

A22 






Review of stakeholder dialogue

March 2023

European football is at a tipping point

Premier League has become the Super League

Total Revenues of all clubs in each Big 5 league (€m)

	<u>1997</u>	<u>2023E</u>
 Premier League	€685m	€7,110m
 LaLiga	524	3,700 1.9x
 BUNDESLIGA	444	3,600
 SERIE A	551 1.2x	2,400
 LIGUE 1 Uber Eats	293 2.3x	1,800 4.0x
TOTAL	2,497	18,610

Premier League /
Nearest Competitor

Premier League /
Furthest Competitor

Premier League clubs represent over 50% of Top 20 European clubs

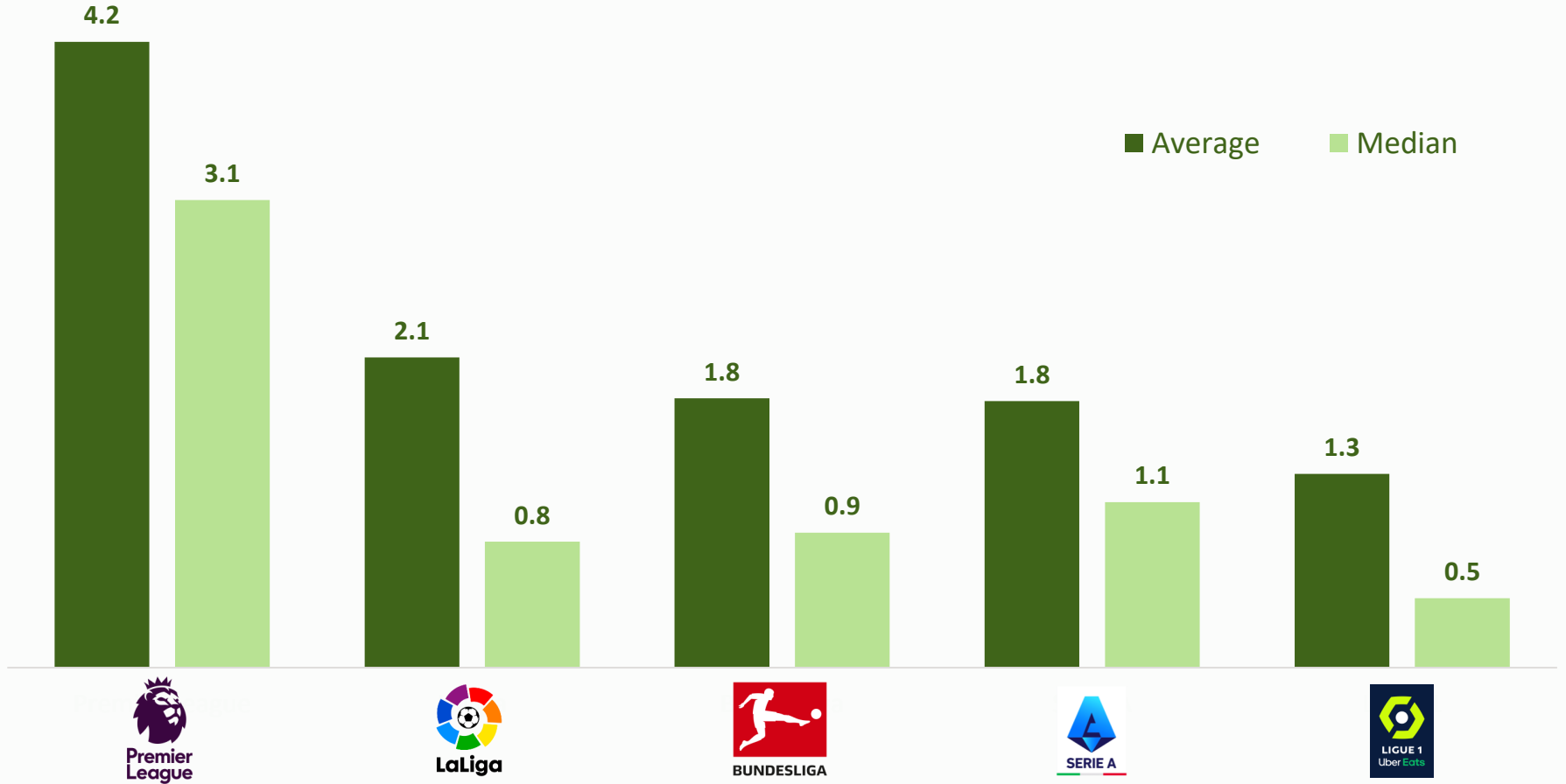
Top 20 European clubs by revenue – 2021/22 (€m)

