



SPORTS MEMORABILIA

Update | Q3 2022



VICTORY PARTNERS



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INDUSTRY DEFINITION

Sports memorabilia refers to collectibles associated with sports. Operators in this industry retail specialized lines of merchandise such as sports trading cards and keychains. Online auctions and e-commerce sites have transformed sports collectibles and memorabilia into big business. Many people collect sports memorabilia for the love of their childhood heroes. The items in this category evoke memories and emotions which are very powerful. The main activities involved in this industry are retailing new and used team jerseys and helmets, signed photographs, and autographed uniforms, balls, and other sporting accessories.

HISTORY

Collecting sports memorabilia goes back to the first decade of the 20th century, when many people would collect baseballs from baseball games and ask Babe Ruth for autographs. With the passage of time, many

sports stars became heroes in their sports and memorabilia collectors began to broaden their horizons.

INDUSTRY OUTLOOK

Sports memorabilia and collectibles have grown in popularity in recent years as these rare items are becoming viewed as an investment that will appreciate over time. However, consumers most commonly make purchases of industry products on secondary online marketplaces, such as eBay Inc., siphoning away industry revenue. Online demand typically sets selling prices, placing pressure on industry profitability. Additionally, amid the COVID -19 pandemic, a sharp decline in consumer spending decreased demand for the industry's discretionary products. As a result, over the past five years from 2017 to 2021, industry revenue has declined an annualized 2.5% to \$1.1 billion in the US, including a growth of 2.1% in 2021 alone.

In 2022, the sports memorabilia is expected to continue to see an influx of money from new sources, shifting power dynamics in college sports and more widespread use of emerging technologies. According to Market Deciper, the global sports memorabilia market is expected to reach \$227.2 billion by 2032 from the current size of \$26.1 billion. China and India are among the hottest emerging markets in the sports card industry, offering lucrative opportunities for the industry to expand.

Another major trend accelerating the merging of physical and virtual worlds is the rapid growth of sports-related NFTs. Leagues, individual athletes, and their partners are making digital collectibles, video clips, and enhancements to physical collectibles available for sale and trade. Deloitte Global predicts that there will be more than US \$2 billion in sports-related NFT



INDUSTRY OUTLOOK (continued)

transactions in 2022. Leaders in this field are raising hundreds of millions of dollars in investment, and all the major leagues now have NFT partners.

Sports-related NFTs have attracted a lot of attention and investment over the past year, opening the door to additional blockchain-enabled innovations. With the rising use and involvement of cryptocurrency and associated exchange platforms, a nexus will form around sports collectibles, ticketing, betting, and gaming. We are just beginning to see its potential, as well as the new markets it could lead to.

Some statistics for the sports memorabilia industry products are:

- 1952 Micky Mantle sells for \$5.2 million
- Babe Ruth uniform more than \$5.6 million
- 2 Jackie Robinson contracts appraised and insured at \$36 million
- Upper Deck Michael Jordan Rookie card (once \$18,000) has now sold for \$738,000
- Rookie LA Angels Mike Trout draft Chrome Project card sold for \$900,000
- Zion Williamson cards are around \$100,000
- Luka Doncic Dallas Mavericks rookie card sold for \$200,000

The key external drivers in this industry are e-commerce sales, increased participation in sports, and consumer spending.

“The card market has outperformed the stock market this year,” said Howard Epstein, a Charlotte-based collector and one-time show promoter who calls himself a hobby historian. “Millenials are spending money like crazy. The pandemic kept people home and some of the older guys are pulling out stuff and selling.”

MAJOR PLAYERS IN THE INDUSTRY

- The Topps Company, Inc. (Topps)
- Futera Limited
- The Upper Deck Company
- Leaf Trading Cards
- Panini S.P.A.
- Fanatics, Inc.
- Press Pass Collectibles (Ppc)
- Tristar Productions, Inc.
- Gameday Sports & Amp; Memorabilia
- Bench Warmer
- 757 Sports Collectibles
- Sportscollectibles.com
- Rittenhouse Archives Ltd.
- Olx Global Bv

M&A OVERVIEW

Companies	Closing Date	Deal Type	Deal Value
Autograph	Jan 4 th , 2022	Early Stage VC	\$205M
Wincast	Apr 4 th , 2022	Seed Round	\$0.68M



NEW ENTRANTS

Companies	Year Founded	Ownership Status	Financing Status
Nikco Sports Memorabilia	2022	Privately Held	Corporation
WTAW	2022	Privately Held	Corporation
Autograph	2021	Privately Held	Venture Capital-Backed
Campus Legends	2021	Privately Held	Corporation
Sports Collectors	2021	Privately Held	Corporation
Wincast	2021	Privately Held	Venture Capital-Backed
Carlisle Country Market	2020	Privately Held	Corporation
Sportsgalleryweb	2020	Privately Held	Corporation
Jerry Lee Lewis' Cafe	2019	Privately Held	Corporation

