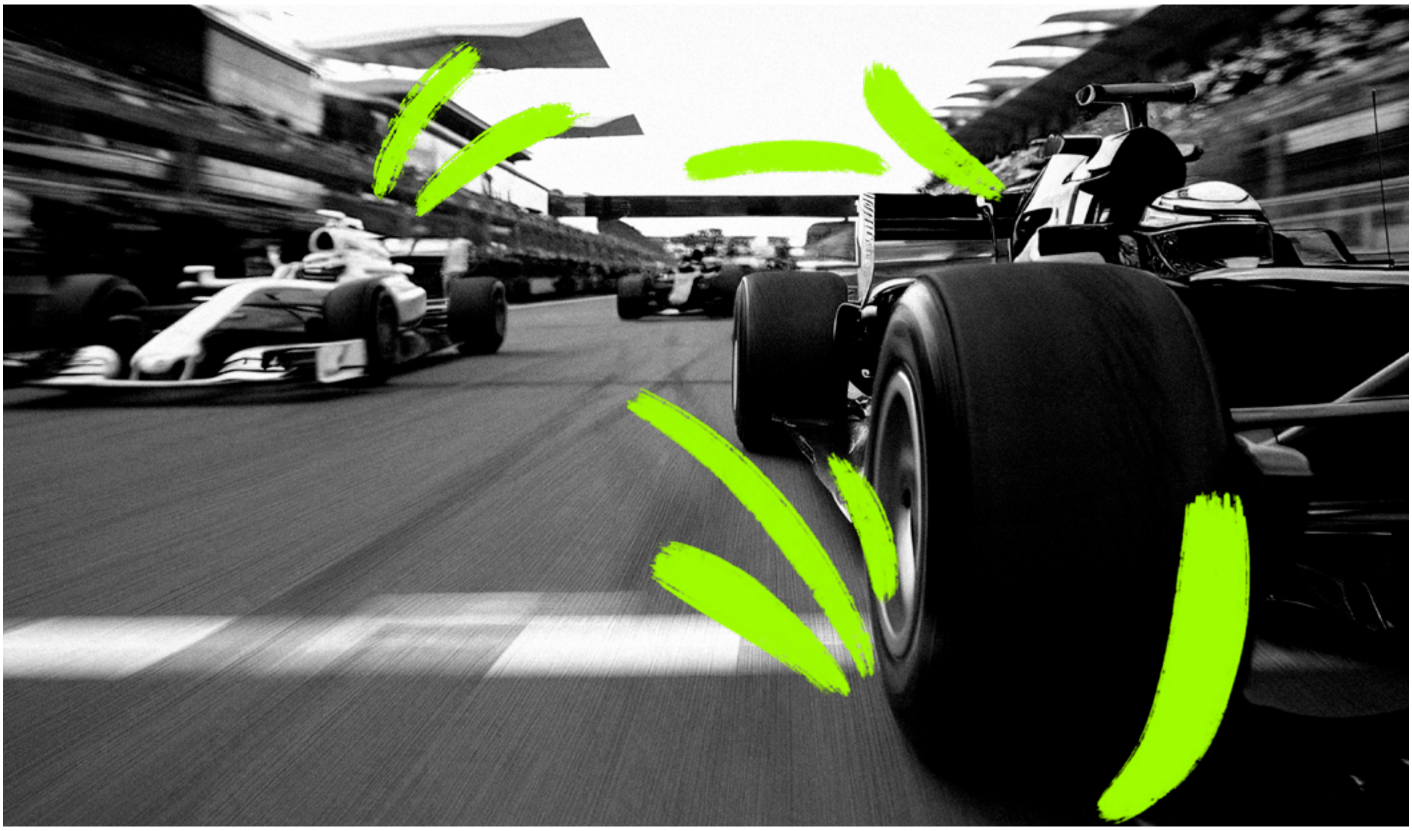
Deloitte's 2025 Sports Investment Outlook

The Deloitte Sports Business Group

March 2025



Premium sports properties continue to show unique market resilience to the macroeconomic headwinds impacting mergers and acquisitions (M&A) across industries. Robust deal flow and sustained interest from institutional investors, private equity (PE) firms and high-net-worth individuals continue to underscore the sector's enduring appeal. While the M&A process in sports can be protracted and would benefit from further professionalisation, this sustained activity is rapidly transforming the global sports investment landscape, cementing its status as a compelling and increasingly sought-after asset class.

The third edition of our Sports Investment Outlook examines the key trends that shaped 2024, informed by Deloitte analysis of investment activity into sports rightsholders globally, and the forces poised to drive deal activity in 2025 and beyond.

