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Private equity investment in Hollywood is booming. Meet 13 players who backed hits from 'Knives Out' to 'Mare of Easttown.'

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Private equity investors are playing a larger role in showbiz as it recovers from the pandemic.

Investments in media and telecom hit new heights during the first half of 2021, PwC research shows.

From Apollo to Zelnick, these 13 private equity players are betting billions on Hollywood.

The money never stops churning in Hollywood and entertainment, and private equity investors are now playing a bigger role in showbiz than ever as the industry recovers from pandemic shutdowns and production and deal-making rev up.

"Theatricals were hit really hard, but there were a lot of success stories and transformations that occurred during the pandemic, and some of the private equities are trying to be opportunistic," said Bart Spiegel, media and telecom deals leader at PwC.

Private equity investment in the media and telecom sector soared to new highs during the first half of 2021, according to PwC research, accounting for more than 170 deals and around \$54.8 billion of deal value so far this year.

Among the highest-drama moves, Silver Lake unloaded its stake in AMC Entertainment Holdings in January for \$713 million, capitalizing on a Reddit-driven 10-fold rise in share prices and making one of the biggest exits in recent memory.

With companies like Reese Witherspoon's Hello Sunshine seeking a buyer at a \$1 billion valuation, according to the Wall Street Journal, and LeBron James' SpringHill company also considering a sale (for around \$750 million, the Information reported), industry experts told Insider they expect to see more private equity investment in talent-led shingles, despite the perceived risks in creative industries.

"The pandemic hastened all the trends that we were already seeing in the media and kind of acted as an accelerant to digital distribution and its effects on content monetization," said Vania Schlogel, who founded private equity firm Atwater Capital in 2017 with a focus on innovative media and entertainment companies. "But it also has introduced new trends that we are still yet to fully comprehend."

Insider has compiled a list of top private equity players tracking those trends and pouring money into Hollywood. This list is based on our reporting, including conversations with more than 15 investors and

insiders. We considered factors like the success of the private equity firm, its depth of entertainment and media investments, and the profile of the investments themselves.

This list is organized alphabetically by firm:

Apollo Global Management



Apollo Global Management's David Sambur Courtesy Apollo Global Management

Verizon never found a way to make a happy marriage between AOL and Yahoo, which the telecom giant bought in 2015 and 2017, respectively — but Apollo's deal in May to acquire both companies, for about half what Verizon paid for them, is bearing fruit. Already, the company has a \$1.6 billion agreement with SoftBank to license the Yahoo Japan trademark.

While CEO Marc Rowan runs the show, David Sambur is co-head of private equity; other media leads are Reed Rayman and Aaron Sobel. Apollo, which has just over \$89 billion in assets under management as of March, according to its website, has a long history of trading in and out of global media.

Together with The Walt Disney Co., it sold Endemol Shine, the production company behind "Big Brother" and "Keeping Up With the Kardashians," in 2019 (Apollo and Disney held 50/50 stakes). It also had past stakes in US cable giant Charter Communications and Australia's Nine Entertainment.

Current media assets include Redbox — about to go public via a SPAC — and cable systems operator Cox Media Group, which was a big beneficiary of political ad dollars in the last presidential cycle. Other investments include Shutterfly, Mood Media, Rackspace, and Expedia.

Atwater Capital



Atwater Capital's Vania Schlogel Courtesy Atwater Capital

Vania Schlogel, a former KKR executive and onetime CIO of Jay Z's Roc Nation, founded Atwater Capital in 2017 with the goal of investing in entertainment and media using an approach that emphasizes low volume deal-making and high-touch operational engagement with creative companies.

The LA-based private equity firm (it also has offices in Seoul) has assets under management of more than \$150 million and growing. Among Atwater's investments are wiip, the film and TV studio that was acquired by South Korean company JTBC Studios in June (and scored 16 Emmy nominations Tuesday for

HBO drama "Mare of Easttown"); Mad River Pictures ("Ad Astra," "The Report"); Swedish soundtrack house Epidemic Sound, and German production and distribution giant Leonine Studios.

