Sports as an Asset Class: The $2.5 Trillion Opportunity

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Before we get into the broader investment opportunity, what do you mean by Apollo Sports Capital? What are we building here, and where does Apollo fit into the

Al Tylis, CEO, Apollo Sports Capital: Sports has grown significantly as an asset class. It used to be a mom-and-pop, family-run business, and now it's turned into a highly institutionalized asset class that has grown exponentially over the last couple of decades. But with that growth, you haven't seen institutional capital follow the same trajectory. So, at this point, you have an incredibly special asset class that is highly undercapitalized. The availability of equity, debt, and hybrid capital in sports—given its size, stability, and diversity—is not akin to what you see in other asset classes where capital is readily available in all forms and all sizes. We created Apollo Sports Capital to be the global capital solutions provider to the sports ecosystem.

This is also a very exciting time for Apollo Sports Capital. You just announced an investment in one of the most storied franchises in professional sports, the

Al Tylis: The Steinbrenner family has owned the team for over 50 years and never had an institutional partner. The fact that we were in a position to do this is really a testament to our team and what Apollo has built more broadly. This was not a marketed transaction—it was a bilateral engagement over many months.

What we're building is different from other industries. In my old real estate business, we used to talk about relationships, but the reality was: if you paid more, you got the deal. Sports is a different dynamic. This is a connection to an organization that is the lifeblood of a family. Letting us be part of it speaks to our platform. And at the same time, this was a multi-billion-dollar, multifaceted capital solution that ordinarily would have required going to two or even three separate banks. Instead, we were able to create one holistic solution that works for them.

Let's talk about your path into this. What's your background, and what brought you to Apollo?

Al Tylis: I was an attorney for a handful of years, then joined NorthStar, a publicly traded REIT, where I became CEO and president of NorthStar Realty as well as NorthStar Asset Management. Over a dozen years—spanning the global financial crisis—we went from $200 million of assets to $38 billion, and then sold those two companies in a nearly $60 billion merger.

After that, I created my own family office and foundation, and our primary focus for the last decade has been investing in sports. From the moment I started looking at it, I kept seeing incredibly interesting dynamics. The first was basic supply and demand—this is one of the ultimate fixed-supply assets. Every two decades, there might be an expansion team, but otherwise, supply is fixed, and demand is driven by wealth accumulation. That was highly appealing from the start.

Fixed supply, growing demand—and that's not going to change. The other thing that was interesting a decade ago is that sports was a highly inefficient market. In real estate, two buildings a block apart generally trade at similar cap rates. The arbitrage isn't much. Sports, I found, was the opposite. One of my first investments was as the largest LP in DC United in the MLS. I later sold that position and bought a club in Liga MX. What people didn't realize is that more US residents watch Liga MX than the Premier League—more than Manchester United, Manchester City. And we bought this club whose financial profile looked quite a bit better than comparable MLS teams, yet the valuation was a fraction. That kind of arbitrage was really compelling.

I've since bought clubs on four continents. I've been partners with Ryan Reynolds and Rob McElhenney at Wrexham for the last three or four years. It's been a great decade—but the honest question became: is it realistic to keep finding undervalued assets as the market gets more efficient? Probably not. And friends at Apollo came to me and said, here's a sizeable opportunity that fits Apollo's DNA—more credit-focused, more hybrid-focused. There's a hole in the capital structure that we could build a really special business around. That fits what I've done personally, what I did in real estate, and what we think is a big opportunity today.

You've published a paper on the opportunity in sports capital, and you talk about this inflection point. Since that paper came out, it seems like every week the

Al: The business used to be individuals, not companies, often run like the personal toy of billionaires. As more sophisticated capital entered the space, including billionaires who came from finance, they started to realize the untapped economic potential. Institutionalize it, hire the right people, bring in the same processes you'd apply to any business, and apply that to sports.

The other big shift is the world moving from analog to digital. We're all spending more hours on screens. And sports is still that one place where we all connect without our devices. When you're at Madison Square Garden watching the Knicks, or even in the streets of New York, you feel that energy. It's a longing for human connection: cheering together, having passion together. And nobody cares what your job is, what your beliefs are or your politics. It's still that one place where we genuinely connect.

