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Sports

Private Market Lessons From Sports Month

meetperry | April 2025

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The Opportunity: From our “Game On” White Paper

“We stand at a generational inflection point where **institutional capital is gaining unprecedented access to an industry historically reserved for billionaires.** This convergence of structural, technological, and regulatory shifts creates a rare asymmetric opportunity over the next 5 to 10- years, as the sports industry will likely move from an inefficient market to a more efficient one.”



Market Commentary

"In the last decade, it's been remarkable to see the evolution across sports as an asset class. Ten years ago, if you tried to approach someone about investing in sports, it was really tough. Now, **almost without exception, family offices and institutional investors are including sports as a necessary asset in their portfolios.**"

– Brett Johnson, CEO of Benevolent Capital

Market Commentary

"There's a \$4 billion current unmet opportunity in sports merchandise with women and girls today. This is not complicated stuff. This is demand ready to be converted."

– Fielding Jamieson, TIPT Ventures

Market Commentary

"In this world where social media dominates, AI is scary to a lot of people... people want experiences. This is true with music – Taylor Swift is the best example. People will spend a lot of money to do that. The wallet for that is very large. And sports is in a fantastic position to take advantage of that."

– K. Don Cornwell, Dynasty Equity

Market Commentary

"The NBA is the most global of U.S. professional sports leagues and is effectively a monopoly... International revenue accounts for about 10% of the league's total revenue today, but it's been growing at about a 15% CAGR over the past decade and shows no signs of slowing down. In fact, it's only speeding up."

– Lamar Cardinez, Blue Owl Home Court Partners

Institutional Capital in Sports

Sports team ownership was limited to UHNW. Skyrocketing valuations opened the door to institutional investors

League	Teams	League Value	Average Value	Estimated Owners	Minimum Control	Comments
	32	\$140 Bil	\$4.5 Bil (\$3.0 - 8.0 Bil)	180	30%	Bylaws now allow for PE fund investment for 3-10% of team value.
	30	\$84-86 Bil	\$2.9 Bil (\$1.6 - 7.0 Bil)	250+	-	NBA owners can only own one team with 25 beneficial owners per team having a minimum of 1.0% each. PE allowed 2019.
	30	\$70-80 Bil	\$2.5 Bil (\$1.0 - 7.1 Bil)	350+	15%	Two new franchises coming to market (Utah, Nashville, etc.) PE allowed 2021.
	32	\$33-35 Bil	\$1.0 Bil (\$0.5 - 2.2 Bil)	200+	-	No limit to number of owners. Corporate owners allowed. PE allowed 2021.
	29	\$23 Bil	\$0.8 Bil	160	35%	No limit to number of owners. PE allowed 2020.
TOTAL	153	\$350 Bil	\$2.4 Bil	1,210+	-	

Sources include Forbes lists, NFL, MLB, NBA, MLS, NHL, and UEFA, Sportico, and other unaudited information.

Capital Structures Are Evolving

Dynasty Equity and the NFL created Huddle Co, a holding company structure for long-term equity ownership

Blue Owl's partnership with the NBA includes unique elements:

- Perpetual structure
- Special approval rights
- Ability to own up to 20% in all 30 franchises
- Doesn't count toward the 25 beneficial owner limit

Why This Matters

"The check sizes were getting larger, and the businesses were getting more complex. They needed help. A lot of these families had grown up running a team. And all of a sudden, in comes technology, in comes things like the value of data. We knew sports betting was coming. How do you handle that? I started to think, maybe there's something to do here."

– K. Don Cornwell, Dynasty Equity

The Takeaway

The influx of institutional capital is driving more sophisticated management practices across team operations, financial planning, and talent development. However, the unique aspects of sports investments—league governance structures, revenue sharing models, and balancing financial returns with on-field performance—require specialized expertise.

