

BUSINESS INSIDER

20 private-equity firms making big moves in sports as teams embrace outside investors

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Private-equity firms are flocking to NBA and other sports teams. Ezra Shaw/Getty Images

- Wall Street's interest in sports continues to grow due to the sector's reliable value.
- Two-thirds of major sports leagues have drawn private equity backing over the past five years.
- Here's a rundown of the biggest private-equity players in sports and where they're investing.

Wall Street's hunger for sports deals is showing no signs of easing as more investors flock to a perceived stable form of entertainment — creating potential big returns as well as concerns.

Since the MLB opened its doors to institutional investment in 2019, all the major leagues except the NFL have followed suit. Since then, private-equity firms have poured \$54.6 billion into sports, according to PitchBook data. Two-thirds of the MLB and NBA teams now have private-equity backing, according to PitchBook.

Valuations have soared accordingly across sports. 2023 saw the NFL's Washington Commanders sold for a record \$6 billion to a group led by Josh Harris, a year after a group led by the Walmart heir Rob Walton paid \$4.65 for the Denver Broncos.

A few factors have made sports hot investments, in addition to the status they bring:

- Competition from tech companies like Amazon and YouTube is driving up the price of broadcasting games.
- Sports are supported by reliable revenue streams from soaring media rights values, loyal fan bases, and advertisers who want to reach them.
- Sports betting has created a fresh stream of income for teams and media companies.

- The easing of pandemic lockdowns has reinforced the value of live entertainment.

"Post COVID, no content is more important than sports content," Carlyle managing director Ben Fund told Business Insider. "Legacy linear TV and video providers need sports content to maintain the customer base, while the world has changed as for how it evaluates the performance for streaming platforms, with a greater focus on customer retention versus customer additions. Everyone in the ecosystem needs sports to make the ecosystem work."

This thinking has brought in a new wave of investors. Some firms, like Arctos, are built entirely around sports. Huge investment companies, like Blackstone, are taking notice and jumping in, as are new entrants like Bluestone Equity Partners and GMF Capital.

Investing in sports teams is a long game, especially since teams' values are subject to long-term media-rights deals and come with limits on the ability to exit. Sports investments are usually limited to minority stakes, while some PEs prefer to exercise operational control. And the field of potential investors is growing with Goldman Sachs helping rich clients invest in teams, which can drive up prices.

Leagues also restrict PE investments, with some caps on the number of teams a firm can own stakes in or the ownership share a fund can hold.

Several PE titans have made waves in sports as individuals, bypassing some of these ownership roadblocks. Harris, who bought the Washington Commanders and is a cofounder of Apollo Global Management, has invested in several teams with Blackstone Group's David Blitzer. Lauren Leichtman and Arthur Levine, who invest through a family office and run PE firm Levine Leichtman Capital Partners, bought the San Diego Wave in a deal that valued the club at \$113 million and marked the highest price ever paid for a controlling stake in an NWSL team, Sportico reported in March.

As private equity becomes more intertwined with sports, some veterans in the field are warning of a bubble.

"There is a tremendous amount of inexperienced capital chasing sports," RedBird founder Gerry Cardinale recently said. "I just think everybody has to calm down a little bit. We need some sober, unemotional, non-trophy-hunting investing in sports."

But others are unlikely to be deterred. A recent study bolsters the case for sports investing, saying it can offer strong returns in bull markets and fare better than other asset classes in downturns.

It seems to be working for Arctos, which has built a portfolio of minority stakes in teams on the belief that it can make operational improvements — its first fund was on track to well outperform its peers in 2023, according to PitchBook.

The NFL is considering opening its doors to institutional investors. There's also rising investor interest in college sports and women's sports, which have become increasingly commercialized.

Scroll down to read about the private equity firms, listed alphabetically, that have been making the biggest moves in sports in recent years.

