

# View: Investors everywhere want a piece of the cricket action, as value creation picks up runs

## Synopsis

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Following a successful [G20 summit](#), India is hosting another global gathering - the ICC Cricket [World Cup 2023](#), which has returned to India after 12 years. In this period, India has established itself as the commercial centre of the sport, with a huge fan base that consists of traditional [cricket enthusiasts](#), new young fans and increasingly women.


This passion and conviction has drawn in global and Indian advertisers, even as 10-second ad spots are being priced at a 40% premium when compared to the 2019 World Cup. The recent India-New Zealand match set a record of 43 million concurrent streams on Disney+ Hotstar, beating the previous record of 35 million from the earlier [India-Pakistan match](#), highlighting growing engagement as the tournament builds momentum.

Another measure of India's commercial dominance of the sport is the share of earnings for [BCCI](#) from ICC, which at 38.5% for the 2024-2027 period, will be the highest for any association, and 5.5 times that of the England and Wales Cricket Board (ECB), the second highest. No other cricket association in any other country gets a double-digit percentage share.


The T20 format has created significant opportunities in the sports finance industry. IPL, which started in 2008, has transformed the global cricket landscape and established the league as among the most successful leagues across all sport globally. Viewership for IPL set a record for the time, with the 2023 IPL final in May achieving 32 million concurrent views on JioCinema, with millions more watching it live on linear TV. Under the current media rights deal (\$6.2 billion over five years), IPL is the second-most valuable global sports league on a per match basis at about \$15 million a match, behind only the US National Football League (NFL) at \$23 million.

This has put IPL on the radar for investors, who increasingly view IPL teams as an investable asset and with the potential to become public companies. PE [investors](#) who have invested in IPL teams include CVC (which acquired the Ahmedabad expansion franchise in 2021 for a \$750 million commitment) and Red Bird (invested in the Rajasthan Royals in 2021 for a reported \$250 million). In comparison, RP Sanjiv Goenka Group committed \$950 million for the Lucknow franchise in October 2021, highlighting the appetite for team ownership among Indian entrepreneurs as well.


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The structure of the league also makes investing in teams attractive as there is no relegation, high visibility on revenue from media rights, as well as cost control in the form of player salary caps, no transfer fees and limited capex requirements on stadiums and infrastructure. All but two of the expansion teams (who have committed franchise licence fee obligations) are cash flow positive and profitable. This differentiates IPL from most other sporting leagues in the world, driving more investor interest in the opportunity.

There, however, remain a few key areas for consideration. Given the consolidation thematic playing out in the media sector in India, investors will need to form a view on how aggressive bidders will be in the next media rights cycle, which starts from the 2028 season. The revenue model of IPL teams is heavily dependent on media rights, which contribute more than 80% of a team's revenue today. Teams will need to have a plan to increase other revenue streams, particularly commercial revenue.

For example, Manchester United's revenue split for 9M FY2023 is about 30% media revenue, 50% commercial revenue, 20% matchday revenue. There is also a risk of dilution of earnings for the existing teams should BCCI decide to add more teams to the league in the near future.

Owners of IPL teams are establishing multi-club franchise businesses by expanding into global leagues, such as the Caribbean [Premier](#) League, as well as new T20 leagues in the UAE and South Africa formed in 2023. This is an emerging trend as more countries either establish new T20 leagues or allow for private investment in existing leagues.

In particular, there will be a strong interest to track the growth of the sport in the US, the largest sports media market in the world. Building on the success of the first season of the Major League Cricket (MLC), there is an opportunity to further increase visibility in the country as the US co-hosts the 2024 T20 World Cup as well as T20 cricket's inclusion in the 2028 Los Angeles Olympics.

Also, increasing women's participation in professional sports is playing out in cricket too. The women's cricket team recently took gold at the Asia Cup. BCCI has also recognised the importance of women's cricket and announced equal pay for both men's and women's teams. This is an extraordinary move in the context of the challenges women athletes continue to face with their sports federations in the developed world.

In 2023, India also hosted the first season of the Women's IPL. The five teams that competed were auctioned at an average price of about \$115 million, which makes it the second most-valuable women's league on a per team basis, only after WNBA. With over 10 million viewers on JioCinema, the Women's IPL final delivered the highest viewership on any women's sports event globally. India is positioned to shape the future of cricket for women, which will chart a path independent of the men's game.

All said, India's undying love for cricket is the engine which is driving the growth of the sport. One anticipates strong interest to engage with the cricket ecosystem, as the value creation opportunity plays out.

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## Turning a blind eye to caste will only make things worse for India Inc

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### Synopsis

So, 80% of Indians belong to 'oppressed' caste groups. If this is how society is composed, then the logical expectation is for most professions to reflect this composition