The European Champions Report 2021

January, 2021

KPMG Sports Advisory Practice

footballbenchmark.com

About KPMG Football Benchmark

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

Finance & operations

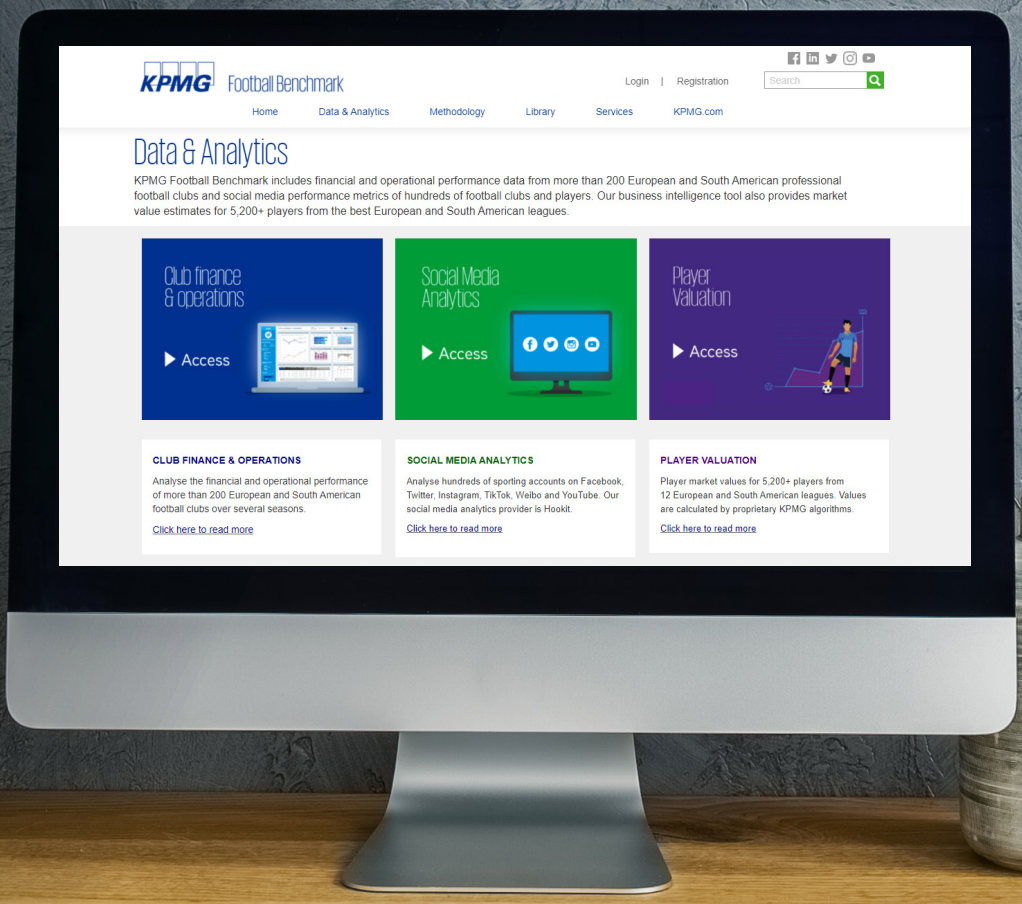
A consolidated and verified database of the financial and operational performance of over 200 football clubs, both in Europe and South America

Social media analytics

An updated and historical tracking of the social media activity of 400 football clubs, 300 footballers and 260 competitions and other sporting accounts

Player valuation

A proprietary algorithm, which calculates the market value of 5,200+ football players from ten European and two South American leagues



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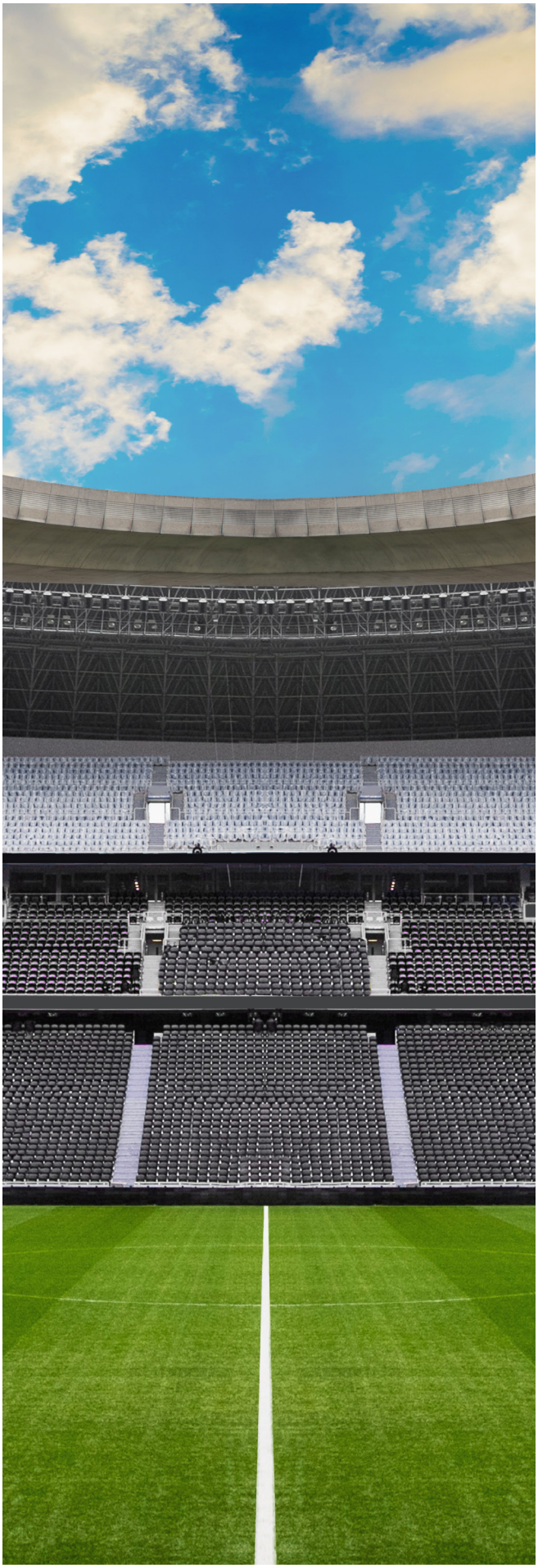

Foreword

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The 2019/20 football season has been plagued by unexpected events that will exert long-lasting consequences on the entire industry. As the 5th edition of KPMG Football Benchmark's "The European Champions Report" clearly demonstrates, the devastating short-term impacts of the COVID-19 pandemic are clearly reflected by the key business performance indicators of the champions of Europe's most prominent leagues in the 2019/20 season.

All six champions scrutinised in our report have now recorded a decrease in their operating revenues: Juventus FC, Paris Saint-Germain FC and FC Porto registered a double-digit year-on-year drop, while FC Bayern München, Liverpool FC and Real Madrid CF reported more modest decreases in operating revenues, mainly due to their ability to increase commercial income. The German and the Spanish champions have also been rare exceptions in terms of profitability, having registered net profits for the financial year which ended in May/June 2020, while the other clubs witnessed significant losses.[1]

From a comparability perspective, the delay and/or cancellation of matches, in some cases played after the financial year-end closure, and the uncertainty over potential renegotiations of payments from media and commercial agreements – including UEFA-related income – have posed challenges on how revenues and costs have been accounted for by clubs.[2]

The pandemic has affected the very structure of our current report as well. As the Dutch Eredivisie cancelled its season last April without declaring a champion, following a government ban of all sporting events until September, the Netherlands is not included in this edition. In addition, financial results from Turkish champions Istanbul Başakşehir FK were not available, therefore our 5th annual report on the champions of Europe's top domestic competitions now covers six leagues, compared to previous editions which included eight champions.

Unlike a year before, when six clubs from Europe's top football leagues could retain their league title, the 2019/20 season has been more competitive, with **only three champions – FC Bayern München[3], Juventus FC and Paris Saint-Germain FC – regaining their domestic title.** Newcomers include Liverpool FC winning the English Premier League for the first time in 30 years, FC Porto reclaiming the Portuguese title from last year's winners SL Benfica, and Real Madrid CF winning their 34th LaLiga trophy by regaining the throne from Barcelona FC after two years.

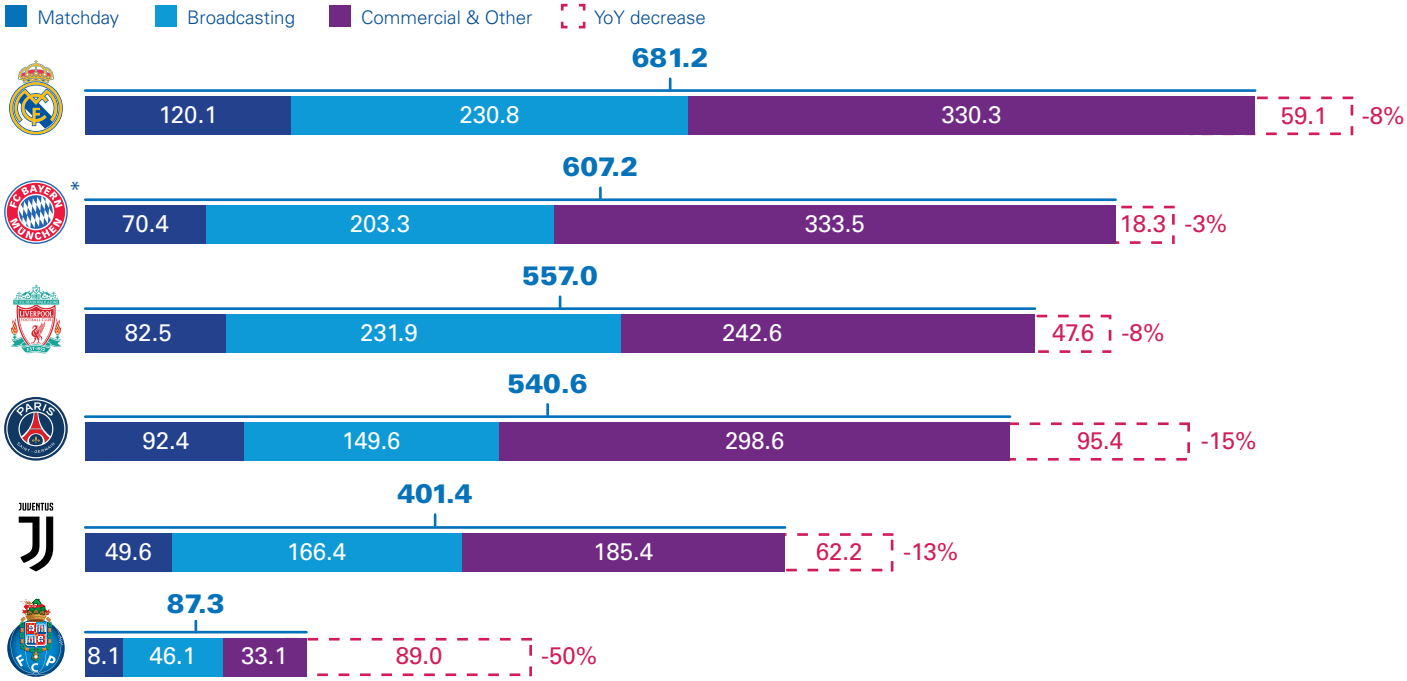
[1]Liverpool FC have yet to release detailed financial information on staff costs and profitability figures as of the date of publication.

