NORTON ROSE FULBRIGHT

Keeping possession

Ownership trends in English Premier League football

2023

Introduction

This is our fourth year of tracking and commenting on ownership trends within English football, as ever with a particular focus on the ownership of clubs in the Premier League.

In this year's annual report, we again summarise ownership changes that have taken place during the prior season and seek to identify current trends and speculate what may come in the season ahead.

We find each year that there is an ever-increasing focus on who owns each club, what the owner is doing – putting money in, seeking new investment, what the owner's long term strategy is – and who might come to own that club in the future. The options for new types of owner grows every year – with film stars and sporting legends now adding a touch of glamour to the lists of shareholders, as if owning a small stake in a football club has become the latest fashion trend for Hollywood superstars. Fans are becoming increasingly aware of the owner's role, with discussions about good and bad owners being as common as discussions about good and bad players. All this makes the information we publish in this report more and more interesting.

As well as tracking ownership trends and changes over the last 12 months, it is increasingly clear that we are starting to enter into a new era in UK football, which will be dominated by the tension between an attempt to create independent regulation on the one hand, and the other hand, the desires of the owners of the Premier League clubs to continue to allow the Premier League to be controlled and run in the way it has been since its inception. The Premier League has taken English football from being an also-ran in the European leagues to the world's favourite – and richest – sporting competition, and any attempts to interfere with it need to be scrutinised very carefully, not least for the sake of the fans, whose positive engagement is crucial to the Premier League's continuing success.

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The ownership table

In the table below, we set out details of the majority owner or owners of each club by reference to their respective finishing positions in the previous Premier League season (2022/2023), together with the newly promoted clubs that have joined the Premier League for the 2023/2024 season. We also categorise each owner into one of the following ownership categories: (i) private equity ownership; (ii) corporate ownership; (iii) individual and family ownership; (iv) consortium ownership; and (v) hedge fund ownership. The table also charts the nationality of each owner and the year of acquisition for the owner of each club.

Premier League 2022/2023

*see Annex for further details

Final league standing	Club	Majority owner(s)*	Type of owner(s)*	Nationality of owner(s)*	Year of acquisition of club
1	Manchester City	Newton Investment and Development LLC	Private equity/ consortium	UAE	2008
2	Arsenal	Stanley Kroenke	Corporate/family	US	2018
3	Manchester United	Glazer family	Corporate/family	US	2005
4	Newcastle United	Public Investment Fund of Saudi Arabia	Private equity/ consortium	Saudi Arabia	2021
5	Liverpool	Fenway Sports Group LLC	Private equity/ consortium	US	2010
6	Brighton & Hove Albion	Anthony Bloom	Local owner	UK	2009
7	Aston Villa	Wes Edens and Nassef Sawiris	Private equity	US and Egypt	2018
8	Tottenham Hotspur	Joe Lewis, Daniel Levy and family	Corporate/family	UK	2001
9	Brentford	Matthew Benham	Individual	UK	2012
10	Fulham	Shahid Khan and family	Family	US	2013
11	Crystal Palace	Palace Holdco LP	Private equity/ consortium	US	2015
12	Chelsea	Todd Boehly, Clearlake Capital Group, L.P., Hansjörg Wyss and Mark Walter	Consortium	US and Switzerland	2022
13	Wolverhampton Wanderers	Guo Guangchang, Wang Qunbin and Liang Xinjun	Corporate/individual	China	2016
14	West Ham United	David Sullivan, David Gold (estate of), Daniel Křetínský and WHU LLC (J. Albert Smith)	Individual/hedge fund	UK, Czech Republic and US	2021
15	Bournemouth	William Foley II	Private equity	US	2022
16	Nottingham Forest	Evangelos Marinakis	Consortium/ individual	Greece	2017
17	Everton	Farhad Moshiri	Individual	Iran	2016
18	Leicester City	The Srivaddhanaprabha family	Corporate/family	Thailand	2010
19	Leeds United	49ers Enterprises	Private equity	US	2023
20	Southampton	Sport Republic Ltd. (Dragan Solak)	Consortium/ individual	Malta, Denmark and Switzerland	2021

Promoted clubs 2022/2023

Final league standing	Club	Majority owner(s)*	Type of owner(s)*	Nationality of owner(s)*	Year of acquisition of club
1	Burnley	Alan Pace	Consortium/ individual	US and UK	2020
2	Sheffield United	HRH Prince Abdullah bin Mossad bin Abdulaziz Al Saud	Individual	Saudi Arabia	2013
Playoffs	Luton Town	Paul Ballantyne	Consortium/ individual	UK	c.2009

Government white paper/regulator

The theme of independent regulation has been a hot topic within football for a number of years now, with a diverse range of views as to not only what form regulation would take, but whether independent regulation is necessary at all. Following the publication in February 2023 by the Department for Culture, Media & Sport of a white paper entitled "A sustainable future – reforming club football governance" (the **White Paper**), we now have a clearer indication that independent regulation of the football industry is a question of when, not if.

The White Paper is unequivocal in expressing the government's view that reform is required across football and the result is a clear recommendation for the establishment of an independent regulator (the **Regulator**) tasked with providing a long-term supervisory solution across key areas, with sustainability (i.e. in terms of durability) and resilience (particularly from a financial standpoint) being primary focuses. The Regulator would also be tasked with protecting the cultural heritage of football clubs, in recognition of the community impact and history associated with the clubs. There are also secondary objectives on creating an appropriate competitive environment domestically and supporting investment in the game, and interestingly there is an international competitiveness objective: ensuring that the UK is attractive for investment and access to talent. We have recently seen a similar objective be added to the statutory objectives of the UK's financial services regulators.

The structure of the Regulator remains uncertain at this time. The government is essentially considering three primary options: (i) establish the Regulator as a standalone body; (ii) house the Regulator in an existing arms-length body or ALB[1]; (iii) make the Regulator a subsidiary of an existing ALB. We strongly suspect that the Regulator will be constituted under statute and will derive its powers from statute, and we would expect that further secondary rules and guidance published by the Regulator will be required to further clarify the scope of its expectations of football clubs, the obligations of those clubs, what powers the Regulator has and how it will enforce those powers.

