

Borussia Dortmund GmbH & Co. KGaA

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

First transfers during the summer break - good news for BVB

First transfer deals before the start of the new Bundesliga season: There are still a few weeks until the start of the new Bundesliga season, but the first transfers in the new period since July 1 have already been completed. Thus, some high-quality transfers have already taken place and it is expected that some more deals will be negotiated until the end of the transfer period. BVB has also already bought players, but has also already sold them. The most lucrative of these was the sale of Jude Bellingham to Real Madrid for over EUR 100m (including bonus payments). With the purchase is with the BVB so far the acquisition of Nmecha for EUR 30m coming from VfL Wolfsburg, as well as the recent conclusion of the purchase of Marcel Sabitzer of FC Bayern Munich for an estimated EUR 18m. Although other names are already being traded, there have been no other major transfers at BVB so far. However, it was reported that Nico Schulz's contract was terminated for an estimated EUR 2.5m.

New estimates for 2023/2024e: As a result of the aforementioned transfers, we have of course had to adjust our estimates. Since the sale of Bellingham has resulted in a significant transfer plus so far, this will naturally have a positive impact on BVB's revenues. Previously, we assumed that in the 23/24e season, revenue should be EUR 451 million, with EBITDA of EUR 97 million and net income reaching the break-even point. After adjusting our estimates, we are proceeding on the basis of the following estimates:

We now expect sales of EUR 521m (+EUR 70m) and net profit of EUR 32m (+EUR 32 million). We see EBITDA in 2023/2024e at EUR 135m, which should lead to EBIT of EUR 38m. However, it is still far too early to make any statements about the outcome of the season. FCB still wants to defend its title, while BVB finally wants to become champion again.

Target price EUR 5.00 and BUY recommendation remains unchanged: However, estimates will be further adjusted if needed. The Bundesliga will start in mid-August with the 1st matchday. We will continue to follow events closely and adjust our estimates if necessary.

FY End: 30.06.; in EURm	CAGR (21-23e)	18/19	19/20	20/21	21/22	22/23e	23/24e
Sales	6.5%	370.3	370.2	334.2	337.0	433.0	451.0
EBITDA	14.8%	116.0	63.0	39.0	66.7	96.1	97.4
Margin		31.3%	17.0%	11.7%	19.8%	22.2%	21.6%
EBIT	n.m.	23.5	-43.1	-72.1	-40.7	-6.9	-0.3
Margin		6.3%	-11.7%	-21.6%	-12.1%	-1.6%	-0.1%
Net result	n.m.	17.4	-44.0	-72.8	-34.6	-5.8	-0.2
EPS, EUR *	n.m.	0.18	-0.46	-0.76	-0.33	-0.05	0.00
Dividend per share, EUR		0.06	0.00	0.00	0.06	0.08	0.08
EV		1.1	1.1	1.9	1.5	1.2	1.1
EV/Sales		3.6	6.6	16.6	7.6	5.3	5.2
EV/EBITDA		25.2	n.m.	n.m.	n.m.	n.m.	-2201.8
P/E *		-0.5	-0.9	-2.0	-0.1	0.0	0.2
Net debt/EBITDA		-0.5	-0.9	-2.0	0.2	0.3	0.5

Source: BVB, FMR * adjusted for capital increase

Published: 26.07.2023

BUY

Before: BUY

Price Target **EUR 5.00 (5.00)**
Share price* EUR 4.27 (+17%)

*last closing price XETRA

Change	21/22e	22/23e	23/24e
Sales, EURm	-	-	70
EBIT, EURm	-	-	24
EPS, EUR *	-	-	0,31



Source: XETRA, 26.07.23, FMR

Basic share data

Number of shares (million)	110.4
Free Float (in %)	72.3%
Market Cap (in EURm)	502
Trading volume 30 D.(Ø)	137,915
High (EUR, 52 weeks) *	4.40
Low (EUR, 52 weeks) *	2.99

Shareholder structure

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

Corporate calendar

Full year numbers 22/23	August 23
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Appendix P&L
Borussia Dortmund: P & L

in EURm (IFRS)	19/20	20/21	21/22	22/23e	23/24e
Revenues	370.2	334.2	337.0	433.0	521.0
YoY growth	0.0%	-9.7%	0.8%	28.5%	20.3%
Cost of revenues	-22.4	-19.6	-20.9	-26.0	-30.7
as % of revenues	-6.1%	-5.9%	-6.2%	-6.0%	-5.9%
Gross Profit	347.8	314.6	316.1	407.0	490.3
as % of revenues	93.9%	94.1%	93.8%	94.0%	94.1%
Personnel costs	-215.1	-215.7	-175.2	-220.0	-255.0
as % of revenues	-58.1%	-64.5%	-52.0%	-50.8%	-48.9%
Other operating income/expenses	-69.8	-60.0	-74.1	-90.9	-100.0
as % of revenues	-18.8%	-17.9%	-22.0%	-21.0%	-19.2%
EBITDA reported	63.0	39.0	66.7	96.1	135.3
as % of revenues	17.0%	11.7%	19.8%	22.2%	26.0%
Depreciation and amortisation (incl. PPA)	-106.1	-111.0	-107.4	-103.0	-97.7
as % of revenues	-28.7%	-33.2%	-31.9%	-23.8%	-18.8%
Reported EBIT	-43.1	-72.1	-40.7	-6.9	37.6
as % of revenues	-11.7%	-21.6%	-12.1%	-1.6%	7.2%
Net financial results incl. equity results	-3.5	-1.1	0.0	0.0	0.1
EBT (Earnings before income taxes)	-46.6	-73.2	-40.7	-6.9	37.6
as % of revenues	-12.6%	-21.9%	-12.1%	-1.6%	7.2%
Income taxes	2.6	0.3	6.1	1.0	-5.6
as % of EBT	-5.6%	-0.5%	-15.0%	-15.0%	-15.0%
Income from continuing operations	-44.0	-72.8	-34.6	-5.8	32.0
as % of revenues	-11.9%	-21.8%	-10.3%	-1.3%	6.1%
Income from discontinuing operations, net of taxes	0.0	0.0	0.0	0.0	
Net income	-44.0	-72.8	-34.6	-5.8	32.0
Minorities	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	-44.0	-72.8	-34.6	-5.8	32.0
as % of revenues	-11.9%	-21.8%	-10.3%	-1.3%	6.1%
Shares outstanding (in m)	92.0	92.0	105.8	110.4	110.4
Basic earnings per share (EUR)	-0.46	-0.76	-0.33	-0.05	0.29

