



Season 20/21

Socio-economic impact study of the Pro League on the Belgian economy

July 2022

Contents

Foreword	3
Executive Summary	4
Introduction	7
The evolution of professional football in Belgium	9
Organisation of the Pro League	10
Belgian football club revenues	12
Belgian football club costs	20
Transfers	22
Case studies	24
Women's football	29
Social impact of the Pro League	31
Football & Community	32
Fans	37
Youth	42
Economic impact of the Pro League	44
Closing words	51
Appendix	52

Foreword

Foreword Lorin Parys

Football brings people together. Even though COVID-19 made it harder to unite people in our stadiums in the 20/21 season, Belgian professional football continued to be an economic force and a powerful engine for social change.

Our Pro League clubs made an economic contribution of € 962 million to our national economy in 20/21, a decrease by 23% from more than € 1,2 billion in 19/20. We created almost 4.500 jobs, adding an extra 950 jobs compared to the 19/20 season even though we faced dire economic conditions. In addition, a total of € 89 million was transferred to the state treasury through the various tax mechanisms, driven by a growing contribution to both payroll taxes and social security charges.

Despite ticketing and commercial revenues plummeting by 64% and 58% respectively, due to COVID-19, our clubs increased their investments in professional Women's football to € 2,4 million in 2021, a 65% increase compared to 2019. The Pro League clubs regained pre-Covid investment levels with respect to their local social programs. In total we contributed more than € 2,3 million to 300 local projects, reaching 47K participants. The Pro League itself has also increased its efforts to make football a force for good, voting for mandatory investments in G-football teams, women's football and/or youth academies and requiring every club to set up mandatory Corporate Social Responsibility Programs. In the 20/21 season our clubs dedicated more than € 50 million to the development of young players in our youth academies. Despite economic difficulties, this amount didn't drop. On the contrary.

Beyond the pure economic impact, our clubs foster innovation by partnering with promising Belgian high-growth ventures, providing them with a reference platform that accelerates their international growth trajectory, both within and beyond the football industry as detailed further in this report.

In this year's report, the impact of COVID-19 on Belgian football becomes strikingly apparent. The agreement with Eleven Sports, increasing broadcasting revenue by 20%, could not compensate for the decline in other revenue streams. Indeed, the pandemic has left a significant financial dent in the clubs' finances with an overall revenue drop of 22%. Moreover, Belgium lost its direct qualifying ticket for the European Champions League in 23/24. By falling out of the UEFA country ranking Top 10, our Belgian teams could eventually miss out on sportive development opportunities and the fastest-growing revenue stream in European football. Therefore, regaining that Top 10 position will be key which is why our clubs will need to dispose of the necessary financial means to remain competitive at the European level and continue investing in youth, women's football, G-football or local social programs.



Lorin Parys
CEO Pro League

Foreword Sam Sluismans

In line with last year's estimates, revenues generated by Belgian professional clubs suffered a significant blow due to a season with very few spectators thereby driving ticketing and commercial revenue into the ground. Furthermore, in line with the global trend, the Belgian transfer market has experienced a slow-down leading to a significantly lower, yet still positive, net transfer result.

When looking at the clubs' cost base, we note a slight increase driven by a surge in payroll cost. This evolution is triggered by, on the one hand, a significant growth in staff members and on the other hand, an increase in both number of players as well as their respective average salary. In consequence, lower revenues and higher costs constitute two reinforcing effects negatively impacting the clubs' profitability, resulting in an aggregate record loss of almost € 140 million, an € 86 million deterioration. This deficit, highlighting the Belgian clubs' dependency on traditional revenue streams, underlines the need for business model innovation in the sports industry to develop sustainable resilient business models.

Despite declining revenues and profitability, clubs have, amidst the global health crisis, picked up their social engagements and have supported as many projects as in the pre-COVID era. Budgets dedicated to societal projects have been consistently growing throughout the years. Furthermore, the investment in youth academies has remained stable in comparison to 19/20 thereby underlining the strategic value of youth identification/ development in the clubs' operating model.

Even though spectators were not allowed during most matchdays, clubs have continued to connect with their fans and partners through digital channels. As a matter of fact, the various digital channels enable to differentiate the content strategy and messaging to the respective target audiences. These efforts have resulted in an accelerated growth in social media followers, both from a B2C and B2B perspective.



Sam Sluismans
Partner Deloitte Belgium

Executive Summary

Key messages social impact

Football & Community

Social projects in 2021

296
regaining pre-COVID level

Project participants

46.9K

Annual budget made available

€ 2,3 million

G-teams

18

G-football players

546

Partnerships with academic Institutions

172

Internships offered by Pro League clubs

418

Volunteers

4.774

Youth players invited

14.379

Youth players

Number of minutes played

90,3K
10.34% of total minutes played

Fans

Registered fan clubs

466

Number of youth contracts

294

Social media followers

7,9 million

Number of FTEs supporting youth academies

795

Evolution of professional football: Key numbers from season 20/21

Total revenues amounted to

€ 290,7 million

a 22% decrease compared to 19/20

Ticketing and commercial revenues both plummeted, respectively by

64% and 58%

due to the effects of the COVID-19 crisis

Broadcasting revenue amounted to

€ 95,7 million

up from € 79,5 million in 19/20, and accounts for 33% of total revenues

UEFA prize money of

€ 63,7 million

a 20% decrease due to only 1 participant in UCL group stage

Sponsoring revenues

€ 79,3 million

Player salaries

€ 295,9 million

average gross annual salary of € 266K

Female players

1.158 youngsters

born after 2003, active in the national (youth) women teams

Payroll cost / revenue ratio

77%

lower revenues and higher player salaries acting as two negatively reinforcing effects

Net transfer result

€ 38,1 million

a 65% decrease

Agent fees

€ 34,4 million

a 27% decrease overall with the Top 5 agents taking a larger relative hit (31%)

Top 5 agents

29% of total commission fees

a decrease of 2%

8 clubs

with a Belgian majority shareholder (at 07/04/2021):
Down from 12 in season 19/20

€ 2,4 million

invested in professional women's football in 2021 (+ 65% in comparison to 2019)

Key messages economic impact

Gross output

€ 962 million

a 23% decrease compared to the previous season

Jobs

4.493

VAT Generated

€ 89 million

Gross Value Added

€ 661 million

Net Tax Contribution

€ 89 million



Introduction

In line with previous editions, this fifth report will describe and analyze the economic and social impact of Belgian professional football through both quantitative and qualitative assessments. This study will focus on the 20/21 season. However, the availability of data as of 16/17 allows for inter-temporal comparisons.

This report kickstarts with a description of the Pro League's roles and responsibilities and introduces the Pro League (1A) 20/21 competition format as well as the anticipated integration of U23 teams in the Challenger Pro League (1B), which will be implemented as of the beginning of the 22/23 season. Consequently, as a first axis of analysis, insights into the financial developments of the Pro League and the Belgian professional clubs will be shared by analyzing the main pillars of their business model, being the various revenue and cost drivers (including the agent's commission). Unfortunately, as predicted in last year's report, the financial health of Belgian football has been severely impacted by the COVID-19 pandemic due to the limited number of fixtures played with spectators. Therefore, this report has put much emphasis on describing the (financial) consequences of the pandemic for the Belgian football clubs.

The second axis of analysis addresses both the social role of football and the economic impact. In recent years, we have seen the clubs' social contributions grow in line with their economic impact. However, in 20/21, this correlation no longer holds true as the social commitment of our clubs has remained at pre-COVID levels, despite the fact that the clubs' financial situation is in dire straits due to the pandemic. This evolution underlines the persistent long-term social commitment of our clubs. In a next chapter, the economic impact is determined by computing the gross output, gross value added, jobs and fiscal contributions to the Belgian economy based on the financial evolutions above.

Finally, to complement our quantitative findings, several case-studies of more qualitative nature have been integrated into the respective pillars. This report will, given recent events and trends, zoom-in on club ownership, on how Belgian football embraces and fosters innovation, the strategic alliance between the Pro League & Kazerne Dossin, sustainability in football and on the role of Supporters Liaison Officers.





The evolution of professional football in Belgium

Organisation of the Pro League

The Pro League takes ownership of organizing football matches for both the Belgian 1A and 1B with seasons running from late July to early May the following year. 1A is more commonly known as the Jupiler Pro League (1A) while 1B is more commonly known as the Challenger Pro League (previously called Proximus League). On top of this, the Pro League is also in charge of the Belgian Croke Cup in collaboration with the RBFA (as of the quarterfinals), the Belgian U21 Cup, the Elite Youth leagues, and the Proximus ePro League, the only official EA FIFA e-sports championship in Belgium.

Due to the COVID-19 pandemic, the General Assembly of the Pro League announced, on May 15th (29 Matchdays played), the premature ending of the season 19/20 following the National Security Council's communiqué on the suspension of sports competitions (6 May 2020). This caused debate among Belgian clubs on both relegation and promotion. Taking into account decisions made by the Belgian Court of Arbitration for Sport (CBAS) and the Belgian Competition Authority, the Pro League decided to move to an 18-team format for the season 20/21. It was decided that KVRs Waasland - SK Beveren would remain in 1A, while K. Beerschot VA and OH Leuven would be promoted. Lierse K, the only remaining amateur club with a license for professional football, was promoted to the 1B for the season 20/21. As there was still one place to be filled in 1B, the U23 team of Club Brugge KV was integrated on a temporary basis.

In 1A, 18 teams play a total of 306 matches in a regular competition before heading into play-offs, split into the Champions' play-offs and the Europe play-offs. The Top 4 will compete in the Champions' play-offs (Figure 1) for the title and the main European tickets. The clubs ranked 5-8 will play for the last Europa Conference League ticket.

The competition format of 1B will significantly modify, starting from the season 2022/23, as 2 impactful changes are being implemented (Figure 1). Firstly, the Pro League officially announced on February 28th 2022 that 14 U23 teams of the Elite youth leagues will be integrated in 1B, First National and Second Amateur league. 16 clubs¹ in possession of professional licenses are partaking in this pilot project. Non-partaking clubs can be identified on the visual below by the light gray color. The Top 4 will be integrated into 1B (i.e. KRC Genk, RSC Anderlecht, Standard de Liège and Club Brugge KV), whereas the following 4 best-ranked participating clubs are integrated into First National Division (i.e. KAA Gent, R. Charleroi SC, OH Leuven and Cercle Brugge/R. Antwerp FC). The 6 tickets for 2nd Amateur League are distributed over the remaining 8 clubs: Whereas 4 tickets were directly distributed (i.e. R. Antwerp FC, SV Zulte-Waregem, K. Beerschot VA and Union SG), the last 2 tickets were attributed through jump-off games (KV Mechelen beat Lierse K by 4-0 and RFC Seraing won from RE Virton by 1-0).

Secondly, the 12 1B clubs will compete according to a new competition format (Figure 2), split into a regular competition with 22 match days and a play-off round of 10 matchdays. During the regular season, teams face each other twice, once at home and once away (replacing the double rounds of home and away-games). After the regular competition, the Top 6 are competing in the promotion play-offs for the championship and the related promotion to 1A whereas the clubs ranked 7 to 12 participate in the relegation play-offs where the club ending in 12th position relegates to First National league. In contrast to the play-offs in 1A, the obtained points in the regular season are not halved at the beginning of the play-offs.

1 Cercle Brugge, Club Brugge, KAA Gent, K. Beerschot V.A., KRC Genk, KV Mechelen, Lierse K (1B), OH Leuven, RFC Seraing, R. Antwerp FC, Royal Excelsior Virton (1B), Royale Union Saint-Gilloise, RSC Anderlecht, Sporting Charleroi, Standard de Liège and SV Zulte Waregem

Figure 1 - Competition format 1A 20/21 & 21/22 + U23 integration in 1B in 22/23

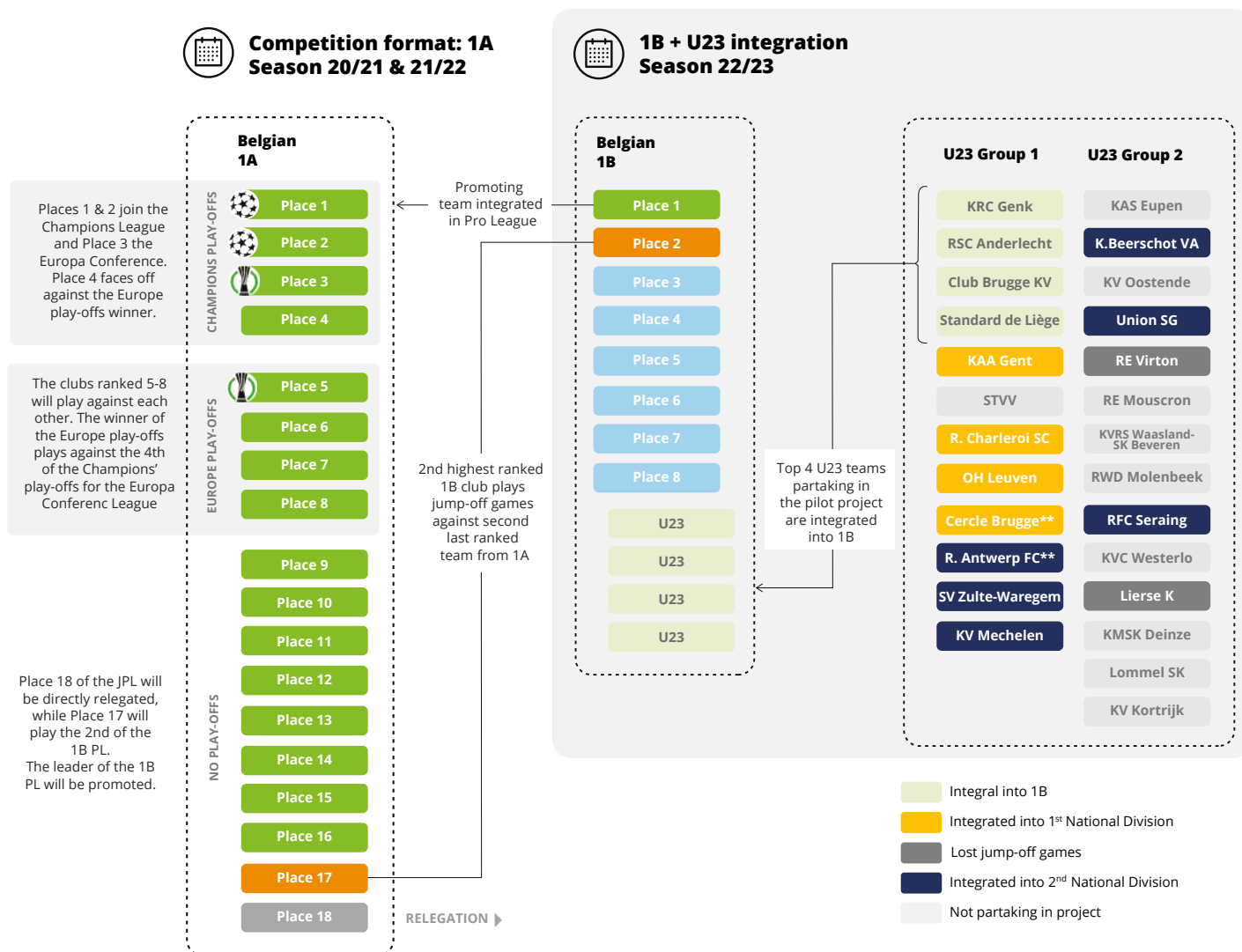


Figure 2 - Competition format 1B season 22/23



* 16 clubs, in possession of a prof license, have applied to partake in this pilot project: Cercle Brugge, Club Brugge, KAA Gent, K. Beerschot V.A., KRC Genk, KV Mechelen, Lierse K (1B), OH Leuven, RFC Seraing, R. Antwerp FC, Royal Excelsior Virton (1B), Royale Union Saint-Gilloise, RSC Anderlecht, Sporting Charleroi, Standard de Liège and SV Zulte Waregem.

