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Paris Saint-Germain: Building One of the World's Top Sports Brands

As the referee whistled for the end of the match between Paris Saint-Germain (hereafter 'PSG') and Borussia Dortmund, solidifying the French soccer team's 2-0 victory over their German rivals, PSG's players burst into tears, hugged each other, jumped for joy – and then, in a situation never before seen in the Parc des Princes stadium, headed straight off the pitch to climb to the top of the stands so they could celebrate with the thousands of fans who had gathered outside the stadium.

It was March 11, 2020. PSG's president Nasser Al-Khelaifi, its deputy chief executive officer Jean-Claude Blanc, and its sports director Leonardo de Araújo were among the small group of executives who witnessed the unprecedented scenes. The game between PSG and Dortmund, the second leg of their UEFA Champions League round-of-16 clash, was played behind closed doors due to the coronavirus outbreak that had started to disrupt daily life in Europe. Desperate to cheer for their team even though no audiences were allowed inside, many fans had gathered outside. "The supporters were not in the stadium but they were in our hearts," said Al-Khelaifi. "We felt their strength."

The victory was a crucial one in PSG's relatively short history. Established in 1970 as a merger of existing clubs, the sole soccer club based in Paris that was active in France's top league (known as 'Ligue 1') initially had only moderate success. Its fortunes changed when Qatar Sports Investments (QSI) bought the club in 2011. QSI had overhauled the roster of players – by, among other measures, acquiring the French star Kylian Mbappé and, in a record €222-million transfer that shook the soccer world, the Brazilian Neymar – but also professionalized the club's management, renovated the stadium and enhanced the stadium experience, developed a new training ground, redefined the PSG brand, and pursued a series of high-profile collaborations with commercial partners.

The investment had paid off on and off the field. Since 2011, PSG had amassed 22 national trophies, including six French league titles and four French cups. And the club had steadily risen in the ranking of Europe's highest-grossing soccer clubs, now claiming the fifth spot (see **Exhibit 1**). But the biggest prize the club's owners were eyeing, the Champions League, had so far eluded PSG. Now, with the win over Dortmund, PSG was among the last eight clubs to compete in UEFA's most elite annual tournament, which no French club had managed to win in the last quarter century.

"Winning the Champions League is certainly a goal we set for ourselves," said Al-Khelaifi. "And we want to become one of the world's top three sports brands. I deliberately say 'sports' and not 'soccer' – we have big ambitions." Did PSG have the right strategy to break the hegemony of Europe's long-standing soccer powerhouses such as FC Barcelona, Real Madrid, Manchester United, and Liverpool? And were Al-Khelaifi and his team of executives on the right path toward establishing PSG as one of the world's most elite sports brands?

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The Global Business of Soccer

Soccer, known as football outside the United States and played between two teams of eleven players each, was the world's most popular participatory and spectator sport. According to the Fédération Internationale de Football Association (FIFA), the soccer world's highest-level governing body, close to 300 million people played soccer regularly and billions more were soccer fans. The 2018 edition of the FIFA World Cup, played every four years between national teams, was covered by more than 350 television channels in 214 countries, and watched by an estimated 3.6 billion people, making it the most watched event in television history. The final, in which France beat Croatia, registered a record 1.2 billion viewers.¹

Soccer around the World

Soccer was played and watched around the world. People in Latin America, one of the foremost breeding grounds for soccer talent (Brazil's Pele and Argentina's Diego Maradona and Lionel Messi were widely believed to be among the best players to ever play the game), were among the most loyal and passionate soccer fans. Latin America's domestic leagues generated close to €3 billion in revenues annually.² In terms of on-field performance, Latin America's teams were among the best in the world – its national teams had won more than 40% of all FIFA World Cups played (with nine titles), and its club teams had more than 40% of all FIFA Club World Cups (with 26 titles).³ In the U.S., soccer remained the fourth most popular sport, but it was the fastest growing. Major League Soccer (MLS), the U.S.'s top soccer league, had steadily increased in popularity and reached close to €900 million in revenues in 2019.⁴ Asia, meanwhile, also saw strong growth. China's top soccer division, the Chinese Super League (CSL), in particular had emerged as a force on a global scale, with teams paying handsomely to attract top players—first those whose best playing days were behind them, but increasingly also players in their prime. The CSL generated around €400 million in revenues in 2019.⁵

By far the most lucrative market, however, was Europe. Collectively, Europe's professional soccer leagues generated €28 billion in revenues in the 2017-2018 season, not counting any additional revenues made on player transfers.⁶ European clubs also enjoyed success on the field: with 33 titles, they had won all FIFA Club World Cups *not* captured by Latin American teams. And that strength extended to the continent's national teams, as the last four World Cups were won by European squads: Italy in 2006, Spain in 2010, Germany in 2014, and France in 2018.

Soccer in Europe

Europe's Top Leagues, Clubs, and Competitions. The 'big five' leagues—England's Premier League, Germany's Bundesliga, Spain's LaLiga, Italy's Serie A, and France's Ligue 1—brought in close to 60% of Europe's soccer revenues (see **Exhibit 2**).⁷ The highest-grossing clubs were FC Barcelona (with €840 million in the 2018-2019 season), Real Madrid (with €757 million) and Manchester United (with €712 million). These top clubs derived the lion's share of their revenues from commercial activities (such as sponsorship, merchandising, and partnerships), followed by media-rights revenues and match-day income (also see **Exhibit 1**).⁸

Media rights were either negotiated by a league and then distributed to that league's clubs, or by clubs individually. The big five leagues took the former approach, but the exact formula by which revenues were subsequently divided among clubs differed considerably across leagues. Media rights income had risen sharply in recent years, driven by a growth in foreign markets and new platforms.

Top clubs benefited significantly from participating in cross-border competitions organized by the Union of European Football Associations (UEFA), the main governing body for soccer in Europe. UEFA's marquee competition at the club level was the prestigious UEFA Champions League, for which clubs qualified by securing a high ranking in their domestic league standings in the preceding season. The exact ranking a club needed to achieve in order to qualify depended on how that club and others from its country had fared in the competition in the past—Spain, England, Germany, and Italy currently had four spots each, France had three, and other countries at most two. The Champions

League tournament kicked off with a group stage of 32 teams, divided into eight groups of four. Each team played the other three teams in its group twice, home and away, in a round-robin format, from September to December. Each group's winner and runner-up progressed to the knockout stage, starting with round-of-16 games in February, and culminating in a final in late May or early June.

UEFA generated €3.2 billion in revenues from club competitions, primarily through the sale of broadcasting and commercial rights. Around 75% of UEFA's gross revenues were distributed back to the clubs participating in its competitions.⁹ For instance, the clubs that took part in the 2018-19 Champions League shared €2 billion in payments from UEFA – a 40% increase compared to the prior year. Of that total pool, 25% was allocated equally to all the participating clubs, 30% was awarded based on performance in that year's competition, 30% was distributed on the basis of a ten-year-performance-based ranking, and the remaining 15% was allocated according to the value of the television market in each club's country.¹⁰ Liverpool FC (which beat fellow English side Tottenham Hotspur in the final) alone received €111 million from UEFA (see **Exhibit 3**).¹¹

The Champions League was popular around the globe: the 2018-2019 final drew nearly 400 million television viewers across 200 countries (compared to roughly 150 million for the U.S.'s biggest sports event, the Super Bowl), and triggered over a billion social media mentions.¹²

A Global Market for Talent—and Capital. The European leagues attracted talent from countries all over the world. In fact, more than half of the players competing in the five biggest leagues were foreigners, and in the English Premier League as much as 65% of players were born outside England.¹³ When it came to the nationalities of players in those five leagues, France led the ranking, with close to 400 players (with more than 130 coming from Ile-de-France, Paris' greater region, alone).¹⁴ Among the non-European countries, Brazil and Argentina topped the list (see **Exhibit 4**).

When clubs sought to acquire players before their contracts with their current clubs had expired, the buying club had to pay a 'transfer fee' to the selling club. (Players who had served out their contract were free to move clubs without such a fee.) Agents and other intermediaries received a share of the fee. The player itself also had to come to an agreement with his new club on the terms of his move, including on the duration of his contract (from one to five years) and his salary.

Concerned about the richest clubs stockpiling (or 'hoarding') the best players, poaching talented young players from other clubs, and having fewer incentives to train young players from their regions, in the mid 2000s UEFA started to impose 'Protection of Young Players' requirements on clubs participating in their competitions. Specifically, since the 2008-2009 season, clubs were required to have at least eight 'homegrown' players (defined as those who, regardless of their nationality, had been trained by their club or by another club in the same national association for at least three years between the ages of 15 and 21) in a 25-man squad.¹⁵

Team ownership was increasingly the domain of foreigners as well. Over the last two decades, European soccer had experienced an influx of foreign private capital. Dozens of clubs had been acquired by wealthy foreign individuals, investment groups and sovereign wealth funds, mainly from China, the Middle East, Russia, and the U.S. (see **Exhibit 5**). In the English Premier League, fourteen of the twenty teams were owned or controlled by foreign individual and investment groups.¹⁶ In Germany, the Bundesliga's '50+1' rule prevented commercial investors to have more than a 49% stake in its soccer clubs, thus limiting the entry of foreign owners.¹⁷ Some clubs were publicly listed, including Manchester United in England, Borussia Dortmund in Germany, and Juventus FC and AS Roma in Italy. Spanish giants FC Barcelona and Real Madrid were owned by its members – tens of thousands of fans who each paid an annual membership fee.

Citing concerns around European clubs' worsening financial conditions and unsustainable spending levels, UEFA sought to tighten European clubs' finances in the early 2010s when it introduced its Financial Fair Play (FFP) regulations. Starting in the 2011-2012 season, the new policy required clubs that qualified for UEFA competitions to prove that they did not have overdue payables towards other clubs, players, or authorities. In 2013, the rules were expanded to include break-even requirements that mandated clubs to balance their spending with their revenues. Excluding investments in stadiums,

training facilities, youth development, and women's soccer, financial fair play regulations dictated that clubs could only spend up to €5 million more than they had earned per assessment period of three years. Additional losses of up to €30 million were allowed if the gap was covered by a direct payment from the owner. "Financial Fair Play started as a way to limit the level of debt that clubs take on, but with the amendments, the regulations appear to be targeting specific clubs—including PSG," noted Victoriano Melero, PSG's general secretary. To prevent a club's owner from injecting more money into a club through sponsorship deals with a company with which the owner has some association, UEFA announced that it would adjust all owner-'related' sponsorship revenues according to what it deemed to be fair market prices. "UEFA adopts a broad definition of what is a related party," said Melero. "For them, any sponsor from Qatar is perceived that way, and their methodology to calculate the adjustments is highly subjective, if not anti-competitive." If clubs failed to meet UEFA's regulations, they could be penalized in various ways, including through fines, disqualifications, and title withdrawals.¹⁸

Soccer in France

With a population of 67 million people and a nominal GDP of €2.6 trillion, France was Europe's third-largest country and the world's sixth largest economy.¹⁹ Famous for its architecture, art, culture, fashion, food and wine, France was the most visited country in the world with an annual total of close to 90 million visitors.²⁰ France's capital Paris, known as the City of Love and the City of Lights, was home to several of the world's most iconic attractions, including the Eiffel Tower, the Louvre museum, and the cathedral of Notre-Dame.

