



Houlihan
Lokey



IPL Valuation Study 2024

BRAND VALUATION OF
IPL AND FRANCHISEES



Photo Courtesy: BCCI.

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Foreword

We are pleased to announce the release of Houlihan Lokey's latest report on the Indian Premier League (IPL) and franchisee brand valuation. As a leading independent global investment bank, Houlihan Lokey (NYSE:HLI) stands out for its deep product knowledge, industry acumen, and expansive international presence, consistently delivering superior outcomes for clients worldwide. Our reputation for independence in valuation and advisory services is a result of our dedicated platform and stringent governance controls. Through our Corporate Valuation Advisory Services (CVAS) team, we offer a unique blend of technical expertise, industry insights, and global market knowledge, gained from real-world transaction experience. We're committed to providing exceptional value and insights to clients in India and across the globe.

Moreover, complementing our valuation expertise, our other service lines provide comprehensive solutions tailored to the specific needs of our clients. Whether navigating complex mergers and acquisitions, raising capital, or restructuring, our seasoned professionals leverage their deep industry knowledge and transactional experience to deliver strategic advice and execute transactions effectively. We remain committed to providing exceptional value and insights across our full suite of services to clients around the world.

The IPL has transcended traditional sports norms to become a global phenomenon. Since its inaugural season, the league has garnered immense support from its fervent fan base and the players alike, showcasing elite talent and enthusiasm. Evolving into a powerhouse of entertainment and intense competition, the IPL has inspired many cricket leagues worldwide, including the latest T10 and T20 leagues, even extending its influence to the USA. As the Cricket World Cup prepares to make its debut on American shores, we anticipate a surge in cricket's popularity in North America, with the IPL being cricket's version of the National Football League (NFL), poised to capture the attention of the world's largest sports economy like never before.

In light of these developments, stakeholders in the cricketing ecosystem must seize the moment and capitalize on the momentum generated by the IPL. By fostering strategic partnerships, investing in grassroots initiatives, and leveraging digital platforms, cricketing bodies can cultivate a thriving cricket culture in the USA and beyond. The synergy between the Cricket World Cup and the IPL presents a unique opportunity to engage new audiences, expand the sports footprint, and cement cricket's position as a global powerhouse in the realm of sports entertainment.

Our report discusses in detail the IPL league and the promising potential its value has—both as a business and a brand. The objective of this report is to give the readers a 360-degree view of the league's economic significance, its impact on the sporting landscape, and the factors that contribute to its success.

One of the key aspects we explore is the individual brand value of the 10 franchisees participating in the IPL. This evaluation will serve as a valuable resource for stakeholders, investors, and enthusiasts alike, shedding light on the financial and commercial aspects of each franchise.

Furthermore, we have had the privilege of interviewing Manoj Badale, Lead Owner of Rajasthan Royals and Co-Founder of Blenheim Chalcot, which has played a pivotal role in shaping the landscape of sports management and professional cricket through its network of global cricket franchisees. Badale's valuable insights have provided us with a comprehensive understanding of the intricacies involved in managing a sports team while also shedding light on the strategies required to build a thriving business venture and a strong brand within the competitive sports industry.

In conclusion, this brand valuation report aims to provide a comprehensive understanding of the IPL's commercial significance, its comparison in the cricketing landscape, and its potential for future growth. We hope that the insights, rankings, and interviews presented herein will offer readers a deep appreciation for the remarkable journey of the IPL and its enduring legacy.

We extend our gratitude to all those who have contributed to this report, including the experts and the Board of Control for Cricket in India (BCCI). It is the BCCI's collective efforts that have propelled the league to its current stature, inspiring fans and enthusiasts worldwide.

– Dimitri Drone and Tomasz Stefanowski



Dimitri Drone
Managing Director and Co-Head of
Corporate Valuation Advisory Services



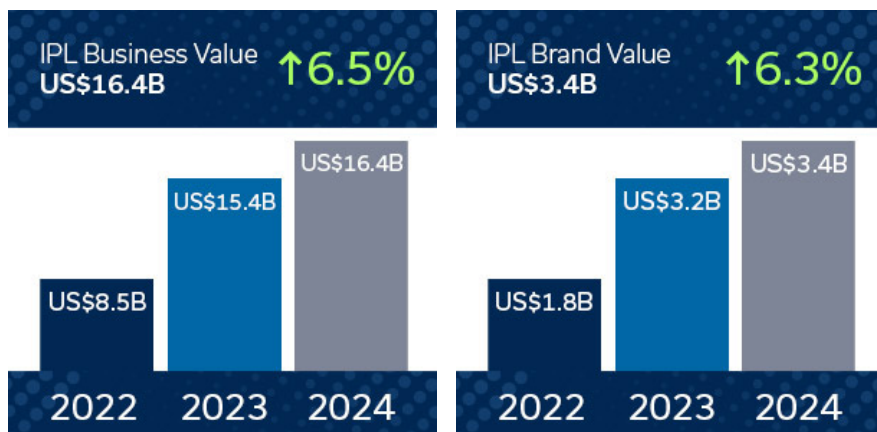
Tomasz Stefanowski
Managing Director and Co-Head of
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Valuation Synopsis—IPL and Franchisees

IPL AS A BUSINESS AND BRAND



IPL



Harsh Talikoti

Senior Vice President,
Corporate Valuation
Advisory Services

|| This year's IPL thrilled the fans with some high-octane cricket, with batsmen showing their high-scoring skills like never before.

Many batting records were broken throughout the season, but in the end it was the bowlers who prevailed in the playoffs and finals when KKR beat SRH in a one-sided match. This season also upped interest levels due to the remarkable comeback made by RCB. ||

In the last 12 months, we have seen an upswing in the popularity and acceptance of cricket as a sport in North America. As we gear up towards welcoming the all-important ICC T20 World Cup tournament in the USA and Caribbean Islands in a few days, we present the annual update to our brand valuation of the IPL. Similar to 2023, we have valued both the business as well as the brand of the IPL and its franchisees.

