

Cutting Edge's Tim Hegarty: Consumer data, studio alignment key in music deal sourcing

Emmy Award-winning composer John Paesano's catalog is the latest addition to CEG's portfolio valued at more than \$1bn.

Iris Dorbian

In the world of music investors, London-based Cutting Edge Group is an interesting anomaly. Where most PE firms in the asset class target the catalogs of iconic or well-known pop/rock bands and solo recording artists, CEG has a different, less glamorous strategy: it targets the catalogs of TV and film composers. Founded 20 years ago by former entertainment marketing and property development executive Philip Moross, CEG has amassed a portfolio of over 2,000 titles, including *John Wick*, *Stranger Things*, and *Bridgerton*.

The firm's **latest acquisition** – the music catalog of Emmy Award-winning US-based film and TV composer John Paesano – amplifies CEG's portfolio, valued at more than \$1 billion. It also further solidifies CEG's position in a market where there are few rivals.

For CEG, a key element of its playbook is that it capitalizes on evolving consumer watching habits, with many shifting from linear TV to digital formats. Current statistics show that streaming dominates TV viewing – at least in the large US market. A 2025 Samba TV report found that streaming accounted for over 60 percent of total US TV screen time, with traditional cable viewing at 24 percent and broadcast at around 18 percent. In July 2025, a Pew Research Center study found that 83 percent of American

adults watch streaming services while only 36 percent subscribe to traditional cable or satellite TV.

Simply put, with each download of a TV show or film whose score is owned by CEG, another royalty check is funneled to the company's coffers. This kind of content consumption is critical to how CEG generates revenue from its portfolio.

“On those digital formats, you're no longer reliant on the public broadcaster telling you what you have to watch,” CEG's M&A head Tim Hegarty told *PE Hub*. “With digital, it's more meritocratic: the consumer picks what they want to watch, and we are seeing in the data that consumers gravitate towards high-quality, globally branded, nostalgic IP that they can then watch on demand as many times as they want.”



Tim Hegarty, Cutting Edge Group.

Source: Faye Thomas

Also, with each acquired catalog, manifold licensing opportunities abound. In the case of the Paesano catalog, which includes scores to multiple franchises such as *Maze Runner* trilogy, *Kingdom of the Planet of the Apes*, *Invincible* and Marvel's *Daredevil*, the quality of the IP is especially attractive.

“He owns music royalties in various bits of IP that are important to a number of large-scale studios,” explained Hegarty. “He has prominent films and shows with Twentieth Century Fox, DreamWorks, Netflix, Amazon and Marvel – shows that are very important to the studios. When we make deals, we are thinking two things: firstly, what is the data telling us about consumer engagement, and secondly, are we aligned with the studios? They are so invested in their premium content, spending millions on

production budgets, marketing, merchandise and experiences. We want to aggregate our capital around that.”

Premium for scale

As CEG considers Paesano to be one of the top composers in his field, his catalog has been on their radar for a while. Sweetening the allure was the fact that Paesano had released several soundtrack records on CEG’s label division, Lakeshore Records, which the firm acquired six years ago.

In addition to Lakeshore, the hybrid investor boasts other divisions that include music licensing and Myndstream, a wellness music brand. Last year, CEG, which also has offices in Los Angeles and New York City, formed a joint venture with Warner Bros Discovery to manage their music portfolio and acquired the full TV music catalog of AMC Studios.

Asked how the Paesano catalog acquisition adds value to CEG’s portfolio, Hegarty replied, “Scale is important. When we decided to invest in this space, we decided if we wanted to buy one catalog, we would buy 50 for scale and also for diversification. When you buy a studio catalog like Warner Bros, with over 100 years of copyrights, it is naturally very diversified. When you buy a composer’s catalog, it’s a bit more limited; they have diversity across film and television and different genres, but it is typically on a smaller scale. John’s catalog adds to the overall diversification of our portfolio. You get a premium for scale and diversification in this market.”

Direct relationships

Talks to acquire Paesano’s catalog began in early 2024, then stalled as Paesano discussed the matter with his financial managers and weighed his options.

“It’s quite a big decision for a composer to sell his rights,” said Hegarty. “They are parting ways with their creative body of work.”

In early summer 2025, Paesano came back to the negotiating table. The deal, which closed in late 2025 and announced in January, was executed without the usual phalanx of intermediaries and advisors.

“We do a majority of our deals on a private basis,” said Hegarty. “We don’t outsource the process to bankers or lawyers. We rely on our direct relationships.”

Save for the time it took for Paesano to agree to sell his catalog to CEG and the price to be hashed out between both parties, no challenges arose. Declining to disclose the financial terms, Hegarty called it a “clean deal.”

CEG is bullish when it comes to its goals for the Paesano catalog. Given the strong IP that underpins it, Hegarty is confident it will perform well, exceeding expectations.

“We also plan to actively enhance the value of the catalog, firstly by plugging it into our global collection infrastructure, to ensure we collect all the royalties we’re entitled to by checking registrations, tracking broadcasts, and resolving conflicting claims. Secondly [we plan] by working with John, his team, the studios and existing administrators to find new secondary opportunities to generate revenue such as sync licensing, live-to-picture concerts, soundtrack albums, and much more besides.”