

Tuesday, August 3, 2021

Keith Pelley

European Tour Chief Executive

Jay Monahan

PGA TOUR Commissioner

Press Conference



LAURA NEAL: Thank you so much for joining us today. I'm Laura Neal with the PGA TOUR communications team, and it's my pleasure to welcome you to our virtual press conference with PGA TOUR Commissioner Jay Monahan and European Tour Chief Executive Keith Pelley.

You should have received this morning a press release announcing further details of the PGA TOUR and European Tour strategic alliance, which as you know was unveiled in November of last year. If you don't have that press release yet, please reach out to Joel Schuchmann or Scott Crockett.

While the press release provides full details, we're pleased to have this time with Keith and Jay to share their thoughts on the announcement from today and context around our respective tours working more closely together.

At this time it is my pleasure to introduce Keith Pelley, Chief Executive of the European Tour, for some opening remarks. Keith, take it away.

KEITH PELLEY: Good afternoon, everyone, and thank you very much for joining us for what is without question a significant day for our sport, certainly for European golf and for global golf. When Jay and I announced the strategic alliance between our tours last November, it came with a commitment from both of us personally and from everyone in our respective teams to work together for the betterment of the game.

I believe we have done just that.

It also came with an intent to strengthen an ecosystem that has served golf so well for the past 50 years, and today I believe is a tangible example of both these elements.

It also shows exactly what we can achieve together. It's an important first step. I think, and you'll hear me say it over and over again, I think that's exactly what it is. It's a first step. There is much more to come from this alliance.

As you'll see from the press release, we are delighted to be

able to co-sanction three tournaments, one in Scotland and two in the United States for the 2022 season. This is important for each and every one of our members because they now have points from all three events counting on both the Race to Dubai and the FedExCup in the U.S.

As well, we have the addition of Genesis, our new title partner in the Scottish Open. Wonderful to see, and we have renewed and continued the support with the Scottish government in what has really become - this year was nothing short of spectacular - one of the most prestigious Rolex Series events.

We will work together to bring that event, and that's the key phrase, together, to take it to even newer heights.

I had this conversation with some of the players last night; it's fantastic for one of our biggest events to be showcased like this on the European Tour. But it also means in the middle of next summer, with the Open to follow, the greatest golfers in the world will play two weeks in Europe, and that's fantastic for European golf.

In addition, we're delighted to announce a significant rise in the prize fund on offer for the 2022 Irish Open. The latter is part of an overall commitment of the PGA TOUR to help advance a wide range of European events, and they will continue to work with us as they are right now feverishly with Guy Kinnings and the respective commercial teams on opportunities across the Tour.

I'd like to take this opportunity, and it's also a little bit of envy, to congratulate Jay and his team on the 2022 PGA TOUR schedule, which is released as part of this announcement. We would have loved to announce the 2022 European Tour schedule along with it, but with a few details to work out, we're not quite ready to do that, and obviously a lot of our attention right now is still on 2021. But rest assured we are working very closely and would like to release it in the near future.

One of the reasons, as I said, that we're not in that position is the challenge of being a Tour that play in so many different countries around the world. Many of you have heard me say this repeatedly, that running an international business during a pandemic is so challenging and not to be

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underestimated.

The many and varied and changing rules and regulations laid down by respective governments is really daunting, and our teams really are dealing with it week in and week out, and to be totally candid and frank, in my 35 years in sports and in media, I have never been more humbled by the work and more proud of a team than the group at the European Tour.

We played 52 tournaments in 18 different countries since our restart back in July with almost 50,000 COVID tests, and that's just to allow us to play, and it really is staggering, so congratulations to all of us at the European Tour. My team have been nothing short of spectacular and wonderful to deal with.

Unfortunately, as you know, the challenge remains. Just last week we confirmed the cancellation of this year's Nedbank Challenge in South Africa and the Trophée Hassan tournament in Morocco to go along with the Hero Indian Open last month.

So while we are close to announcing 2022, you will see we are still working very hard to reshape the end of this season. As I said a month ago, however, we will announce it in due course, and I really, really look forward to announcing our schedule alongside the PGA TOUR in years to come.

In closing, I just want to say how delighted we are about today's announcement and excited about the future. Our partnership has already exceeded expectations, and I want to thank you, Jay, and the PGA TOUR for your willingness to work with us and having the willingness to adapt in any way required to produce something special.

I think today is a win-win for everybody involved, and there is an incredibly bright future ahead for not just the European Tour but also for European golf. With that, I'll just pass it over to Laura to introduce Jay.

