

TPG Representative Sara Hacker

Topic

Financial

Financial Item

Finance Item

TPG Update - Corporate Partnership Development

Takeaways to help Board and Staff

Each Year We Continue to Grow

General Commentary

Over the past 10 months, we've seen both strong performance and notable challenges. While we have surpassed last year's total revenue, making this the highest-earning year in our five-year partnership, it has not come without difficulty. We experienced approximately 30% attrition in our revenue base, which is a significant impact.

Encouragingly, we were able to offset much of that loss through upselling existing partners and securing new ones. A large portion of the attrition stemmed from reductions in government funding, as well as broader challenges affecting partners who also invest in NIL opportunities.

This type of fluctuation is not uncommon as a property matures, particularly given the size of our state and the scale of schools and impressions we deliver. In response, we have developed a strategic plan aimed at creating new, unique and diversified revenue streams for the 2026–27 school year.

We're currently in a renewal period for negotiations with UK HealthCare. As you know, UK HealthCare has served as the exclusive healthcare provider of the KHSAA for the past five years. They have indicated they are facing significant budget reductions, with marketing being one of the impacted areas. I (Sara) have held several meetings with their team to advocate for the continuation of our partnership, highlighting the success we've achieved over the past five years and presenting clear evidence of its impact. I would be happy to share a detailed impact report with any board members interested, which outlines the many layers involved in maintaining and strengthening a partnership like this. We are hopeful to receive positive news in the near future.

You will see changes across several entitlement assets at our spring championships. As we have consistently emphasized, the KHSAA brand carries significant value, and we are committed to protecting it. Rather than filling these high-visibility sponsorships hastily, we are taking a deliberate and strategic approach... We want to secure partnerships with leaders in our state that align with both partner goals, understanding investment levels and the student-athlete experience.

On a positive note, we received overwhelmingly strong feedback from partners regarding the energy and excitement surrounding this year's Sweet 16 events. As a reminder, the spring season is also a critical time for delivering proof-of-performance reports for

basketball championships and conducting renewal discussions for the upcoming school year. In closing, we may have come up short this year, but we still have a great deal to be proud of.