

THE EUROPEAN ELITE 2023

FOOTBALL CLUBS' VALUATION



8TH EDITION

FOREWORD

DEAR READER,

Welcome to the eighth edition of Football Benchmark's "Football Clubs' Valuation: The European Elite", which ranks Europe's 32 most prominent football clubs by their Enterprise Value (EV) since 2016. Driven by recent transactions that signal investors' expectations of future industry growth, **this year, we present record valuations at both aggregate and individual club level.** Additionally, **we celebrate a new leader at the top of the rankings** for the first time in four years.

Over the past two years, valuations were heavily impacted by the COVID-19 pandemic and its aftermath. In 2023, **the aggregate EV increased to a record EUR 51.7 billion, a 40% year-on-year growth** (30% when compared to the last season not impacted by the pandemic, namely 2018/2019). One driver of growth was the top 32 clubs' aggregate operating revenue for the 2021/22 season increasing by 15% compared to the previous season, up to EUR 11.3 billion, also slightly eclipsing the latest pre-COVID figures.

However, rather than solely attributable to the revenue increase, **the growth in valuation is mainly driven by recent acquisitions of clubs happening at higher multiples** than in recent years, demonstrating tangible evidence of the football industry's growing appeal. Since 2020, there has been a surge in transactions, with more anticipated in the foreseeable future.

We firmly believe that the **expected revenue growth in some domestic leagues, and even more prominently from international competitions** organized by UEFA and FIFA, **along with the introduction of the new UEFA Financial Sustainability regulations**, which seek to enhance clubs' financial stability, **are the primary factors contributing to the increase in revenue multiples and consequently boosting clubs' valuations.**

Turning our attention to this year's ranking, we crown **Manchester City FC as the leader of the European Elite for the first time, displacing Real Madrid CF**, who held the top position for the past four years, **to second place. Manchester City FC and Real Madrid CF are also the first and only clubs surpassing EUR 4 billion in EV. Manchester United FC secure the third position** on the podium, dropping one spot compared to the previous year.

In a notable first, **all clubs featured in the top ten now boast an EV above EUR 2 billion, providing indisputable evidence of the industry's overall growth.** To put this in perspective, in our inaugural 2016 edition, only four clubs exceeded the EUR 2 billion threshold. While the composition of the top 10 remains largely unchanged, with only Arsenal FC replacing Juventus FC at tenth, the order of the clubs has undergone significant reshuffling. In addition to the changes on the podium, **FC Barcelona fell three positions to sixth, and Liverpool FC overtook FC Bayern München as the fourth most valuable football club.**

This year's pinnacle is further distinguished by the remarkable proximity of the top five clubs in terms of EV, with only EUR 250m separating first place Manchester City FC and fifth place FC Bayern München.

The opportunity to acquire these, and other top clubs in our ranking, is very rare. As such, to a certain degree, these "trophy assets" can be considered substitute products from investors' point of view. The concept is exemplified by Sir Jim Ratcliffe's willingness, within a few months, of bidding for both Chelsea FC and his beloved club Manchester United FC.

Driven by the aforementioned industry growth, **all clubs have seen an increase in their EV compared to the previous year, with each club experiencing double-digit percentage annual growth.** Even more importantly, **each club has surpassed their previous record EV, with the exception of AS Roma.** AC Milan achieved the highest year-on-year growth (83%), followed by three English clubs, namely Aston Villa FC (78%), West Ham United FC (75%) and Manchester City FC (64%), with Villarreal CF (60%) closing the ranking of the five best performers.

Expanding the time horizon to encompass the evolution of EVs from all eight editions of our valuation report reveals the consolidation of football's power as a prime entertainment product, showcasing its unwavering resilience even in the face of the extreme disruption caused by the pandemic. Throughout the lockdowns, fans set new TV audience records as they eagerly tuned in to watch their cherished clubs' matches, and with the reopening of stadiums, in-person attendance records are being shattered worldwide. Indeed, **all 25 clubs included in the ranking in both 2016 and 2023 experienced a double-digit percentage increase in their EV**, ranging from the highest recorded by Tottenham Hotspur FC (+247%) to the lowest achieved by Everton FC (+21%). When considering the 7-year growth in absolute terms, Liverpool FC emerge as the top-performing club with an EV increase of EUR 2,627m.

This year, **only seven leagues are represented in the European Elite, with the European Big Five reaching a new height at 29 clubs**, accounting for 97% of the top 32's aggregate EV, thus further showcasing the financial muscles of clubs playing in the largest European economies. Indeed, while we featured six clubs outside of the Big Five in our first edition in 2016, only three are included this year. Moreover, **the dominance of the English Premier League continues, with a record 11 clubs included**, now making up 45% of the total EV. English clubs have greatly benefitted from a swifter revenue recovery from the pandemic, primarily due to their remunerative broadcasting deals, solidifying their leading position in our ranking.

We trust our report provides stimulating insights into the European football landscape. If you would like to receive further information or discuss our findings, please contact us at www.footballbenchmark.com.



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REPRESENTED CLUBS

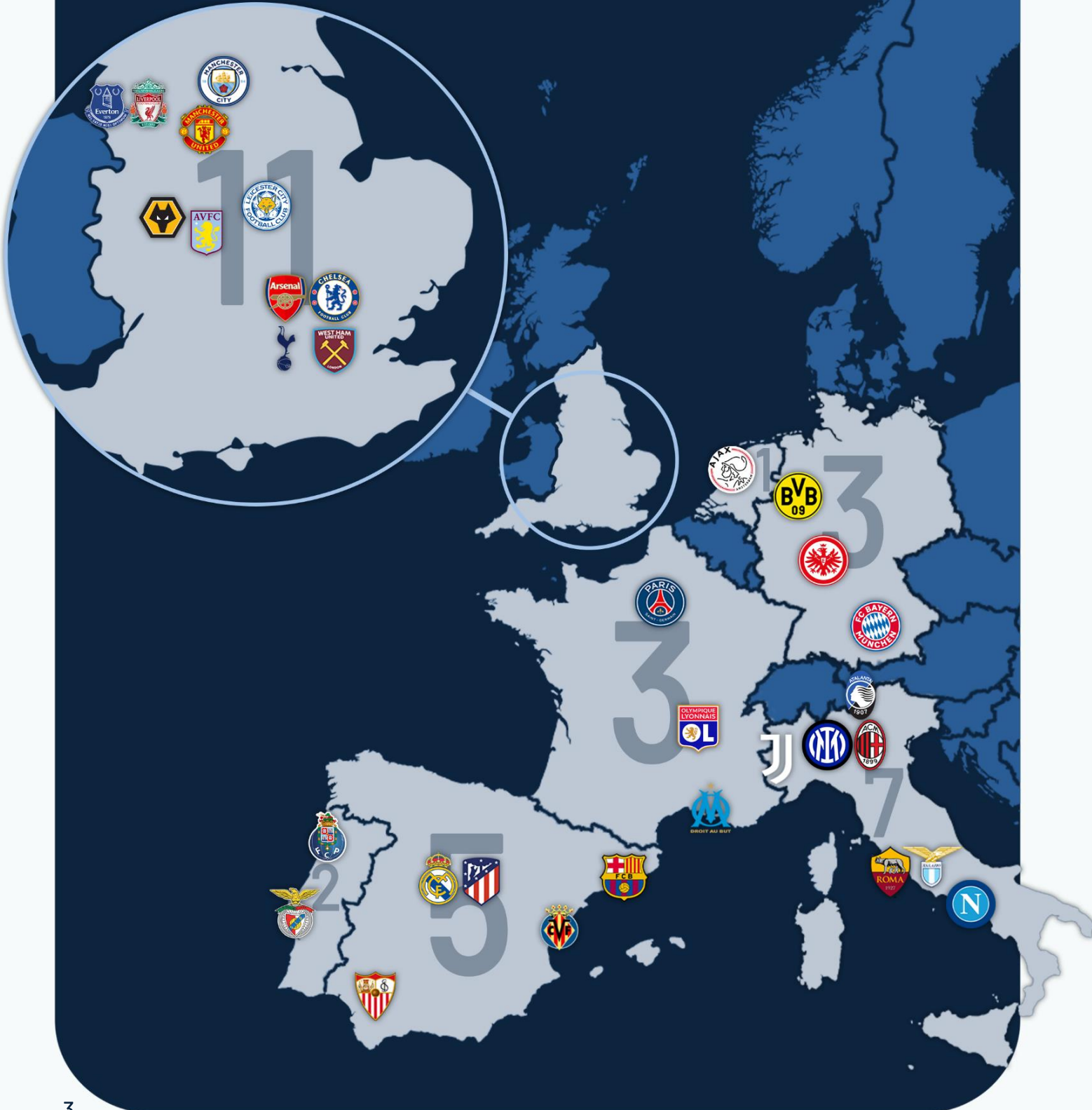


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KEY MESSAGES & TRENDS

THE PODIUM

CITYZENS TAKE THE CROWN

For the first time, **Manchester City FC are the leader of the European Elite with an Enterprise Value (EV) of EUR 4,073m**, becoming the most valuable football club as of January 1st, 2023. **In their journey to the top, they have surpassed Real Madrid CF, who led our rankings for four consecutive years.** The English club achieved this feat thanks to an impressive growth both on and off the pitch, which commenced with the takeover by the Abu Dhabi United Group in 2008. **The Cityzens have climbed up the ranking, gaining five positions compared to the 2022 edition, primarily thanks to the remarkable financial performance recorded in the 2021/22 financial year**, which includes the highest total operating revenues (EUR 731m), one of the lowest staff costs to revenue ratios (57%) and the best profitability figure (EBIT of EUR 56m) among the 32 included clubs. Besides the positive financial figures, which are currently under scrutiny by the Premier League in relation to the 2009/10-2017/18 period, **Manchester City FC have also benefited from the highest sporting potential (as measured by their squad market value of EUR 1,262m as of March 2023 according to our proprietary algorithm) and the English Premier League's lucrative broadcasting deals.** Furthermore, the newly crowned English champions have recently announced an expansion plan for their Etihad Stadium, aimed at increasing capacity and introducing additional facilities to further enhance fan experience and maximize stadium revenues.

