



News release

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European football market exceeds €25 billion for the first time as the 'big five' leagues continue to drive growth

- The European football market generated €25.5bn in revenues in the 2016/17 season, according to Deloitte's Annual Review of Football Finance
- The 27th edition covers all of the 'big five' European leagues in detail with further insight into others across Europe;
- The 'big five' European leagues generated a record €14.7bn in revenue in 2016/17, a 9% increase from the previous year;
- The German Bundesliga remains the best attended European league, with average crowds of over 44,000;
- Broadcasting rights values continue to drive the growth, with new cycles in England, Spain and France significantly boosting financial returns for top-flight clubs;
- In revenue terms, the Premier League is 86% larger than its nearest competitor, Spain's La Liga, which is now the second-biggest league in Europe, usurping the Bundesliga;
- Changes to UEFA's competition entry criteria will help Italy grow in the future whilst announcement of new broadcast arrangement in France provides confidence for medium term growth in Ligue 1.

The European football market has exceeded €25bn in revenue for the first time, according to the 27th Annual Review of Football Finance from the Sports Business Group at Deloitte. The 4% increase from 2015/16 was predominantly driven by the 'big five' European leagues, which saw combined revenues grow by €1.3bn (9%) to €14.7bn in 2016/17. Growth was not restricted to those biggest leagues, however, with non-big five leagues also seeing revenue increases, but at an inferior rate to that seen in England, France, Germany, Italy and Spain.

Spain's La Liga is now the second biggest league in the world, in revenue terms, following its move to a collective selling arrangement for broadcasting rights, which has had a significant impact on revenue.

In addition, Deloitte found that the growth in revenue of the 'big five' leagues has translated into improved levels of profitability with the Premier League, Bundesliga and La Liga all reporting collective operating profits in excess of €300m for the first time ever.

Dan Jones, Partner and Head of the Sports Business Group at Deloitte, commented: "Encouragingly, the financial position of European football has never been healthier, and we expect to see continued

growth and interest across Europe's leagues in the years to come. Not only does this financial success reflect the global popularity of football, but also the professionalism of leading clubs and the strength of the regulatory environment in which they operate.

"The fact that Spain's La Liga has been able to challenge the financial position of the Bundesliga, which has held second place, in revenue terms, for over a decade is testament to the wide range of changes that have been implemented over the last few years. The challenge now will be whether they can close the gap with the Premier League, which remains the clear market leader."

Premier League clubs remained well ahead of the competition in revenue terms, having generated a combined €5.3bn in revenue in 2016/17, up from €4.9bn in 2015/16. The English top flight is now 86% larger than Spain's La Liga, and its new broadcast rights cycle saw all Premier League clubs generate a record revenue figure.

Whilst the Bundesliga has fallen just below La Liga in revenue terms, the perennially impressive commercial performance of German clubs provides the Bundesliga with the platform from which it will likely regain second spot in the near future. Improved broadcasting arrangements, both domestically and internationally, will generate a reported average uplift of €1.4bn in revenue for the top two divisions in Germany from 2017/18.

Italy's Serie A clubs exceeded €2bn in combined revenues for the first time, growing 8%, this was in no small part due to the growth in revenue of one club, Internazionale. The Italian clubs are set to be the main beneficiaries of changes to the qualification criteria for UEFA competitions with four clubs guaranteed a position in the Group Stage of the UEFA Champions League from 2018/19 and with improved broadcasting arrangements in place from the same season, Italian clubs can expect a financial windfall.

Despite France's Ligue 1 remaining the lowest revenue-generating league of the 'big five', French clubs have seen collective revenue grow at a faster rate than in previous years, primarily due to the start of new domestic broadcasting arrangements. The recent news that a new arrangement had been agreed with Mediapro for the period 2020/21 to 2023/24 will provide confidence for the medium term financial growth of Ligue 1.

Beyond the big five

Beyond the 'big five' European football leagues, Turkey's Süper Lig (€734m) and Russia's Premier League (€701m) are the next largest in Europe. The FIFA World Cup Finals in Russia, which start next week, will likely have an influence on the European football market over the next two years, initially through revenue directly associated with the tournament itself, and, to a lesser extent the indirect legacy uplifts for Russian football.

