

Popularity varies considerably across social media platforms

This page looks at popularity levels on Facebook, Twitter and Instagram, comparing clubs with their most popular players. Although all three of these platforms are grouped as Social Media, there are differences in their relative use.

Different platform, different type of user

The differences between the relative popularity of clubs and their players on the various platforms may, in part, be explained by the content that is published on those platforms and the users that they attract. The greater relative popularity of players on Instagram may be down to the platform's younger users, who prefer to engage with exclusive images of their favourite players. In contrast, older users tend to favour Facebook and Twitter and the text-based content about the team that clubs tend to publish on those platforms.

Clubs and players more evenly balanced on Twitter

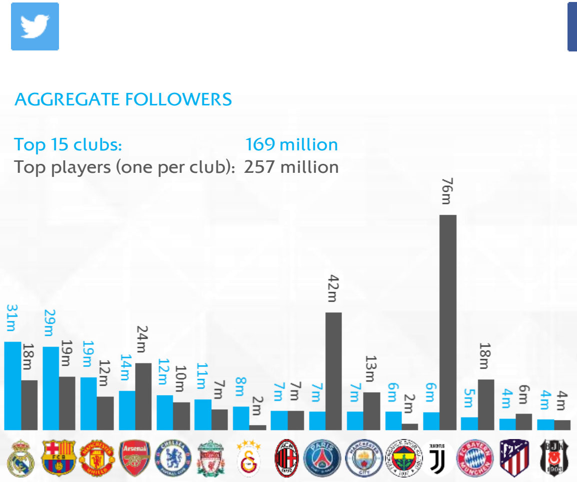
The popularity of clubs and players is more balanced on Twitter than it is on the other two social media platforms. The two notable exceptions are Cristiano Ronaldo (11 times more popular than Juventus – the highest ratio on record) and Neymar (more than six times more popular than Paris Saint-Germain FC).

Clubs more popular on Facebook

Facebook is the platform that is most favourable to clubs, with Neymar and Cristiano Ronaldo the only players outperforming their clubs in terms of the number of Facebook followers/ likes.

Players more popular on Instagram

At 11 of the top 15 clubs, the most popular player has a higher number of followers on Instagram than the club they play for. Only Real Madrid CF, AC Milan and Turkish clubs Galatasaray AŞ and Fenerbahçe SK have a higher number of followers than their top player.



CHAPTER #04

Club sponsorship

A fragmented picture for kit manufacturing

In line with previous editions of this report, the next five pages provide a high-level summary of club sponsorship, with a focus on the most high-profile categories, namely kit manufacturers and principal shirt sponsors. As in the club ownership section of the report, this year's edition provides an overview of all 54 top divisions across Europe. The data presented in this section is derived from various sources, including UEFA's sponsorship database, the submissions of the 680 clubs and UEFA's club licensing network.

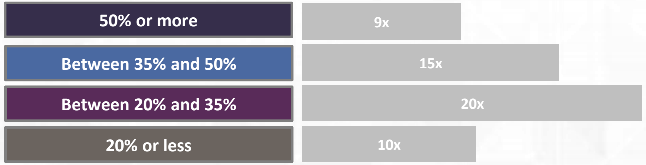
Latvia and Estonia have highest levels of concentration

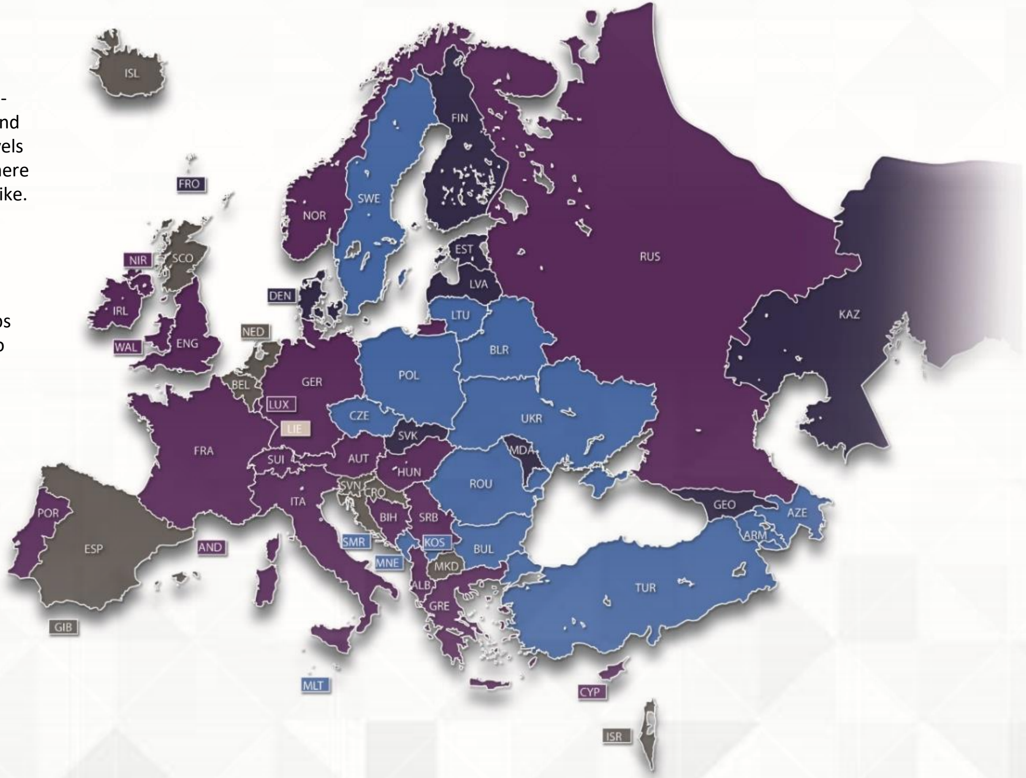
There are nine countries where a single kit manufacturer supplies at least half of all first-division teams in the 2018/19 season, with adidas (3x), Nike (3x), Puma (1x), Joma (1x) and Hummel (1) each providing more than half of all shirts in a single league. The highest levels of single-provider concentration are found in the Latvian and Estonian first divisions, where five out of eight and six out of ten teams respectively have their kits manufactured by Nike.

Ten leagues with a concentration level below 20%

There are ten divisions with a high degree of fragmentation. The lowest level of single-provider concentration can be found in the Netherlands, where the 18 first-division clubs have 16 different kit manufacturers. Masita and adidas are the only kit manufacturers to feature on two shirts in the Netherlands, making up just 11% of the market.

Concentration of kit manufacturers in top divisions in 2018/19





The two leading manufacturers, Nike and adidas, have a combined market share of just over a third (34%)

Five brands with a market share of more than 5%

Only two kit manufacturers, Nike and adidas, have a market share of more than 10% across all top-division clubs in Europe. Those two leading manufacturers have a combined market share of 34%. Joma, Macron and Puma are the only other manufacturers with a market share of more than 5%.

11 manufacturers supply clubs in ten leagues or more

There are currently 11 kit manufacturers that are the official kit partner of clubs in ten leagues or more across Europe. Nike is the most widely represented manufacturer, featuring in 47 of the 54 leagues (87%), followed closely by adidas, who currently feature in 81% of all leagues.

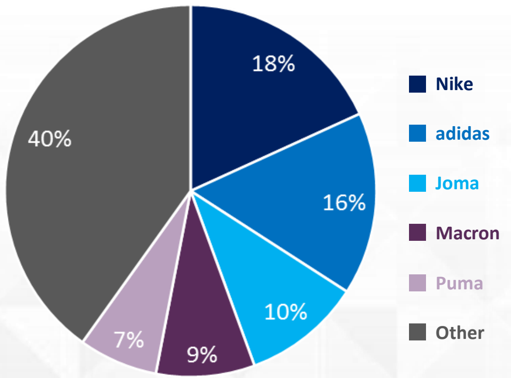
More than 60 kit manufacturers across Europe

In the 2018/19 season, there are 62 different manufacturers across the 54 top divisions. The chart below shows the market shares of the leading manufacturers. Firms with market shares of less than 5% (including brands such as Hummel, Umbro, Jako and Kappa) have been grouped together under 'Other' .

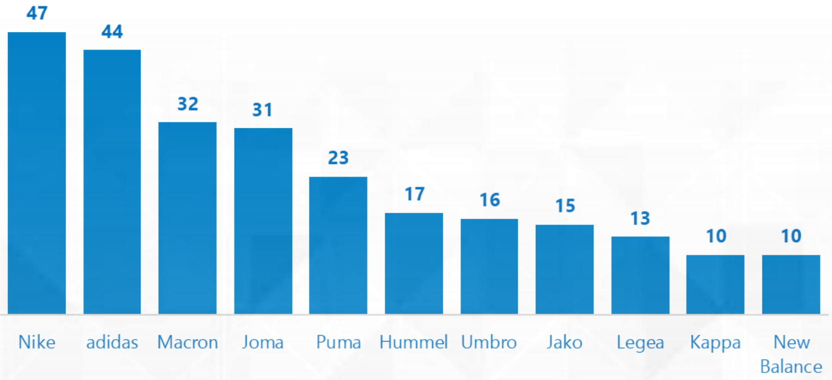
24 kit manufacturers supply only one club

The other 51 kit manufacturers, which are not illustrated in the chart below, supply clubs in fewer than ten European leagues. Of those companies, 31 supply clubs in only one league, and 24 supply only one club.

Market shares of leading kit manufacturers



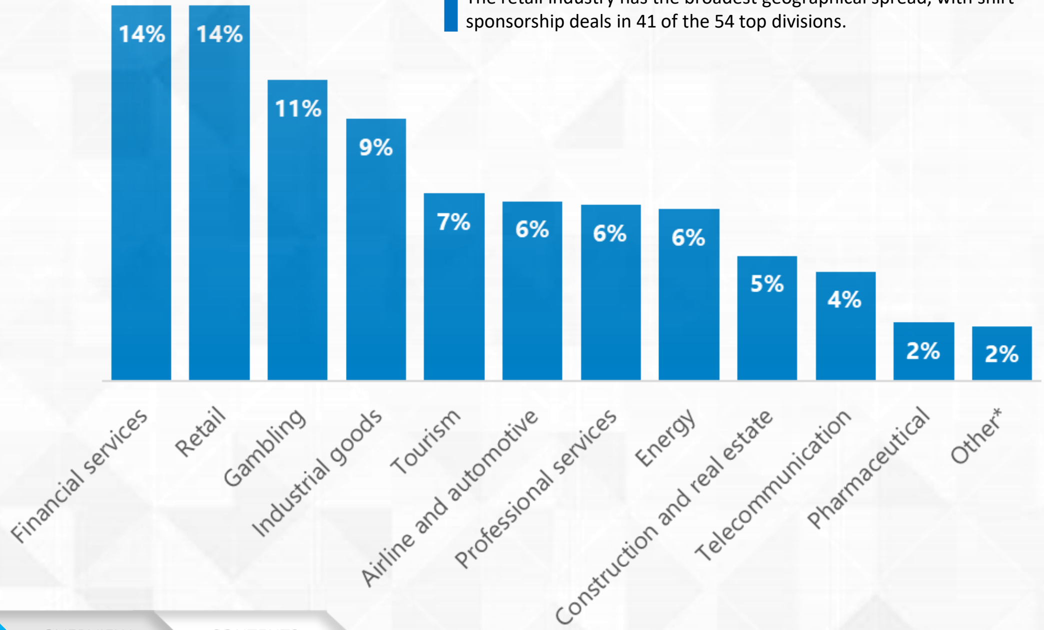
Number of European leagues that kit manufacturers are active in



No industry with a market share of more than 15%

The next three pages look at the shirt sponsors of clubs in Europe's top divisions, with a focus on the industries represented and where those firms come from. For the purposes of this analysis, shirt sponsors are defined as the main company appearing on the front of the club's home shirt.

Industries represented by main sponsors across Europe's top divisions



Retail and financial services are most widely represented industries

The retail and financial services industries are the most widely represented, with each appearing on just under a hundred clubs' shirts. The retail industry has the broadest geographical spread, with shirt sponsorship deals in 41 of the 54 top divisions.

Different types of firm in the various categories

Financial services: Banks and insurance companies
Retail: Fast-moving consumer goods, retail stores and e-shops
Gambling: Gambling and sports betting companies
Industrial goods: Machinery, manufacturing plants, raw materials
Tourism: Countries and regions, hotels, education
Airlines and automotive: Airline operators, and car and tyre manufacturers
Professional services: Technology companies, business services, logistics
Energy: Natural resource companies
Construction and real estate: Construction companies, real estate agents
Telecommunications: Television, internet and phone service providers
Pharmaceutical: Medicine developers, chemists, healthcare

Variation in shirt sponsorship deals across Europe

The nature of shirt sponsorship deals varies significantly across Europe. Some clubs have different main sponsors for their home, away and European matches; some appoint multiple shirt sponsors; some occasionally feature different sponsors on a match-by-match or player-by-player basis. In such instances, the analysis in this section is based on the first official shirt sponsor contracted for the home kit for the full season.

* 'Other' includes governmental and charitable organisations, as well as individual philanthropists.

Sports betting/gambling companies sponsor shirts in almost half of all top divisions (26)

Gambling firms are most common type of shirt sponsor in ten leagues

Gambling and sports betting firms sponsor clubs in a total of 26 leagues across Europe. In ten of those leagues (many of which are located in south-east Europe), they are the most common type of shirt sponsor. The highest levels of concentration can be found in Bulgaria (where 10 of the 14 clubs in the top division are sponsored by a betting company) and England (where such firms sponsor 9 of the 20 clubs in the Premier League).

Financial services dominate in Norway

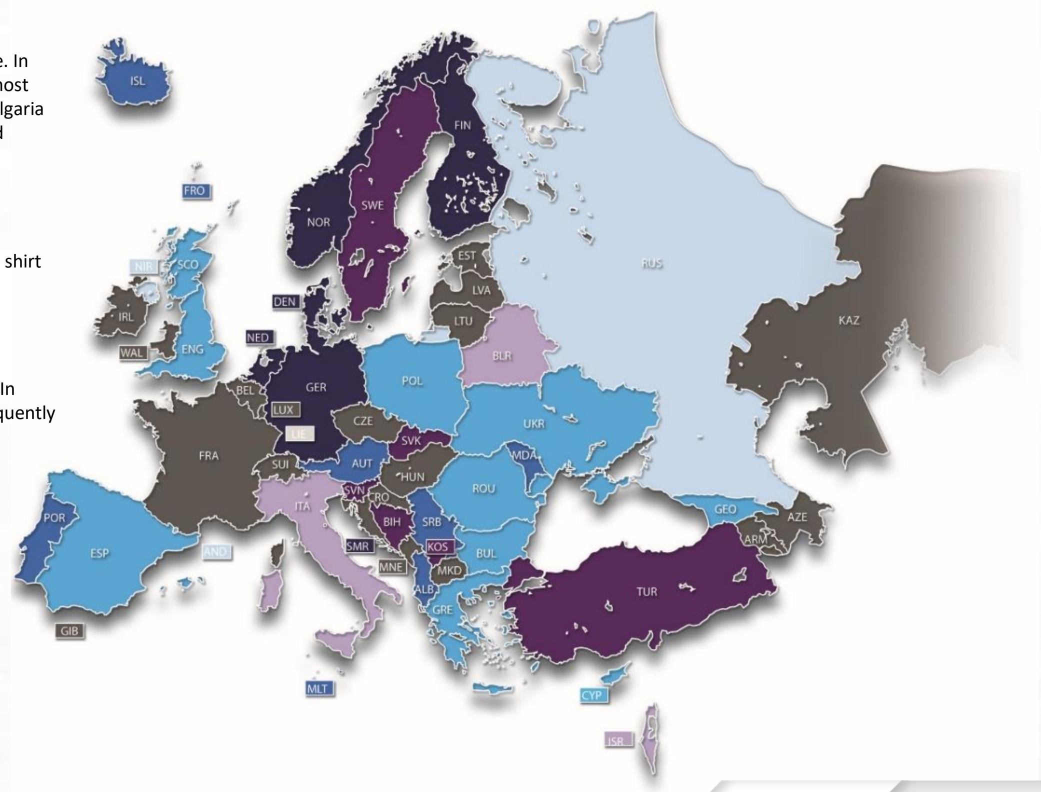
In Norway's first division, 13 of the 16 clubs have a financial services company as their shirt sponsor, making it the most concentrated top division in Europe.

One-third of leagues without a dominant industry

There are 18 top divisions where firms from a wide range of industries sponsor clubs. In these leagues, no industry features more than twice or no industry features more frequently than all the others.

Breakdown of leagues by most common type of shirt sponsor

Financial and professional services	6x
Retail	8x
Gambling	10x
Construction and industrial goods	6x
Airlines and automotive	3x
Energy and tourism	3x
Wide range of industries	18x



56 clubs across 25 leagues have a non-European shirt sponsor, highlighting the global appeal of European football

Premier League has 16 non-European shirt sponsors

As the appeal and exposure of European football leagues becomes increasingly global, the number of non-European main sponsors is also on the rise. Companies headquartered in Asia appear on 34 different clubs' shirts (equivalent to 5% of all clubs). One-third of those clubs play in the Premier League – which, when combined with the four other sponsors in that country that have headquarters in North America or Africa, highlighting the particular global appeal of that league and its clubs.

13 leagues where all sponsors are domestic firms

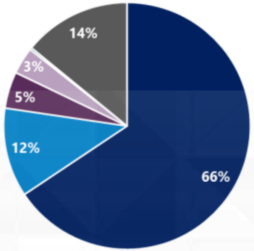
There are 13 leagues where all clubs' main sponsors are domestic companies.* Only in England, Gibraltar, Spain and Ukraine are more than half of all shirt sponsors headquartered in foreign countries.

Shirt sponsors less common in Andorra, Kazakhstan and Montenegro

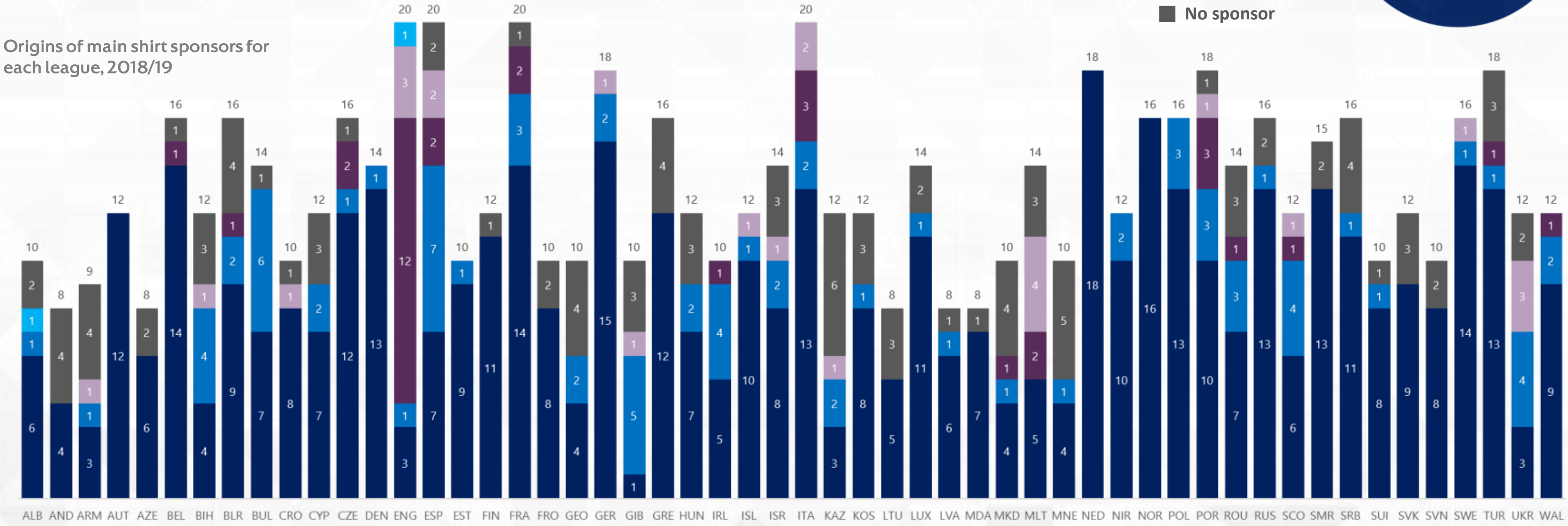
At the time of writing, 39 of the 54 leagues have at least one club without a shirt sponsor. In Andorra, Kazakhstan and Montenegro, at least half of all clubs fall into that category.

Origins of main shirt sponsor, 2018/19

- Domestic
- Rest of Europe
- Asia
- North America
- Africa
- No sponsor



Origins of main shirt sponsors for each league, 2018/19



* Deciding whether a company or brand is a domestic or international firm can sometimes be a subjective exercise. Where a shirt sponsor is headquartered domestically but the brand is international, the firm is regarded as a domestic sponsor for the purposes of this analysis. What is more, all sponsors that are headquartered in UEFA countries are regarded as European.

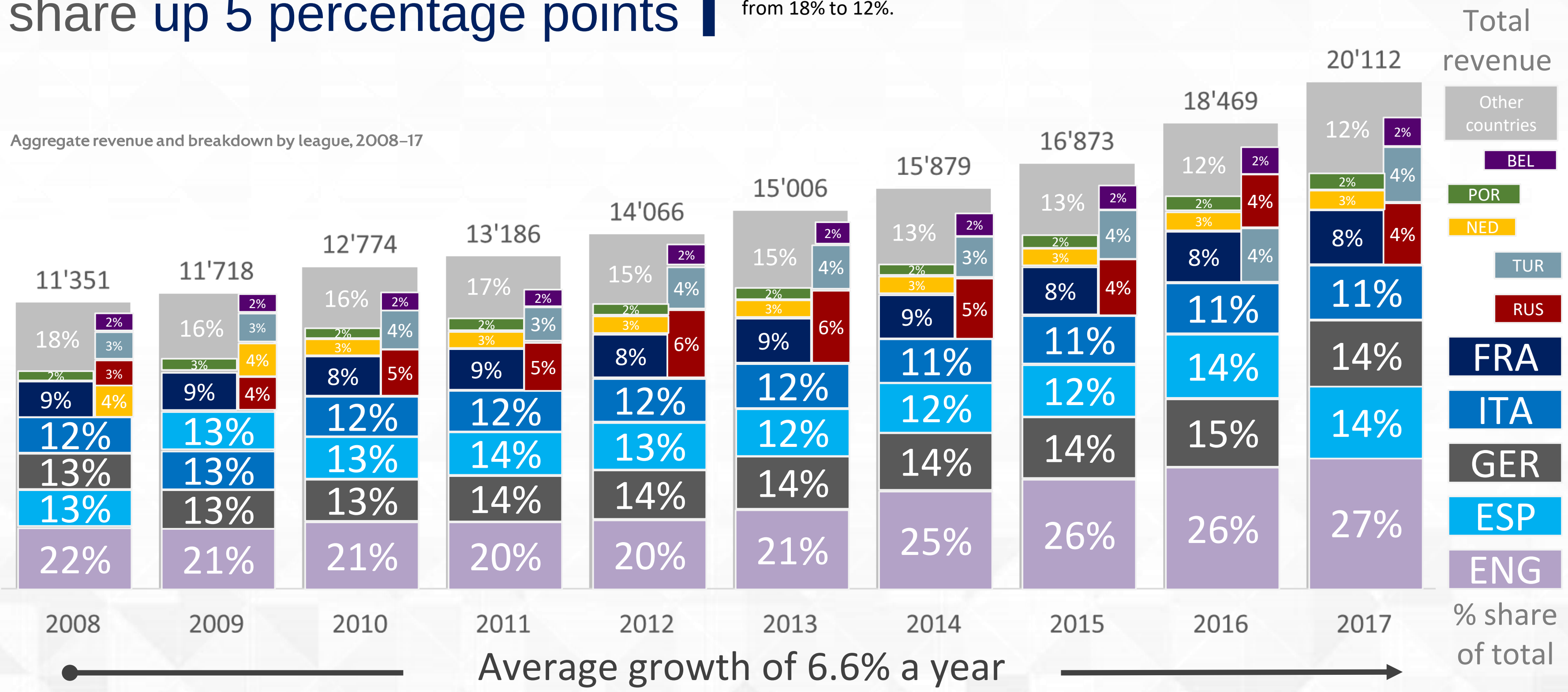
CHAPTER #05

Club revenues

Continuous increase in club revenues, with English clubs' share up 5 percentage points

Top-division club revenues have increased by 77% over the last ten years, rising from €11351m in 2008 to €20112m in 2017. As the graphic below shows, the relative shares of the various top divisions and their respective rankings have remained fairly stable over the years. However, the English Premier League's share of top-division revenues has increased from 22% to 27%, largely at the expense of countries outside the top ten, whose share has fallen from 18% to 12%.

Aggregate revenue and breakdown by league, 2008–17



Strong revenue growth throughout the decade from TV, UEFA competitions, sponsorship and commercial sources

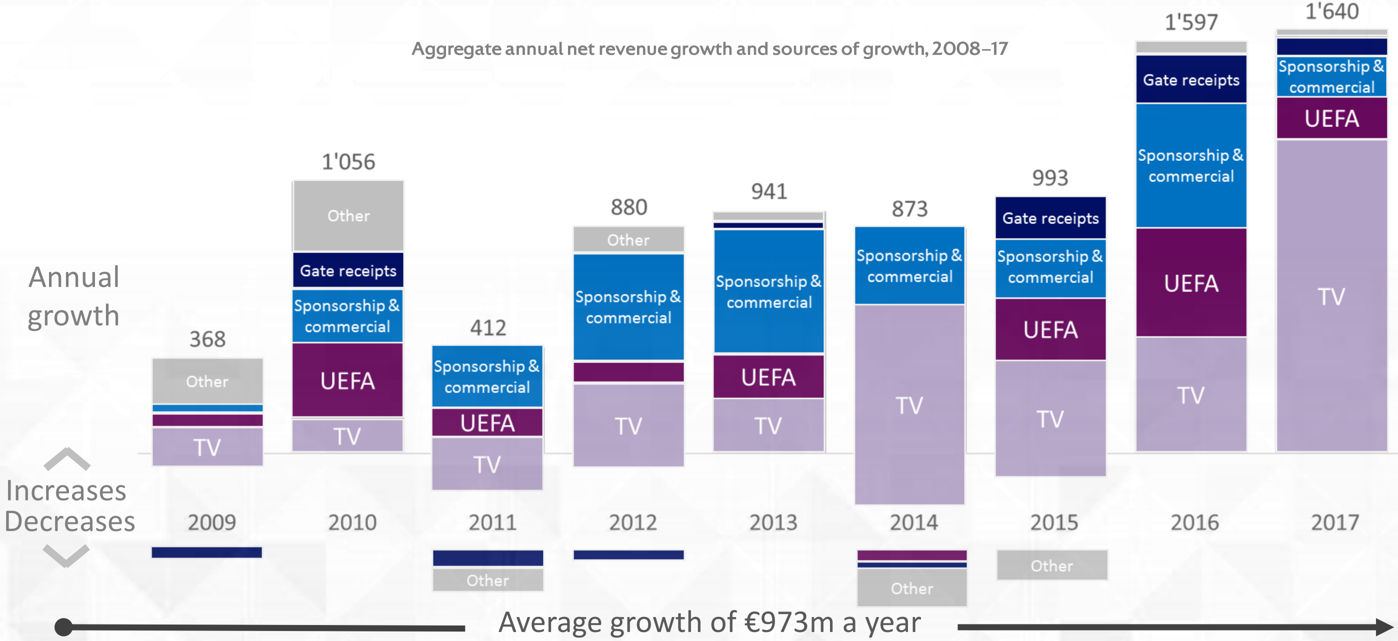
Average growth of about €1bn a year over the last ten years

European top-division clubs have averaged revenue growth of just under €1bn a year over the last ten years. Revenues have risen by about €1.6bn in each of the last two years – the two largest increases in history – with growth being broadly based in 2016 and driven largely by TV in 2017.

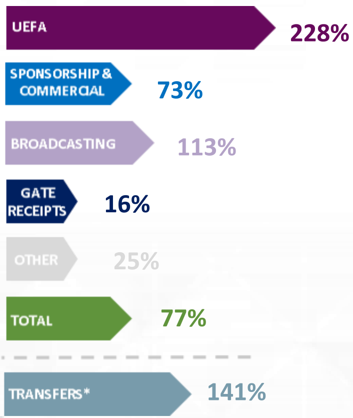
77% revenue growth

Over the last ten years, total European club revenues have grown by 77%. The revenue mix has changed, with weak growth in gate receipts and other revenues (primarily donations) reducing their impact. UEFA prize money and other distributions are the fastest growing source in percentage terms, followed by gross transfer income (not included in revenue, but analysed separately in financial reports) and broadcasting revenue.

Aggregate annual net revenue growth and sources of growth, 2008–17



Aggregate percentage increase for each revenue stream, 2008–17 (all 55 countries)



* It should be noted that revenue does not include transfers, which are reported separately in club accounts within profits on the sale of assets.

Strong revenue growth across leagues, but absolute revenue gaps growing

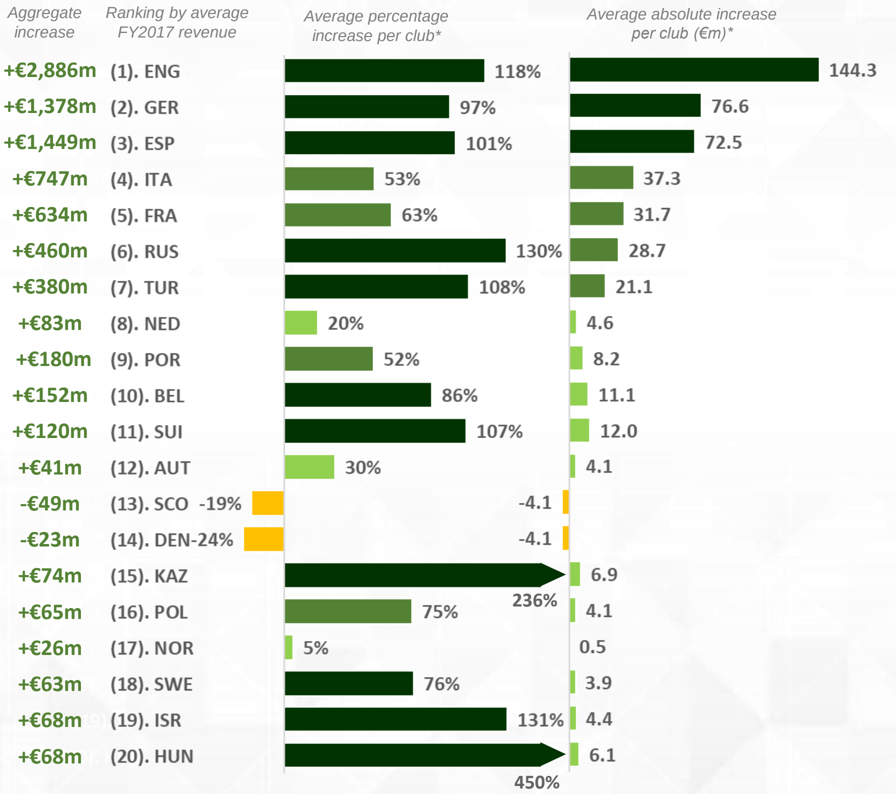
Strong revenue growth in Europe's biggest leagues

Over the last ten years, 18 of Europe's 20 biggest leagues (ranked by average revenue) have succeeded in increasing their club revenues, with eight leagues more than doubling club revenues. English clubs have extended their revenue advantage, achieving average revenue growth of €144m per club, with German clubs (€77m per club) and Spanish clubs (€73m per club) also growing strongly. Clubs in the next four leagues (all in countries with large populations) have also enjoyed healthy increases, with growth averaging between €21m and €37m per club.

