

ECONOMICS OF ASYMMETRY

FOOTBALL



INSIDE THE BUSINESS OF FOOTBALL

*How revenue growth
and rising costs are
redefining the club
sustainability*

THE RISE OF WAGE INFLATION IN FOOTBALL

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EXECUTIVE SUMMARY



European Football Is Experiencing Record Revenue Growth...

The global professional football industry is currently defined by a profound and seemingly intractable economic paradox. Top-tier European football has never generated more capital, yet the financial sustainability of the clubs operating within this ecosystem has rarely been more fragile. In the 2023/24 season, the European football market reached a record macroeconomic valuation of €38 billion, driven primarily by the 'Big Five' leagues, which contributed over €20 billion to this total. Furthermore, the top 20 revenue-generating clubs achieved a record-breaking collective revenue of €11.2 billion in 2023/24, a figure that is projected to rise to an unprecedented €12.4 billion for the 2024/25 season. Global interest in the domestic game continues to surge, media rights are expanding across new territories, and institutional capital specifically North American private equity is flooding into the sport at a velocity never before witnessed.

€38_{bn}

European
Market

€20_{bn}

Big Five League
Contribution

€11.2_{bn}

Revenue in 2023/24
by Top 20 Clubs

The Paradox of Record Capital and Systemic Insolvency

...But This Growth Is Not Translating Into Financial Sustainability...

Despite record revenue and institutional investment, profitability remains elusive. Around 90% of professional football clubs expect operational losses in FY2025, with a similar share reliant on external funding to stay solvent. The core driver is hyper-inflationary player wages, which continue to outpace revenue growth. In 2024, total wage expenditure across Europe's top divisions reached €18.6 billion, increasing year-on-year despite tighter financial regulations.

...Driven by Structural Problem, Strategic Overspending, and Regulatory Fragmentation

This exhaustive research report investigates the systemic macroeconomic imbalance between club revenues and player wages. By examining the underlying strategic mechanisms that incentivize this overspending, such as the financial gamble for league promotion and the pursuit of inflated valuation multiples for private equity exits this analysis dissects the rationalization behind seemingly irrational corporate behavior. Furthermore, this report analyzes the deeply fragmented regulatory paradigms currently attempting to govern the sport, specifically comparing UEFA's Financial Sustainability Regulations with the Premier League's newly adopted Squad Cost Ratio (SCR) and the introduction of the UK's statutory Independent Football Regulator (IFR). Finally, it presents a comprehensive forward-looking thesis that identifies the structural winners and losers in a landscape where traditional sporting merit is increasingly subordinated to financial asymmetry, multi-club ownership models, and sophisticated regulatory arbitrage.

~90%

of clubs expect
operating losses
in 2025

€18.6_{bn}

Wage 2024
Expenditure in

74%

of Club face
Solvency Risk

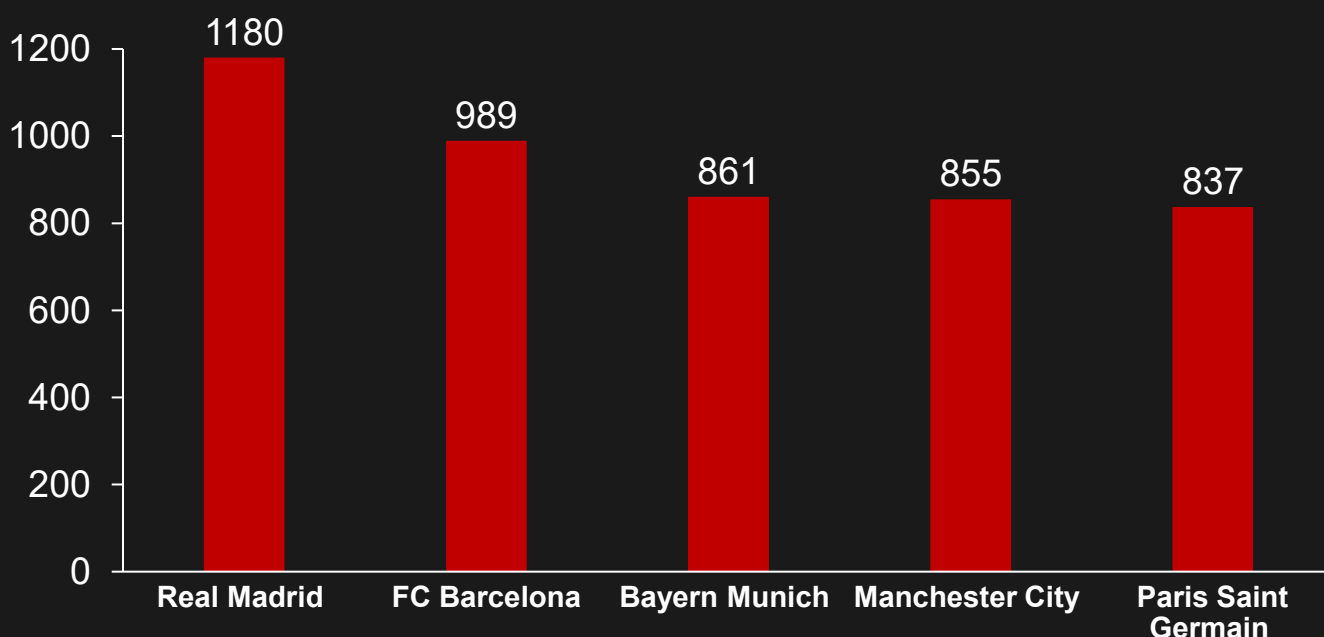
Macroeconomic Landscape

OF EUROPEAN FOOTBALL

The Billion-Dollar Ceiling Breaks

The financial ceiling of professional football has been fundamentally redefined in the contemporary era. During the 2023/24 season, Real Madrid became the first club in the history of the sport to surpass the €1 billion revenue threshold, recording a figure of €1.18 billion. The club subsequently projected revenues of €1.2 billion for the 2024/25 fiscal year, a trajectory underpinned by a highly diversified income portfolio. Central to this growth is a €594 million commercial intake, facilitated in large part by the development of the Santiago Bernabéu Stadium.

'Big five' clubs by revenue (€m)



An Elite-Wide Structural Shift

This performance is not an isolated phenomenon but rather reflects a broader structural trend toward revenue maximization across elite football. The cumulative revenues of the top 20 clubs reached €12.4 billion in 2024/25, representing an 11% year-on-year increase a figure that underscores the accelerating commercialization of the sport at its highest level.

