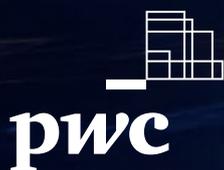


Russian Premier Liga

A comprehensive
study of the
economics of
Russian football

season-2019/2020



**RUSSIAN
PREMIER
LIGA**



Dear friends,

The new Russian Premier Liga season has been a hallmark of change—both in terms of quantity and quality—in Russian professional football.

For the first time ever, we are using a new principle for scheduling our fixtures. The Laboratory of Sports Studies at the Higher School of Economics has developed a unique algorithm to help us meet all of our scheduling needs.

The Premier Liga has engaged in the club licensing process initiated by the Russian Football Union (RFU) and designed additional infrastructure, administrative and personnel criteria for clubs to be eligible for the RPL. As a result, all RPL teams now have matchday managers and marketing managers, while stadiums must comply with increased security and convenience requirements.

This season, our income allocation approach will reward clubs that have high attendance rates. Clubs that achieved a 50% increase in attendance over the previous season will be provided with additional funds from the Premier Liga. This initiative has provided important incentives for teams to continue focusing on fan engagement.

Another crucial innovation is the adoption of video assistant referees (VAR), which we are carrying out jointly with the RFU. So far, VAR has been used in a limited number of games, but the trial experience has already helped prevent human error in critical games while adding entertainment and passion to the game.

The main outcome of all these changes has been steadily growing match attendance for RPL clubs. For the fifth season in a row, more fans have been coming to our venues. In addition, a growing number of people are subscribing to social media feeds run by our clubs and the League. The Match Premier TV channel has substantially boosted its subscription base. This indicates that we are on the right path.

I would like to extend my special gratitude to our long-standing strategic partner, PwC, for their work in co-authoring this third comprehensive study of the economics of Russian football. We are confident that this study will be useful for experts, as well as fun to read for the general public.

Sergey Pryadkin

President, Russian Premier Liga

Vice President, Russian Football Union

First Vice Chairman, UEFA National Team Competitions Committee

Member, Board of Directors, European Professional Football Leagues (EPFL) Chairman

Professional Football Committee, RFU

Member, Management Board, World Leagues Forum

Member, UEFA Professional Football Strategy Council



Dear colleagues,

We are proud to present our third annual comprehensive study of the economics of the Russian Premier Liga.

While some of you may be holding a printed version of this study in your hands, we suspect most of you will view this on your laptop or smartphone. Bearing this in mind, we have designed this document with darker hues to make it resemble night modes in popular mobile apps.

As people's content consumption habits change, the League, broadcasters and clubs have definitely had to change how they work. People are buying more subscriptions to online broadcasts, while the audience for social media is growing, including on new platforms like TikTok, the video sharing application that is mesmerising the next generation.

As fans adopt these new features in growing numbers, they also have increasingly higher expectations on their clubs to use more technology and enhance the matchday experience. In response, some clubs have enabled fans to add single-match tickets and season tickets to their smartphone wallets. Data and CRM analytics are helping clubs to personalise their offers, including giving additional discounts to fans who have not missed any home matches.

In this edition, we also look into how clubs are developing their infrastructure to maintain the high interest in football sparked by the 2018 FIFA World Cup. What types of activities are featured on game days? What benefits do VIP club box lessees receive? How is in-venue catering set up? How many staff are needed to provide these services? We sought answers to all these questions together with the Premier Liga and the clubs.

It is good to see that the clubs are devoting time during the busy season to share details about their activities and helping to increase the transparency of Russian football. We would like to thank the Premier Liga and club representatives for their cooperation and wish them every success in their business and sporting endeavours.

Oleg Malyshev

Partner, Sports Leader, PwC Russia

4,036,196 spectators

Total attendance at
RPL matches in the
2018-2019 season

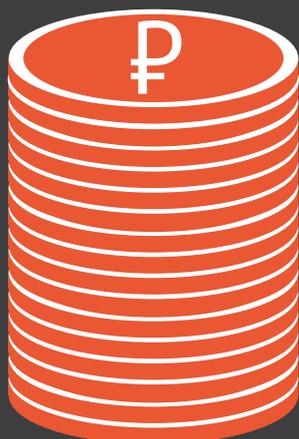
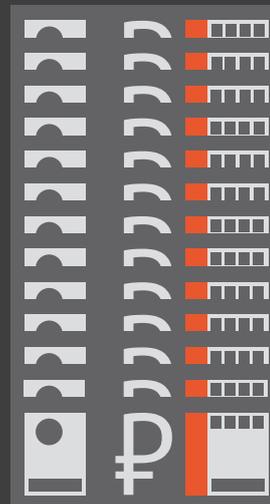


3,394,830 people

Total RPL social media subscribers as
of 1 December 2019

RUB 3.28 bn

Total RPL gate revenue in the
2018-2019 season



RUB 59.4 bn

Total RPL club revenues
in 2018

Contents

The 2019-2020 season: Breakthroughs and challenges

06

Club infrastructure

14

Commercial and marketing operations

22

Financial performance

32

Match attendance

36

Talent pools

38

Youth football

40

Contact us

43

The 2018-2019 season: Breakthroughs and challenges



The most recent Russian Premier Liga season was marked by a new match attendance record, driven by renewed infrastructure and the country's increased interest in football sparked by the 2018 FIFA World Cup.

In the 2019-2020 season, the RPL and football clubs are seeking to build on their success with extensive fan engagement efforts both in-venue and beyond the gate.

The Russian Premier Liga continues to launch initiatives focused on streamlining internal business processes and increasing the commercial potential of the League and its clubs. For instance, when planning the fixture calendar for the current season, the League used special software and algorithms to simplify the process and create a more balanced schedule.

Prize money allocation rules also have a new metric—average match attendance rate for home games. From now on, 8% of RPL media rights and commercial rights revenues will be allocated to clubs that achieve a 50% or higher capacity utilisation over the course of the season. This provides an additional incentive for clubs to improve their gate traffic.

Another priority is expanding the League's online presence, with a fresh approach to engaging with fans on the latest platforms.

Football clubs are discovering new opportunities to drive service quality and boost commercial revenues from newly constructed arenas. Football matches are evolving beyond mere athletic contests to become fully fledged entertainment shows that start long before the referee's whistle.

Match attendance is breaking all previous records, facilitating further gate revenues and game day proceeds.

Another innovation is RPL clubs' participation in the Match Premier Cup, an off-season football tournament organised by the League's main broadcaster. The first tournament took place in January 2019 in Qatar, while the second was held in Austria before the current RPL season.

Final league table, 2018-2019 season

Club	Founded	City	Final position	Seasons in the RPL
 Zenit	1925	Saint Petersburg	1st place (champions, UEFA Champions League group stage)	18
 Lokomotiv	1922	Moscow	2nd place (UEFA Champions League group stage)	18
 Krasnodar	2008	Krasnodar	3rd place (third qualifying round in the UEFA Champions League)	9
 CSKA	1911	Moscow	4th place (UEFA Europa League group stage)	18
 Spartak	1922	Moscow	5th place (third qualifying round in the UEFA Europa League)	18
 Arsenal	1946	Tula	6th place (second qualifying round in the UEFA Europa League)	5
 Orenburg	1976	Orenburg	7th place	3
 Akhmat	1958	Grozny	8th place	13
 Rostov	1930	Rostov-on-Don	9th place	17
 Ural	1930	Ekaterinburg	10th place	7
 Rubin	1958	Kazan	11th place	17
 Dynamo	1923	Moscow	12th place	17
 Krylia Sovetov	1942	Samara	13th place (relegation playoff)	16
 Ufa	2010	Ufa	14th place (relegation playoff)	6
 Anji	1991	Makhachkala	15th place (relegation to the PFL for financial considerations)	9
 Yenisey	1937	Krasnoyarsk	16th place (relegation to the FNL)	1
Club	Founded	City	Final position	Seasons in the RPL
 Tambov	2013	Tambov	1st place in the FNL (automatic promotion to the RPL)	0
 Sochi	2018	Sochi	2nd place in the FNL (automatic promotion to the RPL)	0

League calendar

Before the beginning of the 2019-2020 season, the Russian Premier Liga changed its approach to scheduling fixtures for the new season to improve the televised experience, overcome certain limitations with the previous model and enable more variety.

To develop the new approach, the RPL teamed up with the Laboratory of Sports Studies that was established by the Economics Department at the Higher School of Economics (“HSE Lab”) in June 2018.

In prior years, the RPL designed the fixture calendar using Berger tables (a scheduling sequence where clubs are assigned random rotation numbers whereby the first team first plays with the last team, then with the second last, etc.), which had certain limitations.

The challenge for the HSE Lab was to design a round-by-round fixture schedule, taking multiple factors into account and following the principle of each team playing every other team twice (home and away).

To meet this challenge, the HSE Lab and RPL developed special software to generate scheduling options with mathematical algorithms.

To develop the solution, the team researched and incorporated the best fixture scheduling practices from European and South American football leagues. These leagues take into account as many variables as possible, given the diverse climate zones they have to deal with.

At the first stage, a list was compiled of internal and external limitations, including regional climates, UEFA competition dates and national team calendars, concerts and public festivals, as well as the preferences of broadcasters and law enforcement bodies.

One key factor was the League’s desire to have the new system build a fixture calendar where no teams will feel their competitors have an easier schedule. The algorithm then worked out several options, factoring in all the variables. The options were discussed and the final version was approved at the RPL Clubs’ General Meeting.

The RPL and HSE Lab are planning to improve the algorithm and are considering using an automated algorithm for scheduling matches within each round (match date and time setting).

Licensing and prize money allocation

Starting last year, new changes aimed at enhancing quality were introduced to the licensing process organised by the RFU for clubs that wish to join the League (required license class – RFU I). A special commission comprising League personnel and external experts developed a set of additional requirements on infrastructure and staffing.

Under the RFU Licensing Rules, new categories on compliance and potential sanctions were introduced: Category D (mandatory compliance; otherwise license denied) and Category E (mandatory compliance; otherwise penalties imposed).

The following infrastructural criteria fall under Category D.

- Criterion 1: The main home arena should be located in the region of registration of the football club, should have highest or first RFU category and comply with RPL's technical regulations for TV broadcasting. For the current season, if a club is unable to comply with this criterion, it will have the right to designate one of the venues used during the 2018 FIFA World Cup as its main home arena.
- Criterion 2: The venue should not be under renovations or capital repairs during the season or as of the date of the licensing procedure.

Another infrastructure criterion for Category E is the level of convenience and in-venue service. This criterion includes 14 requirements, including the availability of nursing rooms for mothers, family zones and a sufficient number of catering stations.

