

# Borussia Dortmund GmbH & Co KGaA

Others - Germany



by Hauck Aufhäuser Lampe

**Buy** (old: Buy)

17.04.2024

**EUR 5.50** (old: EUR 5.50)

## First semifinal since 11 years secures € 12.5m extra profit / chg.

By winning Tuesday night's match against Atletico Madrid, **Borussia Dortmund has secured a spot in the UEFA Champions League semifinals** for the first time since 2013. With this advancement, the club can now anticipate **additional UEFA prize money payments of at least € 12.5m**. Consequently, we anticipate an increase of the EBT and EBITDA guidance in the same amount. Keep in mind that those premium payments have a de facto 100% margin, as no costs are incurred. Moreover, this does not yet include sales from ticketing and catering for the additional home game.

In the semifinals, BVB will face PSG with superstar Mbappe. Both teams met already in the group stage, where PSG won their home game 2-0 followed by a 1-1 draw in Dortmund. We therefore attribute the **outsider role to BVB** for the time being and do not model any income from a potential progression. However, should Borussia Dortmund manage to reach the final, the club would receive additional premium payments of € 15.5 million, while winning the competition would add another € 4.5m along with at least € 3.5m for participating in the UEFA Super Cup (UCL winner vs UEL winner).

Looking at the Bundesliga table, BVB is currently positioned in 5<sup>th</sup> place. With only 5 games to go, BVB finds themselves in a promising position to secure qualification for the upcoming season's UEFA Champions League. A direct duel with RB Leipzig for the 4<sup>th</sup> spot in the final table and the consequent UCL participation is looming, with a head-to-head encounter scheduled for April 27<sup>th</sup>. Mind you, if Germany secures the second position in the UEFA coefficient ranking, even the 5<sup>th</sup>-placed team in the Bundesliga would qualify for the Champions League. With their progression in the current UCL campaign, BVB now can gather additional valuable points for this ranking. (See [update](#) from January).

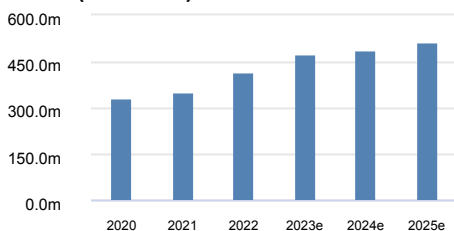
Lastly, the **auction for domestic broadcasting rights** for the 4-year period starting with the season 2025/26 kicked off this week. While the current 4-year deal has a total value of € 4.4bn, fears were arising that the next deal could decrease in volume after the Italian and French Leagues had to cut back recently. However, the recent abortion of the "No-Single-Buyer-Rule" is set to **intensify the bidding contest**. Hence, we expect the deal volume to remain on the same level as in the current period.

Reiterate **BUY with an unchanged PT of € 5.50** based on DCF.

Y/E 30.06 (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Sales	334.2	351.6	418.2	475.6	486.9	514.7
Sales growth	-9.7%	5.2%	18.9%	13.7%	2.4%	5.7%
EBITDA	38.9	80.8	123.2	163.7	155.8	164.7
Net debt (if net cash=0)	76.2	6.6	67.5	23.8	-8.2	-22.6
FCF	-46.1	-16.1	-22.3	43.7	31.9	21.0
Net Debt/EBITDA	2.0	0.1	0.5	0.1	0.0	0.0
EPS pro forma	-0.66	-0.32	0.09	0.47	0.21	0.23
EBITDA margin	11.7%	23.0%	29.5%	34.4%	32.0%	32.0%
ROCE	-22.2%	-9.6%	5.2%	16.7%	8.4%	9.1%
EV/sales	2.1	1.2	1.1	0.9	0.8	0.7
EV/EBITDA	17.8	5.0	3.8	2.6	2.5	2.3
PER	-5.5	-11.4	41.8	7.7	17.5	15.4
Adjusted FCF yield	-10.4%	-7.6%	3.4%	12.6%	6.2%	7.4%

