**Top 20 key findings and trends identified in this year’s European Club Footballing Landscape report**

**“*This detailed report shows that the positive revenue, investment and profitability trends identified in last year’s report are continuing. Clubs are generating revenue but they are also investing in assets and infrastructure, thanks in a large part to UEFA’s financial fair play regulations. For the first time, club investments in stadiums and other long-term fixed assets exceeded €1bn in 2016. It is therefore perhaps not surprising that an increasing number of national associations and leagues, both inside and outside Europe, are starting to implement their own versions of financial fair play.”***

*Aleksander Čeferin, UEFA President*

The underlying health of European club football is documented in the report:

1. The 700 top-division clubs together are generating year-on-year revenue growth of almost 10%. You need to go back to 2002 to find a faster rate of growth in European club revenues.
2. In recent years (2010 to 2016), European club football has become less reliant on donations/grants and other one-off revenues (down 12%), with gate receipts up 7%, sponsorship and commercial revenue up 59%, TV revenue up 64%, transfer income up 105%, and UEFA prize money and solidarity payments up 106%.
3. Despite wages growing at the fastest rate since 2010, clubs reported the highest operating profits (before transfers) in history of more than €800m in 2016.
4. Bottom-line losses after transfers, financing and tax decreased to €269m in 2016 – this is less than one-sixth of the club losses recorded prior to the introduction of financial fair play.
5. A record 26 leagues generated profits in 2016 (as an aggregate of the clubs’ results in each league) – this could be said of just 9 leagues in 2011, prior to the introduction of financial fair play.
6. Net debt continues to fall, from 65% of revenue before the introduction of financial fair play in 2011 to 40% in 2015 and down to 35% in 2016. Conversely, club net assets have doubled during this period.

***“The data from this report and other research from our new intelligence centre helps inform our decision-making. Once more, we cannot help but note that the polarisation of commercial and sponsorship revenues between the top tier of clubs and the rest is accelerating. As the guardians of the game, UEFA must ensure that football remains competitive even as financial gaps are augmented by globalisation and technological change.”***

*Aleksander Čeferin, UEFA President*

The report builds on those of previous years, setting discussions about competitive balance in context by documenting the different aspects of financial polarisation:

1. The wide disparity in TV revenues continues to be the main differentiating factor between leagues, with TV deals in the ‘big 6’ leagues generating 11 times the revenue of those in the other 48. The equivalent difference in UEFA competition distributions is less than two to one.
2. The TV distribution model applied within each league continues to have a significant impact on competitive balance within leagues and between Europe’s biggest clubs, with in-league differences in high to median TV revenue ranging from 1.3x in the English Premier League to 4.1x in Spain’s La Liga and 14.9x in the Portuguese Primeira Liga.
3. Clubs’ ability to leverage their brands is the single most important differentiating factor between the top dozen clubs and the rest. Looking back across the last two business cycles (2010 to 2016), the 12 largest and most global clubs have generated an extraordinary €1.58bn increase in income from their sponsorship deals and commercial activities. This compares with increases of just €700m for the rest of Europe’s top-division clubs combined.
4. Sponsorship and commercial income accounts for more than half (55%) of those global clubs’ revenue growth between 2010 and 2016. By contrast, domestic league TV deals have generated 86% of all revenue increases for the middle-sized and smaller clubs from the ‘big 6’ TV markets. Elsewhere, for clubs outside the ‘big 6’ TV markets, UEFA prize money and solidarity payments are responsible for 50% of all revenue increases.

***“While the game remains essentially the same on the pitch, it continues to change significantly off the pitch, making it essential that we at UEFA and our stakeholders continue to remain vigilant and true to our values.”***

*Aleksander Čeferin, UEFA President*

1. Across the ‘top 15’ European leagues there have been 40 clubs taken over by foreign investors since 2010, with China the most active in the last two seasons. Since 2016 more than 70% of all foreign takeovers in the ‘top 15’ leagues have involved Chinese investors. In this period, Chinese owners have taken over clubs in the English Premier League and Championship, Italy’s Serie A, France’s Ligue 1, Spain’s La Liga and the Netherland’s Eredivisie.
2. The English Premier League (65%) and Championship (58%) continue to top the list in terms of foreign club ownership, significantly more than the third highest level of foreign ownership, the French Ligue 1 (20%).
3. Foreign shirt sponsorship is also on the increase, with 24% of clubs featuring international brands. On the one hand, this reflects the global attractiveness of European football; on the other hand, it highlights the fact that the majority of clubs remain local not global brands.
4. Other commercial trends documented include the increased prevalence of sleeve sponsorship (56% of clubs) and stadium naming rights (26% of clubs); longer-term kit manufacturer deals (average 8 years) and shirt sponsorship deals for the very top clubs; and great variation in shirt prices (average of €65 across the 250+ club sample but ranging from €20 to over €100).
5. A full 25% of summer 2017 transfer spending took place after the start of the buying club’s domestic season, with the overlap between season start and transfer window close extending to 47 days in Portugal and Russia.
6. Summer 2017 featured record club transfer spending (and income), with 6 out of the top 20 transfer fees of all time and transfer fees 40% higher than the previous record summer (2016).
7. The estimated €5.6bn spend on transfer fees in summer 2017 is equivalent to 28% of annual club revenue, comfortably the highest relative spend on record.
8. The 80% share of the summer 2017 transfer spend accounted for by the ‘big 5’ European league’ clubs is also the highest on record and significantly up on their 63% share in 2010. The concentration is even more acute at the top end of the market, with 92 of the 96 players transferred for €15m+ going to clubs in these ‘big 5’ leagues.
9. While record club operating profits and expectations of continued increases in UEFA and domestic TV revenues are almost certainly major factors in the transfer price inflation, social media analysis also highlights the rise of player ‘brands’. While the 20 top club brands still welcome higher numbers of Facebook followers than their top players, the top 20 player brands now have more than 50% more Twitter followers than their clubs.
10. Across 2,000 reviewed transfer deals, agent commissions averaged 12 to 13% but with significant fluctuation. There were 32 significant transfer deals (€1m+) in which the agent fee represented more than 100% of the transfer fee. The typical agent commission for smaller deals of less than €100,000 was 40%, with the typical commission dropping to a still eye-watering 9% for transfer deals of €5m+.

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The above findings and trends are just a selection of highlights from the report. We invite you to read the full European Club Footballing Landscape on UEFA.com.