

# Major League Soccer Media Conference

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**Don Garber**

**Gary Stevenson**

**Eddy Cue**

Press Conference



evolution of how people watch live sports. With this new partnership with Apple, it's going to give our very young, diverse, digital fans. Remember, over 80% of our fans are watching a weekly soccer match, streaming match, because this is the way they are, this is what they do, this is what they've asked for. We're going to deliver them every match anywhere, anytime, anywhere around the world without any restrictions or any blackouts.

THE MODERATOR: Good afternoon, everyone. Thank you for joining us for today's details and announcement of a historic 10-year partnership between Major League Soccer and Apple.

Joining us today will be Major League Soccer's commissioner Don Garber, Apple's senior vice president of services, Eddy Cue, and MLS deputy commissioner and president Gary Stevenson.

I'll turn it over to Major League Soccer's commissioner Don Garber.

DON GARBER: Thank you very. Welcome, Eddy, Gary, and all of our journalists.

Today is a historic day for our league, for our sport. I think as you'll hear from Eddy, I think it's a very historic day for the sports business overall as we announced just a few minutes ago a first-of-its-kind 10-year partnership with one of the most innovative and customer-focused companies in the entire world, Apple.

This new partnership is going to provide our fans around the world every live Major League Soccer match, more in-depth coverage than ever before and a terrific lineup of original programming.

As you probably read in the release, we'll have over 900 MLS games, Leagues Cup matches, MLX NEXT Pro matches, our second league, our youth league matches, all available in one place, through streaming, new streaming service, that will live on the Apple TV app as well as a broad selection of MLS and Leagues Cup matches that will live on Apple TV.

After Eddy's comments, Gary, the group will get into a little more detail.

We think our league is perfectly positioned for the next

There were many things that we set out to achieve when we created the strategy to renew our media deals. We started many years ago. We thought about taking back our local team rights. We thought about how do we aggregate our global rights, our data, how do we think about sports betting, many of the things the journalists over the last couple years have heard about, so we could come up with a partnership that would capitalize on the momentum and rocket fuel of the World Cup to put this league in a position to be able to deliver on the expectations of our fans, to be one of the great players in the world of global soccer and football, and certainly position us to be one of the top soccer leagues around the world.

When we started out this process, we had a logo on the whiteboard. That logo was the Apple logo. We could not have found a more perfect partner in Apple, in Eddy Cue and his team. We're really excited to kick off this relationship next season. We've got a lot of details to talk about.

First, let me throw it over to Eddy. Eddy, I think it will be great for you to give a little bit of background on or thoughts about this league, this deal, how excited you and the rest of the company are about this great 10-year partnership.

EDDY CUE: Thanks, Don. I appreciate it. It's great to be with everyone. I haven't met most of you so hope we will get a chance over the next year to meet in person.

This is truly a historic moment for sports and I think most importantly a dream come true for fans. I'm a huge sportsfan. For the first time ever as a fan I'll be able to access everything from a major professional sports league in a single place. It's never been done before.

We're going to take all of the things that Apple is really good at, experiences, the style, the approach we take to

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making great products to this. We're committed to growing the sport of soccer with MLS. We're going to make it easy for people to fall in love with MLS and root for their favorite clubs.

MLS is already in a tremendous trajectory as the fastest growing soccer league in the world. We think it's going to be even bigger as the World Cup comes to the U.S., Canada and Mexico. Seattle Sounders made history this year winning for the first time. The Champions League, the most global players of any league with 82 countries represented, which is incredible. We're excited about the fan base. It's the youngest, most diverse fan base in North America.

We think we have a huge opportunity to build on the great work MLS has already done to bring a whole new generation of fans and expand the audience in North America and beyond.

For Apple, we couldn't be more excited about this partnership, key word 'partnership'. We're going to do a lot of great things together. We have a lot of ideas, ways we can innovate. When you have everything in one place, it's the only way you can do some of those things.

Very, very exciting news for us, I think for all soccer fans around the world.

THE MODERATOR: Thank you, Eddy.

As I mentioned, we do have Gary Stevenson and Commissioner Garber available for questions. Gary is the gentleman overseeing all the strategy, working over the last number of years.

Gary, if you could give us a little synopsis of how this came together. I think it was more than five years ago as we were putting this process together. Maybe share that with the group.

