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FOOTBALL

Regional bids and guarantees offered as Uefa sets final deadline

By Callum McCarthy

- **Uefa and ECA set deadline of Friday, January 21 for final Uefa club competition bids**
- **Relevent puts down 'hard' guarantee but regional carve-out could prove more attractive**
- **Team squeezes margins in bid to retain global commercial rights sales mandate**

Uefa Club Competitions SA (UCCSA) set a final deadline of Friday, January 21 for companies to improve their bids to become the commercial rights agent of Uefa's club competitions – including the Uefa Champions League – from 2024-25 onwards.

The deadline gave the four remaining companies – Team Marketing, Relevent Sports Group, Endeavor and Infront – one last chance to improve or amend their offers before UCCSA makes a decision on which company (or companies) will sell rights to Uefa club competitions over three or six seasons – from 2024-25 to 2026-27, or 2024-25 to 2029-30.

After UCCSA began the process on October 15 as a formal tender with strict guidelines, the joint venture – comprised of Uefa and the European Club Association – has moved to informal, free-form private negotiations with each bidder.

Over the past month, bidders have been provided the opportunity to submit bids for rights in individual regions or territories. This was prohibited in the original request for proposals (RFP) document.

UCCSA has been in regular contact with the four companies to solicit the widest possible range of offers from each of them. Over the course of numerous phone calls in recent weeks with Uefa president Aleksander Čeferin and ECA president Nasser Al-Khelaifi, bidders have been asked to submit the following offers:

- Bids for global commercial rights based on a 'hard' guarantee, which involves guaranteed payments made according to a strict schedule in exchange for the rights
- Bids for global commercial rights based on a 'soft' guarantee, in which the bidder promises to make up any shortfall on their promised amount but does not have to pay any instalments upfront

- Bids for global commercial rights based on a highly competitive rate of commission – around one per cent or lower
- Bids for commercial rights in particular regions – namely the Americas and Asia-Pacific – based on 'hard' guarantees

Sources close to the negotiations say UCCSA's move to solicit multiple offers from each bidder is a clear sign that Uefa and the clubs are trying everything to find a workable alternative to a global rights renewal with Team Marketing, the incumbent agency that has sold Uefa club competition rights for the past 30 years.

Only one bidder, Relevent, is understood to have made offers across all four categories, including a recent bid for global commercial rights based on a 'hard' guarantee that projected revenues above €4bn per season. It is thought Relevent plans to finance the offer at least in part with the personal fortune of its owner, real estate and sports business magnate Stephen Ross.

That bid is understood to be the only 'hard' guarantee offer for global commercial rights to Uefa's club competitions from 2024-25 onward. UCCSA has repeatedly solicited bids based on 'hard' guarantees throughout the process but sources say Uefa and the clubs are unlikely to accept an offer that projects revenues well below €5bn per season.

As such, many executives close to the process believe it is increasingly possible that the rights will be split across two separate entities to accommodate UCCSA's desire for both guaranteed income and a big overall increase in the value of Uefa club competition rights.

An alternative model being considered by UCCSA is a carve out of rights in the Americas and/or Asia-Pacific in exchange for a 'hard' guarantee for those territories, with another agency – which sources believe would likely be Team – performing a sales agent role across Europe, Eurasia and Africa on a commission basis. Both Relevent and Endeavor are understood to be interested in acquiring rights across the Americas under such a model should their respective global bids fail.

Multiple sources say Endeavor has also submitted multiple offers for global rights over the course of the process, including one based on a 'soft' guarantee.

Infront is thought to have stuck to the commission-based offer for global rights it made in the third round, though sources say it remains an alternative to Team as a like-for-like replacement should UCCSA want to continue the current model with a different partner.

As the incumbent, Team is hoping that aggressive sales projections and the offer of a reduced commission percentage will be enough to hold on to its global commercial rights mandate. Team is a much smaller company than its rival bidders and is not thought to have the necessary financial backing to have submitted a bid based on a 'hard' or 'soft' guarantee.

In the current three-season cycle, from 2021-22 to 2023-24, Team Marketing generates over €3.6bn per season from commercial rights to Uefa's club competitions. It does not provide Uefa with any 'hard' or 'soft' guarantee and works on a commission basis, keeping just over one per cent of total revenue – between €40m and €50m per season in the current cycle.

Key details

An RFP document inviting bids to become Uefa's exclusive club competition sales agent over three or six seasons – from 2024-25 to 2026-27, or from 2024-25 to 2029-30 – was sent out by UCCSA to interested parties on October 15 last year. A bid deadline of November 15 was set.

Selected bidders were invited to present at Uefa headquarters in Nyon on November 22 and 23, after which a second round of bidding was called with a deadline of December 6. After the second round was deemed inconclusive by Uefa and the ECA, a third round was called with a bid deadline of December 20.

Since then, Uefa and the ECA have engaged in private negotiations with each bidder in an attempt to force a sizeable increase in value for rights to Uefa club competitions.

The winning bidder (or bidders) in the new cycle from 2024-25 will be responsible for fulfilling the same duties as Team – selling the media rights, sponsorship inventory and licensing rights of the Uefa Champions League, Uefa Europa League, Uefa Europa Conference League, the Uefa Super Cup and the Uefa Youth League. It is understood that all bidders are only interested in receiving a six-season mandate, from 2024-25 to 2029-30.

Any winning bidder (aside from Team) would be expected to create a separate corporate entity based in Switzerland, quickly recruit key roles and begin the sales process in Q2 2022. It is not yet clear if a Swiss office will be mandatory should a bidder win rights for a specific region outside Europe. o

RUGBY LEAGUE

NRL secures positive renewals following pandemic reductions

By Imran Yusuf

- **NRL to earn global media rights revenue of about A$410m per year, from 2023-27**
- **NRL satisfied with renewal fees after significant pandemic-induced discounts**
- **Strong increase in deal with Sky New Zealand key to strong performance**

The National Rugby League and its commercial rights-holder, the Australian Rugby League Commission, will achieve a satisfactory return for the league's global media rights from 2023 to 2027.

In total, the NRL will earn between A$400m ($287.86m/€253.80m) and A$410m per year for its media rights over the five years across deals with pay-television operator Foxtel, commercial broadcaster Nine and pay-television broadcaster Sky New Zealand.

In December, the NRL announced an extension of its free-to-air rights deal with commercial broadcaster Nine for five years, from 2023 to 2027. Nine will pay an average of A$115m in cash per year, with a further A$15m of contra and other non-cash services to be provided.

The NRL had already locked in a deal in May 2020 with Foxtel, its pay-television broadcaster in Australia, as well as with pay-television broadcaster Sky New Zealand in June 2021 for the same five-year period.

Foxtel will pay between A$230m-A$240m per year for pay-television rights. Sky New Zealand will pay around A$34m per year for pay-television and free-to-air rights in New Zealand.

International rights are still being sold in the new cycle but will amount to around A$6m per year. Separate to its domestic pay-television rights deal, Foxtel acquires international rights from the NRL and sells them on to the IMG agency in valuable territories such as the UK. The NRL has media rights deals in over 70 territories. In less prominent territories, Foxtel operates the OTT service Watch NRL.

In the previous cycle, from 2018 to 2022, the NRL signed deals with Foxtel, Nine and telco Telstra in Australia, as well as Sky in New Zealand. The deals were worth a total of just under

A$380m per year: A$360m per year in Australia (though this included title sponsorship rights with Telstra) and around A$19.7m per year in New Zealand.

When the pandemic hit in 2020, Nine negotiated a A$66m saving for the curtailed 2020 season, while also securing a $27.5 million-per-year discount for the 2021 and 2022, though this also included production cost savings.

Overall, Nine secured a reduction of about A$121m on its rights fees and production costs for the NRL covering the three remaining years of its contract, from 2020 to 2022.

During the pandemic, Foxtel is thought to have negotiated a discount of more than 15 per cent on its fees to both the NRL and Nine for the three years from 2020 to 2022. Foxtel's initial deal for 2018 to 2022 saw it paying around A$198m per year, though this dropped to around A$168m due to Covid.

The new deal of around $A410m per year, not considering Covid reductions, is a 7.8 per cent increase on the previous cycle of A$380m per year, which also included Telstra's title sponsorship fee.

Taking Covid reductions into account, the new deal represents a 26.7 per cent uplift from A$323.5m per year.

Significant changes

A significant change from 2023 onwards is that the NRL will have a new team: the Brisbane-based Dolphins will become the league's 17th team. While this does not provide an extra game during the standard match week, it does mean the number of regular season games jumps from 192 to 204. The presence of the Dolphins also ensures more games out of the lucrative Brisbane market. This additional content was a key driver for Foxtel paying an increased fee from 2023 onward.

In addition, the NRL's digital rights deal with telco Telstra is ending this year and will not be renewed.

In the ongoing cycle, Foxtel and Nine hold non-exclusive digital rights as the NRL also had a deal with Telstra, worth around A$37m per year, covering exclusive streaming rights on mobile and tablets, as well as title sponsorship of the league. However, sources say that the sponsorship fee represents the bulk of this deal.

Telstra, which owns 35 per cent of Foxtel, will not renew its digital deal after 2022, though it did not exploit its digital streaming rights in 2021.

Prior to the 2021 season, Telstra offered customers live games via its OTT service NRL Live Pass. Since 2021, Telstra discontinued the platform and offered its customers a subscription to Kayo Sports at a discounted rate of A$5 per month, through which they could watch live games.

This effective migration of digital rights from Telstra to Kayo will continue into the new cycle.

In the new cycle, Nine will be able to utilise its VOD catch-up platform Nine Now for the NRL. However, Nine's specialist OTT player Stan Sport will not be able to show NRL matches, as Foxtel holds exclusive subscription rights.

Overall, after a challenging period for the league in which it received highly discounted media rights fees for 2020-22 due to the pandemic, the NRL is thought to be pleased with its deals for 2023-27, which offer stability for several years.

Inventory

Foxtel shows live coverage of all NRL regular-season matches. There are eight matches per round during the regular season with three of these simulcast on Nine, giving Foxtel five exclusive regular season matches each round.

Under the new deal, Nine will continue to show three matches per round non-exclusively, and will also continue to broadcast matches on radio via Radio 2GB and 4BC.

Sources say Nine wanted to gain exclusivity over its three weekly regular-season matches but didn't succeed.

Nine will continue to broadcast a live Premiership game on Thursday and Friday nights, as well as Sunday afternoons and a Saturday night game for the final five rounds prior to the commencement of the Finals Series.

Nine's exclusive rights cover the NRL grand final, and for State of Origin fixtures – a special series played between the states of New South Wales and Queensland – which will include all three matches being played on Wednesday nights from 2023.

Nine will have three extra matches per season under the new deal due to the Dolphins joining the competition from 2023. Nine will hold Brisbane radio streaming rights for all derby clashes between the NRL's new 17th team and the other Brisbane-based team, the Broncos.

