



# Borussia Dortmund GmbH & Co. KGaA

## Squad and brand matter

15/11/2019

**Buy** (Buy)  
**12.00 €** (12.00 €)

Close 13/11/2019 8.35 €  
 Bloomberg: BVB GY WKN: 549309  
 Sector Media

### Share price performance

52 week high / low 9.93 / 7.01 €  
 YTD 4.8%  
 12 months -16.0%

### Share price vs. Prime All Share



### Next event

-

### Change in model

	Sales	EBITDA	EPS
2018/19	-	-	-
2019/20e	8.4%	1.7%	-26.4%
2020/21e	-3.0%	22.9%	46.8%

### Share data

Market Cap (m EUR)	767.7
No. of shares (m)	92.0
Free float	60.8%

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See end of document for disclaimer.

Borussia Dortmund's (BVB) share price has declined over the last month from ~ € 9.6 to € 8.3, and now largely represents the mere value of the squad. We consider this to be unjustified, as the share price at this level ignores the value of the company's brand.

### INVESTMENT CASE

BVB managed to pull two surprises in one week: 1) Winning against Inter Milan (3:2) and getting a fair chance to go through to the round of 16 of the Champions League, and 2) losing heavily against Bayern Munich (4:0) in the Bundesliga. In the Champions League, there are still two games left: Against Barcelona (on 27/11/2019) and Slavia Prague (on 10/12/2019), which should be triggers before the end of the year. On Transfermarkt.de, the value of the squad is € 640 m or ~ € 7.0/share. Assuming this share price reflects the squad's value and brand, at the current share price of € 8.3, the market ascribes € 190 m to brand value. We believe this is unjustified, given the potential brand valuation range of between € 587 m (according to Brand Finance) and € 1.1 bn (according to KPMG). We expect the EBITDA to considerably improve in 2020/21e (even ex. transfers) thanks to the expiration of an old contract with marketer Lagardère and better terms in the renewed Puma contract.

### CATALYSTS

The business case needs the team to be successful in the core competitions Bundesliga, DFB Cup and Champions League. The outcome of cup competitions (loss/win or elimination/next round) impacts all business segments.

### VALUATION

Based on our adjusted NAV approach, which indicates an FVpS of € 11.97, we leave our price target of € 12.00 unchanged and confirm our BUY rating. A traditional NAV calculation, which comprises the squad's hidden reserve (squad adj. value less intangibles) and the brand value, indicates an even higher FVpS of € 13.98. If we exclude the brand value from the second approach (taking into account only squad hidden reserve) the calculated FV is € 8.31 – on a par with the current share price.

in m EUR	2016/17	2017/18	2018/19	2019/20e	2020/21e
Sales	405.7	536.1	489.6	508.1	483.1
EBITDA	74.1	126.7	116.0	108.5	131.9
EBITDA margin	18.3%	23.6%	23.7%	21.4%	27.3%
Net financial debt	13.0	-16.1	-10.7	-12.0	-36.3
Free cash flow	5.8	27.6	1.1	13.4	29.9
EPS (in EUR)	0.09	0.31	0.19	0.20	0.40
DPS (in EUR)	0.06	0.06	0.06	0.06	0.06
Dividend yield	1.1%	0.7%	0.7%	0.7%	0.7%
EV/sales	1.3	1.4	1.5	1.5	1.5
EV/EBITDA	6.8	5.9	6.5	7.0	5.5
P/E	59.8	26.7	43.7	41.8	20.7

Source: Company information, Bankhaus Lampe Research estimates

### Q1 2019/20 strong top-line growth even excluding transfer revenue

#### Q1 2019/20 RESULTS

In Q1 2019/20 revenues grew to € 175.2 m (PY: € 132.1 m). Even excluding transfers, revenues increased by a notable 15.4% from € 91.1 m to € 105.1 m. All segments, except match operations, contributed to the top line and performed as follows:

#### Q1 2019/20 results

Bor. Dortmund [€ m]	BHL	Consensus	Q1 18/19	% yoy
	Q1 19/20	Q1 19/20		
Sales	175.2	---	132.1	32.6%
- Broadcasting	51.2	---	47.0	8.9%
- Advertising	24.1	---	21.1	14.2%
- Merchandising	9.0	---	6.5	38.5%
- Transfers	70.1	---	41.0	71.0%
- Match Operations	8.6	---	10.7	-19.6%
- Catering/others	12.2	---	5.8	>100%
EBITDA	25.0	---	23.8	5.0%
EBITDA-margin	14.3%	---	18.0%	-3.7 PP
EBT	-1.5	---	5.1	-129.4%
EBIT-margin	-0.9%	---	3.9%	-4.7 PP

Source: Company information

- Personnel expenses increased to € 55.5 m (PY: € 45.3 m);
- Depreciations of the group increased to € 25.7 m (PY: € 17.9 m);
- Other operating expenses increased to € 89.8 m (PY: € 59.3 m);
- EBT came to € -1.5 m (PY: € 5.1 m). EBITDA came to € 25.0 m (PY: € 23.8 m).