Three Revenue Pillars

€5.3bn

Largest single income source. Global sponsorships, brand partnerships & merchandising, ~48% of top-10 club earnings.

48%

€4.7bn

Domestic & international rights packages. Primary lifeline for clubs ranked 11–20, representing 47% of their revenues.

47%

€2.4bn

Surged due to new stadium infrastructure, expanded capacity & aggressive premium hospitality pricing.

19%

Real Madrid, competing in La Liga, has cemented its position as the sport's foremost commercial powerhouse, with its revenue growth driven primarily by the landmark redevelopment of the Santiago Bernabéu Stadium and an unprecedented €594 million commercial intake.

FC Barcelona, also of La Liga, recorded a 44% surge in commercial revenue, propelled significantly by its high-profile Spotify partnership and continued brand expansion despite ongoing financial restructuring.

Bayern Munich of the Bundesliga saw its revenues lifted by the anticipated broadcast distributions from the upcoming FIFA Club World Cup, reinforcing the club's position as Germany's dominant financial force.

Paris Saint-Germain, representing Ligue 1, leveraged their cultural brand equity through lifestyle-oriented partnerships, most notably with Air Jordan.

Manchester City, of the Premier League, sustained their combination of continued domestic dominance and an increasingly lucrative global commercial network built around City Football Group ecosystem.

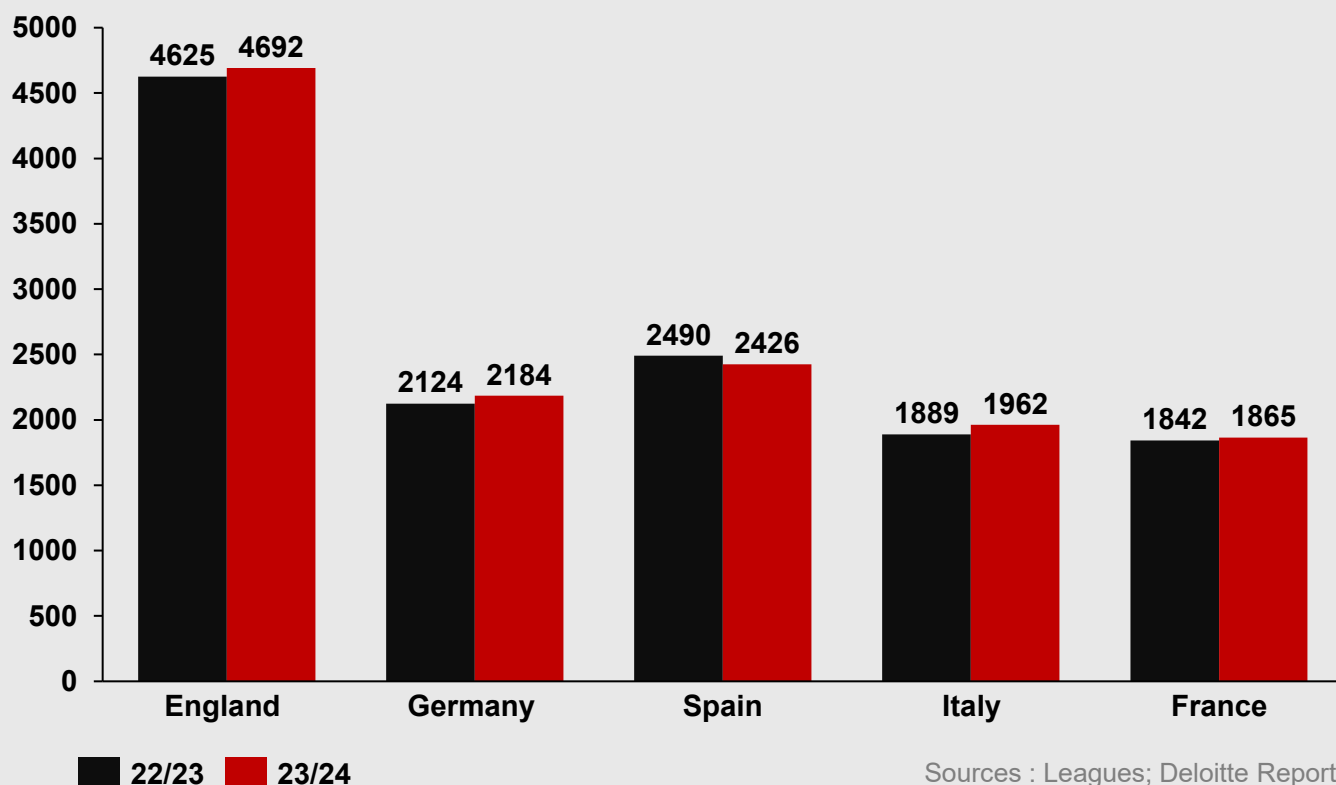
CORE PROBLEM



The Structural Reality of Wage Expenditure

The fundamental structural flaw in the macroeconomic architecture of professional football is the unchecked escalation of labor costs. In a traditional corporate environment, labor expenditure is dynamically managed and tightly controlled to ensure operational profitability and yield dividends for shareholders. In European football, however, labor; comprising direct player wages, managerial salaries, and transfer fee amortization; is treated as a highly speculative investment required to secure volatile sporting outcomes, such as league promotion, avoidance of relegation, or qualification for the lucrative UEFA Champions League.

‘Big five’ European league clubs’ revenue and wage costs – 2022/23 and 2023/24 (€m)