Negotiations with Nine

Negotiations are understood to have been heated with the NRL holding out for a strong fee and Nine fighting hard for a reduction. Experts say, however, that free-to-air broadcasters which don't hold rights to one of the two predominant sports properties in Australia – the NRL and the Australian Football League – will struggle for advertising revenue compared to other free-to-air broadcasters.

Network Seven currently holds rights to the AFL in a deal worth A$146m per year. The five-plus-two year deal runs from 2018 to 2024. In this context, Nine was determined to renew rights to the NRL.

Sources say that Seven was unlikely to bid for NRL rights, though may have considered acquiring the State of Origin fixtures were these to have been carved out. Even then, it is understood the AFL would not have been overly pleased to share prominence and exposure with the NRL on its free-to-air broadcast partners' channels.

Though talks between the NRL and Nine went on longer than might have been expected, ultimately, as one source said: "There was no other realistic buyer, so both parties wanted it to happen."

For the ongoing cycle, from 2018 to 2022, Nine's original deal was worth A$925m in total, or A$185m per year. This was reduced by A$60m per year after a sublicensing deal was struck with Foxtel for one exclusive game, leaving Nine with three non-exclusive games per week.

From the NRL's perspective, therefore, the new deal worth up to A$130m per year – A$115m in cash with up to A$15m in contra – with Nine is a strong increase from a low pandemic-induced base of around A$97.5m per year in 2021 and 2022.

Sources told *SportBusiness Media* that it was by no means certain that the contra included in the new deal would actually add A$15m worth of value, though both the NRL and Nine have said the new deal includes strong joint commitments to grow and promote the game from grassroots participation to the elite level across all of Nine's media platforms.

Sky pays large increase in NZ

In New Zealand, competition from pay-television broadcaster Spark led to a large increase from the incumbent, pay-television broadcaster Sky New Zealand.

Sky is understood to have renewed its deal for the NRL for NZ$36.2m ($23.19m/€21.41m) per season from 2023 to 2027. This is an increase of 72 per cent on the NZ$21m per year it pays in the current cycle, from 2018 to 2022.

Under the new deal, Sky will continue to show live coverage of all NRL, NRLW women's league, and men's and women's State of Origin series matches. The deal was agreed in conjunction with NZRL, the governing body of rugby league in New Zealand, and includes rights to New Zealand men's and women's national-team matches and domestic competitions.

Sources say that Sky and the NRL solidified their relationship during the pandemic, particularly after Sky did not push hard for rebates.

Certain major matches, including matches from the NRL's Anzac Round, Magic Round and State of Origin, will be made available to watch for free. Sky owns a free-to-air television channel, Prime. Sky is also a sponsor of the NZRL and the New Zealand Warriors.

The Warriors are the country's only team in the NRL, though some experts say there is a strong possibility that from 2028 a second New Zealand team could be added and become the 18th NRL team.

However, others sources told *SportBusiness Media* that this will prove challenging, as an expanded player pool might not be justified unless there is a significant media rights revenue upside. Furthermore, an 18th team would necessitate a change of format to the competition.

It is understood that Sky moved to renew the NRL rights early to head off competition from Spark, which has made a dynamic entry into the Kiwi market since its launch in 2019, having acquired rights to New Zealand home cricket matches, the English Premier League, Uefa's club competitions, Copa America, NFL, United Rugby Championship and Diamond League athletics.

SportBusiness MEDIA

FOOTBALL

Premier League tinkers with Asia tender to address tough markets

By Kevin McCullagh

- **Premier League offering rights across four packages in several markets**
- **Six-season bids permitted as league looks to grow in tough territories**
- **Steep China drop means APAC revenues likely to fall from 2022-23**

The English Premier League introduced several novel elements in its tender for media rights in Asia-Pacific markets for the new cycle, aimed at cracking what are expected to be some of its toughest sales territories.

Among the new features of the tender this cycle are: differentiated rights packages for several key markets, permission for agencies to bid in all territories, and compulsory bids for six-season terms as well as the usual three-season terms.

The next three-season cycle covers 2022-23 to 2024-25. The six-season terms on offer also cover the following three-season cycle, 2025-26 to 2027-28.

Other new features of the tender include: a carve-out of video clip rights for the Premier League to create NFTs (non-fungible tokens) and more extensive clip rights.

The Premier League issued the tender on December 13. Bids are due on January 20. The tender covers most territories in the Asia-Pacific region east of the Indian subcontinent. The exceptions are Australia and China, where deals have already been agreed for the new cycle.

The full list of markets covered by the tender is: Hong Kong; Indonesia and East Timor (sold as one market); Japan; Malaysia & Brunei (sold as one market); Mongolia; Myanmar; New Zealand; Pacific Islands; the Philippines; Singapore; South Korea; Taiwan; Thailand, Cambodia and Laos (sold as one market); and Vietnam.

New packaging

The Premier League is offering a package containing live rights to all 380 matches per season (**Live Package A**) in all markets.

In five markets – Indonesia and East Timor (sold as one market); Japan; South Korea; Thailand, Cambodia and Laos (sold as one market); and Vietnam – it is also offering three alternative packages:

- **Live Package B**: one Friday or Saturday first-pick match per round, excluding matches played at 15:00 UK time on Saturday, totalling 33 or 34 matches per season depending on the final schedule
- **Live Package C**: one Sunday or Monday first-pick match per round, again totalling 33 or 34 matches per season
- **Live Package D**: all other matches not covered by packages B and C, totalling between 312 and 314 matches per season.

The split of rights in packages B, C and D is a new feature for this Asian tender. Industry insiders say there are several connected reasons for the packaging.

The five markets targeted with packages B, C and D have more fragmented sports broadcasting landscapes than the other markets, with a larger number of potential buyers. They also feature what are expected to be some of the most challenging markets, particularly Japan, Thailand and Indonesia.

The smaller packages could help increase competition by tempting less established players into bidding. It is also likely the league has got indications from players in at least some of the markets that there is appetite for the smaller packages.

Six-season hope

The Premier League is leaning heavily on six-season terms in the current sales process in order to continue its remarkable track record of global media-rights revenue growth.

The league almost always sold its rights in three-season cycles but has changed tack amid the most uncertain market conditions in the industry for more than 30 years. The league's tenders this sales round say it will only award six-season terms where buyers are prepared to pay "a significant premium".

Under the standard payment terms set out in the tender, bids for six-season terms will be divided so that there is a 35-per-cent uplift in value between the first and second three-season terms. Within each three-season term, the total rights fee will be payable in the ratio 19:20:21 over the three seasons.

Six-season deals have already delivered significant increases in Australia, the Balkans, the Nordics, Russia and the US.

The Premier League is understood to have offered six-season terms in the Asia-Pacific tender in the last cycle, but it is thought few if any bidders made serious offers for six-season deals.

One change in the new tender is that six-season bids are compulsory. Bidders for any broadcast territory or group of broadcast territories must make offers for both three-season and six-season terms. Offers must also be broken down by territory, whenever a bidder is going for more than one territory.

Clips tweaks

Other new features of the Asia-Pacific tender for 2022-25 cycle include a carve-out of rights for digital collectibles and clips rights that are understood to be slightly broader than previous cycles.

Digital collectibles, or NFTs, have been one of the hottest growth trends in the sports industry in the last year. Some have been in the form of short video clips of special and memorable moments of sporting action. Using blockchain technology, these are turned into limited-edition collectibles that only one or a limited number of buyers can purchase, giving them rarity value.

The Apac tender notifies bidders that Premier League will be entitled "to issue, and authorise the trade of, so-called non-fungible tokens (or other similar digital collectibles) containing clips of footage of matches".

As in previous Premier League tenders, a clips package is available separate to the live packages. Buyers of Package A get first refusal on the clips package at a cost of two per cent of the value of their live rights bid. If Packages B, C and D are sold in any territory, there is no equivalent first-refusal option on clips and the clips package covering all matches will be sold separately.

Clips rights buyers in the new cycle will be able to make more use of in-match clips and have more freedom to create post-match clips than in previous cycles.

In-match clips cover notable incidents such as goals and each can be up to 60 seconds long. They can be made available during the relevant match and up to one hour after the final whistle.

Post-match clips cover highlights videos up to three minutes long per match. The clips rights holder can make these available to viewers during a window that starts at the end of the match and runs until the final day of the 2024-25 season.

Clips rights for the second three-season cycle have not been fully detailed in the tender. Any buyers of six-season packages will be informed of the clips rights for the second cycle closer to the time.

English Premier League rights, Asia-Pacific, 2019-22

Market	Buyer	Fee ($m pa)	Change vs previous cycle
Australia	Optus	52	+11%
China	PP Sports	233	+1,200%
China	Tencent*	12 to 15	n/a
China	iQiyi Sports**	40	n/a
Hong Kong	PCCW	63	-52%
Indonesia	Mola TV	40	41%
Indian subcontinent	Star India	28.3	-15%
Japan	DAZN	19	-35%
Malaysia	Astro	55	-8%
Mongolia	SPS	0.8	-20%
Myanmar	SkyNet	6	-12%
New Zealand	Spark	2.5	-24%
Pacific Islands	Sky Pacific	0.5	No change
Philippines	DAZN	0.3 to 0.5	-40% to flat
Singapore	Singtel	52	-34%
South Korea	SPOTV	8	-43%
Taiwan	Eleven	0.4	-20%
Thailand, Cambodia, Laos	TrueVisions	45	-50%
Vietnam	Canal Plus	24	-8%

* Interim deal for 2020-21 only
** Deal covers 2021-22 and next three-year cycle, 2022-23 to 2024-25
Source: *SportBusiness Media Rights Tracker*

Challenging conditions

Sports media rights values in most of the Asia-Pacific markets tendered have deteriorated since the last Premier League sales process. Major markets including Japan, Thailand, Malaysia, Singapore and Hong Kong have been uncompetitive and a string of rights-holders have suffered significant decreases in their fees.

Media rights revenue from Asia-Pacific as a whole is virtually certain to drop in the new three-season cycle due to a collapse in value in China. This followed the termination of the previous deal there with PP Sports, which was worth a total of $709m (€618m) – $239m per season – from 2019-20 to 2021-22. The new deal in the market, with streaming platform iQiyi Sports, covers this season and the new three-season cycle and is worth around $40m per season.

The Premier League's income in China this cycle was partly protected as PP Sports had an accelerated payment schedule – the company had already paid half of the total three-season rights value when the deal collapsed. The league is still pursuing the majority of the deal's remaining value.

For the 2020-21 season, the Premier League agreed a cut-price, interim deal with internet giant Tencent, worth between $12m to $15m.