Large variation in revenue growth in smaller leagues

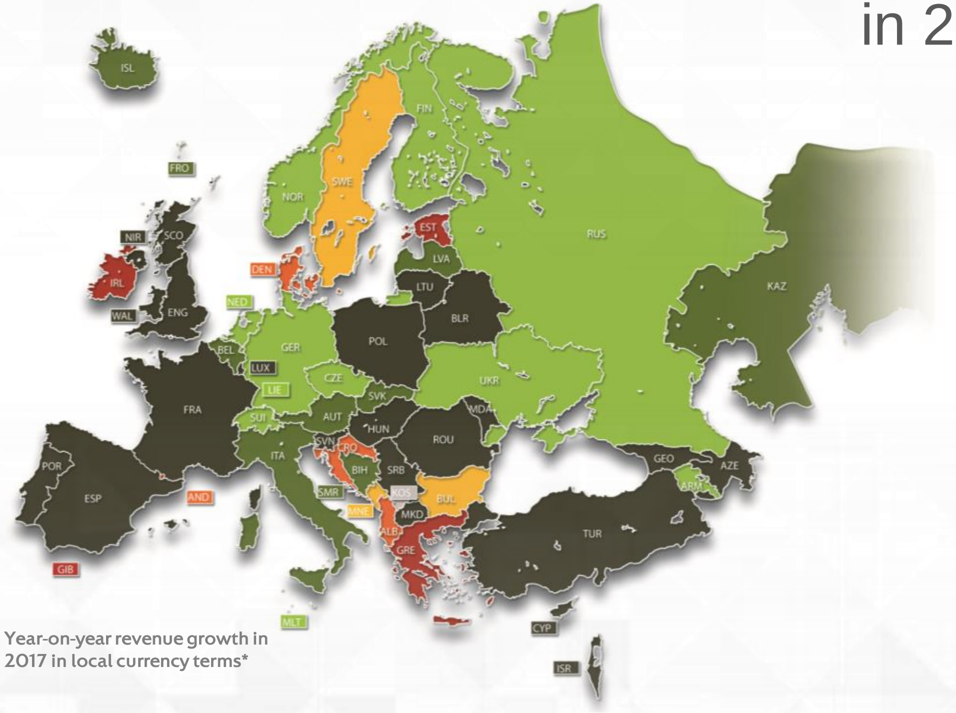
In smaller leagues, there is greater variation, with clubs in smaller countries not enjoying the same levels of TV revenue growth. Average revenue has more than doubled at Swiss, Kazakh, Israeli and Hungarian clubs, and it has also grown strongly in Belgium, Poland and Sweden, but it has fallen in Scotland and Denmark.

Revenue growth by league, 2008–17



* The following leagues contain a different number of clubs in 2017 as they did in 2008. The aggregate revenue changes are regardless of the number of clubs but the average changes are a partial reflection of these changes: POR 16 clubs in 2008 compared to 18 clubs in 2017; DEN 12 to 14; NOR 14 to 16; ISR 12 to 14; KAZ 15 to 12; UKR 16 to 12; HUN 16 to 12.

32 European leagues reported strong revenue growth in 2017of more than 5% in 2017



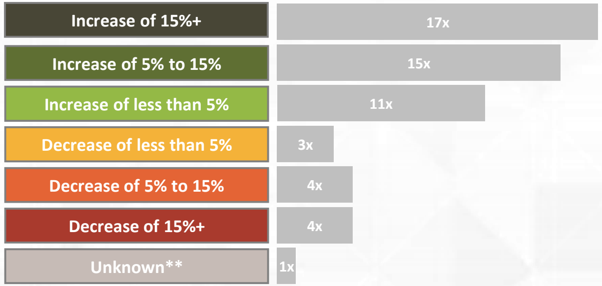
Year-on-year revenue growth in 2017 in local currency terms*

Champions League participation by domestic champions has significant impact

While aggregate European club revenues have seen consistent growth, country-specific developments are naturally more varied. For middle-income leagues, one club missing out on qualification for the UEFA Champions League group stage can have a major impact, and the declines seen in Croatia, Denmark and Greece in 2017 were specifically due to that.

More countries achieve revenue growth than ever before

A record 43 countries grew their revenues in 2017, with 17 countries reporting very significant revenue growth of more than 15%, a further 15 countries reporting notable growth of between 5% and 15%, and 11 countries reporting growth of less than 5%. Never before have so many leagues achieved revenue growth.



* Where clubs do not operate in euros , fluctuation in the value of their local currency can affect their financial results. When looking at the underlying trend within a particular league or country (as on this page), it is important to neutralise the impact of exchange rates and analyse the trend in local currency terms. When looking at aggregate European trends or making cross-border comparisons (as elsewhere in the report), it is more appropriate and meaningful to analyse trends in euro terms, since the value of the domestic currency impacts competitiveness. ** Kosovan clubs entered UEFA club competitions for the first time in 2017/18 and were not subject to club licensing (and the increased financial transparency that brings) prior to that season. Consequently, Kosovan data for FY2016 is not available.

Revenues grew faster at clubs 11–20 than at clubs 1–10 in 2017

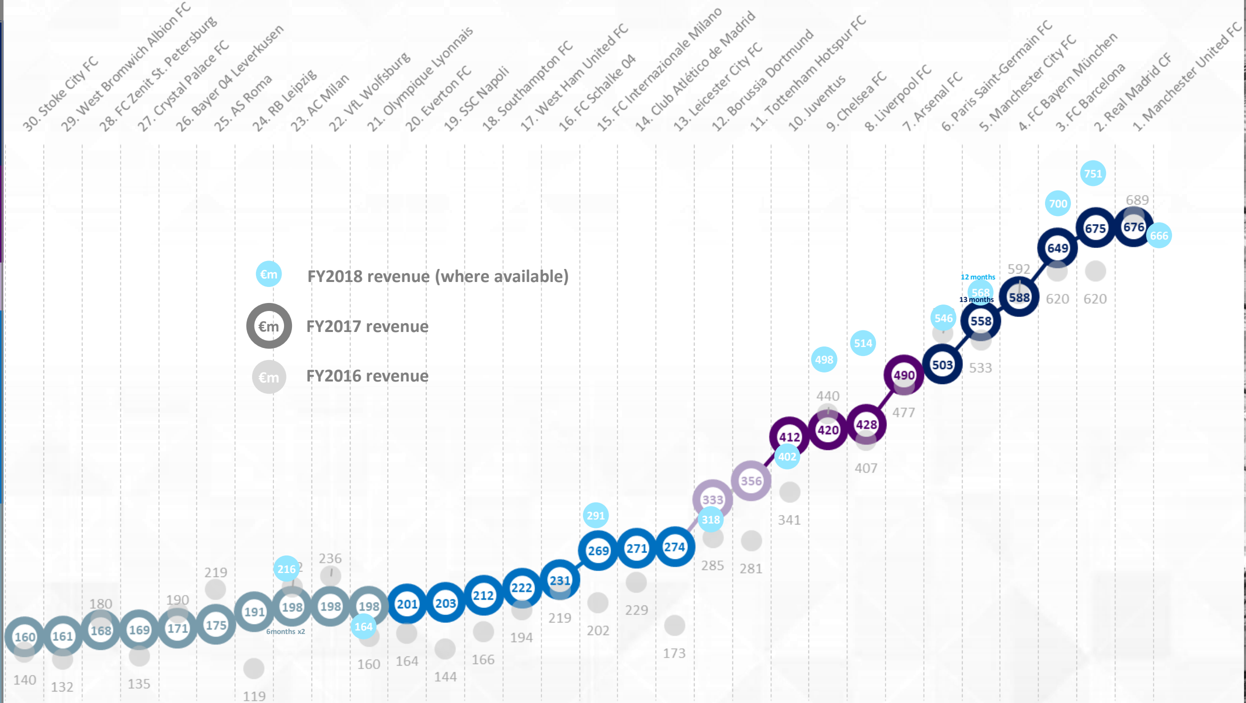
This is a reversal of recent trends. New TV deals, the decline in the value of the pound and UEFA prize money all had a major impact on revenue growth in 2017.

Top 30 clubs by revenue

+€136m

+€515m

Rank	Club	Country	FY17	Year-on-year growth	Growth rate in €	Growth rate in local currency
1	Manchester United FC	ENG	€676m	-€13m	-2%	12%
2	Real Madrid CF	ESP	€675m	€54m	9%	9%
3	FC Barcelona	ESP	€649m	€29m	5%	5%
4	FC Bayern München	GER	€588m	-€4m	-1%	-1%
5	Manchester City FC	ENG	€558m	€25m	5%	20%
6	Paris Saint-Germain FC	FRA	€503m	-€39m	-7%	-7%
7	Arsenal FC	ENG	€490m	€13m	3%	18%
8	Liverpool FC	ENG	€428m	€21m	5%	20%
9	Chelsea FC	ENG	€420m	-€20m	-5%	9%
10	Juventus	ITA	€412m	€70m	21%	21%
11	Tottenham Hotspur FC	ENG	€356m	€76m	27%	46%
12	Borussia Dortmund	GER	€333m	€48m	17%	17%
13	Leicester City FC	ENG	€274m	€100m	58%	80%
14	Club Atlético de Madrid	ESP	€271m	€43m	19%	19%
15	FC Internazionale Milano	ITA	€269m	€67m	33%	33%
16	FC Schalke 04	GER	€231m	€13m	6%	6%
17	West Ham United FC	ENG	€222m	€28m	14%	31%
18	Southampton FC	ENG	€212m	€46m	28%	46%
19	SSC Napoli	ITA	€203m	€58m	40%	40%
20	Everton FC	ENG	€201m	€37m	23%	40%
21	Olympique Lyonnais	FRA	€198m	€38m	24%	24%
22	VfL Wolfsburg	GER	€198m	-€38m	-16%	-16%
23	AC Milan	ITA	€198m	-€24m	-11%	-11%
24	RB Leipzig	GER	€191m	€72m	60%	60%
25	AS Roma	ITA	€175m	-€44m	-20%	-20%
26	Bayer 04 Leverkusen	GER	€171m	-€19m	-10%	-10%
27	Crystal Palace FC	ENG	€169m	€34m	25%	43%
28	FC Zenit St Petersburg	RUS	€168m	-€12m	-7%	-17%
29	West Bromwich Albion FC	ENG	€161m	€29m	22%	40%
30	Stoke City FC	ENG	€160m	€19m	14%	30%
1-30	Average		€325m	€23m	8%	14%
1-30	Aggregate		€9'758m	€599m	7%	



Nine of top 30 clubs report declining revenues

Even top clubs are subject to fluctuations, with nine of the top 30 reporting declines and the top ten being outperformed by clubs 11–20.

Almost half of all revenues accounted for by 30 clubs

The top 30 clubs' combined revenues increased by 7% to stand at €9.7bn, equivalent to 49% of the revenues of all top-division clubs.

Domestic TV contributed three-quarters of overall revenue growth in 2017

Club TV revenues have never grown so much in one year

The largest ever increase in domestic broadcast revenue was posted in FY2017, with an increase of €1,224m (19%) on the previous year. The underlying increase in local currency terms was an even greater €1,565m (26%). The first year of the current La Liga and Ligue 1 domestic rights cycles added €314m and €116m respectively, while the first year of the current Premier League domestic and international rights cycle added €927m in local currency terms (which fell to €638m in euro terms once the 12% decline in the value of the pound had been taken into account).

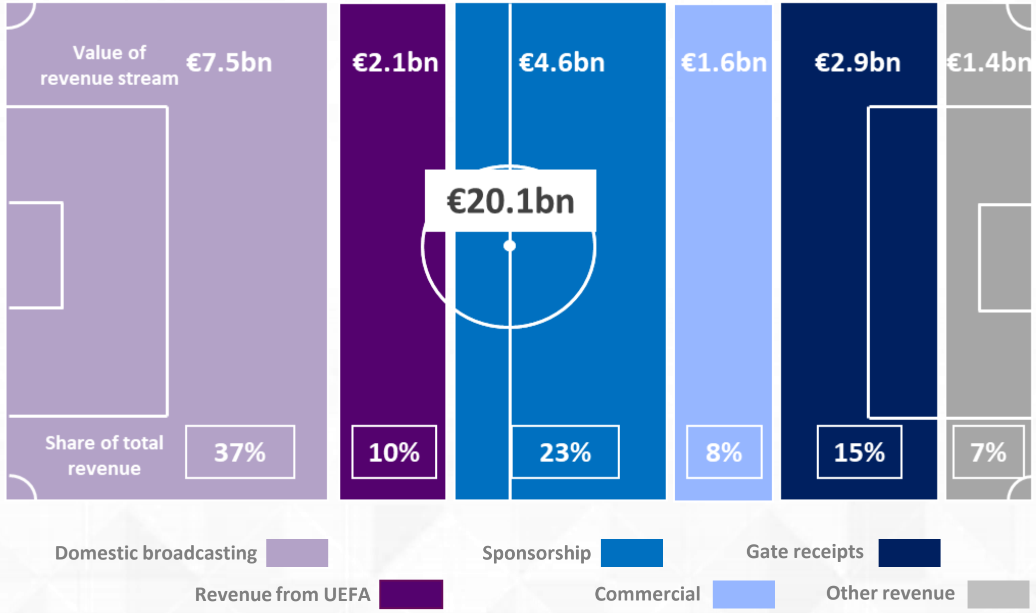
Mid-cycle increase in reported UEFA revenues

Revenue from UEFA increased by 9%, despite FY2017 being mid-cycle, thanks to €50m of surplus club competition distributions and the majority of the €150m being paid to clubs for EURO 2016 and the qualifying competitions.

Currency variations influence growth figures

Details of two different growth rates are provided in this section. Figures in euro terms allow a comparison across leagues and clubs, while figures in domestic currency terms show the underlying trend for each country or club.

Breakdown of 2017 revenue by revenue stream with year-on-year growth %



Two years of healthy growth after a decade of flat gate revenues

Solid sponsorship growth

Club sponsorship revenues increased strongly again in 2017, rising by 9% in local currency terms (6% in euro terms). Partly as a result of the timing of new deals, that revenue growth was less concentrated among the very top clubs than it had been in recent years.

Weak commercial growth

In contrast, commercial revenues experienced weak growth of just 1% in local currency terms, resulting in a 3% decline in euro terms.

Second year of strong gate receipt growth

Revenue from gate receipts increased by 5% in 2017 in local currency terms, following growth of 7% the previous year. Gate receipts are heavily influenced by performance on the pitch, as poor performance means fewer cup matches and lower average crowds, especially at clubs with a small percentage of season ticket holders. A total of 53% of clubs reported an increase in gate receipts in 2017, with 47% reporting a decrease.

Solid growth in ‘other’ revenues

‘Other’ revenues increased by 7% in 2017 in local currency terms, thanks to increases in subsidies, non-footballing revenues and exceptional revenues.

Transfers not included in club revenue

It should be noted that revenue does not include transfers, which are reported separately in club accounts as profits on the sale of assets. However, to provide some context, clubs reported €4.9bn of gross income from transfers in 2017, equivalent to 24% of total revenues. Transfer income has increased by 75% since 2014 and is set to increase further in 2018, reflecting the price inflation in the transfer market.

2017 growth

€ terms	Domestic currency	
+9%	+12%	UEFA
+19%	+26%	BROADCASTING
+6%	+9%	SPONSORSHIP
-3%	+1%	COMMERCIAL
+1%	+5%	GATE RECEIPTS
+7%	+7%	OTHER
+9%	+13%	TOTAL
+22%	+22%	TRANSFERS*

TV contributes **between 5% and 54%** of clubs' revenue, depending on the league

Top 20 leagues by average broadcast revenue per club

Percentage of total club revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
54%	(1). ENG	+47%	€2,910m	145.5
43%	(2). ESP	+33%	€1,250m	62.5
49%	(3). ITA	+4%	€1,055m	52.8
29%	(4). GER	+9%	€820m	45.6
38%	(5). FRA	+23%	€617m	30.9
40%	(6). TUR	+27%	€295m	16.4
29%	(7). POR	+3%	€126m	7.0
15%	(8). NED	+4%	€74m	4.1
17%	(9). BEL	-6%	€64m	4.0
5%	(10). RUS	+37%	€44m	2.8
20%	(11). DEN	-0%	€35m	2.5
28%	(12). GRE	+5%	€32m	2.0
21%	(13). POL	+4%	€31m	2.0
11%	(14). SCO	+34%	€22m	1.9
36%	(15). ROU	+3%	€26m	1.8
9%	(16). AUT	+16%	€16m	1.6
16%	(17). NOR	+6%	€25m	1.5
6%	(18). SUI	+21%	€14m	1.4
13%	(19). ISR	+121%	€14m	1.0
11%	(20). SWE	-8%	€16m	1.0

Pound falls, but Premier League TV growth still strong in euro terms

The first year of the current Premier League TV rights cycle further separated English clubs from their rivals, with reported revenues increasing by 47% in domestic currency terms and 28% in euro terms. Indeed, only FC Barcelona, Juventus and Real Madrid CF received more TV money than the 20th Premier League club. As indicated in last year's report, TV now contributes 54% of all Premier League clubs' revenues, the highest level in Europe.

New domestic cycle boosts Spanish and French clubs' TV revenues

Spanish and French clubs also enjoyed extremely strong TV revenue growth in 2017, with their revenues rising by 33% and 23% respectively thanks to their new domestic rights cycles. In 2018, German clubs are expected to report a large increase (of approximately 50%) from the first year of their new domestic TV deal, which will take them close to La Liga until the new increased La Liga deals feed through the following year (2019). Turkish TV rights are in the final year of their cycle and the strong growth in Turkish lira terms reflects the fact that prices are tied to the US dollar.

New TV cycles boost revenues in Israel and Russia, with Austria and Switzerland set to follow suit in 2018

The start of new TV rights cycles led to strong double-digit revenue growth in Israel and Russia in 2017. Austrian and Swiss clubs are expected to rise up the table in 2018 thanks to significant increases (of up to 40% and 70% respectively) from their new TV cycles, while Belgian, Norwegian and Scottish clubs should also see their revenues rise (albeit to a lesser extent) from 2018. Danish and Dutch clubs are part way through longer rights cycles.

TV revenue of poorest 400 clubs less than 50% of that of one Premier League club

While broadcast revenues are the largest revenue stream for many of the larger markets, Cyprus (18%) is the only league outside the top 20 where they contribute more than 10% of clubs' revenue. Indeed, there are only three other countries outside the top 20 – the Czech Republic (7%), Bulgaria (6%) and Iceland (5%) – where clubs derive 5% or more of their total revenue from TV. To further place the difference in scale in context, the total domestic TV revenue of all 400 clubs outside the top 20 leagues is less than half of that of a single average Premier League club.

Trend towards more balanced sharing of TV money, but still huge variation between leagues

The distribution models applied by leagues differ. In all major leagues, the distribution of TV money is linked to league performance in some way, but there is considerable variation.

Individual selling fuels huge inequality in Portugal

Portugal is now the only major league where clubs sell their rights individually, and that is reflected in the huge gap between the top three sides and the rest in terms of TV revenues. The high-club-to-median-club ratio is more than 1,500% in Portugal, compared with an average of 240% in the 24 leagues with collective selling.

Average high-to-median ratio has fallen from 310% to 240% in last ten years

In general, TV revenues are now more evenly distributed than they were a decade ago, with the average* high-to-median ratio in Europe falling from 310% in 2008 to 240% in 2017. TV revenues have become more evenly spread in 14 of the leagues above and less evenly spread in ten of those leagues. The most significant improvements have been observed in Croatia, Spain, Turkey and Israel.

* This average ratio only covers the 24 leagues with collective selling, so it excludes Portugal.

New **Premier League** deal reinforces **TV dominance**

English clubs dominate top 20

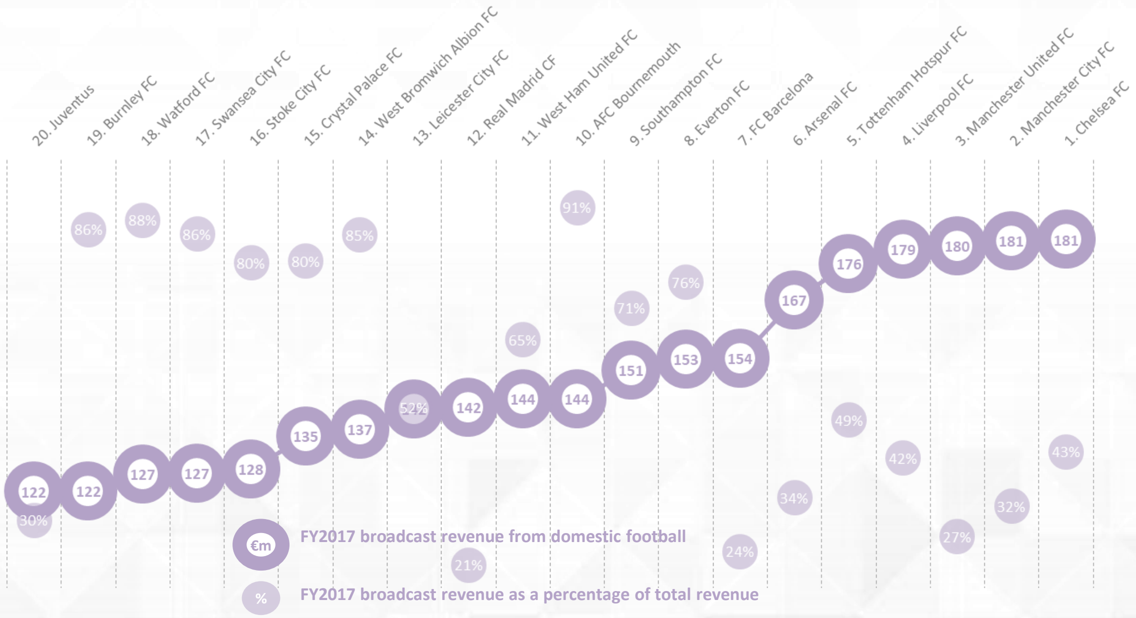
English clubs occupy 17 of the top 20 places in the broadcast revenue table. However, perhaps more significantly, this is the first time that an English club has topped the list outright, with one of Real Madrid CF, FC Barcelona and Juventus having always received more domestic TV revenue in the past. Those three clubs remain in the top 20.

TV contributes 80% or more of all revenue for seven Premier League clubs

Some Premier League TV money is distributed in equal shares, and some is determined by performance and how many times a team is selected for TV coverage, which leads to some performance-based year-on-year changes. As the chart below shows, TV money plays a dominant role in the revenue mix of many Premier League clubs (accounting for as much as 91% of total revenue in the case of AFC Bournemouth).

The chart and the table also show that TV money is still significant, but nowhere near as important, for the wealthiest 'global' clubs, contributing less than 30% of total revenue at Real Madrid CF (21%), FC Barcelona (24%) and Manchester United FC (27%).

Rank	Club	Country	FY17	Year-on-year growth in %	% of total revenue	Multiple of the league average
1	Chelsea FC	ENG	€181m	47%	43%	1.2 x
2	Manchester City FC	ENG	€181m	34%	32%	1.2 x
3	Manchester United FC	ENG	€180m	23%	27%	1.2 x
4	Liverpool FC	ENG	€179m	41%	42%	1.2 x
5	Tottenham Hotspur FC	ENG	€176m	38%	49%	1.2 x
6	Arsenal FC	ENG	€167m	21%	34%	1.1 x
7	FC Barcelona	ESP	€154m	6%	24%	2.5 x
8	Everton FC	ENG	€153m	38%	76%	1.1 x
9	Southampton FC	ENG	€151m	23%	71%	1.0 x
10	AFC Bournemouth	ENG	€144m	45%	91%	1.0 x
11	West Ham United FC	ENG	€144m	23%	65%	1.0 x
12	Real Madrid CF	ESP	€142m	-2%	21%	2.3 x
13	Leicester City FC	ENG	€142m	11%	52%	1.0 x
14	West Bromwich Albion FC	ENG	€137m	30%	85%	0.9 x
15	Crystal Palace FC	ENG	€135m	30%	80%	0.9 x
16	Stoke City FC	ENG	€128m	19%	80%	0.9 x
17	Swansea City FC	ENG	€127m	21%	86%	0.9 x
18	Watford FC	ENG	€127m	22%	88%	0.9 x
19	Burnley FC	ENG	€122m	n/a	86%	0.8 x
20	Juventus	ITA	€122m	3%	30%	2.3 x
1-20	Average		€150m	25%	58%	
1-20	Aggregate		€2'991m	30%	45%	

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UEFA revenues fluctuate strongly depending on performance

The amount of UEFA prize money that a club receives is determined partly by its sporting performance and partly by its national broadcaster's contribution to the market pool. From 2018/19, a club's ten-year ranking, taking into account historical titles, will also feed into the calculation.

Top 20 leagues by average club revenue received from UEFA in 2017*

Highest % of total club revenue received from UEFA		Average % of club revenue received from UEFA – all clubs	Ranking by club average	Percentage change	Aggregate
Leicester City FC	30%	6%	(1). ENG	+6%	€330m
Sevilla FC	25%	10%	(2). ESP	-12%	€299m
SSC Napoli	33%	11%	(3). ITA	+24%	€245m
RB Leipzig	17%	7%	(4). GER	-13%	€185m
AS Monaco FC	46%	12%	(5). FRA	+32%	€201m
SC Braga	39%	23%	(6). POR	+42%	€99m
Osmanlispor	40%	11%	(7). TUR	+32%	€81m
PFC CSKA Moskva	35%	8%	(8). RUS	+11%	€68m
FC Basel 1893	39%	17%	(9). SUI	+22%	€38m
FC Zorya Luhansk	84%	52%	(10). UKR	-5%	€46m
PSV Eindhoven	28%	12%	(11). NED	+19%	€60m
Celtic FC	30%	18%	(12). SCO	+232%	€38m
Club Brugge KV	29%	13%	(13). BEL	+18%	€49m
Qarabag FK	91%	59%	(14). AZE	+103%	€20m
FC Salzburg	17%	11%	(15). AUT	+66%	€20m
Legia Warszawa	50%	21%	(16). POL	+226%	€31m
NK Maribor	77%	62%	(17). SVN	+398%	€19m
APOEL FC	72%	40%	(18). CYP	+108%	€24m
HNK Rijeka	70%	36%	(19). CRO	-46%	€15m
PAOK FC	40%	20%	(20). GRE	-71%	€24m

Increase in reported UEFA revenues, despite middle year of cycle

UEFA competition rights, prize money and solidarity payments to non-competing teams all operate on a three-year cycle, with FY2017 marking the middle of the 2015/16–2017/18 cycle for most of the large western European clubs with summer financial year ends and the final year of the cycle for clubs with December financial year ends. UEFA distributions totalled €2,088m in clubs' FY2017 figures, an increase of €168m on the previous year. In the top 20 markets, the significance of those UEFA payments ranged from 6% of total club revenue in England and 7% in Germany to more than 50% in Azerbaijan, Slovenia and Ukraine.

In many less wealthy leagues, UEFA accounts for more than 50% of club revenues

Outside the top 20 leagues, UEFA competition revenues tend to make up a greater proportion of overall club revenues. In relative terms, qualifying round solidarity payments (which in this cycle range from €200,000 for the first qualifying round of the UEFA Europa League to €400,000 for the third qualifying round of the UEFA Champions League) can make up a greater proportion of smaller clubs' total revenues than the multi-million Champions League group stage bonuses received by the larger clubs. This can be seen in the FY2017 figures, with UEFA accounting for 50% of total club revenues in Albania, Andorra, Armenia, FYR Macedonia, Gibraltar and Moldova, despite the fact that no clubs from those countries reached the group stage of the Champions League or the Europa League.

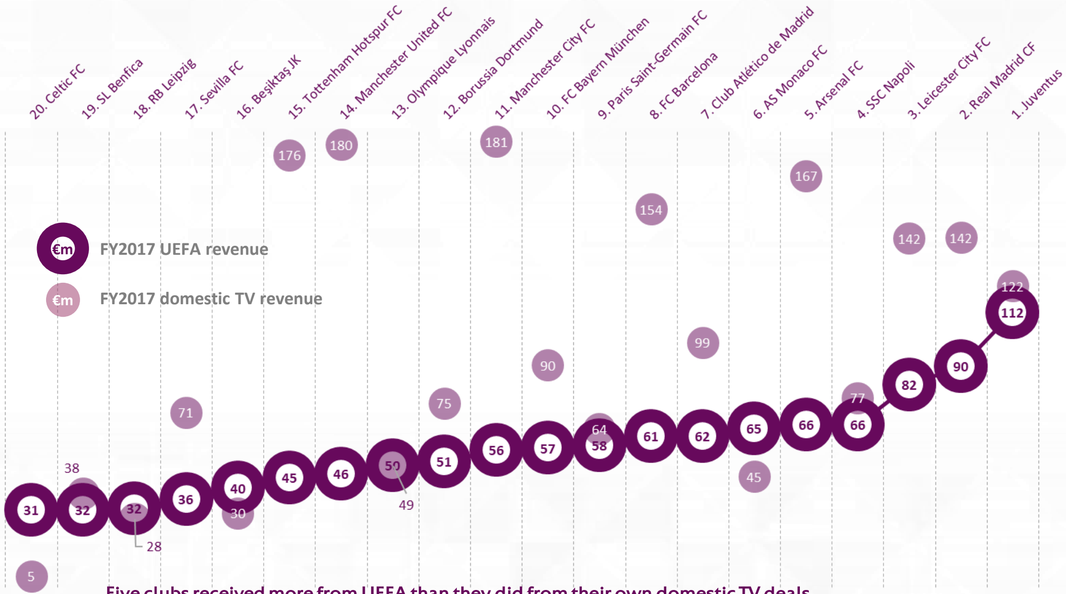
Large increases at all levels from 2018/19

UEFA prize money is set for another large increase in 2018/19 on the back of a new TV rights cycle. Prize money for participants will rise significantly, as will solidarity payments for clubs taking part in qualifying rounds and clubs not participating in either UEFA club competition.

* All data is based on all of the teams in the league, rather than just the four to seven teams participating in UEFA competitions during the financial period in question. This is consistent with the analysis of other revenue streams. In all cases, the club in the first column is a participant in the group stage of the UEFA Champions League or the UEFA Europa League. The aggregate figure includes all direct revenues, including prize money, solidarity payments for clubs competing in qualifying rounds and, in most cases, solidarity payments for non-participating clubs distributed through the relevant league. Indirect revenues (i.e. sponsor and commercial partner bonuses and gate receipts) are reported elsewhere. In this case, percentage changes have been calculated in euros, rather than in local currency, since all payments relating to UEFA club competitions are distributed in euros.

Performance pays: 12 clubs with highest UEFA revenues all reached Champions League knockout stages

Rank	Club	Country	Revenue from UEFA FY17	Sporting performance	Comparisons: % of FY17 revenue	Comparisons: Domestic TV revenue FY17	Comparisons: Ratio UEFA to domestic TV	Comparisons: Revenue from UEFA FY16
1	Juventus	ITA	€112m	UCL F	27%	€122m	0.9x	€76m
2	Real Madrid CF	ESP	€90m	UCL F	13%	€142m	0.6x	€82m
3	Leicester City FC	ENG	€82m	UCL QF	30%	€142m	0.6x	€0m
4	SSC Napoli	ITA	€66m	UCL R16	33%	€77m	0.9x	€14m
5	Arsenal FC	ENG	€66m	UCL R16	14%	€167m	0.4x	€52m
6	AS Monaco FC	FRA	€65m	UCL SF	46%	€45m	1.4x	€17m
7	Club Atlético de Madrid	ESP	€62m	UCL SF	23%	€99m	0.6x	€71m
8	FC Barcelona	ESP	€61m	UCL QF	9%	€154m	0.4x	€69m
9	Paris Saint-Germain FC	FRA	€58m	UCL R16	11%	€64m	0.9x	€70m
10	FC Bayern München	GER	€57m	UCL QF	10%	€90m	0.6x	€64m
11	Manchester City FC	ENG	€56m	UCL R16	10%	€181m	0.3x	€83m
12	Borussia Dortmund	GER	€51m	UCL QF	15%	€75m	0.7x	€17m
13	Olympique Lyonnais	FRA	€50m	UCL GS/ UEL SF	25%	€49m	1.0x	€39m
14	Manchester United FC	ENG	€46m	UEL F	7%	€180m	0.3x	€42m
15	Tottenham Hotspur FC	ENG	€45m	UCL GS/ UEL R32	13%	€176m	0.3x	€21m
16	Beşiktaş JK	TUR	€40m	UCL GS/ UEL QF	27%	€30m	1.3x	€12m
17	Sevilla FC	ESP	€36m	UCL R16	25%	€71m	0.5x	€38m
18	RB Leipzig	GER	€32m	UCL GS	17%	€28m	1.1x	€0m
19	SL Benfica	POR	€32m	UCL R16	25%	€38m	0.8x	€35m
20	Celtic FC	SCO	€31m	UCL GS	30%	€5m	7.0x	€9m
1-20	Average		€57m			€97m		€41m
1-20	Aggregate		€1'136m		16%	€1'935m	0.6x	€813m



Europa League revenues of €46m for Manchester United FC

2016/17 UEFA Champions League runners-up Juventus top the UEFA revenue listings for FY2017, benefiting from a larger market pool distribution than the competition winners, Real Madrid CF. Not surprisingly, the top 12 clubs by UEFA revenue all reached the knockout stages of the 2016/17 Champions League. The €46m that Manchester United FC received for winning the Europa League is only €10m less than Manchester City FC earned for reaching the knockout stages of the Champions League, which shows why qualifying for the Europa League can be of significant commercial interest for clubs.

Five clubs received more from UEFA than they did from their own domestic TV deals

TV revenue from domestic football has been included in this chart to illustrate the relative importance of the two revenue streams for each club. Most clubs in the top 20 received more revenue from domestic TV than they did from UEFA, although five clubs (including both Ligue 1 clubs – AS Monaco FC and Olympique Lyonnais) received more from UEFA. The most extreme example here is Celtic FC, who received six times as much from participating in the Champions League group stage as they did from their domestic TV deal. Across this top 20, UEFA revenue accounts for an average of 16% of clubs' total revenue, ranging from 7% for Manchester United FC to 46% for AS Monaco FC.

