



# INVESTOR PRESENTATION

Financial year 2017/2018



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# AGENDA

- **INTRODUCTION OF BORUSSIA DORTMUND**
- **UPDATE ON RECENT EVENTS**
- **INVESTMENT HIGHLIGHTS**
- **FINANCIAL OVERVIEW**
- **STRATEGY & UPSIDE POTENTIAL**



# INTRODUCTION OF BORUSSIA DORTMUND

## A leading European Football Club

Since its formation in 1909 Borussia Dortmund has become one of Germany's most successful football clubs, having won eight national championships, four German cup victories, first German club to win the European Cup Winners Cup and the UEFA Champions League

## Formidable fan base

Average number of spectators in 2017/2018: 79,496, making BVB no. 1 in Germany – ahead of Bayern Munich (75,000) and no. 1 in Europe for the seventh time in a row (!) ahead of Manchester United (74,462), FC Barcelona (65,824) and Real Madrid (65,824)

## Stadium „Signal Iduna Park“

81,360 seats, making it Germany's largest football stadium. Attendance at over 95 percent on average over past ten years; according to TIMES, also the world's most attractive football stadium.

## Versatile revenue sources

Pursuing a well defined strategy centred on developing core revenue sources such as broadcasting, advertising, match operations, merchandising/conference and catering and transfers

# INTRODUCTION OF BORUSSIA DORTMUND

## Management



**Hans-Joachim Watzke**, *CEO*

- Appointed managing director of Borussia Geschäftsführungs-GmbH in 15/2/2005
- Responsible for company's strategy and the business divisions "sports", "communication" and "sponsoring"
- Graduated as Dipl. Kaufmann
- Previous function: sole managing partner of Watex-Schutz-Bekleidungs-GmbH, a prominent manufacturer of protective clothing for workers and fire departments located in Marsberg (Hoch-Sauerland-Kreis), Germany



**Thomas Treß**, *CFO*

- Appointed managing director of Borussia Geschäftsführungs-GmbH in 2005
- Responsible for business divisions "finances" and "organisation"
- Graduated as Dipl. Kaufmann, tax advisor, certified public accountant
- Previous function: Partner with general powers of representation at auditing firm "RölfsPartner"

