

Borussia Dortmund GmbH & Co. KGaA

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Successful Bundesliga start for BVB

Convincing win for BVB in first Bundesliga match: BVB made its first mark in the new Bundesliga season with a convincing 5:2 home win over Eintracht Frankfurt. In an overall good team performance, the two strikers Reus and Haaland were particularly convincing with one and two goals, respectively. It was a successful debut for the new coach Marco Rose.

Preliminary figures for 20/21 largely "in line": BVB has been able to limit the negative impact of the COVID 19 pandemic by taking countermeasures in good time. The recently presented preliminary key figures for fiscal 2020/21 were largely in line with our expectations. At EUR 334.2m, consolidated sales were slightly above our forecast of EUR 329.7m. Due to the ban on spectators from the stadiums, revenues from the Match Operations and Conference, Catering, Other segments suffered in particular. In terms of consolidated net income, BVB had to absorb a higher net loss of EUR -72.8m (2019/20: EUR -44.0m), which compares with our estimate of EUR -74.8m. As the KGaA's separate financial statement show a similarly high net loss, the proposal not to pay a dividend is in line with our expectations.

Return of spectators to the stadiums: There were 25,000 spectators in the stadium for the first home game. We continue to expect spectator attendance for both the Bundesliga season and the other competitions, in particular the UEFA Champions League.

We confirm our estimates for 2021/22e and continue to expect a significant increase in revenues and, above all, a reduction in losses. As expected, the news of spectators returning to the stadiums has given the share price a boost. In the efforts to further increase BVB's brand value, digital sponsorship will also become increasingly important. We confirm our price target of EUR 6.80 per share and our "buy" recommendation.

FY End: 30.06.; in EURm	CAGR (20-22e)	16/17	17/18	18/19	19/20	20/21e	21/22e
Sales	1.0%	405.7	536.0	370.3	370.2	334.2	378.0
EBITDA	9.0%	74.1	137.3	116.0	63.0	39.0	74.8
Margin		18.3%	25.6%	31.3%	17.0%	11.7%	19.8%
EBIT	-46.1%	10.7	39.0	23.5	-43.1	-72.1	-12.6
Margin		2.6%	7.3%	6.3%	-11.7%	-21.6%	-3.3%
Net result	-48.2%	8.2	31.7	17.4	-44.0	-72.8	-11.8
EPS, EUR	-48.2%	0.09	0.34	0.19	-0.48	-0.79	-0.13
Dividend per share, EUR		0.06	0.06	0.06	0.00	0.00	0.06
EV		420.7	423.1	413.0	416.6	684.2	684.2
EV/Sales		1.0	0.8	1.1	1.1	2.0	1.8
EV/EBITDA		5.7	3.1	3.6	6.6	17.6	9.1
P/E		57.7	14.9	27.2	n.m.	n.m.	n.m.
Net debt/EBITDA	1.0%	-0.7	-0.4	-0.5	-0.9	-2.0	-1.0

Source: BVB, FMR

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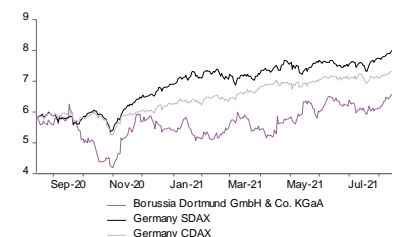
Buy

Before: Buy

Price Target EUR 6.80 (6.80)
Share price* EUR 6.87 (-1.0%)

*last XETRA closing price

Change	19/20	20/21e	21/22e
Sales, EURm	0.0	4.5	0.0
EBIT, EURm	0.0	-9.7	0.0
EPS, EUR	0.00	0.02	0.00



Source: Factset

Basic share data

Number of shares (million)	92.0
Free Float (in %)	60%
Market Cap (in EURm)	632.0
Trading volume (Ø)	90,536
High (EUR, 52 weeks)	6.90
Low (EUR, 52 weeks)	4.20

Shareholder structure

Evonik Industries	9.8%
Bernd Geske	9.4%
Free float, others	80.8%

Corporate calendar

An.Report 20/21 publication	28.09.2021
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Analyst

Winfried Becker

Senior Analyst

winfried.becker@fmr-research.de

+49 (0) 69 - 247 42 72 76

Contact

FMR Frankfurt Main Research AG
Kleiner Hirschgraben 10-12
60311 Frankfurt am Main
Germany