In terms of regulatory initiatives, there are some key takeaways from the White Paper. The first is that a licensing and authorisation regime will apply to all football clubs with associated threshold conditions that must be satisfied on an ongoing basis. Without an appropriate licence or with a licence subject to conditions, the ability of clubs to compete in existing leagues may be threatened. Additionally, the Regulator will implement a formal change in control regime that will assess proposed new owners of football clubs, including reaching determinations on their fitness and propriety. Another key focus will be on governance and culture, with clubs expected to implement a culture of accountability, a "tone from the top" and more formal arrangements regarding board and executive management responsibilities across organisations.

Whilst the exact powers of the Regulator will need to be defined further, it is expected that it will have the core powers that you would expect for a regulator of this nature, including the granting of licences; ability to impose licence conditions; ongoing oversight and monitoring of licensed clubs and their compliance with conditions and broader rules and requirements; ability to gather information and other investigatory powers; various approval and consent requirements (including those relating to owners and sales of stadia); and finally penalties and sanctions. On sanctions and penalties, there is fairly broad latitude for the Regulator to take actions, including public censure and other reputational sanctions, fines and other financial penalties, disqualification orders relating to controlling individuals and the ultimate sanction being withdrawal of licences,

1 ALBs are categories of central government public bodies and they're a mix of executive agencies, non-departmental public bodies or non-ministerial departments. The DVLA, the Environment Agency and HMRC are all examples of ALBs.

which would then likely limit the club from partaking in competition. It is important to note that the Regulator is not intended to have any powers to impact on-field matters – therefore it is not expected that it could impose such penalties as points deductions or transfers bans. But, importantly, the Regulator can recommend to the relevant leagues that sporting sanctions may be appropriate.

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What then for the future? This White Paper represents the first formal step in the process to establish the Regulator. We expect there to be continued engagement with government on this by key stakeholders to try and reach a formal landing point. Whilst the White Paper is detailed, it is only the start, and in due course we will need to see the exact shape of the formal rules and understand in greater detail key points, such as how the original licensing process for all clubs is going to work. Right now, many across the industry will be watching this closely, trying to shape the ultimate outcome and beginning to conduct impact assessments to determine how these new regulatory obligations would affect them and what they would need to do to stand up to compliance arrangements.

Ownership in the WSL: What next?

The popularity of women's football has continued to grow following the success of the England Women's team at the 2022 UEFA Women's European Championship. In May 2023, Arsenal Women's FC sold out the Emirates stadium for their UEFA Champions League semi-final game against Wolfsburg, reflecting the wider trend of nearly a 200 per cent increase in average Women's Super League (**WSL**) match attendance in the 2022/23 season. With the FIFA Women's World Cup 2023 being one of the headline sporting events of the summer, we expect the popularity to increase further. Against this backdrop, we wanted to analyse for the first time the ownership structure of women's football clubs in the UK and explore what the future might hold. With the long mooted takeover of the WSL due to take place in August 2024, this is an important moment, and the right time to look at the key fundamentals of women's football in the UK, its ownership and what opportunities may now exist. The recently published Department for Culture, Media & Sport independent report, "Raising the bar – reframing the opportunity in women's football" will hopefully bring even more attention to women's football in the coming months and years.

During the 2021/22 season, women's sides at the world's highest-earning football clubs reported average revenues of €2.4m. Manchester United topped the pack with the highest-earning English women's team with a revenue of €6m, Manchester City followed at €5.1m, and neighbouring rivals Arsenal and Tottenham earned €2.2m and €2.1m respectively. Although these figures appear low, particularly in comparison to the men's the game, the recent revenue growth has been quite remarkable. More recent analysis has highlighted that WSL clubs generated £32m in aggregate revenue in the 2021/22 season, which was a significant 60 per cent (£20m) higher than the previous season. This trend looks set to only increase further, as the women's game is seeing tangible benefits from this growth in popularity. Such benefits include the commencement in the 2021/22 season of a new broadcast deal between the Football Association, Sky Sports and the BBC representing a reported £8m per year and a new title sponsorship agreement which brings a £30m investment into the WSL and Women's Championship from 2022-2025.

At present, the major English women's football clubs are affiliated with men's clubs and share the same owner. These entities will typically sit as subsidiaries to the ultimate parent holding company (HoldCo) entity of a football group. For example, both Manchester City Women's Football Club Limited and Manchester City Limited (the parent of Manchester City Football Club Limited) sit under City Football Group (Midco) Limited, which is a subsidiary of the ultimate HoldCo in the group, City Football Group Limited. Given that professional women's teams are typically their own entities, the legal framework already exists for the clubs to be owned as separate entities and so, in theory, an English women's team could be sold to a new, separate owner, outside of the current ownership structure.

As the majority of teams in the WSL are affiliates of men's clubs operating under the same ownership and same name, any financial support they receive from their owners/the wider club is therefore inextricably linked to the wider group in which they sit. By contrast, women's football clubs in the United States (**US**) are often standalone entities and not directly linked to men's clubs. Women's professional football in the US is predominantly driven by the National Women's Soccer League (**NWSL**).

The NWSL is a single-entity structure where the league itself owns the teams, and individual investors own shares in the league. The NWSL's single-entity structure means that the league owns the teams collectively, with individual investors holding stakes in the league as a whole. The NWSL has attracted investors, including professional sports organisations and private equity firms, who bring financial resources, business expertise, and marketing opportunities. The increased financial backing has enabled teams to invest in player salaries, infrastructure, coaching staff, and other resources necessary for success. As a result, the NWSL and its teams have achieved considerable success and the NWSL has established itself as a competitive, sustainable and professional league. It has also led to attention from investors. In April 2023, Sixth Street Partners became the first institutional investor to become a majority owner of a professional US sports franchise, having committed

As women's football evolves in the UK, so too will its ownership landscape.

