September 12, 2023

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Tottenham Hotspur Ltd

Billionaire Jahm Najafi set to launch $3.75bn bid for Tottenham Hotspur

Fans of the football team have been increasingly frustrated by lack of trophies

Striker Harry Kane during a match between Tottenham Hotspur and AC Milan on Tuesday © AFP/Getty Images

Mehul Srivastava, **Samuel Agini** and **Arash Massoudi** in London, and **Sujeet Indap** in New York FEBRUARY 15 2023

Iranian-American billionaire Jahm Najafi is preparing a blockbuster $3.75bn takeover bid for Tottenham Hotspur, the Premier League football club, according to two people with direct knowledge of the plans.

Najafi, who is the chair of MSP Sports Capital, is working with a consortium of investors to structure the bid and is weeks away from formally approaching Spurs owner Joe Lewis and the football club's chair Daniel Levy, these people said.

The Najafi and MSP-led offer would value the club's equity at approximately $3bn before adding about $750mn of debt on the club's books. The bid is structured so that MSP and its partners will put forward 70 per cent of the purchase price, while backers from the Gulf, mainly from Abu Dhabi, will contribute the remaining 30 per cent.

A takeover of Spurs, the North London-based club, could mean it spends more to challenge for the Premier League and other trophies. ENIC, a vehicle connected to Bahamas-based billionaire Lewis and chair Levy, bought into Spurs in 2000, buying a 26 per cent stake from the businessman Lord Alan Sugar for £21.9mn.

Jahm Najafi, left, is the chair of MSP Sports Capital © XPB Images/Alamy

Its ownership has been praised for shrewd financial management, the construction of a new stadium and regular qualification for the Champions League.

But Spurs fans have been increasingly frustrated by the lack of trophies, leading to recent protests against the ownership. The club's last major title was the League Cup in 2008. Managers including José Mourinho and the incumbent Antonio Conte have been unable to add to the trophy cabinet, despite highly rated players including Harry Kane and Heung-Min Son.

The Najafi-led group's interest in the football club extends to real estate and development rights that are available through its ownership, one of the people said. Spurs have played in a modern stadium since 2019, allowing the club to host events beyond football matches, such as US National Football League games, rugby matches and music events, in a move that reduces reliance on football for ticketing income.

Najafi is the latest US billionaire to seek to join the ranks of English Premier League club owners. In the past year, Chelsea was acquired for £2.5bn by a consortium led by US financier Todd Boehly and private equity group Clearlake Capital, while an investor group led by businessman Bill Foley acquired Bournemouth for £120mn.

Jahm Najafi

- Najafi's sports investments include Formula 1 team McLaren Racing and X Games, the extreme sports group. MSP also has an investment in McLaren and has stakes in football clubs in Belgium, Spain and Portugal
- The billionaire spoke no English when he moved from Iran to the US at the age of 12. He learned the language "by watching a lot of TV", according to the MSP, the company he chairs
- He is a minority owner of the NBA team Phoenix Suns

Like Chelsea, Spurs is seen as a member of the so-called Big Six group of clubs — including Arsenal, Liverpool, Manchester City and Manchester United — that regularly compete at the top of the table in the European Champions League.

Spurs reported revenues of £444mn in the year ended June 2022, jumping from £361mn the prior season, as fans returned to the club's home ground after being excluded during the coronavirus pandemic. The club made a net loss of £50mn.

As global interest has soared in the Premier League, some longstanding owners have started considering an exit. The US billionaire Glazer family, which has owned Manchester United since 2005, is exploring a sale of the club, while Liverpool Football Club's US owners at Fenway Sports Group have said they are also looking at a sale.

Tennis

Men’s tennis tour in talks with Saudi wealth fund about joint investments

ATP Tour chair Andrea Gaudenzi held ‘positive’ talks with PIF to back sports projects and ventures

Italy’s Lorenzo Musetti at the Cinch Championships in west London. Sovereign wealth funds have been pouring money into sport © Daniel Leal/AFP/Getty Images

Samuel Agini in London JUNE 24 2023

The top men’s tennis tour is holding talks with Saudi Arabia’s sovereign wealth fund about possible co-investments, as the kingdom’s oil-funded capital continues to reshape the business of sport.

ATP Tour chair Andrea Gaudenzi said he had held “positive” discussions with the Public Investment Fund and other potential investors to back various sports projects and ventures, including infrastructure, technology investment and events in new markets.

Speaking just weeks after the US PGA Tour ended its resistance and reached a deal to work with the PIF which took the golf world by surprise, Gaudenzi however warned that outside investors must “stick to respecting the history of the sport and the product, working with the current stakeholder rather than against”.

"You have to preserve something which is almost sacred, the rules of the game," Gaudenzi told the Financial Times in an interview to mark his re-election as chair of the ATP Tour for another three years. "This is not a video game, this is not a movie."

The Italian's comments show the delicate balance sports groups must strike as they seek outside investors to help them grow and develop their media and entertainment revenues.

The PGA Tour and PIF tie-up ended a costly battle, where the sovereign wealth fund had set up a rival breakaway tour, LIV Golf.

The ATP chair said the tie-up showed that PIF and the PGA Tour had agreed that they would be better off together. "If you're a golf fan you want to see the top players playing against each other," Gaudenzi said. "You want one ranking and you want one simple story."

Private equity groups and sovereign wealth funds have been pouring money into sport as investors increasingly recognise the sector as an asset class in its own right.

CVC Capital Partners last year partnered with the Women's Tennis Association, investing $150mn for a 20 per cent stake in a new commercial venture between the two groups.

However, the ATP Tour's own talks with CVC have not been converted into a deal. The ATP "don't need cash and need to be careful with dilution", Gaudenzi said. However, he said there were opportunities to collaborate with outside investors, in a range of areas, such as media production, data collection and technology.

"There's many ways to become an investor of the ecosystem. It's not only about creating a new tour or buying a tournament," he said.

ATP Tour chair Andrea Gaudenzi said there were opportunities to collaborate with outside investors in a range of areas © Nicolò Campo/Sipa USA/Reuters

US-headquartered ATP Tour Inc’s revenues have recovered since falling to a low of $93mn in 2020, a season disrupted by the coronavirus pandemic. The governing body’s gross revenues totalled $250mn in 2022, up from $176mn the previous year. In 2019, its gross revenues totalled $159mn.

The Tour increased player prize money and bonus pools to $218mn in 2023, up from $180mn last year, its largest-ever annual increase.

Gaudenzi said outside investment firms can help sports to speed up innovation and with investing in new technologies, but warned against a “complete break it apart, disrupt it” approach.

Professional tennis bears similarities to golf because players are typically self-employed members of the tours.

The four majors, known as Grand Slams, are run separately from the ATP, WTA and the International Tennis Federation, which acts as the world governing body of tennis and runs flagship events including the Davis Cup and Billie Jean King Cup.

Gaudenzi is an advocate of reducing fragmentation in tennis, a sport with complex and disparate governance and business models.

He has also sought to emulate *Drive to Survive*, the Netflix series that helped to catapult Formula One car racing into the mainstream. ATP, WTA and the four Grand Slams paired up with the streaming company to create *Break Point*, which reached Netflix's top 10 in 28 countries.

"You need one story," he said, adding: "Ultimately, you want to see the top players playing in the best events in the world. The more you fragment and divide, the more you create confusion."

PIF did not immediately respond to a request for comment.

Football

Six Glazer siblings could retain Manchester United stakes under Ratcliffe offer

Billionaire seeks enough B shares to take control in a years-long phased takeover of club

Manchester United and Chelsea clash in a Premier League fixture at Old Trafford in May. United play rivals Manchester City in the FA Cup final on Saturday © Oli Scarff/AFP/Getty Images

Samuel Agini and **Arash Massoudi** in London JUNE 2 2023

The six Glazer siblings could retain stakes in Manchester United in a proposed phased takeover of the football club by Sir Jim Ratcliffe, who is seeking a way through the share structure and family dynamics that have complicated the deal.

The Glazer family started a strategic review more than six months ago but the process has dragged on with only two full takeover bids emerging for one of the biggest names in global sport.

The offer from Ratcliffe and his Ineos chemicals empire is complicated because, unlike a rival proposal from a Qatari bidder, he is not seeking to acquire 100 per cent of United's shares in one go, according to people close to the discussions.

United has a listing on the New York Stock Exchange but the Glazers control 95 per cent of the voting rights thanks to a special class of B shares. The publicly traded A shares, which are largely held by minority shareholders, have minimal voting power.

Ratcliffe, who flew to New York for talks last month, is seeking to acquire at least enough B shares to hand him control of the club, in an offer that is not expected to be extended to common shareholders.

Some people in the process and those with links to the club had expected that United co-chairs Joel and Avram Glazer wanted a deal that would allow them to keep their shares and extend their stay, with their four siblings — Bryan, Darcie, Edward and Kevin — exiting in full.

Multiple people said the process, which was announced in November, has been complicated by a lack of cohesion among the six siblings. The Glazers have also received several offers from investment groups to provide funds to inject into the club without a change of control.

However, two people with knowledge of the matter said the Glazers were now focused on a structure that would allow the six siblings to sell down their holdings in proportion to their holdings, allowing Ratcliffe to take control.

Ratcliffe and Ineos would buy the remainder of the Glazers' shares in the coming years through derivatives contracts.

The structure of Ratcliffe's bid means that he can part with less capital up front, obtain majority control and invest in the club.

"The penny has started to drop," said one of the people. "There's no requirement to make an offer for all shareholders."

Uncertainty surrounding a deal has depressed United's publicly traded shares since their mid-February peak of $27. At its current share price of $18.63, United's equity is valued at about $3bn.

One issue around Ratcliffe's plan to buy the B shares is that United stock exchange filings say the class B shares are "automatically and immediately" converted into class A shares on transfer from the Glazers "to a person or entity that is not an affiliate of the holder".

One possible solution was for the Glazers to vote through changes that would allow the B shares to pass over to Ratcliffe without turning into A shares, two people close to the process said.

The Ineos group has remained flexible on structuring to increase its chances of winning over the Glazers, in a bid expected to value United at more than £5bn ($6.25bn), including debt. No deal is guaranteed and the structure could change, the people warned.

Despite growing frustrations among fans for clarity on the club's ownership, no deal is expected imminently. United's performance on the pitch has improved, with its last match this season taking place at Wembley on Saturday in the FA Cup final against crosstown rival Manchester City.

The club has already won the League Cup and finished in third place in the Premier League, meaning it has qualified for the lucrative Uefa Champions League next season.

United's supporters have long protested against the Glazers for piling debt on the club after acquiring control through a £790mn leveraged buyout in 2005. Fans also complain that United's Old Trafford stadium has fallen behind that of its rivals while the Glazers have taken dividends out of the club.

The American owners' role in the failed attempt to establish a breakaway European Super League two years ago led to further fan fury.

The United board met last week and received updates on the various offers in a process that is being led by US merchant bank Raine.

One person briefed on the meeting said Ratcliffe's appeared to be the more serious of the two bids at this stage but that it still contained a number of issues that needed to be worked through.

Ineos, United and Raine declined to comment.

Football

Son of former Qatari PM bids to buy Manchester United from Glazers

Sir Jim Ratcliffe makes rival offer for Premier League club

The Glazer family has owned Manchester United since 2005 © AFP via Getty Images

Samuel Agini, **Andrew England**, **Josh Noble** and **Arash Massoudi** FEBRUARY 18 2023

A son of Qatar's former prime minister, Sheikh Hamad bin Jassim bin Jaber Al Thani, one of the Gulf state's richest men, has submitted an offer for Manchester United, as bidding gets under way for the Premier League club.

The son, Sheikh Jassim, confirmed his bid for one of the world's biggest and most prestigious football clubs in a statement to the Financial Times.

Sir Jim Ratcliffe, billionaire founder of UK chemicals group Ineos, has also made an offer to buy the club, the company confirmed in a statement on Saturday. The statement pledged to invest in the club with a "fan-centred approach to ownership".

Ratcliffe has hired JPMorgan and Goldman Sachs to be advisers and plans to position himself as the British alternative now that one of the UK's most famous cultural assets is preparing to change hands.

A takeover of United is likely to break the record price paid for a sports team set by the Denver Broncos American football side last year. Billionaire Rob Walton, heir to the Walmart retail fortune, acquired the NFL franchise for $4.6bn.

Sheikh Hamad, known as HBJ, is a billionaire and was one of Qatar's most powerful figures in the 1990s and 2000s, serving as prime minister and foreign minister.

As Qatar used its gas riches to snap up trophy assets in the 2000s, he headed the Qatar Investment Authority and was the face of a UK spending spree that took Doha stakes in London's Shard skyscraper, Chelsea Barracks, Canary Wharf, London Stock Exchange and the Berkeley and Connaught hotels.

However, HBJ's influence waned when Sheikh Hamad bin Khalifa Al Thani surprised the Gulf by stepping down as emir and handing power to his son, Sheikh Tamim, the current ruler, in 2013.

HBJ was swiftly replaced as prime minister and head of the QIA, the sovereign wealth fund. However, he oversees a huge personal fortune and has continued to be an active investor. Forbes magazine estimates he has a net worth of $1.3bn.

The Qatari bid is for full possession of the club, which is owned by the Glazer family, the American sport investors. It will be debt free and transacted through a foundation set up by Sheikh Jassim.

While Ratcliffe will struggle to match the financial firepower of the Qatari offer, he has sought to emphasise his local roots, promising a "progressive, fan-centred" approach to ownership, said a person close to the bid.

Ratcliffe also touted a "British bid" when he tried to gate-crash the bidding for Chelsea FC last year, although the last-minute nature of the offer raised doubts over his seriousness.

Merchant bank Raine Group is leading the sale, having picked up the mandate after conducting the £2.5bn auction of Chelsea. Raine did not immediately respond to requests for comment.

