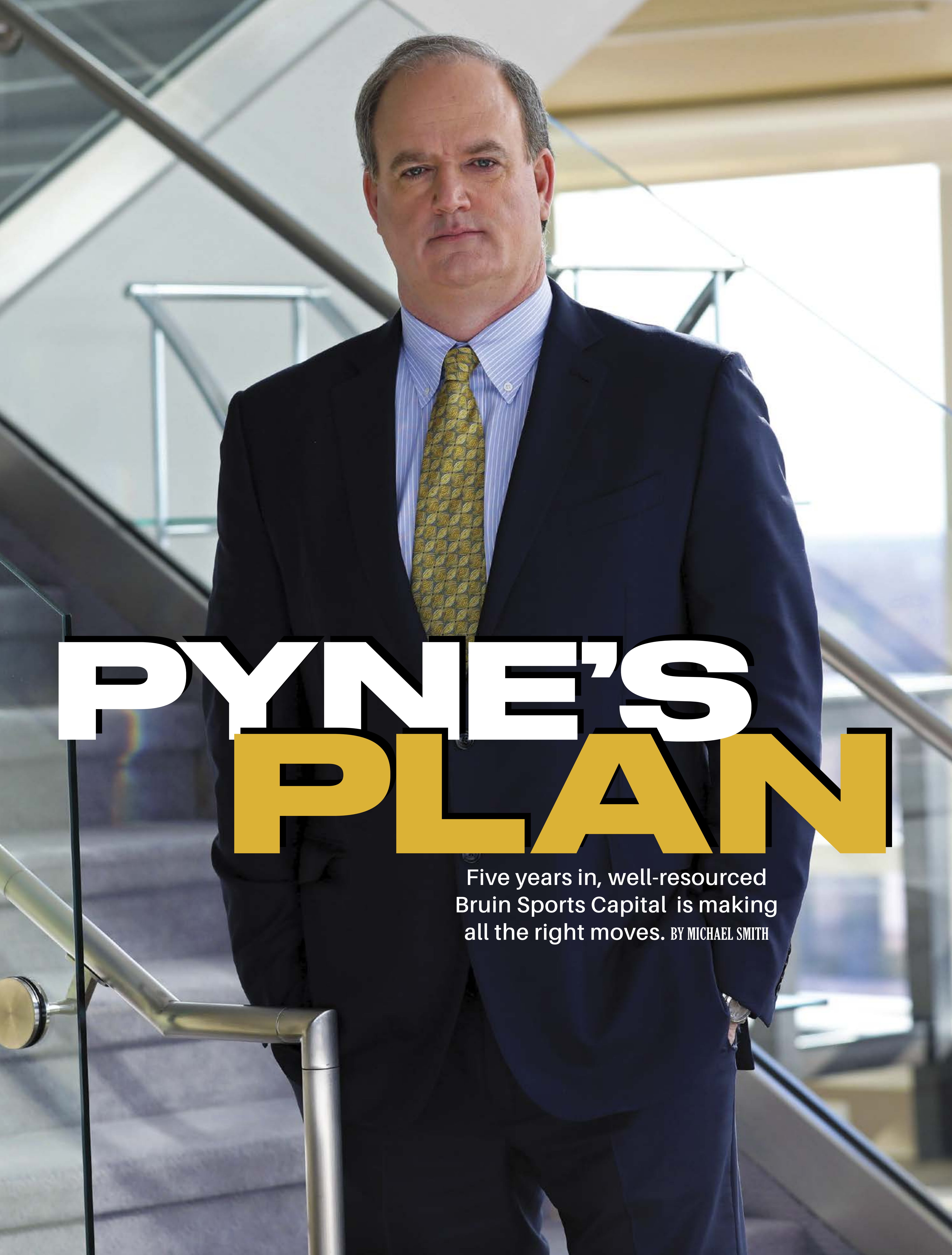

PYNE'S PLAN

Five years in, well-resourced Bruin Sports Capital is making all the right moves. BY MICHAEL SMITH

