

Man City owners land \$650m deal as global ambitions grow

CITY Football Group, the Abu Dhabi group that owns Manchester City, today raised \$650 million as it steps up global expansion plans in a move that could spark similar moves from rivals trying to keep up.

That's a potential deal bonanza for City of London banks increasingly keen on football investments.

Just months after the collapse of a mooted European Super League, of which Man City were to be one of six UK clubs, it has secured one of the biggest debt deals football has ever seen.

The \$650 million loan is underwritten by Barclays, HSBC, and KKR Capital, the FT reported on its website this morning. CFG had no comment.

The deal tops the €525 million debt financing deal agreed between Goldman Sachs and financially troubled FC Barcelona in June.

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Last year CFG bought a 65% stake in Mumbai City FC, a major move into Indian football that was just one sign of its global

ambitions. It now has stakes in 10 clubs around the world.

Two years ago, CFG sold a 10% stake in itself to US private equity house Silver Lake Partners in a deal that valued the overall company at \$4.8 billion.

The majority owner remains Sheikh Mansour bin Zayed al-Nahyan, a member of the Abu Dhabi ruling family.

The money raised today gives CFG firepower to make further investments, including in its Major League Soccer franchise New York City FC.

David Bick, a City of London football deal expert, told the Standard: "CFG showed a sizeable loss for 2019/20 and 2020/21, which included a full 12 months of Covid with virtually no spectators. But they can sustain these losses and still move the group on. It is on course to remain one of the most valuable sports franchises worldwide and certainly one of the most important football groups. They are patient long-term investors."

He added: "From today's debt deal it seems clear that City Football Group are intent on increasing their investment in multiple clubs globally."

CFG saw revenues for the year to June down 14% to £544 million due to lower ticket and broadcast revenue. It made a loss of £205 million.

There is pressure from fans for Manchester City's rivals – notably Liverpool and Manchester United – to up their spending to stay competitive.

City football watchers note that today's debt deal was done by UK and US institutions rather than banks in the Far East.

That is a sign both of the owners' desire to increase its access to finance and of the increasing interest mainstream

banks have in the football industry.

The success of Euro 2020 and the England teams narrow loss in the final is likely to increase the enthusiasm of City banks to do deals.

Two years ago Tottenham Hotspur borrowed more than £630 million for their new stadium from banks including Goldman Sachs and Bank of America.

Liverpool's owners also own the Boston Red Sox baseball team and Manchester United's Glazers family own Tampa Bay Buccaneers in the NFL, who won the Super Bowl in February. But neither is setting out to have multiple ownership like City is.

Bick added: "They will feel under pressure in a Premier League context, but have not shown the same desire to expand in a single sport across the globe. In that sense, they are lagging way behind."