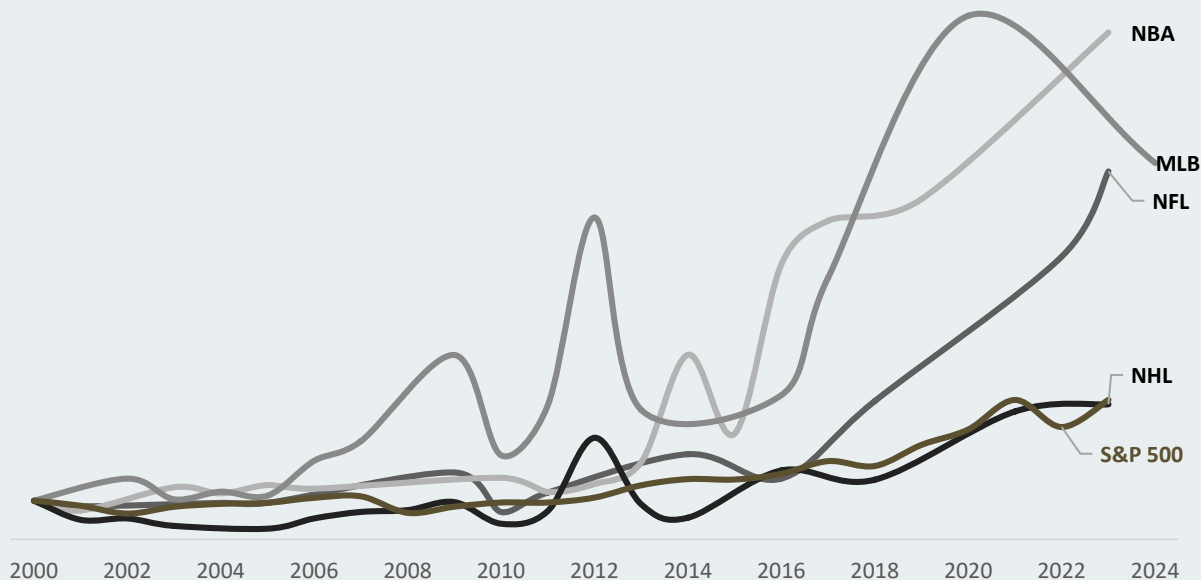


# **The Opportunity**

# SPORTS ARE A HIGHLY DESIRABLE INVESTMENT

Sports represent an increasingly desirable asset class, with returns exceeding those of other traditional investment classes. While revenue growth is in part responsible for these returns, we are also seeing higher multiples used in appraisals.

## Average Team Transaction Price (Indexed)



Notes: CAGR for the MLB is based on the 2024 sale of the Orioles to David Rubenstein as it is the most recent sale, the prior most recent MLB sale we have data for having occurred in. S&P500 CAGR does not account for dividends. All values in the graph are indexed to a starting value of 1 in 2000.

Sources: Stephen M Ross School of Business at the University of Michigan, WSJ, Sportico, Sports Business Journal, Forbes

## Sports Teams have Highly Desirable Investment Characteristics:

**Above-Market Returns** – From 2000 to 2023 all three major American sports outperformed the S&P 500, even the NHL which is the lowest performing sport in our study matches the S&P 500. A University of Michigan Study confirms that this trend can be found all the way back to 1961.

**Resilience** – Loyal fanbases mean that “Values tend to be less volatile than other investments like stocks and bonds—or, in Wall Street-speak, they are more highly non-correlated with other securities” – University of Michigan. Making sports investments a valuable component of a diversified investment portfolio.

