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Exploring Sports as an Asset Class and the Indian Premier League (IPL)

The document is structured into two primary sections. The first section, covering pages 7 to 37, analyzes sports as an asset class. The second section, beginning on page 37, focuses specifically on the Indian Premier League.

Since most professional sports teams worldwide are privately owned and only a few professional sports teams in the world are publicly traded or owned by a publicly traded parent company, detailed financial information at the individual team level is very limited. For example, among the North America's "Big Four" sports leagues – Major League Baseball (MLB), the National Basketball Association (NBA), the National Football League (NFL), and the National Hockey League (NHL) – as well as Major League Soccer (MLS), only a handful of teams are publicly traded or owned by publicly traded companies.¹ A similar situation exists globally, where each country has its own professional sports leagues across various sports but only a few are publicly traded or owned by publicly traded companies.

Due to the lack of representative data needed for a comprehensive understanding of individual teams, this document focuses on sports teams as an asset class, analyzing them at the league level rather than on an individual team basis. Because most sports teams are privately owned, historical performance data for professional sports as an asset class is also very limited. Examining based only on today's sports leagues, for example, the "Big Four" sports leagues, may also introduce survivorship bias, as professional leagues and numerous teams have folded throughout history.

Financial performance can vary significantly across different sports leagues, with substantial differences in revenue scale and profitability. Even within the same league, individual teams may experience very different economics due to factors such as team operations, management decisions, and local market conditions.

At the time of writing, no investable index exists for this asset class, and the financial dynamics of individual sports teams and leagues can differ greatly. Therefore, considering ownership of a specific sports team is like purchasing any other single asset, and conducting a thorough financial analysis of that specific asset on its own, standalone merits is essential. Due to less than 1% of sports teams going public, and the resulting low sample size, our focus to start is on owning sports teams as an asset class, and then we delve into the Indian Premier League.²

Mental Model Summary Derived from Exploring Sports as an Asset Class and the Indian Premier League

1. **We believe sports are an important part of human life throughout history (resulting in high media and entertainment value) and studies have shown that professional sports are an attractive asset class for investors over the long term, outperforming the equity markets (13% vs. 10% CAGR from 1961 to 2024) with**

¹ Atlanta Braves (MLB) has become a stand-alone, publicly traded company since being spun out of Liberty Media in 2023, making it the only publicly traded team in baseball. Inside The Atlanta Braves' Financial World.

<https://www.sportsbusinessjournal.com/Articles/2024/11/18/atlanta-braves-finances/#:~:text=That%20sort%20of%20financial%20insight,publicly%20traded%20team%20in%20baseball>; The New York Knicks (NBA) and the New York Rangers (NHL), along with their respective development teams, the Westchester Knicks (NBA G League) and Hartford Wolf Pack (AHL), are owned by Madison Square Garden Sports. Toronto Raptors (NBA) and Toronto Maple Leafs (NHL), as well as their development teams, are indirectly owned by publicly traded companies such as Rogers Communications and BCE Inc.

² There are around 20 sports teams that are publicly traded or owned by publicly traded parent companies, compared to several thousands of privately owned sports teams worldwide including those from major leagues, lower-tiered leagues, and regional leagues and associations. The implied market value of these public teams is sometimes significantly discounted compared to their private valuation. This discrepancy is likely due to two factors – 1) the main factors is a discount on the sale value, as public investors do not know if or when a team will be sold – especially given that sports teams rarely go up for sale; and (2) a lack of control, as public shareholders typically have little to no influence over team operations and decision-making. Worldly Partners' discussion with sports team analyst; Man United's Other Owners Profit as Ratcliffe Sees \$700 Million Loss.

<https://www.sportico.com/business/finance/2025/manchester-united-ratcliffe-losses-1234823845/>; Man United Sale News. <https://www.sportico.com/leagues/soccer/2024/manchester-united-sale-news-jim-ratcliffe-premier-league-approval-1234766544/>; Forbes 2024 Global Soccer Team Valuations. <https://www.forbes.com/lists/soccer-valuations/>; Professional Football. <https://publications.fifa.com/en/annual-report-2021/around-fifa/professional-football-2021/>; Taking Stock of the World's Publicly Traded Sports Teams. <https://boardroom.tv/publicly-traded-sports-teams/>

lower drawdowns.³ Throughout human history, sports have been viewed as a force that transcends borders, cultures, and ethnicities, bringing people together under a common pursuit of excellence.⁴ The Olympic Games are one of the best examples of this. The modern Olympics, starting in 1896, continues its tradition of ancient Greek Games, aiming to promote international camaraderie and peace, even amidst global turmoil. Except for World War years of 1916, 1940, and 1944, The Olympic Games have been held every four years.

The universal appeal of sports extends beyond the Olympics, making its potential reach as large as the world's population. Some of the most popular sports exemplify this global appeal. **For instance, nearly 20% of the world's population watched the 2022 FIFA World Cup Final.**⁵ **According to The Sun, soccer remains the world's most popular sport, with 3.5 billion fans, followed by cricket with 2.5 billion fans, hockey with 2 billion fans, tennis with 1 billion fans, and volleyball with 900 million fans.**⁶ These numbers underscore how sports have the power to connect people across cultures and continents.

A 2021 study found that 97% of countries either have legal requirements for physical education (PE) in their general education systems or incorporate PE as a common practice at certain ages or stages of compulsory schooling.⁷ This early exposure can help spark a lifelong passion for sports as children grow into adolescence and adulthood. While obtaining comprehensive global statistics on sports participation is challenging, some survey data provide valuable insights. For example, a 2024 survey by the Sports & Fitness Industry Association found that nearly 80% of Americans aged six and older participated in at least one sport or fitness activity.⁸

This human love for sports is a major draw for advertisers, driving commercial value. According to The Hollywood Reporter in 2023, executives from traditional media networks, including Warner Bros. Discovery, NBCUniversal, and Paramount, indicated that live sports continue to attract advertisers and remain a key driver of advertising demand.⁹ Athletes' and players' live performances on the field create an immersive experience that captivates audiences worldwide. For instance, approximately 5 billion people followed the 2024 Paris Olympic Games, representing 84% of the potential global audience.¹⁰ The 2022 FIFA World Cup final alone drew 1.5 billion viewers,¹¹ while the Indian Premier League 2023 amassed a total viewership of over half a billion throughout the season.¹² Unlike scripted content, live sports captivate audiences in real time. Viewers are highly engaged, reluctant to step away for fear of missing key moments, unlike recorded content, where they can pause or rewind at their convenience. This heightened engagement makes live sports audiences particularly valuable to advertisers. This trend is evident across multiple leagues such as the NBA, NHL, and MLB, and even extends to traditionally overlooked events such as the women's NCAA basketball tournament, which has seen ad inventory sell out.¹³

The massive fan base for sports creates enormous opportunities for broadcasters and marketers, driving fierce competition for media rights and sponsorship deals. For example, over the past two decades, the value of the NBA's media rights has grown substantially, rising from \$4.6 billion for a six-year deal covering the 2002–2007 seasons (or

³ The cited data covers the period from Q1 1961 to Q1 2024. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan

⁴ What Is The Philosophy Behind The Olympics. <https://www.forbes.com/sites/teddy-mcdarragh/2021/07/23/olympism-what-is-the-philosophy-behind-the-olympics/>

⁵ Qatar 2022 World Cup Final Scores 1.5bn Global Viewers. <https://www.sportspro.com/news/qatar-2022-fifa-world-cup-final-argentina-france-viewers-engagement/>

⁶ World's Ten Most Popular Sports Revealed with Host of Shock Entries Including Hockey THIRD And Volleyball in Top Five. <https://www.thesun.co.uk/sport/30816024/ten-most-popular-sports-revealed-hockey-volleyball-football/>

⁷ Wium, N. Physical Education and Its Importance to Physical Activity, Vegetable Consumption and Thriving in High School Students in Norway. *Nutrients* 2021, 13, 4432.

⁸ A Record Number of Americans Participated in Sports. <https://www.sportsdestinations.com/sports/all-sports/record-number-americans-participated-sports-33929>

⁹ Why Sports Advertising Is Booming While Rest of the Ad Market Isn't. <https://www.hollywoodreporter.com/business/business-news/sports-advertising-boom-march-madness-1235358336/>

¹⁰ Potential global audience with access to follow the Olympic Games and over the age of 4 years old. Around 5 Billion People - 84 Per Cent of The Potential Global Audience. <https://www.olympics.com/ioc/news/around-5-billion-people-84-per-cent-of-the-potential-global-audience-followed-the-olympic-games-paris-2024>

¹¹ Super Bowl vs. World Cup. <https://www.nytimes.com/athletic/4198045/2023/02/15/super-bowl-world-cup-tv-ratings/>

¹² IPL 2023 Records Massive Viewership of Half A Billion Viewers on Television. <https://www.businesstoday.in/latest/trends/story/ipl-2023-records-massive-viewership-of-half-a-billion-viewers-on-television-384783-2023-06-08>

¹³ Why Sports Advertising Is Booming While Rest of the Ad Market Isn't. <https://www.hollywoodreporter.com/business/business-news/sports-advertising-boom-march-madness-1235358336/>

\$767 million per year) to \$76 billion for an eleven-year contract spanning the 2025–2035 seasons (or \$6.9 billion per year).¹⁴ The average annual figure has grown at a 6% CAGR from 2002 to 2024.¹⁵ Similarly, the NFL's media rights have expanded from \$2.2 billion per year in 2001 to approximately \$10 billion per year in 2024, reflecting a 7% CAGR.¹⁶ **The cost of a 30-second Super Bowl ad has increased from \$42,500 in 1967 (equivalent to \$388,000 in 2023 dollars¹⁷) to \$7 million in 2023, a 10% CAGR.**¹⁸ The sports sponsorship industry has also experienced substantial growth, with global sponsorship spending rising from an estimated \$30 billion in 2008 to \$105 billion in 2023, a 9% CAGR.¹⁹

Sports franchises have traditionally been scarce trophy assets like fine art, accessible only to ultra-wealthy individuals but with fundamental underpinnings including media rights, sponsorships, ticket sales, etc. In recent years, institutional investors, including private equity firms and sovereign wealth funds, have increasingly recognized sports franchises as a viable investment. The first private investment in sports reportedly took place in Europe in 2006,²⁰ while Major League Baseball became the first U.S. sports league to allow institutional investors in 2019, paving the way for other North American leagues to follow.²¹ **Historical valuation studies have shown that these franchises have been an exceptional asset class, consistently delivering sustainable long-term returns to their owners.**

From 1961 to 2024, sports franchises, approximated by the “Big Four” sports leagues in North America – MLB, NBA, NFL, and NHL – have delivered 2.5% higher annual returns than U.S. equities, with lower volatility and correlation. During this period, sports franchises achieved a 13% annual return compared to U.S. equities’ 10%, with a correlation below 0.2, according to a study by Arctos and the University of Michigan.²² Their correlation with bonds was -0.1, while its correlation with gold was nearly zero. In addition, their volatility was approximately 8%, compared to nearly 19% for equities. This performance resulted in a total return of 2,321x for sports franchises, compared to 552x for

¹⁴ 2002 – 2007: The N.B.A. Takes the Money in a Fast Break to Cable

<https://web.archive.org/web/20150527213303/https://www.nytimes.com/2002/01/23/sports/pro-basketball-the-nba-takes-the-money-in-a-fast-break-to-cable.html>; 2008 – 2015: NBA's \$7.4 Billion TV Deals Boosted by New Media.

<https://www.reuters.com/article/lifestyle/nba-s-7-4-billion-tv-deals-boosted-by-new-media-idUSN28301462/>; 2016 – 2025: New NBA TV Deal with ESPN, Turner Sports Worth \$24 Billion Over Nine Years. <https://www.si.com/nba/2014/10/06/new-nba-tv-deal-worth-24-billion>; NBA New Media Rights Agreements Reflect The Growth Of Streaming.

<https://www.forbes.com/sites/bradadgate/2024/07/29/nba-new-media-rights-agreement-reflect-the-growth-of-streaming/>

¹⁵ The average value of the NBA's media rights was \$2.7 billion per year during its 2016 to 2024 seasons. 2016 – 2025: New NBA TV Deal with ESPN, Turner Sports Worth \$24 Billion Over Nine Years. <https://www.si.com/nba/2014/10/06/new-nba-tv-deal-worth-24-billion>

¹⁶ 1998 – 2005: Thrown For A Loss by The NFL. <https://time.com/archive/6732149/thrown-for-a-loss-by-the-nfl/>; 2006 – 2013: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2014 – 2021: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2022 – 2033: NFL's Next Big Media Rights Payday Is Years Off.

<https://www.cnn.com/2024/09/04/nfl-media-rights-media-landscape.html>

¹⁷ Inflation Calculator. Federal Reserve Bank of Minneapolis. <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator>

¹⁸ Super Bowl Commercial Cost in 2022. <https://www.sportingnews.com/us/nfl/news/super-bowl-commercial-cost-2022/v9ytfqzx74pjrcdvxyhevlzd>; Super Bowl Commercial Cost in 2024. <https://www.sportingnews.com/ca/nfl/news/super-bowl-commercial-cost-2024-money-ad-super-bowl-58/d2c2d62f58c7f83da1cefa77#:~:text=The%20cost%20of%20a%20Super%20Bowl%20commercial,seconds%20of%20air%20time%20C%20according%20to%20NPR>

¹⁹ 2008: Stressed Advertisers Blow the Whistle on Sports Sponsorship Deals. WSJ.

<https://www.wsj.com/articles/SB122890850076094477>; 2011 – 2019: Global Ad Trends. World Advertising Research Center.

<https://www.warc.com/newsandopinion/news/global-ad-trends-tokyo-olympics-drives-sports-sponsorship-new-record/en-gb/43161>; 2020: Sponsorship Spend to Fall \$17.2bn. <https://twocircles.com/gb/articles/projections-sponsorship-spend-to-fall-17-2bn/>; 2023: Getting Measurement Right to Understand Sponsorship Impact. <https://www.warc.com/content/paywall/article/warc-exclusive/getting-measurement-right-to-understand-sponsorship-impact/en-GB/156708>

²⁰ When Did Private Equity Start Investing in Sports Teams. <https://www.sportico.com/business/finance/2024/when-did-private-equity-start-investing-in-sports-teams-1234779117/>

²¹ MLB Private Equity Ownership Rules. <https://www.sportico.com/feature/mlb-ownership-rules-private-equity-1234784526/>

²² The correlation data (from Q1 1961 to Q1 2024) sourced from the Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

equities from 1961 to 2024.²³ Among major asset classes over the long term, sports franchises demonstrated the highest CAGR at 13%, outpacing U.S. equities at 10%, a 60/40 portfolio at 9%, gold at 7%, and bonds at 6%, all while significantly surpassing inflation at 4%.

Studies have found that investing in sports teams also offers a higher success rate, measured by more frequent positive performance and lower drawdowns, compared to traditional asset classes such as equities and bonds.²⁴ Major sports franchises tend to be more resistant to negative macroconditions than the equity market. Drawdowns for a sports investor during stock crashes such as the Oil Crisis in the 1970s, internet bubbles in the early 2000s, and the Global Financial Crisis in 2008, were also minor compared to the typical equity market investors. **From 1961 to 2024, the maximum drawdown for sports teams was -27.2%, meaningfully better than the -46.4% drawdown experienced by U.S. equities.**²⁵ During the dot-com crash of the early 2000s and the Global Financial Crisis of 2008, U.S. equity investors experienced drawdowns of over 40%.

- 2. Cricket is beyond sports to India and the Indian sub-continent. It holds deep historical and cultural significance and pride.** It has played a crucial role in shaping national identity, cultural pride, and the region's post-colonial legacy. Victories against former colonial rulers like England are often seen as symbolic triumphs, reinforcing India's post-independence confidence by excelling in a game once associated with colonial dominance. Today, cricket is more than just a sport in India – it is a unifying force that transcends regional, ethnic, social, and religious divides. It is often described as a “religion” in the subcontinent, reflecting the deep-rooted passion it inspires.²⁶

Cricket has also played a role in diplomacy, particularly in India-Pakistan relations. “Cricket diplomacy” has helped ease tensions between the two nations, with matches fostering goodwill and encouraging dialogue.²⁷ A senior editor at ESPNcricinfo and author of *The Unquiet Ones – A History of Pakistan Cricket*, stated:

“When relationships between India and Pakistan are good, cricket is the first vehicle for them to express themselves... But when the going's bad, cricket is often used as an exclusionary power tool...It's not often that leaders of India and Pakistan get together for any reason and they often find that cricket is the one language they both understand.”²⁸

- 3. Bollywood has played a crucial role in shaping the Indian Premier League into more than just a cricket tournament. It has transformed the league into a grand media spectacle, blending sports with, dance, music, entertainment, and business in an unprecedented way in India.**

The Indian Premier League was not merely conceived as a cricket competition but as an entertainment festival modeled after Bollywood's blockbuster culture. Matches of the Indian Premier League are designed like cinematic experiences, coupled with dramatic narratives, glamorous performances, and high-energy promotions that mirror Bollywood movie scenes. Bollywood contributes to the Indian Premier League's success through the involvement of film celebrities as team owners and endorsers. Bollywood superstars such as Shah Rukh Khan (also known as “the King of Bollywood”), owner of Kolkata Knight Riders, Preity Zinta (Punjab Kings), and Shilpa Shetty (Rajasthan Royals) have played an instrumental role in popularizing their respective teams and, by extension, the league. The star power of Bollywood helps generate excitement, secure sponsorships, and expand the Indian Premier League's audience beyond traditional cricket fans. For example, Shah Rukh Khan's Kolkata Knight Riders became one of the most marketable franchises, not just because of its on-field performance but also due to his charismatic promotional efforts. His frequent presence in the stands, cheering for his team, and his generous praise on social media have boosted Kolkata Knight Riders' visibility.²⁹ With over 40 million followers on X

²³ From Q1 1961 to Q1 2024, RASFI annual return 13.09%; U.S. Equities 10.54%. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

²⁴ Muralidhar, Arun and Muralidhar, Sachin and Muralidhar, Sid, Investing in Sports Teams: Nothing But Net? (January 5, 2023).

²⁵ The cited data covers the period from Q1 1961 to Q1 2024. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

²⁶ Why Is Cricket So Popular on The Indian Sub-Continent. <https://theconversation.com/why-is-cricket-so-popular-on-the-indian-sub-continent-240440>

²⁷ Why Is Cricket So Popular on The Indian Sub-Continent. <https://theconversation.com/why-is-cricket-so-popular-on-the-indian-sub-continent-240440>

²⁸ India-Pakistan Rivalry - Whatever happened to 'Cricket Diplomacy'. <https://www.aljazeera.com/sports/2023/10/11/cricket-diplomacy-icc-world-cup-2023-india-pakistan-south-africa>

²⁹ Shah Rukh Khan's First Choice IPL Team Wasn't KKR. <https://sports.ndtv.com/ipl-2025/shah-rukh-khans-first-choice-ipl-team-wasnt-kr-lalit-modis-big-revelation-7092182>

(formerly Twitter),³⁰ his support has contributed to making Kolkata Knight Riders one of the most recognized teams in the league. Shah Rukh Khan was also featured in the Kolkata Knight Riders' team anthem, which incorporated typical Bollywood elements such as music and crowd dancing.³¹ His presence ensured high visibility in media, making Kolkata Knight Riders one of the most recognized teams in the league.

Female Bollywood stars such as Preity Zinta also play an important role in popularizing the IPL, significantly contributing to the increased visibility of women in the league. In 2016, Cargill Foods India, a sponsor of the IPL, highlighted the growing female viewership, stating: "The last few years has seen a big increase in the number of viewers among housewives and now approximately 30 percent of women watch cricket...The presence of so many female owners attracts lot of eyeballs from our female target audiences...And look at the number of women in the stands, look at the way women are involved in the game."³² A female fan, a housewife, echoed this sentiment, saying that the Bollywood glamour, as epitomized by Zinta, was more appealing than anything on television. She remarked, "Three hours of racy cricket is better than three hours of weepy dramas."

With limited information on financials of the Indian Premier League, two major factors appear to be driving its surging valuations since its inception. First, the Indian Premier League commands enormous viewership, making it must-watch content in India and a lucrative property for media rights.³³ According to the Broadcast Audience Research Council (BARC), the Indian Premier League recorded 361 million TV viewers in 2022, making it the most-watched sporting event in India, followed by the Pro Kabaddi League (PKL) with 222 million viewers.³⁴ **In 2023, the TV viewership hit a record-high 505 million viewers, with total watch time of 427.1 billion minutes.**³⁵

4. **The Indian Premier League is one of the most striking examples of sports growth as an asset class – delivering a 20% CAGR and 15x money-on-money return from its inaugural auction in 2008 to 2023³⁶ – driven by media rights appreciation, the growth of viewership, and the growth of sponsorships, etc.**

The Indian Premier League operates on a franchise-based system, inspired by the American model of player hiring and transfers such as those seen in NBA.³⁷ The franchises (teams) were auctioned, with the highest bidders to own teams. The IPL's business model is relatively straightforward, with revenue generated from three main streams: media rights, sponsorships (both central and local), and gate receipts.³⁸ The central pool consists of league-wide sponsorships, shared between the Indian Premier League and franchisees, while the local pool includes team-specific sponsorships, which franchises retain in full.

Reported in mid-2022 in The Hindu, an Indian newspaper, it was estimated that only about 20% of the IPL teams' revenue came from individual team sponsorships, match tickets, and merchandise, while about 70-80% was from the central pool consisting mostly of broadcasting rights and central sponsorship deals. While the Board of Control for Cricket in India retains 50% of the central pool revenue, 45% is shared equally among the teams, and the remainder 5% is bagged by the four teams that make it to the playoffs as prize money, with the largest amount given to the

³⁰ Shah Rukh Khan (@iamsrk). https://x.com/iamsrk?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor

³¹ KORBO LORBO JEETBO RE! Shahrukh Khan in Kolkata Knight Riders Anthem. <https://www.youtube.com/watch?v=IMppB64vCnw>

³² Indian Premier League Strategy to Attract More Female Fans Is Working.

<https://web.archive.org/web/20231024170844/https://www.thenationalnews.com/sport/men-only-indian-premier-league-strategy-to-attract-more-female-fans-is-working-1.193831>

³³ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams.

<https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

³⁴ From Handball To Panja, Why Sports Leagues Are Taking Off In India. Forbes India. <https://www.forbesindia.com/article/take-one-big-story-of-the-day/from-handball-to-panja-why-sports-leagues-are-taking-off-in-india/86315/1>

³⁵ IPL 2023 Records Massive Viewership of Half A Billion Viewers on Television. <https://www.businesstoday.in/latest/trends/story/ipl-2023-records-massive-viewership-of-half-a-billion-viewers-on-television-384783-2023-06-08>

³⁶ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>; Indian

Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams.

<https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>; The valuation data of 2023 valuation is not disclosed in the report. IPL & WPL Valuation 2023. D&P Advisory. 2024 data was not available at the time of this write-up.

³⁷ Indian Premier League – How It All Started. <https://timesofindia.indiatimes.com/ipl-history/indian-premier-league-how-it-all-started/articleshow/19337875.cms>

³⁸ IPL, The \$2 Billion IPO. https://economictimes.indiatimes.com/ipl-the-2-billion-ipo/articleshow/3094902.cms?from=mdr#google_vignette

victor.³⁹ While the exact terms regarding how much team-generated revenue such as ticket sales and local sponsorships that each franchise can retain vary, media rights revenue remains the primary income source for sports teams. In major leagues like the “Big Four” in North America and the English Premier League, media rights revenue is typically shared equally among all member teams.

In addition, the Board of Control for Cricket in India imposes a salary cap on the Indian Premier League, setting a maximum limit on how much each franchise can spend on player salaries during a given season. This cap includes expenses for player retention, transfers, and contract renewals, restricting the total amount a franchise can allocate toward building its team. The salary cap is a financial mechanism implemented by the Board of Control for Cricket in India to ensure a level playing field and maintain financial stability within the league. **The Indian Premier League’s salary cap remains the lowest among the world’s major sports leagues.**⁴⁰ In comparison, MLB has no salary cap, while the NBA operates with a soft salary cap. The NBA and MLB impose a “luxury tax” on teams that exceed a certain spending threshold. In contrast, the NFL and NHL enforce hard salary caps to maintain parity and prevent wealthier teams from monopolizing top talent.

In 2023, *The Daily Telegraph* reported that while global sports leagues such as the NBA, NFL, and Premier League (EPL) ensure players receive at least 50% of leagues’ total revenue, the Indian Premier League cricketers collectively get only about 18%.⁴¹ A strict salary cap keeps player wages low, ensuring franchise owners, many of whom are India’s wealthiest individuals, retain a larger share of profits. Despite top players earning millions, the Indian Premier League players are still underpaid compared to other major sports leagues. In addition, some Indian Premier League team owners also control rival Twenty20 leagues such as South Africa’s SA20 (South Africa’s premier Twenty20 cricket league) and the UAE’s International League T20, limiting competition and preventing other leagues from offering significantly higher wages. While broadcasting rights have increased from approximately \$100 million a year in 2008⁴² to over \$1 billion a year in 2023,⁴³ over 16% CAGR, the salary cap has only grown at a 6% CAGR,⁴⁴ further widening the gap between league revenues and player earnings.

Unlike sports leagues in North America and Europe, where strong player unions negotiate better deals, the Indian Premier League cricketers lack organized representation, making legal challenges risky and unlikely.⁴⁵ With no alternative leagues and the threat of being blacklisted, players have little power to fight against the league, given their rather short career, allowing the Indian Premier League to keep dominating global cricket while keeping salaries low relatively to their revenues.

³⁹ How Does IPL Make Money And Where Does It stand with Global Sports Leagues.

<https://web.archive.org/web/20220627011349/https://www.thehindu.com/sport/explained-the-ipl-business-model-and-how-it-compares-to-sports-leagues-globally/article65547025.ece>

⁴⁰ Comparing the IPL’s Media Rights and Salary Cap to Other Professional Leagues Worldwide.

<https://medium.com/@ramanang711/comparing-the-ipls-media-rights-and-salary-cap-to-other-professional-leagues-worldwide-9c6efc617218>

⁴¹ Think IPL Players Are Well Paid. The Telegraph. <https://www.telegraph.co.uk/cricket/2023/03/29/think-ipl-players-paid-should-paid-three-times/>

⁴² The Billion-Dollar Baby Causes Worldwide Frenzy. <https://economictimes.indiatimes.com/ipl-the-billion-dollar-baby-causes-worldwide-frenzy/articleshow/2809171.cms?from=mdr>

⁴³ IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal.

<https://www.espnricinfo.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

⁴⁴ IPL Hikes Salary Cap by \$2 Million to \$7 Million Per Team. https://economictimes.indiatimes.com/ipl-hikes-salary-cap-by-2-mn-to-7-mn-per-team/articleshow/5717737.cms?from=mdr#google_vignette; IPL Players Highly Underpaid.

<https://www.newindianexpress.com/sport/cricket/2024/Sep/13/ipl-players-highly-underpaid>

⁴⁵ Think IPL Players Are Well Paid. The Telegraph. <https://www.telegraph.co.uk/cricket/2023/03/29/think-ipl-players-paid-should-paid-three-times/>

An Overview of Sports

For centuries, sports have been viewed as a force that transcends borders, cultures, and ethnicities, bringing people together under a common pursuit of excellence.⁴⁶ The Olympic Games are one of the best examples to embody this idea. The original games, despite a variety of myths, deeply tied to religious ceremonies honoring Zeus, were a unifying event for the Greek city-states despite their frequent conflicts. The modern Olympics, starting in 1896, continues this tradition, aiming to promote international camaraderie and peace, even amidst global turmoil. Except for World War years of 1916, 1940, and 1944, The Olympic Games have been held every four years. The Olympic Charter explicitly states:

“Olympism is a philosophy of life, exalting and combining in a balanced whole the qualities of body, will and mind...The goal of Olympism is to place sport at the service of the harmonious development of humankind, with a view to promoting a peaceful society concerned with the preservation of human dignity.” These principles highlight the unifying power of sports that transcend differences, as they are meant to rise above political, economic, and social divides.⁴⁷

In recent years, sports have increasingly been recognized as an asset class with a sizable total addressable market. However, precisely quantifying its size remains a challenge, as estimates fluctuate significantly based on the scope of the definition. **Some research reports suggest that the global sports market⁴⁸ surpassed \$450 billion in 2024 and is projected to grow at roughly a mid-single-digit rate over the next year.⁴⁹**

Meanwhile, Tony Ressler, co-founder of Ares Management and principal owner of the NBA's Atlanta Hawks, estimated in 2024 that sports constitute a \$2.5 trillion to \$3 trillion asset class when factoring in franchises and all ancillary businesses such as real estate, retail, and food services.⁵⁰ Ressler's estimate aligns with a 2025 industry report authored by two professors from the University of Oregon, which places the global sports industry's market size at approximately \$2.65 trillion.⁵¹ According to the report, the largest segment, sports products, is valued at around \$1.08 trillion and includes categories such as apparel, wearable devices, sports therapy, and nutrition. Sports participation follows at \$825 billion, encompassing recreational sports, fitness, and exercise-related activities, including trainers, gyms, and both indoor and outdoor sports. Fan engagement, the smallest of the three segments, is estimated at \$750 billion. This includes sports events at approximately \$227 billion, sports media at \$150 billion, and sports entertainment at around \$372 billion. Needless to say, the sports industry is a big market.

The universal appeal of sports extends beyond the Olympics, making its potential reach as large as the world's population. Some of the most popular sports exemplify this global appeal. **For instance, nearly 20% of the world's population watched the 2022 FIFA World Cup Final.⁵² According to The Sun, soccer remains the world's most popular sport, with 3.5 billion fans, followed by cricket 2.5 billion, hockey 2 billion, tennis 1 billion, and volleyball 900 million.⁵³** These numbers underscore how sports have the power to connect people across cultures and continents.

A 2018 survey by Nielsen, conducted across 18 countries, including Australia, Canada, China, India, Russia, the U.A.E., and the U.S., reinforces the global appeal of sports. The findings suggest that sports capture widespread interest in major population centers, with anywhere from 10% to over 40% among individuals aged 16 and older interested in some form of

⁴⁶ What Is The Philosophy Behind The Olympics. <https://www.forbes.com/sites/teddymcdarrah/2021/07/23/olympism-what-is-the-philosophy-behind-the-olympics/>

⁴⁷ What Is The Philosophy Behind The Olympics. <https://www.forbes.com/sites/teddymcdarrah/2021/07/23/olympism-what-is-the-philosophy-behind-the-olympics/>

⁴⁸ The scope of the sports market in this 2024 report includes revenues generated by entities that provide services such as live sporting events for a paying audience, as well as those operating facilities such as golf courses, country clubs, ski resorts, marinas, fitness centers, recreational sports facilities, and bowling centers. Sports Global Market Report 2024. <https://www.researchandmarkets.com/reports/5939106/sports-global-market-report>

⁴⁹ Sports Global Market Report 2024. <https://www.researchandmarkets.com/reports/5939106/sports-global-market-report>

⁵⁰ Sports Is a \$3 Trillion Asset Class, Ares Chairman Ressler Says. <https://www.bloomberg.com/news/articles/2024-09-05/sports-is-a-3-trillion-asset-class-ares-chairman-ressler-says?leadSource=uverify%20wall>

⁵¹ How BIG Is The Sports Industry – Global Sports Insights. <https://globalsportsinsights.com/report-1/>

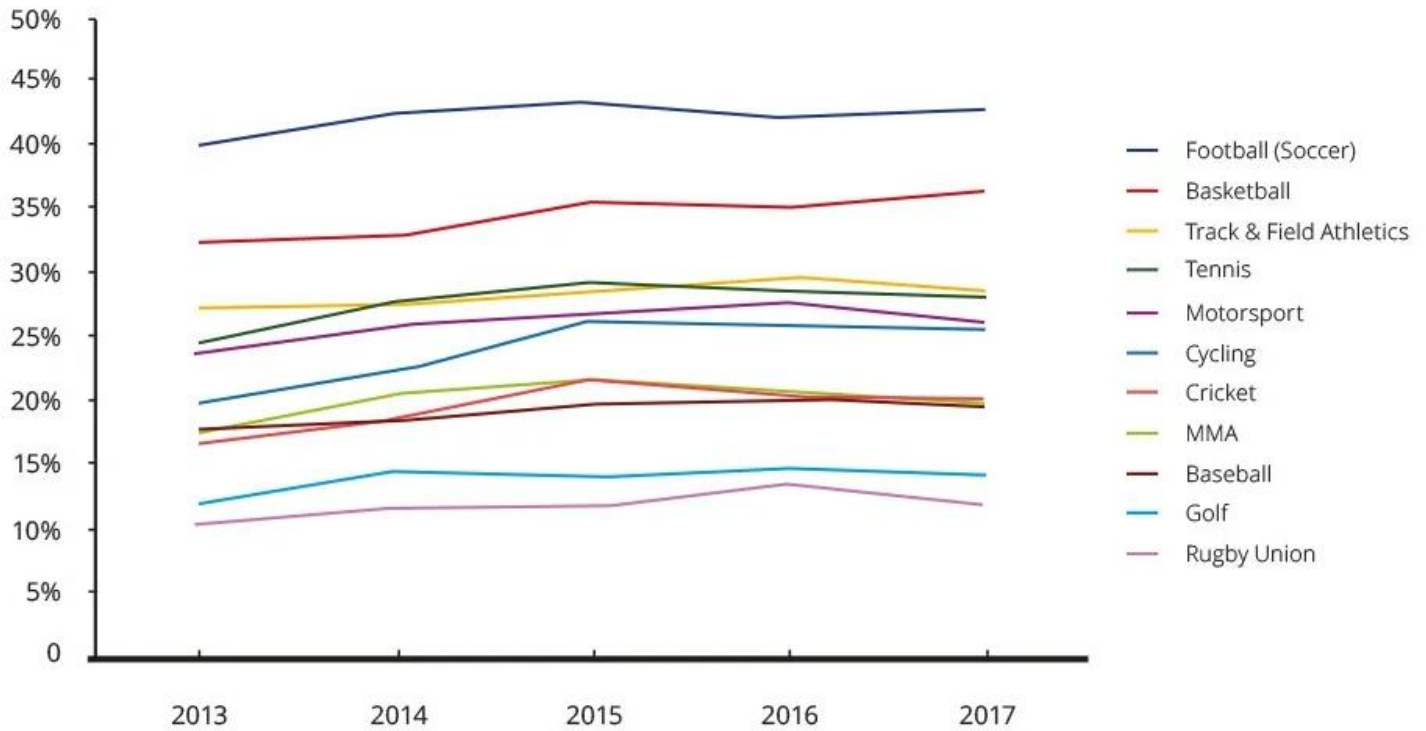
⁵² Qatar 2022 World Cup Final Scores 1.5bn Global Viewers. <https://www.sportspro.com/news/qatar-2022-fifa-world-cup-final-argentina-france-viewers-engagement/>

⁵³ World's Ten Most Popular Sports Revealed with Host of Shock Entries Including Hockey THIRD And Volleyball in Top Five. <https://www.thesun.co.uk/sport/30816024/ten-most-popular-sports-revealed-hockey-volleyball-football/>

sports activity.⁵⁴ The survey reveals that soccer emerged as the most popular sport, attracting interest from more than 40% of the population, followed by basketball, track and field, tennis, motorsports, and others.

With billions of fans worldwide, this massive audience presents significant opportunities for broadcasters of live sports events. It is also attractive for marketers seeking sponsorship deals to enhance brand exposure and connect with their target audiences. We will explore further in the next section.

Figure 1: Percentage “Interested” or “Very Interested” in Major Sports⁵⁵



Beyond being spectators, people around the world actively engage in sports and physical activities for various reasons, including passion, physical and mental well-being, and the sheer enjoyment of movement. A 2021 study found that 97% of countries either have legal requirements for physical education (PE) in their general education systems or incorporate PE as a common practice at certain ages or stages of compulsory schooling.⁵⁶ This early exposure can help spark a lifelong passion for sports as children grow into adolescence and adulthood. While obtaining comprehensive global statistics on sports participation is challenging, some survey data provide valuable insights. For example, a 2024 survey by the Sports & Fitness Industry Association found that nearly 80% of Americans aged six and older participated in at least one sport or fitness activity.⁵⁷ In Canada, approximately 55% of individuals aged 15 and older take part in sports such as soccer, ice hockey, and running.⁵⁸ In the European Union, a 2019 survey reported that 44% of people aged 15 and above engaged in sports at least once a week,⁵⁹ with participation rates varying by countries. In addition, a 2021 survey revealed that about 65% of Southeast Asians are physically active, with walking, running, badminton, football, and cycling being the most

⁵⁴ The Global Popularity of Football is Rising. <https://www.nielsen.com/insights/2018/fan-favorite-the-global-popularity-of-football-is-rising/>

⁵⁵ The Global Popularity of Football is Rising. <https://www.nielsen.com/insights/2018/fan-favorite-the-global-popularity-of-football-is-rising/>

⁵⁶ Wium, N. Physical Education and Its Importance to Physical Activity, Vegetable Consumption and Thriving in High School Students in Norway. *Nutrients* 2021, 13, 4432.

⁵⁷ A Record Number of Americans Participated in Sports. <https://www.sportsdestinations.com/sports/all-sports/record-number-americans-participated-sports-33929>

⁵⁸ Participation in Canadian Society Through Sport And Work. <https://www150.statcan.gc.ca/n1/daily-quotidien/231010/dq231010b-eng.htm>

⁵⁹ Practicing Sport And Physical Activity. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Sport_participation_-_practicing_sport_and_physical_activity#:~:text=In%202019%2C%2044%20%25%20of%20the,during%20the%20previous%20EHIS%20survey

popular activities.⁶⁰ In China, a 2020 survey by the National Physical Fitness Monitoring Center found that 81% of children and adolescents, 68% of adults, and 48% of seniors participated in physical activities at least once a week, engaging in sports such as cycling, walking, running, and basketball.⁶¹ These regional data points illustrate the widespread and universal appeal of sports and physical activities.

⁶⁰ ASEAN Survey on Sports Participation 2021. <https://asean.org/wp-content/uploads/2022/10/ASEAN-Sports-Participation-Study-2021-screen.pdf>

⁶¹ The Effectiveness of Child And Adolescent Sports Engagement in China. <https://www.nature.com/articles/s41599-023-02466-4>

Studies show that sports franchises as investments have historically outperformed traditional financial assets. Some of the most prominent sports teams in the world have delivered handsome returns over decades to their owners.

