

Lead Serie A negotiator concedes €1.7 billion private equity deal is "difficult to imagine" without support from top clubs

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Photo: Handout | "It's difficult to imagine the Serie A voting in favour of the project without Juventus and Inter Milan," says Udinese vice president Stefano Campoccia.

- **CVC, Advent and FSI's offer to acquire ten per cent of the Serie A for €1.7 billion is looking increasingly likely to fall through.**
- **Udinese vice president Stefano Campoccia says negotiations have been put on hold during the league's media rights tender.**
- **Part of a committee of five to negotiate the offer, he fears clubs such as Juventus and Inter Milan have had their heads turned by the "Super League" proposal - which seems like it is still being worked on.**
- **An increased financial outlook means clubs are no longer reliant on committing to the offer.**

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What could have been a consequential, unprecedented investment into a football league now appears likely to be earmarked for the history books as a pipe dream.

The agreement for a consortium of CVC Capital Partners, Advent International and FSI to take on a ten per cent stake in the Serie A's new media company that would manage its commercial and broadcasting rights for a total investment of €1.7 billion lacks the backing of seven primarily top clubs who seem unwilling to return to negotiations that were put on hold

during the league's TV rights tender.

"It's difficult to imagine the Serie A voting in favour of the project without Juventus and Inter Milan," says Udinese vice president Stefano Campoccia, who is part of a committee of five that also includes representatives from Juventus, Napoli, AS Roma, and Bologna that has been negotiating the offer.

Massive investment interest

Many feared the worst when the coronavirus pandemic started taking its toll on football. Widespread layoffs, bankruptcies and worse were among the expectations when leagues across Europe were pulled to a halt.

But as the situation improved over the spring and summer there was an influx of investment proposals as investors looked to capitalise on the depressed valuations. And for the Serie A it was no different.

🗨️ If the big clubs leave the league it's not a good investment for the consortium

The league was approached with a series of different proposals for investment, securitisation and debt-like instruments by firms such as TPG, Bain Capital, Silver Lake, Cinven, BC Partners, Fortress, Apollo and Blackstone.

US financial advisory firm Lazard was brought in to aid the process in July last year and launched a due diligence process. But the league received only limited binding offers and in September requested the consortia of CVC and Advent International, and Bain Capital and Neuberger Berman to submit their final offers at the beginning of October.

Ultimately, clubs decided to grant exclusivity to the CVC consortium. The firm had initially proposed acquiring 20 per cent of the league by itself at an €11 billion valuation. That was since negotiated up, while Advent and FSI was brought in, to acquiring a ten per cent stake that valued the league at €17 billion.

That deal included a lock-up until 2026, meaning it would be unable to exit its investment before that.

The negotiation committee of five then reached an agreement on the economics of the deal, and the league on 19th December approved the financial terms, thereby mandating the committee to finalise the governance negotiations and propose a transaction term sheet for

final approval.

The transaction was expected to be closed by June 2021.

"Super League" threat

But as the financial outlook improved, some began expressing concerns over the conditions that would entitle the consortium to ten per cent of the league's annual net cash flow from commercial activities – with an earn out of maximum €525 million based on the EBITDA of the media company at exit.

Meanwhile, as talks of top European clubs forming a breakaway "Super League" intensified, it became clear that not all were willing to commit to a project binding teams to the Serie A.

🗨️ One month ago, we finally found a good equilibrium, but in between the situation was changing

Ultimately, doubts culminated in February when seven clubs in a letter to Serie A president Paolo Dal Pino wrote the opportunity was no longer "viable" as it had failed to reach a "qualified consensus."

"The big clubs are exploring the opportunity of the 'Super League.' The CVC consortium of course obligates all clubs to conduct the negotiations in bona fide," Campoccia says.

Surprisingly, his comments seem to reignite fears by some that a series of top clubs are still working on establishing a "Super League" – contrary to reports that the reforms of UEFA's club competitions from 2024, which are likely to be agreed later this month, have served to shelve the proposal.

"If the big clubs leave the league it's not a good investment for the consortium. Then the equilibrium is very difficult," Campoccia says.

Dramatic situation

Separate negotiations over the league's TV rights have also affected the process. Campoccia says talks with the consortium were put on hold as the Serie A launched its media rights tender which in March secured Dazn as the main domestic broadcaster for the 2021-24 period.

The streaming platform's €840 million a year deal for seven out of ten games per match

week could, in combination with the yet undecided offer for the remaining three matches, see the Serie A collect just over €900 million in domestic broadcasting rights fees – compared to the current €973 million annually.

Though a slight decrease in value, Campoccia signals pride in being able to almost secure a similar fee with expectations having been lowered because of the pandemic. This contributes to clubs feeling increasingly confident of the future financial outlook.



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"When the first non-binding offer from CVC arrived, the situation was dramatic. Covid was exploding, all clubs were indebted and without cash, and the situation was getting worse. In that period, it was an interesting proposition, and the Serie A seriously looked at the opportunity," Campoccia says.

According to [Off The Pitch](#) information, a total of €1.7 billion would have been distributed to clubs in seven tranches until 30th June 2026. Upon closing of the transaction, €300 million would be paid, then €350 million the first three years, dropping to €117 million the remaining seasons.

"In the end, one month ago, we finally found a good equilibrium, but in between the situation was changing because Dazn put more money on the table, and the situation is getting better. So, some clubs changed their minds," Campoccia says.

Improving governance

Though Campoccia says the situation is still "in progress," what's clear is that he faces an almost insurmountable task of convincing rival clubs to return to the negotiation table. He reiterates that the deal is "a good option," pointing to improved management of the league as a key aspect.

"Above all a new governance model is important. That is the first goal – not material or economical," he says.

Accordingly, under the league's new media company, seven directors including the CEO would be elected by the consortium, with eight, including the chairman of the board, selected by the Serie A.

This, coupled with it being a separate entity away from other league matters, would streamline commercial negotiations and likely remove at least some of the usual disagreement between the 20 clubs with many different, conflicting interests.

"The Serie A is the house of the 20 clubs and each year it changes. It is difficult to find a correct way to calibrate anything," Campoccia says.

Some also believe, however, that this format would give the consortium power unequal in proportion to its investment and potentially undermine the league's wishes. Though a majority of the media company's board would be able to reject a CEO appointment it can only do so twice.

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