

## MLS Season Preview 2024: Full Don Garber Q&A

**SBJ:** Coming off the start of the Apple deal, the Messi signing and the launch of Leagues Cup in 2023, how would you characterize the business outlook for 2024?

**GARBER:** Last year was really a transformational year for our league with the launch of our Apple partnership, with Messi joining Miami and telling the world that MLS was his league of choice, we launched the League Cup, which is an unprecedented tournament, not just in soccer, but in sports. The success of last year has created enormous momentum leading into 2024 where, in many ways, the eyes of the world are on Major League Soccer. It's particularly special for our league because if you think about the fact that MLS was born out of the 1994 World Cup, and that was 30 years ago, I don't think that anybody would have expected that MLS would be where it is today with teams that are valued at \$600-plus million and an aggregate value of nearly \$20 billion and players that people really care about and teams that are embedded in our community. All of that is what we've been trying to marshal from an energy perspective as we get into these crucial years leading up to the World Cup.

With great momentum and tailwinds from last year, it has spurred a lot of almost unprecedented growth for us leading into '24. Season ticket sales are up 15-20% from the same time last year, the vast, vast majority of our clubs are well ahead of their pace from last year. Season ticket revenue is up 25%, sponsorship revenue is tracking to 20% over '23. Very importantly, club sponsorship revenue is up 15%, sponsorship revenue in Canada is up 45%, consumer products is up 45%. All of our digital metrics on mlssoccer.com and social are up nearly 100%. All of those metrics are things that we are very focused on as we continue to drive the value of our clubs, not just to our ownership, but to our partners and to our fans. Now with Chris McGowan, we're very, very focused on ensuring that we have best-in-class business operations at all levels of the league.

**SBJ:** What were your key takeaways from year one of the Apple partnership and how do you feel about adoption of the Season Pass service heading into year two?

**GARBER:** With all of the intrigue and thoughtfulness about the future of sports media consumption and what role does streaming play as this media dynamic continues to evolve, we're excited and really, really thrilled that we have a relationship with Apple that has brought a great level of investment and interest in how you present a global subscription package to fans without any restrictions. We had an all-hands-on-deck level of engagement to get this going in under a year, to produce all of our games -- not just at the MLS level, but at MLS Next Pro and even some academy games. Now, we've had an offseason to work with Apple on enhancing our offering and looking at different ways to approach our studio shows utilizing technology, both in terms of Season Pass offering and interface, but also what could we be thinking about that could be the future of consumption. Apple Vision Pro is an example of that. So for year two, we have great experience under our belt, and we couldn't be more excited about what this upcoming year has to offer for all of us.

**SBJ:** How is the league tracking toward the goal of unlocking additional revenue from the Apple partnership by exceeding the undisclosed subscription threshold?

**GARBER:** This is a long-term partnership and we continue to remind people it's not a right fee, it's a partnership. If we win, they win; if they win, we win. Ultimately, we've got work to do to continue to convert viewers to subscribers. For us, the real value is that watching a game on Season Pass is intentional. It gives us a relationship with somebody who's making an actual choice to engage with our games, with our enhanced features, with our shoulder programming in ways that a traditional linear partnership has not been able to provide us with. So, we are pleased with our subscription numbers and we're enthusiastic about that growth. We continue to aspire to pass the guarantee and get into revenue share, but we're very focused on this as a long-term partnership and we've not put any timetable on when we hit that threshold.

**SBJ:** What has been Lionel Messi's biggest impact on MLS thus far?

**GARBER:** Traditionally, the biggest names in the sport gravitate to the biggest clubs in Europe. We've seen that with the Galácticos starting with Manchester United and now Man City, the Galácticos over time in Real Madrid, the great players that have worn the Barcelona jersey. Major League Soccer, due to Messi's desire to come to our league and choose Major League Soccer and Inter Miami, we're part of the global conversation. And as you read interviews with players around the world, the biggest names in the sport, MLS is constantly part of the message. That dynamic is something that I think will be part of the next generation of MLS growth for years to come.

It's not just the fact that Messi is here and has had success. It's the fact that we created a new model in signing the biggest and most successful player in the world, and the rest of the world is watching how this all plays out. I give enormous credit to Jorge Mas, Jose Mas and David Beckham and obviously Xavi [Asensi] for working for many years -- almost put in the time that they bought the team -- to put a stake in the ground and say that Inter Miami has aspirations to be a global team with the biggest names in the world. Messi has been able to deliver that and give us the exposure and a narrative that I think our league has deserved, and the best is yet to come.