Figure 2: The World's Most Valuable Sports Teams 2023⁶²

	Team Name	League	Owner(s)	Purchase Year	Purchase Price (Million \$)	Current Value (Million \$)	MoM Return	CAGR
1	Dallas Cowboys	NFL	Jerry Jones	1989	\$ 150	\$ 9,000	60x	13%
2	New York Yankees	MLB	Steinbrenner Family	1973	\$ 9	\$ 7,100	807x	14%
3	Golden State Warriors	NBA	Joe Lacob, Peter Guber	2010	\$ 450	\$ 7,000	16x	24%
4	New England Patriots	NFL	Robert Kraft	1994	\$ 172	\$ 7,000	41x	14%
5	Los Angeles Rams	NFL	Stanley Kroenke	2010	\$ 750	\$ 6,900	9x	19%
6	New York Giants	NFL	Mara & Tisch Families	1991	\$ 150	\$ 6,800	45x	13%
7	Chicago Bears	NFL	McCaskey Family	1920	\$ 0.0001	\$ 6,300	63,000,000x	19%
8	Las Vegas Raiders	NFL	Mark Davis	1966	\$ 0.18	\$ 6,200	34,444x	20%
9	New York Knicks	NBA	James Dolan (MSG Sports)	1997	\$ 300	\$ 6,100	20x	12%
10	New York Jets	NFL	Johnson Family	2000	\$ 635	\$ 6,100	10x	10%
11	Real Madrid	La Liga	Club Members	N/A	N/A	\$ 6,070	N/A	N/A
12	Washington Commanders	NFL	Josh Harris & Partners	2023	\$ 6,050	\$ 6,050	N/A	N/A
13	Manchester United	EPL	Glazer Family	2005	\$ 995	\$ 6,000	6x	10%
14	San Francisco 49ers	NFL	Denise York & Family	1977	\$ 13	\$ 6,000	462x	14%
15	Los Angeles Lakers	NBA	Jeanie Buss	2021	\$ 5,000	\$ 5,900	1x	9%
16	Philadelphia Eagles	NFL	Jeffrey Lurie	1994	\$ 185	\$ 5,800	31x	13%
17	Miami Dolphins	NFL	Stephen Ross	2009	\$ 1,100	\$ 5,700	5x	12%
18	Barcelona	La Liga	Club Members	N/A	N/A	\$ 5,508	N/A	N/A
19	Houston Texans	NFL	Janice McNair	1999	\$ 600	\$ 5,500	9x	10%
20	Liverpool	EPL	Fenway Sports Group	2010	\$ 343	\$ 5,288	15x	23%
21	Denver Broncos	NFL	Rob Walton & Partners	2022	\$ 4,650	\$ 5,100	1x	10%
22	Seattle Seahawks	NFL	Jody Allen	1997	\$ 194	\$ 5,000	26x	13%
23	Manchester City	EPL	City Football Group	2008	\$ 252	\$ 4,990	20x	22%
24	Bayern Munich	Bundesliga	Club Members	N/A	N/A	\$ 4,860	N/A	N/A
25	Los Angeles Dodgers	MLB	Guggenheim Baseball Mgmt.	2012	\$ 2,000	\$ 4,800	2x	8%
26	Atlanta Falcons	NFL	Arthur Blank	2002	\$ 545	\$ 4,700	9x	11%
27	Minnesota Vikings	NFL	Zygi Wilf & Family	2005	\$ 600	\$ 4,650	8x	12%
28	Baltimore Ravens	NFL	Steve Bisciotti	2004	\$ 600	\$ 4,630	8x	11%
29	Pittsburgh Steelers	NFL	Rooney Family	1933	\$ 0.0025	\$ 4,625	1,850,000x	17%
30	Cleveland Browns	NFL	Jimmy & Dee Haslam	2012	\$ 987	\$ 4,620	5x	15%
31	Green Bay Packers	NFL	Publicly Owned	1921	\$ 0.0001	\$ 4,600	46,000,000x	19%
32	Boston Red Sox	MLB	Fenway Sports Group	2002	\$ 380	\$ 4,500	12x	12%
33	Tennessee Titans	NFL	Amy Adams Strunk	1959	\$ 0.025	\$ 4,400	176,000x	21%
34	Indianapolis Colts	NFL	Jim Irsay	1972	\$ 14	\$ 4,350	311x	12%
35	Kansas City Chiefs	NFL	Hunt Family	1960	\$ 0.025	\$ 4,300	172,000x	21%
36	Paris Saint-Germain	Ligue 1	Qatar Sports Investments	2011	\$ 76	\$ 4,210	55x	40%
37	Tampa Bay Buccaneers	NFL	Glazer Family	1995	\$ 192	\$ 4,200	22x	12%
38	Los Angeles Chargers	NFL	Spanos Family	1984	\$ 72	\$ 4,150	58x	11%
39	Chicago Cubs	MLB	Ricketts Family	2009	\$ 700	\$ 4,100	6x	13%
40	Chicago Bulls	NBA	Jerry Reinsdorf	1985	\$ 16	\$ 4,100	253x	16%
41	Carolina Panthers	NFL	David Tepper	2018	\$ 2,275	\$ 4,100	2x	13%
42	New Orleans Saints	NFL	Gayle Benson	1985	\$ 70	\$ 4,075	58x	11%
43	Boston Celtics	NBA	Wyc Grousbeck & Partners	2002	\$ 360	\$ 4,000	11x	12%
44	Jacksonville Jaguars	NFL	Shahid Khan	2011	\$ 770	\$ 4,000	5x	15%
45	Ferrari	F1	Exor (Agnelli Family)	1950	N/A	\$ 3,900	N/A	N/A
46	Los Angeles Clippers	NBA	Steve Ballmer	2014	\$ 2,000	\$ 3,900	2x	8%
47	Mercedes	F1	Daimler AG, INEOS, Toto Wolff	2013	\$ 50	\$ 3,800	76x	54%
48	Arizona Cardinals	NFL	Michael Bidwill	1932	\$ 0.05	\$ 3,800	76,000x	13%
49	San Francisco Giants	MLB	Charles B. Johnson & Group	1993	\$ 100	\$ 3,700	37x	13%
50	Buffalo Bills	NFL	Terry & Kim Pegula	2014	\$ 1,400	\$ 3,700	3x	11%
							Median	13%

Notes:

1. La Liga is a professional soccer league in Spain and considered the highest level of the Spanish soccer league system.
2. Bundesliga is a professional soccer league in Germany and considered the highest level of the German soccer league system.

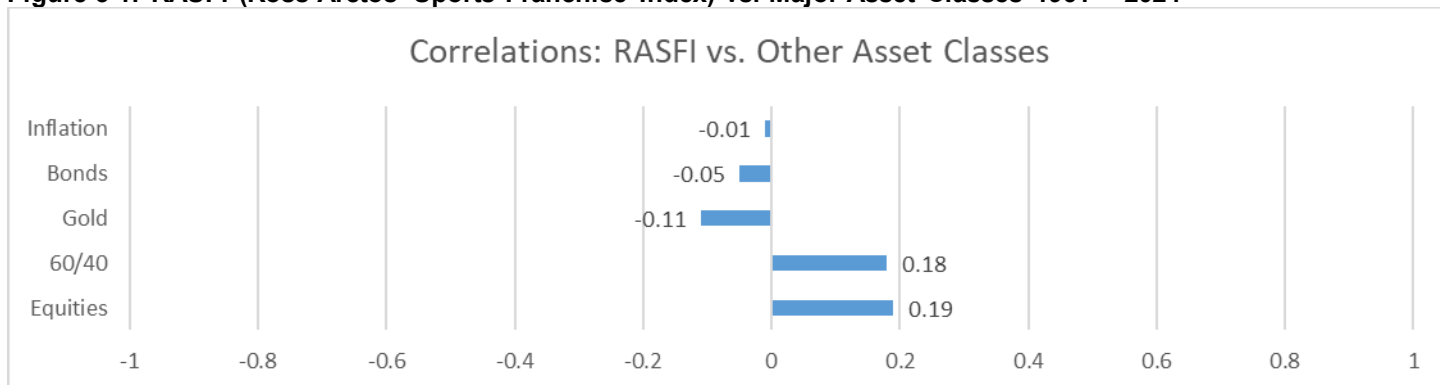
⁶² The World's 50 Most Valuable Sports Teams 2023. <https://www.forbes.com/sites/mikeozanian/2023/09/08/the-worlds-50-most-valuable-sports-teams-2023/?sh=77666fbb2b44>

- Ligue 1 is a professional soccer league in France and considered the highest level of the French soccer league system.
- The purchase price of New York Giants in 1925 was estimated to be \$500, implying an 18% CAGR through 2023.⁶³
- The purchase price of Los Angeles Lakers in 1967 was estimated to be \$11 million, implying an 11% CAGR through 2023.⁶⁴
- The purchase prices of Mercedes in two separate transactions, in 2010 and 2022, were not disclosed in the Forbes' report.⁶⁵

The Ross-Arctos Sports Franchise Index (RASFI), developed by Arctos and the Ross School of Business at the University of Michigan, tracks the investment performance of North American sports franchises, including the four major leagues – MLB, NBA, NFL, and NHL. From 1961 to 2024, sports franchises have delivered 2.5% higher annual returns than U.S. equities, with lower volatility and correlation. During this period, RASFI achieved a 13% annual return compared to U.S. equities' 10%, with a correlation below 0.2, according to a study by Arctos and the University of Michigan.⁶⁶ Their correlation with bonds was -0.1, while its correlation with gold was nearly zero. In addition, RASFI's volatility was approximately 8%, compared to nearly 19% for equities. This performance resulted in a total return of 2,321x for sports franchises, compared to 552x for equities from 1961 to 2024.⁶⁷ Among major asset classes over the long term, sports franchises demonstrated the highest CAGR at 13%, outpacing U.S. equities 10%, a 60/40 portfolio 9%, gold 7%, and bonds 6%, all while significantly surpassing inflation 4%.

A 2016 study by a Memphis-based business valuation and transaction advisory firm found similar results. From 1991 to 2016, the CAGR of each of the four major North American sports leagues has outpaced that of the S&P 500, Dow Jones, Nasdaq, and Russell 2000, averaging 12% compared to 8.2%.⁶⁸

Figure 3-1: RASFI (Ross-Arctos Sports Franchise Index) vs. Major Asset Classes 1961 – 2024⁶⁹



Note:

- The correlation data is from a study conducted by Arctos,⁷⁰ a private equity firm specializing in sports franchises, and the Ross School of Business at the University of Michigan.
- The artificial index includes only the “Big Four” major sports leagues in North America, which may lead to survivorship bias. Throughout history, many professional sports leagues and teams have gone out of business, yet they are not accounted for in this index. In addition, financial performance can vary significantly across different sports leagues,

⁶³ The World's 50 Most Valuable Sports Teams 2023. <https://www.forbes.com/sites/mikeozanian/2023/09/08/the-worlds-50-most-valuable-sports-teams-2023/?sh=77666fbb2b44>

⁶⁴ The World's 50 Most Valuable Sports Teams 2023. <https://www.forbes.com/sites/mikeozanian/2023/09/08/the-worlds-50-most-valuable-sports-teams-2023/?sh=77666fbb2b44>

⁶⁵ The World's 50 Most Valuable Sports Teams 2023. <https://www.forbes.com/sites/mikeozanian/2023/09/08/the-worlds-50-most-valuable-sports-teams-2023/?sh=77666fbb2b44>

⁶⁶ The correlation data (from Q1 1961 to Q1 2024) sourced from the Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

⁶⁷ From Q1 1961 to Q1 2024, RASFI annual return 13.09%; U.S. Equities 10.54%. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

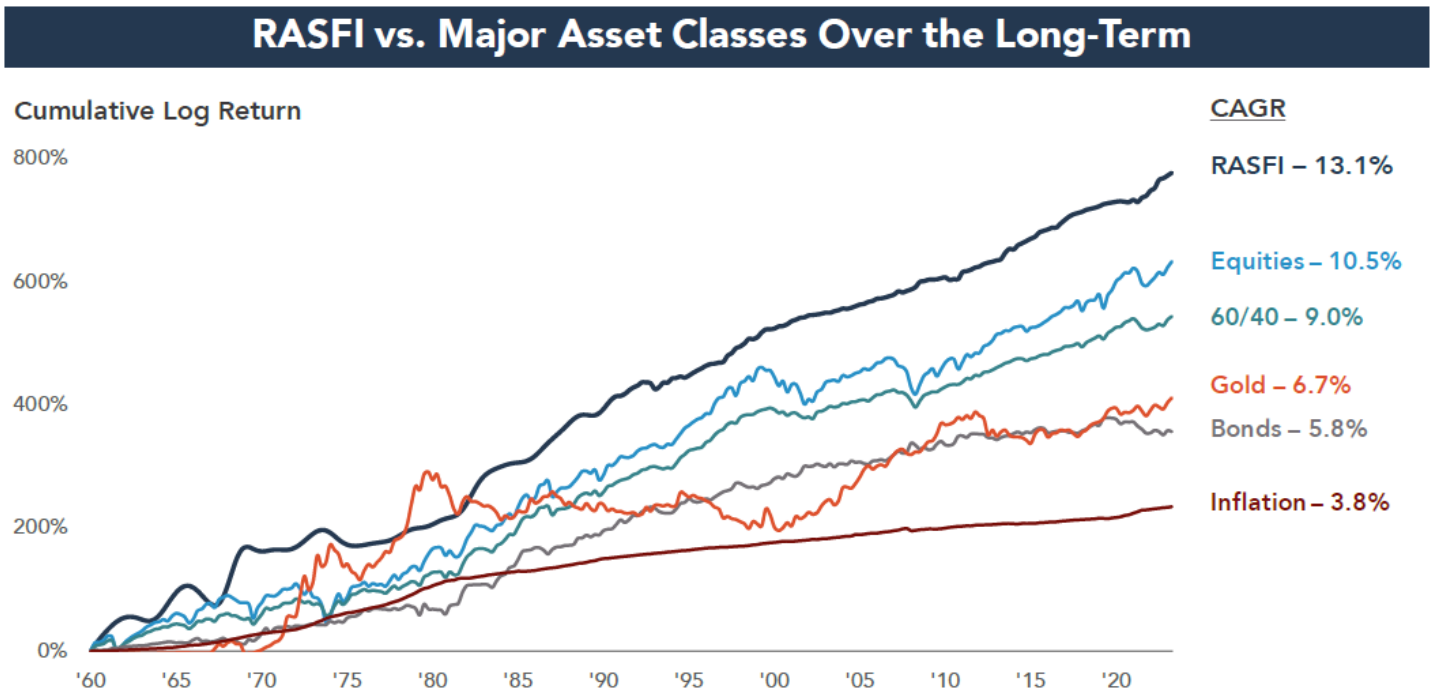
⁶⁸ An Investor's View of Major League Sports Franchises. <https://mercercapital.com/article/investors-view-major-league-sports/>

⁶⁹ The correlation data (from Q1 1961 to Q1 2024) sourced from the Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

⁷⁰ The cited data covers the period from Q1 1961 to Q1 2024. Arctos' past investments in sports franchise include Golden State Warriors, San Francisco Giants, Houston Astros, etc. Sports – Arctos. <https://www.arctospartners.com/sports/>; Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

with substantial differences in revenue scale and profitability. Even within the same league, individual teams may experience very different economics due to factors such as team operations, management decisions, and local market conditions.⁷¹

Figure 3-2: RASFI (Ross-Arctos Sports Franchise Index) vs. Major Asset Classes 1961 – 2024⁷²



Source: Arctos, U. Michigan Ross, Ken French, Robert Shiller. As of May 2024.

Notes:

1. RASFI Index was conducted by Arctos Insights and the Ross School of Business at the University of Michigan. It represents the first-ever purely data-driven benchmark of investment performance of North American sports franchise assets that include the investment performance in the largest North American leagues (the “Big Four”): Major League Baseball (MLB), National Basketball Association (NBA), National Football League (NFL), and National Hockey League (NHL).
2. The valuation data for the four sports leagues that make up the RASFI is primarily derived from proprietary transaction data sourced by Arctos,⁷³ a private equity firm specializing in sports franchises, along with publisher’s collaborations with sports leagues and publicly available sources such as press releases and news articles.⁷⁴
3. The artificial index above includes only the “Big Four” major sports leagues in North America, which may lead to survivorship bias. Throughout history, many professional sports leagues and teams have gone out of business, yet they are not accounted for in this index. In addition, financial performance can vary significantly across different sports leagues, with substantial differences in revenue scale and profitability. Even within the same league, individual teams may experience very different economics due to factors such as team operations, management decisions, and local market conditions.⁷⁵

Similar trends of sports teams delivering impressive returns can be observed across various leagues worldwide, including MLS and other soccer organizations. However, it is worth noting that throughout history, like companies, many professional sports leagues and teams have gone out of business.⁷⁶ The rising valuations of modern sports teams may reflect survivorship bias. In addition, financial performance can vary significantly across different sports leagues, with substantial differences in revenue scale and profitability. Even within the same league, individual teams may experience very different economics due to factors such as team operations, management decisions, and local market conditions.

⁷¹ List of Defunct Professional Sports Teams. <https://funwhileitlasted.net/list-of-defunct-sports-teams/>

⁷² The cited data covers the period from Q1 1961 to Q1 2024. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

⁷³ Arctos’ past investments in sports franchise include Golden State Warriors, San Francisco Giants, Houston Astros, etc. Sports – Arctos. <https://www.arctospartners.com/sports/>

⁷⁴ RASFI Methodology.

⁷⁵ List of Defunct Professional Sports Teams. <https://funwhileitlasted.net/list-of-defunct-sports-teams/>

⁷⁶ List of Defunct Professional Sports Teams. <https://funwhileitlasted.net/list-of-defunct-sports-teams/>

In 2008, Forbes published its first-ever valuation of MLS franchises, estimating the average value of the 14 teams at approximately \$37 million.⁷⁷ At the time, the average team generated \$13 million in revenue while operating at a loss of \$1.5 million (EBITDA),⁷⁸ resulting in an EV/Sales multiple of 2.8x. **By 2024, MLS had expanded to 29 teams, with the average franchise valuation reaching \$658 million,⁷⁹ reflecting a 19% CAGR since 2008.** According to Forbes, the average MLS team revenue climbed to \$66 million, with an operating loss of \$1.3 million, driving the EV/Sales multiple to nearly 10x in 2024.

In 2005, Forbes published its first ranking of The Most Valuable Soccer Teams. The top 25 teams, all based in European countries, had an average valuation of \$424 million, with an average revenue of \$166 million and an operating income (EBITDA) of \$9 million.⁸⁰ This implied an EV/Sales multiple of 2.6x and an EV/EBITDA multiple of 47x. By 2024, the landscape had expanded to include top soccer teams from leagues worldwide, such as Spain's La Liga, England's Premier League, and North America's MLS. **The world's top 25 soccer teams boasted an average valuation of \$2.6 billion, with average revenue rising to \$449 million and operating income to \$37 million.**⁸¹ These figures implied an EV/Sales multiple of nearly 6x and an EV/EBITDA multiple of 70x in 2024. Over this period (2005 – 2024), the average team valuation grew at a CAGR of 10%.

In addition to their superior return, studies have found that major sports franchises tend to be more resistant to negative macroconditions than the equity market. Drawdowns for a sports investor during stock crashes such as the Oil Crisis in the 1970s, internet bubbles in the early 2000s, and the Global Financial Crisis in 2008, were also minor compared to the typical equity market investors.⁸² **From 1961 to 2024, the maximum drawdown for sports teams was -27.2%, meaningfully lower than the -46.4% drawdown experienced by U.S. equities.⁸³ During the dot-com crash of the early 2000s and the Global Financial Crisis of 2008, U.S. equity investors experienced drawdowns of over 40%.**

A recent study suggests that investing in sports teams offers a higher success rate, measured by more frequent positive performance and lower drawdowns, compared to traditional asset classes such as equities and bonds.⁸⁴ The research, covering the period from 2000 to 2022, analyzed investments across the four major North American sports leagues: the NBA, MLB, NFL, and NHL. It found that these leagues had an annual success rate exceeding 90%, except for the NHL, which had a success rate of 85%.⁸⁵ In contrast, traditional investments such as the S&P 500, Russell 2000, MSCI EAFE,⁸⁶ bonds, and real estate had success rates ranging from around 60% to 80%, with bonds being the exception, achieving a success rate above 80%.

⁷⁷ Major League Soccer's Most Valuable Teams. Forbes.

https://web.archive.org/web/20081103023101/https://www.forbes.com/sportsbusiness/2008/09/09/mls-soccer-beckham-biz-sports-cz_kb_0909mlsvalues.html

⁷⁸ The report revealed that 13 teams recorded an operating loss (measured as earnings before interest, taxes, and depreciation) of \$20 million on revenue of \$165 million. Major League Soccer's Most Valuable Teams. Forbes.

https://web.archive.org/web/20081103023101/https://www.forbes.com/sportsbusiness/2008/09/09/mls-soccer-beckham-biz-sports-cz_kb_0909mlsvalues.html

⁷⁹ Major League Soccer's Most Valuable Teams 2024. Forbes. <https://www.forbes.com/sites/justinbirnbau/2024/02/02/major-league-soccers-most-valuable-teams-2024/>

⁸⁰ The Most Valuable Soccer Teams. Forbes.

<https://web.archive.org/web/20140611121107/https://www.forbes.com/forbes/2005/0418/138tab.html>

⁸¹ Forbes 2024 Global Soccer Team Valuations. Forbes.

<https://web.archive.org/web/20240806103359/https://www.forbes.com/lists/soccer-valuations/>

⁸² Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

⁸³ The cited data covers the period from Q1 1961 to Q1 2024. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

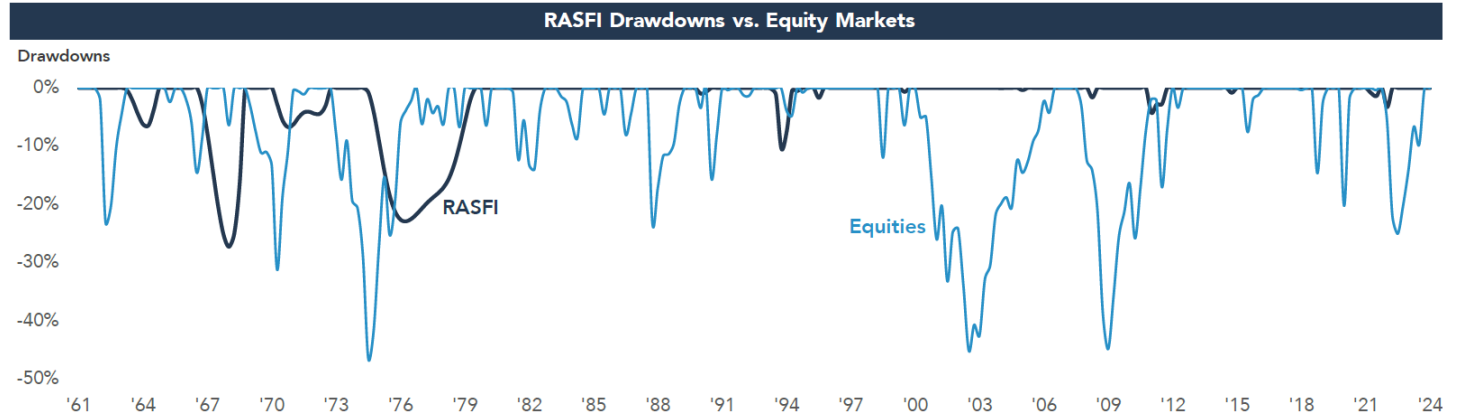
⁸⁴ Muralidhar, Arun and Muralidhar, Sachin and Muralidhar, Sid, Investing in Sports Teams: Nothing But Net? (January 5, 2023).

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4397333

⁸⁵ Success rates refer to the number of years with positive returns out of the total number of years.

⁸⁶ A stock market index designed by MSCI to trace the equity market performance of developed markets outside of U.S. and Canada.

Figure 4: RASFI (Ross-Arctos Sports Franchise Index) Drawdowns vs. Equity Markets⁸⁷



Source: Arctos, U. Michigan Ross, Ken French. As of May 2024.

Note:

1. The artificial index above includes only the “Big Four” major sports leagues in North America, which may lead to survivorship bias. Throughout history, many professional sports leagues and teams have gone out of business, yet they are not accounted for in this index. In addition, financial performance can vary significantly across different sports leagues, with substantial differences in revenue scale and profitability. Even within the same league, individual teams may experience very different economics due to factors such as team operations, management decisions, and local market conditions.⁸⁸

⁸⁷ The cited data covers the period from Q1 1961 to Q1 2024. Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

⁸⁸ List of Defunct Professional Sports Teams. <https://funwhileitlasted.net/list-of-defunct-sports-teams/>

In early 2020, the NBA introduced a rule change allowing private equity firms to purchase stakes in teams, marking a shift from its previous policy of limiting ownership only to individuals.⁸⁹ The move addressed a key challenge that minority owners had struggled to sell their shares due to soaring franchise valuations. For example, in 2002, Forbes valued the Los Angeles Lakers at \$403 million, the highest in the league at the time. By 2021, a transaction for a 27% stake in the team implied a valuation exceeding \$5 billion. Under the new rules, no single firm can own more than 20% of a team, and private equity firms collectively are capped at 30%. In addition, the NBA retains the right to approve investors into the league.

The NBA's decision followed Major League Baseball's (MLB) 2019 move to permit institutional investors, making the NBA the second North American sports league to adopt this model (though some news reports said NBA was the first),⁹⁰ while the first private investment in sports reportedly happened in Europe in 2006.⁹¹ The change created a new market for minority stakes, enhancing liquidity and potentially further driving up franchise values. Some industry experts believe the COVID-19 pandemic accelerated this shift, as the global sports shutdown left teams cash-strapped, along with their investors, whose cash flow from other sources might have been disrupted.⁹² With private equity capital flowing in and the supply of sports teams remaining scarce, some projections suggest NBA teams could reach \$10 billion valuations in the coming decades. At the end of 2022, the NBA expanded this policy, allowing sovereign wealth funds, pension funds, and university endowments to invest. These entities offer long-term ownership stability and potentially provide the teams with massive financial resources.⁹³ For example, some university endowments manage over \$50 billion assets.

As of 2024, all four major North American sports leagues – MLB, NBA, NFL, and NHL – allow private equity ownership, each with its own set of conditions.

Figure 5: North American Sport Leagues' Private Equity Ownership Rules⁹⁴

	NBA	NFL	NHL	MLB
Number of Teams In The League	30 ⁹⁵	32 ⁹⁶	32 ⁹⁷	30 ⁹⁸
Max. Ownership by Private Equity Investors	30%	10%	30%	30%
Max. Ownership for A Single Private Equity Investor	20%	10%	20%	15%
Max. Number of Teams A Private Investor Can Own	5	6	5%	Unlimited
Min. Investment	N/A	3%	\$20 Million	N/A
Min. Holding Period	N/A	N/A	N/A	N/A

⁸⁹ The NBA Has Embraced Private Equity. <https://www.nytimes.com/athletic/3133550/2022/02/17/the-nba-has-embraced-private-equity-with-team-values-skyrocketing-is-outside-money-inevitable-for-every-franchise/>

⁹⁰ MLB Private Equity Ownership Rules. <https://www.sportico.com/feature/mlb-ownership-rules-private-equity-1234784526/>

⁹¹ When Did Private Equity Start Investing in Sports Teams. <https://www.sportico.com/business/finance/2024/when-did-private-equity-start-investing-in-sports-teams-1234779117/>

⁹² With Sports on Pause, New Opportunities to Buy Stakes in Cash-Strapped Teams Could Arise.

<https://www.cnbc.com/2020/05/02/with-sports-on-pause-new-opportunities-to-buy-stakes-in-cash-strapped-teams-could-arise.html>

⁹³ NBA Allowing Sovereign Wealth Funds to Invest in Teams. <https://www.nytimes.com/athletic/3957707/2022/12/01/nba-sovereign-wealth-funds-ownership/>

⁹⁴ NFL's Private Equity Rules Include Carry On Future Deals. <https://www.sportico.com/business/team-sales/2024/nfl-private-equity-rules-forced-sale-carry-cut-funds-1234795107/>

⁹⁵ NBA Teams & Rosters. <https://www.nba.com/teams>

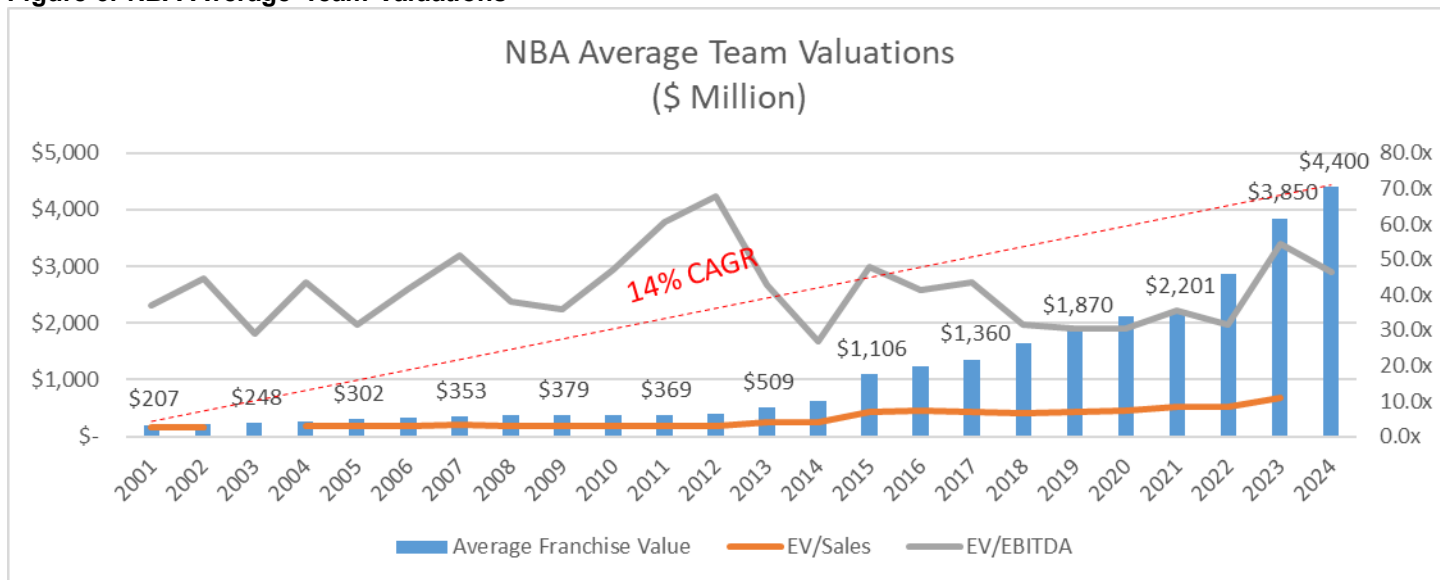
⁹⁶ NFL Football Teams. <https://www.nfl.com/teams/>

⁹⁷ Official Site of the National Hockey League. <https://www.nhl.com/info/about-the-nhl>

⁹⁸ All 30 MLB Teams. <https://www.mlb.com/team>

From 2001 to 2024, according to Forbes' valuations, the average value of NBA teams increased from an estimated \$207 million to \$4.4 billion,⁹⁹ reflecting a 14% CAGR. During this period, both the average and median EV/EBITDA multiples were estimated at around 40x. Over this 24-year span, the average valuation declined only once, with a -3% drop in 2010. Even during the Great Financial Crisis in 2008 and the COVID-19 Pandemic in 2021, the average NBA team value continued to grow at a low-to-mid-single-digit percentage.

Figure 6: NBA Average Team Valuations¹⁰⁰

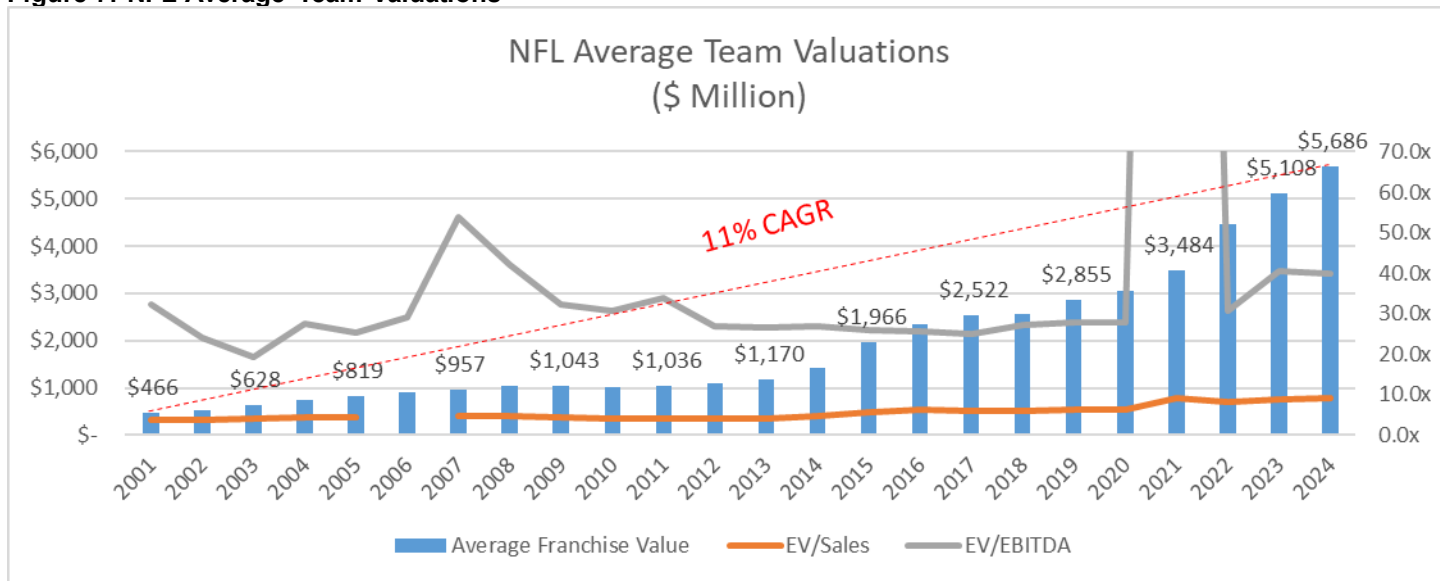


Notes:

1. The data above is collected and calculated by the author from Forbes' annually released team valuations.
2. Average team valuations, revenue, and EBITDA are used to calculate valuation multiples each year.
3. Disconnected lines indicate unavailable data.

From 2001 to 2024, according to Forbes' valuations, the average value of NFL teams increased from an estimated \$466 million to \$5.7 billion, reflecting an 11% CAGR. During this period, the median EV/EBITDA multiple was estimated at around 28x. Over this 24-year span, the average valuation declined only once, with a -2% drop in 2010. Even during the Great Financial Crisis in 2008 and the COVID-19 Pandemic in 2021, the average team value continued to grow.

Figure 7: NFL Average Team Valuations¹⁰¹



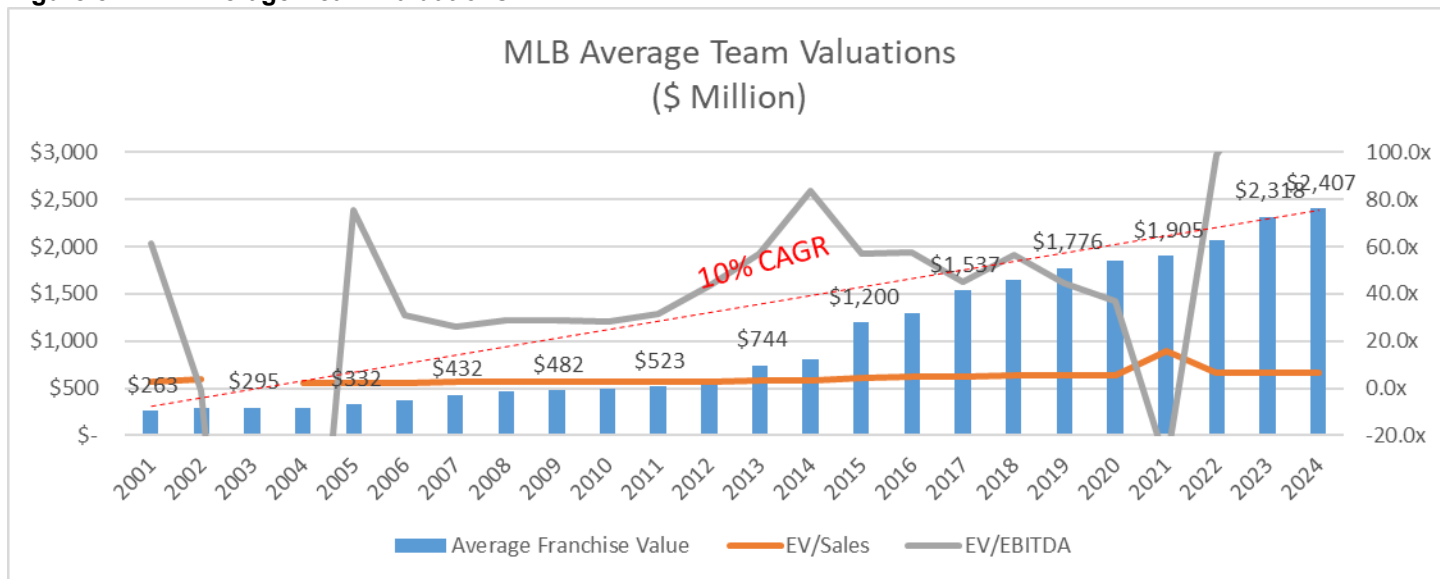
Notes:

⁹⁹ Data is manually collected and organized by the author from Forbes' public releases. NBA Franchise Value 2001 – 2024. Forbes.
¹⁰⁰ Data is manually collected and organized by the author from Forbes' public releases. NBA Franchise Value 2001 – 2024. Forbes.
¹⁰¹ Data is manually collected and organized by the author from Forbes' public releases. NFL Franchise Value 2001 – 2024. Forbes.

1. The data above is collected and calculated by the author from Forbes' annually released team valuations.
2. Average team valuations, revenue, and EBITDA are used to calculate valuation multiples each year.
3. Disconnected lines indicate unavailable data.

From 2001 to 2024, according to Forbes' valuations, the average value of MLB teams increased from an estimated \$263 million to \$2.4 billion, reflecting a 10% CAGR. During this period, the median EV/EBITDA multiple was estimated at around 44x. Over this 24-year span, the average valuation has not declined once, despite occasional declines in estimated operating income. Even during the Great Financial Crisis in 2008 and the COVID-19 Pandemic in 2021, when the MLB saw an operating loss, the average team value continued to grow.

