

## Twitter Thread by [Swiss Ramble](#)



**[Swiss Ramble](#)**

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**Southampton's 2019/20 financial results covered a "successful" season when they improved their position in the Premier League from 16th to 11th under manager Ralph Hasenhüttl, but their finances were significantly impacted by COVID-19.**

**Some thoughts follow #SaintsFC**

#SaintsFC pre-tax loss widened from £41m to £76m, as revenue fell £23m (15%) from £150m to £127m and profit on player sales decreased £7m from £21m to £14m, while total expenses grew £5m. Loss after tax increased from £34m to £62m.

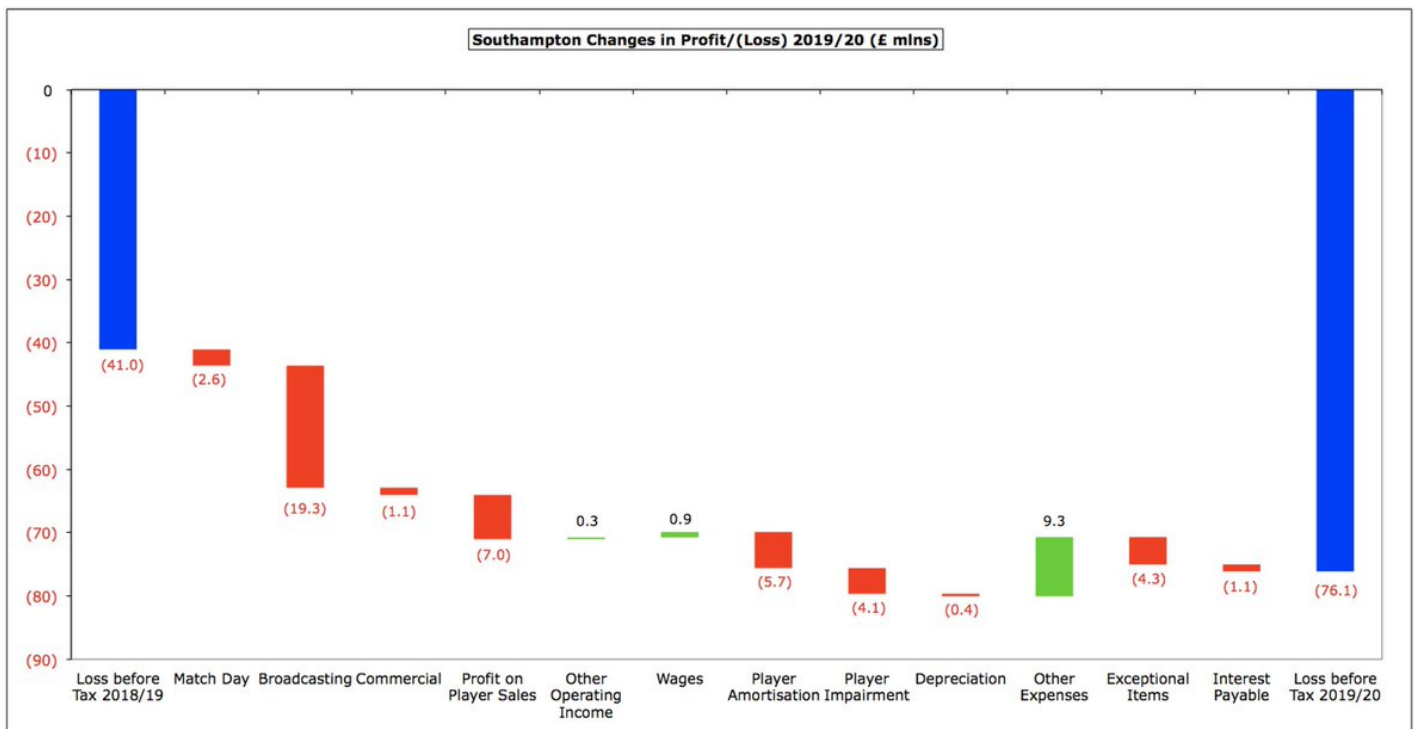
## Southampton - Profit and Loss Account

St Mary's Football Group Limited

£ mlns	2020	2019	Growth	% Growth
Match Day	14.5	17.0	(2.6)	(15)%
Broadcasting	93.5	112.8	(19.3)	(17)%
Commercial	17.2	18.4	(1.2)	(7)%
Other	1.5	1.4	0.1	7%
Commercial	18.7	19.8	(1.1)	(6)%
<b>Turnover</b>	<b>126.6</b>	<b>149.6</b>	<b>(23.0)</b>	<b>(15)%</b>
Other Operating Income	0.4	0.1	0.3	196%
Wages & Salaries	(114.4)	(115.2)	0.9	(1)%
Other Expenses	(29.0)	(38.4)	9.3	(24)%
<b>Expenses</b>	<b>(143.4)</b>	<b>(153.6)</b>	<b>10.2</b>	<b>(7)%</b>
<b>EBITDA</b>	<b>(16.3)</b>	<b>(3.8)</b>	<b>(12.5)</b>	<b>328%</b>
Exceptional Items	(4.4)		(4.4)	
Player Amortisation	(56.7)	(51.0)	(5.7)	11%
Player Impairment	(6.4)	(2.3)	(4.1)	175%
Depreciation	(3.5)	(3.1)	(0.4)	12%
<b>Non Cash Flow Expenses</b>	<b>(66.6)</b>	<b>(56.4)</b>	<b>(10.1)</b>	<b>18%</b>
<b>Operating Profit/(Loss)</b>	<b>(87.3)</b>	<b>(60.2)</b>	<b>(27.1)</b>	<b>45%</b>
Profit on Player Sales	13.9	20.9	(7.0)	(33)%
Property	0.1		0.1	
<b>Profit before Interest &amp; Tax</b>	<b>(73.3)</b>	<b>(39.3)</b>	<b>(34.0)</b>	<b>86%</b>
Net Interest Payable	(2.8)	(1.7)	(1.1)	64%
<b>Profit/(Loss) before Tax</b>	<b>(76.1)</b>	<b>(41.0)</b>	<b>(35.1)</b>	<b>85%</b>
Taxation Credit/(Charge)	13.7	6.9	6.7	97%
<b>Profit/(Loss) after Tax</b>	<b>(62.4)</b>	<b>(34.1)</b>	<b>(28.3)</b>	<b>83%</b>
Wages to Turnover	90%	77%	13%	
Gross Debt	91.5	32.0	59.5	186%
Cash	86.7	46.5	40.2	86%
<b>Net Debt/(Funds)</b>	<b>4.8</b>	<b>(14.5)</b>	<b>19.3</b>	<b>(133)%</b>
<i>Average League Attendance</i>	<i>23'428</i>	<i>30'139</i>	<i>(6'711)</i>	<i>(22)%</i>

Prepared by @SwissRamble

#SaintsFC £23m revenue fall was driven by broadcasting's £19m (17%) decrease from £113m to £94m, mainly due to 6 Premier League games being played after 30 June accounts close. Match day was also down £2.6m (15%) to £14.5m, while commercial dipped £1.1m (6%) to £18.7m.

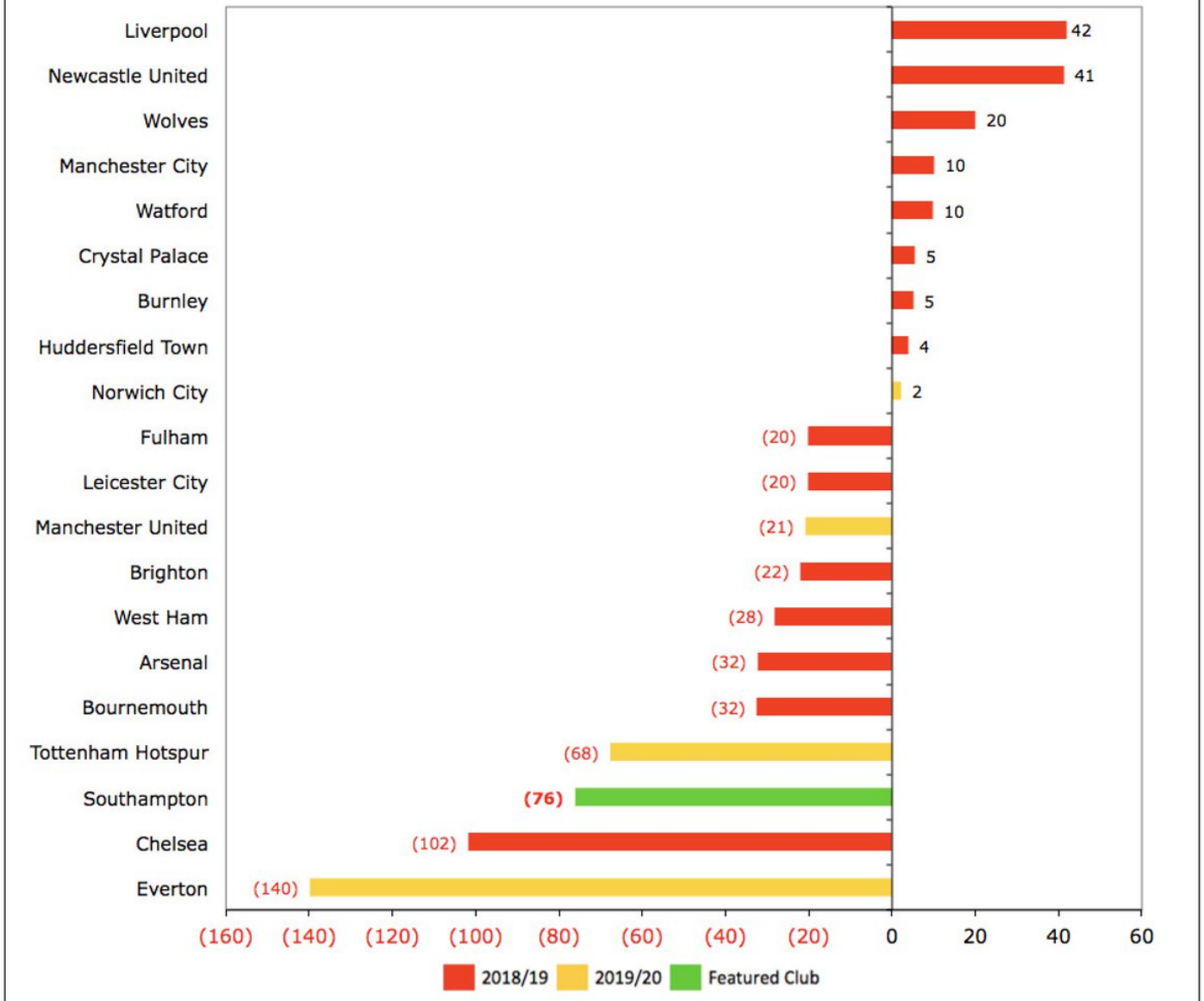


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#SaintsFC wage bill fell slightly by £1m (1%) to £114m, while other expenses were £9m (24%) lower at £29m. On the other hand, player amortisation rose £6m (11%) to £57m and there were £10.8m exceptional costs (player impairment £6.4m and onerous contracts £4.4m), up from £2.3m.

#SaintsFC £76m loss before tax is 2nd highest to date in 2019/20 Premier League, only surpassed by #EFC £140m, but better than #THFC £68m and #MUFC £21m. Due to the pandemic, it is likely that other clubs will also post substantial losses when they publish their 19/20 accounts.

**Premier League - Profit/(Loss) before Tax (£ mlns)**



Prepared by @SwissRamble

Without COVID #SaintsFC revenue would have been £31m higher at £158m, i.e. £8m (5%) higher than prior year (£21m deferred to 2020/21 accounts and £10m foregone). Allied to £2m net cost saving, the loss would have been “only” £43m, around the same as 2018/19.

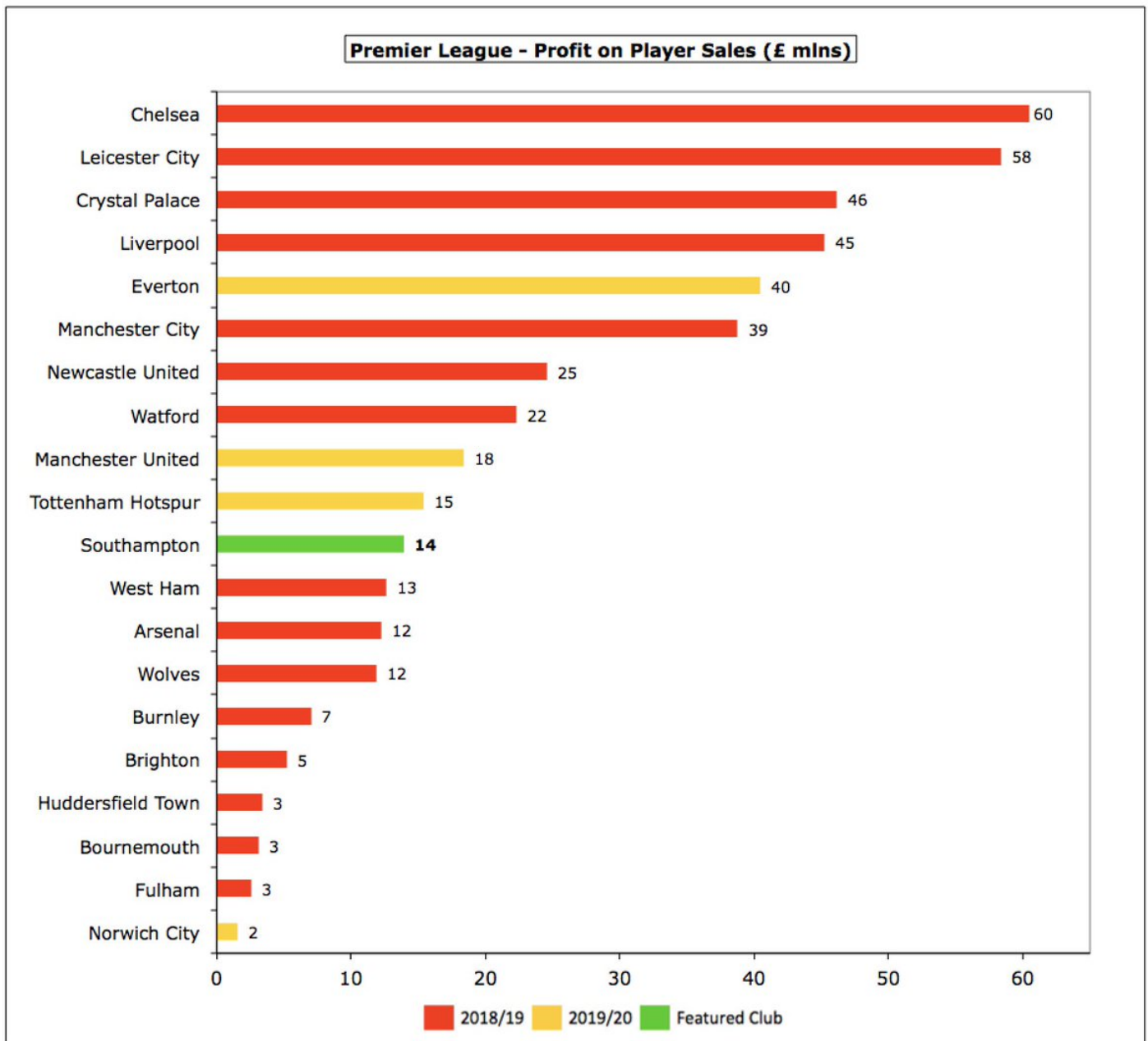
**COVID Impact on Southampton's Profit/(Loss) before Tax 2019/20**



€ mlns	Reported	COVID Impact	Underlying	2018/19	Growth	% Growth
<i>Broadcasting - foregone</i>		(5)				
<i>Commercial - foregone</i>		(6)				
Revenue foregone		(10)				
<i>Broadcasting - deferred to 2020/21</i>		(19)				
<i>Commercial - deferred to 2020/21</i>		(2)				
Revenue deferred to 2020/21		(21)				
<b>Revenue</b>	<b>127</b>	<b>(31)</b>	<b>158</b>	<b>150</b>	<b>8</b>	<b>5%</b>
Net costs incurred		2				
Costs deferred to 2020/21		(4)				
<b>Expenses</b>	<b>214</b>	<b>(2)</b>	<b>212</b>	<b>210</b>	<b>2</b>	<b>1%</b>
<b>Other Operating Income</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>196%</b>
<b>Profit on Player Sales</b>	<b>14</b>		<b>14</b>	<b>21</b>	<b>(7)</b>	<b>(33)%</b>
<b>Net Interest</b>	<b>(3)</b>		<b>(3)</b>	<b>(2)</b>	<b>(1)</b>	<b>64%</b>
<b>Profit/(Loss) before Tax</b>	<b>(76)</b>	<b>(29)</b>	<b>(43)</b>	<b>(41)</b>	<b>(2)</b>	<b>4%</b>

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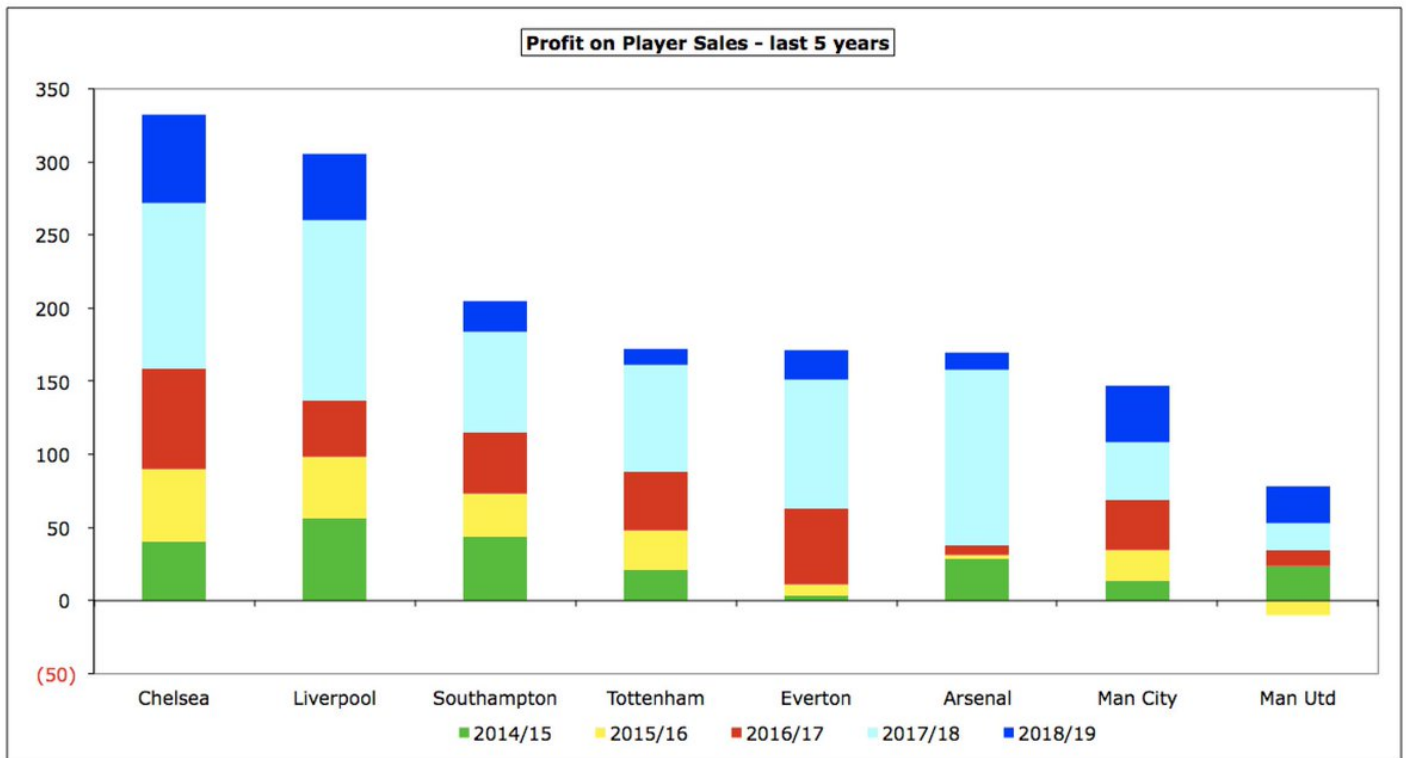
#SaintsFC profit from player sales fell from £21m to £14m, mainly Gallagher to #BRFC and Austin to WBA plus add-ons from previously sold players. Premier League profits from this activity lower in 2019/20, e.g. #MUFC £18m and #THFC £15m are similar to Southampton.



