

Elphinstone Research Group



Apollo Sports Capital x Atlético Madrid

Private Equity Research Report

March 2026

APOLLO X



Apollo Sports Capital has completed the acquisition of a majority stake in Atlético de Madrid, taking roughly 55% ownership in a transaction that would provide a valuation of the club at €2.5bn. The deal closed in March 2026, after initially being announced in November 2025, with CEO Miguel Angel Gil and Chairman Enrique Cerezo remaining in leadership positions. Apollo also backed an additional equity and strategic capital increase of up to €100m to support the club's sporting ambitions and infrastructure development, which includes the Ciudad del Deporte project adjacent to the Riyadh Air Metropolitano.

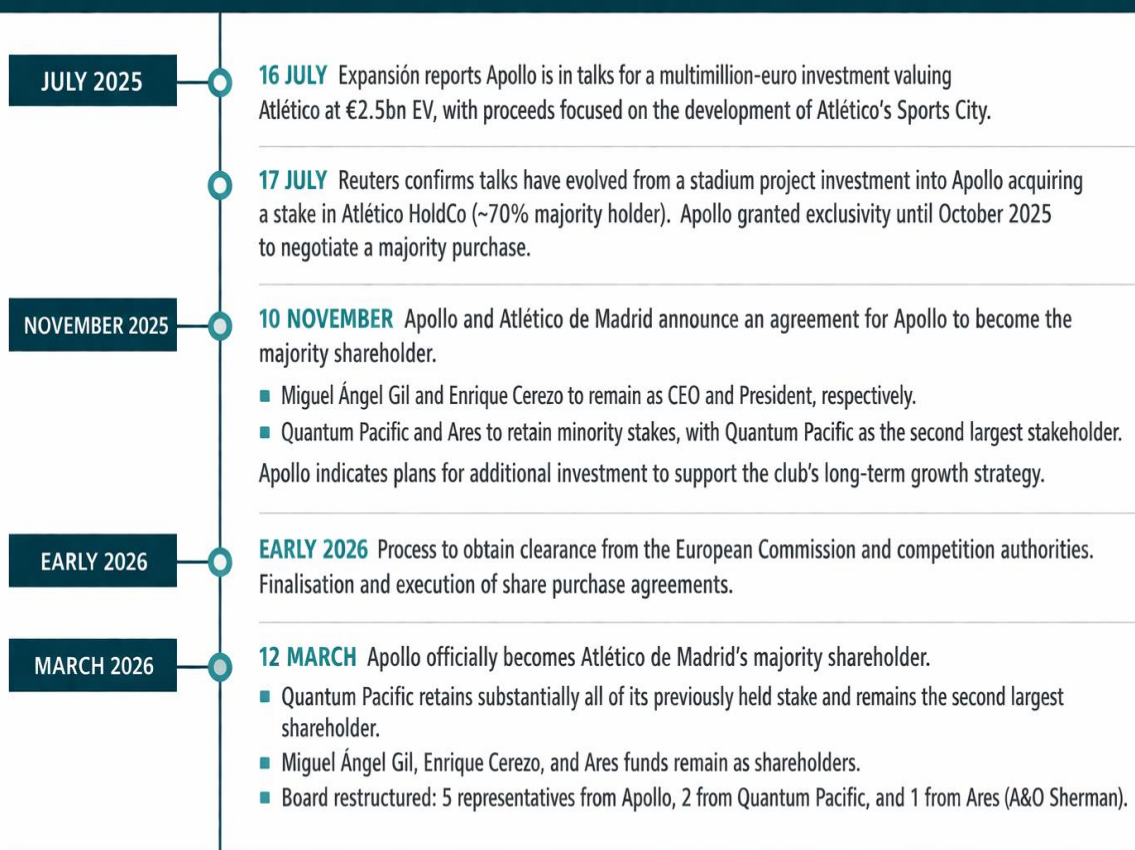
Apollo's investment can be seen as a play on the continued institutionalisation of elite European football and the re-rating potential of premium sports assets. Atlético offers a rare position of control in a globally recognised club with a large fan base, participation in the top-flight of European competition, and multiple under-monetised commercial levers relative to the very top of European football. The club isn't being viewed as only a football team, but increasingly as a broader sport, leisure, and entertainment platform, with the Ciudad del Deporte development creating optionality for greater matchday, hospitality, sponsorship, and non-matchday revenue over time. Apollo described Atlético as its flagship majority equity investment in sports, suggesting a long-duration value-creation strategy rather than a passive financial stake.

The core investment thesis relies on three drivers. First, the scarcity value: controlling stakes in established Champions League-calibre clubs rarely come to market. Second, revenue expansion: Apollo is buying into a club with strong brand equity and room to grow commercial and value-related income. Third, exit potential: if Atlético can narrow the monetisation gap between them and higher revenue European clubs and successfully execute its infrastructure strategy, Apollo could realise a significant upside through a future stake sale, recapitalisation, or strategic exit at a higher valuation multiple. Broader market data would also support this thesis, with private equity activity in traditional sports assets rising sharply in recent years as investors pursue stable, predictable, and increasingly diversified sports-related cash flows.

That said, the deal carries material risks. Atlético operates in an open-league football system, where sporting performance directly affects revenues through European qualification, prize money, and player trading outcomes. The €800m Ciudad del Deporte projects also introduces execution and capital deployment risk, while football clubs are also exposed to factors such as wage inflation, transfer market volatility, regulatory scrutiny, and macro-sensitive sponsorship demand. In addition, Apollo's target return depends on growing Atlético from a higher-quality franchise into a more fully monetised entertainment asset; failure to expand revenues meaningfully could limit multiple expansion and compress exit upside.

Overall, Apollo likely bought Atlético Madrid because it combines asset scarcity, global brand strength, and significant commercial upside in a market where institutional capital is increasingly comfortable underwriting franchises in sport. The expected gain is not simply operating cash flow from the club today, but a medium-term uplift in enterprise value driven by infrastructure-led monetisation, stronger commercial performance, and the strategic premium attached to a controlling stake in one of Europe's most recognisable football clubs.