2024 emphasised the widening spectrum, and diversity, of opportunities within the global sports M&A market. Established leagues and top-tier franchises continued to command record-breaking valuations, attracting both strategic and financial buyers.

Simultaneously, capital was deployed into emerging, high-growth opportunities across women's sport, disruptor leagues, and emerging sport properties. While, for those with existing portfolios, multi-club ownership (MCO) models remained a key strategic consideration as owners evaluated the merits and the optimal value creation strategy of MCOs.

Looking ahead, 2025 promises to be another lively year for the sports investment market. Activity will be driven by the steady deployment of capital from an increasingly diverse and expanding investor cast.

This rising investor appetite will continue to push rightsholders to prioritise their investment readiness, with M&A increasingly viewed as a strategic lever to protect and accelerate their next phases of growth.

To date, the influx of institutional investors in the sports industry has had a marked impact on the commercialisation of sports assets. As the first wave of private equity investments - still in its relative infancy - matures, early market participants are increasingly assessing exits to realise returns on the back of record-breaking valuations as their traditional exit windows approach.

The trajectory of sports M&A activity in 2025 and beyond will be heavily influenced by these anticipated exits and resulting investor sentiment. It's likely that the success of early movers in realising attractive returns will be crucial in shaping the next wave of capital into the sector.

Whilst the sports industry boasts inherent strengths such as recurring revenue, unique resilience and perceived untapped commercial potential, it is crucial to acknowledge these strengths are not universal.

Investors, presented with a breadth of opportunities, must navigate the industry's existing challenges. The sector is hampered at times by a lack of professionalism in M&A processes, along with rightsholders' inability to consistently, and effectively, articulate and justify their investment proposition, hindering investor confidence.

It is essential to therefore recognise that many assets remain longer term holds (that may exceed the traditional PE time horizon), or are speculative in nature, a reality underscoring the importance of strategic, informed investment decisions.

However, the premium end of the spectrum, where investor demand continues to outstrip scarce supply, remains particularly attractive.

The opportunity to build integrated sport and entertainment powerhouse assets, supported by complementary ancillary assets and premium infrastructure, presents a compelling proposition for investors.

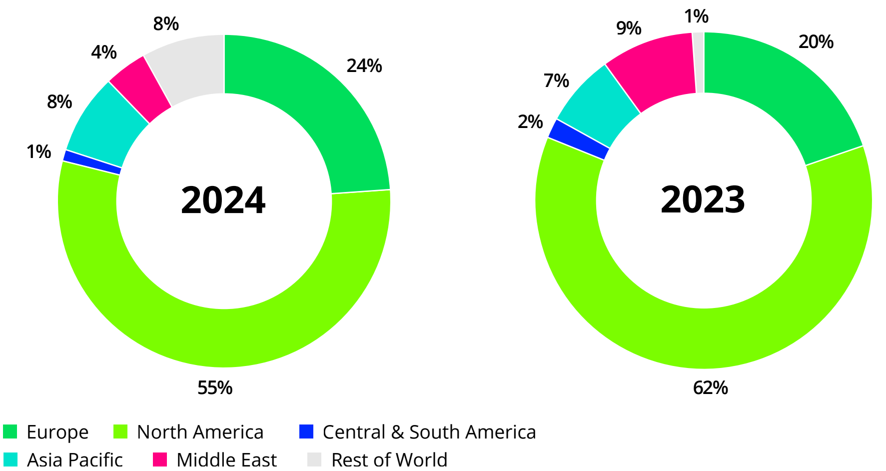
Sports Investment Activity in 2024: Key Themes

In the face of broader macroeconomic challenges, 2024 sports M&A activity remained robust, with high-profile deals taking place across a diverse range of properties in the sector.

While 2024 saw a notable reduction (c.15%) in the number of rightsholder transactions in comparison to 2023, investor demand remained relatively high. This, coupled with an expanding pool of investable rightsholder opportunities, sets the stage for a dynamic 2025 and beyond, as investors adopt an increasingly strategic and considered approach to the evolving M&A landscape.

A global game

Global sports rightsholder deal volume by investor nationality – 2024 v. 2023



Source: Deloitte analysis

2024 saw a shift in the global sports investment landscape, driven by an uplift in investment activity from European investors. Their involvement rose to 24% of total deals, up from 20% in 2023.

