

dakota insights

SPORTS INVESTING

A monthly look at sports through the lens of alternative investments
F E B R U A R Y 2 0 2 6

A WELL-BALANCED CAP TABLE

Recent sports investing activity offered a little of everything, with capital showing up across the ownership spectrum – control, minority exposure, and new vehicles built to make sports easier to underwrite.

This edition tracks athlete investments as well, including **Giannis Antetokounmpo** taking a direct stake in **Kalshi** and **Drew Brees** backing a(nother) racket-sport concept, alongside the latest in participation and rec sports. We close with a busy “on deck” board – with **NBA Europe**, **LIV Golf** team stakes, and potential **Golden State Warriors** liquidity being just a few of the just a few of the pending storylines.

Large Checks, Real Control

Peter Mallouk's [acquired](#) a 71% stake in **Sporting Kansas City** at a \$700M valuation, one of the highest-profile MLS majority transactions in recent memory, while **Cannae Holdings**–backed **Black Knight Football Club** [completed](#) full ownership of **FC Lorient**, folding the club deeper into its multi-club structure.

Capital Platforms Keep Forming

Otro Capital's \$1.2B inaugural [close](#) stood out on size alone, but it wasn't alone. **Ariel Investments'** women's sports fund, **Project Level**, [announced](#) a \$250M first close, and **Athvance Capital** also [launched](#) with a €500M target focused on under-commercialized European sports. Meanwhile firms like **OGC** and **OBE** expanded dedicated sports, media, and advisory practices to meet growing demand for sector-specific expertise.

Ownership Without Control

Sportsology Capital Partners made a strategic minority [investment](#) in the **Texas Rangers**, while **LIV Golf** [prepared](#) its first team-level minority stake sales and **Golden State Group** [explored](#) a partial sale at an \$11B+ valuation.



TOP 5 DEALS OF THE MONTH

TRANSACTION	INVESTORS / BUYERS	WHAT'S NOTABLE
62.3% stake in PrizePicks for \$1.53B	Allwyn (KKCG-backed)	Gives Allwyn a scaled US foothold sports-adjacent gaming.
Acquisition of Arctos for \$1.4B+	KKR	Highlights the growing value of sports-specific capital platforms and franchise liquidity businesses as scalable alternatives assets.
Acquisition of Legend for up to \$1.2B	Genius Sports	Structured as \$900M at close plus up to \$300M in earnouts. Integrates Legend's digital media network into Genius' FanHub platform, tightening the link between data rights, media distribution, and fan monetization.
71% stake in Sporting Kansas City at a ~\$700M EV	Peter Mallouk	A headline MLS control deal with the Illig family retaining a minority position.
Acquisition of LiveBarn for ~\$400M	GTCR	Anchors the launch of Ascent Sports Group and signals continued consolidation across youth and amateur sports, particularly in streaming and content infrastructure.

IN FOCUS

A closer look at the forces shaping sports capital

Otro Capital's \$1.2B Debut

When **Otro Capital** **closed** its first fund at \$1.2B, it was hard to ignore. Not because sports is some exotic corner of the market anymore – most allocators have at least had the conversation – but because first-time managers don't commonly clear a billion with a narrow mandate, especially in a category that still comes with non-standard league governance and deal structures that don't always behave like standard buyout.

So the number matters. But the more useful question is what that number is buying.

What Otro is actually selling

Otro is trying to sell an idea that plenty of investors say they want in sports, but don't always get in practice: a strategy that looks like private equity once you take the logos off the deck. Less time spent narrating scarcity. Governance that isn't decorative. A portfolio where the underwrite isn't "rights go up forever," but "here's how you improve margins, distribution, pricing, sponsorship yield, and retention – and here's what that does to exit paths."



Operators first

Their origin story supports that posture. Founded in 2023, the firm's founding group – **Alec Scheiner** and **Brent Stehlik**, alongside **Niraj Shah** and **Isaac Halyard** – leans on real operator credibility. That matters in sports for a simple reason: the distance between a spreadsheet and reality can be wide, and the model only gets you so far. League rules, stakeholder politics, and media economics are the constraints you actually operate inside.

There's also a simpler version of the pitch that comes through in how Scheiner [talks](#) about it: they know one sector very well. For investors who've liked sports from a distance but haven't wanted to underwrite a learning curve, that's the point.