**SBJ:** How has business at the league level been impacted by Messi's arrival?

**GARBER:** Messi joining Inter Miami has had an enormous impact on ticket sales, on our [MLS Season Pass] subscription sales, on the popularity of the inaugural Leagues Cup, and I think we're going to continue to see that and as long as Lionel is in the league. But to me, it's more than just revenue metrics. It's more about what does it say about our league. At this time period, where we've worked for decades, to build a league that we wanted to drive the overall soccer market here in North America, and have teams that matter in the community that build stadiums and have infrastructure that are transforming the sport, and in essence have showed the world that North America -- driven by so many things, but certainly by the success of MLS -- is almost the focal point for the sport around the world.

It's no longer just about Europe, about South America. It's about what's happening right here, and that the U.S. and Canada become soccer nations and that's evidenced by Copa America

here this summer, the Club World Cup coming in '25 and the World Cup coming in '26. I can only think back as to where we were in 2000, 2001, where FIFA couldn't sell the English-language World Cup rights here in the United States. Twenty-plus years later, we're now the focal point in the world for players, for competitions, and I believe it's because of the success and growth of Major League Soccer.

**SBJ:** How is the league looking to capitalize on Messi's star power in his first full season in MLS?

**GARBER:** Ticket sales, sponsorship sales, subscription sales -- the revenue will continue to follow Messi being in our league. But to me, it's way more important to look at it strategically. We now are becoming more of a destination for young players from South America, for example. Fifteen players that participated in Olympic qualifying in South America are MLS players -- three times that of England. Nearly every player on the US Olympic team -- these are all young players -- are coming from Major League Soccer.

When the best player in the history of the game decides to come to our league, the knock-on effects go way beyond revenue. What does it say about MLS strategically that we can be thinking about for years to come? What does it mean to player development? What does it mean to other big-name signings? What does it mean to corporate partnerships that we can now look at the success of a commercial business in Miami and show many of our other clubs that if you could think about your business differently, you could attract the attention of partners in ways that are not just about local and can be more about global.

These are the things that from a league perspective we're focused on. How can we take the Messi signing and the Messi effect and think about that in ways that could continue to evolve our business strategically? Could it make us think about a different player strategy? Should we be thinking about a corporate sponsorship strategy that goes beyond just the evolution of what we've been doing successfully for the last number of years? How can we think about our consumer products business and our collectible business differently because now we have one of the most popular players commercially in the history of sport. That dynamic is what we from the league office are thinking about.

I think it's easy and somewhat lazy for reporters to just write about Messi. It's like writing about Taylor Swift. There's so much more here that I think people need to recognize. Lionel Messi helped take our league to new heights, but this league before Messi was signed last year, had a trajectory of record attendance and innovation with Apple and our Leagues Cup partnership. We will have a record game in July, where the Galaxy will play LAFC in the Rose Bowl -- they're anticipating over 82,000 fans. It'll be likely the largest regular-season soccer game in the world in 2024. That game will be our two L.A. clubs and won't include Lionel Messi. We all need to remember that Messi helped take this league to new heights and gave us momentum on a trajectory that was established in the years leading up to building a league that Messi would want to be a part of.

**SBJ:** Are there any specifics you can share as it pertains to the evolution we might see in the areas you mentioned, such as league-level sponsorship or commercial products, or is it still more big-picture, future stuff?

**GARBER:** It's more big picture, but there might be some good storylines there for you going forward.

**SBJ:** What can you share about the commercial results of last season's inaugural Leagues Cup and how do you see the event evolving going forward?

**GARBER:** It was a great success and it exceeded our expectations. There's been so much talk about what a closer partnership between MLS and Liga MX could look like, from rumors about the leagues coming together to an expanded version of what had been many years of interleague play. With a great sense of strategic vision, we created this cross-border in-season tournament that now has become something that every league is looking at: how could you take an aspect of your season and create something that could drive new audiences, thrill and entertain fans and provide some real commercial value? We have new ticket revenue and also a competition that allows us collectively to target new audiences to ultimately grow our fan base, give us fan records and a closer relationship through data with fans that might not have been connected to our clubs. Seeing our teams playing against Mexican League clubs and winning games is something that I think is just beginning to create value that will be even greater in the years to come.

This is a mutually beneficial competition. You know, Liga Max is looking to build on their audience in the United States and we're looking to build on the Hispanic audience that continues to grow and has such a passion or has such great passionate support for our game. You're going to see this continue to evolve and grow, and we're excited as to where it will lead. We're looking at a new competition format, which will allow some of the Mexican clubs to minimize their travel, all things that we'll be getting into more detail in the years to come, but a great success.

