EXECUTIVE INSIGHTS

The Streaming War for National Sports Rights

For decades, live sports have been the backbone of media giants, commanding prime-time audiences and premium ad dollars. As more live sports content becomes available via streaming — both from traditional broadcasters repurposing it to differentiate their digital platforms and from streamers aggressively entering the space — viewers are increasingly cutting the pay TV cord. This shift is accelerating the decline of pay TV subscriptions and prompting media companies to double down on streaming investments. In 2025, these companies are expected to spend approximately $33 billion on national sports rights, with streamers nearly doubling their stake to $7.1 billion since 2023.

Advertisers are following, reallocating budgets from linear TV to YouTube and connected TV, where targeting and engagement drive superior returns. Live sports represent a substantial advertising opportunity for streamers positioning themselves as the next hub for premium sports content.

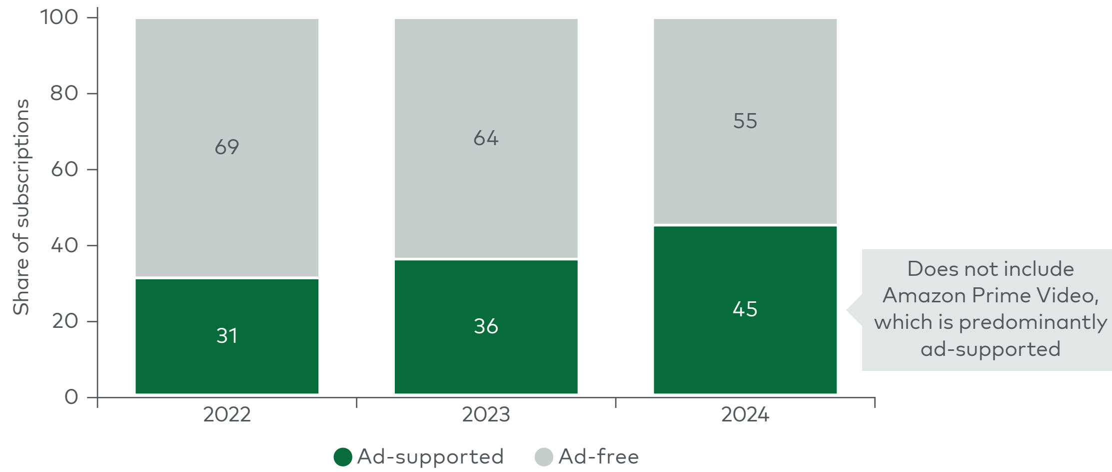
As streaming giants ramp up their investment in live sports, the battle for media rights is transforming how games are distributed, monetized and consumed — redrawing the sports broadcasting landscape.

The streaming playbook for dominating live sports

Live sports have long been the backbone of TV advertising, accounting for 30%-40%[1] of all linear TV national ad spend — a figure that is increasingly shifting toward streaming. At the same time, ad-supported streaming tiers are transforming content monetization, with the share of U.S. premium subscription video on demand (SVOD) subscriptions on ad-supported plans surging from 31% to 45% since 2022 (see Figure 1).

Figure 1

Share of premium SVOD* subscriptions by plan tier (US), 2022 vs. 2024

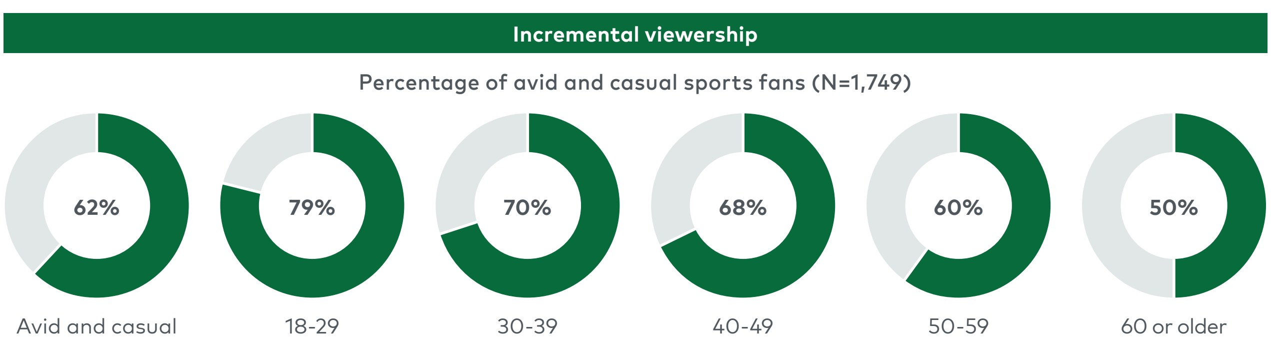


*Includes Discovery+, Disney+, Hulu, Max, Netflix, Paramount+ and Peacock; excludes MVPD and telco distributions
Note: SVOD=subscription video on demand
Source: Antenna; ispot.tv

