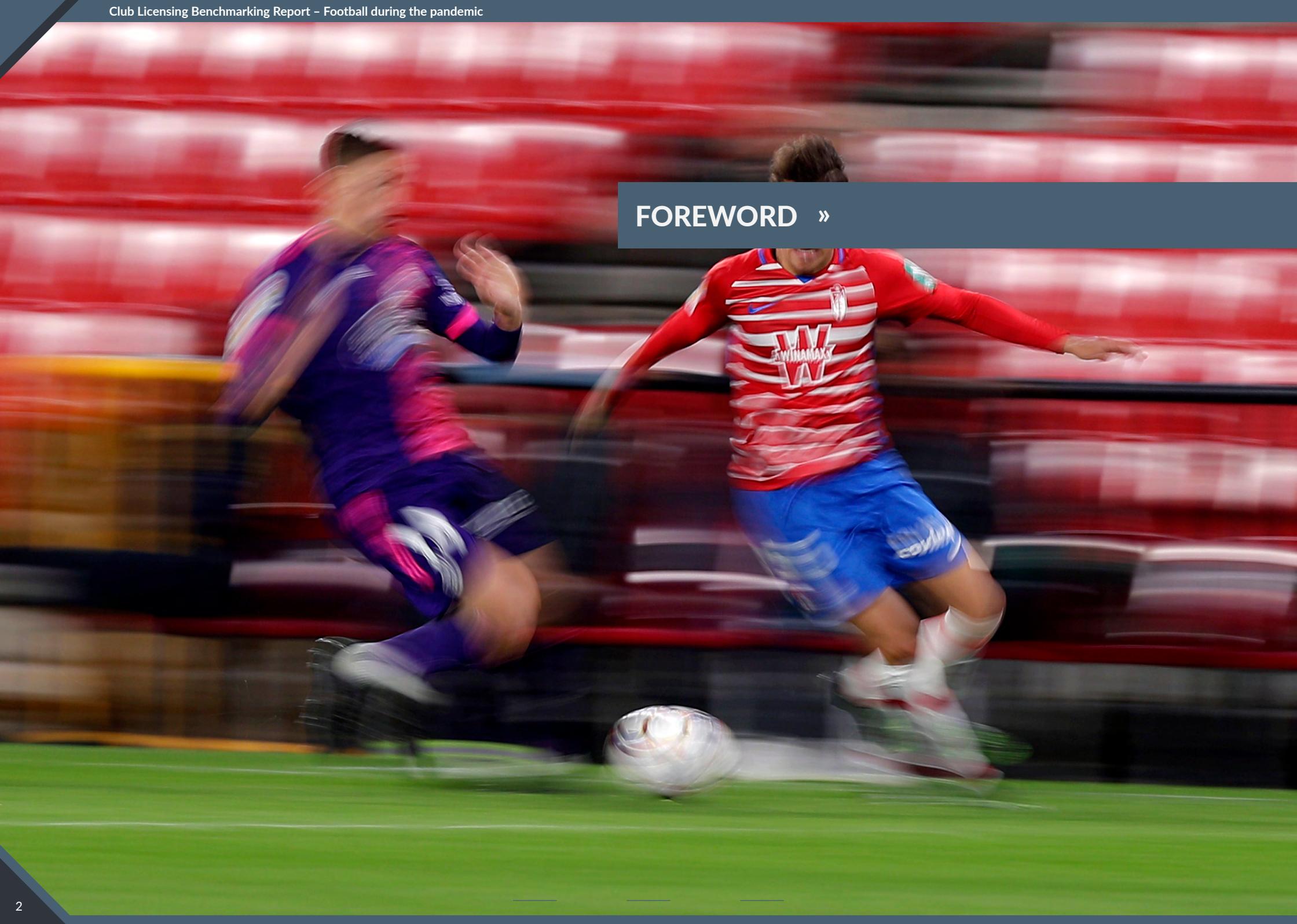




WE CARE ABOUT FOOTBALL

# The European Club Footballing Landscape

Club Licensing Benchmarking Report  
Football during the pandemic



**FOREWORD »**

## » FOREWORD

Welcome to the 12<sup>th</sup> UEFA Club Licensing Benchmarking Report, which again focuses on football finances, but this time in a completely different way.

This has been a year like no other, so this report is like no other. COVID-19 has shown us that, even in the 21st century, a tiny virus can bring our way of life and our game to a standstill, and that not even the most popular sport in the world is immune.

In last year's report, I said that European football was strong, united, resilient and ready for new challenges. But no one could have predicted that we would have to face the biggest challenge to football, sport and society in modern times.

However, thanks to almost a decade of financial fair play regulations, before the outbreak European football could hardly have been in better financial shape. As this report shows, top division club revenues had surged: with an annual average growth of 8.2% over the last twenty years, the 711 top-division clubs added €1.9 billion to their revenues in 2019, while operating profits were the second highest ever recorded and club cash reserves and balance sheets were the strongest on record.

But when the pandemic hit in March, leagues had to shut down and were in limbo for between 10 and 21 weeks. Everyone involved in European football had to make sacrifices, in a spirit of respect and solidarity. UEFA led the way by postponing EURO 2020. Then, together with clubs, domestic leagues and member associations, we completely restructured the 2020 competition calendar. With the EURO postponed and UEFA club competitions delayed, 38 top-tier European leagues were able to conclude their 2020 season, and all leagues started the current season. This saved clubs an estimated €2 billion in additional domestic TV contract penalties and rebates.

UEFA, clubs, leagues and member associations also worked together to extend the global transfer window and enable financial fair play rules to be adapted. So far, this has prevented any contagion in the settlement of transfer debts. At the height of the pandemic, we also stepped in and released €236.5m to help our 55 member associations to meet the challenges of the health crisis and ensure the continued development of grassroots football. UEFA came up with innovative solutions to complete and start its 2020 seasons. And we were the only organisation in the world to hold four international events in four different countries at the same time, while organising 1,432 matches and 163,844 COVID-19 tests since the pandemic struck. More than 99% of matches were delivered as planned.



The unity and respect shown by European football will also be crucial to its recovery, as will our assessment of the financial damage caused by the pandemic. This report outlines how broadcast penalties, empty stadiums, reduced commercial revenues, and the collapse in transfer profits have led to a projected €7.2 billion shortfall in top-division professional club revenues, with pain shared equally among top and lower tier clubs, only partly compensated by cost savings. Competition structures that destroy value, offering to give with one hand while taking away with five hands, are certainly not the answer.

The whole football ecosystem, at professional, amateur and youth levels, has been heavily disrupted by the pandemic. This requires concerted efforts and a coordinated response throughout the football pyramid. Solidarity, not self-interest, must prevail and will win the day.

This report clearly shows that we are now operating in a new financial reality, and it is evident that our current financial fair play regulations will need to be adapted and updated. Financial sustainability will remain our goal, and UEFA will continue to work as a team with European football to equip our sport with new rules for a bright new future.

Now, with vaccinations being rolled out and thanks to the inestimable efforts of nurses, doctors and other health workers, we can see a glimpse of a green pitch at the end of the dark tunnel. We can see a future with the return of the crowd's roar in our stadiums, and the cries of joy in our parks, pitches and playing fields.

Aleksander Čeferin  
UEFA President

## » REPORT FLOW



Please click on chapters to jump to respective pages

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**Deep cooperation: How football has reacted to the pandemic**

2



**Despite major improvements to club financial health: Where are club finances most exposed**

3



**Where and how the pandemic is impacting finances the hardest**

4



**How the pandemic is disrupting the transfer market**

5



**Wider impacts of pandemic disruption for top-division football**

6



**Wider impacts of pandemic disruption across rest of football pyramid**

7



**The shape of the game post-pandemic**



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## » INTRODUCTION

The 12<sup>th</sup> edition of the UEFA Club Licensing Benchmarking Report once more offers a panoramic picture of European club football.

Last year, we highlighted how the report was continuing to evolve, and this year it has evolved in ways no one could have foreseen. While still identifying and detailing key trends in European football, this year's edition provides the first authoritative and in-depth examination of how COVID-19 has affected European football.

Football has been hit hard by the crisis. Similar to other sectors such as tourism and entertainment, the pandemic generated a revenue crisis in the football industry that triggered widespread liquidity shortfalls.

COVID-19 has caused unprecedented and unforeseen disruption and affected football at all levels: professional and amateur football, men's and women's football, senior, youth and grassroots football, clubs and national teams, sponsors and broadcasters.

Club football revenues are shrinking for the first time and we are yet to understand the direct fallout for most clubs and national associations, not to mention the indirect results of changed consumer behaviour.

After almost a decade of financial fair play rules, the 2019 financial year represented the ninth consecutive year of improved balance sheet health. European clubs' net equity hit a record €10.3bn, with cash reserves of more than €3.5bn. So European football was much better prepared to face the pandemic than before the introduction of financial fair play.

Still, at the time this report is issued, a total of 15 top tier and 37 second tier European clubs have entered insolvency proceedings since the start of 2020, showing that it is not just top clubs who are suffering. Small, medium and large clubs have been affected across all UEFA member associations.

The report is divided into seven chapters and highlights in granular detail the ways in which European football has been exposed to COVID-19 disruptions.

In March 2020 European football was forced to a sudden halt, eventually resuming behind closed doors after an average of 12 to 13 weeks. Lockdown and other restrictions have decimated matchday revenues in 2020 and 2021. Some 14% of all club revenue, €3.3bn in the last pre-pandemic financial year, is derived from ticketing.

The report notes that while many industries have suffered revenue collapse, few are as restricted as football when trying to reduce costs to mitigate the effects of COVID-19.

This is particularly true when it comes to wages, which already absorbed 64% of club revenues before COVID-19 and have now reached unsustainable levels close to 75%.

The overall effect is further amplified by the reduced transfer market activity in 2020 and 2021 (39% and 56% drop in spending), with a strong switch to loan deals, a reduction in transfer volume and a decrease in average prices all contributing to the lower spend. This will add up to an estimated further €2bn shortfall in anticipated transfer profits.

In such a context, it has become very challenging for many clubs to operate, and in particular for them to continue to pay wages and transfer fees that were committed to when revenue streams were stable and the transfer market buoyant.

The report further identifies and details the sporting trends that have emerged during the pandemic, and the impact of the crisis on lower tiers, cup competitions, women's football and youth football. It also illustrates the influx of foreign ownership investments, which hit a record high in 2020 with increasing interest from investment funds and private equities. The diverse profile of club ownership adds to the complexity of club football regulation.

With vaccines now in circulation, we are all looking ahead to an immediate post-pandemic future with a cautious dose of optimism. The report does so too. A forward-focused final chapter examines post-COVID challenges and looks at future commercial developments, the potential rebound in transfer profits, new funding models and new investors.

As with any crisis, opportunities will arise and must be seized in order to make European football stronger. In consultation with stakeholders, UEFA has already begun looking at new future-focused financial fair play regulations. These have to adapt to the new circumstances and specifically target wages and transfer fees, which the crisis has exposed as the crux of the industry. But first and foremost, COVID-19 has highlighted the need for clubs to make their business models more robust, especially now that the pandemic has exposed the fragility of the football ecosystem and proven that football is not safe from external global shocks.

This publication 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 for producing another indispensable report in uniquely trying and challenging circumstances.



Andrea Traverso  
Director of Financial Sustainability and Research

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CHAPTER 1

# CALENDAR DISRUPTION FROM THE PANDEMIC

The health crisis has rocked football to its core. This chapter provides useful context for the financial information in this report by providing insight into sporting matters, looking at the impact that the pandemic has had on competitions structures and match calendars.

## » CRISIS MANAGEMENT – AN OVERVIEW OF THE RESPONSES TO THE PANDEMIC IN EUROPE'S TOP DIVISIONS\*

*In the spring of 2020, European football shuddered to a halt, with association after association announcing the suspension of all league football on account of the pandemic. This page sets out and compares the sporting measures that were adopted by the various top divisions in the following months.*



Number of leagues where the format remained unchanged

26

In just under half of Europe's top divisions, the 2019/20 or 2020 season went ahead in the format that was originally planned (i.e. without any changes being made to the number of matches played by teams or the format of the league). In all but one of those cases, the season was either interrupted for a number of weeks or the league's starting date was postponed. Belarus was the only country where the top division continued without any kind of interruption.

Please click on buttons to highlight countries



Number of leagues where the format changed

12

Another 12 leagues resumed their match operations in a revised format following a hiatus of a few weeks. Moldova was the only country where the number of matches increased, following its decision to switch from a summer to a winter season. In the other 11 cases, the change in format led to a reduction in the number of matches played by teams in the top division. Format changes were more frequent among summer leagues, half of which moved away from their planned format.



Number of leagues that were abandoned

16

The remaining top divisions were abandoned as a result of the pandemic. For the purposes of this report, abandoned leagues are defined as leagues where the season did not resume following the interruption on account of the pandemic.

\* Please note that Liechtenstein does not have a domestic league, so is not included in any of these categories.

# » FROM THE FAROE ISLANDS TO THE REPUBLIC OF IRELAND – AN OVERVIEW OF THE INTERRUPTIONS TO TOP DIVISIONS

When European football came to a halt in mid-March 2020, it was unclear when – or even if – the various leagues would resume. This page shows the amount of time that passed between seasons being suspended and resuming.

Please click on numbers to highlight countries



Only country where the top division continued without interruption



Switch from summer to winter season on account of the pandemic



Only two countries where the top division was interrupted twice as a result of the pandemic\*

Postponed start to season\*\*



Season abandoned\*\*



9 May

31 July

This was when the Faroe Islands' top division kicked off, following a delay of almost nine weeks to the start of the season. That was the first top-flight football outside of Belarus since mid-March.

This was when the League of Ireland Premier Division resumed its match operations, following a suspension of almost 21 weeks. By this point, every top division in Europe that had not abandoned its season had resumed.

## Length of interruption

Less than 10 weeks

10–11 weeks

11–12 weeks

12–13 weeks

13–14 weeks

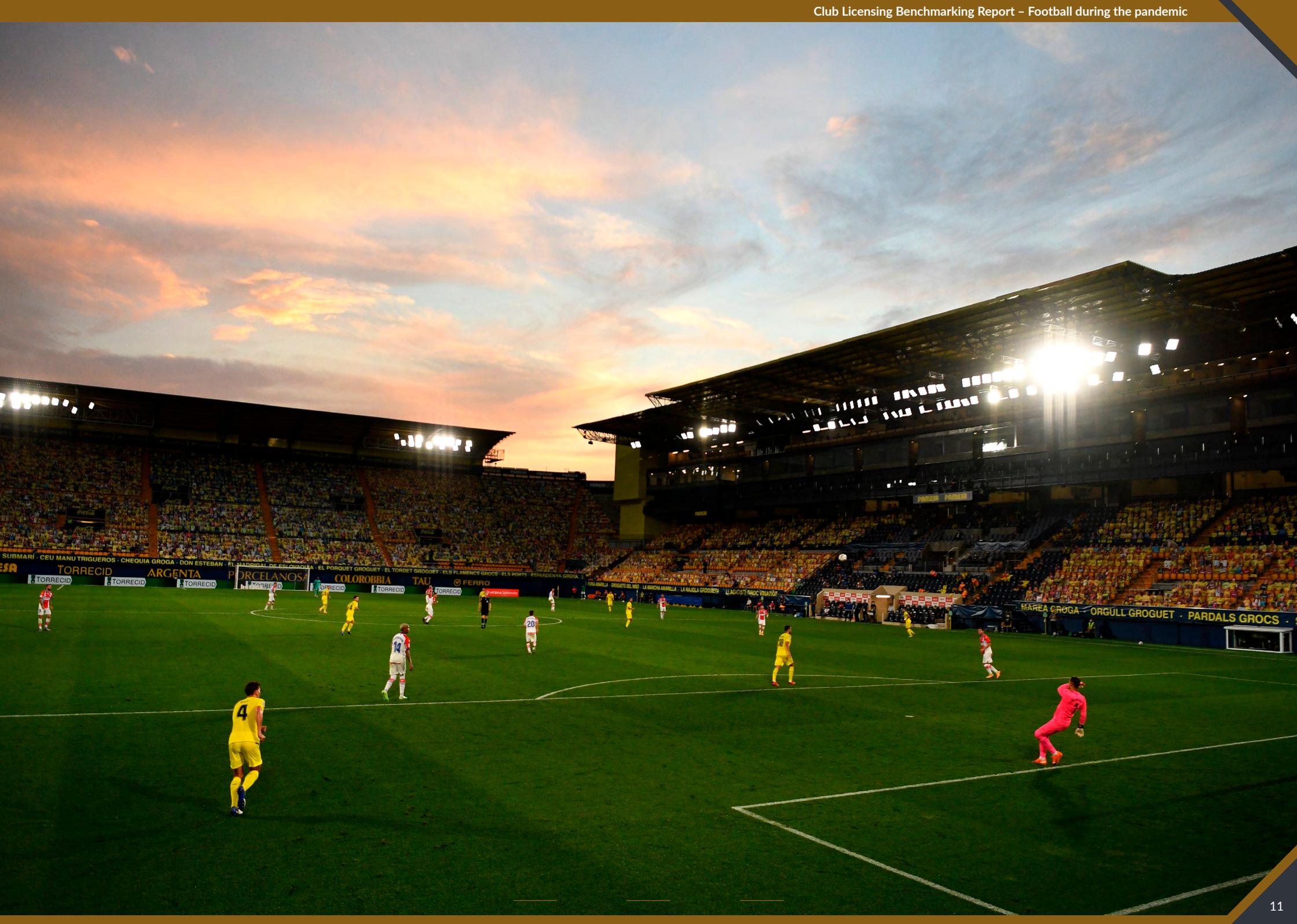
More than 14 weeks



These were the two top divisions that resumed their seasons after the shortest suspension periods (just under ten weeks). On 16 May, Germany became the first European country to resume its 2019/20 season. Both countries, plus the Faroe Islands, Estonia, the Czech Republic, Hungary, Denmark, Poland and Serbia, were the first nine European leagues to resume playing, in May.

\* Both Kazakhstan and Montenegro are included in the length of interruption chart, based on their first interruption only.

\*\*Iceland is included in the totals for two of the categories on the right: 'postponed start to season' and 'season abandoned'.



# » AN OVERVIEW OF THE DISRUPTION TO THE 2019/20 UEFA CLUB COMPETITION SEASON

*In order to manage the unprecedented crisis in European football, the football community had to come together, and it did so impressively. A pivotal element of this cooperation was UEFA's decision to suspend the ongoing club competitions until after the completion of the various domestic seasons, which eased pressure on the match calendar significantly.*



Length of interruption to UEFA club competitions on account of the pandemic

**146 days**

The UEFA Champions League and the UEFA Europa League were the last European club competitions to resume, restarting in August following a hiatus of just under five months.



The final rounds, from the quarter-finals onwards, switched to a **single-match format\***

In addition to switching to a single-leg format for the remaining quarter-finals and semi-finals, UEFA chose two host countries to stage the final phases of the 2019/20 competitions: Portugal and Germany.



The UEFA Super Cup in **Budapest** was moved from 12 August to 24 September 2020



\* In addition to the men's club competitions, the UEFA Women's Champions League and UEFA Youth League played 76 matches in this time period.  
 \*\* The Europa League round of 16 matches Internazionale Milano – Getafe CF and Sevilla FC – AS Roma were also played in a single-round format.

## » AN OVERVIEW OF CONTINENTAL FOOTBALL MATCHES IN A CHANGED LANDSCAPE



Number of successful UEFA matches staged in club and national team competitions

# 1,432

Since the Return to Play Protocol established medical and operational standards for staging European club and national team competitions last summer, UEFA has successfully held more than 1,000 matches with only 16 games called off due to the pandemic. The Champions League, Europa League, Women's Champions League, Nations League, EURO 2020 play-offs, Under-21 and Women's EURO qualifiers were all completed.



Number of tests conducted for club and national team competitions

# 163,844

A meticulous testing programme for all UEFA competitions helped European football to go ahead more or less normally. To ensure the matches could be held with minimum risk to everyone involved, UEFA conducted 163,844 COVID-19 tests, of which 1,655 came back positive, mostly for team delegation members. No other governing body has been able to deliver such a large number of fixtures with such geographic and logistical complexities.

Following the resumption of the 2019/20 editions last August, the various UEFA competitions no longer looked the same. However, thanks to UEFA's Return to Play Protocol, football matches could again be played safely over the next few months.

Key figures for UEFA competitions\*\*

Please click on buttons to get a break-down

### UEFA Return to Play Protocol\*

The protocol was first published ahead of UEFA's official return to play in August 2020, following the temporary halt to all its club and national team competitions. Now in its third edition, the document provides medical, sanitary, hygiene and operational procedures for all those taking part in or organising UEFA matches. These are then translated into operational procedures for each location. Topics include:

- » Requirements for social distancing, mask-wearing and hand-washing
- » Adoption of travel and accommodation policies aimed at minimising the risk of infection and transmission
- » Testing for players, staff and officials provided by leading European diagnostic services provider SYNLAB

### Other competitions

	Youth League
	Under-21 Championship
	Super Cup
	Nations League
	Women's EURO**
	Women's Champions League
	Europa League
	Champions League

\* [UEFA Return To Play Protocol](#)

\*\* This page covers all matches played since August 2020, following the resumption of UEFA's club competitions, with the cut-off point on May 6, after the completion of the UEFA Europa League semi-final.

# » OVERVIEW OF CHANGES TO EUROPE'S MATCH CALENDAR – DELAYED START TO 2020/21 COMPETITIONS

The pandemic had a significant impact on Europe's football calendar in 2020. This page shows the start dates for Europe's various 2020/21 competitions, comparing them with the pre-pandemic match calendar.



All domestic seasons (including qualification for European competitions) were finalised by **Early August**

As a result of the various interruptions across Europe, the match calendar became more difficult to execute in the second half of 2020. The timeline below provides an overview of the adjusted match calendar, which was realised with the aid of strong cooperation between all stakeholders in the football ecosystem. This shows the extent of the differences between the planned match calendar and the actual calendar on account of the pandemic.



Europe's last two top divisions kicked off in **November**

The Albanian Kategoria Superiore began its 2020/21 season on 4 November, followed by the Andorran Primera Divisió on 30 November – the last two divisions to start the new season. In the previous seven years, no top division had started its season later than September.

### Season timelines

By most common season period, e.g. winter leagues are grouped from most common/average start and end dates



# » THE TRANSITION BACK TO A NORMAL CALENDAR – MORE MID-WEEK MATCHES AND SHORTER MID-SEASON BREAKS

This page shows the end dates of the various 2020/21 competitions, comparing them with the original match calendar.



Majority of leagues scheduled to finish by end of

## May

Despite many top divisions kicking off late, and some being temporarily suspended, the 2020/21 season is projected to be completed by the end of May. With UEFA EURO 2020 scheduled to start on 11 June, Europe's top divisions are trying to transition back to a more normal match calendar. The revised calendar for the 2020/21 season will see more harmonisation across leagues than in the disrupted 2019/20 season, with all winter leagues scheduled to finish in May 2021. The 2020 summer leagues played their final rounds between October and December 2020.



Average European mid-season break set to fall from 33 days to

## 24 days

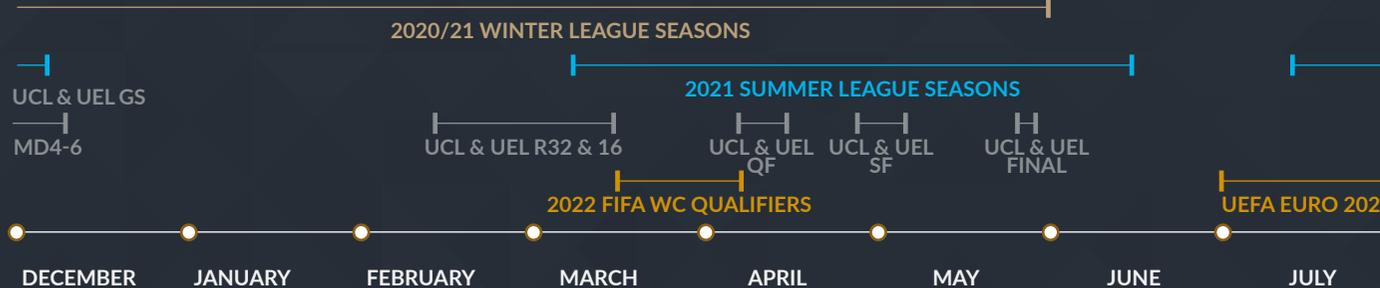
In order to return to their original timelines, at least eight more leagues did not organise a mid-season break of more than 14 days in 2020/21, including the French Ligue 1 and the German Bundesliga. In addition, 16 different top divisions had a mid-season break that was at least one week shorter than last season's.

Planned and actual match calendars for 2021  
Domestic league seasons depicted on the basis of the average start and end dates for summer and winter formats

PLANNED MATCH CALENDAR PRE-PANDEMIC



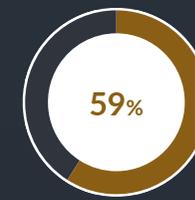
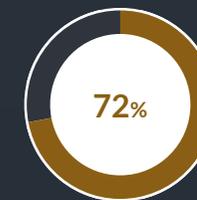
PLANNED MATCH CALENDAR AT PRESENT



Mid-season break

2019 and 2019/20 seasons

2020 and 2020/21 seasons



LEGEND





## » IMPACT ON RELEGATION AND PROMOTION RULES IN PANDEMIC-AFFECTED SEASONS

As a result of the changes to competition calendars as highlighted in the previous pages, top division football has taken on a variety of forms. This page sets out these changes by looking at the number of top division teams and the changes in promotion and/or relegation.



**27% fewer**

relegation spots\* at the end of the pandemic-affected 2019/20 and 2020 seasons

Significantly fewer teams were relegated from Europe's top divisions at the end of the 2019/20 and 2020 seasons. In 19 leagues the number of teams that were relegated (either directly or via a play-off) was lower than in the previous season. Winter leagues were more affected by this than summer leagues (18 out of the 19 leagues), as their seasons had progressed further by the time the pandemic struck.



**14**

top divisions abandoned relegation and/or promotion entirely in the 2019/20 and 2020 seasons

A total of 14 top divisions had no relegation at all at the end of the 2019/20 and 2020 seasons. In Azerbaijan, Gibraltar, Lithuania, the Netherlands and San Marino, no teams were promoted from the second division, with the top division remaining the same size in the following season. However, in Belgium, Cyprus, the Czech Republic, Luxembourg, Malta, North Macedonia, Romania, Serbia and Turkey, the top division grew in size, with promoted teams from the second division joining the top flight.

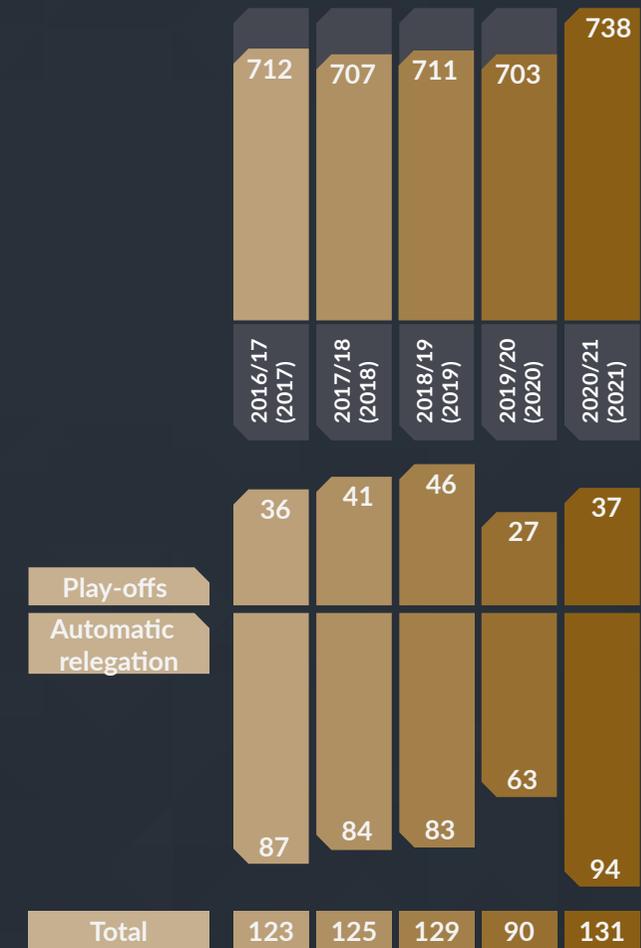


**35**

extra top-flight teams in 2020/21 (2021)

The 54 leagues that are currently set to finish their seasons in 2021 are being contested by 738 teams – an increase of 35 on the previous season. This is expected to result in a significantly higher number of top-division teams being relegated at the end of the 2020/21 (2021) seasons. Serbia will see the largest number of relegations, with five teams being relegated directly at the end of the season, followed by Luxembourg, Malta and Turkey with four.

Number of top-division teams



\* This calculation is based on the total number of direct relegation and play-off spots. Successful teams in play-off matches are not relegated, which has not been taken into account in this calculation.

## » FEWER MATCHES IN 2019/20, BUT WITH MORE MATCHES IN THE FOLLOWING SEASON

This page takes a closer look at the number of matches played in the 2019/20 and 2020 seasons, when the number of games contested across Europe fell dramatically as a direct result of the pandemic. This page examines those developments in greater detail and looks at some of the consequences for top-division football in Europe.

Evolution in number of matches in recent years



14%

decline in the number of top-division matches played in Europe in the 2019/20 and 2020 seasons



UEFA club competition matches down by

208

across the 2019/20 and 2020/21 seasons



Number of matches projected to return to previous levels in

2020/21

There were 16 leagues where the number of matches was down owing to the season being abandoned. A further 11 leagues played fewer matches as a result of changes in format. In Georgia, Kazakhstan and the Republic of Ireland, the number of games was half (or even lower) than the corresponding figure for the previous season, with those countries recording the biggest declines in Europe.

UEFA, as the governing body of European football, helped domestic leagues by reducing several rounds of its club competitions from two legs to one. The 2019/20 UEFA Champions League and UEFA Europa League seasons were shortened by six and eight matches respectively. In addition, with the exception of the UEFA Champions League play-off round, all qualification rounds prior to the group stages of the two 2020/21 competitions were switched to a single-match format, rather than being played over two legs.\*

The number of top-division teams rising from 703 in 2019/20 (2020) to 738 in 2020/21 (2021) has caused the total number of fixtures to increase. The biggest increases in the number of matches will obviously be in leagues that were abandoned in the 2019/20 season. In the Republic of Ireland and Georgia teams are scheduled to play the double amount of matches in comparison to the season before.

\* In addition, several matches could not be played under UEFA's Return To Play Protocol, with teams being awarded victory or receiving a bye instead.

## » TOP-DIVISION LEAGUE FORMATS AND CHANGES FOLLOWING THE PANDEMIC

*In last year's edition of this report, four domestic top divisions were reported to have adjusted their league formats. This year, however, a large number of countries have been forced to make such changes on account of the pandemic. This page summarises the various changes that leagues made for the 2020/21 (2021) seasons as a direct result of the pandemic.*



Number of leagues that adjusted their format by shortening calendars in 2020

10

Four winter leagues (Andorra, Armenia, Poland and Ukraine) shortened their 2020/21 seasons by reducing the number of rounds or cancelling the post-season phase. Six summer leagues (Estonia, Finland, Georgia, Kazakhstan, Latvia and the Republic of Ireland) made similar changes for the 2020 season because of the pandemic.

Six other domestic leagues also adopted a different format for the current seasons. However, the changes in Bulgaria, Denmark, Kazakhstan, Kosovo, Lithuania and San Marino were not directly attributable to the pandemic.

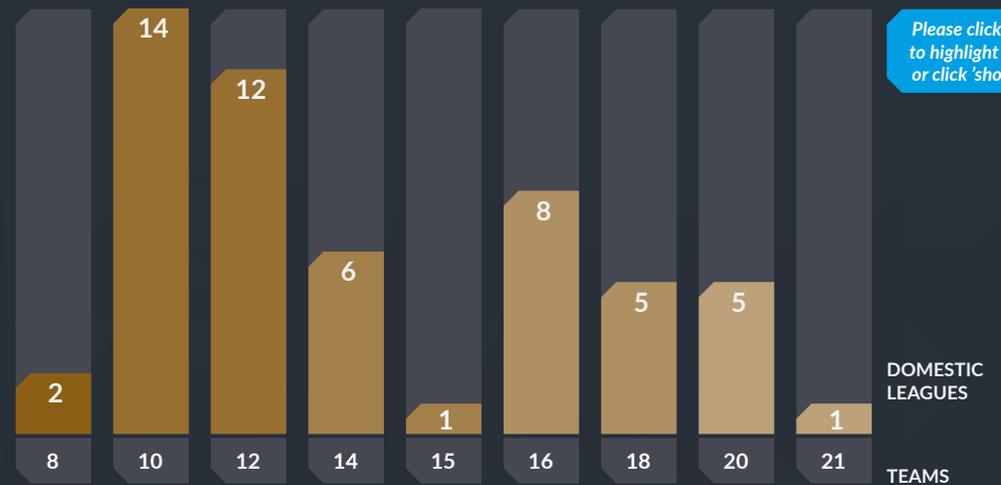


Number of leagues that adjusted their format by cancelling promotion and/or relegation

9

Nine top divisions started the 2020/21 season with more teams than in the previous season as a result of promotion and/or relegation being abandoned in 2019/20. In addition, Moldova switched from a summer to a winter format as a direct consequence of the pandemic.

