

The background of the entire page is a black and white photograph of a large football stadium at night. The stadium is filled with spectators, and the pitch is visible in the foreground. A grid of white lines is overlaid on the image, creating a structured, architectural feel. The top of the page features a yellow decorative element consisting of several overlapping semi-circles.

# 2020 **FINANCIAL** REPORT

*"Significant profits and record income in the 2019/20 season despite the effects of COVID-19, laying the foundations to absorb the impact of the 2020/21 season with high liquidity and capitalisation levels"*



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## EXPLANATORY NOTE

Throughout this Report, as in previous years, reference is made to the five classifications (i.e. financial groupings of clubs) with which the aim is to describe, as transparently and precisely as possible, the performance of Spanish professional football at the end of the 2019/20 season (S 19-20):

1. **LaLiga Santander:** corresponding to the First Division of Spanish professional football (20 clubs);
2. **LaLiga SmartBank:** corresponding to the Second Division A of Spanish professional football (22 clubs);
3. **LaLiga:** the sum of LaLiga Santander and LaLiga SmartBank, i.e. all Spanish professional football (42 clubs). This is the main grouping analysed in the document;
4. **Netted LaLiga Santander:** LaLiga Santander excluding the two largest clubs in terms of income level and balance sheet size (18 clubs); and
5. **Netted LaLiga:** LaLiga excluding the two largest clubs in terms of income level and balance sheet size (40 clubs)

In this Report, all values are expressed in millions of euros (€m), unless expressly stated otherwise.

**LaLiga** updated and improved certain calculations relating to figures, ratios and indices this year. Consequently, there could be slight differences with respect to the information appearing in previous editions. Likewise, some individual football clubs introduced minor technical restatements in 2019/20 with respect to previous seasons (in their audited annual accounts). These modifications, which are of limited impact in both cases, do not substantially alter the conclusions of the analysis carried out this season or in previous years, and have been considered in the Report. Should they produce any significant effect, a detailed explanation will be provided on it.

Likewise, to perform this analysis, the aggregated data comes from the individual annual accounts – or the consolidated accounts when the entity preparing their accounts includes the entire consolidated group and the club is its parent company – as it is considered that they more consistently reflect the financial reality being studied.

At the end of this document an explanatory glossary has been included with the essential terms and calculations that have been used.

In this Report, the term **"Association"**, or **"LaLiga"** (without italics), is used to refer to the Spanish National Professional Football League, as opposed to the term **"LaLiga"** (in italics), to refer to the sporting competition that encompasses the two divisions and a total of 42 professional teams.



## Impact of COVID-19 on the Financial Report's analysis methodology

The exceptional circumstances of the health crisis caused by COVID-19 impacted significantly on all major international professional football leagues during the concluded S 19-20, as well as the current S 20-21. Present forecasts suggest that normality will recover throughout S 21-22, as the mass vaccination process and other measures promoted by the authorities and private entities themselves become mainstream and the expected positive effects are seen.

In LaLiga's S 19-20, COVID-19 and its consequences surfaced when a large part of the National Championship League (NCL) – around two-thirds – had already elapsed, and with the summer and winter player transfer markets closed. Despite this, the health measures imposed by the governments (lockdown of the population and a drastic reduction to mobility, banning of the public from large-scale event, as well as the competition being halted from mid-March to mid-June 2020), have caused negative material effects in financial terms, which the Spanish professional competition can summarise in two large blocks:

**A. Losses caused by COVID-19** (lower revenues and/or higher expenses).

**B. Divergence of revenues and expenses between the 2019/20 accounting year** (ended 30 June 2020) and the sports season (ended in July 2020 for the NCL and in August 2020 for UEFA competitions).

In relation to the aforementioned effects and in preparing their annual accounts, some **LaLiga's** clubs (with or without a qualified opinion of their auditors) have considered it appropriate to allocate the income and expenses of extraordinary months in which the competitions were extended to the accounting year for S 19-20, while others have decided to assign them to S 20-21. This distortion caused by the different method used has even occurred among entities whose annual accounts are verified and certified by the same auditing firm.



Aware of this panorama, the Association approved an agreed procedures programme (PA-COVID) – mandatory for all professional clubs – that tries to homogenise how the financial information of its associates is processed in such a manner as to allow comparability and uniformity when performing the corresponding analysis related to S 19-20 (and that will remain in force in the current S 20-21), irrespective of the accounting allocation applied by each entity.

Based on the information provided by both the annual accounts and the PA-COVID reports, the Association proposes a three-pronged approach to financial analysis:

**1) Formal dimension:** according to the audited annual accounts of each of the 42 clubs that make up the competition (irrespective of the accounting criteria applied), with the approval of their auditors.

**2) Adjusted dimension:** Comparable or homogeneous annual accounts, after eliminating the temporary "transfer" (or "displacement") effect associated with numerous teams allocating income and expenses for the 2019/20 season in the 2020/21 accounting year, according to the accrual principle.

**3) Ex COVID dimension:** theoretical expression of the annual accounts, consisting – in addition to eliminating the previous transfer or displacement effect – of calculating the estimated income and expenses of clubs had COVID not occurred, under a uniform calculation criterion for all teams.

The Association's intent is to enable an exhaustive and truthful financial analysis, eliminating potential biases produced by the diversity of accounting processing used in preparing the annual accounts, and that allows the faithful image of its associates to be guaranteed, as well as affording greater comparability with other international benchmark competitions, which ended the season within the accounting year.

Unless expressly indicated throughout the document, this Report has been prepared based on the adjusted dimension (eliminating the displacement effect), thus referring to the full 2019/20 season, irrespective of the accounting allocation date. It is understood that this is the most consistent approach and the one that best reflects the financial evolution of the competition and providing comparability with previous seasons, as well as the proper estimation of the current season.

Notwithstanding the foregoing, reference will be made on different occasions to the financial results obtained taking the strictly the formal dimension into account (which, being the official one, is not uniform), or the ex-COVID dimension (which is essentially theoretical – unreal – but that may be interesting to show in certain explanations to facilitate understanding and improve the conclusions of the financial analysis).





€5,045 m  
TOTAL INCOME

+3.6%  
ANNUAL CHANGE  
IN TOTAL INCOME

€1,047 m  
EBITDA

-7.7%  
ANNUAL CHANGE  
IN EBITDA

29.5%  
GROSS OPERATING  
MARGIN (EBITDA)

€77 m  
NET RESULT

4.6%  
OPERATIONAL OR BUSINESS  
PROFITABILITY (ROIC)

€1,819 m  
GROSS INVESTMENT IN PLAYERS  
AND INFRASTRUCTURES (CAPEX)

1,767 m  
NET EQUITY

1.63x  
NET FINANCIAL DEBT/  
EBITDA RATIO

€14 m  
ECONOMIC VALUE ADDED  
GENERATED IN THE LAST  
SEASON (EVA)

€695 m  
CUMULATIVE ECONOMIC  
VALUE ADDED IN THE  
LAST 6 YEARS (EVA)

2,763 m  
IN GLOBAL TV  
AUDIENCES

2.1%  
OF NET TURNOVER INVESTED  
IN PROJECTS BENEFITING SO-  
CIETY (CSR & SUSTAINABILITY)





## Letter from the Chairman

Once again, I have the pleasure of presenting the Financial Report on Spanish professional football for the last completed season (2019/20), which represents the first year of the second complete cycle of the joint operations and centralised selling of the broadcasting rights system. Undoubtedly, this past year has been particularly negative for us all. The country, people and the Spanish economy have been deeply affected by the COVID-19 crisis. Nothing and no one has been able to escape its consequences and the **LaLiga** season could not have been expected either. Despite this, the end result has been much better than every forecast under these circumstances.

The main professional football competitions suffered a sudden and substantial negative impact on their accounts because of the pandemic. For **LaLiga**, the consequences in the 2019/20 season were limited thanks to it emerging when there were barely three months left in the season, and with the players transfer market (both its summer and winter windows) already closed. It is also necessary to recognise the enormous effort of clubs at an individual level and the proactive corrective actions of the Association at a group level. **LaLiga** acted decisively on numerous fronts to enable the competition to conclude, develop corrective protocols, work with broadcasting operators in an associative partnership that went beyond the usual commercial relationship with ordinary contractors, and cheer new significant sponsorships or formalise key international strategic agreements. This has made it possible to maintain growth in aggregate total income for the Spanish competition exceeding €5,000m for the first time in its history despite the slight decrease in several ordinary billings in aggregate terms (with net turnover declining by just over one percentage point). On the other hand, clubs acted in an exemplary manner, showing a high degree of responsibility and management capacity to remain sustainable in the medium and long term. The special recognition owed to the players must be highlighted here, those





## Letter from the Chairman

who kept their sporting commitment and – in many cases – took a significant financial hit in terms of salary so that their teams could better absorb the financial impact of the crisis.

Both the positive performance of revenues from broadcasts, with an increase of more than 6%, and income from player transfers – with growth close to 13%; more than €1.100m – contributed to the exceptional record in revenues. In contrast to this exceptional outcome, the headings most affected by the pandemic have evolved negatively, such as matchday, whose revenues suffered a substantial 16% decrease, both due to the matches being held behind closed doors for three months of the season as well as the more modest performance of Spanish clubs in the UEFA Champions League (UCL) in the last year. On the other hand, commercial income has remained stable with respect to the previous season in aggregate terms, which is still a very worthy record.

The challenge of matching operating expenses – of a more inflexible nature, and even more so when dealing with a situation as sudden as COVID-19 – to revenues, as well as the high level of investments undertaken by **LaLiga** this last ended season (with the highest gross CAPEX figure in history, amounting to €1,819m, shows the impressive organic progress of the competition prior to emergence of the pandemic), has had a greater impact on the other aggregated income statement items as well as other consolidated financial ratios or indexes. Despite this, and for the second consecutive year, EBITDA after player transfers surpassed €1,000m, with a substantial resilience in margins over turnover (29.5%). It is noteworthy that in S 19-20, LaLiga was the only European competition to offer positive records in all income statement figures, with an EBIT of €175m and a net result of €77.4m, which, although positive, were unfortunately far from those of previous seasons.

However, there has been a certain pressure at a cash flow con-

sumption level coming from operations, including the net investments made, which caused a notable upturn in the competition's aggregate gross financial debt – close to €3,500m –, an increase of almost €900m (+33%) compared to S 18-19. More than 60% of the debt is long term, with maturities of more than one year, which allows a good degree of flexibility in repayment effort. On the other hand, the competition has not seen its available liquidity levels depleted at this time, which in a broad sense are around €1,735m (the highest ever accumulated surplus of cash balance), to allow net financial debt to stand at only €1,700m, which is not an excessive level of indebtedness for a competition that can generate the aforementioned revenue and EBITDA figures. And much less if it is considered that the aggregate market value of players was more than €7,000m at the end of last season and that **LaLiga** showed additional tangible assets with a net book value close to €2,000m. The net financial debt ratios on net turnover and EBITDA stand at 0.97x and 1.63x respectively, the highest in recent seasons, but, in any case, at levels that are more reasonable than those of other capital-intensive industries.

Despite the moderate impact of the pandemic in financial terms on the accounts for the 2019/20 financial year, the outlook for the current 2020/21 season is not favourable. It would be impossible otherwise, as COVID-19 affected the championship in its entirety (completely held behind closed doors), in contrast to S 19-20, which was only partially affected. All this excludes the severe impairment of the macroeconomic environment and the impact occasioned to the competition's commercial revenues. The current 2020/21 season will therefore include the bulk of the pandemic's impact in financial terms, with predictably notable repercussions. Fortunately, it will be a temporary and exceptional impact, which will affect **LaLiga** in the same way as other international benchmark competitions.

However, it is assumed that the situation will normalise through-



## Letter from the Chairman

out the 2021/22 season, as the battle against the virus progresses with the mass vaccination processes underway. But it is only from the 2022/23 financial year on, that pre-pandemic business levels are expected to be surpassed. This is a contraction that is unprecedented in recent decades for professional football in particular, and the economy in general. Furthermore, the negative effects for **LaLiga** will be differentially greater than for other reference European competitions next S 20-21, due to the greater relative weight of the results associated with the monetisation of the sports value generated, derived from the divestments of players, which will particularly suffer from the sudden "freezing" of the summer and winter transfer markets. A characteristic element of Spanish competition – a source of competitive advantage and greater long-term financial profitability – will become an occasional handicap.

In short, the Spanish competition will absorb the majority of the impact of the pandemic in financial terms in the current S 20-21. The significant effects of the health crisis will demonstrate the enormous transformation and financial consolidation effort made during the last decade by all clubs individually, and by **LaLiga** as a whole, which has allowed the Spanish competition to face this scenario in the best possible condition, with its "homework done" in terms of capitalisation and credit solvency (with aggregate debt levels below the most efficient or optimal sustainable potential), and in a context of strong in-house growth (ex-pandemic) of its revenues, the visibility of its results and its underlying economic value. All the above will undoubtedly act as a counterweight to the savagery of the impact of the crisis during the current season.

On the other hand, it is well known and should not be forgotten, that COVID-19 is not the only risk, nor the biggest threat, looming over European professional football.

I am confident that we will soon be able to leave this difficult

situation that we all suffer from behind us and resume the excellent financial path that Spanish professional football was on before the crisis. For its part, **LaLiga** ratifies its intent and commitment to continue growing, and to continue being that great factory of illusions, passions and dreams of everyone and for everyone, that began more than 90 years ago. Now is the time to strengthen the bond, because together we will be able to move forward once more.

With best wishes,

**Javier Tebas Medrano**  
*Chairman of LaLiga*

April 2021



# LaLiga:

## Main events of the 2019/20 season





1

**LaLiga:**  
Summary  
of the 2019/20 season  
in figures



## LaLiga: Summary of the 2019/20 season in figures

● **Limited impact of COVID on S 19-20:** the effects of the COVID-19 crisis for **LaLiga** in financial terms in the last season have been limited, as the outbreak of the pandemic occurred after a good part of the season had already been played and with the summer and winter "windows" associated with the player transfer market closed

• This impact can be quantified in (lower revenues and results with respect to the adjusted aggregate figures):

- *Total Income* ~-€244m
- *Net Turnover* ~-€239m
- *EBITDA a/T (gross operating result)* ~-€85m
- *Net Result* ~-€74m

● **Expected impact of COVID notably higher in the current S 20-21:** negative effects derived from the pandemic are expected to be substantially greater in the current season due to the severe shock experienced in the players' transfer market (internationally) and due to the impact of COVID on the entire season (not just a part) → a situation shared with the other major professional football benchmark competitions, which should begin to normalise from S 21-22 onwards.

● **Total Income (TI) reached a record high:** The comparable TI (full season 2019/20) generated reached the historical figure of €5,045m (+3.6% vs. S 18-19) → with outstanding *Broadcasting* revenues (~35.1% of TI; +6.3% vs. S 18-19) as well as income from *Player Transfers* (~22.4% of TI; + 12.6%), which also registered historical highs, reaching €1,131m → *Matchday* was the heading most impacted by the pandemic (€152m decrease in revenues compared to the previous year; -16.0%)

● **Long-term double-digit growth of TI and revenue:** both *TI* and *Net Turnover (NT)* reported a double-digit long-term ac-

cumulated annual growth of the Spanish competition (CA-GR<sub>sy</sub> ~12%)

● **Ever more balanced competition: LaLiga SmartBank** has achieved its highest historical contribution to the group (9.3% of **LaLiga's TI**) → evidence of an ever more balanced competition and with a more equitable distribution of financial results.

● **High levels of EBITDA and resilient margins:** the *EBITDA* after transfers (gross operating result after player transfers or *EBITDA a/T*) of **LaLiga** (€1,047m) is above €1,000m for the second consecutive year, despite a drop of -7.7% on the previous season. In addition, business margins on billings continue above the historical average (*EBITDA a/T* margin of 29.5% vs. 31.5% in the previous season), with 34 of the 42 clubs (~81%) with positive figures.

● **Relevant cost containment and stable operating efficiency:** financial ratio of wages and total operating expenditure (*OPEX*) over *Total Income* was 48.5% and 69.1% respectively; healthy levels that are still below the average of recent years despite the sudden negative impact of COVID-19.

● **EBIT (operating result) and the Net Result (NR)** of the Spanish competition have been consistently positive for the last six years (time series analysed in this Report):

- 29 of the 42 LaLiga teams (~69%) posted a positive *EBIT* in S 19-20.
- 26 of the 42 LaLiga teams (~62%) made a profit (*NR*) in S 19-20.

● **Highest annual amount of gross operating investments (Gross CAPEX) in history** (€1,819m, +17.0% vs. S 18-19) that reflects the favourable financial position of the Spanish competition before COVID-19.





**LaLiga:**  
Summary  
of the 2019/20  
season in figures

● **Increase in debt levels:** *Gross financial debt (GFD)* reached €3,440m; an increase of €848m (+32.7%) due to:

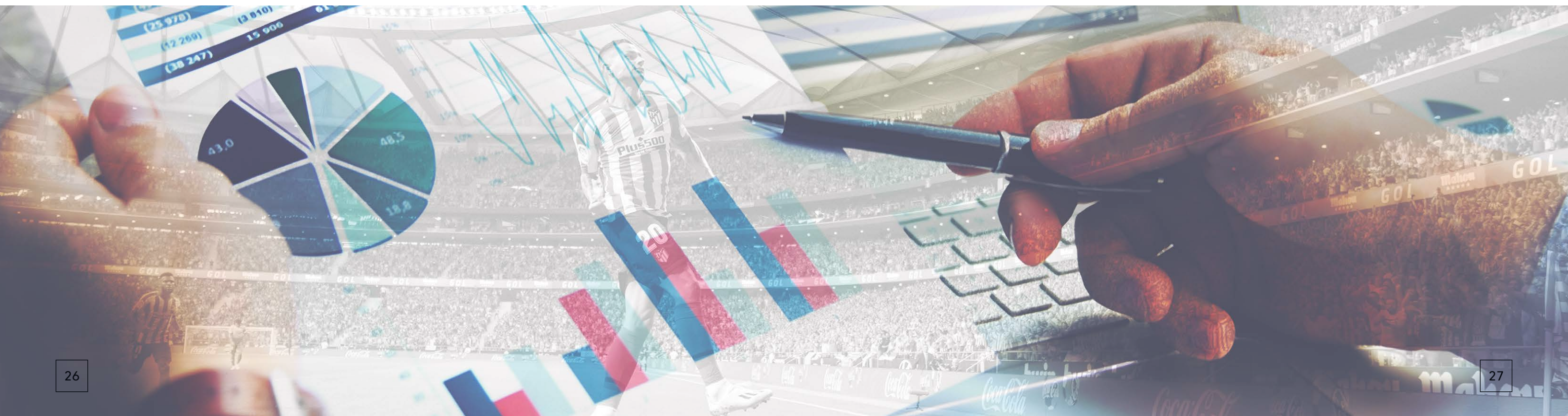
- Net investments (*Net CAPEX*) of €509m.
  - In players: €403m
  - In infrastructures: €107m
- A slight adjustment in organic operating margins (with out considering the results from transfers of players) and other effects of €339m (mainly associated with a higher net investment in operating working capital).

● **Liquidity at all-time highs → greater flexibility** to manage the future impact of COVID-19. Available / surplus cash (i.e. level of aggregate "cash and cash equivalents" heading) remain at historical maximums, reaching an accumulated amount of €789m (vs. ~€564m on average in the previous years of the series analysed).

● **Sustainable leverage ratios:** Despite the increase in indebtedness, the underlying aggregated credit ratios remain at sustainable levels: the *net financial debt (NFD) / NT* ratio stands at 0.48x with the *NFD / EBITDA a/T* ratio at 1.63x. Furthermore, the level of gross debt is significantly lower than the market value of **LaLiga's** assets.

● **High solvency and degree of capitalisation in the Spanish competition:** The *Equity Ratio* (i.e. net equity over total liabilities) stands at 23.6%, above historical levels → **LaLiga's** aggregate *Net Equity* is above its outstanding *NFD*

In short, Spanish professional football has overcome this first crisis year caused by COVID-19 in a substantially better position than other reference competitions in terms of impact on revenues (at historical highs) and results (all records with profits). However, there has been an evident effect on organic operating margins, in a context of maintaining net investments (both in fixed assets and working capital). This has led to a rise in aggregate gross debt in the season, albeit at reasonable levels, without major stresses on liquidity or financial solvency issues.





2

**LaLiga:**  
Analysis of the  
2019/20 season



## LaLiga: Analysis of the 2019/20 season

Despite the complex circumstances caused by the COVID-19 pandemic and the onset of the most sudden and abrupt global economic crisis since World War II – or even since the beginning Great Depression in the 1930s according to some sources (various records published by international organisations and multilateral institutions such as the UN, World Bank and IMF related to the annual evolution of world income) –, Spanish professional football showed a considerable degree of resilience in S 19-20. To a large extent, the satisfactory results achieved are due to the bulk of the impact from the health crisis occurring from mid-March 2020, with the S 19-20 well advanced (more than 70% of the matches played in First and Second Division A and the official UEFA competitions in the round of 16) and with the summer and winter player transfer markets already closed. Also noteworthy is the individual effort to adapt to the unfavourable circumstances carried out by the clubs at an individual level, as well as the proactive and anticipatory management by the Association on various fronts. In any case, the greatest financial effects of the health crisis will be evident during the current S 20-21 – a year that is fully impacted (with all matches behind closed doors). A gradual recovery and a return to normality is foreseeable in S 21-22, which would be fully achieved in S 22-23.

The pandemic affected the very essence of mass sporting events such as professional football – initially causing (final quarter of S 19-20) the suspension of matches for several months – together with the mobility restrictions imposed on people and even the national lockdown. The crisis almost instantaneously resulted in a significant economic slowdown and an impact on all professional football realms, from the closure of stadiums to the public to television rescheduling for the broadcast of matches, together with higher ordinary operating costs of the equipment required to meet the new needs that arose and to comply with numerous health and operational protocols (including the concentration of matches in June and July 2020 to enable the completion of the NCL and the final phases of UEFA competitions in August that year) or to the sudden stoppage of the player transfer market since summer 2020.

All in all, S 19-20 has been paradoxically acceptable for Spanish professional football from an aggregated financial point of view. It was a season that, beyond COVID-19, marked the first year of the second complete cycle of the joint operations and centralised selling of broadcasting rights system. This does not mean that **LaLiga** has emerged unscathed from such an extraordinary and unfavourable situation and, in fact, the adjustments recorded in its financial structure have been notable, and more so when compared to the figures attained in S 18-19, a year that was undoubtedly the highest level that Spanish professional football has reached in terms of economic profitability and solvency. But the national competition faces this critical scenario – no matter how severe it may be for S 20-21 (affected in full by COVID-19) – with a markedly healthy and capitalised aggregated equity position and with considerable prominence of its financial results. This will allow it to absorb and overcome difficulties in a reasonable manner, with the need to invest considerable – but not exceptional, nor overwhelming – efforts for all clubs.

The financial evolution of **LaLiga** during S 19-20 therefore deserves an appropriate and in-depth analysis.

The **Total Income ("TI")**<sup>1</sup> recorded by all clubs that compete in **LaLiga** (First Division – **LaLiga Santander** – and Second Division A – **LaLiga SmartBank**) was €5,045.3m, a 3.6% increase over the previous season (S 18-19). Looking at the longer term, in all the last six completed financial years – the time series analysed in this Report<sup>2</sup> – the average annual growth rate ("CAGR<sub>5y</sub>")<sup>3</sup> was +11.9%. This sustained growth is approximately fifteen times higher than the growth of Spain's GDP at market prices (**GDPmp**)<sup>4</sup> in the same period (considering a nominal drop in the country's GDP of more than 10% in 2020), from which it can be concluded that Spanish professional foot-

*At a financial level, COVID-19 had a relatively limited impact for LaLiga in S 19-20*




**LaLiga:**  
Analysis of  
the 2019/20 season

ball's contribution to the economy as a whole continues to expand. However, it is expected that this situation will partially reverse during S 20-21 when it is expected that Spain's GDP will rebound significantly and **LaLiga's** *TI* will temporarily witness a considerable drop, as will be detailed in the section on the outlooks for the Spanish competition in the current year.

AVERAGE ANNUAL GROWTH (CAGR) OF LALIGA DURING  
THE PERIOD 2014/15 TO 2019/20

 **LaLiga** **+11.9 %** | **GDP** **+0.8 %**

CUMULATIVE TOTAL GROWTH FOR THE PERIOD 2014/15  
TO 2019/20

 **LaLiga** **+75.7 %** | **GDP** **+3.9 %**



*Total Income continues to grow  
at a high rate in the long term*

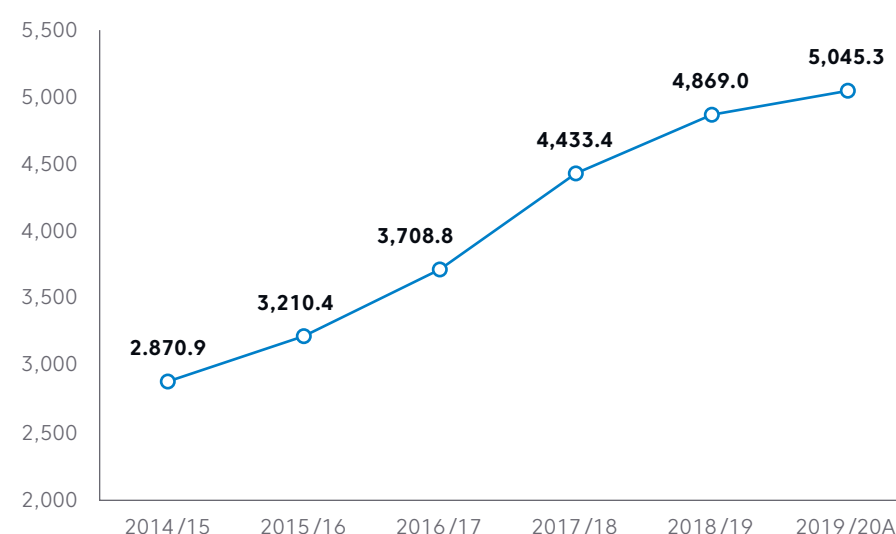


**LaLiga:**  
Analysis of  
the 2019/20 season

It is also very significant that the weighting of **LaLiga's** Second Division A as a whole is increasing, reaching 9.4% of *TI* in S 19-20, a contribution never previously achieved by **LaLiga SmartBank**. This is characteristic of a competition that is increasingly balanced and with more fairly distributed economic results, in line with the strategy outlined by **LaLiga**.

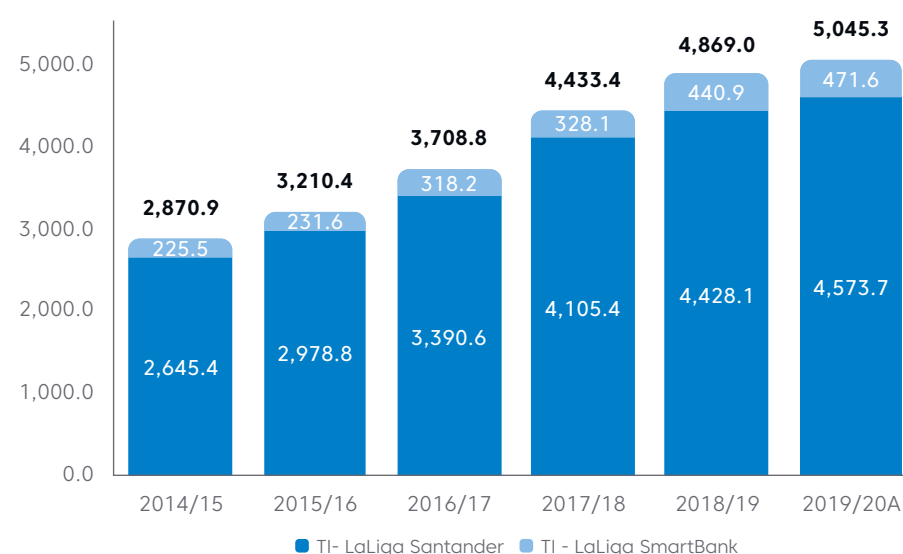
**Graph 1 | Total Income – TI (€m)**

Growth 2019/20: +3.6% CAGR5y: +11.9% Total increase 5y: +75.7% (x1.76)



**Graph 2 | Contribution of competitions to (€m)**

Contribution of divisions to TI: 90.6% **LaLiga Santander** and 9.4% **LaLiga SmartBank** (greatest weight in the series)



In the longer term, it should be noted that since S 12-13 (8 full seasons), **LaLiga's** *TI* has doubled, from €2,471.8m in that year to the record reached in S 19-20.

It is also worth highlighting – as announced at the beginning of the Report – that all figures the document refer to the S 19-20 adjusted dimension. If the calculation of *TI* were carried out using the other two dimensions of **LaLiga's** analysis as a reference (formal dimension or Financial Statements, and ex-COVID dimension), the conclusions would be:

**Table 1 | Total Income (TI) – calculation of different analysis dimensions**

LaLiga	Alternative analysis dimensions due to the pandemic		
	Formal (FS)	Adjusted (r)	ex COVID (e)
Total Income (TI)	€4,860.8m	€5,045.3m	€5,288.8m
Δ%	-0.2%	3.6%	8.6%

In this sense, a first key conclusion would be the relatively limited impact that the pandemic has had on **LaLiga** in terms of *TI* generated – at least during S 19-20.

This positive evolution has also allowed the *TI* of the Spanish competition to surpass €5,000m for the first time. This will not be reproduced in the current S 20-21, as the maximum effects of the COVID-19 crisis on **LaLiga's** *TI* will be seen, with a normal situation returning from S 21-22.

The contribution of **Net Turnover ("NT")** to **LaLiga's** *Total Income* once again showed solid performance in S 19-20, having risen to €3,553.7m (-1.2%), i.e., 70.4% of *TI* (the lowest relative weight of the series, whose annual average stood at 75.0% in previous years). In the last six years, since S 14-15, the average annual growth (CAGR<sub>5y</sub>) of the competition's *NT* stands at +11.4%, despite the slight decrease recorded in S 19-20 as a result of the health crisis. *NT* is made up of income items from the ordinary billings of the clubs – those that are more stable, recurring and predictable – specifically:

*Total Income conquers  
the €5,000m barrier*



LaLiga:  
Analysis of  
the 2019/20 season

## Broadcasting replaces Matchday as the driver of Net Turnover growth in the season

● **Broadcasting:** €1,770.4m (+6.3% /  $CAGR_{5y}$  +14.4%). Includes the TV rights of the national and international markets distributed by **LaLiga**, as well as the "market pool" revenues distributed by UEFA, in the first year of the second three-year cycle of the joint operations and centralised selling of broadcasting rights system in the national market since the approval of the RDL 5/2015. It is important to note that effective management by the Association has allowed the adjustment of gross TV rights in the season agreed with the operators due to the pandemic barely reached 5% of the planned amount, while they have been between 14% and 30% in the other UEFA benchmark competitions. In net terms (lower revenues from broadcasting received by the clubs, once the production and commercial costs incurred by the Association have been deducted from the distribution) the effective adjustment does not even reach 1%. This made it

possible for final broadcasting revenues to grow notably even compared to S 18-19. On the other hand, it should be emphasised that in only the six seasons under analysis, broadcasting revenues of Spanish professional teams have doubled;

● **Commercial:** €987.1m (+0.3% /  $CAGR_{5y}$  +12.3%). Including sponsorship, advertising and merchandising. It has consolidated worthy records – despite the market context – as a result of its long-term contractual nature (sponsorships) and the increased visibility and brand value of the Spanish professional competition (even with the general drop in advertising activity, very fluid to the economic situation);

● **Matchday:** €796.2m (-16.0% /  $CAGR_{5y}$  +5.3%). Including competitions, members, ticketing and other income distributed by UEFA other than "market pool" headings. Billings for this concept decreased, both due to the closure of the stadiums and the obligation to play around 1/3 of the season behind closed doors, as well as the modest sporting performance of Spanish clubs in the UEFA Champions League (UCL) last year.

It is noteworthy that – at the *NT* level – **LaLiga's** engines of growth continue to alternate positively over time. Four seasons ago (S 16-17), it was *Broadcasting* that drove the increase in billings with the entry into force of the first three-year cycle of collec-

tive audio-visual rights, but three seasons ago (S 17-18) it was *Commercial* and two years ago (S 18-19) *Matchday* took the lead, driven by UEFA's new revenue sharing system, which led to a very significant increase in distributions made to participating clubs. In the last completed season (S 19-20), *Broadcasting* was again the driver of growth for *NT*, which was related not only to the beginning of the second TV three-year cycle of the national market, but also with the slowdown caused by the COVID-19 in *Matchday* revenues, which were significantly affected.

It is foreseeable that in the current season, S 20-21, *Broadcasting* will once again stand out due to the impact of the pandemic throughout the year, with a marked additional adjustment on *Matchday* revenues expected. *Commercial* revenue is expected to have a more than acceptable evolution, given the effective management that clubs are carrying out on their sponsorship and advertising contracts. The push of *Broadcasting* throughout the pandemic shows the strategic importance of this *NT* item, not only because of its relative weight to the whole, but also because of its clear robustness and stability, thanks to the Association's active management of the TV rights arrangements and the increase of its added value for operators.

Taking into account the slight decrease recorded in *NT*, the aggregate growth experienced by Total Income comes from the other sources, which are traditionally key to the Spanish competition:

● **Transfers of Players<sup>5</sup>** (i.e. selling price of federative rights): €1,130.5m (+12.6% /  $CAGR_{5y}$  +17.5%), at annual highs, having widely exceeded – for the second time in a row in history – the €1,000m barrier, and

● **Other Income<sup>6</sup>** (payments of an operational and financial nature): €361.1m (+35.1% /  $CAGR_{5y}$  +4.0%), an item that, despite a certain recovery last year, has shown a clear downward trend in its contribution to **LaLiga's** total *TI*, as it is a heading of a more erratic or volatile nature (e.g. miscellaneous operating income), or sometimes mere accounting conventions (e.g. release of provisions, reversals of impairments on the value of assets, regularisation of capital grants received, etc.).



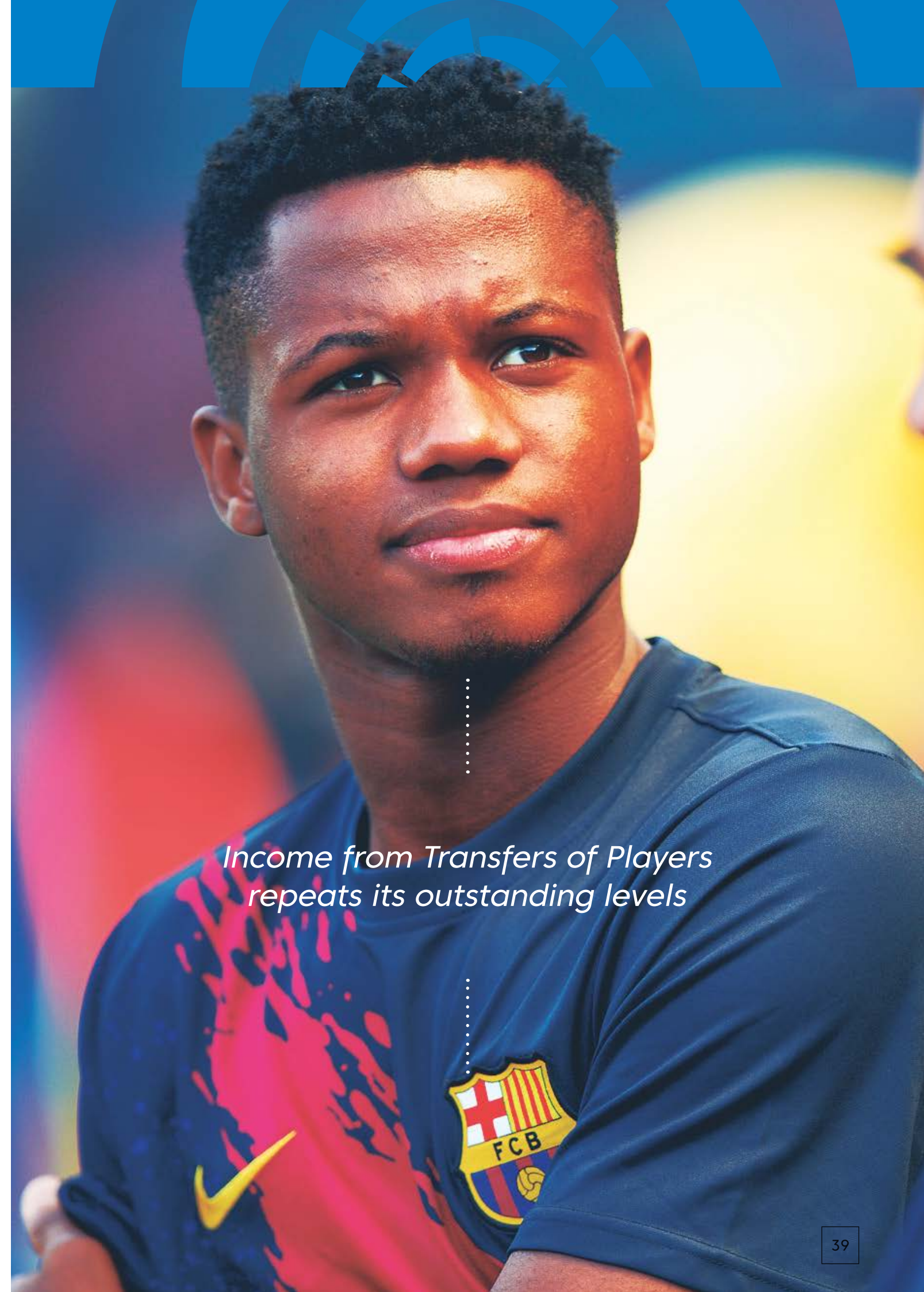
LaLiga:  
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Table 2 | Evolution of Total Income (€m)

LaLiga	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A	CAGR %	Abs.
Matchday	614.5 -	740.2 20.5%	761.3 2.9%	761.5 0.0%	948.4 24.5%	796.2 -16.0%	5.3% -	1.3x -
Broadcasting	902.6 -	1,065.4 18.0%	1,473.3 38.3%	1,568.2 6.4%	1,665.1 6.2%	1,770.4 6.3%	14.4% -	2.0x -
Commercial	553.5 -	643.9 16.3%	706.3 9.7%	932.5 32.0%	983.8 5.5%	987.1 0.3%	12.3% -	1.8x -
<b>Net Turnover (NT)</b>	<b>2,070.6</b>	<b>2,449.6</b> <b>18.3%</b>	<b>2,941.0</b> <b>20.1%</b>	<b>3,262.2</b> <b>10.9%</b>	<b>3,597.3</b> <b>10.3%</b>	<b>3,553.7</b> <b>-1.2%</b>	<b>11.4%</b> <b>-</b>	<b>1.7x</b> <b>-</b>
Player Transfers (selling price)	503.8 -	434.8 -13.7%	474.6 9.2%	938.7 97.8%	1,004.4 7.0%	1,130.5 12.6%	17.5% -	2.2x -
Other Income	296.5 -	326.0 10.0%	293.2 -10.1%	232.5 -20.7%	267.3 15.0%	361.1 35.1%	4.0% -	1.2x -
<b>Total Income (TI)</b>	<b>2,870.9</b>	<b>3,210.4</b>	<b>3,708.8</b>	<b>4,433.4</b>	<b>4,869.0</b>	<b>5,045.3</b>	<b>11.9%</b>	<b>1.76x</b>
Annual % change	-	11.8%	15.5%	19.5%	9.8%	3.6%		

The competition's income mix has posted a stable performance throughout the entire historical series. *Broadcasting* contributes the most to **LaLiga's Total Income** (just over 1/3 of the total). Other headings (*Commercial*, *Matchday* and *Player Transfers*) have a relative weight of around 20% in the last six years, although during S 19-20, the significant decrease in *Matchday* (16% of *TI*), has altered its relative weight in favour of *Player Transfers*, whose weight exceeded 22% of *TI* in S 19-20 (compared to the 17% average in the series).

