

European Basketball as an Investment Vehicle?

Exploring the NBA Europe Project through the tension between sport as a social good vs. an ROI-driven financial asset

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Agenda

- **Introduction**
- **Sport as a Social Good vs. Financial Asset**
- **Recent Investments in Sports**
- **Current Landscape in European Basketball**
- **The NBA Europe Project**
- **Question Marks & Challenges**
- **Conclusion**

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Introduction

- Basketball in Europe is entering a **decisive phase** where traditional notions of sport as a cultural and **social good** are increasingly intersecting with global **investment dynamics**. Twenty-five years ago, the creation of the EuroLeague marked a significant step toward greater professionalism in club management, introducing a stronger commercial focus. More recently, FIBA responded with the launch of the Basketball Champions League (BCL), seeking to assert its role in shaping the future of European competitions. Despite these efforts, questions around **profitability** and **financial sustainability** have become central, with even top-tier clubs struggling to build stable business models beyond benefactor support.
- At the same time, many European basketball clubs maintain a strong **social mission**: They see themselves as community institutions, deeply rooted in local identity, youth development and social integration, often delivering programs that extend far beyond the court. This dual role, balancing a civic mission with the demands of **financial survival**, sits essentially at the heart of current debates. Against this backdrop, the NBA's growing interest in Europe highlights both an opportunity and a challenge: can European basketball reconcile its identity as a public good with the realities of becoming an ROI-driven investment vehicle?
- This reference to European basketball as an *ROI-driven investment vehicle* is **deliberately provocative**. It reflects the growing perception that the (European) basketball is no longer viewed solely through the lens of public value or cultural identity, but increasingly as a financial asset class. The reported involvement of **investment banks** such as JPMorgan Chase and **advisory firms** like Raine in supporting the NBA's exploration of NBA Europe underscores how capital-market logic is entering the basketball ecosystem in Europe.

NBA hires JPMorgan Chase to advise on new European basketball league

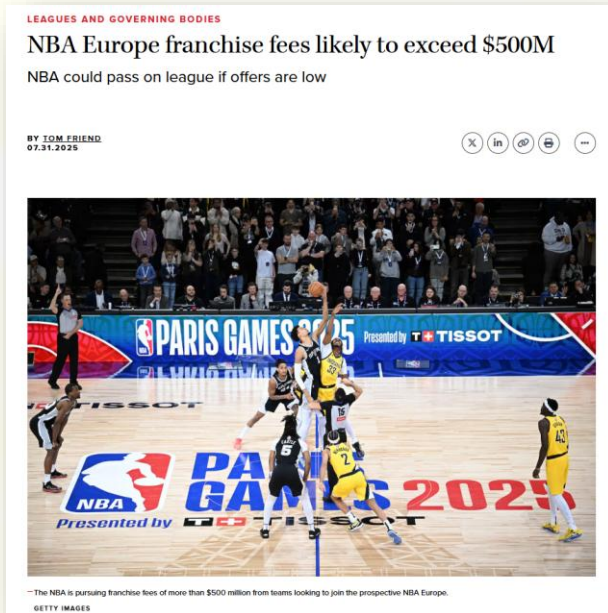
Basketball association appoints US bank and Raine as it seeks to exploit growing interest in the sport across the continent



French basketball player Victor Wembanyama is among several Europeans to have had success in the NBA © Franck Fife/AFP/Getty Images

Introduction

- Beyond the role of transaction advisers, another decisive shift is how stakeholders now talk about European clubs in terms of **franchise value**, actually a term which did not exist in European basketball so far.



Source: Sports Business Journal

followed by an analysis of the **current state of European basketball** and the strategic ambitions of the **NBA Europe Project**. In addition, the report assesses whether the frequently discussed “franchise” valuations in the above mentioned range can be justified from today’s business perspective within the context of European basketball. Finally, the report discusses the **challenges**, before drawing conclusions on how European basketball stakeholders might navigate the delicate balance between social mission and financial sustainability.

- For instance, recent media reports have speculated that, under a potential semi-closed framework to be created by NBA (and FIBA), individual teams could reach **valuations** in the **range of USD 0.5–1.0 billion**.
- This narrative, together with growing discussions around attracting new investors, from **private equity** to **sovereign wealth funds**, reflects how profitability considerations, once peripheral to the European club model, have become so dominant that basketball organizations are now discussed less as community institutions and more as **investment-grade assets**.
- This report seeks to explore that **central tension** from conceptual, governance and financial perspectives. It begins with a **theoretical framework** for understanding sport as both a social good and an investment asset,

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Sport as a Social Good vs. Financial Asset

- The conceptual framework for this report rests on two competing yet interconnected views of sport: as a **social good** and as a **financial asset**.



- In the first perspective, sport is understood as a public or civic good that generates broad **societal benefits**, including **health promotion, education, social integration** and the **strengthening of local and national identity**. European clubs have historically been embedded in this model, often founded as community organizations and still maintaining strong ties to their local environments through youth academies, social programs and civic engagement.

- Building on this tradition, the **European Model of Sport** reinforces the view of sport as a public good. Its pyramid structure connects

grassroots clubs, national federations and international bodies, underpinned by **open competition** and **financial solidarity** so that revenues from the elite level flow back into youth and amateur sport. The model also emphasizes **volunteerism** and civic engagement as defining features of European sport. Across disciplines, volunteers remain indispensable to the operation of clubs, competitions and youth programs. Finally, the model links sport to **broader European values** of **inclusion, equality** and **democratic participation**. By fostering opportunities across genders, age groups and social backgrounds, it frames sport not just as competition, but as a vehicle for integration and active citizenship.



Sport as a Social Good vs. Financial Asset

- This role is also clearly recognized in **public policy**, with governments across Europe supporting clubs and federations as partners in youth development, inclusion and social integration. **Public funding** and **regulatory frameworks** thus help safeguard sport's civic mission even as commercial pressures grow. Beyond the economic and entertainment dimensions, sport is increasingly treated as a **public good**, a shared social infrastructure that contributes to community health, education and cohesion. Policies promoting **access to sport** for all, gender equality in participation and investment in local facilities reflect this understanding. In this sense, the state plays a balancing role: ensuring that sport remains a vehicle for **social capital** and **collective well-being**, rather than merely a **marketplace for private profit** generated from entertainment.

What the EU does



Sport is part of daily life for millions of Europeans. It helps people stay healthy, learn, connect with others, and even boosts innovation and the economy.

Sport is today seen as a public good and a valuable European asset – socially, economically, politically, and culturally.

The European Commission promotes sport in the EU by

- developing a **European sport model** that integrates the economic, social, and educational value of sport
- supporting EU countries in **coordinating** their national sport policies, in line with the [European Union Work Plan for Sport \(2024-2027\)](#)
- providing **funding opportunities** for sport projects and initiatives through programmes such as Erasmus+
- promoting benefits of sport and physical activity through **EU-wide campaigns** such as the European Week of Sport or the #BeActive EU Sport Awards
- creating **spaces for dialogue** and sharing **good practices** among sport stakeholders, through initiatives like the EU Sport Forum or the SHARE 2.0 initiative

Areas of action



EU Work Plan for Sport 2024-2027

Priorities, objectives, and activities of the EU's sport policy

European Week of Sport

The EU's biggest sporting initiative, promoting an active lifestyle across Europe and beyond

#BeActive EU Sport Awards

Celebrating sport initiatives and inspiring individuals

SHARE 2.0 initiative

Collaboration and knowledge exchange in the field of sport

Erasmus+ Sport Info Day

Annual event about the Erasmus+ sport programme

EU Sport Forum

The Commission's annual flagship sport event

Physical activity and health

Initiatives and statistics on physical activity and health in the EU

The European Sport Model

Europe's culture of sport: solidarity-based, open, federation-led sport system

Facts about sport policy

€500 million

Budget of the Erasmus+ sport 2021-2027

3300 sport staff

joined the new mobility scheme launched in 2023

3,37% of EU GDP

generated by sport, driving economic growth and employment

Sport as a Social Good vs. Financial Asset

- At the same time, governments increasingly view **investment in professional and elite sport** as a catalyst for broader social participation, high-level success can **inspire young people**, promote national pride, and stimulate engagement at the grassroots level, thereby reinforcing sport's value as a public good.
- A strong link between grassroots programs and elite competitions is essential to uphold sport's critical role as a social good. **Grassroots development** not only provides the talent pipeline for professional leagues, but also ensures that the benefits of elite sport, such as visibility, financial resources and role models, flow back into the wider community. Without this connection, elite competitions risk becoming detached commercial products rather than engines of social and cultural development.
- An example of this approach is **UEFA's United for Success** strategy, which combines investment in elite competitions with solidarity programs, grassroots development and initiatives like **HatTrick** and **Respect**. This shows the practical relevance for sports organizations: embedding social responsibility into their core model strengthens legitimacy, public trust and long-term sustainability.