Atwater also acts as a development financier. It backed Netflix's upcoming film "The Invisibles" and Zoe Kravitz's directorial debut, "Pussy Island," produced by Channing Tatum's Free Association and starring Tatum, which was scooped up by MGM at the Cannes Film Festival virtual market in June.

Blackstone



Blackstone's Steven Schwarzman Horacio Villalobos / Getty Images Contributor

Co-founded by CEO Stephen Schwarzman, who started Blackstone in 1985 with \$400,000 of seed capital, the firm now manages \$649 billion in assets, dominating areas including private equity, real estate, hedge funds, and credit funds.

Blackstone Property Partners in August 2020 bought a 49% stake in Hudson Pacific Properties' Hollywood Media Portfolio, which comprises 2.2 million-square-feet of studio space in Hollywood. As production continues to ramp up post-pandemic, the firm's head of real estate Americas, Nadeem Meghji, wrote that LA's accessibility for most talent will make the city a desirable location for domestic filming, an assessment borne out by many studios' plans to move on-location filming to LA studio lots.

Blackstone's media investments include Swedish soundtrack company Epidemic Sound, as well as an unnamed venture helmed by former Disney executives Kevin Mayer and Tom Staggs. The firm plans on investing up to \$2 billion in Mayer and Staggs' operation, a source told The Wrap in February, which may span an array of film, TV, music, social media, and e-commerce businesses.

Crestview Partners



Crestview Partners' Brian Cassidy and Patrick La Valley Courtesy Crestview Partners

The New York private equity firm founded in 2004 manages \$9 billion in assets, according to its website, with a focus on investing in areas undergoing disruption by technology, evolving consumer behavior, and the economy.

Co-president and Partner Brian Cassidy and Principal Patrick La Valley serve as Crestview's media specialists. Cassidy led the firm's investments in Hollywood agency ICM Partners, Company 3 (backing UK visual effects company Framestore's acquisition of the American postproduction house), and Industrial Media, which has an ownership interest in the rights to the "Idol" and "So You Think You Can Dance" franchises; La Valley participated on the ICM Partners deal.

As Insider reported in April 2020, private equity investors in talent agencies appeared prepared to ride the storm of the pandemic as representation fees dried up. Crestview's \$150 million stake in ICM Partners allowed the agency to diversify its own holdings through 2020. Though ICM saw layoffs amid the COVID-19 shutdown of film and TV production, it also made acquisitions including UK live-music booking agency Primary Talent and a stake in Swedish literary agency Albatros.

Guggenheim Partners



Guggenheim's Scott Miner Kevin Mazur / Getty Images Contributor

The global investment and advisory firm founded in 1999 manages over \$245 billion in assets as of March, including \$14 billion in equity, according to its website.

Global CIO Scott Miner heads up media and entertainment investments at Guggenheim, which late last year was part of a group backing the formation of LeBron James' entertainment shingle SpringHill Co. SpringHill is now mulling a sale at a valuation as high as \$750 million, according to a report in The Information.

Guggenheim has a long record of investments at the heart of showbiz. In 2009, it scooped up trade publications Billboard and The Hollywood Reporter along with several other media properties. Three

years later, Guggenheim provided the seed money for independent film studio A24 ("Moonlight," "Lady Bird," and the upcoming "The Green Knight"), cofounded by one of its executives, Daniel Katz.

Also in 2012, Guggenheim partnered with Mandalay Entertainment and Mosaic Media Investment Partners to acquire Dick Clark Productions, which produces the Golden Globes and the American Music Awards. Two years later it took a stake in MRC, the film and TV studio behind Netflix's "House of Cards" and whodunit hit "Knives Out."

But in December 2015 the firm spun off its entertainment publications plus Dick Clark Productions and its stake in MRC to Guggenheim president Todd Boehly's Eldridge Industries. (The Hollywood Reporter and Billboard are now majority owned by Jay Pense's Pense Media Corporation.)