[2]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 between clubs, and within the same club when compared to the 2018/19 season, in terms of accrual basis of revenues and costs. Producing this report, we relied on information included in the published Financial Statements – or in the information obtained after consultation with the management – of each club and we have not performed any verification work or audited any of such financial information.

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

Operating revenues overview (in EUR million)

Total operating revenues with breakdown (2019/20) and YoY decrease



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

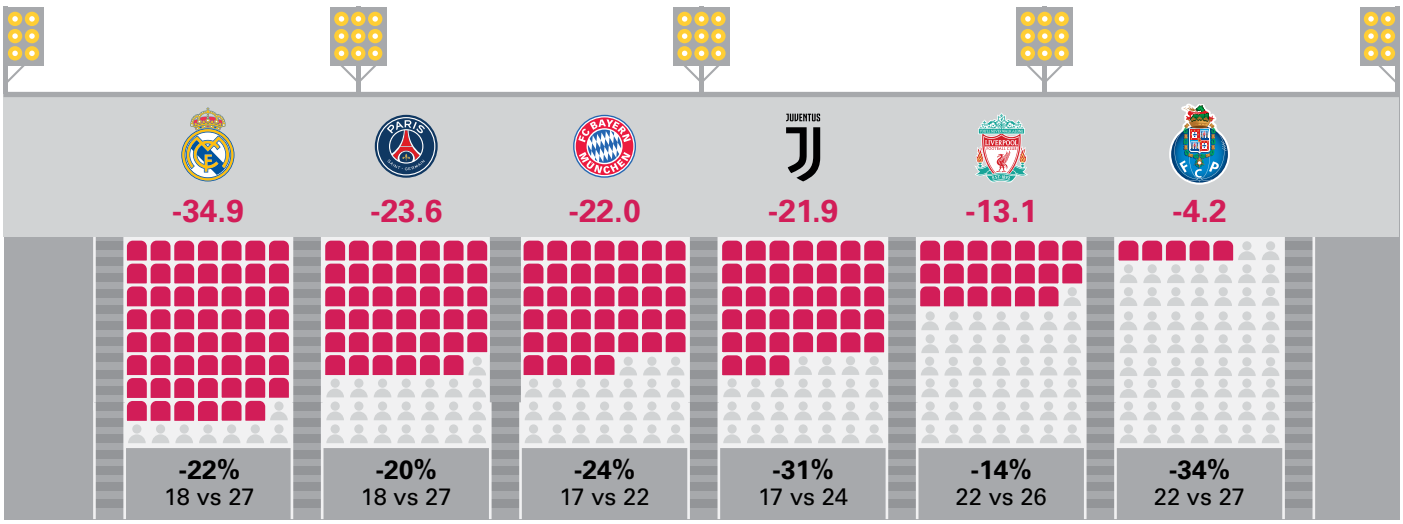
Source: KPMG Football Benchmark

Regarding operating revenues, FC Porto registered the biggest year-on-year decline in percentage terms (-50%), mainly a consequence of their early exit in the Champions League qualifying rounds, while Paris Saint-Germain FC suffered the largest blow in absolute terms (-EUR 95.4m). FC Bayern München can boast the least severe drop (-EUR 18.3m, a 3% decline), whereas **Real Madrid CF registered the highest operating income (EUR 681.2m)** among the champions, despite an 8% decrease.

With many games cancelled or played behind closed doors, **matchday income suffered the biggest blow at almost every club.** Two exceptions were Liverpool FC and FC Porto, whose broadcasting revenue diminished most, primarily due to their poorer UEFA Champions League performance compared to the previous season. Real Madrid CF lost the most in matchday income in absolute terms (-EUR 34.9m, a 22% year-on-year drop), while FC Porto's EUR 4.2m decrease constituted the greatest annual decline in percentages (-34%).

Matchday revenues YoY change (in EUR million and in %)

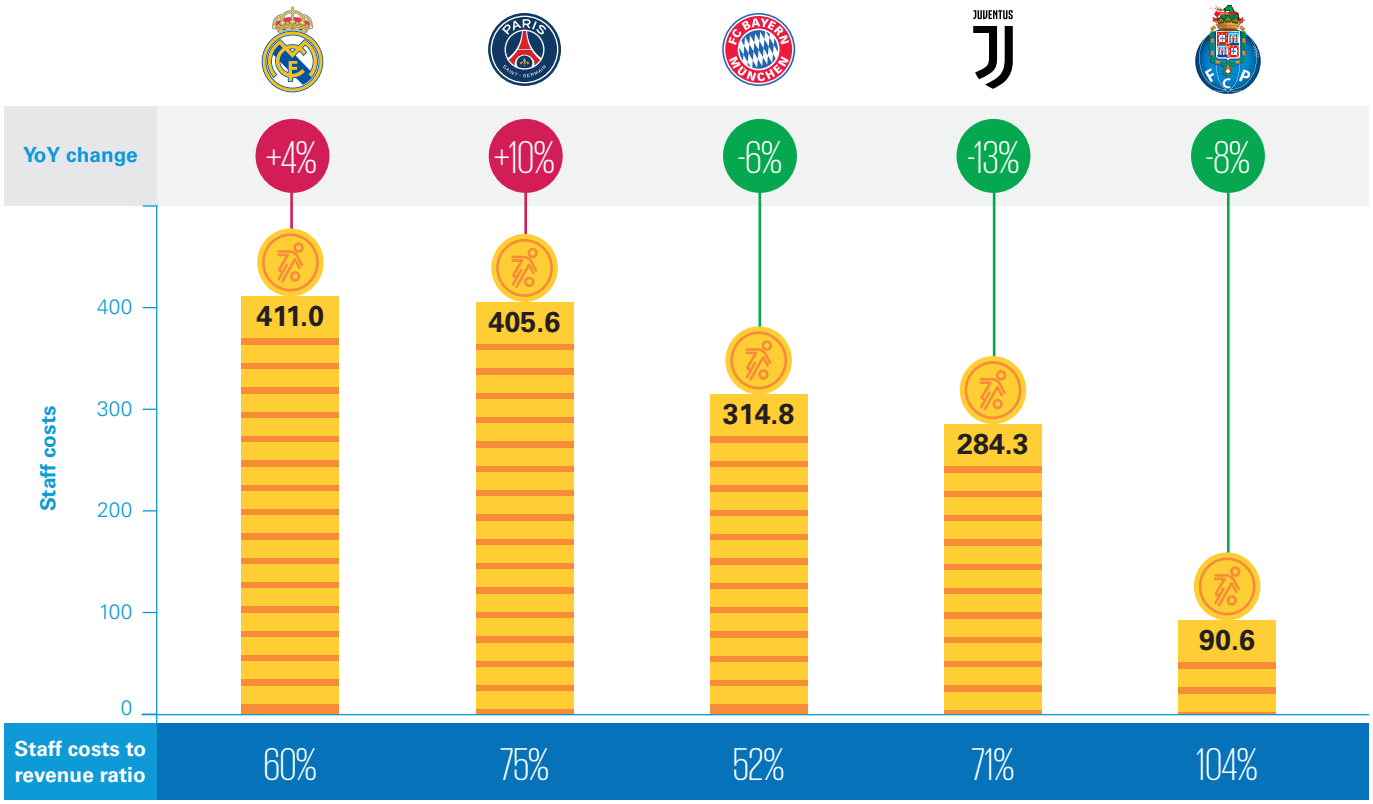
Total number of home matches played without capacity restrictions: 2019/20 vs 2018/19



Source: KPMG Football Benchmark

Staff costs overview (2019/20 season)

Total staff costs (in EUR million), YoY change (in %) and staff costs to revenue ratio



Source: KPMG Football Benchmark

Note: Liverpool FC have yet to release detailed financial information on staff costs and profitability figures as of the date of publication.

Broadcasting revenues have also been hit, but to various extents. With fewer games played until May/June in both domestic leagues and UEFA competitions, TV income was reduced accordingly for the past season, while the matches played in July and August, completing the season, in most cases will be accounted for in the current 2020/21 season. Clubs who progressed further in the Champions League could benefit from higher UEFA contributions: both finalists FC Bayern München and Paris Saint-Germain FC, registered only 4% decreases in their TV income, while those eliminated in the Round of 16 (Real Madrid CF, Juventus FC and Liverpool FC) suffered an annual decrease of 12%, 19% and 22%, respectively. In contrast, FC Porto's 63% drop in TV rights was mainly a result of their poor Champions League performance, and thus missing out on the lucrative media income from the main European club tournament for the first time in eight years.