**Lifestyle** – Sports teams ownership offers lifestyle benefits beyond that of most other investments.

**Exclusivity** – There are only so many teams, making exclusivity a driver in the value equation.

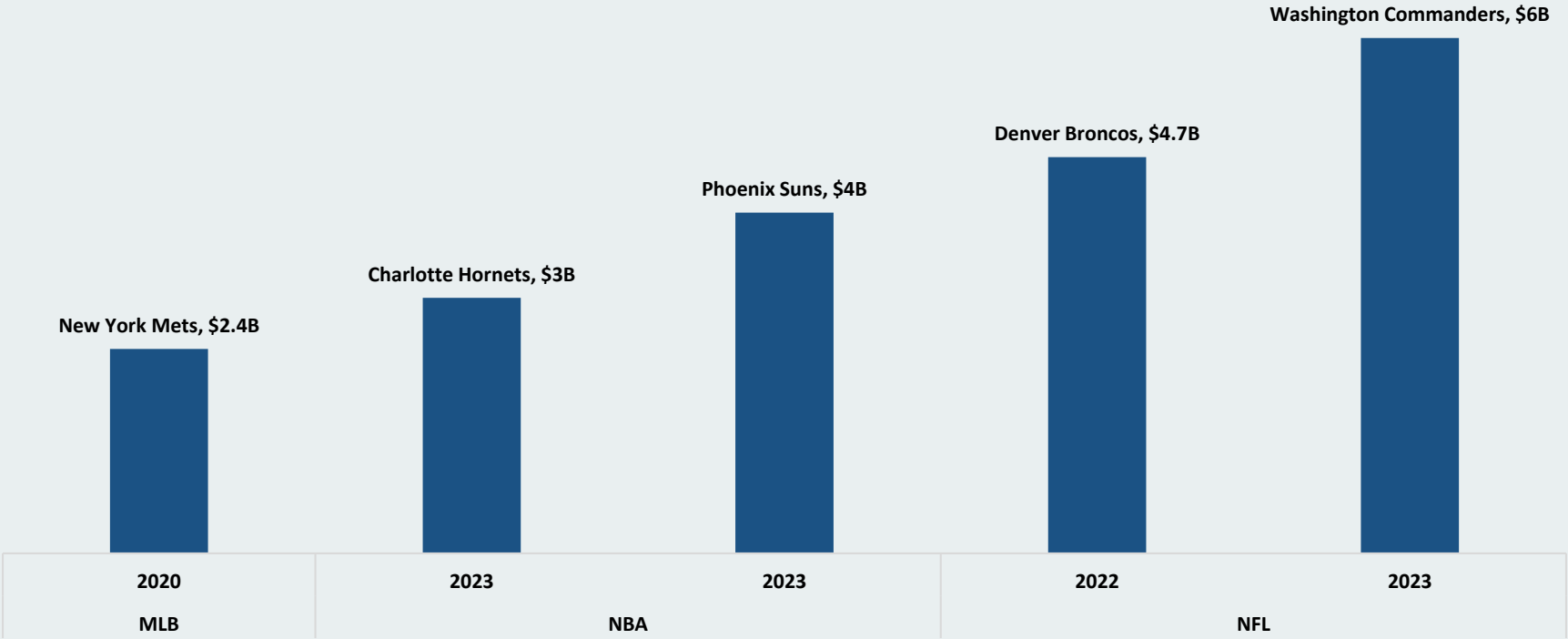
**Increased share of TV spend** – “Consumers no longer want to gather around a television at a specific time to watch pre-recorded content. They want content on demand, and sports are nearly the only thing consumers seem to want to watch live. As such, live sports viewership has been singlehandedly driving media revenues globally” – Forbes

**Value of auxiliary businesses** – Merchandise, Hospitality, etc.

# WE ARE SEEING RECORD BREAKING TEAM SALES ACROSS SPORTS PROPERTIES

While at times backed by institutional funding, all of the below were sales to private ultra-high net worth individuals.

## Top 5 Highest Priced Sales in US Sports History



# INSTITUTIONAL INVESTORS HAVE STARTED ENTERING THE SPACE

Post Covid, we have seen an uptick in institutional investment activity across all sports.

