



## MARKET REPORT

UPDATED

10/22/2024

# Fanatics at \$7B revenue

## TEAM

Jan-Erik Asplund

Co-Founder

[jan@sacra.com](mailto:jan@sacra.com)

## DISCLAIMERS

This report is for information purposes only and is not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise constitutes a personal trade recommendation to you.

This research report has been prepared solely by Sacra and should not be considered a product of any person or entity that makes such report available, if any.

Information and opinions presented in the sections of the report were obtained or derived from sources Sacra believes are reliable, but Sacra makes no representation as to their accuracy or completeness. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a determination at its original date of publication by Sacra and are subject to change without notice.

Sacra accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to Sacra. Sacra may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect different assumptions, views and analytical methods of the analysts who prepared them and Sacra is under no obligation to ensure that such other reports are brought to the attention of any recipient of this report.

All rights reserved. All material presented in this report, unless specifically indicated otherwise is under copyright to Sacra. Sacra reserves any and all intellectual property rights in the report. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of Sacra. Any modification, copying, displaying, distributing, transmitting, publishing, licensing, creating derivative works from, or selling any report is strictly prohibited. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of Sacra. Any unauthorized duplication, redistribution or disclosure of this report will result in prosecution.

Published on Oct 22nd, 2024

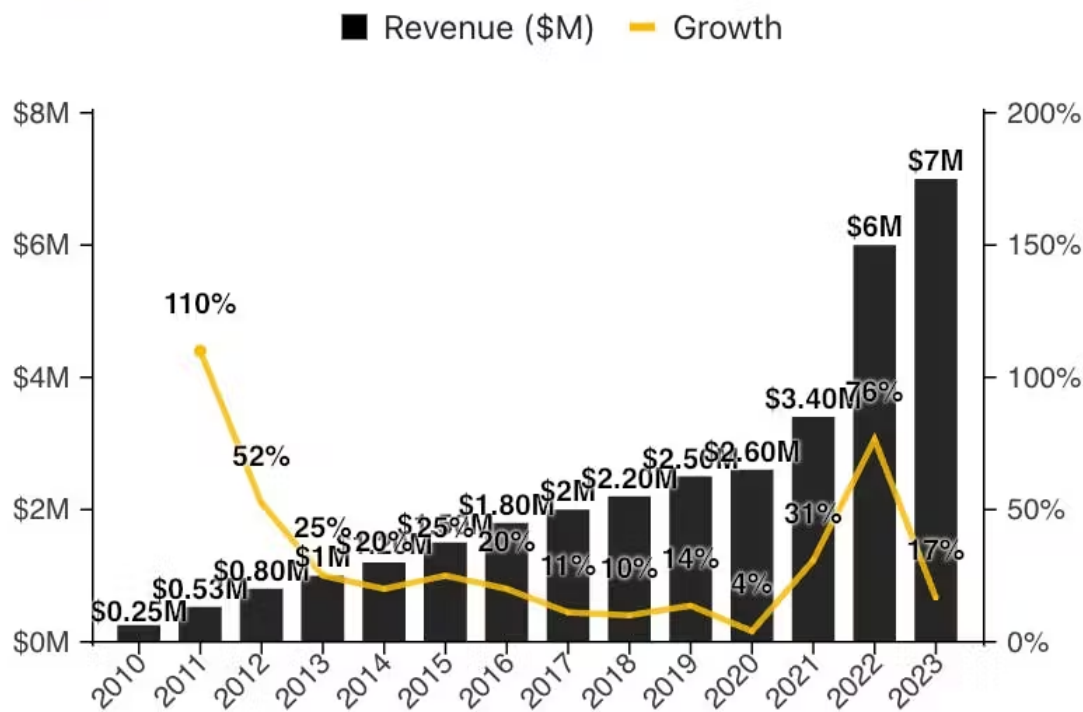
# Fanatics at \$7B revenue

By Jan-Erik Asplund

TL;DR: Fanatics (2011) has transformed from a Jacksonville-based sports apparel store into a vertically-integrated ecommerce platform doing a Sacra-estimated \$7B in revenue in 2023 (up 17% YoY)—but with core retail growth slowing and leagues like the NFL finally opening up to Amazon, Fanatics is now betting big on betting, collectibles, and live experiences. For more, check out our full report and dataset on Fanatics and our interview with licensed sports product consultant Scott Sillcox.



