The European Champions Report 2022

January, 2022

KPMG Sports Advisory Practice

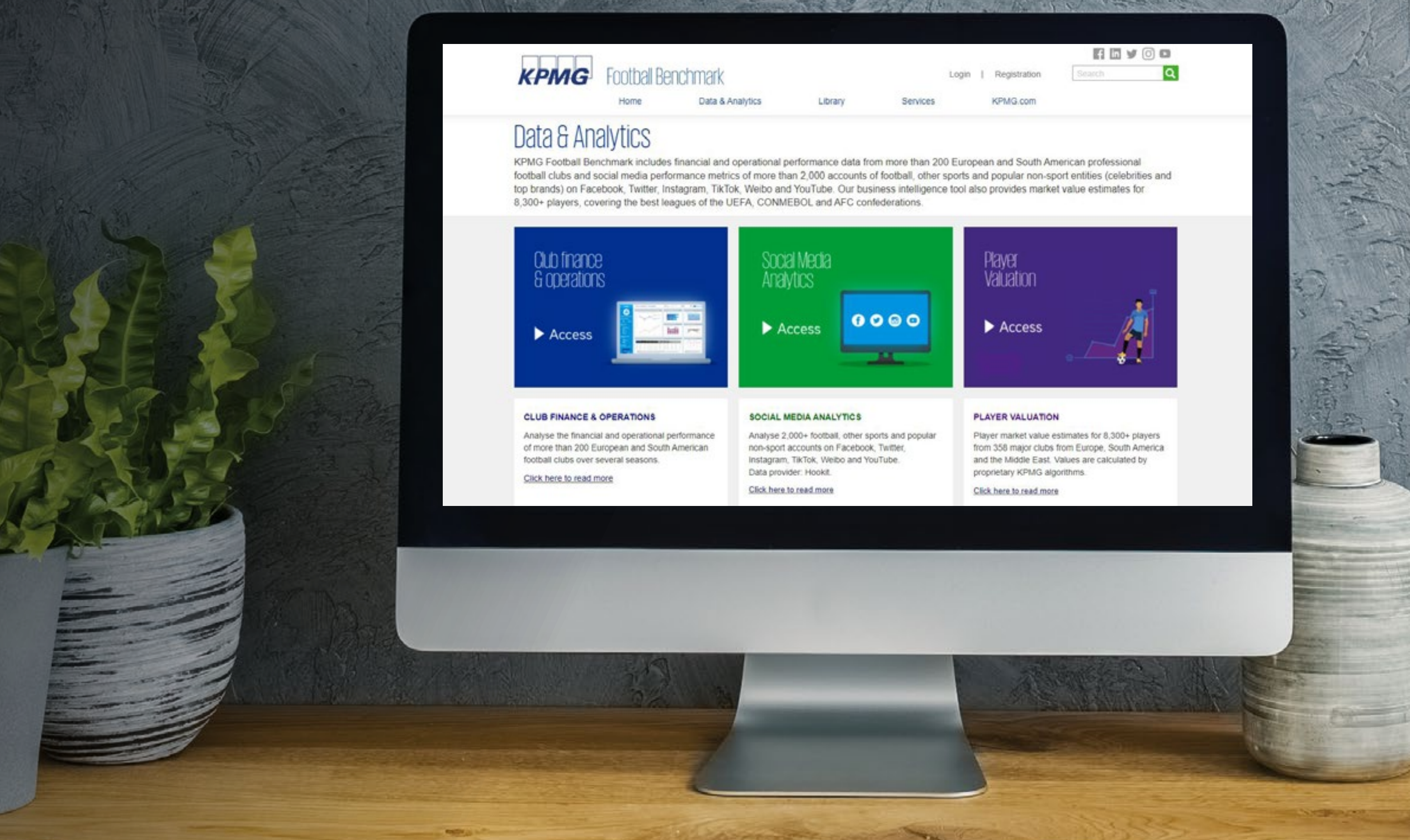
About KPMG Football Benchmark

A business intelligence tool enabling relevant comparison with competitors, including:

Finance & operations
A consolidated and verified database of the financial and operational performance of over 200 football clubs, both in Europe and South America

Social media analytics
An updated and historical tracking of the social media activity of 2,000+ football, other sports and popular non-sport accounts on Facebook, Twitter, Instagram, TikTok, Weibo and YouTube

Player valuation
A proprietary algorithm, which calculates the market value of 8,300+ players from 358 major clubs from Europe, South America and the Middle East



Contents

Andrea Sartori
Partner
KPMG Global Head of Sports
andreasartori@kpmg.com

The second football season impacted by the COVID-19 pandemic shows further disruption in the financial performance of the champions of Europe's eight prominent leagues, according to the 6th edition of KPMG Football Benchmark's "The European Champions Report". **With total revenues of most clubs still below their pre-pandemic levels, in an industry characterized by a predominantly rigid cost structure, most champions recorded massive losses for the financial year which ended in May/June 2021.** While there were some notable exceptions, the most common trend seen was that operating revenues – hit hard by almost complete loss in matchday income, but mitigated by stable or increasing broadcasting and commercial revenues – could not make up for the generally high staff cost and decreasing player trading income.

It is important to note that, in some cases, year-on-year revenue growth figures are mostly related to broadcasting income impacted by delayed payments for the 2019/20 sporting season's postponed matches, which were finally played after June 2020, both in domestic leagues and in UEFA competitions. Indeed, in our previous analysis of the 2019/20 season, all champions recorded a decrease in their total operating revenues.

The composition of the eight champions is another sign of the disruption as, in contrast to previous years, **we find only one club retaining their domestic title, namely FC Bayern München** winning the German Bundesliga again, their 31st league trophy and the 9th in a row. AFC Ajax could have been the other such club, but the Dutch Eredivisie was curtailed without declaring a champion in the spring of 2020 due to the COVID-19 pandemic, despite Ajax leading the league table. In contrast, Portugal's Sporting CP regained their domestic league title after 19 years, Italy's FC Internazionale after 10 years, France's LOSC Lille after nine years, while Spain's Atlético de Madrid secured their first La Liga trophy since the 2013/14 season. Turkey's Beşiktaş JK became champions again after three years, and Manchester City FC wrestled back the Premier League throne from Liverpool after only one year.

Manchester City FC have been the only club in our analysis who could register not only annual growth in their total operating revenues, but surpass their total income of the last pre-COVID season of 2018/19. In their most successful season to date, the club completed the domestic double, winning the Premier League and the Carabao Cup, but even more importantly, they reached the UEFA Champions League final for the first time in their history, eventually losing to domestic peers Chelsea FC.

Italy's FC Internazionale also **registered** year-on-year growth (19%) in total operating revenues, but still earned EUR 20m less than in the last pre-COVID season. Matchday revenue loss, operating costs' growth and low income on player trading activities led to **a record net loss of EUR 245.6m** in 2020/21, the highest ever recorded by an Italian football club.

In contrast, **while French champions LOSC Lille saw their total operating revenues drop year on year, their overall revenues in both the past two pandemic-hit seasons were higher than in pre-COVID times**. Such improved financial performance in those two seasons were mainly due to reaching the UEFA Champions League group stage in 2019/20, and the UEFA Europa League in 2020/21. The diminished matchday and media revenues, coupled with consistent staff costs, resulted in a staff costs-to-operating revenue ratio of 106%, the highest among the eight champions.

FC Bayern München[1] have been the only club in our analysis to record a profit, albeit slightly lower than a year before – a remarkable feat in club management by the German champions, despite rising staff costs and decreasing overall revenues over the past two seasons. They also managed to keep their staff costs-to-operating revenue ratio at 58%, the lowest among these eight clubs. Bayern's successful management might also explain why the club did not feel the need to participate in last year's European Super League initiative. Interestingly, three of the current champions, Atlético de Madrid, FC Internazionale and Manchester City FC, were originally part of that plan, which has since been abandoned.

Spanish champions Atlético de Madrid went from a net loss of EUR 1.8m to a staggering loss of EUR 111.7m in the most recent season. The key reason for such a severe decline of the bottom line result was a notable decrease in profit on disposal of players compared to a year before, when they cashed in on the sales of Antoine Griezmann and Rodri.

Turkey's Beşiktaş JK have been the sole champions to achieve improvement in their bottom line figure[2]: although recording a net loss of EUR 44.4m, they almost halved losses compared to the previous period. This exceptional development derives primarily from a 48% year-on-year decrease in staff costs, as the club did not make a single permanent transfer, letting go of numerous players in the 2020/21 season.

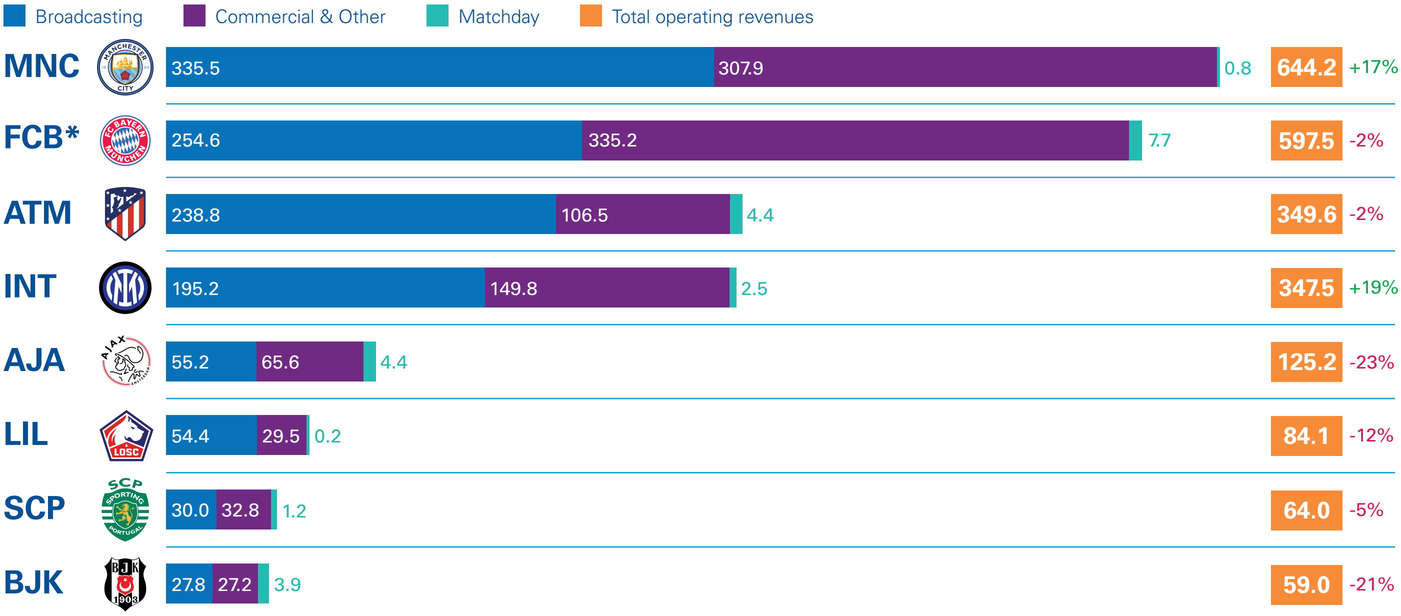
Dutch champions AFC Ajax and Portugal's Sporting CP both suffered a decrease in operating revenues, a moderate rise in staff costs and, consequently, a rising staff cost-to-operating revenue ratio and **a declining bottom line result.**