** : Depending on license approval, Cercle Brugge might opt for Second Amateur league ; R. Antwerp FC would, if necessary, replace Cercle Brugge in First National Division

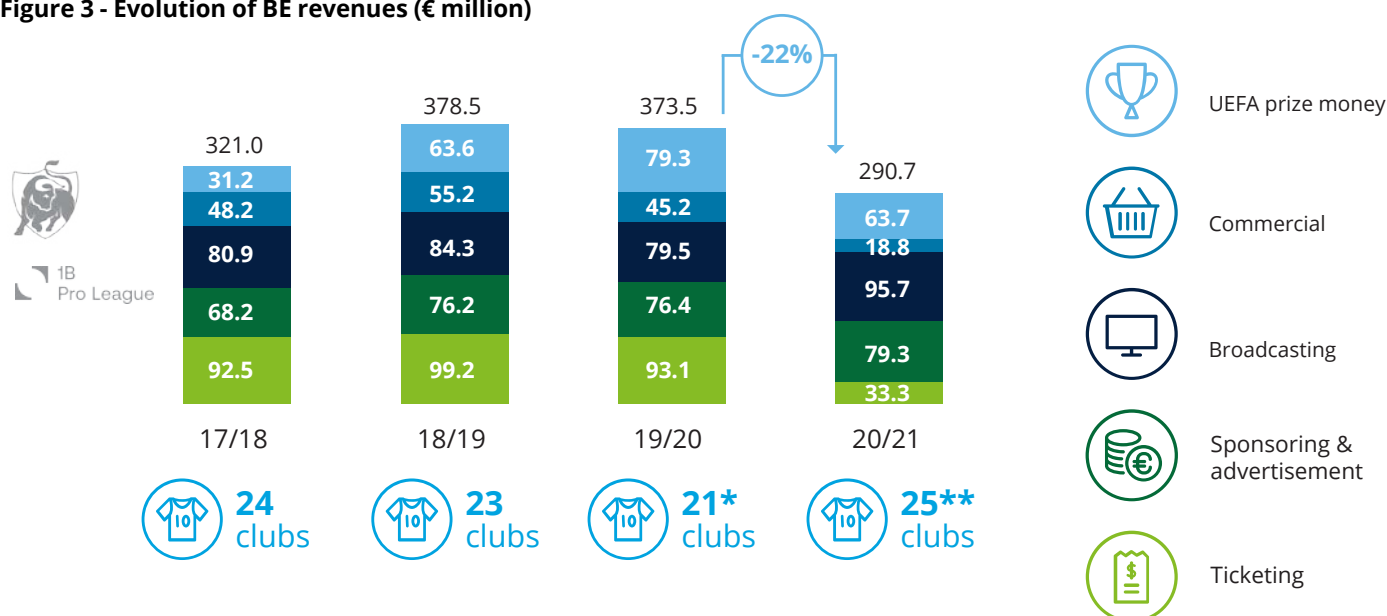
Belgian football club revenues

In recent years, Belgian football clubs have seen their total operational, non-subsidized revenue (which excludes transfer revenue) grow continuously. However, the sanitary crisis has put an end to this positive trend. Indeed, after a slight decline of 1,3% in season 19/20, revenues in 20/21 have dropped a staggering 22%, a decrease of € 82,8 million, down to € 290,7 million, which is in line with the impact forecasted in last year's report (predictions between 21% and 33%).

As the number of matches allowing spectators was very limited in 20/21 (~ 5 fixtures), it is not surprising that revenues linked to fan attendance such as ticketing and commercial revenues have taken a large hit making them the primary driver of the overall revenue loss. Indeed, whereas commercial revenue plummeted by 58% (- € 26,4 million), ticketing revenues nosedived even more with a decrease of 64% (- € 59,8 million). Despite the unprecedented

situation, clubs overall managed to maintain their attractiveness as sponsoring & advertisement revenue slightly increased by 3,8%. The deal with Eleven Sports positively impacted broadcasting revenue (+ 20%, + € 16,2 million) to € 95,7 million, off-setting the 20% (- € 15,6 million) decline in UEFA prize money. The latter fallback (to 18/19 level) is driven by the decrease of Belgian teams qualifying for the UCL group stage (i.e. from 2 in 19/20 clubs to 1 in 20/21) highlighting the importance of successful performances at European level for both the clubs and the overall Belgian league.

Figure 3 - Evolution of BE revenues (€ million)



* Data from AFC Tubize not available in 18/19 ; data from RE Virton, KSC Lokeren & SV Roeselare not available in 19/20 due to bankruptcy; 16 1A clubs and 5 1B clubs

** 18 clubs in 1A and 7 in 1B; Club NXT not included as integrated in Club Brugge KV's financial statements

In comparison to 19/20, K-clubs' relative revenue share rose to 42%, up from 35%. This increase is driven by the following factors:

1. 2 additional clubs are active in 1A due to the competition format changes, resulting in a K13 categorization (instead of K11). In consequence, the total revenue generated by K13-clubs decreased only by 4.4% whereas the average K13-revenue declined by 19%
2. On average, G5's ticketing (-73%, - € 8,7 million) and commercial revenues (-70%, - € 3,5 million) were hit more severely than K13's with a respective decline of 56% (- € 1,5 million) and 50% (- € 0,7 million)
3. G5' UEFA prize money earnings dropped by 30%.

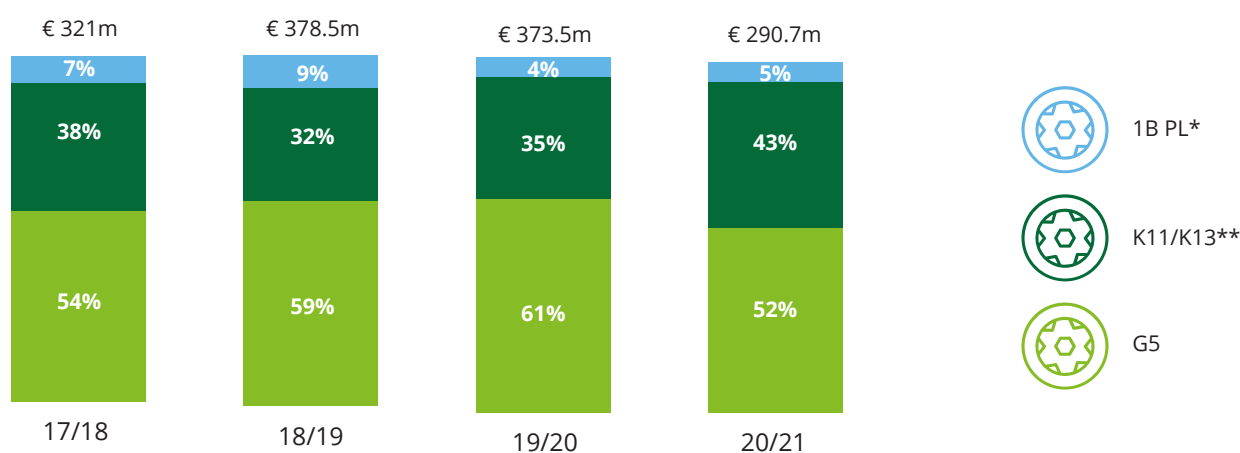
Finally, we note that 1B's relative revenue share increase, from 4% to 5%, is driven by the increase in number of clubs included in the analysis²

As a matter of fact, when looking at the average³ revenue impact by club category, 1B clubs are impacted most significantly (- 37%), followed by G5 (- 31%) and K13 (- 14%).

The following sections of the report will delve deeper into each of the revenue sources to identify the relevant drivers and trends. Later in this report you will find a dedicated section which addresses the revenues from player transfers.

-
- 2 Numbers were weighed according to the number of clubs included in the G5-category/ K-category/B-category: Weighing factor G5: 5 for both 19/20 and 20/21; Weighing factor K: 11 for 19/20 and 13 for 20/21 respectively; Weighing factor B: 5 for 19/20 and 7 for 20/21
 - 3 In the 19/20 season, analysis based on financial data of 5 clubs as data from Virton, Lokeren & Roeselare were not available due to bankruptcy

Figure 4 - Evolution of BE revenues per club type



* Data from AFC Tubize not available in 18/19 ; data from RE Virton, KSC Lokeren & SV Roeselare not available in 19/20 due to bankruptcy; 16 1A clubs and 5 1B clubs

** 18 clubs in 1A and 7 in 1B; Club NXT not included as integrated in Club Brugge KV's financial statements

Ticketing

Ticketing revenues stem from the sale of gate receipts and season passes for both national competition and UEFA competitions. In last year's report, the impact of the COVID-19 pandemic on ticketing revenue was estimated around 55%⁴. However, the actual decline surpasses this estimation as we note an overall drop of 64% due to the restricted number of matchdays where spectators were allowed to attend (5 matchdays in 1DA and 1DB between 11 September and 23 October). The remaining league-matchdays were played behind closed doors due to the restrictions imposed by the National Security Council. Resulting from this decline, ticketing is, for the first time since conducting these reports, no longer the club's primary revenue driver. This stress-test induced by the sanitary crisis highlights the importance of business model innovation for sports clubs, a phenomenon that has recently gained attention from both academic researchers⁵ and industry practitioners⁶. Revenue stream diversification can be pursued a.o. by exploring new (adjacent) business areas (e.g. media, entertainment, e-sports, non-fungible tokens) and/or geographies (e.g. growing foreign fanbase & related revenue).

The nearly € 60 million decline was driven by a steep reduction in revenues from both national competition (- 64%, - € 34,8 million) as well from 'other' ticketing revenues (- 54%, - € 16,3 million), which is primarily composed of revenue generated by VIP tickets and membership contributions.

4 Originates from the clubs' budget

5 Fühner, Schmidt & Schreyer (2021): Are diversified football clubs better prepared for a crisis? First empirical evidence from the stock market

6 Deloitte Study: Football Money League (2022)

Even though the Pro League had 5 representatives in European competitions, only 70,5K was generated by ticketing (i.e. small number of B2B tickets of which the companies did not require a refund) as all games were played behind closed doors.

Looking ahead to next year's report, which will cover the 21/22 season, COVID-19 is presumably to remain a strong inhibiting factor on ticketing revenues as restrictions on fan attendance⁷ were only gradually phased out (with, between 26 December and 28 January, even a full ban on fan attendance). From 18 February⁸, clubs were again allowed to host 80% - 100% of their fans. By then, 27 match fixtures of the regular season had been played.

As a consequence of the prolonged period without fans, total match attendance and average attendance were not monitored throughout the 20/21 season. Based on preliminary data for 21/22, a more positive outlook is forecast for 21/22, however, still significantly impacted by COVID-19 restrictions.

7 Nieuwsblad: https://www.nieuwsblad.be/cnt/dmf20211222_95791971

8 Sporza: <https://sporza.be/nl/2022/02/14/code-oranje-in-de-jpl-opnieuw-bijna-volle-stadions-uitfans-en-eten-drinken-1644846760457/>

Figure 5 - Evolution of ticketing revenues (€ million)

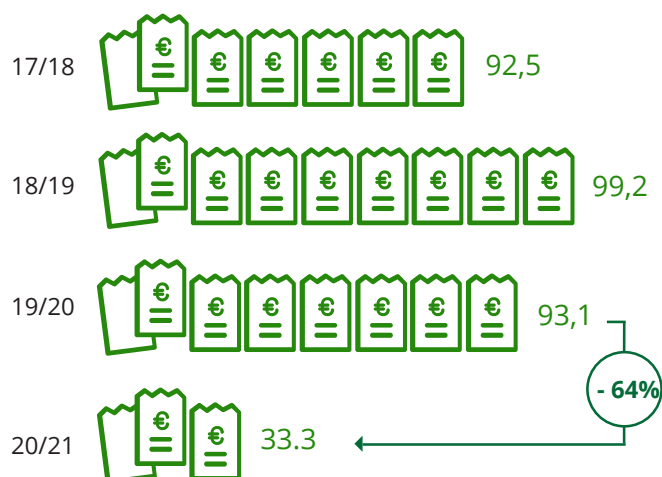
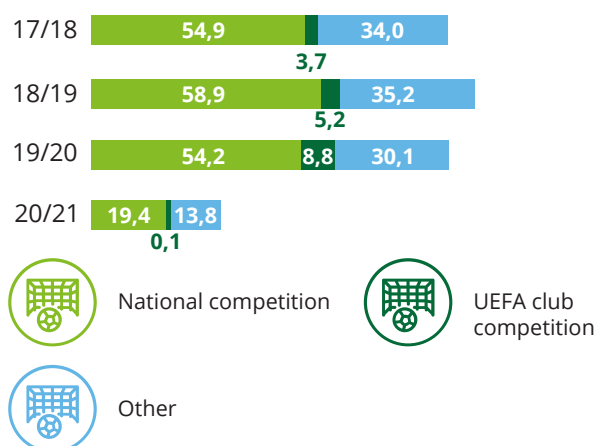


Figure 6 - Evolution of ticketing revenue sources (€ million)



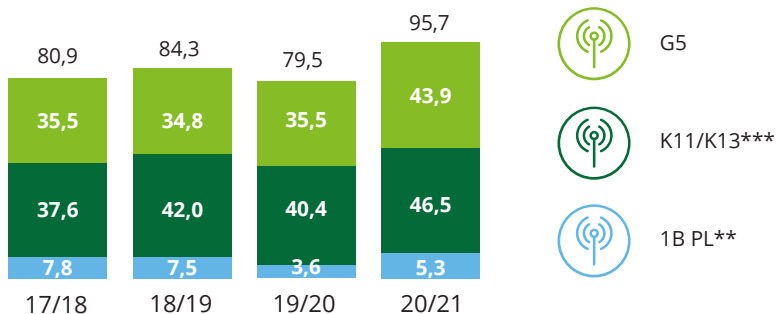
Broadcasting

Eleven Sports acquired the exclusive broadcasting rights to all Pro League competitions being 1A, 1B, the Women Super League, The Crocky Cup, The Supercup and the E-Pro League. The contract, announced on June 26th 2020, increased broadcasting revenue by 20,5% to € 95,7 million overall. Due to the reduced ticket & commercial revenues, broadcasting has become the main source of income for the Belgian clubs, accounting for 33% of total revenues in season 20/21 compared to a share of 21% in season 19/20.

When making the split between G5 and K13 clubs, we note that K13's business model is more dependent on broadcasting (38%) than G5's (29%), where broadcasting is the second most important revenue stream after UEFA prize money.

Given the five-year contract duration (until 24/25), broadcasting revenue is expected to remain stable during the upcoming seasons.

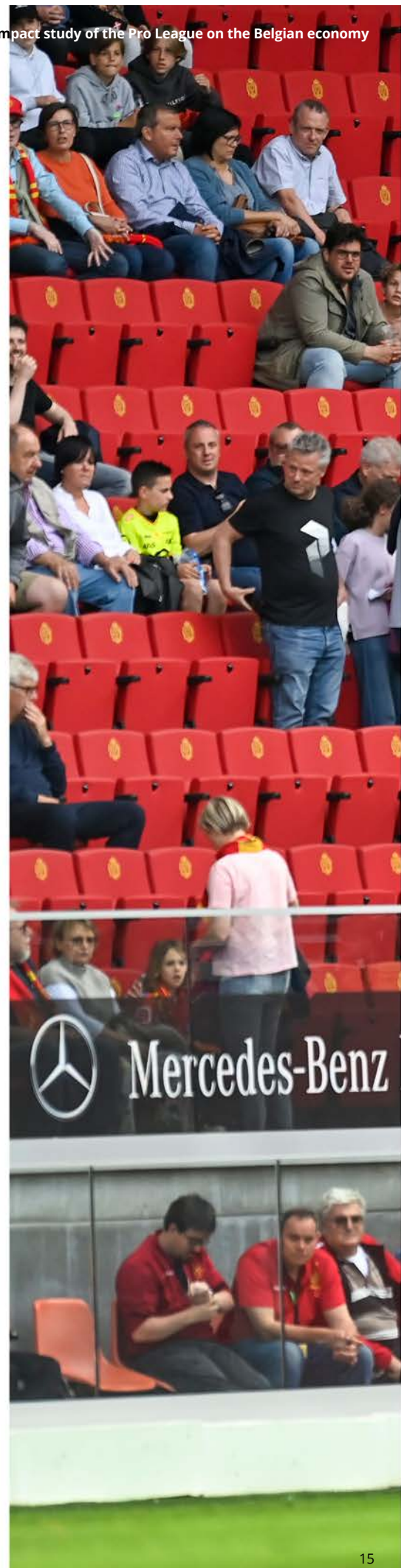
Figure 7 - Evolution of broadcasting revenues* (€ million)



*Revenues include those of the Jupiler Pro League, the 1B Pro league and the Crocky Cup

**Data from RE Virton, KSC Lokeren & SV Roeselare not available in 19/20

***As of season 20/ 21, 18 clubs active in 1A, divided in G5 & K13 (incl. R. Antwerp FC)



Sponsoring & advertisement

Despite the fact that the vast majority of the 20/21 season was played behind closed doors, Belgian clubs were able to increase sponsorship & advertisement revenue to a total of € 79,3 million, up 3.8% in comparison to the 19/20 season.

Overall, the G5 attracted nearly as much sponsoring revenue as in the previous season (- 0,8%). Furthermore, K-clubs were able to grow sponsoring with 5,6% in comparison to 19/20 thereby continuing the evolution of the previous seasons in which K-clubs gained ground, both in absolute and relative terms.

However, this evolution is (partly) supported by 2 developments. Firstly, the amount invested by tied parties, i.e. the amount paid by parties in possession of participation shares of a club, has significantly risen for K-clubs over the seasons 2018 -2021.

As a matter of fact, while this amount represented 20% of K11's sponsoring revenues in 18/19, its importance grew to 33% in 19/20 and has evolved to ca. 41% in 20/21. Secondly, due to the competition format changes, 2 additional clubs were added to 1DA raising the number of K-clubs from 11 in 18/19 and 19/20 to 13 in 20/21.

When considering the landscape of sponsoring companies, 15 sectors are identified. In line with 19/20, the betting sector remains the biggest contributor in 20/21, accounting for almost 13% (+ € 10 million) of sponsoring revenues, closely followed by the industrial sector, the banking, clothing, media and transport industry. Sponsoring revenue stemming from the betting industry is concentrated in 1A. Indeed, its relative share in the clubs' overall sponsoring revenues is slightly higher for G5 (14,4%) than for K13 (12,6%), whereas it is insignificant for teams playing in 1B (2%).

