



VIRSOLUS METHODOLOGY PAPERS

Sport valuation in practice

Understanding the reported US\$6 billion valuation of Liverpool FC

Virsolus Methodology Paper No. 1

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Important Notice

This methodology paper has been prepared by Virsolus Ltd for educational and professional discussion purposes. It illustrates how a professional valuer may approach a reported sports investment using publicly available information.

This paper is **not** a valuation report, investment recommendation, fairness opinion, or expert report. No opinion is expressed regarding the actual value of Liverpool Football Club or the reasonableness of any reported transaction value.

The analysis relies exclusively on information that was publicly available at the time of writing. Confidential financial information, management forecasts, transaction documentation, shareholder agreements, and due diligence materials have not been considered.

Accordingly, the observations contained within this paper should not be interpreted as a concluded valuation opinion. Their purpose is to demonstrate the valuation process, identify the information ordinarily required in professional practice, and explain why publicly reported information alone is often insufficient to support a defensible opinion of value.

Readers should not rely upon this paper for investment, commercial, legal, accounting, taxation, or litigation purposes without obtaining appropriate professional advice.

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1. Introduction

1.1 The Reported Transaction

In July 2026, reports emerged that Fenway Sports Group (FSG), the owners of Liverpool Football Club, were in discussions regarding a significant minority investment from a consortium led by businessman Amit Bhatia and supported by members of the Mittal family. Media reports suggested that the proposed transaction implied an overall valuation of approximately US\$6 billion, placing Liverpool among the most valuable football clubs in the world.

The reported valuation attracted considerable attention across both the sports and financial press. Comparisons were immediately drawn with recent transactions involving Manchester United, Chelsea FC and other leading European clubs, while commentators debated whether the implied valuation accurately reflected Liverpool's financial performance, commercial strength and long-term growth prospects.

At the time of writing, however, many of the most important details of the proposed transaction remain unknown. The precise ownership percentage, shareholder rights, governance arrangements, transaction structure and other commercially sensitive terms have not been publicly disclosed. Consequently, although the reported valuation provides an important reference point for discussion, it does not in itself provide sufficient information upon which a professional valuation opinion can be formed.

1.2 Why This Matters

High-profile sports transactions increasingly generate headline valuation figures that are widely reported as definitive measures of value. While such figures are useful indicators of market activity, they often obscure the complexity of professional valuation. A reported transaction price represents the outcome of a negotiation between specific parties under particular circumstances and should not automatically be interpreted as an objective measure of value.

Professional valuation requires considerably more than knowledge of a headline price. It begins by establishing what is being valued, for what purpose, under which basis of value, and on what date. It also requires access to financial, commercial, legal, governance and strategic information that is rarely available in the public domain. Without this evidence, any valuation conclusion is necessarily subject to significant uncertainty.

The Liverpool transaction therefore provides an ideal opportunity to demonstrate an important principle of professional valuation: before asking whether a reported valuation is correct, it is first necessary to establish whether sufficient evidence exists to support any valuation conclusion at all.

1.3 Purpose of this Methodology Paper

This paper has not been prepared to determine whether Liverpool Football Club is worth US\$6 billion, nor does it seek to produce an independent valuation of the club.

Instead, the paper uses the reported transaction as a practical case study to demonstrate the professional thought process that underpins sport valuation. By examining the information currently available in the public domain, the paper illustrates the questions a professional valuer would ask, the evidence that would ordinarily be required, the valuation approaches that may be considered, and the areas where professional judgement becomes necessary.

Accordingly, the emphasis is placed on valuation methodology rather than valuation outcome. The objective is to demonstrate how professional valuers approach complex transactions in practice, recognising that robust valuation opinions depend upon both analytical techniques and the quality of the underlying evidence.

1.4 Scope and Limitations

This methodology paper is based exclusively upon information available within the public domain at the time of writing, including official company disclosures, audited financial statements and reputable media reporting. No confidential financial information, shareholder documentation, management forecasts or transaction agreements have been available to the author.

The absence of such information is not a limitation of the paper itself but forms part of its central message. Professional valuation depends upon access to information that extends well beyond publicly reported financial performance. Consequently, this paper deliberately avoids expressing a definitive opinion regarding Liverpool Football Club's value and instead focuses on demonstrating why additional evidence would be required before such an opinion could responsibly be formed.

The paper should therefore be regarded as an educational resource designed to illustrate professional valuation methodology rather than a formal valuation report or investment recommendation.

2. What Has Been Reported?

2.1 The Proposed Investment

In July 2026, Fenway Sports Group (FSG) confirmed that it was in discussions with a consortium led by businessman Amit Bhatia regarding a potential minority investment in Liverpool Football Club. The consortium is reported to include members of the Mittal family, whose global business interests span steel, energy and investment.

Although discussions have been publicly acknowledged, relatively few details have been disclosed regarding the proposed transaction. Public reporting suggests that the investment would involve the acquisition of a minority equity interest rather than a full takeover of the club. Neither the precise ownership percentage nor the structure of the proposed investment has been officially confirmed.

Media reports have suggested that the transaction implies an overall valuation of approximately US\$6 billion. At the time of writing, however, no formal transaction documentation has been released and the parties have not disclosed the assumptions or valuation basis underlying this reported figure.

As a result, the proposed investment should presently be viewed as a reported transaction under negotiation rather than a completed acquisition with fully disclosed commercial terms.

2.2 Liverpool FC Today

Liverpool Football Club is one of the world's most recognised sporting organisations, combining sustained sporting success with a globally diversified commercial platform.