GARY STEVENSON: I guess four, five years ago we had an off-site and started to think about our next media deal, which starts next year. It was obvious at that time that there was a transition going on in the world, probably the greatest transition in the way sports media would be distributed since the advent of cable television.

We started to say, Okay, what would we need, what will our offering be to be able to take advantage of that streaming? Clearly I think the most important thing was to have all of our rights expire at the same time. So we asked our clubs and our owners and our chief business officers to make sure all the local agreements expired at the same time. We did the same thing with all of our domestic and

our international agreements. That really was the backbone of our strategy.

We knew if a streamer was going to be interested, they would have to have all of our product. We weren't sure exactly when the transition would happen from a streaming standpoint, but we believed it would come in due time.

What's happened is I think it's happened faster than we all thought. I mean, I often say think about how many matches you used to watch streamed three years ago compared to what you watch now and think about what you'll watch three years forward. It's dramatically changing.

I think this was the right package for us to take to Apple. Eddy and his team immediately understood why it mattered for them, and the opportunity for us to be integrated across the Apple ecosystem was really important.

You think about when Apple got into the music business. Now they are the music business. You think about when Apple got in the news business just four years ago. Now they're a dominant player in news.

This idea of what they can do for us and our fan base, to create new fans, to develop and engage our existing fans, was just so exciting to us.

As both Eddy and Don said, this starts with the fans and this starts with what it means to the fans.

THE MODERATOR: Thank you, Gary. Thank you, Commissioner. Thank you, Eddy.

We'll take questions.

**Q. Don, could you speak about the risk/reward of putting everything in one place for people to find. Certainly I think this is where technology is going, but maybe not having as big of a presence on local TV networks like WGN in Chicago where I am, maybe what the league's current strategy is on still negotiating some linear TV options for national TV games. Also it says in the release you guys will produce all of the games, MLS will produce all of the games. Does that include the portion of games that seem to be set aside for Apple TV specifically or will they be producing some national broadcasts within that as well?**

DON GARBER: Let me take the first one then I'm going to throw it to Gary. A lot of your questions are going to be about production, so I'll have Gary talk about what our thinking is and ultimately what our timetable is to build out what I think is going to be a very, very exciting opportunity



for us, something that MLS and (indiscernible) Marketing do really well.

I think in many ways as you've seen the other businesses we've launched, we invest in taking on these new opportunities. I couldn't be more bullish and excited about the opportunity to get into the production business.

Remember that what we're trying to do here is to aggregate as much of our content together we could make it easy for fans, wherever they are, however they consume, whether they're a fan of the Chicago Fire in Chicago or they're a fan of Chicago Fire from another city or another state or even another country, right, giving any fan the opportunity to consume content all in one place, all on one device.

What Eddy has said in previous conversations here is remember that these are not just Apple devices, they are the Apple app living on just about every smart TV and living on android devices, anyone who can download the app.

The accessibility to our content goes way beyond that which was previously offered, even though in local markets, in some cases you were able to just turn on your TV and watch a particular local game.

The second part of that is that we are convinced that this is where our fans are going, this is where the business is going, and we have an opportunity to go there perhaps before anybody else does, and to do it with a company that we believe is going to be the driver and ultimate winner in this sort of global sports streaming space.

In the discussions that we've had with Apple, with their integration teams and their marketing teams, their branding teams, their technology teams, engineering teams, the amount of innovation and opportunity for us to build a fan base, which is the primary goal of this partnership, is really vast. I think you're going to see that play out over the next number of years.

Gary, why don't you take a minute and give some general production thoughts.

GARY STEVENSON: The other thing I'd add to what Don was saying is that understand that our matches, we are still going to complete our linear deals, but in addition to those, we will release a distribution grid in the next three to four months which will show a number of our matches will be in front of the pay wall at Apple on Apple TV, they'll be shown on Apple TV+ in addition to the MLS streaming service. All the matches will be on the streaming service, but we'll have additional exposure through those means that I just

mentioned.

The combination of that will lead to better distribution for our product than we have even today with our national and local agreements.

On the production side, we've been building a production plan for the last couple months. Excuse me, last couple years. We installed second spectrum cameras at all of our facilities which will provide us better data, interesting data, that we can integrate into our production. All of our matches will be produced in 1080p. We've been producing matches for a number of years, as you know. Most of our clubs produce the matches locally. We think there's a more efficient way to deliver that content, that live match content, by centralizing production.

