

Borussia Dortmund GmbH & Co KGaA

Others - Germany



Buy (old: Buy)

11.11.2024

EUR 5.50 (old: EUR 5.50)

Q1p: Improved top-line but reduced transfer income; chg.

Single Q1 sales increased by 4.9% to € 107m (eNuW: 104m), which was predominantly driven by advertising (+16% to € 39.2m; eNuW: € 34.1m) as well as TV Marketing (+4% to € 39.2m; eNuW: € 38.6m). Moreover, sales from match operations increased by 5% to € 8.1m, in line with our estimates, while conference, catering and others was significantly ahead of our forecast with € 14.1m (eNuW: € 10.8m). On the other hand, merchandising sales declined in Q1 by 36% to € 10.0m (eNuW: € 12.4m), after the strong previous year's quarter was mainly boosted by the sale of 90k special jerseys.

Despite the increased top-line, **Q1 EBITDA declined to € 25.7m** (eNuW: € 32.0m), implying a margin of 24.0%. The previous year's EBITDA of 79.4m was mainly pushed by a stronger transfer income following the transfer of Jude Bellingham to Real Madrid (€ 103m fee). This summer, only Niclas Füllkrug's transfer to West Ham (eNuW: € 27m) was of significance, which is explaining the gap, as transfer income declined by 77% to € 19.3m.

With its FY '23/24 report, management also put out a **new guidance**, targeting **sales of € 503m** (eNuWnew: € 502m), an **EBITDA of € 110-120m** (eNuW: € 120m) and a **FCF of € 21m** (eNuW: € 20.4m).

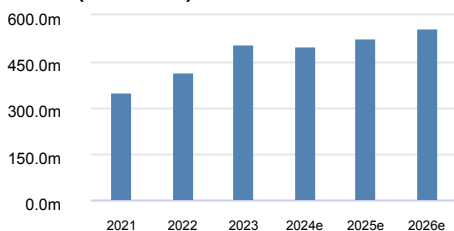
On the sporting side, BVB had a rough start into the new Bundesliga season. Although the club won every single home game, including an important win against UCL side Leipzig, the team did not manage to win an away game so far resulting in only 16 points and 7th place in the standings. If the team does not overcome its weakness on the road, it could become difficult to qualify for the UCL at the end of the season. In contrast to this, BVB is again **looking sharp in this years UCL campaign**, having won 3 out of 4 games with the only loss coming from the away game at Real Madrid. With four games to go, the team is now in a very good position to gain a Top-8 spot, which would guarantee qualification for the round of 16. According to sports data provider opta, 17 points are sufficient in 100% of cases (50k simulations), while 16 points is enough in 98% and 15 points in 73% of cases. The necessary 7 points to get to 16 should be achievable given remaining opponents like Zagreb (A), Barcelona (H), Bologna (A) and Donetsk (H).

Reiterate **BUY with an unchanged PT of € 5.50** based on DCF.

Y/E 30.06 (EUR m)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Sales	351.6	418.2	509.1	502.3	530.8	558.6
Sales growth	5.2%	18.9%	21.7%	-1.3%	5.7%	5.3%
EBITDA	80.8	123.2	150.3	120.0	141.8	146.4
Net debt (if net cash=0)	6.6	30.1	36.2	22.4	-12.8	-59.8
FCF	-16.1	-22.3	-4.3	20.4	41.9	53.5
Net Debt/EBITDA	0.1	0.2	0.2	0.2	0.0	0.0
EPS pro forma	-0.32	0.09	0.40	0.15	0.28	0.26
EBITDA margin	23.0%	29.5%	29.5%	23.9%	26.7%	26.2%
ROCE	-9.6%	5.5%	13.4%	4.4%	8.8%	7.8%
EV/sales	1.2	1.0	0.9	0.8	0.7	0.6
EV/EBITDA	5.0	3.5	2.9	3.5	2.7	2.3
PER	-11.4	41.8	9.0	24.1	12.8	13.9
Adjusted FCF yield	-7.6%	3.7%	9.6%	3.3%	7.3%	7.6%

