

Oliver & Ohlbaum

Reinventing Rugby

An independent report by O&O

Summary version

Introduction

An independent report from Oliver & Ohlbaum Associates (O&O), Europe's leading independent strategic adviser on the global media, sports and entertainment sectors

- This study was commissioned by a group of individuals looking to set up a new rugby union competition who wanted an independent view on:
 1. the current and potential interest in the sport globally;
 2. the current global commercial revenues of the game, the flow of funds across the system and its financial health;
 3. the comparative performance of the international and club game; and,
 4. the current initiatives to grow the sport and the challenges faced. Oliver & Ohlbaum Associates (O&O) was not asked to assess the viability of any specific new competition as part of this report
- The report is based on publicly available information and pre-existing research available on a subscription basis, and from previous work by O&O, no new research was specifically commissioned for this study
- The views and opinions expressed herein are those of O&O and based on the available facts when conducting the study
- O&O was established in 1995 to advise those involved in the media, sport and entertainment sectors on the challenges and opportunities of the emerging digital age. It has advised over 250 different organisations including large media groups, major investors, governments, regulators and sports bodies – clients have included Warner Brothers Discovery, the BBC, Paramount, Sky, Liberty Global, Google, Spotify, Netflix, UEFA, the EPL, the EFL, the ECB, 6Nations, URC, FIS, CVC, Arctos Partners, Providence Equity, Redbird Capital Partners, KKR, the European Commission, Ofcom, DCMS and many more
- In sports O&O has looked at the potential impact of changing competitions and calendars across football, cricket, rugby, motorsport, horse racing, volleyball, basketball, ice hockey and skiing

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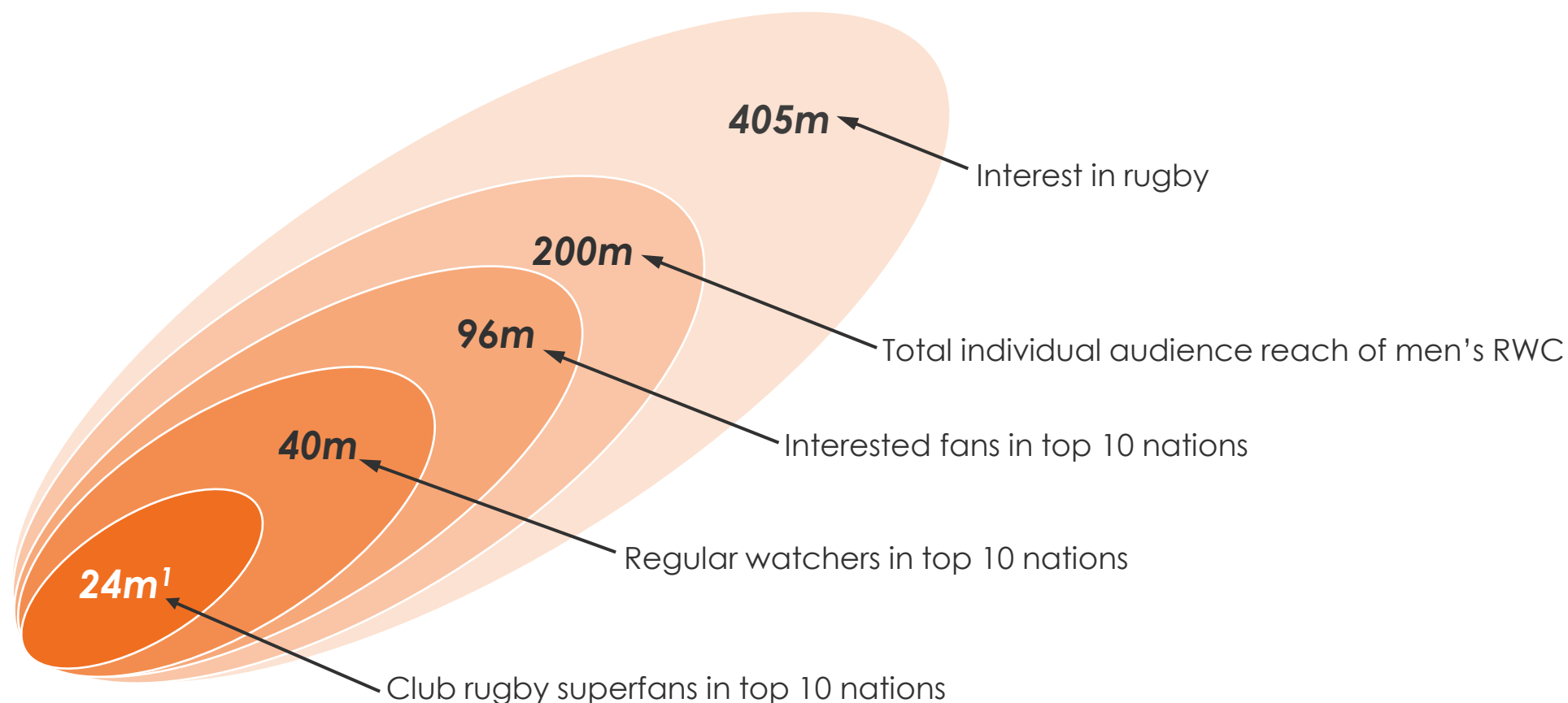
- Senior level rugby union is a \$2.3 billion annual direct revenue sport which attracts a worldwide audience of over c200 million to its men's Rugby World Cup (RWC) event every 4 years. The largest annual international event – the men's 6Nations tournament in Europe – regularly attracts TV audiences in the UK and France in excess of 5 million per match and crowds of over 70,000 paying over \$200 per ticket, and there are around 40 million self-professed highly interested rugby fans across the top 10 rugby supporting markets in the world
- Even though senior international rugby earns almost \$12 million per match across TV rights, sponsorship and ticketing/hospitality, the global rugby system beyond the RWC runs at a loss. Combined operating losses across the top 10 national unions totaled c\$137m in 2023/24. The whole system is only kept afloat by annual grants from World Rugby from its profit-generating men's quadrennial tournament, and public subsidies of some sort. All helped occasionally by the revenue received from hosting the Rugby World Cup (or a Lions' tour for the Southern Hemisphere) – a once every 12-to-20-year event for a major union
- The continued financial demands of even the largest rugby nations leaves World Rugby with limited resources to develop the game in new countries or new forms of the game such as women's rugby or the short-form 7s format (which is now an Olympic Sport). Growth in the value of international rugby's media rights beyond the RWC has slowed significantly in recent years as broadcasters increasingly look to other sports that are more attractive to the social media generation – media rights deals for club rugby are now low growth and, in some instances, falling. While rugby has quite an upmarket audience in most markets, its audience is relatively old and ageing

Rugby union in 2025 – a popular sport, but stagnating

- Beneath international rugby, the senior club tournaments – from which the top international players are sourced – only generate \$1m to \$2m per match with almost all the top clubs running at annual operating losses. Combined losses across England's Premiership Rugby (now PREM Rugby) and France's Top 14 totaled c\$100m in 2023/24. While international rugby in the top 10 markets has 40 million professed fans, the proportion of those fans who are superfan followers of club rugby varies considerably, from just 15 per cent in England to 50 to 60 per cent in France and South Africa
- Attempts to improve the prospects of the club game have focused largely on expanding competitions with more teams and games, and in the case of international club competitions, from more participating countries – none have led to a significant increase in commercial income per club or participating nation. Neither has it improved the financial performance of teams markedly, and in some cases, resulted in subsequent retrenchment – fewer teams – Premiership Rugby in England, or fewer participating countries – Super Rugby in the Southern Hemisphere
- Senior team players are seeing their earnings stagnate while earnings for senior players in other sports such as cricket continue to grow on the back of new and successful formats. Those good enough to make the international team are still required to play a large number of club games per year in addition to their international duties in order to sustain both tiers of the game
- Attempts to create a new annual global international tournament/league out of the large number of one-off “friendlies” played each year between Northern and Southern Hemisphere sides (the Nations Championship) might go some way to improving the profile of the international calendar but is unlikely to result in substantial improvement in the game's finances while putting more pressure on top players
- So far, despite there being 15 million self-professed fans of rugby in the USA, the sport has failed to develop a substantial and valuable presence at either senior club or international level in what is the world's largest sports and entertainment market with even the RWC final on a high-reach channel only gaining an audience of 1 million in a market with a population of 350 million

Global interest vs global fandom

The men's RWC reaches 200m people out of the 405m who say they are interested in rugby worldwide – (and the 877m with “any interest” or knowledge of the sport). By contrast, there are 96m self-professed fans in the top 10 rugby TV markets, but only ~24m club rugby superfans. A huge opportunity lies in converting ~72m of those 96m fans into regular club rugby followers, and turning 160m men's RWC viewers into regular rugby followers of the sport, without the need to attract fans from other sports



Note: ¹Club superfans figure estimated based on estimates of the proportion of club rugby fans in Japan (30%) and USA (10%)

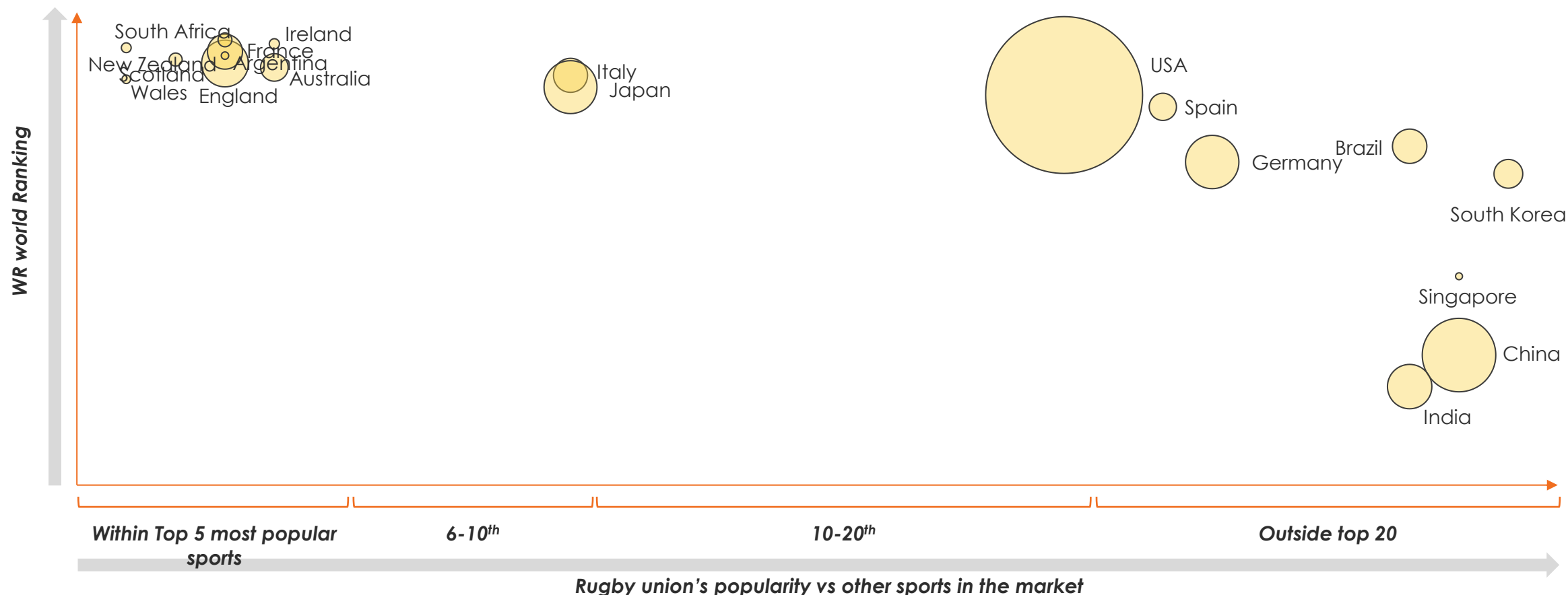
Source: World Rugby, Oliver & Ohlbaum analysis and estimates