Ownership

Liverpool FC has been owned by Fenway Sports Group since October 2010, when the group acquired the club during a period of financial uncertainty. Since then, ownership has been characterised by significant investment in sporting operations, commercial development and infrastructure, including the redevelopment of Anfield Stadium and the expansion of the club's global commercial partnerships. In September 2023, FSG also completed a minority investment with Dynasty Equity, illustrating the group's willingness to introduce external capital while retaining overall ownership of the club.

Sporting Position

At the time of writing, Liverpool remains among Europe's leading football clubs. The club recently secured the Premier League title and continues to compete regularly in the UEFA Champions League. Sustained sporting success has reinforced Liverpool's global brand, supported commercial growth and strengthened its position within the international football market. Sporting performance remains an important consideration because success on the pitch influences numerous economic drivers, including broadcasting distributions, commercial revenues, matchday demand and global supporter engagement.

Financial Performance

Liverpool's most recent published financial statements reported record annual revenues exceeding £700 million, reflecting continued growth across commercial, broadcasting and matchday activities. Commercial revenue represented the club's largest income source, supported by sponsorship agreements, retail operations and international partnerships. Broadcasting income

remained significant, reflecting both domestic league participation and European competition, while matchday revenues benefited from increased stadium capacity following the redevelopment of Anfield. The financial statements also reported a return to profitability after tax, demonstrating the club's ability to translate continued commercial expansion into improved financial performance.

Commercial Platform

Liverpool possesses one of the strongest commercial platforms in global sport. Long-term partnerships with international sponsors, expanding retail operations, extensive digital engagement and a worldwide supporter base have enabled the club to generate revenues beyond traditional football activities. The expansion of Anfield has further strengthened matchday income while enhancing the club's long-term revenue-generating capacity. Combined with continued participation in elite European competitions, Liverpool's commercial platform provides a diversified foundation supporting future financial performance.

2.3 The Reported Valuation

The reported transaction has been widely associated with an implied valuation of approximately US\$6 billion, placing Liverpool among the highest-valued football clubs globally. Headline valuation figures such as this are frequently reported following major sports transactions because they provide a convenient benchmark for comparing clubs and franchises across leagues and jurisdictions. However, the reported figure alone provides only limited insight into the underlying economics of the proposed investment.

At the time of writing, no public information has confirmed whether the reported valuation represents an enterprise value or an equity value, whether it reflects a pre-money or post-money valuation, or how debt and other financial obligations have been treated. Similarly, the ownership percentage being acquired and the rights attached to that investment have not been publicly disclosed. Consequently, while the reported valuation provides an important point of reference, it should not be interpreted as a complete valuation conclusion in isolation.

2.4 What Is Publicly Known?

Based upon publicly available information, several aspects of the proposed investment can be established with reasonable confidence.

Confirmed information includes:

- Fenway Sports Group has acknowledged discussions regarding a potential minority investment.
- The prospective investor group is reportedly led by Amit Bhatia and supported by members of the Mittal family.
- Liverpool FC continues to demonstrate strong sporting performance, commercial growth and record financial revenues.

- Media reports consistently suggest that the proposed investment implies a valuation of approximately US\$6 billion.

Equally important, however, is recognising what has **not** been publicly disclosed. Key elements of the proposed transaction remain unknown, including:

- the proportion of equity being acquired;
- the rights attached to the investment;
- the detailed transaction structure;
- the treatment of debt and financing arrangements;
- governance provisions;
- management forecasts; and
- any contractual terms agreed between the parties.

These omissions are not unusual in private investment transactions. Nevertheless, they have important implications for valuation because each may materially influence the economic interest being acquired and, consequently, the value attributable to that interest.

The following sections therefore move beyond the reported facts to examine why these distinctions matter and how a professional valuer would approach the valuation question in practice.



Figure 1: Timeline of Liverpool FC under current ownership.

3. Understanding the Valuation Question

3.1 What Is Being Valued?

When headline valuations are reported in the media, they often create the impression that a single, objective value exists for an organisation. In reality, professional valuation begins by asking a far more fundamental question: what exactly is being valued?

This distinction is particularly important in professional sport, where transactions frequently involve complex ownership structures rather than straightforward acquisitions of entire organisations. A reported valuation may relate to a controlling ownership interest, a minority equity stake, a specific class of shares, or another economic interest carrying its own rights and restrictions. Each represents a different valuation problem and may reasonably produce different conclusions. In the case of Liverpool FC, the reported valuation accompanies discussions regarding a minority investment. However, the precise nature of that investment has not been publicly disclosed. Consequently, before any valuation methodology can be selected, it is first necessary to understand the economic interest that is proposed to change hands. Professional valuation therefore begins with a clear definition of the asset or interest being valued.

3.2 Defining the Value Object

Once the asset under consideration has been identified, the valuer must define the **value object**.

The value object represents the specific economic interest that forms the subject of the valuation engagement. While two transactions may involve the same organisation, they may nevertheless involve different value objects. For example, valuing an entire football club differs fundamentally from valuing a minority shareholding within that club. Likewise, valuing an equity interest differs from valuing the enterprise as a whole, while contractual rights, governance provisions and ownership restrictions may further alter the nature of the asset being assessed.

In practice, accurately defining the value object establishes the foundation for the entire valuation process. It influences the information required, the valuation approaches considered appropriate, the assumptions adopted and, ultimately, the conclusions reached. Accordingly, one of the first questions a professional valuer would ask regarding the reported Liverpool transaction is not *"Is Liverpool worth US\$6 billion?"* but rather:

"What economic interest does the reported valuation actually represent?"

Without answering this question, any subsequent valuation analysis risks addressing the wrong valuation problem.

3.3 Purpose and Basis of Value

Professional valuations are undertaken for a specific purpose. That purpose influences both the scope of the engagement and the valuation basis that should be applied.