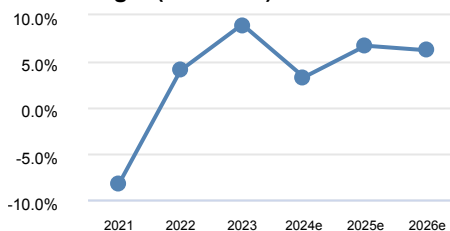
Source: Company data, NuWays, Close price as of 04.11.2024

Sales (2021-26e)



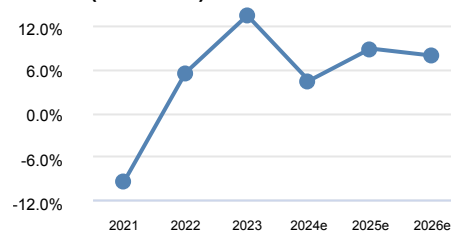
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)

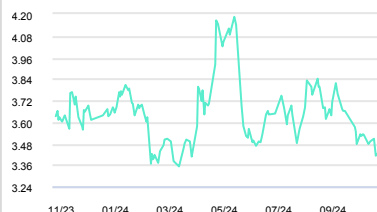


Source: NuWays Research

Company description

Borussia Dortmund operates a professional football club with a strong brand power and reputation in both national and international football. The main revenues are generated from sponsorship, ticketing, transfers and merchandising.

Share Performance



High/low 52 weeks (€)	4.18 / 3.35
3m rel. performance	-1.6%
6m rel. performance	-6.7%
12m rel. performance	-13.1%

Market data

Share price (in €)	3.44
Market cap (in € m)	399.6
Number of shares (in m pcs)	110.4
Enterprise value (in € m)	422.0
Ø trading volume (6 months)	136,745

Identifier

Bloomberg	BVB GR
Reuters	BVB.DE
WKN	549309
ISIN	DE0005493092

Key shareholders

Bernd Geske	8.2%
Evonik Industries AG	8.2%
SIGNAL IDUNA	6.0%
PUMA SE	5.3%
Ralph Dommermuth Beteiligungen GmbH	5.0%
Free Float	67.2%

Estimates changes

	2024/25e	2025/26e	2026/27e
Sales	3%	3%	3%
EBIT	-55%	-16%	-5%
EPS	-51%	-14%	160%

Comment on changes

- Adjusted our top-line following better than expect sales in Q1.
- Adjusted our transfer income forecast to a more conservative approach.

Guidance

- Sales: € 503m
- EBITDA: € 110-120m
- FCF: € 21m

Financials

Profit and loss (EUR m)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Net sales	351.6	418.2	509.1	502.3	530.8	558.6
<i>Sales growth</i>	5.2%	18.9%	21.7%	-1.3%	5.7%	5.3%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	351.6	418.2	509.1	502.3	530.8	558.6
Other operating income	85.4	79.3	109.1	73.6	91.4	96.2
Material expenses	22.6	24.1	32.7	45.2	47.8	50.3
Personnel expenses	231.2	236.2	268.5	247.4	262.7	279.3
Other operating expenses	102.4	114.0	166.7	163.2	169.8	178.8
Total operating expenses	270.9	295.0	358.9	382.3	389.0	412.2
EBITDA	80.8	123.2	150.3	120.0	141.8	146.4
Depreciation	14.4	14.0	13.7	13.6	13.9	14.7
EBITA	66.3	109.3	136.6	106.4	127.8	131.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	95.5	92.3	90.6	89.9	92.2	97.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-29.2	16.9	45.9	16.5	35.6	34.7
Interest income	0.7	0.0	8.0	5.0	5.3	5.6
Interest expenses	4.9	6.1	5.2	2.0	2.0	2.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.2	-6.1	2.7	3.0	3.3	3.6
Recurring pretax income from continuing operations	-33.4	10.8	48.6	19.5	38.9	38.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-33.4	10.8	48.6	19.5	38.9	38.3
Income tax expense	1.7	1.2	4.3	2.9	7.8	9.6
Net income from continuing operations	-35.1	9.6	44.3	16.6	31.1	28.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-35.1	9.6	44.3	16.6	31.1	28.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-35.1	9.6	44.3	16.6	31.1	28.7
Average number of shares	110.4	110.4	110.4	110.4	110.4	110.4
EPS reported	-0.32	0.09	0.40	0.15	0.28	0.26