Media Rights: From Broadcast to Bytes

The Evolution of Sports Media Rights

Media rights have been the primary driver of sports franchise valuations over the past three decades. However, **this landscape is undergoing significant disruption with the entry of technology giants and streaming platforms.**

The NBA's Historic \$77 Billion Deal

The NBA recently signed an unprecedented 11-year, **\$77 billion media rights agreement** with:

- ESPN/ABC (Disney)
- NBC
- Amazon

This deal will more than double the fees the NBA receives each season.

"The value of an eyeball for Amazon is much higher than it was for, say, Fox. Tech companies are positioned to monetize those eyeballs in a much more efficient way than broadcasters were able to do historically." — K. Don Cornwell, Dynasty Equity

Why Tech Giants Are Transforming Sports Media

1. **Superior Monetization Capabilities:** Amazon knows what viewers did before, during, and after watching a game, enabling more targeted advertising and commerce opportunities
2. **One-to-One Consumer Relationships:** Streaming platforms can collect granular data on viewer behavior and preferences, creating opportunities for personalized experiences
3. **Global Distribution Power:** Amazon's international footprint (operating in virtually all major markets outside China) enables true global distribution without traditional geographic limitations
4. **Lower Subscriber Acquisition Costs:** Established platforms can leverage existing user bases rather than building new ones

A Warning Sign?

Despite the optimism, some caution is warranted:

"ESPN walking away from baseball is a pretty telltale sign... You're not going to see the next media rights deal at a step function multiple increase."

— David Abrams, Velocity Capital Management

The Takeaway

The transformation creates opportunities in companies that facilitate content creation, distribution, analytics, and new fan engagement models. Streaming isn't just changing how content is viewed—it's **fundamentally reshaping the value proposition of sports media rights.**

Beyond the Screen: The Value of Sports Experiences

Market Perspectives

"In this world where social media dominates, AI is scary to a lot of people...
people want experiences."

— K. Don Cornwell, Dynasty Equity

Market Perspectives

"What I'll call the **picks and shovels of women's sports...** are **businesses that are tethered to a lot of the growth** that we're excited about in women's sports, but **have a unique economic model** to capture some of that value."

— Greg Mazlin, Sideline Group

Market Perspectives

"If you look at the thesis that we had... **sports tourism is key**. Fans who come from Japan or Asia or the US to see United or Liverpool want to see more than one game on a weekend. We're thirty minutes away."

— Alan Pace, Burnley FC

Women's Sports: The Next Wave of Growth

The Opportunity

Women's sports represents **one of the most significant growth opportunities in the sports investment landscape**, with compelling data points indicating substantial untapped potential.

Size of the Opportunity

According to TIPT Ventures:

- **\$4 billion current unmet opportunity in sports merchandise for women and girls in the U.S. alone**
- **For the first time, 14 million girls playing sports in the U.S. exceeds the number of boys**
- **Half of the top NIL (Name, Image, Likeness) athletes are female**
- **4 million new female audience members for the NFL (the "Taylor Swift Effect")**
- **Record attendance across women's sports at collegiate and professional levels**

Women's Sports: Investment Approaches

Two primary investment strategies are emerging in this space:

- Direct Team/League Ownership
- “Picks and Shovels” Approach

Market Perspectives

"I am incredibly bullish on women's sports, but with a caveat. The WNBA is finally gaining tremendous momentum, and they deserve it because the owners have been patient, investing and losing money for 20 years." — Brett Johnson

Key examples:

- Angel City FC in National Women's Soccer League (NWSL) with celebrity ownership
- WNBA expansion (with Detroit being considered)
- PWHL (Professional Women's Hockey League)

Market Perspectives

"We don't only invest in companies that just serve women or women's sports. We need to see a unique angle, opportunity, or solution to a unique white space." — Fielding Jamieson, TIPT Ventures

Examples include:

- **Ida Sports:** First soccer cleat designed specifically for women's feet (10x revenue growth in two years)
- **Together:** Media business helping brands create content for women's sports
- **Women's sports tech:** Performance analytics, injury prevention (female athletes are 3x more likely to suffer ACL injuries)

The Long Game

"Investors need to understand it's going to be a long tail. The advertising dollars are coming in, and ticket sales are growing, but it will take time." — Brett Johnson

The most successful investors in this space are approaching it with patient capital and a 10+ year horizon, recognizing that while the growth curve is steep, full commercialization will take time.

