

Borussia Dortmund GmbH & Co. KGaA

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

BVB with solid start to new season, still without guidance

Preliminary figures were in line with expectations: On Friday, BVB published its preliminary figures for FY 2021/2022 (ended June 30). Overall, the figures were so far within the range of basic expectations. However, the share plunged yesterday by over 10% below EUR 4.0, after BVB had lost unhappily against Werder Bremen in overtime 2:3. Up until the 88th minute, they were still leading 2:0. Consolidated revenues came in at EUR 351.6m, while we were expecting EUR 337m. EBITDA came in at EUR 80.8m, while we expected EUR 66.7m. With depreciation and amortization amounting to EUR 109.9m, EBIT ended up at EUR -29.1m. Overall, Group earnings after taxes amounted to EUR -35.1m. We budgeted for EUR -34.6m and thus achieved a relatively precise precision landing.

Solid start to the season: After 3 match days, BVB has 6 points on its account, following 2 wins on Match Days 1 and 2 and the unfortunate defeat against Werder Bremen in overtime on Match Day 3. In the DFB Cup, they easily reached the second round and the CL season does not start until September 6 (draw group stage on 25.8.).

No guidance yet, adjusted estimates for 2022/2023e: We can well understand why the Executive Board is still holding back with guidance, but we think that at least a range will be provided in the annual report at the end of September. We have adjusted our estimates somewhat and expect sales of EUR 445m, EBITDA of EUR 98.8m and a net result of EUR -3.6m for this year. From 2023/2024e onwards, we expect a positive consolidated result again (EUR 8.7m), should the pandemic slowly come to an end after this season. Overall, we see depreciation and amortization slowly declining again (below EUR 100m in 2023/2024e).

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	21/22e	22/23e	23/24e
Sales	6.5%	370.3	370.2	334.2	337.0	445.0	467.0
EBITDA	14.8%	116.0	63.0	39.0	66.7	98.8	100.9
Margin		31.3%	17.0%	11.7%	19.8%	22.2%	21.6%
EBIT	n.m.	23.5	-43.1	-72.1	-40.7	-4.2	10.2
Margin		6.3%	-11.7%	-21.6%	-12.1%	-0.9%	2.2%
Net result	n.m.	17.4	-44.0	-72.8	-34.6	-3.6	8.7
EPS, EUR *	n.m.	0.18	-0.46	-0.76	-0.33	-0.03	0.08
Dividend per share, EUR		0.06	0.00	0.00	0.00	0.08	0.08
EV		1.1	1.1	1.9	1.6	1.3	1.2
EV/Sales		3.6	6.6	16.6	7.9	5.8	5.1
EV/EBITDA		25.2	n.m.	n.m.	n.m.	n.m.	65.6
P/E *		n.m.	n.m.	n.m.	n.m.	n.m.	64.3
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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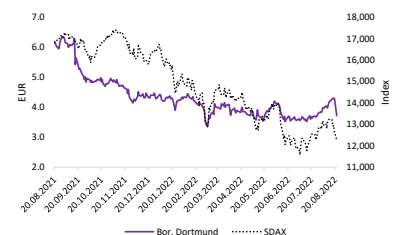
Buy

Before: Buy

Price Target EUR 5.00 (5.00)
Share price* EUR 3.72 (+34.4%)

*last closing price XETRA

Change	21/22e	22/23e	23/24e
Sales, EURm	12.0	50.0	38.0
EBIT, EURm	-17.6	-1.9	2.2
EPS, EUR *	-0.31	-0.01	0.02



Source: XETRA, 22.08.22, FMR

Basic share data

Number of shares (million)	110.4
Free Float (in %)	72.3%
Market Cap (in EURm)	410.7
Trading volume 30 D.(Ø)	201,833
High (EUR, 52 weeks) *	6.36
Low (EUR, 52 weeks) *	3.35

Shareholder structure

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

Corporate calendar

Annual report	28.09.2022
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Appendix P&L

Borussia Dortmund: P & L

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
Revenues	370.3	370.2	334.2	337.0	445.0	467.0
YoY growth	-30.9%	0.0%	-9.7%	0.8%	32.0%	4.9%
Cost of revenues	-21.3	-22.4	-19.6	-20.9	-26.7	-27.6
as % of revenues	-5.8%	-6.1%	-5.9%	-6.2%	-6.0%	-5.9%
Gross Profit	349.0	347.8	314.6	316.1	418.3	439.4
as % of revenues	94.2%	93.9%	94.1%	93.8%	94.0%	94.1%
Personnel costs	-205.1	-215.1	-215.7	-175.2	-226.1	-235.8
as % of revenues	-55.4%	-58.1%	-64.5%	-52.0%	-50.8%	-50.5%
Other operating income/expenses	-27.9	-69.8	-60.0	-74.1	-93.5	-102.7
as % of revenues	-7.5%	-18.8%	-17.9%	-22.0%	-21.0%	-22.0%
EBITDA reported	116.0	63.0	39.0	66.7	98.8	100.9
as % of revenues	31.3%	17.0%	11.7%	19.8%	22.2%	21.6%
Depreciation and amortisation (incl. PPA)	-92.5	-106.1	-111.0	-107.4	-103.0	-90.7
as % of revenues	-25.0%	-28.7%	-33.2%	-31.9%	-23.1%	-19.4%
Reported EBIT	23.5	-43.1	-72.1	-40.7	-4.2	10.2
as % of revenues	6.3%	-11.7%	-21.6%	-12.1%	-0.9%	2.2%
Net financial results incl. equity results	-1.7	-3.5	-1.1	0.0	0.0	0.0
EBT (Earnings before income taxes)	21.8	-46.6	-73.2	-40.7	-4.2	10.2
as % of revenues	5.9%	-12.6%	-21.9%	-12.1%	-0.9%	2.2%
Income taxes	-4.4	2.6	0.3	6.1	0.6	-1.5
as % of EBT	-20.2%	-5.6%	-0.5%	-15.0%	-15.0%	-15.0%
Income from continuing operations	17.4	-44.0	-72.8	-34.6	-3.6	8.7
as % of revenues	4.7%	-11.9%	-21.8%	-10.3%	-0.8%	1.9%
Income from discontinuing operations, net of taxes	0.0	0.0	0.0	0.0	0.0	0.0
Net income	17.4	-44.0	-72.8	-34.6	-3.6	8.7
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	17.4	-44.0	-72.8	-34.6	-3.6	8.7
as % of revenues	4.7%	-11.9%	-21.8%	-10.3%	-0.8%	1.9%
Shares outstanding (in m)	92.0	92.0	92.0	105.8	110.4	110.4
Basic earnings per share (EUR)	0.18	-0.46	-0.76	-0.33	-0.03	0.08

