

Borussia Dortmund GmbH & Co. KGaA

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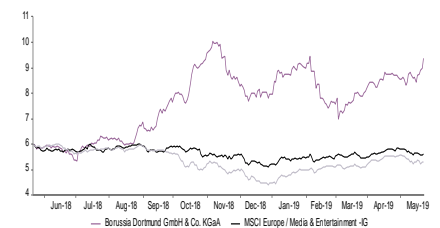
BUY

Before: -

Price Target EUR 10,50 (-)
Share price* EUR 9.10 (+15%)

*last XETRA closing price

	2018e	2019e	2020e
Sales	482.9	459.7	492.1
EBIT	26.7	11.3	31.1
EPS	0.22	0.08	0.25



Source: Factset

Basic share data

Number of shares (million)	92
Free Float (in %)	60%
Market Cap (in million EUR)	837
Trading volume (Ø)	283k
High (EUR, 52 weeks)	10.29
Low (EUR, 52 weeks)	5.33

Shareholder structure

Evonik Industries	14.8%
Bernd Geske	9.3%
Free float, others	75.9%

Corporate calendar

Roadshow in Frankfurt	17.06.2019
FY 2018/2019	End of August

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New season - New opportunities for BVB

We are initiating our coverage of Borussia Dortmund (BVB) with a BUY recommendation and a price target of EUR 10.50 per share, which is equivalent to a price potential of 15%. This is based on our DCF valuation (EUR 10.56). A fair value of EUR 8.91 per share is derived from our peer group valuation and a fair value of EUR 11.90 per share is derived from our net asset value analysis.

Sporting review of the 2018/2019 season: The season was somewhat mixed from a sporting point of view. In the National Cup (DFB), the match against Werder Bremen ended in the round of sixteen (2:4 in the penalty kick). In the group phase of the Champions League the team did convince significantly and with 13 points they qualified as first place for the knockout round. There, however, Tottenham Hotspur was the end for BVB in the round of sixteen (0:4 in total). For a long time, things went very well in the Bundesliga, it was also very competitive and exciting, but unfortunately FC Bayern won the championship for the 7th time in a row. But nevertheless the BVB should regard the runner-up championship as a success, because for the first time since 2015/2016 they became 2nd again in the Bundesliga and thus underpinned the positioning as Nr. 2 in Germany.

Outlook FY 2018/2019e: We are expecting sales of EUR 482.6m in 2018/2019e. At EBITDA level, we expect a figure of EUR 97.9m this year (EBITDA margin: 20.3%). By comparison, the consensus expects revenues of EUR 469m and EBITDA of EUR 102m. We expect net income of EUR 19.9m. These assumptions are all based on the fact that BVB will not post any new player sales in Q4.

Outlook 2019/2020e & 2020/2021e: Conservatively, we calculate an annual transfer revenue of EUR 60m and calculate a book profit of EUR 30m/year. Sales in the next two years are expected to reach EUR 459.7m and EUR 492.1m respectively. Excluding transfers, we expect EUR 391.7m for 2019/2020e (+5.7%; 2018/2019e: EUR 370.7m) and EUR 424.1m for 2020/2021e (+8.3%). For these two years EBITDA should reach EUR 90.2m and EUR 102.7m respectively.

FY End: 30.06; in EURm	CAGR (18-21e)	2016	2017	2018	2019e	2020e	2021e
Turnover	-2.8%	376.3	405.7	536.0	482.6	459.7	492.1
EBITDA	-6.8%	86.7	74.1	126.6	97.9	90.2	102.7
Margin		23.0%	18.3%	23.6%	20.3%	19.6%	20.9%
EBIT	-4.8%	36.4	10.7	36.1	26.7	11.3	31.1
Margin		9.7%	2.6%	6.7%	5.5%	2.5%	6.3%
net result	-6.3%	29.4	8.2	28.4	19.9	7.5	23.4
EPS	-6.3%	0.32	0.09	0.31	0.22	0.08	0.25
Dividend per share		0.06	0.06	0.06	0.06	0.06	0.06
EV		785.5	787.9	777.7	809.6	820.3	792.9
EV/Sales		2.1	1.9	1.5	1.7	1.8	1.6
EV/EBITDA		9.1	10.6	6.1	8.3	9.1	7.7
P/E		28.4	102.3	29.4	42.1	111.4	35.8
Net debt/EBITDA		-0.6	-0.7	-0.5	-0.3	-0.2	-0.4

Source: BVB, FMR

Table of Contents:

Investment thesis.....	3
SWOT	5
Valuation.....	6
Summary	6
Peer group valuation	6
DCF Model	7
Net asset value analysis.....	9
Company profile	10
Corporate structure	10
Management	11
Shareholder structure.....	11
Business model	12
Gaming business	13
TV marketing.....	13
Advertising	14
Merchandising/Catering.....	15
Transfers	15
Financials	17
Historical development.....	17
9M 2018/2019	19
Guidance 2018/2019	19
Medium-term outlook	20
Appendix.....	24

Investment thesis

Borussia Dortmund GmbH & Co KGaA (BVB) is one of the strongest international football clubs with one of the highest average spectator numbers in Europe. The focus of the business activities of the company and the subsidiaries affiliated with it within the Group is professional club football and the commercial exploitation of the associated revenue potential, particularly the marketing of the "Signal Iduna Park" stadium, which is owned by BVB.

The majority of the Borussia Dortmund Group's revenues are generated from match operations (including ticketing), the marketing of television rights (including pay-TV), advertising (sponsoring), Catering/Merchandising and transfers (received payments for players). Apart from its core business, Borussia Dortmund is also active in football-related business areas.

The main sources of income for professional football are TV marketing, advertising, ticketing and merchandising/catering. The aim of Borussia Dortmund continues to be to establish itself as the clear Nr. 2 in the Bundesliga and, if possible, to reduce the gap to the Nr. 1 in Germany, FC Bayern Munich.

Based on the performance of the last few years, including the completed 2018/2019 season, the BVB is well on the way to meeting this target. Another important aspect for Borussia Dortmund is to further stabilize and expand profitability, with and without transfer proceeds.

In terms of sales, we assume that the ex-Transfer company will develop significantly positively. We expect ex-Transfer revenues to increase by 5.7% in 2019/2020e and by as much as 8.3% in 2020/2021e, which is due to the fact that we expect a contract extension with PUMA (at least EUR 10m more).

Not only have the selling prices for the players increased since the funds from European TV marketing "exploded", the salary increases were similarly steep. You can see this in the personnel costs at BVB. While in 2013/2014 total personnel costs stood at EUR 107.8m, we expect EUR 208.0m for this year. Personnel costs have thus virtually doubled in 5 years. The ratio to sales shows even better. While the personnel costs in 2013/2014 still amounted to 42.1% of sales (ex-transfer), it is now at 56.1% clearly above 50%. Nevertheless, the momentum seems to be slowing down somewhat, as BVB only records an increase of just under EUR 10m per year, whereas 2-3 years ago it was up to EUR 20m per year. Therefore, we currently feel comfortable with our moderate increase for the next two years and believe that in 2020/2021e personnel costs will only account for 54% of sales (ex-transfer).

The 9M 2018/2019 figures were good and Q4 being consistent with the typical revenue/cost developments we believe that the 2018/2019e fiscal year will end positively. We estimate Group sales at EUR 482.6m and ex-transfer at EUR 370.7m (+18.3% YoY). After deduction of Opex in the amount of EUR 464.8m, EBITDA should amount to EUR 97.9m. We expect EBIT and net income to be at EUR 26.7m and EUR 19.9m, respectively.

BVB is one of the best-known European football clubs

Revenues from 5 segments

The plan is to further increase profitability

We expect significant sales growth in the coming years (ex-transfer)

Transfer revenues began to rise after TV marketing went up, but player salaries also increased as a result

Positive outlook for the financial year

Starting in 2019/2020e, we conservatively assume annual transfer proceeds of approximately EUR 60m. Since we have only limited visibility in this respect, there may be significant deviations in some cases. We assume this amount only in order to present a complete picture for BVB, as transfer revenues have become an important component of the business model of a football club in recent years.

As a result, our EBITDA estimates are also below the current year's level, as we have conservatively assumed only an annual book profit of EUR 30m. We expect EBITDA of EUR 90.2m and EUR 102.7m for 2019/2020e and 2020/2021e, respectively. This means that on a net level, we see BVB's net profit for 2019/2020e at EUR 7.5m and for 2020/2021e at EUR 23.4m. Regarding the dividend, we currently assume that the 6-cent-policy will be continued, even if we could imagine that BVB could also raise the dividend to 10 Cent+.