IT HAD BEEN A STRESSFUL 24 HOURS FOR George Pyne by the time he settled his 6-foot-5 frame into a chair at the Clement in midtown Manhattan's Peninsula Hotel for lunch last month. The veteran sports executive, who's accustomed to the high-pressure world of negotiating hundred-million-dollar deals as the CEO of Bruin Sports Capital, was still processing his son's high school football game from the night before. Drew Pyne, a Notre Dame signee and one of the nation's top prep quarterbacks, did not play for New Canaan (Conn.) High because of a shoulder injury, and the 42-0 loss in the state playoffs had brought an unfortunate end to his senior season.

Pyne, who was an offensive lineman at Brown before rising to become the COO at NASCAR and the president of IMG Sports & Entertainment, has done deals with strong personalities and demanding bosses, including Ted Forstmann, Bill France Jr. and Martin Sorrell. But watching his children — an older son, Brendan, recently joined Colorado as a graduate transfer from Brown — is a different kind of stress. "You have no control," he said.

When the 54-year-old father of four sat down for a lunch of tomato soup and Dover sole at the Clement the next day, he was ready to decompress. Bruin Sports Capital turns 5 years old this month and it already has proved to be among the more successful investment firm launches in sports, given its portfolio of companies that span media, marketing, live events and hospitality, ticketing and technology.

Over the course of two hours, Pyne looked back at the five years since he created Bruin from scratch and what the next five years might bring. Normally understated — Pyne compares his risk tolerance to that of a 100-year-old man — he was bolder and more confident than ever over lunch. It's clear that his vision for Bruin's next five years is more aggressive than anything he dreamed in 2014 when the investment company first took shape.

"I want us to be the Berkshire Hathaway of sports," Pyne said of Warren Buffet's multinational holding company that owns businesses as varied as Geico and NetJets, and ranks among the world's largest public companies with a $552 billion market cap.

Bruin's most recent round of capital fundraising generated $600 million of new money from well-established funds CVC and The Jordan Company, meaning that Bruin has raised close to $1 billion in just five years. Sources indicate that additional fundraising from two or three more companies, not previously announced, will boost that $600 million number even further this year.

Whatever limitations Pyne might have encountered in the past are now gone because of the resources at his disposal.

"We have enough capital that we're only limited by our capabilities," Pyne said. "We have unlimited access to capital, so there's no good idea we can't pursue."

While Bruin typically describes itself as having sports, entertainment and branded lifestyle interests, the company won't have boundaries in the future, whether that means venturing out to acquire a data analytics agency such as the recently acquired Two Circles or potential ownership of a pro sports franchise or league. Without specifying which one, Pyne said Bruin had recently been approached by a non-U.S. pro team about an ownership stake.

"We learned a lot in the last five years, and I think we can apply those learnings going forward in a faster and bigger way," Pyne said. "So, we're going to take a couple of big shots in the next two or three years. I think we'll do some big things. I would say that we would do two or three significant things in the next five to seven years that are much more meaningful than where we are today."

AFTER AN often prosperous but sometimes turbulent eight-year run at IMG, which ended in 2014, Pyne began contemplating his next move. It was during several after-work conversations with Tony Crispino, IMG's operating and financial chief, that the then 49-year-old Pyne became convinced he could raise the money to build a company like Bruin.

Pyne had earned a well-deserved reputation for his skills as an operator at NASCAR and IMG. Acquiring companies and putting them together is essentially what they were doing at his latter stop. IMG College, which was formed in 2007 with the purchases of Collegiate Licensing Co. and Host Communications — it later added ISP Sports — was a prime example that changed the college marketing landscape.

While researching the sports marketplace, Pyne got help from Allen & Co., and met with high-profile investors such as Sorrell, the founder and former CEO of WPP. Pyne brought another IMG alum, David Abrutyn, and added Jeffrey Roth from Allen & Co. as partners in Bruin along with Crispino.