ATLÉTICO DE MADRID ACQUISITION TIMELINE



Stake Acquired and Valuation

While the financial details of the transactions have not been officially disclosed, analysts estimate Apollo acquired a 50-55% stake which valued Atlético de Madrid at €2.5bn Enterprise value. The sale saw Atlético HoldCo's shares shrink from 70% to none, while the Quantum Pacific Group saw shares diluted 2.78% from 27.80%.

The FT reported that the investment is one of the largest investments into European sport by a private capital company. A 55% stake of a €2.5bn valuation, puts the investment cost to Apollo close to €1.4bn, this stake is being purchased through Apollo's new sports investment vehicle Apollo Sports Capital (ASC). This valuation likely reflects the belief that Apollo and Atlético can leverage their lucrative partnerships with brands such as Nike, Kraken, and Visit Rwanda, along with development projects around the stadium hoping to bring new revenue streams.

Financing Structure

Apollo's takeover was not an LBO but rather an equity purchase, Apollo was given exclusive access to purchasing Atlético's existing shares. These share purchases were completed without the need for additional debt or leverage as Apollo used its very liquid \$5bn vehicle, Apollo Sports Capital (ASC). Atlético's ~€2.5bn enterprise value includes Atlético's existing debt, suggesting that Apollo does not wish to refinance or restructure any existing debt. By not using new debt to finance the deal Atlético and Apollo benefit from a strong balance sheet, following the capital increase Atlético will have more to spend on squad improvement, academy, and major infrastructure projects.



Club Overview: Atlético Madrid

League: La Liga (Premier Spanish Division)	Titles: 34
Stadium: Estadio Riyadh Air Metropolitano	Head Coach: Diego Simeone
Stadium Capacity : 70,692	President: Enrique Cerezo
Owners: Apollo (55%), Quantum Pacific Group (25%), Others (20%)	

a) Historical Evolution and Governance

Founded in 1903, Atlético Madrid has developed into one of Europe's most established football institutions, though its trajectory has been shaped by periods of both instability and transformation. The club's modern history is best understood as a shift from governance dysfunction to institutional maturity. The late 20th century, particularly under Jesús Gil (1987–2004), was characterised by financial mismanagement and organisational instability. Frequent managerial turnover and legal controversy undermined both sporting and financial performance, leaving the club structurally weakened.

The transition to private ownership in the early 1990s further concentrated control, embedding governance challenges that persisted into the early 2000s. From the early 2010s onwards, Atlético entered a markedly different phase. Under CEO Miguel Ángel Gil Marín and manager Diego Simeone, the club underwent a process of stabilisation and professionalisation. Simeone's appointment in 2011 proved particularly transformative, rapidly turning Atlético into a defensively disciplined and highly competitive side capable of challenging Europe's elite. This period laid the foundations for Atlético's emergence as a credible, institutionally stable investment asset.

b) Sporting Success

Atlético Madrid is widely recognised as the third most successful club in Spanish football, consistently competing behind Real Madrid CF and FC Barcelona. Its honours include multiple domestic league titles and European trophies, reflecting a sustained ability to compete at the highest level. The Simeone era has been central to this success. Since 2011, Atlético has secured major titles, including La Liga, while reaching multiple UEFA Champions League finals. Notably, the club has achieved this despite a structural financial disadvantage relative to its rivals, whose global commercial dominance and historical broadcasting advantages continue to shape the Spanish football landscape.

Thus, from an investment perspective, Atlético's competitive position is particularly compelling. It represents a top-tier sporting asset with proven performance credibility, yet one that operates without the financial scale of its closest competitors. This combination positions the club as a high-performing but under-monetised asset, offering scope for both sporting continuity and commercial upside.

c) Brand Identity and Market Position

Atlético occupies a distinctive position within both Spanish and global football. While Real Madrid and Barcelona have built global brands around historic success and superstar-driven marketing, Atlético has cultivated a more authentic and differentiated identity, rooted in resilience, intensity, and collective effort. This identity has been reinforced under Simeone, whose tactical philosophy and leadership have become synonymous with the club's brand. The result is a team that resonates strongly with domestic audiences, particularly within Madrid, where it is often associated with a more working-class, counter-establishment ethos.

However, this strong identity has not yet been fully translated into global commercial success. Compared to its rivals, Atlético remains relatively underdeveloped in international markets, particularly in terms of sponsorship, merchandising, and media presence. This creates a clear opportunity for expansion. In this sense, Atlético's brand should be viewed not as a limitation, but as an underexploited asset, with significant potential to scale internationally under a more commercially focused ownership structure.

d) Fanbase and Global Reach

Atlético Madrid benefits from a large and highly engaged domestic fanbase, forming a strong foundation for both matchday revenue and long-term brand stability. The club has averaged approximately 60,000–61,000 spectators per home match in recent seasons, placing it among the highest in La Liga and reflecting near-capacity utilisation of the Riyadh Air Metropolitano. Digitally, Atlético ranks as the third most followed club in Spain, with an estimated 40–50 million combined followers across major social media platforms. While this places it significantly behind Real Madrid CF and FC Barcelona, it is materially ahead of the rest of the league, reinforcing its position as the clear “third force” in Spanish football. However, the composition of this fanbase remains heavily skewed toward domestic audiences. International markets, particularly in North America and Asia, are comparatively underpenetrated relative to leading European clubs. Recognising this, Atlético has pursued targeted expansion initiatives, including its commercial partnership with SPORTFIVE, aimed at increasing visibility and monetisation in key growth regions.

e) Infrastructure and Asset Base

Atlético Madrid's infrastructure represents a central pillar of its investment case, providing both operational stability and significant commercial upside. Since 2017, the club has played at the Riyadh Air Metropolitano, a modern stadium with a capacity of 70,692, making it one of the largest and most advanced venues in European football. The stadium was redeveloped at a cost of approximately €240 million and has since hosted major international events, including the 2019 UEFA Champions League Final. Its design enables a diversified revenue model, incorporating premium hospitality, corporate boxes, and non-football events such as concerts and large-scale entertainment.

Beyond matchday income, the Metropolitano functions as a year-round commercial asset, generating revenues through stadium tours, museum operations (Territorio Atleti), and third-party events. This diversification is increasingly important in modern football, where reliance on broadcasting revenues alone exposes clubs to external volatility. In addition, Atlético is pursuing further infrastructure expansion through the proposed Sports City project, a large-scale development aimed at enhancing training facilities, commercial real estate, and fan engagement spaces. This project is expected to strengthen both player development and long-term revenue generation.