Figure 8: MLB Average Team Valuations¹⁰²



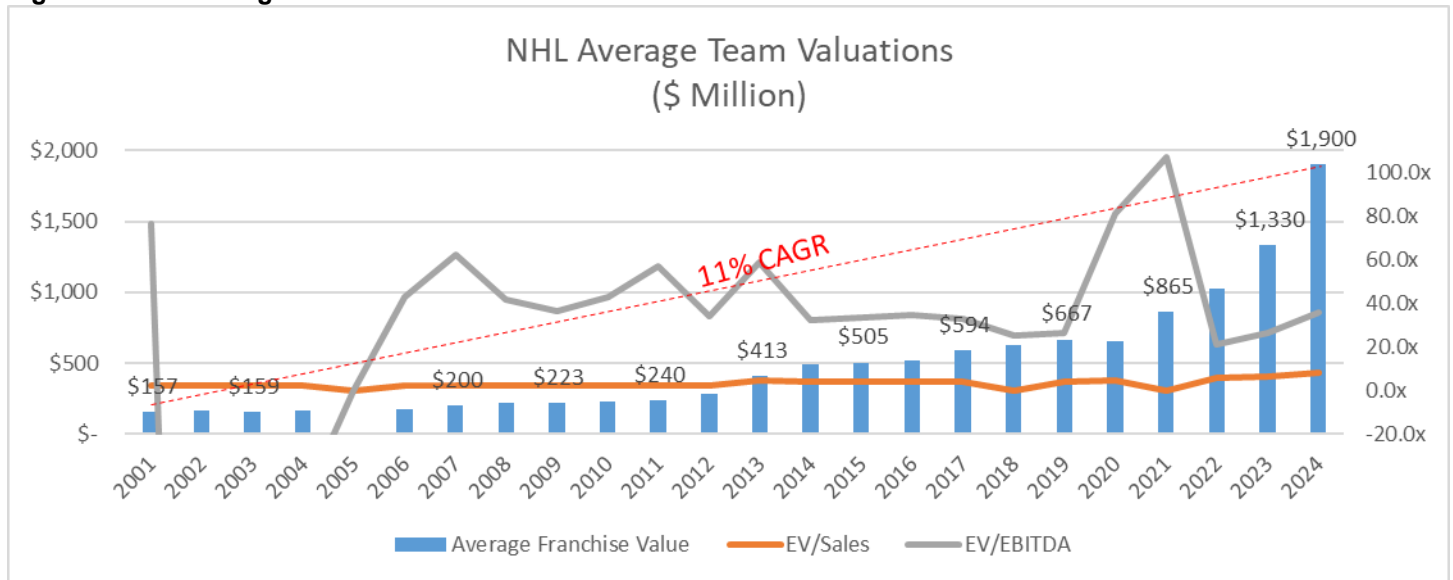
Notes:

1. The data above is collected and calculated by the author from Forbes' annually released team valuations.
2. Average team valuations, revenue, and EBITDA are used to calculate valuation multiples each year.
3. Disconnected lines indicate unavailable data.

From 2001 to 2024, according to Forbes' valuations, the average value of NHL teams increased from an estimated \$157 million to \$1.9 billion, reflecting an 11% CAGR. During this period, the median EV/EBITDA multiple was estimated at around 35x. Over this 24-year span, the average valuation has declined only twice at low-single-digit-percentage as shown by available data. Even during the Great Financial Crisis in 2008 and the COVID-19 Pandemic in 2021, NHL team values demonstrated remarkable resilience to negative macroeconomic conditions.

¹⁰² Data is manually collected and organized by the author from Forbes' public releases. MLB Franchise Value 2001 – 2024. Forbes.

Figure 9: NHL Average Team Valuations¹⁰³



Notes:

1. The data above is collected and calculated by the author from Forbes' annually released team valuations.
2. Average team valuations, revenue, and EBITDA are used to calculate valuation multiples each year.
3. 2005 data was not found.
4. Disconnected lines indicate unavailable data.

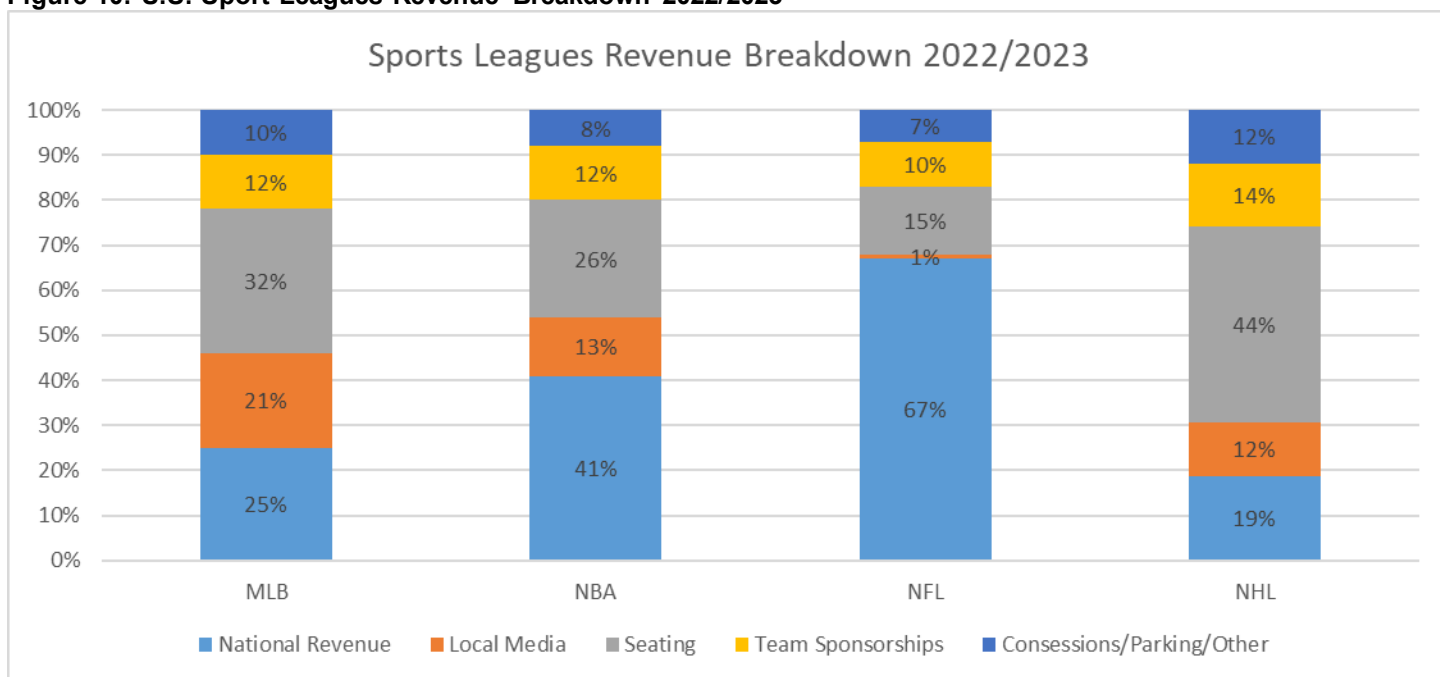
¹⁰³ Data is manually collected and organized by the author from Forbes' public releases. NHL Franchise Value 2001 – 2024. Forbes.

Modern sports leagues and their teams are run like corporations, managed by professional sports executives who generate revenue through various channels. These include ticket sales, sponsorships tied to their fan base, merchandise, and broadcasting rights. At the same time, they cover expenses such as player salaries, stadium costs, coaching staff, and marketing, ultimately delivering returns to their shareholders or team owners.

A 2022 study conducted by Farmingdale State College at the State University of New York estimated that the majority of revenue for the average U.S. sports team comes from non-ticket sources.¹⁰⁴ The most common sources include naming rights, broadcasting rights, and licensing income. Specifically, non-ticket revenue accounted for approximately 71% in MLB, 78% in the NBA, 85% in the NFL, and 64% in the NHL, with the remainder coming from gate revenues such as ticket sales. In terms of expenses, the largest share went to player costs, including salaries, benefits, and bonuses, making up between 50% and over 60% of total expenditure.¹⁰⁵ Furthermore, player costs accounted for less than 50% of total revenue across these leagues. **The study also estimated the average operating income margin (EBITDA margin) for major leagues: 12.5% for MLB teams, 22.5% for the NBA, 22.6% for the NFL, and 13.3% for the NHL.**

Another research indicates that the continuous expansion of media rights for sports leagues significantly boosts franchise values, as media rights serve as a major revenue source,¹⁰⁶ which is typically shared equally among member teams of major sports leagues such as the “Big Four” in North America and English Premier League. According to Sportico, a sports media outlet, media revenues from items such as national TV, streaming, and local media accounted (national revenue + local media) for approximately 45% to over 60% of total revenue for major sports leagues based on estimates from the 2022-2023 seasons.¹⁰⁷ The exception was the HNL, where media revenues made up only about 30% of total revenue.

Figure 10: U.S. Sport Leagues Revenue Breakdown 2022/2023¹⁰⁸



Note:

1. National revenue refers to income generated at the national level, including earnings from national TV broadcasting and streaming rights.

¹⁰⁴ The sample data in the study was based on 2018 estimates for the mentioned sports leagues. Sepulveda, Cristian F., Cost-Benefit Analysis of An ‘Average’ Professional Sports Team or Stadium in the United States (December 15, 2022).

¹⁰⁵ The study’s data on these sports leagues was sourced from Forbes’ 2018 reports. Sepulveda, Cristian F., Cost-Benefit Analysis of An ‘Average’ Professional Sports Team or Stadium in the United States (December 15, 2022).

¹⁰⁶ Chase Browndorf, A New Kind of Pitch: The Rise of Sports Dedicated Private Equity Funds and the Future of the Single Entity Defense, 28 Jeffrey S. Moorad Sports L.J. 335 (2021).

¹⁰⁷ How Do Sports Teams, Leagues and Owners Make Money. Sportico. <https://www.sportico.com/feature/how-sports-teams-leagues-make-money-1234766931/>

¹⁰⁸ How Do Sports Teams, Leagues and Owners Make Money. Sportico. <https://www.sportico.com/feature/how-sports-teams-leagues-make-money-1234766931/>

-
2. The revenue breakdown above provides a general overview of the “Big Four” sports leagues. However, within the same league, individual teams can have vastly different financial outcomes due to factors such as team operations, management decisions, and local market conditions.

Over the past two decades, the value of the NBA's media rights has grown substantially, rising from \$4.6 billion for a six-year deal covering the 2002–2007 seasons (or \$767 million per year) to \$76 billion for an eleven-year contract spanning the 2025–2035 seasons (or \$6.9 billion per year).¹⁰⁹ Although CAGR is not an ideal metric for measuring the growth in annual media rights value, the average annual figure has grown at a 6% CAGR from 2002 to 2024.¹¹⁰

Similarly, the NFL's media rights have expanded from \$2.2 billion per year in 2001 to approximately \$10 billion per year in 2024, reflecting a 7% CAGR.¹¹¹

MLB collected over \$415 million per year from its exclusive TV broadcasting deal with Fox between 2001 and 2006.¹¹² The most recent media rights agreement, covering 2022 to 2028, is valued at \$1.8 billion annually.¹¹³ This reflects a nearly 7% CAGR from 2001 to 2024, in line with other major sports leagues.

Estimating the NHL's media rights deals in the early 2000s is challenging, as broadcasts covered both the U.S. and Canada, and official figures were not always disclosed. However, by 2008, NHL broadcasting rights in Canada were reportedly valued at approximately 140 million CAD per year.¹¹⁴ This suggests that in the early 2000s, the value was likely below 100 million CAD (around \$70 million). **In the U.S., media rights were valued at approximately \$120 million per year during the same period,¹¹⁵ bringing total annual media rights revenue to about \$200 million. By 2024, NHL media rights in the U.S. had grown to an estimated \$630 million annually,¹¹⁶ while Canadian rights reached \$430 million,¹¹⁷ totaling \$1 billion. This reflects a CAGR of approximately 7% from 2001 to 2024, consistent with other major sports leagues.**

¹⁰⁹ 2002 – 2007: The N.B.A. Takes the Money in a Fast Break to Cable

<https://web.archive.org/web/20150527213303/https://www.nytimes.com/2002/01/23/sports/pro-basketball-the-nba-takes-the-money-in-a-fast-break-to-cable.html>; 2008 – 2015: NBA's \$7.4 Billion TV Deals Boosted by New Media.

<https://www.reuters.com/article/lifestyle/nba-s-7-4-billion-tv-deals-boosted-by-new-media-idUSN28301462/>; 2016 – 2025: New NBA TV Deal with ESPN, Turner Sports Worth \$24 Billion Over Nine Years. <https://www.si.com/nba/2014/10/06/new-nba-tv-deal-worth-24-billion>; NBA New Media Rights Agreements Reflect The Growth Of Streaming.

<https://www.forbes.com/sites/bradadgate/2024/07/29/nba-new-media-rights-agreement-reflect-the-growth-of-streaming/>

¹¹⁰ The average value of the NBA's media rights was \$2.7 billion per year during its 2016 to 2024 seasons. 2016 – 2025: New NBA TV Deal with ESPN, Turner Sports Worth \$24 Billion Over Nine Years. <https://www.si.com/nba/2014/10/06/new-nba-tv-deal-worth-24-billion>

¹¹¹ 1998 – 2005: Thrown For A Loss by The NFL. <https://time.com/archive/6732149/thrown-for-a-loss-by-the-nfl/>; 2006 – 2013: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2014 – 2021: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2022 – 2033: NFL's Next Big Media Rights Payday Is Years Off.

<https://www.cnn.com/2024/09/04/nfl-media-rights-media-landscape.html>

¹¹² Fox Forks Out \$2.5 Billion for MLB Rights. <https://www.cbc.ca/sports/baseball/fox-forks-out-2-5-billion-for-mlb-rights-1.243479>

¹¹³ Sports Media Rights on The Rise. <https://web.archive.org/web/20220327021519/https://www.axios.com/pro/media-deals/2022/03/21/sports-media-rights-rise-next-decade>

¹¹⁴ TSN Scores With More Maple Leafs Games.

<https://web.archive.org/web/20081015055837/https://www.theglobeandmail.com/servlet/story/RTGAM.20080603.truth04/BNStory/GlobeSportsHockey/?query=>

¹¹⁵ NHL Thriving as It Hits Midway Point of Current Media Rights Deal. <https://www.spglobal.com/market-intelligence/en/news-insights/research/nhl-thriving-as-it-hits-midway-point-of-current-media-rights-deal>

¹¹⁶ NHL Thriving as It Hits Midway Point of Current Media Rights Deal. <https://www.spglobal.com/market-intelligence/en/news-insights/research/nhl-thriving-as-it-hits-midway-point-of-current-media-rights-deal>

¹¹⁷ NHL Looking for Double Amount in Canada Media Rights Deal. <https://www.sportsbusinessjournal.com/Articles/2024/11/21/nhl-canada-media-rights/>

Figure 11-1: NBA Media Rights¹¹⁸

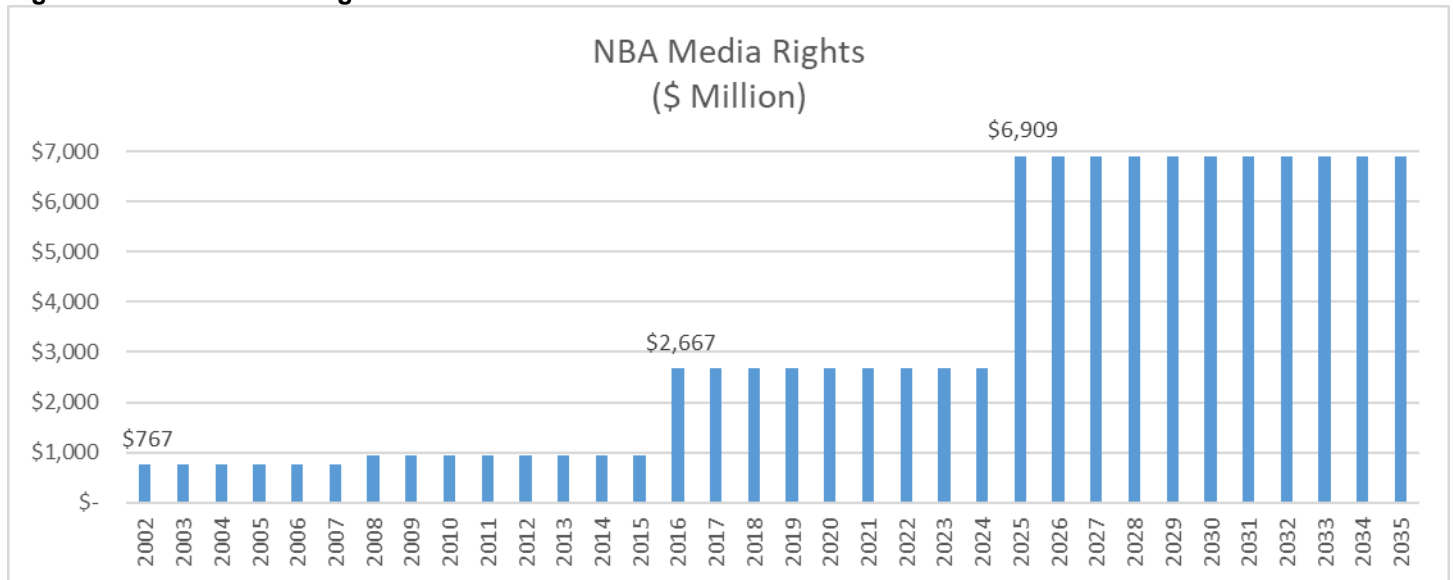
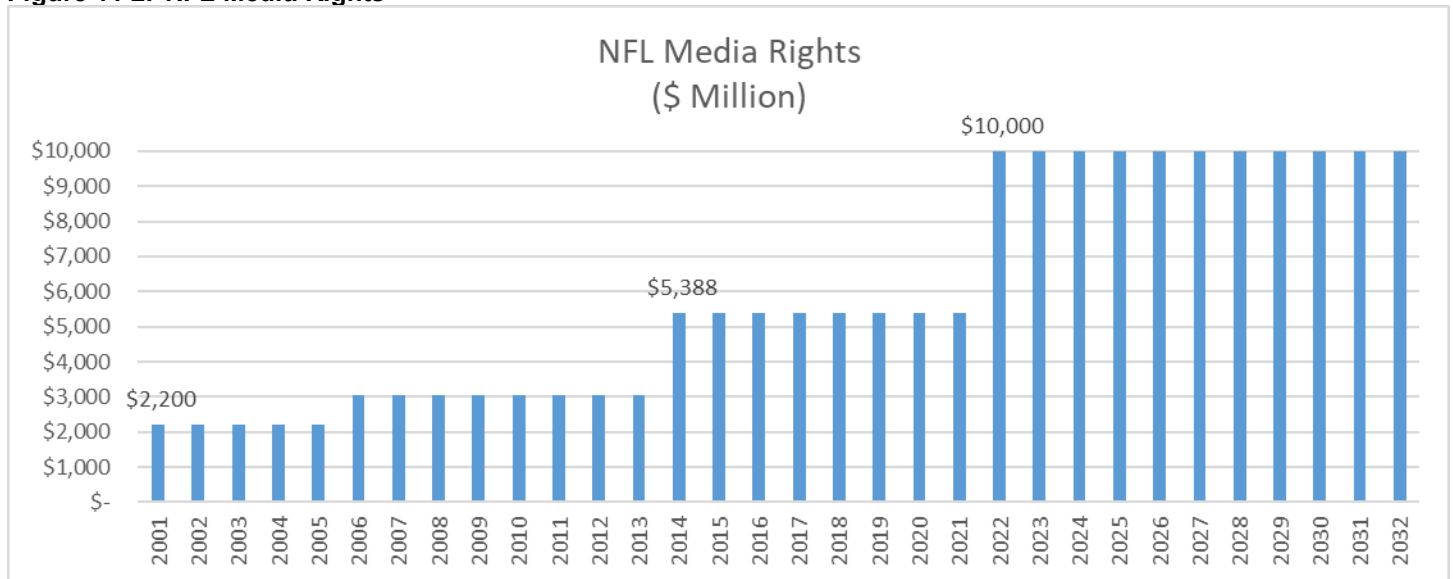


Figure 11-2: NFL Media Rights¹¹⁹



What Makes Sports a Good Asset Class?

Sports have become an increasingly attractive asset class for wealthy investors due to their sustainable long-term financial growth, low correlation to other asset classes, tax advantages, and diversified revenue streams. Unlike traditional investments that fluctuate with market cycles, professional sports leagues and their teams generate revenue

¹¹⁸ 2002 – 2007: The N.B.A. Takes the Money in a Fast Break to Cable <https://web.archive.org/web/20150527213303/https://www.nytimes.com/2002/01/23/sports/pro-basketball-the-nba-takes-the-money-in-a-fast-break-to-cable.html>; 2008 – 2015: NBA's \$7.4 Billion TV Deals Boosted by New Media. <https://www.reuters.com/article/lifestyle/nba-s-7-4-billion-tv-deals-boosted-by-new-media-idUSN28301462/>; 2016 – 2025: New NBA TV Deal with ESPN, Turner Sports Worth \$24 Billion Over Nine Years. <https://www.si.com/nba/2014/10/06/new-nba-tv-deal-worth-24-billion>; NBA New Media Rights Agreements Reflect The Growth Of Streaming. <https://www.forbes.com/sites/bradadgate/2024/07/29/nba-new-media-rights-agreement-reflect-the-growth-of-streaming/>

¹¹⁹ 1998 – 2005: Thrown For A Loss by The NFL. <https://time.com/archive/6732149/thrown-for-a-loss-by-the-nfl/>; 2006 – 2013: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2014 – 2021: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2022 – 2033: NFL's Next Big Media Rights Payday Is Years Off. <https://www.cncb.com/2024/09/04/nfl-media-rights-media-landscape.html>

primarily through long-term media rights deals, which provide financial stability even during economic downturns. As Figures 11-1 and 11-2 illustrate above, these contracts ensure a steady income stream, making the business resilient. In addition, live sports maintain strong global appeal, as fans prefer watching games in real time, both in-person and via broadcast. Sports uniquely transcend borders and cultures, with massive global fan bases. For example, soccer, the world's most popular sport, is estimated to have 3.5 billion fans, followed by cricket 2.5 billion, hockey 2 billion, tennis 1 billion, and volleyball 900 million.¹²⁰

This massive fan base for sports leads to enormous opportunities for broadcasters and marketers, driving fierce competition for media rights and sponsorship deals. For example, the National Football League's media rights have expanded from \$2.2 billion per year in 2001 to approximately \$10 billion per year in 2024, reflecting a 7% CAGR.¹²¹ The sports sponsorship industry has also experienced substantial growth, with global sponsorship spending rising from an estimated \$30 billion in 2008 to \$105 billion in 2023, a 9% CAGR.¹²²

A key driver of sports' investment appeal is asset scarcity. There are only about 150 top-tier teams across major U.S. leagues, and high barriers to entry prevent new competitors from disrupting the industry.¹²³ For example, the NBA, which started with 12 teams in 1948, has not expanded since 2004, maintaining 30 teams today.¹²⁴ Similarly, the NFL has remained at 32 teams for over two decades. This limited supply, combined with increasing media rights values, sponsorship revenue, and investor demand, has led to consistently rising franchise valuations. The average NBA franchise value grew from \$207 million in 2001 to \$4.4 billion in 2024,¹²⁵ reflecting a 14% CAGR. Similarly, NFL team valuations increased from \$466 million to \$5.7 billion over the same period,¹²⁶ reflecting an 11% CAGR.

In 2023, Major League Cricket was launched in the U.S. with six teams, all owned by individuals or groups with Indian backgrounds. The Texas Super Kings are owned by the Chennai Super Kings (an Indian Premier League franchise) and Anurag Jain, an Indian-American venture capitalist. The Los Angeles Knight Riders are backed by the Knight Riders Group, which also owns the Kolkata Knight Riders in the Indian Premier League. MI New York is owned by Indiawin Sports, a subsidiary of Reliance Industries, the Indian conglomerate that also owns the Mumbai Indians, another Indian Premier League franchise. The San Francisco Unicorns are led by Indian entrepreneurs Anand Rajaraman and Venky Harinarayan. The Seattle Orcas are owned by the GMR Group, one of India's largest conglomerates, along with Microsoft CEO Satya Nadella. Finally, Washington Freedom is owned by Sanjay Govil, an Indian-American entrepreneur. Since the league is still in its early stages, its financial impact on investors remains uncertain.

Another factor attracting sports investment is the revenue-sharing mechanisms that ensure financial stability across franchises. According to Sportico, media revenues, including national TV, streaming, and local media, accounted for approximately 30% to over 60% of total revenue for the "Big Four" major sports leagues in 2024.¹²⁷ Revenue-sharing

¹²⁰ World's Ten Most Popular Sports Revealed with Host of Shock Entries Including Hockey THIRD And Volleyball in Top Five.

<https://www.thesun.co.uk/sport/30816024/ten-most-popular-sports-revealed-hockey-volleyball-football/>

¹²¹ 1998 – 2005: Thrown For A Loss by The NFL. <https://time.com/archive/6732149/thrown-for-a-loss-by-the-nfl/>; 2006 – 2013: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2014 – 2021: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2022 – 2033: NFL's Next Big Media Rights Payday Is Years Off.

<https://www.cnn.com/2024/09/04/nfl-media-rights-media-landscape.html>

¹²² 2008: Stressed Advertisers Blow the Whistle on Sports Sponsorship Deals. WSJ.

<https://www.wsj.com/articles/SB122890850076094477>; 2011 – 2019: Global Ad Trends. World Advertising Research Center.

<https://www.warc.com/newsandopinion/news/global-ad-trends-tokyo-olympics-drives-sports-sponsorship-new-record/en-gb/43161>; 2020: Sponsorship Spend to Fall \$17.2bn. <https://twocircles.com/gb/articles/projections-sponsorship-spend-to-fall-17-2bn/>; 2023: Getting Measurement Right to Understand Sponsorship Impact. <https://www.warc.com/content/paywall/article/warc-exclusive/getting-measurement-right-to-understand-sponsorship-impact/en-GB/156708>

¹²³ The Wealthy Are Turning to Sports for Diversification. <https://www.barrons.com/articles/the-wealthy-are-turning-to-sports-for-diversification-9726aaac>

¹²⁴ NBA Expansion Hasn't Happened for 20 Years. <https://www.cbssports.com/nba/news/nba-expansion-hasnt-happened-for-20-years-so-what-does-the-future-hold-as-league-looks-to-grow-to-32-teams/#:~:text=The%20NBA%20has%20had%2030,teams%20have%20been%20founded%20since>

¹²⁵ NBA Franchise Value 2001 – 2024. Forbes.

¹²⁶ NFL Franchise Value 2001 – 2024. Forbes.

¹²⁷ How Do Sports Teams, Leagues and Owners Make Money. Sportico. <https://www.sportico.com/feature/how-sports-teams-leagues-make-money-1234766931/>

structures vary, but most major leagues distribute national media and sponsorship earnings equally among teams, reducing the financial impact of on-field performance of individual teams. Historical data indicates that media rights values typically increase over time. The NFL's media rights, for example, expanded from \$2.2 billion per year in 2001 to approximately \$10 billion in 2024,¹²⁸ reflecting a 7% CAGR. The MLB's media rights deal with Fox grew from \$415 million per year (2001–2006)¹²⁹ to \$1.8 billion annually (2022–2028),¹³⁰ reflecting a nearly 7% CAGR from 2001 to 2024, in line with other major sports leagues. The Indian Premier League's annual title sponsorship grew from \$9 million in 2008 to \$60 million in 2024, a 12% CAGR.¹³¹ As long as leagues continue to negotiate lucrative media rights and sponsorship deals while avoiding rapid expansion of teams, franchise revenues will continue growing over time.

Beyond leagues' media rights and sponsorships, professional sports teams generate revenue from ticket sales, team sponsorships, merchandise, and, increasingly, real estate. When a sports franchise a league such as the Indian Premier League (IPL) is first auctioned, the ownership rights granted to franchise owners include the authority to operate in a specific region, control over the team's operations, and financial interests. Depending on sports leagues, these rights might not initially include ownership of any real estate.¹³² Team owners must either rent an existing stadium¹³³ or invest in building their own. For example, Eden Gardens, the home stadium of the Indian Premier League team Kolkata Knight Riders, is owned and operated by the Cricket Association of Bengal.¹³⁴

Many teams (or their owners) now have transformed into real estate empires, using stadiums as anchors for large-scale commercial and residential developments. Between 1970 and 2020, U.S. cities reportedly spent \$33 billion in public funds on stadium construction, with taxpayers covering a median of 73% of costs.¹³⁵ Owners often secure lucrative development rights in these deals, leveraging the threat of relocation to extract better incentives from cities. Cities compete for teams by offering generous subsidies and land rights, further enhancing the team owners' asset values.

Recent stadium projects illustrate this trend. Home to Los Angeles Rams (NFL), SoFi Stadium's \$5 billion Hollywood Park district includes luxury apartments, a movie theater, and 500,000 square feet of retail. The Atlanta Braves developed The Battery Atlanta, featuring an office tower, residential units, and a live music venue. The Texas Rangers' Globe Life Field is surrounded by a luxury apartment complex advertising, "Live Next to the World Series Champions." A scholar who studies sports facility economics at the University of Colorado Denver explained, "Every time you get a new stadium, an owner wants to get real estate with it and the rights to develop everything around... They can make more money with development rights than they can operating the stadium by itself."¹³⁶

This strategy drives up surrounding property values, further increasing franchise owners' long-term returns. Inglewood, home to SoFi Stadium, has seen soaring real estate prices,¹³⁷ boosting the value of Stan Kroenke's investment, who owns Los Angeles Rams (NFL), Denver Nuggets (NBA), and Colorado Avalanche (NHL), as well as other sports teams

¹²⁸ 1998 – 2005: Thrown For A Loss by The NFL. <https://time.com/archive/6732149/thrown-for-a-loss-by-the-nfl/>; 2006 – 2013: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2014 – 2021: Sports Television Contracts in the U.S. <https://www.sportico.com/feature/sports-television-contracts-media-nfl-nba-ncaa-rights-1234764931/>; 2022 – 2033: NFL's Next Big Media Rights Payday Is Years Off. <https://www.cnn.com/2024/09/04/nfl-media-rights-media-landscape.html>

¹²⁹ Fox Forks Out \$2.5 Billion for MLB Rights. <https://www.cbc.ca/sports/baseball/fox-forks-out-2-5-billion-for-mlb-rights-1.243479>

¹³⁰ Sports Media Rights on The Rise. <https://web.archive.org/web/20220327021519/https://www.axios.com/pro/media-deals/2022/03/21/sports-media-rights-rise-next-decade>

¹³¹ 2008 – 2022: Vivo Retains IPL Title Rights Till 2022 After Massive Bid. <https://www.espn.com/story/vivo-retains-ipl-title-rights-till-2022-after-massive-bid-1106833>; 2024 – 2028: Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>

¹³² The Changing Economics of Sports Stadiums and Arenas. <https://www.loeb.com/en/insights/publications/unused/the-changing-economics-of-sports-stadiums-and-ar>

¹³³ Amrit Mathur on How An IPL Franchise Organises Home Games During The Season. <https://www.espn.com/story/amrit-mathur-on-how-an-ipl-franchise-organises-home-games-during-the-season-632970>

¹³⁴ Eden Gardens Capacity. <https://cricketstadiumsinfo.com/eden-gardens-capacity/#:~:text=Eden%20Gardens%20is%20an%20iconic,ground%20for%20Kolkata's%20cricket%20teams>

¹³⁵ Why Billionaire Sports Owners Are Snapping Up So Much Real Estate. CNN. <https://www.cnn.com/2024/02/08/business/sports-stadiums-real-estate-cities/index.html>

¹³⁶ Why Billionaire Sports Owners Are Snapping Up So Much Real Estate. CNN. <https://www.cnn.com/2024/02/08/business/sports-stadiums-real-estate-cities/index.html>

¹³⁷ 'The Stadium Is Secondary' How US Sports Teams Became Real-Estate Speculators. Guardian. <https://www.theguardian.com/sport/2023/dec/06/mixed-use-development-sports-teams-owners-stadiums>

around the world. Similarly, the Chase Center in San Francisco spurred office development, attracting major tenants like Uber. However, research suggests these projects provide limited public economic benefits. A study in the Journal of Policy Analysis and Management found that stadium subsidies primarily enrich billionaire owners, millionaire players, and wealthy fans while failing to generate significant new economic activity.¹³⁸

Kroenke's \$5 billion, 70,240-capacity SoFi Stadium and 298-acre Hollywood Park development also exemplify the growing trend of sports franchises leveraging real estate to maximize revenue beyond game days. In addition to retail, residential, and office, the entertainment spaces allow the facilities to host entertaining events by celebrities such as Taylor Swift and Bad Bunny.¹³⁹ It was reported that Taylor Swift's Levi's Stadium concerts, commissioned by the San Francisco 49ers, had a \$33.5 million impact on the county, comparable to NFL games.

Owning a sports team has long been a common practice for ultra-wealthy individuals. According to Bloomberg, 42 of the world's 500 richest people own U.S. sports teams, of whom forty are American.¹⁴⁰ Beyond the operating benefits such as revenue streams from media rights and ticket sales, owning a sports team also provides significant tax benefits to owners.

Prior to 2004, most of a franchise's intangible assets, such as goodwill, player contracts, media rights, and branding, could not be deducted, especially if they were considered to have an indeterminable lifespan.¹⁴¹ That changed with the passage of the American Jobs Creation Act of 2004, a bill lobbied for by Major League Baseball (MLB) and supported by the National Football League (NFL).¹⁴² Signed into law by then-President George W. Bush, himself a former part-owner of the Texas Rangers, **the legislation allowed sports team owners to amortize intangible assets over 15 years,¹⁴³ even if those assets appreciated in value. This meant that owners could now write off not only tangible assets, such as real estate owned by the team, but also player contracts, TV and radio deals, franchise branding, and even goodwill, an accounting concept that represents the perceived value of a business's reputation.**

As a result, sports franchise owners now can typically deduct up to 90% of their team's purchase price over 15 years, significantly reducing their taxable income. For example, when Steve Ballmer purchased the Los Angeles Clippers for \$2 billion in 2014, he reported \$700 million in (paper) losses over five years, largely due to amortization. Likewise, David Tepper's purchase of the Carolina Panthers in 2018 resulted in a \$115 million tax loss, despite the franchise's increasing value.¹⁴⁴ This system allows owners to report paper losses even while generating real profits, effectively lowering their tax liabilities. In some cases, billionaire team owners pay lower tax rates than their own players or even stadium employees. In 2018, Steve Ballmer's federal tax rate was just 12% on his \$656 million income, while LeBron James paid 35.9% on his \$124 million income.

Although some argue that owners eventually repay these deferred taxes when they sell their teams, the delay effectively serves as an interest-free loan from taxpayers. Owners can invest the untaxed money elsewhere, generating substantial financial gains over time. In addition, the amortization benefit applies regardless of whether the team is profitable or not. A sports franchise operating at a loss can use even larger paper losses to offset taxes on owners' other income sources. For example, Dan Gilbert, billionaire founder of Quicken Loans and owner of the Cleveland Cavaliers (NBA), reduced his taxable income by approximately \$443 million between 2005 and 2018. During that period, the Cavaliers won their first-ever NBA Championship in 2016. However, Gilbert's lawyer maintained that the team consistently lost money, stating in an email to the media:

¹³⁸ Why Billionaire Sports Owners Are Snapping Up So Much Real Estate. CNN. <https://www.cnn.com/2024/02/08/business/sports-stadiums-real-estate-cities/index.html>

¹³⁹ 'The Stadium Is Secondary' How US Sports Teams Became Real-Estate Speculators. Guardian.

<https://www.theguardian.com/sport/2023/dec/06/mixed-use-development-sports-teams-owners-stadiums>

¹⁴⁰ Trump's Sports Taxes Could Target Team Owners Worth \$869 Billion. <https://www.msn.com/en-us/money/news/trump-s-sports-taxes-could-target-team-owners-worth-869-billion/ar-AA1yEXwu>

¹⁴¹ Sports Team Owners Can Still Win on Taxes Despite IRS Scrutiny. <https://news.bloombergtax.com/tax-in-sights-and-commentary/sports-team-owners-can-still-win-on-taxes-despite-irs-scrutiny>

¹⁴² Tax Bill Worth Millions to Pro Teams Is Approved. The New York Times.

<https://web.archive.org/web/20180228081623/https://www.nytimes.com/2004/10/12/sports/tax-bill-worth-millions-to-pro-teams-is-approved.html>

¹⁴³ The Billionaire Playbook - How Sports Owners Use Their Teams to Avoid Millions in Taxes. <https://www.propublica.org/article/the-billionaire-playbook-how-sports-owners-use-their-teams-to-avoid-millions-in-taxes>

¹⁴⁴ The Billionaire Playbook - How Sports Owners Use Their Teams to Avoid Millions in Taxes. <https://www.propublica.org/article/the-billionaire-playbook-how-sports-owners-use-their-teams-to-avoid-millions-in-taxes>

“During the entire time after Mr. Gilbert’s purchase of the team, the Cavaliers has operated with an actual loss (negative cash flow/negative income) unrelated to any depreciation or amortization and there have been no funds to distribute to Mr. Gilbert or any other owner...[without the tax write-off for amortization], there would be no capital investments made by owners, and businesses would be taxed on revenue without properly taking into account all costs necessary to generate that revenue. That would be antithetical to capitalism and fatal to the United States’ economy.”¹⁴⁵

These tax advantages have attracted increasing scrutiny from the Internal Revenue Agency.¹⁴⁶ In February 2025, the Trump administration announced plans to eliminate “all special tax breaks for billionaire sports team owners,” in an effort to address inequities in the tax system.¹⁴⁷ It remains unclear how much these tax benefits have contributed to the rising valuations of major sports teams. However, since tax savings effectively and immediately put cash in a buyer’s pocket, they enable potential owners to afford higher bids. It owners were suddenly unable to write off these assets, it “could be pretty devastating to the value of sports teams.”¹⁴⁸ A tax lawyer explained:

“That tax savings is effectively cash in the investing owner’s pocket, which means they can probably afford to pay a little more for the team...From a seller’s perspective, it’s increased the value the team if they’re able to extract additional purchase price because the buyer may be able to claim tax relief. Maybe they split it...Any tax savings that they can show on this spreadsheet, through depreciation and bonus depreciation, is helpful to go to their investment committee and get approval to increase the bid.”¹⁴⁹

¹⁴⁵ The Billionaire Playbook - How Sports Owners Use Their Teams to Avoid Millions in Taxes. <https://www.propublica.org/article/the-billionaire-playbook-how-sports-owners-use-their-teams-to-avoid-millions-in-taxes>

¹⁴⁶ Sports Team Owners Can Still Win on Taxes Despite IRS Scrutiny. <https://news.bloombergtax.com/tax-insights-and-commentary/sports-team-owners-can-still-win-on-taxes-despite-irs-scrutiny>

¹⁴⁷ Trump Wants to End 'All Special Tax Breaks' for Rich Sports Team Owners. <https://finance.yahoo.com/news/trump-wants-end-special-tax-124000748.html>

¹⁴⁸ Trump Wants to End 'All Special Tax Breaks' for Rich Sports Team Owners. <https://finance.yahoo.com/news/trump-wants-end-special-tax-124000748.html>; Trump's Tax Cut Proposals Could Threaten Sports Team's Values. <https://www.cnbc.com/video/2025/02/07/trumps-tax-cut-proposals-could-threaten-sports-teams-values.html>

¹⁴⁹ Coveted Tax Write-Off for Sports Team Owners Going Away. <https://www.sportico.com/business/finance/2022/coveted-tax-write-off-for-sports-team-1234699071/>

Every Sports League and Team Is Different

While the overall sports leagues and their teams **seem** to constitute a strong long-term asset class, offering high returns, low correlations to other major asset classes, and resilience during economic downturns, individual leagues and teams can vary significantly in their financial performance. Just like equities and other investments, some teams and leagues perform far better than others. In addition, as of this writing, there is no investable index for this asset class. As a result, conducting a thorough financial analysis of a specific team is essential, as performance can differ significantly even within the same league due to factors such as team operations, management, and local market conditions. Moreover, because most sports teams worldwide are privately owned, their financial details are not readily accessible to most investors.