Apollo owns Yahoo and is reportedly eyeing a bid for sports broadcaster Paramount



Apollo Global Management cofounder and CEO Marc Rowan. Arturo Holmes / Getty

Apollo Global Management, a major player with nearly \$76 billion in assets under management through its PE funds, holds key investments in the media and sports world, most notably Yahoo, which it acquired in 2021.

Last year, the media brand named former ESPN and BetMGM exec Ryan Spoon as president of Yahoo Sports and acquired the social sports-betting app Wager as part of its plans to turn the business around.

Apollo has also been in talks with Sony Pictures Entertainment to make a joint bid to buy Paramount

Global, Reuters reported in April. Paramount is a key sports distributor with rights to the NFL, UEFA Champions League, NCAA basketball, The Masters golf tournament, and more.

On the league and team front, Apollo has been rather quiet but has shown an appetite for such investments. In 2022, Sportico reported that the firm had explored launching a dedicated fund for sports and sized up investment in the Mexican soccer league Liga Mx, though the deal stalled over media rights.

Apollo did not respond to a request for comment from BI.

Arctos invests in pro sports teams and other sports businesses

Arctos, founded in 2019, has acquired more than 20 stakes in major sports teams and sports-related businesses. The firm announced in April a new \$4.1 billion fund for sports investments, bringing its total sports-related assets under management to around \$7 billion across two funds.

Its recent investments include a minority stake in French soccer champions Paris Saint-Germain football club in a deal that valued in December the franchise at more than \$4.3 billion, The Associated Press reported.

Arctos has also invested in several MLB teams, including some of the most valuable in the league such as the Los Angeles Dodgers, Chicago Cubs, and the San Francisco Giants, as well as Boston Red Sox owner Fenway Sports Group.

Arctos' other stakes in major league sports include the NBA's Sacramento Kings, Golden State Warriors, and Utah Jazz; the NHL's Tampa Bay Lightning; MLS's Real Salt Lake; Serie A soccer's Atalanta BC; and the Premiere Lacrosse League. It's also invested in Josh Harris and David Blitzer's Harris Blitzer Sports & Entertainment, which owns the Philadelphia 76ers and New Jersey Devils.

Beyond teams and leagues, Arctos has invested in the ticketing company SeatGeek and GeoComply, a major geolocation provider to the sports-gambling industry.

Ares Management's sports strategy has invested in teams like Inter Miami



Ares Management partners Mark Affolter, Jim Miller, and Kort Schnabel. Ares Management

Ares Management raised in 2022 a \$3.7 billion fund for sports, media, and entertainment. For sports, it invests in teams, franchises, and leagues, as well as companies that service sports, such as venue management and ticketing businesses.

The firm in September made a reported \$500 million investment in the Premier League's Chelsea FC, helping further the franchise's expansion plans, including making stadium improvements, according to the Financial Times.

Ares also doubled down in August on Inter Miami CF, increasing its investment in the MLS team to \$225 million after superstar Lionel Messi joined the team. The club, which Ares first invested in in 2021, encapsulates much of what the firm looks for in sports — it's a growing franchise in an attractive market where there's a thriving fandom for pro soccer and an opportunity for stadium and real-estate development. It also takes advantage of the growth of live entertainment; MLS kicked off in 2023 a 10-year deal with Apple to distribute its games.

Other recent investments include participation in League One Volleyball's \$35 million Series B round in 2023 and backing Eagle Football's 2022 acquisition of Ligue 1's Olympique Lyonnais.

Partners Mark Affolter, Jim Miller, and Kort Schnabel lead the media and entertainment strategy as coheads of the US direct-lending business.

They're also exploring more opportunities in youth, amateur, and women's sports, Affolter told BI.

"These sectors share some of the same attractive demand drivers as professional and men's sports, they have significant growth in participation and lack correlation to the broader macroeconomic environment," Affolter said in a statement. "Investments in these areas performed well for us in 2023, and we expect to see additional opportunities in the future."

