

COVID-19 Financial Impacts on European Clubs

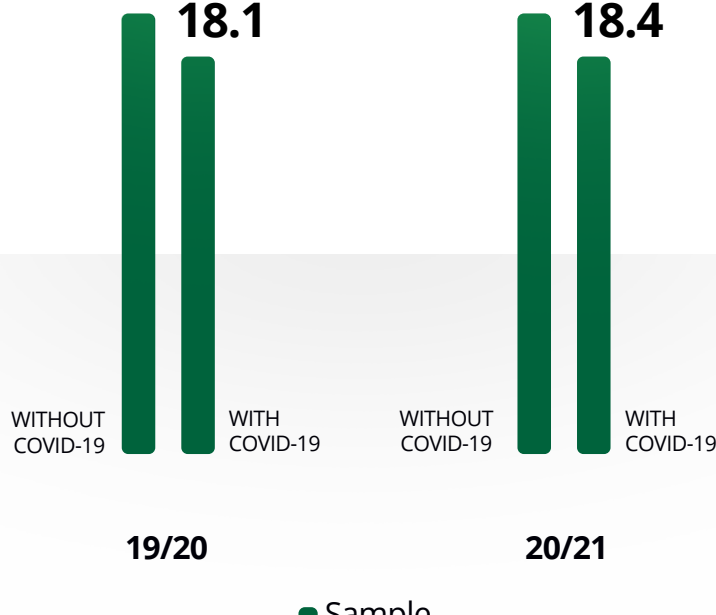
ECA conducted an analysis of the financial impact of COVID-19 on clubs from a representative sample of 10 leagues in Europe.



01. Despite 7 of the 10 leagues in our sample returning to play in June 2020, the financial impact is significant:

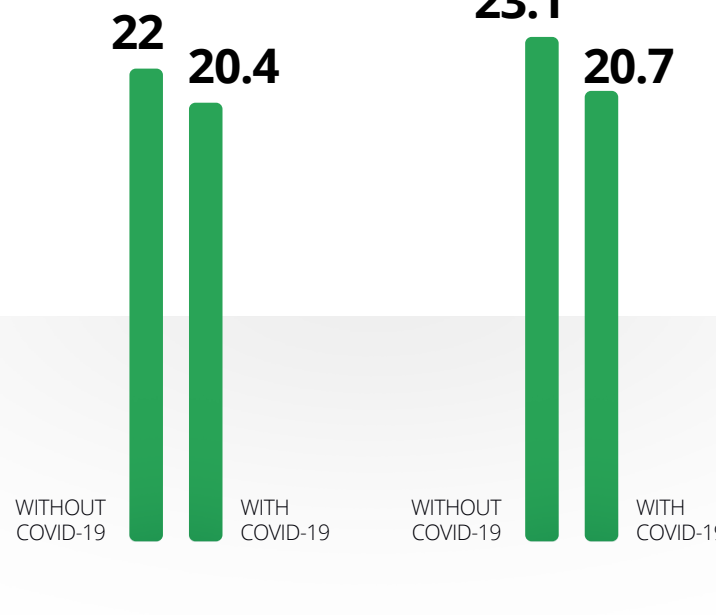
✓ **€3.6bn** in lost revenues (€1.5bn in 19/20 and €2.1bn in 20/21) ✓ **€2.8bn** on EBITDA (max. exposure) without player transfers (€1.3bn in 19/20 and €1.5bn in 20/21)

€bn Club Revenue excl. Player Transfers



By examining the impact at a Europe-wide level, the total shortfall over the next two seasons is estimated to amount to €4.0bn on revenues and €3.1bn on EBITDA (max. potential).

€bn Club Revenue excl. Player Transfers



02. The financial impact of COVID-19 does not stop when the game resumes. Rather, it will continue in 2020/21 even if the season is played in full.