In any case, it is a highly diversified income mix, which indicates the scale of financial robustness and flexibility of Spanish professional football. Not only this but, as stated above, in each of the last four completed seasons, the growth driver of revenue in the competition has been a different heading. The above is a qualitative factor of particular significance to **LaLiga**, which has various "growth engines" available that seem to alternate. As already mentioned, this year (S 20-21) it is expected that *Broadcasting* will once again take centre stage due to the additional adjustment expected for *Matchday* – as at the date of this report, it is expected that the entire season will be held behind closed doors – and on *Player Transfers*.



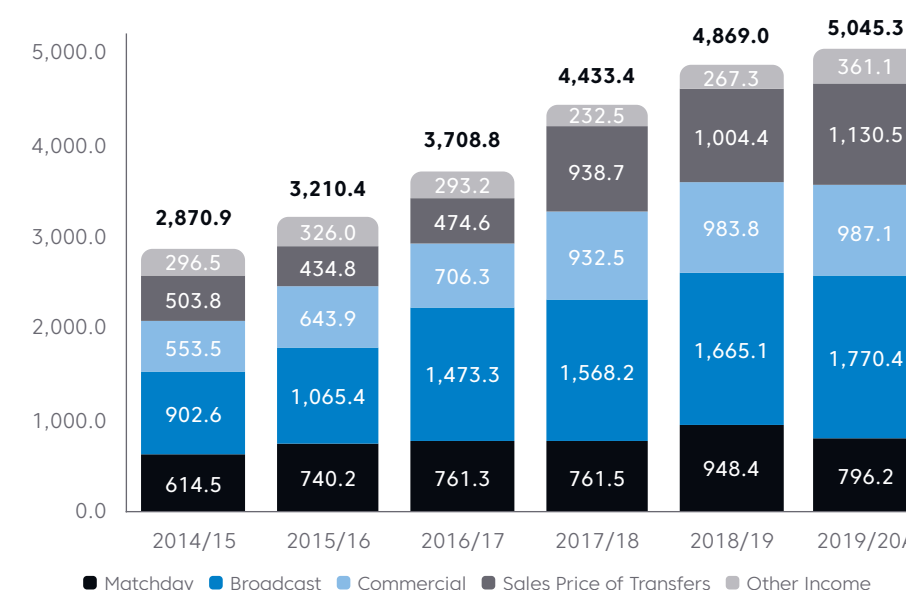
Income from Transfers of Players  
repeats its outstanding levels



**LaLiga:**  
Analysis of  
the 2019/20 season

Looking ahead, it is worth highlighting that this last source of income will be particularly hit in the current season as a result of the severe slowdown seen in the summer and winter windows of the player market in Europe (both in the middle of COVID-19), from summer 2020. The value of transfers (i.e. sales of players) is already known to have decreased by around 50% in S 20-21 in UEFA's five benchmark professional competitions compared to S 19-20 (the year with the highest activity in history, in which the COVID-19 crisis occurred with the player markets already consolidated). In this sense, the market with the greatest relative decrease will be the Spanish market (-62%), which is logical considering that **LaLiga** is traditionally the competition (among the major professional football leagues internationally) with the greatest potential in terms of creation, rotation and monetisation of sports talent in relative terms (taking into account its size). Therefore, it is also the one that has a greater weight, or dependence, on revenues from the *Transfer of Players* (i.e. sale price). This factor, which has been a growth driver, development and differential financial viability for **LaLiga** in a sustained and sustainable manner throughout recent years will paradoxically become a handicap for the Spanish competition this season. In other words, a factor that constitutes a clear example of success and competitive advantage for the Spanish competition will change in ad-hoc basis because of the exceptionally unfavourable market conditions caused by the pandemic. It should be noted, however, that this consequence will occur in terms of recorded income (*TI*) and immediate accounting results, but not so much in terms of effective financial effort. This is because of the strict regulation of the Association's Financial Control, and also to the efforts made by the teams, which will lead to matched investments in player signings (purchases) and divestments (sales), even involving a positive net balance for **LaLiga** for the first time in the series (possibly the only European benchmark competition to achieve a surplus in net investment in players in the current S 20-21), and therefore not putting additional financial pressure on **LaLiga** as a whole.

**Graph 3 | Contribution to Total Income (€m)**



**Graph 4 | Contribution to Total Income (%)**

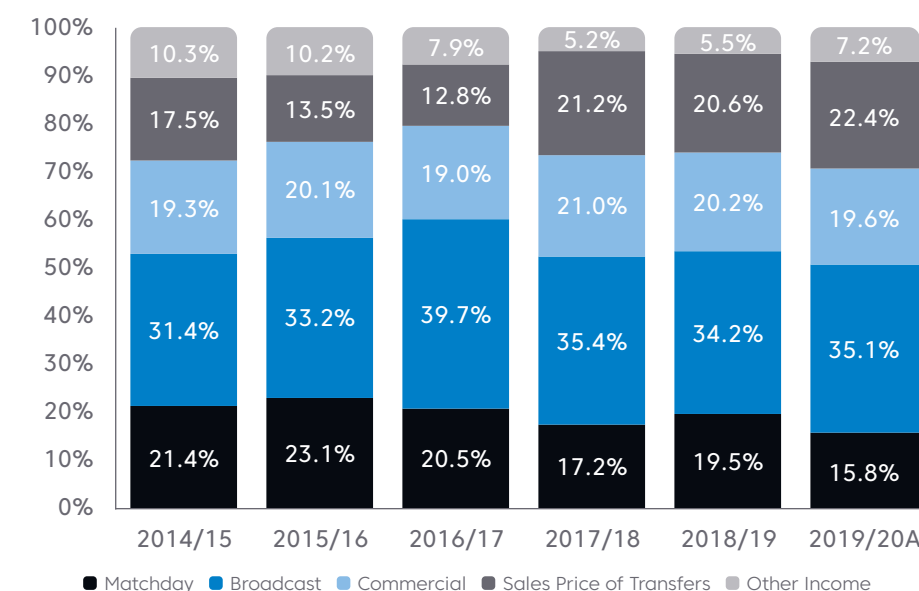




Table 3 | Income mix according to the different financial analysis dimensions (% on TI)

LaLiga	2018-19	2019/20 (alternative analysis dimensions due to the pandemic)		
		Formal (FS)	Adjusted (r)	ex COVID (e)
Broadcasting	34.2%	33.6%	35.1%	33.8%
Matchday	19.5%	15.8%	15.8%	17.5%
Commercial	20.2%	19.9%	19.6%	20.5%
Selling price of players	20.6%	23.3%	22.4%	21.4%
Other Income	5.5%	7.4%	7.2%	6.9%
<b>Total Income (TI)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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The slight growth in **LaLiga's** business volume (TI +3.6%) has also been a reasonably profitable one, even more so considering the extraordinary market conditions in which it has occurred. **The gross operating result before transfers ("EBITDA b/T")**<sup>7</sup> in S 19-20 was €254.4m (-36.5%/CAGR<sub>5y</sub> +0.0%), which represents a significantly lower value than that of S 18-19, and identical to that at the beginning of the series in S 17-18. The annual decrease is quite considerable and has been caused largely by effects associated with the pandemic, which has led to an adjustment in the competition's organic operating margins. But, if we

add the **Results from Transfers** (i.e. sale price - cost of sale of players' federative rights) to this figure, that in the last year reached a historical maximum of €792.9m (+8.1% / CAGR<sub>5y</sub> +18.4%), **total gross operating result ("EBITDA a/T")**<sup>8</sup> of the competition in S 19-20 rises to €1,047.3m (-7.7% / CAGR<sub>5y</sub> +12.0%). This is a very remarkable record for the business context in which it happened and is the second time that **LaLiga** has surpassed the €1,000m mark. It has a 29.5% margin over NT, a level substantially higher than that of other international benchmark peers and one of the highest records achieved by the Spanish competition. Undoubtedly, it can be

concluded that the favourable evolution of the player transfer markets – prior to the emergence of COVID-19 – allowed **LaLiga** in S 19-20 (with these markets closed) to more than offset the unfavourable situation caused by the pandemic.

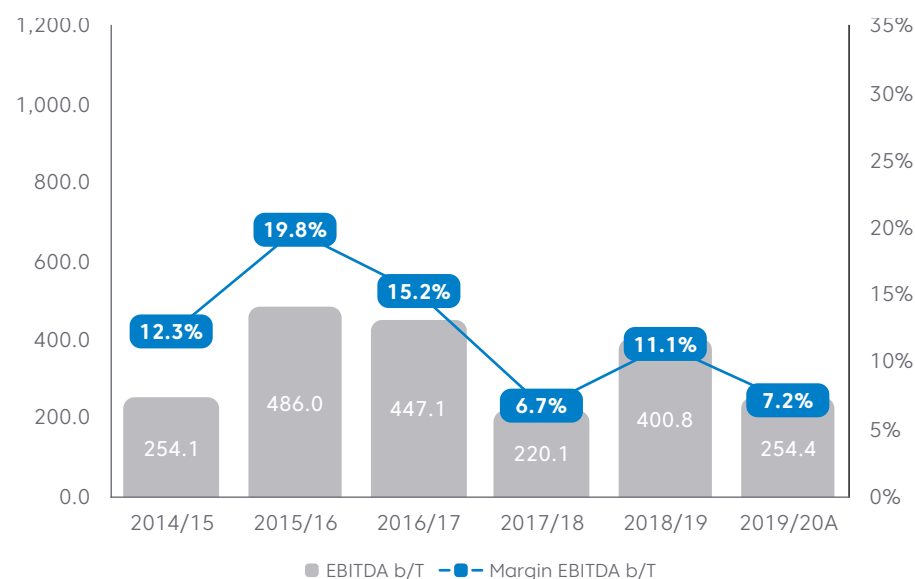
*Profitable growth  
despite the  
extraordinary  
conditions (EBITDA a/T  
at the second highest  
ever in the Spanish  
competition)*

*EBITDA before transfers  
falls back to the level  
of two seasons ago,  
but EBITDA after transfers  
is above the €1,000m barrier  
for the second  
consecutive year*

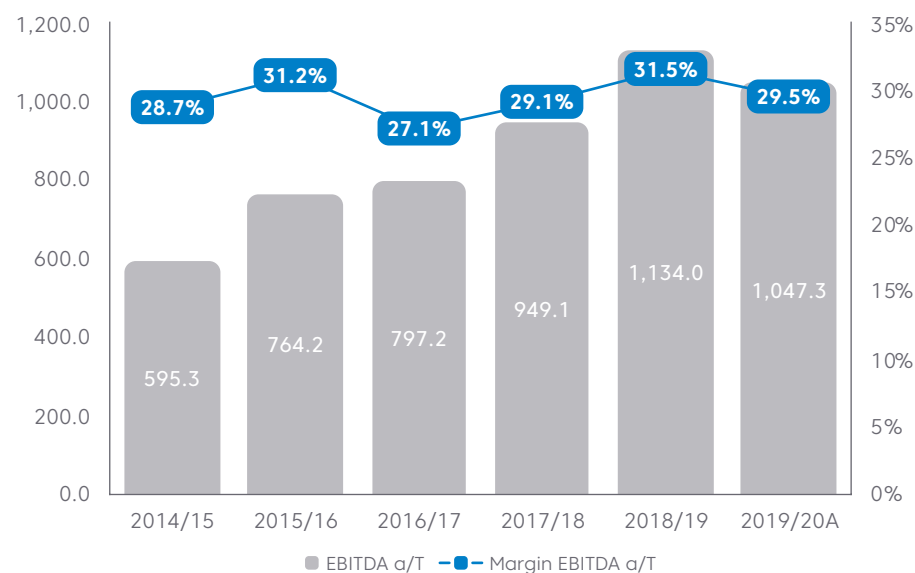


LaLiga:  
Analysis of  
the 2019/20 season

Graph 5 | EBITDA b/T (€m and margin over NT %)



Graph 6 | EBITDA a/T (€m and margin over NT %)



It is also revealing to examine what the *EBITDA b/T* and *EBITDA a/T* records would have been for S 19-20 under the different analysis dimensions:

Table 4 | EBITDA – calculation of different analysis dimensions (€m)

LaLiga	Alternative analysis dimensions due to the pandemic		
	Formal (FS)	Adjusted (r)	ex COVID (e)
EBITDA b/T	€159.1m	€254.4m	€336.5m
Δ%	-60.3%	-36.6%	-16.0%
EBITDA (EBITDA a/T)	€949.4m	€1,047.3m	€1,131.9m
Δ%	-16.3%	-7.7%	-0.2%

Excluding COVID-19, *EBITDA a/T* in S 19-20 would have been essentially the same as S 18-19, despite a certain pressure on organic operating margins (*EBITDA b/T*), which was fully compensated by the exceptional evolution of the results associated with *Player Transfers*.

The factor that allows *LaLiga's* operational efficiency to be maintained (in addition to the excellent evolution of *Results from Transfers*, which has occurred in the last two seasons), is the moderate growth of the main operating expenses items (staff – sports and non-sports wages –, supplies and other current expenses outside of accounting conventions, or "*OPEX*"). In S 19-20, this growth was the lowest of recent years (+3.4% /  $CAGR_{5y}$  +12.2%).

Therefore, even though billings (*NT*) recorded a slight contraction of -1.2%, *OPEX* grew only marginally, allowing the underlying organic margins to be preserved. In absolute terms, *OPEX* was €3.484,1m.

A large part of this favourable situation is due to the evolution of staff costs (sporting and non-sporting wages) at clubs, which makes up 70.3% of the *OPEX* and 49.3% of *Total Expenses ("TE")*<sup>10</sup> of the competition. In S 19-20, these costs underwent a balanced adaptation process to recorded revenues, posting a slightly increase (+4.3%;

*The moderated staff expenses largely explains why gross operating margins were able to withstand the onslaught of the pandemic*

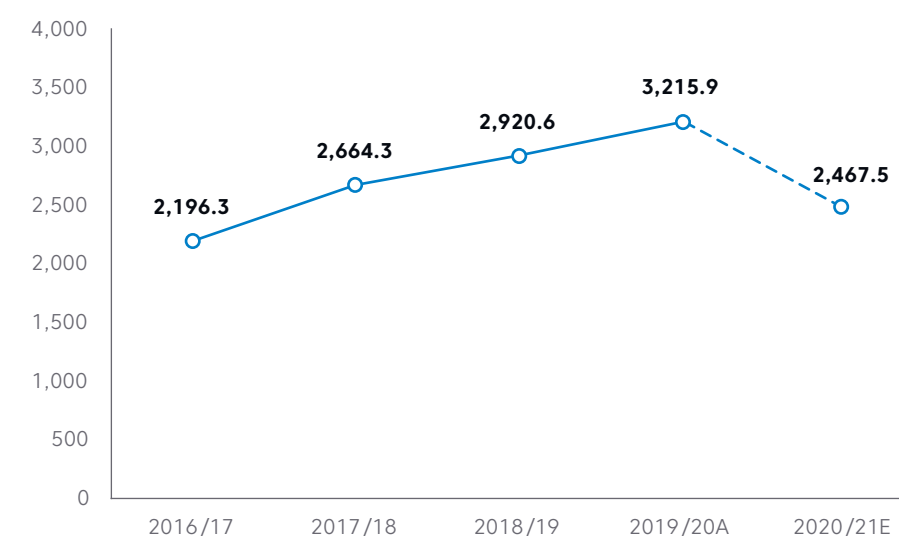


**LaLiga:**  
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the lowest variation in the series). This increases its sustainability and allows the drop in billings caused by the pandemic to be better absorbed. It is necessary to highlight the substantial effort made by the clubs and the high level of commitment shown by the players, after agreeing to temporary lay-offs (appealing to the legal figure of the "ERTE") for a part or all their sports and non-sports staff wage mass – initially in non-professional lower categories –, during the harshest phase of the health emergency. Subsequently, many of them even reached various individual or group agreements with their first teams and coaching staff to adjust or defer their salaries (both in S 19-20 and S 20-21), to adapt the efforts made in players' compensation to the club's situation. The use of these measures or tools set up by the Government did not prevent the ratio of total wage costs in **LaLiga's NT** from being at its highest level in the series in S 19-20, reaching 68.9% (3.6 percentage points more than the season before). However, this same ratio calculated on *TI* remains practically unchanged compared to S 18-19 at 48.5% (the lowest level in the series). Once again, the exceptional contribution of the income from the **Transfer of Players** to the Spanish competition in S 19-20 has been instrumental in sustaining aggregate operational efficiency. In other words, **LaLiga** is again capable of gradually adapting its operating costs to the generated revenues, including those from the divestment of players.

This is managed by applying both discretionary and exceptional measures, as well as certain automatic stabilisers that moderate the effort to the economic situation, and which are derived from its own associative regulation, such as the sports staff cost limit (SSCL) of the Association's Financial Control that will apply to the current 2020/21 season.

**Graph 7 | Sports Staff Cost Limit - SSCL (Financial Control)**

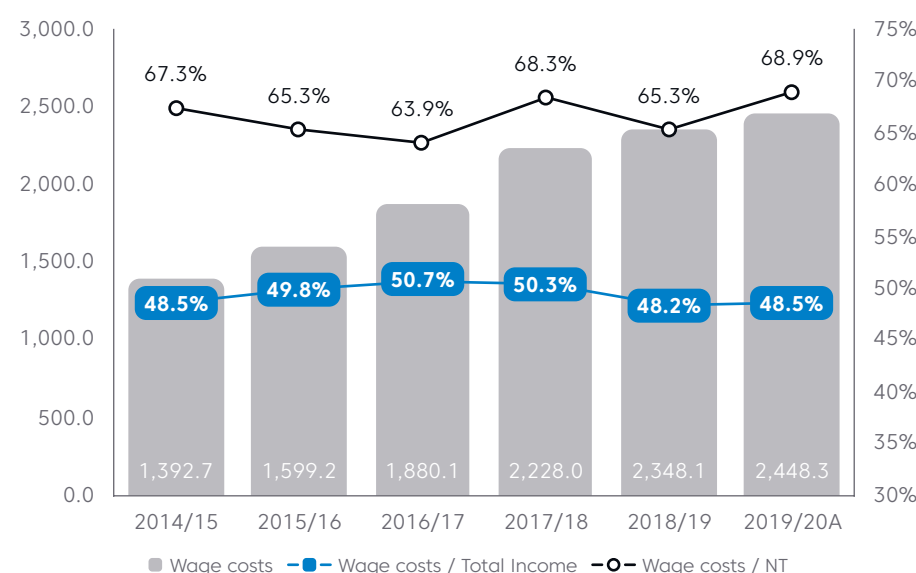




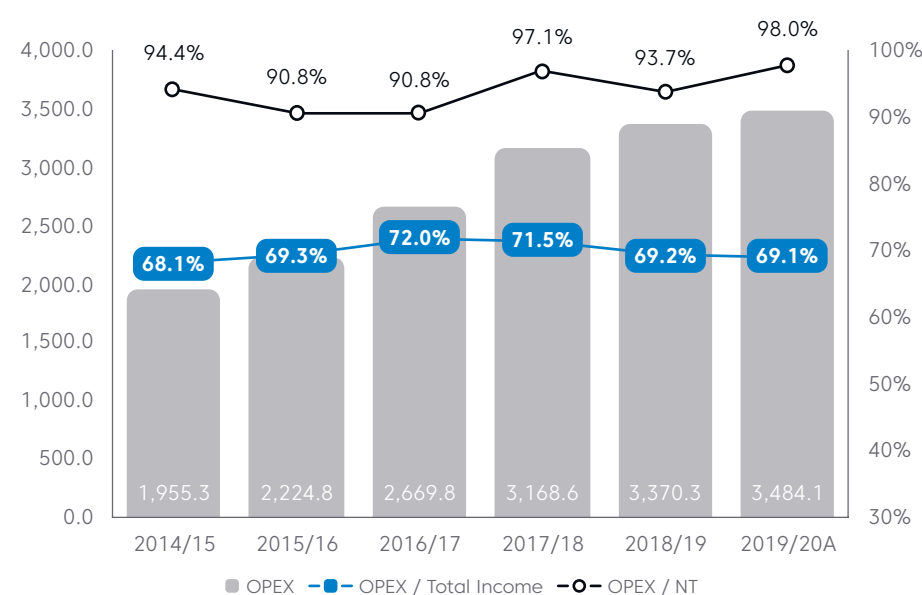
**LaLiga:**  
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Taking all these elements into account, *Total Expenses* in the year amounted to €4,967.9M (+7.0% /  $CAGR_{5y}$  +12.9%).

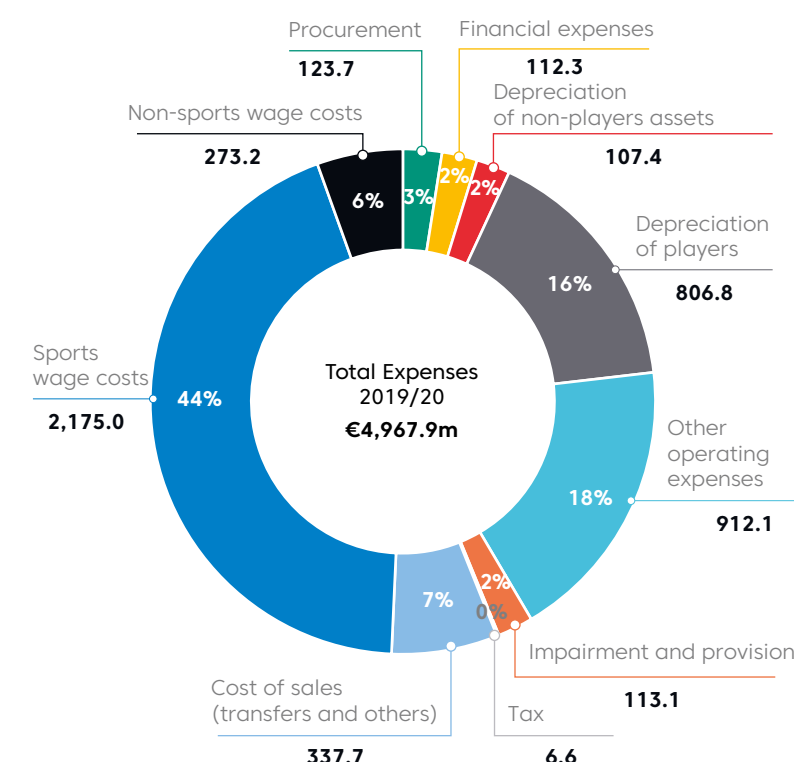
**Graph 8 | Total wage costs (€m and % of Income)**



**Graph 9 | OPEX (€m and % of Income)**



**Graph 10 | Total Expenses (€m and %)**



After *EBITDA*, the evolution of depreciation is remarkable, especially that associated with the investment in players, which is the item that grew the most in S 19-20 on **LaLiga's** aggregate income statement to €806.8m (+32.8% /  $CAGR_{5y}$  +20.7%). This sharp increase in the last year – and cumulatively throughout the series – is the result of the investment rate maintained by the Spanish competition (at least until the outbreak of the pandemic). Furthermore, depreciation on the other assets (mainly infrastructures and sporting facilities) must also be added to this item, which amount to €107.1m, getting closer to an annual aggregate level of €1,000m (vs. approximately €300m at the beginning of the series).

During S 19-20, **LaLiga's** gross investments rose to the highest historical annual level and confirmed a significantly higher than double-digit growth trend throughout the series. It should be noted that this investment intensity in Spanish football, which is passed on to the results obtained through the depreciation of fixed assets, is one of the factors that explains **LaLiga's** attractiveness and its sporting competitiveness in the long term. What is remarkable is that this effort has come without undermining the results of the clubs. In other words, it has been mark-



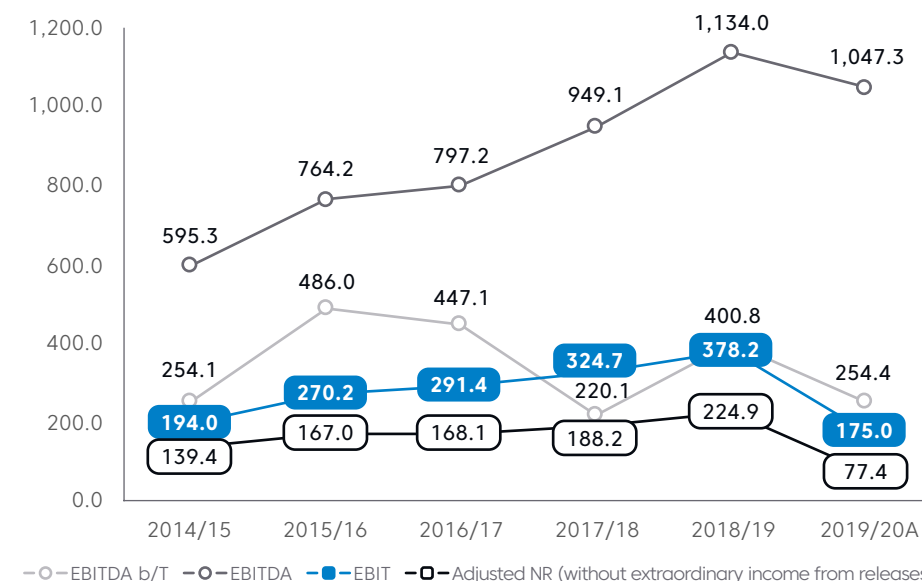
Positive EBIT  
and net result levels  
this season  
even though the marked  
intensity of Spanish  
professional football  
investment (both a cause  
and consequence  
of LaLiga's  
attractiveness and sporting  
competitiveness)  
has penalised  
both figures

edly "self-powered" growth, in which the sustained increase in turnover and the evolution of OPEX – growing in a controlled manner –, allows investment growth as well as a wider scale of Spanish professional football, without dampening the profits obtained (with a growing trend at least until the outbreak of the pandemic).

This has also meant that **LaLiga's** final profits in S 19-20, both for **operating result ("EBIT")**<sup>11</sup>, of €175.0m -53.7% / CAGR<sub>5y</sub> -2.0%), and **net result for the year ("NR")**, of €77.4m (-66.5% / CAGR<sub>5y</sub> -13.4%), have been considerably reduced, albeit remaining positive. It should be noted that **LaLiga** is the only European benchmark competition that has managed to post profits in both figures in the previous season, and also throughout the series. In fact, it is the one that suffered the least impact in terms of a contraction in results due to the pandemic. But this will undoubtedly come to an end in the current S 20-21, as we shall see in the next section.

*Results diminished  
by the pandemic,  
but still positive.  
**LaLiga** is the  
only benchmark  
competition that  
records profits under  
all headings*

Graph 11 | Results (€m)





**LaLiga:**  
Analysis of  
the 2019/20 season

Likewise, it is important to examine the outcome of the *EBIT* and *NR* based on the different analysis dimensions:

**Table 5 | EBIT and NR – calculation of different analysis dimensions (€m)**

LaLiga	Alternative analysis dimensions due to the pandemic		
	Formal (FS)	Adjusted (r)	ex COVID (e)
EBIT	€78.2m	€175.0m	€260.5m
Δ%	-79.3%	-53.7%	-31.1%
NR	(€19.5m)	€77.4m	€151.6m
Δ%	-	-65.6%	-32.6%

The table above shows that even taking the unfavourable effects of COVID-19 into account, **LaLiga** would have witnessed some organic adjustment to its profits in S 19-20, which is logical given the historically exception results in S 18-19 and the deferred impact of the accumulated investment effort accomplished throughout the last seasons. In any case, *EBIT* and *NR* would have been among the highest in the Spanish professional competition in its history, in line with the annual average of the series.

Apart from the noteworthy progression of the apparent and more visible results, it is necessary to highlight **LaLiga's** qualitative step forwards in terms of its investment rate. In S 19-20, **gross operating investments ("gross CAPEX")**<sup>12</sup> undertaken by the Spanish competition rose to a historical maximum of €1,819.4m (+17.0% /  $CAGR_{sy}$  +14.9%); 84.3% allocated to players (summer

and winter transfer markets that had already closed when the health crisis struck) and 15.7% to infrastructures (including other operating fixed assets, as well as stadiums and facilities). In the coming years, this second item is expected to increase considerably as a result of – in progress and projected – renovation and improvement works at some of the most important **LaLiga** stadiums and sporting facilities, for in-

itially estimated amounts that could exceed €1,000m. When the renovation of these facilities has been completed, Spanish professional football will have several of the largest and most modern infrastructures in the world – including those that have

been inaugurated over the last few years, which have already established themselves as international benchmarks.

**Net operating investments ("net CAPEX")**<sup>12</sup> in S 19-20 were €509.3m (-4.7% /  $CAGR_{sy}$  +10.3%), a substantial figure (the third highest ever in a year) but that was slightly lower than that of S 18-19. The decrease is due to gross divestments (€1,310.1m; +28.4% /  $CAGR_{sy}$  +17.1%) increasing last year at a significantly higher rate than gross investments.

All this again shows **LaLiga's** financial capacity and robustness, able to increase its installed operating capital stock in net terms, even when adjusting its growth rate to adapt it to the economic circumstances. This is ultimately a factor that determines the competition's long-term revenue-generation and growth potential. Therefore, it can be ensured that, in an aggregated manner, Spanish clubs continue to strengthen the fundamentals to maximise the structural potential and economic value of their business.

In net terms, throughout the series, slightly more than half of the operating investment approximately has gone to players (an asset that constantly rotates due to its nature) and slightly less than half to infrastructures (an asset that barely rotates). In the recently completed season, however, 79% went to players and 21% to infrastructures. With the emergence of the pandemic, it is foreseeable that, in S 20-21 and probably the following year (albeit to a lesser extent), it may occur that net investment in players will decrease for the first time in many years in Spanish competition, while the ongoing effort in infrastructures (despite COVID-19, more structural and largely committed to, despite COVID-19) will increase its relative contribution (although some reform actions and the implementation of new facilities have been postponed).

**Highest single-year  
gross operating  
investment  
in LaLiga's history**

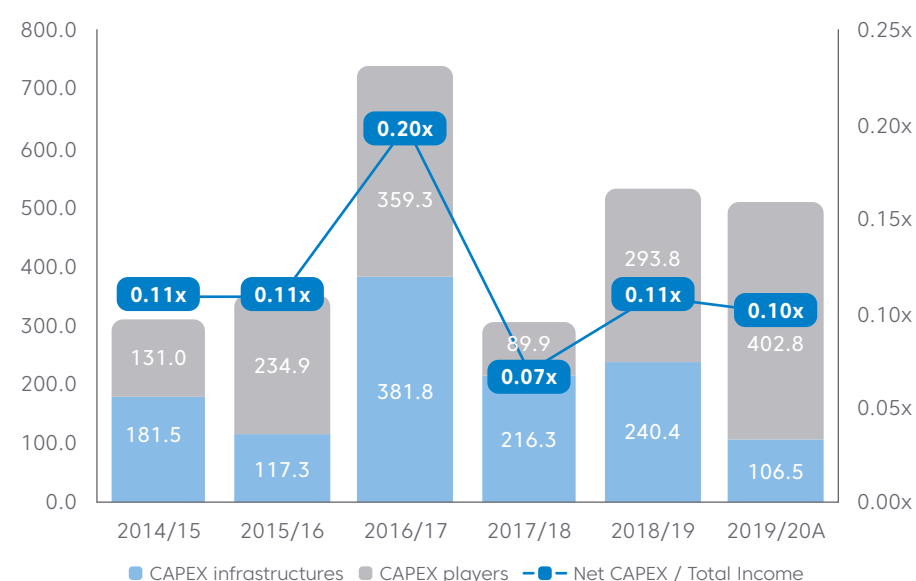


**Table 6 | Operating investments and divestments (€m)**

CAPEX	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A	CAGR %	Abs.
Gross investments, players	634.8	669.7	834.0	1,028.6	1,298.2	1,533.3	19.3%	2.4x
Gross investments, infrastructures	273.0	143.5	403.3	226.3	256.7	286.2	0.9%	1.0x
<b>Total gross investments *</b>	<b>907.8</b>	<b>813.2</b>	<b>1,237.3</b>	<b>1,254.9</b>	<b>1,554.9</b>	<b>1,819.4</b>	<b>14.9%</b>	<b>2.0x</b>
Divestments, players	(503.8)	(434.8)	(474.6)	(938.7)	(1,004.4)	(1,130.5)	17.5%	2.2x
Divestments, infrastructures	(91.5)	(26.2)	(21.5)	(9.9)	(16.3)	(179.6)	14.4%	2.0x
<b>Total divestments</b>	<b>(595.4)</b>	<b>(461.0)</b>	<b>(496.2)</b>	<b>(948.6)</b>	<b>(1,020.7)</b>	<b>(1,310.1)</b>	<b>17.1%</b>	<b>2.2x</b>
Net investment, players	131.0	234.9	359.3	89.9	293.8	402.8	25.2%	3.1x
Net investment, infrastructures	181.5	117.3	381.8	216.3	240.4	106.5	-10.1%	0.6x
<b>NET CAPEX</b>	<b>312.5</b>	<b>352.2</b>	<b>741.1</b>	<b>306.3</b>	<b>534.2</b>	<b>509.3</b>	<b>10.3%</b>	<b>1.6x</b>
Annual % change	-	12.7%	110.4%	-58.7%	74.4%	-4.7%		

(\*) The gross investment in players includes the activated renewal premiums (not classified as an intangible sporting asset, but as an anticipated expense or long-term accrual) paid by some teams on a specific basis, and whose nature in financial terms can be similar to investment in players

**Graph 12 | Net CAPEX (€m)**

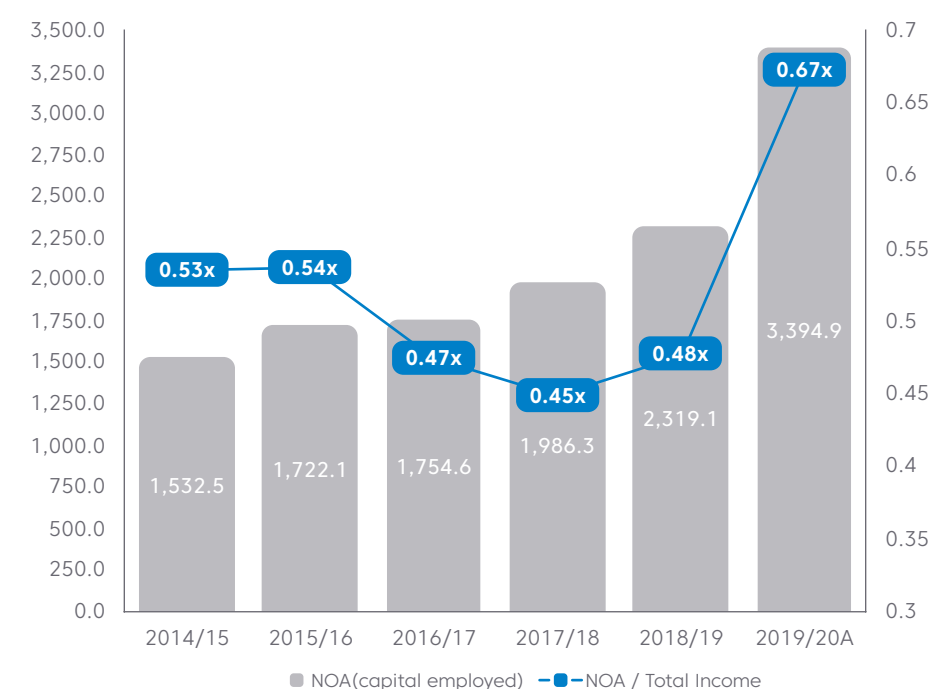


Mainly because of the notable investment effort (CAPEX) in recent years, which was maintained in S 19-20, as well as due to the evolution of **operating working capital ("WC")**<sup>13</sup>, the accumulated recorded amount of **Net Operating Assets ("NOA")**<sup>14</sup> – or **capital employed** – by the Spanish competition, stood at a historical high of €3,394.9m (+46.4% / CAGR<sub>5y</sub> +17.2%), at book

values. This is a significant level of capital employed by **LaLiga**. In relative terms it represents a multiple of 0.67x with respect to *Total Income* (0.96x of *NT*), clearly above previous years' levels. This shows that the increase in revenues (slight increase in *TI* and slight contraction of *NT*) has been well below the manifest growth of net operating investments in fixed assets and working capital. This sudden increase in installed operating capacity in relative terms should be largely considered a consequence of the exceptional market circumstances, but it is expected to continue (or even increase) during the current S 20-21 (due to the sharper fall in expected revenues – despite the slower rate of investment), while in the following seasons, as the situation normalises, the ratio will again converge towards more sustainable levels.