Top-line growth in Q1 was convincing, and BVB should reach its total revenue target exceeding € 485 m in FY 2019/20 (BHL est.: € 508 m).

## CHANGES IN ESTIMATES

Following the transfer of coverage from Christoph Schlienkamp, we have reworked our estimates.

### Changes in estimates

Bankhaus Lampe

EUR m	2019/20e old	2019/20e new	Change	2020/21e old	2020/21e new	Change	2021/22e old	2021/22e new	Change
Sales	489.5	508.1	3.8%	468.9	483.1	3.0%	497.8	504.7	1.4%
EBIT	23.5	23.5	0.2%	36.7	46.9	27.8%	37.3	49.3	32.1%
EBIT margin	4.8%	4.6%	-0.2 PP	7.8%	9.7%	1.9 PP	7.5%	9.8%	2.3 PP
EPS (€)	0.19	0.20	5.1%	0.27	0.40	49.1%	0.27	0.42	56.6%
DPS (€)	0.06	0.06	0.0%	0.06	0.06	0.0%	0.06	0.06	0.0%

Source: Bankhaus Lampe

- For the current FY 2019/20e, we have increased our top-line estimate to € 508 m (old: € 489.5 m) to reflect the strong top-line growth in Q1. However, we left our EBIT estimate unchanged given that other expenses were somewhat higher than we had anticipated.
- For FY 2020/21e, we expect the EBITDA to be boosted by two factors: 1) The expiration of an old contract with Lagardère which entailed ~ € 20 m/ year cost and 2) Better terms in the renewed Puma contract. We think that both effects combined could potentially add € 25-35 m to EBITDA in 2020/21e even without transfers.
- Transfer income remains a wild card in our estimates. Looking at the current squad, the most expensive player is Jadon Sancho at € 100 m followed by Marco Reus, Julian Brand and Paco Alcácer at € 50 m each. So potentially, a transfer of any of these players could add € 50-100 m to our top-line forecast.

Our estimates compare with the FactSet consensus as follows:

BHL vs. Consensus	2019/20e			2020/21e			2021/22e		
	BHL	Consensus	Delta	BHL	Consensus	Delta	BHL	Consensus	Delta
Sales	508.1	484.1	4.9%	483.1	490.8	-1.6%	504.7	507.7	-0.6%
EBIT	23.5	29.8	-21.0%	46.9	30.6	53.3%	49.3	48.0	2.6%
EBIT margin	4.6%	6.2%	-1.5 PP	9.7%	6.2%	3.5 PP	9.8%	9.5%	0.3 PP
EPS (€)	0.20	0.44	-54.8%	0.40	0.23	75.0%	0.42	0.40	5.7%
DPS (€)	0.06	0.06	0.0%	0.06	0.06	0.0%	0.06	0.06	0.0%

Source: Bankhaus Lampe

- We do not consider this comparison to be meaningful as the number of contributions is low.

Our valuation is based on the adjusted value of the squad

## VALUATION

Our company valuation is primarily based on the adjusted value of the professional squad, the company's core asset. Transfermarkt.de, the leading valuation platform for German professional football, calculates a value for the BVB squad of € 640.5 m (as per 01/11/2019).