Rank	Top 5	6 – 10	11 – 15	16 – 20
 Premier League	 731  702  689	 568  523  434	 301	 252  223  214  212
 LaLiga	 714	 638	 394	
 SERIE A			 401  308	 265
 BUNDESLIGA		 654	 357	
 LIGUE 1 Uber Eats	 654			

Source: Deloitte Football Money League 2023

Median Salary in Premier League is 6.7x Greater Than in Ligue 1

Average and median salaries in Big 5 European Leagues – 2022 (€m)



Source: Off The Pitch

EPL Media Rights – 2.2x LaLiga and 5.6x Ligue 1

Annual media revenues per cycle¹ (€bn)



Source: Impulso Offering Memorandum, Public Information

1. The cycles between leagues are not coterminous

2. Most recent Ligue 1 cycle value was €1.1bn at inception before broadcaster default in 2020

EPL Annual Media Revenues vs. Small Population Markets

Annual media revenues per current cycle (€m)^{1/2}

3,962



- EPL is 5.3x the combined value of 10 small population markets
- Value of EPL rights in Sweden are 2.2x value of Swedish domestic league³

749



180

103

80

76

72

68

52

43

40

36



2022/25

n.a.⁴

2020/25

2013/25

2023/29⁵

2023/27

n.a.⁴

2020/25⁵

2021/24

2022/26

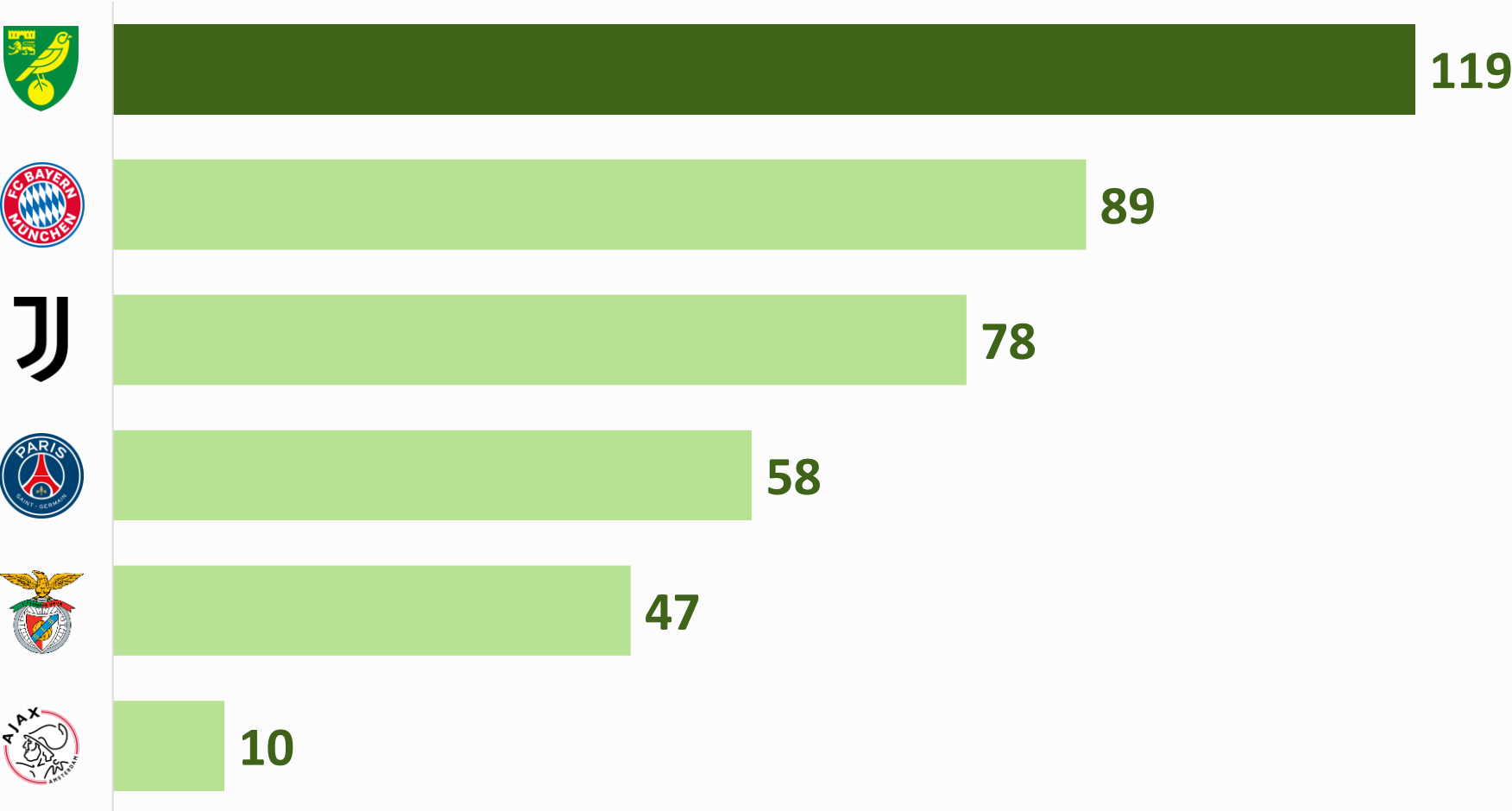
2024/29

Source: Public information, UEFA Footballing Landscape Report (2021), SportsBusiness Intelligence

1. Figures have been converted into euros using the average exchange rate for the year ending 30 June according to ECB
2. Annual media revenues shown correspond to domestic TV rights except for Premier League and Austrian Bundesliga which include international TV rights
3. Based on EPL's 2022/28 cycle, Swedish 2020/25 cycle
4. Decentralized TV rights
5. Includes lower tier divisions

#20 EPL Club Media Revenue is 12x Ajax; More Than Juventus and Bayern

Domestic media rights revenue 2021-22¹ (€m)



Source: Deloitte Annual review of football finance 2022, Public Information

1. Figures have been converted into euros using the average exchange rate for the year ending 30 June 2022 according to ECB (GBP/EUR exchange rate: 1.1807)

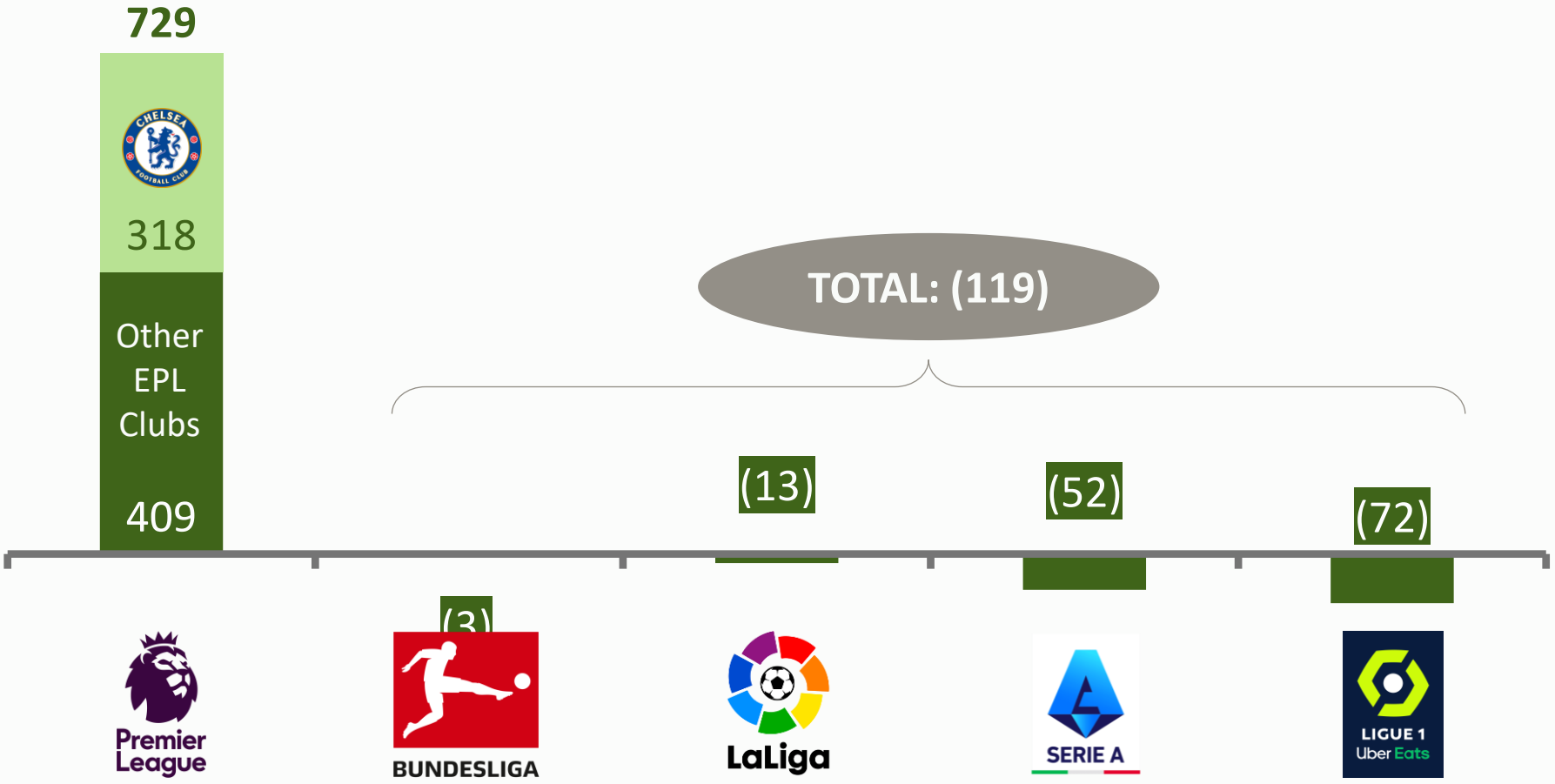
Net Transfer Spending by League – The Train Has Left the Station