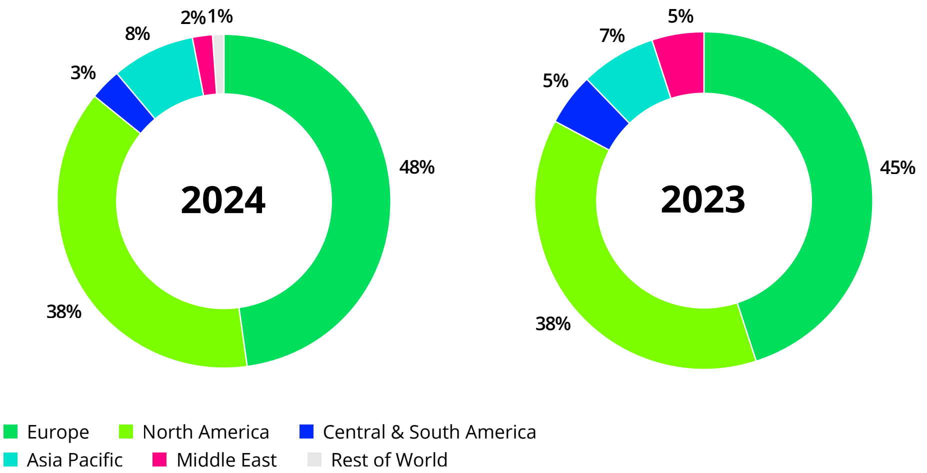
This European upswing was also seen in the flow of capital, with nearly half (48%) of all investment by volume channelled into European sports assets, compared to 45% in 2023.

While North American investors remained the most significant players, accounting for 55% of all sport investment activity by volume in 2024, the increased presence of capital from Europe and 'Rest of the World' markets points towards a more geographically diverse and competitive investment landscape.

The global appeal of sports investment is illustrated in the diverse origins of the investors drawn to various competitions. For example, the opportunity to invest in teams playing in The Hundred, the England and Wales Cricket Board's (ECB) domestic, short-format cricket competition, drew interest from investors worldwide. At the time of writing, the eight bidders now in exclusivity agreements to acquire stakes in the teams are spread across the US, Asia and Europe.

Cross-border investment offers the opportunity for numerous benefits, including providing access to diverse expertise, raising awareness and interest in international markets among fans and players, and offering potential for fresh commercial partnership opportunities.

Global sports rightsholder deal volume by region of acquired entity – 2024 v. 2023



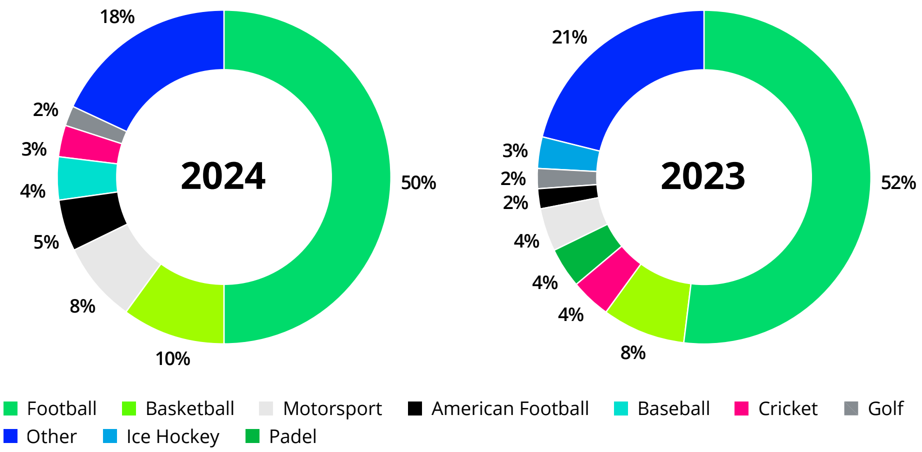
Source: Deloitte analysis

Investment diversity deepens

In 2024, football maintained its position as the leading sport for investment by deal volume, accounting for half (50%) of all transactions involving sports rightsholders in 2024. Of these deals, 16% were concentrated within the 'Big Five' European leagues - the Premier League, Bundesliga, La Liga, Serie A and Ligue 1. Investor confidence in football's long-term value extends beyond the established elite clubs, as evidenced by US-based private equity firm Bright Path Sports Partners committing to invest up to £105 million for a c. 40% stake in newly promoted Premier League side, Ipswich Town FC.