Rankings – low outside core nations

Relative popularity of the sport is, for the most part, concentrated in a few markets with a strong rugby history; the sport remains quite low ranked in several major media markets

Relative popularity of rugby union, performance of national teams and size of TV market, 2024

Size of bubble reflects size of the TV market (\$bn)

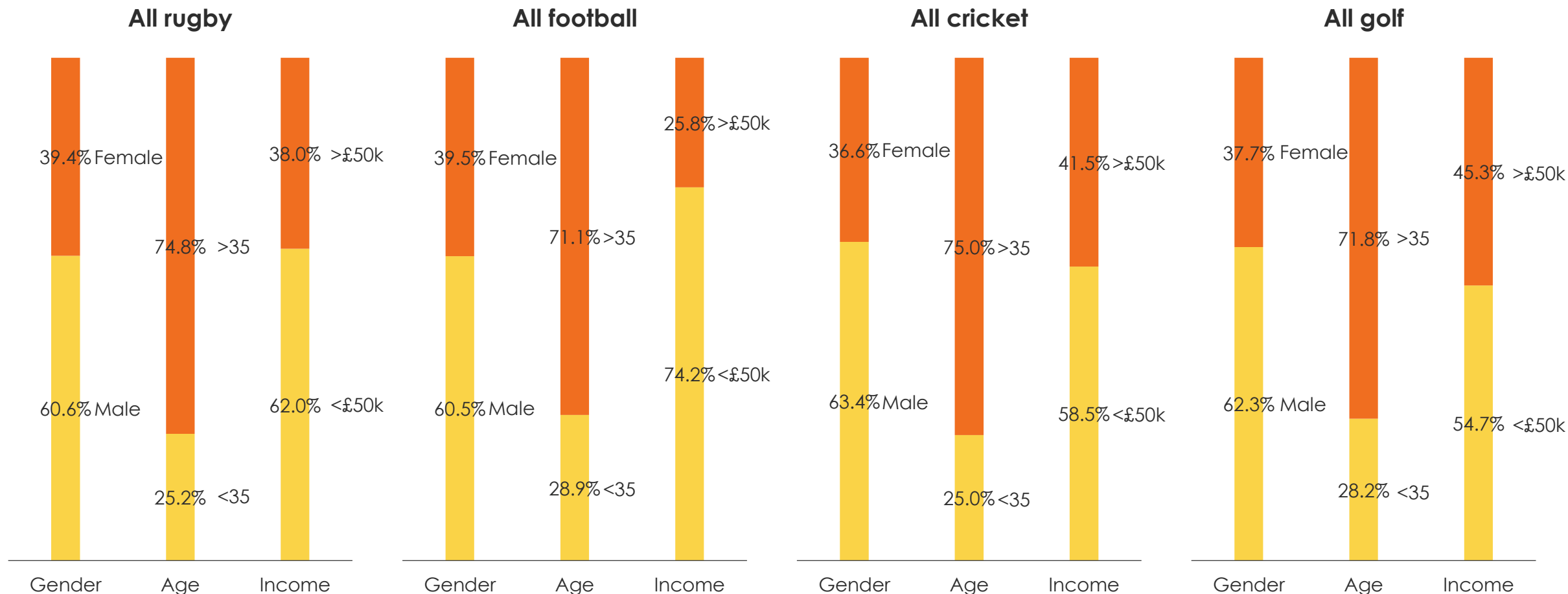


Demographics – good but not great

Compared with other sports, rugby is older than football and golf and on a par with cricket, and it attracts less high-income fans proportionately than either cricket or golf

Rugby Union fan demographics vs other sports, UK | 2023

% of population / fanbase



Note: Income = combined household income

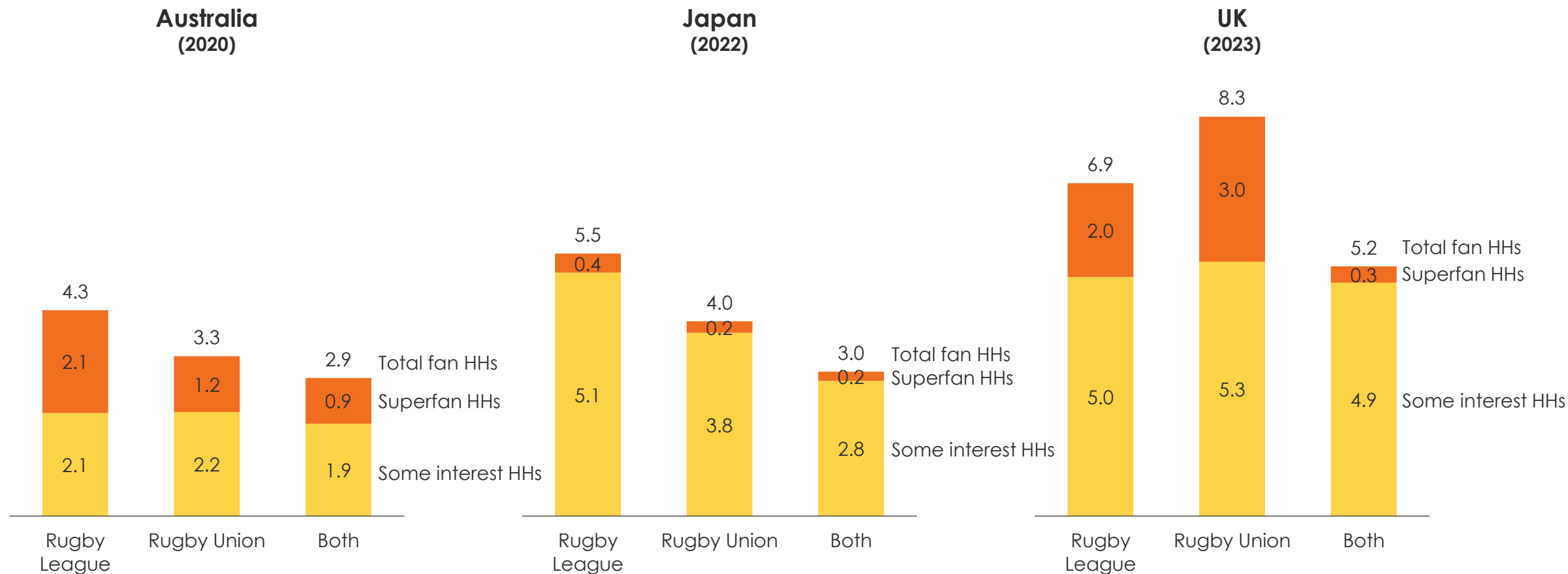
Source: Fly Research, Oliver & Ohlbaum analysis

Two codes – limited cross-over

While there is significant cross-over with casual rugby league fans, there is much less with superfans of both codes. Rugby league fans tend to follow the international rugby union game but not the union club game

Rugby League and Rugby Union fan overlaps in select markets | various years

Fan households (HHs), millions



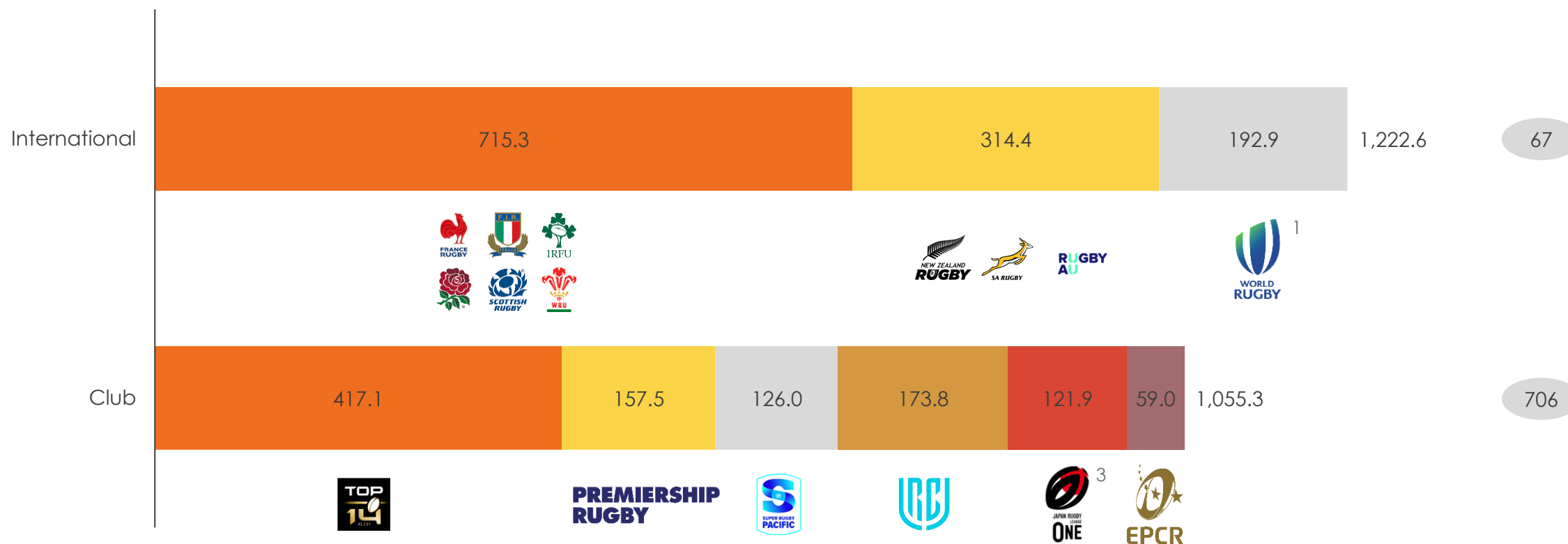
Sizeable revenues

International rugby generates more from 67 matches a year than club rugby from over 700 a year in the senior nations

Estimated global rugby union revenues | 2023

\$ millions

Matches per year²



Note: ¹World Rugby revenues presented as an average taken across the 2020 to 2023 for the 2023 RWC cycle. ²In a RWC year, this number increases to around 85-90 matches. ³Revenue estimated for Japan Rugby League One based on average revenue per match of club rugby competitions