US$125m to acquire a new club in the NWSL, that will be based in the San Francisco Bay Area. There are certain benefits to this model, and the control that it will also allow the teams to have on the league, how it is operated, and how it can grow. With a look to the success of "*Welcome to Wrexham*", which is discussed in further detail later in in this report, you could easily see how an independently run WSL could start to tailor its own content and profile, and how a comparable fly-on-the-wall documentary, focusing on the league generally, or a club more specifically, may help to do that. In the US, for example, Angel City Football Club (a new football club co-founded by Hollywood actress Natalie Portman and that play in the NWSL) has recently released a docuseries, "Angel City" on HBO. Here, we can see again how developments in the US may well be copied in the UK.

Given the current ownership structure of English women's teams – particularly that these entities are typically wholly-owned subsidiaries of a holding or intermediate vehicle) – the actual sale and purchase of the entity could be effected relatively simply. However, potential issues could arise when considering how to separate the women's and the men's team. Would the women's team continue to use the name and the badge of the club? This would need to be heavily and carefully negotiated to ensure all parties can benefit from the use of the intellectual property, but retain its inherent value.

At present, women's teams are, to an extent, able to benefit from the facilities, income and, importantly, the brand of the wider group; for example, 10 of the 12 WSL clubs shared the same front-of-shirt sponsor as their men's counterpart in the 2021/22 season. However, it is arguable that being inextricably linked to their men's counterpart means that the women's teams have not been able to develop an independent strategy that maximises the strengths and values of the women's game. Now could be the time to change this, and all that it might take is one brave club, or investor, to try to carve out a separate identity for a women's side, with a separate profile and infrastructure, targeting unique sponsorship opportunities and social media strategy and to try to build out the profile of the players and the team itself as stand-alone entities capable of operating with independence, both operationally and financially, rather than simply attaching to the identity of the men's side. Could a WSL side succeed financially, using a larger stadium for all of its games? Are the recent impressive attendances for WSL games, where clubs such as Arsenal have used the Emirates stadium, capable of being maintained if all of their home games were scheduled there? If so, are the fans attending games because of the Arsenal brand or because of the enjoyment of the product and the interest in the women's game alone? If the latter, then it could be the case that a women's club with a separate identity could regularly fill a Premier League stadium.

As women's football evolves in the UK, so too will its ownership landscape. In order to truly maximise its potential, the question may be asked of whether the male/traditional model is the best one for the women's game in the long term; do women's teams need to break away from the men's teams or even replicate the NWSL's single-entity structure? Will the regulation in the WSL be able to keep up with the increasing popularity of women's football? Ultimately, the WSL must adapt and constantly evaluate the governance in its league to ensure that women's teams can take advantage of the increasing commercial opportunities. It might even be that we see an outside entrant to the sport in the future, not linked to an existing Premier League or Football League club, seeking to create a truly unique and independent women's team.

Fan power

In February 2023, the government released its policy paper aiming to put "fans right back at the heart of football". Our 2021 report set out a proposed model for what fan ownership could look like and how fans may raise the finance to acquire control of a football club but, whilst fan involvement continues to be a prevalent issue within the UK football industry, the government white paper fell short of requiring all clubs to possess a "golden share" and outright fan ownership remains rare in the UK, particularly in the top divisions. This, however, is not to say that fan power more generally is not on the rise.

When professional football began to emerge in the UK in 1899, the Football Association allowed clubs to be limited companies but prohibited payments to directors and restricted dividends and payments to owners on a winding up. The final part of this rule survives to this day, with Rule I2.3 of the section titled "Rules of the Association" within the FA Handbook stating that clubs' articles of association must provide that any surplus on a winding up has to be given to "The Football Association Benevolent Fund or… to any local charity, or charitable or benevolent institution". Whilst the restrictions on payments to directors and dividends have since been lifted, the restrictions on distributions on a winding up emphasise the focus within football in the UK on seeking to protect the tradition of football clubs benefiting their local communities – often at the expense of owners taking profits out of trading football clubs – and the unique nature of football club ownership in the UK.

Indeed, the unique nature of football club ownership has been particularly prevalent over the past year, with Everton's board of directors not being able to attend matches since January due to what the club described as "a real and credible threat to their safety and security". Manchester United fans have long protested the Glazer family's ownership of the club and, in the wake of the Super League announcement, Manchester United fans even managed to postpone their fixture against Liverpool when protesting the Glazers' ownership. In the past year, this has extended to protests in connection with the sale process of the club, with the Manchester United Supporters' Trust stating that a minority sale would be "a disaster" and would lead to "open revolt from the fans" amid reports that the Glazers may only offload a minority stake.

In this sense, whilst fans may not necessarily have direct ownership stakes in the clubs that they support, they continue to have significant power in connection with the ownership and management of their clubs, ensuring that owners do not have the unfettered power that typically comes with ownership in most other industries. Even in the absence of a "golden share" or an equivalent "50+1 rule" (as seen in German football), fans can often have considerable influence in the UK, influencing key decisions such as when and to whom clubs are sold in a similar way to how minority shareholders will often have a list of "reserved matters" which the company can only take with the approval of a requisite majority of a certain number of shareholders. Whilst fans may bemoan their status as "consumers" of the clubs that they support, it is precisely this that allows them to wield this power; fans are both a huge source of income to football clubs and a large part of the "product" that clubs are selling, which puts pressure on owners to try to keep the fans "onside".

Multi-club ownership

In last year's report, we interviewed Juan Arciniegas, a managing director and Co-Head of Sports, Media and Entertainment at 777 Partners LLC (777), in connection with the rise of multi-club ownership within the football industry and the many benefits that owners can utilise when owning a network of football clubs. Since last year's publication, Norton Rose Fulbright have advised 777 on their investments into Hertha BSC (in March 2023) and Melbourne Victory (in October 2022). Separately, City Football Group have also acquired majority stakes in Palermo (in July 2022) and Bahia (in May 2023) to take the total number of clubs in which it has ownership interests to 13. UEFA's annual "European Club Footballing Landscape Report" identified 82 top-division clubs across Europe – or 11 per cent of the total – as having a "cross-investment relationship with one or more other clubs" and their analysis concludes that this trend is being fuelled predominantly by US-based investors.