Commercial and other revenues for the champions vary to even greater extent – Liverpool FC, FC Bayern München and Real Madrid CF could even increase their income from commercial activities by 14%, 4% and 2%, respectively, Juventus FC remained stable, while FC Porto and PSG both registered an 18% drop.

Nevertheless, commercial has become the income stream with the largest share of total operating revenues at five of the six clubs reviewed, while broadcasting bore the biggest share for most of the champions a year before. Although noticeably smaller than for other champions, broadcasting revenue remained the key source for FC Porto, despite suffering a 63% decrease in total TV rights with their subordinate UEFA performance, as the club's recent, 10-year individual domestic TV deal provides a stable income.

While several clubs managed to reduce players' wages, not all of them were able to decrease operating costs in proportion to the harsh drop in operating revenues. FC Bayern München and Juventus FC were successful in reducing staff costs (by 6% and 13% respectively), by having agreed a pay cut by the playing staff. In contrast, staff costs at Real Madrid CF increased by 4%, despite players having settled on a 10% temporary wage cut during the season, and thus the club registered the highest staff costs (EUR 411m). PSG registered an even higher (10%) growth in staff costs, mainly due to a growth in overall wages with some high-profile new signings and high employee social tax charges in France.

While last year all champions managed to record a profit after tax, with Juventus FC being the only exception, this time **FC Bayern München and Real Madrid CF are the only clubs to register a modest profit** (EUR 5.9m and EUR 0.3m, respectively), as our chart below shows. On the other end, PSG's net loss of EUR 125.8m is the highest, also due to the fact that the French Ligue 1 was the only top domestic European league to be shortened as opposed to be delayed and completed later.

All in all, while recent pre-COVID-19 seasons demonstrated constant and stable growth for almost all the champions of Europe's top leagues, the past season has been distressing for all, albeit to various extents. Also, whereas some underlying trends were evident recently, disruption was the main commonality in the past season.

The coronavirus crisis has tested the financial sustainability of the football ecosystem as a whole and further exposed its fragility. Even prior to the pandemic, inflated players' salary, coupled with growing transfer and agent fees, placed a significant strain on clubs' finances. The crisis has magnified these flaws in the current business model. Football clubs suddenly had to deal with liquidity concerns with all of their income streams affected by the absence of gate receipts, in addition to the renegotiation, suspension or cancellation of payments from media and commercial agreements.

Furthermore, due to fallout from the pandemic, clubs were faced with complex challenges from legal (e.g. players' contracts), logistical (travel restrictions), regulatory (FFP) and match calendar perspectives as well – **in the analysis that follows, we review the current underlying issues the global health crisis drew attention to, as well as how COVID-19 has spurred a re-evaluation of industry practices.**

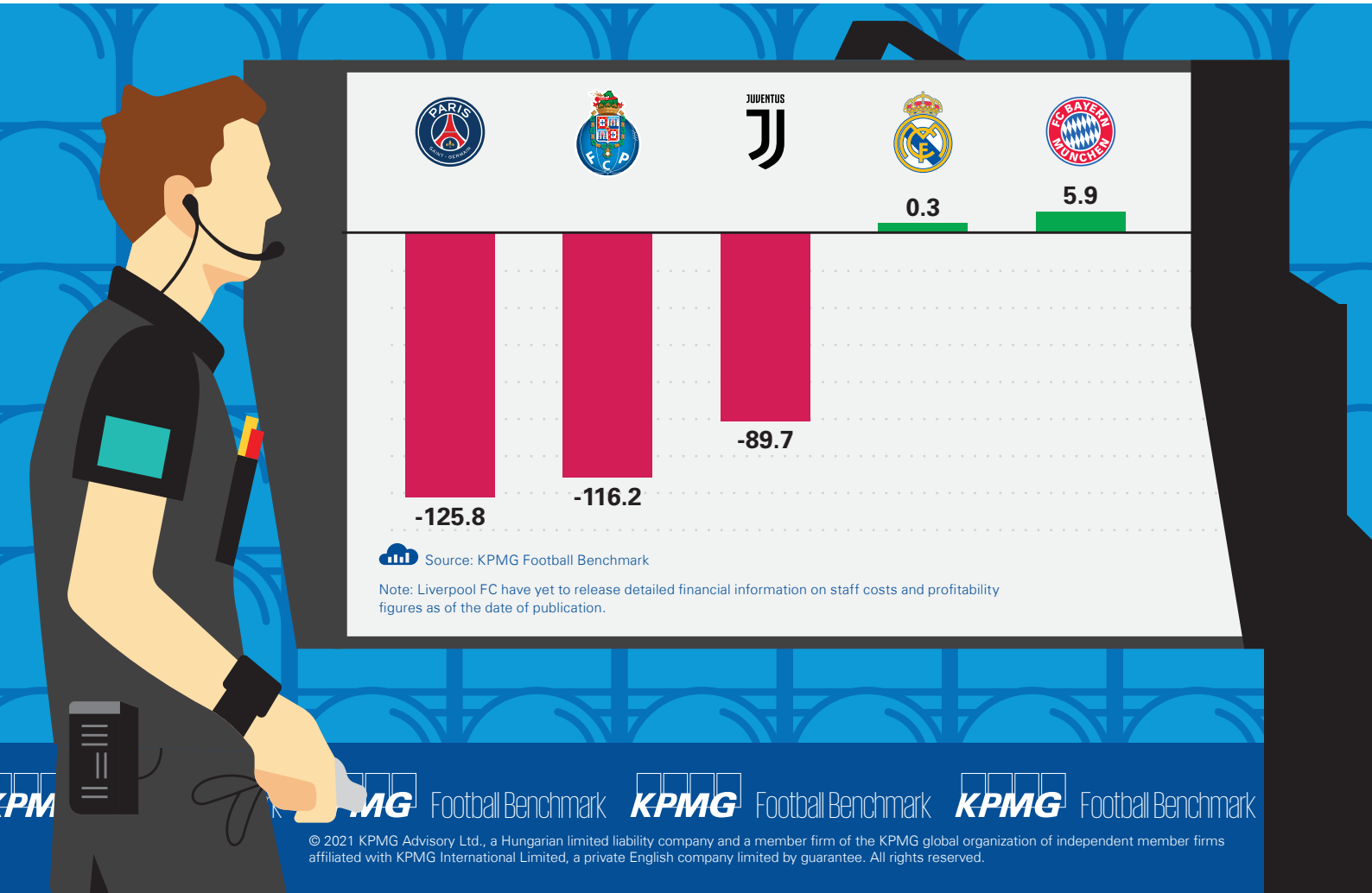
A crisis almost always provides the opportunity to highlight major failings in the business model, and also to drive innovation and evolution. So it is encouraging to see football's governing bodies, associations and clubs considering reforms regarding competitions calendar, cost control measures, alterations to the economics and governance of domestic and European competitions or to the transfer system, among others. Our call at the outbreak of the crisis almost a year ago remains valid: **the unprecedented complexity of issues in the new reality requires unprecedented flexibility, wisdom, responsibility and cooperation from all parties at all levels.**

On the pages that follow, we analyse the achievements of each champion and, finally, provide a comparison of their key financial performance indicators, among other insightful findings.

If you would like to discuss our findings in detail, or receive further information, please contact us through our Football Benchmark platform.

Clubs' profitability: on-field review

Profit/Loss after tax (2019/20 season, in EUR million)

