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Securitized Products Special Topics

Euro Stadiums: Check Blueprints for Upcoming US Transactions

Euro Stadium Deals Chart the Path as US Momentum Accelerates

European stadium financing transactions provide helpful blueprints for privately funded sports facility projects in the US. Executed, rated stadium-backed deals in Europe, such as the €320 million FCT Olympique Lyonnais StadCo, inform both investors and issuers about key stadium finance aspects such as: (1) deal structure; (2) underlying cashflows; (3) rating considerations; and (4) performance drivers. We see an accelerating momentum to use private funding for sports facilities in the US. This should greatly motivate owners to tap the securitization markets, as we recently discussed.[1] In Europe, stadium finance traditionally has been predominantly private. As such, Euro market participants have gained valuable experience in privately funded stadium finance structures.

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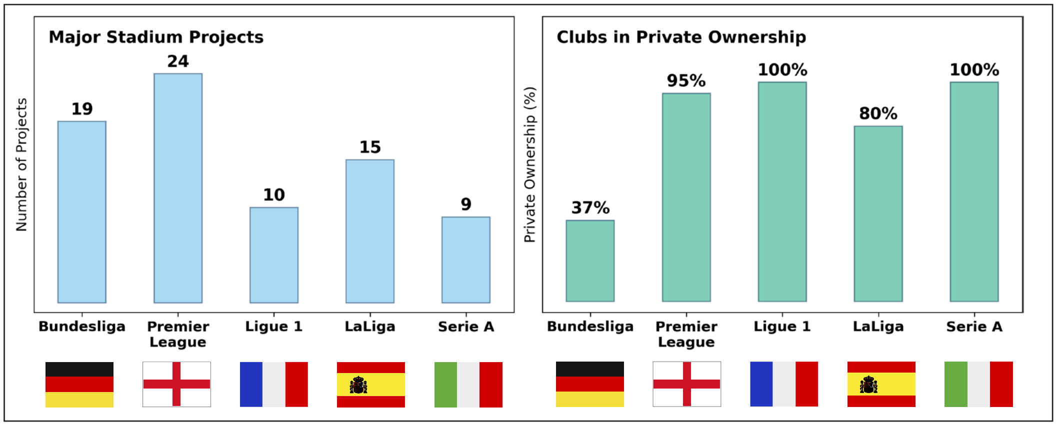
We expect sports and stadium-related US developments to echo trends in Europe. European clubs and developers have been undertaking a significant number of major stadium projects in recent years, especially in England's Premier League (Figure 1). So-called "gate receipts" revenue is significantly growing, eclipsing media/TV revenues. Private ownership of European clubs has been increasing.[2] Private credit is using Euro teams' unique revenue sources, such as transfer fees, as collateral. All told, we expect the US market is poised to leverage and adopt existing Euro structural and collateral features (with some exceptions, such as Euro-specific relegation risks – more on this later).

Figure 1. Euro Stadium Projects and Club Ownership



Source: UEFA and Academy Securities

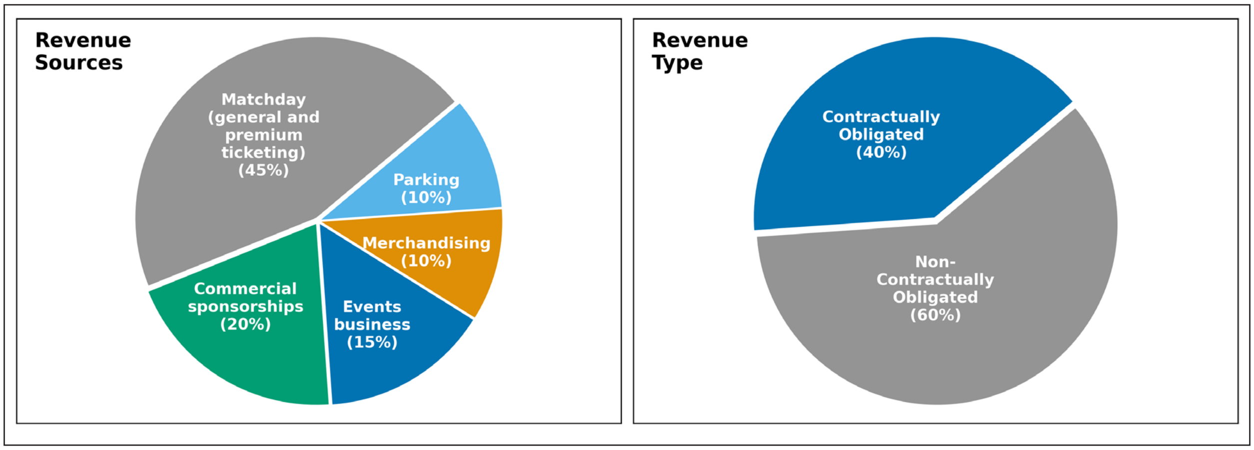
1 "Stadium Finance: Shift to Private Funding Sets the Stage for Securitization," Securitized Products Special Topics, Academy Securities, June 26, 2025

2 The rising private club ownership in Europe strongly echoes US developments such as private equity firms buying stakes in NFL teams, as we recently discussed ("Sports Securitization: Gear Up to Vet League Revenues and Stadium Cashflows," Securitized Products Special Topics, Academy Securities, February 18, 2025). The latest example is the NFL's Patriots selling 8% stake to investors including Sixth Street

Diverse Stadium Revenue Mix Offers Mixed Blessing

Stadium revenue sources can be very diverse. For example, deal documents for the FCT Olympique Lyonnais transaction list eight different cashflow categories including (1) club and Stadium sponsorships, naming rights, and advertising; (2) club merchandising revenues; (3) general and season ticketing; (4) VIP/premium seating; (5) meetings and events; (6) concessions; (7) food and beverage; and (8) parking. Matchday ticketing comprises a notable share of the overall revenues (Figure 2, left).