UEFA's report, however, was not wholly complimentary about the increase in multi-club ownership, citing that it "has the potential to distort transfer activity, with an increasing percentage of transfers being executed within multi-club investment groups at prices that suit investors, rather than at fair values, to the detriment of trainer clubs (which receive less compensation in the form of solidarity payments)". Other critics argue that the expansion of multi-club ownership "raises a potential scenario where football could be dominated by three or four rival networks who own the biggest clubs in every league in every continent" or where clubs sacrifice their identities to become subordinate feeder clubs within a larger corporate structure.

UEFA's report also acknowledged that multi-club investment "has the potential to pose a material threat to the integrity of European club competitions, with a growing risk of seeing two clubs with the same owner or investor facing each other on the pitch". Indeed, in April 2023, French newspaper *L'Equipe* reported that, despite its Coupe de France victory, Toulouse may not be able to compete in the Europa League next season due to the fact that it is owned by RedBird Capital Partners (who also own AC Milan) and Article 5 of the Regulations of the UEFA Europa League broadly states that no legal entity can have control or influence over more than one club participating in a UEFA club competition.

The regulations governing two teams within the same ownership structure competing against each other were most significantly called into question in 2017, when RB Leipzig and Red Bull Salzburg – both part of the Red Bull group – qualified for the Champions League. UEFA had initially deemed the clubs could not both compete in the competition due to their ownership links but, after an investigation, UEFA allowed both clubs to qualify due to no individual or legal entity having a "decisive influence" over the two clubs, which led to some commentators calling into question the effectiveness of the rules. Indeed, many commentators believed that it would have been unlikely that UEFA would bar both Toulouse and AC Milan from competing in the same European competition due to their ownership and presumed that, with some "structural changes", a deal would have been reached with UEFA.

The increase in multi-club ownership will inevitably lead to closer inspection and further challenges of these regulations and, earlier this year, the UEFA President, Aleksander Ceferin, acknowledged that UEFA may need to reconsider the current regulatory framework and have "strict" rules in place. UEFA is certainly in a precarious position in this regard; whilst restrictions on multi-club ownership at a domestic level is common – UEFA's report indicates that 36 top divisions across Europe have rules restricting multi-club ownership at a domestic level – UEFA cannot currently block the acquisitions of clubs themselves and, instead, UEFA regulations govern access to the tournaments that it manages.

UEFA is, however, by no means powerless when it comes to governing multi-club ownership; qualification for European competition is often a key performance metric for football clubs, not to mention an important source of revenue. Given how embedded multi-club ownership is across European football, it may be difficult for UEFA to take a hard line on this regulation – indeed, Ceferin has indicated that UEFA cannot prohibit the concept completely – but which direction UEFA takes remains to be seen. Prospective and current owners will no doubt keep a close eye on any developments in this area over the coming years. In the meantime, however, we expect these multi-club ownership groups to expand in both number and in scale. Recent adopters of this model include Todd Boehly and Clearlake Capital, who have recently acquired a controlling stake in Ligue 1 side RC Strasbourg and Kevin Nagle (owner of US soccer side Sacramento Republic, who currently play in the Western Conference of the USL Championship) who has also recently completed his takeover of Huddersfield Town.

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Other trends

In the final section of this report, we briefly touch on some other trends that are of particular interest and which we will continue to monitor during the upcoming season.

Brighton and Brentford; Bloom and Benham

Whilst nether Brighton nor Brentford were involved in a change of ownership in the last year, their respective successes on the pitch ensured that both clubs caught the attention of the wider footballing public and media.

Brighton and Brentford are clubs of interest for a number of reasons and are increasingly being recognised as "model clubs". Both clubs are controlled by UK nationals, who have invested in the clubs that they supported as children and, partly as a result, have maintained strong fan relations and community links. Both clubs have adopted a multi-club ownership model, with Brighton's owner Tony Bloom also owning a majority stake in Belgian side Royale Union Saint-Gilloise and Benham also invested in FC Midtjylland in 2014. Both Benham and Bloom have saved their clubs from a very real prospect of financial turmoil and collapse, and overseen impressive rises through the Football League, to a sixth place finish for Brighton (also securing qualification to the Europa League for the first time) and a ninth place finish for Brentford this season, whilst also overseeing the construction of new stadiums.

It is this shared background in sports betting and data analytics that makes these two clubs particularly interesting and commentators have suggested that both "Brighton and Brentford have transformed their fortunes by placing data at the centre of their respective organisations". The success they have both enjoyed in recent years will no doubt influence their competitors, and The Telegraph reported in May 2023 that Daniel Levy has apparently held talks with betting experts in an attempt to emulate the success that Brighton and Brentford have had in the transfer market.

Both Brighton and Brentford have, with an understanding of the circumstances they are in and the competition they are facing, each adopted a data-led approach to player recruitment. Brighton's approach has been particularly successful in recent years, perhaps best demonstrated by their acquisition of Marc Cucurella for a reported £15m in the summer of 2021, before then selling the player on to Chelsea the following summer for a reported £56m initial payment, with the possibility of a further £7m of additional clauses being due as well. Chelsea's Levi Colwill also went on loan to Brighton during the season as part of the deal, and went on to have a very successful season with Brighton. What is perhaps most impressive about Brighton's track record on player recruitment and transfers is how they are able to ensure that there is a ready-made replacement prior to authorising any player disposal (Bissouma, for instance, was quickly replaced by Caicedo and likewise Mitoma had already been identified to replace Trossard following the Belgian's £27m move to Arsenal in the January 2023 transfer window). Underlining the success of Brighton's player recruitment model, both of Caicedo and Mitoma have already been the subject of great interest from other clubs, with Chelsea's long running pursuit of Caicedo being evidence of this.