Blackstone has eyed sports properties in Germany and Italy

The investment giant only recently entered sports, but recent reports suggest it's looking to catch up fast. The firm has said it's not interested in direct stakes in teams, but didn't rule out investing or lending into parts of a sports franchise's capital structure. It looked in 2020 at Italy's soccer league Serie A, the Financial Times reported. Along with CVC, it also looked at the German Football League, SportsPro Media reported this year. Senior Blackstone exec David Blitzler owns a handful of teams, including the Philadelphia 76ers and New Jersey Devils, through his firm Harris Blitzler Sports & Entertainment, and is part of a group led by Josh Harris that purchased the Washington Commanders in 2023.

Blackstone's earlier sports investments include Gen-Z-focused sports-media outlet Overtime, collectible authenticator Certified Collectibles Group, and the YES Network.

Bluestone Equity Partners is buying sports-adjacent companies



Bobby Sharma. Michael Weschler Photography

Bluestone, founded in 2023 by NBA vet Bobby Sharma, is focused on sports, media, and entertainment, and approaches sports by investing in adjacent businesses, like VideoVerse, which turns video into clips for clients including the UEFA Champions and PMY Group, which provides technical design for major sports venues. Relatedly, it invested in RWS Global, which provides design, casting, and programming for entertainment destinations and venues.

Sharma and partner Walker Brumskine have invested a third of Bluestone's initial \$300 million fund and are close to several more deals; a second fund could soon be in the works, Sharma said.

Carlyle Group acquired its first US team in March



Ben Fund. Carlyle

Carlyle started investing in sports media five years ago and with the Seattle Sounders acquired its first US team in March, the National Women's Soccer League's Seattle Reign FC.

The deal plays to Carlyle's theses around sports as high-quality content with enduring appeal and the monetization gap in women's sports. Carlyle also sees the opportunity to participate in sports' greater openness to institutional capital as teams get more expensive.

Carlyle's cofounder and cochair David Rubenstein is no stranger to sports, having just acquired the Baltimore Orioles for \$1.73 billion.

A big player in private credit, Carlyle has put \$4 billion into sports, media, and entertainment since 2018. Previous investments include Deltatre, a tech company that generates stats about sporting events in real time.

The firm is being selective in its approach to team deals, though. Key to the Reign deal, for example, was having the Sounders, with their deep market knowledge, as a day-to-day operator.

"We've stepped away from more transactions than we've closed," said Carlyle managing director Ben Fund, who runs the firm's sports investments with Alex Popov. "We're not going to be an index of sports investments."

Clearlake Capital is making moves in sports with Learfield, Fanatics, and Chelsea FC



Clearlake Capital cofounder José E. Feliciano. Bryan R. Smith/AFP via Getty Images

Clearlake Capital, led by José E. Feliciano and Behdad Eghbali, has made major moves in the sports landscape over the last few years.

The California-headquartered PE firm in September took majority ownership — alongside Charlesbank Capital Partners and Fortress Investment Group — in Learfield, a key dealmaker in college sports. In December 2022, Clearlake led a \$700 million financing round for the sports-merch giant Fanatics, which Reuters reported valued the company at \$31 billion. The firm also teamed up in October 2022 with Todd Boehly to lead a consortium that bought

the Premier League team Chelsea FC, with Boehly and Clearlake splitting control of the club.

Clearlake's earlier investments in sports include a 2014 majority stake in PrimeSport, an events company that monetized major sporting events like the NCAA's Final Four and College Football Playoff games, and is now part of On Location. Clearlake sold the company about a year after making its investment.

Clearlake did not respond to a request for comment from BI.

CVC Capital Partners just added tennis to its vast sports portfolio

CVC has been involved in sports since 1998 with ownership in Dorna Sports, which holds the rights to MotoGP and, later, Formula 1. It's since taken positions in other leagues and governing bodies such as Spain's La Liga, France's Ligue de Football Professionnel, England's Premiership Rugby, and Volleyball World. In 2023, it added tennis to its portfolio, investing \$150 million in a commercial partnership with the WTA.

