

IPL - Valuation Model - 2011 Franchise Expansion
- based on constant central rights distributions (80% TV / 60% sponsorship)
(\$ in millions)

Data												
Season	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Inflation Rate (real)		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Number of Franchises	10	10	10	10	10	10	10	10	10	10	10	
Matches per Franchise	18	18	18	18	18	18	18	18	18	18	18	
	Total pa											
Sponsorship per Match	\$7.00	\$0.39	\$0.43	\$0.47	\$0.52	\$0.57	\$0.63	\$0.69	\$0.76	\$0.83	\$0.92	\$1.01
Increase per annum		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Licensing Growth		0%	300%	15%	15%	15%	15%	15%	10%	10%	10%	10%
Gate @	40,000 Cap	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Average Ticket (net)		\$10.00	\$11.00	\$12.10	\$13.31	\$14.64	\$16.11	\$17.72	\$19.49	\$21.44	\$23.58	\$25.94
Player Salary Growth			5%	5%	20%	5%	5%	20%	5%	5%	20%	5%
Hospitality - number per match		1,000	1,000	1,000	1,500	2,000	2,500	2,500	2,500	2,500	####	####
Average Ticket (net)		200	220	242	266	293	322	354	390	429	472	519
Franchise Levy (year 8 onwards) - % of total franchise revenue												20%

Season	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
"Average" Franchise												
<u>Share of Central Revenues</u>												
Fixed	10.7	10.7	16.8	16.7	18.1	20.6	22.6	29.8	29.6	32.8	21.3	229.9
Final League standing - average	1.2	1.2	1.9	1.9	2.0	2.3	2.5	3.3	3.3	3.6	2.4	25.5
	11.9	11.9	18.7	18.6	20.1	22.9	25.1	33.1	32.9	36.5	23.7	255.5
Local Sponsorship	7.0	7.7	8.5	9.3	10.2	11.3	12.4	13.6	15.0	16.5	18.2	129.7
Gate	2.7	3.0	3.3	3.6	4.0	4.3	4.8	5.3	5.8	6.4	7.0	50.0
Hospitality	1.8	2.0	2.2	3.6	5.3	7.2	8.0	8.8	9.6	10.6	11.7	70.7
Prize Money - average	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.5	1.5	12.0
Champions League - distribution	2.0	2.0	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	36.0
Licensing	0.5	2.0	2.3	2.6	3.0	3.5	4.0	4.4	4.9	5.4	5.9	38.5
Less: Licensing royalty to BBCI @ 12.5%	-	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.5)	(0.6)	(0.6)	(0.7)	(0.7)	(4.8)
Local Revenue	14.5	16.9	18.9	21.8	27.1	30.9	33.7	37.0	40.2	43.7	47.5	332.3
Total Revenue	26.4	28.8	37.6	40.4	47.2	53.8	58.8	70.2	73.1	80.1	71.2	587.7
Player Salaries	8.0	8.4	8.8	10.6	11.1	11.7	14.0	14.7	15.4	18.5	19.5	140.7
Operating Costs	3.0	3.3	3.6	4.0	4.4	4.8	5.3	5.8	6.4	7.1	7.8	55.6
Total Expense	11.0	11.7	12.5	14.6	15.5	16.5	19.3	20.5	21.9	25.6	27.2	196.3
EBITDA before Franchise fee/levy	15.4	17.1	25.2	25.8	31.7	37.3	39.5	49.6	51.3	54.5	43.9	391.4
<u>Valuation</u>												
EBITDA before Franchise Fee / Levy	15.4	17.1	25.2	25.8	31.7	37.3	39.5	49.6	51.3	54.5	43.9	391.4
Franchise Fee (tax deductible) \$300	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)	(30.0)		(300.0)
Franchise Levy (tax deductible)								-	-	-	(14.2)	(14.2)
Tax 33%	4.8	4.2	1.6	1.4	(0.6)	(2.4)	(3.1)	(6.5)	(7.0)	(8.1)		(9.8)
Terminal Value @ 12.0x											####	(25.5)
	(9.8)	(8.6)	(3.2)	(2.8)	1.2	4.9	6.4	13.1	14.2	16.4	####	
Cumulative	(9.8)	(18.4)	(21.6)	(24.4)	(23.3)	(18.4)	(12.0)	1.1	15.4	31.8		
NPV @ Discount Rate of 15%												79.7