In the current cycle, 2018-19 to 2021-22, Asia-Pacific was the most valuable sales region for the Premier League, generating total income of around $625m per year. This figure includes the rights in the Indian subcontinent and Central Asia. The rights in the Indian subcontinent have not been tendered yet for the new cycle. The Saran Media agency has acquired the rights in Central Asia.

Asia-Pacific income in the current cycle was up by around 10 per cent on the previous cycle. However, this was almost entirely down to China, where PP Sports was paying an extraordinary 1,200-per-cent increase. There were smaller increases in Australia and Indonesia, but in all other markets the value dropped.

OTT dawn

One potential upside for the league is interest from new and early-stage video streaming platforms. In several Asia-Pacific markets, as in other markets around the world, traditional media groups and digital-native streaming platforms are battling for market share in this growing space. These 'streaming wars' have in some cases seen strategic money spent to secure premium content, with sports rights-holders benefiting.

A six-season term for Premier League rights could be particularly attractive for nascent services looking to establish themselves and secure a sticky subscriber base.

The Premier League has already benefitted from this effect in Australia. Optus paid an increase to renew its rights in the face of growing competition from streaming platforms including Foxtel's Kayo Sports, Nine's Stan Sport, and ViacomCBS's Paramount+.

South Korea also has a vibrant video streaming sector with several players dabbling in sports rights, including ecommerce giant Coupang.

Global streaming players like Disney, ViacomCBS and Amazon have ambitions for growth in various markets in Asia-Pacific and are in theory potential contenders for the rights.

The league will hope that the growth of streaming services creates competition for the linear pay-television platforms that have dominated Premier League broadcasting in Asia for the past couple of decades. The linear businesses are in secular decline, losing subscribers and revenues over several years now, and are generally moving to cut spending on content.

Pan-regional broadcasters beIN Sports, SpoTV and Eleven are not expected to make major, multi-territory bids for the Premier League rights. BeIN and SpoTV have invested heavily in the last year picking up rights dropped by the shuttered pan-regional player Fox Sports Asia. Costly bids for the Premier League on top of this recent activity look unlikely.

Eleven is arguably the pan-regional player that would benefit most from showing the Premier League. Having announced the launch of its new multi-territory Asia-Pacific service in October, its rights portfolio still looks thin. It has been outbid by beIN and SpoTV for several properties in recent months.

Agencies present another possible area of competition for the traditional buyers. They historically played a strong role in Premier League sales in Asia. The now-defunct MP & Silva in particular was an aggressive buyer in cycles before the current one. However, agency margins in media-rights trading in Asia-Pacific have shrunk over the years as rights-holders and broadcasters have become more savvy sellers and buyers.

The Premier League permitted agency bidders in certain markets in previous Asia-Pacific tenders. This time, agencies can bid in any territory.

Indonesia challenge

In Indonesia, incumbent rights-holder Mola TV is regarded as having heavily overpaid for its deal and it is thought unlikely to bid so aggressively again. The platform has pivoted away from high-value sports rights acquisitions after judging them too costly compared to other genres of content.

Mola told *SportBusiness Media* last year that the Premier League rights had, however, served a purpose in helping establish the service. Mola has developed a sophisticated and attractive streaming platform with content across a range of genres and has also branched into several new territories in Asia and Europe.

Indonesia's two major media groups, Emtek and MNC, are the other main contenders for the rights. The two companies operate pay-television channels, pay-television platforms and free-to-air channels.

The market also has a few smaller free-to-air broadcasters that have historically shown a significant amount of sport, although their ability to compete for major rights has faded. These include state broadcaster TVRI, and private commercial operators like Trans Media and Visi Media Asia, owner of tvOne and Sport One. TVRI sublicensed some live Premier League matches from Mola during the current cycle.

Agencies could be tempted to bid in Indonesia, due to the range of potentially interested downstream broadcasters.

Pay-television has low penetration in Indonesia and free-to-air linear television remains an important and powerful platform. Pay-television never flourished for economic and geographical reasons – Indonesia is a relatively poor and undeveloped country, spread across an archipelago of thousands of islands.

Reflecting the importance of free-to-air coverage in Indonesia, the Premier League tender requires bidders to outline plans to broadcast at least two matches per week on free-to-air. The league made similar demands in previous cycles.

At least half of the FTA matches must be from the early kick-off slots that are most advantageous for Asian audiences: 12:30pm (7:30pm in Jakarta during UK wintertime and 6:30pm during UK summertime) on Saturday or 2pm (9pm/8pm in Jakarta) on Sunday.

In the case of Live Package A being sold in Indonesia, if the buyer is not able to secure free-to-air coverage then the league retains 'step-in rights' to do free-to-air deals itself.

The tender says Live Packages B and C are envisaged to be sold only to free-to-air broadcasters in Indonesia.

Other multi-package markets

In Japan, the Premier League's value fell by around a third this cycle in a deal with DAZN. Other football rights-holders have recently suffered swingeing cuts in value there, including Uefa and the Asian Football Confederation.

Alongside DAZN, the main sports broadcasters in the market are: the premium pay-television broadcasters J Sports, SkyPerfecTV, Wowow; the free-to-air commercial broadcasters Nippon TV, TV Asahi, TBS, TV Tokyo and Fuji TV; streaming platforms Rakuten and Eleven; and public-service broadcaster NHK.

The streaming and pay-television platforms are the most likely contenders for the Premier League rights.

In Korea, the value fell by more than 40 per cent this cycle in a deal with sports broadcaster SpoTV. A growing streaming market and the rising star power of Korean player Son Heung-min could help the league claw back some of these losses.

A declining Korean rights market has been stimulated in the last year or two by the emergence of Coupang Play and several other new streaming platforms. These include TVing, a joint venture from media groups CJ ENM, JTBC and Naver; and Wavve, operated by the 'Korea Pool' of free-to-air broadcasters and telco SK Telecom.

The new streaming competition has not yet translated into significant rights fee inflation but hopes have been raised for increased competition.

Coupang Play, in particular, is considered to have ambitions to build a stronger presence in sport. It sublicensed from SpoTV rights for live Tottenham Hotspur matches during the current Premier League cycle, in order to feature Son.

Son has become an ever-bigger star in Korea during the current cycle on the back of strong performances for Spurs. His presence has huge power to drive Korean audiences for the Premier League and will have a strong influence on the rights value this cycle. This will be tempered by bidders' appreciation of the risk that Son could transfer to a club outside the Premier League.

In Thailand, the Premier League rights value fell by more than 50 per cent this cycle in a deal with market-leading sports pay-television broadcaster TrueVisions.

Thailand has been a treacherous market for sellers in recent years despite a significant number of potential buyers. The downturn followed a period of overspending on rights by broadcasters, over-expansion in the free-to-air television sector and several broader economic shocks.

There is one other significant pay-television sports broadcaster in the market, telco AIS, and a host of free-to-air and basic-tier pay-television broadcasters. Eleven is considered a possible player in Thailand – it has bid without success for a few major rights properties there in the last couple of years, including the domestic football league and Uefa club competitions.

In Vietnam, the value dropped by around eight per cent this cycle in a deal with pay-television broadcaster Canal Plus. Vietnam is a complicated market with several broadcasters and agencies. Several players have ownership links or work together on various projects, while competing on others.

Aside from Canal Plus, other potential bidders for the Premier League rights include state-owned cable pay-television company VTVcab, cable pay-television broadcasters SCTV and Ho Chi Minh City TV (HTV), telco FPT, and local agencies Next Media and Viet Content.

Other markets

In most of the other tendered markets, there are just one or two obvious contenders for the rights, barring bids from the pan-regionals or the emergence of new players.

In Hong Kong, telco PCCW's Now TV, the current Premier League rights-holder, dominates sports broadcasting. Historic rival i-Cable now very much plays second fiddle in sport.

Malaysia's market-leading pay-television platform Astro is not expected to face serious competition to renew its long-held Premier League rights.

Competition between Singapore's pay-television platforms Singtel and StarHub is hobbled by the 'cross-carriage' regulation which enables the companies to demand that the other player share any exclusively-held rights. Singtel, the original buyer of the rights in the current cycle, currently shares them with StarHub.

Both Singtel and StarHub's pay-television businesses are in decline and they have been cutting spending on sport as a result. Singtel is known to be aiming to reduce its spending on the Premier League.

Myanmar was historically capable of producing significant rights fees but the market has been in decline for several years. In the last year, it has been further hit by a military coup and political violence. At its peak in the 2013-14 to 2015-16 cycle, Premier League rights were worth $15m per season in a deal with pay-television platform SkyNet. SkyNet is also the current broadcaster of the league.

New Zealand has been relatively competitive in recent years with telco Spark continuing to challenge market leading pay-television operator Sky. Spark, the current Premier League broadcaster, has in recent years sought to corner the football market. Football is a second-tier sport in New Zealand, with rugby union dominating audience attention.

The Philippines is a low-value market where football is a second-tier sport, with basketball the main sport. DAZN acquired the rights last cycle when it was still considering a service targeted at Southeast Asia. When this did not transpire it streamed coverage in the first season, 2019-20, free on Goal.com and later agreed a sublicensing deal with new local sports media platform TapDMV for 2020-21 and 2021-22.

The biggest domestic sports broadcaster in the Philippines is the Cignal/Smart/TV5 grouping – comprising free-to-air and pay-television channels and platforms ultimately owned by telco PLDT. Free-to-air and pay-television broadcaster ABS-CBN dropped out of the market in 2020 after its main free-to-air channels were forced off-air by the government.

Taiwan has several potential buyers for the rights but is a relatively low-value market where football is again a lower-tier sport, sitting below baseball and basketball in terms of local interest. The rights there are currently held by Eleven.

FOOTBALL

Premier League secures increase in Australia as Optus renews cornerstone rights

By Kevin McCullagh

- **Optus deal sends Premier League value up 17 per cent, from 2022-25**
- **Value to increase by another 35 per cent in second cycle, from 2025-28**
- **Fee will peak at AU$115m/US$83m per season during second cycle**

The Premier League secured an increase in the value of its media rights in Australia after incumbent Optus moved decisively to retain the central pillar of its sports streaming service.