Source: <https://www.uefa.com/about/what-we-do/our-strategy/>

Sport as a Social Good vs. Financial Asset



- In contrast, the **financial asset perspective** positions sport within the logic of **capital markets**, where the value of clubs and leagues is tied to their revenue streams, brand strength, long-term (profitable) growth potential and ultimately return on investment. This model is exemplified most clearly in North America, where closed-league structures and franchise systems provide investors with both stability and scalable growth potential.
- To understand why sport is increasingly framed as a financial asset, it is useful to recall some **basics of investment theory**:

Investors commit **capital** with the **expectation of returns**, while carefully weighing **risk, reward, and time horizon**. When investors allocate capital, they expect a return on investment that justifies the risk–return profile and the period their capital is tied up. In business terms, they often assess performance using metrics such as **EBITDA margins, internal rate of return** and **exit multiples**. From a capital markets perspective, attractive assets are those that deliver scalable and stable cash flows. In sport, this translates into broadcasting rights, sponsorship deals, ticket revenues and merchandising. Assets with predictable revenue streams are valued more highly because they allow for clearer cash flow modelling and more attractive exit scenarios.

- Another principle is **diversification**. Professional investors spread risk across sectors and geographies, while also seeking synergies across their portfolios. In sport, private equity and venture capital firms look beyond direct club profitability and consider how sport assets can integrate with media, entertainment and real estate holdings.
- It can be argued that the **social** and **financial logics** are **not necessarily mutually exclusive** but aligning them requires sound governance and incentives that reward sustainable management.


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Recent Investments in Sports

Over the past two decades, **private equity** and rapidly growing **media revenues** have reshaped the landscape of professional sports investment. The table on the right, which captures **major transactions across the NFL, NBA and MLB**, illustrates how franchise scarcity and centralized revenue systems have made **U.S. leagues** a highly stable environment for investors. Predictable cash flows, collective bargaining and strong downside protection have positioned American franchises as resilient, long-duration assets with consistent **value appreciation**.

Europe has begun to move in a **similar direction**, though from a **more fragmented** and community-oriented base-line. The table below shows an increasing number of private equity and corporate investments in football, rugby and other sports, signaling a gradual shift toward more institutionalized ownership and commercial sustainability.

Year	League	Team / Asset	Buyer	Sale Price
2025	NBA	 Los Angeles Lakers	Mark Walter / TWG Global	\$10 billion
2025	NBA	 Boston Celtics	Bill Chisholm Group	\$6.1 billion
2023	NFL	 Washington Commanders	Josh Harris Group	\$6.05 billion
2022	NFL	 Denver Broncos	Walton-Penner Family	\$4.65 billion
2023	NBA	 Phoenix Suns	Matt Ishbia	\$4 billion
2023	NBA	 Dallas Mavericks	Adelson Family	\$3.5 billion
2023	NBA	 Charlotte Hornets	Gabe Plotkin Group	\$3 billion
2020	MLB	 New York Mets	Steve Cohen	\$2.4 billion
2019	NBA	 Brooklyn Nets	Joseph Tsai	\$2.35 billion
2018	NFL	 Carolina Panthers	David Tepper	\$2.28 billion
2017	NBA	 Houston Rockets	Tilman Fertitta	\$2.20 billion

Source: ESPN

Year	Property	Investor	Structure	Sale Price
2022	Chelsea	Todd Boehly / Clearlake Capital	Club acquisition	£4.25 billion
2021	LaLiga Impulso	CVC	8.2% of media/sponsorship co., 50-yr revenue share	€1.99 billion
2022	LFP Media (Ligue 1)	CVC	13% of media co.	€1.50 billion
2024	Manchester United	Jim Ratcliffe / INEOS Group	~ 27.7% minority stake	£1.25 billion
2022	AC Milan	RedBird Capital	Club acquisition	€1.2 billion
2022	Real Madrid (Bernabeu)	Sixth Street + Legends	20-yr venue monetization JV	€360 million upfront
2022	FC Barcelona	Sixth Street	10% (later more) of LaLiga TV income for 25 years	€207 million (first tranche)
2021	Newcastle United	Saudi PIF / PCP Capital / Reuben	Club acquisition (PIF 80%)	£305 million

Source: Related press releases

Despite this, **financial volatility**, **regulatory complexity** and **cultural resistance** to investor-driven models still create a noticeable gap to the U.S. structure. While football attracts most capital, other major sports such as basketball remain fragmented and commercially limited, highlighting the uneven pace of change across the European market.

Recent Investments in Sports

- **Valuations** in the **sports industry** are primarily based on **enterprise value-to-revenue (EV/Revenue) multiples** rather than profit measures like EBITDA or net income. This reflects the sector's unique economics, where many clubs operate at break-even or reinvest heavily in players and facilities, making profit-based metrics unreliable. Revenue, on the other hand, provides a relatively stable and transparent measure of brand strength and market reach.
- Accordingly, **leading benchmarks** (such as the ones published by Forbes, Sportico, KPMG and Deloitte) rely on **revenue-based multiples** to value teams and leagues. This method captures the dependable cash flows from media rights, sponsorships, ticketing and merchandising, forming the economic foundation of both U.S. franchises and major European clubs.
- The **table on the right** shows **average value-to-revenue** multiples across major sports. U.S. franchises, especially in the NBA, NFL, and MLB, achieve higher multiples (typically 9–12×), mainly due to closed-league stability and strong collective bargaining. European football clubs usually trade at 3–8× revenues, whereas we assume that multiples for European basketball are deemed to be (much) lower.
- Overall, the EV/Revenue multiple has become the **common standard** for valuing sports assets. It avoids distorted profit figures and better reflects the market strength of clubs, their fanbase, media presence and commercial reach. As **global capital** continues flowing into sport, this metric remains the clearest basis for comparing value across leagues and regions. From a **traditional investment perspective**, revenue multiples are typically applied to high-growth or early-stage companies and are not always ideal for century-old sports institutions with established cost structures, yet they have emerged as the most practical tool.

	Average Value	Average Revenue	Average Value-to-Revenue Multiple
	\$5.51B	\$408M	13.5
	\$269M	\$22.3M	12.0
	\$7.13B	\$692M	10.3
	\$721M	\$77M	9.4
	\$2.1B	\$248M	8.4
	\$104M	\$15.4M	6.8
	\$2.82B	\$425M	6.6
	\$2.31B	\$376M	6.1
	\$2.33B	\$474M	4.9

represents the world's 30 most valuable non-MLS soccer clubs.
Table: Lev Akabas • Source: Sportico

Sportico

Source: Sportico

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Current Landscape in European Basketball

European basketball presents a **complex** and **uneven landscape**, shaped by overlapping governance structures, varying league formats and divergent financial models. Unlike the franchise-based stability of North American leagues, Europe's open, multi-tiered system fosters competitive diversity but also structural fragmentation and chronic financial volatility.

- **Fragmented Governance and Competitive Architecture:** European basketball operates within a **multi-layered ecosystem**, combining strong domestic leagues with overlapping continental competitions. Unlike the centralized model of the North American sports, it features **multiple organizers** and **regulatory bodies**, each pursuing distinct commercial and sporting objectives. The (leading) national leagues, like Spain, Turkey, Italy, Greece etc., function **autonomously**, differing widely in governance, scale and financial strength.



- At the top level, the **EuroLeague**, managed by Euroleague Commercial Assets (ECA), follows a semi-closed format that mixes long-term “Licensed” clubs with short-term “Associated” participants. It is complemented by the **EuroCup**, ECA’s secondary competition that serves as a limited promotion pathway. Key decisions rest with the **ECA** Shareholders Board, concentrating power among a few major teams.

- In parallel, **FIBA** runs the **Basketball Champions League** (BCL) as a merit-based alternative, aiming to restore open competition and governance balance. Below it sits the **FIBA Europe Cup**, a secondary competition providing additional international access for clubs from smaller markets.



- The coexistence of the ECA and FIBA systems has created **overlapping calendars**, **unclear hierarchies** and **confusion among fans** struggling to distinguish between multiple tournaments. This ongoing divide continues to hinder coordination and commercial growth.

Current Landscape in European Basketball

- **Structural Financial Fragility across Clubs and Leagues:** European basketball continues to operate under a structurally **fragile financial model**, heavily dependent on **benefactor ownership** and **cross-subsidization** from football or corporate entities. Virtually all clubs struggle to generate operating profits, with budgets sustained by private patrons (in some situations even by public funds/municipal support) to absorb recurring losses. **Revenue diversification** remains **limited** and player costs exceed income, creating chronic financial imbalance.
- A more detailed analysis of these financial dynamics is presented in the **EBAG Report on the Economic Design of the EuroLeague** (and club finances), which examines the league's revenue model, cost structure and governance framework. The report provides deeper insight into the systemic imbalances shaping club sustainability across European basketball.
- The **high reliance on external funding** leaves European basketball vulnerable to shifts in ownership priorities and macroeconomic conditions. Without any sustainable and fair revenue-sharing mechanisms and league-wide financial regulation, European basketball risks remaining dependent on goodwill rather than robust commercial performance.
- The **same pattern** is evident even among Europe's arguably most valuable basketball organizations such as **Real Madrid** and **FC Barcelona** (both clubs have also been reportedly identified as **primary targets for NBA Europe**). Despite their strong brands, modern arenas and global visibility, their basketball operations remain financially unviable, relying on cross-funding from their football divisions. This structural imbalance is reflected in the financial data presented on the following slides, highlighting the persistent gap between revenues and operating costs.