Youth Sports: A High-Growth Opportunity

Youth Sports: A High-Growth Opportunity

Youth sports in America represents a significant investment opportunity that's showing remarkable resilience and growth:

"Youth sports in America is a license to print money – it's recession-proof and uncorrelated to other markets. Families will cut virtually every other discretionary expense before taking their children out of sports programs." – Brett Johnson, CEO of Benevolent Capital

Key trends driving this opportunity:

- **Increasing participation rates** across sports categories
- **Rising per-capita spend** for youth sports activities
- **Multiple revenue streams**
- Potential for **platform-based scale**
- Growing parental **willingness to invest in children's development**

Revenue Opportunities within Youth Sports Platforms

Monetization opportunity at each step:

- Uniforms and equipment
- App subscriptions and technology
- Tournaments and events
- Accommodations and travel
- Specialized training programs
- Media and content rights

Sports Tech: Data-Driven Decision Making

Player Analytics & Development

Technologies that track, analyze and optimize player performance

Examples: Performance tracking, injury prevention, recovery optimization

"We drive 90% of our decisions by analytics. Our average return on player trading is over 30%." – Alan Pace, Burnley FC

Fan Engagement & Monetization

Platforms that enhance the fan experience and create new revenue streams

Examples: Second-screen apps, fantasy sports, personalized content

"If I could show you some of the things that we're working on for both fan experience, but also disintermediation of gambling, you would be surprised." – Alan Pace, Burnley FC

Content Measurement & Monetization

Tools for tracking, measuring and monetizing content across platforms

Examples: VideoSites (tracking user-generated content), AI-powered highlight generation

"If you can't find it, you can't measure it. And if you can't measure it, you can't get paid for it." – David Abrams, Velocity Capital Management

ROI Analysis Technology

Systems for helping sports rights holders make decisions about facility investments, design hospitality spaces, and determine ROI on capital expenditures

Examples: Elevate

"One of Elevate's core tenants is helping rights holders make thoughtful investment decisions on their intellectual property. So you wouldn't spend \$300,000,000 to renovate a venue if you didn't know what the return on investment would be." – David Abrams, Velocity Capital Management

Sports as an Asset Class: Investment Metrics

Key Financial Benchmarks

- **NBA franchise values grew 30% on average in 2020 (during pandemic)**
- During the 2008 financial crisis, NFL franchise values grew 5% while the S&P 500 fell 38%
- European soccer clubs in the top 5 leagues saw enterprise values grow 8.6% annually from 2012–2022
- The Ross–Arctos Sports Franchise Index (RASFI) delivered a 14% CAGR from 2013–2023, outpacing both the S&P 500 (11%) and Russell 2000 (7%)

Why Sports Assets Deliver Resilient Returns

- **Inelastic demand** from fans regardless of economic conditions
- **Diversified revenue streams** (media, sponsorships, merchandise, gameday)
- **Global audience base** creating geographic diversification
- **Scarcity value** from fixed supply of franchises
- **Growing media rights** and commercial revenues

Commercial Advantages of Sports Assets

New opportunities for monetization:

- Liverpool FC: 200 million fans globally, currently generating just \$4 per fan annually
- Premier League games: 30% of attendees are sports tourists in top markets
- Sports betting creating new monetization opportunities
- Direct-to-consumer relationships enabling higher lifetime values

Sports Investment: Operational Intensity Required

The sports investment landscape demands a combination of strong financial acumen and hands-on operational expertise:

"We are builders... We could care less who wins or loses. We just know everybody is focused on revenue growth." – David Abrams, Velocity Capital Management