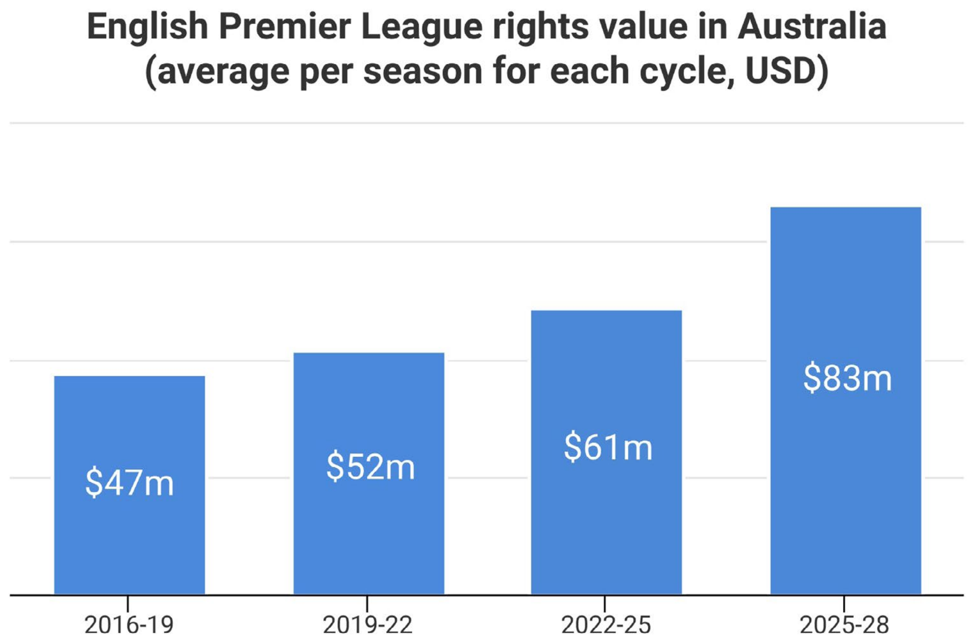
In November, Optus agreed a six-season deal for exclusive Premier League rights, from 2022-23 to 2027-28. It is understood to be worth a total of A$600m (US$430m/€380m) over the six years.

The deal is understood to be backloaded with a bigger payment due in the second cycle than the first. In the Premier League's tenders in the current round of sales, it has stipulated that six-season deals will be divided so that there is a 35-per-cent increase in value between the first and second cycles.

The Optus deal is thought to follow these standard terms. This would translate into an average of US$61m per year in the first three-season cycle, followed by US$83m per year in the second cycle. The first cycle would represent a 17-per-cent increase on the value of the current cycle, 2019-20 to 2021-22, in which Optus pays an average of US$52m per year.

Optus will continue to show live coverage of all Premier League matches each season on its Optus Sport sports streaming platform. Optus Sport is distributed via an app on mobile devices and internet-connected televisions, via web browsers and on the IPTV service Fetch. Optus Sport is available at no extra cost to subscribers to Optus's mobile and home broadband services. Other customers can access it standalone for A$14.99 ($11.00/€9.60) per month or A$139 for 12 months.

Optus created Optus Sport in 2016, aiming to use sports content to drive uptake of its mobile and home broadband products. Optus is a subsidiary of Singaporean telco Singtel, which is also a major sports broadcaster in its home market.



Source: *SportBusiness Media Rights Tracker*

Muted competition

Some industry insiders were surprised that Optus was not forced to pay more.

Rights competition in Australia has increased in the last year, driven by growth in the live streaming sector. Two new streaming services carrying sport – Stan Sport (owned by Nine Entertainment) and Paramount+ (owned by ViacomCBS/Network 10) – have launched to challenge existing streaming players Kayo Sports (owned by pay-television operator Foxtel) and Optus Sport.

Optus lost its Uefa club competition rights last year to Stan Sport as part of these nascent streaming wars.

However, new competition from the streaming players has had a limited impact on rights values so far. There have been no dramatic value increases for major properties in the last year. The Uefa club competition rights snatched from Optus by Stan went up by around 20 per cent from a relatively low base.

Optus is thought to have faced competition from only one other bidder for the Premier League rights, US-based media group ViacomCBS, which owns commercial broadcaster Ten and Paramount+. Market insiders gave different accounts of how strongly Ten bid.

Some said Ten made a relatively weak bid, offering a figure close to the value of the current contract, for a three-season deal. The rationale was that Ten was betting on Optus changing strategy and withdrawing from sport. There had been rumours about this after the telco lost the Uefa rights and a couple of senior staff last year.

Other sources said Ten's bid was stronger and that the Australian broadcaster got budget approval from US headquarters for a competitive bid. The rationale for this view was that ViacomCBS wants to build the subscriber base for its Paramount+ subscription streaming service as quickly as possible.

Paramount+ launched in Australia in August as part of a rollout in a number of markets around the world. The service represents ViacomCBS's entry in the global streaming race against the likes of Netflix, Disney+ and Amazon Prime. Subscriber growth figures for such services are closely watched by investors.

ViacomCBS has invested heavily in football content for Paramount+ both in Australia and in the US. In Australia, it has acquired rights for domestic club competitions and national team matches. In the US, it bid jointly with Disney for Premier League rights in the upcoming cycles. It has acquired Italian Serie A rights in the US.

Optus is understood to have secured the Premier League rights with its first-round bid.

In the current cycle, the telco paid an increase of just over 10 per cent. It had relatively weak competition, facing only a low bid from Foxtel.

Football rights distribution in Australia

Broadcaster	Major football properties
beIN Sports	LaLiga, Serie A, Ligue 1, Bundesliga, CAF comps inc Afcon, EFL, EFL Cup, Scottish league, Conmebol club comps, MLS, Turkish Super Lig
Foxtel	beIN Sports properties via carriage deal
Nine/Stan Sport	Uefa club comps
Optus Sport	Premier League, FA Women's Super League, Fifa comps inc 2022 World Cup and 2023 Women's World Cup, J.League, Uefa national team comps
Paramount+	Domestic club leagues (A-Leagues), national team matches, AFC national team comps, English FA Cup

Source: *SportBusiness Media Rights Tracker*

Cornerstone property

Optus was bidding to secure what is a critical property for its sports service. Optus Sport has carved a successful niche in football since it launched in 2016 after securing the Premier League rights for the 2016-19 cycle. The Premier League is by far the biggest subscriber draw in its portfolio. The other properties would not likely be enough to sustain the service on their own.

Optus Sport is understood to have more than one million subscribers. This figure is understood to have increased since last summer, despite the loss of the Uefa rights. Rights for the Uefa Euro 2020 and Copa America tournaments last summer will have helped with subscriber retention.

Optus is regarded as a strong partner for the Premier League in Australia. The league is understood to rate Optus's production quality as among the best in the world. The service has won over Australian football fans that were skeptical at its launch in 2016. It is also considered to have bounced back strongly after a damaging episode around its coverage of the 2018 Fifa World Cup, in which its streaming coverage was badly affected by technical issues. Optus ended up sharing the World Cup rights with public-service broadcaster SBS.

Optus's head of TV and content Corin Dimopoulos told the *Australian Financial Review* recently: "Three years ago we learned a lot the hard way. We completely rebuilt the infrastructure, and today it's at 99.999-per-cent reliability in terms of uptime, which is as good as you're going to get."

CRICKET

Pakistan Super League earns increase, benefitting from new entrant A-Sports

By Imran Yusuf

- **PTV and A-Sports to pay just over $12m per year for PSL domestic linear rights**
- **Daraz to pay around $2.5m per year for domestic digital rights**
- **Both deals agreed for two seasons: 2022 and 2023**

Pakistan's domestic T20 competition the Pakistan Super League has secured a decent increase for its domestic media rights over the next two years despite challenging economic conditions in Pakistan.

State broadcaster Pakistan Television (PTV) and pay-television broadcaster ARY – which owns pay-television sports channel A-Sports – will together pay PKR 4.35bn ($24.7m/€21.8m) for exclusive domestic linear rights to the tournament in 2022 and 2023. This is equivalent to about $12.35m per year.

In addition, it is understood that Alibaba-owned streaming platform Daraz is paying around $2.5m per season for domestic digital rights in 2022 and 2023, bringing the league's total income close to $15m per year.

The deals, struck in December, follow last month's settlement between the Pakistan Cricket Board – the commercial rights-holder of the PSL – and state broadcaster Pakistan Television regarding domestic rights to the Pakistan national team's home Tests, one-day international and T20 international matches.

In an agreement mediated by the office of the prime minister – former Pakistan cricket captain Imran Khan – the PCB and PTV agreed to a revision of the exclusive three-year domestic broadcast rights and cable distribution deal that was signed with PTV Sports and I-Media Communication Services in September 2020.

The revenue-sharing agreement upon which the deal is based has been changed. It previously operated as a 57.5-per-cent/42.5-per-cent split in favour of the PCB, but that will now change to a 72/28 split in favour of the PCB. The deal will run for another two years, 2022 and 2023.

Regime change

Both deals have come after former PCB chairman Ehsan Mani was replaced by former national team captain and television commentator Ramiz Raja in September.

The new PCB regime was intent on increasing its media rights income and this prompted an attempt to cancel the deal for domestic rights to Pakistan's home matches.

The PCB is heavily reliant on advertising revenue earned from its deals with domestic broadcasters, as earning revenue from the country's largely unregulated cable and satellite television industry has historically proved difficult. With no guaranteed media rights revenue being earned from national team matches, it was therefore vital for the PCB to strike a strong deal for the PSL.

Experts say the PSL deal durations being two years rather than three – as in the previous cycle – is a reflection of initial caution from the PCB that it was not an ideal time to go to market given the current struggles of the Pakistani economy.

Additionally, the PCB decided on a two-year cycle as from 2024 onwards it will be able – if it wishes – to sell domestic and international rights together. The PCB bundled rights to the PSL in its deals with international broadcasters for home Pakistan international matches from 2021 to 2023.

PTV and ARY's joint bid for PSL rights follows their deals for rights in Pakistan to International Cricket Council events over two years, from November 2021 to 2023.

PSL then and now

In the PSL deal, PTV and A-Sports will simulcast all matches. PTV is the most widely available channel in Pakistan, satisfying PSL teams' desire for the widest possible reach to support their sponsorship income. A-Sports is a nascent pay-television channel in Pakistan that has committed to relatively high standards of production.

In the previous PSL deal, in which agencies Global Sports Commerce and Blitz paid $36m for platform-neutral global rights over three years, from 2019 to 2021, informed sources say the PCB's internal valuations would have been about $9.5m per year for domestic linear rights, about $1.5m per year for international media rights and about $1m per year for domestic digital rights.

The new domestic PSL deals, in dollar terms, would therefore represent an increase of around 30 per cent. The PCB has publicly stated its deal is a 50 per cent increase on the previous deal but this is based on a comparison in PKR, which has strongly depreciated against the US dollar in recent years. In January 2019, the exchange rate was PRK 139 to 1 USD, but by January 2022 this had reached PKR 175 to 1 USD.

The PSL's previous international rights deal was terminated in 2021 due to wranglings over non-payment, which led to the rights being bundled with Pakistan national cricket team rights. The Blitz agency held back payment to the PCB for the 2020 PSL season after it was disrupted due to the Covid-19 pandemic, leading to a legal dispute.

The PCB is understood to have generated between $16.5m and $17.5m from its international rights for the three-year period to 2023. Experts told *SportBusiness Media* that the PCB internally valued PL international rights at around 40 per cent of this figure – about $6.8m, or $2.26m per year.