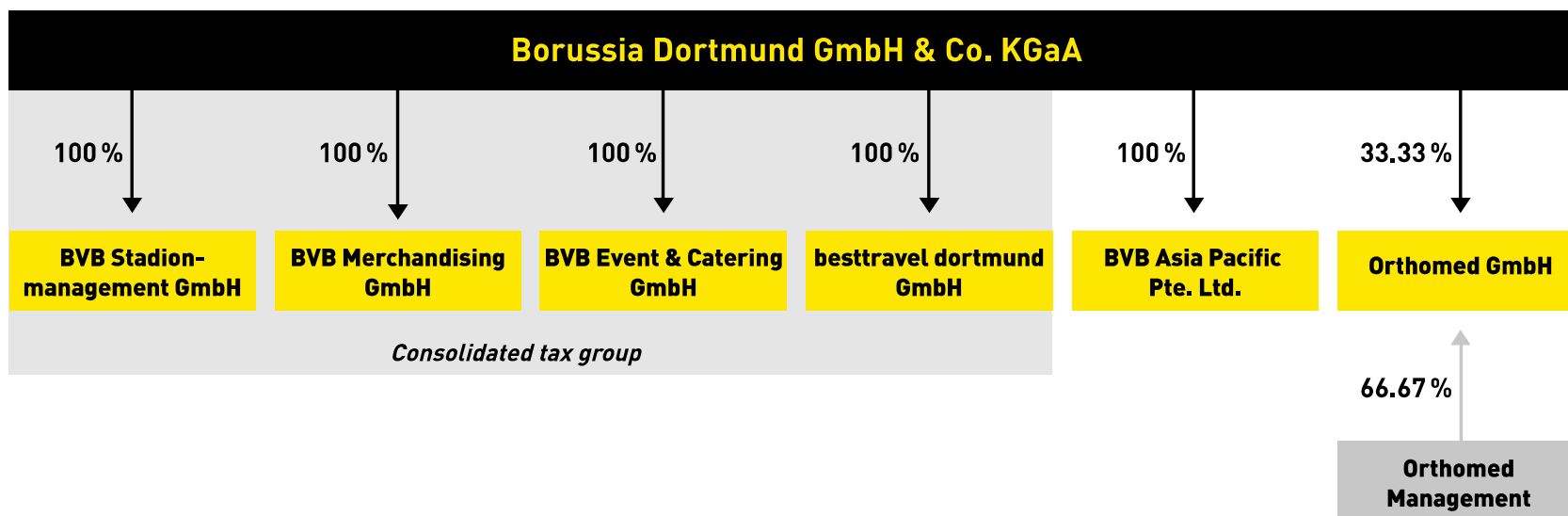


**Carsten Cramer**

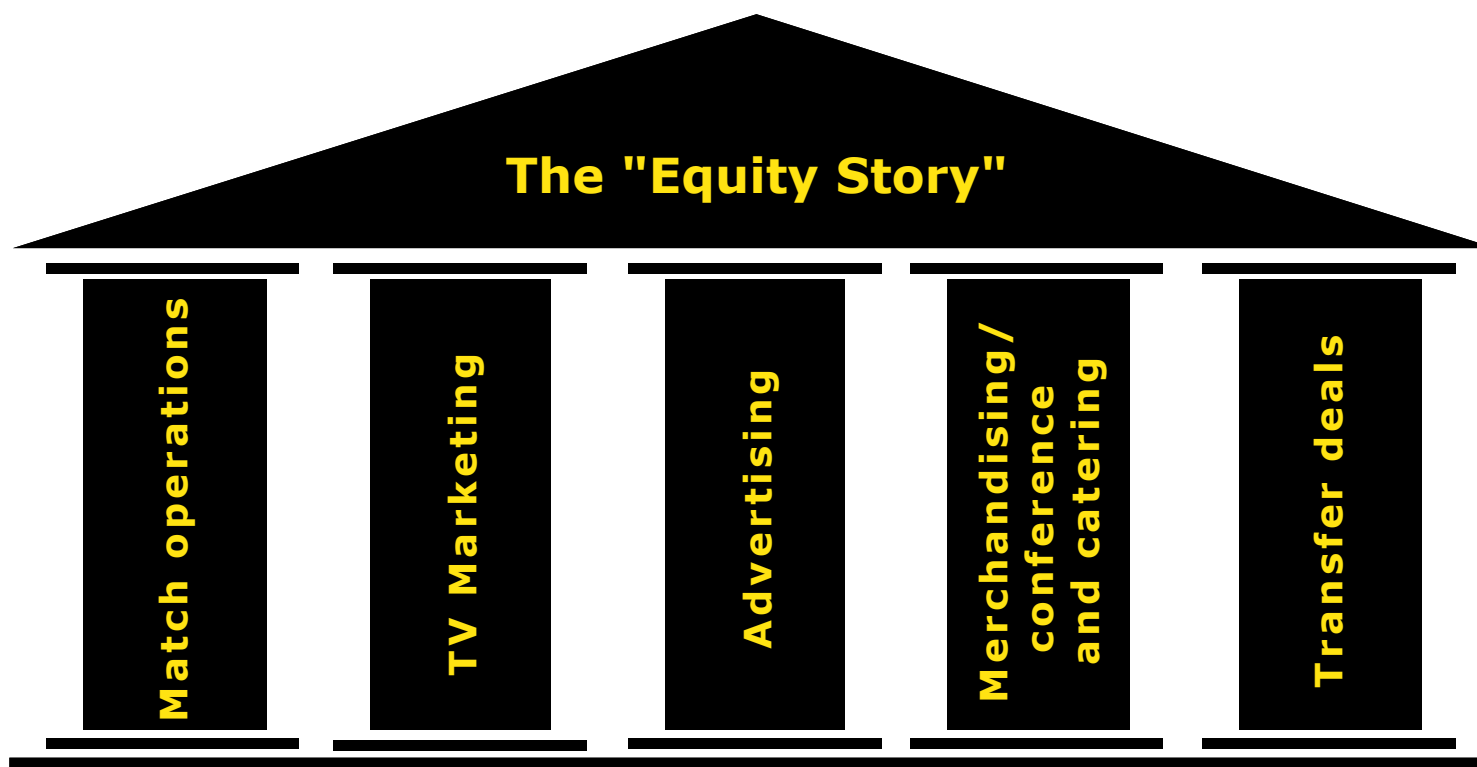
- Appointed managing director of Borussia Geschäftsführungs-GmbH in 2018
- Responsible for business divisions "sales", "marketing" and "digitalization"
- Previous function: Vice President Lagardère Sports