Our DCF model results in a fair value of EUR 10.56 per share and our fair value from the multiple valuation resulted in EUR 8.91. Our net asset value analysis, which should probably be seen more as a long-term approach, points to a fair value of EUR 11.90 per share.

We initiate our coverage with a BUY recommendation and a price target of EUR 10.50 (price potential: +15%). In the medium term, however, we believe that the fair value from the net asset value analysis can be achieved.

Conservative assumption of transfer proceeds of EUR 60m/year

...with book profits of EUR 30m/year

EBITDA should rise to over EUR 100m in 2020/2021e

DCF Fair value at EUR 10.56 per share

BUY recommendation, price target EUR 10.50

SWOT

Strengths

- Strong, experienced management: The management team, led by Hans-Joachim Watzke and Thomas Treß, has developed the company from an almost bankruptcy to the clear Nr. 2 in German football
- Loyal and strong fan base
- Signal Iduna Park Stadium is owned by the company
- Stable sales development in the core business (ticket sales, TV rights, long-term sponsor contracts), all of which are not entirely dependent on sporting success.

Weaknesses

- No multifunctional stadium
- "Competition" for sponsors due to the large number of clubs in the Ruhr area
- Selling players can lead to high volatility in sales/net income

Chances

- Significantly higher sales through regular qualification for the UEFA Champions League
- Average salaries in Germany "still" well below the levels paid in England, Italy and Spain
- High positive free cash flow from player sales (if sales > new investments)

Risks

- Change of trainer team, key players and/or management
- Despite improved revenues from the Bundesliga TV rights, German clubs continue to be financially disadvantaged compared to clubs from other major countries.
- 50+1 Regulation: financially strong investors in other large countries can support football clubs, which is only possible to a limited extent in Germany; as a listed company it is an additional difficulty to compete with

Valuation

Summary

To derive the fair value for BVB, we have used three valuation approaches. While DCF valuations can show long-term growth potential very well, our peer group valuation provides better insights into current market dynamics. We also performed a net asset value analysis. We have concentrated on the multipliers for 2020e because it is common for investors to take the next year as a basis.

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3 Valuation approaches – DCF, peer group multiples and Net asset value

DCF Fair value at EUR 10.56
Fair value of multiples at EUR 8.91

BUY recommendation with target price EUR 10.50

Fair value Summary

Valuation methods	Fairer Wert per share (EUR)
Fair Value DCF	10.56
Peer-Group	8.91
Net asset value	11.90

Source: FMR

Peer group valuation

Peer Group - Overview

Name	Market cap.	EV	EBITDA			EBIT			Sales			
			2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e	
Borussia Dortmund GmbH & Co. KGaA	EUR	837.2	768.0	97.9	90.2	102.7	26.7	11.3	31.1	482.6	459.7	492.1
Juventus Football Club S.p.A.	EUR	1,500.6	1,001.2	131.6	165.0	176.6	-31.8	21.6	43.2	585.0	626.7	652.1
Olympique Lyonnais Groupe	EUR	171.6	347.9	83.1	85.3	88.9	31.0	36.0	39.5	298.3	302.9	317.7
Manchester United Plc Class A	EUR	3,288.9	3,430.4	239.5	222.0	237.0	89.8	36.9	51.3	794.7	804.8	863.0
Galatasaray Sportif Sinai ve Ticari Yatiri	EUR	723.6	987.0	-	-	-	-	-	-	-	-	-
Sport Lisboa e Benfica-Futebol SA	EUR	61.4	301.7	-	-	-	-	-	-	-	-	-
AFC Ajax N.V.	EUR	309.8	81.7	-	-	-	-	-	-	-	-	-
AIK Fotboll AB Class B	EUR	60.9	19.3	-	-	-	-	-	-	-	-	-
A.S. Roma S.p.A.	EUR	338.6	332.9	-	-	-	-	-	-	-	-	-
S.S. Lazio S.p.A.	EUR	81.2	50.0	-	-	-	-	-	-	-	-	-
Sporting Clube de Portugal Futebol SAC	EUR	46.9	324.8	-	-	-	-	-	-	-	-	-
Celtic PLC	EUR	154.4	138.1	-2.6	-1.4	-2.6	-4.8	-3.6	-4.8	75.4	72.1	73.1
Mittelwert				151.4	157.4	167.5	29.7	31.5	44.7	559.3	578.1	610.9
Median				131.6	165.0	176.6	31.0	36.0	43.2	585.0	626.7	610.9

Source: Factset, FMR

Our peer group comprises a total of 11 listed football clubs. Even though there are currently no estimates for 8 of these teams (no current updates with valid estimates), we have included them in our peer group.

As already described in the summary, our peer group evaluation focused on the EV/EBITDA multiples and the year 2020e.

On the basis of the 2020e EV/EBITDA multiples, the fair value per share is EUR 8.91.

Fair value at EUR 8.91

Peer group valuation

Company name	EV/EBITDA			EV/EBIT			EV / Sales		
	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e
BVB (consensus)	7.3	6.9	-	26.5	22.4	19.5	1.6	1.6	1.5
Current Premium/Discount									
vs. Average peer	-16.0%	-18.7%	-	7.1%	-20.2%	30.7%	-31.7%	-32.6%	-25.4%
vs. Median peer	-3.9%	10.1%	-	7.1%	-20.2%	30.7%	-4.3%	-5.2%	-5.3%
Juventus Football Club S.p.A.	7.6	6.2	6.0	-	47.5	24.7	1.7	1.6	1.6
Olympique Lyonnais Groupe	4.2	3.6	2.3	11.2	8.6	5.1	1.2	1.0	0.6
Manchester United Plc Class A	14.3	15.4	14.4	38.2	n.m.	n.m.	4.3	4.3	4.0
Average (excl. DEAG)	8.7	8.4	7.6	24.7	28.1	14.9	2.4	2.3	2.1
Median (excl. DEAG)	7.6	6.2	6.0	24.7	28.1	14.9	1.7	1.6	1.6

in Mo. EUR, außer EPS (in EUR)	EBITDA			EBIT			Sales		
	2019e	2020e	2021e	2019e	2020e	2021e	2019e	2020e	2021e
BVB: Financial estimates by FMR	97.9	90.2	102.7	26.7	11.3	31.1	482.6	459.7	492.1
Applied multiples: Peer group average	8.7	8.4	7.6	24.7	28.1	14.9	2.4	2.3	2.1
Enterprise value (derived)	852.3	760.0	776.3	661.2	316.4	462.7	1,157.2	1,059.9	1,020.2
- Financial net debt & minority interests	59.5								
Market capitalisation (derived)	-	819.5	-	-	-	-	-	-	-
Market capitalisation (derived)	819.5								
Premium (discount) vs. Peer Group	0%								
Fair market capitalisation	819.5								
Number of shares (m)	92.0								
Fair value per share (EUR)	8.91								

Source: Factset, FMR

DCF Model

Our discounted cash flow (DCF) model is based on the following assumptions:

Weighted average cost of capital (WACC): The risk-free interest rate was set at 2.0% and we assume an equity risk premium of 6.0% and a debt capital risk premium of 2.0%. We have set the beta factor at 1.3 and assumed that the long-term target equity ratio at market values is 60%. Basing on these assumptions, we have arrived at a weighted average cost of capital (WACC) of 7.03%.

WACC at 7.03%.

Phase 1 (2018/19e-2020/21e): Free cash flows (FCF) for Phase 1 are calculated according to our detailed financial projections described in the financial section. Sales (ex-transfer) will grow in 2019-21e with a CAGR of 6%, while the EBIT margin will improve to 6.3% in 2021e.

Sales growth (ex transfer) at 6% p.a. (CAGR)

Phase 2 (2021/22E-2027/28e): Phase 2 comprises the years 2021/22e to 2027/28e. For this period, we expect stable sales growth of 5%, with the EBIT margin remaining at ~8.0% in the long term. We are increasing the long-term margin from 5% to 8% mainly due to the discontinuation of the original Sportfive contract, which expires after the 2020/21e season. We are expecting annual cost savings of around EUR 15m, which corresponds to the 300bp margin increase.

Medium-term expectation of EBIT margin at 8.0%

In addition, we have normalized the assumed book profits from future transfer transactions to include EUR 25m/year. The total fair value of these book profits corresponds to EUR 334.4m.

Terminal Value: For calculating the terminal value, we use a long-term free cash flow growth rate of 2.0%, which is a rather conservative estimate. On the basis of our estimates, we thus arrive at a fair value for the company of EUR 912.5m.