+49 (0) 69 - 247 42 72 70

www.fmr-research.de

Valuation: Update

Bor. Dortmund: Valuation		
EURm	16.08.2021	
	Present Value (PV)	PV/Share, EUR
Team squad value	587.0	6.38
Discount (to reach marketable team squad value)	-30%	
Marketable team squad value	410.9	4.47
Stadium	235.0	2.55
Brand value	234.0	2.54
End of Sport Five contract (saved, discounted CF)	232.0	2.52
1 & 1 neuer jersey sponsor	50.0	0.54
Total Present Value	1,161.9	12.63
Net excess cash (as of EO FY 19/20)	-4.7	-0.05
Corona impact on EBITDA	-119.0	-1.29
Fair value	1,038.2	11.28
Discount		-40%
Price target		6.77

Source: [transfermarkt.de](https://www.transfermarkt.de), FMR

Sport events calendar

01.07. – 31.08.	Transfer period (Bundesliga)
13.08. – 15.08.	First matchday of the new Bundesliga season 21/22; opponent: Eintracht Frankfurt; subsequent matches against SC Freiburg and TSG Hoffenheim
17.08.	Super Cup final: BVB – Bayern Munich
26.08.	Draw for group stage of UEFA Champions League (UCL)
14.09. – 15.09.	1st matchday UCL group stage
28.09. – 29.09.	2nd matchday UCL group stage
14.05.'22	Bundesliga: Last matchday
28.05.'22	UCL Final (St. Petersburg)

Appendix

P&L					
in EURm (IFRS)	17/18	18/19	19/20	20/21e	21/22e
Revenues	536.0	370.3	370.2	334.2	378.0
YoY growth	0.0%	-30.9%	0.0%	-9.7%	13.1%
Cost of revenues	-20.1	-21.3	-22.4	-19.6	-23.4
as % of revenues	-3.8%	-5.8%	-6.1%	-5.9%	-6.2%
Gross Profit	515.9	349.0	347.8	314.6	354.6
as % of revenues	96.3%	94.2%	93.9%	94.1%	93.8%
Personnel costs	-186.7	-205.1	-215.1	-215.7	-196.6
as % of revenues	-34.8%	-55.4%	-58.1%	-64.5%	-52.0%
Other operating income/expenses	-191.9	-27.9	-69.8	-60.0	-83.2
as % of revenues	-35.8%	-7.5%	-18.8%	-17.9%	-22.0%
EBITDA reported	137.3	116.0	63.0	39.0	74.8
as % of revenues	25.6%	31.3%	17.0%	11.7%	19.8%
Depreciation and amortisation (incl. PPA)	-98.3	-92.5	-106.1	-111.0	-87.4
as % of revenues	-18.3%	-25.0%	-28.7%	-33.2%	-23.1%
Reported EBIT	39.0	23.5	-43.1	-72.1	-12.6
as % of revenues	7.3%	6.3%	-11.7%	-21.6%	-3.3%
Net financial results incl. equity results	-4.4	-1.7	-3.5	-1.1	-1.3
EBT (Earnings before income taxes)	34.6	21.8	-46.6	-73.1	-13.9
as % of revenues	6.5%	5.9%	-12.6%	-21.9%	-3.7%
Income taxes	-2.9	-4.4	2.6	0.3	2.1
as % of EBT	-8.4%	-20.2%	-5.6%	-0.5%	-15.0%
Income from continuing operations	31.7	17.4	-44.0	-72.8	-11.8
as % of revenues	5.9%	4.7%	-11.9%	-21.8%	-3.1%
Income from discontinuing operations, net of taxes	0.0	0.0	0.0	0.0	0.0
Net income	31.7	17.4	-44.0	-72.8	-11.8
Minorities	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	31.7	17.4	-44.0	-72.8	-11.8
as % of revenues	5.9%	4.7%	-11.9%	-21.8%	-3.1%
Shares outstanding (in m)	92.0	92.0	92.0	92.0	92.0
Basic earnings per share (EUR)	0.34	0.19	-0.48	-0.79	-0.13