Using these internal allocations, the PSL will earn around $17.11m per year in total for multi-global media rights in 2022 and 2023, compared to $12m per year in the previous cycle. This is an increase of 42 per cent.

Bid process

The tender inviting bids for the two PSL seasons was released on December 1, 2021, with a deadline of December 23.

There were two bidders for linear rights: Independent Media Corporation (the owner of the Jang media group which includes pay-television broadcaster Geo) and the consortium comprising ARY and PTV.

After receiving sealed bids, the PCB in the presence of both bidders announced its reserve price of PKR 3.584bn over the two years.

The ARY/PTV consortium then claimed that their bid had erroneously been for one year and should be doubled. The PCB's response was that a verbal request could not be accepted at this stage.

The bids were opened and it was revealed that Geo had bid PKR 3.36bn, while ARY/PTV had bid PKR 2.108bn.

With both bids below the reserve price, the parties were given an hour to return with a bid over this figure. Geo came in with an offer of PKR 3.74bn, while ARY/PTV returned with the winning bid of PKR 4.35bn.

Geo subsequently protested against the deal, claiming that the rights had been unfairly awarded as the consortium had been formed in a "non-transparent manner". However, a judge from the Lahore High Court dismissed Geo's petition on January 4.

PTV has said it has followed all rules regarding the public-private partnership, and that it approached a number of broadcasters – including Geo – before opting to partner with ARY based on this being the most financially rewarding arrangement for the state broadcaster.

A further point of controversy may arise from the ARY group also owning one of the PSL franchises, the Karachi Kings.

The sales process for digital rights was run separately to that for linear broadcast rights. Daraz is thought to have won this tender comfortably.

Sources say that the fee will come from Daraz's large marketing budget, while other streaming players relying on advertising sales and subscriptions would have been unable to refinance such a deal.

Blitz blackballed

Experts say that Blitz and Geo have a close relationship based on Blitz powering ad-sales for the broadcaster.

Blitz itself was unable to bid for the rights directly due to a clause in the PCB's Request for Proposal documents stating that the PCB has the right to reject bids from any entity with which it had been involved in a legal conflict.

Ultimately, Blitz and Geo were unwilling to pay such a high fee for the rights. Other entities, such as Sony-owned Ten Sports, are also understood to have not been interested in securing the rights for a price around PKR 2.3bn-2.4bn in total for the two years.

Experts told *SportBusiness Media* that the ARY/PTV consortium would in effect have to pay around PKR 2.6bn per year, when taxes and ancillary costs are included, for the rights. This appears to be an acceptable outcome for the consortium.

ARY chief executive officer Salaman Iqbal has stated publicly: "Both partners [PTV and ARY] have said 'We will not be making money from this consortium.' This money will go towards the support and development of cricket in Pakistan."

ARY and Geo are bitter broadcast rivals and have historically had an antagonistic relationship. In 2016, Mir Shakil ur Rahman, Geo's founder, successfully sued ARY in a British court for defamation.

I-Media role removed

I-Media's role in the agreement for domestic rights to Pakistan's home international matches has been terminated. Sources say that I-Media failed to deliver on its obligations with regard to ensuring cable operators channelled revenues to the PCB.

Sources also say that other pay-television broadcasters were interested in taking over the rights for 2022 and 2023, but that high-level government intervention ended this possibility. A-Sports is understood to have made an offer which the PCB was willing to accept prior to the PM's office's mediation.

The PCB continues to be frustrated with the lack of implementation of a digital migration policy in the country. The initial deal between the PCB and PTV, worth around $200m (€177m) over three years, was predicated on a mass migration from analogue to digital television.

FOOTBALL

Premier League contending with dead ends and empty pockets in PPTV legal battle

By Callum McCarthy & Kevin McCullagh

- **Premier League chasing unpaid rights fees from PPTV after collapsed media rights deal**
- **UK's High Court awarded $213m to Premier League after PPTV defaulted on payments**
- **League could face issues recouping money after striking deal with Hong Kong shell company**

The English Premier League faces an uphill battle as it attempts to recover the rights fees it is owed by Chinese streaming platform PPTV, experts have told *SportBusiness Media*.

On January 11 this year, the UK's High Court ruled that PPLive Sports International Limited owed the Premier League just under $213m, plus interest and costs, after the collapse of its media rights deal with the league in China.

PPLive Sports International was due to pay $709m over the course of a three-season deal, from 2019-20 to 2021-22, for exclusive live and clips rights to the Premier League in China. It defaulted on payments for each set of rights: one worth $210.3m for live rights, due on March 1, 2020; and one for clips rights worth $2.67m, due on June 1, 2020. The deal was terminated in September 2020.

The Premier League has now joined a queue of creditors claiming unpaid rights fees from PPTV including Uefa, agency IMG, the German Bundesliga and the Chinese Super League. Most rights-holders owed money by PPTV have given up on recouping the money, while others continue to hold out hope.

The Premier League falls into the latter camp. In a statement made after the High Court judgment, the Premier League said it "will now begin the process of recovering the fees and costs owed by PPLive". However, there are two large obstacles between the Premier League and their $213m award.

First, PPTV's parent company Suning continues to be wracked with the debt and cashflow problems that caused several of its media rights deals to collapse.

Suning's retail arm, Suning.com, lost over $1.1bn in the first three quarters of 2021 and has been sued by creditors in China and Hong Kong over unpaid debts. In July last year, Suning.com sold almost 17 per cent of its shares to a state-backed consortium for $1.36bn in order to keep up with repayments. It was the second such sell-off in the space of six months – the company sold 23 per cent of its shares to another state-backed consortium in February, earning $2.3bn from the deal.

In December, the company's former majority owner and honorary chairman, Zhang Jindong, said the company's debt situation was "stabilising". The statement was made prior to the Premier League being awarded the $213m sum.

Second, legal experts spoken to by *SportBusiness Media* say the Premier League's decision to agree the deal with a Hong Kong shell company bearing the PPLive name – as opposed to PPLive Inc., the Chinese company owned by Suning Holdings Group – is likely to limit its ability to chase the money it is owed.

Dead end?

The league agreed its deal with PPLive Sports International Limited, a Hong Kong-based private limited company. Hong Kong private limited companies are separate legal entities and protect their directors or parent companies from creditors looking to be repaid. Should the company be unable to pay its debts, creditors can only seek repayment from the assets and share capital housed within the private limited company itself.

PPLive Sports International Limited is not the company that owns and operates PPTV in China, nor does it appear to have any meaningful links to Suning. It has share capital of only HKD10,000 ($1,285/€1,137) and is not thought to have any other assets. The company is maintained by a corporate services firm, Conpak Management Consultants, which also provides the company with a Hong Kong address.

The company's only visible tether to Suning Holdings Group is its directors: Yang Yang, managing director of Suning Holdings Group; and Zhu Hua, former head of Suning Sports Culture Investment, a subsidiary of Suning Holdings Group.

Dan Harris, international lawyer and Chinese business law specialist at law firm Harris Bricken, told *SportBusiness Media* that companies doing business in China often prefer to contract with a Hong Kong entity, rather than directly with the Chinese company providing goods or services.

"Companies and lawyers often think they are better off signing a contract with a Hong Kong company and going to a Hong Kong court, rather than signing with a Chinese company," Harris explained. "Chinese companies take advantage of this by keeping no assets in their Hong Kong company."

Liu Jiadi, partner at Chinese corporate law firm JunHe, told *SportBusiness Media* that unless the Hong Kong-based entity owns shares in Suning Holdings Group or has assets in China, “it would be impossible for the Premier League to be repaid by Suning”.

She continued: “If there is no evidence to show that the defendant (PPLive Sports International Limited) has maliciously transferred any of its assets to its parent company, it would be impossible for the league to claim money from the parent companies. We have no idea where the assets are held. I think the first thing for the league to do is to engage a Hong Kong law firm to investigate the relationship between the defendant and Suning.”

Should the Premier League find a way to tie Suning’s assets in China to the Hong Kong entity, it would then stand some chance of at least partial repayment through the Chinese courts. In this scenario, experts say the league would benefit from hiring a government relations agency in China to help it apply pressure on the Chinese court system in order to have their case heard and better position itself as a creditor.

The league’s contract with PPTV stated that any late payments would accrue interest at two per cent above the Barclay’s Bank base rate, meaning that PPTV currently owes about $222m plus the league’s court costs. Experts say even a partial payment would represent an significant and unlikely victory for the league.

Far from disaster

Experts say the Premier League will be instructed by its clubs to pursue PPTV’s debt until all options have been exhausted. The outstanding payments amount to an average of just over $11m per Premier League club and even a part payment would represent a significant chunk of revenue for all but the league’s biggest clubs.

Whether or not the league can successfully recover any of its High Court award, its deal with PPTV has been far from a failure. A heavily front-loaded payment schedule insisted upon by the league meant that PPTV is thought to have paid $354.5m in rights fees – half the total value of the deal – prior to its commencement at the beginning of the 2019-20 season.

Sources say the league often demands front-loaded payment schedules from new companies or new entrants to a market, especially if the amount they have promised to pay is significant. In PPTV’s case, it agreed to pay an increase of over 1,200 per cent on the league’s previous deal in China with Super Sports Media Group (SSMG), worth $18m per season from 2013-14 to 2018-19.

PPTV’s deal was agreed part-way through the collapse of another Chinese streaming platform, LeSports, which had spent beyond its means. This put the league on high alert for big-spending Chinese streaming platforms and sources say this influenced the league’s decision to demand a vast upfront payment.

After the deal's collapse, the league agreed a one-season stopgap deal covering 2020-21 with digital media conglomerate Tencent. The deal included exclusive digital rights to the league and was worth between $12m and $15m. In August 2021, the league followed that deal with a four-season agreement for exclusive rights with streaming platform iQiyi, from 2021-22 to 2024-25. The deal is worth about $40m per season.

Should the league not receive a dollar of its High Court award, it will have earned between $406.5m and $409.5m from Chinese media rights deals over the three-season period from 2019-20 to 2021-22 – an average of between $135.5m and $136.5m per season.

Should the league recover its award (plus interest and costs), it will have earned about $630m from Chinese media rights deals over the three-season period – about 89 per cent of the total amount it was originally due to receive from its deal with PPTV.

BADMINTON

BWF benefits from pan-regional battle in Apac but value drops in Malaysia

By Kevin McCullagh

- **SPOTV pays close to $10m per year for BWF rights, from 2022-26**
- **Deal represents like-for-like increase of about 25 per cent on previous deals**
- **Eleven and local broadcasters bid against SPOTV**

Competition between budding pan-regional players SPOTV and Eleven helped the Badminton World Federation increase the value of its media-rights in a string of Asia-Pacific markets in a recent deal.

But a weak market in the federation's most-valuable Southeast Asia territory, Malaysia, has led to a drop in value there.