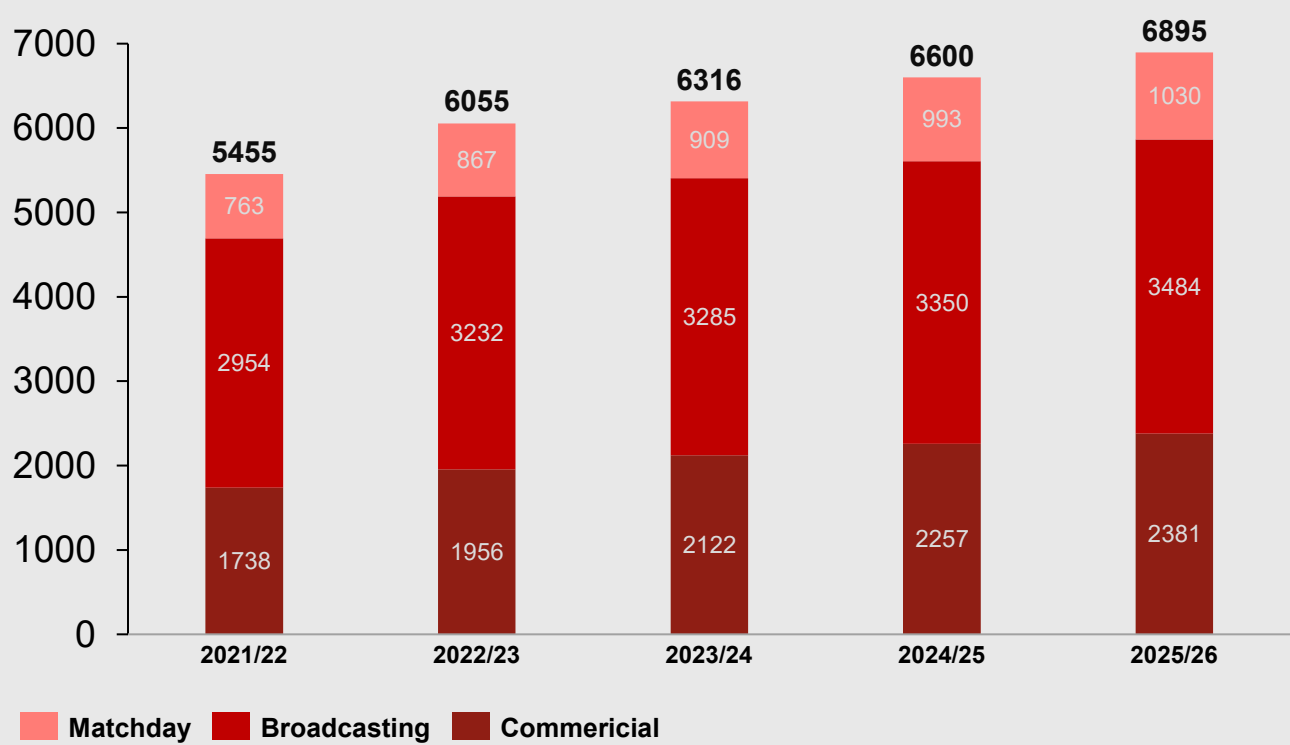


Note: Each ‘big five’ league comprised 20 clubs, except for Germany (18) and France (18 for 2023/24).



Across the top five European leagues (England, Spain, Germany, Italy, and France), total aggregate wage costs grew by €0.2 billion to reach €13.1 billion during the 2023/24 season. The aggregate wage-to-revenue ratio for these elite divisions stabilized at 64%, down slightly from 66% the previous year. However, this top-line metric is highly deceptive. The ratio is heavily distorted by the massive commercial and broadcast denominators of the absolute elite cohort. Clubs like Real Madrid, FC Barcelona, and Bayern Munich generate sufficient non-broadcast income to absorb astronomical wage bills while maintaining optically manageable ratios. Beneath this insulated elite tier, the financial reality deteriorates rapidly and severely. The desperation to access the financial rewards of the Premier League which, as noted, generated £6.4 billion in domestic revenue alone in 2024 has created a hyper-competitive, high-risk environment in the lower divisions of the English pyramid.

Premier League clubs' revenue (£m)



Note: Figures for 2024/25 and 2025/26 are projections

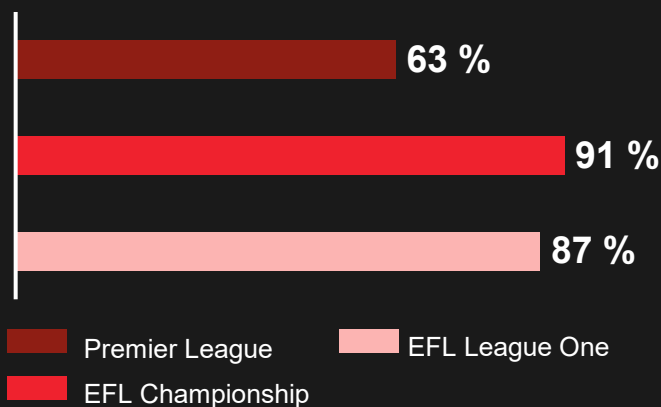
Source: Deloitte Football Report 2025

CORE PROBLEM

THE DECOUPLING OF THE FOOTBALL PYRAMID

The English Football League (EFL) Championship serves as the prime global incubator for unsustainable financial models. According to comprehensive industry audits, Championship clubs have seen their losses increase sharply, reaching an aggregate of £369 million for the 2021/22 reporting period. For the first time in modern analysis, the aggregate losses of the Championship were substantially higher than those of the Premier League (£260 million), highlighting a clear decoupling of the football pyramid.

Average Wage to revenue Ratio



Source: Deloitte Football Report 2025

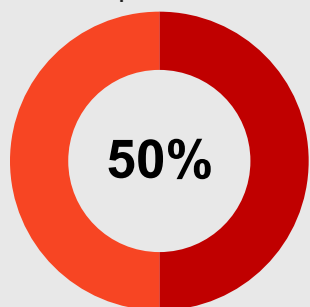
On average, a Championship club loses £15 million per year, which equates to a staggering 38% of its total revenue. These deficits are driven almost entirely by exorbitant player wages. The average wage-to-revenue ratio in the Championship is 91%, a level deemed completely unsustainable by any traditional corporate finance metric. Furthermore, 50% of Championship clubs reported wage expenditures that actually exceeded 100% of their total revenues.¹⁰ This is a mathematical guarantee of structural operational loss. The contagion is also spreading further down the pyramid; League One's aggregate losses increased by 70%, driven by a wage-to-revenue ratio that has climbed sharply to 87%, while League Two losses increased by a staggering 220%.



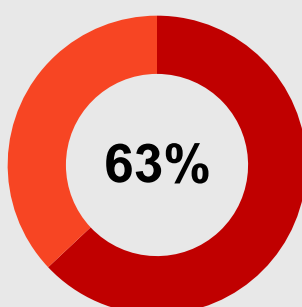


Source: Deloitte Football Report

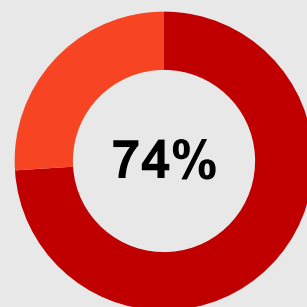
Because these clubs are structurally loss-making, they are entirely reliant on continuous external liquidity. Industry reports indicate that 63% of clubs across the English pyramid (73 out of 116 clubs) disclose a fundamental dependence on non-legally binding owner funding simply to meet their ongoing payroll and operational obligations. More alarmingly, 74% of these clubs have disclosed either a dependence on owner funding or a formal "material uncertainty" regarding their ability to remain operational as a going concern for the next 12 months.



of the Championship clubs' wage expenditure exceeded their revenue



of the club showed dependency on non legally binding owner funding.



of the club are dependent on owner funding or a formal "material uncertainty" to remain operational.

