CAPITAL PARTNERS

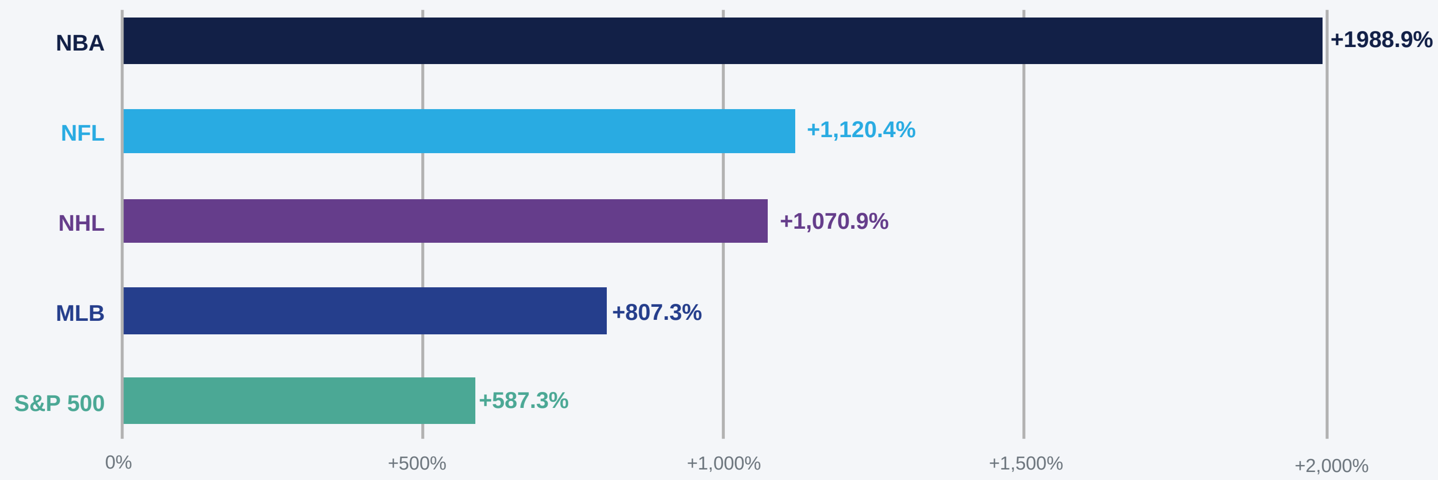
Private Equity is Increasingly Influencing the Business of Sports

For the period 2002 to 2024, the average NBA franchise's value grew more than three times as much as the S&P 500's total return, according to Pitch-Book. Inside: the leagues, the deals, and the structures opening the asset class to allocators.

THE RETURN PICTURE

Cumulative growth, 2002 to 2024.

Average franchise value by league versus the S&P 500 total return (dividends reinvested), per PitchBook.



Source: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025; data from Sportico, Forbes, and PitchBook as of December 31, 2024. For illustrative purposes only.

What this comparison does and does not capture

- The S&P 500 figure is a total return (dividends reinvested); the league figures are franchise value appreciation only, with no owner distributions added, so the comparison is conservative toward franchises.
- Franchise values are third-party estimates (unobservable, Level 3 inputs), updated infrequently and not investable as an index; the S&P 500 is daily, transacted, and observable.
- The two differ materially in liquidity, valuation method, leverage, fees and carry, tax treatment, and investor rights, and are not directly comparable. Past performance does not predict future results.

HOW ACCESS WORKS

Every major league now permits institutional minority capital.

Each league sets its own rules on how much a fund can own, how many teams it can hold, and how long it must stay. The door opened progressively: MLB first in 2019, the NBA, MLS, and NHL soon after, and the NFL in 2024.

Rule	NFL	NBA	MLB	NHL	MLS
Max stake a team can sell to PE	10%	30%	30%	30%	30%
Max stake one PE fund can own	10%	20%	15%	20%	20%
Max teams a firm can hold	6	5	Unlimited	5	4
Average franchise value	**$6.5B**	**$4.7B**	**$2.6B**	**$1.9B**	**$0.7B**

Source: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025 (league sources; as of March 31, 2025). Stakes are passive, carry no voting rights, and are subject to minimum hold periods (six years in the NFL, five in the NBA and NHL).

NOTABLE DEALS

Minority stakes, institutional checks.

Recent transactions span control sales and passive minority positions, priced by firms including Arctos, Ares, Sixth Street, Blue Owl, and Silver Lake.