For example, the four major professional sports leagues in the U.S. exhibit significant differences in revenue and profitability. **The National Football League (NFL) is recognized as the world's wealthiest sports league,¹⁵⁰ generating \$20 billion in total revenue and \$4.6 billion in operating profit as of 2024.¹⁵¹ All 32 teams in the league are profitable.** In contrast, the National Basketball Association (NBA) generates \$11 billion in total revenue and \$2.6 billion in operating profit, but three of its 30 teams were unprofitable in 2024.¹⁵² Major League Baseball (MLB) also brings in \$11 billion in revenue but has a significantly lower operating profit of \$581 million, with six of its 30 teams operating at a loss.¹⁵³ Meanwhile, the National Hockey League (NHL) generates \$7 billion in revenue and \$1.7 billion in operating profit, with only one team being unprofitable in 2024.¹⁵⁴

Like all other asset classes, professional sports teams and leagues can go out of business for various reasons, such as poor management, financial struggles, or mergers and acquisitions. Throughout history, thousands of sports teams in North America have ceased operations, along with sports leagues.¹⁵⁵ For example, the XFL, a professional American football league launched in 2001 as a joint venture between the World Wrestling Federation (WWF) and NBC,¹⁵⁶ shut down after just one season due to significant financial losses. All eight teams folded as a result.

Similarly, the Continental Basketball Association (CBA), once the leading minor league for professional basketball in the U.S. from 1946 to 2009,¹⁵⁷ faced financial difficulties that led to its downfall.¹⁵⁸ By 2009, the league was struggling to field teams, ultimately ending its season early with only three remaining franchises. An industry expert suggested that one factor contributing to the CBA's decline was the National Basketball Association's (NBA) increasing involvement in player development.¹⁵⁹ The NBA established the NBA G League (then called the NBA Development League) in 2001 as its official minor league system, providing a structured pathway for young talent.

Mergers have also played a significant role in shaping today's professional sports. The American Football League (AFL), a major professional football league that operated from 1960 to 1970, eventually merged with the National Football League (NFL).¹⁶⁰ The merger resulted from years of secret negotiations aimed at resolving escalating competition and financial instability between the two leagues. The goal was to create a unified, structured league that

¹⁵⁰ Top 10 Richest Sports Leagues in The World Including National Football League, Indian Premier League, And Others. <https://timesofindia.indiatimes.com/sports/top-10-richest-sports-leagues-in-the-world-including-national-football-league-indian-premier-league-and-others/articleshow/113548384.cms>; Cowboys on the Forbes NFL Team Valuations List 2024.

<https://www.forbes.com/teams/dallas-cowboys/?list=nfl-valuations>

¹⁵¹ Cowboys on the Forbes NFL Team Valuations List 2024. <https://www.forbes.com/teams/dallas-cowboys/?list=nfl-valuations>

¹⁵² Golden State Warriors on the Forbes NBA Team Valuations List 2024. <https://www.forbes.com/teams/golden-state-warriors/?list=nba-valuations>

¹⁵³ MLB Valuations 2024. <https://www.forbes.com/lists/mlb-valuations/>

¹⁵⁴ Toronto Maple Leafs on the Forbes The Business of Hockey List 2024. <https://www.forbes.com/teams/toronto-maple-leafs/?list=nhl-valuations>

¹⁵⁵ List of Defunct Professional Sports Teams. <https://funwhileitlasted.net/list-of-defunct-sports-teams/>

¹⁵⁶ XFL Folds After One Season. <https://www.cbc.ca/news/canada/xfl-folds-after-one-season-1.259166>; It's One & Out for the XFL. <https://www.latimes.com/archives/la-xpm-2001-may-11-sp-62213-story.html>

¹⁵⁷ Local Semi-Pro Basketball Team Made of Ex-Zags Imagined. <https://www.spokanejournal.com/articles/3776-local-semi-pro-basketball-team-made-of-ex-zags-imagined>

¹⁵⁸ CBA Season to End Early. <https://web.archive.org/web/20090203155749/http://timesunion.com/AspStories/story.asp?storyID=766074>

¹⁵⁹ Local Semi-Pro Basketball Team Made of Ex-Zags Imagined. <https://www.spokanejournal.com/articles/3776-local-semi-pro-basketball-team-made-of-ex-zags-imagined>

¹⁶⁰ NFL and AFL Announce Merger, June 8, 1966. <https://sclsnj.org/nfl-and-afl-announce-merger-june-8-1966/>

would bring stability to professional football and ensure its long-term growth.¹⁶¹ Following the merger, the NFL retained its name, while AFL teams joined with the Baltimore Colts, Cleveland Browns, and Pittsburgh Steelers from the NFL to form the American Football Conference (AFC). The remaining NFL teams became part of the National Football Conference (NFC).¹⁶² The first AFL-NFL World Championship Game, later known as Super Bowl I, was played just seven months after the merger announcement in January 1967, marking the beginning of the modern Super Bowl era.

Figure 12-1: NFL Teams 2024¹⁶³

	\$ Million	Valuation	Revenue	Operating Income	Operating Margin	EV/Sales	EV/Operating Income
1	Dallas Cowboys	\$ 10,100	\$ 1,200	\$ 564	47.0%	8.4x	17.9x
2	Los Angeles Rams	\$ 7,600	\$ 756	\$ 286	37.8%	10.1x	26.6x
3	New England Patriots	\$ 7,400	\$ 712	\$ 261	36.7%	10.4x	28.4x
4	New York Giants	\$ 7,300	\$ 691	\$ 190	27.5%	10.6x	38.4x
5	New York Jets	\$ 6,900	\$ 636	\$ 138	21.7%	10.8x	50.0x
6	San Francisco 49ers	\$ 6,800	\$ 680	\$ 144	21.2%	10.0x	47.2x
7	Las Vegas Raiders	\$ 6,700	\$ 779	\$ 115	14.8%	8.6x	58.3x
8	Philadelphia Eagles	\$ 6,600	\$ 650	\$ 158	24.3%	10.2x	41.8x
9	Chicago Bears	\$ 6,400	\$ 599	\$ 138	23.0%	10.7x	46.4x
10	Washington Commanders	\$ 6,300	\$ 609	\$ 160	26.3%	10.3x	39.4x
11	Miami Dolphins	\$ 6,200	\$ 646	\$ 118	18.3%	9.6x	52.5x
12	Houston Texans	\$ 6,100	\$ 663	\$ 164	24.7%	9.2x	37.2x
13	Green Bay Packers	\$ 5,600	\$ 654	\$ 60	9.2%	8.6x	93.3x
14	Denver Broncos	\$ 5,500	\$ 608	\$ 114	18.8%	9.0x	48.2x
15	Seattle Seahawks	\$ 5,450	\$ 600	\$ 104	17.3%	9.1x	52.4x
16	Tampa Bay Buccaneers	\$ 5,400	\$ 617	\$ 134	21.7%	8.8x	40.3x
17	Pittsburgh Steelers	\$ 5,300	\$ 595	\$ 129	21.7%	8.9x	41.1x
18	Atlanta Falcons	\$ 5,200	\$ 585	\$ 94	16.1%	8.9x	55.3x
19	Cleveland Browns	\$ 5,150	\$ 605	\$ 95	15.7%	8.5x	54.2x
20	Los Angeles Chargers	\$ 5,100	\$ 574	\$ 110	19.2%	8.9x	46.4x
21	Minnesota Vikings	\$ 5,050	\$ 569	\$ 111	19.5%	8.9x	45.5x
22	Baltimore Ravens	\$ 5,000	\$ 590	\$ 77	13.1%	8.5x	64.9x
23	Tennessee Titans	\$ 4,900	\$ 561	\$ 123	21.9%	8.7x	39.8x
24	Kansas City Chiefs	\$ 4,850	\$ 591	\$ 115	19.5%	8.2x	42.2x
25	Indianapolis Colts	\$ 4,800	\$ 591	\$ 146	24.7%	8.1x	32.9x
26	Jacksonville Jaguars	\$ 4,600	\$ 567	\$ 139	24.5%	8.1x	33.1x
27	Carolina Panthers	\$ 4,500	\$ 574	\$ 109	19.0%	7.8x	41.3x
28	New Orleans Saints	\$ 4,400	\$ 587	\$ 118	20.1%	7.5x	37.3x
29	Arizona Cardinals	\$ 4,300	\$ 546	\$ 112	20.5%	7.9x	38.4x
30	Buffalo Bills	\$ 4,200	\$ 552	\$ 101	18.3%	7.6x	41.6x
31	Detroit Lions	\$ 4,150	\$ 501	\$ 56	11.2%	8.3x	74.1x
32	Cincinnati Bengals	\$ 4,100	\$ 549	\$ 76	13.8%	7.5x	53.9x

Note:

1. Operating income is EBITDA.¹⁶⁴

¹⁶¹ HERE'S HOW IT HAPPENED.

<https://web.archive.org/web/20141224173926/https://www.si.com/vault/1966/06/20/608557/heres-how-it-happened>

¹⁶² NFL and AFL Announce Merger, June 8, 1966. <https://sclsnj.org/nfl-and-afl-announce-merger-june-8-1966/>

¹⁶³ Cowboys on the Forbes NFL Team Valuations List 2024. <https://www.forbes.com/teams/dallas-cowboys/?list=nfl-valuations>

¹⁶⁴ Forbes

Figure 12-2: NBA Teams 2024¹⁶⁵

	\$ Million	Valuation	Revenue	Operating Income	Operating Margin	EV/Sales	EV/Operating Income
1	Golden State Warriors	\$ 8,800	\$ 800	\$ 142	17.8%	11.0x	62.0x
2	New York Knicks	\$ 7,500	\$ 543	\$ 182	33.5%	13.8x	41.2x
3	Los Angeles Lakers	\$ 7,100	\$ 522	\$ 199	38.1%	13.6x	35.7x
4	Boston Celtics	\$ 6,000	\$ 457	\$ 121	26.5%	13.1x	49.6x
5	Los Angeles Clippers	\$ 5,500	\$ 353	\$ (96)	-27.2%	15.6x	-57.3x
6	Chicago Bulls	\$ 5,000	\$ 414	\$ 140	33.8%	12.1x	35.7x
7	Houston Rockets	\$ 4,900	\$ 416	\$ 160	38.5%	11.8x	30.6x
8	Brooklyn Nets	\$ 4,800	\$ 381	\$ 43	11.3%	12.6x	111.6x
9	Dallas Mavericks	\$ 4,700	\$ 437	\$ 158	36.2%	10.8x	29.7x
10	Philadelphia 76ers	\$ 4,600	\$ 396	\$ 120	30.3%	11.6x	38.3x
11	Toronto Raptors	\$ 4,400	\$ 341	\$ 97	28.4%	12.9x	45.4x
12	Phoenix Suns	\$ 4,300	\$ 369	\$ (14)	-3.8%	11.7x	-307.1x
13	Miami Heat	\$ 4,250	\$ 373	\$ 62	16.6%	11.4x	68.5x
14	Washington Wizards	\$ 4,100	\$ 362	\$ 118	32.6%	11.3x	34.7x
15	Milwaukee Bucks	\$ 4,000	\$ 333	\$ (16)	-4.8%	12.0x	-250.0x
16	Cleveland Cavaliers	\$ 3,950	\$ 391	\$ 96	24.6%	10.1x	41.1x
17	Denver Nuggets	\$ 3,900	\$ 356	\$ 57	16.0%	11.0x	68.4x
18	San Antonio Spurs	\$ 3,850	\$ 363	\$ 118	32.5%	10.6x	32.6x
19	Atlanta Hawks	\$ 3,800	\$ 353	\$ 94	26.6%	10.8x	40.4x
20	Sacramento Kings	\$ 3,700	\$ 320	\$ 54	16.9%	11.6x	68.5x
21	Oklahoma City Thunder	\$ 3,650	\$ 320	\$ 90	28.1%	11.4x	40.6x
22	Indiana Pacers	\$ 3,600	\$ 320	\$ 94	29.4%	11.3x	38.3x
23	Utah Jazz	\$ 3,550	\$ 318	\$ 89	28.0%	11.2x	39.9x
24	Portland Trail Blazers	\$ 3,500	\$ 335	\$ 81	24.2%	10.4x	43.2x
25	Detroit Pistons	\$ 3,400	\$ 305	\$ 88	28.9%	11.1x	38.6x
26	Charlotte Hornets	\$ 3,300	\$ 308	\$ 84	27.3%	10.7x	39.3x
27	Orlando Magic	\$ 3,200	\$ 285	\$ 82	28.8%	11.2x	39.0x
28	Minnesota Timberwolves	\$ 3,100	\$ 305	\$ 71	23.3%	10.2x	43.7x
29	New Orleans Pelicans	\$ 3,050	\$ 272	\$ 41	15.1%	11.2x	74.4x
30	Memphis Grizzlies	\$ 3,000	\$ 291	\$ 44	15.1%	10.3x	68.2x

Note:

1. Operating income is EBITDA.¹⁶⁶

¹⁶⁵ Golden State Warriors on the Forbes NBA Team Valuations List 2024. <https://www.forbes.com/teams/golden-state-warriors/?list=nba-valuations>

¹⁶⁶ Forbes

Figure 12-3: MLB Teams 2024¹⁶⁷

\$ Million	Valuation	Revenue	Operating Income	Operating Margin	EV/Sales	EV/Operating Income
1 New York Yankees	\$ 7,550	\$ 679	\$ 2	0.3%	11.1x	3595.2x
2 Los Angeles Dodgers	\$ 5,450	\$ 549	\$ 26	4.7%	9.9x	209.6x
3 Boston Red Sox	\$ 4,500	\$ 500	\$ 62	12.4%	9.0x	72.6x
4 Chicago Cubs	\$ 4,220	\$ 506	\$ 68	13.4%	8.3x	62.1x
5 San Francisco Giants	\$ 3,800	\$ 443	\$ 50	11.3%	8.6x	76.0x
6 New York Mets	\$ 3,000	\$ 393	\$ (292)	-74.3%	7.6x	-10.3x
7 Philadelphia Phillies	\$ 2,920	\$ 458	\$ 19	4.1%	6.4x	153.7x
8 Atlanta Braves	\$ 2,800	\$ 473	\$ 66	14.0%	5.9x	42.4x
9 Los Angeles Angels	\$ 2,700	\$ 388	\$ 15	3.9%	7.0x	180.0x
10 St Louis Cardinals	\$ 2,550	\$ 372	\$ 57	15.3%	6.9x	44.7x
11 Houston Astros	\$ 2,420	\$ 445	\$ 54	12.1%	5.4x	44.8x
12 Texas Rangers	\$ 2,400	\$ 425	\$ 12	2.8%	5.6x	200.0x
13 Seattle Mariners	\$ 2,200	\$ 396	\$ 76	19.2%	5.6x	28.9x
14 Toronto Blue Jays	\$ 2,100	\$ 328	\$ (45)	-13.7%	6.4x	-46.7x
15 Chicago White Sox	\$ 2,050	\$ 288	\$ (28)	-9.7%	7.1x	-73.2x
16 Washington Nationals	\$ 2,000	\$ 355	\$ 63	17.7%	5.6x	31.7x
17 San Diego Padres	\$ 1,780	\$ 345	\$ (116)	-33.6%	5.2x	-15.3x
18 Baltimore Orioles	\$ 1,730	\$ 328	\$ 99	30.2%	5.3x	17.5x
19 Milwaukee Brewers	\$ 1,600	\$ 320	\$ 36	11.3%	5.0x	44.4x
20 Colorado Rockies	\$ 1,480	\$ 313	\$ (17)	-5.4%	4.7x	-87.1x
21 Minnesota Twins	\$ 1,460	\$ 342	\$ 19	5.6%	4.3x	76.8x
22 Detroit Tigers	\$ 1,450	\$ 306	\$ 17	5.6%	4.7x	85.3x
23 Arizona Diamondbacks	\$ 1,430	\$ 314	\$ 33	10.5%	4.6x	43.3x
24 Cleveland Guardians	\$ 1,350	\$ 315	\$ 52	16.5%	4.3x	26.0x
25 Pittsburgh Pirates	\$ 1,320	\$ 309	\$ 68	22.0%	4.3x	19.4x
26 Cincinnati Reds	\$ 1,260	\$ 315	\$ 53	16.8%	4.0x	23.8x
27 Tampa Bay Rays	\$ 1,250	\$ 301	\$ 68	22.6%	4.2x	18.4x
28 Kansas City Royals	\$ 1,230	\$ 302	\$ 52	17.2%	4.1x	23.7x
29 Oakland Athletics	\$ 1,200	\$ 241	\$ (11)	-4.6%	5.0x	-109.1x
30 Miami Marlins	\$ 1,000	\$ 295	\$ 23	7.8%	3.4x	43.5x

Note:

1. Operating income is EBITDA.¹⁶⁸

¹⁶⁷ MLB Valuations 2024. <https://www.forbes.com/lists/mlb-valuations/>

¹⁶⁸ Forbes

Figure 12-4: NHL Teams 2024¹⁶⁹

\$ Million	Valuation	Revenue	Operating Income	Operating Margin	EV/Sales	EV/Operating Income
1 Toronto Maple Leafs	\$ 3,800	\$ 308	\$ 125	40.6%	12.3x	30.4x
2 New York Rangers	\$ 3,500	\$ 315	\$ 104	33.0%	11.1x	33.7x
3 Montreal Canadiens	\$ 3,000	\$ 321	\$ 142	44.2%	9.3x	21.1x
4 Los Angeles Kings	\$ 2,900	\$ 344	\$ 143	41.6%	8.4x	20.3x
5 Boston Bruins	\$ 2,700	\$ 268	\$ 69	25.7%	10.1x	39.1x
6 Edmonton Oilers	\$ 2,650	\$ 388	\$ 213	54.9%	6.8x	12.4x
7 Chicago Blackhawks	\$ 2,450	\$ 260	\$ 100	38.5%	9.4x	24.5x
8 Philadelphia Flyers	\$ 2,300	\$ 260	\$ 71	27.3%	8.8x	32.4x
9 Washington Capitals	\$ 2,150	\$ 244	\$ 81	33.2%	8.8x	26.5x
10 Detroit Red Wings	\$ 2,125	\$ 229	\$ 53	23.1%	9.3x	40.1x
11 New Jersey Devils	\$ 2,100	\$ 265	\$ 67	25.3%	7.9x	31.3x
12 Dallas Stars	\$ 2,000	\$ 230	\$ 59	25.7%	8.7x	33.9x
13 Vancouver Canucks	\$ 1,950	\$ 226	\$ 41	18.1%	8.6x	47.6x
14 New York Islanders	\$ 1,900	\$ 200	\$ 29	14.5%	9.5x	65.5x
15 Vegas Golden Knights	\$ 1,850	\$ 231	\$ 59	25.5%	8.0x	31.4x
16 Tampa Bay Lightning	\$ 1,800	\$ 220	\$ 44	20.0%	8.2x	40.9x
17 Pittsburgh Penguins	\$ 1,750	\$ 223	\$ 52	23.3%	7.8x	33.7x
18 Colorado Avalanche	\$ 1,700	\$ 198	\$ 20	10.1%	8.6x	85.0x
19 Calgary Flames	\$ 1,650	\$ 191	\$ 37	19.4%	8.6x	44.6x
20 Seattle Kraken	\$ 1,600	\$ 194	\$ 22	11.3%	8.2x	72.7x
21 Minnesota Wild	\$ 1,550	\$ 200	\$ 33	16.5%	7.8x	47.0x
22 Nashville Predators	\$ 1,500	\$ 195	\$ 33	16.9%	7.7x	45.5x
23 St Louis Blues	\$ 1,450	\$ 192	\$ 10	4.9%	7.6x	152.6x
24 Florida Panthers	\$ 1,400	\$ 189	\$ 10	5.3%	7.4x	140.0x
25 San Jose Sharks	\$ 1,350	\$ 169	\$ 2	1.1%	8.0x	710.5x
26 Anaheim Ducks	\$ 1,300	\$ 175	\$ 15	8.6%	7.4x	86.7x
27 Carolina Hurricanes	\$ 1,250	\$ 183	\$ 23	12.6%	6.8x	54.3x
28 Utah Hockey Club	\$ 1,200	\$ 123	\$ (4)	-3.3%	9.8x	-300.0x
29 Ottawa Senators	\$ 1,150	\$ 154	\$ 4	2.9%	7.5x	261.4x
30 Buffalo Sabres	\$ 1,100	\$ 169	\$ 13	7.7%	6.5x	84.6x
31 Winnipeg Jets	\$ 1,050	\$ 170	\$ 9	5.5%	6.2x	112.9x
32 Columbus Blue Jackets	\$ 1,000	\$ 150	\$ 1	0.8%	6.7x	833.3x

Note:

1. Operating income is EBITDA.¹⁷⁰

¹⁶⁹ Toronto Maple Leafs on the Forbes The Business of Hockey List 2024. <https://www.forbes.com/teams/toronto-maple-leafs/?list=nhl-valuations>

¹⁷⁰ Forbes

The appeal of owning sports teams as an investment is not limited to North America. One of the most striking examples of sports growth as an asset class can be seen in the Indian Premier League (IPL), which has experienced extraordinary expansion in valuation since it was launched in 2008. When Forbes first valued the Indian Premier League teams in 2009, just a year after the league's launch, the average franchise was worth \$67 million. By 2022, with the league expanded to 10 teams, the average valuation had surged to \$1.04 billion, reflecting a CAGR of 24%.¹⁷¹ For comparison, NFL franchise values grew at an annual rate of 10% over the same 13-year period, reaching an average of \$3.48 billion, while NBA teams saw a 16% annual growth rate, reaching \$2.48 billion. As of 2022, the Mumbai Indians, the Indian Premier League's most valuable team at \$1.3 billion, was worth more than 6 MLB teams, 27 NHL teams, and every MLS team.¹⁷² We will further discuss the valuation of sport leagues in a later section.

Due to the global reach of major sporting events organized by leagues and organizations such as the Olympic Games, the FIFA World Cup, the NBA, the NFL, and the IPL, these competitions attract millions, if not billions, of viewers worldwide. For instance, approximately 5 billion people followed the 2024 Paris Olympic Games, representing 84% of the potential global audience.¹⁷³ The 2022 FIFA World Cup final alone drew 1.5 billion viewers,¹⁷⁴ while the Indian Premier League 2023 amassed a total viewership of over half a billion throughout the season.¹⁷⁵ While viewership numbers vary across different sports, regions, and event scales, one thing is clear – these events have built massive global fan bases regionally or globally. This immense audience appeal makes these sports events highly attractive to corporations looking to expand their brand visibility by leveraging by leveraging the dedicated fan base of specific sporting events.

As the world becomes increasingly digital, live sports continue to be a major draw for advertisers. According to The Hollywood Reporter in 2023, executives from traditional media networks, including Warner Bros., Discovery, NBCUniversal, and Paramount, indicated that live sports continue to attract advertisers and remain a key driver of advertising demand.¹⁷⁶

Unlike scripted content, live sports captivate audiences in real time. Viewers are highly engaged, reluctant to step away for fear of missing key moments, unlike recorded content, which they can pause or rewind at their convenience. This heightened engagement makes live sports audiences particularly valuable to advertisers. This trend is evident across multiple leagues such as the NBA, NHL, and MLB, and even extends to traditionally overlooked events such as the women's NCAA basketball tournament, which has seen ad inventory sell out.¹⁷⁷ With live sports being one of the few remaining TV properties that consistently attract strong viewership, ad slots during broadcasts have become even more valuable. **For example, the cost of a 30-second Super Bowl ad has increased from \$42,500 in 1967 (equivalent to \$388,000 in 2023 dollars¹⁷⁸) to \$7 million in 2023, a 10% CAGR.¹⁷⁹** The NBA and other major leagues are also expected to significantly increase their media rights deals to broadcasters in the coming years.

¹⁷¹ At the time of this writing, Forbes' most recent valuation of the IPL is as of 2022. Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

¹⁷² Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

¹⁷³ Potential global audience with access to follow the Olympic Games and over the age of 4 years old. Around 5 Billion People - 84 Per Cent of The Potential Global Audience. <https://www.olympics.com/ioc/news/around-5-billion-people-84-per-cent-of-the-potential-global-audience-followed-the-olympic-games-paris-2024>

¹⁷⁴ Super Bowl vs. World Cup. <https://www.nytimes.com/athletic/4198045/2023/02/15/super-bowl-world-cup-tv-ratings/>

¹⁷⁵ IPL 2023 Records Massive Viewership of Half A Billion Viewers on Television. <https://www.businesstoday.in/latest/trends/story/ipl-2023-records-massive-viewership-of-half-a-billion-viewers-on-television-384783-2023-06-08>

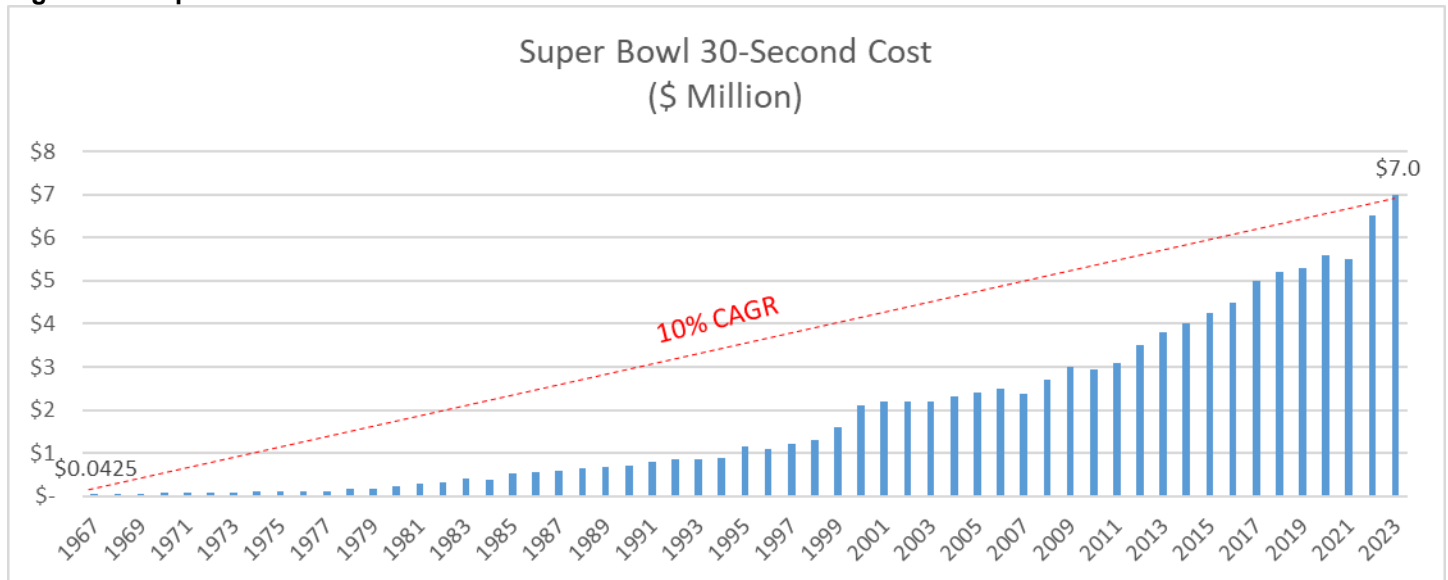
¹⁷⁶ Why Sports Advertising Is Booming While Rest of the Ad Market Isn't. <https://www.hollywoodreporter.com/business/business-news/sports-advertising-boom-march-madness-1235358336/>

¹⁷⁷ Why Sports Advertising Is Booming While Rest of the Ad Market Isn't. <https://www.hollywoodreporter.com/business/business-news/sports-advertising-boom-march-madness-1235358336/>

¹⁷⁸ Inflation Calculator. Federal Reserve Bank of Minneapolis. <https://www.minneapolisfed.org/about-us/monetary-policy/inflation-calculator>

¹⁷⁹ Super Bowl Commercial Cost in 2022. <https://www.sportingnews.com/us/nfl/news/super-bowl-commercials-cost-2022/v9ytfqzx74pjrcdxyhevlzd>; Super Bowl Commercial Cost in 2024. <https://www.sportingnews.com/ca/nfl/news/super-bowl-commercial-cost-2024-money-ad-super-bowl-58/d2c2d62f58c7f83da1cefa77#:~:text=The%20cost%20of%20a%20Super%20Bowl%20commercial,seconds%20of%20air%20time%2C%20according%20to%20NPR>

Figure 13: Super Bowl 30-Second Cost¹⁸⁰



The massive global fan bases of live sporting events continue to draw broadcasters. This, in turn, attracts advertisers willing to pay a premium for ad placements and sponsorships due to their effectiveness. Psychological studies suggest that ads shown during live sports events are more effective than those displayed during scripted or pre-recorded programs. A study by scholars from Oregon State University and the University of Oregon found that suspense in sports programming significantly enhances viewer responses to advertisements, supporting the excitation transfer theory.¹⁸¹ Ads shown immediately after a suspenseful game triggered stronger emotional reactions and more favorable attitudes toward both the ad and the brand, regardless of whether the team won or lost. The first ad shown after a game's conclusion generated the highest level of emotional response including joyful, pleased, excited, etc.

Another study by researchers from the University of Nevada, Las Vegas, and Indiana University Bloomington found that sports fans' emotional reactions to game outcomes significantly impact their perception of advertisements.¹⁸² Viewers were more receptive to ads after a win, forming more positive attitudes toward both the commercials and the brands, while those who were watching after a loss were less engaged. Interestingly, game excitement alone did not enhance ad effectiveness, contradicting previous research suggesting that heightened emotional states intensify ad responses. Instead, the outcome (win/loss) played a more critical role in shaping consumer attitudes. There is always at least one side of the audience (winning side) experiencing strong emotions to ads during live sports.

The increasing appeal of live sports is also evident in the rapid growth of sports sponsorships. **From 2008, when the Indian Premier League was first launched, to 2023, the global sports sponsorship market is estimated to have**

¹⁸⁰ Super Bowl Commercial Cost in 2022. <https://www.sportingnews.com/us/nfl/news/super-bowl-commercial-cost-2022/v9ytfqzx74pjrcdvyxhevlzd>; Super Bowl Commercial Cost in 2024. <https://www.sportingnews.com/ca/nfl/news/super-bowl-commercial-cost-2024-money-ad-super-bowl-58/d2c2d62f58c7f83da1cefa77#:~:text=The%20cost%20of%20a%20Super%20Bowl%20commercial,seconds%20of%20air%20time%2C%20according%20to%20NPR>

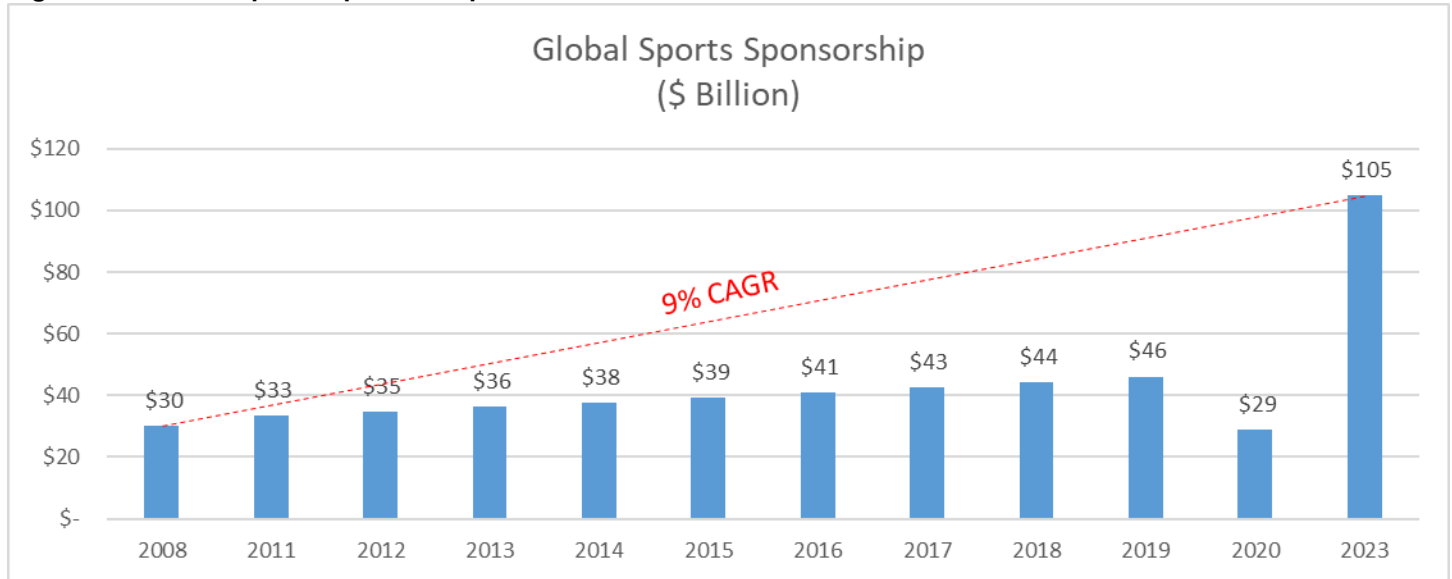
¹⁸¹ It's Not Whether You Win or Lose, It's How The Game is Played: The Influence of Suspenseful Sports Programming on Advertising. Colleen Bee. Oregon State University; Robert Madrigal. University of Oregon.

¹⁸² The Effectiveness of Advertising Embedded in Televised Sport Programming: How Team Performance Influences Attitude Formation. Minkyoo Lee. University of Nevada, Las Vegas; Robert Potter, Choonghoon Lim, and Paul Pedersen. Indiana University Bloomington.

grown from \$30 billion to \$105 billion,¹⁸³ reflecting a 9% CAGR. The market is expected to continue expanding at a CAGR of 8.7% through 2030,¹⁸⁴ reaching an estimated \$190 billion by then.

According to a report from Business Insider, live sports remain highly valuable in an era dominated by on-demand streaming, as they continue to attract fans to live broadcasts.¹⁸⁵ This demand has created a sizable addressable market for sports leagues and led to massive sponsorship deals. **For instance, in 2008, the Indian Premier League’s title sponsorship was estimated at around \$9 million per year.¹⁸⁶ By 2023, that figure had reached \$41 million annually,¹⁸⁷ still a small fraction of the global spending on sports sponsorships (<0.1%), despite a CAGR of over 10%.**

Figure 14: Global Sports Sponsorship¹⁸⁸



¹⁸³ Since these statistics originate from different sources published at various times, their scope may differ. As of the time of writing, no consistent dataset from a single provider with a uniform scope covering the entire period from 2008 to 2023 has been found. 2008: Stressed Advertisers Blow the Whistle on Sports Sponsorship Deals. WSJ.

<https://www.wsj.com/articles/SB122890850076094477>; 2011 – 2019: Global Ad Trends. World Advertising Research Center. <https://www.warc.com/newsandopinion/news/global-ad-trends-tokyo-olympics-drives-sports-sponsorship-new-record/en-gb/43161>; 2020: Sponsorship Spend to Fall \$17.2bn. <https://twocircles.com/gb/articles/projections-sponsorship-spend-to-fall-17-2bn/>; 2023: Getting Measurement Right to Understand Sponsorship Impact. <https://www.warc.com/content/paywall/article/warc-exclusive/getting-measurement-right-to-understand-sponsorship-impact/en-GB/156708>

¹⁸⁴ Getting Measurement Right to Understand Sponsorship Impact. <https://www.warc.com/content/paywall/article/warc-exclusive/getting-measurement-right-to-understand-sponsorship-impact/en-GB/156708>

¹⁸⁵ Why NBA Franchise Values Are Skyrocketing. <https://www.businessinsider.com/why-nba-franchise-values-are-skyrocketing-2014-6>

¹⁸⁶ An average annual amount of 40 crore Indian rupees from 2008 to 2012 is equivalent to approximately \$9 million, based on the 2008 average exchange rate of \$1 = 44 INR. IMF. <https://data.imf.org/regular.aspx?key=61545850>; 2008 – 2022: Vivo Retains IPL Title Rights Till 2022 After Massive Bid. <https://www.espnricinfo.com/story/vivo-retains-ipl-title-rights-till-2022-after-massive-bid-1106833>; 2020: IPL 2020 BCCI officially Announces Dream11 as Title Sponsor. <https://www.espnricinfo.com/story/ipl-2020-bcci-officially-announces-dream11-as-title-sponsor-1229902>; 2022 – 2023: Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>; 2024 – 2028: Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>

¹⁸⁷ This amount only includes the title sponsorship of the IPL and does not cover other sponsorship deals for the league or individual teams. An average annual amount of 335 crore Indian rupees from 2022 to 2023 is equivalent to approximately \$43 million, based on the 2023 average exchange rate of \$1 = 83 INR. IMF. <https://data.imf.org/regular.aspx?key=61545850>; Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>

¹⁸⁸ 2008: Stressed Advertisers Blow the Whistle on Sports Sponsorship Deals. WSJ. <https://www.wsj.com/articles/SB122890850076094477>; 2011 – 2019: Global Ad Trends. World Advertising Research Center.

Note:

1. COVID-19 Pandemic in 2020.

Luxury brands are increasingly attracted to sports sponsorships to expand their global reach and appeal to a broader audience. For instance, Prada partnered with the Chinese women's soccer team for the 2023 FIFA Women's World Cup, while LVMH sponsored the 2024 Paris Olympics, integrating its brands through Chaumet-designed medals and Moët Hennessy's hospitality offerings. With an estimated 2 billion viewers for the 2023 Women's World Cup and a projected 5 billion global audience for the 2024 Paris Olympics, alongside 9.7 million tickets sold,¹⁸⁹ luxury brands recognize the immense power of sports to drive visibility and engagement. LVMH reportedly sponsored over \$160 million in the Paris Olympic and Paralympic Games, marking the largest sponsorship commitment of any company for the event.¹⁹⁰

While traditional athletic giants like Nike and Adidas have long dominated the sports market, luxury brands are taking a different approach, focusing on lifestyle and aspirational appeal rather than performance-driven apparel. As one retail consultant noted, "I don't see the luxury brands competing for the performance side of it... they are absolutely going to compete for the mindshare side of it."¹⁹¹ Participants in the luxury industry further highlighted the synergy between athletes and luxury brands, noting that both share a deep commitment to quality and excellence.