The convergence of these trends creates a powerful monetization opportunity. Live sports tend to drive viewership that's incremental to scripted TV and film content, helping platforms capture attention that might otherwise go to YouTube, TikTok or other nonstreaming activities. When live sports are unavailable, 62% of fans shift their attention outside streaming platforms entirely, with that number climbing to 79% among younger viewers (see Figure 2).

Figure 2

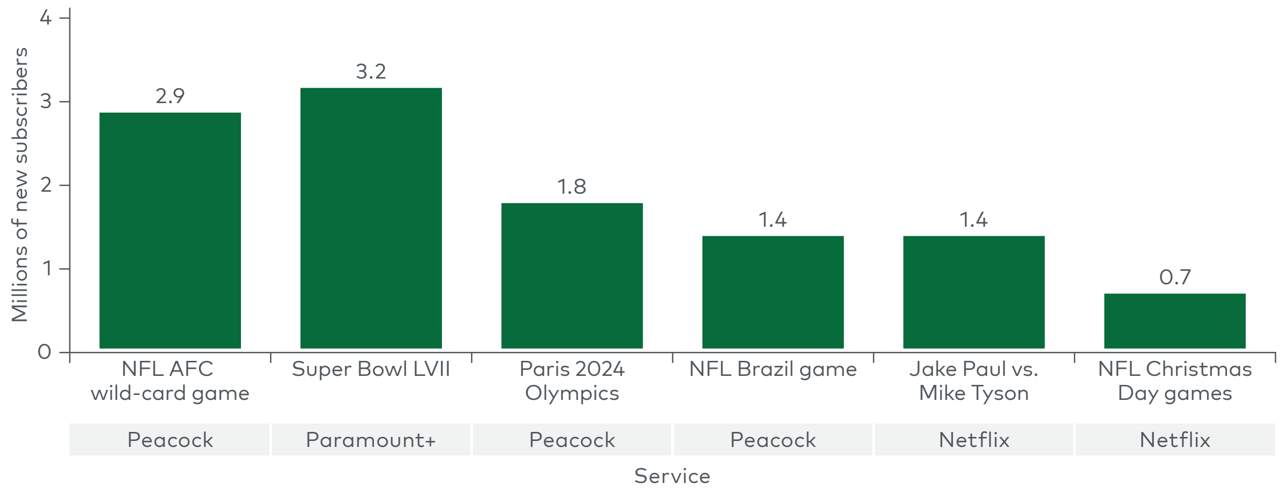
Reallocation of time spent watching sports content in the absence of live sports



Source: L.E.K. Sports Fan, Viewership and Attendance Survey 2025

Live sports became a key driver of subscriber growth in 2024, as streaming networks saw record sign-ups from marquee events. Massive moments[2] like the Super Bowl, Jake Paul vs. Mike Tyson and the Paris 2024 Olympics brought in millions of new streaming subscribers, reinforcing the unmatched acquisition power of live sports (see Figure 3).

Figure 3
New subscriber sign-ups by live sports event



Source: L.E.K. Sports Fan, Viewership and Attendance Survey 2025

This unique audience behavior makes sports content a strategic powerhouse for streaming platforms — driving incremental viewing hours, attracting premium advertising dollars, improving retention among churn-prone demographics and driving new subscriber acquisition.

The high-stakes battle for media rights

With these incentives in play, media negotiations are heating up as several major sports rights deals near expiration. This next rights cycle will redefine the economics of sports broadcasting for years to come (see Figure 4).