Profit and loss (common size)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	5.2%	18.9%	21.7%	-1.3%	5.7%	5.3%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	24.3%	19.0%	21.4%	14.6%	17.2%	17.2%
Material expenses	6.4%	5.8%	6.4%	9.0%	9.0%	9.0%
Personnel expenses	65.8%	56.5%	52.7%	49.3%	49.5%	50.0%
Other operating expenses	29.1%	27.3%	32.8%	32.5%	32.0%	32.0%
Total operating expenses	77.0%	70.5%	70.5%	76.1%	73.3%	73.8%
EBITDA	23.0%	29.5%	29.5%	23.9%	26.7%	26.2%
Depreciation	4.1%	3.3%	2.7%	2.7%	2.6%	2.6%
EBITA	18.9%	26.1%	26.8%	21.2%	24.1%	23.6%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	27.2%	22.1%	17.8%	17.9%	17.4%	17.4%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-8.3%	4.0%	9.0%	3.3%	6.7%	6.2%
Interest income	0.2%	0.0%	1.6%	1.0%	1.0%	1.0%
Interest expenses	1.4%	1.5%	1.0%	0.4%	0.4%	0.4%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	0.5%	0.6%	0.6%	0.6%
Recurring pretax income from continuing operations	-9.5%	2.6%	9.6%	3.9%	7.3%	6.8%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-9.5%	2.6%	9.6%	3.9%	7.3%	6.8%
Tax rate	-5.1%	11.4%	8.9%	15.0%	20.0%	25.0%
Net income from continuing operations	-10.0%	2.3%	8.7%	3.3%	5.9%	5.1%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-10.0%	2.3%	8.7%	3.3%	5.9%	5.1%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-10.0%	2.3%	8.7%	3.3%	5.9%	5.1%

Source: Company data, NuWays

Balance sheet (EUR m)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Intangible assets	124.4	169.7	184.1	184.1	184.1	174.4
Property, plant and equipment	172.5	182.3	198.3	198.3	198.3	198.3
Financial assets	0.7	0.5	0.6	0.6	0.6	0.6
FIXED ASSETS	297.6	352.4	382.9	382.9	382.9	373.2
Inventories	4.4	5.4	5.3	5.2	5.5	5.8
Accounts receivable	105.4	125.5	178.0	172.0	181.8	191.3
Other assets and short-term financial assets	24.0	11.0	9.1	9.1	9.1	9.1
Liquid assets	10.6	4.5	4.4	18.2	53.4	100.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	13.1	13.0	10.0	10.0	10.0	10.0
CURRENT ASSETS	157.5	159.4	206.8	214.5	259.8	316.6
TOTAL ASSETS	455.1	511.8	589.7	597.5	642.8	689.8

