

Borussia Dortmund GmbH & Co. KGaA

WKN: 549309 | ISIN: DE0005493092 | Bloomberg: BVB GY

Q1 figures show upward trend, now World Cup break

Q1 figures without big surprises: On Friday, BVB published its figures for Q1 22/23 (ended Sept. 30). Overall, the figures were so far within the range of basic expectations. However, the stock remains below EUR 4. Group sales were EUR 104m, while we expected EUR 111m. EBITDA came to EUR 73m, while we expected EUR 75m. With depreciation and amortization of EUR 29.9m, EBIT came in at EUR 43.1m. Overall, Group earnings after taxes amounted to EUR 37.8m. We expected EUR 36.6m and thus achieved a relatively precise precision landing. Transfer income amounted to EUR 61.4m, around EUR 2m higher than in Q1 of the previous year.

World Cup break at the right time: Although BVB got off to a solid start to the season, the team gave up some unnecessary points in the last match days. On Matchday 15 (the last before the World Cup break), they lost 4:2 away at Borussia Mönchengladbach. In the DFB National Cup, they reached the round of 16 and will play in Bochum in the new year for a place in the quarterfinals. In the CL, too, after a bumpy start, they qualified for the knockout round in 2nd place behind ManCity and will face Chelsea there.

Adjusted estimates for 2022/2023e: We have adjusted our estimates slightly after the Q1 figures and now expect revenues of EUR 433m and a net result of EUR -5.8m. From 2023/2024e onwards, we expect the net result to return to break-even level (EUR -0.2m), should the pandemic slowly come to an end after this season. Overall, we see depreciation slowly declining again (2023/2024e below EUR 100m).

Price target and recommendation are confirmed: We continue to renew our price target of EUR 5.00 and confirm our BUY recommendation. As the share has mostly outperformed in H2 in recent years, we continue to believe in positive momentum this year.

FY End: 30.06.; in EURm	CAGR (21-23e)	18/19	19/20	20/21	21/22	22/23e	23/24e
Sales	6.5%	370.3	370.2	334.2	337.0	433.0	451.0
EBITDA	14.8%	116.0	63.0	39.0	66.7	96.1	97.4
Margin		31.3%	17.0%	11.7%	19.8%	22.2%	21.6%
EBIT	n.m.	23.5	-43.1	-72.1	-40.7	-6.9	-0.3
Margin		6.3%	-11.7%	-21.6%	-12.1%	-1.6%	-0.1%
Net result	n.m.	17.4	-44.0	-72.8	-34.6	-5.8	-0.2
EPS, EUR *	n.m.	0.18	-0.46	-0.76	-0.33	-0.05	0.00
Dividend per share, EUR		0.06	0.00	0.00	0.06	0.08	0.08
EV		1.1	1.1	1.9	1.5	1.2	1.1
EV/Sales		3.6	6.6	16.6	7.6	5.3	5.2
EV/EBITDA		25.2	n.m.	n.m.	n.m.	n.m.	-2201.8
P/E *		-0.5	-0.9	-2.0	-0.1	0.0	0.2
Net debt/EBITDA		-0.5	-0.9	-2.0	0.2	0.3	0.5

Source: BVB, FMR * adjusted for capital increase

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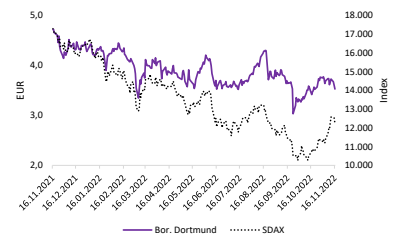
Buy

Before: Buy

Price Target EUR 5.00 (5.00)
Share price* EUR 3.53 (+42%)

*last closing price XETRA

Change	21/22e	22/23e	23/24e
Sales, EURm	0.0	-12	-16
EBIT, EURm	0.0	2.7	-10
EPS, EUR *	0.0	-0.02	-0.08



Source: XETRA, 22.08.22, FMR

Basic share data

Number of shares (million)	110.4
Free Float (in %)	72.3%
Market Cap (in EURm)	391.2
Trading volume 30 D.(Ø)	137,915
High (EUR, 52 weeks) *	4.73
Low (EUR, 52 weeks) *	3.03