Figure 8 - Share of sponsoring revenue per sector in 20/21

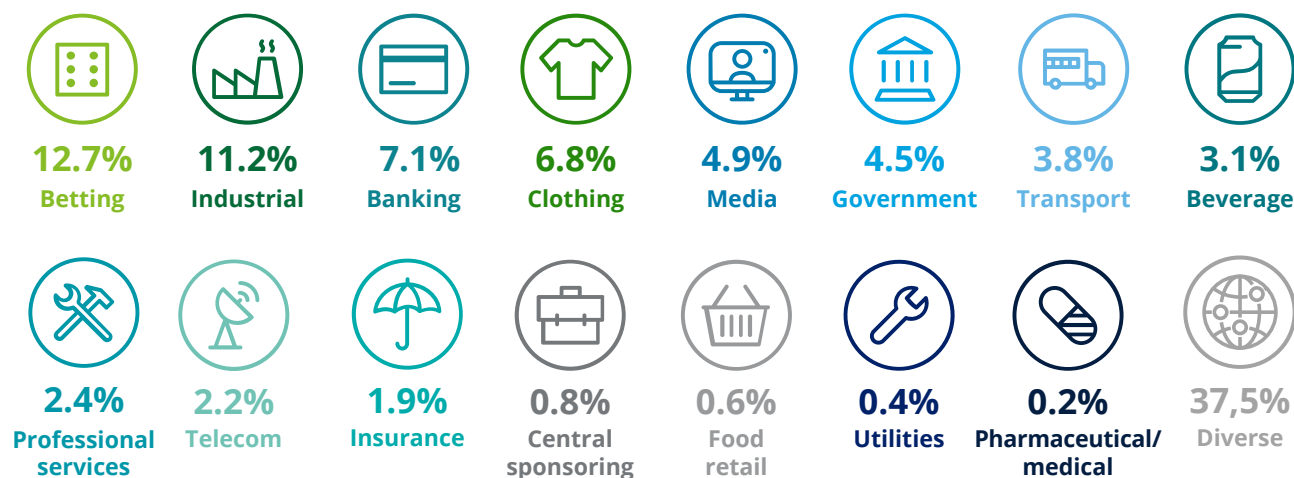
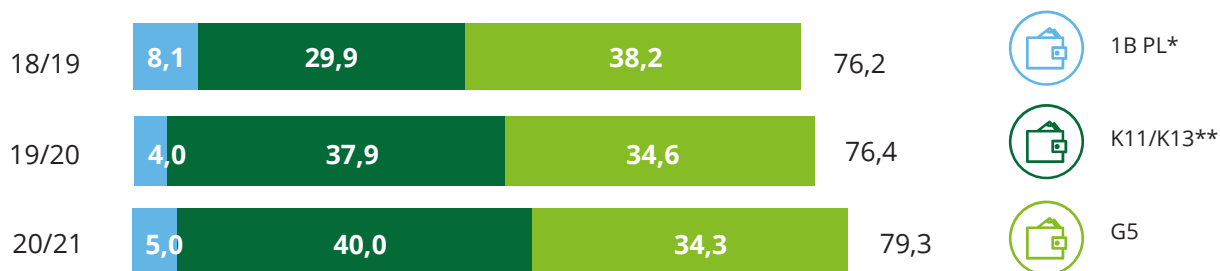


Figure 9 - Sponsoring revenues (€ million)



* Data from RE Virton, KSC Lokeren & SV Roeselare not available in 19/20

** As of season 20/ 21, 18 clubs active in 1A, divided in G5 & K13 (incl. R. Antwerp FC)

UEFA prize money

For European campaigns taking place between the seasons 18/19 and 20/21, the UEFA has implemented a new distribution model based on four key pillars: starting fees (for participating in the group stage), performance-related fixed amounts for both UEFA Champions League (UCL) or UEFA Europa League (UEL), ten-year performance-based coefficient ranking and a variable amount depending on the national broadcaster's contribution to the market pool.

In 20/21, the UEFA⁹ distributed a total of € 1,91 billion to clubs across European competitions (UEL, UCL, European Super Cup) with more than 77% of the amount going to clubs participating in the UEFA Champions League (including the UEFA Super Cup).

Jointly, the Belgian teams have, by participating in the 20/21 European competitions, generated a total amount of € 63,7 million in UEFA prize money, representing 22% of total revenues.

In comparison to last season, a € 15,6 million decline is noted (20%), which can almost entirely be dedicated to the reduced number of Belgian teams (as shown in Figure 10) partaking in the UCL group stage for which the starting fee is € 12,3 million higher than its UEL equivalent.

On club-level, the UEFA prize money was divided between the five clubs participating in the 20/21 European campaigns being Club Brugge KV, KAA Gent, Charleroi FC, Standard de Liège and Royal Antwerp FC.

Figure 11 and 12 shows the performance of Belgian clubs in both UCL and UEL in the seasons 19/20 and 20/21. Whereas Charleroi's European venture ended after being eliminated in the UEL qualifying rounds against Lech Poznan, KAA Gent continued to the UEL group stage after losing to Dinamo Kiev in UCL's last qualifying round. Three other teams qualified for the group stage of European competitions (Standard de Liège and Antwerp FC for the UEL, Club Brugge for the UCL). KAA Gent and Standard de Liège did not survive the group stage. Club Brugge secured the third place in the UCL group stage, thereby continuing into the 1/16 finals of the Europa League, where it was eliminated by Dinamo Kiev. Antwerp went to the 1/16 finals of the Europa League and lost against the Scottish Rangers.

In 20/21, 62% of the total UEFA prize money was distributed to Belgian clubs for their participation in the UCL (€ 39,3 million), while 31% or € 19.8 million was distributed to Belgian clubs participating in UEL campaigns. The remaining 7% are UEFA fees allocated to the Belgian Football Federation which are re-distributed to all Belgian clubs.

⁹ UEFA Financial Report 20/21 https://editorial.uefa.com/resources/0275-151e1a55c231-ef1c32b881dc-1000/en_in_uefa_financial_report_2020-2021.pdf

Figure 10 - Evolution of UEFA prize money (€ million)



European campaigns of Belgian clubs

Figure 11 - European campaigns of Belgian clubs in 19/20



Figure 12 - European performance of BE clubs in 20/21



As shown in Figure 13, the UEFA coefficient is based on the performance of clubs that represented their country in the five previous UCL, UEL and UECL campaigns¹⁰. In 21/22, Belgium currently occupies the 13th position in the UEFA ranking, losing 4 places to respectively Austria, Scotland, Serbia and Ukraine. **By falling out of the Top 10 positioning, Belgian teams could eventually miss out on the fastest-growing revenue stream in European football (i.e. UEFA prize money).** Indeed, the number of entries (i.e. tickets) and the stage in which Belgian clubs will enter the respective competitions (UCL, UEL, UECL) will decline in quality. The most striking change is the loss of the direct qualifying ticket for the 23/24 UCL group stage. However, as next year's coefficient will no longer take into account the disastrous European campaign of 17/18, Belgium can again secure its Top 10 positioning with solid performances in the upcoming 22/23 European campaign resulting in the linked UCL direct qualifying ticket for 24/25. Furthermore, following the Russian invasion of Ukraine, UEFA announced¹¹ that Russian clubs are banned from 22/23 UEFA competitions. In consequence, UEFA will, for the 22/23 season, grant Russia a total of 4.333 coefficient points, the amount equal to their least successful campaign of the previous 5 years which benefits Belgium's rally into the UEFA Top 10 ranking.

In line with Belgian Professional football, (G5) European leagues were severely hit by the COVID-19 pandemic which is why several

governments have taken measures to support the sports/ football industry. For illustration purposes, we provide a non-exhaustive overview of both G5 and non G5 leagues hereunder:



In France, the Professional Football League announced that the 20 Ligue 1 clubs collectively were expecting a € 1,2 billion loss in the 20/21 season¹². That is why the government has provided over € 1 billion support to French professional football through various mechanisms over several seasons: State guaranteed loans (€ 647 million), direct financial support (€ 148 million), aid paid for fixed costs (€ 50 - € 100 million) and partial ticketing compensation (€ 100 million) and exemptions from charges¹³.



In the Netherlands, following a 21% decrease in revenues in 20/21, the first division clubs were granted a total of € 82 million¹⁴ of state aid under the form of 2 measures: the NOW-measure, allowing football clubs to recoup a part of their players' salary (up to € 9.538 per month), applying to all Dutch corporations, accounted for € 70 million. Secondly, the aid for fixed costs¹⁵ amounted to € 12 million.

¹⁰ UEFA Association Club Coefficients <https://www.uefa.com/nationalassociations/uefarankings/country/#/yr/2022>

¹¹ UEFA Ban Russian clubs from UCL, UEL, UECL 22/23: <https://www.uefa.com/insideuefa/mediaservices/mediareleases/news/0275-150c9887cacb-882c686f407f-1000-uefa-decisions-for-upcoming-competitions-relating-to-the-ongoing/>
















¹² SportsProMedia: <https://www.sportspromedia.com/news/lfp-ligue-1-emergency-government-bailout-mediapro-canal-plus/>

¹³ L'Equipe: <https://www.lequipe.fr/Football/Actualites/Crise-sanitaire-un-peu-plus-d-un-milliard-d-euros-d-aides-recu-par-le-foot-francais/1312873>

¹⁴ SERC Financiële ranglijst Eredivisie – Editie 2022

¹⁵ Rijksdienst voor Ondernemend Nederland: <https://www.rvo.nl/subsidies-financiering/tvl>

Figure 13 - UEFA Ranking

		17/18	18/19	19/20	20/21	21/22	Total
1. England		20.0171	22.642	18.571	24.357	21.000	106.641
2. Spain		19.714	19.571	18.928	19.500	18.142	95.855
3. Italy		17.333	12.642	20.0171	16.285	15.428	76.616
4. Germany		9.857	15.214	20.0171	15.214	16.071	75.070
5. France		11.500	10.583	20.0171	7.916	18.416	60.081
6. Portugal		9.666	10.900	20.0171	9.600	12.916	53.382
7. Netherlands		2.900	8.600	9.400	9.200	19.200	49.300
8. Austria		9.750	6.200	5.800	6.700	10.400	38.850
9. Scotland		4.000	6.750	9.750	8.500	7.700	36.700
10. Russia		12.600	7.583	4.666	4.333	5.300	34.482
11. Serbia		6.375	6.000	6.000	5.500	9.500	33.375
12. Ukraine		8.000	5.600	7.200	6.800	4.200	31.800
13. Belgium		2.600	7.800	7.600	6.000	6.600	30.600
14. Switzerland		6.500	3.900	6.400	5.125	7.750	29.675
15. Greece		5.100	5.100	4.900	5.100	8.000	28.200



Coefficient < 5.000



5.000 < Coefficient < 10.000



10.000 > Coefficient



In 2020, the Portuguese government launched, on top of the aid offered by the Portuguese football association, a set of measures¹⁶ to support the overall economy (including football). This aid package has been extended twice, to 2021 and 2022¹⁷. Clubs/corporations are granted deferral of VAT tax, withholding tax and social security payments, while also gaining access to government credit and receiving support for authorized employee absences.



In 2020, the Austrian government set up a dedicated COVID-19 crisis fund, the Sportsligen Fonds, which aims to maintain the existing structure in professional and semi-professional elite Olympic team sports and to ensure that players are trained to a high level for the national teams¹⁸. According to the Parliamentary Correspondence no. 306¹⁸ 18 of March 2021, a € 35 million budget was allocated to the fund in both 2020 and 2021 of which more than € 55 million was effectively distributed by the end of 2021¹⁹.

16 LaLiga Portugal: <https://www.ligaportugal.pt/media/26072/plano-de-suporte-economico-sao-14042020v5.pdf>

17 Diário de Notícias: <https://www.dn.pt/dinheiro/empresas-vaio-poder-pagar-faseadamente-iva-e-retencoes-do-irs-e-irc-em-2022-14393547.html>

18 Republik Österreich, Parlament, Parlamentskorrespondenz Nr. 157: https://www.parlament.gv.at/PAKT/PR/JAHR_2022/PK0157/index.shtml

19 Republik Österreich, Parlament, Parlamentskorrespondenz Nr. 157: https://www.parlament.gv.at/PAKT/PR/JAHR_2022/PK0157/index.shtml

Belgian football club costs

Player salaries

This section elaborates on the amount paid to players and its evolution in most recent years. Prior to the COVID-19 pandemic, clubs worldwide have been increasing their salary mass to retain and attract talent, illustrated by the rapid succession of record transfers.

Overall, when comparing salary cost to revenues, we note that the payroll cost/revenue ratio²⁰ has significantly increased over the last seasons. Indeed, this ratio has evolved from 55,2% in the 18/19 season, over 61,2% in 19/20 to 76,7% in 20/21. This steep surge between the latter two seasons is driven by 2 effects. On the one hand, the total costs related to payroll have risen by 6,2% to € 327,7 million, an absolute increase of € 19,1 million. On the other hand, the overall reduced (i.e. ticketing, commercial, UEFA) revenues, - 22% in comparison to 19/20, impacted the ratio's denominator.

When considering the ratio by club type, we note a significant rise for all categories in comparison to the 19/20 season (i.e. G5: 57,4% to 72,1%; K11/13: 64% to 77,7%; 1B 84,5% to 109%). However, the drivers for each type are distinct. Firstly, despite the fact that G5 clubs were able to reduce overall payroll cost by 8,4%, the decline

of total revenue (- 35%) accounts for the primary force behind the 14,7% percentage point rise. Secondly, for K11/K13 clubs, the slight growth in total revenues (+ 3,7%), due to increased subsidies, was outpaced by the accumulated payroll cost (+ 24,6%) leading to a higher ratio. Lastly, amplified payroll costs (+ 22,6%) and reduced total revenue (- 8,2%) reinforce the increase on 1B's payroll/revenue ratio.

Nonetheless, an important caveat of the above analysis by club type needs to be highlighted. Outlier-clubs included in both the K11/13 and 1B category significantly skew their respective categories' ratio as their payroll cost (and its evolution between 19/20 and 20/21) accounts for a material share of the categories' overall payroll cost thereby increasing the categories' ratio.

Looking towards the future, the emphasis on the above ratio will grow as Belgian clubs participating in the UEFA²¹ group stage competitions will have to be compliant with the newly announced UEFA financial regulation, which imposes that spending on wages, agents and transfers cannot surpass 90%, 80% and 70% of total revenue (incl. transfer result) in respectively 23/24, 24/25 and 25/26.

²⁰ Payroll cost = total cost for player salaries (including government subsidies); revenue = total revenue excluding transfers

²¹ Reuters: <https://www.reuters.com/lifestyle/sports/uefa-agree-new-financial-rules-clubs-2022-04-07/>

Figure 14 - Payroll cost/revenue ratio (average)

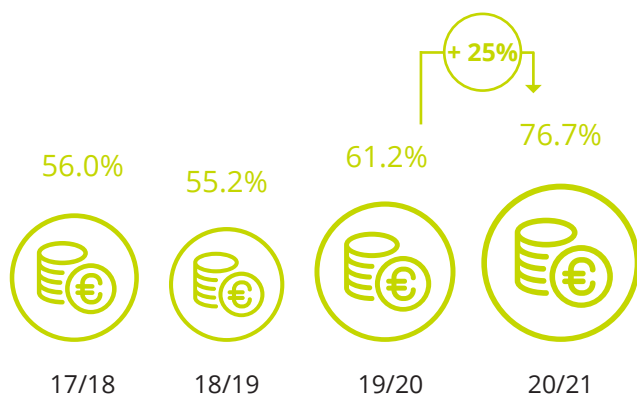
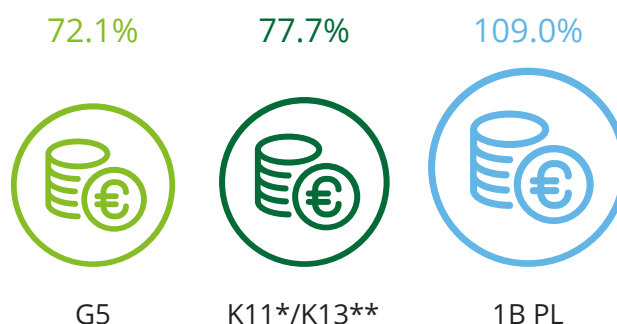


Figure 15 - Payroll cost/revenue ratio per club type in 19/20 (average)



* Data from Virton, Lokeren & Roeselare not available in 19/20 due to bankruptcy; 16 1A clubs & 5 1B clubs

** As of season 20/21, 18 clubs active in 1A, divided in G5 & K13 (incl. Antwerp)

The total amount spent on player salaries reached € 295,9 million in 20/21, a 25% increase in comparison to 19/20 powered by both higher average salaries (Figure 17) and an increased number (+ 17%) of active players in 1A and 1B (due to competition format changes and data availability for all 1A and 1B clubs). Even though the total amount surged by 25%, the average gross annual salary (table 6.4) grew less substantially by 6,9%, from € 249K to € 266K (including group insurance). This upward salary evolution was primarily supported by higher salaries for players of K13 and 1B clubs as a 17% increase was noted for both segments, whereas the rewards for G5 clubs surged with “only” 4,3%. In line with our side-note in the above section, the average evolutions for both K13 and 1B are skewed upward due to outlier values.