We're really excited about this at the European Tour, and it's a very important first step.

LAURA NEAL: Thank you so much, Keith. Jay, we'll turn it over to you for some opening comments.

JAY MONAHAN: Thank you, Laura, and thanks, Keith. Listen, less than one year after the announcement of our strategic alliance with the European Tour, with today's news we can say unequivocally that both the PGA TOUR and the European Tour are stronger than at any time in our history. We're positioned to grow, as Keith said, together over the next 10 years faster than we have at any point in

our existence.

I want to say thank you to Keith and his team at the European Tour; our players, who have supported our growth globally; and all constituents, all of our partners who have played a significant role throughout this process.

Adding an existing PGA TOUR partner, Genesis, to our strategic alliance in the form of the Genesis Scottish Open, to be sanctioned by both tours, is a significant step for the global game, and the opportunity to have two co-sanctioned events in the United States, the Barbasol Championship and the Barracuda Championship, give up-and-coming European Tour players an opportunity to perform on the PGA TOUR stage, which will positively impact those tournaments in many, many ways.

This is just the beginning of what our future product model will look like.

Our 2021-2022 PGA TOUR schedule, with 48 tournaments and a strong portfolio of title sponsors as well as media rights kicking in with CBS, NBC and ESPN, puts the PGA TOUR in a position of strength within professional golf like never before. Fans will have unprecedented access to the world's best players and compelling storylines on and off the course, and our players will see more playing opportunities and a significant increase in comprehensive earnings.

Since the inception of the FedExCup in 2007, we've made a number of changes to elevate the FedExCup Playoffs for our players, fans and partners.

This year's most significant change, thanks to the continued support from FedEx, as the TOUR's umbrella partner, allows us to kick off our 2022 Playoffs in our backyard with the FedEx St. Jude Championship at TPC Southwind, a venue we've been playing at since 1989. The venue itself has a strong list of recent winners, Justin Thomas, Dustin Johnson, Brooks Koepka, Daniel Berger, to name a few.

In closing, we're confident the schedule will give the world's best players the opportunity to do what they do best: Inspire and entertain our fans around the globe while helping our tournaments make a significant impact in their respective communities.

As you look at that schedule that we've presented today, I just want to take a moment to thank every single title sponsor and every single market that welcomes us each year to their homes. We're excited to announce today's 2021-22 schedule, and importantly, to announce a significant step forward with Keith, the European Tour and



our strategic alliance with these three co-sanctioned events.

LAURA NEAL: Thank you, Jay. Thank you, both.

Q. Keith, basically about the Middle East and Asian events that we have on the European Tour, I just want to ask, first of all, what's happening with the Saudi International and what's the plan with that next year? Number two, we heard similar stories and there are very strong rumors over here that a similar thing to Scottish Open was going to be done with the Dubai Desert Classic. Can you just confirm whether something like that is happening and whether you're going to announce it later when you announce your own schedule? We had almost like confirmed rumors that SLY and Syslink were going to be the sponsors of the tournament over here in Dubai, and also one tournament there on the PGA TOUR, and can you talk about what's happening with the Asian events of yours. Those are the three points I wanted to know from you.

KEITH PELLE: Okay, I think I might have gotten them all. We're not in a position to announce our 2022 schedule at this particular time, so it would be premature to speculate on a tournament that may or may not be in the schedule.

I can tell you, though, that it's an incredibly strong schedule. We believe it is one of the strongest that we've ever had. There are some new tournaments in there. There are some different things that are in the tournaments.

But I believe the prize fund, the playing opportunities, we're optimistic that they will be the highest ever.

The Middle East is an incredibly important market for us, and hopefully in the coming weeks we have more incredibly positive news to come out of the Middle East. We've always been honored and privileged to have the Race to Dubai end at the DP World TOUR Championship, and the Dubai Desert Classic certainly has such a rich heritage that that will be a critical component of our schedule going forward I'm almost assured of. But other than that, there's not much I can say about the 2022 schedule.

I will also tell you that Asia continues to be a very important market. It's a conversation that Jay and I have had on a number of occasions, and we'll continue that dialogue in the coming weeks and in the coming months, and hopefully a very strong, robust Asian strategy will be developed and communicated in the coming months.

