

Giants of the Americas 2018



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PLURI Group acts in an integrated way in several areas of the sport:



Management Consulting, Governance, Finance, and Sports Marketing

Startups Incubator focused on Sports and Entertainment Projects

The 1st Experience Marketplace with idols, celebrities, and clubs in Brazil

Platform of Engagement, Fan Loyalty and experiences for the Brazilian arenas.

Integrated Loyalty platform for sport, currency, network, and marketplace



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Solutions for Leagues & Clubs:			Solutions for Companies & Professionals:
Management & Finance	Commercial & Marketing	Technical Area	
Financial Restructuring and Fundraising Strategy	Identification and Search for Business Partners	Casting Consulting	Brand Positioning Strategy
Strategic partners and investors Identification (in Brazil and abroad)	Fan Engagement Strategies	Current team performance review	Investment opportunities identification
Strategic planning	Strengthening of Club Identity	Scout and Market Monitoring (in Brazil and Abroad)	Project ROI Analysis and marketing actions
Management and Governance Plans	Pricing & Fan Member Programs Structuring	Cast Rating	Economic impact studies
Risk Management Program	Loyalty, own virtual currency, network agreement and marketplace Programs	Investment risk management in athletes	Project feasibility analysis
Transparency Program	Licensing Area and Official Stores & Camps Structuring	Technical Area Structuring and Searching for Professionals	Startups Innovation and Attraction Programs








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17 years of Delay!

Despite the strong revenue growth, the largest soccer clubs in Americas in 2017 reached a level similar to that of European clubs in 2001.



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The GIANTS of the AMERICAS are born

It has been 4 years since the design of the Giants of the Americas project until this report was completed. Our old desire to create a regular ranking with the largest soccer clubs in the three Americas, just like in Europe, ran into the difficulties of getting financial information from clubs. Some clubs now make their balance sheets available from time to time, while others still do so only through official requests, which is still not ideal. And in this regard, I leave here the negative record of the Mexican clubs, real black boxes in terms of financial information, which didn't make it possible to include them in this edition. But at the end of this long process, it is a great satisfaction for us at PLURI to finalize the first Financial Ranking of the three Americas Soccer Clubs.

We still have a long way to develop a culture of financial transparency between the clubs in the region. It is imperative that they become aware of the need to be accountable to their fans, understand what it means to live in an era of hyper-professional soccer, the big corporations, and then convince themselves that they will be the biggest beneficiaries if we have a more transparent industry, because in this environment it is easier to attract business partners that allow the much needed investment increases so that the clubs in the region have the minimum strength to resist the effects of the growing economic power of the European powers.

Another objective of our report is to quantify the size of the market and its trends, to show where the market goes, as well as to bring to the fan order of economic greatness when the teams face each other on the field.

It is true that we lack economic power and management, but this is possible to acquire. On the other hand, we leftover charm and tradition, which takes decades and decades to obtain. In short, we have a good base to raise the level of soccer. So I invite you to forget the European clubs for now and take advantage of the first series of a Report aimed only at the clubs of our continents, the GIANTS OF THE AMERICAS.

Study and Methodological Limitations Basis

- In order to achieve this study we analyzed the information of more than one hundred Clubs Annual Balance sheets, preferably for the period January 17-December 17;
- Some clubs, however (notably the Argentines), presented financial statements with variations in the closing period of the 12-month window;
- The revenue used is total, including the athletes' sales;
- All financial amounts have been converted from the original Currencies of each Country to US Dollars, by the average daily official sales prices of their respective currencies, provided by the respective Central Banks, for the periods corresponding to those of the financial statements. In the case of Ecuadorian clubs, the original information is already provided in US Dollars;
- As there are differences between the closing dates of the balance sheets between the clubs, there are exchange rate impacts that may be relevant for comparative purposes, depending on the market conditions of each country;
- There may be inconsistencies and limitations in the information of some clubs in isolation, as in some countries there is no standardization of club financial information, nor is there such a procedure for the Americas as a whole. However, as the analysis focuses mainly on the revenue item (at least in this first edition), such risks are minimized;
- The data of the present study were all converted to US Dollars from the average daily exchange rate of the respective countries. This can lead to strong distortions according to the macroeconomic conditions of each country and its markets. Caution is advised in data analysis.