Source: BVB, FMR

Balance sheet

in EURm (IFRS)	17/18	18/19	19/20	20/21e	21/22e
Assets					
Non-current assets	351.4	371.7	441.5	389.8	372.6
as % of total assets	72.4%	74.3%	85.2%	86.5%	84.4%
Intangible assets (incl. Goodwill)	120.3	163.7	229.7	193.4	183.4
Property, plant and equipment	180.7	184.0	193.0	183.5	176.2
Long-term investments	0.4	0.4	0.4	0.4	0.4
Deferred tax assets, long-term	0.0	0.0	0.0	0.0	0.0
Other assets	50.0	23.6	18.4	12.5	12.5
Current assets	134.2	128.4	76.5	60.7	69.0
as % of total assets	27.6%	25.7%	14.8%	13.5%	15.6%
Inventories	5.6	4.6	6.8	6.8	6.9
Accounts receivable and other assets	68.5	66.1	66.1	52.2	54.2
Current income tax claims	0.6	1.8	0.4	0.1	0.1
Cash and cash equivalents	59.5	55.9	3.3	1.7	7.8
Total assets	485.6	500.1	518.0	450.5	441.6
Shareholders' equity and liabilities					
Shareholders' equity	343.6	354.9	305.5	232.6	220.8
as % of total equity and liabilities	70.8%	71.0%	59.0%	51.6%	50.0%
Subscribed capital	92.0	92.0	92.0	92.0	92.0
Capital reserve	251.7	263.0	213.6	140.7	140.7
Treasury stocks	-0.1	-0.1	-0.1	-0.1	-0.1
Other equity items	0.0	0.0	0.0	0.0	-11.8
Minority interest on equity	0.0	0.0	0.0	0.0	0.0
Non-current provisions/liabilities	24.1	18.8	89.9	54.4	56.4
as % of total equity and liabilities	5.0%	3.8%	17.4%	12.1%	12.8%
Non-current pension provisions	0.0	0.0	0.0	0.0	0.0
Other non-current provisions	1.1	1.7	0.0	0.0	0.0
Non-current financial liabilities	6.7	8.4	20.1	16.8	17.0
Non-current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	16.3	8.7	69.8	37.6	39.4
Current liabilities and provisions	117.9	126.4	122.6	163.5	164.4
as % of total equity and liabilities	24.3%	25.3%	23.7%	36.3%	37.2%
Other provisions	24.7	25.5	0.0	2.3	2.4
Financial liabilities	2.0	3.1	12.4	61.1	62.9
Accounts payable	54.6	60.7	67.4	64.1	64.1
Current prepayments received	0.0	0.0	0.0	0.0	0.0
Tax liabilities	2.0	3.5	0.1	0.0	0.0
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	34.7	33.7	42.7	36.0	34.9
Advance payments received	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	485.6	500.1	518.0	450.5	441.6

Source: BVB, FMR

Cashflow Statement

in EURm (IFRS)	17/18	18/19	19/20	20/21e	21/22e
EBT	34.6	21.8	-46.6	-73.1	-13.9
Depreciation and amortisation	98.3	90.1	106.1	111.0	87.4
Change in pension and similar provisions					
Other transactions incl. non-cash	41.1	-88.9	-41.9	-28.2	9.0
Change in Working Capital	-3.6	5.7	-18.0	6.2	-3.2
Cashflow from operating activities	170.4	28.7	-0.4	15.9	79.3
CAPEX	-142.7	-23.6	-50.9	-62.0	-70.1
Change in consolidation, net cash	0.0	0.0	0.0	0.0	0.0
Other investing activities	0.0	0.1	0.1	0.0	0.0
Cashflow from investing activities	-142.7	-23.5	-50.8	-62.0	-70.1
Change in debt	0.0	0.0	0.0	56.9	2.0
Net proceeds from capital increase & right capital & change in capital reserve	0.0	0.0	0.0	0.0	0.0
Dividend payments	-5.5	-5.5	-5.5	0.0	0.0
Acquisition of treasury shares & minority stakes	0.0	0.0	0.0	0.0	0.0
Other financing activities	-11.9	-3.3	-3.9	-4.4	-1.3
Cashflow from financing activities	-17.4	-8.8	-9.4	52.5	0.7
Total change in cash and cash equivalents	10.2	-3.6	-60.6	6.4	9.9
Effect of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0
Other changes in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents at the start of the period	49.3	59.5	55.9	-4.7	1.7
Cash and cash equivalents: End of period	59.5	55.9	-4.7	1.7	11.6
of which					
Cash and equivalents	59.5	55.9	3.3	1.7	7.8
Current account	0.0	0.0	-8.0	0.0	3.8

Source: BVB, FMR

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Company	Disclosure(s)
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Borussia Dortmund GmbH & Co. KGaA	vi
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Recommendation history over last 12 months:

Date	Recommendation	Share price at publication date (EUR)	Price target (EUR)
03.03.2020	BUY	7.72	10.50
18.03.2020	BUY	4.63	9.00
11.05.2020	BUY	6.75	8.00
03.07.2020	BUY	6.07	8.00
18.08.2020	BUY	5.70	8.00
09.11.2020	BUY	4.66	6.00
18.12.2020	BUY	5.59	6.00
12.02.2021	BUY	5.14	6.00
03.03.2021	BUY	5.75	6.00
27.05.2021	BUY	6.13	6.80
06.07.2021	BUY	6.32	6.80
17.08.2021	BUY	6.87	6.80

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