



Latin America: Evaluating Markets for Multi-Club Ownership

What Makes a Market "Friendly" for MCO?

For multi-club ownership groups, certain conditions make a country's football market particularly attractive. Understanding these characteristics is essential for identifying the best opportunities across Latin America.



Six Key Characteristics of MCO Markets



Permissive Ownership Laws

Legal frameworks allowing private, for-profit club ownership and majority foreign control



Limited Foreign Restrictions

No prohibitive rules against foreign majority control or multi-club structures



Attractive Valuations

Undervalued clubs with significant financial upside potential



Passionate Fan Base

Strong football culture with high attendance and engagement



Growth Trajectory

Expanding markets with untapped commercial potential



Talent Development

Consistent production of quality players for export

Legal Framework: The Foundation

Brazil's SAF Model

The 2021 "Football, Inc." law created Sociedade Anônima do Futebol, enabling clubs to incorporate as companies and seek outside capital after a century of member-run operations.

Chile's SAD Structure

Sociedades Anónimas Deportivas introduced in 2005 brought financial accountability and allowed private control, modernizing the market early.



The Valuation Advantage

\$690M

Average MLS Franchise Value

\$120M

Querétaro FC Sale Price

Liga MX club sold at roughly 5x revenue

9x

MLS Revenue Multiple

Compared to 5x in Mexico

Latin American clubs remain significantly undervalued compared to North American and European peers, creating attractive entry points for investors with capital and expertise to unlock value.



Mexico: A Market at the Tipping Point

Mexico is frequently cited as the most promising market in Latin America. The country combines a massive devoted fan base, relative economic stability, and clubs trading at a fraction of comparable U.S. team valuations. Recent regulatory changes forcing multi-club divestitures have opened the market like never before.

Why Mexico Stands Out

1

Bargain Basement Valuations

Mexican clubs trade at significantly lower multiples than MLS teams, with the \$120M Querétaro sale exemplifying the value gap that has "cracked open a market private equity had been eyeing for years."

2

Massive Binational Viewership

Liga MX is the most-watched soccer league in North America, often outdrawing MLS in TV ratings across both Mexico and the United States, with tens of millions of Mexican Americans following the league.

3

Governance Transformation

League enforcement of FIFA's multi-club ownership rules is forcing conglomerates to divest, putting famous clubs on the market for the first time in decades.

Mexico's Media Rights Opportunity

Current Challenge

Historically, each club negotiated its own TV deals, creating a fragmented rights landscape that limited revenue potential.

Future Upside

The proposed \$1.25B Apollo investment aims to consolidate and modernize media rights. By streamlining broadcasting and marketing, revenues could surge in coming years as the league gets "the right corporate governance, the right mentality of growth."



Mexico: Investment Momentum Building

Early 2020s

U.S. group including Ryan Reynolds and Rob McElhenney takes minority stake in Club Necaxa

1

Near Future

Three more Liga MX clubs reportedly nearing sales as market opens

3

2025

First majority-American ownership: U.S.-led consortium acquires Querétaro FC for ~\$120M

2026

Mexico co-hosts FIFA World Cup, boosting global interest and infrastructure

4



Brazil: The Sleeping Giant Awakens

213 Million People

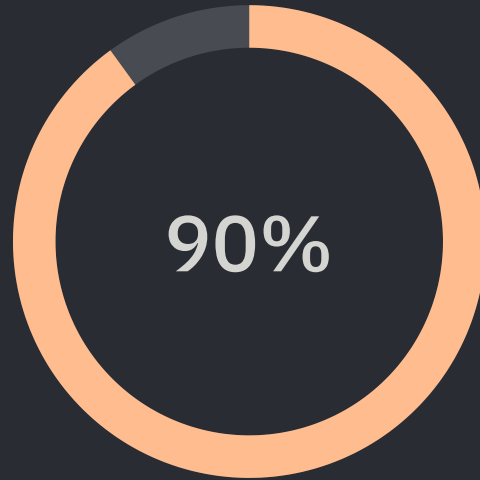
Brazil is a giant of world football in talent production, fan passion, and number of clubs. The 2021 SAF law fundamentally transformed the investment climate, ending the member-run model and ushering in a "new wave of rational, business-minded club owners."