Power of the brand/content creation

We have commented on the Ryan Reynolds and Rob McElhenney investment into Wrexham in our last two annual reports (2021 and 2022), and Wrexham continue to go from strength to strength under the Reynolds/McElhenney ownership, with a return to the Football League following a 15-year absence, coupled with a high-profile run in the FA Cup and also the highly acclaimed docuseries "*Welcome to Wrexham*".

As a purely sporting investment, it has clearly been a success. With certain bookmakers making Wrexham favourites to win League Two outright next season, it seems there is a good chance that this on-field success will continue. There has also been success off the pitch as well. The "*Welcome to Wrexham"* series, in particular, has been very well received, and is a clear example of the successful leveraging of the brand and the value that quality content creation can provide.

The trend of high-profile figures from the US investing into UK football clubs (likely accelerated somewhat by the high-profile success of Reynolds and McElhenney) has continued over the last 12 months. Former NFL star JJ Watt and former USA international Kealia Watt announced in May 2023 an investment into Burnley Football Club and Hollywood actor Michael B. Jordan was also revealed as a minority investor in the Bill Foley-led investment vehicle that acquired AFC Bournemouth from Maxim Demin in December 2022. The latest example is NFL superstar Tom Brady investing into Birmingham City Football Club in August 2023, entering into a partnership with the club's new owners, Knighthead Capital Management LLC.

As an aside, another particularly interesting aspect of the Reynolds and McElhenney investment into Wrexham, as well as the Bournemouth and Burnley examples, is what the concept of the football pyramid in the UK provides to potential investors from the US. Whilst the threat of relegation adds complication with regards to valuation, and then from an on-going funding perspective ('relegation scenario' financial planning being a key part of a management's running of a club), the prospect of taking a club from a lower league (with a lower valuation) through the football pyramid, is clearly an enticing one. This is particularly the case for US investors who are more accustomed to closed leagues, a concept alien to those in the UK, where relegation and promotion drives the competitive nature of the league. The football pyramid also increases the number of potential targets for investors. The valuations ascribed to US franchises, partly driven by the finite number of franchises, simply means that there a few individuals/groups who could actually afford to buy these assets.

Stakebuilding/consortia

The Todd Boehly/Clearlake acquisition of Chelsea in 2022 was noteworthy for a number of reasons. For the first time in many years, we saw one of the traditional 'Big 6' clubs bought and sold. This also gave the ownership groups of the other 'Big 6' a price point, or confirmation of what someone in the market might be willing to pay for one of these assets. The value of the total investment being made – £4.25bn (consisting of a £2.5bn purchase price and £1.75bn in further investment) – means that the pool of possible purchasers of the very biggest clubs in European football will, going forward, likely be very small, and it seems likely that similar potential purchasers in the future will be limited to the very richest individuals or sovereign wealth funds, or, perhaps more likely, only capable of being financed if acquired by a consortium of investors, who collectively finance the acquisition and manage the club post-acquisition. This is a model that is commonplace in other sectors. For example, in the very largest infrastructure assets, such as airports and ports where the ownership of smaller stakes in such assets are often bought and sold quite regularly, and it could be that such a trend arises in the acquisition and ownership of the very largest football clubs.

It is also possible that the amounts paid by Boehly/Clearlake for Chelsea might well have influenced the decisions of the Glazers and Fenway Sports Group in November 2022 to consider seeking external investment for both Manchester United and Liverpool respectively. For rivals such as Liverpool and Manchester United to both start comparable processes in the same month was very interesting, particularly given that the banks in charge of the processes would likely have been approaching the same or similar groups of potential investors for each process.

Whilst the Liverpool process appeared to attract less attention in the press, the Manchester United process has been a continued long running story since November, with multiple rounds of bids being made, tension between current owners and fan groups (the Manchester United Supporters' Trust in mid-April called for the "process to be concluded without further delay") and confusion as to whether the Glazers were looking for a full or partial sale of their ownership interest. It is unclear how this will reach its conclusion, with the two known bidders for Manchester United (Sir Jim Radcliffe and Sheikh Jassim bin Hamad Al Thani) having made what are being reported as final bids.

Whilst the details of each process were confidential, it is interesting that neither process was swiftly concluded, which suggests that there is not a long list of individuals or groups waiting in the wings to acquire such clubs (perhaps due to current valuations), and supports the idea that the more likely way that the very biggest clubs will change hands in the future will be as a result of an acquisition by a consortium of investors, who are willing to part-finance the acquisition with others, but are unable or unwilling to solely finance the entire acquisition alone.

Post-retirement plans

Prior to the inception of the Premier League and the boom of investment into professional football in England, it was not uncommon for a player's retirement plans to centre on becoming a publican, with England World Cup winning captain Bobby Moore, a particularly high-profile example. However, given the level of wages now within professional football (Kevin De Bruyne is reported to be the Premier League's top earner on approximately £400,000 per week), a growing number of ex-players are looking beyond running a pub, punditry or management as their next career and increasingly we expect to see more and more ex-players investing in or acquiring football clubs.

David Beckham, through his ownership interest in Inter Miami, and also, along with the rest of the Class of '92, their ownership of Salford City, may have been the highest profile early example of this, however, Brazilian ex-footballer Ronaldo has joined an increasingly growing number of ex-players to consider investment opportunities and has bought controlling stakes in both Real Valladolid in 2018 and Cruzeiro in 2021. It has also been reported that, as part of his contractual arrangements with Inter Miami, Lionel Messi will have the option to acquire a franchise in the MLS upon his retirement.

We expect this trend to continue, and whilst these ex-pros will be priced out of acquiring the biggest clubs alone, we expect to see more and more activity from this group of recently retired players, and likely as part of a consortium approach to acquisition. It also appears that this trend isn't limited to ex-footballers, with US golfers Jordan Spieth and Justin Thomas investing in 49ers Enterprises, which completed its takeover of Leeds United from Andrea Radrizzani following the receipt of EFL approval on 17 July 2023.