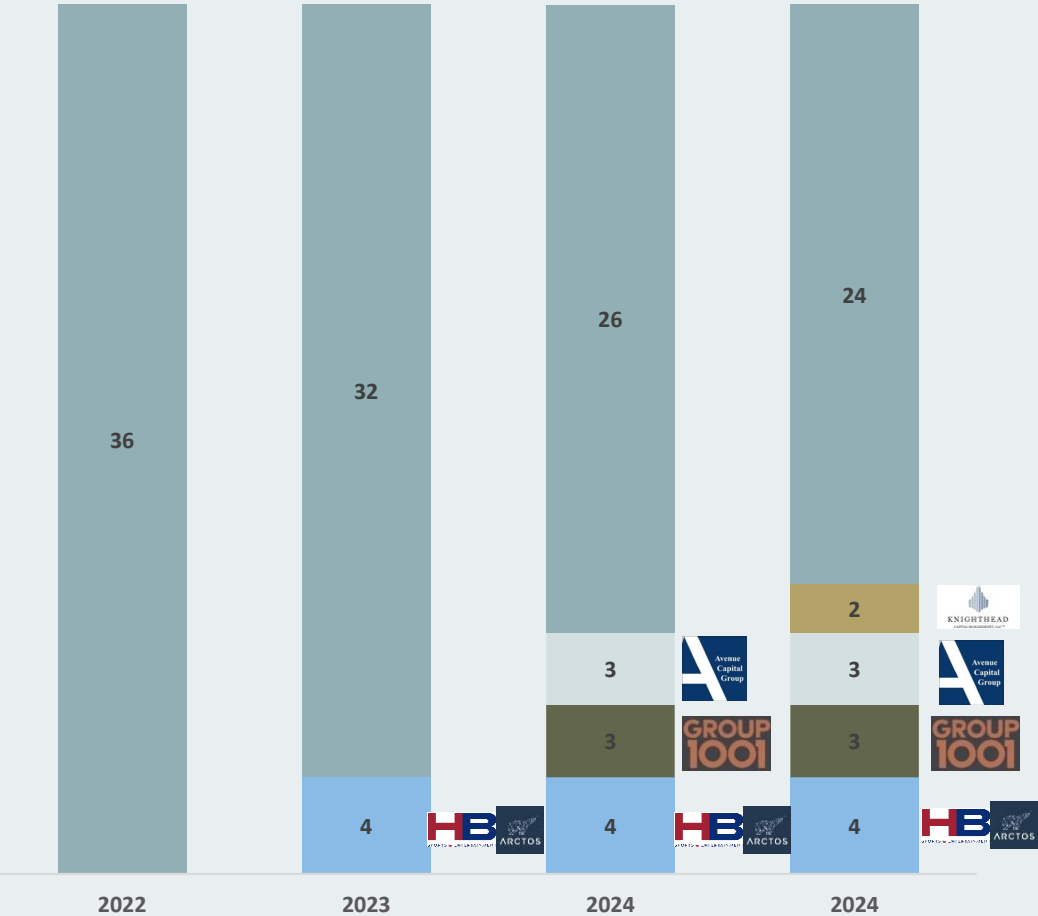
## US Major Sports & F1 Investments of Major Sports Funds and Sovereign Wealth Funds since 2020

| Investor  | NBA  | MLB   | NASCAR   | F1  |
|---|--|---|--|---|
|    |    |     |   |    |
|    |  |    |  |    |
|    |  |    |  |    |
|    |   |   |  |   |
|   |  |   |  |   |
|  |   |   |  |   |
|  |  |   |  |  |

Note – As of September 2024, The NFL had just passed a resolution allowing funds to invest in their Teams which is why there are no NFL teams on this slide. We also excluded MLS, Hockey and other various sports.

Sources: Sports Business Journal, WSJ, Forbes, Bloomberg, Investment Group Websites

NASCAR Charters with Institutional Backing



INSITUTIONAL INVESTORS ARE ENTERING THE NASCAR SPACE

In 2022, there were no significant institutional investors in NASCAR. By 2024 about 28% of the field was backed by institutional investors.

# CHARTER OWNERS ARE DOUBLING DOWN ON THEIR INVESTMENT

NASCAR Teams are consolidating as their owners are willing to invest in additional Charters and are buying up single car, lower performance teams.