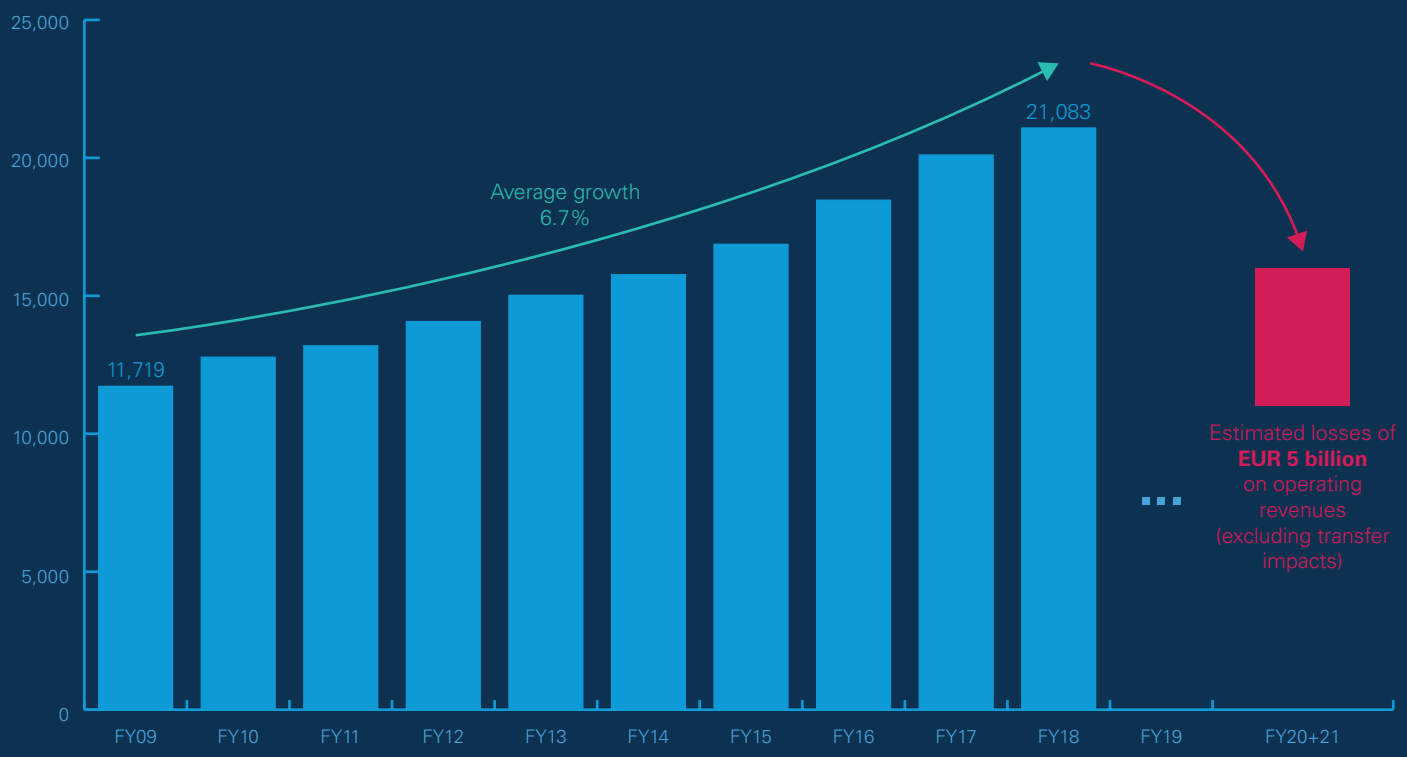


Football during and beyond COVID-19

The football industry is facing unprecedented times due to the effects of the COVID-19 pandemic. Recent years have been a time of growth for the sector, driven by digital transformation resulting in the industry's globalisation and, ultimately, in record high media rights and sponsorships deals. In the years preceding the virus, from 2016 to 2020, a sample of the 32 most prominent European clubs in our annual **"Football Clubs' Valuation: The European Elite"** shows these clubs increased their Enterprise Value by 10.9% on average annually. In addition to that, European top division clubs from all UEFA member associations displayed an annual average revenue growth of 6.7% in the period from 2009 to 2018.[1] Increasingly-sophisticated financial regulations promoting sustainability have contributed to the industry's growth as well. Indeed, European top division clubs recorded an aggregate loss of EUR 1.7 billion in 2011, but following the implementation of the UEFA Club Licensing and Financial Fair Play Regulations (FFP) starting from that year, the same clubs posted an aggregate profit of EUR 579m by 2017 (EUR 140m by 2018).[1]

However, it is crucial to note that, even prior to the pandemic, there was a general consensus that inflated players' salaries, coupled with growing transfer and agent fees, were placing significant strain on clubs' finances. The crisis has magnified these flaws in the current business model, where working from home is also not possible. In an industry already characterised by limited liquidity, minor disruptions paling in comparison to COVID-19, such as the volatility of qualification to certain competitions or player trading income, had already driven some clubs into real financial distress. The present global health emergency has further exposed the vulnerability of the football ecosystem and thrown its financial sustainability into question, even in the short term.

Aggregate revenues in European top divisions (in EUR million)



Source: UEFA "European Club Footballing Landscape" and ECA Annual Report 2020 with KPMG elaboration

[1]UEFA's "The European Club Footballing Landscape" report

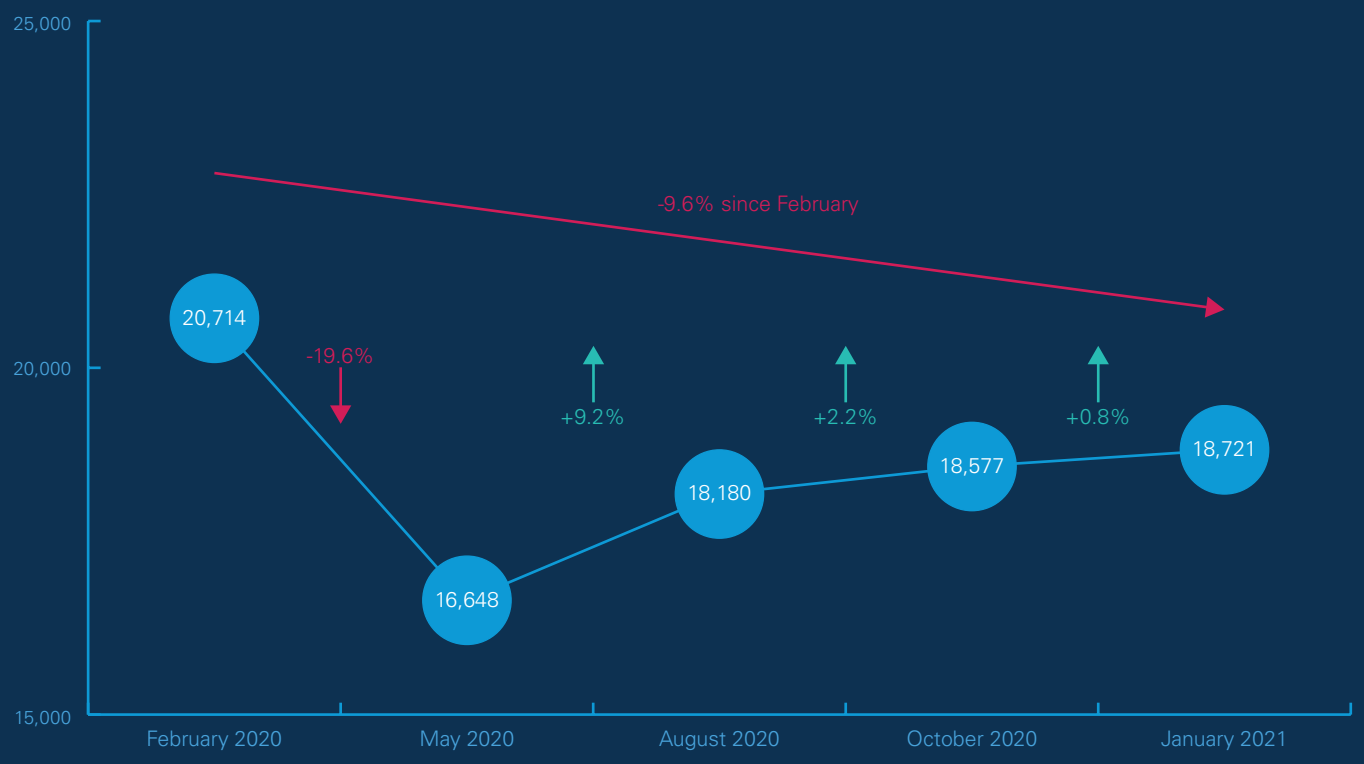
From the fallout of the pandemic, football clubs are now suddenly facing complex challenges from the following perspectives: legal (e.g. players' contracts), logistical (travel restrictions), regulatory (UEFA Financial Fair Play) and even regarding the match calendar. Moreover, these clubs are being financially tested with games cancelled or played behind closed doors and all of their income streams affected by the absence of gate receipts in addition to the renegotiation, suspension or cancellation of payments from media and commercial agreements. Such factors are causing liquidity concerns, as clubs struggle to meet their commitments. Further down the football pyramid, clubs in smaller leagues and lower divisions were hit the hardest, since these clubs typically depend more on income streams from the matchday activities most affected by the virus.

Football clubs have been exposed during this period, as they take most of the financial risk and make most of the capital and operational investment. FIFA's COVID-19 Relief Plan estimates that 90% of the financial impact is at club level, where most of the industry costs also sit. Operating revenues have been severely hit, while operating costs, most notably player wages, have not decreased in proportion. The European Clubs Association (ECA) predicts that wage-to-revenue ratio (excluding net gains from player transfers) could increase from 59.6% in 2018/19 to 70.1% in 2020/21 in a 10-league European sample not further disclosed by the organisation. Without COVID-19, the ratio was estimated to have been 62.9%.[2] Even clubs in the wealthy English Premier League were forced to request that their employees take pay cuts and apply for government help in a furlough scheme, but such measures have not proven sufficient.

The effects of the virus were mitigated to an extent by cooperation from various stakeholders to facilitate the completion of the majority of domestic leagues and UEFA club competitions in the 2019/20 season. UEFA delayed its continental competitions for the completion of the domestic leagues, thus clubs were able to attempt to respect their commercial and media obligations even without fans.
In addition, the UEFA European Championship and the Copa América were also postponed by one season to assist in the reorganisation of the global competition calendar. UEFA also aided clubs by reviewing the FFP Regulations to introduce increased flexibility to regulatory frameworks as part of their efforts to alleviate the adverse financial impacts of the virus. One such change was the introduction of a temporary emergency measure allowing for the combination of the 2019/20 and 2020/21 financial years. While the 2019/20 season was the worst yet, the financial impact of the pandemic did not cease with its completion. Rather, the ripple effects of this crisis will still be felt in 2020/21, even if the season is played out in full: ECA estimates overall losses for the 2019/20 and 2020/21 seasons across clubs in the top divisions of Europe to be in excess of EUR 5 billion on operating revenues (excluding transfer impacts) and well over EUR 6 billion on bottom-line profits.[2]

The pandemic has also had a lasting impact on player values. Our KPMG Player Valuation Tool indicates that the aggregate market value of the 500 most valuable football players has decreased by 9.6% between February 2020 and January 2021, since clubs have less purchasing power, and thus may be forced to sell their best players for a discount in order to shore up their finances due to the aforementioned challenges.

Aggregate player value changes of the top 500 players (in EUR million)



Source: KPMG Football Benchmark Player Valuation Tool as of January 2021

[2]ECA annual report 2020

As predicted by our **"Player value not immune to pandemic"** report published in May 2020, the most recent summer transfer window was characterised by a decreased volume of high priced player movements. Instead, it was dominated by an abundance of smaller transfers along with loan deals with future buy options and swaps, as clubs did not possess the cash to purchase players at the price tags they had been accustomed to. Supporting our initial forecasts, CIES estimates that the value of summer transfer window transactions in the Big 5 leagues dropped by 43% from 2019 (EUR 5.8 billion) to 2020 (EUR 3.3 billion). Similarly, the percentage of players signed without transfer fees increased from 26.2% to 32.3%, while the percentage of loans also increased from 23.1% to 30.0% in the same period.[3]

Football clubs are being forced to evolve in order to navigate the novel and unstable landscape that is still unfolding. Matchday revenues were the area most affected by the pandemic and the most complicated issue is getting it back to pre-virus levels. UEFA recommended a 30% capacity at the continental tournaments in October 2020, but this was shown to be wildly optimistic as the second wave of the virus crept in. With the incidence of the virus increasing, it is unlikely that fans will return to stadia in full capacity in the coming months.