Despite losing the top spot, **Real Madrid CF still have ample reason to celebrate as they join the "4 billion club" with an EV of EUR 4,006m, trailing Manchester City FC very closely.** **The Merengues had to relinquish the throne primarily due to a significant increase in operating costs** that heavily impacted the club's operational profitability, with a staff costs-to-operating revenue ratio of 73% and a negative EBIT of nearly EUR 300m. However, the UEFA prize money received from winning the UEFA Champions League and, most of all, the gain of over EUR 300m recorded on the agreement with Sixth Street and Legends in relation to the management of the new Santiago Bernabéu, have enabled the club to end the 2021/22 season with a net profit. Furthermore, **the substantial increase in revenues to be generated by the revamped stadium, and the exploitation of its rights, is likely to lead to a significant EV increase in forthcoming editions.**

Manchester United FC, with an EV of EUR 3,932m, dropped one position compared to the previous edition, holding onto their place on the podium for the past eight years. The rumoured transaction involving the *Red Devils*, with a price tag anticipated to exceed GBP 5 billion, would set an unprecedented record within the football industry, positioning them on par with the American NFL and NBA franchises in terms of investment appetite.

02 | 
 ENTERPRISE VALUE
€4,006M

01 | 
 ENTERPRISE VALUE
€4,073M

03 | 
 ENTERPRISE VALUE
€3,932M



THE GIANTS

TEN CLUBS OVER THE EUR 2 BILLION THRESHOLD

In a notable first, **every club featuring in the top 10 showcases an EV above EUR 2 billion, providing an indisputable sign of the industry's overall growth.** To put this in context, in our first edition of this report in 2016, there were only four clubs exceeding the EUR 2 billion threshold.

The top positions of the ranking are dominated by the English Premier League, which boasts six clubs in the top 10, one more (Arsenal FC) than in last year's edition. Indeed, English clubs have benefitted from a swifter revenue recovery from the pandemic, mainly thanks to their remunerative broadcasting deals.

Descending in the rankings, **just below the podium are Liverpool FC and FC Bayern München, with an EV of EUR 3,900m and EUR 3,838m, respectively.** A 28% year-on-year increase in total operating revenues, combined with the profitability improvements, allowed the Reds – finalists of the 2021/22 UEFA Champions League – to overtake the Bavarians. Nevertheless, FC Bayern München showed no sign of decline, having recorded a positive net result for the 30th year in a row.

The five most valuable clubs are in relative proximity to each other, with a mere EUR 235m separating Manchester City FC from FC Bayern München.

On the other hand, **FC Barcelona, in 6th position with an EV of EUR 3,504m, are more distant.**

Despite a year-on-year growth of 25%, the *Blaugrana* lost three positions compared to the previous edition and their decline is even more evident when looking at the 2021 ranking, in which they were second, just EUR 50m behind first-placed Real Madrid CF. As of January 2023, the gap between the two Spanish giants has grown more than tenfold, exceeding half a billion euros. FC Barcelona's total operating revenues in the 2021/22 season (EUR 636m) were still considerably below their all-time record surpassing EUR 800m achieved in 2018/19, while their costs structure remained very rigid, despite exhibiting signs of improvement. In order to cope with the significant losses suffered over the two COVID-impacted seasons, the club were forced to sell some key assets: a 25% stake in their future La Liga TV rights and a 49% rights' stake for use of their digital audio-visual content. Finally, a reported 4-year, EUR 280m deal signed with Spotify, and the development of the Espai Project, could help the *Blaugrana* regain positions in the ranking in the coming years.

Between the 7th and 9th positions, we find a trio of clubs in close value proximity to each other that have all maintained their placements in the ranking compared to the previous year's: **Chelsea FC (EUR 2,989m), Paris Saint-Germain FC (EUR 2,858m), and Tottenham Hotspur FC (EUR 2,780m).**


The top 10 is completed by Arsenal FC, with an EV of EUR 2,301m. The Gunners have jumped back into 10th position after two years, surpassing Juventus FC and leaving the Italian Serie A without any representatives in the top 10 for only the second time since the first edition of the report in 2016. The *Bianconeri* recorded the lowest annual increase among all the top 32 clubs (+12%), and the English side's qualification for the next UEFA Champions League – in contrast to the troubled season faced by Juventus FC both on and off the pitch, and now ranked 12th behind Atlético de Madrid – could further widen the gap between the *Old Lady* and other clubs.



Source: Football Benchmark


01

 €4,073M
  64%

 €731M
  €1,262M




02

 €4,006M
  26%

 €714M
  €867M




03

 €3,932M
  36%

 €688M
  €904M




04

 €3,900M
  53%

 €702M
  €997M




05

 €3,838M
  40%

 €654M
  €1,096M



 ENTERPRISE VALUE

 YOY CHANGE

 2021/22 TOTAL OPERATING REVENUE

 SQUAD VALUE (AS AT MARCH 2023)

3

06



€3,504M



25%



€636M



€1,015M



=

07



€2,989M



37%



€568M



€1,116M



=

08



€2,858M



34%



€670M



€930M



=

09



€2,780M



45%



€523M



€755M



1

10



€2,301M



45%



€433M



€927M



ENTERPRISE VALUE



YOY CHANGE



2021/22 TOTAL OPERATING REVENUE



SQUAD VALUE (AS AT MARCH 2023)

INDUSTRY GROWTH

CLUBS EXCEED EXPECTATIONS

After two years of heavily depressed valuations due to the COVID-19 pandemic and its fallout, **the aggregate EV of the top 32 clubs has surpassed pre-COVID levels**, as operating revenues have stabilised whilst the player trading market, albeit mostly driven by an increasing weight of the investment of Premier League’s clubs, is also showing signs of recovery.

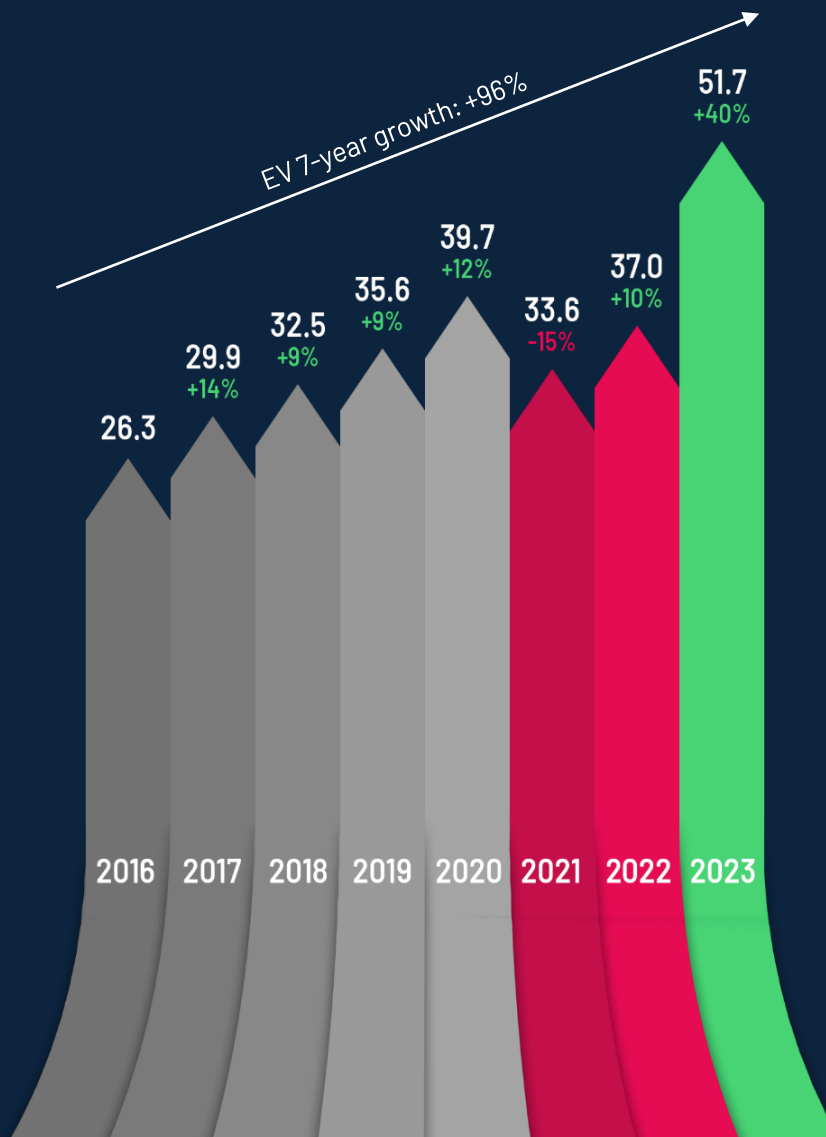
Aggregate EV increased to EUR 51.7 billion, a 40% year-on-year growth (30% when compared to the last season not impacted by the pandemic, namely 2018/2019), surpassing not only previous levels but also expectations. The rebound of operating revenues after the two seasons impacted by the global health crisis has been one of the drivers of such growth: **aggregate operating revenue of the top 32 clubs increased by 15% compared to the previous season, up to EUR 11.3 billion**, also slightly eclipsing the latest pre-COVID figures. Compared to the previous season, the top 32 also benefitted from an improvement on the profitability side: the average staff cost to revenue

