

BORUSSIA DORTMUND

BORUSSIA DORTMUND

INVESTOR PRESENTATION

Financial year 2015/2016

Real Love.



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AGENDA

- **EXECUTIVE SUMMARY**
- **INVESTMENT HIGHLIGHTS**
- **COMPANY & MARKET OVERVIEW**
- **FINANCIAL OVERVIEW**
- **STRATEGY & UPSIDE POTENTIAL**



EXECUTIVE SUMMARY

- 2016 DFB Cup finalist and qualified for the UEFA Champions League group stage in the 2016/2017 season.
- Borussia Dortmund increases consolidated revenue by 36.3% to EUR 376.3 m. Even without transfer revenues and despite of a non-participation in the UEFA Champions League the group revenues increased by 6.7% to a new record amount of EUR 281.3 m. (previous year EUR 263.6 m.).
- In fifth year in a row, the payment of a dividend (EUR 0.06 per share) proposed to the Annual General Meeting.
- Transfer policy generates considerable hidden reserves under player registrations.
- New coach Thomas Tuchel takes reins in the 2015/2016 season, succeeds Jürgen Klopp after 7 successful years at Borussia Dortmund.
- SIGNAL IDUNA PARK: Borussia Dortmund has the largest (81,360 seats) and best-visited football stadium in Germany and in Europe (avg. 99 percent in past four financial years), according to study by TU Braunschweig, Borussia Dortmund is Germany's most popular football club and owns the best Bundesliga brand in the football according to Mafo.de's "2016 BrandFeel Ranking".



EXECUTIVE SUMMARY

- Clubs substantial value is far higher than the current stock exchange market capitalization of EUR 446.2 m. (as of 29.09.2016). KPMG „Football clubs´ evaluation – The European Elite 2016“ estimates the value of Borussia Dortmund with approx. EUR 830.0 m., Forbes evaluates Borussia Dortmund with approx. US\$ 836.0 m.
- "Upside potential" lies in long-term sporting success and additional revenues resulting thereof, especially from the exploitation of TV-Rights where Borussia Dortmund expects a significant growth in the next years.

INVESTMENT HIGHLIGHTS

SIGNAL IDUNA PARK

- 81,360 seats, making it Germany's largest football stadium. Attendance at over 90 percent on average over past ten years; according to TIMES, also the world's most attractive football stadium.

Ticketing – Formidable fan base

- Average number of spectators in 2015/2016: 81,178, making BVB no. 1 in Germany – ahead of Bayern Munich (75,000) and no. 1 in Europe for the fifth time in a row (!) ahead of FC Barcelona (78,881) and Manchester United (75,286) [source: <http://www.weltfussball.de>]; 55,000 season tickets alone (again confirmed in current 2015/2016 season) = all-time record in Bundesliga, probably even in Europe and around the world. According to the current "2016 Football Study" by TU Braunschweig, BVB is Germany's most popular club.

Merchandising

- The merchandising business was expanded slightly despite of a participation only in the UEFA Europa League by approx. EUR 0.5 m. in financial year 2015/2016 from approx. EUR 39.3 m. in the previous year to approx. EUR 39.8 m.

INVESTMENT HIGHLIGHTS

BVB is Germany's no. 1 in "2016 BrandFeel Ranking"

- This is the result of this year's Bundesliga brand ranking conducted by Mafo.de. The online market research firm evaluated the Bundesliga clubs in terms of brand strength, image and positioning.

"Consistent" revenue

- Medium- and long-term revenue contractually secured from premium sponsors, in particular EVONIK, SIGNAL IDUNA, PUMA, OPEL, BRINKHOFF'S, SPARDA-BANK, SPREHE, WILO, HANKOOK, EUROWINGS and HUAWEI.