The connection between luxury and sports is not new. Rolex, for example, has built a strong association for decades with elite sports such as golf, swimming, racing, tennis, and equestrian events, activities often linked to wealth, success, and prestige. By aligning with sports, luxury brands continue to reinforce their image of exclusivity and aspiration while reaching vast global audiences.¹⁹²

<https://www.warc.com/newsandopinion/news/global-ad-trends-tokyo-olympics-drives-sports-sponsorship-new-record/en-gb/43161>; 2020: Sponsorship Spend to Fall \$17.2bn. <https://twocircles.com/gb/articles/projections-sponsorship-spend-to-fall-17-2bn/>; 2023: Getting Measurement Right to Understand Sponsorship Impact. <https://www.warc.com/content/paywall/article/warc-exclusive/getting-measurement-right-to-understand-sponsorship-impact/en-GB/156708>

¹⁸⁹ Why Luxury Brands Like Prada and Burberry Are Stepping into The Sports Arena. <https://digiday.com/marketing/why-luxury-brands-like-prada-and-burberry-are-stepping-into-the-sports-arena/>; Around 5 Billion People - 84 Per Cent of The Potential Global Audience. <https://www.olympics.com/ioc/news/around-5-billion-people-84-per-cent-of-the-potential-global-audience-followed-the-olympic-games-paris-2024>; Paris Olympics Sells A Record 9.7 Million Tickets. <https://apnews.com/article/olympics-2024-paris-ticket-sales-6b877e17bc19524a0f580615cef05e63>

¹⁹⁰ Bernard Arnault's LVMH to Sponsor 2024 Paris Olympics.

<https://web.archive.org/web/20231222094759/https://fortune.com/europe/2023/07/25/bernard-arnaults-lvmh-166-million-sponsor-2024-summer-olympics-paris-chaumet-medals-moet-hennessy-wine/>

¹⁹¹ Why Luxury Brands Like Prada and Burberry Are Stepping into The Sports Arena. <https://digiday.com/marketing/why-luxury-brands-like-prada-and-burberry-are-stepping-into-the-sports-arena/>

¹⁹² Rolex Multi-Decade Study. Worldly Partners. <https://worldlypartners.com/wp-content/uploads/2025/02/Rolex.pdf>

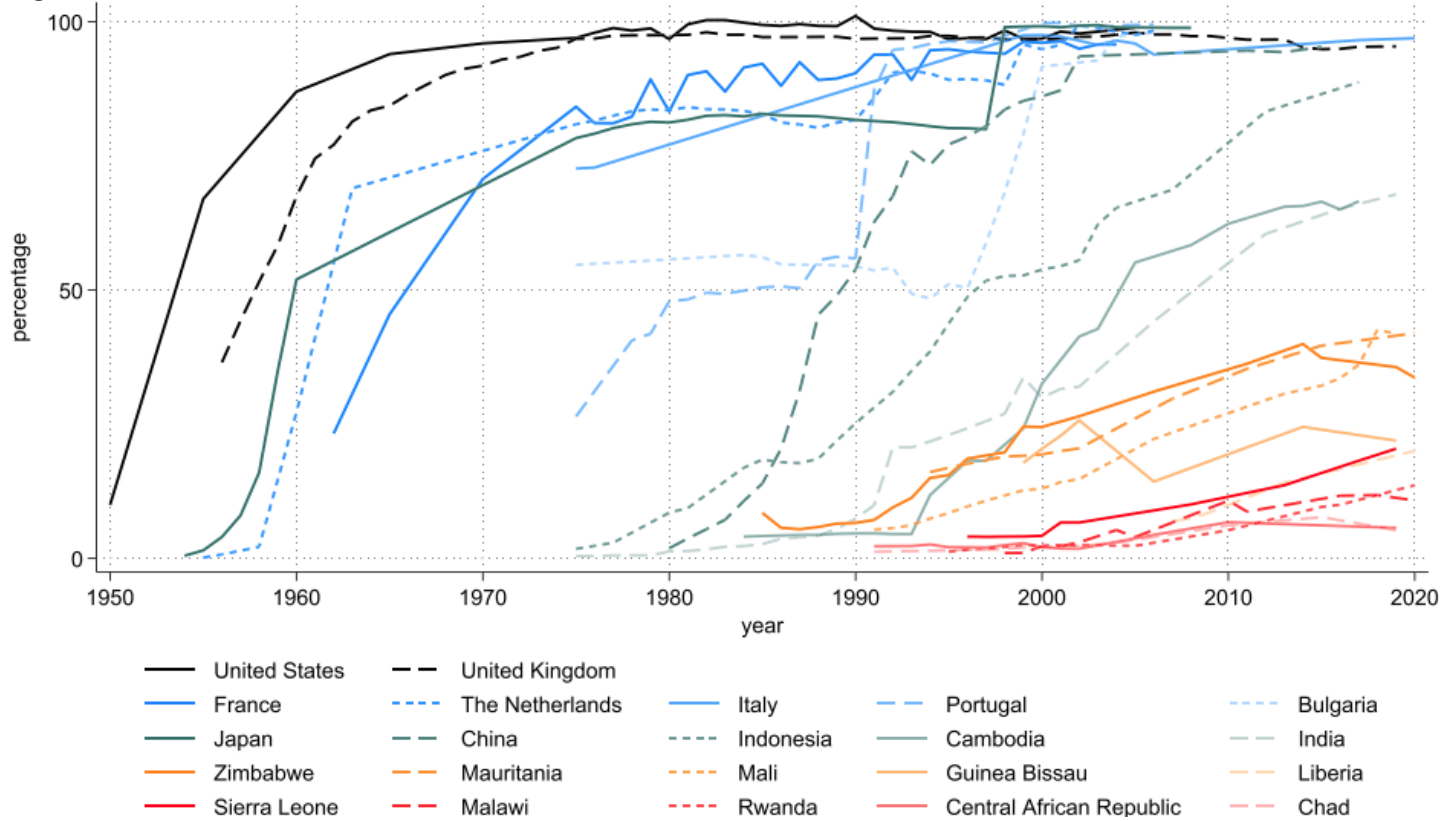
Figure 15: Rolex and Motor Sports¹⁹³



¹⁹³ Three of Rolex's Most Successful Marketing Efforts. <https://www.everestbands.com/blogs/bezel-barrel/examining-three-of-rolex-s-marketing-efforts?srltid=AfmBOor9Ykio10m-mRFM70bNxxvXGPWJvQ3-liKDB04K9GX6n7QYJel7r>

The joint study by Arctos and the University of Michigan on multi-decade (1960 to 2024) returns from North America’s “Big Four” sports leagues – MLB, NBA, NFL, and NHL – suggests that key industry shifts have significantly contributed to rising franchise valuations.¹⁹⁴ The advent of cable television in the 1980s, the telecom boom of the 1990s, and the rise of streaming platforms in the 2010s have all played a crucial role in increasing the value of sports content for distributors by expanding their reach to a broader audience.

Figure 16: World’s Household TV Penetration¹⁹⁵



The Indian Premier League

The factors driving the increasing franchise values of the “Big Four” sports leagues are not limited to North America but extend to other regions as well. For example, India recorded over \$1.9 billion in total sports revenue that include sponsorship, media spends, and endorsement fees during 2023, with cricket dominating the segment, accounting for 87% of the total.¹⁹⁶ **The country’s marketers increasingly recognize sports properties, through both advertising and sponsorships, as established pathways for brand-building across different product categories. While equivalent data from 2008, when the Indian Premier League was first launched, is not available through reliable sources, industry estimates suggest that the broader sports industry that consists of sponsorships, athlete endorsements, and media spends by brands, has grown 6.5x in Rupees (around 3.5x in dollars) over this 15-year period, from INR 2,423 crore (approximately \$556 million) to INR 15,766 crore (\$1,910 million), implying a 13% CAGR in INR (8%+ in USD).**

Since the launch of the Indian Premier League in 2008, India has witnessed a significant expansion in media channels, driven by the rise in household TV penetration and internet usage, two key platforms that extend the reach of typical sports events beyond live stadium attendance. Available data suggests that household TV penetration in India grew

¹⁹⁴ Introduction to RASFI Sports Asset Class Returns Over the Long Term. Ross School of Business, University of Michigan.

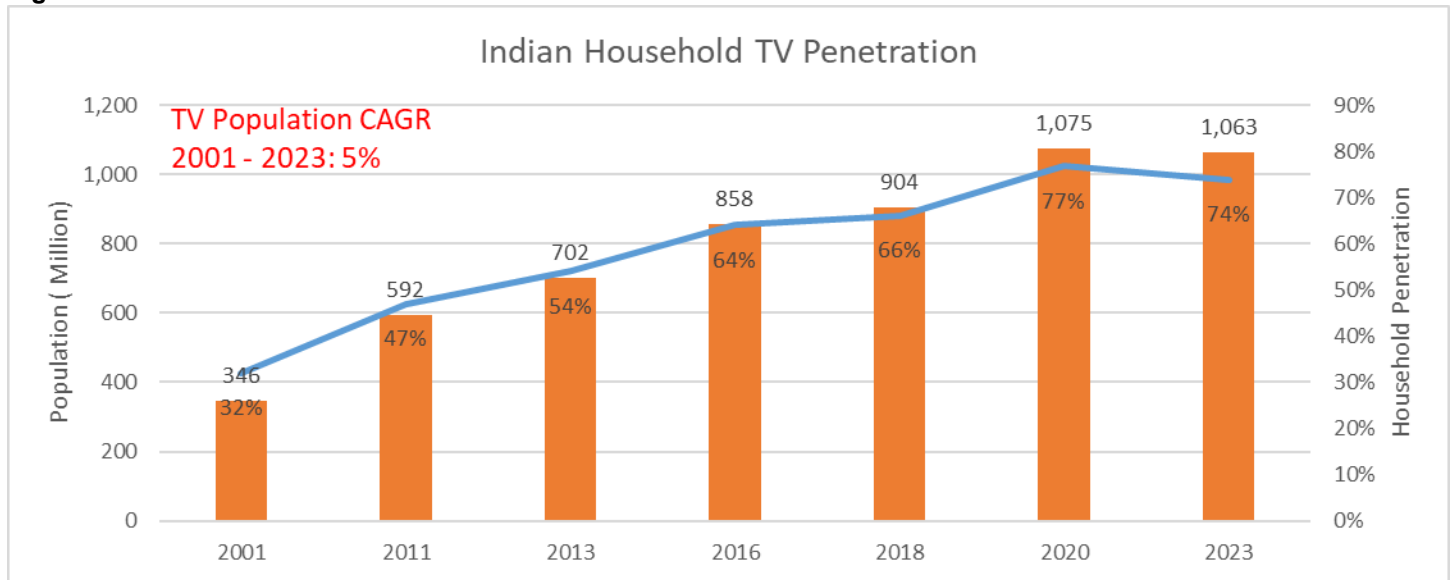
¹⁹⁵ The Domestic Transition Progress Towards Decent Living of Households in Low and Middle-Income Countries. Department of Economics. Radboud University.

¹⁹⁶ An amount of 15,766 crore Indian rupees in 2023 is equivalent to approximately \$1.9 billion, based on the 2023 average exchange rate of \$1 = 83 INR. India’s Sport Industry 2023 Revenue Up 11% to ₹15,766 cr. Fortune India.

<https://www.fortuneindia.com/macro/indias-sport-industry-2023-revenue-up-11-to-15766-cr-cricket-main-driver/116230#:~:text=Titled%20'Sporting%20Nation%20%2D%20Building%20a,and%20media%20expenses%20by%20brands>

from an estimated 40% in 2008¹⁹⁷ to 74% in 2023, increasing the audience from just under 500 million to over 1 billion,¹⁹⁸ implying an approximately 5% CAGR. Meanwhile, internet penetration grew from 4.38% of the population, or 53 million users, in 2008 to 56%, or nearly 800 million users, in 2022,¹⁹⁹ reflecting a 21% CAGR.

Figure 17-1: Indian Household TV Penetration²⁰⁰



Note:

1. There is no household data for India from 2007 and 2008, when the Indian Premier League was first launched. However, the U.S. newspaper Herald-Tribune reported in 2007 that India had approximately 105 million homes with a TV, accounting for about half of the country's households.²⁰¹

¹⁹⁷ A precise figure for 2008 is not found from existing sources at the time of writing. Therefore, we estimate the number through interpolation, based on India's household penetration rates of 32% in 2001 and 47% in 2011.

<https://www.barcindia.co.in/whitepaper/barc-india-tv-universe-estimates-2020.pdf>

¹⁹⁸ The audience population is estimated by multiplying the penetration rate by India's total population. TV Universe Estimates 2020. Broadcast Audience Research Council India; Indian CTV Penetration Boosting Addressable TV Advertising.

<https://www.warc.com/content/feed/indian-ctv-penetration-boosting-addressable-tv-advertising/en-GB/9479>; Estimated Number of Households 2020. Government of India.

<https://www.mospi.gov.in/estimated-number-households-average-household-size-and-sex-ratio-no-female-1000-male-1>;

Estimated Number of Households 2023. Government of India.

<https://www.mospi.gov.in/estimated-number-households-average-household-size-and-sex-ratio-no-female-1000-male-4>; Population, India. World Bank. <https://data.worldbank.org/indicator/SP.POP.TOTL?end=2023&locations=IN&start=2007>

¹⁹⁹ Data for 2023 is not available at the time of writing. Individuals Using The Internet. International Telecommunication Union.

<https://datahub.itu.int/data/?e=IND&c=701&i=11624&v=chart>; Individuals Using The Internet. The World Bank.

<https://data.worldbank.org/indicator/IT.NET.USER.ZS?end=2023&locations=IN-1W&start=2001&view=chart>; Population, India. World Bank. <https://data.worldbank.org/indicator/SP.POP.TOTL?end=2023&locations=IN&start=2007>

²⁰⁰ TV Universe Estimates 2020. Broadcast Audience Research Council India; Indian CTV Penetration Boosting Addressable TV Advertising. <https://www.warc.com/content/feed/indian-ctv-penetration-boosting-addressable-tv-advertising/en-GB/9479>;

Estimated Number of Households 2020. Government of India.

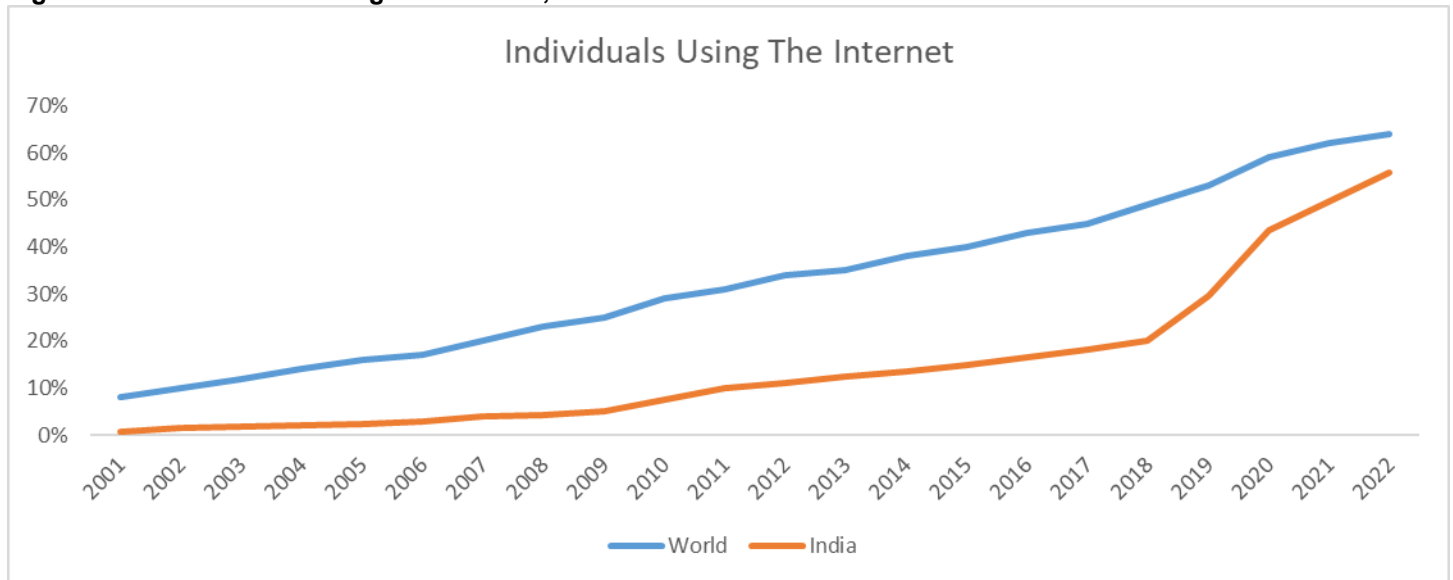
<https://www.mospi.gov.in/estimated-number-households-average-household-size-and-sex-ratio-no-female-1000-male-1>;

Estimated Number of Households 2023. Government of India.

<https://www.mospi.gov.in/estimated-number-households-average-household-size-and-sex-ratio-no-female-1000-male-4>; Population, India. World Bank. <https://data.worldbank.org/indicator/SP.POP.TOTL?end=2023&locations=IN&start=2007>

²⁰¹ In India, the Golden Age of Television Is Now. <https://www.heraldtribune.com/story/news/2007/02/11/in-india-golden-age-television/28528308007/>

Figure 17-2: Individuals Using The Internet, India²⁰²



As of 2023, India had an estimated 678 million sports viewers. Among them, 612 million, roughly 90%, followed cricket, making it the most popular sport in the country. Football ranked second with 305 million viewers (45%), followed by Kabaddi with 280 million (41%), wrestling with 163 million (24%), and hockey with 154 million (23%).²⁰³

²⁰² Individuals Using The Internet. International Telecommunication Union.

<https://datahub.itu.int/data/?e=IND&c=701&i=11624&v=chart>; Individuals Using The Internet. The World Bank.

<https://data.worldbank.org/indicator/IT.NET.USER.ZS?end=2023&locations=IN-1W&start=2001&view=chart>; Population, India. World Bank. <https://data.worldbank.org/indicator/SP.POPTOTL?end=2023&locations=IN&start=2007>

²⁰³ Viewers are not mutually exclusive across different sports. 678 Million Sports Audiences in India.

<https://www.ormaxmedia.com/insights/stories/678-million-sports-audiences-in-india-game-on.html#:~:text=Sizing%20India's%20Sports%20Audience%20Universe&text=As%20per%20the%20report%2C%20India's,%2C%2030>

[5%20%26%20280%20million%20respectively.](https://www.ormaxmedia.com/insights/stories/678-million-sports-audiences-in-india-game-on.html#:~:text=Sizing%20India's%20Sports%20Audience%20Universe&text=As%20per%20the%20report%2C%20India's,%2C%20305%20%26%20280%20million%20respectively.)

An Overview of Cricket in India

Cricket, originated in England in the 17th century,²⁰⁴ has grown into the world's second most popular sport, following soccer.²⁰⁵ Its global expansion was largely driven by British soldiers and settlers, with the Indian subcontinent emerging as the sport's epicenter. Today, countries such as India, Pakistan, Bangladesh, Sri Lanka, Nepal, and Afghanistan have made cricket an integral part of their sporting cultures. International Cricket Council (ICC) modeled in 2018 that, of nearly 1 billion (952 million) fans above 16-year-old surveyed across various countries, nearly 90% come from the Indian subcontinent.²⁰⁶

Cricket's popularity in India could trace back to British colonial influence²⁰⁷ when sport was brought to India in the late 1700s.²⁰⁸ Unlike other colonial-era sports, cricket was actively promoted by British rulers in India, who saw it as a tool to instill discipline, reinforce hierarchy, and solidify their authority. British settlers played the game themselves and encouraged local elites to adopt it, creating a sense of association with the ruling class. The endorsement of cricket by Indian elites played a crucial role in the widespread adoption of cricket. Wealthy and influential Indians embraced the sport as a symbol of sophistication and status, aligning themselves with British customs. In contrast to Canada and the United States, where cricket remained an elite pastime and never gained mass appeal, Indian elites helped make cricket accessible to a broader population. This allowed cricket to take root in Indian society beyond just the British colonial administrators, ultimately shaping its enduring legacy in the country.

Education was another major factor in the early spread of cricket across India. British-style secondary schools emphasized sports as a means of character development, and cricket was promoted as the ideal game for instilling discipline and teamwork.²⁰⁹ Indian students exposed to the game in these institutions carried their enthusiasm into wider society. As they became influential figures in various fields, their passion for cricket helped sustain its growth even after British rule ended. Schools and colleges continued to produce a steady flow of young cricketers, ensuring the sport's longevity in Indian culture.

Over generations, cricket became more than just a sport but deeply embedded in Indian society. As aforementioned, unlike other colonial sports, which often remained confined to the elite, cricket transcended social classes. Initially, Indian players were relegated to subordinate roles in matches dominated by British teams, but as their skills improved, they began challenging and surpassing their colonial counterparts. This shift in power transformed cricket into a source of national pride, particularly in the years leading up to and following India's independence.²¹⁰ Victories on the international stage further cemented cricket's place as India's most beloved sport. India's triumph in the 1983 Cricket World Cup, hosted in England, was a watershed moment that solidified the nation's cricketing identity. In the semi-finals, India faced England while Pakistan took on the West Indies. India ultimately defeated England in the semi-final and the West Indies in the final, securing a historic victory. **Today, cricket is more than just a sport in India – it is a unifying force that transcends regional, ethnic, social, and religious divides. It is often described as a “religion” in the subcontinent, reflecting the deep-rooted passion it inspires.**²¹¹

Cricket holds a unique and deeply entrenched significance in India, shaping national identity, cultural pride, and the country's post-colonial legacy. Nisha Nair, a professor at the University of Pittsburgh, highlights in her research that cricket

²⁰⁴ About ICC Cricket. International Cricket Council. <https://www.icc-cricket.com/about/cricket/history-of-cricket/early-cricket>

²⁰⁵ World's Ten Most Popular Sports Revealed with Host of Shock Entries Including Hockey THIRD And Volleyball in Top Five.

<https://www.thesun.co.uk/sport/30816024/ten-most-popular-sports-revealed-hockey-volleyball-football/>

²⁰⁶ How Cricket Became Sport's Next Big Thing.

<https://web.archive.org/web/20240804114757/https://www.nytimes.com/athletic/5659059/2024/07/27/cricket-olympics-usa-india-investors/>;

It's Official T20 Is Most Popular Format. <https://www.tribuneindia.com/news/archive/sport/it-s-official-t20-is-most-popular-format-611879/>;

ICC Survey Reveals Over A Billion Fans. <https://www.espn.cricinfo.com/story/icc-survey-reveals-over-a-billion-fans-90-in-subcontinent-1150473>

²⁰⁷ Kaufman, J., & Patterson, O. (2005). Cross-National Cultural Diffusion: The Global Spread of Cricket. *American Sociological Review*, 70(1), 82-110. <https://doi.org/10.1177/000312240507000105>

²⁰⁸ History of Cricket in India. International Cricket Council. <https://web.archive.org/web/20221004130227/https://www.icc-cricket.com/about/members/asia/full/14>

²⁰⁹ Kaufman, J., & Patterson, O. (2005). Cross-National Cultural Diffusion: The Global Spread of Cricket. *American Sociological Review*, 70(1), 82-110. <https://doi.org/10.1177/000312240507000105>

²¹⁰ Kaufman, J., & Patterson, O. (2005). Cross-National Cultural Diffusion: The Global Spread of Cricket. *American Sociological Review*, 70(1), 82-110. <https://doi.org/10.1177/000312240507000105>

²¹¹ Why Is Cricket So Popular on The Indian Sub-Continent. <https://theconversation.com/why-is-cricket-so-popular-on-the-indian-sub-continent-240440>

is more than just a sport.²¹² It provides Indians with a sense of belonging and national pride. The game serves as a powerful medium for collective patriotism, especially during international competitions. Victories against former colonial rulers like England are often seen as symbolic triumphs, reinforcing India's post-independence confidence by excelling in a game once associated with colonial dominance.

Cricket has also played a role in diplomacy, particularly in India-Pakistan relations. "Cricket diplomacy" has helped ease tensions between the two nations, with matches fostering goodwill and encouraging dialogue.²¹³ A senior editor at ESPNcricinfo and author of *The Unquiet Ones – A History of Pakistan Cricket*, stated:

"When relationships between India and Pakistan are good, cricket is the first vehicle for them to express themselves... But when the going's bad, cricket is often used as an exclusionary power tool...It's not often that leaders of India and Pakistan get together for any reason and they often find that cricket is the one language they both understand."²¹⁴

The 1987 Cricket World Cup was the first to move out of England, marking a shift in cricket's power dynamics. The idea originated after India's 1983 World Cup victory, with Indian cricket administrator NKP Salve, Calcutta (now Kolkata) businessman Jagmohan Dalmiya, and bureaucrat IS Bindra from Punjab leading the effort.²¹⁵ They formed an alliance with Pakistan and Sri Lanka, securing support from the Pakistan Cricket Board (PCB) and Dubai-based Abdul Rehman Bukhatir for financial backing. A formal proposal was submitted to the International Cricket Council (ICC) in late 1983 but faced strong opposition from England. The key breakthrough came when the Indian-Pakistani Joint Management Committee (IPJMC) secured the votes of the International Cricket Council Associate members by offering them a far greater financial incentive than what England had provided. Under the new proposal, each Associate member was guaranteed £20,000 as their World Cup share, compared to the £3,000 – £4,000 they would have received if England retained hosting rights.²¹⁶ This strategy helped the IPJMC's bid pass with a huge majority in 1984.

Despite a recount attempt to overturn the decision, Pakistani Justice Nasim Hassan Shah, whose vote was initially disregarded by the International Cricket Council's top officials, ensured his vote was noticed by standing on a table. Once the World Cup was awarded to India and Pakistan, logistical challenges, including foreign exchange regulations and security concerns, arose. Diplomatic efforts, including Pakistani President Zia-ul-Haq's visit to India, helped ease tensions.²¹⁷ Sponsorship was secured from Reliance Industries, and broadcasting rights negotiations were resolved with government intervention.

The successful hosting of the 1987 World Cup established rotational hosting for future tournaments, breaking England's monopoly and altering the power structure of world cricket.

Jagmohan Dalmiya – Commercializing Cricket in India²¹⁸

Jagmohan Dalmiya was a pioneering cricket administrator who revolutionized the sport's financial and geopolitical landscape. Born into a business family in Kolkata, he rose through the ranks of the Board of Control for Cricket in India (BCCI), recognizing the enormous potential of television rights in monetizing Indian cricket. In 1993, alongside IS Bindra, he won a legal battle against Doordarshan, marking the first time the Indian state-owned broadcaster had to pay the BCCI to televise matches rather than the other way around. The rights to televised cricket in India were formalized as a commodity owned by the BCCI, which could be sold to the highest bidder, after a landmark Supreme Court ruling in 1995. Dalmiya and Bindra understood that it was only through television rights that Indian cricket would be given a level playing field in the global cricket marketplace.

²¹² Nair, N. (2011). Cricket obsession in India: through the lens of identity theory. *Sport in Society*, 14(5), 569–580.

<https://doi.org/10.1080/17430437.2011.574351>

²¹³ Why Is Cricket So Popular on The Indian Sub-Continent. <https://theconversation.com/why-is-cricket-so-popular-on-the-indian-sub-continent-240440>

²¹⁴ India-Pakistan Rivalry - Whatever happened to 'Cricket Diplomacy'. <https://www.aljazeera.com/sports/2023/10/11/cricket-diplomacy-icc-world-cup-2023-india-pakistan-south-africa>

²¹⁵ Amrit Mathur on the 1987 World Cup - The World Cup Leaves England. <https://www.espnricinfo.com/story/amrit-mathur-on-the-1987-world-cup-the-world-cup-leaves-england-812593>

²¹⁶ Amrit Mathur on the 1987 World Cup - The World Cup Leaves England. <https://www.espnricinfo.com/story/amrit-mathur-on-the-1987-world-cup-the-world-cup-leaves-england-812593>

²¹⁷ Amrit Mathur on the 1987 World Cup - The World Cup Leaves England. <https://www.espnricinfo.com/story/amrit-mathur-on-the-1987-world-cup-the-world-cup-leaves-england-812593>

²¹⁸ Jagmohan Dalmiya Cricket's Canny Iconoclast. <https://www.espnricinfo.com/story/jagmohan-dalmiya-cricket-s-canny-iconoclast-922183>

Dalmiya played a crucial role in shifting cricket's power from England to India, forming alliances with smaller cricketing nations to challenge the traditional establishment. His leadership helped India co-host the 1987 and 1996 World Cups, proving that South Asia could generate unprecedented revenue. The 1996 World Cup, hosted by India, Pakistan, and Sri Lanka, in particular, demonstrated India's commercial strength, with TV rights selling for \$10 million and the International Cricket Council earning \$50 million.

In 1997, Dalmiya became the first Asian president of the International Cricket Council. He introduced the ICC KnockOut Trophy (now the Champions Trophy) to generate funds and played a key role in Bangladesh attaining Test status in 2000. Under his leadership, the International Cricket Council's financial reserves grew from £16,000 to \$17 million. He also ensured that the ICC controlled World Cup revenues rather than host nations.

Returning as the president of the Board of Control for Cricket in India in 2001, Dalmiya introduced central contracts for Indian players and pensions for retired cricketers. However, his later years were marked by political rivalries, allegations of financial mismanagement, and a temporary expulsion from the Board of Control for Cricket in India in 2006. His final tenure in 2013 was overshadowed by declining health.

Dalmiya's legacy lies in transforming cricket into a commercially powerful global sport, making India its financial epicenter through television rights. His groundbreaking work in securing broadcast revenue reshaped the sport's economics. Despite criticism for patronage politics and resistance to modern formats like T20, he remains one of the most influential figures in cricket administration.

Furthermore, cricket's accessibility has also contributed to its widespread popularity. The game can be played almost anywhere, from rooftops and narrow alleys to busy streets, using improvised wickets such as garbage bins or milk crates. Informal variations such as tape-ball cricket (played with a taped tennis ball) allow anyone to participate, making the sport easily accessible to people of all economic backgrounds.²¹⁹ Many cricketing legends, including Sachin Tendulkar and Wasim Akram, honed their skills in these unstructured environments, developing quick reflexes and adaptability.

With nearly 90% of cricket fans worldwide,²²⁰ over 1 billion people from the Indian subcontinent, many children grow up immersed in the sport, driven by cultural pride, family influence, and school support,²²¹ often fostering a strong attachment from a young age. Cricket is more than just a game. It is a passion, a tradition, and for many, a dream to follow in the footsteps of legends like Sachin Tendulkar to play on the national field.

One remarkable example is Pranav Dhanawade, a 15-year-old Indian schoolboy who made history as the first batsman to score over 1,000 runs in a single innings in an officially recorded match. His incredible feat was made possible not only by his early passion for cricket, playing on the streets and makeshift grounds, like millions of young Indian boys, but also by the influence of his father, a rickshaw driver and cricket enthusiast. His father's love for the game played a crucial role in shaping Pranav's interest and encouraging his pursuit of the sport. In addition, Pranav's school provides student coaching access to a variety of sports such as cricket, football, and basketball with a structured environment and competitive platform to refine his skills and compete in high-stakes tournaments,²²² further fueling his development. His journey from playing casually in his neighborhood to setting a national record highlights how parental encouragement, school support, and personal dedication together can propel a young talent to remarkable achievements in sports. With national recognition and support from the Maharashtra government for his education and training, Pranav stated that "One day I hope to represent India both in tests and one-day games. My dream is to play for India."²²³

²¹⁹ Why Is Cricket So Popular on The Indian Sub-Continent. <https://theconversation.com/why-is-cricket-so-popular-on-the-indian-sub-continent-240440>

²²⁰ How Cricket Became Sport's Next Big Thing. <https://web.archive.org/web/20240804114757/https://www.nytimes.com/athletic/5659059/2024/07/27/cricket-olympics-usa-india-investors/>; It's Official T20 Is Most Popular Format. <https://www.tribuneindia.com/news/archive/sport/it-s-official-t20-is-most-popular-format-611879/>; ICC Survey Reveals Over A Billion Fans. <https://www.espn.cricinfo.com/story/icc-survey-reveals-over-a-billion-fans-90-in-subcontinent-1150473>

²²¹ Reasons Children Cricket Play in School. <https://siddharthapublicschools.com/blog/reasons-children-cricket-play-in-school/>

²²² Sports Academy. <https://kcgandhischoolkalyan.com/sportsacademy>

²²³ My Dream Is to Play for India, Declares Schoolboy Cricketer After Scoring 1,009. <https://www.theguardian.com/world/2016/jan/05/dream-play-for-india-schoolboy-cricketer-pranav-dhanawade-1009-not-out>

Figure 18: Street Cricket in India²²⁴



The financial and media explosion surrounding cricket has further propelled its growth. **The Board of Control for Cricket in India (BCCI) has generated billions from television rights, with the Indian Premier League emerging as the world's biggest Twenty20 league,²²⁵ which we will discuss in a later section.** Similar leagues have been established in Bangladesh, Pakistan, and Sri Lanka, though none match the IPL's financial scale. **India's financial influence has significantly shaped the International Cricket Council's (ICC) decision-making, with India set to receive 38.5% of the ICC's profits from 2024 to 2027, while the remaining 105 cricketing nations share the remaining 61.5%.²²⁶ The BCCI has reinvested its profits into upgrading cricket infrastructure, building state-of-the-art stadiums, training centers, and hiring top-tier coaching staff.**

²²⁴ Watching Cricket in India for Travelers. <https://www.remotelands.com/travelogues/watching-cricket-in-india-for-travelers/>

²²⁵ Why Is Cricket So Popular on The Indian Sub-Continent. <https://theconversation.com/why-is-cricket-so-popular-on-the-indian-sub-continent-240440>

²²⁶ ICC Revenue Deal Set to Overlook Chance to Grow Game in Favour of Enriching Richest.

<https://www.theguardian.com/sport/blog/2023/may/26/icc-broad-cast-revenue-deal-rights-bcci-international-cricket>

Indian Premier League Overview

After the 1996 Cricket World Cup, which was co-hosted by India, Pakistan, and Sri Lanka, cricket continued to gain popularity among the regions. Recognizing the immense commercial potential of the sport, Subhash Chandra, the founder of Zee TV, India's first private satellite channel,²²⁷ set his sights on acquiring telecast rights for domestic cricket. Despite making the highest bids in 2004,²²⁸ Zee was denied the rights by the Board of Control for Cricket in India (BCCI). In 2005, while preparing for a new round of bids on the broadcasting rights of crickets from BCCI, Chandra also called publicly to grant public broadcasters access to the content on a commercial basis.²²⁹

In 2006, the Board of Control for Cricket in India sold its global media rights to Zee TV for the next five years including television, radio, and internet rights.²³⁰ However, the five-year deal, which was supposed to be an exclusive deal between Zee TV and the BCCI, ended early, in 2007, due to the implementation of the new Sports Broadcast Bill. This bill required broadcasters to share live feeds with Doordarshan, India's state-owned TV channel, without advertisements, significantly impacting Zee TV's revenue. Zee sought to renegotiate the deal, citing financial losses from mandatory feed sharing and offshore match constraints, but the BCCI did not respond to their requests.²³¹ In addition, Zee felt unfairly treated as the BCCI reportedly offered a discount to Nimbus, which was another Indian broadcaster, for similar losses.

Frustrated by BCCI's monopoly over broadcasting rights, in April 2007, Zee launched the Indian Cricket League (ICL),²³² a privately funded cricket tournament that operated outside the BCCI's control, further fueling the early fallout of the deal. Years later, in a 2024 podcast, Lalit Modi, the founding figure of the Indian Premier League (IPL) and was a good friend Zee's founder Subhash Chandra, claimed that Chandra had taken the idea of the Twenty20-format ICL from him.²³³ Modi stated that they had initially developed the concept together in the 1990s. Later in 2007, the BCCI announced that any players who signed up for the Indian Cricket League would be banned for life from playing for India and from taking part in all domestic tournaments, including those young players who had not played for the country yet.²³⁴

Subhash Chandra visioned to make India a hub for cricket innovation through the newly formed Indian Cricket League. In a letter to the Board of Control for Cricket in India's then-president Sharad Pawar, he outlined plans for international-standard infrastructure, modern technology, and financial support for players. The Indian Cricket League, featuring 20-over matches with top Indian and foreign players, offered a \$1 million prize for winners and would be broadcast on Zee Sports. Chandra emphasized that cricket innovations often arose outside official establishments. However, the Board of Control for Cricket in India rejected cooperation with the ICL and revoked pensions for players who joined it.²³⁵

The Indian Cricket League introduced Indian audiences to the fast-paced Twenty20 (T20) format, a shorter version of the game that was first played as an international match in 2005 between Australia and New Zealand.²³⁶ Unlike traditional One Day Internationals (ODIs), which spanned 50 overs per side, T20 matches were limited to just 20 overs per team, offering a more intense, action-packed and time-efficient experience for fans.

²²⁷ Dr Subhash Chandra Launched India's First Private Satellite Channel 'Zee TV' in 1992.

<https://zeenews.india.com/companies/today-in-history-dr-subhash-chandra-launched-india-s-first-private-satellite-channel-zee-tv-in-1992-2399038.html>

²²⁸ BCCI invites Zee and ESPNStar for Final Discussions. <https://www.espnricinfo.com/story/bcci-invites-zee-and-espnstar-for-final-discussions-142965>; BCCI Cancels TV Rights, ZEE Cries Foul. https://www.afaqs.com/news/media/9929_bcci-cancels-tv-rights-zee-cries-foul

²²⁹ Zee Won't Play Cricket. <https://www.rediff.com/money/2005/sep/27zee.htm>

²³⁰ BCCI Becomes Billion-Dollar Entity after ZEE Deal for Media Rights. <https://www.oneindia.com/2006/04/06/bcci-becomes-billion-dollar-entity-after-zee-deal-for-media-rights-1144337787.html>

²³¹ Zee Walks Out of The Five-Year Telecast Deal with BCCI. <https://www.oneindia.com/2006/04/06/bcci-becomes-billion-dollar-entity-after-zee-deal-for-media-rights-1144337787.html>

²³² Subhash Chandra Profile. <https://www.espnricinfo.com/cricketers/subhash-chandra-305743>

²³³ Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

²³⁴ Life Ban for Players Joining ICL. <https://www.news18.com/cricketnext/news/life-ban-for-players-joining-icl-bcci-541104.html>

²³⁵ ICL Hopes to Bring Innovations in Cricket. <https://www.espnricinfo.com/story/icl-hopes-to-bring-innovations-in-cricket-300972>

²³⁶ Who Won The First T20 World Cup. <https://www.olympics.com/en/news/first-t20-world-cup-winner>

The Three Formats of Cricket²³⁷

Cricket is played in three different formats at the international level, each with its own set of rules, duration, and style of play. These formats are Test Cricket, One-Day Internationals (ODI), and Twenty20 Internationals (T20). Each format offers a different challenge and appeals to different audiences while being governed by the International Cricket Council (ICC).

1. **Test Cricket** – the longest and most traditional format, dating back to 1877. It is played over five days, with each team having two innings (think as turns, or rounds) to bat and bowl with no limit on the number of overs (think as turns or rounds per innings). This format is considered the ultimate test of a player's endurance, technique, and temperament, as matches are played under varying pitch and weather conditions. Scores in Test matches typically range between 400-600 runs per team over both innings. Players wear traditional white uniforms, and matches often have slow, strategic momentum shifts. The ICC recognizes the top-ranked Test team each year with a \$1 million cash prize. In 2019, the ICC introduced the World Test Championship, where the top nine teams compete in a structured tournament over a two-year cycle, culminating in a final to determine the champion.