KKR



KKR's Richard Sarnoff, left, and Ted Oberwager Courtesy KKR

Billionaire and co-CEO of KKR Henry Kravis pioneered leveraged buyouts and his 1980s raid on RJR Nabisco famously became a book and a movie, "Barbarians at the Gate," so he's no stranger to showbiz. Times are quieter these days for this mammoth management company with \$367 billion under management as of March, according to the KKR website.

Media investments include Germany's Axel Springer (which owns Insider), with KKR becoming its biggest stakeholder in 2019, as well as Endeavor's UFC, Epic Games, Pandora, sports betting firm FanDuel, and digital audio book company RBMedia.

Richard Sarnoff is partner and chairman of KKR's Media, Entertainment and Education, Americas and he's also on the board of UFC and RBMedia. (His wife, Ann Sarnoff, is chair and CEO of WarnerMedia Studio and Networks Group.) Also on the media team is Ted Oberwager, Managing Director, Private Equity.

Providence Equity



Providence Equity's Jonathan Nelson [Providence Equity](#)

Executive Chairman Jonathan Nelson was one of the first movers in agitating to create a rival to Netflix. He persuaded broadcast networks Fox and NBC to create Hulu as a way to take on the Silicon Valley-based streamer (Disney joined in on Hulu later). Providence exited with a modest \$200 million payday in 2012, nearly seven years before Disney's acquisition of Fox gave it majority ownership in Hulu.

Today, among Providence's \$45 billion in assets under management, the company has stakes in The Chernin Group (whose entertainment arm is behind the "Planet of the Apes" franchise) and advertising businesses DoubleVerify and Outfront Media. In live entertainment, Providence counts the UK-based Ambassador Theatre Group.

During the pandemic, Nelson doubled down, going into acquisition mode as ATG bought up more US venues including the Golden Gate Theatre and Orpheum Theatre in San Francisco, and the Fisher Theatre in Detroit.

RedBird Capital Partners



RedBird Capital Partners' Gerry Cardinale Courtesy RedBird Capital Partners

Founded in 2014 by former Goldman Sachs partner Gerry Cardinale, RedBird manages about \$5 billion of capital across the sports, financial services, and consumer sectors.

Cardinale has led RedBird's investments in Skydance Media (home of the "Mission:Impossible" franchise and November's hotly anticipated "Top Gun: Maverick"); the XFL, acquired last August in partnership with Dany Garcia and Dwayne Johnson; Fenway Sports Group; and sports marketing and management company Wasserman Media Group.

In July 2020, RedBird partnered with Oakland Athletics executive Billy Beane to launch RedBall Acquisition Corp., a \$500 million SPAC focused on acquiring a sports business.

Shamrock Capital



Shamrock Capital's Steve Royer Courtesy Shamrock Capital

Dating back to the 1970s, when its predecessor firm was founded as Roy Disney's investment company, Shamrock as of June has around \$3.8 billion in assets under management. Its growth equity fund invests in midsize media/entertainment assets ranging from cinema advertising company Screenvision Media and trade magazine Adweek, which it acquired in 2020, to sports management firm Excel. The company also lists The Harlem Globetrotters and fantasy sports and betting platform FanDuel in its portfolio.

Shamrock's content fund invests in music and filmed IP, most notably buying Taylor Swift's Big Machine catalog from Scooter Braun's Ithaca Holdings in 2020.

President and CEO Steve Royer and Partner Laura Held, who used to work in the corporate strategy division at Disney, lead media/entertainment investments on the equity side, along with Partners Michael LaSalle, Andy Howard, and Michael Wilkins. Partner Jason Sklar, who hails from JP Morgan Entertainment Industries Group, and Partner Patrick Russo spearhead investment in the content sector.

In June, the growth fund raised \$1 billion for investments in media, entertainment, and communications businesses. Virtual learning and sports management is where the company is looking to place some bets

next, according to the LA Business Journal. In early July, Shamrock's content side closed a \$196 million fund to make loans to music and entertainment rights holders.

