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Why Sports is Everything & Who Benefits Most … Launching Optimal's Coverage of The Sports Ecosystem

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- **The $2.3 trillion global sports economy is growing at 2.2x global GDP.**
- **A self-reinforcing flywheel of consumer tendencies is driving this ecosystem including fandom, gambling, and participation.**
- **We launch the Optimal Sports Ecosystem Index comprised of 44 companies in 3 subcategories – we identify, unpack, and these subcomponents.**
- **We discuss selected public market callouts including CALY, GOLF, NKE, SRAD, MSGS/MSGE, MANU, BATRA.**

In this report we expand Optimal's coverage into the global $2.3 trillion sports ecosystem that is growing at roughly 2x GDP. We identify three ongoing drivers of this growth (fandom & financialization of sports assets; sports betting; and consumer participation in existing and new sports). These drivers are aligned with behavioral tendencies of the 21st century consumer.

Sports economy revenues have grown by a CAGR of 6.5% over the past decade, including media rights (7%), operating revenues (6-7%), and related consumer expenditures (5%). This growth has outpaced nominal world GDP growth by about 350 bp (or 2.2x) over the same timeframe. We expect the sports ecosystem to continue to grow at a similar pace over the next 5 years. The three key drivers of the sports economy include:

- **Fandom & Financialization (The Scarcity Value of a Unified Consumer Touchpoint).** Sporting events are one of the last forms of widely consumed, live & unscripted content in a fragmented market, making sports media rights exponentially more valuable. As an increasing number of consumers turn to streaming and alternative news sources over live television, sports viewership and data has become more precious to broadcasters and advertisers. At the same time, the financialization of sports as an asset class with heavy inflows combined with inherent scarcity of seasoned sports properties has further pushed valuations upwards. As private equity firms and sovereign wealth funds increasingly invest in sports teams, the expanding growth opportunities and scarcity are driving sports property valuations to new heights.
- **Sports Betting & Data – The Biggest Driver of The Flywheel.** The popularization and legalization of sports betting drives consumer interactions with sports leagues and brands. Even relative to other sports fans, sports bettors watch far more live events, attend more games, listen to more podcasts, and buy more merchandise.
- **Sports Participation & Reinvention.** Women's sports, youth sports, and emerging sports provide growth to a continually evolving ecosystem. Increased viewership of women's sports, participation in youth sports (especially sports such as volleyball and women's flag football), and interest in emerging sports such as pickleball, padel, & esports have driven consumer spending, sports equipment & apparel brands, sports betting, team owners, travel, & data companies.

This report unpacks the trends and drivers of the sports ecosystem, identifies selected inflections within public market players, and analyzes component fundamentals as the sports ecosystem continues to take over the economy.

The Optimal Sports Ecosystem Index

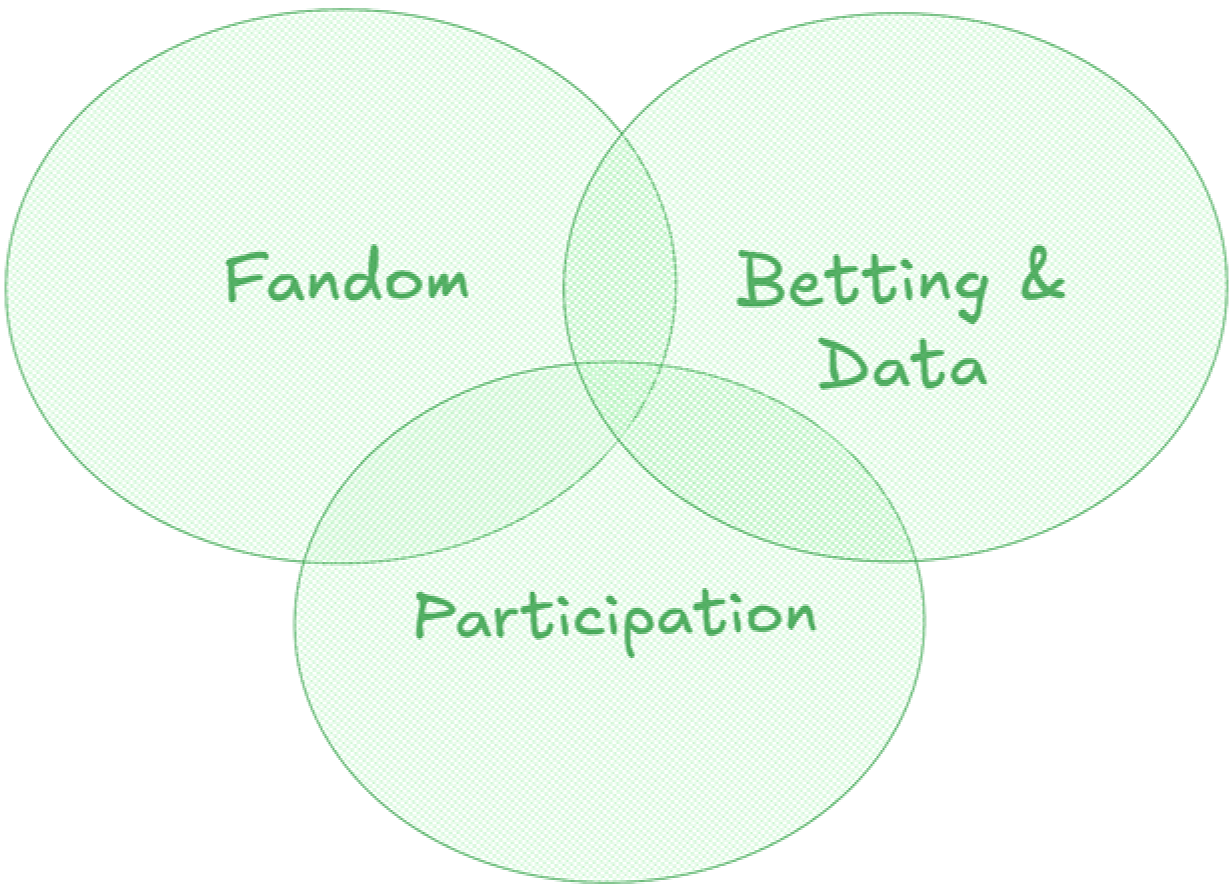
Driven by the three key drivers listed above, we divide our coverage into the following three categories:

1. Sports Fandom

2. Sports Betting & Data

3. Sports Participation

Figure 1: The Sports Flywheel: Our Ecosystem Categories



Source: Optimal Advisory analysis

Figure 2: Optimal Sports Ecosystem Index Components (Sorted by Market Cap)

SPORTS FANDOM	SPORTS BETTING & DATA	SPORTS RECREATION	
EA* Electronic Arts ($50.9B)	FLUT Flutter Entertainment ($28.5B)	NKE Nike ($92.1B)	PII Polaris ($3.6B)
TKO TKO Group ($39.1B)	DKNG DraftKings ($13.6B)	GRMN Garmin ($39.8B)	YETI YETI Holdings ($3.6B)
LYV Live Nation Entertainment ($33.8B)	CHDN Churchill Downs ($6.7B)	AS Amer Sports ($21B)	CALY Callaway Golf Company ($2.6B)
FWONK Formula One Group ($21.2B)	SRAD Sportradar Group ($5.7B)	LULU Lululemon Athletica ($21B)	UAA Under Armour ($2.6B)
MSGS Madison Square Garden Sports ($6.8B)	SGHC Super Group ($4.7B)	DKS DICK'S Sporting Goods ($18.3B)	PTON Peloton Interactive ($2.4B)
MANU Manchester United ($3.1B)	RSI Rush Street Interactive ($4.2B)	ONON On Holding ($15.2B)	CWH Camping World Holdings ($1.4B)
MSGE Madison Square Garden Entertainment ($2.9B)	GENI Genius Sports Limited ($2B)	PLNT Planet Fitness ($7.6B)	LUCK Lucky Strike Entertainment ($1.1B)
BATRA Atlanta Braves Holdings ($2.6B)		LTH Life Time Group Holdings ($6.7B)	FOXF Fox Factory Holding Corp. ($0.8B)
SEAT Vivid Seats ($0.1B)		DOO BRP ($6B)	HZO* MarineMax ($0.7B)
		THO THOR Industries ($6B)	MBUU Malibu Boats ($0.6B)
		GOLF Acushnet Holdings ($5.8B)	JOUT Johnson Outdoors ($0.5B)
		BC Brunswick Corporation ($5.3B)	XPOF Xponential Fitness ($0.4B)
		MTN Vail Resorts ($4.7B)	MCFT MasterCraft Boat Holdings ($0.4B)
		ASO Academy Sports and Outdoors ($3.7B)	CLAR Clarus Corporation ($0.2B)

*EA, HZO included in historical and component indices despite ongoing M&A

Source: Optimal Advisory analysis

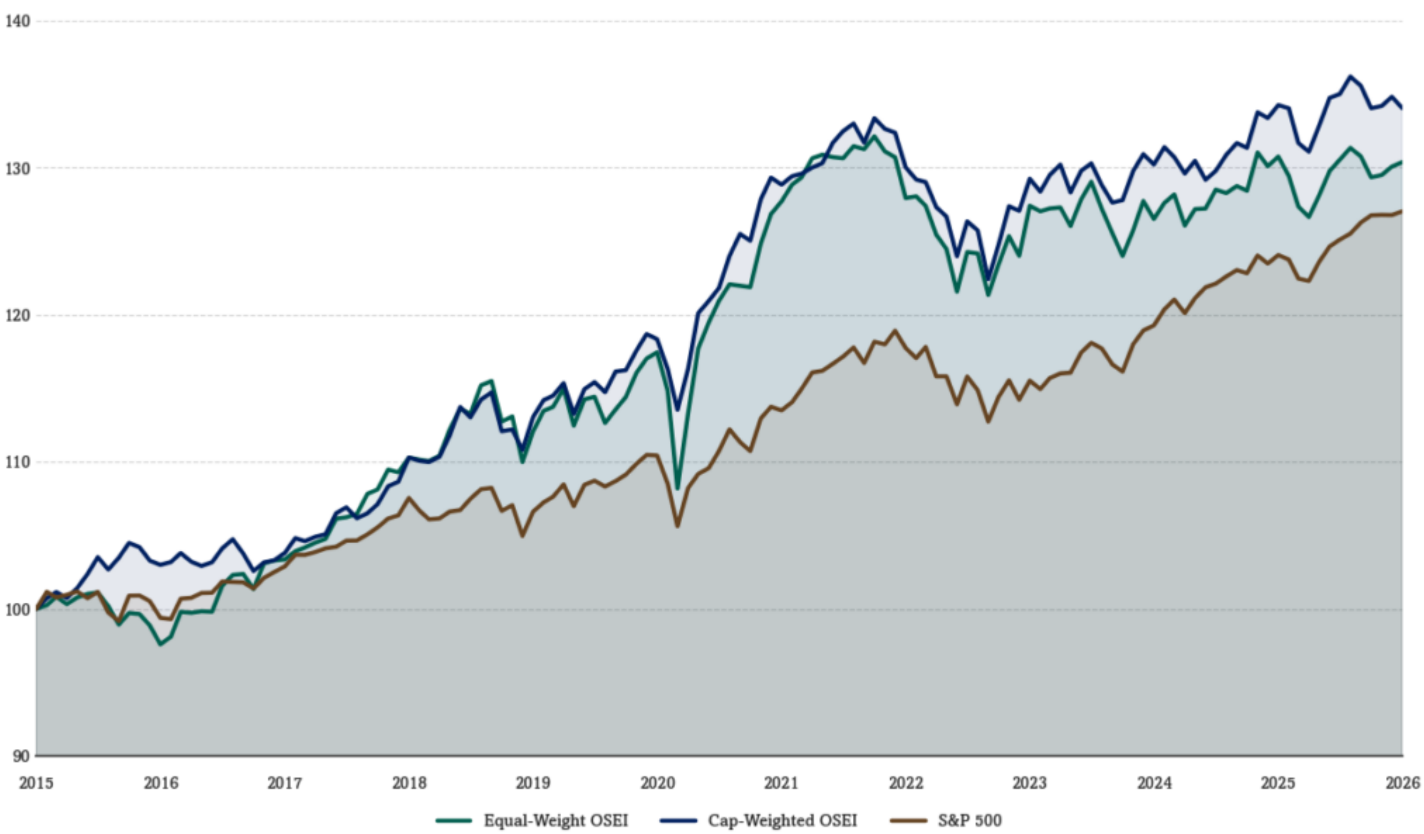
Below we calculate the performance of our index over time. Note that for our equal-weight indices we rebalance monthly.

Figure 3: OSEI (Optimal Sports Ecosystem Index) Annual Returns vs. Benchmarks

	S&P 500	Nasdaq Composite	Equal-Weight OSEI	Cap-Weighted OSEI	Optimal Sports Fandom Index	Optimal Sports Betting & Data Index	Optimal Sports Participation Index	S&P Consumer Staples	S&P Consumer Discretionary
2016	9.5%	7.5%	22.5%	0.1%	3.3%	6.3%	29.4%	2.4%	4.1%
2017	19.4%	28.2%	31.8%	27.9%	45.5%	54.7%	27.7%	10.0%	21.2%
2018	-6.2%	-3.9%	3.3%	10.5%	25.7%	1.9%	-1.3%	-10.7%	0.3%
2019	28.9%	35.2%	38.2%	43.7%	16.5%	51.7%	42.0%	24.0%	26.7%
2020	16.3%	43.6%	57.2%	63.2%	-6.4%	174.8%	58.5%	7.1%	28.2%
2021	26.9%	21.4%	19.4%	15.1%	10.1%	-16.6%	32.1%	14.3%	27.2%
2022	-19.4%	-33.1%	-26.5%	-21.7%	2.9%	-47.1%	-27.0%	-3.3%	-36.8%
2023	24.2%	43.4%	18.7%	19.4%	8.3%	58.6%	11.6%	-3.4%	38.4%
2024	23.3%	28.6%	11.5%	12.0%	17.6%	61.6%	-2.0%	9.1%	25.5%
2025	16.4%	20.4%	-0.1%	6.9%	-5.8%	23.6%	-5.1%	-1.2%	6.4%