Even more recently, Wilfried Zaha, together with Stormzy and Danny Young have reached agreement to acquire the assets of AFC Croydon Athletic, their local side who are currently members of the Combined Counties Football League, in the ninth tier of English football.

NFTs/Web 3

In our report last year, we discussed the seemingly unique approach that WAGMI United LLC had taken at Crawley Town specifically their approach of trying to leverage a new audience (those perhaps more interested in NFTs than traditional sports) to build a larger fan base and a larger profile for the club – and that we would follow with interest.

It has certainly been eventful. With Crawley narrowly avoiding relegation from League 2, it was a season that involved various managerial changes, the reported inclusion of certain untypical performance-based incentives (including a financial incentive for one player to win the ball back in the opposition half) and even the sight of co-Chairman Preston Johnson in the dug-out for a game.

Whilst WAGMI were very open in their desire to approach their Crawley investment in a different manner, it appears that WAGMI are facing the same challenges that many other more traditional owners have – including fan engagement (a theme that runs throughout this report). If an owner loses the support of the fans (however novel their approach to ownership may seem) it is very difficult to win them back (usually only investment in staff and facilities, coupled with improvement of on-field results, will do). The Crawley Town Supporters Alliance (**CSTA**) have become increasingly vocal recently, firstly with an open letter of 17 April 2023 to WAGMI, seeking, amongst other things, "a constructive dialogue" with the ultimate beneficial owners of WAGMI United as a result of the failure (despite several reported attempts) of the "Co-Chairmen and interim CEO of Crawley Town Football Club to hold a formal meeting with the fans." Even more recently, on 7 June 2023, CSTA encouraged its members to consider voting for one of two alternatives, the latter option being "For the CSTA to pursue any alternative legal means necessary to ensure the current Co-Chairmen are replaced." Although it is unclear from the press release what "legal means" might include (we suspect it is intended to refer to actions that are not illegal, rather than a possible legal course of action), it does serve to demonstrate the level of rancour amongst some of the fans at Crawley. Ownership of a football club is not the same as ownership of any other asset and a lack of regular and transparent communication with fans regularly seems to lead to the downfall of an owner.

We expect to see more and more ex-players investing in or acquiring football clubs.

Annex

Ownership details of English Premier League clubs[2]

Arsenal

Controlling company:
Kroenke Sports & Entertainment UK INC

Incorporated:
United States

Shareholder(s) (directly or indirectly in the Premier League member entity):
Stanley Kroenke (100%) (US)

Type of investor:
Corporate/family

Directors of Premier League member entity:
Lord Harris of Peckham (Philip Charles), Stanley Kroenke, Josh Kroenke, Timothy Lewis, Richard Carr

Premier League member entity:
The Arsenal Football Club Public Limited Company (00109244)

Aston Villa

Controlling company:
V Sports S.C.S (formerly known as NSWE S.C.S.)

Incorporated:
Luxembourg

Shareholder(s) (directly or indirectly in the Premier League member entity):
Wesley Edens (US); Naseef Sariris (Egypt) (note that it is not publicly available information in the UK what the exact ownership stakes are in V Sports S.C.S)

Type of investor:
Private equity

Directors of Premier League member entity:
Wesley Edens, Nassef Sawiris, Christian Purslow

Premier League member entity:
Aston Villa Football Club Limited (03375789)

Brentford

Controlling company:
Brentford FC Limited (03642327)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Matthew Benham (100% owner of all ordinary shares and preference shares) (UK); Bees United (officially registered as Brentford Football Community Society Ltd., a registered society under the Co-operative and Community Benefit Societies Act 2014 with registration number IP29244R) (owner of one special share as the club's supporters' trust)

Type of investor:
Individual investor

Directors of Premier League member entity:
Clifford Crown, Deji Davies, Philip Giles, Stewart Purvis, Nityajit Raj, Preeti Shetty, Jonathan Varney, Stuart Hatcher

Premier League member entity:
Brentford FC Limited (03642327)

Brighton & Hove Albion

Controlling company:
Brighton & Hove Albion Holdings Limited (02849319)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Anthony Bloom (93.8%) (UK); various shareholders (6.2%)

Type of investor:
Local owner

Directors of Premier League member entity:
Robert Comer, Paul Barber, Anthony Bloom, Raymond Bloom, Derek Chapman, Adam Franks, Peter Godfrey, Paul Mullen, Marc Sugarman, Michelle Walder

Premier League member entity:
Brighton & Hove Albion Football Club, Limited (The) (00081077)

2 This information is based on the information that is publicly available at Companies House (the United Kingdom's official registrar of companies) as at the date of this report and as at the date of the most recent filings at Companies House, and the ownership information of each Club that have made details of their Club ownership publicly available on their respective websites.

Bournemouth

Controlling company:
Black Knight Football and Entertainment, LP (BKFE)

Incorporated:
United States

Shareholder(s) (directly or indirectly in the Premier League member entity):
William Foley II (managing general partner of BKFE and chairman of Cannae Holdings, Inc. which is a 51% limited partner in BKFE) (US) (note that it is not publicly available information in the UK who holds the balance of interest in BKFE); other minority investors

Type of investor:
Private equity

Directors of Premier League member entity:
Neill Blake, William Foley II, James Frevola

Premier League member entity:
AFC Bournemouth Limited (06632170)

Chelsea

Controlling company:
Blues Partners Limited (14075518)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Members of the consortium include: Todd Boehly (US); Clearlake Capital Group, L.P. (US); Hansjörg Wyss (Switzerland); Mark Walter (US) (note that it is not definitive by reference to the public records at Companies House at what exact level in the corporate structure these individuals and entities hold their ownership stake, however Companies House confirms that ownership of Blues Partners Limited is divided between BlueCo 22 Holdings L.P. (38.5%) and Blues Investment MidCo Limited (61.5%) (a 100% subsidiary of Blues Partners GP, LLC))

Type of investor:
Consortium

Directors of Premier League member entity:
David Barnard, Behdad Eghbali, Mark Walter, Hansjörg Wyss, James Pade, Jonathan Goldstein, José Feliciano, Daniel Finkelstein, Barbara Charone, Todd Boehly

