

## Germany

The Bundesliga's two year international broadcast rights deal, which began in 2015/16, and the impact of the new three-year UEFA broadcast rights cycle, helped drive combined revenue growth of €320m (13%) for clubs in the German top division. Increases in broadcast revenues totalled €202m, representing 63% of total revenue growth.

The Bundesliga remained the best-supported football league in the world, with average attendances of almost 42,500, down marginally on 2014/15 but still 16% higher than the Premier League, the next highest-attended.

Sponsorship and other commercial revenues grew by €111m (10%), to €1.3 billion – second only to Premier League clubs' €1.5 billion – and represented 47% of total Bundesliga revenue (2014/15: 47%).

Bundesliga clubs' wage costs increased by €95m (8%), to €1.3 billion, and the division's wages to revenue ratio fell by three percentage points to 49%. This is only the third time in the past decade that any of Europe's 'big five' leagues have spent less than half of their revenue on wages; on all three occasions the feat has been achieved by the Bundesliga.

Clubs' operating profits reduced by €32m (10%) compared with 2014/15, but at €284m still averaged €16m per club. The Bundesliga was a net exporter of playing talent in the 2015/16 season, recording net receipts on transfers of €21m (one of only two of the 'big five' leagues to achieve this), and 16 of the 18 clubs generated a net profit after tax, up from 11 in 2014/15.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *"The Bundesliga's new, four-year domestic and international broadcast rights deals, which start in the 2017/18 season, will deliver total broadcast revenue growth of around 75% to clubs over the cycle. With continued growth in sponsorship and commercial revenue, this is likely to help Bundesliga revenues exceed €3 billion in 2017/18, and re-confirm its position as the second highest revenue generating football league in the world."*

## Spain

La Liga clubs grew revenues by 19% in the 2015/16 season, the fastest growth rate of any of Europe's 'big five' leagues. Combined revenues of €2.4 billion represented a new record for La Liga, driven primarily by substantial increases in broadcast rights values.

The one year transitional collective sales model, in place in 2015/16 before a three-year collective rights deal commenced in 2016/17, coupled with an increase in UEFA distributions for participating clubs, resulted in total broadcast revenue growth of €257m (67% of total revenue growth) to €1.2 billion. Real Madrid and Barcelona continue to lead the way in terms of broadcast – and total – revenue in Spain, but the average broadcast revenue of the other 18 clubs in 2015/16 was almost €45m – a 39% increase on 2014/15.

Combined matchday revenues increased by €65m (15%) to €500m, helped by changes in fixture scheduling and kick-off times, intended to make matches more accessible to fans. Average attendances increased by 7% to over 27,500, with stadium capacity utilisation of 76%, five percentage points higher than in 2014/15.

La Liga clubs grew commercial revenues by €62m (10%), to €705m, still less than half the commercial revenue generated by clubs in the Premier League.

The scale of revenue growth, coupled with relative restraint in wage expenditure (a €196m increase in wage costs represented just 51% of total revenue growth), resulted in La Liga operating profits increasing by €137m (53%) to €397m, overtaking the Bundesliga as the second most profitable of Europe's 'big five' leagues, behind the Premier League.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *“The impact of a move to collective selling of broadcast rights in La Liga is plain to see. Clubs' combined revenues and profitability increased faster than in any of the other 'big five' leagues, and with a new three-year broadcast deal starting in 2016/17, delivering further uplifts in rights values, we expect to see La Liga overtake the Bundesliga – albeit briefly – as the world's second highest revenue generating league in next year's Annual Review of Football Finance.”*

## Italy

Clubs in Italy's Serie A grew revenues by €127m (7%) in the 2015/16 season, to €1.9 billion, driven by increases in broadcast and commercial revenues.

A new six-year media rights advisory relationship with Infront Sports and Media commenced in the 2015/16 season, and helped deliver total broadcast revenue growth of €75m (7%) to Serie A clubs. The new UEFA broadcast rights cycle resulted in a €22m increase in distributions to Italian clubs, despite Juventus being unable to match their previous season's run to the UEFA Champions League final. AS Roma's run to the round of 16 resulted in a €40m increase in broadcast revenue and helped them record the largest year-on-year absolute revenue growth of any Serie A club.

Clubs' combined commercial revenues increased by €58m (12%) compared with 2014/15, to €523m. Juventus – who changed kit suppliers from Nike to adidas, and signed a six-year extension with shirt sponsors Jeep from the 2015/16 season – were responsible for just under half of this (€28m).

Serie A's matchday revenues fell by 3% to €204m (just 11% of total revenue), and were less than a quarter of those generated by Premier League clubs, with average attendances increasing marginally (less than 1%) to 21,680. Investment in stadia and facilities, in order to provide a more positive and enjoyable matchday experience for fans, remains a key strategic imperative for Serie A clubs if they wish to close the revenue gap to clubs in England, Germany and Spain.

Wage cost growth, of just 3%, was the lowest of any of the 'big five' leagues, helping Serie A clubs reduce their aggregate operating losses by 71% to €38m (2014/15: €133m). Although undoubtedly a positive development, this may illustrate Serie A clubs inability, rather than their unwillingness, to compete with their European rivals to attract the best playing talent in financial terms.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented *"Serie A's media rights advisory relationship has enabled clubs to increase broadcast revenues, but the scale and length of the deal – which runs to the end of the 2020/21 season – makes it difficult to foresee any 'step-changes' in revenue in the coming seasons. With new broadcast rights deals commencing in England, France, Germany and Spain between now and then, all delivering substantial uplifts in rights values, Italian clubs will face a difficult challenge in maintaining competitiveness with their continental peers."*

## France

France's Ligue 1 remained the lowest revenue generating league of Europe's 'big five' in the 2015/16 season, with total revenue of €1.5 billion less than one-third of that generated by Premier League clubs. Revenue growth of €67m (5%) was the lowest of any of the 'big five' leagues.

Broadcast revenue of €656m represented 44% of total revenue (2014/15: €628m, 44%), with growth driven almost exclusively by an increase in UEFA distributions to clubs participating in UEFA competitions, despite only one French club (Paris Saint-Germain) reaching the UEFA Champions League quarter finals in 2015/16 (2014/15: two clubs).

Sponsorship and other commercial revenues totalled €665m, up €40m (6%) from 2014/15. PSG (€305m) generated 46% of the division's total sponsorship and other commercial revenue, more than six times the next-highest revenue generating club from this source, Olympique Lyonnais (€49m).

Matchday revenues, which had grown considerably over the three years from 2011/12 to 2014/15 as a raft of stadium developments were completed prior to Euro 2016, fell marginally to €164m. Olympique de Marseille, France's best-supported club in 2014/15, suffered a disappointing domestic season in 2015/16, finishing 13<sup>th</sup> in Ligue 1, with average attendances falling by 11,000 and matchday revenue reducing by €2m, despite four additional home matches arising from their participation in the UEFA Europa League.

A €65m (7%) increase in combined wage costs resulted in Ligue 1 clubs' aggregate operating losses increasing by €63m, to €98m, the highest operating loss of any of Europe's 'big five' leagues.

Dan Jones, Partner in the Sports Business Group at Deloitte, commented "*Ligue 1 clubs operating losses increased again in the 2015/16 season, but the combined impact of a new four-year domestic broadcast rights deal, estimated to deliver a revenue uplift of around €130m and AS Monaco's run to the 2016/17 UEFA Champions League semi-final, should see a significant reduction in losses reported in next year's Annual Review of Football Finance.*"