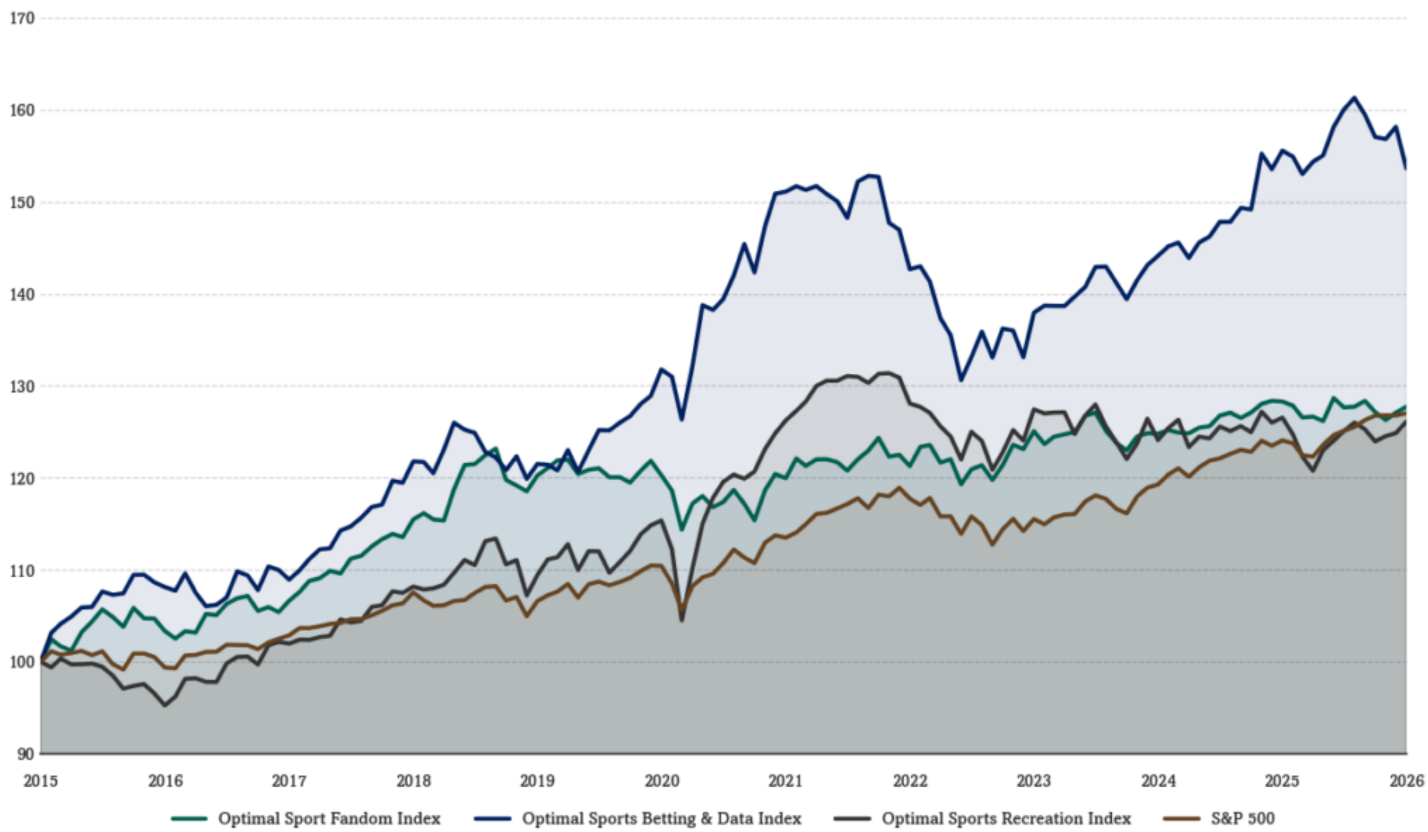
Source: Optimal Advisory analysis, Bloomberg

Figure 4: Optimal Sports Ecosystem Index (Log Scale)



Source: Optimal Advisory analysis, Bloomberg

Figure 5: Optimal Sports Equal-Weight Category Index Performance (Log Scale)



Source: Optimal Advisory analysis, Bloomberg

Figure 6: Optimal Sports Fandom Index Comps

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap ($B)	CY EV/ CY EBITDA	CY EV/ CY+1 EBITDA	CY EV/ CY+2 EBITDA	P/S	P/S+1	P/S+2
EA	Electronic Arts		$197.51	$49.35	25.0	17.2	16.4	6.6	6.1	5.9
TKO	TKO Group		$202.90	$39.64	53.4	23.1	16.1	14.1	8.4	6.5
LYV	Live Nation Entertainment		$141.07	$33.05	18.6	13.0	11.8	1.4	1.3	1.2
FWONK	Formula One Group		$87.00	$21.57	28.2	17.4	14.1	5.9	4.9	4.5
MSGS	Madison Square Garden Sports		$280.89	$6.76	55.6	240.9	187.3	6.5	6.7	6.4
MANU	Manchester United		$17.49	$3.04	7.3	7.1	5.2	3.5	3.4	3.0
MSGE	Madison Square Garden Entertainment		$58.91	$2.77	9.7	7.4	6.4	2.9	2.7	2.6
BATRA	Atlanta Braves Holdings		$43.90	$2.55	71.6	20.4	18.5	3.9	3.5	3.3
SEAT	Vivid Seats		$6.79	$0.10	-1.8	-3.8	-5.2	0.1	0.2	0.2

Source: Optimal Advisory analysis, Bloomberg

Figure 7: Optimal Sports Betting & Data Index Comps

Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap ($B)	CY EV/ CY EBITDA	CY EV/ CY+1 EBITDA	CY EV/ CY+2 EBITDA	P/S	P/S+1	P/S+2
FLUT	Flutter Entertainment		$153.20	$26.81	9.1	6.1	4.9	1.9	1.6	1.4
DKNG	DraftKings		$27.16	$13.48	-42.1	25.0	13.5	2.8	2.2	1.8
CHDN	Churchill Downs		$96.31	$6.72	2.0	1.5	1.4	2.5	2.3	2.2
SRAD	Sportradar Group		$17.76	$5.53	13.2	16.9	12.3	4.6	3.6	2.9
SGHC	Super Group		$9.06	$4.58	17.7	8.7	7.5	2.7	2.1	1.8
RSI	Rush Street Interactive		$17.50	$4.07	75.4	28.6	20.5	4.4	3.7	3.1
GENI	Genius Sports Limit		$8.30	$1.98	153.5	15.8	11.9	3.9	3.0	2.5

Source: Optimal Advisory analysis, Bloomberg

Figure 8: Optimal Sports Recreation Index Comps

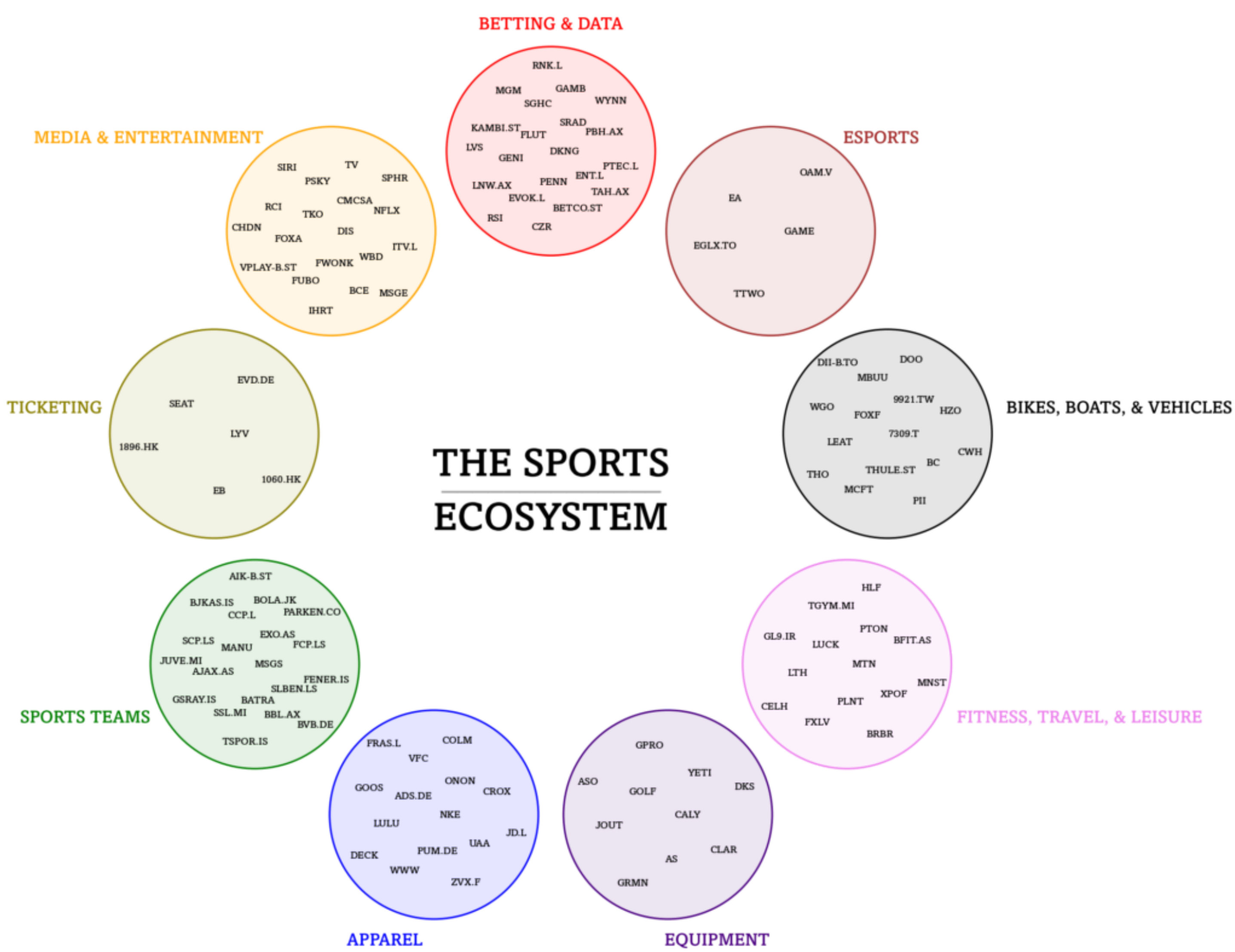
Ticker	Name	3 Yr Stock Price Performance	Stock Price	Market Cap ($B)	CY EV/ CY EBITDA	CY EV/ CY+1 EBITDA	CY EV/ CY+2 EBITDA	P/S	P/S+1	P/S+2
NKE	Nike		$63.56	$93.90	17.7	25.2	19.2	2.0	2.0	1.9
GRMN	Garmin		$205.65	$39.47	23.6	21.6	20.1	6.3	5.5	5.2
LULU	Lululemon Athletica		$175.14	$20.38	6.0	7.3	7.5	1.9	1.8	1.8
AS	Amer Sports		$35.51	$19.60	24.3	16.0	13.1	3.8	3.0	2.6
DKS	DICK'S Sporting Goods		$207.41	$18.64	4.7	6.4	5.3	1.4	1.1	0.9
ONON	On Holding		$43.90	$14.43	40.7	20.5	16.6	5.5	3.8	3.1
PLNT	Planet Fitness		$91.83	$7.64	10.0	10.1	8.9	6.5	5.8	5.2
LTH	Life Time Group Holdings		$29.58	$6.48	2.8	3.1	2.9	2.5	2.2	2.0
THO	THOR Industries		$118.37	$6.24	7.7	9.0	7.8	0.7	0.6	0.6
GOLF	Acushnet Holdings		$101.23	$5.92	13.3	12.5	12.2	2.4	2.3	2.3
DOO	BRP		$79.66	$6.12	6.1	5.4	4.8	1.1	1.0	1.0
BC	Brunswick Corporation		$87.70	$5.69	15.3	5.7	4.8	1.1	1.0	1.0
MTN	Vail Resorts		$132.80	$4.75	2.1	2.2	2.1	1.6	1.6	1.5
ASO	Academy Sports and Outdoors		$59.22	$3.93	2.7	3.5	3.3	0.7	0.6	0.6
PII	Polaris		$69.52	$3.88	-39.9	4.6	4.0	0.5	0.5	0.5
YETI	YETI Holdings		$47.35	$3.67	11.6	11.3	10.5	2.0	2.0	1.9
CALY	Callaway Golf Company		$14.53	$2.66	1.1	-1.8	-2.8	0.6	0.7	0.9
UAA	Under Armour		$6.59	$2.79	11.4	5.9	4.7	0.5	0.6	0.6
PTON	Peloton Interactive		$5.77	$2.38	11.3	3.3	3.1	1.0	1.0	0.9
CWH	Camping World Holdings		$13.24	$1.35	-6.4	-8.5	-7.1	0.2	0.2	0.2
LUCK	Lucky Strike Entertainment		$7.18	$1.00	-4.6	-4.5	-4.1	0.8	0.8	0.7
FOXF	Fox Factory Holding Corp.		$18.94	$0.79	0.9	0.9	0.8	0.6	0.5	0.5
MBUU	Malibu Boats		$34.42	$0.66	10.6	10.3	8.1	0.8	0.8	0.8
HZO	MarineMax		$31.30	$0.68	-3.2	-3.3	-2.6	0.3	0.3	0.3
JOUT	Johnson Outdoors		$50.52	$0.53	43.1	#N/A	#N/A	0.9	0.8	0.8
XPOF	Xponential Fitness		$8.45	$0.41	-3.0	0.7	0.6	1.3	1.4	1.4
MCFT	MasterCraft Boat Holdings		$23.15	$0.38	21.3	13.4	11.6	1.3	1.2	1.1
CLAR	Clarus Corporation		$3.69	$0.14	-3.0	35.3	18.0	0.5	0.6	0.5

Source: Optimal Advisory analysis, Bloomberg

Beyond the 44 tickers included in our indices, we also continually monitor the larger publicly traded sports ecosystem, which we categorize as follows:

1. Media & Entertainment
2. Ticketing
3. Sports Teams
4. Apparel
5. Equipment
6. Fitness, Travel, & Leisure
7. Bikes, Boats, & Vehicles
8. Esports
9. Betting & Data

Figure 9: The Broader Sports Ecosystem



Source: Optimal Advisory analysis

Many of the other largest companies in the world not included have a strong presence in the sports world as well, such as AMZN (such as Thursday Night Football), APPL (MLS Season Pass & Friday Night Baseball), & GOOG (YouTube TV).

Selected Optimal Public Market Callouts

Sure, Tiger is 50, but golf (CALY/GOLF) is big again & there is a big youth movement. Golf's boom since Covid is well documented, but we note the youth movement gives the trend some staying power. Golf is the second fastest growing sport among age 6-12 year olds, the fastest growing sport among age 13–17 year olds, and boys golf participation in high school sports is up 9% over the past 10 years (see figure 11). Moreover, our "attention economy monitor" on golf indicates persistent positive trends (and the rate of change remains positive). For example, global digital traffic to Callaway Golf Brand is up 24% T3M y/y and 16% T6M y/y, 29% & 25% respectively for TravisMathew, and 18% and 12% respectively for GOLF summed across all brands (and card spending is also up 18% y/y for GOLF). Notably, both traffic and card spending for CALY and GOLF are improving rapidly (see Figure 12 below). These offseason trends are suggestive of potential for CY26. Now unconnected to the volatility of Topgolf, we see a clearer story for CALY – its share price having woefully underperformed over the last 5 years (-49% compared to GOLF +137%).