**Q. I think a lot of fans are trying to wrap their heads around this still. I think the biggest question I have is about the linear TV aspect of it, specifically the local. I want to be clear. The local linear, local broadcast TV, is out of the deal, it's all streaming? Is that a correct understanding of that? How does that affect things?**

DON GARBER: He'll lay it out again. I think he answered in the previous question, but he'll lay it out again.

GARY STEVENSON: So all the matches will be distributed on the MLS streaming service, the subscription service, all matches.

In addition to that, there will be selected matches that will be distributed on linear, there will be selected matches that will be aired free to consumers on the Apple TV platform, there will be a selected number of matches that will be distributed on Apple TV+. Like I said, all those matches will also be distributed on the MLS streaming service.

**Q. I was being crystal clear, the local TV part is out of the deal?**

GARY STEVENSON: Local TV will be out of the deal.

DON GARBER: Correct.

THE MODERATOR: All the season ticket account holders will receive a subscription to the MLS streaming service, which is part of the package.

**Q. Sorry to tap on the same nail once again. I want to make sure that fans won't get to watch all the games on TV as it is right now, that's exactly what's going on? They're going to have to be subscribers of the streaming platform? I'm sorry for making you repeat a third time.**

GARY STEVENSON: That's okay. I'm happy to.

There will be selected games on linear television in Canada. Those games will also be shown on the MLS streaming service. So all games will be on the MLS streaming service.

Some selected games will also be simulcast on linear television in Canada and the United States, and on a different parts of the Apple platform, Apple TV+, and in front of the Apple TV pay wall.

**Q. Just to make sure, will there be French games on regular television at some point?**

GARY STEVENSON: Yes, there will be. We'll produce matches in English, Spanish and French, particularly for Quebec, in Canada, in the first year. Eventually we'll expand languages. We'll add Portuguese language by year three.

Keep in mind, this is a global product. The beauty of this product is if you're in London and you want to watch the IMPACT or if you're in Columbus, Ohio, or you're in Hong Kong or Bogota, you'll have the ability to push one button and watch that MLS match that you want to watch.

**Q. In a report, it says \$250 million. If I'm hearing this correctly, your national package is still available, linear package? Broadcast networks would be getting only rights that I would assume maybe drop what they currently pay, \$90 million reportedly? I wanted you to confirm 250 and what's left in that asset? Just the national linear rights left?**

DON GARBER: I'm not quite sure how that number gets out. It always seems to do that.

I'm not going to confirm or deny it. You can be sure that the sale of our additional linear rights and other content that we'll be packaging up and willing to sell, create and monetize, we're very confident in the final number that we'll be delivering to our ownership.

This process has turned out, again, to be a lengthy one but a productive one. I want to have everybody understand, the hundred people on the call, this is a minimum guarantee, it's not a rights fee. We have to eliminate that concept. Traditional media deal, media companies pay rights fees, then they monetize it themselves and operate sort of independently from a financial perspective, from the rights-holder.

This is a partnership we're forming with Apple. That

partnership as a part of it has the building of an MLS subscription channel, as Gary said, additional games on various Apple platforms and additional games that can be sold to linear partners.

If we exceed the minimum guarantee, then we share in the upside in that guarantee. If we're able to sell our linear rights for what we hope and expect to sell them for, then we will even exceed our expectations.

**Q. I'm told that ESPN did not bid on those streaming rights; they could still be in for the television rights. Can you comment on that?**

DON GARBER: No, we're not going to comment on any of those other negotiations. You could ask them if you like.

We've had very productive conversations with them and we're in discussions to have them continue with us.

**Q. I want to get two points clarified from Gary. I also have a question for Eddy. If teams want to have more games on local TV, it sounds like they can't. You said the production is going to be centralized. Will the broadcasts be out of a studio or from the stadiums?**

THE MODERATOR: Due to time constraints with his schedule, Eddy was not part of the question process. Appreciate you mentioning that. We'll go back to the questions you asked.

GARY STEVENSON: In this agreement, as we've said, there won't be local broadcasts of the matches. One of the things that I think is interesting about this opportunity is it's providing some unique opportunities for us to change the way we do our scheduling.

When you think about our schedule today, this year alone we'll have 63 different start days, start time combinations. It's really hard for our fans to kind of understand when the games are starting, whether they're a fan going to the stadium or whether they're a fan watching the broadcast.