Revenue from the Top 50 Americas' Clubs rises 14% to US\$ 2.9 Billion

- **Flamengo held in 2017 the position of the largest club in the Americas**, with total revenues of US\$ 203.2 million and growth of 39% over 2016;
- In the second position comes another Brazilian Club, Palmeiras, with US\$ 157.8 million (+ 15.2% in relation to the previous year), followed by São Paulo FC, with US\$ 151.2 million (+ 34%);
- The top ranked non-Brazilian club is River Plate, which maintained the 4th position, with total revenues of US\$ 126.7 million, 6.6% over the previous year;
- The largest non-South American club is the US Seattle Sounders, with revenues of US\$ 52 million, down 2% from the previous year;
- **Among the 50 largest clubs in the Americas, there are representatives from only 7 countries**, of which 18 are from Brazil, 16 from the USA, 9 from Argentina, 2 from Canada, Colombia and Chile, and 1 from Ecuador;
- **The Brazilian Clubs represent more than half (54%) of the revenues of the 50 largest clubs in the region**, followed by the US with 21% and Argentina with 17%. The other countries are left with the remaining 8%;
- Among the top 10 there are 8 Brazilian clubs and 2 Argentinian clubs. Among the top 20 there are 13 Brazilians, 4 Argentines, 2 Americans and 1 Canadian;
- The club that gained the most positions was Atlanta United, who entered the direct list in 23rd position;
- The club that lost most positions was the Columbus Crew (USA), which fell from 37th to 50th position;
- The difference of Revenues between the 1st. and the 50th. Placed was 8.5 times, the highest level ever verified;
- It is worth remembering that the Brazilian clubs were partially benefited by the appreciation of 9% of the average daily exchange rate of the Real against the US Dollar in 2017 compared to 2016.

TOP 50 Clubs with the Most Revenues in the Americas (1st - 20th)

Rank	Rank		Club	Country	Revenues USD Millions	
	2017	2016			2017	2016
↔	1	1	Flamengo	Brazil	203,2	146,3
↔	2	2	Palmeiras	Brazil	157,8	137,0
↑	3	5	São Paulo	Brazil	151,2	112,8
↔	4	4	River Plate	Argentina	126,7	118,8
↓	5	3	Corinthians	Brazil	122,6	139,2
↔	6	6	Boca Juniors	Argentina	113,9	105,3
↑	7	11	Cruzeiro	Brazil	107,9	68,4
↑	8	12	Grêmio	Brazil	106,9	65,6
↓	9	7	Atlético Mineiro	Brazil	97,5	90,7
↓	10	8	Santos	Brazil	89,9	84,9
↑	11	20	Botafogo	Brazil	87,9	45,9
↓	12	10	Internacional	Brazil	77,0	83,9
↓	13	9	Fluminense	Brazil	71,8	84,1
↓	14	13	LA Galaxy	USA	63,0	63,0
↓	15	14	Vasco da Gama	Brazil	60,0	61,2
↑	16	17	Racing	Argentina	53,2	51,1
↓	17	15	Seattle Sounders	USA	52,0	53,0
↑	18	22	San Lorenzo	Argentina	50,8	43,1
↓	19	18	Athletico Paranaense	Brazil	50,5	47,1
↓	20	19	Toronto FC	Canada	49,0	46,0

(*) Excluding Mexican clubs, which did not present their balance sheets. Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

TOP 50 Clubs with the Most Revenues in the Americas (21st - 50th)

Rank		Club	Country	Revenues USD Millions		
2017	2016			2017	2016	
↔	21	21	Portland Timbers	USA	48,0	44,0
↓	22	16	Atlético Nacional	Colombia	47,5	52,8
↑	23	-	Atlanta United	USA	47,0	0,0
↑	24	30	Orlando City SC	USA	44,0	33,0
↓	25	23	Independiente	Argentina	43,0	42,7
↑	26	28	New York City FC	USA	42,0	34,0
↓	27	25	Sporting Kansas City	USA	41,0	36,0
↑	28	32	New York Red Bulls	USA	38,0	32,0
↑	29	33	Coritiba	Brazil	37,3	31,5
↓	30	28	San Jose Earthquakes	USA	36,0	34,0
↓	31	26	Velez Sarsfield	Argentina	34,3	35,6
↑	32	34	FC Dallas	USA	34,0	30,0
↓	33	24	Sport Recife	Brazil	33,0	37,2
↓	34	27	Bahia	Brazil	32,9	34,6
↑	35	-	Chapecoense	Brazil	31,3	19,3
↑	36	46	Barcelona Guayaquil	Equador	29,1	21,7
↑	37	45	Universidad de Chile	Chile	28,2	22,1
↓	38	37	Houston Dynamo	USA	28,0	26,0
↓	39	35	New England Revolution	USA	28,0	27,0
↓	40	31	Vitória	Brazil	27,6	32,1
↔	41	41	Chicago Fire	USA	27,0	25,0
↓	42	36	Colo Colo	Chile	27,0	26,6
↓	43	41	Philadelphia Union	USA	26,0	25,0
↓	44	41	D.C. United	USA	26,0	25,0
↓	45	40	Rosario Central	Argentina	24,7	25,8
↑	46	-	Newells Old Boys	Argentina	24,4	17,7
↑	47	-	Deportivo Cali	Colombia	24,2	16,3
↓	48	37	Estudiantes	Argentina	24,1	26,0
↓	49	41	Montreal Impact	Canada	24,0	25,0
↓	50	37	Columbus Crew	USA	24,0	26,0