[EBAG-Report_12_The-Economic-Design-of-Euroleague_FINAL.pdf](#)

Current Landscape in European Basketball

Club financials – Real Madrid Basketball:



- The table below presents **Real Madrid Basketball's** income statements from the 2015-16 through 2023-24 seasons, based on figures directly from the club's official annual reports.
- Since the 2015-16 season, Real Madrid Basketball has almost **doubled its revenues**, increasing from approximately EUR 10.9 million to more than EUR 25 million in 2023-24. The growth reflects the team's strong competitive performance, fanbase loyalty and commercial leverage as a key section of Real Madrid CF. **Personnel expenses** have **increased even faster** than revenues, driven by continuous investment in a top-tier roster to compete at the highest level.

Source: Real Madrid Management Reports & Financial Statements

<i>In thousand EUR</i>	2015-16	2016-17	2017-18*	2018-19	2019-20	2020-21*	2021-22	2022-23*	2023-24
Revenues	10.873	12.951	12.666	15.970	14.463	11.153	15.244	18.357	25.129
Membership fees, ticket sales	3.785	4.459	3.965	5.497	4.140	55	3.913	4.535	8.906
Revenues from Int. & friendly games	95	1.373	876	1.293	868	564	600	600	985
Broadcasting revenue	1.646	1.811	1.719	2.295	2.742	3.486	3.414	3.713	2.996
Marketing revenue	5.347	5.308	6.106	6.885	6.713	7.048	7.317	9.509	12.242
Personnel Expenses	(25.865)	(28.771)	(27.468)	(32.336)	(32.628)	(31.144)	(34.980)	(32.106)	(36.680)
Operating Expenses	(6.364)	(7.278)	(7.339)	(8.410)	(6.599)	(5.346)	(7.999)	(8.649)	(9.007)
Other Costs / Income	(3.119)	806	(2.215)	(1.696)	(1.604)	6.476	1.863	(1.275)	(272)
Operating Profit / (Loss)	(24.475)	(22.292)	(24.356)	(26.472)	(26.368)	(18.861)	(25.872)	(23.673)	(20.830)

*) 2017-18, 2021-22 and 2022-23 figures are based on club's budget.

- As a result, the basketball team records annual **operating losses** of **more than EUR 20 million**, which are fully subsidized by the football division. The section remains a strategic sporting asset for the club rather than a financially self-sufficient business.

Current Landscape in European Basketball

Club financials – FC Barcelona Basketball:



The table below presents **FC Barcelona Basketball's** income statements for the same time period. Similar to Real Madrid, FC Barcelona's basketball **revenues** have increased over time, supported by strong fan engagement and the club's global brand. However, this growth has not been sufficient to offset the **sharp rise in personnel and operating expenses**.

Source: FC Barcelona Annual Reports

<i>in thousand EUR</i>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 ¹
Revenues	6.811	9.430	9.196	11.264	8.537	10.669	14.308	16.922	21.243
Revenue from competitions	1.522	1.343	1.581	2.015	1.582	(45)	3.360	4.420	4,743
Revenue from season tickets and members	669	735	921	777	768	(156)	723	820	852
Revenue from TV broadcasts and TV rights	1.501	2.350	2.191	2.825	3.265	3.943	3.777	5.390	5,391
Revenue from marketing and advertising	3.119	5.002	4.503	5.647	2.922	6.927	6.446	6.292	10,257
Employee Expenses	(21.275)	(24.620)	(28.548)	(25.612)	(30.172)	(39.401)	(38.375)	(38.879)	(27.055)
Wages and salaries of sports squad	(20.408)	(23.820)	(27.718)	(24.676)	(29.214)	(38.461)	(37.606)	(37.670)	(25.505)
Wages, salaries et al.	(278)	(229)	(265)	(266)	(267)	(217)	(240)	(519)	(699)
Social security costs, et al.	(580)	(562)	(556)	(661)	(691)	(723)	(520)	(681)	(841)
Provisions	(9)	(9)	(9)	(9)	0	0	(9)	(9)	(10)
Other Operating Expenses	(7.354)	(7.091)	(6.954)	(6.507)	(4.835)	(4.250)	(5.938)	(8.045)	(5.706)
Other Costs / Income	(701)	(1.002)	(2.494)	(1.486)	(1.743)	(1.708)	(85)	(26.643)²	(2.251)
Operating Profit / (Loss)	(22.519)	(23.283)	(28.800)	(22.341)	(28.213)	(34.690)	(30.090)	(56.645)	(13.769)

1) 2023-24 figures are based on club's budget. 2) Extraordinary loss of €25.2 million included in this item.

Maintaining a competitive squad in both the ACB and EuroLeague has driven **salary costs** far beyond the revenue base. The team has therefore (like Real Madrid) remained **consistently loss-making** across the period, with **operating deficits** even **exceeding EUR 30 million**.

Current Landscape in European Basketball

Club financials – FC Bayern Munich Basketball:



FC Bayern shares the same overarching multi-sport club structure as FC Barcelona and Real Madrid, backed by **one of the world's strongest football brands**. This provides a powerful commercial platform and helps attract sponsors, fans and media attention to the basketball section. Bayern's basketball division is also a far more recent project. After more than four decades outside the top-tier competition, the club **relaunched** its elite basketball operations only about fifteen years ago and has since risen quickly into a leading position.

Source: Published Financial Statements of FC Bayern München Basketball GmbH

<i>In thousand EUR</i>	2015-16	2016-17*	2017-18*	2018-19	2019-20	2020-21**	2021-22	2022-23	2023-24
Gross Profit	17.987	18.975	22.653	26.443	24.059	23.850	25.304	27.960	34.576
Personnel Expenses	(11.526)	(11.868)	(15.083)	(18.584)	(16.877)	(15.342)	(17.472)	(19.161)	(21.428)
Other Operating Expenses	(5.435)	(6.107)	(6.695)	(9.128)	(9.919)	(8.094)	(8.829)	(10.997)	(12.731)
Other Costs / Income	(1.254)	(970)	(1.389)	(727)	(511)	(511)	(623)	(1.027)	(857)
Operating Profit / (Loss)	(228)	30	(514)	(1.996)	(3.248)	(97)	(1.620)	(3.225)	(440)

Financially, the **profile differs meaningfully** from Real Madrid and Barcelona. Gross profit has grown steadily, rising from around EUR 18 million in 2015-16 to more than EUR 34 million in 2023-24 which is **consistently higher** than **personnel expenses**, indicating a more **controlled** and **sustainable cost structure**. While Bayern still reports operating losses in most seasons, the scale is modest compared to Barcelona and Real Madrid. The club demonstrates that competitive success and international presence in basketball can be built with a more efficient cost management. **Sporting success**, however, remains more limited than Real Madrid and FC Barcelona at the elite European level.

*] In seasons 2016-17 and 2017-18 competed in EuroCup

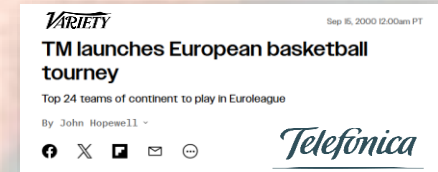
**] 2020-21 season gross profit also includes government subsidies for COVID-19 pandemic amounting to EUR 2.7 millions. Without this support, total loss for the season would amount to EUR 2.8 millions.

Current Landscape in European Basketball

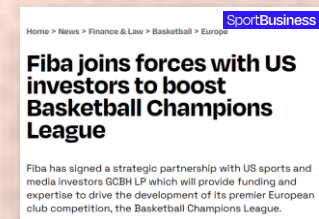
🏀 **Investment Constraints and Market Inefficiencies:** European basketball has **not** historically been structured as a **market seeking outside investment**. Most clubs have evolved as community-driven or multi-sport institutions, prioritizing cultural identity and social contribution over financial return. The sport's governance and ownership traditions, often involving municipalities, member associations, or corporate patrons, reflect this aspect. Basketball has been seen primarily as a **public good**, not a financial product and this orientation has **limited** both **transparency** and **investor appetite**. Reliable, comparable financial data across clubs are scarce, reporting standards are inconsistent and few organizations produce sustained, high-quality earnings or diversified revenue streams capable of attracting institutional capital.

🏀 Nonetheless, **growing investor interest** has emerged in recent years, driven by the perception that European basketball represents an **underutilized commercial opportunity** rather than a distressed asset. The sport combines deep local roots with strong fan loyalty, major metropolitan markets, and significant room for growth in media rights and sponsorship value.

🏀 **Key milestones** illustrate a gradual opening toward external partnerships. The **EuroLeague's early financing** involvement from **Telefónica** demonstrated the need for commercial capital to scale the competition. The **subsequent joint venture with IMG** represented a more significant step, bringing in better event production, professional media rights management, modern event production as well as broader international distribution.



