Department of Business and Management
Master Degree in Corporate Finance

Chair of M&A and Investment Banking

The choice of the advisors in M&A transactions in the sports sector: The relationship between Raine Group and sports companies

Prof. Leopoldo Attolico

SUPERVISOR

Prof. Leone Pattofatto

CO-SUPERVISOR

Edoardo Baiocco
Matr. 761971

CANDIDATE

Academic Year 2023/2024

Table of Contents

Introduction 5

Chapter 1 – M&A Transactions: a general overview 7

1.1 Drivers of the M&A activity 7

1.1.1 Synergies 7
1.1.1.1 Revenue-Enhancing Operating Synergy 8
1.1.1.2 Cost-Reducing Operating Synergies 9
1.1.1.3 Financial Synergies 9

1.1.2 Diversification 10
1.1.2.1 Related Diversification 11
1.1.2.2 Unrelated Diversification 11

1.1.3 Managerial motives 12
1.1.3.1 M&A as a solution to the Agency Problem 12
1.1.3.2 Managerial Hubris 13

1.2 The players of an M&A transaction 14

1.2.1 The Bidder and the Target 14

1.2.2 Advisors 14

1.2.3 Regulators 15

1.2.4 M&A Arbitrageurs 16

1.3 M&A Process 16

1.3.1 Preparation Phase 17

1.3.2 Phase 1 18

1.3.3 Phase 2 18

1.4 Valuation 19

1.4.1 Intrinsic Valuation 19

1.4.2 Relative Valuation 22

1.5 M&A Transactions in the sport sector 23

Chapter 2 - Advisors and M&A Activity: How Important Are They? 26

2.1 Introduction to M&A Advisors: Duty and Goals 26

2.1.1 Strategic and Financial Advice 26

2.1.2 Due Diligence 27

2.1.3 Information Role 28

2.1.4 Negotiator role 29

2.2 Role of the advisors in each stage of the M&A process 30

2.2.1 Investment Banks 30

2.2.2 Lawyers 31

2.2.3 Accountants 32

2.3 The importance of advisors' reputation and status 32

2.3.1 External impact of advisor's status 33

2.3.2 Internal impact of advisor's status 33
2.4 Advisors' impact: some case studies *34*
2.4.1 Information advantage 34
2.4.2 Market reaction 36
2.4.3 Shareholder voting 38
2.4.4 Negotiation and deal completion 39
2.4.5 More advisors equals more value? 42
2.5 Conclusions *43*
Chapter 3 – Raine Group LLC and its role in the sport sector 46
3.1 M&A advisors and the sport sector *46*
3.1.1 The niche banks 47
3.1.1.1 Galatioto Sports Partners 47
3.1.1.2 Inner Circle Sports 48
3.1.1.3 Game Plan LLC 50
3.1.2 The big traditional banks and their investment in the sport industry 51
3.2 Raine Group LLC *53*
3.2.1 The group 54
3.2.2 Ownership 55
3.2.3 Governance 57
3.3 Raine Group's main deals in the sports industry 59
3.3.1 LA Clippers sale 59
3.3.2 Chelsea 60
3.3.3 Manchester United 61
3.4 UFC and WWE merger: one of the largest M&A fees ever recorded *62*
3.4.1 Raine Group fees' history 62
3.4.2 UFC and WWE merger 65
3.5 Conclusions: why Raine and not others? 66
Chapter 4 – Case study: a potential sale of Juventus FC S.p.A. 68
4.1 Introduction to Juventus Football Club 68
4.1.1 Juventus FC at a glance 68
4.1.2 The Agnelli ownership: glory and doom 68
4.1.3 Why should Exor consider a sale of Juventus? 70
4.2 Company valuation *72*
4.2.1 Assumptions of the model 74
4.2.1.1 Revenue assumptions 74
4.2.1.2 Costs assumptions 75
4.2.1.3 Other assumptions 76
4.2.2 Income Statement forecast 76
4.2.3 Free Cash Flows forecasts 77

4.2.3.1 Changes in Net Working Capital 78
4.2.3.2 Capital Expenditures 78
4.2.3.3 Free Cash Flow from Operations 79
4.2.4 Enterprise Value **79**
4.2.5 Other valuation methods **81**
4.3 Raine Group LLC potential influence ***83***
4.3.1 Raine on the buy-side **83**
4.3.2 Raine on the sell-side **85**
4.4 Conclusions ***86***
Final Summary and Conclusions ***89***
References ***98***

Introduction

"*Raine bags $65mn fee advising WWE on Endeavor takeover: US investment bank, which is leading sale of Manchester United, is set for one of its biggest ever paydays*" (Financial Times, 2023d, May 17th)

This is the title of an article from the Financial Times that came up to me on the morning of my birthday, during the end of my first year of master's degree. Being a fan of both football and combat sports, I immediately clicked the link and started reading. However, the thing that caught my eye was seeing the amount of the fee that the deal was about to generate: all for one bank, Raine, a higher fee than the one that the all mighty JPMorgan was about to bag for the same exact deal. Here goes my question: why? How can such a smaller bank generate such fee?

Hence the decision to investigate what actually is the role of an advisor within an M&A deal: what functions do they cover, how can they help their client, what's their value added in the transaction?

The goal of the dissertation is to navigate within the job of investment banks, and deeply analyze and understand how a company like Raine can be perceived as better than the big sharks (e.g. JPMorgan, Goldman Sachs, Morgan Stanley, etc) within a specific industry: the sports sector, where Raine has performed the best.

To understand the above, the first step was to analyze the environment: not only the volume of the sports sector, but also the key players of it, who were the other banks operating in this niche industry, how they were composed, and what their value added was. Subsequently, a deep analysis of Raine has been conducted: firstly its strategy, ownership and governance structure (i.e. the S-O-G framework), which allowed to understand the key players behind Raine's success; secondly, the main deals in which the bank participated, focusing on what was Raine's impact either on the buy-side or on the sell-side. These two steps made it possible to understand Raine's competitive advantage.

The following dissertation will be structured in four chapters. The first one will focus on giving an overview of what an M&A transaction is, the drivers behind it, the key players in a deal, the different stages of a transaction, and the valuation methods for the companies involved. The second chapter will delve into the role of advisors and investment banks in general: their role, their duties, their value added, done through a deep literature review on the topic, along with personal reasonings and conclusions. The third chapter will analyze Raine's figure, through the

methods explained before. The fourth and last chapter will focus on a case study realized by the author, based on the rumors of a potential sale of Italy's most famous football club, Juventus FC S.p.A.: this study will analyze how Raine could impact in a potential sale of the club.

Chapter 1 – M&A Transactions: a general overview

1.1 Drivers of the M&A activity

Mergers and Acquisitions (M&A) represent a pivotal aspect of corporate strategy, providing organizations with means to achieve growth, enhance competitiveness, and unlock synergies. The landscape of M&A transactions is dynamic and complex, shaped by a myriad of economic, regulatory, and industry-specific factors. As businesses continually seek to adapt to changing market conditions, understanding the complexities of M&A becomes crucial for both scholars and practitioners alike.

But what causes the M&A activity? Analyzing the drivers of mergers and acquisitions provides a holistic view of the factors influencing the transaction, in order to offer organizations tools for informed decision-making, risk management, and strategic alignment.

1.1.1 Synergies

Whether there is an interaction, a cooperation, or a combination, we are talking about a synergy. In the physical science field, it refers to the kind of response that happens when two materials or components come together, and create a bigger effect than the one potentially produced by the two components acting separately.

In the corporate finance world, things don't go far away from the definition above. Any effect that raises the value of a combined company above the sum of the values of the two independent enterprises is referred to as a synergy. Businesses can spend the costs of the acquisition process and still afford to offer target shareholders a premium for their shares because of the anticipated synergistic benefits (Gaughan, 2018). Synergy may allow the combined firm to appear to have a positive net acquisition value, NAV.

$$NAV = [V_{AB} - (V_A + V_B)] - (P + E)$$

Where:

- V_{AB} = the combined value of the two firms,
- V_A = the value of A,
- V_B = the value of B,
- P = the premium paid for B,
- E = the expenses of the acquisition process.

The synergistic impact is indicated by the square brackets. For the merger to be justified, this effect has to exceed the total of P+E. The bidder will have overpaid for the target if the bracketed term is not more than the sum of P and E.

In practice, however, it's unclear whether synergies exist or how they're divided. Usually, synergies are estimated through adjusted stock market returns; nevertheless, this procedure still leaves uncertainties with respect to their levels and divisions (Croson et al., 2004). From a theoretical standpoint, synergies have been classified into operating synergies, either revenue-enhancing or cost-reducing, and financial synergies (Gaughan, 2018).

1.1.1.1 Revenue-Enhancing Operating Synergy

Undoubtedly, a major factor driving M&A activity is the potential revenue growth, leading to a so called revenue synergy, which refers to the additional sales the parties involved would not have been able to obtain if they were operating independently (Liaw, 2012). Whether a merger between two players of the same industry occurs, the number of players in that particular market will decline, therefore leading to an increase in pricing power, achievable through a more oligopolistic market structure resulting from the merger. To increase earnings, companies can team up by merging their different strengths. By uniting companies with expertise in areas like research and development, production, marketing, and distribution, a strategic merger can create a more robust and versatile business entity. Moreover, expanding into faster-growing or emerging markets may represent a great opportunity for growth and expanding revenue streams (Gaughan, 2018).

Creating revenue-enhancing synergies, however, might be challenging. Studies have found out that “overestimating revenue synergies” was the main reason of deal-failure (Bain&Co, 2022). This is why the discourse surrounding revenue enhancements may appear promising in discussions, yet the actual implementation often proves to be more difficult. Moreover, regulatory hurdles further complicate matters, particularly when significant pricing gains are perceived as anticompetitive, necessitating cautious navigation through the approval process (Gaughan, 2018).

It is also important to mention the concerns about Revenue "Dissynergies": these are all the losses in revenues that may occur post-merger, along with, for instance, the challenges in customer retention. Reason why the importance of thoroughly examining revenue projections is emphasized (Gaughan, 2018).

1.1.1.2 Cost-Reducing Operating Synergies

A first cost-reducing synergy are economies of scale. This term indicates a decrease in per-unit costs with an increase in the size (or scale) of operations, led by either an increase specialization of labor and management, or a more efficient use of capital equipment (Samuelson, 2009). In the cruise industry, mergers and acquisitions driven by scale economies have occurred, such as Princess Cruises acquiring Sitmar Cruises in 1989 and the 1994 merger of Radisson Diamond Cruises and Seven Seas Cruises. These moves allowed for expanded offerings while reducing per-bed costs. The industry realized that a sizable sales force can efficiently manage more ships and itineraries. As cruise lines combine, efficiencies in administrative facilities and sales forces emerge. For acquiring companies, this means purchasing the target's projected revenues with reduced reliance on the target's historical cost structure (Gaughan, 2018).

Along with economies of scale, we can also have economies of scope, which is the ability of a firm to use one set of inputs to provide a broader range of products and services. The banking sector is a meaningful example, since economies of scope in the banking sector contribute to operational efficiency, risk mitigation, and the ability to offer a comprehensive suite of financial services. This not only benefits the banks themselves but also enhances the overall financial well-being of customers and the stability of the financial system. In the banking industry, scope economies may be as important as economies of scale in explaining M&As (Mester, 1987).

1.1.1.3 Financial Synergies

Financial synergy refers to the reduction in the acquirer's cost of capital resulting from a merger or acquisition. This decrease often happens when the cash flows of the combined companies are mostly uncorrelated, which lowers the cost of issuing the securities and the transaction fees: when cash flows generated from the different business units of the firms are uncorrelated, it means that when one business unit struggles, the others won't necessarily live the same situation, making the whole company more solid. Matching investment possibilities with cash generated internally, by the company's operations, is another reason why a financial synergy might occur: when the two, or more, combined entities generate more cash, this would imply that the entity could also rely on its internally generated cash rather than relying extensively on external financing (DePamphilis, 2018).

According to the conventional view, companies that diversify into different product lines with uncorrelated cash flows reduce risk only specific to the business, such as business-specific or nonsystematic risk, like product obsolescence, and not risk related to factors that affect all

businesses, such as recession, inflation, or rising interest rates (Ross et al., 2008). However, recent research challenges this view, indicating that M&As leading to firms with uncorrelated business unit cash flows can indeed reduce systematic risk. Multi-product line firms with less correlated business unit cash flows may be more resilient to external shocks and financial distress, a concept sometimes referred to as coinsurance. The imperfect correlation of business unit cash flows in coinsurance allows resources to be transferred from cash-rich units to cash-poor units as needed. This enhances the ability of firms with multi-product lines to withstand losses in customers, suppliers, employees, or financial distress (Hann et al., 2013).

Furthermore, financially constrained target companies, i.e. companies facing limitations in funding their investment opportunities due to restricted financial resources, may find relief through M&A activities. Such ventures can produce financial synergies by providing access to additional funds from the acquirer's excess cash reserves or untapped debt capacity. As a consequence, after an acquisition by an unconstrained entity, companies with financial constraints often experience an increase in their investment capabilities. (Erel et al., 2015).

In summary, financial synergy in mergers and acquisitions can result from uncorrelated cash flows, cost savings, and improved access to financing. The concept of coinsurance highlights the importance of diversified business unit cash flows in reducing systematic risk. Additionally, financially constrained target firms may benefit from the financial resources and flexibility offered by acquirers.

1.1.2 Diversification

Diversification means growing outside a company’s current industry category (Gaughan, 2018). Diversification, along with possibly leading to financial synergy that lowers the cost of capital, can also enable a company to move its target markets or key product lines to areas with better growth potential (DePamphilis, 2018). The target markets or new product lines may or may not be connected to the company's existing markets or products.

Seeking diversification might be a result of the need of a strategic realignment. Firms use M&As to make rapid adjustments to changes in their external environment such as regulatory changes and technological innovation. Technological developments drive a dramatic reorganization of already established industries and produce new goods. The smartphone not only threatened the market for point-and-shoot cameras but also put wristwatches, alarm clocks, and MP3 players in jeopardy. It also fueled the expansion of handheld telecommunications devices. While e-readers diminished the appeal of hardcover books, tablet computers decreased

the need for desktop and notebook PCs. Text and voice chatting is a significant source of income for mobile phone companies, but services like Microsoft's Skype and WhatsApp are eating away at it. Outsourcing IT operations is made possible for enterprises by the shift to cloud computing (DePamphilis, 2018).

1.1.2.1 Related Diversification

The first case relates to the so called related diversification. In this scenario, a company may introduce its existing products to new markets that are somewhat unfamiliar. This allows the company to tap into new customer bases and geographical regions, providing opportunities for growth. Such was the case in 2012 when IBM acquired web-based human resource software maker Kenexa in order to expand its software division into the highly competitive but rapidly expanding web-based business application delivery sector (Forbes, 2012).

Alternatively, the company may acquire new products and introduce them to markets where it already has a presence and experience. This approach leverages the company's established market knowledge and distribution channels. Johnson & Johnson’s $16.6 billion acquisition of Pfizer’s consumer-healthcare product line are examples of such related diversification (New York Times, 2006).

Related diversification involves taking on additional risk, especially when entering new markets or introducing new products: unfamiliarity with these new elements introduces uncertainties and challenges. On the other hand, the key advantage lies in leveraging the company's prior experience: when entering new markets, the company can apply its existing knowledge of consumer behavior, market dynamics, and operational strategies.

1.1.2.2 Unrelated Diversification

The term refers to the expansion of a company to unrelated markets. This type of activity leads to the creation of the so called conglomerates, firms that operate in a number of largely unrelated industries.

History and studies have showed how unrelated diversification results in lower financial returns compared to non-diversifying acquisitions (Akbulut and Matsusaka, 2010), along with the fact that most conglomerate share prices may trade at a markdown: this is because investors perceive conglomerates as riskier due to challenges in understanding and valuing diverse business segments (Khorana et al., 2011; Ammann et al., 2012).

However, there are some cases of success stories for conglomerates. The best example is General Electrics[1], that acquired diversified operations in insurance, financial services, television stations, plastics, and medical equipment. General Electric (GE) achieved success in diversification during the 1980s and 1990s through a strategy involving acquisitions and divestitures. Targeting industry leadership positions and aiming for the top or second rank based on market shares were important components of GE's strategy. The business thought that being in the lead offered major advantages over smaller rivals, like more consumer awareness and control over distribution networks.

Because of the constantly changing nature of the industry, business units needed to be evaluated on a regular basis, and GE took an active role in these processes. This flexibility was essential for reacting to changes in the market and making sure that once-dominant companies matched their objectives with the present. GE deliberately divested several business areas, particularly its consumer banking and media companies, in reaction to the shifting industrial landscape.

GE had a dramatic transformation in 2015, going back to its industrial beginnings. Alstom SA's energy sector acquisition served as an example of this strategic move, which demonstrated GE's renewed emphasis on industrial operations. Ultimately, GE's emphasis on maintaining leadership positions, utilizing strategic advantages, reacting to dynamic changes in the industry, and adjusting to market developments through proactive assessment and strategic decision-making were credited with the company's success in diversification.

1.1.3 Managerial motives

1.1.3.1 M&A as a solution to the Agency Problem

A key driver of the M&A activity also lies in managerial motives: an acquirer may think it can enhance the value of an acquired business by replacing its management (Miller, 2008).

This situation occurs when the agency problem in a company becomes so relevant that it is jeopardizing the company's growth. The agency relationship is a situation where an Agent acts for, or as a representative of, a second person, or group of persons, called Principal. The agency problem occurs when there is a conflict of interest between the two subjects (Zattoni, 2015).

In the corporate world, we can find three types of agency problems. The first type is the one that occurs between the management of a company (i.e. the CEO and the board of directors) and the shareholders: this situation is frequent in widely held companies, i.e. companies where

[1] This story has been retrieved from Gaughan, P. A. (2018). *Mergers, Acquisitions, & Corporate Restructuring* (7th edition). Ch 4, pp 146-148. New Jersey, US: John Wiley & Sons Inc.

there is no controlling shareholder, but the ownership is extremely fragmented. In this case the agency problem occurs since managers have a lot more decision-making power, considering the limited size of their shareholding does not incentivize the investors to devote enough time and resources to control the firm's top management. In these circumstances, top managers may pursue their own personal benefits at the expense of shareholders' interests.

The second type of agency problem occurs in companies with a controlling shareholder, i.e. shareholder with at least 25% of total shares[2]. The problem occurs when the large controlling shareholders are tempted to pursue their own interest, e.g., by promoting decisions that distribute all benefits to them, while the costs are shared proportionally by all shareholders.

A third type of agency problem concerns the conflict of interests between the firm or its shareholders vis-à-vis the stakeholders who make contributions to the company, such as debtholders, for instance. Since shareholders and debtholders have different claims to the company's assets and income, shareholders may pursue high-risk, high-return investments, while debtholders prefer low-risk, low-return investments.

All three agency problems lead to the same conclusion: when the agent pursues its own interest at the expense of the principle, most of the time it means that the company is not well managed. In cases like this, M&A might be a useful mechanism to overcome management problems, triggering the so called market for corporate control. A change in ownership, especially if made through a hostile takeover[3], might lead to an adjustment in the management of the company, and therefore a change of the CEO and the members composing the board of directors (Zattoni, 2015).

1.1.3.2 Managerial Hubris

The hubris theory suggests that managers look to acquire companies for their own personal advantage and that the acquiring company's pure financial gain is not the only or even the main reason for the acquisition (Roll, 1986). Acquisitions can be made by managers for self-preservation, to increase their spheres of influence, to boost their prestige, or to increase their pay (Masulis et al., 2007). Managers may have personal goals that diverge from the organization's. It can be to stay longer in their roles and keep getting what are considered to be generous benefits and salary in the United States for managers, and CEOs in particular. They

[2] This number might vary from the type of company under analysis
[3] Hostile takeover refers to the situation when the acquirer doesn't have the approval of the target board of directors.

also get psychic revenue from being "the Big Cheese" in addition to this monetary payment (Gaughan, 2018).

1.2 The players of an M&A transaction

1.2.1 The Bidder and the Target

There is no M&A transaction without a bidder, i.e. the acquirer company, and a target, i.e. the company that will be acquired. Therefore, in cases of both an acquisition and a merger, there should be at least two companies involved.

Both the bidder and the target have several shareholders and several stakeholders, each of them bearing a different type of interest. Target shareholders seek for a good remuneration, while bidder shareholder seek for a future growth, as seen in the paragraphs before. At the same time, stakeholders, i.e. every subject that is either directly or indirectly impacted by a company's behavior, are involved: employees, creditors, suppliers, or even the society as a whole, must somehow be satisfied by the transaction.

The duty of conciliating the company's interests with both shareholders and stakeholders is beard by the board of directors (Zattoni, 2015). Concerning the target company board of directors, they will be the one to receive the offer from the bidder (Miller, 2008). They will have the power to either accept the offer or reject it, with all the consequences that this decision will trigger. For instance, in case of the offer rejection, the bidder might go hostile, i.e. without the approval of the target board.

In order for the board to take the best decision possible, a high number of other players are involved in the transaction.

1.2.2 Advisors

The first category of players is the one of the advisors, which are hired by both companies in order to conduct the due diligence, i.e. the care a reasonable person should take before entering into an agreement or a transaction with another party (Bruner, 2004).

Each advisor obviously has a different role, and their duties might change from the phase in which the transaction is, as well as the side for which the advisor is working for, either buy-side, with the bidder, or sell-side, with the target.

The main players between the advisors in an M&A transaction are the investment banking. This type of companies are in charge of managing the whole process, they are the orchestrator of the transaction. Investment banks analyze prospective buyers and sellers, offer advice on deal opportunities, initiate contact with a seller or bidder, assist in negotiations, assist with valuation, and offer help on deal structuring (DePamphilis, 2018).

Two other key advisors are lawyers and accountants. In an M&A process, lawyers assist in structuring the deal, assessing risk, negotiating financial and tax terms, and drafting relevant agreements. They also provide opinion letters and oversee due diligence. Accountants focus on financial due diligence, offer financial structuring advice, and determine optimal tax arrangements. They handle income tax, capital gains tax, sales tax, and sometimes gift and estate taxes, along with creating financial statements and conducting audits, ensuring compliance with accounting principles in acquired entities' books (DePamphilis, 2018).

There could also be other advisors involved in the M&A process, such as, for instance, Public Relations firms. These companies are frequently hired to make sure that a unified message is conveyed. These firms can be used in many ways, such as a mean of information for target shareholder, or a mean of propaganda to publicly criticize the management of the target company.

A more in depth analysis of the role of investment banks and advisors in an M&A deal will be provided in the next chapters.

1.2.3 Regulators

When talking about M&A deals, people always tend to forget how important authorities are. Every M&A deal must get the regulatory approval from, for instance, the antitrust.

An example of a recent deal that has been subject to a large scrutiny process by the authorities was the $75Bn deal for Microsoft to acquire Activision Blizzard (Financial Times, 2023h), in order to expand in the video-gaming market. The transaction was firstly blocked by the UK authorities "*over concerns it would stifle innovation in the nascent cloud gaming market*" (Financial Times, 2023f); the same UK authority then asked to modify the terms of the deal in order to make it fair for the competition. On October 13th, 2023, the deal was accepted by the authorities.

Another example is the failed acquisition by the French giant Safran SA of the Italian company Microtecnica. Safran planned a $1.8Bn offer to acquire the Italian subsidiary of the US based

company Collins Aerospace. However, the Italian government decided to exercise its *Golden Power*[4] to block the transaction, due to national security concerns (Financial Times, 2023a).

1.2.4 M&A Arbitrageurs

Merger arbitrage is an investment strategy that capitalizes on the difference between the target firm's stock price and the announced bid price during a takeover. When a bid is made, the target's stock typically trades at a discount due to the uncertainty of the deal's completion. Investors engaging in merger arbitrage buy the stock, expecting to profit from the spread if the deal is successful. Alternatively, some investors short the stock, anticipating that the merger will not be completed, and the target's share price will decline (DePamphilis, 2018).

Hedge fund managers often play the role of arbitrageurs, accumulating a significant percentage of the target stock to influence the takeover outcome. They may also approach institutional investors or leak information to the media to sell their shares to the highest bidder if competing offers emerge. In hostile takeover attempts, acquirers encourage hedge funds to buy target stock, aiming to gain control later by acquiring shares from these funds (DePamphilis, 2018).

Merger arbitrageurs contribute to market liquidity during transactions, providing liquidity for target shareholders looking to sell in cash-financed mergers. However, in share-for-share mergers, where arbs short the acquirer's shares, they can reduce liquidity and create downward pressure on the acquirer's stock price at the announcement, making it challenging for others to sell without losses. Despite potential risks, merger arbitrage is considered a profitable strategy (Mitchell et al., 2001).

1.3 M&A Process

An M&A transaction is an intense, time-consuming process with high stakes, usually spanning several months. As a result, in order to make sure that key goals are fulfilled and a positive outcome is obtained, the companies involved in the transaction usually engages the services of an investment bank and its group of skilled specialists (Pearl & Rosenbaum, 2009).

Analyzing the process of a transaction may be useful in order to understand the importance of these third parties, the advisor, and how they can influence the outcome of the process. As

[4] The expression “golden power” refers to the power granted to the Italian government to dictate specific conditions to the acquisition of participations, to veto the adoption of certain corporate resolutions and to oppose the acquisition of participations (Law-Decree March the 12th, 2012, n. 21, Italy)

previously mentioned, every actor in the transaction plays a different role based on the phase in which the transaction is. Moreover, it is also important to distinguish the two sides of the transaction: the sell-side, i.e. the target company, and the buy-side, i.e. the bidders.

1.3.1 Preparation Phase

The so called preparation phase will cover the first six weeks of the transaction.

Regarding the sell-side, once the decision to sell is made, the company will define its key objectives for the transaction. Then the so called kick-off meeting will take place, where seller and advisors meet for the first time. During this meeting all the different responsibilities are set and project timetable is defined. Moreover, an internal due diligence is done, analyzing financial and operating performance, in order to prepare an indicative valuation of the company. After the recognition of the potential investors and bidders, the company and the advisors draft the information memorandum, which is a key document for the sell-side: it is the first proper set of information a sell-side would give to a potential buyer. In the information memorandum, a financial sponsor will find all the useful information in order to decide whether to invest or not in the company. Another key document for the sell-side is the process letter, a list of the procedures that will be followed during the bidding process and a description of the concerns that a buyer must address before submitting an offer. The last steps of the sell-side preparation phase are the development of a marketing strategy, along with the draft of the teaser and the preparation of the Virtual Data Room (VDR), i.e. a private virtual environment such as a dropbox where sellers upload thousands of confidential documents (Bruner, 2004).

Concerning the buy-side, the preparation phase consists in several qualitative analysis, starting from screening the competitive environment. Once this is done, the bidder might consider a pre-emptive bid: if the acquisition is crucial for the bidder, he would want to write-off the competition and ensure to have exclusivity. Therefore early negotiations start with the seller. In order to be credible for a pre-emptive bid, the bidder must respect some requirements: firstly, pre-emptive bids are usually accepted when submitted by accredited investors; secondly, a comprehensive understanding of the target, its operations and its industry is necessary. From the bidder perspective, the pre-emptive bid must be considered only if the success of the transaction leads to a super advantageous market positioning. Along with considering a pre-emptive bid, the buy-side might also seek for partnerships. Suppose the target company operates through multiple businesses, with multiple branches, and the bidder is specifically interested in only one or two of them. In such cases, it could be beneficial to seek a partner who shares interest in the remaining businesses. This collaborative approach allows each party to focus on

and contribute to the aspects that align with their respective goals and expertise. Naturally, all these processes are usually done with the help of advisors, especially investment banks (Pearl & Rosenbaum, 2009).

1.3.2 Phase 1

The phase one, or first round, is the period of time between the receipt of the process letter and the receipt of the indicative offer by the bidders, and it usually lasts from four to six weeks. Generally, in phase one there will not be a direct interaction between buyers and sellers, but it will be a filtered interaction, through lawyers and other advisors.

The sell-side will start by approaching the potential bidders, by distributing the information memorandum and the process letter. The buy-side will review and analyze these documents, identify key due diligence items and assess a preliminary valuation range, in order to also understand the amount of financing that will be required for the transaction. Potential bidders will also have the possibility to set up short meetings with the target's management, and run Q&A sessions in order to prepare the offer. In the event that one or more parties express interest in purchasing the target company or its operations, they will typically sign a Non-Disclosure Agreement (NDA) to protect the target company's confidentiality and any sensitive information concerning its operations (Bruner, 2004).

