DUFF & PHELPS

Protect, Restore and Maximize Value

IPL Brand Valuation Report

2018



FOREWORD



Varun Gupta
Managing Director,
Asia Pacific Leader
for Valuation Services

Dear Readers,

Welcome to the latest edition of the Duff & Phelps Indian Premier League (IPL) Brand Valuation Report. The 2018 edition of the IPL set a relatively different tone as compared to its previous editions. We witnessed a new broadcasting partner for IPL in Star India, which acquired the next five years' global broadcast and digital rights for approximately US$ 2.55 billion. It was heartening for us to see that the broadcast rights deal was very close to what Duff & Phelps had predicted it would be in the last report. The Star broadcasting rights deal put IPL on par with some of the biggest sporting leagues in the world (on a fee per match basis).

IPL continued to hit all the right notes this season. There was quality cricket on display throughout the tournament, including the thrilling grand finale in Mumbai. Chennai Super Kings (CSK) returning after a two-year absence beat Mumbai Indians (MI) by a whisker in the inaugural match because of DJ Bravo's brilliance and along the way, we were privileged to watch some captivating games throughout the season. CSK, which was initially derided as a "Dad's Army" because of the presence of many players over thirty years in age, showed that age is just a number. Not only did they win the title but also carried an aura of invincibility throughout the tournament. CSK's success story is a classic example of a well-thought-out auction strategy, effective resource management and the unbridled faith and belief that CSK management showed in their leader, M.S. Dhoni. This season was also the most unpredictable one, as no one could guess who would qualify for the top four till the last day of the league round. It was also great to see full houses in almost all the games. Kings XI Punjab (KXIP), who were struggling to fill their home ground in Mohali till last season, saw almost all their home games played in front of sold-out crowds.

From a financial standpoint, as the IPL moves into a more mature and stable phase, franchise owners and investors are likely to focus more acutely on return on investment. The increased revenue allocation from the central pool will definitely help, coupled with the teams' ability to generate higher team sponsorship revenues. As per information provided by the industry experts, most teams saw their team sponsorship revenues increase by at least 20% when compared to last year.

Like all major sporting brands across the world, with the usual revenue sources, it is imperative for the franchises to keep engaging the fans outside the pitch to be able to monetize their brand more effectively. IPL teams can reference the popular European Premier League (EPL) clubs that have set a benchmark on monetizing their brands by engaging their billion-plus fan bases across the world using various innovative marketing and brand building techniques. The clout that EPL clubs possess has also helped EPL frequently sign up multi-billion-dollar TV broadcasting deals.

With monetization and profitability, IPL and its franchises are also obligated to give back to the society. Globally, Corporate Social Responsibility (CSR) initiatives are the backbone of successful sports teams as major sports leagues in the world have a powerful impact on their stakeholders, primarily the fans. The benefits of CSR initiatives are not profound in their day-to-day operations, but they lay a platform for long-term sustainability of the league and the teams. We have seen most IPL teams doing their bit of CSR activities but there is still a long way to go when compared to the established leagues across the world.

Meanwhile, the overall value of the IPL ecosystem has increased from US$ 5.3 billion last year to US$ 6.3 billion this year. The renewed broadcast rights deal was the major contributor to this increase. Amongst franchises, Mumbai Indians with a brand value of US$ 113.0 million continue to top the charts for the third season in a row. Right behind them are Kolkata Knight Riders (KKR) with a brand value of US$ 104.0 million. Serving a two-year ban has had some bearing on the brand values of Chennai Super Kings and Rajasthan Royals (RR). However, CSK's on-field performance plus the Dhoni factor helped it to negate the negative impact as they were valued at US$ 98.0 million alongside Royal Challengers Bangalore (RCB) with whom they shared the third spot in the brand rankings. Sunrisers Hyderabad (SRH), Delhi Daredevils (DD), Kings XI Punjab and Rajasthan Royals follow in the brand rankings.

I would also like to thank the Board of Control for Cricket in India (BCCI) for their continued support. This year, we also had the privilege of speaking to several IPL and sports business experts and I wholeheartedly thank each one of them for their valuable inputs.

As an aside, this year Duff & Phelps celebrates its 10th anniversary in India, and I would like to take this opportunity to thank all our clients for their continued support.

We hope you enjoy reading this report and look forward to your feedback.

Varun Gupta,

Managing Director

Photo Courtesy of BCCI

Summary of Brand Value

			% Change
MUMBAI INDIANS	1	BRAND VALUE 2018: $113m BRAND VALUE 2017: $106m	7%
KOLKATA KNIGHT RIDERS	2	BRAND VALUE 2018: $104m BRAND VALUE 2017: $99m	5%
ROYAL CHALLENGERS BANGALORE	3	BRAND VALUE 2018: $98m BRAND VALUE 2017: $88m	11%
CHENNAI SUPER KINGS	3	BRAND VALUE 2018: $98m BRAND VALUE 2017: NA	NA
SUNRISERS HYDERABAD	5	BRAND VALUE 2018: $70m BRAND VALUE 2017: $56m	25%
DELHI DAREDEVILS	6	BRAND VALUE 2018: $52m BRAND VALUE 2017: $44m	18%
KINGS XI PUNJAB	6	BRAND VALUE 2018: $52m BRAND VALUE 2017: $41m	27%
RAJASTHAN ROYALS	8	BRAND VALUE 2018: $43m BRAND VALUE 2017: NA	NA

VALUE OF IPL ECOSYSTEM (USD Billion)

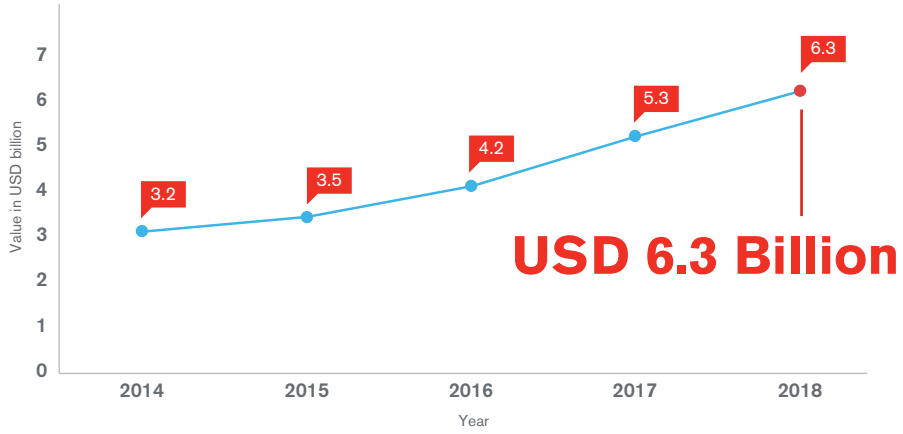




Photo Courtesy of BCCI



Harsh Talikoti
Associate Vice President

Introduction

"Sports can create hope where once there was despair. It is more powerful than governments in breaking down racial barriers. It laughs in the face of all types of discrimination" – Nelson Mandela.

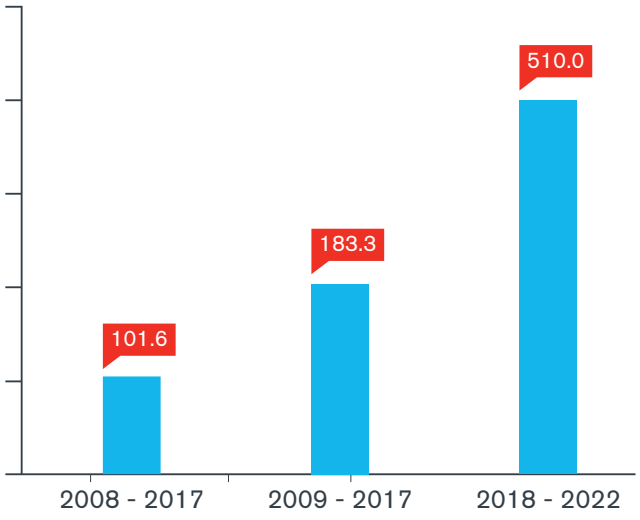
Over the last decade, we have witnessed a cricketing carnival in the form of the Indian Premier League. The exhilarating, edge-of-the-seat action of the Twenty20 (T20) format, coupled with the glamor of Bollywood celebrities, global cricketing talent, interest of business tycoons and fan frenzy has catapulted IPL to the pinnacle of sports entertainment in India and the cricketing world.

The growing value of the IPL ecosystem, which we value at US$ 6.3 billion (up from US$ 5.3 billion last year), is a testament to its success and this success has trickled down to impact the lives of several players participating in the event. Strugglers have become stars, and stars have become superstars! There are fresh faces such as Mohammed Siraj – whose humble beginnings originate from his rickshaw driving father; Rashid Khan - a teenage survivor of the war zone in Afghanistan; and Sandeep Lamichhane who has become the most visible Nepalese face overnight, at one end of the spectrum and superstars such as MS Dhoni, Virat Kohli and AB De Villiers earning nine-figure paychecks to connect bat to ball, on the other end. Over the last decade, the IPL value ecosystem has been defined by the monetization of the sport, driven by fan loyalty, celebrity influence and the marquee players of various franchises.

The success of the IPL encouraged and laid the foundation for various sporting leagues across the country. These include state-level cricket leagues such as the Karnataka Premier League and the Tamil Nadu Premier League as well as national-level non-cricket leagues such as the Indian Super League, Pro Kabaddi League, and the recently established Ultimate Table Tennis League, among others. While most leagues have gained popularity, a few of them have fizzled out because of instability in sponsorship revenues, poorly set up business models or inadequate public appeal. However, IPL continues to thrive, leading the way for other sporting leagues in India.