Sport was an important part of the French economy and culture as well, accounting for close to €40 billion of France's GDP.²¹ France hosted landmark events such as the Tour de France (the world's most prestigious cycling event), Roland Garros (one of the four 'Grand Slam' tennis tournaments), and the 24 Hours of Le Mans (the world's oldest active car race). But soccer was France's most popular sport.

The French national team, nicknamed *Les Bleus*, were the current FIFA World Cup champions—they also won the title in 1998. Of the current French national team of 23 players, nine played in France's highest-level domestic league, Ligue 1 (also see **Exhibit 4**).

Ligue 1 was comprised of twenty teams (see **Exhibit 6**). Over the course of a season, each team played every other competitor twice—once at home and once away—for a total of 38 games per team. Wins yielded three points; draws one point. The club with the highest number of points at the end of the season was crowned champion, while the two teams with the lowest number were relegated to the second division, 'Ligue 2,' and the two highest-ranking teams in Ligue 2 were simultaneously promoted to Ligue 1. The club ranked 18th in Ligue 1 faced the side that finished third in Ligue 2 to determine the final promotion and relegation spots.

In addition to the league title, clubs could compete for three more trophies in France: the Coup de France (the premier knockout cup competition, open to professional and amateur clubs), the Coupe de la Ligue (another cup competition, open only to professional clubs), and the Trophée des Champions (a one-off match played between the previous season's Coupe de France and Ligue 1 winners).

Paris Saint-Germain and Qatar Sports Investments

PSG's First Four Decades

PSG was founded in 1970 through a merger of Paris Football Club and Stade Saint-Germain. The club saw some successes in its first four decades, winning two league titles (in the 1985-1986 and 1993-1994 seasons) and eight Coupe de France titles (see **Exhibit 7**). At the international stage, it won the UEFA Cup Winners' Cup (in the 1995-1996 season) and the Intertoto Cup (in 2001).²² But it also had periods in which it struggled—for instance, PSG only narrowly avoided relegation to Ligue 2 on the

2007-2008 season's final day. The club ended the 2010-2011 season ranked fourth, failing to qualify for a Champions League spot.

On the business side, PSG saw several changes in ownership throughout its first four decades. From 1970 to 1973, it was owned by its members. A group of French businessmen subsequently bought PSG and ran it until 1991, when it was sold to Canal+, a French media company. In 2006, Colony Capital, a U.S.-based private equity group, took over and held the team for five years. By the end of the 2010-2011 season, PSG had been operating at a loss for thirteen consecutive years (the 1997-1998 season had been its last with net gains), and the club was ranked well outside the top 30 of highest-grossing clubs in Europe. With annual revenues just shy of €100 million (down from €140 million ten years prior²³), it was well behind fellow French clubs Olympique de Marseille and Olympique Lyonnais (with annual revenues of €150 million and €133 million, ranked 14th and 17th, respectively), and even farther removed from market leaders Real Madrid and FC Barcelona which each generated over €450 million in revenues at the time.²⁴

PSG was also struggling with violence—the Parc des Princes stadium was considered the most hostile in all of France, and PSG's fans were thought to be responsible for more violence across France than any other club's supporters. In the 2005-2006 season, 30 fans were banned from the club after destroying a petrol station on their way back from a defeat. The following year, a PSG supporter was shot dead after police opened fire on rampaging fans, prompting PSG's then-chairman to declare, "This is the darkest hour in PSG's history."²⁵ Nicolas Sarkozy, France's then-interior minister, vowed to clean up the Paris stadium, even if it meant emptying it of spectators, stating: "Soccer is not war."²⁶ Police controls were increased, but violence remained a problem in the following years.

Qatar Sports Investments' Acquisition of PSG

In May 2011, Qatar Sports Investments (QSI) reached an agreement with Colony Capital to acquire a 70% stake in PSG. A year later, in July 2012, QSI completed the buyout by acquiring the remaining 30%, in a deal that valued the club at roughly €70 million. After the initial acquisition, QSI's chairman Nasser Al-Khelaifi assumed the role of PSG's president, and later added the titles of chairman and chief executive officer. An accomplished Qatari businessman, Al-Khelaifi also served as chairman of the Qatar-based beIN Media Group and president of the Qatar Tennis Federation, among other roles. "We will work over the coming years to make PSG a great team and a strong brand on the international scene, one that will make all the fans proud," he said when the club announced the transaction.

QSI was a private shareholding organization based in Doha, Qatar. It was a joint venture between the Qatar Olympic Committee and the Qatar Ministry of Finance. QSI had the mandate to invest in professional sports, and had the objective to become a globally recognized sports and leisure investment company.²⁷ The Qatari government saw sports as a fundamental pillar of its development plans for Qatar—that same motivation also drove its winning bid to host the 2022 FIFA World Cup.

"We looked at clubs in Spain and the UK as well, but when we thought of Paris, we knew this was the challenge we wanted to take on," Al-Khelaifi recalled about the PSG acquisition. "Paris brings lots of advantages. It is number one tourist destination in the world. Paris is the city of fashion, of food, of the arts, and of great museums. And while most large cities have two or more clubs—Madrid has Real and Atlético, Barcelona has FC Barcelona and Espanyol, London has five or six big clubs—Paris has only one club. We saw the opportunity, and wanted to create a top club in France."

Transforming Paris Saint-Germain

Soon after assuming control at PSG as its new president, Al-Khelaifi and his team developed a five-year strategic plan to transform the club into a global powerhouse. The plan laid out five primary objectives: (1) build an outstanding sports team, and become the leading contender in the French league and a regular player in the Champions League, (2) establish a strong PSG brand in France and abroad,

(3) grow PSG's fan base, also internationally, (4) achieve strong growth in revenues, exceeding €450 million by the 2016-2017 season, and (5) invest in long-lasting, valuable assets.

To achieve these objectives, Al-Khelaifi and his team set out to professionalize the club's management, overhaul the roster of players, renovate the stadium and develop a new training ground, and redefine the PSG brand.

Professionalizing the Club's Management

Al-Khelaifi appointed Jean-Claude Blanc (HBS Class of 1994) as PSG's new deputy chief executive officer. Blanc had more than two decades of experience leading various sports properties, including the Winter Olympic Games, the Tour de France, and Roland Garros, and formerly served as Juventus' chief executive officer. Al-Khelaifi further appointed Brazilian native Leonardo de Araujo, a former star player at PSG and previously the coach of Italian side Inter Milan, as PSG's new sports director. Both men, Blanc responsible for the business side and de Araujo for the sports side, reported directly to Al-Khelaifi.

"Leo focuses on everything from the coaching staff and player transfers to medical and performance aspects of the team," said Blanc. "My side involves all the classic aspects you'll find in any company, from finance, accounting and human resources to strategy, brand management, and revenue development. It's my task to oversee day-to-day business operations." He added: "Every business decision that I make might impact our sports side, and every sports decision that Leo makes may impact our brand positioning and income streams, so we work closely together." "We are together in everything," confirmed de Araujo. "We talk about improving our performance on the field and what players are right for us, but we also talk about other elements of the institution. It's quite rare for a sports director to participate in those conversations, but here it's like that." He continued: "When I arrived at PSG in 2011, it was clear that the team from Qatar wanted to do things differently, and were keen to bring in new people and new ideas." Al-Khelaifi himself was highly involved, explained de Araujo: "I talk with him at least three times a day – we'd like to keep each other informed on what is going on, and to know where we stand."

Major decisions had to be approved by a board, explained Blanc: "Nasser gives me the green light to move forward with a lot of smaller decisions. But we have a small board which consists of five members: Nasser who serves as chairman, and four other members from QSI with backgrounds in sports, media, law, and finance. We meet regularly, and I present them with important decisions that are beyond my powers for which I need to get formal approval—think of investments in player transfers, or broadcasting contracts."

Overhauling the Team – In a Record Fashion

The First-Team Roster. Overhauling the roster became an immediate focus for the new executives. "It all starts with winning on the field," said Blanc. "To fuel the business growth we had in mind, we needed to begin by hiring the right players." "We set out to win the domestic league and qualify for the Champions League as soon as we could – to achieve those objectives, we had to invest in star talent," agreed de Araujo.

PSG's modest track record made attracting star players a challenge. "Back in 2011, with the club's results... it was not easy," recalled Blanc. "Luckily we had Leonardo—having him here helped send the message that we were serious about wanting to build a winning team. And we really pushed that idea with potential new players, and with media partners and sponsors. We wanted them to know we were going to set up the right conditions for PSG to win—that we would come out swinging."

Being based in France also had its drawbacks. For most star players, bigger competitions like the English Premier League and Spanish LaLiga were more likely to be top-of-mind destinations. "Ligue 1 is often underestimated," said Mbappé, one of PSG's star players. "But the games are intense and unforgiving. Finding the space to create an attack is always a battle. A lot of great players have been

playing in this championship, and I believe this is a testament to its quality.” Higher employee social charges (*charges salariales*, which were contributions towards health, unemployment, retirement and other benefits) also put the country at a disadvantage when it came to attracting talent. “A player with a net salary of €1 million has a cost of €2.5 million for the club,” noted Blanc. “We, as one club, pay 50% more in social charges than all 58 clubs that make up the Bundesliga, Serie A, and LaLiga do—combined,” said Jean-Martial Ribes, PSG’s communications director.

Nonetheless, in 2011, de Araujo managed to sign Italian Carlo Ancelotti, one of the most successful active soccer coaches, as PSG’s new head coach, and sign twelve high-profile players, for a total of €120 million, including Kévin Gameiro, Blaise Matuidi, Jérémy Ménez, Thiago Motta, Javier Pastore, and Mohamed Sissoko. PSG finished Ligue 1’s 2011-2012 season in second place and qualified for the Champions League. The next summer, after investing another €160 million, PSG welcomed eight new players, including Zlatan Ibrahimović, then aged 30 and a prolific goal scorer, for €21 million, and Thiago Silva, then aged 23 and the current captain, for €43 million; halfway into the season, PSG also acquired David Beckham, then aged 37 but still one of soccer’s biggest stars, on a free transfer. That season, the club won the domestic league after a 17-year drought, and advanced to the Champions League’s quarterfinals.