[1] *All data refer to the individual financial statements of FC Bayern München AG. Consolidated data were not available at the date of publication.*

[2] As financial figures within this analysis are calculated in euros, it should be acknowledged that the original currency, the Turkish lira, has been weakening against the target currency and thus Beşiktaş' year-on-year comparison is partially distorted.

Operating revenues overview

Total operating revenues with breakdown (2020/21) in EUR million and YoY% change



***Note:** All data refer to the individual financial statements of FC Bayern München AG. Consolidated data were not available at the date of publication.

Source: KPMG Football Benchmark

Regarding total operating revenues, the eight champions' figures comprise a diverse picture. Clubs that could rely on delayed broadcasting payments, both in relation to postponed domestic and international matches from the previous season, and could progress further on the continental scene, were able to even increase their total income[3].

In particular, Manchester City FC collected EUR 96m more in total revenues than a year before, a 17% growth year on year, while FC Internazionale's operating income grew by 19% (EUR 55m) in a year. Remarkably, **with total income of EUR 644m, Manchester City FC have been able to surpass city rivals Manchester United FC (EUR 557m) for the first time.**

The clubs with the biggest decrease in total operating revenues were AFC Ajax (-EUR 37m, a 23% drop), and Beşiktaş JK (-EUR15m, -21%). Nevertheless, the Dutch champions registered once again the highest operating revenues of the Eredivisie. Interestingly, based on available financial information, only Manchester City FC and, unsurprisingly, FC Bayern München can boast the same achievement among the champions in their respective leagues.

Matchday revenues were wiped out almost completely for all of these clubs, as this revenue stream was impacted the most by the COVID pandemic. Despite some domestic regulations allowing for limited capacity in stadia at the beginning or at the end of the season, matchday income was near nil for most clubs. **By comparison, the same eight clubs collected an aggregate EUR 359m in matchday income in 2018/19, the latest season before the pandemic.**

All of the six clubs that registered an increase in their broadcasting revenues benefited significantly from the deferred income related to the 2019/20 sporting season's postponed matches, which were finally played after June 2020, both in their domestic leagues and in UEFA competitions. The biggest growth was realised by those who progressed to the last phases of a continental tournament – in particular, FC Internazionale competed four games of their Europa League campaign in August 2020, while both Manchester City FC and Atlético de Madrid cashed in on their postponed UCL ties. The two champions who could not increase their broadcasting income, namely LOSC Lille and AFC Ajax, have not received such deferred payments: in both the French Ligue1 and the Dutch Eredivisie the 2019/20 season was cut short and unfinished in the spring of 2020, and none of the two sides had postponed continental ties either.

With the exception of Beşiktaş JK, all these champions could increase their income from commercial activities. This is partly due to the incremental impact of the delayed payments related to the postponed matches of the previous season, and also to some new deals. Clubs that could regain their domestic league title after several years – Sporting CP, Atlético de Madrid or LOSC Lille – also benefited from the increased attention, improved contract terms and merchandise sales. For example, online sales of Sporting CP memorabilia celebrating the club's latest success have tripled in the past year, also demonstrating the shift in purchasing behaviour as a result of COVID.

[3] The postponement of a certain number of matches after the closing date of the 2019/20 financial year, due to the COVID-19 health emergency, has in some cases caused discrepancy among clubs and within the same club, when comparing different seasons, in terms of accrual basis of revenues and costs. Producing this report, we relied on information included in the clubs' published Financial Statements – or in the information obtained after consultation with their management – and we have not performed any verification work or audited any of such financial information.

Regarding profitability, six out of seven champions for which financial information was available[4] could not avoid faltering, and suffered a net loss in the 2020/21 season. Indeed, matchday revenue losses and lower player trading income – only partially mitigated by deferred broadcasting revenues – were not accompanied by a similar decrease in operating costs, thus creating deep "fissures" on the European football landscape.

The only exception are German champions FC Bayern München, who managed to achieve a consecutive 29th profitable year. The Bavarian club, who since three decades achieve balance between competitiveness on the pitch and financial sustainability, represent one of the best management models in European sports history.

FC Internazionale and Atlético de Madrid accounted for the highest annual losses in the sample, EUR 245.6m and EUR 111.7m, respectively. However, they are far from the historical record net loss of EUR 481.3m suffered by FC Barcelona in the same season.

Beşiktaş JK registered the third highest net loss among the champions in 2020/21, accumulating an aggregate loss of EUR 164.7m over the past three seasons. However, the Istanbul club's accounts showed a positive trend as the loss has been almost halved compared to that seen in 2019/20.

The remaining three clubs, Sporting Clube de Portugal (-EUR 33.0m, down from +EUR 12.5m in 2019/20), LOSC Lille (-EUR 23.2m, down from +EUR 22.3m) and AFC Ajax (-EUR 8.1m, down from +EUR 20.4m), have all passed from a profit in 2019/20 to a loss in 2020/21.

Despite the impressive aggregate net loss of almost half a billion euros suffered by the clubs included in the analysis, **some positive signals have appeared on the horizon for the 2021/22 season, mainly thanks to the reopening of stadia, at least till the time of publishing this report, and some new important commercial deals signed in recent months.**

Transfer market activities are one of the key factors impacting clubs' financial results – therefore, in the next page chart we depict the evolution of the net transfer spend of the eight champions over the past four seasons: from 2018/19, the latest before COVID, to the summer window of the 2021/22 season. Net transfer spending is the difference between total expenditure for incoming players and total income on outgoing players, including both transfer and loan fees.

Over the period in question, **FC Internazionale showed the most evident decrease in net transfer spending, moving down from EUR 125m in 2019/20 to EUR 38m in 2020/21, before dropping to a negative value of -EUR 161m** – signalling a net income on transfers. Indeed, after the arrivals, among others, of Romelu Lukaku, Achraf Hakimi and Nicolò Barella between 2019/20 and 2020/21, the *Nerazzurri* have drastically reduced their investment in the transfer market during the 2021/22 season and, simultaneously, also due to their liquidity shortage, were forced to sell the Belgian striker and the Moroccan right-back to Chelsea FC and Paris Saint-Germain FC, respectively.

Profitability overview: falling bottom lines

Profit/Loss after tax (2020/21), in EUR million

Notes:
- Manchester City FC have yet to release detailed financial information on staff costs and profitability figures as at the date of publication.
- Regarding FC Bayern München, all data refer to the individual financial statements of FC Bayern München AG. Consolidated data were not available at the date of publication.

Source: KPMG Football Benchmark

As a testament of the purchasing power of English Premier League clubs, **Manchester City FC showed the highest net transfer spend on aggregate over the transfer windows under analysis (EUR 294m)**, thanks in particular to the purchase of Jack Grealish from Aston Villa for a reported EUR 118m, Rúben Dias from SL Benfica and Riyad Mahrez from Leicester City FC, both for reported EUR 68m.

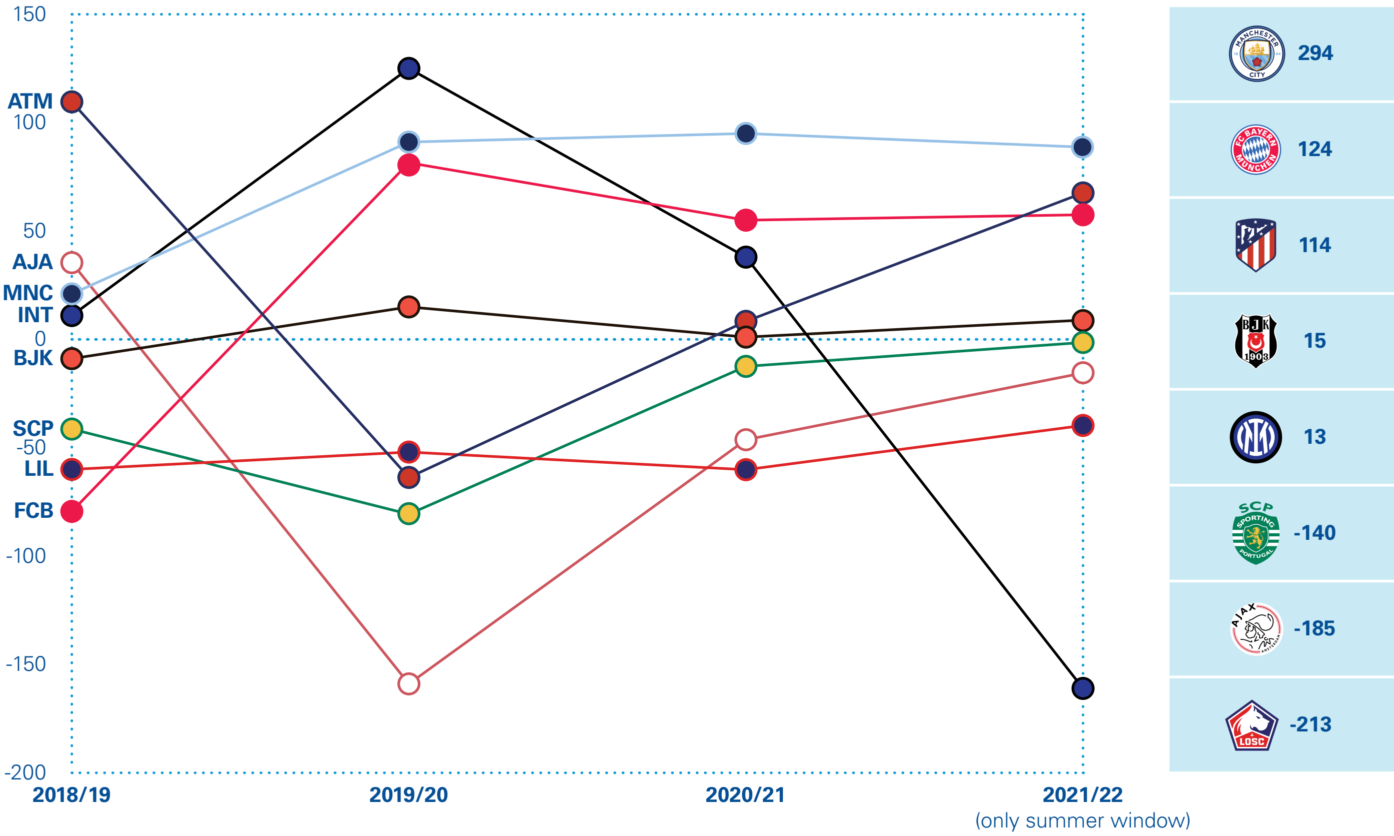
Atlético de Madrid and FC Bayern München have both recorded an aggregate 4-season net transfer spend of over EUR 100m. Interestingly, the *Colchoneros* spent the highest amount (EUR 127m) for a single transfer among the eight clubs in the period in question, for the purchase of João Félix from SL Benfica, and at the same time, they also received the highest fee (EUR 120m) for the sale of Antoine Griezmann to FC Barcelona.