Looking ahead, I don't see our digital lives compressing; they'll keep expanding. So, where is that place where we can go to get a human connection? Live events. And what else do you actually need to watch live anymore? Nothing. Sports is the only thing where you say, France is playing Spain at this time, and I need to be there for that moment.

There were also structural changes in terms of team ownership that have allowed institutional and private equity capital to start flowing in. That must have bee

Al Tylis: Absolutely. For the longest time, institutions were simply not allowed to invest in sports teams, it was all individuals. From a first-principles standpoint, why not? Institutions aren't taking control; individuals remain the controlling owners. Institutions bring expertise and capital. The leagues looked at it and said, okay, why not?

And the numbers have gotten so large that even the wealthiest individuals aren't always sitting on $9 billion liquid. The Seahawks recently sold for $9.6 billion. The Commanders sold for $6 billion a few years before that. The Panthers for around $2.5 billion before that. Absent institutional capital, the liquidity required just isn't available. Commissioners work for the owners; the owners want values to go up; and available capital is generally a tailwind for valuations. We're also seeing these rules loosen further. In Europe, it's pretty much unfettered—we are controlling shareholders of Atlético de Madrid. In the US, the rules are more stringent, but I suspect they get loosened over time as well.

What does a first-mover advantage look like today?

Al Tylis: You're dealing with assets that are highly personal to their owners. Sometimes businesses are too, but more often than not, in sports, this is an owner's second child. They love these teams. Having the right partner is more important in sports than in any other industry.

What do they want to see from you?

Al Tylis: First, it's just: this is my baby—who am I letting in? So, there's a human connection piece. I can sit across from sports team owners, and we understand each other; we understand what they're trying to solve for. The second thing is the permanency of our vehicle. A lot of these owners think of these as generational assets they'll never sell, passed on through families. If you're a traditional fund in year four and you know you need to start harvesting by year seven, it's pretty hard to credibly say, I'm here for you now, in the future, in a decade. The way we're set up lets us think about investments the same way the owners do. And then there's scale—our ability to be credible at scale is somewhat unique. We can talk about not just team solutions in the hundreds of millions, but league-wide solutions in the billions or tens of billions. That is fairly distinctive in what we're doing at Apollo Sports.

You've talked about a $2.5 trillion opportunity. Can you break that number down?

Al Tylis: Equity for teams is the understood, easy part. Capital solutions for leagues start to get bigger. Then you have teams looking at ancillary assets connected to their franchise—real estate, stadiums, retail, hospitality, hotels and apartments. My background on the real estate side serves us reasonably well in those conversations. And then there's the global footprint: the US, Europe, Asia, the Middle East, South America. There's also player transfer factoring, emerging leagues and businesses being created in part because we're craving live events and human connection more than ever. It's an enormous ecosystem.

Let's talk about media, because that's also a huge part of that $2.5 trillion figure. The landscape has changed so much—fragmentation, streaming—but sports stil

Al Tylis: The on-demand nature is critical. If you don't consume sports live, you miss the emotion, you miss the connection. I've tried with teams we partly own—sometimes I get too nervous watching, sometimes schedules don't align—and I've tried to just watch later. It actually doesn't work. An alert pops up, you bump into someone on the street. It's impossible. And so, if you're an advertiser, you know people will be watching live. That's incredibly valuable.

I also think AI is commoditizing a lot of other media. It's going to be able to create content that currently takes individuals a long time to produce—faster, cheaper. From a sports standpoint, you can't replicate that. We're not anywhere near having robots take free throws. So, sports becomes more valuable by definition because it becomes more scarce from an advertiser and media rights standpoint.

Where are you seeing the most interesting growth in emerging sports outside the major leagues?

Al Tylis: A lot of it is probably being driven for the wrong reasons—FOMO, really. People see valuations rising and want to create another league. It can be a solution looking for a problem that doesn't exist. One exception, and I've been involved in it for a handful of years, is professional pickleball. You walk around the city, and you see empty concrete spaces with nets on weekends, people waiting to play. We merged the two main leagues three years ago—an incredibly complicated transaction—and the combined business is now $140 million in annual revenue.