In valuation, a brand value is embedded in the business value. We have valued the business of the IPL using a variant of the income approach popularly known as the discounted cash flow (DCF) approach, which is the present value of all future cash flows from the IPL as a business, while the brand value of the IPL is determined using a relief from royalty (RFR) method.

The value of the IPL as a business has surged to US\$16.4 billion, up by 6.5% (₹ 134,858 crores). The IPL's business value incorporates cash flows being generated by the IPL as a standalone business entity using a fair market value concept. This would assume hypothetically what a willing buyer would pay for this asset if it were available for sale as of the current date.

The IPL's brand value has increased by 6.3% to US\$3.4 billion year-over-year. Brand value is the monetary worth of this intangible asset (which would include trade name and trademark) and is always a subset of the overall value of a business. For example, Apple Inc.'s market capitalization might be around US\$3.0 trillion, but the intangible value of Apple's brand would be a fraction of its overall market capitalization. Similarly, the business value of the IPL would be greater than the brand value of the IPL.

Tata Group secured the title sponsorship for a further five-year period from 2024 to 2028 for approximately US\$300 million (₹ 2,500 crores), paying ~50%

more than the previous deal of ₹ 335 crores per season. This significant investment, coupled with last year's massive media rights auction, underscores the IPL's status as a pivotal platform for esteemed brands seeking to enhance their value. Apart from mega events such as the Olympics, the FIFA World Cup, and the Cricket World Cup, the IPL is the only property in the world that has the ability to reach over a billion-plus populace, with its popularity not just limited to the Indian subcontinent.

The IPL is an advertisers' delight and is the most coveted asset in cricket. On average, a T20 match will have around 80 to 100 ad slots strategically placed between overs, innings break, timeouts, and after fall of wickets. Similar to the NFL's Super Bowl, where new TV commercials are launched every year, advertisers have replicated this model for the IPL in India. This year, advertisers ranging from fantasy apps to FMCG, fintech, banks, and electronics all jumped on the IPL bandwagon by releasing new and innovative TV commercials.

Today, the IPL commands widespread recognition, firmly entrenched as a household name with a robust brand recall among successive generations. The commencement of IPL 2024 on JioCinema heralded a momentous start, with the inaugural day of the tournament attracting over 113 million viewers, marking a remarkable 51% surge compared to the previous season's opening day. Notably, the opening day also witnessed a staggering 660 crore minutes of viewership, indicative of the tournament's immense popularity. Furthermore, the platform experienced a substantial 70% increase in watch-time during the initial week of the tournament.

The RCB vs. CSK final league game, which turned out to be the decider for the fourth playoff spot, had a record 500 million views on OTT alone. A similar number of viewers were expected to tune into Star Sports for this game. High interest levels benefitted not just advertisers but also food and beverage businesses across the nation.

As per BARC data, Disney Star achieved an impressive cumulative reach of 44.8 crore viewers during the first 22 days (comprising 26 matches) of IPL 2024, amassing a total watch-time of 18,800 crore minutes on television.




Recent trend in ad rates:



The IPL has historically proven to be the prominent platform for budding startups and new-age brands to establish their presence. We have witnessed brands like Dream 11, Fan Craze, Go Slice, and My11Circle evolving from the startup phase to growth phase setups during the past few years. Moreover, these sporting platforms have become ideal for brands to grab eyeballs by launching new commercials.

During the 2024 Super Bowl, several brands seized the opportunity to showcase their products and services to a vast audience:

2024 Super Bowl

	<p>Lindt aired its first Super Bowl ad, "Life Is a Ball," which features a Lindt chocolate ball bouncing around people to the song "Round and Round" by Perry Como.</p>
	<p>Pizza Hut ran two ads during the CBS pre-game show to promote its new Hot Honey Pizza and Wings menu items.</p>
	<p>Total by Verizon aired a humorous Spanish-language ad directed by Fred Armisen.</p>

2024 Indian Premier League















	<p>Dream 11 ads featured a star-studded cast with quirky storylines—"khel banayega name."</p>
	<p>Cadbury Dairy Milk's #ThankYouFirstCoach campaign paid tribute to the unsung heroes of cricket—the mentors and coaches.</p>
	<p>MakeMyTrip aired its #BhiduShakespeare campaign.</p>
	<p>Cred with its CRED UPI upgrade and Buzzkill advertisements featured renowned personalities such as Leander Paes, David Warner, and Ila Arun.</p>



Photo Courtesy: BCCI.

FRANCHISEE BRAND VALUATION

<p>Chennai Super Kings</p> <p>Brand Value Rank 1</p> <p>Business Value Rank 1</p>  <p>2024 US\$231M +9.0% 2023 US\$212M</p>	<p>Royal Challengers Bengaluru</p> <p>Brand Value Rank 2</p> <p>Business Value Rank 2</p>  <p>2024 US\$227M +16.4% 2023 US\$195M</p>	<p>Kolkata Knight Riders</p> <p>Brand Value Rank 3</p> <p>Business Value Rank 4</p>  <p>2024 US\$216M +19.3% 2023 US\$181M</p>	<p>Mumbai Indians</p> <p>Brand Value Rank 4</p> <p>Business Value Rank 3</p>  <p>2024 US\$204M +7.4% 2023 US\$190M</p>	<p>Rajasthan Royals</p> <p>Brand Value Rank 5</p> <p>Business Value Rank 6</p>  <p>2024 US\$133M +10.8% 2023 US\$120M</p>
<p>Sunrisers Hyderabad</p> <p>Brand Value Rank 6</p> <p>Business Value Rank 5</p>  <p>2024 US\$132M +3.1% 2023 US\$128M</p>	<p>Delhi Capitals</p> <p>Brand Value Rank 7</p> <p>Business Value Rank 7</p>  <p>2024 US\$131M -1.5% 2023 US\$133M</p>	<p>Gujarat Titans</p> <p>Brand Value Rank 8</p> <p>Business Value Rank 9</p>  <p>2024 US\$124M +3.3% 2023 US\$120M</p>	<p>Punjab Kings</p> <p>Brand Value Rank 9</p> <p>Business Value Rank 8</p>  <p>2024 US\$101M +12.2% 2023 US\$90M</p>	<p>Lucknow Super Giants</p> <p>Brand Value Rank 10</p> <p>Business Value Rank 10</p>  <p>2024 US\$91M +9.6% 2023 US\$83M</p>