[4] *Manchester City FC have yet to release detailed financial information on staff costs and profitability figures as at the date of publication.*

Transfer market activity

Historical net transfer spend from 2018/19 to 2021/22, in EUR million

Aggregate net transfer spend, in EUR million



Source: KPMG research

Turkish side Beşiktaş JK were mostly inactive on the transfer market over the past two seasons. Indeed, they didn't register any income on players' disposals and spent less than EUR 10m for new arrivals.

For the three clubs with the lowest aggregate net transfer spend – namely **Sporting Club de Portugal, AFC Ajax and LOSC Lille** - player trading income is a core aspect of their business model, whose sustainability is highly dependent on the achievement of constant profit on players' disposals. Indeed, all these clubs **generated income for outgoing players higher than expenditure for incoming players in every single season considered, except for AFC Ajax in 2018/19**. The three most remunerative transfers concluded by such clubs over the past four seasons are: Sporting CP selling Bruno Fernandes (EUR 63m) to Manchester United FC, Frenkie de Jong (EUR 86m) joining FC Barcelona from AFC Ajax, and Nicolas Pépé (EUR 80m) going to Arsenal FC from LOSC Lille.

These numbers showcase how clubs in smaller leagues act as "net sellers" – they either nurture or buy young players at affordable prices before selling them at a premium fee to the "net buyers", who sit on the other end of the spectrum.

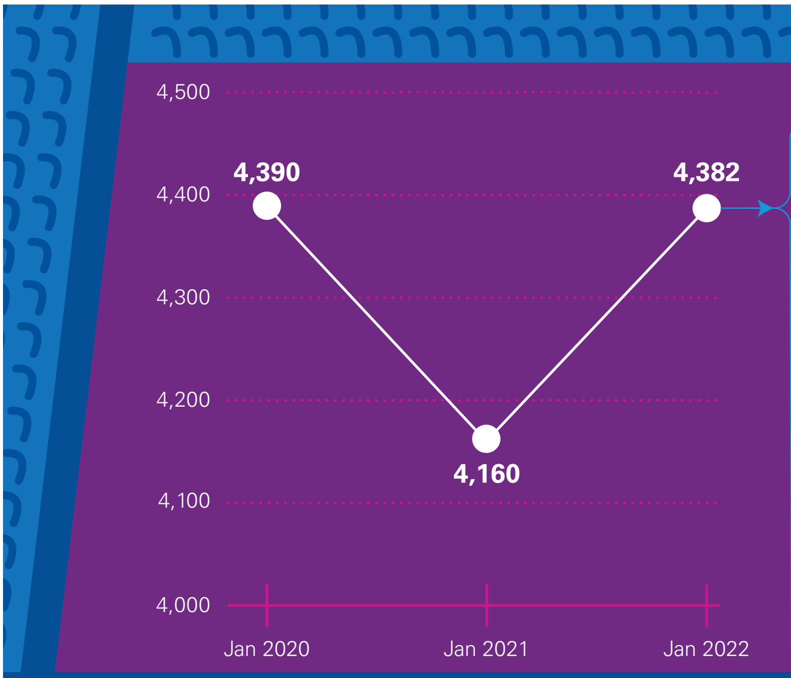
Clubs' financial stability is more and more dependent on the profits achieved on players' disposals and, consequently, players' valuation represents nowadays one of the key discussion points among European football stakeholders.

Our KPMG Player Valuation Tool estimates football players' market value by analysing several factors, such as players' position, age, nationality, contract length, sporting performance, commercial appeal and clubs' financial performance.

Players' market values have been strongly impacted by COVID-19. Because of liquidity shortage, clubs in all leagues have been suffering from lower purchasing power, and thus have been often forced to sell their top players at a discounted price in order to shore up their finances, or have not been able to renew overly onerous contracts, eroding market values of players who had agreements close to the expiry.

Evolution of champions' aggregate squad market value

Squad market value at January 2022 and change since January 2020, in EUR million



Club	Jan 2022	Δ% Jan 2020
	1,237	-3%
	921	+5%
	715	-4%
	526	-12%
	353	-10%
	306	+29%
	213	+20%
	110	+32%

Source: KPMG Football Benchmark

Overall, most players have still not regained their pre-pandemic market values; more specifically, the top 500 players by market value in the world have witnessed a significant drop since the outburst of the pandemic in 2020, as their values significantly dropped by 20% between January and May 2020. However, over the course of these two years, increasing confidence fueled by the initial reopening of stadia at the beginning of the 2021/22 season allowed for a slow recovery; indeed, for such sample the January 2022 market values are now 8% lower than two years ago.

The chart above shows the evolution of the eight champions' aggregate squad market value since the pandemic's outbreak. **In January 2021 the aggregate squad market value of the eight European champions was 5% lower than the latest pre-COVID value, before showing a remarkable recovery back to pre-COVID levels in January 2022.**

At club level, **half of the eight champions saw a decrease in their squad value over the past two years, with FC Internazionale showing the worst trend (-12%).** The *Nerazzurri*'s squad market value suffered from the departure of important players during the latest summer window.

Conversely, **Beşiktaş JK, LOSC Lille, Sporting Clube de Portugal and FC Bayern München have all managed to increase their squad market value since January 2020.**

In particular, the Turkish and French champions' squad values have benefited from organic growth, a consequence of positive sporting performance, registering 32% and 29% two-year increases, respectively.

Focusing on the current values as at January 2022, **Manchester City FC (EUR 1,237m) have the highest squad market value in the world, being one of the three clubs overcoming the EUR 1 billion threshold**, along with Chelsea FC and Manchester United FC. FC Bayern München and Atlético de Madrid are the only other two champions making the top 10 clubs by squad market value overall in Europe.

Interestingly, only three champions – Manchester City FC, FC Bayern München and AFC Ajax – can boast the highest squad market value of their league, while the remaining five clubs are not the leaders in terms of squad value in their own league. The extreme case is LOSC Lille which, as at January 2022, have only the fourth most valuable squad in the French Ligue 1 after Paris Saint-Germain FC, AS Monaco FC and Olympique Lyonnais.

Surprisingly, the eight 2020/21 champions contribute only one player to the list of top 10 most valuable players as at January 2022: Manchester City FC's Phil Foden (EUR 117m) is in third place, after Erling Håland (EUR 142m) and Kylian Mbappé (EUR 128m).

These days, social media followers represent a key parameter to be monitored in order to grasp football clubs' commercial appeal. Moreover, especially during the pandemic, which forced matches to be played behind closed doors, social media platforms offered a crucial alternative for football clubs to interact with their fans, creating new commercial opportunities for their partners.

Digitalisation has also been pivotal in several top clubs' transformation into global brands, now boasting followers from across the globe who will eventually become new fans and customers. However, this process has progressively led to a degree of polarisation between elite clubs and all the other small/medium clubs.

The chart below provides an overview of this phenomenon, by comparing each of the eight champions' total social media followership to the total social media followers of all the other clubs in their domestic leagues combined. Our analysis has been conducted looking at the total followers on Facebook, Instagram, Twitter, YouTube, TikTok and Weibo as at 1 January 2022.

Two of the eight champions, namely AFC Ajax and FC Bayern München, have more followers than the other clubs competing in their league combined. Precisely, the Dutch side total followers (17m) correspond to 186% of all the other 17 clubs taking part in the 2021/22 Eredivisie, while the same ratio for the Bavarians is equal to 145%, thanks to the 104m followers of the German champions' social media platforms.

Interestingly, **they are also the only two champions with the highest social media fan base in their domestic league.** Indeed, all the other champions are 3rd (Atlético de Madrid, Beşiktaş JK, FC Internazionale and Sporting Clube de Portugal), 4th (Manchester City FC) or 5th (LOSC Lille) in terms of total social media followers at domestic level.

Sporting Clube de Portugal, Beşiktaş JK and FC Internazionale all have a ratio over 20%, even though with very different sizes in terms of total followership. Indeed, while the Italian champions boast 46m followers, the Turkish and the Portuguese clubs have 16m and 5m followers, respectively.

