

Houlihan Lokey Launches IPL Valuation Study 2024

- **Value of the IPL as a business surges to US\$16.4 billion; the IPL standalone brand value reaches US\$3.4 billion**
- **CSK continues to be the most valued franchise; KKR sees highest annual growth**

MUMBAI — 12 June 2024 — Houlihan Lokey, Inc. (NYSE:HLI), the global investment bank, today issued the 2024 IPL Brand Valuation Study, its comprehensive report into the business enterprise and brand values of the Indian Premier League (IPL).

Houlihan Lokey's Corporate Valuation Advisory Services advises companies on all valuation matters affecting their financial reporting, tax, and strategic planning initiatives. Offerings include purchase price allocation (valuation of all acquired assets and liabilities), equity valuations for stock, and tax entity valuation for restructuring.

According to the report, the value of IPL as a business has surged to US\$16.4 billion, up by 6.5% (INR 135,000 crores), reflecting the continued strength and global appeal of the league. The stand-alone brand value of the IPL has increased by 6.3% to US\$3.4 billion (INR 28,000 crores), over the past year.

The title sponsorship for the IPL has been secured by the Tata Group for a further five-year period, from 2024 until 2028, for approximately US\$300 million (INR 2,500 crores), paying approximately 50% more than the previous deal of INR 335 crores per season. This, along with last year's media rights auction, reinforces the IPL's status as a pivotal platform for esteemed brands seeking to enhance their value.

The IPL has proved to be an advertisers' delight and 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 NFL's Super Bowl, where new TV commercials are launched every year, the IPL is doing the same for sports advertising in India. This year, advertisers ranging from fantasy apps, FMCG, FinTech, banks, and electronics all took advantage of the widespread appeal of the IPL by releasing new TV commercials.

"The IPL has solidified its status as a premier sports league on the global stage, showcasing an exceptional blend of sportsmanship, entertainment, and commercial success," commented Harsh Talikoti, Senior Vice President, Corporate Valuation Advisory Services at Houlihan Lokey. "The league's growth is not just in numbers but also in its innovative approach to engaging fans and leveraging digital platforms. This year's increase in value underscores the IPL's strategic initiatives and its robust fan base.

"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 with CVC Capital and Redbird Capital acquiring stakes in IPL franchisees", added Mr. Talikoti.

There has been 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\$5.0 million to US\$12.0 million. A major agreement was signed by Qatar Airways for around US\$9.0 million (INR 75 crores) for a three-year contract with Royal Challengers Bengaluru.

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Mr. Manoj Badale, Lead Owner of Rajasthan Royals, speaking to Houlihan Lokey added: “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 among franchises—secures contractual revenue for franchises.”

FRANCHISEE BRAND VALUATION



In terms of valuation, despite failing to make it to the playoffs in 2024, with a brand value of US\$231.0 million, Chennai Super Kings (CSK) continues to be the most valued franchisee, achieving a growth of 9% from the previous year. IPL 2024 winners, Kolkata Knight Riders, saw the highest growth, with a 19.30% rise from 2023.

Chennai Super Kings (CSK)

Chennai Super Kings (CSK) is ranked No.1 in both brand ranking and business value ranking. Establishing itself as a pioneer brand in the IPL, 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, but they have also won five titles. Former CSK captain and current team player, Mahendra Singh Dhoni has been the face of the franchisee and the biggest contributor to the franchisee’s success.

Royal Challengers Bengaluru (RCB)

Ranked second in brand and business value, Royal Challengers Bengaluru (RCB) boasts a staggering brand worth of 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. The presence of Virat Kohli, who is known as the finest batsman of this era, acts as a bonus for RCB. The change in fortunes for RCB, from when they were placed 10th after the first half of the season to eventually qualifying for playoffs, also ensured that they became the most watched and spoken about franchise in this year’s IPL.

Kolkata Knight Riders (KKR)

Winners of the TATA IPL 2024, the Kolkata Knight Riders (KKR) has replaced Mumbai Indians to secure the third place in brand value with US\$216.0 million. KKR capitalises greatly on the brand equity of its renowned owner, Shahrukh Khan, along with standout players like Shreyas Iyer, Andre Russell, Sunil Narine, and the upcoming talent Rinku Singh.

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Mumbai Indians (MI)

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 its legacy player 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.

Rajasthan Royals (RR)

Rajasthan Royals' (RR) ability to identify and coach talented young Indian players like Yashasvi Jaiswal, Dhruv Jurel, and Riyan Parag, along with established players like Sanju Samson, Yuzvendra Chahal and Ravichandran Ashwin, paid off with their consistent performances over the past couple of years. RR also had the majority of sponsors on their roster renewing their association, showcasing its attractiveness as one of the fastest-growing brands within the IPL ecosystem. These factors helped RR jump up two places to the fifth spot in the brand ranking, with a brand value of US\$133.0 million.

Sunrisers Hyderabad (SRH)

Runners-up of the season, Sunrisers Hyderabad (SRH), with a brand value of US\$132.0 million stand sixth on the list. Having done exceptionally well at the auction and developing a new squad under the leadership of Pat Cummins, SRH managed to pick the stars of the recently concluded World Cup which contributed to the franchisees' great performance.

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. Gujarat Titans, after losing their captain to MI this year and with their star players like Mohammed Shami injured, failed to perform on field under the captaincy of Shubman Gill. They ranked eighth with a brand value of US\$124.00 million. Punjab Kings (PBKS) has a brand value of US\$101.0 million and Lucknow Super Giants LSG has a brand value of US\$91.0 million.

About Houlihan Lokey

Houlihan Lokey, Inc. (NYSE:HLI) is a global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory. The firm serves corporations, institutions, and governments worldwide with offices in the Americas, Europe, the Middle East, and the Asia-Pacific region. Independent advice and intellectual rigor are hallmarks of the firm's commitment to client success across its advisory services. The firm is the No. 1 investment bank for all global M&A transactions, the No. 1 M&A advisor for the past nine consecutive years in the U.S., the No. 1 global restructuring advisor for the past ten consecutive years, and the No. 1 global M&A fairness opinion advisor over the past 25 years, all based on number of transactions and according to data provided by LSEG (formerly Refinitiv).

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