£6.4bn

Of aggregate revenue in Premier League.
The Losses are narrowing down to 4% of revenues; heavy broadcast reliance

£369m

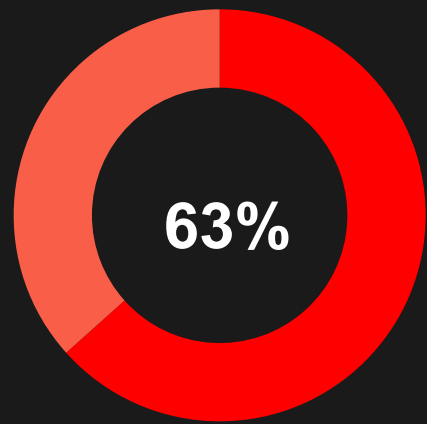
Deepening aggregate losses in EFL Championship in the year 2021/22

STRATEGIC RATIONALE FOR SYSTEMIC OVERSPENDING

Given the dire operational metrics, the obvious question arises: why do sophisticated ownership groups, including billionaires and institutional private equity firms, knowingly tolerate and fund wage bills that exceed club revenues? The answer lies in the strategic pursuit of asymmetric sporting rewards and long-term capital appreciation, prioritizing enterprise valuation over annual EBITDA

The Strategic Rationale for Systemic Overspending

The financial architecture of European football, with its open system of promotion and relegation, creates massive, binary financial outcomes. Gaining promotion from the EFL Championship to the Premier League guarantees a baseline revenue increase of over £100 million due to centralized broadcast distributions. Consequently, owners routinely view operating losses in the lower leagues as a necessary capital expenditure, a high-stakes gamble to secure a seat at the ultimate financial table. As a result, overspending becomes a rational, system-driven behavior rather than an operational inefficiency.



was payment due to former owner, was paid as promotion related bonus.

To avoid devastating sporting sanctions, the club utilized complex accounting deductions. These included promotion-related bonus payments totaling €52 million, of which €34 million was a payment due to former owner Randy Lerner that the club argued should be deemed disallowable for FFP purposes.



Through these deductions, Aston Villa managed to squeeze roughly €6 million under the FFP limit, a maneuver achieved by exploiting an accounting loophole that the EFL has since aggressively closed.



Aston Villa exemplifies a high-risk financial strategy, aggressively overspending after relegation to secure promotion back to the top flight. Backed by owners Nassef Sawiris and Wes Edens, the club incurred €78M in losses during the promotion season, totaling €136M over three years. These losses significantly exceeded English Football League Financial Fair Play limits, highlighting the scale of the gamble.

The gamble ultimately paid dividends. Upon returning to the Premier League, the influx of broadcast revenue stabilized the club's balance sheet, allowing them to retain key assets like Jack Grealish (later sold for a British record fee) and eventually qualify for the UEFA Champions League, unlocking a new tier of revenue



Analysts highlight the stark risk asymmetry: without promotion, Aston Villa would have faced severe financial sanctions, including embargoes, points deductions, and forced asset sales. This reflects a broader system where “gambling for promotion” is entrenched, effectively penalizing financially prudent clubs with weaker on-pitch outcomes.

VALUATION MULTIPLE



Valuation Profit Disconnect

The second strategic driver of overspending is the disconnect between annual operating profit and overall enterprise valuation. Despite the fact that 85% of clubs in the English pyramid are loss-making, the total "Football Net Debt" increased by 27% to £7.1 billion, and franchise values continue to appreciate at staggering rates. This phenomenon is driven by the influx of institutional alternative investment funds, primarily North American private equity, which evaluates football clubs not on annual EBITDA, but on capital appreciation, scarce asset value, and global media rights monetization.

League Structure

European football operates within an open-league system, where promotion and relegation introduce significant financial volatility, fundamentally shaping how clubs are valued and financed.

Closed Stability

In contrast, closed leagues such as Major League Soccer eliminate relegation risk, offering revenue stability and predictability, which supports higher valuation-to-revenue multiples despite lower absolute revenues.

Valuation Impact

As a result, European clubs, while often generating greater total revenue, are discounted by investors due to relegation risk and the absence of strict cost controls, suppressing their valuation multiples.

FOR PROMOTION



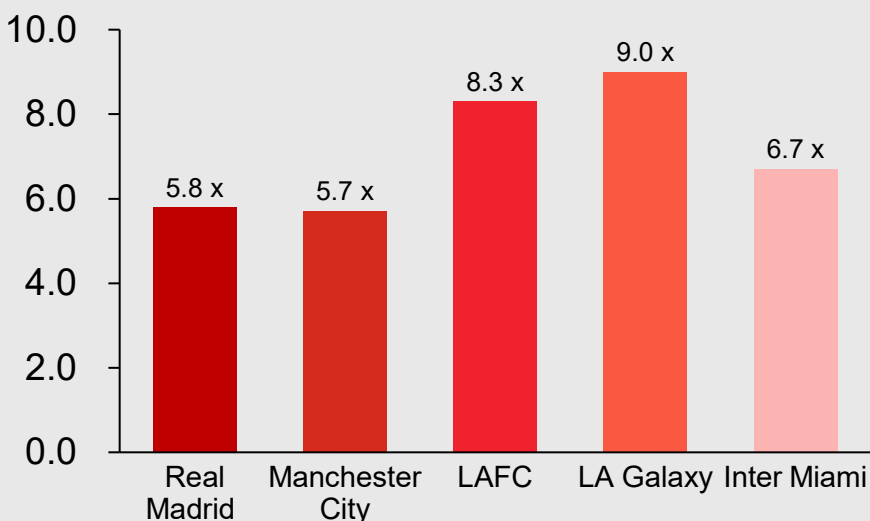
Private equity sees upside in European football but faces volatile revenues driven by UEFA Champions League uncertainty.