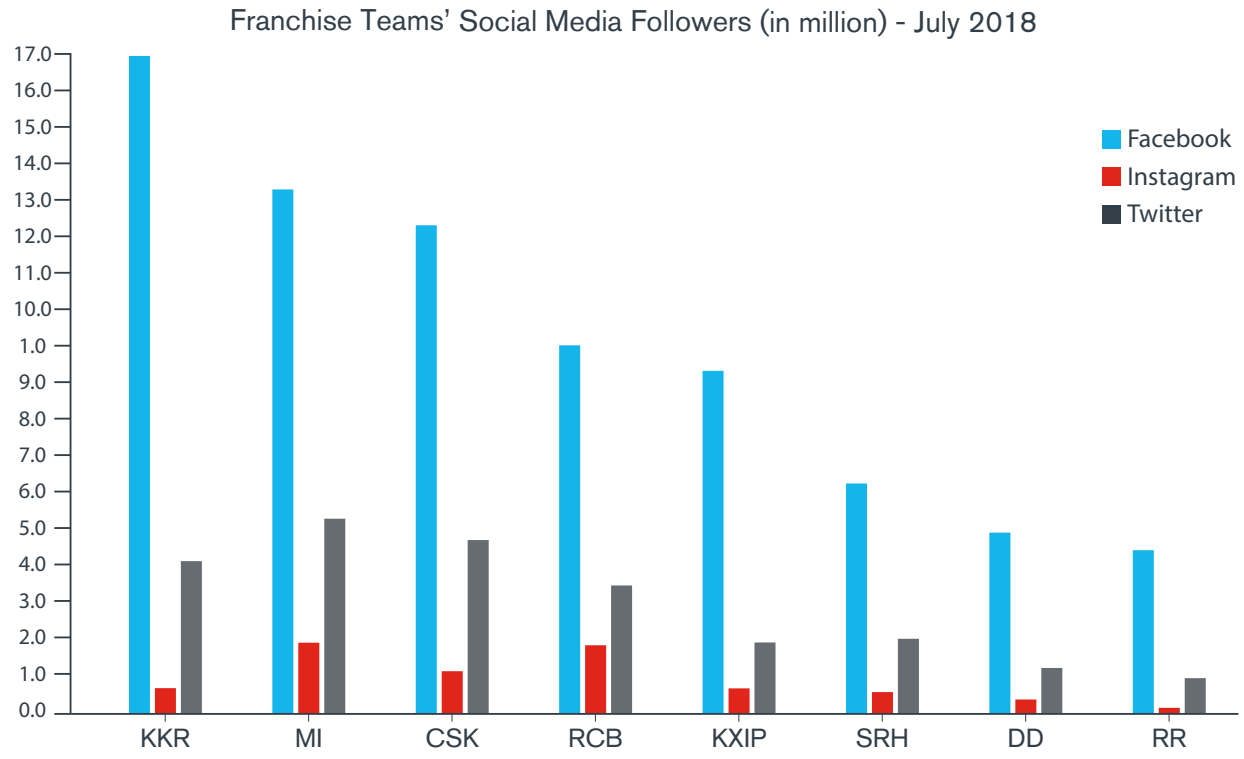
The latest edition of the IPL set a relatively different tone as compared to its previous editions. We witnessed a new broadcasting partner for IPL in Star India Private Limited (SIPL), which acquired the five-year global broadcast and digital rights for approximately US$ 2.55 billion in September 2017. The IPL broadcast rights have seen an increasing trend since its inception in 2008. On an annual fee basis, the increase compounded annual growth rate (CAGR) was 18.9%. During the auction, it was also interesting to note that the consolidated bid of other bidders (Sony, Facebook, etc.) was very close to the Star winning bid, underlying the fact that IPL is a prized asset that several broadcasters would want to have.

Average annual cost - IPL Broadcasting Rights - India 2008 - 2022 (in USD millions)



Under Star, content delivery expanded to various regional channels across the SIPL universe with commentary in eight different languages, rather than limiting their transmission to sports channels and English commentary. The decision to challenge the traditional demographics of cricket viewership on television has led to an increased cumulative TV reach of the tournament across the country, with regional channels including Hindi contributing nearly two thirds of IPL's total viewership. As a result, IPL recorded the highest ever inaugural week television viewership at nearly 300 million, as per Broadcast Audience Research Council India with nearly 30% increase in reach in South India. Star also saw a massive jump in advertising revenues as compared to Sony last year. This is despite the fact that Star decided to sacrifice ad revenues on the "Star Select" channels and instead chose to provide high quality analysis and a running commentary via the "Dugout" concept during the over-breaks.

Also, digitization is increasing rapidly, leading to the rise in importance of Over the Top (OTT) platforms for viewership growth in the IPL. The tournament's online viewership presence is perhaps best highlighted by Hotstar setting a world record of OTT viewership with 10.7 million concurrent viewers for the 2018 IPL final, beating the 2012 world record of over 8 million concurrent viewers held by YouTube for Felix Baumgartner's space jump. The increasing OTT viewership trend was also observed during the previous edition, according to the Ernst & Young FICCI Report 2018, when the average time spent on Hotstar watching IPL went up from 30 to 35 minutes for IPL 9 to 40 to 45 minutes for IPL 10. Clearly, OTT sports viewership no longer remains a prospect, but has become an established and fast-growing market.



The finale of the 11th season saw the "Super King" from Ranchi, MS Dhoni, win his third IPL title against the Sunrisers Hyderabad. Hyderabad's hopes for a second IPL title died as Shane Watson demolished their formidable bowling attack, scoring his second century in this edition of the tournament. CSK proved that experience trumps youth in this intense competition. Despite being out for two seasons while serving the ban, CSK continued to be popular on their social networking sites.

Despite the veterans of the game having the last laugh, this edition of the IPL has seen the emergence of young talent like never before. Most teams have looked to recruit and develop young players with a view to creating long-term bench strength. This strategy has been successful in the past with the best examples being Virat Kohli and Rohit Sharma, who are now proud skippers of their teams.

Their respective teams' brand values would arguably be hampered if not for their imposing presence. This strategic view was observed from the onset of the tournament. In the bidding process, where players such as K.L. Rahul and Krunal Pandya were sold for INR 110 million and INR 88 million respectively, titans of the game such as Chris Gayle remained unsold for two rounds of the bidding process. Other franchises such as Sunrisers Hyderabad and Delhi Daredevils also seem to bank on a similar strategy with the likes of Rashid Khan and Rishabh Pant at the forefront of their race to supremacy.

This season, IPL has shown signs of an evolution into a more mature and sustainable sporting tournament. The controversies which marred the IPL seem to have receded into distant memory.



IPL 11- Trivia

▪ In the IPL 11 auction, as per a Times of India article dated January 2018, KXIP spent the most (INR 674 million) and CSK spent the least (INR 405 million). Among the Indian players, Jaydev Unadkat became the most expensive player at INR 115 million.

▪ At the end of the IPL auction 2018, 169 players were sold (for 182 vacant slots). This included 113 Indian, 56 overseas, 91 capped, one Associate and 77 uncapped players.

▪ Star India is estimated to have earned INR 20 billion through TV and digital advertisements. Previous broadcaster Sony had earned a total of INR 13 billion in advertising revenues. Further, Star is estimated to have sold over 80 percent of the advertising slots even before the commencement of the season.

▪ The first week of the previous edition of the Indian Premier League garnered 642,900 mentions on social media platforms. That has gone up to 855,400 in the first week of the 2018 edition and to 1.3 million after two weeks.

Changing mindset of people towards cricket

There are several sub-cultures, cultures and religions in India, but over the last four decades, cricket has become the common religion in India. As one banner famously put it, “Cricket is our religion and Sachin is our God”. What Nelson Mandela said about sports in general is apt for cricket in India. The love for cricket has indeed broken several barriers.

The 1983 World Cup final victory against the West Indies was the landmark moment for Indian Cricket. From then on, cricket has continued to grow as one of the drivers of national integration.

Indian cricket fans were, however, not very open toward accepting international talent. The unadulterated desire to witness the national cricket team at the top of the world, often limited Indian audience’s tolerance toward adverse results. This was most notably observed in the 1996 World Cup semi-final between India and Sri Lanka. The events which unfolded in that game led to an agitated crowd throwing heaps of rubbish into the field. Newspapers and stadium seats were set ablaze. The referee awarded the match to Sri Lanka by default. That day is still remembered as one of the darkest moments in the history of Indian Cricket.

All that changed with the emergence of the Indian Premier League. Never has any sport witnessed such an overwhelming response to an inaugural edition of a league tournament. It was from the first game onwards, when Brendan McCullum scored a massive 175 runs of 73 balls, that the people of Kolkata found themselves a new icon after their beloved “Dada”. The inaugural edition of the event set the tone for what was to come and it didn’t disappoint.

This amalgamation of cricketers from across the globe saw a new appreciation of the sport from the Indian audience. Despite loyalty to their IPL franchises, people realized the pleasure of experiencing the T20 format of the game like a "Talent Show". Whether it be the likes of Sunil Narine and Shane Warne mesmerizing the batsman or Andre Russell destroying bowlers' economy rates along with their confidence, it was an education to the Indian public that when a player's skills and abilities stand out, it's best to put your hands up and applaud.

This change in attitude was best exemplified by the celebrations in India when the West Indies were victorious in the 2016 ICC World T20. The Indian team fell short in their pursuit for the top prize to West Indies in the semi-final but the Indian audience acknowledged that the better team won. The West Indies team was then backed all the way by the Indian crowd as they lifted the World T20 title for the second time.



Photo Courtesy of BCCI

Cricket and corporate social responsibility

Most of the major global sports leagues have a powerful effect on their fans. The success of these organizations lies not only in continued support and engagement but also in the actions that they take in giving back to the society.

The global sporting community has taken up social impact missions supporting education, women-empowerment, environment protection, health and hygiene, sports for under-privileged, etc. A few such initiatives that caught the attention of the masses are summarized in the following pages.