Brazil's Investment Wave



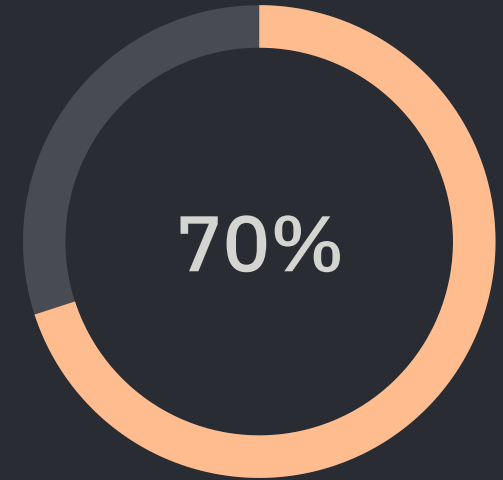
SAF Adoption Rate

Top clubs adopted the new corporate model within first two years



Botafogo Stake

John Textor's Eagle Football acquisition



Vasco da Gama

777 Partners' ~\$135M investment

High-profile deals include Ronaldo Nazário taking 90% of Cruzeiro and City Football Group purchasing a controlling stake in Bahia. Brazil's once insular club scene has opened wide to foreign capital.

Brazil's Unmatched Talent Pipeline



World's #1 Player Exporter

Brazil exports 1,200+ players abroad annually, more than any other nation. This talent pipeline generates significant transfer income and provides MCO groups with high-potential players for their networks.

Even mid-sized Brazilian clubs can serve as feeders, developing players who contribute on-field before moving to European or MLS teams within the ownership group.

Brazil's SAF Framework Benefits

Tax Advantages

Simplified federal tax rate of ~4% for SAF clubs, significantly lower than traditional corporate rates

Structured Debt Repayment

Legacy debts can be stretched over 6-10 years, with flexibility to pay off upfront if preferred

Limited Liability Protection

Separation of old debts provides security for foreign owners, reducing investment risk

These provisions, combined with favorable currency exchange rates, make Brazilian acquisitions particularly attractive..

Early Success Stories in Brazil

Botafogo's Remarkable Double

Under John Textor's ownership, won both Série A and Copa Libertadores in 2024

Cruzeiro's Resurgence

Earned promotion and reached cup final soon after Ronaldo's takeover

Bragantino's Transformation

Red Bull's R\$45M investment elevated club from second tier to competitive Série A side



Colombia: The Under-the-Radar Opportunity

Colombia's top division meets many criteria for a friendly market. Most clubs are structured as corporations (Sociedad Anónima), and several have significant foreign interests.. The January 2025 acquisition of La Equidad by a U.S. consortium including Ryan Reynolds and Eva Longoria underlines that Colombia is open for business.

Colombia's Strategic Advantages



Established Corporate Structure

Private and foreign ownership already permitted with proven track record



Passionate Urban Markets

Strong club brands in major cities with vibrant fan cultures and rivalry matches



Talent Export Hub

Regular developer of players who move to top leagues globally



Continental Competition

Access to Copa Libertadores and Sudamericana for exposure

Colombia's Major Clubs

Millonarios FC (Bogotá)

Majority-owned by Amber Capital (New York/London) since mid-2010s

La Equidad (Bogotá)

Acquired by U.S. consortium in January 2025, first South American venture for Wrexham owners

Atlético Nacional (Medellín)

Large following and rich history, potential future target

América de Cali & Deportivo Cali

Major clubs with nationwide recognition and passionate supporters

With ~50 million population and improving economic stability, Colombia offers reasonable valuations in the \$50-200M range with significant growth potential.

Chile: Early Privatization Pioneer

2005 Reform

Chile was one of Latin America's first to allow clubs to become corporations (SADs), leading private investors to take over major teams like Colo-Colo, Universidad de Chile, and Universidad Católica.

Today, virtually all top-flight Chilean clubs are privately owned with well-established foreign investment structures.



Chile's Proven Multi-Club Model



Grupo Pachuca Investment

Mexican ownership group acquired 80% of Everton de Viña del Mar in 2017, later increasing to 100% ownership



No Foreign Barriers

Chile places no restrictions on foreign controlling stakes, actively welcoming outside capital



Stable Business Environment

Consistently ranks as one of Latin America's least risky places to do business with strong infrastructure

Chile's Market Characteristics

Intense Fan Loyalty

The Colo-Colo vs Universidad de Chile Superclásico fills the 47,000-seat Estadio Monumental. While smaller in absolute numbers than Brazil, Chilean fans are intensely devoted.