A valuation prepared for financial reporting, for example, may differ from one prepared for litigation, taxation, regulatory compliance, transaction support or internal strategic decision-

making. Although each exercise seeks to estimate value, the assumptions, evidence requirements and reporting standards may differ considerably depending upon the intended use.

Closely related to purpose is the **basis of value**, which defines the conceptual framework within which value is measured. Common bases include Fair Market Value, Market Value and Investment Value, each reflecting different assumptions regarding market participants, transaction conditions and purchaser characteristics.

Consequently, a reported transaction price should not automatically be interpreted as representing any particular basis of value. A negotiated investment may reflect strategic considerations, private synergies, governance rights or other transaction-specific factors that differ from the assumptions underlying alternative valuation bases.

Understanding both the purpose of the valuation and its underlying basis is therefore essential before any comparison can be made between a reported transaction and an independently prepared valuation opinion.

3.4 Why Context Matters

Perhaps the most important lesson in professional valuation is that **value does not exist independently of context**.

The same organisation may legitimately have different values depending upon the economic interest being acquired, the rights attached to that interest, the identity of the purchaser and the purpose for which the valuation is being undertaken. These differences do not necessarily imply that one valuation is correct and another incorrect. Rather, they reflect that different valuation questions are being answered.

This principle is particularly relevant in professional sport. Investors rarely acquire clubs for identical reasons. Some seek financial returns through long-term cash flow generation, while others pursue portfolio diversification, strategic expansion, brand enhancement or broader commercial objectives. These differing motivations may influence transaction prices without altering the underlying characteristics of the club itself.

Similarly, governance arrangements, shareholder protections, contractual rights and regulatory considerations may materially influence the value of the interest being acquired. Without understanding these contextual factors, comparisons between reported transactions become increasingly difficult and potentially misleading.

The reported Liverpool investment therefore illustrates an important principle that extends beyond a single football club. Before asking whether a reported valuation is reasonable, a professional valuer must first establish **what is being valued, for what purpose, under which basis of value and within what context**.

Only once these questions have been addressed can the selection of appropriate valuation methodologies begin.

4. Selecting an Appropriate Valuation Approach

Once the valuation object, purpose and context have been established, the next stage of the valuation process is determining the most appropriate valuation approach. Professional valuation standards recognise three principal approaches to estimating value: the Income Approach, the Market Approach and the Asset Approach. Each approaches the valuation problem from a different perspective and each possesses particular strengths and limitations.

The choice of valuation approach is not dictated by preference but by professional judgement. Factors such as the nature of the asset, the availability of information, the purpose of the valuation and prevailing market conditions all influence which approach, or combination of approaches, is likely to produce the most reliable indication of value.

In professional sport, this judgement is particularly important. Sports organisations combine tangible assets with significant intangible value arising from brand strength, supporter engagement, broadcasting relationships, intellectual property and sporting performance. Consequently, no single valuation approach is universally appropriate across every circumstance.

4.1 Income Approach

The Income Approach estimates value by considering the future economic benefits expected to be generated by an asset or business. Rather than focusing on historical performance or comparable transactions, it seeks to determine what those expected future benefits are worth in present value terms.

For established sports organisations, future value is commonly influenced by a wide range of interconnected factors, including commercial growth, broadcasting revenues, matchday income, player trading activity, operating costs and investment requirements. The Income Approach therefore encourages the valuer to examine not only historical financial performance but also the sustainability of future cash generation.

One of the principal strengths of the Income Approach is that it is fundamentally forward-looking. It enables the valuation to reflect the specific characteristics, strategic direction and financial expectations of the organisation being assessed rather than relying solely upon external benchmarks.

However, this strength also introduces challenges. The approach depends upon assumptions regarding future performance, growth, investment and risk. These assumptions require considerable evidence and professional judgement, particularly within professional sport where sporting success, regulatory developments and competitive dynamics may materially influence future financial outcomes.

Accordingly, the Income Approach is often regarded as a powerful analytical framework, but its reliability depends on the quality and credibility of the underlying assumptions.

4.2 Market Approach

The Market Approach estimates value by reference to prices observed in transactions involving comparable assets or organisations. In professional sport, this often involves analysing acquisitions of clubs, franchise investments or other relevant market transactions.

The attraction of the Market Approach lies in its connection to observable market behaviour. Rather than estimating value from projected financial performance, it considers the prices that investors have been willing to pay under actual market conditions.

Despite its intuitive appeal, identifying truly comparable transactions within professional sport is rarely straightforward. Clubs differ substantially in sporting performance, commercial capability, league participation, governance arrangements, ownership structures and regulatory environments. Even transactions involving superficially similar organisations may reflect materially different economic circumstances.

Furthermore, transaction prices often incorporate factors that extend beyond the underlying characteristics of the asset itself. Competitive bidding, strategic motivations, portfolio considerations and transaction-specific rights may all influence the agreed price.

Consequently, comparable transactions should be viewed as informative reference points rather than definitive indicators of value. Professional judgement remains essential when determining the relevance and weight that should be attributed to any particular transaction.

4.3 Asset Approach

The Asset Approach estimates value by considering the assets and liabilities of an organisation. Rather than focusing upon future earnings or market transactions, this approach seeks to determine the value of the underlying resources controlled by the business.

For many industries, this may provide a useful indication of value where assets represent the principal source of economic benefit. In professional sport, however, the application of the Asset Approach is often more limited.

Although sports organisations possess valuable tangible assets such as stadiums, training facilities and other physical infrastructure, much of their economic value is derived from less readily identifiable sources. Brand reputation, supporter loyalty, broadcasting relationships, commercial partnerships, organisational capabilities and sporting success frequently represent significant contributors to overall value, yet these elements may not be fully reflected within the balance sheet.