Clubs like Real Madrid trade at lower multiples despite higher revenue, while Major League Soccer achieves higher valuations through stability and cost control.



Valuation Multiple (x)



Source: Maclaine Grey, Michigan Journal of Economics

MLS Valuation Premium

For instance, Real Madrid generates \$1.13 billion in revenue and is valued at \$6.53 billion, resulting in a valuation-to-revenue multiple of 5.8x. Manchester City generates \$901 million and is valued at \$5.16 billion (a 5.7x multiple). Conversely, MLS franchises operate in a closed, cost-controlled, cartel-like environment that eliminates the risk of relegation and strictly caps player wages. This grants them significantly higher multiples despite vastly lower absolute revenues. Los Angeles FC (LAFC) is valued at \$1.25 billion on just \$150 million in revenue (an 8.3x multiple), while the LA Galaxy commands a 9.8x multiple, valued at \$1.0 billion on just \$102 million in revenue.

9.8x

Higher valuation multiples driven by closed-league stability and cost control.

\$1.25B

Strong investor confidence despite lower absolute revenues in MLS franchises."

€50m—€100m

Revenue Swing

Revenue volatility tied to European competition qualification."

5.8x—9.8x

Significant valuation gap across leagues structural differences." highlights

CATASTROPHIC DOWNSIDE



Aston Villa's promotion gamble succeeded, but many historic English clubs have collapsed under similar risks. Reliance on owner subsidies has created "zombie clubs"; technically insolvent, highly leveraged entities dependent on debt refinancing to fund operations, without sufficient revenue to service interest. Across the English football pyramid, gearing averages around 300%, indicating dangerously high debt levels.



The Administration Crisis

~300%

Across Pyramid

Aston Villa's promotion gamble paid off, but many clubs collapsed under similar risks; reliance on owner funding has created "zombie clubs", insolvent, highly leveraged, and dependent on refinancing, with ~300% gearing across the pyramid.

19

Redundancies

Reading FC highlights this fragility: a wage-heavy structure, weak commercial growth, and inflated labor costs relative to League One status drove a severe liquidity crisis under owner Dai Yongge.

~£4m

Owned by Reading FC

The crisis triggered 19 redundancies, ~£4m owed to suppliers, energy cost cuts (e.g., undersoil heating), and repeated HMRC tax failures, leading to transfer embargoes for nearly two years.

Desperate Measures

Reading FC's financial collapse drove extraordinary decisions; CEO Dayong Pang fire-sold defenders Tom Holmes and Nelson Abbey to Luton Town, while midfielder Charlie Savage was deliberately benched at 14 league starts to avoid triggering a contractual £2,000-a-month pay rise the club simply could not afford.

Terminal Decline

The consequences were severe. The EFL deducted Reading 16 points for financial breaches, and an unpaid £100,000 CCJ froze the club's bank accounts entirely pushing them to the brink of formal administration. Reading's fate illustrates how swiftly a club can spiral when historical wage commitments permanently outstrip revenue.



DEBT FACTORING



The Liquidity Trap

To address the short-term liquidity crises caused by inflated wage bills, mid-tier clubs are increasingly turning to highly aggressive debt factoring and shadow banking.

Watford's Paper Profit

Watford FC posted a positive EBITDA in 2023–24 but one built entirely on player sale gains rather than sustainable core income. To plug the gap, the club borrowed immediately against future transfer receivables via Macquarie Bank and Close Leasing Limited.

ASSET LEVERAGING

West Bromwich Albion secured a £39 million loan from MSD UK Holdings, Michael Dell's investment vehicle at 9.75% above SONIA, with fixed legal charges placed against the club's stadium as collateral.

Borrowing at double-digit rates against fixed assets accelerates short-term cash flow but destroys future financial flexibility, leaving clubs acutely exposed to any macroeconomic shock.



THE REGULATORY FRACTURE

From Financial Fair Play to Financial Sustainability
How UEFA and the Premier League are diverging
on cost control philosophy

PERMANENT CAP

70%

UEFA hard ceiling on squad costs as % of club revenue effective 2025/26 onwards

01

UEFA'S FINANCIAL SUSTAINABILITY REGULATIONS

THE SQUAD COST RULE PROGRESSIVE IMPLEMENTATION

UEFA has formally transitioned away from the original Financial Fair Play (FFP) model toward a new Financial Sustainability framework. The cornerstone of this system is the Cost Control pillar specifically the Squad Cost Rule (SCR). This rule provides a hard, mathematical cap on a club's total labor expenditure, strictly limiting spending on player wages, head coach wages, transfer fee amortization, and agent fees to a predefined percentage of total football-related revenue. Breaches will trigger predefined sporting measures and financial penalties, overseen by the Club Financial Control Body (CFCB).

PROGRESSIVE IMPLEMENTATION TIMELINE

UEFA is phasing the cap down progressively , 90%, 80%, then a permanent 70% ,to prevent market disruption.

2023/24 - 90%

Opening limit , transitional buffer for clubs to adjust wage structures

2024/25 - 80%

Intermediate reduction , mid-phase compliance pressure increases

2025/26 - 70%

Permanent hard ceiling , full enforcement regime activated

CORE PHILOSOPHY & ENFORCEMENT

The core philosophy behind UEFA's 70% cap is to tie on-pitch spending intrinsically to commercial and broadcast reality. By capping squad costs relative to revenue, UEFA is effectively attempting to artificially depress the global wage market and ensure long-term solvency across the continent.

Unlike a flat salary cap, the SCR is dynamic, a club that grows its revenue can grow its wage bill proportionally. This rewards clubs that invest in commercial development while penalizing those that outspend their income.

70%

PERMANENT CAP

80%

2024/25 LIMIT

90%

2023/24 LIMIT

CFCB

OVERSIGHT BODY



Premier League



PL MAX THRESHOLD
115%

Rolling allowance ceiling
before sporting sanctions
apply vs. UEFA's hard 70%
cap

PREMIER LEAGUE'S DIVERGENT PATH

The 85%/115% Framework, the UK Independent
Football Regulator & the APT Dispute that threatens
to render all squad cost ratios obsolete

THE PREMIER LEAGUE'S 85% / 115% FRAMEWORK DESIGNED FOR "JEOPARDY IN COMPETITION"

02

While UEFA prioritizes absolute cost control, the English Premier League has chosen a radically different path. In November 2025, Premier League clubs voted to replace their backward-looking **Profitability and Sustainability Rules (PSR)** with a new bifurcated SCR model. This framework explicitly prioritizes **"jeopardy in competition"**, allowing aspirational clubs to invest heavily to challenge the established Big Six. The baseline is **85% of football-related revenue**, but a controversial rolling allowance permits spending up to **115%** before sporting sanctions trigger.