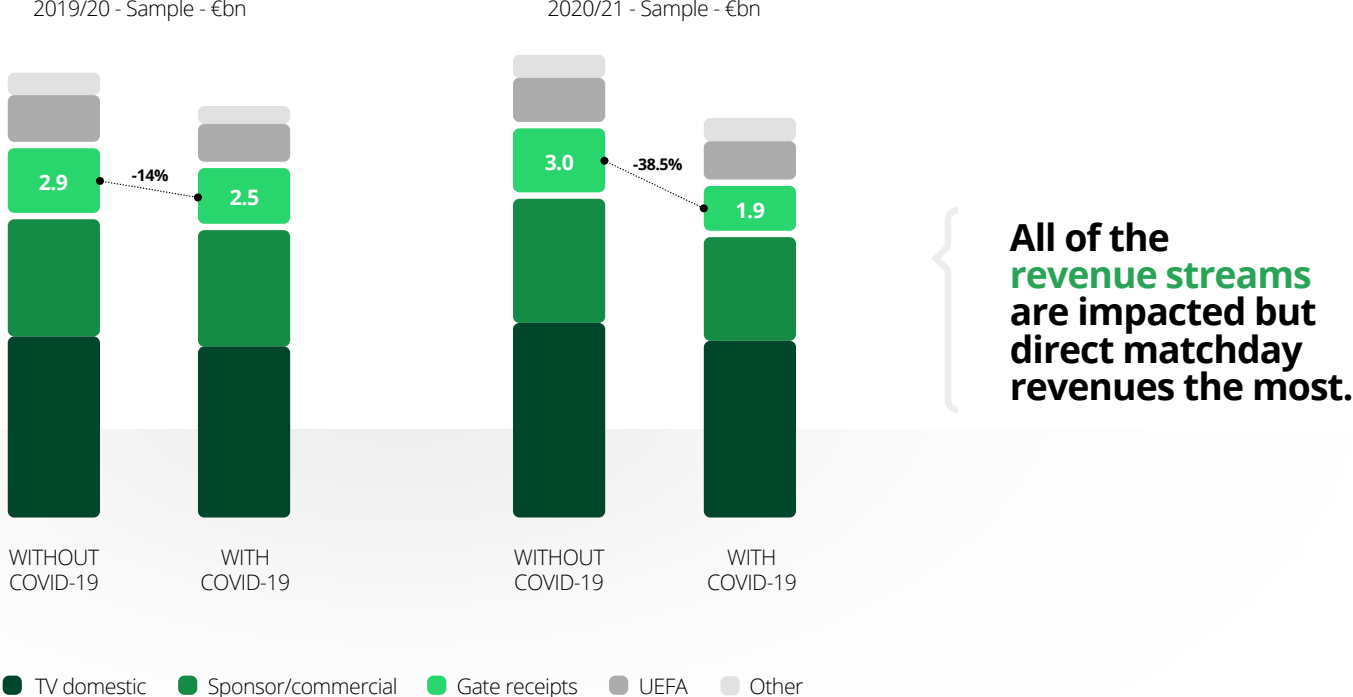


"Most of the value and engagement in football is in the live window. The way football is structured as a product is not yet sufficiently geared towards creating and filling space between live matches with highly engaging, valuable and refreshed content."

Charlie Marshall, CEO, ECA

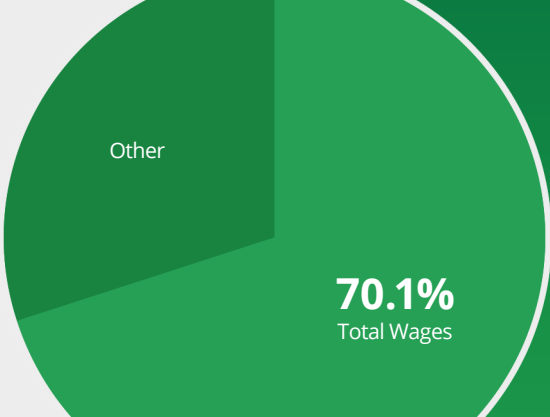
2019/20 - Sample - €bn

2020/21 - Sample - €bn



All of the revenue streams are impacted but direct matchday revenues the most.