What pickleball has that a lot of emerging sports don't is a massive macro tailwind: roughly 40 million Americans are playing the sport. If you convert just 2% of those people into avid fans and viewers, that's a multi-billion-dollar media property. Very few emerging sports can point to that kind of embedded participation driving their league forward.

Can you explain what you mean by hybrid capital structures and why they're the right solution for sports financing?

Al Tylis: There's no one-size-fits-all. Sometimes owners want to simply sell a minority equity piece—but that's not highly appealing to us, because from a long-term value perspective, you'd really need a control transaction to maximize it, and that's wholly out of our hands. What we've tried to do is offer a menu: equity, debt, flexibility in the type and duration of the debt, preferred equity, convertibles, where we can capture some upside. That ability to speak to anything in the capital structure is pretty powerful.

If you look at some of the deals we've closed, very rarely has it been one type of capital. Wrexham is a good example—there's a preferred equity investment in the club, some common stock, and some convertible preferred. Effectively, different types of securities that met their objectives and ours. Across the deals we've done, more often than not, there are various types of capital within a single capital structure. It's really an arc of solutions.

Sports remains relatively underlevered, with LTV ratios around 10%, versus real estate, which can go up to 70%. What explains that gap, and how can thoughtfully

Al Tylis: Honestly, the gap shouldn't exist—and that's partly why we're doing what we're doing. If you look at the durability and infrastructure-like dynamics of the sports teams we lend to, they are far more stable than real estate. The risk-adjusted return is simply more interesting. The attachment and detachment points where we're providing financing are compelling relative to what else is out there.

There are also natural barriers to entry. If you want to create a middle-market lending platform, you can make $10 million to $100 million loans. That doesn't work in sports, especially if you want to play in the major US and European leagues—you need to be operating in the hundreds of millions and billions. So, there aren't a lot of players who can do that. People are starting to understand the opportunity, but still recognize that without the scale to deploy serious capital, you can't really attack it the right way.

Let's talk about specific examples. You mentioned Wrexham and Atlético de Madrid. What made those opportunities attractive, and how do they illustrate the finan

Al Tylis: With Atlético de Madrid, this was not a marketed transaction—we created the relationship. The owner has owned the club for a long time and genuinely treats it like family. He needed a long-term partner he could trust, someone who could operate at scale, understand sports, and treat the asset like the community asset that it is. In European football, this is everything to everybody. In Madrid on match day, you can feel it across the whole city. Again, it was that unique combination of size, relationships, and understanding that led to an off-market transaction.

Wrexham was somewhat similar. I've been a partner with those guys for a few years. There's a real trust. They deal with a lot of people they can't fully trust, and our relationship is different. It goes back to the same idea—who am I willing to give my baby to? Are these people I've gotten to know and trust? And I try to approach every deal with a long-game mentality. The best deals in sports are ones where everybody's winning. You want your counterparty to walk away happy, because there's constant interaction afterward. If you're an investor in Wrexham, you're going to games. You're invested personally, not just financially. And from their standpoint, they care about who's in the owner's box with them—are these people I want to spend time with? Are they solutions-oriented when problems come up?

When you talk to clients around the world, what makes them interested in sports financing?

Al Tylis: When we bring up Apollo Sports, we don't get a lot of Nos. Most people range from interested to obsessed with sports, and there genuinely isn't a great alternative to what we're offering. You can't buy a public equity or ETF that mirrors what we do. We're providing primarily debt and hybrid solutions. So beyond being interesting—and probably more fun to discuss than most things on a daily basis—we're offering something different.

If we're sitting here five years from now, what does a more mature sports capital financing market look like?

Al Tylis: You'll see more entrants, but not commensurate with the opportunity, because of what's necessary to participate at scale. So, I think the space won't look terribly different from today. What we're going to continue doing is creating proprietary, relationship-oriented, sizable, unique capital solutions for teams, leagues, and ancillary sports assets all over the world. That's why, to me, this isn't a moment in time that fades. The risk-adjusted attractiveness is structural.

Note: This transcript has been edited for clarity and does not represent a verbatim transcript of the podcast. Podcast recorded on July 13, 2026.

Apollo Sports Capital is a long-term partner across the global sports and live events ecosystem, providing patient capital and adding strategic value to leading franchises, owners and assets.

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