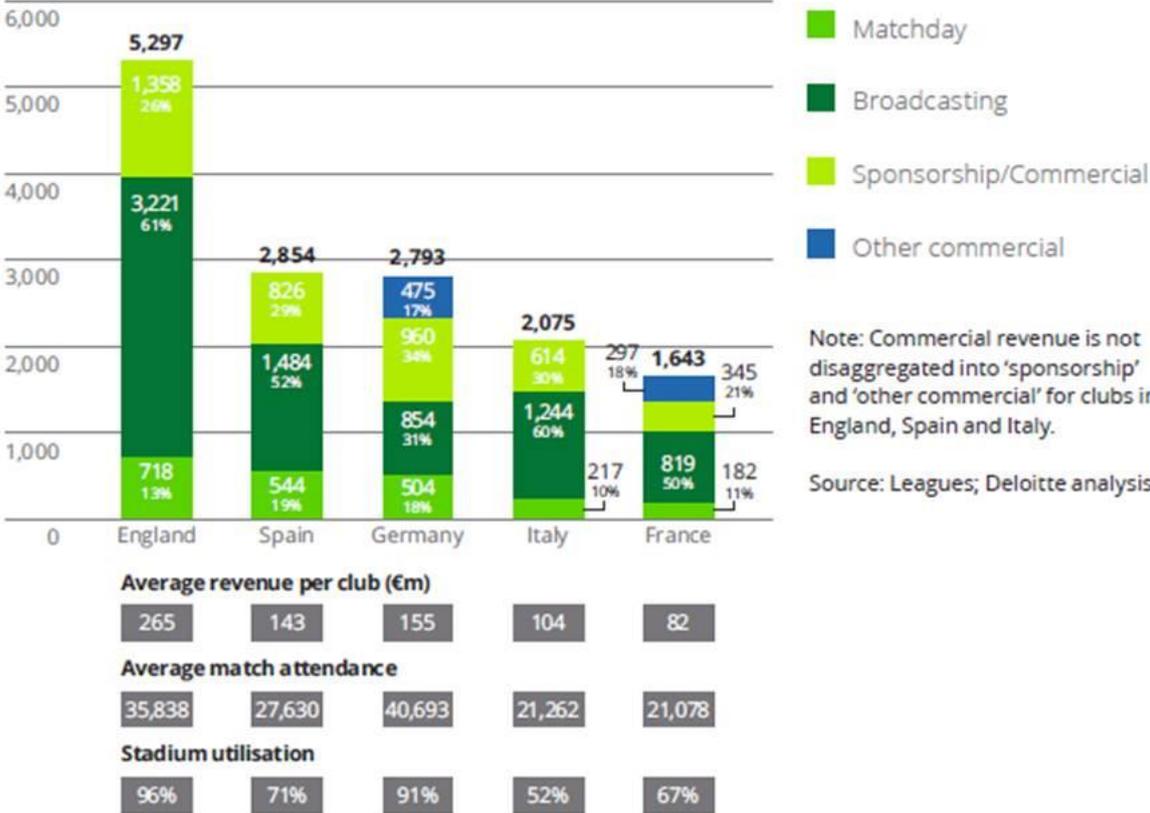
Tim Bridge, a Director in the Sports Business Group added: "Despite these potential increases, it is unlikely that the Russian Premier League will close the gap, in revenue terms, with the 'big five' in the near future. We are far away from talking about a 'big six' of European football.

“The upcoming FIFA World Cup will however provide players with the opportunity to perform on the highest possible stage and we expect to see significant movement in this year’s player transfer market with clubs remaining keen to acquire the best possible playing talent. It may well be that this summer’s transfer window marks another record in terms of the amounts spent by clubs acquiring players.”

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Notes to Editors:

Chart: ‘Big five’ European league clubs’ revenue – 2016/17 (€m)



Exchange rate

The average exchange rate for the year ending 30 June 2017 has been used to convert figures between euros and pounds sterling (£1 = €1.16).

Wage costs

Wage costs cover all employees (including players, technical and administrative employees) and include wages, salaries, signing-on fees, bonuses, termination payments, social security contributions and other employee benefit expenses.

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