Confirmation of the two bids comes on the day of the first deadline in the takeover process.

“The bid plans to return the club to its former glories both on and off the pitch and, above all, will seek to place the fans at the heart of Manchester United Football Club once more,” a statement from a spokesperson representing Sheikh Jassim said. United have not won the Premier League since 2013 when legendary manager Sir Alex Ferguson retired after winning his final title.

“The bid will be completely debt free via Sheikh Jassim’s Nine Two Foundation, which will look to invest in the football teams, the training centre, the stadium and wider infrastructure, the fan experience and the communities the club supports.”

Qatar has invested billions of dollars in sport over the past two decades to project its image on the global stage, and last year it successfully hosted the Arab world’s first football World Cup.

In 2011, Qatar Sports Investments, a state-controlled vehicle, acquired French club Paris Saint-Germain.

Speculation has been rife that either the QSI or QIA were interested in buying a stake in Manchester United. But any majority bids would have been complicated by rules under Uefa, European football’s governing body, which prevent any entity controlling two clubs competing in the same competitions.

A person familiar with the Manchester United discussions said no government-related entity, including QIA and QSI, was bidding for United. Neither was the emir of Qatar, Sheikh Tamim, or his close relatives.

The QIA had discussions with United and Liverpool months ago about a possible minority stake, but decided that it did not make financial sense, the person said.

The Glazer family has owned the Red Devils, who are 20-time English league champions, since 2005, when their £790mn leveraged buyout damaged relations with the club’s fan base from the start. The Glazers confirmed they were considering a sale as part of a wider strategic review announced in November last year.

The auction is seen as a once-in-a-generation opportunity to acquire one of the biggest sport brands in the world and take a seat in the small club of owners in the Premier League, the world’s top football division by revenues.

The New York-listed club's shares have soared to record highs above $26.50 this week, valuing the company at about $4.4bn by market capitalisation. The stock traded at roughly $13 before the Glazers revealed in November that they were considering a sale.

A spokesperson for the Qatari bid declined to comment on its value.

Manchester United Owners Consider Sale of Storied Club

The New York Times

November 23, 2022 Wednesday 14:21 EST

Section: BUSINESS

Length: 451 words

Byline: Bernhard Warner
Highlight: The Glazer family has hired advisers to weigh its options for the multibillion-dollar soccer club, which it has owned since 2005.

Body

The Glazer family has hired advisers to weigh its options for the multibillion-dollar soccer club, which it has owned since 2005.

Manchester United, one of the most prized sports franchises on the planet, may be up for sale after its American owners, the Glazer family, *said they had hired* advisers to find outside investors or sell the team.

Shares of the fabled soccer club, which plays in the English Premier League, the most popular soccer league in the world, have jumped nearly 30 percent on the New York Stock Exchange over the past two trading sessions. The club's market value reached nearly $2.8 billion after the rally, the *DealBook newsletter reports*.

The club's board will "consider all strategic alternatives, including new investment into the club, a sale or other transactions," it said in a statement, adding that the review may result in no action being taken.

Forbes has valued Manchester United, which has an avid global fan base and rich history, at *closer to twice that*, but determining a soccer club's worth can be tricky. A group led by the private equity firm Clearlake Capital paid a record free of up to $5.1 billion in May for Chelsea F.C., Manchester's Premier League rival, but Chelsea does not compare to Manchester United in terms of global reach, popularity and brand power.

Owning Manchester United is not without its challenges. It parted ways with its star player *Cristiano Ronaldo* on Tuesday, and fans have been clamoring for a change in ownership for years, as the club has not won a league title since 2013.

Deal-making is heating up in the Premier League. After Clearlake *acquired* Chelsea from the Russian oligarch Roman Abramovich, Liverpool also found itself on the block. The club's American owners, Fenway **Sports** Group, which also owns the Boston Red Sox, *put it up for sale* this month.

Who would bid for Manchester United? The **private equity** group Apollo and Britain's richest man, Jim Ratcliffe, emerged as possible suitors in August when rumors began circulating that the Glazers, who also own the Tampa Bay Buccaneers, were looking for an exit.

A spokesman for Mr. Ratcliffe, the billionaire founder of the chemicals giant Ineos, told DealBook at the time that he "would be interested in buying the club if it was for sale." When reached on Wednesday morning, he had no further comment. Apollo did not immediately respond to a request for comment.

Manchester United’s board has hired the Raine Group and Latham & Watkins to advise in any deal; the Glazers have also brought on Rothschild & Company to assist.

PHOTO: Fans calling for a change in ownership of Manchester United during a match in September. (PHOTOGRAPH BY Craig Brough/Reuters FOR THE NEW YORK TIMES)

Load-Date: November 25, 2022

Private Equity >

Why Elliott’s AC Milan turnaround is a blueprint for PE bosses piling into football

The club’s efforts were rewarded last year with the Scudetto for the first time in more than a decade after a season-long duel with rivals Inter Milan

By **Sebastian McCarthy**

Friday, 10 March 2023 at 03:47

AC Milan play against Spurs in the Champions League PHOTO: GETTY IMAGES

It was a deal they never set out to do. But when executives at US investment firm Elliott Advisors found themselves suddenly owning one of Europe’s greatest football clubs, they ended up striking gold.

Five years ago, struggling under a vast pile of debt and facing its sixth year without any major trophies, Italian football club AC Milan was in the midst of a financial storm.

A Chinese businessman called Li Yonghong had bought the club from Italy's former prime minister Silvio Berlusconi, aided by more than €300m in loans from Elliott.

In July 2018, however, Li defaulted on a loan and Elliott, a media-shy Wall Street hedge fund with no prior experience running a football club, took control of the famed Rossoneri - the team in red and black.

Fans were sceptical of Elliott's takeover. The firm had built up a ruthless reputation under its founder Paul Singer, once described by Forbes magazine as "Wall Street's most feared activist investor", amassing a fortune by acquiring stakes in distressed companies and agitating for change.

How would these cut-throat dealmakers from North America fare on the football pitch?

The answer came in September last year, when Elliott sold AC Milan to RedBird Capital Partners, a private equity firm, for €1.2bn, having invested roughly €700m over its five-year period of ownership, according to credit rating agency Fitch Ratings. Elliott will retain a minority financial interest in the club and seats on the board of directors.

In true activist fashion, Elliott oversaw a major shake-up of AC Milan, and now, as private equity firms pile into football across

Europe, the Italian turnaround is being seen as a blueprint deal among buyout bosses.

But how exactly did the firm carry out its football strategy?

"Firstly it was about stabilising the finances. The debts in the company were cleared and the team funded the business via equity injections for the first few years before it became cash flow generative," says one source involved in the deal.

Once those cash injections were made and debts were cleared, Elliott's team sought to grow revenues in three ways: to build out commercial streams such as new sponsorships; to boost media rights revenue by winning competitions; and to juice more revenue out of stadium operations.

To grow its sponsorship and sales operations, Elliott drafted in a new team of football finance executives, including Casper Stylsvig, a former chief revenue officer at Fulham FC and head of sales and global sponsorship at Manchester United, and James Murray, ex-head of business strategy at Arsenal FC.

Maikel Oettle, now commercial director of the club, also joined as a sponsorship sales director from entertainment, sports and fashion group IMG, while Ivan Gazidis, who ran operations at Arsenal FC for more than a decade, joined AC Milan as chief executive.

Success on the pitch also became a key priority. To gain more revenue from media rights, the club needed to qualify for lucrative competitions such as the Champions League and secure a greater share of league money by finishing higher up the table in the top division, Serie A.

Former club legend Paolo Maldini was hired as a technical director to improve the squad. Hendrik Almstadt, a football analytics director who had previously worked at Goldman Sachs and PE firm 3i, built out a data team.

The owners also put together a committee loosely based on one at Liverpool FC - a club also known for its hard-headed business approach to the game - where high-level decisions were hashed out between the chief executive, the sporting director, the chief scout, the head of analytics, and an Elliott executive.

The club's efforts were rewarded last year with the Scudetto - the award given to the champions of Italy's top division - for the first time in more than a decade after a season-long duel with rivals Inter Milan.

Going against Elliott's reputation for discretion, Gordon Singer - the son of founder Paul and a leading force in the club's operations - was seen the following day chanting atop of the team bus as it paraded through the streets of Milan.

Elliott has also sought to monetise the club's real estate: namely, its iconic stadium, San Siro. AC and Inter Milan, which both share the current venue, are hoping to build a newer stadium nearby called "The Cathedral" - a sprawling campus with leisure facilities.

"San Siro is a 90-minute product. You get there 10 minutes before and leave as soon as it ends. The modern stadium needs to be a half-day product: you get there two hours early, get food, go to the museum, watch the game, stop for a beer, and maybe even get a jersey of whoever scored," says one source involved in the plans.

From the stadium to the sponsorships, the push to grow revenue was underlined in 2022, when the club posted Ebitda of almost €30m and reduced its net debt to €28m from €101m in 2021, according to Fitch.

The club recorded a 22% rise in revenue in 2022 compared to the previous year, making it the only Italian club of the three recorded in the Deloitte Football Money League to post an annual increase.

Revenue was not the only priority for its profit-seeking owners: slashing costs was also a key focus, especially footballers' salaries - a notoriously hefty expense in football ownership.

The new owners resisted renewing some of the more expensive player contracts when they expired.

Goalkeeper Gianluigi Donnarumma was one of those to leave, joining Paris Saint-Germain on a free transfer after failing to agree a new deal with the club.

The club also recruited younger players, saving on more costly contracts for players in their prime. By October 2020, despite the presence of veteran striker Zlatan Ibrahimović, AC Milan had the youngest team at the level of the five major European leagues (24.5 years), according to CIES Football Observatory.

Now, as Elliott hands over the reins, the challenge is on for its new owners at private equity firm RedBird to find more growth in the club. Giorgio Furlani, who played a key role in the club as a portfolio manager at Elliott, will spearhead AC Milan's new plans after succeeding Gazidis as chief executive.

Gerry Cardinale, the former Goldman Sachs veteran who founded RedBird, said on a Sportico panel in November: "At the end of the day it's just intellectual property monetisation. I don't get emotionally attached as a fan of these things."

Cardinale might not want to get too attached as a fan, but with hundreds of millions of dollars at stake, he'll no doubt be cheering on the Rossoneri as they look to replicate Elliott's success.

To contact the author of this story with feedback or news, email Sebastian McCarthy

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Lautaro Martinez of Inter Milan celebrates after scoring at San Siro stadium. *Photographer: Marco Luzzani/Getty Images Europe*

By Giulia Morpurgo and Irene Garcia Perez
April 14, 2023 at 11:26 AM EDT

Welcome to The Brink. It's Giulia Morpurgo and Irene Garcia Perez in London and we are looking at the struggles of Inter Milan as European football clubs deal with the mountain of debt they've taken on to stay competitive. We also have the latest on Party City, Adler and Dish Network. Send us feedback and tips at gmorpurgo1@bloomberg.net or Tweet/DM to @gmorpurgo.

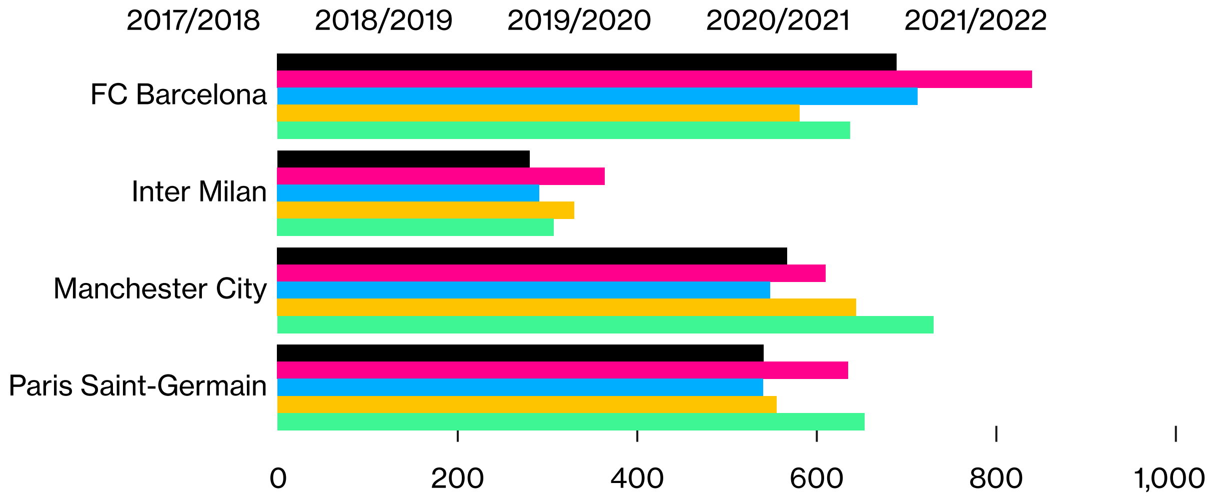
Debt Addiction

European football is an incredible world of haves and have nots. Once largely the domain of local entrepreneurs, the influx of billionaire owners from the Middle East and US over the past two decades has reshaped the game, both on the playing field and in the boardroom.

A select few clubs with ultra-wealthy benefactors now dominate the transfer market, dropping hundreds of millions of dollars a year to corner the world's best players. That leaves almost everyone else either resigned to the bottom of the pack, or forced to lever up to compete, a risky tactic if things don't go as planned.

Inter Milan's Revenues Are Stalling

Amount in million of euros.



Source: Deloitte Football Money League 2023.

That trend was exacerbated in the Covid pandemic years, when many storied clubs on the continent were forced to raise extra debt to survive.