Breakdown of Europe's top domestic divisions by number of teams: 2020/21 (2021) seasons



Number of leagues that reverted back to their pre-pandemic format

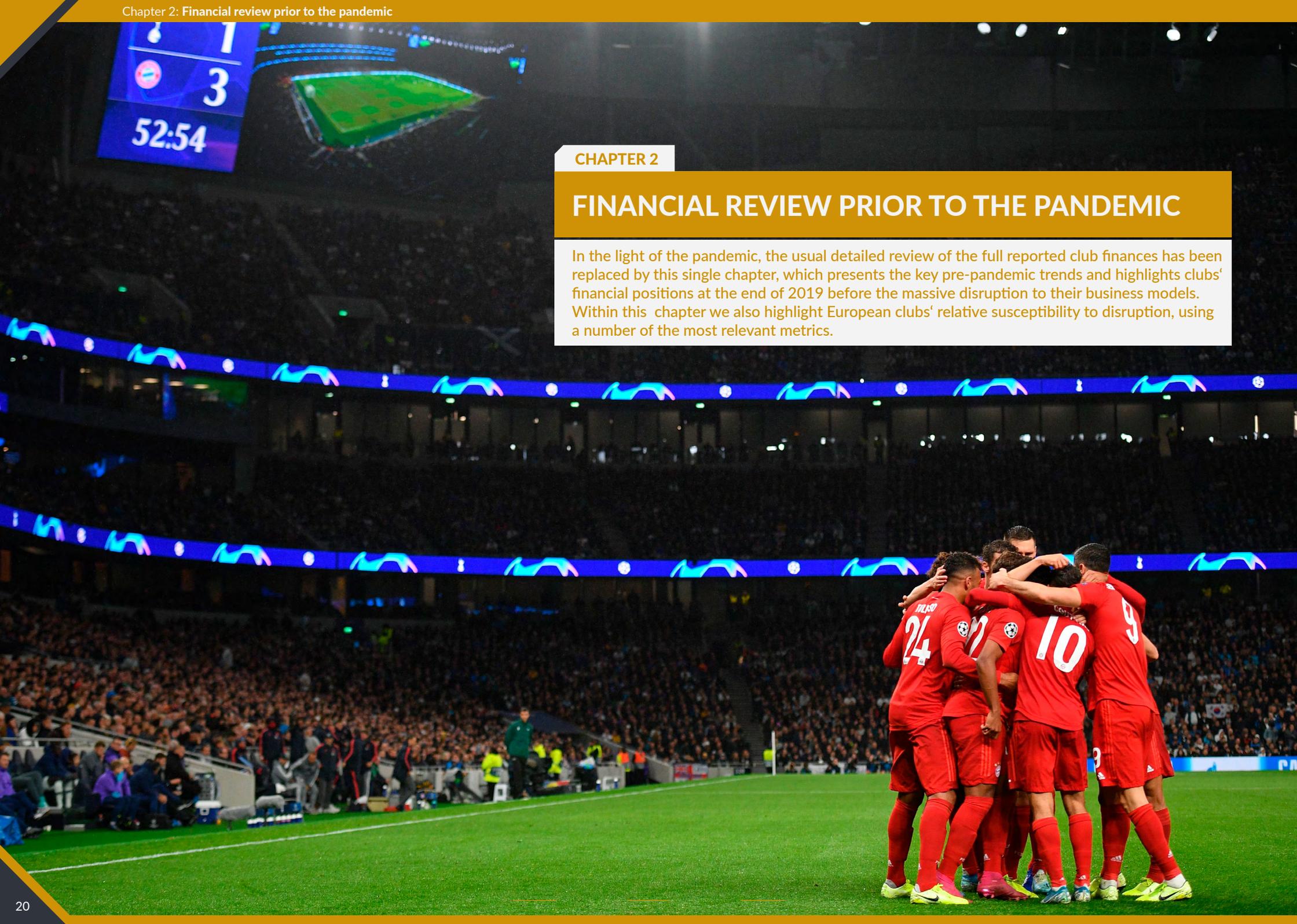
13

The top divisions in Azerbaijan, Bosnia and Herzegovina, Estonia, Finland, Georgia, Gibraltar, Latvia, Montenegro, Northern Ireland, Republic of Ireland, Scotland, Slovakia and Wales reverted back to their original format at the start of the 2020/21 (2021) season, having changed or abandoned their formats in 2019/20 (2020) on account of the pandemic.

CHAPTER 2

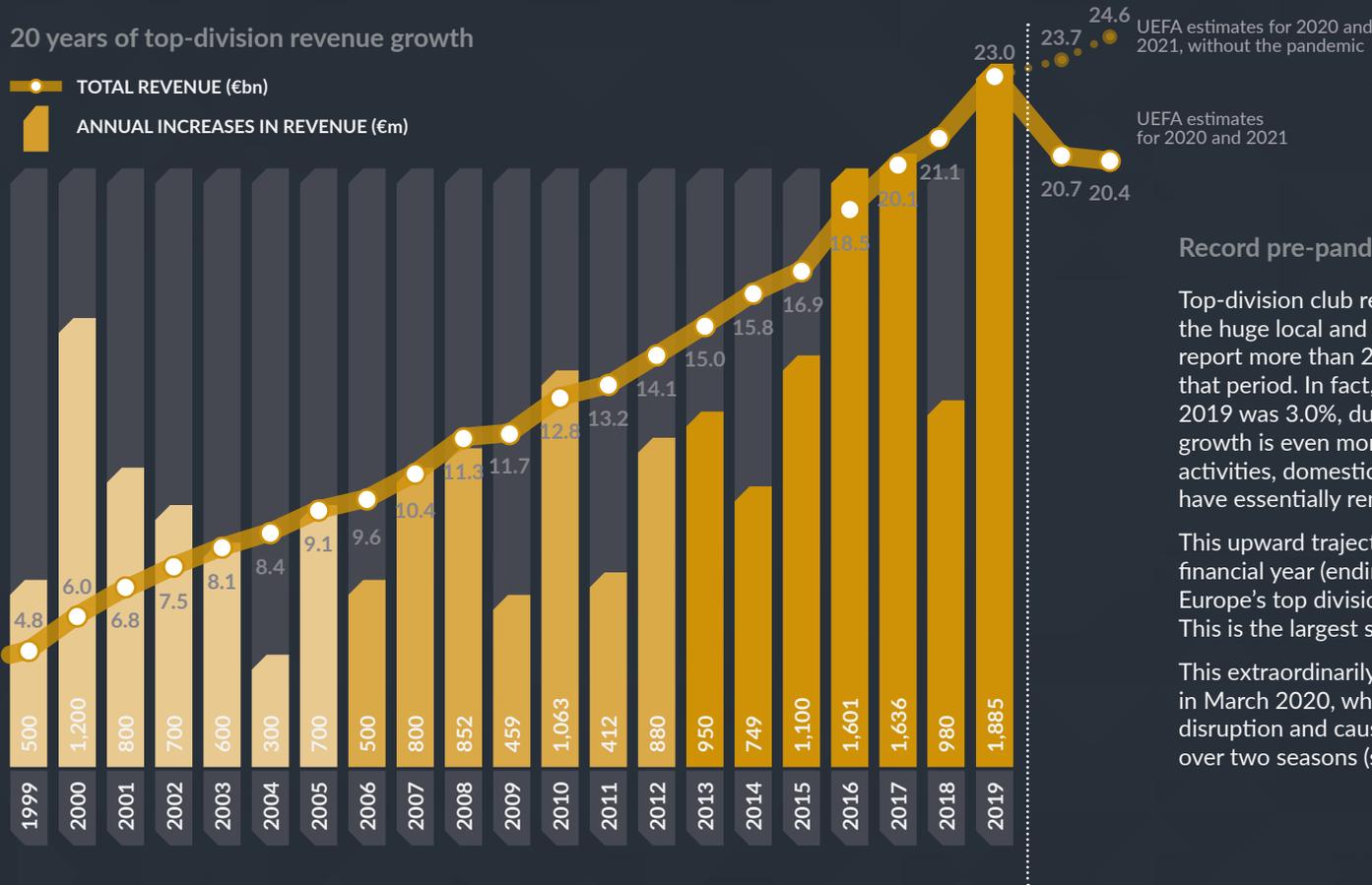
## FINANCIAL REVIEW PRIOR TO THE PANDEMIC

In the light of the pandemic, the usual detailed review of the full reported club finances has been replaced by this single chapter, which presents the key pre-pandemic trends and highlights clubs' financial positions at the end of 2019 before the massive disruption to their business models. Within this chapter we also highlight European clubs' relative susceptibility to disruption, using a number of the most relevant metrics.



# » COVID-19 IN CONTEXT: DECADES OF CONTINUOUS FINANCIAL GROWTH IN EUROPEAN FOOTBALL

The pandemic-related lockdowns have brought unprecedented disruption to an industry that knows only growth.



## Record pre-pandemic revenue growth of almost €2bn in 2019

Top-division club revenues have surged over the last two decades, reflecting the huge local and global interest in European club football. Few industries can report more than 20 years of continuous revenue growth, averaging 8.2% over that period. In fact, the lowest annual growth rate in the 20 years up to end-2019 was 3.0%, during the global financial crisis of 2008-09. The long-term growth is even more impressive if we take into account that the underlying activities, domestic leagues/cups and UEFA-run cross-border competitions have essentially remained unchanged over that period.

This upward trajectory showed little sign of slowing down in the last full financial year (ending in 2019), with financial data reported by the 711 clubs in Europe's top divisions showing a record €1,885m in revenue growth in 2019. This is the largest single year revenue increase on record.

This extraordinarily consistent upward growth set football up for the brick wall in March 2020, when the first pandemic lockdown brought unprecedented disruption and caused a drop of at least €7.2 billion in European clubs' revenue over two seasons (see Chapter 3 for more details).



Revenue increase over last 20 years



Record annual revenue growth in 2019 of

**€1,885m**



Average annual revenue growth\* over last 20 years

**8.2%**

\* Compound average growth rate. Data covering all of Europe's top-division clubs has been submitted directly to UEFA since 2007. Prior to that, no Europe-wide data was available but many of the major leagues collected data, and that was summarised in the Deloitte Annual Football Review, which dates back to 1996. Aggregate revenue for the period prior to 2007 has been estimated by extrapolating data for the missing leagues using a constant ratio.

# » REVENUES BEFORE THE STORM (TYPE, MARKET, CLUB)

Breakdown of 2019 revenue by source, with indicative exposure to pandemic-related disruption

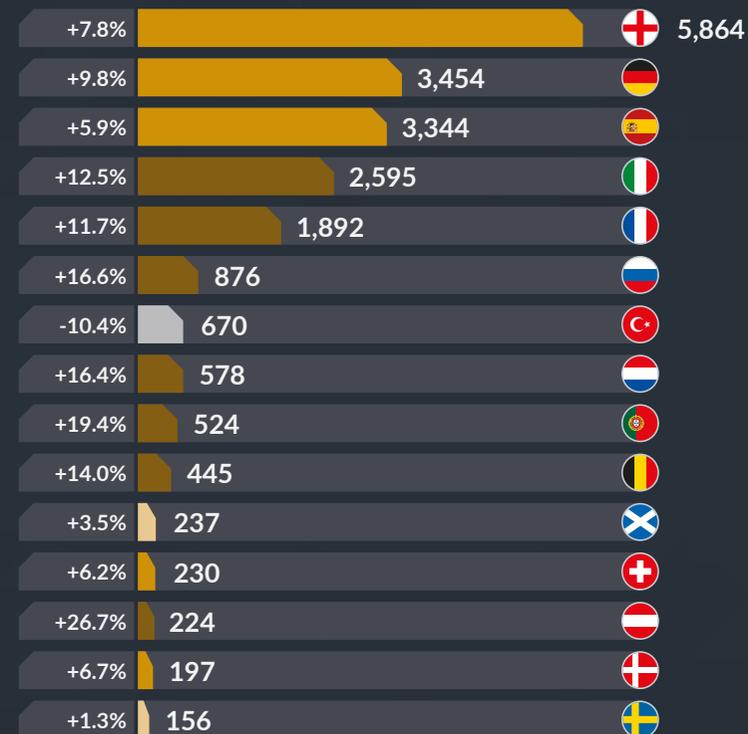


Key: Growth % year-on-year



9.1%  
€1,885m  
FY2019  
Revenue growth

Top 15 leagues by revenue (€m)



Pre-pandemic FY2019 growth by revenue type (% and €m)



Top-division club revenues increased by 9.1% between 2018 and 2019, fuelled by larger revenue distributions as a result of the new UEFA club competition cycle and strong 10.3% growth in sponsorship revenue.

Healthy growth was reported in almost all European leagues, with only Turkish clubs seeing contractions as a result of exchange rate developments.

**Clubs added more revenue in the last year before the pandemic (2019) than ever before in a single year.**

# » CLUBS' RELATIVE EXPOSURE TO PLAYING BEHIND CLOSED DOORS

## Key indicators of exposure to pandemic-related risks

The next chapter of this report will use modelling to present a detailed holistic picture of the pandemic's anticipated impact on club finances. However, the audited FY2019 data from the 711 top-division clubs also provides a clear overview of the exposure and relative susceptibility of clubs and leagues to the main effects of the pandemic. This chapter looks at a few specific types of impact:

- » Playing behind closed doors
- » Escalating wage commitments
- » A reduction in transfer profits
- » Increases in player amortisation
- » Thin or negative equity

## Exposure to closing the doors in 2019/20

The impact of the pandemic on clubs' cash flows in 2019/20 at the start of the crisis was, to some extent, dictated by the way that matchday revenues were broken down into (i) revenue from season tickets and membership fees, which had already been paid in advance, and (ii) revenue from individual match tickets and premium seating, which came to a sudden halt. The breakdown varies from club to club, as does the approach to the timing of season ticket sales, cash collection, refunds or rolling-over to the following season. However, on average for Europe's top-division clubs as a group, season tickets account for 44% of ticketing revenue. Turkish, Portuguese and Scottish clubs reported the highest proportion of ticketing income from season tickets and membership fees, generally paid up front before the pandemic.

## Ongoing exposure to playing behind closed doors

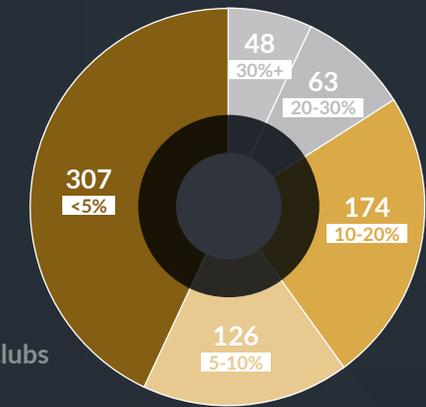
As indicated on the previous page, gate receipts accounted for 14% of all club revenue in FY2019 (€3.3bn). With matches in the 2020/21 season largely being played with no or very limited numbers of fans, the loss of this revenue stream will leave a large hole in clubs' finances. The projected impact of the pandemic is analysed in detail in later chapters [include hyperlink], but the table to the right indicates the leagues where clubs are, in principle (without support from fans or governments), particularly exposed in this regard. In Scotland, for example, gate receipts account for 44% of all revenue, and figures of 29%, 27% and 25% can be observed in Switzerland, the Netherlands and Sweden respectively. There are 48 top-division clubs where gate receipts make up more than 30% of revenue, and a further 63 clubs where they account for more than 20%. Lower-league clubs are even more exposed. In general, eastern European and Balkan clubs are less exposed, but they are still affected to some degree.

\* Matchday revenue analysis from 690 audited financial statements. It is not required to provide a breakdown of matchday income in statutory and company reporting, so this has been modelled on detailed financial statements submitted to UEFA by 435 clubs. 'Premium' seating as reported is typically matchday packages in kind and has been recorded as such even if some are more likely to be season ticketing.

	Matchday % revenue	Matchday %* low to high					Revenue / Split	
		<5%	5- 10%	10- 20%	20- 30%	30%+	Season / member %	Match / premium %
	13%	4	7	8	1		33%	67%
	15%		2	11	5		40%	60%
	17%	6	3	7	3	1	52%	48%
	11%	2	12	6			36%	64%
	16%	1	7	9	3		53%	47%
	7%	7	6	3			35%	65%
	12%	10	3	5			71%	29%
	27%				9	9	35%	65%
	11%	13	2	2	1		62%	38%
	20%		1	10	4	1	56%	44%
	29%			4	2	4	50%	50%
	44%	2		1	1	8	57%	43%
	15%		3	7	2		33%	67%
	8%	6	4	4			35%	65%
	25%	1		6	5	4	42%	58%
Central & Southern Europe	11%	70	20	27	6	6	58%	42%
Eastern Europe	1%	95	5		1	1	26%	74%
Northern Europe	14%	19	31	42	19	10	46%	54%
Balkans	7%	71	20	22	1	4	36%	64%
Top divisions	14%	307	126	174	63	48	44%	56%

Countries outside the top 15

**With lockdowns slashing matchday revenues, leagues (and specific clubs) that depend more on such revenues are more exposed.**



Profile of % of revenue from matchday for all top division clubs

# » CLUB FOOTBALL'S UNIQUE COST STRUCTURE (WAGES, TRANSFERS)

Breakdown of 2019 costs by type with proportion of revenue absorbed



The largest share of income spent on wages of any industry or activity

The diverse ownership objectives (frequently a non-profit objective), structure of short term financial rewards and the hyper-competitive market for talent have created the unique cost structure of club football.

While most commercial activities expect a double-digit percentage return on capital, club football often seeks to break even, with any surplus typically going to the players and technical staff. Even the recent influx of financial investors (see Chapters 5, 6 and 7) does not appear to have altered the thin profit margins, since they anticipate returns from capital appreciation when they sell their shares.

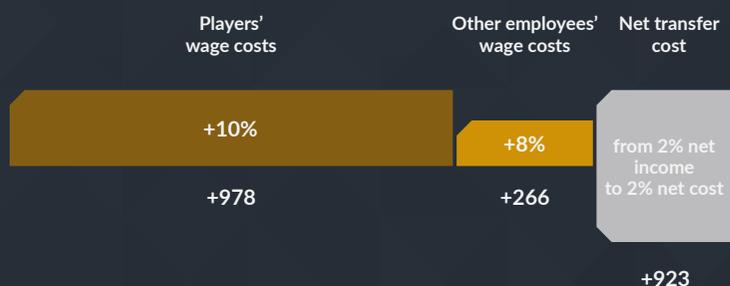
With prize money linked to short-term performance and season-based, the hyper-competitive talent market produces two major effects, i.e. ultra-high salary levels and transfer costs.

Employees' wages absorbed 64% of total club revenue in FY2019, with 49% for players and 15% for other staff. This is significantly higher than in other industries.\* Even before the pandemic, the UEFA Intelligence Centre had already forecast that players' wages would break through the 50% mark for the first time in FY2020, and then COVID-19 struck, probably pushing that percentage far higher. Baseball is possibly the only other sport where players' wages have accounted for such a large share of revenue, before salary restrictions and revenue-sharing guidelines were established in 2002. Players' wages grew by a further 10% (or €978m) in FY2019, to €11.3bn.

In contrast, net transfer costs were equivalent to only 2% of club revenue in FY2019. However, this understates the importance of transfer activity within clubs' cost structures, since it nets off the transfer profits of one club against the transfer costs of the other club. Individual costs (amortisation, impairment, losses on sale or other transfer costs) actually totalled more than €5.5bn in FY2019, equivalent to more than 20% of revenue.

The transfer system in summer 2020 under pandemic conditions is examined in greater depth in Chapter 4 of this report.

Pre-pandemic FY19 growth by cost type (% and €m)



**Many industries have suffered revenue collapses as a result of the pandemic, but few – if any – are so restricted when it comes to reducing costs and mitigating its effects.**

\* Trucking is frequently referenced as the major industry where wages absorb the highest share of income, with 60% often used as a benchmark. Elsewhere wages typically absorb 35-50% of income in high skilled and competitive service industries like investment banking. Club football therefore currently exceeds both these wage levels.

# » CLUBS' RELATIVE EXPOSURE TO HIGH WAGES

## Player contracts limit clubs' ability to react to the pandemic

In addition to the high level of wages in club football, the link between transfers and employment contracts severely limits clubs' ability to restructure, so the pandemic has hit club football especially hard.

To maintain the full integrity of a league or cup competition, it is important for club squads to be broadly the same for all teams. This is reflected in the current transfer system, with one big transfer window between seasons and a smaller window in January. However, players being committed for a single season is not, in itself, sufficient encouragement for clubs to invest in player development, either at youth level or in senior squads. These factors, combined with a desire to strengthen solidarity between the wealthy and the less wealthy within football, have resulted in the current transfer system.

In normal times, the system works well, giving players and technical staff unrivalled contractual stability through long-term contracts, while giving clubs stable squads and financial stability, protecting transfer investment for the duration of the contract. However, with revenue disappearing and the future unclear, clubs now face a major dilemma.

**Many clubs have increasingly unsustainable fixed wage bills, resulting in a real dilemma.**

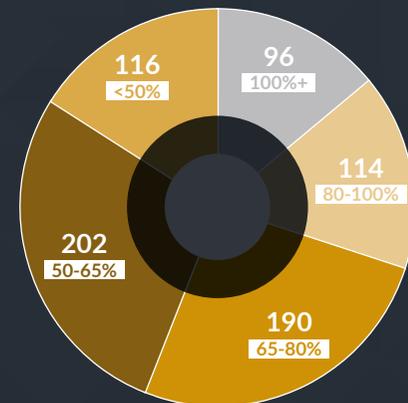
Release players and cut employee costs like other businesses, but face major sporting disruption and a significant financial loss in terms of player assets

or

Try to renegotiate or defer wage bills equivalent to €220m per week\* which the current depleted revenues cannot support

	Wages		Player wages					Player wages	
	Wages % revenue	Wages €m	low				high	Player wages €m	Player share of wages %
			<50%	50-65%	65-80%	80-100%	100%+		
	62%	3,615	2	9	7	2		2,764	76%
	54%	1,805	5	13				1,398	77%
	61%	2,109	1	13	5	1		1,868	89%
	70%	1,810		6	9	4	1	1,477	82%
	74%	1,403		6	4	8	2	1,031	73%
	68%	599		5	6	4	1	419	70%
	74%	494		3	6	4	5	424	86%
	60%	349	1	9	5	2	1	200	57%
	69%	364	3	8	2	1	4	268	74%
	69%	307	1	2	8	2	3	236	77%
	70%	161		4	3	2	1	95	59%
	65%	155		6	4	1	1	108	70%
	63%	141	2	4	5	1		105	74%
	64%	127	1	3	5	3	2	73	57%
	64%	99	1	3	10	1	1	51	52%
Central & Southern Europe	65%	412	24	29	33	26	17	304	74%
Eastern Europe	71%	261	18	27	28	16	13	189	72%
Northern Europe	63%	245	36	35	30	13	7	150	61%
Balkans	85%	267	21	17	20	23	37	191	72%
Top divisions	64%	14,724	116	202	190	114	96	11,353	77%

Countries outside the top 15



Wage-to-revenue ratio in top-division clubs

\* This is a simplified calculation for benchmarking purposes and represents the annual aggregate cost of all top-division players, divided by 52. In practice, the timing of payments and the split between fixed and bonus payments will mean that the amount paid each week varies. In addition, clubs also have long-term salaries to pay to coaches and other technical staff, which are not included in this €220m.

# » CLUBS' RELATIVE EXPOSURE TO LONG-TERM CONTRACTS

## Clubs overwhelmingly tied into long-term contract commitments

Top-division clubs' players have an average of 25 months left on their contracts, but this rises to almost 34 months for players in the Big 5 leagues. There is a clear correlation between league revenue and contract length, with wealthier clubs wanting to lock in their valuable assets. On average, the premier league club senior squad players had more than three years left on their contracts at the start of the 2019/20 season. Only one third of the players with 6-12 months left were on short-term contracts, the rest entering the last year of longer contracts.

## Rare advantage for less wealthy leagues

In this respect, lower-league clubs and less wealthy leagues have an – unusual – advantage over their wealthier peers. Short player contracts, more common lower down the pyramid, can be left to expire at the end of the season, with new contracts being negotiated that reflect the new financial reality.

This report generally focuses on Europe's top divisions, but an analysis of second-tier clubs in the Big 5 countries\*\* in 2019 showed a difference in contract structures: 45% of senior squad members had a contract that expired in summer 2020, compared with just 23% of players at clubs in those countries' top divisions. Second and lower tier professional football is analysed in section 5 of the report.

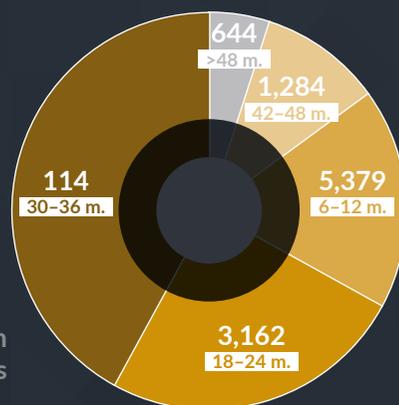
Among the top 15 leagues, Dutch (43%) and Scottish (42%) top-division clubs had the highest percentages of players with contracts expiring in summer 2020 and therefore the most flexibility. Outside the top 15 leagues, more than half of all players had contracts that expired in summer 2020, with the highest numbers in central and southern Europe (61%) and eastern Europe (55%).



Average remaining contract length in top 15 leagues

**28 months**

Remaining contract length for top division players



## Contract profiles of first team squad\*

	Average months left	6-12 months	18-24 months	30-36 months	42-48 months	more than 4 seasons
	36.6	19%	20%	21%	23%	18%
	32.6	22%	24%	26%	18%	11%
	34.3	25%	19%	22%	19%	15%
	32.2	28%	20%	22%	16%	14%
	32.4	22%	24%	26%	19%	9%
	27.8	35%	25%	19%	14%	8%
	25.9	35%	32%	20%	7%	5%
	24.3	43%	25%	21%	8%	3%
	30.4	32%	22%	18%	14%	13%
	28.7	32%	25%	23%	16%	5%
	26.1	32%	28%	29%	10%	
	23.6	42%	30%	14%	11%	3%
	25.1	39%	28%	23%	7%	4%
	32.9	21%	22%	24%	22%	11%
	18.4	53%	35%	10%	2%	
Central & Southern Europe	19.8	61%	19%	13%	5%	1%
Eastern Europe	19.4	55%	29%	9%	5%	1%
Northern Europe	20.1	53%	28%	15%	4%	
Balkans	23.3	42%	28%	19%	8%	3%
Top divisions (all)	25.1	42%	25%	18%	10%	5%
Big 5 top divisions	33.6	23%	21%	23%	19%	13%
Big 5 second-tier	23.3	45%	26%	19%	7%	2%

Players in the largest clubs and the wealthiest leagues tend to have longer contracts and represent higher-value assets, making restructuring more challenging.

\* Contract profile information sourced directly from clubs (or from Transfermarkt where data was not available). This analysis excludes academy or other non-first team squad players under contract.

\*\* The Big 5 are the European leagues with the most revenue and the highest wage bills, i.e. England, France, Germany, Italy and Spain. Lower-tier professional football is analysed in section 5 of the report.

# » CLUBS' RELATIVE EXPOSURE TO HIGH WAGE COMMITMENTS

## Minimal transparency in wage commitments

Prior to this analysis, there had been minimal transparency regarding wage commitments. In the media and the blogosphere, there is regular speculation about the terms of new players' contracts, but little in the way of contextual analysis or concrete facts.

## A new metric – 'committed player wages' – underlines clubs' financial exposure

The UEFA Intelligence Centre estimates that top-division clubs had outstanding wage commitments totalling €34.2bn at the end of the last financial year, with the 20 English Premier League clubs responsible for €9.7bn.

As pointed out on the first page of this chapter, club revenues have, historically, been fairly reliable, thanks to long-term TV and sponsorship deals and, in many cases, waiting lists for season tickets. The willingness of lenders to accept revenues as security for loans underlines the stable nature of those revenues. However, the pandemic has created unprecedented disruption in those revenue streams, with large discounts having to be granted, although revenues were assumed to be guaranteed when player contracts and commitments were entered into.

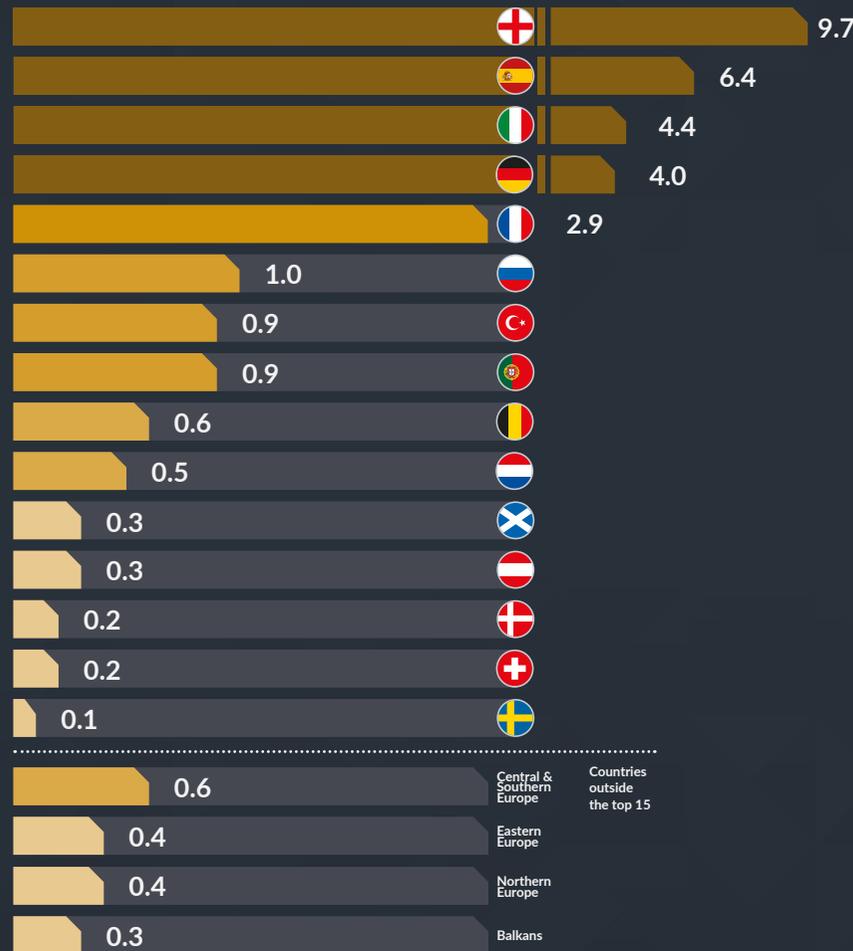
The transfer system, which locks clubs into long-term contracts, also provides an escape hatch, since those wage commitments can be avoided if a player is transferred out mid-contract. In other words, this wage commitment is a theoretical maximum figure. However, the lack of liquidity in the transfer market in summer 2020, combined with significant differences between clubs in terms of wage levels, has reduced clubs' ability to 'offload' wage commitments.



Estimated committed\* player wage commitments

€34bn

## Committed player wages (€bn)



## What are 'committed player wages'?

This is a new Intelligence Centre metric and represents the aggregate wages that would be paid if players complete their existing employment contracts.

The metric is calculated as follows:

1. Adjusted\* annual player wage cost provided by clubs to the Intelligence Centre.
2. A segmentation analysis is then done on the playing squad using the Intelligence Centre player market value to separate players within each squad.
3. The annual adjusted club player wage cost is then allocated to each individual player based on their classification.
4. The committed player wage for each player is then calculated using their annualised wage cost and reported outstanding contract length.

**Clubs committed themselves to €34bn in player wages on the back of stable revenue streams, with a buoyant transfer market providing an escape route if things did not go as planned. However, the pandemic has hit both revenue and the transfer market hard.**

\* Player wage disclosure is not generally required by national financial reporting or company law but is required by UEFA club licensing. The full player and non-player employee cost split is therefore collected and analysed for approx. 700 clubs and 'adjusted' by a ratio to remove the relatively small proportion of payroll paid to players outside the first team squad.

## » UNDERLYING PROFITABILITY BEFORE THE STORM



Operating profits before  
transfer activity

€948m

**Second Highest**

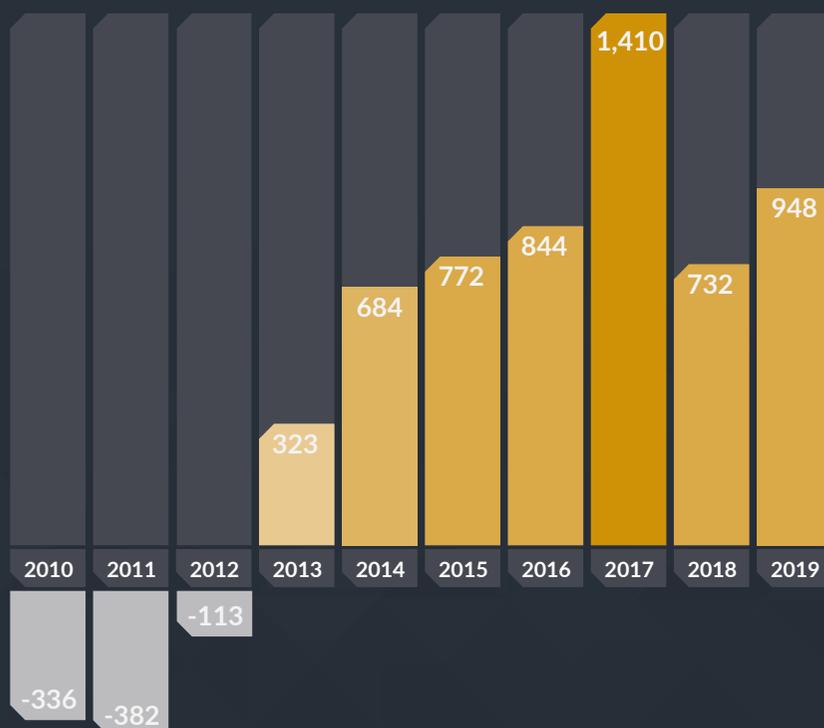
operating profits on record



Net club losses before tax

€125m

European top-division operating losses / profits (€m)



#### Transfer costs hit bottom-line profit measures

In the introduction to last year's report, we expressed concern at the apparent return of high wage inflation: "UEFA will monitor this trend carefully, as another year of strong wage growth in 2019 could further eat into operating profits". While wage growth remained significant at 8.7% in FY2019 (albeit weaker than the 9.9% seen in FY2018), it was outweighed by stronger than expected revenue growth of 8.8%. This resulted in operating profits rising by more than €200m.