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#SaintsFC explained that their ability to generate profits from player trading was significantly impacted by the summer 2020 transfer window not opening until July, after the financial year ended. Transfer market also depressed by the pandemic reducing clubs' spending power.

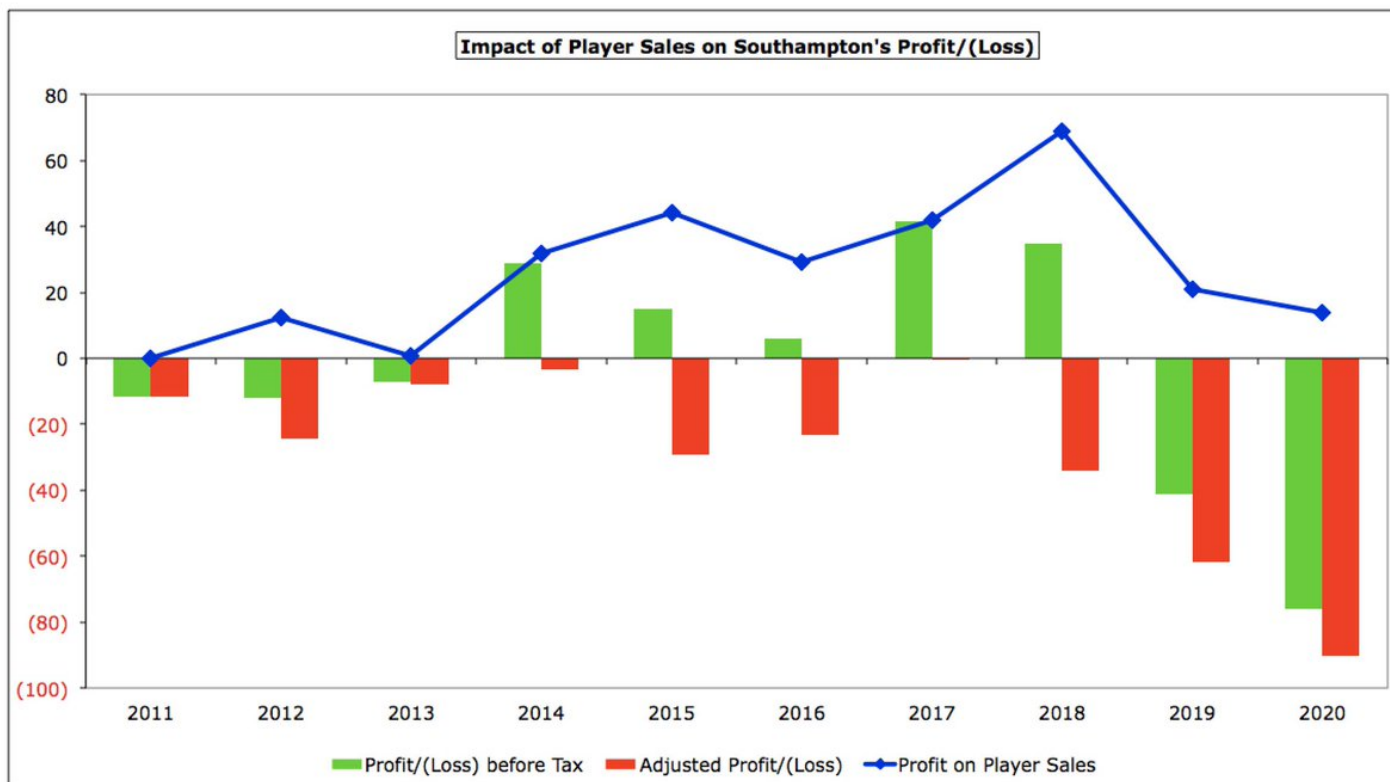
Player trading has been a key part of the #SaintsFC strategy. In the 5 years up to 2018/19 they made a hefty £205m profit from this activity with only #CFC £332m and #LFC £306m ahead of them. For more context, #AFC, #MCFC and #MUFC only made £170m, £147m and £60m respectively.



€ mln	Chelsea	Liverpool	Southampton	Tottenham	Everton	Arsenal	Man City	Man Utd
2014/15	41	56	44	21	3	29	14	24
2015/16	49	42	29	27	8	2	21	(10)
2016/17	69	38	42	40	52	7	35	11
2017/18	113	124	69	73	88	120	39	18
2018/19	60	45	21	11	20	12	39	26
<b>Last 5 Years</b>	<b>332</b>	<b>306</b>	<b>205</b>	<b>172</b>	<b>171</b>	<b>170</b>	<b>147</b>	<b>69</b>
2019/20			14	15	40			18
<b>Total</b>	<b>332</b>	<b>306</b>	<b>219</b>	<b>188</b>	<b>212</b>	<b>170</b>	<b>147</b>	<b>87</b>

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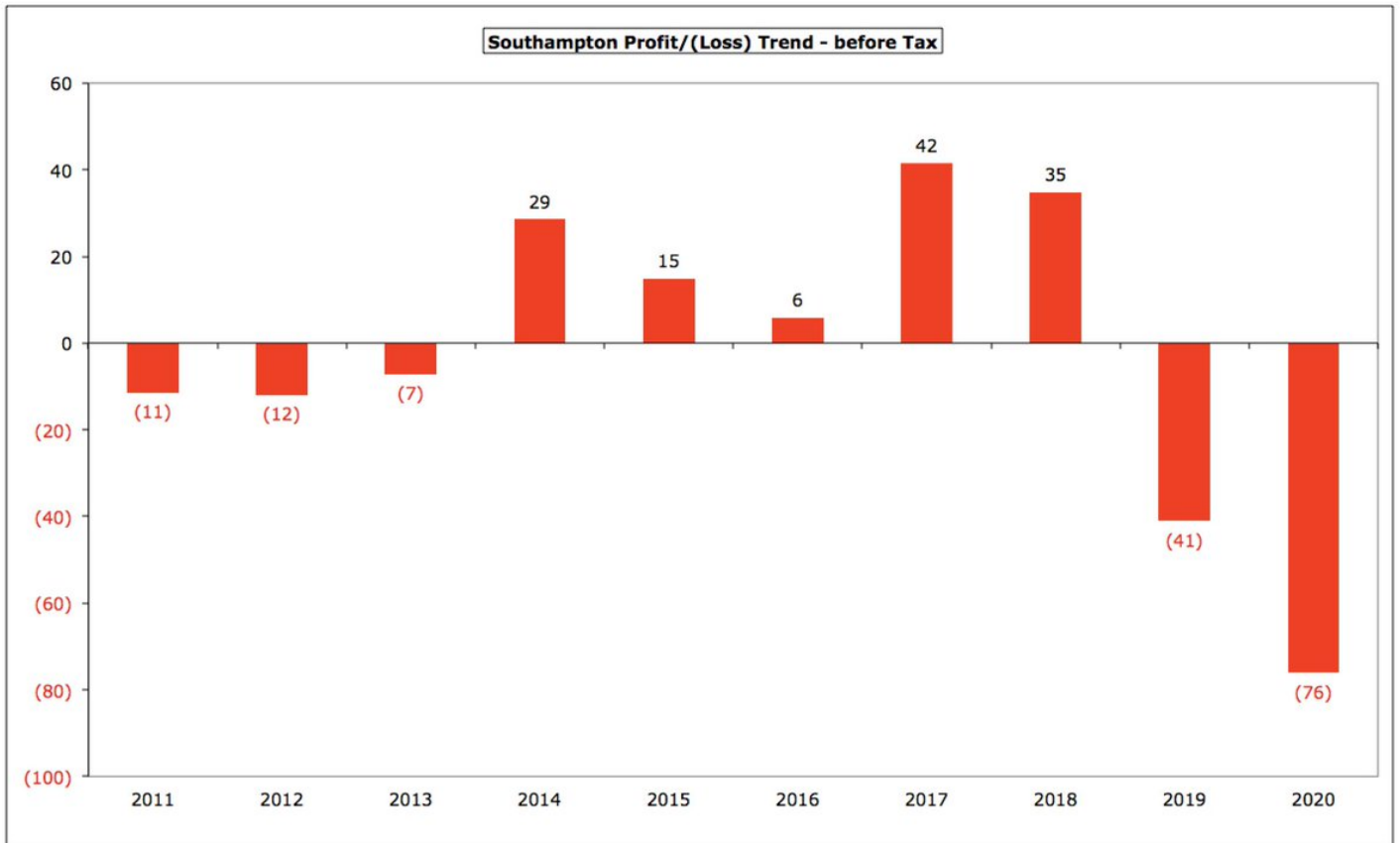
That said, #SaintsFC profit from player sales has declined 2 years in a row, from £69m in 2018 (mainly Virgin van Dijk to #LFC) to £21m in 2019, then £14m in 2020. The 2021 accounts will include the sales of Pierre-Emile Höjbjerg to #THFC and Harrison Reed to #FFC.



£ mlns	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annual Averages	
	2011-13	2014-20										
Profit/(Loss) before Tax	(11)	(12)	(7)	29	15	6	42	35	(41)	(76)	(10)	1
Profit on Player Sales	0	12	1	32	44	29	42	<b>69</b>	<b>21</b>	<b>14</b>	4	36
Adjusted Profit/(Loss)	(11)	(24)	(8)	(3)	(29)	(23)	(1)	(34)	(62)	(90)	(15)	(35)

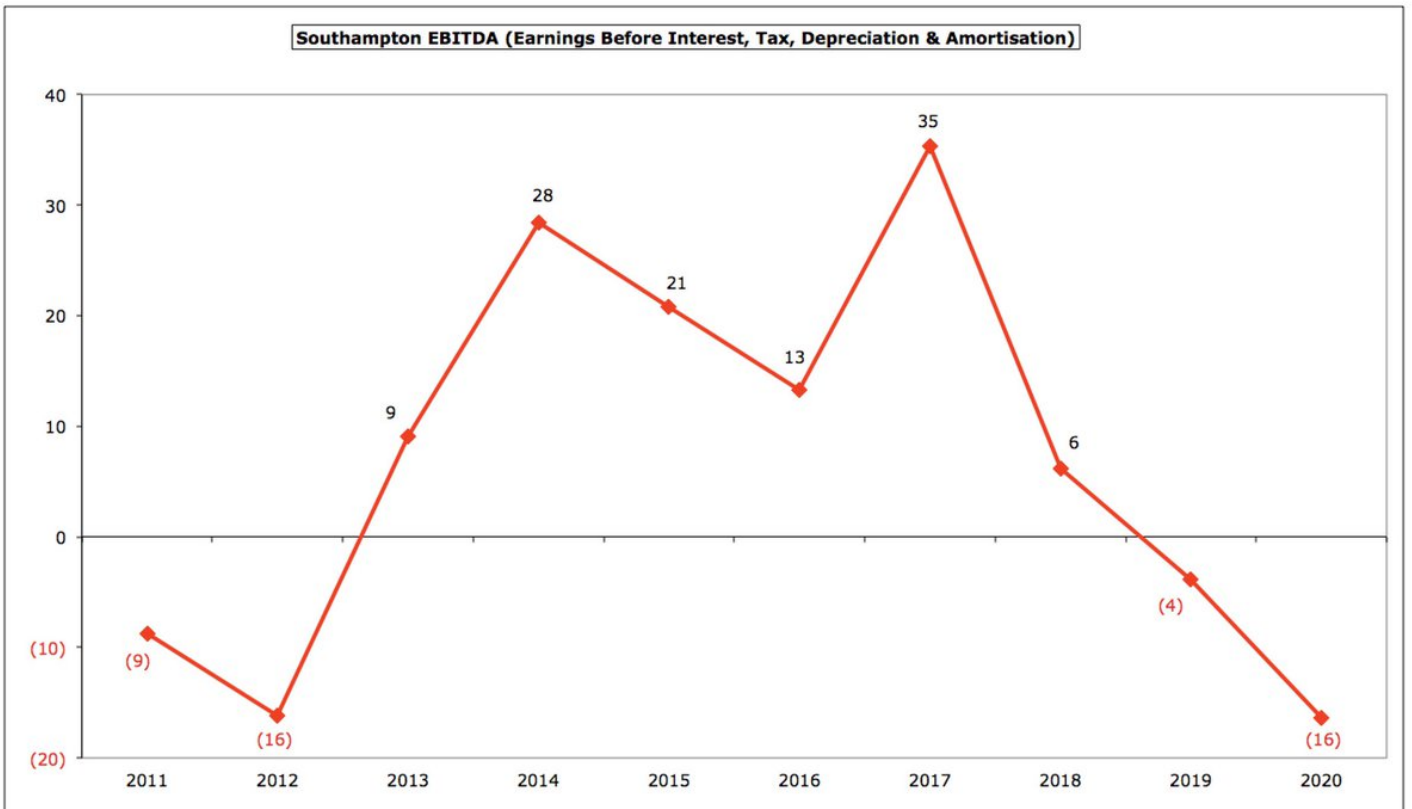
Prepared by @SwissRamble

#SaintsFC have now reported losses in the last two seasons, totaling £117m, which has almost entirely wiped out the preceding five consecutive profitable years, which were worth £126m in total, including £42m in 2017 and £35m in 2018.



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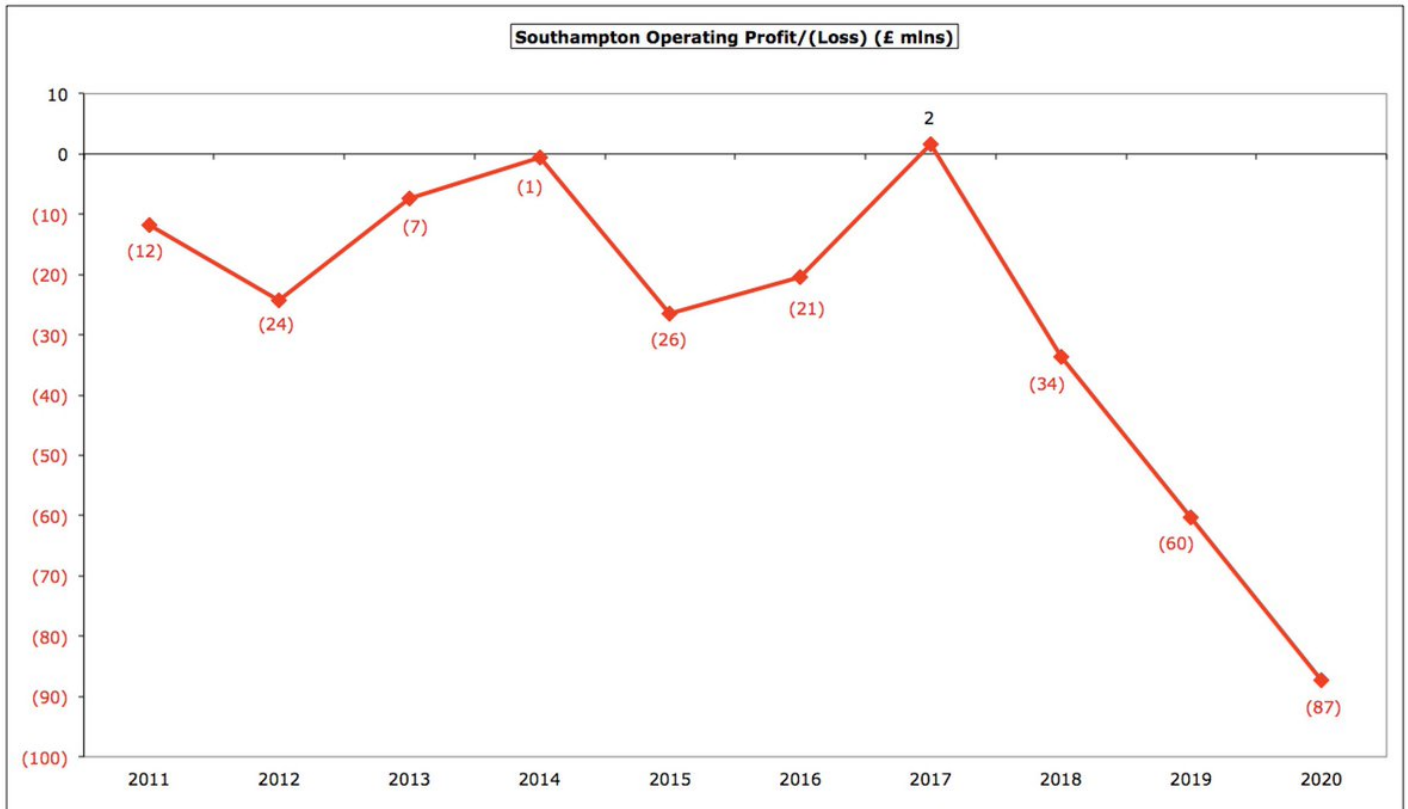
#SaintsFC EBITDA (Earnings Before Interest, Tax, Depreciation & Amortisation), considered a proxy for cash operating profit, as it strips out player sales and exceptional items, fell from £(4)m to £(16)m, the worst in the Premier League (though likely to be overtaken by others).