For players active in the Jupiler Pro League²², the average yearly gross salary comprises, besides salary, of a contribution to their group insurance scheme. As a matter of fact, Belgian regulation stipulates 35 years old²³ as the “retirement age” for football players and allows for a favourable tax treatment²⁴ of the lump-sum capital's pay-out, for a maximum of 40% of the gross salary. This fiscal regime does not apply to clubs playing in 1B. This contribution represents 13,5% of total amount paid to players, a ratio slightly higher than the 12,5 percentage points of the 19/20 season, but in line with the 2 preceding seasons.

22 Wet van 24 februari 1978 betreffende de arbeidsovereenkomst voor betaalde sportbeoefenaars

23 Wet aanvullende pensioenen, artikel 27 §3 wet van 28 april 2003

24 Wetboek van de inkomstenbelastingen 1992, artikel 171, 3°bis, b,

Figure 16 - Total amount paid for players' salaries (€ million)

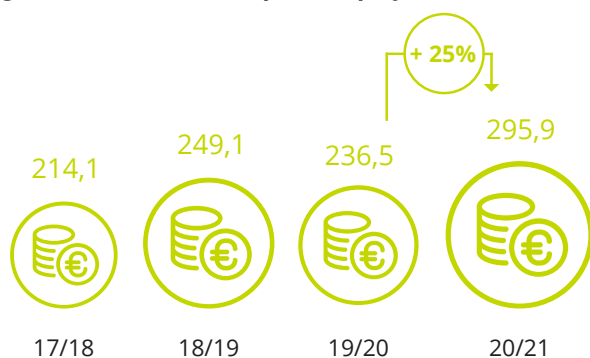
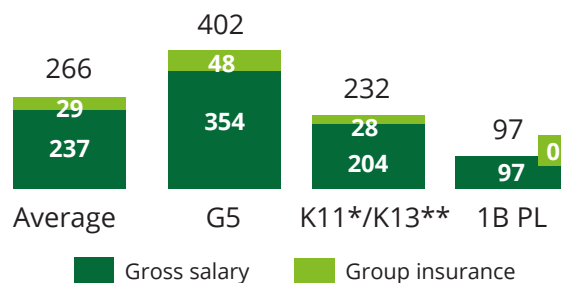


Figure 17 - Average yearly gross salary (€ thousand)



Transfers

Transfer balance

Belgium is more and more considered as a development league for the 'Big Five' competitions²⁵. In consequence, player transfer revenues have become an important revenue driver for Belgian clubs in previous seasons.

In this report, we consider the net accounting transfer result, which takes into account the sale and purchase of players, player depreciation and agent fees. The net accounting transfer result is calculated as follows: Subtract player depreciation, loss on player sales, player rental costs and agent fees from the income generated by the sale and rental of players.

Despite the reduced spending on transfers by clubs worldwide (- 33,9% from 2019-2021)²⁶, Belgian clubs were able to generate a positive net transfer result amounting to € 38,1 million in 20/21, a decrease of € 71 million (- 65%) compared to the season 19/20. Between the summer mercato of 2019 and 2020, the volume of outbound transfers involving a transfer fee has declined by around 31%, from 88 to 61, confirming the reduced overall transfer activity.

For the first time since 15/16, the total player value on the clubs' balance sheet decreased by 10% to €179.7 million. This drop is driven by player depreciation and by the thorny financial situation that some Belgian clubs are facing, forcing them to sell their best players without being able to reinvest in talented players. Combined, the above-described effects have a significant impact as 9 clubs reported a negative balance in 2020²⁷.

Transfer revenue could only to some extent mitigate the financial loss recorded by clubs. Indeed, the positive net transfer result combined with the slight decline in overall costs (- € 2,9 million) could not prevent the aggregated loss reported by Belgian clubs from reaching almost € 140 million, a loss that is € 86 million higher than the already negative result (- € 54 million) from 19/20. This 61% deterioration is almost entirely driven by the reduced revenue (- € 82,8 million). Despite the harsh operating environment created by COVID-19, 6 clubs did manage to remain profitable²⁸ (incl. transfer revenues) of which two clubs for the third consecutive season.

25 De Tijd (2020): <https://www.tijd.be/ondernemen/sport/corona-halveert-uitgaven-voetbaltransfers/10256167.html>

26 FIFA Global Transfer Report 2021

27 Royal Belgium Football Association

28 One club out of the 6 was only profitable due to an exceptional profit (i.e. debt relief)

Figure 18 - Net transfer result (€ million)

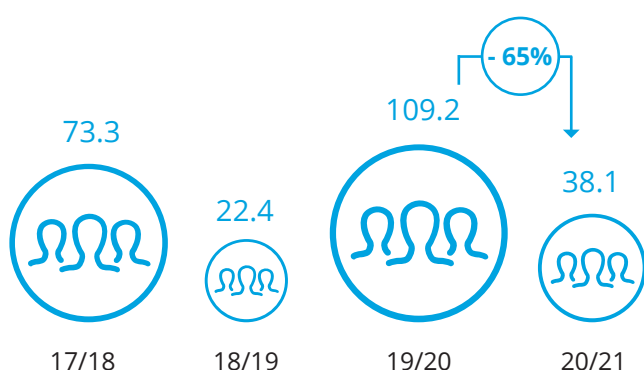
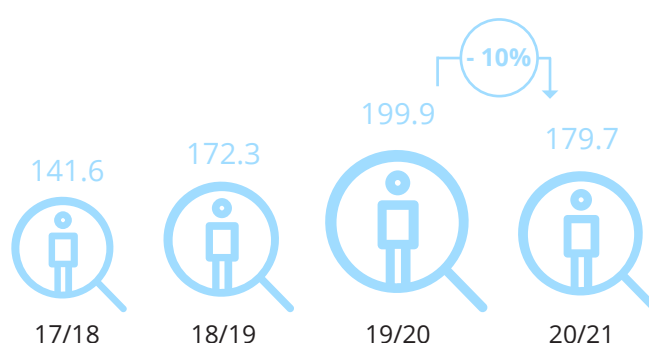


Figure 19 - Player value on balance sheet (€ million)



Agent fees

Following the Bosman arrest, player wages have spiked, especially in the last two decades, making agents key stakeholders in the transfer ecosystem. As a matter of fact, they often serve as an intermediary between club and player and are most commonly remunerated by the means of a commission fee (i.e. percentage on transfer amount/ contract value) for incoming and outgoing transfers or for mediation.

When zooming-in on the Belgian landscape, commissions incurred by agents have, in line with global trends, consistently grown over the years. However, this trend has been halted due to the transfer market's slowdown. Indeed, in comparison to 19/20, commissions overall have fallen by 27%. This downward trend has had a two-fold effect on the Belgian agent market. Firstly, the number of active agents has declined from 316 to 284, inferior to 18/19 levels. Secondly, the Top 5 agents have taken a larger hit (- 31%) in comparison to their colleagues (respectively - 19% and - 15%)

leading to a relative revenue re-distribution from the Top 5 (31% to 29%) to the smaller agents (+ 1% for Top 6-15 and + 1% for Top 16-284). However, when evaluating average total commission, a significant gap persists with Top 5 agents earning around € 2 million while the 2 other categories generate significantly less with respectively € 511K and € 70K.

The relative importance of commissions generated from outbound transfers diminished as a result of lower global transfer spending. In addition, mediation has become an even more important revenue source as contracting players, who were no longer under contract, (66,8 % of transfers in 2021, up from 64,3% in 2019) and loaning players (16,1% of transfers in 2020, up from 14,2% in 2019)²⁹ have become an emerging trend across Europe during the COVID-19 pandemic.

29 FIFA Global Transfer Report 2021

Figure 20 - Evolution of agent commissions (€ million)

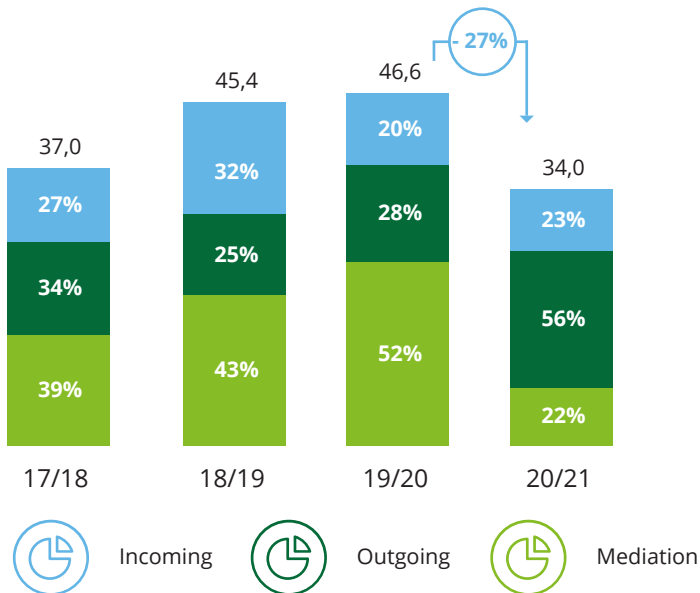
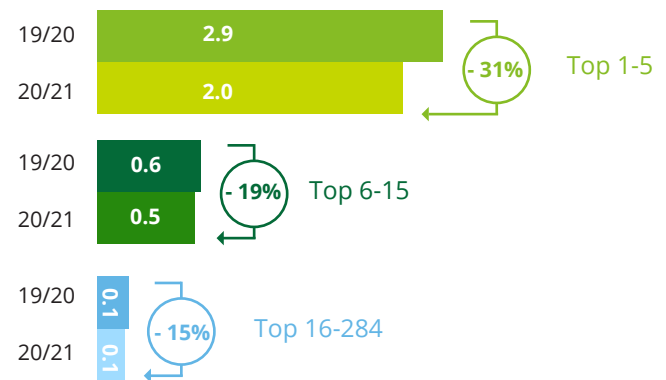
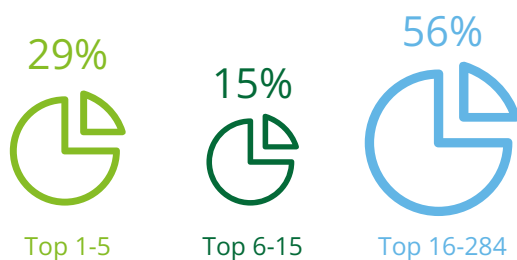


Figure 21 - Evolution average commission per agent type



In 20/21



Case studies

Team ownership

As multiple clubs have changed hands in 20/21 and 21/22, this use case will, in line with the most recent report, shed a light on the continuing trend of our league attracting foreign investors.

When considering the current³⁰ Belgian professional football clubs, we include all the clubs playing in 1A & 1B thereby obtaining a sample size of 26 teams. However, in 19/20, the sample size amounted to 25 teams as Club NXT, Club Brugge's U23 team, competed in 1B. As Club NXT is integrated into Club Brugge KV, the team was left out of the sample.

Between the seasons 17/18 and 19/20, the number of Belgian clubs controlled by foreign shareholders (i.e. holding over 50% of shares) increased to 13 whereas 12 clubs remained Belgian-owned.

The number of clubs in foreign hands (Figure 22) currently stands at 18, which means that 69% of clubs active in 1A & 1B are no longer Belgian-owned, representing an increase of 19% in comparison to last year's report. Indeed, throughout the 20/21 season, 3 clubs have changed ownership with United World Group, a Saudi corporation, fully taking the reins at K. Beerschot, Charleroi being acquired by Mehdi Bayat (holds the French nationality) and Waasland-Beveren who has fallen in the hands of the Bolt Football

Holdings (USA).

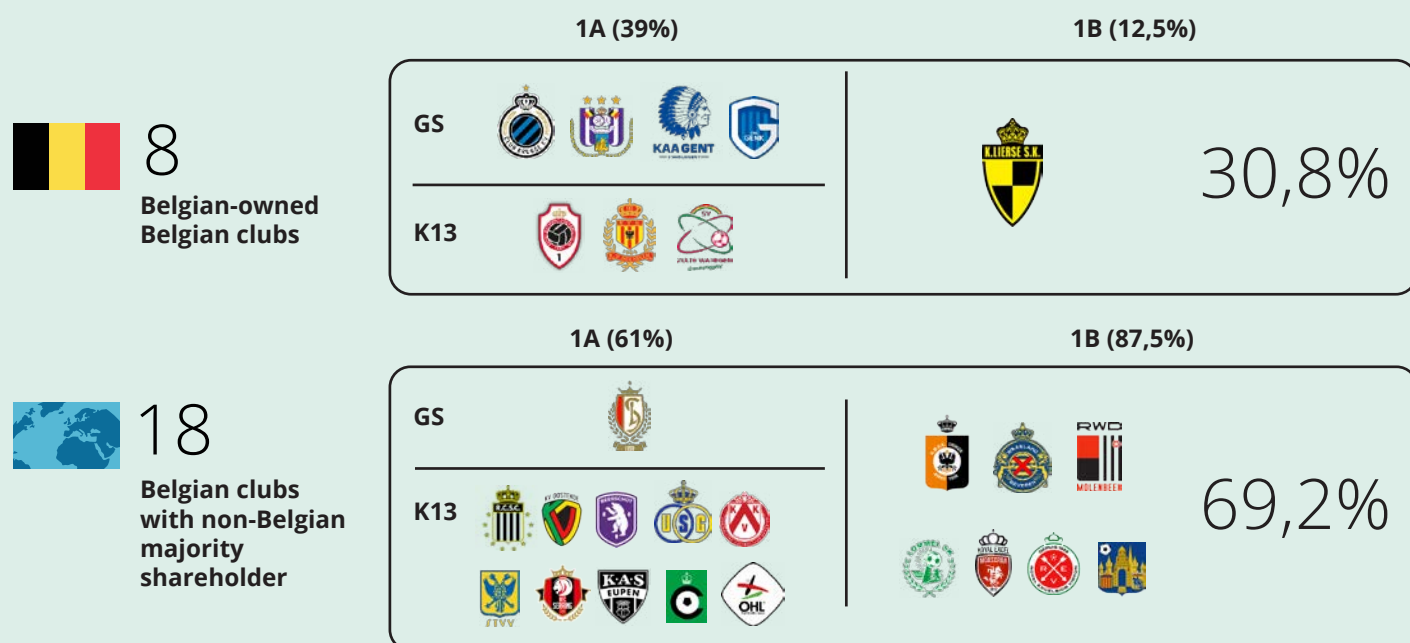
In 21/22, 3 more clubs followed suit with investments from ACA Football Partners (located in Singapore, but parent company from Japan) in KMSK Deinze; the acquisition of RWDM by John Textor (USA) and thirdly, **Standard de Liège, who becomes the first G5 club with foreign ownership** (Investment group 777, USA).

When categorizing the teams by league and by club type, it appears that, except Lierse Kempenzonen, all 1B clubs (7) have brought a foreign majority shareholder on board. However, in 1A, 7 clubs, of which 4 G5 clubs, remain Belgian-owned.

An interesting evolution is the emerging trend of integrating football clubs into networks. Indeed, Lommel SK has become part of the City Football Group owning + 10 clubs (a.o. Manchester City), whereas Oostende is incorporated in the Pacific Media Group (together with Barnsley FC, Nancy, Esbjerg, Thun). Furthermore, Union, OHL, Kortrijk, Standard Liège, RWDM, Cercle Brugge and Seraing share the same owner as respectively Brighton Hove Albion, Leicester City, Cardiff City, Genoa, Crystal Palace, AS Monaco and FC Metz facilitating (youth) players mobility between teams.

³⁰ Situation is assessed based on the ownership snapshot of 07/04/22

Figure 22 - Belgian clubs with non-Belgian majority shareholder (situation on 07/04/22)*



* The analysis includes all clubs playing in 1A & 1B currently leading to a total of 26 clubs

Belgian professional football embraces and fosters innovation

In recent decades, the modernization and professionalization of sports, with football as one of its exponents, has been supported by a myriad of companies offering innovative, cutting-edge, often technology-based solutions. Therefore, in this use case, we would like to zoom-in on several inspiring examples highlighting that the Belgian professional football ecosystem has embraced innovation by partnering-up with (Belgian) corporations thereby fostering their growth paths and the Belgian innovation capacity overall.

In the first section, we will elaborate on how the Pro League, as an overarching association, facilitates the distribution of innovative solutions to its members by concluding collective agreements. In the second section, a non-exhaustive overview of inspiring innovative Belgian firms is given, across industry verticals, with (previous) partnerships with Belgian clubs. Lastly, this report sheds a light on the win-win of innovative solution providers and Belgian football clubs by zooming-in on one use-case of KV Kortrijk and StriveCloud.

As part of its ambition to become one of the most innovative football leagues in Europe, The Pro League has developed Pro League Forward³¹, a platform that bundles all its partnerships and initiatives focusing on innovation with the ultimate aim to accelerate the digital transformation and the further professionalization of its members. The platform is revolving around three pillars, being Pro League Club Servicing, Pro League Knowledge Center and Pro League Innovation Hub. First, Pro League Club Servicing aims at supporting clubs to efficiently adopt/ implement novel tools and technologies with applications far beyond the core business of football. One of those applications is the partnership with Trensition, a Ghent-based start-up specialised in trend analytics and forecasting across industry verticals.