Nonetheless, escalating transfer expenditure (which we also highlighted in last year's report) eroded bottom-line profitability. After transfers had been taken into account, clubs returned to net losses (both before and after tax) in FY2019, following net profits in the two previous financial years. Transfer amortisation increased by almost €700m between FY2018 and FY2019 and weighed heavily on clubs' bottom-line profitability.

After a number of years of operating losses, club football has returned to profitability in recent years. In the 2019 financial year – before the pandemic – clubs reported the second highest operating profits on record.

# » CLUBS' RELATIVE EXPOSURE TO REDUCED TRANSFER PROFITS

low high

## Understanding transfer activity impact on financial results

Previous benchmarking reports have detailed the fairly complex impact that transfer activity has on financial results but the analysis has been simplified

here. The two main aspects are profits on transfer earnings and amortisation charges on transfer investment\*. Player transfer outlays are considered an investment and create a player asset on the club balance sheet. However, as the 'asset' is used, the cost of investment is slowly released over the length of the contract, which averages 4.5 years for higher-value deals. In periods where there is notable fluctuation in the value from year to year, this can cause large differences between the underlying transfer activity in a year and the net transfer result that hits a club's profit and loss account. Transfer activity has more than doubled in value in recent years, increasing by 115% between 2014/15 and 2019/20, before dropping 39% during the pandemic (see Chapter 4), which makes modelling the impact of transfers complex.

## Talent developing clubs in France, Italy, the Netherlands, Portugal and the Balkan region most exposed to drop in transfer prices and/or volume

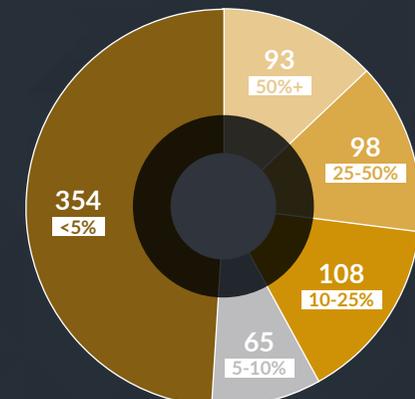
As shown in the pie chart on the right, 93 clubs had gross transfer earnings that accounted for more than 50% of total revenue in FY2019. In another 98 clubs it accounted for between 25% and 50%. The table highlights the relative importance of transfer earnings for individual leagues, showing where the clubs that are most reliant on transfers (and, therefore, most exposed to the pandemic) are located. Of the Big 5, France (50%) and Italy (44%) have the highest transfer earnings as a percentage of total revenue, although transfer earnings also account for more than 25% of revenue in more than half of all La Liga clubs. Across Europe as a whole, Portuguese and Balkan clubs, which are great developers and exporters of talent, are by far the most exposed to falling transfer earnings as a result of the pandemic.

## Transfer earnings Club by club transfer earnings % equivalent to revenue

	Transfer earnings as a % of revenue	Transfer earnings (€m)	<5%	5-10%	10-25%	25-50%	50%+	Profit margin on transfer earnings
	12%	682	4	6	7	3		73%
	21%	710	4	1	8	3	2	79%
	29%	991	3	2	4	8	3	72%
	44%	1,135	1		5	8	6	79%
	50%	945	2		4	5	9	83%
	13%	110	7	3	1	5		71%
	18%	119	7	4	6		2	92%
	35%	200	4	1	4	5	4	89%
	74%	386	1		1	1	15	78%
	35%	157	1		5	5	5	80%
	30%	70	2	1	2	3	2	99%
	13%	30	6	3	3			92%
	35%	79	1	5	4	1	1	94%
	38%	74	5	2	1	2	4	86%
	18%	28	5	1	6	4		93%
Central & Southern Europe	18%	112	84	9	14	11	11	84%
Eastern Europe	12%	46	77	5	8	7	5	88%
Northern Europe	15%	57	77	18	15	8	3	92%
Balkans	39%	122	63	4	10	19	22	94%
Top divisions	26%	6,052	354	65	108	98	93	80%

Countries outside the top 15

**The pandemic has brought extra exposure to talent developers, who rely on a steady stream of transfer earnings to balance their books.**



Transfer earnings as a percentage of revenue for all top-division clubs

\* In addition to transfer profits, transfer earnings mainly comprise the following: earnings from outward loans; training compensation and solidarity income; delayed conditional earnings from previous deals (if not capitalised); sell-on earnings from players previously registered; and transfer earnings for some central and eastern European clubs that do not capitalise transfer investment as player assets. Together, these account for about 10% of total transfer earnings.

# » CLUBS' RELATIVE EXPOSURE TO INCREASING PLAYER AMORTISATION CHARGES

Transfer spending continues to absorb an increasing share of revenue

Transfer amortisation reported by top-division clubs totalled €4.4bn in FY2019, double the cost reported each year between 2012 and 2014. In recent years, rising transfer profits have compensated for most of these transfer costs. However, there is a time lag between transfer spending/investment and the amortisation costs and, despite the drop in transfer activity during the pandemic, the amortisation costs are set to keep rising over the next few years. The table shows the leagues that are most exposed to transfer amortisation and the number of clubs that will be heavily impacted.



Increase in amortisation charges in FY19

**€650m**



The annual amortisation charge is equivalent to

**37%**

of opening player assets



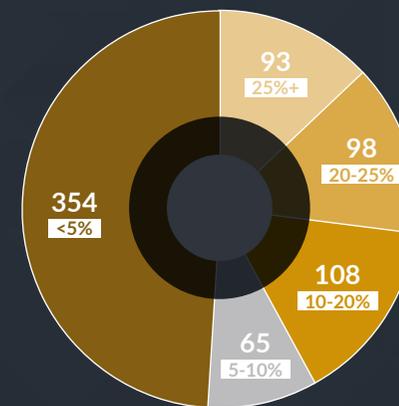
**Clubs' profit margins under threat from escalating transfer amortisation charges, with Serie A most exposed, followed by the Premier League.**

Transfer amortisation as % equivalent to revenue

low high

	Unmortised player assets €m	Transfer amortisation as % revenue	<5%	5-10%	10-20%	20-25%	25%+
	3,975	25%			3	7	10
	1,279	16%	4	3	8	3	2
	1,915	17%	3	2	4	8	3
	2,311	31%	1		5	8	6
	1,072	21%	2		4	5	9
	338	11%	7	3	1	5	
	99	7%	7	4	6		1
	244	13%	4	1	4	5	4
	305	22%	1		1	1	15
	166	16%	1		5	5	5
	24	7%	2	1	2	3	2
	34	8%	6	3	3		
	37	8%	1	5	4	1	1
	66	13%	5	2	1	2	4
	13	4%	5	1	6	4	
Central & Southern Europe	70	6%	84	9	14	11	11
Eastern Europe	61	6%	77	5	8	7	5
Northern Europe	25	4%	77	18	15	8	3
Balkans	62	8%	63	4	10	19	22
Top divisions	12,097	19%	354	65	108	98	93

Countries outside the top 15



Profile of amortisation charge as % of revenue

# » CLUBS' RELATIVE EXPOSURE TO THIN PROFIT MARGINS



## High amortisation costs turn Premier League operating profits into net losses

After two years of strong net profits, high amortisation charges weighed heavily on English clubs' results in 2019. Elsewhere, Italian and Turkish clubs continued to report significant net losses, as did many clubs in smaller leagues that were dependent on one or more benefactors.

La Liga and Bundesliga clubs reported their seventh and ninth consecutive years of net profitability respectively, guided by strong financial regulation. With the transfer market remaining buoyant in 2019, strong transfer profits contributed to healthy profit margins for Austrian, Dutch and Portuguese clubs.

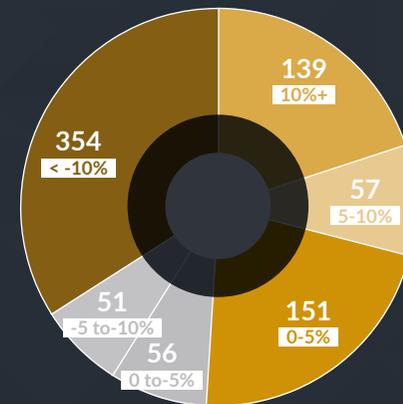
**Football clubs do not generally have profits as their central objective. A pandemic-related hit that reduced net profits by 10% would push more than 200 profitable clubs into loss-making territory.**

## A 10% hit to net profits would push more than 200 clubs into loss-making territory

Clubs' net profits fluctuate more than those of normal businesses because sporting performance and transfer activities are not consistent over time. An analysis of net profit before tax (PBT) in FY2019 shows that over 200 clubs reported a narrow net PBT margin of between 0% and 10%, including 37 clubs in the Big 5 leagues. The next chapter includes a much more granular assessment of profitability, taking club specificities into account. Given the year-to-year fluctuations, those particular clubs may not necessarily be at the greatest risk from the pandemic, but this gives a good indication of the leagues that are most affected and the total number of profitable clubs that are likely to end up with net losses.

	League profit/loss margin %		Club by club profit/loss margin %					
	Profit before tax (€m)	PBT margin %	10%+	5 to 10%	0 to 5%	0 to -5%	-5 to -10%	< -10%
	-223.1	-4%	3	2	5		2	8
	199.5	6%	6	4	4	1	2	1
	299.5	9%	11	4	4			
	-216.4	-8%	3	1	4	1	2	9
	-4.8	0%	8	3	6			3
	-48.6	-6%	3	2	5	2		4
	-138.0	-21%	2	1	1	1	2	11
	71.3	12%	6	2	1	2	3	4
	57.9	11%	4	2			2	
	-45.7	-10%	2	1	2	3	2	6
	-0.7	0%	2		3	1		4
	-2.7	-1%	4		2	1		5
	33.0	15%	2	2	5	2	1	
	13.1	7%	4	1	2		2	5
	-4.2	-3%	2	1	5	3		5
Central & Southern Europe	-42.4	-7%	21	4	27	14	9	44
Eastern Europe	-26.0	-7%	16	7	21	7	5	41
Northern Europe	-19.9	-5%	18	10	35	14	13	29
Balkans	-22.4	-7%	22	10	19	4	6	48
<b>Top divisions</b>	<b>-120.0</b>	<b>-1%</b>	<b>139</b>	<b>57</b>	<b>151</b>	<b>56</b>	<b>51</b>	<b>227</b>

Countries outside the top 15



Profit margins as a percentage for all top-division clubs



## » STRONG NET CASH BALANCES PRIOR TO THE PANDEMIC



Clubs' cash and cash equivalents minus overdrafts at the end of FY2019

**€3,570m**

### Significant positive cash balances

Owing to the nature of club football, clubs' cash balances fluctuate considerably over the course of the year. While wages and operating costs are spread out fairly evenly, TV and commercial incomes are in larger chunks and season ticket income is seasonal.

However, regardless of the cash cycle, clubs' cash balances strengthened significantly over the ten years to end-2019, with top- division clubs reporting a net cash balance of over €3.5bn at the end of FY2019, compared with €1.2bn and €1.3bn for FY2012 and FY2013 respectively.

### Net cash inflows totalling €220m in FY2019

Clubs reported net cash inflows of €220m in FY2019. Net stadium and asset investment\* outflows totalled €1.4bn, and player investment outflows totalled €1.8bn, though they were more than offset by a combination of owner equity increases (32%), net operating inflows (31%), borrowing from owners and related parties (23%), and net borrowing from financial institutions (16%).



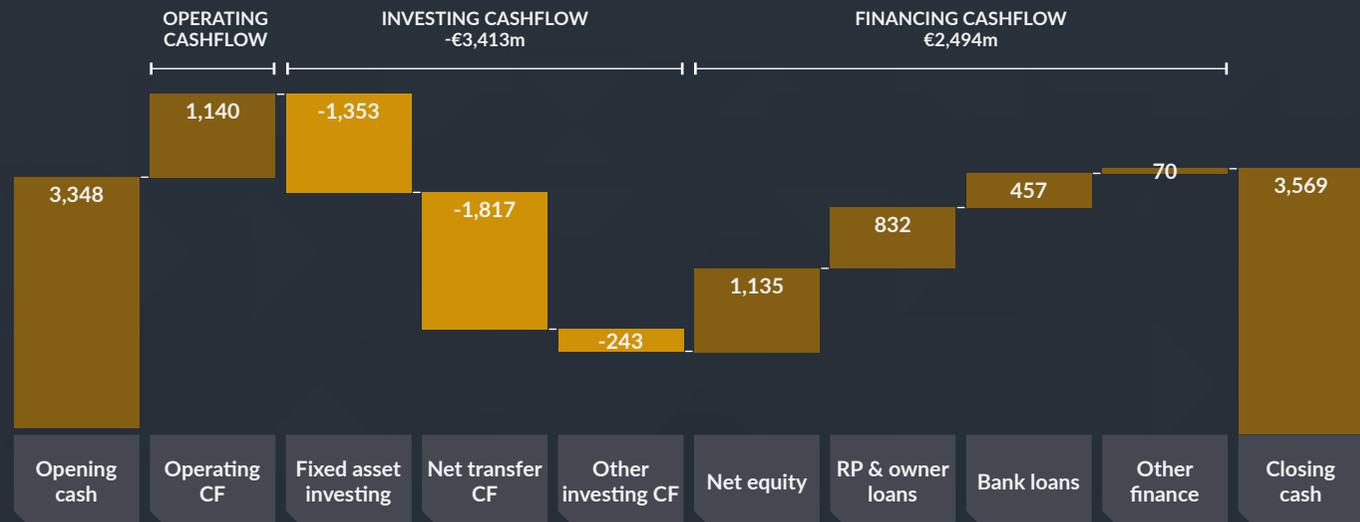
Positive operating cashflow

**€1,140m**

Positive cashflow after all investments

**€220m**

FY2019 cashflow (€m)

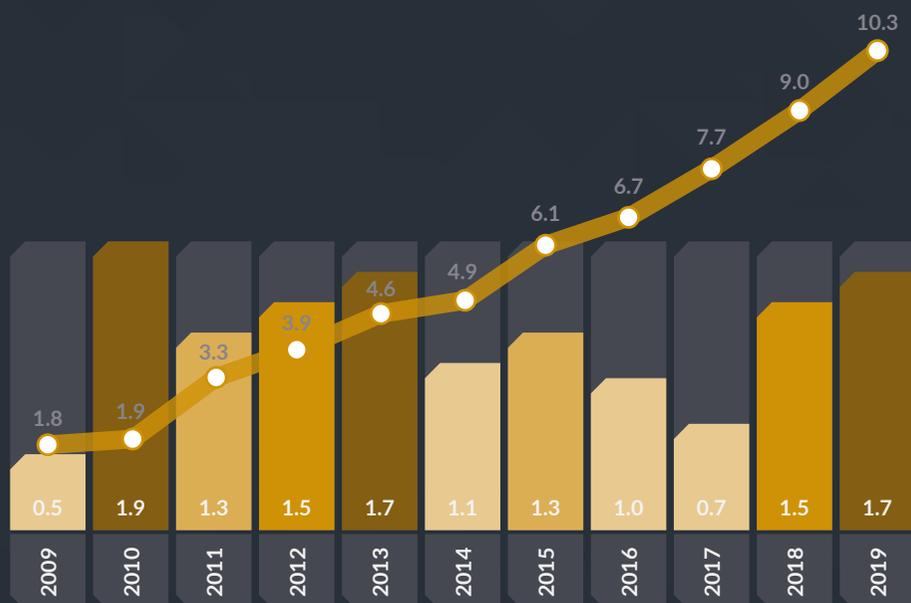


In times of crisis, 'cash is king'. The €3.5 billion in net cash balances provided clubs with some buffer against cashflow challenges.

\* 'Net stadium and asset investment' is used to describe the accounting balance sheet term 'tangible fixed asset' for ease of understanding. In practice, other assets, such as vehicles, IT and office equipment and fixtures and fittings are included in tangible fixed assets, but stadium and training facilities form the large majority of tangible fixed asset investments and cashflows.

## » FURTHER STRENGTHENING OF BALANCE SHEETS IN 2019

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



● NET EQUITY (ASSETS MINUS LIABILITIES; €bn)

■ ANNUAL CAPITAL CONTRIBUTIONS (€bn)



Strengthening of net equity since  
introduction of FFP

€8.4bn

### Certain countries have smaller equity cushions

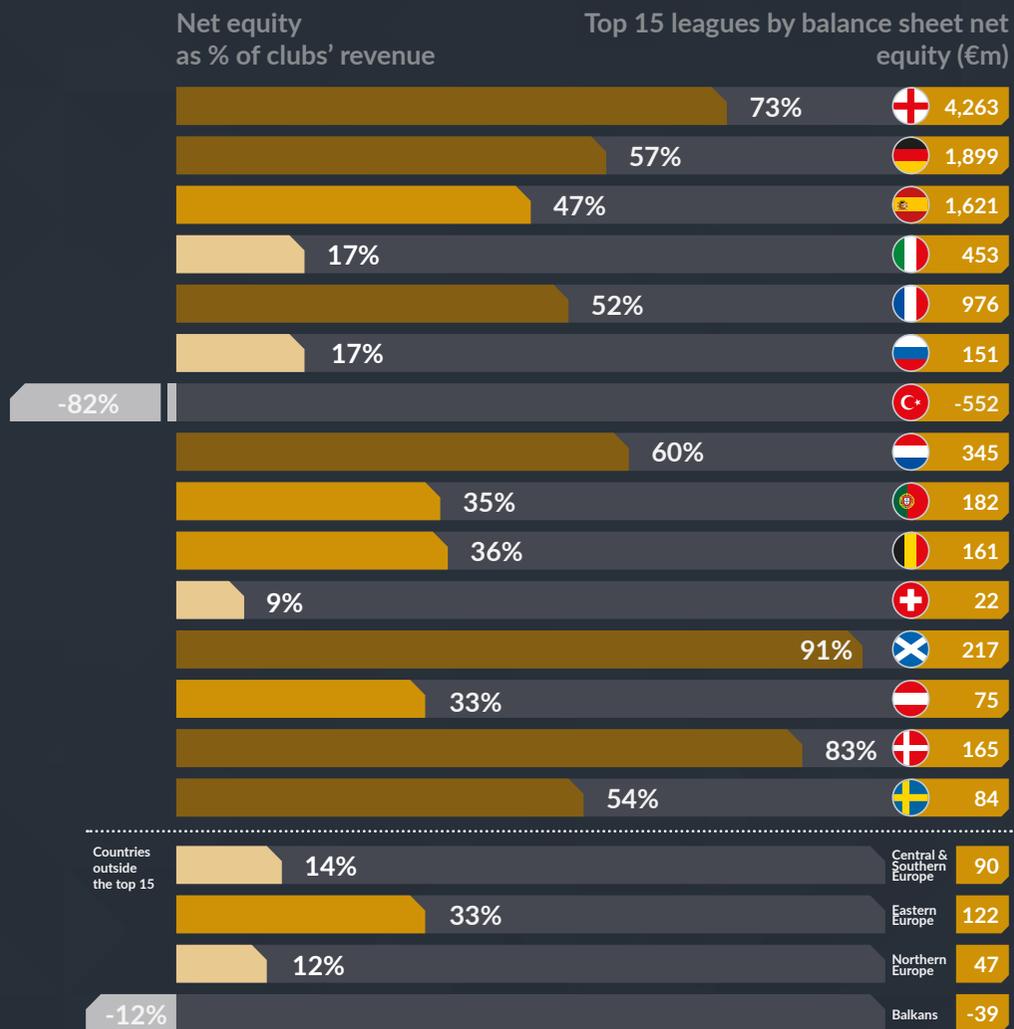
Despite the overall increase in net equity in FY2019 (see chart), a breakdown by country and region shows that clubs in certain leagues are more exposed than others in this regard. Turkey, for example, continued to have high levels of negative net equity in FY2019 (with liabilities and debts exceeding assets), as did the Balkan region as a whole, while Italy, Russia and Switzerland reported low levels of net equity relative to revenue.

Annual capital contributions increased again in FY2019, standing at €1.7bn – the highest level since 2013.

It is always worth remembering that football clubs have large unvalued intangible assets, so a club's inherent 'value' is far higher than the net equity on its balance sheet. Intangible assets include, among other things, the club's brand, its dedicated supporters, its membership of the league and its access to lucrative cross-border competitions. In addition, some clubs have heavily depreciated stadiums and training facilities, which are, in practice, worth far more than the values recorded in their balance sheets.

Ten consecutive years of improving balance sheet health is likely to end with COVID-19, but the industry is considerably better prepared than in 2011 before FFP.

# » CLUBS' RELATIVE EXPOSURE TO THIN EQUITY



Key: Net equity to revenue %



\* There is no universal definition of 'thin equity', but the principle features in the corporate balance sheet and funding requirements and regulations of a number of different countries.

## Thin equity rules

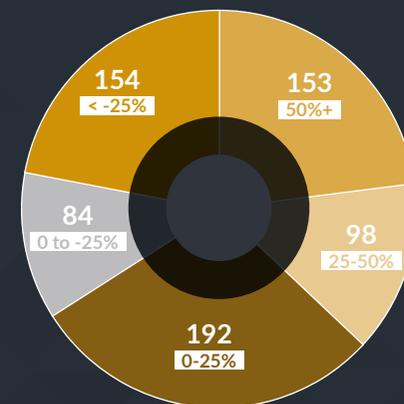
The implications of negative or 'thin' equity\* depend on whether there are any requirements set out in national company law, what those requirements are, whether they have been relaxed during the pandemic, and the consequences of breaching those requirements.

In some cases, there are also domestic licensing requirements linked to net equity, lending and funding covenants that trigger consequences if breached, as well as club-specific net equity requirements enshrined within clubs' articles of association or statutes.

Player investment and other long-term assets have increased in recent years. Clubs continue to have net short-term liabilities, which need to be satisfied during the pandemic.

low high  
Club by club net equity as % annual revenue

	50%+	25 to 50%	0 to 25%	0 to -25%	<-25%
UK	10	1	2	5	3
Germany	9	3	5	1	
Spain	9	4	6	1	
Italy	3	7	6	2	2
France	2	10	8		
Czechia	5		6		5
Turkey	1	1	1	2	13
Romania	6	3	2	4	3
Bulgaria	5			1	2
Netherlands	5	3	6	1	1
Switzerland		1	6	1	2
Sweden	8	2		1	1
Denmark	2	3	4	3	
Norway	5	4	2	2	1
Sweden	2	4	9		1
Central & Southern Europe	16	15	41	15	32
Eastern Europe	19	4	28	21	25
Northern Europe	26	22	38	13	20
Balkans	20	11	23	11	44
Top divisions	153	98	192	84	154



Profile of net equity to revenue ratio for all top division clubs



CHAPTER 3

## FINANCIAL IMPACT OF THE PANDEMIC

In this chapter, we draw a detailed picture of the various factors and challenges affecting club finances during the health crisis. Building on a comprehensive forecast methodology, we provide our initial estimates of the pandemic's ultimate financial impact on European clubs.

# » MULTI-FACETED APPROACH TO FORECASTING IMPACT OF COVID-19

The UEFA Intelligence Centre's effort to estimate the pandemic's impact on club finances is based on many different sources, qualitative information or tangible data.



## » ASSESSING THE FINANCIAL RISK OF EUROPEAN FOOTBALL CLUBS

For the purpose of this report, the UEFA Intelligence Centre has built a comprehensive financial model that projects future expected financials for 700+ European top division clubs under robust assumptions. This page presents UEFA's approach and these key assumptions.

### Assessing financial risk and the impact of the pandemic

The UEFA Intelligence Centre projections for the 2019/20 and 2020/21 seasons in this report build not only on the most recent data submitted by clubs, but also on knowledge compiled during the ten-year history of analysing the 55 UEFA national associations' top division club accounts.

In addition, we apply an increasingly detailed set of assumptions covering notably all clubs' revenue streams, cost structures, transfer activities and funding structures. These assumptions are thoroughly maintained to provide the most up-to-date picture of the many disruptions from the health crisis on club finances.

### Main assumptions used in Intelligence Centre projections

#### Broadcast (incl. UEFA) revenues

- » Country-based assumptions reflecting the latest state of TV rights cycles in the largest UEFA countries.
- » Overall expected growth was 7% in 2019/20 and 4% in 2020/21, if the pandemic had not struck.
- » Impact of the health crisis on unfinished seasons included discounts in major leagues, rights cycle renegotiations, accounting impact. See pages 41, 50 and 84.

#### Direct costs

- » Club-based initial payroll projections, driven by clubs' sporting performance (UCL, UEL, etc.), with higher-profile clubs showing the highest wage ratios.
- » Wages then adjusted on a league-tier basis to reflect post-pandemic cuts and deferrals, and take account of most recent feedback. Adjustment expected to range from an approx. average of 5% in Big 5 leagues to 10% in the next 10 and 15% in other European leagues.
- » Variable operating costs defined as a percentage of revenue for each club (European avg. 17%). Pandemic losses give rise to direct cost savings.

#### Gate receipts

- » Club-by-club growth assumptions using historical trends for attendances and hospitality services, based on clubs' profile – limited growth was expected before the health crisis (3% p.a.).
- » Direct impact of postponed or cancelled 2019/20 seasons and country-by-country crowd restrictions from September 2020, with marginal, or no spectator return before the summer.
- » Gradual return to stadiums in the second semester of 2021, at 25% to 50% capacity, depending on vaccine rollout.
- » Evidence suggests that even without spectators clubs were able to keep collecting a fraction of around 10% of their pre-pandemic gate receipts.

#### Transfer activity

- » Based on the UEFA Intelligence Centre transfer model, combining club transfers with league transfers, and including transfer flows between countries, with a double effect projected: (i) amortisation levels reflect previous years' increasing fees, and (ii) projected profits drop because of a reduction in volumes and prices.
- » Most recent data for the summer 2020 and winter 2021 windows shows drops of 40% and 60% in overall transfer spending, respectively. See pages 55, 56 and 63.
- » Future windows are expected to cautiously recover from the summer of 2020, albeit at a fraction of previous years: summer 2021 is likely to be 80% of summer 2019.



**400,000+**  
Projected data points



**720+**  
Clubs' financial statements modelled and projected

#### Sponsorship, commercial and other revenues

- » Club-by-club expected growth before the pandemic, based on relative club profile, league-based adjustment in 2019/20.
- » Health impact also linked to club profile, with first-tier clubs in the Big 5 countries recording lower losses of sponsorship revenue as they are able to sign longer contracts with more resilient sponsors.
- » In addition, from September 2020, some of these revenues are directly linked to gate receipts: without spectators, clubs are also limited in their commercial and sponsorship activities.

#### Club funding

- » Clubs are projected to offset pandemic losses through greater recourse to debt or equity instruments.
- » The model assumes various cash injection thresholds depending on clubs' year-on-year losses and their legal form (association, private company, etc.), in line with actual FY20 numbers collected from early reporting clubs. As a result of pandemic losses, clubs' indebtedness is expected to increase by more than 20%.
- » Associated financial expenses are based on current interest rates, which are at historic lows.



# » PROJECTION OF LOST REVENUES BY TYPE

According to the UEFA Intelligence Centre's predictive models, the analysis of clubs' financials for the 2019/20 season would indicate that they could be facing revenue losses over in the next few seasons. This page breaks down the pandemic's direct and indirect effects on main revenue streams for financial years 2020 and 2021\* compared to the estimated revenue across the same period.

## Assessing potential pandemic impact scenarios

To assess ranges of the pandemic's impact on club finances, the UEFA

Intelligence Centre applied a central projection that reflects the most likely scenario for the near future. Some sensitivities are then used to estimate the lower and upper impact ranges for the main financial items (revenue, costs, etc.). Examples of such sensitivities are detailed later in this section. The main differences between the lower and upper ranges are in the assumptions taken on crowds returning to stadiums, which directly affect sponsorship and commercial revenues, and in the scale of other adverse effects on clubs' revenue streams.

Depending on how strict crowd limitations remain in 2021, and how other club revenue streams cope with the lasting effects of the health crisis, the overall impact on club revenues over the 2019/20 and 2020/21 seasons is expected to be between €7.2 billion and €8.1 billion.

The UEFA Intelligence Centre's case incorporates reasonable assumptions about stadium reopenings in 2021, with no crowds until June, and a target of half of gate receipts recovered from September to December only (lower range). In contrast, the upper range is more conservative, with no spectators at all until the end of the calendar year, and then crowds returning gradually in 2022.

## Impact range by revenue stream (2019/20 and 2020/21\*)



### Gate receipts

Restrictions on crowds: matches played behind closed doors and gradual return to stadiums from mid-2021. €2bn+ lost revenue already crystallised across Europe.



### Sponsorship, commercial, other

Halted commercial activities (e.g. clubs' museums, stadium tours, merchandising), impact on sponsorship deals and loss of other revenue (subsidies, donations, grants).



### Broadcast (incl. UEFA)

Impact of postponed / cancelled 2019/20 seasons and renegotiated TV deals



### Total impact on clubs for 2019/20 and 2020/21: from €7.2bn to €8.1bn



\*FY2020 and FY2021 are the two years to be assessed by FFP in the pandemic context – see page 42 for more details

## » OVERVIEW OF LOST REVENUES BY LEAGUE

All European leagues have been affected by the pandemic to a certain extent. This page highlights the differences in potential revenue impacts by league, showing that some countries might survive the crisis better than others.

### At least 10% of clubs budgeted revenue lost

Every single one of UEFA's 55 members is suffering from the pandemic. Some countries are expected to be more immune than others, however. It is safe to say that all over Europe, revenues budgeted for the 2019/20 and 2020/21 seasons are expected to be reduced by at least 10%. However, in some countries, as much as a third of their budgeted revenues may be lost, generally due to a combination of factors.

### Gate receipts and TV revenue fluctuations are crucial

First, in line with our analysis in Chapter 2, in which gate receipts provide the lion's share of total revenue, the clubs suffer from stadium restrictions more than anything else. This is particularly true in the Netherlands, Scotland and Sweden, where gate receipts provide the greatest proportion of income in Europe. As a result, these three countries are expected to record losses of at least 15%, and perhaps even as much as 30% or 35% of clubs' budgeted revenue.

Second, in addition to discounts negotiated almost everywhere by broadcasters on account of programme disruptions, some countries may find it difficult to maintain their overall domestic broadcast revenue, if broadcasters are unwilling to pay pre-pandemic prices and negotiate reductions in the TV rights. France is a representative example, with the current broadcaster asking to renegotiate the rights package, claiming that the conditions previously agreed are materially affected by the health crisis (see Chapter 5). Consequently, France is the Big 5 country where club revenue is expected to suffer most, with receipts down by approx. 30%.

On this page, the lost revenues are expressed as a percentage of a theoretical club revenue without pandemic disruption. In total, we estimate that overall revenue should have grown by approx. 3% without the pandemic, at a slower pace than the previous years. This is in line with recent feedback collected from clubs and leagues.



Weekly lost ticket revenues from closed doors

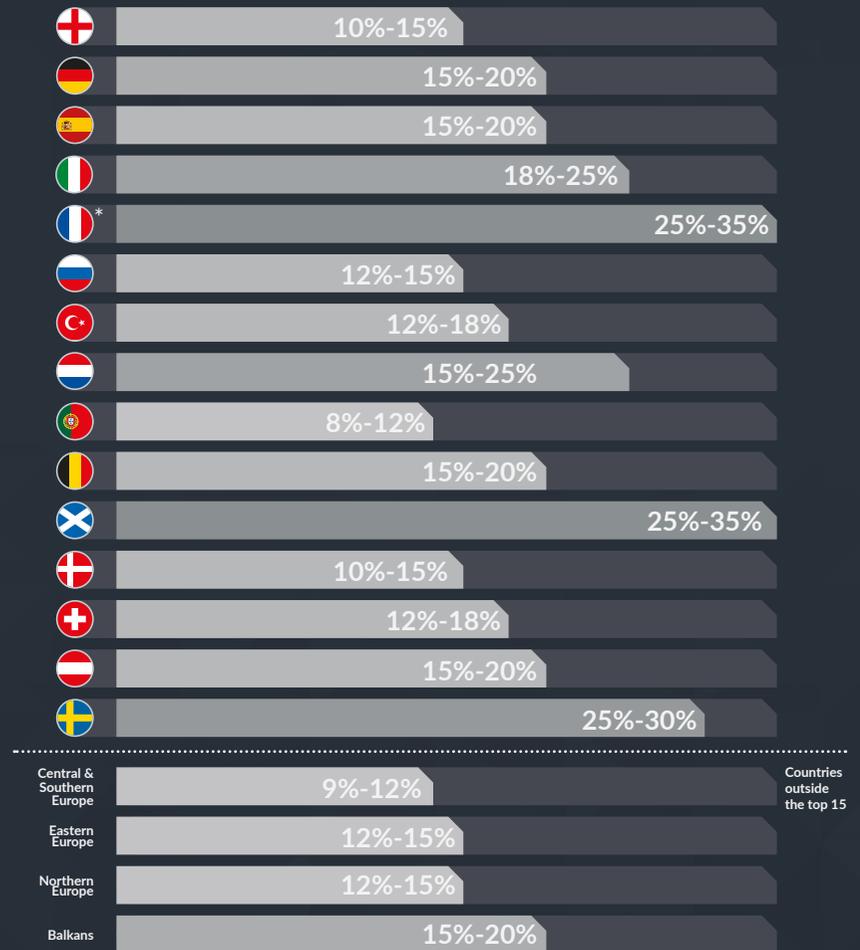
€85m



15-20%

Average expected revenue impact in top 15 leagues across FY2020 and FY2021

Top 15 leagues by revenue impact forecast in FY20 and FY21 (%)



\*Pandemic impact in France includes the recent LFP-Mediapro dispute and settlement of the ongoing Ligue 1 domestic-TV rights cycle.

## » COMPLICATIONS FROM SEASON OVERLAP AND FFP ADAPTATION

### Financial Fair Play and Club Licensing responses to COVID-19 crisis

In late 2019, the UEFA Intelligence Centre started a forward-looking predictive modelling exercise on all 55 national associations and the 700+ top-division clubs. The objective was to predict the impacts of certain events, such as TV deals collapsing, transfer system disruptions or new financial regulations, and the relative exposure for each country and club type. The pandemic actually combines many of the individual scenarios foreseen but also has some unforeseen impacts. However, as it is based on a decade of club-by-club financial data (150+ fields) and constant monitoring of transfer activity, sponsorship and TV deals, the modelling framework enabled UEFA to quickly identify the likely impact of COVID-19 on cashflows, revenues and losses.