Figure 10: Performance of GOLF, CALY, S&P 500 Since 2017

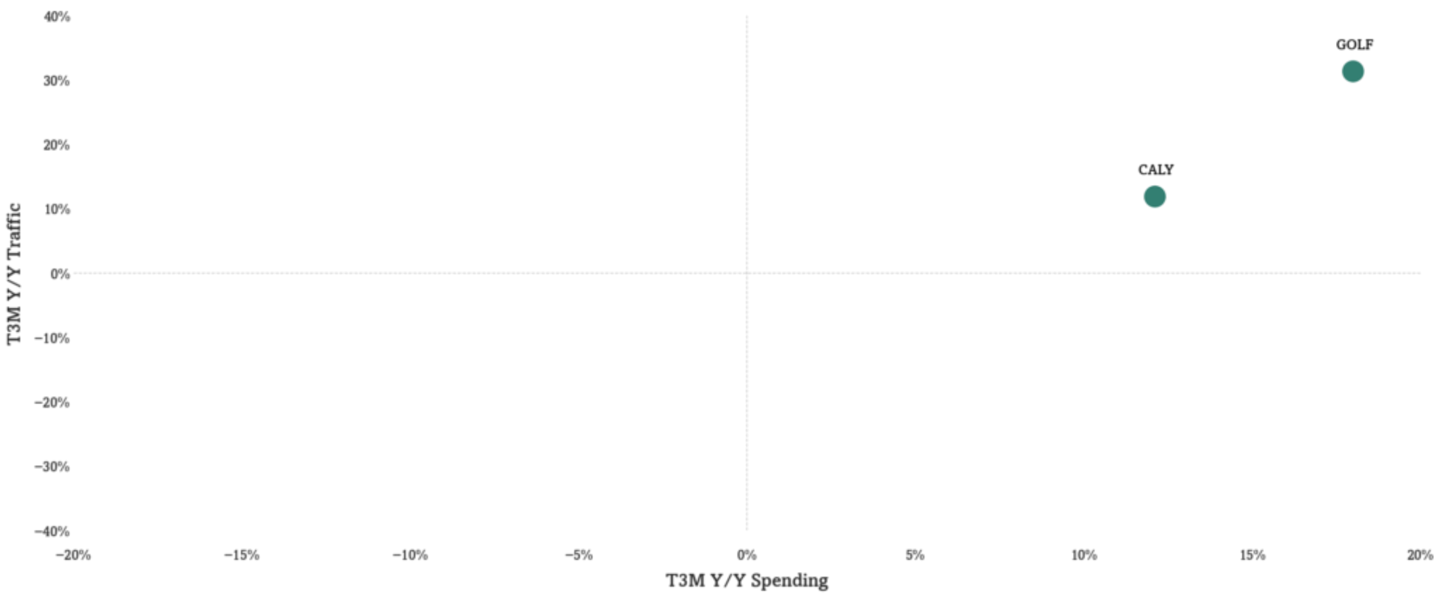
Source: Optimal Advisory analysis, Bloomberg

Figure 11: Youth Golf Participation Growth

	Age 6-12 Participation: 5-Year Change	Age 13-17 Participation: 5-Year Change	Boys High School Sports Participation: 10-Year Change
Golf	39%	64%	9%

Source: Optimal Advisory analysis, Sports & Fitness Industry Association, National Golf Foundation, The National Federation of State High School Associations

Figure 12: GOLF & CALY are Both Showing Improved Card Spending and US Online Traffic

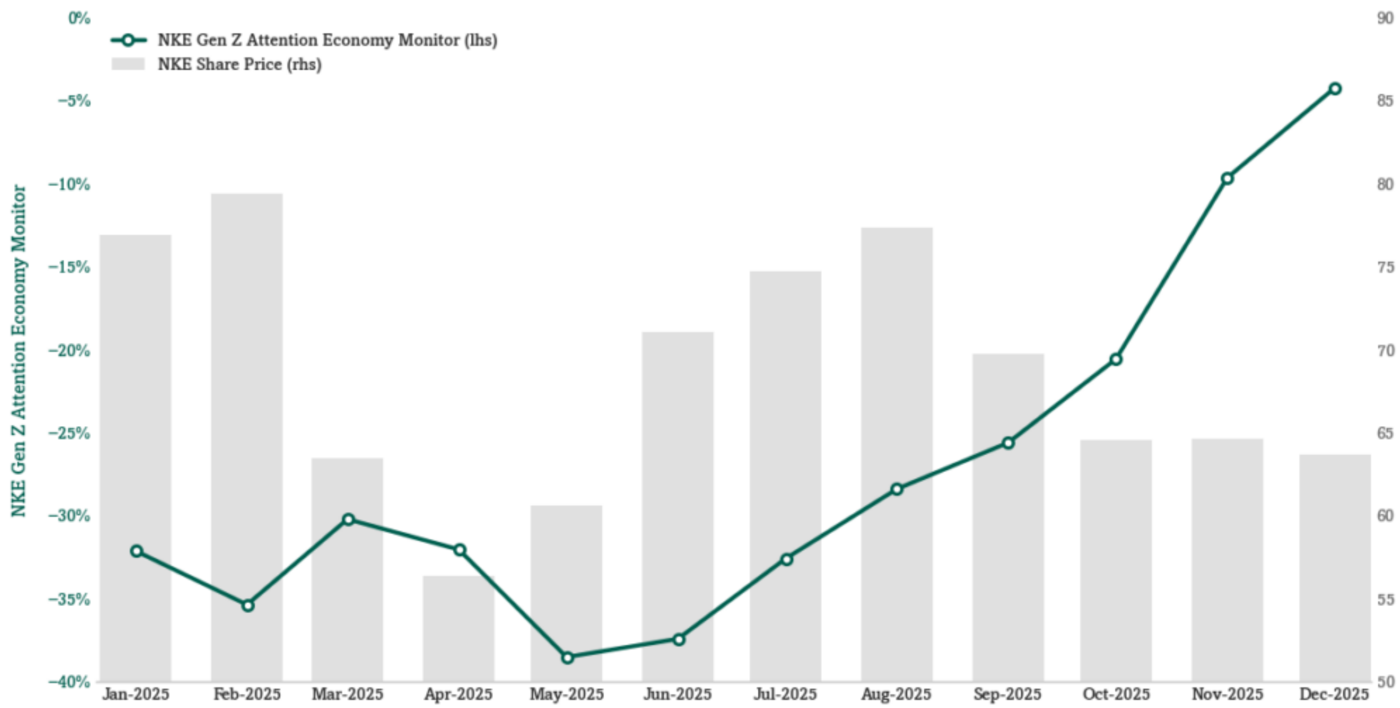


Source: Optimal Advisory analysis, Bloomberg, Similarweb

We do note and monitor the risks. Among those. increased investment in courses, golf travel, apparel, consumables paired against the dollar and time golfers generally invest in the pastime means ROIC risks exist in any sustained recession. On the other hand, new, urban, technology-rich indoor concepts (e.g. TGL, advanced simulators) could create some offset to this risk – lowering the amount of time needed for the game and therefore driving golf lifestyle apparel and equipment in new ways.

Both iconic and pressured, our analysis shows Nike (NKE) with substantially firmer trends with critical Gen Z consumers. Nike’s 65% share price drop since holiday 2021 stems from its well-documented problematic DTC strategy, lack of product innovation, headwinds from the China market, and rise of competitors. We monitor Gen Z brand connectivity and note a 2800 bp improvement in trends with these bellwether consumers since the start of the year. We believe new initiatives including Nike Mind, the reintroduction of Nike Golf Shield, NikeSKIMS including the Paris pop-up, and the Nike Therma-FIT Air Milano jacket for the US Olympic team are showing potential to further inflect this key cohort.

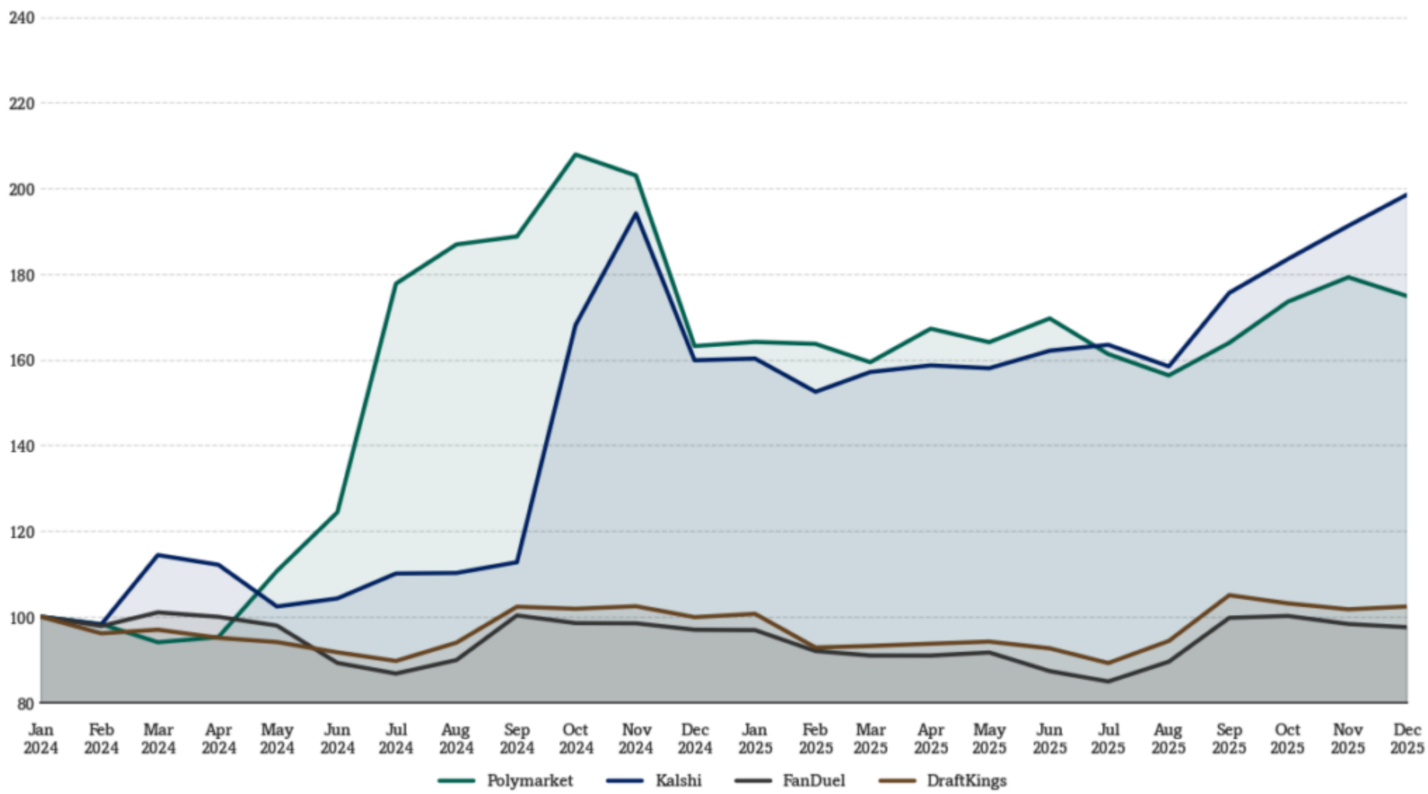
Figure 13: NKE Gen Z Attention Economy Monitor is Nearly Flat Y/Y



Source: Optimal Advisory analysis, Bloomberg, Similarweb

Sportradar (SRAD) provides a critical data layer to sports betting. Sportradar brings a unique, strategic value-add to the sports ecosystem that's presently underappreciated due to dynamism in its end markets. Specifically, prediction markets present risk to their key betting platform customers (see figure 13 below). We note that prediction markets don't need some of the services (e.g. pre-live odds updates), but we expect that as they become more robust and offer faster markets they will need fast, reliable data. For example, Kalshi and Statscore (another sports data provider) recently announced a partnership. As leagues -already SRAD customers – are beginning to partner with prediction markets, we see a pathway into these markets. We note that key betting customers DKNG and FLUT are unveiling prediction market offerings, which present opportunity. While the regulatory and competitive outlook has become less clear, we note 1) SRAD is the first mover with the best brand name in sports integrity technology, 2) the brand is very important given the "trust" aspect of the work, 3) they have many strategic options, 4) are cash flow generative so have time for those options to play out, and 5) are trading at an undemanding valuation (~11x EV/FCF).

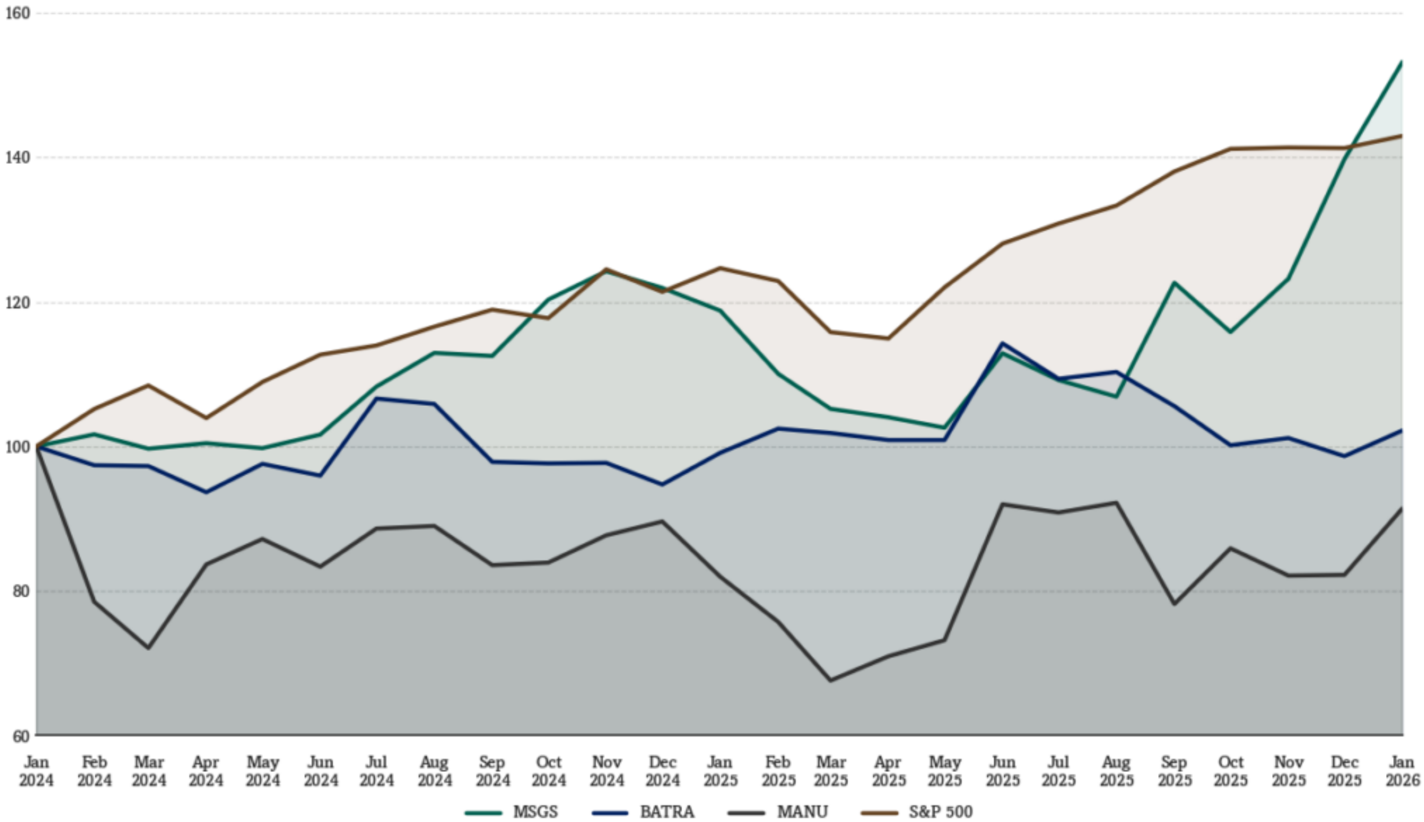
Figure 14: Traffic to Prediction Markets and Sports Betting Platforms (Log Scale): Traffic to Polymarket and Kalshi is 30x and 90x Jan 2024 Levels Respectively



Source: Optimal Advisory analysis, Similarweb

Sports team themselves (MSGS/MSGE, MANU, BATRA) may no longer be illiquid and overlooked as the financialization of teams and leagues interact with scarcity value. Sports team valuations are rising (outpacing the market at large) based on scarcity and the growth of sports within the economy. As the financialization of sports teams and leagues continues, we expect the relatively illiquid names may receive more attention.

