

# Borussia Dortmund

Q324 results

## London calling

**Borussia Dortmund's Q324 results demonstrated some phasing but it has made good progress year-to-date. The focus of attention now is the team's progress to the Champions League final for the first time since 2013, having beaten more-favoured (by the bookmakers) and higher-funded teams along the way. Despite being less successful than usual in the Bundesliga, the club will take part in the Champions League next season as well as the revamped FIFA Club World Cup in the summer of 2025, which are all helpful in increasing the club's global exposure and appeal.**

Year end	Revenue (€m)	EBITDA (€m)	PBT* (€m)	EPS* (€)	DPS (€)	EV/EBITDA (x)	P/E (x)	Yield (%)
06/22	351.6	83.8	66.3	0.61	0.00	5.7	6.7	N/A
06/23	418.2	123.2	104.1	0.63	0.00	3.8	6.5	N/A
06/24e	482.2	137.7	127.5	0.78	0.06	3.4	5.3	1.5
06/25e	456.8	121.3	111.5	0.68	0.06	3.9	6.1	1.5

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

## Fewer games in Q324

Borussia Dortmund's Q324 revenue fell by c 3% y-o-y to €98.2m and EBITDA moved to a loss of €1.8m from a positive €8.1m in the comparative period. The main reason for the decline was one less home game played versus Q323, which naturally affects all match-day related revenues such as ticket sales and catering. Outside of these revenue streams there were good increases in Advertising (+4%) and TV Marketing (+8%), the latter boosted by the team's relative success in the Champions League (see below). For the cumulative nine months (9M24), revenue and EBITDA increased by 10% to €354.7m and by c 9% to €119.8m, respectively, helped primarily by more home games (18) than in 9M23 (16) as well as the progress in the Champions League.

## Reached Champions League final, another upgrade

Ahead of the Q324 results announcement, the first team qualified for the Champions League final versus Real Madrid CF to be played on 1 June 2024. The final will be played in London. This brought a further upgrade to management's guidance for FY24 following upgrades in [March 2024](#) and [April 2024](#) as the team has progressed through the competition. The new net income guidance of €40–50m is €7m higher than the prior €33–43m, and significantly higher than [€15–25m](#) from the start of the financial year. We have upgraded our FY24 estimate by a similar amount and believe success in the final would not have a significant positive effect on profit for the year. We have yet to include any financial benefit from the first team playing in the FIFA Club World Cup in our FY25 estimates.

## Valuation: Significant discount to peers

Our asset-backed sum-of-the-parts valuation is unchanged at €10.4 per share adjusting for the Q324 results and changes in the valuations of the peer group and squad valuations (source: Transfermarkt.com). The prospective EV/sales multiple of 1.0x for FY24 remains at a significant discount to its main quoted European football peers, which trade in a range of 2.8–4.0x.

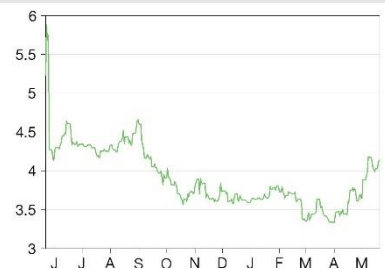
## Travel and leisure

21 May 2024

**Price** €4.13  
**Market cap** €456m

Net debt (€m) at 31 March 2024	56.8
Shares in issue	110.4m
Free float	67.2% (includes 4.7% holding of founding football club)
Code	BVB
Primary exchange	Frankfurt
Secondary exchange	N/A

## Share price performance



%	1m	3m	12m
Abs	9.4	14.9	(7.1)
Rel (local)	3.4	4.5	(19.4)
52-week high/low	€5.88	€3.33	

## Business description

The group operates Borussia Dortmund, a leading football club, placed second in the Bundesliga in 2022/23, DFB Super Cup winners in 2019/20 and DFB-Pokal winners in 2020/21. The club has qualified for the Champions League in 13 of the last 14 seasons.