# INTRODUCTION OF BORUSSIA DORTMUND

## Borussia Dortmund group



# INTRODUCTION OF BORUSSIA DORTMUND



# UPDATE ON RECENT EVENTS

- Borussia Dortmund recorded with EUR 536.0 m. the highest revenues in its club history in fiscal year (FY) 2017/2018
- German record Transfer of Ousmane Dembélé for €105m plus further contingent payments to FC Barcelona
- Transfer of Pierre-Emerick Aubameyang for € 63,75m to Arsenal FC
- Payment of dividend in an amount of EUR 0.06 per share proposed to resolved general meeting 2018
- Most sympathetic football club in Germany (European Football Benchmark survey / Nielsen Sports Fußballmonitor 2017/2018)
- Qualified for UEFA Champions League in the season 2018/2019





# INVESTMENT HIGHLIGHTS

**Substantial higher value than implied by current stock market capitalization**

**Stable revenues with further potential for growth**

**Track record of developing talent**

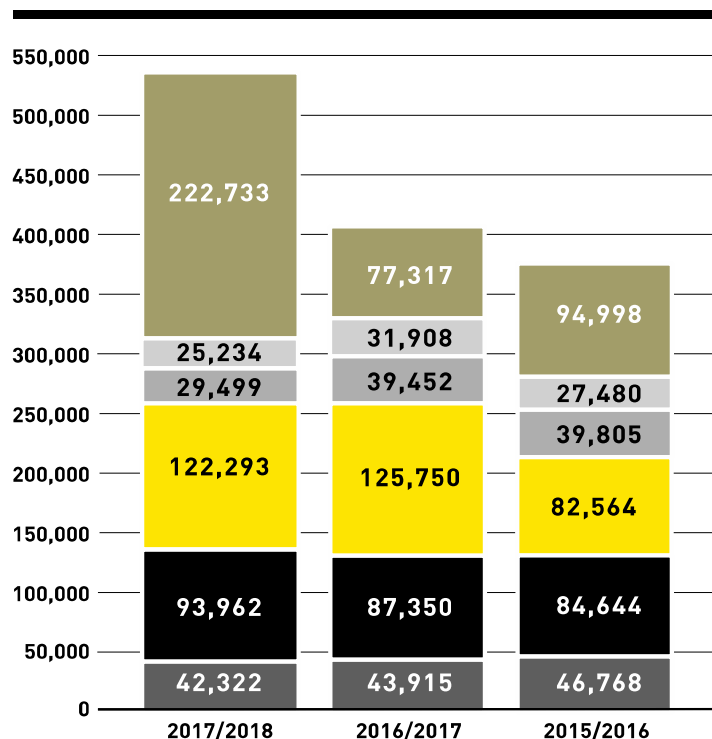
**Leading brand and growing social presence**

# INVESTMENT HIGHLIGHTS

## Stable revenue with further potential for growth

- **Total Group Revenues** EUR 536.0
- **Match operations:** Stadium attendance above 95 percent on average over the past 10 years, In the current FY 2018/2019 again 55,500 season tickets sold – "All-time record" for Bundesliga.
- **Advertising:** Increase resulted primarily from new revenues of sleeve sponsorship sponsors and higher international revenues.
- **TV marketing:** Substantial increase due to growing TV Bundesliga revenues (EUR +21.8 m.).
- **Merchandising:** Decline of 10 m. due to consumption saturation.