CVC's other sports investments include Bruin Capital (which invested \$38 million in January in Box to Box Films, the production company behind Netflix hit "Formula 1: Drive to Survive"); German-based betting company Tipico; and the Gujarat Titans, a cricket team in the Indian Premier League.

CVC's sports activities have sometimes faced controversies. It was criticized for pursuing a return on investment when it ran Formula 1. Soccer powerhouses Barcelona and Real Madrid tried (unsuccessfully) to challenge CVC's agreement with La Liga. And CVC's ownership of the IPL's Titans faced opposition because of CVC's stakes in sports-betting companies.

Blue Owl's Dyal Capital is the first private-equity firm to invest in the NBA

Dyal Capital, part of asset manager Blue Owl, has invested in many of the NBA's most popular teams since 2020, when the firm launched its Dyal HomeCourt fund in partnership with the league.

HomeCourt was the first private-equity firm to get consent from the league to invest in multiple NBA teams.

The NBA changed its rules in 2021 to allow firms to purchase stakes in as many as five franchises, with no more than 20% stake per fund. But HomeCourt is still the "only institutional investor that can acquire a pool of minority stakes in an unlimited number of NBA franchises," according to a press release.

The New York-based firm announced in 2022 a 6% stake in the Atlanta Hawks and BI reported in 2021 the firm had a 5% to 10% in the NBA's Sacramento Kings.

In 2023, HomeCourt made the first PE exit from an NBA team, cashing out at least partially from the Phoenix Suns — the firm's first NBA investment — after 18 months, as part of Mat Ishbia's \$4 billion purchase of the team, Sportico reported.

HomeCourt's parent, Blue Owl, had at the end of 2023 about \$700 million in assets under management committed to its strategy for buying minority stakes in professional sports teams, per its annual report.

Dyal did not respond to BI's request to comment.

Dynasty Equity Partners is eyeing minority stakes in teams

Providence Equity Partners founder Jonathan Nelson and PJT Partners' K. Don Cornwell started Dynasty in 2022 to take minority stakes in teams around the world.

They made their first investment, in 2023, in Fenway Sports Group's Liverpool FC, part of a trend of outside investments in European soccer.

The founders have a long history in sports. Nelson was an early investor in the Yankee Entertainment and Sports (YES) Network through Providence, and Cornwell is a longtime sports banker.

EQT Private Capital Asia wants to expand IMG Academy around the world

EQT Private Capital Asia is a part of Sweden's EQT, which invests in a variety of sectors in Europe, Asia-Pacific, and the Americas.

In 2023, it acquired sports educational institution IMG Academy from Endeavor Group Holdings in a deal with an enterprise value of \$1.25 billion. EQT partnered with its longtime portfolio company on the deal, international school organization Nord Anglia Education, to help expand IMG Academy in Asia, broaden its sports offerings, and attract more female students.

EQT also invested in UTA in 2022, becoming the talent giant's biggest outside investor.

GMF Capital wants to capitalize on growing sports like racing



Salvatore Cremona

Billionaire Gary Fegel's private investing platform GMF Capital, which has been largely centered on private equity, real estate, and alternative investments, entered sports in 2023 with a majority stake in Motorsport Network Media, a portfolio of auto and racing publications.

GMF is on the hunt for more such sports-adjacent companies where it can be a majority owner, with the goal of doing one such investment a year. Interests include sports that are growing in the US, like soccer and padel, in addition to racing.

"Buying a piece of a soccer team is unlikely because we like to have control and make operational improvement," Salvatore Cremona, head of private equity at GMF Capital, told BI. "Getting hands-on is very complicated in a team. And the optionality in selling a team is very limited."

KKR invested in a media and tech company for high-school sports and the betting app FanDuel



KKR's Ted Oberwager. KKR

KKR's sports investments have focused on the broader sports ecosystem — like streaming and ticketing at PlayOn! Sports, fantasy and gaming at FanDuel, or sports-related content at Skydance Media.

