Companies Sport England

# This billionaire’s BNPL model changed the Premier League

*Todd Boehly was dismissed as reckless after leading an eye-watering buy-out of Chelsea FC. But the American financier is a man of method, not madness.*

Todd Boehly, the chairman of Chelsea and co-founder of Eldridge Industries. **Oscar Colman**

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The final game of the 2025 World Series baseball playoff was the most dramatic in the history of the sport, statistically speaking. On nine occasions, the probability of victory swung by more than 15 per cent; twice more than the next-most volatile championship game, which was played in 1924.

Los Angeles Dodgers co-owner Todd Boehly is a numbers man, but amid all the twists and turns he was never in doubt that his team would beat the Toronto Blue Jays and retain the title. [https://www.afr.com/link/follow-20180101-p5n75c]

"Maybe that was just blind confidence to protect myself, but I felt pretty good the whole game," Boehly tells *AFR Weekend*. "The team is really scrappy, and the culture of the team is to never give up," he says.

The 52-year-old American billionaire isn't afraid of a scrap, either. He has built a business empire and a fortune estimated at $US9 billion ($13.7 billion) by playing the odds and making winning bets.

When he led a consortium to buy English Premier League football team Chelsea [https://www.afr.com/link/follow-20180101-p5ajd2] from Russian oligarch Roman Abramovich in 2022 – which at the time was the biggest deal for a sports team in history – Boehly emerged as a disruptive figure in the most fiercely competitive and lucrative sporting competition in the world.

That moment marked a symbolic shift in ownership from petro-dollar backed sugar daddies to Wall Street trained financial engineers [https://www.afr.com/link/follow-20180101-p5amkj] who are putting their reputations, sanity and billions of dollars on the line to achieve commercial and sporting success.

"The reality is it's just about winning," Boehly says in Sydney this week. "Are you winning or are you not? In the end, there can only be one champion."

Boehly says the competitive streak that has driven his career was instilled in him by his high school wrestling coach in Bethesda, Maryland, and initially, he put it to work pursuing a career on Wall Street.

After stints at Credit Suisse and private equity firm Whitney, he oversaw the corporate debt unit at Los Angeles-based investment firm Guggenheim Partners. In 2012, the city's struggling baseball team, the Dodgers, was put up for sale. It was a deal that changed his life.

Boehly was part of a Guggenheim consortium that paid $US2.15 billion for the team, an amount criticised as astronomical for a franchise that hadn't won a National League Pennant or a World Series for over two decades.
It turned out to be a steal. The stadium value and television rights underwrote most of that price, and a year later, the Dodgers' broadcast rights for 25-years were sold for $US9 billion.

Since Guggenheim took over, the Dodgers have been the most consistently successful Major League baseball team, winning their division 12 of 13 years, the National League five times and the World Series three times since 2020.


President Donald Trump talks with Chelsea football club owner Todd Boehly, right, as FIFA president Gianni Infantino, looks on in July. **AP**

Boehly's investment mantra is to own "what you need and what you want". But he says too many owners of sports teams haven't figured out that they're actually in the entertainment business. To hammer home the point, he references one of his other teams, the LA Lakers National Basketball League franchise.

"When you think about the Lakers' brand, what it stands for and what it means, Dr [Jerry] Buss was probably the first one to come to the realisation that this is not a basketball team, this is an entertainment platform," he said.

"He made the Forum [the Lakers stadium] the place to be. He got Jack Nicholson and celebrities to come to games, and he turned it into something very special."

Boehly has been a part owner of the Lakers since 2021, when he joined a consortium to buy a minority stake [https://www.afr.com/link/follow-20180101-p5m8ts] in a deal that valued the NBA franchise at $US10 billion.

He has gone all in on Los Angeles. Aside from the sports teams, he is leading an ambitious luxury development in Beverly Hills under the Aman brand. In 2022 his investment company, Eldridge Industries, took control of the Hollywood Foreign Press Association after a diversity scandal rocked its big annual event [https://www.afr.com/link/follow-20180101-p57r5v], the Golden Globe Awards.

And Eldridge is betting on LA's screen industry, too. The company owns stakes in Oscar-winning production firm A24 (*Everything Everywhere All at Once*, *Civil War*) and the music back catalogues of Bruce Springsteen and The Killers.

Each business has its own strategy, depending on its industry.

Boehly's approach to sports ownership is pretty simple. Pay up to buy fabled teams in big cities, then back them to be consistent winners. The big-city support base means enough bums to fill stadiums and keep seat-prices high. While storied old teams give off a "glow" that attracts fans across global markets, who will pay broadcasters to watch their heroes and might buy the merch, too.