Read More: Man City the Richest Club in Europe for Second Year Running

For **Inter Milan**, one of Italy's most famous teams owned by Suning's president Steven Zhang, years of trying to keep up with deep-pocketed clubs (think **Paris Saint-Germain**, backed by the **Qatar Investment Authority**, or **Manchester City**, owned by Abu Dhabi sheikh **Mansour bin Zayed al Nahyan**) caused outlays to balloon.

Kylian Mbappe and Lionel Messi celebrate after PSG scored. *Photographer: Denis Charlet/AFP*

All that spending helped to improve Inter Milan's performance on the pitch, earning the club its first domestic title in 11 years. Still, financial metrics deteriorated. In 2021 the club took out an emergency €275 million loan from Howard Marks's **Oaktree Capital** to shore up its finances. With interest-rates spiking and the debt due in just over a year, the team is now hunting for a new backer.

If Inter isn't able to repay the debt, the loan could turn into equity and hand Oaktree control of the club, not unlike how **Elliott Management** gained control of **AC Milan**, Inter's local city rival, in 2018.

Read more: Leeds United Owner Is Said to Consider Bid for Inter Milan

While there are certainly teams that have managed to keep their financial house in order without a billionaire patron – **Real Madrid**, **Bayern Munich** and **SSC Napoli** come to mind – Inter is far from the only historic club on a cliff's edge these days.

Throughout the pandemic, clubs lost key stadium revenues, while the gap in TV rights revenues between the English Premier League and other European national leagues widened, prompting player salaries to climb further.

FC Barcelona's spending spree left the team roughly €1 billion in debt when new management took over in 2021. That year the team had to give up star Lionel Messi because it couldn't afford his salary (he was promptly signed by PSG.)

"The level of debt is growing so much that if clubs do not perform well in a sporting sense some will go bust," said Andrea Sartori, chief executive of sports business consultant Football Benchmark.

A potential fix in the eyes of clubs was the establishment of a **European Super League** that would see the top teams having guaranteed entry to an elite competition, but plans were eventually shelved as fans revolted. **UEFA**, the organizer and supervisor of European club football competitions, has separately tried to level the playing field by imposing curbs on spending, but rules haven't been strictly applied.

Of course in sport, winning fixes a lot of things, and Inter is in the midst of a Champions League run few saw coming. Continued success could boost the team's appeal to potential suitors, helping the club dig itself out of its financial hole.

High Alert

PitchBook

DATA VISUALIZATION

Exploring the record-breaking Chelsea sale

By Ryan Prete & Jordan Rubio
May 10, 2022

A consortium led by Todd Boehly and Clearlake Capital struck a deal last week to acquire the Premier League's Chelsea Football Club at a £4.25 billion (about $5.23 billion) price tag.

The deal is the largest ever for a sports franchise. The price breaks down to £2.5 billion to purchase the shares and £1.75 billion in investments to further benefit the club.

Clearlake and Boehly, who is the co-founder of holding company Eldridge and part-owner of the Los Angeles Dodgers, beat out rival bids from Bain Capital's Stephen Pagliuca and a consortium including Apollo Global Management co-founder Josh Harris and Blackstone's David Blitzer, as well as over 30 competing bids.

The sale follows the imposition of UK government sanctions on current owner and Russian oligarch Roman Abramovich in the aftermath of Russia's invasion of Ukraine. Abramovich, who purchased Chelsea in 2003 for around £140 million, has said he will donate the net proceeds to charity.

To better understand this historic deal, the following data visual shows the magnitude and timeline of the purchase.

The growing American presence in European soccer

Hover over each club's logo to learn more about ownership

Source: Premier League teams, various filings

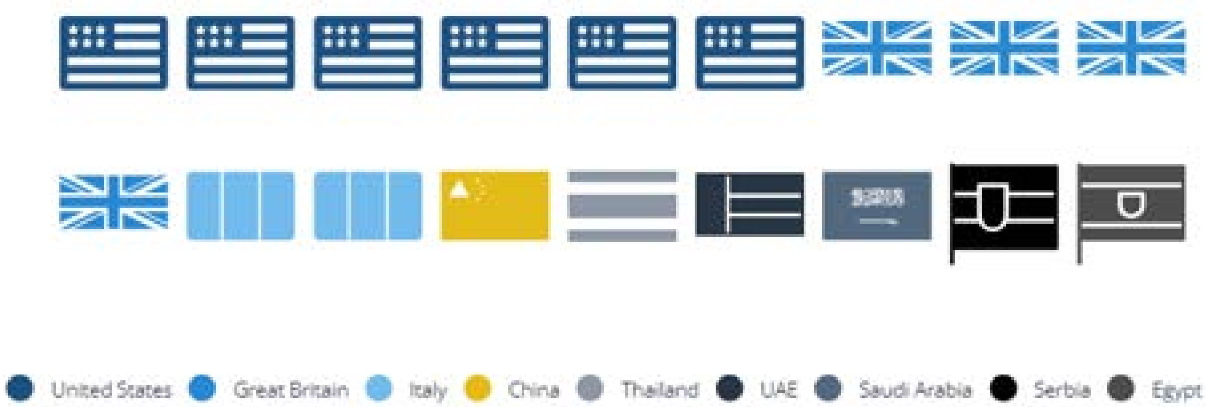
*If ownership percentage is not listed, it's unknown

A tale of two clubs

Sold in 2005 for **£790M**

Sold in 2022 for **£4.25B**

Majority owners of Premier League clubs by nationality



*Aston Villa was bought in 2018 by an Egyptian company owned by an Egyptian billionaire and an American billionaire

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Chelsea FC PLC

Oaktree prepares offer for Chelsea as race to buy football club heats up

Asset manager joins group of US billionaires and sports moguls assembling offers

The sale of Chelsea is a rare chance for investors to buy one of the big six clubs in the English Premier League, the richest domestic football competition in Europe © Neil Hall/EPA-EFE/Shutterstock

Samuel Agini and **Arash Massoudi** in London MARCH 16 2022

US asset manager Oaktree Capital is preparing an offer for Chelsea as the race to buy one of Europe's biggest football clubs hots up after Roman Abramovich's two-decades-long ownership nears an end.

The $166bn asset manager, run by Howard Marks in Los Angeles, is planning to bid alone, although it could still become part of a wider consortium, according to two people with knowledge of the plan.

Oaktree joins a group of American billionaires and sports moguls racing to assemble offers for Chelsea in a process led by investment bank Raine Group. Bids are due by Friday.

Oaktree has already made a couple of forays into football. It provided debt finance to a Luxembourg-based company that owns Chinese retailer Suning's stake in Italian football club Inter Milan.

The group was also among investors competing to partner with France's Ligue 1, the country's top league, and owns French Ligue 2 club Caen.

Oaktree is run by Howard Marks © Christopher Goodney/Bloomberg

The sale of Chelsea is a rare chance for investors to buy one of the big six clubs in the English Premier League, the richest domestic football competition in Europe, and one with a global audience.

The auction has attracted the interest of billionaire investors including Todd Boehly, co-owner of the Los Angeles Dodgers baseball team, and Josh Harris, the US billionaire and former top executive at Apollo Global Management.

The Ricketts family, which owns the Chicago Cubs baseball side, said on Wednesday that it was leading an investment group that plans to bid for Chelsea on Friday. Ken Griffin, the billionaire hedge fund manager and founder of Citadel, is part of the consortium, his spokesperson has confirmed.

However, the sale of the club requires a special licence from the UK government, which has already made allowances for Chelsea to continue playing matches despite being owned by an individual placed under sanctions.

The government has said Abramovich cannot benefit from the sale of the club, which he bought in 2003. He had already planned to waive the £1.5bn owed to him by Fordstam, the UK entity through which he owns Chelsea, and pledged to donate net proceeds of the sale to charity.

Abramovich put Chelsea up for sale before the UK hit him with sanctions last week and froze his assets because of his ties to Russian president Vladimir Putin. While the club is still fulfilling its fixtures against other teams, the UK government has blocked it from selling new tickets and merchandise.

The EU has added Abramovich to an asset freeze and travel ban list as part of a wider set of fresh sanctions this week.

Russia's invasion of Ukraine has brought renewed scrutiny of oligarchs, whose assets range from property to planes, yachts and sports teams.

The war has also forced the world of sport to confront the origin of the fortunes that the Russian elite have poured into the industry, from Formula One to football.

Nigel Huddleston, the UK sports minister, said this week that football can "manage perfectly well without Russian investment", pointing to interest from investors around the world.

Football

Italy's Serie A draws private equity interest for media rights stake

Previous talks were derailed by opposition from individual clubs and their executives

Serie A could net a multibillion-euro investment © Inter via Getty Images

Ivan Levingston and **Will Louch** in Berlin and **Silvia Sciorilli Borrelli** in Milan JUNE 10 2023

Italy's top football league has started talks with private equity firms over the sale of a stake in its media rights business as it considers options to secure funding.

Serie A is working with advisers at Lazard on a possible deal, according to people familiar with the details.

Private equity owners may look to purchase around a 10 to 20 per cent stake in the league's media rights that could net Serie A a multibillion-euro investment, one of the people said.

That process comes alongside a separate series of negotiations. Two other people close to the talks said Serie A would first negotiate with broadcasters a five-year media rights contract starting from 2024.

Talks with the private equity firms will only move forward if the clubs fail to agree on a price with media companies such as Sky and DAZN, the people said.

A deadline for broadcasters to turn in their bids will expire next week. People close to Serie A expect the bids to be below the clubs' asking target and anticipate that negotiations over price will extend into July.

"It's early days but we hope to ultimately find an agreement on price with the broadcasters," said the owner of one of the football clubs. "In which case we won't need additional funds."

Only if those talks fail will Serie A begin exploring other options, the people said.

A group of investment firms is expected to be among the interested parties in a media rights stake sale and discussions have begun with at least one lender that would help finance any deal, some of the people said.

Italian football clubs have long been reluctant to give up ownership of their media rights. An attempt led by private equity firm CVC to buy a minority stake in the media rights business for €1.6bn was rejected by the clubs in 2021.

Any deal is likely to be fraught with complications, despite continued interest in sports media rights from financial investors.

Serie A has held talks with private equity firms on multiple occasions before but opposition from individual clubs and their executives derailed negotiations.

In an interview last year, Serie A president Lorenzo Casini said investments in football infrastructure, such as stadiums, by foreign investors snapping up Italian clubs could also benefit the value of the league's media rights, particularly outside Italy.

An initial bid by CVC at the end of 2020 also envisaged the construction and upkeep of stadiums across Italy through a new infrastructure fund, as well as a 20 per cent stake in the media business.

The Italian league, however, remains in dire need of fresh funds as its revenues continue to trail significantly behind other main European leagues such as England's Premier League and Germany's Bundesliga.

The Bundesliga last month rejected an offer to sell a stake in the league's media and commercial rights to private equity firms. Although most clubs voted in favour of the offer, the outcome fell short of the required two-thirds majority ultimately derailing the funds' second attempt to buy a stake in the German football league's coveted media business.

Other European leagues such as La Liga in Spain and France's Ligue 1 have clinched media rights deals with private equity firms after the pandemic hit their revenues.

Serie A and Lazard declined to comment.

Football

German football reopens its door to private equity

Bundesliga in talks with buyout firms about multibillion-euro investment as it seeks to catch up with rivals

Some investors think the cash should be used to help make the Bundesliga more competitive. Bayern Munich have won the past 10 league titles © AP

Josh Noble and **Kaye Wiggins** in London SEPTEMBER 30 2022

Germany's Bundesliga has revived talks with buyout groups over a multibillion-euro investment, as the need to close the gap to wealthier football leagues forces clubs to review their resistance to the private equity industry.

Over the past three weeks, executives from Deutsche Fussball Liga, which runs the Bundesliga, have held preliminary talks with buyout firms, including Advent, Blackstone, Bridgepoint, CVC and KKR, according to two people familiar with the matter.

One option under discussion is to create an entity that would control the Bundesliga's media and commercial rights, valuing them at up to €18bn, and then raise as much as €4.5bn by selling a 25 per cent stake to external investors, the people said. Any agreement would then be presented to the clubs, which include Bayern Munich, Borussia Dortmund and Bayer Leverkusen, for a vote, likely early next year.

The talks come a year after Spain's La Liga and France's Ligue 1 sealed media rights deals with private equity group CVC. At the time, the Bundesliga also explored bringing in €300mn through the partial sale of the league's international television rights, but its 36 member clubs chose not to pursue it.

The plan's revival will be a test of the appetite for private equity investment in a country where it has proven unpopular in the past and where football clubs were run as not-for-profit associations until the late 1990s.

In 2005, a senior German politician from the Social Democrats likened private equity to a "plague of locusts", though the hostility to buyout groups has eased since then. Two years ago, a consortium of PE firms acquired ThyssenKrupp's lift business for €17bn.

Germany's top football clubs, most of which are controlled by their members under the country's ownership rules and have less debt than European rivals, last year judged they were in a strong enough position to reject the interest from PE firms.

However, one person close to the current discussions said the talks were now "coming from a different angle". While last year clubs were seeking funds to repair the financial damage from the pandemic, now many in German football see new investment as key to growing the game long-term.

"If this was seen as just a boost to clubs' financial health then 100 per cent this would not work", the person said.

The DFL said in a statement: "There are various considerations regarding the future of German professional football. Among others, these include the option of a partnership that would provide growth capital and expertise for long-term strategic development."

The buyout firms declined to comment.

The renewed push by the Bundesliga to raise money from its broadcasting rights comes as the sports industry has managed to largely defy the slowdown in the global economy.

The value of US broadcast rights for the pan-European Champions League and English Premier League have climbed in the most recently struck deals, while PE funds have snapped up stakes in the media businesses of both leagues and clubs.

“Sports rights is a long-term growth market. The Bundesliga is [a] top football property with a strong history and a record of delivering growth over time,” said one investor involved in the process. “The league needs a partner to refresh the approach.”

