

# *Russian Football Premier League*

A comprehensive study of the economics  
of Russian football





Dear friends,

The 2017-2018 season of the Rosgosstrakh Russian Football Championship, our 16<sup>th</sup> since the establishment of the league, is a special one. As we approach the start of the 2018 FIFA World Cup in Russia this summer, new stadiums are being built, more supporters are coming to matches, teams are playing quality and entertaining football, and clubs are expanding their commercial dealings. New technology is being widely adopted, while television broadcasts adhere to international best practices.

Our top priority in the short term is to build on the momentum provided by the 2018 World Cup, including the new facilities, modern infrastructure and steadily growing popularity of Russian football.

This comprehensive study of Russian football, conducted jointly with PwC Russia, our long-standing partner, provides a deep understanding of the economics of the RFPL and its clubs, and will help to guide the league toward achieving its strategic objectives.

**Sergey Pryadkin**

President, Russian Football Premier League  
Vice President, Russian Football Union

Member, UEFA Professional Football Strategy Council  
Member, Board of Directors of the European Professional Football Leagues (EPFL)

Deputy Chairman, UEFA Players' Status, Transfer and Agents and Match Agents Committee

Dear colleagues,

On the eve of the 2018 World Cup in Russia, we are pleased to present this study of the Russian Football Premier League for the 2017-2018 season.

In this study, we explore such areas as infrastructure, commercial deals, attendance and fan engagement, as well as benchmark Russian clubs against those in the leading European leagues.

In the current season's first half, we have seen a surge in attendance, undoubtedly thanks to the construction of new world-class stadiums and a growing interest in football in the light of the World Cup coming to Russia in 2018.

This study will be of interest to football industry insiders as well as to regular fans.

**Oleg Malyshev**

Partner, Sports Leader, PwC Russia

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# 2017-2018 season: breakthroughs and challenges



***The Russian Football Premier League is currently in its 16<sup>th</sup> season.***

***A central part of the RFPL's strategy over the next few years is to maximise commercial revenue. This study of the economics of Russian football contributes important insights toward achieving this goal.***

Many of the arenas built for the World Cup will debut this season. The Saint Petersburg Stadium, which hosts Zenit matches, is already breaking match-day attendance records. After the winter break, new arenas in Ekaterinburg and Rostov-on-Don will open their doors for supporters. In Moscow, Dynamo Stadium is currently undergoing a massive overhaul and will open soon.

Match TV is the main broadcaster for RFPL matches in Russia, while a total of twenty companies have purchased broadcasting rights. Fans watch Russian football in over 54 countries and regions, including Europe, Central and South America, Israel, China and the UAE.

As in the previous season, the league's title sponsor is Rosgosstrakh. Other important sponsors include Nike and Liga Stavok, a sports book.

The RFPL is at the forefront in adopting new technology. A new fan identification system (FIS) is about to be launched. Video assistant referee (VAR) systems are being installed at stadiums and will soon be tested. Clubs are exploring new channels to promote their brands and eSports programmes are rapidly developing.

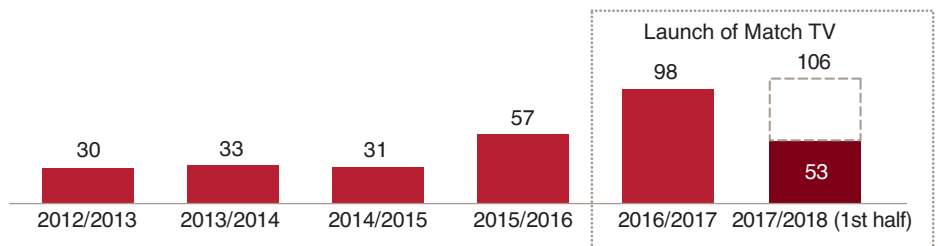
## RFPL clubs for the 2017-2018 season

	Club	Founding year	City	Position in the previous season	Seasons in the RFPL
	Spartak	1922	Moscow	1st (champion, qualified for the Champions League)	16
	CSKA	1911	Moscow	2nd (qualified for the Champions League)	16
	Zenit	1925	Saint Petersburg	3rd (qualified for the Europa League)	16
	Krasnodar	2008	Krasnodar	4th (qualified for the Europa League)	7
	Akhmat	1958	Grozny	5th	11
	Rostov	1930	Rostov-on-Don	6th	15
	Ufa	2010	Ufa	7th	4
	Lokomotiv	1922	Moscow	8th (winner of the Russian Cup, qualified for the Europa League)	16
	Rubin	1958	Kazan	9th	15
	Amkar	1994	Perm	10th	14
	Ural	1930	Ekaterinburg	11th	5
	Anji	1991	Makhachkala	12th	9
	Arsenal	1946	Tula	14th place (relegation play-off winner)	3
	Dynamo	1923	Moscow	1st in the Russian Football National League	15
	Tosno	2013	Tosno	2nd in the Russian Football National League	1
	SKA-Khabarovsk	1946	Khabarovsk	4th in the Russian Football National League (promotion play-off winner)	1

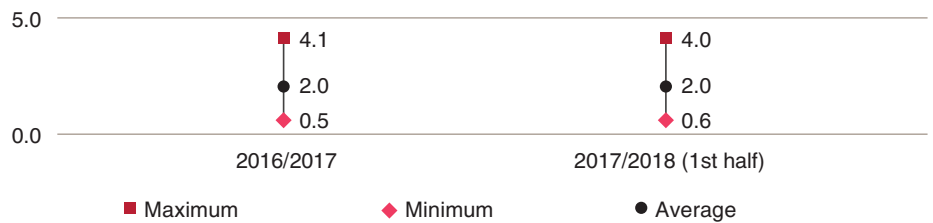
# TV audience for RFPL matches

*The TV audience for the RFPL has remained stable for the last two seasons, with an average 2.0 rating in the M18+ segment.*

Number of RFPL matches on national channels



RFPL match ratings, M18+ audience



Source: RFPL, PwC analysis



# RFPL cyber football tournaments

The RFPL is attracting new audiences by organising cyber football tournaments



ОЛИМП  
КУБОК РФПЛ  
ПО КИБЕРФУТБОЛУ  
УФА • 2017

Venue: Ufa

Dates:  
24-26 February 2017

Winner:  
Andrei "Timon" Guryev (CSKA)



РОСГОССТРАХ  
ЧЕМПИОНАТ РФПЛ  
ПО КИБЕРФУТБОЛУ

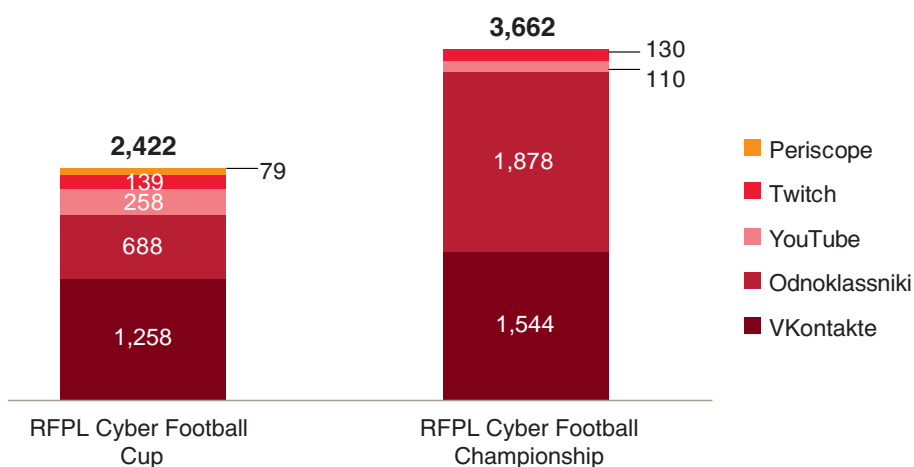
КАЗАНЬ • 2017

Venue: Kazan

Dates:  
24-26 February 2017  
31 March – 1 April 2017

Winner:  
Andrei "Timon" Guryev (CSKA)

## RFPL audience on social media for cyber football tournaments, thousands



Source: RFPL, PwC analysis

The league's first cyber football tournament, the Russian Virtual Football Championship, took place in the spring of 2012 in partnership with Electronic Arts. In the summer of 2012, the Metallurg Stadium in Samara hosted Russia's first cyber football Super Cup, where Sergey "Kefir" Nikiforov was the winner.

In 2016, eSports were officially recognised by the Russian Ministry of Sport.

The RFPL was the first among Russia's sports leagues and federations to organise major cyber football competitions, including the RFPL Cyber Football Cup and RFPL Cyber Football Championship.

The tournaments were broadcasted in Russia and abroad (Asia, Africa and North America) and all matches were made available on web portals and social media.

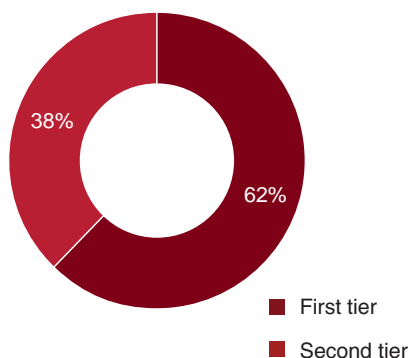
# *Club infrastructure*



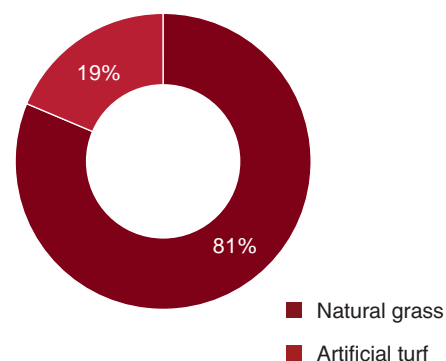
# Classification of RFPL stadiums

*Most clubs rent their stadiums and training facilities*

RFPL stadiums by tier, 2017-2018 season

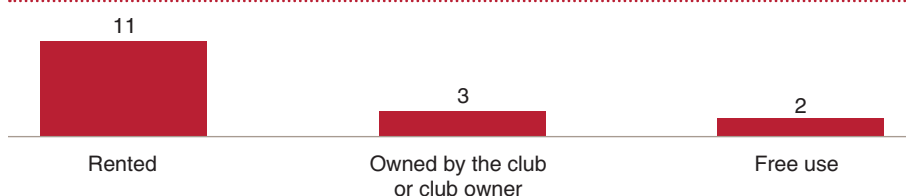


RFPL stadiums by pitch type, 2017-2018 season

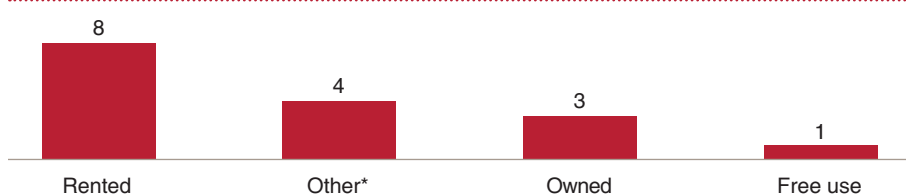


Source: RFPL, PwC analysis

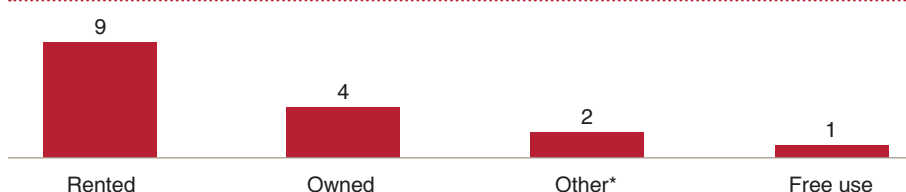
RFPL stadiums



RFPL club academy facilities



RFPL club training facilities



\* Combination of ownership rights and commercial lease, cooperation agreements, etc.

Source: RFPL clubs, PwC analysis

In order to participate in Russian Football Union competitions, teams must have their stadiums and training facilities undergo a certification process. To host an RFPL match, a stadium should be in the first or second tier, although the RFU may grant exceptions for third-tier facilities.

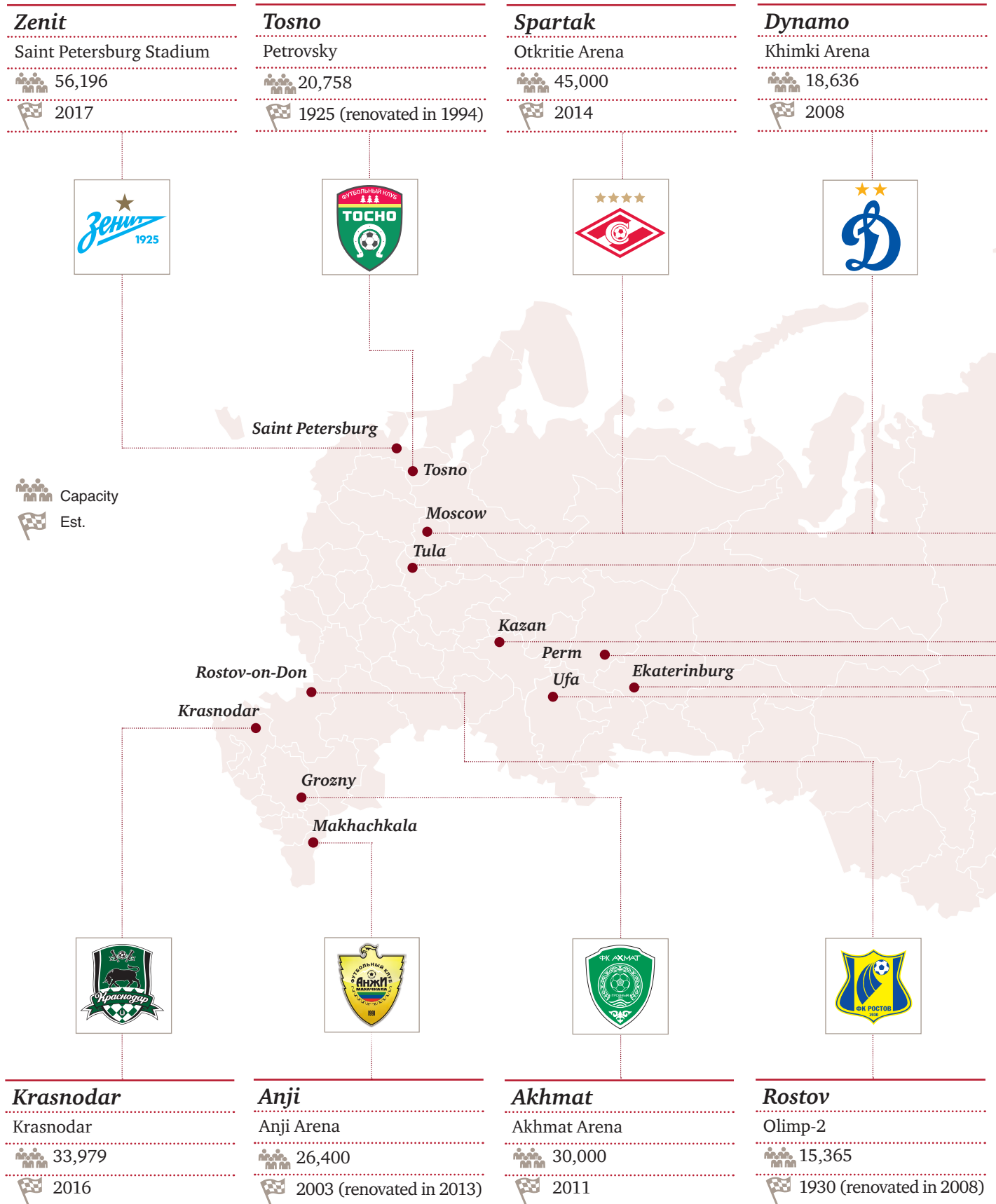
Less than half (38%) of the clubs participating in the 2017-2018 season play in top-tier stadiums (i.e. meet the requirements to hold international events). The remaining stadiums are in the second tier.