It was this strategy that informed the deal that would make Boehly himself a globally recognised name. And his attempt to upend the way football business is done made him, for many, a figure of ridicule.

## Buy now, pay later football


Roman Abramovich in May 2021, when he was still the owner of Britain's Chelsea Football Club. **Getty**

Russia's invasion of Ukraine in 2022 changed many things, and in the world of football it forced Russian oligarch Roman Abramovich to sell his prized club. Boehly swooped, seeing off a dozen "credible" bids to land Chelsea, one of the most successful and highest-profile clubs of the 21st century. Big city and fabled? Tick.

The price tag was hefty, with £2.5 billion ($5 billion) going to Abramovich and a pledge to invest another £1.75 billion into the club. It was an eye-watering sum, more than 20 times the £140 million Abramovich paid in 2003. Was this the Dodgers trade all over again? Boehly believes so. But he acknowledges there have been plenty of doubters, and critics of his methods, if not the overarching strategy.

“The English papers remind me every day how smart they are and how stupid I am,” he says wryly.

While Boehly was not the first American to buy into the EPL (11 of the 20 teams this season have American owners), his arrival reset the bar for spectacular and controversial.

Chelsea embarked on a spending spree unprecedented in top-flight football. Within a year, they had made two of the most expensive signings in football history, and In the three years since Boehly took over, Chelsea have splashed about £1.5 billion on almost 50, mostly young, players. The strategy appeared like madness. But it soon became apparent there was a method to it that borrowed heavily from the way sports business is done in America. It’s all about accounting arbitrage.

To understand Boehly’s radical approach, you need to understand how amortisation works in football accounting. When a player is bought, the transfer fee paid to the selling club is not booked as a single expense in one year. Instead, it is treated as an asset and the cost spread evenly over the length of the player’s contract.

Typically, a £50 million player on a five-year contract will be accounted at a £10 million a year cost (amortising the transfer fee), plus their wages. Chelsea’s strategy was to sign much more expensive players, such as Moises Caicedo for £100 million, on eight-year contracts, thus getting top-class players at a mid-range price – in Caicedo’s case, £12.5 million a year.

The strategy, which was almost exclusively used on young players with potentially long careers ahead of them, allowed the manager to front-load a complete squad overhaul without immediately breaching spending limits under the EPL’s Profit and Sustainability Rules, and European football’s Financial Fair Play regulations. Both of these tie spending to each club’s profit. As a bonus, they could lock in relatively modest wages, theoretically avoiding costly contract renegotiations and transfer battles.

Chelsea's strategy was to sign young players stars such as Moises Caicedo to lengthy contracts.
**Getty Images**

This was the part of Boehly's plan to quickly turn Chelsea into a winning team.

"You're going to continue to watch our team evolve and grow," he said this week. "We've got them together for a long time. I'm pretty excited about what the future looks like."

Long contracts are common in American sport, where there are no transfer fees and spending rules are limited to salary caps. But they are not in football because Boehly's strategy carries risks other clubs found outweighed the short-term gains.

The most obvious is the "albatross risk", where the team is left with a long-term liability because a player underperforms, suffers a major injury or just doesn't fit the manager's system – a particular risk at Chelsea where Boehly is onto his fifth manager. Out-of-favour players on big wages and long contracts are hard to sell because other clubs won't match the wages and there is little incentive for the player to leave. Players who can't get a run in the first team – of which there are many at Chelsea – can be a drag on morale, too.

Chelsea now has a huge and inflexible cost base for most of the next decade, reducing their ability to spend in the future. That means they have to sell before they can buy, but under Boehly's strategy selling players for a decent profit has become harder.

Profit from a sale is calculated minus the remaining book value. For example, if a £100 million player on an eight-year contract is sold after three years for £70 million, his book value is £62.5 million (£12.5 million amortised per year for three years, leaving five years on the books). The club books only a £7.5 million profit (£70 million minus £62.5 million).

All of which means that Boehly's short-term, debt-fuelled gamble has mortgaged the club's financial flexibility for years to come. Other clubs don't have this problem because the amortisation "loophole" was closed as a result of Chelsea's spending binge, and is now set at a maximum of five years. Still, the jury remains out on whether it will work.

After coming 12th in a disappointing first campaign, Chelsea have improved to finish sixth and then fourth last season. With big-money signings like Caicedo leading the way, they are currently third in the EPL.

Boehly says he has needed a thick skin to deal with the intensity of opinions that come with owning sports teams because fans have such a deep emotional investment.

"Sometimes my wife and my family take it differently than I take it. I just find it's one more person that doesn't know what they're talking about."

