

The Forbes Fab 40: Puma Debuts On 2019 List Of The World's Most Valuable Sports Brands



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Singer Rihanna attends the Launch of FENTY PUMA By Rihanna at Bergdorf Goodman on September 6, 2016 ... [+] GC IMAGES

Brands, like the athletes and entertainers who endorse them, can have great comebacks—or quickly go out of favor. The brand value of a sports team is impacted by the performance of its management and players. Sporting events can be nurtured or neglected. The results show up in our brand values.

Prime example: Six years ago, Puma's profits were shrinking while rivals Nike NKE +0.1% and Adidas were posting strong gains. Puma engineered an **incredible turnaround** with the help of partnerships with singer Rihanna and sprinter Usain Bolt. Shares of Puma are up 74% over the past year, compared with 46% for Adidas and 25% for Nike.

Respect? Puma's price-to-earnings ratio of 46 almost makes Nike (35) and Adidas (30) look cheap.

This year, Puma makes the *Forbes* Fab 40 for the first time, ranking sixth in the business category with brand value—what the name alone is worth—of \$4 billion.

The flipside? Look at Under Armour UAA +1.3%, whose brand is worth \$3.5 billion, 36% less than three years ago. Under Armour has been losing market share to brands like Puma and New Balance, and [CNBC reported](#) there's mounting concern that consumers recognize Under Armour as only a "gym-wear brand" that sells sweat-proof shirts and shorts. The stock has fallen to \$18 from \$24 since late July.

The *Forbes* Fab 40 determines the value of the top brands in sports by quantifying the amount the name contributes to the value of the athlete, event, business or team. There's nothing secretive about our methodology. No black box. Anyone can do the same exercise if they have the data to plug into the formulas.

Here's how we do it.

Business brand values are the difference between a brand's enterprise value and the average enterprise value of comparable businesses. Event brand values are the average per-day revenue from media, sponsorships, tickets and licensed merchandise. Athletes' brand values are their earnings (excluding salary and bonuses from their sport and all investment income) minus the average income of the top ten athletes in the same sport. Team brand values measure the portion of the team's enterprise value not attributable to the size or demographics of the team's market, the venue or league-shared revenue (Note: this is the tenth rendition of the *Forbes* Fab 40. Here are the ones from [2017](#), [2016](#), [2015](#), [2014](#), [2013](#), [2012](#), [2011](#), [2010](#), and [2007](#).)