This approach was presented to the UEFA Executive Committee and pandemic working group on financial matters, involving the ECA, the European Leagues and UEFA representatives, and supported the major FFP decisions announced on 18 June on clubs' overdue payables, accounts receivables and future years' assessments (see Chapter 6 for more details).

### New judgement calls required by finance directors and auditors

Financial figures only become facts once accountants and auditors make a series of judgement calls based on some fundamental accounting principles. In a normal year, this involves football clubs assessing the likelihood of liabilities occurring, the timing of risks and rewards on transfer deals and the time value of money, as well as other things.

Postponing the 2019/20 season required a raft of additional financially significant judgement calls, as the sporting season covers multiple overlapping financial years (financial years ending May/June/July 2020 and 2021). In addition, a number of unusual items, such as TV contract discounts and possible ticketing credit have appeared.

### Variability in the accounting treatment of disrupted seasons and rescheduled games

The early assessment of audited 2020 financial statements confirmed what UEFA anticipated: that similar events had been treated differently by each organisation. In at least two of the Big 5 leagues, some auditors recognised the multi-year TV contract discounts in full, while other auditors spread this cost over the period concerned. Even more significant differences were seen in how revenues from the final part of the season (not completed by the end of the 2020 financial year) were accounted for, with up to 20% carried over to the 2021 financial year by some clubs and all revenue recognised in 2020 by other clubs.

These findings validate UEFA's work and the pandemic working group stakeholders' decision to compensate for these judgements by combining two financial years into the one extended monitoring period.

**UEFA acted quickly, consulted widely and communicated clearly in the way it adjusted FFP to the health crisis. Club reporting is now validating the approach taken when the pandemic broke out.**

## » OVERVIEW OF REVENUE IMPACTS ON THREE CLUB GROUPINGS

The assessment of pandemic-related impacts on a particular club revenue is deeply related to a few major factors: not only the league the club plays in, whether this league is a summer or winter competition, and also the club's reporting period. The UEFA Intelligence Centre has identified three relevant groups based on these factors\*, that would typically showcase differences in how they are so far impacted by the pandemic.

	League type	Financial year	# clubs (% of Europe)	% of total revenue & transfer income	Impact on TV revenues (domestic & UEFA)	Impact on ticketing revenues	Impact on sponsorship and commercial revenues
Group 1	Winter	Summer year-end	242 clubs 		<p>A Rebates to reflect season over-runs and non-spectator disruption, generally spread over 3-5 seasons (FY20 &amp; FY21 impacted).</p> <p>B Depending on closing month, a 0-30% proportion of season (and TV revenue) pushed back from FY20 to FY21. This will net out for FY20&amp;21 FFP period. Belgian, Dutch, French and Scottish 19/20 seasons cut short.</p>	Roughly 30% of the 2019/20 season (winter leagues) was played behind closed doors. Clubs adopted different approaches to season ticket policy (refunding/offering credit/no refund) and again in the 2020/21 season, which allowed them to recognise a residual share of 5%-10% of their usual gate receipts. However, most FY21 gate receipt revenue will be lost.	Sponsorship deals are usually more robust for clubs in this group, as they provide greater visibility to sponsors under long-term contracts. Some sponsors might still want to renegotiate. Commercial activities very developed within this group in general, but very affected by health measures (e.g. stadium visits, hospitality services) causing direct revenue losses (up to 9% of total revenue).
Group 2	Winter	December year-end	327 clubs 		The two-month delay in the 2019/20 season should not impact clubs with December year-end as time caught up over summer. One-month delayed start to 2020/21 season will be partly caught up before end of year so carrying forward from FY20 to FY21 will be limited. However, any TV discounts will still impact these clubs in FY20 and FY21.	Approx. 60–80% of total 2020 gate income (reported in 2021) is at risk, as most of the 2020/21 season was played behind closed doors. Most of these clubs will not be able to collect 2020/21 season ticket income before year-end, apart from a small (5%-10%) residual share.	Greater tendency to sign shorter sponsorship contracts, which will cause renegotiation risks for a lot of clubs in this group. A smaller share of commercial revenue is at risk, with clubs in this group usually less involved in such activities: risk limited to 5% of total revenue.
Group 3	Summer	December year-end	147 clubs 		Pandemic impacts coincided with the start of the 2020 season but, with few exceptions, it could be completed, meaning TV revenues were not greatly affected. However, in general, northern and eastern European clubs generate only a small proportion of their revenues from TV.	Albeit a small proportion of club revenue, a season of gate receipts will be missing in December, as the whole 2020 season was played without spectators, while the start of 2021 is already at risk. In some cases, this accounts for more than 20% of club income, especially in Sweden.	In this group, clubs tend to sign yearly sponsorship deals, and run the risk of losing one or two sponsors not willing to renew their contracts due to less visibility of football (see web audiences in Chapter 5). With one or two exceptions, commercial revenue is very limited.

\* Group 1 covers most of the clubs in the top 15 leagues. The exceptions are all Russian clubs, most Turkish clubs (except Galatasaray, Fenerbahçe, Besiktas and Trabzonspor), some Italian clubs (Genoa CFC, SPAL, Torino FC, UC Sampdoria and US Sassuolo Calcio) and some German clubs (FC Schalke, Bayer Leverkusen, Eintracht Frankfurt, Borussia Mönchengladbach and Stuttgart) and one French club (Stade Rennais).

# » ESTIMATED PROJECTION OF CLUBS' COSTS AND PROFITABILITY

Combined with an in-depth analysis of initial FY20 clubs submissions and direct feedback from UEFA stakeholders (leagues, national associations), the UEFA Intelligence Centre projections enable us to estimate impact of the pandemic on clubs' costs and overall profitability.

## Positive impact of cost savings

The pandemic motivated clubs to reduce their costs, enabling them to save money on wages, as explained in the previous pages. Clubs are expected to save at least €1 billion in 2019/20 and 2020/21 on players and staff combined.

In addition, clubs spontaneously saved a good proportion of matchday expenses, as games were cancelled or played behind closed doors, and therefore required less security, no stewards, etc.

## Though not enough to compensate for clubs' losses and depressed transfer activity

Expected cost savings will not be sufficient to compensate for clubs' lost revenues. As a result, the impact of the pandemic on operating profit is likely to reach €5.3–6.2 billion over 2019/20 and 2020/21. In addition, the much lower transfer activity since the start of the pandemic is projected to lead to between €2.0–2.4 billion lower short-term transfer profits across FY20 and FY21.

### Impact range by item (FY2020 and FY2021\*)



#### Direct costs savings

- » Payroll reductions or deferrals (average modelled wage reduction of approx. 5% across Europe)
- » Matchday expenses partially saved (variable costs)



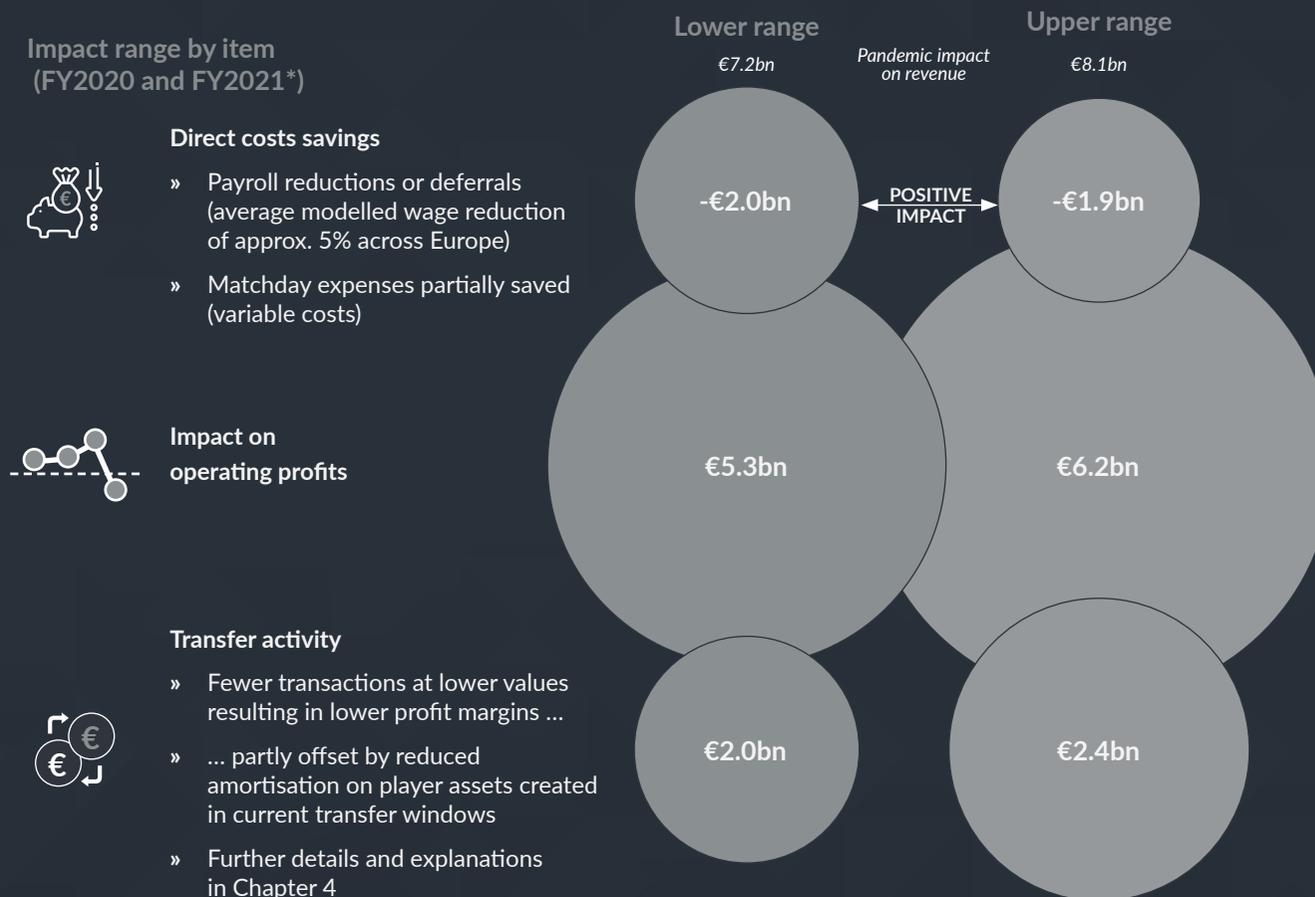
#### Impact on operating profits



#### Transfer activity

- » Fewer transactions at lower values resulting in lower profit margins ...
- » ... partly offset by reduced amortisation on player assets created in current transfer windows
- » Further details and explanations in Chapter 4

Ranges indicated on this page are aggregate numbers that are only illustrative of the general 'big-picture' view of expected financial performance of European clubs. While cost savings rely on individual clubs decisions, the transfer movements are very difficult, if not impossible to accurately predict at each club level.



**Wage and operating cost savings have only partially offset lost revenues. Long term contracts and a lack of profit related pay means clubs have struggled to share the financial burden of the pandemic with players. Lower transfer levels will also hit FY2020 and FY2021 profits hard although clubs will benefit from carrying forward lower amortisation costs in the long-term.**

\*FY2020 and FY2021 are the two years to be assessed by FFP in the pandemic context – see page 42 for more details

## » MAIN PANDEMIC COST IMPLICATIONS

### Sustainable payroll and squad management in uncertain times

The total payroll for players and other staff is traditionally the largest cost that a club has to absorb in absolute value. To a certain extent, clubs tend to mitigate their exposure to high wages by proactive squad management and a flexible approach to the transfer market. During the uncertainty of the health crisis, this can prove critical for clubs' economic viability, as they are facing unprecedented losses in revenue.

In this context, many clubs are trying to cut or defer their wage commitment. Depending on the country or club, it can be a lengthy and sometimes difficult negotiation between the club and the players. Based on initial feedback, it seems that most clubs were able to defer salary payments for the 2019/20 season and postpone a proportion of their payroll costs to future seasons. Negotiating salary cuts with players has proved more difficult.

### The transfer market is more difficult to leverage

Under 'normal' market conditions, clubs facing operating profitability issues due to high cost bases tend to use transfer market levers at their disposal. They can actively try to sell some of their most valuable players in a bid to cut wage commitments and record profitable transactions that can offset operating losses – this is typically observed in second-tier leagues, where the biggest clubs tend to sell young promising players to clubs in the 'Big 5' countries, or within the 'Big 5' itself, with France and Spain being long-established talent providers to English Premier League squads.

As highlighted in Chapter 4, the 2020 market conditions resulted in a 40% drop in the value of European transfer activity compared to the previous summer (60% this winter). This was due to both lower average transfer fees and fewer agreed permanent transactions. If this level of uncertainty persists, it may become increasingly difficult for clubs to leverage transfers to offset their operating losses.

*To limit the potential losses from the sudden drop in revenue caused by the pandemic, some clubs might need to adapt their wage policy and the way they use transfer and squad management. This page highlights the way clubs are adapting their costs to the circumstances, which tends to reflect the club's owner profile.*

**While temporary cost reduction measures are needed to keep many football clubs afloat, promoting a more conservative cost base approach will be crucial to ensure clubs can react in any future crisis.**

### Government support helps clubs to reduce their costs

In most European countries, governments have issued aid packages or other support mechanisms to help the sectors most impacted by the pandemic. Most football clubs were at some point eligible for some government support, and some schemes provided temporary relief for the most badly hit teams. Despite the offer of government support, some clubs initially decided to decline the help available. In England in particular, most clubs decided not to use the furlough system, in a gesture of duty not only to their staff, but to their entire local community. Please see the following page for more details about football club finances since April.

*Again, understanding how auditors approach payroll reductions is crucial to properly assessing how clubs manage their cost base. In some countries, or some clubs, wage deferrals simply mean carrying forward the equivalent cost to the following years, enabling them to temporarily relieve their profit and loss statements, as if they had actually cut their payroll.*

## » MITIGATING COST SAVINGS AND SUPPORT

*In response to the outbreak, most European governments set up support mechanisms to help sectors most affected by the pandemic. While sport was strongly impacted by health measures, football clubs became eligible for a whole range of government schemes to help them deal with the crisis.*



Total wages and associated costs per week

€283m

### Government support helps clubs weather the storm

Based on UEFA Intelligence Centre research and feedback collected from various UEFA stakeholders, it appears that a vast majority of European clubs had access to some sort of government support, with more than 80% of UEFA countries implementing such mechanisms.

While these measures were temporary back in March/April last year, most have been extended or supplemented by other aid packages to help clubs cope with the second wave. They are helping clubs to maintain their payrolls at a sustainable level and limiting distressed cash flow situations. It is also worth noting that, in some countries, although most clubs were eligible for some kind of government support, some decided not to take advantage of it. For instance, in England, some clubs decided not use the extended furlough scheme.



Countries to have implemented emergency measures benefiting football clubs

80%+

### Main various types of support schemes

	Social contributions relief	Furlough or similar initiative	Tax reductions or deferrals	Conditional financial assistance
Occurrence*				
Description	Government temporarily suspends collection of social security contributions normally paid on salaries.	Staff on temporary leave or a proportion of wages covered by government funds.	Temporary reduction or deferral of tax collection: VAT, corporate tax, etc.	Direct emergency third-party funding for clubs, either returnable (loans) or not (grants).
Target	Wage bills	Wage bills	Tax bill	Cash needs
Examples				

\*Occurrence levels are indicative, and intend to show the relative extent of each measure. Some clubs eligible or certain support packages might have eventually decided not to take advantage of them, e.g. furlough schemes in the UK.

## » PROJECTED BALANCE SHEET POSITION POST-PANDEMIC

### An urgent need of cash

Although clubs have recorded historic pandemic losses, they need to quickly adjust their balance sheets to solve any immediate cash flow problems threatening their businesses. As a result, clubs are expected to increasingly resort to debt, or to receive cash injections from their owners in the form of capital increases.

The UEFA projections assume that clubs will typically cover around 30–40% of net annual losses with equity injections, and around 30–40% with debt financing, with a fraction of the loss remaining unfunded. Without such financing mechanisms, it is estimated that more than 120 clubs could slip into negative equity and face an existential threat because of the pandemic. In addition, 250 other clubs had already experienced negative equity in FY2019 (See Chapter 2 for more details).



120

Clubs potentially slipping into negative equity without emergency financing

+35%

Average growth in financial debt on clubs' balance sheet by the end of FY2021

Approximately

€3.0bn

equity injections to help clubs stay afloat

Clubs facing losses and anticipated reductions in squad values increasingly rely on debt and equity injections in order to stay afloat.

### Significant increase in recourse to debt

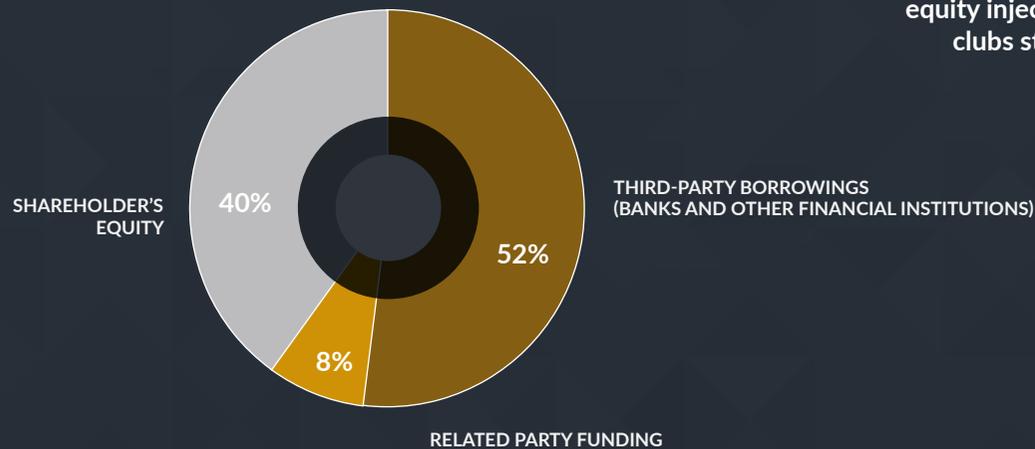
Initially gathered evidence from early-reporting shows a strong increase in recourse to debt, with net financing from third-party borrowings (banks or other financial institutions) much higher than related-party financing (usually linked to existing shareholders).

By the end of FY2021, club debt is expected to increase by more than 35% compared to FY2019, on account of clubs resorting to debt to help them mitigate the impact of the pandemic.

### Increased cash equity injections

Another traditional way for clubs to offset operating and bottom-line losses is to receive cash injections from their majority owners. Despite FY2020 only running three months into the pandemic, early data for that year already shows signs of significant recourse to equity funding. It is therefore likely we will see equity injections increase again in 2020/21, as this current season is expected to trigger even more losses from the pandemic. The UEFA Intelligence Centre expects clubs to receive at least €3bn in additional capital injections over two years to help them cope with the crisis.

Net financing proceeds in FY2020 by source (early reporting clubs)



\*See coming pages for more details on early-reporting clubs

## » FY20 EARLY REPORTING CLUBS AND FINANCIAL PROJECTIONS



Number of clubs reporting early to UEFA

**203**

Equal to

**68%**

of total top-division finances by revenue

A relatively small number of clubs and leagues report early after their financial year-end to comply with regulatory demands, such as national club licensing rules or stock exchange requirements. Some other clubs issue media releases with very high level figures such as revenue or profit.

However, we would strongly caution against using this small sample to draw conclusions about the impact of the crisis. This section explains how the unique health situation created overlaps of seasons and financial years, meaning that clubs' single-year results can be misleading.

A much wider sample of 82 clubs, with 52% of top-division club revenues, was analysed using November FFP submissions. In confidence, UEFA has also received forecasts for other clubs and leagues, enabling us to make reasonable predictions. Nonetheless there are limitations to predicting how individual clubs will finance shortfalls.

FY20 early reporting clubs

*Despite significant uncertainty, UEFA's forward looking modelling allows the impact of pandemic to be assessed as well as possible.*

Please click on buttons to highlight countries



**Caution is advised in interpreting the impacts of the pandemic purely through the 2020 financial results of early reporting clubs.**

## » INITIAL FINDINGS FROM CLUBS REPORTING EARLY

Early reporting clubs provide some confirmation of UEFA Intelligence Centre assumptions used in estimating the impact of the pandemic on club finances. They also confirm the unique nature of this year's financial statements, with large variations in auditor approaches, undermining stand-alone club-to-club or year-on-year comparisons.



**-9%**

Decrease in revenue  
over FY2020  
for early reporting clubs



**€1.2bn**

Additional operating loss  
compared to FY2019  
for just 203 clubs



**€1.1bn**

Net loss from transfer activity,  
due to mounting player  
amortisation levels

### First illustration of the pandemic's impact on revenues

An in-depth review of early reporting clubs' financial statements shows the extent to which the health crisis has affected income. Clubs reported a 9% drop in overall revenue. Gate receipts have dropped by 19% due to health measures and disrupted fixture lists, broadcasting rights sales, and UEFA competition revenues have also suffered. This has led to many club accountants pushing the revenues expected from postponed domestic or UEFA matches back to the next financial year.

In this sample, commercial and sponsorship revenues stayed flat, as the health crisis only affected part of their FY2020. The situation is expected to deteriorate in the coming months, with commercial activities hit hard by new health protocols, probably resulting in a double-digit drop in FY2021.

### Major cost adjustments not yet observed

Early reported cost figures suggest clubs have just started to adjust their cost base to the new normal of the pandemic. In particular, with the exception of a few clubs that were able to renegotiate contracts with staff and players and cut or defer salaries, most clubs were only able to keep their payroll stable (1% wage reduction year on year). Interestingly, this shows that the cost support mechanisms for these clubs, detailed on page 45, only made up for wage increases that had already been agreed upon before the pandemic.

In addition, total operating costs stayed remarkably stable in FY2020, with the increase in fixed costs only compensated for by a decrease in variable costs, mainly due to the drop in matchday expenses.

### Future transfer activity results worrying

The early reported transfer financials cover the whole of summer 2020's depressed activity for winter year-end clubs only, with a small amount of transfers recognised in this financial year for summer clubs. These clubs' net transfer results dropped sharply in 2019/20, due to a combination of the following factors: while clubs were able to maintain a comparable profit on player transfers (€2.6bn for 203 clubs), player amortisation on clubs' balance sheets increased by more than 15%, as a direct reflection of years of inflation in transfer fees (€3.6bn in amortisation in FY2020 compared to €3.1bn in FY2019).

**The initial picture of the impact of the first three months of the pandemic, provided by early reporting clubs, highlights a financial impact of several billion euros.**

The detailed FY20 financial statements for the 203 early reporting clubs is fully incorporated into UEFA financial projections, providing consistency and additional reliability.

## » SENSITIVITY OF VARIOUS SCENARIOS ON PROJECTIONS

The previously presented 'lower range' and 'upper range' scenarios enable us to provide a good benchmark range for the impact of the pandemic on clubs' revenue, costs and profits. Nevertheless, a few key parameters provide greater analysis of European football clubs' vulnerability to certain risks. This page gives an overview of a few major potential deviations to our base case along with their impact.

The representative sensitivities below focus on impact levels that are not mutually exclusive. In general, any additional lost revenue is expected to lead to further cost savings measures.

The most sensitive items for clubs' finances in the next few months appear to be their broadcast revenue and payroll profile. In particular, a relatively small reduction in wages can significantly improve clubs' financial health and sustainability.

Key parameter	Deviation	Sensitivity description	Associated impact
 Broadcast (incl. UEFA) revenues	5%	In case of further disruption in seasons' schedules and / or delayed fans' return to stadiums, rights holders could ask for further discounts (typically 5%).	€450m+ A 5% drop in domestic TV rights would trigger an additional loss of revenue of more than €450m across Europe.
 Gate receipts	10%	If clubs are able to retain season tickets or recognise credits from future season tickets' sales, this could potentially improve their gate receipts in FY2021 by around 10%.	€315m+ A 10% increase in stadium capacity translates into a direct revenue influx of more than €315m compared to our 'lower range' impact assessment. While most countries ban supporters from stadiums, each week has cost European clubs approx. €85m in gate receipts.
 Sponsorship and commercial revenue	5%	Depending on changes to health measures (easing conditions or sustained restrictions), clubs' commercial and sponsorship revenues are likely to deviate from the 'lower range', e.g. 5%.	€390m A 5% drop in sponsorship and commercial revenue results in an overall loss of €390m, mainly for top European clubs (70% of this amount among the Big 5 clubs).
 Wages	5%	Facing severe pandemic impacts, clubs may successfully manage to reduce their payrolls, e.g. 5% over 2020/21.	€750m+ Shaving 5% off of payroll costs from 2021 is expected to save more than €750m a year. 5% is equal to three weeks of an average player's annual salary.
 Transfer activity	+/-10%	Projecting transfer activity into clubs' financials comes with challenges. Historically, approx. 30% of summer activity is recognised in the preceding financial year. In addition, there is a chance that the January and summer 2021 transfer spend is +/-10% above or below our projections.	+/- €250m Based on UEFA's transfer activity projections, a 20% deviation from our 'base case' causes an aggregated impact of roughly €250m. This is a net impact on transfer activity P&L results, including player amortisation and impairment and transfer profits.

## » OTHER NOTABLE OBSERVATIONS TO ASSESS EUROPEAN CLUBS' FINANCES IN THE FUTURE

*The ability for leagues to complete seasons is essential to mitigating the effects of the pandemic on club finances. Nevertheless, the pandemic will cause long-lasting effects, hitting clubs' finances well after 2021.*

### The success of finishing most seasons in 2020

The pandemic hit European football in February-March 2020, yet it was only by May or June that the governing bodies in most countries decided that the disrupted 2019/20 (2020) domestic seasons should resume and finish (refer to Chapter 1 for country-level details).

This can be considered a success on many fronts. Not only did it demonstrate clubs' and leagues' ability to operate under strict health rules, which was essential in maintaining a positive, proactive relationship with supporters, sponsors and rights holders. It also helped clubs avoid further financial damage in 2020, with rights holders only applying a discount to their contracts due to the disruption, but not stopping their payments as competitions resumed. If all 2019/2020 (2020) seasons had been cancelled, we estimate that European clubs could have lost broadcast revenue of more than €2.0 billion.

### Finishing 2020/21 (2021) as scheduled critically important

Despite its fairly sombre view of a return to stadiums and the effect on club revenue, the UEFA Intelligence Centre is optimistic about leagues managing to complete their seasons. While some discounts will still be claimed by rights holders because of the playing conditions, all leagues are expected to finish and all games to be played as scheduled. This would limit the extent of broadcaster discounts and the likelihood of sponsors renegotiating their contracts with clubs.

In the event of further league calendar disruptions, an even greater proportion of clubs' and governing bodies' incomes might be at risk, causing a direct threat to many clubs' economic viability and even survival.

**It was critical to complete the 2019/20 (2020) and 2020/21 (2021) seasons, otherwise European football would have been faced with additional discounts and penalties that clubs and other rights holders couldn't have afforded.**



**Estimated amount saved by finishing most of 2019/20 seasons\* thanks to calendar rescheduling and joint UEFA effort with National Associations leading to the a deferral of the UEFA EURO 2020 and the postponement of most national cup competitions**

**€2bn+**

### Other financial impacts beyond 2021

The possibility of fans returning to stadiums and leagues' and clubs' operations returning to a 'new normal' by the end of 2021 will mitigate many direct pandemic-related threats. However, future seasons (starting from September 2021) are still expected to bear the burden of the pandemic. As explained in Chapter 6, the pandemic brings uncertainty and will reduce the value of major competitions' TV rights. Based on current rights tender, we estimate that a further discount of at least €700 million will hit the Big 5 and UEFA competitions alone.

When it comes to the general appeal of football, it is hard to predict whether sponsors will continue to support clubs to the same extent as over the last ten years. It is almost certain, however, that most sponsors will want clauses in future contracts to cover the risks of any similar disruptions to club businesses. This will only add to the strain on club finances in the short to medium term.

It is also worth noting that the expected reduction in transfer volume will result in smaller player asset values and subsequent amortisation charges weighing on club finances, while the expected transfer profits are also expected to remain at a much lower level than what has been observed in the last few seasons.

\*Refer to Chapter 1 for more details.

# » CLUB INSOLVENCY PROCEEDINGS AND OTHER SERIOUS FINANCIAL DIFFICULTIES DURING THE HEALTH CRISIS

The next few pages focus on the serious financial difficulties reported by European clubs from the start of 2020 to 30 April 2021. The various types of serious financial difficulty are explained in more detail on the left-hand side of this page.

For the purposes of this report, the term serious financial difficulty refers to the following:

- » Bankruptcy and club-end – clubs that cease to take part in any football competitions as a result of a bankruptcy or liquidation order from the courts/club owner.
- » Bankruptcy, relegation but survival – clubs that are relegated and/or re-form in either amateur or professional football as a new legal entity.
- » Administration and protection from creditors – clubs whose legal form continues without interruption, but which are placed under external administration, thereby receiving protection from creditors.
- » Other serious financial event – including mergers or restructuring, cessation of league/national association membership, voluntary withdrawal due to financial issues or refusal of a professional licence for financial reasons.

**52 clubs have entered insolvency proceedings and/or been rejected or withdrawn from league since January 2020.**

**The number of insolvencies and league withdrawals or license rejections increased after the pandemic broke out in mid-March**

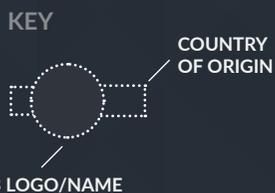
After only six insolvencies in the top two divisions of European leagues in the first three months of 2020, the number increased from April onwards. serious financial difficulty peaked between June and September, when the 2019/20 seasons were nearing completion. This four-month period alone accounted for just under half of all cases.

Timeline of serious financial difficulty in first half of 2020



Top division clubs

2<sup>nd</sup> division clubs





Serious financial difficulties in 2020 up nearly

3x

compared with 2019

In total, 42 clubs underwent serious financial difficulties in the 2020 calendar year, which is the highest number in the last decade, well ahead of the 34 proceedings that occurred in 2011. Most often, clubs voluntarily asked to withdraw from the league due to financial difficulties or were not granted a domestic licence for financial reasons. These figures further highlight the added strain that the health crisis has placed on football club finances, especially second division clubs, which accounted for 71% of all insolvencies.



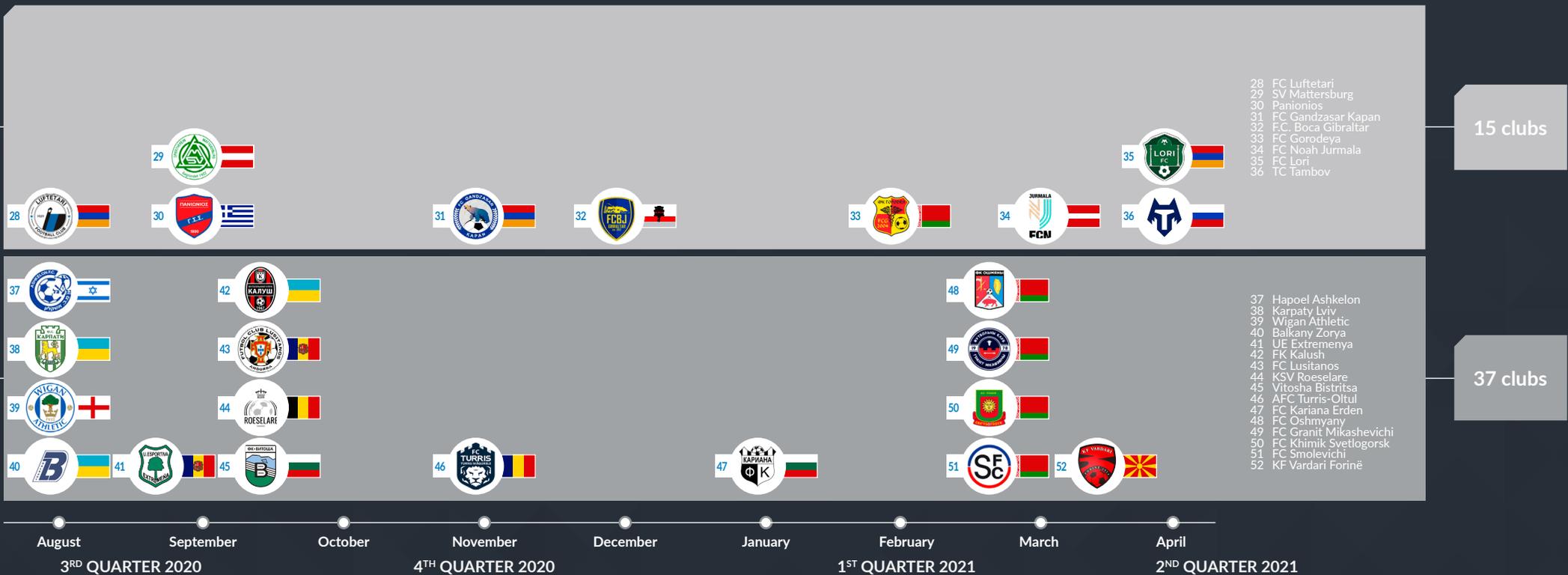
Number of countries with serious financial difficulties since January 2020\*

24

Clubs in the leagues of almost half of UEFA member associations went into experienced serious financial difficulties. Belarus reported the highest number of serious financial difficulties (six), followed by Armenia, Bulgaria and Russia, which each reported five. In total, 12 different countries reported more than a single case, of which seven had more than two. Domestic licensing systems have so far risen to the challenge arising from the sheer number of clubs with serious financial difficulties.

**More serious financial difficulties are anticipated and will be carefully monitored throughout the rest of 2021.**

Timeline of insolvency proceedings and serious financial difficulties from August 2020 until 30 April 2021



\* Analysis covering all decisions and serious financial difficulties finalised up to 30 April 2021.



