

# Borussia Dortmund GmbH & Co. KGaA

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

## First win after change of head coach

**Season goals remain unchanged after change of coach:** After the surprising dismissal of head coach Lucien Favre on Dec. 13, 2020, new head coach Edin Terzić and the team managed a 2-1 away win at Werder Bremen on Tuesday in the first game after the change of leadership. According to our assessment, the main reason for the release of Mr. Favre was the sporting development in recent weeks, in which the club management saw the achievement of the 2020/21 season goals at risk. Mr. Terzić enjoys the confidence to achieve a Champions League place with the team at the end of the 20/21 Bundesliga season. According to company sources, he enjoys a high level of acceptance among the team and is likely to adjust the tactical orientation.

**Financial impact of the change in coach low:** As the change in management is an internal solution initially valid until the end of the 20/21 season, we believe the financial impact is rather negligible. Depending on the achievement of the main season goal, we will see whether the club will continue with Mr. Terzić or opt for an already internationally renowned head coach.

**Corona Update:** In our opinion, the hard lockdown recently decided by the federal government will not lead to any changes in match operations from today's perspective. We assume that the ghost games will remain in place for the time being. We also do not see any changes in the short term due to the highly probable start of the vaccination of the population. BVB, like the other clubs, is prepared for this.

**Especially due to the negligible financial effect of the change of coach, we confirm our price target of EUR 6.00 per share and stick to our BUY rating.**

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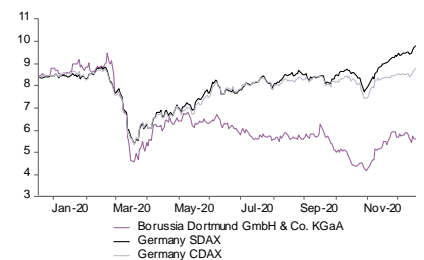
**BUY**

Before: BUY

**Price Target EUR 6.00 (6.00)**  
Share price\* EUR 5.59 (+7.3%)

\*last XETRA closing price

Change	19/20e	20/21e	21/22e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0



### Basic share data

Number of shares (million)	92.0
Free Float (in %)	60%
Market Cap (in million EUR)	514.3
Trading volume (Ø)	226k
High (EUR, 52 weeks)	9.50
Low (EUR, 52 weeks)	4.17

### Shareholder structure

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

### Corporate calendar

Currently no data

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FY End: 30.06.; in EURm	CAGR (17-22e)	16/17	17/18	18/19	19/20e	20/21e	21/22e
Sales	3.7%	536.0	489.5	370.2	343.4	409.3	413.2
EBITDA	20.2%	137.3	116.0	56.2	26.8	82.0	97.8
Margin		25.6%	23.7%	15.2%	7.8%	20.0%	23.7%
EBIT	-159.2%	39.0	23.5	-49.9	-70.2	-5.5	10.3
Margin		7.3%	4.8%	-13.5%	-20.4%	-1.3%	2.5%
Net result	-151.1%	31.7	17.4	-50.7	-66.1	-5.9	6.8
EPS	-151.1%	0.34	0.19	-0.55	-0.72	-0.06	0.07
Dividend per share		0.06	0.06	0.00	0.00	0.00	0.06
EV		368.9	372.5	415.9	468.1	511.5	522.7
EV/Sales		0.7	0.8	1.1	1.4	1.2	1.3
EV/EBITDA		2.7	3.2	7.4	17.5	6.3	5.3
P/E		13.5	24.6	n.m.	n.m.	n.m.	79.8
Net debt/EBITDA		-0.4	-0.5	-0.2	0.0	-0.2	-0.2

Source: BVB, FMR

## Valuation

	Present Value (PV)	PV/Share
Roster Value	587	<b>6.38</b>
Discount (to reach marketable roster value)	-40%	
Marketable roster value	352	<b>3.83</b>
Stadium	235	<b>2.55</b>
Brand value	234	<b>2.55</b>
End of Sport Five contract (saved discounted Cash Flow)	232	<b>2.52</b>
1&1 new Jersey sponsor	50	<b>0.54</b>
<b>Total Present Value</b>	<b>1,104</b>	<b>12.00</b>
Net excess cash (as of EO FY 19/20)	-4.7	<b>-0.05</b>
Corona impact on EBITDA	-170.0	<b>-1.85</b>
<b>Fair value</b>	<b>929</b>	<b>10.10</b>
Discount		-40.6%
<b>Target price</b>		<b>6.00</b>