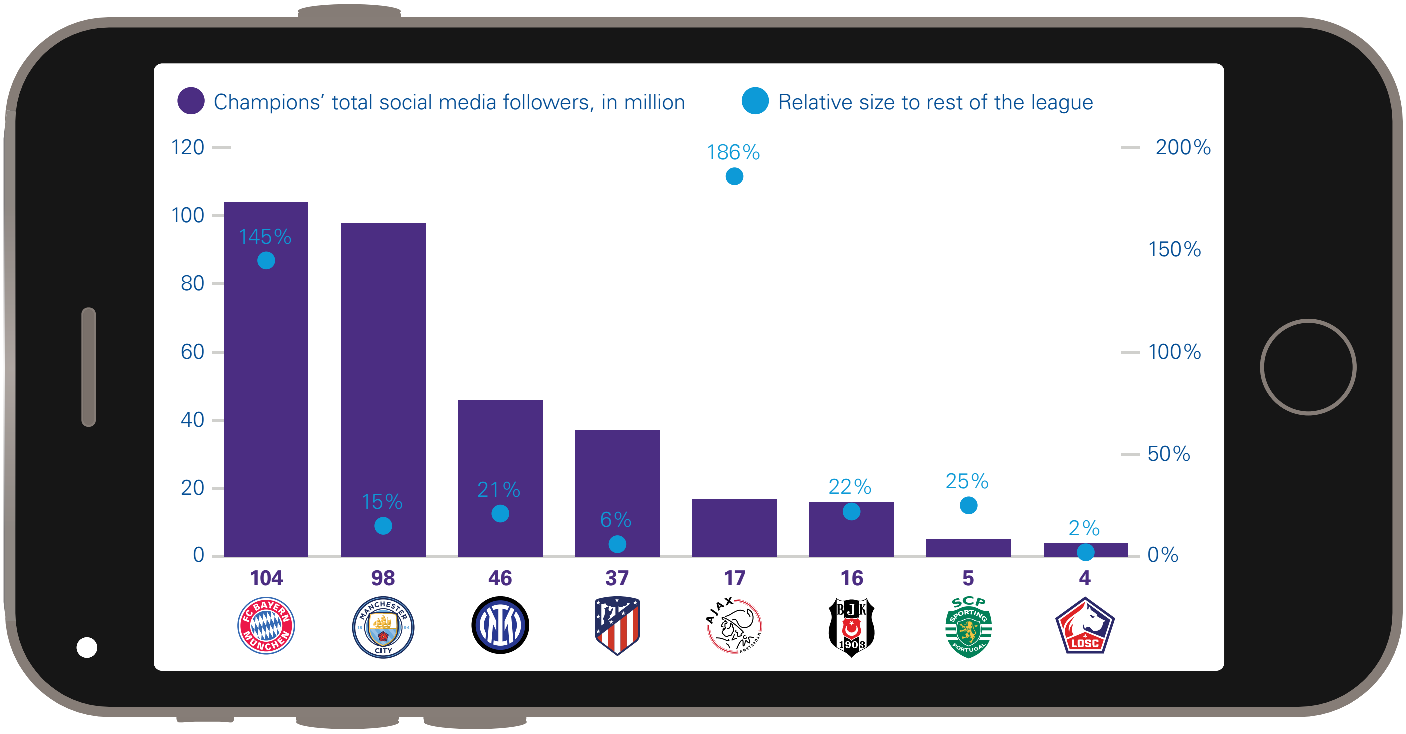
Manchester City FC total followers (98m) correspond to 15% of all the other 19 English Premier League clubs. This low ratio, compared to that of the other champions, is due to the high competitiveness of the Premier League.

The lowest ratio is recorded by LOSC Lille, whose 4m followers make up 2% of all the other Ligue 1 clubs. The main reason behind this figure is represented by the 143m followers of Paris Saint-Germain FC, making the most of the "Rest of the league" category.

In absolute values, FC Bayern München are the most followed club in the sample, closely trailed by Manchester City FC, while they are 8th and 9th in the overall ranking in the world, which is dominated by Spanish giants FC Barcelona (282m) and Real Madrid CF (279m).

In a league of their own?

Champions' vs. rest of the league's social media followers*



***Note:** Facebook, Instagram, Twitter, YouTube, TikTok and Weibo followers as at 1st January 2022.

Source: KPMG Football Benchmark

AFC Ajax

Key performance indicators (2020/21 season) in EUR million

Matchday	4.4
Broadcasting	55.2
Commercial & other	65.6
Total operating revenues	**125.2**

YoY Operating revenues growth -23%

Total staff costs	**94.7**

Staff costs / Operating revenues 76%

Pre-tax profit/loss	**-11.7**
Profit/loss after tax	**-8.1**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 — 353

Top 3 most valuable players:

1. **Ryan Gravenberch** (Netherlands) — 37
2. **Antony** (Brazil) — 33
3. **Sébastien Haller** (Ivory Coast) — 31

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million — -46

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022
Facebook, Instagram, Twitter, YouTube, TikTok and Weibo — 17

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 — 418

(21st place)

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

Main shirt sponsor — **Ziggo**
Kit supplier — **adidas**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

AFC Ajax returned to the top of the podium in dominant fashion following the curtailed 2019/20 season in which no Dutch champion was declared. The club went on to score 102 goals in just 34 games, with a 13-0 away win against VVV-Venlo becoming the highlight of the season. The KNVB Cup was also secured, while they were knocked out of the UEFA Champions League group stages, subsequently reaching the UEFA Europa League quarter finals, an improved performance on the European scene compared to the previous season.

Operating revenues decreased by 23%, amounting to EUR 125.2m. The biggest decrease was seen in matchday revenues, as expected. **Ajax playing behind closed doors was particularly detrimental, because their consistently sold-out stadium pre-pandemic brought in income rivalling the biggest clubs around the world.** As such, matchday revenues diminished by 90%, from EUR 43.8m to EUR 4.4m; the club hosted a few home matches with only limited capacity at the beginning of the season, therefore they were able to bring in some income from this specific revenue source.

Broadcasting revenues stayed almost constant, at EUR 55.2m. While UEFA revenues slightly decreased, income from the Eredivisie increased, as there were more games to be played in the 2020/21 season compared to the prior, shortened season. However, they amounted to only EUR 11.6m vs EUR 43.6m received from UEFA, a ratio of almost 1:4; **for a club like AFC Ajax, qualifying and advancing to the UEFA competitions is significantly more lucrative than winning the domestic title.**

In an attempt to catch up with the top European leagues, which generate significantly higher income from domestic media rights, there have been ongoing discussions between the top flight football leagues of Belgium and the Netherlands to explore the creation of a combined 'BeNeLeague', involving top Belgian and Dutch clubs. Such a league bears a potential to become the 6th biggest league in Europe, and would be able to demand significantly more money from sponsors and broadcasters alike.

Commercial and other revenues also remained relatively stable, increasing by 4% to reach EUR 65.6m. As partners and sponsors were also hit in their native industries due to COVID-19, it's no surprise that there was a pull-back and the club's partnerships decreased by approximately EUR 7m. In such an environment, it was especially important that Ajax's cooperation with main shirt sponsor Ziggo stood strong, as they agreed on an extension of their current contract in the middle of the season. Interestingly, only 7% of the club's partnerships are international, and 3% stem from esports-related activities.

Staff costs have remained steady at EUR 94.7m despite big name departures. Major sales included Hakim Ziyech's move to Chelsea FC for EUR 40m and Donny van de Beek's shift over to Manchester United FC for EUR 39m, both reported figures. On the buying side, the club spent big on Ivorian striker Sébastien Haller, investing around EUR 22m according to media reports. Such a large sum is infrequent in Ajax's player purchasing patterns, which mostly focus on developing young talents – comparable money has only been spent on Brazilian winger David Neres in the past decade.

The club closed accounts with a net loss of EUR 8.1m, a remarkable feat despite losing crucial matchday revenues for the whole season. With full stadia, and thanks to the successful UEFA Champions League campaign in which the club have reached the Round of 16 for the first time in three years, this loss can likely be expected to turn into a profit at the end of the 2021/22 season. On the other hand, it remains to be seen how Dutch government limitations currently in place at the time of writing, which have forced matches behind closed doors for a specific period of time, will impact the club's financial performance.

Credits: Ajax Media

Atlético de Madrid

Key performance indicators (2020/21 season) in EUR million

Matchday	4.4
Broadcasting	238.8
Commercial & other	106.5
Total operating revenues	**349.6**

YoY Operating revenues growth: -2%

Total staff costs	**267.0**

Staff costs / Operating revenues: 76%

Pre-tax profit/loss	**-123.4**
Profit/loss after tax	**-111.7**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 — 715

Top 3 most valuable players:

1. **João Félix** (Portugal)	**83**
2. **Marcos Llorente** (Spain)	**70**
3. **Jan Oblak** (Slovenia)	**68**

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million — 6

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022 Facebook, Instagram, Twitter, YouTube, TikTok and Weibo — 37

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 — 1,133

(13th place)

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

Main shirt sponsor	**Plus500**
Kit supplier	**Nike**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

With their most recent domestic triumph, Diego Simeone's men have done the seemingly impossible task of beating Real Madrid CF and FC Barcelona, delivering the squad to the Spanish league title twice in his tenure, the 11th in total. In the UEFA Champions League the club gave a respectable performance, bowing out to eventual champions Chelsea FC in the Round of 16, although there was some degree of disappointment when they were knocked out in the second round of the Copa del Rey by third-tier Cornellà.

Operating revenues have remained quite stable despite the repercussions of the pandemic. In the 2020/21 season, **the club have** indeed **amassed EUR 349.6m from operating activities, only a 2% decrease** in comparison with the previous year.

Predictably, **matchday revenues were wiped out following a full season played behind closed doors**, shrinking to a mere EUR 4.4m. Lack of a proper pre-season tour also impacted the club financially, as Atlético de Madrid missed out on the lucrative proceeds to be received from participating in the International Champions Cup.

On the other hand, **broadcasting revenues have increased year on year by 14%, as the figures include games played in July and August of 2020**, still part of the 2019/20 season, but accounted for in the 2020/21 season. Furthermore, another main driver for the notable increase was the improvement from the lowest step of the podium to the top of the table, as 25% of La Liga media rights distribution is allocated based on historical performance, with recent performances bearing a higher weight.