In a deal announced this month, SPOTV secured BWF rights in 12 markets: Cambodia, Hong Kong, Indonesia, Laos, Macau, Mongolia, Myanmar, Philippines, Singapore, Thailand, Timor Leste and Vietnam. The deal spans five years, from 2022 to 2026.

The BWF rights portfolio covers the BWF World Tour including the World Tour Finals, as well as annual tentpole events the World Championships (singles), the Sudirman Cup (World Mixed Team Championships), and the Thomas and Uber Cup Finals (men's and women's team World Championships, respectively).

SPOTV is understood to be paying a fee close to $10m (€9m) per year. This is an increase of around 25 per cent on the previous cycle.

Rights in SPOTV's territories were previously split between different broadcasters in deals of varying durations. The total annual value in 2021 is thought to have been between $7m and $8m per year.

SPOTV has already recouped a sizeable chunk of its outlay in a sublicensing deal for free-to-air linear rights in Indonesia with media group MNC. MNC is thought to be paying between $3m and $4m per year for rights covering all major BWF events from 2022 to 2026. The sublicensing deal was announced at the same time as a carriage deal for the SPOTV channels on MNC platforms.

The free-to-air sublicensing deal in Indonesia is thought to have been a requirement from the BWF and its sales agent Infront. Pay-television has low penetration in Indonesia so most major rights-holders seek free-to-air linear television coverage in the market.

In a deal agreed last year, pay-television broadcaster Astro renewed its long-held rights in Malaysia, also from 2022 to 26. Astro is paying around $7m per year, down from around $10m per year in its previous deal, covering 2018 to 2021.

Both deals were brokered by the Infront agency, which has a long-term global commercial rights deal with the BWF.

The BWF's commercial cycle has been altered due to disruption to its calendar caused by the pandemic. The 2020 season was almost completely wiped out after March and there were also many cancellations in 2021, including most events in Asia. This is thought to have resulted in rebates paid to broadcasters.

The federation's hosting, sponsorship, media rights and agency agreements were previously running on four-year cycles: from 2018 to 2021, followed by 2022 to 2025. Hosting and sponsorship agreements for the first cycle have been extended by a year to cover 2022, with the next cycle now running from 2023 to 2026. The original media rights cycle remained the same but deals for the new cycle are now being agreed for five years, from 2022 to 2026.

Infront's global commercial rights deal covered the two original four-year cycles. It has been extended by one year to line up with the new cycles.

The 2022 calendar is not expected to be as badly disrupted as the previous two years.

Eleven offer

SPOTV is understood to have faced strong competition from Eleven for pan-regional rights as well as from broadcasters in individual markets, with Indonesia being the most competitive.

Eleven is thought to have put in a strong financial offer for BWF rights but its lack of secured linear distribution across the region will have counted against it, industry insiders say.

Like SPOTV, Eleven is attempting to build a new pan-regional sports broadcasting service in markets previously covered by Fox Sports Asia, which shut down last year. SPOTV is far ahead of Eleven, however, in terms of securing rights and carriage deals with pay-television platforms.

Eleven has said its new Asian business will be primarily focused on streaming, although it will be agreeing pay-television distribution deals in the near future. It has not yet announced any such deals.

SPOTV has carriage deals with: MNC in Indonesia, Macau Cable TV in Macau, Astro and Unifi TV in Malaysia, Univision in Mongolia, Sky Cable in the Philippines, Singtel and StarHub in

Singapore, and TrueVisions in Thailand. One notable exception to its coverage is that no deal has yet been announced in Hong Kong, one of the biggest markets in its footprint.

In Indonesia, broadcasters including the two major media groups Emtek and MNC, as well as public-service broadcaster TVRI, are thought to have bid for BWF rights. Indonesia is a major badminton market. Football is the most popular sport in the country but badminton is the sport in which its athletes have been most successful on the international stage. The country won a gold medal at the Tokyo 2020 Olympics in the women's doubles and Indonesian men's doubles teams currently occupy the top two positions in the BWF world rankings.

Concurrent deals last cycle with public-service broadcaster TVRI, MNC and Emtek are thought to have generated between $4m and $5m per year.

The BWF's original Indonesia deal in the last cycle, with agency Futbal Momentum Asia (FMA), was terminated early after the buyer missed rights fee payments. FMA ran into financial difficulty after over-extending on rights fee acquisitions. It also lost Uefa club competition rights around the same. The company has since disappeared from the market.

In Malaysia, Infront and the BWF were selling into one of Southeast Asia's least competitive rights markets, which is dominated by incumbent Astro. Badminton rights retain significant value there, however. Like Indonesia, the sport is considered the second-most popular after football and Malaysian players and teams have a history of success in international competition.

The BWF and Infront are still in negotiations for deals for the new cycle in several markets across Asia-Pacific. Sales for the 2022-26 cycle are expected to be completed in the first half of this year.

FOOTBALL

LaLiga fees up in Bulgaria, Czech Republic and Slovakia; down in Romania

By Nick Roumpis

- LaLiga fees up 20 per cent in Bulgaria; 15 per cent in Czech Republic and Slovakia
- Romania fee down by 20 per cent in 2021-24 cycle due to lack of competition
- A1 takes rights in Bulgaria; Saran in Czech Republic and Slovakia; Digi in Romania

LaLiga secured modest increases in its current deals across Bulgaria, the Czech Republic and Slovakia but it saw its value drop in Romania after a protracted bidding process.

The sale processes in all four countries were run by the Mediapro agency, which was able to secure five-season deals for the first time following amends made to Spanish legislation over the sale of centralised rights.

Exclusive media rights deals with telco A1 in Bulgaria and the Saran Media agency in Czech Republic and Slovakia will run for five seasons, from 2021-22 to 2025-26. The deal in Romania with Digi Sport is for three seasons, from 2021-22 to 2023-24.

Rights to all matches from LaLiga's top-tier and second-tier leagues are included in the deals, as well as all playoff matches for promotion to the top tier.

The successful bidders are required to broadcast a minimum of three live matches per first division match week and weekly broadcasts of LaLiga's highlights and magazine shows.

Bulgaria

A1 is paying about €2.5m per season to secure LaLiga rights from 2021-22 to 2025-26, extending its partnership with Spain's top-tier football division. The deal represents a cycle-on-cycle increase of 20 per cent on the previous cycle, from 2018-19 to 2020-21, when agency IMG paid LaLiga about €2m per season. It later sold the rights onto A1

The latest deal is also a 67-per-cent increase on the 2015-18 cycle, when Mediapro sold the rights directly to telco Bulsatcom in a deal worth about €1.5m per season.

One source close to the deal said that A1 was satisfied with LaLiga's performance during the previous cycle and was happy to bid on its own to extend the rights.

Other major properties in A1's football rights portfolio include the Uefa Champions League from 2021-22 to 2023-24, while the Telekom Austria-owned company acquired jointly with pay-television broadcaster bTV for €6.5m per season.

Czech Republic and Slovakia

Mediapro managed to drive up the value of LaLiga in the Czech Republic and Slovakia following a 30 per cent decrease in the 2018-21 cycle.

The Saran Media agency is paying a little less than €3m per season for rights in both countries from 2021-22 to 2025-26, an increase of around 15 per cent on the €2.5m per season that the agency paid in the 2018-21 cycle.

A source close said that Saran managed to see off competition from rival bidders in the first round.

The new fee is still lower than the €3.5m that Saran paid for the same set of rights in the 2015-18 cycle.

In the new cycle, Saran has sold LaLiga rights in the Czech Republic and Slovakia to commercial and pay-television broadcaster Nova Sport, which has added major properties in its portfolio in the past two years.

Nova Sport currently shows an array of European football including the Uefa Champions League, German Bundesliga, Italian Serie A and the English FA Cup.

During the previous cycle, Saran sold LaLiga rights to pay-television broadcaster Digi Sport in the Czech Republic and Slovak Telekom in Slovakia.

Romania

LaLiga's value in Romania took a hit as pay-television broadcaster Digi Sport paid a little less than €5m for the rights in a three-season deal from 2021-22 to 2023-24.

This represents a decrease of around 20% from the 2018-21 cycle, when LaLiga rights were jointly held by Digi Sport, telco Telekom Romania and commercial broadcaster Look TV.

It is understood that the first tender launched by Mediapro was inconclusive as the offers were below expectations, with a second bidding round launched afterwards.

Despite competition from all main players, Digi Sport, Look TV and Telekom Romania, the fee still went down as all bidders have good relationships with one another.

"The Romanian market is quite challenging because although various parties compete, they are not willing to drive up the value a lot," noted one source.

Digi Sport also currently holds rights in Romania to the Uefa Champions League and Europa League (both non-exclusively), the German Bundesliga, French Ligue 1, Formula One, and major handball competitions among other properties.

FOOTBALL

Turkish Süper Lig media rights tender launches; five-season bids possible

By Martin Ross

The tender process for domestic and international rights to the Turkish Süper Lig has been launched with the domestic rights split into six different packages.

The sales process for rights from 2022-23 onwards has been initiated by the Turkish Football Federation, in association with the Turkish Clubs Association, and with the IMG agency working in an advisory capacity.

Domestic and international rights are currently held by beIN Media Group in a five-season deal, from 2017-18 to 2021-22. It exploits the rights both domestically and internationally via its Turkish pay-television operator Digiturk.

The ITT, which takes place against the ongoing threat of piracy of Turkish matches, invites bidders to submit offers across six different domestic packages of rights to the top-tier Süper Lig and second-tier 1. Lig.

International rights are contained in Package 2, while international betting streaming and data rights make up Package 3. A final package, Package 4, comprises global rights in one all-encompassing offering.

Interested entities must submit their first-round offers by 2pm (local time) on February 14.

SportBusiness understands that the domestic rights packages have been split up as follows:

- Package 1A: First-pick and third-pick matches, plus fifth, sixth, seventh, eighth and ninth picks
- Package 1B: Second-pick and fourth-pick matches
- Package 1C: Rights to a minimum of three rounds of midweek matches
- Package 1D: Live rights to 1. Lig matches and Süper Lig highlights
- Package 1E: Digital clips rights of two minutes per match shown 45 minutes after final whistle
- Package 1F: Radio rights

A minimum of three Süper Lig matches per week will be provided via the international signal for rights buyers worldwide.

It is also understood that bidders can submit offers for three (2022-23 to 2024-25) or five seasons (2022-23 to 2026-27). Bidders for the extended period would be expected to place a significant premium on the opportunity to land a five-season contract in order to be successful.

The total number of matches played in the Turkish top flight will reduce next season as the league contracts from 20 to 19 teams.

Given the nature of IMG's role as advisor, the Endeavor-owned agency will not be able to bid for any packages.

The all-inclusive Package 4 is thought to have been devised with beIN in mind given the nature of the broadcaster's current deal. Along with the domestic and international rights, beIN also holds the betting and league sponsorship rights.