Similarly, some evidence suggests broadcasting revenues could be on the decline due to a less healthy global football ecosystem. Discounts were given out to broadcasters in many European leagues, such as LaLiga, due to the diluted quality of product stemming from a significant part of the season being played behind closed doors. Additionally, the Bundesliga renewed its domestic partnership at 5% less than its previous deal due to the ubiquitous uncertainty over the pandemic. In extreme cases, such as the dispute between the English Premier League and PPTV, or Ligue 1 and Mediapro, broadcasting partners have failed to make good on their initially-agreed payments for media rights. To compensate for another prolonged period of activities with diminished income, clubs have tried to look for alternate measures to monetize live games, accelerating football's digitalization.

Clubs are also under increased pressure to provide sponsors with additional value, as marketing benefits diminish when matches are only played behind closed doors. Similarly, activation opportunities are in decline due to the strict health regulations. Those who possess knowledge of their fans' behaviour and can provide actionable insights through digital channels will be in a healthier position in the less familiar, but tougher sponsorship market. Furthermore, the football industry's countless sponsor organisations have also been hit by the detrimental effects of the virus in their own native activities. For instance, airline companies, as the shirt sponsors of, among others, Real Madrid CF, FC Barcelona, Arsenal FC and Manchester City FC, have witnessed their financial results plummet because of the pandemic. As a result, both companies and clubs alike could explore the possibility of concentrating on higher volumes of smaller deals, rather than large, long-term deals.

Overall, the growing football industry has been enormously impacted by the damaging consequences of the global health crisis, as the pandemic drew attention to key underlying issues already present in contemporary business models.

While devastating in the short-term, COVID-19 has spurred the re-evaluation of industry practices and may have inspired the evolution of an industry. Governing bodies and associations have been fervently discussing reforms in the transfer system and cost control measures to restrict the industry's high cost base for some time. Furthermore, proposals for significant alterations in the economics and governance of domestic and European competitions have been set forward by a number of clubs playing in Europe's elite, moves which would eventually alter the football pyramid. Although witnessed already pre-pandemic, recent months have also seen a growing interest from PE houses, family offices and, more in general, institutional investors in injecting capital into an industry which is still seen as offering favourable long-term outlooks.

The effect of the new industry players' participation, and the outcome of the rumoured changes, is still unknown, but in the next five years the football industry will likely look very different than what it has looked like to us thus far.

In a sample of 20 European clubs who have already published their financial results for the 2019/20 season, we can observe an aggregate decrease of over EUR 1 billion (-13.9% year on year) in total operating revenues. Only two clubs in the sample have managed to increase their operating revenues during the pandemic-impacted season: Sevilla FC and Borussia Dortmund. Most notably, Sevilla FC's revenues grew by 6.3%.[4] On the other end of the spectrum, FC Porto's operating revenues decreased by the most, 50.5%.

Meanwhile, cumulative net losses for all 20 clubs except Liverpool FC were in excess of EUR 1 billion, a significant worsening of EUR 1.1 billion from the previous financial year's aggregate net profits (EUR 90.7m). SL Benfica maintained their successful player trading strategy and recorded the highest net profits in the sample at EUR 41.7m. In contrast, Italian clubs AS Roma and AC Milan disclosed the highest net losses: EUR 204.0m and EUR 194.6m, respectively. The *Giallorossi*, together with Paris Saint-Germain FC and Tottenham Hotspur FC, suffered a net result's worsening higher than EUR 150.0m compared to previous year.

[3]CIES Football Observatory Monthly Report – The real impact of COVID on the football players' transfer market

[4]The club have recorded in the 2019/20 financial year all the operations derived from the development and completion of competitions in which the first team has participated, even those that are associated with matches played after the closing date of the fiscal year, as a consequence of the COVID-19 virus.

KPIs of a selection of European Clubs, 2019/20 season, EUR million

19/20 Operating Revenues (YoY % change)
19/20 Net Profit/Loss (YoY change)

Man United
579.6 (-18.5%)
-26.5 (-47.9)

Celtic
80.0 (-15.5%)
-0.4 (-10.3)

Liverpool FC
557.0 (-7.9%)
N/A

Ajax
162.3 (-18.6%)
20.4 (-31.4)

PSV Eindhoven
71.5 (-26.0%)
1.6 (-3.1)

BVB
379.4 (+0.6%)
-44.0 (-61.3)

Tottenham
458.2 (-12.3%)
-72.8 (-150.5)

FC Bayern
607.2 (-2.9%)
5.9 (-36.8)

PSG
540.6 (-15.0%)
-125.8 (-154.3)

Lyon
180.7 (-18.2%)
-36.6 (-43.0)

Galatasaray
129.0 (-11.8%)
-7.0 (-11.9)

FC Barcelona*
708.0 (-15.7%)
-97.0 (-101.5)

AC Milan
163.3 (-23.8%)
-194.6 (-48.6)

FC Porto
87.3 (-50.5%)
-116.2 (-125.5)

Real Madrid
681.2 (-8.0%)
0.3 (-38.1)

Juventus
401.4 (-13.4%)
-89.7 (-49.8)

SL Benfica
140.0 (-15.5%)
41.7 (+12.3)

Sevilla**
146.6 (+6.3%)
1.2 (-1.3)

AS Roma
141.2 (-39.3%)
-204.0 (-179.7)

Beşiktaş
74.2 (-24.8%)
-71.8 (-23.3)

Source: KPMG Football Benchmark

*Media reports.
**The club have recorded all the operations derived from the development and completion of competitions in which the first team participates, even those that are associated with matches played after the closing date of the fiscal year, as a consequence of the COVID-19 virus.

FC Bayern München*

Financial and operational figures (2019/20) in EUR million

Total operating revenues:	607.2
Matchday:	70.4
Broadcasting:	203.3
Commercial & other:	333.5
YoY Operating revenues growth:	-3%
Total staff costs:	314.8
Staff costs / Operating revenue:	52%
Pre-tax profit/loss:	+11.7
Profit/loss after tax:	+5.9
Bundesliga average attendance:	75,000
Allianz Arena capacity:	75,000
Utilisation rate:	100%

Source: KPMG Football Benchmark - Club finance & operations

Note: Stadium statistics take into account only matches played without any capacity restrictions.

Squad market value in EUR million as at 1st Jan, 2021 — 943.4

Top 3 most valuable players in EUR million:

1. **Serge Gnabry** (Germany): **99.8**
2. **Joshua Kimmich** (Germany): **98.3**
3. **Leroy Sané** (Germany): **85.8**

Source: KPMG Football Benchmark - Player Valuation

Total social media followers in million as at 1st Jan, 2021 (YoY growth) — 91.5 (+13%)

Facebook	Instagram	Twitter	YouTube	TikTok	Weibo
51.4	24.8	5.2	1.9	3.8	4.4
(+3%)	(+27%)	(+10%)	(+43%)	(+111%)	(+10%)

Source: KPMG Football Benchmark - Social Media Analytics

Enterprise Value in EUR million as at 1st Jan, 2020 — 2,878 (4th place)

Source: KPMG Football Clubs' Valuation: The European Elite 2020

*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 Bayern München finished a historic 2019/20 season despite the challenges they faced due to the pandemic. *The Bavarians* got off to a rocky start in the early stages of the season but, ignited by a coaching change mid-season, Hans-Dieter Flick's men went on to complete the treble. The club won the domestic league (Bundesliga) and cup (DFB-Pokal), in addition to reigning supreme in the UEFA Champions League, the 6th in their history. Individuals were recognised as well, with Robert Lewandowski winning The Best FIFA Men's Player award, and cementing a place in FIFA FIFPro Men's World11 alongside teammates Alphonso Davies, Joshua Kimmich and Thiago Alcântara.

On the financial side, **operating revenues slightly declined by 3% to EUR 607m in the 2019/20 season.** Even though FC Bayern München played every possible game in their competition calendar – having reached the finals of both cups in which they were involved – the number of home games with spectators was, in comparison to 2018/19, still reduced from 22 to 17 to ensure fan safety. It is important to note that the Bundesliga was the first to return to action amongst the major European leagues, pioneering the way for others and mitigating the overall impact on the football ecosystem. Unsurprisingly, **matchday revenues were the most affected, decreasing 24% from previous year.**

Broadcasting revenues fell marginally by 4%, mainly as a result of games played behind closed doors. A less favourable broadcasting environment became apparent when the German Football League (DFL) renewed, for the 2021-2025 period, the Bundesliga and 2. Bundesliga domestic TV deal for 5% less than the amount negotiated for the previous 4-year period. While FC Bayern München's top performances in the Champions League mitigated the negative effects of the pandemic in 2019/20, they are likely to expect a further decrease in such income streams in the next season, also due to a greater share of domestic rights revenues being distributed equally among clubs. Indeed, in an effort to aid its clubs in mitigating the effects of the pandemic, the new distribution model will allocate at least 50% of domestic TV money evenly among clubs, with the parameter based on recent performance dropping from 70% to approximately 40% and the remaining two pillars (youth development and club interest) ranging between 2 and 4% over the course of the 4-year cycle.

On the other hand, **commercial revenues improved by 4% to reach EUR 334m.** New partnerships with blockchain-based digital collectibles platform Stryking Entertainment, battery solutions firm Varta, and global tech giant Google certainly contributed. However, **a bumper extension with car manufacturer Audi made for an even more lucrative deal, securing *The Bavarians* upwards of EUR 50m per year according to media reports.**

Staff costs decreased by 6% during the season, largely thanks to a 20% pay cut by the playing staff that alleviated the effects of both the pandemic and significant investments in the transfer market. Indeed, FC Bayern München were very active with multiple major arrivals and departures. World Champion Mats Hummels left the club for domestic rivals Borussia Dortmund for a reported sum of EUR 30.5m, while Lucas Hernández was signed from Atlético Madrid, breaking *The Bavarians'* transfer record with an EUR 80m reported sum. Other notable transfers were the loan of Philippe Coutinho from FC Barcelona and Ivan Perišić from FC Internazionale.