**NASCAR Charters Per Team and prevalence of Single Car Teams**



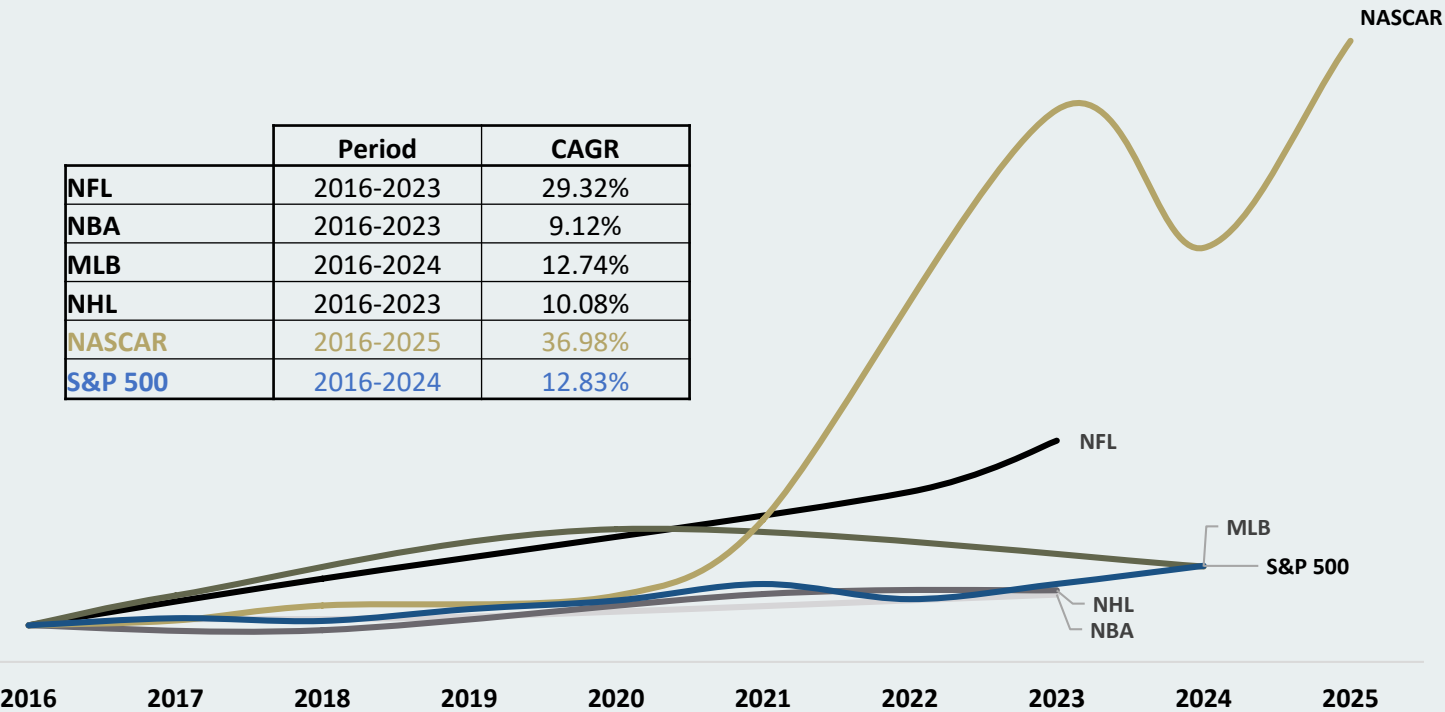
|                  | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------------|------|------|------|------|------|------|------|------|------|------|
| Charters/Team    | 2.1  | 1.9  | 1.8  | 2.0  | 2.1  | 2.1  | 2.3  | 2.3  | 2.4  | 2.4  |
| Single Car Teams | 6    | 9    | 11   | 8    | 7    | 7    | 3    | 3    | 2    | 3    |

# NASCAR TEAMS SHOW EVEN STRONGER PERFORMANCE

Since 2016, the inaugural year of the Charter system within NASCAR, NASCAR teams have outperformed the market, even with the boom in sports team prices in the last decade.

Average Team Transaction Price (Indexed)

|         | Period    | CAGR   |
|---------|-----------|--------|
| NFL     | 2016-2023 | 29.32% |
| NBA     | 2016-2023 | 9.12%  |
| MLB     | 2016-2024 | 12.74% |
| NHL     | 2016-2023 | 10.08% |
| NASCAR  | 2016-2025 | 36.98% |
| S&P 500 | 2016-2024 | 12.83% |



NASCAR has flown largely under the radar for the past decade, but as one of the top performing sports franchises in North America, it has begun attracting significant attention from both private investors and institutions.