Premier League member entity:
Chelsea Football Club Limited (01965149)

Crystal Palace

Controlling company:
Palace Holdco UK Limited (09898364)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Palace Holdco LP (98.2% of A1 ordinary shares) (US); Palace Parallel Holdco LLC (1.8% of A1 ordinary shares) (US); Stephen Browett – Chairman of Farr Vintners (5.1% of B1 ordinary shares) (UK); Jeremy Hosking – private equity investor (5.1% of B1 ordinary shares) (UK); Steve Parish – private investor (18.36% of B1 ordinary shares) (UK); John Textor (68.14% of B1 ordinary shares) (UK); Robert Franco (through Kloof Capital Investments Limited) (3.3% of B1 ordinary shares) (South Africa)

A further 10,000 preference shares (non-voting) are held by Palace Holdco LP (9,820 preference shares) and Palace Parallel Holdco LLC (180 preference shares)

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
David Blitzer, Joshua Harris, Steve Parish, John Textor

Premier League member entity:
CPFC Limited (07270793)

Everton

Controlling company:
Blue Horizon Investments Limited

Incorporated:
Isle of Man

Shareholder(s) (directly or indirectly in the Premier League member entity):
Farhad Moshiri (through Blue Horizon Investments Limited) (94.1%) (Iran); William Kenwright (1.3%) (UK); other investors (4.6%)

Type of investor:
Individual

Directors of Premier League member entity:
Farhad Moshiri, Colin Chong, John Spellman

Premier League member entity:
Everton Football Club Company, Limited (00036624)

Fulham

Controlling company:
K2tr Family Holdings 2, Corp

Incorporated:
United States

Shareholder(s) (directly or indirectly in the Premier League member entity):
Shahid Khan and family (100%) (US)

Type of investor:
Family

Directors of Premier League member entity:
Alistair Mackintosh, Mark Lamping, Shahid Khan, Antony Khan, David Daly

Premier League member entity:
Fulham Football Club Limited (02114486)

Leeds United

Controlling company:
49ers Enterprises Leeds II SPV, L.P. and 49ers Enterprises Leeds SPV, L.P.

Incorporated:
United States

Shareholder(s) (directly or indirectly in the Premier League member entity):
The York Family (US) (note that it is not publicly available information in the UK at what level in the corporate structure the York Family hold their ownership stake or what the exact ownership stakes are in 49ers Enterprises Leeds II SPV, L.P. and 49ers Enterprises Leeds SPV, L.P. nor has the information publicly available at Companies House been updated to reflect the full takeover of the Club by the 49ers, however, the confirmation provided by Leeds United on their website confirms that the sale has been completed)

Type of investor:
Private equity

Directors of Premier League member entity:
Angus Kinnear, Peter Lowy, Paraag Marathe, Massimo Marinelli, Sandro Mencucci, Andrea Radrizzani

Premier League member entity:
Leeds United Football Club Limited (06233875)

Leicester City

Controlling company:
King Power International Company Limited

Incorporated:
Thailand

Shareholder(s) (directly or indirectly in the Premier League member entity):
Aiyawatt Srivaddhanaprabha (55%); Voramas Srivaddhanaprabha (10%); Apichet Srivaddhanaprabha (10%); Aroonroong Srivaddhanaprabha (10%); Aimon Srivaddhanaprabha (15%) (all Thailand)

Type of investor:
Corporate/family

Directors of Premier League member entity:
Aiyawatt Srivaddhanaprabha, Apichet Srivaddhanaprabha, Susan Whelan, Shilai Liu

Premier League member entity:
Leicester City Football Club Limited (04593477)

Liverpool

Controlling company:
Fenway Sports Group LLC

Incorporated:
United States

Shareholder(s) (directly or indirectly in the Premier League member entity):
The economic interest in Fenway Sports Group LLC is held by a range of investors. The only investors in Fenway Sports Group LLC holding more than a 10% interest are John Henry, Thomas Werner, Michael Gordon and Rouge Aggregator (all US) (note that it is not publicly available information in the UK what the exact ownership stakes are in Fenway Sports Group LLC)

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
John Henry, Thomas Werner, Michael Gordon, William Hogan IV, Michael Egan, Kenneth Dalglish, Andrew Hughes

Premier League member entity:
The Liverpool Football Club and Athletic Grounds Limited (00035668)

Manchester City

Controlling company:
Newton Investment and Development LLC

Incorporated:
Abu Dhabi

Shareholder(s) (directly or indirectly in the Premier League member entity):
City Football Group (CFG) is majority owned by His Highness Sheikh Mansour bin Zayed Al Nahyan (UAE) (through the wholly owned Newton Investment and Development LLC), with a significant minority shareholding held by Silver Lake (18.16%)

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
Abdulla Al Khouri, Khaldoon Al Mubarak, Alberto Galassi, John Macbeath, Martin Edelman, Simon Pearce

Premier League member entity:
Manchester City Football Club Limited (00040946)

Manchester United

Controlling company:
Manchester United plc

Incorporated:
Cayman Islands (and listed on the New York Stock Exchange)

Shareholder(s) (by reference to % of total voting power through ownership of Class A Ordinary Shares and Class B Ordinary Shares together) (directly or indirectly in the Premier League member entity):
Avram Glazer (14.38%); Joel Glazer (19.11%); Kevin Glazer (13.77%); Bryan Glazer (17.23%); Darcie Glazer (18.15%); Edward Glazer (12.99%) (all US); other shareholders (4.37%)

Type of investor:
Corporate/family

Directors of Premier League member entity:
Avram Glazer, Joel Glazer, Kevin Glazer, Bryan Glazer, Edward Glazer, Edward Woodward, Richard Arnold, Darcie Glazer-Kassewitz, Sir Robert Charlton, John Edelson, Sir Alex Ferguson, David Gill

Premier League member entity:
Manchester United Football Club Limited (00095489)