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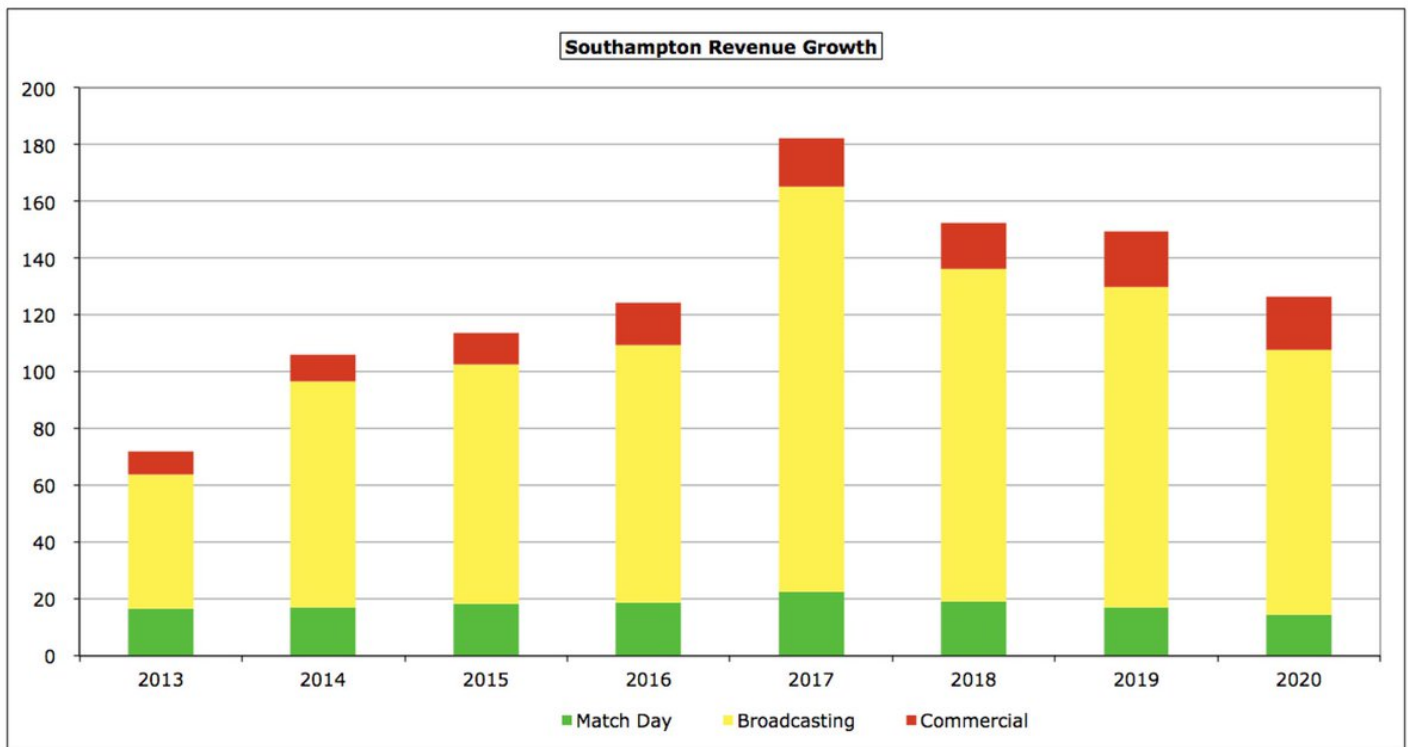
Note: excludes exceptional items

At an operating level (i.e. excluding player sales and interest), #SaintsFC loss increased from £60m to £87m. Very few Premier League clubs post operating profits, but Southampton's loss is (currently) one of the highest this season, though nowhere near as bad as #EFC £175m.



Prepared by @SwissRamble

#SaintsFC revenue has now fallen 3 years in a row by 31% from the £182m peak in 2017 to £127m in 2020, mainly due to less TV money (absence of Europa League £13m and COVID-impacted Premier League revenue), though match day has also dropped £8m (35%).



£ mlns	2013	2014	2015	2016	2017	2018	2019	2020	Growth vs 2017	Mix
Match Day	17	17	18	19	22	19	17	14	(8) (35)%	11%
Broadcasting	47	79	84	90	143	117	113	93	(50) (35)%	74%
Commercial	7	8	10	12	16	15	18	17	2 11%	14%
Other	1	1	1	3	1	2	1	2	0 11%	1%
Commercial	8	10	11	15	17	16	20	19	2 11%	15%
<b>Total</b>	<b>72</b>	<b>106</b>	<b>114</b>	<b>124</b>	<b>182</b>	<b>153</b>	<b>150</b>	<b>127</b>	<b>(56) (31)%</b>	<b>100%</b>

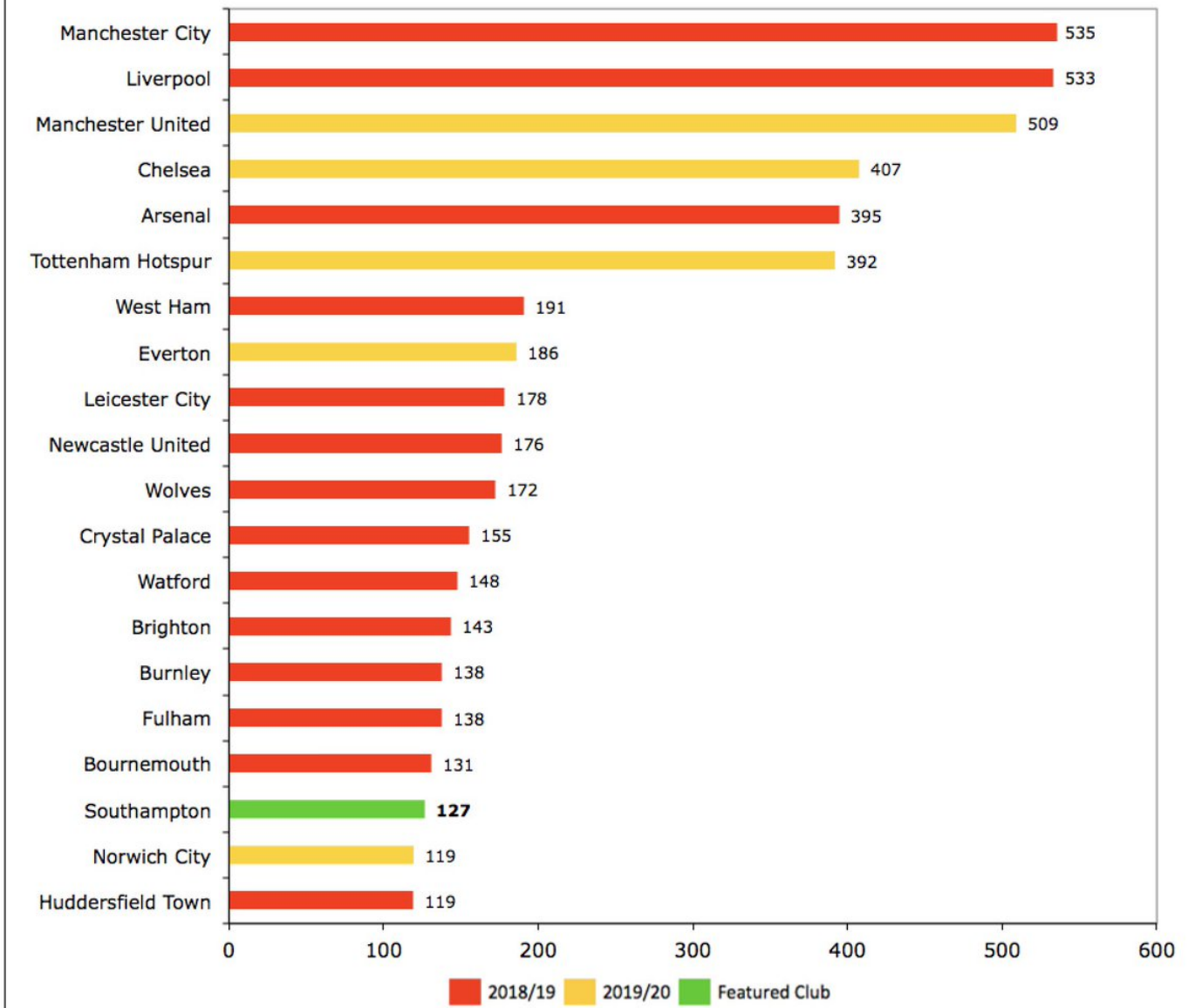
*Memo*

Europa League TV Revenue		0	13		(13) (100)%
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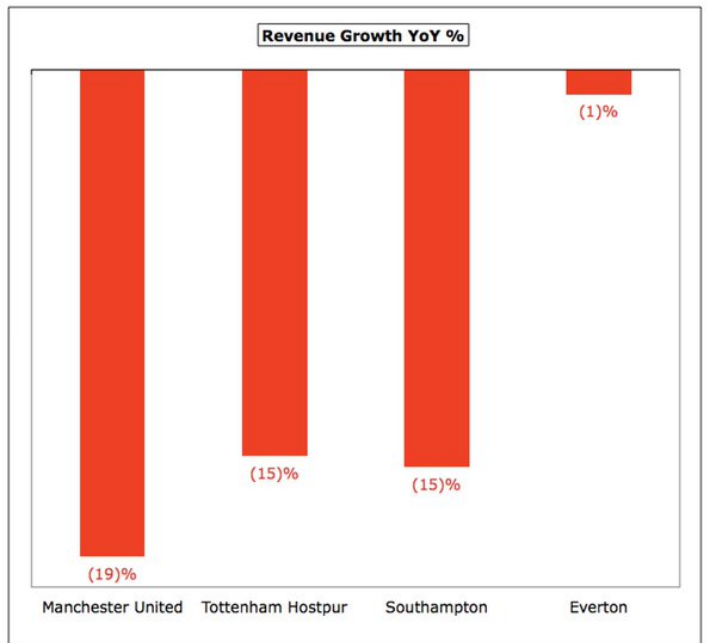
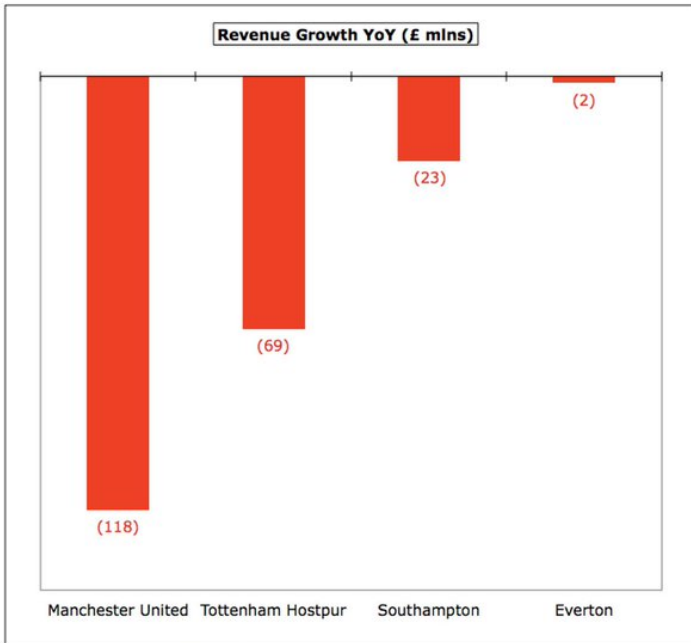
Due to the impact of the pandemic, #SaintsFC £127m revenue looks like it is one of the smallest in the Premier League, though other clubs are likely to be lower after they publish 2019/20 accounts. Either way, miles below the "Big Six", e.g. #MUFC £509m, #CFC £407m & #THFC £392m.

### Premier League - Revenue (£ mlns)



Prepared by @SwissRamble

#SaintsFC 15% revenue reduction over prior year in 2019/20 is in line with other clubs who have reported to date like #MUFC 19% and #THFC 15%. #EFC only saw a 1% decrease, as their numbers included once-off £30m payment for stadium naming rights option.



Prepared by @SwissRamble

Based on 2018/19 accounts, #SaintsFC were just outside the top 30 in the Deloitte Money League, which ranks clubs globally by revenue. They were 23rd the previous year and as high as 18th in 2016/17. That said, they were only £4m below the 30th placed club.

**Deloitte Football Money League (2018/19 Accounts)**

£ mlns (@ 1.1346)	Rank	Match Day	TV	Commer- cial	TOTAL	Match Day as % of Total	TV as % of Total	Commer- cial as % of Total
Barcelona	1	140	263	338	<b>741</b>	19%	35%	46%
Real Madrid	2	128	227	313	<b>667</b>	19%	34%	47%
Manchester United	3	106	241	280	<b>627</b>	17%	38%	45%
Bayern Munich	4	81	186	314	<b>582</b>	14%	32%	54%
Paris Saint-Germain	5	102	138	320	<b>560</b>	18%	25%	57%
Manchester City	6	55	253	230	<b>538</b>	10%	47%	43%
Liverpool	7	83	264	186	<b>533</b>	16%	49%	35%
Tottenham Hotspur	8	82	244	134	<b>459</b>	18%	53%	29%
Chelsea	9	67	200	185	<b>452</b>	15%	44%	41%
Juventus	10	58	184	164	<b>405</b>	14%	45%	40%
Arsenal	11	96	186	111	<b>393</b>	25%	47%	28%
Borussia Dortmund	12	53	147	132	<b>332</b>	16%	44%	40%
Atletico Madrid	13	52	185	88	<b>324</b>	16%	57%	27%
Inter	14	45	140	136	<b>321</b>	14%	44%	42%
Schalke 04	15	47	142	97	<b>286</b>	17%	50%	34%
Roma	16	28	127	48	<b>204</b>	14%	63%	24%
Lyon	17	37	108	50	<b>195</b>	19%	55%	26%
West Ham	18	27	127	36	<b>191</b>	14%	67%	19%
Everton	19	15	134	39	<b>188</b>	8%	71%	21%
Napoli	20	14	128	41	<b>183</b>	8%	70%	22%
Milan	21				<b>182</b>			
Leicester City	22	15	128	36	<b>178</b>	8%	72%	20%
Ajax	23	45	78	53	<b>176</b>	26%	44%	30%
Benfica	24				<b>174</b>			
Wolverhampton Wanderers	25	12	133	28	<b>172</b>	7%	77%	16%
Valencia	26				<b>163</b>			
Eintracht Frankfurt	27				<b>162</b>			
Zenit Saint Petersburg	28				<b>159</b>			
Porto	29	11	109	36	<b>155</b>	7%	70%	23%
Crystal Palace	30				<b>154</b>			

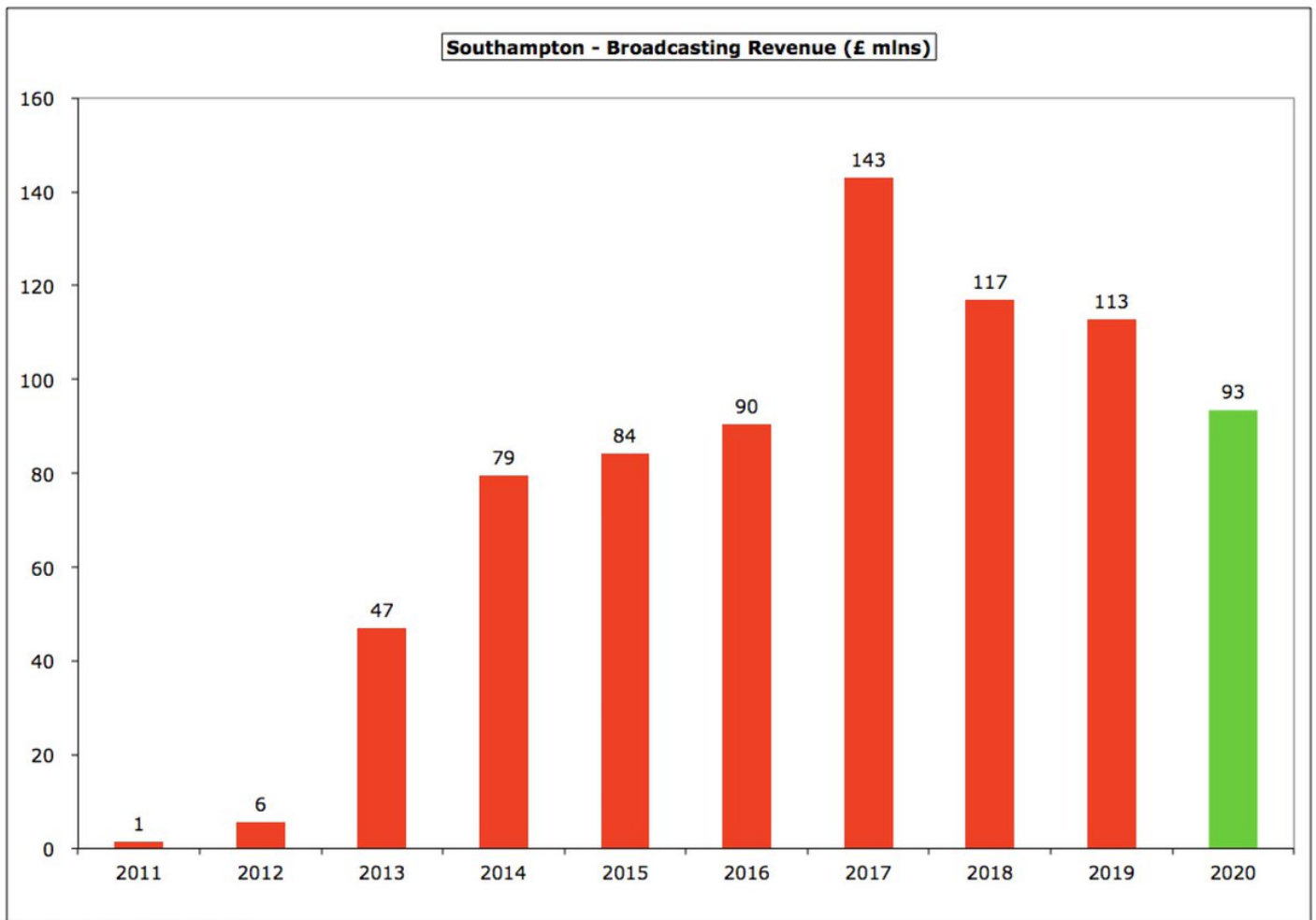
Memo

<b>Southampton</b>	<b>17</b>	<b>113</b>	<b>20</b>	<b>150</b>	<b>11%</b>	<b>75%</b>	<b>13%</b>
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Prepared by @SwissRamble

Note: excludes player loans

#SaintsFC broadcasting income slumped £20m (17%) from £113m to £93m, due to revenue from 6 games slipping to 2020/21 accounts (plus rebate to broadcasters), offset by better Premier League finishing position. One of the lowest in PL, but other clubs will also fall in 2019/20.



