

KBRA Releases Report Assigning BBB+ Preliminary Rating to FC Barcelona's EUR1.5 Billion Financing for Camp Nou Football Stadium Renovation

DUBLIN (3 February 2023) – KBRA Europe (KBRA) releases a report on FC Barcelona's (FCB) stadium financing, also known as Espai Barça. KBRA assigned a BBB+ preliminary rating to the transaction on 23 January 2023. The financing plan consists of three EUR500 million tranches of senior notes with an aggregate initial principal amount of EUR1.5 billion, maturing in 2032, 2045, and 2052. The Outlook is Stable.

FCB is expanding and renovating its entire campus which includes Camp Nou (the largest football stadium in Europe). The project has a total cost of EUR1.5 billion (including pre-development costs and EUR247 million available for contingencies and/or noncore works) which will be financed using three separate tranches in an amount up to EUR500 million for each tranche (EUR1.5 billion in the aggregate). Tranche 1 has a bullet maturity on 30 June 2032. Tranche 2, which matures on 30 June 2045, will fully-amortise over its term. Tranche 3 is interest-only until 2045, after which it fully amortises by its maturity date on 30 June 2052. Each tranche of notes will be drawn at financial close. The club will consider funding a portion of the notes on a delayed delivery basis depending on market conditions. The notes represent the only sources of available funding for the project.

The club is owned by its members, or Socios, who have been required to provide approval for the project. FCB's home stadium, Camp Nou, first opened in 1957. It is the largest football stadium in Europe and the fourth largest in the world by capacity with 99,354 seats. While the club has had a long successful history at Camp Nou, the stadium is no longer fit for purpose, as it does not offer a full match-day experience for fans and the ability to generate additional revenues is limited. The renovation is intended to address all of these issues.

The notes will be issued by a fondo de titulización de activos (FinanceCo or the FTA). FCB will enter into a purchase and sale agreement (PSA) with the FTA under which FCB (as seller) agrees to sell its rights, titles, and interests in certain project revenues (the assigned revenues). The sale of the assigned revenues will be structured as a "true sale" under Spanish law. The FTA will use proceeds of the financing provided by the noteholders to pay the consideration to FCB to purchase the assigned revenues. The creditors will have certain controls over the FTA's interests in the assigned revenues and its rights under the PSA.

The financial structure has been designed to provide senior creditors with an appropriate security structure while simultaneously complying with the conditions imposed by the Socios when voting on the project. These conditions include (i) the transaction must be secured by new or incremental revenues; (ii) there is no impact on the club or its sporting performance; and (iii) there is no mortgage on the stadium.

The incremental revenues include ticket sales and museum entry fees (above a EUR100.4 million threshold) together with naming rights and other sponsorship revenues and sales of VIP/hospitality packages. In addition to ticket sales and museum revenue, food and beverage, meetings and events, and parking are included in incremental revenue. These revenues are pledged on a gross basis, which KBRA views favorably since operating, maintenance, and other expenses remain a direct obligation of the club.

KBRA analysed the transaction using its [Project Finance Global Rating Methodology](#), published on January 19, 2021, and its [ESG Global Rating Methodology](#), published on June 16, 2021. KBRA will review the final financing documents and legal opinions for the transaction prior to closing.

To access ratings and relevant documents, click [here](#).
Click [here](#) to view the report.

Related Publications

- [Project Finance Global Rating Methodology](#)
- [ESG Global Rating Methodology](#)

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Disclosures

Further information on key credit considerations, sensitivity analyses that consider what factors can affect these credit ratings and how they could lead to an upgrade or a downgrade, and [ESG factors](#) (where they are a key driver behind the change to the credit rating or rating outlook) can be found in the full rating report referenced above.

A description of all substantially material sources that were used to prepare the credit rating and information on the methodology(ies) (inclusive of any material models and sensitivity analyses of the relevant key rating assumptions, as applicable) used in determining the credit rating is available in the Information Disclosure Form(s) located [here](#).

Information on the meaning of each rating category can be located [here](#).

This credit rating is endorsed by Kroll Bond Rating Agency UK Limited for use in the UK. Information on a credit rating's endorsement status is available on its rating page at KBRA.com.

Further disclosures relating to this rating action are available in the Information Disclosure Form(s) referenced above. Additional information regarding KBRA policies, methodologies, rating scales and disclosures are available at www.kbra.com.

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