Through this new agreement, we plan on our midweek games will be on Wednesday nights, our weekend games will be on Saturday nights, unless there is a stadium availability issue or if we have a linear window that is outside of that window.

What that allows for our fans is to plan their schedules accordingly. So this idea of Saturday night aggregating all of our matches Saturday night, we'll have a whip-around show that will be available on Apple, on our streaming service. That whip-around show will be as long as six hours because most of the games will start at 7 or 8 local,



depending on when the club wants to have kickoff.

You can imagine what a Saturday night is going to look like. It's almost like Decision Day every single Saturday night where we're in and out of games. No more local restrictions, so the fan viewing experience is going to be very different.

There will be a variety of different ways that we're going to produce matches. Obviously in today's environment with technology, you can use cloud storage and cloud technology to produce your matches. The majority of our matches will have our talent on-site, but not all of them.

As technology improves, it's becoming harder and harder to determine whether a crew is on-site or not on-site. That's going to evolve over time as well.

Your second question was what?

**Q. Was the fact that MLS will for a little while be sitting alongside Ted Lasso... Don, maybe you can weigh in on that. What might that do for the league? I think a few of us know how Ted Lasso has portrayed American soccer over the years.**

DON GARBER: I'm going to go back to the comment that Gary made.

When the music business was going through transformation, Apple got in and transformed the music business in ways that have created sort of an ubiquity. I could probably just speak for myself. My ability to collect, to listen to, to share and to engage music that I'm very passionate about, was enhanced by what Apple did with their devices and their services.

They did the same thing when they got into the news business. They certainly have done the same thing as it relates to Apple TV, winning Academy Awards and creating their top show, which is Ted Lasso.

We're thinking about what is happening with the transition of sports viewership and fan engagement from what has been a traditional cable model over to what is becoming more of a streaming model. Whether it's entertainment or sports, fans are accessing their games in ways that are different than perhaps they did two, five years ago. That's going to be even more dramatic in the years to come.

Frankly, I'm excited about having our services sit alongside Apple TV and excited about the fact that the number one subscription service and customer engagement, called Fan Engagement Company, is going to be building out our direct-to-consumer subscription business.

We've been thoughtful about what does this all mean to our teams, coming up with a new commercial model. We've met with our clubs, and they're excited about the new opportunity.

As Dan mentioned, it's in our press release, every season ticket holder is going to get a subscription to the service. We're going to work very carefully on what the grid is in terms of how games are allocated across the various platforms.

We have the ability for the first time to take this league, which has been the North American version of the global game, and turn it into a league that can have a more global presence and fan connection opportunity.

When we sign a player from Argentina, rather than just have that player come to one of our clubs, maybe one will come to Miami, then in essence capitalize on that in our North American league, we have the ability to have a two-way relationship with fans in those markets.

You all follow our league on the field as well. We want to be a global player on the field, and we have been, and that was very deliberate. Now we want to be a global player off the field. The partnership with the largest, most innovative global technology and content company in the world is a vehicle for us to begin that process.

We couldn't be more excited about it.

THE MODERATOR: I'm not sure it was in the press release. Currently MLS matches are in 1080i or 720p resolution. The new partnership with Apple will be in 1080p. Certainly enhanced picture quality for all of our fans out there.

We'll continue with questions.

**Q. Financially obviously the terms that have been reported are massive. How much of an impact do you think this will make compared to what teams were receiving in the last deal? What kind of growth will that enable? From a storytelling perspective, it sounds like the possibilities here are going to be huge compared to what we've seen in the past in terms of pregame, postgame, studio shows, et cetera. How much do you think this will add in that area? One procedural question. For the commentary teams themselves on the Apple TV+ games, is that going to be one team per game or are there going to be two commentary teams per game like we see in the local broadcast shows currently?**

DON GARBER: Good question. I'll take the first, then throw it over to Gary.

Obviously this will be an economic benefit to our teams. As our team values continue to rise, and as the energy and momentum around the league continues to grow, our investments have grown, and you all see that. I keep saying nobody knows more about our clubs than those of you who follow it every day.

You're seeing this with investment in facilities. You're seeing it with investment in our player pool. The strategic investment of bringing in the kind of players that could make our clubs more competitive, leading to thankfully our first win in the CONCACAF Champions League in Seattle. I was just in Austin with the U.S. team and toured with the board of U.S. soccer around our great new facility there. Our development under the first team has been significant. As you all know, it's been a massive investment.

