Key findings and trends from this year's European Club Footballing Landscape Report

The 12th edition of the UEFA Club Licensing Benchmarking Report again provides an extremely detailed and wide-ranging examination of European football's financial landscape. As well as identifying and detailing key trends in European football, the report also provides the first authoritative and in-depth examination of the ways in which the unique challenges of the COVID-19 pandemic have affected, are affecting and will potentially affect every level of European football.

The report documents the deep cooperation between stakeholders that has allowed unprecedented calendar and regulatory adaptations, essential to keeping football going during the pandemic. More than anything the report underlines the importance of unity, solidarity, and respect throughout the football pyramid.

Summary of key messages

1. UEFA, in cooperation with organisers of domestic cups and leagues, completely restructured the competition calendar in 2020. With the EURO postponed and UEFA club competitions suspended, 38 top-tier European leagues were able to conclude their 2019/20 or 2020 seasons, with all leagues able to start the current season. This saved clubs an estimated €2bn in additional domestic football TV rebates.

2. The success of its Return to Play Protocol has enabled UEFA to organise a total of 1,432 matches (involving 163,844 COVID tests) since August 2020. More than 99% of matches have been delivered as planned.

3. The report shows that mutual co-operation throughout the European football model has seen clubs share in unprecedented growth – European top tier club football has enjoyed an 80% revenue increase between 2010 and 2019. The sporting and commercial success of UEFA club competitions are also widely acknowledged with club distributions increasing by 160% during the decade. The new UEFA club competition format from 2024 – approved by the by the UEFA Executive Committee after consultation with stakeholders and particularly thorough discussions with the clubs and leagues – provides a further stable platform for commercial growth while keeping domestic league football untouched. The report also shows that UEFA's solidarity payments to clubs' total €558 million per year (set to rise further from this year), comfortably more than that promised by breakaway competitions.

4. UEFA's financial fair play (FFP) rules require club owners to commit funds, rather than letting debts build up. Both club cash balances and net assets (assets minus all debts and liabilities) have tripled since the introduction of FFP rules. If this pandemic had occurred in 2012, the impact on club football would have been catastrophic.

5. Deep stakeholder cooperation enabled the global transfer window to be extended and FFP rules to be adapted. So far, this has prevented any contagion in the settlement of transfer debts.

6. Currently, lost revenues over the 2019–21 period are projected to total €7.2bn for the top tier of professional football and €1.5bn for the lower leagues. Every level and every corner of professional football has been hit hard. Clubs with heavy reliance on supporter attendance have been particularly impacted by the pandemic.

7. Despite the pandemic leading to a 210 million drop in matchday supporters, overall interest in European club football is higher than ever. Record TV viewing figures, record numbers of new club investors and investment, and a rebound in club web traffic are all described in the report.

8. The whole of the football ecosystem – professional, amateur and youth football alike – has been heavily disrupted by the pandemic. This requires deep cooperation and a coordinated response across the football pyramid.

Deep cooperation: how football has reacted to the pandemic

1. The pandemic has seen Europe's football community come together as never before. A pivotal part of this cooperation was UEFA's decision to suspend its club competitions until the various domestic seasons had been completed, significantly easing pressure on the match calendar.

2. The 2019/20 UEFA Champions League and UEFA Europa League seasons were shortened by six and eight matches respectively. In addition, with the exception of the UEFA Champions League play-off round, all qualifying rounds prior to the group stages of the two 2020/21 competitions were switched to a single-match format, rather than being played over two legs.

3. Since August 2020, a total of 1,432 matches have been staged as part of UEFA's club and national team competitions under the Return to Play Protocol. A total of 163,844 COVID-19 tests have been carried out in order to ensure that matches can be played with minimal risk to everyone involved. Rigorous procedures have meant that only 1% of planned matches have had to be abandoned.

4. Overall, there were 14% fewer top-division matches in countries' 2019/20 and 2020 seasons compared with the previous year. All in all, 16 leagues were abandoned, while 11 leagues had fewer matches than usual owing to a change in format.

Major improvements in clubs' financial health prior to the pandemic

5. A review of all 700+ top-division clubs' financial statements shows that, in the financial year ending in 2019 (i.e. prior to the pandemic), club football generated the highest single-year revenue increase in history (nearly €1.9bn). Top-division clubs' finances could hardly have been more robust when the pandemic struck.

6. UEFA-generated club distributions increased by 33% (by nearly €700m) under the new 2019–21 cycle, while club-generated sponsorship revenue increased by 10% (by almost €500m). Revenue from domestic broadcasting, commercial partnerships, gate receipts and other income sources also increased, by a total of more than €700m.

7. Seven of the top 15 leagues by revenue (Austria, Belgium, France, Italy, the Netherlands, Portugal and Russia) reported revenue growth of more than 10%, with healthy growth of 5–10% being reported in Denmark, England, Germany, Spain and Switzerland. Only Turkey reported a decline in revenue, principally as a result of the weakening of its domestic currency.

8. At the end of 2019, clubs reported their strongest net equity figures ever (€10.3bn). Net equity has more than tripled (increasing by €7bn) since clubs were first assessed under UEFA's FFP rules, which require losses to be largely covered by equity investment, preventing the long-term build-up of debt.