Source: Borussia Dortmund, FMR

Balance Sheet

Bor. Dortmund: Balance sheet total

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
Assets						
Non-current assets	371.7	441.5	389.8	352.5	329.5	321.8
as % of total assets	74.3%	85.2%	86.5%	82.2%	76.8%	72.4%
Intangible assets (incl. Goodwill)	163.7	229.7	193.4	163.4	143.4	140.4
Property, plant and equipment	184.0	193.0	183.5	176.2	173.2	168.5
Long-term investments	0.4	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	0.0
Other assets	23.6	18.4	12.5	12.5	12.5	12.5
Current assets	128.4	76.5	60.7	76.3	99.6	122.5
as % of total assets	25.7%	14.8%	13.5%	17.8%	23.2%	27.6%
Inventories	4.6	6.8	6.8	6.9	7.0	7.2
Accounts receivable and other assets	66.1	66.1	52.2	54.2	56.9	59.8
Current income tax claims	1.8	0.4	0.1	0.1	0.1	0.1
Cash and cash equivalents	55.9	3.3	1.7	15.1	35.6	55.5
Total assets	500.1	518.0	450.5	428.8	429.1	444.3
Shareholders' equity and liabilities						
Shareholders' equity	354.9	305.5	232.6	284.5	287.3	304.8
as % of total equity and liabilities	71.0%	59.0%	51.6%	66.3%	66.9%	68.6%
Subscribed capital	92.0	92.0	92.0	110.4	110.4	110.4
Capital reserve	263.0	213.6	140.7	208.8	208.8	208.8
Treasury stocks	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other equity items	0.0	0.0	0.0	-34.6	-31.8	-14.3
Minority interest on equity	0.0	0.0	0.0	0.0	0.0	0.0
Non-current provisions/liabilities	18.8	89.9	54.3	41.0	42.2	43.3
as % of total equity and liabilities	3.8%	17.4%	12.0%	9.6%	9.8%	9.8%
Non-current pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current provisions	1.7	0.0	0.0	0.0	0.0	0.0
Non-current financial liabilities	8.4	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	0.0
Other non-current liabilities	8.7	69.8	37.5	39.3	40.5	41.7
Current liabilities and provisions	126.4	122.6	163.6	103.4	99.7	96.2
as % of total equity and liabilities	25.3%	23.7%	36.3%	24.1%	23.2%	21.7%
Other provisions	25.5	0.0	2.3	2.4	2.4	2.5
Financial liabilities	3.1	12.4	61.1	1.8	1.8	1.8
Accounts payable	60.7	67.4	64.1	64.1	62.2	60.3
Current prepayments received	0.0	0.0	0.0	0.0	0.0	0.0
Tax liabilities	3.5	0.1	0.1	0.1	0.1	0.1
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	33.7	42.7	36.0	34.9	33.2	31.5
Advance payments received	0.0	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	500.1	518.0	450.5	428.8	429.1	444.3

Source: Borussia Dortmund, FMR

Cash Flow Statement

Bor. Dortmund: Cashflow statement

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
EBT	21.8	-46.6	-73.2	-40.7	-4.2	10.2
Depreciation and amortisation	90.1	106.1	111.0	107.4	103.0	90.7
Change in pension and similar provisions						
Other transactions incl. non-cash	-88.9	-41.9	-15.1	3.5	0.8	0.0
Change in Working Capital	5.7	-18.0	-6.9	-3.2	-6.4	-6.4
Cashflow from operating activities	28.7	-0.4	15.9	67.0	93.1	94.5
CAPEX	-23.6	-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	0.0
Other investing activities	0.1	0.1	0.0	0.0	0.0	0.0
Cashflow from investing activities	-23.5	-50.8	-62.0	-70.1	-50.0	-50.0
Change in debt	0.0	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	0.0	86.5	0.0	0.0
Dividend payments	-5.5	-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	0.0
Other financing activities	-3.3	-3.9	-4.4	0.0	0.0	0.0
Cashflow from financing activities	-8.8	-9.4	52.5	12.1	6.3	8.8
Total change in cash and cash equivalents	-3.6	-60.6	6.4	9.0	49.4	53.3
Effect of exchange rate changes on cash	0.0	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	0.0
Cash and cash equivalents at the start of the period	59.5	55.9	-4.7	1.7	10.8	60.2
Cash and cash equivalents: End of period	55.9	-4.7	1.7	10.8	60.2	113.5
of which						
Cash and equivalents	55.9	3.3	1.7	15.1	35.6	55.5
Current account	0.0	-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

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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)
17.08.2021	BUY	6.87	6.80
24.09.2021	BUY	5,18	5,60
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

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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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BUY: In our opinion, the stock will demonstrate an absolute price gain of at least 10 % in a 12-month period.

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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