

# SOCCER REPORT:

## THE BUSINESS OF MAJOR LEAGUE SOCCER (MLS)

### EXECUTIVE SUMMARY

You have downloaded a summary of Sportcal's Soccer Report on the Business of Major League Soccer (MLS), including the full table of contents. Find out more by contacting our Client Services team on +44 (0) 20 8944 8786 or [clientservices@sportcal.com](mailto:clientservices@sportcal.com)



Commercially speaking, Major League Soccer (MLS) has become one of the hottest soccer leagues worldwide.

Investors from the US, Canada and elsewhere (such as British soccer star David Beckham) are flocking to the league to get a share of the lucrative and fast-growing North American soccer market, and vying to win the hearts, minds and purses of Latino, millennial and female sports fans alike.

However, MLS has been very secretive with its figures.

In this report, Sportcal explores data gathered from MLS and its teams, as well as publicly available sources and its own estimates, to provide an informed and forensic overview of the business of MLS.

**Essentially, Sportcal has tried to answer the following key questions:**

- 1. What is the commercial value of MLS?**
- 2. Is MLS profitable?**
- 3. How much does a typical MLS team make?**
- 4. How does MLS and its teams compare to other soccer leagues and US sports leagues in the field of media, sponsorship, attendance and matchday?**
- 5. Where is MLS heading – what can we try to say about its future?**

- According to Sportcal estimates, MLS made approximately **\$364 million** in central gross revenue in 2017 – excluding the expansion fees from new teams
- After taking out relevant costs, the league was able to provide each of its teams with ‘a low single-digit sum’ of approximately **\$3.6m** from the league’s profits
- MLS teams generated est. revenues ranging from just over \$20m, to more than \$60m in 2017, with an **average revenue close to \$32m per team**, which positions MLS at the threshold of the world’s top ten soccer leagues
- MLS was the world’s **12<sup>th</sup> highest** media revenue generating domestic soccer competition in the world in 2017. Interestingly, it only ranked third in the US market on both accounts of revenue and audience figures, but it was the only professional sports league that experience growth in viewership in the US market in 2017
- MLS’ 2017 commercial revenue (sponsorship, merchandising and other commercial revenue) placed the North American soccer league after all “Big Five” European leagues, but it **ranked third** when the sole stadium naming rights are concerned – only trailing English and German top flights
- On average, MLS is the **seventh most attended** soccer league worldwide per game, and it ranked third amongst US sports leagues on both average attendance and stadium utilisation accounts
- Looking at the three core variables that will **influence the future of MLS** from now to 2030 (i.e. the debate on the closed league system, MLS’ position in the international transfer market and its standing as a commercial product as defined by US demography, watching habits and US soccer’s international successes on and off-field), one could draw eight scenarios that could see the league end up in a number of situations, from the bottom of the top 20 highest revenue-generating soccer leagues in the world, to breaking into the top six

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- Analysis of MLS' legal and organisational structure
- MLS' estimated central gross revenue data by income streams
- MLS' central marketing redistribution key and estimated expenses
- Team-by-team analysis on specific revenue streams for each MLS team (2017/18 season)
- Team-by-team analysis of player salary costs for each MLS team (2017/18 season)
- Description of MLS and its teams' corporate social responsibilities (CSR) activities, with supporting case studies
- Historical and cross-competition comparisons of MLS' match day and attendance, media, sponsorship, CSR and sporting performances
- Presentation of various possible scenarios of what the future of MLS might look like by 2030, to help identify and prioritise actions for investors eager to understand and tap in to the league's potential

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