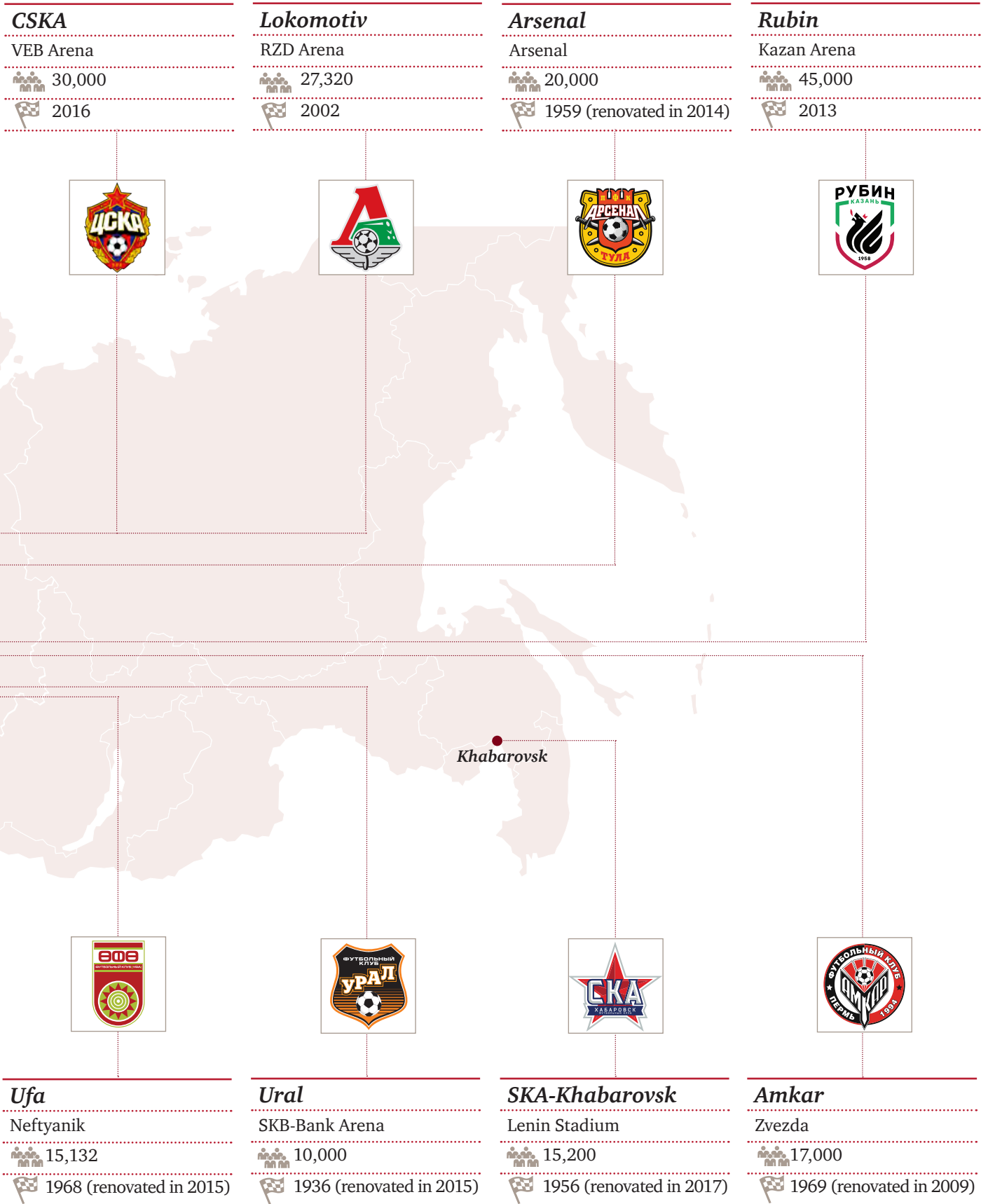
Most RFPL stadiums have natural grass pitches. Three clubs in the Urals and the Far East, however, use artificial turf due to their geographical location and harsh climate.

Most RFPL clubs use their stadiums, training bases and academy facilities under lease agreements.

One of the exceptions is SKA-Khabarovsk, whose entire infrastructure was granted by the local authorities free of charge. Another interesting example is FC Rubin, which owns its training and academy facilities but rents its stadium.

# Map of RFPL stadiums

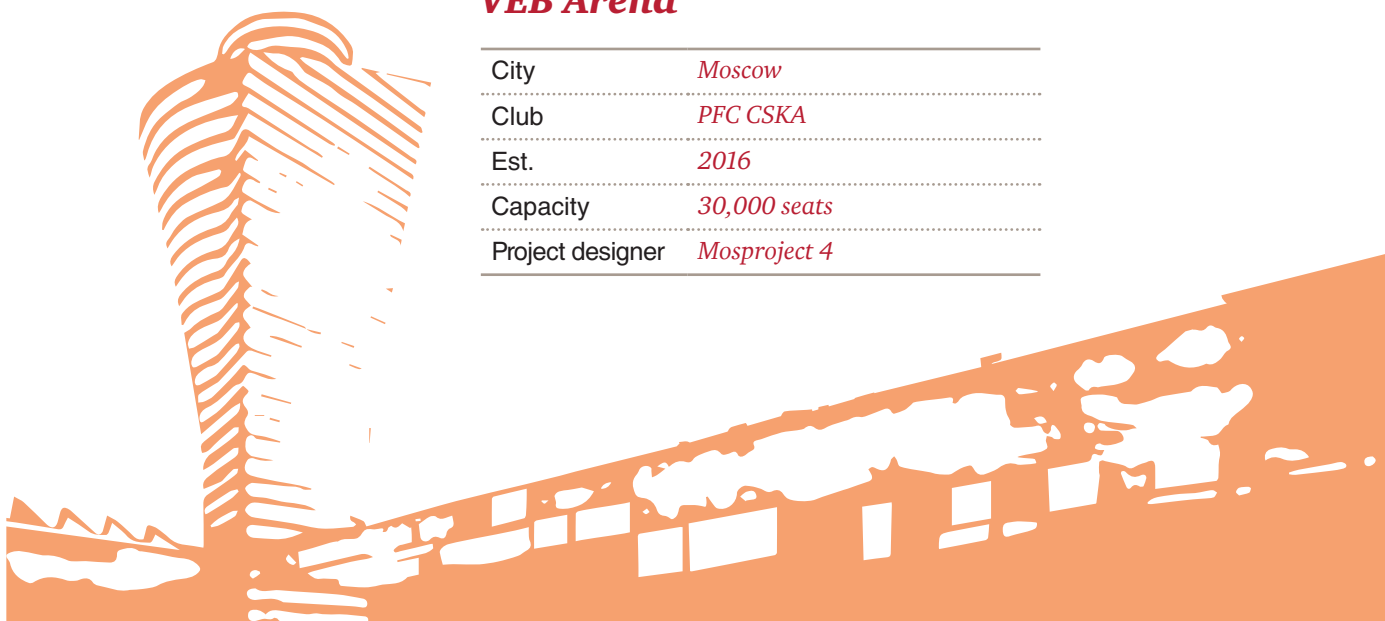




## New RFPL stadiums

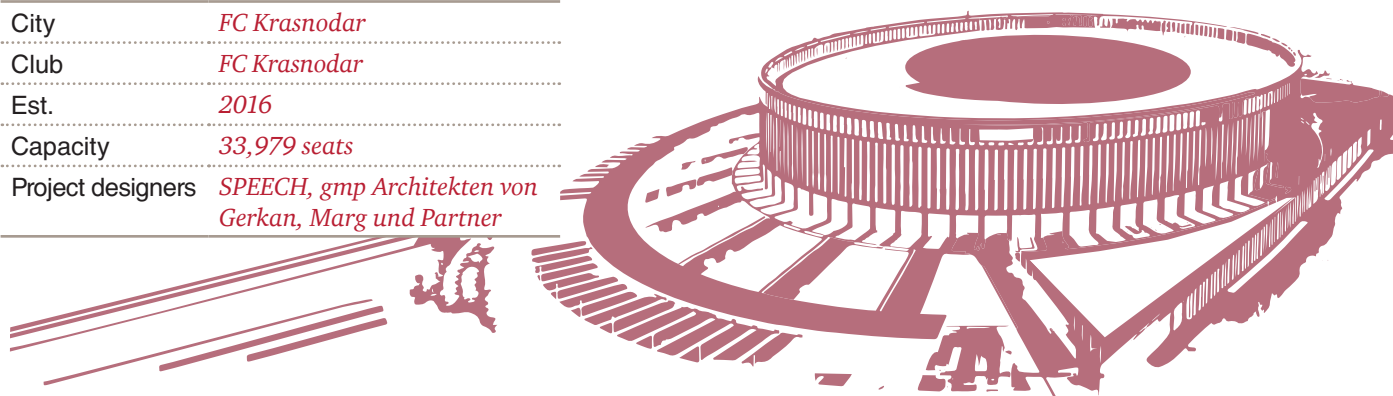
### VEB Arena

City	<i>Moscow</i>
Club	<i>PFC CSKA</i>
Est.	<i>2016</i>
Capacity	<i>30,000 seats</i>
Project designer	<i>Mosproject 4</i>



### Krasnodar Stadium

City	<i>FC Krasnodar</i>
Club	<i>FC Krasnodar</i>
Est.	<i>2016</i>
Capacity	<i>33,979 seats</i>
Project designers	<i>SPEECH, gmp Architekten von Gerkan, Marg und Partner</i>



### Two RFPL stadiums debuted in the 2016-2017 season

During the season, two other RFPL stadiums were renovated:

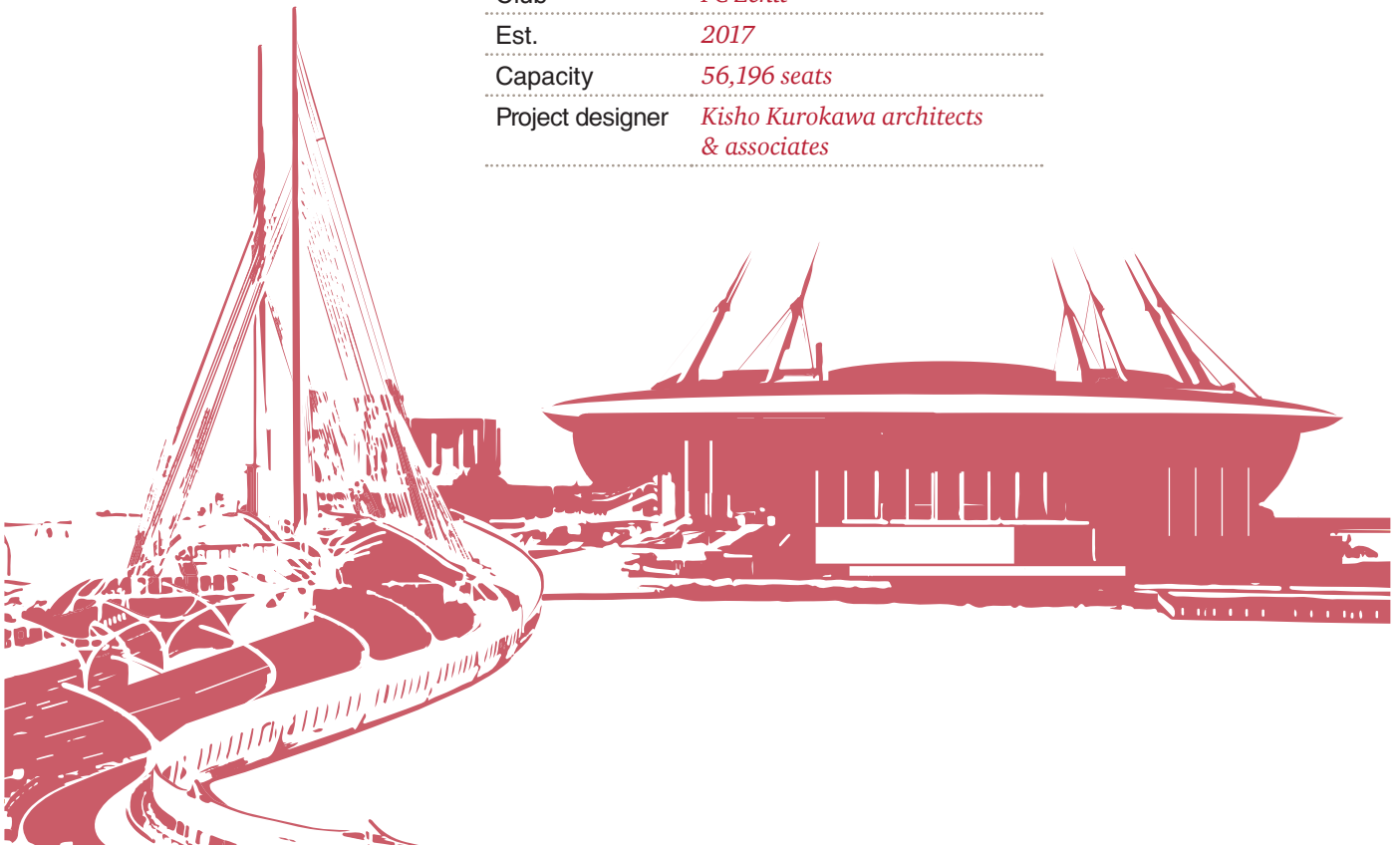
- Trud Stadium in Tomsk (running track dismantled, lighting amplified, a new video scoreboard installed, new pitch installed);
- Gazovik Stadium in Orenburg (capacity increased, canopy installed over seating areas, visitor sector fences dismantled, access control systems installed).

