

Borussia Dortmund GmbH & Co. KGaA

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

New guidance leads to adjustment of our estimates

Guidance adjustment: The forecast of a consolidated net loss of EUR 12m to EUR 17m for the 2021/2022 financial year 2021 can no longer be achieved due to the elimination in the UEFA Europa League knockout round playoffs. Borussia Dortmund is now forecasting a consolidated net loss of between EUR 17m and EUR 24m for the 2021/2022 financial year. While the start of the season was very promising, the BVB has increasingly shown a mixed performance in recent weeks and was knocked out of the National Cup in the round of 16 (1:2 against FC St. Pauli). Therefore, a guidance adjustment after the current elimination from the Euro League is no longer a surprise, especially since they already lost the first leg against Glasgow Rangers 2:4 at home. Enclosed is an overview of the change in guidance:

EURm	Old Guidance:	New Guidance:	Gap:
Group result		-17 to -24	Mean down by -5

Adjusted estimates: While the elimination will weigh on stock momentum for now, we see the long-term story remaining intact. However, the guidance adjustment forces us to update our estimates as well. While we previously expected consolidated sales of EUR 378m for 2021/2022e, this now drops to EUR 325m. In terms of net profit, we are now forecasting a figure of EUR -20m (previously: EUR -13m). Despite the adjustment, we are still within the company's target corridor. Next season, we then see a red zero in the consolidated result as sales increase since we expect a slow return to normalization after the pandemic, and from 2033/24e we expect the company to return to profit at the bottom line. Of course, it all depends on transfer revenues and may cause relevant swings in results.

BUY confirmed, price target down to EUR 5.00: As a result of the continued pandemic impact on our estimates, we increase our discount on our valuation, resulting in a new price target of EUR 5.00. We confirm our BUY rating.

FY End: 30.06.; in EURm	CAGR (21-23e)	18/19	19/20	20/21	21/22e	22/23e	23/24e
Sales	6.5%	370.3	370.2	334.2	325.0	395.0	429.0
EBITDA	14.8%	116.0	63.0	39.0	64.4	87.7	98.7
Margin		31.3%	17.0%	11.7%	19.8%	22.2%	23.0%
EBIT	n.m.	23.5	-43.1	-72.1	-23.1	-2.3	8.0
Margin		6.3%	-11.7%	-21.6%	-7.1%	-0.6%	1.9%
Net result	n.m.	17.4	-44.0	-72.8	-19.6	-2.0	6.8
EPS, EUR *	n.m.	0.18	-0.46	-0.76	-0.19	-0.02	0.06
Dividend per share, EUR		0.06	0.00	0.00	0.06	0.08	0.08
EV		1.1	1.1	1.9	1.6	1.3	1.2
EV/Sales		3.6	6.6	16.6	7.9	5.8	5.1
EV/EBITDA		25.2	n.m.	n.m.	n.m.	n.m.	65.6
P/E *		-0.5	-0.9	-2.0	0.1	0.2	0.3
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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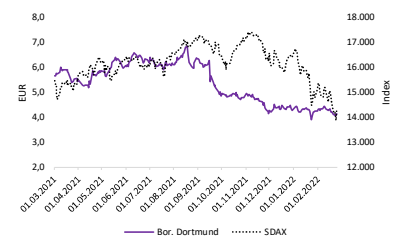
Buy

Before: Buy

Price Target EUR 5.00 (5.60)
Share price* EUR 4.05 (+23%)

*last XETRA closing price

Change	21/22e	22/23e	23/24e
Sales, EURm	-53.0	-23.0	0.0
EBIT, EURm	-10.4	-4.9	0.0
EPS, EUR *	-0.09	-0.04	0.00



Source: Börse Frankfurt, FMR

Basic share data

Number of shares (million)	110.4
Free Float (in %)	72.3%
Market Cap (in EURm)	447
Trading volume (Ø)	250.343
High (EUR, 52 weeks) *	6.87
Low (EUR, 52 weeks) *	3.90

Shareholder structure

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

Corporate calendar

H1 report	28.02.2022
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Appendix P&L