TV marketing: a key growth driver

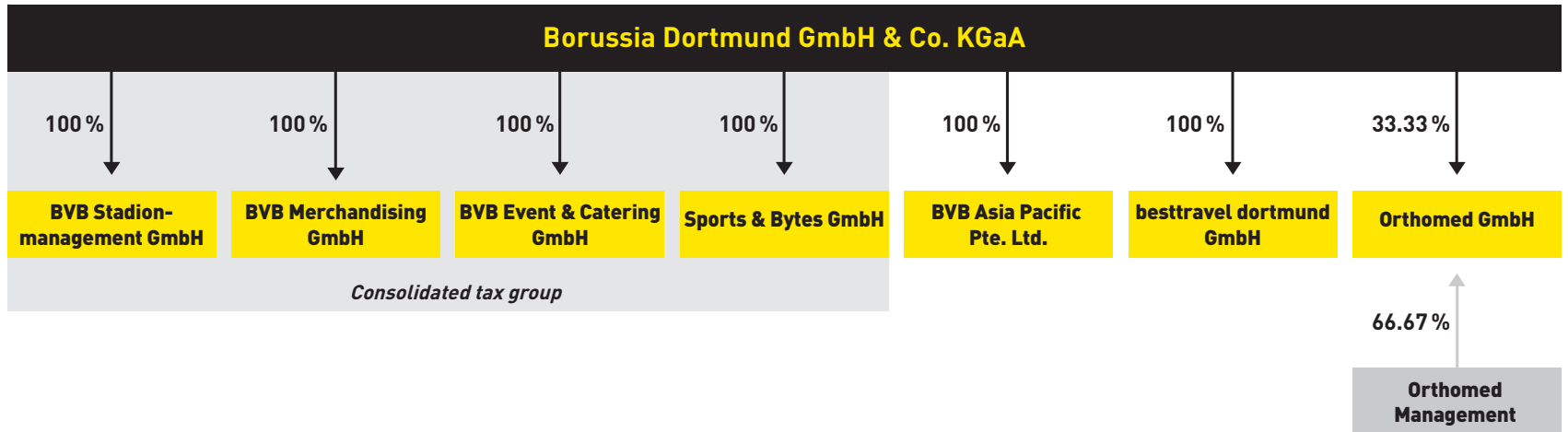
- Income from TV marketing represents a key growth driver, which is due in particular to increasing TV marketing income from the Bundesliga, DFB Cup and the UEFA club competitions. EUR 82.6 m. was generated in financial year 2015/2016 (previous year: EUR 82.1 m.). In the current 2016/2017 financial year, Borussia Dortmund expects further significant growth of TV marketing income up to approx. EUR 109.0 m. in total.

INVESTMENT HIGHLIGHTS

Player registrations – Hidden reserves

- The Company's transfers policy which consists of signing/developing young, talented players, generates significant hidden reserves under player registrations; this includes the players Felix Passlack (18), Christian Pulisic (18), Ousmane Dembélé (19), Emre Mor (19), Julian Weigl (21), Matthias Ginter (22) and/or Raphael Guerreiro (22).

COMPANY & MARKET OVERVIEW



COMPANY & MARKET OVERVIEW

Management



Hans-Joachim Watzke
Dipl.-Kaufm.
CEO



Thomas Treß
Dipl.-Kaufm.
CFO

Supervisory Board

- Gerd Pieper (Chairman)
- Dr. Werner Müller (Dep. Chairman)
- Bernd Geske
- Bjørn Gulden
- Christian Kullmann
- Ulrich Leitermann
- Dr. Reinhold Lunow
- Silke Seidel
- Peer Steinbrück

COMPANY & MARKET OVERVIEW

BVB shares

Current **market cap: approx. EUR 446.2 m.** (as of 29 September 2016). Share price currently trending between EUR 4.60 and EUR 4.80; avg. XETRA turnover per day: 4 weeks = 165,474; 52 weeks = 135,254 (as of 29 September 2016).

- Research report by ODDO Seydler Bank AG, Frankfurt a.M., dated 30 August 2016 issued "Buy" recommendation (previously: "Buy").
- Edison Research Investment Ltd., London (UK), published a "research update" on 15 July 2016.
- Research report by GSC Research GmbH, Düsseldorf, dated 21 March 2016 issued "Buy" recommendation (previously: "Buy").
- Research report by Bankhaus Lampe KG, Düsseldorf, dated 28 January 2016 issued "Buy" recommendation (previously: "Buy").
- The (initial) research study by Hauck & Aufhäuser Institutional Research AG, Hamburg, dated 11 September 2014 issued "Buy" recommendation.

Further information available for download under "Capital Market View" at our IR page at www.bvb.de/aktie.