At the end of the first round, the bidders will submit their offers. These offers will be non-binding, meaning that they will have the possibility to adjust it in case new circumstances arise. The sell-side will then analyze all the offers and make a shortlist, selecting only few of the offers. This shortlist is key, since the next phases will require the analysis of a great quantity of confidential information from the buyers.

1.3.3 Phase 2

Once the sell-side finalized the shortlist, only few potential buyers are left, and the phase two, or second round, of an M&A transaction can begin. First, the VDR is opened and all the legal documents are distributed, the main one being the phase two process letter. The buy side will analyze the documents inside the VDR, in order to conduct the due diligence[5]. Through the latter, the buy-side will have a complete and comprehensive view of the company; moreover, the due diligence will give material to the bidders for them to ask as many question as possible to the management of the target (Pearl & Rosenbaum, 2009).

[5] The sell-side usually provides the buy-side with the so called Vendor Due Diligence, which are reports done by external advisors that provide some insights of the company: it's basically a summary of all information provided in the data room.

A key moment in the second round are, therefore, the management presentations, i.e. extensive sessions during which the target management meticulously prepares themselves to respond to inquiries posed by the bidders. Once these presentations are done, the buy-side will confirm or refine its valuation range, in order to internally approve and then send the final binding offer. After this specific offer is sent, bidders will no longer be able to revise it, even if new circumstances are discovered.

The bids will then be received and analyzed by the target, and the final negotiations will start in order to remain with only one buyer. Once the buyer is selected, the Sales and Purchase Agreement (SPA) will be drafted: this is a legally binding contract that contains all the relevant information and conditions of the deal[6]. Once this contract is signed, the deal is announced. However, the transaction cannot be finalized until the authorities approve it. Once the deal is approved, the transaction can be completed (Bruner, 2004).

1.4 Valuation

When discussing about an M&A transaction, the valuation of the target company is a key activity. A business valuation is the process of determining the economic value, or intrinsic value, of a business, i.e. the price of a company based on the benefits that the acquirer can derive from it. The economic value should not be confused with market value. Market value is the price at which a good or service is sold and may differ from the economic worth that a certain person places on it. An example of the difference between the market value and economic value are market bubbles and market crashes: in the first situation price is higher than intrinsic value, since the high demand pushes up the price; in the second situation, the urge to sell the asset, so called "fire sale", leads to a decrease in price.

1.4.1 Intrinsic Valuation

In intrinsic valuation, an asset is valued based upon its intrinsic characteristics. The theoretical rationale behind it is that the value of an enterprise, at a given date, can be interpreted and represented by the cash flows it will or may produce in its future life, duly discounted to reflect time and the risk factor (Vulpiani, 2014). More precisely, the underlying principle of this approach is that the value of an organization, division, business, or group of assets (referred to as the "target"), can be derived by the present value of an entity's predicted "free cash flow"

[6] These conditions include: warranties, covenants, conditions to closing, termination provisions and break-up fees

(FCF). The estimated free cash flow (FCF) of a business is determined by a number of assumptions, such as sales growth rates, profit margins, capital expenditures, and net working capital (NWC) requirements, about its expected financial performance (Pearl & Rosenbaum, 2009).

The most used intrinsic valuation method is the Discounted Cash Flows (DCF). From a practical point of view, this financial method is expressed through the "Present Value" formula, i.e. the discounting of (expected) future cash flows produced by the company. The formula is expressed as follows:

$$PV = \sum_{t=1}^{n} \frac{E(CF_t)}{(1+r)^t}$$

Where:

- $E(CF_t)$ = expected cash flows at time t
- r = discount rate reflecting the time and risk factor of the estimated flows

The time lapse over which a DCF is computed is usually five years. After the five years, however, the company will still continue to live and create value. Therefore, a terminal value is used to capture the remaining value of the target beyond the projection period (Pearl & Rosenbaum, 2009).

To sum up, the key and necessary elements for a DCF are: the expected free cash flows of the company, the discount factor, and the residual value.

A cash flow is a monetary flow. Only those generated by the company's operating activities are considered, which is why we speak of Free Cash Flow from Operations (FCFO). They are calculated gross of financial expenses, as these would be part of the financial and non-operational management of the company. They are therefore unlevered cash flows. A proxy of the computation can be can be done as follows:

(+)	Sales and other operating revenues
(-)	Cost of Goods Sold and other operating expenses
=	**Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**
(-)	Depreciation and Amortization
=	**Earnings Before Interest and Taxes (EBIT)**
(-)	Taxes (at marginal tax rate)
=	**Net Operating Profit After Taxes (NOPAT)**
(+)	Depreciation and Amortization

(+/-)	Increase (-) or Decrease (+) in Net Working Capital
(+/-)	Capital Expenditures (-) or Capital Divestments (+)
=	**Free Cash Flow from Operations (FCFO)**

(table 1.1)

As previously mentioned, several assumptions will be made in order to compute free cash flows properly. These considerations will regard revenues and costs projection, by taking into account historical performances, the period length, management actions, and every other element that may be relevant in projecting firms' performances. Moreover, different scenarios are made, as well as sensitivity analysis in order to understand the strongest assumptions, and the most relevant to the projection (Pearl & Rosenbaum, 2009).

The second key element of a DCF is the discount factor. The discount rate represents the economic return required by the company's investors in terms of risk capital and debt capital. It is calculated on the basis of the Weighted Average Cost of Capital (WACC), which indicates the average cost of capital employed by the company. The basic idea is that if a party decides to make an investment, it must have a profitability at least equal to or greater than the cost of the raw materials used: if you get a value greater than the WACC, then you are in profit, and thus create value. WACC can be computed as follows:

$$WACC = \frac{E}{D+E} r_e + \frac{D}{D+E} r_d (1-t)$$

Where:

- E = Company's Equity
- D = Company's Debt
- r_d = cost of debt
- r_e = cost of equity
- t = marginal corporate tax rate

The cost of debt is not the contractual cost, but is the after-tax cost, which is why there is $r_d * (1-t)$ in the second term, i.e. the term of debt financing. This is because when one wants to find the taxable income, it has to be calculated after the payment of interest: thus the higher the taxes, the lower the taxable income (Vulpiani, 2014).

The last element of a DCF is the terminal value, i.e. the remaining value of the target beyond the projection period. It can be computed as a growing perpetuity, meaning that an infinite time

lapse is considered, and a free cash flows' growth rate "g" is computed. Through the use of the Gordon growth model, the terminal value formula is as follows:

$$Terminal\ Value = \sum_{t=N+1}^{\infty} \frac{F_t}{(1 + WACC)^t} \approx \frac{F}{WACC} \approx \frac{F \times (1 + g)}{(WACC - g)}$$

The sum of cash flows, WACC, growth rate and residual value[7] then allows the value of the company to be determined over the explicit forecast period. The total value of a company is then determined by adding the residual value to the discounted cash flows at time t when the valuation is made.

$$Enterprise\ Value = \sum_{t=1}^{N} \frac{F_t}{(1 + WACC)^t} + \frac{F_N \times (1 + g)}{(WACC - g)} \times \frac{1}{(1 + WACC)^N}$$

1.4.2 Relative Valuation

Valuing a company can be done in several ways, not only through intrinsic valuation. An alternative method is the relative valuation method. In relative valuation, the value of an asset is compared to the values assessed by the market for similar or comparable assets. The two relative valuation methods are the comparable companies method, called Comps, and the comparable transaction method, called Compaq.

Starting with Comps, the goal of this method is to obtain a set of multiples, which are a standardized estimation of the price. The first step is to select a universe of comparable companies based on industry, competitive conditions, company size, profit margin, growth perspectives and others. Once the set of companies is created, the necessary financial information must be obtained, on companies' financial statements or on analysts' websites. Based on this financial information, multiples can be computed, and once computed, they can be compared to a benchmark and then used to make a valuation of the target company. In order to compute the value of the company, the multiple can be multiplied by the company variable taken into account, such as, for instance, EBITDA or earnings per share (Pearl & Rosenbaum, 2009).

Multiples can be divided into asset-side multiples and equity-side multiples. Asset-side multiples relate the Enterprise Value (EV)[8] to a variable concerning the company's stakeholders. They are used more than equity-side multiples as they look at the company more

[7] The residual value is at time N, therefore it must be discounted at time 0 by dividing it by $(1+WACC)^N$

[8] Computed for simplicity as the difference between the operating capital value and the market value of financial debts

as a whole. The most used are EV/EBIT or EV/EBITDA, since they take into account the profitability of the company and its business model; others are EV/Sales, or even EV/FCF. Equity-side multiples, on the other hand relate a company's share price, positioned at the numerator, to a variable relating only to shareholders, positioned at the denominator. The main ones are Price-on-Earnings ratio (P/E) and Price-to-Book ratio (P/B): the first one may indicate if the shares are convenient, while the second expresses the company's ability to produce future profits as a function of its invested capital.

Comparable transaction methods consist of recognizing a value for the company equal to prices made in recent off-market transactions involving similar companies. These prices can be found in private negotiations for controlling interests in comparable companies. The valuation process of this method is almost identical to that followed in the multiples method, although the problems that arise during the collection and adjustment of prices are different, due to the different context in which they are formed. For instance, transactions in the same sector may occur in a different market condition (Vulpiani, 2014).

The advantages of this method is that it is useful, since multiples can be robust tools that provide useful information about relative value, it is simple, considering the ease of calculation and wide availability of data make multiples an appealing method for assessing value, and it is relevant, since multiples are based on key statistics that investors use. The major drawdowns of these methods is that they are simplistic, as they combine many value drivers into a point estimate, and it is difficult to disaggregate the effect of different value drivers; relative valuation methods are also static, considering multiples measure value at a single point in time and do not fully capture the dynamic nature of business and competition; and lastly multiples are difficult to compare, since they differ for many reasons, not all relating to true differences in value. This can result in misleading “apples-to-oranges” comparisons among multiples. Therefore, in order to make a sound relative valuation, the key word is “consistency”: don’t compare, for instance, flow measures, such as FCF, with stock measures, such as Equity book value (Damodaran, 2012).

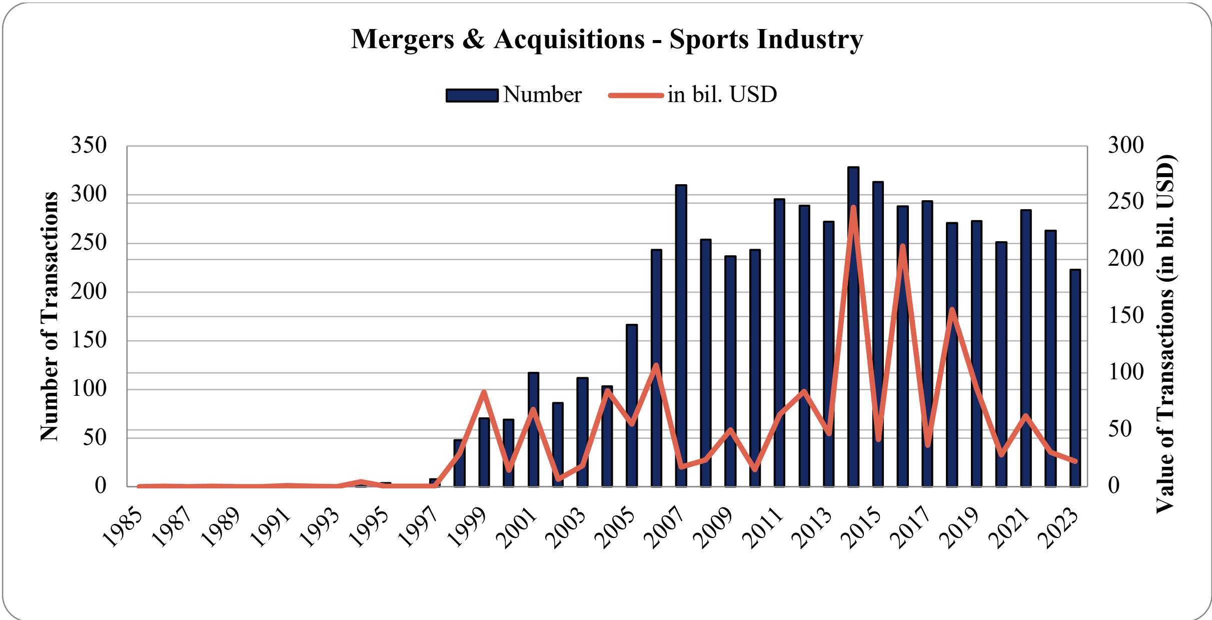
1.5 M&A Transactions in the sport sector

Let’s now dive into one of the most interesting sectors in the world’s economy, sports. This industry is no different from others when it comes to the transformative power of mergers and

acquisitions in the larger framework of corporate strategies. But how did this sector do compared to the others?

Looking at broader view, comprehensive of all sectors, in 2023 global M&A had the worst year in a decade (Financial Times, 2023e). Deal-making sank below $3Tn, because of high interest rates and significant geopolitical tension. Only few remarkable deals, such as ExxonMobil acquisition of Japanese peer Pioneer (Financial Times, 2023g).

In line with the bleak horizon of M&A, also for the sport industry it has been a rough year, the worst since 2005 in terms of number of transactions and since 2011 in terms of value: only a total of 223 deals for an overall value of $22.6Bn, as depicted in the graph below.



(Graph 1.1, Institute for Mergers, Acquisitions & Alliances, 2024a)

However, there have still been some noteworthy deals of 2023 have been. The main one is the purchase of the National Football League team Washington Commanders for $6.05Bn by the American investor Josh Harris (ESPN, 2023). Other important deals were the acquisition by the American billionaire Mat Ishiba of the NBA teams Phoenix Suns and Phoenix Mercury (New York Times, 2023), for a total of $4Bn, and the purchase of the National Hockey League team Ottawa Senators for $950Bn by the Canadian billionaire Michael Andlauer (CBS, 2023).

Taking a closer look at these and other deals, a common factor can be grasped. M&A transaction in the sport sector are mainly focused on the so called premium assets, i.e. assets that differentiate themselves in terms of maturity, quality of infrastructure, overall commercial value, and risk profile relative to less attractive peer assets (Deloitte, 2022). Historically,

investments in the sport sector were driven by the "trophy-asset" rationale, which relies on the fact that wealthy individuals' investments were usually driven by their interest as fans. However, a new pool of investors, such as Private Equities, has emerged in recent years, drawn to the industry mainly by the alluring risk-adjusted returns that are available, precisely by these aforementioned premium assets. Due to their scarcity, these assets offer compelling value appreciation fundamentals and stable, contractual cash flows from broadcasting and commercial agreements, highly predictable ticketing revenue, high barriers to entry, resilience to macroeconomic downturns and periods of high inflation, strong profit margins, and high barriers to entry (Deloitte, 2022).

Growth prospects are offered to investors by the portfolio approach across a variety of connected but distinct sports assets. When done well, these portfolios are often built across a variety of sports and geographical areas, which has shown to be beneficial. This strategy can de-risk the portfolio, increase diversification, and create operational and business synergies. Portfolios can cover a single sport in several different regions, such as football teams in Europe, North and South America, and Asia; or they can cover several sports in different regions, such as ice hockey in North America and football in Europe (Deloitte, 2022).

What's next for M&A in sport sector? Analyst expect a broadening of the aforementioned portfolio approach, finding new sports and geography. An evolution might be the found in the women's sport sector, since it could provide attractive returns considering its growing fan base (Deloitte, 2022). In terms of size and volume, deal-making in the sport sector might increase in 2024. Analysts are expecting an upward trajectory of the M&A market, mainly driven by three factors: first, the financial markets have recently improved due to slowing inflation and anticipated interest rate reductions; second, there is a pent-up demand for, and supply of, deals; and third, many companies are under a pressing strategic need to change their business models, which is fundamental to deal-making (PwC, 2024).

M&A in the sport sector is for sure an interesting topic, and for the recent trends explained above, a financial sponsor might need the help of specific advisors. As mentioned during the course of the chapter every deal needs its advisors, and so it is for the sport industry.

The next chapter will delve into the figure of the advisors, how important their role is in a transaction, and how much of a determinant variable they can be in a deal.

Chapter 2 - Advisors and M&A Activity: How Important Are They?

2.1 Introduction to M&A Advisors: Duty and Goals

During the course of the first chapter, the main players of an M&A transaction have been presented. The target company and the bidders alone can't ensure an efficient and successful deal completion, given the amount of time and workload that the transaction require. This is why a relevant part of the deal completion is attributable to the advisors, the main ones being the investment banks. For simplicity, the two will be used as synonyms during the course of the dissertation.

Investment banks' base their remuneration mainly on fees obtained from advising deals (Liaw, 2012). As mentioned in the first chapter, 2023 has been a rough year for M&A, and M&A fees fell drastically compared to the past. They went from a total of $39Bn in 2022, to a total of $28Bn in 2023 (Financial Times, 2024).

However, despite the fall, numbers are still great. But why advisors remuneration is that high? What types of services they provide, and how can they influence the deals outcome?

Overall, M&A advisors assist in strategic decision-making before and throughout the negotiation process. They provide guidance on deal structuring, valuation, and overall deal strategy to optimize outcomes for the acquirer and the target company (Kumar et al., 2023). All the actions and services provided by investment banks and advisors are interconnected with each other, and converge into the same common goal: closing the deal and getting the best solution possible for all the parties involved.

2.1.1 Strategic and Financial Advice

Investment banks provide strategic advice as a crucial part of their involvement in M&A transactions (Chaudhry et al., 2021), and firms do learn from their relationships with these banks (Pathak & Chiu, 2020; Sleptsov et al., 2013). Managers are prone to rely more heavily on investment banks' advise since they are aware of their lack of experience (Bonaccio & Dalal, 2006; Harvey & Fischer, 1997; Sniezek et al., 2004). On the other hand, firm managers who lack access to sound counsel can navigate the transaction process in a less efficient manner, which would reduce the transaction performance of the company (Chiu et al., 2022).

The primary focus of advisors' strategic guidance is ensuring that the interests of the companies' shareholders are met in the transaction. On the sell-side, shareholders of the target company want a higher remuneration (Pearl & Rosenbaum, 2009), while the shareholders of the bidders seek for future remuneration. Reason why managers of the buy-side hire advisors, whose duty is to provide financial and strategic opinions in order to convince shareholders voting on a merger or acquisition proposal (Ouyang, 2015). The larger the deal, the better would be to have a fair financial advice, since studies showed that acquirers usually pay less for a transaction when they obtain a sound guide from investment banks, considering their expertise (Kisgen et al., 2009).

The strategic advice from investment banks doesn't only sum up as a valuation of the target, but is also aimed at reducing competition from other potential bidders, along with increasing acquirers' bidding advantage, and shaping the dynamics of M&A transactions. They provide strategic guidance to their clients, influencing their decision-making processes and enhancing their competitive position in the market for corporate control (Chang et al., 2016). Moreover, advisors can provide strategic guidance on how to maximize deal outcomes by utilizing ownership dynamics. They can offer information on possible synergies, value creation opportunities, and the strategic implications of ownership arrangements that support the acquirer's goals and raise the deal's total worth (Kumar et al., 2023). Advisors may also provide strategic advice regarding, for instance, the size, internal and external communication around each transaction, and the structure and timing of deals for their corporate clients (Kale et al., 2003; Sleptsov et al., 2013).

2.1.2 Due Diligence

As mentioned many times, a key step in a deal is the due diligence. M&A advisors provide support in conducting financial and legal due diligence, helping in evaluating the financial aspects of the deal, assessing risks, and ensuring compliance with legal requirements (Kumar et al., 2023). This activity also reduce the probability of a bad deal, evaluate synergies, and speed up the transaction process (Chuang, 2017).

The buy-side advisors will have to conduct a different due diligence than the one conducted by the target. The due diligence is the main risk management tool that the bidder have when conducting an acquisition. During the process, investment banks will guide the bidders in adopting an investor mentality, looking at the risk-return trade-off, along with adopting a broader scope, in order to avoid any undesired surprises or costly mistakes (Bruner, 2004). By conducting comprehensive risk assessments and developing risk mitigation strategies, advisors

can safeguard the interests of the acquirer and ensure a smoother negotiation process leading to successful deal completion (Kumar et al., 2023).

For what concerns the sell-side, a different due diligence is required: this process concerns all actions and activities related to a good valuation of the company or the asset that will be sold, i.e. having a price certification (Bruner, 2004). However, several variables must be taken into consideration, but one in particular: poor financial performance, which is also a major problems that M&A actions are often aimed at resolving (Brauer, 2006). When a company is struggling in terms of performance, its market value may shift from its actual intrinsic value, which could lead to a more challenging research of a suitable buyer (Chiu et al., 2022). In this situation, investment banks' network and client base from various market segments may help in increasing transaction visibility and finding potential buyers. Furthermore, high-status financial advisors are selective about the firms they partner with due to their market presence and influence; hence, their support of a specific client firm is implicit (Reuer et al., 2012). This kind of recommendation could be especially helpful to underperforming companies that are probably going to have trouble finding purchasers, since high-status adviser price certification for impending asset divestitures usually has more weight in the market (Kisgen et al., 2009).

In conclusion, advisors are key for a company in reaching the final goals of due diligence, which are a fair valuation and a sound risk management: through them, both sell-side and buy-side will be able to align shareholders' and stakeholders' interests.

2.1.3 Information Role

Information asymmetry between the merging firms is a common characteristic of M&A. Accordingly, various features of the deal, including the premium paid and cumulative abnormal returns around the announcement date, may be impacted by the information that is transmitted and exchanged between deal participants (Finnerty et al., 2012).

Therefore, another key goal for advisors is the reduction of the information asymmetry between all the players involved in the deal, leveraging their expertise to identify suitable merger partners and navigate the intricate landscape of M&A deals (Ouyang, 2015). Acting as information intermediaries, they contribute significantly to enhancing firms' understanding of the restructuring process, providing valuable insights, suggestions, and abstract models (Chiu et al., 2022).

Within the expansive market for corporate control, investment banks and advisors play a critical role in generating and processing essential information. This involves evaluating merging

firms, offering technical and tactical assistance to merger rivals, and gaining access to insider information about both acquiring and target firms (Chang et al., 2016). The type of information an investment bank usually get spans from growth opportunities to profit margins, along with customer and supplier relationships, as well as contingent liabilities.

An important aspect of the information role of M&A advisors rely on their activity of actively contributing to reduce information asymmetry between the acquirer and the target company throughout the negotiation process (Kumar et al., 2023). Beyond serving as simple information channels, advisors also play a crucial role in building trust between the parties involved in the M&A deal. Their efforts are centered around establishing positive relationships, fostering transparency, and enhancing communication, all of which are fundamental elements for facilitating a successful transaction (Kumar et al., 2023).

The information role is, therefore, a key highlight of how important advisors are for successfully navigating the M&A transaction difficulties and for assuring the success of strategic company undertakings.

2.1.4 Negotiator role

It is now clear how advisors serve as instrumental architects in navigating and overcoming the complexities of mergers and acquisitions, contributing to the success of the transactions. Their versatile roles encompass managing complexity, facilitating the deal, and negotiating for optimal shareholder value. In their pursuit of value maximization, advisors actively engage in bargaining for better terms, striving to secure deals that maximize benefits for all stakeholders involved. This means that even for the buy-side advisors the aim is to negotiate not only favorable terms for their clients but also better value for the shareholders of the target company (Kumar et al., 2023). Collaboration and trust are the keystones of successful negotiation. For talks to be fruitful, building a good relationship with the other person is essential (Hearn, 2023).

In order to maximize shareholder value, advisors clearly strive to find the best deal possible. For the buy-side this means influencing deal premiums, synergies, announcement returns, and overall deal performance, ensuring that clients realize both financial gains and strategic positioning, while for the sell-side would mean great remuneration (Chang et al., 2016). Negotiation dynamics play, therefore, a crucial role in the advisory process, as advisors provide strategic guidance, tailoring negotiation strategies to optimize the bargaining power of both the acquirer and the target company (Kumar et al., 2023).

In cases where M&A deals take on a hostile nature, advisors step into the strategic realm, managing decisions related to an even more complicated transaction environment, considering that the target company has no intention in selling their assets. Advisors' expertise becomes crucial in navigating through these challenging negotiations, ensuring a favorable outcome in the face of hostility (Kumar et al., 2023).

It is therefore clear how M&A advisors emerge as indispensable orchestrators, balancing strategic negotiations, mitigating complexities, and ultimately contributing to the success of transformative corporate transactions.

2.2 Role of the advisors in each stage of the M&A process

As previously mentioned in the first chapter, the role of an advisor varies according to the stage of the process the deal is at, in addition to the side the advisor works for, either sell-side or buy-side.

2.2.1 Investment Banks

Starting from the sell-side, during the internal preparation phase, the investment bank covers several duties. First the design of sale process: understanding the timing, which asset to sell and the reasons behind the sale, understand the buyers, how many are they and which type of buyers they are, understand the potential length of the process, analyze potential alternatives, or even analyze the impacts of the potential failure of the process (Miller, 2008). The second duty is, once again, the due diligence, mainly through the self-evaluation of financial and operating performance. Moreover they also coordinate all the work streams between the company and the other advisors, such as accountants, lawyers, or others, maintaining a detailed timetable and hosting regular team update calls (Bruner, 2004). Investment banks then prepare an indicative valuation of the company; along with it they also produce the Teaser and the Information Memorandum, then presented to the potential acquirers. For what concerns the external execution phase, investment banks deliver the initial marketing and facilitate negotiation of the Confidentiality Agreements. Moreover, they lead the coordination of buyers' due diligence schedule and requirements with the company and the other advisors, as well as maintaining the calendar, being the main point of contact for the process, and keeping the management informed. Since investment banks are the first point of contact for negotiations, they also have the important duty regarding the evaluation of the indicative and binding offers (Pearl & Rosenbaum, 2009).

For what concerns the buy-side, during the preparation phase the investment banks main goal concerns helping the bidder in a deep analysis of the competitive landscape, which could lead to a possible formulation of a pre-emptive bid, as mentioned in the first chapter. Moving on with the process, investment banks will always be in charge of the overall co-ordination of the transaction, along with being the main point of contact for the process. As mentioned before, the investment banks will also conduct the due diligence and make sure no costly mistakes arise after the binding offer has been sent. In addition to it, the bank will assist the acquirer in conducting detailed valuation analysis of the target based on the information obtained during due diligence, as well as conduct all other relevant financial analysis to ensure a sound valuation. Further tasks an investment bank must fulfill are: evaluing the financing structure of the transaction[9]; developing negotiation strategy and be the interface for negotiations with seller; working with lawyers to review contractual documentation (Miller, 2008).

2.2.2 Lawyers

In the context of sell-side advisory services, lawyers play a very important role (Reddy et al., 2016). This involves conducting a thorough company due diligence, including a detailed legal review of key documents, leading to the preparation of a legal due diligence report. Lawyers analyze suitable transaction structures, draft essential legal agreements such as the Sale and Purchase Agreement (SPA) and Confidentiality Agreement (CA), and actively negotiate CAs with potential buyers (Krishnan & Laux, 2008). Due diligence meetings are held with prospective buyers, and legal advisors play a crucial role in reviewing and drafting key transaction process documents and data room rules. Furthermore, they actively participate in contract negotiations and engage in potential discussions with regulators to navigate regulatory requirements effectively (Bruner, 2004).

On the buy side, lawyers activity begins with negotiating Non-Disclosure Agreements (NDAs) with the seller. They then review legal due diligence reports and key legal documents, analyzing appropriate transaction structures. Active participation in the target's due diligence and Q&A sessions is paramount. The buy-side legal advisory team conducts anti-trust analysis, engaging in contract negotiations and marking up draft sale agreements (Bates & Lemmon, 2003). Additionally, they may draft management term sheets or agreements when appropriate and review financing agreements if applicable. Buy-side legal advisors play a significant role in

[9] A transaction may be finalized using cash, stocks or both. In case of a cash acquisition, the transaction may be financed, in part, through debt. Since there are several types of debt, each of them carrying a different risk and cost, it is key to study the amount to be used.

potential discussions with regulators, ensuring compliance with regulatory requirements. Post-signing, they are involved in the preparation and submission of anti-trust filings, completing a comprehensive suite of services to facilitate successful acquisitions (Miller, 2008).

2.2.3 Accountants

In the sell-side advisory process, accountants undertake a meticulous approach to ensure a comprehensive financial foundation for the transaction. This involves a detailed review of historical and forecast financial information, with a focus on assisting management in preparing financial data for the data room. Accountants may prepare a "draft" Vendor Due Diligence (VDD) report if required, analyzing tax implications of potential transaction structures and assessing regulatory changes. Active participation in selected Q&A sessions, particularly those related to financial and tax matters, is integral. Accountants further assist management and legal teams in preparing schedules to the Sale and Purchase Agreement (SPA), if necessary. Post-transaction, they may be involved in preparing pre- and post-closing financial statements, providing a "final" VDD report to the ultimate buyer if applicable, and ensuring a robust financial framework for successful divestitures.