To meet this criterion successfully, the venue should comply with at least seven requirements. For the current season, the average passing score was 12 of the 14 requirements, while all clubs successfully passed the minimal threshold.

Category E also comprises a number of staffing and administrative requirements. RPL clubs should have an in-house match organisation specialist or matchday manager and a marketing specialist with documented job descriptions. In this way, the League is incentivising clubs to maintain high-quality game day services and be proactive in fan engagement.

The prize money allocation framework for RPL clubs has changed as well. Under the old system, 60% of media and commercial rights revenues were allocated by final position, while the remaining 40% was divided equally among all clubs.

Starting from the 2019-2020 season, the allocation framework will factor in another marketing metric: home venue gate traffic. Thus, 8% of the proceeds (freed up by reducing the equal allocation pool to 32%) will be paid out to clubs that achieve a capacity utilisation rate of at least 50%.

In the 2018-2019 season so far, as many as nine clubs could meet this metric.

Media services

The adoption of new media tools by RPL audiences is pushing the League to improve its fan engagement and communication techniques. Rebranded in 2018, the League's social media accounts now have a new visual style that meets fans' expectations. The League used a single brandbook to design additional graphic elements to provide quick updates.

Changing the image of the League—from a closed and conservative organisation towards a more dynamic and interactive service—has appealed to younger fans. Fan feedback is processed in the most transparent manner, while posts and comments often ooze with self-irony. In content management, the RPL has placed an increased focus on entertaining materials in order to reach a wider audience beyond hardcore football fans.

These changes have enabled the RPL to notably increase the number of followers on social media and drive viewer engagement and successfully build an involved and loyal online community.



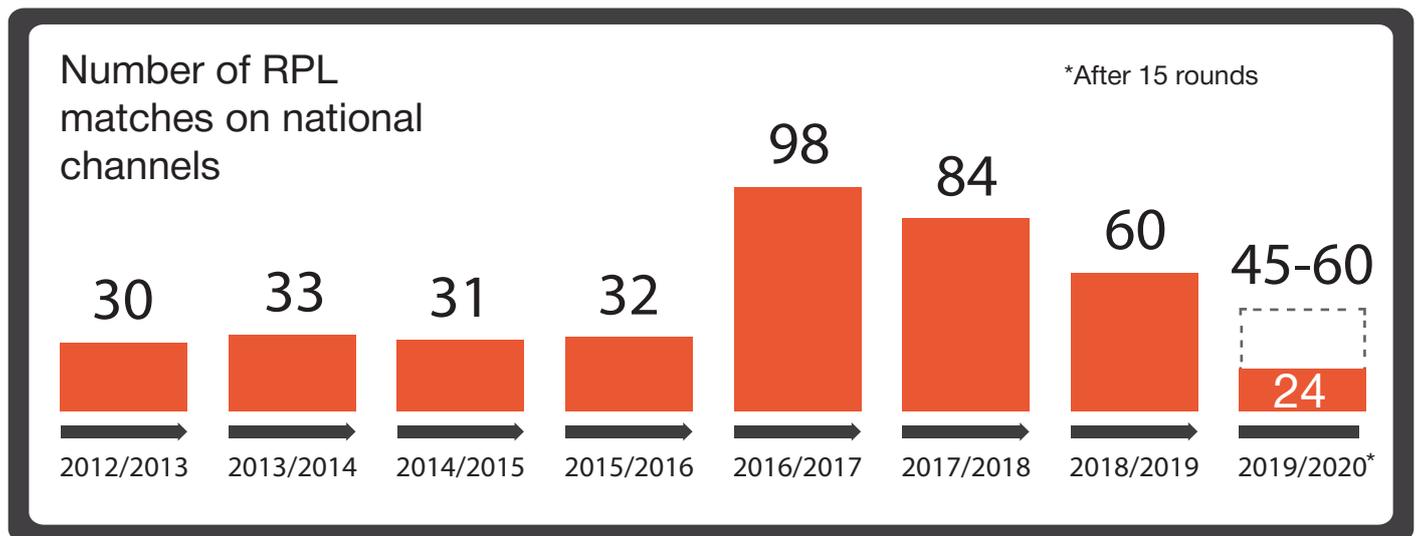
To extend its online presence, the League is also exploring new platforms. The RPL was the first Russian sports organisation to create a TikTok account. TikTok is a popular social media platform for sharing short video clips. The League posts action-packed highlights that have a good chance of going viral. As of early December 2019, RPL's TikTok account had over 120,000 subscribers, while the most popular video had reached 7,500,000 views and 600,000 likes.

To drive brand recognition abroad, the RPL has partnered with Dugout, a special football video platform gathering over 80 football clubs and leagues.

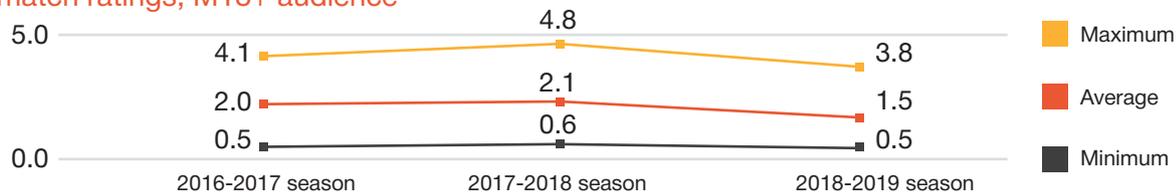
The League has also partnered with the 433 media agency, focusing on football content distribution through its network of social media accounts and an app that has 37 million users.

Since March 2019, the RPL's foreign audience has been able to enjoy selected live broadcasts on the League's official YouTube channel, which already has more than 100,000 subscribers. The channel was recently received a Silver Play Button from the YouTube Creator Awards.

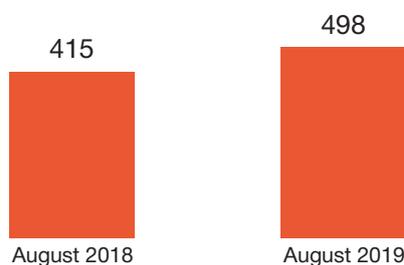
MATCH PREMIER



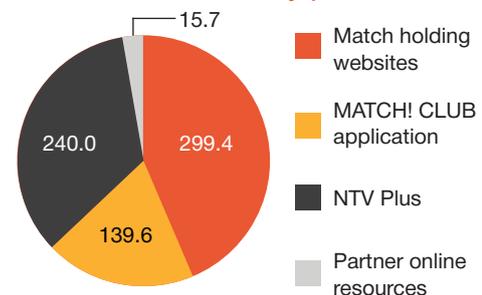
RPL match ratings, M18+ audience



Average number of Match Premier subscribers, Pay TV and Digital, thousand people



Number of one-off RPL broadcast purchases in the 2018-2019 season by platform, thousand



Global changes in media consumption patterns and formats have impacted the RPL's own approach to match broadcasting.

One of the League's top priorities in the short term is to develop the paid broadcast segment. The Match Premier channel is provided by all of Russia's cable and satellite TV operators, as well as on the Match website and mobile app. The channel's online player is also available on nine partner and nine RPL club websites.

RPL and Match, as the main broadcaster, have agreed that, starting from the 2018-2019 season, all RPL clubs will be divided into two categories ("A" and "B") and will have certain restrictions on the number of broadcasts.

Match TV broadcasts 10 games between "A" and "A" teams, 11 games between "A" and "B" teams, and 39 games between "B" and "B" teams.

If one "A" category club match was broadcast on a nationwide channel, the return match between these teams is not broadcast on a publicly available channel.

Under the contract, the number of games to be aired by nationwide channels in the 2019-2020 season may vary from 45 to 60.

CYBER LEAGUE



PES2019
PRO EVOLUTION SOCCER

Venue:

Moscow, Cyberspace, an eSports arena

Dates:

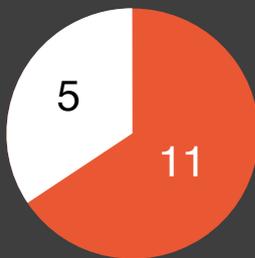
30 April 2019 – 31 May 2019

Winner:

FC Zenit (Roman Roma2rio Shimaev and Makarbek fatalyaaa Margasov)

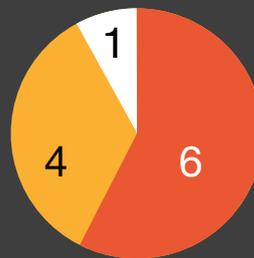


Cyber football team at the club, number of clubs



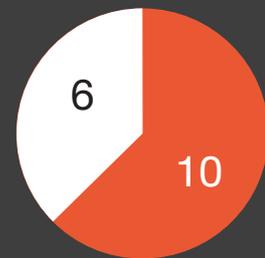
■ Yes ■ No

Cyber football player profiles, number of clubs



■ FIFA + PES ■ FIFA ■ PES

Esports tournaments for fans, number of clubs



■ Organised ■ Not organised

In April-May 2019, Cyberleague Pro Evolution Soccer 2019—organised by the RPL and Konami—put together a RUB 1,000,000 prize pool. The tournament included two rounds: online qualifiers and the grand finals.

The 1-on-1 qualifiers were open to RPL club fans who had registered on the website. Qualifying round winners were eligible to enter the club cyber team comprised of two cyber football players (the other team member was selected by the club directly).

More than 1,800 cyber fans applied to compete in the qualifying round, leading to 737 actual participants.

The widest representation was achieved at the tournaments for the FC Zenit and PFC CSKA cyber teams, which gathered 96 and 75 candidates, respectively.