Figure 4
Major sports media rights deals set to expire (2025-30)

NOT EXHAUSTIVE

Property	Deal expiration date	Length of current deal (years)	Rights holder*	Current annual fees
UFC	2025	**7**	ESPN	**$500M**
F1	2025	**3**	ESPN	**$83M**
	2025 (early opt-out)	**5**	ESPN	**$535M**
	2026 (PLE package)	**5**	Peacock	**$220M**
NFL	2030 (NFL early opt-out option)	**7**	CBS, NBC, FOX	**$6,350M**
PGA TOUR	2030	**9**	CBS, NBC, Golf Channel	**$700M**

Source: JP Morgan Sports Rights Almanac; L.E.K. research and analysis

For properties like UFC and Formula One, which have seen significant audience growth[3], these negotiations represent an opportunity to substantially increase their valuations while potentially exploring new distribution models that span both traditional and streaming platforms.

UFC's current media rights deal with ESPN, valued at about $500 million annually, is set to expire in 2025. UFC is reportedly seeking[4] a $1 billion annual contract — more than double what Disney-owned ESPN is currently paying. ESPN holds exclusive negotiating rights until April 2025 and remains the front-runner, but it could face pressure from other bidders as UFC's viewership and pay-per-view (PPV) sales continue to grow. If ESPN fails to renew, it risks losing one of its most valuable retention-driving properties on its streaming service, ESPN+.

The NFL's upcoming media rights negotiations, while still several years away, will be among the most consequential in sports. When the league secured its current deal, it was celebrated as a landmark agreement. Now, after the NBA locked in[5] a $7.5 billion-per-year deal despite ratings challenges, the NFL — still the undisputed ratings leader — is poised to command even higher fees. The league hasn't ruled out[6] the possibility of revisiting its CBS deal in light of Skydance's pending merger[7] with Paramount, which could unlock additional value.

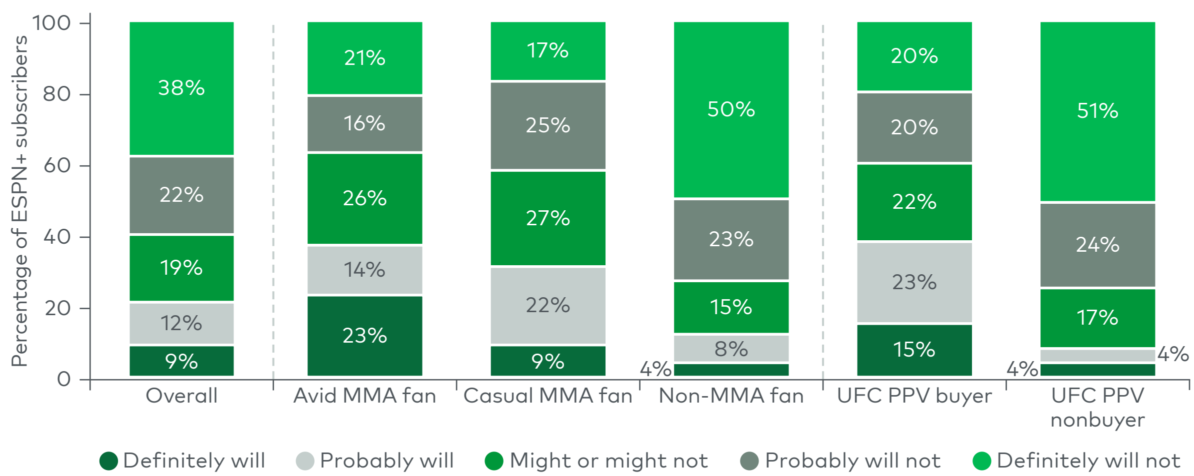
Case studies in sports media value: UFC vs. MLB

UFC and MLB illustrate contrasting fates in the streaming era — one is thriving as a retention driver while the other struggles to justify its value.

UFC: The premium retention driver

UFC's unique model — combining weekly fight cards with exclusive PPV events — makes it both a subscriber acquisition engine and a powerful churn mitigation tool. L.E.K. Consulting's 2025 Sports Survey reveals UFC content is critically important to ESPN+ subscribers, with avid MMA fans 2.8x more likely to cancel their subscriptions if UFC content disappeared (see Figure 5).