*Considerable increase in installed operating capacity (capital employed) during the last season*

**Graph 13 | Net operating assets – capital employed – (€m and x TI)**







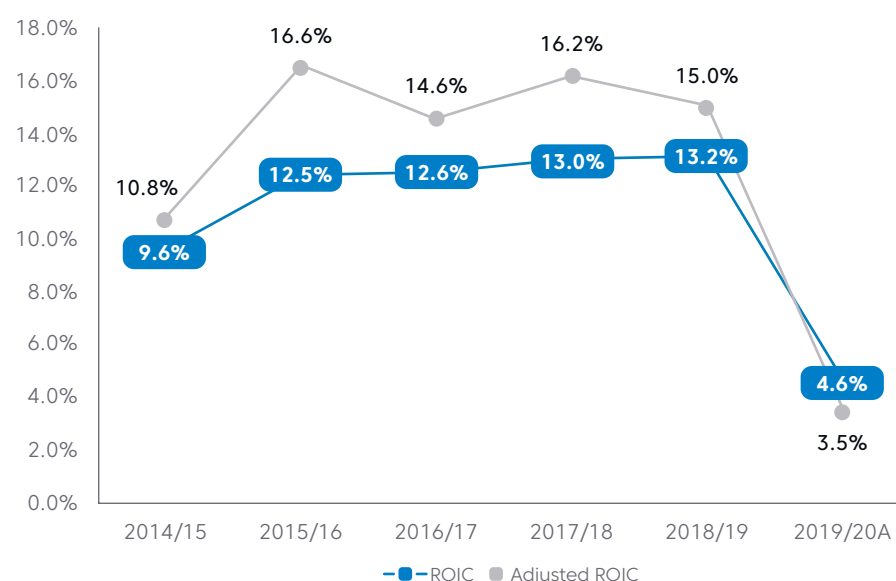


**LaLiga:**  
Analysis of  
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*Positive  
profitability index,  
albeit reduced,  
as a result  
of the health crisis*

Looking at the evolution of the *NOA* allows the **operating profitability of the activity ("ROIC")**<sup>15</sup> to be calculated in S 19-20. **LaLiga's ROIC** has been outstanding (higher than other benchmark competitions' figures) and with proven stability throughout the series, with a certain upwards trend. However, the ratio adjusted substantially in the recently completed season, due to both the contraction of the numerator or operating profit (*EBIT*), and the strong increase in the denominator or capital employed (*NOA*). The result is a considerable decrease in the efficiency of resources, or operating profitability of the business, which, nevertheless, continues to be positive. Again, it is a record within the reach of few competitions.

Graph 14 | Return on invested capital (ROIC %)



It should be noted that, with a long-term vision, in the pre-COVID-19 seasons, the strong investment rate was self-financed in an aggregated manner from the performance of the business itself. However, this aggregate situation has turned around in the last six years, when including S 19-20. The **effective net op-**

**erating cash flow before productive investments and divestments ("OCF")**<sup>26</sup> generated by **LaLiga** in the period reached €2,023.1m. A total of €1,511.8m of this amount has been invested in net terms (operational investments – divestments, or net *CAPEX*) in players and €1,243.8m in infrastructures. For that reason, the business's operational *cash flow* after net investments, or **Free Cash Flow ("FCF")**<sup>27</sup>, yields, for the first time, a clear negative aggregate net balance of -€732.5m. In S 19-20, therefore, the competition was not able to endogenously finance its own growth (as was the case until S 18-19), so it needed to resort to greater indebtedness or capital injections from shareholders of the entities. In addition, the burden of net financial expenses (€346.2m), other financial investments (€594.5m) and the increase in cash and equivalents, or immediate liquidity available from the competition (€432.6m), placed the aggregate financing need at €2,105.8m. Of this amount, €1,566.1m (73.9%) came from higher debt levels and the rest, a total of €549.8m (26.1%) came from greater contributions of own funds or *equity*. It is important to note that without the exceptional investments in infrastructure made in recent years (clubs have been equipped with modern facilities and equipment ready for upcoming decades), the activity would have continued to be comfortably self-finance, resulting in an aggregate *FCF* surplus of €511.3m in the last six years.

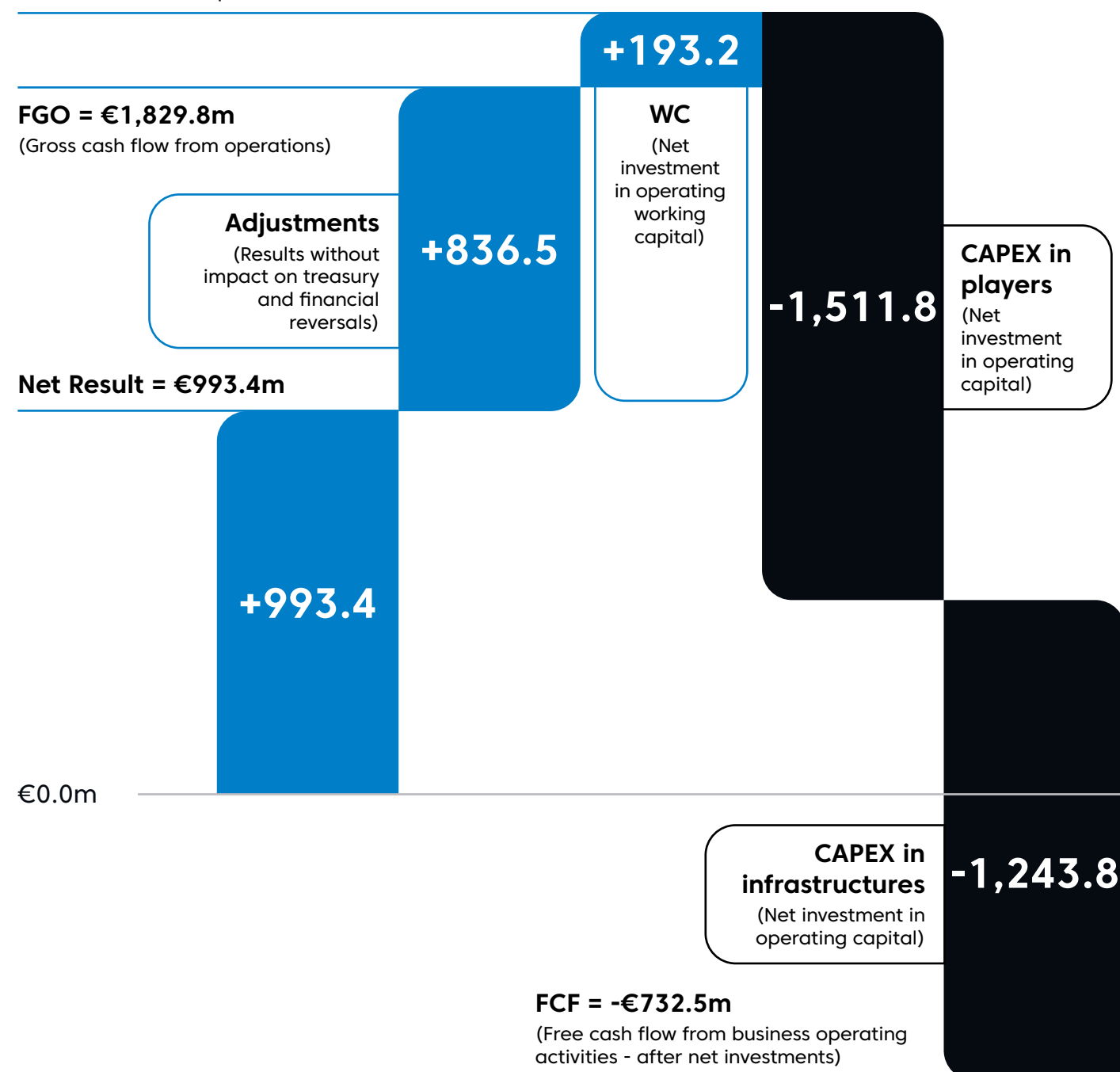
*LaLiga  
is capable  
of self-financing its  
organic growth  
in the long term*



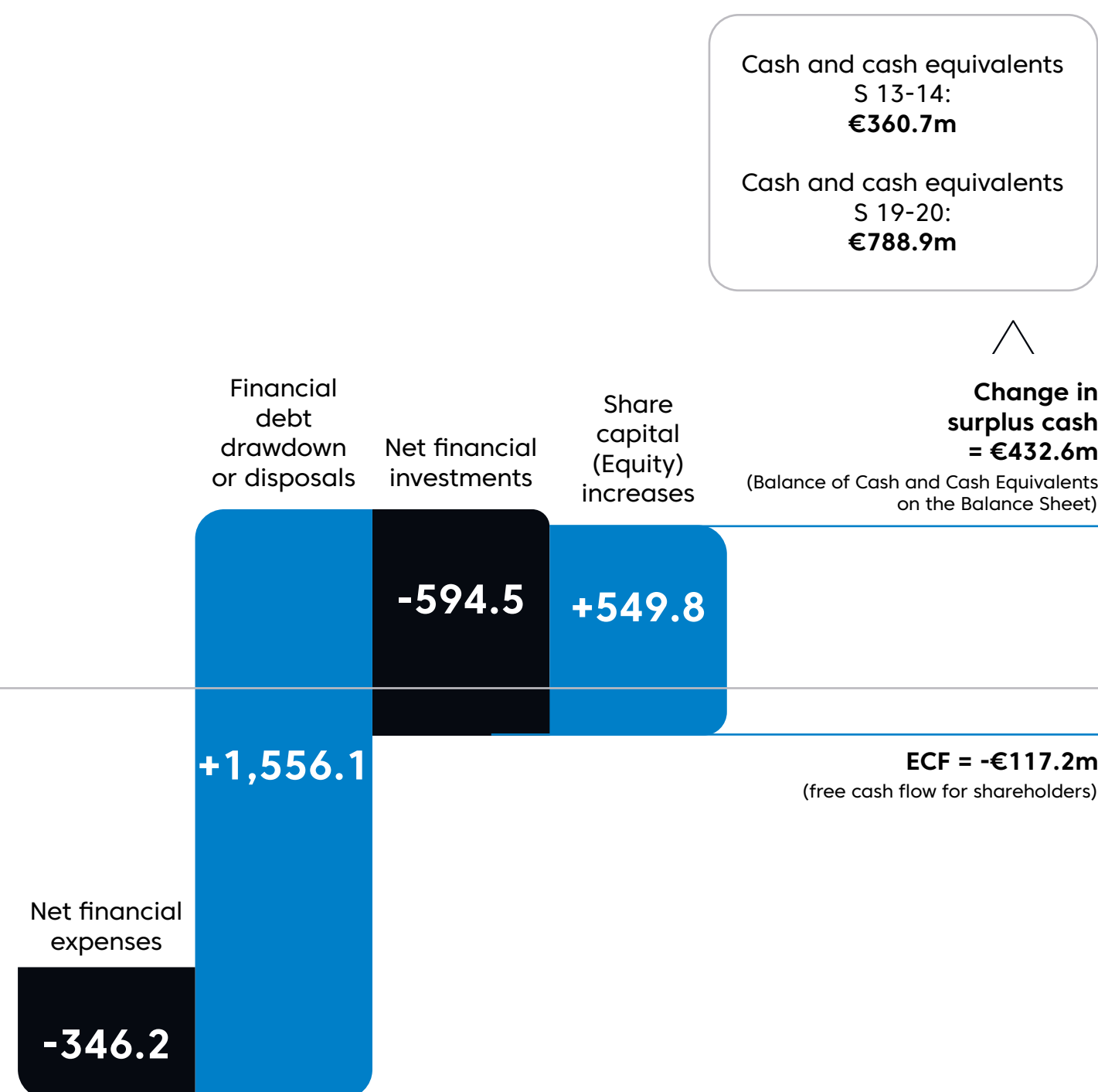
Graph 15 | Aggregated cash flow for last six seasons (€m)

**OCF = €2,023.1m**

(Net cash flow from operations)



**Financing >>**





### LaLiga: Analysis of the 2019/20 season

In any case, it is worth noting that a minority part (34.8%) of the accumulated financing needs in the series studied came from the liquidity deficit caused by operations after fulfilling net investments (*FCF* deficit of €732.5m), while the other applications are being used to meet the net financial charges (16.4%: €346.2m), financial investments (28.2%: €594.5m – a good part is financial products potentially translatable into cash), or to increase **LaLiga's** immediate available cash balance (20.5%: €432.6m). Clubs are doing this in a balanced and sustainable manner, with more than a quarter of the funding (€549.8m) coming from their own resources or equity (share capital increases and capital grants received), thus maintaining an adequate debt ratio.

**Table 7 | Financing needs and sources accumulated in the last 6 seasons (€m)**

LaLiga – last 6 season (series analysed)	€m	%
FCF (net operating cash flow after CAPEX)	(732.5)	34.8%
Net financial expenses	(346.2)	16.4%
Net financial investments	(594.5)	28.2%
Increase in cash and cash equivalents	(432.6)	20.5%
<b>Total financing needs</b>	<b>(2,105.8)</b>	<b>100.0%</b>
Increase in gross indebtedness (GFD)	1,556.1	73.9%
Increase in equity (share capital and capital grants)	549.8	26.1%
<b>Total funding</b>	<b>2,105.8</b>	<b>100.0%</b>



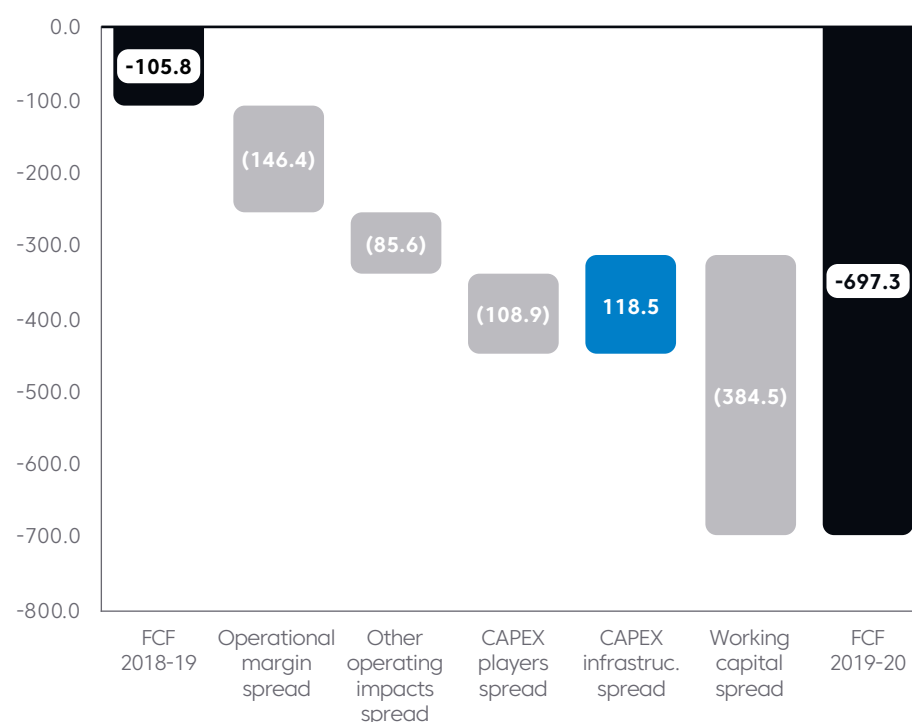


**LaLiga:**  
Analysis of  
the 2019/20 season

*In S 19-20, there was a high consumption of operating cash associated with the remarkable investment effort, and the decrease recorded in organic yield*

In S 19-20, **LaLiga's** recorded *FCF* was considerably negative at -€697.3m, compared to -€105.8m in the previous season. This evolution in the recently completed season is basically due to the significant adjustment in the competition's operating result (*EBITDA b/T*) for the reasons previously set out in this Report, of the higher net *CAPEX* in players, a very large investment in working capital (highly concentrated in some of the biggest teams; capable of absorbing greater liquidity efforts in managing their customers and suppliers) and other operating effects, which had a greater joint impact than the release of resources that has led to lower net *CAPEX* related to infrastructures.

Graph 16 | Explanation of variation in FCF between seasons (€m)



Fundamentally, as a consequence of *FCF* of -€697.3m in S 19-20 – jointly to meet the need of fulfilling net financial expenses (-€91.2m) and to execute other financial investments (-€94.2m) in the recently completed season, as well as the change in the clubs' perimeter (those relegated from Second Division A to Second Division B, and vice versa) –, **gross debt ("GFD")**<sup>16</sup> of **LaLiga** in absolute terms (gross financial debt balance) has increased €848.7m, to reach €3,439.6m. This is the highest annual increase in the series. Moreover, **net debt ("NFD")**<sup>17</sup> reached €1,704.8m, an increase of €746.2m over the previous year. Far from being worrying, this increased indebtedness demonstrates the competition's degree of solvency, which in previous seasons was already in a situation of financial leverage – in aggregated terms – and still below its most efficient level, considering the macroeconomic context and solid consolidated credit profile achieved by **LaLiga**. In fact, the net financial debt (*NFD*) ratio to *EBITDA* ("**NFD/EBITDA a/T**") of Spanish professional football is only 1.63x compared to the 0.85x of the previous season. Therefore, the considerable increase in financial leverage in absolute terms does not make for a worrying situation in terms of solvency or creditworthiness, even factoring in the pandemic, as it is supported by the organic operating margins (*EBITDA b/T*), reinforced by another outstanding year in terms of *Results from Transfers*.

Furthermore, it can be accepted that the intrinsic improvement in the competition's long-term financial fundamentals, irrespective of COVID-19 in S 19-20, is precisely the explanatory factor that allows **LaLiga** to continue increasing its investments and, therefore, the size of its Balance Sheet, including, of course, the consequent levels of indebtedness. It should be noted that the above figures include, with a positive sign (impacting on *GFD*), the amounts owed by clubs to other sports entities for the transfer of players and, with a negative sign (impacting *NFD*) the amounts owed to them for the same concept – irrespective of how each team has it formally classified – for both current debt (short-term) and non-current debt (long-term).

*The increased indebtedness of the last season is sustainable and does not substantially reduce credit ratios, which remain at comfortable levels*

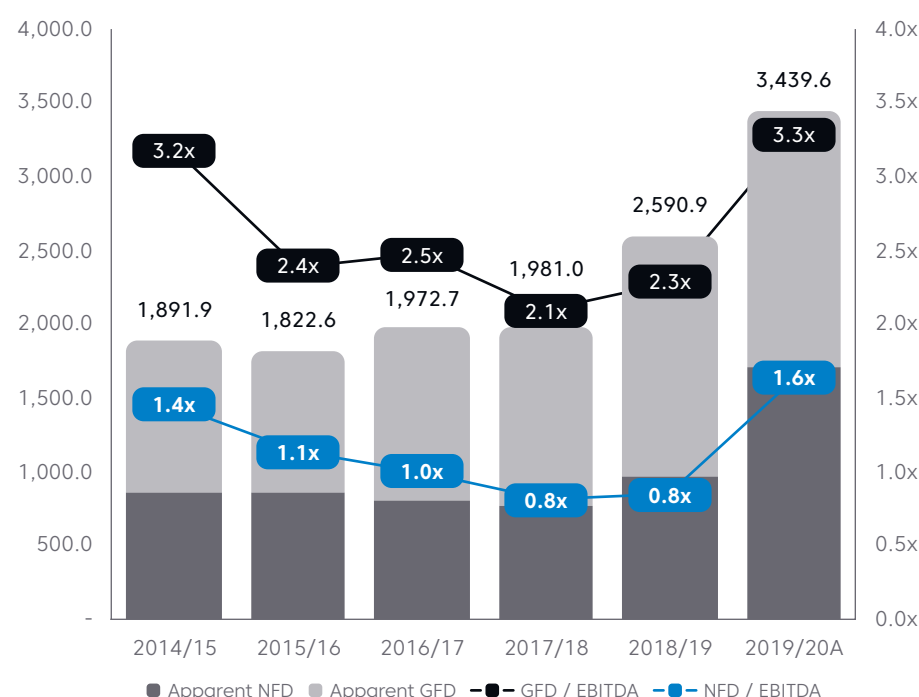


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**Table 8 | Resulting credit ratios (€m and times x)**

Financial Debt Ratios	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
<b>Gross Financial Debt (GFD)</b>	<b>1,891.9</b>	<b>1,822.6</b>	<b>1,972.7</b>	<b>1,981.0</b>	<b>2,590.9</b>	<b>3,439.6</b>
GFD / NT	0.91x	0.74x	0.67x	0.61x	0.72x	0.97x
GFD / EBITDA b/T	7.45x	3.75x	4.41x	9.00x	6.46x	13.52x
GFD / EBITDA a/T	3.18x	2.38x	2.47x	2.09x	2.28x	3.28x
<b>Net Financial Debt (NFD)</b>	<b>860.6</b>	<b>864.5</b>	<b>796.8</b>	<b>765.8</b>	<b>958.6</b>	<b>1,704.8</b>
GFD / NT	0.42x	0.35x	0.27x	0.23x	0.27x	0.48x
GFD / EBITDA b/T	3.39x	1.78x	1.78x	3.48x	2.39x	6.70x
GFD / EBITDA a/T	1.45x	1.13x	1.00x	0.81x	0.85x	1.63x

**Graph 17 | Gross and net financial debt (€m and credit ratios)**



The outstanding debt with Social Security (TGSS), the State Tax Administration Agency (AEAT) and the Provincial Tax Offices (Basque Country and Navarre), backed by various postpone-

ments and specific agreements signed in certain bankruptcy contexts over a few years, continues to decline based on the corresponding plans and stood at a residual amount of €50.8m at the end of S 19-20 (-84.5% since the start of the series, S 14-15, when it stood at €327.9m and double in S 12-13 at €658.0m), and now has an almost residual existence. These balances are included in the previous debt amounts.

It is interesting to highlight that more than 1/3 of the *GFD* balance relates to debts with other clubs due to transfers of players. Additionally, about 60% of the debt is classified as long-term, with maturities after one year. On the other hand, *LaLiga's* liquidity position – €788.9m of cash and cash equivalents at the end of S 19-20 show the largest surplus recorded in the competition and confers an adequate degree of solvency on Spanish clubs in an aggregated manner. The above, apart from other financial investments, could potentially be transformed immediately into cash, if required.

**Table 9 | Breakdown of financial debt (€m)**

Financial Debt Breakdown	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
Debt with financial entities	570.4	589.4	709.7	695.5	760.2	1,194.7
Debt with clubs for player transfers	419.2	410.8	424.8	613.7	976.5	1,300.3
Other financial debt	817.6	707.9	649.3	529.8	711.5	830.8
Debt with group companies	84.7	114.4	188.9	142.0	142.6	113.9
<b>GROSS FINANCIAL DEBT (GFD)</b>	<b>1,891.9</b>	<b>1,822.6</b>	<b>1,972.7</b>	<b>1,981.0</b>	<b>2,590.9</b>	<b>3,439.6</b>
Cash and cash equivalents	338.8	413.2	660.2	647.7	760.5	788.9
Financial assets with clubs for player transfers	388.2	380.2	341.5	363.4	633.3	685.4
Other financial assets	304.3	164.7	174.1	204.2	238.5	260.5
<b>NET FINANCIAL DEBT (NFD)</b>	<b>860.6</b>	<b>864.5</b>	<b>796.8</b>	<b>765.8</b>	<b>958.6</b>	<b>1,704.8</b>

It is also necessary to point out that, based on external international benchmarks (i.e. Transfermarkt), the market value of *LaLiga's* intangible sports assets (players or staff) at the end of S 19-20 was €7,093.6m, more than 2.1x the *GFD* balance. It could be concluded here – irrespective of how each club has structured its different financing operations and the underlying security packages – that the Spanish competition's current debt could be potentially backed (or "collateralised") in its entirety,



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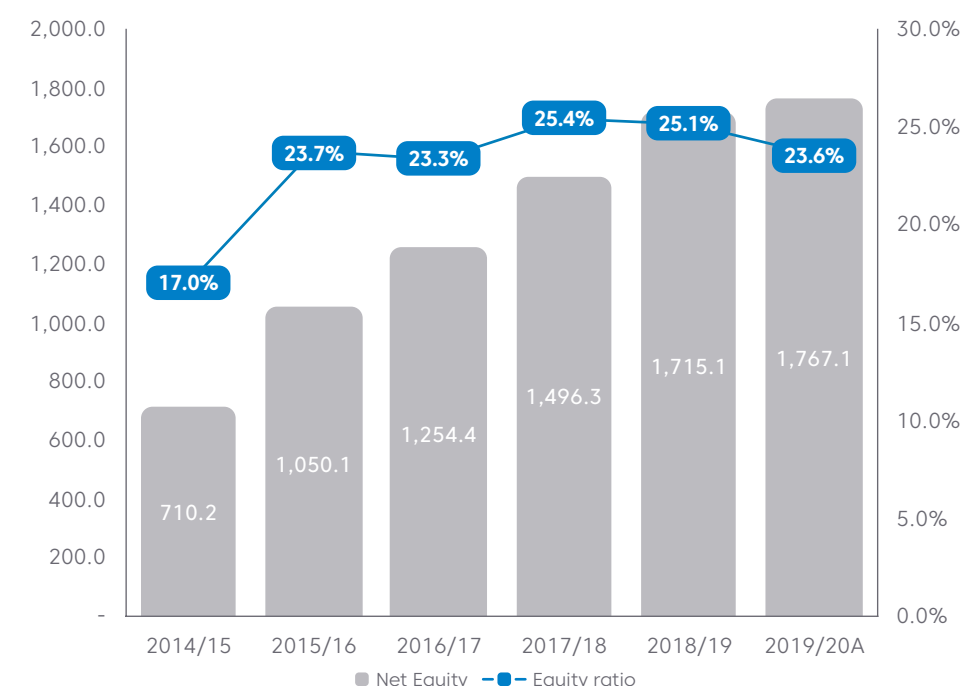
as its amount or market value is approximately twice that at the beginning of the series studied, according to the same Transfermarkt source, and the degree of indebtedness (coverage ratio) is 1/3 higher. Likewise, the net book value of tangible and property investments reached €1,914.3m, +66.2% compared to the balance six seasons ago. The advancement of both figures again expresses the strong investment process accumulated by the Spanish competition, which logically entails a direct impact in terms of higher debt.

Another way of proving **LaLiga's** strong financial solvency is by analysing its capitalisation level. In this sense, the **Net Equity** of Spanish professional football amounted to €1,767.1m in S 19-20 (+3.0% /  $CAGR_{5y}$  +20.0%), which is again a new all-time high reported by **LaLiga**, and which constitutes an absolute amount higher than the absolute **NFD** reported. Furthermore, the aggregated **Net Equity** heading over the total size of the competition's liabilities ("**Equity Ratio**")<sup>20</sup> was 23.6%, slightly lower than that recorded in the previous season (25.1%) due to the strong growth in the Balance Sheet as a whole (above the evolution of **Net Equity**), but a

*High degree  
of capitalisation  
and financial  
solvency*

relevant amount in any case. This is additional evidence that the competition's degree of indebtedness level has not increased substantially in proportional terms.

**Graph 18 | Capitalisation: Equity (€m) and Equity Ratio (%)**

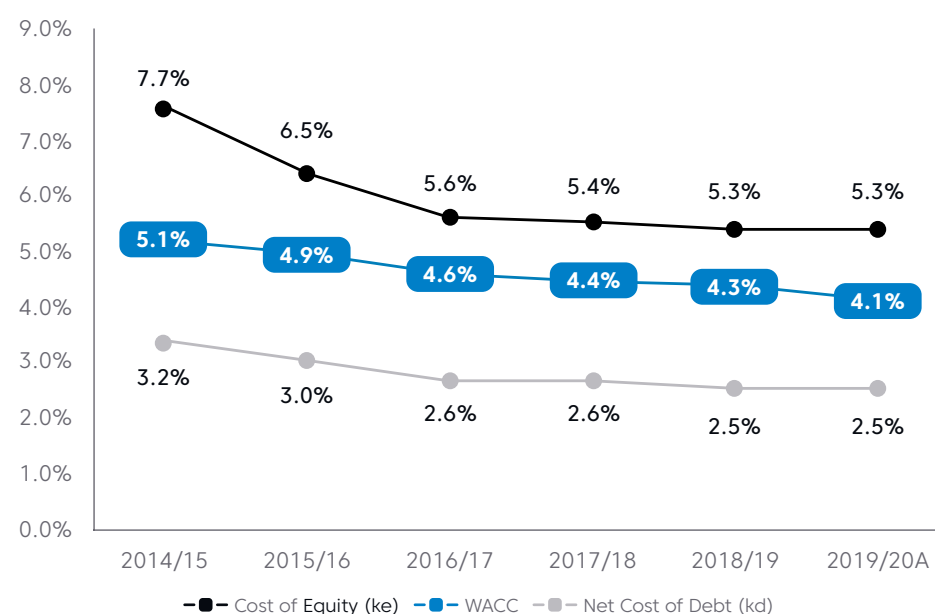




**LaLiga:**  
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The best way of confirming the continuous improvement in **LaLiga's** long-term financial profile, despite the increased indebtedness recorded in S 19-20, is by estimating its **Weighted Average Cost of Capital ("WACC")**<sup>21</sup>, that is, the average cost of the financial resources (debt and equity) that sustain the activity. The WACC has been measured using various observable market variables, as well as by using the commonly accepted methodology on the financial markets, known as the **Capital Asset Pricing Model ("CAPM")**<sup>22</sup>. The WACC of Spanish professional football in the recently completed season was around 4.2%, the lowest figure of the series. It should be emphasised that this improvement is determined not only by exceptional macroeconomic conditions, in general, and the temporary structure of market interest rates (Euribor index and risk-free rate – sovereign debt yield), in particular, but very much due to the intrinsic financial solidity of the Spanish competition, as well as the low empirical volatility observed in the performance of quoted professional football clubs on the stock markets (i.e. small Beta coefficient), which in both cases result in a decrease of the demanded risk premium (debt and equity) from **LaLiga** by investors.

Graph 19 | Weighted average cost of capital (WACC %)

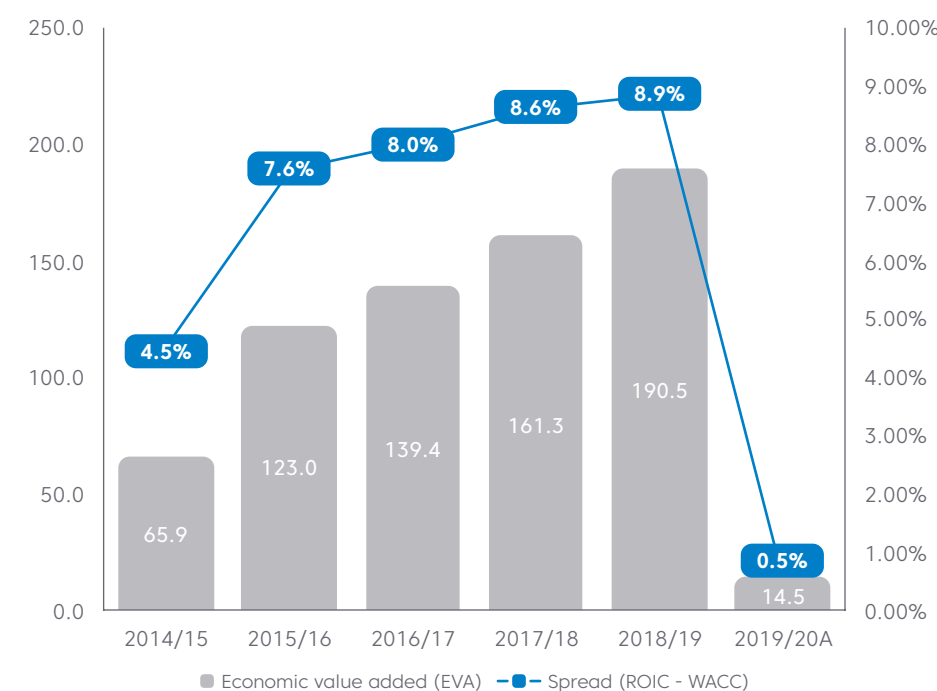


The result of the operating profitability (*ROIC*) in recent years – until S 19-20 –, comfortably above double digits and enjoying a certain stability, and a systematically declining average weighted cost of the funding sources that sustain the activity

(WACC), combined with a level of capital employed (NOA) that has grown steadily, maximises **LaLiga's** ability to generate **Economic Value Added ("EVA")**<sup>23</sup>. **LaLiga's** EVA has been positive throughout the series and grew uninterruptedly, until S 19-20. Last year, despite remaining positive, EVA underwent a significant correction to amount to €14.5m (-92.4% / CAGR<sub>5y</sub> -26.1%). This is the lowest generation of surplus economic value from the competition in the series and is a consequence of the decrease in operating profitability (*ROIC*) in the last year. However, it does allow a positive remainder of €694.6m to have accumulated in the last 6 seasons, well above other international benchmark competitions in absolute terms. And, by far, the highest in international professional football when calculated in relative terms, that is, considering the absolute turnover of **LaLiga** compared to other competitions (with considerably larger populations and price levels higher than those in Spain).

*The ability  
to generate economic  
value added remains,  
but has undergone  
a considerable  
downwards  
adjustment*

Graph 20 | Economic value added EVA (€m and spread ROIC – WACC %)





**LaLiga:**  
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Finally, it should be noted that **LaLiga's** positive financial progression does not come only from the most significant clubs in the competition in terms of absolute size of the revenues generated or the assets managed. By contrast, it is across the board, shared by most of the clubs that make up **LaLiga**, with a considerable degree of capillarity.

In conclusion, **LaLiga** is at the end of S 19-20, a year that coincides with the start of the second three-year cycle of the joint operations and centralised selling of broadcasting rights system, a vigorous competition that affords considerable efficient, profitable and solvent growth potential. This strength also translates into the ability to generate substantial economic value added on a recurring and sustainable basis. The unfavourable and extraordinary situation of the health crisis caused by the pandemic is excluded from the above, which has partially negatively affected the results of the recently completed seasons, and which will have an even greater impact on the current 2020/21 season, as will be looked at in the next section. The situation is expected to normalise from the 2021/22 season. Thanks to the efforts to clean up, grow and transform the business in recent years, Spanish professional clubs have enough creditworthiness and financial leeway to cushion the effects of an unfavourable situation.





3

**LaLiga:**  
Outlook /  
Perspectives  
for the current  
2020/21 season



## LaLiga: Outlook / Perspectives for the current 2020/21 season

With half (first round) of S 20-21 completed, the projections\* related to **LaLiga's** financial progression for the current year are logically unfavourable, due to the continuing situation of the pandemic associated with COVID-19. This situation is not unique to **LaLiga**, but is shared by all reference competitions in Europe, which will continue, in principle, throughout the NCL and which is only expected to begin to gradually normalise from S 21-22, with a total return to the pre-pandemic situation expected in S 22-23. Therefore, S 20-21 will be the only one where the effects of the health crisis affect the entire season, given that there was only a partial impact in S 19-20 – from March to June. It will therefore be the worst expected financial year of the current crisis, even though it must be emphasised that this is an unforeseen situation. An exceptional crisis in historical terms, but a temporary one and of a very different nature from other contractionary phases experienced in recent decades. The economic effects have been very severe and happened almost immediately. In the same manner, it is foreseeable that the recovery will be reasonably solid and occur quickly once the mass vaccination processes reach a high percentage of the population – expected to happen by the final third of 2021.