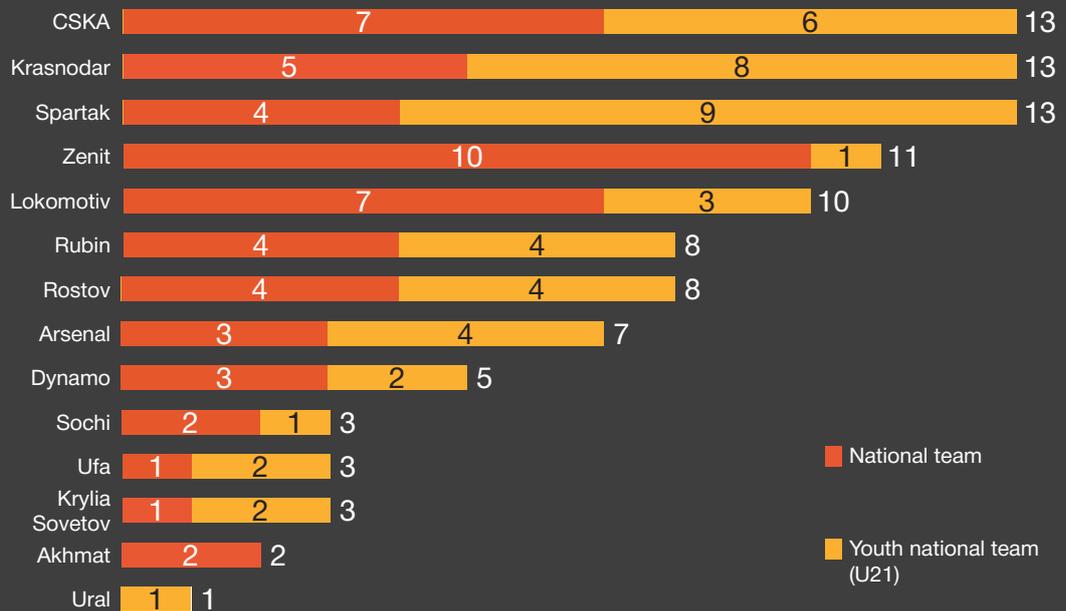
These clubs faced each other in the decisive match of the final round at Cyberspace, an eSports arena in Moscow. In a best-of-three series, the St Petersburg team won 2:1.

Live tournament matches were viewed on VKontakte more than 1,000,000 times, with an average audience of 3,800 viewers per game.

In total, the Cyberleague reached over 3,000,000 online viewers.

Russian national team

The number of players on the Russian national team from RPL clubs
September 2018 – November 2019



Russian national team home match gate traffic for official international tournaments
September 2018 – November 2019

	Number of games	Total gate traffic	Average gate traffic
National team	8	343,093	42,887
Youth national team (U21)	5	105,140	21,028

During the 2018 FIFA World Cup, millions of Russians were glued to their TV screens. To sustain and feed their passion, the Russian Football Union (RFU) has decided to organise home games for the Russian national team in different regions of the country, including at RPL club venues.

According to gate traffic statistics, fans across Russia were very enthusiastic about this initiative, providing solid support to the team at each game.

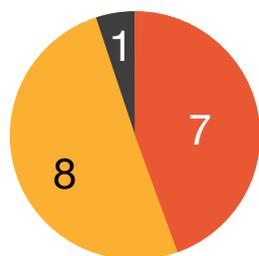


Club infrastructure



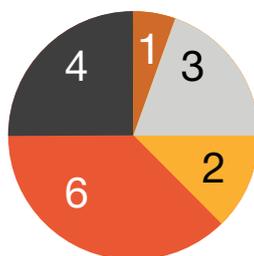
Classification of RPL stadiums

RPL stadiums by tier, 2019-2020 season



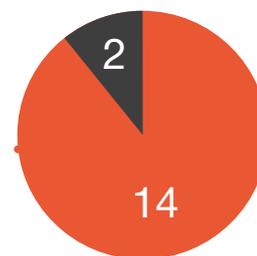
- Highest tier
- First tier
- Second tier

Stadiums by type of ownership, 2019-2020 season



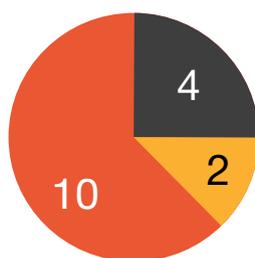
- Owned by the club
- Owned by companies affiliated with the club
- State-owned, leased out long-term with investment obligations
- State-owned, leased out short-term
- Owned by third parties

RPL stadiums by pitch type, 2019-2020 season



- Natural grass
- Artificial turf

RPL stadiums by year of opening, 2019-2020 season



- Before 2000
- 2000-2009
- 2010-2018

RPL stadiums by capacity, 2019-2020 season



- Up to 15,000 seats
- 15,000 – 30,000 seats
- 30,000 – 45,000 seats
- More than 45,000 seats



In order to participate in Russian Football Union (RFU) competitions, club stadiums and training facilities must undergo a certification process.

To host RPL matches, a stadium must either be in the highest or first tier, although exceptions for second-tier facilities can be made by the RFU.

FC Orenburg has proven ready to remedy the issues detected during the venue licensing process. The club's arena now meets almost all requirements to upgrade to the first category, except for capacity requirements.

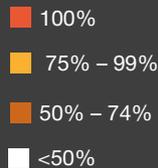
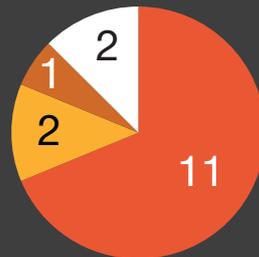
Given these positive developments and the club's desire to cooperate, FC Orenburg was allowed to host home games at the Gazovik Stadium, which is the only second-tier arena in the RPL.

An important nuance that impacts a club's ability to use its venue is the ownership structure. Half the RPL clubs' stadiums are state-owned, including six that are leased to clubs on a short-term basis only to host matches.

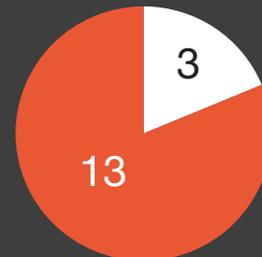
RPL stadiums



Share of covered seats clubs' stadiums, 2019-2020 season

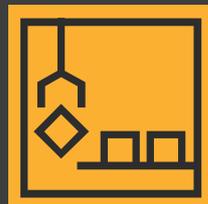


Athletic track at the venue, number of clubs



Green economy adoption, number of clubs

5



Have separate waste collection

2



Use renewable energy sources

Another four venues are owned by third parties, which stimulates the clubs to build productive relationships with different entities. Only four venues are owned directly by their clubs or affiliated companies.

Stadium renovations are bringing more in-venue comfort and convenience for the fans. Eleven clubs have fully covered seats protecting viewers from adverse weather. Only three stadiums that were designed to host track and field events—where the distance between the seats and the football field is greater—remain.

RPL club stadiums are gradually adopting green building features: five arenas have separate waste collection facilities.

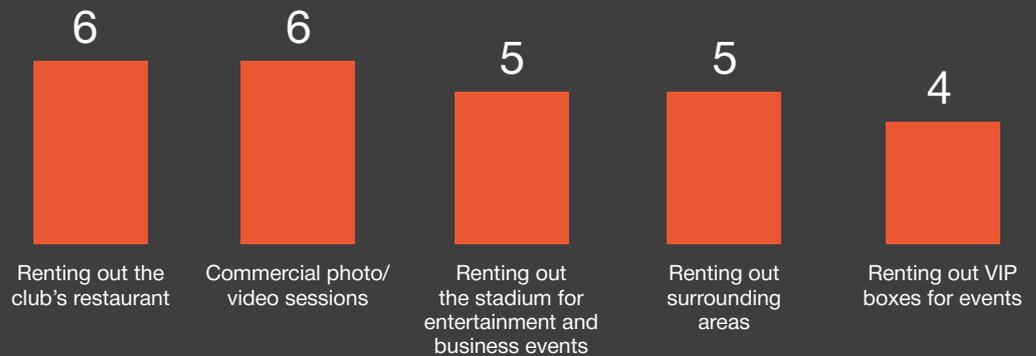
Two more venues, Gazprom Arena and Kazan Arena, use renewable energy sources. The elevators installed at the venue in St Petersburg are equipped with a special regenerating drive which re-channels generated power to the electrical network of the facility.

Utilisation of infrastructure

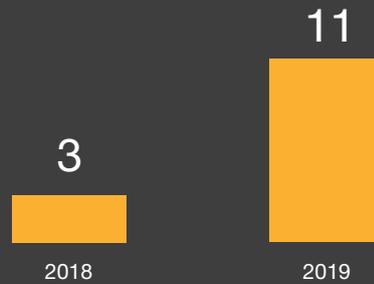
Additional options for RPL clubs to utilise their infrastructure, number of clubs



Options for the commercial utilisation of stadiums used by RPL clubs on match-free days, number of clubs



Number of concerts at RPL club stadiums

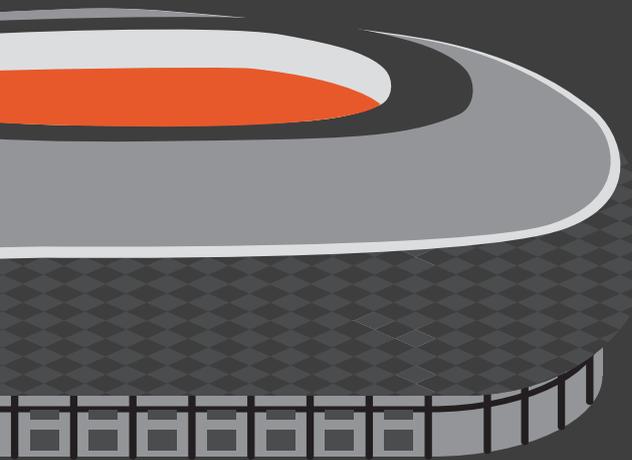


The clubs want make their stadiums place to be for fans on match-free days. To achieve this, more than half the arenas have official club stores and offer stadium tours. Currently, official club museums are in place at two stadiums.

Building modern stadiums has also had a positive impact on the concert industry.

In 2019, six RPL clubs hosted large concerts, with VTB Arena and Otkritie Arena in the lead with three concerts apiece.

Infrastructure developments



Mordovia Arena

City	Saransk
Club	FC Tambov (temporary)
Opened	2018
Capacity	43,958 seats
Project initiators	FGUP Sport-Engineering

Lev Yashin Dynamo Central Stadium (VTB Arena)

City	Moscow
Club	FC Dynamo
Opened	1928 (renovated in 2019)
Capacity	25,714 seats
Project initiators	Manica Architecture, SPEECH

During the 30th round of the 2018-2019 season, FC Dynamo held the first match at the Lev Yashin Dynamo Central Stadium after its reopening following a major renovation. With a unique conceptual design, the football stadium shares a single roof with a smaller all-purpose sports arena and a shopping mall. The sports facilities are part of the VTB Arena Park project, which also includes a residential apartment block, a business centre and a hotel.

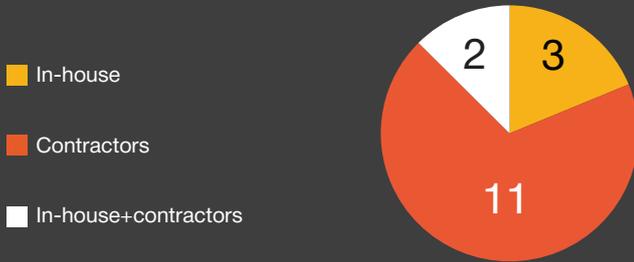
FC Tambov, in its debut RPL season, is temporarily playing at Mordovia Arena, one of the venues built for the 2018 FIFA World Cup, as the club's home arena is being renovated.