* The timing of payments and accounting recognition policies mean that the prize money published by UEFA for 2016/17 will not exactly match the values reported in clubs' financial statements. For clubs with a summer financial year end, the amounts are usually broadly in line, with just the final market pool uplift typically recorded the following year. In this year's list of top 20 clubs by UEFA revenue, only RB Leipzig has a 31 December financial year end, with the reported prize money covering the 2017/18 group stage and 2016/17 solidarity payments.

Healthy 5% growth in gate receipts shared across leagues

Top 20 leagues by average club gate receipts

Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
13%	(1). ENG	+2%	€695m	34.8
18%	(2). GER	+1%	€492m	27.3
17%	(3). ESP	+7%	€486m	24.3
14%	(4). FRA	+4%	€236m	11.8
10%	(5). ITA	+9%	€217m	10.8
28%	(6). NED	+1%	€140m	7.8
40%	(7). SCO	+76%	€84m	7.0
29%	(8). SUI	+0%	€68m	6.8
22%	(9). BEL	+8%	€83m	5.2
10%	(10). TUR	+6%	€74m	4.1
6%	(11). RUS	+37%	€52m	3.2
13%	(12). POR	+13%	€58m	3.2
16%	(13). AUT	+4%	€28m	2.8
26%	(14). SWE	+5%	€38m	2.4
24%	(15). ISR	-14%	€26m	1.9
17%	(16). NOR	+1%	€26m	1.6
13%	(17). POL	+14%	€19m	1.2
13%	(18). GRE	-9%	€15m	1.0
7%	(19). DEN	-17%	€12m	0.8
15%	(20). CYP	+3%	€9m	0.6

Gate receipts up in all of the top 14 leagues in local currency terms

English Premier League clubs generated €695m in gate receipts in 2017 – a significant reduction in euro terms, but a small 2% increase in domestic currency terms. The top 14 leagues on the basis of gate receipts all reported growth in 2017, mirroring the 5% increase in gate receipts that was observed across Europe as a whole.

Matchday punters again make the biggest contribution in Scotland

Once again, gate receipts made the largest contribution to total revenue in Scotland (40%), where Rangers FC returned to the top flight after a number of years in the lower leagues, leading to a 76% increase in gate receipts in 2017. At the other end of the scale, gate receipts generated 10% of revenue or less in Denmark, Russia and Turkey.

Strong growth in Russia, Portugal and Poland

Three other leagues also reported double-digit growth rates. In Russia (+37%), clubs started to benefit from the new FIFA World Cup stadiums; in Portugal (+13%), all three of the country's big clubs reported double-digit growth; and in Poland (+14%), Legia Warszawa increased their gate receipts as a result of their Champions League group stage campaign.

Outside the top 20 markets

Gate receipts generate less than 10% of total revenues across many leagues outside the top 20 markets. However, they remain a significant part of the revenue mix in certain northern European countries, such as Finland (18%), Northern Ireland (22%) and the Republic of Ireland (29%).

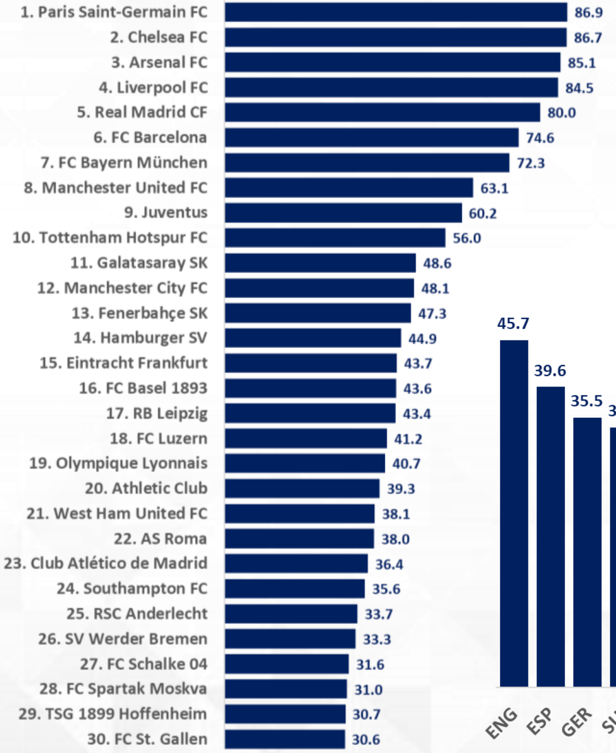
Ten-year overview

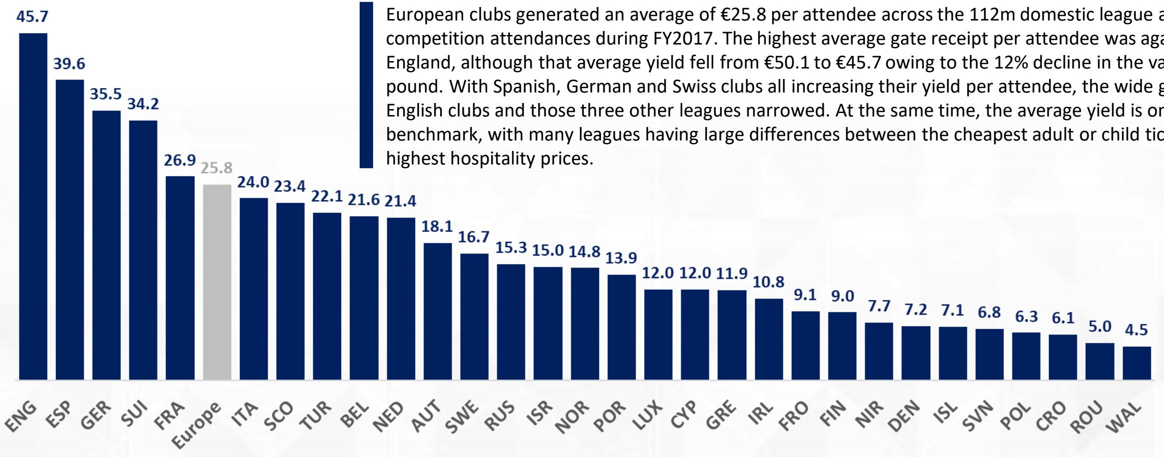
While club revenues from sponsorship, commercial rights and both UEFA and domestic TV rights have carried on climbing over the last ten years, despite Europe's challenging economic climate, club gate receipts actually decreased between 2008 and 2014. The last three seasons have seen a solid recovery, with gate receipts increasing by 16% between 2014 and 2017, but across the full ten-year period gate receipts have declined as a percentage of overall revenue in nearly all of the top 20 markets, with small increases being observed in France, the Netherlands, Poland, Russia and Israel. However, with total 2017/18 attendance figures more than 3 million higher (+3%) than in 2016/17, we would nevertheless expect to see further solid revenue growth in 2018/19.

The bigger the club, the higher the price

The average yield provides a benchmark for the price of attending football matches.* It reflects all types of gate receipt, including season tickets, matchday tickets, membership fees (where tickets are part of that membership), premium ticketing and hospitality (matchday usage).

Top 30 clubs by average yield per match attendee* (in euros)





Clubs benefiting from stadium investment

In 2017, Paris Saint-Germain FC had the highest stadium yield in Europe, moving above Arsenal FC and Chelsea FC thanks to the devaluation of the pound. The average yield underlines the positive impact that stadium development can have in terms of increasing a club's revenues and diversifying its revenue streams. The average yield (in euros per attendee) reflects a combination of normal and premium pricing. New stadiums can drive high yields, as evidenced by a number of clubs that are new to the list this season which reported immediate increases thanks to stadium upgrades (e.g. Club Atlético de Madrid, FC Luzern and FC Spartak Moskva). In addition, two other clubs reporting notable yield increases have built new stadiums in recent years (Juventus and Olympique Lyonnais). Other clubs near the top of the list have benefited from major stadium upgrades (Liverpool FC) or regular upgrading of facilities (Real Madrid CF and Paris Saint-Germain FC) that have increased capacity and raised the yield from premium ticketing.

English clubs top the list again

European clubs generated an average of €25.8 per attendee across the 112m domestic league and UEFA club competition attendances during FY2017. The highest average gate receipt per attendee was again seen in England, although that average yield fell from €50.1 to €45.7 owing to the 12% decline in the value of the pound. With Spanish, German and Swiss clubs all increasing their yield per attendee, the wide gap between English clubs and those three other leagues narrowed. At the same time, the average yield is only a benchmark, with many leagues having large differences between the cheapest adult or child tickets and the highest hospitality prices.

* The average yield is calculated by dividing gate receipt revenues by the number of attendees at league and UEFA competition matches. The actual 'true' yield covering all competitions and friendly matches can be expected to be slightly lower. For consistency reasons, no adjustment is made for cup match or friendly match attendances, as an exact calculation of yield taking into account cup attendances or excluding domestic cup ticketing is not possible. While UEFA now requires ticketing income to be broken down into domestic and UEFA competitions, figures for cup matches alone are not readily available. Moreover, detailed attendances are not always available for all cup competitions across Europe. For the purposes of this analysis, it is assumed that all match receipts go to the home club and are not shared between the home and away clubs and/or subject to levies.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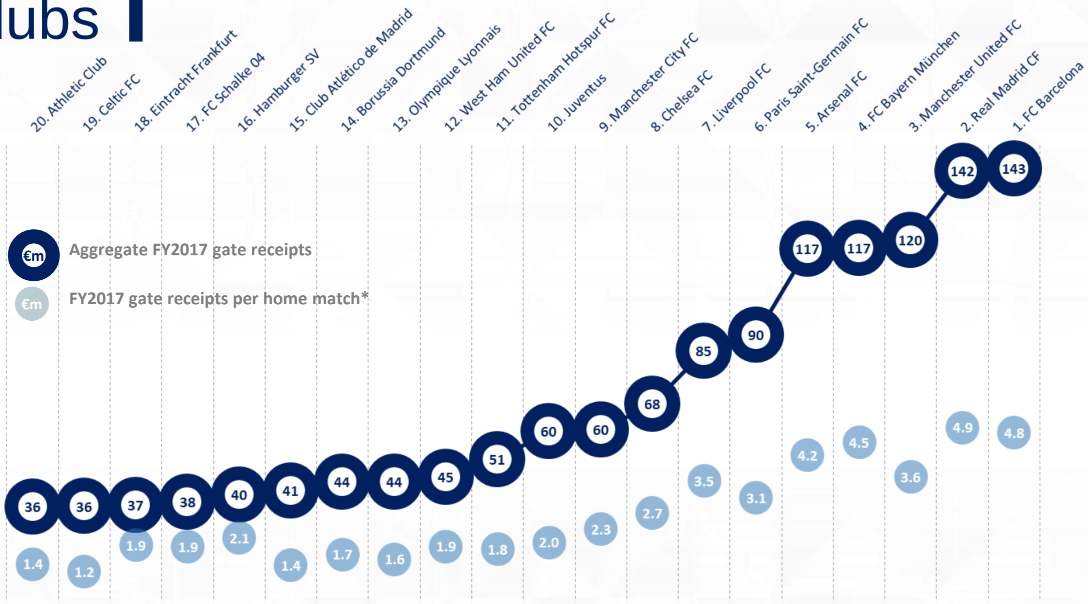
Almost **half** of all gate receipts concentrated in **just 20 clubs**

Top 20 clubs by gate receipts

Rank	Club	Country	FY17	Year-on-year growth in %	% of total revenue	Multiple of the league average	Estimated receipts per match	Number of home matches
1	FC Barcelona	ESP	€143m	11%	22%	5.9 x	€4.8m	30
2	Real Madrid CF	ESP	€142m	7%	21%	5.8 x	€4.9m	29
3	Manchester United FC	ENG	€120m	-9%	18%	3.5 x	€3.6m	33
4	FC Bayern München	GER	€117m	-4%	20%	4.3 x	€4.5m	26
5	Arsenal FC	ENG	€117m	-13%	24%	3.4 x	€4.2m	28
6	Paris Saint-Germain FC	FRA	€90m	1%	18%	7.6 x	€3.1m	29
7	Liverpool FC	ENG	€85m	3%	20%	2.4 x	€3.5m	24
8	Chelsea FC	ENG	€68m	-21%	16%	2.0 x	€2.7m	25
9	Manchester City FC	ENG	€60m	-15%	11%	1.7 x	€2.3m	26
10	Juventus	ITA	€60m	51%	15%	5.5 x	€2.0m	30
11	Tottenham Hotspur FC	ENG	€51m	38%	14%	1.5 x	€1.8m	28
12	West Ham United FC	ENG	€45m	27%	20%	1.3 x	€1.9m	24
13	Olympique Lyonnais	FRA	€44m	58%	22%	3.7 x	€1.6m	28
14	Borussia Dortmund	GER	€44m	-6%	13%	1.6 x	€1.7m	26
15	Club Atlético de Madrid	ESP	€41m	14%	15%	1.7 x	€1.4m	29
16	Hamburger SV	GER	€40m	10%	28%	1.5 x	€2.1m	19
17	FC Schalke 04	GER	€38m	21%	16%	1.4 x	€1.9m	20
18	Eintracht Frankfurt	GER	€37m	12%	32%	1.3 x	€1.9m	19
19	Celtic FC	SCO	€36m	31%	34%	5.2 x	€1.2m	29
20	Athletic Club	ESP	€36m	0%	28%	1.5 x	€1.4m	25
1-20	Average		€71m	11%	20%	3.1 x	€2.6m	26
1-20	Aggregate		€1'415m	4%	19%		€2.7m	527



20 clubs generate 49% of all top-division gate receipts

The top 20 comprise seven English clubs, five German clubs, four Spanish clubs, two French clubs, one Italian club and one Scottish club. Together, these 20 clubs generated €1,415m in gate receipts in FY2017, which is equivalent to 49% of all European top-division gate receipts.

Four clubs generate more than €4m per home match

Five clubs, all with 60,000+ stadium capacities, generated more than €100m from gate receipts in FY2017, at an average of between €3.6m and €4.9m per home match.* Clubs' ability to generate revenue from gate receipts differs markedly, with the fifth highest earner (Arsenal FC) generating almost twice as much as the club in tenth place (Juventus). Most of the clubs in the top 20 operate at or near full capacity, and this limits their potential for year-on-year growth to price increases or extra home matches in cup competitions.

Olympique Lyonnais and Juventus increased their gate receipts by 58% and 51% respectively, with increased success in UEFA cup competitions the principal driver in both cases. Among the British clubs, Celtic FC, Tottenham Hotspur FC and West Ham United FC bucked the trend by increasing gate receipts in euro terms, despite the pound losing about 12% of its value. Across the top 20 clubs, gate receipts accounted for an average of 19% of total revenue, with the highest percentages being seen at Celtic FC (34%) and Eintracht Frankfurt (32%).

* Gate receipts per match are calculated by dividing total gate receipt revenue by the number of official competitive domestic league and cup matches and UEFA matches hosted during the financial year (i.e. home matches only, plus finals). This may in some cases lead to a slight overestimation of revenue per match if clubs also generated gate receipts from non-official friendly matches. In addition, there are also various revenue-sharing arrangements for domestic league and cup matches that can increase or decrease receipts per match.

18 of top 20 leagues reported increases in sponsorship revenue in 2017

Discussions regarding financial polarisation tend to focus on the distribution of TV revenues or UEFA prize money, but clubs' differing ability to generate sponsorship and establish commercial partnerships is equally significant.

Top 20 leagues by average sponsorship revenue per club

Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
25%	(1). ENG	+6%	€1,356m	67.8
41%	(2). GER	+4%	€1,147m	63.7
24%	(3). ESP	+11%	€700m	35.0
61%	(4). RUS	+4%	€497m	31.1
24%	(5). ITA	+20%	€510m	25.5
31%	(6). FRA	-1%	€507m	25.4
33%	(7). TUR	+23%	€242m	13.4
39%	(8). NED	+4%	€199m	11.0
52%	(9). AUT	+7%	€94m	9.4
31%	(10). SUI	+4%	€73m	7.3
27%	(11). BEL	+18%	€102m	6.4
48%	(12). DEN	+5%	€87m	6.1
22%	(13). POR	+9%	€95m	5.3
27%	(14). SCO	+19%	€57m	4.7
48%	(15). NOR	+2%	€72m	4.5
44%	(16). SWE	-4%	€64m	4.0
49%	(17). HUN	+10%	€43m	3.6
35%	(18). POL	+4%	€54m	3.4
32%	(19). GRE	+5%	€38m	2.4
46%	(20). CZE	+0%	€34m	2.1

38 English and German clubs generate 40% of all sponsor ship and commercial revenues

Sponsorship and commercial revenues, which now total €6.3bn, have continued to grow, with 18 of the top 20 leagues reporting year-on-year growth in 2017. Growth in the two dominant leagues, England and Germany, slowed to a still-healthy 6% and 4% respectively after double-digit growth in the previous year. Spanish clubs, starting from a lower base, reported their second consecutive year of double-digit growth in 2017, with Italian, Turkish, Belgian and Scottish clubs also reporting year-on-year growth of more than 10%. Nonetheless, the 38 English and German top-division clubs are still responsible for 40% of all top-division sponsorship and commercial revenues.

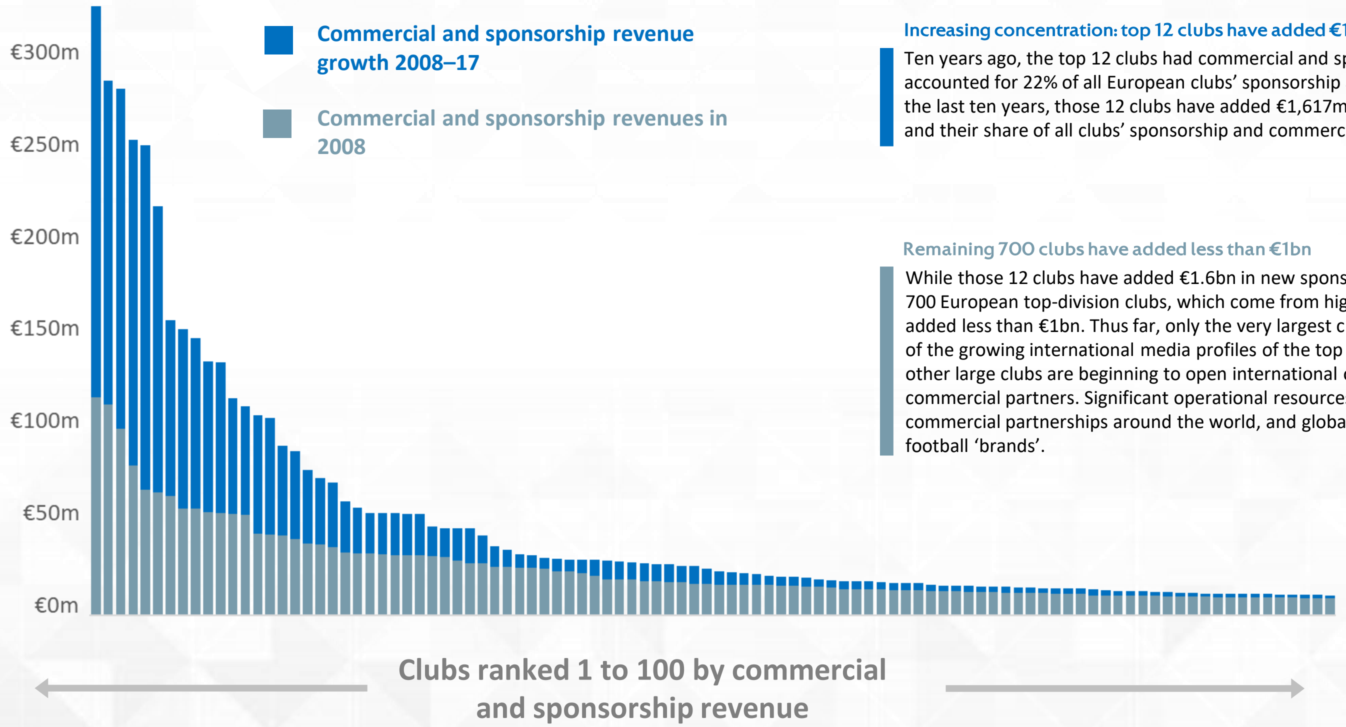
Some declines in south-east Europe

Outside the top 20, the picture is mixed. Although commercial revenues increased in the majority of leagues in 2017, there is some evidence of continued difficult conditions in south-east Europe, with Albania, Azerbaijan, Bosnia and Herzegovina and FYR Macedonia all reporting double-digit declines in commercial and sponsorship revenues. At the same time, it is important to remember that the line between sponsorship and donations can become blurred for the many clubs which are still reliant on benefactor funding. Sponsorship and commercial revenues account for 22% of club revenues in leagues outside the top 20.

Ten years of concentration at the top clubs

Clubs have added an extra €2.6bn in sponsorship and commercial revenues over the last ten years. As documented in previous benchmarking reports, that growth has largely been concentrated at the biggest clubs, with the top 20 clubs responsible for 75% of all growth in this area. In contrast, those clubs have generated 31% of all TV revenue growth.

Top 12 clubs' share of total sponsorship and commercial revenues up from 22% to 39% in ten years



Increasing concentration: top 12 clubs have added €1.6bn over last ten years

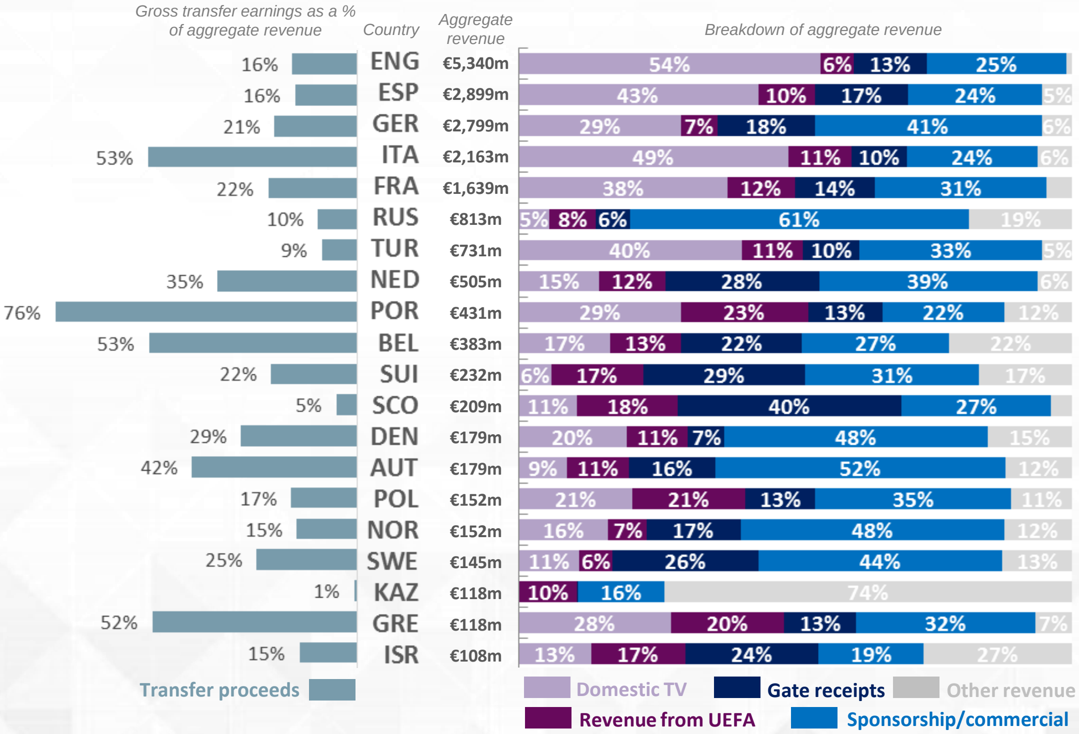
Ten years ago, the top 12 clubs had commercial and sponsorship revenues of €805m, which accounted for 22% of all European clubs' sponsorship and commercial revenues at that time. Over the last ten years, those 12 clubs have added €1,617m in commercial and sponsorship revenues, and their share of all clubs' sponsorship and commercial revenues has increased to 39%.

Remaining 700 clubs have added less than €1bn

While those 12 clubs have added €1.6bn in new sponsorship and commercial revenues, the other 700 European top-division clubs, which come from high, medium and low-revenue leagues, have added less than €1bn. Thus far, only the very largest clubs have been able to take full advantage of the growing international media profiles of the top leagues, although there are signs that some other large clubs are beginning to open international offices and join the search for global commercial partners. Significant operational resources are needed to set up and service commercial partnerships around the world, and global sponsors are only attracted to the top football 'brands'.

Huge variety between leagues in where revenue generated

In the interests of completeness, the chart below breaks total revenue down by income source. This is effectively a summary of the various 'top 20' lists on previous pages. For example, 54% of the English Premier League's €5,340m came from broadcasting of domestic league and cup matches. Transfer earnings have been added on the left to provide some additional context, but are not included in revenue. For example, English Premier League clubs' €875m transfer earnings in FY2017 are not included in their aggregate revenue, but equate to 16% of that figure.



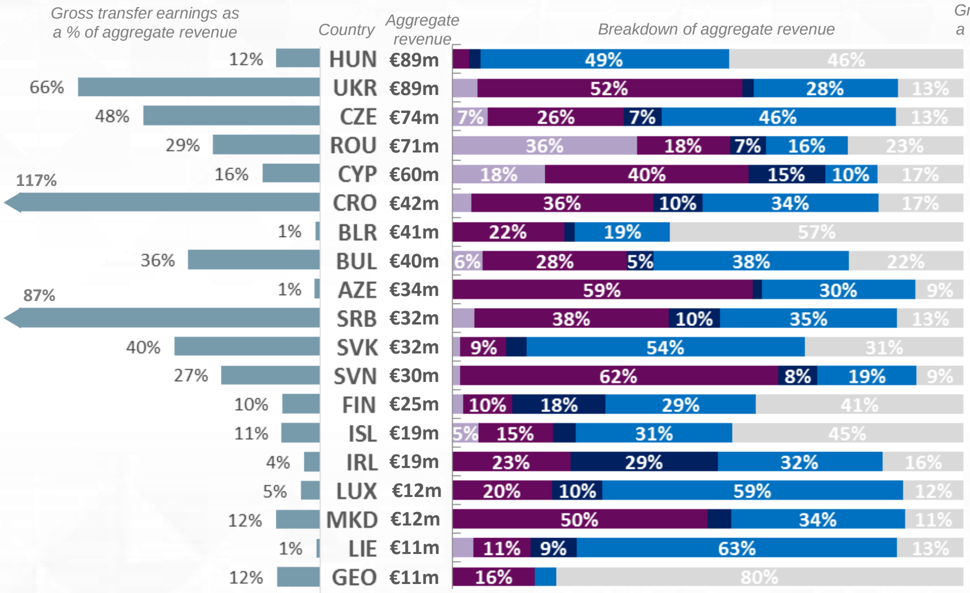
Significant variation across countries

This chart clearly shows the significant variation in the relative importance of the various revenue streams. In England, the majority of revenue comes from TV; in Russia and Austria, it comes from sponsorship and commercial activities; and in Kazakhstan, it comes from other sources (typically donations or subsidies).

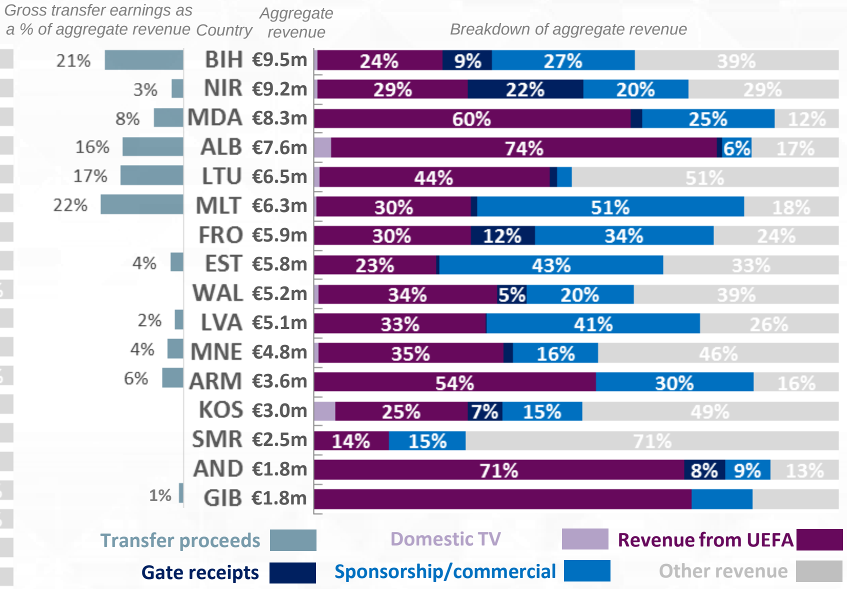
Transfer earnings are very significant relative to other revenue in Italy, Portugal, Belgium and Greece

The chart also clearly shows the importance of transfer income, with gross transfer earnings in 2017 equivalent to more than half of total revenue in Italy, Portugal, Belgium and Greece. That being said, gross transfer earnings are, of course, very different to net transfer earnings (which take account of both the sale and the purchase of players). Belgian and Portuguese net earnings were equivalent to 11% and 6% of total revenue respectively, while Italian and Greek clubs reported a net spend.

Revenue streams and transfer earnings in the 19 countries with total club revenues of between €10m and €100m



Revenue streams and transfer earnings in the 16 countries with total club revenues of less than €10m



Only two leagues outside the top 20 derive more than 10% of their revenue from TV

In contrast with most of the top 20 leagues, revenue from TV deals is limited for middle-income leagues and almost completely irrelevant for the lowest earners. Only clubs in Romania and Cyprus get more than 10% of their revenue from domestic TV deals.

Transfers are a crucial part of the finances of certain talent-developing leagues

Once again, Croatian clubs (117%) and Serbian clubs (87%) had the highest transfer earnings relative to total revenue. However, the financial importance of talent development and transfer earnings varies enormously across middle and lower-income leagues.

UEFA revenues are very important for clubs in middle and lower-income leagues

Revenue from UEFA club competitions is very important for clubs in most middle and lower-income leagues. For 44 clubs playing in the qualifying rounds of the UEFA Champions League and the UEFA Europa League, UEFA payments were more than all other revenue sources combined.

Many middle and lower-income clubs are still reliant on donations and other types of income

'Other' revenues include numerous items, but donations and grants are the most common. The relatively large percentage of revenue coming from this source underlines the precarious nature of club finances in many middle and lower-income leagues.

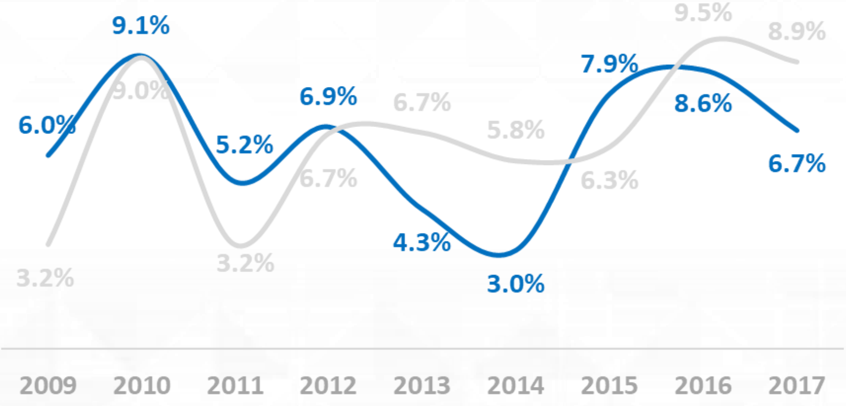
CHAPTER #06

Club wages

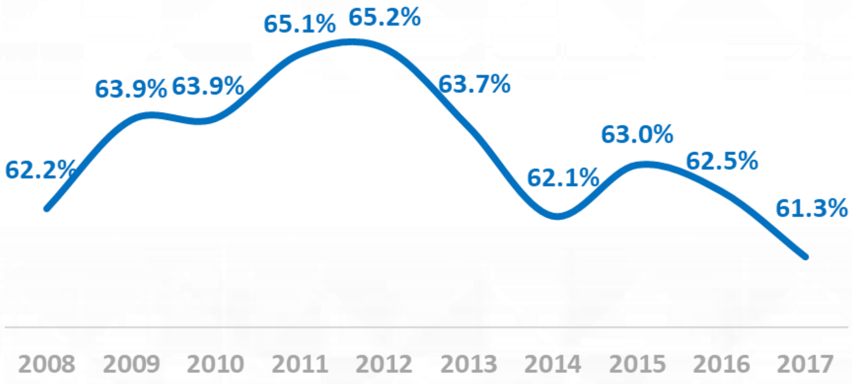
Healthy wage growth of 6.7%,with 61% of revenue now paid out in wages

Football clubs' wages (which include playing staff, technical staff and administrative staff)* absorb a very large percentage of their revenues – more than in nearly every other industry. Poor wage control is almost always a significant driver of clubs' financial problems. This section examines trends in wages and analyses the sources and key drivers of wage growth.