SHAREHOLDERS EQUITY	280.5	282.7	327.0	343.4	380.9	420.3
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	8.8	26.1	26.1	26.1	26.1
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	17.2	13.0	11.9	11.9	11.9	11.9
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.0	0.0	1.0	1.0	1.0	1.0
NON-CURRENT LIABILITIES	17.2	21.8	38.9	38.9	38.9	38.9
Short-term liabilities to banks	0.0	12.8	2.6	2.6	2.6	2.6
Accounts payable	98.5	132.9	146.2	137.6	145.4	153.1
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	38.9	37.4	48.9	48.9	48.9	48.9
Deferred taxes	0.0	1.1	5.4	5.4	5.4	5.4
Deferred income	19.9	23.2	20.6	20.6	20.6	20.6
CURRENT LIABILITIES	157.4	207.3	223.7	215.1	222.9	230.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	455.1	511.8	589.7	597.5	642.8	689.8

Balance sheet (common size)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Intangible assets	27.3%	33.1%	31.2%	30.8%	28.6%	25.3%
Property, plant and equipment	37.9%	35.6%	33.6%	33.2%	30.8%	28.7%
Financial assets	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
FIXED ASSETS	65.4%	68.9%	64.9%	64.1%	59.6%	54.1%
Inventories	1.0%	1.1%	0.9%	0.9%	0.9%	0.8%
Accounts receivable	23.2%	24.5%	30.2%	28.8%	28.3%	27.7%
Other assets and short-term financial assets	5.3%	2.2%	1.5%	1.5%	1.4%	1.3%
Liquid assets	2.3%	0.9%	0.7%	3.0%	8.3%	14.5%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	2.9%	2.5%	1.7%	1.7%	1.6%	1.5%
CURRENT ASSETS	34.6%	31.1%	35.1%	35.9%	40.4%	45.9%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	61.6%	55.2%	55.5%	57.5%	59.3%	60.9%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	1.7%	4.4%	4.4%	4.1%	3.8%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	3.8%	2.5%	2.0%	2.0%	1.8%	1.7%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	0.0%	0.0%	0.2%	0.2%	0.2%	0.1%
NON-CURRENT LIABILITIES	3.8%	4.3%	6.6%	6.5%	6.1%	5.6%
Short-term liabilities to banks	0.0%	2.5%	0.4%	0.4%	0.4%	0.4%
Accounts payable	21.7%	26.0%	24.8%	23.0%	22.6%	22.2%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	8.5%	7.3%	8.3%	8.2%	7.6%	7.1%
Deferred taxes	0.0%	0.2%	0.9%	0.9%	0.8%	0.8%
Deferred income	4.4%	4.5%	3.5%	3.5%	3.2%	3.0%
CURRENT LIABILITIES	34.6%	40.5%	37.9%	36.0%	34.7%	33.4%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Net profit/loss	-35.1	9.6	44.3	16.6	31.1	28.7
Depreciation of fixed assets (incl. leases)	14.4	14.0	13.7	13.6	13.9	14.7
Amortisation of goodwill & intangible assets	95.5	92.3	90.6	89.9	92.2	97.0
Other costs affecting income / expenses	25.7	-74.6	-62.4	-70.0	-70.0	-70.0
Cash flow from operating activities	-74.9	-51.9	-57.1	-56.0	-41.1	-43.5
Increase/decrease in inventory	2.4	-1.0	0.2	0.1	-0.3	-0.3
Increase/decrease in accounts receivable	-65.0	-20.1	-52.5	6.0	-9.8	-9.5
Increase/decrease in accounts payable	-2.8	34.3	13.4	-8.6	7.8	7.6
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-65.5	13.2	-39.0	-2.6	-2.2	-2.2
Cash flow from operating activities	35.1	54.4	47.2	47.5	65.0	68.2
CAPEX	81.1	147.9	140.0	103.5	106.2	102.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.2	0.0	0.1	0.0	0.0	0.0
Income from asset disposals	30.0	71.1	88.5	76.4	83.0	87.3
Cash flow from investing activities	-51.4	-76.8	-51.6	-27.1	-23.2	-14.7
Cash flow before financing	-16.3	-22.3	-4.4	13.8	35.2	46.9
Increase/decrease in debt position	-61.3	16.2	7.1	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	86.5	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	6.6	6.6	6.6
Others	0.0	0.0	-2.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	25.1	16.2	4.3	-6.6	-6.6	-6.6
Increase/decrease in liquid assets	8.8	-6.1	-0.1	13.8	35.2	46.9
Liquid assets at end of period	10.6	4.5	4.4	18.2	53.4	100.3