ratio decreased from 76% to 71% while aggregate net result improved by almost EUR 1 billion, although remaining negative (an aggregate net loss of EUR 1.7 billion in 2021/22).

Beyond revenues finally returning to the pre-pandemic path of growth, the football industry is witnessing market trends and events that are contributing to an overall positive and optimistic outlook, something that has also benefitted European football clubs’ EV.

The growth in valuation is mainly driven by recent transactions of clubs happening at higher multiples than in recent years. As we will showcase in more detail in the following pages, we believe that **growing revenues from international competitions** and **the implementation of the new UEFA Financial Sustainability regulations**, aiming at further fostering clubs’ financial stability, are the key reasons driving up revenue multiples and therefore clubs’ valuation.

Aggregate EV of Top 32 (2016-2023, EUR billion)



RECENT TRANSACTIONS SHOWCASE INVESTORS' POSITIVE SENTIMENT

Investors' sentiment provides tangible evidence of the growing appeal of the football industry at present, in the form of actual transactions.

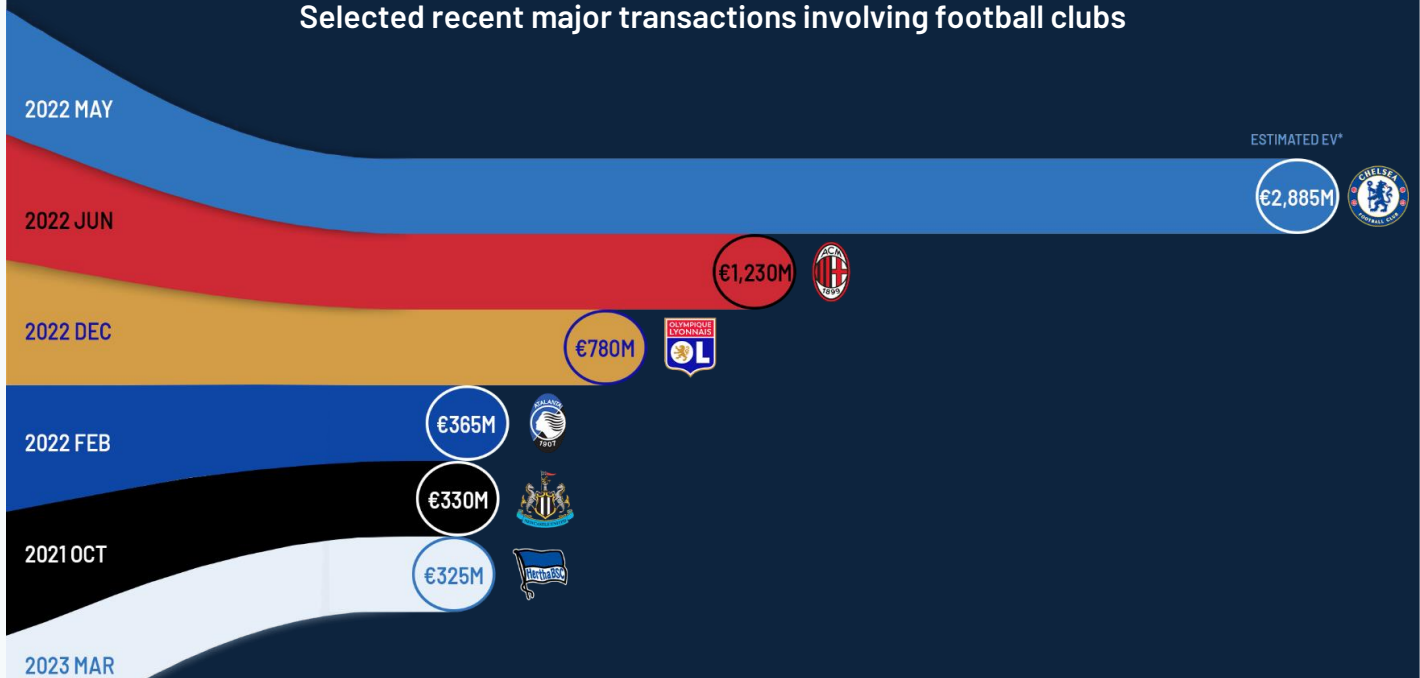
The COVID-19 pandemic provided a unique opportunity for investors, due to many existing owners having sought to divest their assets due to cash flow shortages. As a result, transaction volumes have surged in recent years, providing substantial evidence of investor sentiment. To demonstrate this, we have compiled a selection of top clubs' recent transactions to highlight the premium that new entrants have been willing to pay, as measured by their EV/operating revenue ratio.

Using the English Premier League as a reference point due to its leading position in the industry, it is evident that EV/revenue ratios have generally increased in the post-COVID era. Prior to 2020, only a few transactions involving majority stakes were completed at a multiple above 2.0, of which two involved Manchester United FC in 2005 and Manchester City FC in 2008. In the brief time span of nearly three years since 2020, many more transactions above this threshold have been completed and others are expected in the following months.

A new benchmark has been established with last year's Chelsea FC sale, which was completed with an EV/operating revenue multiple around 5.0, surpassing Manchester United FC's record of approximately 4.6. Chelsea FC's transaction might have even happened at a higher multiple, had it not been for the time pressure imposed by the British Government Authorities. The transactions of AC Milan and Olympique Lyonnais, both at a multiple between 4.25 and 4.75, also corroborate this trend beyond that seen for the English Premier League.

Market participants have shattered previous notions of a football club's ceiling value, signalling the start of a new era in football club valuations. Such increasing valuations have also been influenced by revenue forecasts, which will be positively impacted by new/revamped international competitions expected to generate higher income, and growing clubs' profitability prospects, as we will explain in the next two sections.

Selected recent major transactions involving football clubs



*Note: EV estimated by tallying the equity value of the club, calculated on the reported consideration paid, and the net financial debt of the club.

CLUBS' INCOME-GENERATING PROSPECTS LOOK BRIGHT

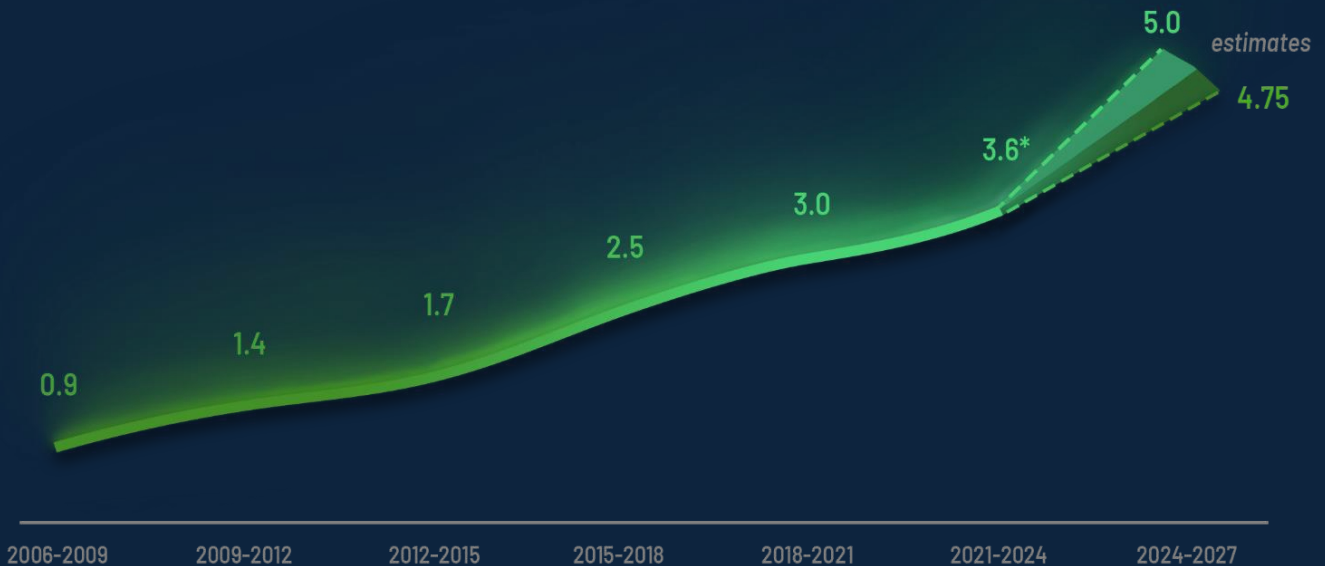
Football Benchmark's proprietary algorithm estimates the Enterprise Value of football clubs through an ad-hoc revenue multiple determined for each club. Being all factors considered in our methodology equal, the higher revenues of a club correspond to a higher EV. **While operating revenues have recovered after the pandemic, clubs' future income-generating prospects appear even brighter**, both at FIFA and UEFA level. Indeed, **the FIFA Club World Cup is undergoing significant changes**, as the tournament will adopt a new 32-club format and will take place every four years, starting in June 2025. This new competition **will most likely generate significant additional income and global exposure for the 12 European elite clubs that will take part in the tournament**, according to the preliminary format disclosed by FIFA.