Photo Courtesy of Reliance Foundation



Photo Courtesy of Reliance Foundation

National Basketball Association (NBA) - USA

- NBA/WNBA FIT: promotes and encourages heathly living via various events and programs towards overall family health.
- NBA Green: generates awareness and funding towards sustainable initiaves to protect and nurture the environment.
- Basketball without Borders: development program towards promoting global talent to create a positive social change.
- Read to Achieve: efforts to assist young people to develop a life-long love for reading and encourage adults to read regularly to children.

National Football League (NFL) - USA

- NFL PLAY 60: campaign focused on increasing the wellness of young fans by encouraging them to be active for at least 60 minutes a day.
- The Hotline: since 2014, the NFL has provided financial support to the National Domestic Violence Hotline (The Hotline) in its fight against relationship abuse.
- NFL Foundation: it is the league's nonprofit organization representing the 32 NFL clubs. Its mission is to support the health, safety and wellness of athletes, youth football and the communities which support our game.

Premier League - UK

- PL Enterprise: initiatives to inspire young people to engage positively in education, develop important life skills and raise awareness of the world of work.
- PL Kicks: promotes participation in sport in areas of high need, provide opportunities for young people to develop skills and confidence.
- PL Girls Football: efforts to increase the number of women playing football on a regular basis. The program also looks to develop progress for women within the pathway as a player, coach or official.
- PL/ BT Disability Fund: seeks to create opportunities for disabled people through sport. Since its intiatiation, the program has seen more than 19,000 participants.

Major League Baseball (MLB) - USA

- Baseball Tomorrow Fund: grant program designed to promote the growth of youth baseball and softball participation.
- Breaking Barriers: education program to help instill values demostrated by those who have challenged racial barriers.
- Military Appreciation: honors those who have served and lost their lives in the U.S. military.
- Stand Up To Cancer: intiative to raise funding to accelerate innovative cancer research.

Several sporting leagues have taken steps for social upliftment on a macro level. However, at a micro level the teams have also demonstrated their willingness to make an impact. Some of the top teams corresponding to the leagues mentioned previously have undertaken the CSR initiatives summarized below.

Miami Heat - NBA

- Heat Charitable Fund Mission: Established in 1997, the fund supports programs for the betterment of at-risk families in South Florida.
- Home Strong: salutes and honors those courageous men and women in uniform for their dedication and services towards the nation.

Manchester United - PL

- MU Foundation: efforts to educate, motivate and inspire future generations to build better communities for all by delivering football coaching, personality development and life changing experiences.
- Online Protection: set up to tackle the sexual exploitation of children online. Working in collaboration with the Child Exploitation and Online Protection (CEOP) Centre to educate children, young people, their parents, caretakers and fans on the safety precautions associated with cyber risks.

Philadelphia Eagles - NFL

- Huddle Up For Austism: provides autism-friendly environments and events while working to educate, fundraise and create awareness of autism spectrum disorder (ASD).
- Go Green: emphasizes reduction of environment footprint of local communities.

New York Yankees - MLB

- ALS Ride for Life: an annual event in which ALS patients embark on a 12-day, 100-mile electric wheelchair ride along highways and byways to raise awareness and funds for a cure.
- Green Team Initiative: students from local high schools are given volunteering opportunites to promote environmental awareness.

The benefits of such CSR initiatives by these global sporting leagues and teams are not necessarily evident in their day to day operations, but they lay a platform for long-term sustainability. Most organizations which have undertaken CSR initiatives over the years have been identified with innovation and cost savings from their progress towards sustainability. This approach is met by an improved attitude by customers and employees, and creates a sense of pride in their association with the organization. These community-driven business initiatives also assist in bringing in positive publicity, contrary to cost-intensive advertising campaigns.

It is likely that major sporting leagues and their teams have reaped the benefits associated with their CSR initiatives over the years, which is evidenced by their continued effort. The emerging view is that commercialization and sustainability must co-exist for brand identity and differentiation. IPL teams, now in their adolescence, need to observe and follow the global strategies towards CSR investing, differentiating their brand by addressing issues pertaining to their local communities and creating a wholesome environment between fans and franchises. As mentioned, the benefits of such initiatives are many even though their immediate effects may not be evident.

Is IPL capable of bringing about the sort of social change in India that other global sporting leagues have managed to produce?

Staging the IPL's 11th season this year, the biggest cricket-league event in the world, involved a broad range of activities, including stadium and crowd management, recruiting and training hundreds of volunteers, providing an event that is accessible for everyone, and serving the 8 participating teams and global media. This scale inevitably has an impact on the society and environment. It also represents a unique opportunity for the franchise teams to create a positive legacy for their team brand.

IPL has proved itself to be cricket's biggest commercial venture and is more often than not linked to contracts, records, transactions, sponsorships and big money. Apart from these enthralling factors, there is also another side which is not restricted to stadiums and sponsors only but drives toward addressing social issues. Concrete steps towards social welfare are being taken by the teams, inspiring others to pursue and implement these initiatives. Giving hope to over a billion people in India, IPL has started treading on the CSR route. Franchise teams are demonstrating a way to contribute to the society, while continuing to play good cricket.

As Aakash Chopra, former India opener and cricket commentator said, "*A sentimental association is developed amongst the followers towards a particular franchise when the franchise gives back something to the society.*"

Despite not performing up to the mark this season, Mumbai Indians still continue to be one of the most popular brand names in the IPL, with some of the world's greatest cricketing legends on board. Based on insights received from the Mumbai Indians management team, they included CSR as an integral part of their operations right from season two through their Education for All (EFA) initiative. EFA supports education for under privileged students and, through the years, they have supported 200,000 students by partnering with NGOs (non government organization) and giving children an opportunity to learn through digital vans. Every IPL season, they provide children a once-in-a-lifetime opportunity to watch their favorite stars at Wankhede Stadium. This season, EFA has evolved to

Education and Sports for All (ESA). ESA is one of the key initiatives of Reliance Foundation, combining its focus areas of education and sports for development, and impacting the lives of over 13 million children. The ESA initiative seeks to provide holistic development through focus on education and sports and to enhance the quality of the sporting ecosystem by providing facilities, training, infrastructure, and equipment across multiple sporting properties through the year. Ms. Nita Ambani is the face of Mumbai Indians' CSR activities and has successfully been able to make a difference at the grassroots level. Mumbai Indians have been trend-setters on the CSR side of IPL; now they are seen as the most socially committed team. However, other franchises have also caught up.

In an effort to support and strengthen the adolescent girls of India, Delhi Daredevils along with Virender Sehwag announced their partnership with UNICEF in 2012. The campaign, coined 'Dare to Care', witnessed Delhi Daredevils as well as UNICEF working toward sensitizing the public on the important role girls can play in society and how education and protection can ensure that they can grow up and develop to their full potential.

Taking a leap in their efforts to serve society better, Kings XI Punjab, in association with AIDS Healthcare Foundation, took a pledge to bowl out AIDS from Punjab in 2015. The larger objective of this initiative was to change the global mindset of people toward HIV testing and investing in treatment scale up that would eventually yield humanitarian and economic benefits. In 2017, Kings XI Punjab decided to refurbish a girls' school each in both of their home grounds — Indore and Mohali. The projects were executed with an NGO, Yuva Unstoppable, which encouraged better sanitation, drinking water facilities and overall infrastructure.

In 2017, Kolkata Knight Riders introduced their campaign "Citizens for Tomorrow". They also tried to make their fans aware of the alarming effects of plastics use. The franchise also brought about an innovative initiative of planting a sapling for each six hit at the Eden Gardens.

Royal Challengers Bangalore has been involved in their Go Green initiative along with a few other initiatives.

In the past, we have witnessed many instances where cricketers have outperformed not only on field, but also on the philanthropic side. The likes of M.S. Dhoni, Virat Kohli and Gautam Gambhir have donated their prize money to charity on various occasions.

As Indranil Das Blah of Kwan Entertainment says, "*You cannot be a sports franchise and not give back to the society. World-over, every sports franchise is doing something or the other for the community*".



Photo Courtesy of BCCI

Understanding brand value in the IPL ecosystem

Great sporting brands across the world have been built over several decades of fan following, successful performances, the ability of a team to attract great talent, and continued association with large companies, partners and sponsors. Teams such as the New York Yankees, Dallas Cowboys, Manchester United, Chelsea, Real Madrid, Barcelona and Los Angeles Lakers have become much sought-after brands by advertisers and represent brand values in billions of dollars.

In the IPL ecosystem, brand value is derived from a wider variety of reasons keeping in mind the Indian viewers' vernacular proclivities, cricketing knowledge and celebrity influence. Accordingly, drivers of brand value in the IPL can be categorized under the following broad heads.

Management Strength and On-Field Performance

For an advertiser / sponsor, being associated with a team that is consistently performing at the top of the table is a key factor in assessing brand potential. A look at the largest deals in the sponsorship space not only in the IPL, but also internationally, will reveal that teams that are better on-field performers garner higher sponsorship values. In the IPL, the estimated lead sponsorships (lead chest and limited player promotions) were valued at a 100% premium for a top ranked team over its lower-rung peer.

Of course, a team that consistently performs at the top of the table is not the result of a pre-fixed formula. Team management plays an important role in squad selection, talent acquisition, performance management and administrative support. Clearly, a winning team is the result of a winning combination of several factors including the strength of the management team.

Marketing Strategy

Based on our analysis, it is estimated that on average, franchises spend anywhere between 5% and 15% of their revenue on marketing and promotion. Some teams, such as Kolkata Knight Riders, who invested significantly towards brand building in the early part of their IPL existence, have seen fantastic support from sponsors and partners. IPL events, television advertisements, merchandising, in-stadium freebies and other such promotional activities driven by the franchise go a long way in garnering exposure and support translating into brand gains.

Merchandising in the IPL is presently in a nascent stage and most franchises are still coming to terms with the best possible way to monetize different streams. We believe that merchandising will be a game-changer for franchises that are able to crack this difficult market and identify new monetization streams by tapping into their existing fan base.