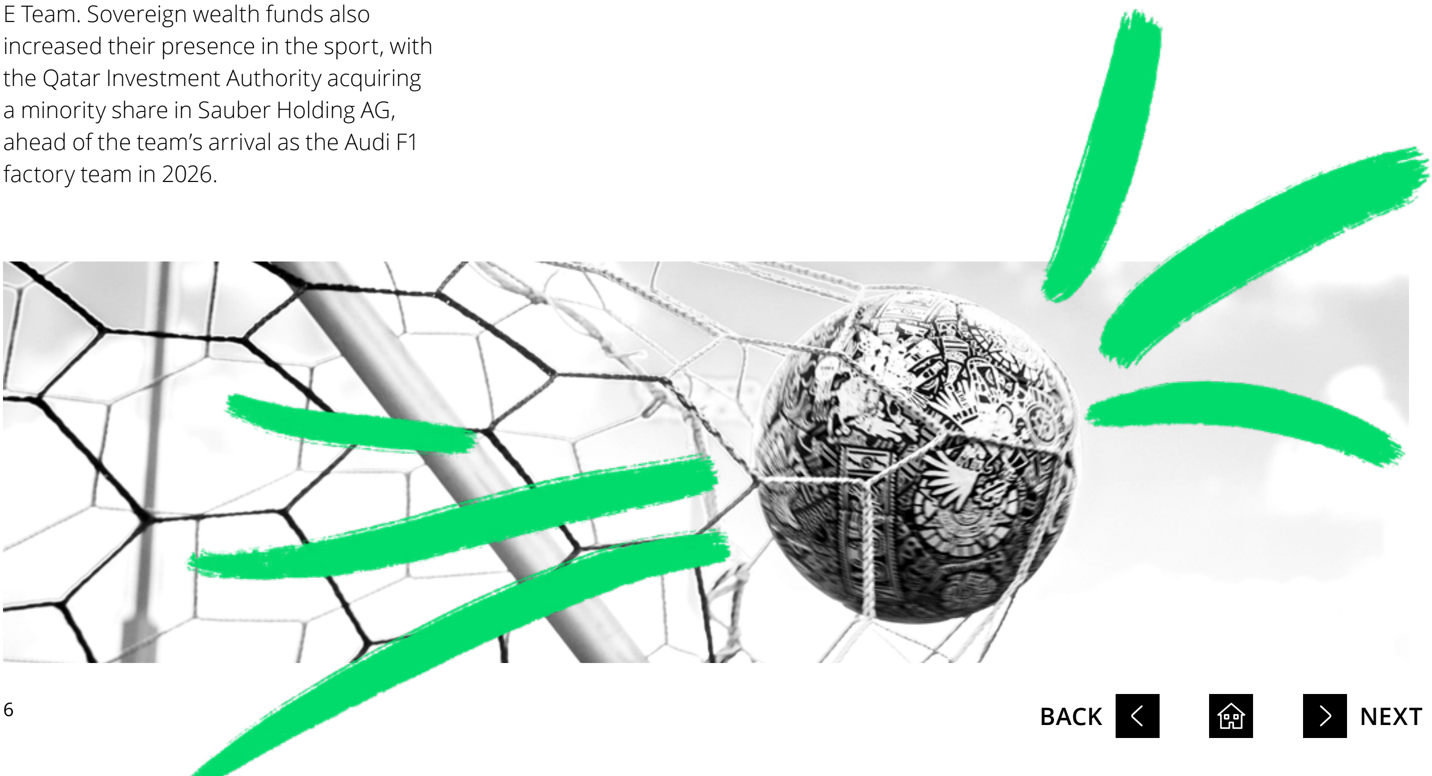
Motorsport experienced a significant rise in deal volume, representing 8% of deals in 2024, up from 4% in 2023. Investment spanned both teams and central competitions, with notable transactions including Liberty Media's proposed acquisition of MotoGP, GM/Cadillac's entry into Formula 1 and The Forest Road Company's purchase of the ERT Formula E Team. Sovereign wealth funds also increased their presence in the sport, with the Qatar Investment Authority acquiring a minority share in Sauber Holding AG, ahead of the team's arrival as the Audi F1 factory team in 2026.