Sales in EUR '000



# INVESTMENT HIGHLIGHTS

## Track record of developing talent

The aim is to further develop the professional squad, thus creating and developing sportive competitiveness as well as financial value. **The primary objective is to achieve sporting successes without incurring new debt.**

- **Transfer policy/football philosophy**

Professional scouting geared towards value appreciation is intended to create substantial values and long-term sporting competitiveness for the future.

- **High-quality players bring about excellent performance**

Players such as Marco Reus (29), Axel Witsel (29) or Paco Alcacer (25) offer the necessary quality of performance.

- **State-of-the-art training centre / BVB Academy**

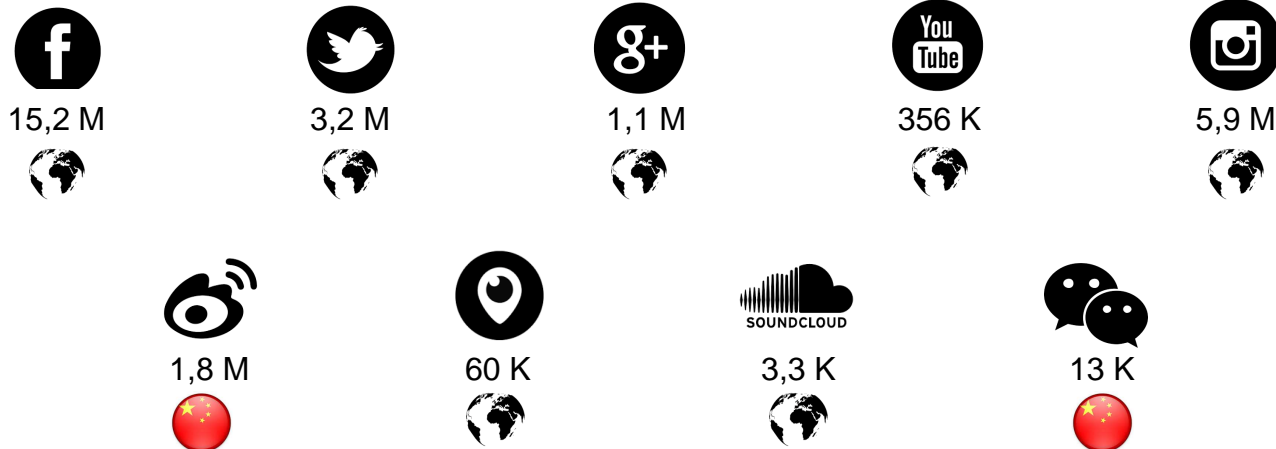
Borussia Dortmund's training centre combines optimal infrastructure with the latest training techniques and analyses, such as computer-assisted video systems, both for the professional squad and for the amateur and youth teams.

# INVESTMENT HIGHLIGHTS

## Leading brand with growing social media presence

- BVB is Germany's # 1 in "2017 BrandFeel Ranking according to study conducted by Mafo.de
- Germany's most popular club according to the current "2018 European Football Benchmark Study by Statista
- Social media presence is monetized among others by cross advertising