Celebrity Influence and Marquee Players

The presence of key marquee players and celebrity owners in a franchise brings additional popularity to the individual team brands. Based on our discussions with advertisers, sponsors and team management, we understand that the presence of a marquee player definitely gives an upper hand to the franchises while negotiating with sponsors and, in most cases, the sponsors are willing to pay a premium to be associated with that particular team. In addition, while franchise brands may be able to ride on the brand of a celebrity owner or a marquee player, they are also open to the risk of damage in cases where the said individual is embroiled in a controversy, even if that controversy is outside of the IPL.



Photo Courtesy of BCCI

Geographical Location

The geographical location of the franchise determines the population of its support base and is an important factor in assessing the strength of an individual team brand. In general, it is likely that a higher density of teams in a particular region of the country will split the fan base and impact the ability of a team to garner support outside of its immediate location. However, for the last ten years some franchises have seen pan India support primarily on account of the brand of cricket played by them along with the marquee players associated with these teams. MI had support across India due to the presence of Sachin Tendulkar while CSK continues to enjoy the Dhoni factor. Currently, RCB is also enjoying wide support due to the presence of Virat Kohli and AB De Villiers.

Governance and Transparency

Over the last few years, a few teams or promoters of those teams were accused of professional misconduct or were embroiled in controversies which had a negative effect on brand perception. However, the IPL governing council has tried its best to weed out the negativity surrounding these accusations. As a result, the last two seasons of the IPL have been relatively controversy free, which has enhanced the IPL brand perception.

Our assessment of the brand values of the various franchises also takes into consideration the effectiveness and transparency of their management teams.

Social Media Engagement

The ability of a franchise to engage fans on a regular basis, particularly during the IPL, has been crucial in building positive brand perception. Over the last few seasons, we have seen dedicated twitter and Facebook campaigns organized by the franchises with the intention of engaging fans regularly and keeping them up to date with the events of the individual teams. In estimating the brand values of the various franchises, we have given additional weight to teams that have a large social media presence.



Photo Courtesy of BCCI

Valuation approach and methodology

There are several approaches and methods that can be applied in estimating the value of a franchise brand. The most popular of these is the Relief from Royalty Method. This method is premised on the royalty that a company would have to pay for the use of the brand/ trademark if they had to license it. Here, royalty is expressed as a percentage of sales revenue. The present value of the future stream of after-tax cost savings (i.e., royalty relief) at an appropriate discount rate indicates the value of the brand.

The first step in the valuation of IPL franchise brands was to estimate the future revenue expected from these brands. We developed a detailed business model for each of the individual franchises after extensive research and discussions with industry players. The model was built by keeping in mind the various contractual revenue sharing agreements between the BCCI and the IPL franchises. Each business model of individual franchises was developed while keeping in mind the franchise's current performance standing, its brand rank and other qualitative factors which could impact its value.

The second step in the valuation of the brand is the development of a fair royalty rate. As part of our analysis, we researched a number of Brand and Trademark licensing arrangements across international sporting leagues such as the English Premier League, the National Football League (NFL), the National Basketball League (NBA), Major League Baseball (MLB), etc. in concluding on an appropriate royalty rate for the valuation of the IPL franchise brands. This estimated royalty rate is applied to the appropriate level of revenues of each franchise to calculate the royalty savings attributable to the brand owner. The royalty savings are then tax-affected and discounted to present value using an appropriate required rate of return to estimate the value of individual brands.

Methodology to value IPL Ecosystem:

The IPL ecosystem has been valued using a method under the Income Approach known as the Discounted Cash Flow ("DCF") Method.

The DCF Method is a valuation technique that provides an estimate of the value of an asset or a business based on the cash flows that the asset or business is expected to generate over its remaining useful life.

The Income Approach begins with an estimation of the annual cash flows a hypothetical buyer would expect the subject asset or business to generate over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows is then added to the present value equivalent of the residual value of the asset (if any) or the business at the end of the discrete projection period to arrive at an estimate of value.



Expert Talks

'Expert Talks' captures excerpts from Duff & Phelps' interviews with leading IPL and cricketing experts



Trevor Birch
Managing Director, Duff & Phelps and Ex-CEO of Chelsea Football Club

With the commencement of the second decade of IPL, a lot of dynamics have changed for this sporting event. It is getting closer to achieving the scale that some of the global football leagues have achieved. Who else could be a better judge of this than Trevor Birch, our in-house expert and part of the Duff & Phelps Global Restructuring Advisory practice in our London office.

Trevor is highly regarded as a restructuring and valuation expert in England having acted as an administrator for numerous football clubs as well as worked as CEO of reputed clubs such as Chelsea, Everton and Leeds United in the English Premier League (EPL). Trevor can also be credited with Chelsea's current success, as he led the sale of Chelsea F.C. to Roman Abramovich, during his tenure as its CEO. We asked Trevor's views on numerous topics concerning the IPL ecosystem ranging from the broadcast rights deal to marquee players to corporate social responsibility (CSR) initiatives. On Star's acquisition of the broadcast rights, Trevor mentioned, "*Globally, we keep seeing the television broadcast rights' deals for all major sporting events being renewed at a significant premium every time they are up for renewal. IPL's renewed broadcasting deal is a fantastic achievement for the sport,*

but we should not be surprised as there is an insatiable desire for premium sports content. The IPL has done a fabulous job in grabbing a seat at that sports rights table. They have packaged their competition so successfully that it is now well on the way to being "must have" sport content for the global media companies and presumably the OTT (Over The Top) players (Netflix, Facebook, etc.) when they seriously start to compete for this content in the future. I mentioned last year that I've been intrigued to watch how BCCI (Board of Control for Cricket in India) has marketed and protected the IPL brand separate from the clubs which has been a major value driver for IPL. This is a marked change from what I have seen in EPL, where the clubs are bigger brands than the EPL brand itself, whereas in IPL, it seems to be brand IPL which is much more powerful compared to the individual franchises and under who's umbrella the franchise brands survive."

Further, we asked him about the importance of CSR activities and stated that we see most of European and EPL football clubs putting strong emphasis on CSR activities. Trevor mentioned that "*CSR definitely helps to enhance the team's brand value. Global sponsors tend to have different budgets for CSR and sponsorship and a comprehensive strategic relationship with a global sponsor where goals are aligned can lead to enhanced revenue generation for the team.*" On his views about the teams' abilities to command a premium while negotiating with their sponsors due to the presence of marquee players and vis-à-vis the existence of this phenomenon in global football, Trevor highlighted, "*I think inevitably teams will follow the lead from the football world where the biggest brands like Real Madrid, Manchester United, Barcelona, Juventus, PSG (Paris Saint-Germain), Chelsea sign marquee players that enhance their global reach which aligns neatly with the goals of global sponsors. The challenge is to satisfy the competing demands of the player and club which are not always perfectly aligned.*"



Aakash Chopra
Former India Cricketer and Television Commentator

"*IPL has changed the landscape of cricketing leagues in the world. A tournament of this magnitude has definitely benefited everyone associated with it in some way or the other, be it the governing authorities or the participants.*"

On being asked about his perception of the Twenty 20 (T20) format of the IPL, Aakash mentioned that he was groomed in an era where test-match cricket was the pinnacle of cricket; however, T20 format has taken off, become successful and exceeded everyone's expectations, primarily because of the success of IPL. Talking about his view on the recent broadcasting rights won by Star, Aakash mentioned, "*Evidently, the pricing was not inflated since the other bidders' (Sony, Facebook, etc.) consolidated bid was very close to Star's winning bid. Broadcasting ecosystem is also undergoing a change today with the entire digital gamut coming into play. Hence these numbers do make sense.*" As for the team sponsorships, sponsors are willing to pay a premium to get traction during the two months when the IPL is broadcasted. Having marquee players in the team undoubtedly attracts higher premiums on the sponsorship revenues.

We asked Aakash about CSR and its effect on the brand value of a team, to which he responded, "*The feel-good factor for the audience will always resonate. A sentimental association is developed amongst the followers towards a particular franchise when the franchise gives back something to the society.*" We also asked Aakash about his view of the current auction process in IPL. Aakash believes that sooner than later, IPL may move to the draft format like the National Basketball Association or National Football League, where mid-season transfers are permitted based on the ranks. However, in the 2-month window of the IPL, it is highly unlikely that any of the teams would let go of their assets. Further, if the auctions were to take place again today, there is the possibility that the franchises might break their banks to acquire some marquee players. But in the same breath, Aakash also mentioned that it might be difficult for a franchise to build an entire team around one marquee player, and the franchise will surely be prudent while bidding. A player's track record, recent form, base price and regional loyalty are all taken into consideration when a franchise bids for a player. How the player would fit into the team's scheme of things is a paramount consideration.

Aakash also commended the work BCCI is doing in educating young cricketers who are suddenly exposed to the glitz and glamour of IPL. According to him, BCCI and the franchises are imparting sufficient knowledge to ensure the young brigade does not fall prey to bookies and fixers who are always on the lookout for targets. He concluded by talking about the success of IPL 11: "I*n this IPL season, I did not see any phase when the stadiums were not packed to their full capacity, which is quite interesting. Mohali, which was failing to draw good crowds for the last few years, saw a full house for almost every game played there. IPL has become that kind of a tournament where people are waiting to watch a game, irrespective of their franchise's results. The success of any league or a franchise-based sport is that the team needs to outgrow the individual players. Eventually, IPL needs to move to the stage where certain individual players should not matter, because the franchise is what is going to stay forever,*" he affirms confidently. Another example Aakash gave was how his #Aakashvani videos on YouTube during the IPL became the rage among the cricket fans, with more than 25 million views during the 2-month window, making them a testimony to the fact that cricket and entertainment go hand in hand.