On the buy side, the focus shifts to a comprehensive review of vendor due diligence reports and the initiation of accounting, tax, and financial due diligence, encompassing both historical and forecast financial information. Participation in due diligence and selected Q&A sessions with the target is crucial for obtaining a thorough understanding of the financial landscape. Accountants play a pivotal role in analyzing tax implications related to potential transaction structures and assessing net debt and debt-like adjustments to Enterprise Value. Additionally, they collaborate with the seller's advisors in marking up schedules to the Sale and Purchase Agreement and contribute to the preparation of pre and post-closing financial statements if required. This comprehensive approach ensures a well-informed and strategic financial perspective for effective decision-making on the buy side.

2.3 The importance of advisors' reputation and status

No two deals are ever alike, let alone hundreds. This is why it might be useful to collaborate with a group of people who have been in the M&A world for a while, with an extensive and successful M&A experience (Jung, 2023). Therefore, one of the most prominent attributes of financial advisors is their market status (Ma, 2013).

High-status advisors play a crucial role in bringing in their complementary resources and capabilities related to transaction tasks and expert knowledge about the external market to their clients (Chiu et al., 2022). Moreover, in capacity of their role as information intermediaries they use their network to gather data on industry dynamics and provide market players with data regarding deal features: this will lead to a lower information asymmetry between the buy-side and the sell-side, along with more accurate valuation and synergistic gains (Bajo et al., 2016; Chaudhry et al., 2021; Chemmanur & Fulghieri, 1994). The high status of an investment bank in the course of an M&A deal can have an impact on the clients firms' mechanisms, both internally and externally (Chiu et al., 2022).

2.3.1 External impact of advisor's status

Externally, high-status investment banks draw on their broad network and experience in constructing and valuing a variety of acquisition and divestiture transactions across industries to offer market-specific advantages to their client firms (Bowers & Miller, 1990; Kale et al., 2003; Ma, 2013).

Firstly, the transaction will be more visible, since the big name of the bank will serve as a guarantee for potential bidders and will therefore attract a large number of investors, thus increasing the likelihood of a higher premium for the assets to be sold (Chiu et al., 2022). Secondly, the experience and the extensive knowledge of the investment bank will ensure a fair and credible valuation, certifying, therefore, the transaction viability (Chemmanur & Fulghieri, 1994). Third, high-status investment banks possess "matchmaking" prowess, i.e. the ability to identify synergies between the target unit and the acquiring firm to negotiate a better offer from potential acquirers, increasing total wealth gains as well as the probability of completing transactions (Bowers & Miller, 1990; Ma, 2013; Rau, 2000).

2.3.2 Internal impact of advisor's status

In terms of internal organization, a top-tier advisor helps the client firm's restructuring strategy and process overall. High-status investment banks can assist restructuring firms in understanding how each of their businesses creates long-term value by drawing on their experience with a wide range of business volumes and types. They can also use key metrics to create a strategic plan for the restructuring that identifies the assets to be sold as well as the best time and method to sell them (Garruto et al., 2021; Hsu et al., 2021).

As a result, the client firm is more effective for the main transaction as well as for any subsequent asset sales that are a part of the divestiture program (Chiu et al., 2022). Furthermore,

managers would be able to design the firm's future state by reallocating resources, reassessing goals, and altering the organization's structure with the support of the investment bank's significant knowledge (Pathak & Chiu, 2020). A methodical approach like this is probably going to lessen the pain associated with divestiture transactions, for example, which will enhance the market's view of the main transaction and ease the transition through the sequence of divestitures that comprise the program. Lastly, because people typically equate status with competence, managers of the client company are more inclined to believe the advice of a high-status investment bank (Brambilla et al., 2010), and act, therefore, on advice from a source they consider to be competent (Bonaccio & Dalal, 2006; Schilbach et al., 2013).

2.4 Advisors' impact: some case studies

After discussing about advisors' role in an M&A transaction, it might be useful to analyze more in depth their actual impact.

Hence, some case studies will be presented, discussed and analyzed, highlighting some of the parameters where advisors are supposed to have an impact. This will allow conclusions to be drawn on how advisors have impacted past deals.

2.4.1 Information advantage

During the course of the chapter, it has been established how important advisors are in reducing information asymmetry between the companies involved in a deal.

The study at hand (Chang et al., 2016) analyzes a specific situation, which is the case when acquirers hire investment banks that had a prior relationship with the target[10]. The aim of the study is to examine the consequences of acquirers hiring targets' ex-advisors by examining the premium paid by the acquirer to the target and the announcement returns. It is among the first studies to analyze such situation. The proposed hypothesis is the "information advantage hypothesis", which states:

> "*Acquirers can take advantage of value-relevant information about target firms through hiring targets' ex-advisors*" (Chang et al., 2016)

[10] It is important to note that this practice might seem illegal, but there is no specific law or regulation on the matter. However, if the service provision is perceived as creating a channel for potentially transmitting firm-sensitive information, it may negatively affect advisors' reputation in the market and even lead to litigation. Therefore, target's ex-advisors may not always agree to advise the proposed transaction.

The above statement is conceived on the basis that M&A advisory teams acquire valuable client information through research and analysis. Retaining and organizing this information enables its transferability and reuse in subsequent deals. Hiring ex-advisors of potential targets allows acquiring firms to cost-effectively access crucial information, leading to a better understanding of target value and more accurate synergy estimates. This enhanced information advantage benefits acquirers in valuations, competition reduction, and negotiations, providing a strategic edge (Cain & Denis, 2013).

In order to assess the validity of the hypothesis, 3,251 M&A transactions between 1985 and 2008 were analyzed, among which 760 targets have ex-advisors from past M&A transactions. Acquirers hire targets' ex-advisors in 73 deals, which account for 9.6% of 760 deals in which target firms have ex-advisors and 2.2% of all deals (3,251). Although, the 73 deals that involve acquirers hiring targets' ex-advisors only account for 2.2% of all deals, they represent for 9.5% of total deal value. In other words, those deals are indeed larger than a typical deal (Chang et al., 2016).

The study documented that takeover premium is negatively related to acquirers' decision to hire targets' ex-advisors. The coefficient indicates that hiring targets' ex-advisors lowers the premium paid to targets by 0.06, which is about 20% of the average premium (0.31) across all transactions in the sample. This outcome supports the theory that acquirers are less motivated to give a larger premium to stave off competition since they have a competitive advantage from recruiting targets' former advisors. Additionally, by hiring the former advisers of targets, acquirers can lower the risk of overpaying by improving their estimation of the target firms' value (Chang et al., 2016).

Another key finding of the study is that, during the course of the transaction process, that rival bidders are less likely to materialize if acquirers hire targets' former advisors: hiring targets' ex-advisors can reduce the likelihood of having competing bidders by 3% (Chang et al., 2016).

In conclusion, employing the targets' former advisors gives acquirers a better idea of the targets' actual worth and facilitates finding synergistic opportunities. Additionally, these acquirers face less competition from outside, inexperienced bidders who might be wary of falling victim to the winner's curse. Both the likelihood of competing bids, as well as the number of competing bidders is reduced when the targets' ex-advisors are hired by acquirers.

2.4.2 Market reaction

As mentioned in the first chapter, companies may use M&A to expand their activity into businesses that are unrelated to the core activity. This could lead to an increased customer reach and, therefore, potentially increasing revenues. However, a highly diversified company may not always be able to survive in the long run, and might incur in low profitability. Hence, the company might use M&A to downsize itself: this is the situation of the so called corporate divestitures, i.e. the partial or the total sale of a business unit[11]. Firms with high levels of product diversification, especially those that expand into more unrelated areas, have a greater propensity to lose their strategic focus and thus may use asset divestiture as a strategic means to refocus their product portfolio (Brauer, 2006; Markides, 1992). Divestment activities for underperforming companies not only facilitate capital access but also signal a desire to break from previous tactics and lessen their association with problematic business divisions (Shimizu, 2007).

In these situations, as previously analyzed, high-status advisors might play an important role, especially on what concerns the market reaction to the transaction. The goal is, undoubtably, to make the market positively react to the divestiture. The study at hand (Chiu et al., 2022) examines the financial and strategic implications of top-tier banks' involvement in divestiture transactions, mainly focusing on market reaction to the focal divestiture announcement, along the magnitude of total divestiture activities. The thesis states that when top-tier advisors are involved in these types of affairs, they have the potential to shape not only the focal transaction but also the firm's subsequent divestiture strategy.

The study formulates two hypothesis. Hypothesis 1 states:

> "*Firms with a more unrelated diversification portfolio are associated with better market reaction to the focal divestiture when they engage a high-status advisor than when they engage a low-status advisor*" (Chiu et al., 2022)

This hypothesis is born from the fact that diversified firms are frequently undervalued due to the information asymmetry between the various sectors, they may not possess a strong reputation in these sectors (Bergh et al., 2008; Feldman et al., 2014; Litov et al., 2012). As

[11] A corporate divestiture refers not only to the sale, but more broadly it refers to the disposal of a business unit, which may also happen in cases of bankruptcy, exchange, or closures. For simplicity, in this dissertation divestures will only refer to the "sale aspect" of disposal.

mentioned before, the association with a high-status investment bank might be helpful in terms of valuation.

The Hypothesis 2 states:

> "*Firms with weak financial performance are associated with better market reaction to the focal divestiture when they engage a high-status advisor than when they engage a low-status advisor*" (Chiu et al., 2022)

Again, underperforming client firms are likely to have higher levels of confidence and competence trust from high-status financial advisors, who can also assist these firms in better presenting themselves to potential purchasers in the restructuring market.

In order to assess the validity of these two hypothesis, the study at hand analyzed 1,600 divestitures transactions from 1986 to 2018, therefore covering both periods of recession and economic growth. The variable used to analyze the market reaction is the cumulative abnormal return (CAR), i.e. the difference between the expected return and the actual return[12].

Concerning the effect of unrelated product diversification on the relationship between advisor status and market reaction (CAR), the study shows a non-significant coefficient for the interaction term (Chiu et al., 2022). Hence, when divesting companies are characterized by unrelated product diversification, high-status advisors don't produce any value added in terms of market reaction to the divestiture. Therefore, Hypothesis 1 is not supported.

However, the study at hand also shows that when companies are underperforming and initiate a divestiture, the coefficient of interaction term between firm performance severity and advisor status is positive: as firm performance severity increases, engaging a high-status advisor would lead to a stronger market return. By contrast, using a low-status advisor appeared to have little or no impact on CAR regardless of firm performance. Based on these results, Hypothesis 2 receives support.

To conclude, in terms of positive market reaction to the divestiture, high-status advisors appear to be useful to divesting companies when their performance is poor. On the other hand, top-tier advisors don't produce any value added in terms of market reaction when divesting companies are characterized by unrelated product diversification.

[12] CAR reflects investors' assessment of the divestiture activity; a positive CAR value indicates that investors expect an increase in the aggregate value of divesting firms following the transaction (Krishnaswami & Subramaniam, 1999). The divesting firm's CAR was estimated based on a period of 200 days (-250 to -50) before the focal divestiture announcement and a 3-day window (one day before to one day after) surrounding the announcement date.

2.4.3 Shareholder voting

Through the course of the dissertation, it has been established that once a company decides to enact an M&A transaction, one of the goals is to maximize shareholder value. However, advisors' fee-based remuneration can sometimes be contingent upon deal completion. As a result, financial advisors have the incentive to provide opinions that increase the likelihood of deal completion rather than maximize shareholder wealth (Kolasinski & Kothari, 2008; McLaughlin, 1990; Rau, 2000). Hence, a conflict of interest might occur. In one case, if shareholders can ascertain the value of a merger and vote on its merit, the advisory opinions will have little impact on how shareholders vote: therefore, the conflict of interest would be insignificant. On the other hand, if the advisory opinions have the potential to significantly influence shareholders' assessment of a merger proposal and, consequently, their voting decisions, then shareholder wealth may be affected by the conflict of interest.

The study at hand (Ouyang, 2015) aims to explore how the recommendations and opinions provided by advisors, particularly in terms of valuation and fairness assessments, influence acquirer shareholders' voting behavior and decision-making process. Three hypothesis are formulated. Hypothesis 1 refers to the "passive listener hypothesis", and states:

> "*Because of financial advisors' expertise in advising merger transactions, acquirer shareholders value the advisory services and are more likely vote for a deal when financial advisors issue optimistic opinions*" (Ouyang, 2015)

Hypothesis 2, on the other hand, refers to the "active listener hypothesis", that states:

> "*Acquirer shareholders discern the different incentives and information content in opinions issued by financial advisors and listen only to less biased and more informative opinions from target advisors*" (Ouyang, 2015)

There is also a Hypothesis 3, the "uninterested listener hypothesis", that sits in the middle, and states:

> "*Acquirer shareholders recognize financial advisors' conflicts of interest in providing distorted opinions and therefore disregard advisory opinions when voting for a merger proposal*" (Ouyang, 2015)

In order to understand which hypothesis is valid, the study analyzed a sample of 34,468 merger deals during the period from 2000 to 2006. The findings demonstrate that acquirer shareholders pay attention to the advice of target advisers but ignore that of acquirer advisors. The approval

rate of the acquirer shareholder rises to 5.57% when target advisors supply Earning Per Share (EPS) estimates and 4.19% when they offer Enterprise Value (EV) estimation recommendations. Additionally, a one standard deviation increase in the target advisers' equity valuation results in a 3.70% increase in the acquirer shareholders' approval rate. However, there is inconsistent evidence that the opinions of their own advisors influence the voting decisions of acquirer shareholders. These findings are consistent with the active listener hypothesis, which holds that acquirer shareholders seem to take target advisers' advice into consideration (Ouyang, 2015).

The main conclusion is that acquiring shareholders do not appear to modify their voting choices in response to the conflicts of interest expressed by their own financial advisors. These findings apply to long-term earnings estimates as well as target equity valuation. Nonetheless, it seems that acquirer shareholders pay attention to the target financial advisors' advice. The active listener hypothesis is supported by these findings, which show that acquirer shareholders are more likely to weigh less extreme optimism when casting their votes (Ouyang, 2015).

To make it simple, the bidder's shareholders listen little to the investment bank they hired, but listen more to the sell-side advisors. Consequently, whether buy-side or sell-side, the advisors apparently have the ability to persuade the shareholders, and thus to complete deals.

2.4.4 Negotiation and deal completion

As mentioned previously during the course of the chapter, in an M&A transaction investment banks and other advisors such as lawyers are essential because they act as coordinators, helping to successfully navigate the complexities of the deals. They fulfill a variety of duties, and one of them is negotiating for the best interests of shareholders, therefore facilitating transactions, and managing complexity. By influencing deal criteria and customizing strategies for both the buy-side and sell-side, advisors seek to maximize shareholder value while addressing financial gains and strategic positioning. Their proficiency in handling intricate negotiations and achieving positive results in adversarial situations underscores their important function in revolutionary business deals.

The study at hand (Kumar et al., 2023) aims to investigate the attributes of the M&A process that influence deal outcomes, particularly focusing on the impact of negotiations, ownership considerations, and advisor roles. By analyzing the negotiation period and transaction-specific factors, the research seeks to understand how these elements affect the likelihood of completing

M&A deals. The study aims to shed light on the dynamic nature of the negotiation process and its implications for deal closure.

Many hypothesis have been formulated. However, only two hypothesis will be taken into account for this analysis, since more relevant for the subject. Hypothesis 1 states:

> "*There is a negative relationship between the target share percentage sought and the completion probability of an unsolicited M&A transaction*" (Kumar et al., 2023)

M&A deals with a higher percentage of target shares have significant implications. Greater ownership enhances acquirer control, reduces opportunistic behavior, and may lead to management changes. Accelerating these deals may face resistance from target management. Larger stake acquisitions can trigger CEO egoistic traits and alter industry structures, prompting careful scrutiny from competition commissions. Studies show mixed results on the relationship between larger target share percentages and deal completion. In hostile environments, information asymmetry and distrust complicate conveying benefits to shareholders, potentially harming completion likelihood (Li et al., 2018; Aktas et al., 2016; Fuad and Gaur, 2019; Kim and Song, 2017).

Hypothesis 2 will be divided into 2 specular hypothesis, 2.1 and 2.2.

> H2.1: "*There is a positive relationship between the hiring of acquirer advisors (Financial and Legal) and the completion probability of an unsolicited M&A transaction*" (Kumar et al., 2023)

> H2.2: "*There is a negative relationship between the hiring of acquirer advisors (Financial and Legal) and the completion probability of an unsolicited M&A transaction*" (Kumar et al., 2023)

The above hypothesis 2.1 and 2.2 are formulated on the basis of previous studies. The impact of advisors on deal completion varies; popular financial advisors increase probabilities, while legal advisors play a crucial role in analyzing legal distances and competition laws (Hunter and Jagtiani, 2003; Malik et al., 2022; Reddy et al., 2016). The number and quality of advisors influence completion likelihood, with top law firms hired by acquirers increasing probabilities (Becher et al., 2015; Krishnan and Masulis, 2013; Hunter and Jagtiani, 2003). In complex deals, like hostile bids, advisors become more critical, and their objectives should align with hiring firms' goals. In unsolicited deals, target advisors may align with unfriendly management to thwart the deal (Hunter and Jagtiani, 2003).

To assess the validity of the 3 hypothesis, the study at hand (Kumar et al., 2023) utilizes a sample of 983 worldwide unsolicited M&A deals spanning from 1999 to 2019. This sample includes a diverse range of M&A transactions, allowing for a comprehensive analysis of the negotiation process and deal outcomes. By examining unsolicited deals, where pre-announcement contact between acquirer and target is minimal, the study aims to focus on the negotiation dynamics in a context with reduced complexities due to private negotiations.

Results of the study show that an ownership percentage sought increase leads to a decrease in the likelihood of deal completion, therefore accepting Hypothesis 1. As the ownership sought increases, the probability curves shift downwards, confirming the negative nature of the relationship between completion likelihood and ownership sought (Kumar et al., 2023).

The study also underlines how acquirer advisors are found to positively influence the completion probability of M&A transactions, suggesting that their expertise and guidance contribute to successful deal closures. Therefore Hypothesis 2.1 is accepted, while hypothesis 2.2 is rejected (Kumar et al., 2023).

To conclude, the above study is a confirmation about the importance of advisors in the negotiation process.

However, past studies have demonstrated different results especially in terms of ability in deal completion. Older scholars (Walter et al., 2006) have analyzed 15,422 transactions involving investment banks, dividing them into three tiers based on their market share between the years 1994 and 1996. The study revealed that top-tier advisors were involved, as was to be expected, in bigger and more complex deals[13], and that they generated higher fees[14], showing the existence of a quality premium in M&A advisory fees. On the other hand, third tier advisors are the most likely to complete a deal, with 91.84% success rate against 88.90%, and second tier advisors are the one who complete deals faster, with 100.55 days against the 102.04 days for third tier, and 116.22 days for top tier[15]. Another point in favor of lower tier advisors are future cumulated abnormal returns: the mean and median returns to targets who hire third tier advisers are always greater than those who hire first or second tier advisers.

[13] The mean (median) size of transactions that first tier acquirer advisers are associated with is $1357.29 million ($275.00 million), a much larger figure than the mean (median) value of $658.50 million ($131.82 million) for second tier advisers and $127.07 million ($36.98 million) for third tier advisers (Walter et al., 2006).

[14] The mean (median) value of acquirer advisory fees is $4.83 million ($2.38 million) for first tier advisers, $2.65 million ($1.00 million) for second tier advisers, and $0.77 million ($0.25 million) for third tier advisers. However, as a percentage of deal value, first tier advisers receive a lower level of fees, with a mean (median) of 0.91% (0.47%) as compared to 0.90% (0.58%) for second tier and 0.93% (0.52%) for third tier advisers (Walter et al., 2006).

[15] The number of days, however, may depend on the complexity of the deal. Therefore this metric must be taken with caution.

The above analysis is supported by further studies (Rau, 2000; McLaughlin, 1992), but, at the same time, previous scholars had opposite opinions (Bowers & Miller, 1990). It is therefore difficult to assess the real value added of top tier investment banks in terms of deal completion.

2.4.5 More advisors equals more value?

After understanding the key role of advisors, some may think that the more advisors a firm hires for a deal, the higher the value it will get in return. However, recent scholars proved the opposite (McCarthy & Noseleit, 2021).

The study at hand acknowledges the importance of reputation and deal timing, which are qualities discussed in this chapter, but also tries to analyze how the number of advisors involved in the transaction may impact the outcome of the deal, especially in terms of market reaction, and therefore in terms of abnormal returns.

The main hypothesis of the study states that:

> "*Single advisors will add more value than multiple advisors*" (McCarthy & Noseleit, 2021)

The above statement is built through the review of previous opinions and analyzes. Literature suggests that up to 80% of advisor fees are contingent on deal completion (McLaughlin, 1992), therefore advisors might have the deal-completion bias, already mentioned in the previous paragraphs. Thus, having many advisors may not only pressure acquirers to enter into needless transactions (Eccles & Crane, 1988) but also to finish those acquisitions no matter what (Rau, 2000; Allen et al., 2004). Moreover, each advisory team may work in isolation, where "everyone has his own area" and "does his own bit" in an acquisition. This leads to information asymmetry, increases transaction complexity, and makes it challenging to assign responsibility for particular elements of the final report to particular parties (McCarthy & Noseleit, 2021).

In order to assess the validity of the hypothesis, the study at hand analyzes 10,544 transactions in the US from 1990 to 2012. The findings of the study confirmed the suggestion that the market responds differently to M&A announcements based on the number of advisors involved. Deals with multiple advisors elicited a negative market reaction, indicating potential value destruction, while deals with a single advisor generated a positive market response, signaling value creation expectations. The study also revealed that the reputation of advisors plays a crucial role in moderating the market's reaction to M&A announcements. While a top-quality advisor can enhance deal outcomes, the impact of advisor reputation varies depending on the number of advisors engaged in the transaction.

Overall, the study underscored the importance of considering the number of advisors in M&A deals. It highlighted that while a single advisor can contribute to value creation and positive market reactions, the involvement of multiple advisors may lead to inefficiencies and a decrease in expected performance, emphasizing the "too many cooks spoil the broth" phenomenon.

2.5 Conclusions

The chapter was a journey in understanding the role of investment banks and advisors in an M&A transaction, and how these players could influence the outcome of these events.

The four main roles of advisors were: firstly a strategic and financial advice, through which investment banks provide expertise and specific knowledge to firms managers and shareholders, guaranteeing a better understanding of the implications, the intricacies and the outcomes of the deal; secondly, advisors serve as mediators, therefore covering an information role, through which they ensure a transparent and linear communication between the parties, so that all stakeholders are satisfied; third, a risk manager role, by conducting the due diligence in the most precise way possible, therefore finding all relevant information to provide the best services possible, as well as allowing companies to avoid any costly mistake; last but not least, the negotiation role, through which the investment banks and lawyers strive to conclude the deal in the best way possible for all parties, trying to guarantee higher abnormal returns. The chapter offered some case studies by scholars to understand in practice whether these services could provide a value added to the players involved.

The case studies brought mixed results. Regarding the information role, literature showed how this feature is always present in advisory services: in the specific case analyzed related to bidders hiring target ex-advisors, the latter could increase the acquirer's understanding of the targets' true value and make it easier to identify synergistic prospects. Furthermore, acquirers that hire the targets' former advisors are less likely to receive competitive bids, as well as fewer bidders overall (Chang et al., 2016).

Literature also showed how advisors could influence shareholder voting. More specifically, scholars analyzed how shareholders of the bidder are “active listeners”, therefore they do consider advisors opinion, but they still not trust them. This is because of the inherent conflict of interest that the relationship between advisor and client can produce, related to the urge in deal completion. However, bidders’ shareholders are more prone to target advisors’ opinions

(Ouyang, 2015). Therefore, advisors, whether buy-side or sell-side, can have a strong influence on the deal.

The case studies also showed how the strong reputation of investment banks could be a further asset in terms of negotiation and deal completion (Kumar et al., 2023), along with a more positive market reaction (Chiu et al., 2022). High-status advisors not only positively influence the completion probability of M&A transactions, thanks to their expertise and guidance in deal closures, but they also exploit their vast network of clients to ensure a positive reaction to the deal, therefore providing a higher abnormal return.

Despite the convincing findings just mentioned, a vast part of literature provides opposite results and opinions on the importance of high-status investment banks in the deal. Indeed, scholars showed how in reality lower-tier advisors ensure a higher probability of deal completion, as well as higher abnormal returns, while top-tier investment banks are just more suitable when deals are complex (Walter et al., 2006).

It is therefore easy to understand the type of services provided by advisors in a deal, but is instead very difficult to assess the real value added of those services. It is interesting how scholars provided some evidences against top-tier investment banks, in terms of deal completion and cumulated abnormal returns of the transaction, providing instead support to smaller banks. The studies, however, weren't industry specific, and provided broad samples of transactions. Therefore it is difficult to know who's right. However, in smaller industries or sectors of the economy, the opinions on low-tier investment banks may find some foundations. For instance, niche investment banks often specialize in specific sectors or types of transactions, becoming experts in those sectors: this focus can allow them to have a deeper knowledge and closer network, making them particularly effective in M&A transactions within certain sectors. Moreover, smaller banks can offer a more personalized service tailored to specific customer needs: this level of personalized attention can be particularly important in complex transactions, where the needs and circumstances of the companies involved can vary greatly. Smaller banks also tend to be more agile and flexible than large financial institutions: this agility can be an advantage in the more complex stages of negotiations, enabling them to adapt quickly to changing circumstances or customer demands. Lastly, niche banks may have a lighter cost structure than large investment banks.

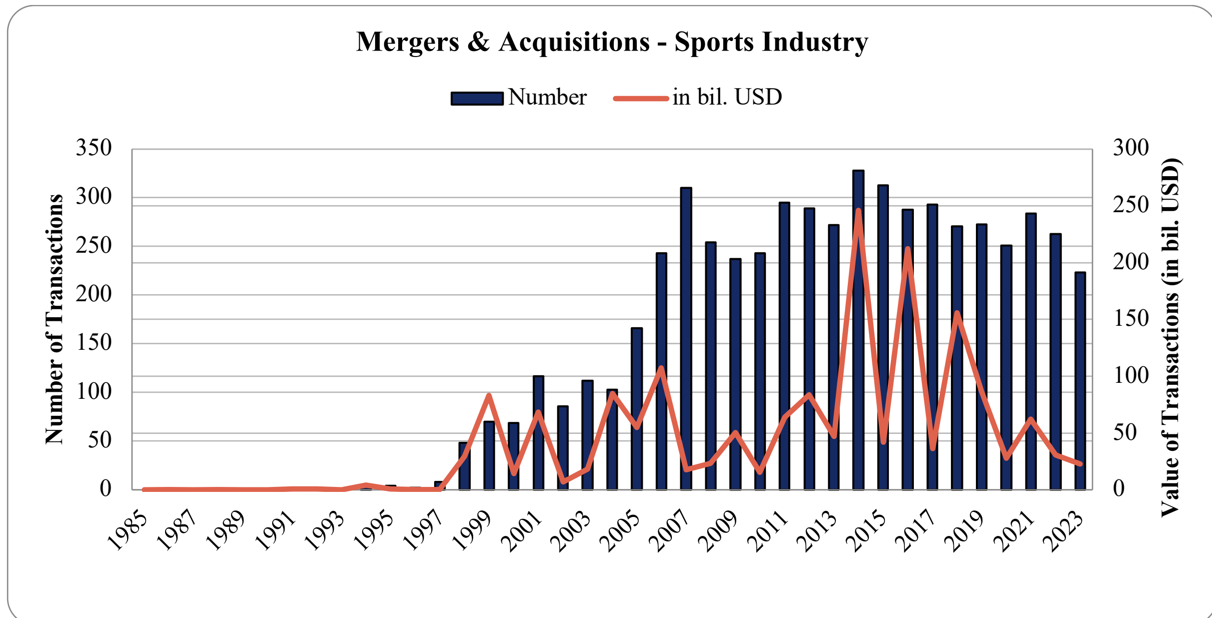
It would be interesting to analyze how these smaller banks work in these smaller sectors. This is why the next chapter will delve into a more in depth analysis of advisors in the sport sector. More specifically, a key player in the sport sector will be analyzed: Raine Group LLC, an

American boutique who participated in some of the largest M&A transactions in the sport industry, lastly being the merger between the Ultimate Fighting Championship (UFC) and the World Wrestling Entertainment (WWE), raising the highest fee in the history of the company. The key question is: why choose Raine Group LLC and not others?