Similar expansions are happening in European international football as well. **Beside the increasing prize money of the Europa League, UEFA have introduced the UEFA Europa Conference League in 2021**,

giving an international platform and access to UEFA revenues to an increased number of clubs. **Additional changes are in the works, with the UEFA Champions League adopting a new format starting in 2024/25**. These reforms have been well-received by broadcasters and commercial partners, with **UEFA expecting annual revenues for club competitions of up to EUR 5.0 billion in their next three-year cycle**, beginning in 2024/25, up from the current figure of EUR 3.6 billion as of 2021/22. **Similarly, it is fair to expect a relevant increase in prize money from UEFA competitions distributed to clubs**, which will benefit from the expanded format.

Growing revenues, combined with clubs' growing financial sustainability, fostered by more strict Club Licencing regulations, can play a decisive role in the overall worth of football clubs and, with international competitions expected to boost income, clubs' valuations will likely further increase.

UEFA Club Competitions' annual total revenue (average by cycle, in EUR billion)



*Note: based on 2021/22 figures.

NEW UEFA REGULATIONS FOSTER IMPROVEMENTS

The outbreak of COVID-19 had a significant impact on European football, as it has led to a decline in operating revenue while staff costs remained relatively stable, resulting in a dramatic worsening of clubs' financial performance. **UEFA responded to this by adopting temporary emergency measures relaxing Financial Fair Play rules, but also by introducing new Club Licensing and Financial Sustainability regulations** aimed at mitigating the already inherent structural problems in the football industry, and which were magnified by the pandemic.

The new regulations aim to establish three distinct key pillars within club monitoring requirements: solvency, stability, and cost control. The absence of overdue payables and the break-even rule, which were the two key parameters of the previous UEFA Financial Fair Play, have been reinforced in the new regulations through the solvency and stability pillars, respectively. **The most significant change is the establishment of the squad cost ratio under the cost control pillar**, which is in response to increasing player wages, agents and transfers' costs that threaten clubs' sustainability in the long term.

In addition, a Working Group has been recently established to discuss the regulations communicated by UEFA in recent months with the goal of enhancing the long-term sustainability and competitiveness of European football. One of the main goals of the Working Group, comprising representatives from all the main football stakeholders, will be a feasibility assessment of specific measures that would supplement the squad

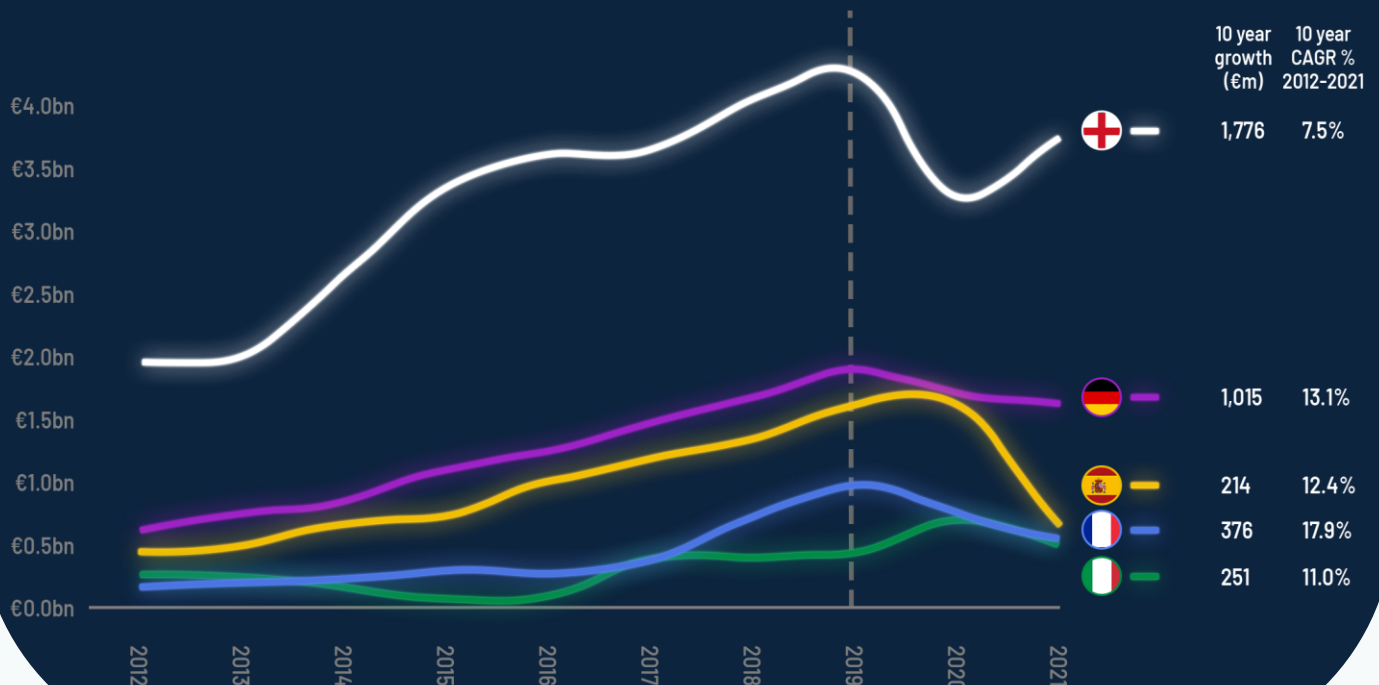
cost rule, with the aims of further enhancing cost control, promoting the development of youth players and fostering a better redistribution of resources.

The introduction of the previous UEFA Financial Fair Play rules had a tremendous impact on the financial performance of European football, wiping out overdue payables and moving from an aggregate net loss of EUR 1.7 billion in 2010/11 to a net profit of EUR 579m in 2016/17 (EUR 140m in 2017/18).

Furthermore, net equity positions, a proxy for balance sheet solvency or the "health" of European first division clubs, have increased significantly: the 10-year compound annual growth rate (CAGR) amongst the Big Five leagues ranges from 7.5% in England to 17.9% in France.

The new rules represent a clear attempt at strengthening and improving upon previously established regulations and, in this regard, further significant positive results are expected for the entire football industry. Financial stability, in the form of a strengthened balance sheet, tighter cost controls and more predictable cash flows, can likely gauge further interest from (institutional) investors, providing a boost to clubs' valuations. It remains to be seen whether the introduction of the new regulations will have potential side effects on competitive balance, an aspect of European football that arguably already deteriorated in the last decade due to the crystallization of sporting results in international competitions, especially the UCL, and in some national leagues.