Establishing itself as a pioneer brand in the IPL, Chennai Super Kings (CSK) is the most consistent team in the league. Not only have they qualified in the playoffs for a staggering **12 out of 15** seasons they have played in, they have also won **five** titles. Former CSK captain Mahendra Singh Dhoni has been the face of the franchisee and the biggest contributor to the franchisee's success. This team has a mass fan following across India. Due to these factors, CSK is able to get the cream of the crop of sponsors and has recorded high sponsorship revenues. The team's branding elements, fan engagement strategies, and CSR initiatives have all contributed to its enduring success and popularity. With a brand value of US\$231.0 million, CSK is ranked No. 1 in both brand ranking as well as business value ranking.

Ranked second in brand and business value, Royal Challengers Bengaluru (RCB) boasts a staggering brand worth US\$227.0 million. Known for its fervent fan base and vibrant team identity, RCB stands as one of the most loved franchises in the IPL. RCB commands widespread popularity across India and social media platforms, engaging fans throughout the year. The presence of Virat Kohli, who is known as the finest batsman of this era, acts as a bonus for RCB. The team's emotional connection with fans, coupled with consistent efforts to fortify its brand, has cemented its enduring appeal, attracting marquee sponsors at premium rates. RCB had a mixed season, from a poor first half and being placed last on the league table with a less than 1% chance of qualifying for the playoffs to achieving a remarkable turnaround to qualify for the playoffs for the ninth time, the only team apart from CSK and Mumbai Indians to achieve this feat.

This year went exceptionally well for the champions, Kolkata Knight Riders (KKR), which have gained back their momentum in the league by beating Sunrisers Hyderabad in the finals. KKR capitalizes greatly on the brand equity of its renowned owner, Shah Rukh Khan, along with standout players like Shreyas Iyer, Andre Russell, Sunil Narine, and the upcoming talent Rinku Singh. Regarded as one of the best-managed franchisees in terms of business, turning profitable much before other franchisees, KKR has a brand value of US\$216.0 million, elevating to the third position on the brand value chart.

Mumbai Indians (MI), which is another immensely successful and popular team, closely trails in fourth place on the table with a brand value of US\$204.0 million. With the return of India all-rounder and new captain Hardik Pandya, MI has solidified its status as one of the most evolving franchisees in IPL history, paving a path to player trades. The essence of MI's brand lies in the team's unwavering pursuit of winning trophies, and its legacy of nurturing emerging talents and fostering future superstars like Suryakumar Yadav, Jasprit Bumrah, Hardik Pandya, and others adds a unique charm to its brand. MI's brand possesses a formidable capacity to allure sponsors annually, who eagerly pay a premium for association. MI's brand value was impacted slightly due to the negativity surrounding the team after a change in captaincy and its on-field performances; however, the long-term goodwill associated with the brand helped to negate the impact.

Rajasthan Royals (RR), Sunrisers Hyderabad (SRH), and Delhi Capitals (DC) are all in a very tight range in terms of their brand values.

RR has had a couple of great years in terms of on-field performances. Credit should be given to its management for backing a core of young Indian players like Jaiswal and Parag, led by Sanju Samson, coupled with additions of some world-class cricketers like Jos Buttler, Trent Boult, and Yuzi Chahal. RR's consistent on-field performance as well as some innovative marketing strategies and social initiatives have also positively impacted brand value. RR has jumped up two places to the fifth spot in the brand ranking, with a brand value of US\$133.0 million.

Sunrisers followed RR at sixth place on the list, with a brand value of US\$132.0 million. Having done exceptionally well at the mini-auction and developing a new squad under the leadership of Pat Cummins, SRH managed to pick the stars of the recently concluded World Cup. This contributed to SRH showcasing a new brand of cricket, which ensured viewers tuned in while they were batting.

Among the rest of the teams, Delhi Capitals, with the return of its captain and most marketable asset, Rishabh Pant, ranked seventh with a brand value of US\$131.0 million.

After losing their captain to MI this year and with star player Mohammed Shami injured, Gujarat Titans (GT) failed to perform on field under the captaincy of Shubman Gill. The team was ranked eighth with a brand value of US\$124.0 million.

Finally, Punjab Kings (PK) has a brand value of US\$101.0 million, and Lucknow Super Giants (LSG) has a brand value of US\$91.0 million.



IPL Business Valuation Methodology

We have valued the IPL as a legal business entity and separately as a brand. We have taken into consideration the income and cash-generating capability of the IPL on a standalone basis.

Typically, an investor contemplating an investment in a business with income and cash-generating capability similar to the IPL will evaluate the risks and returns of the investment on a going-concern basis. The fundamental premise on which all investment decisions are based is that value to a potential investor is equal to the present worth of future benefits. In formulating our estimates, we meticulously assessed all internationally recognized valuation methodologies—namely the income, market, and cost approaches—to appraise the IPL business, selecting the most suitable approach(es). Our valuation primarily hinges on the income approach—discounted cash flow (DCF), reflecting our assessment of value.

The DCF method estimates the present value of the projected future cash flows to be generated by a company and theoretically available (though not necessarily paid) to the capital providers of the subject company. The discount rate is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected future cash flows. It can also be interpreted as the rate of return that would be required by providers of capital to a company to compensate them for the time value of their money, as well as the risk inherent in the particular investment.

The “free cash flow” figure used in the DCF method more accurately represents the true cash flow being generated by the operations of the business. The cash flows are typically projected over a limited number of years, which depends on a company’s planning horizon and other factors related to the particular industry and the general economy. As a result, it is necessary to compute a terminal value as of the end of the last period for which cash flows are projected. This terminal value is essentially an estimate of business value at that future point in time, and it incorporates the assumptions of perpetual operations and implicit growth found in the market approach. Discounting each of the projected future cash flows and the terminal value back to the present and summing the results yields an indication of business value.