Evolution of total revenue and wages
(annual percentage growth)



Percentage of club revenue spent on wages



Wages have grown more slowly than revenue in four of the last five years

In four of the last five years, European club revenues have grown at a faster rate than club wages, with revenue growth standing at 8.9% in 2017 and wage growth falling to 6.7%. This is a clear reversal of the trend seen prior to 2012, when wages grew at a faster rate than revenues every year. This increase in cost control is the principal driver of the improvement seen in club finances.

Lowest wage-to-revenue ratio on record

The wage-to-revenue ratio, which is widely regarded** as one of the key financial indicators for football clubs, decreased again in 2017, falling from 62.5% to 61.3%. The current rate is the lowest on record and has contributed to the record operating profits reported by clubs in 2017.

* In this section of the report, the terms 'wages', 'wage level' and 'wage bill' refer to all employment costs (including the club's share of social taxes) for all employees (technical and administrative staff, as well as players).

** This ratio features in the annual reports of all major football clubs and is a key indicator in all benchmarking studies.

Wages have risen in 18 of the top 20 leagues

Top 20 leagues by average club wages

Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
56%	(1). ENG	+11%	€2,968m	148.4
58%	(2). ESP	+18%	€1,688m	84.4
53%	(3). GER	+10%	€1,492m	82.9
66%	(4). ITA	+4%	€1,420m	71.0
68%	(5). FRA	+9%	€1,115m	55.8
72%	(6). RUS	+4%	€582m	36.4
76%	(7). TUR	+31%	€557m	31.0
60%	(8). NED	+5%	€304m	16.9
68%	(9). POR	+13%	€292m	16.2
67%	(10). BEL	+13%	€256m	16.0
67%	(11). SUI	+9%	€156m	15.6
69%	(12). AUT	+17%	€124m	12.4
59%	(13). SCO	+42%	€123m	10.2
61%	(14). DEN	-3%	€110m	7.9
98%	(15). UKR	-10%	€87m	7.2
97%	(16). GRE	+10%	€114m	7.1
72%	(17). KAZ	+31%	€85m	7.1
77%	(18). ISR	+10%	€84m	6.0
62%	(19). SWE	+8%	€90m	5.6
57%	(20). POL	+16%	€87m	5.5

Wage gap between Premier League and La Liga narrows by €400m

The depreciation of the pound and strong double-digit growth in Spain and Germany resulted in the gap from English to Spanish and German clubs narrowing somewhat in 2017, despite English wages increasing by 11% in local currency terms. In 2015 and 2016, English clubs paid 2.2 times the wages of La Liga clubs, but this dropped to 1.8 in 2017. Nonetheless, English clubs still have by far the largest wage bill, despite total wages dipping back below €3bn in euro terms.

Wages increase by 10% or more in 12 of top 20 leagues

Wages increased in 18 of the top 20 leagues, with double-digit growth of 10% or more being reported in 12 of those 20 leagues. England's second tier (the Championship) and the top divisions in Russia and Turkey are still easily the sixth, seventh and eighth highest-paying leagues respectively.*

Wages exceed 70% of revenue in Greece, Israel, Kazakhstan Russia, Turkey and Ukraine

Germany continues to have the lowest wage-to-revenue ratio (53%) in the top 20 leagues. At the other end of the scale, Israel, Kazakhstan, Turkey and Russia have average wage bills of between 70% and 80% of revenue, and Ukrainian and Greek clubs spend close to 100% of their revenue on wages. Given that other – mainly fixed – operating costs tend to absorb between 33% and 40% of revenues, a wage-to-revenue ratio in excess of 70% is highly likely to result in losses, unless there is a significant surplus from transfer activity. That is why this is included as a risk indicator in the UEFA Club Licensing and Financial Fair Play Regulations.

* This report focuses on clubs in the top division of each country, for which UEFA receives detailed financial information. All tables and charts are based on that information. However, third-party league benchmarking reports suggest that the sixth highest aggregate club wages in Europe in 2017 were actually paid by clubs in the English second tier (€828m), which would have been ranked seventh on the basis of average club wages of €34.5m (slightly below the Russian Premier League, which averaged €36.4m per club). In addition, the German second tier reported average wages per club of €15.6m, which would have put that league in 12th place. The Italian second tier would have been 16th with average wages of €9.7m per club, and the French second tier would have been 17th (€8.0m per club). In terms of aggregate wages, the English third tier would have been 16th (€143m), although it would have fallen just outside the top 20 in terms of average wages on account of its 24 clubs.

Wages have risen in almost all middle and lower-income leagues

Countries ranked from high to low by average club wages

Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
54%	(21). NOR	+7%	€82m	5.1
116%	(22). CRO	+15%	€49m	4.9
63%	(23). HUN	+26%	€56m	4.7
75%	(24). ROU	+5%	€53m	3.8
67%	(25). CZE	+15%	€50m	3.1
58%	(26). CYP	+9%	€35m	2.5
79%	(27). BUL	+7%	€31m	2.2
107%	(28). SRB	+21%	€34m	2.1
47%	(29). AZE	-6%	€16m	2.0
65%	(30). SVN	+32%	€20m	2.0
63%	(31). BLR	-7%	€26m	1.6
57%	(32). SVK	-4%	€18m	1.5
52%	(33). FIN	+7%	€13m	1.1
64%	(34). LIE	+4%	€7m	1.0
61%	(35). ISL	+6%	€12m	1.0

Countries ranked from high to low by average club wages

Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
85%	(36). GEO	-10%	€9.4m	0.9
56%	(37). IRL	+0%	€8.7m	0.7
60%	(38). MKD	+41%	€7.1m	0.7
79%	(39). LTU	+42%	€5.1m	0.6
74%	(40). LUX	+21%	€8.9m	0.6
80%	(41). BIH	+30%	€7.6m	0.6
70%	(42). ALB	+44%	€5.4m	0.5
80%	(43). EST	+9%	€4.6m	0.5
88%	(44). MLT	+20%	€5.5m	0.5
58%	(45). LVA	+33%	€2.9m	0.4
48%	(46). MDA	+7%	€4.0m	0.3
56%	(47). FRO	+19%	€3.3m	0.3
41%	(48). NIR	+4%	€3.7m	0.3
70%	(49). MNE	+5%	€3.4m	0.3
116%	(50). GIB	+26%	€2.0m	0.2
79%	(51). KOS	n/a	€2.4m	0.2
45%	(52). WAL	+11%	€2.3m	0.2
29%	(53). ARM	+14%	€1.1m	0.2
77%	(54). AND	-1%	€1.1m	0.2
68%	(55). SMR	+14%	€1.7m	0.1

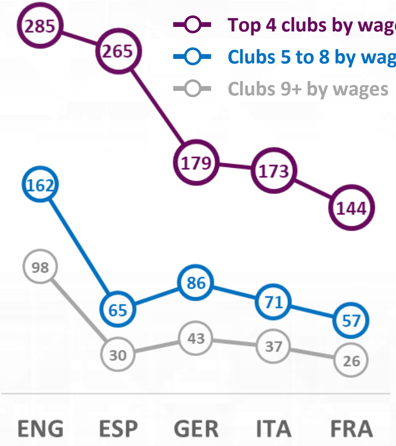
Just five leagues outside the top 20 with wage-to-revenue ratios of more than 80%

In FY2017, five leagues outside the top 20 – the top divisions in Croatia, Georgia, Gibraltar, Malta and Serbia – reported wage-to-revenue ratios of more than 80%, down from ten in FY2014. There are probably numerous reasons for the improved balancing of revenues and wages, including a greater general acceptance of the concept of 'spending what you earn'. However, the significant increase in UEFA's solidarity and qualifying round payments as of the FY2015 cycle appears to have played a key role in the recent improvements. It will be interesting to see if further improvements in cost control occur in FY2018, when the new UEFA competition cycle will result in a further increase in solidarity and qualifying round payments.

Top clubs pay 3x the wages of smaller clubs in England and 9x the wages of smaller clubs in Spain

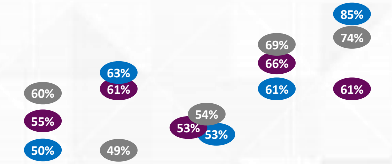
Comparing average and aggregate figures at league level provides some insights, but has inherent limitations. Peer group analysis, whereby similar clubs are clustered together, paints a more revealing picture of the relative spending power of clubs in each league and across different leagues. The analysis on the next two pages groups clubs together on the basis of wages and then compares the averages of those clusters by country.* The strong link between wage bills and performance means that the three clusters roughly represent clubs typically competing in the UEFA Champions League, clubs typically competing in the UEFA Europa League, and the remaining clubs (which rarely take part in UEFA competitions).

Average wage bill in leagues 1 to 5 by wage cluster (€m)



Ratio of top 4 wages to 9+ wages:	ENG	ESP	GER	ITA	FRA
	2.9x	8.7x	4.2x	4.7x	5.6x

Average wage-to-revenue ratio by cluster



English 'Europa League' clubs on a par with German, Italian and French 'Champions League' clubs

Looking at the top five leagues (by financial power), a number of things stand out. For example, the financial strength of English Premier League clubs is such that the average wages of the second cluster of clubs (those ranked 5 to 8 by wages) are similar (at €162m) to those of the first cluster of clubs (the top 4) in Germany (€179m), Italy (€173m) and France (€144m).

Bottom-half clubs in England pay higher wages than 'Europa League' clubs in other major leagues

In addition, the English Premier League's TV deal is such that the average wages of the third cluster of clubs in England (those ranked 9 to 20) are considerably higher (at €98m) than those of clubs ranked 5 to 8 in Germany (€86m), Italy (€71m) and Spain (€66m).

Large gaps even among top clubs in some leagues

As already illustrated in the analysis of the top 30 European clubs by revenue, there are considerable differences between the 'top four' clubs in the wealthiest leagues, so only limited conclusions can be drawn from a comparison of this peer group across leagues. For example, the French 'top four' wage bill ranges from €272m to €97m, while the equivalent Spanish wage bill ranges from €406m to €100m.

'Europa League' clubs in 'big five' leagues have similar wage bills to 'Champions League' clubs in leagues 6–9

The average wage bills of 'Europa League' clubs in Spain, Italy, Germany and France are similar to those of 'Champions League' clubs on the next page. These clubs often drop down into the Europa League during Champions League qualifying or go straight into the Europa League, which helps to explain why the group stage of the Europa League is so competitive.

Highest wage ratios seen at 'Europa League' and bottom-half clubs in France

Once again, the highest wage-to-revenue ratio (85%) was reported by clubs ranked 5 to 8 in France. Elsewhere, wage-to-revenue ratios fell strongly across all three groups of English clubs, and declines were also observed for all three groups in Italy. Ratios remained low and healthy in Germany.

* This year's report uses the same methodology as last year's report, with the top 20 leagues being analysed on the basis of three groups of leagues and the number of clubs within each group varying according to the league's relative strength and approximate access to UEFA competitions, with groups of four clubs for the top five leagues, groups of three clubs for leagues 6 to 11 and groups of two clubs for leagues 12 to 20. Owing to the relative distribution of financial strength between clubs as one moves from the financially strongest downwards, and owing to leagues' differing access to UEFA club competitions, these flexed peer groups allow more meaningful comparisons.

Three Nordic leagues have most even spread of wages

Huge wage gaps within some leagues make results on the pitch more predictable

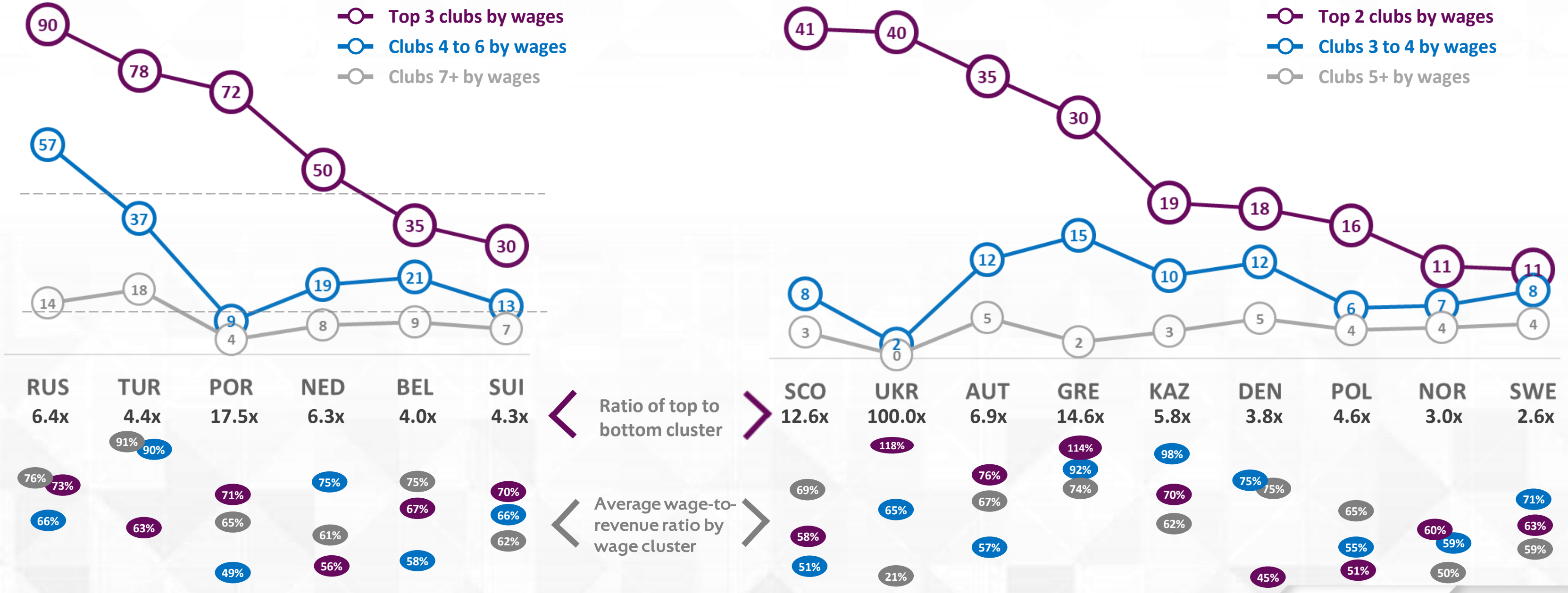
The gap between the top two clusters in the two groups presented on this page is highly revealing. In Portugal, Ukraine and Scotland in particular, that difference in spending power makes it extremely unlikely that the league will be won by a club from outside the top two/three. In other leagues, there is more of a balance, with the top two clusters closer to each other. That is particularly true of Russia, Belgium, Denmark, Sweden and Norway, where the average ratio of the two groups' wages is less than two to one. This relative balance or imbalance in buying power has a considerable effect on whether the teams qualifying for the two UEFA club competitions from each league change or remain the same from season to season.

Wage bills of Russian and Turkish 'Europa League' clubs almost double those of other clubs in leagues 6 to 20

Comparisons of relative buying power across leagues depend on which tier of clubs are being compared. For example, while the top three Portuguese clubs can be regarded as equivalent (both on and off the pitch) to the top three Russian or Turkish clubs, Portuguese clubs outside the top three have a fraction of the spending power of the other Russian or Turkish clubs. The same is true when comparing Ukrainian clubs with Belgian or Dutch clubs or when comparing the first and second groups of Scottish clubs with their peers in Austria, Greece or Denmark.

Average wage bill in leagues 6 to 11 by wage cluster (€m)

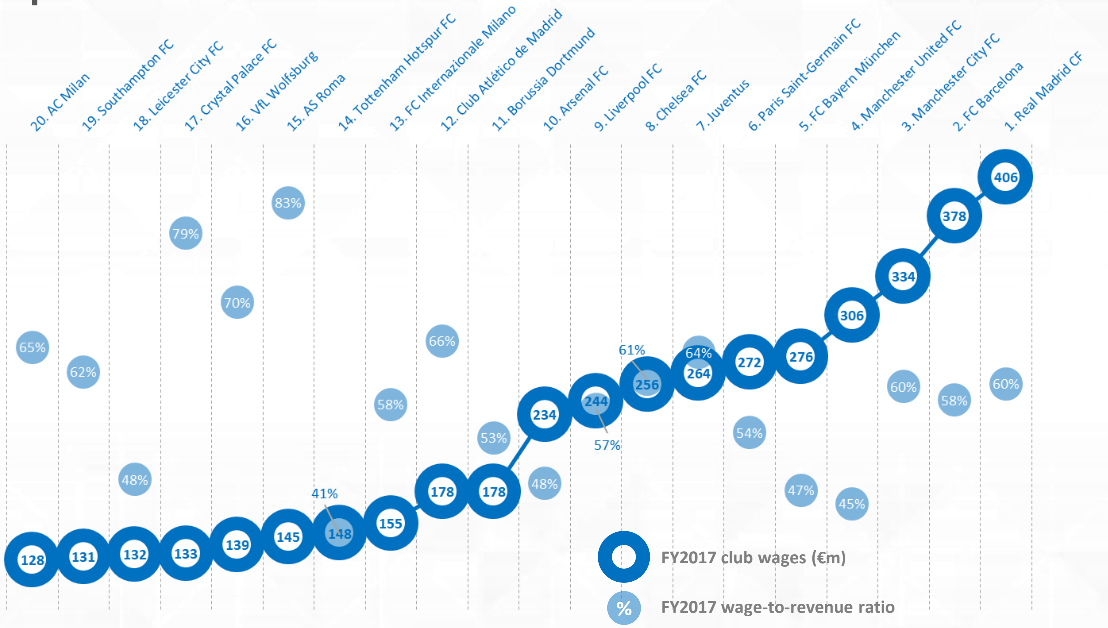
Average wage bill in leagues 12 to 20 by wage cluster (€m)



Weak pound helps to dampen wage growth at top 20 clubs

Top 20 clubs by wages

Rank	Club	Country	FY17	Year-on-year growth in %	% of total revenue	Multiple of the league average
1	Real Madrid CF	ESP	€406m	32%	60%	4.8 x
2	FC Barcelona	ESP	€378m	2%	58%	4.5 x
3	Manchester City FC	ENG	€334m	14%	60%	2.3 x
4	Manchester United FC	ENG	€306m	-5%	45%	2.1 x
5	FC Bayern München	GER	€276m	2%	47%	3.3 x
6	Paris Saint-Germain FC	FRA	€272m	-7%	54%	4.9 x
7	Juventus	ITA	€264m	19%	64%	3.7 x
8	Chelsea FC	ENG	€256m	-14%	61%	1.7 x
9	Liverpool FC	ENG	€244m	-13%	57%	1.6 x
10	Arsenal FC	ENG	€234m	-11%	48%	1.6 x
11	Borussia Dortmund	GER	€178m	27%	53%	2.1 x
12	Club Atlético de Madrid	ESP	€178m	30%	66%	2.1 x
13	FC Internazionale Milano	ITA	€155m	22%	58%	2.2 x
14	Tottenham Hotspur FC	ENG	€148m	6%	41%	1.0 x
15	AS Roma	ITA	€145m	-7%	83%	2.0 x
16	VfL Wolfsburg	GER	€139m	4%	70%	1.7 x
17	Crystal Palace FC	ENG	€133m	22%	79%	0.9 x
18	Leicester City FC	ENG	€132m	22%	48%	0.9 x
19	Southampton FC	ENG	€131m	15%	62%	0.9 x
20	AC Milan	ITA	€128m	-20%	65%	1.8 x
1-20	Average		€222m	7%	59%	
1-20	Aggregate		€4'436m	4%	56%	



Weak pound keeps top 20 wage growth down

The fall in the value of the pound kept headline top 20 wage growth down to 4% in 2017, with England providing nine of the 20 clubs with the highest wage bills and four of those clubs reporting a decline in wages once figures had been converted into euros. At the same time, the underlying local currency wage increase of 10% was down slightly on the 12% seen in 2016 and the 14% recorded in 2015.

The world's first €400m wage bill

Real Madrid CF reported the largest wage increase in both percentage (32%) and absolute (€100m) terms, becoming the first club ever to record a total wage bill in excess of €400m. Club Atlético de Madrid (30%), Borussia Dortmund (27%), FC Internazionale Milano (22%), Crystal Palace FC (22%) and Leicester City FC (22%) also reported sizeable increases in their wage bills.

18 of the top 20 clubs report ratios of 70% or less

Of the 20 highest-paying clubs, only two – Crystal Palace FC and AS Roma – recorded a wage bill in excess of 70% of total revenue. Meanwhile, a record 12 clubs recorded healthy wage-to-revenue ratios of 60% or less.

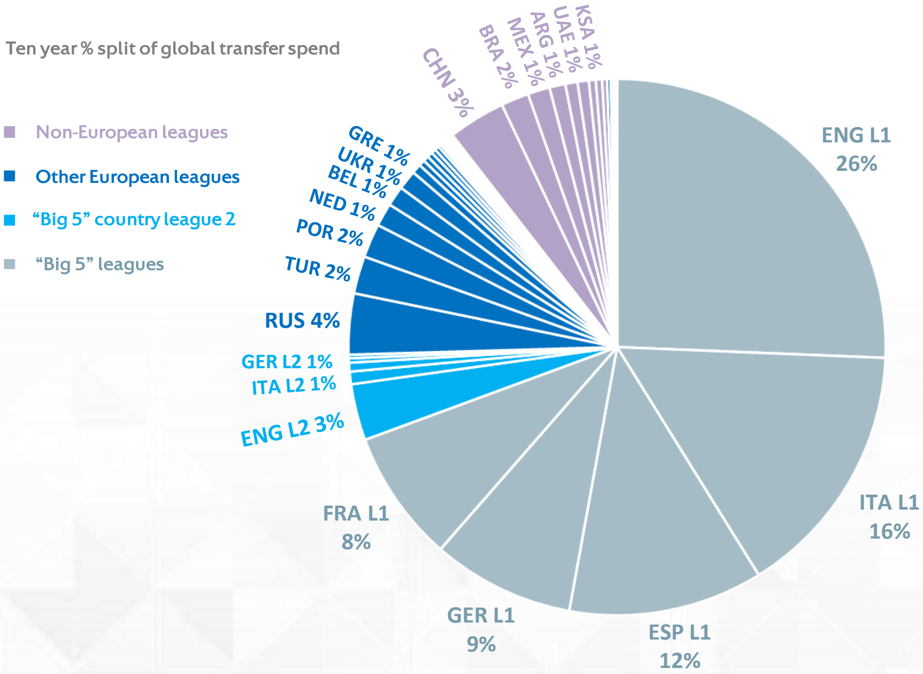
CHAPTER #07

Transfer activity

The transfer market is dominated by 'big5' European leagues with 71% of global spend in last decade

Transfer activity and squad management is a central part of club strategy and has a significant influence on club finances. The chapter starts with the share, scale, flows and profile of transfer activity over the last 10 seasons, incorporating the latest reported* transfer activity including the summer of 2018. The second part shows the specific impact of transfer activity on club's audited financial results FY2008 to FY2017 and highlights the financial solidarity aspect of transfer system and how its' use and impact varies between countries and within each league.

Ten year % split of global transfer spend



"Big 5" domination of transfer spending

English Premier League clubs have been responsible for more than a quarter (26%) of global transfer spending in the last ten years. Italian Serie A clubs are clearly ranked second by transfer spend (16%), followed by LaLiga clubs (12%), German Bundesliga clubs (9%) and French Ligue 1 clubs (8%). Together these five leagues have accounted for 71% of global spend. The second tier league clubs in these countries account for a further 5% share.

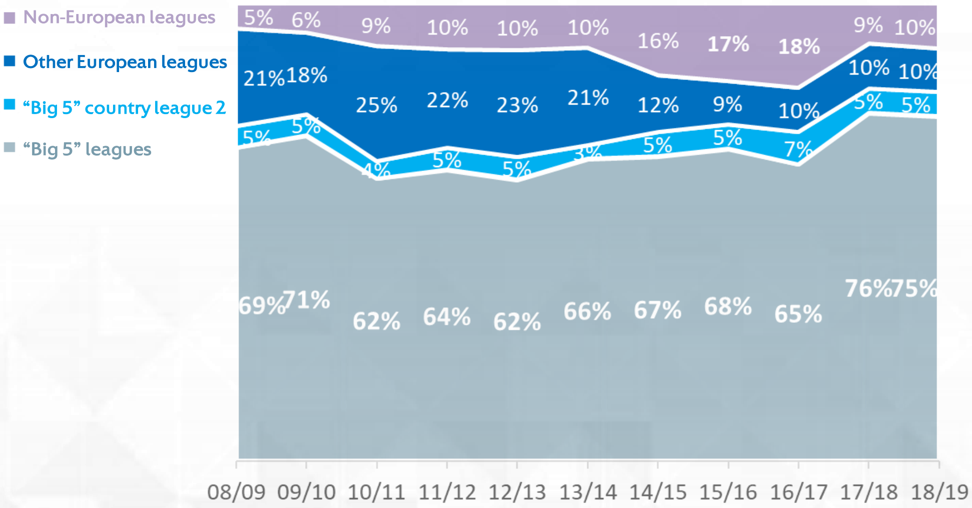
China ranked 8th by spend but highest outside Europe

Russian Premier League clubs have been the sixth highest spenders (4% share), followed by the second tier Championship in England (3%) and the Chinese Premier League (3%).

* The ten year transfer figures (actually ten and a half seasons to include the latest summer activity) are extracted from the UEFA Intelligence Centre composite transfer database. This includes verified transfer fees received direct from clubs, supplemented with publicly reported value estimates from Transfermarkt and Opta. The composite database transfer activity therefore includes some estimates and value judgments and is deemed suitable for benchmarking analysis purposes.

The % share of transfer spending of non-‘big 5’ European leagues has halved in recent years

Breakdown of global transfer spending*



‘Big five’ account for record share of spending

The concentration of global transfer spending has increased in the last two seasons, with the ‘big five’ European leagues now responsible for 75–76% of global spending. As the next few chapters of this report show, much of that increased transfer spending has been driven by a significant increase in spending power, with operating profits in those leagues rising. In addition, the second-tier leagues in those ‘big five’ countries are themselves responsible for 5% of global spending, so a total of 80% of global transfer spending is concentrated in just five countries.

Decrease in non-‘big5’ European share

European countries outside the ‘big five’ have seen their share of global spending fall considerably in the last five seasons, owing to reduced spending in Russia and Ukraine and relatively stable spending in other leagues. Their share of total spending has approximately halved and now stands at 10%.

Fluctuation in non-European share

Non-European transfer spending has fluctuated considerably, averaging 10% of global spending over the last ten years, but peaking at 16–18% between 2014/15 and 2016/17, before dropping back to 9–10% in 2017/18 and 2018/19. Chinese clubs were the main drivers of that recent increase, particularly the surge in transfer spending across the winter 2016, summer 2017 and winter 2017 windows, although spending by South American and Middle-Eastern clubs also increased during that period.

* Transfer spending is analysed and presented by window and by season rather than by year so that the proper club mix is taken into account. For example the summer 2018 transfer spend includes the promoted clubs who are about to take part in the 2018/19 season.

Transfer prices and spending doubled between 2014 and 2017

After setting European club spending in the global context, the rest of the chapter concentrates on transfer trends among just the top division clubs of the 55 UEFA National Associations (i.e. the same scope as the rest of the report).

Relative stability, followed by rapid growth

Between 2008 and 2014, transfer spending fluctuated but remained relatively stable overall, increasing by less than 10% over that period, despite top-tier clubs' revenues rising by 40% over the same period. From 2014 to 2017, however, transfer spending caught up with and then exceeded that revenue growth, with transfer activity doubling from an estimated €3.2bn in 2014/15 to €6.4bn in 2017/18.

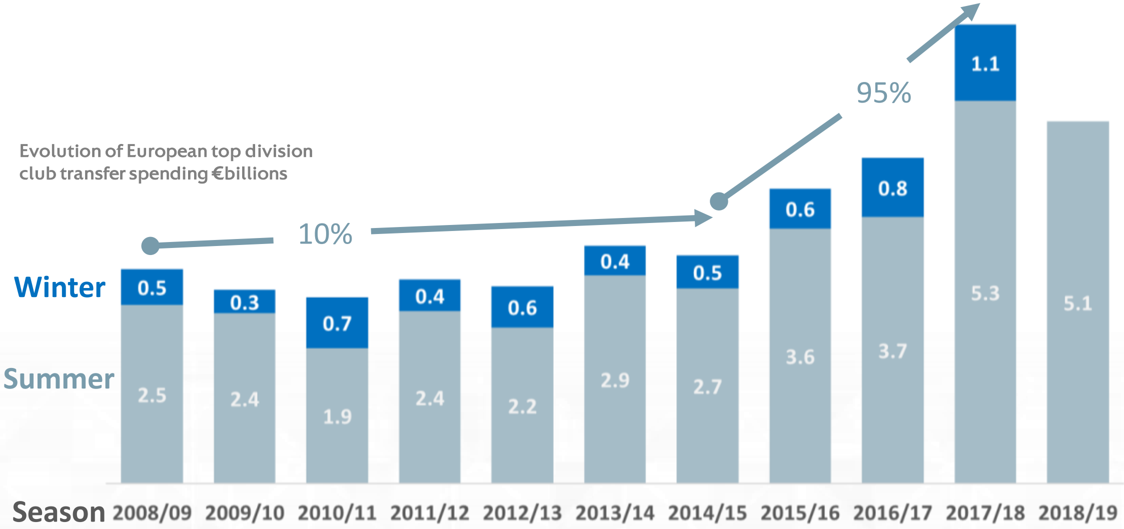
Average price not volume of deals driving higher prices

Deal by deal analysis indicates relatively stable transfer volumes meaning the increase spend is a result of increasing transfer prices.

Price inflation concentrated at the top until 2014/15 but inflation in middle and lower parts of market now caught up

Prices have evolved differently with prices at the top of the market (top50 deals each season) increasing steadily by 50% between 2008/09 and 2014/15 and a further 45% between 2014/15 and 2018/19. In contrast the middle of the market (deals 51-250 each season) saw a gradual increase of 10% during first part before jumping a further 85% between 2014/15 and 2018/19. Lower down (deals 251-750) the contrast is even greater with a drop in prices of 10% post recession between 2008/09 and 2014/15 and an increase of 110% between 2014/15 and 2018/19.

Evolution of European top division club transfer spending €billions



Winter window accounts for less than 20% of spending

The percentage of transfer spending that is carried out in the winter window fluctuates, ranging from 12% in 2009/10 to 28% in 2010/11, and has averaged 17% over the ten-year period under review.

The share of cross border transfer spending reached a record 65% last summer

The analysis of transfer types, transfer flows, transfer flow concentration, player nationality and nationality type is based on estimated transfer and loan values rather than numbers of players

Record low percentage of transfer spending on cross border transfers

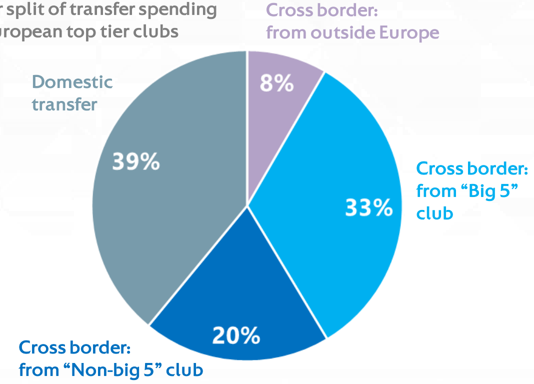
European top tier clubs spent 39% on domestic transfer deals and 61% on international cross border deals over the last ten seasons. The trend has been towards a lower domestic share ranging from 49% of total spend at the start of the ten season review to a record low 35% in summer 2018.

The split between domestic and cross border varies considerably between leagues with Italian Serie A clubs spending 55% on domestic transfers and Portuguese clubs spending just 16% on domestic transfers.

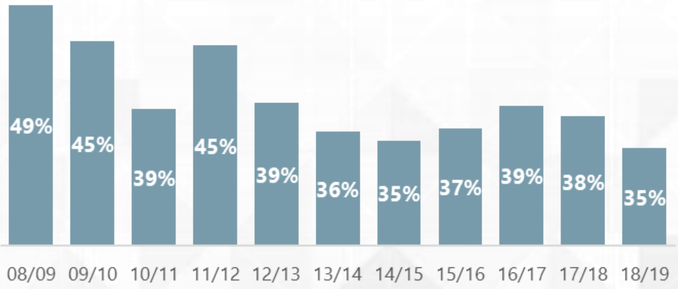
Potential Brexit impact with Premier League clubs spent just 3% on transfers originating outside Europe

While Portuguese clubs spent 30% and European clubs as a whole spent 8% of transfers fees outside of Europe, English clubs only spent 3%. As the largest actor in the global transfer system, any changes to work permit agreements linked to Brexit, could have a notable impact on transfer flows.