Chapter 3 – Raine Group LLC and its role in the sport sector

3.1 M&A advisors and the sport sector

As seen in the first chapter, M&A activity in the sport sector saw a total of 223 deals for an overall value of $22.6Bn, as depicted in the graph below.



(Graph 3.1, retrieved from Institute for Mergers, Acquisitions & Alliances, 2024a)

Since global dealmaking reached $3.2Tn in 2023 (Bain, 2024), sport sector M&A accounts only for around 0.7% of the total. However, the sport sector can be included into a broader market, which is the media and entertainment industry. The latter, since 1985, accounted for 8.1% of the total M&A activity to date, with a cumulative overall value of around $5Tn, positioning as the sixth biggest industry in terms of M&A deals, behind sectors like financials, energy and power, or industrial (Institute for Mergers, Acquisitions & Alliances, 2024b).

It is therefore clear that in the vast landscape of the media and entertainment business, the sport industry is a true niche. Notwithstanding, some players have made their way in this environment and have managed to carve out a good slice of the market for themselves and, as a result, manage to earn quite good returns. This results are consistent with what was mentioned in the second chapter: smaller players may find success in niche markets, given their specialization, their customer-tailored offer, their higher flexibility compared to bigger banks, and their lower costs.

3.1.1 The niche banks

In the following paragraph, some examples of small banks operating in the sports sector will be presented. The aim is to show that, sometimes, "size doesn't matter": despite their smaller size compared to top banks, these industry-focused boutiques, by exploiting their team of experts, still manage to advise and coordinate deals worth hundreds of millions of dollars, in several countries and several sports disciplines.

3.1.1.1 Galatioto Sports Partners

Galatioto Sports Partners (GSP) is a specialized financial services firm that focuses exclusively on providing non-securities advisory services to the sports industry. Services include general and venue-related financial advisory, valuations, capital restructuring, dispute resolution and consulting. The company has two other main branches. The first one is GSP Finance, the lending arm, which has invested several hundred million dollars of its own capital since inception in support of their clients operating in the major North American sports leagues. The second branch is the GSP Securities LLC, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), and is a broker-dealer service provider, along with bringing M&A advisory and equity capital raising and placement.

The company is led by Salvatore Galatioto, founder and president of the firm. With above 20 years of experience, he has overseen engagements in more than 100 transactions in the major U.S. professional sports leagues as Financial Advisor, Arranger and Agent. Before forming GSP in early 2005, he was a Managing Director and Head of the Lehman Brothers' Sports Advisory & Finance Group, which was founded upon his arrival in 2001.

From an M&A perspective, GSP transactions are mainly related to North America sports teams[16]. The most recent, and also the biggest, is the sale of the National Hockey League (NHL) team Ottawa Senators in favor of the Toronto billionaire Michael Andlauer, also seen in the first chapter. The value of the transaction reached $950M, in exchange of which Andlauer would have acquired 90% of the company, leaving the remaining 10% to the Melnyk family, the former owners (CBS Sports, 2023a). GSP role in the transaction was as financial advisor to the estate of Eugene Melnyk, therefore working on the sell-side.

[16] All the information on the company's duty in the transactions are retrieved from the company's website https://www.gspsecurities.com/experience/select-ma-securities-transactions/

For the above transaction, many advisors provided their services. GSP, however, has been involved in other important transactions, and served as the sole financial advisor, the main one being the sale of the famous NBA team Golden State Warriors in 2010. This deal saw a change of ownership, from Chris Cohan to the hands of two private equity firms, Kleiner Perkins, led by Joe Lacob, and Mandalay Entertainment, led by Peter Guber, for a total value of $450M (CNBC, 2010). This amount was the highest sale price in NBA history for a standalone franchise at the time. GSP served as sole financial advisor to Chris Cohan, on the sell-side.

Despite its exposure on North America, Galatioto Sports Partners also participated in some European transaction, mainly in the football field and mainly in Italy. In fact, GSP acted as financial advisor to AS Roma SPV, LLC in the sale of minority interests in the team in 2018, along with raising capital to fund a portion of a new stadium and entertainment development. Another involvement in Italian football is related to the financial advisory services provided to a private equity firm on its acquisition of a Serie A club in 2022. No further information on the transaction is provided from the company.

In conclusion, the transaction analyzed above show how even a relatively small company can participate in deals worth hundreds of millions, also spanning through the whole globe. The service provided are always tailored to the client and the situation, leading to a much more efficiency during the deal.

3.1.1.2 Inner Circle Sports

Inner Circle Sports LLC (ICS)[17], is a boutique investment bank focused on the global sports, media and entertainment industry. The main services provided are corporate finance related, including buy-side and sell-side M&A advisory, private capital placement and valuation; the firm follows a differentiation by industry focus, domain expertise and proprietary network of relationships, which is a key characteristic of what was defined as a "niche player" during the dissertation.

The team is led by Mr. Rob Tillis, the founder, and a true expert of the sport sector, considering his prior 15 years of experience as Managing Director and Group Head of the Sports Advisory & Finance Group at JPMorgan. Mr. Tillis is supported by his Vice-President Steve Horowitz, an excellent element with more than 30 years of experience in marketing, media, technology, and finance, having worked with the biggest sports organization of the world, such as the Major

[17] All the information about the firm are retrieved from the company's website https://www.innercirclesports.com/

League Baseball (MLB), the NBA, and the NFL, along with the English Premier League, Major League Soccer and Serie A for what concerns football, and many others.

Looking at the firm's experience, ICS has advised on over 70 transactions across professional team sports. Some of the biggest transactions were completed in the European football. ICS has had a very good relationship with Liverpool FC, one of the biggest clubs in both England and Europe. Their relationship started in 2007, when ICS was the buy-side advisor to Tom Hicks and George Gillet for the acquisition of the club. The two American businessmen completed the transaction for a total amount of $340M (The New York Times, 2007). On the two years after the acquisition ICS advised the new owners for the acquisition on two credit facilities: a bridge facility of $298M, and $350M of senior credit facility. On 2010, Liverpool FC incurred into a new change of ownership, since a new acquisition took place: Fenway Sports Group completed a £300M (around $480M) deal to take over the shares of Tom Hicks and George Gillet (The Guardian, 2010). Once again, ICS was the buy-side advisor. Other experiences as buy-side M&A advisory in the European football were the acquisition made in 2013 by Erick Thohir, Rosan Roeslani and Handy Soetedjo of FC Inter Milan from Massimo Moratti for a total of €250M (IlSole24Ore, 2013), the acquisition of Sunderland A.F.C. by Ellis Short on 2008, or even the financial advisory services to the Senior Lender in General American Capital Partners acquisition of FC Girondins de Bordeaux in 2018.

As mentioned before, Inner Circle Sports LLC considers good client relationships a key asset in developing a good advisory service. This is why another recurring client was the NHL team Florida Panthers Hockey Club. Their first encounter was in 2009, when the club obtained financial advisory services from ICS regarding arena improvement and recapitalization; in 2012, ICS covered the role of exclusive financial advisor for the debt refinancing of the club. The year after, the hockey club was sold to the New York businessman Vincent Viola for a total amount of $250M (NBC Sports, 2013): ICS served as sell-side M&A advisor to the outgoing owner Cliff Viner.

Looking at some of the most recent transactions, in 2023 ICS had two important missions in the National Women's Soccer League (NWSL). First, the firm operated as exclusive financial and strategic advisor to the NWSL on its sale of the Boston Expansion Franchise to a group led by Jennifer Epstein for around $100M (Sports Business Journal, 2023). Later that year, ICS served as sell-side M&A advisor on the sale of the Chicago Red Stars to the investor Laura Ricketts for a total amount of $60M, setting a record for an existing franchise with $35.5 million

toward the sale and $25.5 million toward immediate investment in the team (CBS Sports, 2023b).

Inner Circle Sports LLC shows how important client relationships are when working in such sectors. Again, as for Galatioto Sports Partners, this characteristic is a key asset for the success of a niche bank, operating in a niche sector.

3.1.1.3 Game Plan LLC

Game Plan Special Services LLC[18] is an investment banking and consulting company to the sports industry based out of Miami Beach, Florida, United States. The main services are M&A advisory and sports finance, as well as many other services related to team management and ownership, league formation, arena development and financing, and many others.

Game Plan LLC is a very small company, considering that the number of employees is lower than 10 people. The firm is led by Randel E. Vataha and his son Collin W. Vataha. The former has a high-level experience in terms of living the sports, having been an NFL Player, a Player Agent, a team owner. The latter disposes of more than 20 years of extensive buy-side and sell-side mergers and acquisitions experience in the professional sports industry both with major and minor leagues and teams, including NBA, MLB, NHL, NFL, and MLS, as well as Premier League and Ligue 1, and more.

Despite being a relatively smaller company compared to the two banks previously analyzed in the chapter, Game Plan LLC participated into some of the most important transactions in American sports' history. The first one is the acquisition of the NBA team Golden State Warriors for $450M (CNBC, 2010), already mentioned in the chapter since Galatioto Sports Partners was the sole financial advisor on the sell side. Game Plan was on the other side of the road, as one of the main advisors of Joe Lacob and Peter Guber on the buy-side of the deal: their main task was raised the equity and debt capital for the transaction. For this task, the nature of the firm was optimal. The fundraising activity is often very difficult, especially for transactions in niche sectors like sports. Niche banks in the sports sector are likely to have a much larger and stronger network within the sports industry itself, consisting of investors, sponsors, team owners, sports federations and other key players. This network can be harnessed to identify potential investors and to create strategic partnerships that facilitate fundraising. Moreover, being immersed in the sports sector allows niche banks to better understand the needs, preferences and goals of investors who are interested in this sector. This understanding

[18] The general information about the firm are retrieved from the company's website https://www.gameplanllc.com/the-team

can help structure fundraising offers in a way that best meets investors' expectations, increasing the chances of successful operations.

One of the first missions of Game Plan LLC, and probably the first big job, were the Investment banking services on behalf of Irving Grousbeck, co-founder of Continental Cablevision, and Wyc Grousbeck, former partner at Highland Capital, with respect to the acquisition of the Boston Celtics of the National Basketball Association (NBA) for $360 million, including arranging debt and equity capital for the transaction (The New York Times, 2002).

Two years later, Game Plan LLC participated to another big deal, offering its investment banking services on behalf of Frank H. McCourt, Jr. with respect to the acquisition of the Los Angeles Dodgers of Major League Baseball in 2004, for a total purchase price of $430 million (Los Angeles Times, 2004).

Looking at some more recent missions, Game Plan LLC participated to the 2024 sale of an existing limited partner interest in the company that owns the Golden State Warriors, Chase Center, new WNBA team and other assets to a party identified by Game Plan[19]. Similarly, in 2023 they provided services to an existing limited partner in the baseball team Yankees Holdings L.P. with respect to the sale of their interest to a party identified by them[20].

In conclusion, the three banks analyzed above confirms that specialization, customer-tailored offer, higher flexibility compared to bigger banks, and lower costs can be very profitable when working in niche sectors like the sport industry. However, this does not preclude the possibility of participating to multi-million deals and, therefore, still be able to generate considerable revenues.

3.1.2 The big traditional banks and their investment in the sport industry

Despite being a marginal sector of the economy, the sport industry might be very profitable and attractive. Unlike other sectors, sports always had a sentimental side: either on-site or on-line, individuals and families spend their afternoons and evenings watching sports events, giving birth to sentiments of love towards certain disciplines, certain teams, or even certain people. But the spectators are not only related to the lower class of the society: wealthy people also behave in the same way. This is why, as mentioned in the first chapter, investments in the sport sector have always been driven by the “trophy-asset” rationale, which relies on the fact that wealthy individuals’ investments were usually a result of their interest as fans (Deloitte, 2023).

[19] No other information is disclosed by the firm’s website.
[20] No other information is disclosed by the firm’s website.

Some of the big banks understood this, such as Goldman Sachs, who is working on creating its "sport franchise" unit within its investment banking division that will combine sports M&A with sports financing (The Wall Street Journal, 2023). One of the main objectives is that working with asset and wealth management to present wealthy clients with investments in teams, stadiums, and other eye-catching deals, mainly driven, again, by the nostalgia and passion that these types of investment might bring. Goldman Sachs has already worked in some very big transactions in the sport industry, such as the $4.4Bn deal in 2016 for the acquisition of the auto-racing franchise Formula One by Liberty Media Corp (The Wall Street Journal, 2016).

Goldman may find great success through this new division, since many clients are expressing greater interest, and the bank's asset and wealth management has long assisted those who wish to invest in teams. Moreover, Goldman's wealth management also offers loans to clients interested in buying a slice of a team (Wall Street Journal, 2023).

Goldman Sachs isn't the only one envisaging investment opportunities in the sport sector. JP Morgan, the world's biggest bank, has launched on March 19th, 2024, its new Sports Investment Banking team (Bloomberg, 2024).

> "*This group will leverage J.P. Morgan's substantial capabilities across Investment Banking, Commercial Banking and the Private Bank to deliver holistic advisory and financing solutions for our current and prospective sports clients globally*" says Global Head of Media and Communications for Investment Banking Fred Turpin (Investopedia, 2024).

The new business will be co-headed by Eric Menell and Gian Pietro Sammartano, who now oversee the bank's media investment banking operations in North America and Europe, respectively. Regarding coverage of the worldwide industry, they will answer to Fred Turpin (Bloomberg, 2024).

In the past, JPMorgan has already advised for sports M&A in several sports franchises and clients, such as Liberty Media in the transaction mentioned before, World Wrestling Entertainment (WWE), Juventus FC, and others, but never had a dedicated sports division, and was often forced to pull bankers from other teams to do the work. This new branch will allow JP Morgan to have a focus on a growing sector, which was valued by them up to $400Bn (Bloomberg, 2024b).

Let’s now think about how a big bank such as the two mentioned above could work in a niche sector like the sports industry. As seen in the second chapter, being a top tier investment bank has its advantages, and these can be exploited also in smaller sectors. Firstly, reputation and relationships: large investment banks enjoy an established reputation and strong relationships with institutional clients, governments, international organizations, and other key global players. These relationships can be useful in facilitating strategic partnerships, negotiating complex deals and accessing unique investment opportunities, even in smaller sectors. Moreover, top tier banks have an unparalleled access to global capital markets and a vast network of institutional and private investors: this means that they can mobilize large amounts of capital for operations in the sports sector, either through equity or bond financing. Another key asset of top tier banks is the increased liquidity and risk-taking capacity: due to their size and financial strength, large investment banks such as JPMorgan and Goldman Sachs can manage higher risks and take larger positions in the market, which can result in offering more flexible and competitively priced financing solutions in the sports sector, as well as provide greater liquidity to industry participants. On the negative sides, it is true that large investment banks, having a global presence and expertise in a wide range of sectors, may be vague and not as focused as smaller banks. However, this multi-sector expertise can be applied to the sports sector to offer integrated financial solutions and sophisticated investment strategies.

To sum up, top tier banks are usually associated with deals in big industries, such as tech, energy, and so on. Therefore, their presence on smaller sectors might be quite unusual, and sometimes may not be as useful as it may seem. However, a big banks such as JP Morgan and Goldman Sachs have still decided to enter in a niche sector like the sports one. To make it a profitable move, they understood their key assets: reputation, access to global capital, increased liquidity and risk-taking capacity, and, of course, a century-long multi-sector expertise.

3.2 Raine Group LLC

The following paragraphs will focus on a particular firm, Raine Group LLC. Raine Group is the number one boutique when speaking about M&A in the sports industry, mainly in terms of importance of deals and fees recorded.

3.2.1 The group

Raine Group LLC[21] is a leading global merchant bank with an integrated focus on both advisory and principal investment in the global Technology, Media and Telecommunications (TMT) ecosystem, providing advice on some of the biggest, most significant, and most innovative deals in the history of the industry. Co-founded in 2009 by Joseph Ravitch and Jeffrey Sine, with its headquarters in New York, Raine has now offices across the world, namely in Singapore, Mumbai, Shanghai, Hong Kong, Los Angeles, London, and Paris.

The firm is divided into two branches: the advisory side of the firm, and the investing side of the firm. The latter focuses on growth equity and venture capital, with current assets under management in excess of $3.8 billion. The company's venture and growth strategies look to invest in rapidly expanding businesses operating in the TMT industry. Through their extensive global network, Raine help the firms in its portfolio to accelerate growth by offering them strategic guidance based on its sector experience.

The attention of the dissertation, however, goes to the advisory branch. Raine provides a wide range of advisory services, including mergers and acquisitions, divestitures, private capital raising and strategic advice. It is interesting to see what the company states in its website:

> "*We are selective in taking on engagements, and focus on transactions where we believe our involvement can maximize outcomes for our clients.*"

The above statement showcases a key characteristic of a niche bank, which is the customer-tailored offer that the firm provides.

A key asset, since the birth of the firm and on which the company can still rely on, is the close friendship relationship between the group and Ari Emmanuel, CEO of the Endeavor Group, former William Morris Endeavor (Deadline, 2010), one of the biggest media and entertainment companies in the United States. Endeavor not only represents artists such as Adele, Jared Leto, Victoria Beckham, and many others, but is also deeply involved in the sport sector: it represents the National Hockey League (NHL), the National Football League (NFL), and is also the majority owner of the World Wrestling Entertainment (WWE). The relationship between Raine and Endeavor has always been profitable for both, since not only the latter helped the former's founders in the first years of the firm's life, but also because together they collaborated in a total of 26 transactions, such as, for instance, the Endeavor IPO that occurred in 2021.

[21] All the following information are retrieved from the company's website https://raine.com/

Having a focus on the TMT industry, besides the good business history with Endeavor, Raine provided services to some very interesting deals in the sector, the most recent being the lead financial advisor to Disney on the proposed $8.5Bn merger of its Indian subsidiary Star India and Viacom18. With more than 100 TV channels, including Star Plus, Colors, and Star Sports, the projected Star-Viacom18 combination will be a powerful force in the TV broadcasting market (The Economic Times, 2024). For what concerns the ownership, The new joint venture will be 46.82 per cent owned by Viacom18, 36.84 per cent by Disney, and 16.34 per cent by Reliance (Financial Times, 2024).

Another big involvement in the TMT industry, and one of the biggest deals in which Raine Group participated, is the SoftBank partial exit of the German multinational mobile phone operator T-Mobile. The transaction saw the bank sell 65% of its participation in the German company, equal to 198 millions of shares, for a total of $21Bn (CNBC, 2020). In addition to these deals, one of the most interesting transactions in which Raine Group participated, was the ARM initial public offering (IPO). The transaction was meant to be worth around $50Bn, and, because of its the magnitude, twenty-eight investment banks worked on it. However, Raine, acting as a financial advisor, was standing above all, headlining the IPO filing, above banks like JP Morgan and Goldman Sachs (Financial Times, 2023b).

The above deals are some of the most important examples of Raine Group history in the sector. The firm is following a focalization strategy when providing its services, specializing on one big industry. This approach can be profitable in some cases, but also dangerous if the team behind the deal doesn't really fit with the sector.

It is therefore key to analyze both the ownership structure and the governance of the group, to understand how the firm can actively produce value added for its clients through the members of its team.

3.2.2 Ownership

The Raine Group is a privately held company, composed by a set of small organizations: the main one is Raine Holdings LLC, and its consociates are Code Advisors LLC, Raine Capital LLC, Raine Advisors Limited, Raine Advisory And Consulting Services LLC. Therefore, all these can be simplified by saying that the business structure of the bank is a Limited Liability Company (LLC).

However, Raine still have partners in its ownership and governance structure. The reason is because the limited liability company, unlike Corporations, can ensure a more flexible business

structure: it has the governance flexibility of a partnership, but still has most of the legal protections of a corporation, especially in terms of personal liability for the partners[22].

A partnership is a very common structure among advisory firms. Partnerships offer more flexibility in the management and structuring of the company than other legal forms: this flexibility allows them to adapt quickly to changes in the market and customer needs, providing a more agile and personalized service. Moreover, partnerships tend to have a more streamlined decision-making structure than larger companies, allowing decisions to be made more quickly and efficiently, without having to go through a long hierarchical chain. Another advantage of partnerships might be that since partners are often also the owners of the business, they have a direct interest in the success of the firm. However, this can be a double-edged sword: this mechanism can incentivize greater commitment and dedication to work, as partners are motivated to do their best for the good of the company and its customers, but at the same time conflicts among members may arise regarding business decisions, profit distribution, responsibilities, and more.

By moving more into the details of the ownership of the group, Raine's majority stake is held by the partners, mainly its founding partners: Joe Ravitch, Jeff Sine, Brandon Gardner, John Salter, and Deborah Mei, all of them having an amazing background in the TMT industry, as well as outstanding experiences in top tier banks. Co-founders who are also major shareholders or members have greater control over business decisions, therefore they can directly influence corporate strategies and day-to-day operations, enabling them to guide the company according to their own vision. Moreover, founding partners with great expertise in a sector like TMT are likely to have deep industry knowledge and relationships, fostering trust with clients and helping them navigate the complexities of the deals. This can also be applicable for the sports industry: as will be analyzed later in the chapter, Joe Ravitch and other partners have an incredible background in the sport industry.

The founding partners, however, are not the only participants in the ownership of Raine Group. Another important member is the Abu Dhabi Investment Company Mubadala, who owns 9% of the group. Mubadala can be considered as the sovereign fund of the United Arab Emirates. Its focus is mainly on energy and industry, but one of its interests is also the TMT. Its investment

[22] A major benefit of an LLC is the legal protection it offers. Because an LLC is considered a separate business entity, it creates a financial barrier between the owner and the company. This means that business creditors cannot go after an owners' personal assets.

in Raine reinforces the Emirate's ambitions to become a major media and entertainment player (The Wall Street Journal, 2010).

> "*Raine and Mubadala will jointly 'seek to capitalize on emerging investment opportunities in the media, entertainment and sports, or MES, sectors around the world' the Abu Dhabi government investment firm said in a statement*" (Wall Street Journal, 2010)

In fact, Mubadala already moved into the sports sector, starting to inject into it an important amount of capital. An example is the €911M investment for the creation of the Brazilian football super-league, Libra (Social Media Soccer, 2022), as well as the creation and the multiple investments in the Zayed Sports City in Abu Dhabi.

To sum up what has been analyzed above, the strict relationship with Endeavor mentioned at the beginning, and the participation of Mubadala in Raine's company, ensures great firepower to the firm, in terms of market reputation, international network and expertise in the TMT industry, as well as a good focus on the sports business.

3.2.3 Governance

The above mentioned market reputation, international network and expertise are also enforced by the governance of the group. In fact, the firm is led by 19 partners, everyone with an outstanding career in the TMT industry. Out of these 19 partners, only two of them can be considered as sports expert: Joe Ravitch, one of the founding partners, and Colin Neville.

Starting from the former[23], his pivotal role spans across all Raine's businesses, along with working closely with large global and regional entertainment, sports and digital media conglomerates; in addition to it, Joe works with earlier-stage, high-growth media companies as an advisor and investor. Joe serves on the boards of Propagate Media, Imagine Entertainment and Candle Media, all Raine portfolio companies. Prior to Raine, Mr. Ravitch was a senior Partner at Goldman Sachs, cumulating a 16 years' experience across in London, Hong Kong and New York working on both principal and advisory transactions in the sports, media and telecommunications industries. During these years, the main missions included significant deals such as the creation of the YES Network, the sale of MGM Studios and the spinoff and creation of NBA China. While at Goldman, Joe was responsible for creating and building several

[23] All the information about the partners are retrieved from the company's website

important businesses including the Asian TMT business, the sports practice and the entertainment finance group.

Moving to Colin Neville, he joined the firm at its inception in 2009. For the firm's involvement in the sports industry, he is a key element, since he is the leader of the group's sports practice, overseeing its principal investing and advisory efforts in the space. Colin has helped lead Raine's investments in DraftKings, Olo (where he serves on the board of directors), Premier Lacrosse League, and others. He has also worked on a variety of advisory assignments across the global sports landscape, including the sale of Chelsea Football Club, the sale of the UFC to Endeavor, City Football Group's sale of minority interests to Silver Lake and China Media Capital, and many others. Colin works extensively with leagues and teams, as well as technology, data services and media companies across the sports landscape. In 2015, the M&A Advisor recognized Colin as a 40 Under 40 Emerging Leader in the Dealmaker Category and in 2016, 2022, and 2023 Sports Business Journal named him a recipient of its Forty Under 40 Award. During the course of his studies in Yale University, Colin was also a Division 1 athlete.

Only two sports experts out of all the 19 partners might not seem a very good look for a company defined in the dissertation as the number one investment bank in the sports industry. However, some considerations must be taken into account. First of all, Raine Group focus is on TMT, and, as seen at the beginning of the chapter, sports are part of the media and entertainment industry. Moreover, sports are only a small niche, therefore there is no need of having all partners involved in such small sector; it is better, on the other hand, to have the majority of the partners focused on the bigger picture, which is, again, the TMT industry. Since Raine is an expert in this business, big sport companies can benefit from this relationship in terms of visibility and brand boost.

It is important to consider, however, that Raine Group can count on a strong group of Senior Advisors specialized in sports: Steve Bornstein, former President and CEO of the NFL Network and Executive Vice President of Media, as well as President of ABC Sports (1996), Chairman & CEO of ESPN (1998); Tracy Dolgin, President and CEO of YES, the exclusive local television home of the 27-time World Champion New York Yankees, the Brooklyn Nets, and the New York City Football Club of MLS; and finally David Lavy, founder at Back Nine Ventures, LLC, his recently formed sports consulting and investing firm, as well as President of Turner, offering content to audiences in sports and entertainment.

During its history, Raine has dealt with some of the greatest sport companies of media magnitude, such as the UFC, which is the first organization in the Mixed Martial Arts (MMA)

business, or even Manchester City and Chelsea, which are, respectively, the eight and the ninth most followed football teams in the world in terms of social media following[24]. Let's delve into these deals.

3.3 Raine Group's main deals in the sports industry

Despite its magnitude, it is important to note that Raine Group has not participated in an outstanding number of deals. However, the three largest M&A transactions in the history of the industry, to date, have all been handled by Raine.

3.3.1 LA Clippers sale

The Los Angeles Clippers are a United States based basketball team that compete in the National Basketball Association (NBA), and are part of the Pacific Division of the Western Conference. They are one of the most important teams in the sport, as well as one of the 10 most followed basketball teams in the world, with 5.3M followers on Instagram.

Officially born in 1984 after moving from San Diego to Los Angeles, the team was owned by the American billionaire Donald Sterling. The latter, however, had quite some problems with the law: he was captured on camera by a girlfriend making derogatory words toward African-Americans, specifically targeting Magic Johnson, the former Laker legend and now the minority partner of another NBA team, the Los Angeles Dodgers (Forbes, 2014). He was not new to racism allegations, since in 2006, Sterling was sued by the Department of Justice on the charge of refusing to rent to African-Americans. Because of these happenings, the NBA commissioner Adam Silver, on 2014, decided to ban Donald Sterling for life; along with it, the commission also forced Sterling to sell the club (The New York Times, 2014). Despite the owner's attempts to block the sale, his wife, Shelly Sterling, led the transaction, and concluded the deal with the new owner Steve Ballmer, former CEO of Microsoft, for a total of $2Bn, setting the record as the most expensive deal in the NBA history (Forbes, 2014).

Where does Raine Group fits into all of this? The firm served as advisor to Steve Ballmer, therefore on the buy-side. Let's analyze the reasons behind the choice of the bank as transaction orchestrator. The LA Clippers, because of the unjustified behavior of their former owner, were extremely negatively impacted in terms of brand image. Therefore, the new buyer would have had to strive in order to improve the club's image to stakeholders and public, as well as

[24] Within all the platforms such as Facebook, Instagram, and X

distancing as far as possible from the former ownership. A lot of this work might be done through media, and Raine Group is certainly a player that knows how to deal with the entertainment business. The group, therefore, could have been a perfect ally not only on the financial side, but also on the strategic one, by designing a perfect plan to make the club's brand shine again.

The choice of Raine might also be related to the upcoming television deals that the clubs and the whole NBA would have made starting from the 2015-2016 season. Through the Disney owned company ESPN, the league would make approximately $930M annually, while the Clippers would go to $75M annually, from the $20M they were securing before (Forbes, 2014). Again, the choice of Raine as an advisor for the acquisition of the club by Ballmer would for sure help designing the correct strategy to snatch the contract from ESPN, also considering their good relationship with the latter.