Figure 15: Publicly Traded Sports Team Stock Performances

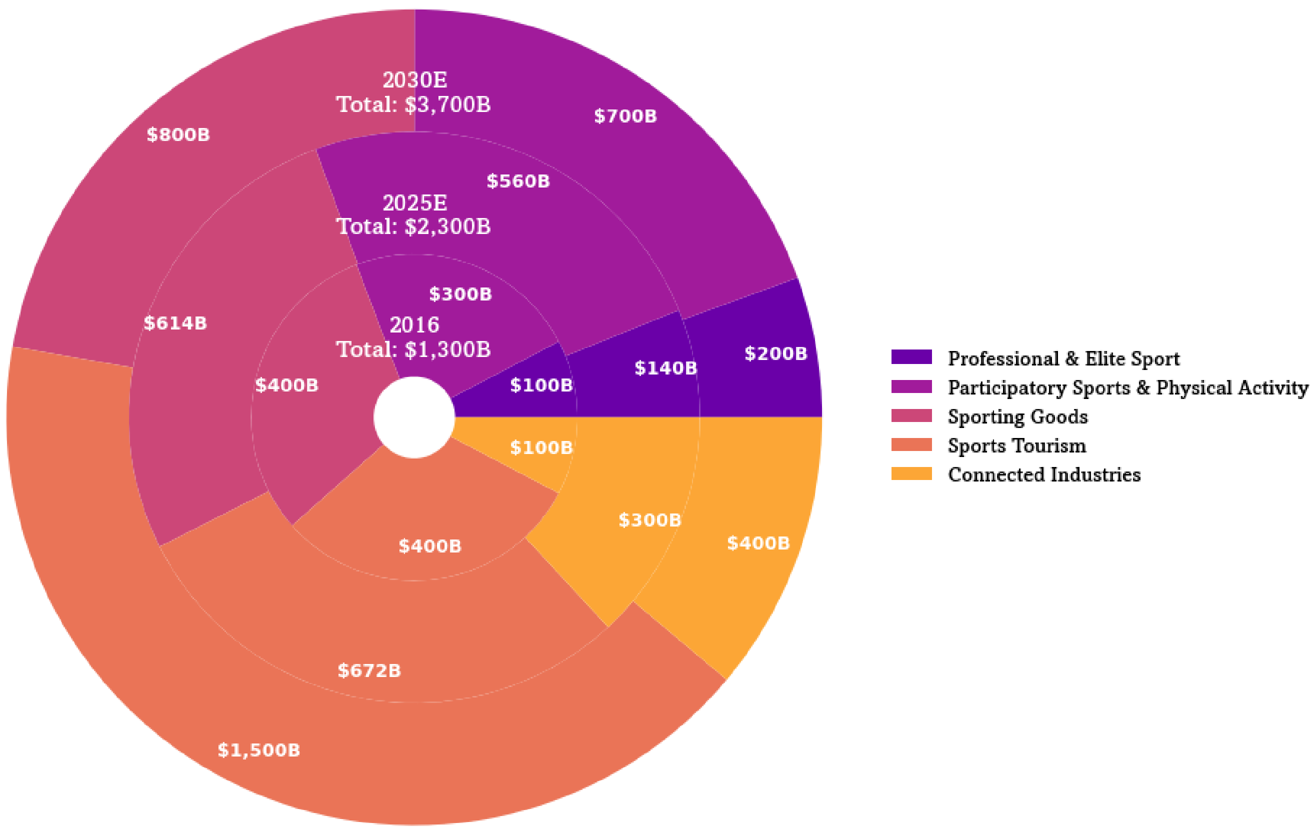


Source: Optimal Advisory analysis, Bloomberg

The Sports Economy

The sports economy has grown significantly over the past decade. A recent report by the World Economic Forum and Oliver Wyman estimated that revenues from the sports economy have nearly doubled from $1.3T to $2.3T from 2016-2025 (~7% CAGR) and projects revenues to reach $3.7T by 2030 and $8.8T by 2050.

Figure 16: Growth of the Sports Economy ($B)



Source: Optimal Advisory analysis, Off the Pitch, Sportsvalue, UEFA, Statista, Forbes, Sports Business Journal, SportsPro, S&P Global, Global Data, Euromonitor, Global Wellness Institute, UN Tourism, Censuswide, Expedia, Adventure Travel Trade Association, Global Market Insights, Omdia, 1000IQ Market Research, Newzoo, Fortune Business Insights, Business Research Insights, Marsh, Global Data Route Analytics, World Economic Forum analysis

Valuations for the largest sports teams are in the low tens of billions and are growing rapidly. According to Forbes, the world's most valuable team was worth $3.3B in 2015 and is now worth $13B (CAGR of 14.8%), *while the world's 50th most valuable team was worth $1.2B in 2015 and is now worth $5.4B (CAGR of 16.7%).* Even from 2024-2025 alone, valuations for each of the top 10 sports teams (excluding the New York Yankees who are tied for 10th) increased by at least 20% and by as much as 41%.

Figure 17: Average Sports Team Valuations have Grown Immensely in Recent Years

	Average Value ($B)	Average Y/Y Change	Average 3Y Change
NFL	$7.10	25%	59%
NBA	$5.40	21%	87%
MLB	$2.60	8%	25%
Soccer	$3.10	5%	24%

Source: Optimal Advisory analysis, Forbes

Figure 18: The Most Valuable Sports Teams Continue to Grow Rapidly

	Valuation ($B)	Y/Y
Dallas Cowboys	$13.00	29%
Golden State Warriors	$11.00	25%
Los Angeles Rams	$10.50	38%
New York Giants	$10.10	38%
Los Angeles Lakers	$10.00	41%
New York Knicks	$9.75	30%
New England Patriots	$9.00	22%
San Francisco 49ers	$8.60	26%
Philadelphia Eagles	$8.30	26%
Chicago Bears	$8.20	28%

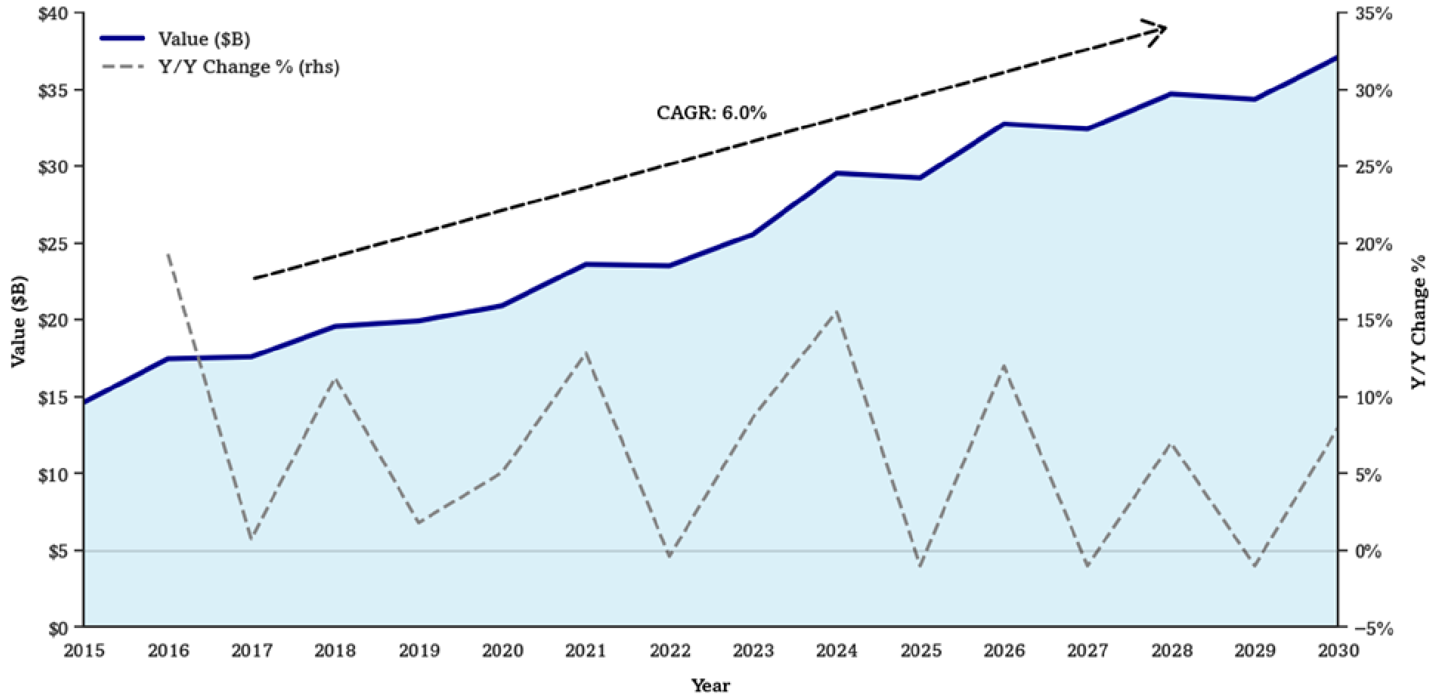
Source: Optimal Advisory analysis, Forbes

This trend is demonstrated by recent acquisitions of and investments into sports teams. In 2025 alone, the Los Angeles Lakers sold for $10B, the Boston Celtics sold for $6.1B, and the Koch Family purchased a 10% stake in the New York Giants at a valuation of $10B. The Charlotte Hornets, Dallas Mavericks, Phoenix Suns, Washington Commanders, Denver Broncos, Carolina Panthers, New York Mets, and Chelsea FC all were either acquired or invested in at valuations of several billion since 2018. Most recently, Stephen Ross, owner of the NFL's Miami Dolphins, said in an interview that he was offered nearly $15B for the team – a valuation unthinkable for even the leading NFL franchises 5 years ago.

The rise in valuations is driven by limited supply and growing demand. There are a limited number of seasoned sports teams. Few are up for sale at any time. Sports team ownership brings benefits increasingly coveted by the ultra-wealthy. Noting the asset performance, equity investors (and in some cases sovereign wealth funds) are now investing more heavily in the space. Furthermore, potential team owners see the ability to better monetize proprietary data on consumer demographics and spending habits – enabled by recent developments in big data, AI & cloud computing. Opportunities for more effective monetization of sponsorships, premium seating, adjacent real estate development rights and the rise of sports betting are contributors to valuation growth as well.

Fragmentation of media has led to outsized growth in the valuation of media rights deals for sports franchises. According to a Nielsen report from June 2025, streaming usage is up 71% since 2021, with streaming now representing 44.8% of total television usage in May 2025. As consumers shift to these streaming services, sports become an increasingly large percentage of live event viewership and thus become more important both to advertisers and to broadcasters (and to the streaming services that are now also broadcasting live sports).

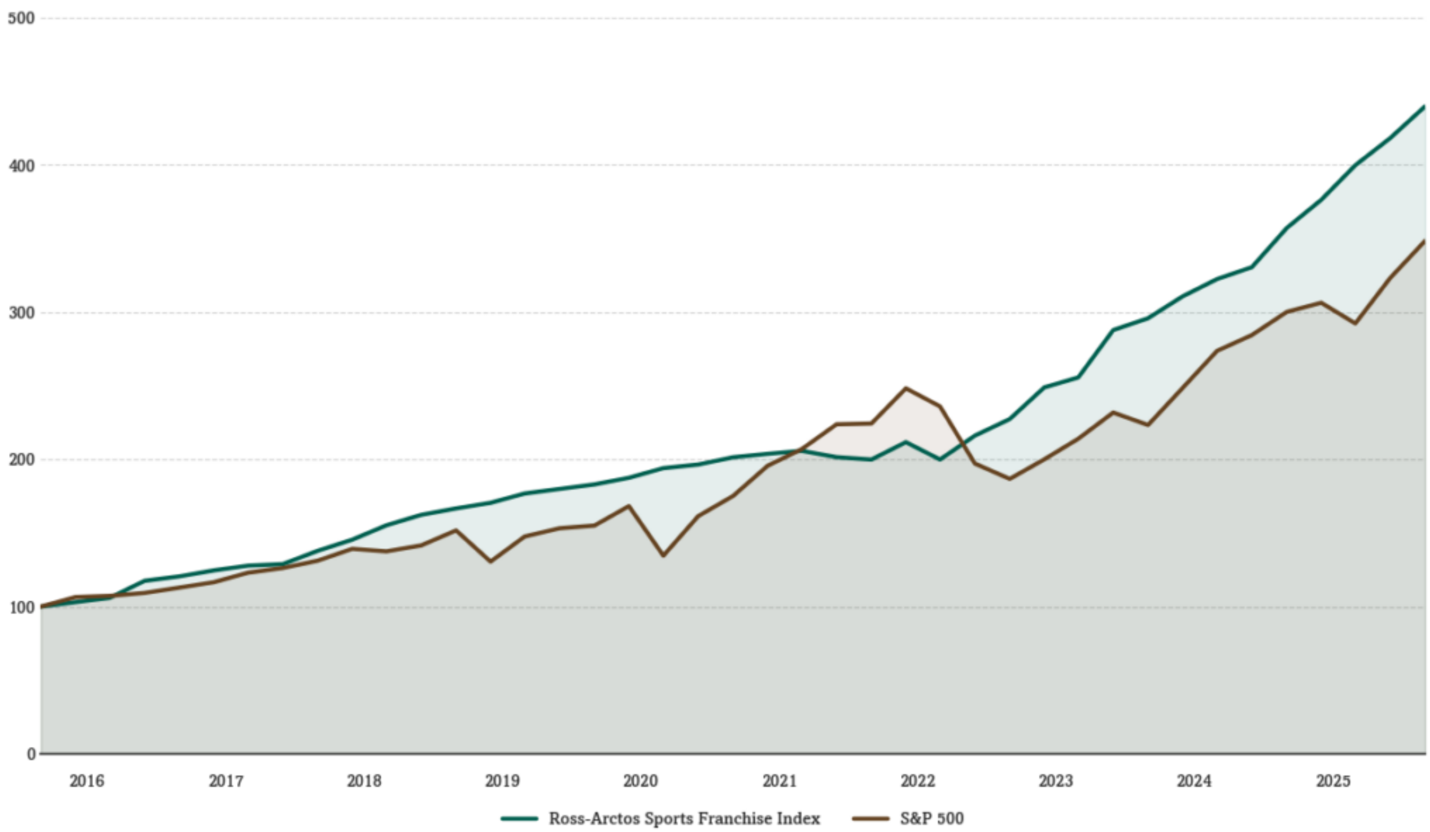
Figure 19: Annual US Sports Media Rights Values



Source: Optimal Advisory analysis, S&P Global

The outperformance of the sports asset class itself has naturally drawn inflows to the space from institutional investors – driving asset value. According to the Ross-Arctos Sports Franchise Index, valuations have risen 13% per year over the past 60 years (rarely declining over that timeframe) and have increased by 16% per year over the past 10 years, outpacing the S&P 500 and most other asset classes.