UK INDEPENDENT FOOTBALL REGULATOR

The **Independent Football Regulator (IFR)** represents the first major statutory intervention into English domestic football, ending decades of self-regulation. Modeled on the **Financial Conduct Authority (FCA)**, it holds sweeping competence over **116 clubs across the top five tiers**. Its mandate covers strict licensing, fan engagement, owner suitability tests, and guiding clubs away from PSR.

THE TIERED PENALTY SYSTEM

GREEN Up to 85% Full Compliance
Clubs spending up to **85% of revenue** are fully compliant ,no penalties or restrictions apply.

AMBER 85%–115% Luxury Tax Zone
Financial fines only ,deliberately **less punitive than UEFA**, creating a luxury tax wealthy owners can simply pay for competitive advantage.

RED Above 115% Sporting Sanctions
Immediate **6-point deduction**. Every additional **£6.5M over** the Red Threshold adds one further point deducted.

2026/27
PL SCR EFFECTIVE

85%
PL BASE LIMIT

£6.5M
PER EXTRA
POINT

-6 pts
RED ZONE PENALTY



Chelsea currently finds itself weighed down by a group of players tied to enormous, **inflexible deals** that carry exceptionally high remaining amortized values on the club's books.

FINANCIAL ENGINEERING & REG. ARBITRAGE

How clubs are deploying accounting loopholes, extended contracts, and multi-club structures to outspend rivals while remaining technically compliant with financial rules.

01 THE AMORTIZATION ANOMALY

Chelsea's 8.5-Year Contract Strategy

In football accounting, transfer fees are not recorded as a single expense. Instead they are amortized ,spread evenly as an annual cost across the length of a player's contract. Following acquisition by the Clearlake Capital consortium, Chelsea FC aggressively exploited this mechanism to facilitate an unprecedented transfer outlay while minimizing their annual FFP impact.



CLUB CASE STUDY

Chelsea FC

Clearlake Capital
Premier League

PLAYER	FEE	CONTRACT	ANNUAL COST
Moisés Caicedo	€115M	5-yr (standard)	€23.0M
Moisés Caicedo	€115M	8-yr (actual)	€14.4M
Enzo Fernández	8.5-yr deal		Reduced
Mykhailo Mudryk	8.5-yr deal		Reduced

- 37.5% reduction in annual FFP accounting cost.

REGULATORY RESPONSE & RESIDUAL RISK

02

Loophole Closed but Not Backdated

In response to Chelsea's strategy, both UEFA and the Premier League moved to close the loophole amending rules to cap amortization periods at a maximum of five years for FFP purposes, regardless of actual contract length.

5 yrs

New maximum amortization cap for FFP, purposes regardless of actual contract length

€1B+

Total outlay by Chelsea within a single transfer window via this strategy

TICKING FINANCIAL TIME BOMB

Chelsea is now burdened with a squad of players on massive, immovable contracts with incredibly high remaining book values. If these players underperform, selling them without taking a devastating accounting loss on the balance sheet becomes extremely difficult. a structural liability that compounds with each passing season.

POST-CHELSEA RULE CHANGES

UEFA: Amortization capped at 5 years for squad cost ratio purposes ,irrespective of actual deal length

Premier League: Mirrored UEFA's approach ,5-year cap applied across all new registrations