🏀 In parallel, **FIBA** pursued its own vision for club competition through the **creation of the Basketball Champions League**, backed **by investors** such as GCBH LP, Brian Bailey and Kevin Tsujihara.



Current Landscape in European Basketball

- More recently, **777 Partners' investment** in the **BBL** and the **London Lions** represented a significant attempt to introduce institutional capital into European basketball. Although the partnership **ultimately collapsed**, leading to the termination of BBL's license to operate the league in the UK and subsequent organizational fallout, it remains an **important case study** in how external investors approach the European basketball. This experience highlighted the pitfalls of **integrating private equity** into a system still defined by complex governance, limited transparency and non-standardized financial reporting.
- Beyond these cases, the addition of **new shareholders within Euroleague Commercial Assets (ECA)** can also be interpreted as a form of investment in the competition's long-term sustainability. Earlier examples include the **VTB United League's** acquisition of ECA shares in 2013, while **Bayern Munich** and **ASVEL** later joined as shareholder clubs. Although these developments differ from traditional investment deals, they reflect a broadening of basketball's financial base.



BC Partners in exclusive talks to invest in EuroLeague basketball competition

Private equity firm edges out rivals including General Atlantic and Saudi Arabia's SURJ



The EuroLeague comprises 18 clubs, and former players have been signed by teams in the NBA © AFP via Getty Images

Source: Financial Times

- The current wave of **investor curiosity**, ranging from private equity firms and sovereign funds to strategic discussions on expanding into new markets and the NBA Europe project, signals, in our opinion, a **shift in perception** rather than a **change in structure**. Investors increasingly recognize the **latent value of European basketball**. However, realizing that potential will depend on creating governance consistency and commercial discipline, conditions still largely absent from the current landscape.

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The NBA Europe Project

- The NBA's declared ambition to establish a **new European league** in cooperation with FIBA marks the most significant development in international basketball in decades. Announced jointly by **NBA Commissioner Adam Silver** and **FIBA Secretary General Andreas Zagklis**, the initiative formalized long-standing discussions about the NBA's direct presence in Europe.
- From a **strategic standpoint**, the NBA's expansion into Europe aligns with its broader **international growth** agenda. With signs of market saturation in the United States, particularly in media rights and sponsorship revenue, the league is turning to Europe, Africa, and Asia as key growth frontiers. In our opinion, **partnering with FIBA** provides political legitimacy and access to established regulatory frameworks, yet also introduces contradictions.
- While official information remains limited, early statements by Mr. Adam Silver and Mr. Andreas Zagklis suggest a potential league format involving around **16 teams**, possibly including both **newly created franchises** and **existing EuroLeague** or **football-club** basketball divisions including key markets such as London and Paris. FIBA has traditionally positioned itself as the guardian of the European sports model. In our opinion, cooperating in the creation of a semi-closed, franchise-based league thus challenges its long-standing principles.
- Ultimately, the NBA Europe Project encapsulates the **core dilemma** facing European basketball: Whether to embrace a globalized, ROI-driven model or to preserve the social, cultural and developmental values that have defined the sport in Europe. Its success will depend on whether the initiative can bridge these two worlds rather than deepen their divide.



Source: NBA

Agenda

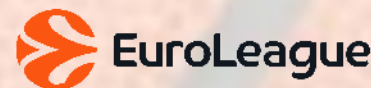
- Introduction
- Sport as a Social Good vs. Financial Assets
- Recent Investments in Sports
- Current Landscape in European Basketball
- The NBA Europe Project
- Question Marks & Challenges
- Conclusion

Question Marks & Challenges

- As the NBA Europe project evolves, it has quickly become one of the **most debated** and **consequential developments** in the history of European basketball. The initiative has sparked intense discussion across institutions, clubs and investors, not only because of its potential scale and global relevance, but also due to the many **uncertainties** surrounding its purpose, structure and long-term implications. As both NBA and FIBA executives have repeatedly emphasized, many fundamental aspects, ranging from league format and participation criteria to financial model and governance, remain open.
- In this section, we examine these uncertainties objectively, with the aim of assessing what course of action might **best serve** the long-term **interests of European basketball**. The analysis is structured across **four dimensions: strategic direction, financial aspects and valuation, governance** and **the balance between social mission and return on investment**.

Strategic Direction

The first fundamental question surrounding the NBA Europe project concerns its overall strategic rationale. With **four existing pan-European competitions** already operating alongside strong domestic leagues, the creation of yet another league raises doubts about whether further fragmentation is the right path forward. Introducing a new competition risks creating confusion among fans, **overstretching** the already limited **pool of commercial partners** and diverting financial and human resources that might otherwise be used to strengthen the existing structures. Instead of consolidating the sport's ecosystem, a parallel league could exacerbate inefficiencies and weaken further the coherence of European basketball's competitive framework. In fact, the introduction of an NBA-backed league would almost certainly accelerate this process.



Question Marks & Challenges

Strategic Direction

Closely connected to this is the question of **game quality and talent supply**. Establishing a credible, high-level league requires a sufficient concentration of elite players to meet both sporting and entertainment expectations. However, Europe's top talent is already concentrated within the NBA and EuroLeague, while the next tier of players may not deliver the **competitive standard** or star power needed to attract broad audiences. Relying on the NBA brand alone is, in our opinion, unlikely to compensate for this structural challenge. The brand's global equity is built on a unique combination of elite athleticism, entertainment value and cultural resonance, elements that may not automatically transfer to a newly created European version.



Indeed, creating leagues of visibly different quality, such as the **Basketball Africa League (BAL)** or the **NBA G-League**, serves legitimate **developmental** and **strategic purposes** but does not necessarily enhance profitability or brand consistency. A poorly positioned European league could therefore even risk **diluting** the NBA's own **brand equity**.

Historical precedents further illustrate these risks. The **NFL Europe** project, despite significant investment and initial enthusiasm, ultimately struggled with similar issues: limited local cultural integration, insufficient fan identification and a perception of being a **secondary version of the "real" product**. The same pattern could repeat if NBA Europe were perceived as a developmental league rather than a true extension of the NBA's top-tier product. For this reason, **clarity of positioning** will be critical to defining its long-term success.



Question Marks & Challenges

Strategic Direction

Additionally, there are substantial **regional** and **cultural considerations** that must not be underestimated. Building sustainable popularity for a sport is a long-term cultural process, deeply rooted in local habits, traditions



and existing hierarchies of fandom. The **United Kingdom**, often cited as a key market for NBA Europe, illustrates this challenge: basketball remains a **niche sport** compared to football, whose domestic and international appeal dominates media, sponsorship as well as game calendars. Even the **Premier League's** scheduling of midweek matches would directly compete with basketball broadcasts and audience attention. For instance, during the 2023/24 season, Premier League fixtures coincided with **EuroLeague gamedays** on 11 out of the total 34 regular season rounds (i.e. 33%), further fragmenting the potential viewing audience.

Another factor to consider is: The concept of **leveraging existing football clubs**, such as Manchester City, to create basketball divisions might appear attractive from a business perspective, but experiences with leading clubs like Real Madrid, FC Barcelona and FC Bayern Munich show that cross-selling effects between football and basketball **might be limited**.

On a broader geopolitical level, any expansion effort must also recognize the **changing dynamics of transatlantic relations**. The NBA, with its **distinctly American identity** and business model, represents more than a sports league, it reflects a specific cultural and economic paradigm. Successfully embedding such a model into the European context requires **sensitivity to local values, governance norms** and **fan cultures**. Without this, even a well-intentioned and well-funded project risks being perceived as an external imposition rather than an organic evolution of European basketball.

Question Marks & Challenges

Financial Aspects and Valuation

The financial assumptions surrounding the NBA Europe project have become one of its most controversial elements. As *Sports Business Journal* reported, potential “franchise” valuations have been discussed in the **USD 500 million-1 billion range**. While such figures may sound appealing within the current investment narrative, they raise significant questions when tested against the financial realities of European basketball. To illustrate this, **FC Barcelona Basketball**, often cited as a candidate and explicitly mentioned in SBJ’s related article, serves as a relevant case.

“Look, the FC Barcelonas and the PSGs and the Manchester Citys, they can do [between \$500M and \$1B],” said one source briefed on the NBA’s plan.





According to *Forbes*’ 2025 ranking of the world’s most valuable soccer teams, **FC Barcelona** is valued at approx. **USD 5.65 billion**, corresponding to an **EV/revenue multiple of 6.9**, making it the 3rd most valuable sports team globally after Real Madrid and Manchester United. Applying the same multiple to basketball, already an overly optimistic assumption given the sport’s much smaller commercial base in Europe and taking the

midpoint of the range from the NBA Europe discussions (**USD 750 million**), we arrive at an implied multiple of roughly **30.4× current revenues** for the basketball section with current revenue levels of around \$25 million. Such a figure is **unheard of** in the sports industry. Therefore, the only conceivable way to justify a valuation of that magnitude would be for FC Barcelona Basketball to raise its annual revenues to approximately **USD 109 million**. Even if one assumes a sustained high growth rate similar to the past decade (in FC Barcelona Basketball’s case delivering a promising CAGR of 25.5%), this would still represent an extremely ambitious long-term target.