Mustafa Ghouse
CEO JSW Sports

Upon getting an opportunity to speak to Mustafa Ghouse JSW Sports CEO & former professional tennis player, the first question we asked him was what are the various factors that influenced JSW's decision to co-own an IPL team? To which he responded, "*Cricket is India's most loved sport. The way IPL has grown in the last 10 years, it has the world taking notice. So when the right opportunity to invest in an IPL team came up, we grabbed it with both our hands.*" Mustafa also mentioned that there are many levels of upside to owning an IPL team as the valuation of the league will only continue to grow and the Star-IPL TV broadcasting deal just validated their belief in this league. Further, Mustafa provided us with his insights on the sponsorship revenues. "*IPL definitely commands a premium and is a first preference for brands to engage. The reasons are multiple: cricket is a religion in India; viewership numbers are higher than any other league; the best players in the world participate in the league, and so on. Pro Kabaddi League (PKL) is at a strong number two, as it has a different target audience, thereby attracting different kinds of brands. In football (Indian Super League), the market is very nascent, and we still have some time before we will witness stronger brand associations. Cricket and the IPL are big in India at the moment, and continue to grow in viewership, as well as ticket sale numbers. It will take some time for PKL and ISL to bridge this gap and reach IPL levels. Also, in some instances, the presence of marquee players help command a premium with the more conventional-thinking brands, whereas with most other brands these days, there are various other elements that work in the way the final deal gets structured. Also, there is a premium that successful teams demand that other teams cannot when it comes to sponsorship values.*" We asked Mustafa whether JSW's association with various sporting properties has benefited their corporate brand, to which he responded, "*Yes, we have seen a positive impact on the JSW brand through our associations with various sporting properties. Strategically, it is a good opportunity to connect the JSW brand with the millennial audience and the masses, in particular keeping the following objectives in perspective: (1) Shift from tactical to structured brand building. (2) Drive association-based brand visibility rather than mere advertising.*"

Does he believe that the team's performance in IPL has a bearing on the stadium occupancy & gate receipts? "*We don't believe the co-relation to a team's performance and stadium occupancy/gate receipts can be equated. The appetite for consuming live cricket is unwavering with Indian cricket fans. From our involvement over the last season, the stadium attendance and gate receipts has remained consistent.*"

JSW's ISL football team, Bengaluru FC (BFC) has been a fantastic case study on how to run a franchise efficiently and a lot of credit must go to Mustafa for building this franchise from scratch. In the absence of a Bollywood celebrity's backing or, for that matter, the fan following a cricket team's commands, we asked Mustafa how BFC has

succeeded in marking its distinct presence in the eyes of the viewers and requested that he highlight some major activities undertaken by JSW in making BFC a success story. To this his response was, "*With BFC, from day one, the mandate and vision has been clear that right from the kit boy to senior management, everyone knows their role and is working for a common goal. A lot of emphasis and effort has been put into making Bangalore warm up to the game of football as well as BFC. Yes, success on the pitch has played a big part in our exponential growth. The teams have worked extremely hard to position BFC as a city team and to have fans support the team irrespective of BFC's performance, which incidentally has been exceptional. We are working with the community in Bangalore and are developing the next generation of footballers through school competitions and our academy program.*"

We asked Mustafa to highlight his views on how their teams approach marketing and also his views on the merchandising market in India. "*Our focus and emphasis on marketing is quite high, as we entered football through the I-League at a time when the sport was not very popular and made for a difficult marketing proposition. Marketing spends vary from sport to sport and leagues. For more established leagues like IPL and PKL, marketing numbers vary depending on the plan and strategy. The merchandise segment is still very nascent in India. Team merchandising as a revenue segment has not achieved the kind of success envisioned in India. While we are profitable in this vertical; the volumes are very low. This is primarily on account of the price sensitivity and unofficial replicas flooding the market. That being said, a lot of emphasis has been put on BFC merchandising that has helped in activating a fan base. We will introduce some of these practices to our kabaddi and cricket teams. We are targeting to enhance the contribution in coming seasons.*" he said.

Lastly, we discussed the CSR and grassroot activities undertaken by JSW and tried to get an overview of how important it is for teams to include CSR in the broader scheme of things. Mustafa mentioned that the CSR work being undertaken across the group by the JSW Foundation is spread over many initiatives, with sports being an important component. He added, "*For our Olympics' program, a key driving motive has always been providing necessary infrastructure and technical guidance to support our talented Indian athletes. We've seen that there is a lot of raw talent in India, which needs nurturing, and we want to be able to play a part in enabling these athletes to make the country proud at the global level and win Olympic medals for the country. Definitely, the goodwill created for the brand has been beneficial. However, it is important to note that this is just an overspill of the real motive, which is to provide our athletes with the best resources so that they can fulfill their potential and win medals for the country. Our CSR actions have certainly strengthened our position and track record in sport. This would give a sponsor/partner confidence in our ability to deliver.*"

On a concluding note Mustafa mentioned, "*Credit has to be given to the BCCI and the IPL governing council in the way they have built the league in the last 10 years. The combination of the best cricketers in the world in a 'sportainment' format coupled with celebrity quotient and eminent business personalities has struck a chord with the masses, leading to the league becoming a huge marketing success. There are a lot of elements that other leagues can learn from IPL's success. Having said that,*

we believe every league will have to find its own identity, as there is no set formula to achieve repute and success. Every sport is different and has its own nuances to being successful."



Indranil Blah
CEO of Mumbai City FC and Kwan Entertainment

Taking advantage of his vast experience in the industry, we asked Indranil about the latest trends in sponsorship deals for IPL teams. To this he asserted, "*IPL is a massive property. This year was completely different for IPL franchises as far as sponsorship is concerned. It was completely a seller's market, where franchises held the upper hand while negotiating with the sponsors. For all teams, the sponsorships have gone up by approximately 10% to 20%. Obviously, the brands would go for the bigger teams, and once they are sold out, they go to the smaller teams. This year, everything was sold at a premium, be it central sponsorship or the team sponsorship. IPL is such a property where for every sponsor who pulls out for some reason, there are 10 waiting in line, so there is never a shortage of buyers for IPL and its associated properties.*"

On controversies surrounding IPL, Indranil said, "*IPL has always been the controversy child, but since it is the biggest sporting and entertainment property in India today, it is insulated from all these controversies. This was clearly proven after the Pepsi exit and entry of Vivo as the title sponsor of IPL at a significant premium pricing. One of the contrary views is that some of the controversies have become talking points and have generated interest among the viewing public, and hence the controversies have had no negative impact on IPL brand value.*"

However, talking in terms of the sporting business, he mentioned, "*Constant underperformance in isolation can lead to a negative impact on the brand value of a franchise.*"

We asked Indranil if the presence of marquee players would influence advertisers to sponsor a particular team. "*Marquee players play a major role in teams getting a premium from their sponsors. Most sponsors who are associated with say a CSK [Chennai Super Kings] or an RCB [Royal Challengers Bangalore], they are associating 50% for the team and 50% for the marquee players, like Dhoni and Kohli, because icons play a huge role in India and are consumed widely. But it's not just restricted to marquee players. KKR [Kolkata Knight Riders] didn't have any big names this season, yet sponsors were keen to get associated with that brand because it's a brand which has been stable for the last 10 years, and it is also owned by one of the biggest celebrities in the country, Shah Rukh Khan. So yes, having a celebrity on your team, be it a player or an owner, makes a huge difference while negotiating with sponsors.*"

We also asked Indranil why the big-four IPL teams command a premium compared the others. "*Punjab and Rajasthan will always be small advertiser markets and will always struggle to command higher sponsorship deals*

when compared to the big-four teams. So your major spends for your brands will be the traditional markets, the metros, South and West India. But Delhi's problem is slightly different, as it's an underperforming franchise, plus it does not have a marquee player in the mold of a Kohli or Dhoni. RCB will command a premium even after not performing well largely because of Kohli and also because Bangalore is a huge market for advertisers. It is their gateway to South India. Hence it is slightly insulated from their on-field performance."

We asked Indranil about his thoughts on IPL versus the other competitive sporting leagues in India (ISL and PKL), and this is what he had to say: "*International quality action, infrastructure, media support, marketing have been the four pillars of IPL. These pillars need to be strengthened by the other sporting leagues in India to aspire the IPL-level grandeur. Having said that, Star has marketed ISL and PKL brilliantly, and also, the infrastructure is improving, but we have some way to go to reach IPL level. Also, the scheduling is favorable for all three leagues to thrive, as there is no overlap between them, and ISL and PKL stand to gain from it. It is also unfair to compare the other leagues with IPL. Each sport has a very different target audience. Also, most sports thrive because of icons/superstars. Cricket has them in plenty. Football has only Sunil Chettri now, while kabaddi doesn't yet have anyone to match up to them. You can see the trend changing due to the aspirational youth. Football has become an urban sport with youth following the game diligently, while kabaddi is a mass sport. You will these days see an entire page in a newspaper dedicated to football, which was not the case a couple of years back.*"

How do advertisers perceive these properties compared to IPL? To this, he said, "*IPL is the Super Bowl of India. It's as simple as that.*" We also asked Indranil if he thought CSR helps to enhance a team's brand value. To this he promptly affirmed, *"One hundred percent yes. You cannot be a sports franchise and not give back to the society. World over, every sports franchise is doing something or the other for the community at the grassroot level, be it using sports to empower society or teach kids life lessons or be it partnering with NGOs [non governmental organization] for certain causes. When you give something back, there is a feel-good factor towards the sports franchise, and it also helps to enhance the fan base since the fans feel invested in the franchise.*"

On a concluding note he affirmed, "*IPL is perceived as an entertainment property and not just a sports property. IPL enjoys a captive audience by offering sports, entertainment and fun all under one roof!*"