9. Despite significant wage and transfer inflation, clubs reported the second highest operating profits on record (€948m), as well as net operating inflows of €1.1bn.

10. In that pre-pandemic year, €1.4bn was invested in stadiums, training centres and other long-term fixed assets. Clubs reported net inflows of €220m after net transfer costs and other investment outflows. Clubs' combined cash balances of €3.5bn – more than triple the level seen prior to the introduction of FFP – have no doubt proved crucial as they have faced the immense financial challenges resulting from the pandemic.

Where and how the pandemic is hitting club finances the hardest

11. After more than 20 years of continuous revenue growth at an average of more than 8% per year, the projected declines in club football revenues represent unprecedented financial challenges.

12. The report shows that European top-division clubs will lose between €7.2bn and €8.1bn in revenue in the 2019/20 and 2020/21 financial years.

13. This figure includes a maximum of €4.0bn in lost gate receipts, €2.7bn in lost sponsorship and commercial revenue, and an upper estimate of €1.4bn for lost broadcast revenue.

14. Currently, lost gate revenues are running at €85m a week. Europe's professional football clubs have lost out on an estimated 210 million stadium attendances since the start of the pandemic (140 million at top-tier clubs and 70 million in the lower leagues).

15. The report indicates that wage and operating cost savings have only partially offset lost revenues. Long term contracts and a lack of profit related pay means clubs have struggled to share the financial burden of the pandemic with players and COVID's impact on clubs' operating profits is expected to reach at least €5.3bn over 2019/20 and 2020/21.

16. Since the start of 2020, 15 top tier clubs and 37 second tier clubs covering 24 different countries, have suffered a serious financial event (withdrawal or exclusion from league on financial grounds) and/or some type of insolvency proceeding. The 2020 calendar year total of 42 clubs, exceeds the previous record 34 cases at the height of club overspending in 2011.

How the pandemic is disrupting the transfer market

17. European clubs' transfer spending in summer 2020 was down by 39% on the record summer 2019 window and down by 30% on the average for the previous three summers.

18. Total transfer spending only passed the €4bn mark because of the significant spending seen in the last month of the window, and it was driven even more than usual by English clubs (with their share of total European transfer spending rising to 37%, up from 25% in 2019). All in all, 43% of global transfer activity by value involved at least one English club.

19. Pandemic-related challenges have led clubs to seek transfer solutions with less short-term commitment. In recent years, the percentage of players being signed on loan, via free transfers or out of contract had been declining, with such players accounting for 41% of transfer activity in summer 2019. In the summer of 2020, however, such players accounted for 59% of total transfer activity by market value.

20. Although most countries' 2019/20 seasons were completed, and the rescheduled 2020/21 seasons started as planned, the January window did not show any signs of recovery. European clubs' transfer spending was down by 56% compared with the previous January and was 61% lower than in the record January 2018 window.

21. These lower transfer levels will also hit FY20 and FY21 bottom-line profits extremely hard (estimated €2bn reduction in transfer profits) although the impact will balance out in the longer-term due to lower carried forward amortisation costs.

The wider impact of pandemic-related disruption and changes in the shape of the game

22. It is estimated that over 15 million registered amateur players have been affected by disruption to training and matches because of the pandemic. The long-term consequences at all levels of the game could be severe.

23. Like domestic men's top divisions, women's top divisions also shuddered to a halt in the spring of 2020. In total, 28 different top divisions abandoned their ongoing season, with 10 top divisions resuming in an adapted format and 13 divisions resuming in an unchanged format following suspensions lasting several weeks.

24. National Associations also further adapted to the pandemic with calendar and format adaptations allowing 39 domestic men's national cups to finish in 2020 and 51 national cups expected to complete in 2021.

25. Many leagues agreed revised rights fee payments, with broadcast partners seeking rebates as a result of the disruption to previously agreed schedules. The level of uncertainty brought about by the pandemic also resulted in some leagues attempting to renegotiate broadcast rights contracts, with the previous high levels of inflation no longer present. However, some leagues recorded their highest ever viewing figures, showing that fans' appetite for football remains very strong, even when played without spectators.

26. The report shows that the number of away wins has risen in 30 top divisions since the pandemic struck. That increase in away wins has come at the expense of home wins, which have declined by 3%. The percentage of draws has increased from 23% to 24% since domestic leagues resumed in 2020.

27. There has been an increase in the number of substitutions per team per match, from an average of 2.8 between 2017 and 2020 to an average of 3.7 since summer 2020, as a direct consequence of the introduction of the five-substitution rule in the majority of domestic top divisions.

28. In its detailed analysis of Europe's current football landscape, the report looks at betting sponsorship and the increased regulation of such sponsors. In 2020, Spain and Denmark announced plans to prevent betting companies from sponsoring clubs, taking the number of countries with such restrictions to 16.

29. Only five countries reported a complete lack of restrictions on club ownership in 2020, with the majority of leagues applying restrictions governing ownership of multiple clubs, rules on club's legal form, or checks and tests on potential new owners.

30. Despite the economic downturn caused by the pandemic and the subsequent lockdowns around the world, European football clubs remained as attractive to investors as ever. Some 52 majority share takeovers took place between January 2020 and April 2021.