3.3.2 Chelsea

Chelsea FC is one of the heavyweights of football, whether it is in England, Europe or even the world: in fact, the London based club position itself as the ninth biggest football team in the world in terms of social media following, also because of the several national and international victories that occurred in the last two decades.

This *palmares* was achieved for many reasons, but the main one was Roman Abramovič, the owner since 2003: thanks to his capital injection, the club was able to acquire and retain world class champions in the team, and therefore, winning trophies. There was no debate on how the actual ownership was beneficial for the club. However, with the outbreak of the war in Ukraine in 2022, Roman Abramovič was discovered to have ties with the Kremlin, and therefore sanctioned by the UK government: it was decided to freeze Abramovič assets, amid a campaign to punish Russia and oligarchs linked to the Kremlin over the invasion of Ukraine. Hence, the Russian billionaire was forced to sell the club, and all the proceeds should have been donated to humanitarian causes in Ukraine (Forbes, 2022).

Raine Group was selected by Chelsea FC as the sole and exclusive financial advisor. Being on the sell-side, Raine should have planned the transaction in a way that the outgoing ownership would have received the best remuneration possible, particularly given the humanitarian purpose that the proceeds were intended to serve. At the same time, Raine objective was to give the club into safe hands, that knew the sport and could still give Chelsea the greatness it deserves.

In May 2022, Chelsea FC's new acquirer is announced. It is Clearlake Capital Group L.P., a consortium led by the billionaire Todd Boehly. The latter was a good fit of what Raine was looking for as future owner of the club. Firstly, Boehly has a great experience in the sport industry, since he is the owner of a 20% stake in the NBA team Los Angeles Dodgers, as well as holding 27% stake in another NBA team, the Los Angeles Lakers (L.A. Business First, 2021). Boehly is also an expert in the media and entertainment business, being the interim CEO of Hollywood Foreign Press Association, a nonprofit organization famous for conducting the Golden Globe ceremony.

The transaction between Abramovič and Clearlake Capital for the passage of Chelsea's ownership was closed for a total £4.25Bn, about $5.23Bn, setting the record as the highest price ever paid for a sports team (PitchBook, 2022). For the transaction, Raine bagged a fee reaching a total of €38M, the second largest fee in the history of the company at that time (Financial Times, 2023b).

3.3.3 Manchester United

One of the most recent deals in which Raine Group participated is, again, in English football. In On February 20th, 2024 one of the most important football team in the world, Manchester United, announced the acquisition of a 27.7% stake of the club by Sir Jim Ratcliffe, for a total amount of $1.65Bn (SkyNews, 2024).

The club was previously owned by the Glazers, a wealthy US family that first acquired the stake in 1998; through the years they increased their shareholdings, arriving in 2004 to acquire 98% of the club share capital. Despite their first glorious years in the English and European football scene, with many trophies and champions such as Cristiano Ronaldo, the club started its downfall, and the financial strategies were debatable.

> "*The American Glazer ownership has cost United more than £1bn in interest payments and dividends while servicing the debt they loaded onto the club. [...] Rivals Arsenal, Tottenham and Manchester City have all moved into new venues this century with better facilities and more ability to generate revenue*". (SkyNews, 2024)

It was clearly a situation that the fans could not accept anymore, along with the poor results that the club is obtaining on the field in the last decade: the fans were asking for a change, and they got it.

For what concerns Raine, the group acted as the main financial advisor, on the sell-side of the deal. Their main goal was to mediate between the parties, and screen all the offers that the

Glazers would have received. The American family decided to choose Raine as advisor mainly because of its experience in the sector: the firm not only had experience in the sector, but also in the same championship, since in 2022 they advised Chelsea FC in its sale. Through the services it has provided, Raine is expected to earn an incredible fee of $31.5M (Bloomberg, 2024a).

This transaction shows how the reputation can influence a firm into the choice of the advisor for an M&A deal. Raine Group, despite not being as famous as bigger banks such as JP Morgan, Goldman Sachs, or Morgan Stanley, still gets a lot of recognition in a field like the sports industry. Clubs, investors and businesses know how good Raine is in this sector, and know how valuable its services are.

3.4 UFC and WWE merger: one of the largest M&A fees ever recorded

The following paragraph will delve into one of the biggest transactions of the sports industry, which generated the highest fee in Raine history, as well as the second highest fee ever recorded for an investment bank for an M&A deal.

3.4.1 Raine Group fees' history

When talking about Raine Group, it is important to know that we are talking about a firm that by completing its services as financial and strategic advisors, they can raise tens of millions in fees, making them bag some of the largest advisory fees in history. To have a better understanding of the amount of money the group can raise, let's take a look to the graph below.

(Graph 3.2, retrieved from Financial Times, 2023b)

The amounts are clearly interesting, but it is difficult to understand whether these numbers are great if they aren't compared to another similar measure. The table below shows the largest disclosed advisor fees paid on US Bank M&A deals since 2000.

Deal announcement date		Financial adviser	Buyer	Target	Deal value at announcement ($B)	Adviser fee ($M)	Adviser fee As a percent of deal value (%)
02/28/22	🔵	Morgan Stanley & Co. LLC	Toronto-Dominion Bank	First Horizon Corp.	13.68	82.0	0.60
06/29/16	🔵	Goldman Sachs & Co. LLC	Canadian Imperial Bank of Commerce	PrivateBancorp Inc.	4.93	39.5	0.80
02/07/19	🔵	Goldman Sachs & Co. LLC	BB&T Corp.	SunTrust Banks Inc.	28.39	39.0	0.14
02/07/19	🟠	RBC Capital Markets LLC	BB&T Corp.	SunTrust Banks Inc.	28.39	39.0	0.14
04/19/21	🟠	J.P. Morgan Securities LLC	Webster Financial Corp.	Sterling Bancorp	5.23	37.0	0.71
10/12/21	🟠	J.P. Morgan Securities LLC	Umpqua Holdings Corp.	Columbia Banking System Inc.	5.15	36.0	0.70
12/03/06	🟠	Goldman Sachs & Co. LLC	Bank of New York Co. Inc.	Mellon Financial Corp.	16.86	35.0	0.21
02/22/21	🔵	Keefe Bruyette & Woods Inc.	M&T Bank Corp.	People's United Financial Inc.	7.60	34.0	0.45
12/13/20	🔵	Keefe Bruyette & Woods Inc.	Huntington Bancshares Inc.	TCF Financial Corp.	5.95	34.0	0.57
07/22/13	🔵	J.P. Morgan Securities LLC	PacWest Bancorp	CapitalSource Inc.	2.38	32.0	1.34
12/13/20	🟠	Goldman Sachs & Co. LLC	Huntington Bancshares Inc.	TCF Financial Corp.	5.95	30.0	0.50
04/15/01	🔵	Credit Suisse (USA) Inc.	First Union Corp.	Wachovia Corp.	13.63	30.0	0.22
02/04/07	🔵	Goldman Sachs & Co. LLC	State Street Corp.	Investors Financial Services Corp.	4.49	29.9	0.67
11/04/19	🔵	Keefe Bruyette & Woods Inc.	First Horizon National Corp.	IBERIABANK Corp.	3.97	29.0	0.73
04/19/21	🔵	Citigroup Global Markets Inc.	Webster Financial Corp.	Sterling Bancorp	5.23	28.5	0.55
10/12/21	🔵	Keefe Bruyette & Woods Inc.	Umpqua Holdings Corp.	Columbia Banking System Inc.	5.15	28.0	0.54
11/04/19	🟠	Morgan Stanley & Co. LLC	First Horizon National Corp.	IBERIABANK Corp.	3.97	28.0	0.71
10/02/00	🔵	Merrill Lynch & Co.	FleetBoston Financial Corp.	Summit Bancorp	6.99	28.0	0.40
12/03/06	🔵	UBS Investment Bank	Bank of New York Co. Inc.	Mellon Financial Corp.	16.86	27.9	0.17
10/04/00	🔵	Goldman Sachs & Co. LLC	Firstar Corp.	U.S. Bancorp	21.24	27.0	0.13

🟠 Advised the buyer 🔵 Advised the seller

Data compiled April 18, 2022.
Analysis based on U.S.-based whole company and franchise bank and thrift transactions with deal values of at least $500 million at announcement, announced between Jan. 1, 2000, and April 18, 2022. Excludes branch, government-assisted and terminated deals, as well as bids, and thrift merger conversions.
Adviser fees are collected on a best-efforts basis.
Source: S&P Global Market Intelligence.

(Table 3.1, retrieved from S&P Global - Market Intelligence, 2022)

According to the table above, Raine has two transactions in the top 3 in terms of advisor fees. This statistic becomes more impressive thinking about the size of the firm. Compared to players such as Morgan Stanley, Goldman Sachs, or JP Morgan, Raine is clearly smaller, in terms of employees, but also in terms of business model, since it is a boutique and not a global investment bank.

However, these statistics must be updated, since a new transaction has recently been concluded, making Raine bag the highest fee in its history.

3.4.2 UFC and WWE merger

In May 2023, the two biggest combat sports companies announced their merger: the World Wrestling Entertainment and the Ultimate Fighting Championship have completed their union into one single publicly traded company, TKO (CNBC, 2023).

The total deal reached a value of $21.4Bn, given the $9.3Bn WWE enterprise value, and the $12.1Bn enterprise value for the UFC. It was an all-stock transaction, through which Endeavor has owned 51 per cent of the new business that now houses UFC and WWE, which is TKO, while WWE shareholders retained the remaining 49 per cent. The deal could generate a cost synergy for both companies between $50M and $100M (Financial Times, 2023b). This synergy might be a result of the possible economy of scope that this merger will produce for both companies, which relies on the ability of them to use one set of inputs, their platforms, to provide a broader range of products and services: real fights such as the mixed martial arts ones, through the UFC, and more scripted, cinematic and dramatic bouts, such as the ones provided by the WWE.

> *"After this merger, we are much more powerful than we were yesterday"*, stated UFC president Dana White on an interview (MMAWeekly, 2023).

In terms of governance, Ari Emanuel, already CEO of Endeavor, will be appointed as chief executive of TKO, while WWE founder and controlling shareholder Vince McMahon will be its executive chair; Dana White will continue as president of the UFC (Financial Times, 2023c).

Raine Group, as expected, is set to handle and orchestrate the merger. There are several reasons behind the decision of Emanuel to appoint Raine as key investment bank of the transaction.

First of all, as previously mentioned, the bank and Endeavor can boast of a partnership for more than a decade, throughout the 26 transactions in which they collaborated. Being a boutique, Raine makes long-term relationship with its clients one of its main assets. This characteristic can ensure a perfect customer-tailored service, deeply understanding client needs, as well as a more transparent relationship and therefore a smaller probability of information asymmetry. This concept is strengthened by the fact that in 2016 the UFC was acquired by Endeavor itself, for a total amount of $4Bn, and Raine served as main financial advisor on the sell-side.

> "*We've been through a lot of wars with these guys. It's a classic relationship where you try to put yourself in the shoes of the client and give them good and honest advice.*" Jeff Sine, co-founder of Raine, told in an interview (Financial Times, 2023c).

As seen in the second chapter of the dissertation, lower tier banks are the most likely to complete a deal, with 91.84% success rate against 88.90% for the top tier, and are faster in completing these deals (Walter et al., 2006). This situation occurred in the case of the UFC and WWE merger: Endeavor was facing competition from two other bidders, but thanks to Raine's help, the deal was closed as fast as possible, and in May 2023 it was already official and announced (Financial Times, 2023d).

Because of the magnitude of the deal, Raine wasn't the only investment bank appointed for the transaction: JP Morgan and Moelis were also part of the event, obtaining a total of $25M each for their advisory services. Raine, on the other hand, bagged $65M, the biggest fee in its history, as well as the second highest fee ever recorded for a transaction (Financial Times, 2023d).

3.5 Conclusions: why Raine and not others?

The second chapter highlighted a comparison between top tier advisors and low tier advisors. For the first category, firms like JPMorgan, Goldman Sachs, Morgan Stanley, and others have been identified, therefore all banks with several thousands of employees, operating in all places of the world and participants in some of the biggest M&A deals in history. On the other hand, low tier banks and boutiques can be recognized by their smaller number of employees and their narrower scope of services compared to bigger banks. While top tier banks may find more success in top industries such as industrial, energy or healthcare, smaller banks may be more comfortable in smaller sectors.

During the course of this third chapter, it has been emphasized how, for some banks, in some sectors, "size doesn't matter", and that the sports industry falls within this scope. Boutiques such as Galatioto Sports Partners, Inner Circle Sports, and Game Plan LLC are all specialized in advisory services in this specific industry, and have all participated in deals worth hundreds of millions. Their business structure allowed them to provide a customer-tailored offer, have a higher flexibility compared to bigger banks, and charge lower costs to their clients, also exploiting their team full of experts in the sector. On the other hand, the sports industry has also been under the observation of the big sharks, such as JPMorgan and Goldman Sachs, which decided to build their investment banking division dedicated to sports M&A and financial advisory. While being less sports-focused than the previously mentioned boutiques, top tier banks can still rely on some great advantages, such as their strong reputation, the access to

global capital, the increased liquidity and risk-taking capacity, and, of course, a century-long multi-sector expertise.

Between all banks operating in the sports industry, one stands above all, which is Raine Group. The US boutique led by Joe Ravitch and Jeff Sine has participated in the biggest M&A deals in the sports industry, and bagging some of the highest advisory fees in history. But why is Raine so well considered? Why a sports company should choose Raine above others?

First of all, being a boutique, Raine benefits from the advantages inherent in its small size. Its key asset lies in cultivating strong relationships with clients, with big entities like Endeavor, as well as SoftBank or football teams such as Manchester City. These robust connections enable Raine to offer tailored services that cater precisely to the needs of clients, whether it is on the buy-side or the sell-side of the transaction. Moreover, just like other niche banks, Raine can rely on a strong expertise in a single industry, in its case, the Technology, Media, and Telecommunications (TMT) sector. Given that sports falls within this broader industry, Raine's expertise extends to serving sports clubs seeking to enhance their brand image, as evidenced by its involvement with Chelsea FC during its separation from Russian oligarch Abramovich.

At the same time, Raine Group, operating in the sports industry, can also boast of the advantages of top tier banks: despite not being a global and universal bank, inside the sport industry Raine is considered like one of them. Firstly, its reputation in the industry is unmatched, mainly because of its history in the transactions in its early history. Secondly, within the TMT industry, Raine leverages a robust global network, facilitated by its strong relationships with companies such as Endeavor and SoftBank, as previously mentioned.

Raine Group is, therefore, the perfect match between boutiques and global universal and investment banks when talking about the sports industry. The next chapter will explore a case study centered on demonstrating how Raine could significantly impact the sale of a company. Specifically, it will focus on the potential sale of Juventus FC, Italy's largest football club, and examine how Raine's services could shape the transaction.

Chapter 4 – Case study: a potential sale of Juventus FC S.p.A.

4.1 Introduction to Juventus Football Club

4.1.1 Juventus FC at a glance

Juventus is a widely recognized football team with over a century of rich history, gaining significant recognition both domestically and internationally. The club was founded in 1897 and is publicly traded and listed on the Milan stock exchange since the 20th of December, 2001. The company's core business is the participation in domestic and international football competitions and the organization of matches.

Juventus, widely regarded as the most successful team in Italy and among the most decorated in Europe, created history in 1985 when they became the first team to win every international trophy available at the time. The Agnelli family has managed the team's accomplishments for 96 years and counting, setting a record for the longest continuous ownership of a professional sports organization. The club has now conquered a total of 70 trophies[25], compared to the 48 trophies conquered by its historical rivals FC Internazionale, and the 49 trophies conquered by the other rival AC Milan.

Juventus has an undeniable global appeal, with a fan base exceeding 440 million worldwide, including over 100 million in Europe and over 99 million on social media. Since its founding, the club has had steady business growth, leading to be included in the top 12 of the Deloitte Football Money League each year. Over the last three years, total revenue and income have surpassed €500 million.

4.1.2 The Agnelli ownership: glory and doom

When speaking about Juventus, the Agnelli family is one of the first things that comes to the mind of an Italian citizen. In 2023, the club celebrated the 100 years of ownership from the Agnelli family. The Agnelli-Juventus story began on July 24th, 1923, the day when Edoardo Agnelli was appointed as president.

Juventus is now controlled by EXOR N.V., a Dutch company based in Amsterdam, Netherlands, listed on Euronext Amsterdam, which holds 63.8% of the share capital, equal to 77.87% of voting rights. EXOR N.V. is one of the main European investment firms and is

[25] Without considering the trophies won by the women's team.

controlled by the Giovanni Agnelli B.V., limited liability company that holds the capital of the Agnelli family and its heirs.

One of the main chapters of Juventus' history has been the Andrea Agnelli era, started on May 19th, 2010, when he was appointed as Chairman of the board of directors. This era has been characterized by incredible success, such as the 9 consecutive Italian championships, along with 6 Italian cups, and 5 Italian super-cups. But this period of time wasn't only characterized by success on the football pitch: Andrea Agnelli made a switch in Juventus' business model, making it not only a well-known football club, but also a global brand.

Firstly, the club undergone a rebranding, changing its logo into a newer and more modern one. The classic cockade was replaced by a "J" shaped logo. This logo was more suitable for the second big action of Andrea Agnelli, which was the deep diversification strategy. The club started its new retail business unit, characterized by a rapid dealer network and new distribution channels, along with 3 official physical shops, a webstore, B2B activities and pop-up stores outside the stadium. Moreover, Juventus developed several new products, such as basketball kits, seaside outfits and gadgets, fashion clothing, wine, and others.

The third move for Agnelli to make Juventus grow as a company was increase the expenditures in the football field. From the 16/17 season, Juventus had a change in management, since the former CEO Giuseppe Marotta was left aside: the latter always had a more conservative strategy, characterized by always spending less than what was earned. The football direction was then passed to Fabio Paratici, who also became in charge of the players' transfer market. The strategy became clearer: increase capital expenditures to acquire championship-level players, in order to improve the results in the European football landscape[26]. This strategy reached its peak in the 2018 summer, when Juventus acquired the rights of Cristiano Ronaldo, one of the greatest footballers in history, for a total capital expenditures of €117M, along with a €53M gross annual salary. Cristiano Ronaldo is a brand itself (CR7), and is also the most famous person in the world, considering over 600 millions of followers across all social medias. Ronaldo's impact was instant: 520,000 shirts sold in the first 24 hours, equivalent to 60 million euros in revenue, shares up 40%, and market valuation up from $665m to $815m.

Despite all the aforementioned positive aspects, Juventus strategy didn't reach the expected results: first of all, on the pitch results were poor, therefore the costs began to eclipse the

[26] This landscape includes the most famous club championship, which is the UEFA Champions League. Winning this league would imply incredibly higher revenues, including a more powerful brand awareness.

revenues. Moreover, the depreciation and amortization item became more and more relevant, given the high amount of capital expenditures that the company undertook, as well as the increasing players' wages.

The situation reached its worst at the end of 2021, when the board of directors was accused of falsifying financial statements. In November and December 2021, Juventus received search and seizure orders related to an investigation by the Turin Public Prosecutor's Office regarding the recording of "Revenues from players' registration rights" in its financial statements for 2019, 2020, and 2021. The investigation also involves alleged offenses under Italian law. On March 23, 2022, the Prosecutor's Office requested documents concerning players' salaries for the 2019/2020, 2020/2021, and 2021/2022 seasons. On October 24, 2022, Juventus was notified of the conclusion of preliminary investigations, which alleged offenses against individuals and the company under various articles of Italian law. The allegations relate to financial transactions and agreements concerning player registrations and remuneration. The case was forwarded to the Supreme Court of Cassation regarding jurisdictional issues. Current and past managers, namely Andrea Agnelli (chairman), Maurizio Arrivabene (CEO), Pavel Nedved (Vice-president), Fabio Paratici (Chief Football Officer), and Federico Cherubini (Sports Director) were charged with fraudulent tax returns, with Juventus indicted as an entity. A hearing regarding a precautionary seizure of €437 thousand was held in December 2022, but the Public Prosecutors waived their appeal, leading to its inadmissibility[27].

The main shareholder, Exor, reacted immediately, by undertaking a drastic change of Juventus' board composition. The new board, which took office on January 2023, is composed by only 6 members, mainly being lawyers, auditors, and finance experts. The strategy is clear: sustainability. For what concerns the executives, in July 2023 the football direction passed in the hands of Cristiano Giuntoli, one of the architects of the success of another Italian club, SSC Napoli. Its approach differs from the one of the previous Juventus' managers, and is, again, focused on financial sustainability.

4.1.3 Why should Exor consider a sale of Juventus?

To understand the reasons why Exor should sell one of its historical assets, it is important to analyze the problems behind the Agnelli ownership.

First of all, there is a clear agency problem. This concept was already mentioned in the first chapter, and indicates the conflict of interest arising between the agent, the one who executes

[27] All the above information have been retrieved by the Juventus 22/23 financial annual report, p. 27/28.

actions, and the principal, the subject or group of subjects that delegated the actions to the agent. In Juventus situation, there is a second type of agency problem, i.e. between the majority shareholder, Exor, and the minority shareholders. Exor, and therefore the Agnelli family, basically has full powers, and there is very few room for other investors to contradict the main ownership. This type of business structure has led to a situation called “groupthinking”, i.e. the phenomenon that occurs when a group setting results in an inability to reason clearly and rationally due to the desire for harmony, consensus or conformity. This phenomenon creates lack of a diverse perspective, along with the possibility of failing to evaluate risks and making faulty judgements, thus leading to problematic situations, such as the judiciary implications the club encountered.

The second problem that Juventus ownership has is the distance between Exor and the club. The latter is only a small part of the holding’s revenues, and it is merely seen as a family jewel rather than an asset to be exploited: not randomly despite Juventus is facing 5 consecutive years of financial losses, Exor net income has always been growing. Furthermore, Juventus’ stock is one of the least valuable of the holding’s portfolio, therefore John Elkann, CEO of Exor, is more involved in leading other companies, such as Ferrari or Stellantis. Notwithstanding, Exor has been injecting huge amount of money into Juventus’ share capital, through 3 different share capital increases since 2019, for a total of €1.1Bn. Due to the bad direction made by Andrea Agnelli in these last years, the results of these special operations have been negative, and the club is still struggling to find its way to be financially healthy again.

It is clear that Juventus, despite being a relatively small part of Exor’s portfolio, is still very costly. Furthermore, there are some inherent risks related to the club’s activity that Exor must face in the short run[28]. First of all Juventus faces industry risks including loss of competitiveness compared to foreign clubs, potentially leading to reduced income from sponsorships and TV rights from players outside Italy; the club is highly reliant on main commercial sponsorship contracts, which if terminated or renewed on less favorable terms, could impact revenue. Additionally, there's a risk of diminishing brand appeal tied to historical significance and sporting performance. The second risk that Juventus faces is a strategic risk, since the club faces the risk of not meeting the objectives outlined in its Long-Term Plan for the 2023/24 - 2026/27 financial years. These objectives include maintaining sporting competitiveness, increasing brand visibility, achieving economic/financial balance, and reducing net financial debt: failure to meet these objectives could lead to a revision of the plan and its strategic goals,

[28] All the following risks are mentioned inside the Juventus 22/23 financial annual report, from p 18.

potentially resulting in significant negative impacts on Juventus Group's economic, equity, and financial position. Lastly, Juventus is facing a severe financial risk, related to its financial debt: as of June 30, 2023, Juventus Group's net financial debt stood at €339.9 million, marking an increase of €186.9 million from the previous year; hence the group faces the risk of inadequate cash flows and profit margins to cover outgoing cash flows and costs associated with this debt, potentially leading to financial strain; failure to secure necessary funds could negatively impact the group's economic, equity, and financial situation, risking business continuity; additionally, exposure to interest rate fluctuations poses a further risk of increased financial expenses and adverse effects on the group's economic and financial position.

To sum up, the reasons for a possible sale are: the agency problem caused between Exor and the minority shareholders, which eventually led to the groupthinking phenomenon; a distance between Exor's intentions and Juventus, considering the latter is only a family jewel and not an asset to be exploited, since companies such as Ferrari and Stellantis are way more profitable; the inherent risks that Juventus is bearing in the short run, which could eventually cause several capital injections by Exor, otherwise the company could fail; lastly, due to the recent legal issues, Juventus had a negative impact on its image, and this negative image may impact Agnelli's family and, therefore, Exor.

In conclusion, Exor might consider the sale of the totality or a part of Juventus' participation. Rumors already have been circulating about a possible sale of the club, but John Elkann always denied, reaffirming his confidence in the club and its importance to his family (Milano Finanza, 2023).

The next part of the chapter will delve into an analysis of Juventus' enterprise value.

4.2 Company valuation

During the course of the first chapter, some of the valuation methods were presented. The following paragraph will develop a company valuation through the discounted cash flows method (DCF).

As already mentioned in the first chapter, the DCF allows the analyst to understand the intrinsic value of a company, which is the value of a company based on the benefits that a potential acquirer can derive from it. This type of valuation is based on forecasts, but in order to perform them, a look at the historical data is necessary. The historical time period taken into account is

of six financial years, therefore from the financial year 2017-2018 to the most recent financial year 2022-2023[29]. The table below shows the company's income statements of the financial years taken into account.

in K€	*FY 22/23*	*FY 21/22*	*FY 20/21*	*FY 19/20*	*FY 18/19*	*FY 17/18*
Ticket sales	61 500	32 293	7 752	49 200	70 653	56 410
Audiovisual rights and media revenues	157 161	170 517	235 310	166 379	206 643	200 169
Revenues from sponsorship and advertising	150 281	142 539	145 908	129 561	108 843	86 897
Revenues from sales of products and licences	28 570	24 435	25 303	31 725	44 027	27 797
Revenues from players' registration rights	70 167	40 783	43 179	172 021	157 187	102 401
Other revenues and income	39 974	32 814	23 260	24 539	34 105	30 995
Total revenues and income	**507 653**	**443 380**	**480 712**	**573 424**	**621 456**	**504 670**
Purchase of materials, supplies and other consumables	-4 030	-3 517	-4 107	-3 208	-3 734	-3 464
Purchases of products for sale	-12 304	-9 746	-11 765	-12 142	-17 501	-11 469
External services	-94 059	-74 015	-63 582	-71 126	-81 236	-79 237
Players' wages and technical staff costs	-255 359	-310 825	-315 122	-259 274	-301 335	-233 320
Other personnel	-27 030	-26 212	-24 700	-25 065	-26 417	-25 683
Expenses from players' registration rights	-12 043	-31 854	-37 329	-31 123	-15 521	-20 107
Other expenses	-22 783	-12 184	-9 656	-12 184	-12 718	-9 980
Total operating costs	**-427 608**	**-468 351**	**-466 261**	**-414 123**	**-458 462**	**-383 260**
Amortisation and write-downs of players' registration rights	-159 135	-173 361	-197 437	-193 476	-149 441	-107 954
Depreciation/amortisation of other tangible and intangible assets	-14 508	-16 874	-19 540	-17 417	-11 722	-12 526
Provisions, write-downs and release of funds	-5 691	-6 449	-11 595	-15 468	-17 161	-2 364
Operating income	**-99 290**	**-221 654**	**-214 122**	**-67 061**	**-15 329**	**-1 434**
Financial income	3 306	3 295	5 421	4 217	3 429	4 261
Financial expenses	-21 523	-19 166	-16 618	-17 707	-14 497	-11 963
Share of results of associates and joint ventures	157	88	591	-1 107	- 501	- 886
Income (loss) before taxes	**-117 348**	**-237 437**	**-224 728**	**-81 657**	**-26 898**	**-10 023**
Current taxes	-6 589	-2 588	-2 968	-7 972	-11 738	-8 820
Deferred and prepaid taxes	244	768	883	- 53	-1 260	- 386
Net income/(loss) for the period	***-123 694***	***-239 258***	***-226 813***	***-89 682***	***-39 896***	***-19 229***

(Table 4.1, Juventus' Income Statement, retrieved from the company's annual financial reports)

Analyzing the revenues of the company, the two main sources of income are the audiovisual rights, such as the TV contracts for broadcasting of the team matches, and revenues from sponsorships and advertisements. This last item has seen a substantial evolution through the financial years taken into account, equal to an average annual growth of 12%. This is consistent with the company's strategy undertaken in the last years, which isn't only related to succeed in the football field, but also being a global and recognized brand. Another important revenue item are the revenues from players' registration rights, which comes from gains obtained by the activity of trading players: it is a very particular type of revenue, and very difficult to predict and forecast, since it can vary every year depending on several factors, such as the company's strategy, its financial situation, as well as some external effects such as the impact that the sale of the player would have on the fans, which could potentially impact other revenues.