Marquinhos, then still a teenager and one of the soccer world’s most promising talents, joined in the summer of 2013 from AS Roma. “When PSG approached me, I did not hesitate for long,” he recalled. “The club had a very attractive and ambitious project. PSG was starting to perform in Europe with former Serie A players such as Ibrahimović, Edinson Cavani, and Javier Pastore. I saw that young players like Marco Verratti had broken into the first team, so I knew that being young was not a handicap. And I talked with [fellow Brazilian] Thiago Silva who encouraged me to join him.”

PSG’s executives continued to invest heavily in players over the following years, spending between €50 million and €270 million per season. In fact, the club broke all transfer records when, in the summer of 2017, it acquired Neymar from FC Barcelona for a whopping €222 million—more than doubling what was then the transfer record (€105 million, for Paul Pogba’s move from Juventus to Manchester United a season earlier). “Neymar is today one of the very best players in world football. His winning mentality, strength of character, and sense of leadership have made him a great player,” said Al-Khelaifi when PSG presented the Brazilian superstar. “In six years, we have built a very ambitious project that has already taken us to the highest level of national and European football. Today, with the arrival of Neymar, I am convinced that we will come even closer, with the support of our faithful fans, to realizing our greatest dreams.”

That same summer, a then 18-year old Kylian Mbappé joined PSG on loan from AS Monaco, with an option to buy; PSG formally acquired him in early 2018 for a fee that, with bonuses, could amount to €180 million, which remains the second-largest transfer in soccer history (see **Exhibit 8**). “Those transfers had a very positive impact on the team,” said Marquinhos. “They made us a better team. With Neymar, Mbappé, and also Ángel Di María, Thiago Silva, Marco Verratti, Edinson Cavani, and others, we have one of the best teams in the world, ready to challenge for major honors.” “I had reached a point in my career where I wanted to take on bigger challenges and step up to the next competitive level,” said Mbappé. “PSG offered the chance to regularly compete for trophies, to play with top class team-mates, learn from experienced players and take on the responsibility of driving a high-profile club to even greater heights.”

Thomas Tuchel, PSG’s head coach since 2018, relished working with the star players: “If you buy players like Neymar and Mbappé, you can play offensive, attacking football—they help set us apart from many other clubs.” “We have each of them under contract for another two years after this season,” noted de Araujo. He was content with how far PSG had come in its talent acquisition strategy: “If you talk with players from the best five teams in the world, they say they consider PSG a place to play. I think that means we’re at their level now.”

Youth Players. Since QSI’s arrival at the club, Al-Khelaifi and his team had also sought to revamp PSG’s youth academy. “It’s a lot sexier to talk about a €200 million investment in a star player than a €200 million investment in the youth academy, but we have been very active here, too,” said

Ribes. PSG had two youth teams, the under-17-year olds (U17) and the under-19-year olds (U19). Tuchel was committed to debuting young players in the first team. "It is part of my job to build an environment where young players can play," he said, adding: "For me, it is extremely rewarding to see young players train and learn with us, and give them a chance to join the first team." One player who had made the jump was Presnel Kimpembe, at PSG since age ten and now a permanent fixture in defense (and a member of France's 2018 World-Cup-winning team); another defender and a French youth international, Loïc Mbe Soh, seemed on the verge of making his senior debut.

Many other talented young players awaited their chance. One particularly promising prospect was 16-year old Xavi Simons, a Dutch youngster who had played in FC Barcelona's youth teams since age seven (where he was often described as 'the pearl' of that club's youth academy) and had joined PSG's U17 team in 2019. He was expected to join the first team by 2022. "I was able to train with the first team a few times recently," he said. "It was amazing to share the field with players like Di María, Mbappé, and Neymar. I feel I know better now what it takes to get to their level."

PSG offered thousands of children, in France and around the world, the chance to play soccer in one of its permanent schools and holiday camps. Under Al-Khelaifi's leadership, PSG had expanded its academy operations to 66 cities in 15 countries, and now trained close to 20,000 kids yearly.

Renovating the Stadium and Developing a New Training Ground

PSG's new leadership team made significant investments in infrastructure. "We wanted to give a clear sign to the market that we were serious about our ambitions, and that we were thinking long-term," said Blanc.

The club's 48,000-seat stadium, the Parc des Princes, located in the south-west of Paris, became an immediate focus. The executives 'redrew' the stadium, creating room for lounges and hospitality offerings, and freeing up sought-after areas for VIP seats and boxes. "PSG's corporate headquarters were located inside the Parc des Princes, spanning two full floors," explained Blanc. "We moved our offices to a building ten minutes outside the stadium in order to free up the square meters that would allow us to improve the stadium experience for fans." All in all, helped by €75 million in private-equity investments, they were able to turn 6,000 square meters into newly renovated, premium areas.

Al-Khelaifi's team increased the number of VIP seats from 1,500 in 2011 to more than 5,000 in 2019. They invested in improving the quality of the experience for VIP ticket holders, for instance by installing comfortable seats and screens, opening a premium welcome and concierge service, and enlisting the help of two famous Parisian *traiteurs* to elevate food and beverage on offer. They further introduced a range of new private boxes, executive lounges and clubs. The 'Salon Monceau' executive club, for instance, held 154 seats and offered catering before the game, at half-time, and after the game, for nearly €7,500 per seat per season. The high-end 'Le Cercle' experience, available for upwards of €1,600 per seat per game, offered amenities such as a private lounge, seats in the presidential VIP area, access to the presidential lounge during halftime, and a gastronomic dinner after the game. There was even a panoramic lounge, 'SkyBar,' that seated 140 people and could be rented for a minimum of €50,000 per game. "We wanted to deliver a unique stadium experience that is different from any other sports club, with premium food and outstanding design," said Blanc. "Our latest innovation is a lounge, 'La Galerie,' for fans who want to be really close to the players – it has a large window into the tunnel that players use to go onto the field," said Ribes, who noted that each seat in the new lounge cost around €25,000 for the season.

To further improve the stadium experience, Al-Khelaifi also made what was perhaps a surprising move: he instructed his team to reach out to the hardcore fans (known as 'ultras') that had been discouraged from attending games under the previous owners. "Nasser was keen to create the ambiance that characterizes great sports teams, and so we worked very hard to bring back the ultras," said Ribes. "And now, after several years, you should see the atmosphere. They sing non-stop, from the beginning of a match to the end. When the then president of Nike's Jordan brand visited the stadium, he couldn't believe his eyes. He said, 'Wow – explain this to me. What is going on with these

crazy guys chanting and playing the drums and setting off flares? He had never seen anything like it and loved it. The league actually penalizes us every time someone cracks a flare, but the fans want to create a strong atmosphere for our team.”

Beyond the stadium, another major project was the development of a new training center. After an extensive search, PSG's executives settled on a piece of land in Poissy, a western suburb of Paris, a 25-minute drive away from the Parc des Princes (and 15 minutes from the old Ooredoo training center). They obtained the necessary permits in July 2019. “Since we took over PSG, we have committed significant capital to overhauling the sites that serve our men's, women's and youth teams. The process of identifying and acquiring the appropriate site for our new training center has been long and complex, but I'm happy that we eventually secured the ideal plot of land, and construction is now well under way,” said Al-Khelaifi. He had committed €300 million for the construction of the 74-hectares center, and the plan was to open in 2022. “It will be a state-of-the-art home,” he said, “with a medical center, hotel rooms for the players, education facilities, fifteen pitches, its own 5,000-seat stadium, and much, much more.” “We'll have a place to provide the ideal training conditions for our team,” said de Araujo. “I can't wait to train in the new center,” agreed PSG player Marco Verratti. “These facilities will be another boost in our pursuit of success. I have seen some images, and it is really impressive.”

Redefining the PSG Brand – And Pursuing High-Profile Collaborations

PSG's new leadership also set out to transform the club's brand, capitalizing on PSG's home city. “Paris means fashion, style, design, and diversity,” said Al-Khelaifi. “We wanted to embrace the values that make the city so unique. Not every club can do that. And we wanted to turn our brand into a global lifestyle brand.” Marc Armstrong, PSG's chief partnerships officer, added: “We are not trying to be Real Madrid or FC Barcelona—as a young club, we don't yet have the trophies and history they do—but we are ambitious, we have many of the world's best players, and we can rely on having Paris in our DNA. That is what makes us different, and what makes us appealing to global brands.”

The first step was to redesign the logo. In February 2013, PSG unveiled the results of its efforts—a more modern-looking logo that kept the basic circular shield and the iconic Eiffel Tower at its heart, but that more prominently featured the word ‘Paris’ in the club's name (see **Exhibit 9**). PSG's executives next set out to connect more widely with other cultures beyond soccer—with other sports, but also with areas such as fashion, music, film and television, and art. “It's a very different strategy than what was common among soccer clubs,” said Fabien Allegre, PSG's director of brand development. “The mandate for every project we undertook was to spread the brand in different directions—to touch a different audience with each collaboration.”

Fashion, through partnerships with premier designers, was an early focus. In 2017, PSG was featured at Paris Fashion Week, thanks to Christelle Kocher, creative designer of the fashion brand Koché, who used PSG's jersey in a range of outfits (also see **Exhibit 9**). The club repeated that feat in 2018, when Indian designer Manish Arora presented colorful portraits of players on T-shirts, jackets and dresses.²⁸ “It is my mission to attract fashion designers who want to collaborate with us while, at the same time, making sure that our brand is seen and recognized in the streets,” noted Guillaume Salmon, PSG's lifestyle communication manager.

In 2018, PSG made a big splash when the club became the first and exclusive global soccer partner of sports apparel giant Nike's Jordan brand, named after basketball legend Michael Jordan and known for its distinctive ‘Jumpman’ logo that depicted a silhouette of Jordan playing basketball. The first collection counted over 90 performance, training, and lifestyle products (also see **Exhibit 9**)—and saw the Jumpman logo featured on the jerseys PSG used during its European campaign. The 40,000 items produced sold out within a week. In fact, when the collection went live, queues stretched outside the PSG stores on the Champs-Élysées and close to Parc des Princes, while ecommerce managers had to disable the pre-order function on PSG's website because of the spike in demand.²⁹ Since then, two more collections had launched, each selling strongly. The second collection, for instance, triggered a flood of visits to PSG's ecommerce site, selling out over 5,000 items within a matter of hours.

“Our collaboration with Jordan is aimed at bridging sportswear and street fashion. It enabled us to reach fans who didn’t necessarily follow PSG as a soccer club but who felt that wearing an item from the collection was cool from a lifestyle point of view,” said Allegre. “This partnership is going to bring us more fans around the world,” agreed Al-Khelaifi. “We’ll attract fans who love soccer and basketball, but also fans who love street fashion, who love Michael Jordan, and who love Paris.” Al-Khelaifi himself was hands on, noted Ribes: “Nasser drives this process from beginning to end, with an input on every detail of the product line—for example which colors the jerseys should be, where the flag goes, and where it might say ‘Paris,’ always reflecting on how supporters might feel about the end product.”