The secondary pillar is the Pro League Knowledge Center focusing on knowledge and experience sharing between (inter)national clubs, leagues and partners, both within and beyond the football and sports ecosystem. The partnership with Stats Perform enhances the clubs' sportive management activities such as athlete performance monitoring, player recruitment, match analysis, optical tracking etc. The third pillar, the Pro League Innovation Hub, focuses on matchmaking between partners and clubs to jointly identify and realize synergies to the benefit of the fan experience, sportive performance and/or the media experience. Once again, the partnership with the multinational Stats Perform can highlight the added value of this pillar.

Data monitoring can be leveraged for, on the one hand improving fan engagement (through fantasy football leagues, in-stadium experiences, content creation), and on the other hand for commercial ends (e.g. brand activation). On top of the partner opportunities offered by the Pro League, Belgian clubs are continuously scanning the marketplace for innovation partners. Figure 23 highlights a number of inspiring Belgian firms that service Belgian clubs. This second section zooms-in on Desso Sports, Soccerlab and Ecocup (Re-uz).

Within the manufacturing industry, Desso Sports, acquired by Tarkett Sports in 2014, has grown to become one of the most renowned manufacturers of synthetic turf with installations across the globe of which amongst others Manchester City³², Euro 2012 and WC 2014 & 2018³³. Furthermore, their product portfolio has grown beyond football as they also provide solutions for amongst others tennis, padel, hockey and rugby. Being founded in 2020, Scarab Sports is more early-stage and has developed a smart rebound board and application with information dashboards to test and train the players' technical and cognitive abilities. Whereas the PL8 (i.e. Scarab Sports' product) is mainly used for injury prevention and recovery in first teams, youth academies have adopted the technology to improve their talent identification and development practices.

Soccerlab, powered by the company QUESD, targets professional football clubs and federations with their multi-device platform that offers solutions for video analysis, video management, scouting, individual performance and medical tracking etc. Since its launch in 2009, its client portfolio contains, on top of the Belgian top tier teams, teams such as Paris-Saint Germain, Feyenoord Rotterdam, Shakhtar Donetsk and the Aspire Academy.

Re-uz, a Belgian manufacturer of re-usable crockery, takes ownership of all phases across the lifecycle as it designs, produces, stores, collects and washes the (tailor-made) re-usable products. With cups as its flagship, several Belgian teams have made the shift away from single use plastic to re-usable cups. However, Re-uz is, aside from football, mainly active in the event industry and the catering industry (i.e. take-out industry). Re-Uz supplies amongst others Union SG with re-usable cups allowing them to implement their sustainability strategy.

31 Pro League: <https://www.proleague.be/nl/pl/pro-league-forward>

32 PRnewswire: <https://www.prnewswire.com/news-releases/opnieuw-desso-velden-voor-manchester-city-football-academy-285466201.html>

33 GrassMaster Solutions: <https://www.grassmastersolutions.com/nl/info>

Figure 23 – Cross-industry collaborations between Belgian Football clubs and Innovative Belgian Ventures



In this third section, we will zoom-in on the win-win partnership agreement between KV Kortrijk and StriveCloud, a gamification provider. They are currently co-creating a digital fan engagement platform which will be launched early 2023. This platform constitutes an addition to the regular season passes. The insights on this topic were provided by Jelle Brulez, the Chief Operating Officer at KV Kortrijk.

However, before deep-diving on the fan engagement platform, we first need to provide context on why the club has decided to develop a digital fan engagement platform. Almost a decade ago, the club had already identified the opportunities related to (digital) fan engagement through workshops conducted with HoWest, one of the most renowned academic institutions worldwide for game development and Stack & Heap, a start-up

that has been acquired by Studio Emma in 2017. That is when the idea had sparked to reward fans during every touchpoint through (some form of) gamification. In consequence, the club began conducting pilot initiatives such as a game prediction competition on Facebook, a competition for elementary and secondary schools etc. These “off-match” touchpoints with the club and its brand enhanced fan involvement (and overall fan experience). These initiatives support the recruitment and growth strategy, in which the customer journey, mapped out by means of data analysis (quantitative and qualitative research), is optimised by implementing recruitment initiatives such as KV Kids, School Challenge, Family Tribune and loyalty initiatives such as MyKVK membership, Workgroup 19, etc.). This creates a large segment of young fans who, thanks to the digital offer, find even more common ground with their favourite club.

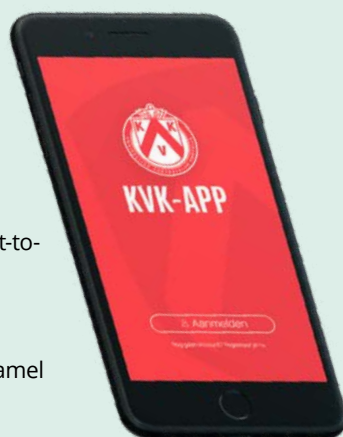
Given the young and digitally native fanbase and given that fan involvement/ engagement is the primary driver for fans to acquire season passes (as highlighted by a club fan survey), KV Kortrijk wanted to address the need for more innovation and a higher capacity of fan engagement. In consequence, the club kickstarted an internal workstream to scan the market for partners which could assist KV Kortrijk to develop a more comprehensive digital fan engagement solution which would support the continuous organic growth of the club.

In their pursuit of this ideal partner, KV Kortrijk opted for the start-up StriveCloud for numerous reasons. First, the possibility of co-creation was a significant benefit in comparison to a white label solution from an international provider or a tailor-made platform which would result in a very high cost. Second, StriveCloud, being a Ghent-based company, fully understood the Belgian market context and culture. Thirdly, the club experienced a match in terms of corporate culture (entrepreneurial) and ideas (rewarding fans through badges, leaderboards etc.) which partly stemmed from the experience that StriveCloud’s management team had gained through Kayzr³⁴, BeNeLux’ leading e-sports platform.

The digital fan engagement platform will be an application called MyKVK and strives to create added value through 4 domains: Content, financial benefit, decision-making power and engagement.

Content: The app will serve as a direct-to-consumer media channel:

- exclusive KVK video (human interest) documentaries such as the productions on KVK hero Djamel Zidane and Gilberto Della Bida



- The Podcast episodes from Radio Djamel will zoom-in on a “match of the decade” (e.g. the 4-1 victory against Club Brugge in October 2013)
- Non-publicly broadcasted friendly matches will be live-streamed
- Swift direct communication towards fans on club-related “news-scoops” such as transfers

Financial benefit: Financial benefits will be attributed to My KVK members:

- Merchandising: Discounts on club-related merchandising
- Hospitality: In-stadium discounts as well as discounts at corporations tied to KV Kortrijk

Decision-making power: The app will serve as a tool to give fans a seat at the table

- Fan surveys to involve fans in key decisions such as shirt colors and compensation schemes
- Bottom-up communication channel to launch ideas

Engagement: In addition to the physical bodies that improve fan engagement such as Werkgroep 19 and meetings with club management, fan engagement will be improved digitally through amongst others gamification and loyalty programs

- Badges:
 - Fans who arrive early on game-day will receive an early bird badge
 - Fans who predict KVK’s starting eleven for the upcoming match secure the badge of “tactical mastermind”
- Quizzes:
 - Quizzes on the opponents’ players, tactics, performance etc.
- Leaderboard:
 - All received kudo’s and tokens translated into leaderboards ranking the ultimate KVK fans
 - Fan of the Month/Year
- Loyalty programs

Aside from these 4 domains, the app will constitute a service tool. Fans’ match day tickets will be made available in the app. Moreover, the app will enable the club to improve its crowd control related activities and security. Lastly, customer service technology is integrated into the app showing you the most beneficial purchasing conditions (e.g. “if you are planning to attend more than X games, you are better off with a season pass”).

³⁴ StriveCloud’s management team were co-leading Kayzr; Kayzr was sold to Golazo Group in March 2022

Overall, KV Kortrijk is convinced that by building this comprehensive platform, it will be able to improve existing operations while creating new business models for the club which will diversify revenue streams. For example, in addition to the internal use of data generated by MyKVK, data analysis can be leveraged to monetize customer segmentation insights towards external parties in line with GDPR compliance. Furthermore, the MyKVK app gives rise to the opportunity to create a network economy, thereby matching the regional/ national KVK fanbase to corporations' solutions.



The overall optimized User Experience as well as the payment technology integrated into MyKVK was provided by CCV Belgium, one of KV Kortrijk's strategic partners.

"With the launch of the My KVK App, KV Kortrijk has the ambition to become the reference for digital customer engagement platforms in the Belgian sports and events industry. My KVK should enable us to support the further growth of our fanbase, improve fan engagement & inclusion and explore new business models to diversify revenue streams."

– Jelle Brulez, Chief Operating Officer at KV Kortrijk



Women's football

In the last decade, women's football has become significantly more popular, both in Belgium and across the world. In 2022, we clearly note a positive momentum in the sport with over 500K tickets sold³⁵ for the EURO2022 tournament (i.e. Belgian Red Flames are facing Iceland, France and Italy in the Group Stage), and a world record attendance of 91.553 spectators at the quarter final of the Women's Champions League between Real Madrid CF and FC Barcelona.

On a national level, these positive evolutions in matchday spectators, overall football practitioners and broadcasting have also been noted. Indeed, the number of spectators for the Belgian national team, the Red Flames, has grown from 850 in 2012 to 3,3K in 2018³⁶. Furthermore, since 2012, the number of female football players has more than doubled, from 21.931³⁷

to 46.834³⁸. In August 2021, a deal was concluded between the Pro League and Eleven Sports to broadcast one match per matchday³⁹, which doubles the number of broadcasted matches in comparison to the previous year.

This is the result of many efforts made by amongst others the clubs, federations, government, ambassadors (e.g. Imke Courtois, Aline Zéler, Tessa Wullaert, Janice Cayman etc.) to altogether support the development of women's football in Belgium.

As a matter of fact, the Pro League clubs' investment in women's football has grown by 65% since 2019, up to a yearly investment of € 2,4 million. These investments and inspiring heroes have led 1.158 youngsters (born in 2003 or later) to join the national (youth) women teams of Belgian clubs⁴⁰.

35 Marca: <https://www.marca.com/en/football/2022/07/06/62c54ab6ca4741ca428b45a4.html>

36 KBVB: https://belgianfootball.s3.eu-central-1.amazonaws.com/s3fs-public/rbfa/docs/pdf/womensfootball/theworldatourfeet_belgium_nl.pdf

37 KBVB: https://belgianfootball.s3.eu-central-1.amazonaws.com/s3fs-public/rbfa/docs/pdf/womensfootball/theworldatourfeet_belgium_nl.pdf

38 De Standaard: https://www.standaard.be/cnt/dmf20220217_97882673

39 Nieuwsblad: https://www.nieuwsblad.be/cnt/dmf20210819_94143240

40 Clubs: women teams of Pro League clubs complemented with amateur clubs with a women's team active in the Scoore Super League being FC Fémina White Star Woluwe and SC Eendracht Aalst Ladies





Social impact of the Pro League



Football & Community

Introduction

In addition to their sportive impact, clubs, and football in general, hold an important role in society as football connects people, unites people, around a common goal, thereby strengthening social cohesion. In order to create this community with a strong sense of belonging, the Pro League and its clubs engage in partnerships and implement structural projects that benefit their environment.

The Pro League's engagement towards society, named Football & Community, is revolving around 5 strategic pillars being sustainability, equality, accessibility, diversity and health & security. Cross thematic collaborations and co-creation with both fans and clubs are critical to generate local, and (supra-)regional societal impact.

In order to recognize clubs for having developed a high-quality social program, the Pro League, each year, awards clubs with the Football & Community label. In 2021 season, 18 clubs out of 26 have received this label⁴¹. In comparison to previous years, the Football & Community label is subdivided into three categories: Gold, Silver and Bronze (Figure 24). The differentiation between the respective categories is performed based on the quality of the respective programs and not on the volume of conducted projects related to a club.

The Gold label identifies the clubs with an extensive social engagement following a high-quality and strategic plan. In consequence, these clubs are considered national pioneers with regards to implementing social-sportive policies. The Silver label recognizes clubs showing a sustainable societal engagement by the means of a set of initiatives for distinct disadvantaged groups while also participating in national campaigns organized by the Pro League. The Bronze label is given to clubs with an increasing social engagement who have started conducting local societal engagements while also partaking in the Pro league's national initiatives. In 2021, 4 clubs were attributed the Gold Label, 7 the Silver label and 7 the Bronze label.

To support the social engagement of clubs, the Pro League provided increased support amounting to € 150K in 2021, an increase of more than 10% compared to its 2020 contribution.

Compared to 2020, COVID-19 restrictions had less impact on community events in 2021. Consequently, football clubs were once again able to organize social projects. When looking at the number of carried-out projects, it is clear that clubs have picked up their societal responsibility: 296 projects were implemented in 2021, up from 191 in 2020, almost attaining pre-pandemic levels (i.e. 300 in 2019). Altogether, the clubs have dedicated a total budget of € 2,3 million euro on these projects, a 19% increase in comparison to last year which shows the growing emphasis of societal engagements of our professional football clubs. G-football, football for people with a physical, mental, and/or intellectual disability, is one of these societal engagements. Collectively, clubs are supporting 18 G-teams, coached by 33 trainers who give the opportunity to 546 G-footballers to partake in team sport.

Furthermore, clubs are operating in a well-developed and extensive regional ecosystem. Indeed, on top of 249 social partners, clubs have collectively developed partnerships with 172 academic institutions which have given the opportunity to 418 students to secure an internship. These internships allow students to gain professional experience while obtaining insights into the operations of a football club. Moreover, clubs develop their youth trainers through tailored formations as 1.482 development programs were run collectively. This extensive local network also consists of amateur clubs and volunteers. First, 644 amateur clubs have been invited to professional clubs' premises thereby collectively hosting 14.379 youth players. Secondly, 4.774 passionate people are supporting their clubs' operations by volunteering.

⁴¹ Pro League: <https://www.proleague.be/nl/pl/news/pro-league-beloont-18-profclubs-voor-communitywerking>

Figure 24 - Overview Football & Community Label 2021 by category



Alliance Pro-League & Kazerne Dossin

In order to strive for equality, respect and inclusion in Belgian football, the Pro League has, in 2018, communicated an action plan to tackle discriminatory chants and deeds. This plan, focusing on 2 key pillars being (i) awareness raising and (ii) countering discrimination and education, is supported by amongst others all clubs, the RBFA and amateur football. As part of that plan, several initiatives have been implemented. Whereas the launch (March 2021) of the hotline against Racism and discrimination focuses on repression, **the recently (October 2021) announced strategic partnership with Kazerne Dossin focuses on both education and sensitization, both from a preventive and a reactive point of view.**

Indeed, supporters who have been banned from stadiums for racism and discrimination offences may be required to follow an individual learning curriculum at Kazerne Dossin. After completion, their ban can be pre-emptively lifted. These programs kickstart with an introductory meeting at the club where both the infractions in question and the two-sided expectations are discussed. Consequently, the fan will visit the museum during which historical insights will be adopted

on contemporary football use-cases to render insights tangible and very close to the fan's living environment. During this guided tour, guide and fan aim to explore the reason why the someone has uttered discriminatory language. A combined confrontation-interaction approach will foster personal reflection and introspection by starting from one's own identity as a football and club supporter.

As part of the preventive pillar, Kazerne Dossin has put together awareness raising-programs for both security personnel (e.g. stewards), club management/officials and supporters associations. These programs focus on the "us vs them dynamics" present in football competitions, both among fans and club personnel. During workshops, Kazerne Dossin aims to support club personnel and Supporter Liaison Officers by giving insights into the potential negative consequences of polarization, group pressure and "us vs them dynamics". By doing so, club professionals are given the tools to enhance the positive climate internally in their organization. Union SG visited Kazerne Dossin with their full squad and technical staff.

What is Kazerne Dossin?

Kazerne Dossin, located in Mechelen, is a museum, memorial and a research center. Starting from the historical story of the persecution of Jews and the Holocaust in Belgium, the organization reflects on contemporary phenomena of racism, exclusion and discrimination because of origin, faith, conviction, skin color, gender or orientation. According to Kazerne Dossin, the past provides learning opportunities for common day phenomena as, often, football specific concerns (e.g. racism, discrimination) can be traced back to a toxic "us vs them" mentality (i.e. analogy with Holocaust). To raise awareness about these phenomena, Kazerne Dossin conducts workshops and provides learning opportunities to a broad set of football stakeholders.

"At Union, we attach importance to the fact that our players, staff and other personnel are aware in life. Therefore, the importance of this visit cannot be overstated, it really leaves no one untouched and it creates additional awareness."

Philippe Bormans – CEO Union SG

Sustainability, an emerging practice in Belgian Professional Football - Royale Union Saint-Gilloise

Given the increasing emphasis on sustainability in the (corporate) world, this year's report will take a closer look at how clubs are improving their environmental footprint. Therefore, after coordinating with the Pro League, Union SG was identified as the perfect fit given that the club has, with Raphaële Moeremans in its ranks, a dedicated manager focusing on all aspects with respect to sustainability.

