

Borussia Dortmund GmbH & Co KGaA

Others - Germany



Buy (old: Buy)

02.09.2024

EUR 5.50 (old: EUR 5.50)

UCL draw: 2 spanish giants but overall feasible opponents

Topic: Last week Thursday, the draw for the league phase of the UEFA Champions League (UCL) took place in Monaco. In the newly formatted UCL, BVB will face last seasons final opponent Real Madrid (Away), FC Barcelona (Home), Shakhtar Donetsk (H), Club Brugge (A), Celtic Glasgow (H), Dinamo Zagreb (A), Sturm Graz (H) and Bologna FC (A). **Here is our view.**

While BVB is seen to be the clear underdog in the away game at Madrid, which has further strengthened its squad during the summer by adding French superstar Kylian Mbappé, and the home game against Barcelona to be a duel at eye level, the other six opponents are expected to be weaker. Especially the games against Graz, Zagreb, Donetsk, Brugge and Glasgow should result in wins, as none of these teams provide even half of BVB's squad value according to transfermarkt.de. On paper, the away game at Bologna could serve as another challenge, but the Italian side lost some key figures from last season with head coach Motta, striker Zirkzee and centre back Calafiori. Conservatively estimating 15 points out of the 8 matches, **BVB could possibly make it directly into the round of 16**, according to simulations conducted by Football Meets Data.

Mind you, the UCL will be played under a new format this season with the number of participants increasing from 32 to 36 ([Update](#) on prize money details). Moreover, there will be no groups anymore, instead all teams will be ranked on one table. At the end of the league phase, the top 8 teams move directly into the round of 16, while the teams ranked 9-24 will play out the remaining participants in an intermediate round. In our model, we conservatively expect BVB to reach the round of 16, every progress beyond that is hence providing upside to our estimates.

Besides this, BVB had a sound **start to the new Bundesliga season**. After winning the first game against a highly talented Frankfurt squad, BVB got another point this weekend at Bremen thanks to a 0-0 draw.

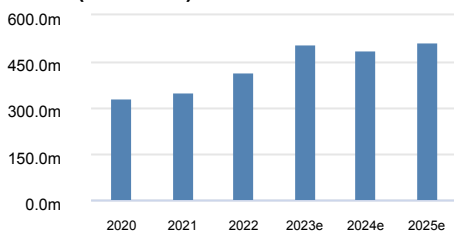
Overall, **the team should be equipped to land another top 4 spot at the end of the season** to qualify for the UCL again. Also, another deep run in the UCL is possible, especially if the team manages to finish top 8 in the league phase.

Reiterate **BUY** with an unchanged **€ 5.50 PT** based on DCF.

Y/E 30.06 (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Sales	334.2	351.6	418.2	509.1	488.0	515.8
Sales growth	-9.7%	5.2%	18.9%	21.7%	-4.1%	5.7%
EBITDA	38.9	80.8	123.2	150.3	144.0	155.8
Net debt (if net cash=0)	76.2	6.6	30.1	36.2	11.4	-24.8
FCF	-46.1	-16.1	-22.3	-4.3	31.4	42.9
Net Debt/EBITDA	2.0	0.1	0.2	0.2	0.1	0.0
EPS pro forma	-0.66	-0.32	0.09	0.40	0.30	0.33
EBITDA margin	11.7%	23.0%	29.5%	29.5%	29.5%	30.2%
ROCE	-22.2%	-9.6%	5.5%	13.4%	9.6%	10.2%
EV/sales	2.1	1.2	1.0	0.9	0.8	0.7
EV/EBITDA	17.8	5.0	3.5	2.9	2.9	2.4
PER	-5.5	-11.4	41.8	9.0	11.9	11.0
Adjusted FCF yield	-10.4%	-7.6%	3.7%	9.6%	7.6%	9.0%

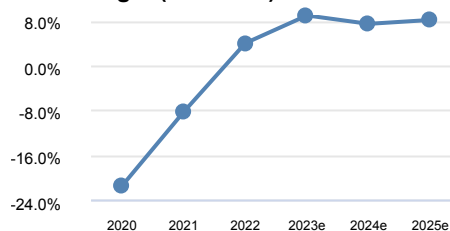
Source: Company data, NuWays, Close price as of 30.08.2024

Sales (2020-25e)



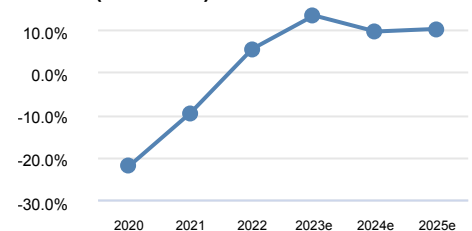
Source: NuWays Research

EBIT margin (2020-25e)