Prepared by @SwissRamble

As the 2019/20 season was extended beyond the June accounting close, #SaintsFC Premier League TV money was lower, though £19m revenue has been deferred into 2020/21 accounts. Accounts note that 2019/20 figure was based on estimated league position as of 30th June.

**Distribution of Premier League TV Money 2019/20 (Illustrative Example)**

TV Money	£ mlns	PL Place	Total Payment	Rebate	Net Payment	2018-19 Payment	B/(W) 2018-19	Total Season 2019/20 Broadcast Revenue			Final Share of Season 2019/20 Reduction £'m
								Place	Total £'m	Revenue % Share	
1	Liverpool	1	161.1	17.3	<b>143.8</b>	152.4	(8.6)	1	161.1	5.8%	17.3
2	Manchester City	2	156.7	16.8	<b>139.9</b>	151.0	(11.1)	2	156.7	5.6%	16.8
3	Chelsea	4	151.5	16.3	<b>135.2</b>	146.0	(10.8)	3	150.7	5.4%	16.2
4	Manchester United	3	150.7	16.2	<b>134.5</b>	142.5	(8.0)	4	151.5	5.4%	16.3
5	Leicester City	5	147.2	15.8	<b>131.4</b>	123.3	8.1	5	147.2	5.3%	15.8
6	Arsenal	8	140.3	15.0	<b>125.3</b>	142.2	(16.9)	6	137.7	4.9%	14.8
7	Tottenham Hotspur	6	137.7	14.8	<b>122.9</b>	145.2	(22.3)	7	132.5	4.7%	14.2
8	Sheffield United	9	136.8	14.7	<b>122.1</b>	4.6	117.5	8	140.3	5.0%	15.0
9	Wolves	7	132.5	14.2	<b>118.3</b>	127.2	(8.9)	9	136.8	4.9%	14.7
10	Everton	12	125.5	13.5	<b>112.0</b>	128.6	(16.6)	10	124.7	4.5%	13.4
11	Burnley	10	124.7	13.4	<b>111.3</b>	107.3	4.0	11	123.8	4.4%	13.3
<b>12</b>	<b>Southampton</b>	<b>11</b>	<b>123.8</b>	<b>13.3</b>	<b>110.5</b>	<b>104.3</b>	<b>6.2</b>	12	125.5	4.5%	13.5
13	Newcastle United	13	118.6	12.7	<b>105.9</b>	120.1	(14.2)	13	118.6	4.2%	12.7
14	West Ham	16	114.3	11.6	<b>102.7</b>	122.5	(19.8)	14	111.7	4.0%	11.9
15	Crystal Palace	14	111.7	11.9	<b>99.8</b>	114.2	(14.4)	15	110.0	3.9%	11.3
16	Brighton & Hove Albion	15	110.0	11.3	<b>98.7</b>	105.7	(7.0)	16	114.3	4.1%	11.6
17	Aston Villa	17	108.2	10.3	<b>97.9</b>	15.5	82.4	17	108.2	3.9%	10.3
18	Watford	19	105.6	9.1	<b>96.5</b>	113.9	(17.4)	18	102.2	3.7%	9.0
19	Bournemouth	18	102.2	9.0	<b>93.2</b>	108.1	(14.9)	19	105.6	3.8%	9.1
20	Norwich City	20	95.2	7.1	<b>88.1</b>	4.6	83.5	20	95.2	3.4%	7.1
								<b>Total PL Clubs</b>	<b>2,554.5</b>	<b>91.3%</b>	<b>264.2</b>
			<b>2'554.5</b>	<b>264.2</b>	<b>2'290.3</b>	Note: 2019/20 payments based on indicative schedule in EPL Handbook					

*Memo: Southampton in previous seasons*

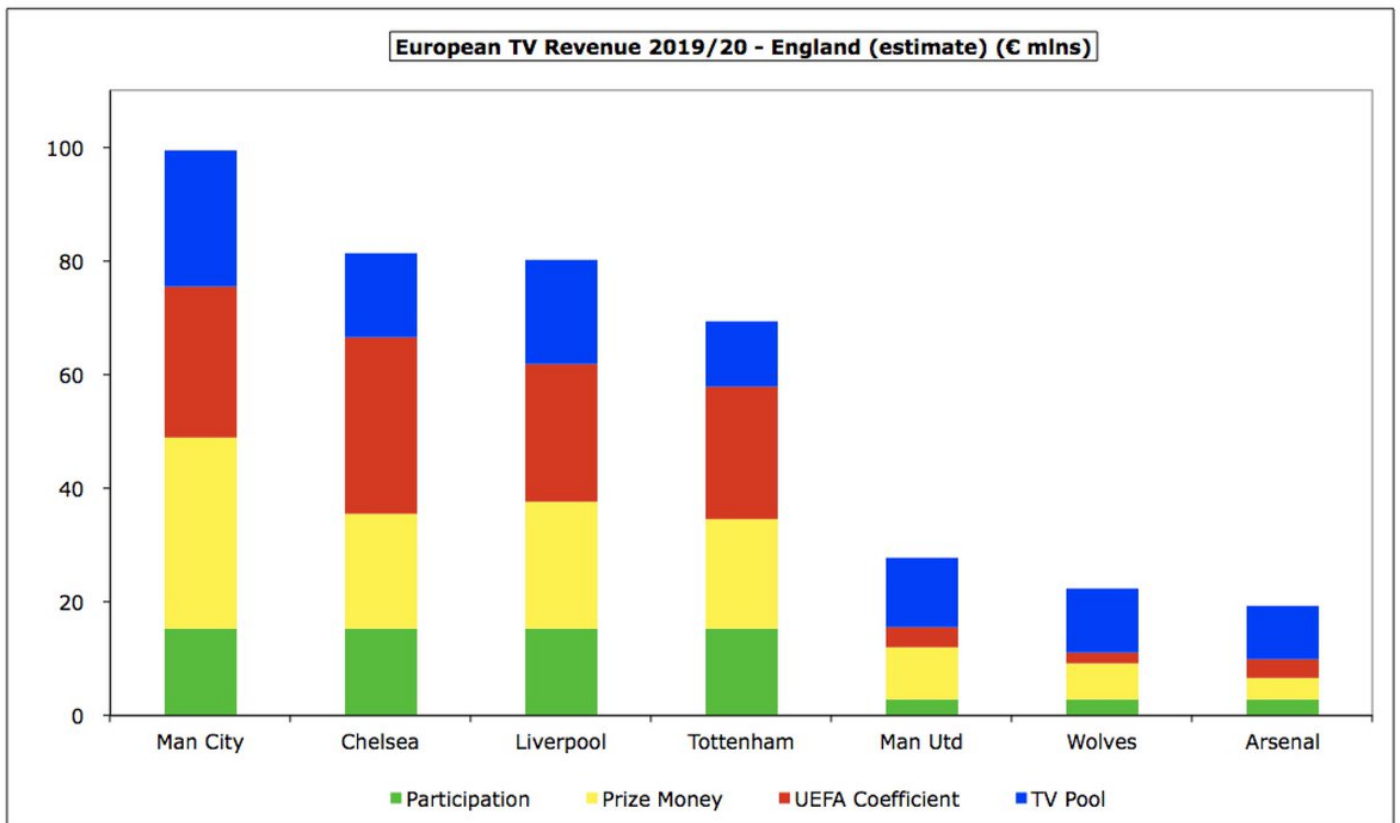
2018/19	16	104.3
2017/18	17	107.2
2016/17	8	122.5
2015/16	6	84.8
2014/15	7	82.6
2013/14	8	76.9
2012/13	14	43.8

2019/20 Rebate

Premier League	<b>264.2</b>
Relegated Clubs	15.4
Promoted Clubs	50.4
<b>Total</b>	<b>330.0</b>

Prepared by @SwissRamble

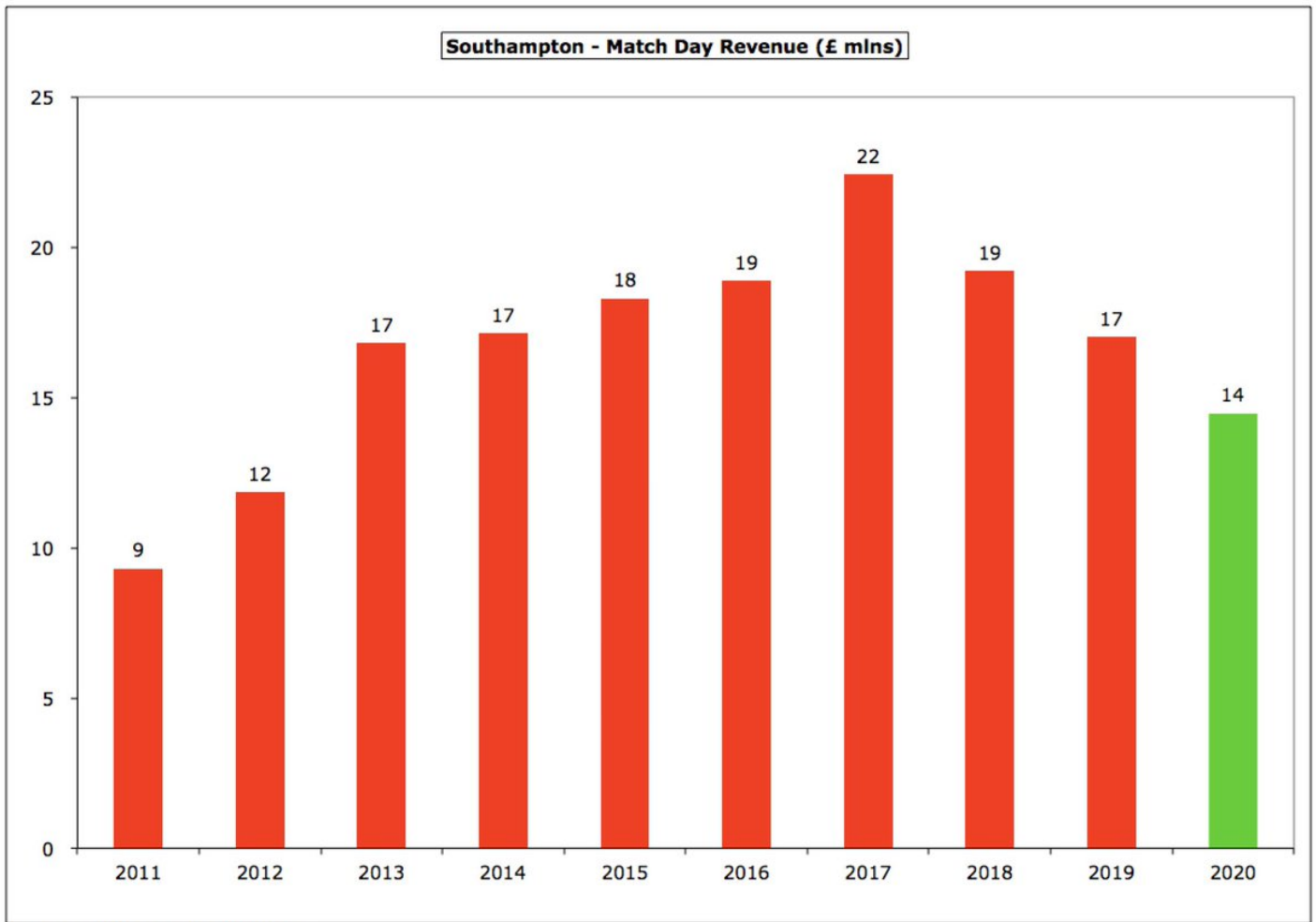
It is worth noting the impact of European qualification on a club's broadcasting income, especially the Champions League, which was worth between £88m for #MCFC and £61m for #THFC in 2020. Europa League participants earn less, but still ranged from £17m to £25m.



€ mlns	Champions League				Europa League		
	Man City Quarter-final	Chelsea Last 16	Liverpool Last 16	Tottenham Last 16	Man Utd Semi-final	Wolves Quarter-final	Arsenal Last 32
Participation	15.3	15.3	15.3	15.3	2.8	2.8	2.8
Prize Money	33.7	20.2	22.3	19.3	9.3	6.4	3.8
UEFA Coefficient	26.6	31.0	24.4	23.3	3.4	2.0	3.4
TV Pool	23.8	14.9	18.4	11.5	12.3	11.3	9.4
<b>Total</b>	<b>99.3</b>	<b>81.4</b>	<b>80.3</b>	<b>69.3</b>	<b>27.7</b>	<b>22.4</b>	<b>19.3</b>
<b>Total (£ mlns)</b>	<b>87.9</b>	<b>72.0</b>	<b>71.0</b>	<b>61.4</b>	<b>24.5</b>	<b>19.8</b>	<b>17.1</b>

Prepared by @SwissRamble

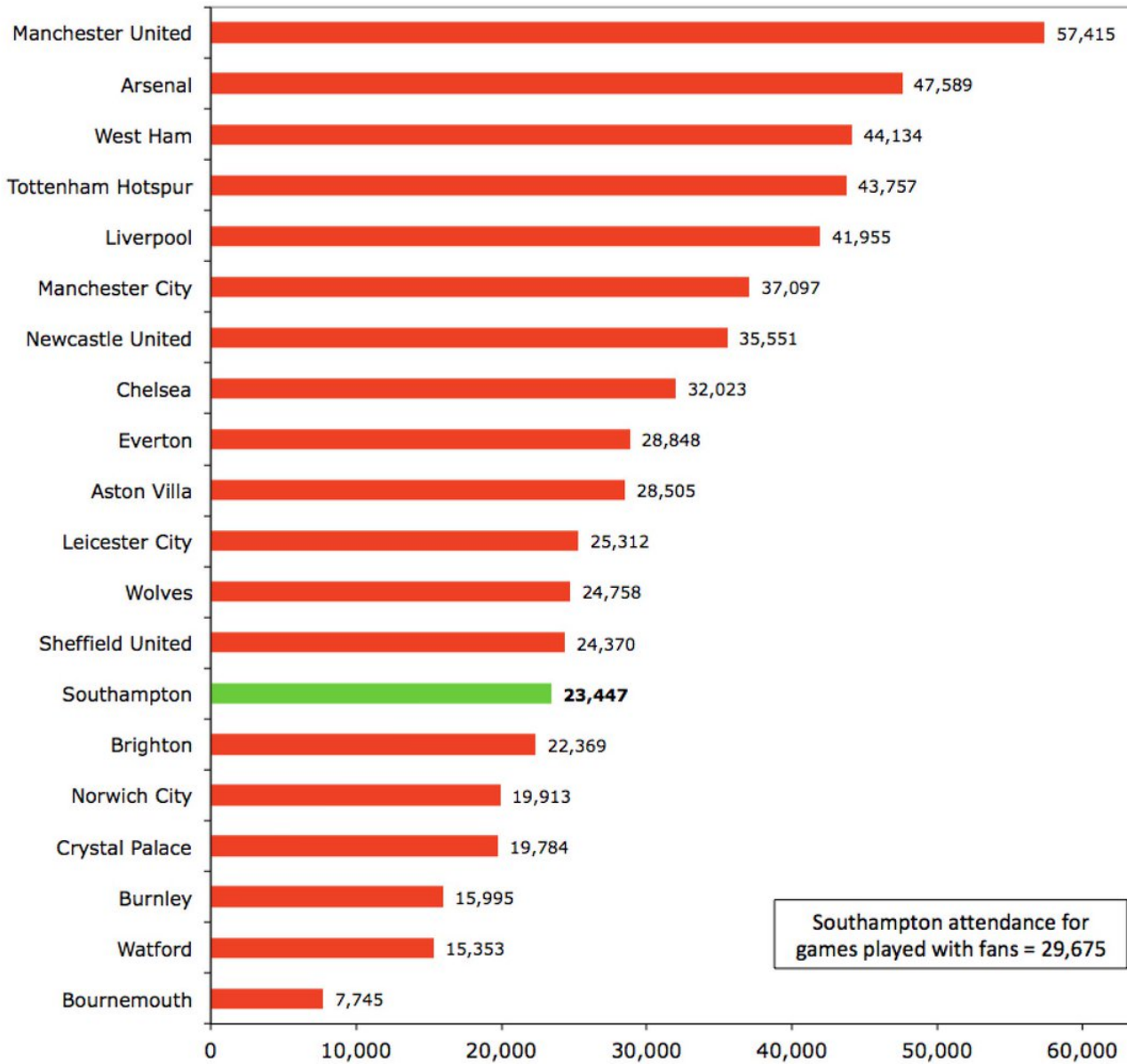
#SaintsFC match day revenue fell £3m (15%) from £17m to £14m, their lowest since 2012, due to the suspension of the season, then playing 4 games behind closed doors after the resumption. Income very low compared to the elite clubs, e.g. #THFC earn around 7 times as much (£95m).