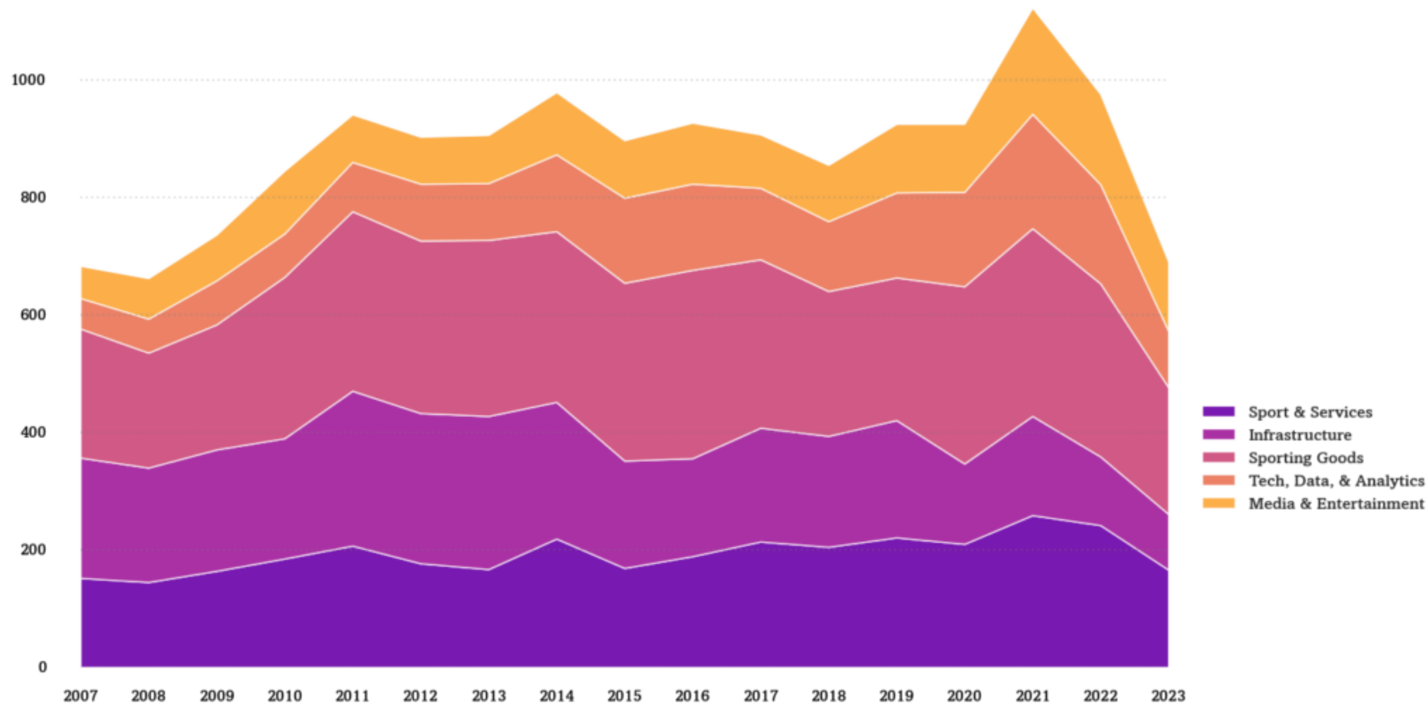
Figure 20: Sports Franchise Valuations have Outpaced the S&P 500 over the Past 10 Years, Especially Since 2022



Source: Optimal Advisory analysis, Arctos, University of Michigan Ross, Bloomberg

By volume, sports transaction counts also rose rapidly from 2007-2022, while 2023 corrected due to sudden rate hikes.

Figure 21: Yearly Sports Transaction Counts have Increased from 2007 (excluding 2023)



Source: Optimal Advisory Analysis, Oliver Wyman analysis, World Economic Forum

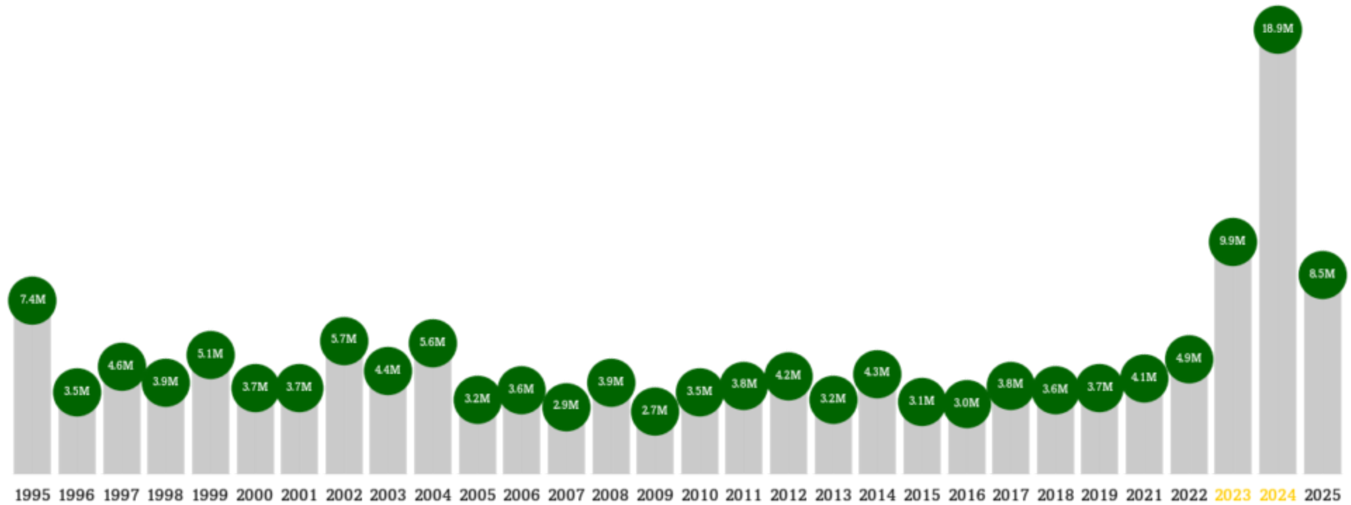
Emerging Trends:

There are many emerging trends within the sports ecosystem. Here we highlight some of the trends we are having conversations about, including the rise of women's sports, trends in youth sports, sports betting trends, emerging racket sports, and the impact of NIL.

The Rise of Women's Sports:

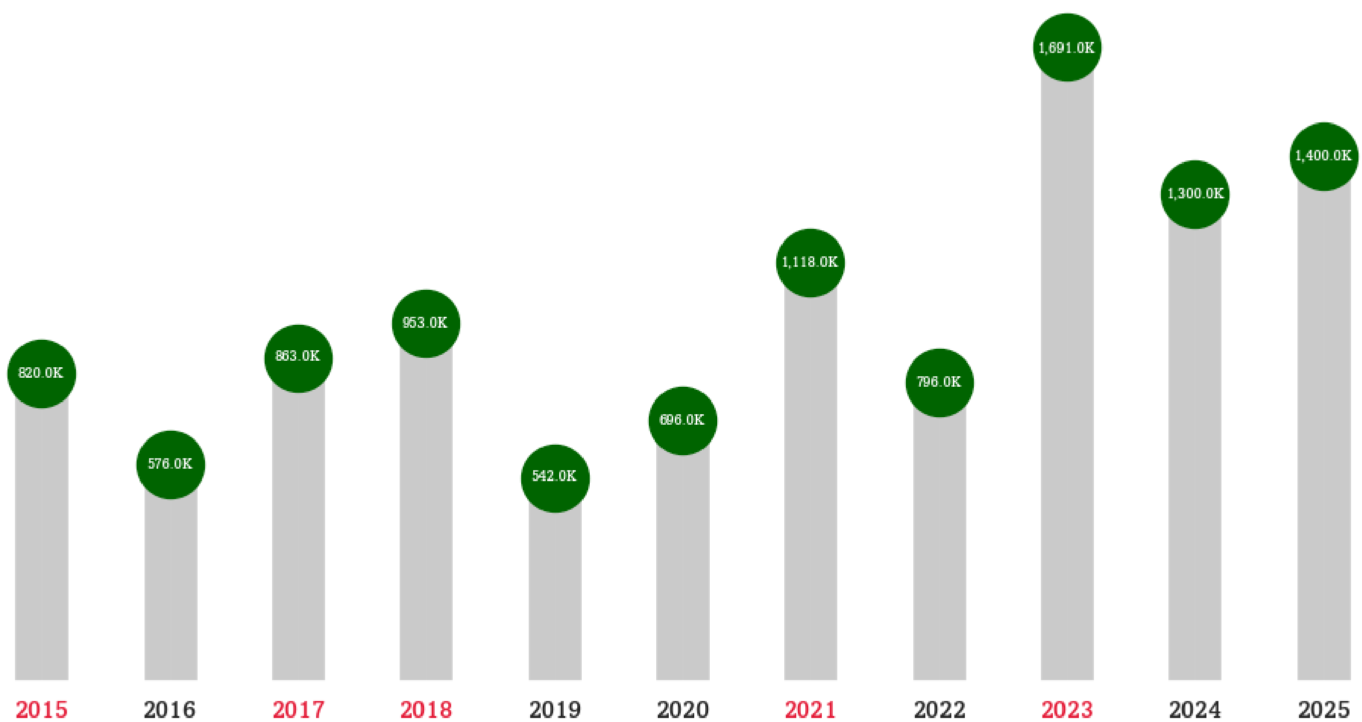
There are ample signs that women's sports are ripe for continued spending growth and asset formation. In 2024, 85% of surveyed experts predicted double digit growth for women's sports revenues over the next 3-5 years according to PwC, after a 39% growth rate in social media following. In the last several years, interest in women's sports has grown rapidly. Within the last few years, viewership of women's professional sporting events such as the NCAA women's basketball finals, NCAA women's volleyball finals, and National Women's Soccer League finals reached their highest viewership levels. Even adjusting for the so-called "Caitlyn Clark effect" and similar impact of Nebraska on women's college volleyball, viewership numbers have remained high in recent years.

Figure 22: Even After the Caitlyn Clark Effect on the 2023 & 2024 NCAA Women's Basketball Finals, the 2025 Finals still Reached Viewership Levels Much Higher than any Other Year of the 21st Century



Source: Optimal Advisory analysis, Nielsen, NCAA

Figure 23: Similarly, the NCAA Women's Volleyball Finals Received Viewership Bumps from Nebraska in 2015, 2017, 2018, 2021, and 2023, but 2024 and 2025 Viewership Numbers Still Eclipsed All Other Years Excluding 202



Source: Optimal Advisory analysis, Volleyball Mag, Barrett Media, ESPN Press Room, NCAA

Figure 24: NWSL (National Women's Soccer League) Finals Viewership was Over 600% Higher in 2025 than in 2019

Source: Optimal Advisory analysis, Just Women's Sports, Front Office Sports, Reuters, The Athletic

The rapid increase in viewership isn't the only sign of growth in women's sports. Revenue from women's sports has grown by 240% from 2022-2025 alone.

Trends in Youth Sports:

The evolution of youth sports is creating many adjacent investment opportunities – especially in flag football, golf, tennis & women's volleyball. While track & field remains the most popular sport among high school girls, volleyball, competitive spirit, tennis, & lacrosse have all seen large increases in participation over the last 10 years.

Figure 25: Volleyball, Competitive Spirit, Tennis, & Lacrosse Participation Among High School Girls has Increased Rapidly over the Past 10 Years

	2024-2025 vs. 2014-2015	Participants 2024-2025	Participants 2014-2015
Track & Field - Outdoor	7%	513,808	478,726
Volleyball	14%	492,799	432,176
Soccer	5%	393,048	375,681
Basketball	-17%	356,240	429,504
Softball - Fast Pitch	-7%	338,315	364,103
Competitive Spirit	64%	206,262	125,763
Tennis	12%	204,721	182,876
Cross Country	-13%	191,733	221,616
Swimming & Diving	-17%	138,303	166,838
Lacrosse	17%	99,292	84,785

Source: Optimal Advisory analysis, The National Federation of State High School Associations

Possibly the fastest growing sport among high school girls is flag football. Due in large part to the inclusion of the sport in the Olympics, as well as significant backing by the NFL, participation in the sport among high school girls has grown by 660% over the past 10 years

Figure 26: Girls Flag Football Participation has Grown Nearly 7x over the Past 10 Years

Source: Optimal Advisory analysis, The National Federation of State High School Associations

Meanwhile, among high school boys, football is still by far the most popular sport, although participation has fallen 5% over the past 10 years. Track & field, soccer, wrestling, and golf participation have all meanwhile increased substantially.