German football clubs typically have newer stadiums than many of their European counterparts, cutting the need for expensive upgrades. The country’s model of limiting the influence of outside investors has also helped keep club finances on an even keel.

But while the Premier League, La Liga and Champions League have all increased their international appeal, German football has struggled to gain traction. The Bundesliga generates just €270mn a year from international TV rights, according to Enders Analysis, a figure dwarfed by the €2bn for the Premier League and €900mn for La Liga.

“Bundesliga is an inward-looking league”, said François Godard, media analyst at Enders. “They have not been looking for international opportunities in the way the Premier League and La Liga have done. Their clubs have been less active at building a global fan base than Manchester United or Real Madrid.”

At the same time, income from domestic rights sales has seen little growth, with the low penetration of pay TV in Germany reducing the competition among potential broadcasters, added Godard.

One senior executive at a top-tier German club said there was now a “clear vision” for what needed to be done, with international expansion the top priority.

However, there are divisions on how best to achieve it. Fresh funds from the buyout industry could, for example, be used to pay for clubs’ pre-season tours overseas as well as for offices in new markets the Bundesliga is targeting.

Another option under consideration is building a direct-to-consumer streaming platform, echoing a move by La Liga, which recently launched its own streaming service in China, Thailand and Indonesia. UK-based fans can also pay to watch live Spanish games on Amazon Prime Video.

Some clubs and investors in the talks think the cash should be used to help narrow the gap between the top teams and the rest to help make the league more competitive. Bayern Munich have won the past 10 league titles.

“We could find ways of making the competition more exciting”, said another investor involved in the talks. “But this is a long-term project. There’s no way this is a short-term fix.”

According to people familiar with the matter, the talks remain wide in scope, leaving room for a variety of potential investments and there is confidence that a deal will be struck.

“It’s now being discussed with a much more positive view than before”, said one person with knowledge of the process. “But there’s no guarantee it will happen. German football is much more traditional, much more ideological and much more socialist than the English league.”

“In the end, it all depends on the price and how you distribute the money,” they added.

Street & Smith's SBJ SPORTS BUSINESS JOURNAL

FRANCHISES

Silver Lake acquires more stake in Manchester City, becomes second-largest shareholder

9.16.2022

U.S. private equity group Silver Lake has "increased its stake in the parent company" of Premier League club Manchester City FC, making it the "second-largest shareholder in the business behind its Abu Dhabi owners," according to Agini, Massoudi, & England of the FINANCIAL TIMES. The Silicon Valley-based firm acquired a 4.1% share in City Football Group from China Media Capital, "taking its total holding" to 14.5%. Silver Lake has been "stepping up its bets on the sports industry, with investments ranging from football and rugby to baseball." This latest deal "strengthens its ties to Abu Dhabi's royal family and Sheikh Mansour bin Zayed Al Nahyan." Silver Lake's growing sports portfolio shows how the balance of power in the industry is "changing as private equity groups and billionaires acquire clubs and invest in leagues." In June, it "won approval to invest" about US$120M in New Zealand Rugby, the organization behind the All Blacks team, following its acquisition of a minority stake in the Australian Professional Leagues football group. It is also a shareholder in sports merchandising company Fanatics and in Endeavor. In August, it "bought Diamond Baseball Holdings, which owns a numbers of clubs in the sport" (*FINANCIAL TIMES, 9/16*). BLOOMBERG NEWS's David Hellier notes fillings show the stake was acquired from Chinese investor CMC Football Holdings Ltd. at "some point between early 2020 and January 2022." CMC's interest has "fallen to around 8%" (*BLOOMBERG NEWS, 9/16*).

Bay Area Expansion Team Draws a Record Price for the U.S. Women's Soccer League

The New York Times

April 5, 2023 Wednesday

Late Edition - Final

Section: Section B; Column 0; Business/Financial Desk; Pg. 4

Length: 601 words

Byline: By Lauren Hirsch

Body

The investment firm Sixth Street led an ownership group that plans to spend $125 million on the franchise.

The race for the rights to show live sports has lifted the values of teams and leagues, drawing the attention of the world's biggest investment firms. And those funds are flowing beyond the handful of men's sports that have traditionally attracted the most money and media attention and into women's sports around the world, including soccer, basketball, tennis and cricket.

On Tuesday, the National Women's Soccer League said it had sold the rights for a new team at a record price. The investment firm Sixth Street led an ownership group that plans to spend $125 million on the Bay Area franchise, with roughly $53 million covering the expansion fee, a huge jump from the $5 million fee paid in 2021 for a team in Kansas City.

Another $30 million to $50 million will go toward building a training facility, said Alan Waxman, the chief executive of Sixth Street and a co-chair of the new club. The rest will help operations and build the team's brand.

Jessica Berman, the commissioner of the N.W.S.L., who joined the league in 2022, said the competition ''has not historically been built like a business.'' But now, ''it's really been able to scale and level up the professionalism, operational rigor and business strategy and tactics for growth,'' she said.

The Bay Area team will be run by a board that includes the former United States national team players Brandi Chastain, Leslie Osborne, Danielle Slaton and Aly Wagner, who will be a co-chair. It is set to begin play in 2024, the league's 12th season.

''All of a sudden, reality catches up with the data,'' Mr. Waxman said of the investment rationale.

More than 1.1 billion people globally tuned in to the Women's World Cup in 2019. In the United States, 915,000 watched the final of the N.W.S.L. last year, compared with about two million for the men's championship match in Major League Soccer.

In other leagues, the Women's Tennis Association raised $150 million last month from the **private equity** firm CVC Capital to fund a new subsidiary to manage sponsorships and broadcasting rights. The Women's National **Basketball** Association raised $75 million from investors last year to put toward marketing and recruitment. And in India, investors in January spent a combined $570 million in an auction for five teams in a new women's cricket league.

Still, the all-important media rights for women's sports lag far behind those for men's leagues. Apple recently signed a 10-year, $2.5 billion deal to broadcast most M.L.S. games. The N.W.S.L.'s current deal with CBS, which was signed in 2020, was worth $4.5 million over three years.

Investors in women's soccer, like Sixth Street, are betting on a big jump in price for those rights when they soon come up for renewal, alongside increased spending on sponsorship and stadium purchases.

Against the backdrop of a sexual abuse scandal that led to the firing of at least four N.W.S.L. coaches, and motivated by a successful expansion into Los Angeles, Ms. Chastain, Ms. Osborne, Ms. Slaton and Ms. Wagner set out to drum up investment for a new team. Ms. Wagner connected with Mr. Waxman through his wife; Sixth Street has also invested in the Spanish soccer giants Real Madrid and Barcelona, as well as the N.B.A.'s San Antonio Spurs.

Other investors in the Bay Area team include Sheryl Sandberg, the former chief operating officer of Meta, who will join the team's board and "partner with the club to create leadership programs that empower women and girls," she said in a statement.

https://www.nytimes.com/2023/04/04/business/us-womens-soccer-league-investment.html

Graphic

This article appeared in print on page B4.

Load-Date: April 5, 2023

WTA Receives $150 Million Private Equity Investment

The New York Times

March 7, 2023 Tuesday 00:14 EST

Section: SPORTS; tennis

Length: 1086 words

Byline: Christopher Clarey
Highlight: CVC Capital Partners, the former owner of Formula 1, will take a 20 percent stake in a commercial subsidiary as the tour seeks to expand its marketing of events and players and increase prize money.

Body

CVC Capital Partners, the former owner of Formula 1, will take a 20 percent stake in a commercial subsidiary as the tour seeks to expand its marketing of events and players and increase prize money.

SAN DIEGO — CVC Capital Partners, a global **private equity** firm that once owned the Formula 1 racing series and has remained a major **sports** investor, is joining forces with women's professional tennis.

The WTA announced Tuesday that CVC had become a commercial partner after making a $150 million investment that would give CVC a 20 percent stake in a new commercial subsidiary named WTA Ventures. The subsidiary will focus on generating revenue by managing, for example, sponsorship sales as well as broadcasting and data rights.

"Hopefully this partnership will allow us to begin addressing that valley between the commercial rights that we are able to secure and the rights that the men are able to secure," Steve Simon, the WTA's chairman and chief executive, said in a telephone interview from Indian Wells, Calif., where the BNP Paribas Open is set to begin this week.

Though prize money is equal for men and women at the four Grand Slam events, the gap in prize money for many stand-alone men's and women's events has widened in recent years. The chasm reached the highest levels in 20 years in 2022, with the men earning on average about 70 percent more than the women outside the majors.

Last year, the ATP Finals, the season-ending championships on the men's tour, offered $14.75 million in prize money. The equivalent women's event, the WTA Finals, offered $5 million, with Iga Swiatek, the No. 1 women's singles player, expressing disappointment at the disparity.

The WTA has lost significant revenue because of the lack of tournaments in China. The tour had a major presence there and had signed a lucrative 10-year deal to stage the WTA Finals in Shenzhen, which offered $14 million in prize money in its first year as host in 2019. But China has canceled most professional sports events since the start of the coronavirus pandemic in 2020, and the WTA suspended all Chinese tournaments in late 2021 because of the allegations of sexual assault made by Peng Shuai, a Chinese former player who remains in China.

The WTA has said it will not reinstate Chinese tournaments until it can have direct contact with Peng and a full and transparent investigation is conducted by the Chinese authorities into her allegations.

Simon said on Monday that neither condition had been met and that the WTA was continuing to explore a multiyear deal to stage the WTA Finals in other cities in case the China window remains closed.

"We will make a decision at the end of this month how we are going to proceed," he said.

Simon said he hoped the new CVC partnership would lead to a near-term increase in prize money at tour events. “You certainly will see a plan with respect to that, which will be forthcoming,” he said.

But above all, he said, CVC’s investment will allow the tour to invest more in marketing the women’s game and in producing or commissioning media programming that will raise the profiles of players and tournaments.

“To tell the story and to build the brand and to get directly to the consumer, which are some of the key things I think we have to do a better job of than we do today to enhance the commercial results,” Simon said. “As we improve the commercial results, things like player compensation become a lot easier discussion.”

Simon said most of the WTA’s current rights deals would expire in 2026. He declined to disclose a timetable for when the tour would receive CVC’s $150 million investment.

“But it’s certainly not something that is a drip effect,” he said. “We have significant funding coming in that’s going to allow us to invest over the next several years at levels we’ve never been able to before.”

Simon said the CVC deal was not directly linked to the lost Chinese revenue. “This hasn’t been done because of China,” he said. “I have had the concept for many years of bringing in some capital investment into our company, which I felt we needed to go to the next level.”

But Simon was only recently able to get support for the move from the WTA board, and he emphasized repeatedly that the WTA still had autonomy despite the CVC deal.

“The way we set all this up, WTA Tour Inc. is not touched,” he said. “The WTA still controls 100 percent all of the governance, regulatory and calendar issues.”

But he acknowledged that tour and CVC officials would communicate to ensure that WTA decisions did not hurt commercial opportunities.

“Absolutely we will,” he said. “But the WTA has complete control of both entities and can make the decisions it feels are in its best interest.”

CVC will have no representative on the WTA board, but it will have two of the eight seats on the new WTA Ventures board, which will be chaired by Simon.

CVC, based in Luxembourg, was founded in 1981 and has 25 offices worldwide and more than $100 billion under management. The WTA investment is relatively modest compared with the more than $2 billion it spent in 2021 to acquire a 10 percent *stake in the commercial arm of La Liga*, Spain’s leading soccer league. CVC also paid more than $700 million in 2021 to acquire the Ahmedabad cricket franchise in the Indian Premier League and about $500 million more the same year to take a 14.3 percent stake in the Six Nations rugby union series. CVC *agreed to sell its controlling ownership stake in Formula 1*to the American company Liberty Media in 2016.

Tennis has had some spectacular misfires with outside investors. In 1999, ISL Worldwide, a Switzerland-based marketing company, signed a *10-year agreement for $1.2 billion* with the ATP that *fell apart two years later*. In 2018, the International Tennis Federation signed a 25-year, $3 billion deal with Kosmos, a Spanish investment group, that led to radical changes in the Davis Cup team event, but the partnership imploded this year.

CVC has held talks with the ATP, but its tennis investment is only in the women’s game. For now.

Simon continues to favor convergence and has even expressed interest in a merger between the ATP and the WTA at some stage.

“If we can ever get to the point where we could bring it all together, this agreement with CVC allows for that to happen,” Simon said.

PHOTO: A WTA semifinal Saturday in Monterrey, Mexico. Outside the majors, women's tournaments offer much less money than men's. (PHOTOGRAPH BY JULIO CESAR AGUILAR/AGENCE FRANCE-PRESSE — GETTY IMAGES) This article appeared in print on page B11.

Load-Date: March 8, 2023

Who Are the New Owners of the Charlotte Hornets?

A brief look at the Hornets' new ownership group.

JAMES PLOWRIGHT • JUN 16, 2023 10:19 AM EDT

In this story:

CHARLOTTE HORNETS

Friday morning, ESPN's Adrian Wojnarowski reported that Michael Jordan is "finalizing" a sale of the Charlotte Hornets to a group led by

Gabe Plotkin and Rick Schnall.

Who are they?

Gabe Plotkin

Plotkin is a hedge fund manager, investor, and former Chief Investment Officer of Melvin Capital. If you recognize the name, it's likely because Plotkin and Melvin Capital were at the center of the Gamestop/Robinhood controversy, resulting in Melvin Capital being wound up. How the disgraced Plotkin who Reddit has named an "Economic Terrorist" has the financial power and respectability to become the figurehead of an NBA ownership group is certainly a question, but one I don't have an answer to.

Rick Schnall

Compared to his partner, Schnall is Mr. Boring. He's a partner at Clayton, Dubilier & Rice and leads their financial services and technology team. Schnall is currently a minority owner with the Atlanta Hawks, he's a Harvard graduate who resides in New York City and ticks all the boxes of your classic rich investor. Other than being super wealthy and clearly having an interest in NBA ownership, there's little else known about Schnall.