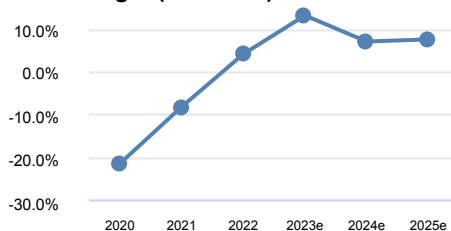
Source: Company data, NuWays, Close price as of 11.04.2024

### Sales (2020-25e)



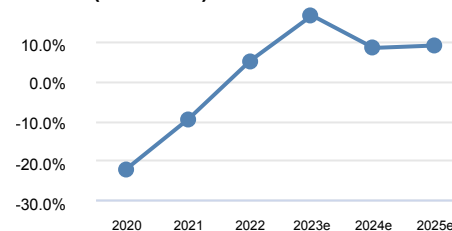
Source: NuWays Research

### EBIT margin (2020-25e)

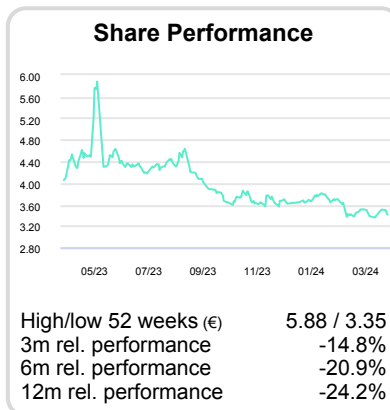


Source: NuWays Research

### ROCE (2020-25e)



Source: NuWays Research



### Market data

Share price (in €)	3.40
Market cap (in € m)	399.6
Number of shares (in m pcs)	110.4
Enterprise value (in € m)	391.5
Ø trading volume (6 months)	136,745

### Identifier

Bloomberg	BVB GR
Reuters	BVB.DE
WKN	549309
ISIN	DE0005493092

### Key shareholders

Bernd Geske	8.2%
Evonik Industries AG	8.2%
SIGNAL IDUNA	6.0%
PUMA SE	5.3%
Ralph Dommermuth Beteiligungen GmbH	5.0%
Free Float	67.2%

### Estimates changes

	2023/24e	2024/25e	2025/26e
Sales	3%	0%	0%
EBIT	22%	0%	0%
EPS	16%	0%	0%

### Comment on changes

- Changes reflect the impact of reaching the UCL semi finals.

### Company description

Borussia Dortmund operates a professional football club with a strong brand power and reputation in both national and international football. The main revenues are generated from sponsorship, ticketing, transfers and merchandising.