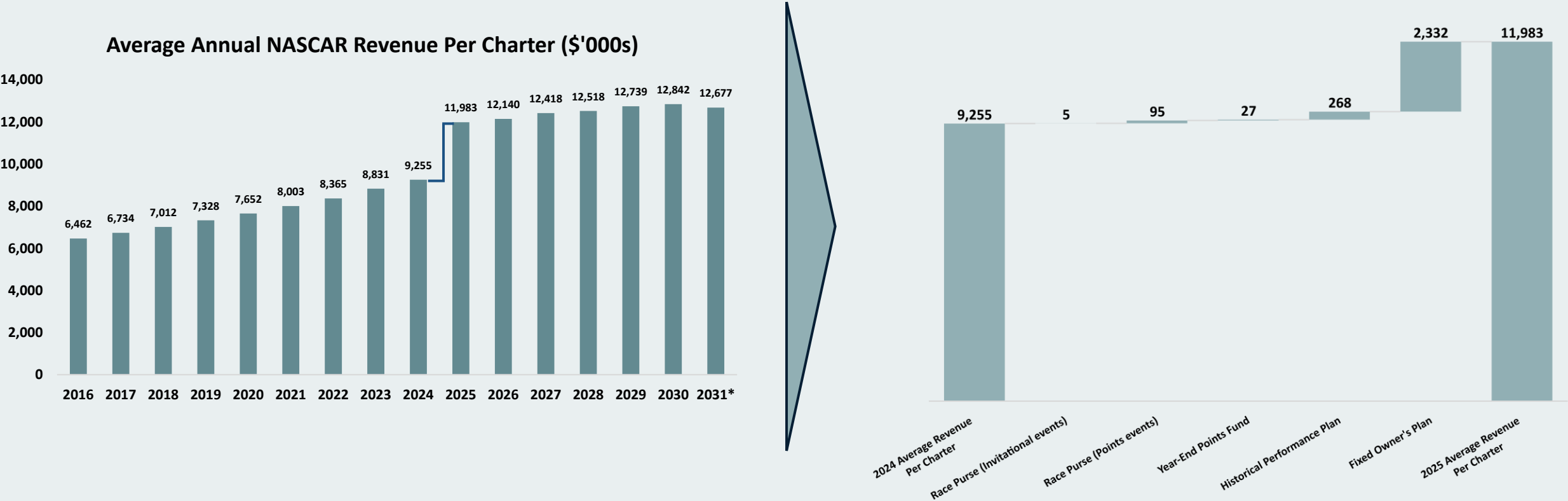
At 37% CAGR, NASCAR outperforms all major North American Sports properties as an investment.

With the new for 2025 Media agreement comes a 29.5% increase in revenues from NASCAR and a commitment to implementing a cost cap, both of which we believe will create a substantial increase in the value of the teams.

Note that the 2024 dip reflected in the graph includes the \$30M estimated sales price of the Stewart-Haas Charters, which occurred in a rushed sale due to the Haas family's evolving personal situation and well before a Charter agreement had been reached.

# THE NEW CHARTER AGREEMENT PROVIDES FOR A SIGNIFICANT REVENUE INCREASE

Cementing the security of the sport, the new Charter Agreement, executed on September 6, 2024 coincides with a historic \$7.7B seven-year media rights deal with FOX Sports, NBC Sports, Amazon’s Prime Video and TNT Sports, a division of Warner Bros. Discovery. The bulk of the increase in Charter revenues from 2024 to 2025 was allocated to the Fixed Owner’s Plan, which is paid independent of performance and ensures increased team financial stability. Furthermore, where a substantial portion of Purses and Year End Points Fund are consumed by driver performance bonuses, the Fixed Owner’s Plan and Historical Owner’s Plan flow directly to our bottom line.





# WE EXPECT NASCAR CHARTER VALUATIONS TO CONTINUE TO RISE

The explosive growth of NASCAR Charter valuations is driven by a few key factors:

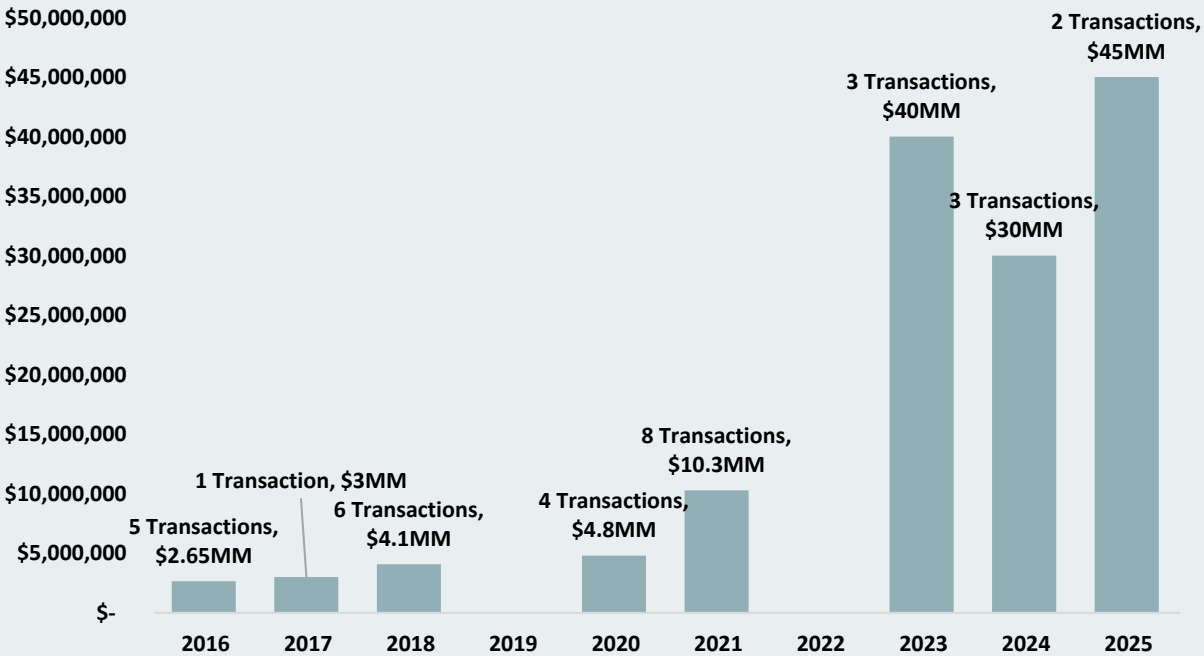
- Exclusivity, as there are only 36 Charters<sup>1</sup>
- Consolidation of Charters (there are less and less single car teams) and loss of start and park teams
- The Next Gen model, which has allowed teams to run more cost effectively