TYPES OF MEMORABILIA

Memorabilia can take any form from vintage to modern. Some of them are:

- Autographed items: Anything that can be signed. It ranges from balls to cards and often includes an authentication certificate.
- Sports cards: The most valuable cards are Rookie cards of star athletes. Signed cards are worth substantially more than non-autographed cards
- Game-used equipment: Different equipment used by the sportsperson during rival or historical games can be extremely valuable
- Team Jerseys and other apparel: Apparels with the proof of use such sweat stains or authentic wear and tear are very valuable
- Stadium items: Stadium items such as seats, turnstiles, or even benches are rare and valuable, especially if they hold vintage or historical significance.
- Ticket stubs & programs: Ticket stubs and programs from important tournaments, games and World Series items are also valued.
- Handwritten letters: These are rare and high-priced if authenticated



SPORTS MEMORABILIA AUTHENTICATORS

Memorabilia authenticators are the agency that verifies the originality of the collectible. This adds credibility to the collectible and increases its price ^ by many folds. Hence, it is one of the most crucial aspects of the industry. Recognized sports memorabilia authenticators include:

- Professional Sports Authenticator (PSA): It is an independent organization that evaluates sports cards for authenticity and quality using a 10-point grading scale and then secures the card in a tamper-proof holder along with proof of certification
- PSA/DNA Authentication Services (PSA/DNA): A spin-off of Professional Sports Authenticator, PSA/DNA grades and authenticates bats, autographed items, and other sports collectibles.
- Global Authentication Inc. (GAI): Global Authentication grades trading cards and authenticates sports memorabilia, autographs, and a variety of other historical documents and items.
- Beckett Grading Services (BGS): BGS is affiliated with Beckett magazine and uses a 10-point scale. It also offers secondary rating.
- Sportscard Guarantee (SGC): The SGC grading scale starts at 10 (poor) and goes up to 100 (Pristine)

RECENT UPDATES

eBay plans to enter the live online selling space with a new dedicated shopping platform for collectibles called as eBay Live. This will offer potential customers the chance to interact live with sellers, learn more about a specific item, and the option to buy products directly in the stream. According to the company, the new beta technology will combine entertainment with instant purchasing.

Fanatics/Topps plan to launch large-scale college trading card featuring current college stars. This deal will eventually include nearly 150 of the nation's top colleges and over 200 male and female student-athletes across multiple sports. Beginning this fall, Fanatics and Topps will release the first sets of college football and basketball cards with more than 100 of those schools under the BowmanU brand and including both current and former athletes. The deals with the athletes could form a foundation for Fanatics as it continues to expand its lineup of exclusive autographed memorabilia deals for signed photos, jerseys, balls and other items.



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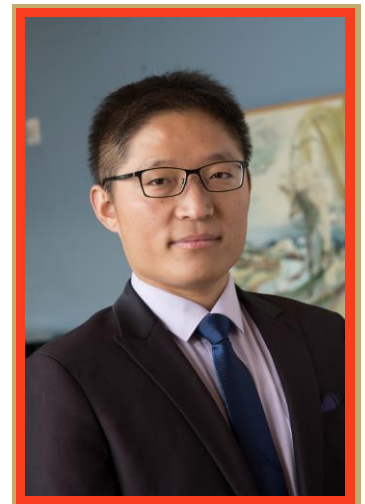
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FIRM MANTRA

“ It is not the critic who counts; nor the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat. ”



