

Germany

Bundesliga clubs collectively maintained their strong overall revenue growth, primarily through an increase in commercial revenues, up 15% from 2015/16 to €1.4 billion representing almost 75% more than generated by La Liga, as their traditional strength in this area shone through.

Whilst 2016/17 saw the Bundesliga temporarily slip below La Liga in revenue terms, the perennially impressive commercial performance of German clubs (9% ten-year CAGR) provides a strong platform on which the new domestic and international broadcast rights cycle looks set to deliver a further revenue boost in 2017/18.

Reported figures suggest that the top two German divisions combined will generate an average of €1.4 billion per season over the four year broadcast rights cycle to 2020/21, and see the Bundesliga return to its position as the second-highest revenue generating league in the world.

Bundesliga clubs increased their wage bill by 10% to €1.5 billion.

The Bundesliga still have the lowest wages/revenue ratio (53%) of any of the 'big five' leagues, but this increased during the year amid limited revenue growth.

Bayern Munich continued to dominate on the pitch, becoming the first team to win five consecutive Bundesliga titles, as their wage costs of €265m reached almost €100m more than those of second-highest wage spenders Borussia Dortmund.

Bundesliga clubs generated a record aggregate operating profit of €343m in 2016/17, a 21% increase on 2015/16 (€284m) maintaining the financial prudence which has delivered combined operating profit in each of the last 20 years.

In March 2018 Bundesliga clubs voted to retain the '50+1 rule' which stipulates that members of a club maintain the majority stake, and voting rights, in the club and has contributed significantly to their stability.

However, due to the limit on significant investments, Bundesliga clubs may need to find alternative methods of generating revenue, enhancing the need for clubs to innovate as they look to develop their international brand and seek commercial partnerships

Despite a fall in attendances following the relegation of VfB Stuttgart and Hannover 96, the Bundesliga remained the best-supported football league in the world, with average attendances of 40,700, still 14% higher than the Premier League, the next highest-attended.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *"The Bundesliga's new, four-year domestic and international broadcast rights deals, which commenced in the 2017/18 season, is likely to help Bundesliga revenues exceed €3 billion, re-confirming its position as the second highest revenue generating football league in the world in the next edition of the Annual Review of Football Finance."*

Spain

The success of La Liga's collective sales approach has been such that broadcast revenue growth of 20%, following on from 26% growth in the 2015/16 season, has seen collective La Liga revenues increase to record €2.9 billion in 2016/17. As a result, the Spanish league has overtaken the Bundesliga to be the second highest revenue-generating league in the world.

As 2016/17 saw the first results of the new full three-year collective rights sales deliver increased broadcast revenues, La Liga publicly stated its desire to close the current revenue gap to the Premier League. As such, it has looked to develop and innovate on a worldwide scale.

La Liga's international expansion, through the 'La Liga Global Network' launched in 2017, has the objectives of boosting the value of international media rights, engaging new followers of Spanish football, and generating commercial opportunities for both the league and its clubs.

As clubs reinvested the additional revenue generated from the collective sale of broadcast rights, clubs in La Liga consolidated their position as the second-highest wage spenders of Europe's 'big five' leagues in the 2016/17 season.

Wages increased by 14% to almost €1.7 billion, the fastest growth of any of the 'big five' leagues for the second year running. Real Madrid and FC Barcelona accounted for almost half (47%) of all wage spend, each spending nearly 30 times more than the lowest-spenders, Leganes.

Despite this recent period of rapidly increased wage spending, La Liga's wages/revenue ratio fell by two percentage points to 59% in 2016/17, highlighting the scale of growth in clubs' revenue and the success of financial regulations implemented by the Spanish governing bodies.

After a recent concerted effort by both La Liga and its clubs in recent years to operate in a more financially sustainable manner, the combined profitability of clubs was maintained in 2016/17. La Liga clubs recorded an aggregate operating profit of €437m (up from €397m).

The introduction and monitoring of robust financial controls by La Liga over recent seasons, coupled with the potential for continued revenue growth has given Spanish clubs the platform from which sustained operating profits may be consistently achieved.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *"The success of La Liga's collective sales approach to broadcast rights has seen the Spanish league overtake the Bundesliga to become the world's second highest revenue generating league in 2016/17. La Liga, and its clubs, are looking to increase their global reach as they attempt to maximise revenues and close the gap to Premier League and we expect the Spanish league to be the fastest growing in Europe in the short to mid-term."*

Italy

2016/17 saw Serie A revenues grow by 8% to over €2 billion for the first time. The majority of this growth came from commercial sources, with revenue increasing by €91m (17%) on 2015/16, a remarkable €75m (over 80%) of which was solely attributable to Internazionale.