Finally, I will just say that in terms of mentioning the other comments you mentioned about the other tournaments, a lot of -- some of our players said, after the alliance occurred at the end of November, and here we are now at the beginning of August, you might think that that's a long time to come up with the decision to co-sanction three events. I can tell you that the teams are working brilliantly together, but the complexities of two members' organizations coming together is something that we can never lose sight of how important that is.

What we did when we came up with this, and the reason that we focused on the Scottish and Barbasol and Barracuda at this particular time is our objective was threefold. One was we needed something that would serve all our members, and we believe that this has done that. We wanted something that was good for all our stakeholders, partners and sponsors, and we wanted something that was very good for the ecosystem, which included the consumers.

So that is what led us to start with the Scottish Open, now the Genesis Scottish Open, and Barracuda in Kentucky and Barbasol in California. Wonderful opportunities for all our members, and like I said, it's the first step.

I hope I answered all your questions, but thank you very much, and the Middle East is, like I said, very important to us.

Q. Jay, real quick a couple of obvious ones, I think. You're going from four World Golf events down to two, and also moving this tournament here in Memphis to the first playoff event, does that mean that Boston and New York are out for the time being? Can you say how long that relationship will last?

JAY MONAHAN: Yes, thanks. You know, I would -- we're excited to announce that the FedExCup Playoffs will start in Memphis with the FedEx St. Jude Championship, and obviously in doing so we'll be leaving the New York-Boston rotation that we've had.

I think as you look forward, for us, the PGA TOUR has always had a strong presence in both New York and Boston, as you recall. I used to run the Deutsche Bank Championship, now the Northern Trust, and when you look to the future, you see the U.S. Open played at The Country Club next year, you've got the Ryder Cup coming to Bethpage in New York, you've got a number of championships with the USGA and the PGA of America. So professional golf will continue to have a very strong presence in those two important markets.

For us it's really a matter of when, not if, we'll be back. As



you know, what we're talking about today is a point in time. It's our 2021-2022 schedule. The fact that our long-term partner in Northern Trust was not going to continue presented us with an opportunity to take a great championship, again, that we've held at TPC Southwind since 1989 with our largest partner, initiate our FedExCup Playoffs there. We're excited to do that.

To your point on the WGCs, we still have two incredibly strong WGCs in the WGC-Dell Match Play and the WGC-HSBC Champions, and I'd like to think the fact that we're on this call today and we're taking a big step forward with the European Tour and our strategic alliance with a co-sanctioned event in Scotland, the Scottish Open preceding the Open Championship with those two co-sanctioned events, and you look at the schedule and you look at the number of international events we're playing, we're still going to continue to have a very strong international presence and strong presence with the WGCs.

Q. Jay, just the Scottish Open, it's a huge feather in its cap to be the event that's part of these three tournaments. Was the pre-Open Championship slot the biggest factor in the Scottish Open being chosen at the moment?

JAY MONAHAN: Well, I think the prestige of the event, the importance of the Scottish Open and the global schedule, and to your point, the fact that it precedes the Open Championship, and I point to the comments that Collin Morikawa made following his victory at the Open most recently, the importance of playing in that event, being in market, starting to familiarize yourself with the conditions.

I think having over 20 PGA TOUR players that have played in the Scottish Open traditionally, it really presented us an opportunity when we started to focus on this schedule for an immediate way for us to demonstrate the impact that we can have together for all those factors, the Scottish Open made a ton of sense.

You'll recall that when we announced the strategic alliance, it was November of last year. We had already started our season. So there's nothing we could do given that our schedule was already announced and eligibility was in position, and so this really -- this season is our first opportunity to make an impact, and we're really proud that it's at the Scottish Open, a great, great championship.

Q. Keith, you were probably expecting this one. The venue is still to be decided. The Renaissance Club the last three years, but what is the thinking at the moment?

KEITH PELLEY: Well, I think we're obviously not announcing our venue today, but there is no doubt that TRC have really done a terrific job in their commitment to not only changing the golf course but changing the amenities. The Sarvadi brothers have an unwavering commitment to -- I know they are involved in the Champions Tour, they're now involved in the PGA TOUR and the European Tour through TRC.

Jay and I have a conversation with our new title partner in Genesis later on this month in New York, and we look forward to sharing them that TRC is a venue that is more than worthy of the Genesis Scottish Open. They are a fantastic location and a good spot for us.

Q. Jay, with the influx and the TV money starting next year, how will the average purse increase?

JAY MONAHAN: Well, as we announce this schedule today, when you look at comprehensive earnings across the PGA TOUR, those earnings will increase 18 percent. Prize money itself will increase \$35 million, and when you look at the combination of the FedExCup and the Comcast Business Top 10, that will go from \$70 million this season to \$85 million next season.