Nevertheless, the Asset Approach continues to provide an important perspective. It may establish a useful reference point in particular circumstances, assist in understanding the composition of

organisational resources and complement evidence obtained through alternative valuation approaches.

4.4 Why Professional Valuation Rarely Relies on a Single Method

Although each valuation approach offers valuable insights, professional valuation rarely depends upon a single methodology in isolation.

Each approach captures different dimensions of value. The Income Approach focuses on future economic benefits, the Market Approach reflects observed transaction behaviour, and the Asset Approach considers the resources controlled by the organisation. Viewed together, these approaches provide complementary rather than competing perspectives.

Professional valuers therefore consider which approaches are most appropriate for the valuation engagement, assess the quality of the available evidence and reconcile the indications produced by each methodology. This process is not mechanical. It requires judgement regarding the relative reliability of different evidence sources and the extent to which each approach addresses the valuation question established at the outset of the engagement.

In the context of the reported Liverpool FC investment, all three approaches may offer useful insights. However, the absence of detailed transaction information, management forecasts and shareholder documentation limits the extent to which any individual approach can be applied with confidence using only publicly available information.

The selection of an appropriate valuation approach therefore represents only one stage of the valuation process. Equally important is determining whether sufficient evidence exists to support its application. The following chapters examine the additional information and professional judgement required before a defensible valuation opinion can be formed.

5. Applying Professional Judgement

Selecting an appropriate valuation approach represents only one stage of the valuation process. Professional valuation also requires judgement in interpreting evidence, assessing uncertainty and determining how the characteristics of a particular transaction influence value.

Unlike many financial assets, sports organisations operate within environments where commercial performance, sporting success, governance, regulation and stakeholder objectives are closely interconnected. Consequently, valuation is rarely a purely mechanical exercise. Financial models may estimate value under a given set of assumptions, but professional judgement determines whether those assumptions are appropriate and whether the resulting valuation reasonably reflects the economic interest being assessed.

The reported Liverpool transaction illustrates this principle. Even if complete financial information were available, important valuation questions would remain regarding the nature of

the investment, the characteristics of the purchaser and the relevance of comparable transactions. These considerations cannot be resolved through financial modelling alone.

5.1 Control and Minority Interests

Ownership interests are not economically identical simply because they relate to the same organisation. The rights attached to an investment may materially influence its value.

A controlling interest typically provides the ability to influence strategic direction, appoint management, determine dividend policy and approve significant corporate decisions. Minority investments, by contrast, may possess limited influence over governance and strategic decision-making, particularly where shareholder agreements restrict voting rights or transferability.

Consequently, understanding the level of control associated with a transaction is fundamental to valuation. Two investments representing different ownership percentages may command different values on a proportionate basis because they confer different economic rights and decision-making authority.

In the reported Liverpool transaction, the proposed investment has been described as a minority stake. However, the associated governance rights have not been publicly disclosed. Without understanding these rights, it is difficult to assess the economic significance of the interest being acquired or interpret the reported valuation appropriately.

5.2 Buyer Intent

Professional valuation also requires consideration of **why** an investor is seeking to acquire an asset.

Investors do not necessarily pursue sports organisations for identical reasons. While some may focus primarily on long-term financial returns, others may seek strategic partnerships, portfolio diversification, brand enhancement, international market access or broader commercial opportunities. These differing objectives may influence both investment decisions and negotiated transaction prices.

Accordingly, a reported transaction price should not automatically be interpreted as representing the value that every market participant would be willing to pay. Instead, it reflects the outcome of negotiations between specific parties operating within a particular strategic context.

Understanding buyer intent is therefore an important element of professional judgement. It assists the valuer in determining whether observed transaction prices represent broadly applicable market evidence or reflect transaction-specific circumstances that may limit their comparability.

5.3 Comparable Transactions

Comparable transactions frequently provide valuable evidence within sports valuation. Recent acquisitions of football clubs, minority investments and franchise transactions may all contribute to understanding how investors currently value sports organisations.

However, comparability extends well beyond headline valuation multiples.

Professional valuers consider whether the transactions involve similar ownership interests, comparable governance arrangements, equivalent financial characteristics and similar strategic contexts. Differences in league structures, regulatory environments, broadcasting arrangements, commercial maturity and sporting performance may all influence whether one transaction provides meaningful evidence for another.

Equally important is recognising that comparable transactions represent negotiated outcomes rather than objective measures of intrinsic value. Market conditions, competitive bidding, investor motivations and transaction-specific rights may all influence the agreed price.

Consequently, comparable transactions are most appropriately viewed as one source of valuation evidence rather than definitive benchmarks that determine value in isolation.

5.4 Sources of Additional Value

Professional sport possesses characteristics that extend beyond those typically captured within conventional financial analysis.

Brand strength, supporter loyalty, global fan engagement, sporting success, academy development, league participation, broadcasting relationships and long-term strategic positioning all contribute to the economic attractiveness of a sports organisation. Some of these characteristics generate identifiable financial benefits through future cash flows, while others influence investor expectations regarding future opportunities, resilience and growth.

Professional valuation therefore requires careful consideration of how these additional sources of value should be recognised within the overall valuation process. Importantly, their presence does not necessarily require separate valuation techniques. Rather, they influence the assumptions, evidence and professional judgement that underpin the valuation as a whole.

The challenge for the valuer is not simply identifying these characteristics, but determining whether they have already been reflected within projected financial performance, observed market transactions or other valuation evidence. Avoiding both omission and double counting forms an important aspect of professional judgement.

5.5 The Role of Professional Judgement

Professional valuation is often perceived as the application of financial models. In practice, however, models represent only one component of the valuation process.