**SBJ:** This wasn't on my bingo card, but you alluded to rumors about a potential merger between your league and Liga MX. Are those conversations taking place?

**GARBER:** No. We have the perfect dynamic for both of our leagues where we can play in a valuable tournament that we jointly own, do it at a time where we can fill a void in the global soccer calendar and have a very valuable commercial property without having to get into thinking about what that could look like with a joint league. So, I don't see that happening anytime soon.

**SBJ:** What was the impetus for the establishment of the club performance group led by Chris McGowan, and what is your vision for how that department can help the clubs?

**GARBER:** It was the right time for us to make a very, very senior commitment to a club performance group, where we could not just ensure that our teams are benefiting from the sharing of best practices, which all leagues do and our league has done for years. But now, with a very high-level, well-respected executive, we could evolve what has been a traditional group to one that is laser-focused on driving club performance. How could we help those clubs that

are performing below expectation and bring them up to a higher level of achievement, particularly with commercial metrics: ticket sales, sponsorship, stadium naming-rights and jersey opportunities, and very importantly, you know, ensuring that their organization is fully integrated within all the other aspects of the league office where we can help drive value?

We wanted a really high-level, well-respected executive, and we found the perfect person with Chris. I don't know that there are many executives that have worked in all five major leagues -- MLS, MLB NFL, NBA and the NHL – and has been a part of two different soccer organizations with the LA Galaxy and the Seattle Sounders. He brings to this role decades of experience. He also, by the way, has played the game and is very passionate about soccer. I think that even raises his commercial and emotional EQ because it is just total belief in our league and the sport.

So far the response to Chris and his new club performance group has been really, really positive. I'm super excited at the very senior role that he's going to play as part of my management team.

**SBJ:** How are you feeling about the progress in bringing some of the historically underperforming legacy clubs up to par from a business perspective?

**GARBER:** It's way easier to be new than it is to be new-and-improved. We have so much momentum with so many of our clubs that have launched an entirely new brand in a market and have been able to do that, in essence, by learning from the experiences of our legacy clubs. As the youngest men's major pro sports league, it's hard to think that we have legacy teams compared to the other four men's major leagues. I know that every one of our teams, whether they were an original club or whether they're a brand new club, continues to work tirelessly to build their relationship with fans and grow their local businesses and contribute to a continuously growing national and international offering from Major League Soccer. Chris will focus on some of those original teams, and many of them, by the way, have new ownership. All of them are very excited about what they need to do to ensure that they can continue to grow. That's what his efforts can be very focused on, particularly in the early days.

**SBJ:** With San Diego FC coming into the league next year, what are your thoughts and plans as it relates to further expansion?

**GARBER:** Right now, we're really focused on San Diego SC and their debut in 2025. We are really impressed with everything that they put together. They have 35,000 season ticket deposits, which is more than the available seats in the stadium, continuing this momentum story of how new clubs come in and really capture the hearts and minds of the soccer fan and the community.

The Mansour family is just really fantastic. Their Danish club has had great success. Their commitment to Right to Dream is something that I think is going to transform player development in our country. Their new training facility is opening up in 2025. It's going to take player development infrastructure in our league to a higher level. They've got a cool marketing program with the chrome ball tour and many important community efforts and activities.

This is a team very close to the Mexico border. There's going to be a lot of unique collaboration between that club and their neighbors in Liga MX. We've got a lot of really good momentum there. We're excited about their debut next year.

Let me also say that we've always positioned this league as a league for a new America, the league that is very, very committed to these changing and shifting demographics and the growth of new communities and having a diverse player pool, executive staff and ownership group. Welcoming an Egyptian owner and a Native American tribe to our ownership group is something we're really excited about. There's nothing more fun than to hear Mohamed Mansour get up at a speech and say there are no other communities that I could engage with where their civilizations have been around longer than his. The Native American community is so important in our country, and we couldn't be more excited to have Cody Martinez and the Sycuan tribe be part of ownership group.

**SBJ:** Where do things stand in conversations with U.S. Soccer about MLS clubs participating in the U.S. Open Cup since the governing body rejected a proposal to have MLS Next Pro teams participate instead?