It is estimated that, in S 20-21, the Spanish professional competition will regress in terms of *Total Income (TI)* to levels of six seasons ago (S 15-16), at around €3,500m (vs. more than €5,000m in S 19-20). This severe downturn in *TI* of about 30%, will be the consequence of several clearly identified impacts:

First, *NT* (including other miscellaneous operating income) is expected to be around €3,000m in S 20-21 (vs. €3,553.7m in the previous year; an annual change of approximately -20%), because of:

- Adjustments to *Broadcasting* billings (~€1,650m S20-21 vs.

\* Estimates for S 20-21 has been made based on the abnormal / exceptional scenario of the season, assuming the continuity of the pandemic and health crisis associated with COVID-19 throughout the entire NCL.

€1,786.3m in S19-20; -6.8%), as a result of the severe impact on the HORECA distribution channel (public access venues such as bars and restaurants) of TV rights, which has been essentially closed off, as well as other minor adjustments in national audio-visual rights and in some international markets. In any case, it should be emphasised that, thanks to proactive management by the Association, which has actively worked with broadcasters based on a markedly collaborative approach, the global adjustments made to this key revenue stream will be substantially lower in **LaLiga** than in other upcoming benchmark competitions. It should be noted that S 20-21 is the second year of the second three-year broadcasting rights cycle in the national market (after the approval of RDL 5/2015 that led to the joint operations and centralised selling system). The tender for the next cycle is expected to be held in S 21-22. **LaLiga** has been working on various fronts to enable the national market rights for the following period to be awarded under the most favourable possible conditions of competition, leading to the optimisation of the marketed rights' value, despite the economic situation and certain pressure observed in similar agreements signed recently in other peer competitions across the European landscape.

- Decrease in *Commercial* revenues (~€900m S20-21 vs. €987.1m S19-20A; -8.8%), with the forecasted drops being more pronounced in advertising and *merchandising* headings – more elastic items and affected to a greater extent by the pandemic and the economy as a whole – than those of sponsorship, which are effectively managed by both the clubs and the Association itself, with the renewal of existing agreements or the signing of some new major ones on reasonably favourable terms.

- Drop in *Matchday* revenues (~€350m S20-21 vs. €987.1m S19-20; -56.0%), because of stadiums being closed (it is foreseeable that all matches will be played behind closed doors during the current season), and with uncertainty around the final evolution of revenues from competitions, largely linked to the performance of Spanish teams in official UEFA competitions. The amount of revenues under this heading is basically



LaLiga: Outlook /  
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that from the UEFA "Prize Money" for Spanish teams taking part in those competitions (the UEFA "Market Pool" is considered within Broadcasting).

At the same time, *LaLiga's Total Income (TI)* will suffer an additional impact due to the severe contraction in the player transfer markets that was seen in the summer and winter windows of S 20-21. Again, this is a situation shared with all other major European professional football competitions, which will cause a marked decrease in the funds obtained from player transfers, affecting both income (i.e. sale price) and results (i.e. recorded capital gains). The decrease in sales in four of the five largest UEFA national competitions (excluding Spain) will be -43.2% in S 20-21 vs. S 19-20. However, the impact in *LaLiga* is estimated somewhat higher, at -62.1%. This is a consequence of a structural characteristic of the Spanish competition in relation to its peers, such as the fact that results from the creation and rotation/monetisation of sporting value are usually markedly higher in *LaLiga* compared to other competitions. They are fundamentally so in relative terms (i.e. contribution considering the size or scale of each league) on a recurring basis over the years. This condition, which has undeniably represented a competitive advantage for the Spanish competition throughout the previous expansionary cycle (including all seasons of the series studied in this Report), uniquely boosting its growth, profitability and solvency, will paradoxically become a handicap in S 20-21. The negative impact in terms of revenues and results from transfers of players will have a comparatively more unfavourable impact on *LaLiga* than on other major European competitions in S 20-21. However, it is a one-off situation, due to the exceptional conditions that occurred and the high elasticity of the transfer markets to the economic context. It should be emphasised, however, that this consequence will occur in terms of total income (TI) and immediate results, but not so much in terms of effective financial effort. This is because of the strict regulation of the Association's Financial Control, and the efforts made by the teams, which will lead to matched investments in player signings (purchases) and divestments (sales), even involving a positive net balance for the Spanish competition for the first time in the series (possibly the only European league with a surplus in net investment in players in the current 2020/21 season).

It is expected that the situation will begin to quickly normalise from S 21-22, with the tractor effect recovering and a favourable boost for the Spanish competition.



# LaLiga: Outlook / Perspectives for the current 2020/21 season

Because of the marked decrease in revenues, **LaLiga's** results will be considerably diminished in S 20-21, with figures that have not been seen for many years. Again, it is a situation widely shared by the other peer competitions.

**LaLiga's EBITDA b/T** is expected to be negative, at close to -€200m, widening the gap with the previous season, in which the impact of the pandemic (€254.4m) had already appeared, and far from the highest levels reached in S 18-19 (€400.8m). Moreover, throughout all the years of the series, the Spanish professional competition's **EBITDA b/T** had been making gains, a fundamental element that explains a large part of the recovered financial solvency, profitability and increase in **LaLiga's** economic value in the last seven seasons.

Apart from the above, **EBITDA b/T** includes an effect that cannot be ignored; the fact that **LaLiga's** operating expenditure (**OPEX**) will be €250-300m lower than the previous season. It will also be the first time in many years that this figure posts a drop in absolute terms and will affect all expenditure items: supplies, personnel expenses – sporting and non-sporting wages – and other operating costs. The above is a symptom of the remarkable effort made by the clubs in adjusting, or matching, their operating costs to the business situation and the sudden drop in revenues. The **OPEX** adjustments include key individual and group agreements and/or salary restructuring of numerous teams with their sports staff. As is logical, however, the adjustment to the cost structure will be insufficient to counteract the evident decrease in billings, resulting in a one-off **EBITDA b/T** deficit in S 20-21.

However, if the results (capital gains) that are expected to be obtained from the transfer of players are added to **EBITDA b/T** (which will be generated, although at a lower rate: ~€350m S 20-21 vs. €792.9m from S 19-20, which is -56.1%), the gross operating result after transfers (**EBITDA a/T**) will once again return to profit, with a forecasted figure of ~€150m (-85.7% vs. S 19-20).

After **EBITDA b/T**, depreciation will remain relatively stable – growing less than in previous seasons –, partly due to the investment in infrastructures and renewal of facilities, especially in some clubs, which cannot be stopped despite the situation caused by the pandemic (in some cases the situation has been used to speed up the actions underway).

Apart from other accounting impacts, all this will drive **LaLiga's** net operating result (**EBIT**) into negative territory for the first time in many seasons: ~-€800m S 20-21 vs. €175.0m from S 19-20, or €378.2m from S 18-19 (pre COVID-19).

Finally, considering the financial results (in a context of rising indebtedness, as previously studied in this document and that is expected to continue in the current season), **LaLiga's** result before tax (**RBT**) will be losses slightly above -€900m. This is an unprecedented situation, which had not been reported in the Spanish professional competition for at least a decade – profits, with a growing trend, have been reported year by year. In addition, it contrasts with the results obtained in the first year of the pandemic (S 19-20), in which **LaLiga** was the only major European benchmark competition to post a net profit (**NR**).



## LaLiga: Outlook / Perspectives for the current 2020/21 season

**Table 10 | Expected results for the current S 20-21 (€m)**

LaLiga	Outlook / Guidance		
	S 18-19 (pre COVID)	S 19-20 (COVID*)	S 20-21 (e) (COVID)
Total Income (TI)	4,869.00	<b>5,043.30</b>	~3,500.0
Net Turnover (NT)	3,597.30	<b>3,553.70</b>	~2,900.0
EBITDA b/T	400.8	<b>254.4</b>	~(200.0)
EBITDA a/T	1,134.00	<b>1,047.30</b>	~150.0
EBIT	378.2	<b>175.0</b>	~(800.0)
RBT	309.1	<b>83.9</b>	~(900.0)
Net Result (NR)	224.9	<b>77.4</b>	~(790.0)

\* S 19-20 was only partially affected by COVID-19 (from March to June), while S 20-21 will be affected by the pandemic in full.

On the other hand, in terms of investment (CAPEX), with the summer and winter markets for player transfers in 2020/21 closed, **LaLiga** will record a surplus between sales and purchases of players for the first time in the series. In fact, it will be the only UEFA benchmark competition to have achieved this. This implies that the net investment in players, which was €402.8m in S 19-20 – and which had amounted to an average annual surplus in the time series of €252.0m – will not require an additional financial effort for the first time in the series, contributing to easing pressure on financial resources.

Furthermore, considering the beginning and/or progress in the modernisation and improvement actions of some of **LaLiga's** key stadiums and sporting facilities – with investments well above €1,000m this current season and for the next three/four years (the largest renovation of facilities in the history of the competition) – the evolution of net CAPEX in infrastructures is forecasted at ~€400m in S 20-21. The net investment effort will shift from players to other operating assets. This investment in facilities, committed before COVID-19, adds pressure on Spanish clubs, but will largely establish the basis for competitiveness and the attractiveness of the competition in upcoming decades.

At the same time, some release of resources (divestment) from operating working capital (WC) is foreseeable, amounting to ~€10m-€50m in S 20-21, compared to the net investment of -€351.1m in S 19-20

Nevertheless, it can be expected LaLiga's net cash flow con-

sumption of the activity, or *Free Cash Flow* ("FCF")<sup>27</sup> in S 20-21 will be moderately lower (~€550m) than that of S 19-20 (-€697.3m). This can be considered very commendable, given that, being a substantially worse season in financial terms, mainly due to the drastic contraction of revenues, the operating cash flow that Spanish professional football would "burn" would be even lower than in the previous season, not leading to an added pressure on the competition's financing needs.

Even so, a significant increase in debt in absolute terms is foreseeable at the end of S 20-21 (at around €3,750m-€3,950m of GFD), vs. the €3,439.6m at the end of S 19-20. This means significantly lower growth in gross financial debt balances in the current season (+€350m-€450m) than in S 19-20 (+€848.7m). Clubs will use of their accumulated surplus liquidity, reducing the balances of cash and cash equivalents on an aggregate basis. The *GFD/EBITDA* and *NFD/EBITDA* credit ratios of the Spanish competition will degrade significantly, but it will be a one-off effect associated with the base effect, or denominator, due to the sharp drop in *EBITDA* (before and after transfers) in the current season. The indexes will gradually return to normal in the coming seasons once the pandemic is over, in which, on one hand, the pressure on indebtedness levels will be less (due to the lower net investment in players and the recovery of revenues) and *EBITDA* will gradually recover to pre-crisis levels organically. It is also expected that there will be a displacement effect of the amount of *GFD*: increased debts with credit institutions and other financial debts, to the detriment of debts held with other clubs and sports entities due to transfers of players (investments that will undergo a considerable setback).

In any case, S 20-21 will report the highest leverage ratios in many years, although they occur in a business context markedly different from then, with a competition (in the absence of the unfavourable one-off effects of COVID-19) that is bigger, better capitalised, financially much more solvent and capable of generating economic profitability and creating added value in a systematic manner. It must be stated that a large part of the debt that is being employed to undertake these extraordinary investments in infrastructures (which logically cannot be – nor should be – self-financed with the resources generated by the clubs' ordinary operations) has a very long maturity (up to 30 years), underwritten on very advantageous cost conditions and under a "Project Finance" modality (non-recourse or limited recourse debt and not entailing substantial limitations on the ordinary management of the clubs). The above is irrespective



of the aforementioned formal indebtedness from the financial accounts of the affected clubs. Be that as it may, the Association considers any aggregate and structural level of *NFD/EBIT-DA* (excluding COVID-19) that does not exceed 3.0x-3.5x to be a fair and efficient leveraging level for the activity, taking into account the current growth experienced and the favourable situation of the financial markets (without considering any long-term structured financing for the purposes of this calculation and only the outstanding corporate debt under different modalities taken out in traditional terms). Finally, it should not be overlooked that, once these infrastructure actions are completed, some clubs will have renewed assets. Thus, **LaLiga** will have some of the best and largest stadiums in the world, specifically designed to maximise their ability to generate income and obtain operating profitability, with which a rapid and natural dilution of debt is to be expected, with the consequent re-establishment of substantially lower credit ratio levels.

In short, **LaLiga** faces this scenario of greater indebtedness, driven by the pandemic and exacerbated by the plans to renovate some of its most significant infrastructure, in optimal conditions, with its "homework" done in financial terms (with debt levels below the most efficient maximum potential), in a context of strong endogenous growth (ex COVID-19) in its turnover and visibility in its results. In this way, it can doubtless be concluded that, in consideration of the one-off situation caused by the pandemic, the moment chosen is the most appropriate to undertake these significant extraordinary investments.

On the other hand, and apart from the possible capital increases that could occur within some clubs to shore up their balance sheet in the face of negative net results caused by COVID-19 or certain specific liquidity stresses, the competition's *Net Equity* in S 20-21 will be close to €1,000m, a level significantly lower than the figure posted in S 19-20 (€1,715.1m), as a consequence of the net losses for the year. *Equity Ratio* levels will therefore fall significantly, from the highs of 25.5% in S 18-19 to an estimated 13-16%. Undoubtedly, the health crisis will have caused a substantial loss of assets in the Spanish competition, but this is expected to be temporary and reabsorbed relatively quickly in the following 2-3 seasons.



LaLiga: Outlook / Perspectives for the current 2020/21 season

Table 11   Other financial figures expected for S 20-21 (€m)			
LaLiga	Outlook / Guidance		
	S 18-19 (pre COVID)	S 19-20 (COVID*)	S 20-21 (e) (COVID)
FCF	-105.8	-697.3	~-550
GFD	2,509.9	3,439.6	~3,750-3,950
GFD/EBITDA α/T	2.3x	3.3x	>25.0x
NFD	958.6	1704.8	~2,400-2,600
NFD/EBITDA α/T	0.8X	1.6x	>15.0x
Net Equity	1,496.3	1,715.1	~900-1,000
Equity Ratio	25.5%	25.1%	13-16%

\* S 19-20 was only partially affected by COVID-19 (from March to June), while S 20-21 will be fully affected by the pandemic.

Finally, it should be noted that **LaLiga** will not be able to generate positive economic added value (EVA) in S 20-21 for the first time in many years. It will be the first season with a deficit in this sense, although the accumulated EVA has been the highest among the benchmark professional football competitions throughout the series, despite not being the largest in absolute terms (among other reasons due to Spain's population size, its income per capita and the substantially lower price level of the economy vs. that of peer countries hosting comparable professional football competitions).



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**LaLiga:**  
Summary of FS  
and club profiles  
in the 2019/20 season



## LaLiga: Summary of FS and club profiles in the 2019/20 season

### Summary Financial Statements

The consolidated financial statements (FS) of **LaLiga** constitute the best picture of the economic-financial analysis carried out on the competition under the previous heading. **LaLiga's** FS are comprised of:

- **Income Statement (P&L)**; income and expenditure for each period in accordance with current accounting regulations. It is presented in a format, or lay-out, in "waterfall" mode that helps financial analysis. Likewise, it has been decided to reformulate some figures, with respect to the formal versions, to improve such assessment – and in a similar way to how other leading competitions in Europe do it. This is the case, for example, with the results from transfers, which are broken down – that is, on the one hand, as a credit, the sale price, and on the other, as a charge, the cost of sale (i.e. a drop in net book value) – without altering the intermediate balances or the final results. Some interim balances of non-formal results (that do not appear in the Spanish General Accounting Plan – GAP) are also presented, such as *EBITDA b/T* or *EBITDA a/T*, according to the **LaLiga** definition that appears in the glossary at the end of this Report.

- **Balance Sheet**; cumulative balances of assets and liabilities at the end of each period. They are ordered by the aggregation of assets, considering their nature (operational vs. financial) and the maturity (short- vs. long-term).

- **Cash Flow**; statement of cash flows for each period, restated according to the nature and conceptual order of priority of each heading, in accordance with the methodology developed by the Association, to facilitate financial analysis and improve the identification of the concepts examined. All this is done without altering the change in effective cash flow variation recorded in the periods with respect to the reality, and that results in the same "Cash and Cash Equivalents" balance that appears on the consolidated Balance Sheets and the *Cash Flow Statements (CFS)* of each grouping of clubs under analysis. In a similar vein,

the *P&L* has calculations of some interim treasury balances of an operational, organic and non-organic nature (e.g. *FGO*, *OCF*, *FCFr* and *FCFt*) that are explained in the Report's glossary.

For the sake of simplicity, this section presents the FS of each grouping for the period covering the last three financial years, highlighting the last completed season – 2019-20 – and the annual variation rate with respect to the immediately preceding season – 2018-19. The  $CAGR_{5y}$  and absolute increases, however, are calculated for the last six years (the series analysed in this Report). Annex I offers the exhaustive versions of the *Financial Statements* for the last five full seasons, as well as the list of tables and figures that support that evolution, and allow for a better visualisation of these.

**LaLiga:**  
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## INCOME STATEMENT

From **LaLiga's** P&L point of view, the considerable stability in turnover (*NT*) and *Total Income (TI)* in S 19-20, which marks the first year of the second cycle of the broadcasting rights collective operations and centralised selling system must be highlighted but in which the pandemic associated with COVID-19 suddenly broke out during the final third of the season, causing major negative effects that have been previously discussed in this Report.

At an *EBITDA* level, the greater adjustment recorded in *EBITDA b/T* (despite the good evolution of *OPEX*) with respect to *EBITDA a/T* has to be pointed out (the latter favoured by another year of exceptional *Results from Transfers of Players* – with the health crisis breaking out after the summer and winter transfer markets had closed). This item is the only one on the P&L that gave a strong boost to results in S 19-20.

The strong contraction of operating result or *EBIT* stands out – because of the above effects – to which the vigorous growth in amortisations must be added due to the considerable effort in accumulated operating investments that the competition as a whole is experiencing and its corresponding regularisation in results.

All of this results in a significant slowdown in *Net Result (NR)* for the year, which nevertheless continues to be positive, recording a profit, even though it is the lowest for nine seasons.

Table 12 | Summary P&L

Summary Income Statement	2017/18	2018/19	2019/20A	Δ last year	CAGR 5y	Δ abs. 5y
Audiovisual / broadcast income	1,568.2	1,665.1	1,770.4	6.3%	14.4%	1.96x
Matchday income + members and season ticket holders)	761.5	948.4	796.2	-16.0%	5.3%	1.30x
Commercial income + pub. + merchand.)	932.5	983.8	987.1	0.3%	12.3%	1.78x
<b>Net Turnover (NT)</b>	<b>3,262.2</b>	<b>3,597.3</b>	<b>3,553.7</b>	<b>-1.2%</b>	<b>11.4%</b>	<b>1.72x</b>
Other operating income	126.5	173.8	184.9	6.4%	5.9%	1.33x
<b>Operating Income</b>	<b>3,388.8</b>	<b>3,771.1</b>	<b>3,738.5</b>	<b>-0.9%</b>	<b>11.1%</b>	<b>1.69x</b>
Procurements	(128.6)	(143.2)	(123.7)	-13.6%	10.4%	1.64x
Non-sports personnel (wages)	(233.2)	(252.7)	(273.2)	8.1%	11.0%	1.68x
Sports wage costs	(1,994.8)	(2,095.4)	(2,175.0)	3.8%	12.1%	1.77x
Other operating expenses	(812.0)	(879.0)	(912.1)	3.8%	13.4%	1.87x
<b>OPEX</b>	<b>(3,168.6)</b>	<b>(3,370.3)</b>	<b>(3,484.1)</b>	<b>3.4%</b>	<b>12.2%</b>	<b>1.78x</b>
<b>EBITDA b/T (EBITDA before transfer of players)</b>	<b>220.1</b>	<b>400.8</b>	<b>254.4</b>	<b>-36.5%</b>	<b>0.0%</b>	<b>1.00x</b>
Selling price for transfer of players	938.7	1,004.4	1,130.5	12.6%	17.5%	2.24x
Selling cost for transfer of players	(209.7)	(271.1)	(337.7)	24.5%	15.7%	2.08x
Result from the transfer of players	729.0	733.3	792.9	8.1%	18.4%	2.32x
<b>EBITDA a/T (EBITDA after transfer of players)</b>	<b>949.1</b>	<b>1,134.0</b>	<b>1,047.3</b>	<b>-7.7%</b>	<b>12.0%</b>	<b>1.76x</b>
D&A, provisions, impairments and other operating results	(624.4)	(755.8)	(872.2)	15.4%	16.8%	2.17x
<b>EBIT (operating result)</b>	<b>324.7</b>	<b>378.2</b>	<b>175.0</b>	<b>-53.7%</b>	<b>-2.0%</b>	<b>0.90x</b>
Net financial result	(73.6)	(69.1)	(91.1)	31.8%	-288.3%	-23.70x
<b>RBT (result before tax)</b>	<b>251.0</b>	<b>309.1</b>	<b>83.9</b>	<b>-72.8%</b>	<b>-15.8%</b>	<b>0.42x</b>
Taxes on profits	(62.8)	(84.2)	(6.6)	-92.2%	-30.0%	0.17x
<b>NR (net result for the year)</b>	<b>188.2</b>	<b>224.9</b>	<b>77.4</b>	<b>-65.6%</b>	<b>-13.4%</b>	<b>0.49x</b>
<b>Total Income</b>	<b>4,433.4</b>	<b>4,869.0</b>	<b>5,045.3</b>	<b>3.6%</b>	<b>11.9%</b>	<b>1.76x</b>
<b>Total Expenses</b>	<b>(4,245.2)</b>	<b>(4,644.1)</b>	<b>(4,967.9)</b>	<b>7.0%</b>	<b>12.9%</b>	<b>1.83x</b>



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## BALANCE SHEET

From the point of view of the *Balance Sheet*, the strong growth in its size in S 19-20, despite COVID-19, stands out above other issues, with an increase in the sum of the different asset headings of almost €700m for **LaLiga** as a whole. It is, in any case, a more moderate absolute increase in the *Balance Sheet* than recorded in previous seasons. The continuing upwards trend because of the notable investment effort taking place (assets), both at a fixed capital and working capital level, is being financed (liabilities) almost in its entirety through greater indebtedness. S 19-20 is the only one where the growth of financial resources that support the activity has not maintained the ratio between equity and debt, with the relative financial leverage having increased notably in terms of the aggregated capital structure.

Table 13 | Summary Balance Sheet

Summary Balance Sheet	2017/18	2018/19	2019/20A	Δ last year	CAGR 5y	Δ abs. 5y
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>	<b>4,197.7</b>	<b>4,700.7</b>	<b>5,502.8</b>	<b>17.1%</b>	<b>11.3%</b>	<b>1.70x</b>
Operating assets	3,579.9	4,017.9	4,700.3	17.0%	13.9%	1.92x
Financial assets	384.9	469.6	556.2	18.5%	2.4%	1.12x
Deferred tax assets	232.9	213.3	246.3	15.5%	-2.9%	0.86x
<b>CURRENT ASSETS</b>	<b>1,678.6</b>	<b>2,118.8</b>	<b>1,985.4</b>	<b>-6.3%</b>	<b>15.9%</b>	<b>2.09x</b>
Operating assets	478.8	509.4	636.8	25.0%	15.8%	2.08x
Financial assets	552.1	848.9	559.7	-34.1%	13.0%	1.84x
Cash and cash equivalents	647.7	760.5	788.9	3.7%	18.4%	2.33x
<b>TOTAL ASSETS</b>	<b>5,876.3</b>	<b>6,819.5</b>	<b>7,488.2</b>	<b>9.8%</b>	<b>12.4%</b>	<b>1.79x</b>
<b>LIABILITIES AND EQUITY</b>						
<b>EQUITY</b>	<b>1,496.3</b>	<b>1,715.1</b>	<b>1,767.1</b>	<b>3.0%</b>	<b>20.0%</b>	<b>2.49x</b>
<b>NON-CURRENT LIABILITIES</b>	<b>1,703.6</b>	<b>2,217.9</b>	<b>2,388.9</b>	<b>7.7%</b>	<b>8.3%</b>	<b>1.49x</b>
Operating liabilities	219.2	245.3	209.4	-14.6%	11.5%	1.72x
Financial liabilities	1,376.4	1,852.5	2,042.2	10.2%	8.5%	1.50x
Deferred tax liabilities	108.0	120.1	137.3	14.4%	2.4%	1.12x
<b>CURRENT LIABILITIES</b>	<b>2,676.5</b>	<b>2,886.5</b>	<b>3,332.2</b>	<b>15.4%</b>	<b>12.3%</b>	<b>1.79x</b>
Operating liabilities	1,978.2	2,056.2	1,841.8	-10.4%	7.8%	1.46x
Financial liabilities	698.3	830.4	1,490.4	79.5%	20.0%	2.49x
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,876.3</b>	<b>6,819.5</b>	<b>7,488.2</b>	<b>9.8%</b>	<b>12.4%</b>	<b>1.79x</b>



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## CASH FLOW WATERFALL

Finally, from the point of view of the evolution of *LaLiga's Cash Flow*, it resulted in a sharp contraction of the organic ability to generate excess cash flow from the activity in S 19-20, or *Funds Generated by Operations ("FGO")*<sup>25</sup>, posting the lowest recorded in recent years, despite being a positive figure. All other relevant cash flow measures at the operating level (*OCF*, *FCFr* and *FCFt*) show a deficit in S 1920 as a result of the slight contraction in turnover, added to the strong net investment effort in operating working capital and productive fixed capital (infrastructures and players).

As a consequence of the above, there was a notable increase in financial debt during the season – about €825m – exceeding the level immediately required by the activity. It is symptomatic that the clubs continue to provide themselves with the necessary liquidity to maintain the investment rate during the current season and in the coming years. The final surplus cash balance (*Cash and Cash Equivalents*), without considering other markedly liquid financial investments, is also at the highest level ever recorded by the competition.

**Table 14 | Summary Cash Flow**

Summary Cash Flow (indirect method)	2017/18	2018/19	2019/20A
A. Net result for the year (NR)	188.2	224.9	77.4
B. Adjustments to NR (non-cash and other financial P&L headings)	(5.4)	170.2	85.7
<b>A. + B. Gross cash flow from operations (FGO)</b>	<b>182.8</b>	<b>395.1</b>	<b>163.1</b>
C. Net investment in working capital (WC)	97.9	33.4	(351.1)
<b>A. + B. + C. Net cash flow from operations (OCF)</b>	<b>280.7</b>	<b>428.5</b>	<b>(188.0)</b>
D1. Net investment in recurring operating capacity (CAPEX)	(350.8)	(271.2)	(383.5)
+/- Net recurring investment in players	(170.2)	(148.4)	(218.6)
+/- Net recurring investment in other operating assets	(180.7)	(122.8)	(164.9)
<b>A. + B. + C. + D1. Recurring free cash flow (FCFr)</b>	<b>(70.1)</b>	<b>157.3</b>	<b>(571.4)</b>
D2. Net investment in non-recurring operating capacity (CAPEX)	44.5	(263.0)	(125.8)
+/- Net non-recurring investment in players	80.2	(145.5)	(184.1)
+/- Net non-recurring investment in infrastructures and other operating assets	(35.7)	(117.6)	58.3
<b>A. + B. + C. + D1. + D2. Total free cash flow (FCFt)</b>	<b>(25.5)</b>	<b>(105.8)</b>	<b>(697.3)</b>
+/- Net financial expenses	(73.6)	(69.1)	(91.1)
+/- Variation in financial debt (financial entities)	(13.4)	66.5	437.2
+/- Variation in financial debt (non-financial entities)	76.7	516.2	387.6
+/- Variation in other ST or LT financial assets and liabilities	(28.2)	(314.6)	(94.2)
<b>A. + B. + C. + D. + E. Equity cash flow (ECF)</b>	<b>(64.1)</b>	<b>93.2</b>	<b>(57.7)</b>
F. Cash flows from own resources (Equity)	58.1	14.8	87.4
<b>A. + B. + C. + D. + E. + F. Net change in cash</b>	<b>(6.0)</b>	<b>108.1</b>	<b>29.8</b>
Cash and cash equivalents, opening balance*	653.7	652.4	759.1
Cash and cash equivalents, closing balance*	647.7	760.5	788.9

(\*) Cash balances at the end of period n-1 do not coincide with those at the beginning of period n due to the change in the perimeter of clubs caused by the annual dynamics of promotions/relegations in professional football.





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## CLUB PROFILES

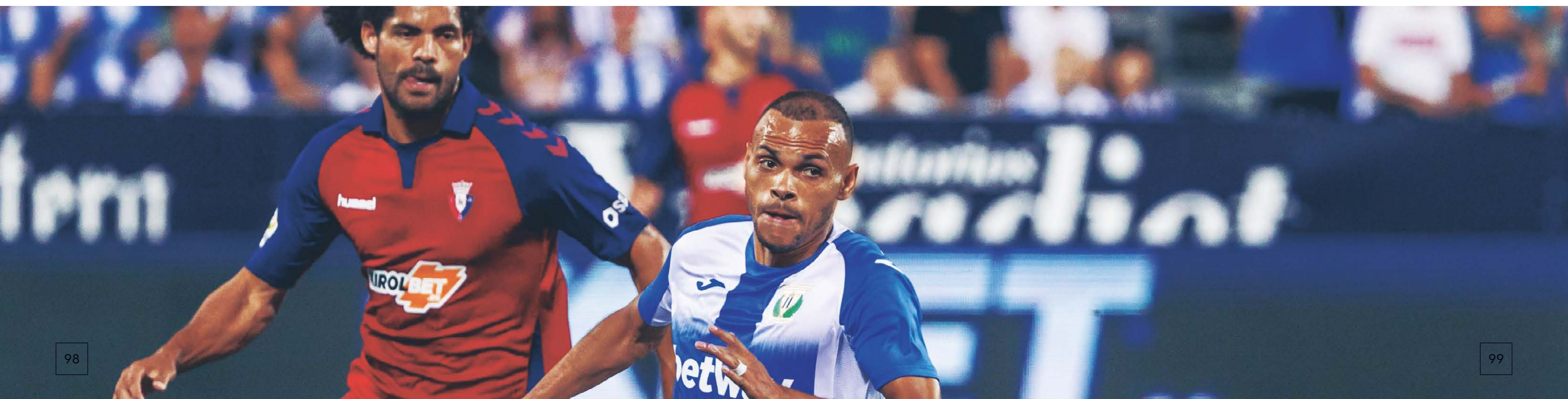
**LaLiga's** relatively positive financial progression is a common feature of most of its clubs. A vast majority (around 2/3) of the entities recorded operating and net profits in S 19-20, more than half managed to generate positive *FCF* (despite the strong growth in investments) and a considerable number (more than 1/3 of the total) also generated economic value added (*EVA*), despite the adverse business conditions.

On the other hand, regardless of the absolute positive figures, around half of the clubs maintained the growth in their billings and results compared to the previous season (only ~1/3 in *EBIT* and *NR*). As for the *GFD*, fewer than half of the entities increased their financial leveraging, despite the significant absolute growth of **LaLiga's** aggregate computation. This highlights that the increased aggregate debt posted in the season is by no means a generalised trend, if the evolution of clubs at an individual level is taken into account.

Table 15 | Distribution of results and growth of clubs

**LaLiga (total = 42 clubs)**

Absolute figures	No.	%
EBITDA b/T > 0	21	50.0%
Result from Transfer of Players >0	38	90.5%
EBITDA a/T > 0	34	81.0%
EBIT >0	29	69.0%
RN >0	26	61.9%
FCF >0	23	54.8%
EVA >0	15	35.7%
Absolute figures	No.	%
Δ NT	24	57.1%
Δ EBITDA b/T	18	42.9%
Results from Transfer of Players	28	66.7%
Δ EBITDA a/T	22	52.4%
Δ EBIT	15	35.7%
Δ NR	16	38.1%
Δ FCF	19	45.2%
Δ EVA	17	40.5%
Δ GFB	18	42.9%





Next, the population or set of the 42 clubs and SADs that make up **LaLiga**, both **LaLiga Santander** (20 teams) and **LaLiga SmartBank** (22 teams) is defined via graphical representations of the individual data (in ascending order) and the corresponding histograms for some of the main financial figures of S 19-20 examined in this Report.

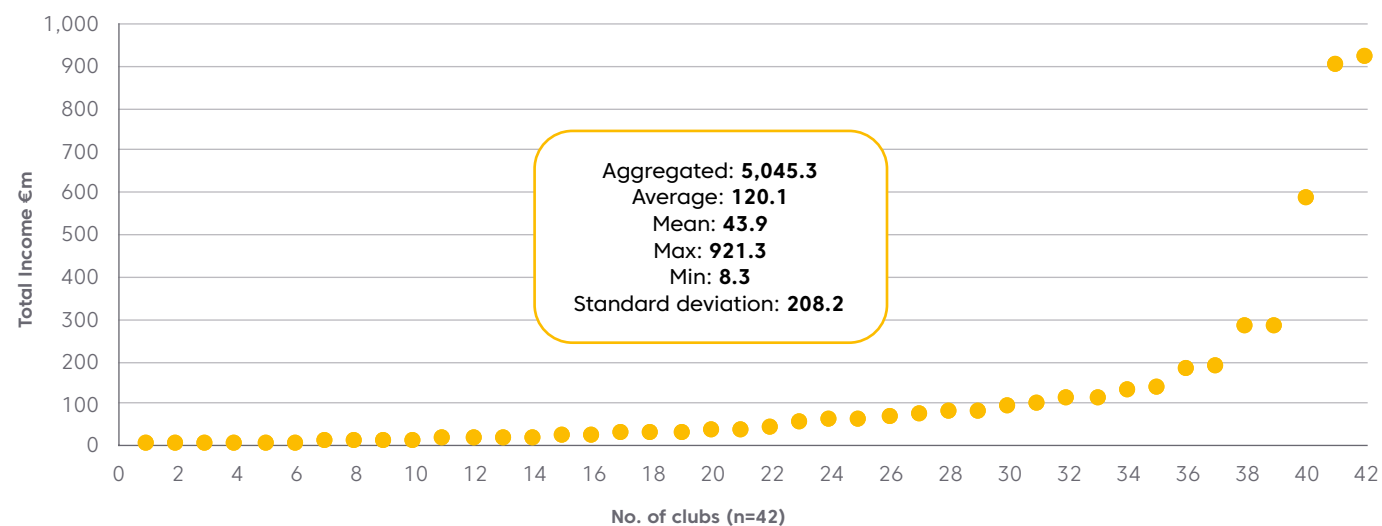
All the distributions examined, for the different figures, show an important bias to the right, which implies the existence of a few values significantly larger than the rest. This means that the average population is systematically greater than the median and that the data is not symmetrical, which also gives rise to distributions with a significant degree of variability or dispersion.