Under the current rights structure, beIN sublicenses live free-to-air 1. Lig rights and Süper Lig highlights to TRT, the public broadcaster in Turkey.

The TFF and beIN have had a tumultuous relationship since first agreeing to a deal worth $500m (€442m) per season in 2016, a deal that runs until the end of the current season. The agreement has undergone several amendments since beIN beat telco Turkcell to the rights during the last auction. The alterations have been largely attributed to the fierce depreciation and fluctuation between the Turkish Lira and US Dollar.

The latest change to the agreement came in 2020 as beIN agreed to temporarily increase its fee for the 2020-21 season as a number of Turkish clubs struggled financially due to the onset of the Covid-19 pandemic.

Piracy threat, international rights

The launch of the new tender comes with piracy continuing to threaten the value of the league's rights and, in particular, the level of beIN's bid. Last year, beIN opted against bidding to retain its Uefa Champions League and Europa League rights, in part due to the high levels of piracy in Turkey and the general downturn in the value of premium sports rights deals.

However, new legislation that gives more powers to block illegal broadcasts will leave the Turkish football authorities and IMG feeling emboldened as they head into the auction. A draft law submitted to the Turkish parliament was put forward to allow authorities to block internet platforms broadcasting matches illegally.

Last season, Süper Lig side Fenerbahçe began to protest against beIN, using advertising hoardings at its home matches to carry anti-beIN messaging. The broadcaster was subsequently handed an emergency injunction to prevent this unauthorised infringement of its intellectual property.

Speaking just under a year ago, TFF president Nihat Özdemir said that his preference was to continue with beIN but that it was important to “organise a tender that will please the clubs at the maximum level”. Sadettin Saran, the president of Saran Group, the Turkey-based media entity, previously stated his intention to compete for the rights.

During the current cycle, beIN has also sold the international rights to the league in markets in which the broadcaster does not operate.

Before that, coverage of the league had been targeted solely at Turkish expatriates with Digiturk’s international subscribers able to watch matches via their set-top boxes. Digiturk also sold carriage of its Lig TV channels to pay-television operators in international markets. Interest in the league is particularly strong in Germany given the high ex-patriate population.

In 2020, the Süper Lig netted live coverage in the UK and Ireland in a deal between beIN and pay-television broadcaster BT Sport. It marked the first time that the competition had been broadcast with English-language commentary in the countries.

Sponsorship rights to the Turkish league competitions are to be sold after the media rights process has been carried out, *SportBusiness* understands.

Parties interested in receiving the tender document have been asked to contact Jake Harkins (jake.harkins@img.com), IMG Media’s business development director, football.

FOOTBALL

Uefa earning 900-per-cent increase for club competition rights in Armenia

By Nick Roumpis

- **Vivaro paying €600,000 per season for Uefa club competition rights in Armenia, from 2021-24**
- **Deal represents 900 per cent increase on previous deal with Armenia TV, from 2018-21**
- **Vivaro has filled out sports portfolio via sublicensing deals with Setanta Sports**

Uefa has secured one of its largest cycle-on-cycle increases in recent years after securing a deal with Armenian newcomer OTT player Vivaro Media, which has made an aggressive entry into the market.

Vivaro is understood to be paying €600,000 (£500,000/$687,000) per season for exclusive rights to Uefa Champions League, Europa League and Europa Conference League from 2021-22 to 2023-24. The deal also includes rights to the Uefa Youth League over the same three-season period.

This represents an increase of 900 per cent on the €60,000 per season paid by commercial broadcaster Armenia TV in the 2018-21 cycle. Armenia TV was paying a little over €30,000 per season for Uefa club competition rights in the previous two cycles from 2012-13 to 2014-15 and from 2015-16 to 2017-18.

The new deal represents by far the largest fee that Uefa has managed to secure in Armenia. The deal was brokered by Team Marketing, the exclusive sales agent of Uefa club competitions in the current cycle.

Vivaro Media operates its OTT platform Vivaro TV, which features three sport channels, Vivaro Sports, Vivaro Sports+ and Vivaro Arena.

Sources say Vivaro comfortably outbid its competitors for the rights with its first-round bid. Team Marketing launched the tender for the rights in the country in February 2021, setting a bid deadline of March 29.

Vivaro bid strongly for the rights as it wanted to guarantee a high-profile property ahead of the launch of its OTT platform in the country.

Margarita Grigoryan, chief executive at Vivaro, told *SportBusiness Media*: "We felt strongly that we would win the contract due to our extensive preparation and because of the high quality of our content. We were keen on winning this bid for the first Armenian sports channel."

The deal stipulates that if an Armenian team qualifies for the Champions League, Vivaro will act as the host broadcaster of the team's home games.

A direct monthly subscription to Vivaro's streaming platform costs AMD 1,438 ($3/€2.62) per month. The service is also available via Armenian IPTV operators.

Setanta properties

Uefa club competitions aren't the only high-profile property in Vivaro's portfolio from 2021-22 onward. The streaming platform, led by the Badalyan brothers Vigen and Vahe, has also acquired rights to a handful of sports from pay-television broadcaster Setanta Sports.

Grigoryan confirmed that Vivaro has acquired in recent months from Setanta rights to the German Bundesliga (2021-22 to 2024-25), LaLiga (2018-19 to 2022-23), Serie A (2021-22 to 2023-24), Ligue 1 (2021-22), Scottish Premiership, EFL, NHL (2021-22 to 2025-26), NBA (2020-21 to 2022-23), Formula One and ATP Tour Masters 1000.

The addition of these properties has made Vivaro the most important dedicated sports broadcaster in the Armenian market shortly after the launch of its OTT platform in December.

The sublicensing deals also represent a major strategic move by Setanta Sports Eurasia, which was recently acquired by the Adjara Group, parent company of Georgian pay-television broadcaster Adjarasport. The acquisition saw Setanta's media-rights portfolio and carriage agreements in the region transfer to the Georgian company, though it has divested its portfolio in Armenia.

One local source said: "Adjara considered that Setanta's position in Armenia is not that profitable so deals at the right price with Vivaro would make sense for both parties."

Another source noted that Armenia has had a long-term issue with piracy which does not allow pay-television broadcasters to exploit the full commercial potential of the territory. Another issue in Armenia is the fact that many Armenians speak Russian and choose to watch Russian broadcasters, which often produce coverage to a higher standard than local broadcasters.

The Badalyans' new journey

Vivaro TV is the latest addition to the Badalyan brothers' group of companies, which mainly consists of betting companies.

The two brothers started their entrepreneurial career in the early 90s, when they opened the first private petrol station in Armenia. Soon after, the founded Fast Credit, a credit agency in Armenia, before founding their own bookmaking betting company Vivarobet in 2003.

Their latest venture saw the establishment of Soft Construct, an IT company registered in Great Britain that also focuses on online betting and the development of gaming software for the betting industry.

MULTIPLE SPORTS

Eleven Portugal close to 300,000 subscribers, eyes up Primeira Liga rights

By Martin Ross

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Eleven Portugal, an arm of the Aser Ventures-owned international sports broadcaster, is confident of achieving break-even during the 2021-22 period as it closes in on 300,000 subscribers, and is also targeting rights to Portugal's Primeira Liga when centralisation kicks in.

Having launched in 2018 armed with the Uefa Champions League, Bundesliga and Ligue 1, Eleven Portugal has amassed various other top-tier rights at the expense of Sport TV, Portugal's erstwhile dominant pay-television broadcaster.

The most recent addition was rights to the Premier League – Eleven's first swoop for rights to the English top flight in a European country – and Eleven Portugal is on track to post figures 'in the black' before the contract kicks in next season, according to managing director Jorge Pavão de Sousa.

Speaking to *SportBusiness* in a wide-ranging interview, de Sousa said that the live sports shutdown caused by the Covid-19 pandemic had derailed Eleven Portugal's target to be profitable by 2020-21, but that reaching the break-even point is now imminent.

He said: "We were in line with all of our financial objectives in order to reach a profitable business in three years' time. That didn't happen because, as you can imagine, for three months we didn't ask [for] money from the subscribers.

"On the premium sports side, it's typically a 12-month period with 10 months of good revenue opportunities because there is a seasonality within the sports season. That season was without three months of those 10 months. We had a full year of costs on the rights side and just six to seven months of revenue.

"This is why that it will probably be during the current [2021-22] season that we expect to achieve break-even."

Eleven Portugal anticipates a "low-level" positive Ebitda at the end of this season. Like other broadcasters, it has managed to reduce its production costs by introducing remote production and commentaries as a result of the pandemic.

According to the recently-lodged Eleven Sports Network group accounts for 2019-20, Eleven Portugal generated €21.5m ($24.3m) – or 38.5 per cent of group revenues (of €55.7m) – during the period. This was chiefly generated from various carriage deals and a Portuguese subscriber base of 118,000, but that figure has since more than doubled.

Eleven Portugal is nearing 300,000 subscribers, partly as a result of the impact of three Portuguese sides – Benfica, Porto and Sporting Lisbon – qualifying for the Champions League group stages this season. The return of Formula 1's Portuguese Grand Prix after a 24-year hiatus also boosted subscriber numbers, as did the hosting of the 2019-20 Champions League 'Final 8' in Lisbon and the following season's final in Porto.

The addition in the future of centralised rights to Portugal's domestic league would make Eleven Portugal one of the real revenue "engines" of the group, according to de Sousa.

He is targeting a 40-per-cent market share of Portugal's premium sports subscriptions after Eleven's first full season of Premier League coverage (in 2022-23). Along with Sport TV and Eleven Portugal, these premium subscriptions also stem from Benfica TV, the pay-television broadcaster of the Lisbon club. The combined total is thought to stand at between 850,000 and 900,000 at present.

Along with Portugal, Eleven Sports' Belgian arm has provided the majority of Eleven Sports Network group revenues. The contribution of the two markets has been more apparent since the sale of Eleven's Polish operation to Telewizja Polsat, although operations in Southeast Asia were recently ramped up with a new streaming-based service. Eleven Sports Network registered a pre-tax loss of €11.2m in 2019-20, down from €34.8m in 2018-19.

The linear channels of Eleven Portugal are carried on the platforms of Altice-owned Meo, NOS, Nowo and Vodafone. The broadcaster's direct-to-consumer OTT platform was relaunched in the summer of 2020.

Subscription price increase

Having launched in 2018 at a price point of €9.99 per month, the cost has since been increased to €11.99 per month and will rise again when the Premier League deal kicks in. A 48-hour subscription is also available at €6.99.

The broadcaster, which was today (Thursday) announced as the 'TV Sports Channel of the Year' at Portugal's 2022 Prémio Cinco Estrelas awards, has been undertaking research to understand the maximum price increase that customers would stomach.