For this purpose, we add the cash on hand and deduct the financial liabilities and thus arrive at a fair value of EUR 971.9m or EUR 10.56 per share. Excluding the assumptions of book profits, the fair value would be at EUR 6.47 per share. However, this is to be regarded as conservative, as player sales will continue to take place annually despite the low visibility.

Fair value of DCF at EUR 10.56

DCF Model

in EURm	PHASE 1			PHASE 2							PHASE 3
	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	∞
Sales	482.6	459.7	492.1	516.7	542.6	569.7	598.2	628.1	659.5	692.5	
Sales growth YoY in %	-10.0%	-4.7%	7.1%	7.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
EBIT	26.7	11.3	31.1	25.8	43.4	45.6	47.9	50.2	52.8	55.4	
EBIT margin in %	5.5%	2.5%	6.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Book profits				25.0	25.0	25.0	25.0	25.0	25.0	25.0	
Tax deduction				-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	-5.8	
Implied tax rate				-23%	-23%	-23%	-23%	-23%	-23%	-23%	
Income tax on EBIT	-5.3	-2.3	-6.2	-5.2	-8.7	-9.1	-9.6	-10.0	-10.6	-11.1	
Depreciation and amortisation	71.1	78.9	71.6	60.0	55.0	50.0	50.0	50.0	50.0	50.0	
Change in net working capital	-8.6	16.5	8.0	-1.0	-1.5	-1.0	-1.0	-0.5	-0.5	-0.5	
Net capital expenditure	-125.1	-120.1	-70.1	-50.1	-45.0	-50.0	-50.0	-50.0	-50.0	-50.0	
Free cash flow	-41.2	-15.8	34.3	48.7	62.4	54.6	56.4	58.8	60.9	63.0	
Present values	-40.9	-14.6	29.6	39.2	46.8	38.2	36.8	35.7	34.4	33.2	674.2
Present value Phase 1	-26.0	-4%									
Present value Phase 2	264.3	29%									
Present value Phase 3	674.2	74%									
Total present value	912.5	100%									
+ net cash	59.5										
- Minority interest (est. market value)	0.0										
Fair value of equity	971.9										
Number of shares (m)	92.0										
Fair value per share (EUR)	10.56										

Risk free rate	2.0%	Target equity ratio	60.0%
Equity risk premium	6.0%	Tax shield	25.0%
Debt risk premium	2.0%	Beta (fundamental)	1.30
CAGR Sales Phase 2	5.0%	WACC	7.03%
Ø EBIT-margin Phase 2	5.0%	Terminal growth	2.0%

Sensitivity analysis						
Terminal growth (Phase 3)						
	1.0%	1.5%	2.0%	2.5%	3.0%	
EBIT margin	3.0%	5.41	5.72	6.10	6.56	7.14
	4.0%	6.13	6.49	6.93	7.46	8.13
	5.0%	6.85	7.26	10.56	8.36	9.11
	6.0%	7.58	8.04	8.59	9.26	10.10
	7.0%	8.30	8.81	9.41	10.16	11.08

Source: FMR

Net asset value analysis

Besides the DCF method and the peer-group valuation, we have decided to include this net asset value analysis as well, because we believe that this method is one of the best ways to show the sustainable value potential.

According to transfermarkt.de, we have provided the current roster value with a discount of 35%, since only the transfer values that could be sold profitably belong in the net asset value analysis. As we do not assume that Reus will leave the club for example, his market value is not included. Finally, it is worth mentioning that our assumption remains subjective, because even we do not have any insight into the management's thought about which players are on the "sales list" due to the low visibility.

We have derived the value of the stadium from the valuations of various sports facilities in Europe and the USA. The brand value of EUR 213m is partly derived from the Forbes list, but also includes its own calculation methods.

However, as already mentioned in the DCF section, we expect BVB to achieve cost savings of EUR 15m/year in the 2021/22e season, as the originally poor Sportfive contract with BVB expires in this form. After discounting with the same WACC as assumed in the DCF, this results in a fair value of EUR 198m.

This results in a total cash value of EUR 1.067m, or EUR 11.60 per share. Adding net cash, the fair value per share increases to EUR 11.90, which would also correspond to our long-term price target.

Net asset value (NAV) valuation

	Present Value (PV)	PV/Aktie
Roster Value	602	6.54
Discount (to reach marketable roster value)	-30%	
Marketable roster value	421	4.58
Stadium	235	2.55
Brand value	213	2.31
End of Sport Five contract (saved discounted Cash Flow)	198	2.15
Total Present Value	1,067	11.60
Net excess cash (as of EO FY 18/19)	27.6	0.30
Fair value	1,095	11.90

Source: Transfermarkt.de, FMR

Net asset value analysis

Adjustment of the market value of the team

Brand value at EUR 213m

Cost savings of EUR 197m (discounted CFs) due to discontinuation of the original Sportfive contract

Fair value per share of EUR 11.90

Company profile

Borussia Dortmund GmbH & Co. KGaA (BVB) is one of the strongest international football clubs with one of the largest average spectator numbers in Europe. The main focus of the business activities of the company and the subsidiaries affiliated with it within the Group is professional club football and the economic exploitation of the associated revenue potential, particularly the marketing of the "Signal Iduna Park" stadium, which is owned by BVB.

The Borussia Dortmund Group generates the lion's share of its revenues from match operations (ticketing), the marketing of television rights (including pay-TV), advertising (sponsoring), Catering/Merchandising and transfers (payments received for selling players). In addition to its core business, Borussia Dortmund is also active in football-related business areas.

With resolutions of the general meetings of the Ballspielverein Borussia 09 e.V. Dortmund on 28.11.1999 and 26.02.2000, the entire previously taxable business operations of professional club football were spun off and transferred to the newly founded Borussia Dortmund GmbH & Co. KGaA. Borussia Dortmund was the first football club in Germany to go public in October 2000 and is now listed in the General Standard of Deutsche Börse AG.

According to their ranking by Forbes, the BVB currently ranks 12th in the ranking list of the most valuable football clubs in the world. With a valuation of USD 901m, the Nr. 2 in Germany is just behind Nr. 11 Paris Saing-Germain. Germany's Nr. 1 FC Bayern Munich is in 4th place with a rating of EUR 3.06m. FC Schalke 04 is in 15th place with EUR 707m. Interestingly, BVB is even in 8th place in operating result, ahead of Real Madrid (9th place).

Corporate structure

Currently, the company owns the following companies: BVB Stadionmanagement GmbH (100% of shares), BVB Merchandising GmbH (100% of shares), BVB Event & Catering GmbH (100% of shares), besttravel dortmund GmbH (100% of shares), BVB Asia Pacific Pte. Ltd. (100% of the shares) and Orthomed Medizinisches Leistungs- und Rehabilitationszentrum GmbH (33.4% stake).

BVB is a top European club with its own stadium

Revenues from 5 segments

Listed on the stock exchange since October 2000

Forbes ranking: BVB ranked 12th with USD 901m

Current Group Structure

Corporate structure



Source: BVB

Management

Hans-Joachim Watzke, born on 21 June 1959 in Marsberg (North Rhine-Westphalia), was appointed Managing Director of Borussia Dortmund Geschäftsführungs-GmbH by the Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH on 15 February 2005. Hans-Joachim Watzke has sole power of representation. The business graduate is also the sole shareholder of Watex-Schutz-Bekleidungs-GmbH, an important manufacturer of fire brigade and work clothing based in Sauerland.

Hans-Joachim Watzke

Thomas Treß, born on 31.01.1966 in Riedlingen (Baden-Württemberg), was appointed second Managing Director by the Executive Committee of the Advisory Board of Borussia Dortmund Geschäftsführungs-GmbH on 11.10.2005. Since 1 January 2006, Thomas Treß has been responsible for the "Finance" and "Organization" divisions and, like Hans-Joachim Watzke, has sole power of representation. Besides he functions as managing director of the BVB subsidiary Sports & Bytes GmbH. Thomas Treß, trained tax consultant and chartered accountant as well as Dipl.-Kaufmann, was general representative and partner of the auditing company "RölfsPartner" before his managing director activity in Dortmund and accompanied and promoted the reorganization of the Borussia Dortmund group in the context of this activity responsibly.