### Guidance

- Sales: ≥ € 427m
- EBITDA: € 104-114m
- Net income: € 25-35m

## Financials

Profit and loss (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
<b>Net sales</b>	<b>334.2</b>	<b>351.6</b>	<b>418.2</b>	<b>475.6</b>	<b>486.9</b>	<b>514.7</b>
<i>Sales growth</i>	-9.7%	5.2%	18.9%	13.7%	2.4%	5.7%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>334.2</b>	<b>351.6</b>	<b>418.2</b>	<b>475.6</b>	<b>486.9</b>	<b>514.7</b>
Other operating income	25.8	85.4	79.3	114.3	107.1	113.2
Material expenses	19.6	22.6	24.1	26.2	26.8	28.3
Personnel expenses	215.6	231.2	236.2	241.6	243.5	247.0
Other operating expenses	85.8	102.4	114.0	158.4	168.0	187.9
<b>Total operating expenses</b>	<b>295.2</b>	<b>270.9</b>	<b>295.0</b>	<b>311.9</b>	<b>331.1</b>	<b>350.0</b>
<b>EBITDA</b>	<b>38.9</b>	<b>80.8</b>	<b>123.2</b>	<b>163.7</b>	<b>155.8</b>	<b>164.7</b>
Depreciation	14.6	14.4	14.0	13.3	16.0	16.6
<b>EBITA</b>	<b>24.4</b>	<b>66.3</b>	<b>109.3</b>	<b>150.4</b>	<b>139.8</b>	<b>148.1</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	96.5	95.5	92.3	88.1	105.7	109.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>-72.1</b>	<b>-29.2</b>	<b>16.9</b>	<b>62.3</b>	<b>34.1</b>	<b>38.6</b>
Interest income	0.7	0.7	0.0	1.0	1.0	1.0
Interest expenses	1.7	4.9	6.1	2.4	2.4	2.6
Investment income	-0.1	0.0	0.0	0.0	0.0	0.0
Financial result	-1.1	-4.2	-6.1	-1.4	-1.5	-1.5
<b>Recurring pretax income from continuing operations</b>	<b>-73.2</b>	<b>-33.4</b>	<b>10.8</b>	<b>60.9</b>	<b>32.6</b>	<b>37.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-73.2</b>	<b>-33.4</b>	<b>10.8</b>	<b>60.9</b>	<b>32.6</b>	<b>37.1</b>
Income tax expense	-0.3	1.7	1.2	9.1	9.8	11.1
<b>Net income from continuing operations</b>	<b>-72.8</b>	<b>-35.1</b>	<b>9.6</b>	<b>51.8</b>	<b>22.8</b>	<b>25.9</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-72.8</b>	<b>-35.1</b>	<b>9.6</b>	<b>51.8</b>	<b>22.8</b>	<b>25.9</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>-72.8</b>	<b>-35.1</b>	<b>9.6</b>	<b>51.8</b>	<b>22.8</b>	<b>25.9</b>
Average number of shares	110.4	110.4	110.4	110.4	110.4	110.4
<b>EPS reported</b>	<b>-0.66</b>	<b>-0.32</b>	<b>0.09</b>	<b>0.47</b>	<b>0.21</b>	<b>0.23</b>

Profit and loss (common size)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
<b>Net sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Sales growth</i>	-9.7%	5.2%	18.9%	13.7%	2.4%	5.7%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other operating income	7.7%	24.3%	19.0%	24.0%	22.0%	22.0%
Material expenses	5.9%	6.4%	5.8%	5.5%	5.5%	5.5%
Personnel expenses	64.5%	65.8%	56.5%	50.8%	50.0%	48.0%
Other operating expenses	25.7%	29.1%	27.3%	33.3%	34.5%	36.5%
<b>Total operating expenses</b>	<b>88.3%</b>	<b>77.0%</b>	<b>70.5%</b>	<b>65.6%</b>	<b>68.0%</b>	<b>68.0%</b>
<b>EBITDA</b>	<b>11.7%</b>	<b>23.0%</b>	<b>29.5%</b>	<b>34.4%</b>	<b>32.0%</b>	<b>32.0%</b>
Depreciation	4.4%	4.1%	3.3%	2.8%	3.3%	3.2%
<b>EBITA</b>	<b>7.3%</b>	<b>18.9%</b>	<b>26.1%</b>	<b>31.6%</b>	<b>28.7%</b>	<b>28.8%</b>
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	28.9%	27.2%	22.1%	18.5%	21.7%	21.3%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>-21.6%</b>	<b>-8.3%</b>	<b>4.0%</b>	<b>13.1%</b>	<b>7.0%</b>	<b>7.5%</b>
Interest income	0.2%	0.2%	0.0%	0.2%	0.2%	0.2%
Interest expenses	0.5%	1.4%	1.5%	0.5%	0.5%	0.5%
Investment income	-0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>-21.9%</b>	<b>-9.5%</b>	<b>2.6%</b>	<b>12.8%</b>	<b>6.7%</b>	<b>7.2%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>-21.9%</b>	<b>-9.5%</b>	<b>2.6%</b>	<b>12.8%</b>	<b>6.7%</b>	<b>7.2%</b>
Tax rate	0.5%	-5.1%	11.4%	20.0%	30.0%	30.0%
<b>Net income from continuing operations</b>	<b>-21.8%</b>	<b>-10.0%</b>	<b>2.3%</b>	<b>10.9%</b>	<b>4.7%</b>	<b>5.0%</b>
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income</b>	<b>-21.8%</b>	<b>-10.0%</b>	<b>2.3%</b>	<b>10.9%</b>	<b>4.7%</b>	<b>5.0%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>-21.8%</b>	<b>-10.0%</b>	<b>2.3%</b>	<b>10.9%</b>	<b>4.7%</b>	<b>5.0%</b>

