

Borussia Dortmund GmbH & Co. KGaA

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Coaching changes following season end

Rose leaves BVB after one season...: When the 2021/2022 Bundesliga season ended, not many suspected that there could be a change at BVB. However, the club announced at the end of last week that they were to part ways with coach Rose after only one season and despite being runners-up. It seems like there was hope for a more successful outcome, especially in the DFB Cup and Champions League (CL). While BVB was eliminated in the CL in the group stage and lost against Glasgow Rangers in the detour in the Europa League, BVB also lost in the DFB Cup against FC St. Pauli 1:2 (round of 16). Obviously, there were higher expectations from the management. Therefore, the dismissal of Rose does not come as a complete surprise. However, the timing was unexpected so early after the end of the season.

...and Terzic returns after one year: After the news about the early dismissal of Rose it was subsequently speculated about the return of Terzic. A few days later it was officially confirmed. Last season Terzic was as a temporary solution after the dismissal of Lucien Favre. After Marco Rose was introduced, Terzic lined up back in the 2nd row without making a fuss in public. Now he was officially introduced as the new head coach, which imply a more long-term appointment. Just after one season of waiting, he is back and has the chance prove that he can take the club back into the final stages of CL and DFB Cup. Hopefully, one goal will be to break through the dominance of the FC Bayern again. Even though FCB is top favorite for the title every year, there is no guarantee that they will win every year. BVB has proven time and again in the past that they can beat the industry leader.

With Terzic as the new head coach, there is hope that BVB will do better, especially in the CL and the DFB Cup. With a strong offensive team and the right tactical attitude, a lot is possible. BVB has also already announced four new arrivals, which could still change by the end of the transfer window. We renew both our BUY recommendation and our price target of EUR 5.00.

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 *		n.m.	n.m.	n.m.	n.m.	n.m.	64.3
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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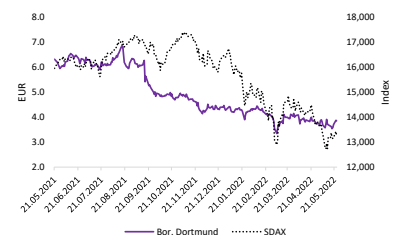
Buy

Before: Buy

Price Target EUR 5.00 (5.60)
Share price* EUR 3.86 (+29,5%)

*last closing price Börse Frankfurt

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



Source: Börse Frankfurt, FMR

Basic share data

Number of shares (million)	110.4
Free Float (in %)	72.3%
Market Cap (in EURm)	426
Trading volume 30 D.(Ø)	219,147
High (EUR, 52 weeks) *	6.84
Low (EUR, 52 weeks) *	3.35

Shareholder structure

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

Corporate calendar

Analyst

Marcus Silbe, CEFA

Senior Equity Analyst

marcus.silbe@fmr-research.de

+49 (0) 69 - 247 42 72 72

Contact

FMR Frankfurt Main Research AG
Kleiner Hirschgraben 10-12
60311 Frankfurt am Main
Germany

+49 (0) 69 - 247 42 72 70

www.fmr-research.de

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: Borussia Dortmund, 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: Borussia Dortmund, 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: Borussia Dortmund, FMR

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- b) Time conditions of expected updates: quarterly
- c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main
- d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.
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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)
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
12.05.2022	BUY	3.80	5.00
25.05.2022	BUY	3.86	5.00

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b) Issuer

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

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