Financial Overview

Atlético Madrid's financial profile reflects a club operating at strong scale, with revenues growing from €340m in 2021 to €395m in 2024, driven by recovery post-COVID and expansion across broadcasting, matchday, and commercial streams. This places the club firmly within the upper tier of European football in terms of revenue generation. However, profitability remains minimal, with margins close to break-even due to consistently high operating costs, particularly player wages. As a result, the club prioritises sporting competitiveness and reinvestment over short-term profit extraction.

The most notable improvement lies in the balance sheet, with net debt reduced significantly to approximately €373m and debt-to-revenue falling below 1.0x. This deleveraging reduces financial risk and provides a more stable platform for growth. Taken together, Atlético represents an attractive investment opportunity: a financially stabilised, high-revenue asset that has not yet fully optimised its commercial potential. The investment case therefore rests on driving revenue expansion, improving operational efficiency, and leveraging the club's brand to unlock higher long-term value.

Metric	2020	2021	2022	2023	2024	Net Change (21–24)
Revenue (€m)	330	340	370	360	395.1	+65.1
Revenue Growth (%)	–	3.0%	8.8%	-2.7%	9.8%	+16.8%
Profit (€m)	-10	-5	2	0.4	0.7	+10.7
Profit Margin (%)	-3.0%	-1.5%	0.5%	0.1%	0.2%	+3.2%
Net Debt (€m)	999	800	650	550	372.7	-626.3
Debt / Revenue (x)	3.0x	2.4x	1.8x	1.5x	0.9x	-2.1x
Player Sales (€m)	50	45	55	38	27	-23
Operating Costs (€m)	320	335	368	359	367.3	+47.3
Cost / Revenue (%)	97.0%	98.5%	99.5%	99.7%	93.0%	-4.0%

Business of European Football

To understand this deal, it is important to gain an understanding of the broader European football ecosystem. Europe is the focal point of football investment. The European football market grew by 8% in 2023/24 to €38 billion in revenue, with the industry dominated by five main leagues: Premier League, La Liga, Serie A, Bundesliga and Ligue 1. These collectively gained over €20 billion in revenue, generating over half of total European football income. From an investment perspective, football clubs operate as media and entertainment assets. Industry growth is presented by figure 1, where the 'Big Five' European leagues have an upward trend of increasing market size, from 2019/20 at €15.1 billion, to €21.1 billion in 2025/26. This growth highlights the sector's expanding market size, making it a promising investment opportunity.

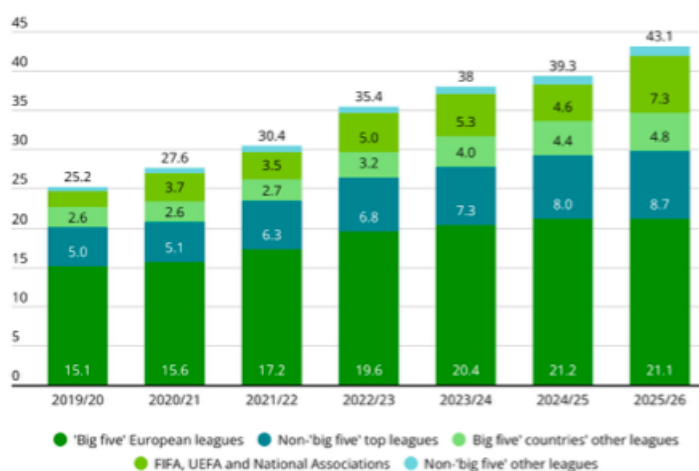


Figure 1: European Football Market Size (€ billion)

Revenue Structure in football

A) Broadcasting revenue is generated from selling media rights to televise, stream or advertise football matches. This is often the largest revenue stream for top clubs representing around 40-50% of total revenue for many teams. Revenue generated from TV deals are negotiated by leagues to include domestic TV rights and international broadcasting rights. The league then distributes money to the clubs. Additionally, revenue comes from continental competitions such as the UEFA Champions or Europa Leagues. Therefore, broadcasting revenue also depends heavily on sporting performance as if a club fails to qualify for the Champions league, it loses guaranteed UEFA distributions, domestic broadcasting bonuses and additional global exposure. Qualification can significantly increase a club's income through a guaranteed participation amount of €18-20 million before playing a single match.

B) Commercial revenue is income gained from sponsorship deals, licensing, merchandising and partnership brands. The main driver of this is clubs with a strong international recognition. For example, Real Madrid generated €594 million in commercial revenue through merchandising from improved retail sales and a €70 million annual sponsorship deal with Emirates as the shirt sponsor. UEFA has stated commercial revenues continued to grow by 10%, making this a growing stream of revenue.

C) Matchday revenue consists of ticket sales, food and hospitality related to the football clubs. Despite being a smaller proportion of club income (10% or so), this is still an important and growing component with modern stadiums such as Atlético Madrid's Riyadh Air Metropolitano stadium being able to provide premium seating options (VIP boxes) and hospitality allowing them to charge higher prices to gain additional matchday revenue. The main driver of this is stadium modernisation as it can support match attendance, event diversification and enhance fan experience through hospitality. From an investment perspective, matchday revenue is less volatile than performance-based revenues. Therefore, investment is more likely in clubs with modernised stadiums that often see higher matchday revenues and stronger brand reputation further feeding into commercial revenue.