Source: Company data, NuWays

Balance sheet (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Intangible assets	193.4	124.4	169.7	156.5	145.9	140.4
Property, plant and equipment	183.5	172.5	182.3	182.3	182.3	182.3
Financial assets	0.4	0.7	0.5	0.5	0.5	0.5
<b>FIXED ASSETS</b>	<b>377.3</b>	<b>297.6</b>	<b>352.4</b>	<b>339.2</b>	<b>328.6</b>	<b>323.1</b>
Inventories	6.8	4.4	5.4	6.2	6.3	6.7
Accounts receivable	40.3	105.4	125.5	130.3	120.1	112.8
Other assets and short-term financial assets	9.5	24.0	11.0	11.0	11.0	11.0
Liquid assets	1.7	10.6	4.5	48.2	80.1	94.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	14.8	13.1	13.0	13.0	13.0	13.0
<b>CURRENT ASSETS</b>	<b>73.2</b>	<b>157.5</b>	<b>159.4</b>	<b>208.7</b>	<b>230.5</b>	<b>238.0</b>
<b>TOTAL ASSETS</b>	<b>450.5</b>	<b>455.1</b>	<b>511.8</b>	<b>547.9</b>	<b>559.2</b>	<b>561.2</b>

<b>SHAREHOLDERS EQUITY</b>	<b>232.6</b>	<b>280.5</b>	<b>282.7</b>	<b>321.3</b>	<b>342.8</b>	<b>366.2</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	2.3	0.0	0.0	0.0	0.0	0.0
Short-term liabilities to banks	56.9	0.0	12.8	12.8	12.8	12.8
Accounts payable	101.4	98.5	132.9	130.3	120.1	98.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	31.1	38.9	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	1.1	1.1	1.1	1.1
Deferred income	5.1	19.9	23.2	23.2	23.2	23.2
<b>CURRENT LIABILITIES</b>	<b>132.5</b>	<b>137.4</b>	<b>132.9</b>	<b>130.3</b>	<b>120.1</b>	<b>98.7</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>450.5</b>	<b>455.1</b>	<b>511.8</b>	<b>547.9</b>	<b>559.2</b>	<b>561.2</b>

Balance sheet (common size)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Intangible assets	42.9%	27.3%	33.1%	28.6%	26.1%	25.0%
Property, plant and equipment	40.7%	37.9%	35.6%	33.3%	32.6%	32.5%
Financial assets	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%
<b>FIXED ASSETS</b>	<b>83.8%</b>	<b>65.4%</b>	<b>68.9%</b>	<b>61.9%</b>	<b>58.8%</b>	<b>57.6%</b>
Inventories	1.5%	1.0%	1.1%	1.1%	1.1%	1.2%
Accounts receivable	9.0%	23.2%	24.5%	23.8%	21.5%	20.1%
Other assets and short-term financial assets	2.1%	5.3%	2.2%	2.0%	2.0%	2.0%
Liquid assets	0.4%	2.3%	0.9%	8.8%	14.3%	16.8%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	3.3%	2.9%	2.5%	2.4%	2.3%	2.3%
<b>CURRENT ASSETS</b>	<b>16.2%</b>	<b>34.6%</b>	<b>31.1%</b>	<b>38.1%</b>	<b>41.2%</b>	<b>42.4%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>SHAREHOLDERS EQUITY</b>	<b>51.6%</b>	<b>61.6%</b>	<b>55.2%</b>	<b>58.6%</b>	<b>61.3%</b>	<b>65.3%</b>
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term liabilities to banks	12.6%	0.0%	2.5%	2.3%	2.3%	2.3%
Accounts payable	22.5%	21.7%	26.0%	23.8%	21.5%	17.6%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	6.9%	8.5%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	0.0%	0.0%	0.2%	0.2%	0.2%	0.2%
Deferred income	1.1%	4.4%	4.5%	4.2%	4.1%	4.1%
<b>CURRENT LIABILITIES</b>	<b>29.4%</b>	<b>30.2%</b>	<b>26.0%</b>	<b>23.8%</b>	<b>21.5%</b>	<b>17.6%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays

Cash flow statement (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
Net profit/loss	-72.8	-35.1	9.6	51.8	22.8	25.9
Depreciation of fixed assets (incl. leases)	14.6	14.4	14.0	13.3	16.0	16.6
Amortisation of goodwill & intangible assets	96.5	95.5	92.3	88.1	105.7	109.5
Other costs affecting income / expenses	4.6	25.7	-74.6	-88.0	-96.5	-100.0
Cash flow from operating activities	-95.1	-74.9	-51.9	-44.4	-73.8	-88.5
Increase/decrease in inventory	-0.1	2.4	-1.0	-0.7	-0.1	-0.4
Increase/decrease in accounts receivable	8.9	-65.0	-20.1	-4.8	10.2	7.3
Increase/decrease in accounts payable	-35.7	-2.8	34.3	-2.6	-10.2	-21.4
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-26.9	-65.5	13.2	-8.1	-0.1	-14.5
<b>Cash flow from operating activities</b>	<b>15.9</b>	<b>35.1</b>	<b>54.4</b>	<b>57.0</b>	<b>47.9</b>	<b>37.6</b>
CAPEX	91.7	81.1	147.9	88.2	111.2	120.6
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.2	0.0	0.0	0.0	0.0
Income from asset disposals	29.7	30.0	71.1	74.9	95.2	104.1
<b>Cash flow from investing activities</b>	<b>-62.0</b>	<b>-51.4</b>	<b>-76.8</b>	<b>-13.3</b>	<b>-16.0</b>	<b>-16.6</b>
Cash flow before financing	-46.1	-16.3	-22.3	43.7	31.9	14.4
Increase/decrease in debt position	52.5	-61.3	16.2	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	86.5	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	6.6
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>52.5</b>	<b>25.1</b>	<b>16.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.6</b>
Increase/decrease in liquid assets	6.4	8.8	-6.1	43.7	31.9	14.4
<b>Liquid assets at end of period</b>	<b>1.7</b>	<b>10.6</b>	<b>4.5</b>	<b>48.2</b>	<b>80.1</b>	<b>94.5</b>

