

“Annual Review of Football Finance 2015” - country specific comment

Germany

- The Bundesliga enjoyed an eighth consecutive year of revenue growth, with total revenue rising 13% (€257m) to €2,275m, consolidating second place amongst the ‘big five’ European leagues.
- The 16% (€147m) increase in sponsorship and commercial revenue represented almost 60% of this revenue growth in 2013/14, once again demonstrating the strength of the country’s corporate market. Another key driver was the new domestic broadcast rights contracts for the Bundesliga 1 and Bundesliga 2, collectively worth over 50% more than the value of the previous rights deals.
- Bundesliga attendances were once again the highest of any European league, averaging more than 42,600 people per game with a stadium utilisation of over 90%. On the back of this slight increase, matchday revenue rose by 3% (€13m) to €482m.
- The continued financial control shown by Bundesliga clubs – in part a result of the licensing system implemented by the league – saw the wages/revenue ratio fall below 50% for the first time since 2006/07. 13 of the 18 Bundesliga clubs were operationally profitable and together with the Premier League, it remains the only ‘big five’ league to report an operating profit, down 5% (€14m) to €250m in 2013/14.

Dan Jones, Partner in the Sports Business Group at Deloitte, said: *“The Bundesliga remains the only ‘big five’ league where commercial revenue, as opposed to broadcast, is the largest contributor to total revenues. However, despite the new broadcast rights deals, the value of the Bundesliga 1’s domestic broadcast rights remain the lowest across the ‘big five’ leagues.”*

Spain

- La Liga clubs collectively grew revenue by €65m (3%) to €1,933m in 2013/14, but all of this revenue growth was attributable to the two Madrid clubs, with the other 18 clubs’ aggregate revenues down on the prior year. Total broadcast revenue for the league rose by €40m (4%) to €949m, although this was entirely driven by an increase in UEFA distributions as both major European club competitions were won by Spanish clubs.
- Domestically, the individual selling regime for broadcast rights continued to distort the financial landscape within La Liga. This existing sales method has resulted in a confused matchday schedule and is one reason behind the €14m (3%) decline in matchday revenue in 2013/14, along with the more pressing matter of relatively poor facilities and lack of ‘matchday experience’ outside the higher profile clubs.
- La Liga’s commercial revenue grew by €39m (7%), with Real Madrid and Barcelona together accounting for approximately 70% of the league’s total commercial revenue of €596m.

- In contrast to the other 'big five' European leagues, a 9% (€98m) increase in wage costs to €1,161m outstripped the rise in total revenue, with the wages/revenue ratio increasing to 60% in 2013/14. Whilst wage costs for the 'big two' Spanish clubs grew less than revenues, many of the other clubs recorded a sizeable increase in wages in excess of revenue growth.

Dan Jones, Partner in the Sports Business Group at Deloitte, said: *“Despite the emergence of Atlético Madrid as a worthy on-pitch challenger to the Barcelona – Real Madrid duopoly in 2013/14, the financial disparity within the league remains: the average total revenue for the ‘big two’ Spanish clubs exceeded €500m, compared to €170m for Atletico and on average just €43m for the other 17 clubs. The collective sale of domestic broadcast rights from 2016/17 and a more equal distribution of broadcast revenues will be an important step to reduce this revenue disparity and encourage financial stability.”*

Italy

- A marginal €22m (1%) increase in total revenue to €1,699m in 2013/14 masked significant movements in the financial performance of Italy's more illustrious clubs, which were all greatly impacted by the extent of their participation in European competition.
- Broadcast revenue declined by €5m (1%) yet still represented 59% of total Serie A revenue, the largest contribution by a single revenue stream across the 'big five' leagues.
- Matchday revenue for Serie A grew by €9m (5%), driven by the more successful clubs, notably those participating in European competitions. Low matchday revenue – less than half that generated by La Liga clubs – has long been a problem for Italian football, a manifestation of the poor matchday experience and continued challenging domestic economic climate. Revenue from commercial sources grew by €18m (4%) to €508m, the lowest of the 'big five' leagues. Commercial revenue growth is inextricably linked to the quality of the matchday experience, as well as the strength and appeal of clubs on both a domestic and international level.
- Total wage costs of the top 20 Italian clubs were virtually unchanged in 2013/14 at €1,186m, although this masks significant movements at a handful of clubs. Serie A's wages/revenue ratio remains the highest amongst the 'big five' European leagues for the sixth successive year, despite falling once percentage point to 70%.

Dan Jones, Partner in the Sports Business Group at Deloitte, said: *“At just over €1 billion, broadcast revenues for Serie A clubs were the second highest across Europe in 2013/14. However, a lack of commercial development, coupled with the poor matchday experience and wider economic climate, is seeing the leading Italian clubs fall further behind their European counterparts. A number of the higher-profile clubs have announced intentions to develop new, or renovate existing, stadia, which will be vital in growing both matchday and commercial revenues in the future.”*

France

- Total revenue for Ligue 1 grew by €201m (15%) to almost €1.5 billion in 2013/14, led by Paris Saint-Germain's revenue growth of €75m. Total revenue from sponsorship and other commercial sources rose by €223m (42%), driven by the commercial revenues of PSG and Monaco.

- Ligue 1's broadcast revenue fell by €27m (4%) to €605m in 2013/14, mainly due to the €12m decrease in UEFA distributions as Lyon's early exit from the Champions League meant only two French teams competed in the group stages of the competition.
- The wages/revenue ratio for Ligue 1 fell to 64%, its lowest level since 2006/07 even though wage costs increased by €97m (11%) to €959m. This growth in wages was entirely driven by two clubs, PSG and Monaco, who together accounted for over one third of total wages costs for the league. Operating losses increased significantly in 2013/14, by €137m to €140m, the highest level ever recorded by the French top flight.

Dan Jones, Partner in the Sports Business Group at Deloitte, said: *"Looking to the future, hosting UEFA Euro 2016 creates a great opportunity for further increases in league attendances can be expected as clubs are able to offer more modern facilities and an improved matchday experience for fans."*