We have also assumed that the IPL is not required to pay corporate taxes based on the Income Tax Appellate Tribunal (ITAT) ruling in 2021 where BCCI’s view was upheld. However, if there is a change in scenario and the IPL income is deemed not exempt from taxes, then the value of the business will be impacted by ~25%.



Photo Courtesy: BCCI.

BRAND VALUATION METHODOLOGY

A brand can be valued using a valuation methodology known as the relief from royalty method (RFR). Under this method, royalty rate is expressed as a percentage of revenue where it is assumed that the IPL or the individual franchisees would have had to pay a royalty fee for the usage of the brand in a hypothetical scenario where they would have licensed it from a third party. Since they own these brands, this would result in royalty savings. The tax-adjusted royalty savings for the projected period are discounted using an appropriate discount rate to estimate the value of the brand. The selected royalty rate gives consideration to the following:

- Third-party license agreements involving sports brands that can be considered reasonably comparable to the IPL and franchisee brands.
- The absolute and relative importance of the brand to the IPL and the respective franchisee's operations and dealings with its sponsors, advertisers, and sports fans.
- The age and profitability of the company, nature of the business, and degree of competition.
- Presence of marquee players such as Virat Kohli and MS Dhoni, who are massive brands themselves, for whom the crowds throng to stadiums in India whenever their respective teams play.



Photo Courtesy: BCCI.

Investor's Corner



Manoj Badale

Lead Owner of Rajasthan Royals
Managing Partner and Co-Founder of Blenheim Chalcot



Q: You were one of the early believers in the IPL when it was first conceptualized. At the outset, what drove your decision to invest in a cricket franchise in India at a time when there was no clarity on the path the franchise would follow?

MB: In 2006, we felt the game needed new ideas and sources of investments. Along with my business partner, Charles Mindenhall, we set about a business plan, which had three main pillars—all of which were about updating the traditional niche sport ready for the opportunity presented by hundreds of millions of new Indian consumers with increasing wealth and increasing leisure time. "Investors in Cricket" was created and began with acquiring the commercial rights to Leicestershire County. Ultimately, this venture was a failure due to having no control over the product (with the ECB as the governing body).

However, we learned the commercial reality of "club ownership economics." When the concept of the IPL was first explained to me in 2007, the league had so many enticing aspects. Using Porter's Five Forces framework for assessing the attractiveness of an industry and applying it to the IPL, from an investment opportunity, the IPL seemed to have it all: A small, fixed number of teams with no promotion or relegation. An effective salary cap. A massive market with engaged fans and a powerful board who could ensure calendar exclusivity. We also understood that we were effectively investing with India "Inc.," as our interests would be aligned with some of the most powerful



Photo Courtesy: BCCI.

businesspeople and the Indian Cricket Board, given the structure of the media rights distribution.

Q: There's been talk of private equity and foreign investments in RR and other IPL franchises. In fact, RR has been a trend setter with minority stake dilution much before other franchisees followed suit. Do you believe the IPL has reached a stage where it's capturing the attention of global funds as a viable investment strategy?

MB: The IPL as a product has always been highly investible. Having been inspired by U.S. sports leagues, and particularly the model of the NFL, the IPL was always going to attract institutional investors. A closed league (no relegation) offers long-term security, a "hard" salary cap ensures a level playing field and competitive parity, and an equitable commercial model in which central income is split equally amongst franchises secures contractual revenue for franchises.

The first 10 years of the IPL, as with any new sports property, can be thought of as the "proof of concept" stage; fan affinity has strengthened whilst broadcasters and sponsors consider the IPL to be a "must-have" property. This has provided a solid launchpad for the league to scale and simultaneously provided franchises with a new profile of investment that can unlock this new stage of growth and innovation.

Q: What are the complexities of private ownership, including investor expectations, governance structures, and stakeholder relations, while ensuring the continued success of the franchise?

MB: In many ways, the approach to private investment we have taken with the Royals is the same as with Blenheim Chalcot, which is that we are control investors. Across all of our largely technology-focused businesses, we build them from day one, co-locate, and maintain control in the growth phases to allow rapid decision-making.

Of course, there comes a time when adding private growth capital can be hugely



Photo Courtesy: BCCI.

beneficial to the business, but only where objectives are aligned. This principle applies in sport, too.

Q: You had a very successful debut season, with winning the IPL in the inaugural season followed by multiple qualifying years and, even this year, you are currently at the top of the points table after the halfway mark. How much of your team's on-field performance has contributed to RR's growth as a brand?

MB: I would say that our team's on-field performances have played a significant role in the growth of Rajasthan Royals as a brand. Our victory in the inaugural season of the IPL was a massive achievement, and our relatively consistent tournament performances in the following years have included multiple playoff qualifications.

However, the growth of Rajasthan Royals as a brand is not solely reliant on our sporting success. We are committed to nurturing young talent and implementing innovative strategies, which have played a crucial role in shaping our brand identity. Our emphasis on team spirit and sportsmanship has resonated with fans, helping us to build a loyal and passionate fan base. Moreover, our off-field initiatives have also significantly contributed to our brand growth. Our community outreach programs and social responsibility initiatives (focused on female empowerment) reflect our commitment to making a positive impact, both on and off the field.

Engaging with our fans on a personal level and giving back to the community has helped us build a strong and positive brand image. In conclusion, while our on-field performance has been crucial, it is the combination of our sporting success, our values, our fan engagement, and our community initiatives that has truly driven the growth of Rajasthan Royals as a brand.

Q: How does RR differentiate itself from other IPL franchises in terms of branding and market positioning? What do you believe is the unique selling proposition (USP) that attracts sponsors?

MB: The Rajasthan Royals differentiates itself from other IPL franchises through our unique focus on talent development and nurturing young players. We have a strong track record of identifying and grooming young talent, many of whom have gone on to become international cricket stars. We focus on discovering and nurturing talent.