Across the board, every single tournament you're going to see purse increases, which is something we're very proud of, very thankful to every single partner that's on our schedule that's enabled that to happen, and as importantly, to all those media partners that have made a commitment to the PGA TOUR through 2030, and I think you're going to see us continue to innovate, continue to expand the amount. The hours of coverage and the platform that we provide across those partners domestically and internationally is going to be significantly enhanced as we go to 21-22 which we think will certainly benefit all of our members and all of our fans.

Q. Keith, how do you explain to your members that the PGA TOUR members will now be able to compete and have on their schedule a co-sanctioned event with one of your premier events, a Rolex Series event, while your members will be playing opposite-field events on the PGA TOUR? Doesn't seem very equal there.

KEITH PELLEY: Well, if you look at the split of 73 players, PGA TOUR members and 73 European Tour members, that was a conversation that we had quite a bit, and as a result, the dual-ranking members, which as you know are significant, the likes of Tommy Fleetwood, Jon Rahm, Rory McIlroy, you name it, all of the dual-ranking members will count against the actual allotment on the PGA TOUR.

In terms of when we explain this to our board first and the



key players on our board that are attuned to everything that is happening is Paul McGinley, Thomas Björn and our tournament committee chairman David Howell. All of them, as soon as they heard about the 50 spots in Barracuda and Barbasol, they believed that co-sanctioning the Scottish Open, now Genesis Scottish Open, was a terrific move for European golf, was terrific for our overall ecosystem.

When the concession was made that the dual-ranking members would be counted as PGA TOUR members, it really was a simple decision for us and a simple decision for our board. We have a wonderful opportunity, as you know. The Barbasol and the Scottish will go up against each other, and then Barracuda up against the Open Championship.

With an opportunity for one of those players to play in Barracuda and Barbasol, and if they were to be victorious to get a one-year exemption into the PGA TOUR is a wonderful addition to our schedule.

It was something that is the reason why that, again, I talk about the complexities of the two organizations, but when you have a will to find out a solution and when both sides want to make this happen, that's exactly what occurred. But that's why it took eight months, based on finding a solution that worked for both members, and I think we found that.

Q. Could I ask you, I guess with a 73 split field for the Scottish Open, that means that the top 73 European Tour players and the top 73 PGA TOUR players, I'm not too sure if you worked out the nuts and bolts, but with a victory there, are such doors as an invitation to the Masters, a two-year TOUR exemption open to them?

KEITH PELLE: Yeah, as you could expect, we have worked through all the regulations and all of the eligibility, and I have pages and pages from our regulations departments as they have gone through it over and over again. Sometimes my eyes go out of focus looking at it all.

I think it is fair to say that the eligibility of both of these tournaments have been worked out to the point of about 90 percent, but we're still working with a couple of details, and to be honest with you, a couple of major championships, as well.

Q. Could I just ask one follow-up question. A national open like the French Open, the Scottish Open, an Australian Open, it opens the doors for a lot of guys that don't play the TOUR. I'm wondering what will be the impact now of the Scottish Open in terms of that, in terms of attracting guys who have won Scottish PGA

events, guys who qualify through other ways to play in their own national open.

KEITH PELLE: Again, that's something that we have talked about, and it was even a conversation that I've had briefly with Stephen Gallacher, and that is critical, especially when you think about what we introduced this year with the salute to Jock and what Richie Ramsay did this year in Scotland.

So there will still be room for that to happen and still be room from an invites perspective to allow the Scottish top players to be able to play.

Q. Keith and Jay, to what extent is this announcement a bulwark against the bodies that have been circling your respective tours?

JAY MONAHAN: I would just say that for Keith and I, for the PGA TOUR and the European Tour and our strategic alliance, our focus is to do everything we can to continue to present the best schedules, the best playing opportunities and the strongest set of tournaments that we possibly can, and could do that in the context of this strategic alliance.

For us, you always have to operate with zero complacency. You always have to operate to make certain you're doing everything you can to create the best options for the best players in the world, and that's what we've done here. That's what we're going to continue to do.

As Keith said, this is just a step. We think it's a really important step. We think it's a very strong indication of what we can do together. And for us, we're going to continue to focus on what we can control and continue to make some significant advancements.