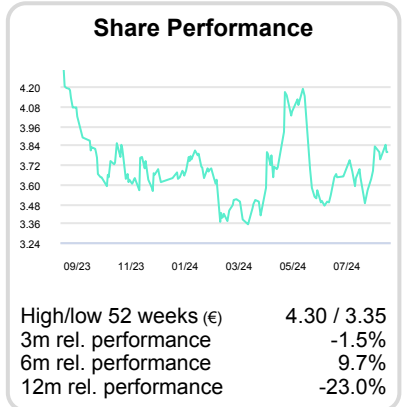


Source: NuWays Research

ROCE (2020-25e)



Source: NuWays Research



Market data

Share price (in €)	3.79
Market cap (in € m)	399.6
Number of shares (in m pcs)	110.4
Enterprise value (in € m)	411.1
Ø trading volume (6 months)	136,745

Identifier

Bloomberg	BVB GR
Reuters	BVB.DE
WKN	549309
ISIN	DE0005493092

Key shareholders

Bernd Geske	8.2%
Evonik Industries AG	8.2%
SIGNAL IDUNA	6.0%
PUMA SE	5.3%
Ralph Dommermuth Beteiligungen GmbH	5.0%
Free Float	67.2%

Estimates changes

	2023/24e	2024/25e	2025/26e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Company description

Borussia Dortmund operates a professional football club with a strong brand power and reputation in both national and international football. The main revenues are generated from sponsorship, ticketing, transfers and merchandising.

Guidance

- Sales: ≥ € 427m
- EBITDA: € 104-114m
- Net income: € 33-43m

Financials

Profit and loss (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Net sales	334.2	351.6	418.2	509.1	488.0	515.8
<i>Sales growth</i>	-9.7%	5.2%	18.9%	21.7%	-4.1%	5.7%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	334.2	351.6	418.2	509.1	488.0	515.8
Other operating income	25.8	85.4	79.3	109.1	103.5	109.4
Material expenses	19.6	22.6	24.1	32.7	34.2	36.1
Personnel expenses	215.6	231.2	236.2	268.5	254.7	268.2
Other operating expenses	85.8	102.4	114.0	166.7	158.6	165.0
Total operating expenses	295.2	270.9	295.0	358.9	344.0	359.9
EBITDA	38.9	80.8	123.2	150.3	144.0	155.8
Depreciation	14.6	14.4	14.0	13.7	14.1	14.9
EBITA	24.4	66.3	109.3	136.6	129.9	140.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	96.5	95.5	92.3	90.6	93.3	98.6
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-72.1	-29.2	16.9	45.9	36.7	42.4
Interest income	0.7	0.7	0.0	8.0	4.9	5.2
Interest expenses	1.7	4.9	6.1	5.2	2.0	2.0
Investment income	-0.1	0.0	0.0	0.0	0.0	0.0
Financial result	-1.1	-4.2	-6.1	2.7	2.9	3.1
Recurring pretax income from continuing operations	-73.2	-33.4	10.8	48.6	39.5	45.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-73.2	-33.4	10.8	48.6	39.5	45.5
Income tax expense	-0.3	1.7	1.2	4.3	5.9	9.1
Net income from continuing operations	-72.8	-35.1	9.6	44.3	33.6	36.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-72.8	-35.1	9.6	44.3	33.6	36.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-72.8	-35.1	9.6	44.3	33.6	36.4
Average number of shares	110.4	110.4	110.4	110.4	110.4	110.4
EPS reported	-0.66	-0.32	0.09	0.40	0.30	0.33

Profit and loss (common size)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	-9.7%	5.2%	18.9%	21.7%	-4.1%	5.7%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	7.7%	24.3%	19.0%	21.4%	21.2%	21.2%
Material expenses	5.9%	6.4%	5.8%	6.4%	7.0%	7.0%
Personnel expenses	64.5%	65.8%	56.5%	52.7%	52.2%	52.0%
Other operating expenses	25.7%	29.1%	27.3%	32.8%	32.5%	32.0%
Total operating expenses	88.3%	77.0%	70.5%	70.5%	70.5%	69.8%
EBITDA	11.7%	23.0%	29.5%	29.5%	29.5%	30.2%
Depreciation	4.4%	4.1%	3.3%	2.7%	2.9%	2.9%
EBITA	7.3%	18.9%	26.1%	26.8%	26.6%	27.3%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	28.9%	27.2%	22.1%	17.8%	19.1%	19.1%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-21.6%	-8.3%	4.0%	9.0%	7.5%	8.2%
Interest income	0.2%	0.2%	0.0%	1.6%	1.0%	1.0%
Interest expenses	0.5%	1.4%	1.5%	1.0%	0.4%	0.4%
Investment income	-0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	0.5%	0.6%	0.6%
Recurring pretax income from continuing operations	-21.9%	-9.5%	2.6%	9.6%	8.1%	8.8%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-21.9%	-9.5%	2.6%	9.6%	8.1%	8.8%
Tax rate	0.5%	-5.1%	11.4%	8.9%	15.0%	20.0%
Net income from continuing operations	-21.8%	-10.0%	2.3%	8.7%	6.9%	7.1%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-21.8%	-10.0%	2.3%	8.7%	6.9%	7.1%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-21.8%	-10.0%	2.3%	8.7%	6.9%	7.1%