***The Bavarians* registered EUR 5.9m in profit after tax,** a remarkable result given the current circumstances, **making it 28 years in a row showing a net bottom-line profit.** Importantly, the club's management has emphasised that the impact of the crisis is not yet over: the estimated decline in revenues could even range in the hundreds of millions should they continue to play a significant portion of the current season without fans.

In the ongoing 2020/21 season, FC Bayern München have already expanded the trophy cabinet with the German Supercup (DFL-Supercup) and the UEFA Super Cup. On the domestic front, they are fighting for the title yet again in a closely contested Bundesliga season, while in cup competitions they are still unbeaten and contending for both the DFB-Pokal and the Champions League.

Credits: FC Bayern München

FC Porto

Financial and operational figures (2019/20) in EUR million

Total operating revenues:	**87.3**
Matchday:	8.1
Broadcasting:	46.1
Commercial & other:	33.1
YoY Operating revenues growth:	-50%

Total staff costs:	**90.6**
Staff costs / Operating revenue:	104%

Pre-tax profit/loss:	**-115.6**
Profit/loss after tax:	**-116.2**

Primeira Liga average attendance:	**35,625**
Estádio do Dragão capacity:	**50,003**
Utilisation rate:	71%

Source: KPMG Football Benchmark - Club finance & operations

Note: Stadium statistics take into account only matches played without any capacity restrictions.

Squad market value in EUR million as at 1st Jan, 2021 — 214.4

Top 3 most valuable players in EUR million:

1. **Jesús Corona** (Mexico): **28.5**
2. **Moussa Marega** (Mali): **15.4**
3. **Shoya Nakajima** (Japan): **14.3**

Source: KPMG Football Benchmark - Player Valuation

Total social media followers in million as at 1st Jan, 2021 (YoY growth) — 7.3 (+8%)

Facebook	Instagram	Twitter	YouTube	TikTok	Weibo
4.1	1.6	1.3	0.2	0.2	0.01
(-0.4%)	(+21%)	(+6%)	(+10%)	(new)	(+25%)

Source: KPMG Football Benchmark - Social Media Analytics

Enterprise Value in EUR million as at 1st Jan, 2020 — 313 (30th place)

Source: KPMG Football Clubs' Valuation: The European Elite 2020

"The champion is back," proclaim FC Porto in their latest financial statements from the 2019/20 season, in a year that saw the *Dragões* just one win away from completing the domestic treble. FC Porto returned to the top of Primeira Liga's table after finishing second behind SL Benfica in the previous season, clinched the Taça de Portugal (Portuguese Cup) and finished runners up in the Taça da Liga (Portuguese League Cup). However, the club were unable to reach the same heights on the international scene. Indeed, FC Porto were knocked out in the Champions League Qualifying Rounds by Russian side FC Krasnodar, thus being demoted to the Europa League, missing the main tournament for the first time in eight years.

FC Porto's operating revenues declined significantly to EUR 87.3m (a 50% year-on-year decrease). Matchday and commercial revenues took a downturn, by 34% and 18% respectively, mainly because of the COVID-19 pandemic. The *Dragões* were only able to hold 22 home games with spectators compared with 27 the year before. Furthermore, merchandising and commercial activities fell since FC Porto stores and the team museum were closed during the pandemic. Likewise, the Portuguese Cup final was played on August 1, thus the prize money will be accounted for in the next financial year.

Broadcasting revenues diminished by the most, a 63% decrease mainly as a result of missing out on the considerable Champions League money. The magnitude of prize money allocated is disparate in the two UEFA club competitions: for instance, the Champions League allocates EUR 15.25m as starting fee, while the Europa League only EUR 2.92m. Portugal is the only league represented in this report whose clubs individually negotiate their domestic broadcasting revenues; FC Porto's major deal with telecom giant Altice, in place from 2018/19 and worth approximately EUR 458m over 10 years, is providing a stable source of income in these unpredictable times.

Staff costs decreased as well by 8% year on year to EUR 90.6m. On the other hand, FC Porto's staff costs/operating revenue ratio significantly increased from the previous year, up to 104%. This rise is mainly attributed to the major and unexpected decrease in revenues, but management's decision at the beginning of the football season to bet on sporting success and maintain a team that had been prepared to compete in all competitions following an early Champions League exit also contributed.

FC Porto also experienced the impact of the pandemic on their player trading, traditionally providing crucial leverage for the *Dragões*. The summer transfer window was postponed, thus they were unable to part ways with major assets before the end of the financial year. While they managed to sell Óliver Torres for EUR 11m to Sevilla FC and Galeno for EUR 3.5m to SC Braga, these numbers pale in comparison to last year's highest valued sale of Éder Militão (EUR 50m) to Real Madrid CF. Next year's figures could prove promising once again: since the financial year-end, FC Porto have been able to dispose of Fábio Silva and Alex Telles to English Premier League's Wolverhampton Wanderers FC and Manchester United FC, for EUR 40m and EUR 15m, respectively.

Overall and like many of their domestic and international peers, **FC Porto registered a net loss of EUR 116.2m,** a major decrease from the previous year. Under ordinary circumstances, the *Dragões* would face significant challenges to participate in this year's UEFA competitions, especially in view of the formerly agreed upon Settlement Agreement with UEFA. However, the extraordinary circumstances the whole world is facing prompted UEFA to implement temporary emergency regulations, allowing clubs to combine their 2019/20 and 2020/21 financial years altogether for the purposes of break-even calculations. As a result, UEFA deemed FC Porto to have partially fulfilled the targets set out in the initial agreement.

In the current season, FC Porto are fighting for the Portuguese league title and progressed to the Round of 16 of the Champions League, where they will face Juventus FC.

Credits: FC Porto

Juventus FC

Financial and operational figures (2019/20) in EUR million

Total operating revenues:	**401.4**
Matchday:	49.6
Broadcasting:	166.4
Commercial & other:	185.4
YoY Operating revenues growth:	-13%

Total staff costs:	**284.3**
Staff costs / Operating revenue:	71%

Pre-tax profit/loss:	**-81.7**
Profit/loss after tax:	**-89.7**

Serie A average attendance:	**39,681**
Allianz Stadium capacity:	**41,507**
Utilisation rate:	96%


Source: KPMG Football Benchmark - Club finance & operations

Note: Stadium statistics take into account only matches played without any capacity restrictions.

Squad market value in EUR million as at 1st Jan, 2021 — 734.8

Top 3 most valuable players in EUR million:

1. **Matthijs de Ligt** (Netherlands): **90.0**
2. **Paulo Dybala** (Argentina): **65.2**
3. **Cristiano Ronaldo** (Portugal): **63.2**


Source: KPMG Football Benchmark - Player Valuation

Total social media followers in million as at 1st Jan, 2021 (YoY growth) — 105.8 (+20%)

Facebook	Instagram	Twitter	YouTube	TikTok	Weibo
43.5	45.5	8.7	3.1	1.9	3.1
(+8%)	(+29%)	(+14%)	(+30%)	(new)	(+30%)


Source: KPMG Football Benchmark - Social Media Analytics

Enterprise Value in EUR million as at 1st Jan, 2020 — 1,735 (11th place)


Source: KPMG Football Clubs' Valuation: The European Elite 2020

The 2019/20 season has legitimised Juventus FC's primacy in the Serie A, achieving their 9th title in a row, a historic milestone representing a record in the European top 5 leagues. At international level, the Italian champions suffered an early exit in the UEFA Champions League once again, this time in the Round of 16 against Olympique Lyonnais.

Italy has been one of the first countries hit by the COVID-19 crisis in Europe and, as a consequence, the Italian football industry is to date still suffering from the economic and financial knock-on effects. Nor have the Serie A champions been immune, as **the *Bianconeri* registered a 13% annual drop in total operating revenues (totalling EUR 401.4m).**

Unsurprisingly, matchday **revenues were the most impacted revenue stream, suffering a 31% year-on-year decrease to EUR 49.6m** mainly due to the lower number of matches played with spectators. Since the opening of the Allianz Stadium in 2011, matchday revenues had constantly grown, contributing to closing the gap with some of the top European clubs and representing one of the key factors for the club's dominance in the Serie A.

Broadcasting revenues suffered a 19% decrease compared to the previous season, resulting in a EUR 40.3m drop in absolute terms. The rescheduling of matches beyond the financial year ending 30 June, due to the pandemic's outbreak, represents the main reason for the decrease together with the EUR 18.2m less received from UEFA due to the worse performance in the UEFA Champions League.

Commercial revenues have surged as the most important income source for the club, accounting for 46% of total operating revenues. This stream remained stable at EUR 185.4m, with a new sponsorship agreement signed with FCA/Jeep, increasing the annual fixed price of the main shirt sponsorship by EUR 25m up to EUR 42m per year (further increased to EUR 45m in the recent weeks), compensating for lower proceeds from merchandising. Furthermore, a new agreement has been signed with Allianz for the sponsorship of the training kit, the Juventus Women's jersey and the extension of the stadium naming rights deal until 2030, for a total additional value of EUR 103.1m. Such renewals, secured at improved conditions, are the result of the recent big efforts made by the club to increase the visibility and appeal of the Juventus brand at a global level, with the acquisition of super star Cristiano Ronaldo in 2018 being the first step in that direction. The inaugurations of the J Hotel and the Hong Kong branch represent further examples of development of the Juventus brand in the last few years.

On the cost side, **the club managed to reach an agreement with the first team's players and coaches for a salary cut** equal to the last four months of the 2019/20 financial year, **resulting in a total staff cost decrease of 13% year on year.**

Profit on disposal of players' registrations (equalling EUR 166.5m) allowed the club to partially mitigate the effects of COVID-19. More specifically, the disposals of Miralem Pjanić to FC Barcelona (reaping EUR 43.7m in profit), João Cancelo to Manchester City FC and Moise Kean to Everton FC were the most remunerative transfers.