COMPANY & MARKET OVERVIEW

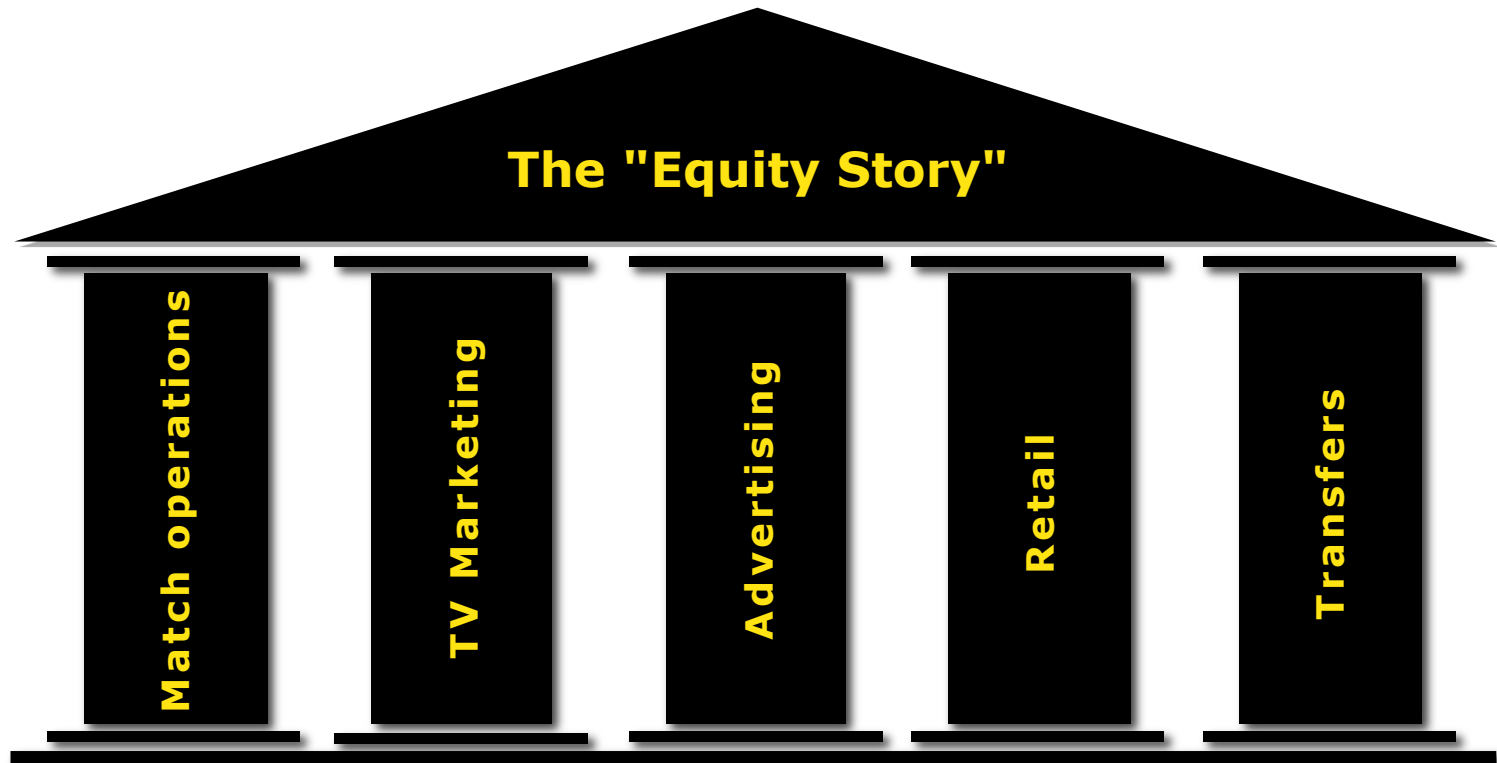
Shareholder structure

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 as follows:

- **Evonik Industries AG: 14.78%**
- **Bernd Geske: 8.86%**
- **BV. Borussia 09 e.V. Dortmund: 5.53%**
- **SIGNAL IDUNA: 5.43%**
- **PUMA SE: 5.00%**
- **Free float: 60.40%**