Hemant Dua
CEO, Delhi Daredevils

DD CEO Hemant Dua provided some valuable inputs to us concerning the franchise's marketing strategy, merchandising, CSR, auction strategy and the importance of the DD brand to its owners. On marketing costs, Hemant mentioned, "*Delhi Daredevils spends less than 5% of net revenue on marketing with a strategy to leverage social media, radio, outdoor marketing campaigns and with very little emphasis on traditional print media. Social media has in fact helped significantly in increasing our fan base.*" On the tricky subject of merchandising, Hemant said, "*We have witnessed revenue from merchandising sales increase over the years as fans become more associated with our brand, and the expectation is for the merchandising revenue to be almost 10% of the franchise's net revenues going forward, while keeping in mind that the revenue base has grown in multiples, courtesy of the central revenue pool.*"

We also asked Hemant about the team's performance and its bearing on the stadium occupancy, and he said, "*Yes, the team's performance has a bearing, to an extent, but we now believe it's the brand of cricket that you play that has more effect and attracts crowds. We also observe that the stadium occupancy depends on the opposition you play. Teams like SRH [Sunrisers Hyderabad] and RR [Rajasthan Royals] draw medium crowds traditionally (around 75% capacity), while the rest of the matches are usually a sell out for us.*"

Lastly, we asked him if CSR helps in enhancing brand value. Hemant responded, "*Our franchise is actively involved in CSR activities and the perception of CSR enhancing brand value is correct; however, it will be difficult to measure it.*" On being asked whether the IPL team brand has benefited the GMR corporate brand, Hemant replied, "*Yes, it has benefited not just our corporate brand but also our main sponsors. They are very thankful.*"



Photo Courtesy of BCCI



Vinit Karnik
CEO, ESP Properties, Entertainment and Sports specialised division of GroupM

"*Controversies and scandals have not significantly impacted a sponsor's willingness to be associated with IPL, primarily due to the league's increasing television and digital reach. Stadium attendance has been encouraging, leading to an increase in the advertising spend over the past five years. Television continues to remain the primary medium of advertising, followed by digital and franchise sponsorship.*" said Vinit Karnik. He believes that with an expected increase in advertisement spending, franchise sponsorship opportunities are becoming increasingly important and strategic. "*Franchises are identified based on their on-field performance, management strength, corporate governance and brand strength. Chennai Super Kings are observed as leaders in terms of on-field performance and brand strength, whereas the Mumbai Indians are considered on top when it comes to management strength and corporate governance.*" he added.

Based on his experience in the advertising sector, Vinit estimates the annual advertising spend through a variety of mediums to be as follows:

- Average 10-second ad slot rates for television and digital advertising: between INR 8–10 lakhs
- Average spend on team sponsorships: INR 30–50 crores
- Merchandising advertisement spending: INR 30–100 lakhs
- On-field advertising (ground painting): greater than INR 1 crore
- Stadium advertising: greater than 50 lakhs



Photo Courtesy of BCCI

Team Profiles

MUMBAI INDIANS

TEAM OWNERS	Reliance Industries Limited
TEAM CAPTAIN	Rohit Sharma
TEAM COACH	Mahela Jayawerdene

MARQUEE PLAYERS (along with their prices)

Rohit Sharma	INR 15 crores
Hardik Pandya	INR 11 crores
Jasprit Bumrah	INR 7 crores

TOTAL AMOUNT spent in the 2018 auction

INR 463.5 Million

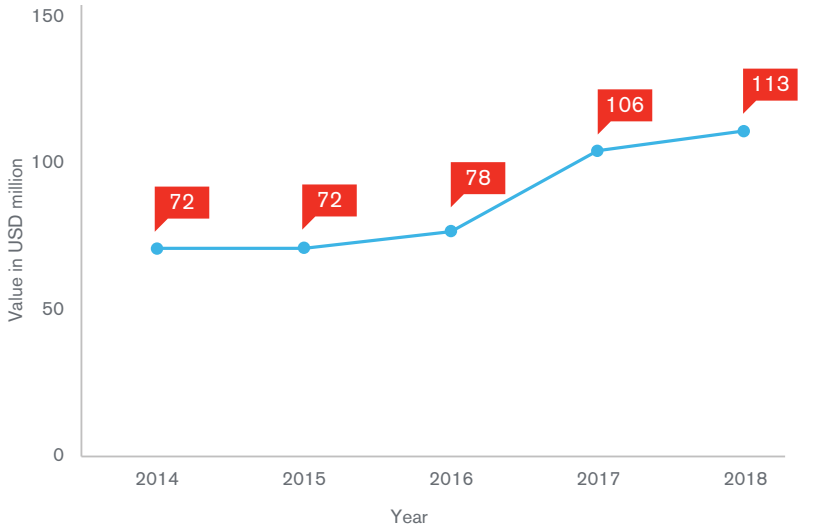
PRINCIPAL SPONSORS

Samsung
Goibibo

SOCIAL MEDIA FOLLOWERS

Facebook	13.26m
Instagram	1.9m
Twitter	4.98m

MUMBAI INDIANS BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Mumbai Indians

KOLKATA KNIGHT RIDERS

TEAM OWNERS	Red Chillies Entertainment; Jay Mehta; Juhi Chawla
TEAM CAPTAIN	Dinesh Karthik
TEAM COACH	Jacques Kallis

MARQUEE PLAYERS (along with their prices)

Sunil Narine	INR 12.5 crores
Chris Lynn	INR 9.6 crores
Andre Russell	INR 8.5 crores

TOTAL AMOUNT spent in the 2018 auction

INR 590.0 Million

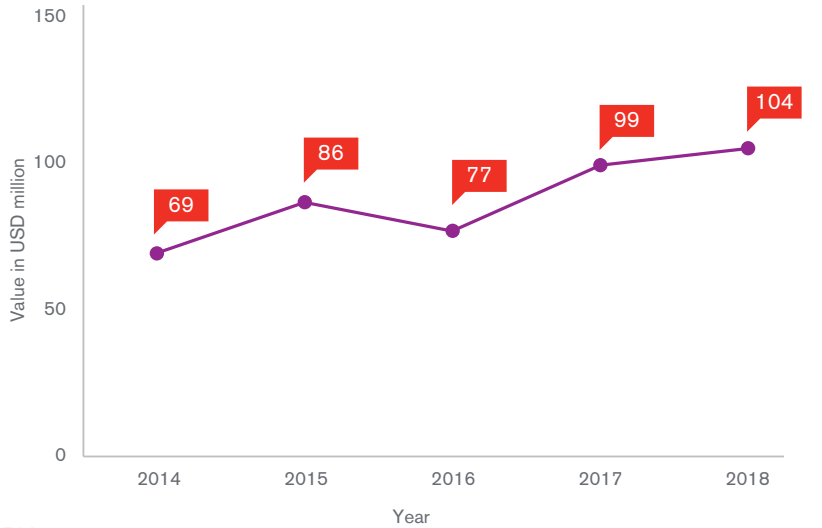
PRINCIPAL SPONSORS

Nokia

SOCIAL MEDIA FOLLOWERS

Facebook	16.68m
Instagram	0.72m
Twitter	3.97m

KOLKATA KNIGHT RIDERS BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Kolkata Knight Riders

CHENNAI SUPER KINGS

TEAM OWNERS	Chennai Super Kings Cricket Limited
TEAM CAPTAIN	MS Dhoni
TEAM COACH	Stephen Fleming

MARQUEE PLAYERS (along with their prices)

MS Dhoni	INR 15 crores
Suresh Raina	INR 11 crores
Shane Watson	INR 4 crores

TOTAL AMOUNT spent in the 2018 auction

INR 405.0 Million

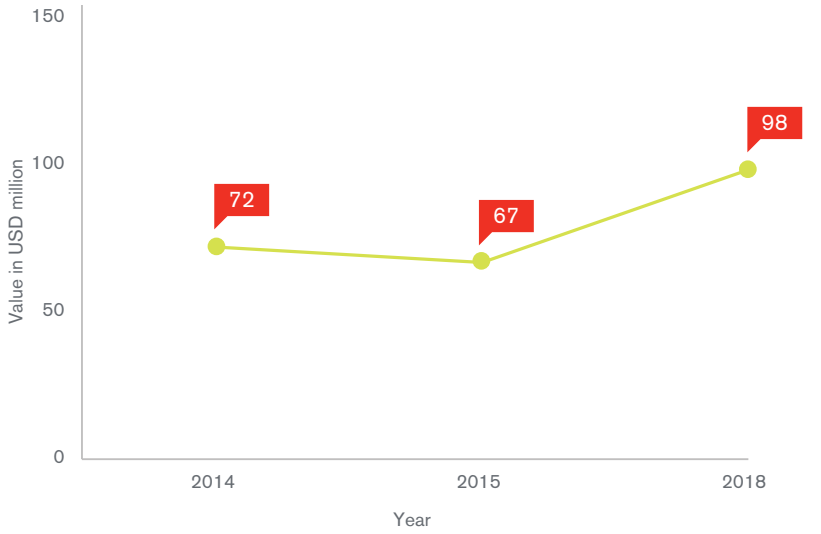
PRINCIPAL SPONSORS

Muthoot Group

SOCIAL MEDIA FOLLOWERS

Facebook	12.39m
Instagram	1.20m
Twitter	4.46m

CHENNAI SUPER KINGS BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Chennai Super Kings

ROYAL CHALLENGERS BANGALORE

TEAM OWNERS	United Spirits
TEAM CAPTAIN	Virat Kohli
TEAM COACH	Daniel Vettori

MARQUEE PLAYERS (along with their prices)

Virat Kohli	INR 17 crores
AB de Villiers	INR 11 crores
Yuzvendra Chahal	INR 6 crores