5 yrs

NEW FFP CAP

€1B+

CHELSEA OUTLAY

8.5 yrs

MAX CONTRACT USED

37.5%

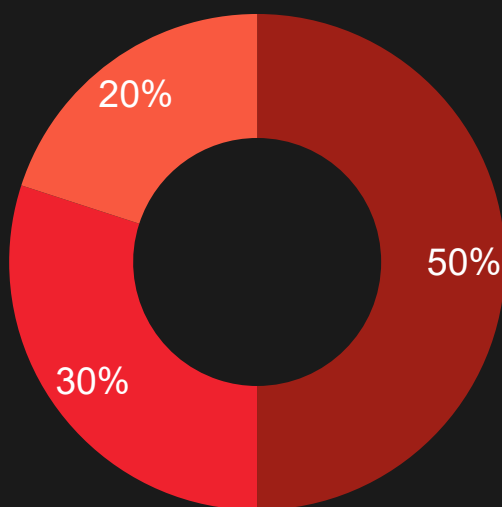
ANNUAL COST SAVING

Talent Concentration and the

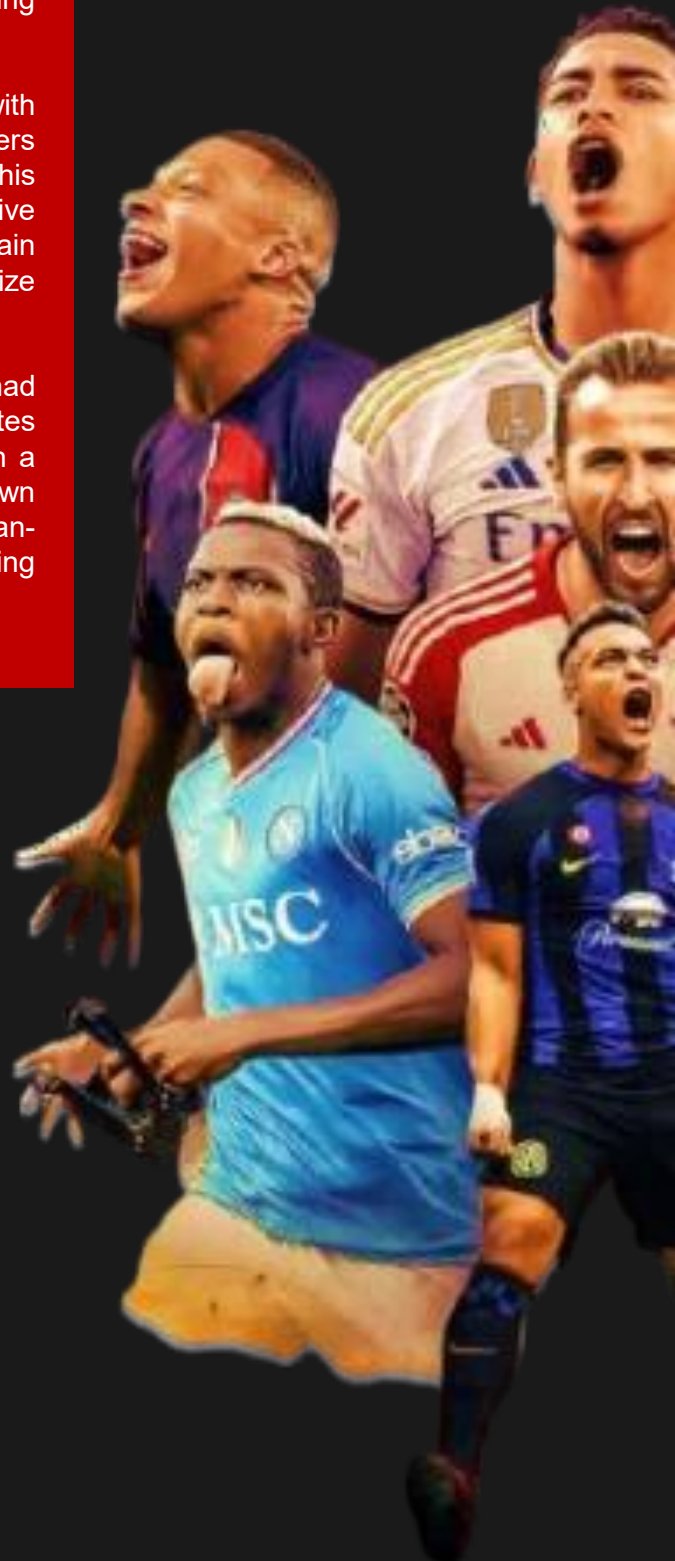
The combination of vast broadcast wealth and relatively lenient domestic spending rules in England has resulted in a significant concentration of football talent. This financial advantage has increasingly set English clubs apart from the rest of Europe, giving them a dominant position in the football economy.

The football market has become highly inefficient, with roughly 40% of the world's top-value players concentrated in English clubs. However, this concentration does not always translate into effective sporting use, as many of these players often remain on the bench or even in the stands due to squad size limitations.

This imbalance in financial and sporting power had previously fueled the desire among continental elites to break away and establish a closed (ESL). Such a structure was seen as a way to guarantee their own broadcast revenues and introduce North American-style cost controls in response to the growing dominance of English clubs



- Conference League Share
- Europa League Share
- Champions League Share



Rejection of the Super League

“A game dominated by a few can no longer truly belong to all.”

However, the ESL project suffered a fatal blow in early 2026. After years of legal wrangling following its collapse in 2021, UEFA reached an “agreement of principles” with Real Madrid and the European Football Clubs (EFC) group. This resolved the remaining disputes and effectively ended the Super League threat, while reaffirming the importance of long-term club sustainability and sporting merit.

The introduction of the UK’s Independent Football Regulator (IFR), with statutory powers to block English clubs from joining breakaway leagues, further ensured that the ESL project could not realistically return.

At the same time, widening inequality in European football has led to calls for reform. Organisations such as the Union of European Clubs (UEC) have proposed redistributing UEFA revenues more evenly. Currently, 74% of UEFA’s €3.317 billion prize pot goes to Champions League participants, but the UEC proposes reducing this to 50%, while allocating 30% to the Europa League and 20% to the Conference League.

Although such proposals are likely to face resistance from elite clubs, they reflect growing concern over the risk of financial monopoly within European football.

85%

SCR RULE

40%

ENGLISH CLUBS

€3.31_{bn}

Champions League Participants

COLLATERAL DAMAGE

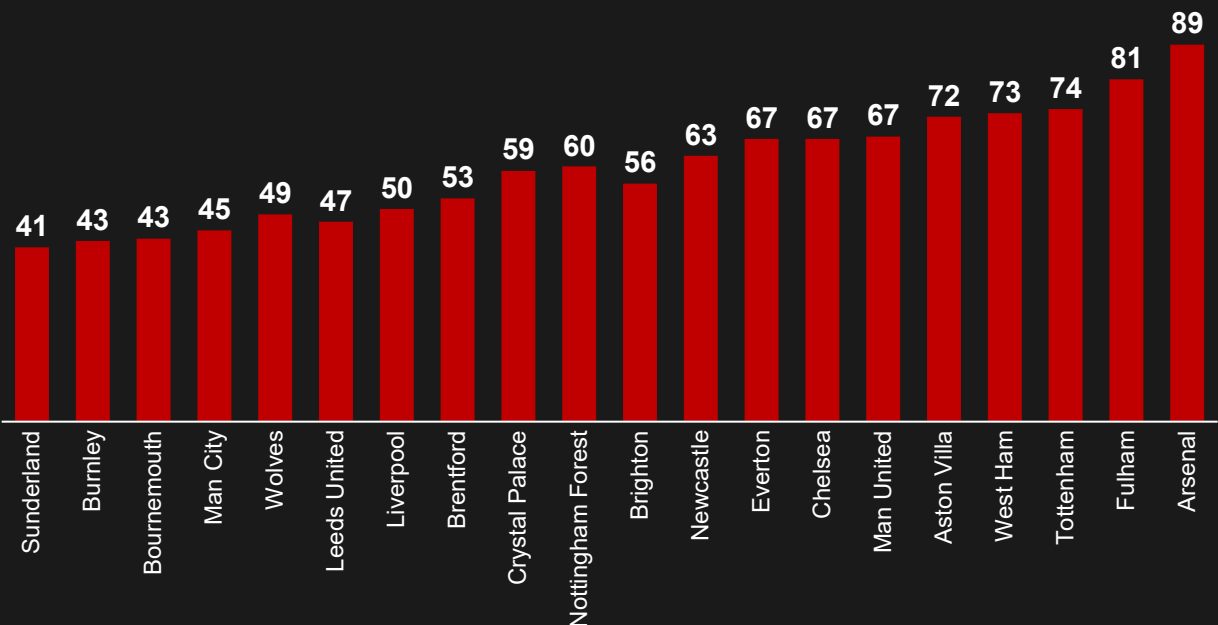
Fan Disenfranchisement And Ticket Inflation

The relentless rise in player wages has significant consequences, especially for fans, who increasingly bear the financial burden. Under UEFA and Premier League spending rules, clubs can only sustain higher wage bills by increasing their football-related revenue. As a result, clubs are focusing heavily on extracting greater income from match-going supporters, particularly through ticket sales.