"For sure, there will be a need to have a price increase but up to a level where we will not be cannibalising the growth opportunities," said de Sousa. "Having said that, [I think] my main competitor [Sport TV] will also make a move from its current price point. I'm expecting they will have to decrease it somehow so there will be a more balanced price point around the two propositions in the market."

He continued: "What I'm expecting later on is that the distributors – the operators and pay-TV platforms – bring some efficiencies in terms of synergies of prices and to present a much more aggressive bundling strategy…

"…if the price points are more comparable, then there will be a better opportunity to combine those price points or to have entry packages where the sports bundle will be offered to the subscribers in a more natural and economical way. This is where we are working with the operators and most of them are very aware of that situation. We are now engaging in some discussions about having entry packages that are of more benefit to the end user and this is [also] where we need to all work together to control piracy."

Eleven 'part of discussion' around centralised Portuguese league rights

Following a memorandum of understanding signed just under a year ago by the LPFP and the FPF, Portugal's two football governing bodies, the centralisation of rights to the Primeira Liga is on the horizon. The league remains an outlier in Europe with its individual rights sales model but, under the proposals, rights would transfer from each individual club to a joint venture comprised of the LPFP and FPF.

As is stands, the centralisation is scheduled to kick in from 2028-29 onwards, although de Sousa is hoping that the financial hurt caused to the Portuguese game by the pandemic will encourage stakeholders to "accelerate the process" in order to generate increased revenues for clubs. This could mean centralisation taking effect in 2024-25, he believes, pointing to support from Portugal's "big three" clubs to make it happen "as soon as possible".

Eleven Portugal is "part of the process and discussions" happening now around the rights centralisation, according to de Sousa.

The combined value of the Primeira Liga's domestic media rights is currently about €180m per season, but about two thirds of this total is earned by the big three. Sport TV, which is part-owned by Portugal's three biggest telcos – NOS, Altice Portugal and Vodafone – holds rights to 17 of the 18 top-flight clubs. The only matches not shown on Sport TV are Benfica home matches, which are shown by Benfica TV.

De Sousa remarked: "Either we will be an active part involved in the process, and we're trying to be that part that can accelerate the process, or we will wait for a very transparent wholesale model in place that establishes different tiering of packages.

"[This would allow] companies likes ourselves to be entitled to go for a specific package and Portuguese football will be distributed in a way that will not anymore be concentrated by giving the rights from the operators to Sport TV, which has then the full control of those rights. Or, if they – or some other party – is in full control of those rights, [then] those rights will have to get the right value."

Eleven Portugal's managing director points to the digital support of Team Whistle, the digital sports media company acquired by Eleven last year, and the production and documentary expertise of Aser's Neo Studios as tools that the clubs could use to enhance their content propositions.

Interest in the Primeira Liga is not restricted to the domestic rights alone, with Eleven also looking to try and convince stakeholders of the power of its digital footprint worldwide. Eleven already holds domestic and international rights to Belgium's Jupiler Pro League in a deal worth €103m per season, and turned to Mediapro to help sell the international rights.

De Sousa described the Portuguese league's current model focused on cable and satellite distribution for expatriates as outdated, and has encouraged stakeholders to maximise the value of direct-to-consumer streaming. This, he said, could include a dedicated Portuguese league app streaming matches via 3G or 4G to smartphone users in Portuguese-speaking African countries. Canada and the US would be two other target markets, according to de Sousa.

Along with deals in different countries, the international channels of Portuguese free-to-air broadcasters RTP and SIC have offered Portuguese-language coverage of headline matches to expatriates under the existing model.

"In the future, the packaging will be different for sure," said de Sousa. "If I am a Benfica, Porto or Sporting fan, the technology and rights should allow for a 'Follow My Team' package on international markets. That will allow people to access and pay for [coverage] on an agnostic platform wherever they are and today that's not the case."

Sportfive currently sells the league's international broadcast rights. The agency was appointed by rights-holder Sport TV, to a three-year contract running from 2020-21 to 2022-23.

Competing with F1 TV

Having wrestled the exclusive Premier League rights from Sport TV, rights to Formula 1 have moved in the other direction in a three-year deal from 2022 to 2024.

Eleven held the rights for the last three years but competition with the property's own direct-to-consumer streaming offering diluted the incumbent's interest in renewing, according to de Sousa. Portugal is one of the countries in which the premium F1 TV Pro offers live streaming of races to subscribers.

He said: "We made a significant effort to build up and bring new audiences back to F1 in Portugal and I believe we did it very successfully. But in the end we were competing with the direct-to-consumer F1 TV and with very aggressive promotion during the year.

"In the big markets, F1 was avoiding being direct-to-consumer [with its live rights] because the broadcasters were paying premium prices to get those rights and that was not the case in Portugal or in tier-two markets in Europe.

"The decision on our side was quite clear after getting the Premier League that we should not make any big effort to try to continue to have F1. We would have liked to continue to have F1 but under the conditions where a premium market could be deployed and evolved on our side and under a controlled ecosystem. And that was not the case so we decided to let it go."

The perceived risk of the likes of Amazon or Discovery moving for premium sports rights in the Portuguese market is also understood to have been a main driver behind Eleven's aggressive Premier League rights bid.

De Sousa said: "We are already perceived to be the go-to destination for all of the main international football competitions. The Premier League will reinforce that in terms of offering. That was one of the main reasons for us to try to get it. The second reason was to try to avoid any of the new giants on the premium sports side to step into the Portuguese market.

"When we understood that there was the risk of someone big stepping into the Portuguese market on the digital side, we preferred to tackle the opportunity of getting the Premier League into our content portfolio." o

BASKETBALL

Euroleague takes hit in France; LNB fee still zero in tough market

By Nick Roumpis

- **Euroleague strikes late one-season deal with L'Equipe worth less than €500,000**
- **Previous four-season deal with SFR Sport was worth €2.5m per season, from 2017-21**
- **Latest LNB deal with beIN, which started in late December, covers production costs only**

European club basketball rights continue to be a tough sell in France as neither Euroleague nor the LNB Pro A could improve their latest deals in the country.

In a tough market where broadcasters are tightening their belts, Europe's top club competition Euroleague and the domestic Ligue Nationale de Basket (LNB) managed to secure coverage in November and December 2021 respectively, well after both competitions' seasons had started.

Media group L'Equipe struck a deal with Euroleague Basketball for rights to a minimum of one regular-season game per round for the remainder of the 2021-22 season, plus playoff and Final Four games.

The French digital terrestrial broadcaster will pay less than €500,000 (£417,000/$573,000) for the rights, while Euroleague is covering the production costs of the matches. The IMG agency, which forms half of a joint venture with Euroleague covering its global commercial rights, brokered the deal.

It represents a sharp decrease on the €2.5m per season that pay-television broadcaster SFR Sport paid for Euroleague and Eurocup rights from 2017-18 to 2020-21.

The new deal includes rights to one game per round to be shown on L'Equipe's digital platforms, while 10 of these games will also be shown on L'Equipe TV, the media group's linear channel. L'Equipe will thus broadcast every game of French team Asvel Villeurbanne, which alongside newcomer Monaco represents French basketball in Euroleague this season.

The Euroleague games of Monaco are also shown on Monaco Info TV, the public-service broadcaster of the Principality of Monaco.

Sources said the L'Equipe deal was struck after Euroleague and its clubs applied pressure to secure coverage in France, one of Europe's most important media rights markets.

It is thought that both Euroleague and L'Equipe parties were keen on signing a one-season deal only.

"The timing is not right for long-term basketball deals in France, although the viewers are there. Euroleague will be hoping to get a long-term deal with a proper fee from next season," said a source close to the latest deal.

Switch from LNB to Euroleague

For L'Equipe the acquisition of Euroleague rights was tied to its decision not to renew rights to the LNB Pro A, France's top-tier domestic league. L'Equipe held rights to the league during 2020-21 only, a season that was disrupted by Covid-19.

"LNB had a lot of cancellations due to Covid last season, thus it was unable to offer regular content at fixed slots to L'Equipe. This is far from ideal for a free-to-air channel," noted a local source.

With many French basketball stars playing for Euroleague teams, L'Equipe saw potential in securing a more high-profile property than LNB at the same time as maintaining its coverage of French stars, sources added.

After deciding not to renew its LNB rights for the 2021-22 season, beIN stepped in late last year to fill the gap, securing another stopgap deal with LNB – the league's second in as many years.

BeIN began its coverage of the top-tier LNB Pro A on December 27 and will offer the best game from each round for the remainder of the 2021-22 season. The deal also involves a second game per round as soon as its scheduling allows, along with all the main playoff matches and the finals.

Like last year's deal between LNB and L'Equipe, the latest agreement with beIN doesn't involve a rights fee as the French Basketball Federation decided to sacrifice domestic media-rights income for the second season in a row in exchange for consistent exposure and help with production costs.

"The popularity of French basketball has been severely hit in recent years and broadcasters clearly don't see any value in it. If Asvel or Monaco show some success in Euroleague, this could help boost the popularity of LNB as well," another source said.

Popularity problems

The LNB Pro A has seen its value wiped out compared to its last long-term deal: a five-season deal with telco Altice, from 2015-16 to 2019-20, worth €10m per season.

Altice-owned pay-television broadcaster SFR Sport (now RMC Sport) was previously the most aggressive buyer of basketball rights in the country, paying high fees for both Euroleague and LNB which did not translate into subscription revenues. After SFR stopped bidding aggressively for basketball properties, competition in the sector disappeared.

"It became evident for SFR Sport that basketball is not a driver for more subscribers in France, hence they stepped out of the basketball market," one French source said.

There have been few opportunities for Euroleague and the LNB to recover their lost revenue in a market where rights-holders are suffering across the board.

The French media rights market has suffered greatly due to the fallout between Mediapro and France's Ligue de Football Professionnel over missed fee instalments. The agency had exclusive rights to eight Ligue 1 matches per round in a deal worth €780m per season from 2020-21 to 2023-24, an agreement that was terminated in late 2020.

Meanwhile, the market's other big player, pay-television broadcaster Canal Plus, has steered away from basketball properties in the last decade. The broadcaster used to have rights to the NBA, Euroleague, LNB and other basketball properties. It now provides NBA coverage to its subscribers via a carriage deal with beIN Sports.

Eurocup

Sports broadcaster MCS Group acquired a package of rights containing selected Eurocup matches as well as Euroleague highlights to be shown on its OTT channel MCS Basket. The deal runs for one season, 2021-22.

Led by sports media rights veteran Nicolas Rotkoff, MCS Basket has also secured rights to domestic basketball leagues in Spain, Italy, Israel and Turkey.

Meanwhile, Europe's third-tier club basketball competition, the Basketball Champions League (BCL), secured coverage in France in January through LNB TV, the OTT streaming platform of the French basketball league. Before this deal, the BCL didn't have a broadcasting partner in France and streamed its matches on YouTube. o