

Will PE Score a Field Goal With NFL Team Stakes?

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Mark Wilhelm, a partner with Troutman Pepper, was quoted in the September 3, 2024 *Alternatives Watch* article, [“Will PE Score a Field Goal With NFL Team Stakes?”](#)

The details of the deal have not been detailed publicly, added Mark Wilhelm, a partner at Troutman Pepper who specializes in working with private equity firms in the law firm’s Philadelphia office.

He outlined his concerns from the private equity firm’s point of view, especially if a six-year hold period is employed, which is typical within private equity stakes.

“We have these funds that have a responsibility to get a return for investors,” he said in an interview with *Alternatives Watch*. “Typically, they would want sell after the hold period, but there was a limited universe of firms given approval from the NFL to buy in. The question is who they will sell to.”

Wilhelm speculated that this may mean the NFL will have to allow more firms in, and maybe private equity firms will be required to hold on to their investments longer.

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According to Wilhelm, if a team sells equity stakes to private firms it could dilute the equity of other owners. On the flip side, he added that there has been some speculation in public reports that cash could be freed up to build new stadiums. He wondered though if city government officials would be less inclined to provide financing incentives to do such work if PE capital gets involved.

Strategies to be employed

As private equity sponsors consider these opportunities, Wilhelm said, they will have to be thinking about how to leverage them.

“The strategy that is to buy and create synergies and then buy another company may not work in these types of deals,” he said. “You can’t merge the Packers and the Bears.”

He added that one of the things that could work is if a firm looks at what are other businesses around the NFL team that can be brought in such as nearby real estate. He used the example of Maverick’s owner Mark Cuban selling a portion of his interest to a real estate developer.

Where these PE sponsors can help is in getting teams to think through what other ways teams can expand revenues in something that can be offered into the off season. These big picture discussions in turn may revolutionize how sports fans interact with teams year-round too.

Whatever the structure these deals take, Wilhelm said it won't likely employ a typical PE exit.

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In recent months, rumors have swirled that private equity's next sports acquisitions could be of NCAA teams. Such deals could be challenging since charters of the teams are linked to publicly funded institutions.

"The university would have to think long and hard on the structuring of the investment," Wilhelm added while confirming that private equity firms are considering investments in NCAA sports.

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