PSG made its first foray into the film industry with its collaboration with Hollywood studio Warner Bros. on the promotion of their superhero film *Justice League*. A promotional video for the France market featured several PSG players.³⁰ The club later partnered with production company Illumination Entertainment on a campaign for its latest installment of the *Minions* animated film franchise, *Minions: The Rise of Gru*, by releasing plush toy versions of the main characters dressed in PSG apparel. “*Justice League* fit perfectly with the story we want to tell around our players, and *Minions* is a worldwide franchise that enabled us to reach a wide audience, from very young to old,” said Allegre. PSG kicked off its partnerships in music with an arrangement to produce exclusive co-branded merchandise for The Rolling Stones, to celebrate the rock band’s return to the French capital for a series of concerts. Clothing and accessories, including PSG shirts with the Stones’ iconic lips logo on the back, were sold at trendy concept boutique Colette. “Music is our next frontier,” said Salmon. “There are tons of great opportunities for us to explore in music.” In art, PSG’s brand team worked with local artists to produce a new poster for each Champions League match.

PSG’s efforts had not gone unnoticed by celebrities. Parc des Princes had become a popular destination for A-list athletes, actors, musicians, and models: Leonardo di Caprio, Lenny Kravitz, Rihanna, Naomi Campbell, and the Kardashians had all visited a game. Meanwhile, in partnership with Nike, the club worked with a select group of A-listers to get exposure for its merchandise. Pop star Justin Timberlake, for instance, wore a ‘PSG x Jordan’ jacket during a concert in Paris, and just days later rapper and fashionista Travis Scott unveiled a limited-edition ‘PSG x Jordan’ basketball jersey, weeks ahead of its official release (when it sold out instantly). All other instances “came about organically,” said Allegre, “and have been extremely helpful to driving visibility for our jersey and our brand.” For example, American singer Beyoncé and British singer Rita Ora were spotted wearing pieces by Koché, and basketball star LeBron James dressed in a PSG jersey before an NBA game.³¹

Paris Saint-Germain in 2020

By March 2020, nearly nine years since QSI acquired PSG in 2011, the results of the club’s new strategic direction were clearly visible—on and off the field.

Results in Sports

Domestically, PSG had emerged as the dominant force in French soccer. In eight full seasons, it won the Ligue 1 title six times, the Coupe de France four times, the Coupe de la Ligue five times, and the Trophee des Champions seven times (see **Exhibit 7**).

In Europe, while the club had so far failed to win the trophy it wanted most of all, PSG had managed to survive the group stages in each of the last seven seasons of the Champions League—a feat it shared with only three other teams. But PSG failed to advance beyond the quarter finals in the first four seasons during that spell and did not make it out of the round of 16 in the latter three seasons (also see **Exhibit 7**). Some losses had been especially heart-breaking. For example, in March 2017, after dismissing FC Barcelona at home in the first leg of the round-of-16 match with a stunning 4-0, PSG lost 6-1 in the away game against their Spanish rivals. In March 2019, PSG lost at the same stage to Manchester United: after first beating United 0-2 in Manchester, PSG suffered a 1-3 defeat at home (with the visitors’ third goal coming as a result of a controversial penalty), sending the English club

through to the quarter finals on account of having scored more away goals. "After that first game in Manchester, everyone here in Paris felt positive," said head coach Tuchel. "That second game was a tough defeat, but you have to accept that luck – or a lack of luck – plays a role in football."

"The club I joined is not the same club I play for now. It has totally changed," said Verratti, at PSG since the summer of 2012. "The team has been built over the years to become one of the best in Europe in many different ways. We have seen big improvements in terms of training methodology, sports science, and the general approach to performance and wellbeing." Tuchel added: "For me, success means us playing in an intense, high-energy attacking style that makes people switch on their television and makes them enjoy watching us play. But advancing to the latter stages of the Champions League is necessary in order to give credibility to our project." Mbappé was optimistic: "We know that we are at the cusp of writing what could be some of the most important chapters of this club's history, and we are all united and driven by this."

Results in Business

On the business side, PSG had shown strong growth since QSI had taken over (see **Exhibit 10** for financial results and **Exhibit 11** for key indicators). Revenues were up from €95 million in the 2010-2011 season to €637 million in the 2018-2019 season, a level that only four clubs – FC Barcelona, Real Madrid, Manchester United, and FC Bayern Munich – topped. "We've elevated the club to new heights," said Blanc. "We went from 200 to 750 employees in the span of eight years. Our challenge is to grow fast but not too fast, because you tend to lose control when that happens."

Helped by the improvements in seating and hospitality, **match day revenues** had quadrupled, from €24 million in 2010-2011 to €115 million in 2018-2019. "In the past, it was rare for the Parc des Princes to sell out. But we have sold out all matches two seasons in a row now," noted Ribes. "We've also significantly increased the percentage of visitors who come from abroad – it now stands at 20%, up from just 2%." PSG recorded a higher average-revenue-per-seat-per-season number – €2,395 – than any other soccer club (Chelsea FC ranked second with €2,003, and Arsenal third with €1,852).³²

Driven in large part by PSG's streak of qualifying for (and succeeding in the group stages of) the Champions League, **broadcasting revenues** were up from €45 million in 2010-2011 to €151 million eight seasons later. "Our revenues from domestic television rights here in France are low compared to other big leagues – we get roughly half of what the lowest-ranking club in the Premier League gets," noted Blanc. A new four-year agreement that started in the 2020-2021 season was worth €1.2 billion, up from the previous deal's €600 million. "That helps, but in our last meeting of club presidents, some clubs proposed to spread that additional money equally across all clubs," said Al-Khelaiifi. "I argued against that. I am not trying to be unsympathetic to the other clubs, but we helped create that increase, and we need it to be able to compete on a European level."

Commercial revenues, covering sponsorship, merchandising and partnerships, increased more than twelvefold, from €26 million to €366 million, in eight years. "On the sponsorship side, we now have two 'principal' partners, Accor and Nike, in our highest tier," said Armstrong. "Around two dozen other brands are either 'premium' or 'official' partners, forming the second and third tier."

In 2019, Nike had renewed its deal with PSG through 2032. "When QSI took over the Club, our jersey deal was far from competitive," said Ribes. "Now, our deal ranks in the top three among all clubs, and it is the single longest-standing agreement with Nike in soccer – our partnership will have run for over 40 years when it is due for renewal in 2032." PSG sold more than a million jerseys in the 2018-2019 season. Armstrong added: "Over half of the sales of the Jordan collection in year one came from outside of France – no other club comes close to that proportion outside of their home market. We are truly global." To sell the club's official apparel, PSG had opened stores in France and abroad – including, in a first for soccer clubs, in Tokyo, Japan.

French-owned hotel group Accor became a principal partner and front-of-jersey sponsor in 2019; its new loyalty program ALL ('Accor Live Limitless') replaced long-standing sponsor Emirates airline on the jersey. "Accor and PSG are both global lifestyle brands with a French background, with a strong

interest in markets such as North America and China” said Steven Taylor, Accor’s chief marketing officer. He was pleased with the results: “We’ve seen a fivefold return on investment. France represents 10% of that value; the rest of Europe 40%, and North America 15%.” He added: “Our top-rated social-media posts came after a Champions League game PSG played against Real Madrid. And the most surprising part of the deal for me has been the reach of the top players, who are driving twice the value we were anticipating.” (Players were free to pursue their own sponsorship deals, but PSG held the sponsorship rights when the sponsor asked players to wear the PSG jersey, or when the sponsor requested the services of five or more players.)

PSG’s own social media presence had significantly grown as well. Whereas the club had half a million followers across platforms in 2011, that count was up to nearly 81 million followers by 2020, placing PSG eighth in a ranking of most-followed clubs, well behind Real Madrid, FC Barcelona, and Manchester United (with 253 million, 247 million, and 132 million followers, respectively). Neymar individually had 242 million followers, making him the second-most-followed soccer player in the world, ahead of FC Barcelona’s Lionel Messi and behind Juventus’ Cristiano Ronaldo (with 237 million and 416 million followers, respectively).

For PSG’s executives, social media and other forms of content offered great potential. “We are an entertainment company – we can produce content on every single thing that happens on and off the field,” said Russell Stopford, PSG’s chief digital officer. “There is a lot of untapped value for us in that, as long as we can keep control of it and find ways to monetize it.” Stopford viewed PSG as a “major player, yet retaining the enterprising spirit of a challenger brand,” he said: “We are disrupting the world of football, on and off the pitch, in a uniquely Parisian style – that’s the story we want to tell.” Verratti added: “The huge effort the club has made in marketing and growing the brand in many different and unique ways is visible to our supporters around the world. This club is not afraid to push boundaries. Every year I have been here, I have witnessed this club advance in one way or another.”

PSG had faced difficult trade-offs on the content side, Blanc noted: “Last year, even though it would have been a really valuable opportunity to further develop our brand, we said no to a multi-million-euro offer from a Hollywood studio to produce a documentary about our season. We knew if we didn’t do it, they would go to another top club. And we knew that if we said no, our players might want to do something on their own. But we wanted to keep the focus on sports, and only pursue these opportunities in ways that would not disrupt the team.”

Although revenues had shown tremendous growth, the club’s costs had increased even more, from €130 million in the 2010-2011 season to €705 million in the 2018-2019 season. In recent years, along with increases in all other sources of revenues, income from player sales had helped PSG to stay compliant with UEFA’s Financial Fair Play. “With a budget of more than €600 million, we have to make sure to not lose more than €5 million, per the regulations,” noted Blanc. “But how can you grow a business if you cannot invest upfront? Catching up with the big soccer clubs is much more complicated now. You could say that we were lucky that FFP was introduced only after we started this project. But without FFP, we might have already won a Champions League – it has really slowed us down.”

The Vision for the Future: Key Priorities

Although PSG had come a long way under QSI’s ownership, Al-Khelaifi and his team of executives were not satisfied. In a strategic plan covering the next five years, they had outlined two key priorities.

Winning the UEFA Champions League

First and foremost, the focus remained on improving PSG’s sports results. “We want to win trophies,” said Al-Khelaifi. “Performance on the field comes first. We have to win – the French League, the Champions League... those are the goals we set for ourselves.” Sports director de Araujo was well aware of the expectations that came with his role: “This current chapter of our story isn’t finished until we win the Champions League,” he said. “We already dominate in France, and we have done well in

the first stage of the Champions League, but those last seven matches [six in the knock-out rounds and one final] to get the title have been very difficult." He added: "We can pretend that winning the Champions League is not a goal that occupies our thoughts, but it is. We have to concentrate on results on the field – this is the time. Our aim is to be among the last eight in the competition every year, so we put ourselves in the position to win." General manager Blanc agreed: "At the end of the day, we are a sports club. We are here to win trophies. Sports comes first, and that fuels all the other activities."

