



# Borussia Dortmund GmbH & Co. KGaA

## Strengthening the brand

06/08/2019

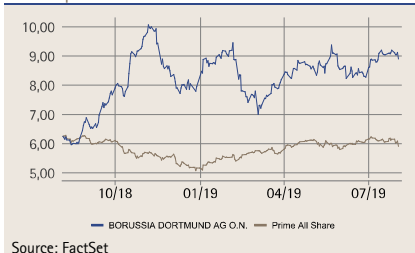
<b>Buy</b>	(Buy)
<b>12.00 EUR</b>	(10.00 EUR)

Close 02/08/2019	8.91 EUR
Bloomberg: BVB GY	WKN: 549309
Sector	Media

### Share price performance

52 week high / low	10.06 / 5.97 EUR
YTD	11.8%
12 months	43.6%

### Share price vs. Prime All Share



### Next event

Preliminary Results	13/08/2019
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### Change in model

	Sales	EBITDA	EPS
2018/19e	8.6%	0.5%	3.3%
2019/20e	1.4%	0.4%	2.3%
2020/21e	7.6%	0.5%	1.9%

### Share data

Market Cap (m EUR)	819.3
No. of shares (m)	92.0
Free float	60.8%

### Analyst

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Borussia Dortmund has won the Supercup, we had them on roadshow, and there have been transfers recently: It's time to review the investment case. We see increased value that is not yet reflected in the current share price. As a result, we confirm our positive stance on the stock and raise our price target from € 10.00 to € 12.00. This corresponds to 35% upside for investors.

### INVESTMENT CASE

Beating Bayern Munich to win the Supercup means that BVB should be able to at least win the Championship in the upcoming season, in our view. This could have a positive impact on the numbers. The latest transfers again showed very clearly that in most cases, the transfer value of players is considerably higher than their IFRS book value. BVB management has a good track record of developing young players and significantly increasing their transfer values, which we believe will continue to be a driver for the share price in future. In addition, discussions about increasing national and international broadcasting revenues and the Super League should also drive the value of BVB. The final decision on the Super League is still pending, but we expect the new format to be launched in 2024. We believe it offers at least 50% upside to the current Champions League format in ticketing, broadcasting and sponsoring. It will be a major deal for BVB to be in the game from 2024 onwards.

### CATALYSTS

The business case needs the team to be successful in the core competitions Bundesliga, DFB Cup and Champions League. The outcome of cup competitions (loss/win or elimination/next round) impacts all business segments.

### VALUATION

We continue to use an adjusted net asset value approach to value Borussia Dortmund. This leads us to a new price target of € 12.00 (old: € 10.00), which mainly reflects the increased value of the squad.

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	405.7	536.0	481.0	468.9	497.8
EBITDA	74.1	126.6	99.5	106.8	107.3
EBITDA margin	18.3%	23.6%	20.7%	22.8%	21.6%
Net financial debt	13.0	-16.1	33.3	15.8	-11.9
Free cash flow	5.8	27.6	-44.6	23.0	25.2
EPS (in EUR)	0.09	0.31	0.22	0.27	0.27
DPS (in EUR)	0.06	0.06	0.06	0.06	0.06
Dividend yield	1.1%	0.7%	0.7%	0.7%	0.7%
EV/sales	1.3	1.4	1.8	1.8	1.6
EV/EBITDA	6.9	5.9	8.6	7.8	7.5
P/E	60.2	26.7	41.0	32.8	32.5

Source: Company information, Bankhaus Lampe Research estimates

Our valuation is based on the adjusted value of the squad

Our company valuation is primarily based on the adjusted value of the professional squad, the company's core asset. Transfermarkt.de, the leading valuation platform for German professional football, calculates a value for the BVB squad of € 669.1 m (as per 01/08/2019).

However, we must also consider that the transfer value of players with contracts expiring in the next twelve months will drop to zero in mid-2020. We do not regard these players as assets anymore because they will then no longer generate transfer income. Of the current squad, this concerns the players Oelschlägel, Hakimi, Piszczek, Osterhage, Guirreiro, Götze and Kagawa, whose contracts – as of today – with BVB expire on 30/06/2020. They are currently valued at € 89.6 m. We calculate an adjusted value for the squad of € 579.0 m, compared to € 441 m at the beginning of the year.

We consider this to be a conservative approach but acknowledge that it worked very well in the past.