#### CHAPTER 4

## TRANSFER ACTIVITY DURING PANDEMIC

Reviewing transfer windows always provides insight into club ownership, finances and industry expectations. Analysing the summer 2020 window, which straddles the extended domestic and UEFA 2019/20 club competition season, along with the delayed start to the 2020/21 season is particularly informative. It was an exceptional window in many ways and is outlined in this chapter of the report.

## » RAPID REACTION FROM GOVERNING BODIES AND STAKEHOLDERS

### Strong cooperation between governing bodies and stakeholders

The transfer market is a unique and important part of club football. Total transfer spending by European clubs reached a record €8bn in 2019, with clubs reliant on a fully functioning transfer market to balance their books and manage their playing squads. The arrival of the pandemic and the shutting down of football caused severe disruption to sporting calendars (see Chapter 1 – Calendar disruption from the pandemic) and raised a number of issues. This demanded quick and flexible action from governing bodies, and stakeholders came together collaboratively in a series of COVID-19 task forces led by UEFA and FIFA.

On 7 April 2020 the Bureau of the FIFA Council approved certain recommendations and guidelines, and on 11 June 2020\* it provided further clarification regarding transfers, loans and players' contracts, covering the following issues:

- » Expiring agreements and new agreements
- » Agreements that could not be performed as originally anticipated
- » The duration of transfer windows (allowing for a split in the 12-week window)

On 18 June 2020 the UEFA Executive Committee called on all member associations to end their summer 2020 transfer windows on 5 October – the day before the player registration deadline for 2020/21 UEFA club competitions.

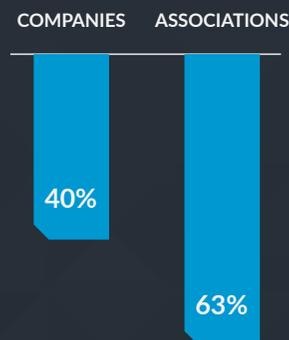
### UEFA club licensing and financial fair play rules hold strong

The strict enforcement of UEFA's rules on the settlement of transfer obligations\*\* has significantly improved the timely payment of transfer fees. Those club licensing and financial fair play rules played a key role in maintaining confidence in the transfer market during the summer 2020 window by mitigating the risk of outstanding short-term transfer receivables (which totalled €3.0bn in 2019) not being paid. To provide some flexibility, the UEFA Executive Committee confirmed on 18 June 2020 that clubs would be given an additional month (i.e. until 31 July 2020) to prove that the rules on overdue payables had been complied with.



# €3.0bn

**Total short-term (<12-month) transfer receivables scheduled to be paid during 2019/20**



### Impact of regulatory and political pressures on clubs' transfer activity

Another factor that clearly influenced the transfer market was the actions of regulators. At UEFA level, the break-even regulations are still very much in force, but the assessment periods have been adjusted to reflect the exceptional circumstances (see the previous chapter). Assessing the 2020 and 2021 financial years together and looking at the net financial impact of the pandemic will give clubs the flexibility they need to manage their business, including the timing of player sales/purchases and squad management decisions.

In Spain, La Liga continued its strict approach to clubs' cost management, which can clearly be seen in the large reduction in Spanish clubs' transfer spending in summer 2020 (see page 58).

Likewise, political and social pressures differed from country to country. For example, English clubs, which received less government support than clubs in many other countries,\*\* were perhaps less restricted in their transfer outgoings.

### Clubs' business models dictated their approach to summer 2020 transfers

The cashflow and financing challenges highlighted in the previous chapter overshadowed transfer activity in summer 2020. Clubs and market commentators entered the summer 2020 transfer window with a great deal of uncertainty surrounding the impact that the pandemic would have on transfers. The remainder of this chapter documents the eventual activity levels and transfer prices, as well as other types of impact, such as the effect on the types of transfer investment by clubs. Market expectations are crucial in terms of steering clubs' transfer activity.

More than any other summer, clubs' business models and the types of financing available to them strongly dictated what they were able and needed to do in the market. Clubs that had access to financing from major benefactors were able to adopt a different attitude towards transfer uncertainty compared to clubs that were reliant on traditional revenue streams.

\* FIFA published FAQs, which are available here: <https://resources.fifa.com/image/upload/covid-19-football-regulatory-issues-faqs.pdf?cloudid=bqxubefb9tfjwzeviqgs>.

\*\* 133 clubs have been barred from participating in UEFA club competitions after failing to meet the overdue payable requirements laid down in the UEFA Club Licensing and Financial Fair Play Regulations.

\*\*\* Social pressure from fan groups and the general public led to most Premier League clubs foregoing their right to have employees furloughed and wages partly financed.

# » UNIQUE SERIES OF FACTORS INFLUENCING SUMMER TRANSFER SPENDING

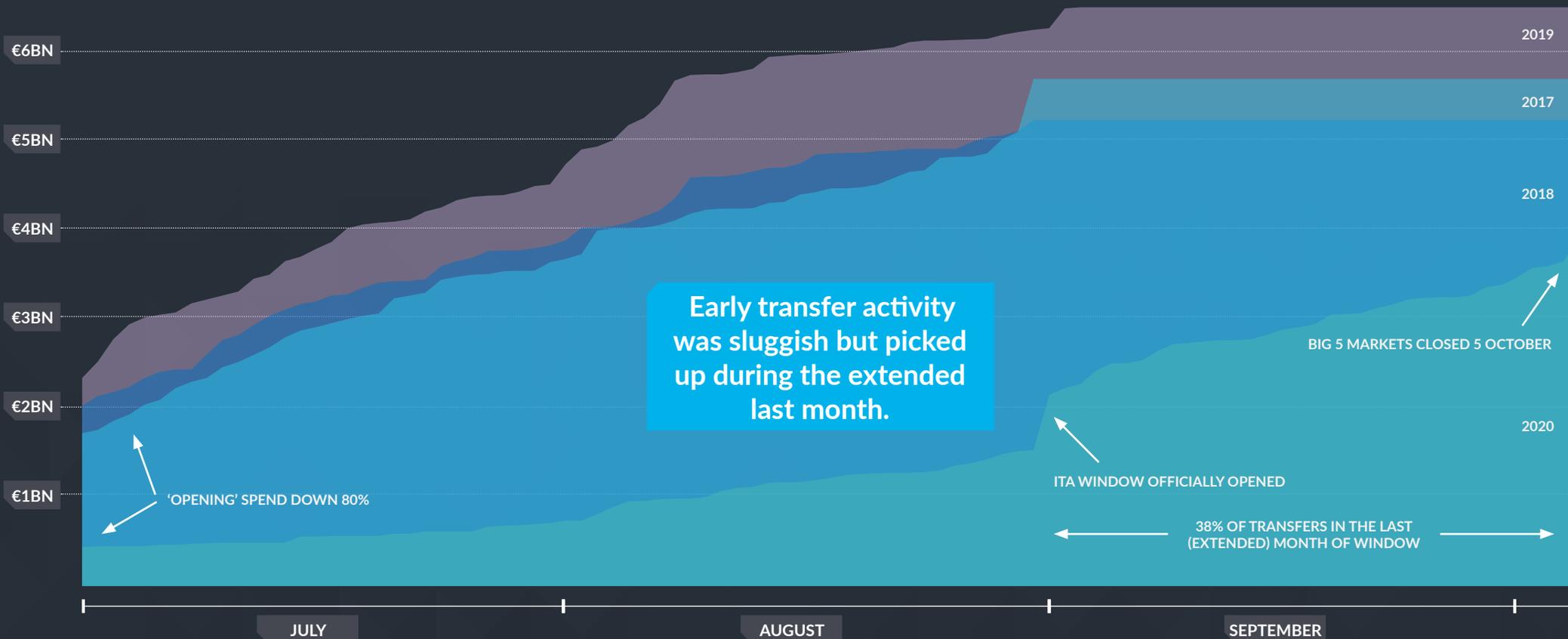
## Unique factors influence summer transfers

The UEFA Intelligence Centre has previously analysed the impact of major tournaments (particularly the FIFA World Cup) on transfer activity levels. They effectively interrupt transfers for three to four weeks, and that causes an estimated 8–12% reduction in transfer spending compared to a normal summer.\*

Extending the summer 2020 window until October gave clubs more time to transact and observe the impact of the pandemic, particularly with regard to the completion of the 2019/20 domestic and UEFA competitions and the agreement of TV rights deals. It also gave clubs time to assess the impact on the 2020/21 season, e.g. the date the season would start and expectations about supporters returning to stadiums.

## Differing approaches to the timing of transfer activity

Clubs chose different tactics in their approach to transfer activity. The nature of transfer spending through the summer reflects the fact that many clubs adopted a wait-and-see approach, cautiously assessing transfer prices, the balance of market supply and demand, and the pandemic's impact on financial developments. Just 18% of the summer activity was front-loaded. Spending did not reach the halfway point until 1 September 2020, when the Italian window officially opened, whereas spending was at halfway between 10 and 15 July in the three previous summers. In contrast, the last 30 days of the summer 2020 window generated 38% of total transfer spending, compared with less than 25% in recent summers, taking the total investment from €2.4bn to over €4.0bn.



\* This is mainly because the reduced time available to clubs results in a decline in multiplier effects. The market involves a large number of transfer chains, so it is particularly susceptible to changes in the length of windows. Club Licensing Benchmarking Report Financial Year 2017

## » EUROPEAN TRANSFER SPENDING LEVELS



More than

**€4bn**

Total spending by European clubs in summer 2020

Pandemic weighed heavily on transfer activity ...

In summer 2020, European clubs' transfer spending was down by 39% on the record summer 2019 window and down by 30% on the average for the previous three summers. Total transfer spending only passed the €4bn mark because of significant spending during the final month, and it was driven even more than usual by English clubs, with their share of total European transfer spending rising to 37%, up from 25% in 2019. All in all, 43% of global transfer activity by value involved at least one English club.

... did not entirely grind to a halt

Although the headline figure for transfer spending represented a large decline relative to the record summer of 2019, it was in line with the figures seen in 2015 and surpassed all summer windows prior to 2014 (see the chart below).



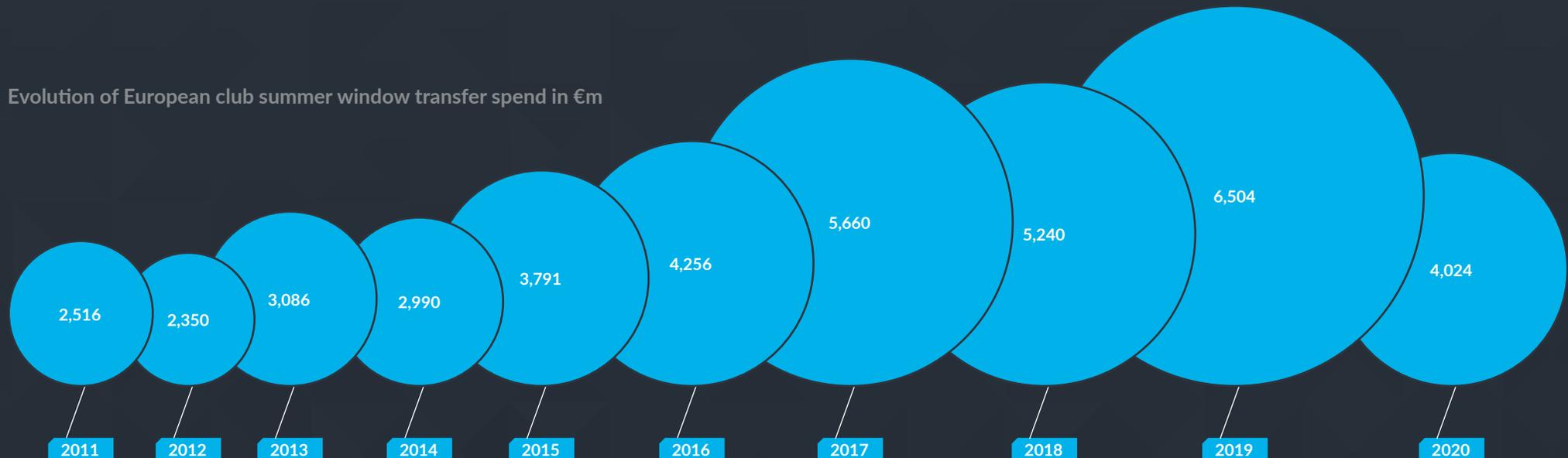
The top

**Eight**

Net transfer spending clubs were all English Premier League clubs

**Pandemic-driven market conditions led to a 39% drop (nearly €2.5 billion) in summer transfer spending compared to summer 2019.**

Evolution of European club summer window transfer spend in €m



\* In summer 2020, there were 99 transfers that broke a top-division club's all-time transfer spending record and 58 transfers that broke a club's all-time transfer sales record, compared with figures of 159 and 107 respectively in summer 2019. Among clubs in the Big 5 leagues, the downward trend was even stronger, with less than half the number of club records in 2020 compared with 2019.

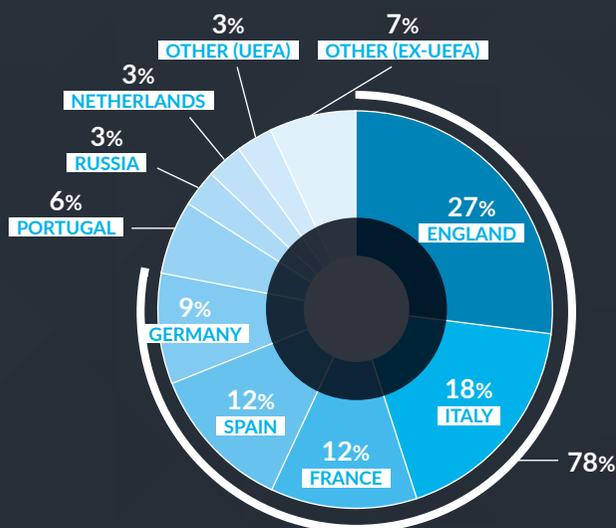
\*\* Circle radius scaled to value.

## » EUROPEAN TRANSFER ACTIVITY\* BY MARKETS

Transfer spending continued to be heavily concentrated

By the time the major European windows closed, English clubs were responsible for more than a quarter of all global transfer spending, with Italian clubs retaining their number two position. The Big 5 European markets together were responsible for 78% of global summer 2020 spending.

Share of transfer activity



Large variation in activity by market

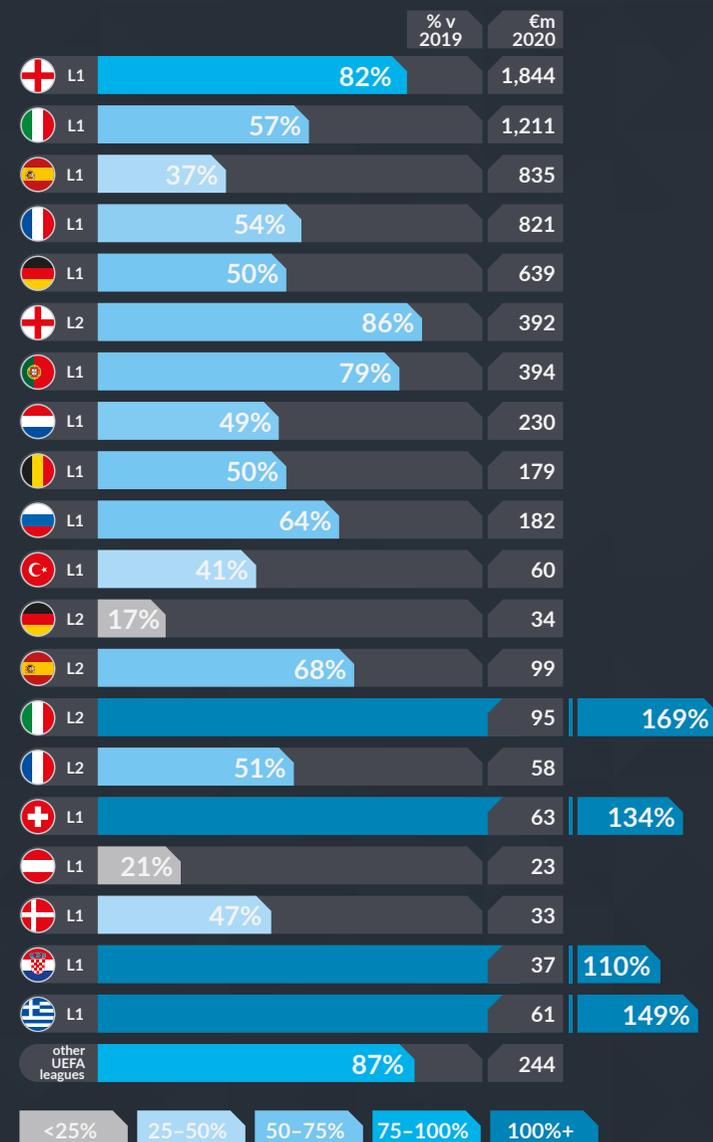
After a slow start, English club activity (spending and earnings) accelerated during September, with the arrival of greater certainty about risks and costs (TV discounts 2019/20 and calendar 20/21), so that summer 2020 activity reached 82% of the summer 2019 level.

As already highlighted, regulatory and political pressures combined with different business models, leading to sharper decreases elsewhere, with La Liga clubs only undertaking 37% of their previous activity and Bundesliga clubs only 50%.

If we exclude English clubs, European club summer 2020 transfer activity was down 48% on the summer 2019 level.

**Pandemic fallout can clearly be seen in market-by-market analysis, although activity was below summer 2019 levels in all major leagues.**

Top 20 leagues by transfer activity\*\*



\*'Activity' is the sum of reported transfer spending and earnings. 'L1' and 'L2' denote countries' first and second divisions respectively.

# » THE MAJOR TRANSFER FLOWS



The top ten flows covered

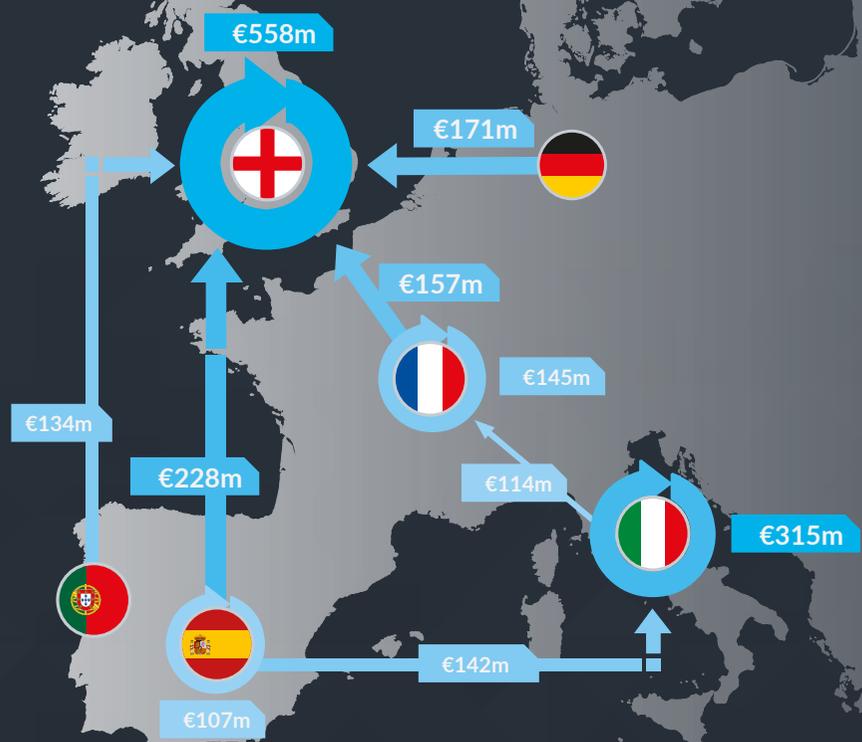
**50%**

of summer 2020 transfers by value

At least one English club was involved in

**43%**

of all global transfer activity by value



The map includes the ten largest transfer flows by reported summer 2020 transfer value. Arrows are used for international cross-border flows and circles are used for domestic flows.

Ten largest transfer flows in summer 2020 (and a comparison with 2019\*)

England → England	€558m	-9%
Italy → Italy	€315m	-50%
Spain → England	€228m	+12%
Germany → England	€171m	+44%
France → England	€157m	-48%
France → France	€145m	-40%
Spain → Italy	€142m	+49%
Spain → England	€134m	+227%
Italy → France	€114m	+93%
Spain → Spain	€107m	-77%

\* The following transfer flows, all below €100m in summer 2020, occurred in the summer 2019 window: German to German €350m+; Portuguese to Spanish €200m+; and French to Spanish, English to Spanish, English to Italian, Spanish to French and German to English clubs all €100m+.



## » TRANSFER TRENDS OBSERVED IN SUMMER 2020: YOUNG PLAYERS AND CROSS-BORDER DEALS



64%

Percentage of transfer spending involving players under the age of 25

Evidence of continued long-term confidence, despite the pandemic, with a record share of transfer spending on younger players.

### Transfer spending by club types (domestic/cross-border)

As transfer spending has increased, clubs have invested in professionalising their player recruitment and management business. As well as expanding their direct scouting networks, clubs also benefit from modern scouting tools and player assessment analytics that allow them to cover all markets.

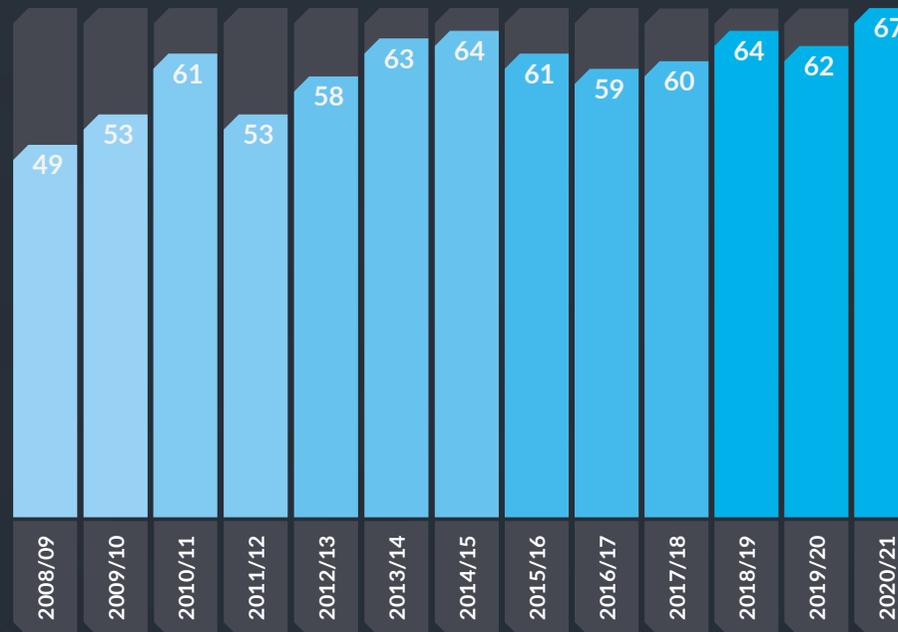
The pandemic and the accompanying travel limitations do not appear to have stopped the trend in increasing cross-border deals: more than two thirds (67%) of total spending involved cross-border deals and less than one third involved domestic transfers.

### Transfer spending/investing by age group

Previous benchmarking reports highlighted the growing focus, in transfer spending, on players in the 'future prospects' (19 years and under) and 'investment' (20–24) categories, rather than players in the 'peak years' (25–28), 'mature' (29–31) and 'twilight years' (32+) categories.\*

The pandemic does not appear to have had an immediate impact on that trend. Indeed, players under the age of 25 accounted for 64% of total transfer spending in summer 2020 – the highest level ever recorded. This suggests that clubs increasingly believe that value can be found in younger players, given their resale value. It may, arguably, also point to confidence that transfer prices will remain high in the longer term, despite the likely financial impact of pandemic in the medium term.

### Share of cross-border deals (%)



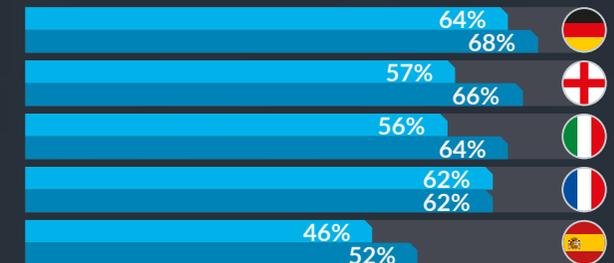
67%

Percentage of transfer spending that went on cross-border deals

Record share of transfer spend on cross-border deals despite covid-19 travel limitations.

### Top 5 leagues and share of transfers invested in younger\* players:

2019  
2020



\* These UEFA Intelligence Centre age categories are used as shorthand when describing transfer spending. They do not represent a commentary on the abilities/careers of individual players, as players develop at different rates and have differing longevity.

## » TRANSFER TRENDS OBSERVED IN SUMMER 2020: REDUCED DEAL VOLUME

### Three different factors behind the 39% decrease in summer spend

Transfer activity is usually referred to in terms of spending levels, especially in the context of financial analysis. This chapter has already highlighted the 39% decline in European clubs' spending in summer 2020 and the most significant factors that weighed on transfer activity. However, while that sharp fall in spending was driven largely by the ongoing pandemic, more detailed analysis is needed in order to identify the precise impact of the pandemic, looking at what combination of lower prices, a smaller number of signings, and changes in the nature of transfer deals, caused the reduced spending.

### Declines in numbers of transfer deals

Detailed transfer-by-transfer analysis indicates a smaller number of transfers in summer 2020 compared to 2019 at all league levels. At the top of the transfer pyramid, the 98 clubs in the Big 5 leagues signed 21% fewer deals for their first-team squads, signing an average of 6.8 players in summer 2020, down from 8.6 players the previous year.

Pronounced declines were also observed in those countries' second divisions (16%), the top divisions of the countries ranked 6 to 10 (12%) and the top divisions of other European countries (22%).



# 21%

Decline in number of players  
signed by 'Big 5' league clubs

There was a noticeable  
reduction in deal volume  
during the summer.

### Analysis of summer deals by value range

The number of high-value deals (fees of more than €50m) declined the most in relative terms, falling from 14 to 7 (a 50% decrease). There are only 14 clubs that have ever paid that much for a player, and the number that were able to do so in summer 2020 was reduced further by pandemic-related pressures. In contrast, the number of low-value deals (fees of less than €2m) only decreased by 8%. Indeed, if loans with fees are included, the number of deals at that price point actually increased slightly.

### Breakdown of deals by value range (European clubs)

Deals	2019	decrease (%)	2020
€50m+	14	50	7
€20m-€50m	59	37	37
€10m-€20m	99	41	58
€5m-€10m	128	37	81
€2m-€5m	209	24	158
€0m-€2m	604	8	554
All transfers with fee	1,113	20	895

Low-value deals have been  
less impacted by the pandemic  
than the top of the market.

## » TRANSFER TRENDS OBSERVED IN SUMMER 2020: SWITCH TO LOANS AND LOWER PRICES

### Switch from transfers to loans and out of contract deals

The pandemic appears – in summer 2020, at least – to have reversed the trend towards recruiting top talent mid-contract and paying transfer fees. The chart below uses UEFA Intelligence Centre data on players' market value\* to break transfer activity down into loans, free transfers/out-of-contract players, and other transfers. In recent years, the percentage of players being signed on loan and via free or out-of contract transfers had been declining, with those players accounting for 19% and 22% of transfer activity in summer 2019 on the basis of market value. In the summer of 2020, however, such players accounted for the majority of total transfer activity by market value.

The most pronounced increase in loan deals was seen in Germany, where loans accounted for 38% of total transfers in summer 2020, up from just 7% in the summer of 2019, but strong increases were also observed in La Liga (from 14% to 35%) and Serie A (from 19% to 43%).

### Decrease in average price paid

The average price paid for inbound transfers by the 98 clubs in the Big 5 leagues was 25% lower in summer 2020, falling to €4.8m, down from €6.4m in summer 2019. Similar declines were seen in those countries' second divisions (32%), the top divisions of the countries ranked 6 to 10 (BEL, NED, POR, RUS and TUR) (27%) and the top divisions of other countries (17%).

However, care should be taken when drawing conclusions from the average price paid, as it is influenced by the composition of deals. For example, the average price decline for the 98 clubs in the Big 5 leagues falls to 14% once loans have been excluded and stands at just 5% if free transfers and out-of-contract players are also stripped out. Once this has been considered, some more perspective is needed, since it is likely that certain deals fell through (fewer deals) or were adapted (changes to the nature of deals) as a direct result of lower indicative prices, so the final figure of 5% almost certainly underestimates the true decline in market prices from summer 2019 to summer 2020.



**Pandemic challenges have led clubs to seek transfer solutions with less short-term commitment.**

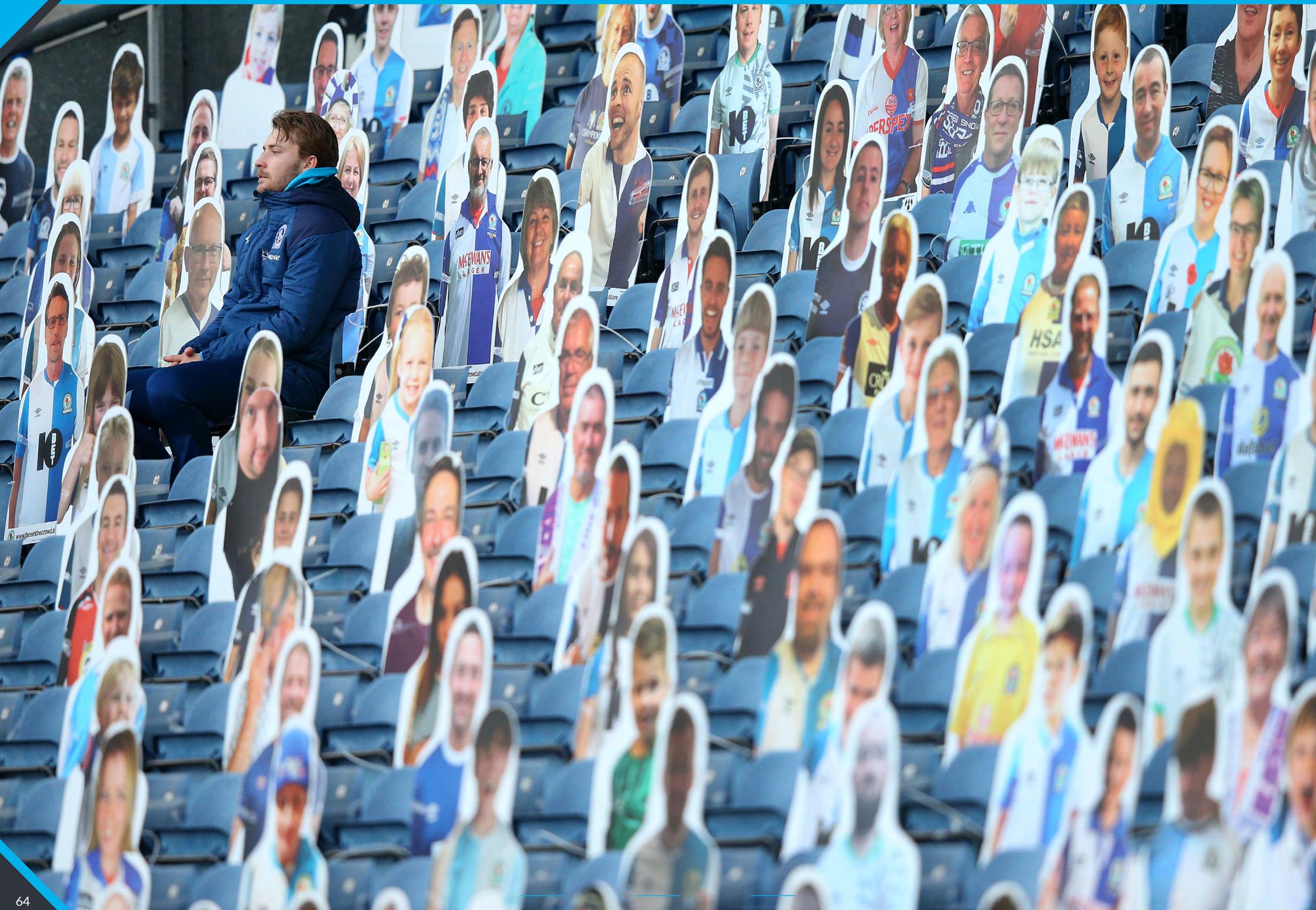


**25%**

Reduction in average price per transfer deal

**A strong switch from permanent to loan deals, reduced numbers of transfers and a decline in average prices have all contributed to lower levels of spending during the 2020 summer transfer window.**

\* These market values are highly subjective, since players who are signed on free transfers do not have a value of zero, so they have to take account of more than just transfer fees. They are calculated by the UEFA Intelligence Centre on the basis of various player characteristics and their contracts, as well as the identity of the buying and selling club and the nature of the market.



# » EUROPEAN TRANSFER SPENDING LEVELS JANUARY 2021



€500m+

Total spending by European clubs in Jan. 2020 down by more than €500m



56%

Drop in spending compared to the previous January

Pandemic continued to weigh heavily on January transfers

Even though the 2019/20 season was completed and the rescheduled 2020/21 season started as planned, the January window did not show any signs of recovery.

European clubs' transfer spending was down by 56% compared to the previous January and 61% lower than the record January 2018 window. Clubs in certain markets, such as Spain and Germany, tend to spend sparingly in January but English clubs who spent more than €500m between them back in the first month of 2018, spent less than €100m this January.

Low activity levels even compared to the summer 2020 transfer window

Even compared to the quiet summer 2020 window, the slowdown in January was exceptional, amounting to just 10% of the full season spend (summer 2020 plus January 2021), the lowest percentage for a January on record.

Other trends documented in this chapter continued in January, with a record proportion of spending on young players and a high concentration of deal value on international transfers.

## Zero

Individual deals or aggregated club spending over €25m in January 2021

Pandemic market conditions continued in January, with an even larger drop (56%) in European club transfer spending than in the summer.

Evolution of European club January transfer spending in €m



\* Circle radius scaled to value.