There are also some additional factors we believe could drive the price of Charters up from what we have seen to date<sup>2</sup>:

- A cost cap expected to be implemented in the next few years, which is aimed at increasing team profitability and creating a level playing field in terms of performance.
- Access to growing revenue streams, with a 29.5% increase in 2025 NASCAR’s pursuit of outside investors and the transition from a family-run company to a stakeholder lead business, increasing alignment of interests.
- The outcome of NASCAR’s lawsuit with 23XI and Front Row.
- If a new manufacturer were to enter the sport, fostering increased competition and providing for more overall OEM revenue to the teams.

It is worth noting that in most of these transactions, the Charters were on the market for less than 3 months before they were sold, meaning these are both a highly desirable and somewhat liquid asset.

Charter Yearly Average Sales Price



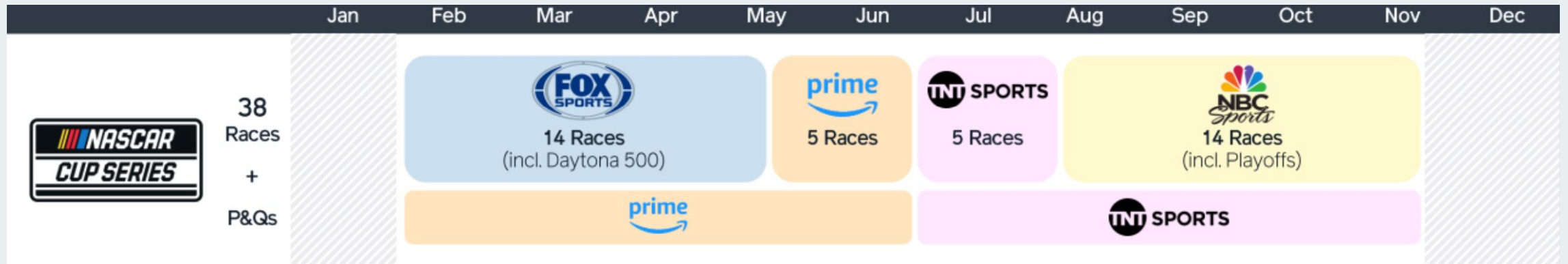
<sup>1</sup>NASCAR has the right to grant an additional 3 Charters, which it has historically reserved for new OEM’s entering the sport.  
<sup>2</sup>Some speculation about the new broadcast deal, Charter agreement, cost cap etc. was likely priced into the 2023 and 2024 transactions. But so was the uncertainty around the renewal since NASCAR’s latest agreement was only resolved months after the rumored \$30MM Haas sale.  
Source: NASCAR Charter Transfer Documents

# MEDIA RIGHTS DEAL

(2025-2031)

NASCAR recently announced a historic seven-year media rights deal with FOX Sports, NBC Sports, Amazon's Prime Video and TNT Sports, a division of Warner Bros. Discovery.

As part of this estimated \$7.7B deal, the teams are expected to receive an increase in NASCAR revenue streams of 29.5% starting in 2025.



NASCAR represented the largest sports media investment for all 5 partners in 2023