### Value of the squad

	Player	Market Value 11/2019	Contract till	adj. PV in € m	% of squad value
Goalkeeper	1 Bürki	14	30/06/21	14	2.5%
	35 Hitz	2.5	30/06/21	2.5	0.4%
	25 Unbehaun	0.4	30/06/22	0.4	0.1%
	40 Oelschlägel	0.3	30/06/20		
Defence	16 Akanji	40	30/06/22	40	7.1%
	15 Hummels	35	30/06/22	35	6.2%
	2 Zagadou	28	30/06/22	28	5.0%
	18 Balerdi	14	30/06/24	14	2.5%
	14 Schulz	25	30/06/24	25	4.5%
	29 Schmelzer	2.5	30/06/21	2.5	0.4%
	5 Hakimi	30	30/06/20		
	26 Piszczek	3	30/06/20		
	22 Morey	1	30/06/24	1	0.2%
Midfield	28 Witsel	32	30/06/22	32	5.7%
	33 Weigl	25	30/06/21	25	4.5%
	37 Raschl	0.8	30/06/22	0.8	0.1%
	6 Delaney	27	30/06/22	27	4.8%
	8 Dahoud	10	30/06/22	10	1.8%
	13 Guerreiro	25	30/06/20		
	11 Reus	50	30/06/23	50	8.9%
Striker	19 Brandt	50	30/06/24	50	8.9%
	23 Hazard	38	30/06/24	38	6.8%
	34 Larsen	15	30/06/21	15	2.7%
	7 Sancho	100	30/06/22	100	17.9%
	9 Alcácer	50	30/06/23	50	8.9%
	10 Götze	22	30/06/20		
	Total	640.5		560.2	100%

Source: Bankhaus Lampe

- We also take into account that the transfer value of players with contracts expiring in the next twelve months will drop to zero in mid-2020. We do not regard these players as assets anymore because they will then no longer generate transfer income. Of the current squad, this concerns players Oelschlägel, Hakimi, Piszczek, Guirreiro, and Götze, whose contracts – as of today – with BVB expire on 30/06/2020. They are currently valued at € 80.3 m.
- We calculate an adjusted value for the squad of € 560.2 m. We consider this to be a conservative approach but acknowledge that it worked very well in the past.

Brand valuation ranges from € 529 m and € 1.1bn – we used the lowest figure for our valuation

### SPECIAL FEATURE

Brand Finance, Forbes and KPMG have all attempted to define the value of a football team and their brand using different methodologies:

1. Brand Finance measures a team's brand value by looking at its brand strength according to the degree of public interest and commercial support, the brand's "royalty rate", and revenues from matchday, commercial and broadcasting streams. The royalty rate is determined by the team's licensing or franchising negotiations, international licensing, competitor benchmarking and the potential sales figures that could be charged for the use of the trademark. For BVB, Brand Finance puts the brand value at US\$ 587 m (~ € 529 m based on current USD/EUR rate).
2. Forbes calculates a team's value based on its economic performance from matchday, broadcasting, and commercial sources, as well as any additional value generated by its market position or potential. Forbes calculates a value for BVB of € 767 m.
3. KPMG presents a team's enterprise value, taken from its profitability, popularity, sporting potential, as well as the value of broadcasting rights and revenue opportunity stemming from stadium ownership. In 2018, KPMG calculated an EV for BVB of € 1,005-1,115 m.

PT of € 12.00 is based on our adjusted NAV approach

Overall, using our unchanged valuation approach, we arrive at a fair value for the share of € 12.00 and therefore confirm our BUY rating.

### Adjusted NAV calculation

	Valuation	
adj. value of the squad [€ m]		560.2
Net liquidity		12.0
Brand Value		528.7
<b>Total</b>		<b>1,100.9</b>
Num. of shares [mill.]		92.00
<b>Fair value per share [€]</b>		<b>11.97</b>
<b>Sensitivity of fair value per share</b>		
Change in adj. Value of the squad or Brand Value	+100 m	13.05
	+50 m	12.51
	0 m	11.97
	-50 m	11.42
	-100 m	10.88

- Borussia Dortmund has systematically decreased its debt in recent years. In our model, we project net cash of € 11.2 m as per end of fiscal year.
- The independent brand valuation and strategy consultancy, Brand Finance, put the brand value for Borussia Dortmund at US\$ 587 m in May 2018, which should be taken into consideration for the valuation. Based on the current US dollar rate, this corresponds to a value of € 529 m.