Deloitte Football Money League 2025

Rank (last year's position)	Club	Matchday	Broadcast	Commercial	Total (€'000)
1 (1)	Real Madrid	247,600	316,300	481,500	1,045,500
2 (2)	Manchester City	88,000	343,100	406,500	837,800
3 (3)	Paris Saint-Germain	170,100	244,600	391,200	805,900
4 (5)	Manchester United	152,100	258,100	360,400	770,600
5 (6)	Bayern Munich	131,400	212,600	421,300	765,400
6 (4)	FC Barcelona	103,200	235,900	421,100	760,300
7 (10)	Arsenal	153,400	305,400	257,800	716,500
8 (7)	Liverpool	132,000	240,200	342,500	714,700
9 (8)	Tottenham Hotspur	123,200	194,700	297,200	615,000
10 (9)	Chelsea	93,300	189,900	262,300	545,500
11 (12)	Borussia Dortmund	92,500	206,100	215,100	513,700
12 (15)	Atlético de Madrid	74,000	218,400	117,100	409,500
13 (13)	AC Milan	86,600	160,900	150,100	397,600
14 (14)	Internazionale	81,300	197,500	112,300	391,000
15 (17)	Newcastle	67,700	214,500	89,700	371,800
16 (11)	Juventus	55,100	99,700	200,900	355,700
17 (18)	West Ham United	51,900	194,500	75,700	322,200
18 (n/a)	Aston Villa	52,500	214,700	43,000	310,200
19 (20)	Marseille	67,900	117,100	101,900	287,000
20 (n/a)	Olympique Lyonnais	33,900	95,400	134,800	264,100

Figure 2: Deloitte's Annual Football Money League, showing revenue streams for top 20 revenue-generating European clubs.**Financial Structure of football clubs**

European football clubs' financial structure is characterised by high revenue volatility paired with significant fixed costs that are mainly player wages and transfer fees. Despite strong revenues, clubs allocate around 50-70% of income to player salaries. An example is Chelsea reporting high wage-to-revenue ratios illustrating the pressure to invest in playing talent. They incur additional costs of transfer fees (amortised over player contracts), stadium operations and administrative expenses. This results in a high-fixed cost foundation, where profitability is sensitive to fluctuations in revenue. There is not one set ownership model. Each club has diverse ownership models as some clubs are privately owned by individuals or families such as Manchester United. Other clubs are state-backed such as Paris Saint-Germain with others having member-based models such as FC Barcelona, where decisions are governed by a membership system as supporters collectively own the club.

Governance structures are crucial in decision making and how PE investors influence the club. Privately owned clubs, such as Chelsea FC, have a single owner or consortium controlling decisions. From Clearlake Capital's majority stake, financial decisions are mainly driven by these investors. Therefore, a centralised governance model allows PE firms to directly involve themselves in operational and financial changes, capital allocation and long-term value creation plans. With FC Barcelona's ownership model, major decisions are derived by a democratic structure limiting the ability of private capital to gain control and restricting influence on minority or structured investments. Despite diverse ownership models influencing strategic priorities and risk tolerance, they also impact the effectiveness of private equity participation within this sector.

Understanding the financial structure of this industry provides a lens for investors to gain an insight into profitability and risk of a football club. The unique cost structure of football clubs with high commercial revenue paired with high wage ratios may provide insight into future cash flow predictability. Revenue streams with a strong link to sporting performance allows investors to clarify how dependent clubs are on performance compared to stable income, informing risk assessments. Ownership models provide understanding to financial decisions and risk an investor may intake as leveraged ownership models increase financial risk by being financed by debt but may provide high returns if this debt is managed effectively.

Private Equity entering the football industry

European football clubs have increasingly become attractive to private equity and institutional investors in recent years. This is due to the combination of stable, long-term revenue streams with the ability for high growth potential. The diverse revenue streams through sponsorships, broadcasting and matchday revenue, paired with opportunities of merchandising and global brand outreach, provide an attractive investment opportunity. These clubs represent attributes of traditional infrastructure, but with scalability paired with high potential growth.

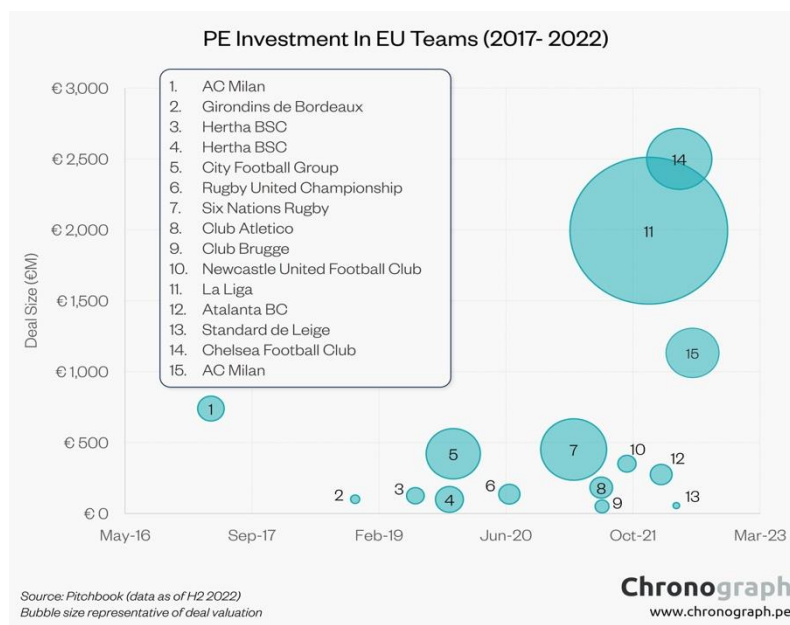


Figure 3: PE Investment in EU Sports Teams (2017-2022)

Figure 3 highlights the seriousness of this asset class through the scale of these investments. There are multiple high-value deals from 2017-22 through Chelsea FC (14) and La Liga media rights (11). The bubble size representing valuation infers that private equity is beginning to invest in prestigious, globally recognised assets. This is further evidenced through the diversity of investments through individual clubs, multi-club platforms (City Football Group) and media rights such as La Liga. The concentration of deals in 2021-22, highlights the growing interest of private equity firms wanting to enter this industry through cheaper buying opportunities such as forced sales.

The investment thesis is perhaps most clearly illustrated by Apollo Global Management's stake in Atlético Madrid. Mid-tier elite clubs offer a compelling balance of stability and upside: predictable revenues from broadcasting and matchday income, combined with the commercial scalability of global fanbases. Importantly, modern stadium infrastructure enables year-round monetisation through concerts, events, and sponsorship activations, reducing reliance on on-pitch performance alone. This aligns closely with private equity's preference for assets that combine recurring cash flows with operational levers for value creation.

