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## Meet the 11 private equity firms including TPG and KKR that are betting big on digital media

Steven Perlberg and Claire Atkinson Nov 9, 2021, 7:48 PM





**Anton Levy, General Atlantic's co-president, managing director, and global head of technology investing.** General Atlantic

**Private equity firms have been pouring money into digital media.**

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**Some smaller players have set their sites on niche media brands, while giants are eyeing Hollywood.**

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**From North Equity to KKR, here are 11 private equity firms betting**

## big on digital media.

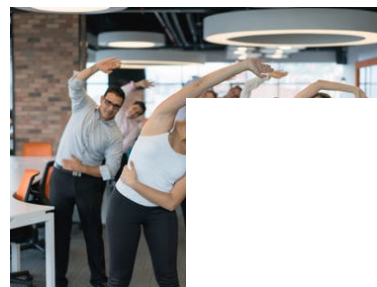
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The digital-media industry has seen waves of funding from investors ranging from venture capitalists to traditional media giants trying to diversify their holdings. Lately, another group has been getting more into the space: private-equity firms.

"There's a lot of upside, and for the first time in a while, it's an exciting time to invest in the future of media," said Lance Johnson,

the CEO of [redacted] private equity-backed media company.

the CEO of Recurrent, a private-equity backed media company which owns Popular Science. "Despite the recent disruptions in the industry, a lot of media companies are emerging from the pandemic on an upward trajectory."

Private-equity interest has boosted M&A activity for media. [PwC](#) [estimated](#) that there were more than 170 private equity deals for media and telecom totaling \$55 billion during the first half of 2021, a record number.

While some private-equity firms have [targeted Hollywood](#), like RedBird Capital Partners, [which participated in a round](#) valuing Lebron James' and Maverick Carter's SpringHill Co. at \$725 million, others like North Equity, which backs Recurrent, have sought to revitalize smaller, down-on-their luck digital-media brands.

One prominent investor who didn't want to be named said Europe was much slower than the US to embrace digital media, creating opportunities in content, [streaming](#) and e-commerce-driven media that are early in their growth cycle. This person likened the traditional media to the music business of the '90s, when it was left for dead, only to be resurrected two decades later. Vivendi-backed Universal Music, which has a stake in Spotify, made its public debut

in September, valuing the business at \$53 billion.

Insider has compiled a list of 11 top private-equity firms pouring money into digital media.

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## Alden Global Capital





**Alden has taken over the Chicago Tribune and other legacy newspapers.** Scott Olson/Getty Images

Alden is a hedge fund, but it has become infamous in media circles as one of the biggest newspaper operators in the country over the past decade, buying up titles including The Denver Post, Orange County Register, and Chicago Tribune.

Alden's playbook has been to slash costs and squeeze out profits, drawing blowback from journalists and news groups. As NPR reported, journalists at the now Alden-owned Baltimore Sun [tried to find a rescue buyer](#) for the newspaper to avoid the hedge fund's ownership.

Founded in 2007, Alden has kept a low profile even as it takes over more traditional news organizations — but cofounder Heath

MORE TRADITIONAL NEWS ORGANIZATIONS BUT COULD GET THEM

Freeman [recently spoke to The Atlantic](#). "These papers would have been liquidated if not for us stepping up," he told the magazine.

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## Blackstone Partners



**Former Disney executive Kevin Mayer.** Reuters/Brendan McDermid

The US-based private equity firm teamed with former Disney alums

... ..



[Kevin Mayer](#) and Tom Staggs earlier this year to form a new umbrella holding company aimed at hoovering up nascent and established content brands in the US and beyond.

Those content brands are key chips in the streaming wars and as rivals fight for the best content. They're also small platforms from which to create other media-related ventures.

Their latest deal for UK and LA-based Moonbug Entertainment, which produces the hit kids show "CoComelon" for [Netflix](#) and has a huge YouTube channel, was pegged at [\\$2.75 billion](#) and will likely be followed by more. The new entity has an estimated \$2 billion in capital to deploy.

The duo also scooped up [Reese Witherspoon's](#) production shingle, Hello Sunshine, for a reported figure near \$1 billion that helped set a new benchmark for production companies feeding streaming platforms around the globe.

Outside of its joint venture with Mayer and Staggs, Blackstone is making a play to be at the center of an increasingly vibrant streaming production ecosystem. It is creating a billion-dollar [film studio](#) in the UK to add to its US sound stage real estate investments. Separately, the giant PE firm nailed a deal last month to get bigger in digital



music, partnering with music rights firm [Hipgnosis Song Management](#) to acquire music IP. The investment came through Blackstone's tactical opportunities unit.

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## The Carlyle Group

Watch private equity player [Carlyle](#) get bigger in global media. This fall, the company said it would push ahead into growth sectors such as media in the US and beyond.

Leading Carlyle's charge is Michael Wand, co-head of Carlyle Europe Technology Partners. The company, which has \$293 billion under management, in July snapped up LiveU, a live video streaming company.

Carlyle has already been investing in the TV and film sector through firms such as [Disguise](#), an extended reality company.

Carlyle, which has also been in the music sphere for some time — it was a buyer of Taylor Swift's record label Big Machine — is currently eyeing the exploding demand for live sports content.