Judgement is required throughout the engagement: in defining the valuation object, selecting appropriate methodologies, evaluating evidence, assessing assumptions and interpreting the significance of available information. These decisions are guided by professional standards, experience and the specific circumstances of the valuation rather than by formulae alone.

This does not imply that valuation is subjective or arbitrary. Rather, it reflects that professional judgement operates within a structured analytical framework supported by evidence, recognised methodologies and transparent reasoning. Two competent valuers presented with the same information may reasonably exercise different judgement in areas of uncertainty while still producing professionally defensible opinions.

The reported Liverpool investment illustrates precisely why this judgement is necessary. Publicly available information provides valuable insight into the club's financial performance and commercial position, yet many of the factors that materially influence valuation remain unknown. Determining the significance of these uncertainties is therefore not simply a modelling exercise but a matter of professional analysis.

For this reason, the quality of a valuation is determined not only by the sophistication of its financial techniques but also by the rigour with which evidence is evaluated and judgement is applied. This principle underpins the remaining sections of this paper, which examine the evidence that would ordinarily be required before a professional valuation opinion could responsibly be formed.

6. Evidence Required for a Professional Valuation

Professional valuation depends not only upon the selection of appropriate methodologies, but also upon the availability of reliable and relevant evidence. The quality of any valuation opinion is fundamentally constrained by the quality of the information upon which it is based.

Publicly available information provides valuable insight into Liverpool Football Club's recent financial performance, commercial development and sporting success. However, a professional valuation engagement would ordinarily involve access to substantially more detailed information than is available through published financial statements and media reporting.

This evidence enables the valuer to assess historical performance, understand future expectations, identify risks, evaluate transaction-specific rights and determine whether the assumptions underpinning a valuation are reasonable. Without such information, many of the judgements discussed in the previous chapter cannot be exercised with sufficient confidence.

The following sections summarise the principal categories of information that would ordinarily be requested before a professional valuation opinion is prepared.

6.1 Financial Information

Financial information forms the foundation of most business valuation engagements. While published financial statements provide an important starting point, they rarely contain sufficient detail to support a comprehensive valuation.

A professional valuer would typically seek access to detailed historical management accounts, budgets, long-term financial forecasts and supporting assumptions. These materials enable the valuer to understand not only how the organisation has performed historically, but also how management expects it to perform in the future.

Particular attention would ordinarily be given to revenue composition, operating cost structures, capital expenditure requirements, working capital movements, financing arrangements and cash generation. Understanding the assumptions underpinning financial forecasts is equally important, as these frequently have a material influence on any forward-looking valuation approach.

The objective is not simply to obtain more financial information, but to evaluate the sustainability and credibility of the organisation's future economic performance.

6.2 Commercial Information

Professional sports organisations derive a substantial proportion of their value from commercial activities that extend well beyond matchday operations.

Accordingly, a professional valuation would normally include detailed information regarding sponsorship agreements, commercial partnerships, merchandising operations, licensing arrangements, hospitality activities and digital media initiatives. The duration, renewal terms and concentration of these revenue streams may all influence future financial performance.

Commercial information also assists in evaluating the resilience of revenues, the diversification of income sources and the organisation's exposure to changes in economic conditions or consumer behaviour.

For a globally recognised club such as Liverpool FC, understanding the strength and sustainability of its commercial platform is an essential component of any valuation assessment.

6.3 Governance Information

Corporate governance may materially influence the value of an ownership interest, particularly where minority investments are involved.

Professional valuers would ordinarily seek access to shareholder agreements, constitutional documents and governance policies to understand the rights and obligations attached to the investment being valued.

Information concerning board representation, voting rights, reserved matters, dividend policies, transfer restrictions and exit provisions may all influence the economic characteristics of an ownership interest. These governance arrangements may significantly affect the value of a minority investment even where the underlying organisation remains unchanged.

Consequently, governance documentation often represents one of the most important sources of evidence when valuing equity interests in privately held sports organisations.

6.4 Sporting Information

The financial performance of professional sports organisations is closely connected to sporting performance. Consequently, valuation requires consideration of information extending beyond traditional financial reporting.

A professional valuer would seek a detailed understanding of the playing squad, contractual commitments, player registration values, academy development, recruitment strategy and other sporting assets that may influence future performance.

Equally important is understanding the organisation's competitive position, the sustainability of recent sporting success and the operational strategy intended to maintain that performance over time.

Sporting information does not replace financial analysis. Rather, it provides important evidence supporting the assumptions that underpin future financial performance and organisational risk.

6.5 Legal and Regulatory Information

Legal rights and regulatory obligations may materially influence both value and risk.

Professional valuation engagements therefore commonly involve reviewing material contracts, ongoing litigation, intellectual property rights, financing agreements and other legal commitments that may affect future economic performance.

Within professional sport, additional consideration may also be given to league regulations, financial sustainability rules, ownership requirements and other governance frameworks that influence how organisations operate.

Understanding these legal and regulatory factors assists the valuer in identifying obligations, constraints and uncertainties that may not be immediately apparent from financial information alone.

6.6 Transaction Information

Perhaps the most important evidence in the context of the reported Liverpool investment concerns the proposed transaction itself.

At the time of writing, relatively little information has been disclosed regarding the structure of the proposed investment. From a professional valuation perspective, however, these details are fundamental.

A valuer would ordinarily seek to understand:

- the percentage ownership being acquired;
- whether the reported valuation represents enterprise value or equity value;
- the treatment of debt and other financing obligations;
- the rights attached to the investment;
- board representation and governance arrangements;
- restrictions on future share transfers;
- any option agreements or contingent consideration;
- investor protections; and
- the strategic objectives of the parties involved.

Collectively, these factors determine the economic interest that is changing hands and therefore directly influence how the reported valuation should be interpreted.