At the same time, the growing emphasis on premium hospitality, dynamic pricing, and football tourism is weakening traditional fan culture. Many clubs are reducing or removing concession prices for seniors, children, and local supporters in favour of wealthier corporate audiences. This has triggered criticism from groups such as the Football Supporters' Association and its "Stop Exploiting Loyalty" campaign, highlighting how loyal local fans are being priced out to support rising player wages.

According to UEFA's 2025 European Club Finance Report, fans of top Premier League clubs pay an average of £74 per ticket, while ticket revenues for elite English clubs increased by 19% in 2025. Arsenal recorded the highest average ticket price at £89, while Liverpool's ticket revenue rose by 27% to £120 million, supported by the expansion of Anfield.

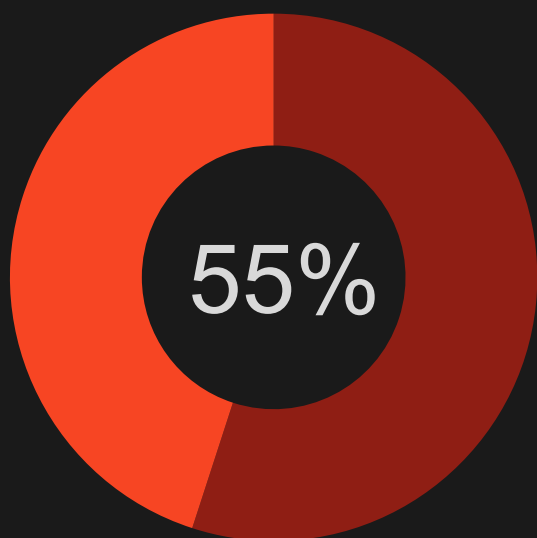
Premier League Average Ticket Price (£) - 2025



Source: Matthew Guyett, GiveMeSport, 2025

Forward Looking Thesis

The Beneficiaries



Regulatory divergence across European football is reshaping competitive dynamics. Differences between UEFA's strict cost controls and the Premier League's flexible spending framework create structural advantages for select groups. Clubs with higher revenues and fewer restrictions can deploy greater financial power, while institutional capital increasingly targets inefficiencies. This shift is accelerating the concentration of talent and value.

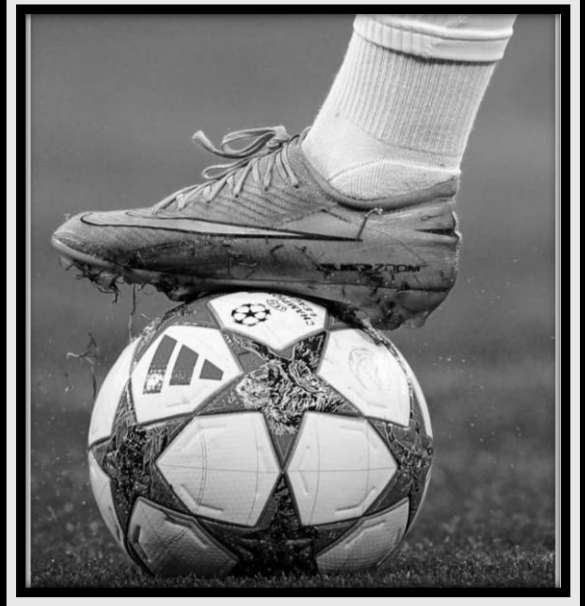
Owned by private equity in Premium League

Source: PitchBook, *Private Capital in European Football: Part III*, Q3 2025 Analyst Note

Mid-tier Premier League clubs benefit significantly from comparatively relaxed spending limits, allowing them to outcompete many continental rivals in the race for talent acquisition, squad strengthening, and long-term roster development. This financial flexibility gives them greater leverage in transfer negotiations, wage offerings, and the ability to secure emerging players before competitors across Europe. Meanwhile, elite clubs continue to sustain their dominance through massive commercial scale, diversified global revenues, broadcasting income, sponsorship portfolios, and enduring brand power across international markets. Their financial strength supports continued investment in talent, infrastructure, and competitive success. At the same time, private equity firms capitalize on market inefficiencies through structured investments, strategic capital deployment, operational optimization, and distressed asset acquisitions where valuations create attractive long-term upside opportunities.

THE DISADVANTAGED IN THE NEW ECONOMIC ORDER

Regulatory divergence and financial inequality are fundamentally reshaping the competitive landscape of European football. The gap between leagues with flexible spending frameworks and those bound by stricter financial controls is creating clear structural disadvantages. Clubs with lower broadcast revenues and tighter cost restrictions are increasingly unable to compete on wages and talent acquisition, forcing them into weaker economic positions. As financial power consolidates within a few dominant leagues, the broader ecosystem faces rising imbalance, with smaller clubs and stakeholders bearing the greatest impact.



EUROPEAN CLUBS (NON-PL)

Bound by strict wage caps and lower revenues, limiting their ability to compete and forcing a talent-selling model.



PL CLUBS IN EUROPE

Face a regulatory paradox restricted to UEFA's 70% cap while domestic rivals spend up to 115%, creating financial strain and competitive imbalance.



LOWER LEAGUE CLUBS

Unsustainable wage structures and reliance on owner funding have created highly leveraged "zombie clubs" with long-term financial instability.

As financial pressures intensify, the burden shifts downward ,from smaller clubs to fans ,highlighting a system increasingly driven by revenue maximization over sporting balance and long-term sustainability.

Cristiano Ronaldo has acquired a 25% ownership stake in Spanish second division club **UD Almeria**, among other players. From players to club owners



Executives



Anshpreet Singh

Football's financial paradox; record revenues alongside systemic insolvency, is driven by wage inflation outpacing revenue growth.



Vatsal Jain

The industry is shifting toward a valuation-driven model where private equity and media rights outweigh traditional profitability

Analysts



Udit Yadav

Wage-to-revenue ratios exceeding sustainable limits reflect a system built on promotion-driven financial risk.



Bhuvika Gupta

Promotion incentives are driving clubs to treat losses as strategic bets for access to Premier League revenues.



Avani Khandelwal

A widening gap between elite clubs and lower tiers is creating a fragile ecosystem of liquidity-dependent "zombie clubs."



Ritesh Ruwali

Divergent financial regulations are enabling structural arbitrage and intensifying competitive imbalance across leagues.



Additi Mehrotra

Financial engineering and ownership models are redefining competition, shifting focus from sport to capital optimization.

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