Two clubs used reserve arenas:

- The Saint Petersburg Stadium hosted two home matches for Zenit before the FIFA Confederations Cup and is the club's home stadium for the 2017-2018 season;
- The Central Stadium in Kazan, which was previously the main stadium for Rubin, hosted several Rubin home matches as a reserve arena.

## ***Saint Petersburg Stadium***

City	<i>Saint Petersburg</i>
Club	<i>FC Zenit</i>
Est.	<i>2017</i>
Capacity	<i>56,196 seats</i>
Project designer	<i>Kisho Kurokawa architects &amp; associates</i>



***Zenit is using the Saint Petersburg Stadium as its home ground for the first time in the 2017-2018 season***

To prepare for the 2017-2018 season, the home stadium of SKA-Khabarovsk, an RFPL debutante, was renovated. Lenin Stadium, originally built in 1956, was equipped with access control systems, the lighting was changed, concourses were renovated, and a new pitch, players benches and gates were installed.

Lokomotiv's home stadium was also upgraded and renamed as the RZD Arena. Four new scoreboards and new seats were installed, resulting in a reduction of capacity from 28,800 to 27,320.

Two other new entrants had to play at stadiums in neighbouring cities: Dynamo, waiting for the overhaul of its own facility (renovation started in 2009), is renting Khimki Arena for home matches, while Tosno is holding its home games at the Petrovsky Stadium in Saint Petersburg, because the stadium in Tosno does not meet RFPL standards.

In the first half of the 2017-2018 season, only one club used its reserve arena. Due to pitch renovations at the Akhmat Arena, the Akhmat-Rubin match was transferred to Sultan Bilimkhanov Stadium, which is the main arena for Akhmat's youth team.

# Map of RFPL and 2018 FIFA World Cup stadiums

New stadiums will enhance the fan experience at RFPL matches

## By 2018, 60% of RFPL stadiums will be new



To welcome the 2018 FIFA World Cup, modern arenas are being built in Russia. New stadiums have already opened or will soon open in most major RFPL cities (Ekaterinburg, Kazan, Moscow, Rostov-on-Don and St Petersburg), as well as in Kaliningrad, Nizhny Novgorod, Samara, Saransk, Sochi and Volgograd. In 2016, new stadiums opened in Moscow (VEB Arena) and Krasnodar, while another new stadium, the VTB Arena in Moscow, will open in 2018.

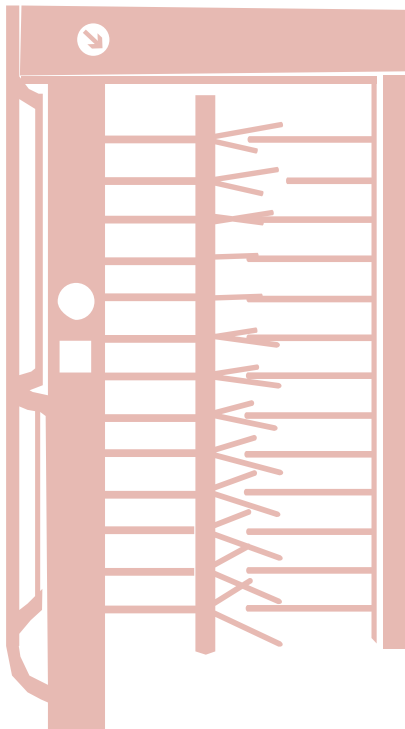
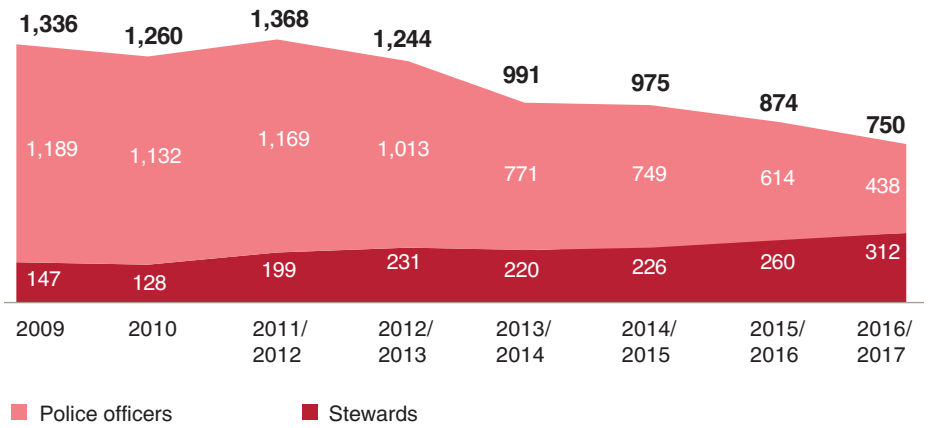
The share of new stadiums built after 2010 will increase from 40% to 60%, provided that the composition of teams participating in the RFPL does not change significantly after the 2017-2018 season.

These new stadiums and upgrades will help clubs to engage supporters more effectively as well as attract new fans.

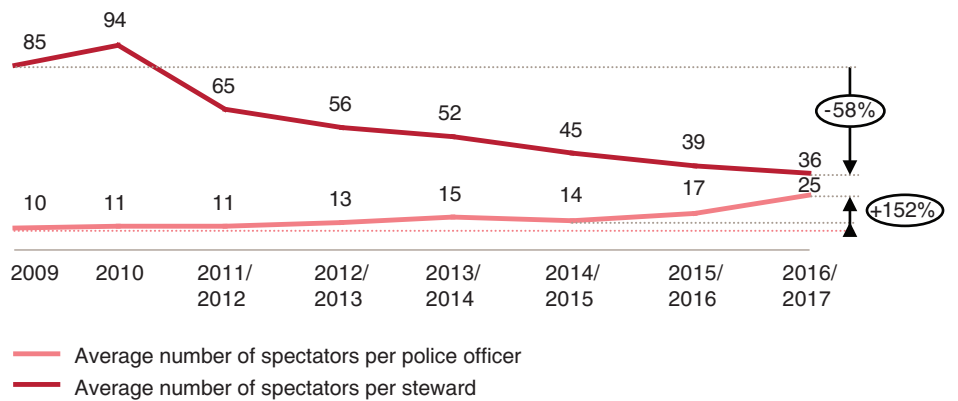


# Stadium security

Number of security officers at RFPL matches, average per game



Average ratio of spectators to security personnel, by category



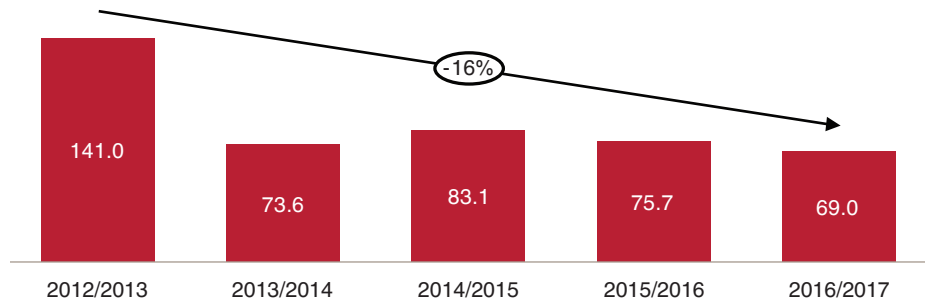
Source: RFPL, PwC analysis

Advanced access control systems at the new stadiums will reduce the number of personnel needed to provide a secure and safe environment.

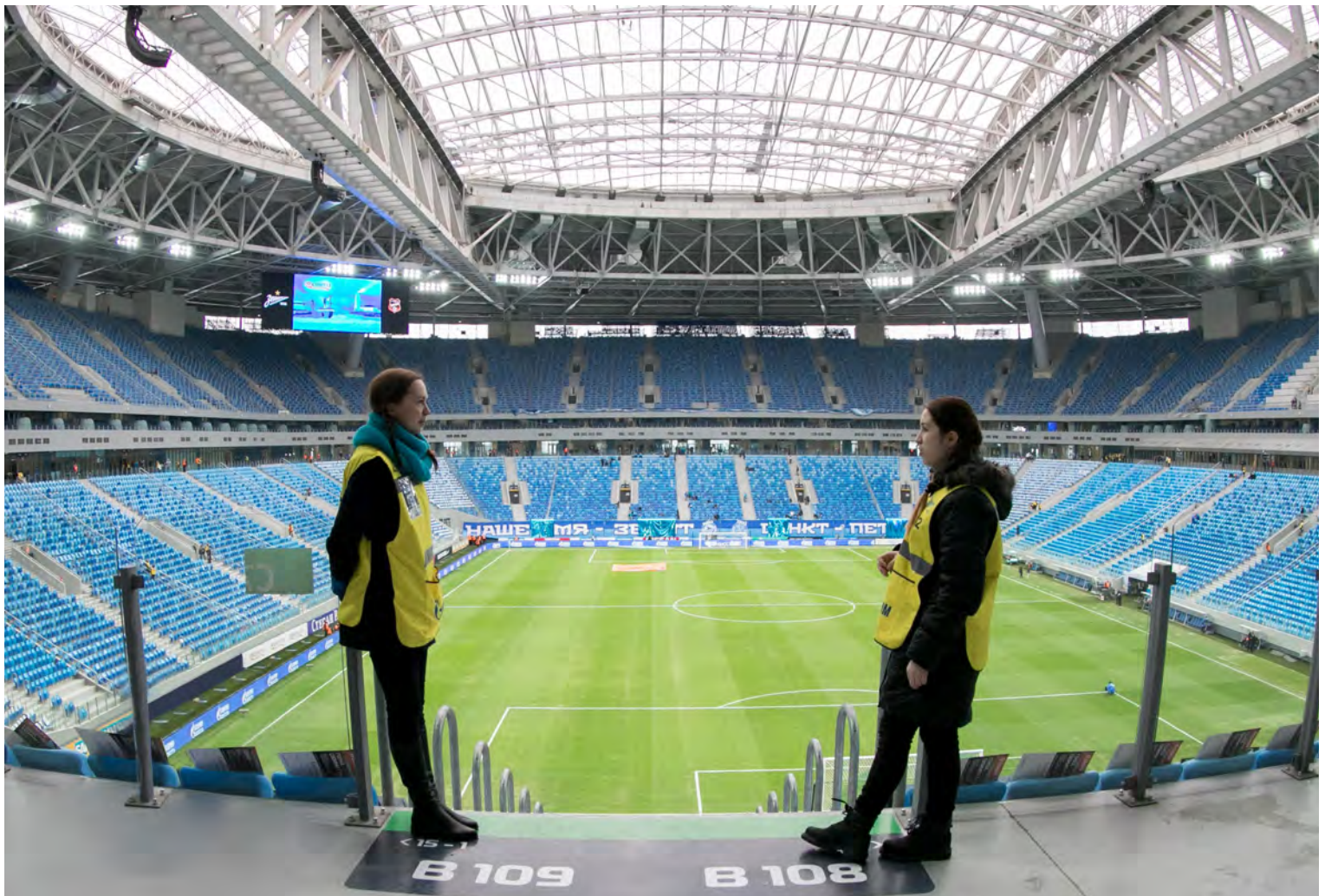
Stewards are playing an increasingly prominent role and gradually replacing police officers.

*New technology has helped clubs to reduce the number of law enforcement personnel at stadiums, which also makes it more appealing for supporters who attend matches*

Penalties paid by clubs for fan misbehaviour, average per game, RUB '000



Source: RFPL, PwC analysis



# Commercial and marketing operations



## Clubs want to enhance the supporter experience at matches by offering greater convenience and service

Stadiums must be equipped with special zones for disabled supporters to be certified for league games. For the 2016-2017 RFPL season, clubs were required to have staff responsible for helping disabled supporters. This was a major contribution toward enhancing the match day experience for the disabled.

Most stadiums are also equipped with children's and family sectors. As a rule, tickets for these sectors are sold at a discount and include special children's programmes.

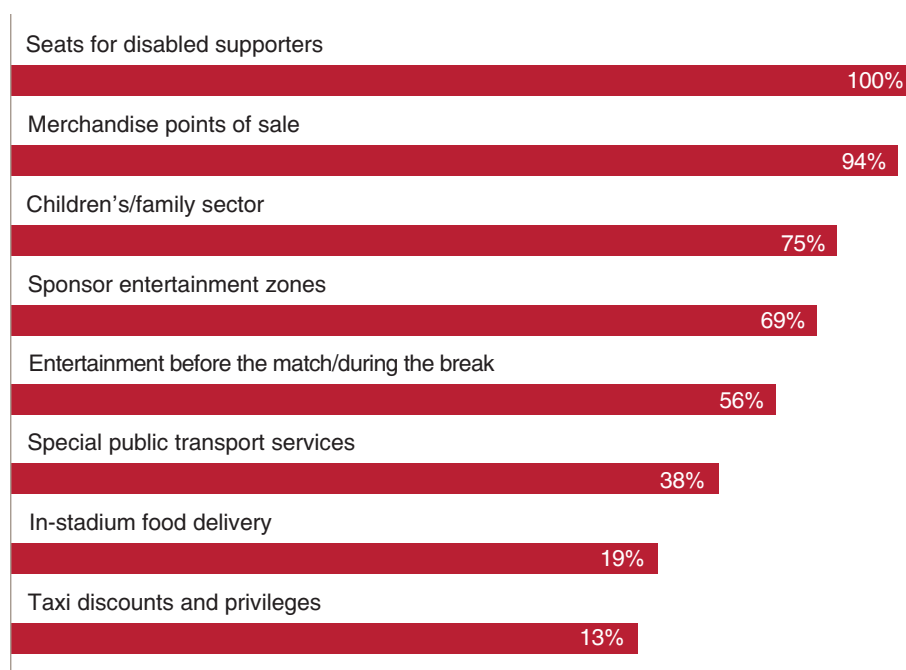
Over half of the clubs provide entertainment for supporters before matches or during breaks. Sponsors of RFPL clubs are highly active, nearly 70% of them have arranged their own entertainment areas at stadiums.