Scheiner brings the “inside the building” angle few sports investors can match. He ran the **Cleveland Browns** as president, spent years in senior roles with the **Dallas Cowboys**, and later helped lead **RedBird**'s sports investing push before co-founding Otro. Stehlik's background tilts commercial: a long operating career across teams and leagues, including senior revenue leadership roles, plus hands-on experience scaling licensing and sponsorship economics through **OneTeam** in the RedBird orbit.

Shah spent close to a decade at RedBird, working across sports, media, and entertainment deals, and earlier did private equity at **Apax** after starting his career at **Goldman**. Halyard also comes out of RedBird, with an earlier start in Goldman's TMT banking world.

Together, that gives the founding group a more balanced mix than “operators with a fund” or “financiers visiting sports.”

Where they're fishing

That mix of operator and deal experience helps explain the lane they're choosing. They're not positioning as a team-stake aggregator. They're also not presenting as a venture-style “sports tech” fund where half the portfolio is consumer software with a jersey in the pitch deck. The emphasis is on cash-flowing businesses and durable IP within the sports ecosystem – areas where operational change shows up in the numbers.

Scheiner has also been explicit about what they're not doing: [steering away](#) from minority stakes in the four major US leagues. What gets them excited instead is a different layer of the market – small- to mid-sized businesses with real niches and hard-to-copy IP. That can show up in youth sports, college athletics, niche sports, spinoffs from pro sports, and the service businesses that support all of it.

The first three tells

The early portfolio gives you a sense of what they mean by that. **Alpine Racing (Formula 1)** is the “global platform + media flywheel” exposure, in a sport that has become a case study in modern sports commercialization. **Two Circles** is more infrastructure than glamour – data-driven fan engagement and marketing execution that sits close to the revenue engine. **FlexWork Sports** pushes into youth sports and events, which is fragmented at ground level but enormous in aggregate, and often more resilient than people expect when other discretionary categories soften.



Alpine, and the point of the celebrity cap table

Alpine is also the cleanest example of how the firm blends institutional structure with cultural distribution without making “celebrity” the investment thesis. In 2023, **Ryan Reynolds** and **Rob McElhenney** joined an investor group – including Otro and RedBird – taking a 24% stake in Alpine. Later that year, ESPN [reported](#) that **Patrick Mahomes** and **Travis Kelce** also invested in Alpine through the Otro-led group. Celebrity cap tables are easy to dismiss, but there’s a practical point: in a media-driven sport trying to keep building share in the US, recognizable owners can help open doors commercially. It’s not a substitute for operational work, but it can be a tailwind if the operational plan is real.

The LP detail you can actually point to

The LP signal is the other part worth lingering on – and this is where the story gets more concrete than the typical “diverse LP base” line. One public institution has shown its hand in a way private investors usually don’t: **CalPERS**. The pension has disclosed commitments totaling \$250M across Otro Capital and related funds, including \$50 million [committed](#) in 2025 to an Otro vehicle (**Fund I-A**) and another \$200M [committed](#) to Otro-affiliated vehicle **Cowtown LP**.

Two caveats come with that, and they’re worth stating plainly. First: a disclosed commitment doesn’t tell you how dollars map to any specific deal. Second: you’re seeing CalPERS because it’s public. Most of the LP roster won’t show up in the same way.

The work starts after the close

None of this is a victory lap yet. A large debut fund raises the bar on deployment discipline, and sports is still a relationship business with constraints and bespoke structures. The pipeline can be noisy, exits can be narrower than they look from a distance, and it’s easy for a “sports mandate” to drift when the pipeline gets competitive.

Why this is worth tracking

Still, Fund I is an interesting marker. Not because it proves sports has become “safe,” and not because it announces some new golden age. It’s interesting because it suggests LPs are rewarding a specific evolution: sports as a sector where operational rigor and governance are increasingly priced.



CAPITAL ROSTER

*More than endorsements:
athletes shaping the business of sports*

From Endorsement to Ownership

Milwaukee Bucks superstar **Giannis Antetokounmpo** became the first active NBA player to directly [invest](#) in prediction market platform **Kalshi**. Antetokounmpo is prohibited from trading on NBA-related markets – a safeguard for when he insists, yet again, that he’s perfectly happy where he is.

Athlete ownership also surfaced in consumer platforms. **Waiākea Hawaiian Volcanic Water** [added](#) NFL rookie **Tetairoa McMillan**, MLB All-Star **Devin Williams**, and NBA veteran **Jerami Grant** as investor-partners, joining an existing athlete ownership group that includes **Aaron Judge**, **Myles Garrett**, and **Klay Thompson**.