Question Marks & Challenges

Financial Aspects and Valuation

		
Enterprise Value (EV)	USD 6.75 billion	USD 5.10 billion
Revenue	USD 1.13 billion	USD 827 million
EV/Revenue Multiple	6.0	6.2

A similar valuation logic can be applied to **Real Madrid** and **FC Bayern**. Both clubs rank among the world's most valuable sports organizations and command high EV/Revenue multiples based on their current football operations (Real Madrid: ~6.0x, FC Bayern: ~6.2x).

When applying these higher football-derived multiples to basketball revenues, the implied enterprise values for Real Madrid and FC Bayern fall in the **range of EUR 150–214 million**. Even under these favorable assumptions (i.e. just as with FC Barcelona, this approach assumes that the commercial strength of the football brand directly translates to basketball), valuations remain **far below** the USD 0.5-1 billion range suggested in NBA Europe discussions.



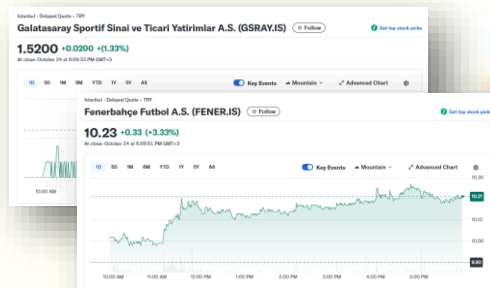
These comparisons reinforce a consistent conclusion: Even for Europe's strongest multi-sports organizations, projected franchise valuations depend on assumptions of revenue growth and commercial transformation that are **not yet supported** by today's basketball ecosystem.

It is important to emphasize that, in our opinion, using **football-based valuation multiples** for basketball is **not** an appropriate or recommended methodology. The comparison in this section is simply **intended to illustrate** the scale of the **disconnect** between the high value expectations being discussed and the financial reality of current European basketball operations. The gap remains significant even when using highly optimistic assumptions.

Question Marks & Challenges

Financial Aspects and Valuation

Fenerbahçe and **Galatasaray** offer another perspective on even **more severe valuation gaps** compared to the amounts speculated for NBA Europe. Both teams are not on the same commercial level as Real Madrid, FC Barcelona or Bayern Munich, yet both are century-old multi-sport clubs with **massive fan bases** and established **basketball programs**. Fenerbahçe has invested heavily in basketball especially over the last decade, **winning the EuroLeague in 2017 and 2025**, i.e. currently competing as the **reigning champion**. Galatasaray is among the **first clubs** that **introduced basketball to Turkey** more than 100 years ago, won **EuroCup** in 2016. Its football team regularly appears on the biggest stage in Europe, the **UEFA Champions League**.



Source: Yahoo Finance

Importantly, the **football divisions** of both clubs are **publicly-listed entities**, meaning their valuations are publicly and readily available. Currently, **Galatasaray Sportif A.Ş.** has a market capitalization of approximately **USD 488 million** and **Fenerbahçe Futbol A.Ş.** sits around **USD 304 million**. Based on available revenue data, this translates into **EV/Revenue multiples** of (only) **2.54** and **2.81**, respectively.

Source (both): Eurohoops

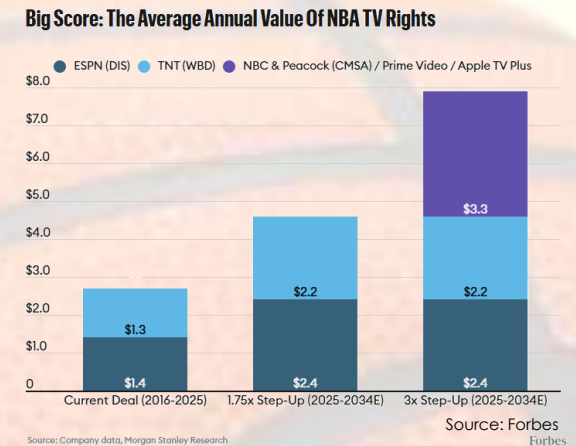
Both clubs have acknowledged **direct talks** with **FIBA** and **NBA** representatives regarding future league structures and the possibility of joining an NBA-led European competition. **Galatasaray's president** even publicly stated that the club had received an **invitation** to join the new league.



Question Marks & Challenges

Financial Aspects and Valuation

The main obstacles lie in the **revenue composition** of European basketball. Unlike the NBA, where media rights and centralized sponsorships drive substantial portions of league income, European basketball remains highly **fragmented**, both structurally and commercially. Broadcasting rights are negotiated country by country, often with different networks holding domestic and international rights, making large-scale pan-European media deals difficult to execute. It is unclear how an NBA-branded league could achieve a meaningful step-change in media revenue within such a landscape. Moreover, **football's overwhelming dominance** continues to absorb the lion's share of broadcast attention, advertising budgets and fan engagement. While sponsorship could offer some upside, particularly through global brands drawn to the NBA's name, the fact that most major rights holders already work with **established agencies** such as IMG, Infront, or You First etc. limits the potential for significant short-term growth.

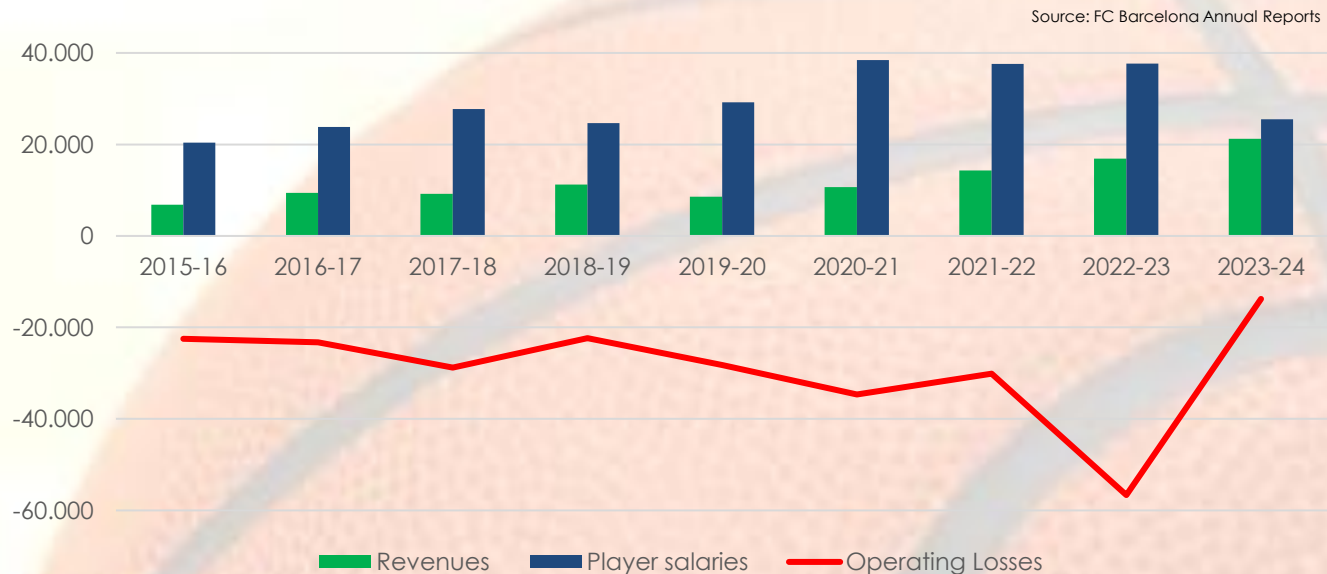
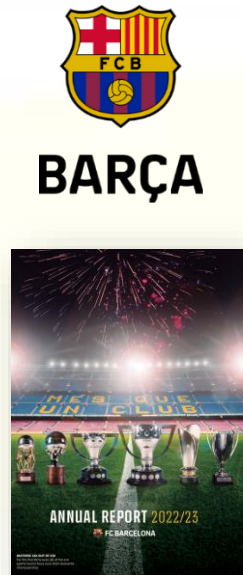


Ultimately, these challenges **go beyond the revenue side**. The **main weakness** behind the inflated franchise value expectations lies in the **cost structure and profitability profile** of European basketball. At both club and league levels, **sustained losses** have become the norm rather than the exception. As shown in FC Barcelona's (or other major basketball clubs') recent financials, even leading organizations struggle to achieve operating profitability despite rising revenues and global visibility. Therefore, the suggested valuation levels for NBA Europe franchises appear in our opinion **misaligned with underlying economics**, reflecting investor enthusiasm more than financial reality.

Question Marks & Challenges

Financial Aspects and Valuation

The chart below illustrates this structural imbalance in the case of **FC Barcelona Basketball**. Despite steady revenue growth, the club continues to post significant **operating losses**, largely driven by **player salary expenses** that have consistently exceeded revenues. This dynamic highlights the core issue of European basketball's financial model: even elite clubs with strong brands and fan bases struggle to align sporting ambitions with sustainable economics.