To facilitate stadium access, nearly 40% of the clubs organise special public transport routes on match day. However, only two clubs have partnered with taxi services to provide discounts and privileges for supporters.

In-stadium food delivery services are still emerging in Russia and are available at only three RFPL stadiums. Two more clubs plan to introduce these services soon.

As for catering, most RFPL clubs prefer to use third-party providers. Only one club has an in-house food and beverage service, while another combines in-house and outsourced catering.

### Percentage of clubs offering extra services on match day

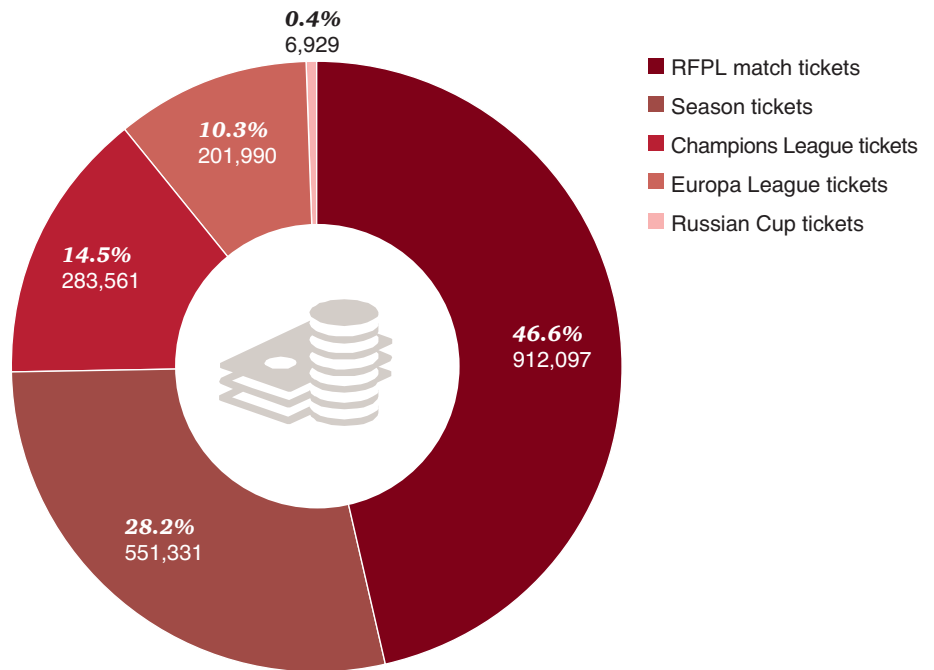


Source: RFPL clubs, PwC analysis

# Season tickets and ticket plans

**Total club revenue:  
RUB 1.96 billion**

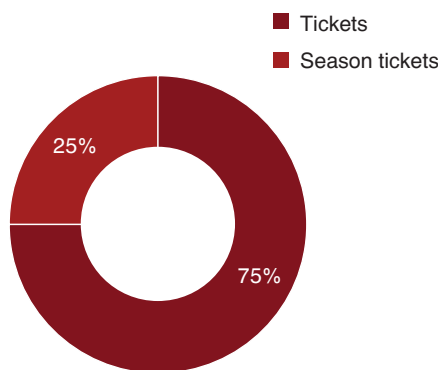
**Gate revenue structure for RFPL clubs from all tournaments during the 2016-2017 season, %, RUB '000\***



\* Less the revenue of clubs that were relegated from the RFPL after the 2016-2017 season and of FC Anji

*Season tickets are gaining popularity with supporters thanks to lower prices (compared with single-match tickets) and the special privileges provided*

**Average ratio of single-game ticket to season ticket revenue in RFPL clubs**



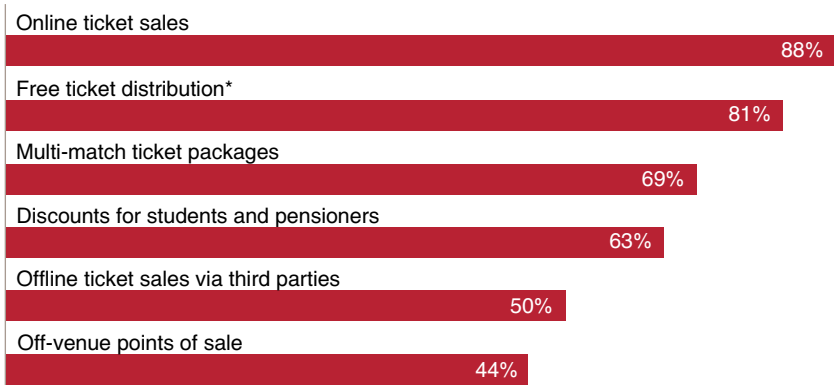
**Average single-game ticket price**

RFPL:	RUB 500
Russian Cup:	RUB 170
Champions League:	RUB 2,280
Europa League:	RUB 1,600
Season tickets*:	RUB 5,700

\* May include Russian Cup and Europa League matches

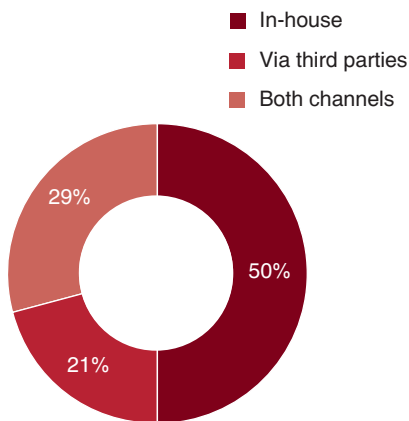
Source: RFPL clubs, PwC analysis

### Ticket plan features, % of all RFPL clubs



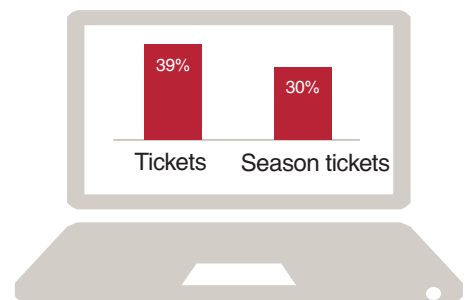
\* as part of promotions, social support and attendance campaigns

### Online ticket sale channels



Source: RFPL clubs, PwC analysis

### Share of online sales by product



The main source of RFPL gate revenue in the 2016-2017 season was from RFPL matches. On average, season tickets accounted for one-fourth of gate revenue for a club.

Given the benefits and privileges offered by the clubs, season tickets are gaining in popularity among supporters. At most clubs, season ticket packages include Russian Cup home games. Krasnodar also includes Europa League qualifiers and group stage matches, while Zenit offers home matches in all tournaments.

Almost all RFPL clubs sell tickets online (the average share is around 40% of total sales).

Half of the clubs use their own resources to sell tickets online, while others engage third parties as exclusive or additional sales channels.

Only five clubs sell season tickets online (the average share of online season ticket sales for such clubs is 30%).

According to the clubs, team performance is the key driver for season ticket purchases, after price.

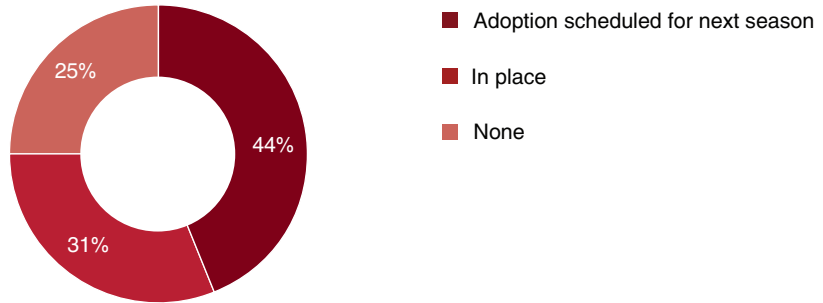
To drive attendance, most clubs (81%) use promotions to offer free tickets, while 63% provide discounts to various social groups.

Multi-ticket packages (for several games) also sell quite well.

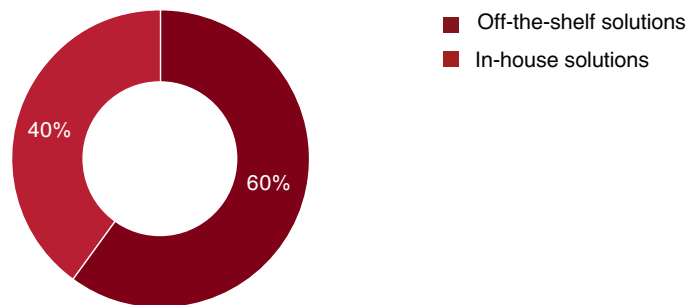
# CRM systems

*More clubs are adopting CRM solutions to help boost customer loyalty and provide personalised service*

## CRM systems



## CRM systems at RFPL clubs, by solution developer



Source: RFPL clubs, PwC analysis

Only one-third of RFPL clubs use CRM systems, although nearly half the clubs plan on adopting CRM systems during the season.

Around 40% of the clubs that are planning to use or already use CRM systems prefer to develop in-house solutions.

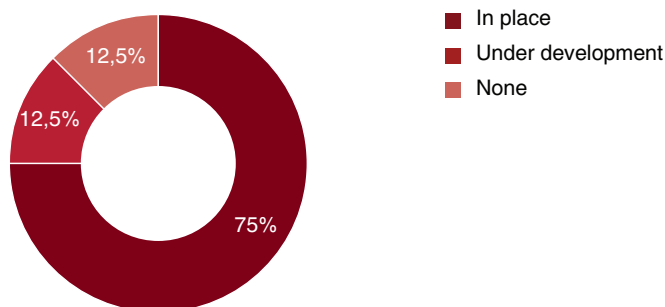
According to the clubs, few sponsors are currently interested in running marketing campaigns via CRM systems.



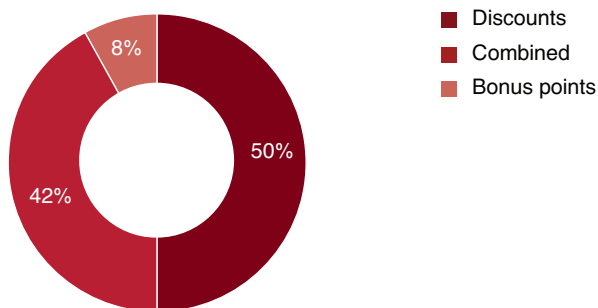
# Loyalty programmes

*Most RFPL clubs use loyalty programmes, including special offers from sponsors*

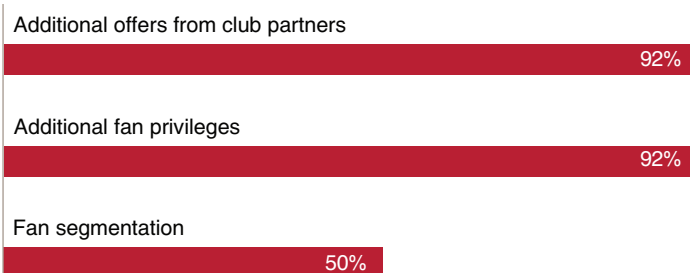
## Supporter loyalty programmes



## Loyalty programmes by type



## Loyalty programme features, % of all RFPL clubs



Source: RFPL clubs, PwC analysis

Most clubs (75%) have loyalty programmes that provide supporters with additional privileges and special offers from club partners.

Half the clubs use loyalty programmes with discounts, as these are easier to operate.

Most other clubs combine the two systems (only 8% of the clubs use only bonus-point loyalty programmes).

Half the clubs offer loyalty programmes that sort supporters into two or three categories to help them segment customers and provide personalised offers.

# Club merchandise

*Most clubs have official stores, and more than half the clubs have official online stores*

All RFPL clubs sell branded merchandise, including 81% that sell items exclusively via their official shops.

On average, clubs have two to three points of sale, including a flagship store. Over half the clubs (63%) also have an official online store and merchandise sales partners.

Half the clubs have licensed partners that produce club branded merchandise.

One-fourth of the clubs also sell their merchandise at multibrand online stores.

Scarves, shirts and caps are among the most sought-after merchandise according to the clubs' commercial departments.

## Club merchandise sales breakdown, % of all RFPL clubs

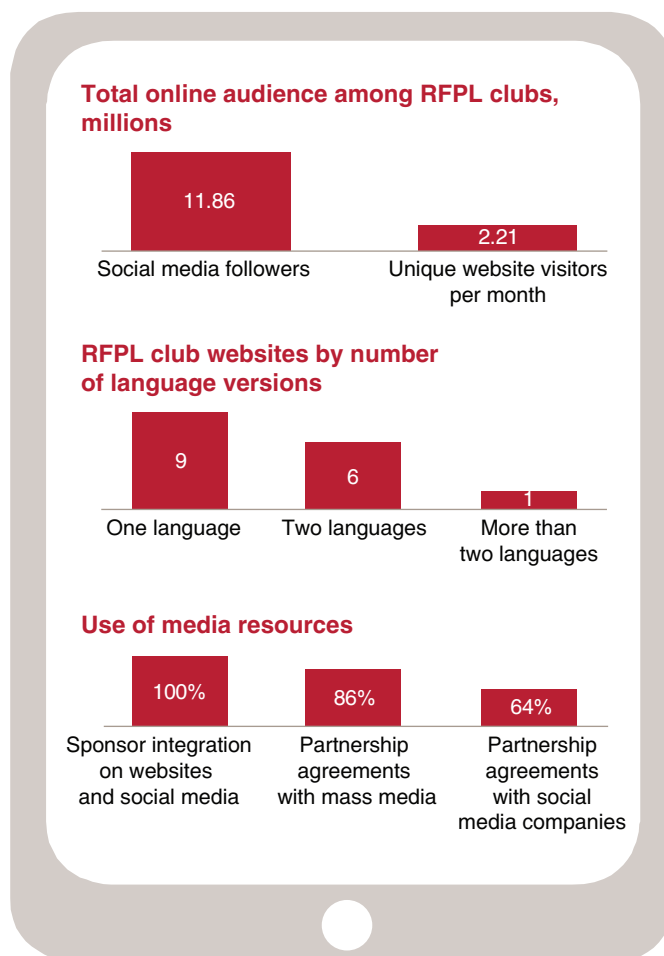


Source: RFPL clubs, PwC analysis



# Digital media

All RFPL clubs have official accounts on VKontakte, Twitter, Instagram and YouTube



The total audience for RFPL clubs on social media is around 12 million people.