However, the acquisition of Chelsea FC by Clearlake Capital also exposes the structural tensions inherent in applying private equity models to football. While the post-acquisition spending spree—exceeding £1bn on transfers since 2022—signals an aggressive attempt to accelerate sporting and commercial growth, it simultaneously highlights the constraints imposed by UEFA's Financial Fair Play (FFP) regulations. These rules limit the extent to which owners can directly subsidise losses, forcing clubs to rely on internally generated revenues, player trading, and accounting strategies to remain compliant. Nevertheless, these high-profile transactions have had a demonstrable signalling effect. They have legitimised football as an institutional asset class and accelerated the influx of private capital across Europe, from minority stakes in clubs to league-wide financing structures. In doing so, they are not only reshaping ownership models but also redefining football as a hybrid industry, positioned somewhere between sport, media, and entertainment, where financial engineering is becoming as important as sporting success.

Understanding both Atlético and the broader ecosystem, we can now start to understand the thesis behind Apollo's investment. Ultimately, Apollo's acquisition of a majority stake in Atlético Madrid reflects a broader private equity strategy of targeting premium sports assets with strong underlying fundamentals and significant scope for commercial expansion. The investment aims to reinforce the Club's position among football's elite and support its ambition to deliver long-term success for millions of fans worldwide. In return, Apollo is given the chance to expand its sports and entertainment portfolio.

Asset-Specific Investment Rationale

Despite strong on-pitch performance and regular qualification for European competitions, the club remains commercially underdeveloped relative to its peers. This creates scope to enhance sponsorship agreements, expand merchandising activities, and implement more sophisticated pricing and segmentation strategies. Through the introduction of more professionalised and data-driven commercial operations, Apollo is likely to focus on increasing revenue per fan while improving overall margins. Additionally, Atlético Madrid's international brand remains underexploited. While the club benefits from a strong identity and global recognition, its commercial footprint outside Europe is comparatively limited. Apollo is expected to drive expansion into high-growth markets such as the United States, Asia, and the Middle East, leveraging digital platforms and international partnerships to enhance fan engagement and monetisation.

Stadium and Infrastructure Monetisation

The shareholder group intends to invest additional capital to support the Club's long-term plans, including further investment in Atlético de Madrid's teams and in major infrastructure projects. This includes the development of the Ciudad del Deporte, a new sports and entertainment district adjacent to the Riyadh Air Metropolitano stadium, designed to serve as a world-class destination for sport, leisure, culture and community activity. Modern stadium infrastructure provides significant opportunities for revenue generation beyond traditional matchday income. Overall, Apollo can unlock high-margin revenue streams through events and corporate functions and create a vibrant, transformative, multi-use urban hub serving the wider Madrid community.

Scarcity Value and Market Positioning

Another driver of the investment is the scarcity value associated with elite European football clubs. The supply of top-tier clubs is inherently limited, while demand from institutional investors continues to increase. This imbalance supports long-term valuation growth and creates competitive dynamics in acquisition processes. Atlético Madrid, as a consistently high-performing club within a major European league, benefits from strong brand recognition and regular exposure to global audiences. As a result, it represents not only an operational investment opportunity but also a trophy asset with significant potential for capital appreciation.

Private Equity Value Creation Strategy

Apollo's investment strategy for Atlético Madrid is rooted in classic private equity principles aimed at value creation through three core pillars: revenue growth, operational improvements, and multiple expansion. Apollo aims to enhance the club's financial profile while maintaining the existing management leadership (CEO Miguel Ángel Gil and President Enrique Cerezo). The investment provides capital to strengthen the squad and fund projects without redirecting resources away from team competitiveness. By positioning Atlético as a modernised "platform" rather than just a sporting club, Apollo believes it can drive a re-rating of the asset.

Apollo's investment thesis extends beyond passive capital deployment. The acquisition of a controlling stake in Atlético de Madrid is predicated on the identification of multiple operational and strategic levers through which Apollo, acting as an active operating partner, can accelerate revenue growth, expand margins and unlock latent enterprise value across the club's commercial, sporting and infrastructure platforms. Value creation is expected to materialise across six principal dimensions: global brand expansion, digital fan engagement, stadium and matchday revenue optimisation, commercial sponsorships, player trading strategy, and media and content partnerships

Global brand expansion:

Atlético de Madrid currently ranks twelfth globally by revenue in the Deloitte Football Money League, having grown total revenues from approximately €170 million in the 2010s to over €440 million today. However, a meaningful gap still exists compared to the commercial monetisation achieved by the biggest clubs in the world. Apollo's value creation plan centres on deepening the club's international footprint, with particular focus on North America and Greater China. Under Apollo's stewardship, the internationalisation strategy is expected to move from an outsourced agency model to an institutionalised, data-driven commercial operation. This would include the establishment of multiple permanent commercial existences in key territories and the pursuit of premium regional sponsorship agreements that leverage Atlético's distinctive brand identity and competitive heritage.

Digital fan engagement:

Fan engagement represents one of the most structurally under monetised areas of the club's current operations. While Atlético has demonstrated strong growth in digital reach, the audience has not yet been converted into a scalable, direct-to-consumer revenue stream. The strategic logic is twofold. First, a first-party data platform strengthens the club's ability to segment and monetise its global fanbase through personalised commercial offers, targeted sponsorship activations and premium content tiers. Second, ownership of the digital distribution layer reduces reliance on third-party social platforms and creates recurring revenue streams with higher margin profiles than traditional commercial income. Specific initiatives are anticipated to include the launch of a dedicated OTT or subscription-based content offering featuring behind-the-scenes access, academy content and legacy programming; the integration of fan engagement data into the club's sponsorship sales process to demonstrate measurable return on investment for commercial partners; and the deployment of gamification and loyalty mechanics to deepen engagement frequency and lifetime value across international fan cohorts.

Stadium/matchday revenue optimisation:

The near-term focus is expected to centre on expanding premium hospitality inventory, introducing dynamic and demand-based ticket pricing models, and increasing the cadence of non-matchday commercial events. The stadium already hosts over 220 corporate events and approximately 16 concerts annually. More significantly, the Ciudad del Deporte project, an €800 million mixed-use sports and entertainment district adjacent to the Metropolitano, represents the most transformative infrastructure initiative in the club's history. The development will span approximately 265,000 square metres across five plots under a 75-year municipal concession, incorporating a high-performance training centre, a 6,000-seat mini-stadium, retail and hospitality facilities, an artificial beach and wave pool, padel courts, a four-star hotel, and a 21,000-capacity concert pavilion. Strategic partnerships with operators including Live Nation, GoFit, Playtomic and Universidad Alfonso X have already been secured, and groundbreaking commenced in 2024 with operations expected to begin in phases from 2027.