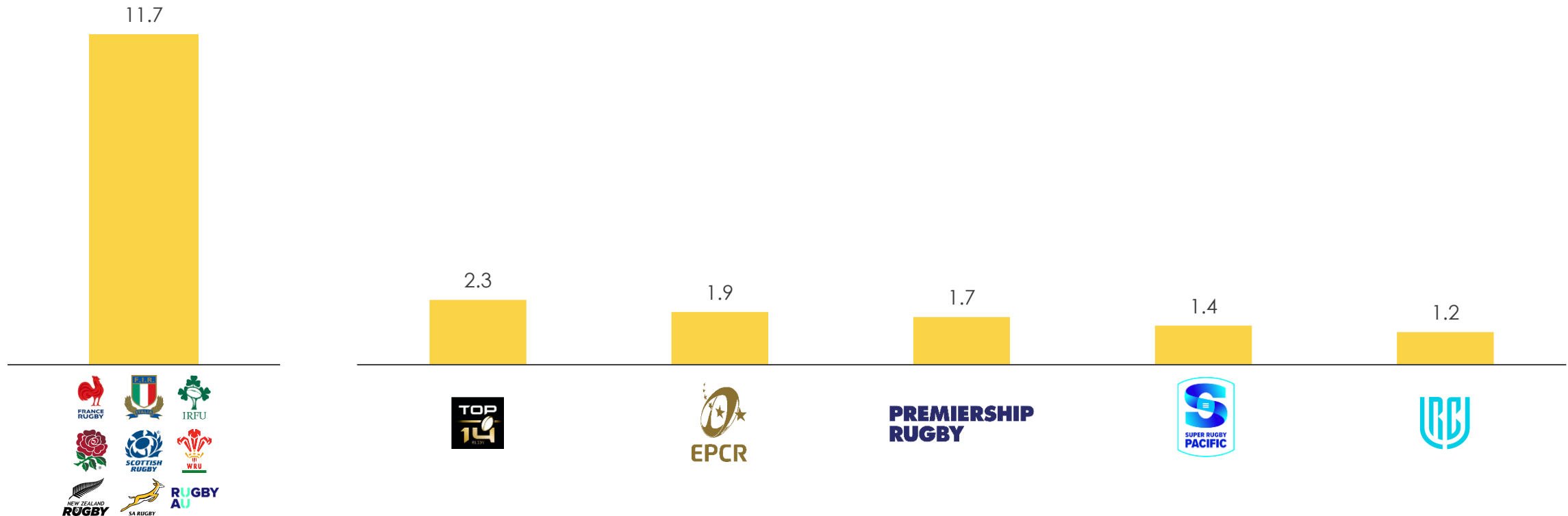
Source: League, club and union annual reports and financial statements, Oliver & Ohlbaum estimates and analysis

Revenue per match varies widely

Revenue per match variation is partly a product of the relatively low number of matches contested in the calendar year by international unions while professional leagues feature a high number of matches, generating a lower revenue per match figure

Estimated average revenue per match | 2020-23 (national unions), 2023 (leagues)

\$millions



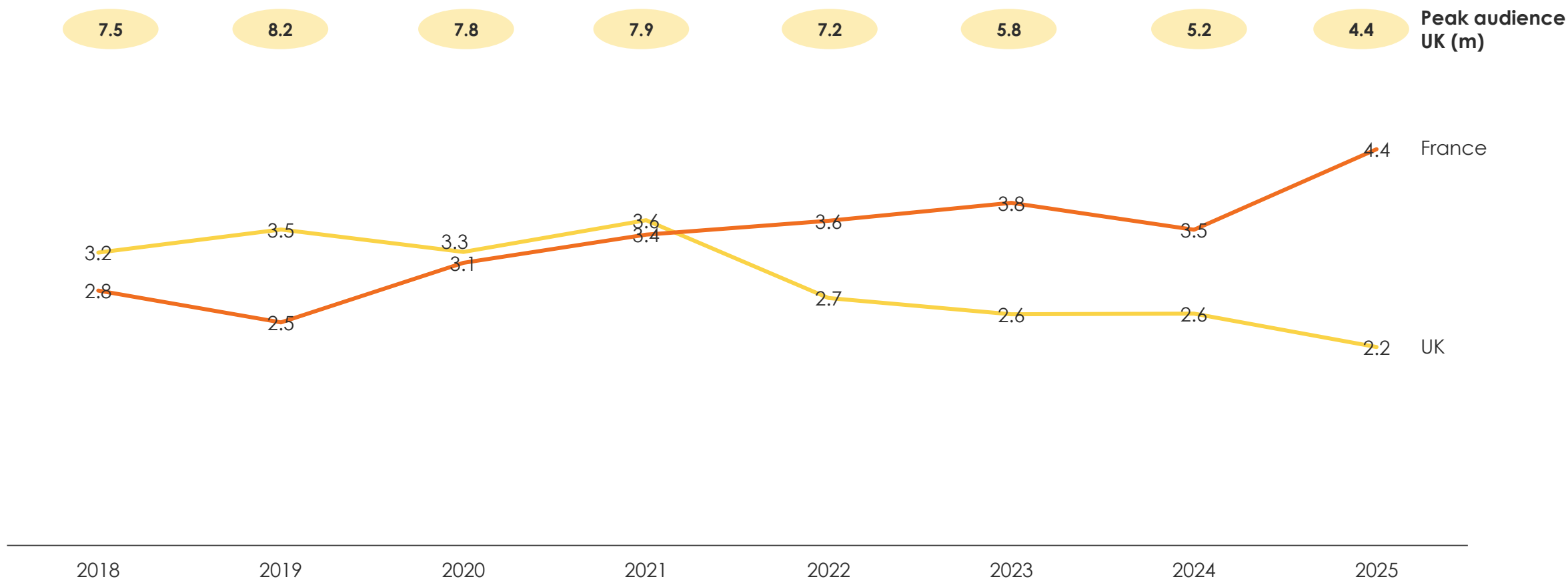
Note: Revenues averaged over 2020 to 2023 for national unions. National union fixtures exclude those in the 2023 Rugby World Cup
Source: League, club and union annual reports and financial statements, Oliver & Ohlbaum estimates and analysis

Audiences for international rugby are holding up

In terms of the annual international rugby competitions, audiences are holding up but do depend to an extent on the home team's performance

Average audience of 6 Nations, France & UK | 2018 – 2024

Individuals, millions (average per match)

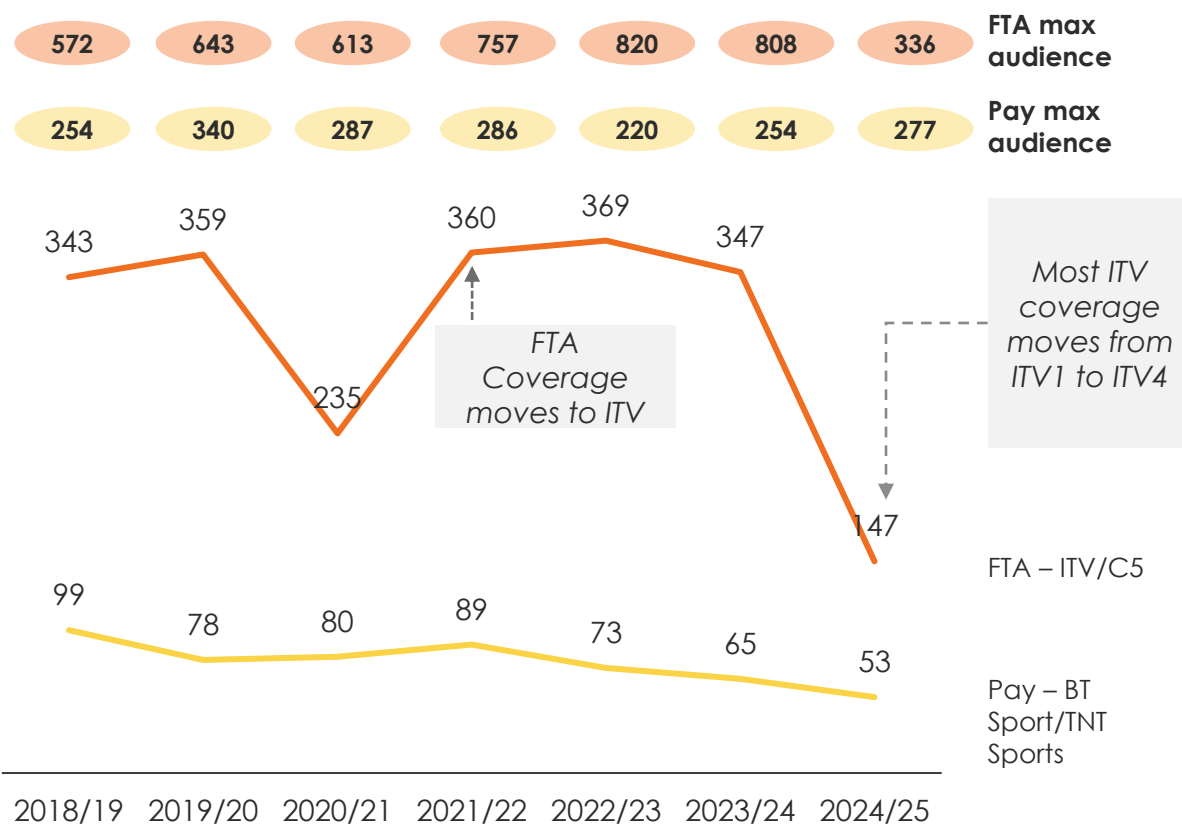


National club rugby attracts small audiences

Club rugby tends to attract small TV audiences, which have been largely stagnant – allowing for channel changes – over the last few years

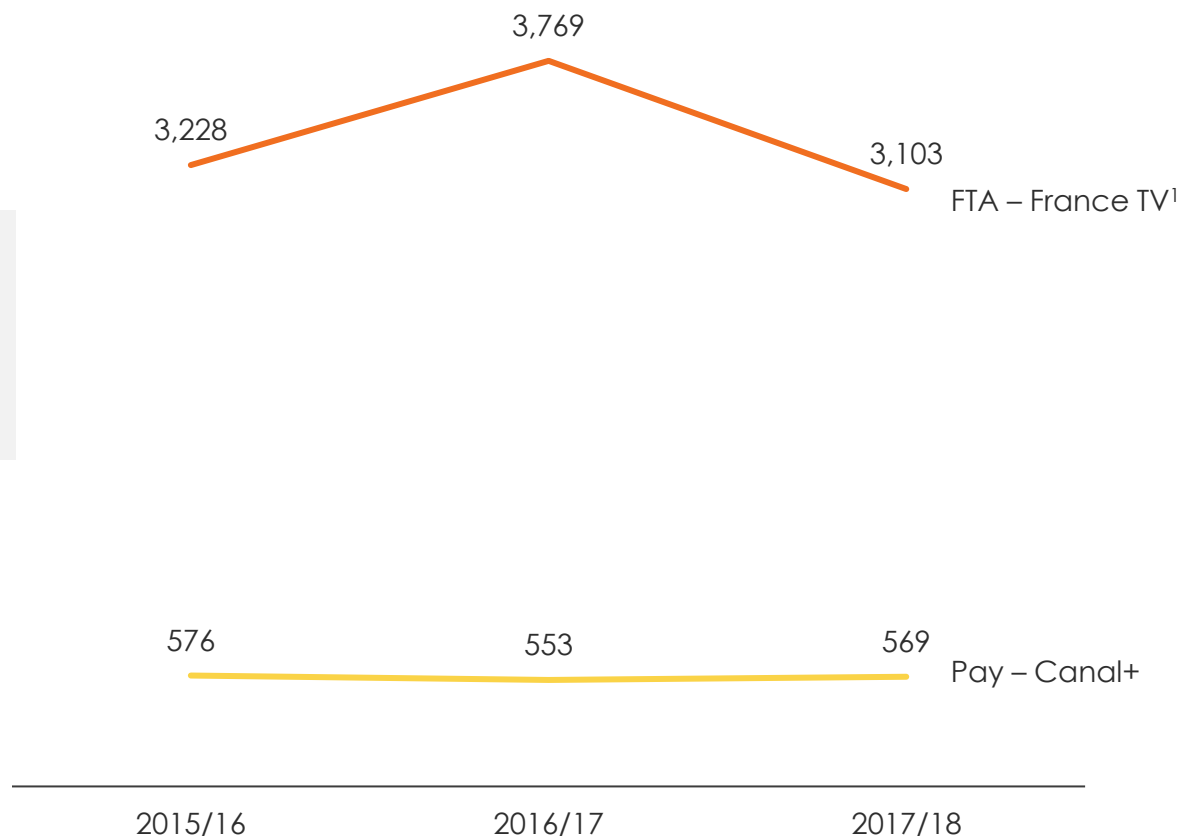
Average audience of Premiership Rugby, UK | 2018/19 – 2024/25