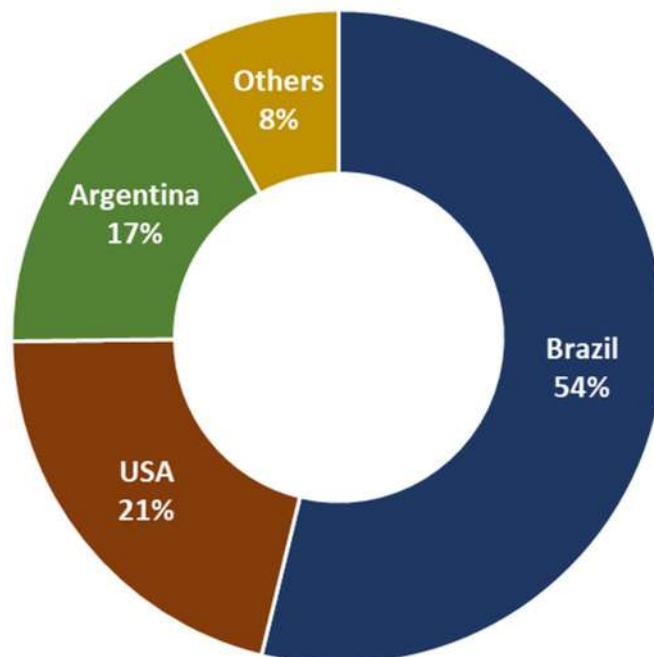
(*) Excluding Mexican clubs, which did not present their balance sheets. Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

Clubs Distribution by Country

Rank	Country	Number of clubs	Amount in USD Millions	% of total
1	Brazil	18	1.546	54%
2	USA	16	604	21%
3	Argentina	9	495	17%
4	Canada	2	73	3%
5	Colombia	2	72	2%
6	Chile	2	55	2%
7	Ecuador	1	29	1%
Total		50	2.874	100%

Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

Billing Distribution of TOP 50 Clubs of the Americas by Country



70% of the 50 largest Americas' clubs show revenue growth in 2017

- **In 2017 Botafogo was the club with the highest revenue growth in the Americas**, with a 91% growth in US\$. Then comes Grêmio (+ 63%) and Chapecoense (+ 62%);
- Highlight also for Flamengo, which in addition to maintaining its position as the club with the highest turnover, appears in 6th position among the ones that grew the most, with a 39% increase in revenues;
- **In the longest period of 5 years, Chapecoense's spectacular increase in revenues was 984%**, followed by American San Jose Earthquakes (+ 140%) and Argentina's San Lorenzo (+ 124%). In this period much of the revenue growth was eroded by the devaluations of the currencies of the Latin countries against the US Dollar, which is why 7 of the 20 clubs on the list are from the US;
- The Argentinean Clubs deserve to be highlighted by the growth, despite the strong devaluation of the Peso against the US Dollar in the period (-21.4%);
- In the last year, Brazilian, Colombian and Chilean clubs benefited from 9.2%, 7.0% and 4.3% respectively of their average daily exchange rates against the US Dollar. The Argentines were penalized by a 21.4% devaluation of the peso against the US Dollar in the period. Ecuador has no exchange rate impact for adopting the US currency as current;
- In the 5 year horizon, there was a devaluation of the currencies in general: Brazil (-39%), Argentina (-73%), Chile (-25%) and Colombia (-35%).

