

Borussia Dortmund GmbH & Co. KGaA

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

Championship final only a two-team battle

9M figures in the range of expectations: On Friday, 12.5. BVB published its 9M figures for the fiscal year 22/23 (ending 31.3.23). From a sporting point of view, the championship is more open than it has been in years and will be decided in a duel between FC Bayern and BVB. All other teams no longer play a role in the race for the title. After 9M, BVB generated consolidated sales of EUR 322.4m, up from EUR 277m in the same period last year. In Q3 alone, sales were EUR 100.8m (Q3 21/22: EUR 64.2m). EBITDA after 9M was EUR 109.7m compared to EUR 94.2m in the previous year. The increase in sales and EBITDA is so far in line with expectations. Net income improved from EUR 11m to just under EUR 25m, which was also in line with our estimates. Given the circumstances that the championship is more exciting than it has been for years and the even higher uncertainty regarding transfer income for the year-end business, there is some uncertainty with regard to our estimates for Q4. Currently, however, we still feel comfortable with our estimates.

Title race more open than it has been for years: 2 matchdays before the end of the season, BVB is in 2nd place, 1 point behind FCB, and still has a chance to become champion. In the DFB Pokal, they lost in the quarterfinals against RB Leipzig and also in the the match against Chelsea end this year's dream, as they lost the second leg 2-0 and thus were eliminated. In the Bundesliga, BVB dropped a few points but is still well in the title race. One point (plus goal difference) separates BVB from FCB. Thus, everything is still open, even if statistically Bayern with a victory and simultaneous defeat from BVB can already this weekend become champion.

Unchanged estimates for 2022/2023e: We continue to expect revenues of EUR 433m and a net loss of EUR -5.8m. From 2023/2024e onwards, we expect a net result at break-even level again (EUR -0.2m), should the not regain traction.

Target price EUR 5.00 and BUY recommendation remains unchanged: However, will be adjusted if necessary. The consolidated result could still deviate significantly, with major transfers until 30.6.

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

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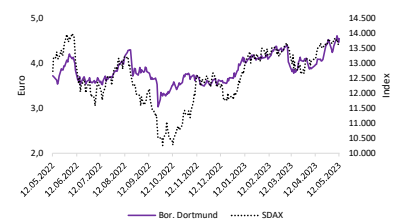
BUY

Before: BUY

Price Target EUR 5.00 (5.00)
Share price* EUR 4.55 (+9%)

*last closing price XETRA

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



Source: XETRA, 22.08.22, 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	451.0
YoY growth	0.0%	-9.7%	0.8%	28.5%	4.2%
Cost of revenues	-22.4	-19.6	-20.9	-26.0	-26.6
as % of revenues	-6.1%	-5.9%	-6.2%	-6.0%	-5.9%
Gross Profit	347.8	314.6	316.1	407.0	424.4
as % of revenues	93.9%	94.1%	93.8%	94.0%	94.1%
Personnel costs	-215.1	-215.7	-175.2	-220.0	-227.8
as % of revenues	-58.1%	-64.5%	-52.0%	-50.8%	-50.5%
Other operating income/expenses	-69.8	-60.0	-74.1	-90.9	-99.2
as % of revenues	-18.8%	-17.9%	-22.0%	-21.0%	-22.0%
EBITDA reported	63.0	39.0	66.7	96.1	97.4
as % of revenues	17.0%	11.7%	19.8%	22.2%	21.6%
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%	-21.7%
Reported EBIT	-43.1	-72.1	-40.7	-6.9	-0.3
as % of revenues	-11.7%	-21.6%	-12.1%	-1.6%	-0.1%
Net financial results incl. equity results	-3.5	-1.1	0.0	0.0	0.0
EBT (Earnings before income taxes)	-46.6	-73.2	-40.7	-6.9	-0.2
as % of revenues	-12.6%	-21.9%	-12.1%	-1.6%	-0.1%
Income taxes	2.6	0.3	6.1	1.0	0.0
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	-0.2
as % of revenues	-11.9%	-21.8%	-10.3%	-1.3%	0.0%
Income from discontinuing operations, net of taxes	0.0	0.0	0.0	0.0	0.0
Net income	-44.0	-72.8	-34.6	-5.8	-0.2
Minorities	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	-44.0	-72.8	-34.6	-5.8	-0.2
as % of revenues	-11.9%	-21.8%	-10.3%	-1.3%	0.0%
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	0.00

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%	69.4%
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	138.8
as % of total assets	14.8%	13.5%	21.6%	26.4%	30.6%
Inventories	6.8	6.8	6.9	7.0	7.2
Accounts receivable and other assets	66.1	52.2	90.3	94.8	99.6
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	32.0
Total assets	518.0	450.5	449.8	447.5	453.6
Shareholders' equity and liabilities					
Shareholders' equity	305.5	232.6	284.5	285.0	293.6
as % of total equity and liabilities	59.0%	51.6%	63.3%	63.7%	64.7%
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	-25.4
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%	11.9%
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%	23.4%
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	453.6

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	-0.2
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	-8.9
Cashflow from operating activities	-0.4	15.9	41.9	88.1	88.6
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	0.0
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	47.4
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	77.5
of which					
Cash and equivalents	3.3	1.7	0.0	16.1	32.0
Current account	-8.0	0.0	0.0	0.0	0.0

Source: Borussia Dortmund, 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
- 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)
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
16.05.2023	BUY	4.55	5.00

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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.

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