Commercial revenues were yet another income source that saw a 14% year-on-year increase, rising to EUR 106.5m. Such growth can be mostly attributed to the increased income from sponsorships and advertisements. The club's successes have given confidence to their partners, rewarding the *Colchoneros* with increased backing. During the season, they announced extensions to their Hyundai, Plus500 and Ria Money Transfer shirt sponsorships in addition to securing an agreement with Sportfive for international marketing.

Staff costs increased as well, by 17% to EUR 267.0m, since the club brought in a number of players in a push for the championship. The successful season played a part too, since larger bonuses were paid out to the players to reward them for their contributions. As such, the staff costs-to-revenues ratio increased to 76%, somewhat above the 70% threshold recommended by UEFA.

The main reason for the Colchoneros' worse bottom-line result was due to a notable decrease in profit on the disposal of players. This metric decreased from a profit of EUR 137m in the previous season, which was mostly fuelled by the sales of Antoine Griezmann, Lucas Hernández and Rodri, to EUR 37.7m with the lack of similar transfer income in 2020/21.

Finally, **the club went from a net loss of EUR 1.8m to a staggering net loss of EUR 111.7m in the most recent, completed season.** To help out with finances, Atlético de Madrid received a major capital injection of EUR 182m last June as asset management firm Ares took a 34% stake reportedly to offset income lost due to the pandemic. La Liga has also taken steps to aid teams in this regard, as the league signed an investment deal with private equity firm CVC for a stake in La Liga's businesses and future media rights over the next 50 years for a reported fee of EUR 2bn. The clubs are committed to allocate 70% of the funds to investments linked to new infrastructure and modernization projects, up to 15% to sign players, and the remaining 15% to service debt.

In the current season, Atlético de Madrid are some ways off the first spot in the league. In the UEFA Champions League, they have managed to progress in a tough group, and will prove to be a real challenge in the Round of 16 when they will face Manchester United FC in February.

Credits: Atlético de Madrid

Beşiktaş JK

Key performance indicators (2020/21 season) in EUR million

Matchday	3.9
Broadcasting	27.8
Commercial & other	27.2
Total operating revenues	**59.0**

YoY Operating revenues growth -21%

Total staff costs	**36.7**

Staff costs / Operating revenues 62%

Pre-tax profit/loss	**-43.3**
Profit/loss after tax	**-44.4**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 110

Top 3 most valuable players:

1. **Miralem Pjanic** (Bosnia and Herzegovina) 13
2. **Michy Batshuayi** (Belgium) 13
3. **Ersin Destanoglu** (Turkey) 10

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million 2

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022

Facebook, Instagram, Twitter, YouTube, TikTok and Weibo 16

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 N/A

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

5 EUR million

Main shirt sponsor	**Beko**
Kit supplier	**adidas**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

In arguably the most exciting title race across Europe's top divisions that came down to the last matchday, Beşiktaş JK have secured their 16th domestic title ahead of Galatasaray SK on the basis of a single goal. On top of their thrilling league victory in a special season that was extended from 34 to 40 games, due to the lack of relegations in the prior COVID-impacted year, the club have also managed to secure their 10th Turkish Cup. However, the *Black Eagles* were not as successful in the continental competitions, having been knocked out of both UEFA tournaments in the qualifying stages.

Operating revenues decreased by 21% compared to the previous financial year, falling to EUR 59.0m and placing behind city rivals Fenerbahçe SK (EUR 74m, -8%) and Galatasaray SK (EUR 67.1m, -48%). As financial figures within this analysis are calculated in euros, it should be acknowledged that the original currency, the Turkish lira, has been weakening against the target currency and thus Beşiktaş' year-on-year comparison is negatively impacted. In fact, the *Black Eagles* managed to outperform the 2019/20 season in terms of operating revenues if measured in local currency (+7%).

Unsurprisingly, **matchday revenues were impacted the most as the pandemic hung over the industry, plummeting by 75% to EUR 3.9m**. Unlike some other leagues, where domestic regulations in the beginning or at the end of the season allowed for limited capacity in stadia, fans of Beşiktaş JK had no opportunity to support their team in Vodafone Park.

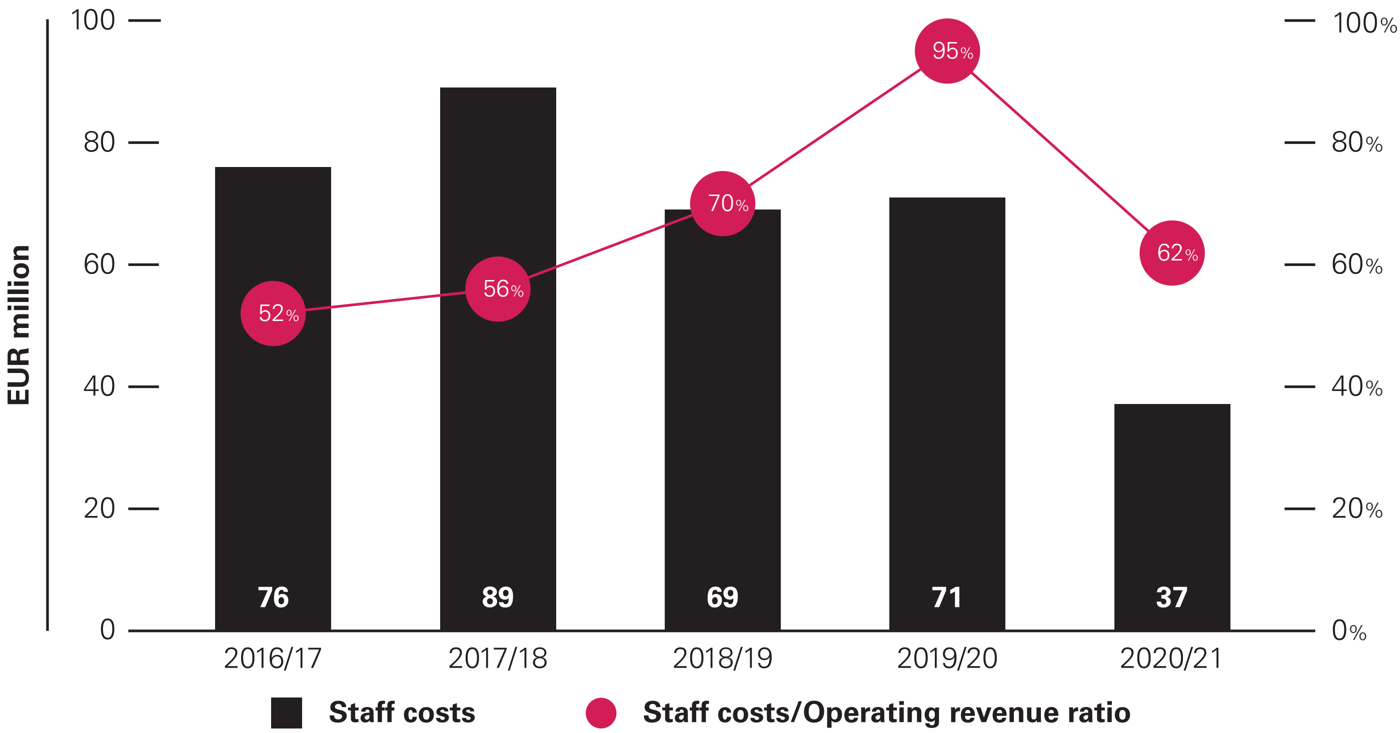
Broadcasting revenues remained consistent, increasing narrowly by 1% to arrive at EUR 27.8m, despite the club missing out on notable UEFA distributions as a result of not qualifying for either continental competition. However, a sizable increase of 37% - mainly as a result of payments stemming from the delay of games in the preceding season - is observed in local currency.

Commercial income was yet another stream that worsened compared to that of the previous year, declining 13% and falling to EUR 27.2m, though if considered in the original currency performance has improved, mainly thanks to increased sponsorship revenue from deals such as the new e-commerce agreement between the club and GittiGidiyor, a Turkish subsidiary of eBay.

On the cost side, following three years of substantial spending on staff, the club tightened their budget and let go of numerous players on free and loan transfers, most notably Turkish talisman Burak Yılmaz joining LOSC Lille, reducing player salaries massively. Total staff costs stood at only EUR 36.7m in the 2020/21 season, a 48% year-on-year decrease compared to the previous year, also compounded by the devaluation of the Turkish lira. More frugal spending was also evident in Beşiktaş' transfer dealings, as the club did not complete a single permanent transfer – only loan deals and free agents – in the 2020/21 season. **Such a cost cutting strategy paid off, as Beşiktaş JK significantly improved on their bottom line: net losses of EUR 44.4m were registered, almost halving losses compared to the previous period.**

In the current 2021/22 season, the club are struggling to achieve similar good results, placing mid-table in the domestic standings and failing to win a single game in the UEFA Champions League group stage.

Staff costs and Staff costs/Operating revenue ratio evolution (2016/17 - 2020/21)



Source: KPMG Football Benchmark

FC Bayern München

Key performance indicators* (2020/21 season) in EUR million

Matchday	7.7
Broadcasting	254.6
Commercial & other	335.2
Total operating revenues	**597.5**

YoY Operating revenues growth
-2%

Total staff costs	**348.9**

Staff costs / Operating revenues
58%

Pre-tax profit/loss	**8.1**
Profit/loss after tax	**1.8**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 921

Top 3 most valuable players:

1. **Joshua Kimmich** (Germany) 101
2. **Alphonso Davies** (Canada) 84
3. **Leroy Sané** (Germany) 82

Source: KPMG Football Benchmark – Player Valuation

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

91 EUR million

Main shirt sponsor D. Telekom
Kit supplier adidas

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

Net transfer spend (season 2020/21) in EUR million 55

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022
Facebook, Instagram, Twitter, YouTube, TikTok and Weibo 104

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 2,621
(4th place)

Source: KPMG Football Benchmark - Club finance & operations

***Note:** All data refer to the individual financial statements of FC Bayern München AG. Consolidated data and revenues breakdown were not available at the date of publication.