Key ratios (EUR m)	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
P&L growth analysis						
Sales growth	5.2%	18.9%	21.7%	-1.3%	5.7%	5.3%
EBITDA growth	107.3%	52.6%	21.9%	-20.1%	18.1%	3.3%
EBIT growth	-59.5%	-158.0%	171.6%	-64.0%	115.6%	-2.6%
EPS growth	-51.8%	-127.2%	363.9%	-62.6%	87.6%	-7.8%
Efficiency						
Sales per employee	387.1	456.6	546.0	528.7	547.2	564.3
EBITDA per employee	88.9	134.5	161.1	126.3	146.2	147.9
No. employees (average)	908	916	932	950	970	990
Balance sheet analysis						
Avg. working capital / sales	-6.1%	1.1%	3.4%	7.6%	7.7%	7.7%
Inventory turnover (sales/inventory)	79.6	76.8	96.2	96.2	96.2	96.2
Accounts receivable turnover	109.4	109.5	127.6	125.0	125.0	125.0
Accounts payable turnover	102.3	116.0	104.8	100.0	100.0	100.0
Cash flow analysis						
Free cash flow	-16.1	-22.3	-4.3	20.4	41.9	53.5
Free cash flow/sales	-4.6%	-5.3%	-0.8%	4.1%	7.9%	9.6%
FCF / net profit	45.9%	neg.	neg.	123.3%	134.5%	186.6%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	6.6	30.1	36.2	22.4	-12.8	-59.8
Net Debt/EBITDA	0.1	0.2	0.2	0.2	0.0	0.0
Dividend payout ratio	0.0%	0.0%	14.9%	39.9%	21.3%	23.1%
Interest paid / avg. debt	10.3%	23.7%	13.9%	5.0%	5.0%	5.0%
Returns						
ROCE	-9.6%	5.5%	13.4%	4.4%	8.8%	7.8%
ROE	-12.5%	3.4%	13.5%	4.8%	8.2%	6.8%
Adjusted FCF yield	-7.6%	3.7%	9.6%	3.3%	7.3%	7.6%
Dividend yield	0.0%	0.0%	1.7%	1.7%	1.7%	1.7%
DPS	0.0	0.0	0.1	0.1	0.1	0.1
EPS reported	-0.32	0.09	0.40	0.15	0.28	0.26
Average number of shares	110.4	110.4	110.4	110.4	110.4	110.4
Valuation ratios						
P/BV	1.4	1.4	1.2	1.2	1.0	1.0
EV/sales	1.2	1.0	0.9	0.8	0.7	0.6
EV/EBITDA	5.0	3.5	2.9	3.5	2.7	2.3
EV/EBIT	-13.9	25.4	9.5	25.5	10.9	9.8

Source: Company data, NuWays

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Company	Disclosures
Borussia Dortmund GmbH & Co KGaA	2

Historical target price and rating changes for Borussia Dortmund GmbH & Co KGaA

Company	Date	Analyst	Rating	Target Price	Close
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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

Date of publication creation: 11/11/2024 07:54 AM

Date of publication dissemination: 11/11/2024 07:54 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

+49 170 119 8648
info@nuways-ag.com
www.nuways-ag.com



Christian Sandherr

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



Frederik Jarchow

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



Philipp Sennewald

Analyst

philipp.sennewald@nuways-ag.com



Henry Wendisch

Analyst

henry.wendisch@nuways-ag.com



Mark Schüssler

Analyst

mark-hendrik.schuessler@nuways-ag.com



Konstantin Völk

Analyst

konstantin.voelk@nuways-ag.com

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