Big Five clubs' net equity evolution and growth over a decade

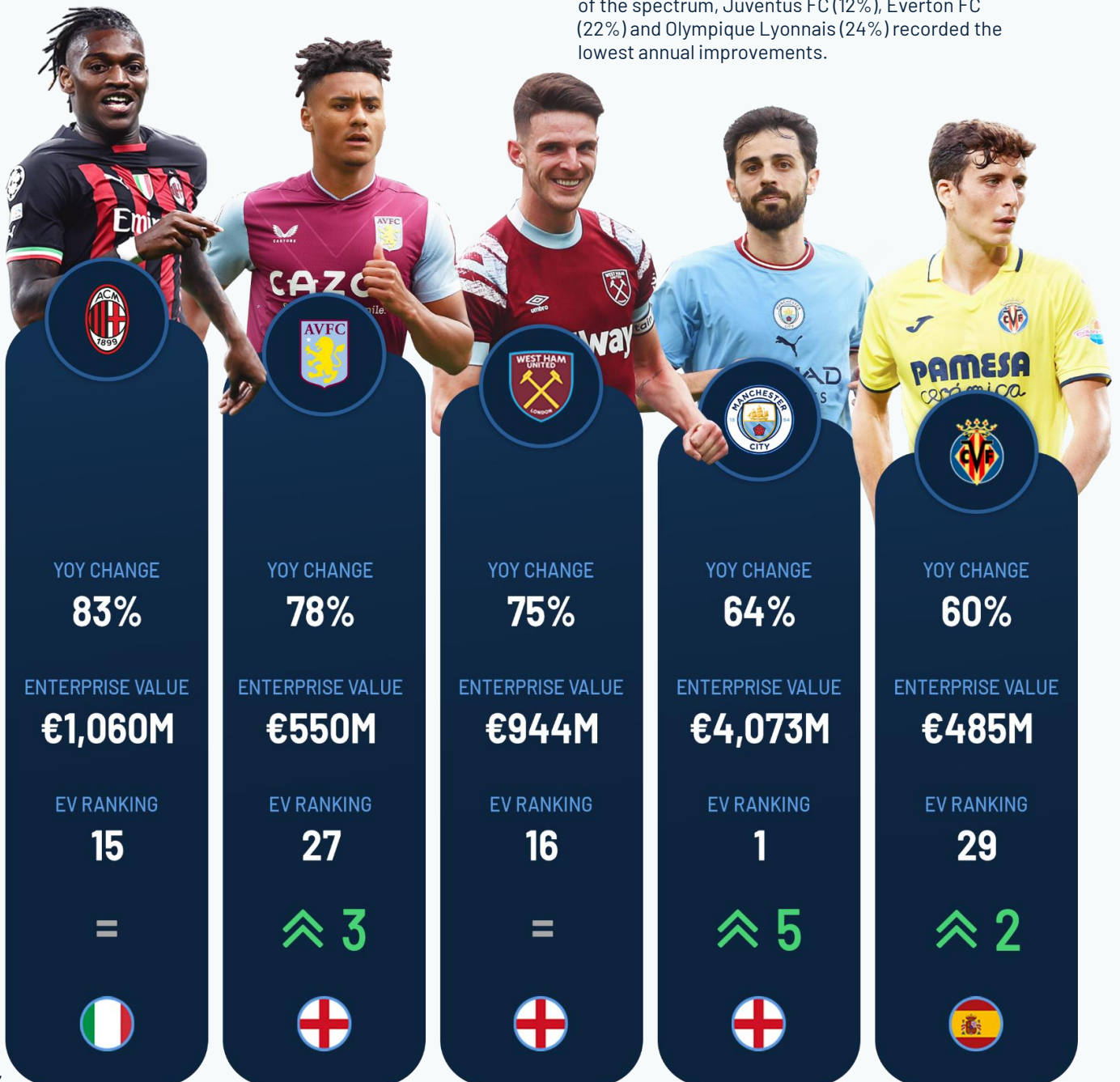


BEST PERFORMING CLUBS

EVERY CLUB INCREASED THEIR EV COMPARED TO LAST YEAR

Driven by the aforementioned industry growth, for the first time all clubs have increased their EV compared to previous year, with each club recording a double-digit percentage annual growth. Even more importantly, each club has surpassed their previous record EVs with AS Roma being the only exception (EV slightly lower than their 2020 peak result of EUR 602m).

Looking more closely at specific club performances, AC Milan recorded the highest year-on-year growth (83%). The Italian club benefitted from growth in operating revenues driven by their commercial income, improved profitability and the significant upward revaluation of their squad, a direct consequence of their positive sporting performance. The *Rossoneri* are followed by three English clubs, namely Aston Villa FC (78%), West Ham United FC (75%) and Manchester City FC (64%), with Villarreal CF (60%) closing the ranking of the five best performers. On the opposite end of the spectrum, Juventus FC (12%), Everton FC (22%) and Olympique Lyonnais (24%) recorded the lowest annual improvements.



ALL CLUBS RECORDED DOUBLE-DIGIT PERCENTAGE 7-YEAR GROWTH

Expanding the timeframe under analysis to all eight editions of our valuation report reveals an even more positive trend. Indeed, **all 25 clubs included in the ranking in both 2016 and 2023 experienced a double-digit percentage increase in their EV, averaging a remarkable 118%. The growth rates range from the highest recorded by Tottenham Hotspur FC (+247%) to the lowest figure achieved by Everton FC (+21%).**

The *Spurs'* impressive growth can be primarily attributed to their strong profitability performance over the past eight years, along with the inauguration of their state-of-the-art new stadium.

The top five clubs in terms of 7-year EV percentage growth also include Paris Saint-Germain FC (+239%) and FC Internazionale Milano (+215%), both benefiting from increased commercial income. Additionally, two Spanish clubs, Sevilla FC (+211%) and Atlético de Madrid (+207%), complete the list.

When considering the 7-year growth in absolute terms, Liverpool FC are the best club, with an EV increase of EUR 2,627m, followed by Manchester City FC (+EUR 2,453). Next, PSG (+EUR 2,015m) and Tottenham Hotspur FC (+EUR 1,979m) also secured a spot in this ranking, being the third and fourth best club respectively. FC Bayern München round out the top five with an additional value gain of EUR 1,684m.

Best clubs by 7-year growth in %

	TOTTENHAM HOTSPUR FC	+247%
	PARIS SAINT-GERMAIN FC	+239%
	FC INTERNAZIONALE MILANO	+215%
	SEVILLA FC	+211%
	ATLÉTICO DE MADRID	+207%

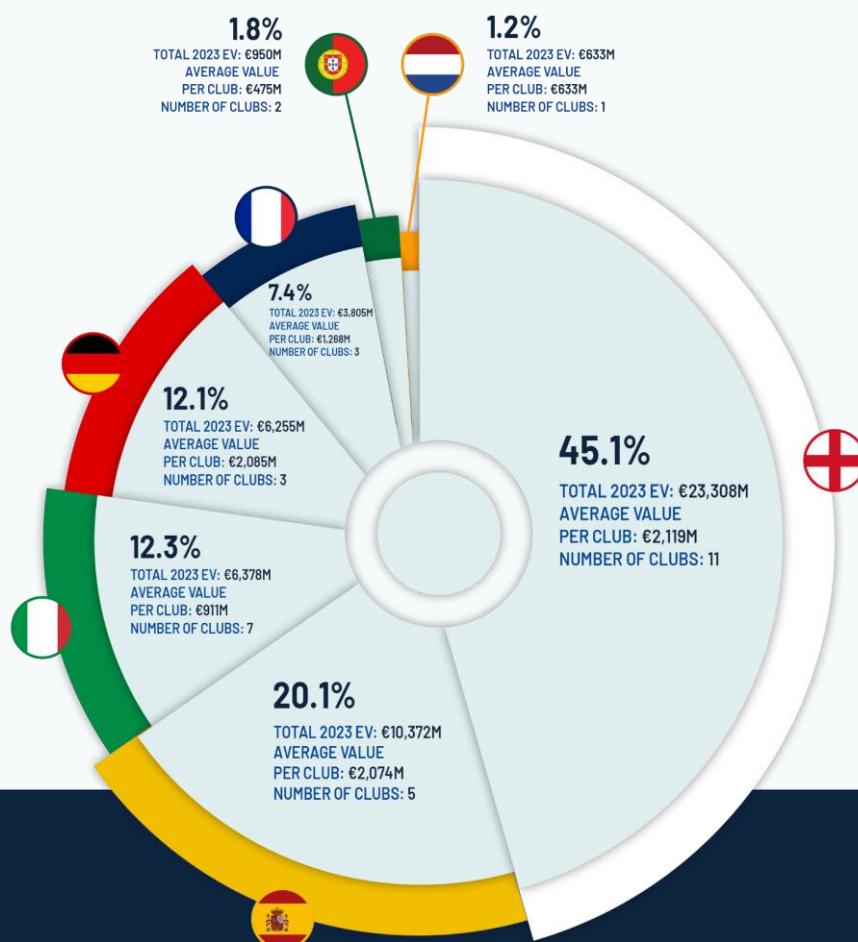
Best clubs by 7-year growth in EURm

	LIVERPOOL FC	+2,627
	MANCHESTER CITY FC	+2,453
	PARIS SAINT-GERMAIN FC	+2,015
	TOTTENHAM HOTSPUR FC	+1,979
	FC BAYERN MÜNCHEN	+1,684

Source: Football Benchmark

GEOGRAPHICAL DISTRIBUTION

THE EPL FLEXES ITS MUSCLE



There are **two newcomers in the 2023 edition: Wolverhampton Wanderers FC**, making their debut in our report series, **and Olympique de Marseille**, returning to the top 32 after a year of absence. The **Wolves**, meeting our selection criteria for the first time (please see [page 21](#) for full disclosure), managed to break into the elite ranks thanks to improved social media performance driven by the consolidation of their Premier League status. Meanwhile, the French outfit benefited from their positive international campaign, culminating in the UEFA Conference League semi-final.