Questions that arise (With some answers)

- Will the Hornets stay in Charlotte? In June 2022 the Hornets signed a lease with the city of Charlotte until 2045, this was likely an aim Jordan wanted to achieve before proceeding with the sale to ensure the medium-term future of the team is secure. Still, with the franchise's history, I expect this to be one of the first topics the new ownership group will address once the sale has gone through.

- **Will Michael Jordan stay involved?** As part of the sale it appears Jordan will retain a minority stake in the Hornets, will that mean he's kept on as an "Advisor"? Or does he just want a way to tap into the network of NBA owners? It's no secret that he's a well-respected voice in the NBA with him taking leading roles during CBA and "The Bubble" negotiations in recent years.

- **Why didn't the Hornets go through a normal "For Sale" process?** Normally when an owner decides to sell, they make their intention public to drive up competition and the eventual sale price. Although this was likely common knowledge in ownership circles, it’s still curious about the private manner in which the sale was managed.

- Could the Hawks former GM Travis Schlenk end up in Charlotte? New Hornets co-owner Schnall was part of the interview group that appointed Schlenk in Atlanta in 2017, Schlenk was eventually replaced in June 2022 by Landry Fields. If Schlenk and Schnall still have a relationship he could be lurking in the shadows and be on the shortlist to shore up the franchise. (Okay, I’m out of Sh words)

- How does this impact Miles Bridges? Re-signing a player off the back of a domestic violence accusation and lengthy NBA suspension isn’t the way most new owners would want to start. Any new contract agreement will now likely require sign-off from the new ownership group, even if it occurs before the sale has been formally completed.

- Will Charlotte spend more? Surely this will be a yes. It's well known among coaches and front office staff around the league that Charlotte is among the league’s lowest spenders. Hotels on the road, sports science staff, analytics staff, front office staff, and coaching salaries. These all need additional investment to catch up with the rest of the NBA.

Finally, the question on everyone's mind. **Is Michael Jordan selling a good thing?**

It's clear Jordan's on-court success in Charlotte hasn't been what everyone had hoped since taking over in 2010. Accusations of nepotism, low spending, lack of engagement, and poor decision-making have followed Jordan closely. However, if you speak to staff within the Hornets organization and they will tell you that Charlotte made major improvements off the court. Connecting with the local community, ticket sales, bringing the Hornets name back to Charlotte, and creating a better overall working environment. Unfortunately, in pro sports, if the team isn't winning then all the other progress gets thrown out the window and forgotten about.

At the end of the day no matter what the new ownership group does in terms of spending, hiring, and talking to the press, they will be judged on the same thing Jordan was, can they build a winner?

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BY JAMES PLOWRIGHT

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NFL Clears Team Sale, Fines Its Owner $60 Million

The Wall Street Journal

July 21, 2023 Friday

THE WALL STREET JOURNAL.
U.S. EDITION

Section: Pg. B1

Length: 822 words

Byline: By Andrew Beaton and Louise Radnofsky

Body

National **Football** League owners unanimously approved Dan Snyder's sale of the Washington Commanders to a group led by **private equity** billionaire Josh Harris, then immediately levied Snyder with a record $60 million fine after presenting the findings of the latest NFL-led investigation into the team and its owner.

Approval of the deal allows it to clear the final hurdle before the completion of a record-setting transaction that will extricate the league of one of its biggest headaches.

But the approval comes after the league fined Snyder for the second time in about two years for his operation of the team. The team was previously fined a then-record $10 million in 2021 following a prior investigation into the team's hostile workplace.

The findings from the probe, led by former Securities and Exchange Chair Mary Jo White and released by the league, corroborated a woman's allegations of sexual misconduct against Snyder and sustained another former employee's allegations that the team improperly withheld approximately $11 million that should have been shared with the league's 31 other teams.

The 23-page report -- which followed criticism that the NFL issued no such detailed findings after a previous investigation into the team and Snyder wrapped up in 2021 -- sustained the two main allegations against Snyder and provided him with a rough final exit from the league. The report also blasted the club and Snyder for failing to cooperate, saying that Snyder refused to be interviewed for a year, and when he finally did so he declared that it would be limited to just one hour. It also said the club for months refused to produce critical documents involving the financial allegations.

"The conduct substantiated in Ms. White's findings has no place in the NFL," NFL commissioner Roger Goodell said.

A spokeswoman for the Commanders didn't have a comment.

Snyder had been saddled with problems for years -- over the franchise's previous name, misconduct within the organization and allegations about his own behavior -- that sparked widespread backlash and multiple investigations before he began exploring a sale last year. A consortium led by Harris, who co-founded Apollo Global Management and co-owns the National Basketball Association's Philadelphia 76ers among other sports interests, ultimately won the bidding for about $6 billion.

Snyder first purchased the club, then known as the Washington Redskins, for $800 million in 1999, and in the time since one of the NFL's hallmark franchises deteriorated on and off the field. The team, which had won three Super Bowls in the 1980s and 1990s, churned out losing season after losing season. But the team's biggest issues had nothing to do with the team's struggles to win football games.

Those controversies crescendoed in 2020 on multiple fronts. Longstanding criticism that the team's name was a racial slur was amplified by national protests against racism, and even the team's own sponsors called for a change. That forced Snyder's hand to do what he had once vowed never to do and abandon the moniker, changing it to the Washington Football Team before Commanders was adopted.

Around the same time, Snyder was caught in an unusually public feud with his minority partners, who were trying to oust him and accused him of financial wrongdoing. The kerfuffle was eventually settled when he agreed to buy out their shares.

But the biggest concern that threatened Snyder's ownership of the team was the franchise's workplace culture and his own alleged behavior.

After numerous women reported being sexually and verbally harassed while working for the club, the team hired an outside attorney to conduct an investigation into the matter. The league eventually assumed oversight of the probe, and it was later revealed that the NFL and Commanders entered into a common interest agreement when it changed hands, which prevented the league and team from releasing information without the other's consent.

The NFL was widely assailed once it released the results of that investigation in 2021. Although the league fined the club $10 million and broadly concluded that the team's workplace was toxic, especially toward women, it didn't issue a detailed report of the probe's findings, as the league had often done with past investigations. Critics, including the attorneys representing former employees, slammed the league over the lack of transparency and accused it of covering up the behavior of an owner.

While Snyder has apologized for the team's culture, he has denied all allegations of personal wrongdoing. The incidents involving Snyder include a $1.6 million settlement he paid a woman in 2009 over a sexual-harassment allegation.

Months after the investigation concluded, questions roared back to life after The Wall Street Journal first reported on emails that surfaced in connection with the probe, including one in which then-Raiders coach Jon Gruden used a racial trope.

Notes

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Kicking up a storm

The Economist

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Body

Sports fans have seen plenty of surprises this summer. Carlos Alcaraz won Wimbledon, ending years of domination of tennis by the trio of Novak Djokovic, Roger Federer and Rafael Nadal. In golf the victors of the us Open and Britain's Open were outsiders who were given odds of winning of 1% or less. On August 6th the all-conquering us women's football team crashed out of the World Cup after Sweden scored a winning penalty. The ball crossed the goal line by only a few millimetres.

Yet the biggest shock has been off the field, as Saudi Arabia has barged into the *sports industry*. Pumped up on petrodollars and desperate to reinvent itself under Muhammad bin Salman (mbs), its 37-year-old de facto ruler, it has spent $10bn on players, teams and leagues, upending golf and football. That has upset Western fans, activists and politicians, who see it as "sportswashing" human-rights abuses, and complain about the desecration of the hallowed trophies of sport.

The Economist is no cheerleader for mbs, but this sports-venting does not bear scrutiny. The West trades widely with Saudi Arabia, the deals will not make its bad human-rights record worse, and it is not clear that the country could or would monopolise and destroy any global sport. In a turbulent world many fans see their teams as a source of pride and stability. But many forget that sport is also a business that is being disrupted. It needs to be open to new capital and fresh ideas.

Sport has long seen investment splurges, whether by media tycoons or Russian oligarchs. Even by those standards the Saudi effort is big. In football it is paying for some of the world's top players, including Karim Benzema, to play in a revamped domestic league. It controls Newcastle United, an English club, and may bid for the World Cup in 2030. In golf a Saudi-bankrolled tournament is merging with the PGA Tour, America's men's circuit. The kingdom sponsors Formula 1, has deals in wrestling and boxing and is eyeing winter sports and e-sports.

Do not imagine that this is a modern version of Arab royals buying racehorses that catch their eye. Saudi Arabia's plan is state-backed and more systematic than that. The kingdom views sport as a way to reinvest oil revenues and catalyse reform at home by creating a bigger services industry and boosting tourism. mbs is a volatile strongman, but he is also overseeing some liberalisation, including of women's rights. The spread of a globalised, consumerist, sporting culture may help Saudi Arabia shift social norms away from austere religious conservatism.

The Saudi spree mirrors a surge in institutional capital flows into **sport**. Since early 2020 over $100bn of **private-equity** cash has been deployed. America's **baseball**, basketball, hockey and football leagues contain brands with reliable cashflows (partly because these are self-regulating cartels). Europe's soccer teams, which may be relegated, are riskier but sometimes undervalued given their big fan bases. Other sovereign buyers are active. Qatar, which hosted last year's World Cup, has Paris St Germain, a French club, and a stake in the Washington Wizards, a basketball team. Bloomberg reckons 17 of Europe's top 98 soccer clubs are now backed by sovereigns or institutional capital.

Many of these new investors see digital disruption as an opportunity. Revenues are in jeopardy, as viewers abandon traditional television, and in America "cut the cord" on cable packages that bundle sports. For old media firms this is a nightmare: Disney is looking for an investor to take a stake in espn, its huge, declining sports network. For nimble owners of teams and brands, digital disruption holds the promise of reaching audiences directly, with a more immersive, interactive experience.

Fans often fear change will ruin something that they love. However, sport is not just a competition between players, but also for an audience-and rival forms of entertainment do not stand still. Italy's Serie A football league is a warning of what happens if reform is too slow. Its revenues are falling, its teams are underperforming and they are mostly lossmaking. European football costs over $7bn a year to run, excluding players' wages, and does not break even. It can benefit from fresh money.

Besides, disruption can lead to improvements that bring in new fans. England's Premier League broke off from the rest of the game in 1991 and is now one of the world's most successful tournaments. India's Premier League, launched in 2008, drew millions to Indian cricket. Formula 1 has found a younger audience in the Netflix show, "Drive to Survive" and direct-to-consumer streaming. Who knows what will come from Apple's $2.5bn investment in streaming mls, America's soccer league; or Qatar's backing of Padel, a rival to tennis, with 25m players.

The case for disruption, then, is clear. However, Saudi Arabia faces two other objections. The first is that it is a state actor that is not motivated by profits and has vast resources. Sport requires a competitive balance, so if an owner buys all the best players their team can in theory win all the time and the game suffers. This risk needs to be watched. However, despite decades of crazy money, no team has managed to dominate football. Saudi Arabia's spending on players is worth only 6% of European football's annual operating costs. Its rebel league shook up golf.

Big fan

The second objection is Saudi Arabia's rotten record on human rights, including the murder of Jamal Khashoggi, a journalist. Foes of the West like Russia face sanctions, which include sport. Yet the kingdom is not in this category. America and Europe did $140bn of trade with Saudi Arabia in 2022, including in oil and weapons-both more strategically sensitive than putting. And although some club owners gain influence, controlling sports assets does not seem to blind the Western public or their governments. Even Roman Abramovich, an oligarch who bought Chelsea to court Britain's elite, has not escaped sanctions. As Qatar found with gay and labour rights in the 2022 World Cup, sponsorship can sometimes bring more scrutiny.

An ever-expanding list of activities are restricted around the world on grounds of national security, well-being or morality: think of semiconductors, social media, and energy and arms. Adding sport to the list is an own goal.

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Street & Smith's SBJ SPORTS BUSINESS JOURNAL

Beyond the pitch: The rise of private equity in sports

BY ANNA SYKES, TOM MATURI AND ALEX WILLS

Wednesday, May 3, 2023

At a time when economic uncertainty is curtailing private equity (PE) deal activity, sports-focused capital investment remains strong. PE interest in this sector has been around for some time, with CVC Capital Partners' backing of F1 in 2005 seen as one of the first forays into the industry. Prior to this, the sports space was largely the domain of high-net-worth individuals or collective fan ownership. In recent years, however, we've seen notable developments due to a number of factors, including the rise of technology and the devaluation of assets during the pandemic.

Regulatory changes driven from the inside have also facilitated this development. U.S. leagues such as the the NBA, which historically only allowed private individuals to own shares in teams, have come to embrace a wider range of investors, as was evident in its decision, ratified in January 2021, to allow PE providers to acquire up to 20% of a single NBA franchise. The benefit of this is that it provided teams and leagues, whose net worth is largely tied up in their franchises, with a liquidity event, enabling them to accrue extra capital to enter into more lucrative deals and at a faster pace.

The entrance of PE firms into this sphere has also come about as a result of practical necessity. The average franchise value across the NBA has soared to $2.86 billion and with high valuations come big price tags, many of which are not within the reach of ordinary investors. Allowing institutional and PE investors a slice of the pie has opened up avenues for minority owners to exit. Over time, this is likely to result in a greater number of private individual and institutional co-investors holding joint ownership rights in the same assets. Such an imbalance of bargaining power can have a marked impact on the negotiation of governing arrangements which investors on both sides of the table should be aware of.

PE sponsors globally have increasingly turned toward the commercial rights licensing and broadcasting opportunities, which is largely attributable to the boom in on demand content platforms. CVC, for example, recently invested $150 million in the Women's Tennis Association in return for 20% equity in a new commercial subsidiary, WTA Ventures, which will focus on generating revenue through the management of sponsorship sales, broadcasting and data rights.