Newcastle United

Controlling company:
Public Investment Fund of Saudia Arabia (PIF)

Incorporated:
Saudi Arabia

Shareholder(s) (directly or indirectly in the Premier League member entity):
PIF (80%) (Saudi Arabia); PCP Capital Partners (through Cantervale Limited and JV1 Limited) (7.56%) (UK); James Reuben (through RB Sports & Media Limited and JV1 Limited) (12.44%) (UK)

Type of investor:
Private equity/consortium

Directors of Premier League member entity:
Yasir Alrumayyan, James Reuben, Amanda Staveley, Abdulmajid Alhagbani, Asmaa Rezeeq

Premier League member entity:
Newcastle United Football Company Limited (00031014)

Nottingham Forest

Controlling company:
NF Football Investments Limited (10613412)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Evangelos Marinakis (80%); Socrates Kominakis (20%) (both Greece)

Type of investor:
Consortium/individual

Directors of Premier League member entity:
Kyriakos Dourekas, Jonathan Owen, Nicholas Randall, Ioannis Vrentzos

Premier League member entity:
Nottingham Forest Football Club Limited (01630402)

Southampton

Controlling company:
Sport Republic Ltd. (13790702)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
Sport Republic Ltd. (c.88.93% of the shares in St Mary's Football Group Limited, the immediate parent of Southampton Football Club Limited) (held by Dragan Solak (Malta); Henrik Kraft (Denmark); Rasmus Ankersen (Denmark)); Katharina Liebherr c.11.07% of the shares in St Mary's Football Group Limited, the immediate parent of Southampton Football Club Limited) (Switzerland)

Type of investor:
Consortium/individual

Directors of Premier League member entity:
Toby Steele, Rasmus Ankersen, Henrik Kraft, Dragan Solak, Rolf Bogli, Philip Parsons, Andrew Young

Premier League member entity:
Southampton Football Club Limited (00053301)

Tottenham Hotspur

Controlling company:
ENIC Sports Inc.

Incorporated:
Bahamas

Shareholder(s) (directly or indirectly in the Premier League member entity):
ENIC Sports Inc. (86.58% of the shares in Tottenham Hotspur Limited, the immediate parent of Tottenham Hotspur Football & Athletic Co. Ltd); other investors (13.42% of the shares in Tottenham Hotspur Limited, the immediate parent of Tottenham Hotspur Football & Athletic Co. Ltd))

Type of investor:
Corporate/family

Directors of Premier League member entity:
Daniel Levy, Matthew Collecott, Donna-Maria Cullen, Todd Kline

Premier League member entity:
Tottenham Hotspur Football & Athletic Co. Ltd (00057186)

West Ham United

Controlling company:
WH Holding Limited (05993863)

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the Premier League member entity):
David Sullivan (38.8%) (UK) (29.7% held directly and 9.1% through the Sullivan Trust); Vanessa Gold (we understand these shares are expected to held by his estate, although this has not yet been confirmed at Companies House) (25.1%) (UK); Daniel Křetínský (through 1890s Holding A.S.) (27%) (Czech Republic); J. Albert Smith (through WHU LLC) (8%) (US); other investors (1.1%)

Type of investor:
Individual/hedge fund

Directors of Premier League member entity:
Karren Brady, Daniel Cunningham, Vanessa Gold, Pavel Horsky, Peter Mitka, Andrew Mollet, J. Albert Smith, David Edward Kenneth Sullivan, David Sullivan, Jack Sullivan, Tara Warren

Premier League member entity:
West Ham United Football Club Limited (00066516)

Wolverhampton Wanderers

Controlling company:
Fosun International Holdings Limited

Incorporated:
British Virgin Islands

Shareholder(s) (directly or indirectly in the Premier League member entity):
Guo Guangchang; Wang Qunbin and Liang Xinjun between them indirectly own the majority shareholding in the club (all China)

Type of investor:
Corporate/individual

Directors of Premier League member entity:
Yu Shi, John Gough, John Bowater

Premier League member entity:
Wolverhampton Wanderers Football Club (1986) Limited (01989823)

Ownership details of promoted clubs

Burnley

Controlling company:
ALK Capital LLC and Velocity Sports Partners LLC

Incorporated:
United States

Shareholder(s) (directly or indirectly in the expected Premier League member entity):
Alan Pace (50.38%) (US); Michael Smith (16.79%) (US); Stuart Hunt (16.79%) (US); other shareholders (16.04%)

Type of investor:
Private equity/consortium

Directors of entity expected to join Premier League:
John Banaszkiewicz, David Checketts, Michael Garlick, Stuart Hunt, Alan Pace, Antonio Parra, Michael Smith

Expected new Premier League member entity:
Burnley Football & Athletic Company, Limited (The) (00054222)

Sheffield United

Controlling company:
United World Holdings Limited

Incorporated:
Guernsey

Shareholder(s) (directly or indirectly in the expected Premier League member entity):
HRH Prince Abdullah bin Mos'sad bin Abdulaziz Al Saud (97.25%) (Saudi Arabia) and other investors (2.75%)

Type of investor:
Family

Directors of entity expected to join Premier League:
Abdullah Alghamdi, Princess Reema bint Banda Al Saud, Joseph Giansiracusa

Expected new Premier League member entity:
Sheffield United Football Club Limited (00061564)

Luton Town

Controlling company:
2020 Holdings (England) Limited

Incorporated:
United Kingdom

Shareholder(s) (directly or indirectly in the expected Premier League member entity):
Paul Ballantyne (81.2%) (UK); Robert Curson (5.6%) (UK); Robert Stringer (3.3%) (UK); Michael Herrick (3%) (UK); other investors (6.9%)

Type of investor:
Consortium/individual

Directors of entity expected to join Premier League:
Paul Ballantyne, Stephen Browne, Robert Curson, Michael Herrick, Thomas Schofield, Robert Stringer, Gary Sweet, David Wilkinson

Expected new Premier League member entity:
Luton Town Football Club 2020 Ltd (06133975)

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