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Investment Trends in Sports, Media, and Entertainment in an Evolving Landscape

As we take stock of the sports, media, and entertainment landscape in 2026, private equity (PE) investment in this space continues to surge, having exceeded tens of billions of dollars annually in the past few years. As these opportunities mature, they are increasingly being considered high-growth asset classes with viable and predictable cash flows. Firms including Arctos, RedBird Capital, and Sixth Street are targeting professional team interests in the National Basketball Association, the National Football League, Major League Baseball, Major League Soccer, and European football. They are also looking closely at media rights and the development and redevelopment of stadium “live-work-play” facilities, with significant growth of and investment in women's sports and emerging leagues. Some examples include pickleball, padel, indoor lacrosse, women's hockey, and 7v7 soccer, among many others. There has also been significant interest in secondary and tertiary leagues, media rights, and stadium facilities in both Europe and in the United States, and this trend is not slowing down. In the United States, there is increasing interest by PE to invest in college and university sports programs, brands, and infrastructure as the collegiate sports landscape continues to evolve and grow. This is best exemplified by the importance of college football in the sports landscape: Globally, 12 of the top 20 and seven of the top 10 stadiums by fan capacity are college football stadiums.

On the media and entertainment sides, we have witnessed significant PE investment in traditional media and the transformation of legacy media as the cable model sunsets and the streaming model continues to grow. One need look only as far as the widely reported proposed acquisition by Netflix of Warner Bros. Discovery and the ensuing hostile tender offer by Paramount Global, Paramount Global's own recent acquisition by Skydance, the spinoff by NBCUniversal of its cable portfolio into Versant, or Saudi Arabia's Public Investment Fund's reported $1 billion investment through a subsidiary into DAZN (a global sports streaming service that focuses on live sports content) to realize that this landscape is quickly changing and the opportunities for PE investment are ripe for the taking. These investments focus on acquiring or financing the acquisition of broadcasting rights and long-term, high-value media contracts.

Beyond these investments, there have been interesting developments in music assets as well. The music rights investment space is gaining investor attention, and it is no longer solely the realm of traditional investors. PE firms, family offices, and institutional investors are increasingly evaluating and investing in music catalogs, treating songs and both the publishing rights and recordings as a high-yield, alternative asset class with high returns. Driven by streaming revenue, firms like Blackstone, KKR, and Apollo are acquiring music rights for high multiples of annual royalty earnings. These investments often involve a multiyear lockup, aiming to generate steady income through licensing, publishing, and royalties.

The primary targets of investment are music publishing (songwriting rights) and recorded music (master recordings). The emergence of streaming as the dominant method for consumers to engage with music provides predictable, consistent, and measurable cash flows to the rightsholder(s).. Beyond a “buy-and-hold” strategy that just passively collects these royalty streams, some PE firms aim to actively manage and commercialize music assets, thus enhancing returns through licensing. These structures appeal to the music artist because they can receive a significant amount of money up front, depending on the marketability and popularity of their catalogs, rather than waiting for annual royalty payouts. For artists who are at or near the end of their life cycle of creation, the sale of these assets also offers them a simpler path in their estate planning.

One trend we are monitoring closely in this space is the departure by investors from solely pursuing “known star” catalogs to targeting diverse, mid-market, or emerging portfolios that provide more modest but stable, consistent returns at a lower investment price point. Another trend we are keeping an eye on is the unique royalty-backed note structure of certain deals

such as The Weeknd's recent catalog partnership with Lyric Capital, reportedly in the $1 billion range, described as setting a new standard for artist equity and control. This new wrinkle enables investors to invest in artists' catalog opportunities where the artist would not normally entertain selling their catalog because they are either still in the prime of their creative journey and/or they have a desire to maintain control over the creative process of their future catalog.

As we continue to watch these various investment classes closely, there are a number of legal issues, including copyright and trademark, right of publicity considerations, and highly negotiated deal points, that require legal support. We will continue to provide updates as the landscape shifts and opportunities arise for potential investors.

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