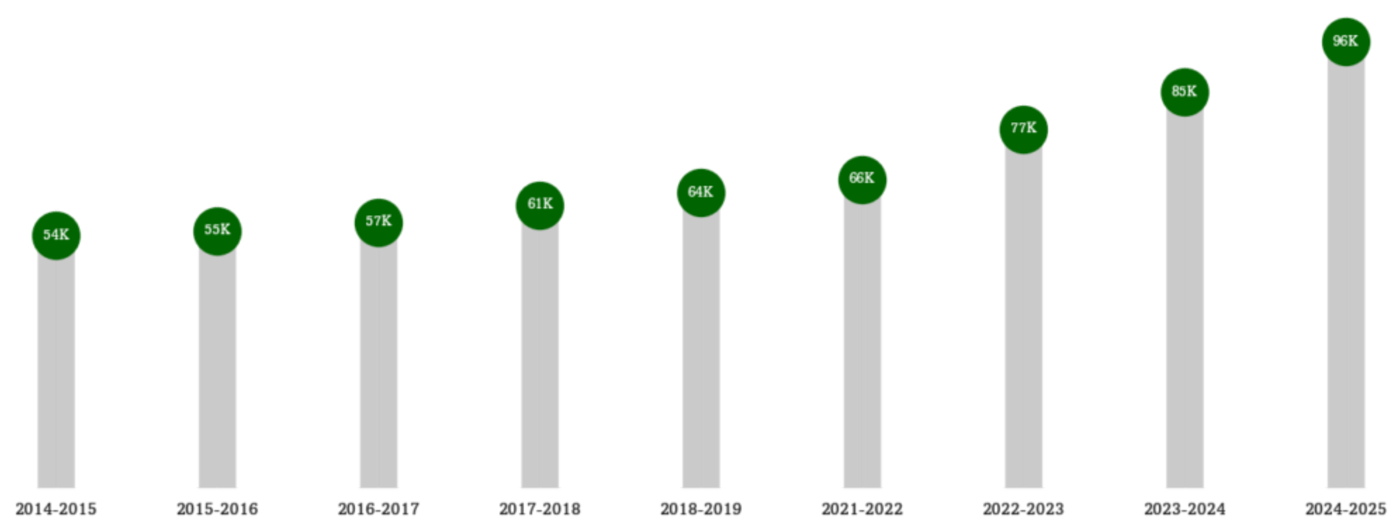
Figure 27: Track & Field, Soccer, Wrestling, & Golf Participation among High School Boys has Likewise Increased over the Past 10 Years

	2024-2025 vs. 2014-2015	Participants 2024-2025	Participants 2014-2015
Football - 11-Player	-5%	1,029,588	1,083,617
Track & Field - Outdoor	11%	644,235	578,632
Basketball	-0%	540,704	541,479
Soccer	12%	484,908	432,569
Baseball	-3%	472,598	486,567
Wrestling	16%	300,214	258,208
Cross Country	-7%	241,565	259,081
Golf	9%	162,357	148,823
Tennis	1%	158,667	157,240
Swimming & Diving	-13%	119,102	137,087

Source: Optimal Advisory analysis, The National Federation of State High School Associations

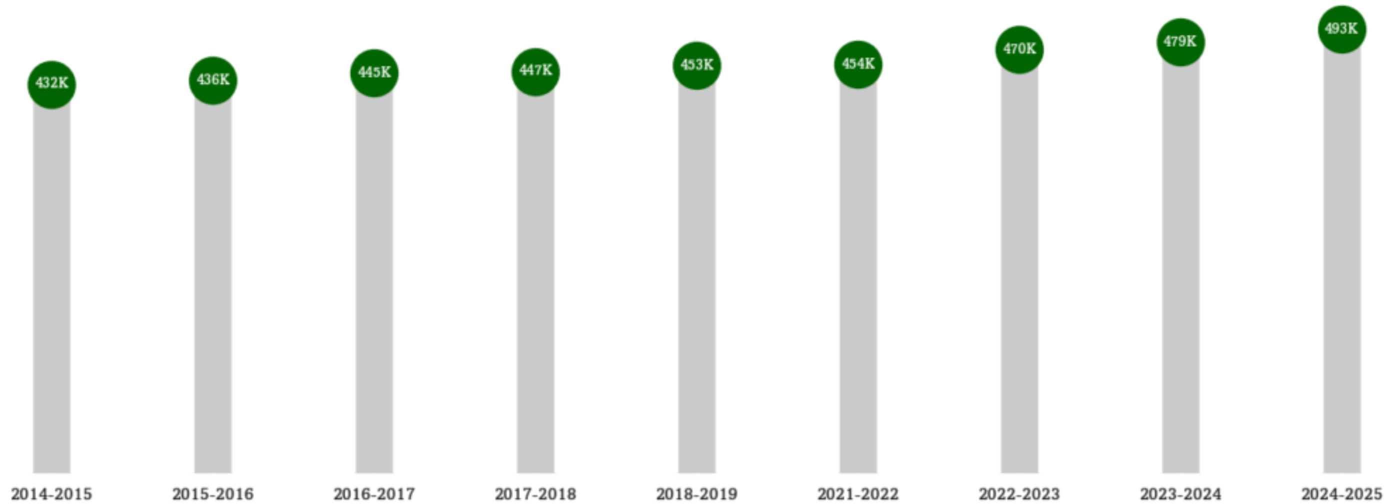
While participation in girls' volleyball is still higher than for boys, the gap is shrinking as boys volleyball becomes increasingly popular. Girls volleyball participation increased 14% over the past 10 years, while boys volleyball participation increased 76%, leading to overall participation growth of 21%.

Figure 28: Volleyball Participation has Grown Especially Among Boys



Source: Optimal Advisory analysis, The National Federation of State High School Associations

Figure 29: But Volleyball Participation has also Grown among Girls Even After Already Being the Second Most Popular Sport



Source: Optimal Advisory analysis, The National Federation of State High School Associations

A study from the Sports & Fitness Industry Association shows a similar trend. Tennis, golf, and flag football are the fastest growing youth sports according to the study.

Figure 30: Core Participation in Tennis, Golf, & Flag Football has Increased Rapidly for Age 6-12 Year Olds

	2014	2015	2023	2024	5-Year Change
Tennis	4%	4%	6%	6%	51%
Golf	6%	5%	6%	6%	39%
Flag Football	2%	4%	4%	4%	14%
Basketball	15%	14%	14%	14%	-2%
Soccer (Outdoor)	9%	8%	8%	8%	-3%
Tackle Football	3%	3%	3%	3%	-7%
Track & Field	1%	1%	1%	1%	-8%
Volleyball (Court)	4%	3%	2%	3%	-12%
Gymnastics	3%	4%	3%	3%	-17%
Baseball	13%	14%	12%	12%	-19%
Ice Hockey	1%	1%	1%	1%	-20%
Softball (Fast-Pitch)	1%	1%	1%	1%	-21%
Swimming (Team)	2%	1%	1%	1%	-22%
Cheerleading	2%	3%	2%	2%	-25%
Lacrosse	1%	1%	1%	1%	-36%
Wrestling	1%	1%	0%	0%	-38%

Source: Optimal Advisory analysis, Sports & Fitness Industry Association, National Golf Foundation, United States Tennis Association

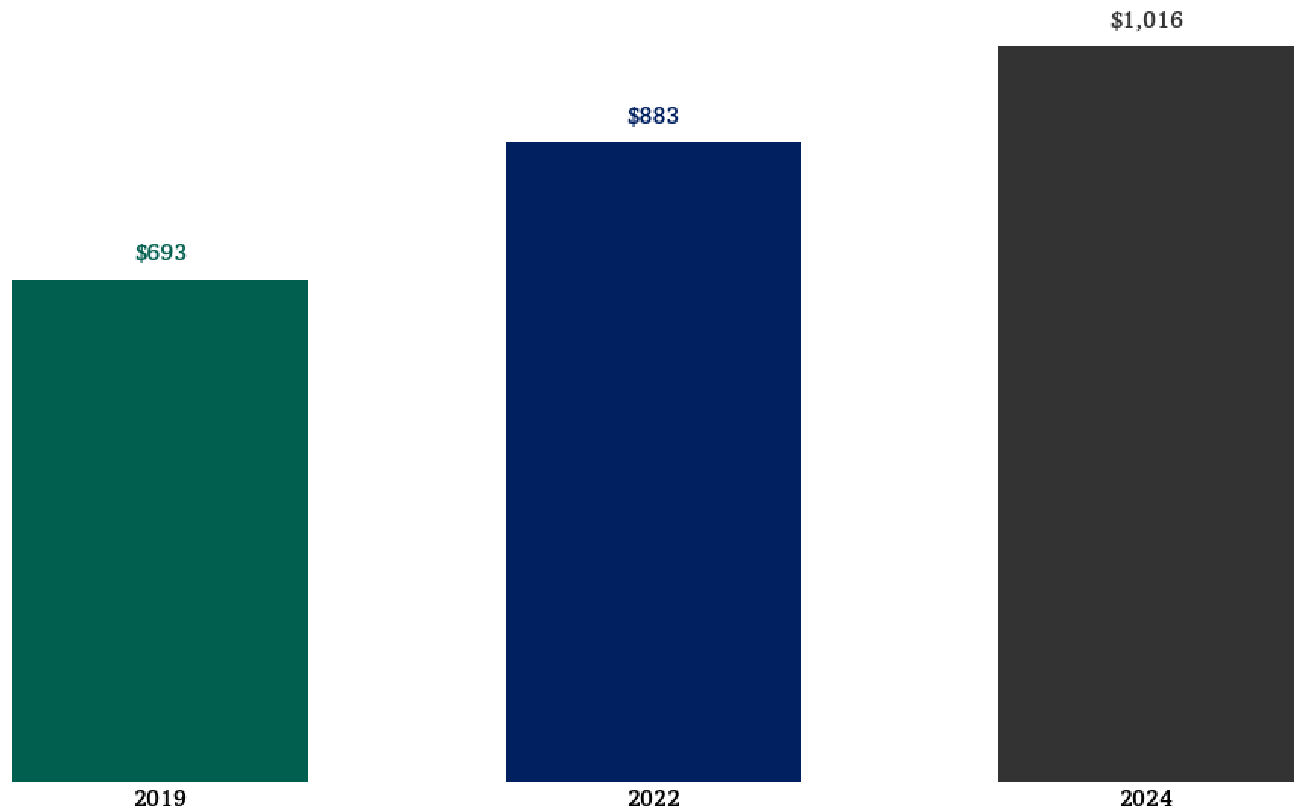
Figure 31: And for Age 13-17 Year Olds

	2014	2019	2023	2024	5-Year Change
Golf	7%	5%	8%	9%	64%
Tennis	5%	7%	8%	9%	31%
Flag Football	2%	3%	3%	3%	4%
Basketball	17%	16%	16%	15%	-8%
Tackle Football	8%	7%	6%	6%	-9%
Soccer (Outdoor)	8%	7%	7%	6%	-9%
Volleyball (Court)	5%	6%	5%	5%	-11%
Gymnastics	2%	2%	1%	1%	-12%
Softball (Fast-Pitch)	2%	2%	2%	2%	-12%
Baseball	10%	10%	9%	9%	-16%
Ice Hockey	1%	1%	1%	1%	-17%
Lacrosse	2%	2%	2%	2%	-17%
Track & Field	6%	6%	4%	4%	-23%
Cheerleading	3%	3%	2%	2%	-23%
Wrestling	2%	1%	1%	1%	-39%
Swimming (Team)	3%	3%	2%	2%	-41%

Source: Optimal Advisory analysis, Sports & Fitness Industry Association, National Golf Foundation, United States Tennis Association

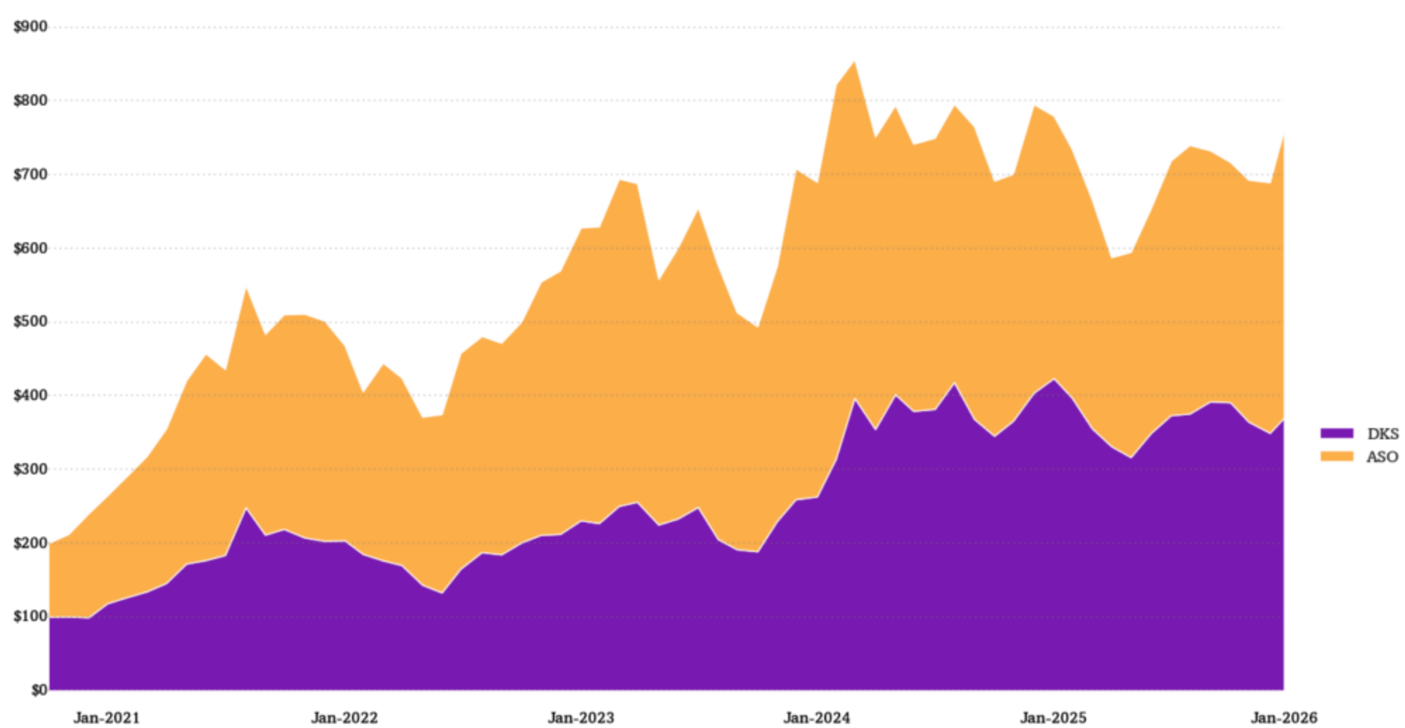
Youth sports has evolved to include much more spending & participation in recent years. From 2019-2024, average spending among sports families on youth sports increased by 47% according to the 2025 Youth Sports Family Survey. Sports retailers have cashed in. We note that both DKS & ASO have attracted significantly more spending and, in turn, outsized share price gains in that time.