**GARBER:** Soccer is unique in sports in our country because of the deep history from what existed professionally here way before MLS and the continued community, grassroots involvement with the game. That's what makes our sport so unique and special, but it also creates complications and dynamics that are unique to our sport. The Open Cup is an example of that. I for one, really believe that we need to evolve the way we think about the sport, and not just rely on the continuation of history to drive the growth and the success of the sport at all levels. The amateur aspect of the US Open Cup has got really great tradition and value for the non-professional, competitive environment. I think we need to continue to do what we can as pro leagues and as a federation to support that.

The real question is as the sport evolves professionally, how do we continue to innovate the Open Cup to ensure that we can manage MLS participation as our league continues to evolve? That evolution creates challenges for all leagues, particularly as it relates to the schedule, which is not just a challenge for MLS but a challenge for every professional soccer league and club around the world -- you read about it all the time -- as more and more pressure is put on our players to participate in competitions that are not part of the league schedule. Globally, those are federation-based competitions, confederation-based competitions, FIFA-based competitions, etc. We need to find a way that we could continue to be a part of this tournament as long as the tournament would evolve in ways that are addressing some of the real concerns that we have.

We remain in very productive discussions with U.S. Soccer regarding MLS participation for 2024. They've been collaborative, they've been productive. I hope that we could continue to have those conversations in a way that works for the tournament and works for Major League Soccer. Those discussions are in real time. I can't really provide any update but obviously, something needs to get finalized very, very soon.

**SBJ:** Can you share any proposed changes to the U.S. Open Cup that MLS has put forward?

**GARBER:** When hopefully there's a resolution to this, you'll get a sense as to the kinds of things that we were looking at – and the other participants were looking at – but let's hold on that until we're on a path to some conclusion.

**SBJ:** How is the league looking at its role around the 2026 World Cup in North America?

**GARBER:** One of the things that we look forward to this year is the road to '26 and how Major League Soccer will continue to play an important role with our clubs and our ownership to ensure that all of this great international interest and energy can help drive further growth of the sport, particularly in the U.S. We're very focused this year on building on our relationships with the international football community. I've been spending a great deal of time with Victor Montagliani and with Mattias Grafström (the General Secretary of FIFA) and Gianni Infantino, and I'm really excited about how we're talking together about collaborating between all of the key stakeholders in the sport to ensure that these competitions that are coming up are not just one-off events, but really can contribute to being the rocket fuel that drives soccer in North America, particularly professional soccer, to great new heights.

I'm encouraged by the discussions and their recognition of the importance of all these competitions leaving a legacy that's not just about the specifics of fields and community growth but how could we untap and unbundle all of the great interest in the sport at so many different levels, support of this sport, particularly from the corporate and commercial opportunity and deep interest in the sport at the government level to unpack how soccer can really make our countries -- the US Canada and Mexico -- just better, because the sport really lives at the grassroots level and it's a part of the heart and soul of so many people who care about this game. You'll see more and more engagement with us and the stakeholders to ensure that we get this right.

It's not about tickets and stuff like that. It's really about sort of deep strategic engagement to ensure that every stakeholder from the most important global stakeholder in FIFA, regional leaders and stakeholders in CONCACAF and U.S. Soccer, to all of our clubs, are working together to connect the dots to ensure that all these big events leading up to the World Cup and the World Cup itself leave a legacy for this sport that will help drive all of us to higher levels for generations to come.

**SBJ:** On the topic of those international competitions, what are your thoughts on how the Club World Cup in 2025 and the World Cup in 2026 will impact the MLS schedule?

**GARBER:** Clearly, we're going to have to look into evolving our schedule over the next couple of years because of the need to ensure that we're both supportive of these tournaments but also manage the availability of our training grounds, our stadiums during a period of time where there will be so much activity going on. We're working on what that could look like, particularly in '26. I don't see many changes in '25. We have minimal changes in '24. But clearly, we're going to have to take a deep look at our schedule with the World Cup here in '26.

**SBJ:** You said you don't see many changes in 2025, but how do you plan to accommodate MLS clubs' participation in the Club World Cup?

**GARBER:** We've got to look at are there going to be any changes in '25, and it's too early to talk about that, and what changes would be in place in '26. Very real time.

**SBJ:** With your 25th anniversary as commissioner coming up later this season, what is your timeline regarding your future in this role?

**GARBER:** I'm obviously really excited about the year to come. A lot of focus on these next number of years, which I think will be the most important years for the sport in our country at all levels. So, I'm going to be really focused on that. Certainly, these are crucial years for our league and all of soccer in North America and the world. We've got our heads down and are trying to figure out how do we continue to innovate and grow.