Source: Borussia Dortmund, FMR

Balance Sheet

Bor. Dortmund: Balance sheet total

in EURm (IFRS)	19/20	20/21	21/22	22/23e	23/24e
Assets					
Non-current assets	441.5	389.8	352.5	329.5	314.8
as % of total assets	85.2%	86.5%	78.4%	73.6%	64.8%
Intangible assets (incl. Goodwill)	229.7	193.4	163.4	143.4	133.4
Property, plant and equipment	193.0	183.5	176.2	173.2	168.5
Long-term investments	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
Other assets	18.4	12.5	12.5	12.5	12.5
Current assets	76.5	60.7	97.3	118.0	170.9
as % of total assets	14.8%	13.5%	21.6%	26.4%	35.2%
Inventories	6.8	6.8	6.9	7.0	7.2
Accounts receivable and other assets	66.1	52.2	90.3	94.8	160.0
Current income tax claims	0.4	0.1	0.1	0.1	0.1
Cash and cash equivalents	3.3	1.7	0.0	16.1	3.7
Total assets	518.0	450.5	449.8	447.5	485.8
Shareholders' equity and liabilities					
Shareholders' equity	305.5	232.6	284.5	285.0	325.8
as % of total equity and liabilities	59.0%	51.6%	63.3%	63.7%	67.1%
Subscribed capital	92.0	92.0	110.4	110.4	110.4
Capital reserve	213.6	140.7	208.8	208.8	208.8
Treasury stocks	-0.1	-0.1	-0.1	-0.1	-0.1
Other equity items	0.0	0.0	-34.6	-34.1	6.7
Minority interest on equity	0.0	0.0	0.0	0.0	0.0
Non-current provisions/liabilities	89.9	54.3	51.0	52.4	53.9
as % of total equity and liabilities	17.4%	12.0%	11.3%	11.7%	11.1%
Non-current pension provisions	0.0	0.0	0.0	0.0	0.0
Other non-current provisions	0.0	0.0	0.0	0.0	0.0
Non-current financial liabilities	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
Other non-current liabilities	69.8	37.5	49.3	50.8	52.3
Current liabilities and provisions	122.6	163.6	114.3	110.1	106.1
as % of total equity and liabilities	23.7%	36.3%	25.4%	24.6%	21.8%
Other provisions	0.0	2.3	2.4	2.4	2.5
Financial liabilities	12.4	61.1	1.8	1.8	1.8
Accounts payable	67.4	64.1	64.1	62.2	60.3
Current prepayments received	0.0	0.0	0.0	0.0	0.0
Tax liabilities	0.1	0.1	0.1	0.1	0.1
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Other liabilities	42.7	36.0	45.8	43.5	41.4
Advance payments received	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	518.0	450.5	449.7	447.5	485.8

Source: Borussia Dortmund, FMR

Cash Flow Statement

Bor. Dortmund: Cashflow statement

in EURm (IFRS)	19/20	20/21	21/22	22/23e	23/24e
EBT	-46.6	-73.2	-40.7	-6.9	37.6
Depreciation and amortisation	106.1	111.0	107.4	103.0	97.7
Change in pension and similar provisions					
Other transactions incl. non-cash	-41.9	-15.1	3.5	0.8	0.0
Change in Working Capital	-18.0	-6.9	-28.4	-8.8	-69.3
Cashflow from operating activities	-0.4	15.9	41.9	88.1	66.0
CAPEX	-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
Other investing activities	0.1	0.0	0.0	0.0	0.0
Cashflow from investing activities	-50.8	-62.0	-70.1	-50.0	-50.0
Change in debt	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	86.5	0.0	0.0
Dividend payments	-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
Other financing activities	-3.9	-4.4	0.0	0.0	0.1
Cashflow from financing activities	-9.4	52.5	12.1	6.3	8.8
Total change in cash and cash equivalents	-60.6	6.4	-16.2	44.4	24.8
Effect of exchange rate changes on cash	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
Cash and cash equivalents at the start of the period	55.9	-4.7	1.7	-14.3	30.1
Cash and cash equivalents: End of period	-4.7	1.7	-14.3	30.1	54.9
of which					
Cash and equivalents	3.3	1.7	0.0	16.1	3.7
Current account	-8.0	0.0	0.0	0.0	0.0

Source: Borussia Dortmund, FMR

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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)
12.05.2022	BUY	3.80	5.00
25.05.2022	BUY	3.86	5.00
23.08.2022	BUY	3.72	5.00
17.11.2022	BUY	3.53	5.00
01.03.2023	BUY	4.26	5.00
15.05.2023	BUY	4.55	5.00
07.06.2023	BUY	4.32	5.00
26.07.2023	BUY	4.27	5.00

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FMR Frankfurt Main Research AG

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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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