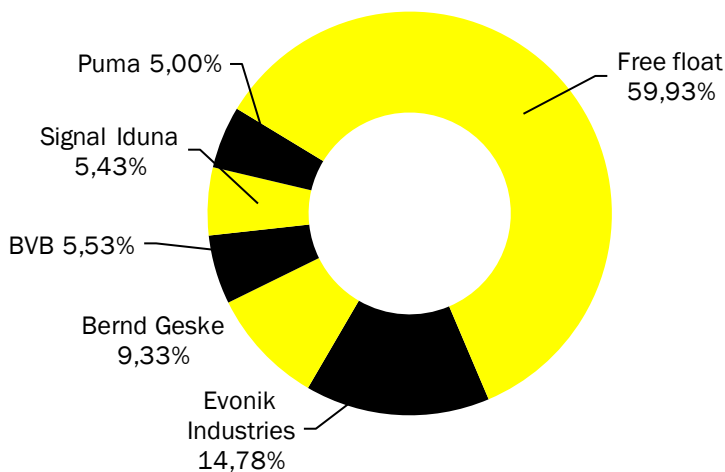
Thomas Treß

Carsten Cramer, born on 23 December 1968 in Münster, began his professional career as Managing Director and Marketing Manager at the traditional football club Preußen Münster. Subsequently he changed to the sports rights marketer "Ufa" (later "Sportfive"). Cramer first worked there as Sportfive Team Leader at Hamburger SV and from 2002 to 2007 in the same function at BVB. From 1 March 2018, Carsten Cramer was appointed Managing Director of Borussia Dortmund Geschäftsführungs-GmbH; he has joint power of representation with another Managing Director.

Carsten Cramer

Shareholder structure

Current shareholder structure



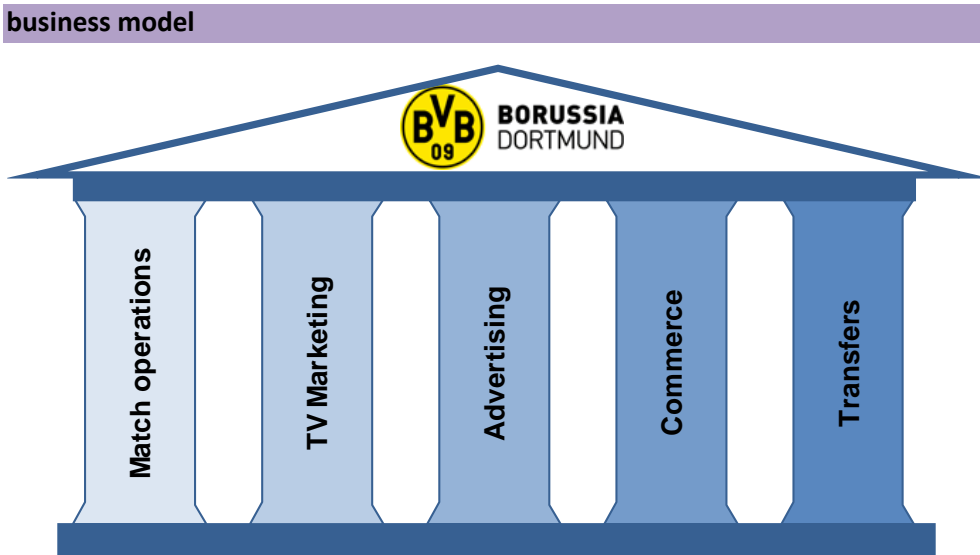
Source: BVB, FMR

Business model

The core sources of income of professional football are TV marketing, advertising, ticketing and merchandising/catering. Borussia Dortmund continues to pursue the goal of further establishing itself as the clear Nr. 2 in the Bundesliga and, if possible, to reduce the gap to the Nr. 1 in Germany, FC Bayern Munich.

With the performance of the last few years, including the completed 2018/2019 season, the BVB is on track to meet this challenge. Another important aspect for Borussia Dortmund is to further stabilize and expand profitability with and without transfer proceeds.

Borussia Dortmund currently divides its business activities into five segments, as shown in the following chart:



Source: Borussia Dortmund, FMR

As a result of the sales structure of football clubs as such, but also of BVB itself, the company is less dependent on sporting success as it was many years ago. Due to further increases in TV marketing revenues and bonuses for success in the DFB Cup and/or UEFA Champions & Europe League, the formerly important revenues from match operations are no longer the growth drivers. This is primarily due to the fact that at BVB the stadium is almost always sold out and the best possible potential has been reached for years. After all, ticket prices cannot be increased as easily as perhaps one negotiates with a jersey sponsor, because in the end the fans have to stand behind the team and they won't if you have to pay 10% more for a ticket every year.

In the course of the years, however, advertising has also developed into one of the most important sales drivers. The revenues attainable in the advertising segment are already secured for the coming years on the basis of contracts with the main sponsors SIGNAL IDUNA (stadium name), Evonik Industries AG (jersey sponsor) and PUMA SE (brand supplier).

4 core segments

5 Total segments (incl. transfers)

Advertising has developed into one of the most important revenue drivers

Overall, Borussia Dortmund continues to benefit from its popularity and its large fan base, which leads to one of the highest average viewer numbers in Europe and this constantly every year.

Gaming business

The segment includes all revenues from the sale of Bundesliga tickets and tickets from national and international competitions (DFB Cup, UEFA Champions League, UEFA Europa League).

National and international ticket sales

TV marketing

Media rights and joint marketing accounted for the lion's share of total revenues, accounting for 39.0% of total revenues in fiscal year 2017/18, i.e. EUR 122.2m (FY 16/17: EUR 125.7m). This revenue source comprises the marketing of TV media rights and performance bonuses from national and international competitions.

TV marketing accounts for around one third of revenues

In the last fiscal year 2017/2018, income from national TV marketing jumped 33% by EUR 21.8m to EUR 87.9m. The reason for this is the DFL's new TV contract on national media rights with a total amount of EUR 4.64bn for the four seasons from 2017/2018 to 2020/2021, i.e. an average of EUR 1.16bn per season.

New calculation methodology for TV contract => four instead of 2 criteria

In the course of this, the national revenues were distributed according to four instead of two criteria: the five-year rating, sustainability, youth work and the competition, a five-year rating that includes the success of the second league teams in addition to the first league teams.

In the 2019/20 season, the DFL will distribute a record EUR 1.485bn in revenues from the national and international marketing of Bundesliga and 2nd Bundesliga broadcasting rights. The amount exceeds the funds distributed this season by EUR 115m.

In 2019/2020, a further 8% more is estimated than in the previous year

Revenues from international TV marketing, however, declined in 2017/2018. This was mainly due to the poorer performance in the Champions League and the relegation to the UEFA Europa League.

On the whole, the sales basis for the next 3 years is still solid, at least for national TV marketing. Internationally, however, there have also been changes, as the distribution key for the UEFA Champions League has again been adjusted.

UEFA Champions League distribution key adjusted

While in the 2017/2018 season it was still possible to generate around EUR 18m in premiums for the successes in the group phase, this rose to EUR 25m in 2018/2019, primarily due to the higher entry fee (EUR 15.3m vs. EUR 12.7m) and the significantly higher win premiums (EUR 2.7m vs. EUR 1.5m). Thus, the two teams that qualify for the knockout phase would receive an additional bonus of about 40%.

Significant increase in the premium distribution for points bonuses by approx. 40%.

Overview Distribution of bonuses for UEFA Champions League

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Starting fee	8.6	12.0	12.7	12.7	15.3
Fee Win	1.0	1.5	1.5	1.5	2.7
Fee Draw	0.5	0.5	0.5	0.5	0.9
Round of 16	3.5	5.5	6.0	6.0	9.5
Quarter-Final	3.9	6.0	6.5	6.5	10.5
Semi-Final	4.9	7.0	7.5	7.5	12.0
Runner-up	6.5	10.5	11.0	11.0	15.0
Cup-Winner	10.5	15.0	15.5	15.5	19.0
Examples:					
Winner, Group (4W, 1D)	35.9	52.0	54.7	54.7	78.0
Semi-Finale, Group (3W, 2D)	24.9	36.0	38.2	38.2	57.2
Round of 16, Group (3W, 1D)	15.6	22.5	23.7	23.7	33.8

Source: UEFA, FMR

A further factor in the UEFA Champions League distribution is the coefficient ranking. This ranking is basing on the performance of the past 10 years. In total, EUR 585m will be distributed in this segment.

According to UEFA's ranking, this coefficient gives BVB an amount of EUR 21.1m for the 2018/2019 season.

UEFA will therefore allocate a total of approximately EUR 2.55bn for distribution to the participating clubs for the 2018/2019 season. Of this amount, EUR 2.04bn will go to UEFA Champions League and UEFA Super Cup clubs and EUR 510m to UEFA Europa League clubs.