Without access to this information, it is impossible to determine whether the reported transaction reflects the acquisition of a passive minority investment, a strategically influential ownership position or another form of economic interest entirely.

7. Why Public Information Is Insufficient

The preceding chapters have demonstrated that professional valuation extends beyond financial modelling to encompass the careful definition of the valuation question, the selection of appropriate methodologies and the application of informed professional judgement. Each of these stages depends upon reliable evidence.

Although Liverpool Football Club is one of the most transparent privately owned football clubs in the world, with comprehensive published financial statements and extensive public reporting, important elements of the proposed investment remain confidential. This is entirely normal in private transactions. Negotiated investments frequently involve commercially sensitive terms that are disclosed only to the parties directly involved.

The absence of this information does not prevent discussion of the transaction. It does, however, limit the conclusions that can responsibly be drawn regarding the reported valuation. The following sections illustrate why.

7.1 Transaction Structure

The structure of a transaction fundamentally influences how a reported valuation should be interpreted.

At present, public reporting confirms only that discussions relate to a minority investment. The precise percentage being acquired has not been officially confirmed, nor has the mechanism through which the investment will be made. Whether the investment involves newly issued equity, the purchase of existing shares, or a combination of both may influence the interpretation of the reported valuation.

Similarly, it remains unclear whether the reported US\$6 billion figure represents an enterprise value, an equity value, a pre-money valuation or a post-money valuation. Each measures a different aspect of value and cannot be used interchangeably.

Without understanding the transaction structure, it is impossible to determine precisely what the reported valuation represents or how it should be compared with other transactions.

7.2 Shareholder Rights

Ownership percentage alone rarely determines the economic value of an investment.

Two investors holding identical shareholdings may possess materially different rights depending upon the terms negotiated within shareholder agreements. Board representation, voting rights, reserved matters, dividend policies, transfer restrictions, information rights and exit provisions may all influence the attractiveness of an investment.

For minority transactions in particular, these rights often represent an important component of value. A minority interest with meaningful governance influence may differ significantly from a passive financial investment of the same size.

As none of these arrangements has been publicly disclosed, it is not possible to assess the economic characteristics of the reported investment or determine how these rights may have influenced the negotiated price.

7.3 Capital Structure

Understanding an organisation's capital structure is essential when interpreting reported valuations.

Published financial statements provide information regarding existing borrowings and financing arrangements. However, they do not necessarily reveal how these items have been treated within a proposed transaction. Questions remain regarding the extent to which debt has been incorporated into the reported valuation, whether additional financing forms part of the transaction, and how existing financial obligations are allocated between the parties.

These distinctions are particularly important when comparing reported valuations across different organisations. Headline valuation figures may appear similar while reflecting fundamentally different capital structures.

Without clarity regarding the financial structure underpinning the proposed investment, direct comparison with other sports transactions should be approached with caution.

7.4 Forecast Cash Flows

Professional valuation is inherently forward-looking. While historical financial performance provides valuable evidence, the value of a business depends primarily upon the future economic benefits it is expected to generate. Consequently, professional valuation ordinarily relies upon management forecasts, strategic business plans and supporting assumptions. None of this information is available within the public domain.

External observers therefore have no reliable basis upon which to evaluate management's expectations regarding future commercial growth, operating performance, investment requirements or long-term financial strategy. Nor can they assess the assumptions underpinning those expectations or determine whether they are consistent with the organisation's historical performance and competitive position.

Without access to these forward-looking materials, the application of any income-based valuation approach remains necessarily incomplete.

7.5 Commercial Agreements

Liverpool's commercial platform represents one of its greatest strengths. However, public announcements regarding sponsorships and partnerships provide only a partial understanding of their economic significance.

Professional valuation requires detailed consideration of contractual arrangements, including payment structures, renewal provisions, performance incentives, termination rights and other commercial obligations. These factors influence both the magnitude and sustainability of future revenues.

Similarly, understanding the concentration of commercial income, customer dependencies and the timing of contract renewals assists in assessing future financial resilience.

Because these agreements remain confidential, it is not possible to determine how they have influenced either management's expectations or the reported transaction valuation.

7.6 Player Contracts and Registration Values

The playing squad represents one of the most significant economic resources of any professional football club.

Published financial statements disclose aggregate information regarding player registration assets, amortisation and transfer activity. However, they do not reveal the detailed contractual arrangements underpinning the squad.

Professional valuation would ordinarily consider contract durations, wage commitments, release provisions, renewal expectations, succession planning and recruitment strategy. These factors influence both future sporting performance and future financial obligations.

Equally important is understanding management's expectations regarding player trading, academy development and squad evolution over the medium term.

Without this information, external observers can assess only the historical accounting treatment of player registrations rather than their future economic contribution.

7.7 Strategic Intent

Perhaps the least visible, yet potentially most influential, element of the reported transaction concerns the strategic objectives of the parties involved.

Investment transactions are negotiated between specific buyers and sellers operating within particular commercial circumstances. Their objectives may extend beyond immediate financial returns to include strategic partnerships, portfolio development, international expansion or broader business opportunities.

Understanding these motivations assists in interpreting whether the agreed price reflects primarily the underlying characteristics of the organisation or incorporates transaction-specific considerations unique to the parties involved.

The strategic rationale underpinning the reported Liverpool investment has not been publicly disclosed. Consequently, external observers cannot determine the extent to which the reported valuation reflects general market evidence or the particular objectives of the negotiating parties.

Section Summary

Taken individually, each of the information gaps discussed above may appear manageable. Collectively, however, they create significant uncertainty regarding the interpretation of the reported valuation.



Figure 2: From public information to professional valuation.