Prepared by @SwissRamble

As 4 games played behind closed doors, #SaintsFC average attendance fell from 30,139 to 23,428, though up to 29,675 for those games with fans in attendance. Remained 14th highest in Premier League. Prices reduced for two-thirds of season ticket holders in 2019/20.

**Premier League 2019/20 - Attendances**

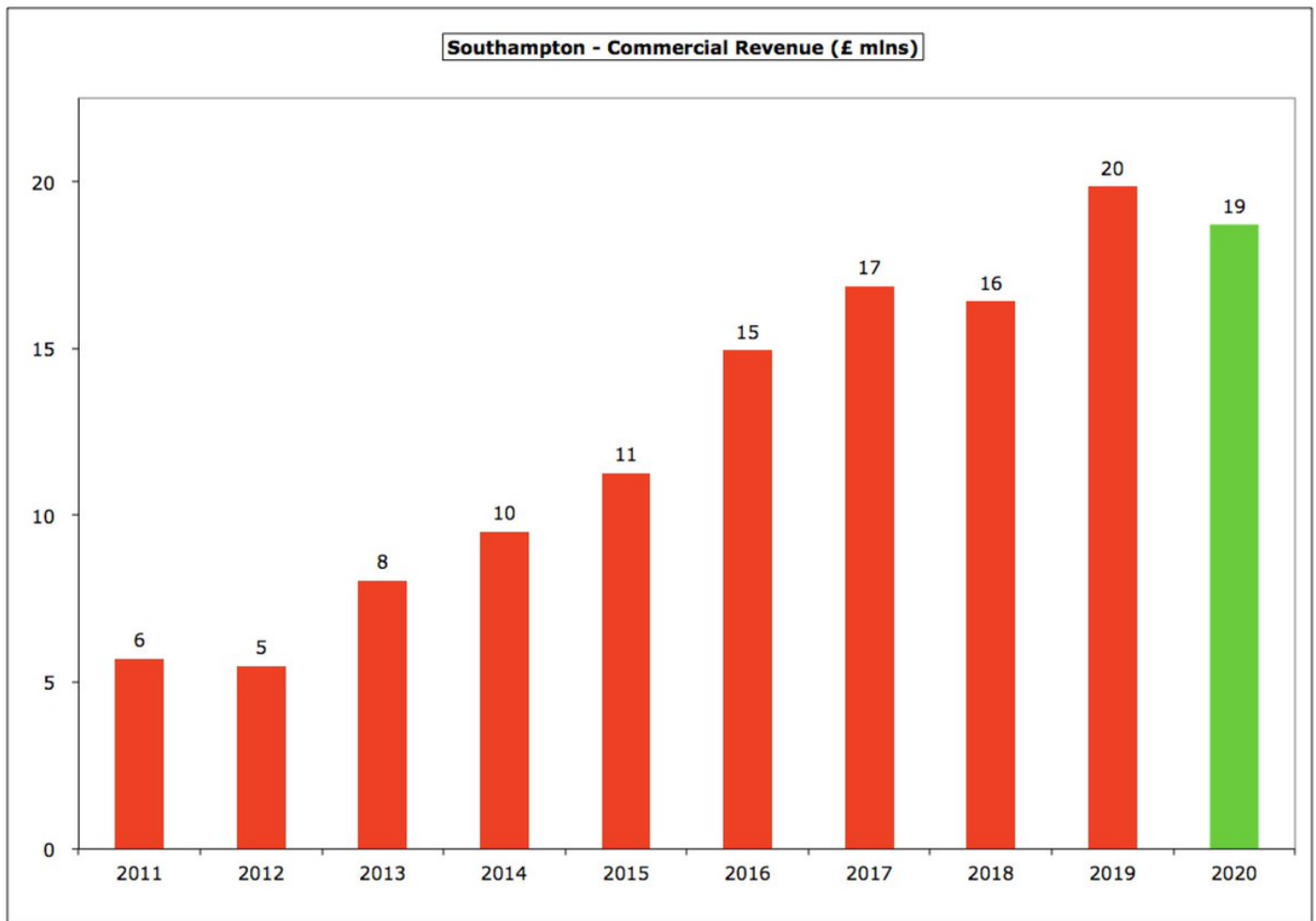


Note: figures distorted by some games being played behind closed doors due to COVID

Prepared by @SwissRamble

Source: Soccerway

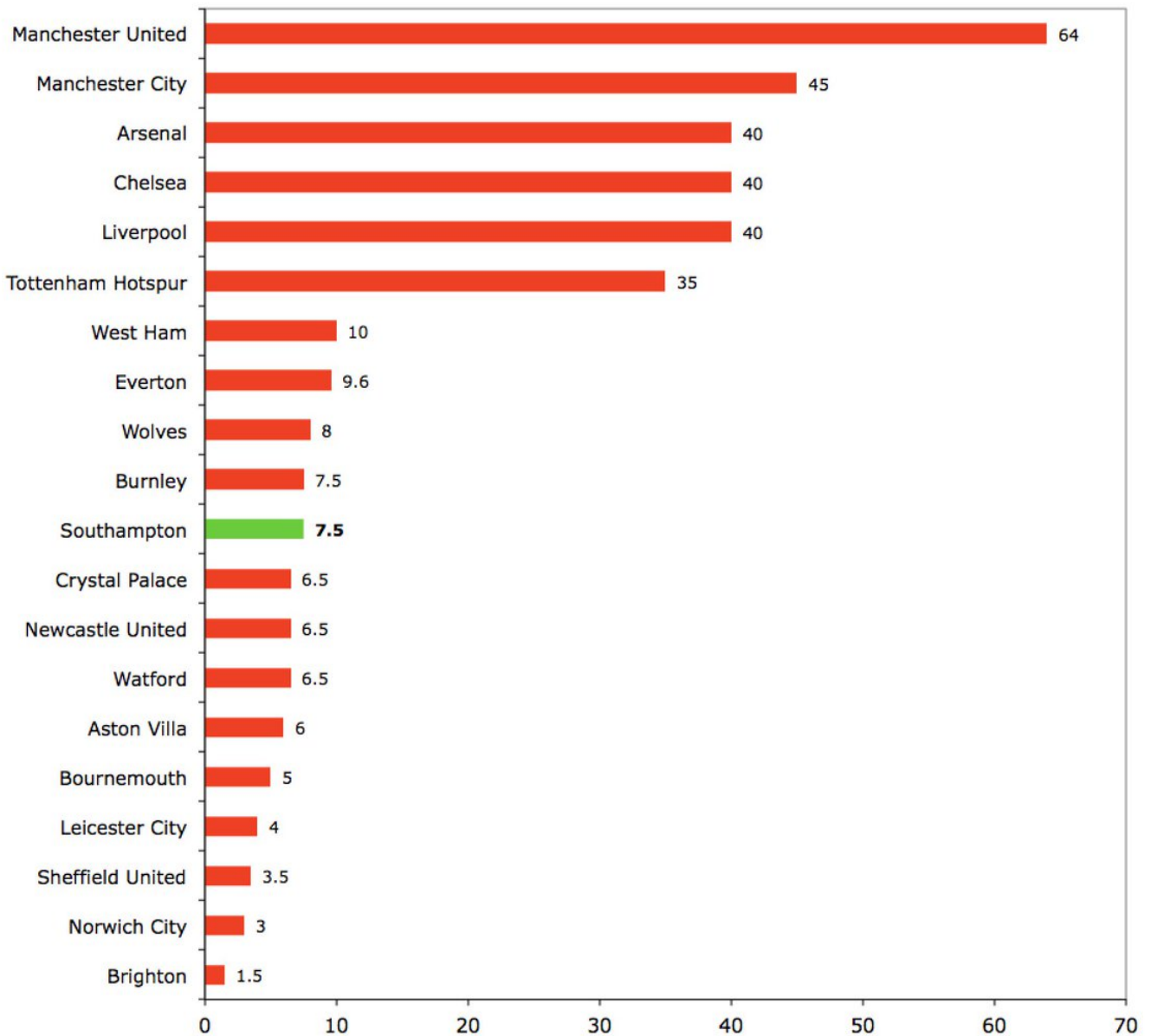
#SaintsFC commercial income fell £1m (6%) from £20m to £19m, though had been rising until COVID meant £5.7m revenue foregone and £1.6m deferred to 2020/21, due to reduction in conferences and postponement of Killers gig. Firmly in bottom half of Premier League.



Prepared by @SwissRamble

#SaintsFC ended their club record shirt sponsorship (reportedly £7.5m a year) with Chinese company LD Sports after only 12 months of 3-year agreement, replaced by <https://t.co/a0BYTyWpPP> for 2020/21. Kit supplier deal is with Under Armour, while sleeve sponsor is Virgin Media.

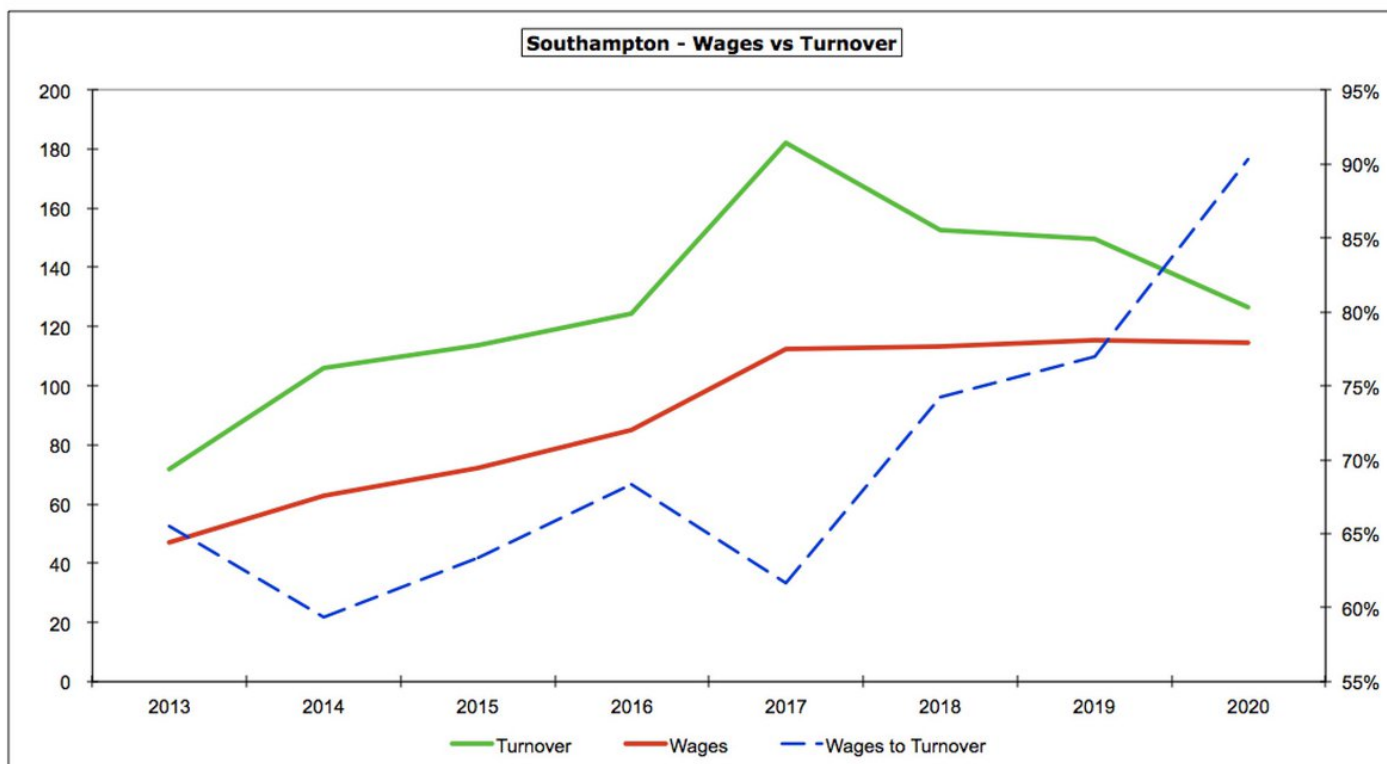
### Premier League 2019/20 - Shirt Sponsorship



Prepared by @SwissRamble

Source: Sporting Intelligence

#SaintsFC wage bill slightly decreased by £1m (1%) to £114m, which means that wages have been essentially flat for the last 4 years, but over that period the wages to turnover ratio has worsened from 62% to 90%, due to the fall in revenue.



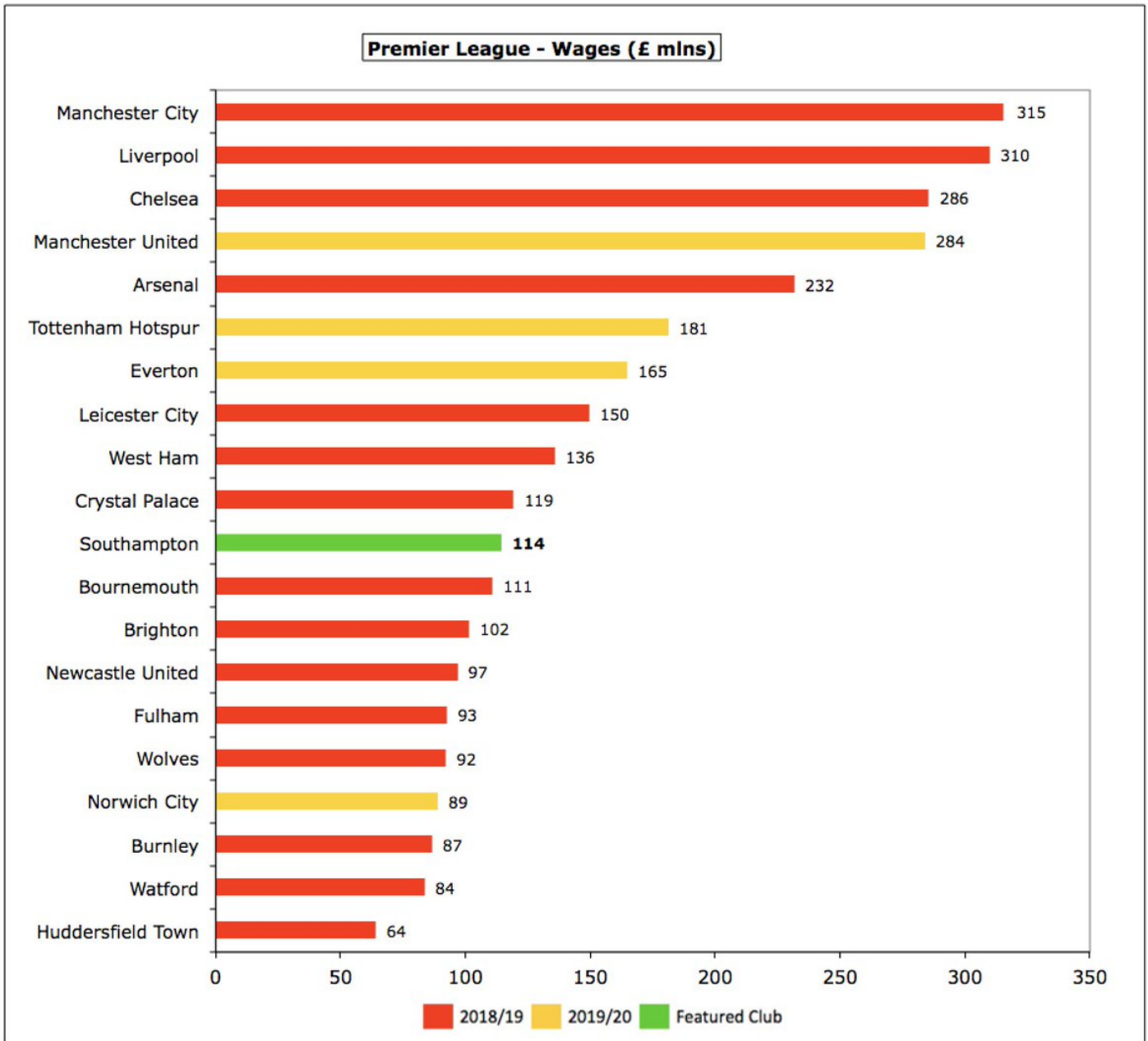
£ mlns	2013	2014	2015	2016	2017	2018	2019	2020	Growth since 2017
Turnover	72	106	114	124	182	153	150	127	(56) (31)%
Wages	47	63	72	85	112	113	115	114	2 2%
Wages to Turnover	66%	59%	63%	68%	<b>62%</b>	74%	77%	<b>90%</b>	29%

Employees

Administrative	53	59	111	121	150	173	171	169	19	13%
Direct (Football)	177	223	191	213	230	256	254	268	38	17%
Total Number of Employees	230	282	302	334	380	429	425	437	57	15%