Total 27.6 Million Follower



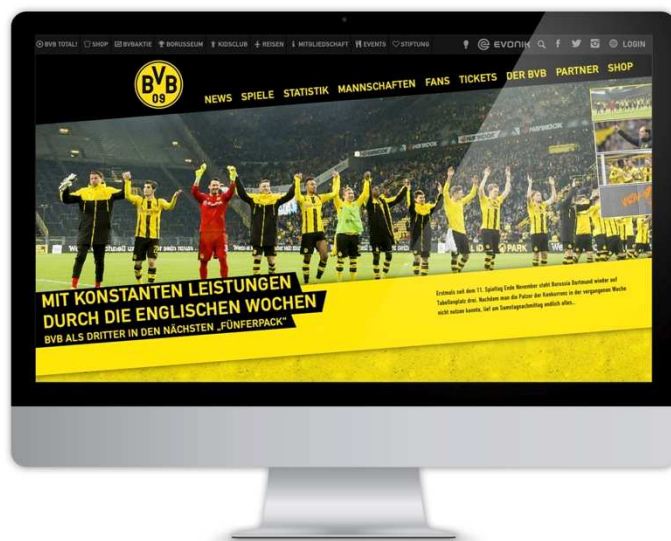
Source: mafo.com, 02/2017

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# INVESTMENT HIGHLIGHTS

## Digital Landscape



**WEB**

### SEASONAL VIEW

09 Million Users

27 Million Sessions

55 Million Page Impressions

English, German, Japanese, Spanish,  
French, Chinese (to be launched)



**APP**

### SEASONAL VIEW

2.8 Million Downloads

1.3 Million Users

60 Million Sessions

388 Million Page Impressions

English & German

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# INVESTMENT HIGHLIGHTS

## Borussia Dortmund group

### KEY FINANCIAL INDICATORS

EUR '000	2017/2018		2016/2017	
	KGaA	Group	KGaA	Group
<b>Revenue</b>	494,972	536,043	352,591	405,692
<b>Gross revenue</b>	498,037	539,935	356,390	409,936
<b>Operating result (EBITDA)</b>	118,726	126,630	61,040	74,073
<b>Result from operating activities (EBIT)</b>	30,301	36,074	51	10,658
<b>(Consolidated) net income for the year</b>	26,405	28,462	6,339	8,209
<b>Cash flows from</b>				
operating activities	156,861	158,367	106,401	110,412
investing activities	-138,470	-130,732	-104,412	-104,633
financing activities	-8,840	-17,468	-6,311	-8,204
<b>Equity as at 30 June</b>	369,193	336,304	348,307	312,302
<b>Earnings per share (in EUR)</b>	<b>0.29</b>	<b>0.31</b>	<b>0.07</b>	<b>0.09</b>

# STRATEGY & UPSIDE POTENTIAL

The current **strategy** can principally be summarised as follows:

## Focus on developing new talent and keeping key players

- Investments in young players such as Sergio Gomez (18), Jadon Sancho (18), Dan-Axel Zagadou (19), Jacob Bruun Larsen (20) or Christian Pulisic (20) and signing high-quality players such as Marco Reus (29), Axel Witsel (29) or Paco Alcacer (25); new, uniform training concepts for all professional, amateur and youth squads.

## Increasing fan involvement

- Expansion of fan services and participation in projects such as interactive BVB app, social media platforms such as Facebook and Twitter, BVB football academy and TV club channel "BVB tv!" / "BVB World!".

## Utilising the "Borussia Dortmund" brand

- By expanding licensing business and more "strict" brand management.

# STRATEGY & UPSIDE POTENTIAL

The current **strategy** can principally be summarised as follows:

## Further gradual improvement in financial structure

- Equity ratio: 70.31 % (as of 30 June 2018)

## Communication with the financial markets

- Quarterly financial reports, roadshows, company presentations at investor events such as but not limited to Deutsche Börse's equity forum.



# STRATEGY & UPSIDE POTENTIAL

The Company has the following areas of **upside potential**:

- **(Re)qualification for UEFA Champions League/UEFA Europa League**
- **Increase in TV Rights revenue**
- **Realisation of transfer income**
- **Expansion of sponsoring/VIP hospitality marketing**
- **Success in DFB Cup**

# Appendix – Borussia Dortmund Group

## REVENUE

EUR '000	2017/2018	2016/2017	Delta
<b>Match operations</b>	42,322	43,915	-1,593
<b>Advertising</b>	93,962	87,350	6,612
<b>TV Marketing</b>	122,293	125,750	-3,457
<b>Transfer deals</b>	222,733	77,317	145,416
<b>Merchandising</b>	29,499	39,452	-9,953
<b>Conference, catering, miscellaneous</b>	25,234	31,908	-6,674
	<b>536,043</b>	<b>405,692</b>	<b>130,351</b>