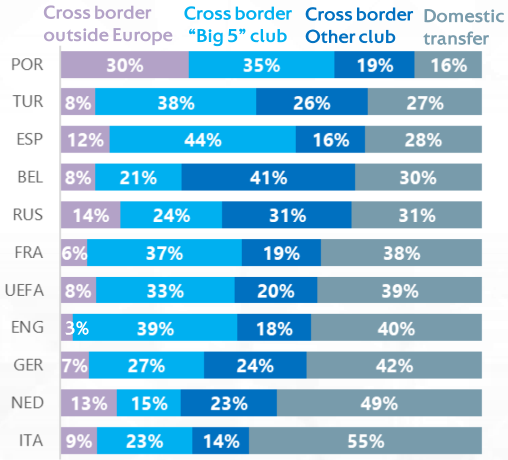
Ten year split of transfer spending by all European top tier clubs



Percentage of transfer spending on domestic transfers

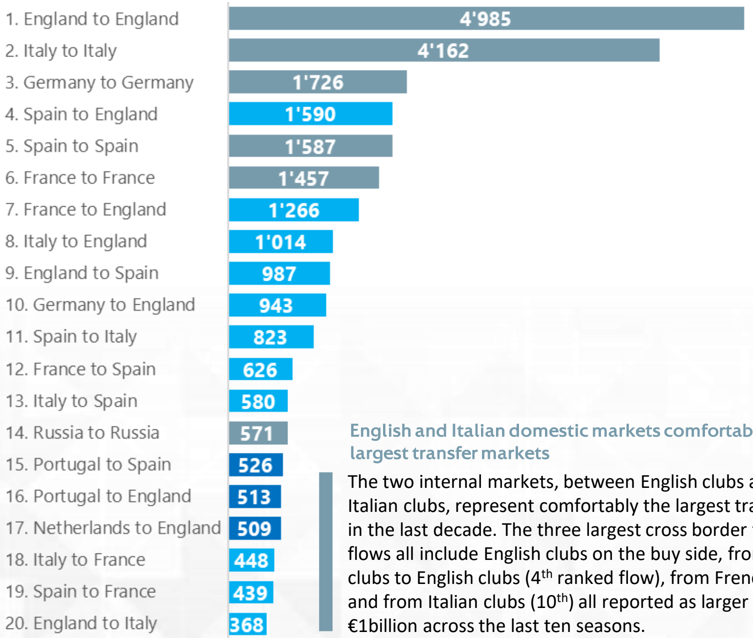


Ten year split of transfer spending for ten most active leagues (below)

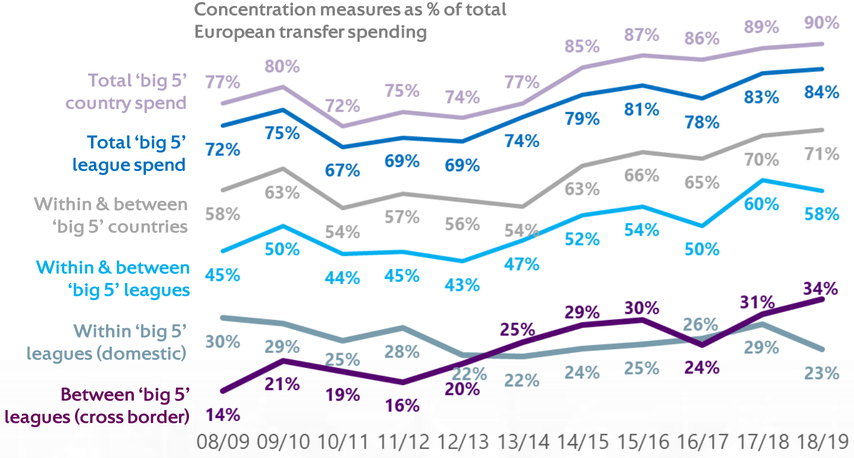


Cross border transfers between the ‘big 5’ leagues have increased from 14% to 34% of transfer spending

Twenty most significant transfer flows (country to country) last ten seasons (€millions)*



Concentration measures as % of total European transfer spending



English and Italian domestic markets comfortably the largest transfer markets

The two internal markets, between English clubs and between Italian clubs, represent comfortably the largest transfer flows in the last decade. The three largest cross border transfer flows all include English clubs on the buy side, from Spanish clubs to English clubs (4th ranked flow), from French clubs (7th) and from Italian clubs (10th) all reported as larger than €1billion across the last ten seasons.

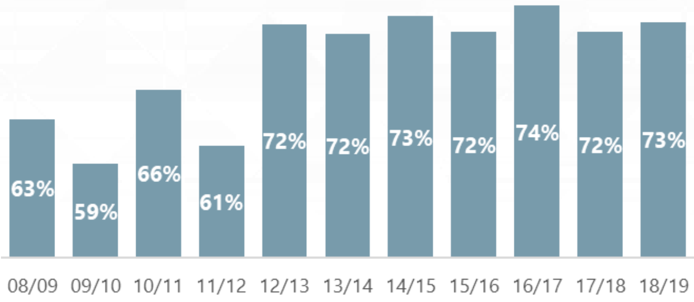
Transfer deals between ‘big 5 leagues’ driving concentration in European (and global) transfer spending

Cross border transfer deals between clubs in the ‘big 5’ leagues have gained significance in the last decade, increasing their share of total European transfer spending from 14% in 2008/09 to 34% in the summer of 2018. In contrast domestic transfers between clubs in the ‘big 5’ leagues have decreased from 30% to 23% across the ten year period. The concentration of European spending within both the ‘big 5’ leagues and ‘big 5’ countries has increased significantly during the ten seasons.

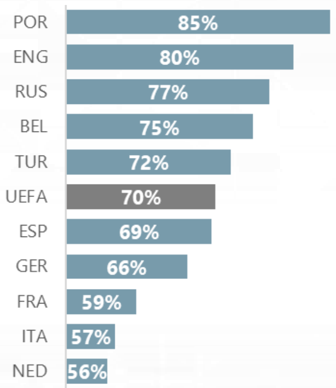
* The figures in UEFA composite transfer database do not include training compensation or solidarity fees. These could potentially increase the proportion paid to clubs outside Europe but not significantly.

Football talent knows no boundaries with low concentration and 163 different nationalities subject to transfer fees

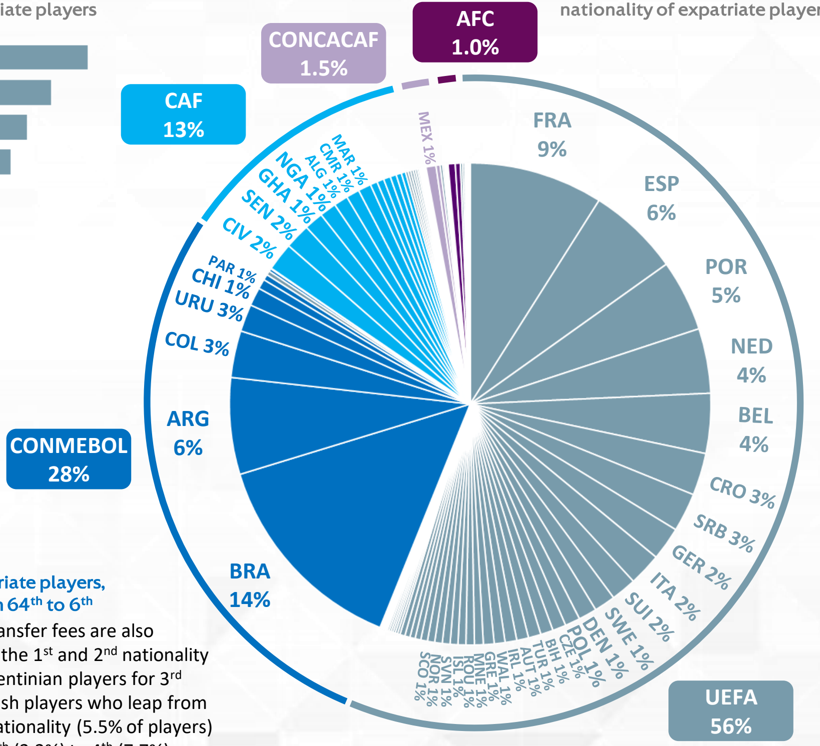
Ten year evolution of expatriate transfers



Share by country of buying club of ten year transfer spending on expatriate players



Ten year spread by player nationality of expatriate players



Share of transfer fees spent on expatriate players stabilised between 72-74%

The proportion of transfer spending by European top division clubs on expatriate (foreign national) players increased significantly in 2012/13 from 61% to 72% and has stabilised between 72%-74% throughout the last seven seasons.
Among the ten most significant transfer markets, the proportion of transfer fees spent on expatriate players ranges from the Dutch clubs (56%) up to the Portuguese clubs (85%). The largest expatriate group for French, Italian, Portuguese, Russian, Spanish and Turkish clubs was Brazilian, for Dutch clubs was Serbian and for Belgian and English clubs was French nationals.

Brazilians head the list of 163 nationalities subject to 14% of European transfer fees paid for expatriate players

Players from 163 different nationalities have been signed for a transfer or loan fee by European top division clubs during the last ten seasons*. Brazilians represent 14% of transfer fees by value followed by French (9%), Argentinian (6.5%), Spanish (6.2%) and Portuguese (4.8%). Players from European nationalities represent 56% of expatriate transfers to European clubs.

If home nationals are added to expatriate players, English players move up ranking from 64th to 6th

The picture changes if home league transfer fees are also included. Brazilian and French remain the 1st and 2nd nationality by fees paid but Spanish overtake Argentinian players for 3rd place. The largest differences are English players who leap from the 64th nationality (0.2%) to the 6th nationality (5.5% of players) and Italian players who move from 12th (2.2%) to 4th (7.7%).

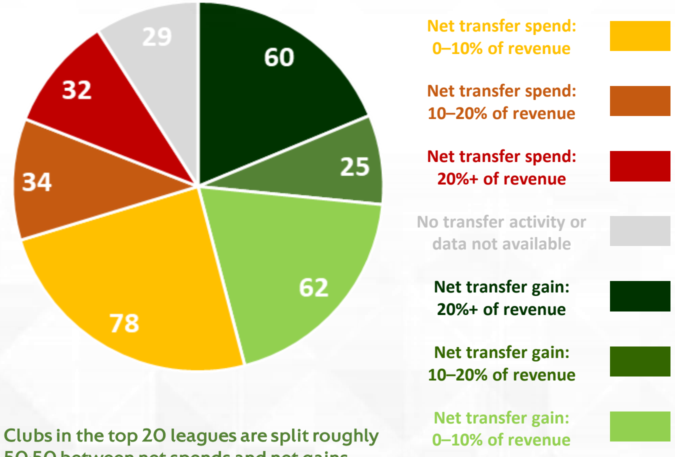
*Large numbers of players have dual nationalities, the five largest groups by transfer value are Italian and Argentinian, Brazilian and Argentinian, Brazilian and Portuguese, French and Senegalese and Brazilian and Spanish. To define whether a player is an expatriate player both nationalities are considered. However for the purposes of the pie chart, summing to 100%, just the first nationality is considered (defined according to international selection).

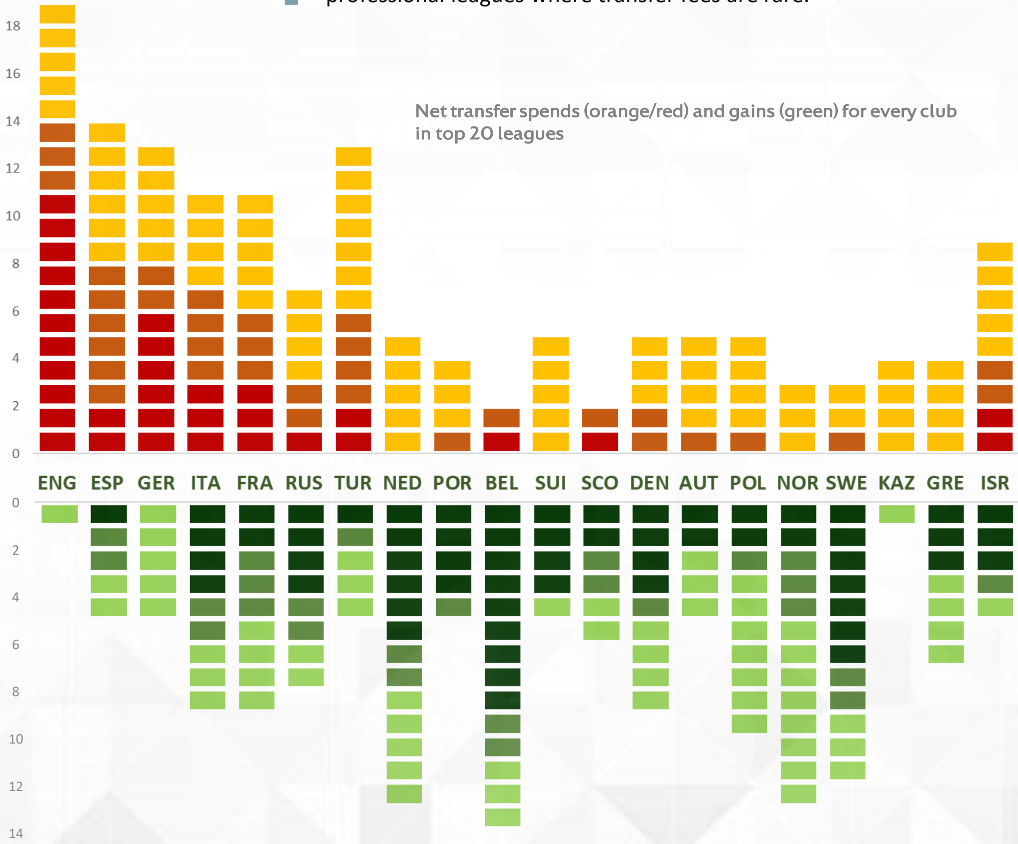
Level of transfer spend and proceeds vary within every league

The tile charts on the final two pages of the chapter show that transfer activity is more nuanced than just the big leagues buying from the smaller leagues. There are net buyers and net sellers within nearly all leagues, with the exception of some smaller semi-professional leagues where transfer fees are rare.

More than half of the 32 clubs with high net transfer spends in the top 20 leagues are English or German

In FY2017, 32 clubs in the top 20 leagues (and only three clubs from other leagues) reported a net transfer spend equivalent to more than 20% of revenue. Of those 32 clubs, 11 were English and six were German. Well-controlled wage spending has allowed those English and German clubs to operate at that relatively high level of net transfer spending.





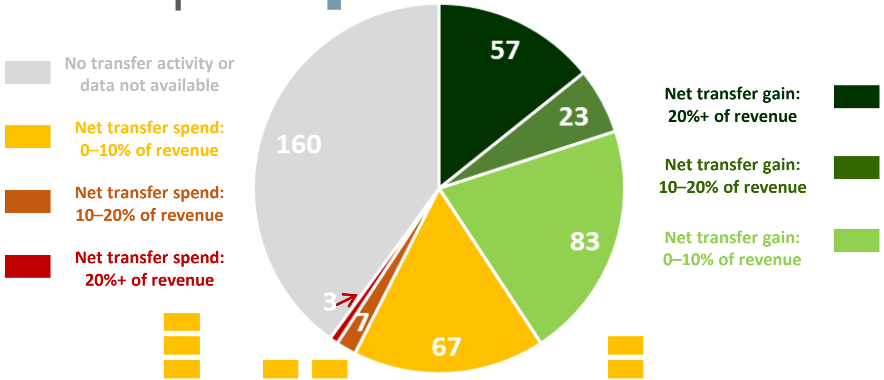
Clubs in the top 20 leagues are split roughly 50:50 between net spends and net gains

Across the top 20 leagues, roughly equal numbers of clubs reported net spends (144) and net gains (147) in FY2017. The majority of Belgian, Dutch, Norwegian and Swedish clubs generated net gains from transfer activity.

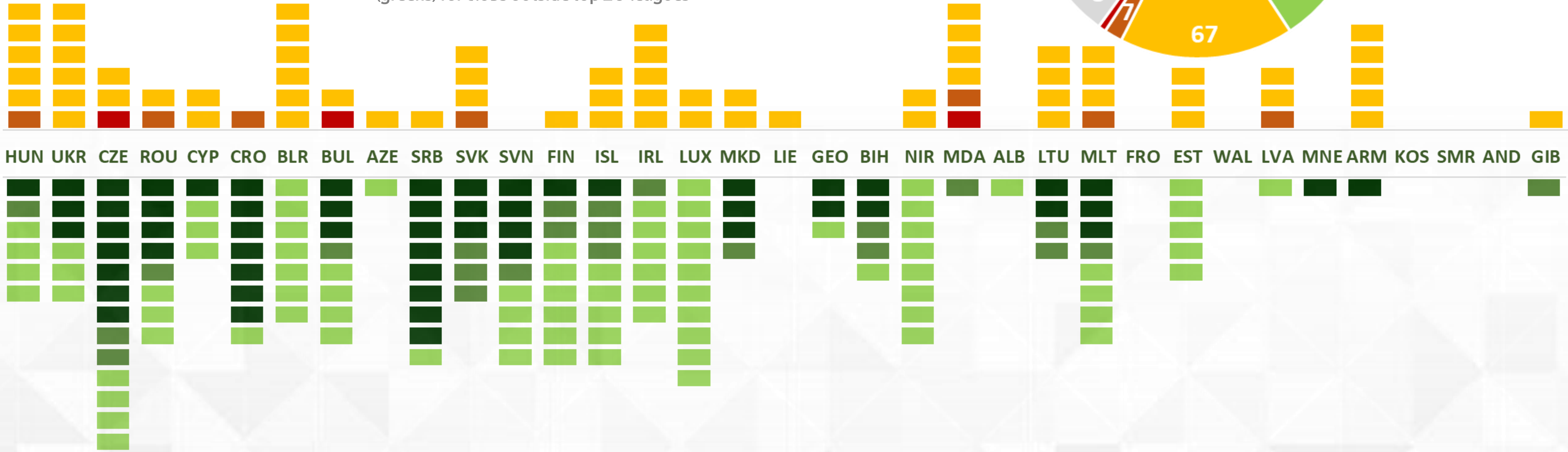
Clubs in smaller leagues more than twice as likely to report net transfer gains as spend

In smaller leagues, the number of clubs reporting net gains is more than twice the number reporting net spends

In leagues outside the top 20, the number of clubs reporting net gains from transfers in FY2017 (163) was more than twice the number reporting a net spend (77), showing that the transfer system acts as an important financial solidarity mechanism. In particular, a significant number of Croatian, Czech and Serbian clubs reported net gains equivalent to more than 20% of revenue.



Net transfer spends (orange/red) and gains (greens) for clubs outside top 20 leagues



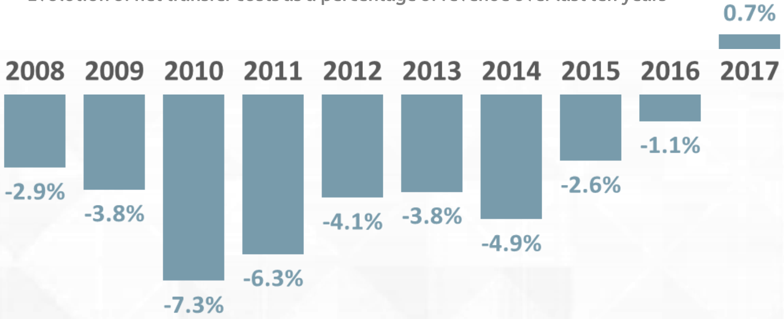
Increased profits helped clubs report a net gain from transfers in their 2017 financial figures

Accounting for transfer activity is somewhat counterintuitive. When transfer spending goes up, the net cost of transfer activity, and therefore the level of aggregate club losses, is likely to go down. This is because of a difference in timing: profits, which increase if transfer activity goes up, are triggered immediately on sale, while costs, which also increase if transfer activity goes up, are spread out over the duration of players' contracts (typically three to five years).

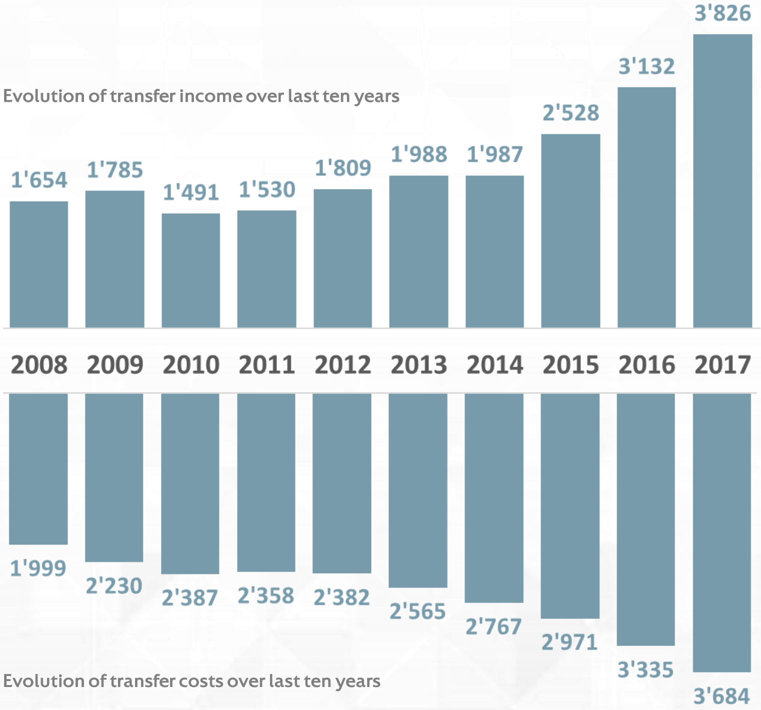
Clubs made a net profit from transfer activity in 2017, thanks to higher prices

The doubling of European club transfer spending has resulted in transfer incomes rising from €2.0bn in FY2014 to €3.8bn in FY2017. Every transfer has two sides, but transfer costs have increased more gradually than income, as costs are spread out over the duration of the player's contract. The net impact on clubs' profits and losses has been significant: whereas transfer activity resulted in net losses equivalent to 4.9% of revenue in FY2014, a net profit equivalent to 0.7% of revenue was reported in FY2017.

Evolution of net transfer costs as a percentage of revenue over last ten years



Evolution of transfer income over last ten years



Evolution of transfer costs over last ten years

* The figures presented on this page are an aggregation of audited accounting figures for 680 top-division clubs. These are the figures that determine each club's bottom-line financial result, and they are calculated on the basis of profits or losses triggered on sale, as well as depreciation, amortisation and non-capitalised transfer costs recorded in the year in question. By definition, these figures reflect accounting treatments and differ from the pure transfer spending and income presented elsewhere in this chapter, which is based on the reported inwards and outwards transfers (financial commitments) in each period.

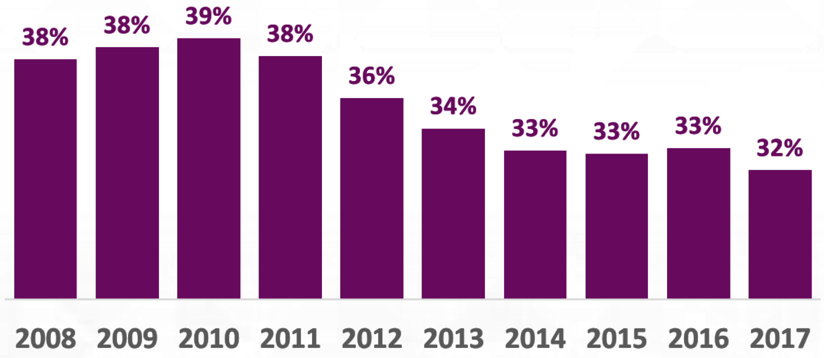
CHAPTER #08

Club operating and non-operating costs

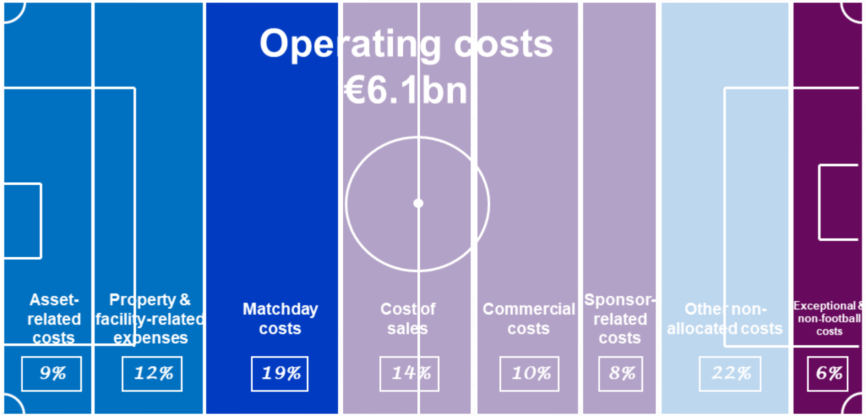
Operating costs total 32% of revenue – the lowest percentage on record

Historically, much of a club's operating cost base has been either fixed (assets and property, cost of facilities and basic administrative costs) or linked to the number of matches played (matchday expenses).* With revenues increasing significantly each year, the proportion of revenue dedicated to (non-wage) operating costs has decreased markedly, falling from 39% in FY2010 to 32% in FY2017.

Evolution of operating costs as a percentage of revenue over last ten years



Breakdown of operating costs



Evolution of operating costs as a percentage of revenue

Last year's report highlighted unusually strong growth in non-wage operating costs in FY2015 and FY2016 (including growth of 10% in FY2016) as clubs expanded commercial operations. In FY2017, non-wage operating costs reverted to a lower growth rate of 5% (considerably lower than the 9% observed for revenue), which resulted in the ratio of operating costs to revenue falling to 32% – the lowest on record.

Problems with comparability

The quality and extent of the financial disclosure of operating costs varies across Europe, which makes comparisons challenging.** The main components are set out in the graphic above, albeit with unallocated 'other' operating costs totalling 22%.

* References to the 'operating cost base' and 'operating costs' in this report exclude employee costs (which have been analysed separately) and transfer activity (amortisation also analysed elsewhere in this report). ** Disclosure of operating costs varies significantly across financial reporting frameworks. UEFA and many of its member associations require additional disclosure from clubs, above and beyond normal company reporting, and this enables club operating costs to be broken down into different categories. Individual clubs' cost structures vary considerably. One obvious example is stadium ownership, which will have a major impact on 'asset-related costs' (including depreciation) and 'property and facility-related expenses' (including repairs and maintenance expenses, as well as rental/leasing costs). Merchandising and hospitality arrangements also affect the 'cost of sales' (including raw materials), 'matchday costs' and 'commercial costs'.

Operating costs absorb between 22% and 82% of league revenue

In general less operating costs are associated with generating TV revenue than commercial or matchday revenue. Indeed, it is common for the major expense (agency or commission costs) associated with TV revenues to be already netted before TV revenue is distributed to clubs and therefore not impact operating costs. This is reflected in the percentage of revenue absorbed by operating costs, which tends to be higher for the leagues that do not benefit from large TV deals.*

Top 20 leagues by average club operating costs

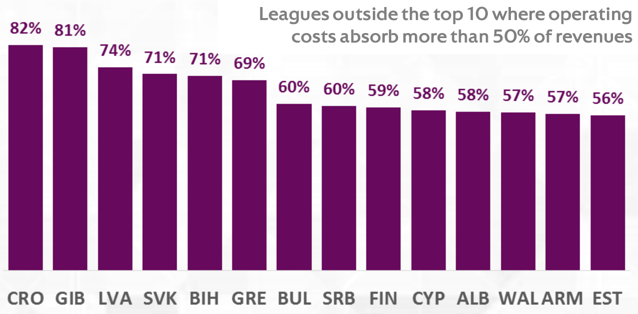
Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
22%	(1). ENG	+7%	€1,178m	58.9
35%	(2). GER	-6%*	€979m	54.4
30%	(3). ESP	+21%	€862m	43.1
30%	(4). ITA	+9%	€643m	32.2
37%	(5). FRA	+18%	€606m	30.3
25%	(6). RUS	+12%	€202m	12.6
45%	(7). NED	+3%	€225m	12.5
29%	(8). TUR	+15%	€214m	11.9
47%	(9). BEL	+8%	€181m	11.3
43%	(10). POR	+4%	€186m	10.3
42%	(11). SUI	+7%	€98m	9.8
42%	(12). AUT	+24%	€74m	7.4
39%	(13). SCO	+42%*	€82m	6.8
50%	(14). DEN	+6%	€89m	6.4
69%	(15). GRE	+10%	€81m	5.1
49%	(16). NOR	+5%	€75m	4.7
51%	(17). SWE	+2%	€74m	4.6
48%	(18). ISR	+11%	€52m	3.7
38%	(19). POL	+0%	€58m	3.7
82%	(20). CRO	-9%	€34m	3.5

English and German clubs have highest operating costs

The revenue analysis earlier in the report highlighted the extent of English and German clubs' commercial operations, and the scale of those activities is also reflected on the cost side, with club operating costs in the two countries averaging €58.9m and €54.4m respectively – considerably higher than the equivalent figures for other major leagues. The high stadium ownership rates in England and Germany are one factor contributing to those relatively high operating costs. At the same time, with operating costs absorbing just 22% of English clubs' revenue, there is clearly plenty of income left to pay high wages and transfer fees.

Outside the top 20 markets

Outside the top 20 leagues, there is a clear tendency for fixed operating costs to absorb a higher percentage of revenues. Operating costs absorb an average of 50% of revenues at clubs in those countries, and more than half of all revenues at clubs in the 14 leagues in the chart below. (Of the top 20 leagues, only Croatia, Greece and Sweden average ratios in excess of 50%.) With non-wage operating costs at this high level, clubs obviously need to make profits from player transfers in order to balance their books.

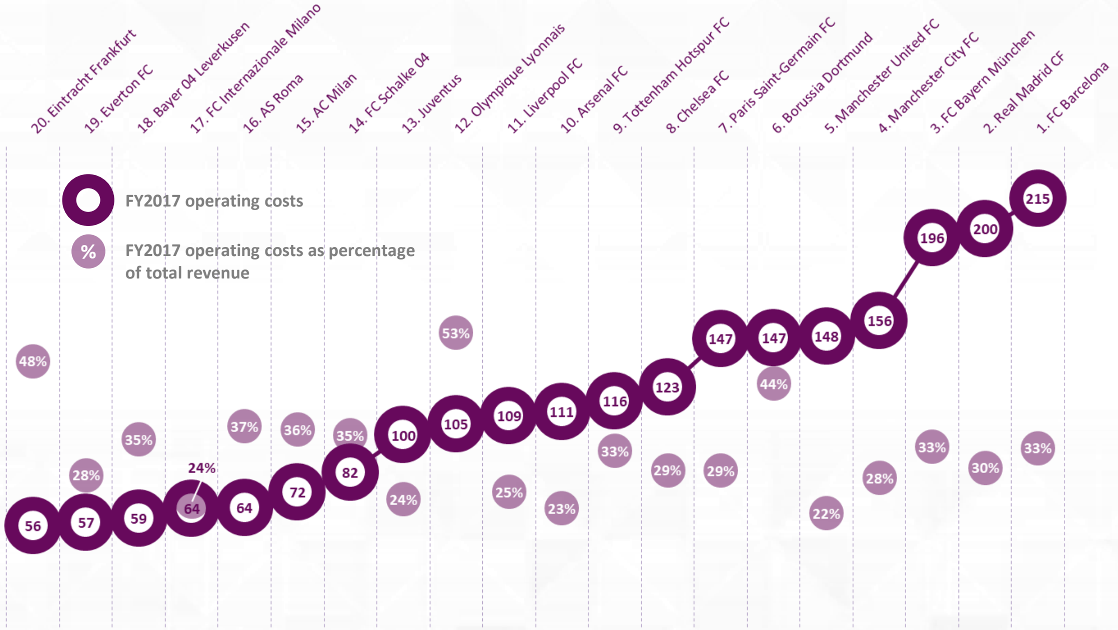


* In certain cases, relatively large changes are linked to non-recurring and/or external factors. The reduction in German operating costs can be attributed to non-recurring exceptional items in the previous year. In Scotland, the increase is largely due to Rangers FC's return to the top flight.

The club with the largest costs has roughly double the operating costs of the tenth club and almost four times those of the 20th club

Top 20 clubs by operating costs*

Rank	Club	Country	FY17	% of total revenue	Year-on-year growth*
1	FC Barcelona	ESP	€215m	33%	27%
2	Real Madrid CF	ESP	€200m	30%	13%
3	FC Bayern München	GER	€196m	33%	-10%
4	Manchester City FC	ENG	€156m	28%	9%
5	Manchester United FC	ENG	€148m	22%	9%
6	Borussia Dortmund	GER	€147m	44%	5%
7	Paris Saint-Germain FC	FRA	€147m	29%	2%
8	Chelsea FC	ENG	€123m	29%	-43%
9	Tottenham Hotspur FC	ENG	€116m	33%	35%*
10	Arsenal FC	ENG	€111m	23%	-4%
11	Liverpool FC	ENG	€109m	25%	4%
12	Olympique Lyonnais	FRA	€105m	53%	51%*
13	Juventus	ITA	€100m	24%	26%
14	FC Schalke 04	GER	€82m	35%	2%
15	AC Milan	ITA	€72m	36%	-2%
16	AS Roma	ITA	€64m	37%	7%
17	FC Internazionale Milano	ITA	€64m	24%	-1%
18	Bayer 04 Leverkusen	GER	€59m	35%	-5%
19	Everton FC	ENG	€57m	28%	31%*
20	Eintracht Frankfurt	GER	€56m	48%	24%
1-20	Average		€116m	30%	
1-20	Aggregate		€2'326m	30%	4%



Operating costs range from 22% to 53% of revenue

Operating costs absorbed an average of 30% of the top 20 clubs' revenues in FY2017, ranging from 22% at Manchester United FC to 53% at Olympique Lyonnais.