Cost control mechanisms, such as the **salary cap**, have been central to the NBA's financial success, yet implementing comparable structures in Europe is far more complex given the continent's **multiple legal** and **regulatory jurisdictions** as well as multi-layered competition structure, a topic discussed in more detail in the governance section below.

Question Marks & Challenges

Financial Aspects and Valuation

In our view, the case of the **Vancouver Grizzlies** offers a highly instructive example of the risks and complexities associated with establishing/sustaining a professional basketball franchise outside the United States. Founded in **1995** as part of the NBA's Canadian expansion alongside the Toronto Raptors, the Grizzlies survived only **six seasons** in Vancouver before relocating to Memphis in **2001**.



From the outset, basketball faced an uphill battle in a market where **ice hockey, led by the Vancouver Canucks, was and remains by far the most popular team sport**, deeply rooted in local culture and identity. Despite initially respectable attendance figures, the franchise never achieved sporting success, finishing last in its division in five of six seasons and consequently failed to attract and retain major sponsors or corporate partners. The lack of on-court competitiveness translated into chronic **financial losses**, which were further exacerbated by structural and macroeconomic factors.



One of the key issues was the **weak Canadian dollar** which created a structural imbalance, as player salaries and most operational costs were paid in U.S. dollars, while revenues were earned in Canadian dollars. Combined with declining attendance following the **1998–99 NBA lockout** and limited local sponsorship engagement, this rendered the franchise unsustainable. **Ownership instability** further accelerated the decline, while NBA Commissioner David Stern initially opposed relocation, the team's new owner, Michael Heisley, swiftly initiated the move to Memphis after acquiring the club in 2001.

Question Marks & Challenges

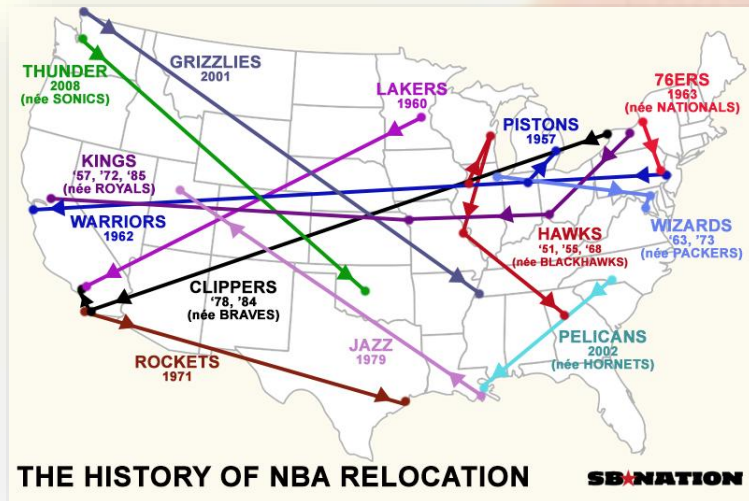
Financial Aspects and Valuation

From today's perspective, the Grizzlies' short-lived tenure in Vancouver highlights **several structural learnings** that are directly relevant for discussions around a potential **NBA Europe**. The combination of **financial instability, limited sponsor engagement, and currency-related challenges** proved fatal even in a relatively stable North American market. In Europe, these risks would be magnified by **greater market fragmentation, multiple currencies** as well as **(significantly) differing legal and regulatory frameworks**.



Moreover, one crucial contextual difference must be emphasized: **franchise relocation**, while relatively accepted in North American sports, is **virtually non-existent in the European sports culture**. European fans view clubs as long-standing community institutions rather than movable

assets. Any similar relocation scenario, where a club is shifted from one city or country to another for commercial reasons, would likely provoke strong resistance and reputational backlash. Investors, therefore, must demonstrate a **high degree of patience and financial resilience**, recognizing that building lasting acceptance and market traction in Europe will require long-term commitment rather than short-term returns. These lessons underline the need for **careful planning, local integration and structural safeguards** if the NBA hopes to build a sustainable and accepted league in Europe.



Source: SB Nation

Question Marks & Challenges

Financial Aspects and Valuation

A further challenge in assessing the financial reality of European basketball lies in the **limited availability and reliability of financial data**. Transparency across leagues and clubs remains low, and publicly accessible information often provides inconsistent or incomplete signals about profitability and asset values.

For instance, the **Basketball Champions League (BCL)**, originally launched by FIBA as a more financially sustainable alternative, appears to be struggling to achieve that goal. According to FIBA's most recent activity report, its club competitions are **loss-making** and a **significant loan was impaired**, suggesting significant doubts about future profitability of the competition. However, no additional public information is available to fully assess the scale of the situation



7. RESULT OF INVESTMENT IN ASSOCIATES

In January 2020, FIBA entered into a strategic partnership agreement with experienced sports and media investors, to take BCL to a new level of excellence and help reshape the landscape of club competitions in Europe and beyond.

In 2024, loans totalling CHF 12.4 million (FIBA's part: CHF 6.8 million, FIBA partner's part CHF 5.6 million) were converted into share capital in FIBA ClubCo, the owner of BCL.

The net impact in 2024 of FIBA ClubCo/BCL is CHF -6.4 million (2023: CHF -8.0 million) and is reflected under the line Result of investment in associates. Given the level of FIBA ClubCo/BCL equity at the end of the year, both investment and loans of CHF 31.3 million (2023: CHF 31.5 million) granted to FIBA ClubCo/BCL are fully impaired as at 31 December 2024.

Source: FIBA Annual Report 2024

FIBA ClubCo Sàrl		N°
CHF-389.337.626		2019/21383
Class	Listed on	Legal nature
No.		

CONTRIBUTIONS IN KIND, REPOSESSION OF PROPERTY, SET-OFF OF DEBTS, BEFORE. PARTIC., RESP. VERS. SUPPL.	
REF.	
3	Amount released by set-off of claims: CHF 12,355,700

Source: Swiss Trade Register

Similarly, **Euroleague Ventures** has reported continued losses and its negative equity amounting to EUR 8.5 million further indicates financial instability. IMG's UK filings mention an **impairment** related to an associate, which might plausibly relate to its investment in Euroleague Ventures. However, also in this case, no further details are publicly available.

11. Investments	Investment in associates	Investment in subsidiaries	Other investments	Total
	£	£	£	£
Cost				
At 1 January 2023	3,151,369	3,350,213	2,330,833	8,832,415
Reclassification	529,473	-	-	529,473
Impairment	(2,737,604)	-	-	(2,737,604)
At 31 December 2023	943,238	3,350,213	2,330,833	6,624,284
Net book value				
At 31 December 2023	943,238	3,350,213	2,330,833	6,624,284
At 31 December 2022	3,151,369	3,350,213	2,330,833	8,832,415

Source: IMG Media Ltd. 2023 Financials

Question Marks & Challenges

Financial Aspects and Valuation

At the same time, **valuation indicators** within the **EuroLeague Commercial Assets (ECA)** framework remain difficult to interpret. For instance, as mentioned above, public reports have referenced a EUR 300 million offer by **BC Partners** for roughly **30% stake in ECA**. However, given the absence of any confirmed equity transactions in recent years and limited public disclosure, this figure cannot be reliably substantiated or used for valuation benchmarking.

In the current governance model, **licensed clubs** gain shareholder rights in ECA. Although these licenses are typically limited to a **10-year period** and differ in structure from pure equity ownership, we believe that they might nevertheless provide a **useful reference point** for assessing implied valuation ranges. Yet, the publicly available numbers show a **wide gap**.

For example, **FC Bayern Munich Basketball's** financial statements disclose a **payment of only EUR 133k** associated with the **acquisition of 4.4% stake in ECA**. We assume additional payments

were made in previous seasons, potentially linked to the clubs earlier **wildcard participation**, yet no such amounts are referenced in previous financial statements.

This lack of clarity makes it difficult to determine the true economic value of FC Bayern Munich's shareholder position and further illustrates the **limited transparency** surrounding ECA-related transactions.

The image shows a screenshot of a financial statement from FC Bayern München Basketball GmbH. On the left, the header reads 'FC Bayern München Basketball GmbH München Jahresabschluss zum 30.06.2024' and 'Bilanz zum 30.06.2024 der FC BAYERN MÜNCHEN Basketball GmbH'. On the right, under the heading 'c) Investitionsanalyse', there is a German text snippet: '„Im Geschäftsjahr 2023/2024 wurde zudem eine Beteiligung von rund 4,4 % an der Euroleague Commercial Assets S.A. erworben. Die Investition betrug € 133.000 und dient der langfristigen Teilnahme an der Euroleague.“'. Below the screenshot, an English translation states: '→ In the 2023/2024 financial year, an interest of approximately 4.4% in Euroleague Commercial Assets S.A. was also acquired. The investment amounted to €133,000 and serves the purpose of securing long-term participation in the EuroLeague.'

Source: Published 2024 Financial Statements of FC Bayern München Basketball GmbH

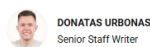
Even if this figure represents only a portion of a higher investment, the implied valuation remains **extremely low** and does not align with the high values circulating in market speculation.