Global sports rightsholder deal volume by sport – 2024 v. 2023



Source: Deloitte analysis

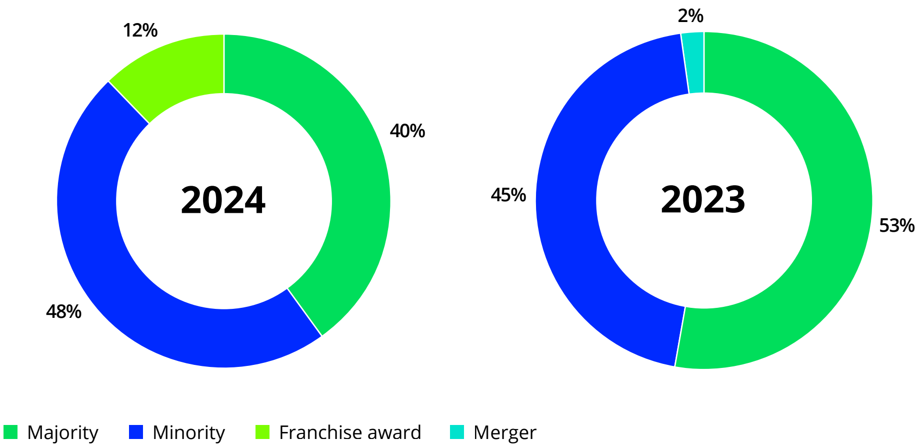
While traditional properties continue to dominate transaction volume, investors are increasingly looking beyond established assets and seeking high-growth emerging properties with attractive commercial growth potential.



Across the board the upward trend in valuations fuelled a rise in minority investments (48% of deal volume in 2024, vs. 45% in 2023). This was evidenced by the NFL's landmark decision in late-August 2024 to permit private equity funds to acquire minority stakes in its franchises, which resulted in the owners of the Miami Dolphins and Buffalo Bills selling stakes before the end of the year. Elsewhere several properties pursuing national and global expansion to attract new audiences and fuel commercial growth were awarded new franchises.

Overall, 5% of all sports deals were struck with American football rightsholders in 2024, up from 2% in 2023.

Global sports rightsholder deal volume by investment type, 2024 v. 2023*



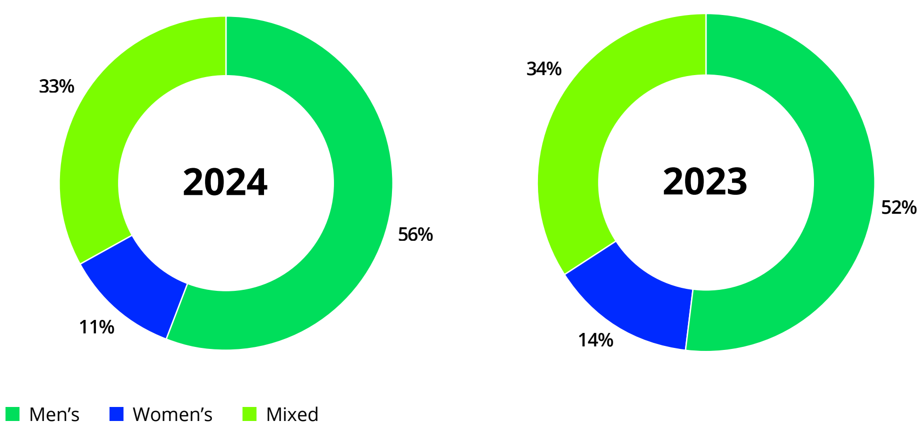
* Franchise awards were not tracked as a subcategory in 2023
Source: Deloitte analysis

A wealth of opportunity remains in women's sports

The volume of transactions involving women-only sports properties decreased slightly in 2024, largely attributable to the landmark sale of the five inaugural Women's Premier League franchises in India in 2023.

In 2024, the NWSL, WNBA and European football were key deal spaces, with continued investor interest in the growth potential of women's sport driving the value of deals. Notably, Angel City FC announced its record-breaking $250 million acquisition by the Dean of the USC Annenberg School Willow Bay and Walt Disney CEO Bob Iger, marking the highest value ever placed on a women's professional sports team. While at the league level, League One Volleyball (LOVB) announced $160 million in new investment, committed by organisations including Atwater Capital, Ares Management and Left Lane Capital, before its official launch.

Global sports rightsholder deal volume by men's, women's and mixed sport assets, 2024 v. 2023



Source: Deloitte analysis

Further bolstering the long-term outlook for women's sports, 2024 saw a surge in dedicated funds focused specifically on women's sports, signalling strong long-term confidence in the professionalisation and continued growth of this sector.

Sports Investment Activity in 2025 and Beyond: Deloitte's Outlook

The first wave of private equity exits

As we look to 2025 and beyond, we anticipate the first significant wave of PE exits, marking a critical juncture in the evolving sports investment landscape. Investors will increasingly assess whether to hold, sell, or restructure their stakes in sports properties. On the back of PE exits, investors will evaluate the returns achieved by early market participants and consider their own investment thesis and exit strategies, potentially shaping the future ownership structures and influencing how new capital is deployed in the sector.

In this regard, attention will naturally turn to European football, where private equity investments date back to the mid-2010s, with said investors increasingly focused on strategic exit opportunities.