	2018/19 – 2022/23	2022/23
 Premier League	€5,923m	€2,074m
 SERIE A	1,012	(35)
 LaLiga	528	49
 BUNDESLIGA	211	(49)
 LIGUE 1 Uber Eats	(358) ¹	(99)
 eredivisie	(799)	(264)
 LIGA PORTUGAL bwin	(1,170)	(376)

Source: FIFA; Transfermarkt

1. Excluding PSG, France's net sales from 2018-22 amount to c.€700m

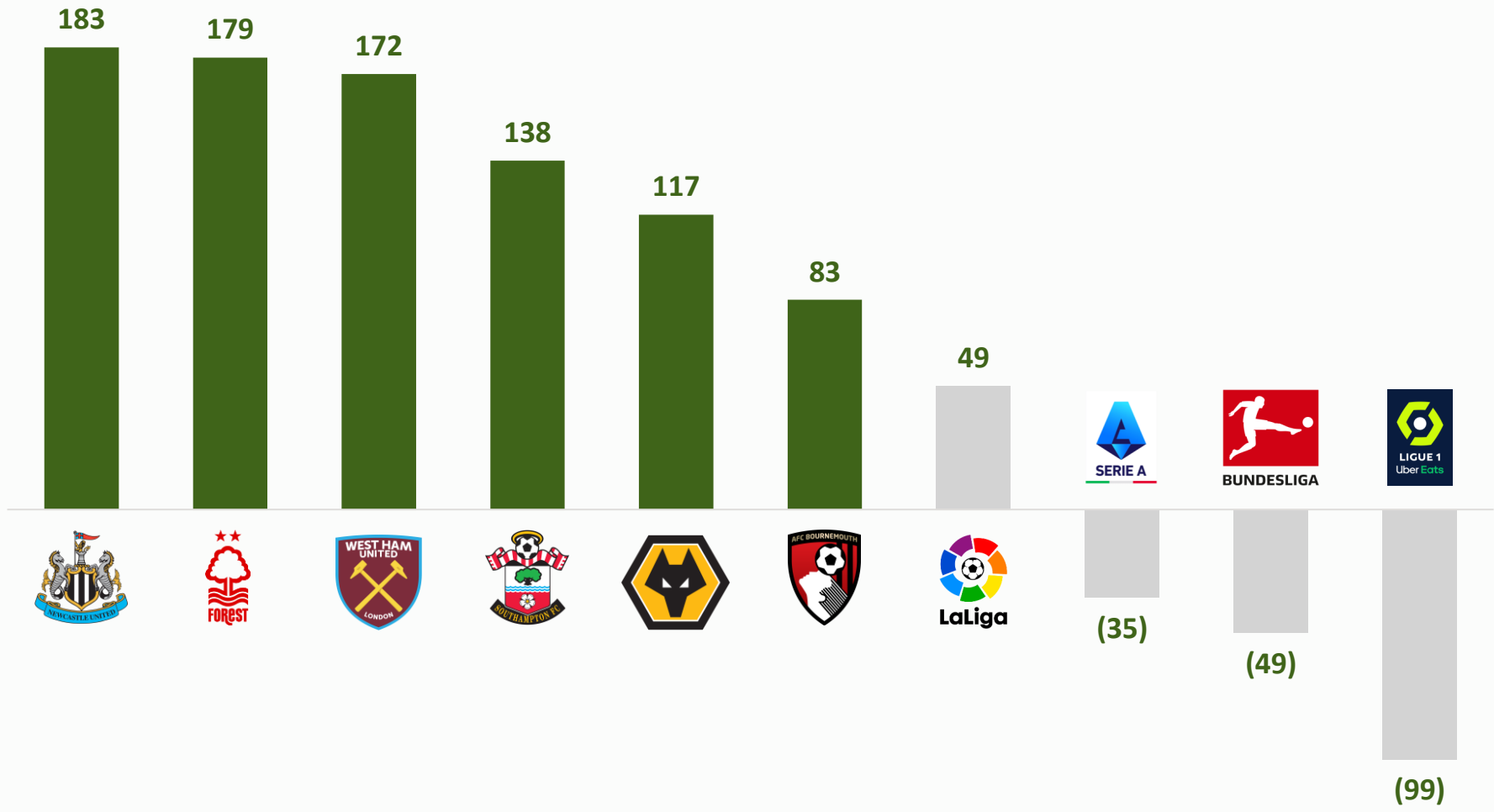
January 2023 Transfer Window Net Spending (€m)