Successful sports investors approach teams as businesses:

Case Study » Alan Pace, owner Burnley FC

- Running a team like a stock portfolio (The 30-man roster)
- Using data science for player valuation and development (78% of players sold at a profit)
- Implementing investment committee structures for player acquisition
- Prioritizing exits and liquidity paths from the outset
- Focusing on strategic segments like youth development and data analytics

"I never plan to sell it. But I plan to make money off it and make it investable for other people."
– Alan Pace, Burnley FC

Exit Discipline

What distinguishes successful sports investors from those who struggle in this unique asset class?

"We're in the rental business, not in the storage business. You are already thinking about before you wire your money, who are you building this for." – David Abrams, Velocity Capital Management

Key Success Factors

Operational expertise over passive capital

- "We're much more valuable when things go wrong than when they're right." – George Pyne, Bruin Capital
- Building global networks that can open doors for portfolio companies

Disciplined focus on exits

- Line of sight to exit is a non-negotiable requirement
- Understanding structural constraints of each league
- Realistic assessment of strategic buyer potential

Why Sports, Why Now?

Why Sports, Why Now?

As sports investing evolves from a niche activity of ultra-high-net-worth individuals to a recognized alternative asset class, five key factors are driving the timing of this opportunity:

- **Technology Transformation**
- **Institutional Capital Access**
- **Media Rights Evolution**
- **Operational Improvements**
- **Growing Consumer Engagement**

Technology Transformation

"The number one market in the world is football (i.e. soccer). 5.2 billion people follow, support, are involved... The difficulty is that there's not been a lot of people that have tried to actually attack the entire market." — Alan Pace, Burnley FC

Technology is fundamentally changing how sports properties can create and capture value:

- **Fan Data:** Teams can now build direct 1:1 relationships with global fanbases
- **Content Monetization:** New distribution channels and formats are enabling more efficient monetization
- **Enhanced Experiences:** Technology is enabling both in-venue and at-home experiences that drive new revenue streams

Institutional Capital Access

"We stand at a generational inflection point where institutional capital is gaining unprecedented access to an industry historically reserved for billionaires." — meetperry
"Game On" White Paper

Major regulatory changes across leagues have created a once-in-a-generation opportunity:

- NFL approving private equity investments (up to 10% of teams)
- NBA partnership with Blue Owl's HomeCourt Partners
- European leagues becoming more open to institutional investment

Media Rights Evolution

The shift from traditional broadcast to streaming is enabling:

- **More efficient monetization of audiences**
- **Global distribution without geographic limitations**
- **Better targeting and personalization**
- **New revenue opportunities through owned platforms**

Growing Consumer Engagement

Fundamental shifts in consumer behavior are creating new markets:

- Experience economy driving in-person attendance
- Women's sports reaching critical mass with fans and sponsors
- Youth sports becoming increasingly professionalized and commercialized
- Global expansion of traditionally regional sports

Bottom Line

This convergence of structural, technological, and regulatory shifts creates a **rare asymmetric opportunity over the next 5-10 years**, as the sports industry moves from an inefficient market to a more efficient one.



Thank You for Reading!

Next month we'll be exploring Dual Use Technology & National Security.

2025 Monthly Thematic Event Calendar	
April	Sports
May	Dual-Use Technology + National Security Interests
June	Main Street Businesses + the Generational Transition of Ownership
July	Crypto Digital Assets
August	National Debt and Deficits
September	Energy the Nuclear Renaissance
October	Health, Wellness, and Bio-Sciences
November	AI Proliferation
December	Distressed Commercial Real Estate