Shareholder structure

Evonik Industries	8.2%
Bernd Geske	8.2%
Free float, others	83.6%

Corporate calendar

AGM	21.11.2022
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Appendix P&L
Borussia Dortmund: P & L

in EURm (IFRS)	19/20	20/21	21/22	22/23e	23/24e
Revenues	370.2	334.2	337.0	433.0	451.0
YoY growth	0.0%	-9.7%	0.8%	28.5%	4.2%
Cost of revenues	-22.4	-19.6	-20.9	-26.0	-26.6
as % of revenues	-6.1%	-5.9%	-6.2%	-6.0%	-5.9%
Gross Profit	347.8	314.6	316.1	407.0	424.4
as % of revenues	93.9%	94.1%	93.8%	94.0%	94.1%
Personnel costs	-215.1	-215.7	-175.2	-220.0	-227.8
as % of revenues	-58.1%	-64.5%	-52.0%	-50.8%	-50.5%
Other operating income/expenses	-69.8	-60.0	-74.1	-90.9	-99.2
as % of revenues	-18.8%	-17.9%	-22.0%	-21.0%	-22.0%
EBITDA reported	63.0	39.0	66.7	96.1	97.4
as % of revenues	17.0%	11.7%	19.8%	22.2%	21.6%
Depreciation and amortisation (incl. PPA)	-106.1	-111.0	-107.4	-103.0	-97.7
as % of revenues	-28.7%	-33.2%	-31.9%	-23.8%	-21.7%
Reported EBIT	-43.1	-72.1	-40.7	-6.9	-0.3
as % of revenues	-11.7%	-21.6%	-12.1%	-1.6%	-0.1%
Net financial results incl. equity results	-3.5	-1.1	0.0	0.0	0.0
EBT (Earnings before income taxes)	-46.6	-73.2	-40.7	-6.9	-0.2
as % of revenues	-12.6%	-21.9%	-12.1%	-1.6%	-0.1%
Income taxes	2.6	0.3	6.1	1.0	0.0
as % of EBT	-5.6%	-0.5%	-15.0%	-15.0%	-15.0%
Income from continuing operations	-44.0	-72.8	-34.6	-5.8	-0.2
as % of revenues	-11.9%	-21.8%	-10.3%	-1.3%	0.0%
Income from discontinuing operations, net of taxes	0.0	0.0	0.0	0.0	0.0
Net income	-44.0	-72.8	-34.6	-5.8	-0.2
Minorities	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	-44.0	-72.8	-34.6	-5.8	-0.2
as % of revenues	-11.9%	-21.8%	-10.3%	-1.3%	0.0%
Shares outstanding (in m)	92.0	92.0	105.8	110.4	110.4
Basic earnings per share (EUR)	-0.46	-0.76	-0.33	-0.05	0.00