Commercial sponsorships:

Atlético's current sponsorship portfolio, while growing, remains under-optimised relative to the club's competitive profile and global audience. The naming rights partnership with Riyadh Air for the Metropolitano, and previous shirt sponsorships in excess of \$40 million annually, demonstrate the club's capacity to attract marquee commercial relationships. Apollo's value creation approach in this area is expected to focus on the professionalisation and institutional scaling of the club's commercial sales operation. This includes the development of a tiered sponsorship architecture with clearly defined rights packages segmented by geography, platform and activation type; the integration of digital engagement data into sponsorship valuation frameworks to support premium pricing; and the leveraging of the Ciudad del Deporte as a differentiated sponsorship asset offering naming, activation and experiential opportunities beyond the traditional matchday perimeter. Additionally, Apollo's cross-portfolio relationships across sports, media and entertainment provide a proprietary sourcing advantage in identifying and converting commercial partnerships that a standalone football club would be unlikely to access independently.

Player trading strategy:

Atlético has historically operated one of the more disciplined player trading models in European football, generating significant capital gains through the acquisition, development and subsequent sale of high-value talent. Under Apollo's ownership, the player trading function is expected to be further institutionalised through the application of analytics-driven scouting infrastructure, enhanced performance data capabilities and a more systematic approach to squad planning and asset management. The strategic objective is to increase the conversion rate from the academy pipeline, optimise the timing and structuring of player sales to maximise capital gains, and apply greater financial discipline to acquisition pricing relative to expected contribution and residual value. Importantly, improved financial flexibility under Apollo's ownership, including the approved €100 million in additional equity and strategic capital, reduces the club's historical dependence on player sales as a balance-sheet management tool. This allows greater strategic optionality in retention decisions, enabling the club to hold high-value players through peak contribution periods rather than selling prematurely to satisfy short-term financial constraints.

Media and content partnerships:

The global football media landscape is undergoing structural transformation, with broadcasting rights revenue increasingly supplemented by direct-to-consumer content distribution, documentary and behind-the-scenes programming, and platform-specific media partnerships. Apollo's media and content strategy is expected to focus on the creation of proprietary content assets that can be monetised independently of centralised broadcasting arrangements. This includes the development of original long-form programming, leveraging the club's distinctive competitive narrative, institutional heritage and the dramatic appeal of its playing style under the Simeone era. Documentary-style content has demonstrated significant commercial value across the sport, and Atlético's story, characterised by sustained overperformance against better-resourced rivals, represents a compelling editorial proposition. Beyond original content, the strategy is expected to encompass strategic partnerships with global media platforms for co-produced or exclusively distributed programming, the monetisation of archive and heritage content across digital channels, and the integration of content production capabilities within the Ciudad del Deporte campus.

Valuation and Return Realisation Risk

Apollo acquired its 55% stake at an implied multiple of approximately 6.5× revenue, a figure that places Atlético in the same valuation conversation as top-tier global clubs, despite the fact that it operates outside the Premier League's global audience and the Real Madrid/Barcelona duopoly. This premium entry price creates a narrow margin for error. The investment thesis hinges substantially on the realisation of non-football revenue streams, particularly the adjacent real estate opportunity. Should the Ciudad del Deporte development face construction delays, planning obstacles, or financing headwinds, the commercial rationale underpinning the valuation would weaken materially, placing pressure on Apollo's return profile within its fund lifecycle.

Sporting Performance and Champions League Dependency

Success will depend on Atlético's ability to sustain Champions League qualification, manage wage inflation, and monetise new commercial ventures. Broadcasting revenues represent approximately 49% of the club's income mix, a significant portion of which is contingent on European competition participation. A sustained absence from the Champions League, whether due to managerial transition, squad attrition, or competitive dynamics in LaLiga, would trigger a sharp revenue decline, compressing margins and impairing the club's ability to service its existing debt obligations, estimated at approximately €500 million pre-transaction.



Figure 4: Increasing Champions League Revenues

Private Equity Governance vs. Fan Culture Tension

Research consistently shows that while private equity investment improves the financial health of football clubs, it tends to hurt on-field performance, with goals, points per game, and possession all shown to decline following PE investment. Atlético's identity is inseparable from its working-class, underdog character and its passionate supporter base. For the club, this marks a shift from family-style leadership to corporate governance, a move that brings both professionalisation and a loss of traditional control. Apollo must carefully manage this transition; any perception that commercial imperatives are overriding sporting ambition risks fan alienation, reputational damage, and diminished matchday revenues, outcomes that could compound broader financial underperformance.

UEFA Financial Sustainability Regulations (FSR) Constraints

UEFA's Financial Sustainability Regulations impose strict break-even requirements on clubs participating in European competition. Apollo's equity injection provides financial breathing room at a time when UEFA's tightened sustainability rules left the club little choice but to seek fresh capital. However, aggressive spending on player recruitment and infrastructure, both central to Apollo's growth thesis, must be carefully calibrated against FSR thresholds. Breaches could result in transfer restrictions, fines, or exclusion from UEFA competitions, severely undermining the very asset value Apollo has paid a premium to acquire.

Regulatory and Spanish Governance Risk

Apollo must navigate Spain's sporting regulations, balance investor expectations with fan culture, and integrate smoothly with Atlético's entrenched leadership. Spanish football operates under a distinct legal and corporate framework, including LaLiga's financial control mechanisms and Spanish corporate law requirements governing shareholder approvals and capital issuances. This is the first time a U.S. private equity firm holds a majority stake in a major LaLiga club, setting a precedent for future institutional takeovers and with no established playbook, regulatory friction or unforeseen legal challenges in this framework remain a live risk.