Operating costs rise by 4%

Operating costs across the top 20 clubs increased by an average of 4% in FY2017, in line with the Europe-wide average of 5%. The sheer scale of the global super clubs' non-wage costs highlights the significant resources these clubs have and the investment they are making in the global expansion of their commercial activities. This is the flipside of the large increases in commercial revenues highlighted earlier in the report. As on the revenue side, the rough rule of thumb is that the largest club's costs are roughly double those of the tenth largest club, which are roughly double those of the 20th club.

* The high growth rate reported by Tottenham Hotspur FC is largely due to their use of Wembley Stadium for UEFA competition matches during FY2017 and the preparations for their move to their new stadium (including finance charges). Meanwhile, the strong growth in Olympique Lyonnais' operating costs is partly due to the first full year of depreciation on their new state-of-the-art stadium and club-owned facilities. The large year-on-year increase for Everton FC is partly due to preparatory work for their proposed new stadium.

Tax paid on profits rose by 35% in 2017

Breakdown of European clubs’ non-operating costs

In addition to wages, transfer spending and normal operating costs, clubs reported net costs derived from non-operating items (gains offset against losses) of just over €900m in FY2017, a slight decline of €65m on the previous year. That net cost (which covers financing, divestment, other non-operating gains and losses, and tax) was equivalent to 4.5% of revenue and reduced bottom-line profits. It should be noted that many of these items are adjusted or removed when calculating a club’s financial fair play break-even result. As in the rest of this report, however, no adjustments have been made to the figures published here.

Total tax paid by clubs increases

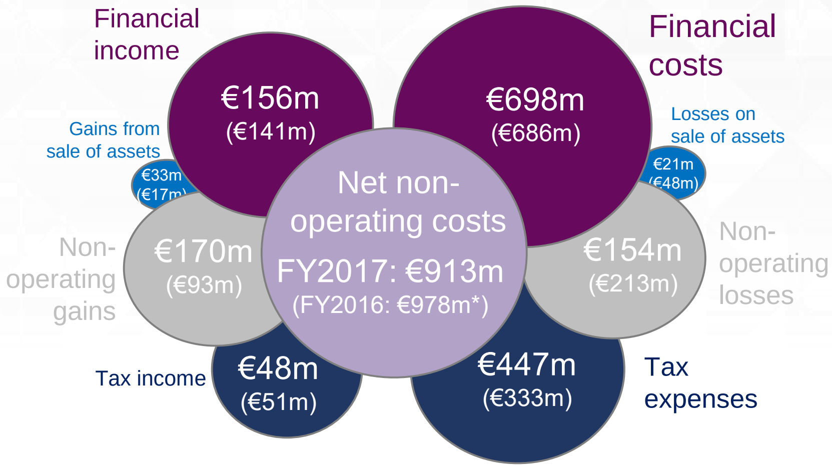
Italian clubs reported total net non-operating costs of €237m in FY2017, equivalent to 11% of revenue. Improved profitability, particularly in Italy and England, increased total gross tax on profits from €333m in FY2016 to €447m in FY2017.

High financing costs weigh on Portuguese and Turkish clubs

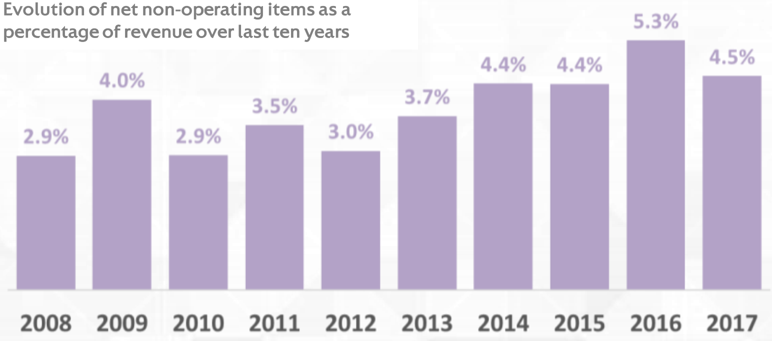
The relatively high financing costs of Portuguese and Turkish clubs continue to absorb a sizeable percentage of club revenues, with total net non-operating costs equivalent to 12% and 21% of revenue respectively. These relatively high financing costs stem mainly from investment in stadiums and other infrastructure, but foreign exchange losses of €73m also hit Turkish clubs hard in FY2017. Meanwhile, Ukrainian clubs’ results were significantly impacted by a one-off cost of €57m for one of its clubs.

Country	Losses (+) / gains (-) on divestment	Non-operating expenses (+) / income (-)	Net finance costs (+) / income (-)	Net tax expenses (+) / income (-)	Net non-operating costs (+) / income (-)	Net non-operating costs as % of revenue
ITA	€0m	-€2m	-€93m	-€143m	-€237m	-11,0%
ENG	€10m	€1m	-€99m	-€93m	-€181m	-3,4%
TUR	€5m	-€8m	-€145m	-€4m	-€152m	-20,8%
ESP	€1m	€3m	-€28m	-€62m	-€85m	-2,9%
GER	-€1m	-€5m	-€25m	-€53m	-€84m	-3,0%
UKR	€0m	-€59m	-€6m	€0m	-€65m	-73,7%
POR	€0m	€0m	-€42m	-€8m	-€51m	-11,8%
NED	€0m	-€2m	-€4m	-€19m	-€26m	-5,1%
FRA	€8m	€65m	-€42m	-€18m	€12m	0,8%
Other	-€11m	€24m	-€58m	€1m	-€44m	-1,2%
Total	€12m	€18m	-€543m	-€400m	-€913m	-4,5%

Breakdown of non-operating gains and losses



Evolution of net non-operating items as a percentage of revenue over last ten years



* The difference between this figure and the figure cited in last year’s report (€898m) is due to the reclassification of net foreign exchange gains and losses, which were previously excluded from this analysis.

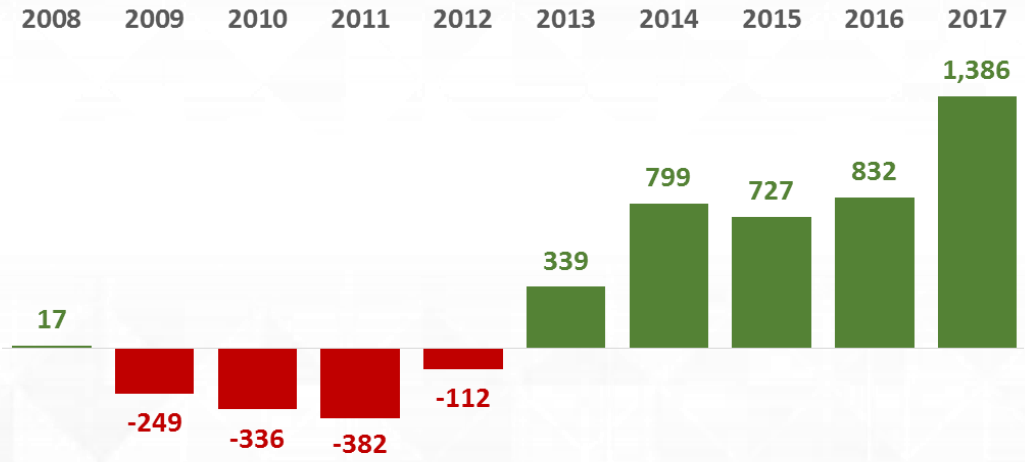
CHAPTER #09

Underlying and bottom-line profitability

Record operating profits of €1.4bn

This chapter uses two different measures of clubs' profitability (i.e. their profits or losses). The first is operating profit, which measures clubs' underlying ability to generate profits that can be reinvested back into transfer and financing activity. The second measure is net profit after tax, which we refer to as 'bottom-line profit', as it is the final result after all costs, gains and losses. This chapter starts with an overview of developments over the last ten years, before analysing results for FY2017 at European, league and club level.

Aggregate European operating profits (€m)



Record aggregate operating profits in 2017

The dramatic improvement in clubs' underlying profitability since the introduction of financial fair play was confirmed again in FY2017, with a fourth consecutive year of significant operating profits for European club football. Indeed, the €1,386m operating profit in FY2017 was comfortably the highest ever.* Europe's clubs have now generated more than €4bn in operating profits over the last five years. In contrast, combined operating losses of more than €1bn were reported in the five years from 2008 to 2012.

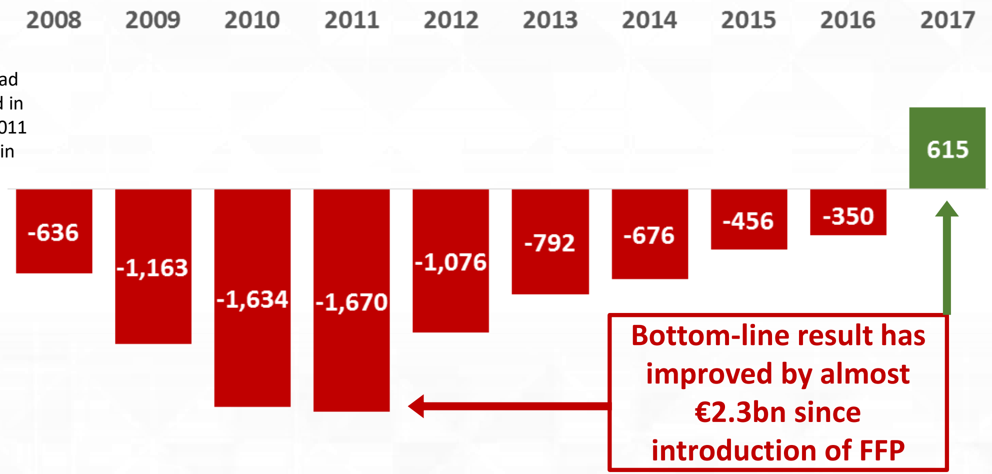
* UEFA started collecting detailed club-by-club Europe-wide data in 2008, and the 2017 figures are very clearly the best yet. Meanwhile, aggregate data for the largest leagues (which have accounted for approximately 70% of top-division revenues and costs over the last two decades) has been collected and analysed by Deloitte for almost 20 years. The 2017 operating profits for those leagues are more than three times the previous record high. Since aggregate revenues prior to 1996 (i.e. before Deloitte started collecting data) were not high enough to generate operating profits that could have matched the 2017 figure, we conclude that the aggregate operating profits reported for 2017 were the highest that European football has ever generated.

First ever bottom-line profit

All of the profits and losses that are reported here and referred to throughout the report – whether at club, league or European level – are final audited financial statement figures after tax, sometimes referred to as ‘bottom-line figures’, and are adjusted only for unrealised foreign exchange gains and losses. This is not the same as the break-even result, which includes various adjustments (such as the removal of costs related to virtuous investments in youth football, community activities and infrastructure, the removal of certain taxes, and fair-value assessments of related-party transactions). However, in seeking to meet break-even targets, clubs do tend to improve their bottom-line profitability.

Aggregate bottom-line profits of €615m in 2017

After transfers, non-operating income/costs, financing, tax and divestment activities had been taken into account, aggregate bottom-line profits totalling €615m were recorded in FY2017. Thus, aggregate club results have improved by a total of about €2.3bn since 2011 (i.e. since the introduction of financial fair play). Importantly, this sharp improvement in bottom-line figures has been driven primarily by underlying profits generated by operating activities, rather than temporary changes to other non-operating items.



From operating result to net bottom-line result

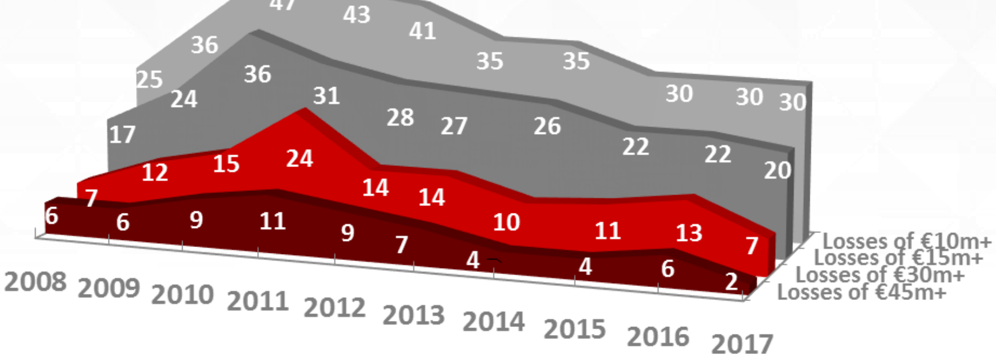
Operating profits/losses + Transfer income/costs + Gains/losses from divestment of assets + Non-operating income/costs + Financial gains/losses, excluding impact of exchange rates + Tax income/costs = Net bottom-line profits/losses

More than half of Europe's top divisions report aggregate profits

Significant drop in the number of clubs reporting unsustainable losses

The number of clubs reporting a bottom-line loss of more than €45m fell to just two in FY2017, down from a peak of 11 in FY2011. Similarly, the number reporting losses in excess of €30m fell to seven, equalling the previous record low (recorded in FY2008) and down significantly on the 24 clubs that reported such losses in 2011.

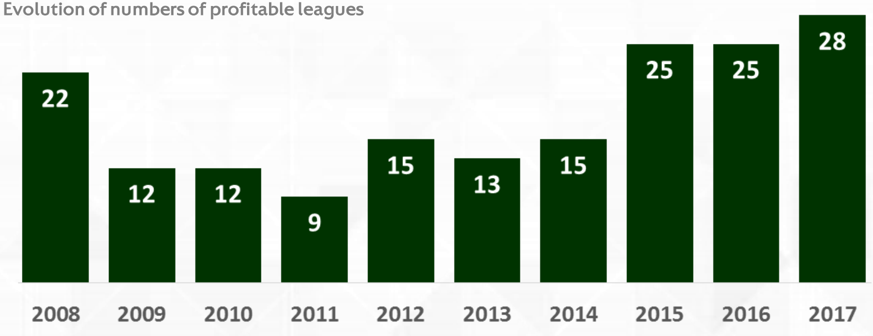
Evolution of numbers of loss-making clubs at various levels of loss



More than half of all leagues report an aggregate profit

While the first chart on this page highlights financial fair play's effectiveness in reducing the number of individual clubs making large losses at the top end of the game, the second chart points to broader improvements across Europe. A record 28 leagues reported aggregate profits (calculated by aggregating the profits/losses of all clubs) in FY2017, up from 25 in FY2016 and just 15 in FY2014.

Evolution of numbers of profitable leagues



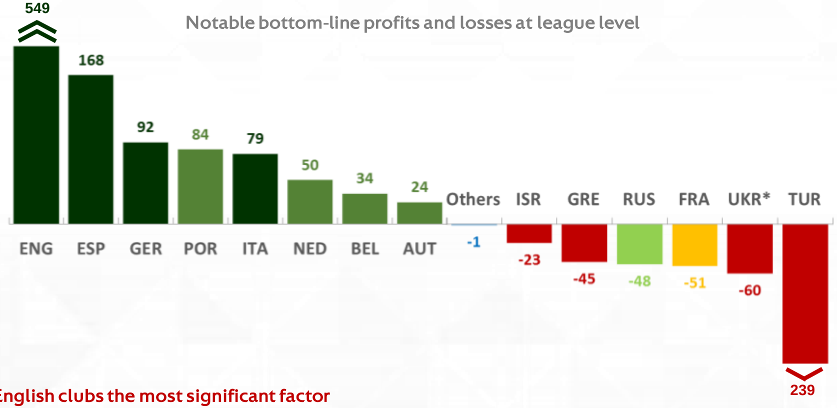
Impact of financial fair play

Although the centrepiece of financial fair play, the break-even rule, is not directly applicable to small and medium-sized clubs with costs and incomes below €5m, financial fair play affects these clubs – both directly and indirectly – in other ways. Directly in that UEFA and the Club Financial Control Body receive detailed financial data from all clubs competing in UEFA competitions and take careful note of all overdue payables. And indirectly in that financial fair play has resulted in significantly greater scrutiny of club finances and the actions of club owners and directors. In addition, some countries, such as Cyprus, have introduced their own versions of financial fair play, tailored to their clubs and the scale of their financial activities.

English clubs profit of €500m+ drives large profits in 2017

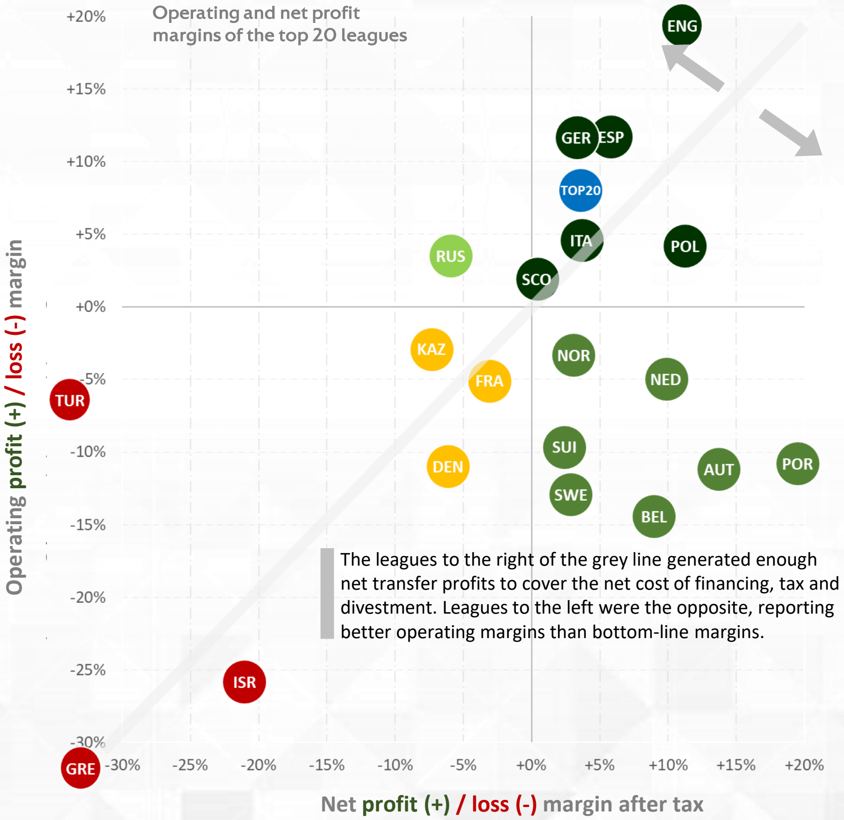
Transfer price inflation helps talent-developing leagues to turn operating losses into bottom-line profits

European clubs' underlying and bottom-line profitability is continuing to improve significantly, but there continue to be notable differences between Europe's various leagues. The bar chart below indicates the main contributors to the aggregate bottom-line profits of €615m that were reported in FY2017, while the scatter chart on the right sets out the operating and bottom-line profitability of each of the top 20 leagues. The combined operating profit margin of all clubs in the top 20 leagues increased from 5.6% to 8.1% in FY2017 – which, after transfers and financing had been taken into account, resulted in a bottom-line profit margin of 3.6%. For the first time, more than half of all top 20 leagues (13) reported profits, and only three reported loss margins of more than 10% (compared with five the previous year).



English clubs the most significant factor

As the bar chart above shows, a small number of countries were responsible for the bulk of the net profits recorded in Europe in FY2017. Turkish clubs appear on the loss side for the third year in a row, while Italian clubs recorded a large profit in FY2017, following a large loss in FY2016. English clubs' results were the most significant factor in the massive improvement in European club profitability, moving from a €186m loss in FY2016, in anticipation of an impending increase in TV revenue, to a €549m profit in FY2017 when that revenue arrived. The next double-page spread looks at the profitability of individual clubs in the various leagues, highlighting the limitations of aggregate analyses and the care that must be taken when using them to make generalisations (as some Turkish clubs, for example, reported profits in FY2017).



* For the first time ever, Ukraine dropped out of the top 20 leagues by aggregate revenue in FY2017 as a result of the difficult economic and political conditions in the country, being replaced by Israel.

Transfer activity turns large operating loss margin of 23% into smaller net loss margin of 8.7%

Majority of middle and lower-income leagues report operating losses

While aggregate operating profits have increased at the level of Europe as a whole and a bottom-line net profit was recorded in FY2017, results vary across Europe. Aggregate underlying operating profits were recorded in just 11 countries outside the top 20 in FY2017. Wages accounted for an average of 72% of revenue in those leagues, leaving them with less revenue to cover other – mainly fixed – operating costs.

Average operating loss margin of 23%

On an aggregate basis across the 400 clubs outside the top 20 leagues, the operating loss margin of 23% in FY2017 was unchanged from FY2016. When comparing these leagues with the top 20, what stands out is the greater reliance on benefactors, transfer profits and UEFA club competition prize money, which can lead to larger fluctuations in financial performance from year to year. Only one league – Belarus – appears in the top-left quadrant of the chart on the right, which indicates operating profits but bottom-line losses.

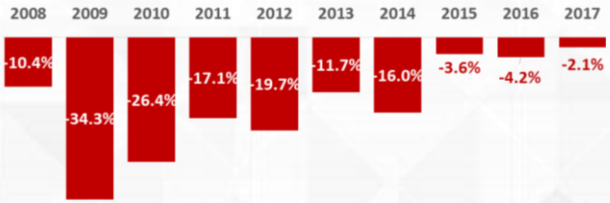
A record 15 countries outside the top 20 reported bottom-line profits in 2017

At net profit level (i.e. after transfers, non-operating income/costs, financing, tax and divestment activities had been taken into account), a record 15 of the 35 countries outside the top 20 reported aggregate profits in FY2017. Ten of those countries reported both operating and net profits, while five (Malta, Romania, Serbia, Slovakia and Wales) were able to transform operating losses into bottom-line profits through transfer profits.

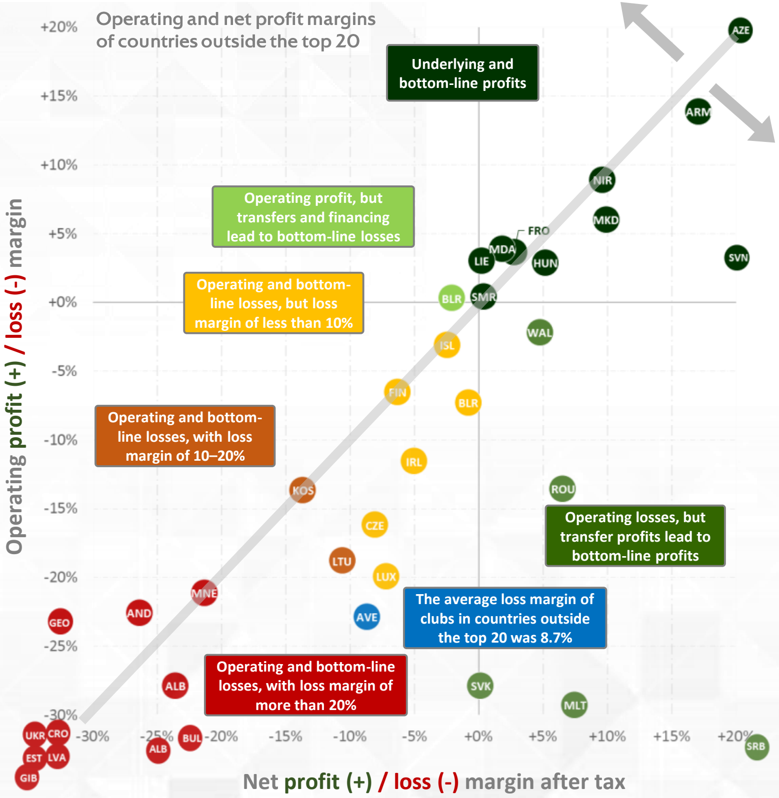
Still 11 leagues with aggregate loss margins in excess of 20%

At the same time, the number of countries reporting net loss margins of more than 20% increased from six in FY2016 to 11 in FY2017, with six countries (Croatia, Estonia, Georgia, Gibraltar, Latvia and Ukraine) reporting a loss margin of more than 30%. On an aggregate basis across the 400 clubs outside the top 20 leagues, a bottom-line loss margin of 8.7% was generated in FY2017 – slightly higher than in FY2016, but still a significant improvement on previous years. If the league with the highest revenue – Ukraine – is excluded, the loss margin falls considerably, standing at just 2.1%.

Evolution of the combined bottom-line net loss margin of countries outside the top 20*



Operating and net profit margins of countries outside the top 20

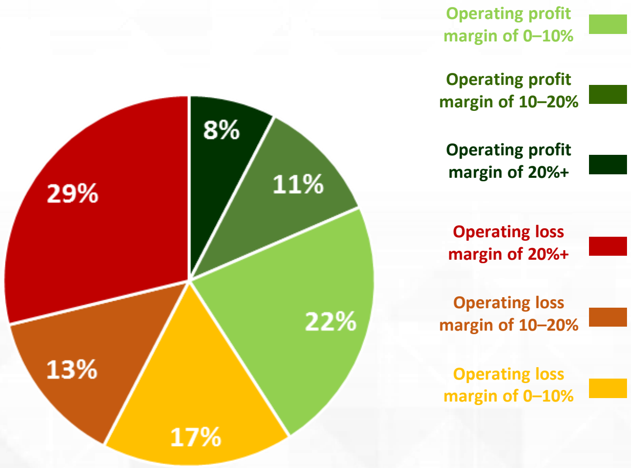


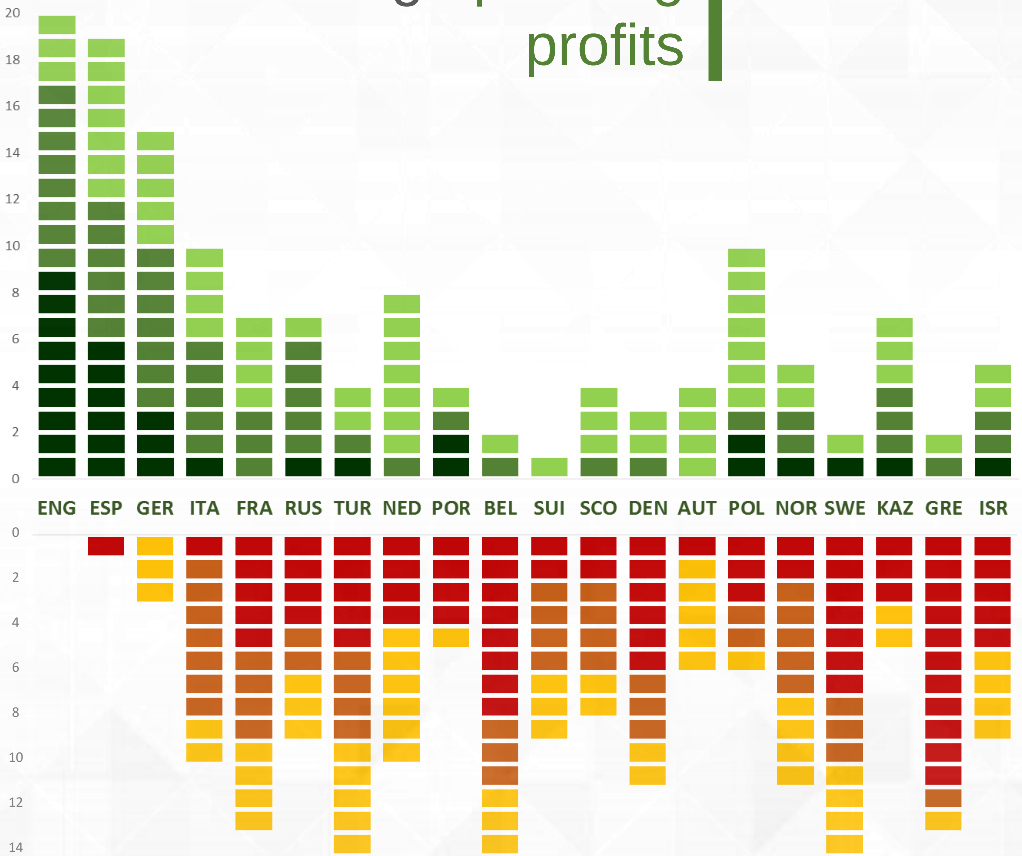
English, Spanish and German clubs driving operating profits

Operating profits reported by 54 of 58 English, German and Spanish clubs

Overall, 41% of clubs in the top 20 leagues* generated operating profits in FY2017, down slightly on the record 44% seen in FY2016, but considerably up on the level observed before the introduction of financial fair play in 2011, when just 35% reported underlying operating profits.

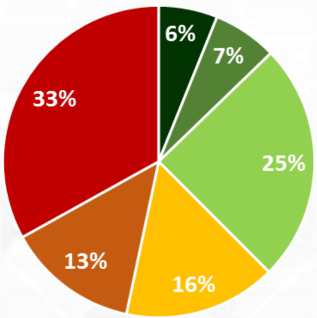
The majority of clubs in England, Germany, Spain and Poland generate operating profits, while the majority of the clubs in the other top 20 leagues generate operating losses and rely on transfer profits from talent development to achieve profitability.





* Data was provided for nearly all clubs in the top 20 leagues, with the exception of one Greek club and nine Portuguese clubs. Consequently, the club-by-club analysis for those leagues is limited to 15 and 9 clubs respectively. In addition, FY2016 data is used for one French club.

Operating profits and losses of clubs outside top 20 leagues*



Every league in Europe has at least one club with an operating profit

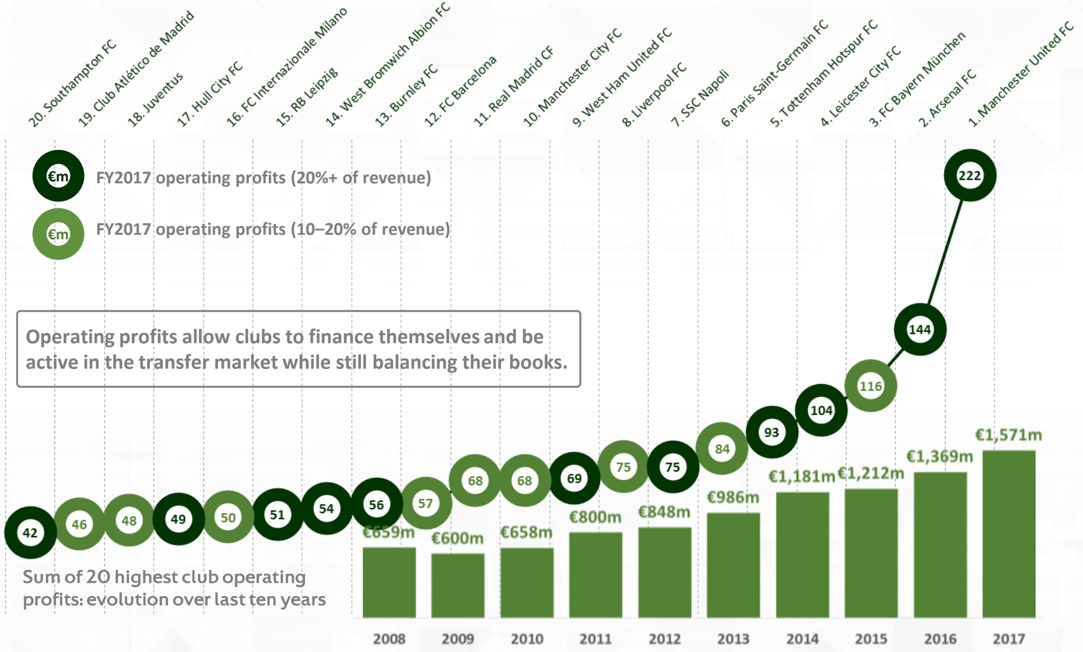
For the first time, every top division in Europe had at least one club reporting an operating profit (before financing and transfers) in FY2017. However, only 38% of the 400 clubs outside the top 20 leagues reported operating profits, and there were only seven countries outside the top 20 (Armenia, Belarus, the Faroe Islands, Liechtenstein, Northern Ireland, San Marino and Wales) where more than half of all clubs reported operating profits. **

* For the majority of the leagues analysed on this page, data was provided for all clubs. In total, data was supplied for 366 of the 400 top-division clubs outside the top 20 leagues. The most incomplete data relates to Kosovo (only 6 out of 12 clubs), FYR Macedonia (7 out of 10), Gibraltar (6 out of 10), Montenegro (7 out of 12) and Moldova (8 out of 12). ** According to the figures at our disposal the majority of clubs in both Albania as well as FYR Macedonia reported operating clubs in FY2017. However do the incomplete data of one club in Albania and three clubs in FYR Macedonia, these countries were excluded from the list.