# Appendix – Borussia Dortmund Group

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	2017/2018	2016/2017	Delta
Revenue	536,043	405,692	130,351
Other operating income	3,892	4,244	-352
<b>Gross revenue</b>	<b>539,935</b>	<b>409,936</b>	<b>129,999</b>
Cost of materials	-20,094	-25,929	5,835
Personnel expenses	-186,715	-177,949	-8,766
Other operating expenses	-206,496	-131,985	-74,511
<b>Operating result (EBITDA)</b>	<b>126,630</b>	<b>74,073</b>	<b>52,557</b>
Deprecation, amortisation and write-downs	-90,556	-63,415	-27,141
<b>Result from operating activities (EBIT)</b>	<b>36,074</b>	<b>10,658</b>	<b>25,416</b>
Financial result	-4,323	-1,539	-2,784
<b>Profit before income taxes</b>	<b>31,751</b>	<b>9,119</b>	<b>22,632</b>
Income taxes	-3,289	-910	-2,379
<b>Consolidated net income for the year</b>	<b>28,462</b>	<b>8,209</b>	<b>20,253</b>

# Appendix – Borussia Dortmund Group

## OTHER OPERATING EXPENSES

EUR '000	2017/2018	2016/2017	Delta
<b>Match operations</b>	39,824	42,065	-2,241
<b>Advertising</b>	24,236	27,337	-3,101
<b>Transfer deals</b>	107,657	31,535	76,122
<b>Retail</b>	6,832	7,728	-896
<b>Administration</b>	22,254	19,116	3,138
<b>Other</b>	5,693	4,204	1,489
	<b>206,496</b>	<b>131,985</b>	<b>74,511</b>

# Appendix – Borussia Dortmund Group

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

EUR '000	30/06/2018	30/06/2017	Delta
<b>Non-current Assets</b>	<b>341,926</b>	<b>354,858</b>	<b>-12,932</b>
Intangible assets	109,684	141,521	-31,837
Property, plant and equipment	180,693	184,664	-3,971
Investments accounted for using the equity method	309	296	13
Financial assets	71	109	-38
Trade and other financial receivables	39,653	10,256	29,397
Deferred tax assets	793	1,136	-343
Prepaid expenses	10,723	16,876	-6,153
<b>Current assets</b>	<b>136,405</b>	<b>123,739</b>	<b>12,666</b>
Inventories	5,588	8,978	-3,390
Trade and other financial receivables	22,981	48,776	-25,795
Current tax assets	645	170	475
Cash and cash equivalents	59,464	49,297	10,167
Prepaid expenses	16,655	16,518	137
Assets held for sale	31,072	0	31,072
<b>Total balance sheet</b>	<b>478,331</b>	<b>478,597</b>	<b>-266</b>

# Appendix – Borussia Dortmund Group

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

EUR '000	30/06/2018	30/06/2017	Delta
<b>Equity</b>	<b>336,304</b>	<b>312,302</b>	<b>24,002</b>
Subscribed capital	92,000	92,000	0
Reserves	244,417	220,415	24,002
Treasury shares	-113	-113	0
Equity attributable to the owners of the parent company	336,304	312,302	24,002
<b>Non-current liabilities</b>	<b>23,001</b>	<b>25,383</b>	<b>-2,382</b>
Non-current liabilities from finance leases	6,726	8,695	-1,969
Trade payables	9,724	496	9,228
Other non-current liabilities	2,550	8,192	-5,642
Deferred income	4,001	8,000	-3,999
<b>Current liabilities</b>	<b>119,026</b>	<b>140,912</b>	<b>-21,886</b>
Provisions	1,146	1,178	-32
Current liabilities from finance leases	1,969	10,295	-8,326
Trade payables	54,597	63,565	-8,968
Other current liabilities	34,659	43,264	-8,605
Tax liabilities	1,962	732	1,230
Deferred income	24,693	21,878	2,815
<b>Total balance sheet</b>	<b>478,331</b>	<b>478,597</b>	<b>-266</b>