Figure 19: Test Cricket²³⁸



2. **One-Day International (ODI)** – introduced in 1971, provides a faster-paced alternative to Test cricket. Each team gets one inning limited to 50 overs, which means scoring runs with both techniques and speed is crucial. While some elements of Test match patience are required, players must also be aggressive and take calculated risks to score runs efficiently. Teams wear colored uniforms of their country instead of traditional whites. Matches last about seven hours, making them easier to follow than Test cricket. The ICC Cricket World Cup, held every four years since 1975, is in ODI format. Other major ODI tournaments include the ICC Champions Trophy and the ICC Women's World Cup. The balance of attacking and defensive strategies makes ODIs a bridge between the long-form and short-form versions of cricket.

²³⁷ About ICC Cricket. ICC. <https://www.icc-cricket.com/about/cricket/game-formats/the-three-formats>; Explore Different Cricket Formats. <https://cricamerica.com/cricket-formats/>

²³⁸ Don't Dismiss The Idea of Four-Day Test Cricket. <https://www.espn.com/story/don-t-dismiss-the-idea-of-four-day-test-cricket-1212903>

Figure 20: ODI Cricket²³⁹



- 3. Twenty20 Internationals (T20)** – the newest and the most popular format, having debuted in 2005. According to the International Cricket Council, of the over one billion cricket fans modeled globally, 92% of fans interested in the T20 format, followed by 88% in ODI, and 70% in Test cricket.²⁴⁰ Each team in T20 format gets 20 overs per innings, making matches last around three hours, a length more comparable to other major sports in the world such as football and basketball. This format demands aggressive batting than being defensive. Power-hitting, innovative stroke play, and acrobatic fielding are key features of T20 cricket, making this format action-packed. T20 matches are designed for maximum entertainment, featuring such elements as music, celebrities, and fireworks, creating a stadium atmosphere similar to other global sports leagues. The ICC World Twenty20 is the premier international T20 tournament, but much of the format's popularity comes from domestic franchise leagues including the Indian Premier League (IPL), Australian Big Bash League (BBL), and Caribbean Premier League (CPL). Unlike Tests and ODIs, T20 cricket has a franchise system where players are auctioned, transferred, and play for different teams, similar to other major sports leagues in the world such as NFL and NBA.

²³⁹ India vs England, 2nd ODI Preview. <https://indianexpress.com/article/sports/cricket/india-vs-england-2nd-odi-preview-upbeat-india-eye-series-win-at-lords-5258530/>

²⁴⁰ It's Official T20 Is Most Popular Format. <https://www.tribuneindia.com/news/archive/sport/it-s-official-t20-is-most-popular-format-611879/>; ICC Survey Reveals Over A Billion Fans. <https://www.espncomcrinfo.com/story/icc-survey-reveals-over-a-billion-fans-90-in-subcontinent-1150473>

Figure 21: The Indian Premier League 2024 Opening Ceremony²⁴¹



However, the Indian Cricket League's independence posed a direct threat to the Board of Control for Cricket in India's authority. Former Indian captain of the World Cup winning team in 1983,²⁴² Kapil Dev was appointed as the league's chairman. In retaliation, as aforementioned, the Board of Control for Cricket in India refused to recognize the Indian Cricket League (ICL) and imposed harsh penalties – any Indian player who participated in the league would be banned from representing the national team.²⁴³ Other cricket boards such as Bangladesh Cricket Board (BCB) followed suit, forbidding their players from joining the ICL.²⁴⁴ In 2009, the Board of Control for Cricket in India announced an “amnesty” to all Indian players associated with the ICL and stated that they could return to official cricket if they cut ties with the unauthorized ICL. This “amnesty” soon followed by other boards such as South Africa and Bangladesh.²⁴⁵ As a result, the ICL struggled to sustain itself in the face of the Board of Control for Cricket in India's opposition. The league eventually wound down in 2009 as players accepted the BCCI's amnesty offer.²⁴⁶

While the Indian Cricket League was fighting for survival, a parallel effort was unfolding within the Board of Control for Cricket in India. Sharad Pawar, the BCCI's president from 2005 to 2008, backed a businessman and the BCCI vice president Lalit Modi in his long-standing vision of a T20 league. Lalit Modi had registered a company named Indian Cricket League Ltd. (Yes, ICL) on September 19, 1995, to promote Modi Entertainment Network. At the time, his company was collaborating with ESPN and Disney to expand content in the Indian market.²⁴⁷ However, his ICL never took off due to

²⁴¹ IPL 2024 Begins with Star-Studded Opening Ceremony. <https://www.geosuper.tv/latest/34662-ipl-2024-begins-with-star-studded-opening-ceremony>

²⁴² BCCI Told Us to Close Down ICL. <https://www.indiatoday.in/latest-headlines/story/bcci-told-us-to-close-down-icl-kapil-dev-31958-2008-10-20>

²⁴³ Life Ban for Players Joining ICL. <https://www.news18.com/cricketnext/news/life-ban-for-players-joining-icl-bcci-541104.html>

²⁴⁴ Bangladesh Bans ICL Recruits for 10 Years. <https://www.espnricinfo.com/story/bangladesh-bans-icl-recruits-for-10-years-370016>

²⁴⁵ BCCI Offers Amnesty for ICL Players. <https://www.espnricinfo.com/story/bcci-offers-amnesty-for-icl-players-402028>; South Africa Offers Amnesty to ICL Players. <https://www.espnricinfo.com/story/south-africa-offers-amnesty-to-icl-players-405613>; Bangladesh Board Also Offers Amnesty to ICL Players. <https://www.espnricinfo.com/story/bangladesh-board-also-offers-amnesty-to-icl-players-403699>.

²⁴⁶ 'The Battle Is Not Over'. <https://www.espnricinfo.com/story/the-battle-is-not-over-greig-407105>

²⁴⁷ Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

political roadblocks. The Board of Control for Cricket in India, with which Modi had not yet built strong ties, insisted on retaining control, something Modi refused to concede.²⁴⁸

In 2007, the Zee Group launched a T20 league under the same name, prompting Modi to threaten legal action, though he never pursued it. By then, Modi had joined the BCCI and, after attending the International Cricket Council (ICC) as an observer, witnessed the launch of the first ICC T20 World Cup in 2007. This reinforced his belief in the potential of a franchise-based T20 league, despite widespread skepticism from the BCCI and industry stakeholders, including cricketers, who doubted whether such a shortened, non-traditional format of cricket would succeed.

In response to the Zee's Indian Cricket League, Modi, with the backing of Sharad Pawar of the Board of Control for Cricket in India, whom Modi had developed a close relationship with during his work with Disney and ESPN in the 1990s, quickly mobilized the BCCI and the International Cricket Boards to create the Indian Premier League (IPL).²⁴⁹ The Indian Premier League was announced on September 13, 2007, and debuted in April 2008 after a high-profile player auction. The IPL's success led to the downfall of Zee's Indian Cricket League, which eventually collapsed, as previously mentioned, leaving many players unpaid.

Lalit Modi

Lalit Kumar Modi is a prominent Indian businessman and cricket administrator known for revolutionizing the sport through the founding of the Indian Premier League (IPL). Born into a wealthy business family, Modi studied at Duke University, with his SAT taken by someone else with fake ID, according to himself²⁵⁰ He did not complete his studies at Duke, as he was charged with conspiracy to traffic drugs, kidnapping, and assault, ultimately pleading guilty in 1985.²⁵¹ After returning to India in 1986, he joined his family's tobacco business, Godfrey Phillips India, a joint venture with Philip Morris, Godfrey Phillips India, a joint venture with Philip Morris.²⁵² In 1993, with the backing of his family business, Modi launched Modi Entertainment Network, securing a 10-year joint venture with Disney to establish Disney India. Over the years, he facilitated multiple collaborations with Disney, bringing their animation content to the Indian market.²⁵³ However, the joint venture dissolved in 2003 when the agreement expired, and Disney sought government approval to establish a wholly owned subsidiary to launch the Disney Channel in India.²⁵⁴ Around 1994, Modi also took on the role of distributing ESPN in India, managing payments for the channel at a time when local operators not paying was common.

Lalit Modi later served in multiple high-profile cricket administrative roles, including Vice President of the Board of Control for Cricket in India (BCCI) from 2005 to 2010, Chairman of the IPL, and President of the Rajasthan Cricket Association (RCA). His deep political connections, particularly with BJP leader Vasundhara Raje, helped him wield significant influence in Rajasthan, where he was often referred to as the "Super Chief Minister" by critics.²⁵⁵ However, his rise in cricket administration was accompanied by allegations of financial irregularities, misconduct, and corruption, eventually leading to his downfall in 2010.

²⁴⁸ Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

²⁴⁹ Indian Premier League – How It All Started. <https://timesofindia.indiatimes.com/ipl-history/indian-premier-league-how-it-all-started/articleshow/19337875.cms>

²⁵⁰ Lalit Modi On IPL, Fraud, Indian Cricket, Politics, Dawood & Billionaire Life. <https://www.youtube.com/watch?v=BEliyff0K7Y>

²⁵¹ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>; The Duke Chronicle, Vol. 80B, No. 113. <https://dukelibraries.contentdm.oclc.org/digital/collection/p15957coll13/id/31446/>; Lalit Modi On IPL, Fraud, Indian Cricket, Politics. <https://www.youtube.com/watch?v=BEliyff0K7Y>

²⁵² Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

²⁵³ MODI ENTERPRISES. <https://www.modi.com/people-behind-the-group.html>; Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

²⁵⁴ Disney, Modis End Venture. <https://www.rediff.com/money/2003/aug/16disney.htm>

²⁵⁵ Lalit Modi Latest News, Videos and Photos of Lalit Modi. <https://timesofindia.indiatimes.com/topic/lalit-modi>

Figure 22: Lalit Modi²⁵⁶



Lalit Modi's journey with the Indian Premier League began in 2008 when he conceptualized and launched the league, turning it into one of the most lucrative and glamorous sporting events in the world. Modeled on major international sports leagues such as the English Premier League (EPL) and the NBA,²⁵⁷ the Indian Premier League blended cricket with entertainment, attracting global cricketers, Bollywood celebrities, and corporate giants. Under his leadership, the Indian Premier League secured billion-dollar broadcasting deals, introduced franchise-based teams, and expanded the T20 format's appeal worldwide.

The controversies surrounding Modi steamed up after the Indian Premier League 2010. He accused then-Union Minister Shashi Tharoor of having indirect free stakes in the Kochi Tuskers Kerala franchise, leading to Tharoor's resignation.²⁵⁸ However, the Kochi team alleged that Modi was trying to manipulate the bidding process in favor of another group. Shortly after the Indian Premier League 2010, the Board of Control for Cricket in India suspended Modi on charges of financial misconduct, including alleged money laundering, rigging franchise auctions, and manipulating broadcast deals.²⁵⁹ In 2013, the Board of Control for Cricket in India imposed a lifetime ban on him from Indian cricket administration. Meanwhile, the Enforcement Directorate launched an investigation into his financial dealings, prompting Modi to flee to London in 2010, citing threats to his life.²⁶⁰ However, the Enforcement Directorate has not found him guilty of any financial irregularities, and in 2014, the High Court overturned the Indian government's 2010 decision to revoke his passport.

²⁵⁶ Innovation Not So Much From. <https://cricinformer.com/innovation-not-so-much-from-lalit-modi-gives-a-huge-statement-regarding-ipl/>

²⁵⁷ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>; The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>

²⁵⁸ Lalit Modi Latest News, Videos and Photos of Lalit Modi. <https://timesofindia.indiatimes.com/topic/lalit-modi>

²⁵⁹ Rise And Fall of Lalit Modi. <https://web.archive.org/web/20200814181051/https://frontline.thehindu.com/cover-story/rise-and-fall-of-lalit-modi/article7345672.ece>

²⁶⁰ Lalit Modi Latest News, Videos and Photos of Lalit Modi. <https://timesofindia.indiatimes.com/topic/lalit-modi>; Rise And Fall of Lalit Modi. <https://web.archive.org/web/20200814181051/https://frontline.thehindu.com/cover-story/rise-and-fall-of-lalit-modi/article7345672.ece>; Why Lalit Modi Left India. <https://timesofindia.indiatimes.com/entertainment/hindi/bollywood/news/why-lalit-modi-left-india-raj-shamani-digs-deep-into-the-untold-truths-of-death-threats-dawood-ibrahim-and-more-exclusive/articleshow/115564792.cms>

In 2024, Modi broke his silence regarding his exile, revealing that his departure was primarily due to threats from one of the pre-eminent criminals in the Indian underworld.²⁶¹ In an interview on Raj Shamani's Figuring Out podcast, Modi claimed that the mob boss targeted him after the first season of the Indian Premier League because of his strong anti-corruption stance against illegal betting syndicates. Modi alleged that his strict policies against match-fixing made him a threat to these criminal networks, which controlled a multi-billion-dollar betting industry. He recounted assassination attempts in South Africa, Thailand, and Montenegro and claimed that his son was even kidnapped in the UK.²⁶² Despite these shocking allegations, he remains defiant and insists on his innocence, expressing his desire to return to India.

The Indian Premier League operates on a franchise-based system, inspired by the American model of player hiring and transfers such as those seen in NBA.²⁶³ The franchises (teams) were auctioned, with the highest bidders to own teams – an idea originated from Sotheby's, with which Lalit Modi's family business had a joint venture.²⁶⁴ The IPL's inaugural auction took place on January 24, 2008, with a total base price of \$400 million. The auction ended up fetching \$723.59 million for the eight teams, with individual team valuations ranging from \$67 million to \$112 million.²⁶⁵

The league was initially designed to feature city-based franchises,²⁶⁶ each consisting of 16 players, including four international players, four Under-21 players, and four from the franchise's catchment area. In addition, each team would have professional support staff, including executives, team managers, coaches, event managers, and physiotherapists. The inaugural Indian Premier League season was scheduled to begin on April 18, 2008, featuring eight city-based franchises competing over 44 days in a total of 59 matches. The tournament format included home-and-away matches, semi-finals, and a grand final, with a grand prize of \$3 million. The Indian Premier League Governing Council, chaired by Lalit Modi, comprised the Board of Control for Cricket in India officials and former cricketers. Appointed for a five-year term, the council functioned as a virtual company, overseeing the Indian Premier League's operations and hiring professionals for its management.

As of 2024, the playing conditions for the Indian Premier League players remain largely similar to its inception in 2008.²⁶⁷ Each team can nominate 11 players along with a maximum of 5 substitute fielders. However, no more than 4 overseas players can be included in the starting 11 players or be on the field at any given time during a match. While the Indian Premier League has never explicitly stated the reasoning behind this restriction on overseas players, ensuring a majority of Indian players might reinforce the league's Indian identity and potentially capitalize on a massive domestic audience of over a billion people, a significant total addressable market.

The debut of the Indian Premier League in 2008 was unprecedented in Indian sports history, attracting widespread attention with team owners that included Bollywood celebrities such as Shah Rukh Khan, Gauri Khan, and Preity Zinta, as well as major Indian corporations such as United Breweries, Reliance Industries, and GMR Group,²⁶⁸ and players from not only India but also the rest of the world including Australia, Pakistan, Sri Lanka, South Africa, New Zealand, and West Indies.²⁶⁹ The Indian Premier League's business model is relatively straightforward, with revenue generated from three main streams: media rights, sponsorships (both central and local), and

²⁶¹ Why Lalit Modi left India. <https://timesofindia.indiatimes.com/entertainment/hindi/bollywood/news/why-lalit-modi-left-india-raj-shamani-digs-deep-into-the-un-told-truths-of-death-threats-dawood-ibrahim-and-more-exclusive/articleshw/115564792.cms>; Everything Lalit Modi said on IPL. <https://economictimes.indiatimes.com/news/new-updates/everything-lalit-modi-said-on-ipl-dawood-ibrahim-and-shah-rukh-khan/articleshw/115761073.cms?from=mdr>; Lalit Modi On IPL, Fraud, Indian Cricket, Politics. <https://www.youtube.com/watch?v=BEliyff0K7Y>

²⁶² Everything Lalit Modi said on IPL. <https://economictimes.indiatimes.com/news/new-updates/everything-lalit-modi-said-on-ipl-dawood-ibrahim-and-shah-rukh-khan/articleshw/115761073.cms?from=mdr>

²⁶³ Indian Premier League – How It All Started. <https://timesofindia.indiatimes.com/ipl-history/indian-premier-league-how-it-all-started/articleshw/19337875.cms>

²⁶⁴ The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>

²⁶⁵ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

²⁶⁶ IPL Unveils Franchise Prospectus. <https://www.rediff.com/cricket/2007/dec/18ipl.htm>

²⁶⁷ IPL 2024 Match Playing Conditions.

²⁶⁸ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

²⁶⁹ IPL Lays Out Revenue-Sharing Plan with Franchises. <https://www.espnricinfo.com/story/ipl-lays-out-revenue-sharing-plan-with-franchises-326200>

gate receipts.²⁷⁰ The central pool consists of league-wide sponsorships, shared between the league and franchisees, while the local pool includes team-specific sponsorships, which franchises retain in full.

At the Indian Premier League's debut, it was reported that franchisees' expenses would cover franchise payments, player salaries, personnel costs, marketing, stadium rentals, promotion, event management, and administration. The auction for the eight original teams raised \$724 million, with franchisees (or new owners) owning teams in perpetuity but paying in installments over 10 years. Teams would also spend \$4 – \$6 million annually on players and personnel, with players signing three-year contracts. Except for icon players, trades were allowed after the first season. Stadium costs could reach ₹30 lakh (approximately \$68,000) per match, while marketing, promotion, and event management expenses add another \$3 – \$4 million per year.²⁷¹

For broadcasting rights, a consortium that included Sony Entertainment Television and World Sports Group secured a 10-year deal worth \$1.026 billion,²⁷² of which \$108 million for marketing, with the remaining \$918 million going into the central revenue pool.²⁷³ According to Lalit Modi, the league initially allocated 2,000 seconds per match for commercial advertising, which was placed strategically during stoppages such as overs, wickets, and changeovers.²⁷⁴ The Board of Control for Cricket in India (BCCI) retained full control over the broadcast signal, dictating how matches were shown and when advertisements could be aired. Broadcasters merely received the signals and displayed the matches accordingly. The first IPL season featured a total of 59 matches.²⁷⁵ In 2009, the IPL introduced strategic timeouts, an idea that Lalit Modi got from the National Football League, giving teams an opportunity to reassess their tactics while also allowing broadcasters to fit in more advertisements and increase their revenue.²⁷⁶

The media rights were divided into multiple categories such as television, mobile, international, and domestic broadcasting. **The revenue-sharing model between the Board of Control for Cricket in India and the Indian Premier League²⁷⁷ granted franchisees 80% of television revenue for the first two years, 70% in the third and fourth, 60% from years five to ten, and 50% from the 11th year onward. Sponsorship revenue was shared at 60% for the first ten years, dropping to 50% thereafter.²⁷⁸ In addition, 80% of the ticket sales reportedly go to the teams,²⁷⁹ though Lalit Modi recalled that franchisees actually retained 100% of ticket revenue, as well as earnings from merchandise and team sponsorships.**²⁸⁰

Before the franchise auctions and media rights deals, Lalit Modi assured team owners and broadcasters through a "gentleman's contract", an informal, unwritten agreement, that if the IPL failed to succeed, he would personally shut it

²⁷⁰ IPL, The \$2 Billion IPO. https://economictimes.indiatimes.com/ipl-the-2-billion-ipo/articleshow/3094902.cms?from=mdr#google_vignette

²⁷¹ IPL, The \$2 Billion IPO. https://economictimes.indiatimes.com/ipl-the-2-billion-ipo/articleshow/3094902.cms?from=mdr#google_vignette

²⁷² Sony signed a one-year deal with the right to renew for another nine-year cycle. The Founder – IPL Episode 3, South Africa. <https://marcusluer.com/podcast/episode-98-3-with-lalit-modi/>

²⁷³ Sony and World Sports Group Bag IPL Television Rights. <https://www.espncriinfo.com/story/sony-and-world-sports-group-bag-ipl-television-rights-330881>

²⁷⁴ The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>; The Founder – IPL Episode 3, South Africa. <https://marcusluer.com/podcast/episode-98-3-with-lalit-modi/>; IPL Matches World Cup in Advertisement Rates. <https://economictimes.indiatimes.com/industry/media/entertainment/ipl-matches-world-cup-in-advertisement-rates/articleshow/2879661.cms?from=mdr>

²⁷⁵ IPL 2008 Schedule, Results. <https://www.mykhel.com/cricket/ipl-2008-schedule-results-s9971/>

²⁷⁶ WPL Strategic Timeout. <https://www.mykhel.com/cricket/wpl-strategic-timeout-partner-rules-history-of-strategic-timeout-ahead-of-women-s-premier-league-e209501.html>; IPL Strategic Timeouts. <https://www.sportingnews.com/in/cricket/news/ipl-strategic-timeout-what-how-many-work-indian-premier-league/r14zisdkjtqllfmigzjn4jps>; The Founder – IPL Episode 3, South Africa. <https://marcusluer.com/podcast/episode-98-3-with-lalit-modi/>

²⁷⁷ Huge IPL Rights Deals to Leave Franchisees Richer. <https://www.espncriinfo.com/story/huge-ipl-rights-deals-to-leave-franchisees-richer-1119617>

²⁷⁸ IPL Lays Out Revenue-Sharing Plan with Franchisees. <https://www.espncriinfo.com/story/ipl-lays-out-revenue-sharing-plan-with-franchisees-326200>

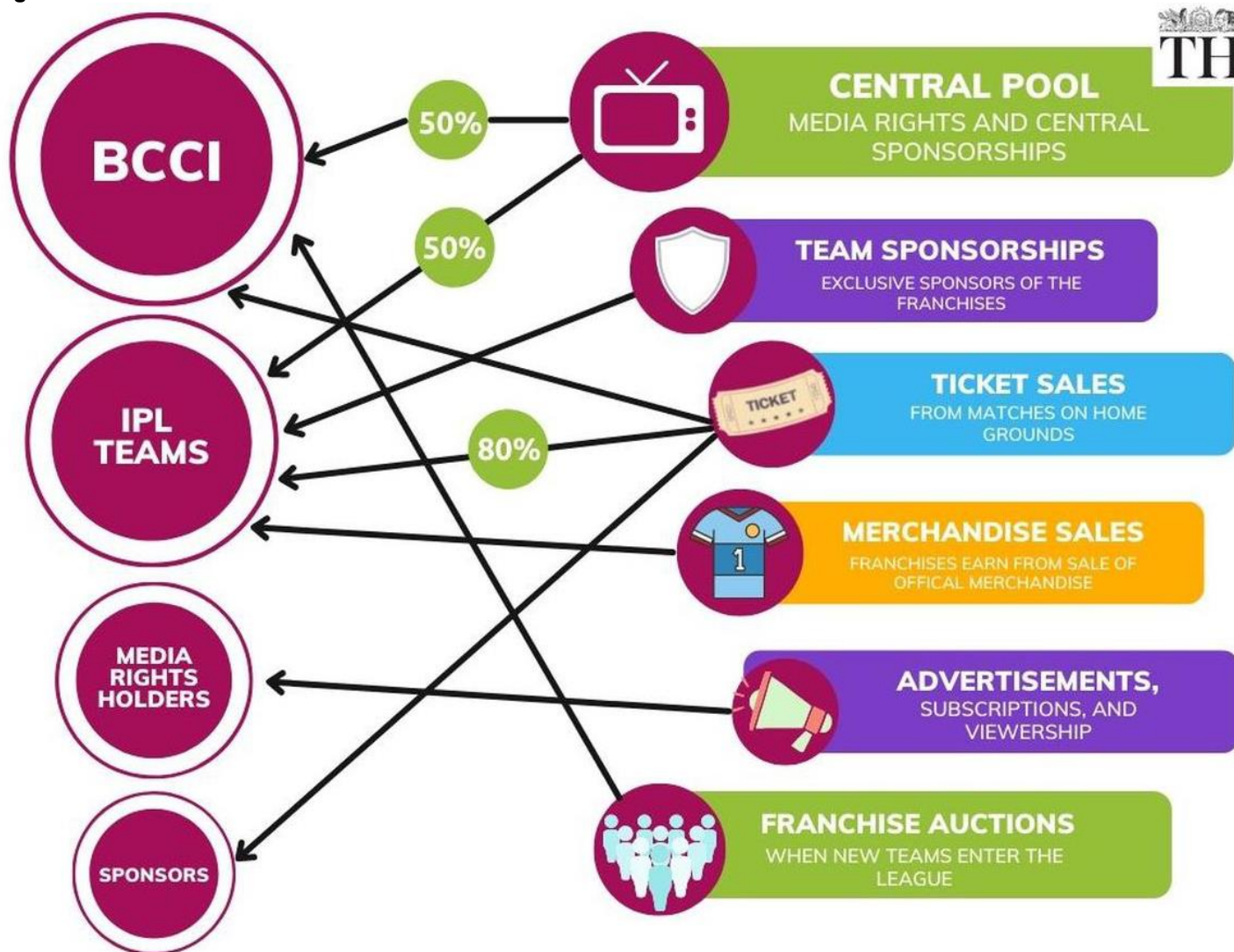
²⁷⁹ How Does IPL Make Money And Where Does It stand with Global Sports Leagues. <https://web.archive.org/web/20220627011349/https://www.thehindu.com/sport/explained-the-ipl-business-model-and-how-it-compares-to-sports-leagues-globally/article65547025.ece>

²⁸⁰ The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>

down, ensuring that neither team owners nor broadcasters would be held liable for the remaining duration of their contracts. This minimized their financial risks and encouraged investment in the league.²⁸¹

Reported in mid-2022 by The Hindu, an Indian newspaper, it was estimated that only about 20% of the Indian Premier League teams' revenue came from individual team sponsorships, match tickets, and merchandise, while about 70-80% was from the central pool consisting mostly of broadcasting rights and central sponsorship deals. While the Board of Control for Cricket in India retains 50% of the central pool revenue, 45% is shared equally among the teams, and the remainder 5% is bagged by the four teams that make it to the playoffs as prize money, with the largest amount given to the victor.²⁸² Individual teams retain the most, if not all, of their team-based revenue, including sponsorships and home game ticket sales. In comparison, the NFL and NBA were estimated to share approximately 60% and 40% of their revenue among teams, respectively.²⁸³

Figure 23: IPL Revenue Flows²⁸⁴



²⁸¹ The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>

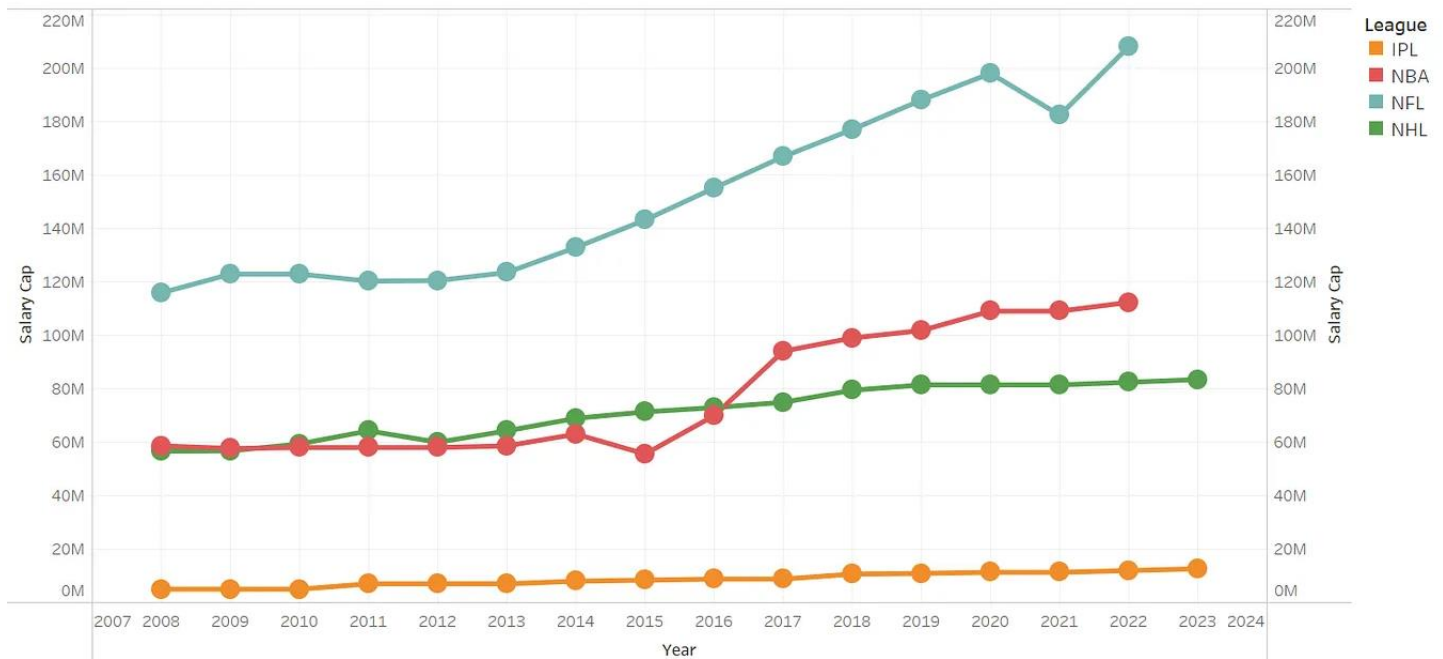
²⁸² How Does IPL Make Money And Where Does It stand with Global Sports Leagues. <https://web.archive.org/web/20220627011349/https://www.thehindu.com/sport/explained-the-ipl-business-model-and-how-it-compares-to-sports-leagues-globally/article65547025.ece>

²⁸³ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

²⁸⁴ How Does IPL Make Money And Where Does It stand with Global Sports Leagues. <https://web.archive.org/web/20220627011349/https://www.thehindu.com/sport/explained-the-ipl-business-model-and-how-it-compares-to-sports-leagues-globally/article65547025.ece>

In addition, the Board of Control for Cricket in India imposes a salary cap in the IPL, setting a maximum limit on how much each franchise can spend on player salaries during a given season. This cap includes expenses for player retention, transfers, and contract renewals, restricting the total amount a franchise can allocate toward building its team. As a result, teams must carefully strategize and manage their financial resources within these limits to assemble a competitive lineup. The salary cap is a financial mechanism implemented by the Board of Control for Cricket in India to ensure a level playing field and maintain financial stability within the league. It is periodically adjusted as needed. Since the league's inception, the salary cap for each Indian Premier League team has increased from approximately \$5 million in 2008 to \$12 million (100 crore Indian rupees) in 2024,²⁸⁵ reflecting a 6% CAGR. Despite this growth, the IPL's salary cap remains the lowest among the world's major sports leagues.²⁸⁶ In comparison, Major League Baseball (MLB) has no salary cap, while the National Basketball Association (NBA) operates with a soft salary cap. Both leagues impose a "luxury tax" on teams that exceed a certain spending threshold. In contrast, the National Football League (NFL) and the National Hockey League (NHL) enforce hard salary caps to maintain parity and prevent wealthier teams from monopolizing top talent.²⁸⁷

Figure 24: Salary Caps of Sports Leagues²⁸⁸



Note:

1. The salary cap is measured in millions of USD.

In 2023, *The Daily Telegraph* reported that while global sports leagues such as the NBA, NFL, and Premier League (EPL) share with players around 50% to 70% of leagues' total revenue, the Indian Premier League cricketers collectively get only about 18%.²⁸⁹ **A strict salary cap keeps player wages low, ensuring franchise owners, many of whom are India's wealthiest individuals, retain a larger share of profits.** Despite top players earning millions, the Indian Premier League players are still underpaid compared to other major sports leagues. As previously mentioned, the cap benefits franchises by maintaining financial stability, preventing excessive spending, and ensuring competitive balance. In addition, some owners of the Indian Premier League teams also control rival T20 leagues such as South Africa's SA20 and the UAE's ILT20, limiting competition and preventing other leagues from offering

²⁸⁵ IPL Hikes Salary Cap by \$2 Million to \$7 Million Per Team. https://economictimes.indiatimes.com/ipl-hikes-salary-cap-by-2-mn-to-7-mn-per-team/articleshow/5717737.cms?from=mdr#google_vignette; IPL Players Highly Underpaid. <https://www.newindianexpress.com/sport/cricket/2024/Sep/13/ipl-players-highly-underpaid>

²⁸⁶ Comparing the IPL's Media Rights and Salary Cap to Other Professional Leagues Worldwide. <https://medium.com/@ramanang711/comparing-the-ipls-media-rights-and-salary-cap-to-other-professional-leagues-worldwide-9c6efc617218>

²⁸⁷ How NHL Salary Cap Works. <https://www.cnn.com/2024/11/20/how-nhl-salary-cap-works.html>

²⁸⁸ Comparing the IPL's Media Rights and Salary Cap to Other Professional Leagues Worldwide. <https://medium.com/@ramanang711/comparing-the-ipls-media-rights-and-salary-cap-to-other-professional-leagues-worldwide-9c6efc617218>

²⁸⁹ The statistics were reported based on the most recent game season in 2023. Think IPL Players Are Well Paid. *The Telegraph*. <https://www.telegraph.co.uk/cricket/2023/03/29/think-ipl-players-paid-should-paid-three-times/>

significantly higher wages. While broadcasting rights have increased from approximately \$100 million a year in 2008²⁹⁰ to \$1.2 billion a year in 2023,²⁹¹ an 18% CAGR, the salary cap has only grown at a 6% CAGR,²⁹² further widening the gap between league revenues and player earnings.

Unlike sports leagues in North America and Europe, where strong player unions negotiate better deals, the Indian Premier League cricketers lack organized representation, making legal challenges risky and unlikely.²⁹³ With no alternative leagues and the threat of being blacklisted, players have little power to fight against the league, given their rather short career, allowing the Indian Premier League to keep dominating global cricket while keeping salaries low relatively to their revenues.

In April 2008, just a few months after the first Indian Premier League auctions in January, a cricket commentator, former professional cricketer, and India's national team head coach Ravi Shastri wrote in the *Hindustan Times*:

“It is no longer a question whether the Indian Premier League is a winner. It's a massive, massive hit and we are witnessing probably the biggest moment of the game yet...The Packer era²⁹⁴ might have meant better wages for cricketers and the introduction of floodlights and colored clothing and all, but the game's appeal was still limited to a few nations. Now it's changed forever. Club-ownership, auctioning of players would have global appeal. You would now see cricket really taking roots in those so-called “non-traditional” countries. I never thought in my life I would witness something as stunning as the IPL. Can you imagine a player from France or Nigeria or for that matter from Afghanistan playing in the IPL in the future?...Only a visionary could have pulled it off and Lalit Modi must be complimented for staging such an audacious coup.”²⁹⁵

By adopting a club-ownership structure and commercializing the sport (e.g. allowing bidding for media rights and sponsorships, etc.), the Indian Premier League not only expanded its audience beyond each team's home city, broadcasting matches through global media channels, but also attracted international fans, leveraging the worldwide following of star international players.

Since its founding in 2008, the Indian Premier League has grown in popularity and established itself as the most-watched sporting event in India. However, determining its total viewership can be challenging due to the complexity of multiple broadcasting platforms, including television and on-demand services. In 2008, the Indian Premier League reportedly had 102 million viewers in India.²⁹⁶ According to the Broadcast Audience Research Council (BARC) India, the Indian Premier League registered 361 million TV viewership in 2022, the most-watched sports events, followed by Pro Kabaddi League (PKL) 222 million.²⁹⁷ In 2023, the BARC India reported that the IPL, broadcast on the Star Sports Network, which

²⁹⁰ In 2008, a consortium of Singapore-based World Sports Group and India's Sony Television Network paid \$1.026 billion for media rights of the IPL over the next 10 years. The Billion-Dollar Baby Causes Worldwide Frenzy. <https://economictimes.indiatimes.com/ipl-the-billion-dollar-baby-causes-worldwide-frenzy/articleshow/2809171.cms?from=mdr>

²⁹¹ In 2022, the IPL sold its media rights for \$6.2 billion for the next five years. IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal. <https://www.espnricinfo.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

²⁹² IPL Hikes Salary Cap by \$2 Million to \$7 Million Per Team. https://economictimes.indiatimes.com/ipl-hikes-salary-cap-by-2-mn-to-7-mn-per-team/articleshow/5717737.cms?from=mdr#google_vignette; IPL Players Highly Underpaid. <https://www.newindianexpress.com/sport/cricket/2024/Sep/13/ipl-players-highly-underpaid>

²⁹³ Think IPL Players Are Well Paid. The Telegraph. <https://www.telegraph.co.uk/cricket/2023/03/29/think-ipl-players-paid-should-paid-three-times/>

²⁹⁴ The Packer Revolution/Era refers to Kerry Packer's transformation of cricket in the late 1970s through World Series Cricket (WSC) after being denied TV rights by the Australian Cricket Board. Frustrated, he signed 35 top players and introduced colored uniforms, white balls, night matches under floodlights, and higher player salaries, challenging cricket's traditional structures. Despite initial resistance and bans from governing bodies, WSC's popularity soared, forcing a truce in 1979 that saw Packer win TV rights and cricket modernize into a commercial, professional sport. His innovations laid the foundation for modern-day limited-overs cricket world series. Kerry Packer Changed The Game of Cricket With The World Series. <https://www.foxsports.com.au/the-sideline/the-packer-revolution/news-story/18ef12781ed1cd7c5f93f43b64e5061c>

²⁹⁵ Sanctity of Tests Must Remain Despite The IPL's Success. Hindustan Times. <https://www.hindustantimes.com/india/sanctity-of-tests-must-remain-despite-the-ipl-s-success/story-wJUkMnk8sFJ5SruQCYbJN.html>

²⁹⁶ Ad Overkill Puts Off IPL Viewers. ESPNricinfo. <https://www.espnricinfo.com/story/ad-overkill-puts-off-ipl-viewers-460330>

²⁹⁷ From Handball To Panja, Why Sports Leagues Are Taking Off In India. Forbes India. <https://www.forbesindia.com/article/take-one-big-story-of-the-day/from-handball-to-panja-why-sports-leagues-are-taking-off-in-india/86315/1>

holds the television rights in India from 2023 to 2027,²⁹⁸ registered record-high 505 million viewers, with total watch time of 427.1 billion minutes.²⁹⁹ **From 2008 to 2023, the Indian Premier League's TV viewership is estimated to have grown at a CAGR of 11%.**

The Indian Premier League's popularity is evident not only as the most-watched sporting event in India but also as one of the country's most frequently searched topics online. In 2024, **the Indian Premier League was the most-searched term on Google in India, followed by the T20 World Cup, Bharatiya Janata Party, Election Results 2024, and the Olympics 2024.**³⁰⁰ While specific search volume figures were not provided, the Indian Premier League's popularity reflected in online searches remains undeniable. Historically, the Indian Premier League has consistently ranked among India's top Google searches. It was the eighth-fastest-rising search in 2011, the second top-trending search in 2013, and the sixth most-searched term in 2014, behind "Election 2014" and "FIFA 2014."³⁰¹ In 2015, while the ICC Cricket World Cup was the most-searched term in India, the Indian Premier League ranked fifth, making it the second-most-searched sporting event that year.³⁰² By 2017, the Indian Premier League had climbed to the second-most-searched term on Google and become the most-searched sports event in India.³⁰³ Even in 2020, amid the global COVID-19 pandemic, the Indian Premier League remained the most-searched term in the country, surpassing "Coronavirus" and the "U.S. election,"³⁰⁴ reflecting its popularity among Indian people.