It's a sentiment on show at the UBS event [https://www.afr.com/link/follow-20180101-p5n95f], where Boehly slaps down audience questions about the need to find a new goalkeeper and senior players. "Sanchez [the goalkeeper] is doing pretty damn well right now... Reece James has become an unbelievable leader," he says from the stage.

Sam Kerr of Chelsea scores her team's fourth goal during the UEFA Women's Champions League on November 11, 2025. **Getty Images**

## Don't stare in the rearview mirror too long

Among pundits, on-field success has led to a softening of views on Boehly's controversial transfer plan.

Whatever the commentary, Boehly gives off the vibe that he doesn't care, and is totally uninterested in looking back. He refers to a graduation speech given by Roger Federer in which the tennis great explained that while he'd won 20 Grand Slams, he only won 54 per cent of the points he played.

"That point is the most important thing at that moment in time, but when it's over, you got to move on," Boehly tells *AFR Weekend*. "If you stare in the rearview mirror too long, right, you're going to get lost."

As if to prove the point, months after the amortisation loophole was closed in April 2024 he was again getting creative with Chelsea's financials. By selling assets – including the Chelsea women's team – to other companies he owns, Boehly was able to report a solid profit and give the club more headroom to keep buying players without breaking the rules. Was it a blatant exploitation of the rules or a smart strategy to compete with state-backed clubs such as Newcastle and Manchester City? Opinion is divided.

For his part, Boehly is under no illusions that Chelsea has to win for him to be accepted and for his investment to be maximised.

English football's biggest club Manchester United is proof that success on and off the field are intertwined. It's 12 years since they last won the Premier League, and the club has struggled on the field and in the share market [https://www.afr.com/link/follow-20180101-p5clnf]. The New York-listed shares have gone nowhere in five years, neatly reflecting a club that has spent up while falling short of expectations.

"It's been a long time since they've won," Boehly said when asked about Manchester United. "Winning is really valuable so figuring out how to get back on the winning ways is important for all teams. You have to be competitive."

Chelsea knows as well as any club that fans love a winner. Five EPL titles and two Champions League wins in the 16 years after Abramovich took over made it a global brand. For Boehly, continuing that growth, rather than squeezing more out of the fans, is the way forward.

"We're trying to grow a global fan base. If your fan base is continuing to grow all around the world that should lead it to naturally believe that your revenue is going to continue to grow."

## A plan to emulate Warren Buffett

Boehly jetted into Australia to appear at the UBS event before heading to Queensland for the company's board meeting. **Oscar Colman**

Three weeks ago Boehly was at Chelsea's home ground Stamford Bridge to watch his team lose in the last minute to newly promoted Sunderland, whose achievements he described as "phenomenal". Ironically, Sunderland's relegation from the top division in 2017 made it the subject of a Netflix documentary *Sunderland 'Til I Die,* which was produced by Fullwel Entertainment, a production company Boehly part owns via Eldridge Industries.

For all his shrewd investments in sport, Boehly is absolutely a finance guy. Eldridge owns stakes in over 100 businesses across the world in insurance, real estate, asset management, technology and aviation.

Among the investments is a stake in Brisbane-based mining engineering company Ausenco, [https://www.afr.com/link/follow-20180101-p5e6x8] which specialises in supporting miners of critical minerals.

"For us it was a really good way to get a seat at the table in what is an important topic."

Boehly jetted into Australia to appear at the UBS event before heading up to Queensland for the company's board meeting.

His grand vision is to emulate Warren Buffett, not simply by owning undervalued assets, but by amplifying returns in an insurance company structure.

"Berkshire Hathaway in 1992 was $US11 billion in market cap. They passed a trillion last year. If I add up all the value of the enterprises that make up the insurance business, they massively dwarf the asset management business."

Boehly is talking about Buffett's strategy of buying an insurance company to house his investments. This meant he could raise money via insurance policies, and so long as the underwriting was good he could invest in and accumulate assets funded by other people's money. The result was Berkshire compounding at 15 per cent.

"Compounding at 15 per cent is not easy," says Boehly. "By being able to really understand what it is that you're invested in, allows you to do that in a differentiated way."

He says he has no problems switching from working out how to avoid bad loans in his insurance book to avoiding injuries among his players.

"In the end, these are the business models. I am trying to figure out how to identify patterns and where the odds are good."

Boehly likes his odds with Chelsea, but he knows risks have to be taken in business and in sport. And the value of business, sport and life is that the unexpected will happen.

Like on that memorable evening in Toronto, when an unlikely double play in the second extra innings delivered a comeback for the ages.

"Those are the stories you can look back on and embrace. But the experiences that have guided me are when things haven't worked out, and you get back up and move forward when you've been knocked out."


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