FC Bayern München retained their domestic league title comfortably, 13 points ahead of their closest rivals RB Leipzig, thus winning their 9th consecutive Bundesliga honour in the 2020/21 season. The trophy cabinet was also expanded with the UEFA Super Cup, the FIFA Club World Cup - closing on a successful European campaign the previous year - and the DFL Supercup. On the other hand, an early exit against second division side Holstein Kiel in the DFB Pokal and a competitive loss against Paris Saint-Germain FC in the UEFA Champions League quarter finals tarnished an otherwise wonderful season. The 2020/21 season also turned out to be treble-winning coach Hansi Flick's last year in charge of the Bavarians.

Operating revenues decreased marginally from the 2019/20 season by 2%, to EUR 597.5m. Matchday revenues were mostly wiped out by the ongoing pandemic, during which fans were not allowed to attend matches in stadia. Among the big 5 leagues, the Bundesliga suffered dramatically, given the traditionally high attendance and utilisation rates across the league, and FC Bayern München especially, since they were unable to fill the 75,000-seater Allianz Arena, which previously had been consistently sold out.

Broadcasting revenues for 2020/21 benefited from successful performances in the previous campaign, when the club conquered Europe. As the latter stages of the UCL were played after the financial year-end, payments for these games were accounted for in this year's accounts, as for many clubs in Europe. However, a counteracting effect on broadcasting income stems from the new domestic deal and distribution system used for the allocation of domestic media rights pay-outs, as performance-related payments, from which FC Bayern München benefited heavily, were reduced in response to the pandemic.

As a testament to the brand, **commercial revenues have remained stable** despite the global pandemic as more new partnerships were signed, and major commercial deals have not changed. Furthermore, the *Bavarians*, and the Bundesliga as a whole, have also dived deeper into blockchain-based partnerships, joining the NFT revolution in an agreement with Sorare.

Staff costs increased by 11% to EUR 348.9m in the 2020/21 season; the year-on-year change is heavily impacted by a 20% pay cut players took in the final part of the 2019/20 season following the pandemic. As such, the staff costs-to-operating revenue ratio has increased to 58%, still comfortably below the 70% threshold recommended by UEFA.

The highest valued German team according to our Player Valuation tool, the *Bavarians* did not need many new additions to retain their title, the only exception being the acquisition of Leroy Sané from Manchester City FC for a reported fee of EUR 60m.

Impressively, **FC Bayern München kept their streak of recording bottom-line results alive with a net profit of EUR 1.8m, making it 29 years in a row that they ended the season with a positive result**. Such continuous excellent financial performance has certainly contributed to the decision not to join the proposed European Super League, as the club did not require institutional financing. As per the administrators' expectations, however, the effects of the pandemic are thought to still linger and negatively impact the financials of the ongoing season as well.

Under new coach Julian Nagelsmann, FC Bayern München appear to be replicating their previous success on the pitch halfway through the current campaign; indeed, they are leading the Bundesliga with a comfortable cushion and have won all their six matches in the UCL group stages, aiming to march the farthest in the competition.

Credits: FC Bayern München

FC Internazionale Milano

Key performance indicators (2020/21 season) in EUR million

Matchday	2.5
Broadcasting	195.2
Commercial & other	149.8
Total operating revenues	**347.5**

YoY Operating revenues growth 19%

Total staff costs	**261.6**

Staff costs / Operating revenues 75%

Pre-tax profit/loss	**-239.5**
Profit/loss after tax	**-245.6**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 — 526

Top 3 most valuable players:

1. **Lautaro Martínez** (Argentina) — **87**
2. **Nicolò Barella** (Italy) — **79**
3. **Alessandro Bastoni** (Italy) — **61**

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million — 38

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022

Facebook, Instagram, Twitter, YouTube, TikTok and Weibo — 46

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 — 877

(14th place)

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

Main shirt sponsor	**Socios.com**
Kit supplier	**Nike**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

After nine seasons of Juventus FC's dominance, Serie A has a new leader, as in the 2020/21 season FC Internazionale managed to conquer their 19th scudetto. The *Nerazzurri* won the domestic title four match days in advance with 12 points clear of their city rivals, AC Milan, while at international level they were stopped at the group stage of the UEFA Champions League for the third consecutive season.

Off the pitch, **FC Internazionale registered total operating revenues of EUR 347.5m, a 19% annual increase**, approximately EUR 20m less than the last pre-COVID season in 2018/19 (which saw EUR 366m).

An entire season played without spectators and the consequent almost complete disintegration of matchday income had a severe impact upon FC Internazionale's financial results; indeed, the *Nerazzurri* were the Italian club with the highest average attendance over the previous five seasons. The **annual increase in broadcasting and commercial revenues, by 61% and 23% respectively**, assisted the club in partially recovering the revenues loss that occurred in the first season impacted by the pandemic.

Broadcasting income benefitted from the deferred revenue related to the 2019/20 sporting season matches played after the financial year end of June 2020, including both Serie A and UEFA Europa League, where they reached the final, and from the higher prize money received as a result of the Serie A victory.

Despite the annual increase, commercial revenues (EUR 149.8m) are somehow less than the record EUR 171.4m registered in the 2018/19 season. Besides the predictable impact of the pandemic, the club's commercial revenues took a hit from the expiration of a number of regional Asian sponsors, as their value decreased from EUR 96.9m in 2018/19 to EUR 38.2m in 2020/21. The year-on-year increase reported is mainly due to a pro-rata proportion of some deals having been suspended in 2019/20 (including sponsors' bonuses related to sporting performance) and six new partnerships activated during the 2020/21 season.

Over the past few years, the club's management has put great effort into commercial development in part due to the consolidation of Inter Media House, a subsidiary company managing the digital development of the club. The 2021/22 season is showing further promising signs, as demonstrated by the **new main shirt sponsorship deal signed with cryptocurrency platform Socios.com for a reported EUR 24m**, a significant improvement from the EUR 10m per year guaranteed by Pirelli.

Moving to the costs side, the 32% year-on-year increase registered for staff costs is mainly due to the deferral of part of the 2019/20 costs - because of matches played after the financial year end of June 2020 - and the severance pay agreed with former coach Antonio Conte, who left the club in May 2021.

The matchday revenue loss, the operating costs' growth and the low income on player trading activities led to a record net loss of EUR 245.6m in 2020/21, the greatest ever recorded by an Italian football club. However, the stadium reopening, the new commercial deals signed, the remarkable player trading income and staff costs savings derived from the disposals of superstars Romelu Lukaku and Achraf Hakimi, and the successful UEFA campaign so far are factors that will most likely help the club pare down such a massive loss over the 2021/22 season.

After a turbulent summer in which the parent company obtained a EUR 275m loan to assist with the going concern of the club, FC Internazionale are back on track, currently defending their Serie A title and qualifying for the UEFA Champions League Round of 16, where they will face Liverpool FC. In the longer term, the recently-announced realisation of a new stadium to be shared with AC Milan, which should be ready by 2027, will be a crucial step toward the future growth and sustainability of the club.

Credits: FC Internazionale Milano

LOSC Lille

Key performance indicators (2020/21 season) in EUR million

Matchday	0.2
Broadcasting	54.4
Commercial & other	29.5
Total operating revenues	**84.1**

YoY Operating revenues growth -12%

Total staff costs	**88.9**

Staff costs / Operating revenues 106%

Pre-tax profit/loss	**-23.0**
Profit/loss after tax	**-23.2**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 — 306

Top 3 most valuable players:

1. **Jonathan David** (Canada)	**47**
2. **Sven Botman** (Netherlands)	**39**
3. **Renato Sanches** (Portugal)	**27**

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million — -60

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022

Facebook, Instagram, Twitter, YouTube, TikTok and Weibo — 4

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 — N/A

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

Main shirt sponsor	**Boulanger**
Kit supplier	**New Balance**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

In a tumultuous season in which LOSC Lille changed ownership, ***Les Dogues* defied all expectations and nabbed the French league title from Paris Saint-Germain FC, clear favourites at the beginning of the year**. The culmination of Christophe Galtier's 4-year project represented the fourth domestic title for LOSC Lille, the first since the 2010/11 season. In the French Cup, they were defeated by PSG in the Round of 16, while on the continental stage they managed to reach the first knockout stage in the UEFA Europa League, eventually knocked out by AFC Ajax.

Operating revenue was down by 12%, reaching EUR 84.1m. More specifically, **matchday revenues decreased to almost null** during the COVID-impacted season, in which fans were not allowed to attend games in the stadium, **while commercial revenues saw a massive increase of 51%**, mainly thanks to a historically successful season on the pitch.

Despite winning the league, **LOSC Lille's broadcasting revenue fell 13% to EUR 54.4m** in the 2020/21 season, due to several reasons. On one hand, Ligue 1 was one of the few European leagues and the only one out of the Big 5 which curtailed the 2019/20 season and, as such, French clubs did not receive delayed broadcasting payments in the 2020/21 season - unlike most of their international peers. On the other hand, **in 2020/21 the club did not take part in the UEFA Champions League**; indeed, in the past season *Les Dogues* qualified to the less remunerative UEFA Europa League, as opposed to reaching the group stage of the UCL in the prior year. Finally, **the collapse of Ligue 1's domestic media rights deal with Mediapro**, who did not complete their scheduled payments as per agreement, **was another significant factor**, forcing the league to secure a deal with Amazon for a discounted amount.