TOP 20 Clubs with the highest growth in Revenue - Last year and last 5 years

Rank	Last Year Variation			5 Year Variation		
	Club	Country	%	Club	Country	%
1	Botafogo	Brazil	91%	Chapecoense	Brazil	984%
2	Grêmio	Brazil	63%	San Jose Earthquakes	USA	140%
3	Chapecoense	Brazil	62%	San Lorenzo	Argentina	124%
4	Cruzeiro	Brazil	58%	River Plate	Argentina	110%
5	Deportivo Cali	Colombia	48%	Flamengo	Brazil	87%
6	Flamengo	Brazil	39%	Barcelona Guayaquil	Ecuador	84%
7	Newells Old Boys	Argentina	38%	Cruzeiro	Brazil	75%
8	Barcelona Guayaquil	Ecuador	34%	Boca Juniors	Argentina	68%
9	São Paulo	Brazil	34%	New England Revol.	USA	64%
10	Orlando City SC	USA	33%	Toronto FC	Canada	59%
11	Universidad de Chile	Chile	28%	Athletico Paranaense	Brazil	57%
12	New York City FC	USA	24%	Colo Colo	Chile	49%
13	New York Red Bulls	USA	19%	Sporting Kansas City	USA	48%
14	Coritiba	Brazil	18%	D.C. United	USA	47%
15	San Lorenzo	Argentina	18%	LA Galaxy	USA	43%
16	Palmeiras	Brazil	15%	FC Dallas	USA	40%
17	Sporting Kansas City	USA	14%	Botafogo	Brazil	40%
18	FC Dallas	USA	13%	New York Red Bulls	USA	35%
19	Portland Timbers	USA	9%	Columbus Crew	USA	29%
20	Boca Juniors	Argentina	8%	Palmeiras	Brazil	28%

Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

Brazil, USA and Argentina dominate the Americas and account for 84% of the Market

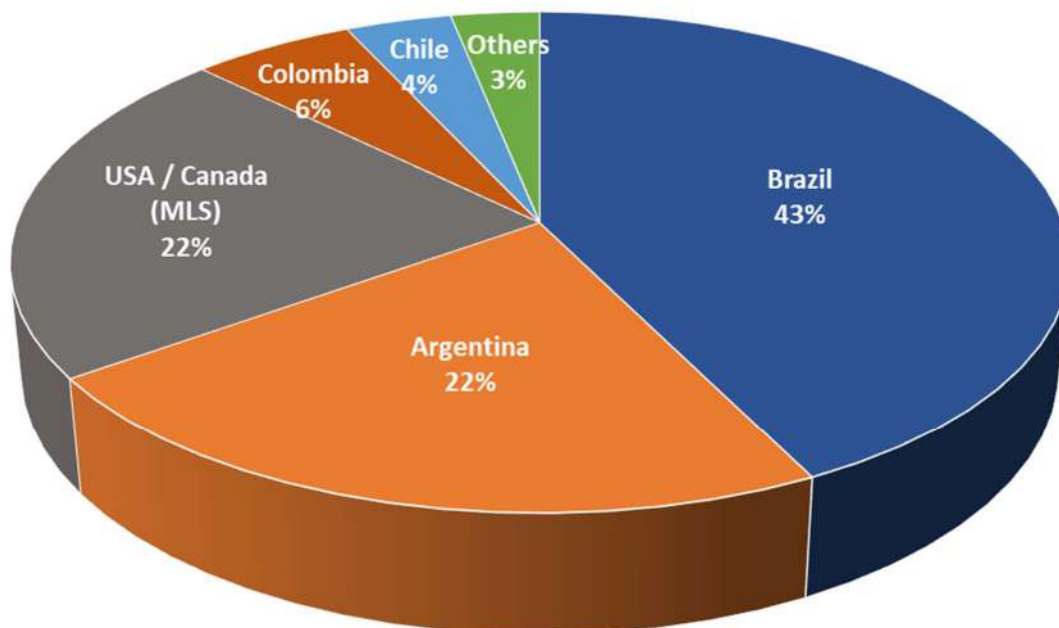
- **The 165 clubs that compete in the 9 major leagues and 1st division championships in the Americas together earned US\$ 3.744 billion in 2017**, equivalent to an average of US\$ 22.7 million per club;
- **Brazil, USA, and Argentina have the Leagues and Championships with the greater economic power of the region, concentrating 84% of the total Revenues** of the clubs of the 9 main competitions of 1^a divisions of the Region. Recalling that the lack of transparency of the Mexican clubs did not allow the inclusion of their data in our analysis;
- **In 2017 the 20 clubs that competed in the Brazilian Championship of the 1st division had total revenues of US\$ 1.5 Bi**, with an average of US\$ 77 million of revenue per club. The Brazilian clubs **accounted for 41% of the total revenue** of the 165 clubs that compete in the 9 main leagues of the 3 continents;
- Next are the 28 Argentine clubs, with US\$ 813 million in revenue, but with an average per club of US\$ 29 million, lower than the almost US\$ 35 million average billing for each of the 23 MLS clubs, which in the total revenues of US\$ 798 million. The reduction of the number of participants in the Superliga Argentina will cause that the data of 2018 already show the MLS like the second league of the Region;
- **The strong revenue growth projected for MLS clubs in the coming years, mainly due to new broadcasting contracts, is expected to make the American League the largest in the region. Our prediction is that this will happen in 2022.**