Strategic CONMEBOL Access

Chilean clubs regularly qualify for Copa Libertadores and Sudamericana, providing continental exposure that can significantly raise club profile and value.

Affordable Entry Points

First-division clubs might be acquired for tens of millions rather than hundreds, with correspondingly lower operating costs and infrastructure investment requirements.

Uruguay: Small Nation, Outsized Football Reputation

"In relation to its total population, Uruguay has probably developed the most top professional footballers in the world."

— Jochen Sauer, Red&Gold Football



Uruguay's MCO Success Stories

2017: City Football Group

CFG's first South American foothold with Montevideo City Torque acquisition. Under CFG ownership, Torque grew from second-division to top-tier club known for youth development.

1

2

2023: Red&Gold Football

Joint venture of FC Bayern Munich and LAFC became majority shareholder of Racing Club de Montevideo, praising Uruguay's "social and political stability."

Ongoing Development

Both clubs focus on talent development and player sales, demonstrating Uruguay's value as strategic hub rather than profit center.

3

Uruguay's Talent Production Excellence

3.5M

Population

Small nation with outsized impact

#1

Per Capita Talent

Likely produces more elite players per capita than any country

Uruguay's legendary talent pipeline includes Suárez, Cavani, Valverde, and Núñez, developed through a robust network of academies and smaller clubs. For MCO groups, Uruguay serves as an ideal development and scouting hub with lower operating costs and feasible infrastructure investments.