Source: Transfermarkt

6 non “Big 6” EPL clubs individually spent more than LaLiga, Serie A, Bundesliga and Ligue 1 in the 2022/23 season

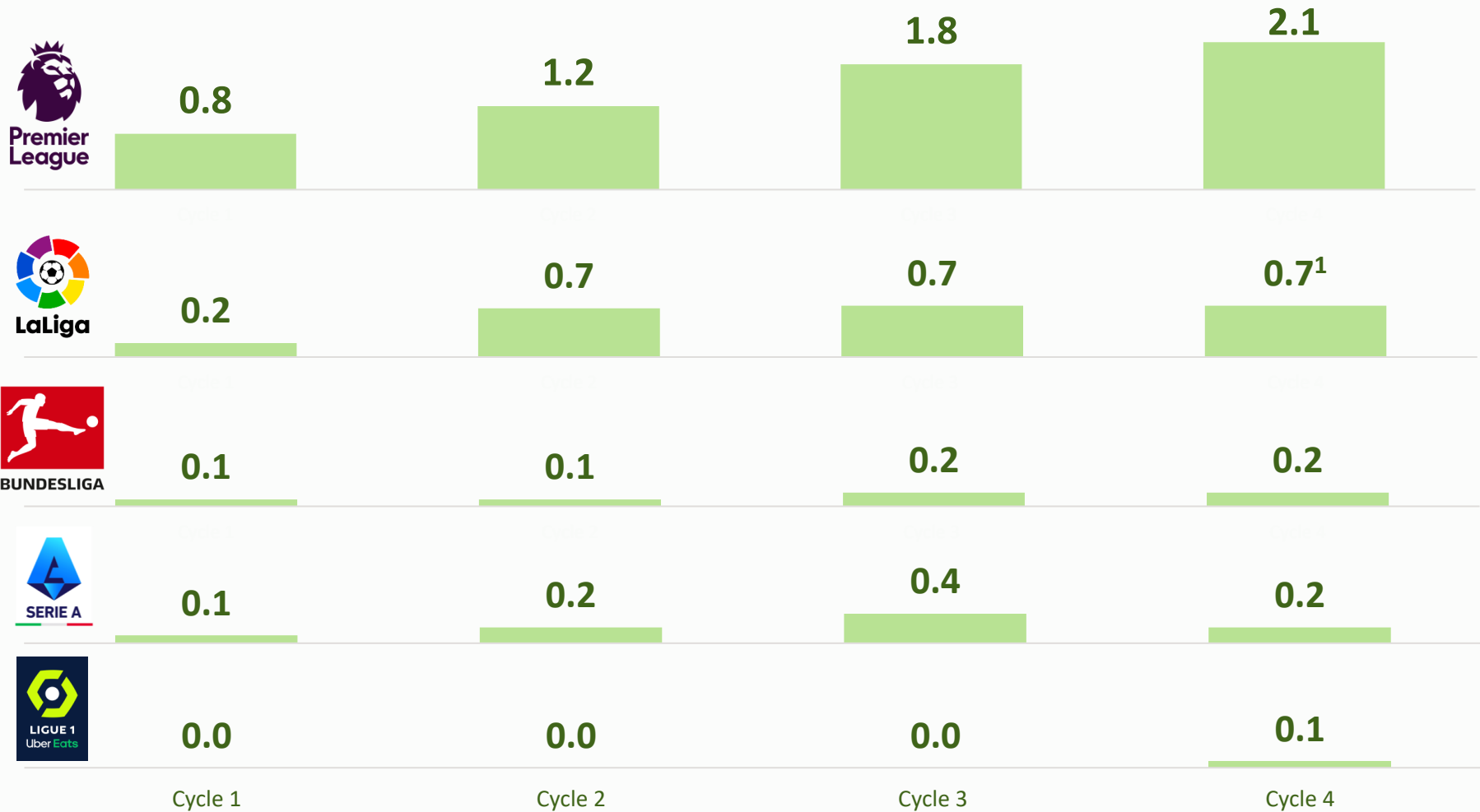
Net transfer spending (€m)