To ensure long-term commitment, the club became the first Belgian sport organisation to join the United Nation's Sports for Climate Action program, where signatories commit to halving their CO2 emissions by 2030 and becoming climate neutral by 2040, as well as following a number of other sustainability principles such as responsible consumption and sharing of best practices.

On top of the goals above, the club itself has the ambition to become the most sustainable professional football club in Europe.

"My journey at RUSG has kickstarted a little over a year ago. Although the club had already numerous initiatives in place, They believed that integrating existing efforts into a comprehensive and structured approach, with a full-time dedicated role to the topic, was going to be a key success factor in developing the club's sustainability program and reaching its sustainability objectives. That is why I have been focusing on supporting the end-to-end development of RUSG's sustainability strategy and the implementation of the resulting initiatives."

Raphaële Moeremans – Head of Sustainability at RUSG

Union's sustainability spark has been ignited by the club's president over 2 years ago, driven by his conviction that sport has a key role to play in climate action and that the success of sports organisations will also increasingly depend on the role they choose to play in terms of sustainability. That is why in the second half of the 20/21 season, the club began consulting all of its stakeholders – from fans to sponsors, and suppliers to internal staff and players – to guide its approach to sustainability. A second project that supported the club's strategy development was the analysis of the club's carbon footprint across all of its operations. Both of these projects served as input to the development of the club's sustainability strategy, in the form of a clear framework, with a prioritized set of actions, targets, and KPIs.

The reasons why the club wants to integrate sustainability at the core of its operations, are numerous. Firstly, it is a shared belief at RUSG that it is the right thing to do. Secondly, the club wants to show leadership on and off the pitch and, by promoting sustainable behaviors, RUSG has the potential to serve as a leader for change and inspire other clubs into a more sustainable future. Thirdly, in a survey sent out by the club, 86% of Union fans have indicated that RUSG's commitment to sustainability is important or very important to them. Fourthly, the club believes that this focus on sustainability is a differentiating factor for attracting B2B partners, as the club's marketing attractiveness and overall enhanced brand image will result in more (commercial) opportunities or structural partnerships. Fifthly, in line with academic research, the club trusts that long-term profitability, and therefore competitiveness, is enhanced by continuous sustainability efforts, driven by cost savings from efficiency improvements and reduced consumption.

However, sustainability is a broad topic. That is why, as already mentioned above, the club has developed a strategy, illustrated by this framework⁴² (Figure 25), allowing to tackle and scope the numerous efforts. The framework divides the approach into 4 pillars: Environmental Impact, Community Relationships, Sportsmanship and Partnerships. Consequently, each pillar encompasses several themes for which (a) SMART goal/ goals⁴³ have been defined. For the Greenhouse Gas Emissions Reductions Theme, RUSG has, for instance, defined 4 SMART goals:

- Reduce total CO2 equivalent by 50% by 2030
- Reduce emissions linked to employee commuting by 50% by 2030
- Reduce emissions linked to fan commuting by 20% by 2030
- By 2023, ensure that 70% of fans use a sustainable mode of transport

In order to operationally embed the sustainability culture in the organisation, the club has been organizing presentations and workshops internally, with both players as well as (sportive/ administrative) staff, to raise awareness and to elaborate on everyone's responsibilities/ contributions.

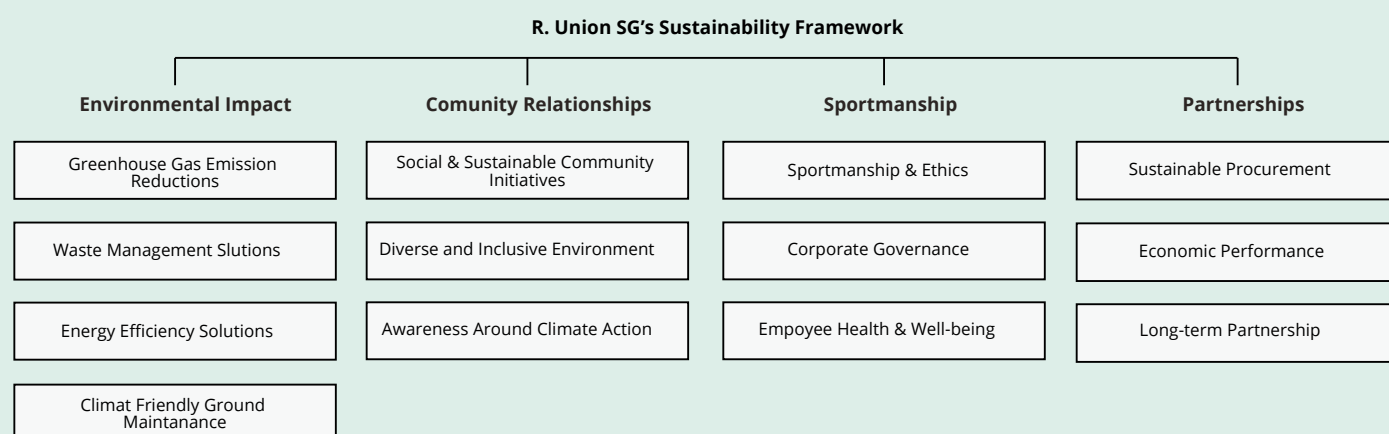
To reach those objectives, the club has already implemented numerous initiatives.

We will illustrate a number of implemented initiatives contributing to the set goals for the respective environmental impact themes. Firstly, given that (fan/ employee) mobility constitutes the primary source of the club's CO2 footprint, they have taken the decision to partner-up with the local Mercedes dealership to manage their fleet, offering electric/ hybrid cars to its employees (staff and players) as of the beginning of season 22/23. In addition, sustainable fan mobility is encouraged by the club through partnerships with the STIB-MIVB and a collaboration with the Brussels Capital Region for organizing a secured bike parking. Secondly, as part of waste management solution, the club has, in collaboration with The Coca-Cola Company, installed recycling stations in the stadium and aims to recycle 100% of the bottles consumed during match days thereby contributing to circular economy. Furthermore, in order to reduce the use of single-use plastic, the club has, as a replacement for traditional cups, introduced re-usable Ecocup. Thirdly, the club chose to switch energy supplier as they identified a supplier in the market who guaranteed all energy originates from 100% renewable sources. Lastly, in order to improve climate-friendly ground maintenance, the club has chosen to use a hybrid pitch technology, which is a mix of natural grass with synthetic turf. This technology requires less water for irrigation and less heating in winter.

⁴² The framework visualized consists a simplified illustrative overview of RUSG's Sustainability framework

⁴³ Specific, Measurable, Achievable, Realistic, Time-bound

Figure 25 - Overview Football & Community Label 2021 by category



Although significant steps have already been taken, Raphaële and the entire club acknowledge that, in order to become climate neutral by 2040, the club still needs to transform a lot of its operations. All of these actions will need to be planned and thought through carefully, as the core mission of the corporation RUSG, namely a professional competitive football institution operating at the highest level, must be safeguarded at all times. Nonetheless, the club is firmly convinced that combining (sportive/ business) competitiveness with sustainability efforts is perfectly feasible. Indeed, in other European top leagues, especially the Premier League, several clubs, such as Tottenham, Manchester City, Arsenal and Liverpool to name a few, combine top football performance with impactful climate action initiatives.

As a matter of fact, their efforts are being recognized by Sports Positive Leagues, an organisation specialized in developing, in cooperation with the clubs, an audit (i.e. ranking) of the sustainability efforts made by all clubs in a league, based on a predefined evaluation framework. This ranking not only recognizes the leading clubs for their efforts, but also serves as a tangible working tool as the evaluation framework is communicated transparently, giving a clear sense of direction to all clubs. This allows clubs with lower levels of in-house expertise to accelerate their sustainability improvements. In Europe, this ranking has already been developed for the Premier League (2019-2021), the Bundesliga (2021), The Ligue 1 (2022) and plans for an audit for La Liga and Serie A have been announced.



In case the reader wants more elaborate information on RUSG's sustainability approach and efforts, please note that their sustainability strategy and action plan is publicly available on the corporate website which can be consulted [here](#).





Fans

Introduction

Season after season, (inter)national football proves that it is not just end-of-week entertainment as it has the power to unite people with one common language, stopping an entire stadium's breath with an impeccable strike or a perfectly-timed tackle and/or volley. Indeed, football holds this special place in the heart of Belgian fans, which is why it is arguably the most popular sport in the country.

As mentioned in one of the above sections, only a very limited number of matches allowed spectators due to the sanitary crisis, which is why clubs have put more emphasis on finding (digital) ways to connect with their fan base and keep this fervent passion for their club alive. This league-wide trend is highlighted by the accelerated growth in social media followers of Pro League clubs. Indeed, the total number of social media followers has increased to 7,9 million, up from 5,8 million, corresponding to a build-up of 36% which is significantly higher than the growth rates of 2021 and 2020, respectively 21% and 12%. Nowadays, clubs communicate via a myriad of digital (social media) channels (Facebook, Instagram, Twitter, LinkedIn, TikTok, Youtube etc.) enabling them to differentiate their content strategy and messaging according to the targeted fan audience. In addition to the B2C messaging, clubs are more and more making use of digital channels to reach a B2B audience to attract (commercial/operational) partners.

Aside from digital engagement, fans still like to physically gather with fan club members who share the same club passion. Indeed, the number of fan clubs has slightly increased from 462 to 466 driven by the significant growth in fan clubs for Antwerp FC and Royale Union Saint-Gilloise.



Fan clubs
466



Followers on social media
7,9 million

Enhancing the dialogue between Football Club & Fans through the Supporters Liaison Officer – KV Mechelen

“ The dream scenario is to create the ultimate fan engagement where every person can identify with the Malinwa DNA and participate as a fan. ”

Hans De Decker

UEFA officially introduced the Supporters Liaison Officer (SLO) role in 2011⁴⁴, along with the launch of its SLO handbook⁴⁵ to support clubs in creating/ ensuring a stable and constructive dialogue between clubs and supporters. Since its introduction, the appointment of an SLO has become a mandatory requirement for clubs wishing to obtain a professional license. The Pro League, in collaboration with the Royal Belgium Football Association and the “Football Cell” (i.e. department within the governmental body internal affairs), has been supporting the clubs’ SLOs by offering training sessions and facilitating knowledge sharing among SLOs (internationally).

At KV Mechelen, however, the SLO role has implicitly existed since 2002-2003, the season in which the club’s fans saved their team from bankruptcy.

In return, the Fan Council (i.e. Supportersraad), a non-profit with representatives from various supporters’ associations charged with the task of overlooking the club’s financial health, was given 2 seats⁴⁶ in the supervisory board of KV Mechelen’s legal body (i.e. Yellow Red KV Mechelen nv).

This body meets on a monthly basis and strategic topics are addressed and key decisions are made. Therefore, this use-case will zoom-in on how KV Mechelen optimizes this co-creation between fans and club by conducting an interview with Hans De Decker and Wim Verbelen, who share the role of SLO at KV Mechelen.

⁴⁴ Pro League: <https://www.proleague.be/nl/pl/supporters-liaison-officer>

⁴⁵ UEFA: https://www.uefa.com/MultimediaFiles/Download/uefaorg/Corepartnership/02/60/10/10/2601010_DOWNLOAD.pdf

⁴⁶ On top of the nomination of Mark Uytterhoeven who had become a board member for life



Hans and Wim believe that the primary objectives of the SLO and the wider "Supportersorgaan"⁴⁷ (subsequently called fan body) are four-fold:

1. Safeguard both the Malinwa DNA, the club's values and norms, and its history
2. Support the club in co-shaping its strategy and key decisions by providing bottom-up advice after alignment with the broader fan base
3. Ensure and reinforce the good understanding between fans and club
4. Promote a positive way of supporting.

To complete these 4 objectives, KV Mechelen's fan body has an organisational structure consisting of 4 major working cells being Engagement, Ombudsman Service, Communication and Operations (Figure 26). Each working cell is sub-divided into several working groups of which the lead is sitting in the fan body's board of directors, consisting of ca. 20 people. This group provides input for both KV Mechelen's supervisory board and the SLOs, who communicate with different departments within the club. **The entire fan body organisation relies on volunteers which underlines that the 2 SLOs (also volunteers) can only carry out their work packages thanks to the unconditional and continuous support from these club enthusiasts.**

“ While other clubs include the SLO in the safety coordinator's work package, we believe at KV Mechelen that a fan, who propagates the Malinwa DNA and who is always present in the stands, is the right person for this job. ”

Wim Verbelen

Two-way interaction between club and fans as well as fan participation is facilitated through several initiatives.

Firstly, the fan body is in close contact with the representatives of the + 40 fan clubs. Through these meetings, they generate input on the matters on which they will advise the club, and bring up concerns/ ideas that their members have raised (e.g. concerns over ticket and food & beverage prices). Besides physical interactions, KV Mechelen was the first Belgian team offering fans the possibility to digitally submit concerns/ ideas via the Ombudsman Service. These topics can consequently be escalated to the club via either the SLO or the fan body delegates.

Secondly, the SLOs meet with KV Mechelen's stewards at the beginning of the season. During this meeting, they explain their role and stress the fact that they are almost always present during matchdays (in 2 distinct stands of the stadium), making them an ideal point of contact for stewards, as they have developed close connections with all fan associations over the years. The interaction steward – SLO can go both ways: on the one hand, stewards can inform the SLOs of certain events (e.g. fan misconduct such as throwing of cups, pyrotechnical material) after which the SLOs can mediate with the fan association in question to adjust their members' behavior. On the other hand, given their extensive fan network, SLOs can inform stewards/ the command post when an issue has been brought to their attention (e.g. unsafe situation, people becoming unwell, irregularity in sales tickets).

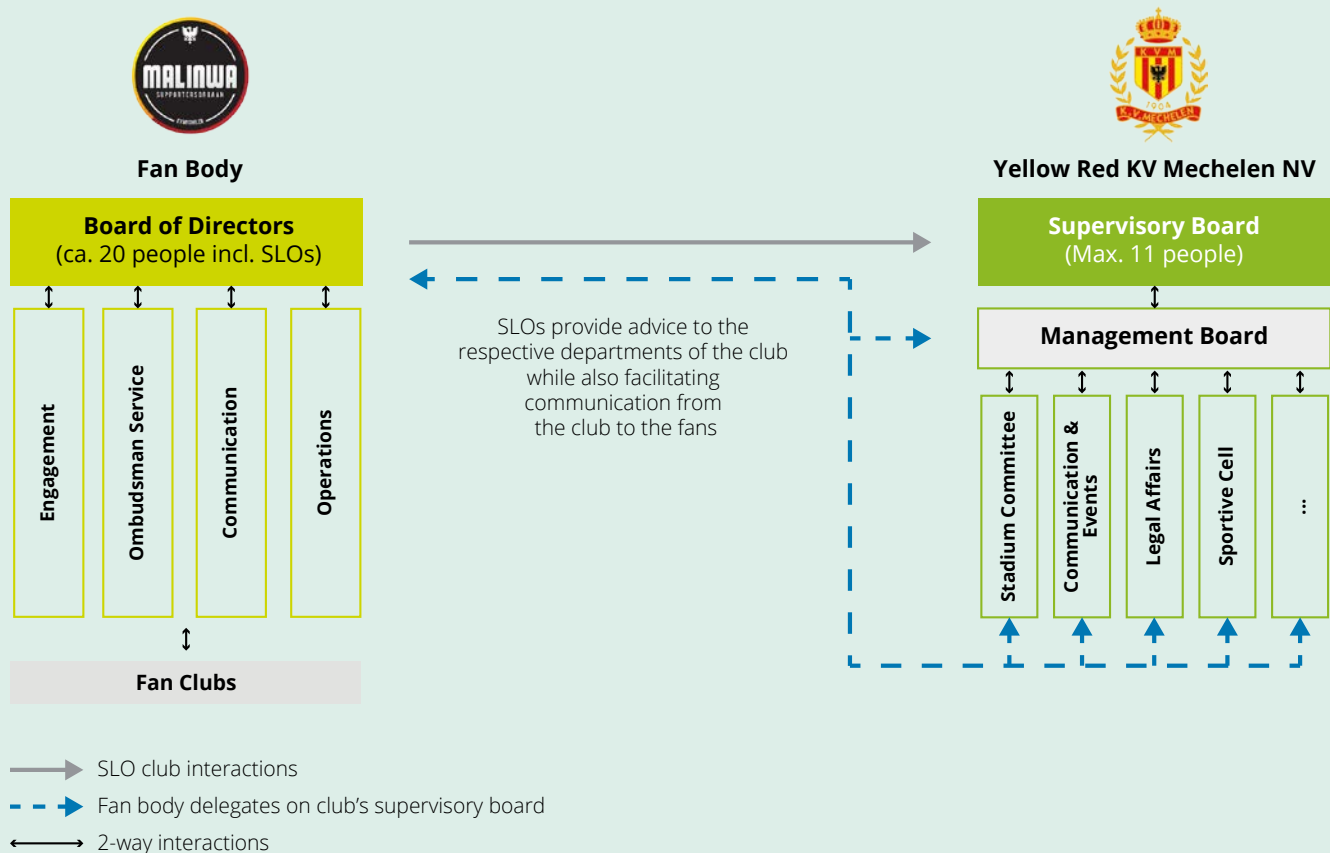
⁴⁷ In 2013-2014, the Supportersorgaan was established through a merger between the Supportersraad (Fan Council) and the Supportersfederatie (Fan Federation)

The fan body has launched several projects to involve fans in the club and bring them closer together, such as the Malinwa concert band, who are playing music during home games, the Malinwa Kids club, organizing events for the younger generation and its very own Geel & Rood Magazine, a Malinwa magazine written by and for the fans. More recently, as AFAS Stadium was empty due to COVID-19 restrictions, fans were urged to bring their flags, banners, drawings, personal messages etc. to the stadium prior to the game so that these items could be used to decorate the stands and create a warm atmosphere during the first games of the season (20/21).