## Next events

FY24 results	27 September 2024
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**Exhibit 1: Financial summary**

	€m	2022	2023	2024e	2025e
Year end 30 June		IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>					
Revenue		351.6	418.2	482.2	456.8
Cost of Sales		(22.6)	(24.1)	(24.3)	(25.1)
Gross Profit		329.0	394.1	458.0	431.6
EBITDA		83.8	123.2	137.7	121.3
Operating profit (before amort. and excepts.)		70.5	110.3	124.1	107.3
Amortisation of acquired intangibles		(87.4)	(89.7)	(83.8)	(83.8)
Exceptionals		(9.1)	(3.6)	0.0	0.0
Reported operating profit		(26.0)	16.9	40.3	23.5
Net Interest		(4.2)	(6.1)	3.5	4.2
Joint ventures & associates (post tax)		0.1	0.0	0.0	0.0
Profit Before Tax (norm)		66.3	104.1	127.5	111.5
Profit Before Tax (reported)		(30.2)	10.8	43.8	27.7
Reported tax		(1.7)	(1.2)	(3.0)	(3.0)
Profit After Tax (norm)		64.6	70.0	85.7	74.9
Profit After Tax (reported)		(31.9)	9.6	40.8	24.7
Minority interests		0.0	0.0	0.0	0.0
Net income (normalised)		64.6	70.0	85.7	74.9
Net income (reported)		(31.9)	9.6	40.8	24.7
Average Number of Shares Outstanding (m)		105.6	110.4	110.4	110.4
EPS - normalised (c)		61.2	63.4	77.6	67.9
EPS - normalised fully diluted (c)		61.2	63.4	77.6	67.9
EPS - basic reported (€)		(0.30)	0.09	0.37	0.22
Dividend (€)		0.00	0.00	0.06	0.06
Revenue growth (%)		5.2	18.9	15.3	(-5.3)
Gross Margin (%)		93.6	94.2	95.0	94.5
EBITDA Margin (%)		23.8	29.5	28.5	26.6
Normalised Operating Margin (%)		20.0	26.4	25.7	23.5
<b>BALANCE SHEET</b>					
Fixed Assets		361.9	440.7	481.3	461.2
Intangible Assets		127.8	169.7	159.9	147.8
Tangible Assets		172.5	182.3	183.6	175.7
Investments & other		61.6	88.8	137.8	137.8
Current Assets		96.6	71.1	67.1	101.2
Stocks		4.4	5.4	5.4	5.4
Debtors		45.8	38.2	38.6	39.0
Cash & cash equivalents		10.6	4.5	0.1	33.8
Other		35.7	22.9	22.9	22.9
Current Liabilities		(137.3)	(161.0)	(161.9)	(169.4)
Creditors		(132.6)	(144.5)	(145.3)	(146.2)
Tax and social security		(0.0)	(1.1)	(1.1)	(1.1)
Short term borrowings		0.0	(12.8)	(12.8)	(12.8)
Finance leases		(4.6)	(2.6)	(2.6)	(2.6)
Other		0.0	0.0	0.0	(6.6)
Long Term Liabilities		(48.0)	(68.1)	(63.1)	(58.1)
Long term borrowings		0.0	(8.8)	(8.8)	(8.8)
Finance leases		(12.5)	(10.4)	(5.4)	(0.4)
Other long term liabilities		(35.5)	(48.9)	(48.9)	(48.9)
Net Assets		273.2	282.7	323.5	334.9
Minority interests		0.0	0.0	0.0	0.0
Shareholders' equity		273.2	282.7	323.5	334.9
<b>CASH FLOW</b>					
Operating Cash Flow		79.6	117.1	141.2	125.5
Working capital		12.7	8.9	0.5	0.5
Exceptional & other		(56.9)	(70.5)	(85.5)	(76.7)
Tax		0.0	0.0	(3.0)	(3.0)
Net operating cash flow		35.4	55.5	53.2	46.3
Capex		(1.7)	(21.4)	(15.0)	(6.0)
Net investment in intangibles		(49.4)	(55.3)	(41.0)	0.8
Acquisitions/disposals		0.0	0.0	0.0	0.0
Net interest		(0.3)	(1.1)	3.5	4.2
Equity financing		86.5	0.0	0.0	0.0
Dividends		0.0	0.0	0.0	(6.6)
Other		(61.6)	16.3	(5.0)	(5.0)
Net Cash Flow		8.8	(6.1)	(4.4)	33.7
Opening net debt/(cash)		76.2	6.6	30.1	34.4
Other non-cash movements		60.8	(17.4)	0.0	0.0
Closing net debt/(cash)		6.6	30.1	34.4	0.8

Source: Borussia Dortmund accounts, Edison Investment Research

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