Source: Transfermarkt

The Way Out? – International Media Revenues

Annual media revenues per cycle¹ (€bn)



Source: Impulso Offering Memorandum, Press

1. Cycle 4 for LaLiga is a continuation of the current Cycle 3 which expires in 2024, as it overlaps the domestic Cycles 3 and 4, which span from 2019-22 and from 2022-27 respectively

The Way Out? – Selling assets



- December 2021
- Sale by 38 clubs of c.11% of net media rights to CVC Capital Partners
- Investment amount: €2.0bn
- Term: 50 years



- April 2022
- Sale of 13% of the league's media rights to CVC Capital Partners
- Investment amount: €1.5bn
- Term: Perpetual



- Pending



- Pending

Wisdom of Selling Media Rights

- ❑ Time horizon way too long

- ❑ Changes in viewing patterns
 - Massive impact of digital / multichannel / streaming last 20 years
 - Augmented / virtual reality and others going forward

- ❑ Cannot address revenue imbalances with asset sales

What to do?

Post-24 UEFA Club Competitions “Swiss System”

- ❑ Increased number teams from 32 to 36
- ❑ Number of matches increased from 125 to 189 (+51%)
- ❑ No home and away in the group stage breaking with tradition
- ❑ Single table with each club playing a different set of opponents is difficult to understand
- ❑ Expected increase in media revenue largely from increase in inventory not improvement in competition

What to do?

- ❑ Doing nothing is not an option
 - Trends are clear
 - Tipping point reached or very near
 - Health of “top of pyramid” at risk, with obvious knock-on effects

- ❑ What actions are leagues and UEFA taking?
 - Hoping for more international media rights
 - Asset sales – selling the family jewels
 - Changes to European competition which fail to maximise potential
 - Limiting flexibility of small population markets
 - Poor development / enforcement of financial spending regulations

Why Can't the Current System Address the Issues?

- ❑ Evolution of UEFA into regulator, 100% monopoly operator and gatekeeper in European competitions has created massive conflict of interest
 - Primary objective is to maintain dominance and control

- ❑ Clubs have no direct governance in Europe

- ❑ Sanctioning powers (implied and real) used to maintain status quo

- ❑ Ongoing weakness in development and enforcement of spending controls and other sustainability measures

What are we doing?