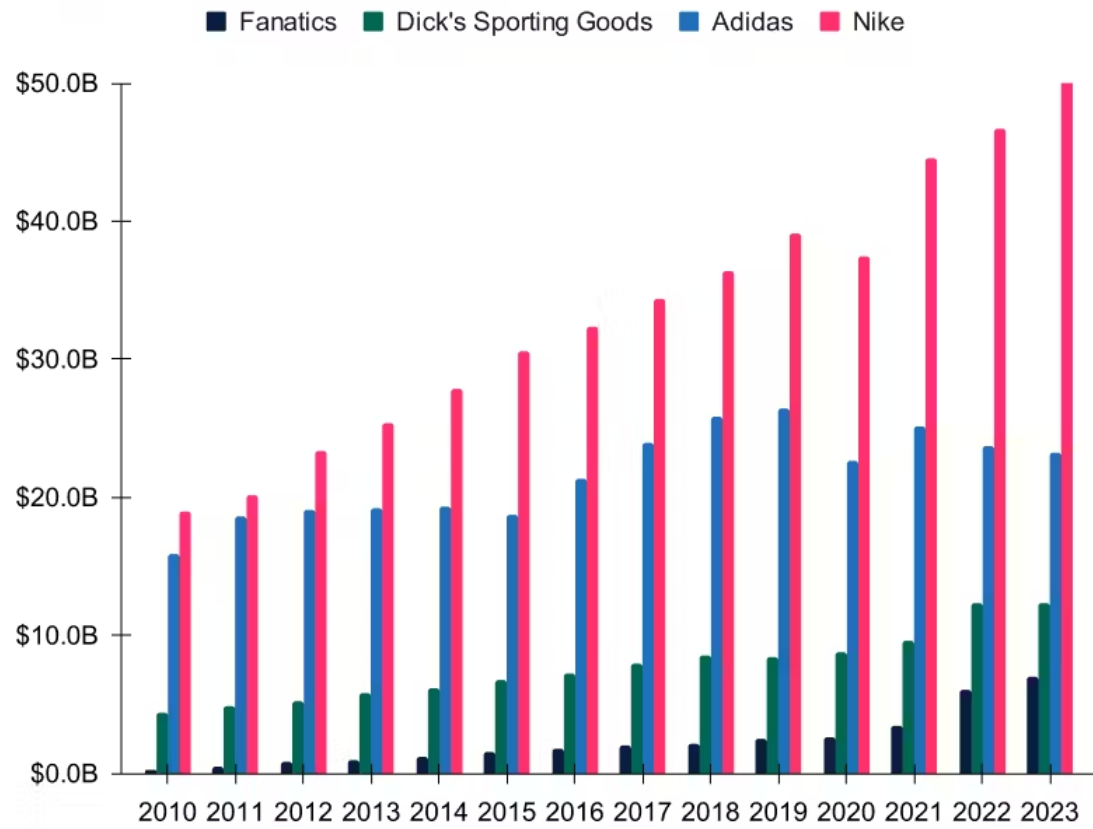
Revenue (\$M)





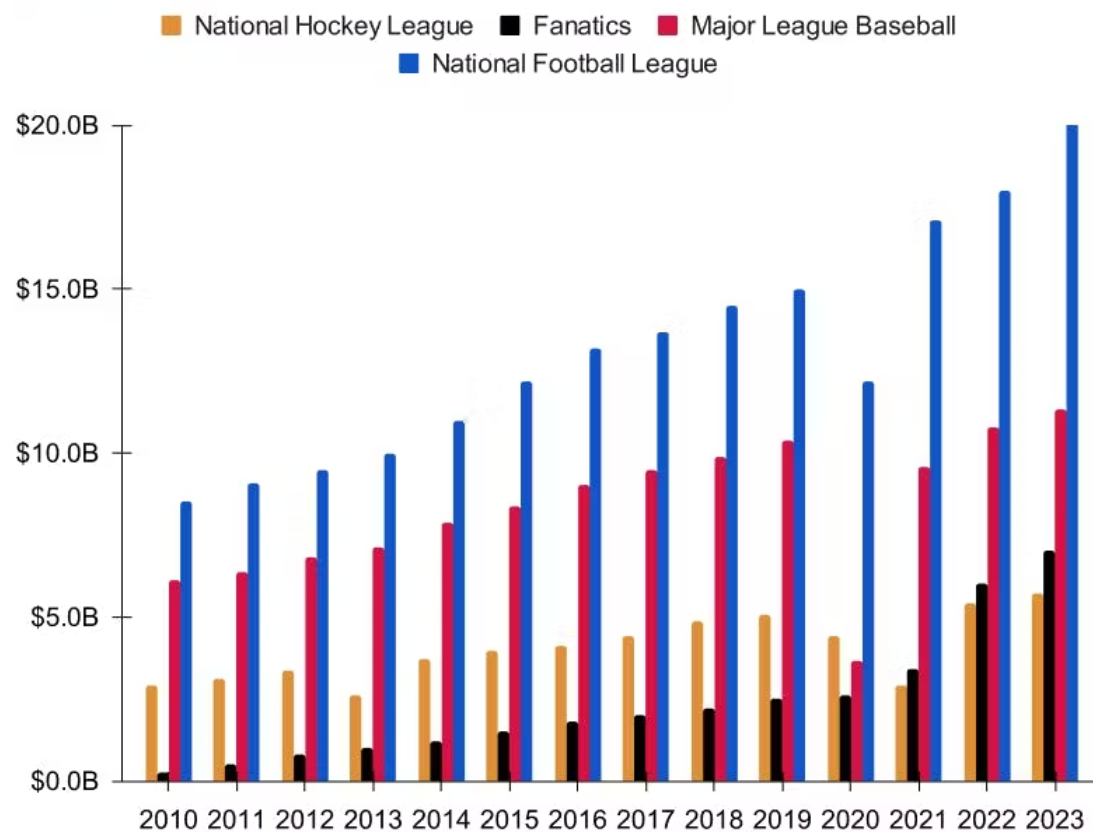
## Fanatics vs. DICK'S SPORTING GOODS vs. adidas vs. NIKE