Source: BVB, FMR      PV: in EURm

## Appendix

<b>P&amp;L</b>							
	in EURm	16/17	17/18	18/19	19/20e	20/21e	21/22e
<b>Revenues</b>		<b>536.0</b>	<b>489.5</b>	<b>370.2</b>	<b>343.4</b>	<b>409.3</b>	<b>413.2</b>
YoY growth		32.1%	-8.7%	-24.4%	-7.2%	19.2%	1.0%
Cost of revenues		-20.1	-21.3	-29.1	-22.7	-24.6	-24.8
as % of revenues		-3.7%	-4.3%	-7.9%	-6.6%	-6.0%	-6.0%
<b>Gross profit</b>		<b>515.9</b>	<b>468.3</b>	<b>341.1</b>	<b>320.8</b>	<b>384.8</b>	<b>388.4</b>
as % of revenues		96.3%	95.7%	92.1%	93.4%	94.0%	94.0%
Personnel costs		-186.7	-205.1	-215.2	-206.0	-208.8	-210.7
as % of revenues		-34.8%	-41.9%	-58.1%	-60.0%	-51.0%	-51.0%
Other operating income/expenses		-191.9	-147.2	-69.7	-87.9	-94.1	-79.9
as % of revenues		-35.8%	-30.1%	-18.8%	-25.6%	-23.0%	-19.3%
<b>Reported EBITDA</b>		<b>137.3</b>	<b>116.0</b>	<b>56.2</b>	<b>26.8</b>	<b>82.0</b>	<b>97.8</b>
as % of revenues		25.6%	23.7%	15.2%	7.8%	20.0%	23.7%
Depreciation and amortisation (incl. PPA)		-98.3	-92.5	-106.1	-97.0	-87.4	-87.4
as % of revenues		-18.3%	-18.9%	-28.7%	-28.3%	-21.4%	-21.2%
<b>Reported EBIT</b>		<b>39.0</b>	<b>23.5</b>	<b>-49.9</b>	<b>-70.2</b>	<b>-5.5</b>	<b>10.3</b>
as % of revenues		7.3%	4.8%	-13.5%	-20.4%	-1.3%	2.5%
Net financial results incl. equity results		-4.3	-1.7	-3.4	-1.5	-1.5	-1.5
<b>EBT (Earnings before income taxes)</b>		<b>34.6</b>	<b>21.8</b>	<b>-53.3</b>	<b>-71.7</b>	<b>-7.0</b>	<b>8.8</b>
as % of revenues		6.5%	4.5%	-14.4%	-20.9%	-1.7%	2.1%
Income taxes		-2.9	-4.4	2.6	5.6	1.1	-2.1
as % of EBT		-8.5%	-20.3%	-4.9%	-7.8%	-15.7%	-23.4%
<b>Income from continuing operations</b>		<b>31.7</b>	<b>17.4</b>	<b>-50.7</b>	<b>-66.1</b>	<b>-5.9</b>	<b>6.8</b>
Income from discontinued operations, net of taxes		0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>		<b>31.7</b>	<b>17.4</b>	<b>-50.7</b>	<b>-66.1</b>	<b>-5.9</b>	<b>6.8</b>
Minorities		0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income attributable to shareholders</b>		<b>31.7</b>	<b>17.4</b>	<b>-50.7</b>	<b>-66.1</b>	<b>-5.9</b>	<b>6.8</b>
Net margin in %		5.9%	3.6%	-13.7%	-19.2%	-1.4%	1.6%
Shares outstanding (in m)		92.0	92.0	92.0	92.0	92.0	92.0
<b>Basic earnings per share (EUR)</b>		<b>0.34</b>	<b>0.19</b>	<b>-0.55</b>	<b>-0.72</b>	<b>-0.06</b>	<b>0.07</b>