Importantly, this uncertainty does not imply that the reported US\$6 billion valuation is inaccurate. Equally, it does not imply that the valuation is correct. Rather, it demonstrates that the evidence currently available within the public domain is insufficient to support either conclusion with professional confidence.

This distinction lies at the heart of professional valuation. The role of the valuer is not to confirm or reject headline figures based upon incomplete information, but to determine whether sufficient evidence exists to express a defensible opinion of value. In the case of the reported Liverpool transaction, that evidential threshold has not yet been met.

The following chapter therefore shifts from identifying what is unknown to considering the questions a professional valuer would seek to answer before forming any valuation conclusion.

8. Questions Before Conclusions

The preceding chapters have demonstrated that professional valuation requires considerably more than publicly available financial information and headline transaction values. Before forming any opinion of value, a professional valuer must first establish whether sufficient evidence exists to support the assumptions upon which that opinion will depend.

Accordingly, rather than concluding this paper with a valuation estimate, it is more appropriate to conclude the analytical process by identifying the questions that remain unanswered. These are not merely matters of curiosity. Each has the potential to influence the valuation process, the methodologies adopted and, ultimately, the opinion of value itself.

The following questions illustrate the type of enquiries that would ordinarily be addressed before a professional valuation engagement could reasonably progress towards a concluded valuation opinion.

Transaction

Professional valuation begins with understanding precisely what transaction is taking place.

At present, the public domain confirms only that discussions concern a proposed minority investment. The economic interest changing hands, however, remains only partially understood.

Questions that would ordinarily be addressed include:

- What percentage ownership is being acquired?
- Is the reported valuation expressed as enterprise value or equity value?
- Does the transaction involve newly issued shares, existing shares, or a combination of both?
- Are there contingent payments, earn-out provisions or future capital commitments?
- What assumptions underpin the reported valuation?

Until these questions are answered, the transaction itself cannot be fully understood.

Governance

Corporate governance often determines the practical significance of an ownership interest.

Two identical shareholdings may possess materially different economic value depending upon the rights attached to them. Consequently, understanding governance arrangements forms an essential component of professional valuation.

Key questions include:

- Does the investment provide board representation?
- What voting rights accompany the shares?
- Are there reserved matters requiring investor approval?
- What dividend rights exist?
- Are there restrictions on future share transfers?
- What exit rights have been negotiated?

These rights influence the value of the investment independently of Liverpool's underlying business performance.

Financial

Financial analysis extends beyond published accounts.

Professional valuation requires confidence that historical performance is understood and that future expectations are supported by credible evidence.

Important questions include:

- What assumptions underpin management forecasts?
- How sustainable are recent revenue and profit levels?
- What future capital expenditure is anticipated?
- How will working capital evolve?
- How has debt been incorporated into the transaction?
- What level of financial risk is expected over the investment horizon?

Without forward-looking financial information, any valuation remains necessarily incomplete.

Commercial

Commercial capability represents one of Liverpool's greatest competitive strengths, yet much of the relevant information remains confidential.

Professional valuation therefore seeks to understand not simply the existence of commercial partnerships, but their durability and economic significance.

Questions include:

- How secure are existing sponsorship agreements?
- When do major commercial contracts expire?
- What assumptions support future commercial growth?
- How diversified are commercial revenues?
- Which relationships represent key dependencies?
- How resilient is the commercial platform to changes in sporting performance?

These considerations influence both expected cash flows and the uncertainty surrounding those expectations.

Sporting

Sporting performance remains central to the economics of professional football.

Understanding future sporting capability requires considerably more information than league position or recent results.

Professional valuation would seek to understand:

- How sustainable is current sporting success?
- What is the long-term player recruitment strategy?
- What contractual commitments exist within the playing squad?
- What contribution is expected from academy development?
- How dependent are future revenues upon European competition?
- What operational risks could materially affect future performance?

These questions help assess the extent to which sporting performance supports future financial expectations.

Strategic

Finally, professional valuation requires consideration of the transaction within its broader strategic context.

Investment prices reflect negotiations between specific parties with particular objectives.

Understanding those objectives helps interpret whether the reported valuation reflects broader market evidence or transaction-specific considerations.

Questions include:

- Why is this investor seeking to acquire Liverpool FC?
- Why is Fenway Sports Group seeking additional capital at this stage?
- Does the investment create strategic opportunities beyond financial returns?
- What long-term objectives do the parties share?
- How does the transaction fit within broader portfolio strategies?

- To what extent does the negotiated price reflect transaction-specific circumstances rather than general market value?

These questions recognise that identical organisations may command different prices when acquired by different investors pursuing different objectives.

Section Reflections

Professional valuation is often associated with financial models, valuation multiples and discounted cash flow analysis. While these techniques remain essential, they represent only part of the valuation process.

Before any methodology can be applied responsibly, the valuer must first establish that the valuation question has been properly defined and that sufficient evidence exists to support the assumptions upon which the analysis will depend. The questions presented throughout this chapter demonstrate that this stage of the engagement is neither procedural nor administrative. It is fundamental to producing a valuation that is both technically robust and professionally defensible.

The reported Liverpool transaction therefore provides an important lesson extending beyond a single football club. Rather than asking whether the reported US\$6 billion valuation is correct, the more appropriate professional question is whether enough is currently known to reach that conclusion. On the basis of publicly available information, the answer remains no.

9. Professional Conclusions

9.1 What the Public Information Supports

The reported Liverpool FC investment has generated considerable discussion regarding the implied valuation of one of football's most prominent clubs. Publicly available information provides a strong foundation for understanding the organisation itself. Published financial statements, official announcements and reputable media reporting collectively demonstrate that Liverpool possesses a diversified commercial platform, sustained sporting success and a strong financial position relative to many of its peers.