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## General Atlantic

**Anton Levy, General Atlantic's co-president, managing director, and global head of technology investing.** General Atlantic

General Atlantic is a private-equity giant that has invested in some of the most well-known digital-media brands, like Vox Media — owner of the Verge, SB Nation, and New York magazine — and [BuzzFeed](#).

It also backs Red Ventures, which The New York Times recently

IT ALSO BACKS RED VENTURES, WHICH THE NEW YORK TIMES [RECENTLY](#) called "the biggest digital-media company you've never heard of." Red Ventures has been gobbling up digital-media properties recently, including CNET, Lonely Planet, The Points Guy, and Healthline.

According to [Dealbook](#), General Atlantic Co-President Anton Levy, the firm's global head of technology investing, encouraged Silver Lake to also invest in the company, which that firm did in 2015.

General Atlantic's other media-related investments include NuCom Group, the ecommerce wing of German media giant ProSiebenSat.1.

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## Great Hill Partners

Boston-based Great Hill Partners has been a player in the digital-media space for years, [investing](#) in IGN back in 2003. In 2010, along with media executive Vivek Shah, Great Hill acquired publisher Ziff Davis, which it later sold to J2 Global, which has since [continued its media buying spree](#) under the old Ziff Davis name.

Under the umbrella organization G/O Media, Great Hill also owns sites including Gizmodo, Kotaku, Deadspin, Jezebel, Lifehacker, and The Onion, which it acquired in 2019 from Univision.

Great Hill's reign has been controversial, with the entire staff of Deadspin resigning in protest in 2019 over editorial policies and union clashes with G/O Media CEO Jim Spanfeller, a former Forbes executive.

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## Growth Catalyst Partners



**Scott Peters, managing director of Growth Catalyst Partners.** Growth Catalyst Partners

When Atlantic Media spun off Government Executive, a news publication that covers the inner workings of the federal government, it fell into the hands of Growth Catalyst Partners.

The private-equity firm has expanded GovExec, and the publisher recently told Insider it made about \$20 million in revenue last year, with a goal of bringing in more than \$30 million this year. GovExec also houses brands like Defense One, which covers the military and Nextgov, which focuses on technology.

Under Growth Catalyst Partners, GovExec also acquired New York politics publication City & State.

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## **KKR**

The private equity company is a major shareholder in Berlin-based Axel Springer, the owner of Insider. Axel Springer is rapidly building a portfolio of digital media investments with global footprints. Back in August, Springer acquired the global operations of Politico and

Private Equity in Digital Media: 11 Firms Making Big Bets on the Future of Content

POLITICO Europe in a near-billion dollar deal.

Axel Springer is widely said to be on the hunt for new acquisitions in digital media and entertainment. Just last month, KKR, a longtime investor in the music sector, acquired global music rights catalogue Kobalt, which houses licenses for The Weeknd and Lorde. KKR also

has stakes in sports content company UFC, [Epic Games](#), digital audio book company RBMedia as well as mobile app platform AppLovin.

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## North Equity



**Lance Johnson, CEO of Recurrent Ventures.** Recurrent

This previously little-known private-equity firm has become one of the most aggressive acquirers of digital-media properties as of late, buying up brands like Popular Science, Field & Stream, and MEL.

About three years ago, the firm created a parent company — now called Recurrent — to house its fleet of media properties, and has raised a total of \$100 million of equity and debt to fuel an expansion. The company recently told Insider that it plans to make two to four more deals before the end of the year; it just added to its media portfolio again this week, acquiring automotive publisher Donut Media.

In 2018, Recurrent started its buying spree by purchasing The Drive from magazine company Meredith. Last year, it bought properties including Saveur from Bonnier. It also owns military site Task & Purpose and former Condé Nast style publication Domino.

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## Raine Group

Raine Group, the independent merchant bank which invests exclusively in the media and entertainment space, [opened](#) a Paris office in October to eye assets across Europe. The company, run by co-founders Joseph Ravitch and Jeff Sine, named Bernard Mourad, a former banker and special advisor to French president Emmanuel Macron, as a partner. Mourad will open a new Paris office for the company.

Raine currently oversees some \$4 billion in global growth equity and [venture capital investments including Berlin's SoundCloud](#)

venture capital investments including Berlin's SoundCloud, Stockholm-based Voi Technology, Warsaw-based Huuuge Games, Paris-based Happn, and the recently sold Moonbug Entertainment, according to the company's website. Raine's assets also include Vice Media and Brian Grazer's Imagine Entertainment.

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## Silver Lake Partners

Silver Lake is widely known as a global tech investment firm with \$88 billion under management, according to its website, but under the aegis of co-CEO 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.

Like General Atlantic, Silver Lake also invested in Red Ventures, in 2015.

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 \$100 million in new cash for the

AMC Entertainment position, netting \$115 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.

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## TPG

This private equity firm is buying an essential link in the chain fueling the streaming content production boom. The firm acquired a majority stake in the [legendary German Studio Babelsberg](#) in September.

The company also has stakes in Shane Smith and James Murdoch-backed Vice Media, which has been deepening its production activities via its London offices. TPG also has small pieces of digital newsletter businesses Airmail, run by former Vanity Fair editor Graydon Carter; and Puck, run by fellow Vanity Fair alum Jon Kelly.

Founded in 1992, the global alternative asset firm based in San Francisco now manages \$108 billion in assets and is reportedly heading for a US public listing. In addition to investing in Hollywood talent agency 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 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.

*Disclosure: Axel Springer is Business Insider's parent company.*

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