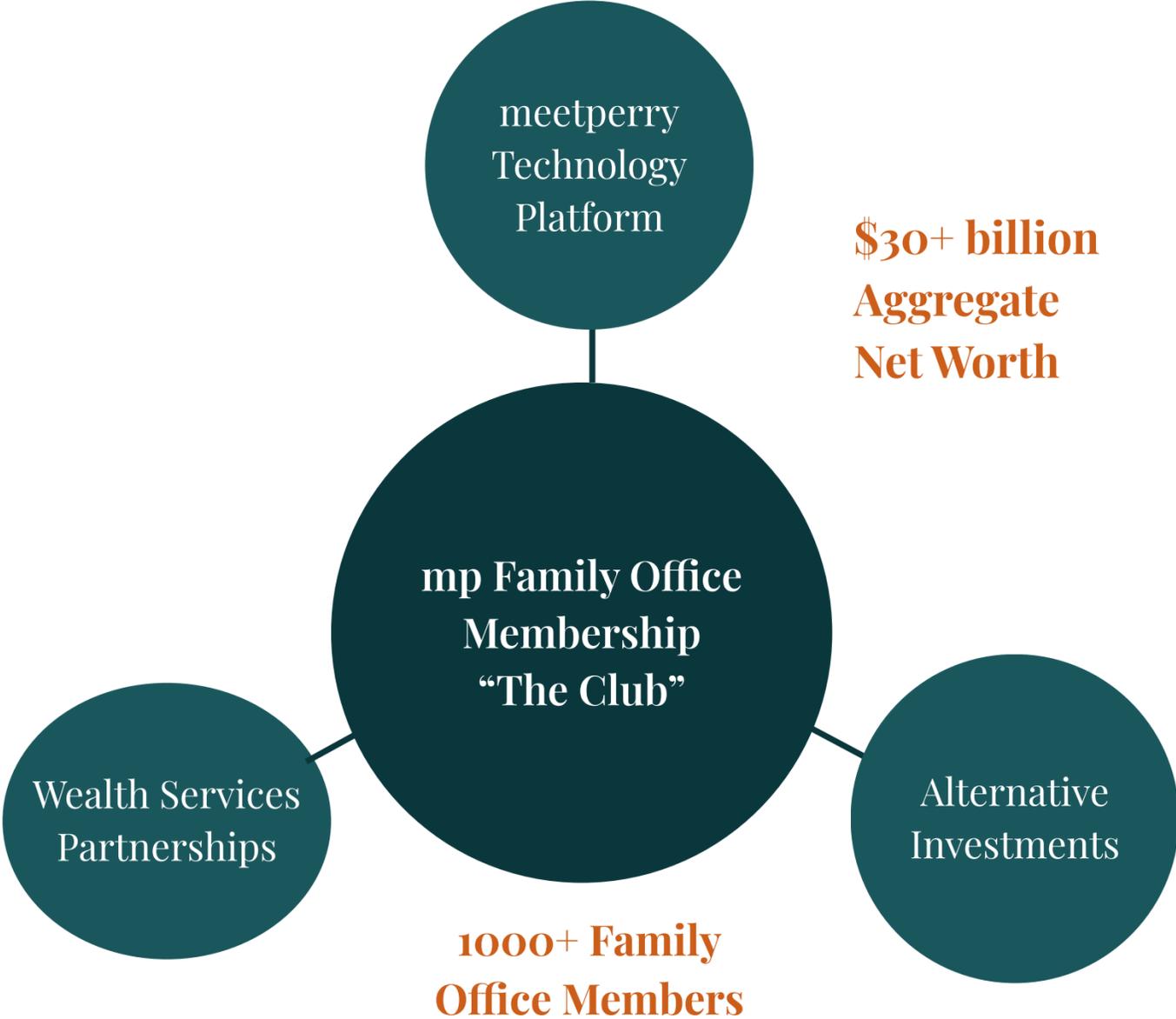
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Who We Are: About meetperry

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Our global membership is a vibrant and highly engaged community of like-minded, high net value individuals and their families that enrich each others lives in the pursuit of our common mission. That mission is to work together to orchestrate opportunities and to share experiences that lead to greater fulfillment in wealth and in life.



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