The Athletic

MLB, ESPN opt out of TV deal for 2026-28; MLB cites ‘minimal coverage’

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Major League Baseball and ESPN have “mutually agreed” to end their national television deal after the upcoming 2025 season, according to a memo baseball commissioner Rob Manfred sent to his owners Thursday afternoon that was obtained by *The Athletic*. Manfred wrote the league has “not been pleased with the minimal coverage that MLB has received on ESPN’s platforms over the past several years outside of the actual live game coverage.”

ESPN’s Sunday Night Baseball, its wild-card round playoff broadcasts and the rest of the partnership remain in place through the 2025 season.

A March 1 deadline loomed for both parties to opt out of the final three years of a contract that otherwise would have run through 2028. The broadcaster informed the league of its decision to opt out on Thursday morning, according to two people briefed on ESPN’s thinking. The league, in turn, then proceeded to say it too would opt out.

The network was due to pay the league an estimated $550 million each of the next three years, which it deemed way above the current market value, according to people briefed on the network's thinking.

"We do not think it's beneficial for us to accept a smaller deal to remain on a shrinking platform," Manfred wrote. "In order to best position MLB to optimize our rights going in to our next deal cycle, we believe it is not prudent to devalue our rights with an existing partner but rather to have our marquee regular season games, Home Run Derby and Wild Card playoff round on a new broadcast and/or streaming platform.

"To that end, we have been in conversations with several interested parties around these rights over the past several months and expect to have at least two potential options for consideration over the next few weeks."

Manfred's memo did not rule out the sides pairing up again on a new deal, while ESPN said it's open to a new partnership.

"We are grateful for our longstanding relationship with Major League Baseball and proud of how ESPN's coverage super-serves fans," ESPN said in a statement. "In making this decision, we applied the same discipline and fiscal responsibility that has built ESPN's industry-leading live events portfolio as we continue to grow our audience across linear, digital and social platforms. As we have been throughout the process, we remain open to exploring new ways to serve MLB fans across our platforms beyond 2025."

ESPN and MLB have been partners since 1990, and both sides still appear to have a continued need for the other. ESPN has put forth both national and regional programming ideas to continue working with MLB. The network plans to launch a direct-to-consumer (or DTC) product this summer that will cost $25-30 per month.

MLB, meanwhile, could be hard-pressed to find similar dollars elsewhere. The ESPN contract, which would have lasted seven years, was agreed to in 2021.

ESPN felt the market had changed and that baseball should make adjustments accordingly. Apple is paying $85 million per year for baseball rights, while Roku is paying $10 million a season for baseball rights.

"Over the past several months, ESPN has approached us with a desire to reduce the amount they pay for MLB content over the remainder of the term," Manfred wrote. "Publicly and privately ESPN has pointed to lower rights fees paid by Apple and Roku in their deals with MLB. We believe arguments based on the Apple and Roku deals are inapt and we have rejected ESPN's aggressive effort to reduce rights fees for several reasons.

"First, the inventory involved in the Apple and Roku deals is very different from the ESPN inventory. The ESPN deal contains the only truly exclusive regular season windows on Sunday nights, the exclusive right to an entire round of playoffs, and the Home Run Derby, one of the most exciting events of the summer. In contrast, Apple and Roku have games that compete against a complete slate of other games broadcast in local markets."

Manfred wrote Sunday Night Baseball ratings were up 6 percent in 2024 from the year prior. Both sides had been threatening to opt out of the deal as the deadline approached.

The full text of Manfred's letter is below:

As all of you are likely aware, and as set forth in our memo in April 2021 when the current ESPN national media rights agreement was submitted to you for approval, the agreement provides both ESPN and MLB with the right to terminate the deal on or before March 1, 2025, effective upon the end of the 2025 MLB season.

"Over the past several months, ESPN has approached us with a desire to reduce the amount they pay for MLB content over the remainder of the term. Publicly and privately ESPN has pointed to lower rights fees paid by Apple and Roku in their deals with MLB. We believe arguments based on the Apple and Roku deals are inapt and we have rejected ESPN's aggressive effort to reduce rights fees for several reasons.

"First, the inventory involved in the Apple and Roku deals is very different from the ESPN inventory. The ESPN deal contains the only truly exclusive regular season windows on Sunday nights, the exclusive right to an entire round of playoffs, and the Home Run Derby, one of the most exciting events of the summer. In contrast, Apple and Roku have games that compete against a complete slate of other games broadcast in local markets. In fact, in the last round of bargaining with ESPN, they declined to purchase the inventory we subsequently sold to Apple and Roku. Second, given the strength of our product we do not believe a reduction in fees is warranted. Sunday Night Baseball ratings were up 6% in 2024 over 2023, which is notable given that 2024 was a summer Olympics year. The 2024 MLB Wild Card Series was the most watched ever, averaging over 2.8M viewers per game, up 25 percent from 2023. Our Home Run Derby is the highest rated skills competition in any professional league. In addition, our demographics are extremely attractive. The overall male/female ratio on ESPN is 73/27 while MLB on ESPN is 68/32, with growth among women outpacing men this year. In addition, our Hispanic audience on ESPN is ~10%, significantly above most other sports on their platform.

"Third, we do not believe that Pay TV, ESPN's primary distribution platform, is the future of video distribution or the best platform for our content. As of December 2024, ESPN was available in 53.6M homes, down from its peak of over 100M homes in 2011 and 69M homes when we struck the current deal in 2021.

"Furthermore, we have not been pleased with the minimal coverage that MLB has received on ESPN's platforms over the past several years outside of the actual live game coverage.

"Based on the foregoing, we and ESPN have mutually agreed to terminate our agreement. While ESPN has stated they would like to continue to have MLB on their platform, particularly in light of the upcoming launch of their DTC product, we do not think its beneficial for us to accept a smaller deal to remain on a shrinking platform. In order to best position MLB to optimize our rights going in to our next deal cycle, we believe it is not

prudent to devalue our rights with an existing partner but rather to have our marquee regular season games, Home Run Derby and Wild Card playoff round on a new broadcast and/or streaming platform.

"To that end, we have been in conversations with several interested parties around these rights over the past several months and expect to have at least two potential options for consideration over the next few weeks. To be clear, our games will continue to be on ESPN for the entirety of the 2025 MLB season, including the postseason. Any new deal will commence in 2026. I will be in touch with more information as events warrant."

In a press statement MLB issued later Thursday, it called this season the "final year of MLB on ESPN."