Size matters: nine of the ten largest clubs by revenue also reported the largest operating profits

Top 20 clubs on the basis of operating profits

	2017						2008-17	
Rank	Club	Country	FY17 operating profit	Operating profit margin in %	FY17 revenue rank	% of years with operating profit*	Aggregate operating profits
1	Manchester United FC	ENG	€222m	33%	1	100%	€1'229m
2	Arsenal FC	ENG	€144m	30%	7	100%	€696m
3	FC Bayern München	GER	€116m	20%	4	100%	€613m
4	Leicester City FC	ENG	€104m	38%	13	75%*	€169m
5	Tottenham Hotspur FC	ENG	€93m	26%	11	100%	€374m
6	Paris Saint-Germain FC	FRA	€84m	17%	6	70%	€525m
7	SSC Napoli	ITA	€75m	37%	19	100%	€395m
8	Liverpool FC	ENG	€75m	18%	8	90%	€286m
9	West Ham United FC	ENG	€69m	31%	17	60%	€136m
10	Manchester City FC	ENG	€68m	12%	5	50%	€104m
11	Real Madrid CF	ESP	€68m	10%	2	100%	€1'018m
12	FC Barcelona	ESP	€57m	9%	3	90%	€728m
13	Burnley FC	ENG	€56m	40%	38	71%*	€120m
14	West Bromwich Albion FC	ENG	€54m	34%	29	100%*	€144m
15	RB Leipzig	GER	€51m	27%	24	n/a	€79m
16	FC Internazionale Milano	ITA	€50m	18%	15	20%	-€362m
17	Hull City FC	ENG	€49m	36%	42	63%*	€95m
18	Juventus	ITA	€48m	12%	10	80%	€239m
19	Club Atlético de Madrid	ESP	€46m	17%	14	90%	€201m
20	Southampton FC	ENG	€42m	24%	18	71%*	€83m
1-20	Average		€79m	24%	14	82%	€344m
1-20	Aggregate		€1'571m	21%	9 of top10		€6'873m



Two of the three highest club operating profits in history

Nine of the ten clubs with the largest revenues appear in the top 20 clubs on the basis of operating profits, with the sole exception – Chelsea FC – in 21st place. Manchester United FC reported the second highest club operating profit in history in FY2017, with the weak pound narrowly preventing the club from beating the record it set the previous year in euro terms.

12 of top 20 clubs report their highest ever operating profits

Arsenal FC's FY2017 operating profits of €144m are the third highest club operating profit in history, while FC Bayern München, Leicester City FC, Tottenham Hotspur FC, SSC Napoli, West Ham United FC and six of the clubs ranked 11 to 20 in the table all reported their highest ever operating profits.

Ten years of operating profits

In terms of aggregate operating profits over the last ten years, Manchester United FC top the list with €1,183m, followed by Real Madrid CF (€936m), FC Barcelona (€666m), Arsenal FC (€635m) and FC Bayern München (€612m).

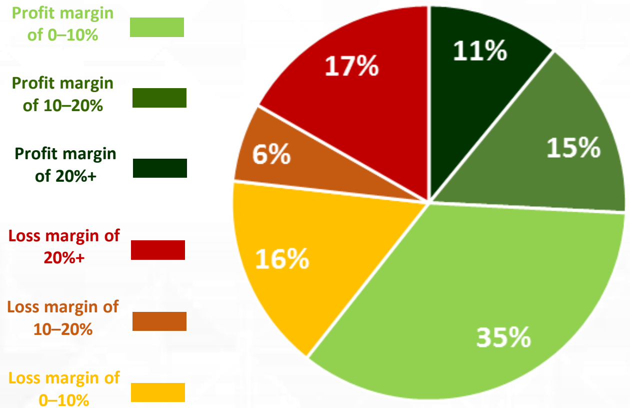
* For asterisked clubs data is not always available for periods when the club is relegated outside their top division (if data is publicly available it has been included within "% year" calculation). Less than 5 years data available for RB Leipzig so no ten year calculation applied.

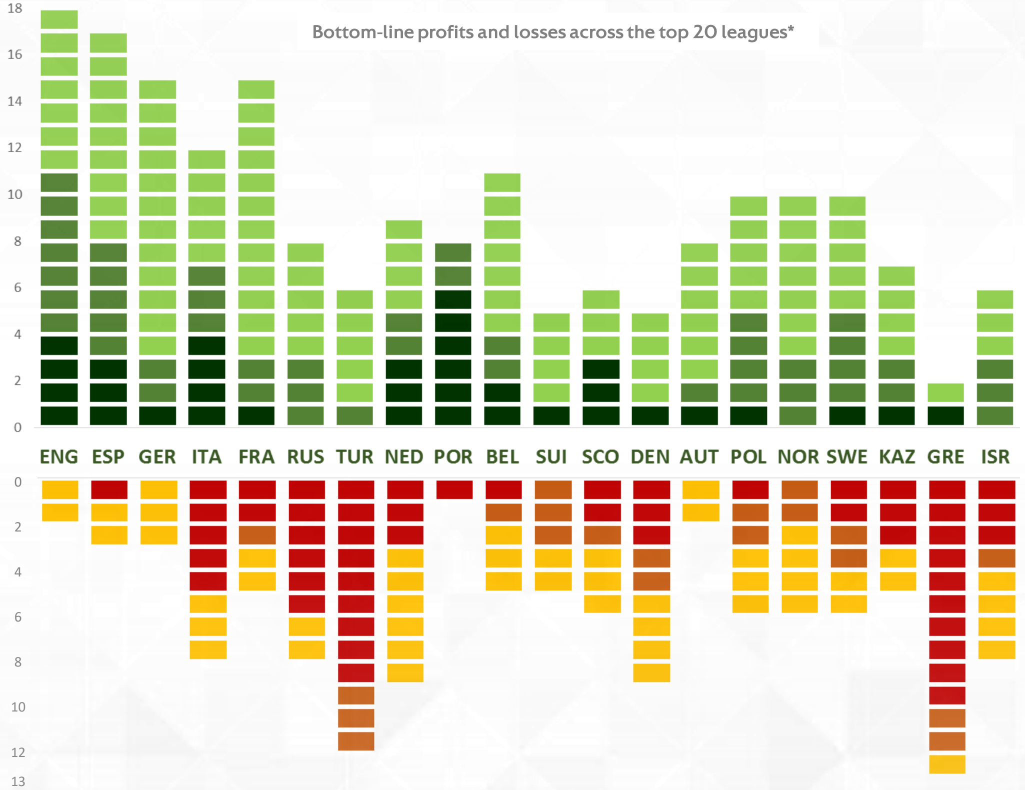

UEFA
CHAMPIONS
LEAGUE
Fly Emirates

Record number of profitable clubs in top 20 leagues

61% of clubs in the top 20 leagues recorded net profits in 2017

A record 61% of all clubs in the top 20 leagues reported bottom-line profits in FY2017, up from 59% and 51% in FY2016 and FY2015 respectively.* This figure has to be considered in the context of club football, where the majority of club owners view breaking even with hope rather than expectation (in contrast with most commercial activities, where the central objective is to generate steady profit margins).





Number of profitable Premier League clubs rises from just four in 2010 to 18 in 2017, helped by domestic measures and financial fair play

The turnaround in profitability in the English and Spanish top divisions is particularly noticeable, with 18 English and 17 Spanish top-tier clubs reporting profits in FY2017. To give a little perspective, bottom-line profits were reported by just four English clubs in FY2010 and just seven Spanish clubs in FY2011.

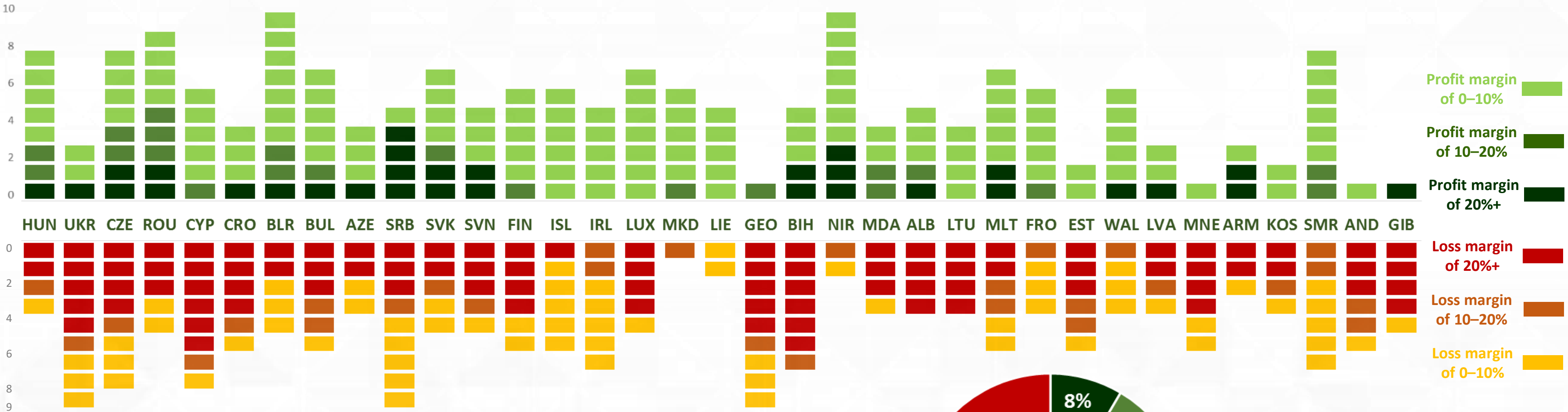
* Data was provided for nearly all clubs in the top 20 leagues, with the exception of one Greek club and nine Portuguese clubs. Consequently, the club-by-club analysis for those leagues is limited to 15 and 9 clubs respectively. In addition, FY2016 data is used for one French club.

Percentage of profitable clubs in middle and lower-income leagues edges upwards to stand at 49%

Nearly half of all clubs outside the top 20 leagues report net profits

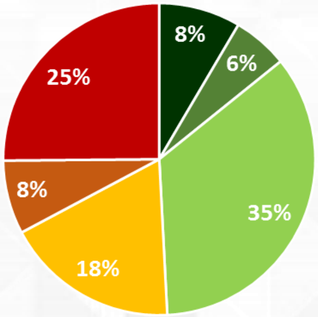
49% of clubs outside the top 20 leagues reported bottom-line profits in FY2017, up from 45% in FY2015. Moreover, for the second year in a row, every league in Europe had at least one profitable club.

Net profits and losses of clubs outside top 20 leagues



Many clubs in lower-income leagues still reliant on benefactors and bailouts

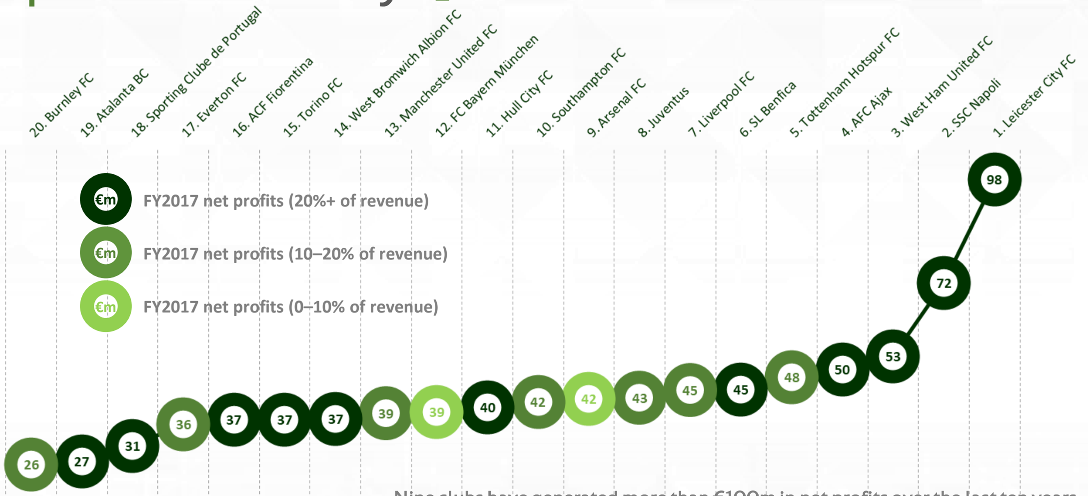
Many of the clubs in this group are too small to be assessed under the break-even rule, with their income and costs totalling less than €5m. Given the number of clubs spending at least €6 for every €5 they make (i.e. with loss margins in excess of 20%), there appears to be a continued reliance on benefactors and occasional income from transfers and training compensation. Indeed, there are a number of countries where profitability remains the exception, rather than the rule.



Champions League drives Leicester City FC to highest club profit in history

Top 20 clubs on the basis of net profits*

Rank	Club	Country	Net profit FY17	Net profit margin in %	Revenue rank FY17	Years of net profit 2008-2017*
1	Leicester City FC	ENG	€98m	36%	13	4x
2	SSC Napoli	ITA	€72m	35%	19	8x
3	West Ham United FC	ENG	€53m	24%	17	3x
4	AFC Ajax	NED	€50m	42%	46	7x
5	Tottenham Hotspur FC	ENG	€48m	13%	11	8x
6	SL Benfica	POR	€45m	35%	44	5x
7	Liverpool FC	ENG	€45m	10%	8	3x
8	Juventus	ITA	€43m	10%	10	4x
9	Arsenal FC	ENG	€42m	9%	7	10x
10	Southampton FC	ENG	€42m	20%	18	4x
11	Hull City FC	ENG	€40m	30%	42	4x
12	FC Bayern München	GER	€39m	7%	4	10x
13	Manchester United FC	ENG	€39m	6%	1	6x
14	West Bromwich Albion FC	ENG	€37m	23%	29	7x
15	Torino FC	ITA	€37m	53%	77	5x
16	ACF Fiorentina	ITA	€37m	39%	58	4x
17	Everton FC	ENG	€36m	18%	20	4x
18	Sporting Clube de Portugal	POR	€31m	39%	67	3x
19	Atalanta BC	ITA	€27m	32%	62	6x
20	Burnley FC	ENG	€26m	18%	38	4x
1-20	Average		€44m	25%	30	
1-20	Aggregate		€885m	17%		57%



Nine clubs have generated more than €100m in net profits over the last ten years:

11 English clubs and five Italian clubs in top 20

UEFA Champions League prize money of €82m drove Leicester City FC to the highest net profit in history in FY2017 (€98m), beating the previous record of €78m set by Tottenham Hotspur FC in FY2014 (with Liverpool FC set to break that record again in FY2018). The top 20 comprise 11 English clubs, five Italian clubs, two Portuguese clubs, one Dutch club and one German club.

Arsenal FC and FC Bayern München have reported profits in each of the last ten years

Just over half of the clubs in the top 20 competed in the UEFA Champions League in FY2017. While the clubs in this year's list regularly report net profits (57% incidence over the last ten years), only two have reported a net profit in each of the last ten years (Arsenal FC and FC Bayern München).

* The UEFA Intelligence Centre's club finance database spans a ten-year period and covers more than 1,000 top-division clubs. However, when clubs are relegated their figures can cease to be collected. Consequently, the 'years of net profit' column only covers nine years for Leicester City FC, Southampton FC, Hull City FC and Atalanta BC, eight years for West Bromwich Albion FC and seven years for Torino FC.

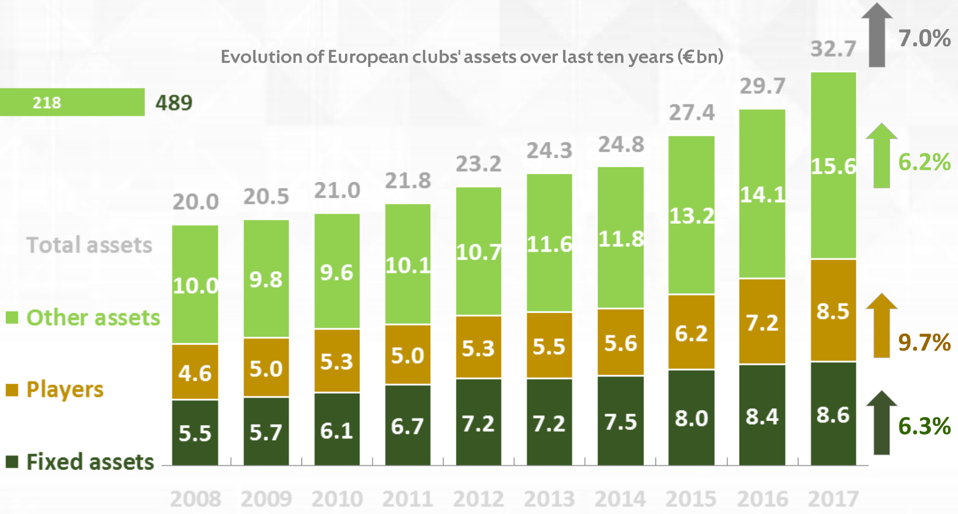
CHAPTER #10

Club balance sheets

Value of European club assets exceeds €30bn

Top 20 leagues by average club assets

Total club assets as a multiple of total revenue	Ranking by club average	Underlying growth	Aggregate assets	Club average (€m): fixed / players / other	Club average (€m): total
1.8 x	(1). ENG	+11%	€9,782m	137 / 135 / 218	489
1.7 x	(2). ESP	+20%	€4,807m	68 / 63 / 110	240
2.1 x	(3). ITA	+29%	€4,513m	19 / 85 / 122	226
1.2 x	(4). GER	+14%	€3,398m	58 / 60 / 70	189
1.5 x	(5). FRA	+11%	€2,458m	32 / 33 / 57	123
3.5 x	(6). POR	+15%	€1,512m	23 / 18 / 43	84
1.2 x	(7). RUS	+16%	€980m	14 38	61
1.1 x	(8). TUR	+31%	€789m	32	44
1.4 x	(9). NED	+12%	€699m	11 23	39
1.4 x	(10). BEL	+24%	€545m	10 17	34
2.4 x	(11). DEN	+2%	€432m	16 11	31
1.6 x	(12). SCO	+56%	€332m	15	28
1.3 x	(13). AUT	+24%	€233m		23
0.8 x	(14). SUI	-4%	€196m		20
1.9 x	(15). SWE	+8%	€271m		17
1.5 x	(16). NOR	+8%	€220m		14
1.7 x	(17). UKR	-43%	€151m		13
2.8 x	(18). CRO	-6%	€117m		12
1.6 x	(19). HUN	+106%	€140m		12
1.5 x	(20). GRE	+4%	€173m		11



European club assets grew by 10% in 2017

The value of European clubs' asset base rose by 10% in FY2017 and now stands at €32.7bn. Since the phasing-in of UEFA's financial fair play requirements began in 2010, the balance sheet value of clubs' fixed assets has increased by €2.5bn. Over the full ten-year period, player assets have increased at the fastest rate, at almost 10% per year.

Premier league clubs responsible for 30% of all club assets

The value of club assets and their size relative to revenue varies considerably across clubs and leagues. English clubs have more than twice the assets of Spanish clubs and account for 30% of all European club assets. The asset-to-revenue ratio of the top five leagues ranges from 120% in Germany to 210% in Italy, while the highest ratios can be found in the Portuguese, Danish and Croatian leagues. Only one country in the top 20 – Switzerland – has total assets that are worth less lower than annual revenue, with its asset-to-revenue ratio standing at 80%.

Second year in a row that clubs have invested more than €1bn in stadiums and other fixed assets

Increases of €100m+ in book value of tangible fixed assets between 2008 and 2017*

Rank	Club name	Country	TFA 2017	Increase 2008-2017	Type of expansion	Fixed asset additions 2017
1	Tottenham Hotspur FC	ENG	€602m	€508m	New stadium in progress; new training ground	€257m
2	FC Bayern München	GER	€453m	€431m	Stadium moved into club	€12m
3	Olympique Lyonnais	FRA	€441m	€423m	New stadium	€37m
4	Club Atlético de Madrid	ESP	€353m	€352m	New stadium	€168m
5	Manchester City FC	ENG	€541m	€313m	Stadium moved into club; upgraded campus	€35m
6	Borussia Dortmund	GER	€311m	€280m	Stadium moved into club	€8m
7	SL Benfica	POR	€277m	€258m	Stadium moved into club	€7m
8	FC Schalke 04	GER	€244m	€228m	Stadium moved into club	€7m
9	Valencia CF	ESP	€331m	€193m	Partial completion of new stadium	€2m
10	Juventus	ITA	€215m	€191m	New stadium	€12m
11	FC Porto	POR	€192m	€189m	Stadium moved into club	€3m
12	Liverpool FC	ENG	€278m	€179m	Stadium redevelopment	€57m
13	Bayer 04 Leverkusen	GER	€178m	€173m	Stadium moved into club	€6m
14	Hamburger SV	GER	€161m	€160m	Stadium moved into club	€5m
15	FC Barcelona	ESP	€284m	€144m	Stadium redevelopment	€14m
16	Paris Saint-Germain FC	FRA	€146m	€143m	Stadium redevelopment	€25m
17	PFC CSKA Moskva	RUS	€126m	€124m	New stadium	€1m
18	Arsenal FC	ENG	€665m	€97m	Upgraded facilities	€29m
19	Real Madrid CF	ESP	€395m	€92m	Upgraded facilities	€0m
20	Manchester United FC	ENG	€412m	€83m	Upgraded facilities	€11m
1-20	Average		€330m	€228m		€35m
1-20	Aggregate		€6 604m	€4 561m		€694m

Large increases in the value of fixed assets over the last ten years

A total of 17 clubs (listed in the table on the left) increased the value of the fixed assets on their balance sheet by more than €100m between 2008 and 2017. Of those 17 clubs, six have built or are building new stadiums, three have upgraded or redeveloped their stadiums, and eight have shifted their stadium into the club's reporting perimeter.

Investment in fixed assets in 2017

For the second year in a row, European top-division clubs invested more than €1bn in new fixed assets in FY2017, investing a total of €1.3bn.

There were 23 clubs that invested more than €10m in new fixed assets in FY2017: six English clubs, four Spanish clubs, four Italian clubs, two French clubs, two German clubs, and one club each from Belgium, the Netherlands, Kazakhstan, Russia and Turkey.

Tottenham Hotspur FC topped the list, with the ongoing construction of their new stadium adding €257m to their fixed assets, followed by Club Atlético de Madrid (168m) and Beşiktaş JK (€73m), who finished their new stadiums.

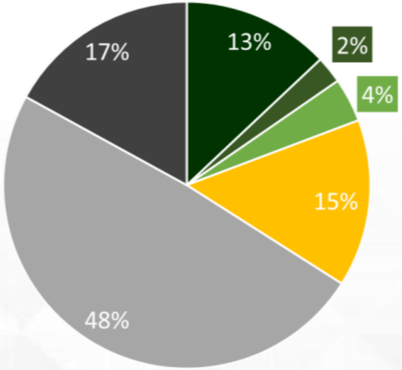
* Fixed assets include stadiums, land, other facilities such as training complexes, stadiums and other facilities that are under construction, motor vehicles, and various equipment and fixtures and fittings. The terms 'stadium investment' and 'fixed asset investment' are used interchangeably in this report, as stadiums account for the vast majority of fixed assets by value, as evidenced by the fact that the 30 clubs with the most fixed assets on their balance sheets either own their stadium, have a long-term finance lease (regarded as equivalent to ownership) or are in the process of building a stadium of their own.

Less than 20% of European clubs own their stadium

Stadium ownership still the exception rather than the rule

Stadium ownership remains the exception rather than the rule for most European clubs. In total, only 13% of Europe's top-tier clubs directly own their stadium and just 19% include their stadium fully on their balance sheets. The majority of clubs have their stadium on their balance sheet in just five top-tier European leagues: in England (15 out of 20 clubs), Germany (9 out of 18 clubs), Northern Ireland (7 out of 12 clubs), Scotland (9 out of 12 clubs) and Spain (16 out of 20 clubs). The changes from last year mainly reflect the club mix (promoted and relegated clubs).

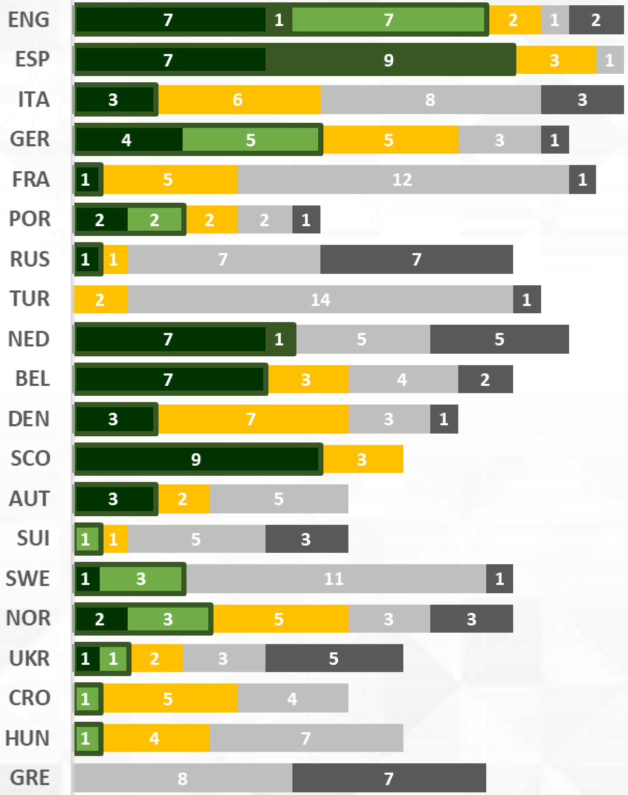
Top-division club stadium ownership



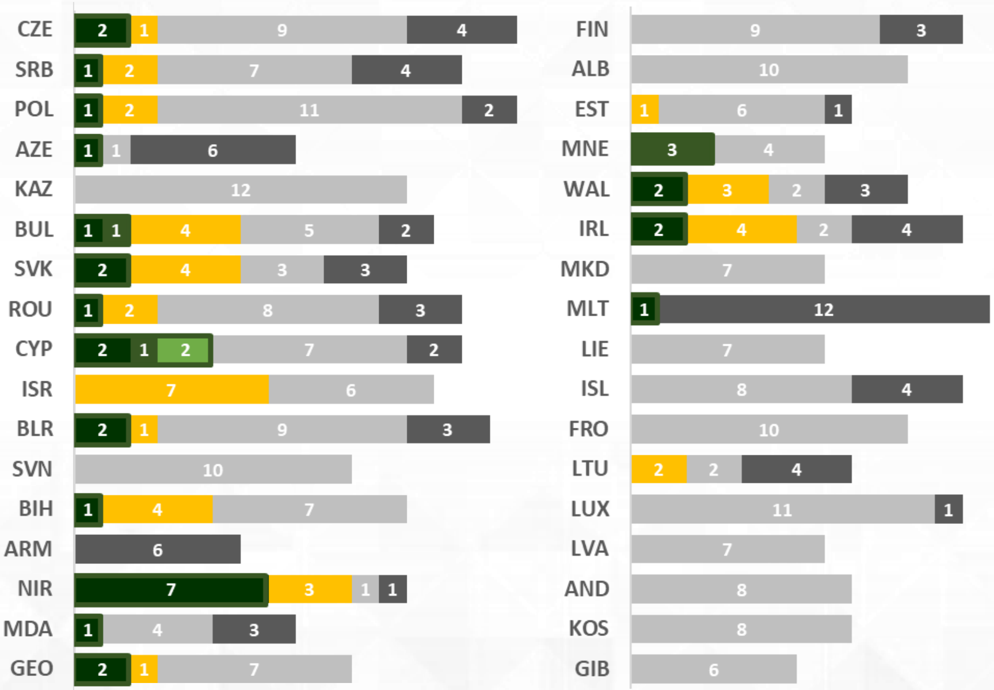
Stadium fully included as club asset

- Owned directly by club
- Owned by municipality or state but considered a club asset (long-term finance lease)
- Owned by other within group (association, parent or subsidiary) and included as a club asset
- Partially included as a club asset (leasehold improvements)
- Stadium owned by municipality or state and not reported on club's balance sheet
- Owned by another party and not included on club's balance sheet

Stadium ownership in the top 20 leagues by average club assets



Stadium ownership in other leagues:



Seventeen leagues have no club owned stadiums

Stadium ownership remains even more the exception outside of the top 20 leagues, with only 36 stadiums from 400 clubs fully included as club assets on their balance sheets. In total, there are 17 top tier-leagues in Europe where no clubs directly own their own stadium.

Stadium fully included as club asset

- Owned directly by club
- Owned by municipality or state but considered a club asset (long-term finance lease)
- Owned by other within group (association, parent or subsidiary) and included as a club asset
- Partially included as a club asset (leasehold improvements)
- Stadium owned by municipality or state and not reported on club's balance sheet
- Owned by another party and not included on club's balance sheet

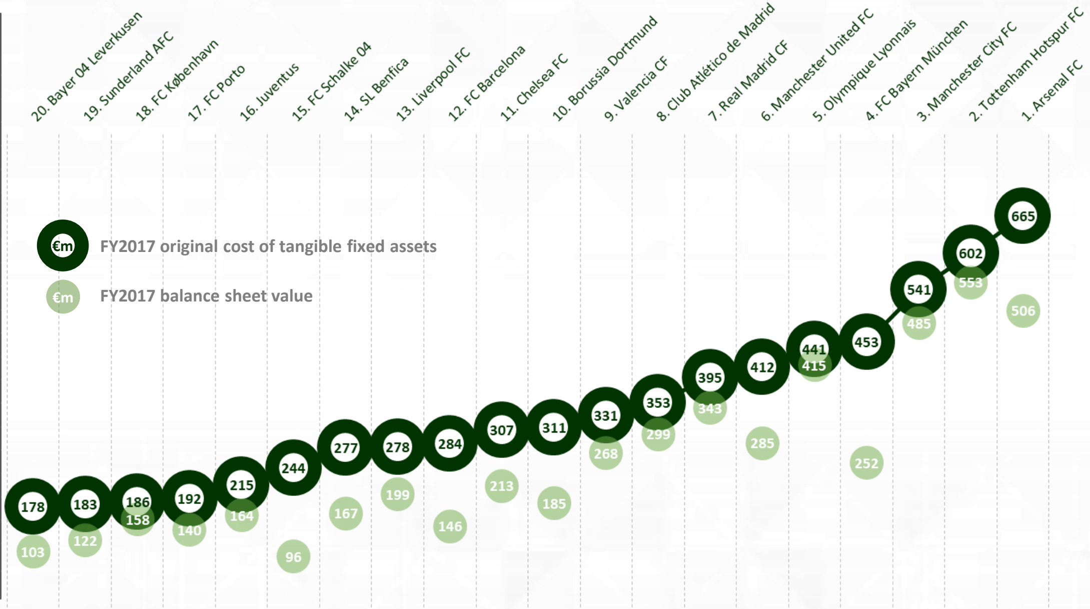
Numerous clubs with stable long-term leases

While directly or indirectly owning a stadium (through a long-term finance lease or within the group) provides a club with a stable base, a club's ability to improve the quality of its facilities, modernise the stadium and diversify revenues depends on the type of lease agreement between the club and the stadium owner or operator. The inclusion of leasehold improvements on club balance sheets (yellow colour in chart) provides some indication of where clubs have been able to invest in improving stadium facilities despite not having any type of stadium ownership.

20 clubs account for 57% of all top-division fixed asset investment

20 clubs with highest levels of stadium/fixed asset investment*

Rank	Club	Country	Original fixed asset costs	Balance sheet value	Depreciation	Asset costs as a multiple of revenue
1	Arsenal FC	ENG	€665m	€506m	24%	1.4 x
2	Tottenham Hotspur FC	ENG	€602m	€553m	8%	1.7 x
3	Manchester City FC	ENG	€541m	€485m	10%	1.0 x
4	FC Bayern München	GER	€453m	€252m	44%	0.8 x
5	Olympique Lyonnais	FRA	€441m	€415m	6%	2.2 x
6	Manchester United FC	ENG	€412m	€285m	31%	0.6 x
7	Real Madrid CF	ESP	€395m	€343m	13%	0.6 x
8	Club Atlético de Madrid	ESP	€353m	€299m	15%	1.3 x
9	Valencia CF	ESP	€331m	€268m	19%	3.2 x
10	Borussia Dortmund	GER	€311m	€185m	41%	0.9 x
11	Chelsea FC	ENG	€307m	€213m	31%	0.7 x
12	FC Barcelona	ESP	€284m	€146m	49%	0.4 x
13	Liverpool FC	ENG	€278m	€199m	28%	0.7 x
14	SL Benfica	POR	€277m	€167m	39%	2.2 x
15	FC Schalke 04	GER	€244m	€96m	61%	1.1 x
16	Juventus	ITA	€215m	€164m	24%	0.5 x
17	FC Porto	POR	€192m	€140m	27%	1.9 x
18	FC København	DEN	€186m	€158m	15%	3.5 x
19	Sunderland AFC	ENG	€183m	€122m	33%	1.3 x
20	Bayer 04 Leverkusen	GER	€178m	€103m	42%	1.0 x
1-20	Average		€342m	€255m	26%	1.3 x
1-20	Aggregate		€6'848m	€5'100m	26%	1.0 x



Correlation between revenue and fixed asset investment

The 20 clubs in the list above comprise seven English clubs, four Spanish clubs, four German clubs, two Portuguese clubs and one club each from Denmark, France and Italy. The €5.1bn in the balance sheets of those 20 clubs accounts for a large proportion (57%) of all top-division clubs' tangible fixed assets. It is noticeable that 11 of the top 12 clubs by revenue also appear among the top 20 clubs by fixed asset investment, with only Paris Saint-Germain FC missing.