# Appendix – Borussia Dortmund Group

## CONSOLIDATED STATEMENT OF CASH FLOW

EUR '000	2017/2018	2016/2017	Delta
<b>Cash Flow from operating activities</b>	<b>158,367</b>	<b>110,412</b>	<b>47,955</b>
Payments for investment in intangible assets	-123,562	-96,526	-27,036
investments in property, plant and equipment	-7,195	-8,139	944
investments in financial assets	25	32	-7
<b>Cash flows from investing activities</b>	<b>-130,732</b>	<b>-104,633</b>	<b>-26,099</b>
Acquisition of minority interest	0	-45	45
Payment for settlement of derivatives dividend payments	-1,654	0	-1,654
Dividend payments	-5,519	-5,519	0
Repayment of liabilities under finance leases	-10,295	-2,640	-7,655
<b>Cash flows from financing activities</b>	<b>-17,468</b>	<b>-8,204</b>	<b>-9,264</b>
Change in cash and cash equivalents	10,167	-2,425	12,592
Cash and Cash equivalents at the beginning of the period	49,297	51,722	-2,425
<b>Cash and cash equivalents at te end of the period</b>	<b>59,464</b>	<b>49,297</b>	<b>10,167</b>

# Appendix – Future viability of Bundesliga

## Source-based allocation of TV funds

- Increasing fan base and loyalty
- Greater focus of club executives on increasing the brand value

Increasing the **attractiveness** of the Bundesliga – nationally and internationally

## 50 + 1

- Protection from pursuit of individual interests which are not economical (selfishness and vanity)
- Protection from accumulation of excessive debt by clubs

Maintaining and improving **solidarity** in the Bundesliga

## Financial Fair Play

- Fair financial competition regardless of ownership structures
- Promotion of reasonable financial measures taken by clubs

Maintaining and improving financial **stability** in the Bundesliga



# Appendix – BVB share

## BVB share

Current **market cap: approx. EUR 772.80 m.** (as of 17/10/2018). Share price currently trending between EUR 8.40 and EUR 8.70.

- Research report by GSC Research GmbH, Düsseldorf, dated 30 October 2018 issued "Hold" recommendation (previously: "Buy")
- Edison Research Investment Ltd., London (UK), issued a "research update" on 29 October 2018 (n/a).
- Research report by Bankhaus Lampe KG, Düsseldorf, dated 14 September 2018 issued "Buy" recommendation (previously: "Buy")
- Research report by ODDO BHF AG, Frankfurt a.M., dated 22 February 2018 issued "Neutral" recommendation (previously: „Buy“)

Further information available for download under "Capital Market View" at our IR page at [www.bvb.de/aktie](http://www.bvb.de/aktie).



# Appendix – shareholder structure

Borussia Dortmund GmbH & Co. KGaA's share capital amounts to EUR 92,000,000 divided into the same number of no-par value shares. Based on the voting rights notifications we have received, the shareholder structure of Borussia Dortmund GmbH & Co. KGaA is presently (18/04/2018) as follows:

- **Evonik Industries AG: 14.78%**
- **Bernd Geske: 9.30%**
- **Ballspielverein Borussia 09 e.V. Dortmund: 5.53%**
- **SIGNAL IDUNA: 5.43%**
- **PUMA SE: 5.0%**
- **Free float: 59,96%**



# Appendix – financial calendar

- 13/11/2018  
Edison Roadshow, London (UK) - Company presentation
- 14/11/2018  
disclosure of the quarterly financial report – Q1 fiscal year 2018/2019
- 26/11/2018  
Annual shareholder meeting 2018, Dortmund (GER)
- 27/11/2018  
Eigenkapitalforum, Frankfurt a.M. (GER) - Company presentation

# Appendix – IR contact details

Borussia Dortmund GmbH & Co. KGaA

**Dr. jur. Robin Steden**

Rheinlanddamm 207 – 209

44137 Dortmund

Germany

Tel: +49 (0) 231 9020-2746

Fax: +49 (0) 231 9020-852746

E-mail: [aktie@bvb.de](mailto:aktie@bvb.de)

[www.bvb.de/aktie](http://www.bvb.de/aktie)



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