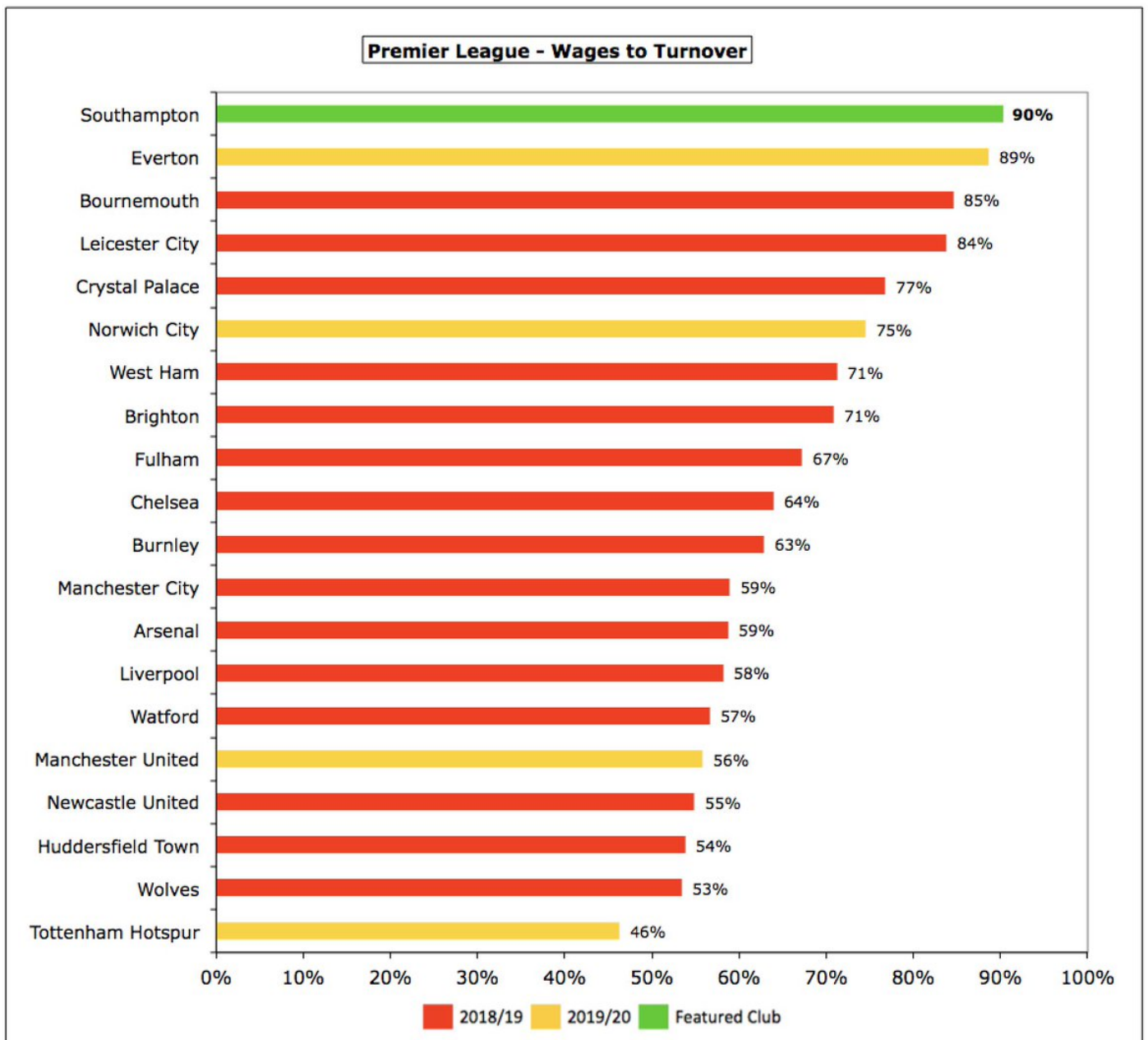
Prepared by @SwissRamble

#SaintsFC £114m wage bill is currently 11th highest in Premier League, around £50m below #EFC £165m, though other clubs' wages may well drop when 2019/20 accounts are published.



Note: Norwich City 2019/20 wages covered 13 months, due to change in accounting date  
 Prepared by @SwissRamble

The increase in #SaintsFC wages to turnover ratio to 90% means that this is the highest (worst) in the Premier League, just above #EFC 89%, though could be overtaken when other clubs publish 2019/20 accounts. Excluding impact of the pandemic, it would have fallen to 72%.

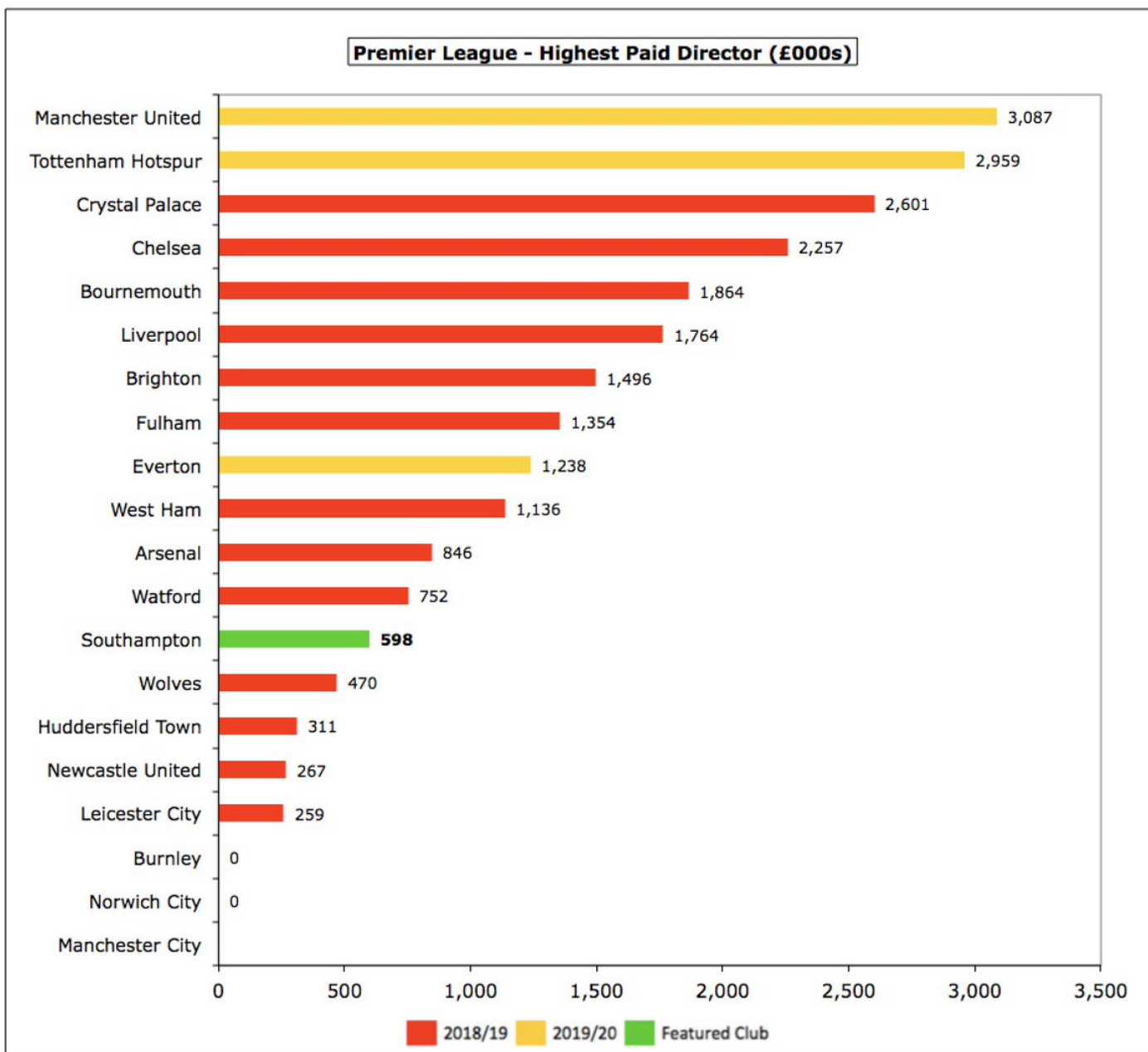


Note 1: Everton 2018/19 wages covered 13 months, due to change in accounting date

Note 2: Norwich City 2019/20 wages covered 13 months, due to change in accounting date

Prepared by @SwissRamble

#SaintsFC directors remuneration nearly halved from £2m to £1.2m with the highest paid director seeing pay decrease from £728k to £598k. This is relatively low for the Premier League, especially compared to #MUFC £3.1m and #THFC £3.0m.

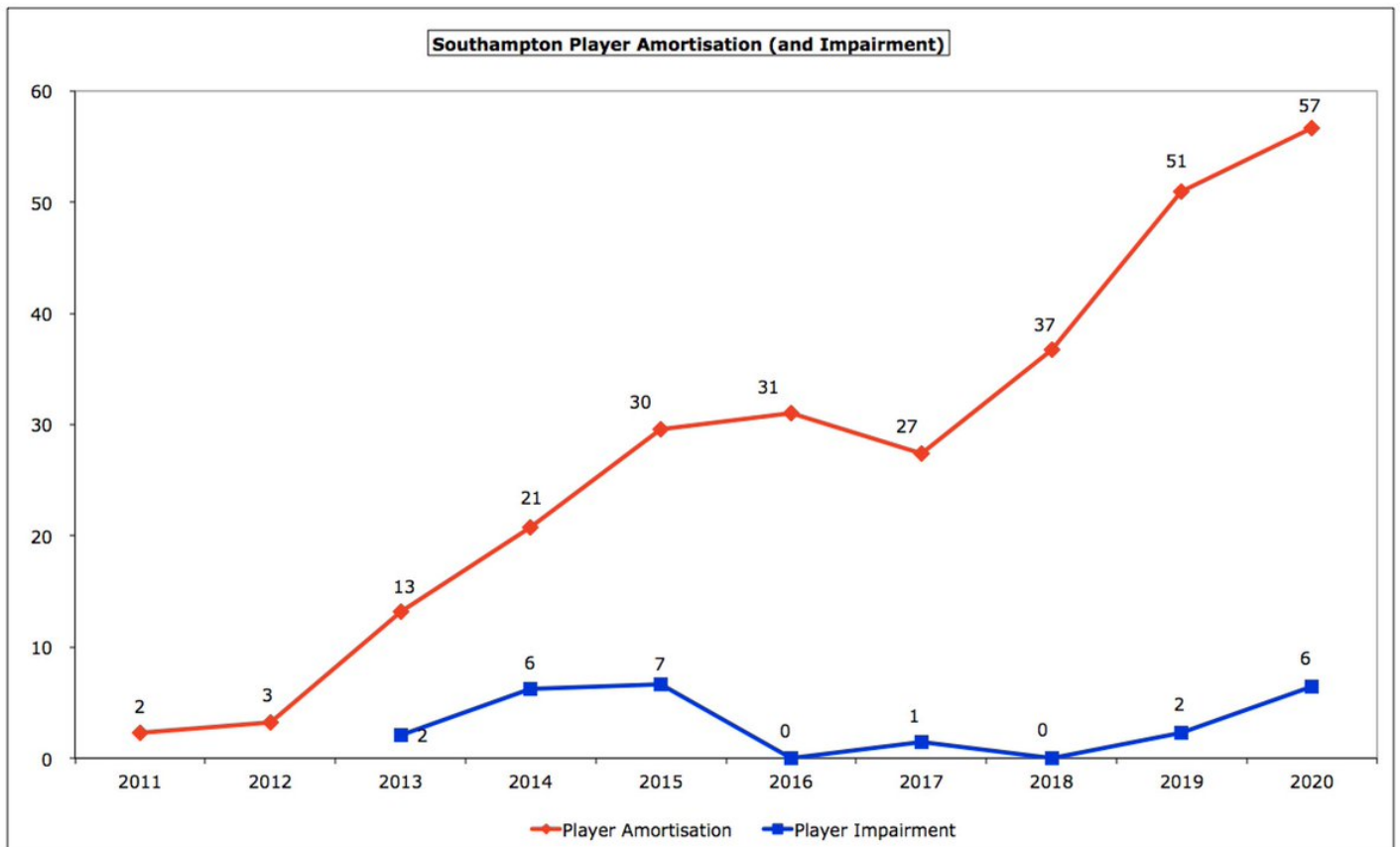


Note 1: Chelsea do not split highest paid director from total

Note 2: Manchester City do not detail the remuneration of the highest paid director

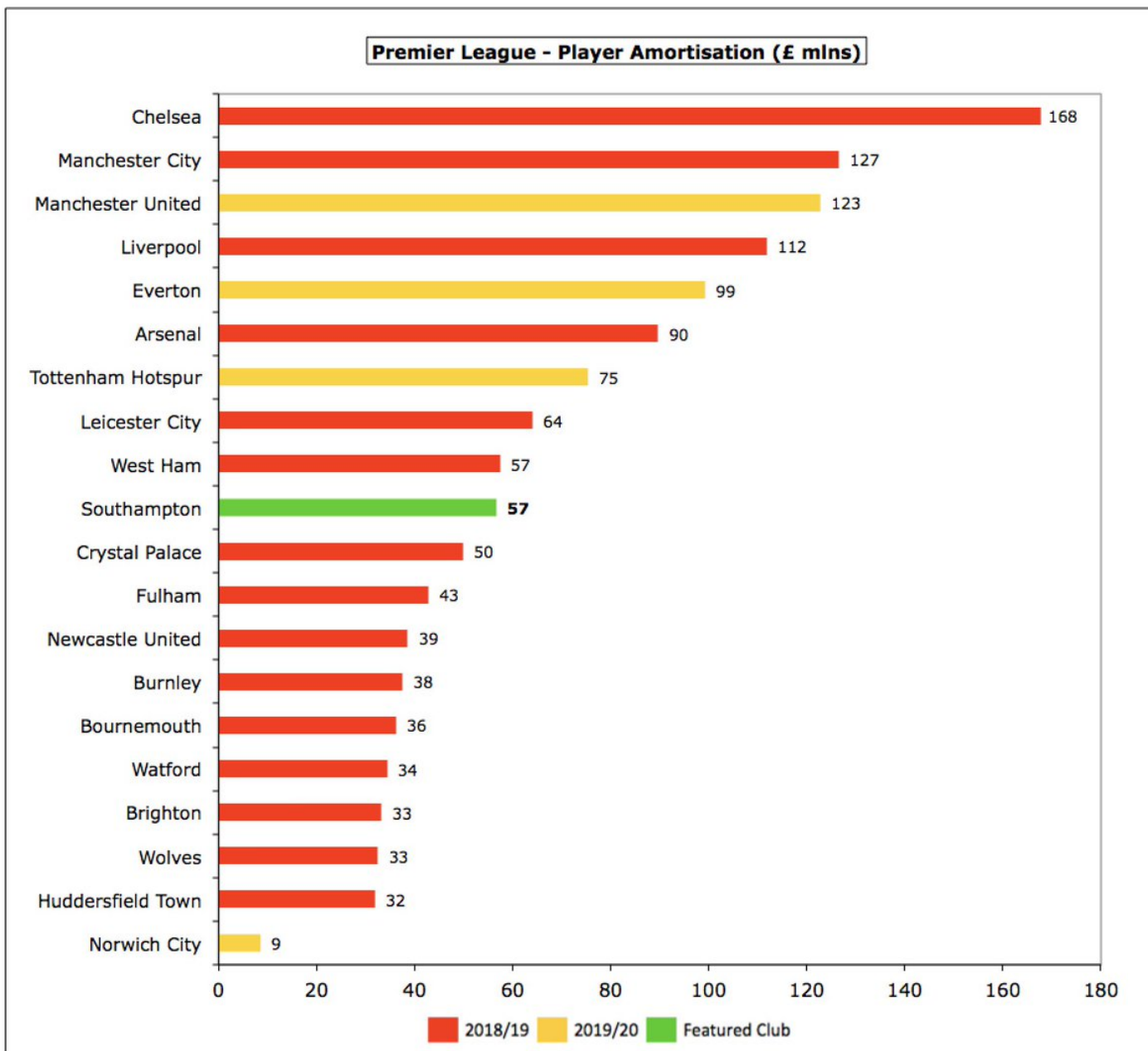
Prepared by @SwissRamble

#SaintsFC player amortisation, the annual charge to write-down transfer fees over the life of a player's contract, rose by £6m (15%) from £51m to £57m. Also booked £6.4m impairment charge to reduce the value of certain players (maybe Guido Carrillo?), up from prior year's £2.3m.