We've got to generate revenue in how we're monetizing our content. This deal is an example of that. We also are in the process of renewing a number of other great opportunities for us, soon to be announced in terms of new partnerships and also new technology deals. Stay tuned for that. They'll roll out over the next 30 days.

I will kick it off to Gary on the production side. When we met with Apple the first time, this was not a presentation by Major League Soccer, it was a presentation by Apple to show us the breadth and scope of their company and the way they think about customers or they think about fans, how they have a product that is the same and accessible to any consumer no matter where they are in the world.

The ease of access and the ability to basically tell stories as they're doing very effectively with Apple TV, and the way they've been telling stories with the evolution of their products really for the last couple of decades.

That integration into the Apple family is one of the great values of this deal. I go back to the first question. Not a traditional media deal, something where we're both aligned to build our fan base. If we build our fan base, we both ultimately become winners financially but also winners in that we have people that will care more and more about Major League Soccer, our clubs, our players. Hopefully they'll care more about Apple's inroads and their commitment to getting into the sports streaming business.

GARY STEVENSON: The only thing I would add to that is that I think our ability, as you said, to tell stories is the most difficult thing to explain in this process.

Our clubs produce content today. They produce a lot of

content. That content is distributed at MLS, it's distributed through some of our content partners, and it's also distributed on some of our local club's social media and their websites.

The idea of our clubs, they're already in the content business, what this is going to give us an opportunity to do is harvest all that content, and I expect that will double and triple both at the national and club level, because we have a place now to distribute it with Apple. Apple has said to us, We will take as much content as you possibly can give us because that helps us serve the fans.

They think about the fan experience. They think about the consumer experience first. If there's a press conference in Philadelphia, and Jim Curtin talks about the upcoming game or he talks about the impact his players are having internationally or whatever that is, if we can harvest that content, pull it into our production facility, then repurpose it and send it to Apple, it will have a place that it can be distributed.

That part of it is very, very, very important to us on the fan creation and development side. Imagine if we hire or if we sign a star player from Colombia. Immediately, immediately we have the ability to serve content to those fans in Colombia of that particular player, through the Apple global distribution system, whether it's Apple News, Apple Health and Fitness, Apple watches, Apple Music, all of those different areas we expect to be integrated in as we go forward with Apple.

To me when you think about what are the intangibles here, why does this really make the most sense? It makes the most sense because we have that ability to distribute content.

Second question was what will our national shows look like.

What we anticipate, there will be more details coming out on this in the next couple months, but what we anticipate is that we will have a pregame show, a halftime show, and a postgame show for every one of our matches, which gives us an opportunity to set the matches, it gives us the opportunity to visit other matches that are happening at the same time at halftime, it gives us an opportunity to recap every single match. That again gives us an opportunity to interview players, interview coaches, which creates more content, more stars, more interest in our league.

Because of the distribution windows we have today, in a lot of cases we don't have the opportunity to do that, so we're really excited about that part of it.



Finally, each club will have the ability to create local content shows as well in their market. If a club wants to do a local pregame show before the national pregame show to talk specifically about what's going on with that particular club, we have the ability to do this. This expands our opportunity.

Quite frankly, I think, as I said earlier, the real intangible of this is our ability to tell stories because, quite frankly, that's one of the things that has been missing for us with our existing media partnerships.

THE MODERATOR: One more additional production note. It was not included in the press release. Fans and viewers will have the option when they're watching via a drop-down menu to select audio from their specific radio broadcast.

We'll wrap it up with one more question.

**Q. I have a question about the international aspect of this deal. Just to clarify, the United States is the only place you're going to be able to watch MLS games on Apple?**

GARY STEVENSON: That's yet to be determined. We are working on that plan with Apple, similar to what we do in the United States and Canada. We've had conversation about other linear distribution.

But our primary emphasis outside of the United States and Canada will be on the Apple platforms. But similar to what we have domestically on those platforms the product will be offered in some cases, some selected games will be in front of the pay wall, some selected games will be on Apple TV+, and all the games will be available on the MLS streaming service.

**Q. You're saying that could be applied for Sky Sports in the UK or other countries?**

GARY STEVENSON: More details will be coming on that, but we are having those conversations with Apple.

THE MODERATOR: Thank you to all of our journalists for joining us on short notice today. We look forward to telling you more information and details about this incredible partnership in the months to come.

Thank you.

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