Individuals, 000s (average per match)



Average audience of Top 14, France, 2015/16 – 2017/18

Individuals, 000s (average per match)



Note: ¹FTA coverage includes the final of Top 14 each season

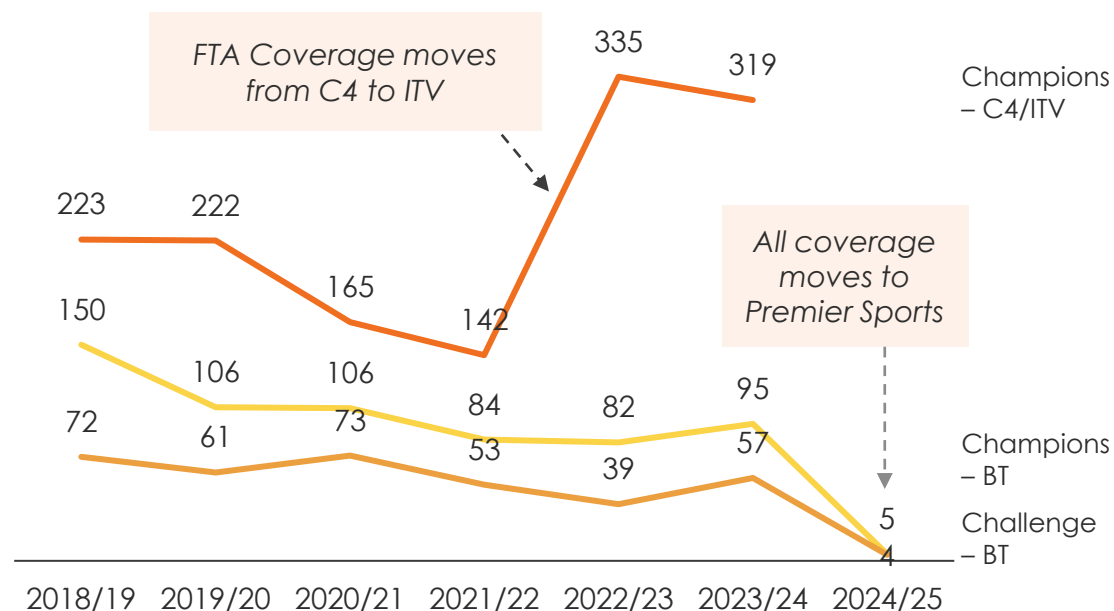
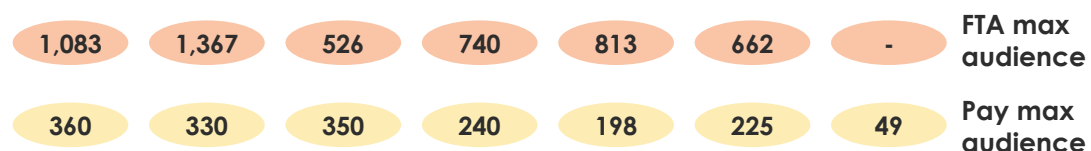
Source: BARB, Médiamétrie, Oliver & Ohlbaum analysis

Trans-national club competitions don't fair any better

Once account is taken of a switch to a higher reach channel in the UK, the overall trend in EPCR competition audiences is largely downward

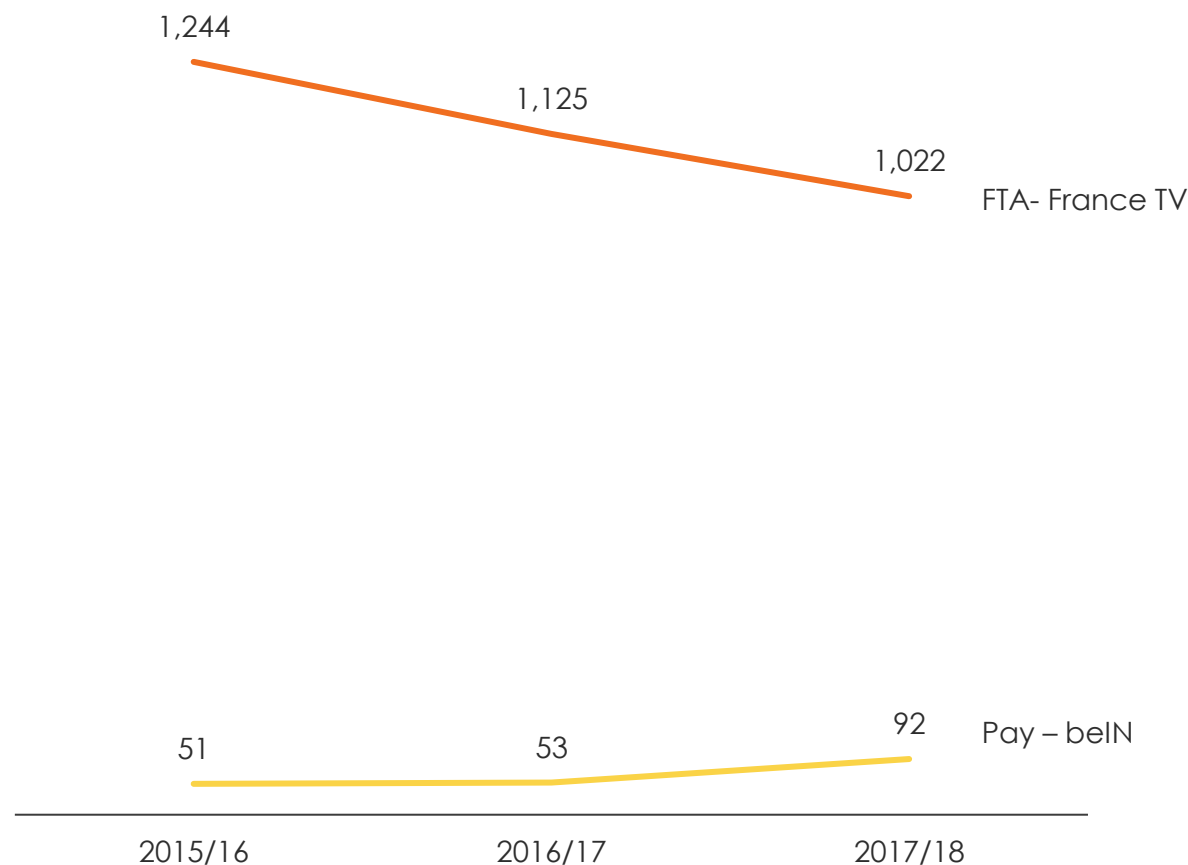
Average audience of EPCR cups, UK | 2018/19 – 2024/25¹

Individuals, 000s (average per match)



Average audience of EPCR cups, France | 2015/16 – 2017/18

Individuals, 000s (average per match)



Note: ¹Pay Audience figures cover Quarter finals onwards for 2018/19 and 2019/20 and Last Sixteen onwards from 2020/21. FTA coverage changed from C4 to ITV in 2022. Neither C4 nor ITV showed the Challenge cup during the relevant period. Peak Audience fluctuations are explained by participation of UK clubs in latter stages of the competition