Newer facilities have lower depreciation rates

The extent to which tangible fixed assets depreciate is affected by the age of those assets, but also by their accounting treatment (the period over which assets are written down in value) and the mix of assets (stadium, land and other fixed assets). The balance sheet value and the original investment cost are close for clubs with relatively new stadiums or ongoing investments (as in the case of Olympique Lyonnais and Tottenham Hotspur FC).

* Fixed assets include stadiums, land, other facilities such as training complexes, stadiums and other facilities that are under construction, motor vehicles, and various equipment and fixtures and fittings. The terms 'stadium investment' and 'fixed asset investment' are used interchangeably in this report, as stadiums account for the vast majority of fixed assets by value, as evidenced by the fact that the 30 clubs with the most fixed assets on their balance sheets either own their stadium, have a long-term finance lease (regarded as equivalent to ownership) or are in the process of building a stadium of their own.

Top six leagues have relatively higher player values on balance sheet

The figures included in this section of the report were taken at a fixed point in time (financial year end) and are therefore not as up to date as the data in the transfer section of the report or other transfer market reviews published by sports agencies or consultancies. Nonetheless, the figures used here are the only market-wide figures covering both national and cross-border transfer activity that are based on independently audited and verified transfer fees, and they can therefore be regarded as an authoritative snapshot.

Top 20 leagues by average value of players on clubs' balance sheets

Squad cost as a multiple of total revenue	*Original squad cost (transfer fees)*	*Ranking by club average*	*Underlying growth*	*Aggregate value on balance sheets*	*Average value on clubs' balance sheets (€m)*
1.0 x	€5,283m	(1). ENG	+19%	€2,692m	135
1.4 x	€2,970m	(2). ITA	+36%	€1,696m	85
0.8 x	€2,273m	(3). ESP	+19%	€1,263m	63
0.7 x	€2,011m	(4). GER	+39%	€1,086m	60
0.8 x	€1,298m	(5). FRA	+44%	€669m	33
1.3 x	€543m	(6). POR	+12%	€318m	18
0.5 x	€400m	(7). RUS	+29%	€228m	14
0.4 x	€191m	(8). BEL	+43%	€112m	7.0
0.5 x	€185m	(9). NED	-8%	€100m	5.6
0.4 x	€270m	(10). TUR	-10%	€96m	5.4
0.4 x	€82m	(11). DEN	+22%	€49m	3.5
0.5 x	€52m	(12). AUT	+1%	€24m	2.4
0.3 x	€56m	(13). SCO	+126%	€28m	2.4
0.3 x	€93m	(14). SUI	+88%	€20m	2.0
0.6 x	€63m	(15). GRE	-7%	€29m	1.8
0.5 x	€32m	(16). ISR	+72%	€18m	1.3
0.3 x	€22m	(17). CRO	-36%	€12m	1.2
0.5 x	€26m	(18). POL	+20%	€15m	0.9
0.2 x	€30m	(19). SWE	+58%	€14m	0.9
0.2 x	€17m	(20). ROU	+57%	€11m	0.8

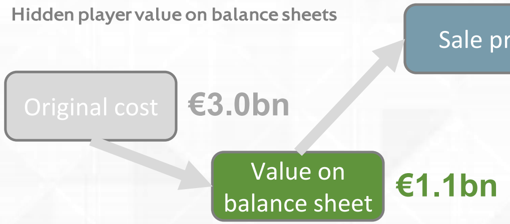
Italy and Portugal have the highest squad transfer costs relative to revenue

While the total value of players on clubs' balance sheets is €8.5bn, the total transfer fees paid to assemble those squads stood at €16.1bn at the end of FY2017.* As indicated elsewhere, there is a high degree of concentration in the transfer market, with English, Italian, Spanish, German and French clubs responsible for 86% of all top-division transfer spending and year-end balance sheet value. Italy and Portugal have the highest aggregate transfer fees as a percentage of annual revenue, with those ratios standing at 140% and 130% respectively.

Value of players on balance sheets increases in 16 of top 20 leagues as transfer prices rise

With European clubs continuing to spend large amounts of money in the transfer market, players are accounting for a larger percentage of clubs' balance sheet assets, with that percentage rising from 24% in FY2016 to 26% in FY2017. The value of intangible fixed assets (players) increased in 16 of the top 20 leagues, with more than half of those leagues reporting double-digit growth, reflecting transfer price inflation.

Hidden player value on balance sheets



Players sold for almost four times their balance sheet value

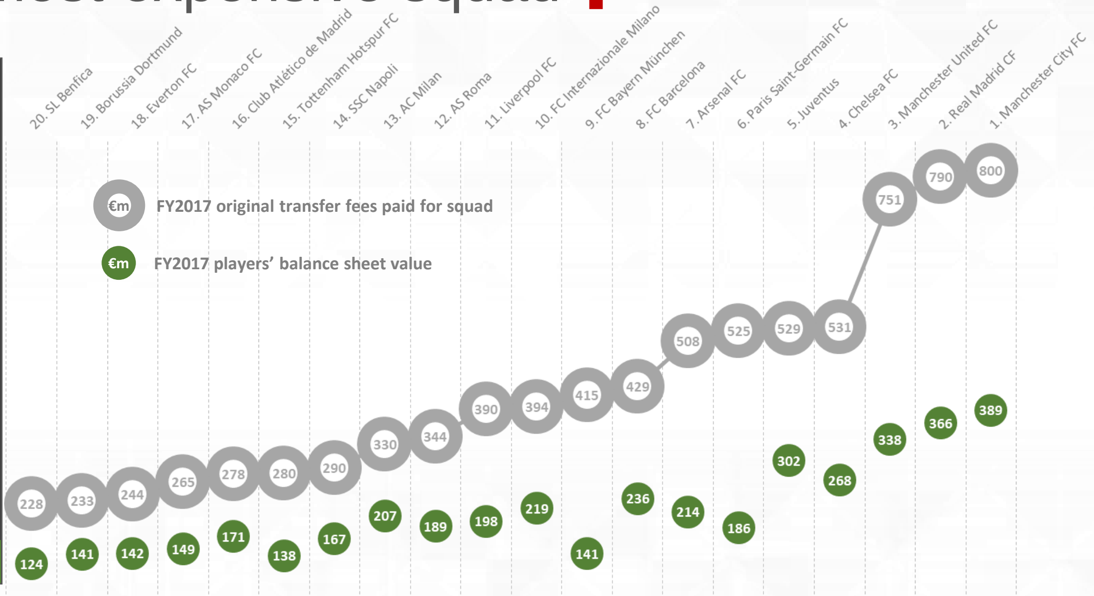
Player accounting provides a consistent means of valuing players across all clubs, but it is not a particularly accurate way of assessing the value of players on clubs' balance sheets. The players sold in FY2017 had a combined transfer fee of €4.3bn, but were valued at just €1.1bn at the time of their sale.

* Total transfer fees are obtained from the detailed notes accompanying each club's financial statement, which indicate the combined transfer costs of the players on their books at the start and end of the financial year. These have been externally audited by qualified independent accountants and can therefore be considered more accurate than other transfer figures that appear in the print media, in reports or on websites.

Top three most expensive squads cost 40–50% more than fourth most expensive squad

Top 20 clubs by 'squad cost' (total transfer fees of squad)

Rank	Club	Country	Players' balance sheet value	Original transfer fees ('squad cost')	Year-on-year growth in %	Squad cost as multiple of club revenue	Squad cost as multiple of club wages
1	Manchester City FC	ENG	€389m	€800m	13%	1.4 x	2.4 x
2	Real Madrid CF	ESP	€366m	€790m	5%	1.2 x	1.9 x
3	Manchester United FC	ENG	€338m	€751m	10%	1.1 x	2.5 x
4	Chelsea FC	ENG	€268m	€531m	-12%	1.3 x	2.1 x
5	Juventus	ITA	€302m	€529m	32%	1.3 x	2.0 x
6	Paris Saint-Germain FC	FRA	€186m	€525m	9%	1.0 x	1.9 x
7	Arsenal FC	ENG	€214m	€508m	10%	1.0 x	2.2 x
8	FC Barcelona	ESP	€236m	€429m	20%	0.7 x	1.1 x
9	FC Bayern München	GER	€141m	€415m	0%	0.7 x	1.5 x
10	FC Internazionale Milano	ITA	€219m	€394m	45%	1.5 x	2.5 x
11	Liverpool FC	ENG	€198m	€390m	-20%	0.9 x	1.6 x
12	AS Roma	ITA	€189m	€344m	17%	2.0 x	2.4 x
13	AC Milan	ITA	€207m	€330m	40%	1.7 x	2.6 x
14	SSC Napoli	ITA	€167m	€290m	32%	1.4 x	2.7 x
15	Tottenham Hotspur FC	ENG	€138m	€280m	20%	0.8 x	1.9 x
16	Club Atlético de Madrid	ESP	€171m	€278m	28%	1.0 x	1.6 x
17	AS Monaco FC	FRA	€149m	€265m	13%	1.9 x	2.7 x
18	Everton FC	ENG	€142m	€244m	35%	1.2 x	2.0 x
19	Borussia Dortmund	GER	€141m	€233m	59%	0.7 x	1.3 x
20	SL Benfica	POR	€124m	€228m	19%	1.8 x	2.9 x
1-20	Average		€214m	€428m	19%	1.2 x	2.1 x
1-20	Aggregate		€4'285m	€8'554m	13%	1.1 x	2.0 x



Players' balance sheet values equivalent to just 51% of their original transfer fees

The combined balance sheet value of all players at the top 20 clubs stands at €4.3bn. However, those players originally cost €8.6bn in transfer fees, meaning that the remaining value on clubs' balance sheets is equivalent to just 51% of the original transfer fees. Both the net book value and the original transfer costs of the top 20 squads have increased by about 40% since FY2014, reflecting increases in transfer prices. In relative terms, the average top 20 squad cost of €428m is equivalent to 120% of those clubs' average FY2017 revenues.

Top 20 squads cost between 70% and 200% of annual revenue to build (total transfer fees)

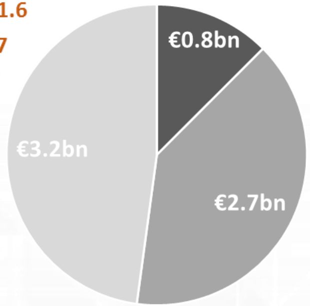
With a squad cost of €800m, Manchester City FC have overtaken Real Madrid CF as the most expensively built team in history in terms of total transfer fees. The three most expensive squads in FY2017 cost 40–50% more than the fourth most expensive squad – a considerable gap. Relative to annual club revenue, the most affordable squads among the top 20 could be found at FC Barcelona, FC Bayern München and Borussia Dortmund (each of which had a squad cost equivalent to 70% of revenue), with AS Roma (200% of revenue) at the other end of the scale. There is also significant variation in terms of the way in which player spending is broken down into transfer fees (squad cost) and wages, with the combined squad cost of the 20 most expensive squads equal to twice the combined wages of those 20 clubs.

Net debt has declined significantly over last ten years

Top 20 leagues by average net club debt*

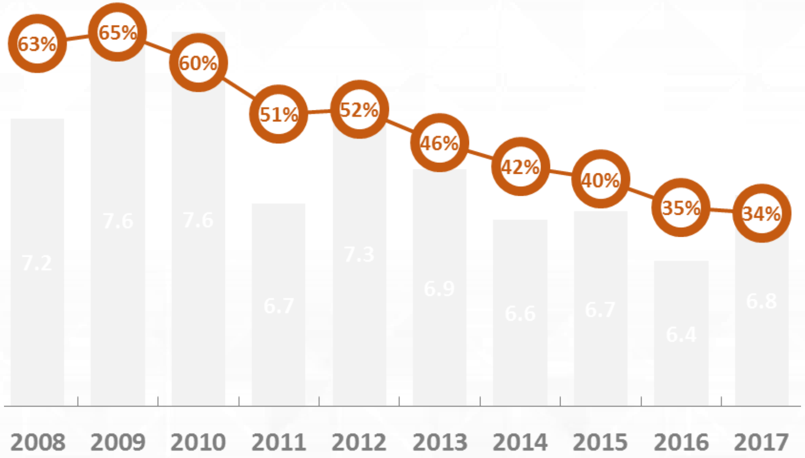
Percentage of total revenue	Ranking by club average	Underlying growth	Aggregate	Club average (€m)
62%	(1). ITA	+6%	€1,347m	67.4
25%	(2). ENG	-0%	€1,324m	66.2
123%	(3). TUR	+61%	€897m	49.8
63%	(4). RUS	+46%	€515m	32.2
39%	(5). FRA	+13%	€634m	31.7
131%	(6). POR	-6%	€566m	31.5
19%	(7). ESP	+11%	€547m	27.3
91%	(8). DEN	+8%	€163m	11.6
6%	(9). GER	+57%	€156m	8.7
77%	(10). UKR	-23%	€69m	5.7
30%	(11). AUT	+253%	€54m	5.4
52%	(12). NOR	+8%	€79m	4.9
20%	(13). BEL	+10%	€77m	4.8
119%	(14). BUL	+25%	€48m	3.4
31%	(15). ISR	-52%	€34m	2.4
26%	(16). SWE	+9%	€38m	2.4
44%	(17). ROU	-18%	€31m	2.2
21%	(18). POL	-34%	€31m	2.0
40%	(19). CZE	-11%	€30m	1.9
264%	(20). MDA	-36%	€22m	1.8

Make-up of net debt



Evolution of net debt

Net debt can be calculated in various ways, but the definition in the UEFA Club Licensing and Financial Fair Play Regulations includes net borrowing (i.e. bank overdrafts and loans, other loans and accounts payable to related parties, minus cash and cash equivalents) and the net player transfer balance (i.e. the difference between accounts receivable and payable from player transfers).



Significant decline in net debt as a percentage of revenue over the last ten years

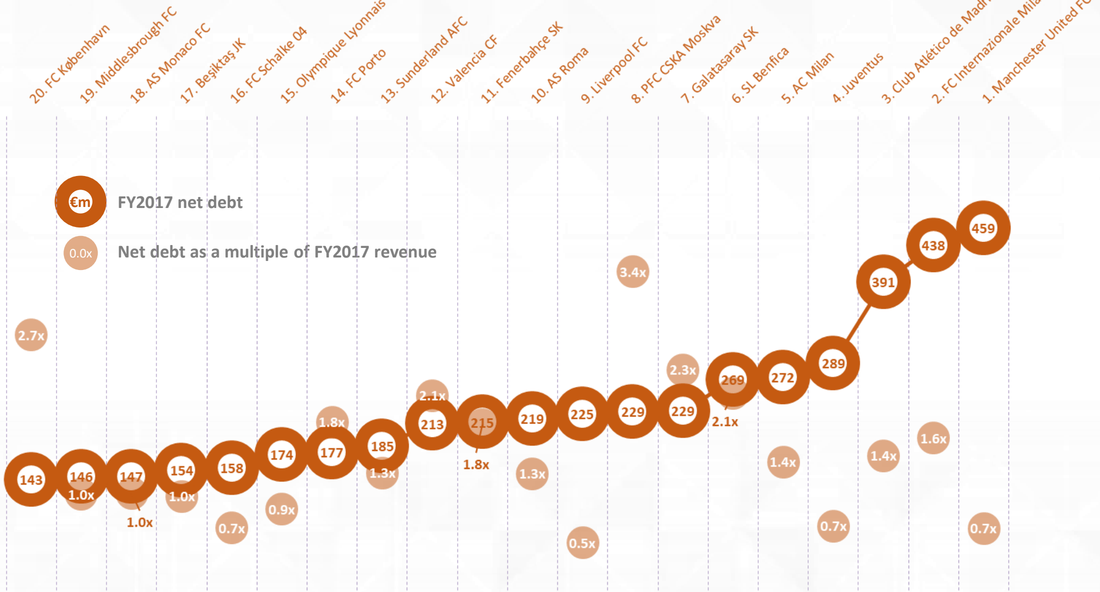
The combined net debt of Europe's top-division clubs has declined markedly in the last ten years, falling from the equivalent of 63% of revenue in FY2008 to 34% of revenue at the end of FY2017. Total net debt actually increased in FY2017, rising from €6.4bn to €6.8bn, but it continued to fall as a percentage of revenue (indicating greater serviceability of debt).

* Net debt is calculated as per the definition in the UEFA Club Licensing and Financial Fair Play Regulations, which offsets bank overdrafts, bank and other loans, related-party loans and payables and transfer payables against transfer receivables and cash balances. Some other liabilities, including debts to tax authorities or employees, are not included in this definition, but may nonetheless attract finance charges. Gross debt includes all of the items above (without taking into account cash balances or transfer receivables).

Four clubs in the top 20 with net debt higher than long-term assets

20 clubs with highest net debt*

Rank	Club	Country	FY17 net debt	Year-on-year growth in %	Net debt as multiple of revenue	As multiple of long-term assets**
1	Manchester United FC	ENG	€459m	-18%	0.7 x	0.4 x
2	FC Internazionale Milano	ITA	€438m	44%	1.6 x	1.0 x
3	Club Atlético de Madrid	ESP	€391m	44%	1.4 x	0.7 x
4	Juventus	ITA	€289m	2%	0.7 x	0.5 x
5	AC Milan	ITA	€272m	30%	1.4 x	0.9 x
6	SL Benfica	POR	€269m	-13%	2.1 x	0.7 x
7	Galatasaray SK	TUR	€229m	13%	2.3 x	2.0 x
8	PFC CSKA Moskva	RUS	€229m	18%	3.4 x	0.8 x
9	Liverpool FC	ENG	€225m	-17%	0.5 x	0.5 x
10	AS Roma	ITA	€219m	-14%	1.3 x	0.9 x
11	Fenerbahçe SK	TUR	€215m	44%	1.8 x	3.6 x
12	Valencia CF	ESP	€213m	-12%	2.1 x	0.5 x
13	Sunderland AFC	ENG	€185m	3%	1.3 x	0.9 x
14	FC Porto	POR	€177m	10%	1.8 x	0.6 x
15	Olympique Lyonnais	FRA	€174m	-31%	0.9 x	0.4 x
16	FC Schalke 04	GER	€158m	21%	0.7 x	0.8 x
17	Beşiktaş JK	TUR	€154m	8%	1.0 x	1.6 x
18	AS Monaco FC	FRA	€147m	13%	1.0 x	0.9 x
19	Middlesbrough FC	ENG	€146m	n/a	1.0 x	1.3 x
20	FC København	DEN	€143m	10%	2.7 x	0.6 x
1-20	Average		€237m		1.5 x	1.0 x
1-20	Aggregate		€4'731m	5%	1.2 x	0.7 x



Context is key

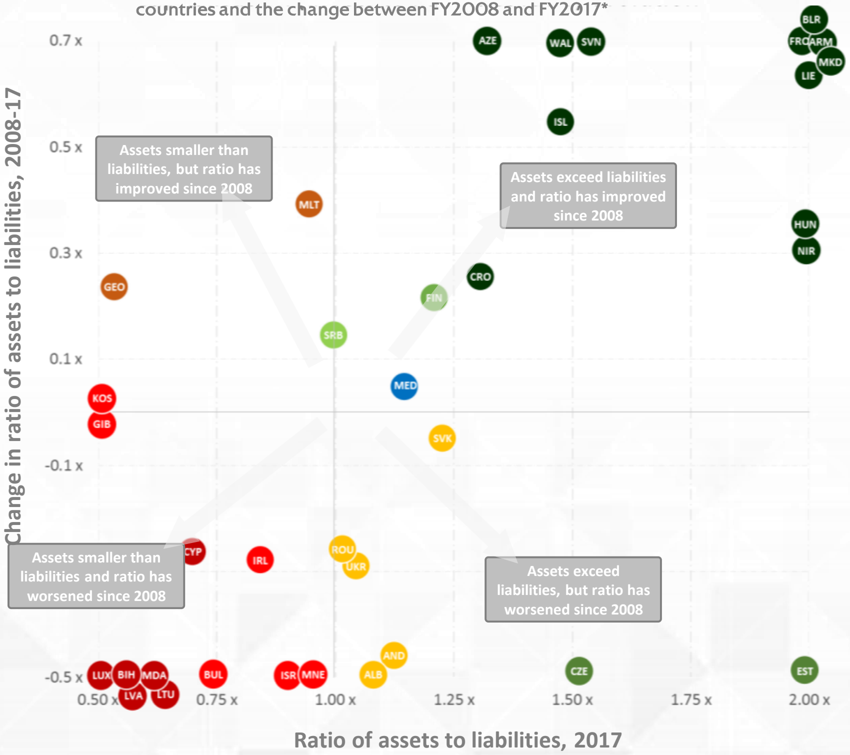
It is important to look at net debt in context, rather than in isolation, as the risk profile of debt taken on in order to finance investment is clearly very different from that of debt taken on in order to fund operating activities. The chart and table above include the ratio of net debt to revenue, which is used as a risk indicator for the purposes of financial fair play, as well as the ratio of debt to long-term assets, with such assets often being used as security for debt and often funded or part-funded by debt.

* Net debt is calculated as per the definition in the UEFA Club Licensing and Financial Fair Play Regulations, which offsets bank overdrafts, bank and other loans, related-party loans and payables and transfer payables against transfer receivables and cash balances. Some other liabilities, including debts to tax authorities or employees, are not included in this definition, but may nonetheless attract finance charges. Gross debt includes all of the items above (without taking into account cash balances or transfer receivables). ** Here, long-term assets are calculated as the sum of all tangible fixed assets and intangible player assets. They do not include other long-term assets such as goodwill or internally generated intangible assets.

Significant variation across leagues in terms of balance sheet health

Ratio of assets to liabilities (debts and obligations) in the top 20 leagues and change between FY2008 and FY2017*

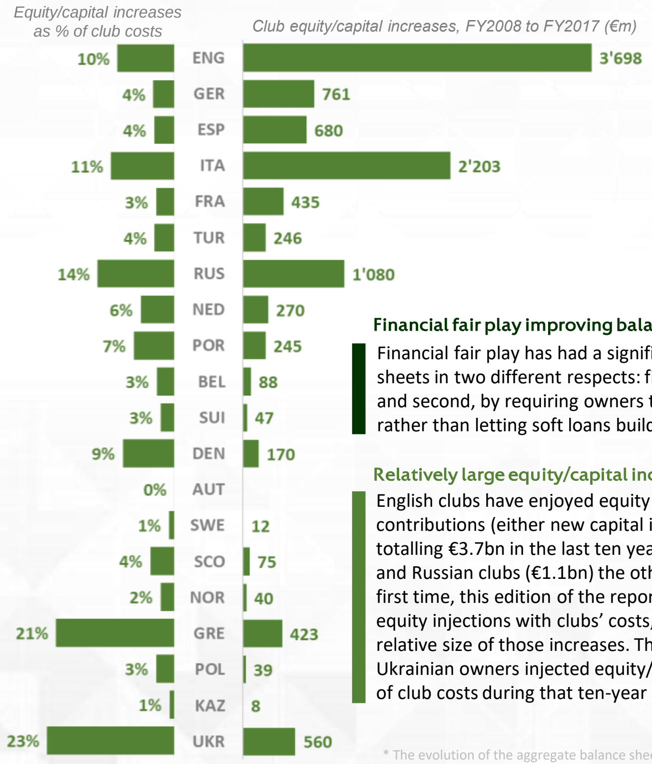
Ratio of assets to liabilities (debts and obligations) in other countries and the change between FY2008 and FY2017*



* The x axes of the charts on this page illustrate the value of assets relative to liabilities (debts and obligations). A multiplier of more than 1x denotes positive net equity, with assets exceeding liabilities. The y axes indicate changes in the ratio of assets to liabilities, showing whether a ratio has improved or worsened between the end of 2008 and the end of 2017. The results are presented by league – i.e. as an aggregate of all the clubs in the league in each year (which will not necessarily be the same in both years). The difference between 2008 and 2017 may also be influenced by exchange rate effects and the mix of clubs in the top division.

Clubs' net equity has quadrupled in last ten years

Equity/capital increases in the top 20 leagues over the last ten years



Financial fair play improving balance sheets in two different ways

Financial fair play has had a significant impact on clubs' balance sheets in two different respects: first, by limiting major losses; and second, by requiring owners to inject permanent capital, rather than letting soft loans build up year after year.

Relatively large equity/capital increases in Greece and Ukraine

English clubs have enjoyed equity increases and capital contributions (either new capital injections or debt write-offs) totalling €3.7bn in the last ten years, with Italian clubs (€2.2bn) and Russian clubs (€1.1bn) the other big beneficiaries. For the first time, this edition of the report compares those capital and equity injections with clubs' costs, providing an indication of the relative size of those increases. This shows that Greek and Ukrainian owners injected equity/capital totalling more than 20% of club costs during that ten-year period.

Evolution of European top-division clubs' net equity (assets minus liabilities; €bn) and annual capital contributions (€bn)

Eight consecutive years of improved balance sheet health

European club balance sheets have strengthened for the eight consecutive year. Net equity, which is calculated as assets minus all debts and liabilities, has increased by a multiple of four over the last ten years, rising from €1.9bn to €7.7bn. This has been driven by owner contributions and capital increases of almost €12bn over that period, combined with sharp reductions in aggregate club losses, culminating in a bottom-line profit in FY2017. The aggregate European club balance sheet of today bears little resemblance to the situation in 2010 when financial fair play was approved.*

* The evolution of the aggregate balance sheet of European top-tier football is affected by changes in club ownership, corporate restructuring and the mix of clubs in each top-tier league (i.e. promotions and relegations), as well as the financial performance and financing of those clubs. As highlighted in previous benchmarking reports, the large jump in net equity between FY2010 and FY2011 was largely due to changes in the reporting perimeters of a number of English and German clubs. The improvement since FY2011 (after the introduction of the break-even rule) is almost entirely due to increases in owners' capital contributions and the writing-off of debt owed to owners, both of which are actively encouraged under the break-even requirements.

Appendix: Data sources and notes

Data sources and notes

Underlying data source for benchmarking figures (Ten years of benchmarking the European club landscape)	Unless otherwise stated in the report, footnotes or this appendix, the financial figures used in this introductory section have been taken directly from figures submitted through UEFA's online financial reporting tool by clubs or national associations in May and July 2018. These figures relate to the financial year ending in 2017, in most cases the year ending on 31 December 2017. The figures have been extracted from financial statements prepared using national accounting practices or the International Financial Reporting Standards and audited in accordance with the International Standards on Auditing. Overall net and gross transfer data for the 2018 summer transfer window has been analysed using the UEFA Intelligence Centre's composite transfer database. This dataset was supplemented by information received through clubs' financial statements, including the detailed notes accompanying those financial statements.
Sources for analysis of domestic competitions and governance (Chapter 1)	For the domestic competitions and governance section of this report, data was collected through the club licensing network. All information on leagues' timings, structures and governance was provided directly to UEFA via the submissions of all 55 national associations, before being audited independently by SGS. This information was also verified using several external third-party resources.
Sources for analysis of ownership (Chapter 2)	Club ownership data was obtained from UEFA's online financial reporting tool over the course of the 2017 financial year. This year, that online financial reporting tool contained a number of new input lines requesting additional information with regard to the ownership of football clubs. In addition to the data submitted using this tool, desk research was performed in early October 2018 to incorporate the most recent changes to club ownership structures.
Sources for analysis of stadiums and supporters (Chapter 3)	The outdoor stadium project data presented in this chapter was collected from a number of sources. In most cases, the data was taken from www.stadiumdb.com and supplemented by figures provided directly to UEFA by leagues and national associations. The sample used only covers outdoor stadium projects with a minimum capacity of 5,000 that have been completed since 2009. Stadium renovations are included, but not cosmetic renovations (such as improvements to seating) which have no impact on stadium capacity. European league attendances are based on the figures published on www.european-football-statistics.co.uk/attn.htm, which features club-by-club data covering the vast majority of European leagues. These are supplemented by figures provided directly to UEFA by leagues and national associations. The social media data was taken directly from the relevant social media channels (www.facebook.com, www.twitter.com and www.instagram.com) in November 2018.
Sources for analysis of club sponsorship (Chapter 4)	For the sponsorship section of this report, data was extracted directly from figures submitted through UEFA's online financial reporting tool by clubs or national associations in May and July 2018. This year, the online financial reporting tool contained a number of new input lines requesting additional information with regard to the sponsorship of football clubs. This was supplemented by information taken from the websites of shirt sponsors and kit manufacturers, as well as information collected from clubs' official websites and other UEFA Intelligence Centre partners.

Data sources and notes

Clubs' financial figures: short and long reporting periods in financial sections (Chapters 5 to 10)	Each year, a number of clubs change their financial year end, and in so doing extend or shorten their financial reporting period. In the interests of consistent benchmarking, UEFA changes clubs' profit and loss data if the reporting period is shorter than 9 months or greater than 15 months by extrapolating or interpolating the data submitted. Data for reporting periods between 9 and 15 months is not adjusted. In FY2017, the following clubs submitted data which was subsequently adjusted: Hapoel Tel-Aviv FC (5 months), KSC Lokeren OV, PFC Slavia Sofia, Hobro IK, AC Milan and FC Utrecht (all 6 months) and ŽP Šport Podbrezová (7 months).

Currency rates applied throughout the report (euro exchange rates)

Where necessary, all club financial data has been converted to euros for the purposes of comparison. The exchange rate used was the average rate during the financial year of each club, calculated as the average of the 12 month-end rates. The rate used has been tailored to each club, as clubs in a given country will not necessarily share the same financial year end. For example, the 2017 GBP:EUR exchange rate for English clubs with a May year end was 1.1740; for clubs with a June year end, it was 1.1635; and for clubs with a July year end, it was 1.1585. A full list of all the exchange rates used can be found below:

Country	Year end (month)	Common year end or various	Currency	Average rate applied
ALB	12	Common	LEK	0.0075
AND	12	Common	EURO	1.0000
ARM	12	Common	DRAM	0.0018
AUT	6	Common	EURO	1.0000
AZE	12	Common	MANAT	0.5158
BEL	6 / 12	Various	EURO	1.0000
BIH	12	Common	MARK	0.5114
BLR	12	Common	BYR	0.4597
BUL	12	Common	LEV	0.5113
CRO	12	Common	KUNA	0.1340
CYP	5 / 12	Various	EURO	1.0000
CZE	6 / 12	Various	KRONER	0.0380 / 0.0372
DEN	6 / 12	Various	KRONE	0.1342 / 0.1343
ENG	5 / 6 / 7	Various	GBP	1.1740 / 1.1635 / 1.1585
ESP	6	Common	EURO	1.0000
EST	12	Common	EURO	1.0000
FIN	11 / 12	Various	EURO	1.0000
FRA	6 / 12	Various	EURO	1.0000
FRO	12	Common	KRONE	0.1344
GEO	12	Common	LARI	0.3546
GER	6 / 12	Various	EURO	1.0000
GIB	12	Common	GBP	1.1419
GRE	6	Common	EURO	1.0000
HUN	12	Common	FORINT	0.0032
IRL	11	Common	EURO	1.0000
ISL	12	Common	KRONA	0.0083
ISR	5	Common	SHEKEL	0.2438
ITA	6 / 12	Various	EURO	1.0000

Country	Year end (month)	Common year end or various	Currency	Average rate applied
KAZ	12	Common	TENGE	0.0027
KOS	12	Common	EURO	1.0000
LIE	6 / 12	Various	CHF	0.9257 / 0.9007
LTU	12	Common	LITAS	0.2896
LUX	12	Common	EURO	1.0000
LVA	12	Common	LATS	1.4229
MDA	12	Common	LEU	0.0481
MKD	12	Common	Denar	0.0162
MLT	12	Common	EURO	1.0000
MNE	12	Common	EURO	1.0000
NED	6	Common	EURO	1.0000
NIR	4 / 5 / 12	Various	GBP	1.1837 / 1.1740 / 1.1419
NOR	12	Common	KRONER	0.1073
POL	6 / 12	Various	ZLOTY	0.2319 / 0.2350
POR	6	Common	EURO	1.0000
ROU	12	Common	LEU	0.2189
RUS	12	Common	ROUBLE	0.0152
SCO	5 / 6 / 7	Various	GBP	1.1740 / 1.1635 / 1.1585
SMR	6	Common	EURO	1.0000
SRB	12	Common	DINAR	0.0082
SUI	6 / 12	Various	CHF	0.9257 / 0.9007
SVK	12	Common	EURO	1.0000
SVN	12	Common	EURO	1.0000
SWE	12	Common	SEK	0.1038
TUR	5 / 12	Various	LIRA	0.2775 / 0.2434
UKR	12	Common	HRYVNIA	0.0334
WAL	6 / 11 / 12	Various	GBP	1.1635 / 1.1462 / 1.1419

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Financial Sustainability & Research Division / UEFA Intelligence Centre

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