

# Padel: Why investors are clamouring for the UK's fastest growing sport

*With courts popping up around the country in the past few years, Padel has caught the eye of investors and notable athletes including David Beckham and Andy Murray. So how did a racquet sport become the next big investment opportunity?*

Temps de lecture : minute

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As Tia Norton steps onto the court, her mind is focused on the game ahead, on the shots she knows she needs to play to beat her opponent. This is not just a friendly warm up: 19 year old Tia is the British women's number one ranked Padel player, playing at the highest level of the game since the age of 12.

Outside of the court, the atmosphere around Padel is febrile. Courts are popping up around the country, at schools and local clubs, aiming to build Padel's popularity at the grassroots level.

Investors are jostling to get in on the action of a sport which has been dubbed by many as the 'fastest growing sport in the world'. Many athletes have put their money behind the sport: in the UK, David Beckham and Andy Murray, further afield, the likes of Zlatan Ibrahimovic and Zinedine Zidane. Even some of sport's mega wealthy financiers are taking notice: with a new tour backed by PSG's Qatari owners.

It would be easy to forget that this isn't a new SaaS company or social media giant: it's a racquet sport. So what is about Padel that has earned

its hype as the next big investment opportunity?

## What is Padel, and where did it come from?

Padel was launched in the 60s by a wealthy Mexican businessman. Enrique Corcuera was interested in launching a new game for his estate, which didn't have space for a tennis court: instead, he designed a game drawing on elements of tennis, squash, and handball. It gained momentum quickly in Mexico, before making the leap over to Spain and Italy, now its main European hubs.

Padel is played on a court measuring 20 metres by 10 metres: roughly the same playing surface dimensions as tennis, but without the surrounding space. Shots can be played off 3m high glass walls that surround the court. Apart from being scored like tennis, it differs considerably: different racquets, different balls.

It embraces its differences from tennis: in fact, many would pit it in direct competition. That's how Tia got into playing: she started playing tennis at a young age, and was invited to a Padel open day at the age of 12. She quickly got a feel for the new sport and liked the alternative environment it offered her.

"In tennis, I found there was so much cheating, and people's parents were getting too involved. I was just a kid who wanted to play and enjoy myself," Tia says.

Other factors set it apart from tennis. One, its accessibility. On a smaller court, with more players, it requires less physical effort than tennis or squash, attracting players of all standards. By nature, it's more social: always played as doubles. In this sense, Francesco says, there are many parallels to five-a-side football. As a game, it's fairly easy to get involved in as part of a large group.

# Why has it caught the eye of investors?

So what has captured the attention of investors? Francesco Belloni is one of these individuals: formerly a growth investor in consumer technology, Francesco is now a founder of *Padel Hero*, building facilities in Italy and looking to expand to the UK.

For one, its growth rate has been eye-catching. According to a *Deloitte report*, Padel already has over 18 million players globally, nearly a quarter of the 87 million tennis players. Early success stories in Spain and Italy indicate its popularity in other European countries. Italy has seen its number of courts increase *fivefold* since early 2020, around 5000 in total. UK investors can easily look at the returns already being produced in other European countries.

Francesco believes this is a turning point, as the sport is approaching the mainstream, hence why growth investors like himself are getting excited. “Venture exists at this pivotal point—the space where something small is on the brink of becoming large very quickly.”

There is an inherent efficiency built into the sport—fitting eight players on the same space as a tennis court. “Usually you would need massive amounts of space to get a mid-tier business in this sector. But with the space required for Padel, you can create real volume,” Francesco says. Furthermore, its pay-to-play model creates a fairly simple business model for each court, making it easy to track revenue and growth.

There is a strong social side to the game (57% of players saying they’d have a drink after playing, according to Deloitte’s report). Clubs like *Padel Social Club*, founded by Kristian Hunter, aim to build facilities where people congregate before and after games. This social aspect is no doubt critical to growth. “At the beginning, you have the fanatics playing. But now we’re seeing it moving from fanatics to groups of friends,” Francesco

says.

## Who are the key players in Padel?

Off the court, there are a number key components that are currently fuelling Padel's success.

Firstly, the federations. In Italy, Padel has already been merged with the Tennis Federation (forming the Federazione Italiana Tennis e Padel); the UK is similar, with the British Padel Association falling under the LTA.

Under this, you have the clubs and the facilities. These include Francesco's Padel Hero, or clubs like Padel Social Club. These are at the heart of fostering the communities that are critical to Padel taking hold in the UK.

Technology plays a huge part too, with businesses like *Playtomic* at the centre of Padel's digital infrastructure—"the deliveroo of Padel". Their platform allows you to turn up anywhere in the world with a Padel court and book at the click of a button.

Yet one of the exciting propositions of Padel is that it is relatively un-innovated, presenting a blank canvas for entrepreneurs and investors to build exciting new products and services around the sport. Much of its organisation is currently fairly informal, done via Whatsapp groups. Moreover, it's done largely on a referral basis. If I'm brand new to the sport, and I don't know anyone else who plays, how can I get involved? There's certainly a big opportunity for a solution which connects potential players, organises games according to your ability.

## What factors will fuel Padel's growth?

Padel is some way off cementing itself in the mainstream. There will be a

number of things that have to fall into place to see the sport come anywhere near the growth it's seen in Italy and Spain.

Investment needs to start at the grassroots level, particularly for children and teenagers. "As soon as Padel becomes an alternative to tennis or football when you're growing up, that's when the game starts spreading to kids and then families," Francesco says.

Fortunately, its efficiency boosts its affordability. Francesco describes how you can have two groups of four kids on adjacent courts, all coached by one person. This shares the cost across a larger group.

There's also huge demand for investment on the facility side. In the UK, there are only a few hundred Padel courts. Fortunately, Kristian, of Padel Social Club says, landlords are clocking onto the commercial opportunity of bringing in Padel operators. "Growth directly responds to investment. If 500 more courts are suddenly built, there will quickly be far more players. Comparatively, the game has hardly been marketed yet here."

Further down the line, financial incentives need to align to encourage people to take it up professionally. This is certainly progressing: the new Qatari-backed Premier Padel Tour promises much more regular competitions and bigger prize pots. A tour like this will have huge implications for audience growth—"You get players who are characters, with stories behind them, and fans will start to follow these individuals," Francesco says.

If all these things fall into place, Francesco, Tia, and the wider Padel community have high hopes for the sport. Will it outgrow tennis as the UK's favourite racquet sport? Perhaps. All eyes, for now, are on one date in particular: the 2032 Olympics in Brisbane.

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