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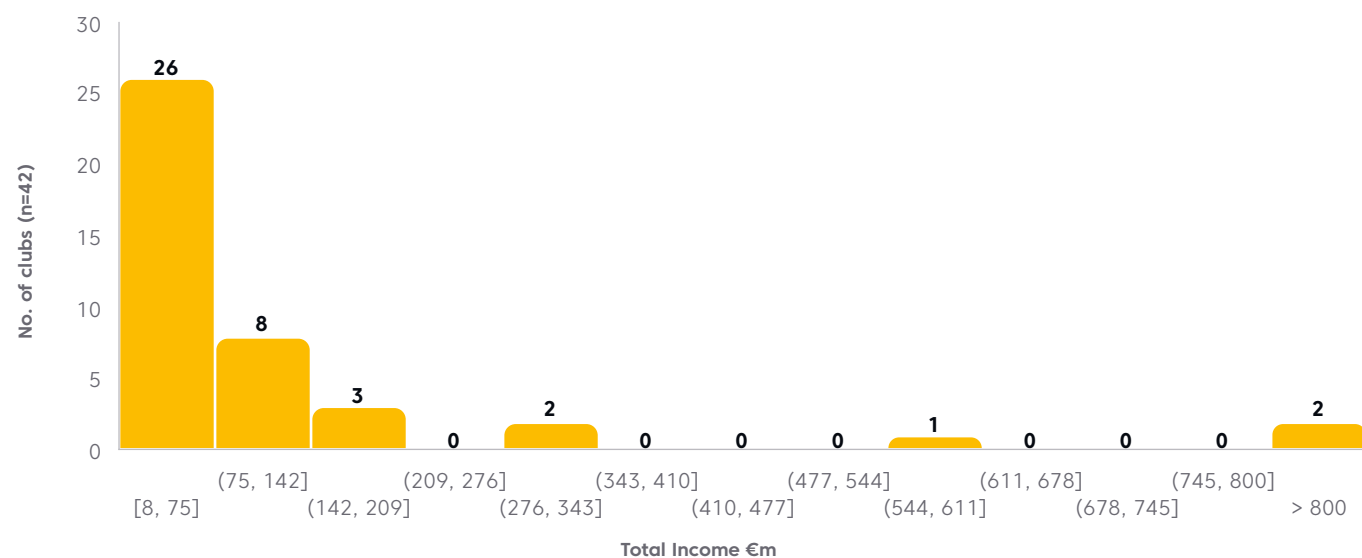