Question Marks & Challenges

Financial Aspects and Valuation

A similar inconsistency emerges in connection with **wildcard arrangements** offered to certain clubs (recent cases such as Partizan, Crvena Zvezda and Dubai Basketball). These deals grant a limited-term participation status (e.g. three years) as an “associated club” without access to marketing-pool revenues, which makes them structurally different from licensed shareholders. Despite these differences, rumored payments for such wildcards appear to **imply valuation parameters** that do not align with either the disclosed club transactions or reported investor interest.

Inside the EuroLeague license process: fees, teams, and BC Dubai status



DONATAS URBONAS
Senior Staff Writer

BC Dubai's participation in the EuroLeague is highly likely and widely expected, but it still requires formal approval by the EuroLeague teams. Meanwhile, several clubs, including Belgrade teams Partizan and Crvena Zvezda, have received initial offer conditions, with the €5 million bid for a three-year license serving as a starting point that remains open for negotiation, per [BasketNews](#) sources.

Source: BasketNews

Lastly, the **Panathinaikos case** further illustrates the valuation challenges in European basketball. In 2020, the club's owner publicly stated that **Panathinaikos was for sale for only EUR 25 million**, despite the team being the most successful club in the modern EuroLeague era. The figure was generally **not** considered a **serious transaction** offer, however it still reflects the difficulty of assigning meaningful valuations in current basketball landscape in Europe.

Giannakopoulos sells PAO; hopes to see the club in the BCL

09/JUN/20 13:20



Dimitris Giannakopoulos said he's stepping down from Panathinaikos while expressing his hope that the club will leave EuroLeague.

Source: Eurohoops

We believe this example clearly illustrates how **governance dynamics** in European basketball can **distort valuations** and constrain enterprise value potential. Hence, governance remains a critical part of the broader picture in understanding why valuations lag far behind other global sports markets.

Question Marks & Challenges



Governance

Governance will likely represent one of the most complex and decisive dimensions of the NBA Europe project. Although legal and regulatory aspects fall outside the scope of this report, it is clear that any new structure will face **significant challenges in rule compliance, ownership and financial supervision**. A central question concerns the **investment and governance model** itself, whether the project will resemble the EuroLeague's **ECA structure**, where clubs become shareholders in a joint company (potentially through a "FIBA ClubCo"), or adopt a more franchise-based framework managed centrally by the NBA and FIBA. Each model carries distinct implications for decision-making authority, revenue distribution and long-term sustainability.

Another core complication in European governance is the difficulty of **designing and applying consistent and effective financial regulations** across a fragmented landscape. Clubs participate simultaneously in domestic and international leagues, operating under vastly different economic conditions. A team may dominate financially within its national competition but remain far below the EuroLeague average, making uniform measures such as **spending limits, salary caps, or revenue-sharing systems** practically unworkable.

For example, **ALBA Berlin** follows a disciplined, sustainability-oriented model that prioritizes youth development and financial stability. While its budget ranks among the largest in

Germany's BBL, it remains modest by EuroLeague standards, illustrating how challenging it might be to find the adequate financial restrictions. Ultimately, this dual participation model prevents the adoption of a **"one-size-fits-all"** financial framework.

Club	Budget 2024/25, [in Mio. EUR]	Personalkosten Sport* 2024/25, [in Mio. EUR]
ALBA BERLIN	14,671	8,148
Bamberg Baskets	6,628	2,676
Basketball Löwen Braunschweig	5,265	2,166
BG Göttingen	4,516	1,706
EWE Baskets Oldenburg	-	-
FC Bayern Basketball	-	-
FIT/One Würzburg Baskets	6,305	3,506
MHP RIESEN Ludwigsburg	5,486	3,025
MLP Academics Heidelberg	5,060	2,335
NINERS Chemnitz	6,411	3,307
RASTA Vechta	6,960	3,535
ratiopharm ulm	9,116	3,599
ROSTOCK SEAWOLVES	6,340	2,520
SKYLINERS	-	-
SYNTAINICS MBC	3,907	1,815
Telekom Baskets Bonn	-	-
Veolia Towers Hamburg	5,661	2,102

Planungsstand: 16.10.2024

Source: easycredit BBL

Question Marks & Challenges

Governance

Moreover, the **question of ownership and influence** deserves special attention. The contrasting governance philosophies embodied by different figures illustrate the profound cultural and structural differences that will need to be bridged. European basketball remains deeply tied to tradition, local identity and rivalry, and in many cases, private family ownership, whereas the NBA model is rooted in corporate governance, professional management and revenue optimization. Reconciling these **divergent mindsets** under a single umbrella will be a defining test for any future NBA Europe framework.

Finally, in the European context, **rivalries between clubs are far more emotionally and historically charged**, often spilling over into disputes not only among the clubs themselves but also against organizing institutions and leagues. The frequent criticism or public backlash towards leagues, federations etc. exemplify the intensity and mistrust that can shape governance dynamics. Reconciling these divergent mindsets, and managing such entrenched rivalries, under a single framework will be a defining test for any future **NBA Europe** structure.



Question Marks & Challenges

● Balance Between Social Mission and Return on Investment

This subsection essentially serves as the summary of this report, spelling out in concrete terms the tension between social mission and return on investment. An especially relevant case is **ALBA Berlin**: arguably the most socially engaged professional basketball club in Europe. Their efforts go far beyond traditional CSR initiatives. In many respects, they are **pioneering a new model** of what a sports organization can be within society, clearly demonstrating a distinct strategy.



Source: Alba Berlin

Since 2006, ALBA Berlin has been running its flagship educational initiative, **“ALBA macht Schule”**, a large-scale program that embeds basketball and movement education directly into Berlin’s and Brandenburg’s school systems. Through its non-profit subsidiary **ALBASpross gGmbH**, the club has gone far beyond sports delivery, it now acts as the **official operator (“Träger”)** of all-day school programs, taking over responsibility for staffing, social pedagogy and operational management at several Berlin schools. In this structure, ALBA Berlin not only provides coaching but also integrates physical activity with education, inclusion and health promotion.

In addition, the club has **merged its early youth development** (U9–U12) with school basketball teams, effectively replacing traditional club-team structures with school-based development pathways. This integrated approach between schools and sport associations is **unique in European basketball**.

Question Marks & Challenges

🏀 Balance Between Social Mission and Return on Investment

The impact of this model is visible in several dimensions. It creates **broad social value** by promoting movement among children, encouraging inclusion across social backgrounds and strengthening the link between education and health. It also provides a **stable foundation for long-term talent development**, helping ALBA Berlin become the most successful club in Germany in producing domestic players for professional and national teams. Yet, this deep social engagement comes at a cost: while it builds an exceptional community footprint, it is **resource-intensive** and offers limited short-term financial return. This illustrates precisely the central dilemma addressed in this report, how to balance public value creation with the economic imperatives of modern professional sport.

At the same time, ALBA Berlin benefits from **structural advantages** that few European clubs enjoy: a **top-tier arena**, a **major capital city market** and a **modern infrastructure**. Yet, these conditions have not translated into meaningful revenue growth. The club's budget remains modest by EuroLeague standards and the absence of sustained sporting success, including never reaching the EuroLeague playoffs, has limited its **commercial momentum**. Other clubs such as Žalgiris Kaunas or, more recently, Paris Basketball have shown that competitive success is possible without major spending.

As such, we believe that **the club's challenges cannot be attributed solely to structural, externally caused disadvantages**, rather they also reflect management and performance factors that are central to long-term competitiveness regardless of the competition.



Question Marks & Challenges

Balance Between Social Mission and Return on Investment

Below financial data shows that the club has **struggled** to operate on a stable footing in recent years. After several seasons of **modest profits**, net **losses** have emerged and grown, triggering recurring **capital contributions** from the owner to cover deficits. This has reinforced concerns about the club's ability to sustain its operations solely through basketball-related income.

<i>in thousand EUR</i>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Net Income / (Loss)	216	23	368	804	107	(1.265)	(1.366)	(2.875)	(786)
Capital Contributions	-	-	-	-	-	900	2.000	2.482	786



Source: Published Financial Statements of ALBA BERLIN Basketball GmbH

Sporting performance appears to be a significant factor. While the club maintains a strong position domestically, results at the European level have not supported commercial growth. The club never reached EuroLeague playoffs, which, in our opinion, limited visibility, sponsorship value and potential for revenue growth. Between 2015-2019, the club competed in **EuroCup**.

<i>Competition / Results</i>	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
BBL League	Qtr Final	Qtr Final	Final	Final	Champion	Champion	Champion	Qtr Final	Final	Qtr Final
BBL Cup	Champion	Semi Final	Final	Final	Champion	Final	Champion	Semi Final	Semi Final	-
European Competition	EC Top 16	EC Top 16	EC Top 16	EC Finalist	16.*	15.	10.	16.	18.	18.

Source: EuroLeague, BBL



We also believe that a **broader financial context** might also influence the club's ability to invest, namely: **ALBA Group**, the core business of the club's ownership, has itself experienced **financial pressure** in recent years.