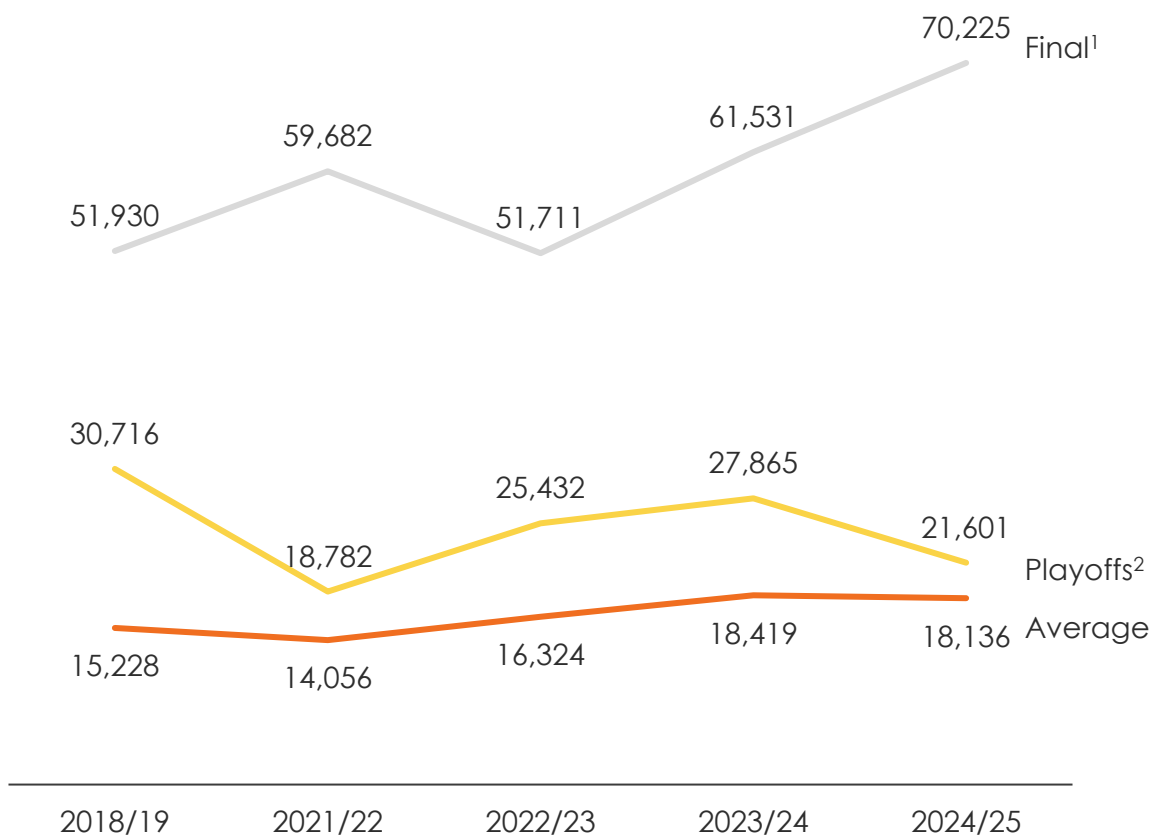
Source: Oliver & Ohlbaum analysis

Attendances – all about the finals

Beyond finals attendances are relatively low, and not really rising

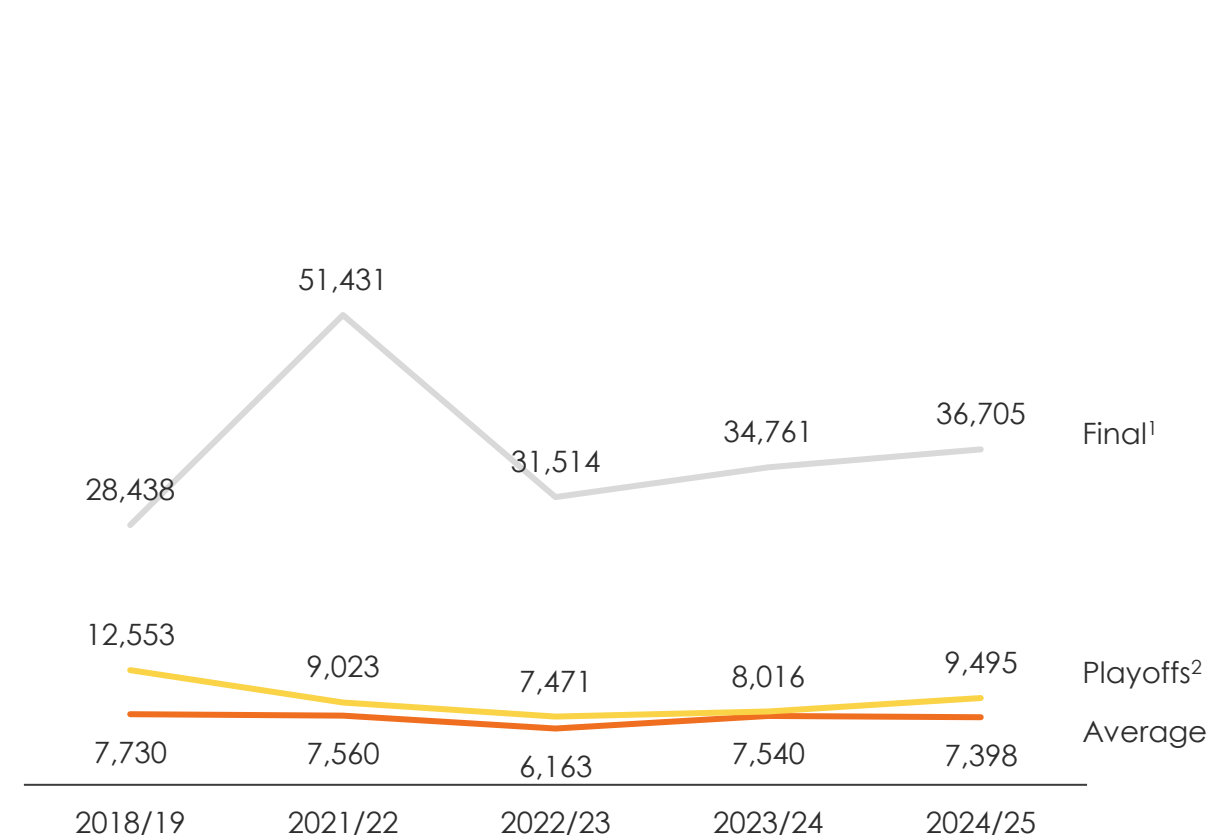
Champions Cup average attendance, 2018/19 – 2024/25

Average attendance per match



Challenge Cup average attendance, 2018/19 – 2024/25

Average attendance per match

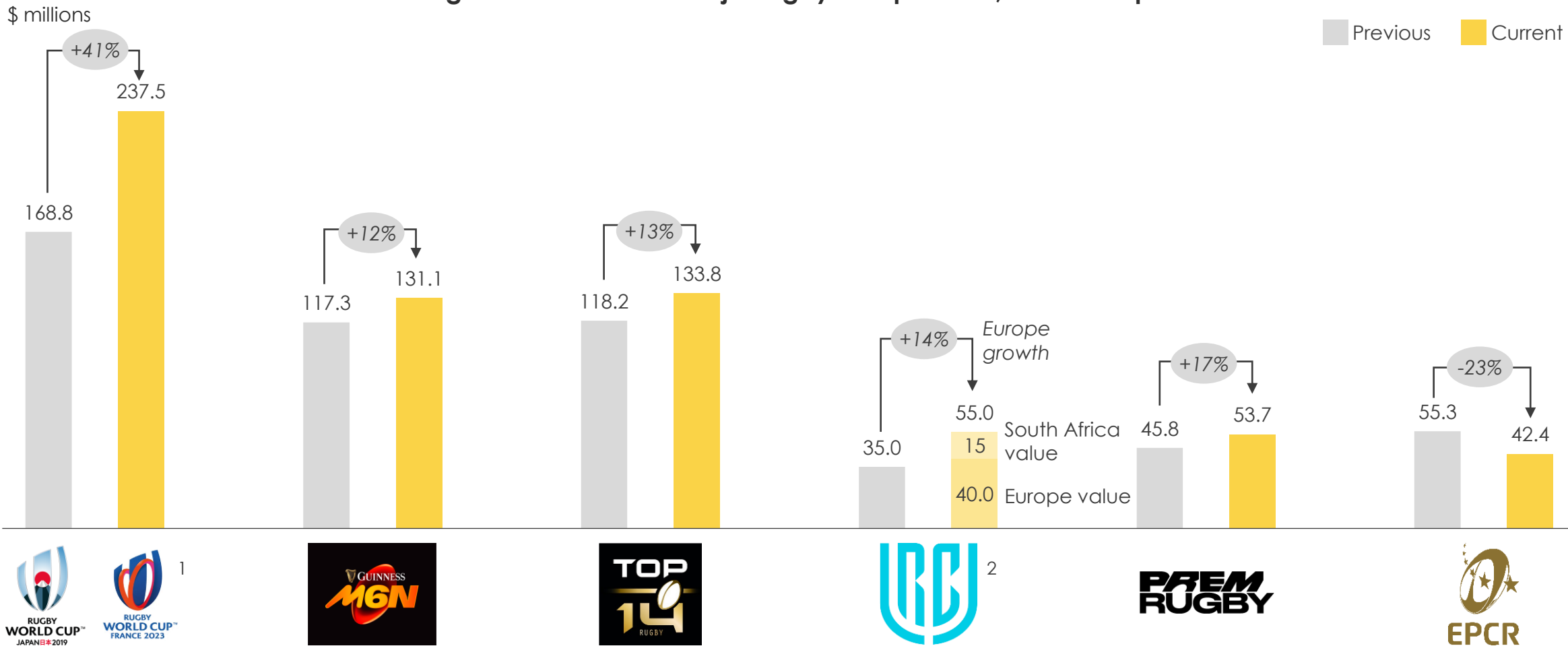


Note: 2019/20 and 2020/21 excluded due to Covid-19 related disruption. ¹Final total attendance for match. ²Playoff figure excludes final
Source: Oliver & Ohlbaum analysis

Slowing media rights growth

Apart from the Rugby World Cup, recent media rights growth has been relatively low; while the value for PREM Rugby has recently increased, this represents a similar level to what was achieved in previous rights deals a decade prior; the EPCR is falling

Estimated annual domestic media rights deal values of major rugby competitions, current vs previous


























Note: ¹Rights values for Rugby World Cup 2019 and 2023 are global (all rights). ²Significant increase in value likely due to South African clubs joining URC

Source: GlobalData Sports/Sportcal, SportBusiness, SportsPro, Oliver & Ohlbaum analysis and estimates

Media rights values outside of participating nations are minimal

While the domestic media rights values of international and club rugby are challenged, the global media appeal of these national or regional tournaments is very limited – typically representing no more than 5 per cent of total media income.

Non-domestic media rights holders of select rugby union competitions

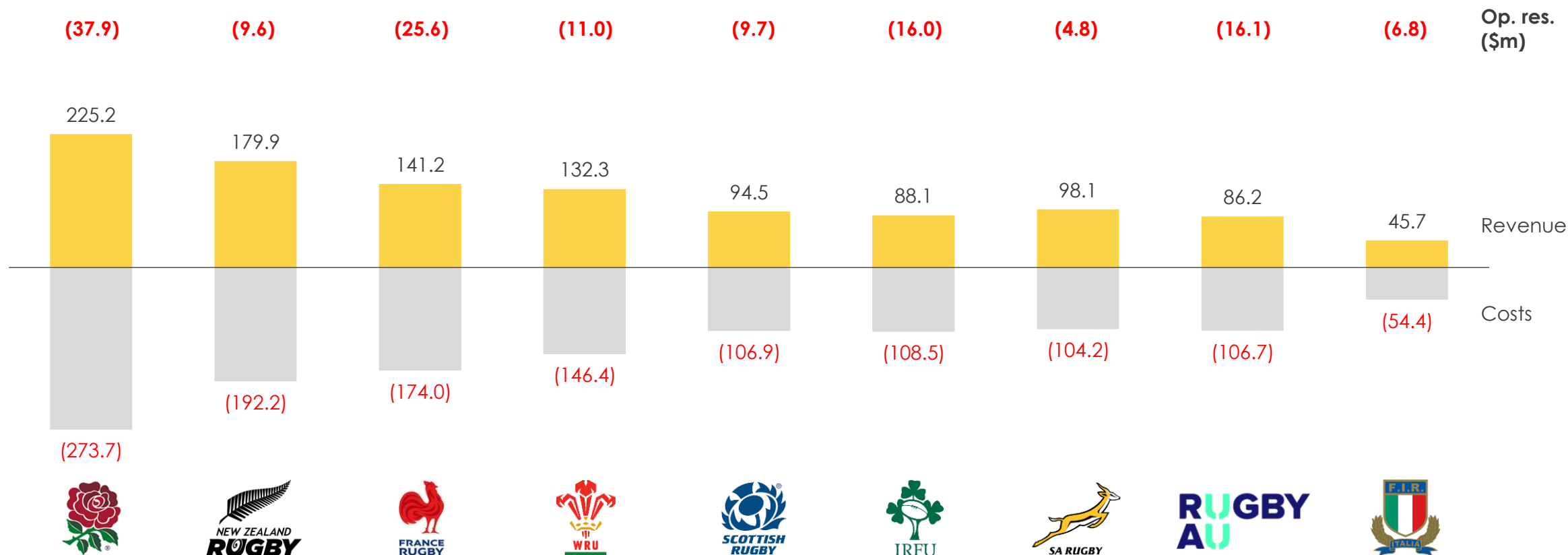
Competition	Australia	South Africa	New Zealand	USA	Japan	No. of other Territories	Other major broadcasters	Estimated total annual value
					Sports Partners	145	 	\$4m
						100		\$5m
						166	  	\$8m

Overall, national unions are loss making

The major unions made a cumulative operating loss of \$137m in 2023/24, propped up by World Rugby who reported an operating profit of \$295m in 2023 on revenues of \$723m; it distributed around \$142m in grants to member unions