The linchpin of the PE and sports space is undoubtedly the transformation of media; a factor so influential that it is disrupting the format of the sports themselves. Take, for example, the focus by the Professional Triathletes Organisation, which secured investment in 2022 from Warner Brothers as part of a broadcasting deal, on viewer-friendly, shorter race formats or the shorter form cricket format, The Hundred, which received a £400 million investment bid from Bridgepoint Group in November 2022. In a sector which traditionally placed greater value on customers (i.e. fans), rather than stakeholders, it seems as though the approach of many sports organisations could become increasingly driven by the need to attract capital from PE and therefore more investment-driven and media-orientated. This has not come without criticism as both club managers who fear loss of control, as well as fans dismayed by the increased involvement of corporate institutions, have raised their concerns.

Critics can take some relief, however, in the unique way that many of the sports-based PE investments are structured. Whilst funds have traditionally taken a short-term approach to deals, typically seeking to negotiate an exit within three to five years, many of the headline sports investments have been for significantly longer periods.

This is partly due to the consistent cash flows that broadcasting and sponsorship deals can return, making sports assets highly liquid and yield-producing. This allows for general partners to return distributions to limited partners at a greater frequency than might be the case with more traditional asset classes. The stability and liquidity this gives to a limited partner's wider investment portfolio makes a long-term investment approach attractive, as seen in CVC's 10-year holding period in Formula 1. This represents a move away from the oft-criticised short-term approach taken by PE firms who go in with cost-cutting measures and the intention to sell within a few years for maximum profits. This may provide some comfort to sports fans that short-termism and a profit-only approach would jeopardize the success of both the club/league and sport more generally in the future.

The legal framework governing many of these investments should also help alleviate concerns that allowing PE firms to take ever-greater stakes will result in them dictating management against the wishes of loyal fan bases. A PE firm will typically invest equity and/or debt in return for a stake in a newly incorporated holding company or joint venture vehicle of the relevant sports organisation which will go on to manage the commercial side of the business. These organisations will then utilise this injected capital to explore monetization opportunities, such as purchasing players and establishing new infrastructure. The separation of the commercial side of the business allows sports organisations and their management teams to retain a level of control over the governance of the business. Such division of control will be defined in the company's shareholders' agreement (governing the relationship between shareholders) and articles of association (governing how the company is run).

It is the role of legal counsel to ensure that such documents accurately reflect the commercial desires of all parties. This includes close consideration of various key provisions such as exit mechanics, processes to resolve commercial disputes and decision deadlock, "drag-along" and "tag-along" rights, information, veto and appointment rights, and other general governing procedures, all of which are usually heavily negotiated. Where PE funds only take a minority stake, they will tend to demand strong veto rights and a "reserved matters" list stating actions that the company can only take with approval by a requisite majority or specific people, to combat the greater risks that come with this.

Anna Sykes is a trainee solicitor, Tom Maturi is an associate, and Alex Wills is a senior associate at Norton Rose Fulbright.

https://www.wsj.com/articles/crowded-sports-sector-forces-private-equity-firms-to-hone-strategies-6514e2ea

PRO PE INDUSTRY NEWS

Crowded Sports Sector Forces Private-Equity Firms to Hone Strategies

Investors drawn to sports increasingly explore investments in less developed niches, from rugby to X Games

Private-equity firms are looking to stand out in an increasingly congested sports sector.

ILLUSTRATION: THOMAS R. LECHLEITER/THE WALL STREET JOURNAL

By Isaac Taylor Follow

Updated April 4, 2023 1:47 pm ET

Private-equity investors looking to stand out as they enter the crowded—and potentially lucrative—playing field of sports are buying into less popular segments such as rugby, where pricing pressure is lower, but risks loom large.

Investing in sports—from teams to broadcast rights and betting websites—has blossomed in recent years as laws governing betting on games in the U.S. have loosened while streaming content has expanded. Both of these factors are attracting more private-equity firms to the sector. Investors also say that the value of sports properties tends to be unaffected by public securities markets or higher interest rates, adding to the allure of the investments during periods of volatility and credit tightening.

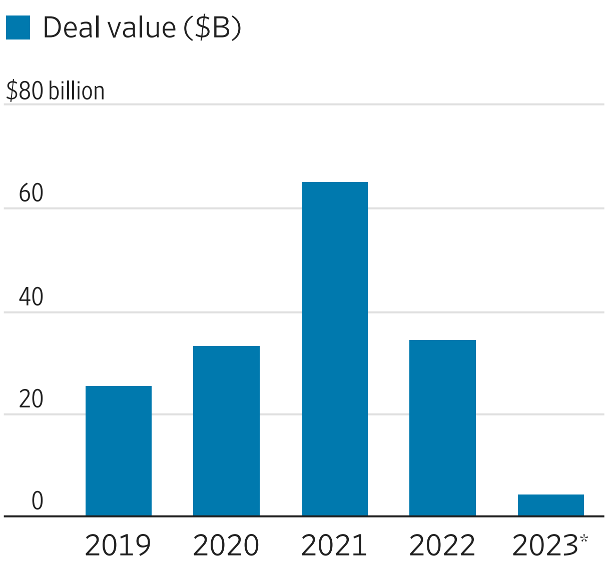
More investors vying for successful—or potentially successful—teams and associated businesses and assets, such as broadcasting or streaming rights, is driving up valuations, investors and advisers on such deals say. The upward pressure on prices means more firms are honing their focus, pushing some into riskier transactions and prompting others to seek out deals in less crowded sports segments.

Last year, private-equity and venture-capital firms raised $23.65 billion for global funds focused wholly or partially on the sports industry, according to data provider PitchBook Data Inc. In 2021, funds in the sector raised $91.78 billion as the number and value of deals soared.

The sector remains a hotbed for deals, but has cooled since 2021. In that year, total private equity-backed sports transactions surged to $65.1 billion across 444 investments as overall deal making by firms reached record levels. Last year, the sports sector total fell to $34.4 billion—still 35% higher than the $25.4 billion invested through sports deals in 2019.

Global PE Deal Activity in Sports

Institutional investors remain bullish on the sports sector.



Note: 2023 data as of March 23
Source: PitchBook Data Inc.

The expanding market has drawn fresh entrants. New sports- and related entertainment-focused firms started over the past two years include Bluestone Equity Partners, Dynasty Equity Partners Management and Velocity Capital Management.

"I suspect we're going to see private equity looking [at] a bit riskier and earlier-stage properties, including some of the sports in this country that haven't been as fully commercialized as they have been abroad," said Charles Baker, a partner in the entertainment, sports and media group of law firm Sidley Austin LLP. Sports like cricket and rugby haven't seen much investment in the U.S., but private equity will increasingly look to both for opportunities, he added.

In 2021, for example, RedBird Capital Partners and CVC Capital Partners, both established sports investors, each backed deals with cricket teams in India, a market that has been growing rapidly. Last June, U.S. media and entertainment conglomerate Walt Disney Co. agreed to pay nearly $3 billion to retain its global television broadcasting rights through 2027 to many popular Indian Premier League cricket matchups.

But the Hollywood giant bowed out of the race for the league's general streaming rights that year. The league sold the rights for around $2.6 billion to Viacom18, a joint venture between New York-based Paramount Global, Indian billionaire Mukesh Ambani's Reliance Industries Ltd. and others.

Also in 2021, RedBird bought a 15% stake in the Rajasthan Royals, a cricket team that plays in the Indian Premier League. The investment wasn't inordinately risky, said Gerry Cardinale, the firm's founder and managing partner. The IPL is one of the few leagues whose member teams are all profitable, he added.

MSP Sports Capital bought a controlling interest in X Games from a unit of ESPN.

PHOTO: LINTAO ZHANG/GETTY IMAGES

Meanwhile, New York-based MSP Sports Capital, a sports-focused firm founded in 2019 that has backed at least four European soccer clubs, last year branched into a more recent arrival in professional sports with the purchase of a controlling interest in X Games from a unit of Disney's ESPN cable-TV operation. ESPN retained a minority interest and the right to broadcast X Games events in the U.S.

Years ago, Platinum Equity nearly took a stake in the Arena Football League LLC for $100 million. The 2008 deal was ultimately canceled, however, and the league filed for bankruptcy the following year, highlighting the high-risk nature of such niche deals.

Other firms, such as KKR & Co. and Velocity Capital, also look beyond the major leagues and teams to other parts of the sports economy, including betting, streaming rights or companies that supply technology and services to teams and their organizations.

KKR recently bid for a slice of the National Football League's media content. In October, the firm participated in a $400 million investment in Skydance Media LLC, a transaction that valued the company at $4 billion. Skydance plans to create sports-related content to help the NFL broaden its business by adding mainstream entertainment.

SHARE YOUR THOUGHTS

What's your view of private equity investing in sports teams and related businesses, home run or foul ball? Join the conversation below.

RedBird is also looking to capitalize on the NFL's streaming rights. The firm recently set up a joint venture, EverPass Media, with the league to stream Sunday afternoon games and events to commercial establishments such as bars and restaurants.

Some firms that focused early on more established sports such as soccer in Europe or basketball in the U.S. have already begun to see those moves pay off.

Dyal Capital, a unit of publicly traded Blue Owl Capital Inc., in 2020 bet big on the National Basketball Association. The firm formed Dyal HomeCourt Partners in partnership with the NBA to invest in a pool of minority stakes in NBA franchises. By late last year, the venture had disclosed investments in three teams: the Phoenix Suns, the Sacramento Kings and the Atlanta Hawks.

The venture's early investment in the Suns has already more than doubled in value, thanks to a deal passing a controlling stake in the franchise, as well as the Women's National Basketball Association's Phoenix Mercury, to Mat Ishbia, the chief executive of UWM Holdings Corp. The package deal was valued at nearly $4 billion, compared with a roughly $1.55 billion valuation when Dyal invested, according to media reports.

Investing in sports—from teams to broadcast rights and betting websites—has blossomed in recent years.

PHOTO: KYODONEWS/ZUMA PRESS

In Europe last year Todd Boehly, co-founder of Connecticut-based private investment firm Eldridge Industries, joined with private-equity firm Clearlake Capital Group to lead a successful effort to acquire the U.K. Premier League's Chelsea Football Club for £4.25 billion, equivalent to roughly $5.23 billion.

The sale came after sanctions targeting Russia forced longtime owner Roman Abramovich, a Russian oligarch, to permit the soccer club's sale. Mr. Abramovich had purchased the team in 2003 for £140 million, giving him a roughly 30-fold gain over nearly 20 years.

The deal set a world record for a sports franchise sale. Mr. Boehly's group beat more than 30 competing bidders including Bain Capital's Stephen Pagliuca and a group led by Apollo Global Management Inc. co-founder Josh Harris and Blackstone Inc.'s David Blitzer.

More recently, bidders vying for the Washington Commanders NFL franchise, including a group led by Mr. Harris, are reportedly willing to meet current owner Dan Snyder's $6 billion asking price.

Spiraling values for established teams aren't likely to ebb soon, sports investors say.

"There's just not an infinite number of great opportunities," said Ted Oberwager, a partner at KKR. "There is a limit on the number of teams, investible leagues, and related assets; competition has always been fierce."

Ultimately, all sports deals entail some risk. But as investors seek out less crowded niches, the odds of making a bad bet go up, investors say. Many newcomers are plunging into low-quality areas of sports nonetheless.

“You need a differentiated viewpoint and differentiated set of resources to drive value,” Mr. Oberwager said.

Write to Isaac Taylor at isaac.taylor@wsj.com

Corrections & Amplifications
KKR & Co. participated in a $400 million investment in Skydance Media LLC in October. An earlier version of this article incorrectly said it was in November. (Corrected on April 4)

Appeared in the April 5, 2023, print edition as 'Sports Investors Hone Strategies.'

Private Equity Swings for the Fences with Professional Sports

Mergers and Acquisitions

November 28, 2022 Monday

Section: PRIVATE EQUITY NEWS

Length: 1362 words

Body

The wide world of professional **sports** represents an industry with soaring valuations that are outpacing traditional asset classes. With such a limited pool of options, the barrier to entry is high, but that is not stopping certain dealmakers from going all in on the industry. Below, we examine dealmaking trends in this evolving industry.

When former National Basketball Association star Shaquille O'Neal decided to become the brand ambassador to Wynn Resorts Holdings' newly launched online gambling effort, WynnBET, it forced his hand on another investment: his ownership stake in the Sacramento Kings franchise. The NBA prohibits owners from having an interest in gambling operations and O'Neal, who had acquired a small stake in the Kings in 2013, would have to relinquish his equity.

In years past it might have been difficult to find the capital to cash him out, however, due to recent changes in NBA ownership rules, a deal was struck with Arctos **Sports** Partners, a **private equity** firm focused on the professional **sports** industry, who purchased a 17 percent stake in the Kings and provided the capital needed for O'Neal's exit. The deal represents a new wave of capital entering the asset class with private equity firms.

"What began as mom-and-pop businesses worth a couple hundred million 20 years ago and were easily funded within the local community via wealthy businesspeople in town coming together to purchase or run an asset, has now become a multi-billion dollar global organization," says Drew Laurino, a managing director with Dyal HomeCourt Partners. "In the NBA, 20 years ago there would not have been any **private equity** or private capital in the business."

It's not just the NBA that has opened their doors to **private equity**. Major League **Baseball**, Major League Soccer and the National Hockey League have also relaxed restrictions that now allow **private equity** firms to acquire minority stakes in teams across the league.

It's a recent phenomenon. In 2020 the NBA's Board of Governors agreed that private equity and institutional investors could own up to 20 percent of a single franchise and up to five different teams across the league. NBA teams can sell up to 30 percent of its equity in total to investment funds. Similarly, MLB changed its bylaws in 2019 to allow investment funds to take a minority stake in multiple ball clubs. The NHL and even Major League Soccer each laid out new rules recently allowing **private equity** ownership as well.