Markets to Watch: Argentina's Potential

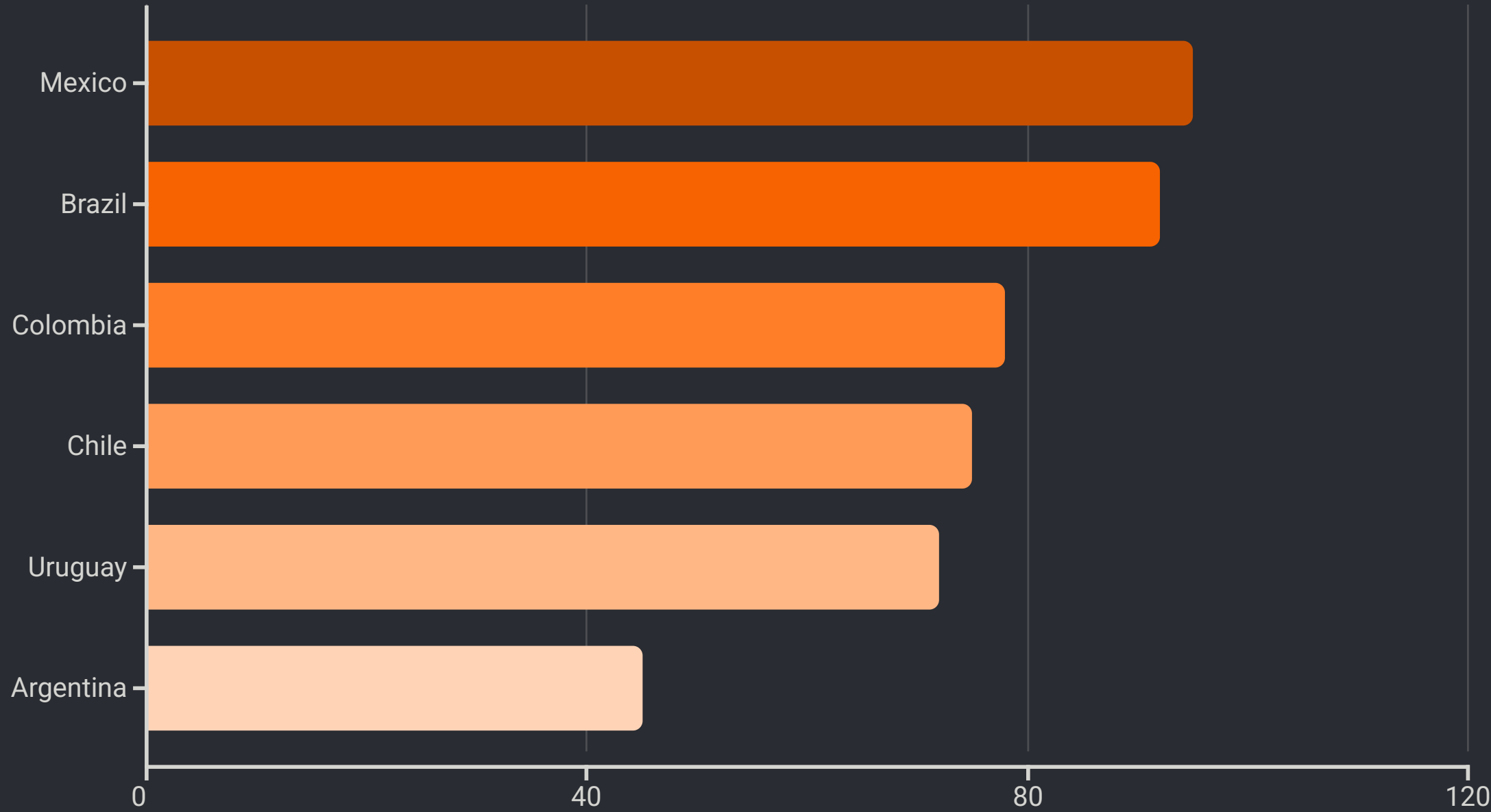
The Challenge

Argentina has enormous clubs, unparalleled fan passion, and talent output rivaling Brazil's. However, current regulations effectively forbid private ownership—clubs are non-profit member associations by law.

Reform Efforts

President Javier Milei has pushed to allow for-profit investments, drawing inspiration from Brazil's model. Courts have put reforms on hold amid fierce opposition, but investors are watching closely for future liberalization.

Market Comparison Overview



Mexico and Brazil stand as top-tier markets for MCO expansion, followed by Colombia, Chile, and Uruguay as strategic secondary options. Argentina remains restricted but could transform if reforms pass.

Essential Due Diligence: Legal & Regulatory

Ownership Structure Requirements

Understand exact ownership rules (SAF in Brazil, SAD in Chile), approval processes, and ongoing obligations including tax regimes and debt repayment mandates.

League Vetting & Approvals

Know that new ownership must be approved by league assemblies and that multi-ownership within leagues may be prohibited.

CONMEBOL Competition Rules

Check continental competition regulations—while not as strict as UEFA's, restrictions may apply if owned clubs meet in tournaments.

In-Country Legal Counsel

Essential to navigate local nuances, cultural expectations, and regulatory compliance requirements.

Financial Due Diligence Essentials

1 Comprehensive Debt Review

Many Latin clubs carry significant liabilities including unpaid taxes, wages, and legal claims. Audited financial statements, debt schedules, and player contract obligations are critical.

3 Hidden Liabilities Discovery

Watch for off-balance-sheet player ownership agreements, side deals with agents, and local debts not immediately apparent.

2 Revenue Stream Analysis

Detailed breakdown of ticket sales, broadcasting, sponsorship, and merchandise revenues. Identify under-commercialized areas with growth potential.

4 Currency Risk Assessment

If revenues are in local currency, plan for hedging strategies or maintaining some expenses in dollars to manage exchange rate fluctuations.

Market & Sporting Intelligence

Commercial Data

- Attendance figures and capacity utilization
- Fan demographics and social media engagement
- Broadcasting deals and revenue sharing
- Sponsorship agreements and durations
- Merchandise sales per fan benchmarks

Sporting Assets

- Playing squad quality and market value
- Academy pipeline and prospect development
- Transfer history and net revenues
- Relegation risk and competition format
- Recent performance trends



Infrastructure & Cultural Assessment



Physical Assets Audit

Evaluate stadium and training ground ownership, condition, and improvement needs. Building a 25,000-seat stadium in Mexico costs under \$50M —far cheaper than U.S. or Europe.



Management & Staffing

Assess current executives' competence, identify any corruption or inefficiency, and review all commercial contracts and political connections.



Cultural Understanding

Learn the club's identity, supporter expectations, and role of member assemblies or ultras groups. Winning community trust is as important as the balance sheet.



The Path Forward in Latin America

Latin America's football markets are at a transformative moment. Mexico and Brazil lead with open regulations, massive scale, and high-upside potential. Colombia, Chile, and Uruguay offer strategic secondary opportunities with proven foreign investment frameworks.

Success requires comprehensive due diligence across legal, financial, market, sporting, and cultural dimensions. Investors must combine business acumen with football expertise, respecting club traditions while driving modernization. With the right approach, Latin America presents compelling opportunities for multi-club ownership groups seeking to expand their global footprint.

Key Takeaway: The friendliest markets offer open regulations, undervalued assets, passionate fan engagement, rich talent pools, and stable governance—conditions increasingly present across Latin America's top football nations.