Team	League	Investor / Stake	Valuation
Washington Commanders	NFL	Josh Harris control (Arctos & Ares LP capital)	$6.05B (2023)
Boston Celtics	NBA	Chisholm / STG control (Sixth Street 11%)	$6.1B (2025)
Miami Dolphins	NFL	Ares 10% + Joe Tsai 3%	$8.1B (2024)
San Francisco 49ers	NFL	6.2% to new LPs	$8.6B (2025)
Tampa Bay Lightning	NHL	Blue Owl consortium (Arctos partial exit)	$1.8B, up from $550M in 2021

Source: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025. The Phoenix Suns, in which Blue Owl entered at a $1.5B valuation, later sold at $4.0B, an illustration of both the upside and the dependence on a single exit event.

THE THESIS

Why institutional capital keeps writing the check.

01

Scarcity

Leagues average roughly 30 teams with little expansion. Fewer available assets makes each one more valuable.

02

Media-rights escalation

The largest value driver. The NBA's new agreement brings in about $6.9B annually, roughly tripling prior revenue to $76B over 11 years; the NFL's deals run near $13B a year.

03

Multiple revenue channels

Tickets, media, sponsorship, licensing, real estate, and betting partnerships diversify the revenue stack.

04

Resilience, not immunity

Per PitchBook, the only periods in the past two decades when leagues lost money were the 2008-2009 financial crisis and the start of COVID in 2020. Resilient is not the same as risk-free.

05

Access has widened

MLB opened to institutional funds in 2019; the NBA, MLS, and NHL followed, and the NFL permitted limited minority stakes in 2024. The NBA has gone further, admitting pensions, endowments, and sovereign funds to passive positions.

Source: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025 (NBA media terms via ESPN/AP, July 10, 2024).

A BENCHMARKED ASSET CLASS

Franchises now have their own index.

A sign of how far the asset class has matured: the University of Michigan Ross School of Business and Arctos built the Ross-Arctos Sports Franchise Index (RASFI), described as the first data-driven benchmark for Big Four franchise values, spanning more than 60 years and 400-plus transactions and updated quarterly. Per the public index, franchise values have compounded at roughly **13.0% per year over six decades**.

Source: University of Michigan Ross School of Business and Arctos, "Ross-Arctos Sports Franchise Index," public methodology (May 2024) and michiganross.umich.edu; launch coverage, Pensions & Investments (Bloomberg), June 4, 2024

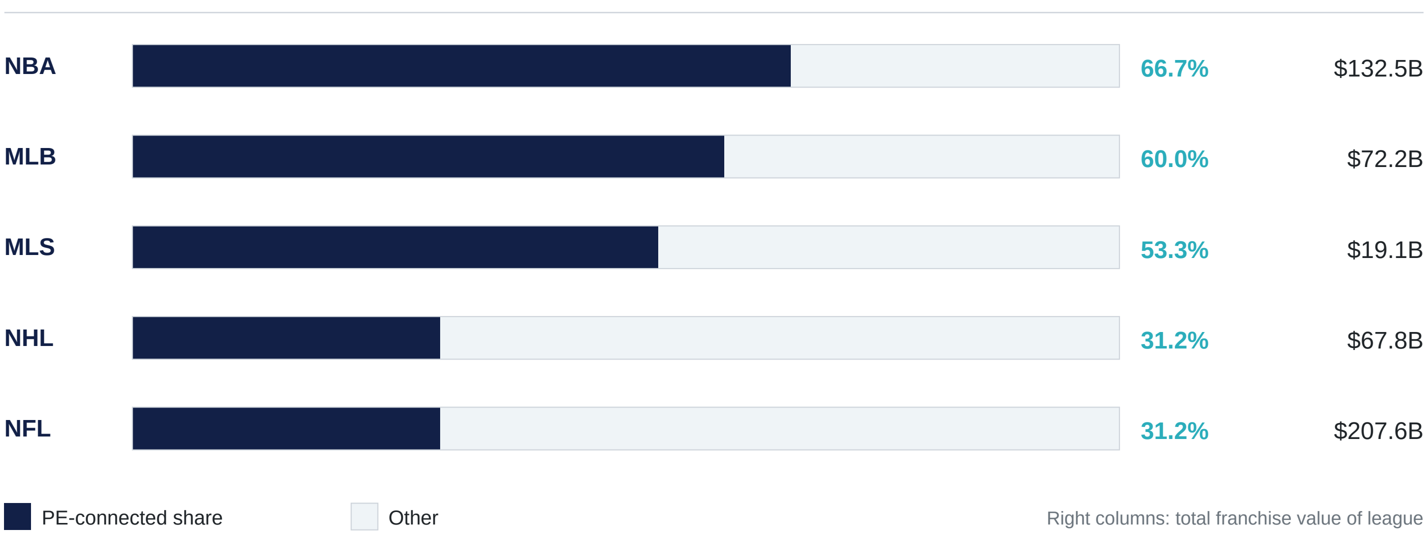
Read this figure carefully

- RASFI is a price-return index (it does not capture distributions) and is not investable: by its authors' description, it is an illustrative model of the average franchise, not a tradable security.
- It measures the average control-level franchise value, which is not the same as a minority limited partner's return after fees, carry, and the limits of a passive stake.
- Index values can revise as historical transactions are added. Past performance does not predict future results.