There are a few reasons contributing to the Indian Premier League's success. First, the timing of the Indian Premier League's launch was ideal. The 2007 T20 World Cup, which was the first cricket world cup in the Twenty20 format, was a landmark moment in Indian cricket history, marking the beginning of a new era. Under MS Dhoni's captaincy, India defeated arch-rivals Pakistan in a thrilling final. The game was closely fought, with both teams having their moments, but India held their nerve to clinch the win by just five runs. This victory was significant not only because of the title but also for the fearless and aggressive brand of cricket India displayed throughout the tournament. In addition, it also instilled confidence in Indian cricket, proving that they could dominate in the shortest format of the game. One of the tournament's most iconic moments was Yuvraj Singh's six sixes³⁰⁵ in an over against England's Stuart Broad,³⁰⁶ a once-in-a-lifetime feat that became legendary.

Before this tournament, the Board of Control for Cricket in India was skeptical about the T20 format, unsure if it would resonate with Indian audiences. However, Lalit Modi understood the potential of the shorter format and believed that an Indian victory in the T20 World Cup would be the catalyst needed to launch the IPL. Determined to motivate the Indian team, Modi personally flew to South Africa, where the tournament was hosted, and made an promise – any Indian player who hit six sixes in an over or took six wickets in a match would receive a Porsche from him personally.³⁰⁷ Following India's championship, Modi recalled that the victory "turned the entire country upside down, Everybody started tuning." Upon their return to India, the Indian team was met with an unprecedented reception, with over four million people flooding the streets to parade including fans and media,³⁰⁸ The usual one-hour trip from the airport to the stadium stretched to over nine hours.³⁰⁹ India's success completely shifted skeptics' perspective, leading to the launch of the

²⁹⁸ IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal.

<https://www.espn.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

²⁹⁹ IPL 2023 Records Massive Viewership of Half A Billion Viewers on Television.

<https://www.businesstoday.in/latest/trends/story/ipl-2023-records-massive-viewership-of-half-a-billion-viewers-on-television-384783-2023-06-08>

³⁰⁰ Google's Year in Search 2024. <https://trends.withgoogle.com/year-in-search/2024/in/>

³⁰¹ Google's Year in Search 2011. <https://trends.withgoogle.com/year-in-search/2011/in/>; Google's Year in Search 2013.

<https://trends.withgoogle.com/year-in-search/2013/in/>; Google's Year in Search 2014. <https://trends.withgoogle.com/year-in-search/2014/in/>

³⁰² Google's Year in Search 2015. <https://trends.withgoogle.com/year-in-search/2015/in/>

³⁰³ Google's Year in Search 2017. <https://trends.withgoogle.com/year-in-search/2017/in/>

³⁰⁴ Google's Year in Search 2020. <https://trends.withgoogle.com/year-in-search/2020/in/>

³⁰⁵ "Six sixes" refers to a batsman hitting six consecutive sixes (ball flies over boundary) in a single over, which consists of six deliveries. This is a rare and remarkable scene.

³⁰⁶ Do You Remember Yuvraj Singh's Six Sixes in An Over Off Broad. <https://www.hindustantimes.com/cricket/otd-do-you-remember-yuvraj-singhs-six-sixes-in-an-over-off-broad-101726728512461.html>

³⁰⁷ Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

³⁰⁸ Lalit Modi. The Founder – IPL Episode 1, The Build-up. <https://marcusluer.com/podcast/episode-98-with-lalit-modi/>

³⁰⁹ Lalit Modi On IPL, Fraud, Indian Cricket, Politics, Dawood & Billionaire Life. <https://www.youtube.com/watch?v=BEliyffOK7Y>

Indian Premier League in 2008.³¹⁰ Over time, the Indian Premier League became the biggest T20 league in the world, revolutionizing the sport and establishing India as the epicenter of modern T20 cricket.

Second, the success of the Indian Premier League was also partly due to Lalit Modi's vision, aggressive marketing, and the perfect mix of cricket and entertainment. He understood that money could drive the game, ensuring that star players were paid well, big businesses and Bollywood stars owned teams, and sponsors were eager to invest. **Within just three years of its launch, the Indian Premier League had grown to a valuation of \$4.13 billion.**³¹¹ Star cricketers were attracted to the Indian Premier League by the lucrative paychecks, while team owners paid high fees for top players. The involvement of large corporations and Bollywood stars added a layer of glamour, making the league even more marketable.

With its great timing, star cricketers, and the endorsement of some of the India's largest corporates and Bollywood stars, and the ever-growing popularity reflected in its rising viewership, the Indian Premier League has become a prime opportunity for marketers to showcase their brands to hundreds of millions of viewers across India. **Recognizing its immense commercial potential, sponsors have been quick to capitalize on the IPL's widespread appeal.** Title sponsorship plays a crucial role in the league's revenue-sharing model, with 50% of the sponsorship revenue distributed among the franchises.³¹² Since its inception in 2008, the IPL's annual title sponsorship value has witnessed substantial growth, rising from approximately \$9 million in 2008 to \$60 million in 2024,³¹³ a 12% CAGR. Since its first season in 2008, the IPL has seen five title sponsors, including major Indian corporations such as DLF Limited, a commercial real estate developer, and Tata Group, one of India's largest conglomerates. International brands have also leveraged its popularity, with Pepsi and Vivo, a top-selling Chinese smartphone brand in India,³¹⁴ securing title sponsorship deals during different time periods through bidding. In addition, Dream11, a fantasy sports platform in India,³¹⁵ briefly took over as the title sponsor in 2020 during the COVID-19 pandemic, replacing Vivo for that season.

³¹⁰ On This Day in 2007 MS Dhoni-Led Team India Won Inaugural T20 World Cup Edition Beating Pakistan in Final.

<https://www.indiatvnews.com/sports/cricket/on-this-day-in-2007-ms-dhoni-led-team-india-won-inaugural-t20-world-cup-edition-beating-pakistan-in-final-2024-09-24-953734>

³¹¹ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>

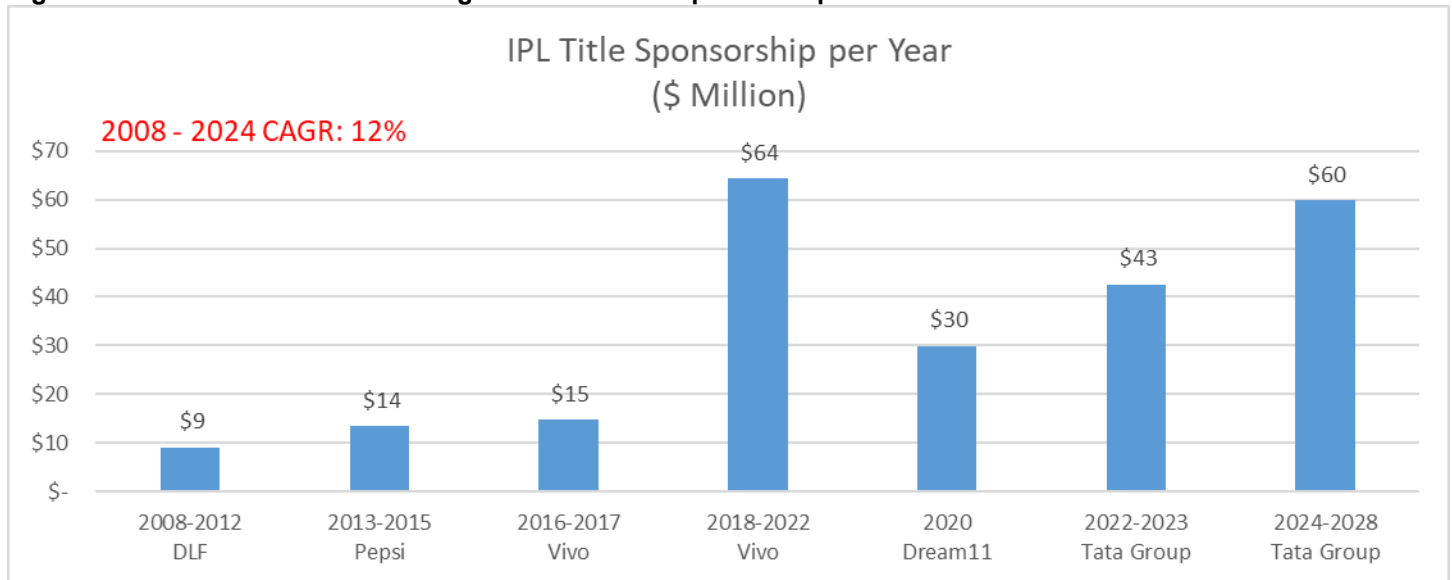
³¹² IPL 2020 Dream11 Wins Title Rights After Vivo's Exit. <https://www.espnricinfo.com/story/ipl-2020-dream11-wins-title-rights-after-vivo-s-exit-1229796>

³¹³ An average annual amount of 40 crore Indian rupees from 2008 to 2012 and 500 crore Indian rupees in 2024 are approximately equivalent to \$9 million and \$60 million, respectively, based on the average exchange rates of \$1 = 44 INR and \$1 = 84 INR. IMF. <https://data.imf.org/regular.aspx?key=61545850>; 2008 – 2022: Vivo Retains IPL Title Rights Till 2022 After Massive Bid. <https://www.espnricinfo.com/story/vivo-retains-ipl-title-rights-till-2022-after-massive-bid-1106833>; 2024 – 2028: Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>

³¹⁴ Vivo Leads Q4 2024 India Smartphone Market. <https://www.thehindu.com/sci-tech/technology/vivo-leads-q4-2024-india-smartphone-market-apple-breaks-into-top-five-brands/article69179619.ece>

³¹⁵ A fantasy sport is an online game where players create virtual teams made up of proxies of real professional athletes, earning points based on their actual performances.

Figure 25-1: The Indian Premier League Annual Title Sponsorship³¹⁶



Notes:

1. In 2020, the Board of Control for Cricket in India confirmed that Vivo would not be the title sponsor of the Indian Premier League 2020, stating: “The BCCI and Vivo Mobile India Pvt Ltd have decided to suspend their partnership for Indian Premier League in 2020.” No other details were provided.³¹⁷ It was estimated that each IPL team would get INR 20 crore (approximately \$2.7 million) per year from the Vivo contract.
2. In 2020, Dream11 replaced Vivo as the title sponsor for the 2020 season of the Indian Premier League.³¹⁸
3. In 2021, Vivo returned as the Indian Premier League’s title sponsor.³¹⁹

³¹⁶ 2008 – 2022: Vivo Retains IPL Title Rights Till 2022 After Massive Bid. <https://www.espncriinfo.com/story/vivo-retains-ipl-title-rights-till-2022-after-massive-bid-1106833>; 2020: IPL 2020 BCCI officially Announces Dream11 as Title Sponsor. <https://www.espncriinfo.com/story/ipl-2020-bcci-officially-announces-dream11-as-title-sponsor-1229902>; 2022 – 2023: Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>; 2024 – 2028: Tata to Pay Record-Breaking Rs 2,500 Crore for IPL Title Sponsorship Rights. <https://economictimes.indiatimes.com/news/sports/ipl-tata-to-pay-record-breaking-rs-2500-crore-for-ipl-title-sponsorship-rights-indian-premier-league-sponsors-ipl-matches/articleshow/107009227.cms?from=mdr>

³¹⁷ BCCI Confirms that Vivo Will Not Sponsor IPL 2020. <https://www.espncriinfo.com/story/bcci-confirms-that-vivo-will-not-sponsor-ipl-2020-1228626>

³¹⁸ IPL 2020 BCCI Officially Announces Dream11 as Title Sponsor. <https://www.espncriinfo.com/story/ipl-2020-bcci-officially-announces-dream11-as-title-sponsor-1229902>

³¹⁹ IPL 2021 Vivo Back as Title Sponsor. <https://www.espncriinfo.com/story/ipl-2021-vivo-back-as-title-sponsor-1252177>

Figure 25-2: Deccan Chargers Winning The DLF IPL 2009³²⁰



Figure 25-3: Knight Riders Winning The Pepsi IPL 2014³²¹



³²⁰ Anil Kumble's Incredible Spell in IPL 2009 Final. <https://www.sportiqo.com/throwback-anil-kumbles-incredible-spell-in-ipl-2009-final/>

³²¹ KKR's Winning Moments from 2014. <https://sports.ndtv.com/indian-premier-league-2015/photos/kkrs-winning-moments-from-2014-19546>

Figure 25-4: Mumbai Indians Winning The Vivo IPL 2017³²²



Figure 25-5: Mumbai Indians Winning The Dream 11 IPL 2020³²³



³²² Match-Winners All The Way. <https://www.mumbaiindians.com/news/match-winners-way>

³²³ Mumbai Indians Secure Fifth Entry In IPL Winners List With 2020 Title. <https://www.olympics.com/en/news/ipl-winners-list-indian-premier-league-champions-title-2020-mumbai-indians>

Figure 25-6: Knight Riders Winning The Tata IPL 2024³²⁴



This fusion of cricket, Bollywood, and corporate investment gave rise to the term “Cricketainment,”³²⁵ reflecting how the traditional sport was transformed into a high-energy gala. Fans were swept into a frenzy, captivated by the dazzling mix of sports and showbiz. Lalit Modi understood that as long as the Indian Premier League remained profitable, the Board of Control for Cricket in India (BCCI) would allow him to run it his way, ensuring that money continued to pour into the league while keeping audiences engaged.³²⁶ The Indian Premier League’s initial backing from the BCCI also played a crucial role in its success, marking a stark contrast to the Indian Cricket League (ICL), which faced significant opposition from officials. To ensure stability, the BCCI promised not to interfere with the Indian Premier League’s operations for the first five years, granting Modi full control as long as the league remained highly profitable.³²⁷

Modi’s high level of autonomy allowed him to take bold risks in running the IPL, sometimes leading to remarkable outcomes. One of the most striking examples came in 2009 when security concerns in India, due to the upcoming general elections, threatened the tournament. With the Ministry of Home Affairs unwilling to guarantee protection for the Indian Premier League venues and teams, Modi made the audacious decision to move the entire tournament to South Africa. What seemed impossible at the time became a reality within weeks. Modi personally flew to South Africa to oversee the transition and reportedly did not sleep for the first four days as he worked tirelessly to ensure the tournament’s smooth operation.³²⁸ However, this very autonomy that enabled such decisions eventually contributed to his downfall. As Modi began making unilateral choices without consulting the board, tensions escalated, ultimately resulting in his removal from the IPL.

³²⁴ IPL 2024 Final, KKR vs SRH. <https://scroll.in/field/1068382/ipl-2024-final-live-blog-shreyas-iyer-s-kolkata-knight-riders-face-pat-cummins-sunrisers-hyderabad-for-the-title>

³²⁵ Indian Premier League – How It All Started. <https://timesofindia.indiatimes.com/ipl-history/indian-premier-league-how-it-all-started/articleshow/19337875.cms>

³²⁶ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>

³²⁷ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>

³²⁸ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>

*“Two things wanted in India. Bollywood. Cricket. Nothing else. Why not find a way to combine the two. I came up with the idea when I started seeing international sports where celebrities would attend a basketball game. And the media would go crazy and the fans would go crazy. **Why not make Shah Rukh Khan own a team?**”³²⁹*

- Lalit Modi

Bollywood has played a crucial role in shaping the Indian Premier League into more than just a cricket tournament. It has transformed the league into a grand media spectacle, blending sports with, dance, music, entertainment, and business in an unprecedented way in India. The Indian Premier League was not merely conceived as a cricket competition but as an entertainment festival modeled after Bollywood’s blockbuster culture. Matches of the Indian Premier League are designed like cinematic experiences, coupled with dramatic narratives, glamorous performances, and high-energy promotions that mirror Bollywood movie scenes.

One of Bollywood’s biggest contributions to the Indian Premier League’s success is through the involvement of film celebrities as team owners and endorsers. Bollywood superstars such as Shah Rukh Khan (also known as “the King of Bollywood”), owner of Kolkata Knight Riders, Preity Zinta (Punjab Kings), and Shilpa Shetty (Rajasthan Royals) have played an instrumental role in popularizing their respective teams and, by extension, the league. Their star power generates excitement, secures sponsorships, and expands the Indian Premier League’s audience beyond traditional cricket fans. For example, Shah Rukh Khan’s Kolkata Knight Riders, became one of the most marketable franchises, not just because of its on-field performance but also due to his charismatic promotional efforts. His frequent presence in the stands, cheering for his team, and his generous praise on social media have boosted Kolkata Knight Riders’ visibility.³³⁰ With over 40 million followers on X (formerly Twitter),³³¹ his support has contributed to making Kolkata Knight Riders one of the most recognized teams in the league. In addition, Shah Rukh Khan was featured in the Kolkata Knight Riders’ team anthem, which incorporated typical Bollywood elements such as music and crowd dancing.³³² His presence ensured high visibility in media, making Kolkata Knight Riders one of the most recognized teams in the league. Similarly, Shilpa Shetty’s involvement as a co-owner of Rajasthan Royals from 2009 to 2015 saw her featured in the team’s anthem,³³³ further cementing the connection between Bollywood and the IPL.

³²⁹ Lalit Modi On IPL, Fraud, Indian Cricket, Politics, Dawood & Billionaire Life. <https://www.youtube.com/watch?v=BEliyff0K7Y>

³³⁰ Shah Rukh Khan’s First Choice IPL Team Wasn’t KKR. <https://sports.ndtv.com/ipl-2025/shah-rukh-khans-first-choice-ipl-team-wasnt-kr-lalit-modis-big-revelation-7092182>

³³¹ Shah Rukh Khan (@iamsrk). https://x.com/iamsrk?ref_src=twsrc%5Egoogle%7Ctwcamp%5Eserp%7Ctwgr%5Eauthor

³³² KORBO LORBO JEETBO RE! Shahrukh Khan in Kolkata Knight Riders Anthem. <https://www.youtube.com/watch?v=IMppB64vCnw>

³³³ Team Anthem Halla Bol Rajasthan Royals. <https://www.youtube.com/watch?v=m1rjgT0w-24>

Figure 26-1: Sha Rukh Khan in Kolkata Knight Riders Anthem³³⁴



Figure 26-2: Sha Rukh Khan in Kolkata Knight Riders Anthem³³⁵



³³⁴ KORBO LORBO JEETBO RE! Shahrukh Khan in Kolkata Knight Riders Anthem. <https://www.youtube.com/watch?v=IMppB64vCnw>

³³⁵ KORBO LORBO JEETBO RE! Shahrukh Khan in Kolkata Knight Riders Anthem. <https://www.youtube.com/watch?v=IMppB64vCnw>

Figure 26-3: Shah Rukh Khan Twitter on Kolkata Knight Riders³³⁶



The image shows a screenshot of a tweet from Shah Rukh Khan (@iamsrk) on X. The tweet is dated 4:23 AM on May 29, 2024. It features a large group photo of the Kolkata Knight Riders (KKR) team and their fans celebrating. The text of the tweet reads: "To my boys.... my team.... my champs...."these blessed candles of the night" My Stars...of KKR. I cannot do a lot of things and you cannot do them all either...but together we manage most of them. That's what @KKRiders stood for. Simply being together. Beyond the ability and... Show more". The tweet has received 81.9K likes and 2.9K replies. The X logo is visible in the top right corner of the tweet interface.

Shah Rukh Khan ✓
@iamsrk · Follow

To my boys.... my team.... my champs...."these blessed candles of the night" My Stars...of KKR.

I cannot do a lot of things and you cannot do them all either...but together we manage most of them. That's what @KKRiders stood for. Simply being together. Beyond the ability and... [Show more](#)



4:23 AM · May 29, 2024

81.9K Reply Copy link

[Read 2.9K replies](#)

³³⁶ 'To my boys, my team, my champs...' Shah Rukh Khan's million-dollar praise for KKR.

<https://timesofindia.indiatimes.com/sports/cricket/ipl/top-stories/to-my-boys-my-team-my-champs-shah-rukh-khans-million-dollar-praise-for-kkr/articleshow/110539280.cms>

Bollywood's influence is also evident in the commercialization of the IPL. Franchises borrow heavily from Bollywood's playbook when it comes to marketing, using high-energy advertisements, celebrity endorsements, and dramatic storytelling. Even the IPL's evolution has played out like a drama. In 2024, Lalit Modi admitted that his most successful strategy was creating controversies to stay in the headlines, something that proved highly effective and widely enjoyed by the public. Since its inception, the IPL has been steeped in controversies, from canceling contracts with partners to relocating the entire tournament to South Africa in just its second year. In addition, tensions between Modi and government officials, as previously mentioned, added to the league's dramatic narrative.³³⁷

Major sponsorships, such as those from Pepsi, Vivo, and Dream11, have been secured largely, due to the IPL's glamorous image and widespread popularity, both of which have been amplified by its Bollywood connections and the controversies surrounding it. The league's opening and closing ceremonies, featuring Bollywood dance sequences and performances by film stars and singers, further reinforce the idea that the Indian Premier League is not just about cricket but a full-fledged entertainment spectacle. Each match is a three-hour show packed with cinematic elements of anticipation, joy, and excitement, including music, dance, cheerleaders, drumbeats, and theme songs.³³⁸ This immersive approach mirrors Bollywood's style of creating an engaging experience for its audience.

Figure 27-1: Bollywood Actress Kriti Sanon at the IPL 2017 Opening Ceremony³³⁹



³³⁷ The Founder – IPL Episode 3, South Africa. <https://marcusluer.com/podcast/episode-98-3-with-lalit-modi/>

³³⁸ Bollywood Sporting Spectacles - Indian Premier League as A Bollywoodised Media Event. Sony Jalarajan Raj, MacEwan University; Rohini Sreekumar, Amity University.

³³⁹ IPL 2017 Kriti Sanon Enthral Audience With Stunning Performance at IPL Opening Ceremony in Bengaluru. <https://www.india.com/viral/ipl-2017-kriti-sanon-enthral-audience-with-stunning-performance-at-ipl-opening-ceremony-in-bengaluru-watch-video-2012082/>

Figure 27-2: Indian Singers and Bollywood Actors at the IPL 2022 Closing Ceremony³⁴⁰



Figure 27-3: Indian Rapper at the IPL 2023 Closing Ceremony³⁴¹



³⁴⁰ AR Rahman, Ranveer Singh perform Jai Ho. <https://www.masala.com/news/ipl-ar-rahman-ranveer-singh-perform-jai-ho>

³⁴¹ IPL 2023 Final Rapper King Gives A Power-Packed Performance at Closing Ceremony. <https://english.mathrubhumi.com/special-pages/ipl-2023/ipl-2023-final-rapper-king-gives-a-power-packed-performance-at-closing-ceremony-1.8597751>

A 2024 news report in The Economic Times stated that Lalit Modi revealed how he convinced Bollywood superstar Shah Rukh Khan to buy an Indian Premier League team when the league was launched in 2008.³⁴² Modi believed that Bollywood's influence, combined with cricket, would help attract a wider audience. Despite having no prior experience in bidding, Shah Rukh Khan trusted Modi's vision and agreed to participate.

According to Modi, Shah Rukh Khan's involvement was crucial in drawing more people to stadiums, especially women and children, which Lalit Modi considered extremely important to the IPL,³⁴³ making cricket appealing to families,³⁴⁴ and in building a strong connection with audience. **In another 2024 statement, Modi remarked that if he had to pick a single most crucial factor behind the IPL's success, it would be Shah Rukh Khan, along with other high-profile team owners. He credited Shah Rukh for injecting Bollywood glamour into the league, which, when combined with media buzz and entertainment coverage, attracted celebrities, reporters, and fans who eagerly discussed their involvement in the matches.**³⁴⁵

Initially, Shah Rukh Khan considered bidding for teams based in Ahmedabad or Mumbai but ultimately acquired the Kolkata franchise, later known as Kolkata Knight Riders. His association brought glamour and excitement to the league, contributing significantly to its massive popularity. Modi also recalled telling Shah Rukh that the Indian Premier League would be bigger than his films, a statement that made the actor laugh but eventually convinced him to commit to the league despite his busy film schedule. Shah Rukh's presence played a key role in turning the Indian Premier League into a widespread phenomenon. **According to public records, Shah Rukh Khan and his wife, Bollywood star Gauri Khan, purchased Kolkata Knight Riders for \$75.09 million during the Indian Premier League's inaugural auctions in 2008 through their company, Red Chillies Entertainment.³⁴⁶ As of 2022, the team was valued at \$1.1 billion, reflecting a 21% CAGR since its purchase, according to Forbes.³⁴⁷**

Bollywood star Preity Zinta is another prominent owner in the IPL. She and a group of Indian businessmen purchased Punjab Kings in 2008 for \$76 million.³⁴⁸ As of 2022, Forbes valued the team at \$925 million,³⁴⁹ reflecting approximately a 20% CAGR. Zinta, as a female Bollywood star, plays an important role in popularizing the IPL, significantly contributing to the increased visibility of women in the league. Her presence not only attracts female viewers but also adds a touch of Bollywood glamour, which is central to the league's widespread appeal.

Lacking exact statistical figures, the Indian Premier League certainly has witnessed a continuous rise in female viewership, thanks to deliberate efforts by broadcasters and the league to make the sport more inclusive. According to the Broadcast Audience Research Council India, the Indian Premier League registered 300 billion viewing minutes in 2018, with male audiences accounting for 174 billion minutes (58%) and female audiences for 126 billion minutes (42%). By 2020, total viewing minutes grew at a 15% CAGR to 400 billion minutes.³⁵⁰ Male viewership increased to 229 billion minutes at a 15% CAGR, while female viewership rose to 171 billion minutes at a 16% CAGR, reflecting a gradual shift towards gender parity in audience engagement.

The Indian Premier League and their broadcasters take several steps to attract female audience. One of the most significant initiatives to attract female viewers has been the inclusion of female commentators and presenters. Renowned women cricketers such as Anjum Chopra, Isa Guha, Lisa Sthalekar, and Melanie Jones have been given a platform in the

³⁴² Why Lalit Modi Felt IPL Needed Shah Rukh Khan for The Cricket Tournament's Success. The Economic Times.

<https://economictimes.indiatimes.com/magazines/panache/why-lalit-modi-felt-ipl-needed-shah-rukh-khan-for-the-cricket-tournaments-success/articleshow/115651846.cms?from=mdr>

³⁴³ Lalit Modi On IPL, Fraud, Indian Cricket, Politics, Dawood & Billionaire Life. <https://www.youtube.com/watch?v=BEliYff0K7Y>

³⁴⁴ Everything Lalit Modi said on IPL. <https://economictimes.indiatimes.com/news/new-updates/everything-lalit-modi-said-on-ipl-dawood-ibrahim-and-shah-rukh-khan/articleshow/115761073.cms?from=mdr>; Lalit Modi On IPL, Fraud, Indian Cricket, Politics, Dawood & Billionaire Life. <https://www.youtube.com/watch?v=BEliYff0K7Y>

³⁴⁵ The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>

³⁴⁶ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

³⁴⁷ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams.

<https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

³⁴⁸ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

³⁴⁹ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams.

<https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

³⁵⁰ Is IPL A Good Pitch for Brands to Hit It Off With Women Customers. <https://www.exchange4media.com/ipl-news/female-viewership-up-23-ipl-a-good-pitch-for-brands-to-hit-it-off-with-women-customers-111847.html>

commentary box, breaking the traditional male dominance in cricket broadcasting. Their presence not only brings a fresh perspective but also makes the game more relatable and welcoming for female viewers.³⁵¹ An IPL official emphasized this goal:

"We want families to come, we want women and girls to come, it's not the usual cricket fan that we are trying to connect with... The whole thing is targeted to draw equal number of female and male fans and that's the reason why some of the Sony (TV) presenters are female."³⁵²

With female commentators and presenters appearing regularly during the matches, women feel more connected to the game, normalizing their presence in cricket discussions and encouraging greater engagement with the sport.

According to Star India, a joint ventured Indian media network by Reliance Industries, Viacom18 and Disney India, emphasized that presence of female commentators and presenters, and more accessibility through regional broadcast have made the Indian Premier League more inclusive in viewers. The network stated that:

"We also believe that viewers like seeing reflections of themselves on the broadcast, and providing opportunities to female commentators and presenters have served to make our presentation more inclusive. These initiatives, combined with our regionalization strategy that enables wider access for the game, has resulted in the growth of women viewership for IPL 2020... Brands consider IPL a great platform to speak to a diverse set of audiences, including women, as no other property can. Our research also suggests that women are much more engaged while watching live sport than they are while watching other forms of media."³⁵³

Furthermore, as aforementioned, the Indian Premier League has been marketed as a festival-like event, designed to appeal to a diverse audience, not just male audience. A media agency noted:

"IPL has always been pitched as a family entertainment property or a 'tyohaar' (festival). Also, when cricket is connected with entertainment, it tends to attract female viewers too... Nowadays, women are following sports, particularly cricket. In fact, it's not co-viewing, but women are watching cricket out of interest."³⁵⁴ In addition, in recent years, more women started participating and winning games in sports such as Olympics, crickets, and tennis, etc., on the international arena. IPL being the most entertainment out of all other sports, in India, attracting genuine interest from women.³⁵⁵

The involvement of Bollywood and influential female team owners has also played a crucial role in attracting women to watch the Indian Premier League games. As mentioned previously, high-profile figures such as actress Preity Zinta (co-owner of Kings XI Punjab) and Nita Ambani (principal of Mumbai Indians) have brought increased visibility to women in cricket, demonstrating that women have a place in the sport beyond being spectators. Their active participation in team management and ownership sends a strong message of inclusivity and empowerment.³⁵⁶

Brands have recognized the growing female viewership and adjusted their marketing strategies accordingly. In 2016, Cargill Foods India, a sponsor of the IPL team Rising Pune Supergiant, partnered with the team, placing its Gemini sunflower oil logo on players' helmets, to connect with female consumers, particularly housewives.³⁵⁷ The company highlighted the growing female viewership, stating: "The last few years has seen a big increase in the number of viewers among housewives and now approximately 30 percent of women watch cricket...The presence of so many female owners

³⁵¹ Men Only - Not Any More as Women Flock to IPL. <https://sg.news.yahoo.com/men-only-not-more-women-flock-ipl-051911714--spt.html>

³⁵² Men Only - Not Any More as Women Flock to IPL. <https://sg.news.yahoo.com/men-only-not-more-women-flock-ipl-051911714--spt.html>

³⁵³ Is IPL A Good Pitch for Brands to Hit It Off With Women Customers. <https://www.exchange4media.com/ipl-news/female-viewership-up-23-ipl-a-good-pitch-for-brands-to-hit-it-off-with-women-customers-111847.html>

³⁵⁴ Is IPL A Good Pitch for Brands to Hit It Off With Women Customers. <https://www.exchange4media.com/ipl-news/female-viewership-up-23-ipl-a-good-pitch-for-brands-to-hit-it-off-with-women-customers-111847.html>

³⁵⁵ Cricket Breaks Gender Stereotype; Brands Spot A Big Opportunity. <https://www.exchange4media.com/marketing-news/cricket-breaks-gender-stereotype-brands-spot-a-big-opportunity-94940.html>

³⁵⁶ Men Only - Not Any More as Women Flock to IPL. <https://sg.news.yahoo.com/men-only-not-more-women-flock-ipl-051911714--spt.html>

³⁵⁷ Men Only - Not Any More as Women Flock to IPL. <https://sg.news.yahoo.com/men-only-not-more-women-flock-ipl-051911714--spt.html>

attracts lot of eyeballs from our female target audiences...And look at the number of women in the stands, look at the way women are involved in the game."³⁵⁸

Figure 28: Rising Pune Supergiant³⁵⁹



The structure of the Indian Premier League itself also plays a significant role in drawing female audiences. Unlike traditional Test cricket, which spans several days, the IPL's fast-paced Twenty20 format delivers three hours of high-energy entertainment. This shorter, action-packed format is more appealing to many women, finding it more engaging and appealing than lengthy matches or even TV dramas.³⁶⁰ An Indian brand expert explained that that unlike the traditional Test Cricket and Internal Test Cricket and One Day International formats, which take up to five days, the Indian Premier League's Twenty20 format, which is typically about three hours per match, really attract the viewership from women.³⁶¹ A female fan from Bangalore pointed out the reason she and her kids enjoyed the IPL games:

"Twenty20 cricket, and the IPL in particular, fits the bill of family entertainment. As much as I would love to spend the day at a one-day international, I just don't have the time as a working mother. Even if I did, my two children [seven and five] would not make it through the eight-hour match. But this is like going to a Hindi movie, an outing that lasts just over three hours. And you've got so many other families in the stands - it just makes me feel more comfortable than I would at an ODI,³⁶² where the men outnumber the women and boisterous college kids constitute the bulk of the children around."³⁶³

³⁵⁸ Indian Premier League Strategy to Attract More Female Fans Is Working.

<https://web.archive.org/web/20231024170844/https://www.thenationalnews.com/sport/men-only-indian-premier-league-strategy-to-attract-more-female-fans-is-working-1.193831>

³⁵⁹ Steve Smith to Captain Rising Pune Supergiants, MS Dhoni Sacked as Indian Premier League Franchise Captain.

<https://www.foxsports.com.au/cricket/indian-premier-league/indian-premier-league-steve-smith-to-captain-rising-pune-supergiants/news-story/244f13d7cb19643e8ca9e0e01ffdfd46>

³⁶⁰ Men Only - Not Any More as Women Flock to IPL. <https://sg.news.yahoo.com/men-only-not-more-women-flock-ipl-051911714--spt.html>

³⁶¹ Cricket Breaks Gender Stereotype. <https://www.exchange4media.com/marketing-news/cricket-breaks-gender-stereotype-brands-spot-a-big-opportunity-94940.html>

³⁶² One Day International Format, a longer form of cricket than Twenty20, typically take about seven hours.

³⁶³ How The IPL Has Attracted Family Audiences to The Grounds. ESPNcricinfo. <https://www.espnricinfo.com/story/how-the-ipl-has-attracted-family-audiences-to-the-grounds-566303>

Another female fan, a housewife, echoed this sentiment, saying that the Bollywood glamour, as epitomized by Zinta, was more appealing than anything on television. She remarked, “Three hours of racy cricket is better than three hours of weepy dramas.”³⁶⁴

In 2024, Lalit Modi recalled that he had deliberately scheduled the first-ever IPL game in 2008 for 8 o'clock in the evening, based on his experience in television networks and advertising. He recognized that by this time, housewives had typically finished cooking and other household chores, giving them full control of the TV remote.³⁶⁵ Modi understood that attracting women and children, alongside the male audience, would broaden the Indian Premier League's appeal to broadcasters and advertisers by maximizing its reach across different audience groups.

A female fan's statement reflected Modi's foresight – “It's a chance for the kids to catch up with their friends. I could leave work at 6pm and still be in time for the game, there by 7.30. Sometimes I feel the IPL misses out on the essence of cricket – I'd give the IPL five out of ten for cricket compared to a one-day game or a Test - but it's still great fun with all the theatrics.”³⁶⁶ This suggests that while the Indian Premier League, with its shortened format, may not appeal as much to traditional cricket purists, it strikes the perfect balance of duration, content, and entertainment for most people. As a result, it serves as an ideal sport for social gatherings, making it a great event for friends and family to enjoy together.

Moreover, creating a safe and comfortable in-person experience for female spectators has also been a key focus for the league organizers. Historically, the lack of clean and accessible public restrooms in India has been a major deterrent for women attending sporting events. Even in Mumbai, one of the most developed cities in India, lacked enough public toilets for women. Where facilities did exist, they often failed to meet hygiene standards and could be unsafe. A 2017 study by ActionAid India found that 35% of surveyed toilets in Delhi lacked a dedicated women's section, 53% had no running water, and 45% lacked locking mechanisms.³⁶⁷ Even the National Cricket Academy in Bangalore did not have a ladies' restroom until 2018.³⁶⁸ Recognizing this issue, IPL teams have taken steps to improve stadium facilities. The Kolkata Knight Riders' team director stated in 2012:

“I've known people in the past who've not gone to a cricket match in India since the stadium didn't have a ladies bathroom, but over the past few years the facilities have radically improved...The IPL have done very well in this regard. They've set particular standards: this is the level of facilities expected at the venue, and if it's not met, games won't be played there. Remember, now we have to create an atmosphere acceptable to people used to malls. And you need these people for the league to be a success.”³⁶⁹

While improvements have been made, reports suggest that some stadiums still struggle with unhygienic and unsafe restrooms, indicating room for further progress.³⁷⁰

³⁶⁴ Indian Premier League Strategy to Attract More Female Fans Is Working.

<https://web.archive.org/web/20231024170844/https://www.thenationalnews.com/sport/men-only-indian-premier-league-strategy-to-attract-more-female-fans-is-working-1.193831>

³⁶⁵ The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>

³⁶⁶ How The IPL Has Attracted Family Audiences to The Grounds. ESPNcricinfo. <https://www.espncricinfo.com/story/how-the-ipl-has-attracted-family-audiences-to-the-grounds-566303>

³⁶⁷ Unequal Access to Toilets Remains A Worry.

<https://web.archive.org/web/20211109060940/https://indianexpress.com/article/research/why-unequal-access-to-toilets-is-central-to-the-global-feminist-movement-7613682/>; Babbar K, Das U, Ashraf S, Shpenev A, Bicchieri C. Unlocking the Role of Social Norms: How They Shape Women's Public Toilet Usage in India. *Am J Trop Med Hyg.* 2023 Oct 9;109(5):1177-1186. doi: 10.4269/ajtmh.23-0220. PMID: 37917999; PMCID: PMC10622457.

³⁶⁸ Women Cricketers Finally Get A Toilet at NCA. <https://www.theweek.in/news/sports/Women-cricketers-finally-get-a-toilet-at-NCA-bengaluru.html>

³⁶⁹ How The IPL Has Attracted Family Audiences to The Grounds. ESPNcricinfo. <https://www.espncricinfo.com/story/how-the-ipl-has-attracted-family-audiences-to-the-grounds-566303>

³⁷⁰ Female Fan Complains About 'Unsafe and Unhygienic' Toilets at Wankhede and Feroz Shah Kotla Stadiums.

<https://www.latestly.com/socially/sports/cricket/female-fan-complains-about-unsafe-and-unhygienic-toilets-at-wankhede-and-feroz-shah-kotla-stadiums-4864215.html>; Dirty Reality of Sport Stadia From Wankhede to Arun Jaitley Stadium.