CHAPTER 5

## WIDER IMPACTS OF PANDEMIC DISRUPTION FOR TOP-DIVISION FOOTBALL

This club football report has so far focused exclusively on the impact of the pandemic on the sporting calendars of the 55 top tier leagues and UEFA club competitions and the financial implications for the 711 top tier clubs. This chapter broadens the view by looking from multiple perspectives at how the pandemic has influenced supporter engagement, changing club ownership and the action on the pitch.

## » MATCH ATTENDANCES DURING THE PANDEMIC

Until early March, most matches in Europe were still being played in stadiums at full capacity. However, when seasons resumed in the early summer, the rules and procedures for fans attending matches were changed. In the majority of leagues, fans were not permitted to attend matches, and in the few cases where they were, the numbers were limited. The size and impact of the collapse in attendance figures is illustrated on this page.



Drop in attendances in the 2019/20 (2020) season compared to 2018/19 (2019)

**-30%**

Just under 74 million spectators were recorded as attending matches across all of Europe's top divisions in the 2019/20 (2020), compared to 105 million the previous season. Until the suspension of the leagues, average spectatorship was on track to slightly increase for the third year running, up by just under 1% on the same point in time of the previous season across the 42 winter leagues.

**210 million (135 million top tier and 75 million lower tiers) fewer people have gone through the turnstiles since matches resumed.**



In absolute terms, the top divisions in England and Germany saw the biggest drop in stadium attendances. The English Premier League (3.6 million) and the German Bundesliga (3.4 million) alone missed out on a combined 7 million stadium visitors for the 2019/20 season with the following season seeing the attendances drop close to zero.

Evolution of stadium attendances



The Russian Premier League is the only European top division to record cumulative attendances of more than one million for the current 2020/21 season. No other league has achieved more than half a million to date, and only seven other leagues have attendances over one hundred thousand spectators.

### Looking ahead

Although there was a brief period at the start of the 2020/21 season when some leagues applied hygiene and social distancing rules and allowed a limited number of spectators back into stadiums, the majority of matches were played behind closed doors. However, there is light at the end of the tunnel, with the UEFA Executive Committee decision on 31 March to lift its previous 30% seating capacity limit.

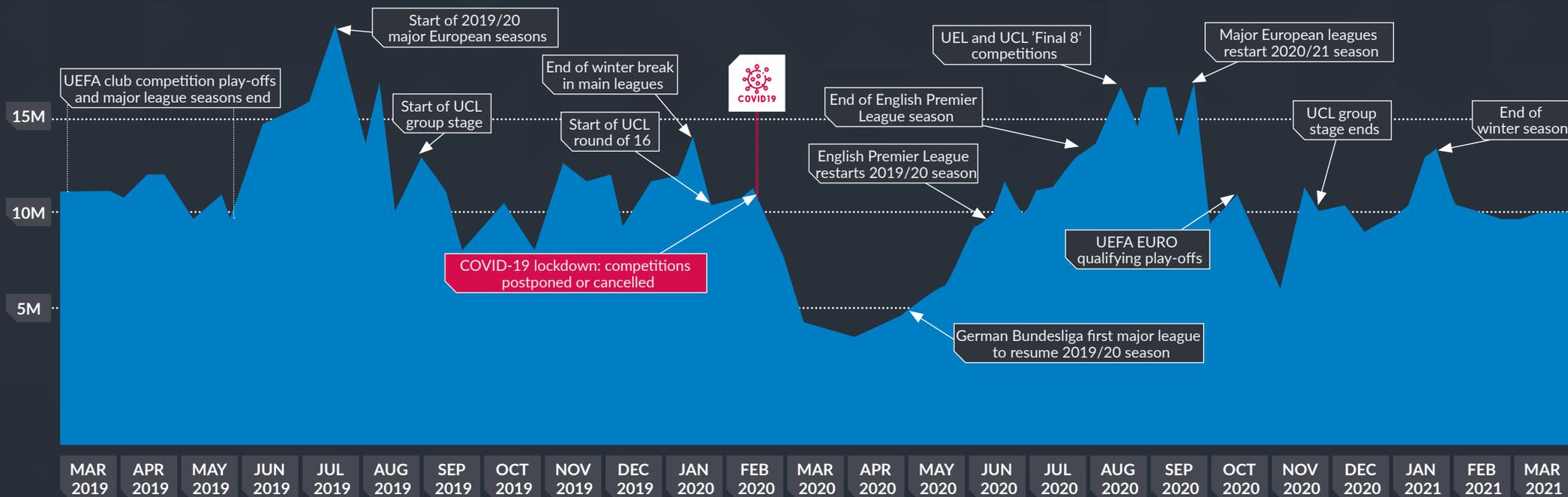
\* Attendance figure is based on the estimated number of spectators that attended domestic league matches up to 30 April.

## » SUPPORTER ENGAGEMENT CHANGES DURING THE PANDEMIC

A timeline of major clubs' audience\* since March 2019

WEEKLY CUMULATIVE TRAFFIC FOR EUROPE'S 60 MOST FOLLOWED CLUBS (MILLION VISITS) IN THE LAST 24 MONTHS

**Audience engagement has bounced back strongly after the March-May stoppage suggesting supporter appetite is still strong.**



We estimate that clubs' audience, measured by their website traffic activity, dropped by as much as 50% during the approximate 3 months of lockdown, the longest period in recent memory without any professional football games organised around Europe. Without recent match-related content (highlights, post-game interviews, etc), fans attention was much less focused on their clubs than usual. This embodies the negative effects the pandemic had on clubs commercial activities, which suffer more than most other clubs' revenue streams: merchandising events got postponed and other activities such as stadium visits, clubs' museum tours, etc. had to be cancelled indefinitely.



Average loss in traffic during lockdown months  
**-50%**



**97%**  
Club traffic recovered over summer 2020 (compared to 2019)

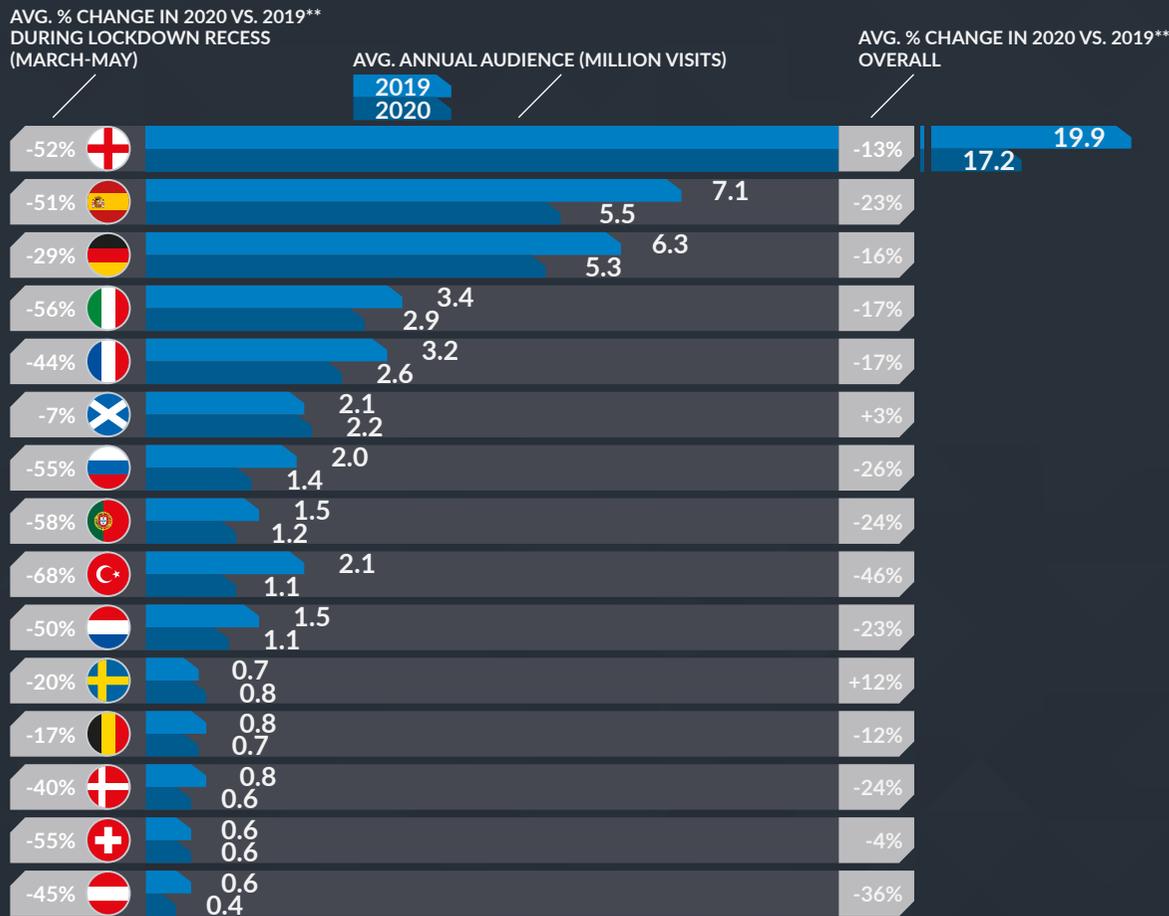
However, audience surged again from May, triggered by the completion of most European leagues, and peaked over the final week of UEFA club competitions: clubs attracted a similar audience over the summer 2020 compared to the same period in 2019. In addition, early audience figures for the first months of 2020/21 season suggest a very limited drop in aggregated audience compared to 2019/20 (approx. 4%). This bounce back effect achieved during the pandemic gives confidence in the ability of professional football to keep driving strong audiences in the months and years to come.

\* Source: Similarweb data for 60 European clubs with most global audience, as identified by the UEFA Intelligence Centre.

# » CLUBS FROM BIG 5 COUNTRIES WITNESSING THE MOST IMPORTANT SHIFTS IN FAN INTEREST IN 2020

*In European countries with the most prominent leagues, the lockdown period from mid-March had a dramatic impact on clubs' audiences.*

A snapshot of top 15 countries' top-division clubs' website audiences in the last year\*



## Massive drop in fan engagement during pandemic lockdown

Clubs saw interest levels across digital platforms drop significantly from mid-March, following the start of the lockdown protocols implemented in most European countries. By the end of March, clubs had seen a drop of more than 20 million weekly visitors, due to an unprecedented shift of attention away from clubs.

Compared to the same period in 2019, club's audiences fell by double-digit percentages to reach record lows, except in Scotland where traffic decreased by only 7% compared to 2019.



Total loss in monthly traffic during pandemic recess

**21m**



pandemic-related drop in clubs' audience in top 15 leagues in 2020 vs. 2019

**17%**

## Fans were quick to reconnect with their teams during the summer

The lockdown-related drop in audiences was followed by a very impressive rebound following the restart of club competitions in Europe. In most leagues, audiences picked up strongly, albeit not at similar levels as those observed in 2019, except in England, where the Premier League restart drove a massive increase in fans' interest. In the majority of leagues the weekly audience peak coincided with the start of the 2020/21 season, except in France and Germany, where club audiences reached a peak during the week of the 2019/20 UEFA Champions League Final featuring FC Bayern München and Paris Saint-Germain FC.

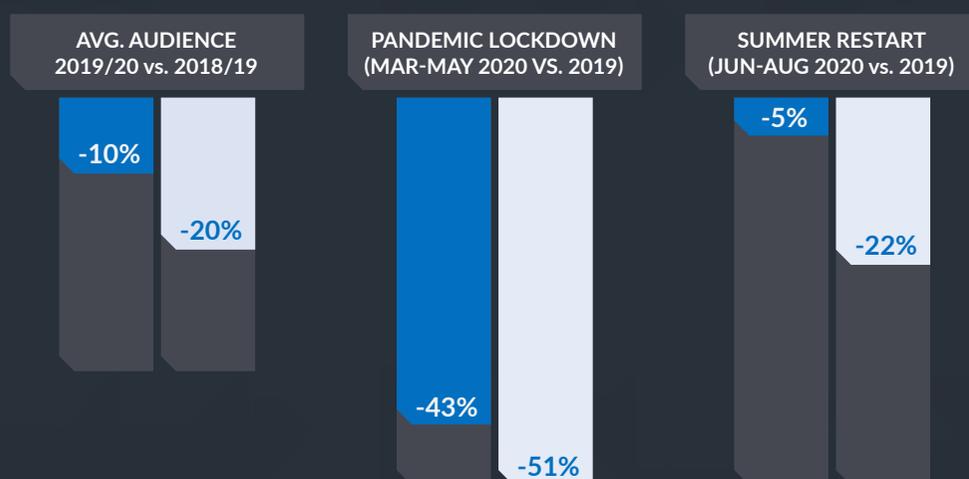
\* Source: Similarweb , aggregating traffic data for all Top Division clubs in Top 15 leagues by revenue.

\*\* Average club traffic

## » ANALYSIS OF CLUBS' GENERAL AUDIENCE: THE IMPACT OF UEFA PARTICIPATION

Year-on-year change in clubs' weekly average audience\* (%)

- 2020 UEFA competitions quarter-finalists
- Other major European clubs



Additional exposure due to UEFA competitions participations helped clubs mitigate the pandemic effects on their general audience

This year, the pandemic-related changes in league schedules and the postponement of major competitions such as UEFA club competitions (see Chapter 1) makes it difficult to identify and isolate the impact of participation in UEFA knock-out rounds.

It appears that in 2020, UEFA quarter-final participation (even under the pandemic conditions) provided clubs with enhanced attention from fans, and more exposure to global audience. Compared to the 2018/19 (2019) season, all clubs have seen their average weekly audience drop significantly in 2019/20 (2020), as seen in previous pages. However, non-qualified clubs suffered a 20% drop in their audience, twice as much as qualified clubs, which only suffered a 10% drop over the full season. The boost in fan audience for UEFA-qualified clubs materialised strongly over the summer, during UCL and UEL's last matches: as quarter-finalists only recorded a 5% drop in their summer audience, other major clubs witnessed a four times bigger decrease, with a 22% decrease in audience compared to the previous year.

Participation in UEFA provided clubs with significant exposure improvement during the Summer 2020 restart.



2x

Drop in audience for non-qualified clubs compared to UEFA quarter-finalists

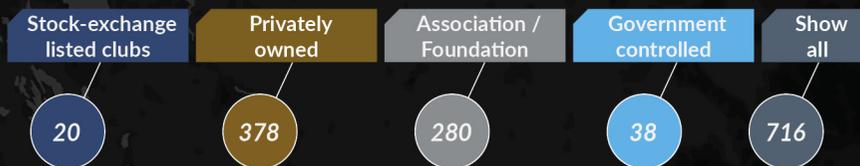
\*Source: Similarweb, average weekly visits per club's website, based on a sample of clubs including the 16 quarter finalists of 2020 UCL and 2020 UEL, and other clubs being part of the 60 European clubs with largest global website traffic, as identified by UEFA Intelligence Centre



## » PANORAMA OF CLUBS BY OWNER PROFILE

The way in which clubs react to the pandemic has much to do with their legal form, which might imply potential funding restrictions. It is also heavily linked to the financial support it receives from its shareholders or members.

The various legal forms of 700+ top-division clubs in Europe



Please click on bars to highlight clubs



### Various business and ownership models are expected to react differently to the pandemic effects

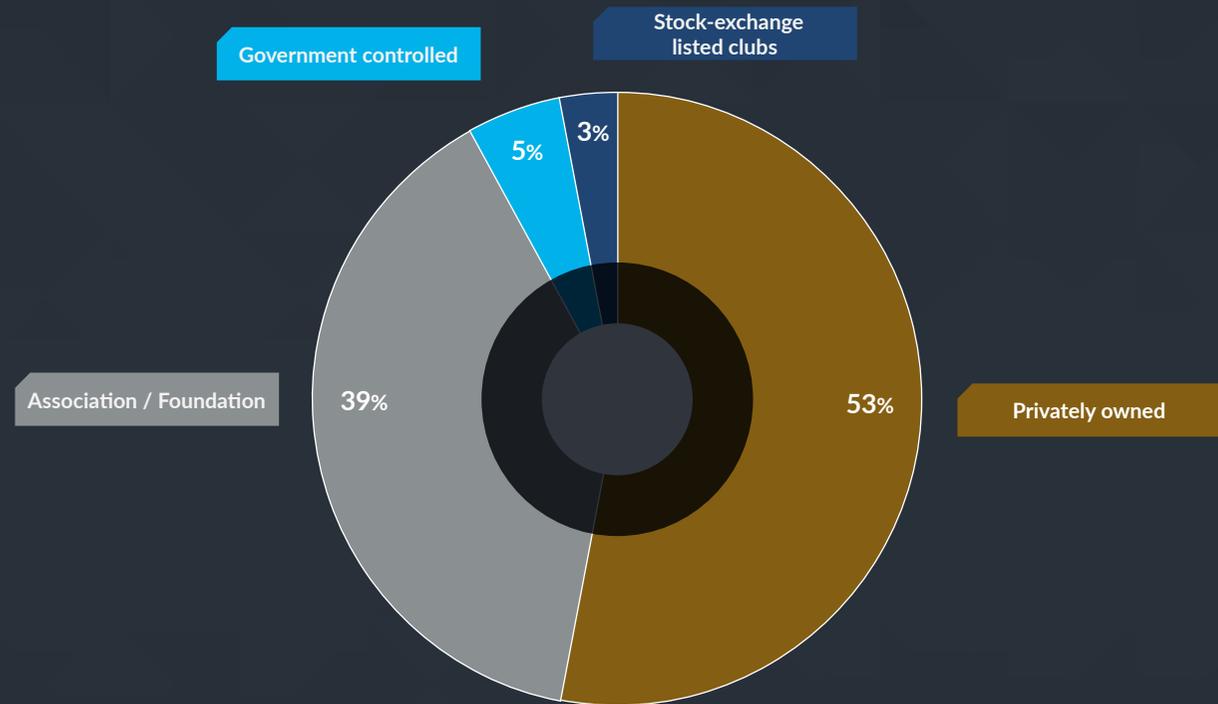
Apart from a small minority (8% overall) of clubs that are listed on stock-exchange platforms or owned by government entities, football clubs' legal structures are classed as either associations or foundations, or as private companies; with the latter potentially offering more flexibility as regards to inviting third-party funding options but also with the potential for less diversified risk (i.e. dependence on a single entity).

These categories are only a partial indication of how a club will tend to respond to financial difficulties. A more realistic approach is to differentiate clubs who typically rely or do not rely on support from one or several benefactors. In some instances, the extent of this support is such that the club's financial viability can be considered 'dependent' upon its benefactor willingness to fund the company on a regular basis. According to UEFA Intelligence Centre analysis, more than one in four clubs in Europe can be classified as such.

On one hand, clubs who can call on benefactor support could be deemed more resilient in the current pandemic context, with benefactors typically more able to provide emergency support in a quick and flexible way. However, they are also more at risk of seeing their benefactor also potentially negatively impacted during the economic crisis.

The more 'self-sufficient' clubs may face more difficulties in accessing emergency critical funding. On the positive side, they tend to have more diversified and flexible business models and cost bases, which can help them navigate economic crises easier than those clubs dependent on a single source of investment.

Stock-exchange listed clubs remain a minority amongst high-profile clubs, despite the benefits of enhancing fan support through the offering of company shares. As of December 2020, 20 European top division clubs were listed on various stock exchanges across 10 countries: Aalborg BK, AFC Ajax, AGF Aarhus, AIK, AS Roma, Besiktas JK, Brøndby IF, Celtic FC, F.C. Copenhagen, FC Porto, Fenerbahçe SK, Galatasaray AS, Juventus, Manchester United FC, Olympique Lyonnais, SL Benfica, Sporting Clube de Portugal, SS Lazio and Trabzonspor AS.



# » TIMELINE OF MAJORITY CLUB TAKEOVERS SINCE JANUARY 2020

*In spite of the economic downturn caused by the outbreak of the pandemic and the subsequent lockdowns around the world, European football clubs remained as attractive to investors as ever. The next two pages illustrate the completed takeovers, defined as an acquisition of more than 50% of club shares, across Europe's top and second domestic divisions in 2020 and early 2021.*

Number of take-overs after the outbreak of the pandemic went up



After only three changes in clubs' majority shareholders in the first three months of 2020, the number of takeovers increased from April. Potentially stimulated by the financial implications of the pandemic, many club takeovers were finalised as the new reality facing national economies became clearer, peaking around summer 2020.

**52 majority shareholdings were acquired in 2020 and the first three months of 2021 in Europe's top and second divisions. In total, 24 countries reported at least one change in club ownership.**

Majority ownership changes from January to September 2020



LEGEND



**Second half of 2020 investment dominated by investors from the**



In just under a half of ownership takeovers (44%), the new investors are based in the same country as the club acquired. There were 29 takeovers by investors of foreign origin, of which the United States accounted for just under half. The clubs involved in takeovers by US investors are in a wide range of leagues: Italy (4x), France (3x) and Belgium, Denmark and England (2x).



France reported the highest number of club takeovers of any European country with seven second-division and one top-division club. France was followed by Belgium, featuring five clubs in the timeline below. In addition, several investors acquired minority shares in European clubs, including foreign minority investment in Paris FC (Bahrain), Girona FC (Bolivia) and FC Augsburg (USA).

The lower divisions of the English football pyramid also proved popular with investors, for example Charlton Athletic FC (Denmark), Wigan Athletic FC (Bahrein), Wrexham FC (USA), Ipswich Town (USA) and Sunderland AFC (France).

**Majority Ownership changes from October 2020 to April 2021**

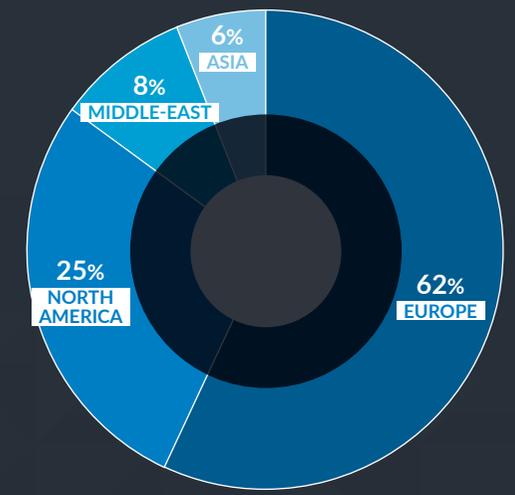
Top division



2<sup>nd</sup> division



**Origins of new club owners**



\* According to the 50+1 rule in the German Bundesliga, a registered association must hold the majority of voting shares in a club. However – and this also applies to Hertha BSC GmbH & Co. KGaA – an investor may hold the majority of the 'limited liability shares' as long as the registered association (Hertha BSC e.V.) holds 100% of the 'general partner company' and therefore has control and decisive/dominant influence over the club's business operations.

## » OVERVIEW OF TYPES OF SPONSORSHIP IN PLACE ACROSS TOP DIVISIONS



Clubs that had no main shirt sponsor at the start of the season

102

14% of top division clubs throughout Europe had no main shirt sponsor at the start of this season, one percentage point down from last year. The share was highest in Gibraltar, with 9 of the 12 top division clubs not having a season-long, main shirt sponsor by the start of 2020/21.



Market share of highest single industry (gambling/sports betting) across Europe

17%

Sports betting and gambling companies are the single most prevalent shirt sponsors in eleven countries. Retail (15%) and financial services (10%) follow closely behind. As in last year's report, Norway once again has the highest single industry concentration, with 12 out of 14 clubs sponsored by financial service companies.

24% of top-division clubs changed their main shirt sponsor in 2020/21, down 2% on the season before.\*



Top divisions that sold their naming rights for the 2020/21 season

38x

Bosnia and Herzegovina, France, Greece and Russia have announced new sponsorship deals this season. Scotland has dropped out of the list as it no longer has any naming rights deals. Gambling and sports betting companies are again the most common sponsors, with 29% of the total.

In addition, 17 national cup competitions sold their naming rights for the current season. Scotland was the only change from the year before, as William Hill's nine-year partnership with the Scottish FA came to an end with the 2019/20 tournament.



Top division clubs with a sleeve sponsor

52%

For the first time on record, more than half the top division clubs had signed a sleeve sponsor at the start of the season. This has been a growing trend, covered in previous editions of this report, with more clubs and leagues looking for additional partners. In some cases, sleeve sponsorship is collectively sold by all top division teams in a particular league, whereas in other leagues, rights are sold by individual clubs.

### Other types of sponsorship

18% of top division clubs had a stadium naming sponsor at the start of the 2020/21 season. This type of sponsorship is most common in Germany (15 clubs) and Sweden (11 clubs).

28% of top division clubs had a shorts sponsor at the start of the 2020/21 season. This type of sponsorship is most common in Norway (16 clubs), Sweden and France (15 clubs each).

\* This relates to the number of shirt sponsors at the start of the domestic season. Mid-season changes of club sponsors are not taken into account.

# » REGULATIONS AFFECTING SPONSORSHIP REVENUES – FURTHER RESTRICTIONS PLACED ON BETTING COMPANIES

Following Italy's decision in 2019, Spain and Denmark announced their plans to ban betting companies from being featured as club sponsors on football shirts in 2020\*. This page lays out current restrictions on sponsorship in Europe's top divisions.



Bulgaria, Greece and England are the three countries where sports betting companies were the most common kit sponsors of top division clubs at the start of the 2020/21 season.\* In Bulgaria, 9 of the 14 top division teams have a sports betting company as their main shirt sponsor. Greece and England are close behind, each with 8 top division clubs featuring betting company names on their kits.



Number of countries that have prohibited sports-betting firms as shirt sponsors

16

In 16 countries there is a restriction or complete ban on sports betting companies as shirt sponsors. In the majority of cases, this is an all-out ban on any sports betting or gambling companies, though there are isolated cases where small exceptions have been granted. In Azerbaijan, Faroe Islands, Netherlands, Slovenia and Turkey the governing bodies have made an exception for state-regulated sports betting companies to sponsor football clubs.



Number of leagues not banning sports-betting firms, but with other sponsorship restrictions

21

Just under half of the top divisions in Europe do not have any sponsorship restrictions on betting firms, but do have limitations on other industries. The most common bans are for political messages, tobacco and alcohol. A handful of countries prevent sponsors from partnering with more than one club in the same league.

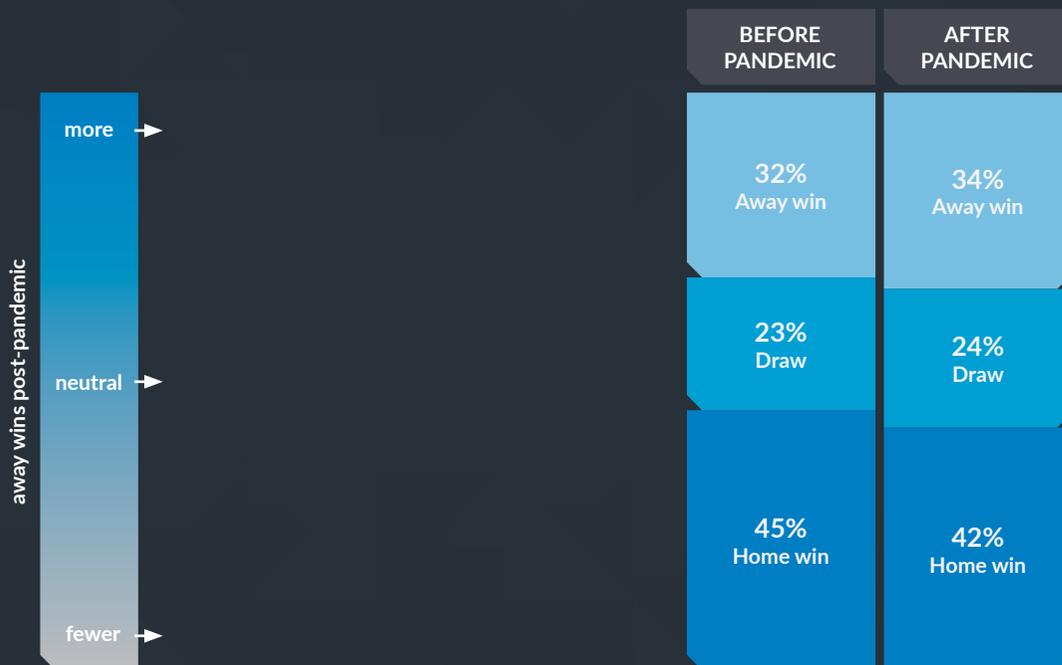


\*For Denmark this regulation came into effect as of July 2020. For Spain this ban is set to come into effect as of the 2021/22 season, hence it is not yet illustrated on this page.

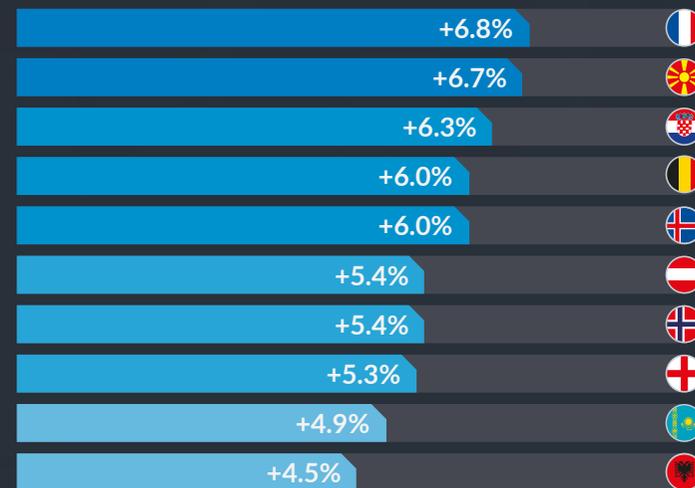
## » FOOTBALL DURING THE PANDEMIC – DOES HOME ADVANTAGE STILL EXIST?

The pandemic has had an impact throughout the football ecosystem. The next three pages take a closer look at the on-pitch effects, analysing match results from the 2017, 2018 and 2019 seasons up to March 2020, compared with those after play was resumed from May onwards and up to April 2021.

Trend in away wins pre-pandemic vs. post-pandemic



Top 10 leagues by increase in away wins post-pandemic\*\*



Europe-wide analysis of 35,222 matches played from 2017 until the pandemic in 2020 and 12,753 matches played since matches resumed in 2020/21.

In total, 30 top divisions reported an increase of more than 1% in the number of away wins, compared to results recorded pre-pandemic. France had the biggest increase of all the top divisions, with 38% of away matches won after the pandemic, compared to 31% previously. At the other end of the spectrum, away wins dropped in ten top divisions while eleven other top divisions reported no significant change (less than 1%).

**Europe-wide, away wins have increased by 2% across all top-divisions after the pandemic\*.**

\* Andorra, Gibraltar, Kosovo and Liechtenstein not included in the analyses on this page as reliable match event metrics were not obtained for their top divisions.

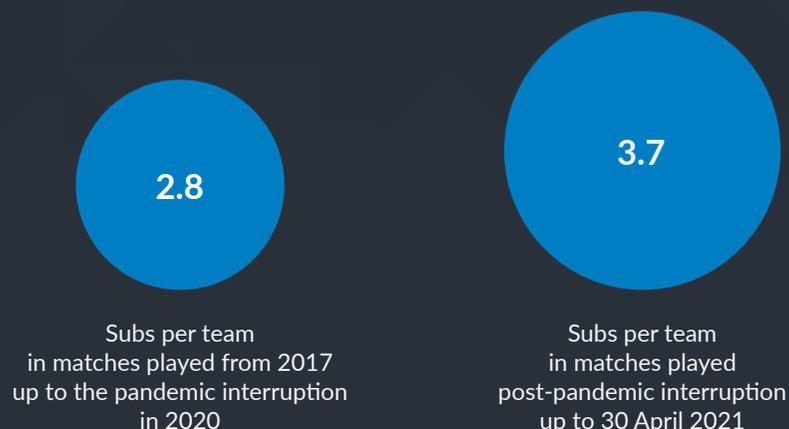
\*\*The post-pandemic figures include results after the season interruption, excluding leagues in which the 2019/20 seasons did not resume.



## » FOOTBALL DURING THE PANDEMIC – MORE SUBSTITUTIONS FOLLOWING A CHANGE IN RULES\*

*In addition to the shift in match outcomes, certain match events in the domestic league matches changed after the pandemic recess. This page zooms in on one of those, namely substitutions, by looking at the impact the increase on the number of allowed substitutions per team per match has across Europe.*

Average number of substitutions per team



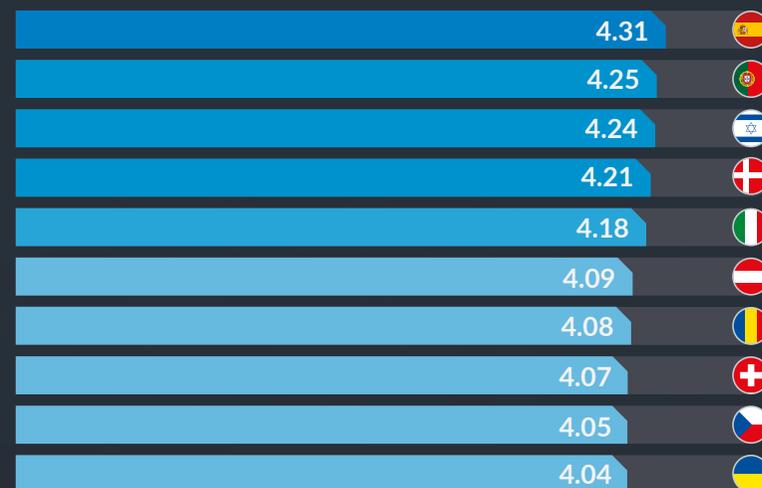
The average number of substitutions per match was up in 48 top divisions after the pandemic recess, with only Azerbaijan, Estonia, Faroe Islands and Luxembourg reporting a marginal decrease. In total, 19 leagues made one or more additional substitutions per team per match, with the Spanish La Liga reporting the highest number of substitutions post-pandemic interruption (4.3 per team).

Europe-wide analysis of 28,012 matches played from 2017 until the pandemic in 2020 and 12,013 matches played since matches resumed in 2020/21 that recorded at least one substitution.

