

Media Rights Checks and Billion-Dollar Teams: The Media Deals Powering Sports Franchise Valuations

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What You'll Learn

- Media rights have become a key driver of franchise value and why that might matter to investors
- Why the structure of media contracts can influence revenue stability across leagues
- What potentially makes sports content increasingly valuable to streaming platforms
- How centralized vs. fragmented media models can affect revenue visibility
- What risks investors might consider as the media ecosystem continues to shift

When the Boston Celtics sold for \$6.1 billion in early 2025 some headlines framed it as a bubble.¹ And when it was announced that the Buss family was selling the Los Angeles Lakers at a record-breaking \$10 billion franchise valuation,² skeptics again wondered: How are sports teams valued on par with mid-cap public companies?

The answer, increasingly, comes down to media rights. Sports dominate content consumption, driving 96 of the top 100 telecasts in 2025—and that dominance is one reason why media companies are increasingly willing to spend more for the rights.³

While scarcity, brand value, venue economics (e.g., value of the stadium and/or adjacent real estate)⁴, and tax policy⁵ can all play roles in the valuation equation, media rights have become one of the most powerful—and most predictable—drivers of franchise appreciation.⁶ [For investors entering the sports, media, and entertainment \(SME\) space](#), understanding how media contracts work isn't just useful. Ever more, it's one of the central theses.

Why Media Rights Can Support Sports Franchise Valuations

In major US leagues, media rights are a key revenue engine. Over 60% of the NFL’s income now comes from national revenue, with media rights deals accounting for the majority of that revenue.⁷ The latest NBA season is the first under a new 11-year, \$77 billion media deal, nearly triple the price of its last deal.⁸ Unlike ticket or merchandise sales which can vary, media deals are multi-year contracts with fixed, escalating payments.

The average annual value (AAV) of each league’s current domestic media rights contracts highlights the scale of these deals (Exhibit 1)^{9,i}

	Media Contract Length	Media Average Annual Value (AAV)	Current Media Partners	
			Network	Streaming
	7-10 years	\$12B	    	     
	11 years	\$7B	  	  
	7 years	\$2B	    	    
	7 years	\$625M	   	 
	4-10 years	\$250M		

Sources: SportsMedia Watch, ESPN, Hollywood Reporter, Forbes, Quartz, as of Sep. 19, 2024.
 These figures represent only the annualized value of broadcast and streaming rights fees paid by networks and platforms. They do not include sponsorship income, ticket sales, or merchandise revenue.
 Note: MLS AAV is \$250M for \$2.5B, 10-year Apple TV deal; N/A for FOX

This visibility and revenue quality—long-term, recurring cash flows—has the potential to give investors greater confidence in team valuations. And the media check doesn’t depend on team performance: Whether a team wins or loses on the field, stakeholders still expect media rights checks to arrive.

And, crucially, some leagues share media revenue. The 32 NFL franchises split national media dollars evenly, insulating teams from local market volatility.¹⁰ In the NBA and MLB, where teams retain local broadcast deals, national rights still often help anchor financial stability.

How Media Deal Structure Helps Shape Sports Investment Value

How media rights are structured—who owns them, who negotiates them, and how the revenue is distributed—can play a major role in which leagues might be most attractive to investors.

Let's consider the three main North American sports leagues.



The NFL: The Gold Standard for Media Rights Revenue Streams¹¹

The NFL is considered the gold standard: The league centralizes and negotiates all media deals, and all teams get an equal cut. The model is streamlined, more predictable, and less exposed to local volatility. While the league's unmatched viewership is a key driver of its high valuations, the centralized media structure likely reinforces those multiples by offering stable, shared revenue streams.¹²



MLB: Fragmented Rights Can Create Investment Volatility

Major League Baseball's model has historically been the most fragmented and the most exposed. That model came under pressure as the regional sports network (RSN) weakened, most visibly with the 2023 bankruptcy of Diamond Sports Group.¹³ While Diamond emerged from bankruptcy in early 2025 as Main Street Sports Group, subsequent missed payments to some teams underscored the risks inherent in a locally driven approach.

