Mountain West Update

July 2024

New World, New Revenue
House Settlement

Key Points gleaned from Media Reports
Overview

- Appx $2.8 billion total
  - *House, Carter & Hubbard*
- Payable *over a 10-year period*, beginning in FY 2025
- Payments will be spread *across NCAA and all DI conferences* in the form of distribution reductions
Tentative Timing (all dates approximate estimates)

- **Finalize Long-Form Agreement**: ≤45 days from now
- **Preliminary Approval**: 30-60 days later
- **Class Notice**: 90-120 days later
- **Final Approval**: Likely sometime in early 2025
Scope of Resolution

- Resolution would encompass multiple cases
  - *House* (NIL), *Hubbard* (*Alston* back-pay), and *Carter* (pay-for-play/revenue sharing, broadened to cover all sports and all DI institutions)

- Settlement would encompass all forward-looking antitrust claims re: compensation for at least 10 years, and extinguish significant backwards-looking damages liability
Releases

- All forward-looking claims for at least 10 years against the NCAA, all DI Conferences, and all DI institutions

- For all claims regarding:
  - (1) Monies and benefits that may be provided to student-athletes (by NCAA, Conferences, or DI institutions), and
  - (2) NCAA roster and scholarship limits
Direct Institutional Payments

- NCAA rules will permit direct payments to student-athletes up to aggregate amounts set by injunctive settlement (“the Pool”)

- Institutions will have discretion on whether and how much to spend up to the Pool amounts, and how to label and disburse payments.
Third-Party Payments

- Settlement precludes NCAA rules restricting third-party NIL (e.g., brand endorsements)

- Boosters may not enter into NIL licenses with student-athletes unless booster can show:
  - Valid business purpose
  - Compensation similar to that for non-athletes
Mandatory Student-Athlete Reporting

- All student-athletes must report to their school any third-party NIL deal over a pre-determined amount
- Member institutions must then report those deals to person/entity TBD by NCAA and conferences
- Timing of reporting TBD
Finance Overview
Average Revenue Per Public Institution
FY23 Average

<table>
<thead>
<tr>
<th>Conference</th>
<th>Average Revenue M</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC</td>
<td>$172M</td>
</tr>
<tr>
<td>Big 10</td>
<td>$153M</td>
</tr>
<tr>
<td>A5 Average</td>
<td>$143M</td>
</tr>
<tr>
<td>ACC</td>
<td>$132M</td>
</tr>
<tr>
<td>Big 12</td>
<td>$104M</td>
</tr>
<tr>
<td>Mountain West</td>
<td>$54M</td>
</tr>
<tr>
<td>American</td>
<td>$46M</td>
</tr>
<tr>
<td>G5 Average</td>
<td>$40M</td>
</tr>
<tr>
<td>Sun Belt</td>
<td>$38M</td>
</tr>
<tr>
<td>MAC</td>
<td>$33M</td>
</tr>
<tr>
<td>Conference USA</td>
<td>$32M</td>
</tr>
</tbody>
</table>

Notes:
- Calculations based on future conference membership
- MW average includes all institutions

Source: USA Today
Average Expense Per Public Institution
FY23 Average

- SEC: $162M
- Big 10: $146M
- A5 Average: $136M
- ACC: $127M
- Big 12: $99M
- Mountain West: $52M
- American: $46M
- G5 Average: $39M
- Sun Belt: $38M
- MAC: $32M
- Conference USA: $31M

Notes:
- Calculations based on future conference membership
- MW average includes all institutions

Source: USA Today
MW Revenue FY24 (appx $69M)

- Television, $39.4M, 55%
- College Football Playoff/Bowls/MW FB Championship, $21.3M, 30%
- NCAA Men's Basketball Units, $6.8M, 10%
- NCAA Academic Units, $1.3M, 2%
- Basketball Championship, $650K, 1%
- Sponsorship, $300K, <1%
- Interest, $1.2M, 2%

Note: Full members’ distributions average $5.54M
MW Expenses FY24

- **Conference Operations**, $2.9M, 36%
- **Employee Costs**, $4.2M, 52%
- **Officiating**, $818K, 10%
- **MWN**, $185K, 2%

Membership Dues are the primary source of funding for Conference Operations (aprx $7.3M / $640k per institution)
Six Sources of Distributable Revenue (FY24)

- Television, $39.4M, 57%
- CFP/Bowls, $21.3M, 30%
- NCAA Men's Basketball, $6.8M, 10%
- NCAA Academic Units, $1.3M, 2%
- MW Basketball Championships, $650K, 1%
Revenue Distribution

Current & Potential Future Model
## Distributable Revenue (approx $69m)

<table>
<thead>
<tr>
<th>Equally (90%)</th>
<th>Performance-Based (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• ~$62M.</td>
<td>• ~$7.5M.</td>
</tr>
<tr>
<td></td>
<td>1. CFP/Bowl.</td>
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<td>3. CFP Participant Bonus.</td>
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<td></td>
<td>4. NCAA Men’s Basketball.</td>
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<tr>
<td></td>
<td>5. NCAA Academic Units.</td>
</tr>
<tr>
<td>CFP/Bowl</td>
<td>Media Rights</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>• $24M</td>
<td>• $39M</td>
</tr>
<tr>
<td>• Expense Reimbursement for participating teams (~$4M for FY24).</td>
<td>• BSU - $1.8M per membership contract.</td>
</tr>
<tr>
<td>• Remainder split equally among football institutions.</td>
<td>• Hawaii - 80% of difference between a full membership share &amp; local media rights agreement ($400-500K).</td>
</tr>
<tr>
<td></td>
<td>• Remainder ($36m) split equally among football institutions.</td>
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</tbody>
</table>
Alternate Revenue Models Exploration

80% / 20%
75% / 25%
70% / 30%

Equal  Performance Based
Factors in Determination of: Equal vs. Performance Based

- Guarantee no MW institution experiences reduced revenue in FY27 (2026-27)
- Appropriately reward high performing teams
- Satisfy Knight Commission Grant requirements - $100K
- House Settlement - need to know how MW will be impacted
Media Rights

Current Agreements expire June 30, 2026
Current collegiate sports media rights

U.S. collegiate rights landscape | AAV (millions)  
Note: not fully inclusive.

*Speculated renewal level, contingent on format/approvals
Source: SBJ; Front Office Sports, Sportico, CNBC.

*Pac-12 conference will no longer exist after 2023-24 academic year.
New World / New Revenue

- Collectives
- Conference Naming Rights
- Private Equity
- Sponsors on Uniforms (teams & officials)
- Sponsors on Playing Fields