TOTAL AMOUNT spent in the 2018 auction

INR 488.5 Million

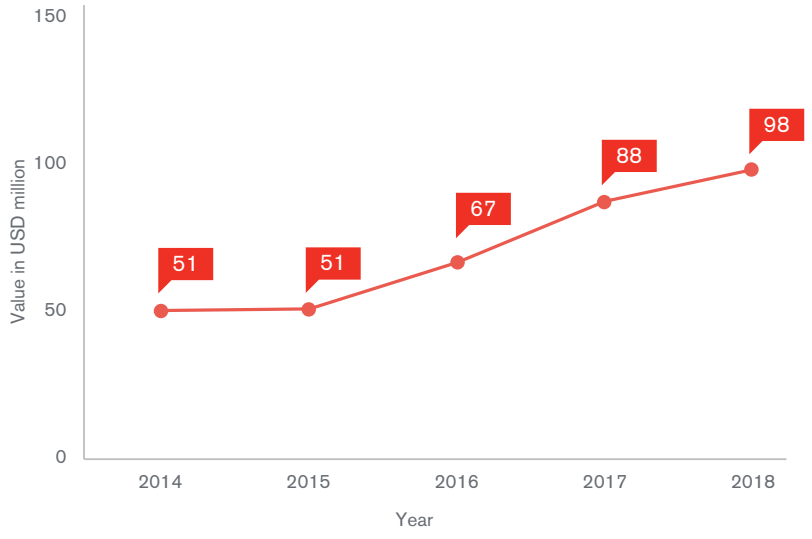
PRINCIPAL SPONSORS

Eros Now	**Duraguard Cement**	
Jio Digital Life	**HP**	**Wrogn**
Domino's	**Duroflex Mattress**	

SOCIAL MEDIA FOLLOWERS

Facebook	9.38m
Instagram	1.80m
Twitter	3.32m

ROYAL CHALLENGERS BANGALORE BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Royal Challengers Bangalore

SUNRISERS HYDERABAD

TEAM OWNERS	Sun TV Network
TEAM CAPTAIN	Kane Williamson
TEAM COACH	Tom Moody

MARQUEE PLAYERS (along with their prices)

Shikhar Dhawan	INR 5.2 crores
Rashid Khan	INR 9 crores
Bhuvaneshwar Kumar	INR 8.5 crores

TOTAL AMOUNT spent in the 2018 auction

INR 583.5 Million

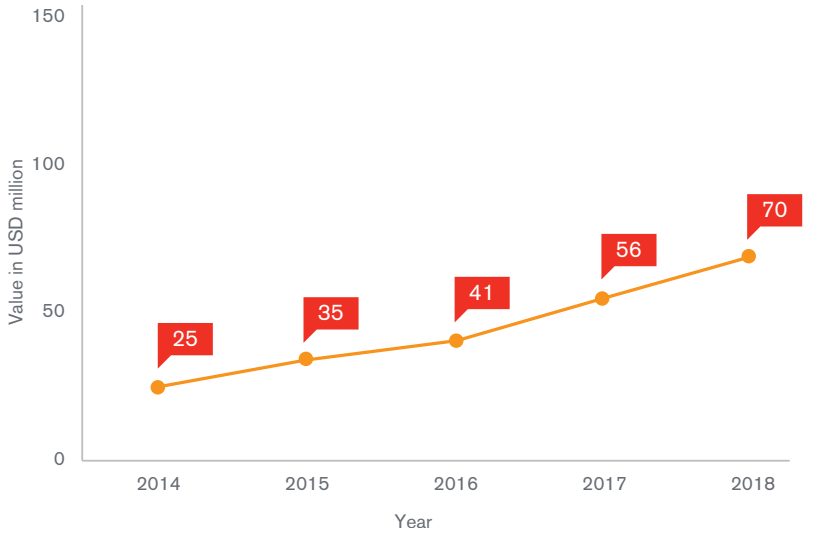
PRINCIPAL SPONSORS

Red FM 93.5

SOCIAL MEDIA FOLLOWERS

Facebook	5.92m
Instagram	0.65m
Twitter	2.01m

SUNRISERS HYDERABAD BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Sunrisers Hyderabad

KINGS XI PUNJAB

TEAM OWNERS	KPH Dream Cricket Private Limited
TEAM CAPTAIN	Ravichandran Ashwin
TEAM COACH	Brad Hodge

MARQUEE PLAYERS (along with their prices)

Axar Patel	INR 12.5 crores
KL Rahul	INR 11 crores
Ravichandran Ashwin	INR 7.6 crores

TOTAL AMOUNT spent in the 2018 auction

INR 674.0 Million

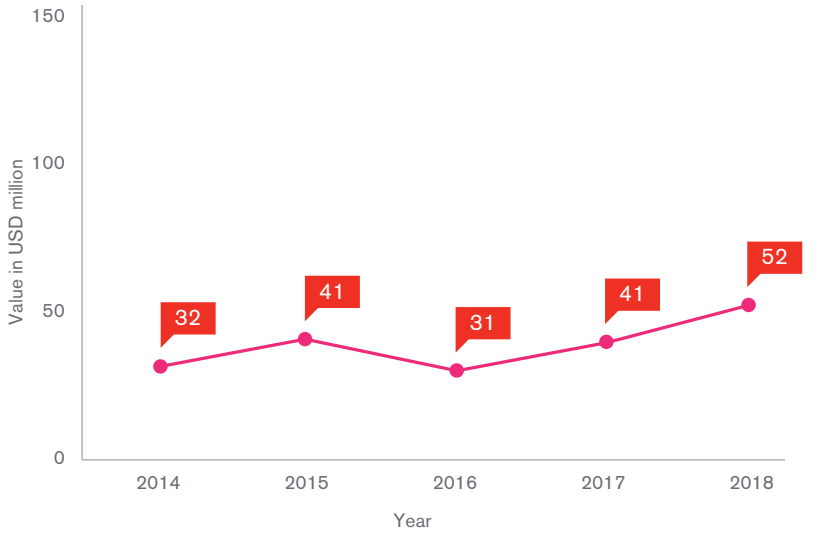
PRINCIPAL SPONSORS

Kent Mineral RO Water Purifiers

SOCIAL MEDIA FOLLOWERS

Facebook	8.78m
Instagram	0.71m
Twitter	1.90m

KINGS XI PUNJAB BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Kings XI Punjab

DELHI DAREDEVILS

TEAM OWNERS	GMR Group
TEAM CAPTAIN	Shreyas Iyer
TEAM COACH	Ricky Ponting

MARQUEE PLAYERS (along with their prices)

Rishabh Pant	INR 15 crores
Chris Morris	INR 11 crores
Glenn Maxwell	INR 9 crores

TOTAL AMOUNT spent in the 2018 auction

INR 454.0 Million

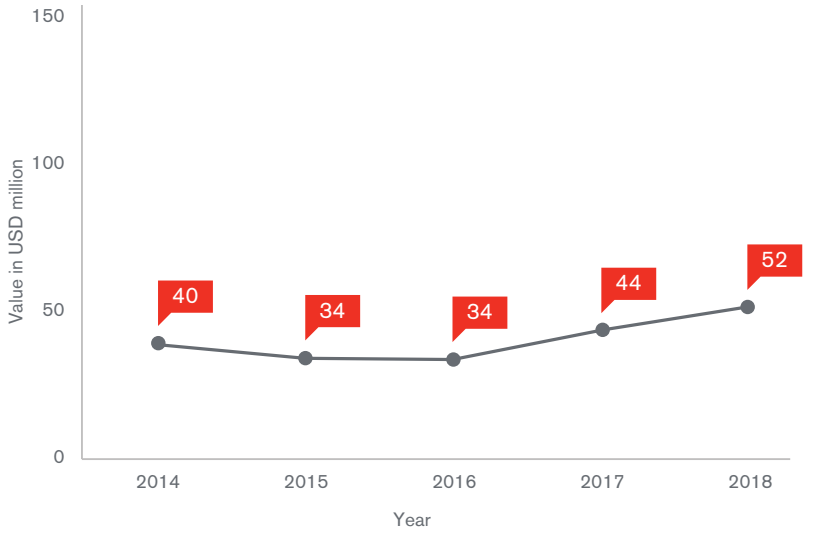
PRINCIPAL SPONSORS

Daikin

SOCIAL MEDIA FOLLOWERS

Facebook	4.67m
Instagram	0.46m
Twitter	1.30m

DELHI DAREDEVILS BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Delhi Daredevils

RAJASTHAN ROYALS

TEAM OWNERS	Manoj Badale
TEAM CAPTAIN	Ajinkya Rahane
TEAM COACH	Paddy Upton

MARQUEE PLAYERS (along with their prices)

Ben Stokes	INR 12.5 crores
Jaydev Unadkat	INR 11.5 crores
Sanju Samson	INR 8 crores

TOTAL AMOUNT spent in the 2018 auction

INR 658.5 Million

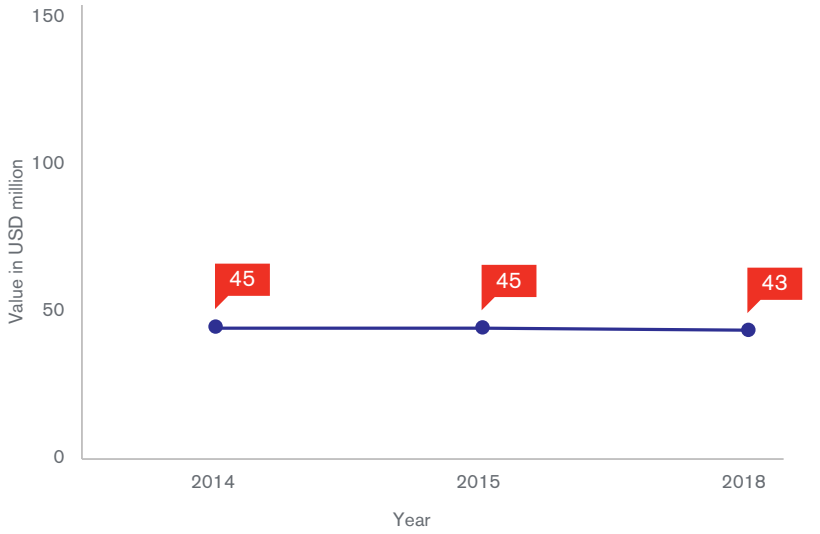
PRINCIPAL SPONSORS

JK Lakshmi Pro+Cement

SOCIAL MEDIA FOLLOWERS

Facebook	4.22m
Instagram	0.33m
Twitter	1.06m

RAJASTHAN ROYALS BRAND VALUE (USD Millions)



Sources: Websites of Indian Premier League, Rajasthan Royals



Santosh N
Managing Director
Bangalore

Conclusion

The value of the IPL ecosystem has increased to US$ 6.3 billion from US$ 5.3 billion over the last year, representing a year-on-year growth rate of 19%, which is remarkable for a property which is only in existence for the last eleven years. In the decade since its inception, the IPL has manifested itself as the favorite prime time television viewing slot for Indians. The continued support from advertisers, broadcasters, sponsors, affiliates, partners and the viewing public year after year, has made IPL the most keenly awaited event in the campaign calendar for advertisers and the most viewed sporting event for TV viewers in India. No one could have predicted that the IPL would become such a huge hit when it was first conceptualized in 2007 and when the franchises were first awarded to a group of corporations, individuals and celebrities.