In 2025 and beyond, whilst we expect many PE firms to pursue full divestitures, we expect some to opt for recapitalisation strategies, such as structured minority sales, allowing incumbents to maintain exposure to the sector's growth potential and unlock liquidity, whilst potentially paving the way for full disposal down the line.

Polarisation to fuel the 'barbell effect'

The sports investment market is expected to experience increasing divergence in 2025, with capital flowing disproportionately towards two distinct categories: premium, established properties and high-growth, emerging sports. This 'barbell effect' will likely continue to reflect investor appetite for both stable, blue-chip assets and dynamic, emerging opportunities that cater to evolving audience preferences.

At the top end of the market, elite franchises such as those in the NFL, NBA, and English Premier League are expected to continue commanding record-breaking valuations, attracting institutional capital and private equity investment. These properties offer a unique combination of global reach, strong brand equity, and lucrative media rights, reinforcing their appeal to investors seeking long-term stability and predictable returns.

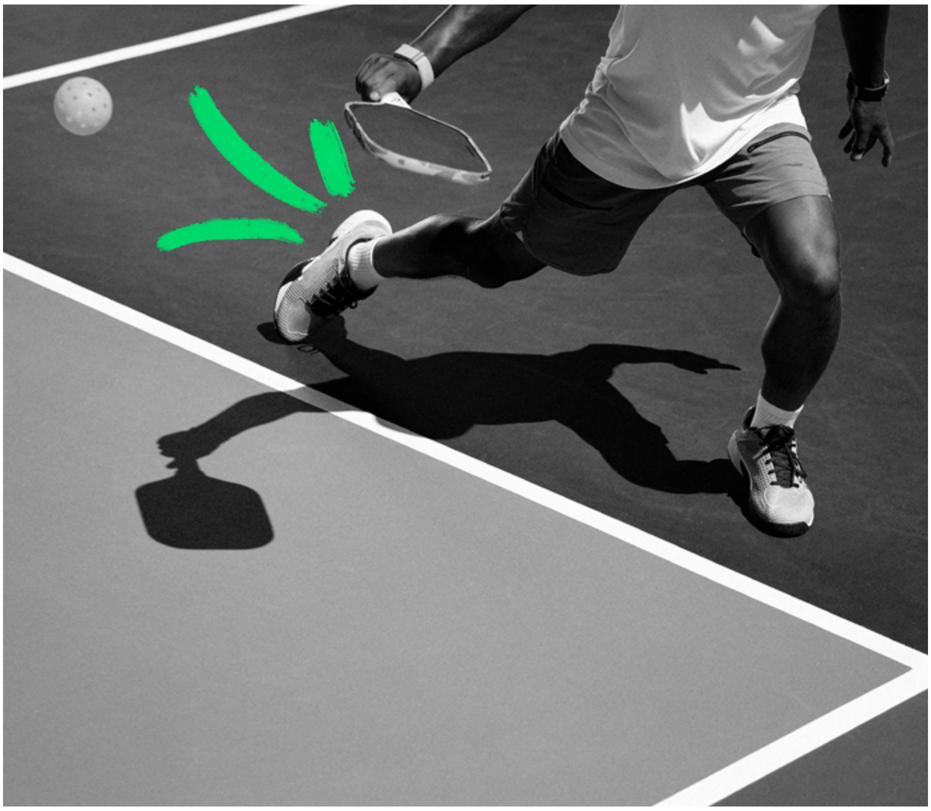
However, as the valuations of premium assets continue to grow, the number of sole buyers for entities of this scale will diminish. As a result, we may see a rise in investor consortiums and sophisticated investors acquiring smaller, tactical investments in premium assets, such as within stadia development and media rights contracts. This divergence will reshape capital allocation and influence long-term strategies across the sports investment market.

Within women's sport, the commercial success of various franchises demonstrates its increasing viability as an investment class and we expect this to remain one of the fastest-growing segments in the industry, with team valuations rising at pace. Brands and sponsors are taking note, with a growing number of partnerships and endorsements expected to drive further commercial momentum.

The growing investor interest in women's sports is evident and a prime example is Unrivaled's $35 million capital raise to launch a new women's basketball league.

The oversubscribed Series A round for Unrivaled underscores the commercial potential of women's leagues and their ability to attract institutional investors by forging a distinct identity and challenging the status quo set in men's sport.

Investors to increasingly look beyond the football pitch



While football has long dominated the sports M&A landscape, 2025 is expected to see a growing number of investors broadening their focus, exploring opportunities beyond the traditional strongholds of European and North American football. This shift aligns with the aforementioned polarisation of sports investment, where capital is not only flowing towards premium properties but also into high-growth alternative sports.

