

Borussia Dortmund GmbH & Co. KGaA

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

Preliminary Q1/21/22 results above our expectations

BVB with significant EBITDA swing in Q1/21/22: BVB published its first preliminary Q1/21/22 results last Friday. As expected, significantly improved key performance indicators were presented, which even exceeded our expectations.

EURm	Q1/20/21	Q1/21/22	FMR Q1/21/22e
Sales	56.5	94.1	81.2
EBITDA	-9.3	68.1	55.0
Net result	-35.8	32.1	24.0

Quelle: BVB, FMR

With regard to the topline, sales from TV marketing in particular, at EUR 46.4m, were significantly higher than our estimate of EUR 39.0m. Also as expected, the result from transfer transactions made a strong jump to EUR 59.5m (FMR: EUR 50.0m); it benefited from the proceeds from the sale of the player J. Sancho to ManU. Financial debt has not yet been reported, but we expect the Group to return to net liquidity following the successful KE in September.

Sporting development: In the **DFB Cup**, BVB will have an away game versus FC St. Pauli in the match day of January 18/19 2022, which we believe is a manageable task. In the **Bundesliga**, the club is just behind the FCB in second place after the eleventh match day and is keeping pace. In the **UEFA Champions League**, BVB is currently in second place with six points (Group C) and has so far maintained its chances of reaching the round of 16. Injuries to some players, such as E. Haaland, are currently causing concern.

Estimates and recommendation unchanged for now: Looking at the performance in Q1 and projecting this to the next quarters, we currently feel comfortable with our annual estimates. Therefore, we see no reason to change them at this time. We continue to expect full-year sales of EUR 378m, with EBITDA of EUR 74.8m and a net result of EUR -10.7m, which would be around EUR 60m higher than last year. We confirm our BUY rating and leave our price target at EUR 5.60 per share.

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	378.0	418.0	429.0
EBITDA	14.8%	116.0	63.0	39.0	74.8	92.8	98.7
Margin		31.3%	17.0%	11.7%	19.8%	22.2%	23.0%
EBIT	n.m.	23.5	-43.1	-72.1	-12.6	2.8	8.0
Margin		6.3%	-11.7%	-21.6%	-3.3%	0.7%	1.9%
Net result	n.m.	17.4	-44.0	-72.8	-10.7	2.4	6.8
EPS, EUR *	n.m.	0.18	-0.46	-0.76	-0.10	0.02	0.06
Dividend per share, EUR		0.06	0.00	0.00	0.06	0.08	0.08
EV		413.07	416.6	647.9	540.2	540.2	540.2
EV/Sales		1.1	1.1	1.9	1.4	1.3	1.3
EV/EBITDA		3.6	6.6	16.6	7.2	5.8	5.5
P/E *		25.2	n.m.	n.m.	n.m.	228.5	79.7
Net debt/EBITDA	1.0%	-0.5	-0.9	-2.0	0.2	0.3	0.5

Source: BVB, FMR * adjusted for capital increase

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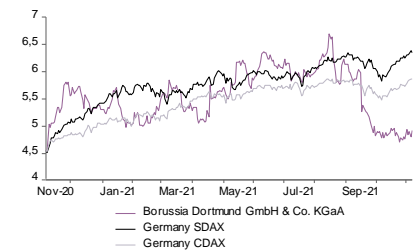
Buy

Before: Buy

Price Target EUR 5.60 (5.60)
Share price* EUR 4.92 (+13.8%)

*last XETRA closing price

Change	21/22e	22/23e	23/24e
Sales, EURm	0.0	0.0	0.0
EBIT, EURm	0.0	0.0	0.0
EPS, EUR *	0.00	0.00	0.00



Source: Factset

Basic share data

Number of shares (million)	110.4
Free Float (in %)	69.86%
Market Cap (in EURm)	543.1
Trading volume (Ø)	293,782
High (EUR, 52 weeks) *	6.47
Low (EUR, 52 weeks) *	4.33

Shareholder structure

Evonik Industries	9.8%
Bernd Geske	9.4%
Free float, others	80.8%

Corporate calendar

Q1 21/22 report	12.11.2021
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Appendix