Ted Oberwager leads the Gaming, Entertainment, Media, & Sports verticals at the private-equity firm, which was founded in 1976.

Since Oberwager started in 2008, he has invested in several sports-related companies. They include FanDuel, Epic Games (a leading video game and software developer), and online fitness platform Zwift.

In 2022, Oberwager led KKR's investment in PlayOn! Sports, a media and technology company for high-school sports. The company provides content and services for millions of high-school sporting events.

Oberwager also invested in 2016 in the Ultimate Fighting Champion alongside Endeavor, purchasing 50.1% of the martial arts company at a valuation of about \$4 billion, according to company filings.

In February, the investment firm reported \$553 million in assets under management, according to a company filing.

MSP Sports Capital looks for deals with significant ownership or influence



MSP Sports Capital's Jahm Najafi, Pete Taylor, Sharon Hwang, and Jeff Moorad. MSP Sports Capital

MSP Sports Capital was formed in 2019 by retired sports agent Jeff Moorad and billionaire investor Jahm Najafi, a part-owner of the NBA's Phoenix Suns.

The firm, which invests solely in sports, said it looks for deals with significant ownership or influence over an organization.

MSP bought a controlling stake in the X Games action-sports property from ESPN in October 2022, for example, with a goal of "infusing new energy to the brand." In 2020, MSP took a 15% minority stake in Formula 1's McLaren

Racing that was set to increase in 2022 to 33%, in a deal that made Najafi vice chairman of McLaren Racing and put Moorad on the board. The firm also holds a majority stake in Portuguese soccer club Estoril Praia and owns Spain's AD Alcorcón soccer club.

More recently, MSP provided in 2023 stadium financing for the Premier League's Everton FC.

The firm's other team investments include Bundesliga's FC Augsburg, Superliga's Brøndby IF, the Belgian football club SK Beveren, and the Dutch football club ADO Den Haag.

Providence Equity Partners wants to invest in women's sports, live entertainment, and more



Scott Marimow. Providence Equity Partners

Providence was one of the earliest PE firms to invest in sports, starting with a 2001 co-investment to launch YES Network, the broadcast home for the New York Yankees. (The firm exited the company in 2014 at a reported 4.5x return, per The Wall Street Journal.)

It's avoided individual team stakes in favor of companies that are focused on the business end of sports. Its portfolio includes Spain's Real Madrid's media rights, college sports marketing firm Learfield Sports, and driving range company Topgolf (which has merged with Callaway Sports).

These days, Providence is trying to capitalize on the growth in athlete monetization, women's sports, and demand for live entertainment, with investments in sports talent agency Wasserman and Sphere designer Populous, an architectural and design firm focused on sports and entertainment venues.

Providence managing director Scott Marimow said Populous could benefit from the need to replace aging stadiums and build new ones in emerging markets, while Wasserman can capitalize on new revenue outlets for players.

"The athletes are just looking for ways to monetize themselves. It's true in the professional ranks and also in the college ranks, with NIL becoming large," he said.

Raine Group leverages its banking arm to drive its sports deals



Colin Neville. Martin Bentsen

Joe Ravitch and Jeff Sine's merchant bank Raine is another powerhouse in the sports sector, helped by its role as a leading sports M&A advisory. Raine has been investing at a rate of about three companies a year and was an early investor in DraftKings, which helped establish the US sports-betting sector. It raised a new \$760 million fund last year to focus on sports, media, entertainment, and gaming, ensuring it'll continue to be active in sports for the foreseeable future.

Raine looks at leagues and the businesses surrounding them, like the Premiere Lacrosse League that formed in 2018 and Castore, a sports apparel company it added to its portfolio in 2023. Relatedly, Raine has invested in "Friday Night Lights" and "Rush" producer Imagine Entertainment. Youth sports and participatory sports like pickleball are also in its sights.

"Where we feel good is investing where IP is at the core," partner Colin Neville said.