Several RPL stadiums have been modernised. For instance, during the winter break in the 2018-2019 season, FC Krasnodar installed additional seats for the central sectors and, before the 2019-2020 season, the club added another 105 seats. Thus, the current capacity of FC Krasnodar arena is 35,179 seats.

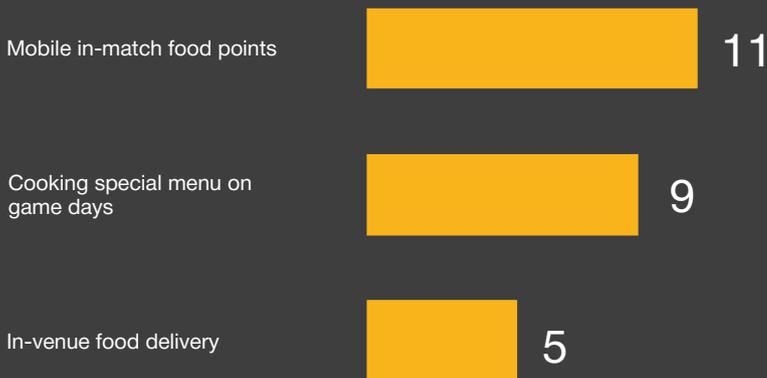
In May 2019, FC Zenit installed a new LED perimeter display. In addition, a new official club store was opened and the Root Light programme was launched. Several entrances to the stadium were outfitted to facilitate faster passage for fans without any personal belongings.

Catering

Catering ownership at RPL clubs' stadiums in the 2019-2020 season, number of clubs



Catering set-up at RPL club stadiums in the 2019-2020 season, number of clubs



Stadium catering is a critical component of in-venue fan comfort and convenience.

Most RPL clubs use some sort of third-party catering service. One of the frameworks commonly used by the clubs is selecting an exclusive provider so that they have better control over service quality and finances (due to exclusivity premium). Another option is engaging several contractors to provide a more diversified menu. FC Zenit has six catering operators at its venue.

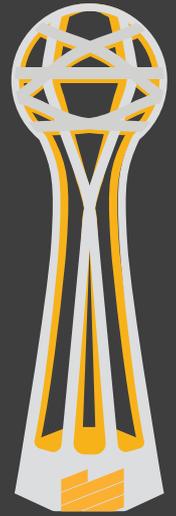
In-match mobile food points are provided by 11 clubs, enabling faster and more convenient service delivery, depending on the level of utilisation in the sector.

Themed food offerings in honour of holidays or the opposing team's national cuisine provide a more diverse menu (this is also an effective marketing tool). During the current season, nine clubs are using this option on a regular basis.

Clubs are continuing to experiment with in-stadium food delivery. In the current season, this service is provided by five clubs, which is one more than in the previous season.

Premium seats and VIP boxes

RUB **923.7** m
Total RPL clubs' VIP box sales
revenue in the 2018-2019
season*



Number of premium seating inventory at RPL stadiums,
average by club

Number of seats in VIP boxes

665

Number of seats in VIP seating areas

931

* Total revenue of Dynamo, Krasnodar, Krylia Sovetov, Rostov, Rubin, Spartak, Ural and CSKA

The average number of VIP boxes at RPL clubs' stadiums in the 2019-2020 season remained at 38, while the total number of seats in VIP boxes and in central VIP sectors has grown.

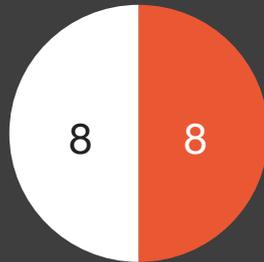
Our survey suggests 13 clubs regularly sell seats in their VIP boxes, while others use them to invite high level guests.

Most clubs sell VIP boxes on their own, while eight clubs have dedicated teams to engage VIP fans and handle a range of questions, from selling VIP inventory to setting up premium quality services.

In most cases (nine clubs), the boxes are sold for the entire season, although sometimes they are sold for selected games or for a longer term. Catering is always included in the VIP box rent; sometimes the clubs offer other services like access to closed events or VIP box visits from football players.

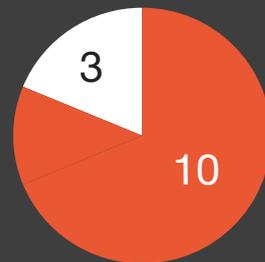
The clubs also use VIP boxes as a tool to boost fan loyalty. Thus, three clubs hold special fan contests with the winners provided the opportunity to enjoy a VIP box at the regular ticket price.

Separate VIP fan engagement team at the club, number of clubs



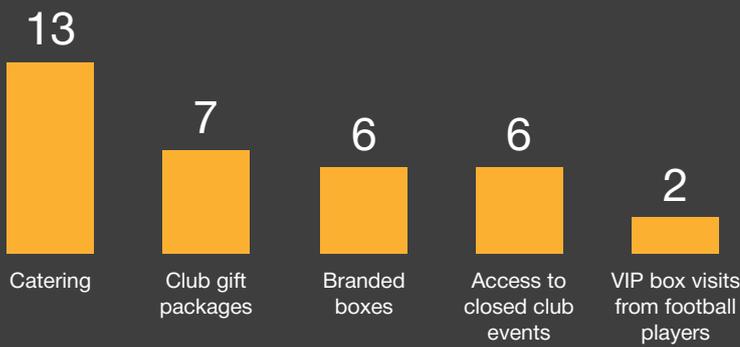
Yes No

VIP box sales patterns, number of clubs

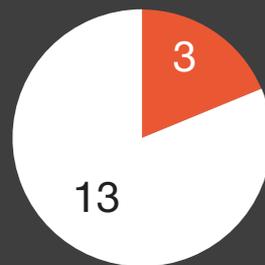


Own sales force Own sales force + contractor services

Options included in the VIP box rent



Opportunity to upgrade regular tickets to VIP box tickets as part of promo



Yes No



Commercial and marketing operations



Game day services

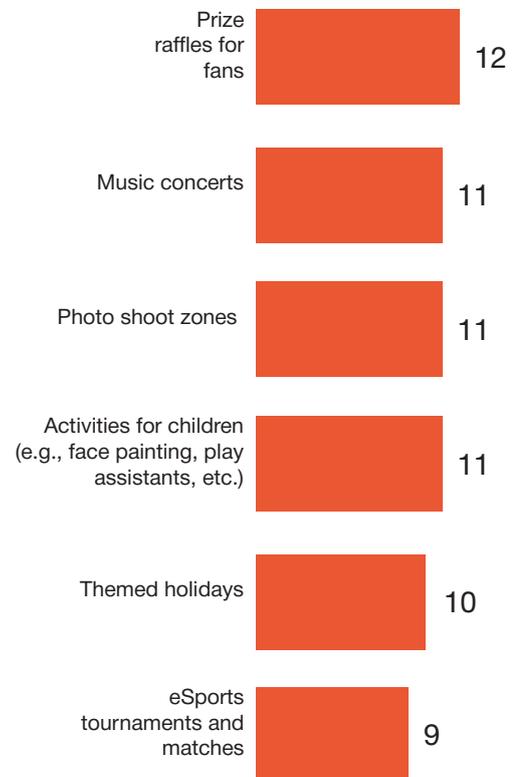
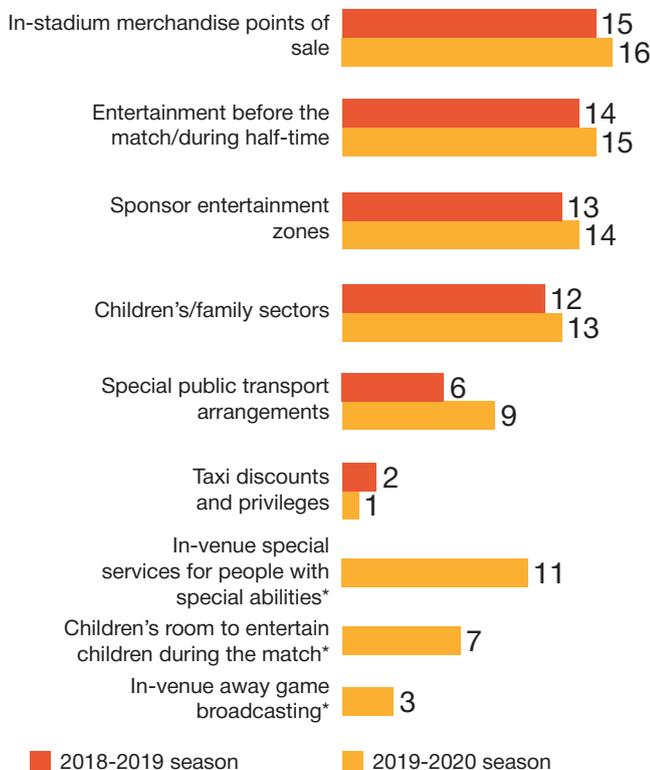


Football matches are becoming fully fledged entertainment shows



Extra fan services on game days, number of clubs

Types of entertainment events, number of clubs

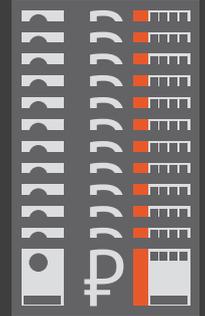


*No historical data available

In addition to their efforts to improve gate traffic, RPL clubs are working hard to enhance the game day experience. Coming to matches is becoming increasingly convenient for families, who can now select dedicated family sectors, children's rooms and different entertainment activities. Before matches and during half-time, fans can enjoy contests and trivia shows, musical performances, workshops, exhibitions, augmented reality zones, eSports tournaments, etc.

One of last season's novelties was regular away match broadcasting at the home arena. FC Zenit, supported by a sponsor, was the trailblazer in setting up the Watch+ Arena fan zone, featuring broadcasts of selected away games. FC Lokomotiv and FC Krasnodar also used their venues and surrounding areas to this end last season.