Aggregate Serie A revenues are expected to grow, with the commencement of new UEFA broadcast deals and changes to UEFA Champions League qualification criteria, guaranteeing four Serie A clubs will compete in the Group stages of the competition, hence increasing UEFA distributions from the 2018/19 season.

In addition, 2018/19 will also mark the start of a new international broadcast rights cycle for Serie A, delivering growth of around 80% on the existing deal, to a reported €340m per annum. Despite such growth, the value of Serie A international broadcast rights remain comfortably less than those of the Premier League and La Liga.

Serie A's wages/revenue ratio reduced from 70% to 67% in 2016/17, it's lowest level since the 2005/06 season, but remained the highest ratio across the 'big five' leagues.

Wage costs grew 3% to €1.4 billion, dominated by Internazionale's 22% increase in wage spending.

Juventus' wage spend increased 19% to €262m, over 25 times larger than that of Crotona, who at €10.3m had the lowest wage spend of any club across Europe's 'big five' leagues.

2016/17 saw Italian clubs record a combined operating loss (€26m) as Serie A's financial performance and sustainability continues to gradually improve.

With Serie A revenue set to benefit from upcoming changes to the UEFA competition structure and the start of a new domestic broadcast rights cycle, Italian clubs will hope to deliver an aggregate operating profit in the near future.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *"Domestically, there is no foreseeable 'step change' in revenue on the horizon for Italian Clubs. However, the change in UEFA competition formats from the 2018/19 season will see an extra two Italian clubs guaranteed Champions League Group Stage places, which should bring with it significantly increased distributions to Serie A clubs."*

France

France's Ligue 1 remained the lowest revenue-generating of Europe's 'big five' leagues, at €1.6 billion in 2016/17, despite entering a new four-year domestic broadcast rights cycle.

The 2016/17 to 2019/20 domestic cycle increased revenues by over 20% to a reported €738m per season, yet this still only represented c.40% of the value of the domestic rights for the Premier League. Given the contribution of broadcast revenues to European football clubs' total revenue, this relatively low value will see Ligue 1 fall further behind the other 'big five' European leagues in revenue terms.

Whilst remaining the lowest revenue generating of the 'big five' leagues, Ligue 1 clubs' collective revenues have grown at a faster rate from 2015/16 to 2016/17 than in previous years, primarily due to the start a new four-year domestic broadcast rights cycle. The international rights cycle commencing in 2018/19 is expected to deliver a less significant revenue increase.

Recent external investment in a number of French clubs is hoped to stimulate an increased level of competitiveness and in turn, commercial attractiveness, to Ligue 1, as it looks to keep pace with the revenue growth of other 'big five' leagues.

The recent announcement of a new broadcasting rights arrangement with Mediapro covering the period 2020/21 to 2023/24 provides confidence about the medium term financial growth of Ligue 1.

Wage spending in Ligue 1 grew by 6% to almost €1.1 billion in 2016/17, as increased broadcast revenues were reinvested into playing squads. However, the French league's wages to revenue ratio fell by three percentage points to 66%, as only 37% of revenue growth was spent on wages.

Despite a reduction in wages costs of 7% in 2016/17, PSG remain the largest spenders in France. The impact of the acquisition of Neymar Jr., and the Parisian club's other transfer activity in the summer of 2017 is likely to see wage costs increase substantially in 2017/18.

Ligue 1 reported an operating loss (€51m) in 2016/17, despite the additional revenues delivered by the new four-year domestic broadcast rights cycle and increased UEFA distributions arising from AS Monaco's strong UEFA Champions League campaign.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *"The combined impact of a new four-year domestic broadcast rights deal and AS Monaco's run to the 2016/17 UEFA Champions League semi-final, was not enough to see Ligue 1 clubs record an operating profit, as they recorded an aggregate operating loss of €51m. The wage cost impact of Paris Saint Germain's record signing of Neymar and other transfer activity, coupled with a failure to replicate the UEFA competition success in 2017/18, is likely to see losses increase in the next edition of our Annual Review of Football Finance."*