Graph 21 | Total Income (TI); scatter plot and histogram

Total Income – LaLiga Clubs and SADs

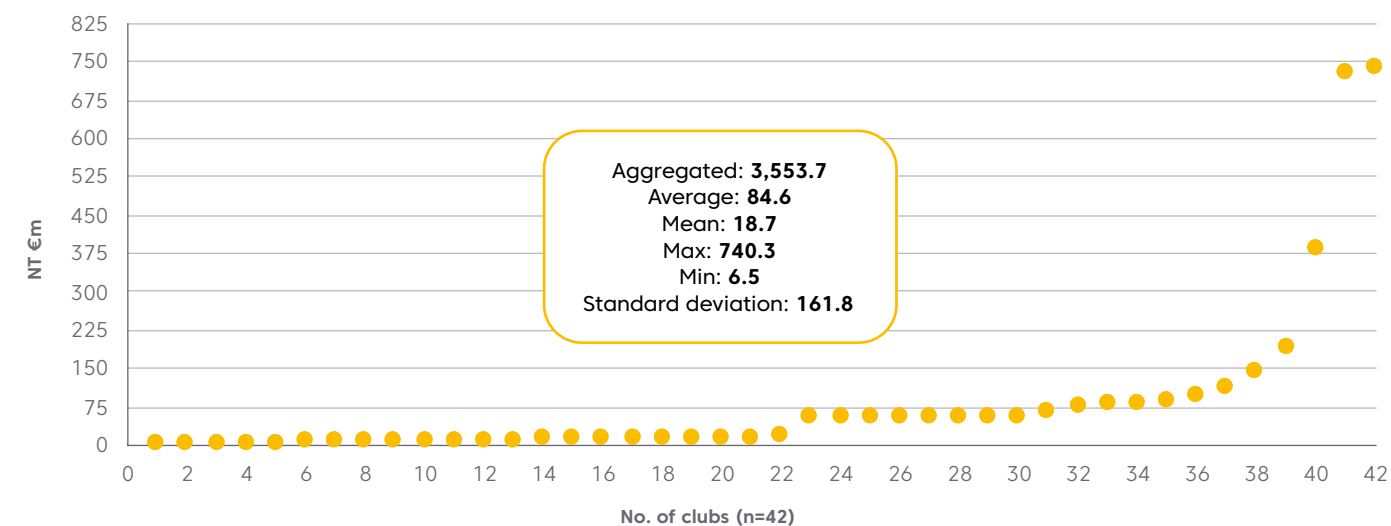


Total Income – Histogram

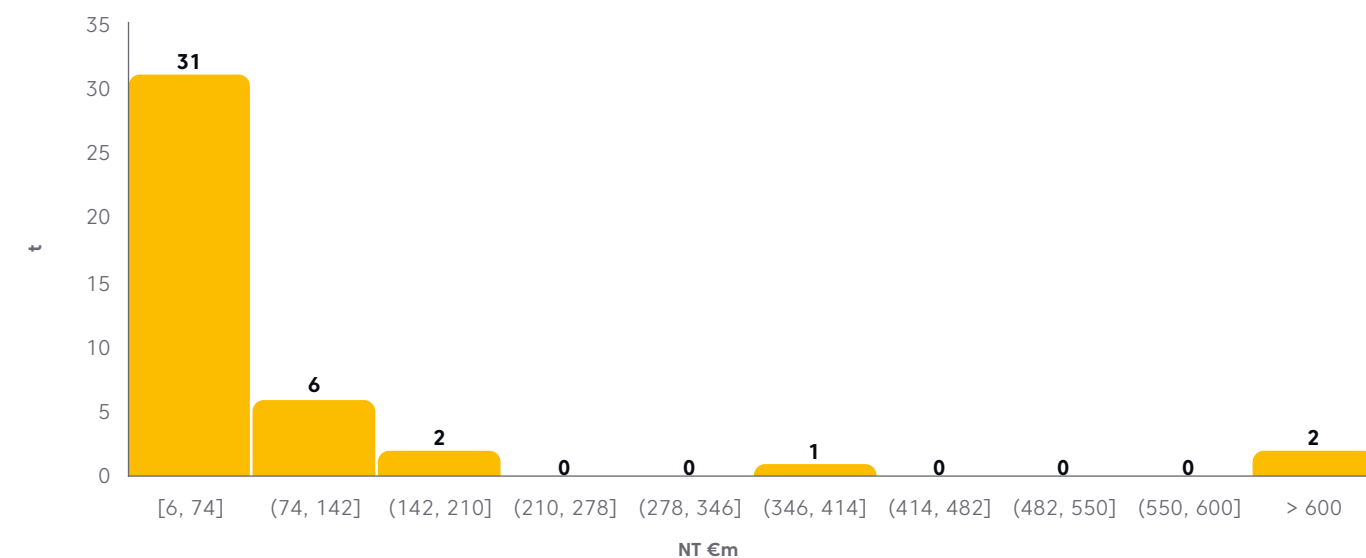


Graph 22 | Net Turnover (NT) – scatter plot and histogram

NT – LaLiga Clubs and SADs

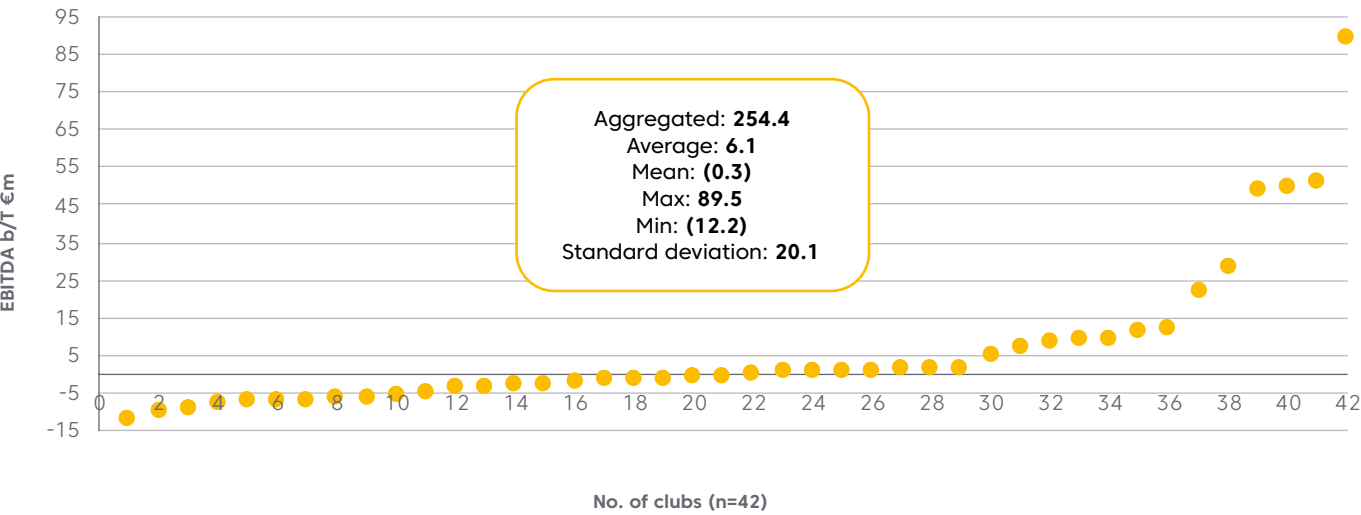


NT – Histogram

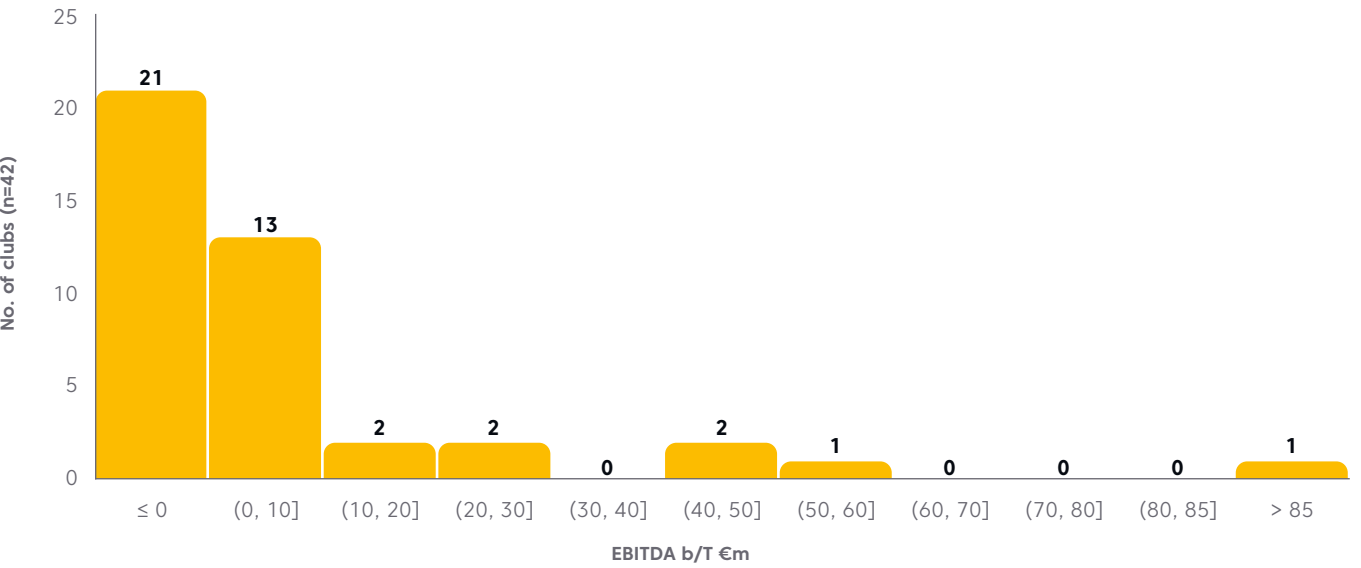


Graph 23 | EBITDA b/T – scatter plot and histogram

EBITDA b/T – LaLiga Clubs and SADs

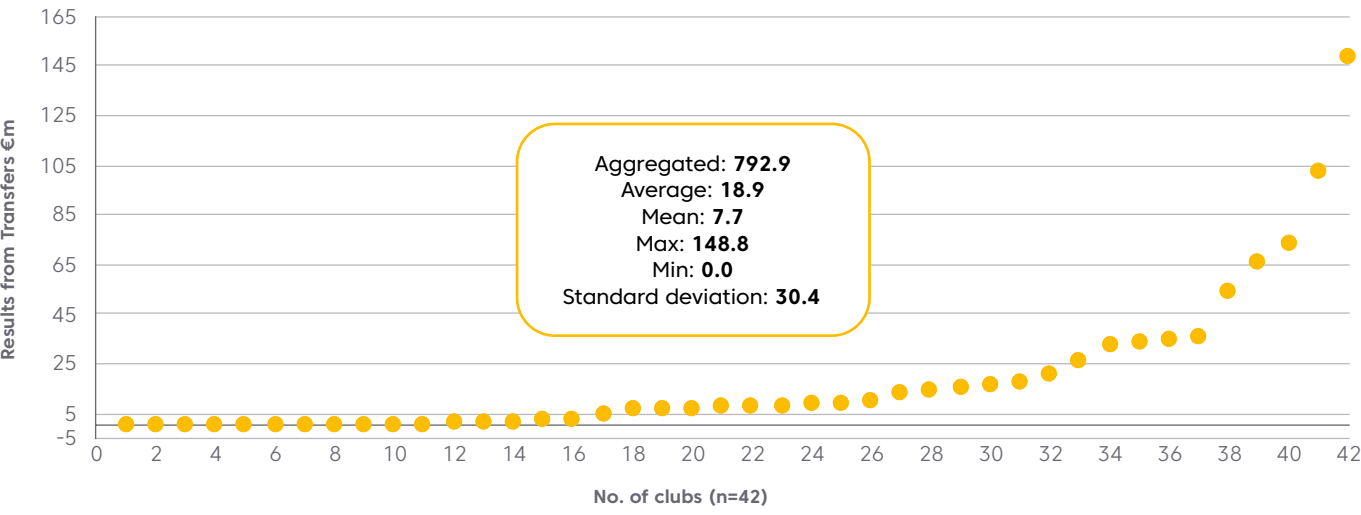


EBITDA b/T – Histogram

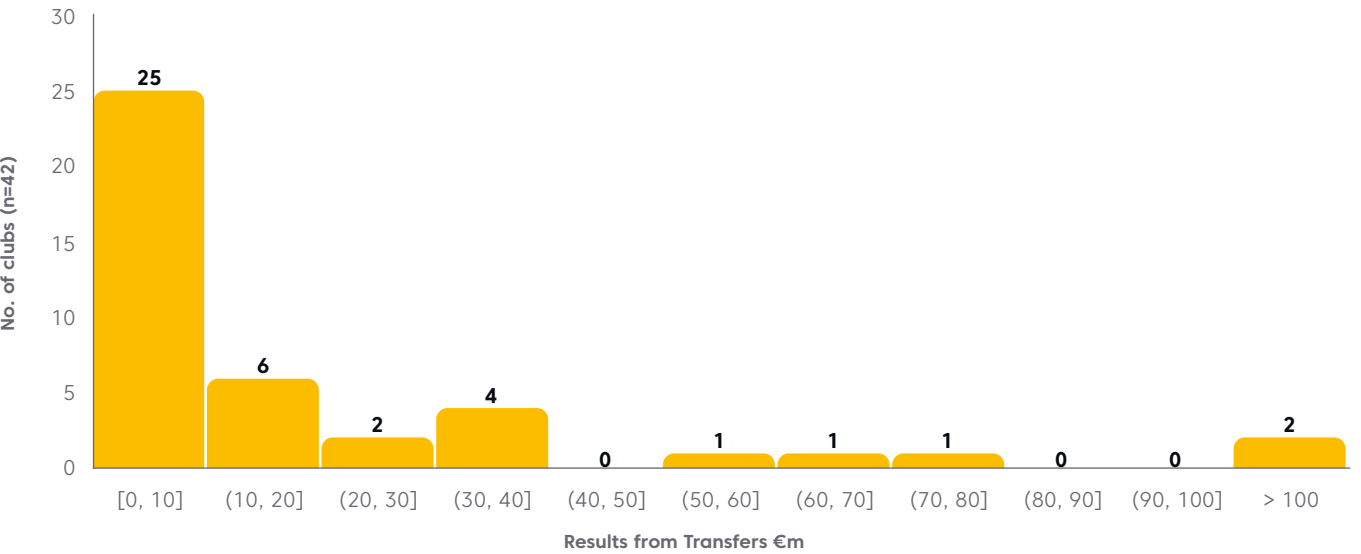


Graph 24 | Results from Transfers of Players – scatter plot and histogram

Results from Transfers – LaLiga Clubs and SADs



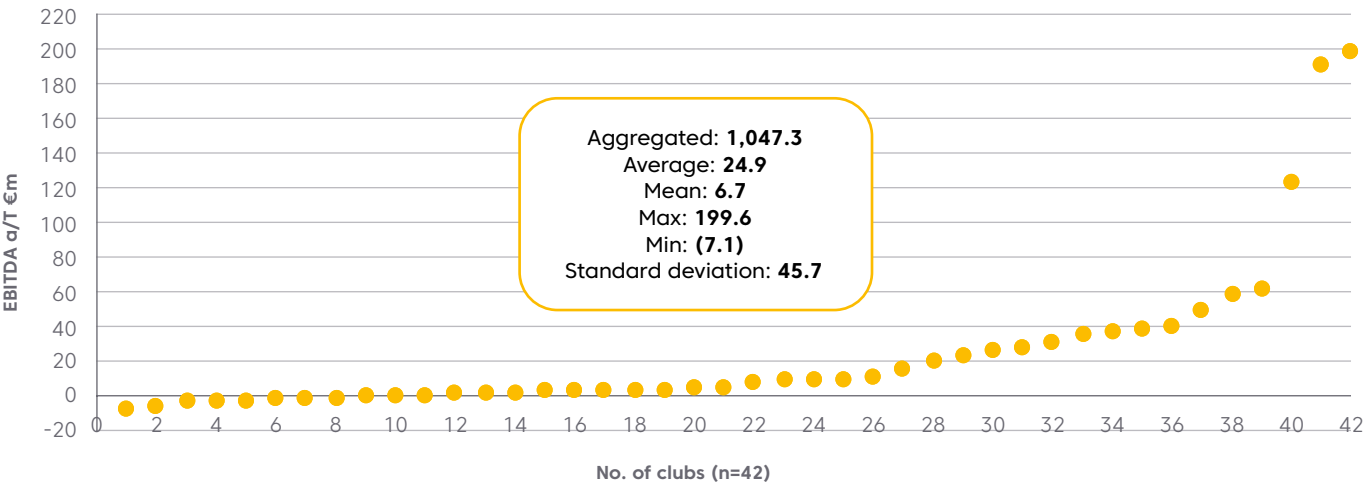
Results from Transfers – Histogram



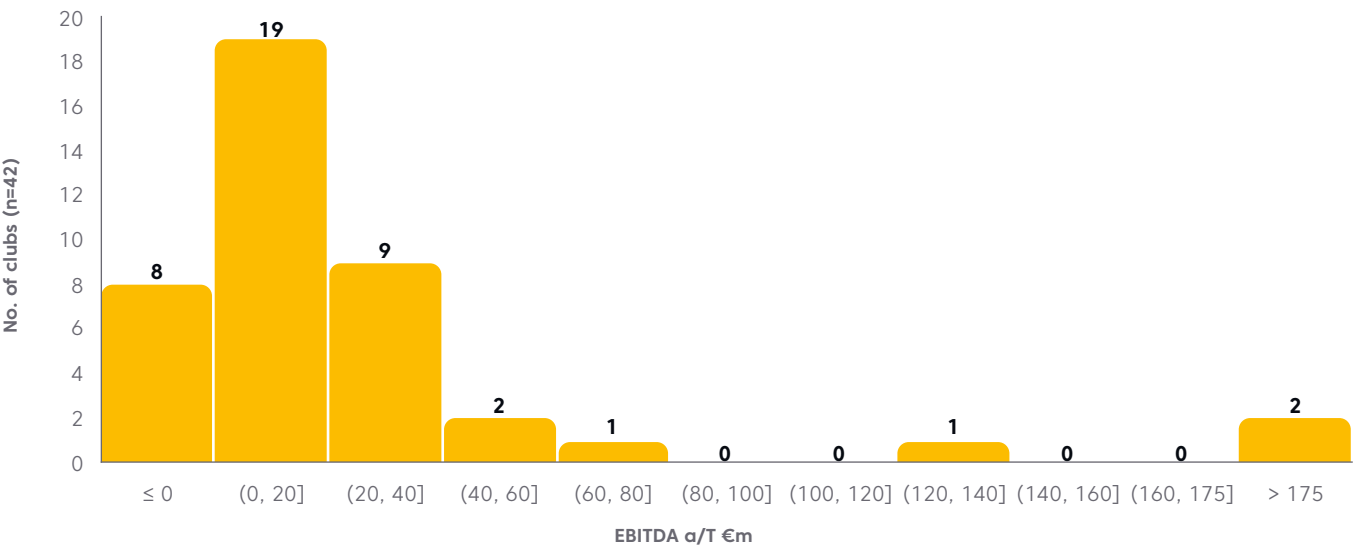


Graph 25 | EBITDA a/T – scatter plot and histogram

EBITDA a/T – LaLiga Clubs and SADs



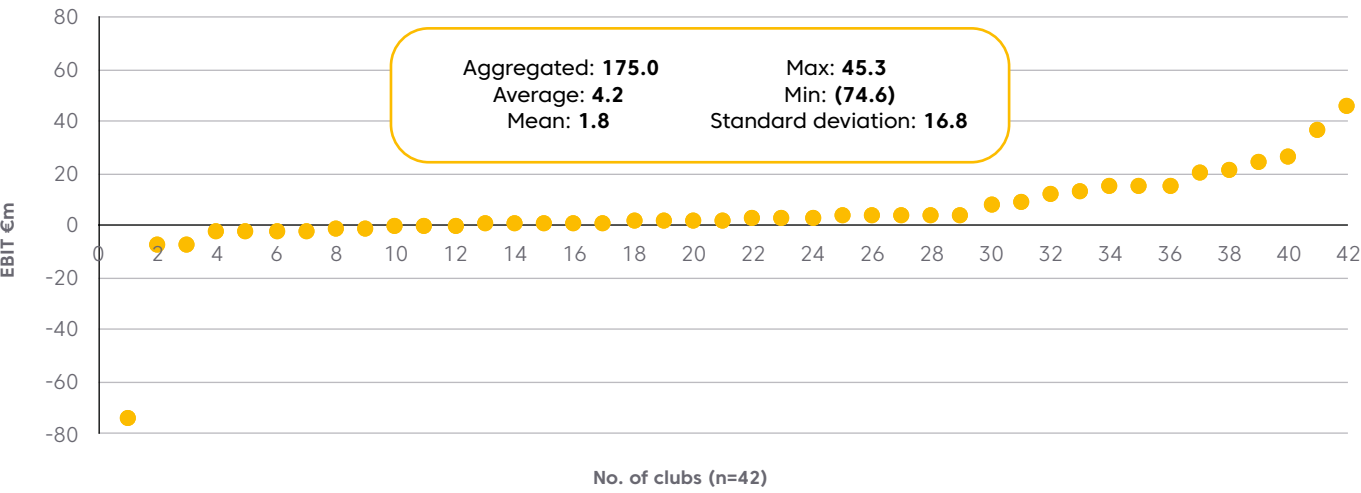
EBITDA a/T – Histogram



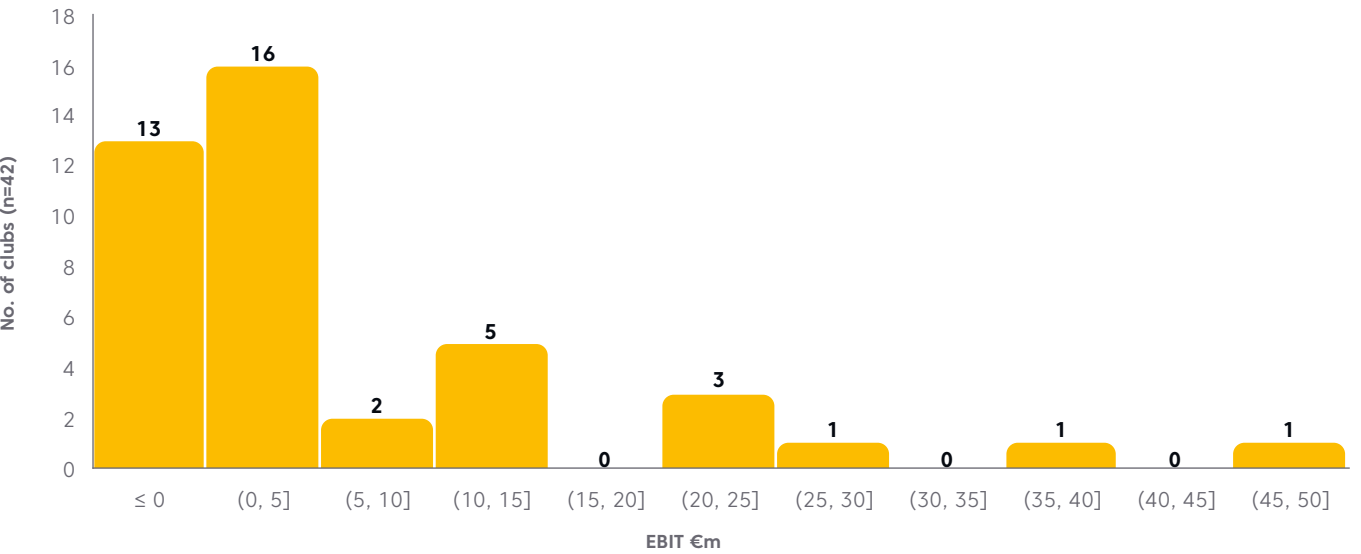


Graph 26 | EBIT – scatter plot and histogram

EBIT – LaLiga Clubs and SADs

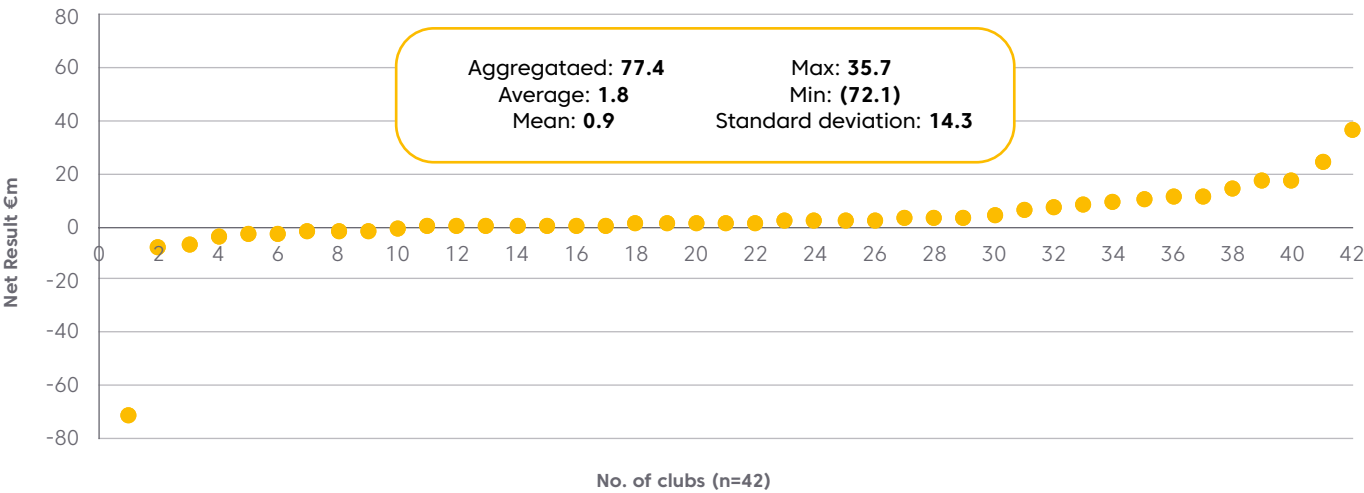


EBIT – Histogram

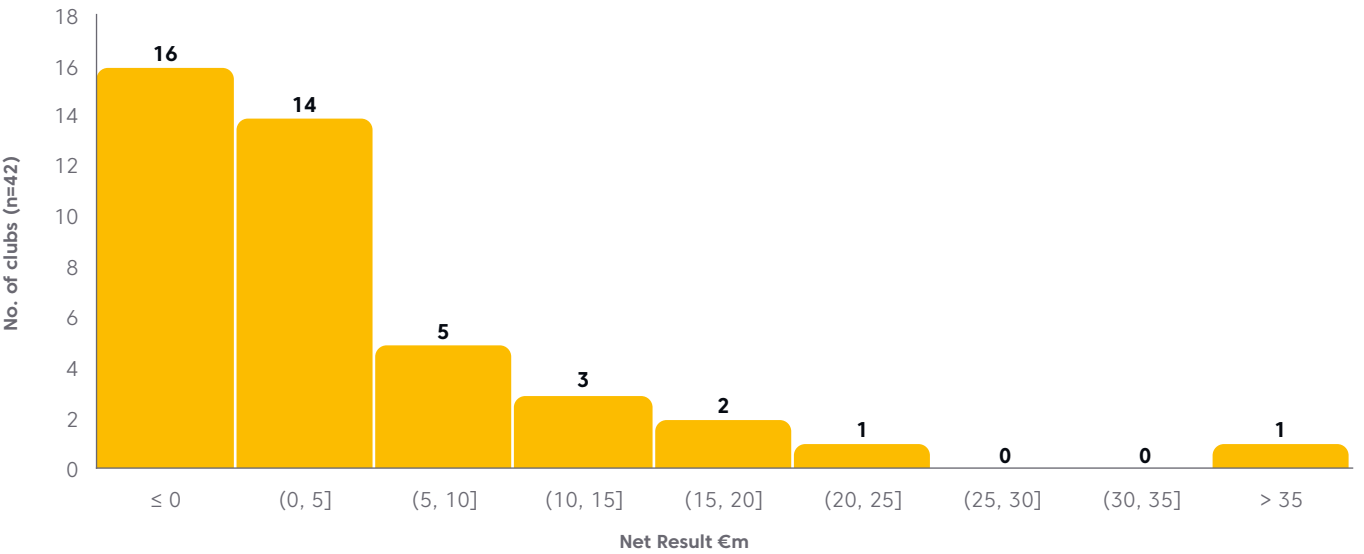


Graph 27 | Net Result (NR) – scatter plot and histogram

Net Result – LaLiga Clubs and SADs



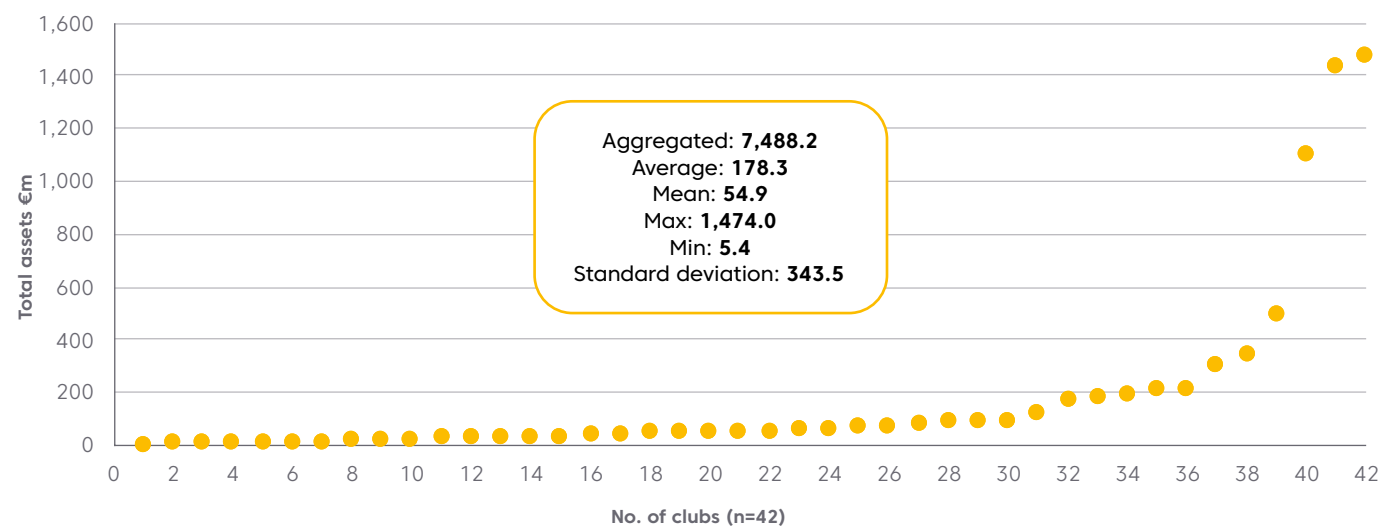
Net Result – Histogram



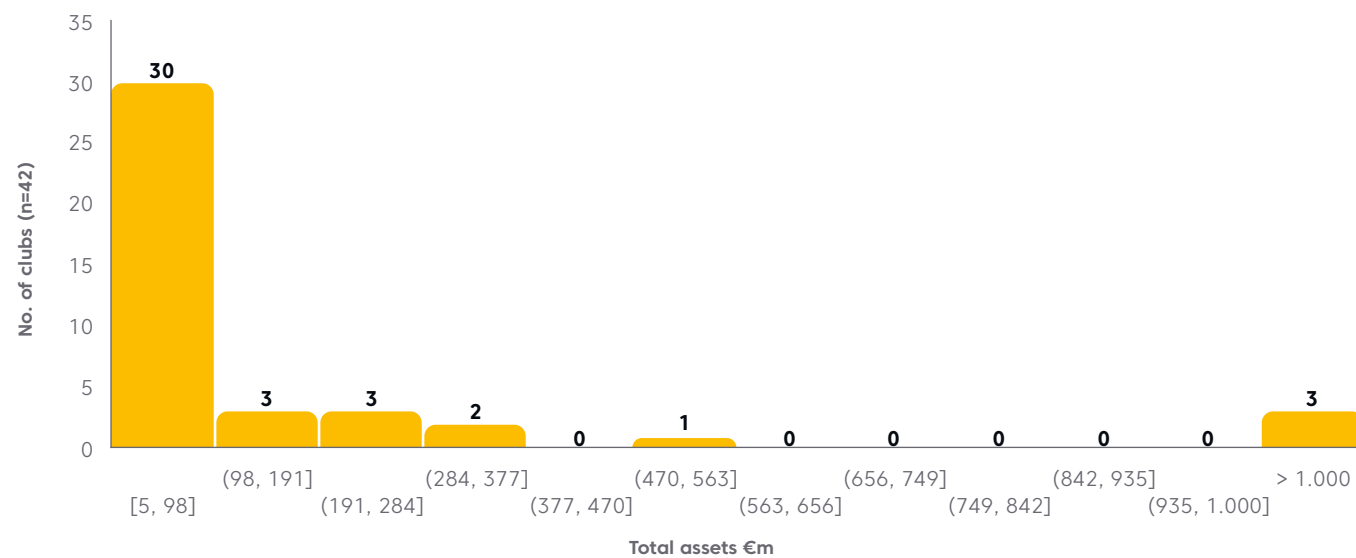


Graph 28 | Total assets – scatter plot and histogram

Total assets – LaLiga Clubs and SADs



Total assets – Histogram

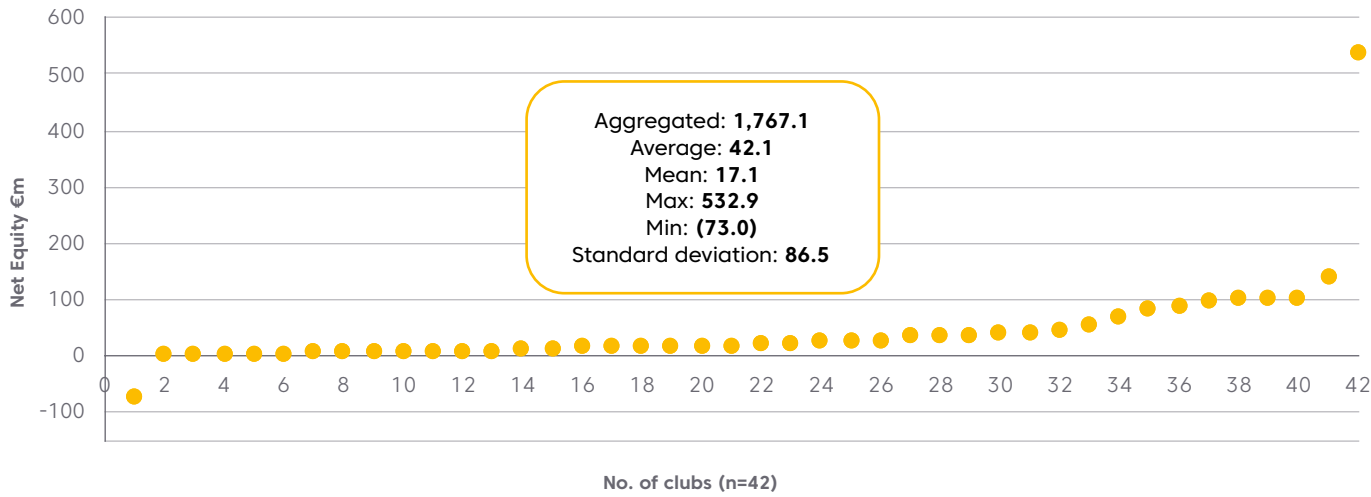




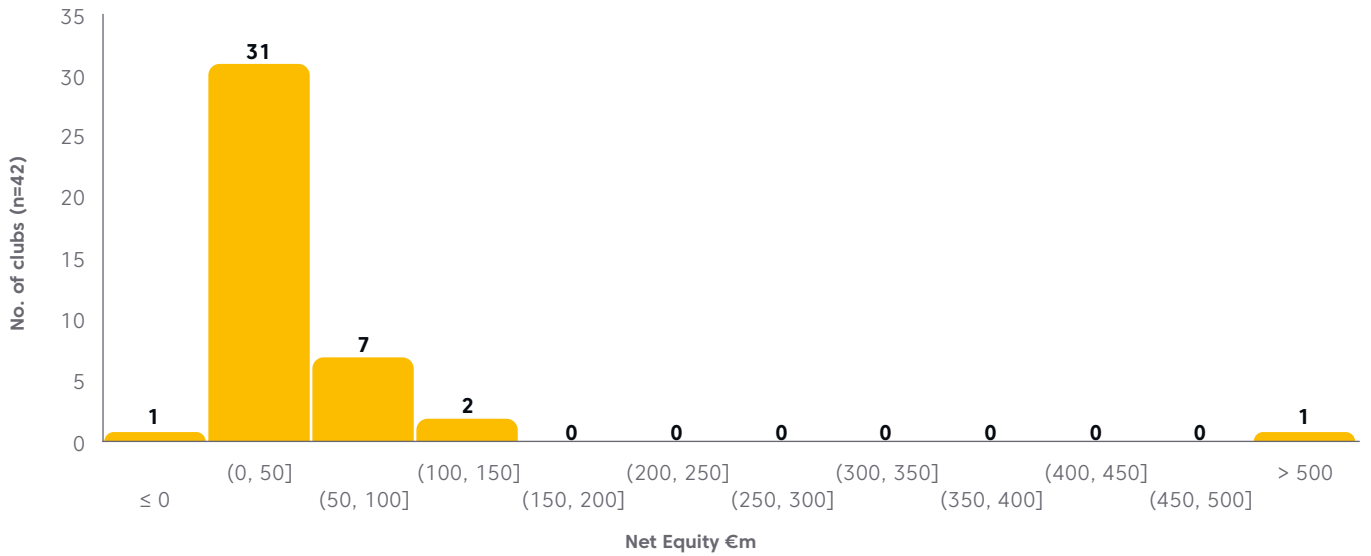


Graph 29 | Net Equity – scatter plot and histogram

Net Equity – LaLiga Clubs and SADs

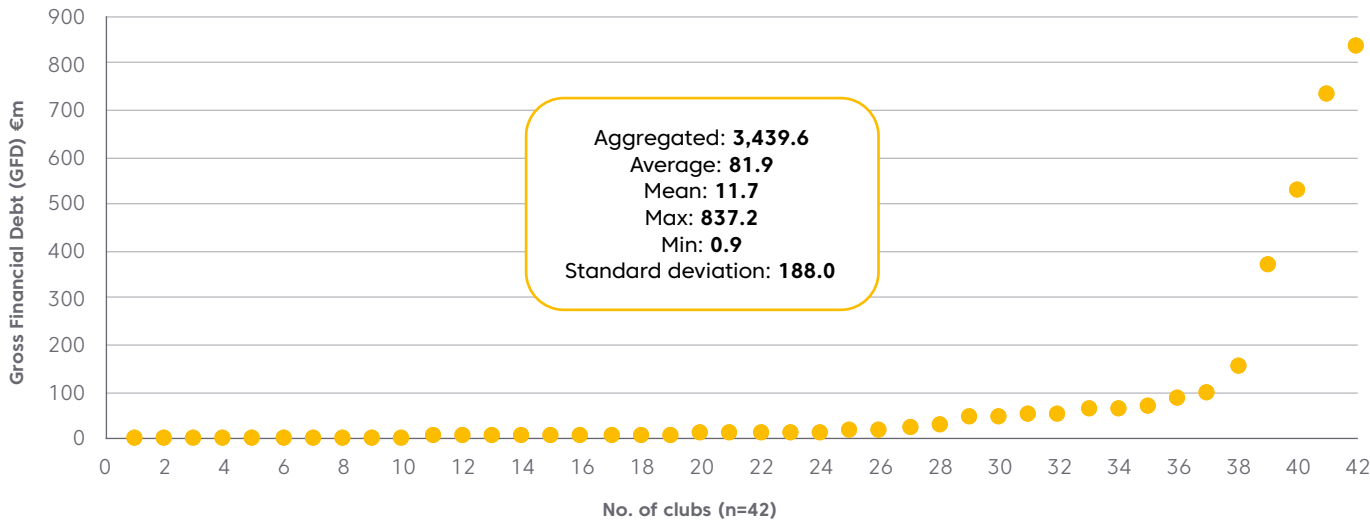


Net Equity – Histogram

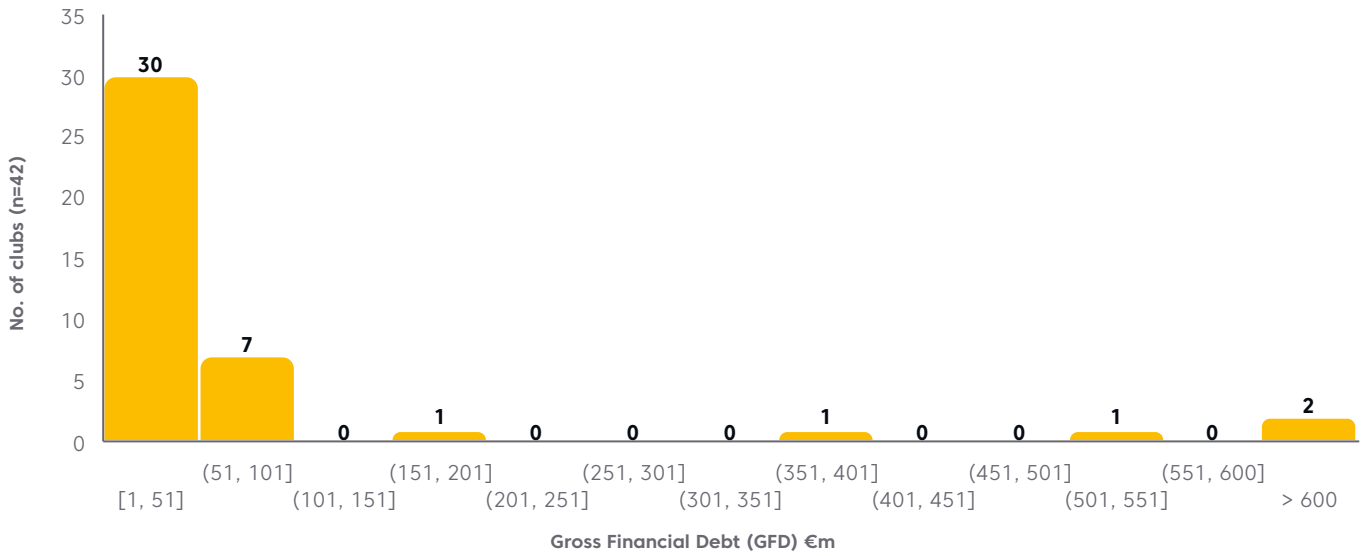


Graph 30 | Gross Financial Debt (GFD) – scatter plot and histogram

Gross Financial Debt (GFD) – LaLiga Clubs and SADs



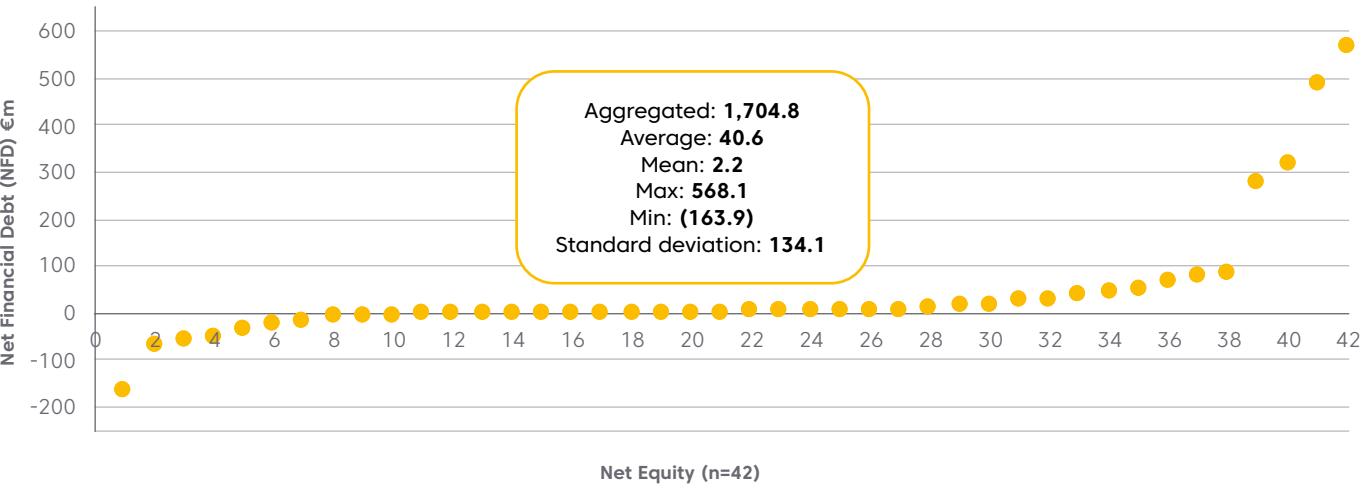
Gross Financial Debt (GFD) – Histogram



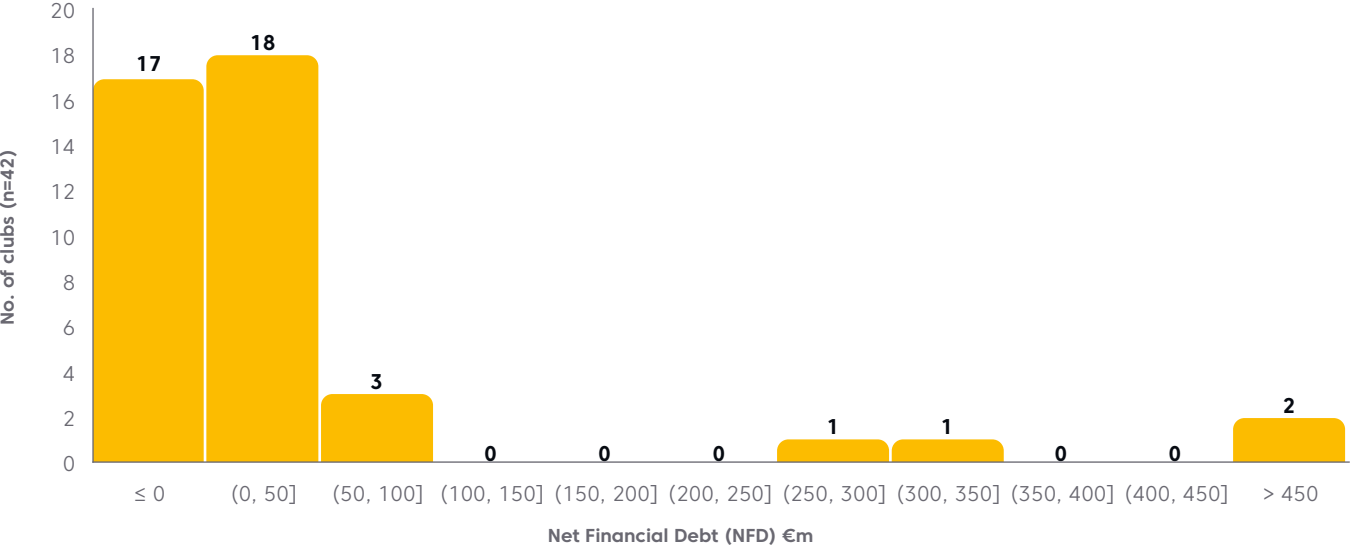


Graph 31 | Net Financial Debt (NFD) – scatter plot and histogram

Net Financial Debt (NFD) – LaLiga Clubs and SADs



Net Financial Debt (NFD) – Histogram





**LaLiga:**  
Summary of FS  
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## OTHER ECONOMIC GROUPINGS

The following tables afford a brief comparison of the immediate results and the financial evolution of **LaLiga's** main economic groupings.

A first significant conclusion is that the evolution of the adjusted groupings (**Netted LaLiga** and **Netted LaLiga Santander**), which exclude the two largest entities from the point of view of revenues and equity (i.e. balance sheet size), has been even better, both in the last completed S 19-20 and in the long term (i.e. throughout the series), than their peers. Again, this is the clearest expression of an ever more balanced competition and with a more equitable distribution of results among the clubs.

Even **LaLiga SmartBank**, the second division of Spanish professional football, has basically achieved a zero result in the recently completed season, despite the unfavourable business context. The remarkable *Results from Transfers* of players, which almost doubled compared to S 18-19, contributed decisively to this.

**Table 16 | Results and evolution of economic groupings S 19-20**

Results (€m) S 19-20	LaLiga	LaLiga Santander	LaLiga SmartBank	Netted LaLiga	Netted LaLiga Santander
<b>Total Income</b>	5,045.3	4,573.7	471.6	3,220.9	2,749.3
Δ% annual	3.6%	3.3%	7.0%	10.6%	11.3%
Δ % CAGR <sub>sy</sub>	11.9%	11.6%	15.9%	15.7%	15.6%
<b>NT</b>	3,553.7	3,284.2	269.5	2,083.4	1,813.9
Δ% annual	-1.2%	-1.4%	1.4%	3.9%	4.3%
Δ % CAGR <sub>sy</sub>	11.4%	11.1%	15.4%	16.0%	16.1%
<b>EBITDA b/T</b>	254.4	304.8	(50.4)	115.2	165.6
Δ% annual	-36.5%	-29.0%	75.2%	-45.0%	-30.5%
Δ % CAGR <sub>sy</sub>	0.0%	2.7%	31.1%	15.8%	19.4%
<b>Results from Transfers</b>	792.9	691.9	101.0	617.8	516.8
Δ% annual	8.1%	1.7%	89.6%	15.7%	7.5%
Δ % CAGR <sub>sy</sub>	18.4%	16.0%	54.9%	20.8%	17.7%
<b>EBITDA a/T</b>	1,047.3	996.6	50.6	733.0	682.4
Δ% annual	-7.7%	-10.2%	106.5%	-1.4%	-5.1%
Δ % CAGR <sub>sy</sub>	12.0%	10.8%	-	19.9%	18.1%
<b>EBIT</b>	175.0	162.9	12.1	213.9	201.7
Δ% annual	-53.7%	-56.7%	657.8%	-30.2%	-33.8%
Δ % CAGR <sub>sy</sub>	-2.0%	-3.6%	-	15.6%	14.0%
<b>Net Result (NR)</b>	77.4	77.6	(0.2)	113.8	114.0
Δ% annual	-65.6%	-66.4%	-96.5%	-37.5%	-39.3%
Δ % CAGR <sub>sy</sub>	-13.4%	-11.7%	-	2.3%	5.6%





**LaLiga:**  
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On the other hand, the erosion of operating margins was notable in S 19-20 at an organic level, although considering the capital gains (i.e. results from players transfers) obtained from the rotation of sporting talent, it has allowed the aggregate profits to be sustained. Also in relative terms, the evolution of these margins is higher in the groups that do not include the two largest entities.

Table 17 | Business margins of economic groupings S 19-20

Margins over NT (%)	LaLiga		LaLiga Santander		LaLiga SmartBank		Netted LaLiga		Netted LaLiga Santander	
	2019/20	Average 5y*	2019/20	Average 5y*	2019/20	Average 5y*	2019/20	Average 5y*	2019/20	Average 5y*
EBITDA b/T	7.2%	12.6%	9.3%	13.9%	-18.7%	-5.3%	5.5%	11.9%	9.1%	14.2%
EBITDA a/T	29.5%	29.6%	30.3%	30.9%	18.8%	11.4%	35.2%	34.2%	37.6%	37.3%
EBIT	4.9%	10.2%	5.0%	10.5%	4.5%	6.2%	10.3%	13.8%	11.1%	14.8%
NR	2.2%	6.4%	2.4%	6.5%	-0.1%	5.4%	5.5%	8.6%	6.3%	9.1%

(\*) Arithmetic mean (average) of the margin recorded in the 5 years pre-COVID

Finally, it should be noted that net investment continues to be highly focused on the largest clubs, those that accumulate a large part of the growth in indebtedness. Likewise, the profitability indexes are higher in the medium and small First Division teams, as well as the capacity to generate economic value added (EVA) in the last year and throughout the series.

Table 18 | Other relevant economic-financial figures of the economic groupings S 19-20

Other figures (€m) / S 19-20	LaLiga	LaLiga Santander	LaLiga SmartBank	Netted LaLiga	Netted LaLiga Santander
<b>Gross CAPEX</b>	(1,819.4)	(1,766.0)	(53.4)	(1,047.7)	(994.3)
Δ% annual	17.0%	18.0%	-8.7%	18.5%	20.4%
Δ % CAGR <sub>5y</sub>	14.9%	15.9%	-3.5%	29.7%	18.2%
<b>Net CAPEX</b>	(509.3)	(580.8)	71.6	(14.4)	(86.0)
Δ% annual	-4.7%	4.2%	207.2%	-92.6%	-60.4%
Δ % CAGR <sub>5y</sub>	10.3%	13.1%	106.1%	-	4.2%
<b>GFD</b>	3,439.6	3,148.3	291.2	2,070.0	1,778.8
Δ% annual	32.8%	36.9%	0.3%	14.1%	16.8%
Δ % CAGR <sub>5y</sub>	12.7%	14.6%	-0.6%	7.5%	9.3%
<b>NFD</b>	1,704.8	1,596.5	108.3	936.3	828.0
Δ% annual	77.8%	102.4%	-36.2%	18.0%	32.7%
Δ % CAGR <sub>5y</sub>	14.7%	21.0%	-15.2%	4.3%	10.1%
<b>Net Equity</b>	1,767.1	1,571.2	195.9	1,199.0	1,003.1
Δ% annual	3.0%	-0.8%	48.5%	14.2%	9.3%
Δ % CAGR <sub>5y</sub>	20.0%	17.7%	70.9%	39.2%	35.9%
<b>ROIC</b>	4.6%	4.8%	3.1%	7.5%	8.8%
<b>Equity Ratio</b>	23.6%	23.2%	27.7%	26.2%	25.9%
<b>Free Cash Flow (FCF)</b>	(697.3)	(717.2)	19.9	(107.4)	(127.3)
<b>EVA last year</b>	14.5	20.7	(6.2)	69.1	77.8
<b>EVA accumulated 6y series</b>	694.6	726.2	(31.6)	540.9	576.1



**LaLiga:**  
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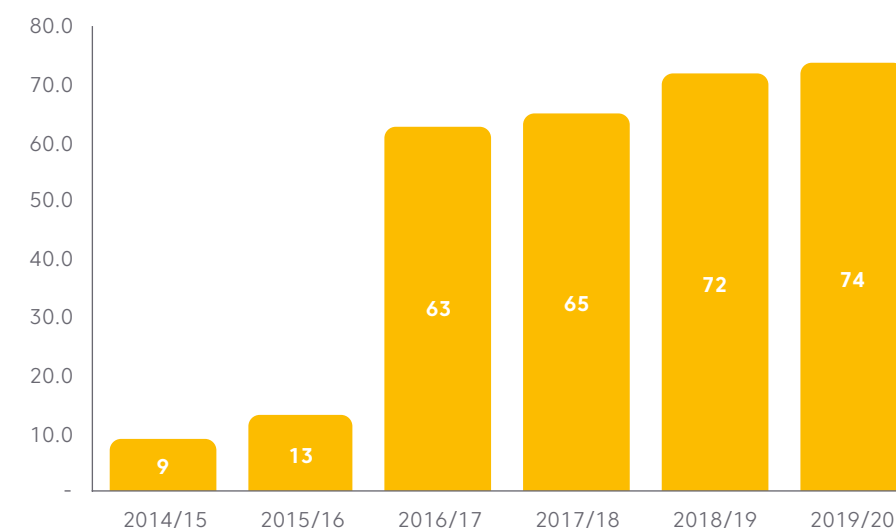
## CORPORATE SOCIAL RESPONSIBILITY

Under the principles of accountability, transparency, ethical behaviour, commitment to stakeholders, attention to current legislation, respect for international regulations on behaviour and protection of human rights, LaLiga's corporate social responsibility (CSR) is the set of Spanish professional football's actions aimed at positively impacting the environment, society and the economy. All this activity, and its impact, has been described in detail in various public documents released by LaLiga in the 2019/20 season:

- **LaLiga Sustainable Clubs Guide**, for the second consecutive year, in compliance with Law 11/2018 on the preparation of non-financial information and diversity.
- **LaLiga Corporate Social Responsibility Report**, a core element of the Association in its strategic plan to integrate sustainability into clubs and SADs.
- **Manual to prepare LaLiga's CSR (Non-Financial Reports)**, prepared in collaboration with the General Council of Economists of Spain – unprecedented in the sports industry – that aims to explain how to prepare reports on non-financial information and sustainability.

It should be noted in this Financial Report that CSR investments for the season referred to amounted to €73.7m, which represents an increase of 2.5% on the previous year. Likewise, it is equivalent to 2.1% of billings (NT) of **LaLiga** as a whole. This is a significantly higher contribution than that of most Spanish companies and industries, which allows for pioneering and transformative initiatives to be carried out to benefit the community.

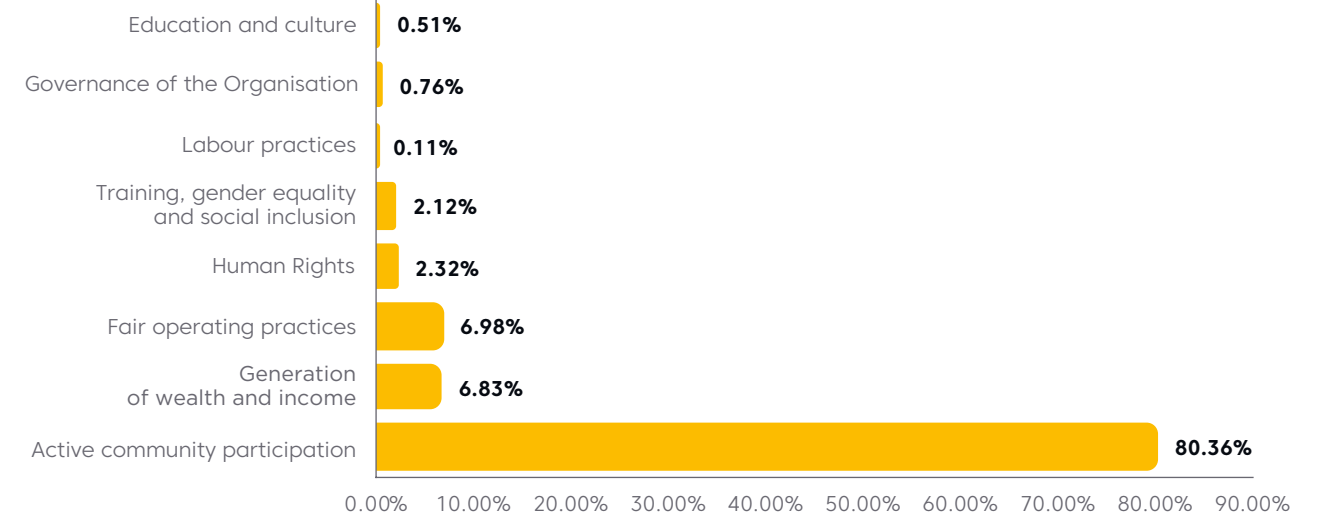
Graph 32 | CSR Investments (€m)



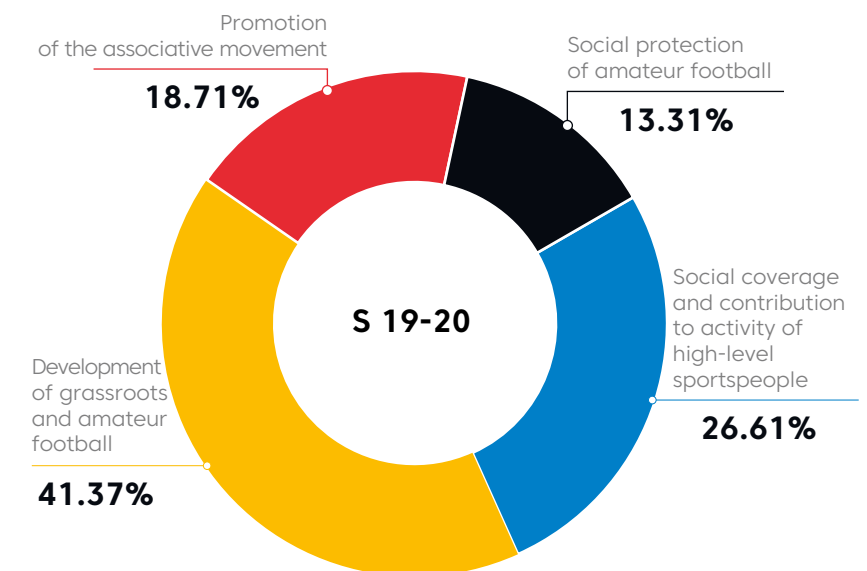




Graph 33 | CSR investment scopes in S 19-20



Graph 34 | Breakdown of the chapter on active community participation in S 19-20





**LaLiga:**  
Summary of FS  
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Among the specific lines of action for investment in S 19-20 season/ 20, the following stand out:

- *LaLiga Genuine*
- *Discrimination and vulnerable groups*
- *Working conditions and social protection*
- *Human development and job training*
- *Anti-piracy actions and campaigns and protection of property rights*
- *Anti-corruption*
- *Responsible political participation*
- *Development of grassroots and amateur football*
- *Social protection of amateur football*
- *Promoting women's football*
- *Social coverage and contribution to activity of high-level sportspeople*
- *Aid for the promotion of the associative movement (AFE)*
- *Promotion of the associative movement*
- *Aid for education training, gender equality and social inclusion*
- *Labour insertion for young people*
- *Other beneficial purposes*
- *LaLigaSports*





5

**Annex:**  
Detailed financial  
statements, tables  
and graphical  
explanations of the  
economic groupings



- 42 clubs -

Table 19 | LaLiga – Detailed Income Statement

Income Statement	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
Broadcasting income national comp. (RDL 5/2015)	797.8	951.3	1,375.0	1,459.4	1,575.5	1,681.7
Broadcasting income international comp. (UEFA market pool)	97.7	109.4	96.4	106.6	81.2	84.5
Broadcasting income from friendlies and others	7.2	4.8	1.9	2.2	8.4	4.1
<b>Broadcasting income</b>	<b>902.6</b>	<b>1,065.4</b>	<b>1,473.3</b>	<b>1,568.2</b>	<b>1,665.1</b>	<b>1,770.4</b>
Income from national official competitions	134.8	141.1	153.1	160.7	164.7	136.8
Income from international official competitions (UEFA prize money + ticketing)	162.1	248.9	250.2	214.5	370.4	318.5
Income from friendly and other competitions	69.9	95.9	89.1	89.8	105.1	71.7
Income from members and season ticket holders	247.6	254.3	268.9	296.6	308.2	269.3
<b>Matchday income</b>	<b>614.5</b>	<b>740.2</b>	<b>761.3</b>	<b>761.5</b>	<b>948.4</b>	<b>796.2</b>
Income from shop sales	54.8	56.7	64.6	67.9	134.7	111.2
Income from sponsorship	375.2	435.7	484.1	508.4	525.6	564.2
Income from other commercial concepts	40.2	41.6	42.1	199.5	104.3	92.8
Income from the operation of facilities	-	-	-	29.1	75.5	50.4
Commercial income - Sponsorship and others	470.2	533.9	590.8	805.0	840.1	818.6
Commercial income - Advertising	83.2	110.0	115.6	127.5	143.8	168.5
<b>Net Turnover (NT)</b>	<b>2,070.6</b>	<b>2,449.6</b>	<b>2,941.0</b>	<b>3,262.2</b>	<b>3,597.3</b>	<b>3,553.7</b>
Other operating income	138.8	261.3	175.8	126.5	173.8	184.9
<b>Operating Income</b>	<b>2,209.3</b>	<b>2,710.9</b>	<b>3,116.8</b>	<b>3,388.8</b>	<b>3,771.1</b>	<b>3,738.5</b>
Procurements	(75.5)	(82.4)	(91.9)	(128.6)	(143.2)	(123.7)
Non-sports personnel (wages)	(162.4)	(187.7)	(208.3)	(233.2)	(252.7)	(273.2)
LaLiga registrable sports staff	(1,070.9)	(1,237.9)	(1,487.4)	(1,802.9)	(1,870.2)	(1,923.4)
LaLiga non-registrable sports staff	(159.5)	(173.6)	(184.4)	(191.8)	(225.2)	(251.6)
Sports wage costs	(1,230.4)	(1,411.5)	(1,671.8)	(1,994.8)	(2,095.4)	(2,175.0)
Other operating expenses	(487.0)	(543.2)	(697.8)	(812.0)	(879.0)	(912.1)
<b>EBITDA b/T (EBITDA before transfer of players)</b>	<b>254.1</b>	<b>486.0</b>	<b>447.1</b>	<b>220.1</b>	<b>400.8</b>	<b>254.4</b>
Selling price for transfer of players	503.8	434.8	474.6	938.7	1,004.4	1,130.5
Selling cost for transfer of players	(162.6)	(156.6)	(124.5)	(209.7)	(271.1)	(337.7)
Result from the transfer of players	341.2	278.2	350.1	729.0	733.3	792.9
<b>EBITDA a/T (EBITDA after transfer of players)</b>	<b>595.3</b>	<b>764.2</b>	<b>797.2</b>	<b>949.1</b>	<b>1,134.0</b>	<b>1,047.3</b>
Depreciation of players	(314.7)	(330.3)	(386.4)	(461.0)	(607.7)	(806.8)
Other depreciations and amortisations	(62.5)	(74.2)	(72.8)	(83.7)	(94.7)	(107.4)
Subsidy (capital grants) allocation	15.6	17.7	19.2	21.0	21.0	20.9
Excess provisions	1.7	0.6	33.0	9.6	11.9	66.3
Gains on other op. fixed assets and exceptional income	11.6	1.2	0.4	3.9	6.3	1.3
Losses on other op. fixed assets and exceptional expenses	(37.7)	(11.5)	(30.9)	(2.2)	(7.9)	(48.3)
Gains or losses on disposal of other non-current op. assets	(26.1)	(10.3)	(30.5)	1.8	(1.7)	(47.0)
Other operating results	(15.3)	(97.5)	(68.3)	(112.1)	(84.7)	1.9
<b>EBIT (operating result)</b>	<b>194.0</b>	<b>270.2</b>	<b>291.4</b>	<b>324.7</b>	<b>378.2</b>	<b>175.0</b>
Financial income	94.6	22.8	42.7	10.8	24.5	36.1
Financial expenses	(89.0)	(90.2)	(70.9)	(79.5)	(93.4)	(112.3)
Impairment and results from financial instruments	(1.8)	(0.8)	(20.4)	(4.9)	(0.2)	(14.9)
FR (financial result)	3.8	(68.2)	(48.7)	(73.6)	(69.1)	(91.1)
<b>RBT (result before tax)</b>	<b>197.9</b>	<b>202.0</b>	<b>242.7</b>	<b>251.0</b>	<b>309.1</b>	<b>83.9</b>
Taxes on profits	(39.2)	(35.0)	(65.4)	(62.8)	(84.2)	(6.6)
<b>NR (net result for the year)</b>	<b>158.6</b>	<b>167.0</b>	<b>177.3</b>	<b>188.2</b>	<b>224.9</b>	<b>77.4</b>
<b>Total Income</b>	<b>2,870.9</b>	<b>3,210.4</b>	<b>3,708.8</b>	<b>4,433.4</b>	<b>4,869.0</b>	<b>5,045.3</b>
<b>Total Expenses</b>	<b>(2,712.3)</b>	<b>(3,043.4)</b>	<b>(3,531.5)</b>	<b>(4,245.2)</b>	<b>(4,644.1)</b>	<b>(4,967.9)</b>



Annex: Detailed financial statements, tables and graphical explanations of the economic groupings

LaLiga (42 clubs)

Table 20 | LaLiga – Detailed Balance Sheet

Balance Sheet	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
<b>NON-CURRENT ASSETS</b>	<b>3,227.9</b>	<b>3,133.4</b>	<b>3,725.2</b>	<b>4,197.7</b>	<b>4,700.7</b>	<b>5,502.8</b>
Intangible assets	1,296.4	1,419.0	1,673.0	1,979.4	2,261.1	2,786.0
Sports intangible assets	916.0	1,071.2	1,277.2	1,605.0	1,873.9	2,381.8
Non-sports intangible assets	380.4	347.7	395.8	374.5	387.2	404.2
Property, plant and equipment	1,122.7	1,224.6	1,454.4	1,567.2	1,727.1	1,885.1
Investment property	28.9	24.4	31.4	33.2	29.7	29.2
Long-term invest. in group companies and associates	50.7	56.5	57.3	71.0	78.6	82.5
Long-term financial investments	400.4	121.7	157.3	203.6	320.9	408.2
Non-current prepayments and accrued income	43.4	21.1	108.7	110.2	70.1	65.5
Deferred tax assets	285.4	266.2	243.2	232.9	213.3	246.3
<b>CURRENT ASSETS</b>	<b>949.0</b>	<b>1,297.5</b>	<b>1,637.7</b>	<b>1,678.6</b>	<b>2,118.8</b>	<b>1,985.4</b>
Non-current assets held for sale	9.3	155.2	166.1	175.7	279.8	13.8
Inventories	11.4	13.1	35.1	15.4	22.4	22.3
Trade and other receivables	277.0	273.0	383.4	440.2	448.4	567.4
Short-term investments in group companies and associates	2.7	5.4	8.8	12.5	18.0	8.2
Short-term financial investments	292.0	423.1	358.3	363.9	551.0	537.7
Current prepayments and accrued income	17.8	14.5	25.8	23.2	38.6	47.1
Cash and cash equivalents	338.8	413.2	660.2	647.7	760.5	788.9
<b>TOTAL ASSETS</b>	<b>4,176.9</b>	<b>4,430.9</b>	<b>5,363.0</b>	<b>5,876.3</b>	<b>6,819.5</b>	<b>7,488.2</b>
<b>EQUITY</b>	<b>710.2</b>	<b>1,050.1</b>	<b>1,254.4</b>	<b>1,496.3</b>	<b>1,715.1</b>	<b>1,767.1</b>
Own resources	489.2	860.5	1,020.2	1,285.5	1,501.7	1,546.8
Adjustments for changes in value	(6.7)	(7.1)	(12.0)	(6.8)	(7.2)	(14.2)
Grants, donations and legacies received	227.7	196.7	246.2	217.5	220.6	234.5
<b>NON-CURRENT LIABILITIES</b>	<b>1,604.4</b>	<b>1,375.1</b>	<b>1,451.9</b>	<b>1,703.6</b>	<b>2,217.9</b>	<b>2,388.9</b>
Long-term provisions	121.7	157.3	131.4	219.2	245.3	209.4
Long-term debt	1,214.8	968.5	984.7	1,143.5	1,632.6	1,889.1
Long-term debt with group companies and associates	78.1	99.7	177.0	139.2	127.9	60.1
Deferred tax liabilities	122.2	103.8	114.6	108.0	120.1	137.3
Long-term accruals and deferred income	67.7	45.8	44.1	93.7	92.0	93.0
<b>CURRENT LIABILITIES</b>	<b>1,862.3</b>	<b>2,005.7</b>	<b>2,656.7</b>	<b>2,676.5</b>	<b>2,886.5</b>	<b>3,332.2</b>
Short-term provisions	8.4	45.2	45.5	31.3	43.0	42.4
Short-term debt	592.4	739.7	799.1	695.4	815.7	1,436.6
Short-term debt with group companies and associates	6.6	14.7	11.9	2.8	14.6	53.8
Trade and other payables	1,035.8	1,021.2	1,317.6	1,434.0	1,414.8	1,301.7
Short-term accruals and deferred income	219.0	185.0	482.5	512.9	598.4	497.6
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,176.9</b>	<b>4,430.9</b>	<b>5,363.0</b>	<b>5,876.3</b>	<b>6,819.5</b>	<b>7,488.2</b>

Table 21 | LaLiga – Detailed cash flow waterfall

Cash Flow (indirect method)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
A. Net result for the year (NR)	158.6	167.0	177.3	188.2	224.9	77.4
B. Adjust. to NR (non-cash and other fin. P&L head.)	87.0	288.7	210.2	(5.4)	170.2	85.7
<b>A. + B. Gross cash flow from operations (FGO)</b>	<b>245.7</b>	<b>455.7</b>	<b>387.5</b>	<b>182.8</b>	<b>395.1</b>	<b>163.1</b>
C. Net investment in working capital (WC)	(12.2)	4.1	421.1	97.9	33.4	(351.1)
<b>A. + B. + C. Net cash flow from operations (OCF)</b>	<b>233.5</b>	<b>459.8</b>	<b>808.6</b>	<b>280.7</b>	<b>428.5</b>	<b>(188.0)</b>
D1. Net investment in recurring operating capacity (CAPEX)	(246.0)	(304.4)	(413.6)	(350.8)	(271.2)	(383.5)
- Recurring investment in players	(538.6)	(523.5)	(601.5)	(731.0)	(682.9)	(809.6)
+ Recurring divestment in players	398.9	337.1	361.0	560.8	534.6	591.0
- Recurring investment in other operating assets	(134.2)	(131.5)	(187.0)	(186.2)	(135.6)	(173.9)
+ Recurring divestment in other operating assets	27.9	13.5	13.8	5.5	12.8	9.1
<b>A. + B. + C. + D1. Recurring free cash flow (FCFr)</b>	<b>(12.6)</b>	<b>155.4</b>	<b>395.0</b>	<b>(70.1)</b>	<b>157.3</b>	<b>(571.4)</b>
D2. Net investment in non-recurring operating capacity (CAPEX)	(66.4)	(47.8)	(327.5)	44.5	(263.0)	(125.8)
- Non-recurring investment in players	(96.3)	(146.3)	(232.5)	(297.7)	(615.3)	(723.7)
+ Non-recurring divestment in players	105.0	97.7	113.6	377.9	469.8	539.5
- Non-recurring investment in other operating assets	(138.8)	(12.0)	(216.3)	(40.1)	(121.1)	(112.2)
+ Non-recurring divestment in other operating assets	63.6	12.7	7.7	4.4	3.5	170.5
<b>A. + B. + C. + D1. + D2. Total free cash flow (FCFt)</b>	<b>(79.0)</b>	<b>107.6</b>	<b>67.5</b>	<b>(25.5)</b>	<b>(105.8)</b>	<b>(697.3)</b>
- Financial expenses	(90.0)	(91.0)	(91.4)	(84.4)	(93.6)	(127.2)
+/- Variation in financial debt (financial entities)	(67.7)	20.2	121.3	(13.4)	66.5	437.2
+/- Variation in financial debt (non-financial entities)	93.9	(106.2)	23.8	76.7	516.2	387.6
+ Financial income	94.6	22.8	42.7	10.8	24.5	36.1
+/- Variation in other ST or LT financial assets and liabilities	27.0	(27.2)	(7.8)	41.7	(7.2)	(12.6)
+/- Net investment in financial assets	(123.2)	(53.9)	27.6	(69.9)	(307.4)	(81.6)
<b>A. + B. + C. + D. + E. Equity cash flow (ECF)</b>	<b>(144.5)</b>	<b>(127.8)</b>	<b>183.7</b>	<b>(64.1)</b>	<b>93.2</b>	<b>(57.7)</b>
F. Cash flows from own resources (Equity)	123.0	200.3	66.1	58.1	14.8	87.4
+/- Changes in capital and other equity instruments	45.5	200.3	2.3	60.5	11.1	91.4
+ Grants, donations and legacies received	77.5	-	63.8	-	10.3	0.6
- Dividends	-	-	-	(2.4)	(6.7)	(4.6)
<b>A. + B. + C. + D. + E. + F. Net change in cash</b>	<b>(21.5)</b>	<b>72.4</b>	<b>249.9</b>	<b>(6.0)</b>	<b>108.1</b>	<b>29.8</b>
<b>Cash and cash equivalents, opening balance*</b>	<b>361.6</b>	<b>340.7</b>	<b>410.3</b>	<b>653.7</b>	<b>652.4</b>	<b>759.1</b>
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	(21.5)	72.4	249.9	(6.0)	108.1	29.8
<b>Cash and cash equivalents, closing balance*</b>	<b>340.1</b>	<b>413.2</b>	<b>660.2</b>	<b>647.7</b>	<b>760.5</b>	<b>788.9</b>

(\*) The balance of cash and equivalents at the end of each period does not match the balance of cash and equivalents at the beginning of the following period exactly due to the change in club perimeters in each season (relegation from Second A – professional football – to Second B – ex LaLiga – and vice versa).