The increase in the number of substitutions made by teams post-pandemic is statistically significant at the 0.01% level. Assuming no further substitution rule changes, if new data was to be collected in the future, one could be highly confident that the increase will remain significant between these two categories. \*\*

**41 top divisions averaged more than three substitutions per team after the pandemic.**

Top 10 leagues by substitutions per team after the pandemic



The English Premier League ranked 45th in the number of substitutions after the recess, as the five-substitution rule was applied for the remainder of the 2019/20 season, but no longer applies in the 2020/21 season. During the resumption of the 2019/20 season, substitutions increased to 7.5 per match before dropping again to 5.2 in 2020/21.

\* On 8 May 2020, IFAB approved FIFA's proposal to introduce a temporary amendment to Law 3 – The Players, which allowed a maximum of five substitutes per team. However, to avoid disruption to the game, each team only had three opportunities to make substitutions during play, in addition to those at half-time.

\*\* Statistical evidence is based on t-tests and simple linear regression models. Further explanatory variables e.g., number of days between matches, strength of teams, etc., may improve model metrics, however these are not currently included for the purposes of this report.

## » FOOTBALL DURING THE PANDEMIC – OTHER SIGNIFICANT CHANGES

After the widely commented-upon early spike, the number of goals per game broadly returned to historic levels for the season as a whole. However, deeper exploration has identified a large and highly significant change in other match events, specifically the number of yellow and red cards.

Home team advantage, with yellow and red cards significantly reduced

The percentage more yellow cards given to away team than home team

Please click on bars to show yellow cards.



**16%/30%**  
pre-pandemic average\*  
difference between yellow  
and red cards given to away  
team or home team



**3%/12%**  
pandemic average\*  
percentage difference  
between yellow/red cards  
given to away team  
or home team

Anyone who follows football or has read the previous page of this report will be aware that there is a significant home team match advantage. This extends to the awarding of yellow and red cards. The away team receives on average\* 16% more yellow cards and 30% more red cards than the home team. More detailed studies examine the causes of this imbalance (patterns of play, player behaviour, referee approach). This research, however, focuses on the significant change during the pandemic with no or minimal crowds.

The overall number of yellow and red cards awarded during matches has edged slightly upwards from 4.22 to 4.24 and 0.21 to 0.22 respectively, comparing the pre-pandemic to pandemic season.

However the difference in the number of cards given to home and away teams has radically changed. With the exception of La Liga, all other 18 top-tier leagues researched have recorded a shift in favour of the away teams. This is most extreme in France and Poland, where away teams have actually received fewer yellow cards than home teams during the pandemic, compared to over 20% more yellow cards pre-pandemic. In the majority of cases, including Serie A, the Premier League and the Bundesliga, there have been shifts of 10–20% in favour of the away teams. Changes in red cards are less consistent and more extreme, but on average away teams have been given 12% more red cards during the pandemic compared to 30% more pre-pandemic.

**Away teams have received relatively fewer yellow and red cards this season. By contrast, home teams have been penalised with more yellow and red cards. The trend is pronounced and extends to nearly all leagues.**

\* The yellow/red card analysis is based on 5,287 completed matches in the 2018/19 season and 4,923 completed matches in the 2020/21 season (as of end of April). In total, this amounts to 43,197 yellow cards and 2,207 red cards. These two seasons were selected as they are the last full winter season without the pandemic and the first full season with the pandemic. The analysis covers 19 representative summer leagues where complete match event data was readily available. Analysis of data from other seasons indicates that the 2018/19 season was largely representative of pre-pandemic match events.



## CHAPTER 6

# WIDER IMPACTS OF PANDEMIC DISRUPTION ACROSS REST OF FOOTBALL PYRAMID

Football continues to be Europe's number one sport, played and followed by millions of people across all levels of the game. This chapter features competitions from across the broad spectrum, including women's football, youth and grassroots tournaments, lower tier football and domestic cup competitions; all of which continue to be heavily impacted by the pandemic.

## » BROADER IMPACT OF THE PANDEMIC ON WOMEN’S COMPETITIONS

*This report focuses on the domestic top divisions in Europe. However, once league seasons were resumed, rescheduling club fixtures impacted many football activities throughout the ecosystem. This page illustrates the subsequent effect on the women’s international competition calendar in Europe.*



### Women’s football

Aside from the men’s club competitions, the impact on which was highlighted on page 12, several other competitions were directly impacted by the pandemic. The timeline below illustrates the snowball effect the pandemic has had on the women’s competitions that were initially scheduled for 2020 and 2021 showing the updated time frame.

**As a direct consequence of the pandemic, four upcoming UEFA women’s tournaments were cancelled, while the timeframe of another four was postponed or adjusted.**

### Re-scheduled UEFA competitions



### Cancelled competitions



## » CRISIS MANAGEMENT – AN OVERVIEW OF THE RESPONSES IN WOMEN'S TOP DIVISIONS\*

Similar to the leading men's divisions, as presented on page 9 of this report, European women's football shuddered to a halt in the spring of 2020. For multiple leagues, the 2019/20 season was abandoned. Other leagues resumed play following an interruption of several weeks. This page summarises the decisions taken across the women's game.



Number of leagues  
that resumed  
their interrupted  
schedules

23

In total, just under half the top divisions resumed their interrupted competition, or in some cases postponed their season start, after the outbreak of the pandemic in March 2020. Thirteen of these leagues kept to their original format. The remaining ten shortened their competition as a result of the crisis. In Hungary and Kosovo, the leagues only played matches that were decisive for the championship.

Please click on bars  
to highlight countries



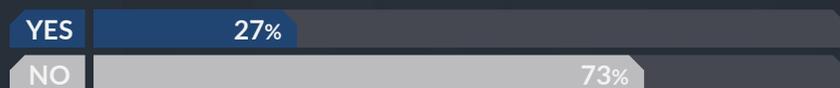
Number of leagues  
that were  
abandoned

28

The majority of women's top divisions were abandoned because of the pandemic, i.e. match activities were not resumed after being halted in March 2020. Of these 28 leagues, seven applied a form of promotion and relegation, though a much larger proportion of abandoned league championships did not.

Number of leagues applying promotion and relegation

IN PANDEMIC AFFECTED 2019/20 (2020) SEASON



\* Note that Andorra, Azerbaijan, Liechtenstein and San Marino did not have a women's domestic league for the 2019/20 (2020) season.

## » WOMEN'S FOOTBALL DURING THE PANDEMIC: THREATS AND OPPORTUNITIES

*The European women's football ecosystem is expected to be negatively affected by the pandemic in the next few months. This comes at a time when there are signs of a growing interest in the women's game, which might just help women's clubs to remain resilient to the current health crisis, especially in the most developed leagues.*

### More calendar disruption from the pandemic in 2020

Women's football calendars have been more disrupted by the pandemic than men's competitions in 2020. Without the need to fulfil broadcasting obligations (see Page 51), women's domestic competitions had a higher cancellation or early termination rate: in 16 countries, women's leagues were cancelled, while men's leagues continued to play. Notable examples include England, Italy, Portugal and Spain.

### Subsidies from National Associations under threat

In the past few years, the growth in women's football stemmed not only from increased interest among fans and at grassroots level, but also from a coordinated approach by national associations and confederations, which dedicated subsidy programmes to help the women's game grow. As the pandemic is putting pressure on many national associations' resources, some of the national subsidies for women's football might shrink. However, most national associations have used this period to improve their relations with governments, helping them reinforce the strategic importance of the future growth of women's football.

### Signs of hope: an increased interest from broadcasters ...

A host of significant new TV and commercial deals have been announced over the last 18 months, illustrating a degree of resilience despite the impact of the health crisis. Deals include the English Women's Super League, Danish Elitedivisionen, the Swiss Women's Super League, Eredivisie Vrouwen and the Spanish Liga.

The strongest leagues have also started to break through in foreign markets: the WSL signed a deal with NBC for US coverage, while France's Division 1 Féminine has struck a series of broadcast deals with the UK, US, Germany and Italy. The Nent Group has also signed a number of agreements to show English, German, French, Danish and Spanish women's league football in its Nordic markets.

In addition, UEFA's revamped Women's Champions League, set to kick off this summer, is paving the way for a more sustainable future for women's football, thanks to a pioneering financial distribution model, whereby the world's biggest women's club competition will redistribute €24 million to women's football across Europe - more than four times greater than the current figure.

It is not known how many of these deals were in the pipeline before the pandemic. Most of them were signed by the biggest leagues and clubs, so the true impact of the pandemic may well be more visible at the lower levels of the women's game, among clubs that have not been able to capitalise on the momentum gained in women's football over the 18 months prior to the outbreak.

### ... in addition to significant sponsorship deals

There have been a number of announcements over the past 18 months highlighting brands' sustained appetite for partnerships with women's teams. For example, Atlético Madrid, the Swiss Women's Super League, OL Féminin or AC Milan were able to sign deals independent of their men's team partnerships.

Most women's teams share their commercial partnerships with the men's teams. The pandemic may limit the number of women's teams able to strike their own bespoke deals and the time frame they may be able to do it in.

However, the increased interest in signing specific deals with women's teams is another sign of the resilience of women's football through the health crisis.

**€24m p.a.**

**Largest ever financial distribution to clubs through the UEFA Women's Champions League from 2021/22 onwards**

**€8m p.a.**

**Largest women's domestic deal to date signed between BBC/Sky and the English Women's Super League**

## » BROADER IMPACT OF THE PANDEMIC ON YOUTH AND NATIONAL TEAM COMPETITIONS

In addition to the impact of the pandemic on women's competitions as highlighted on page 81, several other UEFA youth, amateur and national teams competitions that were affected. This page illustrates the effect on the international competition calendar and highlights certain areas of the game that are likely to suffer in the longer term.



Other competitions affected

Aside from the men's UEFA club competitions (page 12) and the women's football competitions (page 80), other UEFA competitions were postponed or cancelled as a direct result of the COVID-19 outbreak. The timeline below illustrates changes to other UEFA football tournaments that were initially scheduled for 2020 or 2021.\*

As a direct consequence of the pandemic, six UEFA tournaments were cancelled, while the time frames of another seven were postponed or adjusted.

### Re-scheduled UEFA competitions



### Cancelled competitions



\* The UEFA Nations League league phase and the UEFA Futsal EURO final tournament were not directly impacted.

## » BROADER IMPACT OF THE PANDEMIC ON GRASSROOTS AND AMATEUR FOOTBALL

Many players and clubs, particularly at youth, grassroots and semi-professional levels were deprived of the ability to train and play competitive matches for most of 2020. The scale of the impact on participation may only come to light in future, when certain age groups at the top end of the game are seen to be underrepresented in comparison to previous years.

### Selected country examples of impact of pandemic protocol and regulation changes

#### New procedures



National associations have had to implement changes to their regulations and guidelines for youth and grassroots football training and matches at all levels. In line with national legislation, many associations, such as Italy and Spain, published specific guidelines including the need for social distancing in indoor spaces, the closure of hospitality areas, limits on spectators and the recommendation for players and staff to travel to matches individually.

#### Partial disruptions



Many associations had to suspend or cancel competitions and training at certain points, especially for many younger age groups. National guidelines changed frequently over the course of 2020 and 2021. England and Scotland, for example, even had regional and local differences in a tier system, depending on the number of new infections. The English FA allowed all fixtures and training for outdoor youth and grassroots football to go ahead from 2 December; however, in tier 3 areas, training was only permitted with minimal contact and adults were not allowed to travel in or out of the area. In France, training was able to resume on 15 December; however, gatherings of more than six adults were not permitted in public places and an evening curfew was also introduced.

#### Cancelled competitions and group training



From the outset of the second lockdown, other national associations ultimately had to restrict all group training and competitions for grassroots and youth levels, again due to their national legislation. High profile cases include Germany, Netherlands, Belgium, Switzerland and Turkey, where the associations had to align with the national lockdown rules.

### Number of registered amateur association football players in Europe

The amateur game is the vital platform that enables the professional levels to thrive. According to the latest estimates, there are over 15 million amateur players throughout Europe. The pandemic has hit participation levels in all age groups, among men and women, adults and youth players. The longer-term impact of this disruption is yet to be fully known but, without correct management and potential intervention, there is a risk that there will be a drop in engagement, continuity and ultimately performance at the very top levels of the game.

### Latest participation numbers across Europe\*



\* These figures represent the aggregate of all officially registered association football players across the continent. However as recording periods and methodologies are still unstandardised across countries, these figures can be considered to be conservative with more amateur players currently not captured.

## » CRISIS MANAGEMENT – AN OVERVIEW OF RESPONSES TO THE PANDEMIC IN NATIONAL PRIMARY CUP COMPETITIONS

*In addition to the men's domestic leagues, as presented on page 9 of this report, the national cup competitions also faced the consequences of the health crisis in March 2020. For some national cup competitions, the season would not be resumed, whereas others started up again after a hiatus of several months. This page sets out the various measures taken at the domestic level.*



Number of cup competitions continued after hiatus

35

Apart from Belarus, who ended their domestic cup competition as originally scheduled, 34 other domestic cup competitions were able to finish after a hiatus of several months. Austria and Hungary were the earliest to do so, staging their finals in late May and early June. Another 32 cup competitions resumed over the course of the summer 2020, all but Greece, Finland, Scotland and Spain being completed by the end of August.

Please click on bars to highlight countries



In the case of Scotland and Spain, the cup competitions were postponed for longer. The Scottish cup resumed its semi-finals on 31 October, playing the final on 20 December. The Spanish cup final was postponed when the two finalists, Athletic Bilbao and Real Sociedad, opted to delay the final to 3 April this year. As a result, the 2020/21 UEFA Europa League group stage spot, reserved for the Spanish cup winner, was forfeited.



Number of cup competitions with a delayed start

5

Five domestic cup competitions had not yet started when the health crisis hit Europe and were postponed to between mid-June and mid-August. They were all completed by the end of the year.



Number of cup competitions abandoned

15

Fifteen countries did not see a single team lift a trophy in 2019/20 (2020). In Norway and Kazakhstan, the 2020 competitions never kicked off. In other 13 countries, the cup competition was never resumed after the hiatus in March 2020.

## » GETTING CUP COMPETITIONS BACK ON SCHEDULE AFTER THE DELAYED START



Number of  
cup competitions  
on schedule  
to be completed

# 51

As a result of the previous cup and league seasons being extended well into the summer of 2020, most 2020/21 (2021) national cup competitions started later than they ordinarily would. In order to transition the winter calendar match schedules back to the norm, i.e. ending before June 2021, the cup competition season was shortened. At the time of writing, 33 cup competitions which started in the second half of 2020 or in early 2021 were scheduled to be completed by the end of May. To date, Wales has been the only country not to stage a domestic cup competition at all in 2020/21, with Luxembourg, Malta and San Marino forced to abandon their competitions midway through the season.



Number of cup  
competitions with  
changes to rounds  
or format

# 18

As a result of the challenges facing match calendars, many national associations considered structural reforms to their cup competitions. In eight countries, two-legged ties were reduced to one-legged fixtures in some or all rounds. The number of rounds were reduced in a further seven national competitions. In France and Northern Ireland, reforms resulted in the removal of extra time, with matches that were level after 90 minutes instead going directly to penalty shoot-outs. To ease pressure on the compressed calendar, the English FA Cup saw the complete removal of replays from the competition, meaning all matches must be decided on the day.

*Much like the domestic leagues, with little or no break before the 2020/21 season national associations looked to get back to their traditional pre-pandemic match calendars. This page sets out the different domestic cup competition structures in place across Europe for the 2020/21 season.*

**National associations have had to be adaptable with their 2020/21 national cups. Most started later, 18 have changed format, but 51 out of 55 are expected or currently on track to be completed.**

### League cup competitions



The 2020/21 season saw a break in tradition in France and Northern Ireland, with no separate league cups staged there. Iceland, the Republic of Ireland and Wales abandoned their league cup competitions midway through as a direct consequence of the pandemic. England, Israel, Portugal and Scotland were the only countries to stage and complete a league cup competition in the 2020/21 season.

## » EUROPEAN PROFESSIONAL FOOTBALL LANDSCAPE OUTSIDE THE TOP FLIGHT

This report focuses on the domestic top divisions in Europe, on which we have detailed financial data submitted to us. However, professional football extends well below the top tier in most European countries. These two pages analyse the predicted financial impacts for lower league clubs of the pandemic and highlights both the differences in exposure with top tier clubs, and the challenges in accurately predicting the direct impact of the pandemic on lower league clubs.

### Looking beyond the top tier to other professional clubs

Full audited financial figures are not publicly available for many lower-league clubs since they are not subject to club licensing disclosure requirements and do not therefore submit figures to UEFA. However, lower-league professional club revenue streams can be fairly accurately estimated by using data that is in the public domain in the largest five countries, some additional league data provided directly to the UEFA Intelligence Centre and by calibrating second and third tier clubs using various country benchmarks (see sidebar for methodology).

Lower tier professional football normally generates €4.4 billion revenue

Before the pandemic the roughly 1,500 lower-tier professional football clubs generated €4.4bn in annual revenues with lower league professional clubs in the Big 5 countries contributing €3.6bn of this amount.

TV rights contribute a significant proportion to overall revenues in the second leagues (40%), comprising a combination of TV parachute payments for clubs relegated from the top tier and TV distribution between first and second division clubs. This drops significantly for third and lower division clubs. The reliance on discretionary donations, grants and 'other' revenues increases from 8% (first division clubs) to 19% (second division) and 29% (third and lower division professional clubs).



Lower tier clubs

1,512

Revenues and transfer profits lower tiers p.a.

€4.4bn

€0.7bn



Lower tier leagues

93

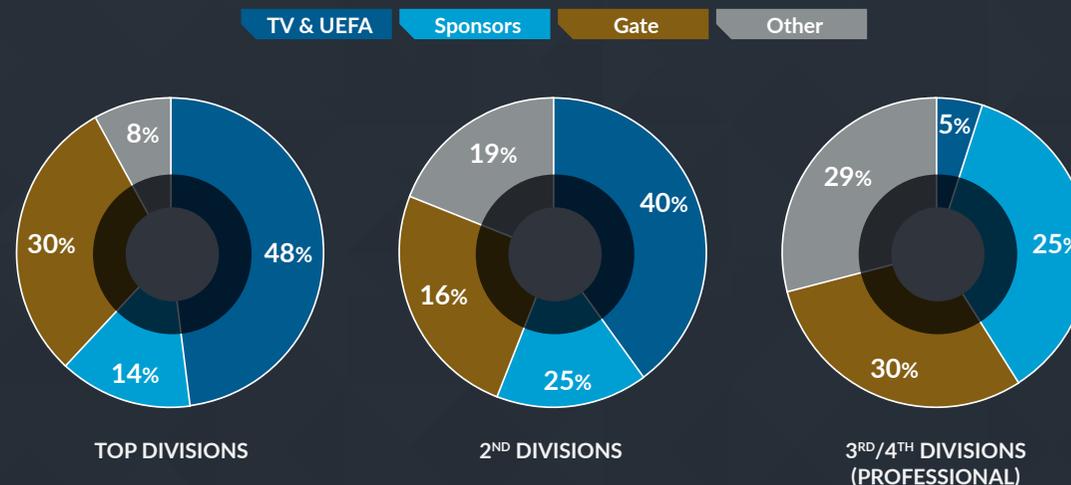
Ratio of lower-tier to top-tier league revenues

19%

### Forecast methodology for lower tier professional football finances:

The base revenue streams and wages for 45 second and 36 third or lower tier leagues are modelled taking into account relative attendance levels and benefactor support, calibrated against audited data for the lower half clubs in each top tier league. The revenues are also adjusted for domestic TV and UEFA distributions where appropriate. These are added to the 12 larger leagues where audit based data is made available through league or third party publications. Transfer profits are taken from the UEFA Intelligence Centre composite transfer database which combines player histories and reported transfer values.

### Comparison of revenue splits by league tiering



Lower tier professional clubs generate €4.4 billion revenue and significant transfer incomes from talent development.

# » FINANCIAL IMPACT OF THE PANDEMIC ON LOWER TIER PROFESSIONAL FOOTBALL

## Uncertain forecasting in an uncertain world

The discretionary nature of many lower league club revenues makes precise pandemic effect forecasting difficult. From discussing with football authorities in many countries, it is clear that some revenues such as season tickets, which would be legally repayable if match attendance is not possible, are commonly not reclaimed. Supporters effectively ready to subsidise their club in this time of need. Sponsors also tend to be more local as you travel down the sporting pyramid and if finances permit, liable to fulfil or extend contracts. It is also a fact that in the absence of TV revenue, 'other revenues' form a higher share of the financial mix, including grants or subsidies and pure benefactor donations (large and small). Forecasting how the pandemic will impact these revenues is therefore challenging and can only be done with broad brush assumptions (see side bar methodology).

**Lower tier clubs have been particularly hard hit and are forecast to lose €1.5 billion of revenue during the pandemic.**

## Lower tier clubs more able to restructure than the top clubs

As referenced in chapter 2 of the report, the overwhelming majority of players tend to be on short term season contracts, which mean lower league clubs have had more flexibility in restructuring the contracts of their playing and technical staff.

Finally our discussions indicate government (central and local) support in the way of pandemic grants, tax holidays and furlough schemes (covering of wages) are more likely to have been fully utilised lower down the football pyramid.

Forecast lower league professional club revenue reduction and losses from pandemic (2019/20 and 2020/21)



### Gate Receipts

Restrictions on crowds: matches played behind closed doors and gradual return to stadiums in 2020/2021 season.

Best case



### Sponsorship, Commercial, TV, Other

Halted commercial activities, short-term sponsor deals, losses in other revenue (subsidies, grants, donations) and reduced TV payments from 19/20 season



Estimated lost revenues 2019/20 and 2020/21 lower tier clubs



### Wage and cost reductions, Government

Halted commercial activities, short-term sponsor deals, losses in other revenue (subsidies, grants, donations) and reduced TV payments from 19/20 season



### Transfer Activity

- » Less transactions, value decreasing ...
- » ... not offsetting rising amortisations from previous transfer windows' acquisitions



Estimated net losses in 2019/20 and 2020/21 arising from covid-19 lower tier clubs



### Forecast methodology

Based on regular discussions with football authorities throughout Europe and known pandemic impacts on top-tier clubs, the following % reductions were applied to a 15-month period:

- » - TV 10% (in many cases no TV revenue)
- » - Gate 75% (season tickets not always refunded)
- » - Sponsors 25% (many one-year deals)
- » - Other revenues 15%
- » + Wages 10-20% (smaller reductions at top)
- » + Government support and other cost savings 10%
- » +/- Profits or losses on transfers 90%

**An estimated 75 million less lower tier club supporters have passed through the turnstiles since the pandemic started.**

## CHAPTER 7

# THE SHAPE OF THE GAME POST-PANDEMIC

The pandemic is creating unprecedented challenges for society and football at all levels, but continues to highlight some of the many strengths of the sport. This final chapter brings together some of the topical issues that will help shape the financial health of the professional game going forward. This includes analysis of future TV deals, new types of investment and financing, and the need and appetite for continued financial regulation.



## » THE SHOW GOES ON: CONFIRMED BROADCAST DEALS

### Uncertainty at top end of the market

A combination of macroeconomic pressures and lower market competition has been identified as driving consolidation in the rights sector, following the enormous growth in the top leagues' rights fees over the last decade.

Following the dip in domestic rights sales in the English Premier League, the Bundesliga saw an estimated 5% decrease in the value of its 2021/22-2024/25 domestic rights, sold in June 2020 for a total €4.4bn. The EPL also suffered a blow to its international rights revenues after its contract with Chinese streaming service PPTV, was terminated with two years to run in September 2020. The loss in expected revenues for the EPL has been estimated to be as much as \$200 million. In May 2021, it was reported that the EPL had agreed to extend its current UK rights contracts with Sky, BT and Amazon for a further three seasons at the same fee. The UK Government agreed to an 'Exclusion Order' given the exceptional circumstances of the pandemic, effectively enabling the Premier League to avoid having to launch an official tender process.



Ligue 1 endured a turbulent start to its 2020/21–2023/24 rights term, with new domestic broadcast partner Mediapro (approx. €780m/season). Following unpaid instalments to the league and requests from Mediapro to renegotiate certain elements, the contract was terminated in December. The LFP has been able to maintain distribution of L1 and L2 matches through a revised agreement with Canal+ for the remainder of the 2020/21 season, albeit at a lower price than the original deal for 2020–24 (approx. 60% of the annual payments agreed with Mediapro).



At the time of publication, the LFP had not concluded an agreement for the 2021/22 season and beyond, and had not received any bids that met its reserve prices. The league is also facing legal challenges brought about by current and former broadcast partners Canal+, BeIN and Free.

At the time of publication, Serie A clubs had agreed to sell domestic rights for seven of the ten matches per matchweek to specialist sports platform DAZN. The fee is estimated to be approx. €840m per season. Serie A will try to sell the remaining rights, hoping to make up the shortfall, and possibly exceed the rights fees from the current deal.



*European football has seen mixed fortunes in the broadcast market in the past year, with many media partners attracting record match audiences despite severe schedule disruptions. The tv rights market has been similarly affected, with uncertainty affecting many of the biggest leagues, while others have seen continued revenue growth.*

### Continued rights growth for others

Some European leagues managed to secure increases in domestic rights deals despite the disruption caused by the pandemic.



The Belgian Pro League secured a 29% rise in revenues, selling its rights for the 2020/21 to 2024/25 seasons directly to Eleven Sports for an estimated €103m per season, having previously sold through intermediary agents.



In November 2020, the beIN Media Group agreed to increase its fee for global rights for the 2020/21 season of the Turkish Süper Lig, up from TRY 2.4bn in 2019/20 to TRY 2.6bn.



The Polish Ekstraklasa managed to negotiate an extension to its current rights deal with broadcasters Canal Plus and TVP for the same rights fee, with no pandemic discount, up to the end of the 2022/23 season.



Similarly, the Swiss Super League agreed a four-year extension with broadcast partners Blue Sport and SRG SSR. Financial details of the new deals remain undisclosed; however, the agreements include the creation of new broadcast slots, with four different kick-off times agreed on match weekends. Blue Sport will broadcast matches at 18:00 on Saturdays, and 14:15 and 16:30 on Sundays. The free-to-air matches bought by SRG SSR are to be shown for the first time in the peak Saturday 20:30 slot, having previously been broadcast on Sunday afternoons.

**The disruption to sporting calendars caused by the pandemic has been problematic for media outlets. However, many broadcasters have long been accustomed to managing uncertainty and have been innovative in finding new solutions to showcase matches.**

## » TRENDS IN DOMESTIC BROADCAST RIGHTS

### Change in models

The pandemic forced many changes to match schedules and broadcast arrangements. The UK government and the English Premier League agreed to have live, domestic broadcasts of every match available including, for the first time in EPL history, matches exclusively on a free-to-air channel. The league also brought in a pay-per-view model for a selection of matches although, due to many complaints over its pricing model, it discontinued this in November. The Premier League also broke with tradition by agreeing a six-year deal in the Nordic markets for future rights, the longest contract it has ever signed in Europe.

Bundesliga matches were also available to a wider audience in Germany upon the resumption of the league in May, with Sky making some live match content available on its free-to-view Sports News channel.

### Activity in the broadcast market

The major breakthrough into European football leagues of the global online platforms – such as Amazon, Google, Facebook and Netflix – is still somewhat yet to be seen, albeit with Amazon continuing to pick up individual rights packages for events in specific markets, including UEFA Champions League rights in Italy for 2021–24.

Developments in Italy include a distribution partnership agreed between DAZN, the sports-dedicated streaming service DAZN, and telco operator TIM. TIM stated it would not participate in the 2021-24 Serie A rights auction, but would support DAZN by providing carriage and distribution through TIM's mobile, internet and TV offerings.

Having previously been available only in selected markets, DAZN has also recently launched a global platform, which will initially focus on boxing rights.

The latest deal for the NFL in the US will fuel optimism among other sports rights owners that the current broadcast market models are still effective. In May, the NFL announced a series of new deals spanning the 11 years to 2033 at an 80% increase on the current total fee.



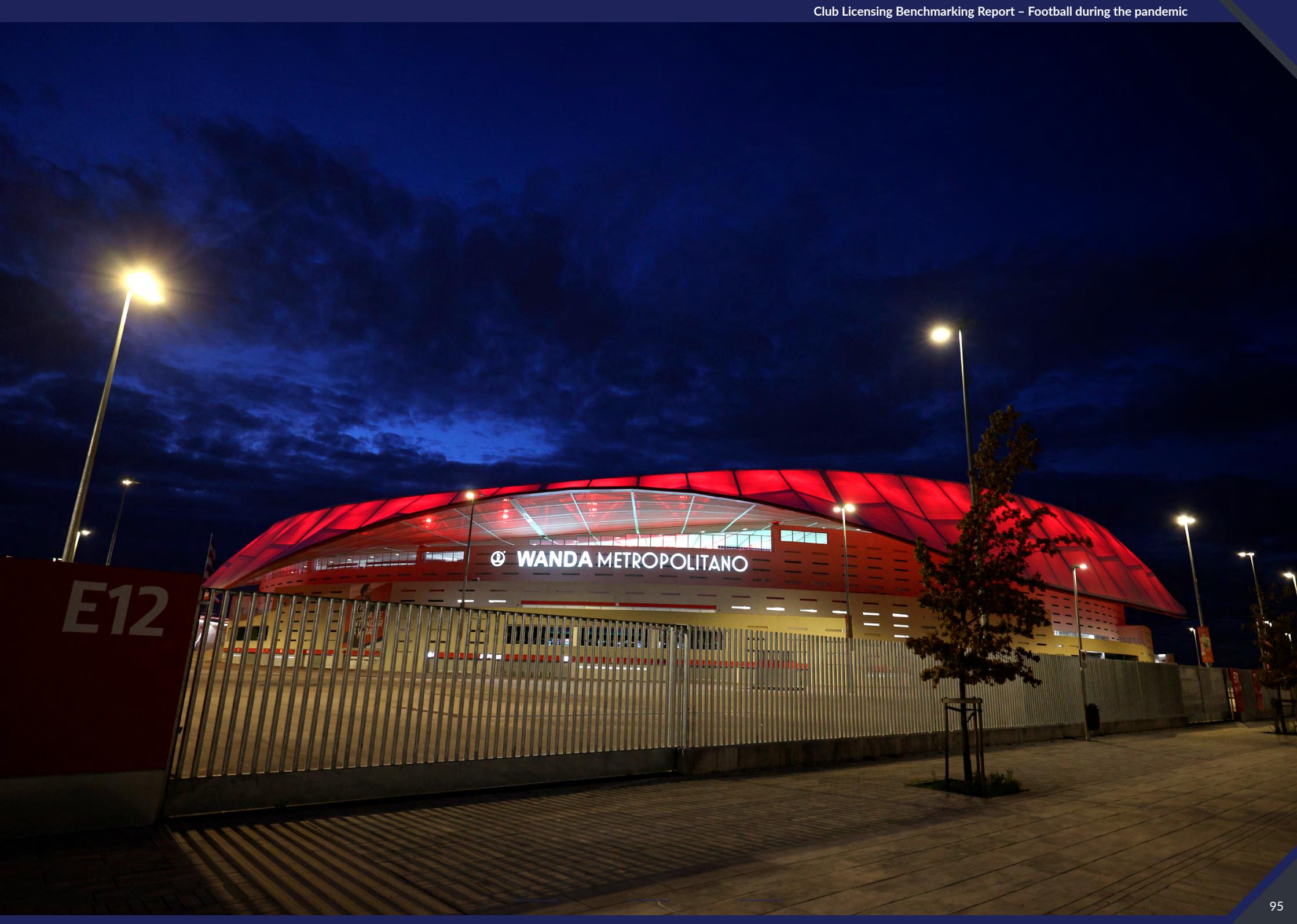
# 5.7 million

Average number of viewers for Southampton v Man City, shown on the BBC, the EPL's biggest ever live audience



# 6.1 million

Household reach of Sky's coverage of the Bundesliga in the first match weekend following the resumption of the league



## » FUTURE TRANSFER TRENDS AND YOUTH DEVELOPMENT

### Long-term confidence in the transfer market

As highlighted in the transfer section of this report and our previous reports, the trend in recent years has been to increasingly invest in younger talents. Never has such a high share of transfer spending been committed to young or developing talents (players aged under 24).

Analysis of playing squads does not suggest there is a general significant lowering of the average age of fielded players, in other words that clubs are 'trusting in youth'. This points towards clubs increasingly placing a greater emphasis on the resale value of players in the transfer market, which decreases as players move towards their last couple of professional contracts and is highest for younger and developing talents.

This continuing youth investment during the pandemic summer can be interpreted as a sign that there is market confidence that transfer values will increase again post-pandemic, either immediately or in the medium term.

The decreased volume of full transfer deals despite the exceptional extension of the summer transfer window in the most important markets also suggests that many selling clubs are waiting for future transfer windows to turn temporary loan deals or retained players into full transfer sales. This again can be interpreted as a sign of longer-term market confidence.

At the time of this report, the pandemic is still ongoing, so the strength of any financial recovery and the extent to which clubs have been left burdened with debt to service in future years have yet to be seen.

**Youth player investment naturally exchanges short-term costs for longer-term savings. With finances under pressure this trade-off comes increasingly into view.**



# €870m

**Total estimated annual youth budget of European top division clubs in 2020**



# 4.3%

**Average share of club budgets invested in youth development in 2020**



# BREXIT

**New restrictions from 1 January 2021**

### Consequences for youth development budgets

In September 2020, the UEFA Intelligence Centre published a study on training facilities and youth investment across Europe.\* The most common youth budget, across the +700 top division clubs, ranged between €500,000 and €1m. This budget relates directly to expenditure by a club that is directly attributable to activities to train, educate and develop youth players involved in youth development programmes in the territory of that club's national association.

### Allocation of youth development finances

The aforementioned UEFA study estimated the share of overall club budgets invested in youth development to range from an average of 3% (for clubs with revenues of over €5m) to 15% (for clubs with revenues of less than €3m revenue). Nearly three-quarters of European youth development departments are financed by a combination of direct funding of the parent clubs, UEFA solidarity payments and membership fees.