### Revenue (\$M)



## NHL vs. Fanatics vs. MLB vs. NFL

### Revenue (\$M)



Key points via Sacra AI:

- **Fanatics (1995) has made its name as the ecommerce partner to the most valuable sports leagues and teams in the world including the National Football League (NFL), National Basketball Association (NBA) and Major League Baseball (MLB), generating ~80% of its revenue from: 1) powering the ecommerce storefronts for over 900 teams, leagues and colleges and taking a cut of revenue, and 2) wholesaling apparel, including Nike-branded jerseys, to retailers like Walmart and Target.** In 1995, Michael Rubin launched GSI Commerce, an ecommerce-storefront-as-a-service serving big brands (Ralph Lauren, Dick's Sporting Goods) and major sports leagues (NFL, MLB, NBA)—in 2011, Rubin sold GSI to eBay for \$2.4B, bought back the sports division, and began aggressively rolling up licensees, apparel manufacturers, and retailers, including the Jacksonville-based Fanatics, to become a vertically integrated one-stop shop for sports teams and leagues to sell online.
- **Revenue exploded from \$3.4B in 2021 to \$7B in 2023 (up 17% YoY) as Fanatics (SoftBank, \$4.8B total raised) went on an acquisition spree, buying trading card giant Topps (\$1B in revenue in 2022) and gambling company PointsBet's US business (\$130M in revenue in 2023), riding a COVID-era surge of interest in baseball cards and sports betting.** In terms of revenue scale, Fanatics is now in between league partners like the NHL (\$5.7B revenue in 2023, up 5.6% YoY) and NFL (\$20B, up 12.2% YoY)—on the apparel side, it's growing faster than companies like Adidas (FWB: ADS, \$23B, down 2% YoY) and closing the gap with Dick's Sporting Goods (NYSE: DKS, \$12B, up 0.65% YoY), but its partner Nike is still king (NYSE: NIKE, \$51B, up 9% YoY).
- **As the ecommerce backend behind every team store, Fanatics has cheaply (~\$19 CAC) built a customer list of 100M+ sports fans that they can cross-sell into higher-margin businesses across their family of brands, including Topps (collectibles, \$32B market), WinCraft (non-apparel merchandise, \$15B), Fanatics Betting & Gaming (sports gambling, \$11B), and Fanatics Events (live events, \$5B).** At Fanatics' scale today—accounting for 35% of all licensed sports merchandise sales in the US—mutual concentration risk has become a problem with its league partners, pushing leagues toward fragmenting distribution rights across multiple partners, turning Fanatics into just another retailer.

For more, check out this other research from our platform:



- Scott Sillcox, sports licensing consultant, on the economics of Fanatics' contracts
- Fanatics (dataset)
- Shein (dataset)
- Sean Frank, CEO of Ridge, on the state of ecommerce post-COVID
- ShipBob: TikTok's \$500M/year fulfillment arm
- Rokt: the \$480M/year ad network behind Uber & Lyft
- Klaviyo: the \$665M/year HubSpot for ecommerce
- Tyler Scriven, CEO of Saltbox, on co-warehousing and D2C ecommerce
- Brian Whalley, Co-Founder of Wonderment, on Klaviyo's product-market fit
- Sampad Swain, CEO of Instamojo, on building ecommerce infrastructure for D2C 2.0