Less than half the clubs focus on foreign supporters and only six clubs have an English-language website, while Zenit's website is provided in 12 languages.

All RFPL clubs use online platforms for sponsorship programmes, while

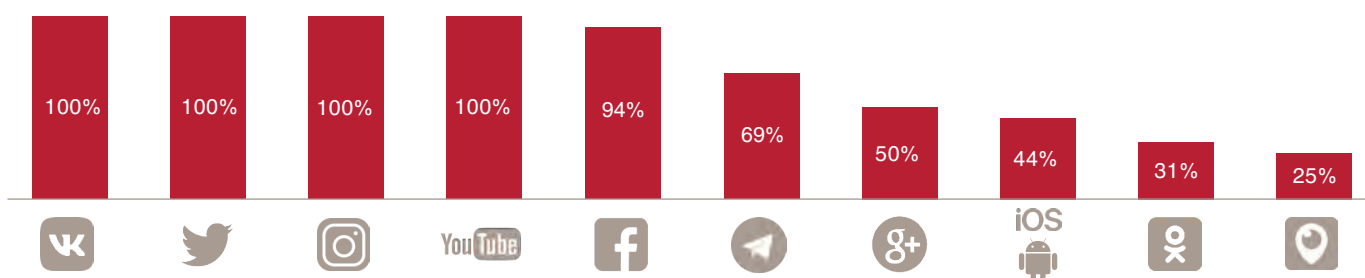
a growing number of clubs have signed partnership agreements with social networks (64%).

Recently, clubs have launched their own channels on Telegram and phased out their use of Periscope.

Clubs are also experimenting with other digital tools: Zenit runs a page

on Foursquare, a social media service with geolocation functionality, Krylia Sovetov has a micro blog on Weibo primarily focused on the Chinese audience, while Lokomotiv is on Pinterest, a photo hosting site with social network functionality.

## Use of digital media, % of all RFPL clubs

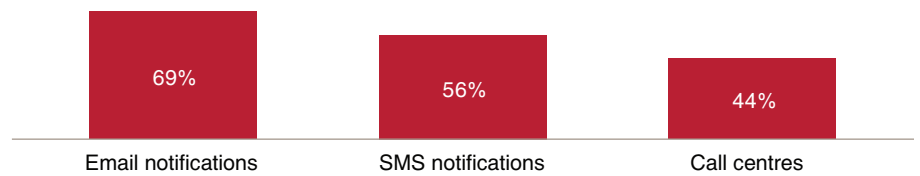


Source: RFPL clubs, PwC analysis

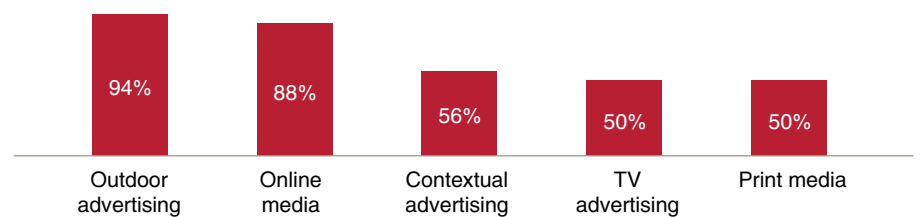
# Advertising

Twelve RFPL clubs draw upon dedicated advertising budgets to promote their matches. Outdoor advertising and barter agreements with mass media remain the core advertising channels.

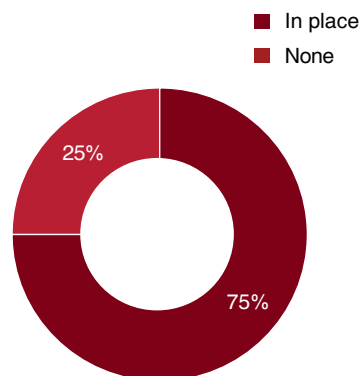
Use of intra-club supporter communication tools, % of all RFPL clubs



Ad tool use, % of all RFPL clubs



Advertising budgets at RFPL clubs to promote matches



Source: RFPL clubs, PwC analysis

In an age when social media is increasingly important, traditional supporter communication channels have begun to fade out of use.

Mass emails have become less effective, although 70% of the clubs still use them.

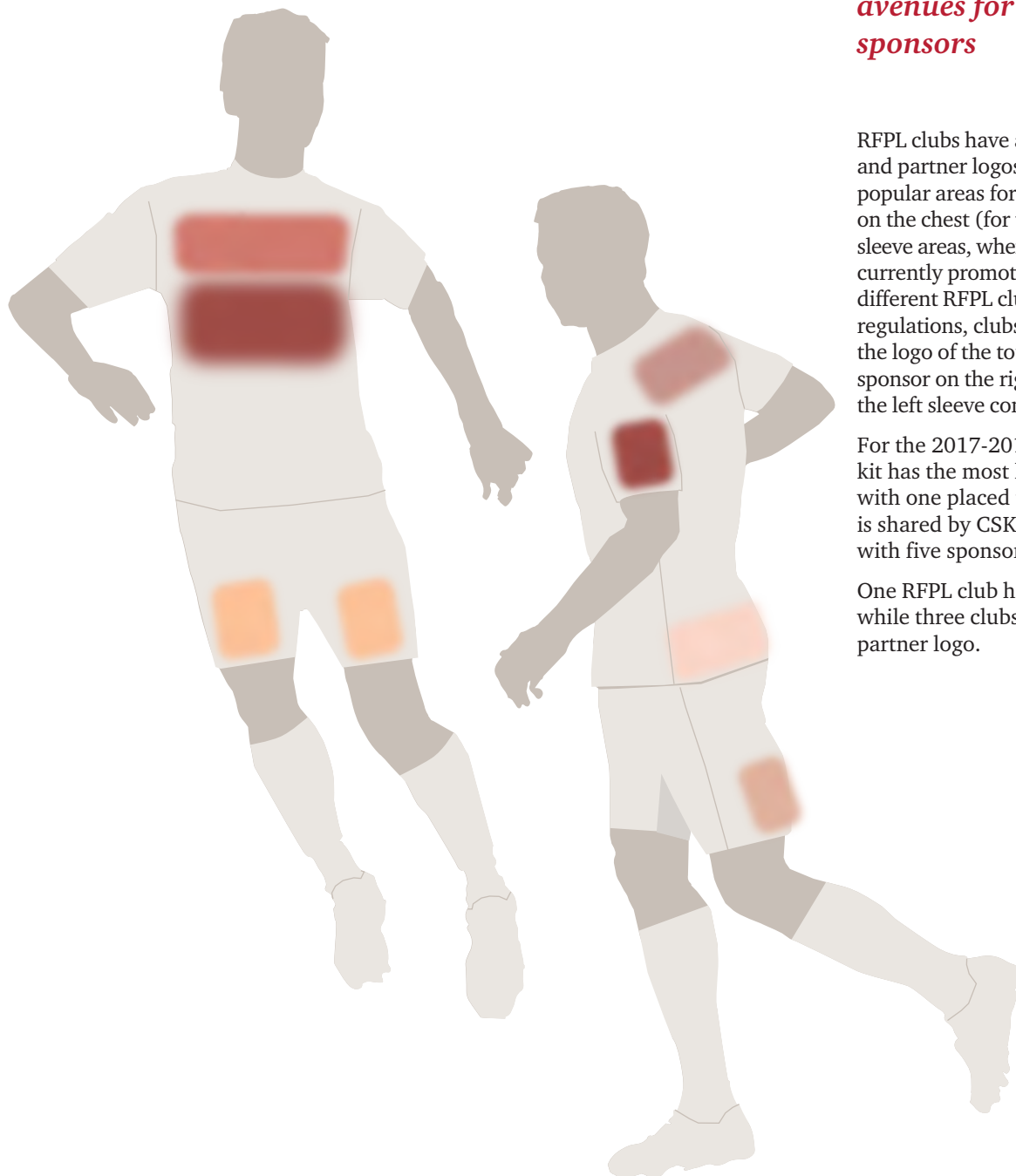
Over half of the clubs (56%) send out SMS notifications, while less than half (44%) engage their fans over the phone, due to the high cost of operating call centres. In most cases, telephone support is provided by supporter liaison officers.

Almost all clubs (94%) use outdoor advertising as their main tool to promote matches and other events, followed by online mass media (88%) and other advertising channels (less than 50%).

One-fourth of the clubs do not have a dedicated advertising budget. For these clubs, interaction with the media is based on partnerships.

# Kit sponsorship

## Heat map of sponsor logo placement on RFPL club kits\*



**Kit sponsorship is one of the most important avenues for attracting sponsors**

RFPL clubs have a total of 75 sponsor and partner logos on their kits. The most popular areas for company logos are on the chest (for title sponsors) and sleeve areas, where a total of 13 sponsors currently promote their brands with different RFPL clubs. According to RFPL regulations, clubs are required to place the logo of the tournament and title sponsor on the right sleeve, leaving only the left sleeve commercially available.

For the 2017-2018 season, Spartak's kit has the most logos (11 partners, with one placed twice). Second place is shared by CSKA, Rubin and Ural, with five sponsors each.

One RFPL club has no kit sponsor, while three clubs have only a single partner logo.

## Kit areas by number of sponsor logos



\* The chart represents the total number of sponsor logos on specific kit areas across all RFPL clubs.

Data collected at the end of first half of the 2017-2018 season.

Source: RFPL clubs, PwC analysis

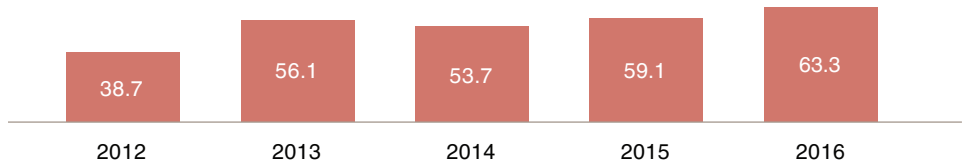
# *Financial performance*



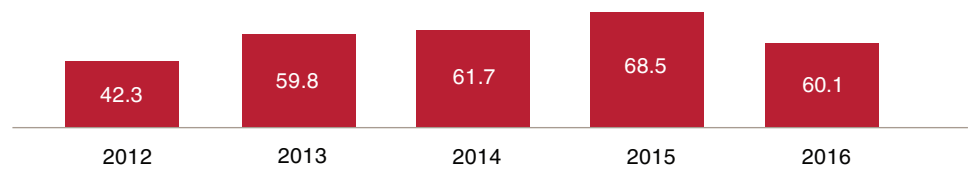
# Financial performance

*In 2016, RFPL clubs collectively demonstrated positive financial results for the first time in five years*

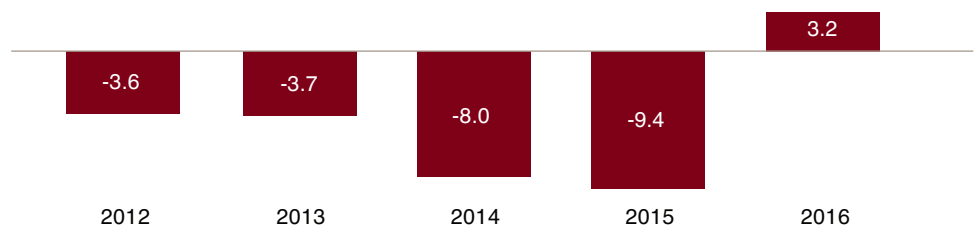
Revenue for RFPL clubs in 2012-2016, RUB billion



Expenditures by RFPL clubs in 2012-2016, RUB billion



Financial performance among RFPL clubs in 2012-2016, RUB billion



Source: RFPL clubs, SPARK, PwC analysis

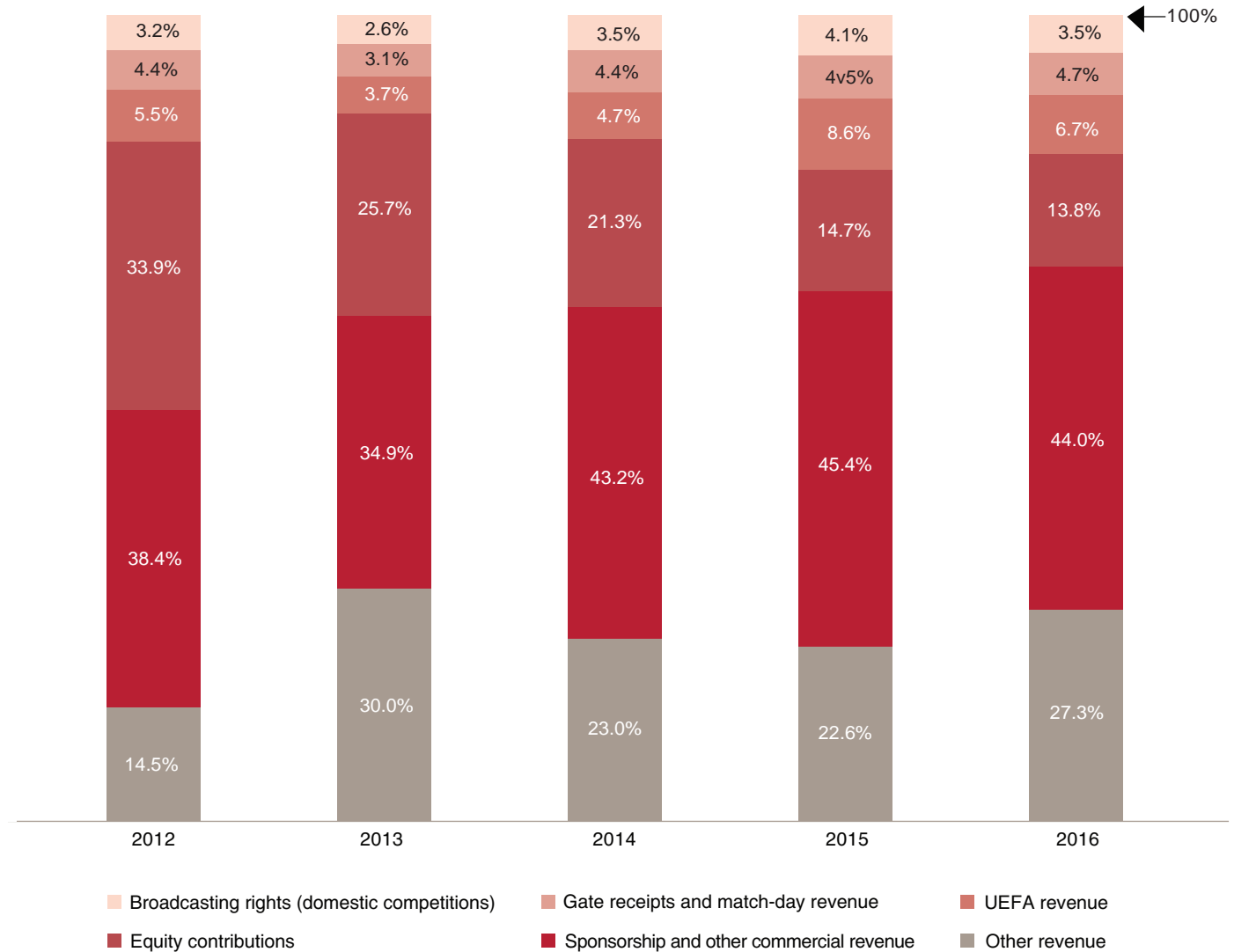
Revenue and expenditures at RFPL clubs were analysed for each financial year. Total expenditures include all operating and non-operating expenses, including debt servicing and other financial costs as well as some non-monetary expenses, including the amortisation of player registration (transfer fees).