Figure 5
Likelihood to cancel ESPN+ if UFC content was no longer available



	Overall	Avid MMA fan	Casual MMA fan	Non-MMA fan	UFC PPV buyer	UFC PPV nonbuyer
Churn*	12%	23%	16%	7%	20%	6%
Baseline churn**	8%	8%	12%	6%	13%	4%
Churn increase	+50%	+176%	+35%	+13%	+50%	+50%

*Applies 70/30/10 intent adjustment (70% definitely would; 30% probably would; 10% might or might not)
**Likelihood to cancel ESPN+ in the next 12 months (no change to content availability)
Note: If ESPN+ loses UFC content, avid and casual MMA fans are significantly more likely to churn; PPV=pay-per-view
Source: L.E.K. 2025 Sports Survey

Avid MMA fans — who represent 21% of ESPN+ subscribers — stated they purchase an average of 3.5 UFC PPV events annually, according to our 2025 Sports Survey. Another 17% of subscribers are casual MMA fans, purchasing around 1.5 events per year, compared to just 0.8 events for nonfans. While ESPN remains the front-runner for UFC's domestic rights, other potential bidders are in the mix. Warner Bros. Discovery's B/R Sports is often cited as a contender, though its existing relationship with All Elite Wrestling could complicate a deal with TKO-owned UFC.

Netflix has also been mentioned as a potential partner for UFC, especially given its recent World Wrestling Entertainment agreement. However, in our estimation, the high price tag and PPV distribution model make it unlikely that Netflix will be a serious contender for UFC's domestic rights. UFC's international rights, however, are a more natural fit — Netflix's global footprint makes it an ideal partner to consolidate fragmented rights, improve international monetization and accelerate UFC's overseas audience growth.

MLB: The declining value proposition

ESPN's decision to opt out[8] of MLB's national rights underscores the sport's challenges at the national level in the streaming era. While interest in local teams and regional broadcasts remains relatively strong, national ratings have declined approximately 3% annually since 2013. At the same time, the ESPN/MLB rights deal was relatively expensive — with an estimated cost per viewer hour of $2.74 — materially higher than other recent agreements.

Meanwhile, newer entrants like Apple TV and Roku are paying significantly less in total for meaningful regular season content. Apple holds rights to Friday Night Baseball, while Roku airs Sunday Leadoff Baseball — both featuring one game per week over roughly 18 weeks from May through early September. These pricing disparities highlight the sport's uncertain value at a national level, especially as platforms prioritize content that drives engagement and retention.

With the national rights picture in flux and the regional sports network (RSN) model continuing to erode, MLB teams are increasingly exploring alternative distribution strategies, including direct-to-consumer and over-the-air options. These models may improve access and exposure but currently generate far less revenue than legacy RSN deals do.

(Stay tuned for part two of this series, where we'll explore the collapse of RSNs and the shifting dynamics of the local sports media ecosystem.)

A fragmented sports media landscape ahead

As the sports media ecosystem continues to fragment, several critical implications are emerging for both platforms and leagues:

- **Live sports are foundational.** Streaming platforms that lack marquee sports content risk losing audience share to competitors that invest in tentpole events and use them to anchor subscriber growth and retention.
- **Leagues hold near-term leverage — but it may not last.** Fast-growing, globally appealing leagues like UFC and Formula One are well positioned to drive meaningful increases in average

annual value during this rights cycle. But as the market shifts fully to streaming, that pricing power may fade — especially with slowing subscriber growth or platform consolidation.

- **For fans, fragmentation is a mixed bag.** As sports content splits across multiple platforms, access becomes more complicated, and subscription costs may rise. Yet fans also benefit from more flexible viewing options and the potential for richer, more personalized experiences.

These shifts signal a new era in sports broadcasting — one defined not by a single dominant platform, but by a dynamic, multichannel marketplace shaped by shifting economics, evolving fan behavior and high-stakes content decisions.

Coming next

The fragmentation of national rights is only part of the story. The collapse of RSNs presents an even greater challenge, as leagues and teams work to replace billions in lost revenue. In our next article, we'll examine how the decline of pay TV is reshaping local sports broadcasting — and what it means for the future of regional media rights.

For deeper insights into sports media rights, platform strategy and content monetization, reach out to L.E.K.'s Media & Entertainment practice. Our team specializes in sports and live entertainment, direct-to-consumer models and media rights negotiations — helping clients navigate the evolving sports landscape with data-driven strategies.

For more information, please contact us.

Endnotes

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