Figure 32: Average Family Spending on Youth Sports has Rapidly Increased since 2019



Source: Optimal Advisory analysis, 2025 Youth Sports Family Survey, Aspen Institute Project Play Initiative, Utah State University Families in Sport Lab, Louisiana Tech University Minds in Motion Lab

Figure 33: Sports Retailers have Seen Large Share Price Gains since 2020 (Indexed to $100 for Equal Weight)

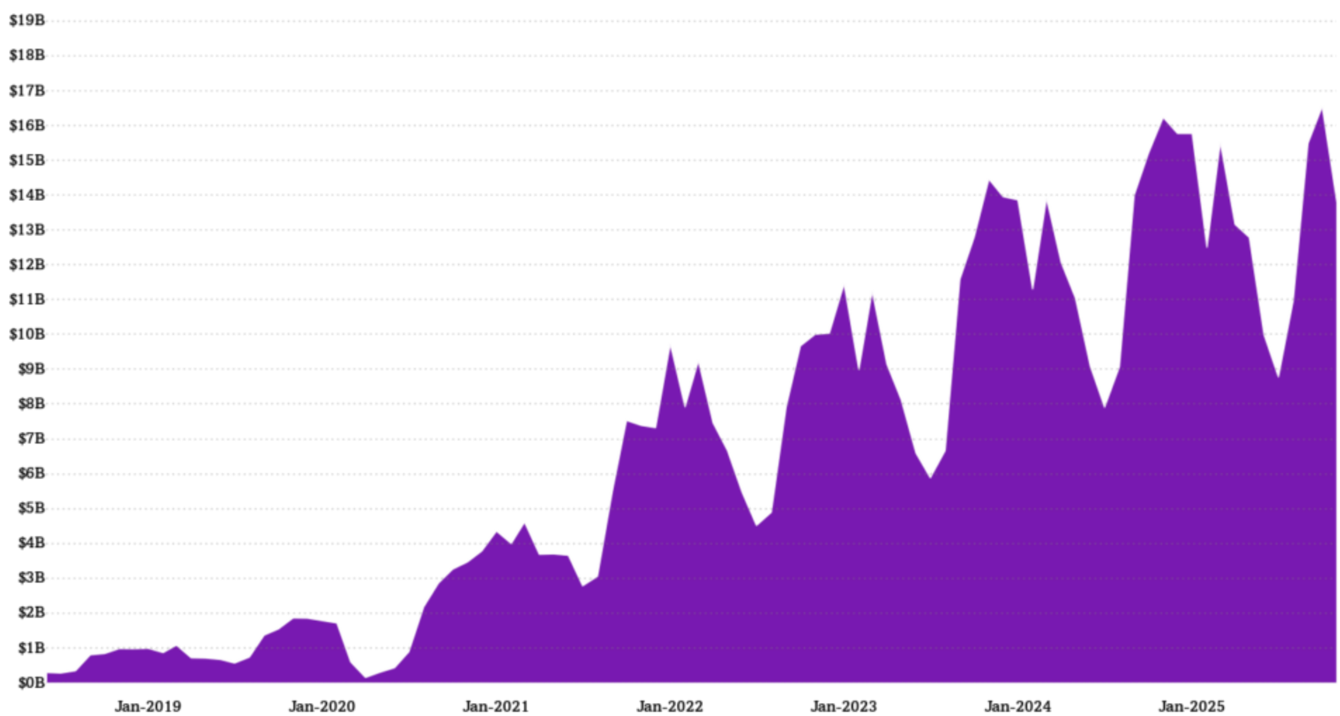


Source: Optimal Advisory analysis, Bloomberg

Sports Betting Trends:

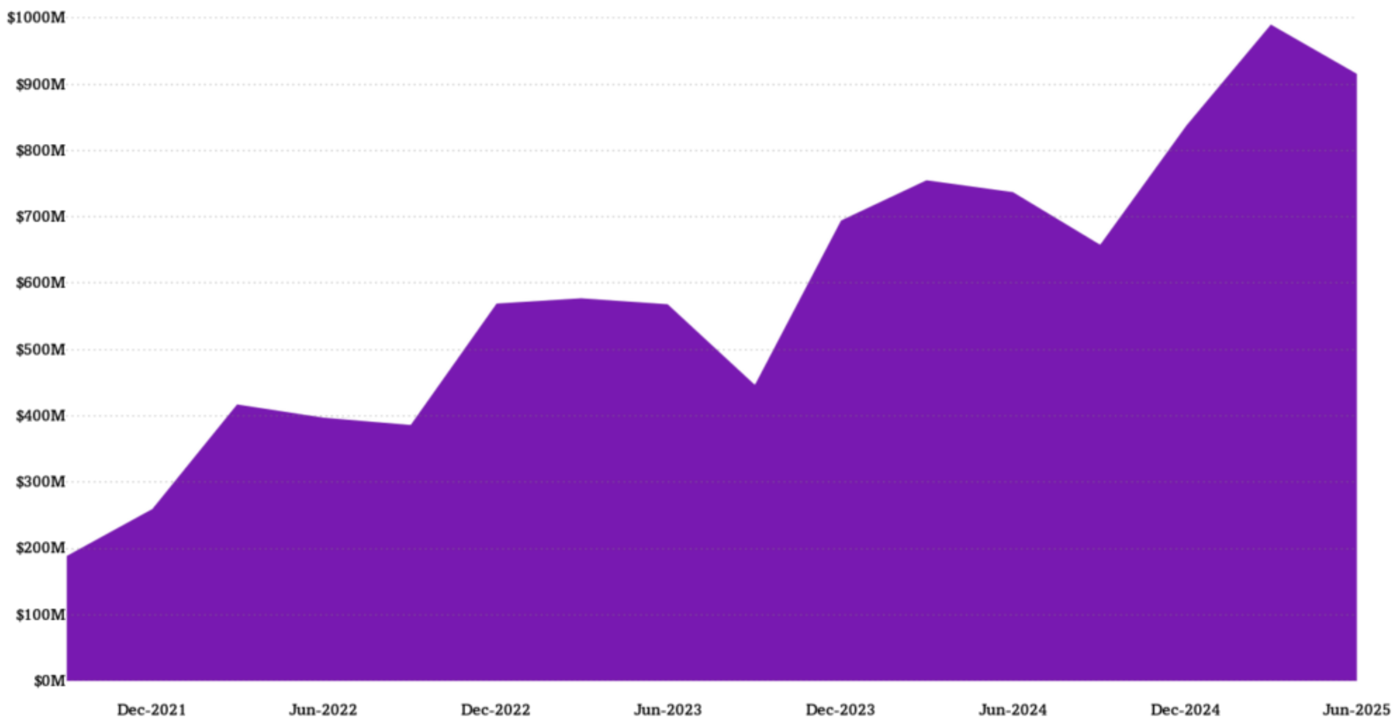
Sports betting transactions have increased by over 1000% since the same period in 2018, when a major Supreme Court decision touched off a reframing of spending and regulation in the sector. Extraordinarily rapid growth – most notably by FLUT & DKNG – amidst pivotal regulatory developments has been a formula for volatility. Despite rapid user and revenue growth, pure sports betting stocks have failed to reach the highs of early 2021 – although prices are still above 2022 lows.

Figure 34: Sports Betting Handle has Increased by over 1000% since 2018



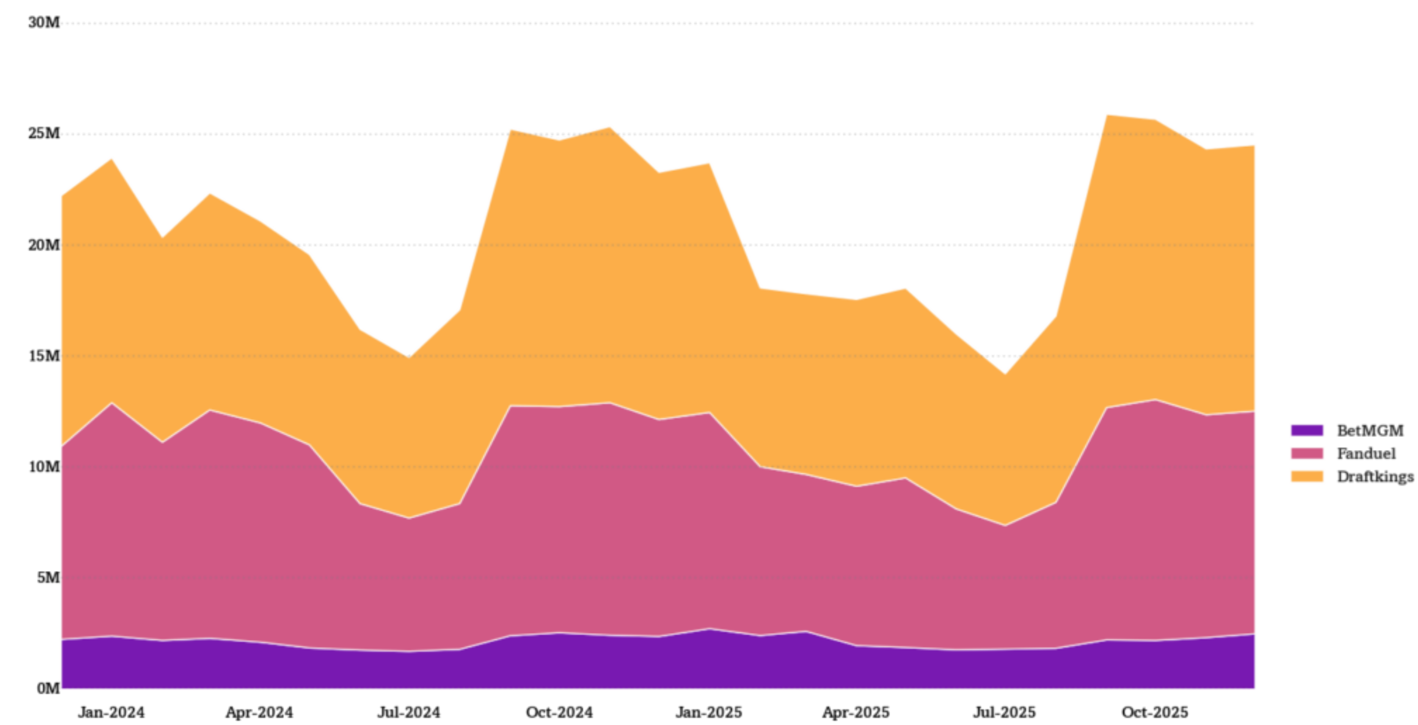
Source: Optimal Advisory analysis, Legal Sports Report

Figure 35: Sports Betting Tax Revenues have Similarly Shown Rapid Increases since 2021



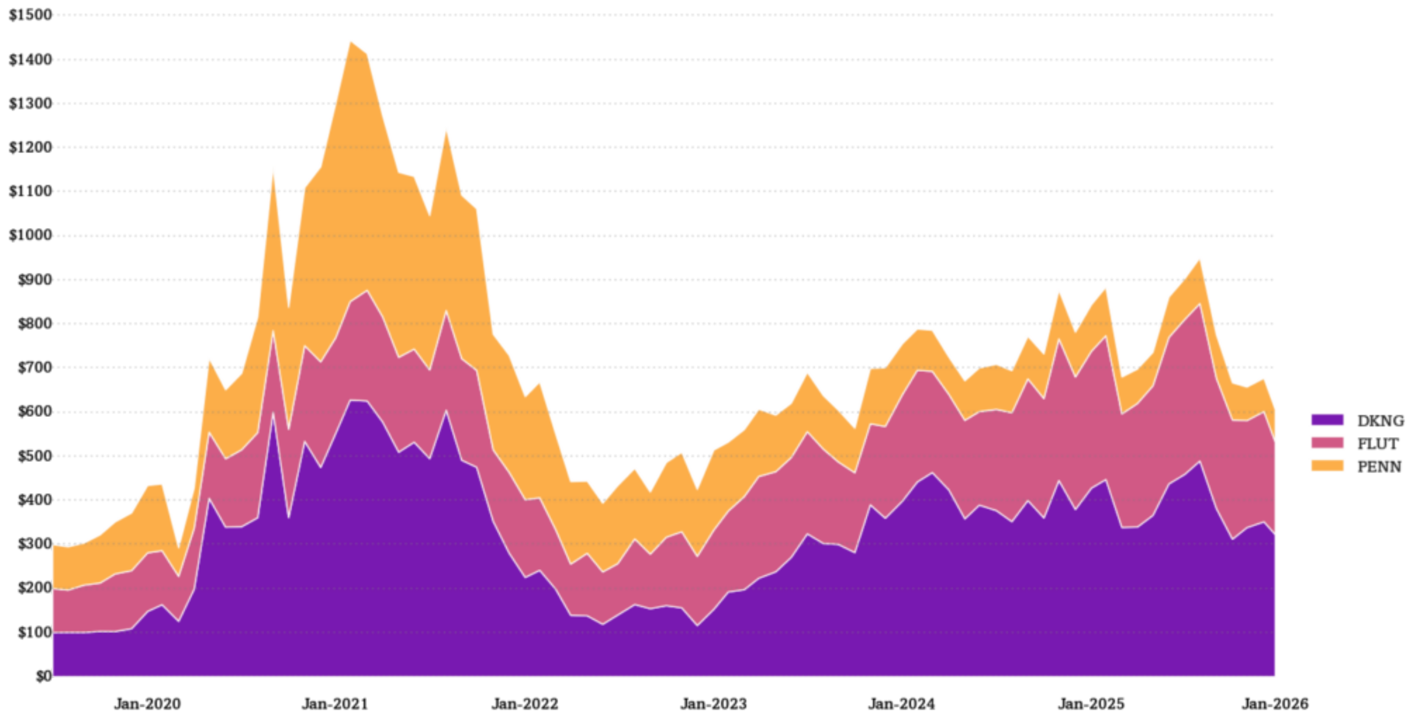
Source: Optimal Advisory analysis, Census Bureau

Figure 36: "Engaged" Visits to Major Sports Betting Sites Have Increased Even just over the Past Couple Years



Source: Optimal Advisory analysis, Similarweb

Figure 37: Sports Betting Stocks have not Reached 2021 Highs and have Sold Off Several Times this Year (Indexed to $100 for Equal Weight)