Together, they crafted a platform strategy that led to five primary acquisitions: On Location Experiences; Deltatre; Engine Shop; Soulsight; and the recently acquired Two Circles. Those companies became the anchors for each platform, and Bruin then went about adding acquisitions to fortify the anchor company, just like IMG did with the college business.

For example, Bruin acquired marketing agency Engine Shop in 2016 and later added smaller companies, like Terrence Burns' brand marketing agen-

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BRUIN SPORTS CAPITAL

HEADQUARTERS
White Plains, N.Y.

FOUNDED
January 2015

FOUNDER
George Pyne

PARTNERS
David Abrutyn, Tony Crispino, Jeffrey Roth

PRIMARY ACQUISITIONS
On Location Experiences, Deltatre, Engine Shop, SoulSight, Two Circles

TOTAL ACQUISITIONS
17

AMOUNT INVESTED
$285 million

LEAD SHAREHOLDER
The Jordan Company

BRUIN SPORTS CAPITAL

GEORGE PYNE ON ...

RETIREMENT
"As I get older, I just don't see me NOT doing this. I've got a lot of gas in the tank. If you asked me 10 years ago I might have said 'Maybe not so long,' but sitting here today, God willing, I want to do this for another 15 or 20 years."

HIS SON'S RECRUITMENT (DREW, A QB, SIGNED WITH NOTRE DAME)
"The recruiting takes a toll. When you're offered by Alabama at 15, 16 years old, the scrutiny is unbelievable. It's remarkable how he's handled it. Whatever the challenges have been, they've made him better. I wouldn't trade the whole experience for anything."

STORIES HE'S WATCHING
"A lot of media rights are coming up in the next few years. I think the sports media rights will fare well and I think that's the single most interesting story, is how that all works out. The other big stories are the collective bargaining agreements that will be undertaken in the next 12 to 24 months. ... Another I'd add is gambling. You're 19 times more likely to watch a game if you gamble on it. It's slow to implement going state to state, but over time it's a net positive for sports."

ADVERSITY
"It's not whether challenges will happen; the question is how you deal with it. You can also look at a challenge as an opportunity to become closer with your CEOs because you're working together to get through a tough situation."

HIS FAVORITE SAYING
"You can't mail in a handshake."

RAISING CLOSE TO $1 BILLION IN FIVE YEARS AT BRUIN
"Raising capital is probably the hardest thing I've ever done in my life."

Taylor Ballantyne / Bruin Sports Capital

THE STORY GEORGE PYNE

CONTINUED FROM PAGE 15

cy, T Burns Sports Group, that broadened Engine Shop's capabilities. Similarly, Bruin helped build On Location by adding Anthony Travel and PrimeSport to round out its hospitality offerings.

"We were going to be a little different than your typical private equity," Crispino said of Bruin's strategy at launch. "We were going to be all about supporting the management team and helping them achieve their goals [like they did at IMG]. So, we thought we can do this on our own. We can be better. And we saw an opportunity in the marketplace where there really wasn't a Bruin-type company out there."

When Bruin opened for business in January 2015, Pyne touted $250 million raised in six months. Steve Greenberg, Allen & Co.'s managing director, called it unprecedented for a sports firm to raise that much capital so quickly.

One of the tenets for Pyne was to project Bruin as a company, not a private equity firm, and to position himself as an operator and builder of businesses, not a finance wizard. Those distinctions, and the connections he'd made during a nearly 30-year career in sports business, were the core of his fundraising message. WPP emerged as the lead investor at more than $90 million before selling its share to The Jordan Company a year ago.

Rich Caputo, Jordan's chief executive partner, was an adviser to Pyne behind the scenes when Bruin launched. The two became friends when they were in college together at Brown and have stayed in touch ever since. It was just a matter of time before Caputo and Pyne joined forces.