Borussia Dortmund: P & L

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
Revenues	370.3	370.2	334.2	325.0	395.0	429.0
YoY growth	-30.9%	0.0%	-9.7%	-2.7%	21.5%	8.6%
Cost of revenues	-21.3	-22.4	-19.6	-20.2	-23.7	-25.3
as % of revenues	-5.8%	-6.1%	-5.9%	-6.2%	-6.0%	-5.9%
Gross Profit	349.0	347.8	314.6	304.9	371.3	403.7
as % of revenues	94.2%	93.9%	94.1%	93.8%	94.0%	94.1%
Personnel costs	-205.1	-215.1	-215.7	-169.0	-200.7	-216.6
as % of revenues	-55.4%	-58.1%	-64.5%	-52.0%	-50.8%	-50.5%
Other operating income/expenses	-27.9	-69.8	-60.0	-71.5	-83.0	-88.4
as % of revenues	-7.5%	-18.8%	-17.9%	-22.0%	-21.0%	-20.6%
EBITDA reported	116.0	63.0	39.0	64.4	87.7	98.7
as % of revenues	31.3%	17.0%	11.7%	19.8%	22.2%	23.0%
Depreciation and amortisation (incl. PPA)	-92.5	-106.1	-111.0	-87.4	-90.0	-90.7
as % of revenues	-25.0%	-28.7%	-33.2%	-26.9%	-22.8%	-21.1%
Reported EBIT	23.5	-43.1	-72.1	-23.1	-2.3	8.0
as % of revenues	6.3%	-11.7%	-21.6%	-7.1%	-0.6%	1.9%
Net financial results incl. equity results	-1.7	-3.5	-1.1	0.0	0.0	0.0
EBT (Earnings before income taxes)	21.8	-46.6	-73.2	-23.1	-2.3	8.0
as % of revenues	5.9%	-12.6%	-21.9%	-7.1%	-0.6%	1.9%
Income taxes	-4.4	2.6	0.3	3.5	0.3	-1.2
as % of EBT	-20.2%	-5.6%	-0.5%	-15.0%	-15.0%	-15.0%
Income from continuing operations	17.4	-44.0	-72.8	-19.6	-2.0	6.8
as % of revenues	4.7%	-11.9%	-21.8%	-6.0%	-0.5%	1.6%
Income from discontinuing operations, net of taxes	0.0	0.0	0.0	0.0	0.0	0.0
Net income	17.4	-44.0	-72.8	-19.6	-2.0	6.8
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders	17.4	-44.0	-72.8	-19.6	-2.0	6.8
as % of revenues	4.7%	-11.9%	-21.8%	-6.0%	-0.5%	1.6%
Shares outstanding (in m)	92.0	92.0	92.0	105.8	110.4	110.4
Basic earnings per share (EUR)	0.18	-0.46	-0.76	-0.19	-0.02	0.06

Source: Company, FMR

Balance Sheet

Bor. Dortmund: Balance sheet total

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
Assets						
Non-current assets	371.7	441.5	389.8	372.5	362.5	354.8
as % of total assets	74.3%	85.2%	86.5%	83.9%	81.3%	77.3%
Intangible assets (incl. Goodwill)	163.7	229.7	193.4	183.4	176.4	173.4
Property, plant and equipment	184.0	193.0	183.5	176.2	173.2	168.5
Long-term investments	0.4	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	0.0
Other assets	23.6	18.4	12.5	12.5	12.5	12.5
Current assets	128.4	76.5	60.7	71.3	83.2	104.2
as % of total assets	25.7%	14.8%	13.5%	16.1%	18.7%	22.7%
Inventories	4.6	6.8	6.8	6.9	7.0	7.2
Accounts receivable and other assets	66.1	66.1	52.2	54.2	56.9	59.8
Current income tax claims	1.8	0.4	0.1	0.1	0.1	0.1
Cash and cash equivalents	55.9	3.3	1.7	10.1	19.1	37.2
Total assets	500.1	518.0	450.5	443.8	445.7	459.1
Shareholders' equity and liabilities						
Shareholders' equity	354.9	305.5	232.6	299.5	303.9	319.5
as % of total equity and liabilities	71.0%	59.0%	51.6%	67.5%	68.2%	69.6%
Subscribed capital	92.0	92.0	92.0	110.4	110.4	110.4
Capital reserve	263.0	213.6	140.7	208.8	208.8	208.8
Treasury stocks	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Other equity items	0.0	0.0	0.0	-19.6	-15.2	0.4
Minority interest on equity	0.0	0.0	0.0	0.0	0.0	0.0
Non-current provisions/liabilities	18.8	89.9	54.3	41.0	42.2	43.3
as % of total equity and liabilities	3.8%	17.4%	12.0%	9.2%	9.5%	9.4%
Non-current pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other non-current provisions	1.7	0.0	0.0	0.0	0.0	0.0
Non-current financial liabilities	8.4	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	0.0
Other non-current liabilities	8.7	69.8	37.5	39.3	40.5	41.7
Current liabilities and provisions	126.4	122.6	163.6	103.4	99.7	96.2
as % of total equity and liabilities	25.3%	23.7%	36.3%	23.3%	22.4%	21.0%
Other provisions	25.5	0.0	2.3	2.4	2.4	2.5
Financial liabilities	3.1	12.4	61.1	1.8	1.8	1.8
Accounts payable	60.7	67.4	64.1	64.1	62.2	60.3
Current prepayments received	0.0	0.0	0.0	0.0	0.0	0.0
Tax liabilities	3.5	0.1	0.1	0.1	0.1	0.1
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities	33.7	42.7	36.0	34.9	33.2	31.5
Advance payments received	0.0	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	500.1	518.0	450.5	443.8	445.7	459.1