Our USP that attracts sponsors is our reputation as a team that values and invests in potential. We offer sponsors the opportunity to align themselves with a team that is forward-thinking, innovative, and committed to nurturing the next generation of cricket stars. Additionally, our strong fan base and the global popularity of the IPL provide sponsors with a significant platform for brand exposure and engagement. In terms of branding, we position ourselves as a team that values care, courage, and trust.

We also have a strong focus on social impact, with various initiatives aimed at empowering women within the communities we are part of. This combination of on-field performance, talent development, fan engagement, and social impact makes us an attractive



Photo Courtesy: BCCI.

proposition for sponsors. Outside of Rajasthan, Kerala, and the North East, where we are the most popular team, we are India's favorite academy and India's second-favorite team.

Q: RR has always boasted of marquee players in their ranks, starting from the legendary Shane Warne to current players like Jos Buttler, R Ashwin, Sanju Samson, Yashasvi Jaiswal, and Trent Boult. How much do players' popularity and personal brand value contribute to the franchise? Does having certain marquee players assist teams in negotiating better sponsorship deals?

MB: Having marquee players in our team contributes significantly to the franchise. These players bring exceptional skills and a wealth of experience to the team, enhancing our performance on the field.

In terms of brand value, these players, with their large fan base and popularity, increase the visibility and reach of our franchise. This not only attracts more fans but also makes our franchise more attractive to potential sponsors.

However, it's important to note that while these players bring many benefits, the success of our franchise is not solely dependent on them. A well-rounded team with a strong strategy, good management, and a supportive fan base is also crucial. The overall



Photo Courtesy: BCCI.

performance and reputation of the team are equally important in securing beneficial sponsorship deals and building a strong brand.

Q: IPL has unearthed talented players who have gone on to become superstars in the past. RR has been at the forefront of player scouting since the IPL's inception. In recent years we have seen Yashasvi Jaiswal and Riyan Parag make significant headlines. How crucial is player scouting in the IPL and what role does that play in your player auction strategy as you are still required to face competition for your scouted targets?

MB: Player scouting is crucial in the IPL and it's a key part of our strategy at Rajasthan Royals. We believe in identifying and nurturing young talent, and our scouting process allows us to do that effectively. Players like Yashasvi Jaiswal, Dhruv Jurel, Riyan Parag, and Kuldeep Sen are great examples of this. They were identified through our scouting process and have gone on to make significant contributions to the team. We also focus on developing the players we scout. We're proud of our track record in this area, and we'll continue to invest in scouting and player development in the future. The auction is competitive and

unpredictable, so while we may have identified a player through our scouting, we also have to navigate the auction dynamics to try and secure them. It's a complex process but one that is vital to building a successful team.

Q: **With the emergence of new digital platforms and technologies, how do you envision the IPL leveraging these tools to enhance fan engagement and drive additional revenue? Most franchisees have still not cracked the merchandise revenue, unlike the established global leagues. How do you see that evolving in the near future?**

MB: Digital platforms give sports the ability to create more emotional connections, which makes them "stickier" from a commercial perspective—fans are more likely to buy TV and streaming subscriptions, more likely to watch clips and highlights, more likely to attend events, and more likely to buy merchandise. The commercial power of the fan makes the presence of and access to the sport's leading stars fundamental to its growth. The more supporters can identify with the brands and personalities, the more likely they are to become active fans. Digital platforms offer so much scope for direct engagement and, even more valuably, provide a wealth of information on each consumer, on their behavior and preferences. The digital opportunity has helped build sports franchises into "digital content factories."

Q: **Do you think the IPL has the potential to emulate the successful models of other major sports leagues like the NFL, EPL, NBA? What has been the influence of these leagues on how you run your franchisee?**

MB: We certainly believe that the IPL has the potential to emulate the successful models of other major sports leagues like the NFL, EPL, and NBA. These leagues have set a high standard in terms of organization, marketing, and fan engagement, and they serve as a benchmark for us in the IPL. We've learned a lot from their approach to branding, fan engagement, player welfare, and revenue generation. For instance, the NFL's focus on creating a spectacle around each game, with high-quality broadcasting and fan experiences, has influenced our approach to match days. Similarly, the EPL's global reach has inspired us to think about how we can expand our fan base beyond India. In terms of player development, we've seen how leagues like the EPL invest heavily in youth development and scouting networks. This focus on nurturing home-grown talent is something we're also prioritizing. We scout for young talent and provide them with the necessary training and support to reach their full potential. Moreover, we are increasingly leveraging technology and data in our decision-making processes, both on and off the field. This is something that all major sports leagues are doing, and we are no exception.

However, it's also important to note that the IPL has its unique strengths and context. Cricket is a sport with a massive following in India and across the world, and the IPL has been successful in leveraging this passion. We've also been innovative in our approach, with initiatives like the player auction, which has added a unique dimension to the league. So while we draw inspiration from these other leagues, we're also focused on carving our own "Indian" path and continuing to innovate to make the IPL the best it can be.



Photo Courtesy: BCCI.

IPL—The Next Primetime Global League?

Cricket is a sport with an extensive recorded history, attracting admirers from all age groups and gender demographics globally. It has gained significant attention over the years, including recent recognition by being added to the 2028 Olympics program. The sport's growing popularity, particularly due to increased female participation, speaks of its total inclusiveness. Since its establishment in 2008, the IPL has grown to become one of the world's largest cricket leagues. In a sport-fanatic world, what started as a platform to promote upcoming talent and provide national entertainment has now matured to become one of the biggest tournaments in terms of financial power along with a global audience reach. The IPL's growth story has been comparable to the likes of many established leagues, such as the NFL, NBA, and English Premier League (EPL). This evolution can be seen in various aspects of the IPL ecosystem, from increasing interest from international sponsors to huge participation in terms of overseas players and support staff, and, not to forget, the fan base for this tournament has quadrupled over the past decade.

To make any tournament successful, it must prove itself in three major areas:

1. Financial Viability

IPL has become the world's highest-earning cricket tournament, valued at over US\$16.5 billion. The sport's growing popularity has caused the market for broadcasting and viewing rights to soar. In 2023, the broadcast rights were sold for US\$3.02 billion, while the internet streaming rights alone brought in close to US\$3.05 billion. The major sports leagues' per-match costs, including TV and digital, come to almost US\$35.1 million for the NFL, about US\$14.4 million for the IPL, and US\$9.2 million for the EPL. TATA also paid about US\$301 million for the five-year, until-2028 title sponsorship rights.