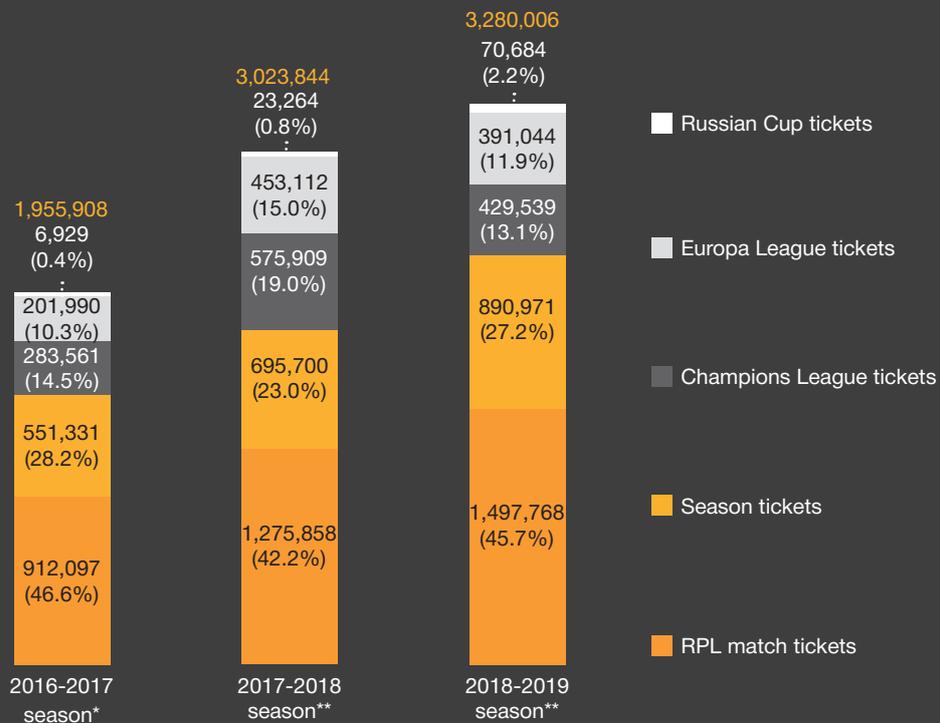
Season tickets and ticket plans



Total gate revenue

RUB **3.28** bn

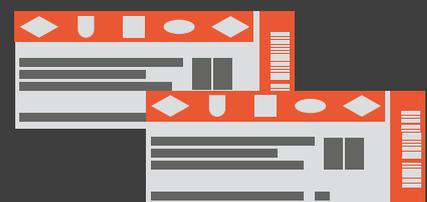
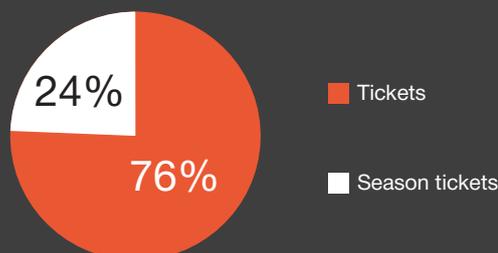
Gate revenue for RPL clubs from all competitions, %, RUB '000



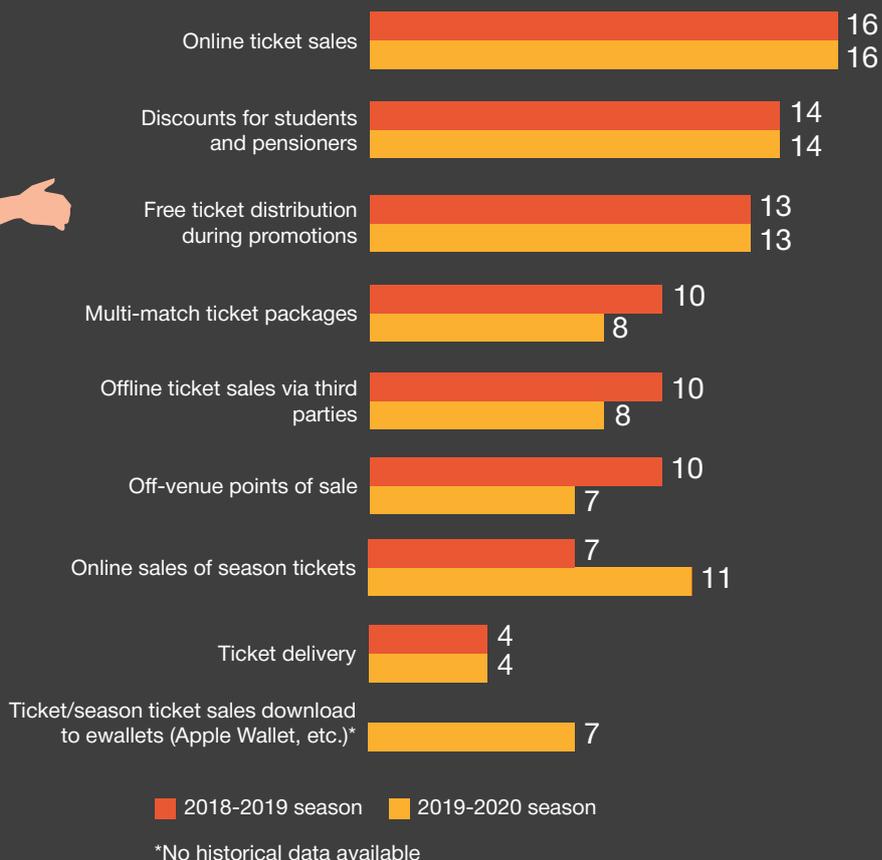
* Less the revenue of the clubs that were relegated from the RPL after the 2016-2017 season and of FC Anzhi

** Less the revenue of the clubs that were relegated from the RPL

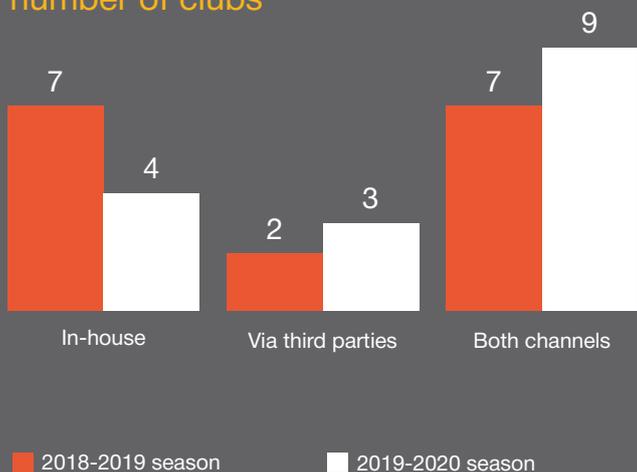
Average ratio of single-match ticket to season ticket revenue for RPL clubs in the 2018-2019 season



Ticket plan features, number of clubs



Online ticket sales channels, number of clubs



Share of online sales by product

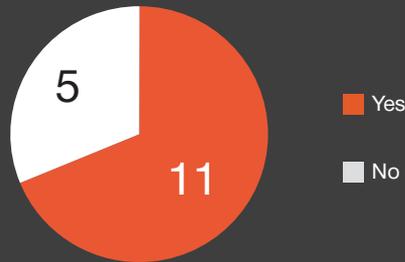


Gate revenue in the RPL continues to grow: the 2018-2019 season showed an almost 9% growth rate. Gate revenue from single-match ticket and season ticket sales have grown the most in monetary terms.

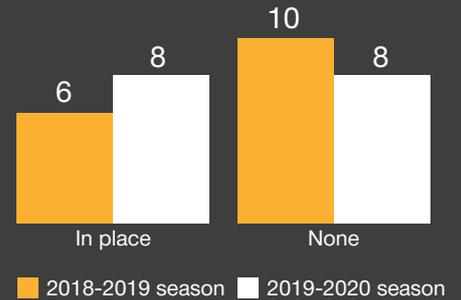
Digitalisation is helping clubs engage with fans and sell more tickets. Online sales are growing, while half the clubs provide options to download tickets into e-wallets.

Fan engagement

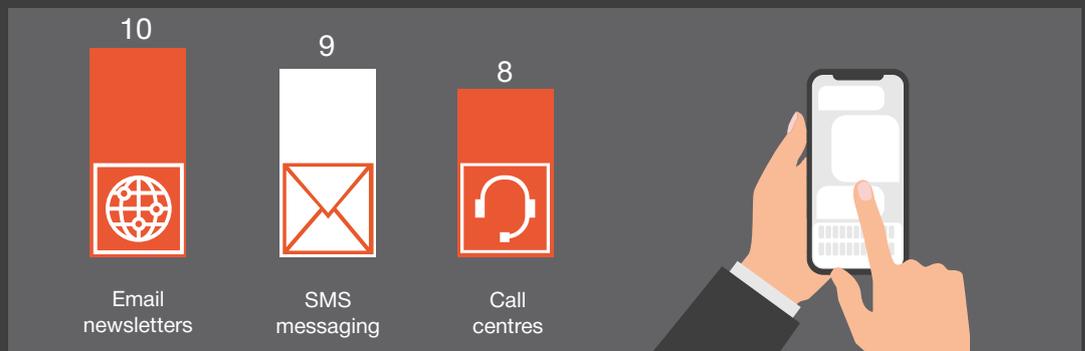
Audience research, number of clubs



CRM systems in RPL clubs, number of clubs



Use of intra-club supporter communication tools, number of clubs



RPL clubs are continuing to adopt CRM solutions to help them collect fan data. On the horizon, we can anticipate CRM integration with other IT systems, including ticket sales websites, food points and venue access control systems, feeding the clubs with more data on each fan and their behaviour patterns in-venue and online and helping them build detailed fan profiles. These profiles can be used to personalise fan engagement and provide appealing offerings from the club and its partners, as well as to foster fan loyalty.

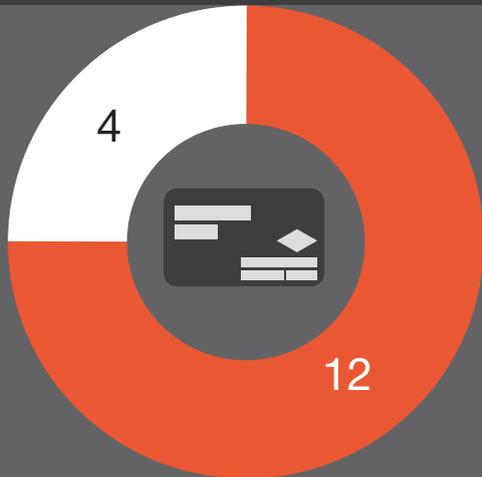
The clubs also carry out marketing research on fans, enabling them to identify and get a clearer understanding of different audience segments.

For instance, the share of women and children in the audience is a key indicator, primarily for advertisers. According to club research based on surveys and ticket sales, website and mobile application user data, the share of women and children under 18 in the fan base may at times attain 30-35%.