The available evidence also supports the conclusion that the proposed transaction relates to a minority investment rather than a full acquisition, and that media reporting consistently associates this investment with an implied valuation of approximately US\$6 billion. These facts provide important context for understanding the transaction and its significance within the wider sports investment market.

Furthermore, the publicly available information is sufficient to identify the principal valuation issues that arise from the transaction. The proposed investment highlights questions concerning

ownership rights, governance, valuation methodology, comparable transactions and the interpretation of headline valuation figures. These are legitimate professional considerations that extend beyond the particulars of Liverpool Football Club and are relevant to sports valuation more generally.

Accordingly, while the public information does not support a concluded valuation opinion, it does support a structured analysis of the valuation process and the evidence that would ordinarily be required before such an opinion could responsibly be formed.

9.2 What the Public Information Does Not Support

Equally important is recognising the limitations of the available evidence.

At the time of writing, the public domain does not disclose the detailed structure of the proposed investment, the rights attached to the ownership interest, the treatment of debt, management forecasts, shareholder agreements or the strategic rationale underpinning the transaction. These are not peripheral details. They are matters that may materially influence both the valuation methodology adopted and the conclusions ultimately reached.

Consequently, the available information does not support a professional opinion as to whether the reported US\$6 billion valuation is reasonable, conservative or optimistic. Nor does it permit meaningful comparison with other reported sports transactions without making assumptions that cannot presently be verified.

This distinction is fundamental. The inability to reach a valuation conclusion should not be interpreted as evidence that the reported valuation is incorrect. Equally, neither should the reported transaction be accepted uncritically as confirmation of value. Professional valuation requires conclusions to be supported by evidence, and the evidential threshold required for a defensible valuation opinion has not yet been met.

Recognising the limits of available information is itself an important aspect of professional judgement. In valuation practice, knowing when sufficient evidence is absent is as important as knowing how to analyse it when it is available.

9.3 Implications for Professional Valuation

Although this paper has been motivated by a single reported transaction, its implications extend far beyond Liverpool Football Club.

High-profile sports investments frequently produce headline valuation figures that become reference points for investors, advisers, journalists and supporters. Yet these figures often represent only the visible outcome of negotiations supported by detailed due diligence, confidential financial information and transaction-specific rights that remain unavailable to external observers. Without access to this broader evidential framework, headline valuations should be interpreted with appropriate caution.

Professional valuation is therefore distinguished not by the production of a numerical estimate, but by the disciplined process through which that estimate is developed. Defining the valuation question, identifying the value object, selecting appropriate methodologies, evaluating evidence and exercising professional judgement are all integral components of that process. Financial models provide important analytical tools, but they do not replace the need for critical evaluation of the information upon which those models depend.

The reported Liverpool investment illustrates this principle clearly. It provides an excellent opportunity to examine how professional valuers approach complex transactions, while also demonstrating why publicly reported information alone is often insufficient to support a definitive opinion of value.

Ultimately, this paper has not sought to determine whether Liverpool Football Club is worth US\$6 billion. Rather, it has demonstrated that professional valuation begins long before any financial model is constructed. It begins with defining the valuation problem, understanding the context in which value is being measured, and establishing whether sufficient evidence exists to support a defensible conclusion.

In that respect, the most important conclusion of this paper is not a valuation figure. It is a reminder of the discipline that distinguishes professional valuation from speculation: a robust opinion of value depends not only on sound methodology, but on asking the right questions before attempting to answer them.

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Appendix A

Table A1

Summary of Public Financial Information

Category	Publicly Reported Information	Relevance to Valuation
Ownership	Fenway Sports Group (FSG)	Identifies current controlling shareholder.
Proposed Transaction	Reported minority investment discussions led by a consortium including Amit Bhatia	Establishes the nature of the reported transaction.
Reported Valuation	Approximately US\$6 billion (reported)	Provides context but does not constitute a professional valuation opinion.
Revenue	Latest reported annual revenue exceeding £700 million	Indicator of operating scale and potential cash-generating capacity.
Sporting Performance	Premier League champions; regular UEFA Champions League participation	Supports future revenue expectations but does not determine value independently.
Stadium	Expanded Anfield Stadium	Demonstrates investment in long-term infrastructure and revenue generation.
Commercial Activities	Global sponsorship portfolio and diversified commercial revenues	Indicates commercial strength and brand monetisation.
Financial Statements	Published annual accounts	Provides historical financial performance but not forward-looking valuation inputs.
Public Sources	Company filings, official club announcements, and reputable financial media	Forms the evidential basis of this methodology paper.

Note. Information presented reflects publicly available sources at the time of writing. The table is intended to summarise contextual information rather than provide sufficient evidence for a professional valuation opinion. Confidential transaction documentation, management forecasts, shareholder agreements, and detailed due diligence materials were not publicly available and therefore fall outside the scope of this paper.

Appendix B

Table B1

Selected Public Sources

Source Type	Examples	Purpose
Official Club Publications	Liverpool FC annual reports, official website, investor announcements	Financial performance, ownership information and corporate developments.
Regulatory Filings	Companies House filings and other applicable corporate disclosures	Corporate structure and statutory financial information.
Financial News	Reuters, Financial Times, Bloomberg	Reporting of the proposed minority investment and transaction developments.
Sports Business Media	SportBusiness, SportsPro, The Athletic	Industry context and commercial developments within professional sport.
Financial Databases	S&P Capital IQ, PitchBook, FactSet (where publicly reported information was available)	Background information on comparable transactions and market context.
Governing Bodies	Premier League, UEFA	Competition structure, regulatory information and commercial environment.

Note. This paper relies exclusively on publicly available information. The inclusion of a source does not imply that all information published by that source was used directly in the analysis. Where multiple sources reported the same information, preference was given to official disclosures and reputable financial journalism.