At the same time, MLB has begun to evolve. In late 2025, the league announced a transitional media rights agreement that expands its centralized footprint and includes a limited set of local rights, with partners such as ESPN helping distribute games for teams whose rights reverted to the league.¹⁴ This deal may serve as an interim step towards a broader centralized strategy for local rights aimed at extending reach beyond in-market audiences and improving revenue visibility over time.¹⁵



The NBA: A Hybrid Model Facing Similar Pressures

The NBA continues to operate under a hybrid model. National rights are centralized, but teams also own and negotiate their local broadcast deals. For larger markets, that can be a strength: In 2011, the Los Angeles Lakers signed a 20-year, \$3 billion local television media rights deal, one of the largest in history.¹⁶ But as local RSNs lose subscribers in the streaming era, the model adds variability.¹⁷ League leadership has acknowledged these pressures and, like MLB, has begun exploring ways to aggregate or reimagine local rights distribution to improve reach and long-term stability.¹⁸

Case Study: The NFL's \$110 Billion Media Rights Deal

In 2021, the NFL signed an 11-year, \$110 billion media rights deal.¹⁹ The contract brought in new streaming partners like Amazon (now the home of Thursday Night Football) and re-upped with legacy players like CBS, FOX, and NBC. It also included an opt-out clause, giving the league flexibility to renegotiate if market dynamics change. Renegotiations may begin as early as this year.²⁰ Considering the size of the NBA's most recent deal—and the precedent it sets linking media deals to league prominence—many expect the NFL to pursue even more lucrative terms.²¹

What makes the 2021 deal unique isn't just its size. It's the way it underwrites franchise value. Teams know exactly how much revenue they'll receive from national sources, with media being a primary driver; the current check size is \$433 million per team.²² That visibility helps explain why the average NFL franchise is now valued at \$7.1 billion.²³

In August 2025, the league announced another major move: granting ESPN rights to air NFL Network Programming, use the NFL RedZone brand in certain broadcasts, and expand its NFL content portfolio.²⁴ In exchange, the NFL will acquire a 10% equity stake in ESPN, giving the league an ownership position in a major sports media company and exposure to content beyond football.²⁵

With these developments, when investors are investing in sports teams, they are increasingly buying into a media platform, one that blends ownership stakes, distribution rights, and brand control across traditional and streaming channels.²⁶

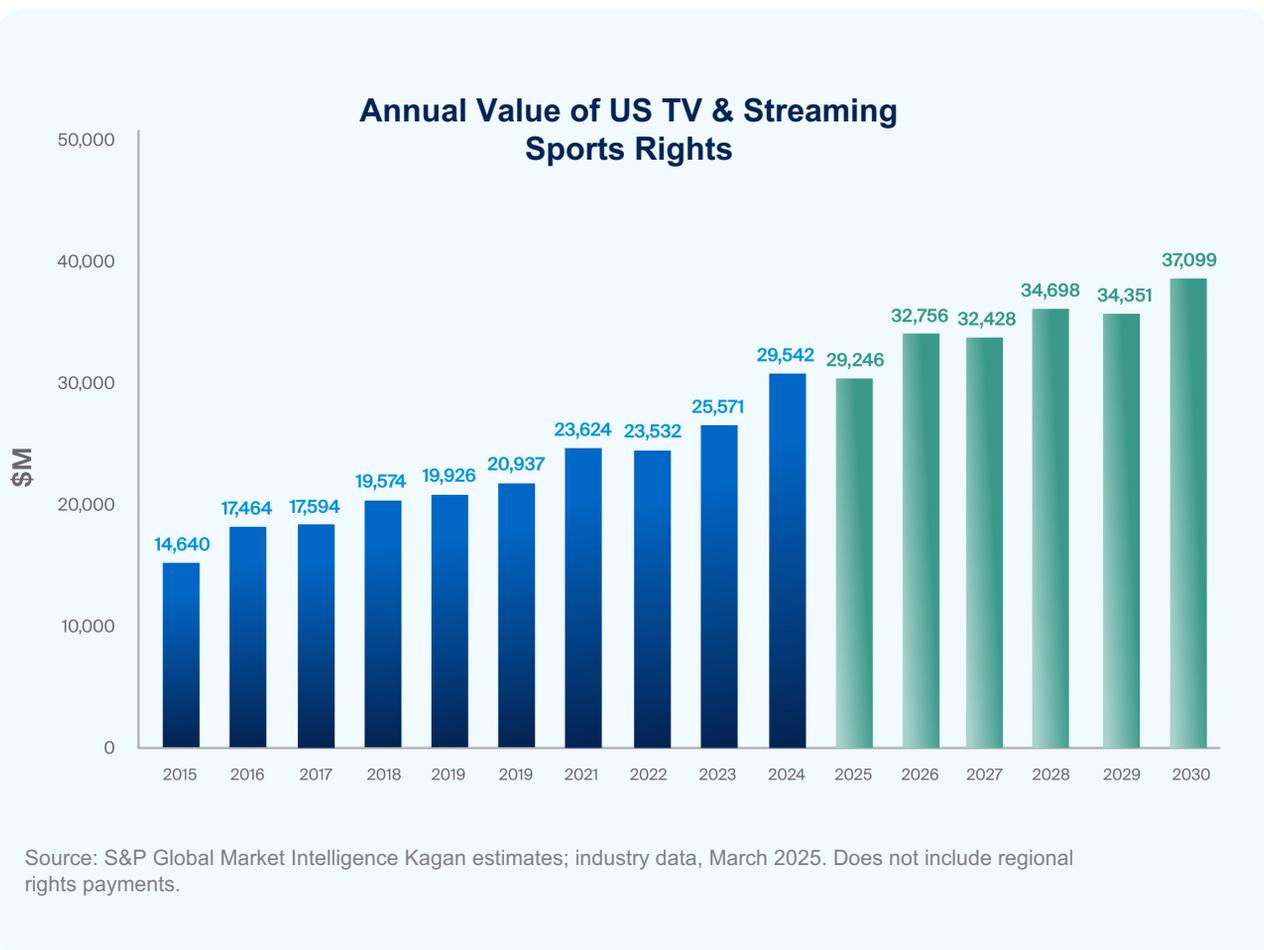
How Streaming Platforms Changed Sports Investment Dynamics