The financial year was finally closed with a net loss of EUR 89.7m, a result negatively impacted also by the EUR 18.3m impairment of Gonzalo Higuain's book value following the anticipated termination of his contract.

The 2020/21 season started with a change once again in the coaching staff, as former midfielder Andrea Pirlo replaced Maurizio Sarri as head coach after only one season. The first team has been further improved with the additions of Arthur, Dejan Kulusevski, Álvaro Morata and Federico Chiesa, among others. On-pitch performance has not been particularly exciting in the first half of the season, although the *Bianconeri* managed to qualify for the UEFA Champions League knockout stages and are fighting again for their 10th consecutive *Scudetto*.

Credits: Juventus FC

Liverpool FC*

Financial and operational figures (2019/20) in EUR million

Total operating revenues:	**557.0**
Matchday:	82.5
Broadcasting:	231.9
Commercial & other:	242.6
YoY Operating revenues growth:	-8%

Total staff costs:	**N/A**
Staff costs / Operating revenue:	N/A

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

Premier League average attendance:	**53,143**
Anfield capacity:	**53,394**
Utilisation rate:	100%

Source: KPMG Football Benchmark - Club finance & operations

Note: Stadium statistics take into account only matches played without any capacity restrictions.

Squad market value in EUR million as at 1st Jan, 2021 — 1,094.3

Top 3 most valuable players in EUR million:

1. **Mohamed Salah** (Egypt): **122.2**
2. **Sadio Mané** (Senegal): **120.0**
3. **Trent Alexander-Arnold** (England): **107.1**

Source: KPMG Football Benchmark - Player Valuation

Total social media followers in million as at 1st Jan, 2021 (YoY growth) — 94.9 (+17%)

Facebook	Instagram	Twitter	YouTube	TikTok	Weibo
37.1	29.3	16.2	5.4	3.5	3.4
(+4%)	(+30%)	(+21%)	(+45%)	(+35%)	(+9%)

Source: KPMG Football Benchmark - Social Media Analytics

Enterprise Value in EUR million as at 1st Jan, 2020 — 2,658 (5th place)

Source: KPMG Football Clubs' Valuation: The European Elite 2020

*Note: Liverpool FC have yet to release detailed financial information on staff costs and profitability figures as of the date of publication.

Liverpool FC clinched their 19th league title – the first since the English Premier League era – with a club record of 99 points. *The Reds* also became the first English club to sew up the international treble by winning the UEFA Super Cup and the FIFA Club World Cup after their triumph in the UEFA Champions League in the previous season. However, the club were forced to abandon their goals of international dominance in the 2019/20 season, following a premature exit in the Champions League Round of 16. In the domestic cups, they exited in the early stages in both the FA Cup and the EFL Cup, in addition to losing the FA Community Shield at the onset of the season.

Despite the historic season, **Liverpool FC's operating revenues decreased 8% year on year to EUR 557.0m. The 14% decrease in matchday income certainly contributed to the decline,** as *the Reds'* season was suspended from 5 April to 17 June due to the COVID-19 pandemic. Even after returning to action, Liverpool FC were forced to play behind closed doors, depriving the club of crucial revenues as the number of home games with spectators decreased from 26 in 2018/19 to 22 in the 2019/20 season. **More significantly, from a broadcasting perspective, the club felt the impact of an early exit from the Champions League.** The victorious campaign in the preceding season netted Liverpool FC EUR 111.1m from UEFA, a figure that was not matched in 2019/20. The club attempted to recoup some of the missing revenues with other broadcasting deals, such as an exclusive agreement with US-based Turner Sports, providing access to the club's in-house content and 40 live matches, including pre-season, women's, academy and legends games.

Unlike matchday and broadcasting, commercial & other revenues witnessed a remarkable 14% increase. **The club can take a positive look towards the future, as their new, multi-year kit deal with Nike starting from the 2020/21 season is likely to be worth up to EUR 75m annually** according to media reports. Furthermore, the club teamed up with brand management and licensing agency Dream Theatre to develop their merchandise business and presence in India and South Asia.

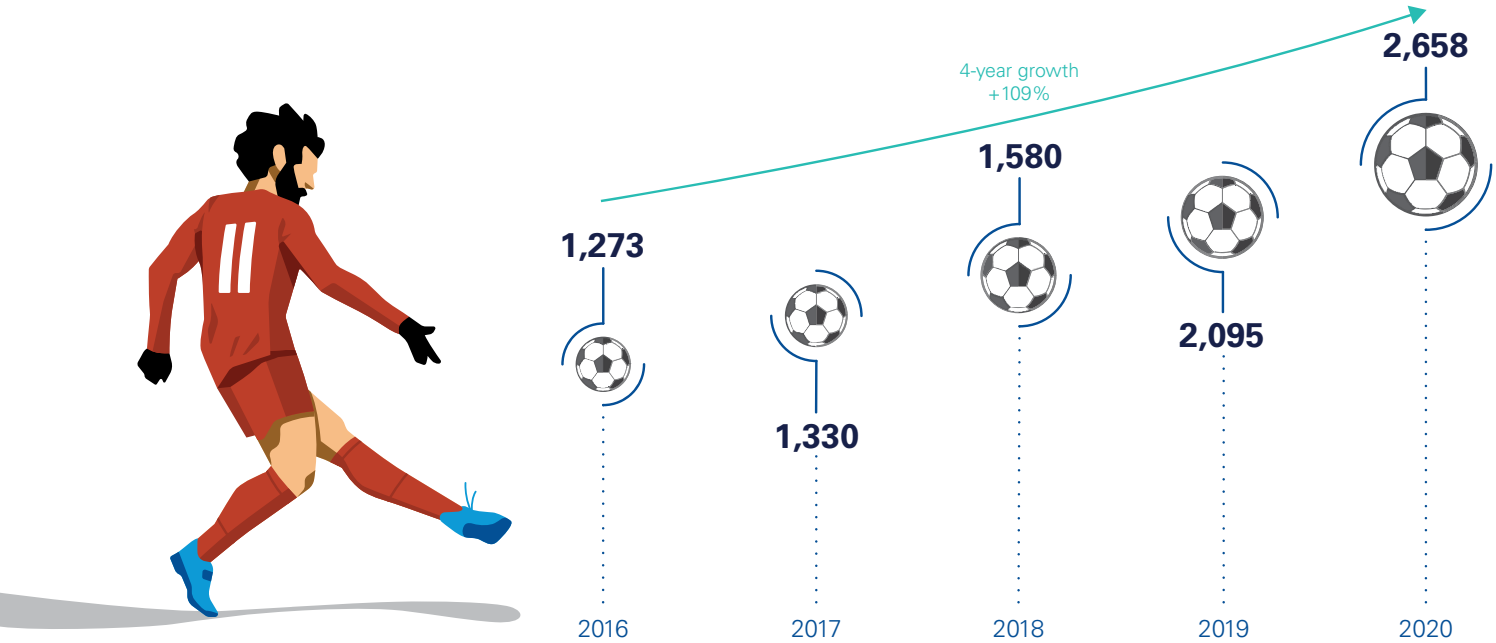
Liverpool FC have been at the forefront of increased digitalization amongst sports teams. **The club became only the 2nd football club to reach a million followers on viral social media application TikTok.** Additionally, **Liverpool FC became the first sports team globally to offer a paid YouTube membership for access to exclusive content.** To enhance these efforts, *The Reds* partnered with cloud video solutions provider Blackbird to re-purpose their content for publishing across their digital and social media channels. Along similar lines, a partnership with the creator of the FIFA video games, EA Sports, was also announced to provide more opportunities for fans to engage with the club through the world of gaming.

After such a successful 2018/19 season, *The Reds* did not drastically upgrade their squad and were quiet in the transfer windows in 2019/20, with Takumi Minamino from RB Salzburg the only notable signing in a deal worth a reported fee of EUR 8.5m. At the same time, Danny Ings left for Southampton FC for EUR 22.2m, Ryan Kent for Rangers FC for EUR 7.2m and Simon Mignolet to Club Brugge KV for EUR 7m according to media reports.

The club have yet to release detailed financial information on staff costs and profitability figures as of the date of publication.

In the current 2020/21 season, Liverpool FC are poised to defend their Premier League title, as the club finished the calendar year at the top of the standings. Furthermore, they are still competing in the Champions League and FA cup, but have been defeated in both the Community Shield and the EFL Cup.

Enterprise Value evolution in the past 5 years (in EUR million)



Source: KPMG Football Clubs' Valuation: The European Elite 2020

Paris Saint-Germain FC

Financial and operational figures (2019/20) in EUR million

Total operating revenues: 540.6

Matchday: 92.4

Broadcasting: 149.6

Commercial & other: 298.6

YoY Operating revenues growth: -15%

Total staff costs: 405.6

Staff costs / Operating revenue: 75%

Pre-tax profit/loss: -127.2

Profit/loss after tax: -125.8

Ligue 1 average attendance: 47,517

Parc des Princes capacity: 48,712

Utilisation rate: 98%

Source: KPMG Football Benchmark - Club finance & operations

Note: Stadium statistics take into account only matches played without any capacity restrictions.

Squad market value in EUR million as at 1st Jan, 2021 — 806.6

Top 3 most valuable players in EUR million:

1. **Kylian Mbappé** (France): **200.0**
2. **Neymar** (Brazil): **125.0**
3. **Marquinhos** (Brazil): **59.9**

Source: KPMG Football Benchmark - Player Valuation

Total social media followers in million as at 1st Jan, 2021 (YoY growth) — 91.5 (+16%)

Facebook	Instagram	Twitter	YouTube	TikTok	Weibo
41.9	32.5	8.5	2.7	3.7	2.2
(+6%)	(+22%)	(+13%)	(+31%)	(+236%)	(+23%)

Source: KPMG Football Benchmark - Social Media Analytics

Enterprise Value in EUR million as at 1st Jan, 2020 — 1,911 (9th place)

Source: KPMG Football Clubs' Valuation: The European Elite 2020

Paris Saint-Germain FC (PSG) completed their most successful season under current ownership during the 2019/20 campaign. *Les Parisiens* successfully defended their Ligue 1 title when the club were awarded the championship on a points-per-game basis in a COVID-19 shortened season. Additionally, PSG completed the domestic quadruple by winning both domestic cups and the Trophée des Champions (French Super Cup) at the season's commencement. On the continental stage, the club progressed to the Champions League final for the first time in their 47-year professional history, falling short of the ultimate glory in a closely contested game against FC Bayern München.