### Impacts of Brexit

Section 4 of the report highlighted the significance of English clubs as the largest buyers and sellers of transfer talent. A new set of rules were introduced on 1 January 2021 regulating access to work permits for EU and EEA citizens, who are now considered third-party nationals. This could have significant impacts on the scouting and recruitment of English clubs and future flows of young playing talent, with access potentially easier for South American and African players and harder for some European talent.

\* UEFA Training Facilities and Youth Investment Landscape 2020

## » THE CHANGING FACE OF FOOTBALL FINANCING

### Football once more an investible proposition

Detailed data-based analysis of types of transfer financing is not possible with current transparency levels. However, anecdotal discussions with football stakeholders involved in football financing, suggest traditional sources of finance have started to return to football in recent years. Institutional investors, including insurance and pension investors, are attracted by the risk and return ratio as the stability of revenue streams and credibility of football finances have improved.

### Transfer factoring

Transfer fees have for a long time been structured across multiple payments over time. At the end of the FY2019 clubs reported €5.7billion of transfer payable amounts on their balance sheets. Anecdotally there appears to be a trend towards clubs seeking longer payment terms to manage their tighter liquidity with benefactor supported clubs able to benefit through discounted transfer fees (if paying up front) or inflated transfer fees (if providing longer terms to buying clubs). Only when financial figures are updated that reflect the summer 2020 window will this observation be proved accurate or not.

The sharp acceleration of transfer spending outlined in section 4 of this report, with transfer spending more than doubling in five seasons, has significantly increased the need for transfer financing. On the other side of every transfer payable is a transfer receivable and clubs are increasingly factoring their transfer receivable amounts to third parties to accelerate the cash payment. A review of English club finance directors underlined the prevalence of factoring and the upwards trend in its use with 33% of clubs reporting receivables factoring compared to 21% the year before.\*\*



€5.7bn

Outstanding payable instalments  
on transfers



€2.0bn

Share of transfer debts deemed  
'long-term'\*



40%

Share of English clubs securitising  
central TV revenues

### Increase in securitized lending

The share of English clubs that have securitized at least some of their future TV revenue has increased dramatically from 15% in 2019 to 40% in 2020\*\*. With severe cashflow shortages brought by the pandemic across all leagues, this increasing prevalence in securitization is considered likely to apply elsewhere. Securitization is a normal business practice and does not necessarily bring significant risks, as opposed to pledging or assigning of future revenues that has serious consequences for future finances. There is little transparency when it comes to the degree of pledging or assigning of TV, ticketing or other revenues.

### The rise of more complex financing instruments

The need for squad investment remains despite the pandemic and clubs, agents and lenders are likely to seek more creative financing solutions to get deals over the line, when bridging finance is not available from standard deposit holding banks. It is difficult for regulators to check the nature and integrity of these deals, or indeed limit their usage, beyond excluding these funds from preferred creditor protection. The pandemic is likely to shine a spotlight further on these financing activities.

**Transfer factoring and revenue securitisation appear to be on the rise, as are more opaque creative financing solutions.**

\* Long-term in balance sheet accounting terminology means payment is due in more than 12 months from the end of the financial year.

\*\* BDO report based on survey early summer 2020 after the start of the pandemic: source <https://www.bdo.co.uk/en-gb/football-finance-directors-report>.

## » THE ARRIVAL OF PRIVATE EQUITY AND POTENTIAL RAMIFICATIONS

### Club football, an attractive investment proposition

Club football is in essence a very stable business, whose structure has remained more or less unchanged for over 100 years. Its deep societal and therefore political importance has historically protected European football from upheaval. Despite the deep and unique challenges of the pandemic outlined in this report, club revenue streams are fundamentally reliable, with TV, matchday, sponsorship and commercial revenues all underpinned by steadfast customer loyalty. Continuous growth over more than 20 years and the financial crisis in 2009-2011 also illustrated that football is relatively resilient compared to most other industries, which makes it attractive for investors looking to balance cyclical business risk.

Club football is also a relatively straightforward business, with normal complex activities such as research and development, product launch and product life cycle management that are found in other industries replaced by the more standardised developing, scouting and recruiting of playing and technical talent.

### Financial investment accelerated by pandemic

Recent years have seen the arrival of financial investors – e.g. private equity, investment funds, so-called SPACs – and this trend appears to have accelerated during the pandemic. The ‘investments’ take different forms, but a growing number of European football clubs are selling stakes to private equity and other similar investment fund vehicles. One of the highest profile transactions in 2019 involved Manchester City selling a 10% stake to US private equity firm Silver Lake. Other recent investments have been in France, with SM Caen selling a controlling stake to Oaktree Capital Management and Toulouse FC similarly selling to RedBird Capital. In March 2021, RedBird Capital also made an investment in Fenway Sports Group – the current owners of Liverpool FC.

**Interest in football from cash-rich private equity and other investment funds has increased in recent years. In the short-term the pandemic makes acquisition prices attractive and in the longer term driven by a general belief that new investors and new technologies will allow them to better monetise clubs’ loyal customer bases.**

### Leagues also examining new options

Following a protracted period of negotiations with several interested parties, Serie A's board voted in November 2020 to sell a 10% stake of a new company tasked with managing the league's media rights and international commercial development. It was announced the stake had been sold for approximately €1.7 billion to a consortium of investors, comprising global private equity houses CVC and Advent as well as the Italian FSI fund. However in February 2021, it was announced that seven Serie A clubs had voted against the sale. With fourteen of the twenty clubs needed for its approval, this move effectively blocks the sale.

Many Serie A clubs have been searching for a cash injection, especially in the light of the impact of the pandemic on matchday sales and diminished broadcast revenues. The league's broadcast sales have not benefited from the same level of rapid growth as those of the English Premier League over the last ten years and have now fallen behind the Spanish La Liga and the German Bundesliga in annual revenues.

The league was looking to new investors to particularly focus on better optimising the league's international broadcast rights sales and distribution, attempting to better exploit growing markets where many of the Serie A clubs and their biggest players have prominence.

Longer term growth in domestic rights sales could prove a bigger challenge due to longstanding, challenging competitive dynamics in the Italian broadcast market (e.g. limited media platforms with national coverage, competition regulation restricting exclusivity across broadcast platforms), coupled with macroeconomic pressures that remain as the pandemic endures.

In early 2021 it was reported that the DFL had sent a prospectus to potential investors for a 25% stake in a new unit marketing Bundesliga's international rights. However, in May it was announced that DFL clubs had decided to discontinue any potential sale to private equity firms.

### Football part of a growing trend

Private equity interest in other sports has also been on the rise. US regulators have lifted legislation barring private equity firms from acquiring US franchises. The NBA has been of interest to the sector, with \$2 billion raised in May 2020 by Dyal Capital Partners for the acquisition of minority stakes in team franchises. Major League Baseball and Major League Soccer have also announced plans to allow third party providers of capital into the sports.

Rugby union has been a hive of investment activity over the last 18 months. Private equity firm CVC, fresh from its sale and substantial return on its stake in Formula 1, has invested in multiple assets, tournaments and leagues, both at club and international levels, e.g. Six Nations, Pro 14, Premiership Rugby. The strategic play may be to leverage a number of properties in order to reshape the season calendars and league structures and optimise a more attractive commercial offering and fan proposition. CVC have also entered into an investment partnership with the FIVB looking at new volleyball events.

### Private equity investment can be mutually beneficial

As long as the conditions are carefully managed and interests are aligned, private equity funding can be benign, bringing greater sophistication and innovation with regard to supporter engagement and commercialisation. As football clubs and national associations shift from being traditional B2B (TV and commercial partners who connect to supporters) to B2C businesses (direct or partnered contact with supporters), skills from outside have the potential to bring more commercial value and also to provide football fans with more of what they want in the form they want it.

### Mixed results to date

Experiences to date underline that while these entities may be rational investors with the potential to bring much needed short-term cashflow and a structured business plan, their investment is no guarantee of success. The typical modus operandi of private equity firms for example, is to identify badly managed businesses where efficiency can be significantly improved, restructure, then sell on a handful of years later. The simple nature of club football that makes it attractive, potentially also makes it difficult to differentiate, to ‘find the edge’. In a business driven by short-term ‘on-pitch success’, investors regularly underestimate the scale of additional talent investment needed to increase chances of success after the acquisition and the roles that luck and direct club competition play in generating success.

AC Milan, Girondins de Bordeaux and Lille OSC are recent examples of quick changes in ownership between investment groups.

### Opaque nature of some funds

In some cases, these new forms of financing are also investing more in commercial rights, player image rights and stakes in football leagues and other competitions. This can potentially increase the risk of conflicts of interest and might give rise to investors sitting on both sides of the negotiating table. The exact beneficial ownership of these private funds can also be opaque and pose a challenge to efforts tracing individual investors or the money flows providing the equity.

### Seeking financial returns from deeper restructuring

While returns can potentially be generated by restructuring individual clubs, previous case studies in sport such as Formula 1 and currently rugby union, indicate the greater goal is reorientation of the commercial rights, formats and competition structures. Short-term investment and promises of concentration and growth allow these outside parties to become more deeply involved in decision-making, sometimes defined right from the initial investment. Skilled investors are able to take advantage of the existing governance to mould the ‘industry’ in a way that generates mid-term exit returns. While bad or weak governance is often highlighted by the media, it is arguably the extremely competitive nature and diverging interests of existing stakeholders that provide the opportunity for change.

**Increasing financial investment interest needs to be positively harnessed to improve the stability of the sport without undermining the unique solidarity and integrity that underpins the European sports model.**

## » REGULATIONS AFFECTING CLUB OWNERSHIP – A DIVERSE REGULATORY FRAMEWORK ACROSS EUROPE



Number of countries that  
have restrictions with  
regards to legal form

14

Fourteen different countries applied restrictions on clubs legal forms and/ or structures in 2020. The German '50+1' rule is probably the most notorious example across the continent. However, 12 other countries, with the exception of Spain\* apply a similar regulatory framework limiting the scale of or completely restricting private ownership. By applying these rules, the countries also indirectly restrict multi-club ownership.



Number of countries that  
have restrictions on  
multi-club ownership

34

More than half of national associations impose specific restrictions which limit ownership of multiple clubs within the same country/league. These restrictions range from a caps or the size of shareholdings, (whereby stakes at a second club cannot exceed e.g. 10%) to a total ban on owning any shares in more than one club within the league and/or country.



Number of countries that  
run tests and checks on  
new owners for clubs\*\*

16

Fit and proper person tests, proof of funds and other similar checks that new owners have to pass before taking control of a football club are becoming increasingly widespread. However, there are still five European countries in which none of the aforementioned restrictions on club ownership are currently in place. Countries that restrict private ownership, via rules on clubs' legal form, have no need to apply these checks on new owners.

As pages 74 and 75 indicated, European football clubs remain attractive propositions to many investors. This page sets out the special requirements which clubs and their owners are subject to beyond the standard domestic financial reporting and listing procedures football clubs must comply with.

Please click on bars  
to highlight countries



\* In Spain, according to the 10/1990 Sports Law and the Royal Decree on Sport Joint-Stock Societies, sport clubs and their professional teams, must be organised in the form of a Sociedad Anónima Deportiva (SAD). This sports law obliges all teams to take the legal form of a SAD with four exceptions: Athletic Club de Bilbao, FC Barcelona, Real Madrid CF and CA Osasuna.

\*\* Another two national associations (Denmark and Wales) have indicated that they are in the process of establishing checks for new owners coming into the league.



## » UNITY AND SOLIDARITY

*Football is more popular than ever, and with success comes challenges. The European football pyramid has an impact far beyond the pitch and creates unique ties between elite football, park football and everything in between. Recent decades have seen significant commercial growth, which has been carefully nurtured to benefit the whole football pyramid. Growth in elite UEFA club competition revenues can be achieved while fully respecting, and working together with, domestic league and cup competitions.*

### Structured competition framework and stakeholder cooperation

Measured cooperation throughout the football pyramid has allowed all the different types of professional football to share in the growth of the game in recent decades, whether it be domestic league football, domestic cup competitions, national team competitions or cross-border club competitions. In Europe, top tier club football enjoyed an 80% increase in revenue between 2010 and 2019, while UEFA member associations recorded a lower but nonetheless healthy 56% increase (principally derived from national team and national cup competition revenues)\*. This has allowed investments in stadiums and training facilities, increases in solidarity down the professional ladder and very significant grassroots investments. In addition, UEFA's not-for-profit association status requires any gains to be redistributed, including to fund non-revenue generating UEFA competitions such as European men's and women's youth championships, which play an important part in the football pyramid. Despite its challenges, the European sports model, which links grassroots and amateur participation with the professional peak, has without doubt grown stronger through cooperation.

### Growth without market cannibalization reflects solidarity and cooperation

The sporting and commercial success of UEFA club competitions is also widely acknowledged, with club distributions increasing by 160% over the last ten years. The streamlining of the UEFA Europa League and the introduction of a third elite men's competition, the UEFA Europa Conference League, in 2021/22 promises wider, longer access to European competition for clubs all over Europe and competition revenues will increase again. The new format for UEFA's men's club competitions from 2024 was approved by the UEFA Executive Committee after extensive consultation with stakeholders, particularly with clubs and leagues. This will provide a stable platform for further commercial growth while keeping domestic league football, the fundamental pillar of competition, untouched.

Structured stakeholder cooperation that reaches compromises but respects red lines: this is what enables the symbiotic growth and development of the game. These proposals do not damage or cannibalise what already exists; they enable genuine commercial growth without compromising domestic football.

### The current level of club competition solidarity

The announcement of the so-called European Super League\*\* is still fresh in everyone's minds, as is the unanimous and resounding uproar, expressed most purely by club supporters and shared by all who appreciate the European sports model. Solidarity is central to the European football pyramid and will be crucial for football to thrive again after this pandemic. Reports of \$10bn in solidarity over 23 years and wildly misleading claims of tripling of solidarity deserve to be put into proper context, even if they may never come to pass.

Annual solidarity from the UEFA Champions League to other competitions and clubs has been €558m per year throughout the 2018-21 cycle. This is comprised of €108m for clubs that do not progress past the qualifying rounds, €32m for clubs knocked out in the UEFA Champions League play-offs, €130m in youth development funding for clubs across Europe that do not qualify for any UEFA competitions, €269m in competition subsidies and assumed costs for the UEFA Europa League and €21m for UEFA that is fed back to national associations across Europe. With commercial contracts almost concluded for the 2021-24 cycle, this solidarity is set to grow significantly from this summer, with an increase of up to €35m in direct solidarity payments to clubs.

Without going into detailed calculations, a modest growth rate of 5% a year (well below historic and current rates) would be expected to generate more than \$28bn in solidarity over 23 years. Needless to say, \$10bn is not three times \$28bn.



# €558m

Annual solidarity and direct subsidies from the UEFA Champions League over the 2018-21 cycle



# \$28bn

Solidarity paid over 23 years under the current system, all things being equal, with 5% annual competition growth

\* Note that there are some overlaps between club and national association revenues, with gross domestic cup prize money typically recorded by national associations and net prize payments also recorded by clubs.

\*\* The so-called European Super League proposal included a 23-year lockdown period, a proposal for \$10bn in solidarity across that period, protected clubs from a handful of countries and a large increase in the number of matches compared with the approved UEFA Champions League format.

## » OPEN ACCESS AND SPORTING EXCELLENCE

### Rewarding domestic sporting success

Beyond direct financial solidarity, supporters fully understand the added value that open UEFA club competitions offer domestic competitions, both in the actual race for European qualification and in the ability for any club and its supporters to dream of such adventures. Likewise, the positive impact of domestic qualification on elite UEFA club competitions should not be underestimated, with the fight for access giving the competitions true authenticity, and a healthy mix of old and new competitors.

The number of clubs involved in elite UEFA club competitions fully underlines the diversity and mix of participants: between 2010 and 2020, 705 different clubs from all 55 UEFA member associations took part in a UEFA Champions League or UEFA Europa League campaign. Sometimes participation was short and sometimes it lasted the whole season, but all those clubs triumphed on the pitch to qualify for a taste of European competition. At the very top of the game, again with open access through domestic competitions, the UEFA Champions League group stages welcomed 142 different clubs from 33 different national associations.

A closed competition would have devastating impacts on European football, from a sporting, emotional and financial perspective. Domestic football, which promotes local rivalries and allows fans everywhere to dream of glory for their local team, would be cut adrift. The sheer variety of teams, cities and countries currently represented on the European stage would be replaced with a small select group. The impact would be so deep it would extend to all levels of the pyramid, negatively affecting the development of players from the grassroots to the apex of the game.

While the idea of the same teams playing each other more often might hold some short-term appeal, the exceptional would quickly become commonplace. European fans understood that and voiced their opposition loudly and clearly.

### Giving with one hand while taking away with many others

In addition to the sporting damage and the sharp reduction in financial solidarity, a closed breakaway league would clearly inflict severe commercial damage on the domestic leagues that are left behind. If the closed-league clubs no longer compete domestically, the value of those domestic rights would clearly suffer from the loss of elite clubs. And if the closed-league clubs continue to compete domestically, the extra workload would require the clubs to increase their squad size and rotate a first and second team in the different competitions. Both this player hoarding, to the detriment of other competing clubs, and the idea of shadow squads being fielded by the closed-league clubs would also significantly damage the commercial value of the domestic leagues.

Replacing the jeopardy of qualifying for different stages of European club competitions with effectively meaningless matches would also cause major damage to the sporting and commercial appeal of domestic league competitions.

Given that the value of TV rights in just the English Premier League, LaLiga and Serie A amount to \$8.5bn a year, the effects of cannibalising that commercial value for any length of time would quickly add up to the many tens of billions. This is before considering the impact on domestic football in the other 52 countries that are locked out or largely excluded, the prize money lost by clubs locked out of the UEFA Champions League, and the domestic cup and national team revenue squeeze.

In short, rather than allowing football to grow and solidarity to increase, a closed breakaway league would destroy value across the whole pyramid; it would be promising to give with one hand while taking away with many others.

A breakaway league cannot be the response to the pandemic. Restoring financial health and growth requires a process of financial discipline, careful management and long-term planning. It is only by respecting the pyramid and the principle of promotion and relegation on sporting merit that European football will be able to continue to grow and generate true solidarity while also fully respecting domestic leagues and without destroying value elsewhere.

## » THE NEED FOR FINANCIAL REGULATION

In late 2019, the UEFA Intelligence Centre started to undertake a predictive modelling exercise including all 55 UEFA member associations and their 700+ top division clubs. The objective of this exercise was to predict the impacts of certain events, such as TV deal collapses, transfer system disruptions, new financial regulations, etc., and the relative exposure of each country and type of club. The pandemic effectively combined many of the individual scenarios foreseen in the models, while also causing some unforeseen developments. However, the existence of the modelling framework, based on a decade of club financial data (150+ line items) and constant monitoring of transfer activity, sponsorship and TV deals, enabled UEFA to quickly identify the likely impact on cashflows, revenues and losses.

This information was forwarded to the UEFA Executive Committee and the COVID-19 working group on financial matters (involving representatives of the ECA, the European Leagues and UEFA) and served to adopt balanced emergency measures to provide clubs with some flexibility, which included:

- » Postponement of the deadline to 31 July 2021 (instead of 30 June) and 30 September 2021 to prove that clubs did not have any overdue payables in respect of transfers, employees and social/tax authorities as a result of obligations due up to 30 June and 30 September respectively.
- » Obligation for all clubs competing in UEFA competitions to report accounts receivable in respect of transfers at 30 June and 30 September to allow cross-checking of information with other clubs' accounts payables.
- » Postponement of the 2020 financial year assessments for one season to allow the 2020 and 2021 financial years to be combined and treated as one single period.
- » Curtailment of the 2020/21 monitoring period to cover only two reporting periods (financial years ending in 2018 and 2019).
- » Extension of the 2021/22 monitoring period to cover four reporting periods (financial years ending in 2018, 2019, 2020 and 2021).
- » Neutralisation of the adverse impact of the pandemic by averaging any combined deficits over 2020 and 2021 and allowing specific pandemic-related adjustments.
- » Extension of the licensing deadline (from 31 March to 30 June 2021) for paying overdue payables that did not exceed 15% of total revenues, subject to presentation of a payment plan.

### The compelling need for financial regulation

It is sobering to consider what would have happened if the pandemic had struck club football in the early 2010s, before clubs finances had so significantly improved. Financial regulation, by UEFA and domestically, has helped to shore up clubs' balance sheets and turn negative cashflows into positive cashflows, improving the credit worthiness of club football and the attractiveness for investors. Stakeholders are unanimous in stating that financial regulations are necessary and urgent\*. However, full agreement has yet to be reached on the precise nature of that regulation, despite the financial fair play rules naturally being adapted from cycle to cycle to reflect changes in the club football landscape.

There is no understating the ongoing financial distress and challenges caused by the pandemic, but it has also created an opportunity for deep stakeholder cooperation to reshape financial and sporting regulations for the future.

The current financial fair play rules, in particular the break-even rule, were not designed to counter the consequences of a global crisis. The break-even rule was designed to tackle overspending and to limit inflationary spikes. Today the challenges are different and the crisis is accelerating trends that had started to emerge in recent years. Many clubs are currently fighting for survival; it is not just about overspending. This is a revenue crisis that urgently requires costs to be brought under control.

Rules are not set in stone and must continuously adapt to new contexts and circumstances. Our rules will need to have a much stronger focus on the present and the future, rather than looking at the past, since the latter does not provide a true and fair representation of the current financial situation. Wages and transfer fees, which are intrinsically connected, represent the majority of football clubs' costs; they must be reduced to acceptable levels.

The solutions are complex and need to be carefully evaluated, also taking into account the large variety of legal and financial frameworks existing across the various national associations. But one thing is sure: it is time to act. Severe situations require strong and swift responses.

\* Only 2% of English club finance directors believe that financial regulation is not necessary. Source: 2020 BDO survey



## SUMMARY STATISTICS



## » SUMMARY STATISTICS



1,432

Matches played after return of  
UEFA club competitions

Read more on page 13.



163,844

Number of tests conducted across  
club and national team competitions

Read more on page 13.



38

Domestic top tier men's leagues  
2019/20 resumed after break

Read more on page 9.



€2bn

Saved TV penalties from  
completing 2019/20 seasons

Read more on page 51.



39

National men's cup competitions  
completed in 2020

Read more on page 88.



23

Domestic top tier women's leagues  
2019/20 resumed after break

Read more on page 84.



## » SUMMARY STATISTICS



€1.9bn

Record revenue increase pre-pandemic (FY2019)

Read more on page 21.



€948m

Second highest operating profit on record pre-pandemic

Read more on page 28.



€10.3bn

Record high positive equity provide some buffer for pandemic

Read more on page 34.



€34bn

Wage commitments signed under non-pandemic conditions

Read more on page 27.



€7.2bn

Best case hole in top-division clubs revenues FY2020&21 (FFP period)

Read more on page 40.



€1.5bn

Additional hole in lower tier professional club revenues FY2020&21

Read more on page 91.



## » SUMMARY STATISTICS



**-39% / -56%**

Lower transfer spend  
summer window / winter window

Read more on page 57.



**210m**

Matchday attendances missed  
so far during pandemic

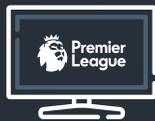
Read more on page 67.



**42 clubs**

Suffered severe financial difficulties  
in 2020 (previous high 34 clubs 2011)

Read more on page 52.



**5.7m**

Record domestic  
Premier League TV audience

Read more on page 94.



**€558m**

Annual 2019–21 UCL solidarity/  
subsidy for rest of pyramid, set to  
increase further for the 2021–24 cycle

Read more on page 102.



**52 clubs**

Record investment interest  
in European clubs

Read more on page 74.



## » APPENDIX

### Data sources and notes

#### Sources for Calendar disruption from the pandemic (chapters 1)

The information presented for the various situations across UEFA's member associations was collected through the club licensing network. All information on the men's top division structures and calendars was provided directly to UEFA by all 55 national associations, before being audited independently by SGS. This information was also verified using several external third-party resources.

#### Sources for Financial review prior to the pandemic (chapters 2)

Unless otherwise stated in the report, footnotes or this appendix, the financial figures used were taken directly from figures submitted by clubs or national associations through UEFA's online financial reporting tool in May and July 2020. These figures relate to the financial year ending in 2019, in most cases the year ending on 31 December 2019. The figures were 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. 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/interpolating the data submitted. Data for 9–15 month periods is not adjusted. In FY2019, the following clubs submitted data that was subsequently adjusted: CD Santa Clara (6months) and FC Zlin (23 months).

#### Sources for Financial impact of the pandemic (chapters 3)

For the purpose of this report, the UEFA Intelligence Centre has built a comprehensive financial model that projects future expected financials for 700+ European top division clubs under robust assumptions. This model builds on latest FY2019 audited financials of 700+ clubs across Europe (presented in Chapter 2) and incorporates FY2020 audited financials of 82 early-reporting clubs (see Page 46), in addition to an extensive range of modelling assumptions (see Page 36).

#### Sources for Transfer Activity during the pandemic (chapters 4)

The presented transfer figures 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.

#### Sources for Wider impact of the pandemic for top-division football (chapters 5)

European league attendances are based on the figures published on [www.european-football-statistics.co.uk/attn.htm](http://www.european-football-statistics.co.uk/attn.htm). These are

supplemented by figures provided directly to UEFA by leagues and national associations. Analyses relying on website traffic statistics are based on the SimilarWeb Traffic Intelligence platform (data retrieved as of December 2020).

European club sponsorship information was extracted directly from figures submitted by clubs or national associations in UEFA's online financial reporting tool in May and July 2019. This information was supplemented by information taken from the websites of different sponsorship partners as well as information collected from clubs' official websites and other UEFA Intelligence Centre partners.

Information on club legal forms and majority shareholders were analysed through the UEFA Intelligence Centre Composite Database covering Club Ownership information collected through the various financial submissions, as explained for chapter 2, accompanied by desk research.

Match results tables from the UEFA Intelligence Centre Composite Database. The database is developed via API Football and internal data feeds covering information, for the purposes of this report, between January 2017 and April 2021

#### Sources for Wider impacts of pandemic disruption across rest of football pyramid (chapters 6)

The information presented for the various situations across UEFA's member associations was collected through the club licensing network. All information on the men's top division structures and calendars was provided directly to UEFA by all 55 national associations, before being audited independently by SGS. This information was also verified using several external third-party resources. Participation figures were submitted by the various UEFA Member Associations as part of the overarching GRASS Survey updated annually. This survey aims to provide UEFA and national associations with important data, trends and insights to help us make informed decisions to develop our sport.

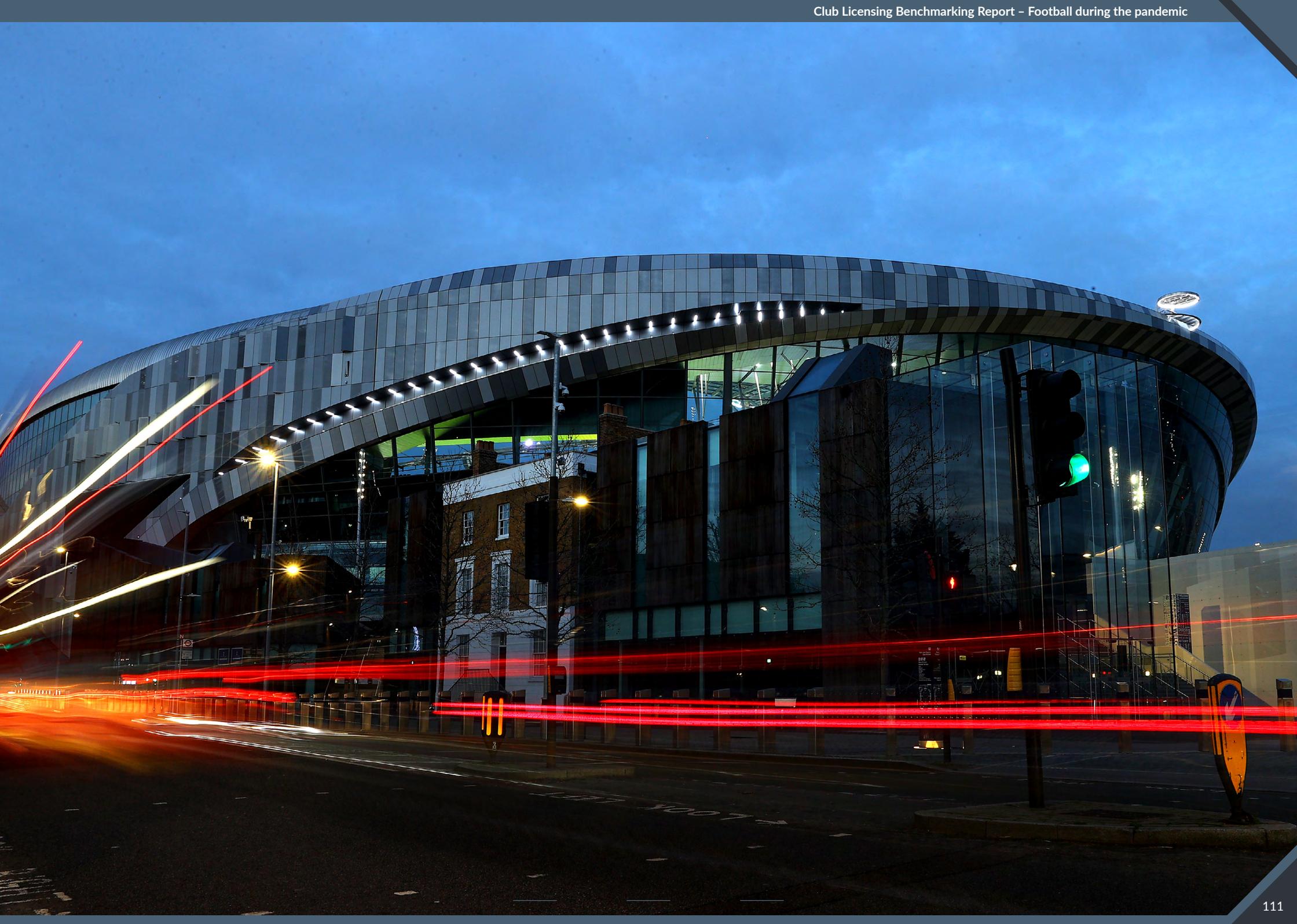
#### Sources for The shape of the game post-pandemic (chapters 7)

The information presented on sponsorship restrictions and insolvency proceedings was collected through the club licensing network, provided directly to UEFA by all 55 national associations, before being audited independently by SGS. Other information presented in this chapter was taken directly from information submitted by clubs as indicated in sources for chapter 2.

#### Currency rates applied throughout the report (euro exchange rates)

Where necessary, all club financial data was 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 2019 GBP:EUR exchange rate for English clubs with a May year end was 1.1357; for clubs with a June year end, it was 1.1344. A full list of all the exchange rates used for FY2019 can be found below.

Country	Year-End	Common Year-End or Various	Currency	Average Rate Applied
ALB	12	Common	LEK	0,0081
AND	12	Common	€	1,0000
ARM	12	Common	DRAM	0,0019
AUT	6	Common	€	1,0000
AZE	12	Common	MANAT	0,5250
BEL	6 / 12	Various	€	1,0000
BIH	12	Common	MARK	0,5113
BLR	12	Common	BYR	0,4266
BUL	12	Common	LEV	0,5113
CRO	12	Common	KUNA	0,1348
CYP	5 / 6	Various	€	1,0000
CZE	6 / 12	Various	Kroner	0,0389 / 0,0390
DEN	6 / 12	Various	KRONE	0,1340 / 0,1339
ENG	5 / 6	Various	GBP	1,1357 / 1,1344
ESP	6	Common	€	1,0000
EST	12	Common	€	1,0000
FIN	11 / 12	Various	€	1,0000
FRA	6 / 12	Various	€	1,0000
FRO	12	Common	KRONE	0,1339
GEO	12	Common	LARI	0,3181
GER	6 / 12	Various	€	1,0000
GIB	3 / 12	Various	GIP	1,1340 / 1,1404
GRE	6 / 12	Various	€	1,0000
HUN	12	Common	FORINT	0,0031
IRL	11	Common	€	1,0000
ISL	12	Common	KRONA	0,0073
ISR	5	Common	SHEKEL	0,2399
ITA	6 / 12	Various	€	1,0000
KAZ	12	Common	TENGE	0,0023
KOS	12	Common	€	1,0000
LIE	6 / 12	Various	CHF	0,8813 / 0,8990
LTU	12	Common	€	1,0000
LUX	12	Common	€	1,0000
LVA	12	Common	€	1,0000
MDA	12	Common	LEU	0,0511
MKD	12	Common	Denar	0,0163
MLT	12	Common	€	1,0000
MNE	6 / 12	Various	€	1,0000
NED	6	Common	€	1,0000
NIR	4 / 5 / 12	Various	GBP	1,1351 / 1,1357 / 1,1404
NOR	12	Common	KRONER	0,1016
POL	6 / 12	Various	ZLOTY	0,2327 / 0,2107
POR	6	Common	€	1,0000
ROU	12	Common	LEU	0,2107
RUS	12	Common	ROUBLE	0,0138
SCO	5 / 6 / 7	Various	GBP	1,1357 / 1,1344 / 1,1332
SMR	6	Common	€	1,0000
SRB	6 / 12	Various	DINAR	0,0085 / 0,0085
SUI	6 / 12	Various	CHF	0,8813 / 0,8990
SVK	12	Common	€	1,0000
SVN	12	Common	€	1,0000
SWE	12	Common	SEK	0,0977
TUR	5 / 12	Various	LIRA	0,1598 / 0,1575
UKR	12	Common	HRVYVNIA	0,0345
WAL	5 / 6 / 11 / 12	Various	GBP	1,1357 / 1,344 / 1,1349 / 1,1404





Production  
Financial Sustainability & Research Division / UEFA Intelligence Centre

Enquiries  
Enquiries to be addressed to [intelligencecentre@uefa.ch](mailto:intelligencecentre@uefa.ch)

UEFA  
Route de Genève 46  
CH-1260 Nyon 2  
Switzerland