We have seen a significant increase in franchise revenue over the years, primarily driven by revenue from television rights, despite each team having sponsorship revenue ranging from US\$5 million to US\$12 million. A major agreement was signed by Qatar Airways for a three-year contract for around US\$9 million (₹ 75 crores) with Royal Challengers Bengaluru. Every team has a variety of ways to draw in sponsors and bring them on board as official kit sponsors, associate sponsors, product partners, etc. Due to the popularity of social media, a number of content partners have emerged, wherein companies work with the internal media teams of franchisees to produce interesting material that promotes their brands. Some of the more well-known examples of these partners are MI Tv, RCB Insider, DC TV, and others. This gets the brand partners endorsed by the star players of the team, boosting their product sales.










The eight legacy teams that have been a part of the IPL for a long time are now able to reap substantial profits from both the central pool's income distribution and their own franchisee revenues from sponsorships, gate receipts, and merchandise sales. For the same reason, private equity investments have become increasingly prevalent in the IPL ecosystem in the recent years, focusing primarily on acquiring stakes in IPL franchises. Several factors contribute to the attractiveness of IPL investments for private equity firms:

- **Brand Value and Market Potential:** IPL franchises represent valuable brands with a vast fan base and significant market potential, making them attractive investment targets for private equity players seeking high-growth opportunities.
- **Revenue Streams:** The IPL offers diverse revenue streams, including broadcasting rights, title sponsorships, team sponsorships, and merchandise sales, providing investors with multiple avenues for revenue generation and value creation.
- **Global Exposure:** The IPL's popularity worldwide and extensive viewership across various demographics offer investors the opportunity to enhance their brand visibility and expand into new markets outside of India.
- **Growth Prospects:** The IPL continues to experience robust growth, with increasing viewership, expanding digital engagement, and rising commercial interest, making it an appealing investment proposition for private equity firms.



Photo Courtesy: BCCI.

Recent private equity transactions in IPL include the following:

Recent Private Equity Transactions in IPL		
  	In October 2021, CVC Capital Partners acquired a 100% stake in Gujarat Titans (Ahmedabad Franchise) for US\$827.07 million.	
  	In October 2021, RPSG ventures acquired a 51% stake in Lucknow Super Giants (Lucknow Franchise) for US\$946.34 million.	
  	In June 2021, RedBird Capital Partners acquired a 15% stake for an undisclosed amount in Rajasthan Royals, signaling its entry into IPL franchise ownership.	

Transaction Details Source: Venture Intelligence.

2. Fan Base and Social Media Presence

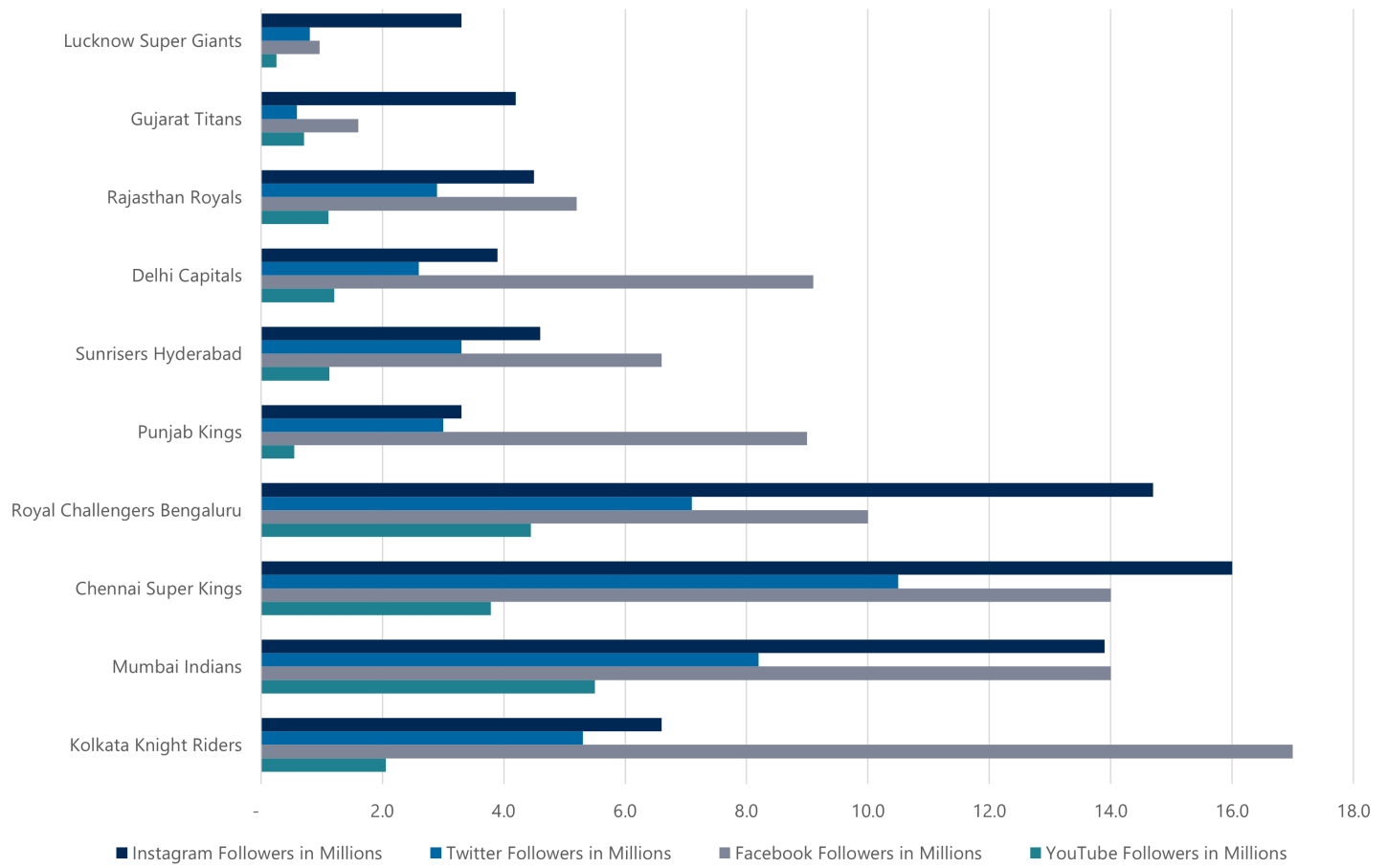
The driving force for any sport is a loyal fan base, which resonates to a sense of belonging to a community, usually based on player popularity, personal idolships, or regional ethnicity. With growing social media presence, the need for connection between fans and athletes has increased, demanding a deeper sense of brotherhood and a more real-time connection. In the IPL, we have noticed the audience has an attachment to clubs via their star players, such as Virat Kohli, MS Dhoni, Sachin Tendulkar, and Kieron Pollard, or with the team of the state in which they reside. Given the participation of overseas players, the IPL has managed to tap into an international audience appeal as well. Star players like Jos Buttler, Pat Cummins, Glenn Maxwell, and Travis Head have not only created their names in international cricket but are also deeply loved by Indian fans in the IPL. In fact, the IPL itself is considered a mini festival in India.