"The concept of investing in Bruin was very easy because George and I had been talking about it over several breakfasts and dinners," Caputo said. "He would run things past me because I have been through so much of this stuff as an investor. The way it worked out — for us to come in as the largest shareholder in Bruin after George had already built a great business — actually was better."

Five years in, Bruin has invested $285 million to build its portfolio. Bruin companies have seen compounded annual growth rates of 48% for revenue and 35% for EBITDA. Those performances reflect Bruin's keen eye for investments, but it's the exits where an investment company makes the big money.

Bruin is approaching its first two opportunities to sell with returns that could reach 10 times the investment for On Location Experiences and Deltatre.

Bruin and its co-owners of On Location — RedBird Capital, Carlyle Group and the NFL owners' investment arm — have been negotiating the sale of the hospitality and live event business to Endeavor since early 2019 for close to $700 million. That's a sharp profit for RedBird and Bruin, the two lead investors who combined to invest about $70 million.

Meanwhile, reports have surfaced that Deltatre, which was acquired in 2016, is on the market. In just three years under Bruin's ownership, Deltatre has grown from 600 employees to 1,100. It provides streaming of NFL Game Pass to most countries outside of the U.S., and specializes in direct-to-consumer platforms for properties such as UEFA, the ATP and many others. Bloomberg reported the company, purchased for around $160 million, could be sold for more than $1 billion, marking a sizable return on Bruin's investment.

Getty Images

"We wouldn't be where we are now without Bruin," said Giampiero Rinaudo, co-founder and CEO at Deltatre.

Pyne's partners admire his ability to spot the smart bets, which has only increased their confidence and given him more horsepower.

"George has taken Bruin from nothing to really being a leading player in the areas that he's entered," Caputo said. "Now he has $600 million of dry powder to move forward with. He's been able to invest and deploy a little less than half of that amount over the past five years. So, given the opportunities that he's seen, I have little doubt he'll be able to find great investments with the capital that he has at his disposal."

WHEN PYNE launched Bruin five years ago, he said, "This is my shot." He knew then that Bruin would be his legacy. With that in mind, he set out to be more than an absentee investor or the heavy reminding his company CEOs about hitting their quarterly quotas.

"It's never just about the numbers," Pyne said. "If someone says, 'Turn in the numbers,' I don't know what that means. To me it's about the ideas that are going to create lasting values. And how are we doing against those ideas? It's been a formula that's worked out well."

That doesn't surprise Mark Donovan, president of the Kansas City Chiefs. Donovan and Pyne played football together at Brown — Donovan was the starting quarterback and Pyne protected his blind side as the team's left tackle. They briefly worked together at an agency in Atlanta before Pyne went to NASCAR and Donovan started a lengthy career in the NFL.

Donovan said Pyne, even in his days as a young professional, was known as "the hardest working man in show biz."

"He just didn't take 'No' for an answer," Donovan said. "Once he gets an idea in his head, he's going to make it happen. That

LESSONS FROM TED

George Pyne's office at IMG from 2006-11 was next to Ted Forstmann's, so it's not surprising that Pyne, then the company's president, took several tips from his late boss. During a lengthy interview last month in Manhattan, Pyne often referenced Forstmann, the private equity mogul, when asked about his own investing strategies.

"I was 40 years old when he hired me at IMG, so I knew I was going to learn a lot and I did," Pyne said. "I quote him almost every day."

Forstmann constantly referred to the risk-reward ratio on any deal and Pyne does the same.

"What's the upside and what's the downside?" Pyne said. "The minute Ted could eliminate the downside, he was all in."

Pyne said the risk-reward ratio has even made it into his home in discussions with his four children. Whenever there's a big decision to be made, Pyne will ask, "What's the upside and what's the downside?"

"Ted structured everything around the risk," Pyne said. "He was always thinking, always analyzing."

FAR LEFT: Pyne rose to become the COO of NASCAR, where peers described him as "the hardest working man in show biz."