Total operating revenues decreased by 15% year on year to EUR 540.6m in the season impacted by the pandemic. Matchday revenues declined by 20% as PSG struggled with government regulations that cancelled the later stages of the season. The number of home games with spectators decreased from 27 to 18 despite advancing further in cup competitions compared to the previous season. On the other hand, broadcasting revenues shrank minimally, by 4%, due to improved continental sporting achievements: further progression in the Champions League allowed *Les Parisiens* to secure a bigger slice of UEFA prize money.

Commercial revenues, the French club's most significant income stream, **also fell by 18% year on year due to the negative effects of the pandemic on the club's merchandising and portfolio of sponsors.** However, prior to the outbreak of the virus, PSG completed numerous partnerships such as a 3-year deal with Qatar Airways and a training kit deal with the Republic of Rwanda, which proved crucial in mitigating such effects. Most notably, ***Les Parisiens* also reached a new agreement with kit supplier Nike for a club record fee rumoured to be in excess of EUR 75m per year,** approximately three times as much as their previous deal. The collaboration enables the club to take advantage of substantial synergies with the Jordan brand, helping them in their mission to become a global lifestyle brand by bridging the gap between sportswear and street fashion.

Following the marquee signings of Kylian Mbappé and Neymar in the previous summers, *Les Parisiens* were relatively quiet in the transfer market in 2019/20. On the departures front, no significant profits on disposals were registered, as Giovani Lo Celso was the highest-valued sale, at reported EUR 22m, to Real Betis Balompié. On the other hand, the arrival of 3-time Champions League winner Keylor Navas, and the loan of Argentine striker Mauro Icardi (purchased at the end of the football season for reported EUR 50m), were one of the main reasons behind a staff costs increase of 10% year on year. As such, staff costs, which include EUR 80.3m in social contribution costs for all employees, reached EUR 405.6m. A surge in employees' expenses and the decrease in turnover caused a rise of the staff costs/operating revenue ratio to 75%, a 17 percentage points increase compared to the previous year.

PSG racked up a net loss of EUR 125.8m after tax at the end of the 2019/20 financial year. The club's finances suffered, on top of the pandemic, because the French Ligue 1 was the only top domestic European league to be shortened as opposed to delayed.

Among the club's plan for the future is an investment into a state-of-the-art training facility for a reported sum of EUR 250m; the new facility will span 17 hectares, including 17 pitches, and have the ability to host the women's team games as well as martial arts and handball events.

PSG are contenders for all domestic titles yet again, despite struggling with injuries since the start of the season and despite a recent change in the coaching staff, with Mauricio Pochettino replacing Thomas Tuchel as head coach. Most importantly, the club managed to qualify from a tough Champions League group and in the Round of 16 they will face FC Barcelona.

Credits: Paris Saint-Germain FC

Real Madrid CF

Financial and operational figures (2019/20) in EUR million

Total operating revenues:	**681.2**
Matchday:	120.1
Broadcasting:	230.8
Commercial & other:	330.3
YoY Operating revenues growth:	-8%

Total staff costs:	**411.0**
Staff costs / Operating revenue:	60%

Pre-tax profit/loss:	**1.9**
Profit/loss after tax:	**0.3**

LaLiga average attendance:	**66,875**
Estadio Santiago Bernabéu capacity:	**81,044**
Utilisation rate:	83%

Source: KPMG Football Benchmark - Club finance & operations

Note: Stadium statistics take into account only matches played without any capacity restrictions.

Squad market value in EUR million as at 1st Jan, 2021 — 874.2

Top 3 most valuable players in EUR million:

1. **Casemiro** (Brazil): **72.6**
2. **Raphaël Varane** (France): **70.2**
3. **Thibaut Courtois** (Belgium): **67.9**

Source: KPMG Football Benchmark - Player Valuation

Total social media followers in million as at 1st Jan, 2021 (YoY growth) — 255.8 (+7%)

Facebook	Instagram	Twitter	YouTube	TikTok	Weibo
111.0	94.4	35.7	6.2	4.1	4.4
(+0.2%)	(+15%)	(+7%)	(+16%)	(+37%)	(+19%)

Source: KPMG Football Benchmark - Social Media Analytics

Enterprise Value in EUR million as at 1st Jan, 2020 — 3,478 (1st place)

Source: KPMG Football Clubs' Valuation: The European Elite 2020

Real Madrid CF bounced back from a rocky season to capture a record 34th La Liga title in Zinedine Zidane's first full season back as head coach. While they managed to recover the championship from historical rivals FC Barcelona, *Los Blancos* were not as successful in cup competitions. The club conquered the new format of the Supercopa de España (Spanish Super Cup) in Saudi Arabia, but failed to advance to the later stages of the UEFA Champions League and the Copa del Rey (Spanish Cup). This past season was also historic since it marked the launch, effective 1 July 2020, of the club's women's team, Real Madrid Femenino.

Real Madrid CF's operating revenues decreased by 8% year on year, to EUR 681.2 million. This weaker financial performance can mostly be attributed to a drop in matchday revenues: they decreased by 22%, mainly as a direct result of the lower number of home games that included spectators (from 27 to 18) following the COVID-19 pandemic. At the same time, **broadcasting revenues also fell by 12% from the previous financial year.** On the other hand, **commercial revenues increased by 2%, to EUR 330.3 million, despite the negative effects the health crisis has caused,** a circumstance that speaks volumes about the commercial strength of one of football's most recognised brands worldwide.

Marquee signings such as Eden Hazard and Luka Jović for reported fees of EUR 115 million and EUR 60 million, respectively, were the main reason behind **4% increased staff costs, with a similar percentage points increase in the staff costs/operating revenue ratio to achieve a still sustainable 60%.** It is important to note that the increase in this ratio would have been higher if not for the agreement between the club and the players to take a wage cut during the season. Indeed, in order to mitigate the impact of the lost income, Real Madrid CF implemented cost saving measures: in terms of personnel costs, **the players and coaches of the football and basketball's squads, together with the main executives of the different club divisions, have voluntarily agreed to lower their remuneration for this year by 10%.**

While player trading in the summer of 2019 had not yet been impacted by the virus, similar luxuries were not afforded during the pandemic. Indeed, the recent 2020 summer transfer window was a unique one for Real Madrid CF, as no player acquisitions were recorded; on the other hand, the club sold a number of their world-renowned academy's graduates which will likely shore up finances in the next financial year.

Real Madrid CF could be one of the very few clubs globally able to register a positive net profit (EUR 0.3m) in 2019/20. These figures are quite extraordinary under the current circumstances given the downward impact the pandemic has had on the football industry as a whole on top of the significant payments *Los Blancos* are making towards the renovation of their stadium, Estadio Santiago Bernabéu. Industry observers estimate the endeavour to cost EUR 525m in total and to be completed in 2023, with substantial improvements in the stadium's digitalization and commercialization.

In 2020/21, revenues of EUR 616.8m are budgeted and the club's management has explained that had the pandemic not occurred and had the income growth trend of previous years been followed, the budget for the 2020/21 season would have reached a figure close to EUR 900m, which is a difference close to EUR 300m with respect to what was budgeted as a consequence of the pandemic.

In the current season, Real Madrid CF initially suffered a slow start in LaLiga and reached the knock-out stage of the Champions League not without difficulty, and will square off with Atalanta BC in the Round of 16.

Credits: Real Madrid CF

Summary

Key performance indicators and annual change

	FC Bayern München**	FC Porto	Juventus FC
Total operating revenues 2019/20 season in EUR million	607.2 -3%	87.3 -50%	401.4 -13%
Staff costs 2019/20 season in EUR million	314.8 -6%	90.6 -8%	284.3 -13%
Staff costs/ revenue 2019/20 season (change in percentage points)	52% -2	104% +48	71% +0.1
Profit/Loss after tax 2019/20 season in EUR million	5.9 -37	-116.2 -125	-89.7 -50
Squad Value as at 1st January 2021 in EUR million	943.4 +7%	214.4 -7%	734.8 -15%
Social media followers* as at 1st January 2021 in million	91.5 +13%	7.3 +8%	105.8 +20%

Source: KPMG Football Benchmark

*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.

	Liverpool FC**	Paris Saint-Germain FC	Real Madrid CF
Total operating revenues 2019/20 season in EUR million	557.0 -8%	540.6 -15%	681.2 -8%
Staff costs 2019/20 season in EUR million	N/A N/A	405.6 +10%	411.0 +4%
Staff costs/ revenue 2019/20 season (change in percentage points)	N/A N/A	75% +17	60% +7
Profit/Loss after tax 2019/20 season in EUR million	N/A N/A	-125.8 -154	0.3 -38
Squad Value as at 1st January 2021 in EUR million	1,094.3 -5%	806.6 -16%	874.2 -25%
Social media followers* as at 1st January 2021 in million	94.9 +17%	91.5 +16%	255.8 +7%

Source: KPMG Football Benchmark

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

**Note: Liverpool 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 2019/20 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 all players from the top professional leagues in Europe and South America (Belgium, England, France, Germany, Italy, Netherlands, Portugal, Spain, Turkey, Argentina and Brazil).

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[1], 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 between clubs, and within the same club when compared to the 2018/19 season, in terms of accrual basis of revenues and costs.

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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 2020.

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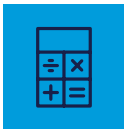

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