Becoming One of the World's Top Sports Franchises

Further developing the institution, with a global brand and a business model that maximized the club's ability to generate revenues from that brand, was a second main objective. "Our commercial revenues might be ahead of where our sports results are at the moment, but we have to be ready to capture the value that emerges when victory comes on the field. We have to continue to build the brand, develop the different revenue streams, and activate them," said Blanc. "The more revenues we generate now, the better the team we can have on the field. And the more we prepare now, the more things can truly explode when we win." "We have embraced diversification perhaps more than any other sports team in Europe, if not the world," said Al-Khelaifi, adding: "I believe that these business verticals and brand initiatives that are today at an early stage, in the coming years will prosper into significant revenue streams. We envision PSG becoming synonymous with Paris, much like the New York Yankees are with New York City."

In its strategic plan, PSG's executives expressed a desire to belong to the top three of soccer's highest-grossing clubs within the next five years. "And our overarching ambition is to become a top three sports franchise globally, by all measures – revenues, brand strength, societal impact, and most importantly, sports success. We have achieved a high degree of success to date, but we will continue to drive forward toward that goal," said Al-Khelaifi (see **Exhibit 12** for current rankings). He added: "When QSI acquired the club for €70 million, many institutional investors told us it was a bad deal – that it was an expensive acquisition. But we saw the massive potential this club had. We believe we can build up this enterprise to a value far in excess of €3 billion. It will take time, and we will need to deliver on the pitch, but we can get there."

Al-Khelaifi was excited about the possibilities that leading one of the world's elite sports brands would bring. "We have a foundation, the Paris Saint-Germain Foundation, that provides support for vulnerable young people in the form of educational and sporting programs, and we have already helped hundreds of thousands of kids in France and abroad. If I am forced to pick between benefitting the children and winning the Champions League in the next five years, I'll choose the children." He added, with a smile: "But then I really want to win the Champions League in year six."

Could PSG, which would celebrate its fiftieth anniversary in a few months, claim a spot among Europe's long-standing soccer powerhouses and win the continent's biggest trophy? And did Al-Khelaifi and his team of executives have the right strategy toward establishing PSG as one of the world's top sports franchises?

Exhibit 1 Top 20 Highest-Grossing Soccer Clubs (in the 2018-2019 season, in millions of €)

| Rank | Club | League | Match-Day Revenues ^a | Broadcasting Revenues ^b | Commercial Revenues | Total Revenues |
|----------|----------------------------|----------------|---------------------------------|------------------------------------|---------------------|----------------|
| 1 | FC Barcelona | LaLiga | 159 | 298 | 384 | 841 |
| 2 | Real Madrid | LaLiga | 145 | 258 | 354 | 757 |
| 3 | Manchester United | Premier League | 121 | 274 | 317 | 712 |
| 4 | FC Bayern Munich | Bundesliga | 92 | 211 | 357 | 660 |
| 5 | Paris Saint-Germain | Ligue 1 | 116 | 157 | 363 | 636 |
| 6 | Manchester City | Premier League | 62 | 288 | 261 | 611 |
| 7 | Liverpool FC | Premier League | 95 | 299 | 211 | 605 |
| 8 | Tottenham Hotspur | Premier League | 93 | 277 | 151 | 521 |
| 9 | Chelsea FC | Premier League | 76 | 227 | 210 | 513 |
| 10 | Juventus FC | Serie A | 66 | 209 | 185 | 460 |
| 11 | Arsenal FC | Premier League | 109 | 211 | 126 | 446 |
| 12 | Borussia Dortmund | Bundesliga | 60 | 167 | 150 | 377 |
| 13 | Atlético de Madrid | LaLiga | 59 | 209 | 100 | 368 |
| 14 | Inter Milan | Serie A | 51 | 159 | 155 | 365 |
| 15 | FC Schalke 04 | Bundesliga | 54 | 161 | 110 | 325 |
| 16 | AS Roma | Serie A | 32 | 145 | 54 | 231 |
| 17 | Olympique Lyonnais | Ligue 1 | 42 | 122 | 57 | 221 |
| 18 | West Ham United | Premier League | 30 | 145 | 41 | 216 |
| 19 | Everton FC | Premier League | 17 | 152 | 44 | 213 |
| 20 | SSC Napoli | Serie A | 16 | 145 | 46 | 207 |

Source: Adapted from "Football Money League" by Deloitte (January 2020).

^a Includes membership fees and ticket sales from national and international competitions.

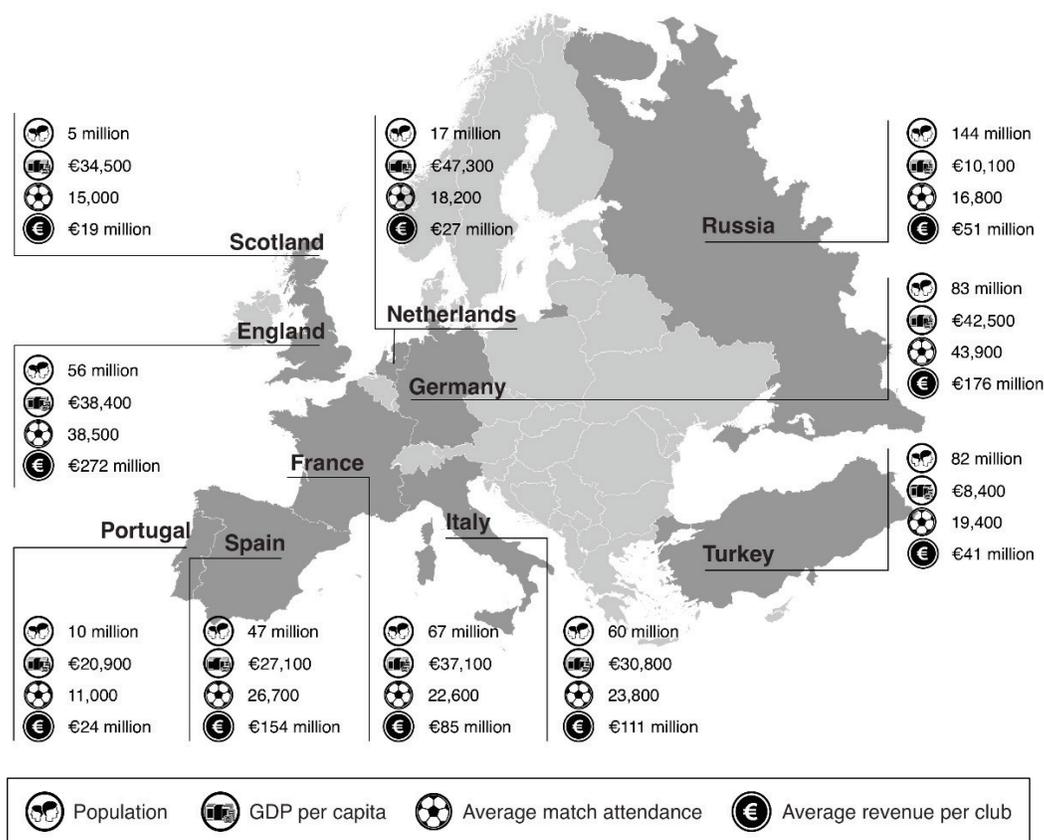
^b Includes broadcasting rights sales for national and international competitions (e.g., UEFA Champions League).

Exhibit 2a Top 10 European Leagues (by Revenues in the 2017-2018 Season, in millions of €)

| Rank | League | Country | Match-Day Revenues | Broadcasting Revenues | Commercial Revenues | Total Revenues |
|------|-----------------|-----------------|--------------------|-----------------------|---------------------|----------------|
| 1 | Premier League | England | 757 | 3,210 | 1,473 | 5,440 |
| 2 | Bundesliga | Germany | 538 | 1,248 | 1,382 | 3,168 |
| 3 | LaLiga | Spain | 510 | 1,609 | 954 | 3,073 |
| 4 | Serie A | Italy | 257 | 1,294 | 666 | 2,217 |
| 5 | Ligue 1 | France | 191 | 791 | 710 | 1,692 |
| 6 | Russian Premier | Russia | 52 | 112 | 649 | 813 |
| 7 | Süper Lig | Turkey | 74 | 376 | 281 | 731 |
| 8 | Eredivisie | The Netherlands | 120 | 89 | 286 | 495 |
| 9 | Primeira Liga | Portugal | 58 | 225 | 148 | 431 |
| 10 | Premiership | Scotland | 105 | 64 | 64 | 233 |

Source: Adapted from Deloitte's Annual Review of Football Finance.

Exhibit 2b Top 10 European Leagues: General Information



Source: Compiled from data.worldbank.org, Deloitte's Annual Review of Football Finance, soccerstats.com.

Exhibit 3a UEFA Champions League: Winners and Runner-Ups (2000-2019)

| Season | Winner | Country | Runner-Up | Country | Score ^a |
|---------|-------------------|----------|--------------------|---------|--------------------|
| 2018-19 | Liverpool FC | England | Tottenham Hotspur | England | 2-0 |
| 2017-18 | Real Madrid | Spain | Liverpool FC | England | 3-1 |
| 2016-17 | Real Madrid | Spain | Juventus FC | Italy | 4-1 |
| 2015-16 | Real Madrid | Spain | Atlético de Madrid | Spain | 1-1 (PS) |
| 2014-15 | FC Barcelona | Spain | Juventus FC | Italy | 3-1 |
| 2013-14 | Real Madrid | Spain | Atlético de Madrid | Spain | 4-1 (ET) |
| 2012-13 | Bayern Munich | Germany | Borussia Dortmund | Germany | 2-1 |
| 2011-12 | Chelsea FC | England | Bayern Munich | Germany | 1-1 (PS) |
| 2010-11 | FC Barcelona | Spain | Manchester United | England | 3-1 |
| 2009-10 | Inter Milan | Italy | Bayern Munich | Germany | 2-0 |
| 2008-09 | FC Barcelona | Spain | Manchester United | England | 2-0 |
| 2007-08 | Manchester United | England | Chelsea FC | England | 1-1 (PS) |
| 2006-07 | AC Milan | Italy | Liverpool FC | England | 2-1 |
| 2005-06 | FC Barcelona | Spain | Arsenal FC | England | 2-1 |
| 2004-05 | Liverpool FC | England | AC Milan | Italy | 3-3 (PS) |
| 2003-04 | FC Porto | Portugal | AS Monaco | France | 3-0 |
| 2002-03 | AC Milan | Italy | Juventus FC | Italy | 0-0 (PS) |
| 2001-02 | Real Madrid | Spain | Bayer Leverkusen | Germany | 2-1 |
| 2000-01 | Bayern Munich | Germany | Valencia CF | Spain | 1-1 (PS) |

Source: Adapted from UEFA.com.

^a 'ET' denotes 'game decided in extra time,' and 'PS' denotes 'game decided by penalty shoot-out'.