Americas' Leagues and Championships Major Revenues

Rank	Country	Number of Clubs	Income US\$ Millions		% of total
			Total	Club Average	
1	Brazil	20	1.538	76,9	41%
2	Argentina	28	813	29,0	22%
3	USA / Canada (MLS)	23	798	34,7	21%
4	Colombia	20	209	10,5	6%
5	Chile	18	136	7,6	4%
6	Ecuador	12	86	7,1	2%
7	Uruguay	16	64	4,0	2%
8	Peru	16	55	3,4	1%
9	Paraguay	12	46	3,8	1%
Total		165	3.744	22,7	100%

Data from Mexico, Bolivia and Venezuela are not available. Source: Club Balance sheets. Elaboration: Pluri Consultoria.

INCOME DISTRIBUTION OF MAJOR LEAGUES AND CHAMPIONSHIPS IN THE AMERICAS



Argentina and Uruguay, the truly Americas' Soccer Countries

- **The revenues of the 165 clubs that compete in the 9 main leagues in the Region represent only 0.014% of the total GDP** of the respective countries. This number is negatively affected by the residual weight that MLS clubs have over the gigantic American GDP, which means that all other countries, with the exception of Peru, are above average;
- When we evaluate each country, **we draw attention to the weight of Argentina and Uruguay, whose turnover of the 1st division clubs amounts to almost 0.1% of GDP** and exceeds the average of the region by almost 7 times;
- Brazil appears in the average position in the ranking, with the sales of the main clubs equivalent to about 0.05% of GDP, half of the Argentinian level.

Income weight of Major Leagues and Championships in relation to the GDP of each country

Rank	Country	Total Income US\$ Millions	GDP per PPP US\$ BI (IMF)	Income / GDP - %
1	Argentina	813	874	0,093%
2	Uruguay	64	74	0,087%
3	Paraguay	46	64	0,071%
4	Brazil	1.538	3.141	0,049%
5	Ecuador	86	184	0,047%
6	Chile	136	415	0,033%
7	Colombia	209	689	0,030%
8	Peru	55	414	0,013%
9	USA / Canada (MLS)	798	20.249	0,004%
Total		3.744	26.104	0,014%

(1) IMF World Bank. Source: Club Balance sheets. Elaboration: Pluri Consultoria.

Revenue from the TOP 30 Americas' Clubs equals 23% of the TOP 30 Europeans

- **The TOP 50 Clubs of the Americas had total revenues of US\$ 2.87 billion in 2017, a record level and 14% higher than the previous year.** When we evaluated the TOP 30, total revenue was US\$ 2.3 billion, equivalent to 22.6% of the revenues of the TOP 30 Europe, US\$ 10.3 billion. It means that **the current European market is 4.4 times higher, in proportion to that of the Americas;**
- Despite the huge difference, this gap has already been greater. In 2010, the total revenues of the TOP 30 clubs in the Americas amounted to 16.6% of revenues from its European counterparts;
- On the other hand, in 2012 the TOP 30 of the Americas represented 25.3% of the revenue of the TOP 30 Europeans, but this was due to a cycle of strong appreciation of the currencies of the main countries of the regions against the US Dollar, which proved unsustainable over time and distorted the basis of analysis;
- **The revenue of the biggest club in the Americas, US\$ 203 million, equates to only 26.5% of the largest European club (US\$ 764 million) and would guarantee it only the 24th place in hypothetical participation in a European ranking;**
- There was strong growth of the revenues of the clubs that occupy the inferior positions of the ranking of the Americas. As an example, 10 years ago, the 20th place in the rankings was only US\$ 13 million, compared to US\$ 49 million today. Today, revenue of US\$ 13 million doesn't even guarantee a position among the Americas' TOP 70.