Figure 2. FCT Olympique Lyonnais StadCo Revenue Mix



Source: Deal Documents, Presales, and Academy Securities

Revenue diversity generally is credit positive. But eclectic revenue mixes can also complicate underwriting a bit. Different revenue sources could have varied performance drivers. For example, home team commercial sponsorship is likely a very different business from the stadium's non-team events business (music concerts etc.) Looking at the stadium so-called "contractually obligated income" (COI) can identify revenue sources that are likely more predictable during the transaction's life. In FCT Olympique Lyonnais COI comprise 40%, based on deal documents (Figure 2, right).

Contractually Obligated Income (COI) Can Stabilize Cashflows

Euro stadium owners growing focus on securing COI sources can stabilize transaction cashflows and streamline underwriting. We identify a few trends:

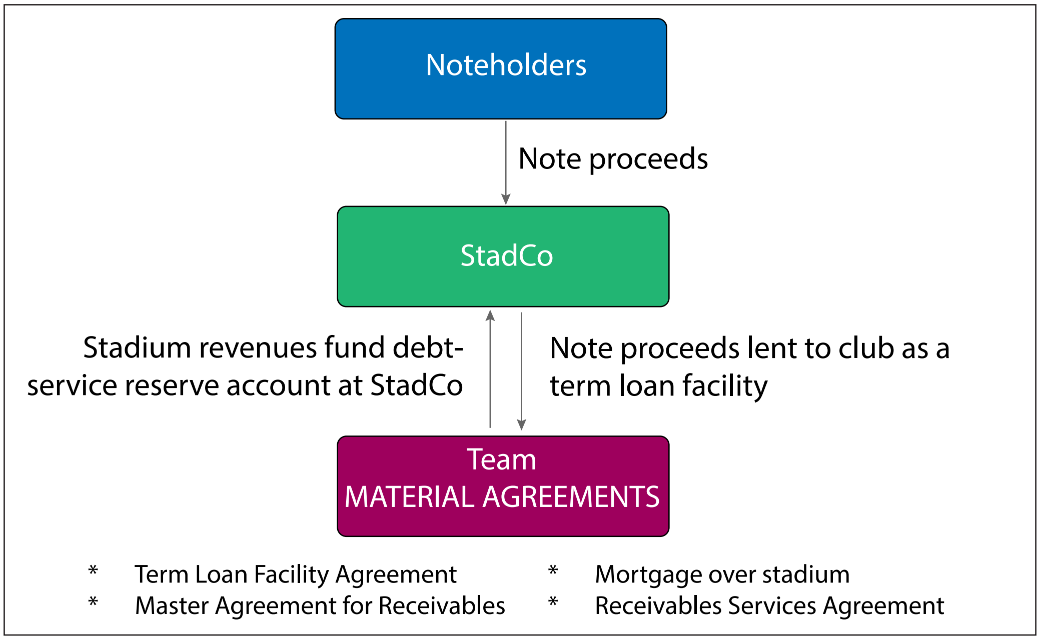
- **Premium seating.** Clubs are looking to boost stadium premium seating capacities to ~10% of the overall capacity. This represents a significant increase from previous stadium figures of around 2% or less, according to rating agencies.
- **Stadium naming rights.** Following stadium construction or renovations, owners are contractually selling name rights, thereby generating steady income streams. For example, in Germany, 78% of clubs have stadium sponsors, according to KBRA. Notable post-renovation stadium naming sales include FC Barcelona's Spotify Camp Nou and Club Atlético de Madrid's Riyadh Air Metropolitano.

- **Non-match events**. Owners are intensely focused on using stadiums on non-match days for events. For example, in FCT Olympique Lyonnais, beyond the stadium's main use for home games of its anchor club Olympique Lyonnais, the facility also hosts music concerts including those by Taylor Swift, Coldplay, Depeche Mode, Muse, and the Red Hot Chili Peppers. The Stadium also hosted the 2023 Rugby World Cup and 11 football matches from the 2024 Summer Olympics.

StadCo Structures Feature Familiar Securitization Frameworks

The so-called "StadCo" structures that European stadium transactions employed will not surprise US investors. The basic structure looks to separate the specific stadium revenues the issuance uses for collateral from the ongoing operating risk of the club. Key contracts, such as "TeamCo Facility Agreement", will govern the flow of revenues across the structure (Figure 3). In some cases, the collateral can also include an actual mortgage on the stadium, as is the case in the FCT Olympique Lyonnais transaction.

Figure 3. Illustrative StadCo Structure



Source: Ratings Agencies and Academy Securities

The home team operations and performance naturally impact stadium revenues, despite the structural legal separation. Notably, Olympique Lyonnais was poised to relegate in the 2025/26 season to Ligue 2, a lower French league. Consequently, rating agencies were on the verge of downgrading the Olympique Lyonnais StadCo bonds. Interestingly, the relegation decision was rescinded following the club's appeal. The agencies swiftly removed the pending downgrade. Relegation risk is generally not relevant for US teams. But we do expect linkages between team performance and stadium revenues. Stadium transactions will likely address such linkages via structural features common in Euro deals for relegation events. In Olympique Lyonnais StadCo, for example, the club funded a relegation-driven debt service reserve account to cover 12 months of debt service.

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