Referring to the Champions League a team will receive money from the first mentioned performance bonus, the coefficient ranking list and the media pool. The media pool is now filled with EUR 292m. While BVB always achieved a contribution from the media pool of EUR 16 to 22m in the 2014/2015 seasons up to the last season, this amount should now be lower, as the total market pool was also reduced from just under EUR 500m to EUR 292m, as more premiums are now distributed via the coefficient.

Advertising

The income source "advertising" mainly comprises income from sponsorship agreements and other premium payments from sponsors. With a 30% share of sales in the 2017/18 financial year, this source of income is the second-largest contributor to total sales (ex-transfer) at EUR 93.6m (FY 16/17: EUR 87.4m).

Sponsoring

Borussia's most important sponsors include Evonik Industries AG, PUMA SE and SIGNAL. IDUNA. Furthermore, the naming rights agreement with SIGNAL IDUNA was extended until 2021. Borussia Dortmund will therefore continue its home games at SIGNAL IDUNA PARK for the next few years.

Puma SE was won as the new outfitter at the start of the 2012/13 season. The partnership began on 1 July 2012, when PUMA initially paid EUR 6.25m per year, and is now said to have climbed to around EUR 10 to 15m.

Coefficient ranking list => 10 year ranking; volume of EUR 585m

A total of EUR 2.04bn in premiums will be awarded in the Champions League

Advertising

Sponsoring with 3 big brands

In addition to Evonik, PUMA SE and SIGNAL IDUNA, there are ten Champion Partners who form an important source of advertising revenue for Borussia Dortmund. Each Champion Partner supports the BVB with at least a six-figure amount, with most of them probably going towards EUR 3-5m.

10 Champion Partner

In addition to the types of sponsors mentioned above, there are also the normal partners.

In total, BVB has advertising relationships with 3 main sponsors, 10 champion partners, 22 BVB partners and 27 BVB product partners.

Partnerships with 52 companies

Hospitality

Hospitality is a well-established method of hosting selected events and providing entertainment outside the traditional business environment. The hospitality areas at SIGNAL IDUNA PARK (regular table seating, Business Club, Borussia Park, Rote Erde Club, as well as the West and Southeast catering areas) enjoy a strong demand. Incentive packages that business customers can book for certain games are also in increasing demand.

Hospitality

Merchandising/Catering

This source of sales comprises Borussia Dortmund's merchandising, catering and other business activities. Together, they generated Group sales of EUR 54.7m (FY 16/17: EUR 71.4m). This segment comprises revenues from fan and online shops, retail, gastronomy and licenses.

Merchandising/Catering

Transfers

This segment comprises all revenues from the transfer of players to and from other football clubs. Revenues in the 2017/18 financial year amounted to EUR 222.7m and increased by more than 100% yoy (FY 16/17: EUR 77.3m). In the reporting period from 1 July 2017 to 30 June 2018, transfer revenues mainly consisted of the transfers of the players Pierre-Emerick Aubameyang to FC Arsenal, Marc Bartra to Real Betis Sevilla, Sven Bender to Bayer Leverkusen, Gonzalo Gastro to VfB Stuttgart, Ousmane Dembele to FC Barcelona, Mikel Merino Zazon to Newcastle United, Emre Mor to Celta Vigo and Neven Subotic to AS St.-Etienne, whereby the transfer with Dembele represents the largest in BVB history with a transfer sum EUR >100m.

Last year's transfer successes

The official transfer "window" period in Germany is between 1 July and 31 August and between 1 and 31 January. An offer is made in writing for a player and the selling club can accept or decline any offer.

Participating parties are the sales club, the buyer club, the agent and the player.

There are 4 agreements that are necessary for the transfer process: a transfer agreement, a termination agreement, a new employment contract and a consultant agreement (between club & agent).

4 Agreements for a transfer

Clubs can contact an agent who works on their behalf and asks them to locate a buyer for a specific player. Agents will talk to managers and chief scouts and ask which positions they want to fill.

Role of the agent

Then you can secure the best possible offer for your customer. The player's professional and financial aspects are taken into account.

In most cases, a fee for the Agent's work is agreed with the purchasing club. When a player moves from one club to another, his old contract is terminated. He's negotiating a new contract with his club.

Consultant receives fee

Official announced transfers within the season 2018/2019

Season 2018/2019		Season 2019/2020	
Addings	Disposals	Addings	Disposals
Abdou Diallo	Christian Pulisic	Thorgan Hazard	
Thomas Delaney	Andrii Yarmolenko	Nico Schulz	
Axel Witsel	Sokratis	Julian Brandt	
Leonardo Balerdi	Mikel Merino	Paco Alcacer	
Marius Wolf	Gonzalo Castro		
Marwin Hitz	Mnuri Sahin		
	Erik Durm		
	Dominik Reimann		
	Roman Weidenfeller		

Source: [Transfermarkt.de](https://www.transfermarkt.de), BVB, FMR

Financials

Historical development

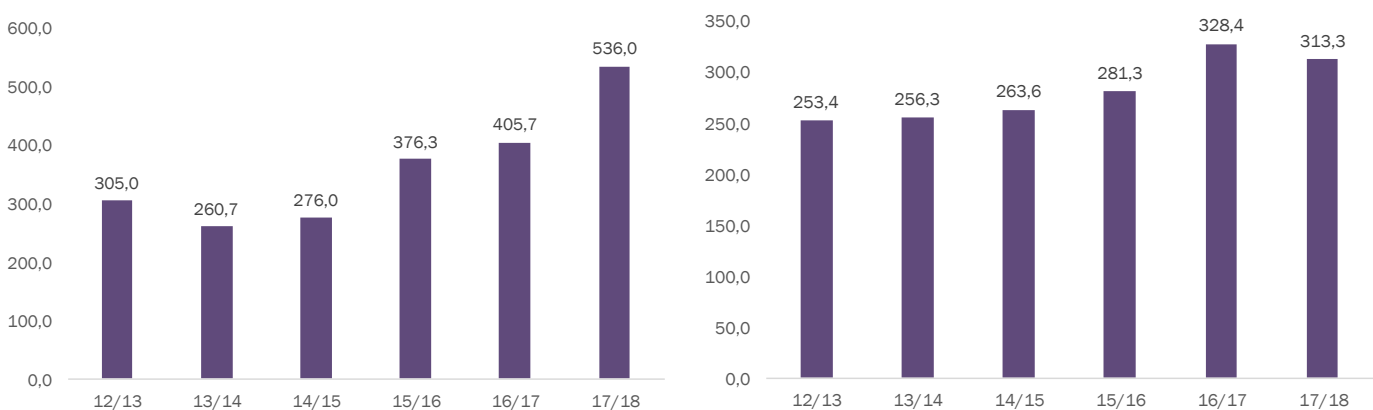
When analyzing BVB's business development, it is important to distinguish between the "operative" development and the success from transfer proceeds. While transfers are part of the day-to-day business of football clubs, forecasting is quite difficult due to low visibility.

In order to show that BVB has not only developed further in terms of sales with the help of transfers, we show the sales development including and excluding transfers.

Differentiation between core performance and development incl. transfer proceeds

Sales development with and without transfer revenues

Historical turnover development: left incl. transfers, right excl. transfers



Source: Borussia Dortmund, FMR

The left chart, including transfers, shows clearly that BVB has steadily improved its sales over the past 5 years and exceeded the EUR 500m mark for the first time in 2017/2018. On the chart on the right side (excl. transfers) it can be seen that the yearly growth is lower and that in the last fiscal year 2017/2018 there was even a slight decline in turnover of 4.6%.

Sales in the past year strongly influenced by transfer revenues

Despite their national successes, they were less successful in merchandising than in the previous year, mainly because they were eliminated 3rd from the Champions League and then eliminated in the round of 16 when they switched to the UEFA Europa League. It is therefore clear that the level of merchandising turnover can only be achieved by reaching the knockout rounds in the Champions League.