Exhibit 3b UEFA Champions League: Top 10 Clubs by Titles Won

| Rank | Team | League | Country | Titles ^a | Runner-Ups |
|------|-------------------|----------------|-----------------|---------------------|------------|
| 1 | Real Madrid | LaLiga | Spain | 13 | 3 |
| 2 | AC Milan | Serie A | Italy | 7 | 4 |
| 3 | Liverpool FC | Premier League | England | 6 | 3 |
| 4 | Bayern Munich | Bundesliga | Germany | 5 | 5 |
| 5 | FC Barcelona | LaLiga | Spain | 5 | 3 |
| 6 | AFC Ajax | Eredivisie | The Netherlands | 4 | 2 |
| 7 | FC Inter Milan | Serie A | Italy | 3 | 2 |
| 8 | Manchester United | Premier League | England | 3 | 2 |
| 9 | Juventus FC | Serie A | Italy | 2 | 7 |
| 10 | SL Benfica | Primeira Liga | Portugal | 2 | 5 |

Source: Adapted from UEFA.com.

^a Includes titles won prior to 1993 when the competition was named European Cup.

Exhibit 3c UEFA Champions League: Distribution of Revenues (in the 2018-2019 season)

| Position | Team | Revenue Components (€M) ^a | | | | Total Revenues (€M) |
|----------------|---------------------|--------------------------------------|-------------------|------------------------|---------------|---------------------|
| | | Participation (25%) | Performance (30%) | UEFA Coefficient (30%) | TV Pool (15%) | |
| Winner | Liverpool FC | 15 | 61 | 23 | 13 | 111 |
| Final | Tottenham Hotspur | 15 | 55 | 16 | 17 | 102 |
| Semi-finals | FC Barcelona | 15 | 47 | 34 | 23 | 118 |
| Semi-finals | AFC Ajax | 15 | 45 | 19 | 1 | 79 |
| Quarter-finals | Juventus FC | 15 | 33 | 30 | 19 | 96 |
| Quarter-finals | Manchester City | 15 | 34 | 24 | 21 | 93 |
| Quarter-finals | Manchester United | 15 | 30 | 31 | 18 | 93 |
| Quarter-finals | FC Porto | 15 | 37 | 29 | 1 | 81 |
| Last 16 | Paris Saint-Germain | 15 | 21 | 27 | 24 | 86 |
| Last 16 | Atlético de Madrid | 15 | 24 | 32 | 16 | 86 |
| Last 16 | Real Madrid | 15 | 23 | 35 | 13 | 85 |
| Last 16 | Bayern Munich | 15 | 26 | 32 | 11 | 83 |
| Last 16 | Olympique Lyonnais | 15 | 18 | 21 | 17 | 70 |
| Last 16 | Borussia Dortmund | 15 | 24 | 22 | 6 | 66 |
| Last 16 | FC Schalke 04 | 15 | 21 | 20 | 10 | 65 |
| Last 16 | AS Roma | 15 | 20 | 12 | 12 | 58 |
| Group stage | SSC Napoli | 15 | 10 | 13 | 13 | 50 |
| Group stage | SL Benfica | 15 | 7 | 28 | 1 | 50 |
| Group stage | Shakhtar Donetsk | 15 | 7 | 25 | 1 | 48 |
| Group stage | Valencia CF | 15 | 9 | 17 | 8 | 48 |
| Group stage | Inter Milan | 15 | 8 | 18 | 8 | 48 |
| Group stage | AS Monaco | 15 | 2 | 7 | 18 | 41 |
| Group stage | CSKA Moscow | 15 | 8 | 14 | 1 | 37 |
| Group stage | Club Brugge | 15 | 6 | 9 | 2 | 31 |
| Group stage | Viktoria Plzen | 15 | 8 | 8 | 1 | 31 |
| Group stage | Galatasaray SK | 15 | 5 | 10 | 2 | 31 |
| Group stage | PSV Eindhoven | 15 | 3 | 11 | 1 | 29 |
| Group stage | TSG 1899 Hoffenheim | 15 | 4 | 3 | 7 | 28 |
| Group stage | BSC Young Boys | 15 | 5 | 6 | 2 | 27 |
| Group stage | Lokomotiv Moscow | 15 | 4 | 4 | 1 | 23 |
| Group stage | Red Star Belgrade | 15 | 5 | 2 | 1 | 22 |
| Group stage | AEK Athens | 15 | 1 | 1 | 3 | 19 |

Source: Adapted from UEFA.com.

^a 'Participation' refers to the equal share that every participating club receives, which adds up to 25% of the total revenue pool, 'Performance' denotes the share that each club receives based on its performance, which adds up to 30% of the pool. 'UEFA Coefficient' refers to the share that each club receives based on its ten-year-performance record, which also adds up to 30% of the pool. 'TV Pool' denotes the share each club receives based on its country's television market, which adds up to 15%.

Exhibit 4a The Market for Talent: Players by Country of Origin in the Top 5 European Leagues

| Country of Origin | Total Number of Players in the Five Biggest European Leagues | Number of Players in... | | | | |
|-------------------|--|-------------------------|------------|------------|------------|------------|
| | | Premier League | LaLiga | Bundesliga | Serie A | Ligue 1 |
| France | 382 | 30 | 20 | 27 | 15 | 290 |
| Spain | 351 | 26 | 292 | 12 | 14 | 7 |
| Germany | 272 | 14 | 2 | 244 | 9 | 3 |
| Italy | 232 | 6 | 1 | 3 | 217 | 5 |
| England | 195 | 185 | 1 | 5 | 3 | 1 |
| Brazil | 119 | 22 | 22 | 11 | 40 | 24 |
| Argentina | 76 | 16 | 25 | 5 | 24 | 6 |
| Netherlands | 56 | 17 | 3 | 18 | 14 | 4 |
| Portugal | 48 | 16 | 14 | 3 | 4 | 11 |
| Other countries | 932 | 209 | 104 | 216 | 207 | 196 |
| Total | 2,607 | 524 | 481 | 526 | 533 | 543 |

Source: Adapted from Transfermarkt.com.

Exhibit 4b The Market for Talent: National Team Players in the Top 5 European Leagues

| National Team | Players Playing Abroad | Players Playing Domestically | Number of Players in... | | | | |
|---------------|------------------------|------------------------------|-------------------------|----------|------------|----------|----------|
| | | | Premier League | LaLiga | Bundesliga | Serie A | Ligue 1 |
| France | 14 | 9 | 5 | 6 | 2 | 1 | 9 |
| Germany | 8 | 15 | 3 | 2 | 15 | 1 | 2 |
| Spain | 6 | 17 | 4 | 17 | 1 | 1 | 0 |
| Italy | 2 | 21 | 2 | 0 | 0 | 21 | 0 |
| England | 0 | 23 | 23 | 0 | 0 | 0 | 0 |

Source: Adapted from Transfermarkt.com.

Exhibit 5 Foreign Ownership: Foreign-Owned Teams in the Top 5 European Leagues

| League | Total Teams | Foreign Owner | Nationality of Foreign Owner | | | | | Domestic Owner | Member Owned |
|----------------|-------------|---------------|------------------------------|----------|-------------|----------|----------|----------------|--------------|
| | | | U.S. | China | Middle East | Russia | Other | | |
| Premier League | 20 | 14 | 5 | 2 | 3 | 2 | 2 | 6 | 0 |
| Ligue 1 | 20 | 7 | 2 | 0 | 1 | 1 | 3 | 13 | 0 |
| Serie A | 20 | 6 | 3 | 2 | 0 | 0 | 1 | 14 | 0 |
| LaLiga | 20 | 5 | 1 | 2 | 0 | 0 | 2 | 12 | 3 |
| Bundesliga | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 14 |

Source: Compiled from various sources.³³

Exhibit 6 League 1 Clubs, Ranked by Revenues (2019-2020)

| | Club | Ligue 1 Debut | Ligue 1 Titles | Revenues (€M) | | | | Total |
|----------|----------------------------|------------------|-------------------|---------------|------------------------------------|------------------------------------|-------------------------|------------|
| | | | | Match Day | Domestic Broadcasting Rights | European Broadcasting Rights | Commercial ^a | |
| 1 | Paris Saint-Germain | 1971-72 | 8 | 63 | 65 | 92 | 439 | 658 |
| 2 | Olympique Lyonnais | 1951-52 | 7 | 42 | 51 | 71 | 57 | 221 |
| 3 | Olympique de Marseille | 1932-33 | 9 | 20 | 48 | 12 | 50 | 130 |
| 4 | AS Monaco | 1953-54 | 8 | 3 | 35 | 41 | 33 | 112 |
| 5 | Stade Rennais FC | 1932-33 | — | 10 | 31 | 20 | 19 | 80 |
| 6 | AS Saint-Etienne | 1938-39 | 10 | 6 | 42 | — | 26 | 74 |
| 7 | FC Girondins Bordeaux | 1945-46 | 6 | 14 | 31 | 13 | 14 | 71 |
| 8 | LOSC Lille | 1945-46 | 3 | 10 | 40 | — | 14 | 64 |
| 9 | OGC Nice | 1932-33 | 4 | 4 | 34 | — | 16 | 54 |
| 10 | FC Nantes | 1963-64 | 8 | 8 | 28 | — | 16 | 51 |
| 11 | HSC Montpellier | 1932-33 | 1 | 2 | 32 | — | 17 | 51 |
| 12 | RC Strasbourg Alsace | 1934-35 | 1 | 8 | 26 | — | 15 | 49 |
| 13 | Stade Reims | 1945-46 | 6 | 5 | 26 | — | 10 | 41 |
| 14 | FC Toulouse | 1982-83 | — | 3 | 23 | — | 10 | 37 |
| 15 | SCO Angers | 1956-57 | — | 3 | 24 | — | 8 | 35 |
| 16 | FCO Dijon | 2011-12 | — | 2 | 21 | — | 10 | 34 |
| 17 | SC Amiens | 2017-18 | — | 4 | 22 | — | 6 | 32 |
| 18 | Nimes Olympique | 1950-51 | — | 4 | 25 | — | 3 | 32 |
| 19 | FC Metz | 1932-33 | — | 3 | 10 | — | 7 | 20 |
| 20 | Stade Brest 29 | 1979-80 | — | 1 | 6 | — | 10 | 17 |

Source: Compiled from Ligue de Football Professionnel (LFP), Ligue 1.com, and L'Equipe.

^a Includes revenues from sponsorships, merchandising, partnerships, and other commercial activities.

Exhibit 7a PSG's Record: Titles and Trophies

| | Competition | Titles | Years |
|----------|--------------------------------|---------------|--|
| Domestic | Ligue 1 | 8 | 1985-86, 1993-94, 2012-13, 2013-14, 2014-15, 2015-16, 2017-18, 2018-19 |
| | Coupe de France | 12 | 1981-82, 1982-83, 1992-93, 1994-95, 1997-98, 2003-04, 2005-06, 2009-10, 2014-15, 2015-16, 2016-17, 2017-18 |
| | Coupe de la Ligue | 8 | 1994-95, 1997-98, 2007-08, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 |
| | Trophee des Champions | 9 | 1995, 1998, 2013, 2014, 2015, 2016, 2017, 2018, 2019 |
| European | UEFA Winners' Cup ^a | 1 | 1995-96 |
| | UEFA Intertoto ^b | 1 | 2001 |
| | UEFA Champions League | 0 | |

Source: PSG company documents.