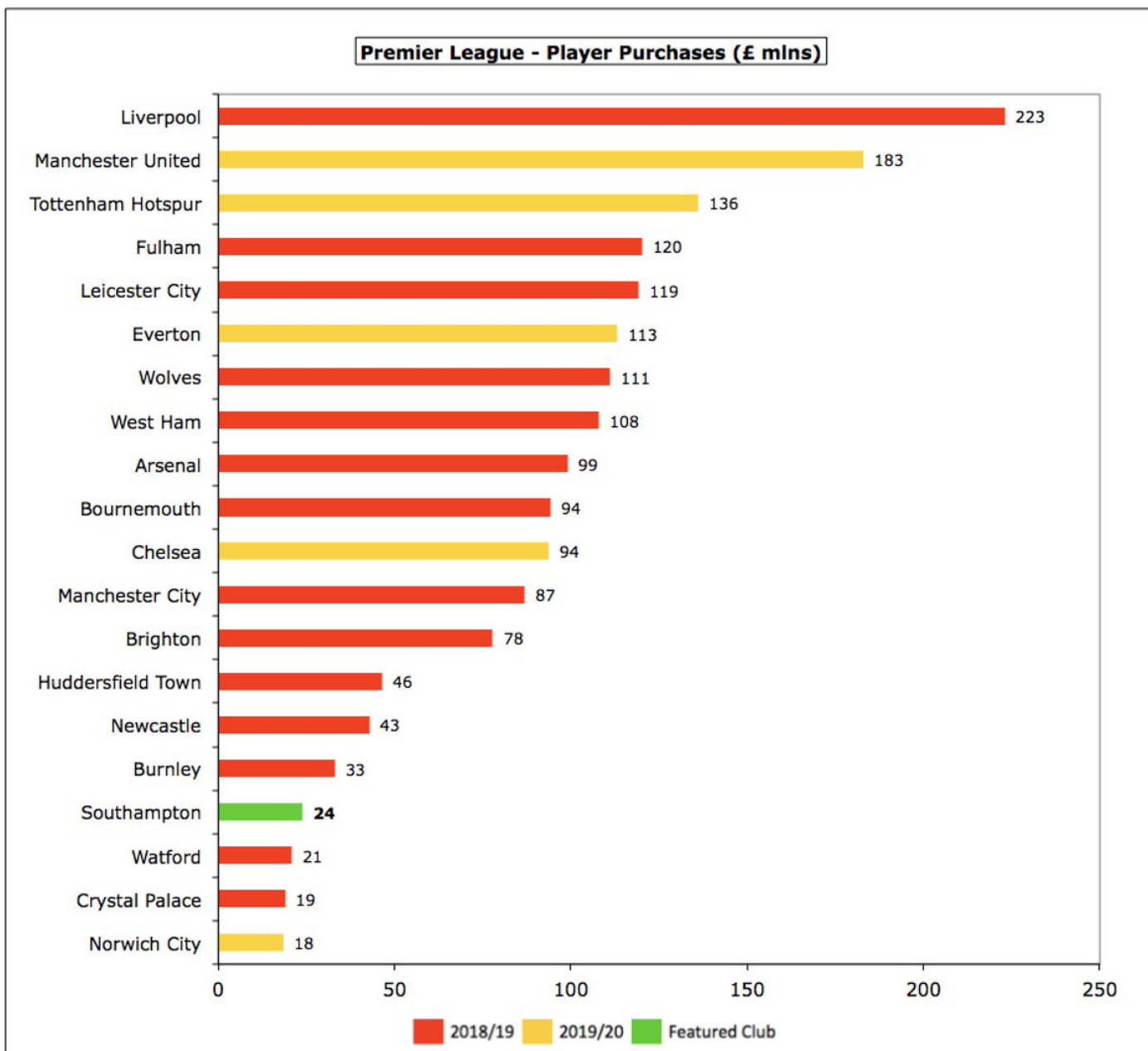
Prepared by @SwissRamble

As a result, #SaintsFC £57m player amortisation has more than doubled in just 3 years, though is still mid-table in the Premier League, just behind #WHUFC. For some perspective, it is around than a third of big spending #CFC £168m.



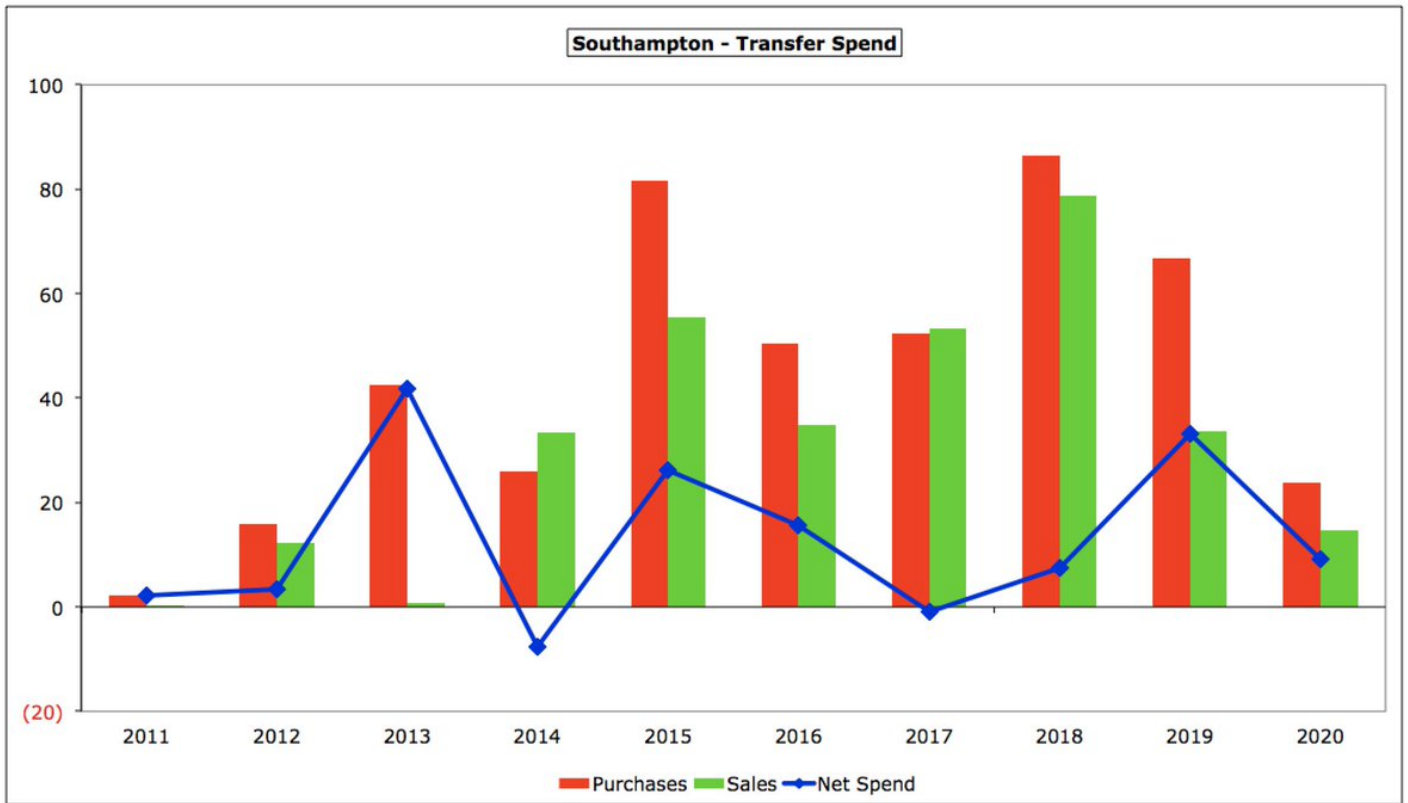
Prepared by @SwissRamble

#SaintsFC spent £24m on player purchases, including Che Adams and Moussa Djenepo, down from £67m prior year and £86m in 2018. Fairly low for the Premier League, though clubs did cut back expenditure last season. That said, Southampton have splashed out £361m in last 6 years.



Note: player purchases are taken from club's balance sheet  
 Prepared by @SwissRamble

#SaintsFC annual gross transfer spend averaged £60m in last 6 years, but £45m player sales means that net spend has only been £15m. The 2020/21 accounts will include acquisitions of Ibrahim Diallo (Brest), Kyle Walker-Peters (#THFC) and Mohammed Salisu (Valladolid).

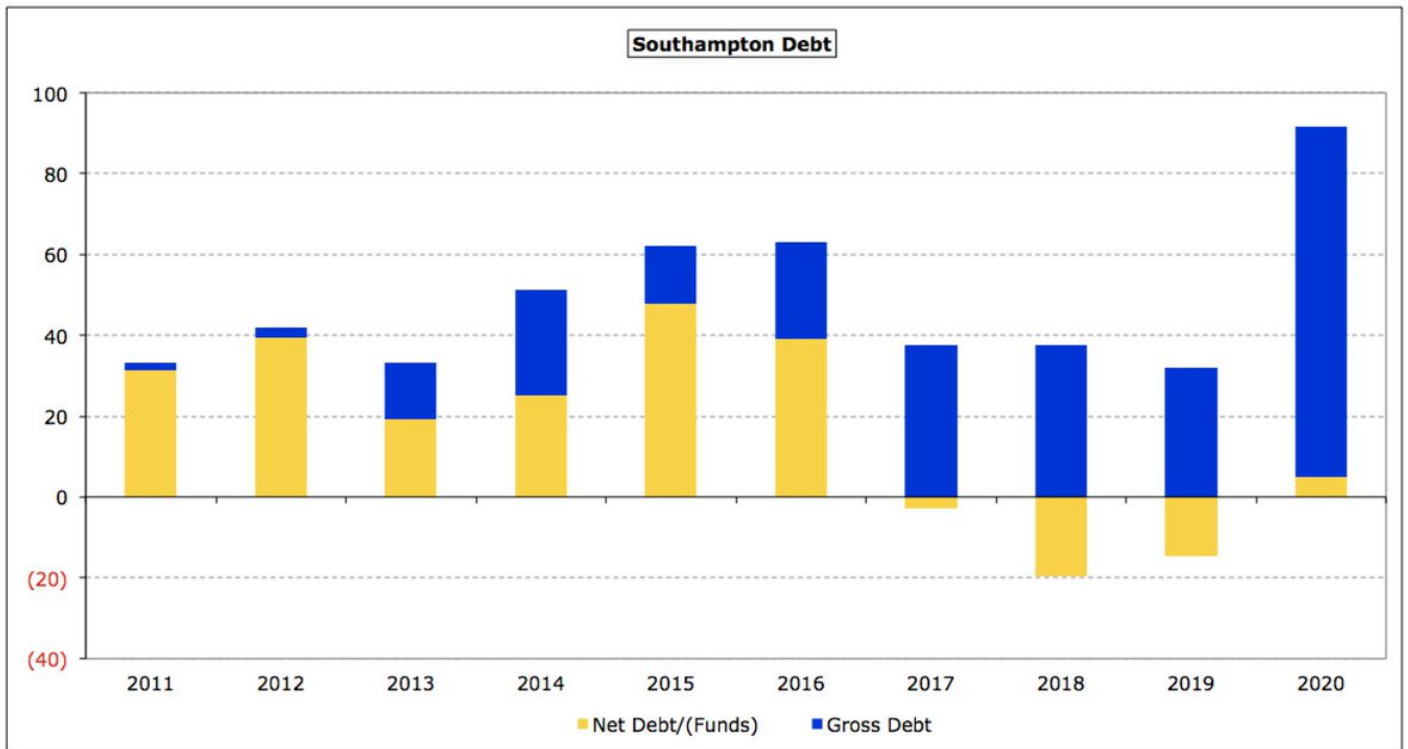


£ mlns	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Annual Averages	
	League One	Championship	Premier	Premier	Premier	Premier	Premier	Premier	Premier	Premier	2011-14	2015-20
Purchases	2	16	43	26	82	50	52	86	67	24	22	<b>60</b>
Sales Proceeds	0	12	1	33	56	35	53	79	34	15	12	<b>45</b>
<b>Net Spend</b>	<b>2</b>	<b>4</b>	<b>42</b>	<b>(8)</b>	<b>26</b>	<b>16</b>	<b>(1)</b>	<b>8</b>	<b>33</b>	<b>9</b>	<b>10</b>	<b>15</b>

Prepared by @SwissRamble

Source: Balance Sheet

#SaintsFC gross debt rose sharply from £32m to £92m, largely comprising £78m loan from MSD Holdings repayable in 2025 and £12m bank loan repayable in 2 equal instalments over next 2 years. Previous £20m working capital facility repaid during the year.



£ mlns

2011 2012 2013 2014 2015 2016 2017 2018 2019 2020  
 DMWSL 613 -----> St Mary's Football Group ----->

Bank Overdraft
Bank Loans
Football League Loan
Loan Notes
Finance Leases
Other Loans
Shareholder Loan
<b>Gross Debt</b>
Cash
<b>Net Debt/(Funds)</b>

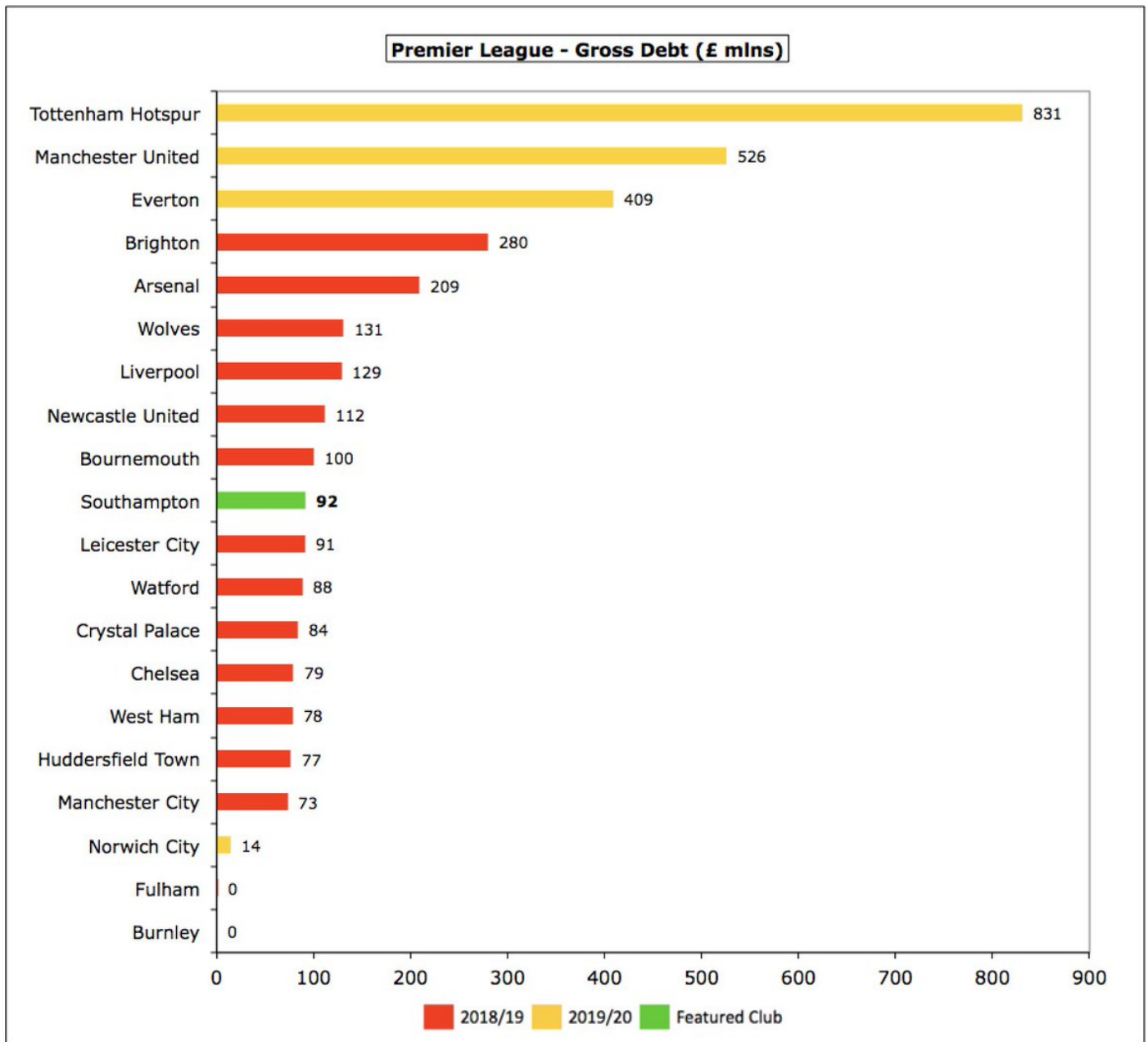
		4	15	15	15	17	18	17	12	13
0										
0	0	0	1	1	0		0	0	0	0
		6	21	14	15		21	20	79	
33	38	13	15	33	31	20	0	0	0	
<b>33</b>	<b>42</b>	<b>33</b>	<b>51</b>	<b>62</b>	<b>63</b>	<b>38</b>	<b>37</b>	<b>32</b>	<b>92</b>	
2	2	14	26	14	24	41	57	47	87	
<b>31</b>	<b>39</b>	<b>19</b>	<b>25</b>	<b>48</b>	<b>39</b>	<b>(3)</b>	<b>(20)</b>	<b>(15)</b>	<b>5</b>	

Loans converted into Capital  
 Prepared by @SwissRamble

		38						19		
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Managing Director Toby Steele was at pains to emphasise that the big loan the club took out just before the accounts closed was “absolutely to mitigate against the effects of COVID-19” and not to fund transfer spend (“a war chest for January or the summer”).

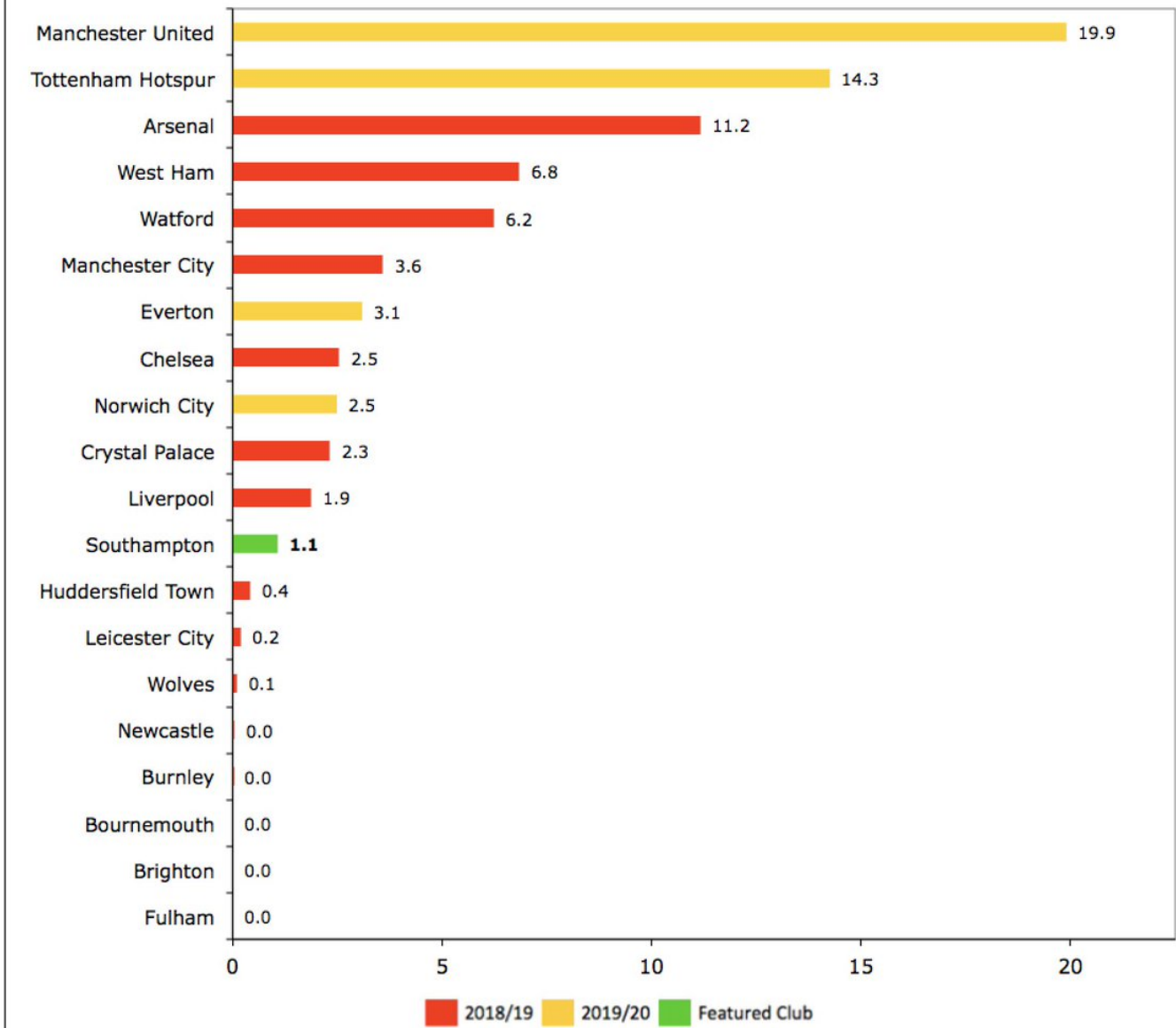
Despite the increase, #SaintsFC £92m gross debt is fairly standard for the Premier League. Five clubs owe more than £200m: #THFC £831m lead the way (new stadium), followed by #MUFC £526m, #EFC £409m, #BHAFC £280m and #AFC £209m. Other clubs will have increased debt in 2019/20.