Regrettably, **two clubs had to make way for the new entrants in the ranking as we bid farewell to Valencia CF from Spain and Galatasaray SK from Turkey**, both relegated to the "runners-up" group (clubs which satisfied the selection criteria but did not make the final ranking). Due to Galatasaray SK's demotion, **for the first time, there are no Turkish clubs among the top 32 most valuable European clubs.**

This year, **only seven leagues are represented in the European Elite, with the European Big Five reaching a new height at 29 clubs**, accounting for 97% of the top 32's aggregate EV.

The Portuguese Primeira Liga and the Dutch Eredivisie are the only non-Big Five leagues represented, with two (SL Benfica and FC Porto) and one club (AFC Ajax), respectively.

The dominance of the English Premier League continues, with 11 clubs included for the first time since the report's inception, now making up 45% of the total EV. The existing revenue gap with all the other leagues enables the mid-table and lower-table clubs from the Premier League to compete with the top clubs of other countries in terms of EV. However, the high level intra-league competitiveness and the consequent higher chances of poor sporting performance – potentially resulting in missing UEFA competitions' qualification or, even worse, in being demoted – significantly increase the risk borne by potential investors. The recent relegation of Leicester City FC serves as an example of a potential worst-case scenario when investing in the English top division.

The Spanish LaLiga maintained the second position in terms of aggregate EV, even with one fewer club compared to the previous edition. **The Italian Serie A and the German Bundesliga have an equal share of the aggregate EV (approximately 12%)**, but while the ranking includes only three German clubs, Serie A can count seven clubs in the top 32. It remains to be seen if Italian clubs will be able to capitalize on their exploits in the 2022/23 international competitions and increase their EV in the upcoming editions.












EV RANGES AND MIDPOINTS

ENTERPRISE VALUE

RANGES

RANKING CHANGE	CLUBS	RANGE - EURm	
		BOTTOM	TOP
1	MANCHESTER CITY FC	3,939	4,207
2	REAL MADRID CF	3,874	4,138
3	MANCHESTER UNITED FC	3,814	4,050
4	LIVERPOOL FC	3,768	4,033
5	FC BAYERN MÜNCHEN	3,707	3,968
6	FC BARCELONA	3,378	3,630
7 =	CHELSEA FC	2,878	3,100
8 =	PARIS SAINT-GERMAIN FC	2,752	2,964
9 =	TOTTENHAM HOTSPUR FC	2,691	2,869
10	ARSENAL FC	2,211	2,391
11	ATLÉTICO DE MADRID	1,742	1,891
12	JUVENTUS FC	1,720	1,867
13 =	BORUSSIA DORTMUND	1,658	1,806
14 =	FC INTERNAZIONALE MILANO	1,204	1,312
15 =	AC MILAN	1,012	1,108
16 =	WEST HAM UNITED FC	902	987
17	SSC NAPOLI	673	739
18	EINTRACHT FRANKFURT	658	713
19	LEICESTER CITY FC	638	701
20	AFC AJAX	603	663
21 NEW	WOLVERHAMPTON WANDERERS FC	589	647
22	ATALANTA BC	548	604
23	OLYMPIQUE LYONNAIS	540	596
24	SEVILLA FC	534	589
25	AS ROMA	528	582
26	EVERTON FC	524	578
27	ASTON VILLA FC	530	570
28 =	SL BENFICA	464	512
29	VILLARREAL CF	461	508
30	FC PORTO	438	485
31	SS LAZIO	407	451
32 NEW	OLYMPIQUE DE MARSEILLE	359	400

MIDPOINTS

2023 RANKING	CLUBS	YOY INCREASE	MID POINT		
			EURm	GBPm	USDm
1	 MANCHESTER CITY FC	64%	4,073	3,610	4,351
2	 REAL MADRID CF	26%	4,006	3,551	4,280
3	 MANCHESTER UNITED FC	36%	3,932	3,485	4,201
4	 LIVERPOOL FC	53%	3,900	3,457	4,167
5	 FC BAYERN MÜNCHEN	40%	3,838	3,401	4,100
6	 FC BARCELONA	25%	3,504	3,105	3,743
7	 CHELSEA FC	37%	2,989	2,649	3,193
8	 PARIS SAINT-GERMAIN FC	34%	2,858	2,533	3,053
9	 TOTTENHAM HOTSPUR FC	45%	2,780	2,464	2,970
10	 ARSENAL FC	45%	2,301	2,040	2,458
11	 ATLÉTICO DE MADRID	47%	1,816	1,610	1,940
12	 JUVENTUS FC	12%	1,794	1,590	1,916
13	 BORUSSIA DORTMUND	41%	1,732	1,535	1,850
14	 FC INTERNAZIONALE MILANO	26%	1,258	1,115	1,344
15	 AC MILAN	83%	1,060	939	1,132
16	 WEST HAM UNITED FC	75%	944	837	1,009
17	 SSC NAPOLI	46%	706	626	754
18	 EINTRACHT FRANKFURT	60%	685	607	732
19	 LEICESTER CITY FC	27%	669	593	715
20	 AFC AJAX	34%	633	561	676
21	 WOLVERHAMPTON WANDERERS FC	NEW	618	547	660
22	 ATALANTA BC	27%	576	511	615
23	 OLYMPIQUE LYONNAIS	24%	568	503	607
24	 SEVILLA FC	44%	562	498	600
25	 AS ROMA	34%	555	492	593
26	 EVERTON FC	22%	551	489	589
27	 ASTON VILLA FC	78%	550	487	587
28	 SL BENFICA	50%	488	433	522
29	 VILLARREAL CF	60%	485	430	518
30	 FC PORTO	49%	462	409	493
31	 SS LAZIO	42%	429	380	458
32	 OLYMPIQUE DE MARSEILLE	NEW	379	336	405
TOTAL			51,701	45,822	55,232

Note: Exchange rates as at 2 January 2023: 1 EUR = 0.8886 GBP, 1 EUR = 1.068 USD.

THE RUNNERS-UP

HOPES FOR NEXT YEAR?

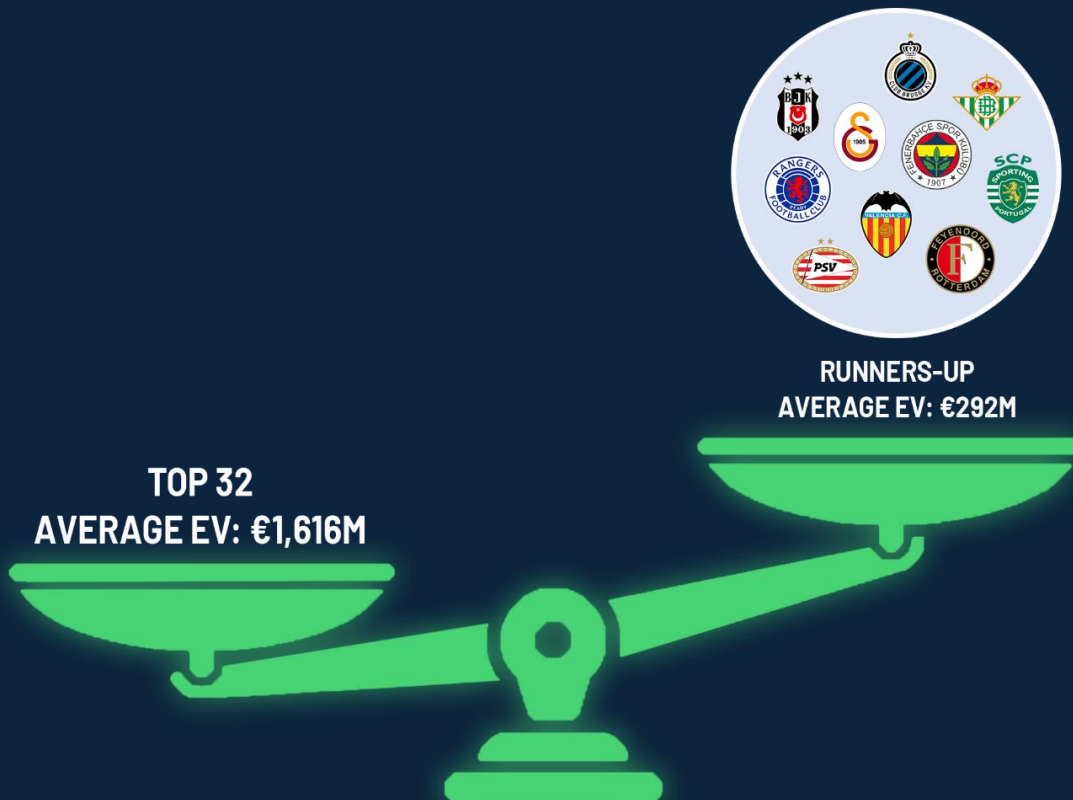
In order to ensure full comparability with previous editions, our analysis discloses the top 32 European clubs by EV. However, **based on pre-established selection criteria** (please see [page 21](#) for full disclosure), **42 clubs from 10 European countries met the requirements** and have been valued by Football Benchmark. Notably, clubs from **countries like Turkey, Scotland and Belgium – not represented in the top 32 – are also featured.**

The 10 “runners-up” ranked by their EV are the following: **Valencia CF (Spain), Galatasaray SK (Turkey), Real Betis Balompíe (Spain), Sporting Clube de Portugal (Portugal), Fenerbahçe SK (Turkey), PSV Eindhoven (Netherlands), Rangers FC (Scotland), Club Brugge (Belgium), Feyenoord Rotterdam (Netherlands) and Beşiktaş JK (Turkey).**

The “runners-up” group displays a notable diversity, encompassing various clubs. Firstly, there are those that have previously been included in the top 32 at least once since 2016, including recently demoted Valencia CF and Galatasaray SK, but also Fenerbahçe SK, PSV Eindhoven, and Beşiktaş JK. Secondly, there is one club, Sporting Clube de Portugal, which has consistently met the selection criteria but has yet to make it to the European Elite.