A club may also find it useful to know that a fan is already supporting another local sports club. In the wake of this knowledge, seven RPL clubs are collaborating on promotions with other sport clubs in their home city to attract additional spectators.

Loyalty programmes

Supporter loyalty programmes in RPL clubs, number of clubs



2018-2019 season



2019-2020 season

Loyalty programmes features, number of clubs

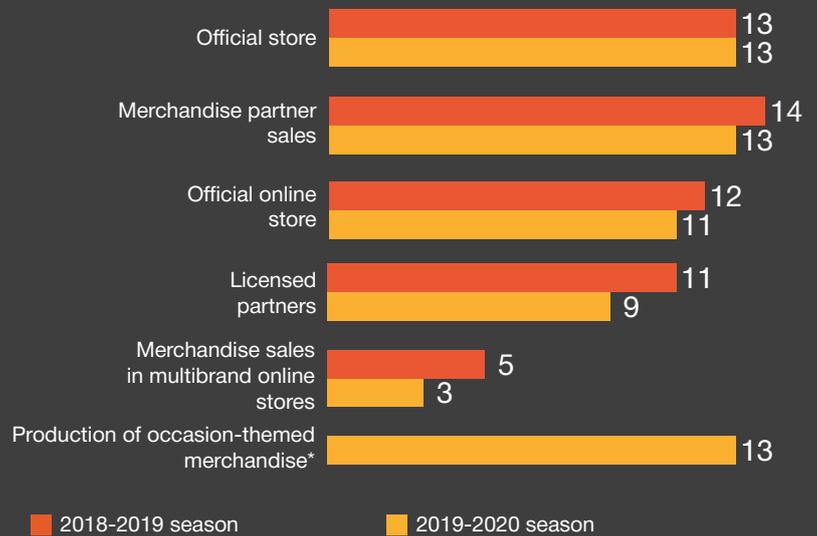
Most RPL clubs have long used loyalty programmes as a key audience retention tool. The most popular options provided under loyalty programmes are discounts from the club's partners and sponsors on their goods and services, and also various perks like access to closed club events and VIP services, e.g., priority right to buy tickets or free delivery from the club store.



Club merchandise

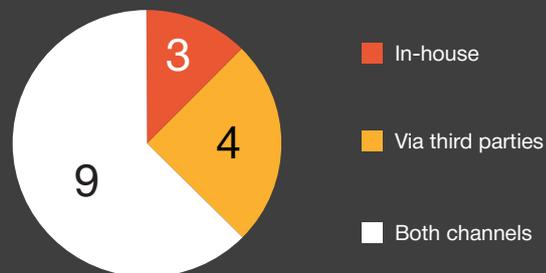


Club merchandise sales breakdown, number of clubs



*No historical data available

Club merchandise order mode, number of clubs



In the current season, all RPL clubs offer branded merchandise for fans. Thirteen clubs also produce occasion-themed merchandise for commemorate holidays, important club events, regional developments or the football industry in general. This merchandise needs be produced on short notice and with a spike of creativity. It pays off, as it significantly drives fan loyalty and is a powerful marketing tool. To produce this type of merchandise, most clubs use third parties, with only three clubs producing in-house.

Another nine RPL clubs collaborate with partners to produce and sell branded products under licensing agreements. According to club data, clothing, toys, stationary, watches and fashion jewellery are the most popular categories of licensed goods.

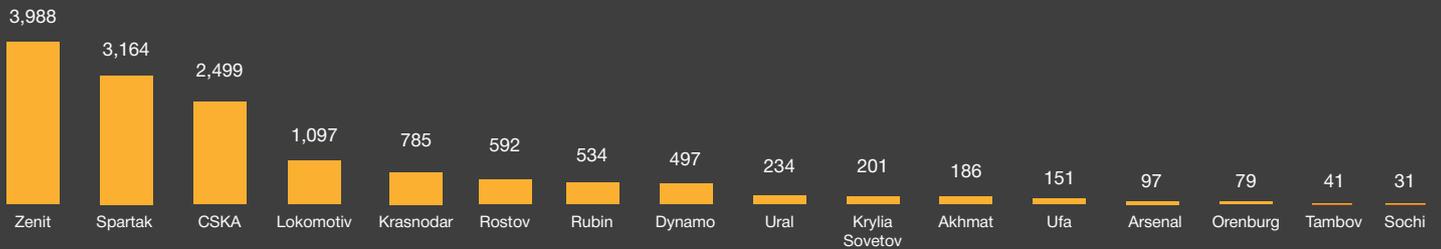
Digital media



RPL club websites by number of language versions

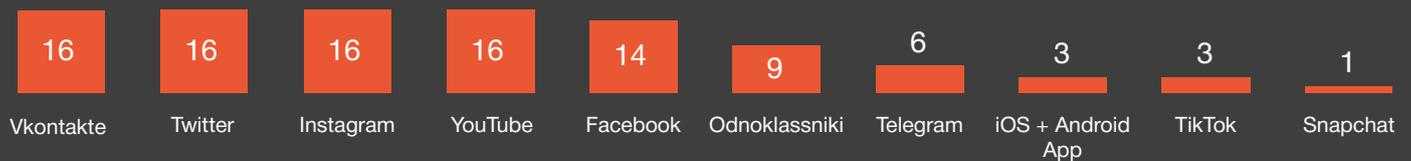


Total social media subscribers by club, thousand people*



* As of 5 December 2019, club accounts on VKontakte, Instagram, Twitter, YouTube, Facebook

Use of digital media, number of clubs

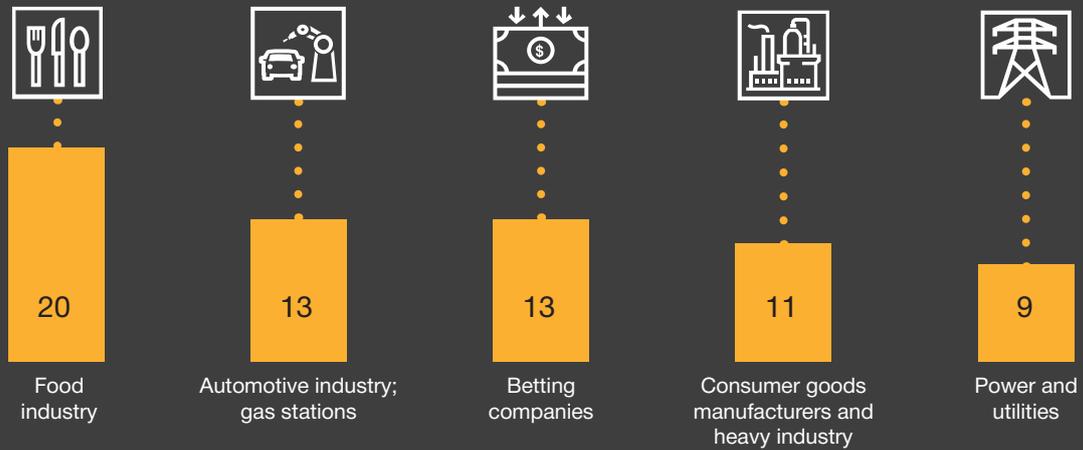


Type of content streamed/posted on the club channel in YouTube, number of clubs

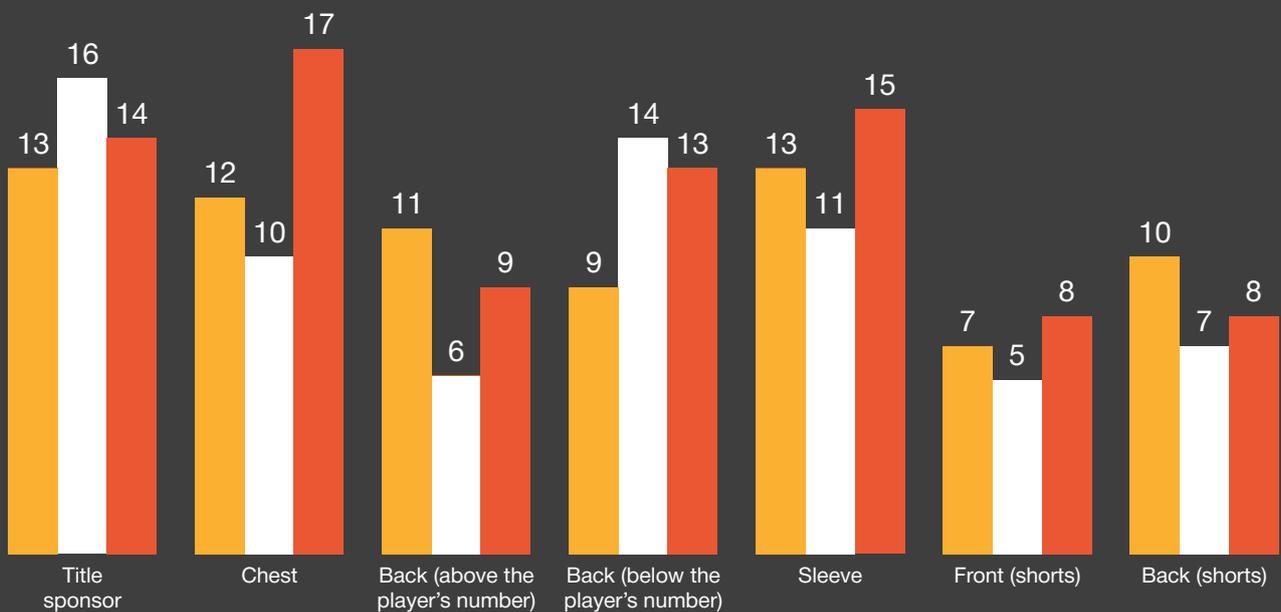


Sponsor relations

Five leading categories of RPL club sponsors by core business activity in the 2019-2020 season