Note: Chelsea figure is football club debt (£1.5 bln in Fordstam Ltd, the holding company)  
 Prepared by @SwissRamble

#SaintsFC paid £1.1m interest, down from £2.0m, but this will increase, due to MSD £78.8m loan charging a hefty 9.14% (£7.2m a year). The other £12.5m of bank loans is at 1.065%. Some Premier League clubs have much higher charges, though many owners provide interest-free loans.

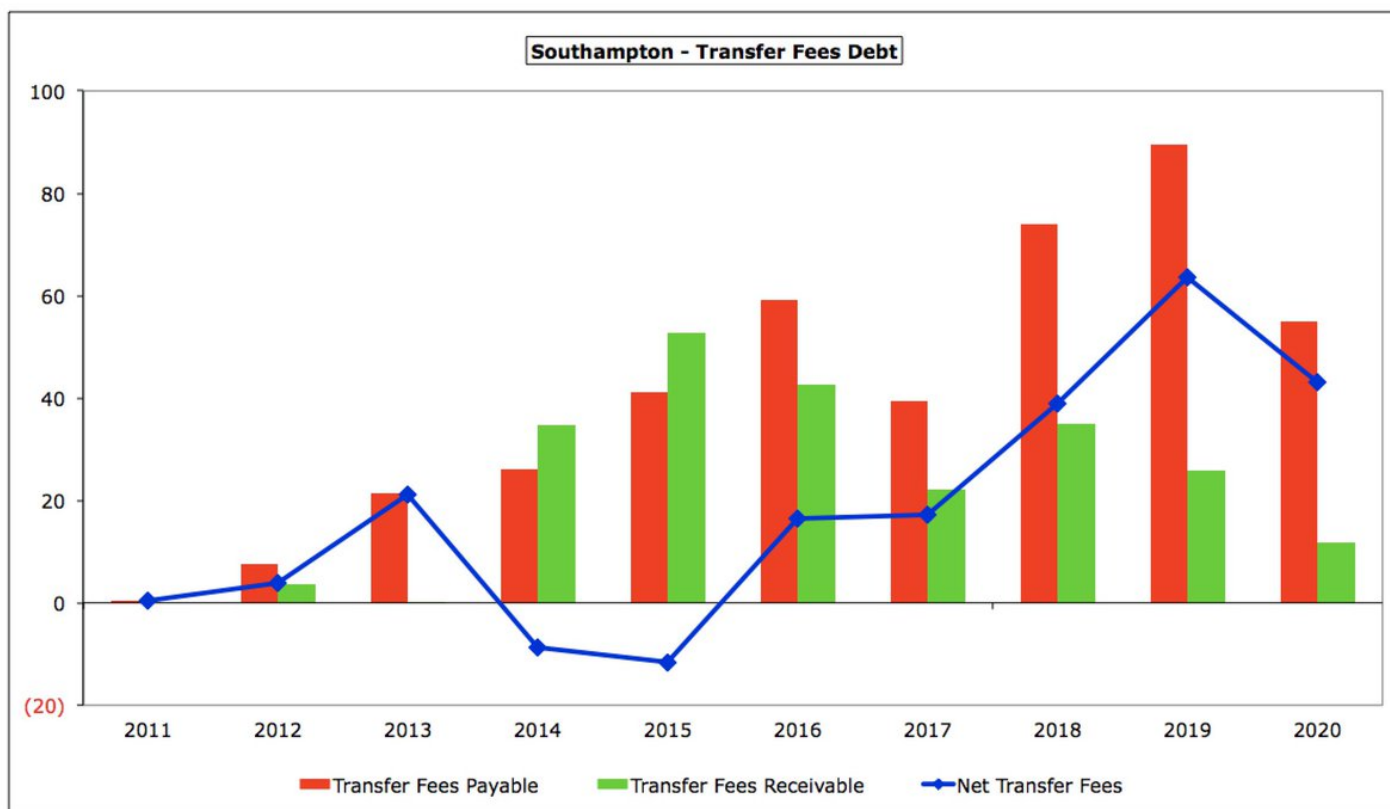
**Premier League - Interest Paid (£ mlns)**



Prepared by @SwissRamble

Note: cash interest paid (not interest payable in P&L)

Worth noting that #SaintsFC have reduced transfer fees debt (stage payments) from £90m to £55m. There is £12m owed by other clubs, so net payable is £43m. In addition, £30m contingent liabilities potentially payable, mainly dependent on player appearances.



£ mlns	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Transfer Fees Payable	1	7	21	26	41	59	39	74	90	55
Transfer Fees Receivable	0	4	0	35	53	43	22	35	26	12
<b>Net Transfer Fees Payable</b>	<b>1</b>	<b>4</b>	<b>21</b>	<b>(9)</b>	<b>(12)</b>	<b>16</b>	<b>17</b>	<b>39</b>	<b>64</b>	<b>43</b>
Contingent Liabilities	3	2	3	2	5	10	13	19	26	31

Prepared by @SwissRamble

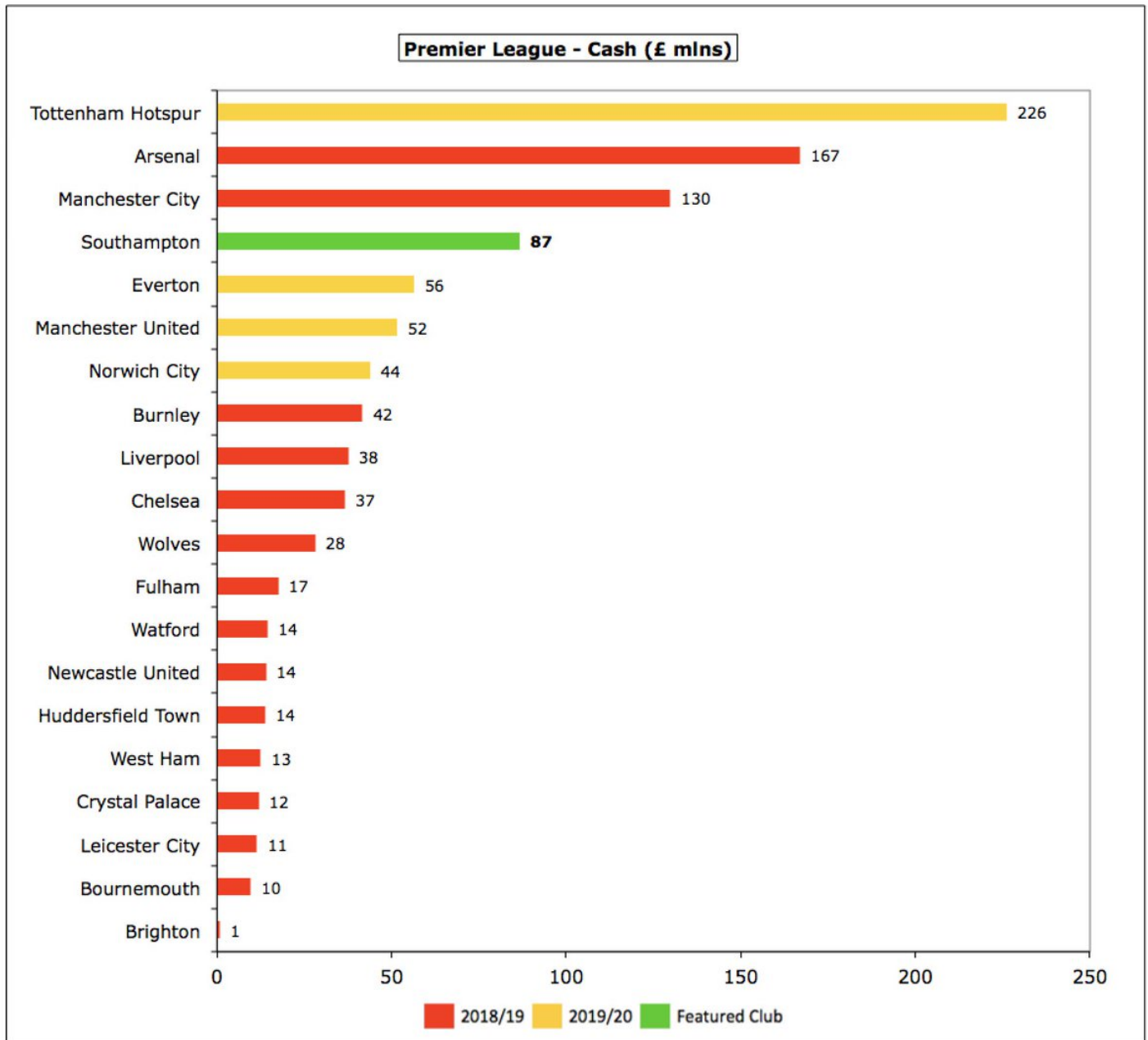
#SaintsFC generated £15m cash from operations, then spent £33m (net) on player purchases, £3m on capital expenditure (mainly hospitality areas at the stadium) and £1m interest. This was funded by £62m of bank loans, giving net cash inflow of £40m.

**Southampton - Cash Flow**

£ mlns	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	2016-20
	League One	Champ'ship	Premier	Premier	Premier	Premier	Premier	Premier	Premier	Premier		
Operating Profit/(Loss)	(12)	(24)	(7)	(1)	(27)	(16)	3	(34)	(59)	(87)	(263)	(193)
Amortisation & Depreciation	3	4	16	29	39	34	32	40	56	67	320	228
<b>EBITDA</b>	<b>(9)</b>	<b>(20)</b>	<b>9</b>	<b>28</b>	<b>12</b>	<b>17</b>	<b>35</b>	<b>6</b>	<b>(2)</b>	<b>(20)</b>	<b>56</b>	<b>35</b>
Working Capital Movements	(3)	16	5	3	5	(10)	8	(18)	11	35	54	28
<b>Operating Activities</b>	<b>(11)</b>	<b>(4)</b>	<b>14</b>	<b>31</b>	<b>17</b>	<b>8</b>	<b>43</b>	<b>(12)</b>	<b>9</b>	<b>15</b>	<b>110</b>	<b>63</b>
Player Purchases	(2)	(9)	(26)	(23)	(61)	(41)	(70)	(66)	(54)	(61)	(413)	(292)
Player Sales	1	9	4	4	30	52	75	80	46	28	329	281
Player (Purchases)/Sales	(1)	(0)	(21)	(19)	(31)	11	5	14	(8)	(33)	(84)	(11)
Capital Expenditure	(1)	(3)	(11)	(15)	(6)	(4)	(4)	(4)	(3)	(3)	(55)	(19)
Interest Received/(Paid)	0	0	(0)	(2)	(2)	(4)	(2)	(1)	(2)	(1)	(14)	(10)
Taxation								(0)			(0)	(0)
<b>Before Financing</b>	<b>(14)</b>	<b>(8)</b>	<b>(18)</b>	<b>(5)</b>	<b>(22)</b>	<b>10</b>	<b>43</b>	<b>(4)</b>	<b>(4)</b>	<b>(22)</b>	<b>(44)</b>	<b>23</b>
<b>Shareholder Loans</b>	<b>13</b>	<b>5</b>	<b>13</b>	<b>2</b>	<b>18</b>	<b>(2)</b>	<b>(11)</b>				<b>38</b>	<b>(13)</b>
Bank Loans		4	11	(1)	0					(20)	(5)	(20)
Other Loans	(0)	(0)	6	16	(8)	1	(15)	21	(6)	82	95	82
<b>Financing</b>	<b>12</b>	<b>9</b>	<b>30</b>	<b>18</b>	<b>11</b>	<b>(1)</b>	<b>(26)</b>	<b>21</b>	<b>(6)</b>	<b>62</b>	<b>128</b>	<b>49</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>(1)</b>	<b>1</b>	<b>12</b>	<b>12</b>	<b>(12)</b>	<b>9</b>	<b>17</b>	<b>17</b>	<b>(11)</b>	<b>40</b>	<b>84</b>	<b>72</b>

Prepared by @SwissRamble

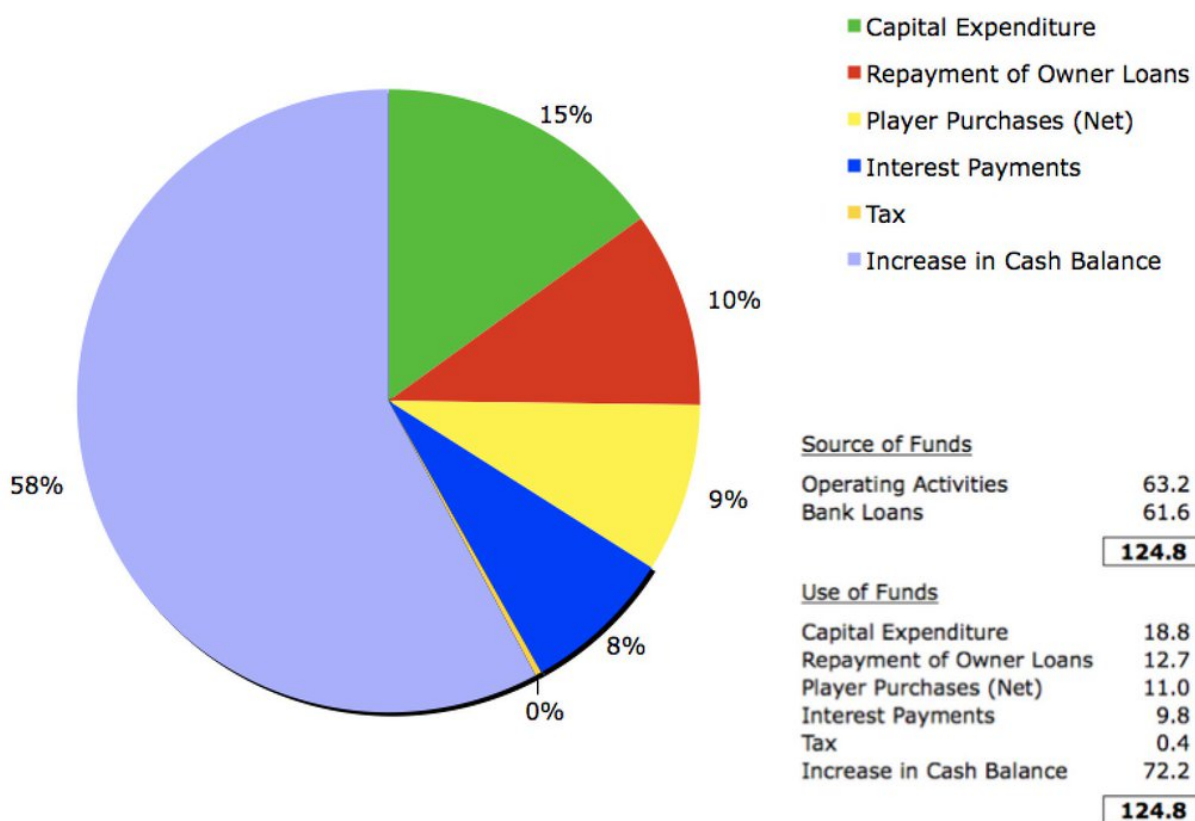
#SaintsFC cash rose from £47m to £87m, 4th highest in the Premier League. However, this is a bit misleading, as it is largely due to the new loan. Steele: "While the cash reserves remain in a good place, the losses being made every month will continue eating into that figure."



Prepared by @SwissRamble

No owner funding for #SaintsFC in the last 5 years, which is a big change. Instead, generated £63m from operations and £62m from external loans. Invested £19m in infrastructure, repaid £13m owner loans, had £11m (net) player purchases and £10m interest. Cash balance up £72m.

**Southampton - Use of Funds in Last 5 Years (2016-20)**



Prepared by @SwissRamble

Owner Gao Jisheng has not invested any money into #SaintsFC, as he wants the club to be self-sustaining. It has been reported in the media that the Chinese businessman is keen to sell his 80% stake, but he remains the owner for the time being.

On the pitch, #SaintsFC continue to make progress under Ralph Hasenhüttl, but these financial results highlight the challenges that the pandemic poses to all football clubs, plus Southampton's reliance on profitable player trading. The loss necessitated taking on much more debt.