Asset managers are forecast to direct increasing capital towards emerging sports that are digitally native and poised for rapid growth. Sports such as pickleball, snowboarding, and esports are gaining traction, particularly amongst younger demographics. Investors expanding beyond football markets may gain first-mover advantages in high-growth sports, unlocking new revenue streams.

Disruptor leagues are also expected to gain further attention, for instance with The Snow League positioning itself as the Formula 1 of winter sports, attracting media-driven investor groups looking to capitalise on its global appeal and in the process securing $15m in funding. In 2024 we also saw the announcement of Freestyle Chess, a new tournament aiming to revolutionise chess, a sport played by 605 million adults globally, according to the UN. The competition was founded by Magnus Carlsen and Jan Henric Buettner and is backed by €10 million in funding from Left Lane Capital.

These asset types offer scalable media opportunities and innovative sponsorship models, attracting investors seeking to capitalise on shifting consumer engagement trends. The ability to leverage data from large and engaged fan bases for commercial growth further amplifies their appeal.

In 2025 and beyond, new types of transactions are also expected to emerge. One example is the anticipated completion of new investment into teams in The Hundred in the coming year. With private investment entering the four-year-old competition for the first time, it signals a shift in how governing bodies and leagues may structure their financial models in the future to attract external capital while maintaining competitive integrity.

College and youth sports may also present an increasingly attractive asset class, particularly with the expansion of Name, Image, and Likeness (NIL) deals in the United States and ongoing discussions around private equity partnership at both the school and conference levels. For example, the Big Ten Conference has reportedly solicited bids from PE firms to explore potential strategic partnerships. The commercialisation of collegiate athletics holds the potential to create new pathways for private capital, further reshaping the investment landscape.

As investors continue to explore non-traditional sporting assets, the global sports ecosystem is set to evolve into a more diverse and dynamic investment landscape.

The enduring appeal of minority stakes

As valuations for premium sports properties continue to rise, minority stakes will continue to be an increasingly attractive option for both rightsholders, as well as institutional investors, private equity firms, and family offices.

For investors, minority acquisitions offer the opportunity to gain exposure to coveted, scarce assets. For owners, it can unlock liquidity, providing growth capital and the opportunity to de-risk a valuable portfolio asset. High-profile transactions, such as recent minority stake sales in top-tier football clubs and US franchises, illustrate this growing appetite for passive investment structures.

As we saw in 2024, minority stakes can also offer sports rightsholders an opportunity to bring in strategic partners and/or high-profile athletes/celebrities who can add value beyond capital injection. Investors with expertise in media, entertainment, technology, and global brand development are increasingly being sought by clubs and leagues looking to expand their international footprint and enhance a sports entity's opportunity to diversify commercialisation efforts. Likewise, high-profile individuals, seeking to leverage their brand following and transition to part-owners, offer a unique avenue to engage the next generation of fan and unlock new commercial opportunities.

This trend is expected to be a defining feature of the sports investment landscape in 2025. As sports organisations continue to diversify their ownership structures, minority investments will likely play a larger role in shaping the financial ecosystem of elite sports in the coming years.

Conclusion

The sports investment landscape in 2025 is set to be shaped by investors preparing for strategic exits, diversified asset acquisition, and the evolving commercial dynamics of the sport industry itself. While premium rightsholders will continue to attract institutional capital, emerging opportunities in women's sport, disruptor leagues, and collegiate athletics are also expected to expand the investment universe.

As the pool of investors targeting the sports sector deepens and diversifies, the greater professionalisation of M&A processes will be crucial in bolstering investor confidence and enhancing asset value. Equally important is the need for thorough due diligence, ensuring strategic fit and a well-defined investment rationale. This meticulous approach from all stakeholders will be paramount in facilitating and positioning investments for success.