Source: Company data, NuWays

Balance sheet (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Intangible assets	193.4	124.4	169.7	184.1	184.1	184.1
Property, plant and equipment	183.5	172.5	182.3	198.3	198.3	198.3
Financial assets	0.4	0.7	0.5	0.6	0.6	0.6
FIXED ASSETS	377.3	297.6	352.4	382.9	382.9	382.9
Inventories	6.8	4.4	5.4	5.3	5.1	5.4
Accounts receivable	40.3	105.4	125.5	178.0	167.1	176.6
Other assets and short-term financial assets	9.5	24.0	11.0	9.1	9.1	9.1
Liquid assets	1.7	10.6	4.5	4.4	29.2	65.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	14.8	13.1	13.0	10.0	10.0	10.0
CURRENT ASSETS	73.2	157.5	159.4	206.8	220.5	266.5
TOTAL ASSETS	450.5	455.1	511.8	589.7	603.4	649.5

SHAREHOLDERS EQUITY	232.6	280.5	282.7	327.0	353.2	391.7
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	8.8	26.1	26.1	26.1
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	21.1	17.2	13.0	11.9	11.9	11.9
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	2.3	0.0	0.0	1.0	1.0	1.0
NON-CURRENT LIABILITIES	23.4	17.2	21.8	38.9	38.9	38.9
Short-term liabilities to banks	56.9	0.0	12.8	2.6	2.6	2.6
Accounts payable	101.4	98.5	132.9	146.2	133.7	141.3
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	31.1	38.9	37.4	48.9	48.9	48.9
Deferred taxes	0.0	0.0	1.1	5.4	5.4	5.4
Deferred income	5.1	19.9	23.2	20.6	20.6	20.6
CURRENT LIABILITIES	194.5	157.4	207.3	223.7	211.2	218.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	450.5	455.1	511.8	589.7	603.4	649.5

Balance sheet (common size)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Intangible assets	42.9%	27.3%	33.1%	31.2%	30.5%	28.3%
Property, plant and equipment	40.7%	37.9%	35.6%	33.6%	32.9%	30.5%
Financial assets	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%
FIXED ASSETS	83.8%	65.4%	68.9%	64.9%	63.5%	59.0%
Inventories	1.5%	1.0%	1.1%	0.9%	0.8%	0.8%
Accounts receivable	9.0%	23.2%	24.5%	30.2%	27.7%	27.2%
Other assets and short-term financial assets	2.1%	5.3%	2.2%	1.5%	1.5%	1.4%
Liquid assets	0.4%	2.3%	0.9%	0.7%	4.8%	10.1%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	3.3%	2.9%	2.5%	1.7%	1.7%	1.5%
CURRENT ASSETS	16.2%	34.6%	31.1%	35.1%	36.5%	41.0%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	51.6%	61.6%	55.2%	55.5%	58.5%	60.3%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	1.7%	4.4%	4.3%	4.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	4.7%	3.8%	2.5%	2.0%	2.0%	1.8%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	0.5%	0.0%	0.0%	0.2%	0.2%	0.2%
NON-CURRENT LIABILITIES	5.2%	3.8%	4.3%	6.6%	6.5%	6.0%
Short-term liabilities to banks	12.6%	0.0%	2.5%	0.4%	0.4%	0.4%
Accounts payable	22.5%	21.7%	26.0%	24.8%	22.2%	21.8%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	6.9%	8.5%	7.3%	8.3%	8.1%	7.5%
Deferred taxes	0.0%	0.0%	0.2%	0.9%	0.9%	0.8%
Deferred income	1.1%	4.4%	4.5%	3.5%	3.4%	3.2%
CURRENT LIABILITIES	43.2%	34.6%	40.5%	37.9%	35.0%	33.7%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Borussia Dortmund GmbH & Co KGaA