Key-Man and Management Continuity Risk

The club's sustained competitive and commercial success over the past decade is closely associated with the leadership of CEO Miguel Ángel Gil Marín and, critically, manager Diego Simeone. Before Simeone arrived, Atlético had gone 15 years without finishing in LaLiga's top three, including two seasons in the second division. The departure of either figure, whether through contract expiry, conflict with new ownership priorities, or natural succession, would pose a material risk to both sporting performance and institutional continuity, potentially triggering a re-rating of the club's value.

Macroeconomic and Currency Risk

Apollo reports in USD while Atlético's revenues are predominantly euro-denominated. Adverse EUR/USD movements would reduce the reported value of cash flows and assets on Apollo's books, complicating return calculations for fund investors. More broadly, a European macroeconomic downturn could suppress consumer spending on matchday tickets, merchandise, and sponsorship, the commercial revenue streams that Apollo is specifically targeting for growth.

Drawn Conclusion for Risk Considerations

The investment case for Apollo's acquisition of Atlético de Madrid is underpinned by a differentiated infrastructure thesis and exposure to the secular growth of elite European football as an institutional asset class. However, investors should monitor closely the pace of Ciudad del Deporte development, Champions League qualification consistency, and the cultural integration of private equity governance within a deeply identity-driven institution. These factors, more than pure financial metrics, will determine whether Apollo can convert a premium entry price into superior long-term returns.

Investment Horizon and Exit Imperative

Apollo Sports Capital's acquisition of a majority stake in Atlético Madrid must be understood within the framework of a conventional private equity investment cycle. Typically, such investments are held over a five to seven year horizon, with target returns in the region of 15 to 25 percent internal rate of return. Within this context, value creation alone is insufficient; it must be paired with a credible and executable path to liquidity.

In the case of Atlético Madrid, this requirement is particularly pronounced. Unlike traditional corporate assets, football clubs are characterised by a combination of financial performance, brand equity, and sporting outcomes. As a result, exit valuation is shaped not only by cash flow generation, but by global relevance, scarcity, and strategic desirability. Apollo's ability to realise value will therefore depend on aligning operational improvements with an exit route capable of capturing both financial and non-financial upside.

1) Strategic and Sovereign Sale

The most compelling and credible exit pathway is a sale to a strategic or sovereign investor. Over the past decade, elite football clubs have increasingly been acquired by state-backed or strategically motivated buyers, for whom ownership extends beyond financial return.

Precedent Transactions

- Paris Saint-Germain F.C. = backed by Qatar Sports Investments
- Manchester City F.C. = owned by Abu Dhabi interests
- Newcastle United F.C. = acquired by Public Investment Fund

These transactions reveal a critical dynamic within the market: strategic buyers frequently ascribe value to football clubs that exceeds purely financial metrics. Brand visibility, geopolitical influence, and global audience reach all contribute to valuations that incorporate a significant strategic premium.

For Apollo, this dynamic is central. Should the firm succeed in expanding Atlético Madrid's international footprint, enhancing its commercial revenues, and further monetising its stadium and associated infrastructure, the club would represent a highly attractive acquisition target. In such a scenario, a sovereign buyer seeking a flagship European asset could justify a valuation materially above that implied by cash flow alone. As such, a strategic sale emerges as the most likely and most value-accretive exit route.

Clubs in top-tier domestic leagues by type of owner or major shareholder

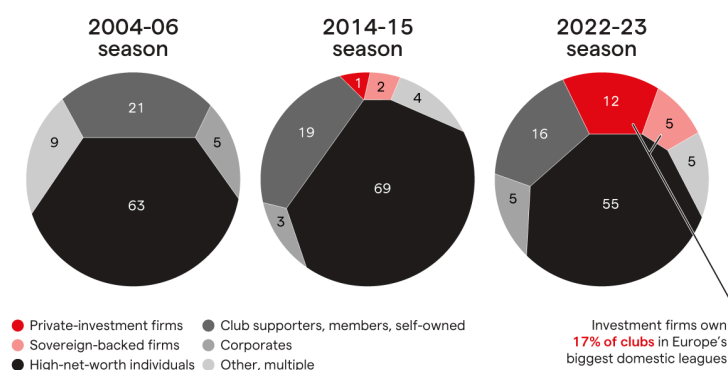


Figure 5: Changes in Major Shareholder Equity over the past 20 years in Europe's top-tier domestic leagues

2) Initial Public Offering

An alternative, though less compelling, pathway is a public listing. Football clubs possess characteristics that lend themselves to equity markets, including strong brand recognition and significant retail investor appeal. Listings of Manchester United F.C. and Juventus F.C. demonstrate that such a route is feasible, particularly where there is a compelling growth narrative tied to global fan engagement and media rights expansion. However, the limitations of this approach are equally clear. Football revenues remain inherently volatile, driven by on-pitch performance and qualification for lucrative competitions. This unpredictability often results in public market investors applying discounted valuation multiples relative to private or strategic buyers. Consequently, the most realistic IPO scenario would involve a partial listing, allowing Apollo to monetise a portion of its stake while retaining exposure to further upside. While viable, this route is likely to be secondary to a strategic sale in both probability and value realisation.

3) Secondary Buyout

A sale to another private equity sponsor represents a further, albeit less natural, exit option. The increasing institutionalisation of sport has led to the emergence of dedicated investment platforms such as Arctos Partners and RedBird Capital Partners, which have demonstrated a willingness to deploy capital into sports franchises and related assets. As the figure below demonstrates, the value of PE-backed sports deals reached its highest level in 2025, underlining a feasible exit strategy.

Nonetheless, football clubs continue to present challenges for traditional buyout investors. Earnings volatility, regulatory constraints, and the limited controllability of sporting performance complicate underwriting and reduce the predictability of returns. Apollo's own historical preference for minority and structured investments in sport underscores this reality.

As a result, while a secondary buyout cannot be excluded, it is less consistent with both market dynamics and Apollo's prior approach.