National union financial performance | 2023/24¹

\$ millions



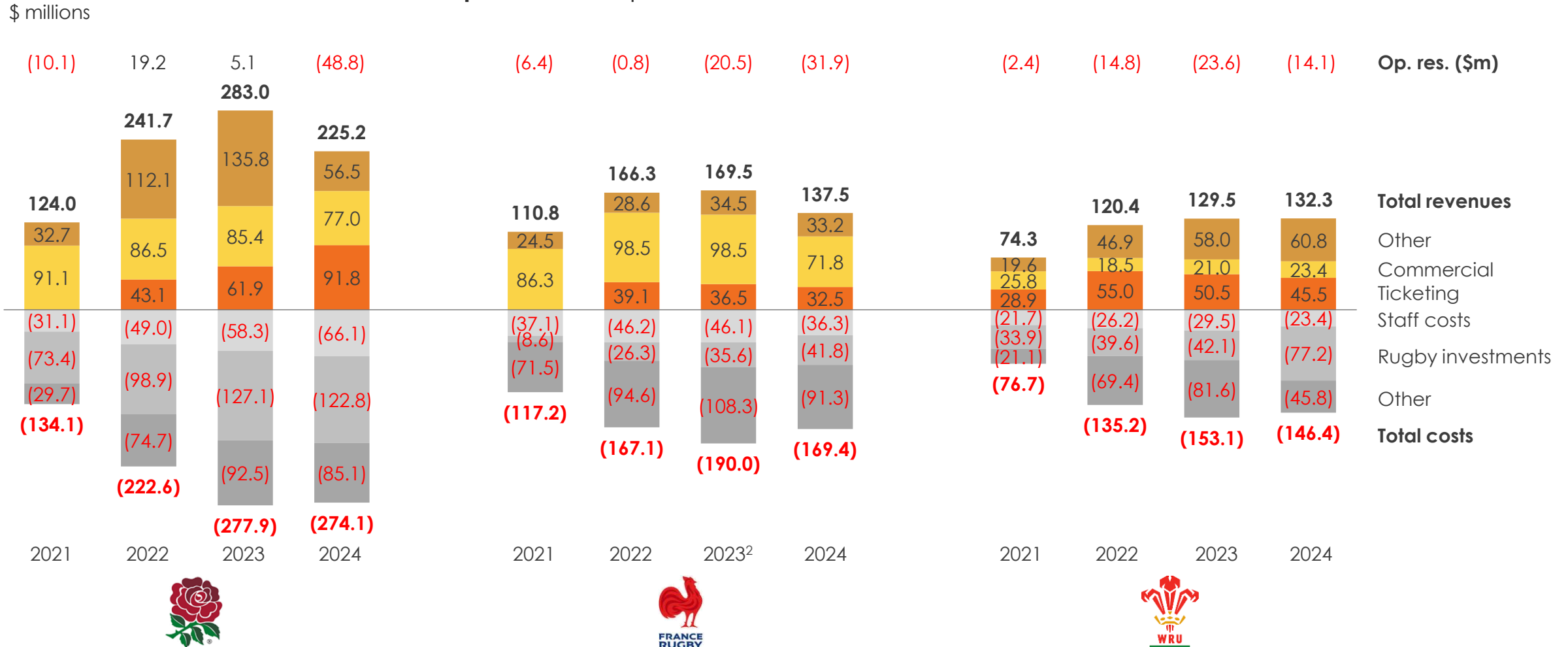
Note: ¹Financial Year ending 30/06/24 for FFR, FIR, IRFU, RFU, SRU, WRU, Financial Year ending 31/12/2024 for NZR, RA, SARU Op. res. = Operating result. UAR not included due to unavailable financial reports

Source: Union annual reports and financial statements, ONS, Oliver & Ohlbaum analysis

National unions struggle to break even

Even the largest European union – the RFU – struggles to break even each year; the smaller unions run at consistent operating losses

Breakdown of national union financial performance | 2021 – 2024¹



Note: ¹Union accounts cover the FY ending 30/06 in each year. ²Figure does not include impact of Rugby World Cup 2023 which took place in late 2023 (FY 2023/24)

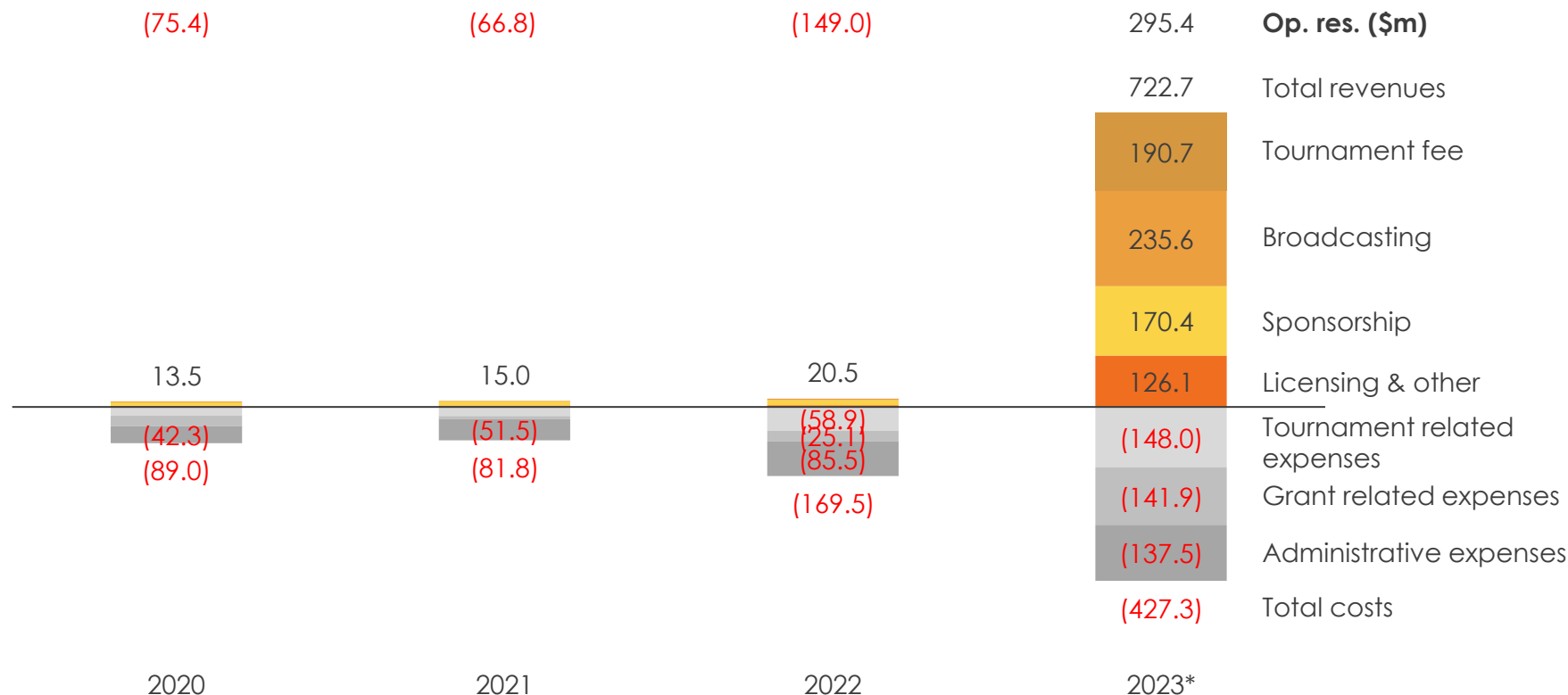
Source: ONS, Union annual reports and financial statements, Oliver & Ohlbaum analysis

World Rugby is heavily reliant on RWC to generate revenues

The men's Rugby World Cup generates significant revenues for World Rugby (and the hosts) but for the rest of the 4 year cycle World Rugby operates a significant deficit

World Rugby financial performance | 2020 – 2023

\$ millions



Men's RWC host profit/loss



- RFU = +\$15.1m
- WRU = +\$17.8m



- Profit N/A, 95% increase in revenue from RWC 2015



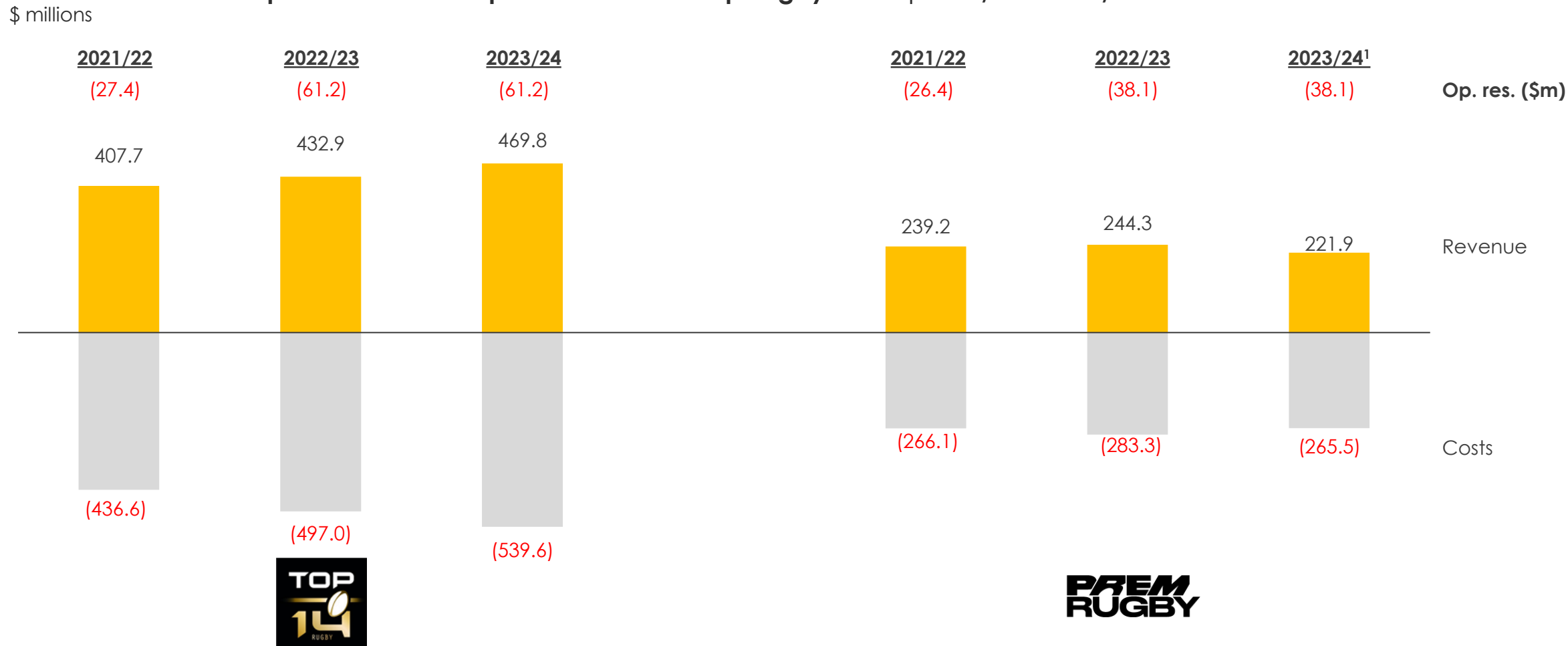
- FFR = -\$30.4m

Revenue and costs exclude those to the Rugby World Cup host nations, which normally make \$200m - \$300m in revenue, which exceeds hosting costs and direct costs, so they typically make \$50m - \$100m in profits