The IPL broadcasting rights auction last year was keenly contested among some of the world's top broadcasting houses. Star TV Network, which already owns some of the marquee properties such as English Premier League, ICC events and International cricket matches played in India now also holds the hottest of all those properties, the Indian Premier League, for the next four years. In our last edition, we had predicted that the broadcast rights would go for a minimum of US$ 2.10 billion, whereas Star won the rights for US$ 2.55 billion with the consolidated bids of all other bidders coming to around US$ 2.47 billion. The numbers, though large are not surprising. In our last edition, we had mentioned that the deal may follow the precedent set by some of the big-ticket broadcasting deals across the world (EPL, NBA and MLB). These other leagues have seen a consistent multi-fold growth in the value of their broadcasting rights and IPL has now followed a similar trend.

For Star, it was very clear from its auction strategy that it was all or nothing for them and that shows the massive confidence that the company has in this property. Star was also encouraged by the multi-fold growth in Hotstar's viewer base for IPL which increased from 27 million in 2014 to 130 million viewers in 2017. Star's confidence in IPL was evidenced by the fact that its overall advertising and viewership numbers from IPL were significantly higher than those Sony had achieved last year. In fact, Hotstar went on to create and break numerous records in the OTT space. IPL and Hotstar were beneficiaries of cheaper and

affordable access to internet and mobile television due to the tug of war between telecom service provides after Reliance Jio's entry into the market.

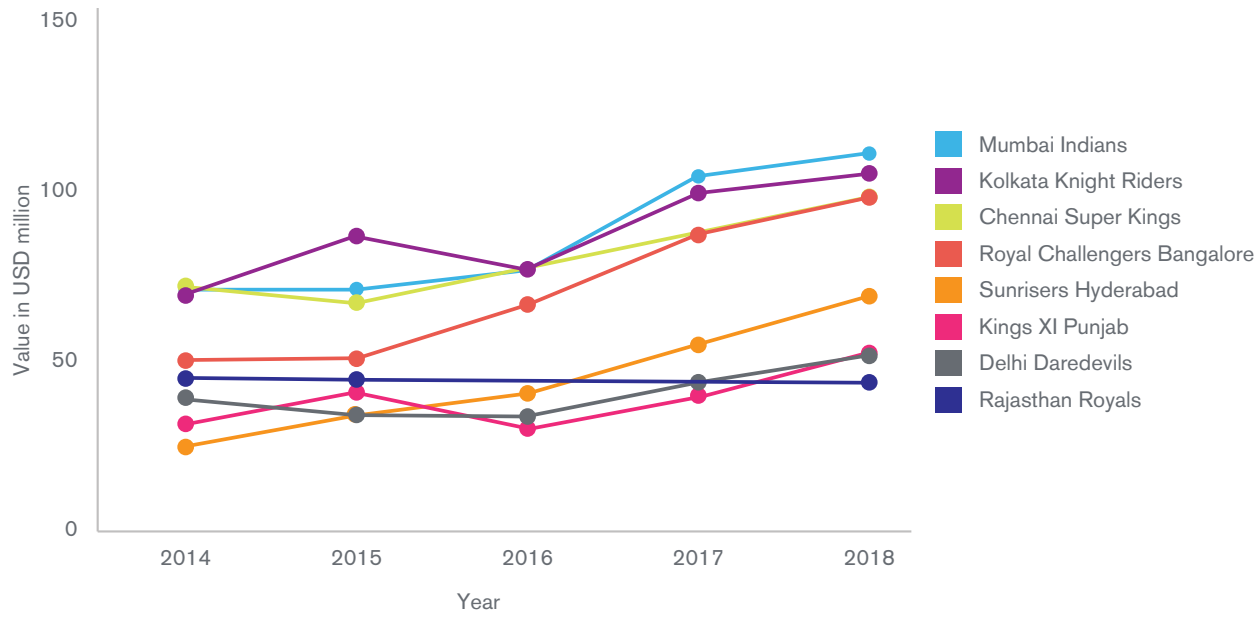
This surge in online streaming of IPL and the increasing momentum of OTT as a medium to watch sports online was also one of the key reasons for companies to show willingness to acquire digital rights for streaming IPL (Facebook and Eros were amongst the bidders for IPL). Star has leveraged heavily on this model. On the traditional broadcasting front, Star, with virtual monopoly of all the marquee sporting assets in India, will be able to command a higher distribution / subscription fee from the cable distributors.

The way various sponsorship and media rights renewals have grown multi-fold over the eleven years of IPL's existence has provided us with a glimpse of what to expect in the next few decades. It will be safe to say that for the foreseeable future, the months of April and May will stay demarcated as IPL territory, now with an added advantage of international players' availability for the entire tournament once the next ICC Future Tours Programme kicks in.

However, we will now go into a more stable phase in terms of the value of the IPL Ecosystem as most of the deals forged by BCCI are locked in for at least the next four years and the value appreciation may not be at the same rate that we saw in the last few years.

Regarding the individual franchise brand values, this year we saw KKR also crossing the US$ 100.0 million barrier with a brand value of US$ 104.0 million with both CSK and RCB not far behind at US$ 98.0 million. Mumbai Indians continue to be the leader in the brand ranking with a brand value of US$ 113.0 million even after an unsatisfactory performance this season. The top four teams in our ranking are likely to continue to hold the advantage over the other teams even when they perform poorly, purely on account of the presence of marquee players, the size of the fan

IPL FRANCHISE BRAND VALUES



base they cater to and the advantage of being in cities with significant young populations. Based on various discussions we had with sponsors and advertisers, we understand that these four teams are hot picks among the advertisers. Considering that the on-field performance for most teams was on par, at least till the league stages were completed, the teams' actual position in the league would not have had any material negative effect on the franchise brands.

SRH were one of the top gainers this year, with their brand value up by 25% as compared to last year and this was primarily on account of their continued good on-field performances. However, KXIP was the biggest gainer with an increase of 27% to reach US$ 52.0 million, with the presence of marquee players and a well-rounded team working in their favour. DD continued to impress with the limited resources and their faith in younger players paying off to an extent as crowds thronged their home ground to watch their young guys Rishabh Pant and Shreyas Iyer in action. It would not be an exaggeration to say that Rishabh Pant is to DD what Kohli was to RCB 10 years back. DD should also benefit from the JSW transaction, as JSW Sports is well known for running a champion team like Bengaluru FC effectively with limited resources. RR, coming back after a two-year suspension, saw a minor erosion in their brand value due to the controversy, to which CSK appears to have been immune. RR's brand value was US$ 43.0 million.

The current Duff & Phelps IPL Brand Valuation reflects the evolution of the modern cricket business paradigm with clubs benefiting from not only the enduring popularity of cricket in India but also from strong marketing and globalization of the game. However, for growth trajectories to maintain their momentum, all teams need to continue broadening their footprint, forming relationships and generating revenue opportunities in growth markets. Ultimately, however, much of cricket's future depends on ensuring the product is of a sufficiently high quality to continue attracting viewers, sponsors and broadcasters, the latter of which have become so vital for the game's financial health.

Limitations to the study

The analysis and estimates presented in this report are based on extensive research on secondary sources of information, limited primary discussions with industry participants and the results of our IPL Sponsorship Survey. We have not undertaken any independent verification or carried out any due diligence on the data used or considered, nor have we verified its factual accuracy in the current context. Brand values may differ based on actual information available with individual teams. The conclusions provided in this report shall not be construed as investment advice and the valuations provided in the report shall not be used for any other purpose other than general research and media consumption. Each of Duff & Phelps and its affiliates expressly disclaims all liability for any loss or damage of whatever kind which may arise from any person acting on any information and opinions or analyses relating to the valuations contained in this report.

The valuation of a business or intangible asset is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value and we normally express our opinion on the value as falling within a likely range. However, for the said purpose, we have provided a single value. Under normal circumstances, our assumptions and methodologies are supplemented by discussions with the management and insights provided by them on the most likely course of business over the near term. Our current assumptions for the valuation are based on information derived and analysed from a combination of primary interviews and secondary sources. Accordingly, our assessment and estimates are based on market perceptions and most likely trends of growth for the IPL franchises. Others may place a different value on the various brands.

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EDITORIAL TEAM

CHIEF EDITOR



Harsh Talikoti

TEAM



Jash Shah



Kshitij Patel Punamiya



KC Mutya

MARKETING



Disha Hoskote

CONTACTS



Varun Gupta
Managing Director, Asia Pacific
Leader for Valuation Services
Varun.Gupta@duffandphelps.com



Santosh N
Managing Director
Santosh.N@duffandphelps.com

OFFICES

Mumbai
14th floor, Raheja Tower,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051
+91 22 6623 1000

New Delhi
206/207, WorldMark 2,
Hospitality District, Aerocity,
New Delhi - 110037
+91 11 4935 9800

Bangalore
4th Floor, Unit No 303,
SKAV Lavelle 909, Lavelle Road,
Bengaluru - 560001
+91 80 6125 6100

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