Source: Company data; Bankhaus Lampe

Traditional NAV shows even higher FVpS of € 13.86

We consider our approach to be conservative but would note that it worked very well in the past. A traditional net asset value approach would lead to the following numbers:

#### Traditional NAV calculation

		Valuation
Book Value		352.3
Hidden reserves in the squad		393.2
	thereof:	
	Squad value (adj.)	560.2
	Intangible assets	-167.0
Net liquidity		12.0
Brand Value		528.7
<b>Total</b>		<b>1,286.19</b>
Num. of shares [mill.]		92.00
<b>Fair value per share [€]</b>		<b>13.98</b>
Sensitivity of fair value per share		
Change in adj. Value of the squad or Brand Value	+100 m	15.07
	+50 m	14.52
	+0 m	13.98
	-50 m	13.44
	-100 m	12.89

- Our NAV calculation, which comprises the squad's hidden reserve (squad adj. value less intangibles) and potential brand value, indicates an even higher FVpS of € 13.98.
- Excluding the brand value, i.e. taking into account only squad hidden reserve, the calculated fair value is € 8.31. This is on a par with the current share price. In other words, the current share price largely reflects the squad's hidden value and completely ignores the brand value of the company, which is not justified, in our view.

Source: Company data; Bankhaus Lampe

Traditional valuation approaches are not suitable

#### TRADITIONAL VALUATION APPROACHES ARE NOT SUITABLE

Traditional valuation approaches such as a DCF method are not suitable for BVB, in our view, as the current price target in this model is mainly based on the terminal value.

The value of a football club in five years' time and the potential growth rate are virtually impossible to assess, in our view. A peer-group valuation is not meaningful in this case either, in our view, due to the very limited number of realistic peer multiples.

#### MAIN RISKS TO OUR INVESTMENT CASE

The main risk to our investment case is the fact that sporting success cannot be relied upon. Elimination from a cup competition reduces the brand value, while going through to the next round is positive. Moreover, a higher-than-expected bid for a player could drive up the squad value, while an injury of a highly valued player could drive it down. And in terms of numbers, major deviation from our forecasts is possible as transfers are not predictable.

# Key figures

## Borussia Dortmund GmbH & Co. KGaA – Income statement

in m €	2016/17	2017/18	2018/19	2019/20e	2020/21e
Sales	405.7	536.1	489.6	508.1	483.1
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	405.7	536.1	489.6	508.1	483.1
Material expenses	-25.9	-20.1	-21.3	-24.5	-25.7
Personnel expenses	-177.9	-186.7	-205.1	-212.7	-204.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-127.7	-202.6	-147.2	-162.3	-121.0
EBITDA	74.1	126.7	116.0	108.5	131.9
Depreciation	63.4	90.6	92.5	85.0	85.0
EBITA	10.7	36.1	23.5	23.5	46.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	10.7	36.1	23.5	23.5	46.9
Financial result	-1.5	-4.3	-1.6	-0.6	-0.6
Income on ordinary activities	9.2	31.8	22.0	23.0	46.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	9.2	31.8	22.0	23.0	46.4
Taxes	-0.9	-3.3	-4.4	-4.6	-9.3
Net income from cont. operations	8.3	28.5	17.6	18.4	37.0
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	8.3	28.5	17.6	18.4	37.0
No. of shares	92.0	92.0	92.0	92.0	92.0
EPS	0.09	0.31	0.19	0.20	0.40

Source: Company information, Bankhaus Lampe Research estimates

	2016/17	2017/18	2018/19	2019/20e	2020/21e
Gross margin	93.6%	96.3%	95.7%	95.2%	94.7%
EBITDA margin	18.3%	23.6%	23.7%	21.4%	27.3%
EBITA margin	2.6%	6.7%	4.8%	4.6%	9.7%
EBIT margin	2.6%	6.7%	4.8%	4.6%	9.7%
EBT margin	2.3%	5.9%	4.5%	4.5%	9.6%
Net profit margin	2.0%	5.3%	3.6%	3.6%	7.7%
Tax rate	9.9%	10.3%	20.1%	20.1%	20.1%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016/17	2017/18	2018/19	2019/20e	2020/21e
Sales	7.8%	32.1%	-8.7%	3.8%	-4.9%
EBITDA	-14.5%	70.9%	-8.4%	-6.4%	21.5%
EBIT	-70.7%	>100%	-34.8%	0.1%	99.2%
EBT	-73.3%	>100%	-30.9%	4.6%	>100%
Net income (adj.)	-71.9%	>100%	-38.4%	4.6%	>100%
EPS	-71.9%	>100%	-38.4%	4.6%	>100%