LEFT: IMG's late chairman **Ted Forstmann** schooled Pyne on evaluating risk and eliminating the downside to deals.

ABOVE: Pyne now passes along advice to others, including the need to network and the value of listening while always being inquisitive.

was the case at NASCAR and IMG and even before then. It's one thing to have a vision, it's another to execute that vision.

"Looking back at his entrepreneurial vision and the way he is driven, it all makes sense now."

Through those early years, Pyne became known by another common nickname: "Bull in a China shop." As NASCAR's COO in the early 2000s, Pyne would bring the sanctioning body's management team together once a month at a hotel in Orlando, not far from the Daytona Beach headquarters.

He would sit quietly and listen to reports from different divisions of NASCAR's business. At the end of each report, the questions would start — and continue. Pyne is notoriously curious and if something isn't working, he wants to know why.

"A lot of people claim to be good listeners, but if you're a good business person who listens, you're going to have a lot of questions," said Burns, who was a NASCAR staffer in those meetings in 2003 and sold his brand marketing shop to Bruin nearly two years ago.

"In those meetings, it could feel like you were on the firing line," he said. "You gave your report and then you had to withstand the scrutiny. And if you weren't prepared, that could be a tough experience. But I always liked the intensity George brought to business. You could see the football player in his style."

Deltatre's Rinaudo put it another way: "George is a business guy and he can be tough. But he's also a friend."

Pyne said there were two pieces of advice that have guided him as an operator. When he left NASCAR in 2006 to run Forstmann's latest acquisition — IMG — Bill France Jr. and Jim France took him to a going-away lunch at Steak 'n Shake.

Pyne asked the France brothers for advice on his next move. Bill Jr. replied, "Know when to squeeze and when not to squeeze."

Pyne, later as IMG's president, ran into former Coca-Cola CEO Doug Ivester at Wimbledon. Pyne again asked for advice. Ivester told him, "You're going to have somebody who wants to get from point A to point B, but they want to do it in a different way than you'd do it. And you're going to have to give them the latitude to do it, as long as they're getting from A to B."

Bruin's portfolio now puts it in 30 different countries with 1,900 employees. There is clearly not a one-size-fits-all solution with Bruin's range of businesses, geography and cultures.

"There are times when you have to modify your approach, but you still have to have a certain discipline," Pyne said.

So, as Pyne said, this is his shot. Five years ago, the sports executive with the risk tolerance of a 100-year-old man took a chance. The returns after the first five years have exceeded his expectations. Now, the expectations go up.

In projecting the next five years for Bruin, Pyne did what he never does — he went way out on a limb by saying he wants Bruin to be the Berkshire Hathaway of sports. That reminded Pyne of another inspirational message, this one from IBM CEO Ginni Rometty, who recently told a group of business leaders that you're only growing if you're outside your comfort zone.

"I really think that's true," Pyne said. "Have I changed? Things maybe bother me less than before. I'm more reflective, maybe more patient. But I'm no less determined. … It'd be easy to look back five years ago and say that Bruin was high risk, high reward, and I'd say the rewards have been pretty good so far. I'd say it was the best bet I've ever made." ✖

STICKING TO THE PLAN

When a new company is brought into the Bruin Sports Capital portfolio, it begins the relationship by creating a three-year plan. Within the plan will be goals for revenue and profit growth, as expected, but also goals for stretching the company's capabilities.

Bruin partners David Abrutyn and Tony Crispino typically meet with the companies monthly to review their progress. "We want the company's senior management to be part of that process," Crispino said.

Two Circles, a data analytics company acquired last year, literally took its three-year planning to new heights. Two Circles CEO Gareth Balch took his senior management team to Switzerland and they crafted their plan while looking across Lake Geneva.

"We have a team where the average age is 27 years old, so I think it's really important to make them feel engaged from the outset," Balch said. "We actually voted on most aspects of the plan and presented it to George."

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