Only the National **Football** League has yet to allow institutional ownership, for now.

Drew Laurino, Dyal HomeCourt Partners

Dyal HomeCourt Partners believes this is the beginning of a generational shift. “What the NBA has done here over the last couple of years, starting with its decision to partner with us to create an access point for minority investing in the league, was to liberalize the rules around private equity and institutional investors becoming minority partners in the franchises,” Laurino says. “We believe this is the first step in what is likely a longer trajectory of continuing to allow institutional capital into these leagues.”

As a result, a cadre of firms are beginning to specialize in sports franchise investments, directly investing in the industry to help with liquidity, growth capital and acquisitions financing from existing owners.

On top of Arctos’ deal for a minority stake in the Kings, the firm has built stakes in the Golden State Warriors, the NHL’s Tampa Bay Lightning and Minnesota Wild and has reportedly acquired minority stakes through private transactions in MLB’s Los Angeles Dodgers, Chicago Cubs, San Francisco Giants, Houston Astros and San Diego Padres, as well as the Boston Red Sox through a minority stake in its ownership group, Fenway Sports.

Dyal HomeCourt Partners, a subsidiary of Blue Owl Capital, has purchased ownership stakes in the Phoenix Suns and Atlanta Hawks of the NBA, whose principal owner is Anthony Ressler, founder of Ares Management, the publicly traded alternative investment behemoth.

Ares itself is getting into the game as well. Last summer, it announced it had raised $3.7 billion for its Ares Sports, Media and Entertainment Finance fund focused solely on investing in sports leagues, sports teams, sports-related franchises and media and entertainment firms. The fund has already made investments in the Padres and European soccer team Atlético de Madrid.

Establishing the Asset Class

What’s driving this trend? Salvatore Galatioto, president of New York-based investment bank Galatioto Sports Partners, lists many attractions.

“It’s a great asset class. It is extremely resilient in troubled economic times. It’s had long-term appreciation,” Galatioto says. “Its media content value is second to none and as technology continues to improve and people are able to record their favorite shows and edit out commercials, virtually everyone that watches sports watches it live. So, advertiser value continues to go up.”

Another attraction is the basic economic principal of scarcity. Across the big five U.S. based professional sports leagues, there are 152 teams across roughly 18 markets in the U.S. and Canada (see our map of these 18 markets on page 36). Until there’s a population boom in smaller or non-existent sports markets (the Montana-North Dakota market is wide open right now), there’s just not much room for expansion.

“As long as there is limited supply, media rights deals continue to expand in value and your costs are fixed, you’re really investing in a closed system that’s pretty strong economically,” says Charles Baker, partner and co-chair of law firm Sidley Austin’s Entertainment, Sports and Media industry group. “And if you look at the asset classes, team values have been appreciating across the U.S. with a 14 to 15 percent compound annual growth rate which is significantly better than most asset classes including the S&P, Nasdaq and most of the broader market indexes.”

In Forbes’ ranking of the 50 most valuable sports teams in 2022, the combined value of these organizations totals $222.7 billion, a 78 percent increase over the last five years, including a 30 percent increase from just last year.

“Number one has got to be the increasing media rights fees being paid to broadcast live sports,” Baker says. “It is still the dominant viewed television program. It accounts for probably 45 of the top 50 viewed programs each year. It almost needs to be viewed live, for appointment viewing, as they call it. So, the networks pay for it and given the number of eyeballs and sponsorship economics are strong, you’re getting your message out to a tremendous number of people. It’s a tremendous asset class and one frankly that’s not correlated generally to the stock market. We can have rising interest rates, inflation, potential recession — and the value of this asset continues to increase. It’s hard to imagine what could actually put a dent in the growth rate for these assets.”

At one point experts questioned whether media rights fees might decrease as viewers “cut the cord” and dimmed the prospects for network and cable providers, the traditional payers for media rights. However, streaming services like Amazon and Apple have aggressively jumped into licensing sports as well, and the media rights game is even more competitive now.

“You’ve got more bidders for the assets and what it’s doing now is it’s actually driving the price of these assets and the price to broadcast these assets higher,” Baker says. “The impact on the leagues and team valuations is continuing to drive asset values higher. So, for private equity, which is investing in this space, I think they view the Amazons and Apples as a tailwind behind asset growth and appreciation.”

Unsentimental Investment

While George Steinbrenner may be turning over in his grave at the idea of a sports team being run by a corporation, the attractiveness of the asset class makes it inevitable.

“I think it is a value investment,” Galatioto says. “If you are a sentimentalist, if you want to buy a stake in your favorite team you can do that directly. But I continue to believe that these assets will grow in value and be an attractive place to put money.”

Load-Date: December 4, 2022

The 20 Most Valuable Sports Teams

Pro sports franchise valuations have skyrocketed in recent years.

COLIN SALAO • JUL 19, 2023 2:48 PM EDT

Professional athletes may seem like they're making jaw-dropping money as some are signing contracts worth over half a billion dollars. But that's largely because the sports teams that employ them have continued to see their values shoot up.

Live sports have remained a key component in the ever-changing media landscape, bridging the gap between cable television and streaming. This has helped increase revenue, which brings majority of the revenue for many of the sports leagues around the world.

The NFL signed a ten-year deal that ends in 2033 worth over $100 billion, the NBA is seeking about $7 to $8 billion per year for its next media rights deal starting, and even leagues like Major League Soccer have cashed in as well.

On top of that, sports teams are their own massive brands themselves, benefitting from ticket and merchandise sales and even ownership of the arena in their cities.

Forbes and Sportico are two outlets that track the franchise valuations of the professional sports teams around the world. Valuation isn't always set in stone as some teams have not had a sale to determine valuation in decades. Others that have been sold recently are much easier to determine, like the NBA's Phoenix Suns, who were sold to Matt Ishbia for $4 billion earlier this year.

The two outlets have differing valuations for the franchises which differs their overall rank -- a team like Miami Dolphins ranks 19th on Forbes, but is all the way down to 28th on Sportico.

But there are a few trends that cross through both outlets. One is that NFL franchises have the highest value, with the Dallas Cowboys topping both lists at $8 billion for Forbes and $7.64 billion for Sportico.

Several NBA and MLB franchises also make the list, alongside European football clubs in the English Premier League and La Liga.

Here is the list of 20 of the most valuable sports franchises and their ranks on both Forbes and Sportico:

Dallas Cowboys - NFL

Forbes: $8 billion, 1st

Sportico: $7.64 billion, 1st

New England Patriots - NFL

Forbes: $6.4 billion, 2nd

Sportico: $5.88 billion, 9th

Los Angeles Rams - NFL

Forbes: $6.2 billion, 3rd

Sportico: $5.91 billion, 8th

Washington Commanders - NFL

Per May 2023 signed sale agreement: $6.05 billion; Would be 4th on Forbes, 6th on Sportico

Note: The Washington Commanders and owner Dan Snyder agreed to sell the franchise to Josh Harris in May for $6.05 billion, the largest sale of a franchise in NFL history.

Prior to sale, Commanders were valued at $5.6 billion by Forbes (9th) and $4.78 billion by Sportico (14th).

New York Yankees - MLB

Forbes: $6 billion, T-5th

Sportico: $7.13 billion, 3rd

New York Giants - NFL

Forbes: $6 billion, T-5th

Sportico: $5.73 billion, 10th

New York Knicks - NBA

Forbes: $5.8 billion, 7th

Sportico: 6.58 billion, 4th

Chicago Bears - NFL

Forbes: $5.8 billion, 7th

Sportico: $5 billion, 14th

Golden State Warriors - NBA

Forbes: $5.6 billion, 9th

Sportico: $7.56 billion, 2nd

Los Angeles Lakers - NBA

Forbes: $5.6 billion, 10th

Sportico: $6.44 billion, 5th

New York Jets - NFL

Forbes: $5.4 billion, 11th

Sportico: $4.8 billion, 16th

San Francisco 49ers - NFL

Forbes: $5.2 billion, 12th

Sportico: $5.18 billion, 13th

Real Madrid C.F. - La Liga

Forbes: $5.1 billion, T-13th

Sportico: $5.23 billion, 11th

Las Vegas Raiders - NFL

Forbes: $5.1 billion, T-13th

Sportico: $4.08 billion, T-28th

FC Barcelona - La Liga

Forbes: $5 billion, 15th

Sportico: $4.95 billion, 15th

Philadelphia Eagles - NFL

Forbes: $4.9 billion, 16th

Sportico: $4.7 billion, 17th

Houston Texans - NFL

Forbes: $4.7 billion, 17th

Sportico: Houston Texans, 21st

Denver Broncos - NFL

Forbes: $4.65 billion, 18th

Sportico: $4.65 billion, 20th

Manchester United F.C. - Premier League

Forbes: $4.6 billion, T-19th

Sportico: $5.95, 7th

Miami Dolphins - NFL

Forbes: $4.6 billion, T-19th

Sportico: $4.06 billion, T-28th

Team sales in 2023 are setting new standards across professional sports

New York Business Journal (New York, NY)

June 21, 2023 Wednesday

Length: 815 words

Byline: Chris Smith

Body

Last August, billionaire Rob Walton led a group of investors in acquiring the Denver Broncos for $4.65 billion. The deal not only set a new global record for a team sale price, but it was the high point in a year full of blockbuster transactions. The previous record had been set just 10 weeks prior when Chelsea FC sold for $3.1 billion to a group led by Todd Boehly and Clearlake Capital. Earlier in the year, Michele Kang acquired the NWSL's Washington Spirit for a league-record $35 million, resetting the bar for women's sports.

Near the end of the year, with even more teams testing or rumored to be on the market, Monumental Sports & Entertainment chairman and CEO Ted Leonsis told Sports Business Journal he anticipated the flurry of investments would have a transformational effect on the sports industry. "You'll see that across the board, the leagues are upping their game in terms of professionalism, not just on the game itself but on investor relations and financial analysis," Leonsis said.

Indeed, not even halfway through 2023, last year's transformational deal-making landscape has been blown away. Three of the four oldest major professional leagues in North America have set or on the verge of setting new records for the control stake in a single team:

- In February, NBA owners approved Mat Ishbia's acquisition of the Phoenix Suns for a league-record $4 billion, nearly double the prior mark of $2.35 billion that Joe Tsai paid for the Brooklyn Nets and Barclays Center four years earlier.
- An investor group led by Josh Harris is closing in on approval to buy the Washington Commanders for $6 billion, which would be a nearly 30% increase over the Broncos sale price, the current high-water mark for a team in any sport.
- And just last week, health care billionaire Michael Andlauer agreed to acquire the Ottawa Senators for nearly $1 billion, topping the NHL-record $900 million valuation set for the Pittsburgh Penguins when the team was bought by Fenway Sports Group at the end of 2021.

Younger leagues are also seeing record sales. Last month MLS announced an expansion team in San Diego at a league-record $500 million expansion fee. In April, Sixth Street acquired the NWSL's upcoming Bay Area expansion team for $53 million, yet another record figure. And in February, the WNBA's Seattle Storm sold a 14% stake in the team at a $151 million valuation, nearly 10 times the league's prior record transaction.

All the while, a new global sports record could be set by the pending sale of Manchester United, which is expected to wrap up this year with The Raine Group managing the sales process.

That level of standard-setting team M&A activity is unprecedented, and it's all in the face of collapsing regional sports networks, ever-increasing interest rates and a worsening global economy.

The last time the industry saw anywhere close to this level of across-the-board record pricing was in 2014, when there were landmark transactions for the Los Angeles Clippers ($2 billion), Buffalo Bills ($1.4 billion) and Milwaukee Bucks ($550 million). Two years earlier, the Haslam family bought the Cleveland Browns for $1 billion and Guggenheim Baseball Management acquired the Dodgers for $2.15 billion, a record for an MLB team that stood until 2020, when Steve Cohen bought the Mets for $2.4 billion.

The ongoing M&A frenzy is partly due to a glut of teams on the market, driven largely by circumstance; the Senators hit the block following the death of owner Eugene Melnyk, while the owners of the Commanders and Suns were pressured to sell due to past, personal transgressions.

And certainly challenges remain. High hopes that Major League Baseball would join the record-breaking party ran into apparent headwinds, with Arte Moreno pulling the Los Angeles Angels off the market in January and the Washington Nationals hitting pause on their sales process before the start of the season. And while women's team values are surging, they remain notably smaller compared to the more established men's teams. In fact, according to a source with knowledge of the transactions, the WNBA's Phoenix Mercury and Minnesota Lynx were not valued as parts of the recent sales of the Suns and Timberwolves, respectively.

But the parade of eye-watering valuations - for a hockey team that ranked eighth-worst in home game attendance this year; for expansion teams that will require millions more in facility and startup costs; for investments in leagues that have never turned a profit - is also the strongest evidence we've yet seen that sophisticated investors are confident that **sports** teams offer a safe, uncorrelated asset class with even more upside. And with a growing crowd of **private equity** firms lining up to provide further liquidity, there's no sense things will slow down anytime soon.

Load-Date: June 21, 2023

SPORTSMONEY DAILY COVER

The World's 50 Most Valuable Sports Teams 2022

ILLUSTRATION BY STEPHANIE JONES FOR FORBES; PHOTOS BY GETTY IMAGES

Mike Ozanian Forbes Staff

Traffic cop at the intersection of money and sports

Justin Teitelbaum Forbes Staff

Sep 8, 2022, 06:30am EDT

The National Football League extends its financial domination while Major League Baseball fades like a late-breaking slider.

The world's 50 most valuable sports teams are worth a combined $222.7 billion, 30% more than a year ago, the biggest increase in five years.

The NFL continues its dominance, with 30 of its 32 teams in the top 50, making up 60% of the list. The last time the NFL was represented by at least 30 teams was 2014. Last year, it had 26.