Clashes between teams like Chennai Super Kings, Mumbai Indians, or Royal Challengers Bengaluru are considered equivalent to the El Clasico matches in La Liga or London and Northern derbies in EPL. This can be proved by the viewership stats for IPL games, which have reached highs of 448 million views digitally along with fully packed stadiums. When considering viewership numbers, it is important to note that the IPL season is just two months long, compared to an average duration of over nine months with other leagues.



Photo Courtesy: BCCI.

SOCIAL MEDIA FOLLOWING OF IPL FRANCHISES



MOST POPULAR CRICKETERS IN EACH FRANCHISE

Team	Star Player	Twitter Followers in Millions	Instagram Followers in Millions
Kolkata Knight Riders	Shreyas Iyer	2.5	11.1
Mumbai Indians	Rohit Sharma	23.1	38.6
Chennai Super Kings	MS Dhoni	8.6	48.2
Royal Challengers Bengaluru	Virat Kohli	63.3	269.0
Punjab Kings	Shikhar Dhawan	7.1	18.1
Sunrisers Hyderabad	Bhuvneshwar Kumar	2.9	4.4
Delhi Capitals	Rishabh Pant	4.3	11.4
Rajasthan Royals	Ravichandran Ashwin	11.3	4.9
Gujarat Titans	Shubman Gill	1.6	14.5
Lucknow Super Giants	KL Rahul	8.7	20.2

3. Player Selection and Trades

Much like any other league in the world, team composition and auctions are an important aspect of the tournament. With a fixed player purse, each team enters the auction with full force to be able to poach and buy strong team members for themselves along with retaining three major players each mega auction season. With each auction, the audience also awaits to see their new squads and placement of their favorite players.

What is noticeable in this year's IPL has been some of the player trades, such as Gujarat Titans' former captain Hardik Pandya moving to Mumbai Indians, and Mumbai Indians' ace player Cameron Green moving to Royal Challengers Bengaluru. While this may be a common phenomenon in the other established leagues where we have seen player transfers and trades for star players like Lionel Messi, Cristiano Ronaldo, LeBron James, etc., this is one of the first occasions in IPL history to witness such huge player trade transactions. These moves are planned transactions that are leveraged by franchises to not only strengthen their team's performance but also enhance their brand value. Trades involving star players or promising rookies are far more attractive to increase a team's fan base. This can lead to higher ticket sales, merchandise revenue, and overall marketability.

Another interesting factor to note this year is not only the above inter-team trades but also the fresh draws from the auction pool seeing new all-time-high bids for players like Mitchell Starc, Pat Cummins, Daryl Mitchell, and Harshal Patel. What drove the price fight for these players at the auction recently was the performance and popularity of the players following their World Cup success.

MOST EXPENSIVE PLAYERS SOLD IN THE 2024 AUCTION

Player	IPL Team	Fees (₹)	Fees (US\$M)
Mitchell Starc	Kolkata Knight Riders	24.75 Crore	~US\$3M
Pat Cummins	Sunrisers Hyderabad	20.50 Crore	~US\$2.5M
Daryl Mitchell	Chennai Super Kings	14 Crore	~US\$1.7M
Harshal Patel	Punjab Kings	11.75 Crore	~US\$1.4M
Alzarri Joseph	Royal Challengers Bengaluru	11.50 Crore	~US\$1.4M
Spencer Johnson	Gujarat Titans	10 Crore	~US\$1.2M

Source: <https://www.iplt20.com/auction>.

By acquiring high-profile players, teams can create excitement and buzz around their brand, boosting their value both on and off the field. Additionally, successful player trades can also generate media coverage, sponsorships, and endorsements, further solidifying a team's standing in the competitive sports market.

While the NFL primarily relies on drafts to acquire players, both leagues involve player acquisitions through auctions and trades. The IPL introduced player auctions early on, similar to other major sports leagues like the NBA, allowing teams to bid for players before each season. Additionally, like the NFL, the IPL has recently seen an increase in player trades, enabling teams to strategically enhance their rosters. A few noteworthy examples of past player trades and their impact on global leagues is captured on the following page.