Revenue Evolution of TOP 50 American Clubs in the last 10 years - US\$ Millions

Clube	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1st Place	86	91	121	174	183	168	147	121	146	203
Equivalent position in TOP 30	-	-	-	19o.	17o.	18o.	-	-	-	24o.
10th Place	36	35	53	60	75	82	76	58	84	90
20th Place	13	15	17	27	41	39	43	39	46	49
Total TOP 50	nd	nd	nd	nd	nd	2.379	2.254	2.258	2.511	2.874
Total TOP 30	847	926	1.163	1.581	1.978	1.955	1.837	1.793	2.031	2.317
Total TOP 20	770	833	1.045	1.396	1.673	1.636	1.499	1.451	1.657	1.893
Total TOP 10	561	600	760	1.033	1.146	1.098	984	945	1.103	1.277

Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

Revenue Evolution of TOP 30 European Clubs in the last 10 years - US\$ Millions

Clube	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1st Place	538	560	582	669	661	689	730	641	762	764
10th Place	254	274	272	282	284	350	371	360	377	458
20th Place	153	141	145	160	156	159	192	179	190	225
Total TOP 30	0	0	6.986	7.482	7.800	8.634	9.866	8.887	9.931	10.256
Total TOP 20	5.765	5.530	5.668	6.143	6.427	7.165	8.189	7.362	8.209	8.323
Conversion: US\$ x €	1,4708	1,3945	1,3262	1,3955	1,2902	1,3283	1,3290	1,1102	1,1067	1,1296

Source: Deloitte. Elaboration: Pluri Consultoria.

Revenue growth in the Americas' TOP Clubs faltered in relation to European

- **The TOP 50 Clubs of the Americas had revenue growth in US Dollars of 25% in the last 5 years, corresponding to annual growth of 4.6% real.** When we look at the TOP 30, the total growth rate falls to 18% in US Dollars, equivalent to 3.5% per year, practically the same level of European equivalents;
- When we look at the TOP 20 clubs in the Americas, the total revenue growth rate was 16% in US Dollars (3.0% py) in the last 5 years, and an incredible 172% (10.5% py) in the last 10 years. The TOP 20 Europeans grew 16% (3.0% py) in the last 5 years and 63% (5.0% py) in the last 10 years;
- **The data suggest that there was a significant reduction in the real difference between the size of the European market and that of the Americas between 5 and 10 years ago**, mainly due to the change in the billing levels of Brazilian clubs and the growth of MLS, to reduce to a reasonable level the abyss that separates the two regions. **However, the most worrying is the fact that in the last 5 years the real income growth of the clubs in the region is at the same level as the European clubs;**
- It is important to note that the currencies of the main countries of the Americas suffered a strong devaluation against the US Dollar in the analyzed periods (5 and 10 years), which didn't occur with the Euro, favoring European clubs in converting currencies to the US Dollar.

Revenue Variation in US Dollars of the TOP 50 Clubs of the Americas in the last 5 and 10 years

-	5 years		10 years	
	Total Change (%)	Yearly Change (%)	Total Change (%)	Yearly Change (%)
1st Place	21%	3,9%	109%	7,7%
10th Place	10%	1,9%	212%	12,1%
20th Place	27%	4,9%	379%	17,0%
Total TOP 50	21%	3,9%	-	-
Total TOP 30	18%	3,5%	-	-
Total TOP 20	16%	3,0%	172%	10,5%
Total TOP 10	16%	3,1%	148%	9,5%

Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

Revenue Variation in US Dollars of TOP 30 European Clubs in the last 5 and 10 years

-	5 years		10 years	
	Total Change (%)	Yearly Change (%)	Total Change (%)	Yearly Change (%)
1st Place	11%	2,1%	59%	4,7%
10th Place	31%	5,5%	112%	7,8%
20th Place	41%	7,1%	69%	5,4%
Total TOP 30	19%	3,5%	-	-
Total TOP 20	16%	3,0%	63%	5,0%

Sources: Club Balance sheets. Elaboration: Pluri Consultoria.

This report was prepared by PLURI Consultoria and is distributed for the sole purpose of providing information to the market in general. PLURI Consultoria is not responsible for any direct or indirect losses derived from the use of the information contained in said report.

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Who We Are



PLURI Group acts in an integrated way in several areas of the sport:



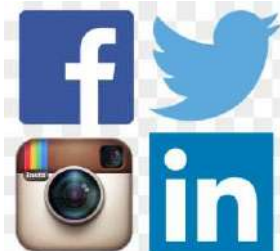
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