Club rugby is loss-making, and losses are widening

Combined losses in Premiership Rugby and Top 14 were c\$100m in 2024; these losses are often underwritten by owners and in part by the loss-making rugby unions. In France the losses are further often underwritten by local councils and authorities

Cumulative financial performance of Top 14 and Premiership Rugby clubs | 2021/22 - 2023/24



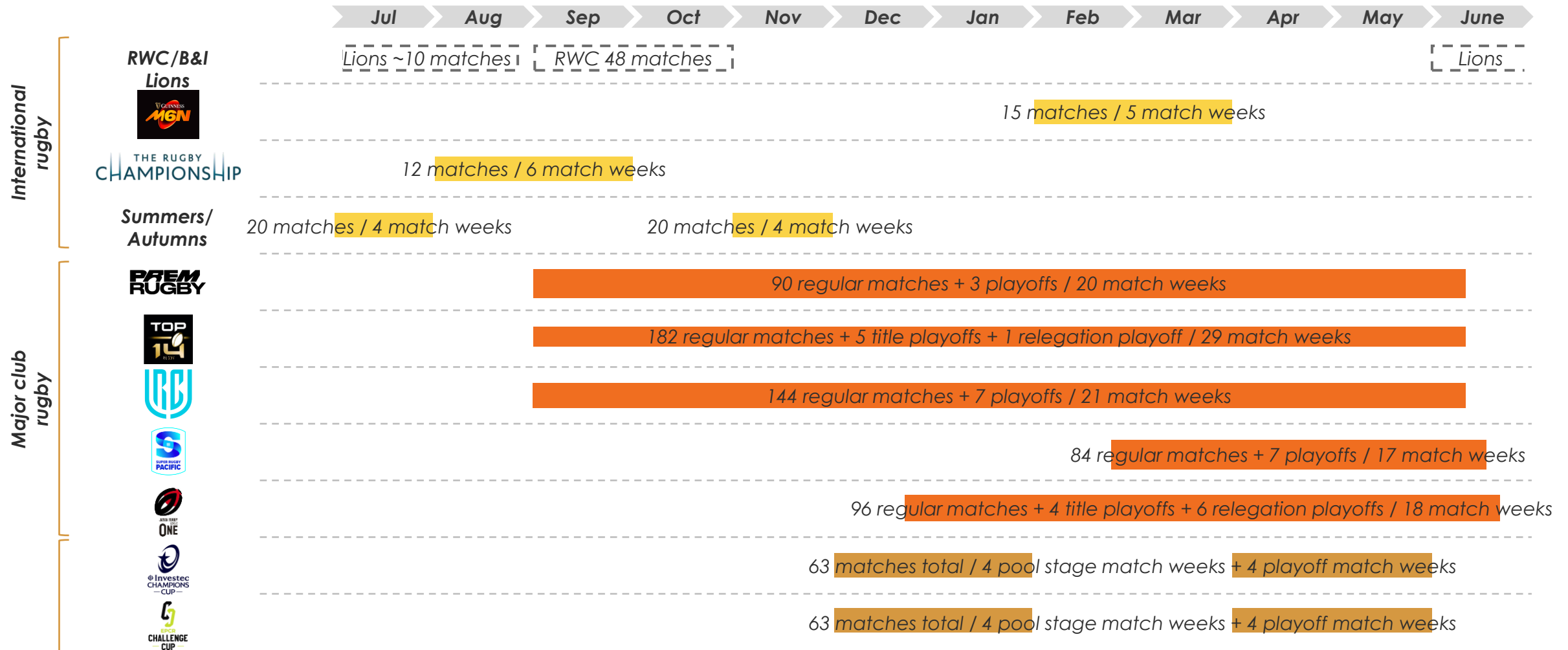
Note: ¹ Cumulative financial performance excludes Newcastle Falcons, who have yet to release their 2023/24 accounts

Source: ONS, Club annual reports and financial statements, Leonard Curtis, LNR Annual Report 2024, Rugbypass, Oliver & Ohlbaum analysis

The global calendar – crowded with matches and match weeks

The current annual calendar fills 11 months of the year for the top 10 rugby playing nations, with fixtures almost every week over the period

Calendar of major rugby union competitions



Wages are falling behind other sports while the workload rises

Overall wages in elite rugby leagues are typically far outstripped by equivalent leagues in other sports

Annual wage of top-paid player by league | 2023

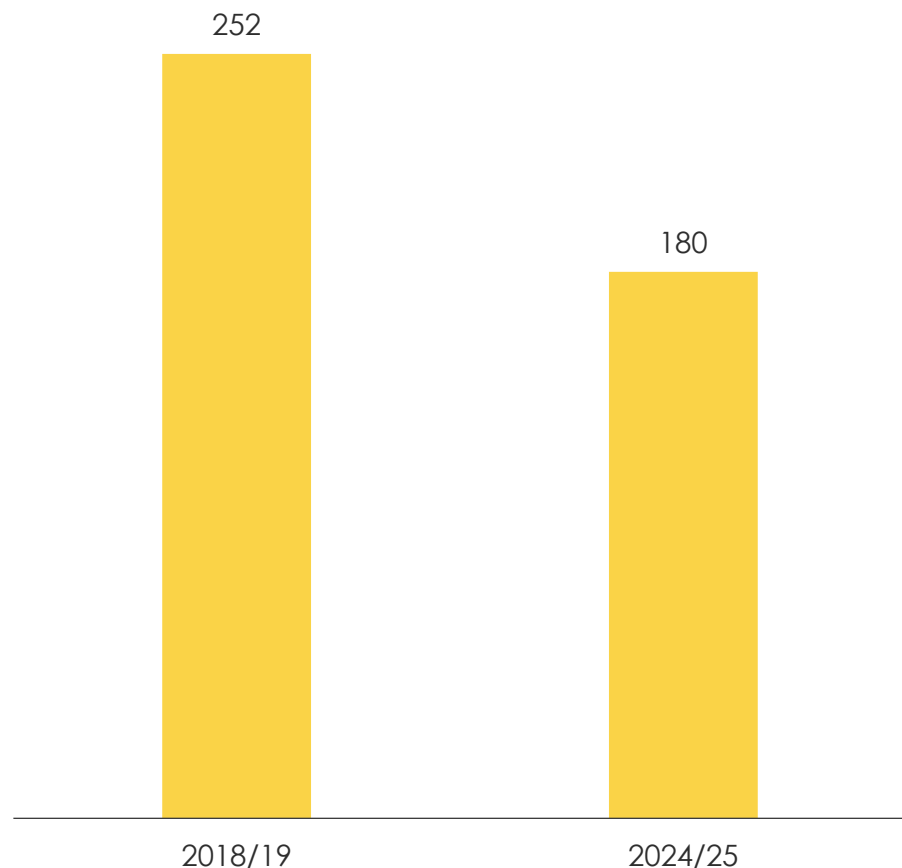
\$ millions



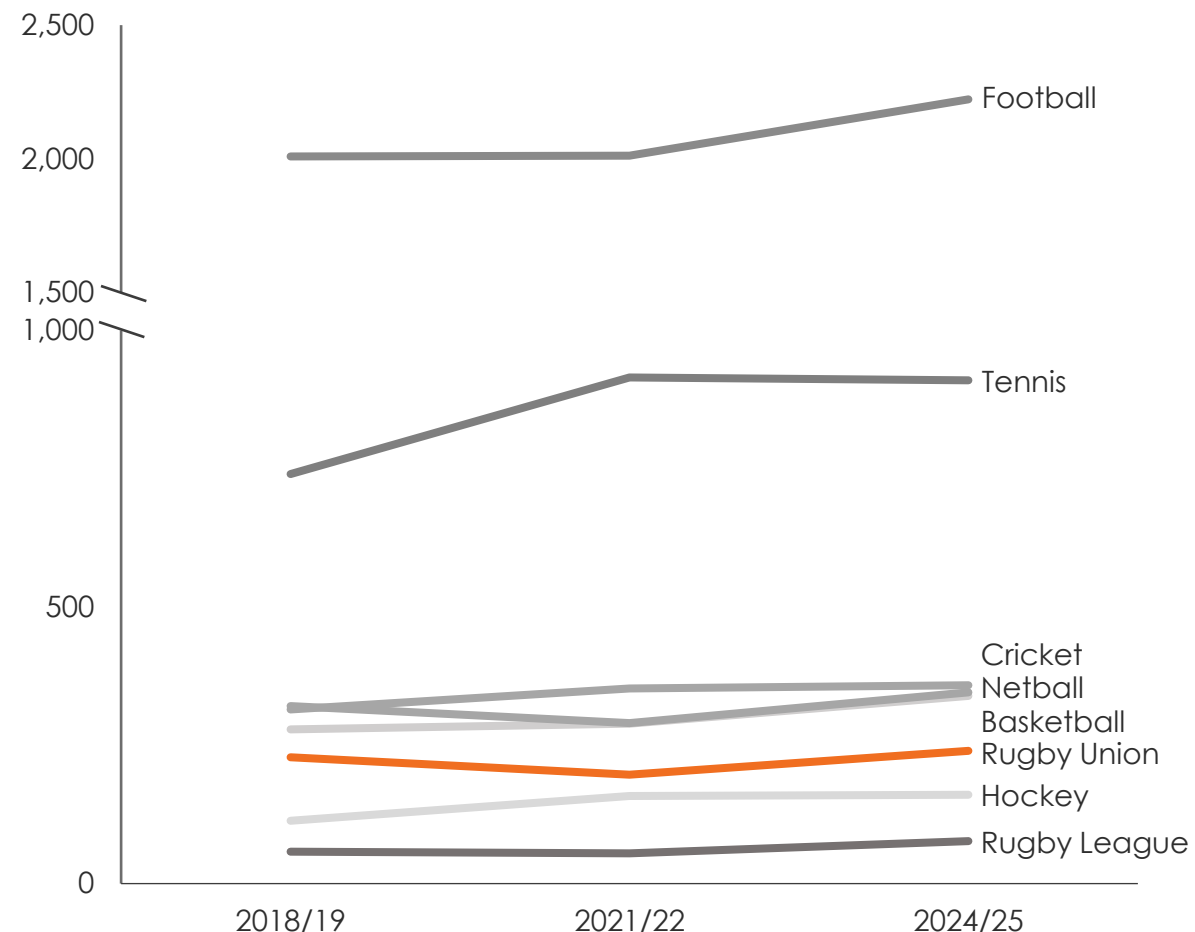
Grassroots participation is at risk in some key markets

Rugby Union finds itself in a highly competitive environment in most of its traditional heartlands, and in some major markets is showing long term signs of decline in participation at youth levels

Rugby Union age grade participation, England | '18/19 – '24/25
000s, 7-16 year olds