Over this period, both revenue and expenditures trended toward growth. The main drivers included gate revenue, as well as sponsorships and other commercial revenue.

Volatility in total revenue and expenditures among RFPL clubs were influenced by the changing composition of the league from year to year.

# RFPL club revenues

Total revenue structure for RFPL clubs, % of the total sum



Source: RFPL clubs, SPARK, PwC analysis

**Gate and advertising revenues are growing, while the share of revenue from equity contributions is falling**

One of the main drivers of change in club revenue structure has been the increase in gate receipts and match-day revenue from new stadiums.

At the same time, UEFA revenue has increased thanks to the success of Russian clubs in European cups and the overall increase in the amount of funds that UEFA distributes to clubs.

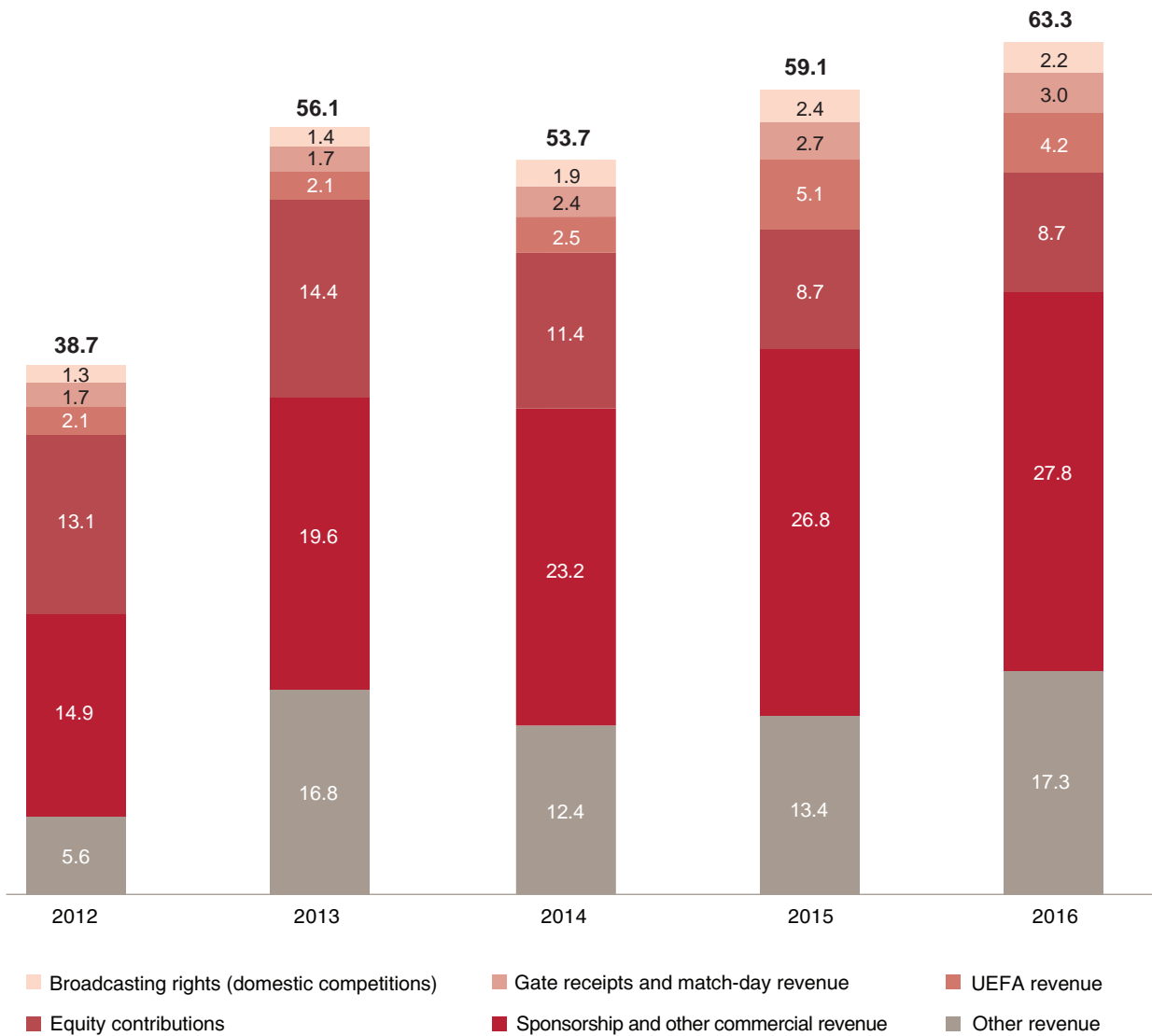
Data on UEFA revenues are presented according to the financial statements of RFPL clubs and may differ from UEFA data due to Russian accounting

practices, as well as due to volatility in the foreign exchange rates used to recognise revenue in the statements.

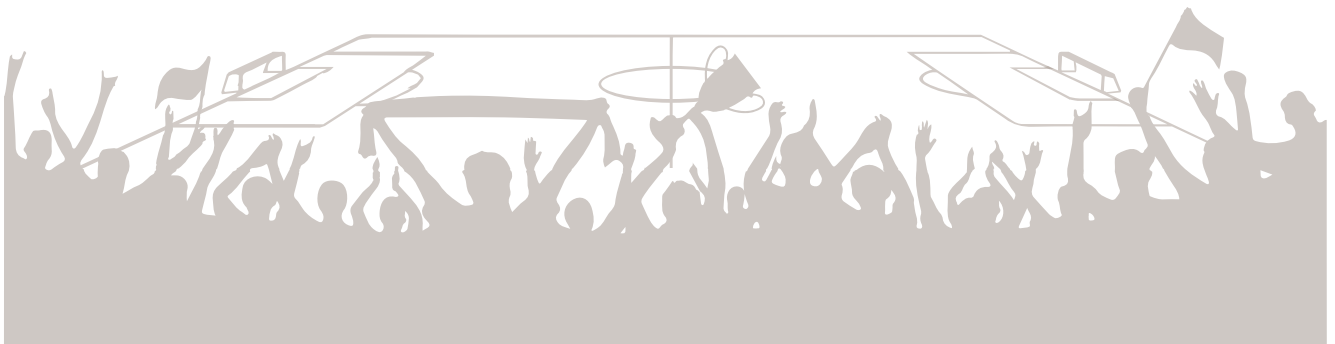
RFPL clubs continue to diversify their sources of revenue. Over the past five years, the share from equity contributions has declined, while revenue from sponsorship and other commercial deals has increased.

The upswing in the numbers for 2013 was due to a change in financial practices at FC Anji.

## Revenue structure for RFPL clubs, RUB billion



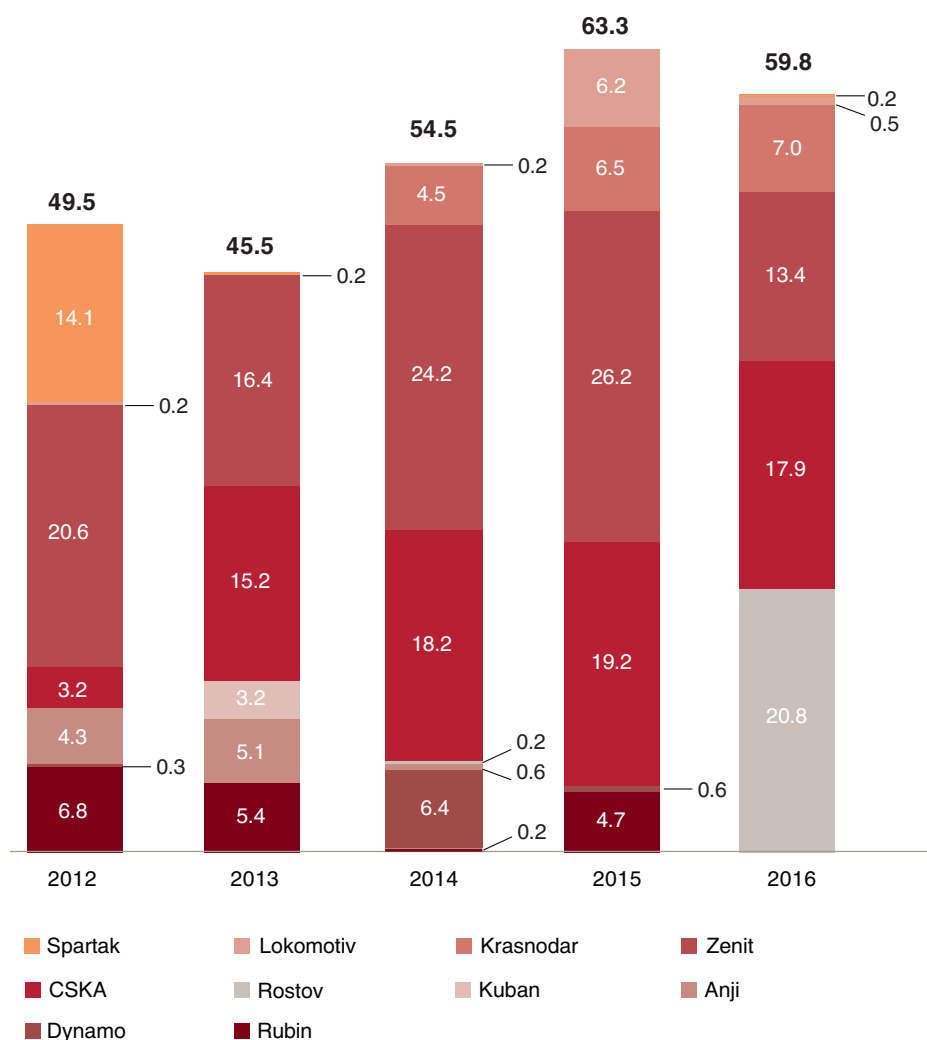
Source: RFPL clubs, SPARK, PwC analysis



# UEFA prize money

Over the last five years, FC Zenit and PFC CSKA have earned more prize money than other RFPL clubs from UEFA competitions

Total UEFA prize money for RFPL clubs, EUR million



Source: UEFA, PwC analysis

To calculate the prize money won from UEFA, it was assumed that RFPL clubs recognise revenue from the market pool for the group stages in the first half of the season (before the New Year), and for the knockout stages in the second half of the season (after the New Year).

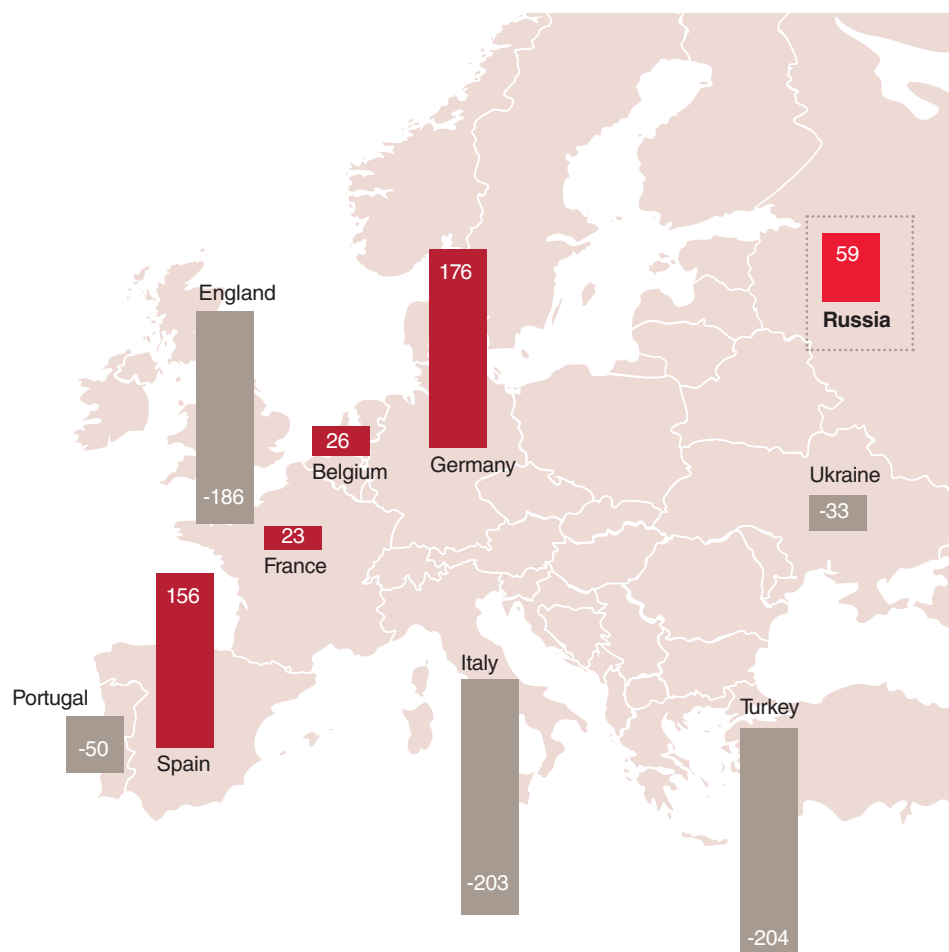
Thanks to regular participation in the Champions League, over the last five years Zenit has been the top earner

of UEFA prize money among Russian clubs (around EUR 101 million). CSKA is the second-highest earner, with EUR 74 million over the last five years. The total revenue from UEFA prize money among other clubs in the same period amounted to EUR 98 million.

