



Dalton Kasel of Texas, rides "UTZ BESTEX LEGEND" during the 2024 PBR Unleash the Beast at Madison Square Garden in New York on January 7, 2024. Photographer: Charly Triballeau/AFP via Getty Images

Bloomberg Law

There's Money in Bull Riding, and Big Law Is Getting Its Share

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By Roy Strom, Reporter

- Private equity is pouring money into non-traditional sports
- Funds want to build portfolio, not 'golden ticket,' lawyer says

Women's soccer. Pickleball. Indoor golf. Even bull riding is a target for private equity money flowing into the sports business.

Deals now span far beyond investing in the four major US professional leagues. That's boosting Big Law's M&A practices, including at law firms [long known for representing](#) the billionaire buyers and sellers of the country's largest sports teams.

Just about any business that generates revenue from athletes chasing balls—or mounting 1,500-lb bucking bovines—is getting the attention of investors. That includes emerging sports leagues, media companies, or maintaining the green grass at the 80,000-seat AT&T Stadium in Dallas known as "Jerry World."

With only so many NBA and MLB teams to invest in, private equity firms are building out portfolios of investments in lesser-known—albeit riskier—sports that may pay out handsomely for a more modest investment.

"It's a different set of players, and different types of transactions than what we're used to historically in the sports space," said Adam Sullins, who co-chairs Latham & Watkins' entertainment, sports and media practice.

The sports-tech industry saw record M&A activity in 2023, with 328 deals valued at nearly \$27 billion, according to investment bank Drake Star. That was up from 236

deals in 2022 worth nearly \$10 billion. That data tracks companies in media and broadcasting, fan engagement technologies, fantasy sports, gambling, and data analytics, among others.

Investment firms such as Arctos Capital and RedBird Capital have raised billions in funds dedicated to the sports industry. Sixth Street, which has \$75 billion in assets under management and is a minority owner of the NBA's San Antonio Spurs, is looking to raise its first sports-focused fund, Bloomberg [reported](#) in May.

Private equity firms have invested in the major sports leagues since Major League Baseball first allowed institutional capital to back teams in 2019. The National Basketball Association and National Hockey League have followed suit. The National Football League doesn't allow institutional investors, but it is currently debating the issue.

More recently, asset managers have branched out from the major sports leagues.

Big Law's Work

Latham & Watkins announced two nontraditional sports deals since mid-June.

The firm represented private equity giant Carlyle in its investment in the National Women's Soccer League club Seattle Reign FC. And it advised EverPass Media,

which counts sports-focused investment firm RedBird Capital as a financial backer, in its acquisition of UPshow, which sells businesses the rights to stream NFL Sunday Ticket.

“A sports practice isn’t just about representing the teams and the leagues anymore,” said Frank Saviano, a Latham partner enmeshed in the sports industry. “Our client base includes the top private equity funds and private debt funds that in one way or another have hired our sports team.”

Hogan Lovells has also racked up recent deals in the space.

This month, the firm advised global sports investment firm Dynasty Equity, which co-led a Series A investment in TMRW Sports, a virtual golf circuit whose founders include Tiger Woods and Rory McIlroy.

In March, it announced its work on behalf of Major League Pickleball in a merger with erstwhile rival Professional Pickleball Association. The combined tours secured a \$75 million investment from private equity firm SC Holdings. Law firms Choate Hall & Stewart and King & Spalding also advised on that deal.

From Bull Riding to Green Grass

Perhaps the largest deal typifying the race among private investors to control sports revenue came in April, when private equity firm Silver Lake acquired sports and entertainment company Endeavor Group Holdings for \$13 billion.

Endeavor owns UFC, WWE, the Pro Bull Riding circuit, and Euroleague Basketball. It also controls talent and marketing agencies, a sports betting data business, and sports streaming technologies.

At least nine major law firms worked on the deal, including Latham, Kirkland & Ellis, Simpson Thacher & Bartlett, Cravath, Swaine & Moore, Sullivan & Cromwell, Freshfields, Debevoise, Skadden, and Akin.

“You are also starting to see much more activity by investors outside of the ‘big four’ national leagues,” said Michael Considine, a Dallas-based Kirkland partner who has advised investors in Premier League Lacrosse, the

National Women’s Soccer League, Formula One and others. “People are taking a look at sports and sports-related investments very seriously.”

Beyond the leagues, teams, and media deals, some investors see value in the actual green fields.

Sports-focused investment firm Bruin Capital in May acquired PlayGreen, a Dutch company that maintains natural grass fields and counts as clients the Dallas Cowboys, Boston Red Sox, Wimbledon, and Premier League soccer clubs Arsenal and Tottenham. Simpson Thacher advised Bruin Capital on the deal.

No ‘Golden Ticket’ Hunt

Private equity investors see emerging sports as part of a broader trend that the industry will continue to deliver significant returns, said Russell Hedman, a Hogan Lovells partner who co-led the firm’s work for Dynasty on the TMRW Sports investment.

“It takes vision to see the next opportunities, not just the sports that are already succeeding,” Hedman said. “They’re not trying to get the Willy Wonka golden ticket. Good investors are trying to get results by building portfolios based upon a solid thesis.”

Lesser-known sports in the US that could garner private equity attention include rugby, cricket, cycling, sailing, motorsports, drone racing and lacrosse, said Michael Kuh, Hogan Lovells’ New York office managing partner who frequently handles sports deals.

Part of the push into new sports is driven by the expansion of digital media companies seeking live programming, he said. A thirst for programming on Facebook or Youtube, for example, could open a path to more lucrative media rights deals for new sports.

“It creates all kinds of new opportunities for sports that were not traditionally marquee sports in the US,” Kuh said.