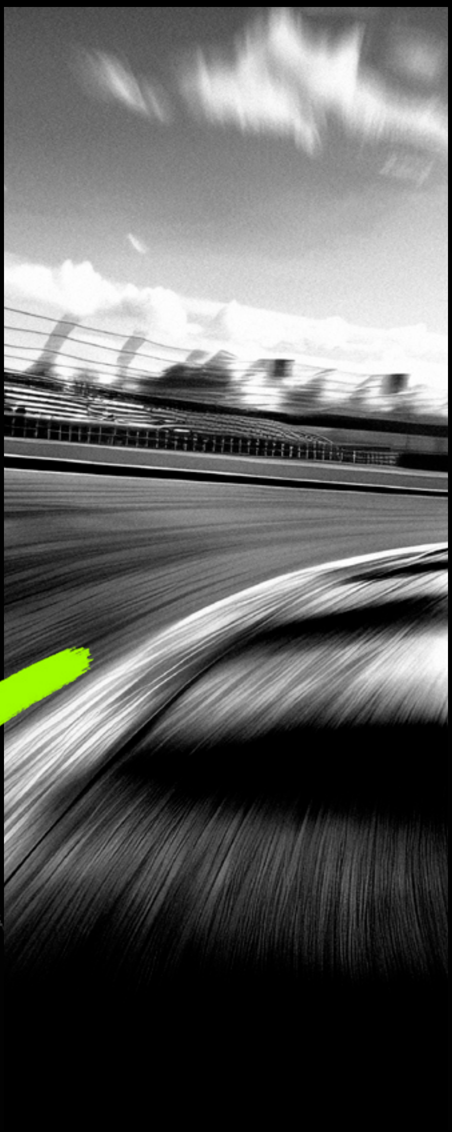
This ongoing professionalisation is also driving greater sophistication in sports M&A transactions. We anticipate a continued emphasis on robust, cohesive and end-to-end investment processes that foster trust and transparency among stakeholders across the industry.

While this analysis has focused on rightsholder transactions, our wider research also points towards a parallel uptick in near-market sports M&A activity.

As the industry matures, investors are increasingly drawn to businesses serving the sport ecosystem, offering compelling investment opportunities driven by market tailwinds such as expanding addressable markets, market consolidation opportunities, and synergistic benefits available to diversified sports portfolios.

For investors, the challenge will continue to lie in balancing risk, identifying assets with long-term growth potential, and adapting to the industry's rapidly evolving commercial landscape.

Amidst evolving capital markets, sports remain a dynamic, resilient and compelling asset class, one that continues to evolve beyond traditional ownership models to present a wealth of opportunity to investors around the world.



Basis of preparation

Deloitte defines the sports sector into three sub-sectors, with each comprising of various segments.

1. Professional spectator sports – Segments include sports rightsholders, sports technology and sports marketing;

2. Leisure sports – Segments include community/fitness centres, indoor sport facilities, golf and country clubs, sport resorts and outdoor sports facilities; and

3. Complementary sports providers (near-market) – Segments include athleisure, merchandising, equipment manufacturers, broadcasters, stadium operators, food & beverage, and several others.

Our analysis of investment activity and focus for this insights piece is in respect of the sports rightsholders segment only.

The information provided in this publication is based on publicly available information and while we have sought to only include sources which may typically be deemed credible, they may be subject to inaccuracies.

About Deloitte's work in Sports M&A

Deloitte delivers award-winning, end-to-end M&A services that drive sustainable, responsible and successful investment into the industry. To date, the Sports M&A Advisory and Transaction Support practice has advised on over 150 investment transactions in sports clubs, competitions, leagues and media businesses.

In 2024, this included acting as:

- Lead financial advisor to **Blue Heaven Holdings**, on the sale of Everton FC.
- Co-lead financial advisor to the **England and Wales Cricket Board (ECB)**, to secure investment into The Hundred's eight teams.
- Lead advisor to a consortium led by **Fahad Al Ghanim**, in the acquisition of MK Dons FC.
- Lead advisor to **Knighthead Capital**, in the transformation of the Birmingham Sports Quarter.
- Advisor to **Presidio Investors**, in its acquisition of Hellas Verona FC.
- Advisor to **Bilkul Football** in its investment into West Bromwich Albion Football Club.

The Sports M&A and Transaction Support practice sits in the Deloitte Sports Business Group, a leading advisor to governments, investors, sport governing bodies and organisations. The Group has advised clients in over 40 countries, across more than 30 sports, providing knowledge and insight to enable transformational change, resolve significant challenges, enhance value and fuel opportunities for growth.

With a global network of over 450,000 colleagues, including sports M&A leaders based in Australia, Canada, Germany, India, Ireland, Spain, Qatar, UAE and the US, we bring the best international and industry-leading knowledge that Deloitte has to offer to every project.

The Deloitte Sports Business Group's relentless commitment to the Club and myself throughout the sales process has been exceptional. The group's Sports M&A practice brought market-leading expertise in football finance, advisory corporate finance, and access to qualified investors. A truly differentiated, end-to-end service critical to achieving a successful transaction.

An endorsement from a Deloitte Sports Business Group client in 2024

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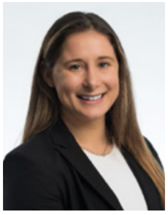

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