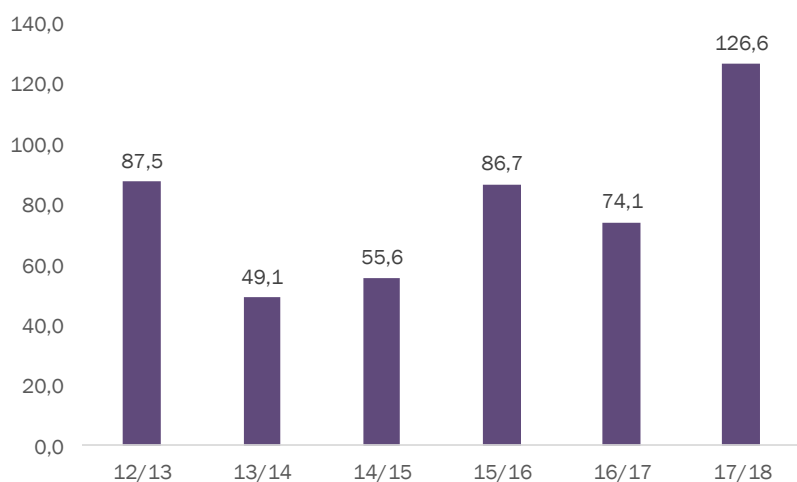
Merchandising less as sim previous year because in the end only UEFA Europa League

On the whole, it should be noted that sporting successes have a greater impact on the P&L internationally than successes in the national area. It is therefore not only a prerequisite for future growth that as a clear Nr. 2 BVB not only qualifies for the Champions League on a permanent basis, but at best also reaches the knockout round every year. As the BVB competes internationally for more rounds, the contribution to sales and EBITDA increases accordingly.

International competitions have more influence on P&L than national competitions

In addition to sales from international competitors, transfer revenues are of course another reason for the volatility in EBITDA over the years. Looking at the EBITDA from 2017/2018 (EUR 126.6m), this is largely attributable to the sale of Dembele players, which was sold for over EUR 100m.

Historical EBITDA development

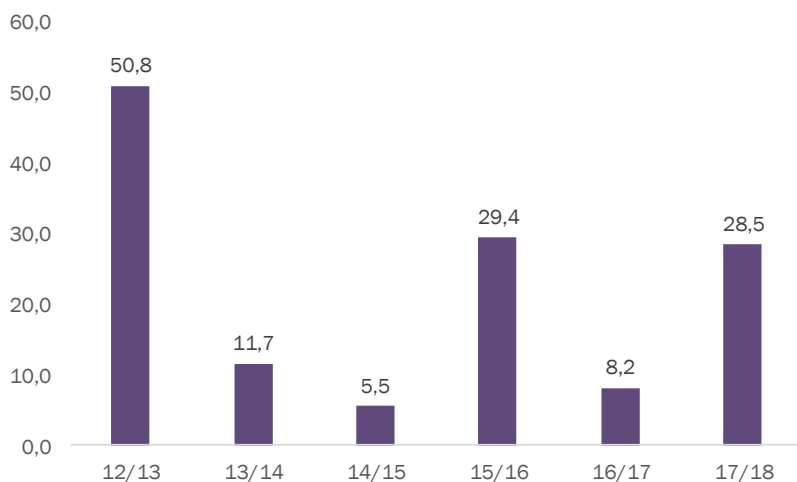


Source: Borussia Dortmund, FMR

Since, however, only the player sales are visible in EBITDA and not the expenses in new players (except for the direct costs that are reflected in the income statement), a comparison between EBITDA and net income also reflects the investment intensity in the respective year. Depreciation and amortization increased significantly in some cases as a result of the increased CAPEX in new players, which have a corresponding impact on net income.

Net income development dependent on book gains and level of depreciation for new players

Development of net income



Source: Borussia Dortmund, FMR

It can be seen, for example, that in 2012/2013 BVB achieved EBITDA of only EUR 87.5m compared to EUR 126.6m in 2017/2018, but if one looks at the net level, BVB was able to report a net profit of EUR 50.8m in 2012/2013 compared to EUR 28.5, in 2017/2018. Differences in depreciation and amortization amounted to EUR 68.2m (2012/2013: EUR 22.4m, 2017/2018: EUR 90.6m).

Altogether, therefore, it can be seen that without lucrative player sales at net profit level, there would be no profits at present. Unless one would also stop with new "expensive" acquisitions, which is unlikely, since transfer prices have risen significantly in recent years and BVB also has to keep up with the top clubs in Europe.

9M 2018/2019

In 9M 2018/2019, the company generated consolidated sales of EUR 409.2m, which is almost 10% below the previous year's result. Excluding transfer revenues, sales improved by 20.7% to EUR 297.3m. Transfer revenues in 9M amounted to EUR 111.9m after EUR 208.9m in the previous year.

Personnel costs in 9M rose to EUR 153.3m after reporting EUR 139.3m in 9M 2017/2018. Based on sales (ex-transfers), this corresponds to 51.6% (9M 2017/2018: 56.5%).

Group EBITDA reached EUR 105.2m (Q3: EUR 51.1m), representing an EBITDA margin of 25.7%. BVB achieved EBITDA of EUR 128.5m in 9M 17/18, corresponding to an EBITDA margin of 28.2%. The difference in the transfer proceeds can also be seen here again.

After deducting depreciation of EUR 52.0m, EBIT in 9M amounted to EUR 53.2m (Q3: EUR 32.9m). The net result after tax was EUR 46.1m; the net profit in Q3 was thus EUR 28.8m.

Guidance 2018/2019

The management always issues the guidance for the current financial year with the annual report. According to the annual report, the company planned sales of EUR 425m, which represents a decline compared to the previous year. It is worth mentioning here that the company generally guides conservatively, but does not include any transfer proceeds in its guidance unless contractually secured.

If one considers that sales in 9M are already at EUR 409.2m, one can assume that the original guidance will be significantly exceeded.

EBIT should end up in the "low single-digit million EUR range", which will be significantly exceeded by transfer revenues of EUR 111.9m in 9M. Statements regarding depreciation of EUR 75m could be a tick too high, since depreciation of EUR 52.0m was reached after 9M. On an extrapolated basis, the group would therefore tend towards EUR 70m+.

With regard to the net result, management expected a double-digit million EUR amount. Having already achieved a net result of EUR 46.1m in 9M, this guidance should be clearly achievable.

We estimate sales of EUR 482.6m for the 2018/2019 financial year (end of FY 2018: 30 June 19), almost 14% above the guidance of EUR 425m. The current consensus assumes a turnover of EUR 469m.

Sales are subdivided into the operating core business and transfer revenues. Whereas sales of EUR 370.7m (+18.3% YoY) are anticipated for the core operating business, we expect transfer proceeds of EUR 111.9m for the financial year.

Net profit often goes hand in hand with higher book profits from transfer proceeds

Sales in 9M at EUR 409.2m

Personnel costs of EUR 153.3m

EBITDA at EUR 105.2m

EBIT At EUR 53.2m; net profit at EUR 28.8m

Original guidance for revenue

After 9M already in the guidance range

EBIT and depreciation Guidance

We plan sales of EUR 482.6m

Sales ex transfer at EUR 370.7m

We expect operating costs to amount to EUR 464.8m, with personnel costs amounting to EUR 208m accounting for the largest share. Personnel costs represent 54% of Group sales, or 56.1% excluding transfer revenues.

Personnel costs of EUR 208m for 2018/2019e

EBITDA in 2018/2019e should therefore land at EUR 97.9m, corresponding to an EBITDA margin of 20.3%. Last year, an EBITDA of EUR 126.6m was achieved. The decline is primarily attributable to the higher transfer revenues (and correspondingly higher book profits) in the previous year.

EBITDA at an estimated EUR 97.9m

With depreciation and amortization of EUR 71.1m, we are forecasting an EBIT of EUR 26.7m. We are expecting the net result for the financial year to be EUR 19.9m. Consensus anticipates EUR 23m (ranging from EUR 19.4m to EUR 26.0m).

Net income of EUR 19.9m expected

Medium-term outlook

BVB's premise for the coming years is both to continuously and sustainably increase sales and to further increase sporting success both nationally and internationally.

The goal is to continuously and sustainably increase sales and profits.

Strategically, BVB sees the following potential that should contribute to the sustainable growth of the company:

- (Continuous) qualification for the UEFA Champions League / UEFA Europa League
- Recognition of transfer revenues
- Success in national "DFB Cup" competition
- International matches at Signal Iduna Park
- Expansion of advertising and VIP hospitality marketing
- Increase in merchandising revenue

We are assuming that the company's growth momentum will continue in the coming years. In the medium term, we are convinced that we will succeed in raising sales and earnings to a higher level.

Growth momentum should increase further

All our estimates for the next 3 estimation years are subject to the following assumptions regarding sporting achievements:

Assumptions for sporting success

- Bundesliga: Annual qualification for the UEFA Champions League with either 2nd or 3rd place
- DFB Cup: Reaching the quarter finals with at least 1x home match
- International successes: Regular achievement of the 1st KO round with 3 wins and 1 draw for the points bonuses

BVB's prospects for the future are very promising. A large proportion of future sales has already been secured, assuming the long-term contracts for advertising partners and TV marketing and the assumption that the stadium will continue to be sold out in all home matches in the future and catering will proceed accordingly. We expect that more than EUR 300m/year can be considered as safe, regardless of sporting successes and even without international participation. Assuming a permanent qualification for the UEFA Champions League, the amount would be just under EUR 340-350m.