Sport regular participation levels, England | '18/19 – '24/25
000s, adults



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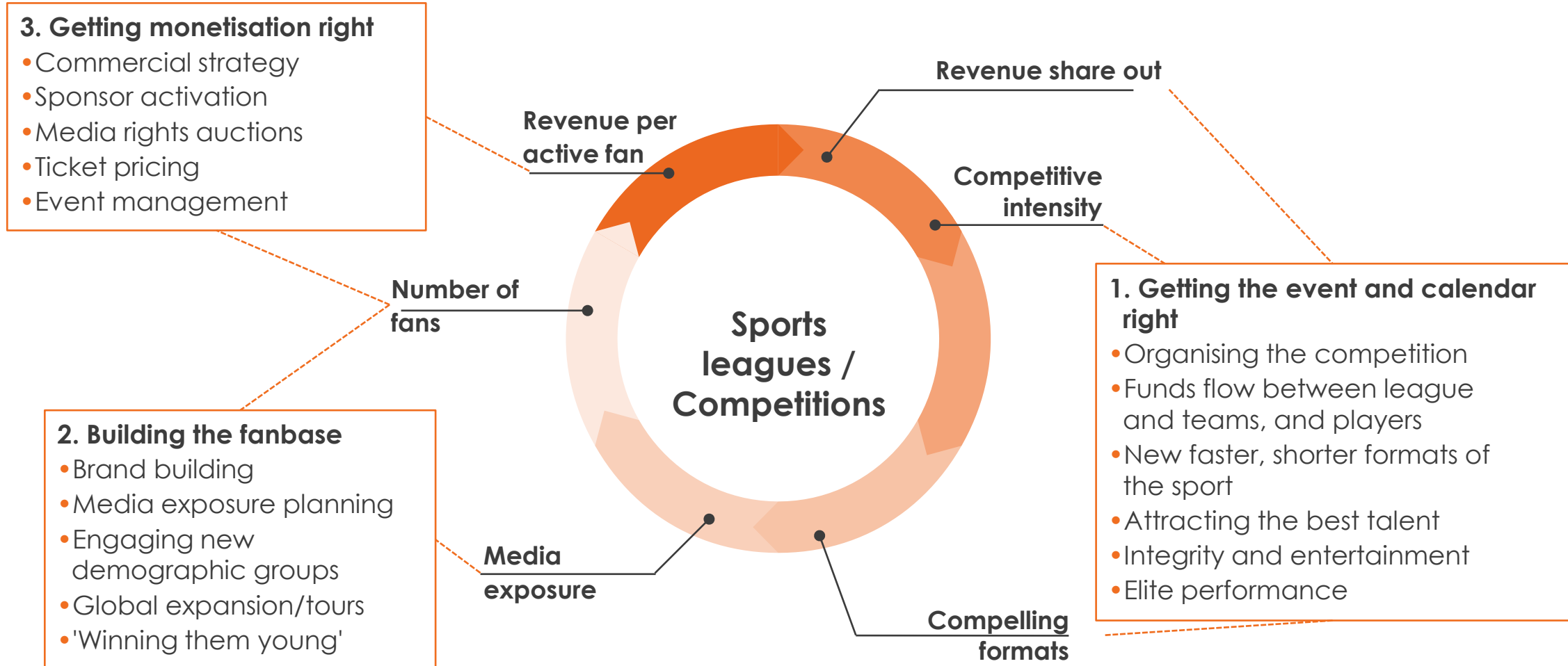
Current plans for improvement and the renewal opportunity

Current plans across the game for improvement are likely to only make gradual increases to the fanbase, have a limited impact on total revenues in a competitive and challenging media and sponsorship market and still require top players to take part in many games

- Current improvement plans in the senior game amount to very modest changes to the calendar and format – essentially formalising the summer and autumn friendlies into a league system with a few more nations getting regular competitive rugby at international level – i.e. Japan, Canada and the USA
- Beyond that there are plans to aggregate more of the commercial activities across international and club competitions in Europe to gain more leverage with sponsors and media outlets, nascent plans to help develop club rugby in the USA, and fairly modest plans to develop women's rugby beyond the women's RWC and 7s internationally off the back of its Olympic profile
- None of these changes is likely to deliver a step change in rugby's popularity or financial prospects, and in the short term they have required access to third party financing often secured against existing revenues to provide the growth capital needed, which if anything has increased the short-term pressure on the sport. All these changes still require top players to take part in a large number of games, increasing the chance of injuries and limiting the time players have to promote their global brand and following to the benefit of the game as a whole
- Other sports have more resources and are reforming more rapidly – both changing the nature of their core competitions and introducing new formats which are often more attractive to younger audiences. All non-US sports have a US breakthrough strategy, and the US sports are beginning to flex their power outside the USA
- Rugby may need to develop a new high-profile event to complement international rugby and build the sport outside its core markets more rapidly while attracting a younger audience. The audience/fan targets are fairly obvious from the 12 million casual fans of club rugby in its core markets to the 15 million fans of international rugby who have no interest in club rugby in its core markets, to the extra 160 million people who only watch the men's RWC, to the 14 million overlap rugby league fans that tend to only follow international rugby union
- Beyond that rugby needs to respond to demographically adjacent sports like golf, cricket and F1, to meet the challenge of combat sports and US sports and make an impact in the battle for women's sport leadership and appeal

Focused on monetisation, less on fan growth and changes to competitions

Rugby is too focused on increasing monetisation, without doing enough to build the fan base or introduce new formats and competitions



Current plans may be insufficiently radical, and may take too long

Current plans across the game for improvement are likely to only make gradual improvements to the fan base, have a limited impact on total revenues in a competitive and challenging media and sponsorship market and still require top players to take part in too many games

Current World Rugby priorities	Details	Initiatives	Investment needed	Payback and risks
USA development	<ul style="list-style-type: none"> To develop new fans for the game in world's largest sports market To do this at all levels – international, club & collegiate, high school In all formats; men's, women's, 7s 	<ul style="list-style-type: none"> Men's RWC in USA in 2031 Women's RWC in USA in 2033 Support to USA Rugby and club competitions – e.g. MLR Development in schools and colleges 	<ul style="list-style-type: none"> High 	<ul style="list-style-type: none"> 10+ years Past failures such of Pro Rugby in USA highlight difficulties Many sports are pursuing US growth – football, cricket etc with the same strategies
Tier 2 development beyond USA	<ul style="list-style-type: none"> Build support in Japan, Canada, Uruguay, Spain, Portugal, Chile 	<ul style="list-style-type: none"> Nations League – June/November in non-RWC years Regular competitive fixtures for tier 2 teams Expansion of RWC to 24 teams 	<ul style="list-style-type: none"> Medium / low 	<ul style="list-style-type: none"> 10+ years Still might not be enough top-quality international fixtures to boost sport in each country Need grass roots development too
Women's elite game beyond USA	<ul style="list-style-type: none"> Help to grow support for women's rugby – existing and new audiences in core markets first 	<ul style="list-style-type: none"> Women's 6Nations and Rugby Championship then nations league Working with unions to boost club game in each country 	<ul style="list-style-type: none"> Medium/High 	<ul style="list-style-type: none"> 10+ years Building the player pool from bottom up Large gap between the women's Rugby World Cup and the rest
7s development	<ul style="list-style-type: none"> Build on Olympic interest to reach a wider range of countries and attract a different audience 	<ul style="list-style-type: none"> A more regular and systematic calendar 	<ul style="list-style-type: none"> Low/medium 	<ul style="list-style-type: none"> 7s tends to attract a completely different audience to the 40 million international rugby fans Seen by many as a social event rather than a sport Unlikely to radically alter the economics of global rugby

Trans-national club rugby – lack of consistency in the Southern Hemisphere

Super Rugby has undergone significant change since its inception; most recently the South African teams left, two new teams representing Fiji and the Pacific Islands joined, and the Melbourne Rebels had their licence revoked by Rugby Australia

Timeline of Super Rugby franchise and nation involvement

Period	Name	Franchises	Franchise representation						
			Australia	New Zealand	South Africa	Argentina	Fiji	Japan	Pacific Islands
1996-2005	Super 12	12	✓	✓	✓				
2006-2010	Super 14	14	✓	✓	✓				
2011-2015	Super Rugby	15	✓	✓	✓				
2016-2017		18	✓	✓	✓	✓		✓	
2018-2020		15	✓	✓	✓	✓		✓	
2020*	Super Rugby (AU, NZ, SA)	17	✓	✓	✓				
2021*	Super Rugby (AU, NZ)	10	✓	✓					
2022-2024	Super Rugby Pacific	12	✓	✓					
2025-present		11	✓	✓			✓		✓

* Covid affected competitions, teams did not play international competition

Trans-national club rugby – URC geographical and match expansion

Timeline of URC franchise and nation involvement

Period	Name	Franchises	Franchise representation				
			Ireland	Scotland	Wales	Italy	South Africa
2001-2003	Celtic League	15	✓	✓	✓		
2003-2004		12	✓	✓	✓		
2004-2007		11	✓	✓	✓		
2007-2011		10	✓	✓	✓		
2011-2017	Pro 12	12	✓	✓	✓	✓	
2017-2020	Pro 14	14	✓	✓	✓	✓	✓
2020-2021		12	✓	✓	✓	✓	
2021-present	URC	16	✓	✓	✓	✓	✓

Other rival sports are changing faster

Other sports, often with better finances, are changing faster in the effort to attract new audiences

Other rival sports	Traditional issues	New Initiatives	New formats	Challenge to Rugby
US Sports Leagues	<ul style="list-style-type: none"> Lack of appeal outside home market Lack of short form/user friendly formats 	<ul style="list-style-type: none"> NFL overseas games in UK, Germany, France and Italy NBA plans for European JV league NHL team play offs with Euro teams 	<ul style="list-style-type: none"> Flag football 3x3 basketball 	<ul style="list-style-type: none"> Have financial resources to try new initiatives at scale
Football	<ul style="list-style-type: none"> Saturated market except USA Increased polarisation between top leagues and clubs and the rest European and Latin America dominance 	<ul style="list-style-type: none"> Club world cup (men's) MLS Further development of women's top level game Expanded FIFA World Cup 	<ul style="list-style-type: none"> Baller league King's league 	<ul style="list-style-type: none"> New investors from USA and Middle East have bigger ambitions Will want to dominate women's sport as they do men's Women's football already strong in USA
Golf, Cricket and F1	<ul style="list-style-type: none"> F1 reach in USA and of under 35s Lack of appeal of long form cricket in modern age Elite image of golf and lack of personalities 	<ul style="list-style-type: none"> F1 wants to move beyond boosting the USA and wants to do the same for MotoGP Cricket's franchise league taking IPL attitude global LIV golf has forced the rest of the sport to wake up to the challenges 	<ul style="list-style-type: none"> Women's motor racing and women in F1 T20/the Hundred TGL golf 	<ul style="list-style-type: none"> Fragmented traditional powerbase consolidating allowing for stronger leadership – F1 in motor sports, BCCI/IPL owners in cricket, merged PGA world/US tour and LIV
Combat sports	<ul style="list-style-type: none"> Unorganised and semi legitimate outside Olympic disciplines of Judo, TKD and Greco wrestling 	<ul style="list-style-type: none"> UFC PFL 	<ul style="list-style-type: none"> Mixed combat fights – boxers versus UFC etc 	<ul style="list-style-type: none"> High appeal to under 35s Legitimate investment and marketing expertise Global from the outset

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