<i>in thousand EUR</i>	2016	2017	2018	2019	2020	2021	2022	2023
Net Income after Taxes	28.273	23.126	3.551	(5.725)	(2.963)	10.904	7.501	(1.732)

Source: Consolidated Financial Statements of ALBA Group

Question Marks & Challenges

Balance Between Social Mission and Return on Investment

ALBA Berlin's recent decision to **leave the EuroLeague competitions** (EuroLeague & EuroCup) **after 24 years** and join the **FIBA-run BCL** marks a pivotal moment. The club management cited dissatisfaction with the EuroLeague's strategic direction and its perceived lack of financial sustainability.

The club also expressed clear interest in potentially joining a future **NBA Europe** structure, arguing that such a model might offer more sustainable and predictable economic conditions as well as benefits.

On the one hand, these concerns are clearly understandable: EuroLeague has indeed **struggled** to generate **prize money** or **central revenues** in line with its costs, while failing to enforce effective cost controls across its participants. On the other hand, sporting performance (regardless of the league, but especially in Europe) remains a key driver of commercial potential and ALBA Berlin's lack of competitive breakthroughs has, in our opinion, limited its ability to maximize that potential.

Ultimately, ALBA Berlin's case captures the **central dilemma of European basketball**: How to preserve the sport's social foundation and relevance while ensuring financial sustainability. As we already noted in one of our earlier reports*, the future development of ALBA Berlin will be a **key indicator** of whether European basketball can evolve into a truly **self-sustaining ecosystem**. In our opinion, adopting an NBA-style framework alone will not resolve this challenge.



Question Marks & Challenges

Balance Between Social Mission and Return on Investment



The case of **777 Partners** and its investment in **British Basketball** offers another revealing parallel to the broader debate about reconciling financial and social objectives in European basketball. When 777 Partners entered the **British Basketball League (BBL)** and acquired a controlling stake in the **London Lions**, both sides publicly emphasized that the investment was not purely commercial but also intended to foster social impact and community engagement.

777 Partners also brought a distinctly financialized framework to British basketball, including **exit provisions and performance-linked share structures** typical of private-equity transactions.

Despite these ambitions, the project ultimately **collapsed amid major financial difficulties and fraud allegations** against 777 Partners, an entirely different issue but one that nevertheless underscores how fragile such investment-driven ventures can be when credibility and governance are not firmly established.

For European basketball at large, this case underscores an important lesson: investor involvement alone **cannot guarantee** long-term success unless it aligns with the sport's **societal** and **developmental dimensions**. The long-term viability of the sport will depend on models that reward both **responsible management** and **community contribution**.

Whether **NBA Europe** will be able to take all these aspects into consideration and address them in the league design, however, **remains unclear**.

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
NEW

4. Vesting of Performance Shares

4.1. For the purposes of these Articles, the Performance Shares held by each of the Key Managers shall 'vest' as follows:

% Performance Shares subject to vesting	Type	Manager Award Ratio	Maximum Period / Performance Criteria by reference to a time period (Performance Target)
1% per			
1/3 rd %			
Up to per Ye			
Up to (1/3 rd Year)			

6. Liquidation preference

6.1. On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- first in paying to each of the Preference Shareholders, in priority to any other classes of Shares, an amount per share held equal to the Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Preference Shareholders pro rata to the amounts paid up on the Preference Shares);
- second in paying to the Minority Shareholders (pro rata to their respective holdings of Shares, provided that such person shall only be entitled to its pro rata share for so long as they are a Shareholder; if not, their pro rata allocation shall not be reallocated amongst the remaining Minority Shareholders) an amount equal to their respective Preference Amount (the sum of the Preference Amount of the

Source: Articles of Association of London Lions Group Limited

Agenda

- Introduction
- Sport as a Social Good vs. Financial Assets
- Recent Investments in Sports
- Current Landscape in European Basketball
- The NBA Europe Project
- Question Marks & Challenges
- Conclusion

Conclusion

- In conclusion, while European basketball continues to face major **structural, financial** and **governance challenges**, it has also made meaningful progress over the past two decades, particularly in terms of commercialization, professionalization and revenue growth. The evolution of club management, fan engagement and youth development systems demonstrates that the sport is capable of adapting and improving within its own ecosystem. However, the proposed creation of an **additional league**, such as an NBA Europe, would face **the same fundamental challenges** that have historically limited profitability and stability in the existing system.
- Even though the NBA possesses far **greater organizational expertise, marketing strength** and **global brand power** than any existing European league, certain barriers cannot simply be solved through better management or capital investment. Many of the obstacles, fragmented media markets, deep-rooted football dominance, differing national regulations and cultural attitudes toward ownership and sport, are **systemic** in nature. Overcoming them would require not only resources but also **patience, long-term collaboration** and **deep integration** with existing European basketball structures, including the EuroLeague and domestic leagues.
- We believe that establishing a new league with a **similar sporting quality** and **talent level** as the EuroLeague would **not** achieve the desired commercial outcomes or investor valuations. Unless the product itself offers a substantially **different value proposition**, the risk of **further fragmenting** the European basketball landscape is high. Rather than strengthening the sport, it could dilute audiences, confuse sponsors and drain already limited financial resources, serving more to the ambitions of individual decision-makers and club owners than to the sustainable development of the sport.
- However, in our opinion, there are **two conceivable exceptions** as to how a new European basketball league might be feasible in terms of creating (significant) financial upside.

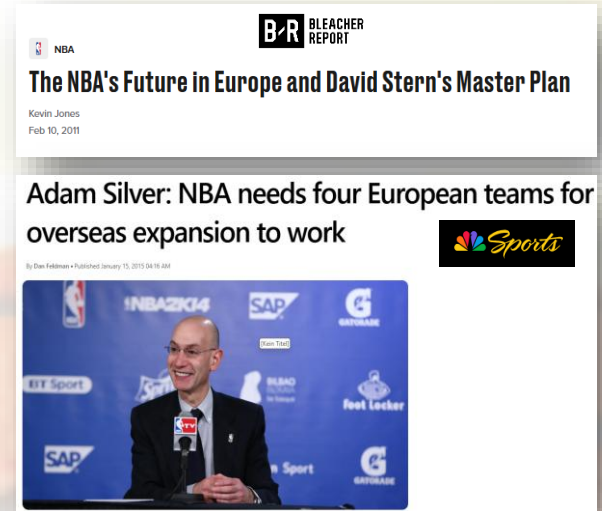
Conclusion

- The **first scenario** is the potential involvement of **new investors with different priorities**, such as private equity firms, family offices, or sovereign wealth funds, originating from the **Gulf region**, the **Middle East**, or the **United States** etc., whose motivations often extend beyond (immediate) financial returns and may include elements such as global visibility, reputation or political influence. Yet, such capital injections would likely resemble the current shareholder subsidies that keep EuroLeague clubs afloat, raising doubts about their long-term sustainability.
- In many cases, these investments provide short-term financial relief but **fail to address** the underlying structural issues of profitability, governance, and competitive balance that have long constrained European basketball's growth. Furthermore, with numerous **competing sports assets** and global competitions attracting investor attention, from football and motorsport to emerging entertainment ventures, the focus and commitment of such investors may **shift over time**, adding another **layer of uncertainty** to the long-term stability of these projects.
- However, this raises a **fundamental question**: How could such an approach genuinely represent an improvement or a sustainable long-term solution to European basketball's financial challenges? Injecting new capital may temporarily ease liquidity pressures or fuel marketing efforts, but without addressing the root causes, it risks becoming **another short-lived experiment**. True progress requires building a coherent economic model that balances commercial ambition with institutional stability and social value. Otherwise, the influx of external capital may only mask **the deeper weaknesses of the system**.



Conclusion

- The **second, and far more promising, scenario** would be a **genuine integration of Europe into the NBA ecosystem**, reviving Mr. David Stern's original (and Mr. Adam Silver's previous) vision of a truly transatlantic league, potentially through a European conference, expanded NBA Cup, or in any structured interleague format.
- While such a model would undoubtedly face **logistical** and **regulatory challenges** and require significant investments in building **new venues**, advancements in travel efficiency, broadcast technology and digital fan engagement have made global competition more **feasible than ever before**.
- In our view, this approach would not only further strengthen basketball's global footprint but also align the **strategic** and **commercial interests** of the NBA and European basketball in a more coherent, sustainable way than any standalone league could achieve.
- In **any other scenario**, however, the NBA Europe Project would likely **prioritize the short-term interests of investors** who perceive European basketball primarily as a financial asset, without adequately recognizing its social, cultural and community dimensions. This exactly corresponds to the risk of **(over-)commercialization** as in the context of **European Sports Model**.
- In conclusion, we believe that **any other scenario** (i.e. other than bringing the "original" NBA to Europe in full alignment and cooperation with all key stakeholders in European basketball incl. Euroleague Basketball) **would not serve** the **best interests** of European basketball, further risking the erosion of the sport's identity and values in favor of primarily profit-driven objectives.





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