Key ratios (EUR m)	2020/21	2021/22	2022/23	2023/24e	2024/25e	2025/26e
<b>P&amp;L growth analysis</b>						
Sales growth	-9.7%	5.2%	18.9%	13.7%	2.4%	5.7%
EBITDA growth	-38.2%	107.3%	52.6%	32.9%	-4.8%	5.7%
EBIT growth	67.1%	-59.5%	-158.0%	268.5%	-45.3%	13.3%
EPS growth	38.1%	-51.8%	-127.2%	441.9%	-55.9%	13.6%
<b>Efficiency</b>						
Sales per employee	385.2	387.1	456.6	510.0	512.5	530.6
EBITDA per employee	44.9	88.9	134.5	175.6	164.0	169.8
No. employees (average)	868	908	916	932	950	970
<b>Balance sheet analysis</b>						
Avg. working capital / sales	-20.2%	-6.1%	1.1%	0.4%	1.3%	2.6%
Inventory turnover (sales/inventory)	49.1	79.6	76.8	76.8	76.8	76.8
Accounts receivable turnover	44.0	109.4	109.5	100.0	90.0	80.0
Accounts payable turnover	110.7	102.3	116.0	100.0	90.0	70.0
<b>Cash flow analysis</b>						
Free cash flow	-46.1	-16.1	-22.3	43.7	31.9	21.0
Free cash flow/sales	-13.8%	-4.6%	-5.3%	9.2%	6.6%	4.1%
FCF / net profit	63.3%	45.9%	neg.	84.4%	139.8%	81.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	76.2	6.6	67.5	23.8	-8.2	-22.6
Net Debt/EBITDA	2.0	0.1	0.5	0.1	0.0	0.0
Dividend payout ratio	0.0%	0.0%	69.4%	12.8%	29.0%	25.5%
Interest paid / avg. debt	3.0%	10.3%	13.8%	3.3%	3.4%	3.6%
<b>Returns</b>						
ROCE	-22.2%	-9.6%	5.2%	16.7%	8.4%	9.1%
ROE	-31.3%	-12.5%	3.4%	16.1%	6.7%	7.1%
Adjusted FCF yield	-10.4%	-7.6%	3.4%	12.6%	6.2%	7.4%
Dividend yield	0.0%	0.0%	1.7%	1.7%	1.7%	1.7%
DPS	0.0	0.0	0.1	0.1	0.1	0.1
EPS reported	-0.66	-0.32	0.09	0.47	0.21	0.23
Average number of shares	110.4	110.4	110.4	110.4	110.4	110.4
<b>Valuation ratios</b>						
P/BV	1.7	1.4	1.4	1.2	1.2	1.1
EV/sales	2.1	1.2	1.1	0.9	0.8	0.7
EV/EBITDA	17.8	5.0	3.8	2.6	2.5	2.3
EV/EBIT	-9.6	-13.9	27.6	6.8	11.5	9.8

Source: Company data, NuWays

## Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

### Indication of conflict of interest

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

- (1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
- (2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
- (3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
- (4) The analysed company holds 5% or more of the share capital of NuWays AG.
- (5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
- (6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

### Conflicts of interest that existed at the time when this research report was published:

Company	Disclosures
Borussia Dortmund GmbH & Co KGaA	2

### Historical target price and rating changes for Borussia Dortmund GmbH & Co KGaA

Company	Date	Analyst	Rating	Target Price	Close
Borussia Dortmund GmbH & Co KGaA	07.06.2023	Sennewald, Philipp	Buy	EUR 5.50	EUR 4.32

## 1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

## 2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

## 3. Organisational Requirements

NuWays AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of NuWays AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

## 4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the relevant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjust-

ment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

NuWays AG uses the following three-step rating system for the analysed companies:

**Buy:** Sustainable upside potential of more than 20% within 12 months

**Sell:** Sustainable downside potential of more than 20% within 12 months.

**Hold:** Upside/downside potential is limited. No immediate catalyst visible.

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

## 5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

## 6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

## 7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

## 8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: [www.nuways-ag.com](http://www.nuways-ag.com)

Date of publication creation: 17/04/2024 07:41 AM

Date of publication dissemination: 17/04/2024 07:41 AM



## Contacts

### NuWays AG

Mittelweg 16-17  
20148 Hamburg  
Germany

+49 170 119 8648  
info@nuways-ag.com  
www.nuways-ag.com



**Christian Sandherr**

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



**Frederik Jarchow**

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



**Philipp Sennewald**

Analyst

philipp.sennewald@nuways-ag.com



**Henry Wendisch**

Analyst

henry.wendisch@nuways-ag.com



**Mark Schüssler**

Analyst

mark-hendrik.schuessler@nuways-ag.com



**Konstantin Völk**

Analyst

konstantin.voelk@nuways-ag.com

## Find us on Social Media

[Instagram](#)



[Twitter/X](#)



[LinkedIn](#)