Looking at the operating costs, the main one are the players' wages, while the rest of the operating costs are marginal: in the last years, Juventus have been the number one club for

[29] Since Juventus is a football team, its financial reports are drafted following a financial year that goes from July 1st N-1 to June 30th N.

wages paid to its players, considering that within the starting 11, eight players have a net wage of €5M or plus. The other main cost for Juventus is represented by the amortization of players' registration rights, which basically functions as the depreciation of property plant and equipment in a traditional company. Considering these two cost items have been very relevant in the last years, Juventus income statements have presented losses since the financial year 2017-2018. Let's now delve into understanding the future outlooks of the company. The model will consider a forecast for the next five financial years, until the end of the 2027/2028 season, on June 30th, 2028.

4.2.1 Assumptions of the model

As stated at the beginning of the paragraph, in order to compute a DCF, forecasts are needed: these forecasts must be mased on some assumptions. The assumptions are aimed at understanding the growth rates of all the items composing the income statement. The majority of the growth rates have been computed by making an average of the annual growth rate of the item during the historical financial years taken into account. The average annual growth rate of the aggregate "total revenue" for the 6 years taken into account is equal to 1.2%, while the one of the aggregate "total operating costs" is equal to 2.9%.

4.2.1.1 Revenue assumptions

Starting from the two biggest revenue items: revenues from audiovisual rights and revenues from sponsorships. For these two items, their growth rates have been computed looking at the three previous years, from FY20/21 to FY22/23, which gave an average growth rate of 2% for revenues from audiovisual rights and 5.2% for revenues from sponsorships. The choice of considering only the last three financial years is based on the fact that the previous years were affected by the acquisition by the club of the rights' of Cristiano Ronaldo, already mentioned in the previous paragraphs. This operation made Juventus gain incredible visibility, and made them obtain new sponsorship contracts in the first year of Ronaldo's arrival in Turin. However, this situation is not going to last for the long run, therefore the choice of a time span that doesn't consider this outliner is more reasonable.

Another important revenue item to analyze are the ticket sales. In order to understand its growth rate, the COVID19 pandemic years must be removed from the analysis, since during 2020 and 2021 the people's access to the stadiums were limited, therefore negatively impacting Juventus and all football teams' financial statements. In order to compute a growth rate for revenues

from ticket sales, the five years pre-pandemic were taken into account, as well as the 2022/2023 season. The growth rate is of 5.5%, and was computed as follows.

in K€	*FY 14/15*	*FY 15/16*	*FY 16/17*	*FY 17/18*	*FY 18/19*	*FY 22/23*
Ticket sales	51.369 €	43.668 €	57.835 €	56.410 €	70.653 €	61.500 €
Growth rate		*-15,0%*	*32,4%*	*-2,5%*	*25,2%*	*-13,0%*
Average						*5,5%*

(Table 4.2, data retrieved from the company's annual financial reports)

For what concerns the rest of the revenues, from t0 to t1, they will grow of 1.2%, which is the average growth rate of the total revenues from the 6 financial years taken into account. From t2, they will always maintain a value equal to a fixed percentage of the total revenues of the previous year. This percentage will be equal to the weight of the item in the total revenues, taking into account only the FY 22/23.

The revenues forecast, therefore, looks as follows.

	t					
	0	**1**	**2**	**3**	**4**	**5**
in K€	*FY 22/23*	*FY 23/24E*	*FY 24/25E*	*FY 25/26E*	*FY 26/27E*	*FY 27/28E*
Ticket sales	61 500	64 856	68 395	72 127	76 062	80 213
Audiovisual rights and media revenues	157 161	160 338	163 578	166 884	170 257	173 697
Revenues from sponsorship and advertising	150 281	158 166	166 464	175 198	184 390	194 064
Revenues from sales of products and licences	28 570	28 911	29 507	30 486	31 641	32 885
Revenues from players' registration rights	70 167	71 585	72 468	74 872	77 709	80 764
Other revenues and income	39 974	40 451	41 285	42 654	44 270	46 011
Total revenues and income	**507 653**	**524 306**	**541 697**	**562 221**	**584 329**	**607 635**

(Table 4.3, revenue forecasts realized by the author)

4.2.1.2 Costs assumptions

As mentioned before, the main operating cost item are the players wages and technical staff costs. Forecasts on this item must be made in symbiosis with the club's corporate strategy for the short term. Considering that the income statement showed losses for the past 6 years, the new board of directors has the objective of solving this situation. Therefore a keystone of this new strategy will be the reduction of costs. This is why from t1 to t4, the short term Juventus policy will be the one of cutting players' wages for 0.5% every year. From t5, they will grow at a natural rate of 1%.

All the other operating costs will always maintain a value equal to a fixed percentage of the total revenues of the previous year, just like what was done for revenues. This percentage will be equal to the weight of the item in the total operating costs, taking into account only the FY 22/23.

For what concerns the other main cost item, which is related to the amortization of players' registration rights, considering the balance sheet problems of recent years and the high amount of this item, Juventus will try to reduce this cost, therefore it is assumed it will be reduced by 2% every year. The last two cost items, such as the depreciation for other tangible and intangible assets, and the provisions and write-downs, will grow at a constant rate of 2.9%, which is the annual average growth rate of the total operating costs for the 6 historical years taken into account.

By deducting all the above costs to the revenues, the forecasted operating income looks as follows.

	t					
	0	1	2	3	4	5
in K€	*FY 22/23*	*FY 23/24E*	*FY 24/25E*	*FY 25/26E*	*FY 26/27E*	*FY 27/28E*
Ticket sales	61 500	64 856	68 395	72 127	76 062	80 213
Audiovisual rights and media revenues	157 161	160 338	163 578	166 884	170 257	173 697
Revenues from sponsorship and advertising	150 281	158 166	166 464	175 198	184 390	194 064
Revenues from sales of products and licences	28 570	28 911	29 507	30 486	31 641	32 885
Revenues from players' registration rights	70 167	71 585	72 468	74 872	77 709	80 764
Other revenues and income	39 974	40 451	41 285	42 654	44 270	46 011
Total revenues and income	**507 653**	**524 306**	**541 697**	**562 221**	**584 329**	**607 635**
Purchase of materials, supplies and other consumables	-4 030	-3 611	-3 453	-3 384	-3 349	-3 326
Purchases of products for sale	-12 304	-12 275	-11 735	-11 504	-11 384	-11 304
External services	-94 059	-76 261	-72 910	-71 471	-70 724	-70 230
Players' wages and technical staff costs	-255 359	-254 082	-252 811	-251 547	-250 290	-252 792
Other personnel	-27 030	-25 465	-24 346	-23 865	-23 616	-23 451
Expenses from players' registration rights	-12 043	-24 068	-23 010	-22 556	-22 321	-22 165
Other expenses	-22 783	-13 056	-12 483	-12 236	-12 109	-12 024
Total operating costs	**-427 608**	**-408 818**	**-400 748**	**-396 564**	**-393 792**	**-395 292**
Amortisation and write-downs of players' registration rights	-159 135	-155 952	-152 833	-149 777	-146 781	-143 845
Depreciation/amortisation of other tangible and intangible asset	-14 508	-14 922	-15 349	-15 787	-16 239	-16 703
Provisions, write-downs and release of funds	-5 691	-5 854	-6 021	-6 194	-6 371	-6 553
Operating income	**-99 290**	**-61 240**	**-33 254**	**-6 100**	**21 147**	**45 242**

(Table 4.4, operating income forecasts realized by the author)

4.2.1.3 Other assumptions

The income statement of a company is composed by three parts: the operating part, the financial part, and the fiscal part. To forecast the last two parts, for simplicity all cost items will maintain the same percentage of the operating costs every year, while revenue items will maintain the same percentage of total revenues. This percentage is equal to the weight of the revenue/cost in the total revenue/total operating cost aggregate of the financial year 2022/2023.

4.2.2 Income Statement forecast

Considering the above assumptions and computations, the final income statement forecast for the next 5 financial years looks as follows.

	t					
	0	1	2	3	4	5
in K€	*FY 22/23*	*FY 23/24E*	*FY 24/25E*	*FY 25/26E*	*FY 26/27E*	*FY 27/28E*
Ticket sales	61 500	64 856	68 395	72 127	76 062	80 213
Audiovisual rights and media revenues	157 161	160 338	163 578	166 884	170 257	173 697
Revenues from sponsorship and advertising	150 281	158 166	166 464	175 198	184 390	194 064
Revenues from sales of products and licences	28 570	28 911	29 507	30 486	31 641	32 885
Revenues from players' registration rights	70 167	71 585	72 468	74 872	77 709	80 764
Other revenues and income	39 974	40 451	41 285	42 654	44 270	46 011
Total revenues and income	**507 653**	**524 306**	**541 697**	**562 221**	**584 329**	**607 635**
Purchase of materials, supplies and other consumables	-4 030	-3 611	-3 453	-3 384	-3 349	-3 326
Purchases of products for sale	-12 304	-12 275	-11 735	-11 504	-11 384	-11 304
External services	-94 059	-76 261	-72 910	-71 471	-70 724	-70 230
Players' wages and technical staff costs	-255 359	-254 082	-252 811	-251 547	-250 290	-252 792
Other personnel	-27 030	-25 465	-24 346	-23 865	-23 616	-23 451
Expenses from players' registration rights	-12 043	-24 068	-23 010	-22 556	-22 321	-22 165
Other expenses	-22 783	-13 056	-12 483	-12 236	-12 109	-12 024
Total operating costs	**-427 608**	**-408 818**	**-400 748**	**-396 564**	**-393 792**	**-395 292**
Amortisation and write-downs of players' registration rights	-159 135	-155 952	-152 833	-149 777	-146 781	-143 845
Depreciation/amortisation of other tangible and intangible asset	-14 508	-14 922	-15 349	-15 787	-16 239	-16 703
Provisions, write-downs and release of funds	-5 691	-5 854	-6 021	-6 194	-6 371	-6 553
Operating income	**-99 290**	**-61 240**	**-33 254**	**-6 100**	**21 147**	**45 242**
Financial income	3 306	3 415	3 528	3 662	3 806	3 957
Financial expenses	-21 523	-21 523	-20 577	-20 171	-19 960	-19 821
Share of results of associates and joint ventures	157	157	163	168	174	181
Income (loss) before taxes	**-117 348**	**-79 191**	**-50 140**	**-22 441**	**5 167**	**29 561**
Current taxes	-6 589	-6 576	-6 795	-7 052	-7 329	-7 622
Deferred and prepaid taxes	244	102	105	109	113	118
Total taxes	**-6 345**	**-6 475**	**-6 690**	**-6 943**	**-7 216**	**-7 504**
Net income/(loss) for the period	***-123 694***	***-85 665***	***-56 830***	***-29 384***	***-2 049***	***22 057***

(Table 4.4, income statement forecasts realized by the author)

On the last season taken into account, Juventus will be back on a positive result. These forecasts, however don't consider extraordinary events coming from the summer transfer windows, where clubs exchange players. These operations can have great impact on balance sheets, but are extremely difficult to forecast.

4.2.3 Free Cash Flows forecasts

In order to complete the DCF, free cash flows must be computed. As seen in chapter 1, free cash flows will be computed as follows.

	Operating Income
(-)	Taxes (at marginal tax rate)[30]
=	**Net Operating Profit After Taxes (NOPAT)**
(+)	Depreciation and Amortization
(+/-)	Increase (-) or Decrease (+) in Net Working Capital
(+/-)	Capital Expenditures (-) or Capital Divestments (+)
=	**Free Cash Flow from Operations (FCFO)**

(Table 4.5, FCFO computation formula)

[30] The tax rate taken into account is the one indicated in the company's financial reports, equal to 24%.

The two elements that still need to be forecasted in order to compute the free cash flows are the changes in net working capital and the capital expenditures (CAPEX).

4.2.3.1 Changes in Net Working Capital

Net working capital is the difference between a company's current assets and current liabilities. More precisely, the operating working capital will be used, therefore deducting by the two aggregates all the financial components, therefore components that aren't related to the operations of the company.

For the historical financial years taken into account, the operating working capital is computed as follows.

in K€	*FY 22/23*	*FY 21/22*	*FY 20/21*	*FY 19/20*	*FY 18/19*	*FY 17/18*	*FY 16/17*
Total Current Assets	160.607 €	216.959 €	183.256 €	258.320 €	165.339 €	151.863 €	264.797 €
Less cash	*48.677 €*	*70.314 €*	*10.533 €*	*5.917 €*	*9.745 €*	*15.335 €*	*139.996 €*
Less other curr. financial assets	*12.167 €*	*11.657 €*	*10.903 €*	*21.083 €*	*11.504 €*	*11.926 €*	*13.172 €*
Operating Current Assets	**99.763 €**	**134.988 €**	**161.820 €**	**231.320 €**	**144.090 €**	**124.602 €**	**111.629 €**
Total Current Liabilities	558.655 €	384.214 €	345.518 €	403.605 €	360.215 €	287.412 €	402.986 €
Less sh. term debt	*267.791 €*	*23.639 €*	*56.671 €*	*134.343 €*	*41.832 €*	*52.393 €*	*112.668 €*
Operating Current Liabilities	**290.864 €**	**360.575 €**	**288.847 €**	**269.262 €**	**318.383 €**	**235.019 €**	**290.318 €**

Growth rates						
Operating Current Assets	-26,1%	-16,6%	-30,0%	60,5%	15,6%	11,6%
Average	*2,5%*					
Operating Current Liabilities	-19,3%	24,8%	7,3%	-15,4%	35,5%	-19,0%
Average	*2,3%*					

(Table 4.6, variations in net operating working capital)

An average growth rate of the aggregates is computed as well. These rates will be used to forecast the two aggregates for the following 5 financial years. The forecasts are computed as follows.

	t					
	0	**1**	**2**	**3**	**4**	**5**
in K€	*FY 22/23*	*FY 23/24E*	*FY 24/25E*	*FY 25/26E*	*FY 26/27E*	*FY 27/28E*
Operating Current Assets	99.763 €	102.270 €	104.840 €	107.475 €	110.176 €	112.945 €
Operating Current Liabilities	290.864 €	297.538 €	304.366 €	311.350 €	318.494 €	325.803 €
Net Working Capital	**- 191.101 €**	**- 195.268 €**	**- 199.525 €**	**- 203.875 €**	**- 208.318 €**	**- 212.858 €**
Variation from previous year	***34.486 €***	***- 4.167 €***	***- 4.257 €***	***- 4.349 €***	***- 4.443 €***	***- 4.539 €***

(Table 4.7, forecasted variations in net operating working capital)

4.2.3.2 Capital Expenditures

Computing CAPEX has been done through a proxy. This proxy includes computing a proxy aggregate of Property Plant and Equipment (PPE), by adding the players' registration rights (net value) and the land and buildings. Then, by adding back the depreciations of the year, a proxy CAPEX is computed. For the forecasts, it has been considered that in the very short run

(next two years), Juventus will try to reduce its expenditures, therefore they will reduce of 2% for the two years. From t3, Juventus will try to boost its investments in order to come back as one of the most important clubs in the world: therefore it is assumed that CAPEX will grow by 10% until t5. The computation are as follows.

in K€		*FY 22/23*
Players' registration rights, net		323.557 €
Land and buildings		171.931 €
Proxy PPE		**495.488 €**
Depreciation expense of the year	-	173.643 €
Proxy CAPEX		***93.643 €***

Forecasts	t					
	0	1	2	3	4	5
	FY 22/23	*FY 23/24E*	*FY 24/25E*	*FY 25/26E*	*FY 26/27E*	*FY 27/28E*
CAPEX	93.643 €	91.770 €	89.934 €	98.928 €	108.821 €	119.703 €

(Table 4.8, forecasted CAPEX)

4.2.3.3 Free Cash Flow from Operations

Considering the above forecasts, it is now possible to compute the forecasted free cash flows from operations for the next five financial years.

Free Cash Flows	t					
	0	1	2	3	4	5
in K€	*FY 22/23*	*FY 23/24E*	*FY 24/25E*	*FY 25/26E*	*FY 26/27E*	*FY 27/28E*
Net Operating Profit After Tax (NOPAT)	- 75 460	- 46 543	- 25 273	- 4 636	16 071	34 384
Depreciation of the year (+)	*179 334*	*176 729*	*174 203*	*171 757*	*169 390*	*167 101*
CAPEX (-)	*- 93 643*	*- 91 770*	*- 89 934*	*- 98 928*	*- 108 821*	*- 119 703*
Variations in Net Working Capital (-)	*- 34 486*	*4 167*	*4 257*	*4 349*	*4 443*	*4 539*
Free Cash Flows	**- 24 255**	**42 583**	**63 253**	**72 543**	**81 084**	**86 322**

(Table 4.9, forecasted FCFO)

4.2.4 Enterprise Value

In order to compute the final enterprise value, the cash flows must be discounted. The discount rate used will be the Weighted Average Cost of Capital, already seen in the first chapter, computed as follows:

$$WACC = \frac{E}{D+E} r_e + \frac{D}{D+E} r_d (1-t)$$

Where:

- E = Company's Equity[31]

[31] For the computation of the WACC, Juventus market cap as of June 30th, 2023 has been used. This value has been retrieved by the website "Companies MarketCap" (https://companiesmarketcap.com/juventus-turin/marketcap/)

- D = Company's Net Debt
- r_d = cost of debt[32]
- r_e = cost of equity[33]
- t = marginal corporate tax rate

The computation of the WACC are as follows.

Financial Data		
Market Cap	980,00	M EUR
Net Financial Debt	339,90	M EUR
Cost of Equity		
Entertainment Sector	9,13%	(Europe)
Cost of Debt		
Financial Expenses	21,52	M EUR
Proxy Cost of Debt	6,33%	
Tax rate	***24%***	
WACC	***8,02%***	

(Table 4.10, WACC computation)

In order to compute a more precise and complete valuation of the company, the computation of a continuing value might be useful, using the Gordon growth model with perpetuity seen in the first chapter, through the following formula.

$$Continuing\ Value = \frac{F \times (1 + g)}{(WACC - g)}$$

Where F represents the free cash flow of the last year forecasted (t5) and g represents the growth rate. To compute the latter, a proxy of the Compounded Annual Growth Rate (CAGR) of Italian football clubs has been used. This proxy was obtained by looking at the market size of the European football sector from 2012 to 2023, retrieved from the annual review of football finance drafted by Deloitte. After averaging the yearly annual growth rate, it was weighted by the weight of the Italian league in terms of revenue compared to the European football market, considering only the five top leagues. The CAGR was therefore calculated as follows.

[32] Cost of debt has been computed as a proxy, by dividing the total financial expense by the net financial debt.

[33] The cost of equity has been retrieved using Professor Aswath Damodaran's servers (https://pages.stern.nyu.edu/~adamodar/New_Home_Page/datacurrent.html). Since sport lays within the entertainment sector, the cost of equity of the European entertainment sector has been used in the computation of the WACC.

in Bn of €	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
European Football Market Size	19,7	21,3	21,8	24,6	25,5	28,4	28,9	25,5	27,6	29,5
Growith rate		*8,1%*	*2,3%*	*12,8%*	*3,7%*	*11,4%*	*1,8%*	*-11,8%*	*8,2%*	*6,9%*
Average	*4,8%*									

in Bn of €	England	Germany	Spain	Italy	France	Total
Total clubs' revenues FY 22/23	6,66	3,45	3,4	2,45	2,05	18,01
Share	*37,0%*	*19,2%*	*18,9%*	*13,6%*	*11,4%*	

CAGR for Italian Football Clubs	0,66%

(Table 4.11, CAGR computation, data retrieved from Deloitte annual review of football finance)

Considering all the above assumptions and computations, the model can be completed, and Juventus' enterprise value can finally be obtained.

Free Cash Flows	t						
	0	1	2	3	4	5	Continuing Value
in K€	FY 22/23	FY 23/24E	FY 24/25E	FY 25/26E	FY 26/27E	FY 27/28E	
Net Operating Profit After Tax (NOPAT)	- 75 460	- 46 543	- 25 273	- 4 636	16 071	34 384	
Depreciation of the year (+)	*179 334*	*176 729*	*174 203*	*171 757*	*169 390*	*167 101*	
CAPEX (-)	*- 93 643*	*- 91 770*	*- 89 934*	*- 98 928*	*- 108 821*	*- 119 703*	
Variations in Net Working Capital (-)	*- 34 486*	*4 167*	*4 257*	*4 349*	*4 443*	*4 539*	
Free Cash Flows	**- 24 255**	**42 583**	**63 253**	**72 543**	**81 084**	**86 322**	***1 180 195***
Discounted Cash Flows	- 24 255	39 422	54 210	57 556	59 557	58 697	802 510
WACC	*8,02%*						
CAGR	*0,66%*						
Enterprise Value	***1 047 698***						

(Table 4.12, Juventus FC's Enterprise Value computation)

Through the Discounted Cash Flows model, it has been established an enterprise value of around €1Bn, precisely €1,023,120,933. This value is consistent with what Exor is rumored to ask in case of a sale (Milano Finanza, 2023).

4.2.5 Other valuation methods

To have a more complete and comprehensive view of Juventus FC's actual valuation, two other methods can be used, which are relative valuation methods. The first one is the comparable companies analysis (COMPS), and the second one is the comparable transaction methods (COMPAQ), both seen in the first chapter.

Starting from the first, it was necessary to find a group of companies deemed comparable. The group was composed by 5 football clubs[34], coming from the top football European leagues, and all of them listed on a stock exchange. The two multiples used for the comparison were the Enterprise Value[35] to Revenue (EV/Revenue) and the Enterprise Value on EBITDA

[34] All information about the companies financials are retrieved from Yahoo Finance, as of June 30th, 2023.
[35] Enterprise value computed as Market Cap + Net Debt.

(EV/EBITDA), using only the financial year 2022/2023 as reference. The Enterprise Value to Net Income multiple couldn't be used since Juventus recorded a net loss.

in M EUR	*Revenues*	*EBITDA*	*Market Cap*	*Net Debt*	*Enterprise Value*
Juventus	507,7	80,0	980,0	339,9	1.319,9
Manchester United	648,4	196,5	3.970,0	537,3	4.507,3
Borussia Dortmund	453,2	126,8	520,0	17,1	537,1
Sporting Lisbona	77,5	78,8	56,1	130,2	186,3
Porto	163,7	17,8	26,7	283,7	310,4
Ajax	188,6	132,1	216,5	71,2	287,7

Multiples

	EV/Revenues	*EV/EBITDA*
Juventus	2,60	16,49
Manchester United	6,95	22,93
Borussia Dortmund	1,19	4,24
Sporting Lisbona	2,41	2,37
Porto	1,90	17,42
Ajax	1,53	2,18
Average	*2,79*	*9,83*

Juventus Enterprise Value

Using EV/Revenues	1.417,8 M EUR
Using EV/EBITDA	786,6 M EUR
Average	*1.102,2* M EUR

(Table 4.13, Juventus FC's Enterprise Value computation through Multiples)

In order to compute the Enterprise Value, the average multiple is multiplicated by the Juventus item: the EV/Revenue times Juventus' revenues results in €1.4Bn in enterprise value, while the EV/EBITDA times Juventus' EBITDA results in €786M in enterprise value. By doing an average over the two, an Enterprise Value of €1.1Bn is obtained, which is consistent and similar to the Enterprise Value obtained from the DCF model.

Looking at the second method, COMPAQ, in 2022 one of the biggest clubs in both Italy and the world, AC Milan, has been acquired by the US investment fund RedBird Capital for a total amount of $1.2Bn, which is around €1.1Bn (The New York Times, 2022). AC Milan can be considered as the perfect comparable of Juventus, given the history of both clubs and their

incredible relevancy in the football world. This valuation is, again, consistent with the one found in the DCF.

4.3 Raine Group LLC potential influence

In the third chapter, Raine's great skills as an advisor within an M&A transaction in the sport sector were emphasized. It would be interesting to analyze and understand how the bank could have an impact on the deal.

First of all, on a general way, in chapter 2 it was mentioned how in capacity of their role as information intermediaries, investment banks use their network to gather data on industry dynamics and provide market players with data regarding deal features: this will lead to a lower information asymmetry between the buy-side and the sell-side, along with more accurate valuation and synergistic gains (Bajo et al., 2016; Chaudhry et al., 2021; Chemmanur & Fulghieri, 1994). But how would Raine specifically help the buy-side of the deal? And the sell-side?

4.3.1 Raine on the buy-side

Let’s assume a wealthy individual, through its fund, completes the transaction to acquire the majority of Juventus’ share capital, such as the totality of the shares held by Exor. The acquisition cost is €1Bn, considering the valuation done in the previous paragraphs.

Considering Juventus revenue model, it has been established how the revenues from sponsorships were the main income item for the club, as well as the revenues from broadcasting. As analyzed in the third chapter, when it comes to media and telecommunications, having Raine on your side might be one of the best moves, reason being that it is one of, if not the top bank when it comes to the TMT business, as well as the sport industry.

Juventus FC and Jeep sponsorship contract, that ensured €45M annually, is coming to an end, as stated by the company’s CEO, Maurizio Scanavino in an interview:

> “*I confirm that the Jeep sponsor is expiring at the end of this season. We are in negotiations with several major brands for a period of several seasons linked to the jersey sponsor*” (Calcio E Finanza, 2023)

The first job for Raine could be the one to help the new owners to find a new sponsorship contracts, by leveraging its robust global network. This network includes Mubadala, the sovereign investment fund of the United Arab Emirates, who also owns a stake in Raine’s share

capital. Middle East has extensively increased its investments in football, and therefore Mubadala could be interested in investing in a club such as Juventus. Another path for a new sponsor could be the one leading to the US, through Endeavor, owner of two of the biggest sports companies in the world, UFC and WWE, with whom the bank has a decade-long relation. Raine could therefore be a key asset in the quest for a search of a new sponsor, which isn't only a local brand such as Jeep, which is owned by Fiat-Chrysler, itself owned by Exor. A new external sponsor could give more light to Juventus, and generate more awareness for the club in the world.

Another important impact of Raine would be in terms of drafting a strategy that could clean Juventus image of recent scandals. Just like what happened in the Chelsea sale by Abramovic, seen in the third chapter, the new owners had to deal with a tough challenge such as restoring the brand image of the club. Raine had an impact on the marketing strategy, and could therefore be useful in drafting a marketing and communication strategy in order to clean up Juventus' image as well.

In conclusion, all the above will likely have an impact on the two main Juventus' revenue items: revenues from sponsorships and revenues from advertising, but also ticket sales, considering that a greater attention to the club could generate a higher demand of stadium tickets, and therefore increase the price. By taking the DCF model drafted in the previous paragraphs, it can be assumed that the growth rates for the revenue items above could double by exploiting Raine's services. At the same time, however, also the external services cost[36] will increase, with an expected rate of 5%. The income statement forecast will then look as it follows.

[36] This item includes marketing expenses, reason why it has been considered in this assumption.

in K€	t 0 FY 22/23	 1 FY 23/24E	 2 FY 24/25E	 3 FY 25/26E	 4 FY 26/27E	 5 FY 27/28E
Ticket sales	61 500	68 212	75 656	83 912	93 069	103 225
Audiovisual rights and media revenues	157 161	163 514	170 123	176 999	184 154	191 597
Revenues from sponsorship and advertising	150 281	166 050	183 474	202 727	223 999	247 504
Revenues from sales of products and licences	28 570	28 911	30 318	32 442	34 957	37 760
Revenues from players' registration rights	70 167	71 585	74 461	79 676	85 853	92 736
Other revenues and income	39 974	40 451	42 420	45 391	48 910	52 831
Total revenues and income	**507 653**	**538 723**	**576 453**	**621 147**	**670 943**	**725 654**
Purchase of materials, supplies and other consumables	-4 030	-3 611	-3 643	-3 679	-3 719	-3 762
Purchases of products for sale	-12 304	-12 275	-12 381	-12 506	-12 642	-12 787
External services	-94 059	-98 762	-103 700	-108 886	-114 330	-120 046
Players' wages and technical staff costs	-255 359	-254 082	-252 811	-251 547	-250 290	-252 792
Other personnel	-27 030	-25 465	-25 686	-25 945	-26 226	-26 527
Expenses from players' registration rights	-12 043	-24 068	-24 277	-24 522	-24 787	-25 072
Other expenses	-22 783	-13 056	-13 170	-13 303	-13 447	-13 601
Total operating costs	**-427 608**	**-431 319**	**-435 668**	**-440 387**	**-445 440**	**-454 587**
Amortisation and write-downs of players' registration rights	-159 135	-155 952	-152 833	-149 777	-146 781	-143 845
Depreciation/amortisation of other tangible and intangible asset	-14 508	-14 922	-15 349	-15 787	-16 239	-16 703
Provisions, write-downs and release of funds	-5 691	-5 854	-6 021	-6 194	-6 371	-6 553
Operating income	**-99 290**	**-69 325**	**-33 419**	**9 002**	**56 113**	**103 966**
Financial income	3 306	3 509	3 754	4 045	4 370	4 726
Financial expenses	-21 523	-21 523	-21 709	-21 928	-22 166	-22 420
Share of results of associates and joint ventures	157	157	167	179	193	208
Income (loss) before taxes	**-117 348**	**-87 182**	**-51 207**	**-8 702**	**38 509**	**86 481**
Current taxes	-6 589	-6 757	-7 231	-7 791	-8 416	-9 102
Deferred and prepaid taxes	244	105	112	121	130	141
Total taxes	**-6 345**	**-6 653**	**-7 119**	**-7 671**	**-8 286**	**-8 961**
Net income/(loss) for the period	***-123 694***	***-93 834***	***-58 326***	***-16 373***	***30 224***	***77 519***

(Table 4.14, Juventus FC's forecasted income statement after Raine's intervention)

Since revenues increased, also the free cash flows have. Therefore, by holding other things constant, the discounted cash flow gives an enterprise value as follows.