Lastly, there are four clubs that have met the selection criteria for the first time. Such new entries are Real Betis Balompíe, Rangers FC, Club Brugge and Feyenoord Rotterdam, clubs that have benefitted in particular from their international campaigns in the UEFA competitions. Specifically, Rangers FC and Feyenoord Rotterdam were also runners-up of the UEFA Europa League and UEFA Europa Conference League, respectively.

The average EV of these 10 clubs amounts to EUR 292m, which is less than one-fifth of the average EV of the top 32.





OUR METHODOLOGY

SELECTION CRITERIA

Besides availability of annual financial statements of the clubs, Football Benchmark set three parameters to be fulfilled in order for a club to be included in our research. The two primary criteria that have to be simultaneously fulfilled are:



Clubs must be among the top 50 European teams by total operating revenues; and



Clubs must be among the top 50 teams according to the 5-year UEFA coefficient.

In case one of the above criteria is not fulfilled, a club could still be shortlisted if:



It is among the top 30 European teams by number of social media followers (Facebook, Twitter, Instagram, YouTube, TikTok, and Weibo combined) as at 1 January 2023.

The rationale behind these selection criteria is that the chosen clubs are largely successful on pitch, are not in danger of being relegated and possess a brand with high international visibility.



HOW WE DID IT

WHAT IS ENTERPRISE VALUE (EV)?

The enterprise value (EV) of a company is calculated as the sum of the market value of the owners' equity, plus total debt, less cash and cash equivalents. It indicates what the business is worth regardless of the capital structure used to finance its operations.

For the purposes of this study, we adopted the Revenue Multiple approach, a method that measures the value of a company relative to the revenues that it generates. This methodology is suitable and often applied for establishing an indicative value of football clubs for three main reasons:

- Revenue figures are quite easy to access and compare, as they are less distorted by accounting adjustments;
- Unlike earnings, which can be negative for many clubs, revenue multiples can be applied also to the most troubled clubs;
- Revenues are not as volatile as earnings.

WHY DO WE USE EV?

Because EV is a capital structure-neutral metric which allows to compare companies (in our case football clubs) with different debt and equity structures.

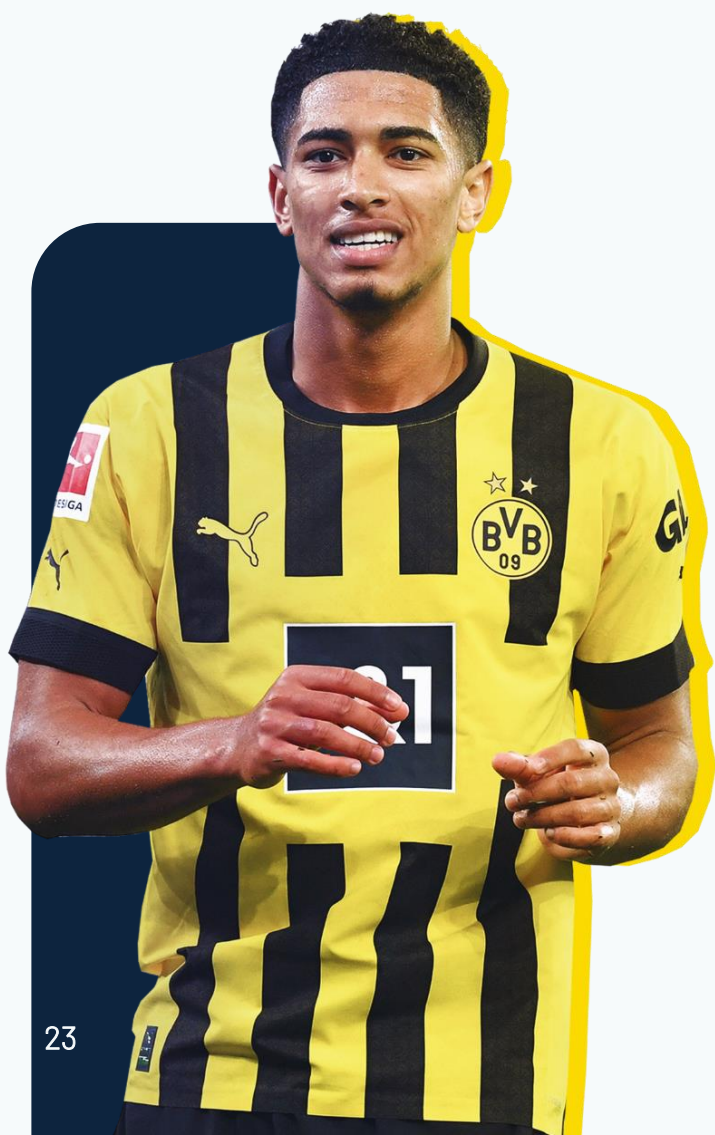
Revenue figures are then multiplied by a multiplier derived from observations of similar clubs which are publicly listed (Comparable Companies Methodology) and acquisitions of similar companies (Comparable Transactions Methodology). Obviously, this approach also presents some limitations. First, focusing on revenues could lead to high EV for clubs generating high volumes of revenues while making significant losses because of their inability to control costs. Second, it does not fully reflect a club's assets position.

What Football Benchmark professionals have developed is a **proprietary algorithm** that, **starting from the premises of the Revenue Multiple** used in corporate finance valuations, seeks to reduce risks and shortcomings inherent in the methodology and provides an indication of the EV of the most prominent European football clubs as at 1 January 2023 on the basis of a review of the financial statements of the 2019/20, 2020/21 and 2021/22 football seasons.

In the simplest application of the Revenue Multiple method, once the multiplier is determined, it is uniformly applied to all clubs in our analysis. However, this overly simplistic approach is unsuitable for taking into account differences between football clubs in terms of the markets in which they operate, their broadcasting revenue sharing methods, operational efficiency and level of profitability, potential to succeed on-pitch at national and international level, etc.

Therefore, in order **to reflect club-specific characteristics that influence clubs' EV, our proprietary formula takes into account five parameters—each with their own specific weight—so that the applied revenue multiplier varies from club to club.**

Hereafter, we list the five key metrics which express differences between clubs, the markets and the economies in which they operate. These parameters, which bear different levels of significance and therefore a different weight in our formula, are the most important factors that can influence the EV of a club.



OUR FIVE PILLARS OF VALUE



PROFITABILITY

In our formula, in order to consider the profitability dimension of a football club, the staff costs-to-revenue ratio of the last three financial years is taken into consideration. Wages of players, technical and other staff make up by far the largest part of all expenditures. A high ratio indicates a lower capability to generate bottom-line profits. Although with a lower weight, because of their higher volatility, clubs' Profit before Player Trading and EBIT are also considered in our algorithm.



POPULARITY

Undoubtedly, there is a strong correlation between on-field success and social media engagement expressed, amongst others, by the number of Facebook, Twitter, Instagram, YouTube, TikTok, and Weibo followers. Therefore, in our formula the social media followers of a team are deemed to be a good indicator of popularity and fan engagement.



SPORTING POTENTIAL

In order to take into account the potential of the on-field success of a club, which in turn can generate significant matchday, commercial and broadcasting revenues, we assume that clubs with a more valuable squad (the key asset of any football club) have better chances to succeed on pitch. To capture this effect, the market value of the squad measured by Football Benchmark's Player Valuation tool has been adopted within our formula.



BROADCASTING RIGHTS

The impact of broadcasting rights already agreed upon at league level for the next seasons and the distribution method utilised are also captured in Football Benchmark's algorithm, as this metric plays a fundamental role in the revenue generation potential of football clubs.



STADIUM OWNERSHIP

Beside players' registrations, a club's stadium is one of the most relevant assets of a football team. A club-owned stadium generally represents more opportunity to generate revenues. Therefore, ownership of the home ground is also considered in our formula.



BASIS OF PREPARATION

The objective of this report is to provide an indication of the EV of the most prominent European football clubs as at 1 January 2023.

The foundation of this study is an analysis of the publicly available statutory financial statements ("the Financial Statements") of the 32 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, 2020/21 and 2021/22 football seasons. Thus, this analysis does not take into account the sporting results achieved by the 32 clubs in the 2022/23 football season.

Wherever we considered it necessary, Football Benchmark have consulted with the management of the clubs in order to obtain additional information or clarifications to support our value analysis. For the few clubs having a financial year-end not aligned with the European football season, we extrapolated financial figures from their three latest publicly available Financial Statements.