A decade ago, media rights were a cable story. Today, they're a streaming story.

Platforms like Amazon, Apple, and YouTube are bidding for live sports not just to sell ads but to retain subscribers and deepen engagement. They see live games as anchor content, events that cut through the on-demand noise and keep viewers coming back on schedule.²⁷

That dynamic has pushed rights fees higher. More competition for a finite number of games often means higher payouts for leagues. The annual value of US TV streaming sports rights has more than doubled since 2015, rising from \$14.6 billion to \$30.6 billion in 2025. Looking ahead, that figure is projected to reach \$37.1 billion by 2030 (**Exhibit 4**).

The value of sports media rights has risen steadily over the past decade and continues to trend upward (Exhibit 4)



From Viewers to Valuations

Larger audiences increase the scale and effectiveness of monetization channels such as subscriptions, advertising, and content licensing, supporting higher revenue potential over time.

Data has transformed the advertising side of that equation in several ways. Platforms can now target ads with precision, show different ads to different people in real time, track whether ads lead to actions, and automate how they buy and place ads, to name a few. These capabilities aim to make ad inventory more valuable and give platforms more confidence in paying for content they can directly attribute to revenue. The result is a valuation feedback loop.

For investors in sports content, the key is that this loop is contracted, not speculative. The numbers are locked in, with the potential to grow over time as monetization models improve.

Risks and Headwinds in Sports Investing

While the growth of media rights has driven valuations higher, the outlook isn't without risks. The long-term success of this model depends on several factors.



Platform Spending and Viewer Engagement May Face Pressure

Streaming platforms have played a critical role in pushing media rights fees to new highs. But their ability, and willingness, to continue bidding aggressively depends on subscriber growth, profitability, and broader strategic priorities. If those dynamics shift, leagues may struggle to retain the same revenue trajectory.



Fragmented Distribution Could Undermine Fan Engagement

In 2025, streaming surpassed the combined share of broadcast and cable television viewing in the US for the first time.²⁸ This is a milestone that underscores the continued erosion of the linear TV ecosystem but also audience fragmentation. Fan engagement could suffer as media rights become increasingly fragmented across platforms. Viewers are forced to subscribe to multiple services—streaming and traditional—just to follow a single team or league. This complexity can frustrate even loyal fans, and over time, may erode the audience scale that underpins media valuations.



Local Media Instability Still Looms, Especially in MLB

The collapse of RSNs has disrupted revenue streams for several MLB teams. While the league is experimenting with direct-to-consumer solutions, it remains unclear whether these models can match the scale and consistency of legacy broadcast contracts.

Even as the league explores more centralized approaches to local rights distribution, the transition introduces short-term uncertainty around cash flow and visibility. Over time, however, these shifts could reshape how local media economics function across the league.

Media Rights as the Underlier

For years, media was seen as a benefit of owning or having a stake in a sports team. Today, it may be the backbone. Whether an investor is buying equity in a franchise or accessing the sports ecosystem through a fund, media rights may sit at the center of the valuation stack.

They are a reason why institutional capital is already flowing into SME and why many wealth investors are showing interest in for the first time. Media rights have become a core revenue engine underlying franchise valuations.

Want to Learn More?

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