Free Cash Flows *in K€*	t 0 FY 22/23	 1 FY 23/24E	 2 FY 24/25E	 3 FY 25/26E	 4 FY 26/27E	 5 FY 27/28E	*Continuing Value*
Net Operating Profit After Tax (NOPAT)	- 75 460	- 52 687	- 25 399	6 841	42 646	79 014	
Depreciation of the year (+)	*179 334*	*176 729*	*174 203*	*171 757*	*169 390*	*167 101*	
CAPEX (-)	*- 93 643*	*- 91 770*	*- 89 934*	*- 98 928*	*- 108 821*	*- 119 703*	
Variations in Net Working Capital (-)	*- 34 486*	*4 167*	*4 257*	*4 349*	*4 443*	*4 539*	
Free Cash Flows	**- 24 255**	**36 439**	**63 128**	**84 020**	**107 659**	**130 952**	***1 790 381***
Discounted Cash Flows	- 24 255	33 734	54 103	66 663	79 076	89 045	1 217 425
WACC	*8,02%*						
CAGR	*0,66%*						
Enterprise Value	***1 515 790***						

(Table 4.15, Juventus FC's Enterprise Value after Raine's intervention)

Raine's services could therefore increase the Enterprise Value of around 50%.

4.3.2 Raine on the sell-side

Let's now delve into the scenario where Raine assists Exor in the sale of a part of its stake.

In this scenario where Exor only sells a minority stake, Raine impact would certainly be on the strategic and financial side. The bank could help Exor in creating a strategic plan for the restructuring, that identifies the assets to be sold as well as the best time and method to sell them, as analyzed in the second chapter (Garruto et al., 2021; Hsu et al., 2021). Moreover, the big name of the bank will serve as a guarantee for potential bidders and will therefore attract a

large number of investors, thus increasing the likelihood of a higher premium for the assets to be sold (Chiu et al., 2022). For instance Raine could ask the intervention of Mubadala. The fund, as previously seen, has already been involved in the football field, with several hundreds of millions of dollars of investments. Raine could potentially initiate an investment of the fund in the share capital of Juventus, and become co-owner. This could help Exor "alleviate the pain" caused by the club's ongoing financial losses, and at the same time avoid being the only shareholder to have to bear the burden of any capital increases, which have been very large in recent years.

Another way in which Raine could help Exor would be on the fair valuation of Juventus. Considering the participation of the bank in several other important transactions in the sector, as seen in the third chapter, along with its extensive knowledge, Raine will ensure a fair and credible valuation, certifying, therefore, the transaction viability. Moreover, the high-status of the bank can lead to the so-called "matchmaking" prowess, i.e. the ability to identify synergies between the target unit and the acquiring firm to negotiate a better offer from potential acquirers, increasing total wealth gains as well as the probability of completing transactions (Bowers & Miller, 1990; Ma, 2013; Rau, 2000).

In summary, Raine's involvement in assisting Exor in the sale of a minority stake in its assets brings forth strategic, financial, and reputational benefits. With its expertise in strategic planning and financial restructuring, Raine can help Exor navigate the complexities of the divestment process, maximizing value and attracting a diverse pool of investors. Additionally, leveraging its extensive network and credibility, Raine can facilitate partnerships such as with Mubadala, paving the way for mutually beneficial investments and mitigating financial risks for Exor. Furthermore, Raine's role in ensuring a fair valuation and identifying synergies underscores its contribution to enhancing transaction viability and maximizing wealth gains for all stakeholders involved. Overall, Raine's involvement serves as a central player in orchestrating a successful divestment strategy for Exor, unlocking value and fostering strategic growth opportunities.

4.4 Conclusions

Juventus is Italy's most successful club, and is held by one of the most important families in Italian history, the Agnelli family, through Exor, the Netherlands based holding. The latter has been linked to rumors about the disposal of the club, despite the continuous denial of its CEO,

John Elkann. However, the scenario of a sale of the football company is not so far from reality. Exor, as the majority shareholder of Juventus, faces several problems with its ownership of the club. Firstly, there's a clear agency problem between Exor and minority shareholders, leading to a lack of diverse perspectives and potential faulty judgments. Secondly, Juventus is seen more as a family jewel than an asset to be exploited, also considering that Juventus' stock is relatively undervalued compared to other holdings in Exor's portfolio, leading to less attention from Exor's CEO: the latter, however, because of the relevant Juventus' financial losses, was forced to inject more than a billion into the club's coffers to avoid bankruptcy. Moreover, Juventus faces industry risks, such as loss of competitiveness and brand appeal, as well as strategic risks, including failure to meet long-term objectives. Financially, the club's significant debt and risk of inadequate cash flows pose further challenges, jeopardizing its financial stability and business continuity. Juventus therefore represents a costly and risky investment for Exor, reason why a sale of the club is not to be excluded.

In a scenario of a disposal of Juventus by its majority shareholder, a valuation of the club was carried out in the chapter. The Discounted Cash Flow model was performed on a 5 year forecast, and has found an enterprise value of around €1Bn. To make a more comprehensive valuation, the COMPS and COMPAQ method were used as well: both of them resulted in an enterprise value consistent with the one found through the DCF.

The above disposal scenario would involve Raine Group as the lead financial advisor of the deal. Two scenarios were carried out: a buy-side involvement, and a sell-side involvement for the bank. The first one underlined how Raine would play a key role in drafting a strategic plan with the aim of firstly restoring Juventus image after the 2022 accounting scandals, along with improving its international appeal as a global brand: this strategic plan would be aimed at finding a new sponsor for the club, and exploiting Raine's network in the TMT industry to increase the main revenue items of Juventus, which are revenues from sponsorships, revenues from advertising, and ticket sales. By using the DCF, it was valued that Raine's impact would improve Juventus' enterprise value by 50%. The second scenario sees Raine acting as a sell-side advisor, therefore on Exor's side, in a scenario where the latter only sells a part of its stake. The main task will be about offering strategic, financial, and reputational benefits. With expertise in strategic planning and financial restructuring, Raine can help navigate the divestment process, maximizing value and attracting diverse investors. Leveraging its network, Raine can facilitate partnerships like with Mubadala, reducing financial risks. Additionally, by

ensuring fair valuation and identifying synergies, Raine enhances transaction viability and maximizes wealth gains.

In conclusion, the chapter underlined how Raine Group would be a key asset for either the buy-side or the sell-side, confirming what was analyzed in the third chapter of the dissertation.

Final Summary and Conclusions

The goal of the dissertation was to analyze and understand what actually is the role of an advisor within an M&A deal, with a special attention given to the sport industry and to one particular bank: Raine Group.

Mergers and Acquisitions (M&A) represent a pivotal aspect of corporate strategy, providing organizations with means to achieve growth, enhance competitiveness, and unlock synergies.

The first chapter of the dissertation focused on giving an overview of what mergers and acquisitions is, navigating through the what drives this activity, who are the key players involved in a deal, what's the process of this deal and how can a company be valued in order to assess its true value.

Starting from the M&A drivers, the main one are for sure synergies. In the corporate finance world, any effect that raises the value of a combined company above the sum of the values of the two independent enterprises is referred to as a synergy. Synergy may allow the combined firm to appear to have a positive net acquisition value, NAV, which can be summed up by the following formula:

$$NAV = [V_{AB} - (V_A + V_B)] - (P + E)$$

Scholars and practicians summarized three main types of synergies: revenue-enhancing synergies, which is the potential revenue growth caused by the M&A activity, either given by the combination of means, financial, strategic, logistic, etc., of the companies involved in the merger, or either given by the reduction of companies in an industry, which would eventually boost market and pricing power; cost-reducing synergies, related to economies of scale and economies of scope; and financial synergies, referring to the reduction in the acquirer's cost of capital resulting from a merger or acquisition, often obtained when the two companies have uncorrelated cash flows (Gaughan, 2018).

The second driver for an M&A deal is the search of diversification, therefore the need and will of growing outside a company's current industry category, potentially leading to financial synergy and growth in new markets or product lines (Gaughan, 2018; DePamphilis, 2018). Seeking diversification might be a result of the need of a strategic realignment, often driven by technological advancements and regulatory changes (DePamphilis, 2018). Related diversification entails introducing existing products to new markets or vice versa, leveraging established market knowledge. On the other hand, unrelated diversification involves expanding

into unrelated markets, often resulting in the so called conglomerates (Akbulut & Matsusaka, 2010). While conglomerates may face challenges in investor perception and financial returns, success stories like General Electric demonstrate the potential benefits of strategic diversification (Khorana et al., 2011; Ammann et al., 2012). GE's emphasis on maintaining leadership positions, reacting to market changes, and strategic decision-making contributed to its success in diversification.

The third driver for mergers and acquisitions are managerial motives, which are aimed at addressing the agency problem or related to managerial hubris. The agency problem arises from conflicts of interest between management and shareholders, such as in widely held or controlled shareholder companies, leading to suboptimal management decisions (Miller, 2008; Zattoni, 2015). M&A can serve as a mechanism to overcome management problems by triggering changes in ownership and management, especially through hostile takeovers (Zattoni, 2015). Managerial hubris theory suggests that managers may pursue acquisitions for personal gain, such as self-preservation, increased influence, prestige, or higher pay (Roll, 1986; Masulis et al., 2007). This divergence of personal goals from organizational objectives may lead to suboptimal decision-making in M&A activities (Gaughan, 2018).

Understood the drivers of M&A, the first chapter of the dissertation also provided an opportunity to observe and analyze the M&A process. The latter, lasting several months, can be summarized in three phases: the preparation phase, phase 1 and phase 2. During the preparation phase, which spans six weeks, the sell-side defines objectives, conducts internal due diligence, and drafts key documents such as the information memorandum and process letter (Bruner, 2004). Meanwhile, the buy-side conducts qualitative analyses, explores potential pre-emptive bids, and may seek partnerships to enhance their market positioning (Pearl & Rosenbaum, 2009). In Phase 1, lasting 4-6 weeks, initial interactions occur through advisors, with the sell-side approaching potential bidders and the buy-side reviewing documents, assessing valuations, and engaging in early negotiations. Non-binding offers are submitted, and the sell-side shortlists potential buyers for further consideration (Bruner, 2004). Moving to Phase 2, the second round of the transaction, the VDR is opened, and due diligence is conducted by the buy-side, providing comprehensive insights into the target company (Pearl & Rosenbaum, 2009). Management presentations are crucial, leading to the confirmation or refinement of valuation ranges and the submission of final binding offers. The selected buyer then engages in final negotiations, leading to the drafting and signing of the Sales and Purchase

Agreement (SPA). The deal is then announced pending regulatory approval, with the transaction being finalized upon approval, completing the M&A process (Bruner, 2004).

Understanding the both the drivers of the M&A activity and the M&A process is key to introduce the main subject of the dissertation, which are the advisors. The target company and the bidders alone can’t ensure an efficient and successful deal completion, given the amount of time and workload that the transaction require. This is why a relevant part of the deal completion is attributable to the advisors, mainly investment banks. The second chapter of the dissertation analyzed the role of investment banks and advisors in an M&A transaction, and how these players could influence the outcome of these events.

The chapter underlined four main roles covered by the advisors. Firstly, investment banks play a pivotal role in M&A transactions by offering strategic advice to firms, which is crucial for transaction success (Chaudhry et al., 2021). Managers often rely heavily on this advice due to their lack of experience (Bonaccio & Dalal, 2006; Harvey & Fischer, 1997; Sniezek et al., 2004). Lack of access to sound counsel can result in less efficient transaction processes and reduced transaction performance (Chiu et al., 2022). Advisors focus on ensuring the interests of shareholders are met, aiming for higher remuneration for sell-side shareholders and future remuneration for buy-side shareholders (Pearl & Rosenbaum, 2009; Ouyang, 2015). Studies show that acquirers tend to pay less without proper financial guidance, highlighting the importance of expert advice, especially in larger deals (Kisgen et al., 2009). Strategic advice from investment banks goes beyond valuation and includes reducing competition, enhancing bidding advantages, and shaping M&A dynamics (Chang et al., 2016). Advisors also advise on maximizing deal outcomes by identifying synergies, value creation opportunities, and strategic implications of ownership arrangements (Kumar et al., 2023). They may also offer guidance on communication, deal structure, and timing (Kale et al., 2003; Sleptsov et al., 2013).

A second duty of investment banks is mediating, since information asymmetry is a common characteristic of M&A transactions, thus impacting deal features like premiums and abnormal returns (Finnerty et al., 2012). Advisors aim to reduce this asymmetry by leveraging their expertise to identify suitable partners and navigate the M&A landscape (Ouyang, 2015). Acting as information intermediaries, they enhance firms' understanding of the process and provide valuable insights (Chiu et al., 2022). Investment banks and advisors play a crucial role in generating and processing essential information, evaluating merging firms, and providing technical assistance (Chang et al., 2016). They gather various types of information, including growth opportunities and profit margins. Advisors actively contribute to reducing information

asymmetry between acquirers and targets, building trust, fostering transparency, and enhancing communication (Kumar et al., 2023). This information role is fundamental for successful M&A transactions and strategic company undertakings.

Third role of M&A advisors is conducting the due diligence, assisting both buy-side and sell-side parties in evaluating financial and legal aspects of deals (Kumar et al., 2023). They help mitigate risks, assess synergies, and expedite the transaction process (Chuang, 2017). Buy-side advisors focus on risk management, guiding bidders to adopt an investor mentality and develop risk mitigation strategies to ensure successful deal completion (Bruner, 2004). Sell-side due diligence aims at valuing the company or asset for sale, particularly crucial for underperforming firms seeking buyers (Brauer, 2006). Investment banks' networks and status can enhance visibility and attract potential buyers (Chiu et al., 2022; Reuer et al., 2012). Overall, advisors facilitate fair valuation and sound risk management, aligning interests of shareholders and stakeholders in M&A transactions.

Last but not least, M&A advisors play pivotal roles in navigating complexities and ensuring the success of transactions by managing complexity, facilitating deals, and negotiating for optimal shareholder value. They aim to secure deals that maximize benefits for all stakeholders, including shareholders of the target company (Kumar et al., 2023): hence, collaboration and trust are crucial for successful negotiations (Hearn, 2023). Advisors strive to find the best deal by influencing premiums, synergies, and overall performance for buy-side clients, and securing great remuneration for sell-side clients (Chang et al., 2016). Negotiation dynamics are central, with advisors tailoring strategies to optimize bargaining power (Kumar et al., 2023): for instance, in hostile M&A scenarios, advisors navigate strategic decisions to ensure favorable outcomes, despite challenges (Kumar et al., 2023). Overall, M&A advisors are indispensable orchestrators, balancing negotiations, mitigating complexities, and contributing to the success of corporate transactions.

The second chapter also offered some case studies by scholars to understand in practice whether these services could provide a value added to the players involved. These case studies brought mixed results.

Regarding the information role, literature showed how this feature is always present in advisory services: in the specific case analyzed related to bidders hiring target ex-advisors, the latter could increase the acquirer's understanding of the targets' true value and make it easier to identify synergistic prospects. Furthermore, acquirers that hire the targets' former advisors are less likely to receive competitive bids, as well as fewer bidders overall (Chang et al., 2016).

Literature also showed how advisors could influence shareholder voting. More specifically, scholars analyzed how shareholders of the bidder are “active listeners”, therefore they do consider advisors opinion, but they still not trust them. This is because of the inherent conflict of interest that the relationship between advisor and client can produce, related to the urge in deal completion. However, bidders’ shareholders are more prone to target advisors’ opinions (Ouyang, 2015). Therefore, advisors, whether buy-side or sell-side, can have a strong influence on the deal.

The case studies also showed how the strong reputation of investment banks could be a further asset in terms of negotiation and deal completion (Kumar et al., 2023), along with a more positive market reaction (Chiu et al., 2022). High-status advisors not only positively influence the completion probability of M&A transactions, thanks to their expertise and guidance in deal closures, but they also exploit their vast network of clients to ensure a positive reaction to the deal, therefore providing a higher abnormal return. Further literature emphasized the importance of high-status advisors. Externally, they increase transaction visibility, attract more investors, ensure fair valuation, and negotiate better offers (Bowers & Miller, 1990; Kale et al., 2003; Ma, 2013). Internally, they assist in restructuring strategies, optimize asset sales, and aid in organizational realignment (Garruto et al., 2021; Hsu et al., 2021; Pathak & Chiu, 2020). Managers are more likely to trust and act on advice from high-status advisors, enhancing the effectiveness of transactions and subsequent restructuring efforts (Brambilla et al., 2010; Bonaccio & Dalal, 2006; Schilbach et al., 2013). In summary, high-status advisors play critical roles in facilitating successful M&A transactions and driving long-term value creation for client firms.

Despite the convincing findings just mentioned, a vast part of literature provides opposite results and opinions on the importance of high-status investment banks in the deal. Indeed, scholars showed how in reality lower-tier advisors ensure a higher probability of deal completion, as well as higher abnormal returns, while top-tier investment banks are just more suitable when deals are complex (Walter et al., 2006).

It is therefore easy to understand the type of services provided by advisors in a deal, but is instead very difficult to assess the real value added of those services. It is interesting how scholars provided some evidences against top-tier investment banks, in terms of deal completion and cumulated abnormal returns of the transaction, providing instead support to smaller banks. The studies, however, weren’t industry specific, and provided broad samples of transactions. Therefore it is difficult to know who’s right. However, in smaller industries or

sectors of the economy, the opinions on low-tier investment banks may find some foundations. For instance, niche investment banks often specialize in specific sectors or types of transactions, becoming experts in those sectors: this focus can allow them to have a deeper knowledge and closer network, making them particularly effective in M&A transactions within certain sectors. Moreover, smaller banks can offer a more personalized service tailored to specific customer needs: this level of personalized attention can be particularly important in complex transactions, where the needs and circumstances of the companies involved can vary greatly. Smaller banks also tend to be more agile and flexible than large financial institutions: this agility can be an advantage in the more complex stages of negotiations, enabling them to adapt quickly to changing circumstances or customer demands. Lastly, niche banks may have a lighter cost structure than large investment banks.

It would be interesting to analyze how these smaller banks work in these smaller sectors. This is why the third chapter delved into a more in depth analysis of advisors in the sport sector. More specifically, a key player in the sport sector has been analyzed: Raine Group LLC, an American boutique who participated in some of the largest M&A transactions in the sport industry, lastly being the merger between the Ultimate Fighting Championship (UFC) and the World Wrestling Entertainment (WWE), raising the highest fee in the history of the company. The key question is: why should a company choose Raine Group LLC and not others?

In 2023, both the global M&A market and the sports industry experienced challenging times, with deal-making declining significantly due to factors like high interest rates and geopolitical tensions (Financial Times, 2023e). However, despite the overall downturn, some notable deals occurred in the sports sector, particularly focusing on premium assets like major league teams. Investments in sports M&A are typically driven by the appeal of premium assets, which offer stable cash flows, strong profit margins, and high barriers to entry (Deloitte, 2022). Historically driven by wealthy individuals as fans, the sector is now attracting new investors such as Private Equity firms, drawn by the potential for attractive risk-adjusted returns. A portfolio approach to sports investments is emerging, aiming to de-risk portfolios, increase diversification, and create synergies across different sports and geographical regions (Deloitte, 2022). Analysts anticipate a broader adoption of this approach and an expansion into new sports and geographies, with potential growth in the women's sports sector due to its increasing fan base (Deloitte, 2022). Looking ahead to 2024, analysts expect a rebound in sports M&A activity driven by improving financial markets, pent-up demand and supply of deals, and strategic imperatives for businesses to change their models (PwC, 2024). Overall, while facing

challenges, the sports M&A sector shows potential for growth and evolution in the coming years.

The sport sector can be included into a broader market, which is the media and entertainment industry. The latter, since 1985, accounted for 8.1% of the total M&A activity to date, with a cumulative overall value of around $5Tn, positioning as the sixth biggest industry in terms of M&A deals, behind sectors like financials, energy and power, or industrial (Institute for Mergers, Acquisitions & Alliances, 2024b). It is therefore clear that in the vast landscape of the media and entertainment business, the sport industry is a true niche. Notwithstanding, some players have made their way in this environment and have managed to carve out a good slice of the market for themselves and, as a result, manage to earn quite good returns.

During the course of the third chapter, it has been emphasized how, for some banks, in some sectors, “size doesn’t matter”, and that the sports industry falls within this scope. Boutiques such as Galatioto Sports Partners, Inner Circle Sports, and Game Plan LLC are all specialized in advisory services in this specific industry, and have all participated in deals worth hundreds of millions. Their business structure allowed them to provide a customer-tailored offer, have a higher flexibility compared to bigger banks, and charge lower costs to their clients, also exploiting their team full of experts in the sector. On the other hand, the sports industry has also been under the observation of the big sharks, such as JPMorgan and Goldman Sachs, which decided to build their investment banking division dedicated to sports M&A and financial advisory. While being less sports-focused than the previously mentioned boutiques, top tier banks can still rely on some great advantages, such as their strong reputation, the access to global capital, the increased liquidity and risk-taking capacity, and, of course, a century-long multi-sector expertise.

Between all banks operating in the sports industry, one stands above all, which is Raine Group. The US boutique led by Joe Ravitch and Jeff Sine has participated in the biggest M&A deals in the sports industry, and bagging some of the highest advisory fees in history. But why is Raine so well considered? Why a sports company should choose Raine above others?

First of all, being a boutique, Raine benefits from the advantages inherent in its small size. Its key asset lies in cultivating strong relationships with clients, with big entities like Endeavor, as well as SoftBank or football teams such as Manchester City. These robust connections enable Raine to offer tailored services that cater precisely to the needs of clients, whether it is on the buy-side or the sell-side of the transaction. Moreover, just like other niche banks, Raine can rely on a strong expertise in a single industry, in its case, the Technology, Media, and

Telecommunications (TMT) sector. Given that sports falls within this broader industry, Raine's expertise extends to serving sports clubs seeking to enhance their brand image, as evidenced by its involvement with Chelsea FC during its separation from Russian oligarch Abramovich.

At the same time, Raine Group, operating in the sports industry, can also boast of the advantages of top tier banks: despite not being a global and universal bank, inside the sport industry Raine is considered like one of them. Firstly, its reputation in the industry is unmatched, mainly because of its history in the transactions in its early history. Secondly, within the TMT industry, Raine leverages a robust global network, facilitated by its strong relationships with companies such as Endeavor and SoftBank, as previously mentioned.

Raine Group is, therefore, the perfect match between boutiques and global universal and investment banks when talking about the sports industry. The fourth chapter explored a case study centered on demonstrating how Raine could significantly impact the sale of a company. Specifically, it will focus on the potential sale of Juventus FC, Italy's largest football club, and examine how Raine's services could shape the transaction.

Juventus is Italy's most successful club, and is held by one of the most important families in Italian history, the Agnelli family, through Exor, the Netherlands based holding. The latter has been linked to rumors about the disposal of the club, despite the continuous denial of its CEO, John Elkann. However, the scenario of a sale of the football company is not so far from reality. Exor, as the majority shareholder of Juventus, faces several problems with its ownership of the club. Firstly, there's a clear agency problem between Exor and minority shareholders, leading to a lack of diverse perspectives and potential faulty judgments. Secondly, Juventus is seen more as a family jewel than an asset to be exploited, also considering that Juventus' stock is relatively undervalued compared to other holdings in Exor's portfolio, leading to less attention from Exor's CEO: the latter, however, because of the relevant Juventus' financial losses, was forced to inject more than a billion into the club's coffers to avoid bankruptcy. Moreover, Juventus faces industry risks, such as loss of competitiveness and brand appeal, as well as strategic risks, including failure to meet long-term objectives. Financially, the club's significant debt and risk of inadequate cash flows pose further challenges, jeopardizing its financial stability and business continuity. Juventus therefore represents a costly and risky investment for Exor, reason why a sale of the club is not to be excluded.

In a scenario of a disposal of Juventus by its majority shareholder, a valuation of the club was carried out in the chapter. The method used was the Discounted Cash Flow model: allows the analyst to understand the intrinsic value of a company, which is the value of a company based

on the benefits that a potential acquirer can derive from it. The model was performed on a 5 year forecast, and has found an enterprise value of around €1Bn, after using several assumptions about the growth rates of revenue and cost items. To make a more comprehensive valuation, the COMPS and COMPAQ method were used as well: through these methods, the value of an asset is compared to the values assessed by the market for similar or comparable assets; the first method uses the so called "multiples" of comparable companies, while the second one uses previous transactions of companies deemed comparable. Both of them resulted in an enterprise value consistent with the one found through the DCF.

The above disposal scenario would involve Raine Group as the lead financial advisor of the deal. Two scenarios were carried out: a buy-side involvement, and a sell-side involvement for the bank. The first one underlined how Raine would play a key role in drafting a strategic plan with the aim of firstly restoring Juventus image after the 2022 accounting scandals, along with improving its international appeal as a global brand: this strategic plan would be aimed at finding a new sponsor for the club, and exploiting Raine's network in the TMT industry to increase the main revenue items of Juventus, which are revenues from sponsorships, revenues from advertising, and ticket sales. By using the DCF, it was valued that Raine's impact would improve Juventus' enterprise value by 50%. The second scenario sees Raine acting as a sell-side advisor, therefore on Exor's side, in a scenario where the latter only sells a part of its stake. The main task will be about offering strategic, financial, and reputational benefits. With expertise in strategic planning and financial restructuring, Raine can help navigate the divestment process, maximizing value and attracting diverse investors. Leveraging its network, Raine can facilitate partnerships like with Mubadala, reducing financial risks. Additionally, by ensuring fair valuation and identifying synergies, Raine enhances transaction viability and maximizes wealth gains.

In conclusion, the chapter underlined how Raine Group would be a key asset for either the buy-side or the sell-side, confirming what was analyzed in the third chapter of the dissertation.

References

Abbound, L., Kazmin, A., (2023a, November 21st). Italy blocks Safran deal over national security concerns. *Financial Times*. Retrieved from https://www.ft.com/content/190a7123-5300-4a78-a347-c26f72f9bd59

Agini S., Fontanella-Khan J., Nicolaou A., Noble J. (2023b, April 3rd). Endeavor's UFC to merge with WWE in $21bn all-stock deal. *Financial Times*. Retrieved from https://www.ft.com/content/b132e6aa-00c2-4171-bc87-7c18f716964f

Agini S., Levingston I. (2023c, September 13th). The Broadway producer orchestrating SoftBank's Arm IPO. *Financial Times*. Retrieved from https://www.ft.com/content/2f725376-eaaa-441e-94da-7ee9c90de208

Agini S., Massoudi A., Indap S., Fontanella-Khan J. (2023d, May 17th). Raine bags $65mn fee advising WWE on Endeavor takeover. *Financial Times*. Retrieved from https://www.ft.com/content/05d9c2b6-84d4-4944-96ea-a5540066e382

Akbulut, M., Matsusaka, J. (2010). 50+ years of diversification announcements. *The Financial Review 45*(2), 231–262. https://doi.org/10.1111/j.1540-6288.2010.00245.x

Aktas, N., De Bodt, E., Bollaert, H., & Roll, R. (2016). CEO Narcissism and the Takeover Process: From Private Initiation to Deal Completion. *Journal Of Financial And Quantitative Analysis, 51*(1), 113-137. https://doi.org/10.1017/s0022109016000065

Albicocco N., Sikander A. S. (2022, April 29th). Morgan Stanley set to earn largest US bank M&A advisory fee of the century. *S&P Global - Market Intellingence*. Retrieved from https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/morgan-stanley-set-to-earn-largest-us-bank-m-a-advisory-fee-of-the-century-69969592

Allen, L., Jagtiani, J., Peristiani, S., & Saunders, A. (2001). The Role of Bank Advisors in Mergers and Acquisitions. *Social Science Research Network*. https://doi.org/10.2139/ssrn.293795

Ammann, M., Hoechle, D., Schmid, M. (2012). Is there really no conglomerate discount?. *Journal of Business Finance & Accounting 39*(1-2), 264–288. https://doi.org/10.1111/j.1468-5957.2011.02261.x

Andriotis, A. (2023, September 15th). Goldman's Pitch to Rich Clients: Hey, Buy a Piece of This Sports Team!. *The Wall Street Journal*. Retrieved from https://www.wsj.com/finance/banking/goldmans-pitch-to-rich-clients-hey-buy-a-piece-of-this-sports-team-5a58746b

Bajo, E., Chemmanur, T. J., Simonyan, K., & Tehranian, H. (2016). Underwriter networks, investor attention, and initial public offerings. *Journal of Financial Economics, 122*(2), 376–408.