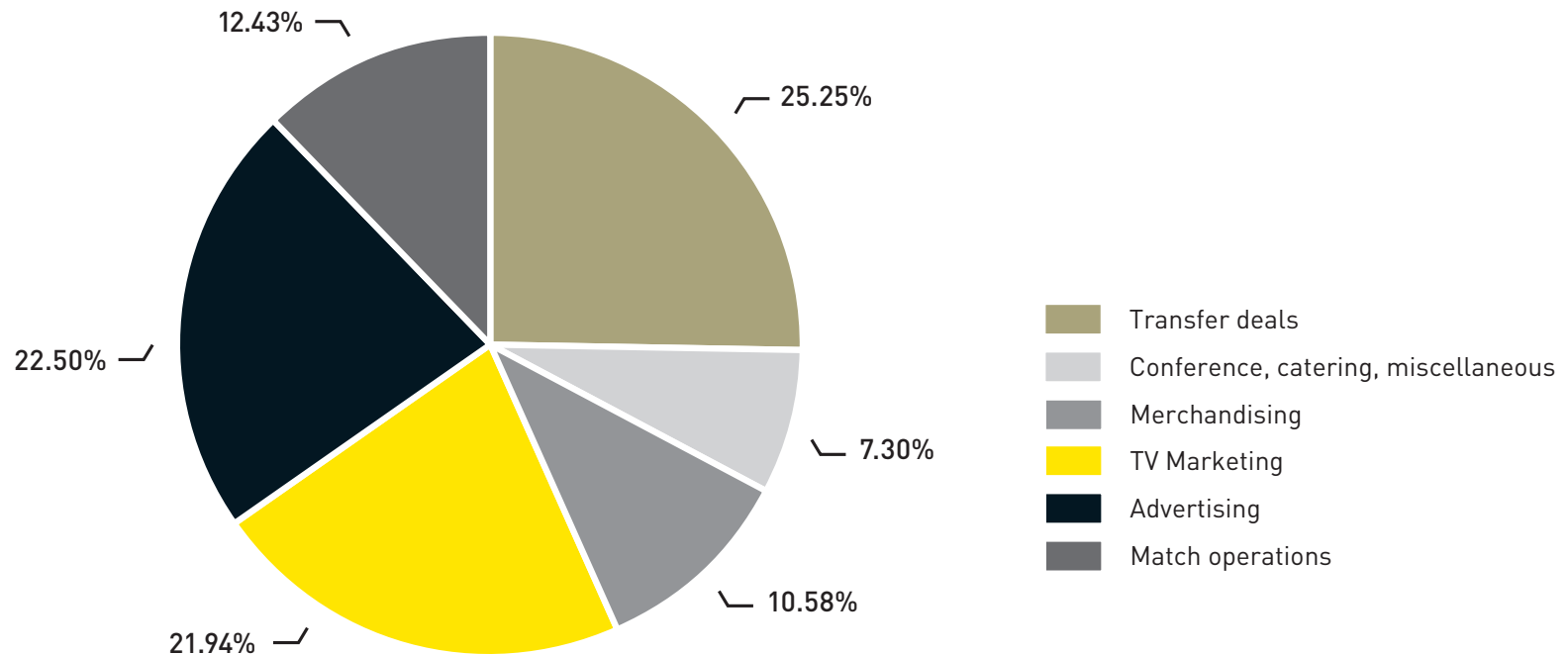


COMPANY & MARKET OVERVIEW



COMPANY & MARKET OVERVIEW

The Borussia Dortmund Group generated EUR 376.3 m. in revenue in its core business areas TV marketing, Advertising, Match operations, Transfer deals, Merchandising and Conference, catering, miscellaneous in financial year 2015/16. Revenue was broken down as follows (in %):



COMPANY & MARKET OVERVIEW

Stable revenue with further potential for growth

- **Match operations:** Revenue approximately EUR 46.8 m. (previous year: approx. EUR 39.9 m.); stadium attendance above 90 percent on average over the past 10 years, even 99 percent in past financial year; 55,000 season tickets (66 percent of total capacity). In the current 2016/2017 financial year again 55,000 season tickets sold – "All-time record" for Bundesliga.
- **Advertising:** Revenue approx. EUR 84.6 m. (previous year: approx. EUR 75.7 m.); increase resulted primarily from variable bonus payments agreed in sponsoring agreements due to sportive success .
- **TV marketing:** Revenue approx. EUR 82.6 m. (previous year: approx. EUR 82.1 m.); slight increase despite of lower TV revenues in UEFA Europa League, but higher revenues from Bundesliga. In the current 2016/2017 financial year, Borussia Dortmund expects further significant growth of TV marketing income up to approx. EUR 109.0 m. in total.