## Netted LaLiga - 40 clubs -

Table 22 | Netted LaLiga – Detailed Income Statement

Income Statement	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
Broadcasting income national comp. (RDL 5/2015)	521.9	667.2	1,082.9	1,149.0	1,247.2	1,306.7
Broadcasting income international comp. (UEFA market pool)	47.4	57.7	47.0	53.1	45.4	49.6
Broadcasting income from friendlies and others	7.2	4.7	0.1	0.3	0.5	4.1
<b>Broadcasting income</b>	<b>576.6</b>	<b>729.7</b>	<b>1,130.0</b>	<b>1,202.4</b>	<b>1,293.1</b>	<b>1,360.5</b>
Income from national official competitions	44.4	45.3	44.9	47.7	48.6	41.3
Income from international official competitions (UEFA prize money + ticketing)	56.4	125.7	114.3	82.6	162.6	173.8
Income from friendly and other competitions	6.4	11.2	7.3	11.4	10.1	6.0
Income from members and season ticket holders	147.4	158.8	168.3	186.7	193.0	170.5
<b>Matchday income</b>	<b>254.7</b>	<b>340.9</b>	<b>334.8</b>	<b>328.4</b>	<b>414.4</b>	<b>391.7</b>
Income from shop sales	30.8	35.6	39.4	41.5	48.1	44.0
Income from sponsorship	41.8	49.0	58.1	76.0	79.2	98.5
Income from other commercial concepts	8.0	11.8	15.9	59.9	26.2	19.5
Income from the operation of facilities	-	-	-	0.2	0.7	0.8
Commercial income - Sponsorship and others	80.6	96.4	113.4	177.6	154.2	162.8
Commercial income - Advertising	79.7	106.1	113.7	126.8	143.8	168.5
<b>Net Turnover (NT)</b>	<b>991.6</b>	<b>1,273.1</b>	<b>1,692.0</b>	<b>1,835.2</b>	<b>2,005.4</b>	<b>2,083.4</b>
Other operating income	79.8	198.2	108.4	113.5	157.9	142.1
<b>Operating Income</b>	<b>1,071.5</b>	<b>1,471.3</b>	<b>1,800.3</b>	<b>1,948.7</b>	<b>2,163.3</b>	<b>2,225.5</b>
Procurements	(44.3)	(53.2)	(58.6)	(92.5)	(82.4)	(73.5)
Non-sports personnel (wages)	(97.7)	(115.8)	(128.7)	(147.6)	(155.0)	(168.4)
LaLiga registrable sports staff	(555.1)	(693.4)	(867.9)	(1,007.0)	(1,119.3)	(1,230.0)
LaLiga non-registrable sports staff	(62.4)	(70.9)	(73.2)	(81.0)	(103.2)	(120.0)
Sports wage costs	(617.5)	(764.3)	(941.2)	(1,088.0)	(1,222.6)	(1,350.0)
Other operating expenses	(256.6)	(306.3)	(407.8)	(455.5)	(493.9)	(518.5)
<b>EBITDA b/T (EBITDA before transfer of players)</b>	<b>55.4</b>	<b>231.7</b>	<b>264.0</b>	<b>165.1</b>	<b>209.4</b>	<b>115.2</b>
Selling price for transfer of players	338.7	353.6	381.6	602.9	675.4	853.9
Selling cost for transfer of players	(98.3)	(126.3)	(110.6)	(135.6)	(141.6)	(236.2)
Result from the transfer of players	240.4	227.3	271.0	467.3	533.8	617.8
<b>EBITDA a/T (EBITDA after transfer of players)</b>	<b>295.8</b>	<b>458.9</b>	<b>535.0</b>	<b>632.4</b>	<b>743.2</b>	<b>733.0</b>
Depreciation of players	(123.8)	(171.8)	(227.0)	(257.4)	(358.1)	(472.8)
Other depreciations and amortisations	(35.4)	(37.4)	(41.8)	(52.5)	(62.3)	(72.1)
Subsidy (capital grants) allocation	15.3	17.0	18.9	20.7	20.7	20.6
Excess provisions	1.0	0.6	2.5	5.4	5.1	66.3
Gains on other op. fixed assets and exceptional income	11.6	1.2	0.3	3.2	6.1	1.2
Losses on other op. fixed assets and exceptional expenses	(37.3)	(2.7)	(1.9)	(2.2)	(7.5)	(48.0)
Gains or losses on disposal of other non-current op. assets	(25.7)	(1.5)	(1.6)	1.1	(1.4)	(46.8)
Other operating results	(23.6)	(83.6)	(53.3)	(101.9)	(40.9)	(14.3)
<b>EBIT (operating result)</b>	<b>103.6</b>	<b>182.4</b>	<b>232.8</b>	<b>247.9</b>	<b>306.4</b>	<b>213.9</b>
Financial income	88.2	12.0	36.0	8.7	21.9	30.2
Financial expenses	(66.2)	(70.7)	(63.2)	(63.7)	(73.3)	(80.2)
Impairment and results from financial instruments	(1.8)	(0.8)	(20.4)	(4.9)	(2.9)	(14.4)
FR (financial result)	20.3	(59.5)	(47.7)	(59.9)	(54.3)	(64.3)
<b>RBT (result before tax)</b>	<b>123.9</b>	<b>122.8</b>	<b>185.1</b>	<b>187.9</b>	<b>252.1</b>	<b>149.5</b>
Taxes on profits	(22.4)	(14.9)	(47.3)	(43.8)	(70.1)	(35.7)
<b>NR (net result for the year)</b>	<b>101.5</b>	<b>107.9</b>	<b>137.8</b>	<b>144.1</b>	<b>182.0</b>	<b>113.8</b>
<b>Total Income</b>	<b>1,555.2</b>	<b>1,877.6</b>	<b>2,261.7</b>	<b>2,648.0</b>	<b>2,911.3</b>	<b>3,220.9</b>
<b>Total Expenses</b>	<b>(1,453.8)</b>	<b>(1,769.7)</b>	<b>(2,123.9)</b>	<b>(2,503.9)</b>	<b>(2,729.4)</b>	<b>(3,107.1)</b>



Annex: Detailed financial statements, tables and graphical explanations of the economic groupings

Netted LaLiga (40 clubs)

Table 23 | Netted LaLiga – Detailed Balance Sheet

Balance Sheet	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
<b>NON-CURRENT ASSETS</b>	<b>2,006.9</b>	<b>2,015.6</b>	<b>2,417.6</b>	<b>2,682.8</b>	<b>3,018.6</b>	<b>3,330.4</b>
Intangible assets	718.1	866.3	1,052.9	1,193.5	1,403.7	1,627.0
Sports intangible assets	360.2	536.2	674.6	837.3	1,035.2	1,250.4
Non-sports intangible assets	357.8	330.1	378.3	356.2	368.5	376.6
Property, plant and equipment	666.0	758.1	975.6	1,069.4	1,171.2	1,233.1
Investment property	10.9	7.9	7.6	7.9	4.6	4.5
Long-term invest. in group companies and associates	49.8	55.5	57.1	70.0	71.9	75.3
Long-term financial investments	332.6	104.0	111.9	136.9	189.5	209.6
Non-current prepayments and accrued income	1.3	1.7	1.3	6.0	5.8	7.4
Deferred tax assets	228.2	222.1	211.2	199.2	171.9	173.4
<b>CURRENT ASSETS</b>	<b>523.1</b>	<b>823.7</b>	<b>1,110.6</b>	<b>1,088.2</b>	<b>1,303.5</b>	<b>1,249.8</b>
Non-current assets held for sale	9.3	155.2	166.1	175.7	200.9	6.4
Inventories	9.0	10.5	32.6	11.7	13.4	15.9
Trade and other receivables	144.2	142.0	189.3	160.7	212.5	258.6
Short-term investments in group companies and associates	2.7	5.4	8.8	12.5	18.0	8.2
Short-term financial investments	193.9	326.1	306.0	293.2	384.0	432.4
Current prepayments and accrued income	10.3	10.0	18.4	17.1	28.3	36.5
Cash and cash equivalents	153.9	174.6	389.4	417.2	446.4	491.8
<b>TOTAL ASSETS</b>	<b>2,530.0</b>	<b>2,839.3</b>	<b>3,528.1</b>	<b>3,771.0</b>	<b>4,322.1</b>	<b>4,580.2</b>
<b>EQUITY</b>	<b>229.5</b>	<b>510.6</b>	<b>675.6</b>	<b>873.6</b>	<b>1,049.7</b>	<b>1,199.0</b>
Own resources	16.1	328.3	448.6	669.7	843.1	985.2
Adjustments for changes in value	(6.7)	(7.1)	(12.0)	(6.8)	(7.2)	(14.2)
Grants, donations and legacies received	220.1	189.4	239.1	210.6	213.9	228.0
<b>NON-CURRENT LIABILITIES</b>	<b>1,255.0</b>	<b>1,156.1</b>	<b>1,232.8</b>	<b>1,364.5</b>	<b>1,545.8</b>	<b>1,498.4</b>
Long-term provisions	79.3	110.2	114.3	179.0	214.8	168.5
Long-term debt	978.2	836.8	819.9	901.8	1,055.0	1,117.8
Long-term debt with group companies and associates	78.1	99.7	177.0	139.2	127.9	60.1
Deferred tax liabilities	92.6	87.6	99.7	91.1	100.1	116.0
Long-term accruals and deferred income	26.9	21.8	21.9	53.3	48.0	36.1
<b>CURRENT LIABILITIES</b>	<b>1,045.5</b>	<b>1,172.6</b>	<b>1,619.7</b>	<b>1,533.0</b>	<b>1,726.6</b>	<b>1,882.8</b>
Short-term provisions	1.7	3.2	30.5	28.5	37.6	36.7
Short-term debt	376.4	513.3	642.7	521.1	616.1	838.4
Short-term debt with group companies and associates	6.6	14.7	11.9	2.8	14.6	53.8
Trade and other payables	586.5	556.4	691.4	757.6	767.6	776.9
Short-term accruals and deferred income	74.3	85.1	243.3	222.9	290.7	177.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,530.0</b>	<b>2,839.3</b>	<b>3,528.1</b>	<b>3,771.0</b>	<b>4,322.1</b>	<b>4,580.2</b>

Table 24 | Netted LaLiga – Detailed cash flow waterfall

Cash Flow (indirect method)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
A. Net result for the year (NR)	101.5	107.9	137.8	144.1	182.0	113.8
B. Adjust. to NR (non-cash and other fin. P&L head.)	(34.0)	63.6	107.2	(9.5)	(1.6)	(45.4)
<b>A. + B. Gross cash flow from operations (FGO)</b>	<b>67.4</b>	<b>171.5</b>	<b>245.0</b>	<b>134.6</b>	<b>180.4</b>	<b>68.4</b>
C. Net investment in working capital (WC)	(59.2)	30.2	189.5	83.6	12.9	(161.4)
<b>A. + B. + C. Net cash flow from operations (OCF)</b>	<b>8.2</b>	<b>201.7</b>	<b>434.5</b>	<b>218.2</b>	<b>193.4</b>	<b>(93.0)</b>
D1. Net investment in recurring operating capacity (CAPEX)	(51.3)	(163.4)	(204.0)	(177.1)	(76.5)	(140.9)
- Recurring investment in players	(264.4)	(353.9)	(350.2)	(440.7)	(374.3)	(435.1)
+ Recurring divestment in players	276.3	261.0	268.0	392.0	369.4	390.1
- Recurring investment in other operating assets	(88.0)	(83.4)	(132.6)	(133.6)	(83.4)	(104.8)
+ Recurring divestment in other operating assets	24.9	12.9	10.8	5.1	11.9	8.9
<b>A. + B. + C. + D1. Recurring free cash flow (FCFr)</b>	<b>(43.0)</b>	<b>38.3</b>	<b>230.5</b>	<b>41.1</b>	<b>116.9</b>	<b>(233.8)</b>
D2. Net investment in non-recurring operating capacity (CAPEX)	(16.9)	(53.2)	(217.8)	33.4	(117.2)	126.5
- Non-recurring investment in players	(26.0)	(146.3)	(144.5)	(141.8)	(350.7)	(467.6)
+ Non-recurring divestment in players	62.4	92.6	113.6	210.9	306.0	463.8
- Non-recurring investment in other operating assets	(116.9)	(12.0)	(191.0)	(40.1)	(76.0)	(40.3)
+ Non-recurring divestment in other operating assets	63.6	12.5	4.1	4.3	3.5	170.5
<b>A. + B. + C. + D1. + D2. Total free cash flow (FCFt)</b>	<b>(59.9)</b>	<b>(14.9)</b>	<b>12.7</b>	<b>74.5</b>	<b>(0.3)</b>	<b>(107.4)</b>
- Financial expenses	(67.3)	(71.5)	(83.7)	(68.7)	(76.2)	(94.5)
+/- Variation in financial debt (financial entities)	(38.0)	51.1	114.0	(28.5)	69.6	75.1
+/- Variation in financial debt (non-financial entities)	20.0	(42.6)	67.9	(3.1)	151.8	157.5
+ Financial income	88.2	12.0	36.0	8.7	21.9	30.2
+/- Variation in other ST or LT financial assets and liabilities	17.7	(10.4)	(6.0)	23.5	(10.7)	(25.6)
+/- Net investment in financial assets	(76.8)	(105.1)	10.6	(30.3)	(146.4)	(76.1)
<b>A. + B. + C. + D. + E. Equity cash flow (ECF)</b>	<b>(116.1)</b>	<b>(181.5)</b>	<b>151.5</b>	<b>(23.8)</b>	<b>9.6</b>	<b>(40.7)</b>
F. Cash flows from own resources (Equity)	123.0	200.3	66.1	58.1	14.8	87.4
+/- Changes in capital and other equity instruments	45.5	200.3	2.3	60.5	11.1	91.4
+ Grants, donations and legacies received	77.5	-	63.8	-	10.3	0.6
- Dividends	-	-	-	(2.4)	(6.7)	(4.6)
<b>A. + B. + C. + D. + E. + F. Net change in cash</b>	<b>6.9</b>	<b>18.8</b>	<b>217.7</b>	<b>34.4</b>	<b>24.4</b>	<b>46.7</b>
<b>Cash and cash equivalents, opening balance*</b>	<b>148.2</b>	<b>155.7</b>	<b>171.8</b>	<b>382.9</b>	<b>422.0</b>	<b>445.1</b>
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	6.9	18.8	217.7	34.4	24.4	46.7
<b>Cash and cash equivalents, closing balance*</b>	<b>155.1</b>	<b>174.6</b>	<b>389.4</b>	<b>417.2</b>	<b>446.4</b>	<b>491.8</b>

(\*) The balance of cash and equivalents at the end of each period does not match the balance of cash and equivalents at the beginning of the following period exactly due to the change in club perimeters in each season (relegation from Second A – professional football – to Second B – ex LaLiga – and vice versa).



- 20 clubs -

Table 25 | LaLiga Santander – Detailed Income Statement

Income Statement	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
Broadcasting income national comp. (RDL 5/2015)	736.3	882.6	1,239.8	1,325.0	1,416.6	1,518.9
Broadcasting income international comp. (UEFA market pool)	97.7	109.4	96.4	105.7	81.2	84.5
Broadcasting income from friendlies and others	-	-	1.9	2.0	8.2	3.5
<b>Broadcasting income</b>	<b>834.0</b>	<b>992.0</b>	<b>1,338.0</b>	<b>1,432.7</b>	<b>1,506.0</b>	<b>1,606.9</b>
Income from national official competitions	126.8	135.9	148.1	152.1	154.9	129.5
Income from international official competitions (UEFA prize money + ticketing)	161.8	248.0	249.1	213.7	369.7	318.3
Income from friendly and other competitions	69.6	95.3	88.4	89.4	104.0	71.2
Income from members and season ticket holders	217.8	230.3	245.4	266.4	267.6	233.4
<b>Matchday income</b>	<b>576.0</b>	<b>709.6</b>	<b>730.9</b>	<b>721.5</b>	<b>896.2</b>	<b>752.4</b>
Income from shop sales	51.6	53.2	60.6	63.4	125.1	101.2
Income from sponsorship	366.6	427.8	474.5	499.3	507.4	535.5
Income from other commercial concepts	38.3	36.9	41.6	199.1	102.9	92.2
Income from the operation of facilities	-	-	-	28.9	74.9	50.0
Commercial income - Sponsorship and others	456.4	517.9	576.7	790.7	810.3	778.9
Commercial income - Advertising	72.3	93.8	98.4	108.2	119.0	145.9
<b>Net Turnover (NT)</b>	<b>1,938.7</b>	<b>2,313.2</b>	<b>2,744.0</b>	<b>3,053.2</b>	<b>3,331.5</b>	<b>3,284.2</b>
Other operating income	111.3	197.9	127.6	75.4	101.1	121.5
<b>Operating Income</b>	<b>2,050.0</b>	<b>2,511.1</b>	<b>2,871.6</b>	<b>3,128.6</b>	<b>3,432.6</b>	<b>3,405.7</b>
Procurements	(67.9)	(75.6)	(82.5)	(120.0)	(129.8)	(108.8)
Non-sports personnel (wages)	(140.2)	(164.2)	(180.7)	(201.5)	(208.3)	(231.8)
LaLiga registrable sports staff	(995.4)	(1,151.9)	(1,364.0)	(1,679.4)	(1,708.8)	(1,744.9)
LaLiga non-registrable sports staff	(146.2)	(159.8)	(171.6)	(173.7)	(199.3)	(227.0)
Sports wage costs	(1,141.7)	(1,311.7)	(1,535.6)	(1,853.2)	(1,908.1)	(1,971.9)
Other operating expenses	(433.2)	(479.1)	(617.6)	(728.1)	(756.9)	(788.4)
<b>EBITDA b/T (EBITDA before transfer of players)</b>	<b>267.1</b>	<b>480.5</b>	<b>455.3</b>	<b>225.8</b>	<b>429.5</b>	<b>304.8</b>
Selling price for transfer of players	487.6	416.9	435.4	889.2	930.7	1,012.5
Selling cost for transfer of players	(157.7)	(155.2)	(118.8)	(202.6)	(250.7)	(320.6)
Result from the transfer of players	329.9	261.7	316.6	686.6	680.0	691.9
<b>EBITDA a/T (EBITDA after transfer of players)</b>	<b>597.0</b>	<b>742.2</b>	<b>771.9</b>	<b>912.4</b>	<b>1,109.5</b>	<b>996.6</b>
Depreciation of players	(309.8)	(328.1)	(382.0)	(453.9)	(586.7)	(779.6)
Other depreciations and amortisations	(49.3)	(64.1)	(60.8)	(71.0)	(73.4)	(87.4)
Subsidy (capital grants) allocation	8.7	11.2	11.9	12.5	8.1	9.3
Excess provisions	0.7	0.5	32.9	8.9	6.7	63.1
Gains on other op. fixed assets and exceptional income	0.2	0.1	0.1	1.9	4.7	1.2
Losses on other op. fixed assets and exceptional expenses	(36.9)	(10.7)	(29.2)	(1.9)	(6.8)	(45.8)
Gains or losses on disposal of other non-current op. assets	(36.7)	(10.6)	(29.1)	0.1	(2.2)	(44.6)
Other operating results	(15.2)	(99.3)	(67.4)	(109.7)	(85.4)	5.6
<b>EBIT (operating result)</b>	<b>195.3</b>	<b>251.8</b>	<b>277.3</b>	<b>299.2</b>	<b>376.6</b>	<b>162.9</b>
Financial income	68.3	22.2	31.1	10.5	23.6	35.2
Financial expenses	(80.0)	(85.9)	(61.9)	(75.7)	(87.1)	(105.7)
Impairment and results from financial instruments	(0.8)	(1.3)	(16.7)	(4.9)	0.2	(15.0)
FR (financial result)	(12.6)	(65.0)	(47.5)	(70.1)	(63.3)	(85.5)
<b>RBT (result before tax)</b>	<b>182.7</b>	<b>186.7</b>	<b>229.8</b>	<b>229.0</b>	<b>313.3</b>	<b>77.4</b>
Taxes on profits	(38.6)	(33.8)	(61.9)	(59.7)	(82.5)	0.2
<b>NR (net result for the year)</b>	<b>144.1</b>	<b>153.0</b>	<b>167.9</b>	<b>169.3</b>	<b>230.8</b>	<b>77.6</b>
<b>Total Income</b>	<b>2,645.4</b>	<b>2,978.8</b>	<b>3,390.6</b>	<b>4,105.4</b>	<b>4,428.1</b>	<b>4,573.7</b>
<b>Total Expenses</b>	<b>(2,501.3)</b>	<b>(2,825.9)</b>	<b>(3,222.7)</b>	<b>(3,936.1)</b>	<b>(4,197.3)</b>	<b>(4,496.1)</b>



Annex: Detailed financial statements, tables and graphical explanations of the economic groupings

LaLiga Santander (20 clubs)

Table 26 | LaLiga Santander – Detailed Balance Sheet

Balance Sheet	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
<b>NON-CURRENT ASSETS</b>	<b>2,814.6</b>	<b>2,801.9</b>	<b>3,295.4</b>	<b>3,789.1</b>	<b>4,203.5</b>	<b>4,970.6</b>
Intangible assets	1,053.2	1,238.7	1,503.6	1,754.1	1,970.5	2,532.0
Sports intangible assets	906.4	1,067.7	1,268.2	1,590.2	1,832.2	2,329.5
Non-sports intangible assets	146.8	171.0	235.4	163.9	138.3	202.5
Property, plant and equipment	1,048.5	1,158.3	1,336.6	1,501.2	1,604.5	1,731.5
Investment property	25.6	20.9	31.3	29.6	28.0	27.5
Long-term invest. in group companies and associates	50.0	48.3	50.0	64.5	76.3	75.6
Long-term financial investments	377.0	96.2	99.4	150.0	294.4	346.7
Non-current prepayments and accrued income	43.4	21.0	108.7	110.2	70.1	65.5
Deferred tax assets	217.0	218.4	165.9	179.6	159.7	191.9
<b>CURRENT ASSETS</b>	<b>894.0</b>	<b>1,217.9</b>	<b>1,511.1</b>	<b>1,554.1</b>	<b>1,959.2</b>	<b>1,809.8</b>
Non-current assets held for sale	8.7	155.2	166.1	175.7	278.2	13.8
Inventories	10.3	11.6	32.8	14.3	18.9	19.2
Trade and other receivables	256.7	244.4	337.7	401.5	404.2	528.2
Short-term investments in group companies and associates	1.3	2.0	7.1	8.8	4.7	2.5
Short-term financial investments	271.0	397.4	323.6	327.6	511.0	487.3
Current prepayments and accrued income	17.2	13.9	23.6	21.8	36.1	40.9
Cash and cash equivalents	328.8	393.5	620.2	604.5	706.2	717.9
<b>TOTAL ASSETS</b>	<b>3,708.6</b>	<b>4,019.7</b>	<b>4,806.5</b>	<b>5,343.2</b>	<b>6,162.7</b>	<b>6,780.4</b>
<b>EQUITY</b>	<b>696.8</b>	<b>1,016.2</b>	<b>1,193.8</b>	<b>1,359.0</b>	<b>1,583.2</b>	<b>1,571.2</b>
Own resources	593.6	913.3	1,029.4	1,265.1	1,513.9	1,486.0
Adjustments for changes in value	(12.0)	(12.0)	-	(10.8)	(10.8)	(17.3)
Grants, donations and legacies received	115.2	114.9	164.4	104.7	80.0	102.6
<b>NON-CURRENT LIABILITIES</b>	<b>1,316.1</b>	<b>1,112.4</b>	<b>1,163.8</b>	<b>1,469.5</b>	<b>1,929.6</b>	<b>2,097.3</b>
Long-term provisions	117.2	149.9	83.4	173.4	235.9	169.6
Long-term debt	980.6	757.0	801.7	1,027.9	1,442.8	1,741.6
Long-term debt with group companies and associates	63.6	87.1	151.8	107.6	99.7	15.1
Deferred tax liabilities	88.2	74.6	84.9	67.3	61.3	79.8
Long-term accruals and deferred income	66.4	43.8	42.0	93.3	90.0	91.2
<b>CURRENT LIABILITIES</b>	<b>1,695.8</b>	<b>1,891.2</b>	<b>2,448.9</b>	<b>2,514.8</b>	<b>2,649.9</b>	<b>3,111.8</b>
Short-term provisions	8.0	43.6	41.1	29.3	39.0	33.7
Short-term debt	543.0	708.2	734.1	648.5	744.9	1,348.8
Short-term debt with group companies and associates	4.0	10.1	5.4	2.0	13.1	42.8
Trade and other payables	928.1	950.4	1,217.1	1,350.4	1,301.9	1,206.6
Short-term accruals and deferred income	212.7	178.8	451.2	484.5	551.0	480.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,708.6</b>	<b>4,019.7</b>	<b>4,806.5</b>	<b>5,343.2</b>	<b>6,162.7</b>	<b>6,780.4</b>

Table 27 | LaLiga Santander – Detailed cash flow waterfall

Cash Flow (indirect method)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
A. Net result for the year (NR)	144.1	153.0	167.9	169.3	230.8	77.6
B. Adjust. to NR (non-cash and other fin. P&L head.)	117.5	292.8	214.5	33.4	188.2	125.4
<b>A. + B. Gross cash flow from operations (FGO)</b>	<b>261.6</b>	<b>445.8</b>	<b>382.4</b>	<b>202.7</b>	<b>419.0</b>	<b>202.9</b>
C. Net investment in working capital (WC)	(20.6)	3.4	390.8	80.4	17.5	(339.2)
<b>A. + B. + C. Net cash flow from operations (OCF)</b>	<b>241.0</b>	<b>449.2</b>	<b>773.2</b>	<b>283.1</b>	<b>436.5</b>	<b>(136.3)</b>
D1. Net investment in recurring operating capacity (CAPEX)	(247.8)	(307.6)	(423.3)	(374.0)	(290.8)	(408.4)
- Recurring investment in players	(531.3)	(521.0)	(595.7)	(724.0)	(665.3)	(795.0)
+ Recurring divestment in players	385.8	325.2	334.7	529.6	490.5	541.7
- Recurring investment in other operating assets	(116.6)	(123.7)	(174.9)	(182.7)	(122.7)	(162.4)
+ Recurring divestment in other operating assets	14.3	11.8	12.5	3.1	6.7	7.4
<b>A. + B. + C. + D1. Recurring free cash flow (FCFr)</b>	<b>(6.7)</b>	<b>141.6</b>	<b>349.9</b>	<b>(90.9)</b>	<b>145.6</b>	<b>(544.7)</b>
D2. Net investment in non-recurring operating capacity (CAPEX)	(66.6)	(51.0)	(318.5)	33.3	(266.7)	(172.5)
- Non-recurring investment in players	(95.4)	(144.7)	(229.6)	(290.1)	(595.7)	(700.9)
+ Non-recurring divestment in players	101.8	91.7	100.6	359.6	440.2	470.8
- Non-recurring investment in other operating assets	(100.8)	(9.5)	(194.1)	(38.5)	(112.9)	(107.7)
+ Non-recurring divestment in other operating assets	27.8	11.6	4.6	2.3	1.6	165.3
<b>A. + B. + C. + D1. + D2. Total free cash flow (FCFt)</b>	<b>(73.3)</b>	<b>90.6</b>	<b>31.4</b>	<b>(57.6)</b>	<b>(121.0)</b>	<b>(717.2)</b>
- Financial expenses	(80.8)	(87.2)	(78.6)	(80.6)	(86.9)	(120.7)
+/- Variation in financial debt (financial entities)	(70.1)	20.7	130.5	(12.7)	67.9	432.4
+/- Variation in financial debt (non-financial entities)	177.8	(82.5)	50.6	102.4	536.4	399.4
+ Financial income	68.3	22.2	31.1	10.5	23.6	35.2
+/- Variation in other ST or LT financial assets and liabilities	28.8	(28.5)	(8.3)	41.9	(5.0)	(12.2)
+/- Net investment in financial assets	(132.0)	(46.4)	29.0	(62.3)	(319.1)	(59.6)
<b>A. + B. + C. + D. + E. Equity cash flow (ECF)</b>	<b>(81.5)</b>	<b>(111.2)</b>	<b>185.7</b>	<b>(58.5)</b>	<b>95.9</b>	<b>(42.6)</b>
F. Cash flows from own resources (Equity)	74.0	177.2	40.3	53.5	9.0	46.1
+/- Changes in capital and other equity instruments	41.3	177.2	1.2	55.1	0.2	50.2
+ Grants, donations and legacies received	32.6	-	39.1	-	10.3	0.6
- Dividends	-	-	-	(1.6)	(1.6)	(4.6)
<b>A. + B. + C. + D. + E. + F. Net change in cash</b>	<b>(7.5)</b>	<b>66.0</b>	<b>226.0</b>	<b>(5.0)</b>	<b>104.9</b>	<b>3.5</b>
<b>Cash and cash equivalents, opening balance*</b>	<b>336.3</b>	<b>327.5</b>	<b>394.3</b>	<b>609.5</b>	<b>601.3</b>	<b>714.3</b>
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	(7.5)	66.0	226.0	(5.0)	104.9	3.5
<b>Cash and cash equivalents, closing balance*</b>	<b>328.8</b>	<b>393.5</b>	<b>620.2</b>	<b>604.5</b>	<b>706.2</b>	<b>717.9</b>

(\*) The balance of cash and equivalents at the end of each period does not match the balance of cash and equivalents at the beginning of the following period exactly due to the change in club perimeters in each season (relegation from Second A – professional football – to Second B – ex LaLiga – and vice versa).

## Netted LaLiga Santander - 18 clubs -

Table 28 | Netted LaLiga Santander – Detailed Income Statement

Income Statement	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
Broadcasting income national comp. (RDL 5/2015)	460.5	598.5	947.7	1,014.7	1,088.3	1,143.9
Broadcasting income international comp. (UEFA market pool)	47.4	57.7	47.0	52.2	45.4	49.6
Broadcasting income from friendlies and others	-	-	0.0	0.1	0.3	3.5
<b>Broadcasting income</b>	<b>507.9</b>	<b>656.2</b>	<b>994.8</b>	<b>1,066.9</b>	<b>1,134.0</b>	<b>1,197.0</b>
Income from national official competitions	36.4	40.1	39.9	39.1	38.8	34.1
Income from international official competitions (UEFA prize money + ticketing)	56.1	124.8	113.2	81.7	162.0	173.6
Income from friendly and other competitions	6.1	10.6	6.6	11.1	9.0	5.6
Income from members and season ticket holders	117.6	134.7	144.7	156.6	152.5	134.6
<b>Matchday income</b>	<b>216.2</b>	<b>310.3</b>	<b>304.4</b>	<b>288.4</b>	<b>362.2</b>	<b>347.9</b>
Income from shop sales	27.5	32.1	35.4	37.0	38.5	34.0
Income from sponsorship	33.2	41.1	48.5	66.9	61.1	69.9
Income from other commercial concepts	6.1	7.2	15.5	59.5	24.8	18.9
Income from the operation of facilities	-	-	-	-	-	0.4
Commercial income - Sponsorship and others	66.8	80.4	99.3	163.3	124.4	123.1
Commercial income - Advertising	68.8	89.9	96.5	107.5	119.0	145.9
<b>Net Turnover (NT)</b>	<b>859.7</b>	<b>1,136.8</b>	<b>1,495.0</b>	<b>1,626.2</b>	<b>1,739.6</b>	<b>1,813.9</b>
Other operating income	52.4	134.8	60.2	62.4	85.2	78.7
<b>Operating Income</b>	<b>912.1</b>	<b>1,271.6</b>	<b>1,555.1</b>	<b>1,688.5</b>	<b>1,824.8</b>	<b>1,892.7</b>
Procurements	(36.7)	(46.4)	(49.2)	(83.9)	(69.0)	(58.5)
Non-sports personnel (wages)	(75.6)	(92.4)	(101.1)	(115.9)	(110.6)	(127.0)
LaLiga registrable sports staff	(479.7)	(607.4)	(744.5)	(883.5)	(957.9)	(1,051.4)
LaLiga non-registrable sports staff	(49.1)	(57.1)	(60.5)	(62.9)	(77.4)	(95.4)
Sports wage costs	(528.8)	(664.6)	(805.0)	(946.4)	(1,035.3)	(1,146.9)
Other operating expenses	(202.7)	(242.2)	(327.6)	(371.6)	(371.8)	(394.7)
<b>EBITDA b/T (EBITDA before transfer of players)</b>	<b>68.4</b>	<b>226.1</b>	<b>272.2</b>	<b>170.8</b>	<b>238.2</b>	<b>165.6</b>
Selling price for transfer of players	322.4	335.7	342.4	553.5	601.7	735.9
Selling cost for transfer of players	(93.4)	(124.9)	(104.9)	(128.6)	(121.1)	(219.1)
Result from the transfer of players	229.1	210.8	237.5	424.9	480.6	516.8
<b>EBITDA a/T (EBITDA after transfer of players)</b>	<b>297.5</b>	<b>436.9</b>	<b>509.7</b>	<b>595.7</b>	<b>718.7</b>	<b>682.4</b>
Depreciation of players	(118.9)	(169.6)	(222.7)	(250.3)	(337.1)	(445.6)
Other depreciations and amortisations	(22.2)	(27.3)	(29.8)	(39.8)	(41.1)	(52.1)
Subsidy (capital grants) allocation	8.3	10.5	11.6	12.1	7.8	9.0
Excess provisions	0.0	0.5	2.4	4.6	0.0	63.1
Gains on other op. fixed assets and exceptional income	0.2	0.1	0.1	1.2	4.5	1.1
Losses on other op. fixed assets and exceptional expenses	(36.4)	(1.9)	(0.2)	(1.9)	(6.4)	(45.5)
Gains or losses on disposal of other non-current op. assets	(36.3)	(1.8)	(0.2)	(0.6)	(1.9)	(44.4)
Other operating results	(23.6)	(85.3)	(52.4)	(99.4)	(41.6)	(10.6)
<b>EBIT (operating result)</b>	<b>104.9</b>	<b>163.9</b>	<b>218.7</b>	<b>222.3</b>	<b>304.8</b>	<b>201.7</b>
Financial income	61.9	11.4	24.3	8.4	20.9	29.3
Financial expenses	(57.3)	(66.4)	(54.2)	(59.9)	(67.0)	(73.6)
Impairment and results from financial instruments	(0.8)	(1.3)	(16.7)	(4.9)	(2.4)	(14.5)
FR (financial result)	3.8	(56.4)	(46.6)	(56.4)	(48.5)	(58.7)
<b>RBT (result before tax)</b>	<b>108.7</b>	<b>107.5</b>	<b>172.2</b>	<b>165.9</b>	<b>256.2</b>	<b>143.0</b>
Taxes on profits	(21.8)	(13.6)	(43.7)	(40.7)	(68.3)	(29.0)
<b>NR (net result for the year)</b>	<b>86.9</b>	<b>93.9</b>	<b>128.4</b>	<b>125.2</b>	<b>187.9</b>	<b>114.0</b>
<b>Total Income</b>	<b>1,329.7</b>	<b>1,646.0</b>	<b>1,943.5</b>	<b>2,319.9</b>	<b>2,470.4</b>	<b>2,749.3</b>
<b>Total Expenses</b>	<b>(1,242.8)</b>	<b>(1,552.1)</b>	<b>(1,815.1)</b>	<b>(2,194.7)</b>	<b>(2,282.5)</b>	<b>(2,635.2)</b>



Annex: Detailed financial statements, tables and graphical explanations of the economic groupings