Silver Lake Partners



Silver Lake Partners' Egon Durban REUTERS

Silver Lake Partners is widely known as a global tech investment firm with \$60 billion under management, according to its website, but under the aegis of co-founder Egon Durban, the company has found its way into media, most notably as a backer of Ari Emanuel's Endeavor, the parent company of talent agency WME, which went public in April at \$24 per share.

Silver Lake stayed the course with Endeavor after the company's first try at an IPO went south in early 2020 and was followed by pandemic-related layoffs at WME and other Endeavor businesses.

Endeavor owns live entertainment assets from UFC to Miss Universe and counts Elon Musk as a board member, providing Silver Lake plenty of connections across the chess board. Silver Lake did its part to shore up Twitter, investing \$1 billion in March 2020 after activists at Elliott Management put pressure on CEO Jack Dorsey to quit.

Earlier this year, Silver Lake sold out of its AMC Entertainment position, netting \$113 million in profit thanks to a Reddit-fueled surge in the stock. Durban, who made his name buying Skype, has invested in Airbnb, Expedia, and Alibaba, to name a few.

TPG



Clockwise from top left: TPG's David Trujillo, Peter McGoohan, John Flynn, and Andy Doyle Courtesy TPG

Founded in 1992, the global alternative asset firm based in San Francisco now manages \$96 billion in assets.

In addition to investing in CAA in 2010 (and upping its stake in 2014), TPG launched STX Entertainment in 2014 with producer Robert Simonds. Since then, the firm has largely focused on backing entertainment players that provide technology-enabled subscription content, including Spotify, mobile gaming startup Scopely, movie tickets and live events ticketing business BookMyShow. It also has stakes in Cirque du Soleil and payroll services company Entertainment Partners.

Partner David Trujillo, a former vice president and associate at GTCR Golder Rauner, leads the firm's internet, digital, media, and communications investments. Partners Peter McGoohan, John Flynn, and Andy Doyle all had hands in investments including CAA, Azoff Music, Fandom, Spotify, Astound Broadband, Entertainment Partners, and DirecTV.

Yucaipa Companies



Yucaipa Companies' Ron Burkle Stefanie Keenan / Getty Images Contributor

Supermarket magnate Ron Burkle, a former close friend of Bill Clinton, is never far from the glamour end of the entertainment business. Burkle's Yucaipa backed this week's IPO of Soho House, the private club favored by producers, writers, and actors, at a \$2.8 billion valuation. Mostly recently, Burkle acquired sports representation and marketing business Steinberg Sports and Entertainment, according to a report in Variety.

Burkle's had some hits and misses and his company is known for loaning money under onerous terms. He agreed to provide \$800 million to Relativity Media in 2012. The hybrid studio later went bankrupt and is now resurrected under Lex Miron. In 2018, Yucaipa also attempted (and failed) to acquire the Weinstein Co.

Yucaipa has its own SPAC and just acquired German online sports retailer Signa.

Zelnick Media Capital



ZMC's Strauss Zelnick Courtesy ZMC

Zelnick Media Capital managing partner Strauss Zelnick, known as much for his work ethic as he is for his unrelenting weekly workouts, founded his firm in 2001. The former Fox executive also helms "Grand Theft Auto" maker Take-Two Interactive and served as interim chairman of the CBS Corp. board of directors.

Over the last two decades, ZMC has raised three funds and currently manages more than \$1 billion in assets. Investments include Logitix, a sports and live events ticketing analytics platform, Alloy Entertainment ("Gossip Girl," "Pretty Little Liars"), Cast & Crew, a payroll and business service for film and TV, and kids' content creator 9 Story Media Group ("Daniel Tiger's Neighborhood," "Wild Kratts").

With its third and most recent fund, which raised \$775 million, ZMC acquired The Second City, the iconic comedy club and improv training ground with locations in Chicago, Hollywood, and Toronto that helped launch the careers of Tina Fey, Amy Poehler, and Steve Carell.