# UEFA financial fair play

*RFPL clubs tend to comply with UEFA's financial fair play rules*

Aggregated balance sheet of revenue and expenditures of clubs in the top 10 European leagues in 2016, EUR million



Source: UEFA, PwC analysis

Financial fair play (FFP) rules were introduced by UEFA in 2009 to help clubs achieve balance between their revenue and expenditures by reducing budget deficits and ensuring long-term financial sustainability.

In 2014 and 2015, several Russian clubs exceeded the break-even deficit thresholds established by UEFA and had to sign out-of-court settlements aimed at improving their financial indicators to comply with FFP rules.

Having paid UEFA penalties under the current rules, several clubs' financial activities continue to be monitored, including Krasnodar, Lokomotiv, Rubin and Zenit.

In the 2016-2017 season, no Russian clubs were fined for violating FFP rules.

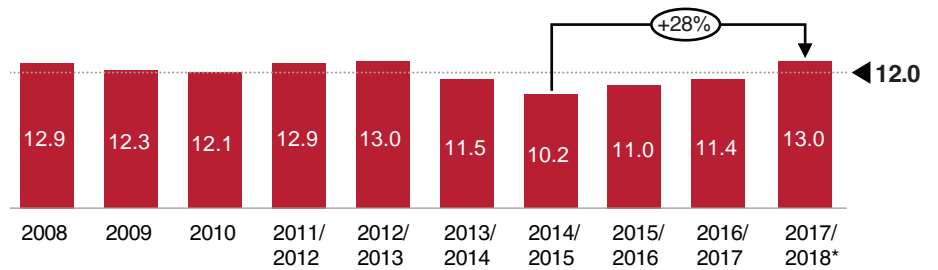
# Match attendance



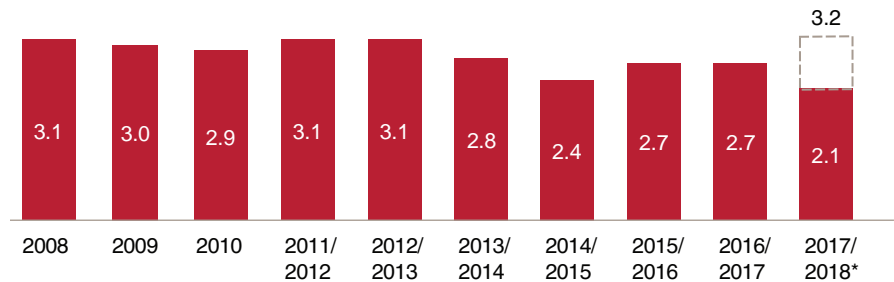
# Match attendance for RFPL clubs

In recent seasons, the RFPL has had stable attendance rates averaging 12,000 fans per match

Average attendance per RFPL match, thousands



Total RFPL attendance, millions



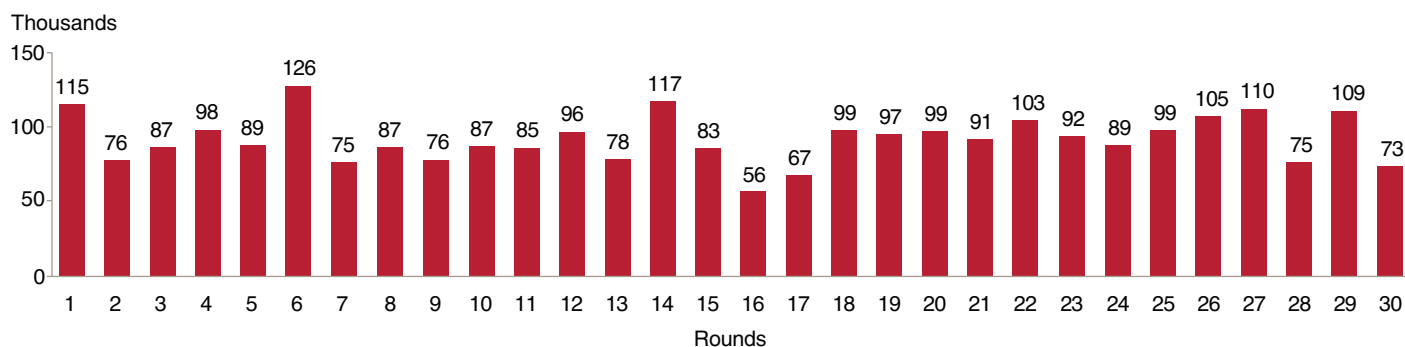
\* Based on the first 20 rounds of the RFPL season  
Source: RFPL, PwC analysis

Based on our analysis of RFPL attendance over the last 10 seasons, we observed the following trends:

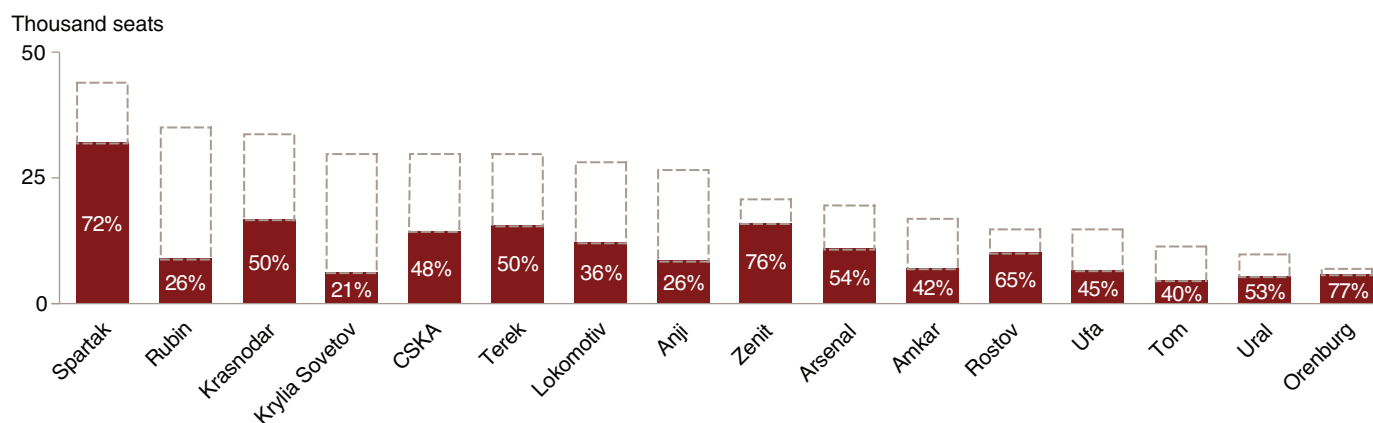
- The RFPL has had stable attendance rates, averaging 12,000 supporters per match.
- In the first 20 rounds of the 2017-2018 season, average attendance has been at an all-time high with 13,000 fans per match.
- If this trend continues, attendance for the entire season will also likely reach record highs.

# Stadium capacity utilisation in the 2016-2017 season

Total RFPL attendance by round in the 2016-2017 season, thousands



Stadium capacity utilisation in the 2016-2017 RFPL season, % of maximum capacity



Source: RFPL, PwC analysis

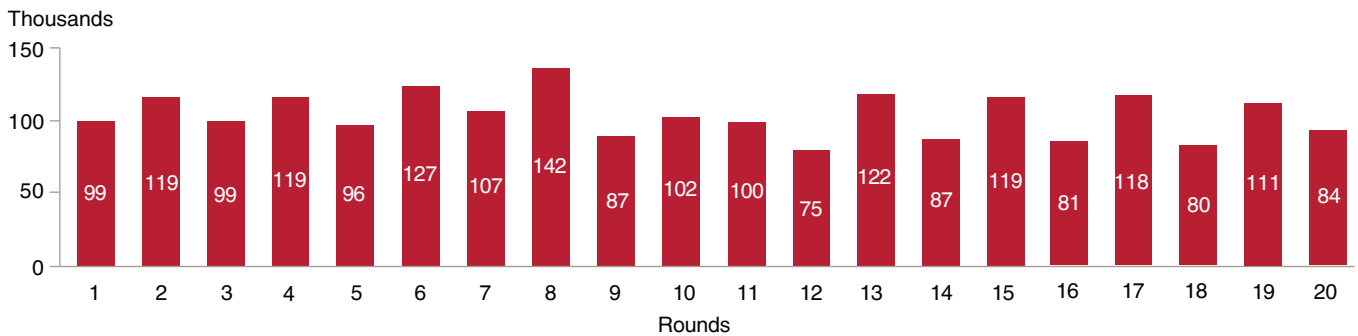
Orenburg (77%) and Zenit (76%) led in terms of arena capacity utilisation for the 2016-2017 season. In Orenburg, the numbers are explained by the stadium's limited capacity (7,500 seats) and by the club's debut season in the RFPL.

Spartak took third place, as its utilisation rate has grown from season to season (from 55% to 72% over the last three seasons).

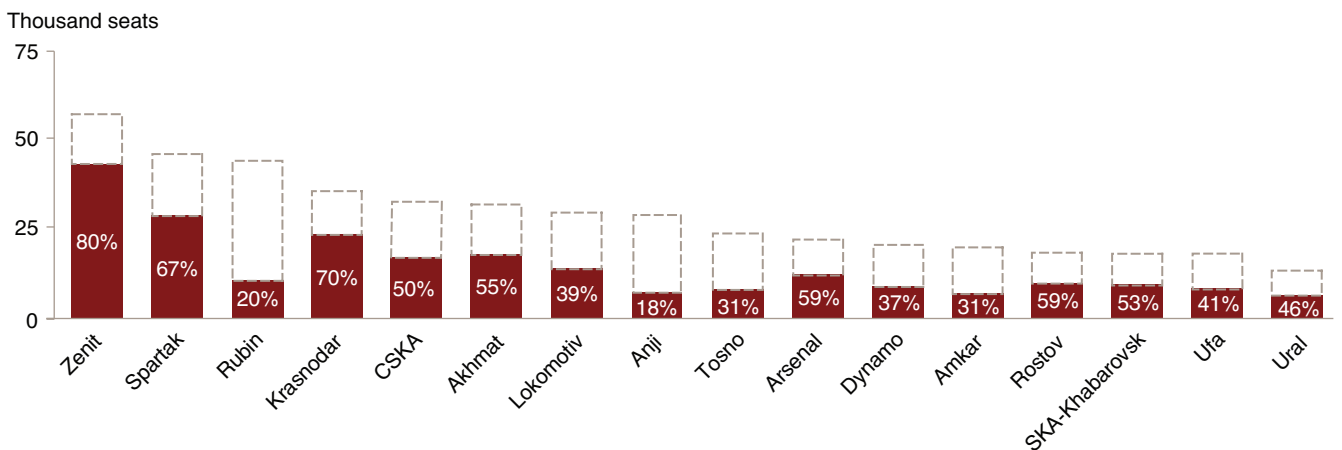
Team performance impacted attendance at Krylia Sovetov. Capacity utilisation at home matches by the end of the season was only 21% (maximum capacity of 30,000), as the club was on the path toward relegation from the RFPL.

# Stadium capacity utilisation in the 2017-2018 season

Total RFPL match attendance by round in the 2017-2018 season, thousands



Stadium capacity utilisation in the 2017-2018 season, % of maximum capacity



\* Based on the first 20 rounds of the RFPL season  
Source: RFPL, PwC analysis

This season, Otrkrite Arena ceded the title of the largest stadium in the RFPL to Saint Petersburg Stadium, Zenit's home arena. Zenit managed to improve capacity utilisation to a sturdy 80%.

Krasnodar and CSKA, clubs that are playing their second season at new venues, have also improved their capacity utilisation.

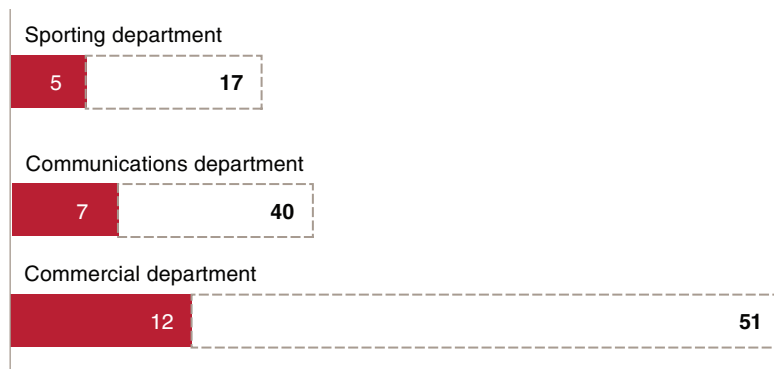
New clubs in the RFPL have had mixed results. In its first season in the league, SKA-Khabarovsk has achieved 53% capacity utilisation, while Dynamo and Tosno, in light of current issues with their own stadiums, have reached 37% and 31%, respectively.

# *Talent pools*



**As the clubs commission new arenas, they are facing a shortage of qualified facility managers**

**Average headcount of various departments\* across RFPL clubs in the 2017-2018 season**



**X** Upper headcount threshold

\* Role description:  
 Sporting departments: scouting, sports analytics.  
 Communications departments: press service, PR and content production.  
 Commercial departments: sales, marketing and sponsorship deals.

Source: RFPL, PwC analysis



*“To manage a new stadium, you need marketing specialists, event managers and fan relationship managers, as well as narrow subject-matter experts like groundskeepers.”*



*“There is a lack of training programmes to prepare youth academy staff, including coaches, psychologists and managers.”*

Football clubs bring together specialists from a variety of fields. The average headcount at RFPL clubs in the current season is 242 employees, including players, coaches and administrative personnel.

As part of this study, we asked the clubs to provide detailed data on their scouting, communications and commercial departments. We invited our respondents to tell us whether they observed any talent gaps in these three areas.