- ❑ 5 years of work
 - Binding agreement with 12 of world's leading clubs
 - First time UEFA monopoly challenged since 1950's
- ❑ Project covers a proposed format, financial sustainability, infrastructure, women's football, fan issues, club governance
- ❑ Project continues to evolve

Status of Stakeholder Dialogue (1/2)

❑ On-going open dialogue

- Nearly 50 clubs and stakeholders from 12 countries
- Player associations
- Player agents
- Fan groups
- National and European institutions

❑ Building consensus

Status of Stakeholder Dialogue (2/2)

❑ Results to date

- Broad consensus on nature of problem
- View that no other solutions are in sight
- Innovation from within system nearly impossible
- UEFA not interested in open engagement and debate, implied threat of sanctions

❑ More work needed, dialogue to continue

Ten Principles

Stakeholder Dialogue – Ten Principles

- I Broad Based and Meritocratic Competitions
- II Domestic Tournaments: the Foundation of Football
- III Improve Competitiveness with Stable and Sustainable Resources
- IV Player Health Must Be at the Center of the Game
- V Club Run Competitions with Transparent, Well Enforced Financial Sustainability Rules
- VI The World's Best Football Competition
- VII Improved Fan Experience
- VIII Develop and Finance Women's Football
- IX Significant Increase In Solidarity
- X Respect For European Union Law and Values

Stakeholder Dialogue – Ten Principles

Broad Based and Meritocratic Competitions

- Open competitions based on sporting merit
 - No permanent members

- Broad based
 - Multi-divisional league structure with 60-80 clubs

- Qualification
 - Based on domestic performance
 - Structure of access to maintain competitive dynamics in domestic tournaments

Stakeholder Dialogue – Ten Principles

Domestic Tournaments: The Foundation of Football

- Clubs remain committed to their domestic competitions
- Need to strengthen and make domestic competitions more competitive
- European competitions should play pivotal role in generating and allocating incremental resources to be distributed throughout the system

Stakeholder Dialogue – Ten Principles

III Improve Competitiveness with Stable and Sustainable Resources

- Additional resources to be shared across pyramid
 - Improved format in European club competitions

- Greater stability and predictability in annual revenues
 - Minimum of 14 European games per season

- Strictly enforced Financial Sustainability rules

Stakeholder Dialogue – Ten Principles

IV Player Health Must Be at the Center of the Game

- Player health is key in determining the overall number of matches each season
- Match days should not be increased beyond currently planned competition calendars
- Involvement of player organisations to safeguard players' health
- Clubs and players should not be obliged to participate in new / expanded competitions imposed by third parties

Stakeholder Dialogue – Ten Principles

V Club Run Competitions with Transparent, Well Enforced Financial Sustainability Rules

- European club competitions should be governed by the clubs as they are domestically, not by third parties who benefit without taking any risk
 - Fully compliant with EU law

- Improved Financial Sustainability Rules
 - Spending based on resources generated, not competition-distorting capital injections
 - Player expenditure based on a fixed percentage of football related revenues
 - Special provisions for smaller clubs and transition rules

Stakeholder Dialogue – Ten Principles

VI The World's Best Football Competition

- ❑ Aspiration must be to create the most dynamic, competitive and exciting sporting event in the world
 - Competition that enables the world's best players to compete throughout the entire season
 - Excitement from beginning to the end

- ❑ Improve global fan experience
 - Attract younger fans

Stakeholder Dialogue – Ten Principles

VII Improved Fan Experience

- Open dialogue with independent fan groups

- Measures to facilitate fan attendance at away games

- Standards for infrastructure
 - Consistent, high levels of stadium quality

Stakeholder Dialogue – Ten Principles

VIII Develop and Finance Women's Football

- Putting the women's game centre stage side-by-side with men's competitions

- Significant expansion of financing beyond existing levels in women's European club competitions

- Comprehensive solution
 - Investment from professional level down to grass roots

Stakeholder Dialogue – Ten Principles

IX Significant Increase In Solidarity

- ❑ Minimum €400m per year for non-participating clubs, social causes and grass roots
 - c.3x existing European club competitions

- ❑ Transparency ensured by clear annual reporting on spending and its impact
 - Review by independent authorities

Stakeholder Dialogue – Ten Principles

Respect For European Union Law and Values

- Football and its stakeholders need to embrace EU values, laws and fundamental freedoms

- Full respect and access to the EU judicial system
 - All dispute resolution under ultimate supervision of the EU

Summary

- ❑ Problems facing European football are severe

- ❑ Approach of a comprehensive “Project” should be continued

- ❑ European club competitions should be the starting point
 - Open qualification based on sporting merit
 - Improved attractiveness, broad base of club participants
 - Support throughout the pyramid
 - More European matches, greater stability
 - Improved financial sustainability rules
 - Strengthen domestic leagues over time