PENETRATION BY LEAGUE

Where institutional capital has landed.

Share of teams that are PE-backed or PE-affiliated ("PE-connected"), with each league's total franchise value.



Source: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025 (as of May 20, 2025). "PE-connected" combines PE-backed and PE-affiliated teams. NWSL stands at 62.5% on a $1.5B base. "Affiliated" is a broad definition (teams backed by individuals from the PE industry).

CAPITAL FLOWING IN

From a trickle to dedicated multibillion-dollar funds.

PE invested roughly $2 billion in team stakes in 2021, the first real wave. Since then, managers have raised dedicated vehicles at scale.

~$2B
PE invested in team stakes in 2021 - the first real wave.

10+
Sports-dedicated PE funds raising or recently closed in 2024-25.

$1B+
Target size of multiple individual sports-focused vehicles now in market.

Sources: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025 (2021 deal volume); Sports Business Journal, "Proliferation of sports funds highlights growing need for differentiation," June 16, 2025 (count of sports-dedicated funds raising and individual fund target sizes).

THE EXPANDING COLLEGE LANDSCAPE

Now college programs carry billion-dollar valuations.

CNBC's December 2025 ranking valued the top 75 college athletic programs at a combined $51.22 billion, up 13% in a year, with 13 programs now worth more than $1 billion (up from four in 2024). Programs are valued on the total revenue of all their sports.

1. Texas	$1.48B
2. Ohio State	$1.35B
3. Texas A&M	$1.32B
4. Georgia	$1.16B
5. Michigan	$1.15B
Top 75 combined	**$51.2B**

Source: CNBC, "CNBC's Official College Sports Valuations 2025," Michael Ozanian, December 19, 2025. These are revenue-based valuations, not transaction prices, and direct institutional ownership of college programs remains limited and contested.

THE NEXT FRONTIER

The youth-sports opportunity.

A large and fragmented market spanning participation, facilities, media, and technology.

27.3M
Youth athletes age 6 to 17 in the United States

$1,491
Average annual family spending on youth sports

~$41B
Total parental spending across U.S. youth athletes (27.3M × $1,491)

$114B
Projected global youth-sports market by 2032 (third-party estimate)

Sources: Aspen Institute Project Play / SFIA / market-sizing estimates. Any larger "total spend" headline includes non-parental and institutional spending. Market projections vary widely by provider and are estimates.

STREAMING & AI

Rights are getting spread, and getting expensive.

~$56B
Estimated global value of live sports media rights in 2025, projected to exceed $100B within two years.

81 of 100
Of the 100 most-watched U.S. TV broadcasts in 2024, the share that were sporting events.

$76B
NBA's new 11-year media agreement, about triple the prior deal.

AI is reshaping monetization and consumption: personalized highlights, real-time in-broadcast analytics, and cross-industry ownership platforms spanning content, gaming, real estate, and fan data.

Sources: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025; Sling, Feb 2024 and Jan 2025; ESPN/AP, July 2024. Live sports rights market sizing is a third-party

RISKS TO WEIGHT

The other side of the ledger.

An honest case includes the risks. These are drawn directly from the same PitchBook note.

Illiquidity and long holds

Stakes are passive and subject to multi-year minimum hold periods. Sales historically took months or years before PE capital entered.

Exits are unproven

The exit process is still in its infancy; most realizations to date have come only when an entire team was sold, not when a fund chose to exit.

Subjective valuation

Marks rely on third-party estimates and infrequent comparable transactions, not continuous observable prices.

Event and timing risk

Lockouts and the timing of long-term media rights negotiations can suppress growth for years if they coincide with a downturn.

Source: PitchBook, "Private Capital in Sports: PE Is Up to Bat," May 23, 2025. Fees, carry, and the limited rights of a minority position further separate gross franchise appreciation from an investor's net, after-fee experience.

CONCLUDING THOUGHTS

One of the last frontiers for real, shared experience.

As leagues open to institutional capital, allocators have new ways to access the sports economy. The opportunity is real; so are the risks of illiquidity, single-asset concentration, subjective valuation, and fees. The two belong together.

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