Club Expenditure as % of Revenue

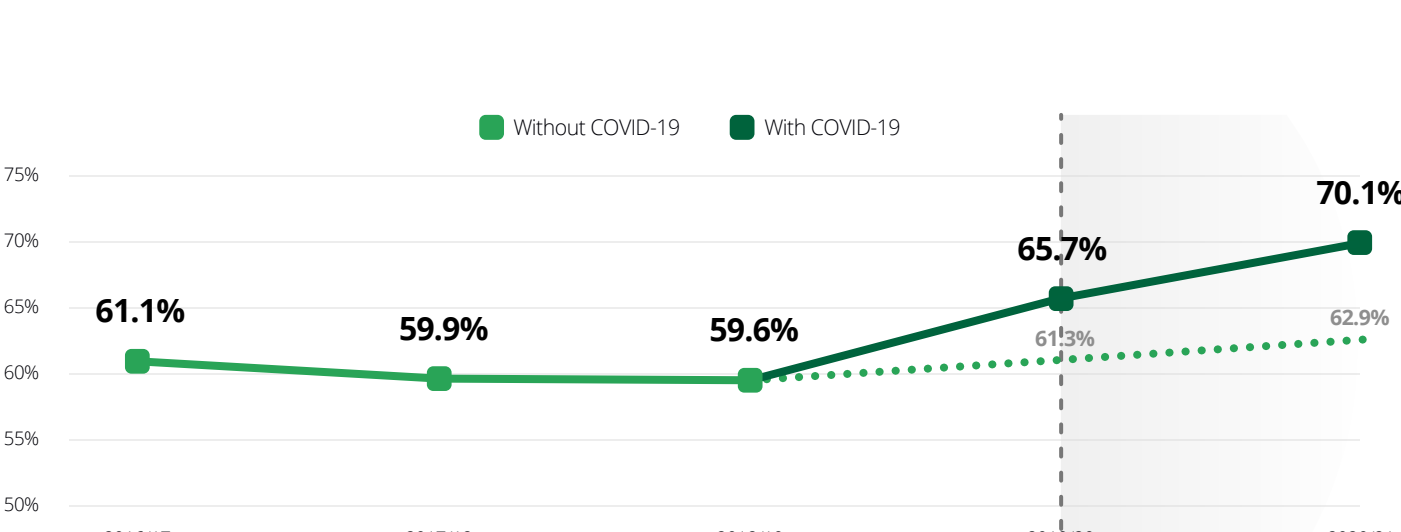


03.

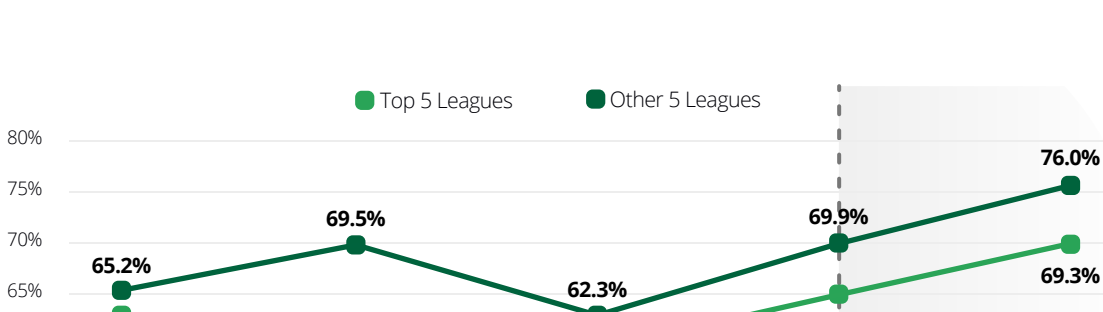
Most of the clubs' income are going to cover wages.

In 2020/21, 70.1% of the income of the sample are calculated to go against salaries.

From the 10-league sample, the **wage-to-revenue ratio** (excluding net gains from player transfers) could increase from 59.6% in 18/19 to a projected 70.1% in 20/21. Without COVID-19, the ratio is estimated to have been 62.9%.



10 LEAGUES SAMPLE



SAMPLE SEGMENTED (TOP 5 vs OTHER 5)

Top 5 leagues

&

Other 5 leagues

59.6% → 69.3%

18/19

20/21

62.3% → 76.0%

18/19

20/21

We can assume that lower tier league ratios of more than 100% could become even more widespread.

"Player wages are an easy target for opinion but a very complex financial matter to tackle. We have to think broadly about the impact at an industry-wide level while also taking into account local regulations and specificities, which have a considerable impact on clubs of all sizes."

Hugo Hamon, Head of Finance, ECA