Source: Borussia Dortmund, FMR

Balance Sheet

Bor. Dortmund: Balance sheet total					
in EURm (IFRS)	19/20	20/21	21/22	22/23e	23/24e
Assets					
Non-current assets	441.5	389.8	352.5	329.5	314.8
as % of total assets	85.2%	86.5%	78.4%	73.6%	69.4%
Intangible assets (incl. Goodwill)	229.7	193.4	163.4	143.4	133.4
Property, plant and equipment	193.0	183.5	176.2	173.2	168.5
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	18.4	12.5	12.5	12.5	12.5
Current assets	76.5	60.7	97.3	118.0	138.8
as % of total assets	14.8%	13.5%	21.6%	26.4%	30.6%
Inventories	6.8	6.8	6.9	7.0	7.2
Accounts receivable and other assets	66.1	52.2	90.3	94.8	99.6
Current income tax claims	0.4	0.1	0.1	0.1	0.1
Cash and cash equivalents	3.3	1.7	0.0	16.1	32.0
Total assets	518.0	450.5	449.8	447.5	453.6
Shareholders' equity and liabilities					
Shareholders' equity	305.5	232.6	284.5	285.0	293.6
as % of total equity and liabilities	59.0%	51.6%	63.3%	63.7%	64.7%
Subscribed capital	92.0	92.0	110.4	110.4	110.4
Capital reserve	213.6	140.7	208.8	208.8	208.8
Treasury stocks	-0.1	-0.1	-0.1	-0.1	-0.1
Other equity items	0.0	0.0	-34.6	-34.1	-25.4
Minority interest on equity	0.0	0.0	0.0	0.0	0.0
Non-current provisions/liabilities	89.9	54.3	51.0	52.4	53.9
as % of total equity and liabilities	17.4%	12.0%	11.3%	11.7%	11.9%
Non-current pension provisions	0.0	0.0	0.0	0.0	0.0
Other non-current provisions	0.0	0.0	0.0	0.0	0.0
Non-current financial liabilities	20.1	16.8	1.7	1.6	1.6
Non-current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Other non-current liabilities	69.8	37.5	49.3	50.8	52.3
Current liabilities and provisions	122.6	163.6	114.3	110.1	106.1
as % of total equity and liabilities	23.7%	36.3%	25.4%	24.6%	23.4%
Other provisions	0.0	2.3	2.4	2.4	2.5
Financial liabilities	12.4	61.1	1.8	1.8	1.8
Accounts payable	67.4	64.1	64.1	62.2	60.3
Current prepayments received	0.0	0.0	0.0	0.0	0.0
Tax liabilities	0.1	0.1	0.1	0.1	0.1
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	42.7	36.0	45.8	43.5	41.4
Advance payments received	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	518.0	450.5	449.7	447.5	453.6

Source: Borussia Dortmund, FMR

Cash Flow Statement

Bor. Dortmund: Cashflow statement

in EURm (IFRS)	19/20	20/21	21/22	22/23e	23/24e
EBT	-46.6	-73.2	-40.7	-6.9	-0.2
Depreciation and amortisation	106.1	111.0	107.4	103.0	97.7
Change in pension and similar provisions					
Other transactions incl. non-cash	-41.9	-15.1	3.5	0.8	0.0
Change in Working Capital	-18.0	-6.9	-28.4	-8.8	-8.9
Cashflow from operating activities	-0.4	15.9	41.9	88.1	88.6
CAPEX	-50.9	-62.0	-70.1	-50.0	-50.0
Change in consolidation, net cash	0.0	0.0	0.0	0.0	0.0
Other investing activities	0.1	0.0	0.0	0.0	0.0
Cashflow from investing activities	-50.8	-62.0	-70.1	-50.0	-50.0
Change in debt	0.0	56.9	-74.4	-0.1	-0.1
Net proceeds from capital increase & right capital & change in capital reserve	0.0	0.0	86.5	0.0	0.0
Dividend payments	-5.5	0.0	0.0	6.3	8.8
Acquisition of treasury shares & minority stakes	0.0	0.0	0.0	0.0	0.0
Other financing activities	-3.9	-4.4	0.0	0.0	0.0
Cashflow from financing activities	-9.4	52.5	12.1	6.3	8.8
Total change in cash and cash equivalents	-60.6	6.4	-16.2	44.4	47.4
Effect of exchange rate changes on cash	0.0	0.0	0.1	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	55.9	-4.7	1.7	-14.3	30.1
Cash and cash equivalents: End of period	-4.7	1.7	-14.3	30.1	77.5
of which					
Cash and equivalents	3.3	1.7	0.0	16.1	32.0
Current account	-8.0	0.0	0.0	0.0	0.0

Source: Borussia Dortmund, FMR

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b) Time conditions of expected updates: quarterly

c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.

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(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

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)
08.11.2021	BUY	4.92	5.60
18.11.2011	BUY	4.75	5.60
28.02.2022	BUY	4.05	5.00
12.05.2022	BUY	3.80	5.00
25.05.2022	BUY	3.86	5.00
23.08.2022	BUY	3.72	5.00
17.11.2022	BUY	3.53	5.00

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FMR Frankfurt Main Research AG

Registered office: Frankfurt am Main; Commercial Register No. HRB 113537, Frankfurt am Main district court; Chairman: Marcus Silbe

b) Issuer

Marcus Silbe (CEFA), Head of Research, Senior Equity Analyst

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HOLD: In our opinion, the stock will not exceed or fall below an absolute price gain or loss of 10% in a 12-month period.

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