Fourthly, as part of the fan body's role in the club's supervisory board, the delegates have a right of veto to ensure that certain decisions (e.g. club ownership, shirt design) are always carried by the broad fan base.

Lastly, the interaction between fan body and club is enhanced by the fact that several former volunteers have developed a career within the club itself, which makes them more approachable and open to the advice of SLOs as they truly understand the fan body's added value.

Figure 26 - Interaction between KV Mechelen's Fan Body and Football club KV Mechelen



Despite the established structure and the numerous initiatives, KV Mechelen's SLOs indicate that there is still room for improvement. As a matter of fact, the fan body is planning to open a fan café where fans can unite and share ideas. Moreover, during an UEFA training, facilitated by the Pro League and the RBFA, the SLOs were amongst others provided with an inspiring testimonial from Feyenoord's SLO. Aside from the training program, these touchpoints allow Belgian SLOs to get to know one another and share ideas and best practices among each other.

“ Given the rapid technological advancements, we realize that the digital sphere offers numerous opportunities to improve not only fan engagement, but also fan participation. That is why, in the upcoming years, we would like to further improve our digital initiatives, in line with already launched projects such as the ombudsdienst.”

Hans De Decker



Youth

Introduction

As the Pro League is becoming more and more reputed as a talent pool for high-potential young players⁴⁸, G5-league clubs are required to offer higher transfer fees for promising talents. In addition, taking into account the reduced financial strength of several clubs, Belgian clubs' might become more reliant on their youth players' performance in the coming years. The two reasons above highlight why both talent identification and talent development are a key cornerstone of Belgian clubs' strategy. Therefore, this report will shed a light on the investments in youth and the effectiveness of youth development by evaluating both the playing time of youth players in the first team and the number of youth players under contract.

Whereas Belgian clubs were only legally obliged to invest € 27,5 million, they topped this amount with a total dedicated budget of € 50,1 million, in line with the € 49,3 million budget from 19/20. **This stable budgeting underlines the strategic value of youth academies for the Belgian clubs as it did not decrease despite overall revenues going down significantly.**

In 20/21, a total number of 294 young Belgian players (under 23 years) secured a full-time or part-time contract, showing a 7% increase compared to the previous season. Altogether, they earned a total playing time of 90.331 minutes, representing a 21% increase in comparison to 19/20.

However, considering that the 19/20 season was prematurely ended due to the pandemic, the evolution of relative playing time of youth players in comparison to total playing time will give a more truthful view. Indeed, by adopting this approach, youth players secured 10,3% of total playing time, a slight decline from the 11,0% in 19/20 and the 10,9% in 18/19. Club Brugge, Anderlecht and Oostende are the 3 clubs giving most playing time to Belgian youngsters, accounting, together, for more than half of total playing time by youngsters.

Belgian players aged 23 to 26 played 9% of the total minutes, while Belgian players aged over 26 years played 26% of the total minutes which is line with the observations made in 19/20. Foreign players played the remaining 55% of all minutes which is in line with the 18/19 observations.

To facilitate flow from the youth academy to the first team, the youth players have dedicated staff members with skillsets that foster their sportive and general development. Furthermore, other employees support the academy's general operations. 6 staff categories⁴⁹ have been identified: technical staff, study support, medical staff, operations (including administration, maintenance etc.), youth coordinators⁵⁰ and dedicated employees for youth teams⁵¹. **Based on 2021 data, the professional Belgian clubs employ a total of 795 people who work exclusively for the youth academy** with dedicated employees for youth teams (35%), technical staff (26%) and medical staff⁵² (12%) representing the largest employee groups.

"In 2021, in total, more than € 15,5 million was dedicated to employees supporting the youth academy with technical staff, dedicated employees for youth teams and youth coordinators accounting for 75% of the total payroll cost. In line with their respective budgets, G5 and Antwerp FC are relatively more investing in youth academy personnel in comparison to the remaining 1A clubs or 1B clubs."

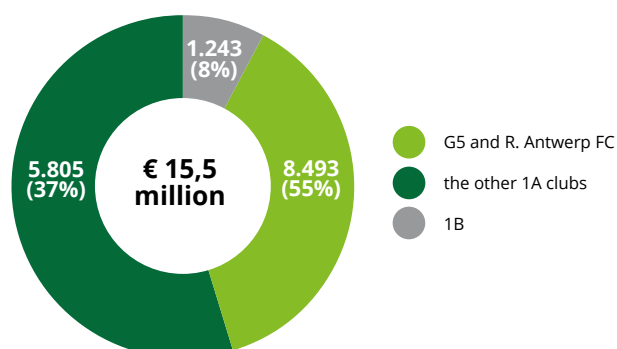
49 In this analysis, only employees are taken into account that, within the club, are exclusively working for the youth academy, either as full time club employee or on a self-employed basis

50 (NL) Technisch verantwoordelijke jeugdopleiding,
(FR) Responsable technique de la formation des jeunes

51 Employees dedicated to age groups ranging from u6 to u23

52 Majority of medical staff works on a self-employed basis and are not employed full-time by the clubs

Figure 27: Total and relative payroll cost of youth academy employees by club category



48 De Tijd (2020): <https://www.tijd.be/ondernemen/sport/corona-halveert-uitgaven-voetbaltransfers/10256167.html>





Figure 28: Number of dedicated youth academy personnel by category

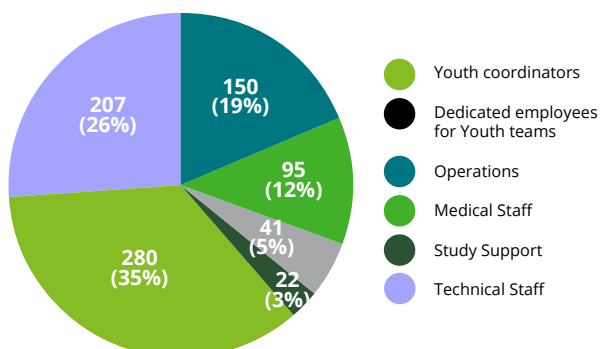
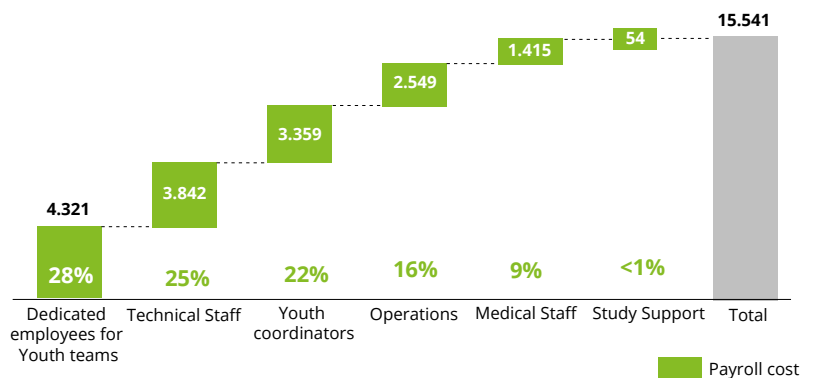


Figure 29: Payroll cost of youth academy employees by job classification (in € thousand)



Economic impact of the Pro League

The comprehensive model describing the economic impact of the Pro League and Belgian football clubs measures the direct, indirect and induced impact according to four economic indicators: gross output, gross value added, employment and tax contribution.

This impact apprehends the total value generated by the football industry itself, its supply chain, as well as the impact on the households benefitting from these industries.

The methodology section, included in Appendix, provides a complete overview of the model and computations.

The methodology makes use of two different types of multipliers defined by the Belgian Federal Planning Bureau: the input-output multipliers and the National Accounting Matrix multipliers.



Gross output

In 20/21, the overall economic impact measured by the gross output fell to € 962 million, a € 284 million decrease (- 23%) compared to the season 19/20, due to the significant impact of COVID-19 on the Belgian clubs' operating model and resulting revenues. Indeed, this drop is due to the plunge in both operating revenues and net transfer results, wiping out the growth of the previous 3 seasons.

When breaking-down the gross output into its three pillars, the importance of the direct impact on total gross output is highlighted. The direct impact, looking at the revenues of the Belgian football clubs and the Pro League, is positively correlated with the indirect and induced impact as the other supply chain players and their employee base reinvest/ spend their resources back into the economy. The above metric is considered the operational output as subsidies are not included. Direct impact does entail transfer revenues. However, when computing indirect and induced gross output, transfer revenue is not taken into account. Direct gross output diminished to € 495 million, down from € 658 million in 19/20.

Figure 30 - Evolution of gross output (€ million)

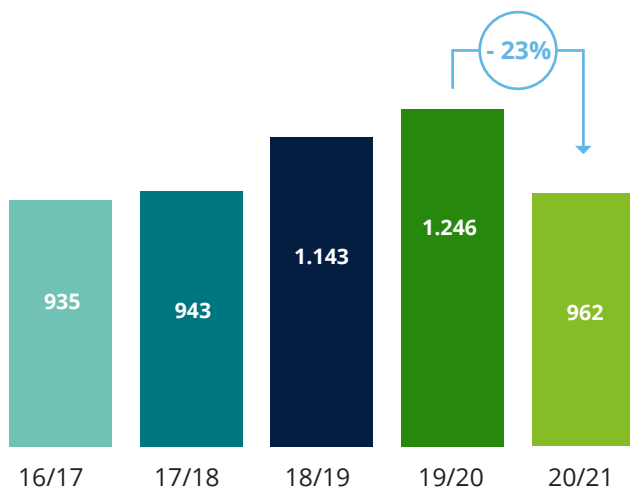
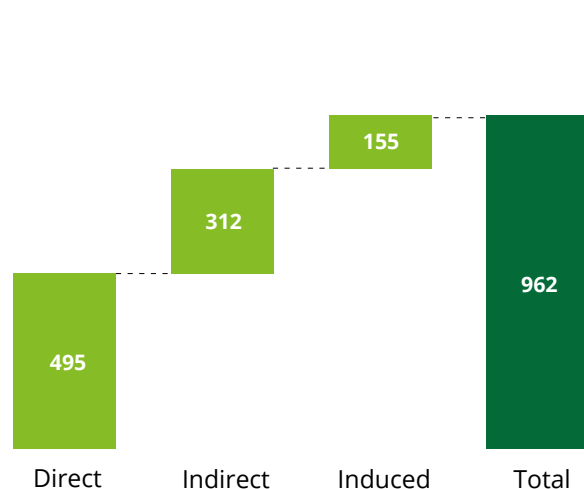
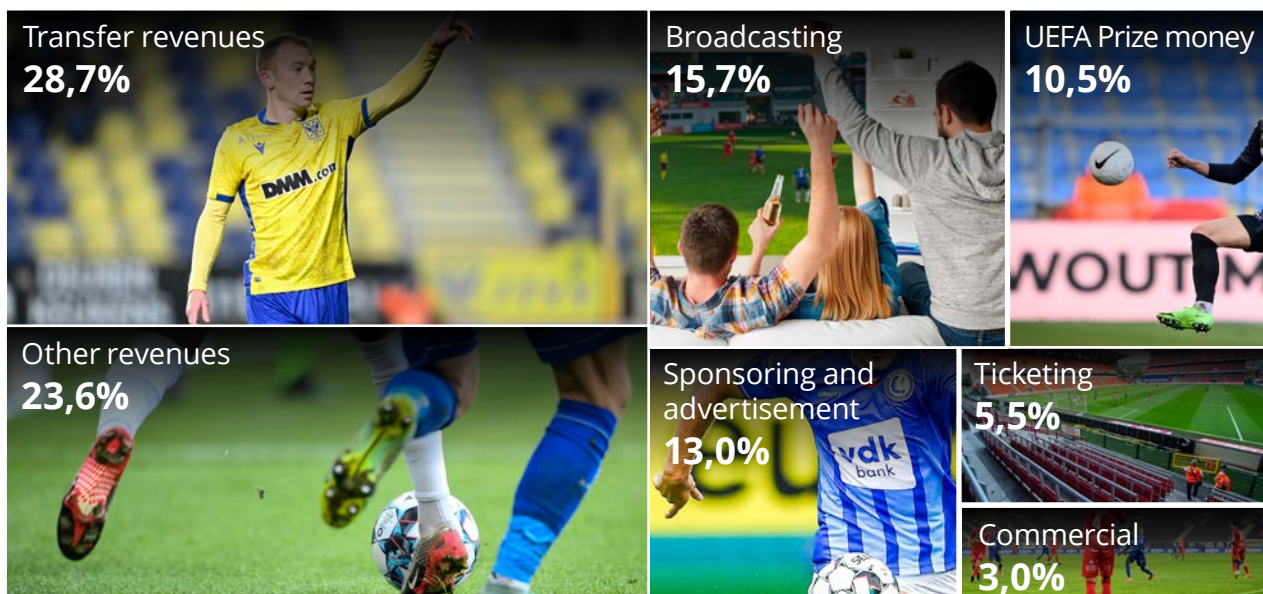


Figure 31 - Gross output in 20/21 (€ million)



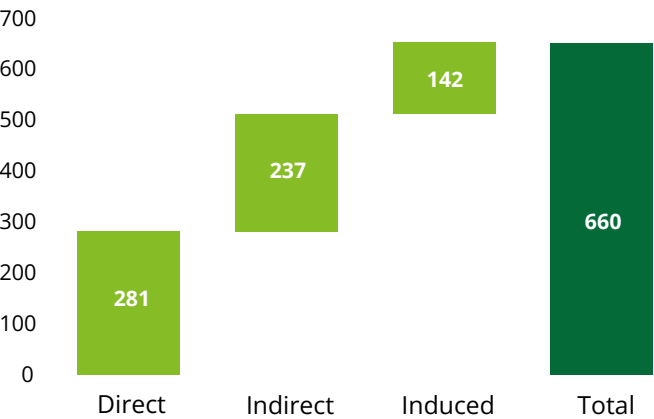
Direct gross output (% of total)



Gross value added

In 20/21, the gross value added by clubs to the Belgian economy amounted to € 661 million, down 21% compared to 19/20. This downward trend is primarily due to the combined effect of lower overall revenues and higher salary costs, which resulted in a € 86 million drop in net income in comparison to the previous season.

Figure 32 - Gross value added in 20/21 (€ million)



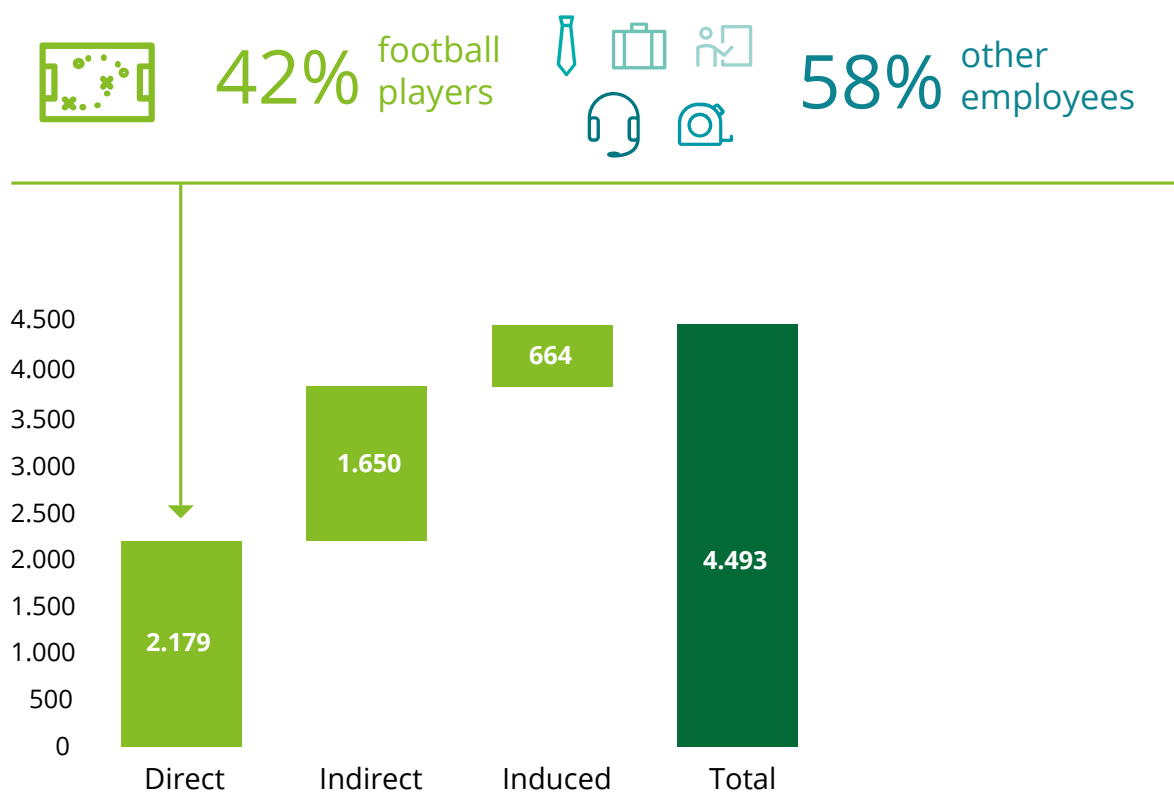
Job creation

Although Belgian football is financially in dire straits, the professional football industry (i.e. the Pro League and Belgian clubs) boosts employment with a contribution of 4.493 jobs to the Belgian economy in the 20/21 season, thereby providing in total 954 jobs more than in the 19/20 season. If one takes a closer look at the direct job growth and the number of employees of the clubs and the Pro League, it becomes apparent that almost 70% of the direct job growth (+ 461) is due to the increasing number of staff employed by the clubs. The relative share of football players in the workforce has therefore declined from 44% to 42%.

