A New Era for European Football: The Rise of Private Equity Ownership

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Introduction

European professional football is undergoing a structural transformation. For decades, the sport was dominated by traditional ownership models such as member-based clubs, local businessmen, or family dynasties. Today, it is experiencing a wave of commercialization driven by the entry of global private equity (PE) firms. Investors like CVC Capital Partners, RedBird Capital, and Silver Lake are increasingly acquiring stakes in football clubs and leagues, transforming the financial and operational foundations of the game.

This marks a shift in the sport's identity, as PE's logic is inherently different: it is driven by return on investment, time-limited ownership horizons, and strategic value creation. For football, this means moving from community-based governance to a model focused on performance metrics, monetization, and growth.

Several factors have accelerated this transition: the ongoing financial impact of the pandemic, regulatory changes that have lowered barriers for investors, and a global market for football as a business and entertainment brand that remains underexploited. PE firms bring operational expertise, data-driven decision-making, and aggressive expansion strategies. The scale and growth of PE involvement is reflected in the largest deals of the past two decades (see Figure 1).

This report analyzes the implications of PE's growing footprint in European football. It examines the motivations behind these investments, their impact on governance and culture, and the tensions between commercial interests and traditional football structures.

Figure 1: Largest Deals in European Football

Football Club	Country	Deal Size (€m)	Deal Type	Deal Date	Acquiror
Chelsea FC		2,991.9	Buyout/LBO	04 May 2022	Todd Boehly-led consortium
Manchester United		1,300.0	Partial Acquisition	24 Dec 2023	INEOS
AC Milan		1,200.0	Buyout/LBO	31 Aug 2022	REDBIRD
AC Milan		740.0	Buyout/LBO	13 Apr 2017	ELLIOTT
AS Roma		591.0	M&A	17 Aug 2017	James Pallotta-led consortium
Manchester United		550.3	Buyout/LBO	15 Sep 2005	Glazer Family
Newcastle United		350.6	Buyout/LBO	07 Oct 2021	PIF
Liverpool		348.4	M&A	15 Oct 2010	FSG
Atalanta		275.0	Buyout/LBO	19 Feb 2022	777
Inter Milan		270.0	M&A	05 Jun 2016	SUNING

Source: Aranca (2024) – own depiction

Why Private Equity is Moving Into the Industry

PE firms have increasingly turned their attention to European football due to the ongoing financial difficulties clubs continue to face following the pandemic. COVID-19 significantly disrupted club revenues by eliminating matchday income, stalling commercial agreements, and driving up debt levels. As clubs struggled with liquidity and falling valuations, they became more receptive to external investment. PE firms, holding considerable reserves and experienced in managing distressed assets, capitalized on this unique situation. Their timely entry allowed them to secure valuable terms, including long-term control rights, revenue-sharing agreements, and board representation – significantly enhancing their influence within clubs.

In parallel, regulatory shifts across Europe have made football clubs more accessible to financial investors. Major leagues such as LaLiga, Serie A, and Ligue 1 have progressively relaxed ownership restrictions, creating a more conducive environment for external capital. UEFA has also softened its previously strict stance on multi-club ownership (MCO) models, provided that appropriate conflict-of-interest safeguards are in place. These changes have been pivotal in enabling landmark transactions like CVC's €2.1bn investment in LaLiga, which was later expanded into French football. Regulatory adjustments have therefore opened the door for PE firms to build broader club portfolios, leveraging synergies across branding, analytics, scouting, and commercial partnerships to drive efficiency and reduce risk.

Beyond financial distress and regulatory openings, PE interest is also driven by football's significant untapped potential as a global business and entertainment platform. European football clubs enjoy extensive international reach and deeply loyal fan bases, yet often lack the commercial sophistication seen in other entertainment sectors. PE firms have identified clear levers for growth – from strengthening merchandising and data infrastructure to expanding sponsorships and entering new markets. Their aim is to reposition football clubs as globally competitive media assets capable of generating predictable, scalable revenue. By introducing professional business disciplines and restructuring operations, PE investors seek to close the gap between football's cultural relevance and its financial underperformance. At the same time, the

cultural volatility of the sport – with its emotionally invested fans and historical identity – presents a core challenge. Managing expectations and sentiment will be crucial to converting financial ambition into sustainable value.

Changing Ownership, Governance & Culture

The rise of PE in European football has changed the traditions of operating a football club. Historically, ownership was closely tied to community identity and local roots. With PE involvement, financial control and a clearly defined path to value extraction have become far more common. Governance models have evolved accordingly: clubs now operate with corporate boards, standardized reporting structures, and executive teams judged by financial performance rather than emotional loyalty. Hiring decisions once based on legacy or internal trust are increasingly replaced by strategic appointments from consulting or finance backgrounds. At AC Milan, for example, RedBird introduced more rigorous financial governance and a wage cap policy while aiming to expand the club's global commercial footprint. Similarly, Toulouse FC adopted a data-driven player acquisition model and monetized key assets shortly after promotion. These moves align with PE logic, even if they feel disconnected from the sport's traditional way of operating.

As governance becomes more structured, however, club culture often becomes more fragile. Fans frequently feel excluded. Many European clubs had systems of member voting, fan representation, or community input – particularly in Germany and parts of Spain. Under PE ownership, these mechanisms are typically sidelined. Strategic decisions now take place behind closed doors, guided by return models and investment timelines rather than public sentiment. This tension became especially visible in LaLiga, where CVC's €2.1bn investment deal required clubs to hand over a share of future broadcasting revenue for 50 years in exchange for short-term capital. The deal raised concerns among fans about the future of the sport, and among club executives about long-term independence.