Theodore Roosevelt

— Theodore Roosevelt
The Man in the Arena



PREVIOUS CLIENTS

Client	Industry	Type of Engagement
ACSI	Financial Services	Advisory
Activor, Inc.	Healthcare	Corporate Finance
Advanced Particle Therapy	Healthcare	Corporate Takeover
Affinity Finance	Mortgage	M&A – Buyer
Affinity Finance	Mortgage	Joint Venture Advisory
Auto Benefits Corporation	Financial Services	Advisory
Automated Data Services, Inc.	Software	M&A Advisory
Automated Data Systems, Inc.	Financial IT Services	M&A– Seller
Bibbentuckers	Retail Chain / Consumer Services	M&A Advisory
Boardroom Software	Software	Corporate Finance
Brides International, Inc.	Apparel/Specialty Retail	M&A Advisory
California Proton Treatment Center	Healthcare	Bankruptcy Advisory
Cambridge Home Loans	Mortgage	M&A – Seller
Cantoni, Ltd.	Specialty Retail	M&A Advisory
Carequest Home Care, Inc.	Healthcare	M&A Advisory
Champion Brass, Inc.	Distribution	M&A Advisory
Cimaco, Inc.	Industrial Machinery	M&A Advisory
City Holdings	Mortgage	Divestiture Advisory
CMG Mortgage, Inc.	Community Banking	M&A – Buyer
Cobb Partners, LLC	Financial Services	Convertible Preferred Offering
Computrition, inc.	Software	Advisory
Contender Boats	Marine Manufacturing	Advisory
Dallas European Shoreline Imports	Auto Parts Distribution	Debt Financing
Datazone Systems, Inc.	Data Storage Devices	M&A Advisory
DeCrane Aircraft Holdings, Inc.	Aviation	M&A Advisory
Destination Films, Inc.	Film/Entertainment	Recapitalization
ECP Processing, Inc.	Merchant Processing	Advisory
First Chair Technologies, Inc.	IT Outsourcing/Integration	Private Placement-Convertible Debt
First National Bank of Los Angeles	Community Banking	Advisory
Fredericks of Hollywood, Inc.	Apparel/ Specialty Retail	Bankruptcy Advisory
Fruit-A-Freeze, Inc.	Foods/ Specialty Retail	M&A Advisory
H&S Yacht	Manufacturing	M&A Advisory
Hi Quality Electronics, Inc.	Consumer Electronics	M&A Advisory
Homebanc, Inc.	Financial Services	M&A – Seller
Homestar Funding	Mortgage	M&A – Seller
Hoss Equipment Company	Heavy Equipment Remanufacturing	Debt Financing
IMC	Building Products	M&A Advisory
Imperial Technology, Inc.	Data Storage Technology	M&A Advisory
Intelegy, Inc.	CRM/ Consulting	Advisory
JDI Solutions, Inc.	Manufacturing	M&A Advisory
Jolly Chef	Food Service	M&A Advisory
KAT & Associates, Inc.	Healthcare	Advisory
LAX World Co, Inc.	Sporting Goods Retail	M&A Advisory
Loan Genie, Inc.	Mortgage	Advisory
Long Range Systems, Inc.	Manufacturing	Corporate Finance
Magicstone Media, LLC	Media/Entertainment	Corporate Finance



PREVIOUS CLIENTS

Client	Industry	Type of Engagement
Maryland Proton Treatment Center	Healthcare	Turnaround & Recapitalization
Maui Girl & Co., Inc.	Apparel/Specialty Retail	M&A Advisory
MI Senior Living	Senior Housing/Healthcare	Corporate Finance
Mid-America Fittings, Inc.	Manufacturing	M&A Advisory/Sale
Midland Metals Manufacturing, LLC	Distribution	Leveraged Recapitalization
MVI, Inc.	Insurance	Advisory
Nature's Formula, Ltd.	Health and Beauty	M&A Advisory
Neuronix, LTD	Healthcare	M&A Advisory
Newline	Int'l Manufacturer of Marker Boards	M&A Advisory
Numerica Software	Software	Advisory
Oakley Homes, Inc.	Construction	Private Placement
Palm Beach Tan	Retail Chain/Consumer Services	Debt Financing
PayDay One Holdings, LLC	Consumer Finance	M&A - Seller
PERGAN Nordamerika GmbH, i.G.	Organic Peroxides	M&A Advisory
Phoenix Radiology, Inc.	Healthcare	M&A Advisory
Predicate Logic, Inc.	Software	Corporate Finance
Pro Systems, Inc.	Manufacturing	Advisory
Prologistics Technology, Inc.	Software	Advisory
Promiseland Dairy	Food & Beverage	M&A Advisory
Resource Bancshares, Inc.	Mortgage	M&A – Buyer
San Dieguito National Bank	Community Banking	Advisory
SCS/Frigette	HVAC Manufacturing	M&A Advisory
Sessions, Inc.	Staffing/Entertainment	M&A Advisory
StaffUSA, Inc.	Staffing	M&A Advisory
Sun Country Bank	Community Banking	Advisory
Surgical Notes	Health Care Services & Technology	Debt Financing
SY technologies, Inc.	Missile Guidance Technology	Corporate Finance
Tishman West Realty, Inc	Financial Services	M&A– Seller
Transcend Equity Development	Energy Conservation Services	Project Financing
TruckloadUSA	Building Product Distributor	Debt Financing
Turner Financial, Inc.	Mortgage	M&A – Seller
U.S.E Community Services, Inc.	Financial Services	M&A – Seller
Uncle Julio's	Restaurant Chain	Recapitalization
Undaunted Holdings, LLC	Marine Manufacturing	Acquisition
US Merchant Systems, Inc.	Transaction Processing	Corporate Finance
US Merchant Systems, Inc.	Financial Services	Convertible Preferred Offering
USDB Bancorp, Inc.	Mortgage	M&A – Buyer
VVI Construction, Inc.	Construction	M&A Advisory
WalkAbout Software, Inc.	Software	M&A Advisory
Westex Metal & Iron, Inc.	Scrap Metals	M&A Advisory
Worthy Financial, Inc.	Reg A+ Bond Sales	Advisory
YouGotCash, LLC	Software- Portal	Advisory

CITATIONS

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