Building the Game

Former NFL quarterback **Drew Brees** [joined](#) Tennis Channel founder **Steve Bellamy** as an investor and development partner in **typti**, a new racket sport designed to be played on pickleball courts and rolled out through existing facilities.

Former Brazilian soccer player **Alexandre Pato** surfaced as part of a consortium [exploring](#) the acquisition of **Colchester United**, continuing a familiar pattern of ex-players engaging in lower-league football ownership efforts.

Investing in the Athlete

Freddie Freeman and **Mike Trout** [joined](#) **Ammortal** as investors and ambassadors, backing recovery chambers already embedded across **NFL** and **MLB** facilities and gaining traction within major college programs.

Athlete-owned hydration brand **Coco5**, backed by owners including **Devin Booker** and **Charles Barkley** – who has never lacked follow-through – [secured](#) a \$10M strategic investment led by **Loop Capital** to fund executive hiring, global expansion, and product innovation.



BEYOND THE BIG LEAGUES

Where passion meets portfolio: investments in the sports you already play

From youth sports streaming and padel clubs to cricket startups and jai-alai franchises, capital kept finding its way into sports that operate just fine without a primetime TV window.

Deals to Know:

- **GTCR** [acquired](#) **LiveBarn** for approximately \$400M, anchoring the launch of **Ascent Sports Group** and giving the firm control of one of the largest youth and amateur sports streaming platforms.
- **Pixellot** [raised](#) \$35M in equity and venture debt to expand its AI-powered youth sports streaming platform, which automates game broadcasts for schools and clubs without upfront camera installation.
- **Bluestone Equity Partners** made a \$30M strategic [investment](#) in **Selkirk Sport**, the leading pickleball equipment and apparel brand, to support product innovation, omnichannel distribution, and international expansion.
- **AO Ventures** [invested](#) in **Padel Haus** to support the US rollout of its premium padel club concept.
- **Juggernaut Capital**—backed **3Step Sports** reportedly [engaged](#) **Goldman Sachs** to explore a potential sale or capital raise, following an aggressive consolidation strategy across youth club sports and event operators.
- **The European T20 Premier League** [launched](#) cricket franchises in Amsterdam, Edinburgh, and Belfast.
- A consortium led by **IKON Capital** and **Bolt Ventures** [acquired](#) the **Red Bull KTM Tech3 MotoGP** racing team.
- **Rob Gough** [acquired](#) the **Fireballs** jai-alai franchise under a perpetual ownership structure.

ON DECK

Tracking the next moves in sports capital

- **NBA Europe formation:** The **NBA** and **FIBA** continue pitching investors on a new European league with reported franchise entry fees of \$500M–\$1B, as groups in cities like Manchester [explore](#) bids and operators such as RedBird evaluate participation.
- **LIV franchise stake sales:** **LIV Golf** is [preparing](#) its first minority stake sales in individual teams, reportedly targeting valuations of up to \$300M per franchise, with **Citi** advising.
- **WNBA equity structure:** The WNBA is reportedly exploring a [buyback](#) of the 16% minority stake it sold in 2022 to a Nike-led investor group, a move that could reshape league governance and internal ownership ahead of planned expansion.



- **PTPA capital raise:** The **Professional Tennis Players Association** is reportedly exploring a [raise](#) of up to \$1B to fund a proposed Holdco structure for tennis commercial rights.
- **IPL ownership activity:** **Rajasthan Royals'** sale process has [advanced](#) following a reported \$1.3B preliminary offer, while potential [bidders](#) are also circling **Royal Challengers Bengaluru** at a reported \$2B valuation.
- **Premier League ownership shift:** Daniel Levy is reportedly in discussions to [sell](#) his roughly 30% stake in **ENIC**, the majority owner of **Tottenham Hotspur**, for about £1B.
- **NFL franchise sale:** The **Paul G. Allen estate** is reportedly preparing to [auction](#) the **Seattle Seahawks**, with valuation expectations in the \$7B–\$8B range.
- **NBA minority liquidity:** **Golden State Group** is reportedly seeking to sell a 5% [minority stake](#) at an \$11B+ valuation, with **Citigroup** advising.
- **EFL deal flow:** Multiple English clubs remain in motion, including [bids](#) for **Tranmere Rovers**, a controlling-stake [change](#) at **Hartlepool United**, and a pending control [shift](#) at **Lincoln City** subject to league approval.

About dakota

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