^a An annual competition contested by the most recent winners of all European domestic cup competitions; discontinued in 1999.

^b A summer competition for clubs that had not qualified for one of the major UEFA competitions; discontinued in 2008.

Exhibit 7b PSG's Record in the UEFA Champions League since the QSI Acquisition

| Season | Result | Rival | Home Leg | Away Leg | Aggregate |
|---------------|-----------------|-------------------|-----------------|-----------------|------------------|
| 2011-12 | Did not qualify | - | - | - | - |
| 2012-13 | Quarter-finals | FC Barcelona | 2-2 | 1-1 | 3-3 |
| 2013-14 | Quarter-finals | Chelsea FC | 3-1 | 0-2 | 3-3 |
| 2014-15 | Quarter-finals | FC Barcelona | 1-3 | 0-2 | 1-5 |
| 2015-16 | Quarter-finals | Manchester City | 2-2 | 0-1 | 2-3 |
| 2016-17 | Round of 16 | FC Barcelona | 4-0 | 1-6 | 5-6 |
| 2017-18 | Round of 16 | Real Madrid | 1-2 | 1-3 | 2-5 |
| 2018-19 | Round of 16 | Manchester United | 1-3 | 2-0 | 3-3 |

Source: Adapted from UEFA.com.

Exhibit 8a PSG's Talent: First Team Roster (as of March 2020)

| | Name | Position | Age | Nationality | PSG Youth Player | Contract Expiration | Estimated Value (€M) |
|----|-----------------------|------------|-----|-------------|------------------|---------------------|----------------------|
| 1 | Keylor Navas | Keeper | 33 | Costa Rica | No | 06/30/2023 | €10 |
| 2 | Sergio Rico | Keeper | 26 | Spain | No | 06/30/2020 | €10 |
| 3 | Marcin Bulka | Keeper | 20 | Poland | No | 06/30/2021 | €1 |
| 4 | Garissone Innocent | Keeper | 19 | France | Yes | 06/30/2023 | €1 |
| 5 | Marquinhos | Defender | 25 | Brazil | No | 06/30/2024 | €65 |
| 6 | Presnel Kimpembe | Defender | 24 | France | Yes | 06/30/2023 | €35 |
| 7 | Thilo Kehrer | Defender | 23 | Germany | No | 06/30/2023 | €35 |
| 8 | Abdou Diallo | Defender | 23 | France | No | 06/30/2024 | €35 |
| 9 | Tanguy Kouassi | Defender | 17 | France | Yes | 06/30/2020 | €10 |
| 10 | Thiago Silva | Defender | 35 | Brazil | No | 06/30/2020 | €5 |
| 11 | Loïc Mbe Soh | Defender | 18 | France | Yes | 06/30/2021 | €5 |
| 12 | Juan Bernat | Defender | 27 | Spain | No | 06/30/2021 | €20 |
| 13 | Layvin Kurzawa | Defender | 27 | France | No | 06/30/2020 | €15 |
| 14 | Mitchel Bakker | Defender | 19 | Netherlands | No | 06/30/2023 | €1 |
| 15 | Thomas Meunier | Defender | 28 | Belgium | No | 06/30/2020 | €30 |
| 16 | Colin Dagba | Defender | 21 | France | No | 06/30/2024 | €20 |
| 17 | Idrissa Gueyel | Midfielder | 30 | Senegal | No | 06/30/2023 | €30 |
| 18 | Leandro Paredes | Midfielder | 25 | Argentina | No | 06/30/2023 | €25 |
| 19 | Marco Verratti | Midfielder | 27 | Italy | No | 06/30/2024 | €75 |
| 20 | Julian Draxler | Midfielder | 26 | Germany | No | 06/30/2021 | €30 |
| 21 | Ander Herrera | Midfielder | 30 | Spain | No | 06/30/2024 | €20 |
| 22 | Adil Aouchiche | Midfielder | 17 | France | Yes | 06/30/2020 | €5 |
| 23 | Neymar | Forward | 28 | Brazil | No | 06/30/2022 | €160 |
| 24 | Ángel Di María | Forward | 32 | Argentina | No | 06/30/2021 | €40 |
| 25 | Pablo Sarabia | Forward | 27 | Spain | No | 06/30/2024 | €35 |
| 26 | Kylian Mbappé | Forward | 21 | France | No | 06/30/2022 | €200 |
| 27 | Mauro Icardi | Forward | 27 | Argentina | No | 06/30/2020 | €75 |
| 28 | Edinson Cavani | Forward | 33 | Uruguay | No | 06/30/2020 | €25 |
| 29 | Eric M. Choupo-Moting | Forward | 31 | Cameroon | No | 06/30/2020 | €5 |
| | Total | | | | | | €1,025 |

Source: Compiled from PSG company documents and Transfermarkt.com.

Exhibit 8b PSG's Talent: Most Expensive Player Transfers in the Club's History

| Rank | Player | Age | Season | From | To | Fee (€M) |
|------|-----------------|-----|---------|-------------------|---------------------|----------|
| 1 | Neymar | 25 | 2017-18 | FC Barcelona | Paris Saint-Germain | 222 |
| 2 | Kylian Mbappé | 19 | 2018-19 | AS Monaco | Paris Saint-Germain | 180 |
| 3 | Edinson Cavani | 26 | 2013-14 | SSC Napoli | Paris Saint-Germain | 65 |
| 4 | Angel di María | 27 | 2015-16 | Manchester United | Paris Saint-Germain | 63 |
| 5 | David Luiz | 27 | 2014-15 | Chelsea FC | Paris Saint-Germain | 50 |
| 6 | Thiago Silva | 27 | 2012-13 | AC Milan | Paris Saint-Germain | 43 |
| 7 | Javier Pastore | 22 | 2011-12 | SSD Palermo | Paris Saint-Germain | 42 |
| 8 | Lucas Moura | 20 | 2012-13 | Sao Paulo | Paris Saint-Germain | 40 |
| 9 | Leandro Paredes | 24 | 2018-19 | Zenit St. Pt. | Paris Saint-Germain | 40 |
| 10 | Thilo Kehrer | 21 | 2018-19 | FC Schalke 04 | Paris Saint-Germain | 37 |

Source: Compiled from PSG company documents and Transfermarkt.com.

Exhibit 8c PSG's Talent: Most Expensive Player Transfers in Soccer History

| Rank | Player | Age | Season | From | To | Fee (€M) |
|----------|----------------------|-----------|----------------|---------------------|----------------------------|------------|
| 1 | Neymar | 25 | 2017-18 | FC Barcelona | Paris Saint-Germain | 222 |
| 2 | Kylian Mbappé | 19 | 2018-19 | AS Monaco | Paris Saint-Germain | 180 |
| 3 | Philippe Coutinho | 25 | 2017-18 | Liverpool FC | FC Barcelona | 145 |
| 4 | Joao Felix | 19 | 2019-20 | SL Benfica | Atlético de Madrid | 126 |
| 5 | Ousmane Dembele | 20 | 2017-18 | Borussia Dortmund | FC Barcelona | 125 |
| 6 | Antoine Griezmann | 28 | 2019-20 | Atlético de Madrid | FC Barcelona | 120 |
| 7 | Cristiano Ronaldo | 33 | 2018-19 | Real Madrid | Juventus FC | 117 |
| 8 | Paul Pogba | 23 | 2016-17 | Juventus FC | Manchester United | 105 |
| 9 | Gareth Bale | 24 | 2013-14 | Tottenham Hotspur | Real Madrid | 101 |
| 10 | Eden Hazard | 28 | 2019-20 | Chelsea FC | Real Madrid | 100 |
| 11 | Cristiano Ronaldo | 24 | 2009-10 | Manchester United | Real Madrid | 94 |
| 12 | Gonzalo Higuain | 28 | 2016-17 | SSC Napoli | Juventus FC | 90 |
| 13 | Neymar | 21 | 2013-14 | Santos FC | FC Barcelona | 88 |
| 14 | Harry Maguire | 26 | 2019-20 | Leicester | Manchester United | 87 |
| 15 | Matthijs de Ligt | 19 | 2019-20 | AFC Ajax | Juventus FC | 86 |
| 16 | Romelu Lukaku | 24 | 2017-18 | Everton FC | Manchester United | 85 |
| 17 | Virgil van Dijk | 26 | 2017-18 | Southampton FC | Liverpool FC | 85 |
| 18 | Luis Suárez | 27 | 2014-15 | Liverpool FC | FC Barcelona | 82 |
| 19 | Lucas Hernandez | 23 | 2019-20 | Atlético de Madrid | Bayern Munich | 80 |
| 20 | Nicolas Pepe | 24 | 2019-20 | LOSC Lille | Arsenal FC | 80 |

Source: Compiled from PSG company documents and Transfermarkt.com.

Exhibit 9 PSG's Branding and Merchandise: Selected Examples

Old Logo (2002-2013)



New Logo (2013 - present)



Home Jersey (2019-2020 Season)



Fourth Jersey (2019-2020 Season)



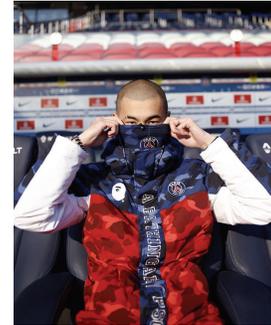
Source: PSG company documents.

Exhibit 9 (continued)

2013-2014 Season Merchandise



PSG x A Bathing Ape



PSG x Cinabre Scarf



PSG x Koché Jacket



PSG x Koché 2019 Fashion Show



Source: PSG company documents.

Exhibit 9 (continued)

Jordan Merchandise



Source: PSG company documents.