Source: Company information, Bankhaus Lampe Research estimates

## Borussia Dortmund GmbH &amp; Co. KGaA – Balance sheet

Assets (in m €)	2016/17	2017/18	2018/19	2019/20e	2020/21e
Fixed assets	354.9	341.9	371.7	377.4	384.9
Property, plant and equipment	184.7	180.7	184.0	185.8	189.6
Intangible assets	141.5	109.7	163.7	167.0	170.3
Financial assets	0.1	0.1	0.1	0.1	0.1
Other long-term assets	28.6	51.5	24.0	24.4	24.9
Current assets	123.7	136.4	128.4	130.8	157.4
Inventories	9.0	5.6	4.6	5.0	5.1
Accounts receivable	48.8	23.0	30.1	30.1	30.7
Other current assets	16.7	48.4	37.9	38.6	39.4
Securities	0.0	0.0	0.0	0.0	0.0
Cash	49.3	59.5	55.9	57.1	82.2
Total assets	478.6	478.3	500.1	508.2	542.3
Equity and liabilities in m €					
Shareholders' equity	312.3	336.3	354.9	361.2	392.7
Shareholders' equity (before minority)	312.3	336.3	354.9	361.2	392.7
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	25.4	23.0	17.1	17.1	17.1
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Long-term financial debt	8.7	6.7	8.4	8.4	8.4
Other long-term debt	16.7	16.3	8.7	8.7	8.7
Current liabilities	140.9	119.0	128.1	129.9	132.5
Short-term debt	53.6	36.6	36.8	36.8	37.5
Other accruals short-term	1.2	1.1	1.7	1.7	1.7
Accounts payable	63.6	54.6	60.7	61.9	63.1
Other liabilities	22.6	26.7	29.0	29.5	30.1
Total equity and liabilities	478.6	478.3	500.1	508.1	542.2

Source: Company information, Bankhaus Lampe Research estimates

## Borussia Dortmund GmbH &amp; Co. KGaA – Balance sheet structure

Assets	2016/17	2017/18	2018/19	2019/20e	2020/21e
Fixed assets	74.1%	71.5%	74.3%	74.3%	71.0%
Property, plant and equipment	38.6%	37.8%	36.8%	36.6%	35.0%
Intangible assets	29.6%	22.9%	32.7%	32.9%	31.4%
Current assets	25.9%	28.5%	25.7%	25.7%	29.0%
Inventories	1.9%	1.2%	0.9%	1.0%	0.9%
Accounts receivable	10.2%	4.8%	6.0%	5.9%	5.7%
Cash	10.3%	12.4%	11.2%	11.2%	15.2%
Equity and liabilities					
Shareholders' equity	65.3%	70.3%	71.0%	71.1%	72.4%
Non-current liabilities	5.3%	4.8%	3.4%	3.4%	3.2%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	1.8%	1.4%	1.7%	1.6%	1.5%
Current liabilities	29.4%	24.9%	25.6%	25.6%	24.4%
Short-term debt	11.2%	7.7%	7.4%	7.2%	6.9%
Accounts payable	13.3%	11.4%	12.1%	12.2%	11.6%

Source: Company information, Bankhaus Lampe Research estimates



## Borussia Dortmund GmbH &amp; Co. KGaA – Cash flow statement

in m €	2016/17	2017/18	2018/19	2019/20e	2020/21e
Net income (adj.)	8.3	31.8	17.6	18.4	37.0
Depreciation	63.4	90.6	92.5	85.0	85.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0
Change of provisions	-0.2	0.0	0.5	0.0	0.0
Other	-108.1	45.1	0.0	42.5	31.0
Operating cash flow before changes in w/c	-36.6	167.4	110.6	145.9	153.1
Change in inventory	1.2	0.0	1.0	-0.4	-0.1
Change in accounts receivable	2.3	5.0	-7.1	0.0	-0.6
Change in accounts payable	48.9	-8.7	6.1	1.2	1.2
Change in other assets	-11.0	-5.4	12.8	-0.2	-0.2
Operating cash flow	4.8	158.4	123.4	146.5	153.4
Capex, incl. capitalized R&D	0.0	-130.8	-122.3	-133.1	-123.5
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.0	0.0	0.0	0.0	0.0
Income from financial investments	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	1.0	-130.7	-122.3	-133.2	-123.5
Free cash flow	5.8	27.6	1.1	13.4	29.9
Capital measures	0.0	0.0	0.0	0.0	0.0
Increase/decrease in debt position	-2.6	-11.9	1.8	0.0	0.7
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Other financing Cash-flow	0.0	0.0	-7.6	0.0	0.0
Dividend paid	-5.5	-5.5	-5.5	-5.5	-5.5
Cash flow from financing activities	-8.2	-17.5	-11.3	-5.5	-4.8
Increase/ decrease in liquid assets	-2.4	10.2	-10.2	7.8	25.1
Effects of exchange rate changes	0.0	0.0	0.0	0.0	0.0
Cash at beginning of period	51.7	49.3	59.5	49.3	57.1
Change in total cash and cash equivalents	-2.4	10.2	-10.2	7.8	25.1
Cash at end of period	49.4	59.5	49.3	57.1	82.2