MCO adds another layer of complexity. Silver Lake's investment in City Football Group enables centralized operations across multiple clubs, including shared scouting systems and unified commercial branding. This strategic model has seen rapid expansion in recent years, with the number of MCO deals rising sharply – particularly among American investors (see Figure 2).

Figure 2: Multi-club Ownership and Investments

Source: Aranca (2024) – own depiction

While operationally efficient, this setup has also drawn criticism for weakening sporting integrity and eroding individual club identities.

Still, the impact of PE investment in football is not uniformly negative. Many clubs under PE control have demonstrated improvements in financial stability, strategic planning, and infrastructure development. According to Aranca's 2024 report, several Ligue 1 and LaLiga clubs used PE funding to invest in digital platforms and essential stadium renovations – projects previously delayed due to limited internal cash flow. However, these gains often come with trade-offs: revenue-sharing obligations, pressure to exit within a defined time frame, and reduced flexibility for long-term community engagement. PE investment in football does not simply change the amount of capital available – it also redefines its purpose. In a sport deeply rooted in emotional commitment, shifting the goals of capital allocation inevitably stirs debate.

Financial Performance and the Debate

One of the key claims behind PE investment in football is that it leads to improved financial outcomes. By applying professional management, stricter financial discipline, and commercially driven strategy, PE firms aim to make clubs more efficient and more valuable. In practice, the picture is mixed. Some clubs have seen clear improvements in revenues and cost control, while others have stagnated or struggled with instability. The broader debate is ongoing – are PE firms creating long-term strength, or simply optimizing for short-term gain?

A 2024 thesis from Erasmus University Rotterdam examined the financial metrics of several major clubs before and after PE investment. It found that while revenues and EBITDA generally increased post-investment, return on equity remained low, suggesting that gains were often reinvested rather than distributed to owners. The study also noted that clubs under PE ownership tend to improve their wage-to-revenue ratios and adopt more disciplined spending patterns. RedBird's management of AC Milan supports these findings: the club generated €404m in revenue in the 2022–23 season, a 35% increase from 2019–20. Through tighter salary

policies and commercial expansion, the club also posted its first operating profit in over a decade.

Spain offers another example. In LaLiga, CVC Capital Partners invested €2.1bn through the "Boost LaLiga" agreement, providing clubs with immediate funding for digitalization and infrastructure projects. Clubs committed 70% of these funds to growth investments and 15% to debt reduction. Sevilla FC used the capital to upgrade stadium facilities, while Real Betis developed data infrastructure for scouting and match analysis. The deal improved financial performance on paper – but arguably reduced flexibility and financial independence over time.

On the sporting side, outcomes from PE investment have proven less predictable. Toulouse FC, acquired by RedBird in 2020, achieved promotion to Ligue 1 and won the Coupe de France in 2023. Their success was driven by internal restructuring and an analytics-based approach to squad management. However, similar strategies have not always delivered results. Hertha BSC, despite substantial financial backing from 777 Partners, struggled due to inconsistent management and was ultimately relegated to the 2. Bundesliga. Unlike American sports leagues such as the NHL and NBA – where closed-league systems guarantee teams stable revenues and no risk of relegation – European football's open competition structure carries much greater uncertainty. As various analysts have pointed out, financial investment alone does not guarantee sporting success, and PE firms often underestimate the unpredictability inherent in football.

Fan sentiment adds another layer of complexity. Surveys show that supporters often feel alienated by PE-led governance. According to the CIES Football Observatory, fans at clubs with PE ownership report lower perceived accountability, with common frustrations related to ticket price increases, commercial overreach, and a sense of detachment from local values. While clubs may be more financially stable, they are not necessarily more connected to their communities.

Regulators are increasingly aware of these tensions. UEFA has flagged concerns around multi-club ownership and financial opacity. In 2023, it required RedBird to restructure its links between AC Milan and Toulouse to avoid competition conflicts. As PE ownership continues to grow, governing bodies are likely to push for more transparency and structural safeguards.

Ultimately, better balance sheets and stronger revenues do not tell the full story. PE can improve financial discipline – but it can also weaken long-term independence, blur accountability, and strain the cultural and emotional bonds that make football unique.

Conclusion

PE doesn't just bring money into European football – it brings a different worldview. For funds used to optimizing logistics firms or media assets, football clubs can appear as inefficient machines waiting to be rebuilt. But football doesn't behave like a normal business. It runs on loyalty, history, and irrational choices – unlike many of the industries PE typically operates in.

The involvement of PE in football highlights the tension between the sport's cultural essence and its role as a commercial enterprise. This friction becomes tangible through altered transfer policies, rising ticket prices, and boardrooms increasingly removed from local communities. Ironically, clubs may become more profitable and operationally efficient, yet simultaneously risk losing the very identity that made them meaningful to fans in the first place.

Still, this shift isn't inherently good or bad – it depends on how it is handled. PE can fix what was broken in football: debt spirals, bad governance, and wasted potential. But if returns come at the cost of identity, the fix could become another problem. The real challenge is not whether PE belongs in football – it is whether football can absorb this kind of capital without losing the parts of itself that capital can't measure.

In the coming years, the test won't just be about financial outcomes – it will also be about legitimacy. Who controls the direction of the game, and who gets a say? If the answer tilts too far toward capital and away from community, the game may change in ways that no spreadsheet can explain.