Number of sponsor logos placed on RPL club kits

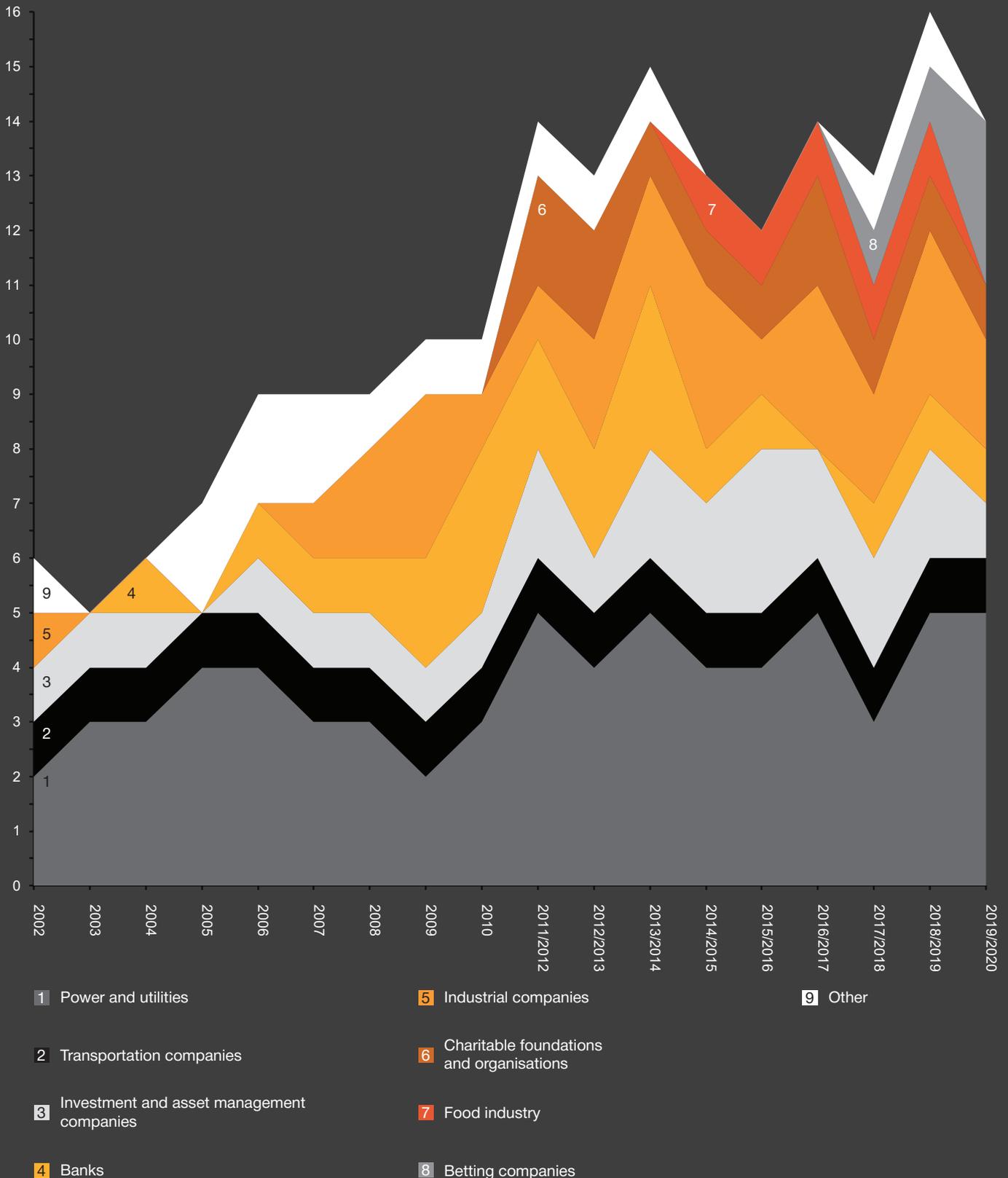


2017-2018 season

2018-2019 season

2019-2020 season

Number of title sponsors from 2002 to 2019-2020 by category



Financial performance



Financial statements

Revenues for RPL clubs, 2012-2018, RUB billion



Expenditures by RPL clubs, 2012-2018, RUB billion



Financial performance of RPL clubs, 2012-2018, RUB billion

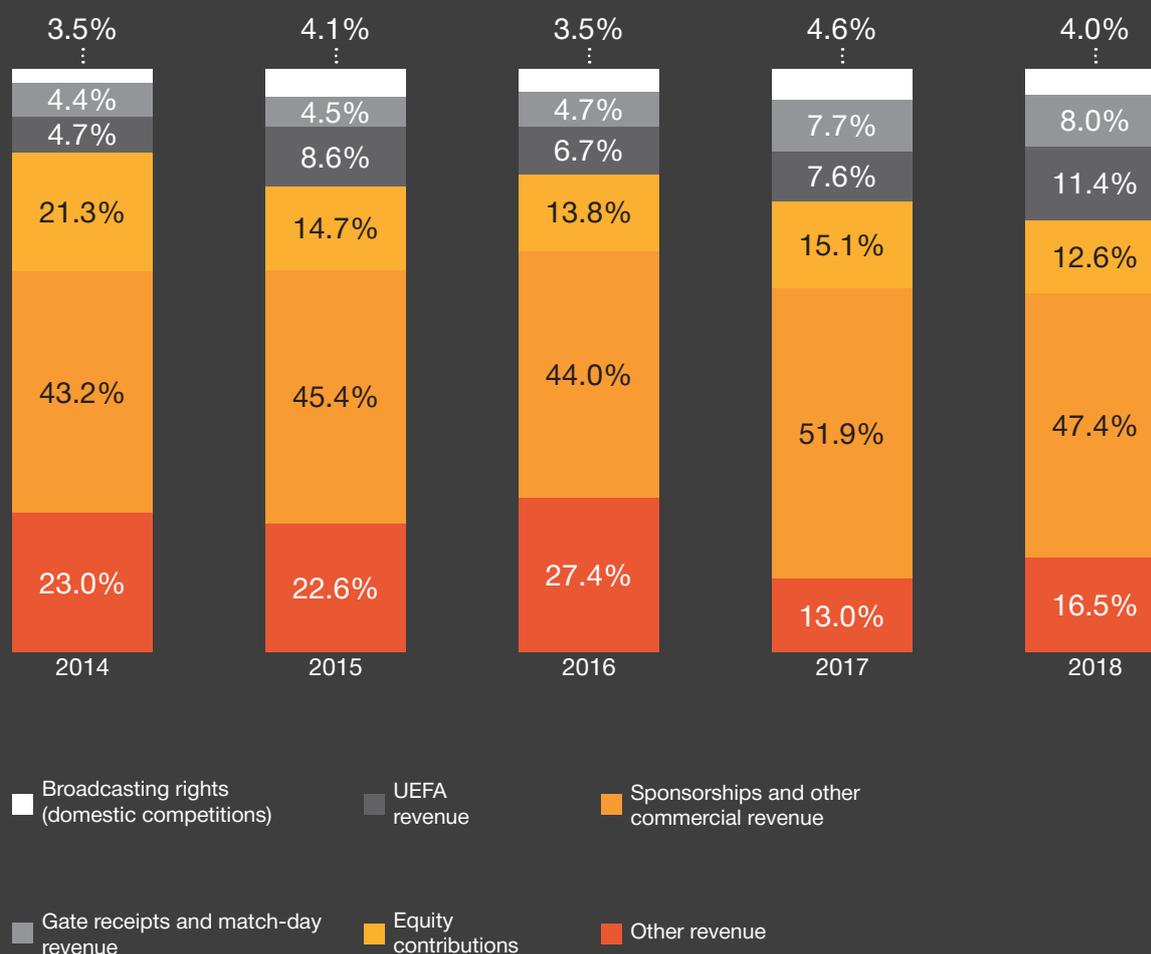


Revenues and expenditures at RPL clubs were analysed for each financial year. Total expenditures include all operating and non-operating expenses, such as debt servicing and other financial costs, as well as some non-monetary expenses like the amortisation of player registrations (transfer fees).

In 2018, total club revenues increased by 4.6% while expenditures decreased, enabling the clubs to show positive financial results.

RPL club revenues

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



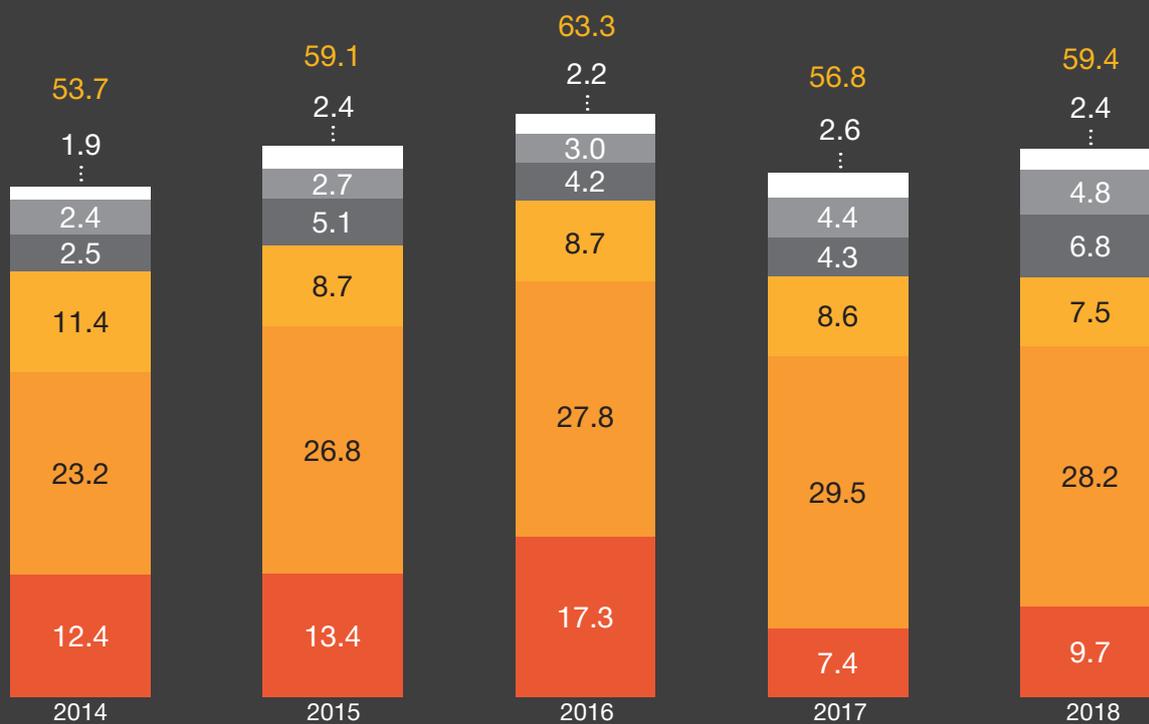
In 2018, UEFA revenue and other revenue drove notable growth in total RPL club revenues. Both growth in the total prize pool for the clubs participating in European cups and the more successful performance of the Russian clubs in these contests had a positive influence on UEFA revenue growth.

Other revenue went up largely due to RPL clubs' successful transfer campaign in summer 2018: according to publicly available information, the transfer of Alexander Golovin, Victor Vinicius Coelho dos Santos (both from PFC CSKA) and Quincy Promes (FC Spartak), brought the clubs over EUR 60 million, while the total transfer balance of all clubs amounted to around EUR 22 million.