COMPANY & MARKET OVERVIEW

Group cost structure in the 2015/2016 financial year

- **Personnel expenses** approx. EUR 140.2 m. (previous year: approx. EUR 117.9 m.) for the Borussia Dortmund Group overall, resulting primarily from "Match Operations".
- **Depreciation, amortisation and write-downs** increased in financial year, primarily due to additions and disposals of players to the professional squad, from approx. EUR 42.4 m. to approx. EUR 50.2 m.
- **Other operating expenses** increased year on year by approximately EUR 98.8 m. to approx. EUR 127.2 m. This was due primarily to an increase in the expenses from "Match Operations" and "Transfers" as well as the take-over of the catering business by the affiliated company BVB Event & Catering GmbH (business was outsourced before).

COMPANY & MARKET OVERVIEW

Financial structure

- All loans were repaid in full with effect from 1 October 2014 using funds from the successful implementation of the corporate actions "CI I/2014" & "CI II/2014"
- Equity ratio: 72.9%
- Equity to long-term assets: 121.8%
- As at 30 June 2016, net working capital of EUR -8.7 m. offset by cash funds of EUR 51.1 m.



COMPANY & MARKET OVERVIEW

Sporting situation

The aim is to further develop the professional squad, thus creating and developing 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 earnings potential through transfers and long-term sporting competitiveness for the future. This transfer policy is ideally supplemented by coach Thomas Tuchel's football philosophy whereby young players, such as Christian Pulisic (18), Felix Passlack (18), Emre Mor (19), Ousmane Dembélé (19) or Julian Weigl (21) are added to the roster of the first-team professional squad.

High-quality players bring about excellent performance

- Players such as Pierre-Emerick Aubameyang (27), Marco Reus (27), Shinji Kagawa (27), André Schürrle (25) or Mario Götze (24) offer the necessary quality of performance.

COMPANY & MARKET OVERVIEW

Developing up-and-coming talent

- Intensive talent development makes it possible to focus on the club's own up-and-coming players who can be added to the professional squad roster. Examples include in particular talents such as Felix Passlack (18) and Christian Pulisic (18). New talents of the youth teams have high hopes of joining the professional squad in the future.

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. The BVB Academy is also intended to optimise the transition from youth to senior player for players aged 19 to 23 through its all-day training programmes.

Borussia Dortmund Group

REVENUE

EUR '000	2015/2016	2014/2015	Delta
Match operations	46,768	39,942	6,826
Advertising	84,644	75,693	8,951
TV Marketing	82,564	82,113	451
Transfer deals	94,998	12,447	82,551
Merchandising	39,805	39,270	535
Conference, catering, miscellaneous	27,480	26,583	897
	376,259	276,048	100,211

Borussia Dortmund Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR '000	2015/2016	2014/2015	Delta
Revenue	376,259	276,048	100,211
Other operating income	3,508	16,981	-13,473
Gross revenue	379,767	293,029	86,738
Cost of materials	-25,676	-20,684	-4,992
Personnel expenses	-140,215	-117,932	-22,283
Other operating expenses	-127,208	-98,819	-28,389
Operating result (EBITDA)	86,668	55,594	31,074
Depreciation, amortisation and write-downs	-50,238	-42,434	-7,804
Result from operating activities (EBIT)	36,430	13,160	23,270
Financial result	-2,096	-7,159	5,063
Profit before income taxes	34,334	6,001	28,333
Income taxes	-4,898	-469	-4,429
Consolidated net income for the year	29,436	5,532	23,904

Borussia Dortmund Group

OTHER OPERATING EXPENSES

EUR '000	2015/2016	2014/2015	Delta
Match operations	40,948	39,339	1,609
Advertising	24,091	21,135	2,956
Transfer deals	31,926	10,681	21,245
Retail	7,843	7,394	449
Administration	17,497	15,953	1,544
Other	4,903	4,317	586
	127,208	98,819	28,389

Borussia Dortmund Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

EUR '000	30/06/2016	30/06/2015	Delta
Non-current assets	302,765	289,509	13,256
Intangible assets	65,278	96,340	-31,062
Property, plant and equipment	188,423	189,518	-1,095
Investments accounted for using the equity method	302	293	9
Financial assets	107	463	-356
Trade and other financial receivables	34,378	1,462	32,916
Deferred tax assets	1,136	1,136	0
Prepaid expenses	13,141	297	12,844
Current assets	121,780	97,030	24,750
Inventories	10,158	9,376	782
Trade and other financial receivables	51,072	29,680	21,392
Current tax assets	257	222	35
Cash and cash equivalents	51,722	53,739	-2,017
Prepaid expenses	8,571	4,013	4,558
Total balance sheet	424,545	386,539	38,006