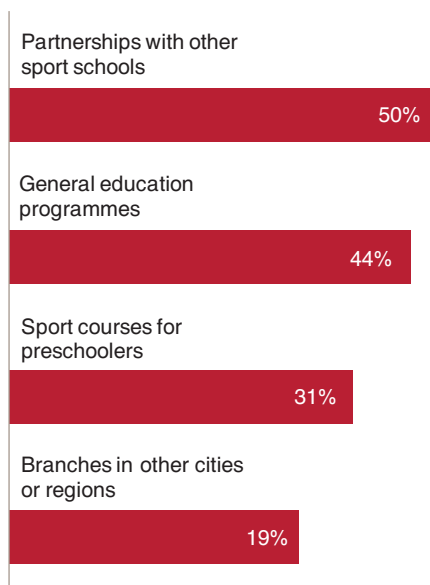
The clubs noted a shortage of event managers on the job market. Demand for this role has increased due to appearance of new multifunctional arenas. Club representatives also noted the need for experienced youth football coaches.

# *Youth football*

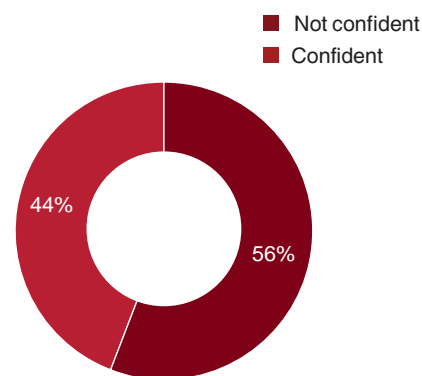


*Our survey respondents believe the best stimulus to expand investment in training programmes for young athletes would be tax benefits and incentives*

**Key features at club schools and academies, % of all RFPL clubs**



**Assurance among RFPL clubs in the security of their investments in preparing athletes**



Source: RFPL, PwC analysis

All RFPL clubs have academies, while half the clubs also have partner agreements with sport schools. So far, only three clubs have opened academy branches in other cities or regions.

Less than half the clubs (44%) provide secondary education programmes, an important component in player education.

Only one-third of the clubs have programmes and special courses for preschoolers.

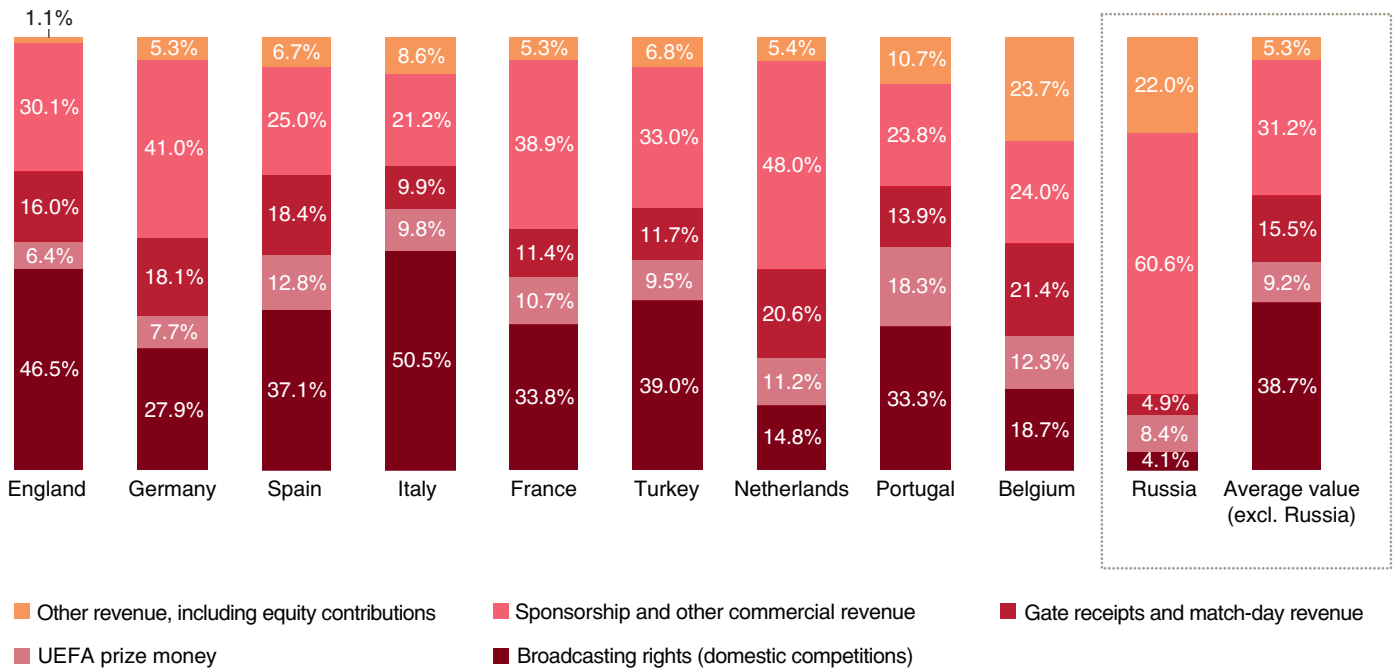
More than half the RFPL clubs are not sure their investments in player training will pay off. This has had a direct impact on the size of club investments. Club representatives have highlighted that

current solidarity mechanisms need to be rethought and upgraded. A major issue, according to the clubs, is that these payments do not fully account for the investments made in training and supporting players. Our survey respondents believe that tax benefits and incentives would be the most efficient tool to expand investment in talent development.

# International benchmarking



## Revenue structure of higher-division clubs in the top 10 European leagues in 2016, %



Source: UEFA, PwC analysis

### *The main sources of revenue for higher-division clubs in the top 10 European leagues are broadcasting rights and sponsorship.*

The revenue structure of RFPL clubs is significantly different from that of teams in other leading European leagues. The average share of revenue from broadcasting rights in the other leagues is 38.7%, while only 4.1% in the RFPL.

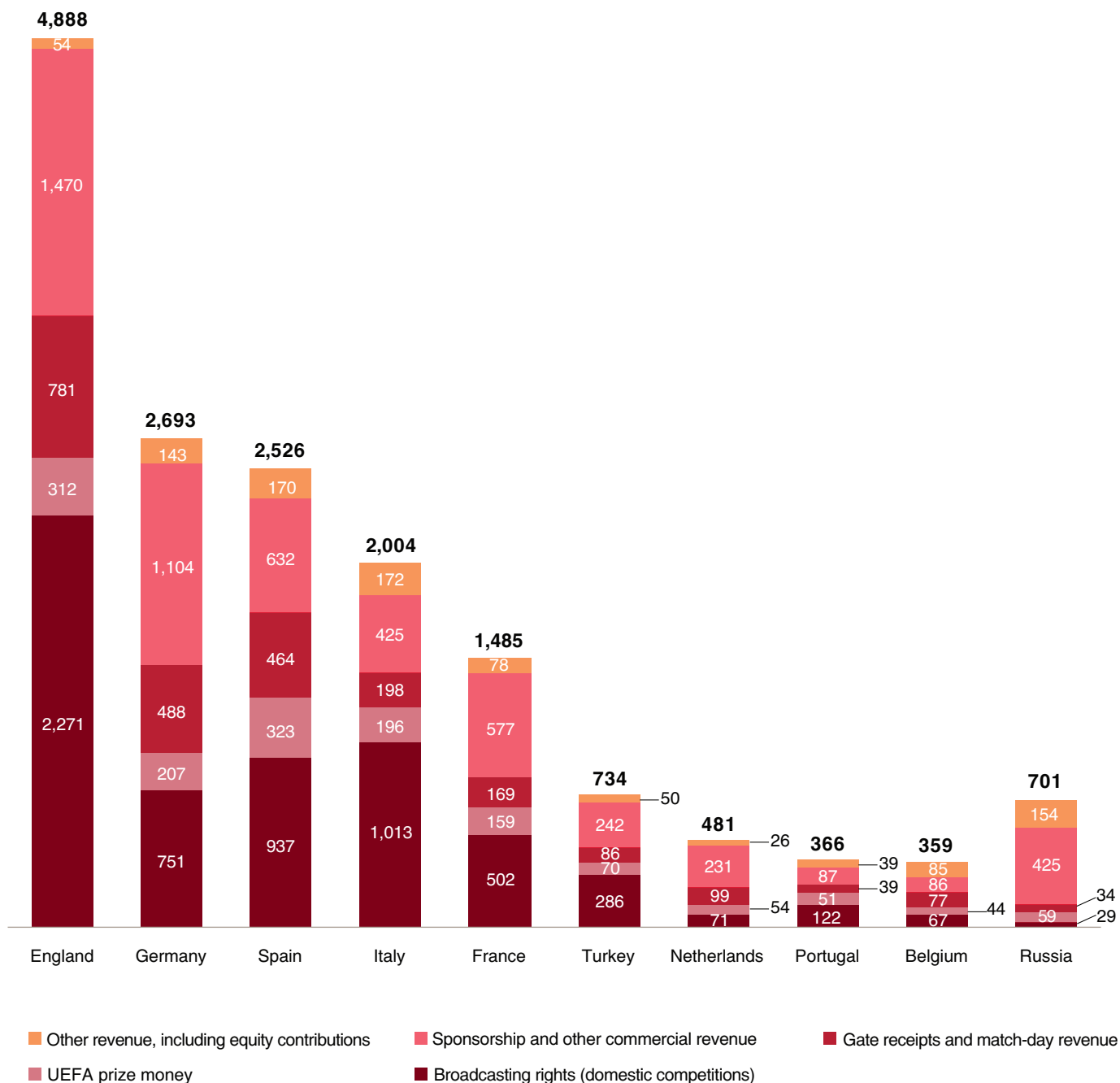
Due to the relatively moderate cost of RFPL broadcasting rights, Russian clubs have to compensate by engaging more sponsors and raising more equity contributions.

The share of sponsorship and other commercial deals among RFPL clubs amounts to 60.6% of the league's total revenue. This is the highest percentage among the top 10 European leagues and exceeds the average percentage across the leagues by almost two times.

Because Russian clubs typically recognise equity contributions as other income, the share of revenue from equity contributions in the revenue structure among RFPL clubs is four times higher than the average percentage across comparable leagues.

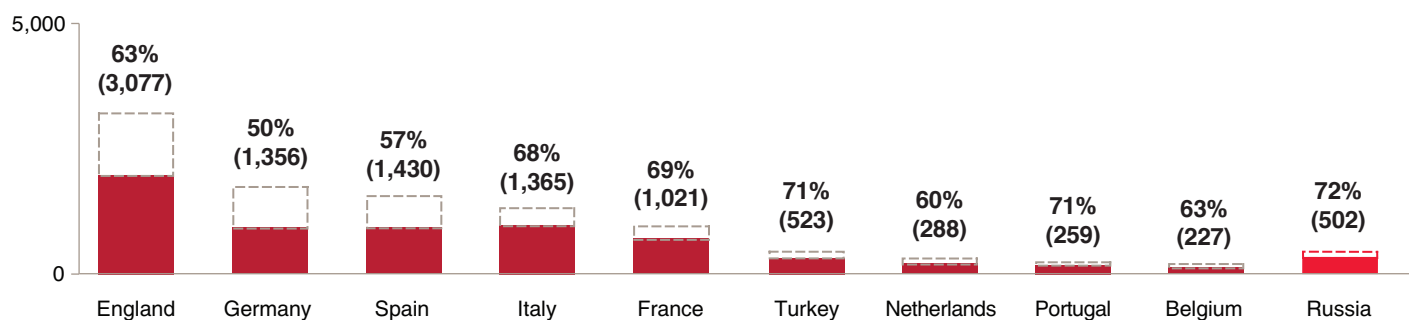
# Total revenue and expenditures of clubs in the top 10 European football leagues

Total revenue of higher-division clubs in the top 10 European leagues in 2016, EUR million

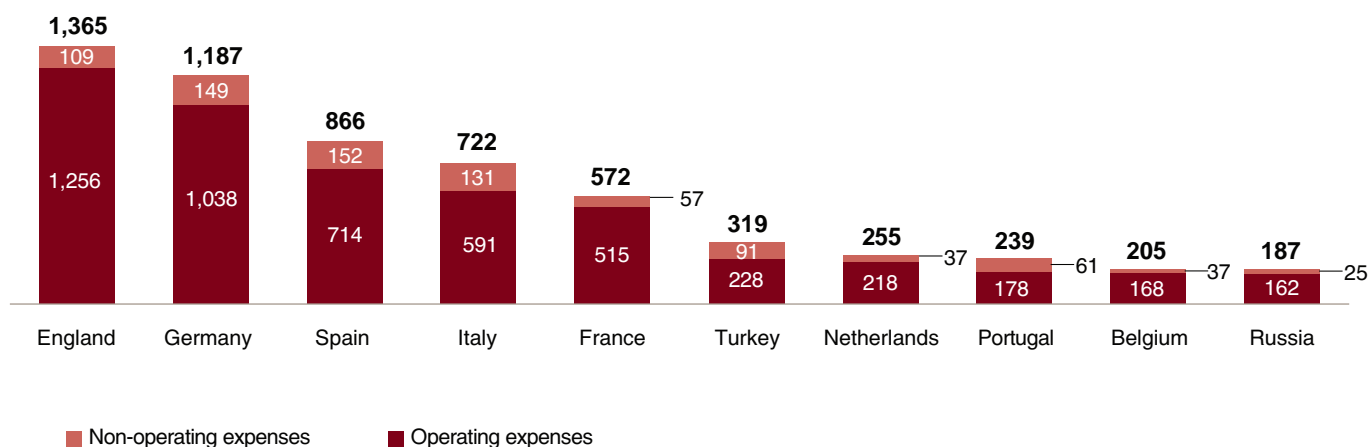


Source: UEFA, PwC analysis

### Ratio of payroll expenses to revenue among clubs in the top 10 European leagues in 2016, EUR million



### Other expenditures among clubs in the top 10 European leagues in 2016, EUR million



Source: UEFA, PwC analysis

The RFPL shares sixth place with the Turkish Super Lig in terms of total club expenditures (minus transfer fees).

Together with Portugal, the ratio of payroll expenses to revenue in these leagues is the highest (71-72%).

The ratio indicates an imbalance in club budgets. In Russia, another factor is

that agreements in foreign currency are sensitive to exchange rate volatility.

Football club operating expenses include match day costs, infrastructure costs, commercial costs and sponsor relationship costs. Non-operating expenses include tax payments and financial performance.



## ***Contacts***

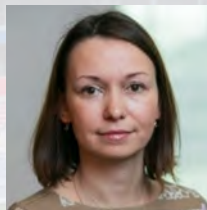
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