Bates, T. W., & Lemmon, M. L. (2003). Breaking up is hard to do? An analysis of termination fee provisions and merger outcomes. *Journal Of Financial Economics, 69*(3), 469-504. https://doi.org/10.1016/s0304-405x(03)00120-x

Becher, D. A., Cohn, J. B., & Juergens, J. L. (2015). Do Stock Analysts Influence Merger Completion? An Examination of Postmerger Announcement Recommendations. *Management Science, 61*(10), 2430-2448. https://doi.org/10.1287/mnsc.2014.2065

Bell, J. (2007, February 7th). Two American Buyers Purchase Liverpool Club. *The New York Times*. Retrieved from https://www.nytimes.com/2007/02/07/sports/soccer/07liverpool.html

Bellinazzo, M. (2013, November 16th). Ecco tutte le cifre dell'affare Inter-Thohir e il "tesoretto" per rafforzare la squadra. *IlSole24Ore*. Retrieved from https://marcobellinazzo.blog.ilsole24ore.com/2013/11/16/ecco-tutte-le-cifre-dellaffare-inter-thohir-e-il-tesoretto-per-rafforzare-la-squadra/

Bengel, C. (2023a, June 13th). Ottawa Senators sale: Toronto billionaire Michael Andlauer reaches agreement to purchase NHL team. *CBS Sports*. Retrieved from https://www.cbssports.com/nhl/news/ottawa-senators-sale-toronto-billionaire-michael-andlauer-reaches-agreement-to-purchase-nhl-team/

Bergh, D. D., Johnson, R. E., & DeWitt, R. L. (2008). Restructuring through spin-off or sell-off: Transforming information asymmetries into financial gain. *Strategic Management Journal, 29*(2), 133–148. https://doi.org/10.1002/smj.652

Bersin, J. (2012, August 27th). Why IBM Acquired Kenexa. *Forbes*. Retrieved from https://www.forbes.com/sites/joshbersin/2012/08/27/why-ibm-acquired-kenexa/

Bonaccio, S., & Dalal, R. S. (2006). Advice taking and decision-making : An integrative literature review, and implications for the organizational sciences. *Organizational Behavior And Human Decision Processes, 101*(2), 127-151. https://doi.org/10.1016/j.obhdp.2006.07.001

Bowers, H. M., & Miller, R. E. (1990). Choice of investment banker and shareholders' wealth of firms involved in acquisitions. *Financial Management, 19*, 34–44. https://doi.org/10.2307/3665608

Bradshaw, T., Ring, S. (2023e, October 13th). Microsoft closes $75bn Activision deal after UK regulator's approval. *Financial Times*. Retrieved from https://www.ft.com/content/e8b61fe4-335d-419e-a0de-02db53f42e69

Brambilla, M., Sacchi, S., Castellini, F., & Riva, P. (2010). The effects of status on perceived warmth and competence. *Social Psychology, 41*(2), 82–87. https://doi.org/10.1027/1864-9335/a000012

Branch J. (2014, April 29th). N.B.A. Bars Clippers Owner Donald Sterling for Life. *The New York Times*. Retrieved from https://www.nytimes.com/2014/04/30/sports/basketball/nba-donald-sterling-los-angeles-clippers.html

Brauer, M. (2006). What Have We Acquired and What Should We Acquire in Divestiture Research? A Review and Research Agenda. *Journal Of Management, 32*(6), 751-785. https://doi.org/10.1177/0149206306292879

Bridge, T., Boor, S., D'Elia, M., & Haskel, J. (2023, June 26th). Deloitte's outlook for sports investment in 2023. *Deloitte*. Retrieved from https://www.deloitte.com/ke/en/Industries/tmt/perspectives/deloitte-outlook-sports-investment.html

Brown M. (2014, April 12th). $2 Billion Sale Of Los Angeles Clippers To Steve Ballmer Now Official. *Forbes*. Retrieved from https://www.forbes.com/sites/maurybrown/2014/08/12/2-billion-sale-of-los-angeles-clippers-to-steve-ballmer-now-official/

Bruner, R. F. (2004). *Applied Mergers and Acquisitions*. New York, US: John Wiley & Sons Inc.

Butterfield F. (2002, September 28th). PRO BASKETBALL; Investor Group Purchases Celtics. *The New York Times*. Retrieved from https://www.nytimes.com/2002/09/28/sports/pro-basketball-investor-group-purchases-celtics.html

Cain, M., & Denis, D. (2012). Information production by investment banks: Evidence from fairness opinions. *Journal of Law and Economics, 56*, 245–280. https://doi.org/10.1086/666877

Cihan, M., Tice, S. (2015). *Do Diversified or Focused FirmsMake Better Acquisitions?*. Paper presented at the American Finance Associations Annual Meetings, 2015.

Chang, X., Shekhar, C., Tam, L., & Yao, J. (2016). The information role of advisors in mergers and acquisitions: Evidence from acquirers hiring targets' ex-advisors. *Journal Of Banking & Finance, 70*, 247-264. https://doi.org/10.1016/j.jbankfin.2016.05.006

Chaudhry, A. N., Kontonikas, A., & Vagenas-Nanos, E. (2021). Social Networks and the Informational Role of Financial Advisory Firms Centrality in Mergers and Acquisitions. *British Journal Of Management, 33*(2), 958-979. https://doi.org/10.1111/1467-8551.12477

Chemmanur, T. J., & Fulghieri, P. (1994). Investment bank reputation, information production, and financial intermediation. *Journal of Finance, 49*(1), 57–79. https://doi.org/10.2307/2329135

Chiu, S., Pathak, S., & Sabz, A. (2022). The impact of advisor status on corporate divestitures and market reactions. *Journal Of Business Research, 144*, 107-121. https://doi.org/10.1016/j.jbusres.2022.01.073

Chuang, K. (2017) The role of investment banks on the impact of firm performance in mergers and acquisitions: evidence from the Asia-Pacific market. *Review Of Quantitative Finance And Accounting, 48*(3), 677-699. https://doi.org/10.1007/s11156-016-0564-2

Clark S. (2016, September 7th). John Malone's Liberty Media to Buy Formula One. *The Wall Street Journal*. Retrieved from https://www.wsj.com/articles/john-malones-liberty-media-to-buy-formula-one-1473289232?mod=article_inline

Criddle, C., Klasa, A., Espinoza, J. (2023f, August 22nd). Microsoft significantly reworks $75bn Activision deal to win UK backing. *Financial Times*. Retrieved from https://www.ft.com/content/ba6a13de-5318-4630-b8f8-9680d4529642

Croson, R. T. A., Gomes, A., Nöth, M. (2004). Mergers and Acquisitions: An Experimental Analysis of Synergies, Externalities and Dynamics. *Review of Finance*, *8*(4), 481-514. https://doi.org/10.1093/rof/8.4.481

Damodoran, A. (2012). *Investment valuation: Tools and techniques for determing the value of any asset* (3rd edition). New Jersey, US: John Wiley & Sons

DePamphilis, D. M. (2018). *Mergers, Acquisitions, and Other Restructuring Activities: An Integrated Approach to Process, Tools, Cases, and Solutions* (9th edition). London, UK: Elsevier Inc.

Eccles, R. G., Crane, D. B. (1988). *Doing deals: Investment banks at work*. Harvard Business School Press, Boston, MA

Elligson A. (2021, July 21st). Dodgers co-owners take minority stake in Lakers. *L.A. Business First*. Retrieved from https://www.bizjournals.com/losangeles/news/2021/07/12/dodgers-co-owners-take-minority-stake-in-lakers.html

Erel, I., Jang, Y., Weisbach, M. (2015). Do acquisitions relieve target firms' financial constraints?. *Journal of Finance 70*(1), 289–328. https://doi.org/10.1111/jofi.12155

Farmer B., Haller A., Kumar S. (2022, February 8th). Bringing Science to the Art of Revenue Synergies : High deal valuations call for a more rigorous approach to jointly boosting revenue. *Bain & Company M&A Report*. Retrieved from https://www.bain.com/insights/revenue-synergies-m-and-a-report-2022/

Fuad, M., & Gaur, A. (2019). Merger waves, entry-timing, and cross-border acquisition completion: A frictional lens perspective. *Journal Of World Business, 54*(2), 107-118. https://doi.org/10.1016/j.jwb.2018.12.001

Feiner L. (2020, June 22nd). SoftBank plans to sell up to $21 billion worth of T-Mobile stock. *CNBC*. Retrieved from https://www.cnbc.com/2020/06/22/softbank-plans-to-sell-21-billion-worth-of-t-mobile-stock.html

Feldman, E. R. (2014). Legacy divestitures: Motives and implications. *Organization Science, 25*(3), 815–832.

Feldman, E.R., Gilson, & Villalonga, B. (2014). Do analysts add value when they most can? Evidence from corporate spin-offs. *Strategic Management Journal, 35*(10), 1446–1463.

Finke N. (2010, September 19th). WME-Staked Raine Antes $300M Media Fund. *Deadline*. Retrieved from https://deadline.com/2010/09/when-it-raines-it-pours-300m-for-wme-68498/

Finnerty, J. D., Jiao, J., & Yan, A. (2012). Convertible securities in merger transactions. *Journal of Banking and Finance 36*(1), 275–289. https://doi.org/10.1016/j.jbankfin.2011.07.003

Fontanella-Khan, J., McCormick, M. (2023g, October 31st). Oil sector megadeals open fee gusher for Goldman and Morgan Stanley. *Financial Times*. Retrieved from https://www.ft.com/content/14d031a4-10c3-4768-bc1f-f99d9db88ea6

Ganguli, T., Lowe, S. (2023, February 6th). N.B.A. Owners Approve Mat Ishbia's Purchase of Suns and Mercury. *New York Times*. Retrieved from https://www.nytimes.com/2023/02/06/sports/mat-ishbia-suns-approved-nba-board-of-governors.html

Garruto, L., Mills, R., Hunker, D.A., & Cooper, H.S.J. (2021). How CFOs can elevate portfolio reviews to drive divestment decisions? Retrieved from https://www.ey.com/en_us/divestment-study/portfolio-reviews-can-guide-cfo-divestment-decisions.

Gaughan, P. A. (2018). *Mergers, Acquisitions, & Corporate Restructuring* (7th edition). New Jersey, US: John Wiley & Sons Inc.

Gerosa, F. (2023, September 11th). Juventus in vendita? Exor smentisce. La reazione del titolo in Borsa. *Milano Finanza*. Retrieved from https://www.milanofinanza.it/news/juventus-in-vendita-exor-smentisce-la-reazione-del-titolo-in-borsa-202309110953315609

Hann, R., Ogneva, M., Ozbas, O. (2013). Corporate diversification and the cost of capital. *Journal of Finance 68*(5), 1961–1999. https://doi.org/10.1111/jofi.12067

Harris, R. (2024, February 21st). Sir Jim Ratcliffe completes purchase of Manchester United stake - taking control of football operations from Glazers. *Sky News*. Retrieved from https://news.sky.com/story/sir-jim-ratcliffe-completes-purchase-of-25-stake-in-manchester-united-13076565

Harvey, N., & Fischer, I. (1997). Taking advice: Accepting help, improving judgment, and sharing responsibility. *Organizational Behavior and Human Decision Processes, 70*(2), 117–133.

Hearn, P. (2023, July 12th). *The Art of Negotiation in Mergers and Acquisitions: Strategies for Success*. Retrieved from https://www.linkedin.com/pulse/art-negotiation-mergers-acquisitions-strategies-hearn-ed-d/

Hellier D. (2024a, January 17th). Raine Earns $31.5 Million for Advising on Manchester United Deal. *Bloomberg*. Retrieved from https://www.bloomberg.com/news/articles/2024-01-17/raine-earns-31-5-million-for-advising-on-manchester-united-deal

Hellier D., Nair D. (2024b, March 19th). JPMorgan Names Heads of New Sports Investment Banking Team. *Bloomberg*. Retrieved from https://www.bloomberg.com/news/articles/2024-03-19/jpmorgan-appoints-heads-of-new-sports-investment-banking-group?embedded-checkout=true

Herrera, S. (2023b, September 1st). Chicago Red Stars bought by Laura Ricketts led investment group: 'They deserve more, and they're gonna get it'. *CBS Sports*. Retrieved from https://www.cbssports.com/soccer/news/chicago-red-stars-bought-by-laura-ricketts-led-investment-group-they-deserve-more-and-theyre-gonna-get-it/

Hsu, J., Uro, J., Mills, R., Riegler, D., & Murphy, P. (2021). How CEOs can develop a successful divestment strategy? Retrieved from https://www.ey.com/en_us/divestment-study/how-ceos-can-develop-a-successful-divestment-strategy.

Hunter, W. C., & Jagtiani, J. (2003). An analysis of advisor choice, fees, and effort in mergers and acquisitions. *Review Of Financial Economics, 12*(1), 65-81. https://doi.org/10.1016/s1058-3300(03)00007-7

IMAA – Institute for Mergers, Acquisitions, and Alliances. (2024, April 17th). *M&A Statistics by industries - IMAA – Institute for Mergers, Acquisitions, and Alliances*. IMAA – Institute For Mergers, Acquisitions, And Alliances. https://imaa-institute.org/mergers-and-acquisitions-statistics/ma-statistics-by-industries/

Jung, J. (2023, May 24th). *How to Choose an M&A Advisor*. Retrieved from https://www.linkedin.com/pulse/how-choose-ma-advisor-jay-jung/

Kale, J. R., Kini, O., & Ryan, H. E. (2003). Financial advisors and shareholder wealth gains in corporate takeovers. *Journal of Financial and Quantitative Analysis, 38*(3), 475–501. https://doi.org/10.2307/4126728

Keim, J. (2023, June 23rd). Source: NFL sets July 20 meeting for vote on Commanders sale. *ESPN*. Retrieved from https://www.espn.com/nfl/story/_/id/37904994/

Kim, H., & Song, J. (2016). Filling institutional voids in emerging economies: The impact of capital market development and business groups on M&A deal abandonment. *Journal Of International Business Studies, 48*(3), 308-323. https://doi.org/10.1057/s41267-016-0025-0

Kisgen, D. J., Qian, Q. J., & Song, W. (2009). Are fairness opinions fair? The case ofmergers and acquisitions. *Journal of Financial Economics, 2*, 179–207.

Khorana, A., Shivdasani, A., Stendevad, C., Sanzhar, S. (2011). Spin-offs: tackling the conglomerate discount. *Journal of Applied Corporate Finance 23*(4), 90–102. https://doi.org/10.1111/j.1745-6622.2011.00355.x

Kolasinski, A., & Kothari, S. P. (2008). Investment banking and analyst objectivity: Evidence from analysts affiliated with mergers and acquisitions advisors. *Journal of Financial and Quantitative Analysis, 43*, 817–842. Retrieved from https://www.jstor.org/stable/27647376

Krishnan, C. N. V., & Laux, P. A. (2008). Legal advisors: Popularity versus economic performance in acquisitions. *Corporate Ownership & Control, 6*(2), 475-499. https://doi.org/10.22495/cocv6i2c4p6

Krishnan C. N. V., Masulis R. W. (2013). Law firm expertise and merger and acquisition outcomes. *The Journal of Law & Economics, 56*(1), 189–226. https:// doi. org/ 10. 1086/ 667361

Krishnaswami, S., & Subramaniam, V. (1999). Information asymmetry, valuation, and the corporate spin-off decision. *Journal of Financial Economics, 53*(1), 73–112. https://doi.org/10.1016/S0304-405X(99)00017-3

Kumar, D., Sengupta, K., & Bhattacharya, M. (2023). M& ; A Negotiations : Role of Negotiation Process, Ownership and Advisors on Deal Completion. *Group Decision And Negotiation, 32*(5), 1083-1115. https://doi.org/10.1007/s10726-023-09835-z

Levingston, I. (2023h, December 23rd). Global dealmaking drops below $3tn for first time since 2013. Financial Times. Retrieved from https://www.ft.com/content/0174093d-08e6-4763-a299-3f0527b71d31

Levy, B. (2024, January 23rd). 2024 Outlook, Global M&A: Industry Trends; The M&A starting bell has rung. Are you ready?. *PwC*. Retrieved from https://www.pwc.com/gx/en/services/deals/trends.html

Li, J., Li, P., & Wang, B. (2018). The liability of opaqueness: State ownership and the likelihood of deal completion in international acquisitions by Chinese firms. *Strategic Management Journal, 40*(2), 303-327. https://doi.org/10.1002/smj.2985

Liaw, T. K. (2012). *The Business of Investment Banking: A Comprehensive Overview* (3rd edition). New Jersey, US: John Wiley & Sons Inc.

Litov, L. P., Moreton, P., & Zenger, T. R. (2012). Corporate strategy, analyst coverage, and the uniqueness paradox. *Management Science, 58*(10), 1797–1815. Retrieved from https://www.jstor.org/stable/41686883

Ma, Q. (2013). Investment banks advising takeover targets. *Journal of Economics and Finance, 37*(3), 339–374. https://doi.org/10.1007/s12197-011-9192-9

Malas, N. (2010, March 11th). Abu Dhabi's Mubadala Buys Stake in Raine Group. *The Wall Street Journal*. Retrieved from https://www.wsj.com/articles/SB10001424052748703625304575115192724946132

Malik, T. H., Huo, C., & Nielsen, K. (2022). Legal distance moderation in the inter-partner technology distance on cross-country equity investments: A multilevel analysis of the information & communication technology sector. *Journal Of General Management*. https://doi.org/10.1177/03063070221123052

Markides, C. C. (1995). Diversification, restructuring and economic performance. *Strategic Management Journal, 16*(2), 101–118. Retrieved from https://www.jstor.org/stable/2486914

Masulis, R.W., Wang, C., Xie, F. (2007). Corporate governance and acquirer returns. *Journal of Finance* 62, 1851–1890. https://doi.org/10.2139/ssrn.697501

McCarthy, K. J., & Noseleit, F. (2021). Too many cooks spoil the broth: on the impact of external advisors on mergers and acquisitions. *Review Of Managerial Science, 16*(6), 1817-1852. https://doi.org/10.1007/s11846-021-00467-8

McDade, A. (2024, March 19th). JPMorgan Establishes Sports-Focused Investment Banking Group. *Investopedia*. Retrieved from https://www.investopedia.com/jpmorgan-establishes-sports-focused-investment-banking-group-8611204

McLaughlin, R. (1990). Investment-banking contract in tender offers: An empirical analysis. *Journal of Financial Economics, 28*, 209–232. https://doi.org/10.1016/0304-405X(90)90053-3

McLaughlin, R.M., 1992. Does the form of compensation matter? Investment banker fee contracts in tender offers. *Journal of Financial Economics 32*(2), 223–260. https://doi.org/10.1016/0304-405X(92)90019-T

Mester, L. J. (1987). Efficient Product of Financial Services: Scale and Scope Economies. *Business Review, Federal Reserve Bank of Philadelphia*, 15–25. Retrieved from

https://fraser.stlouisfed.org/title/business-review-federal-reserve-bank-philadelphia-5580/january-february-1987-557632/efficient-production-financial-services-523662

Miller, E. L. J. (2008). *Mergers and Acquisitions: A Step-by-Step Legal and Practical Guide* (1st edition). New Jersey, US: John Wiley & Sons Inc.

Mitchell, M. L., Pulvino, T. C. (2001). Characteristics of risk and return in arbitrage. *Journal of Finance* 56, 2135–2175. Retrieved from https://www.jstor.org/stable/2697819

Ouyang, W. (2015). The effect of M&A advisors' opinions on acquirer shareholder voting. *The Quarterly Review Of Economics And Finance, 57*, 175-190. https://doi.org/10.1016/j.qref.2014.11.004

Panja, T. (2022, August 22nd). Yankees Plant Flag in European Soccer (Again) With Stake in A.C. Milan. *The New York Times*. Retrieved from https://www.nytimes.com/2022/08/31/sports/soccer/ac-milan-redbird-sale.html

Pathak, S., & Chiu, S. (2020). Firm-advisor ties and financial performance in the context of corporate divestiture. *Journal Of Business Research, 121*, 315-328. https://doi.org/10.1016/j.jbusres.2020.09.027

Podishetti, A. (2024, February 28th). RIL signs deal with Disney to merge Viacom18 and Star India. *The Economic Times*. Retrieved from https://economictimes.indiatimes.com/markets/stocks/news/ril-signs-deal-with-disney-to-merge-viacom18-and-star-india/articleshow/108078601.cms?from=mdr

Porterfield, C. (2022, May 30th). Billionaire Todd Boehly-Led Group Completes $5.4 Billion Purchase Of Chelsea FC. *Forbes*. Retrieved from https://www.forbes.com/sites/carlieporterfield/2022/05/30/billionaire-todd-boehly-led-group-completes-54-billion-purchase-of-chelsea-fc/

Prete, R., & Rubio, J. (2022, May 10th). Exploring the record-breaking Chelsea sale - PitchBook. *PitchBook*. Retrieved from https://pitchbook.com/news/articles/chelsea-football-club-sale-roman-abramovich-data-visual

Rau, P. R. (2000). Investment bank market share, contingent fee payments, and the performance of acquiring firms. *Journal of Financial Economics, 56*(2), 293–324. https://doi.org/10.1016/S0304-405X(00)00042-8

Reddy, K. S., Xie, E., & Huang, Y. (2016). The causes and consequences of delayed/abandoned cross-border merger & acquisition transactions: a cross-case analysis in the

dynamic industries. *Journal Of Organizational Change Management, 29*(6), 917-962. https://doi.org/10.1108/jocm-10-2015-0183

Reed, J. (2024, February 28th). Disney strikes $8.5bn deal to merge India business with Reliance Industries. *Financial Times*. Retrieved from https://www.ft.com/content/3c6548ae-8a81-423a-ab6a-2da4024b312d#post-c8eaf845-1dc3-4ea2-af40-61dbbdc10d89

Reuer, J. J., Tong, T. W., & Wu, C. W. (2012). A signaling theory of acquisition premiums: Evidence from IPO targets. Academy of Management Journal, 55(3), 667–683. https://doi.org/10.5465/amj.2010.0259

Roll, R. (1986). The Hubris Hypothesis of Corporate Takeovers. *The Journal of Business* 59, no. 2, 197–216. Retrieved from https://www.jstor.org/stable/2353017

Rosenbaum, J., Pearl, J. (2009). *Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions*. New Jersey, US: John Wiley & Sons Inc.

Ross, S., Westerfield, R., Jaffe, J. (2008). *Corporate Finance* (8th edition). New York, US: McGraw-Hill.

Rovell, D. (2010, July 15th). Golden State Warriors Sell for Record $450 Million. *CNBC*. Retrieved from https://www.cnbc.com/id/38262946

Sacchi, M. (2023, November 23rd). Scanavino: “Contratto Jeep-Juve in scadenza, stiamo trattando con diversi brand”. *Calcio E Finanza*. Retrieved from https://www.calcioefinanza.it/2023/11/23/juventus-nuovo-sponsor-di-maglia-trattative/

Samuelson, P. A., Nordhaus, W. D. (2009). *Economics* (19th edition). New York, US: McGraw-Hill

Saul, S. (2006, June 27th). Johnson & Johnson Buys Pfizer Unit for $16.6 Billion. *New York Times*. Retrieved from https://www.nytimes.com/2006/06/27/business/johnson-johnson-buys-pfizer-unit-for-166-billion.html

Schilbach, L., Eickhoff, S. B., Schultze, T., Mojzisch, A., & Vogeley, K. (2013). To you I am listening: Perceived competence of advisors influences judgment and decision–making via recruitment of the amygdala. *Social Neuroscience, 8*(3), 189–202. https://doi.org/10.1080/17470919.2013.775967

Sherman, A. (2023, September 12th). TKO, the newly merged UFC-WWE, aspires to grow beyond fighting. *CNBC*. Retrieved from https://www.cnbc.com/2023/09/12/tko-wwe-ufc-acquisitions.html

Shimizu, K. (2007). Prospect theory, behavioral theory, and the threat–rigidity thesis: Combinative effects on organizational decision to divest formerly acquired units. *Academy of Management Journal, 50*(6), 1495–1514. Retrieved from https://www.jstor.org/stable/20159486

Sleptsov, A., Anand, J., & Vasudeva, G. (2013). Relational configurations with information intermediaries: The effect of firm–investment bank ties on expected acquisition performance. *Strategic Management Journal, 34*(8), 957–977. DOI: 10.2307/23471049

Sniezek, J. A., Schrah, G. E., & Dalal, R. S. (2004). Improving judgment with prepaid expert advice. *Journal of Behavioral Decision Making, 17*(3), 173–190. https://doi.org/10.1002/bdm.468

Sports Business Journal (2023). *NWSL awards Boston franchise to local group*. Retrieved from https://www.sportsbusinessjournal.com/Articles/2023/09/18/boston-awarded-nwsl-expansion-franchise

Vulpiani, M. (2014). *Special Cases of Business Valuation*. New York, US: McGraw-Hill

Walter, T. S., Yawson, A., & Yeung, C. P. W. (2008). The role of investment banks in M&A transactions: Fees and services. *Pacific-basin Finance Journal*, 16(4), 341-369. https://doi.org/10.1016/j.pacfin.2007.08.002

Wharton, D. (2004, June 30th). Dodgers' New Owner Steps Up to the Plate. *Los Angeles Times*. Retrieved from https://www.latimes.com/archives/la-xpm-2004-jan-30-sp-dodgersale30-story.html

Williams, R. (2010, October 15th). NESV completes £300m Liverpool takeover with promise to listen. *The Guardian*. Retrieved from https://www.theguardian.com/football/2010/oct/15/liverpool-sale-nesv-takeover-john-henry

Yerdon, J. (2013, September 27th). Official: Panthers sold to Vincent Viola for $250 million. *NBC Sports*. Retrieved from https://www.nbcsports.com/nhl/news/official-panthers-sold-to-vincent-viola-for-230-million

Zattoni, A. (2015). *Corporate Governance: How to Design Good Companies*. Milano, Italia: Bocconi University Press

Websites

Annual Review of Football Finance. (2023). Deloitte United Kingdom. https://www2.deloitte.com/uk/en/pages/sports-business-group/articles/annual-review-of-football-finance-europe.html

Beyond the Field: Exploring the Business of Sports in M&A.(2024a, April 5th) IMAA – Institute For Mergers, Acquisitions, And Alliances. https://imaa-institute.org/m-and-a-activity-sports-industry-2024/

Boston wins approval for NWSL expansion franchise in 2026. (2023, September 18th). Sports Business Journal. https://www.sportsbusinessjournal.com/Articles/2023/09/18/boston-awarded-nwsl-expansion-franchise

League tables – Investment banking review – FT.com. (n. d.). https://markets.ft.com/data/league-tables/tables-and-trends/mergers-and-acquisitions

Looking Back at M&A in 2023 : Who Wins in a Down Year ?. (2024, April 16th). Bain. https://www.bain.com/insights/looking-back-m-and-a-report-2024/

Mubadala Capital investe 910 milioni nella Superlega brasiliana. (2022, November 11th). SOCIAL MEDIA SOCCER. https://www.socialmediasoccer.com/it/articolo/mubadala-capital-investe-910-milioni-nella-superlega-brasiliana.html

Other Websites

https://www.gameplanllc.com/the-team

https://www.gspsecurities.com/experience/select-ma-securities-transactions/

https://www.innercirclesports.com/

https://www.juventus.com/it

https://raine.com/