Again, we're excited to make these announcements today of these three co-sanctioned events, and obviously for us, as I said, as we go into this year with new media rights agreements in place, with significant increase in total comprehensive earnings, with a quality of title sponsors, with a quality of tournament venues, with the ways that we continue to expand our coverage and innovate around our coverage, with the impact that we have in every single community that we play and the positive impact that we're having on lives, to the values that we convey, all these things are things that we're going to continue to focus on and continue to get better and better at and on as we go forward, and that's what we're excited about.

KEITH PELLE: I will just add that the material today is new, with us co-sanctioning three events, but the relationship is not new. As I said back in November, I have felt that golf has been fractured for the almost six years

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that I have been here. Jay and I started talking as soon as he took post in how we could work closer together.

We had created the Rolex Series and we had created these other opportunities for the top players to play, and when we started talking during the pandemic and we had these conversations, that's when it heated up.

It wasn't about fending off any competitors. What it was about was our desire to grow and build on the ecosystem that has served this game for the last 50 years. We believe that if we serve all our members as members' organizations, if we continue to provide the value for the stakeholders, if we continue to think about what is good for the ecosystem and for the consumers, I think everything else takes care of itself.

I believe that Jay and I have this unwavering commitment to each other, and that has now -- we see it, that it is through our organizations now. Nobody, nobody has any mistrust for the PGA TOUR. It is completely the opposite; how can we work closer together, how can we do it.

If we take those principles of we're members' organizations, this helps our members, which then can get stronger relationships with stakeholders and works for the consumer, and if we work on continued consumer clarity for what is critically important, and this is a fundamental move, this has taken one of our biggest events and elevated it to a whole different level, which I believe will help the ecosystem, which I believe will help the European Tour and I believe will help European golf.

I think that having two massive events back-to-back in this and the Open Championship in the middle of summer is something that, yeah, I'm tickled about it, I'm proud that we've been able to do it. But that's the way we're approaching it.

This is something that I've thought about and worked on with Jay really for five years that then heated up during the pandemic.

Q. Will you please make sure that the new title sponsor of the new Scottish Open doesn't drop the vowels from its name.

KEITH PELLEY: Noted.

Q. I guess this is a little bit of a follow-up to what John was referring to, but the Saudi International and the Saudi investment in the Asian Tour, I guess basically wanted to confirm with you, Jay, the report that was in Golfweek about player releases for the Saudi International, and then Keith, I guess the

non-sanctioning of that event now on the European Tour. I'm sure maybe one was related to the other or reaction to the other.

JAY MONAHAN: Keith, do you want to start with that?

KEITH PELLEY: Sure. I will say, just to repeat myself at this particular time, we haven't announced our schedule in 2022 for a plethora of reasons, and when we announce our schedule, then we can have that conversation. But I don't really have anything more to say about Golf Saudi at this time and what they are doing or not doing because I don't have complete clarity on what is happening.

When it becomes some type of reality or when something happens of material importance, then I'm happy to look at it. At this particular time, our entire focus and today's announcement is with the PGA TOUR in what is a landmark decision for both companies.

Jay?

JAY MONAHAN: Yeah, I would just say that, to follow up on Keith's point, that event, the Saudi International, has been on the European Tour schedule since 2019. The European Tour schedule has not yet been announced. We're hopeful that it will be on the schedule going forward, and if so, we would continue to provide releases. If it's not, as is our longstanding policy, we wouldn't grant release waivers to unsanctioned events.

Q. Question for both Keith and Jay. It may get short shrift but I'll ask it anyway. Have either of you spoken to Andy Gardiner from the Premier Golf League? If not, why not, and if so, can you tell us what the tenor of the discussions was?

KEITH PELLEY: Well, first of all, I have not, and I have no intention to do so. I'm on holiday here in Ireland at beautiful Old Head here in Kinsale. I'm going to Adair Manor to see J.P. McManus, and I just came from Royal County Down, so I'm in one of the greatest golf meccas, and I have not talked to Mr. Gardiner and have no intention to talk to Mr. Gardiner.

Q. Thank you. And Jay, the same?

JAY MONAHAN: I have not spoken to Andy Gardiner.

Q. Any plans to do so? When I spoke to him earlier on this year he was certainly keen to speak to you guys for whatever -- any plans to do so if he does get in touch?

JAY MONAHAN: I don't have any plans to do so, no.



LAURA NEAL: Keith and Jay, that concludes our Q & A portion. Thank you so much for your time today and congratulations on today's news. We appreciate all of our friends from the media participating as well.

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