Source: Company, FMR

Cash Flow Statement

Bor. Dortmund: Cashflow statement

in EURm (IFRS)	18/19	19/20	20/21	21/22e	22/23e	23/24e
EBT	21.8	-46.6	-73.2	-23.1	-2.3	8.0
Depreciation and amortisation	90.1	106.1	111.0	87.4	90.0	90.7
Change in pension and similar provisions						
Other transactions incl. non-cash	-88.9	-41.9	-15.1	3.5	0.8	0.0
Change in Working Capital	5.7	-18.0	-6.9	-3.2	-6.4	-6.4
Cashflow from operating activities	28.7	-0.4	15.9	64.6	82.0	92.3
CAPEX	-23.6	-50.9	-62.0	-70.1	-80.0	-83.0
Change in consolidation, net cash	0.0	0.0	0.0	0.0	0.0	0.0
Other investing activities	0.1	0.1	0.0	0.0	0.0	0.0
Cashflow from investing activities	-23.5	-50.8	-62.0	-70.1	-80.0	-83.0
Change in debt	0.0	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	0.0	86.5	0.0	0.0
Dividend payments	-5.5	-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	0.0
Other financing activities	-3.3	-3.9	-4.4	0.0	0.0	0.0
Cashflow from financing activities	-8.8	-9.4	52.5	12.1	6.3	8.8
Total change in cash and cash equivalents	-3.6	-60.6	6.4	6.6	8.3	18.1
Effect of exchange rate changes on cash	0.0	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	0.0
Cash and cash equivalents at the start of the period	59.5	55.9	-4.7	1.7	8.5	16.8
Cash and cash equivalents: End of period	55.9	-4.7	1.7	8.5	16.8	34.8
of which						
Cash and equivalents	55.9	3.3	1.7	10.1	19.1	37.2
Current account	0.0	-8.0	0.0	0.0	0.0	0.0

Source: Company, FMR

Declaration of liability (disclaimer) and mandatory details pursuant to Section 85 Securities Trading Act (WpHG), EU Market Abuse Regulation (EU Regulation No. 596/2014), Delegated Regulation 2016/958 and Delegated Regulation 2017/565 including details of possible conflicts of interest (disclosures), the author and the responsible supervisory authority

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b) Time conditions of expected updates: quarterly

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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)
12.02.2021	BUY	5.14	6.00
03.03.2021	BUY	5.75	6.00
27.05.2021	BUY	6.13	6.80
06.07.2021	BUY	6.32	6.80
17.08.2021	BUY	6.87	6.80
24.09.2021	BUY	5,18	5,60
08.11.2021	BUY	4.92	5.60
18.11.2011	BUY	4.75	5.60
28.02.2022	BUY	4.05	5.00

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FMR Frankfurt Main Research AG

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b) Issuer

Marcus Silbe (CEFA), Head of Research, Senior Equity Analyst

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