Exhibit 10 PSG's Financials (2010-2019, in millions of €)

| | '10-11 | '11-12 | '12-13 | '13-14 | '14-15 | '15-16 | '16-17 | '17-18 | '18-19 |
|---|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Match Day | | | | | | | | | |
| Ticketing | 20 | 28 | 44 | 47 | 53 | 56 | 53 | 61 | 63 |
| Hospitality | 4 | 6 | 10 | 16 | 25 | 36 | 37 | 45 | 52 |
| Total | 24 | 34 | 53 | 63 | 77 | 92 | 90 | 106 | 115 |
| Broadcasting | | | | | | | | | |
| UEFA rights | 0 | 3 | 45 | 36 | 54 | 70 | 58 | 64 | 86 |
| Domestic rights | 45 | 44 | 46 | 48 | 52 | 53 | 64 | 63 | 65 |
| Total | 45 | 47 | 91 | 83 | 106 | 123 | 122 | 128 | 151 |
| Commercial | | | | | | | | | |
| Sponsorship | 11 | 15 | 19 | 56 | 97 | 105 | 108 | 94 | 150 |
| Merchandising ^a | 12 | 15 | 26 | 32 | 34 | 38 | 35 | 55 | 59 |
| Partnerships | 0 | 103 | 203 | 228 | 157 | 151 | 120 | 145 | 145 |
| Other ^b | 3 | 6 | 6 | 12 | 6 | 12 | 12 | 14 | 13 |
| Total | 26 | 139 | 255 | 327 | 294 | 305 | 276 | 308 | 366 |
| Total Revenues | 95 | 220 | 398 | 474 | 477 | 520 | 487 | 541 | 637 |
| Costs | | | | | | | | | |
| Direct costs ^c | -28 | -32 | -42 | -50 | -51 | -66 | -55 | -62 | -66 |
| Indirect costs | -10 | -14 | -30 | -39 | -43 | -56 | -49 | -55 | -67 |
| Payroll | -71 | -123 | -224 | -249 | -252 | -263 | -271 | -327 | -369 |
| Depreciation | -1 | -2 | -3 | -7 | -9 | -13 | -12 | -11 | -10 |
| Transfers | | | | | | | | | |
| Players' depreciation ^d | -11 | -30 | -72 | -85 | -87 | -97 | -108 | -149 | -123 |
| Net gain on player sales | 2 | 3 | 7 | 24 | 2 | 7 | 14 | 145 | 76 |
| Agent Fees | -4 | -10 | -19 | -28 | -8 | -10 | -12 | -23 | -26 |
| Financials and other costs ^e | 26 | -18 | -6 | -13 | -4 | -7 | 0 | -5 | -19 |
| Total Costs | -95 | -226 | -389 | -447 | -451 | -507 | -494 | -487 | -604 |
| Income (before income tax and employee profit sharing) | 0 | -5 | 9 | 26 | 26 | 14 | -7 | 54 | 34 |
| Net Income | 0 | -5 | -3 | 0 | 11 | 10 | -6 | 43 | 29 |

Source: Compiled from PSG's annual report and PSG company documents.

^a Includes revenues from PSG's esports operation, which is considered a licensing business.

^b Includes revenues from PSG's women's soccer, which generated around €2 million in the 2018-2019 season.

^c 'Direct costs' mostly includes expenses directly associated to matchday organization and merchandising costs of goods sold; 'indirect costs' refer to expenses related to items such as corporate activities, information technology projects, and real estate.

^d A player's transfer fee is typically amortized on a straight-line basis over the duration of that player's contract.

^e Includes losses incurred on PSG's judo and handball.

Exhibit 11 PSG's Key Indicators (2012-2019)

| | '12-13 | '13-14 | '14-15 | '15-16 | '16-17 | '17-18 | '18-19 |
|----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Ticketing | | | | | | | |
| Season-ticket holders | 26,100 | 30,800 | 31,400 | 30,400 | 26,700 | 30,000 | 30,600 |
| Avg. season-ticket price | €730 | €840 | €940 | €990 | €980 | €1,010 | €980 |
| Hospitality | | | | | | | |
| Season-ticket holders | 2,000 | 2,900 | 3,300 | 3,900 | 4,300 | 4,400 | 4,800 |
| Avg. season-ticket price | €6,260 | €6,940 | €9,240 | €9,180 | €9,960 | €10,830 | €11,080 |
| Sponsorship | | | | | | | |
| Sponsors visible on pitch | 17 | 18 | 21 | 21 | 21 | 19 | — |
| Merchandising^a | | | | | | | |
| Home jerseys sold | 86,100 | 111,300 | 99,900 | 101,200 | 76,600 | 117,800 | 98,400 |
| Away jerseys sold | 41,400 | 41,100 | 33,100 | 31,500 | 24,600 | 54,000 | 30,200 |
| Third jerseys sold | — | — | 12,600 | 16,900 | 26,000 | 54,400 | 70,600 |
| Total jerseys sold | 127,400 | 152,400 | 145,600 | 149,700 | 127,200 | 226,200 | 199,200 |
| Other indicators | | | | | | | |
| Permanent employees | 206 | 245 | 273 | 312 | 330 | 472 | 488 |
| Temporary employees | 254 | 242 | 263 | 247 | 245 | 268 | 290 |
| Social security contributions | €78M | €81M | €89M | €93M | €96M | €135M | €147M |
| Tax paid by the club | €28M | €56M | €24M | €13M | €14M | €19M | €21M |
| Tax paid by the players | €47M | €53M | €54M | €61M | €59M | €40M | €39M |

Source: Adapted from PSG's annual report.

^a Covers jerseys sold through club-owned and club-operated channels only.

Exhibit 12a The World's Most Valuable Sports Teams: Three Valuations^a (2019)

| Team | Country | Sports/ League | 'Enterprise Value' (Brand Finance) | | 'Value' (Forbes) | | 'Enterprise Value' (KPMG) | |
|-----------------------|---------------|-------------------|---------------------------------------|----------------|---------------------|----------|------------------------------|----------------|
| | | | Rank | Estimate | Rank | Estimate | Rank | Estimate |
| Soccer | | | | | | | | |
| Real Madrid | Spain | Soccer | 1 | €4,180M | 3 | €4,240M | 1 | €3,220M |
| FC Barcelona | Spain | Soccer | 2 | €4,130M | 4 | €4,020M | 4 | €2,680M |
| Manchester United | England | Soccer | 3 | €4,040M | 6 | €3,810M | 2 | €3,210M |
| Bayern Munich | Germany | Soccer | 4 | €3,190M | 17 | €3,020M | 3 | €2,700M |
| Manchester City | England | Soccer | 8 | €2,340M | 25 | €2,690M | 5 | €2,460M |
| Chelsea FC | England | Soccer | 7 | €2,760M | 32 | €2,580M | 6 | €2,230M |
| Liverpool FC | England | Soccer | 5 | €3,190M | 45 | €2,180M | 7 | €2,100M |
| Arsenal | England | Soccer | 10 | €2,280M | 42 | €2,270M | 8 | €2,010M |
| PSG | France | Soccer | 6 | €2,850M | — | — | 11 | €1,320M |
| Juventus FC | Italy | Soccer | 9 | €2,330M | — | — | 10 | €1,550M |
| Tottenham Hotspur | England | Soccer | 11 | €2,270M | — | — | 9 | €1,680M |
| Other Sports | | | | | | | | |
| Dallas Cowboys | U.S. | NFL | — | — | 1 | €5,000M | — | — |
| New York Yankees | U.S. | MLB | — | — | 2 | €4,600M | — | — |
| New York Knicks | U.S. | NBA | — | — | 5 | €4,000M | — | — |
| New England Patriots | U.S. | NFL | — | — | 7 | €3,800M | — | — |
| Los Angeles Lakers | U.S. | NBA | — | — | 8 | €3,700M | — | — |
| Golden State Warriors | U.S. | NBA | — | — | 9 | €3,500M | — | — |
| New York Giants | U.S. | NFL | — | — | 10 | €3,300M | — | — |
| Los Angeles Dodgers | U.S. | MLB | — | — | 10 | €3,300M | — | — |

Source: Compiled from Brand Finance, Forbes, and KPMG.

^a Brand Finance and KPMG ranked soccer clubs only; Forbes considered teams across different sports. Teams are ordered here based on the average rankings across all three sources.

Exhibit 12b The World's Most Valuable Sports Teams: Trends in Valuations for PSG (2011-2019)

| Year | 'Brand Value' (Brand Finance) | | 'Enterprise Value' (Brand Finance) | | 'Enterprise Value' (Forbes) | | 'Enterprise Value' (KPMG) | |
|------|----------------------------------|----------|---------------------------------------|----------|--------------------------------|----------|------------------------------|----------|
| | Rank | Estimate | Rank | Estimate | Rank | Estimate | Rank | Estimate |
| 2012 | 38 | €50M | — | — | — | — | — | — |
| 2013 | 24 | €80M | — | — | — | — | — | — |
| 2014 | 10 | €240M | — | — | 15 | €420M | — | — |
| 2015 | 9 | €380M | — | — | 12 | €630M | — | — |
| 2016 | 7 | €720M | — | — | 13 | €740M | 10 | €840M |
| 2017 | 7 | €910M | — | — | 11 | €760M | 11 | €1,000M |
| 2018 | 9 | €820M | 7 | €2,480M | 11 | €830M | 11 | €1,140M |
| 2019 | 8 | €910M | 6 | €2,850M | 11 | €990M | 11 | €1,320M |

Source: Compiled from Brand Finance, Forbes, and KPMG.³⁴

Endnotes

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- ³ "FIFA Tournaments," *FIFA*, fifa.com/fifa-tournaments/archive/.
- ⁴ Conor Sen, "Soccer is the Future of Sports in America," *Bloomberg*, December 20, 2019.
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- ⁸ "Football Money League," *Deloitte*, January 2020.
- ⁹ "UEFA Financial Report 2018-19," *UEFA*, June 30, 2019.
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- ¹¹ "UEFA Champions League: Distribution to clubs 2018-19," *UEFA*, December 19, 2019.
- ¹² "Over 1 billion social media interactions record at UEFA Champions League final", *UEFA*, September 16, 2019.
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- ¹⁵ "Protection of Young Players," *UEFA*, uefa.com/insideuefa/protecting-the-game/protection-young-players/.
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- ¹⁹ "Gross Domestic Product by country," *The World Bank*.
- ²⁰ "International Tourism, Number of Arrivals," *The World Bank*.
- ²¹ "Study on the Economic Impact of Sport through Sport Satellite Accounts," *Directorate-General for Education, Youth, Sport and Culture (European Commission)*, May 2018.
- ²² Both tournaments were later discontinued by UEFA.
- ²³ "Comptes des Clubs Professionnels, Saison 2003-2004," *Ligue de Football Professionnel*, February 3, 2005.
- ²⁴ "Football Money League," *Deloitte*, February 2012.
- ²⁵ Paul Doyle, "Man Killed as PSG Fans Run Amok," *The Guardian*, November 24, 2006.
- ²⁶ Elaine Sciolino, "Paris Soccer 'Ultras' at the Center of Furor Over Fan's Death," *The New York Times*, November 29, 2006.
- ²⁷ "QSI, Who We Are," *Qatar Sports Investments*, QSI.com.
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- ²⁹ Tom Williams, "Brand PSG: How Paris Saint-Germain Aim to Become the World's Trendiest Club," *Bleacher Report*, September 17, 2018.
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³¹ Elian Peltier and Rory Smith, "At PSG, a Style Few Clubs Can Match," *The New York Times*, November 3, 2018.

³² "Football Money League," *Deloitte*, January 2020.

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