Promising future; guaranteed sales of EUR 300m per year already through long-term contracts and sold out stadium

All segments should contribute to growth. The transfer segment has to be excluded, because not only the visibility regarding the kind of players is low, but also the selling prices for players are difficult to predict.

Segment outlook

Regarding the match operations, we still assume that all home games will be sold out. We also anticipate price increases in average ticket prices of around 2%, which should lead to an overall increase in revenues in this segment from EUR 44.8m in 2018/2019e to EUR 46.1m in 2019/2020e and EUR 47.5m in 2020/2021e.

Advertising should continue to generate growth in the future. For the coming year 2019/2020e, we expect sales to increase by 5% to EUR 101.1m and by 15% to EUR 116.2m in 2020/2021e. This is due to our estimation that the supplier contract with PUMA will be renewed with improved terms and conditions and currently conservatively assume an annual sale increase of EUR 10m.

The TV-Marketing segment is supported by two special factors: the rise in national TV marketing revenues and the increase in UEFA Champions League bonuses (fixed and variable). Both segments increased by almost 40% from 2017/2018 to 2018/2019e. Whereas this development continues due to the contractual reorganization of the Bundesliga marketing as well as the Champions League premiums, proceeds are also expected to increase in the coming years, albeit only in the single digits. We expect an increase of 7% to EUR 182.4m for 2019/2020e, which we plan to achieve particularly through the renewed increase in the distribution of Bundesliga marketing. In 2020/2021e, we also estimate a 7% increase in sales to EUR 195.1m.

The lowest growth in the segments is seen in Catering/Merchandising. After showing slight growth again in the current financial year (+8% YoY) compared to the previous year, we anticipate stable sales growth of 5% both in 2019/2020e and in 2020/2021e to EUR 65.2m.

The transfer segment, though, is difficult to estimate as visibility is very low. For this reason, we have decided to take a conservative approach, as we assume that BVB will regularly sell players in the future, despite the lack of visibility. Therefore, for the year 2020/2021e, we assume that BVB will sell players for a sales price of EUR 60m which represents a book profit of EUR 30m/year. For 2019/2020e there are already announcements of 3 player purchases in the amount of EUR 96m. We believe that throughout the year the total CAPEX will rise up to EUR 110m for the year.

Combining all segments results in a positive picture for the sales development. At group level, we expect revenues in 2019/2020e to be 4.7% lower than in 2018/2019e, owing to the difference in transfer revenues (EUR 111.9m vs. EUR 68m). We expect sales excluding transfers to increase by 5.7% to EUR 391.7m next year. 2020/2021e is expected to bring sales growth of 8.3% (excl. transfers). Including transfers, we expect growth of 7.1% YoY.

All segments should contribute to growth

Assumption that stadium is still constantly sold out with slight price increases

5% sales growth next year and 15% next year due to expected extension of contract with Puma

TV marketing will generate further sales growth

Slight growth for Catering/Merchandising

Transfer successes difficult to estimate; we plan transfer proceeds of EUR 60m per year of EUR 30m book profit

Group sales development should be very positive

Sales development per segment

	2018/2019e	2019/2020e	2020/2021e
Sales	482.6	519.7	552.1
YoY in %	-10.0%	7.7%	6.2%
davon			
Match operations	44.8	46.1	47.5
YoY in %	5.8%	3.0%	3.0%
Advertising	96.3	101.1	116.2
YoY in %	0.0	5.0%	15.0%
TV marketing	170.4	182.4	195.1
YoY in %	39.4%	7.0%	7.0%
Catering/Merchandising	59.2	62.1	65.2
YoY in %	8.1%	5.0%	5.0%
Transfers	111.9	128.0	128.0
YoY in %	-49.8%	14.4%	0.0%

Source: FMR

Deducting operating costs, we expect EBITDA to remain stable within a range of EUR 90 to 102m for the years 2018/2019e to 2020/2021e. Whereas we expect EBITDA of EUR 97.9m for the current financial year, we plan EBITDA of EUR 90.2m for the next financial year. This decline is mainly due to the lower assumed transfer revenues. In 2020/2021e, we expect EBITDA of EUR 102.7m, which is partly due to the planned contract extension with PUMA and higher advertising revenues of EUR 10m.

Assuming no transfer revenue, EBITDA in 2019/2020e and 2020/2021e would be EUR 60.2m and EUR 72.7m respectively. Given an estimated depreciation of over EUR 70m, this would show that BVB would not be able to show any profits in the income statement without transfer proceeds at present. Excluding book gains, we would have reported a net result of EUR -13.3m for 2019/2020e and EUR +2.6m for 2020/2021e.

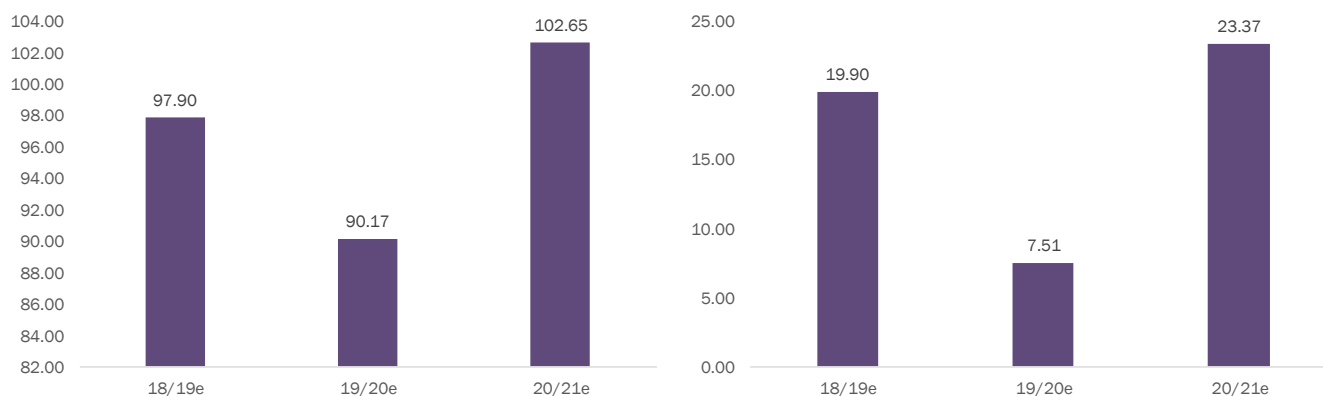
Including the book profits of EUR 30m, the company would continue to report a consolidated profit. For 2019/2020e we currently expect a net profit of EUR 7.5m and for 2020/2021e a net profit of EUR 23.4m.

EBITDA range for the next few years at EUR 90-102m

Without transfer proceeds one would announce a net loss in 2019/2020e

BVB should achieve a net profit of EUR 10.7m with transfers

Estimates: EBITDA left, Net result right



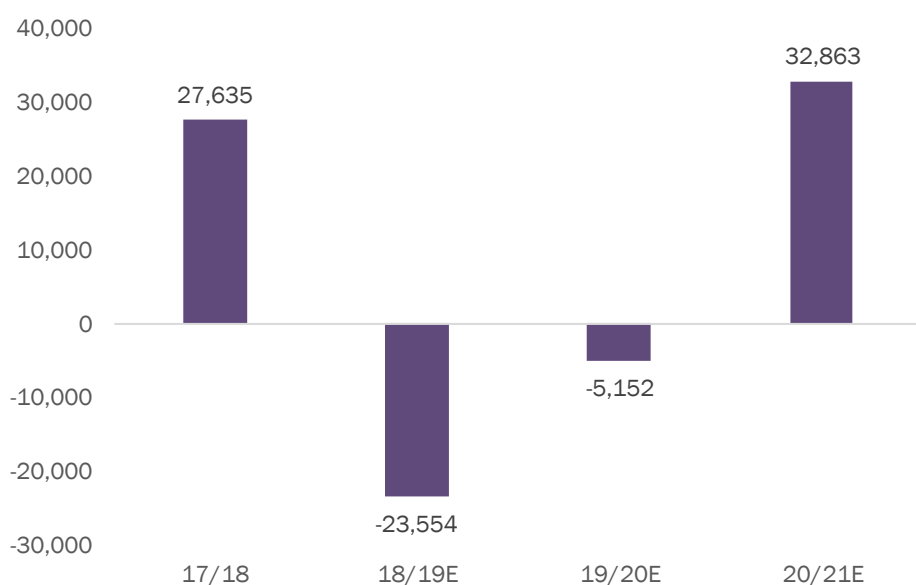
Source: FMR

In addition to developments at the income statement level, cash flows are also important. However, as a significant proportion of cash flows are affected by transfers (buying, selling), current FCF estimates should be considered carefully.