Source: BVB, FMR

## Balance sheet

	in EURm	16/17	17/18	18/19	19/20	20/21e	21/22e
<b>Assets</b>							
<b>Non-current assets</b>		<b>354.9</b>	<b>351.4</b>	<b>371.7</b>	<b>415.7</b>	<b>414.5</b>	<b>397.2</b>
as % of total assets		74.1%	72.4%	74.3%	81.2%	85.9%	83.0%
Intangible assets (incl. Goodwill)		141.5	120.3	163.7	202.5	194.0	167.9
Property, plant and equipment		184.7	180.7	184.0	192.8	201.8	210.5
Long-term investments		0.4	0.4	0.4	0.4	0.4	0.4
Income tax claims (incl. Deferred)		1.1	0.0	0.0	0.0	0.0	0.0
Other assets		27.1	50.0	23.6	20.1	18.4	18.4
<b>Current assets</b>		<b>123.7</b>	<b>134.2</b>	<b>128.4</b>	<b>96.5</b>	<b>68.3</b>	<b>81.6</b>
as % of total assets		25.9%	27.6%	25.7%	18.8%	14.1%	17.0%
Inventories		9.0	5.6	4.6	14.4	10.3	12.3
Accounts receivable and other assets		65.3	68.5	66.1	69.0	56.4	56.4
Current income tax claims		0.2	0.6	1.8	0.6	0.4	0.4
Cash and cash equivalents		49.3	59.5	55.9	12.4	1.2	12.5
<b>Total assets</b>		<b>478.6</b>	<b>485.6</b>	<b>500.1</b>	<b>512.2</b>	<b>482.8</b>	<b>478.8</b>
<b>Shareholders' equity and liabilities</b>							
<b>Shareholders' equity</b>		<b>312.3</b>	<b>343.6</b>	<b>354.9</b>	<b>304.4</b>	<b>233.9</b>	<b>228.0</b>
as % of total equity and liabilities		65.3%	70.8%	71.0%	59.4%	48.4%	47.6%
Subscribed capital		92.0	92.0	92.0	92.0	92.0	92.0
Capital reserve		220.4	251.7	263.0	212.5	142.0	136.1
Accumulated and other comprehensive income		0.0	0.0	0.0	0.0	0.0	0.0
Treasury shares		-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
<b>Equity attributable to shareholders</b>		<b>312.3</b>	<b>343.6</b>	<b>354.9</b>	<b>304.4</b>	<b>233.9</b>	<b>228.0</b>
Minorities		0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities and provisions</b>		<b>139.7</b>	<b>117.9</b>	<b>126.4</b>	<b>186.5</b>	<b>159.0</b>	<b>160.9</b>
as % of total equity and liabilities		29.2%	24.3%	25.3%	36.4%	32.9%	33.6%
Financial liabilities		10.3	2.0	3.1	2.0	12.4	12.4
Advance payments received		0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable		63.6	54.6	60.7	78.8	75.3	78.5
Tax liabilities		0.7	2.0	3.5	2.0	0.0	0.0
Other provisions		21.9	24.7	25.5	56.6	28.3	22.6
Other liabilities		43.3	34.7	33.7	47.1	43.0	47.3
<b>Non-current liabilities and provisions</b>		<b>26.6</b>	<b>24.1</b>	<b>18.8</b>	<b>21.3</b>	<b>89.9</b>	<b>89.9</b>
as % of total equity and liabilities		5.5%	5.0%	3.8%	4.2%	18.6%	18.8%
Pension provisions and similar obligations		0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities		8.7	6.7	8.4	3.9	20.1	20.1
Deferred tax liabilities		0.0	0.0	0.0	0.0	0.0	0.0
Provisions		1.2	1.1	1.7	1.1	0.0	0.0
Other liabilities		16.7	16.3	8.7	16.3	69.9	69.9
<b>Total equity and liabilities</b>		<b>478.6</b>	<b>485.6</b>	<b>500.1</b>	<b>512.2</b>	<b>482.8</b>	<b>478.8</b>

Source: BVB, FMR

**Cash Flow Statement**

in EURm	16/17	17/18	18/19	19/20	20/21e	21/22e
<b>EBT</b>	<b>9.1</b>	<b>34.7</b>	<b>21.8</b>	<b>-46.6</b>	<b>-71.7</b>	<b>-7.0</b>
Depreciation and amortisation	63.4	90.6	90.1	106.1	97.0	87.4
Other transactions incl. non-cash	6.4	48.8	-88.9	-41.9	17.4	5.0
Change in Working Capital	31.5	-3.6	5.7	-18.0	30.7	-4.1
<b>Cash flow from operating activities</b>	<b>110.4</b>	<b>170.4</b>	<b>28.7</b>	<b>-0.4</b>	<b>73.5</b>	<b>81.4</b>
CAPEX	-104.7	-142.8	-23.6	-50.9	-70.1	-70.1
Change in consolidation, net cash	0.0	0.0	0.0	0.0	0.0	0.0
Other investing activities	0.1	0.0	0.1	0.1	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-104.6</b>	<b>-142.7</b>	<b>-23.5</b>	<b>-50.8</b>	<b>-70.1</b>	<b>-70.1</b>
Change in debt	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from capital increase & right capital & change in capital reserve	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of treasury shares & minority stakes	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payments	-5.6	-5.5	-5.5	-5.5	0.0	0.0
Other financing activities	-2.6	-11.9	-3.3	-3.9	-5.5	0.0
<b>Cash flow from financing activities</b>	<b>-8.2</b>	<b>-17.5</b>	<b>-8.8</b>	<b>-9.4</b>	<b>-5.5</b>	<b>0.0</b>
<b>Total change in cash and cash equivalents</b>	<b>-2.4</b>	<b>10.2</b>	<b>-3.6</b>	<b>-60.6</b>	<b>-2.1</b>	<b>11.3</b>
Effect of exchange rate changes on cash	0.0	0.0	0.0	0.0	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	51.7	49.3	59.5	55.9	-4.7	-6.8
<b>Cash and cash equivalents at year's end</b>	<b>49.3</b>	<b>59.5</b>	<b>55.9</b>	<b>-4.7</b>	<b>-6.8</b>	<b>4.5</b>
<i>of which</i>						
<i>Cash and equivalents</i>	49.3	59.5	55.9	3.3	1.2	12.5
<i>Current account</i>	0.0	0.0	0.0	8.0	8.0	8.0

Source: BVB, FMR

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- b) Time conditions of expected updates: quarterly
- c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Lurgiallee 12, 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)
11.11.2019	BUY	8.52	10.50
22.11.2019	BUY	8.45	10.50
11.12.2019	BUY	8.35	10.50
20.02.2020	BUY	8.99	10.50
24.02.2020	BUY	9.49	10.50
03.03.2020	BUY	7.72	10.50
18.03.2020	BUY	4.63	9.00
11.05.2020	BUY	6.75	8.00
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

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

##### b) Issuer

Winfried Becker, Senior Analyst

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