Gate receipts and match-day revenue also continue to grow, which is a positive trend in terms of diversification of RPL club revenue.

Volatility in total revenue and expenditures among RPL clubs was largely a product of the changing composition of the league from year to year.

Revenue dynamics at RPL clubs, RUB billion



- Other revenue
- Sponsorships and other commercial revenue
- UEFA revenue
- Equity contributions
- Gate receipts and match-day revenue
- Other revenue
- Broadcasting rights (domestic competitions)

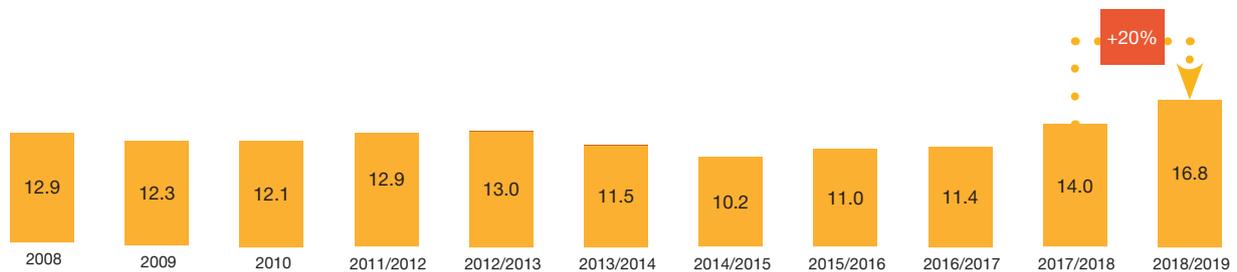


Match attendance

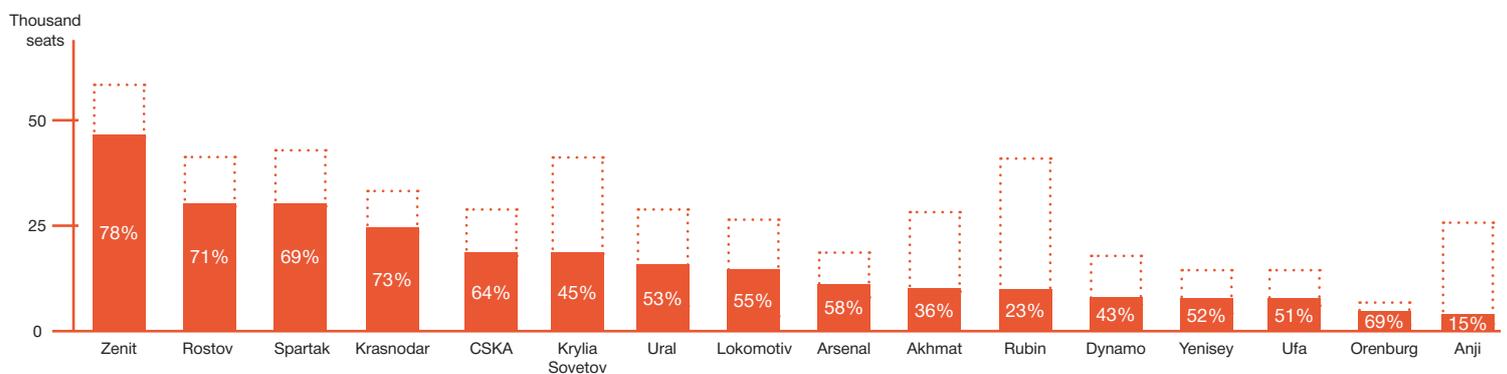


Match attendance for RPL clubs

Average attendance per RPL match, thousands



Stadium capacity utilisation in the 2018-2019 season, % of maximum capacity



Note: the clubs are ranked by average match attendance rate, highest to lowest

The RPL audience continues to grow with average gate traffic of 16,800 people in the 2018-2019 season, an increase of 20% over the previous season.

Zenit retains leadership both in terms of match attendance and in terms of stadium capacity utilisation. During the season, Zenit home matches were on average attended by 48,244 people, taking 78% of the available seats.

Rostov retained its stadium capacity utilisation levels after its move to Rostov Arena, with almost three times the capacity of Olymp-2. The average gate traffic has grown accordingly, reaching 31,034 people and moving the club to second most attended in the League.

Samara Arena, another 2018 FIFA World Cup 2018, was utilised by less than 50% during Krylia Sovetov games. However, in terms of average gate traffic, the club ranked sixth in the League.

New stadium capacity allowed Ural to increase home match attendance as well, almost doubling stadium capacity utilisation while leaving room for further growth.

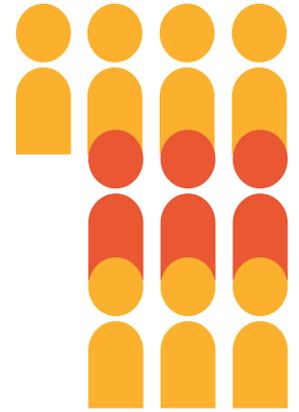
Moscow clubs (CSKA, Dynamo, Lokomotiv) also boosted their match attendance with a total uptake of 22% against the previous season.

Talent pools

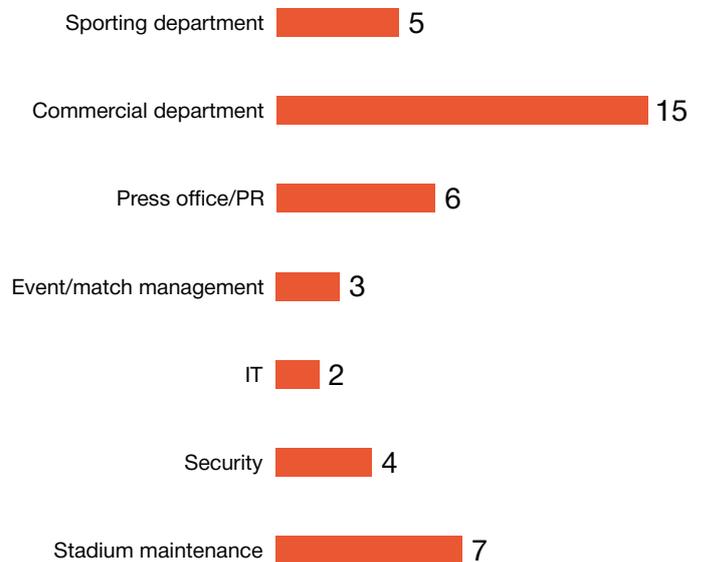


The average headcount
at RPL clubs is

229 employees



Average headcount of various departments across RPL clubs in the 2019-2020 season, number of employees



The average headcount at RPL clubs in the current season is 229 employees, including players, coaches and administrative/management personnel. Thus, the top division teams create permanent jobs for over 3,500 people. Moreover, on match days, the clubs engage significant numbers of temporary personnel (stewards, catering and cleaning services, etc.).

According to research data, the average headcount across core activities has remained stable, while the top range of department-level headcount has fallen, except for commercial departments.

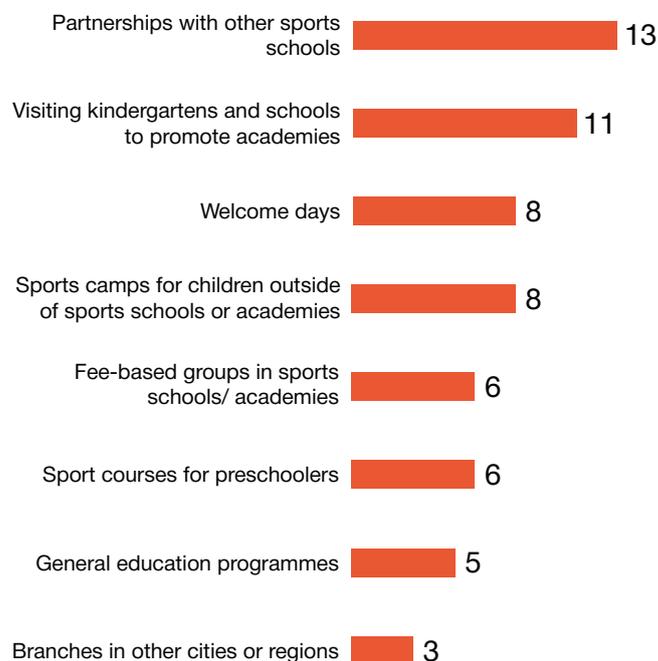
Security is an important framework to ensure maximum convenience at football events. The average headcount of security officers within the organisational chart of each RPL club is four officers.

An evolving sports infrastructure raises the need (depending on the type of venue ownership) for in-house maintenance services. In the current season, this department was in place in five clubs with an average headcount of seven employees.

Youth football



Management and promotion of club schools and academies in the 2019-2020 season, number of clubs



RPL clubs are employing a number of successful approaches to discover, engage with and nurture young athletes.

FC Spartak has set a strong example with a project to develop a Spartak Junior children's football school network in Russia and the CIS, partnering with the Sports League franchise in December 2018.

Schools in the network will have the right to use adapted training methods and the Fyodor Cherenkov Spartak Academy brand, as well as benefit from technical support. Furthermore, regional branches will form a scouting network for the club enabling Spartak to considerably expand its catchment area.

Launching the Youth Football League—the first season started this August—has been another important milestone in youth football development. Organised by the Russian Football Union, the competition welcomes U-17 teams from professional football club academies, with the winner entering the UEFA Youth League.

Teams for the first season have been selected by the RFU Expert Council based on an aggregate ranking of Russian football schools, Russia's youth championship finalists and the number of participants in Russia's national teams of different ages. Taking into account all these factors, seven of 12 invitations to participate in the YFL experimental season went to RPL club academies.

Contact us

Sports Consulting Practice at PwC Russia



Oleg Malyshev
Partner
oleg.malyshev@pwc.com



Aleksander Kardash
Director
aleksander.kardash@pwc.com

Russian Premier Liga (RPL)
Phone: (499) 643-22-13
E-mail: info@rfpl.org

www.pwc.ru



PwC Russia (www.pwc.ru) provides industry-focused assurance, tax, legal and advisory services. Over 2,700 people work in our offices in Moscow, St Petersburg, Ekaterinburg, Kazan, Novosibirsk, Rostov-on-Don, Krasnodar, Voronezh, Vladikavkaz, Ufa, Nizhny Novgorod and Perm. We share our thinking, experience and solutions to develop fresh perspectives and practical advice for our clients. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Together, these firms form the PwC network, which includes over 250,000 employees in 158 countries. For more details, please <http://www.pwc.ru/ru/about.html>

© PwC, 2019. All rights reserved.