However, the increase in staff members varies greatly according to club category. As a matter of fact, compared to the 19/20 season, the G5 clubs employed an additional 170 staff members, whereas the absolute growth for K13 clubs was 223 and the 1B clubs recorded a negative growth of 74,5. This downward trend for 1B clubs is all the more striking as the 1B employment figures from the 2021 report were based on 5 clubs (Data unavailability in 19/20 for RE Virton, KSC Lokeren & SV Roeselare) whereas the 2022 report counts 8 in-scope 1B clubs. Even though the relative player share in total jobs decreased, the absolute number of players increased by 143 driven by a strong surge of 102 players employed by K13 clubs⁵³.

Whereas direct job creation accounts for ca. half of total jobs (49%), indirect and induced job creation generate respectively 1.650 (37%) and 664 jobs (14%).

⁵³ K11 in 19/20; K13 in 20/21



Tax contribution

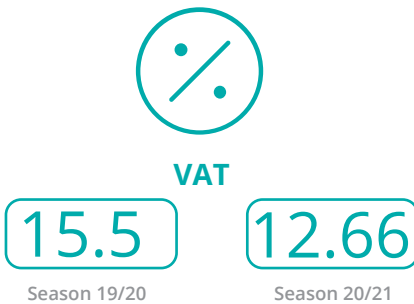
Belgian clubs contribute to the Federal budget via four distinct tax systems, namely corporate income tax, payroll tax, national insurance (social contributions) and the value added tax (VAT).

As part of the corporate tax scheme, clubs’ contributions amounted to € 2,8 million in 20/21, which represents a 82% nose-dive compared to the previous season. This decrease is a natural consequence of the 56% deterioration in pre-tax profits, (i.e. the higher loss) recorded by the clubs as this deficit rose from € 87 million to € 137 million.

Payroll taxes and social contributions are positively correlated with the clubs’ payroll costs. Since the latter costs surged as a result of a larger employee base (incl. players) on the one hand and on the other hand higher average player salaries, it is no surprise that both payroll tax and social contributions grew by respectively 9% and 3% to an overall amount of € 47,4 million and € 26,6 million.

The VAT balance, highlighting the direct contribution of football clubs through their added value, reached € 12,7 million in 20/21, a € 2,8 million or 18% decrease compared to the previous season. Moreover, the total VAT paid, which amounts to € 88,8 million, constitutes a good indicator of the total VAT paid throughout the entire professional football supply chain.

Unfortunately, assessing the indirect and induced tax impact is not feasible due to data unavailability. Consequently, we expect the actual tax impact of the Pro League clubs on the Belgian economy to be higher than the figures reported in this section.







Closing words

This report is the result of a constructive and pleasant cooperation with the Pro League, which has grown over the years. First of all, we would like to thank the Pro League organisation for collecting all the required financial, economic and social datapoints in an efficient manner, as well as for their responsiveness.

In a second place, we would like to give a heartfelt thanks to the clubs of the Pro League, with a special note for the clubs (i.e. KV Mechelen, Union SG, KV Kortrijk) that gave us insights into their operations for the respective use-cases, through extensive interviews.

Finally, we would like to thank BX Brussels for making the press conference possible in an exceptional environment.

Appendix

Scope

This report assesses the socio-economic impact of the following actors:

1. The Belgian football clubs in 1A (Jupiler Pro League)
2. The Belgian football clubs in 1B (1B Pro League)
3. The Pro League as an organisation.

It does not intend to show any conclusions on the economic value generated by the RBFA. This report refers to the Belgian professional football clubs mentioned in (1) and (2) as the clubs, unless explicitly mentioned otherwise.

Note that at some points this report will also make a distinction in the Jupiler Pro League between the G5 and K13 clubs. The G5 clubs are the five teams that have obtained the best sportive results over the last five seasons. The clubs in question are RSC Anderlecht, Club Brugge, KAA Gent, KRC Genk and Standard de Liège. The remaining thirteen clubs in 1A make up the K13 (based on the 20/21 season).

The following data sources helped with building this report:

- Financial data from annual reports (balance sheets, income statements and cash flow statements)
- Employment data from social balance sheets
- Investment and community data from surveys sent out to the Belgian football clubs
- Economic indicators set forth by the Belgian Federal Planning Bureau
- In depth-interviews with clubs and partners on case studies

The data used for the report includes the previous five seasons (16/17, 17/18, 18/19, 19/20, 20/21). Data on the season 20/21 includes 25 clubs (18 from 1A and 7 from 1B) as Club NXT's financial figures are included in the financial statements of Club Brugge KV. The related impact of the 1B Pro League will be explained in the different sections, where applicable.



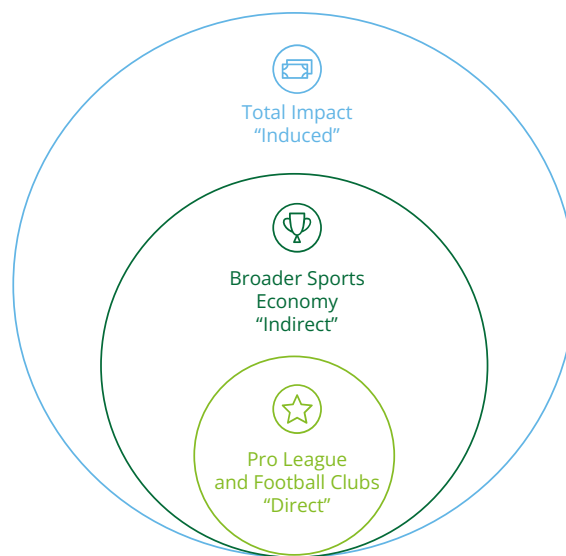




Methodology

The economic impact assessment measures three different dimensions of economic influence: the direct, indirect and induced impact.

- **Direct impact:** The industry itself produces a certain impact, by conducting business within the economy, creating gross value added, jobs and tax revenues
- **Indirect impact:** The industry's supply chain generates gross output, value added, jobs and tax revenues as an indirect consequence of the industry itself
- **Induced impact:** Households benefitting from the industry and its supply chain have increased spending power which generates additional output, value added, jobs and tax revenues.



As indicated in the description above, four economic indicators make up the total economic direct, indirect and induced impact:

- **Gross Output** measures the total output generated by the existence of the Belgian professional football industry. It reflects the revenues generated over the entire supply chain, so including both the gross added value and intermediate consumption.
- **Gross Value Added** measures the value of goods and services produced, but does not include the intermediary consumption. It indicates the contribution to Gross Domestic Product (GDP). Profits, taxes and payroll costs make up the gross value added.
- **Employment** indicates the jobs generated by the Pro League and clubs.
- **Tax contribution** investigates the impact of the industry on taxes from both generated sales and employment.

	Gross output	Gross value added	Employment	Tax contribution
 Direct	Club revenues from selling a beer to the fan	The club makes a profit on the beer sold and pays its employees	An employee of the club working in the stadium bar	The club paying taxes
 Indirect	Revenues for the vendor of hamburgers outside the stadium	The vendor of hamburgers makes a profit on his business and pays his employees	An employee working for the vendor of hamburgers	
 Induced	Household spending from the club employee working at the bar thanks to his/her wage	The market generates additional profits and pays additional wages thank to the club employee spending his/her wage	An employee hired due to the spending of the wage of the club employee	

To calculate the direct, indirect and induced impact of the economic indicators, the methodology makes use of two different types of multipliers defined by the Belgian Federal Planning Bureau: the input-output multipliers and the National Accounting Matrix multipliers. Applying input-output models on the direct impact quantifies this additional impact. Wassily Leontief, Nobel Prize winner, developed this input-output model. It is a quantitative technique to measure interdependencies between different sectors in an economy. National economic bureaus often use the model to calculate varying economic indicators, among them GDP. While input-output models look at the impact of companies and their supply chain within an economy, the National Accounting Matrix (NAM) takes this a step further, taking into account all economic actions taken in an economy during a certain period. It estimates household income and its effect on top of the original impact on the supply chain. The input-output multipliers were updated in 2019 in order to provide an up-to-date and accurate view of the current economic situation. The impact due to the change in multipliers was explained in the 2020-report for each economic indicator to ensure transparency and comparability with the results from the previous report (2019).

The total value of Belgian professional football exceeds the sum of its parts. The large participation of the Pro League and its clubs in social initiatives creates an additional positive effect on the Belgian economy. However, quantification of that impact is rather difficult. Stories of the community creation, fan clubs and youth working illustrate the additional value created by the industry.

The annual reports of the football clubs and Pro League deliver the data for gross output and value added, while surveys provide the necessary information on employees in their different functions. The computations in this report conform to the guidelines outlined

by the Belgian Federal Planning Bureau^{54 55}. The analyses also used working papers on the theory behind input-output model.^{56 57}

Some caveats on the economic computations include:

- Multipliers are calculated based on a measured total production over the period of a year and show average relations.
- The used multipliers for NACE code 93 include industries other than professional sports, such as the fitness industry. This multiplier is used as a proxy because for the sub-industry professional sports, there is no specific multiplier.
- The multipliers only contain effects that happen up-stream. Down-stream effects are neglected. This should have minimal impact on the professional sports industry, which is generally very close to the end of the supply chain.
- A multiplier is a relationship between the initial effects on output, GVA or employment and the total effect. For this reason, a high multiplier value could indicate large total effects (numerator) or low initial effects (denominator).

⁵⁴ Belgian Federal Planning Bureau (2016). Multiplicatoren: handleiding.

⁵⁵ Belgian Federal Planning Bureau (2016). NAM-multiplicatoren: handleiding

⁵⁶ Avonds L., Belgian Federal Planning Bureau (2013). Working Paper 10-13. Bijdrage van de componenten van de finale vraag tot het bbp 1995-2005.

⁵⁷ Avonds L., Hambÿe C., Hertveldt B., Michel B., Van den Cruyce B. (2016). Working Paper 5-16. Analyse van de interregionale input-outputtabel voor het jaar 2010.



Direct impact

Responding to the demand for professional football, the football clubs themselves generate direct effects, the initial impact. The last available financial year 2020 is used for gauging direct output and direct gross value added generated

Direct gross output

The revenues of the football clubs generated by the following sources sums up to the direct gross output:

1. Gate receipts & season passes revenues
2. Broadcasting revenues
3. Sponsoring & advertisement revenues
4. Commercial revenues
5. UEFA prize money

Subsidies received by the State or the benefits of the reduced payroll taxes enjoyed by athletes in Belgium, are not included, even though they appear as a revenue source.

Direct GVA

The sum of profits before tax and total wages & salaries calculates GVA. As such, the GVA indicates the “value added” to the economy to answer the question: “How much value does this activity bring to participants in the economy?” These participants are (1) providers of capital and the State and (2) households, in line with the common beneficiaries of profits before tax and wages & salaries. The GVA also avoids overlap with the gross output, as the cost of goods sold, which occurs as revenues for suppliers, is not taken into account.

Direct jobs

The amount of FTEs working for the football clubs account for the direct jobs created. Additionally, a questionnaire filled out by the Belgian football clubs sheds more light on the category of the FTE's.

Direct taxes

Annual reports and tax returns give an accurate estimation of the tax contribution of Belgian football clubs and the Pro League. The total sum contributed to the State includes 4 relevant buckets of tax contribution:

- Corporation tax
- Payroll and income taxes
- National health insurance contributions
- Value added tax (VAT)

As the data on payroll and income taxes of non-player employees of the football clubs is not available for the smaller clubs, we are making an estimation based on larger clubs applied taxes to wages rates for those employees, resulting in an average of 28%.

Indirect impact

As Belgian professional football clubs sell goods and provide services to their customers, other industries benefit by supplying the football clubs. Other occurrences such as a football supporter in need of a hotel room, generate an indirect impact. Particular industries impacted by the existence of professional football in Belgium are the hospitality, construction, retail of sportswear, media & entertainment, medical services and gambling industries.

Indirect output

As output generated by the football industry increases, the sector will call upon its suppliers to increase production, who then turn to their suppliers for increased production. The Leontief input-output model provided by Belgium's national planning bureau in its open datasets can calculate the cumulated effect of direct and indirect revenues. The relevant sector for the professional football industry corresponds to the NACE code 93. The total effects are estimated by using the output multiplier for industry with NACE code 93, being 1.97. Concretely, this means that every € 100 generated in direct revenues in the sports industry, corresponds to € 97 of indirect revenues in the economy. An important caveat to bear in mind when considering the total output is the possibility of double counting.

Indirect GVA

Similarly to indirect output, an increase in GVA in the football industry will lead to an increase in GVA in the overall supply chain. As the Belgian Federal Planning Bureau does not provide a precise multiplier for GVA in her 5-yearly calculations, the income-multiplier for primary inputs serves as a proxy. This multiplier is very similar to GVA because of how primary inputs are calculated: GVA + Taxes & Subsidies on intermediary production. The GVA input-output multiplier of Type I for NACE code 93 is 1.84, meaning that for every € 100 in direct GVA generated in the sports industry leads to € 84 of indirect GVA generated in the economy. For economic value creation, GVA is a much more solid metric than output, as it does not include any double counting from cost of goods sold by suppliers.

Indirect jobs

The official data from the Belgian Federal Planning Bureau shows the indirect effect on employment, by looking at industry specific employment multipliers. The relative employment multiplier of Type I at 1.76 estimates that for every FTE job created by the sports industry, an additional 0.76 FTE equivalent is created.

Indirect taxes

Indirect taxes are taxes generated by the existence of the Belgian professional football clubs. This report will not attempt to estimate these effects for most taxes due to a non-availability of economic indicators, but does include the total VAT paid as an estimation of the VAT paid over the entire supply chain of the football industry. However, it is important to note that there are more taxes generated due to Belgian professional football than first meets the eye.

Induced impact

As household income rises due to the provision of labor, so does household spending. While not all household income will be spent, the National Accounting Matrix provided by the Belgian Federal Planning Bureau allows to estimate the total effect of spending of wages and capital earned from the sports industry on the economy.

Induced output

The cumulated effect of direct, indirect and induced output is located in the NAM-matrix, being 2.46 for Belgian sports industry (NACE code 93). Concretely, this means that every € 100 generated in output by the professional Belgian football clubs, corresponds to a generation of € 246 in total as a result of direct (€ 100), indirect (€ 97) and induced output (€ 49).

Induced GVA

The same logic applies as in “Induced Output”, with the multiplier for cumulative direct, indirect and induced GVA being 2.35. This means that for every € 100 generated in GVA by the professional Belgian football clubs, corresponds to a generation of € 235 in total because of direct (€ 100), indirect (€ 97) and induced GVA (€ 38). Caution is necessary when looking at induced GVA for the professional football industry, as spending patterns of high net worth professional football players may not entirely correspond to normal spending patterns.

Induced jobs

The cumulated effect of direct, indirect and induced jobs is also in the NAM-matrix of the Belgian Federal Planning Bureau. The relative employment multiplier of Type II for the Belgian sports industry (NACE code 93) at 2.06 indicates that for every FTE in the Belgian professional football clubs, an additional 0.76 FTE exists throughout its supply chain while 0.3 FTE exists as a result of the spending of disposable income.

Induced taxes

Similar to indirect taxes, no attempt is made to estimate these in the current edition.



Contacts

Sam Sluismans

Partner Deloitte Belgium
+ 32 2 800 24 51
ssluismans@deloitte.com

Sacha de Bergeyck

Senior Consultant Deloitte Belgium
+ 32 2 301 85 66
sdebergeyck@deloitte.com

Boudewijn Coudré

Business Analyst Deloitte Belgium
+ 32 2 800 21 43
bcoudr@deloitte.com

Wouter Stilman

Consultant Deloitte Belgium
+ 32 2 455 85 64
wstilman@deloitte.com

Laure Lammens

Business Analyst Deloitte Belgium
+ 32 2 455 84 23
llammens@deloitte.com

Other contacts

Vincent Fosty

Partner – Media & Entertainment
leader Deloitte Belgium
+ 32 2 749 56 56
vfosty@deloitte.com

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 312,000 professionals, all committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.