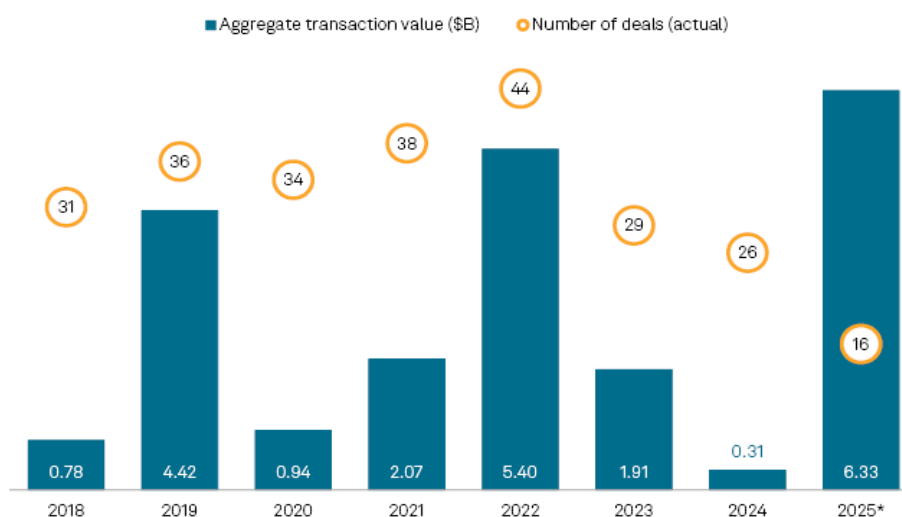


Figure 6: Global PE/VC-backed sports deals, 2018-2025

4) Staged Exit through Partial Stake Sales

In practice, Apollo's exit is unlikely to occur through a single transaction. A more realistic approach is a phased reduction of its stake over time, allowing the firm to realise value incrementally while retaining exposure to further upside. This strategy reflects both Apollo's historical approach to sports investing and broader trends in football ownership, where clubs increasingly attract multiple layers of capital, including institutional investors, sovereign funds, and specialised sports funds. Rather than waiting for a single buyer, Apollo could introduce new investors at different stages of the investment lifecycle, selling minority stakes as Atlético Madrid's valuation grows.

Such an approach offers two key advantages. First, it reduces timing risk. Football valuations are inherently sensitive to short-term factors such as sporting performance and qualification for European competitions. By exiting gradually, Apollo can lock in returns at multiple points rather than relying on a single optimal exit window. Second, it enables price discovery and competitive tension, particularly if the club's global profile and commercial revenues continue to expand.

Importantly, partial stake sales should not be viewed as an alternative to a full exit, but as a complementary mechanism. They allow Apollo to return capital progressively while positioning the asset for a final, higher-value transaction. As such, a staged exit is likely to form a central component of Apollo's overall realisation strategy.

Final Thoughts on Exit Strategy

The analysis suggests that Apollo's most credible exit strategy is a hybrid model, combining partial stake sales with an eventual sale to a strategic or sovereign investor. While an IPO or secondary buyout remain possible, they are less likely to maximise value given the unique characteristics of elite football clubs. Unlike traditional private equity assets, Atlético Madrid's valuation is not driven solely by financial performance. Its appeal lies equally in its brand strength, global reach, and scarcity as a top-tier European club. These factors are typically best monetised through strategic buyers, who are willing to pay a premium for long-term positioning, visibility, and influence.

In this context, the role of sovereign capital is particularly important. Recent transactions across European football demonstrate that such buyers consistently assign value beyond conventional financial metrics. If Apollo succeeds in expanding Atlético's commercial revenues and international presence, the club is likely to become an attractive target for this pool of capital.

At the same time, a phased exit through minority stake sales provides flexibility, reduces risk, and allows Apollo to capture value progressively. The most effective strategy is therefore not a single exit event, but a sequenced process, culminating in a strategic sale at a premium valuation. Ultimately, Apollo's ability to exit successfully will depend on its capacity to position Atlético Madrid not just as a profitable football club, but as a globally relevant and strategically valuable asset.

Apollo's acquisition of a majority stake in Atlético de Madrid marks a watershed moment in the institutionalisation of European football. It is a transaction that crystallises the thesis now driving private capital into elite sport: that the most established clubs are not simply football teams, but under monetised entertainment platforms with global audiences, scarce supply, and significant commercial runway.

The investment case is well-founded. Atlético brings genuine sporting credibility, consistent Champions League participation, La Liga titles under Simeone, and a globally resonant identity, alongside a financial profile that has been materially strengthened over the past five years. Net debt has fallen from nearly €1bn to under €400m, revenue has grown steadily toward €400m, and the club enters this new chapter with a balance sheet capable of supporting both ambition and investment.

Apollo's strategic logic rests on three interlocking pillars. First, scarcity: controlling stakes in clubs of Atlético's calibre simply do not come to market, and institutional demand for such assets continues to grow. Second, commercial upside: despite its standing as the clear third force in Spanish football, Atlético remains comparatively underdeveloped in sponsorship, merchandising, and international markets, each representing a meaningful lever for value creation. Third, infrastructure optionality: the Ciudad del Deporte project, adjacent to one of Europe's finest modern stadiums, has the potential to transform the club into a year-round sport, leisure, and entertainment destination, diversifying revenue away from the inherent volatility of on-pitch performance.

The risks are real and should not be understated. Champions League dependency remains the single largest financial vulnerability. The departure of Diego Simeone, whose 15-year tenure has been nothing short of transformational, would represent a material risk to both sporting performance and institutional identity. The Ciudad del Deporte carries execution and capital deployment risk at scale. And Apollo must navigate the cultural dimension of this transition carefully: Atlético's working-class, counter-establishment identity is an asset and not an obstacle, and any perception that commercial imperatives are overriding sporting ambition risks fan alienation with tangible financial consequences.

On balance, the deal reflects a sophisticated and considered approach to sports investment. Apollo has not overleveraged the club, has preserved existing leadership, has backed meaningful capital injection, and has structured an exit pathway most credibly through a staged reduction of its stake culminating in a strategic or sovereign sale, one that is well-suited to the unique characteristics of elite football as an asset class.

Whether Apollo succeeds will ultimately depend less on financial engineering and more on its ability to expand Atlético's commercial footprint, deliver the infrastructure vision, and sustain the sporting performance that makes the asset worth owning in the first place. If it can achieve all three, the investment has the potential to be not just commercially successful, but genuinely transformative for one of European football's most storied institutions.

Elphinstone Research Group



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