Table 29 | Netted LaLiga Santander – Detailed Balance Sheet

Balance Sheet	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
<b>NON-CURRENT ASSETS</b>	<b>1,593.6</b>	<b>1,684.0</b>	<b>1,987.7</b>	<b>2,274.2</b>	<b>2,521.4</b>	<b>2,798.2</b>
Intangible assets	474.8	686.0	883.5	968.1	1,113.1	1,372.9
Sports intangible assets	350.6	532.7	665.6	822.5	993.5	1,198.0
Non-sports intangible assets	124.2	153.3	217.9	145.6	119.7	174.9
Property, plant and equipment	591.7	691.9	857.8	1,003.4	1,048.5	1,079.5
Investment property	7.7	4.4	7.4	4.2	2.9	2.9
Long-term invest. in group companies and associates	49.1	47.4	49.8	63.5	69.6	68.4
Long-term financial investments	309.2	78.4	54.0	83.3	163.1	148.1
Non-current prepayments and accrued income	1.3	1.5	1.3	6.0	5.8	7.4
Deferred tax assets	159.8	174.4	133.8	145.8	118.3	119.0
<b>CURRENT ASSETS</b>	<b>468.1</b>	<b>744.1</b>	<b>984.0</b>	<b>963.8</b>	<b>1,143.9</b>	<b>1,074.2</b>
Non-current assets held for sale	8.7	155.2	166.1	175.7	199.2	6.4
Inventories	7.8	9.0	30.3	10.6	9.8	12.8
Trade and other receivables	123.9	113.3	143.6	122.0	168.3	219.5
Short-term investments in group companies and associates	1.3	2.0	7.1	8.8	4.7	2.5
Short-term financial investments	172.9	300.4	271.3	256.9	344.0	382.0
Current prepayments and accrued income	9.7	9.4	16.2	15.6	25.8	30.3
Cash and cash equivalents	143.8	154.9	349.4	374.1	392.2	420.7
<b>TOTAL ASSETS</b>	<b>2,061.7</b>	<b>2,428.1</b>	<b>2,971.6</b>	<b>3,238.0</b>	<b>3,665.3</b>	<b>3,872.4</b>
<b>EQUITY</b>	<b>216.0</b>	<b>476.6</b>	<b>615.0</b>	<b>736.3</b>	<b>917.8</b>	<b>1,003.1</b>
Own resources	120.5	381.1	457.7	649.3	855.3	924.3
Adjustments for changes in value	(12.0)	(12.0)	-	(10.8)	(10.8)	(17.3)
Grants, donations and legacies received	107.6	107.5	157.3	97.8	73.3	96.1
<b>NON-CURRENT LIABILITIES</b>	<b>966.7</b>	<b>893.4</b>	<b>944.7</b>	<b>1,130.4</b>	<b>1,257.5</b>	<b>1,206.8</b>
Long-term provisions	74.9	102.7	66.3	133.2	205.4	128.7
Long-term debt	744.0	625.4	636.9	786.2	865.2	970.3
Long-term debt with group companies and associates	63.6	87.1	151.8	107.6	99.7	15.1
Deferred tax liabilities	58.6	58.4	70.0	50.4	41.3	58.4
Long-term accruals and deferred income	25.6	19.8	19.8	52.9	46.0	34.3
<b>CURRENT LIABILITIES</b>	<b>879.0</b>	<b>1,058.1</b>	<b>1,412.0</b>	<b>1,371.3</b>	<b>1,490.0</b>	<b>1,662.4</b>
Short-term provisions	1.3	1.6	26.1	26.6	33.6	28.0
Short-term debt	327.0	481.8	577.7	474.2	545.3	750.6
Short-term debt with group companies and associates	4.0	10.1	5.4	2.0	13.1	42.8
Trade and other payables	478.8	485.6	590.9	674.1	654.8	681.7
Short-term accruals and deferred income	68.0	79.0	211.9	194.5	243.2	159.3
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,061.7</b>	<b>2,428.1</b>	<b>2,971.6</b>	<b>3,238.0</b>	<b>3,665.3</b>	<b>3,872.4</b>

Netted LaLiga Santander (18 clubs)

Table 30 | Netted LaLiga Santander – Detailed cash flow waterfall

Cash Flow (indirect method)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
A. Net result for the year (NR)	86.9	93.9	128.4	125.2	187.9	114.0
B. Adjust. to NR (non-cash and other fin. P&L head.)	(3.5)	67.7	111.5	29.3	16.5	(5.8)
<b>A. + B. Gross cash flow from operations (FGO)</b>	<b>83.4</b>	<b>161.6</b>	<b>239.9</b>	<b>154.5</b>	<b>204.3</b>	<b>108.3</b>
C. Net investment in working capital (WC)	(67.6)	29.5	159.2	66.1	(3.0)	(149.6)
<b>A. + B. + C. Net cash flow from operations (OCF)</b>	<b>15.8</b>	<b>191.1</b>	<b>399.1</b>	<b>220.6</b>	<b>201.4</b>	<b>(41.3)</b>
D1. Net investment in recurring operating capacity (CAPEX)	(53.0)	(166.7)	(213.7)	(200.3)	(96.1)	(165.7)
- Recurring investment in players	(257.1)	(351.4)	(344.4)	(433.8)	(356.7)	(420.5)
+ Recurring divestment in players	263.2	249.1	241.7	360.8	325.3	340.9
- Recurring investment in other operating assets	(70.4)	(75.6)	(120.5)	(130.1)	(70.5)	(93.3)
+ Recurring divestment in other operating assets	11.3	11.3	9.5	2.7	5.8	7.1
<b>A. + B. + C. + D1. Recurring free cash flow (FCFr)</b>	<b>(37.2)</b>	<b>24.5</b>	<b>185.4</b>	<b>20.3</b>	<b>105.2</b>	<b>(207.1)</b>
D2. Net investment in non-recurring operating capacity (CAPEX)	(17.0)	(56.3)	(208.8)	22.1	(120.8)	79.8
- Non-recurring investment in players	(25.1)	(144.7)	(141.6)	(134.3)	(331.1)	(444.8)
+ Non-recurring divestment in players	59.2	86.5	100.6	192.6	276.4	395.0
- Non-recurring investment in other operating assets	(79.0)	(9.5)	(168.9)	(38.5)	(67.7)	(35.8)
+ Non-recurring divestment in other operating assets	27.8	11.3	1.0	2.3	1.6	165.3
<b>A. + B. + C. + D1. + D2. Total free cash flow (FCFt)</b>	<b>(54.2)</b>	<b>(31.9)</b>	<b>(23.3)</b>	<b>42.5</b>	<b>(15.6)</b>	<b>(127.3)</b>
- Financial expenses	(58.1)	(67.8)	(70.9)	(64.8)	(69.5)	(88.1)
+/- Variation in financial debt (financial entities)	(40.5)	51.7	123.2	(27.8)	71.0	70.3
+/- Variation in financial debt (non-financial entities)	103.9	(18.9)	94.8	22.6	172.0	169.3
+ Financial income	61.9	11.4	24.3	8.4	20.9	29.3
+/- Variation in other ST or LT financial assets and liabilities	19.5	(11.7)	(6.6)	23.7	(8.5)	(25.2)
+/- Net investment in financial assets	(85.7)	(97.6)	11.9	(22.7)	(158.1)	(54.1)
<b>A. + B. + C. + D. + E. Equity cash flow (ECF)</b>	<b>(53.1)</b>	<b>(164.8)</b>	<b>153.5</b>	<b>(18.1)</b>	<b>12.3</b>	<b>(25.7)</b>
F. Cash flows from own resources (Equity)	74.0	177.2	40.3	53.5	9.0	46.1
+/- Changes in capital and other equity instruments	41.3	177.2	1.2	55.1	0.2	50.2
+ Grants, donations and legacies received	32.6	-	39.1	-	10.3	0.6
- Dividends	-	-	-	(1.6)	(1.6)	(4.6)
<b>A. + B. + C. + D. + E. + F. Net change in cash</b>	<b>20.9</b>	<b>12.4</b>	<b>193.7</b>	<b>35.4</b>	<b>21.3</b>	<b>20.4</b>
<b>Cash and cash equivalents, opening balance*</b>	<b>122.9</b>	<b>142.5</b>	<b>155.7</b>	<b>338.7</b>	<b>370.9</b>	<b>400.3</b>
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	20.9	12.4	193.7	35.4	21.3	20.4
<b>Cash and cash equivalents, closing balance*</b>	<b>143.8</b>	<b>154.9</b>	<b>349.4</b>	<b>374.1</b>	<b>392.2</b>	<b>420.7</b>

(\*) The balance of cash and equivalents at the end of each period does not match the balance of cash and equivalents at the beginning of the following period exactly due to the change in club perimeters in each season (relegation from Second A – professional football – to Second B – ex LaLiga – and vice versa).




**LaLiga SmartBank**  
 - 22 clubs -

Table 31 | LaLiga SmartBank – Detailed Income Statement

Income Statement	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
Broadcasting income national comp. (RDL 5/2015)	61.4	68.7	135.3	134.4	158.9	162.8
Broadcasting income international comp. (UEFA market pool)	-	-	-	0.9	-	-
Broadcasting income from friendlies and others	7.2	4.8	0.0	0.2	0.2	0.6
<b>Broadcasting income</b>	<b>68.6</b>	<b>73.5</b>	<b>135.3</b>	<b>135.4</b>	<b>159.1</b>	<b>163.5</b>
Income from national official competitions	8.0	5.2	5.0	8.6	9.8	7.2
Income from international official competitions (UEFA prize money + ticketing)	0.3	0.9	1.1	0.9	0.7	0.2
Income from friendly and other competitions	0.3	0.5	0.7	0.4	1.1	0.4
Income from members and season ticket holders	29.9	24.1	23.5	30.2	40.6	35.9
<b>Matchday income</b>	<b>38.5</b>	<b>30.6</b>	<b>30.4</b>	<b>40.0</b>	<b>52.2</b>	<b>43.8</b>
Income from shop sales	3.3	3.5	4.0	4.5	9.6	10.0
Income from sponsorship	8.7	7.9	9.6	9.1	18.1	28.7
Income from other commercial concepts	1.9	4.7	0.5	0.5	1.4	0.6
Income from the operation of facilities	-	-	-	0.2	0.7	0.4
Commercial income - Sponsorship and others	13.9	16.0	14.1	14.3	29.8	39.7
Commercial income - Advertising	11.0	16.2	17.2	19.3	24.8	22.6
<b>Net Turnover (NT)</b>	<b>131.9</b>	<b>136.3</b>	<b>197.0</b>	<b>209.0</b>	<b>265.8</b>	<b>269.5</b>
Other operating income	27.4	63.4	48.2	51.2	72.7	63.4
<b>Operating Income</b>	<b>159.3</b>	<b>199.7</b>	<b>245.2</b>	<b>260.2</b>	<b>338.5</b>	<b>332.9</b>
Procurements	(7.6)	(6.8)	(9.4)	(8.6)	(13.4)	(14.9)
Non-sports personnel (wages)	(22.1)	(23.5)	(27.6)	(31.7)	(44.4)	(41.4)
LaLiga registrable sports staff	(75.4)	(86.0)	(123.5)	(123.5)	(161.4)	(178.5)
LaLiga non-registrable sports staff	(13.3)	(13.8)	(12.8)	(18.1)	(25.9)	(24.6)
Sports wage costs	(88.7)	(99.8)	(136.2)	(141.6)	(187.3)	(203.1)
Other operating expenses	(53.8)	(64.1)	(80.2)	(83.9)	(122.1)	(123.7)
<b>EBITDA b/T (EBITDA before transfer of players)</b>	<b>(13.0)</b>	<b>5.6</b>	<b>(8.2)</b>	<b>(5.7)</b>	<b>(28.7)</b>	<b>(50.4)</b>
Selling price for transfer of players	16.3	17.9	39.3	49.5	73.7	118.0
Selling cost for transfer of players	(5.0)	(1.4)	(5.8)	(7.1)	(20.4)	(17.1)
Result from the transfer of players	11.3	16.5	33.5	42.4	53.3	101.0
<b>EBITDA a/T (EBITDA after transfer of players)</b>	<b>(1.7)</b>	<b>22.0</b>	<b>25.3</b>	<b>36.7</b>	<b>24.5</b>	<b>50.6</b>
Depreciation of players	(4.9)	(2.2)	(4.4)	(7.1)	(20.9)	(27.2)
Other depreciations and amortisations	(13.1)	(10.1)	(12.0)	(12.7)	(21.3)	(20.0)
Subsidy (capital grants) allocation	7.0	6.4	7.4	8.6	12.9	11.6
Excess provisions	1.0	0.2	0.1	0.8	5.1	3.2
Gains on other op. fixed assets and exceptional income	11.4	1.2	0.3	2.0	1.6	0.1
Losses on other op. fixed assets and exceptional expenses	(0.9)	(0.8)	(1.7)	(0.3)	(1.1)	(2.5)
Gains or losses on disposal of other non-current op. assets	10.6	0.3	(1.4)	1.7	0.5	(2.4)
Other operating results	(0.1)	1.7	(0.9)	(2.5)	0.7	(3.7)
<b>EBIT (operating result)</b>	<b>(1.3)</b>	<b>18.5</b>	<b>14.1</b>	<b>25.5</b>	<b>1.6</b>	<b>12.1</b>
Financial income	26.3	0.6	11.6	0.3	0.9	0.9
Financial expenses	(8.9)	(4.3)	(9.0)	(3.8)	(6.3)	(6.6)
Impairment and results from financial instruments	(1.0)	0.5	(3.7)	(0.0)	(0.4)	0.1
FR (financial result)	16.4	(3.2)	(1.1)	(3.5)	(5.8)	(5.6)
<b>RBT (result before tax)</b>	<b>15.2</b>	<b>15.3</b>	<b>12.9</b>	<b>22.0</b>	<b>(4.2)</b>	<b>6.5</b>
Taxes on profits	(0.6)	(1.3)	(3.6)	(3.1)	(1.7)	(6.7)
<b>NR (net result for the year)</b>	<b>14.5</b>	<b>14.0</b>	<b>9.4</b>	<b>18.9</b>	<b>(5.9)</b>	<b>(0.2)</b>
<b>Total Income</b>	<b>225.5</b>	<b>231.6</b>	<b>318.2</b>	<b>328.1</b>	<b>440.9</b>	<b>471.6</b>
<b>Total Expenses</b>	<b>(211.0)</b>	<b>(217.6)</b>	<b>(308.8)</b>	<b>(309.1)</b>	<b>(446.8)</b>	<b>(471.8)</b>



Annex: Detailed financial statements, tables and graphical explanations of the economic groupings

LaLiga SmartBank (22 clubs)

Table 32 | LaLiga SmartBank – Detailed Balance Sheet

Balance Sheet	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
<b>NON-CURRENT ASSETS</b>	<b>413.3</b>	<b>331.6</b>	<b>429.9</b>	<b>408.6</b>	<b>497.2</b>	<b>532.3</b>
Intangible assets	243.3	180.3	169.4	225.3	290.5	254.0
Sports intangible assets	9.6	3.5	9.0	14.8	41.7	52.3
Non-sports intangible assets	233.7	176.8	160.4	210.6	248.8	201.7
Property, plant and equipment	74.2	66.2	117.8	66.0	122.6	153.6
Investment property	3.3	3.5	0.1	3.6	1.7	1.7
Long-term invest. in group companies and associates	0.7	8.2	7.3	6.5	2.3	7.0
Long-term financial investments	23.4	25.5	57.9	53.7	26.4	61.5
Non-current prepayments and accrued income	-	0.1	-	-	-	-
Deferred tax assets	68.4	47.7	77.4	53.4	53.6	54.4
<b>CURRENT ASSETS</b>	<b>55.0</b>	<b>79.6</b>	<b>126.6</b>	<b>124.5</b>	<b>159.5</b>	<b>175.6</b>
Non-current assets held for sale	0.6	-	-	-	1.6	-
Inventories	1.1	1.5	2.3	1.1	3.6	3.1
Trade and other receivables	20.3	28.6	45.7	38.7	44.2	39.1
Short-term investments in group companies and associates	1.3	3.5	1.7	3.7	13.4	5.7
Short-term financial investments	21.0	25.7	34.7	36.3	40.0	50.4
Current prepayments and accrued income	0.6	0.6	2.2	1.5	2.5	6.2
Cash and cash equivalents	10.1	19.7	40.0	43.1	54.2	71.1
<b>TOTAL ASSETS</b>	<b>468.3</b>	<b>411.1</b>	<b>556.5</b>	<b>533.0</b>	<b>656.8</b>	<b>707.8</b>
<b>EQUITY</b>	<b>13.4</b>	<b>34.0</b>	<b>60.7</b>	<b>137.3</b>	<b>131.9</b>	<b>195.9</b>
Own resources	(104.4)	(52.8)	(9.1)	20.5	(12.2)	60.9
Adjustments for changes in value	5.3	4.9	(12.0)	4.0	3.6	3.1
Grants, donations and legacies received	112.5	81.8	81.8	112.8	140.5	131.9
<b>NON-CURRENT LIABILITIES</b>	<b>288.3</b>	<b>262.6</b>	<b>288.0</b>	<b>234.1</b>	<b>288.3</b>	<b>291.6</b>
Long-term provisions	4.4	7.4	48.0	45.8	9.4	39.8
Long-term debt	234.1	211.4	183.0	115.7	189.8	147.5
Long-term debt with group companies and associates	14.5	12.6	25.2	31.6	28.3	44.9
Deferred tax liabilities	34.0	29.2	29.7	40.6	58.8	57.6
Long-term accruals and deferred income	1.3	2.0	2.1	0.4	2.0	1.8
<b>CURRENT LIABILITIES</b>	<b>166.5</b>	<b>114.5</b>	<b>207.8</b>	<b>161.7</b>	<b>236.6</b>	<b>220.4</b>
Short-term provisions	0.4	1.6	4.4	2.0	4.0	8.7
Short-term debt	49.5	31.5	65.0	47.0	70.8	87.8
Short-term debt with group companies and associates	2.7	4.6	6.5	0.8	1.5	11.0
Trade and other payables	107.7	70.8	100.5	83.5	112.8	95.1
Short-term accruals and deferred income	6.3	6.1	31.3	28.4	47.4	17.7
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>468.3</b>	<b>411.1</b>	<b>556.5</b>	<b>533.0</b>	<b>656.8</b>	<b>707.8</b>

Table 33 | LaLiga SmartBank – Detailed cash flow waterfall

Cash Flow (indirect method)	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20A
A. Net result for the year (NR)	14.5	14.0	9.4	18.9	(5.9)	(0.2)
B. Adjust. to NR (non-cash and other fin. P&L head.)	(30.5)	(4.1)	(4.3)	(38.8)	(18.0)	(39.6)
<b>A. + B. Gross cash flow from operations (FGO)</b>	<b>(16.0)</b>	<b>9.9</b>	<b>5.1</b>	<b>(19.9)</b>	<b>(23.9)</b>	<b>(39.8)</b>
C. Net investment in working capital (WC)	8.4	0.7	30.3	17.5	15.9	(11.8)
<b>A. + B. + C. Net cash flow from operations (OCF)</b>	<b>(7.6)</b>	<b>10.6</b>	<b>35.4</b>	<b>(2.4)</b>	<b>(8.0)</b>	<b>(51.6)</b>
D1. Net investment in recurring operating capacity (CAPEX)	1.7	3.2	9.6	23.2	19.7	24.9
- Recurring investment in players	(7.3)	(2.5)	(5.8)	(6.9)	(17.6)	(14.6)
+ Recurring divestment in players	13.1	11.9	26.3	31.2	44.1	49.3
- Recurring investment in other operating assets	(17.6)	(7.8)	(12.1)	(3.5)	(12.9)	(11.5)
+ Recurring divestment in other operating assets	13.6	1.7	1.3	2.4	6.2	1.7
<b>A. + B. + C. + D1. Recurring free cash flow (FCFr)</b>	<b>(5.8)</b>	<b>13.8</b>	<b>45.0</b>	<b>20.8</b>	<b>11.7</b>	<b>(26.8)</b>
D2. Net investment in non-recurring operating capacity (CAPEX)	0.2	3.1	(9.0)	11.2	3.6	46.7
- Non-recurring investment in players	(0.9)	(1.5)	(2.9)	(7.6)	(19.6)	(22.8)
+ Non-recurring divestment in players	3.2	6.0	13.0	18.3	29.6	68.8
- Non-recurring investment in other operating assets	(37.9)	(2.5)	(22.1)	(1.6)	(8.2)	(4.5)
+ Non-recurring divestment in other operating assets	35.8	1.2	3.1	2.1	1.9	5.2
<b>A. + B. + C. + D1. + D2. Total free cash flow (FCFt)</b>	<b>(5.7)</b>	<b>16.9</b>	<b>36.1</b>	<b>32.0</b>	<b>15.3</b>	<b>19.9</b>
- Financial expenses	(9.2)	(3.8)	(12.8)	(3.8)	(6.7)	(6.5)
+/- Variation in financial debt (financial entities)	2.5	(0.5)	(9.2)	(0.7)	(1.4)	4.8
+/- Variation in financial debt (non-financial entities)	(83.9)	(23.7)	(26.8)	(25.7)	(20.3)	(11.8)
+ Financial income	26.3	0.6	11.6	0.3	0.9	0.9
+/- Variation in other ST or LT financial assets and liabilities	(1.9)	1.3	0.6	(0.2)	(2.2)	(0.4)
+/- Net investment in financial assets	8.9	(7.5)	(1.4)	(7.6)	11.7	(21.9)
<b>A. + B. + C. + D. + E. Equity cash flow (ECF)</b>	<b>(63.0)</b>	<b>(16.7)</b>	<b>(1.9)</b>	<b>(5.7)</b>	<b>(2.6)</b>	<b>(15.0)</b>
F. Cash flows from own resources (Equity)	49.0	23.1	25.8	4.6	5.8	41.3
+/- Changes in capital and other equity instruments	4.1	23.1	1.1	5.4	10.9	41.3
+ Grants, donations and legacies received	44.9	-	24.8	-	-	-
- Dividends	-	-	-	(0.8)	(5.1)	-
<b>A. + B. + C. + D. + E. + F. Net change in cash</b>	<b>(14.0)</b>	<b>6.5</b>	<b>23.9</b>	<b>(1.0)</b>	<b>3.2</b>	<b>26.2</b>
<b>Cash and cash equivalents, opening balance*</b>	<b>25.3</b>	<b>13.3</b>	<b>16.1</b>	<b>44.2</b>	<b>51.1</b>	<b>44.8</b>
+/- Impact of exchange rates on the cash balance	-	-	-	-	-	-
+/- Net change in cash	(14.0)	6.5	23.9	(1.0)	3.2	26.2
<b>Cash and cash equivalents, closing balance*</b>	<b>11.3</b>	<b>19.7</b>	<b>40.0</b>	<b>43.1</b>	<b>54.2</b>	<b>71.1</b>

(\*) The balance of cash and equivalents at the end of each period does not match the balance of cash and equivalents at the beginning of the following period exactly due to the change in club perimeters in each season (relegation from Second A – professional football – to Second B – ex LaLiga – and vice versa).

6

Indexes  
and glossary  
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# Glossary of terms and definitions

## 1. Total Income:

In a similar manner to the calculation carried out by other leading professional football competitions, a broad definition of all book credits included in the income statement (P&L), for each of the five club groupings analysed in the Report. It includes the following headings:

- Net turnover (NT).
  - Revenues from broadcasting (including distributions by UEFA for TV market pool).
  - Revenues from Matchday (including billings of season ticket holders, members and competitions, as well as other income distributed by UEFA for concepts other than "market pool", sometimes known as "price money")
  - Commercial revenues (including sponsorship, advertising and merchandising billings)
- Income from transfers of players (i.e. selling price of federative rights).
- Other operating income, mainly:
  - Operating income of an accessory nature (not included in NT items).
  - Adjustment (allocations) of capital grants for non-financial fixed assets and others.
  - Excess (application) of provisions.
  - Reversal of impairment made on fixed assets.
  - Gains on non-financial fixed assets and exceptional income.

- Income (i.e. sale price) from disposal of other fixed assets (excluding transfer of players) or exceptional results.
- Financial income.
- Positive gains on disposal of financial instruments.

## 2. Historical series (seasons analysed in the Report):

From 2014-2015 to 2019-2020, which means a total of six seasons, or five annual increases between the last financial year and the base financial year.

## 3. Compound Annual Growth Rate (CAGR):

The compound annual growth rate (CAGR), expressed in %, is calculated using the following formula:

$$\left[ \left( \frac{\text{Value}_n}{\text{Value}_0} \right)^{\left( \frac{1}{n} \right)} - 1 \right]$$

In English it is called the *compound annual growth rate (CAGR)*. In this Report, the CAGR is calculated from n=5 (5 increments corresponding to the 6 seasons that make up the series being analysed).

## 4. Spanish GDP at market prices (GDP<sub>mp</sub>):

Source: Spain's National Statistics Institute (INE). Annual percentage change in Spain's Gross Domestic Product (GDP) at market prices (m.p.) – nominal terms or current euros – at the end of each financial year in the reference period.

## Glossary of terms and definitions

### 5. Income from the Transfer of Players:

It is defined as the income (sale price) from the transfer of the players' federative rights (i.e. sports intangible assets). Alternatively, it can be calculated as the net accounting result for said transfers plus the net book value of fixed assets derecognised due to the disposal of these assets. This heading is included under the concept of Total Income (TI).

Under the heading of expenditure, the costs (cost of sale) for the transfer of the federative rights are also taken into account for the amount of the net book value of the asset derecognised.

In this way, sales price (revenue) minus cost of sale (expense) for transfers equals the "Result from Transfers" of players that formally appears in the P&L.

### 6. Other Income:

Other operating income (i.e. other credits), of an operational and financial nature and a more erratic/discontinuous nature, which is not part of Net Turnover (NT) or revenues from the transfers of players (sale price). For example:

- Other operating income of an accessory nature (not included in NT), such as income paid by **LaLiga** for other concepts, operating subsidies received, income from the transfers of players, work performed for the entity, relegation aid and other operational billing.
- Adjustment (allocations) of capital grants received for non-financial fixed assets and others.
- Excess (application) of provisions.
- Reversal of impairment made on fixed assets.
- Gains on non-financial fixed assets and exceptional income.
- Income (i.e. sale price) from disposal of other fixed assets (excluding transfer of players) or exceptional results.
- Financial income.
- Positive gains on disposal of financial instruments.

### 7. EBITDA b/T or EBITDA before Transfers (Gross Operating Result before Transfers):

It is defined as EBITDA a/T, excluding gains from the sale of intangible sports assets (mainly "Results from Transfers" of players) or the impairments/reversals of their value.

Alternatively, it can be calculated as NT, plus other operating income of an incidental nature, less OPEX.

### 8. EBITDA a/T or EBITDA after Transfers (Gross Operating Result after Transfers):

**LaLiga** defines this expression as the net operating result (EBIT), before (excluding):

- Impairment and reversals on sports intangible assets (players).
- Depreciation and amortisation on fixed assets.
- Results from regularisation of capital grants received for non-financial fixed assets.
- Impairment/reversal and gains or losses on disposal of other non-financial fixed assets (infrastructure and others).
- Losses, impairment and changes in provisions for commercial operations.
- Credits and charges due to changes in inventories.
- Work carried out for the entity.
- Excess provisions.
- Other results and accounting conventions that involve credits or charges at an operational level, without having an impact on treasury movements.

The concept therefore includes the "Results from Transfers" of players (strictly the derivative of the transfers executed, but not other potential impairments or accounting revaluations made to the value of these assets).



## Glossary of terms and definitions

Alternatively, it can be calculated as EBITDA b/T plus Results from Transfers.

The acronym "EBITDA" stands for "*earnings before interest, taxes, depreciation and amortisation*" (and other accounting conventions).

### 9. OPEX

Operating expenses, made up of the headings:

- Procurements.
- Non-sports personnel (wages).
- Sports personnel (wages).
- Other operating expenses.

In English, the acronym means "*operating expenditure*". Other operating expenses / charges are not part of OPEX.

### 10. Total Expenses:

This basically includes all charges to the income statement (P&L):

- Procurements (OPEX)
- Non-sports personnel (OPEX)
- Sports personnel (OPEX)
- Other operating expenses (OPEX)
- Cost of sale of players (transfers) – net book value of fixed assets derecognised when divesting in an intangible sports asset
- Impairment on fixed assets.
- Losses on other non-financial fixed assets and exceptional expenses.
- Other operating expenses.

- Depreciation of players.
- Depreciation of other assets.
- Other results and conventions with a negative sign (losses).
- Financial expenses.
- Impairment losses and losses on disposal of financial instruments.
- Corporate Tax.

### 11. EBIT:

It is defined in this Report as the net operating result.

It therefore includes the "Results from Transfers" of players, as well as the capital gains and losses from the disposal of other non-financial fixed assets, the depreciation of the fixed assets, the net allocation of provisions, and the gains or losses for impairments or reversals of the book value of operating assets, as well as other accounting conventions at an operational level (e.g. gains or losses from changes in inventories, regularisation of capital grants received, etc.). It therefore incorporates all operating adjustments not included in EBITDA a/T listed in the heading.

The acronym "EBIT" stands for "*earnings before interest and taxes*", (comparable to operating income in Spain).

### 12. Net operating investments (CAPEX):

Net operating investments (i.e. considering investments - divestments) undertaken in the year. The acronym "CAPEX" stands for "Capital expenditure" and refers to the annual net investment in operating fixed capital.

Where the Report refers to gross operating investment (not including divestments) or net (including divestments), it refers to gross CAPEX or net CAPEX accordingly.

### 13. Working Capital (WC):

Equivalent to net investment in operating working capital. It is defined as the net change (asset – liability) in non-current (i.e.

## Glossary of terms and definitions

short-term) non-financial headings (strictly operating items on the Balance Sheet).

### 14. Net Operating Assets (NOA) or capital employed:

Balance at the end of each year of net operating capital employed according to the aggregated balance sheet, which specifically includes the following headings:

- With a positive sign:
  - Sports intangible assets.
  - Non-sports intangible assets.
  - Property, plant and equipment.
  - Investment property.
  - Deferred tax assets.
  - Inventories.
  - Trade debtors (customers and other operating current assets).
  - Short-term accruals of assets.
- With a negative sign:
  - Trade creditors (suppliers and other current operating liabilities).
  - Short-term and long-term provisions.
  - Short-term accruals of liabilities.
  - Deferred tax liabilities.

NOA – or capital employed – includes the assets assigned to the regular operations of the clubs and which induce operating profit (EBIT) in the Income Statement, and ultimately Free Cash Flow. All assets and liabilities of a financial nature and all equity are excluded. This capital employed grows well because the net investment in fixed operating capital (CAPEX) increases or net investment in operating working capital (WC) does the same.

### 15. Operating profit (ROIC):

An acronym that stands for "return on invested capital" and refers to the profitability of the business, or the accounting performance from the operations of the clubs.

It is calculated as the quotient between the annual NOPAT and the average NOA for the year, where:

- NOPAT ("Net operating profit after taxes"). That is to say: EBIT in the period  $n \times (1 - \text{tax rate})$ , with "t" currently 25% in Spain.
- Average NOA (average balance of capital employed):  $(\text{NOA at } n-1 + \text{NOA at } n) / 2$ , where 'n' is the end of the current year and 'n-1' is the end of the previous year.

It can also be calculated without considering certain accounting conventions that impact (positively or negatively) the operating result, giving rise to the Adjusted ROIC.

### 16. Gross Financial Debt (GFD):

Current and non-current debt headings according to the formal classification or epigraphs of the balance sheet contained in the audited annual accounts of the clubs. In addition, the following items have been reclassified (adding or with a positive sign), which become part of the GFD (not counted in gross debt balance until this Financial Report):

- In current liabilities, insolvency debts collected from trade creditors (and which are therefore not formally included under short-term debt), as well as debts for transfers / assignments of players in those clubs where it was detected that they were improperly including these balances under debts with sports entities, within trade creditors.

### 17. Net Financial Debt (NFD):

NFD minus cash and cash equivalents and current and non-current financial investments according to the Balance Sheet of the clubs (includes non-current or long-term financial investments, mainly what is owed to clubs for the transfer of players – not included until this Report – through similarity with liabilities or debt).

Likewise, due to a principle of symmetry with GFD, amounts



## Glossary of terms and definitions

owed to clubs for transfers / assignments of players have been reclassified as current financial investments, balances formally included as trade debtors (and which are not included therefore under short-term financial investments).

### 18. Equity Ratio

One of the ways of measuring the aggregated solvency of each grouping. It measures its degree of capitalisation through the ratio between equity at the end of each season and the total size of the Balance Sheet (total assets or, alternatively, the sum of net and liabilities).

### 19. Weighted Average Cost of Capital (WACC):

In English: “*Weighted Average Cost of Capital*”. Represents the weighted average annual cost of the sources of finance supporting net operating assets (NOA), or capital employed.

$$WACC = kd (1-t) \times D / (D+E) + ke \times E / (D+E)$$

Where:

- $kd$ : Annual cost of debt
- $kd (1-t)$ : Annual cost of borrowing, net of tax
- $t$ : corporation tax rate (25% in Spain)
- $ke$ : Cost of equity according to CAPM
- $D / D+E$ : Proportion of borrowed funds in the financing structure, at market value. The market value was taken to be a factor equivalent to 1.90x the book value, which is the multiple of the end of S 19-20 of the stock market capitalisation ratios with respect to the equity of European clubs listed on the stock exchange.
- $E / E+D$ : Proportion of own funds in the financing structure, at market value. The market value is taken to be the nominal value of the outstanding debt.

The WACC is to the liability or sources of financing – cost – what the ROIC is to the asset or to the operating stock investment (capital employed) – yield.

### 20. Interest coverage ratio:

It is defined as the annual EBITDA d/T / annual financial charge (i.e. gross financial expenses).

### 21. CAPM (Capital Asset Pricing Model):

Methodology commonly accepted in the financial field to objectively determine the reasonable annual cost of own resources or Equity ( $ke$ ).

$$ke = RFR + (\beta \times MRP)$$

Where:

- RFR (Risk Free Rate): Average annual return on 10-year government bonds (Kingdom of Spain issues), for each of the series (0.38% for S 19-20. The current rate is at historically low levels due to the expansionary monetary policy of the European Central Bank, but no adjustment has been made to express this rate in the absence of this situation (which according to various international institutions can be estimated at up to 100 additional basis points in the case of countries like Spain).
- $\beta$  (total or leveraged Beta coefficient): An index that measures the volatility of assets (leveraged) with risk analysed with respect to the market (Ibex 35 index of the Spanish Stock Exchange). This is calculated by taking the average of the deleveraged Beta coefficients observed for European listed clubs over a representative sample of years and leveraging the funding structure of each **LaLiga** grouping over time. The adjusted leveraged Beta coefficient (according to Bloomberg) observed in the long-term markets (more than 10 years), with weekly data, of all European clubs (UEFA environment) listed on the Stock Exchange has been used, deleveraging with the financing structure of each individual club. The mathematical result seen is a simple average leveraged  $\beta$  of 0.61x (including the Bayesian fit using the Marshall Blume formula:  $\beta_{adjusted} = \beta_{observed} \times 2/3 + 1/3 \times 1$ ) and a deleveraged  $\beta$  of 0.43x. The adjusted leveraged  $\beta$  of the Eurostoxx Football Index (with weekly data for more than two decades) is also 0.62x. As all the teams in the sample are from the respective First Divisions of the different countries, a deleveraged  $\beta$  coefficient of 50% has been considered (i.e. 0.65x) higher for LaLiga SmartBank (Second Division A), to try to substantiate the greater operational or commercial risk (systematic or non-diversifiable risk) intrinsic to this classification compared to the First Division.

## Glossary of terms and definitions

- MRP (Market Risk Premium): Long-term annual return premium for risk on a diversified portfolio of risky assets (Ibex 35 index) versus RFR. An annual level of 6.0% has been taken as the target MRP throughout the series.

For the purposes of calculating EVA in a *fair value* context, no potentials liquidity premiums have been considered, in accordance with the provisions of IFRS12.

- No potential illiquidity premiums (PIL) have not been considered – which investors could consider in certain transactional contexts, as the clubs that make up LaLiga are not listed on the Stock Exchange.

### 22. EVA:

EVA stands for "Economic Value Added". It measures the annual differential between ROIC and WACC for each year, applied (multiplied) to the net operating capacity (NOA) or capital employed at any given time (average annual balances).

$$EVA = (ROIC - WACC) \times NOAm$$

### 23. Funds Generated by Operations (FGO):

Cash flow generated by club operations, before net investment in operating working capital (WC) and fixed operating fixed capacity (CAPEX). It is the translation of EBITDA b/T into liquidity, after tax.

### 24. Operating Cash Flow (OCF):

It is the FGO after net investment in operating working capital (WC).

### 25. Free Cash Flow (FCF):

Free cash flow, equivalent to FGO plus net investment in operating working capital (WC) and net investment in operating fixed capital (CAPEX). This is the effective operating return generated by the business in the year, regardless of accounting conventions.

### 26. Recurring Free Cash Flow (FCFr):

FCF, but considering only the CAPEX effort of a recurrent nature (not the investment in total productive capacity), according to *LaLiga's* estimates. The potential operating performance generated by the business can be matched. For the purposes of analysis, the non-recurring CAPEX (in players and other non-financial assets – basically infrastructure) is classified as any amount that exceeds the previous historical average in the series analysed.





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