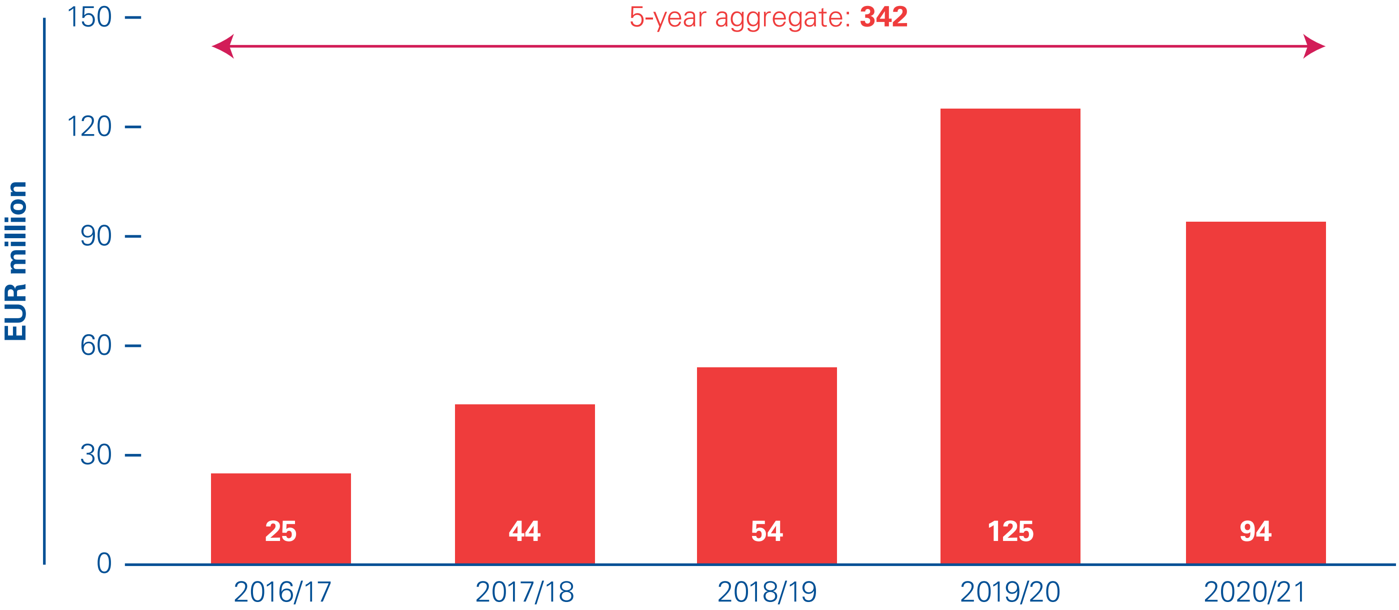
Staff costs remained constant at EUR 88.9m, but the **staff costs-to-operating revenue ratio increased to 106%** due to the diminished revenues. While this ratio is very high per se, many clubs have recently found it difficult to keep such indicator under control due to the severe effects of the pandemic, which have directly impacted sources of revenue generation, while staff costs represent fixed, multi-annual costs that are, accordingly, more challenging to decrease.

The club's player trading practices are top class, allowing them to consistently cash in from players' transfers. In the 2020/21 season, they recorded a EUR 94.0m profit on the disposal of players' registrations (vs EUR 124.9m a year before), helped in a big way by the sales of Victor Osimhen to SSC Napoli for EUR 71m and Gabriel Magalhães to Arsenal FC for EUR 26m, as reported by the media. On the buying front, LOSC Lille brought in key players, such as forward Jonathan David from Belgian side KAA Gent and defender Sven Botman from AFC Ajax, who are already targeted by some of the biggest clubs for potential acquisitions in the upcoming transfer windows.

The club's bottom-line result shows a EUR 23.2m net loss, a significant decrease from the net profit made in the previous year (EUR 22.3m), mainly due to the aforementioned drops in matchday and broadcasting income, and to the lower receipts from disposal of players' registrations year on year.

In the current 2021/22 season, on the domestic stage the club are struggling to perform at similar levels after losing key players and their head coach, placing in the middle of the table - a longshot away from defending their title. On the other hand, on the international stage they have performed brilliantly, as they have topped their UCL group and will face holders Chelsea FC in the Round of 16 in February.

Profit/Loss on disposal of players' registrations evolution (2016/17 - 2020/21)



Source: KPMG Football Benchmark

Manchester City FC

Key performance indicators (2020/21 season) in EUR million

Matchday	0.8
Broadcasting	335.5
Commercial & other	307.9
Total operating revenues	**644.2**

YoY Operating revenues growth
17%

Total staff costs	**N/A**

Staff costs / Operating revenues
N/A

Pre-tax profit/loss	**N/A**
Profit/loss after tax	**N/A**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 — 1,237

Top 3 most valuable players:

1. Phil Foden (England)	**117**
2. Kevin De Bruyne (Belgium)	**105**
3. Rúben Dias (Portugal)	**104**

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million — 96

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022 — 98

Facebook, Instagram, Twitter, YouTube, TikTok and Weibo

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 — 2,170

(6th place)

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

Main shirt sponsor	**Etihad**
Kit supplier	**PUMA**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

The 2020/21 season was arguably the most successful season under current ownership as Manchester City FC completed the domestic double, winning the Premier League with a comfortable 12-point cushion and lifting the Carabao Cup. Even more importantly, **the club reached the UEFA Champions League final for the first time in their history, but was stopped by domestic peers Chelsea FC in a tight game**. The *Blues* were a major obstacle for the club, as they were the termination point of their journey towards the FA Cup as well.

Their operating revenues have improved by 17% to reach EUR 644.2m, despite playing a full season in a COVID environment. **Matchday revenues were virtually erased**, decreasing to only EUR 0.8m. However, the absence of fans from stadia gave Manchester City FC the perfect opportunity to upgrade advertisement boards with a supersized LED system, claiming it as the most commercially valuable pitch side media space in the Premier League. Meanwhile, planning began for a GBP 350m indoor music and entertainment arena next to the stadium, strengthening the campus' standing as an entertainment and leisure destination for visitors to Manchester and the UK.

Broadcasting revenues were the primary instrument behind a major surge in total revenues, with a 55% increase to EUR 335.5m. Deferred payments from both UEFA and the Premier League in relation to the 2019/20 season certainly helped cast a good light on the year-on-year comparison, but improved sporting results both on the domestic and international stage were the other major reasons for the enhanced performance. Notably, **reaching the final in the UCL brought in record-breaking income of EUR 129.5m from UEFA.**

Commercial revenues increased by 8%, reaching EUR 307.9m. Having success on the field generally attracts more income from commercial streams, since sponsors gain confidence in the team and fans are more likely to purchase merchandise to celebrate the triumphs. The *Citizens* were also one of the first movers into the emerging metaverse market through their signing of deals with popular gaming title Fortnite and with blockchain-based fan engagement platform Socios.com. More recently, they have signed a partnership with Sony to develop new digital fan experiences.

Manchester City FC continued to spend on the transfer market, investing around EUR 170m in incoming players according to media reports. Most notable was the acquisition from SL Benfica of eventual Premier League "Player of the Season", Rúben Dias, who helped lead the best backline in the league. Meanwhile, the highest profile departure was Leroy Sané's move to FC Bayern München. The management's continual investment in the squad resulted in the club having the highest valued squad in world football since the start of the 2020/21 season according to our KPMG Football Benchmark's Player Valuation tool. **Currently, the playing squad's value stands at EUR 1,237m.**

At the time of publication, Manchester City FC had not yet released their official financial documents for the 2020/21 season and, as such, information regarding the club's staff costs and net results are not yet available.

The *Citizens* have carried on their great form into the new season, comfortably topping the table in the Premier League and progressing as a seeded team in the UEFA Champions League, where they will face Portuguese champions Sporting Clube de Portugal.

Credits: Manchester City FC

Sporting Clube de Portugal

Key performance indicators (2020/21 season) in EUR million

Matchday	1.2
Broadcasting	30.0
Commercial & other	32.8
Total operating revenues	**64.0**

YoY Operating revenues growth
-5%

Total staff costs	**62.0**

Staff costs / Operating revenues
97%

Pre-tax profit/loss	**-34.4**
Profit/loss after tax	**-33.0**

Source: KPMG Football Benchmark - Club finance & operations

Squad market value in EUR million as at 1st Jan. 2022 213

Top 3 most valuable players:

1. Pedro Gonçalves (Portugal)	**34**
2. Pablo Sarabia (Spain)	**24**
3. João Palhinha (Portugal)	**23**

Source: KPMG Football Benchmark – Player Valuation

Net transfer spend (season 2020/21) in EUR million -12

Source: KPMG research

Total social media followers in million as at 1st Jan. 2022
Facebook, Instagram, Twitter, YouTube, TikTok and Weibo 5

Source: KPMG Football Benchmark – Social Media Analytics

Enterprise Value in EUR million as at 1st Jan. 2021 N/A

Source: KPMG Football Benchmark - Club finance & operations

Jersey value: main shirt sponsor and kit supplier (2021/22 season)

Main shirt sponsor	**Betano**
Kit supplier	**Nike**

Source: KPMG Football Benchmark & GlobaData Sport Intelligence Center, some values are based on estimations.

The regular tradition of FC Porto or SL Benfica reigning supreme in the fight for the Primeira Liga title was shattered when Sporting CP claimed the honour in the 2020/21 season for the first time in 19 years. Certainly, the reported EUR 10m fee paid for the transfer of prodigious coach Rúben Amorim seems to have paid off, as the club were only bested once in the league during a campaign that also saw them lifting the Taça da Liga. On the other hand, the club did not do as well in European competitions, having been knocked out in the qualifying rounds of the UEFA Europa League.

Operating revenues decreased by 5% to EUR 64.0m as the *Leões* battled against the negative consequences of the COVID-19 pandemic; **matchday revenues were hit the hardest with a full season played behind closed stadia, decreasing by 91% year on year, down to EUR 1.2m**.

In contrast, **broadcasting revenues have remained fairly constant at EUR 30.0m**, despite UEFA earnings being almost negligible following the early exit from European competition compared to the prior season, when the club reached the knockout stages of the UEFA Europa League.

The Portuguese league is unique amongst the top leagues in Europe, since their regulations allow for clubs to negotiate their domestic broadcasting revenues individually, benefiting the biggest clubs like Sporting CP. The club's media rights increased by EUR 5m as per the annual increase agreed with broadcasting partner NOS Audiovisuais, to which the successful domestic campaign most likely contributed as well.

While still far in the future, **news reporting last year suggests that Primeira Liga media rights will be centralised from the 2027/28 season, in an effort to align with the big European leagues and potentially improve competitive balance**. The effect of the new, more equal distribution of income on the Portuguese teams and on the existing imbalance of power in the league remains to be seen.