Borussia Dortmund Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

EUR '000	30/06/2016	30/06/2015	Delta
Equity	309,542	286,078	23,464
Subscribed capital	92,000	92,000	0
Reserves	217,655	193,887	23,768
Treasury shares	-113	-114	1
Equity attributable to the owners of the parent company	309,542	285,773	23,769
Minority interests	0	305	-305
Non-current liabilities	36,192	38,834	-2,642
Non-current liabilities from finance leases	18,990	21,630	-2,640
Trade payables	3,420	0	3,420
Other non-current liabilities	1,782	1,204	578
Deferred income	12,000	16,000	-4,000
Current liabilities	78,811	61,627	17,184
Provisions	1,372	0	1,372
Current liabilities from finance leases	2,640	2,497	143
Trade payables	14,635	22,809	-8,174
Other current liabilities	34,435	15,011	19,424
Tax liabilities	5,212	803	4,409
Deferred income	20,517	20,507	10
Total balance sheet	424,545	386,539	38,006

Borussia Dortmund Group

CONSOLIDATED STATEMENT OF CASH FLOW

EUR '000	2015/2016	2014/2015	Delta
Cash flows from operating activities	35,228	16,947	18,281
Payments for			
investments in intangible assets	-20,038	-61,682	41,644
investments in property, plant and equipment	-9,442	-10,399	957
investments in financial assets	355	-378	733
Cash flows from investing activities	-29,125	-72,459	43,334
Cash receipts from issue of capital	0	140,705	-140,705
Proceeds from the sale of treasury shares	1	3	-2
Distributions to minority shareholders	-525	-310	-215
Repayments of financial liabilities	0	-41,028	41,028
Acquisition of minority interests	-500	0	-500
Dividend payments	-4,599	-6,141	1,542
Repayment of liabilities under finance leases	-2,497	-1,830	-667
Cash flows from financing activities	-8,120	91,399	-99,519
Change in cash and cash equivalents	-2,017	35,887	-37,904
Cash and cash equivalents at the beginning of the period	53,739	17,852	35,887
Cash and cash equivalents at the end of the period	51,722	53,739	-2,017

Borussia Dortmund Group

KEY FINANCIAL INDICATORS

EUR '000	2015/2016		2014/2015	
	KGaA	Group	KGaA	Group
Revenue	324,320	376,259	232,976	276,048
Gross revenue	327,117	379,767	249,496	293,029
Operating result (EBITDA)	74,147	86,668	43,501	55,594
Result from operating activities (EBIT)	26,400	36,430	2,787	13,160
(Consolidated) net income for the year	28,262	29,436	2,426	5,532
Cash flows from				
operating activities	29,275	35,228	15,878	16,947
investing activities	-27,947	-29,125	-68,639	-72,459
financing activities	-4,665	-8,120	88,922	91,399
Equity as at 30 June	347,487	309,542	323,823	286,078
Earnings per share (in EUR)	0.31	0.32	0.03	0.06

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

STRATEGY & UPSIDE POTENTIAL

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

Ensuring sporting success over the long term/ increasing focus on developing new talent

- Investments in young players such as Ousmane Dembélé (19), Emre Mor (19) or Raphael Guerreiro (22) and signing high-quality players such as Marco Reus (27, contract until 2019), Mario Götze (24, contract until 2020), André Schürrle (25, contract until 2021) or Pierre-Emerick Aubameyang (27, until 2021); new, uniform training concepts for all professional, amateur and youth squads (Athletic management: Zorc/Tuchel/Ricken).

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 total!" / "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: 72.9% (as of 30 June 2016)

Communication with the financial markets

- Quarterly financial reports, roadshows, company presentations at investor events at SIGNAL IDUNA PARK and 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**
- **Increase in merchandising revenue**
- **Success in DFB Cup**

FINANCIAL CALENDAR

- 06/10/2016
Edison Roadshow, London (UK) - Company presentation
- 11/11/2016
disclosure of the quarterly financial report – Q 1 fiscal year 2016/2017
- 21/11/2016
annual shareholders meeting 2016

INVESTOR RELATIONS

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