P&L						
in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
Revenues	370.3	370.2	334.2	378.0	418.0	429.0
YoY growth	-30.9%	0.0%	-9.7%	13.1%	10.6%	2.6%
Cost of revenues	-21.3	-22.4	-19.6	-23.4	-25.1	-25.3
as % of revenues	-5.8%	-6.1%	-5.9%	-6.2%	-6.0%	-5.9%
Gross Profit	349.0	347.8	314.6	354.6	392.9	403.7
as % of revenues	94.2%	93.9%	94.1%	93.8%	94.0%	94.1%
Personnel costs	-205.1	-215.1	-215.7	-196.6	-212.3	-216.6
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	-83.2	-87.8	-88.4
as % of revenues	-7.5%	-18.8%	-17.9%	-22.0%	-21.0%	-20.6%
EBITDA reported	116.0	63.0	39.0	74.8	92.8	98.7
as % of revenues	31.3%	17.0%	11.7%	19.8%	22.2%	23.0%
Depreciation and amortisation (incl. PPA)	-92.5	-106.1	-111.0	-87.4	-90.0	-90.7
as % of revenues	-25.0%	-28.7%	-33.2%	-23.1%	-21.5%	-21.1%
Reported EBIT	23.5	-43.1	-72.1	-12.6	2.8	8.0
as % of revenues	6.3%	-11.7%	-21.6%	-3.3%	0.7%	1.9%
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	-12.6	2.8	8.0
as % of revenues	5.9%	-12.6%	-21.9%	-3.3%	0.7%	1.9%
Income taxes	-4.4	2.6	0.3	1.9	-0.4	-1.2
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	-10.7	2.4	6.8
as % of revenues	4.7%	-11.9%	-21.8%	-2.8%	0.6%	1.6%
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	-10.7	2.4	6.8
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	17.4	-44.0	-72.8	-10.7	2.4	6.8
as % of revenues	4.7%	-11.9%	-21.8%	-2.8%	0.6%	1.6%
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	-0.10	0.02	0.06

Source: BVB, FMR

Balance sheet

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	372.5	362.5	354.8
as % of total assets	74.3%	85.2%	86.5%	82.3%	79.0%	75.1%
Intangible assets (incl. Goodwill)	163.7	229.7	193.4	183.4	176.4	173.4
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	80.2	96.5	117.5
as % of total assets	25.7%	14.8%	13.5%	17.7%	21.0%	24.9%
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	19.0	32.4	50.4
Total assets	500.1	518.0	450.5	452.7	459.0	472.3
Shareholders' equity and liabilities						
Shareholders' equity	354.9	305.5	232.6	308.4	317.1	332.8
as % of total equity and liabilities	71.0%	59.0%	51.6%	68.1%	69.1%	70.5%
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	-10.7	-1.9	13.7
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%	9.1%	9.2%	9.2%
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%	22.8%	21.7%	20.4%
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	452.7	459.0	472.3

Source: BVB, FMR

Cashflow Statement

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
EBT	21.8	-46.6	-73.2	-12.6	2.8	8.0
Depreciation and amortisation	90.1	106.1	111.0	87.4	90.0	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	75.1	87.1	92.3
CAPEX	-23.6	-50.9	-62.0	-70.1	-80.0	-83.0
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	-80.0	-83.0
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	17.1	13.4	18.1
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	19.0	32.4
Cash and cash equivalents: End of period	55.9	-4.7	1.7	19.0	32.4	50.4
of which						
Cash and equivalents	55.9	3.3	1.7	19.0	32.4	50.4
Current account	0.0	-8.0	0.0	0.0	0.0	0.0

Source: BVB, 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

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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)
03.07.2020	BUY	6.07	8.00
18.08.2020	BUY	5.70	8.00
09.11.2020	BUY	4.66	6.00
18.12.2020	BUY	5.59	6.00
12.02.2021	BUY	5.14	6.00
03.03.2021	BUY	5.75	6.00
27.05.2021	BUY	6.13	6.80
06.07.2021	BUY	6.32	6.80
17.08.2021	BUY	6.87	6.80
24.09.2021	BUY	5,18	5,60
08.11.2021	BUY	4.92	5.60

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FMR Frankfurt Main Research AG

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b) Issuer

Winfried Becker, Senior Equity Analyst, on behalf of Marcus Silbe (CEFA), Head of Research, Senior Analyst

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