Commercial revenues have increased by 35%, reaching EUR 32.8m. Obviously, winning their first league title since the 2001/02 season played a huge part in such growth as fans wanted to acquire memorabilia to celebrate the club's latest accolade. More specifically, in-store purchases have decreased, while online merchandise sales have tripled in the past year, demonstrating the shift in purchasing behaviour as a result of COVID. Furthermore, the club benefited from the sale of the rights to operate the stadium's parking lot, amounting to approximately EUR 4m.

Staff costs have remained stable, increasing only by 2% to EUR 62.0m. This factor, in combination with the slightly decreased operating revenues, caused an increase in the **staff costs-to-operating revenues ratio, now reaching a considerable 97%**.

Sporting CP recorded lower profit from player sales compared to prior year, as in the 2020/21 season the biggest sale was represented by the departure of central midfielder Wendel to FC Zenit Saint Petersburg for a reported fee of EUR 20m, a net profit of around EUR 11m. On the other hand, the club gained much more in the previous season in large part thanks to the mammoth sale of Bruno Fernandes to Manchester United FC for a reported fee of EUR 55m, a net gain of EUR 41m. In contrast, the club spent approximately the same amount on incoming transfers, as per media sources: the highest fee, a reported EUR 16m, was paid to domestic rivals SC Braga for striker Paulinho.

Finally, **the club ended the season with a net loss of EUR 33.0m, the most negative result since the 2012/13 season.** Bottom line profits are sure to improve in the current season as the club have returned to the lucrative Champions League – advancing to the Round of 16 – and are carrying on their good on-field performance from their title-winning season on the domestic stage.


Credits: Sporting Clube de Portugal

Summary

Key performance indicators and annual change

	AFC Ajax		Atlético de Madrid		Beşiktaş JK		FC Bayern München**	
Total operating revenues	125.2	-23%	349.6	-2%	59.0	-21%	597.5	-2%
Staff costs	94.7	+3%	267.0	+17%	36.7	-48%	348.9	+11%
Staff costs/Operating revenues	76%	+19	76%	+13	62%	-33	58%	+7
Profit/Loss after tax	-8.1	-28	-111.7	-110	-44.4	+27	1.8	-4
Squad Value	353	+26%	715	+2%	110	+64%	921	-2%
Social media followers*	17	+33%	37	+15%	16	+11%	104	+13%

Total operating revenues
2020/21 season
in EUR million

Staff costs
2020/21 season
in EUR million

Staff costs/Operating revenues
2020/21 season
(change in percentage points)

Profit/Loss after tax
2020/21 season
in EUR million

Squad Value
as at 1st January 2022
in EUR million

Social media followers*
as at 1st January 2022
in million

***Note:** Facebook, Instagram, Twitter, YouTube, TikTok and Weibo combined.

****Note:** All data refer to the individual financial statement of FC Bayern München AG. Consolidated data were not available at the date of publication.

	FC Internazionale Milano	LOSC Lille	Manchester City FC***	Sporting Clube de Portugal
Total operating revenues	347.5 +19%	84.1 -12%	644.2 +17%	64.0 -5%
Staff costs	261.6 +32%	88.9 -1%	N/A N/A	62.0 +2%
Staff costs/Operating revenues	75% +8	106% +12	N/A N/A	97% +6
Profit/Loss after tax	-245.6 -143	-23.2 -45	N/A N/A	-33.0 -45
Squad Value	526 -18%	306 +15%	1,237 +10%	213 +69%
Social media followers*	46 +10%	4 +26%	98 +16%	5 +8%

Total operating revenues
2020/21 season
in EUR million

Staff costs
2020/21 season
in EUR million

Staff costs/Operating revenues
2020/21 season
(change in percentage points)

Profit/Loss after tax
2020/21 season
in EUR million

Squad Value
as at 1st January 2022
in EUR million

Social media followers*
as at 1st January 2022
in million

***Note:** Facebook, Instagram, Twitter, YouTube, TikTok and Weibo combined.
*****Note:** Manchester City FC have yet to release detailed financial information on staff costs and profitability figures as of the date of publication.

Basis of preparation and limiting conditions

The foundation of this study is an analysis of the publicly available statutory financial statements ("the Financial Statements") of the professional football clubs selected for the purposes of this report. In respect of each professional football club, all financial figures have been extracted from the Financial Statements of the 2020/21 football season.

When the Financial Statements of the clubs were not available or whenever we considered it necessary, we have consulted with the management of the clubs in order to obtain the necessary information or clarifications to support our analysis.

The Financial Statements utilised for the purpose of KPMG's analysis were acquired from the relevant public sources in each country. In performing our analysis, we also relied upon information of a non-financial nature obtained from publicly available sources: national governing bodies, trade associations, international federations and social media.

The team responsible for the production of this report has relied on information included in the published Financial Statements of each club. KPMG professionals have not performed any verification work or audited any of such financial information or any of the non-financial publicly available data obtained from other sources considered authoritative.

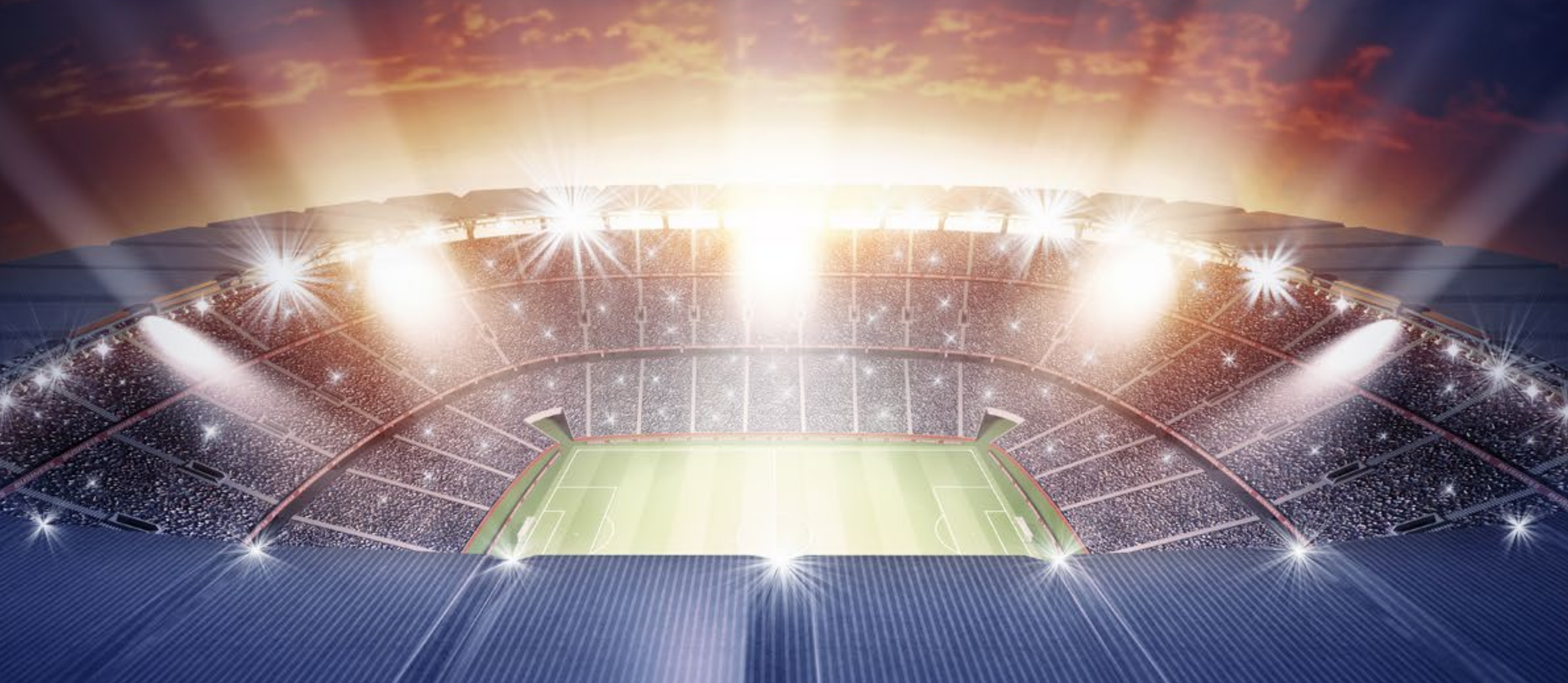
The squad market values have been calculated using the KPMG's Player Valuation tool. Based on proprietary algorithms, this tool provides market values for 8,300+ players from 358 major clubs from Europe, South America and the Middle East.

The estimated players' market values are aimed at capturing the worth of a player based on an analysis of several thousands of past player transfers, historical sports performance and all the drivers that have an impact on the transfer fees. Our consistent approach and methodology, together with an understanding of the difference between the concept of price and value, might explain the possible discrepancies between our value estimate conclusion and the specific price at which a transaction has taken place.

Whilst every effort has been made by KPMG to make the analysis between professional football clubs consistent and comparable, in undertaking this research we faced several challenges which are difficult to overcome. Differences of accounting practice in the respective countries, differences in reporting currencies, fluctuation in exchange rates , and differences in year-ends limit to a certain extent the comparability of data and affect the outcome of our analysis. Furthermore, the postponement of a certain number of matches after the closing date of the 2019/20 financial year, due to the COVID-19 health emergency, has in some cases caused discrepancy among clubs and within the same club, when comparing different seasons, in terms of accrual basis of revenues and costs.

KPMG makes no representations nor provides any warranties regarding the accuracy or completeness of the information contained in this report. KPMG, its managers, directors, partners and employees expressly disclaim any and all liability for errors and omissions from the report. Acceptance and/or use of this report constitutes acceptance of the assumptions and limiting conditions included therein.

For interpretation of financial terms used in this report, please refer to the methodology section of the Data & Analytics page of KPMG's www.footballbenchmark.com website.



[1]In order to conduct cross-league analysis and comparison, where the local currency is not the euro, KPMG has converted all local currency figures using the average exchange rate for the twelve months prior to 30 June 2021.

How can we help?

KPMG member firms deliver value to the sports industry

Strategy & Business planning

Commercial revenue maximization

Operating review & Cost optimization

Venue feasibility and conceptualization

Club valuation & Transaction support

Governance & Organization development

Event planning & Socio-economic impact

Sport digital planning

Audit & Tax

footballbenchmark.com