<https://web.archive.org/web/20230222144305/https://indianexpress.com/article/opinion/columns/dirty-reality-of-sport-stadia-wankhede-arun-jaitley-stadium-lack-sanitary-wash-rooms-women-8460993/>

Prior to the launch of Indian Premier League, Bollywood had long celebrated cricket, integrating it into films in various ways, from fun guest appearances to full stories. Cricket-themed films have evolved over the decades, from *Love Marriage* in 1959 to *Lagaan*, which was starred by Aamir Khan in 2001, blending history, sports, and national pride. *Lagaan* became popular because it told the classic underdog story – the weak defeat the strong. Many sports biopics such as *MS Dhoni: The Untold Story* to *Sachin: A Billion Dreams* follow the same pattern, showing cricketers as real-life heroes, fulfilling India's need for role models in the face of corrupt bureaucracy, tainted politicians, and corporate scams.

Beyond cinema, cricket and Bollywood share a symbiotic relationship in real life. Cricketers and film stars frequently form high-profile romantic alliances, from Tiger Pataudi and Sharmila Tagore³⁷¹ to Virat Kohli and Anushka Sharma.³⁷² The Indian Premier League has also blurred the lines between the two industries, with Bollywood actors such as Shah Rukh Khan and Preity Zinta investing in cricket franchises, as previously mentioned. As author James Astill notes in *The Great Tamasha*, cricket fosters a “reassuring idea of national unity,”³⁷³ much like Bollywood. Both industries thrive on mass appeal, dreams, and spectacle, ensuring their intertwined legacies remain an enduring part of Indian culture.

Figure 29-1: *Love Marriage* (1959)³⁷⁴



³⁷¹ The Epic Love Story Of Tiger Pataudi And Sharmila Tagore. <https://www.herzindagi.com/society-culture/nawab-pataudi-and-sharmila-tagore-love-story-anniversary-special-article-190197>

³⁷² Virat Kohli, Anushka Sharma Welcome Their Second Child on February 15. <https://www.espnricinfo.com/story/virat-kohli-anushka-sharma-welcome-their-second-child-on-february-15-1421897>

³⁷³ 83, *Lagaan*, MS Dhoni Why Cricket And Hindi Movies Are A Match Made in Commercial Heaven. <https://web.archive.org/web/20211223110732/https://indianexpress.com/article/entertainment/bollywood/why-cricket-and-hindi-movies-are-a-match-made-in-commercial-heaven-7685464/>

³⁷⁴ Golden Era of Bollywood. <https://bollywoodfiles.blogspot.com/2020/04/the-bollywood-films-based-on-cricket.html>

Figure 29-2: Lagaan 2001³⁷⁵



Figure 29-3: Virat Kohli And Anushka Sharma³⁷⁶



³⁷⁵ A Movie-Only Backdrop to Lagaan. <https://www.mid-day.com/news/opinion/article/a-movie-only-backdrop-to-lagaan-23178369>

³⁷⁶ Virat Kohli, Anushka Sharma Welcome Their Second Child on February 15. <https://www.espncriinfo.com/story/virat-kohli-anushka-sharma-welcome-their-second-child-on-february-15-1421897>

Beyond cricket, Lalit Modi envisioned the Indian Premier League as a glamorous event, complete with after-match parties, celebrity involvement, and entertainment. During a 2008 interview, Modi stated that “Sports...are live and you’re addicted to them.” He planned to convert cricket into a festival and entertainment beyond just cricket. He learned this from extensive studies of other world’s top tier leagues such as NBA and the English Premier League.³⁷⁷

Lalit Modi’s innovation in transforming a traditional sport into a modern, entertaining event played a pivotal role in securing billion-dollar broadcasting deals with various media channels. For example, in 2008, the Indian Premier League granted television rights worth \$1.026 billion to a consortium of Singapore-based World Sports Group and India’s Sony Television Network for the next 10 years.³⁷⁸ A decade later, in 2018, Star India secured the television and digital rights for the 2018–2022 cycle for approximately \$2.55 billion.³⁷⁹ By 2023, the value of the IPL’s global media rights skyrocketed. The broadcasting rights for the 2023 – 2027 cycle were sold for approximately \$6.2 billion,³⁸⁰ more than double the value of the previous cycle and nearly six times the value of first cycle in 2008. This made the Indian Premier League the second-highest-valued sports league in the world, behind the NFL’s \$110 billion media deal signed in 2021 for an 11-year period.³⁸¹ For the new cycle, Disney Star retained IPL’s TV rights for the Indian subcontinent for about \$3 billion, while Viacom18 acquired digital rights in the region, along with both TV and digital rights in Australia, New Zealand, the UK, and South Africa, also for around \$3 billion. Meanwhile, Times Internet secured media rights for two additional global markets, paying approximately \$26 million for the Middle East and \$33 million for the USA. The recent record-breaking auction of the Indian Premier League’s media rights made each IPL game worth a record \$13.4 million on average at the time of the auction,³⁸² compared to \$8.5 million per match in the previous cycle.³⁸³ This made the IPL the second-most lucrative sporting product globally, behind only the NFL, which commanded \$17 million per match. The EPL and MLB follow closely at \$11 million per match, while the NBA sat at \$2 million.³⁸⁴

³⁷⁷ How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>

³⁷⁸ Since Sony’s coverage in India was primarily focused on North India rather than nationwide, Lalit Modi decided to open the signal of the first IPL match to all broadcasters in the country for free to reach as broadly as possible, even after the league had signed an exclusive national media rights deal with Sony. In the years following the IPL’s media rights agreement with the World Sports Group and Sony, disputes arose, with all parties accusing each other of contract breaches. As a result, the IPL cancelled contracts with them and later signed agreements granting media rights to other media owners over the years. The Billion-Dollar Baby Causes Worldwide Frenzy. <https://economictimes.indiatimes.com/ipl-the-billion-dollar-baby-causes-worldwide-frenzy/articleshow/2809171.cms?from=mdr>; BCCI, Sony Fight Pitched Battle on IPL. <https://economictimes.indiatimes.com/bcci-sony-fight-pitched-battle-on-ipl/articleshow/4274058.cms?from=mdr>; The BCCI Cancelled Its IPL Media Rights Deal with WSG. <https://www.espnricinfo.com/story/ipl-the-bcci-cancelled-its-ipl-media-rights-deal-with-wsg-465322>; Times Internet Wins IPL Media Rights Deal. https://www.business-standard.com/article/companies/times-internet-wins-ipl-media-rights-deal-111032100012_1.html; The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>; The Founder – IPL Episode 3, South Africa. <https://marcusluer.com/podcast/episode-98-3-with-lalit-modi/>

³⁷⁹ Star India Wins IPL Rights for US\$ 2.55 Billion. <https://www.espnricinfo.com/story/star-india-wins-ipl-rights-for-us-2-55-billion-1119351>

³⁸⁰ IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal. <https://www.espnricinfo.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

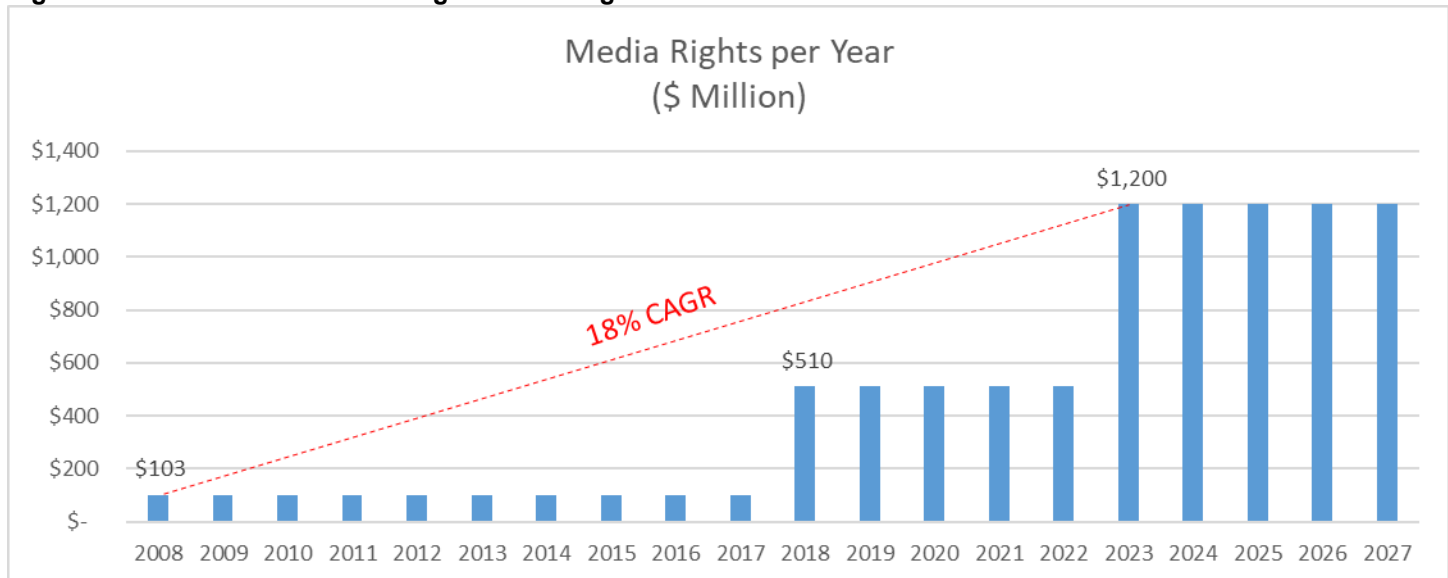
³⁸¹ IPL Media Rights Value Can Touch \$50 Billion. <https://sports.ndtv.com/ipl-2024/ipl-media-rights-value-can-touch-50-billion-chairman-arun-dhumal-4624240>

³⁸² IPL Media Rights Auction At Rs 104 Crore, IPL Overtakes EPL in Per Match Value. <https://timesofindia.indiatimes.com/sports/cricket/ipl/top-stories/ipl-media-rights-at-rs-104-crore-ipl-overtakes-epl-in-per-match-value/articleshow/92169438.cms>

³⁸³ The 2018–2022 cycle included 60 matches per season over five years, with media rights sold for approximately \$2.55 billion. IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal. <https://www.espnricinfo.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

³⁸⁴ IPL Media Rights Auction At Rs 104 Crore, IPL Overtakes EPL in Per Match Value. <https://timesofindia.indiatimes.com/sports/cricket/ipl/top-stories/ipl-media-rights-at-rs-104-crore-ipl-overtakes-epl-in-per-match-value/articleshow/92169438.cms>

Figure 30: The Indian Premier League Media Rights Value Per Year



Note:

1. The Indian Premier League’s annual media rights value was estimated by dividing the total media rights value for the periods 2008–2017, 2018–2022, and 2023–2027 by the respective duration of each term.
2. The annual media rights value shown above is an estimated average of the total media rights deal over each cycle and may not reflect the exact yearly amount. In some years, the IPL terminated contracts with media rights partners for various reasons and secured new agreements with different partners under revised financial terms.³⁸⁵

In 2023, the chairman of the Indian Premier League Arun Dhumal stated that the league’s media rights value could reach \$50 billion by 2043 if it continued innovating and engaging fans. Dhumal emphasized the need for improved fan engagement and game quality while highlighting the potential impact of the Women’s Premier League (WPL) and cricket’s inclusion in the 2028 Olympics. He described the Indian Premier League as the most-watched cricket league and the best “Made in Indian” brand, showcasing India’s diversity on a global stage.³⁸⁶

To further expand its audience base, the Indian Premier League signed a two-year deal with Google in 2010, the value of which was undisclosed,³⁸⁷ making it the first sports event to be broadcast live on YouTube worldwide, a historic shift in sports broadcasting. Revenue from advertising and sponsorships will be shared between Google and the IPL.³⁸⁸ This partnership allowed fans around the world to watch the Indian Premier League matches in real time for free (or with a

³⁸⁵ Since Sony’s coverage in India was primarily focused on North India rather than nationwide, Lalit Modi decided to open the signal of the first IPL match to all broadcasters in the country for free to reach as broadly as possible, even after the league had signed an exclusive national media rights deal with Sony. In the years following the IPL’s media rights agreement with the World Sports Group and Sony, disputes arose, with all parties accusing each other of contract breaches. As a result, the IPL cancelled contracts with them and later signed agreements granting media rights to other media owners over the years. The Billion-Dollar Baby Causes Worldwide Frenzy. <https://economictimes.indiatimes.com/ipl-the-billion-dollar-baby-causes-worldwide-frenzy/articleshw/2809171.cms?from=mdr>; BCCI, Sony Fight Pitched Battle on IPL. <https://economictimes.indiatimes.com/bcci-sony-fight-pitched-battle-on-ipl/articleshw/4274058.cms?from=mdr>; The BCCI Cancelled Its IPL Media Rights Deal with WSG. <https://www.espn.com/story/ipl-the-bcci-cancelled-its-ipl-media-rights-deal-with-wsg-465322>; Times Internet Wins IPL Media Rights Deal. https://www.business-standard.com/article/companies/times-internet-wins-ipl-media-rights-deal-111032100012_1.html; The Founder – IPL Episode 2, The Playbook. <https://marcusluer.com/podcast/episode-98-2-with-lalit-modi/>; The Founder – IPL Episode 3, South Africa. <https://marcusluer.com/podcast/episode-98-3-with-lalit-modi/>

³⁸⁶ IPL Media Rights Value Can Touch \$50 Billion. <https://sports.ndtv.com/ipl-2024/ipl-media-rights-value-can-touch-50-billion-chairman-arun-dhumal-4624240>

³⁸⁷ YouTube Confirms Worldwide Deal for Live Indian Premier League Cricket. <https://www.theguardian.com/media/2010/jan/20/youtube-live-indian-premier-league>

³⁸⁸ IPL to Broadcast Live on YouTube. <https://web.archive.org/web/20100123181912/https://www.telegraph.co.uk/sport/cricket/twenty20/ipl/7033597/IPL-to-broadcast-live-on-YouTube.html>

slight delay)³⁸⁹ on a dedicated YouTube channel, except in the U.S., offering them a fully interactive viewing experience. Viewers could choose to view from different camera angles, including unique perspectives such as the stump cam or behind the bowler's arm, and enjoy features such as the ability to freeze, fast-forward footage, log into chat rooms, access stats, and view archived action.³⁹⁰

Lalit Modi highlighted that the deal could potentially reach 500 million viewers worldwide, transforming the way sports were consumed. It would allow fans to watch matches at their convenience, even if they aired in the middle of the night in their local time zone. This innovative channel also offered exclusive feed to the fans on Google, including "Fan Feeds", which showcased entertainment around the matches.³⁹¹ The partnership also had significant commercial benefits. Sponsors could create custom footage tailored to their needs as the deal potentially opened up new opportunities to reach broader audiences that traditional TV channels could not.

Lalit Modi's success in transforming the Indian Premier League can also be attributed to his meticulous attention to detail and his relentless drive to monetize every aspect of the sport. His approach to the Indian Premier League mirrored his time as president of the Rajasthan Cricket Association (RCA) from 2005 to 2009, where he set the stage for his later achievements. Modi's leadership at the RCA was marked by strategic renovations and innovative revenue streams. He upgraded the stadium and cut out middlemen in advertising, securing better rates and maximizing profits. For instance, the RCA made ₹24 million (over \$270,000) from a single match, making it the most profitable single cricket game ever in India.³⁹² His ability to extract value from every corner of the game, whether through ticket sales, advertising, or corporate boxes, laid the foundation for the Indian Premier League's financial success, showcasing his knack for turning cricket into a highly lucrative business.

³⁸⁹ IPL Matches to Be Broadcast Live on YouTube. <https://www.espnricinfo.com/story/ipl-matches-to-be-broadcast-live-on-youtube-445173>

³⁹⁰ IPL to Broadcast Live on YouTube. <https://web.archive.org/web/20100123181912/https://www.telegraph.co.uk/sport/cricket/twenty20/ipl/7033597/IPL-to-broadcast-live-on-YouTube.html>

³⁹¹ IPL to Broadcast Live on YouTube. <https://web.archive.org/web/20100123181912/https://www.telegraph.co.uk/sport/cricket/twenty20/ipl/7033597/IPL-to-broadcast-live-on-YouTube.html>

³⁹² The Longstanding and Successfully Symbiotic Relationship Between Lalit Modi and Vasundhara Raje. <https://caravanmagazine.in/vantage/longstanding-and-successfully-symbiotic-relationship-between-lalit-modi-and-vasundhara-raje>; How Lalit Modi Built A Billion-Dollar Cricket Kingdom. <https://caravanmagazine.in/reportage/confidence-man>

Valuation of The IPL

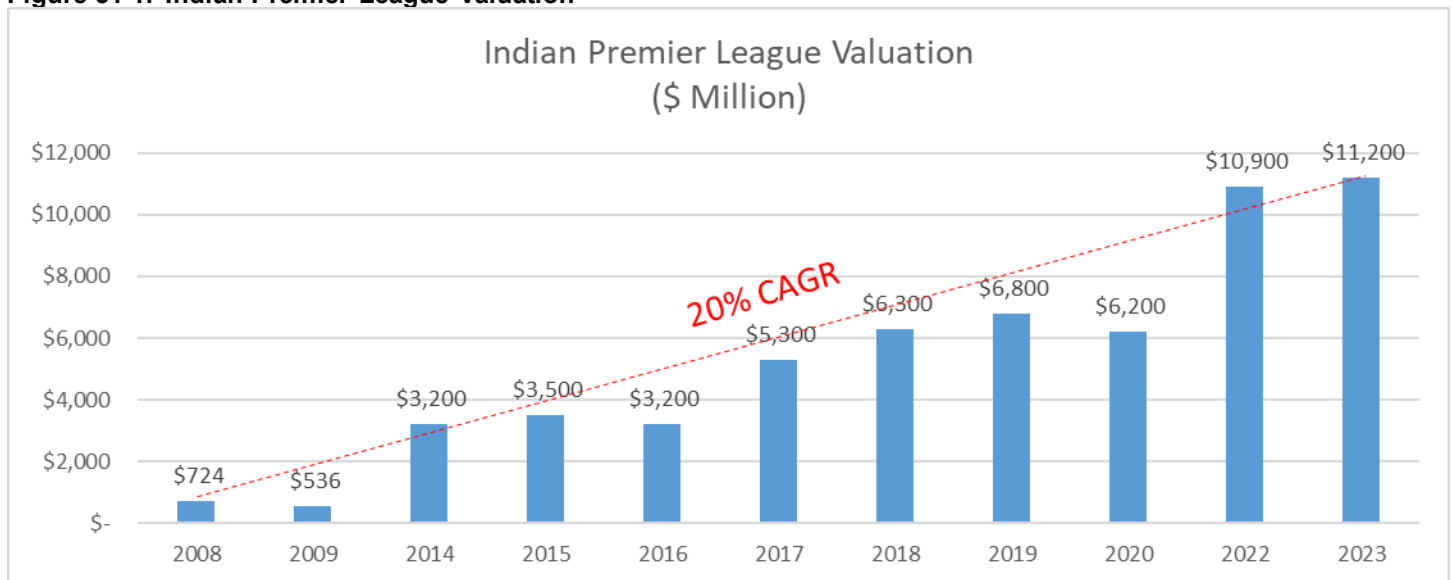
As mentioned previously, the Indian Premier League operates on a franchise-based system, drawing inspiration from major global sports leagues such as the NBA and the English Premier League (EPL), including elements such as team ownership, player hiring, and transfers.³⁹³ The inaugural auction for Indian Premier League franchises, a total of eight teams at the time, took place on January 24, 2008, with a total base price of \$400 million. However, the auction ultimately ended with \$723.59 million,³⁹⁴ showcasing the immense interest and financial potential of the league.

As of 2022, Forbes estimated that the ten Indian Premier League teams³⁹⁵ were valued between \$850 million and \$1.3 billion each, collectively exceeding \$10 billion.³⁹⁶ Based on Forbes' estimation on individual teams, their enterprise value-to-sales (EV/Sales) ratio ranged from 25x to 40x, with a median of 29x, while their enterprise value-to-operating income (EV/Operating Income) ratio³⁹⁷ was estimated between 75x and 300x, with a median of 115x.

In 2023, Bloomberg reported that Saudi Arabia expressed interest in purchasing a stake in the IPL, proposing an investment of up to \$5 billion.³⁹⁸ The plan involved transitioning the Indian Premier League into a holding company valued at as much as \$30 billion. However, officials have not provided further comments on the proposal.

From its inaugural auction in 2008 to 2023, the Indian Premier League's collective valuation increased from \$724 million to \$11.2 billion, achieving a 20% CAGR and a 15x money-on-money return.³⁹⁹

Figure 31-1: Indian Premier League Valuation



Notes:

³⁹³ Indian Premier League – How It All Started. <https://timesofindia.indiatimes.com/ipl-history/indian-premier-league-how-it-all-started/articleshow/19337875.cms>

³⁹⁴ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

³⁹⁵ IPL added two teams in 2021.

³⁹⁶ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

³⁹⁷ Operating income is EBITDA. Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

³⁹⁸ Saudi Arabia Eyes Stake in Indian Premier League (IPL) Cricket Tournament. Bloomberg. <https://www.bloomberg.com/news/articles/2023-11-03/saudi-arabia-eyes-stake-in-indian-premier-league-ipl-cricket-tournament?srnd=pursuits-vp>

³⁹⁹ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>; Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>; IPL & WPL Valuation 2023. D&P Advisory.

1. In 2008, when the Indian Premier League made its debut, eight city-based franchises were formed, with their names and ownership decided through an auction that raised US\$723.59 million.⁴⁰⁰
2. In 2009, Forbes estimated the average value of the eight IPL franchises at US\$67 million.⁴⁰¹
3. D&P Advisory, a registered valuation firm in India, provided IPL valuations from 2014 to 2023. Their assessments considered factors such as media rights, sponsorship deals, and franchise-specific revenues, including team sponsorships and merchandise sales.⁴⁰²

Figure 31-2: Indian Premier League Franchise Teams Valuation

	\$ Million	2008	2022	MoM	Return CAGR	2022 Revenue	2022 Operating Income	Operating Margin	EV/Sales	EV/Operating Income
1 Mumbai Indians	\$	112	\$ 1,300	12x	19%	\$ 33	\$ 6	17%	39.4x	236.4x
2 Chennai Super Kings	\$	91	\$ 1,150	13x	20%	\$ 41	\$ 15	36%	27.9x	77.7x
3 Kolkata Knight Riders	\$	75	\$ 1,100	15x	21%	\$ 41	\$ 14	34%	26.7x	78.0x
4 Lucknow Super Giants		N/A	\$ 1,075	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5 Delhi Capitals	\$	84	\$ 1,035	12x	20%	\$ 35	\$ 8	23%	29.2x	124.7x
6 Royal Challengers Bangalore	\$	112	\$ 1,025	9x	17%	\$ 36	\$ 10	27%	28.2x	105.7x
7 Rajasthan Royals	\$	67	\$ 1,000	15x	21%	\$ 32	\$ 7	21%	31.5x	151.5x
8 SunRisers Hyderabad		N/A	\$ 970	N/A	N/A	\$ 32	\$ 3	10%	30.5x	303.1x
9 Punjab Kings	\$	76	\$ 925	12x	20%	\$ 31	\$ 10	31%	29.6x	94.4x
10 Gujarat Titans		N/A	\$ 850	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11 Deccan Charger	\$	107	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. The 2008 valuations are based on auction reports from ESPNcricinfo, published when the Indian Premier League was founded.⁴⁰³
2. The 2022 valuations are sourced from Forbes.⁴⁰⁴
3. Lucknow Super Giants, Gujarat Titans, and Sunrisers Hyderabad were founded after the Indian Premier League's launch. Lucknow Super Giants and Gujarat Titans were established in 2021, while Sunrisers Hyderabad was founded in 2012.
4. The Deccan Chargers were terminated from the Indian Premier League in 2012 due to financial issues and contractual breaches by their owner, Deccan Chronicle Holdings Ltd (DCHL). The Board of Control for Cricket in India acted after DCHL failed to pay player salaries on time and missed the deadline to submit a ₹100 crore bank guarantee for the upcoming season. Despite legal challenges from DCHL, the Bombay High Court upheld the termination, and Sunrisers Hyderabad replaced the franchise in the IPL.⁴⁰⁵
5. Operating income is EBITDA.⁴⁰⁶
6. N/A indicates unavailable data.
7. Excluding the Lucknow Super Giants and SunRisers Hyderabad, as they were newly established teams, the collective valuation of the remaining eight teams was approximately \$7.5 billion. In 2022, these teams generated around \$250 million in revenue and \$69 million in operating profit, implying an EV/Sales ratio of 30x and an EV/Operating Income ratio of 110x on a collective basis.

With limited information on the Indian Premier League's financials, two major factors appear to be driving its surging valuations since its inception. First, the Indian Premier League commands enormous viewership, making it must-watch content in India and a lucrative property for media rights.⁴⁰⁷ In 2008, the Indian Premier League reportedly had 102 million

⁴⁰⁰ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

⁴⁰¹ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

⁴⁰² IPL & WPL Valuation 2023. D&P Advisory.

⁴⁰³ IPL Announces Franchise Owners 2008. <https://www.espnricinfo.com/story/ipl-announces-franchise-owners-333193>

⁴⁰⁴ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

⁴⁰⁵ What Is The BCCI vs Deccan Chargers Fight Really About. <https://www.espnricinfo.com/story/ipl-what-is-the-bcci-vs-deccan-chargers-fight-really-about-1266792>; BCCI Terminates Deccan Chargers Franchise. <https://www.espnricinfo.com/story/bcci-terminates-deccan-chargers-franchise-582292>

⁴⁰⁶ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

⁴⁰⁷ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

viewers in India.⁴⁰⁸ According to the Broadcast Audience Research Council (BARC) India, the Indian Premier League recorded 361 million TV viewers in 2022, making it the most-watched sporting event in India, followed by the Pro Kabaddi League (PKL) with 222 million viewers.⁴⁰⁹ **In 2023, the TV viewership hit a record-high 505 million viewers, with total watch time of 427.1 billion minutes.**⁴¹⁰ **From 2008 to 2023, the Indian Premier League's TV viewership is estimated to have grown at a CAGR of 11%.**

The value of the Indian Premier League's media rights has also skyrocketed over the years. As previously mentioned, in 2008, the league sold its television rights for \$1.026 billion for a 10-year period.⁴¹¹ A decade later, in 2018, the television and digital rights for the 2018 – 2022 cycle were sold for approximately \$2.55 billion.⁴¹² By 2023, the Indian Premier League's global media rights for the 2023 – 2027 cycle were sold for approximately \$6.2 billion.⁴¹³ On an annual basis, the Indian Premier League's broadcasting rights have grown from approximately \$100 million per year in 2008⁴¹⁴ to \$1.2 billion per year in 2023,⁴¹⁵ an 18% CAGR.

Second, the financial structure of the Indian Premier League is designed to ensure team profitability by sharing revenues and imposing a salary cap – two factors that significantly differentiate it from other major sports leagues, where player salaries often constitute the largest expense. It is estimated that only 20% of an Indian Premier League team's revenue comes from individual team sponsorships, match tickets, and merchandise, while over 80% comes from a central revenue pool, primarily from broadcasting rights and central sponsorship deals. While the Board of Control for Cricket in India retains 50% of the central pool revenue, 45% is shared equally among the teams, and the remainder 5% is bagged by the four teams that make it to the playoffs as prize money, with the largest amount given to the victor.⁴¹⁶

The Board of Control for Cricket in India also imposes a strict salary cap on Indian Premier League franchises, limiting how much teams can spend on player salaries, including retentions, transfers, and contract renewals.

This mechanism helps create a level playing field while ensuring financial stability within the league. In 2023, while major global sports leagues such as the NBA, NFL, and English Premier League (EPL) allocated at least 50% of their total revenue to players, IPL players collectively received only about 18%.⁴¹⁷ This salary cap significantly reduces player expenses, allowing franchise owners to retain a larger share of profits. The profitability of IPL teams is evident. Despite matches being played without fans during the COVID-19 pandemic, depriving franchises of an estimated \$3 million to \$4 million in ticket revenue per season, all eight IPL teams in 2021 remained profitable, according to Forbes⁴¹⁸

The Indian Premier League's revenue-sharing model also results in a relatively narrow valuation range among teams, with rankings largely influenced by market demographics and on-field success. For instance, the Mumbai Indians, the Indian Premier League's most valuable franchise, was worth \$1.3 billion as of 2022. Mumbai, India's financial hub, has a large

⁴⁰⁸ Ad Overkill Puts Off IPL Viewers. ESPNcricinfo. <https://www.espncricinfo.com/story/ad-overkill-puts-off-ipl-viewers-460330>

⁴⁰⁹ From Handball To Panja, Why Sports Leagues Are Taking Off In India. Forbes India. <https://www.forbesindia.com/article/take-one-big-story-of-the-day/from-handball-to-panja-why-sports-leagues-are-taking-off-in-india/86315/1>

⁴¹⁰ IPL 2023 Records Massive Viewership of Half A Billion Viewers on Television. <https://www.businesstoday.in/latest/trends/story/ipl-2023-records-massive-viewership-of-half-a-billion-viewers-on-television-384783-2023-06-08>

⁴¹¹ The Billion-Dollar Baby Causes Worldwide Frenzy. <https://economictimes.indiatimes.com/ipl-the-billion-dollar-baby-causes-worldwide-frenzy/articleshow/2809171.cms?from=mdr>

⁴¹² Star India Wins IPL Rights for US\$ 2.55 Billion. <https://www.espncricinfo.com/story/star-india-wins-ipl-rights-for-us-2-55-billion-1119351>

⁴¹³ IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal. <https://www.espncricinfo.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

⁴¹⁴ The Billion-Dollar Baby Causes Worldwide Frenzy. <https://economictimes.indiatimes.com/ipl-the-billion-dollar-baby-causes-worldwide-frenzy/articleshow/2809171.cms?from=mdr>

⁴¹⁵ IPL Media Rights - Disney Star and Viacom 18 Share The Spoils in 6 Billion-Dollar-Plus IPL Rights Deal. <https://www.espncricinfo.com/story/disney-star-and-viacom-18-share-the-spoils-in-6-billion-dollar-plus-ipl-rights-deal-1319863>

⁴¹⁶ How Does IPL Make Money And Where Does It stand with Global Sports Leagues. <https://web.archive.org/web/20220627011349/https://www.thehindu.com/sport/explained-the-ipl-business-model-and-how-it-compares-to-sports-leagues-globally/article65547025.ece>

⁴¹⁷ Think IPL Players Are Well Paid. The Telegraph. <https://www.telegraph.co.uk/cricket/2023/03/29/think-ipl-players-paid-should-paid-three-times/>

⁴¹⁸ Indian Premier League Valuations Cricket Now Has A Place Among World's Most Valuable Sports Teams. <https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

population base and the highest number of billionaires in the country.⁴¹⁹ As of 2022, the top seven IPL teams were each valued above \$1 billion, while the remaining three teams were valued below \$1 billion, with the lowest team at \$850 million.

A 2022 study by Farmingdale State College (State University of New York) analyzed how major U.S. sports leagues generate revenue. It estimated that non-ticket sales, including broadcasting rights, licensing, concessions, and stadium naming rights, accounted for 71% of total revenue in MLB, 78% in the NBA, 85% in the NFL, and 64% in the NHL. Meanwhile, player expenses including salaries, benefits, and bonuses accounted for 50%–60% of total team expenses across these leagues. The study estimated average operating income margins (EBITDA margin) were 12.5% for MLB, 22.5% for NBA, 22.6% for NFL, and 13.3% for NHL.⁴²⁰ With 2018 data, as cited in the study, an average MLB team was value at 32x EV/EBITDA⁴²¹, NBA 31x, NFL 25x, and NHL 29x.

A New York University professor, citing Forbes data, compared the valuations of global sports leagues in 2022 or 2023, whichever data is available, based on the collective worth of their teams. Major leagues typically had a median EV/Sales ratio of around 8x and an EV/Operating Income ratio of approximately 45x,⁴²² which are similar to our calculations. In contrast, the Indian Premier League commanded significantly higher multiples, with 30x EV/Sales ratio and 110x EV/Operating Income ratio on a collective basis.⁴²³

As stated above, the Indian Premier League’s high valuations could be attributed to several factors, including its global reach, celebrity endorsements, massive fan base, and scarcity of teams. While the league has only 10 teams (expanded from 8 since its launch in 2008), other major leagues have significantly more, for example, 30 teams in the NBA,⁴²⁴ 20 in the EPL,⁴²⁵ and 32 in the NFL.⁴²⁶

Figure 32: Global Sport League Valuation and Sales Data 2022/2023⁴²⁷

\$ Million	Collective Pricing	Revenues	Operating Income	Operating Margin	EV/ Revenues	EV/ Operating Income
NFL	\$ 132,500	\$ 16,101	\$ 4,671	29%	8.2x	28.4x
NBA	\$ 85,910	\$ 10,023	\$ 2,948	29%	8.6x	29.1x
MLB	\$ 69,550	\$ 10,320	\$ 874	8%	6.7x	79.6x
NHL	\$ 32,350	\$ 5,931	\$ 1,573	27%	5.5x	20.6x
EPL	\$ 30,255	\$ 6,442	\$ 520	8%	4.7x	58.2x
MLS	\$ 16,200	\$ 1,549	\$ 34	2%	10.5x	476.5x

Notes:

1. Some of the data cited above may vary from our calculations due to differences in sources or timing, but they remain largely similar.
2. Financial performance can vary significantly across different sports leagues, with substantial differences in revenue scale and profitability. Even within the same league, individual teams may experience vastly different economics due to factors such as team operations, management decisions, and local market conditions.

⁴¹⁹ Indian Premier League Valuations Cricket Now Has A Place Among World’s Most Valuable Sports Teams.

<https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

⁴²⁰ Sepulveda, Cristian F., Cost-Benefit Analysis of An ‘Average’ Professional Sports Team or Stadium in the United States (December 15, 2022).

⁴²¹ Approximated by team value/EBITDA.

⁴²² Toys for Billionaires - The Trophy Asset Effect in Sports. Aswath Damodaran. <https://www.youtube.com/watch?v=sx2Jx5vaRhC>; <https://aswathdamodaran.blogspot.com/2023/08/money-in-sports-trophy-asset-effect.html>

⁴²³ Indian Premier League Valuations Cricket Now Has A Place Among World’s Most Valuable Sports Teams.

<https://www.forbes.com/sites/mikeozanian/2022/04/26/indian-premier-league-valuations-cricket-now-has-a-place-among-worlds-most-valuable-sports-teams/>

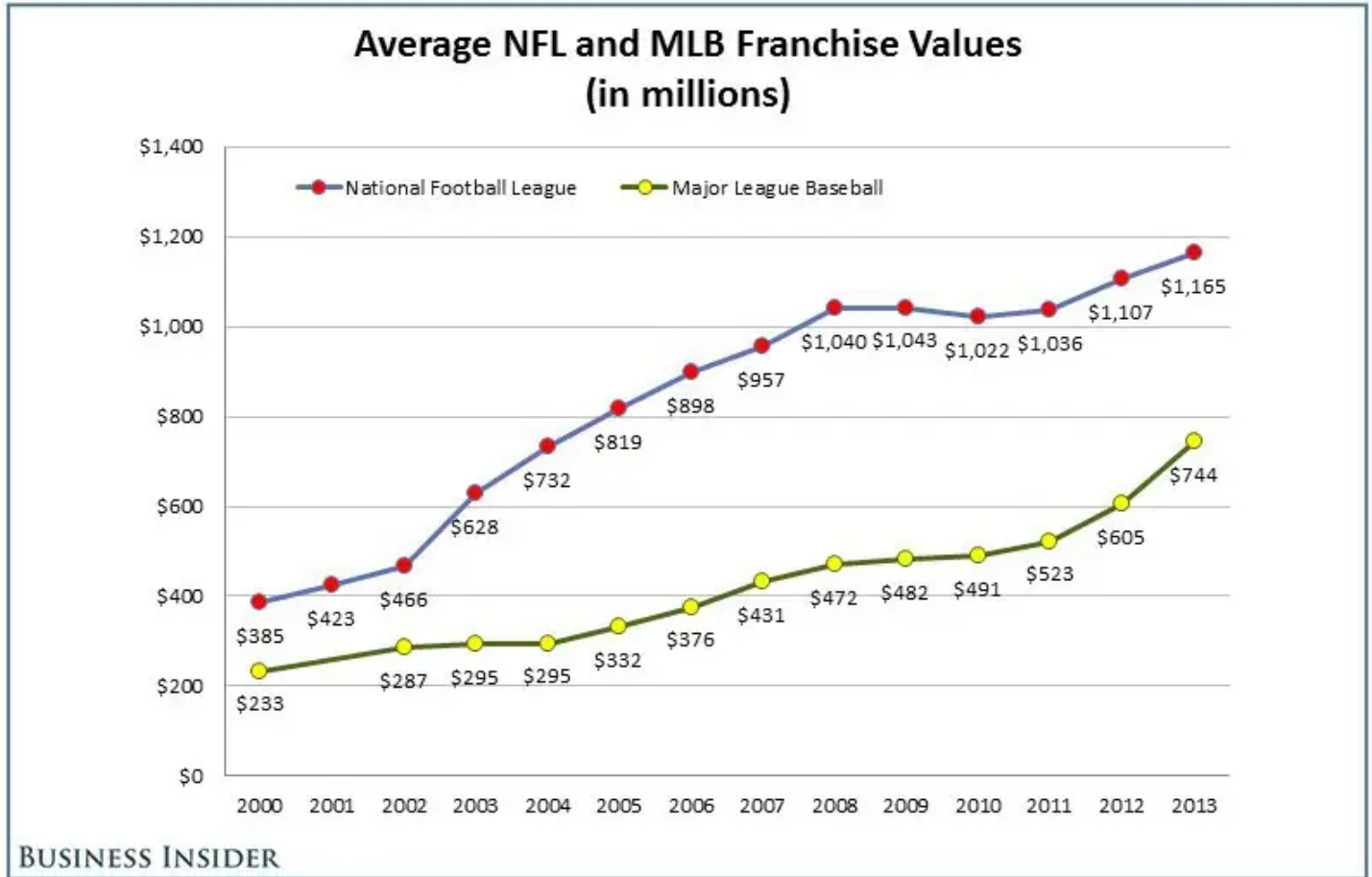
⁴²⁴ NBA Teams & Rosters. <https://www.nba.com/teams>

⁴²⁵ Premier League Competition Format & History. <https://www.premierleague.com/premier-league-explained#:~:text=The%20Premier%20League%20is%20the,of%20being%20crowned%20English%20champions>

⁴²⁶ NFL Football Teams. <https://www.nfl.com/teams/>

⁴²⁷ The valuation data cited in this study is sourced from Forbes. Toys for Billionaires - The Trophy Asset Effect in Sports. Aswath Damodaran. <https://www.youtube.com/watch?v=sx2Jx5vaRhC>; <https://aswathdamodaran.blogspot.com/2023/08/money-in-sports-trophy-asset-effect.html>

Figure A: Average NFL and MLB Franchise Values⁴²⁸



⁴²⁸ MLB Teams Are Growing In Value Faster Than NFL Teams. Business Insider India. <https://www.businessinsider.in/chart-mlb-teams-are-growing-in-value-faster-than-nfl-teams/articleshow/21946635.cms>

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