Source: Company information, Bankhaus Lampe Research estimates

## Borussia Dortmund GmbH &amp; Co. KGaA – Ratios

	2016/17	2017/18	2018/19	2019/20e	2020/21e
<b>Per Share Data</b>					
EPS	0.09	0.31	0.19	0.20	0.40
Book value per share	3.39	3.66	3.86	3.93	4.27
Free Cash-flow per share	0.06	0.30	0.01	0.15	0.32
Dividend per share	0.06	0.06	0.06	0.06	0.06
<b>Valuation ratios</b>					
EV/Sales	1.3	1.4	1.5	1.5	1.5
EV/EBITDA	6.8	5.9	6.5	7.0	5.5
EV/EBIT	47.5	20.6	32.2	32.1	15.6
P/E	59.8	26.7	43.7	41.8	20.7
Price to book (total equity)	1.6	2.3	2.2	2.1	2.0
Dividend yield	1.1%	0.7%	0.7%	0.7%	0.7%
<b>Profitability ratios</b>					
EBITDA margin	18.3%	23.6%	23.7%	21.4%	27.3%
EBIT margin	2.6%	6.7%	4.8%	4.6%	9.7%
Net return on sales	2.0%	5.3%	3.6%	3.6%	7.7%
Return on capital employed (ROCE)	2.9%	9.5%	5.9%	5.8%	10.7%
<b>Productivity ratios</b>					
Capital turnover	86.0%	58.9%	70.6%	69.0%	74.0%
Operating leverage	-8.7	7.4	4.0	0.0	-20.2
Sales per employee (in thousands)	536,672	666,760	611,946	635,067	603,852
EBIT per employee (in thousands)	14,140	44,908	29,418	29,435	58,643
Number of employees (in thousands)	0.8	0.8	0.8	0.8	0.8
<b>Financial ratios</b>					
Equity ratio	65.3%	70.3%	71.0%	71.1%	72.4%
Net financial debt (in m €)	13.0	-16.1	-10.7	-12.0	-36.3
Net debt / Equity	4.1%	-4.8%	-3.0%	-3.3%	-9.3%
Interest cover	6.9	8.4	0.0	0.0	0.0
Net debt / EBITDA	0.17	-0.13	-0.09	-0.11	-0.28
Working Capital (in m €)	-5.8	-26.0	-26.0	-26.8	-27.3
Change in working capital (in m €)	-52.4	-20.2	0.0	-0.8	-0.5
WC /sales	-1.4%	-4.9%	-5.3%	-5.3%	-5.7%
Stocks in days of sales	8	4	3	4	4
Trade debtors in days of sales	44	16	22	22	23
Trade creditors in days of COGS/sales	57	37	45	44	48
Cash conversion cycle	-5	-17	-20	-18	-21
Invest. (property/plant/equity) / Depreciation	0.0%	144.4%	132.2%	156.6%	145.3%
<b>Others</b>					
Sales CAGR (last 3 years)	15.9%	24.8%	9.2%	7.8%	-3.4%
EBIT CAGR (last 3 years)	-16.6%	40.0%	-13.0%	30.1%	9.1%
Net income CAGR (last 3 years)	-10.8%	72.7%	-15.2%	30.5%	9.1%
Pay-out ratio	66.8%	19.4%	31.4%	30.1%	14.9%
Free cash flow (in m €)	5.8	27.6	1.1	13.4	29.9
Free cash flow yield	1.2%	3.6%	0.1%	1.7%	3.9%

Source: Company information, Bankhaus Lampe Research estimates

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The creation of this recommendation was finalised on 14/11/2019 04:50 PM (CET) and first published on 15/11/2019 07:01 AM (CET).

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Date of publication	Price at recommendation	Rating	Price target
06/08/2019	9.09 EUR	Buy	12.00 EUR
17/01/2019	8.76 EUR	Buy	10.00 EUR

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Borussia Dortmund GmbH & Co. KGaA	9

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