Update - 02.09.2024



Cash flow statement (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Net profit/loss	-72.8	-35.1	9.6	44.3	33.6	36.4
Depreciation of fixed assets (incl. leases)	14.6	14.4	14.0	13.7	14.1	14.9
Amortisation of goodwill & intangible assets	96.5	95.5	92.3	90.6	93.3	98.6
Other costs affecting income / expenses	4.6	25.7	-74.6	-62.4	-80.0	-80.0
Cash flow from operating activities	-95.1	-74.9	-51.9	-57.1	-47.8	-45.8
Increase/decrease in inventory	-0.1	2.4	-1.0	0.2	0.2	-0.3
Increase/decrease in accounts receivable	8.9	-65.0	-20.1	-52.5	10.9	-9.5
Increase/decrease in accounts payable	-35.7	-2.8	34.3	13.4	-12.5	7.6
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-26.9	-65.5	13.2	-39.0	-1.4	-2.2
Cash flow from operating activities	15.9	35.1	54.4	47.2	59.5	67.7
CAPEX	91.7	81.1	147.9	140.0	107.4	113.5
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.2	0.0	0.1	0.0	0.0
Income from asset disposals	29.7	30.0	71.1	88.5	79.3	88.7
Cash flow from investing activities	-62.0	-51.4	-76.8	-51.6	-28.1	-24.8
Cash flow before financing	-46.1	-16.3	-22.3	-4.4	24.8	36.3
Increase/decrease in debt position	52.5	-61.3	16.2	7.1	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	86.5	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	6.6	6.6
Others	0.0	0.0	0.0	-2.8	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	52.5	25.1	16.2	4.3	-6.6	-6.6
Increase/decrease in liquid assets	6.4	8.8	-6.1	-0.1	24.8	36.3
Liquid assets at end of period	1.7	10.6	4.5	4.4	29.2	65.4

Key ratios (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
P&L growth analysis						
Sales growth	-9.7%	5.2%	18.9%	21.7%	-4.1%	5.7%
EBITDA growth	-38.2%	107.3%	52.6%	21.9%	-4.2%	8.2%
EBIT growth	67.1%	-59.5%	-158.0%	171.6%	-20.2%	15.5%
EPS growth	38.1%	-51.8%	-127.2%	363.9%	-24.2%	8.3%
Efficiency						
Sales per employee	385.2	387.1	456.6	546.0	513.7	531.7
EBITDA per employee	44.9	88.9	134.5	161.1	151.6	160.6
No. employees (average)	868	908	916	932	950	970
Balance sheet analysis						
Avg. working capital / sales	-20.2%	-6.1%	1.1%	3.4%	7.7%	7.7%
Inventory turnover (sales/inventory)	49.1	79.6	76.8	96.2	96.2	96.2
Accounts receivable turnover	44.0	109.4	109.5	127.6	125.0	125.0
Accounts payable turnover	110.7	102.3	116.0	104.8	100.0	100.0
Cash flow analysis						
Free cash flow	-46.1	-16.1	-22.3	-4.3	31.4	42.9
Free cash flow/sales	-13.8%	-4.6%	-5.3%	-0.8%	6.4%	8.3%
FCF / net profit	63.3%	45.9%	neg.	neg.	93.6%	117.9%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	76.2	6.6	30.1	36.2	11.4	-24.8
Net Debt/EBITDA	2.0	0.1	0.2	0.2	0.1	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	14.9%	19.7%	18.2%
Interest paid / avg. debt	3.0%	10.3%	23.7%	13.9%	5.0%	5.0%
Returns						
ROCE	-22.2%	-9.6%	5.5%	13.4%	9.6%	10.2%
ROE	-31.3%	-12.5%	3.4%	13.5%	9.5%	9.3%
Adjusted FCF yield	-10.4%	-7.6%	3.7%	9.6%	7.6%	9.0%
Dividend yield	0.0%	0.0%	0.0%	1.7%	1.7%	1.7%
DPS	0.0	0.0	0.0	0.1	0.1	0.1
EPS reported	-0.66	-0.32	0.09	0.40	0.30	0.33
Average number of shares	110.4	110.4	110.4	110.4	110.4	110.4
Valuation ratios						
P/BV	1.7	1.4	1.4	1.2	1.1	1.0
EV/sales	2.1	1.2	1.0	0.9	0.8	0.7
EV/EBITDA	17.8	5.0	3.5	2.9	2.9	2.4
EV/EBIT	-9.6	-13.9	25.4	9.5	11.2	8.8

Source: Company data, NuWays

Disclosures

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Company	Disclosures
Borussia Dortmund GmbH & Co KGaA	2

Historical target price and rating changes for Borussia Dortmund GmbH & Co KGaA

Company	Date	Analyst	Rating	Target Price	Close
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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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