Player	Lionel Messi	Cristiano Ronaldo	Tom Brady	LeBron James
League	Football	Football	NFL	NBA
Transfer	Paris Saint-Germain to Inter Miami	Manchester United to Al-Nassr	New England Patriots to Tampa Bay Buccaneers	Cleveland Cavaliers to Los Angeles Lakers
Deal Value	US\$20.5M in 2023	US\$315M in 2023	US\$30M in 2020	US\$153M in 2018
Value Impact	Franchise value projected to increase to US\$1.5B from US\$500M	Market value increased by €80M	Valuation increased by ~US\$650M or 2x the NFL average	Los Angeles to have US\$396M economic impact
Social Presence Impact	800% surge in Instagram followers	Instagram follower count skyrocketed to 10M	New team following increased by 1 million post-announcement	LeBron James' Instagram following was the highest among all other athletes across all sports
Other Financial Impact	Club revenue increased to US\$120M	Club merchandise sales increased by 300%	Improved from No. 28 in merchandise sales to No. 1; ticket prices increased by 45%	Jersey sales reached a single-day record of 600% growth; ticket prices increased by 427%

As the IPL continues to embrace these kinds of transactions, it is further solidifying its position as a global sports league with a strong business model and a focus on sustainable growth and success. Though these stats may look slightly lower than other established leagues, it is important to note that the IPL commenced just over 15 years ago, while the EPL has been standing ground for over 25 years and the NFL for over 40. It is only natural for one to expect a growth in this tournament in terms of size and volume. The IPL has proven its current value and is sure to become the next big thing in the sports world.



Photo Courtesy: BCCI.

Did You Know?

Since its inception in 2008, the IPL has undergone a remarkable transformation in player salaries. Initially modest, these salaries have skyrocketed as the league's popularity soared. Factors such as the addition of new teams and retention policies for star players have profoundly influenced these trends. Each season, the auction process sparks intense competition among franchises vying for top players. The rise of young talents and the consistent performance of seasoned players have also contributed to the growth of IPL player salaries, cementing the league's position as one of the most financially rewarding for cricketers worldwide. Here is a comparison between the 2008 top five salaried players vs. 2024 highest paid salaries.

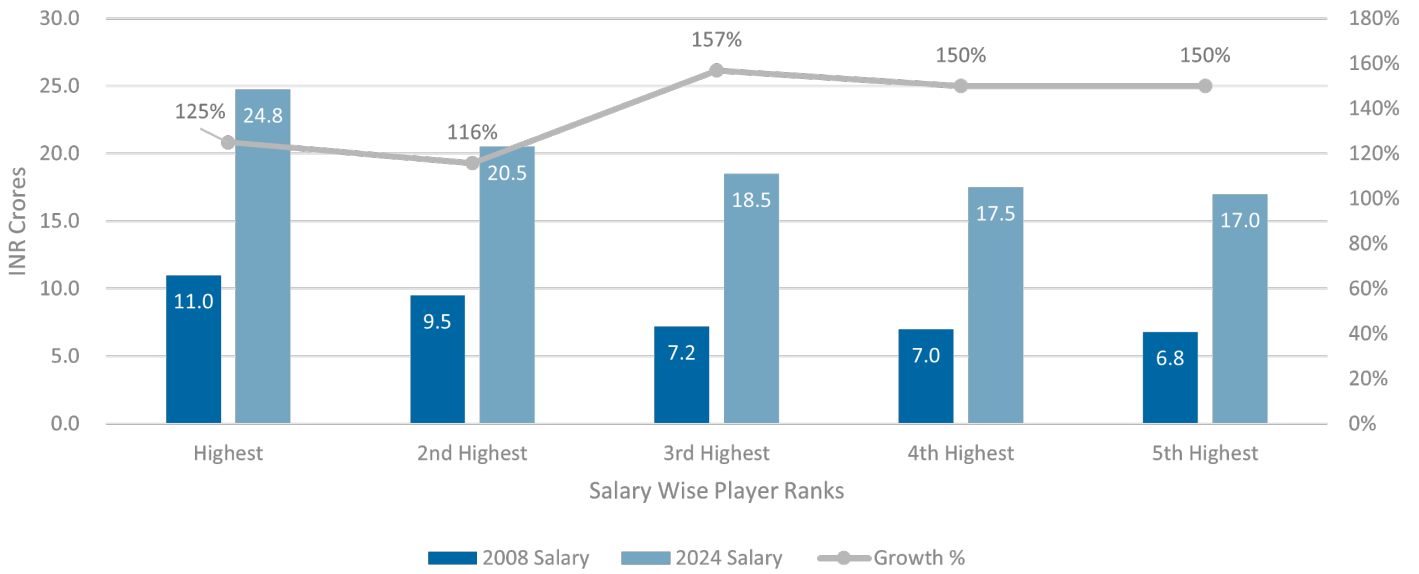
Salary Ranks	Highest Paid Players for IPL 2008*	2008 Salary Contract	Highest Paid Players for IPL 2024	2024 Salary Contract	Salary Growth for Top 5 Bids
1	MS Dhoni	₹ 11 Crore	Mitchell Starc	₹ 24.75 Crore	125%
2	Andrew Symonds	₹ 9.5 Crore	Pat Cummins	₹ 20.50 Crore	116%
3	Sanath Jayasuriya	₹ 7.2 Crore	Sam Curran	₹ 18.5 Crore	157%
4	Ishant Sharma	₹ 7 Crore	Cameron Green	₹ 17.5 Crore	150%
5	Irfan Pathan	₹ 6.8 Crore	KL Rahul	₹ 17.0 Crore	150%

*Source: <https://thecricketlounge.com/the-current-value-of-the-costliest-buys-at-ipl-2008/>.



Photo Courtesy: BCCI.

2008 Salary vs. 2024 Salary Contracts Trend



Global Franchise Valuation Ranking

In 2023, the landscape of sports franchise valuations continued to reflect the ever-increasing growth of various teams across the globe. Here are the top sports franchises by valuation in their respective leagues:

	Top Franchise	League	Valuation in USD Billion
	Dallas Cowboys	NFL	9.0
	New York Yankees	MLB	7.1
	New York Knicks	NBA	7.0
	Real Madrid	La Liga	6.1
	Manchester United	EPL	6.0

Source: The World's 50 Most Valuable Sports Teams 2023 (Forbes.com).

These top five sports franchises exemplify the combination of athletic prowess and financial success, showcasing the global appeal of sports and the immense value generated by elite teams across various leagues.

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Source: LSEG (formerly Refinitiv). Excludes accounting firms and brokers.

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Advisor	Deals
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2 Lincoln International	156
3 William Blair	112

Source: PitchBook. Excludes accounting firms and brokers.

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