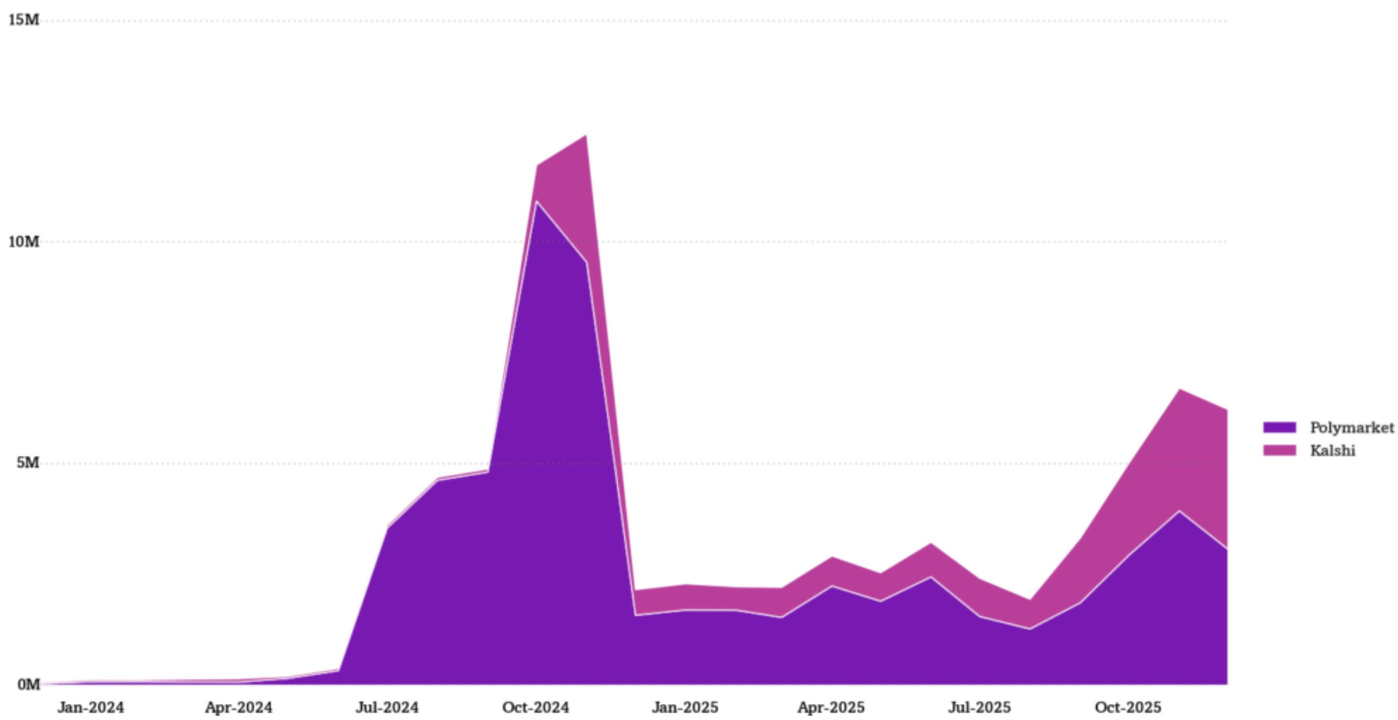


Source: Optimal Advisory analysis, Bloomberg

We think the volatility in sports betting stocks is driven by several large risks. First, regulatory developments and outlooks are important & often binary. For example, early in Georgia rejected sports betting legislation, driving a dip in shares. We note several professional sports betting scandals in recent months, which bring increasing risk of regulation of sports betting becomes more stringent than it is now.

More recently, the emergence of prediction markets like Kalshi and Polymarket as alternative platforms for sports betting has become a threat to traditional sports betting players. Moreover, platforms like Robinhood and Crypto.com are also offering sports betting markets. The ultimate competitive structure of the lucrative sports betting world remains unclear. We expect many more catalysts on this front in 2026.

Figure 38: "Engaged" Visits to Prediction Markets Represent a Threat to Traditional Sports Betting Market Participants



Source: Optimal Advisory analysis, Similarweb

Beyond direct investments in sports betting apps, the rise of sports betting has driven growth in the sports industry as a whole. Most importantly, sports bettors are more likely to watch sports, interact with sports online, participate in fantasy sports, attend live games, and buy sports merchandise more than other sports fans.

Figure 39: Sports Bettors Interact with Sports more in Almost Every Category, Even than Other Sports Fans

	Difference	Online Bettors	Total Sports Viewers
Watch Live Games	4%	72%	68%
Watch Sports Highlights	20%	58%	38%
Attend Games in Person	19%	44%	25%
Listen to Radio Shows & Podcasts	19%	38%	19%
Play Fantasy Sports	26%	38%	12%
Buy Sports Merchandise	15%	37%	22%
Interact with Sports Online	17%	29%	12%

Source: Optimal Advisory analysis, S&P Global

While important in its own right, understanding the demographics of sports bettors provides a leading indicator of the sports ecosystem. Betting platforms are creating much value by allowing companies across the sports landscape to better interact with their most engaged and active fans and customers. For example, sports bettors are more likely to be younger and male, work full time and in IT & software, and to save money each month. These insights have value to sponsorship monetization, capital allocation & consumer marketing.

Figure 40: Among Survey Respondents, Sports Bettors are More Likely to Respond that they are Young & Male, Live in Cities, Work Full Time, Work in IT & Software, Save Money, Have a 4-year Degree, and Stick to a Budget

	Difference	Bet $500+ Annually	General Population
Male	24%	73%	49%
Millennial	25%	52%	27%
Gen Z	7%	26%	19%
Live in Cities	18%	52%	34%
Work Full Time	34%	69%	35%
Employed in IT & Telecom	22%	25%	3%
Software Developer or Computer Programmer	14%	15%	1%
Income Allows to Save Each Month	20%	53%	33%
Have a 4-Year Degree	11%	29%	18%
Stick to a Budget	18%	65%	47%

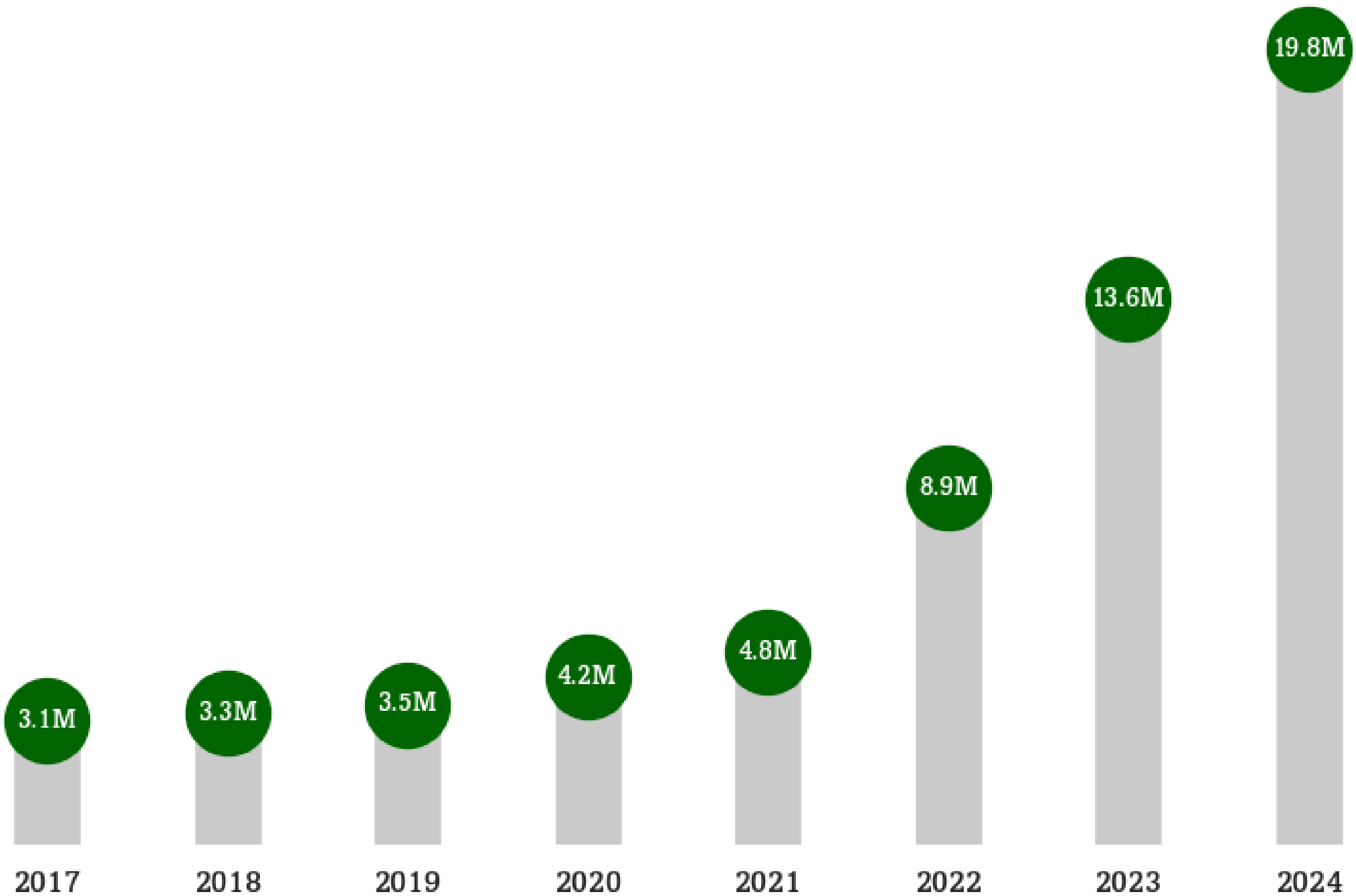
Source: Optimal Advisory analysis, YouGov

The Rise of Racket (Paddle) Sports:

Racket sports such as tennis, squash, racquetball, and table tennis have long been popular, but there are two rapidly growing alternatives that are taking over the sports landscape: pickleball and padel. These new sports drive multiple investing opportunities across the ecosystem.

The number of pickleball players in the US grew by over 450% from 2019 to 2024. As a sport that's accessible, affordable (although higher-end paddles have similar costs to tennis rackets), and social, its popularity continues to increase across generations.

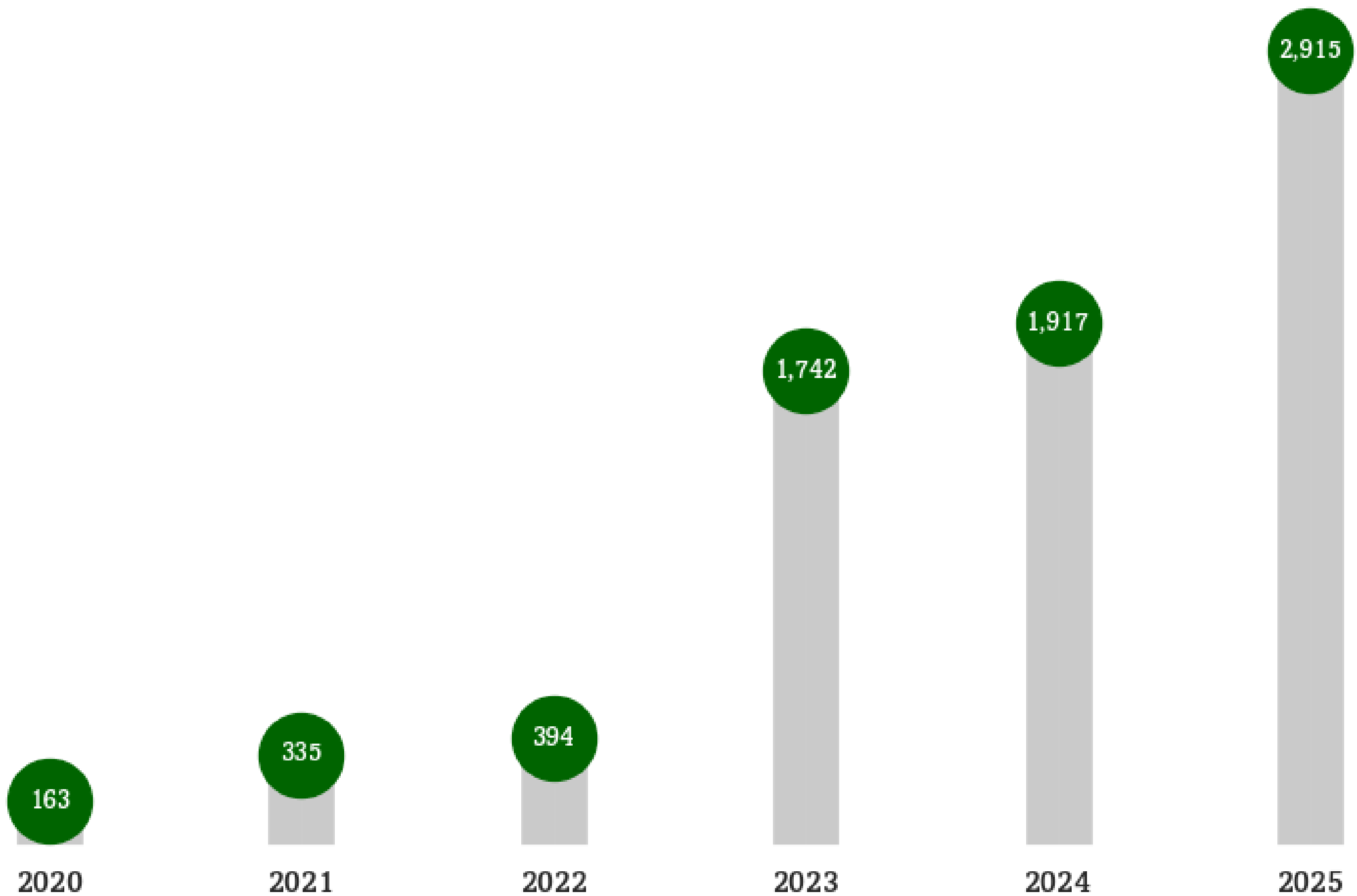
Figure 41: Pickleball's Player Base Continues to Increase Rapidly in the US



Source: Optimal Advisory analysis, Pickleheads, Sports & Fitness Industry Association

Meanwhile, padel has grown both internationally and in the U.S. According to the International Padel Federation, there were more than 35M active amateur players worldwide in 2025, with nearly 30M in 2024. In the U.S., meanwhile, the United States Padel Association has reported a sharp increase in membership.

Figure 42: While Still not as Popular as in Europe, Padel's U.S. Player Base is Growing at a Rapid Pace as Evidenced by United States Padel Association Membership



Source: Optimal Advisory analysis, United States Padel Association

The growth of these sports means an increased need for paddle and ball technology and manufacturing, courts, and an increase in professional sports viewership.

The Impact of NIL

NIL is an emerging area of sports ecosystem opportunity. In 2021, the NCAA changed its rules to allow athletes to earn money due to their name, image, and likeness. After the House v. NCAA settlement, NIL-NCAA projects that NCAA Division I athletes will receive around $2.3B in total compensation during the 2025-2026 academic year. According to On3 and Sports Illustrated, the top estimated NIL valuations for college athletes sums to around $40M.

Figure 43: Top 10 Athlete Estimated NIL Valuations

	Estimated NIL Valuation
Arch Manning	$6.8M
Carson Beck	$4.3M
Jeremiah Smith	$4.2M
AJ Dybantsa	$4.1M
Garrett Nussmeier	$3.7M
LaNorris Sellers	$3.7M
DJ Lagway	$3.7M
Cade Klubnik	$3.4M
Drew Allar	$3.1M
Sam Leavitt	$3.1M

Source: Optimal Advisory analysis, On3, Sports Illustrated

NIL has caused many changes in the college sports landscape. Recruitment of athletes now has a significant immediate financial component that didn't exist prior to the adoption of NIL, both of high school athletes and through the transfer portal. Another potential consequence may be that athletes who believe that they can make more money through NIL may delay their professional careers and stay in college. We expect development of many opportunities in apparel, experiences and travel among other more minor spending areas driven by increased NIL spending.

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