RedBird Capital Partners plays at the intersection of sports and entertainment



Gerry Cardinale. Crystal Cox/Insider

RedBird founder Gerry Cardinale continues to be a heavyweight dealmaker in sports and media while warning that the exuberance of less experienced investors will lead to inflation of team valuations.

In 2022, RedBird added AC Milan for \$1.2 billion to its sports portfolio, which already included trophies like Fenway Sports Group, the sports giant anchored by the Boston Red Sox and Liverpool FC; France's Toulouse FC; and the Indian cricket team Rajasthan Royals.

Cardinale got his start in sports during his 20-year career at Goldman Sachs, where he helped the New York Yankees form its regional sports network, YES, sell a 49% stake at a valuation of more than \$3 billion, and buy it back.

Cardinale sees sports crossing over with entertainment, with investments including LeBron James' media firm SpringHill Company, David Ellison's Skydance, and Ben Affleck and Matt Damon helmed Artists Equity. Jeff Zucker's RedBird IMI, its JV with Abu Dhabi-based International Media Investments, added Front Office Sports to its portfolio in 2023. IMI has been less successful with its bid to take over the UK Telegraph, which provoked concerns about foreign influence in the news.

Silver Lake just took Endeavor private

Run by Silicon Valley-based co-CEO Egon Durban and New York-based Greg Mondre, Silver Lake just expanded its sports purview by taking private Endeavor Group Holdings, which has a huge athlete representation business and sports-events business. Endeavor is also the majority owner of TKO Group Holdings, which owns the UFC and WWE and remains publicly traded.

Silver Lake, which has \$102 billion in assets under management, also has Diamond Baseball Holdings, a baseball professional development business, and sports-merchandise venture Fanatics in its portfolio. Earlier, it invested in Australian Professional Leagues and NZR Commercial Co., an entity aimed at growing New Zealand Rugby.

Sixth Street sees big opportunity in women's sports



Sixth Street CEO Alan Waxman and Real Madrid CEO Florentino Perez.
Real Madrid C.F.

Sports has been a big theme for the San Francisco-based firm, which founded the NWSL's Bay FC in July 2023 with a \$125 million investment, along with Sheryl Sandberg and retired players like Brandi Chastain. Calling it the biggest institutional investment in a pro women's sports franchise, Sixth Street cofounder and CEO Alan Waxman said the time was right to get on board women's soccer because of its soaring popularity and opportunity to close the investment gap with men's teams. The firm also

has talked with Florida State University about raising PE funds, Sportico reported.

Sixth Street, which manages \$75 billion in assets, began making big moves in sports in 2021 when it acquired a majority stake in Legends Hospitality, the sports and entertainment events company started by Dallas Cowboys owner Jerry Jones and the late New York Yankees owner George Steinbrenner. The firm has also invested in the San Antonio Spurs and the Spanish soccer club Real Madrid.

TCG's latest sports investment is focused on youth properties



The Chernin Group's Peter Chernin, Jesse Jacobs, and Mike Kerns.
The Chernin Group

The Chernin Group, cofounded by Peter Chernin, Jesse Jacobs, and Mike Kerns, invests in consumer brands in media and tech.

In sports, the Los Angeles-based multi-stage investment firm is known for investing in Barstool Sports in 2016 and 2018, before the sports-media media brand was acquired by the casino operator Penn Entertainment in deals that valued the company at \$660 million in February 2023.

TCG also has investments in Penn (which has since sold Barstool), the professional Premier League Lacrosse, and the surfing-content-and-commerce company Surfline.

Most recently, TCG has banked on youth sports. It launched with private-equity veterans Josh Harris and David Blitzer Unrivaled Sports to acquire and operate youth sports. Unrivaled bought in April YTH Sports, which operates the Soccer Youth All-American Games for elite youth soccer players, and Unrivaled has properties in baseball, softball, football, and action sports.

TCG has an estimated \$2.5 billion in assets under management.