The Financial Statements utilised for the purpose of Football Benchmark's analysis were acquired from the relevant public sources in each country. As far as the team responsible for the production of this report is aware, the Financial Statements for each professional football club have been prepared on the basis of the accounting regulations and principles in their respective country or in compliance with International Financial Reporting Standards ("IFRS"). 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. Football Benchmark 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 Football Benchmark's Player Valuation tool. Based on proprietary algorithms, this tool provides market values for 10,000+ players from 22 leagues (English Premier League and EFL Championship, Spanish La Liga and La Liga 2, German Bundesliga and 2. Bundesliga, Italia Serie A and Serie B, French Ligue 1 and Ligue 2, Portuguese Primeira Liga, Turkish Süper Lig, Dutch Eredivisie, Belgian First Division A, Austrian Bundesliga, Russian Premier Liga, Scottish Premiership, Danish Superliga, Swiss Super League, Brazilian Serie A, Argentinian Superliga and Saudi Arabian Pro League) and additional 68 major clubs from other European and South American leagues.

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 Football Benchmark 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.

We used consistent methodologies for the value analysis of the subject football clubs. This might explain the possible differences between the conclusion of our value analysis and the share prices of publicly traded entities. As share prices of listed football clubs are not necessarily an indication of the intrinsic value of the club itself, due to the fluctuations and the number of shares actually traded, the value conclusion of our analysis cannot be strictly compared to the pricing of publicly listed companies.

Football Benchmark is aware that some professional football clubs have diversified their businesses into other sports and/or into non-sport activities. Where the financial results of this diversification are evident in the Financial Statements, they have been excluded from the analysis.

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



LIMITING CONDITIONS AND ASSUMPTIONS

This report, and all opinions formulated and conclusions stated regarding the football clubs included in the survey are subject to, and contingent upon, all of the following general assumptions and limiting conditions and any additional assumptions and limiting conditions set out elsewhere in this report. Acceptance and/or use of this report constitutes acceptance of the assumptions and limiting conditions included therein.

Scope of Analysis – The pricing analysis of any asset or business is a matter of informed judgment. The accompanying analysis has been prepared on the basis of information and assumptions summarised in the report and includes certain limitations and exclusions. Amounts presented have in some cases been rounded off from the detailed underlying calculations.

Nature of Opinion – Neither our opinion nor our report are to be construed as an opinion as to the fairness of an actual or proposed transaction, a solvency opinion, or an investment recommendation. Instead, they are the expression of our determination of indicative Enterprise Values based on publicly available information and a consistently applied methodology. For various reasons, the price at which an entity might be sold in a specific transaction between specific parties, or quoted on a stock exchange, on a specific date, may be significantly different from the indicative Enterprise Value presented in this report. Potential investors always need to perform their own investigation and analysis, and are advised to seek their own professional legal, financial and taxation advice. Nothing in this report is, or should be interpreted or relied upon as a warranty or representation as to the future, nor should it replace the due diligence investigations which a prudent investor would be expected to make prior to investing. Prospective investors are not to construe the content of this report as investment, legal or tax advice. In making an investment decision, investors must rely on their own examination of the investment and the terms of the investment, including the merits and risks involved.

Value Conclusions – While every effort was made to be consistent in the methodology applied, in order to arrive at our value range conclusions, in certain instances, we have applied professional judgment to club-specific factors that were not addressed by the valuation methodology.

No Verification of Information Provided – We relied upon publicly available data from recognised sources of financial and other information. Football Benchmark make no representations nor provide any warranties regarding the accuracy or completeness of the information contained in this report. Football Benchmark, their employees, managers, directors and shareholders expressly disclaim any and all liability for errors and omissions from the report. The information contained in it is selective and does not purport to contain all the information that a reader, including potential investors, may require.

No Undisclosed Contingencies – Our analysis: (i) is based on the past and present financial condition of the entities as of the analysis date; and (ii) assumes that entities had no undisclosed real or contingent assets or liabilities, no unusual obligations or substantial commitments other than in the ordinary course of business, no pledges or encumbrances on assets limiting their tradability and had no litigation pending or threatened that would have a material effect on our analyses.

Subsequent Events – This report is based on information available at the date we wrote it. Football Benchmark has no obligation to update this report or to revise the analysis if new information becomes available or because of events and transactions occurring subsequent to the analysis date.



FOOTBALL BENCHMARK



THE HOME OF FOOTBALL BUSINESS DATA

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

Club Finance & Operations

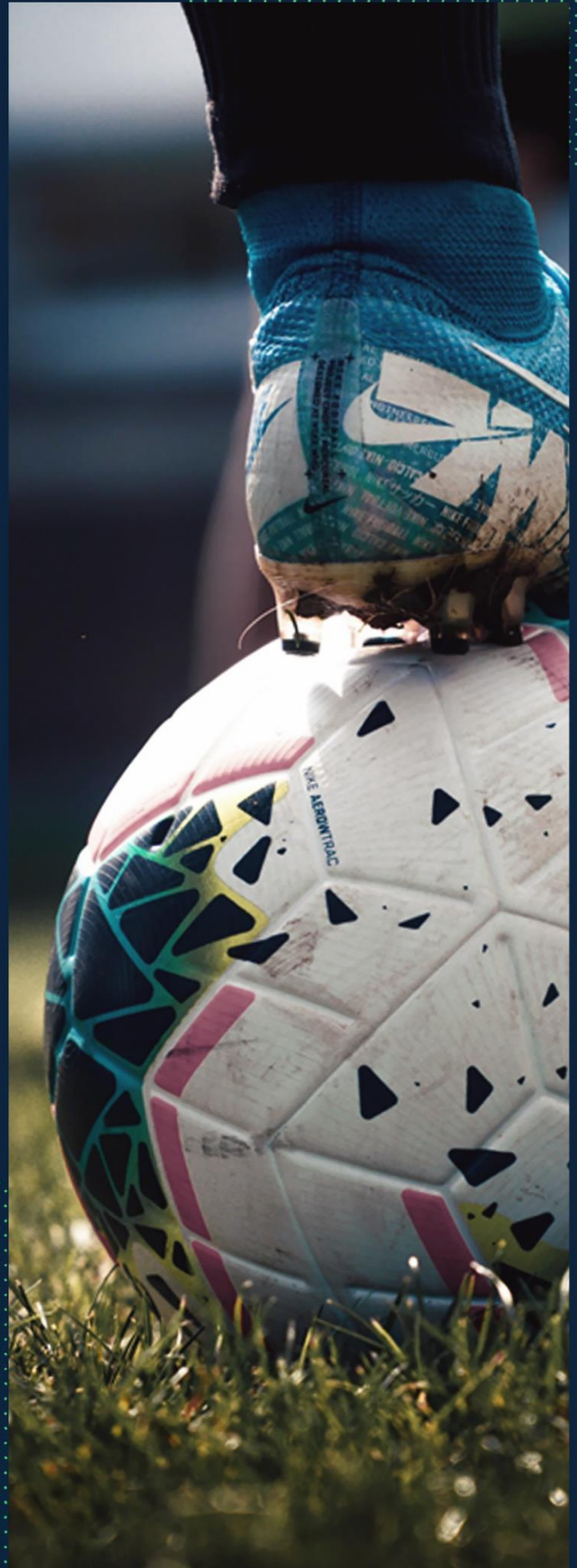
A consolidated and verified database of the financial and operational performance of over 250 football clubs, both in Europe and South America over several seasons

Social media analytics

An updated and historical tracking of the social media activity of 2,000+ football, other sports, and popular non-sport accounts

Player valuation

A proprietary algorithm, which calculates the market value of 10.000+ football players from 450 major clubs from Europe, South America, and the Middle East



FootballBenchmark.com



FOOTBALL BENCHMARK IS A PRIME PRODUCT OF ACE, THE SPORT AND LEISURE BUSINESS CONSULTANCY

Following a spin-off of KPMG's Sports Centre of Excellence, the Football Benchmark team commenced operations under a new legal entity, Ace Advisory Zrt., as of 1 April 2022. Besides operating the renowned Football Benchmark digital data & analytics platform, we deliver advisory services to help the sustainable development of the football industry.



**CLUB
TRANSACTION
SUPPORT**



**CLUB
VALUATION**



**OPERATIONAL
REVIEW AND
RESTRUCTURING**



**STRATEGY &
BUSINESS
PLANNING**



**EVENT
PLANNING,
BIDDING**



**VENUE FEASIBILITY
AND
CONCEPTUALISATION**



**GOVERNANCE &
ORGANISATION**



**ECONOMIC
IMPACT
ASSESSMENT**



**MARKET
RESEARCH &
BENCHMARKING**

Beyond football, Ace Advisory offers a broad portfolio of services in other sports – especially the ones requiring major infrastructure investment like golf, winter sports and motor sports – and esports. Our professionals bear unique competences and credentials also in the lifestyle real estate and leisure sectors.

More about [Ace Advisory](#)

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