In 2013, the league had a record 32 teams in the top 50. But back then, the top three on the list were soccer teams: Real Madrid, Manchester United and Barcelona. This year, the NFL has six of the top ten and 13 of the top 20 teams on our list. The main reason for the NFL's success: the richest media deal in sports, worth $112 billion through 2032.

THE WORLD'S 50 MOST VALUABLE TEAMS: A HISTORY OF RAPID GROWTH

($ billions)

5-Year Change
in Average Value:
78%

The most valuable team is the NFL's Dallas Cowboys, who are worth $8 billion and have held the top spot since 2016. Rounding out the top five are the New England Patriots ($6.4 billion), the Los Angeles Rams ($6.2 billion) and the New

York Yankees and New York Giants, both valued at $6 billion.

The supremacy of the NFL is not an academic exercise. Last month, the Denver Broncos sold for $4.65 billion, a record amount for a sports team. The next-highest sale price was the $3.2 billion price tag for the NBA's Brooklyn Nets in 2019. Even in constant dollars, the Broncos sold for nearly $1 billion more than the Nets.

By contrast, MLB representation has slowly been declining since *Forbes'* 2015 list, when baseball had 12 teams in the top 50. In the years following, MLB has had no more than eight teams, with a low of five in this year's edition. The last baseball team to change hands was the New York Mets for $2.42 billion ($2.72 billion in 2022 dollars) in 2020.

THE WORLD'S 50 MOST VALUABLE TEAMS: LEAGUE BREAKDOWN

No NHL, Indian Premier League or MLS teams made the top 50. The New York Rangers, worth $2 billion, are the most valuable hockey team, and the Mumbai Indians, worth $1.3 billon, are the most valuable cricket team. Alas, our cutoff for this year's top 50 is $3.1 billion. The most valuable MLS team is Los Angeles FC, worth a reported $860 million.

Teams in large, wealthier markets generally have a leg up on the competition when it comes to enterprise value. For example, California is the state with the largest population in the U.S. and boasts the most sports teams of any state with a total of 15. Unsurprisingly, the Golden State also has the most teams in the top 50 with eight—all residing in the second- and sixth-largest media markets in the country, Los Angeles and the Bay Area, respectively.

England and New York come in with the second-highest number of teams, each with four. New York has the largest metro area in the U.S., with over six million more people than Los Angeles.

WHERE THE 50 MOST VALUABLE TEAMS PLAY

World's 50 Most Valuable Teams 2022

#1. **$8 billion**

DALLAS COWBOYS

Five-Year Change: 67% | **Year Purchased:** 1989 | **Price Paid:** $150 mil

Owner: Jerry Jones

Dallas Cowboys RON-JENKINS/AP

#2. **$6.4 billion**

NEW ENGLAND PATRIOTS

Five-Year Change: 73% | **Year Purchased:** 1994 | **Price Paid:** $172 mil
Owner: Robert Kraft

New England Patriots ASHLEY LANDIS/AP

#3. **$6.2 billion**

LOS ANGELES RAMS

Five-Year Change: 107% | **Year Purchased:** 2010 | **Price Paid:** $750 mil

Owner: E. Stanley Kroenke

Los Angeles Rams BRIAN ROTHMULLER/ICON SPORTSWIRE/GETTY IMAGES

#4. **$6 billion**

NEW YORK YANKEES

Five-Year Change: 62% | **Year Purchased:** 1973 | **Price Paid:** $8.8 mil
Owner: Steinbrenner family

New York Yankees NOAH K MURRAY/AP

#4. **$6 billion**

NEW YORK GIANTS

Five-Year Change: 82% | **Year Purchased:** 1925, 1991 | **Price Paid:** $500, $150 mil

Owner: John Mara, Steven Tisch

New York Giants FRED KFOURY III/ICON SPORTSWIRE/GETTY-IMAGES

#6. **$5.8 billion**

NEW YORK KNICKS

Five-Year Change: 76% | **Year Purchased:** 1997 | **Price Paid:** $300 mil
Owner: Madison Square Garden Sports

#6. **$5.8 billion**

CHICAGO BEARS

Five-Year Change: 104% | **Year Purchased:** 1920 | **Price Paid:** $100
Owner: McCaskey family

#8. **$5.6 billion**

GOLDEN STATE WARRIORS

Five-Year Change: 115% | **Year Purchased:** 2010 | **Price Paid:** $450 mil
Owner: Joe Lacob, Peter Guber

#8. **$5.6 billion**

WASHINGTON COMMANDERS

Five-Year Change: 81% | **Year Purchased:** 1999 | **Price Paid:** $800 mil
Owners: Daniel Snyder, Tanya Snyder

#10. **$5.5 billion**

LOS ANGELES LAKERS

Five-Year Change: 83% | **Year Purchased:** 1979, 2021 | **Price Paid:** $20 mil, $5 bil
Owner: Jerry Buss Family Trusts, Todd Boehly, Mark Walter

Los Angeles Lakers ASHLEY LANDIS/AP

#11. **$5.4 billion**

NEW YORK JETS

Five-Year Change: 96% | **Year Purchased:** 2000 | **Price Paid:** $635 mil
Owner: Johnson family

#12. **$5.2 billion**

SAN FRANCISCO 49ERS

Five-Year Change: 70% | **Year Purchased:** 1977 | **Price Paid:** $13 mil
Owners: Denise DeBartolo York, John York

#13. **$5.1 billion**

REAL MADRID

Five-Year Change: 42% | **Year Purchased:** N/A | **Price Paid:** N/A
Owner: Club members

#13. **$5.1 billion**

LAS VEGAS RAIDERS

Five-Year Change: 114% | **Year Purchased:** 1966 | **Price Paid:** $180,000
Owner: Mark Davis

#15. **$5 billion**

BARCELONA

Five-Year Change: 39% | **Year Purchased:** N/A | **Price Paid:** N/A
Owner: Club members

Barcelona JOAN MONFORT/AP

#16. **$4.9 billion**

PHILADELPHIA EAGLES

Five-Year Change: 85% | **Year Purchased:** 1994 | **Price Paid:** $185 mil

Owner: Jeffery Lurie

#17. **$4.7 billion**

HOUSTON TEXANS

Five-Year Change: 68% | **Year Purchased:** 1999 | **Price Paid:** $600 mil

Owner: Janice McNair

#18. **$4.65 billion**

DENVER BRONCOS

Five-Year Change: 79% | **Year Purchased:** 2022 | **Price Paid:** $4.5 bil

Owner: Rob Walton

#19. **$4.6 billion**

MANCHESTER UNITED

Five-Year Change: 24% | **Year Purchased:** 2005 | **Price Paid:** $1.4 bil

Owner: Glazer family

#19. **$4.6 billion**

MIAMI DOLPHINS

Five-Year Change: 79% | **Year Purchased:** 2009 | **Price Paid:** $1.1 bil

Owner: Stephen Ross

Miami Dolphins ERIC ESPADA/GETTY IMAGES

#21. **$4.5 billion**

SEATTLE SEAHAWKS

Five-Year Change: 86% | **Year Purchased:** 1997 | **Price Paid:** $194 mil

Owner: Paul G. Allen Trust

#22. **$4.45 billion**

LIVERPOOL

Five-Year Change: 197% | **Year Purchased:** 2010 | **Price Paid:** $476 mil

Owner: John Henry, Thomas Werner

#23. **$4.28 billion**

BAYERN MUNICH

Five-Year Change: 58% | **Year Purchased:** N/A | **Price Paid:** N/A
Owner: Club members

#24. **$4.25 billion**

MANCHESTER CITY

Five-Year Change: 102% | **Year Purchased:** 2008 | **Price Paid:** $385 mil
Owner: Sheikh Mansour bin Zayed Al Nahyan

#24. **$4.25 billion**

GREEN BAY PACKERS

Five-Year Change: 67% | **Year Purchased:** 1921 | **Price Paid:** $100
Owner: Shareholders

Green Bay Packers CHARLIE RIEDEL/AP

#26. **$4.08 billion**

LOS ANGELES DODGERS

Five-Year Change: 48% | **Year Purchased:** 2012 | **Price Paid:** $2 bil
Owner: Guggenheim Baseball Management

#27. **$4 billion**

ATLANTA FALCONS

Five-Year Change: 62% | **Year Purchased:** 2002 | **Price Paid:** $545 mil

Owner: Arthur Blank

#28. **$3.98 billion**

PITTSBURGH STEELERS

Five-Year Change: 62% | **Year Purchased:** 1933 | **Price Paid:** $2,500
Owner: Daniel Rooney Trust, Arthur Rooney II

#29. **$3.93 billion**

MINNESOTA VIKINGS

Five-Year Change: 64% | **Year Purchased:** 2005 | **Price Paid:** $600 mil
Owner: Zygmunt Wilf

#30. **$3.9 billion**

BOSTON RED SOX

Five-Year Change: 44% | **Year Purchased:** 2002 | **Price Paid:** $380 mil
Owner: John Henry, Thomas Werner

Boston Red Sox MICHAEL DWYER/AP

#30. **$3.9 billion**

BALTIMORE RAVENS

Five-Year Change: 56% | **Year Purchased:** 2004 | **Price Paid:** $600 mil
Owner: Stephen Bisciotti

#32. **$3.88 billion**

LOS ANGELES CHARGERS

Five-Year Change: 70% | **Year Purchased:** 1984 | **Price Paid:** $72 mil

Owner: Dean Spanos

#33. **$3.85 billion**

CLEVELAND BROWNS

Five-Year Change: 97% | **Year Purchased:** 2012 | **Price Paid:** $987 mil
Owner: Dee and Jimmy Haslam

#34. **$3.8 billion**

CHICAGO CUBS

Five-Year Change: 42% | **Year Purchased:** 2009 | **Price Paid:** $700 mil
Owner: Ricketts family

Chicago Cubs CHARLES REX ARBOGAST/AP

#34. **$3.8 billion**

INDIANAPOLIS COLTS

Five-Year Change: 60% | **Year Purchased:** 1972 | **Price Paid:** $14 mil
Owner: James Irsay

#36. **$3.7 billion**

KANSAS CITY CHIEFS

Five-Year Change: 76% | **Year Purchased:** 1960 | **Price Paid:** $25,000
Owner: Hunt family

#37. **$3.68 billion**

TAMPA BAY BUCCANEERS

Five-Year Change: 86% | **Year Purchased:** 1995 | **Price Paid:** $192 mil
Owner: Glazer family

#38. **$3.65 billion**

CHICAGO BULLS

Five-Year Change: 46% | **Year Purchased:** 1985 | **Price Paid:** $16.2 mil
Owner: Jerry Reinsdorf

#39. **$3.6 billion**

CAROLINA PANTHERS

Five-Year Change: 57% | **Year Purchased:** 2018 | **Price Paid:** $2.275 bil
Owner: David Tepper

Carolina Panthers JACOB-KUPFERMAN/AP

#40. **$3.58 billion**

NEW ORLEANS SAINTS

Five-Year Change: 79% | **Year Purchased:** 1985 | **Price Paid:** $70.2 mil

Owner: Gayle Benson

#41. **$3.55 billion**

BOSTON CELTICS

Five-Year Change: 61% | **Year Purchased:** 2002 | **Price Paid:** $360 mil
Owner: Wycliffe Grousbeck, Irving Grousbeck, Robert Epstein, Stephen Pagliuca

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#42. **$3.5 billion**

SAN FRANCISCO GIANTS

Five-Year Change: 32% | **Year Purchased:** 1993 | **Price Paid:** $100 mil
Owner: Greg Johnson

#42. **$3.5 billion**

TENNESSEE TITANS

Five-Year Change: 71% | **Year Purchased:** 1959 | **Price Paid:** $25,000
Owner: Amy Adams Strunk

#44. **$3.48 billion**

JACKSONVILLE JAGUARS

Five-Year Change: 67% | **Year Purchased:** 2011 | **Price Paid:** $770 mil
Owner: Shahid Khan

Jacksonville Jaguars PHELAN M EBENHACK/AP

#45. **$3.4 billion**

BUFFALO BILLS

Five-Year Change: 113% | **Year Purchased:** 2014 | **Price Paid:** $1.4 bil
Owner: Terry and Kim Pegula

#46. **$3.3 billion**

LOS ANGELES CLIPPERS

Five-Year Change: 65% | **Year Purchased:** 2014 | **Price Paid:** $2 bil
Owner: Steve Ballmer

#47. **$3.27 billion**

ARIZONA CARDINALS

Five-Year Change: 52% | **Year Purchased:** 1935 | **Price Paid:** $50,000
Owner: Michael Bidwill

#48. **$3.2 billion**

BROOKLYN NETS

Five-Year Change: 78% | **Year Purchased:** 2019 | **Price Paid:** $3.2 bil
Owner: Joseph Tsai

#48. **$3.2 billion**

PARIS SAINT-GERMAIN

Five-Year Change: 280% | **Year Purchased:** 2011 | **Price Paid:** $100 mil
Owner: Qatar Sports Investment

Paris Saint Germain AURELIEN MORISSARD/AP

#50. **$3.1 billion**

CHELSEA

Five-Year Change: 72% | **Year Purchased:** 2022 | **Price Paid:** $5.4 bil
Owner: Todd Boehly, Clearlake Capital

METHODOLOGY

The 50 most valuable teams are culled from our IPL, MLB, NBA, NFL, NHL and soccer team valuations during the past 12 months. For MLS values, we leaned on Sportico. *Our team values are enterprise values (equity plus net debt) and* *include the economics of each team's stadium as well as the rights fees they get from their regional sports networks. But the valuations exclude the team's equity stakes in other sports-related assets, like RSNs, other sports leagues and mixed-use real estate projects. For appraisals that include all sports-related assets, see* Forbes' *annual ranking of the most valuable sports empires*.

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