While we are expecting a negative free cash flow of EUR -24.7m for the present fiscal year, we anticipate FCF of EUR -5.2m for 2019/2020e and EUR +32.9m for 2020/2021e. The main causes of the increase are based on our assumption that when buying new players, the maximum spending per season is EUR 70m as from 2020/2021e, whereas in 2018/2019e, for example, more than EUR 110m was invested. However, on the other hand, we only assume that players will be sold for EUR 60m per season.

FCF heavily dependent on both player sales and still new acquisitions; we exclude constant CAPEX of EUR 60-70m for new players

FCF development



Source: BVB, FMR

Appendix

P&L							
	in EURm	15/16	16/17	17/18	18/19e	19/20e	20/21e
Revenues		376.3	405.7	536.0	482.6	459.7	492.1
YoY growth		36.3%	7.8%	32.1%	-10.0%	-4.7%	7.1%
Cost of revenues		-25.7	-25.9	-20.1	-24.1	-27.4	-29.7
as % of revenues		-6.8%	-6.4%	-3.7%	-5.0%	-6.0%	-6.0%
Gross profit		350.6	379.8	515.9	458.5	432.3	462.4
as % of revenues		93.2%	93.6%	96.3%	95.0%	94.0%	94.0%
Personnel costs		-140.2	-177.9	-186.7	-208.0	-215.4	-229.0
as % of revenues		-37.3%	-43.9%	-34.8%	-43.1%	-46.9%	-46.5%
Other operating income/expenses		-123.7	-127.7	-202.6	-152.6	-126.7	-130.8
as % of revenues		-32.9%	-31.5%	-37.8%	-31.6%	-27.6%	-26.6%
Reported EBITDA		86.7	74.1	126.6	97.9	90.2	102.7
as % of revenues		23.0%	18.3%	23.6%	20.3%	19.6%	20.9%
Depreciation and amortisation (incl. PPA)		-50.2	-63.4	-90.6	-71.1	-78.9	-71.6
as % of revenues		-13.4%	-15.6%	-16.9%	-14.7%	-17.2%	-14.5%
Reported EBIT		36.4	10.7	36.1	26.7	11.3	31.1
as % of revenues		9.7%	2.6%	6.7%	5.5%	2.5%	6.3%
Net financial results incl. equity results		-2.1	-1.6	-4.3	-1.5	-1.5	-1.5
EBT (Earnings before income taxes)		34.3	9.1	31.7	25.2	9.8	29.6
as % of revenues		9.1%	2.2%	5.9%	5.2%	2.1%	6.0%
Income taxes		-4.9	-0.9	-3.3	-5.3	-2.3	-6.2
as % of EBT		-14.3%	-10.0%	-10.4%	-21.2%	-23.1%	-21.0%
Income from continuing operations		29.4	8.2	28.4	19.9	7.5	23.4
Income from discontinued operations, net of taxes		0.0	0.0	0.0	0.0	0.0	0.0
Net income		29.4	8.2	28.4	19.9	7.5	23.4
Minorities		0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to shareholders		29.4	8.2	28.4	19.9	7.5	23.4
Net margin in %		7.8%	2.0%	5.3%	4.1%	1.6%	4.7%
Shares outstanding (in m)		92.0	92.0	92.0	92.0	92.0	92.0
Basic earnings per share (EUR)		0.32	0.09	0.31	0.22	0.08	0.25

Source: BVB, FMR

Balance sheet

	IFRS	in EURm	15/16	16/17	17/18	18/19e	19/20e	20/21e
Assets								
Non-current assets			302.8	354.9	341.9	375.8	417.0	415.6
as % of total assets			71.3%	74.1%	71.5%	73.7%	76.4%	71.6%
Intangible assets (incl. Goodwill)			65.3	141.5	109.7	154.9	188.6	179.6
Property, plant and equipment			188.4	184.7	180.7	189.4	196.9	204.4
Long-term investments			0.4	0.4	0.4	0.4	0.4	0.4
Income tax claims (incl. Deferred)			1.1	1.1	0.8	0.8	0.8	0.8
Other assets			47.5	27.1	50.4	30.3	30.3	30.3
Current assets			121.8	123.7	136.4	134.2	128.9	164.7
as % of total assets			28.7%	25.9%	28.5%	26.3%	23.6%	28.4%
Inventories			10.2	9.0	5.6	14.5	13.8	14.8
Accounts receivable and other assets			59.6	65.3	70.7	91.5	97.6	105.1
Current income tax claims			0.3	0.2	0.6	0.6	0.6	0.6
Cash and cash equivalents			51.7	49.3	59.5	27.6	16.9	44.3
Total assets			424.5	478.6	478.3	510.0	545.9	580.3
Shareholders' equity and liabilities								
Shareholders' equity			309.5	312.3	336.3	350.7	352.7	370.5
as % of total equity and liabilities			72.9%	65.3%	70.3%	68.8%	64.6%	63.8%
Subscribed capital			92.0	92.0	92.0	92.0	92.0	92.0
Capital reserve			217.7	220.4	244.4	258.8	260.8	278.6
Accumulated and other comprehensive income			0.0	0.0	0.0	0.0	0.0	0.0
Treasury shares			-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Equity attributable to shareholders			309.5	312.3	336.3	350.7	352.7	370.5
Minorities			0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities and provisions			77.4	139.7	117.9	138.0	171.9	188.4
as % of total equity and liabilities			18.2%	29.2%	24.6%	27.1%	31.5%	32.5%
Financial liabilities			2.6	10.3	2.0	2.0	2.0	2.0
Advance payments received			0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable			14.6	63.6	54.6	52.9	63.0	67.4
Tax liabilities			5.2	0.7	2.0	2.0	2.0	2.0
Other provisions			20.5	21.9	24.7	28.8	31.7	36.4
Other liabilities			34.4	43.3	34.7	52.4	73.3	80.6
Non-current liabilities and provisions			37.6	26.6	24.1	21.3	21.3	21.3
as % of total equity and liabilities			8.8%	5.5%	5.0%	4.2%	3.9%	3.7%
Pension provisions and similar obligations			0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities			19.0	8.7	6.7	3.9	3.9	3.9
Deferred tax liabilities			0.0	0.0	0.0	0.0	0.0	0.0
Provisions			1.4	1.2	1.1	1.1	1.1	1.1
Other liabilities			17.2	16.7	16.3	16.3	16.3	16.3
Total equity and liabilities			424.5	478.6	478.3	510.0	545.9	580.3

Source: BVB, FMR

Cash Flow Statement

in EURm	15/16	16/17	17/18	18/19e	19/20e	20/21e
EBT	34.3	9.1	31.8	25.2	9.8	29.6
Depreciation and amortisation	50.2	63.4	90.6	71.1	78.9	71.6
Other transactions incl. non-cash	-78.4	6.4	39.7	13.7	9.7	-6.2
Change in Working Capital	29.1	31.5	-3.6	-8.6	16.5	8.0
Cash flow from operating activities	35.2	110.4	158.4	101.5	114.9	103.0
CAPEX	-44.8	-104.7	-131.0	-125.1	-120.1	-70.1
Change in consolidation, net cash	0.0	0.0	0.0	0.0	0.0	0.0
Other investing activities	15.7	0.1	0.3	0.0	0.0	0.0
Cash flow from investing activities	-29.1	-104.6	-130.7	-125.1	-120.1	-70.1
Change in debt	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from capital increase & right capital & change in capital reserve	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition of treasury shares & minority stakes	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payments	-5.1	-5.6	-5.5	-5.5	-5.5	-5.5
Other financing activities	-2.5	-2.6	-10.3	-2.8	0.0	0.0
Cash flow from financing activities	-7.6	-8.2	-15.8	-8.3	-5.5	-5.5
Total change in cash and cash equivalents	-1.5	-2.4	11.8	-31.9	-10.7	27.3
Effect of exchange rate changes on cash	0.0	0.0	0.0	0.0	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	53.7	51.7	49.3	59.5	27.6	16.9
Cash and cash equivalents at year's end	52.2	49.3	61.1	27.6	16.9	44.3

Source: BVB, FMR

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