#### Value of the squad

		Player	Market Value 01/07/2019	Contract till	adj. PV
Goalkeeper	1	Bürki	14	30/06/21	14
	35	Hitz	2.5	30/06/21	2.5
	40	Oelschlägel	0.3	30/06/20	
	25	Unbehaun	0.4	30/06/22	0.4
Defence	16	Akanji	40	30/06/22	40
	36	Toprak	5	30/06/21	5
	15	Hummels	35	30/06/22	35
	2	Zagadou	28	30/06/22	28
	18	Balerdi	14	30/06/24	14
	14	Schulz	25	30/06/24	25
	29	Schmelzer	2.5	30/06/21	2.5
	5	Hakimi	30	30/06/20	
	22	Morey	0.3	30/06/24	0.3
	26	Piszczek	3	30/06/20	
Midfield	33	Weigl	25	30/06/21	25
	28	Witsel	32	30/06/22	32
	37	Raschl	0.8	30/06/22	0.8
	6	Delaney	27	30/06/22	27
	8	Dahoud	14	30/06/22	14
	31	Osterhage	0.3	na	
	13	Guerreiro	25	30/06/20	
	11	Reus	50	30/06/23	50
	10	Götze	25	30/06/20	
	32	Kagawa	6	30/06/20	
17	Gómez	3	30/06/21	3	
Striker	19	Brandt	50	30/06/24	50
	23	Hazard	38	30/06/24	38
	7	Sancho	100	30/06/22	100
	27	Wolf	8	30/06/23	8
	34	Larsen	15	30/06/21	15
	20	Philipp	13	30/06/22	13
	9	Alacer	37	30/06/23	37
		Total	669.1		579.5

Source: Transfermarkt.de

Borussia Dortmund has systematically decreased its debt ratio in recent years. In our model, we project net debt of € 15.8 m as per the end of the fiscal year.

## Strong brand

The independent brand valuation and strategy consultancy Brand Finance put the brand value for Borussia Dortmund at US\$ 587 m in May 2018, which should be taken into consideration for the valuation. Based on the current US dollar rate, this corresponds to a value of € 529 m.

### SPECIAL FEATURE

Brand Finance, Forbes and KPMG have all attempted to define the value of a football team and their brand using different methodologies:

1. Brand Finance measures a team's brand value by looking at its brand strength according to the degree of public interest and commercial support, the brand's 'royalty rate', and revenues from matchday, commercial and broadcasting streams. 'Royalty rate' is determined by the team's licensing or franchising negotiation, international licensing, competitor benchmarking and the potential sales figures of what could be charged for the use of the trade mark. For BVB, Brand Finance puts the brand value at US\$ 587 m.
2. Forbes calculates a team's value based on its economic performance from matchday, broadcasting, and commercial sources, as well as any additional value generated by its market position or potential. Forbes calculates a value for BVB of € 767 m.
3. KPMG presents a team's enterprise value, taken from its profitability, popularity, sporting potential, as well as the value of broadcasting rights and revenue opportunity stemming from stadium ownership. In 2018, KPMG calculated an EV for BVB of € 1,005-1,115 m.

Price target of € 12.00 is based on our adjusted net asset value approach

Overall, using our unchanged valuation approach, we arrive at a fair value for the share of € 12.00 and therefore confirm our BUY rating.

### Fair value per share

	Valuation
adj. value of the squad [ mn €]	579.5
Net liquidity	-15.8
Brand Value	528.7
<b>Total</b>	<b>1,092.4</b>
Num. of shares [mill.]	92.00
Discount	0%
<b>Fair value per share [€]</b>	<b>11.87</b>

Source: Company information, Bankhaus Lampe Research

### Sensitivity of fair value per share

Change in adj. Value of the squad or Brand Value	+50 m	12.42
	+25 m	12.15
	0 m	11.87
	-25 m	11.60
	-50 m	11.33

Source: Company information, Bankhaus Lampe Research

We consider our approach to be conservative but would note that it worked very well in the past. A traditional net asset value approach would lead to the following numbers:

Net Asset Value Calculation	Valuation
Book Value	350.8
Hidden reserves in the squad	399.5
Net liquidity	-15.8
Brand Value	528.7
<b>Total</b>	<b>1,263.2</b>
Num. of shares [mill.]	92.00
<b>Discount</b>	<b>0%</b>
<b>Fair value per share [€]</b>	<b>13.73</b>

Source: Company information, Bankhaus Lampe Research

Traditional valuation approaches such as a DCF method are not suitable for BVB, in our view, as the current price target in this model is mainly based on the terminal value. The value of a football club in five years' time and the likely growth rate are virtually impossible to assess, in our view. A peer-group valuation is not meaningful in this case either, in our view, due to the very limited number of realistic peer multiples.

#### CHANGES IN ESTIMATES

Our P&L estimates based on the segment model below have changed as follows:

#### Changes in estimates

Bankhaus Lampe

EUR m	2018/19e old	2018/19e new	Change	2019/20e old	2019/20e new	Change	2020/21e old	2020/21e new	Change
Sales	443.0	481.0	8.6%	462.5	468.9	1.4%	462.8	497.8	7.6%
EBIT	29.0	29.5	1.7%	36.3	36.8	1.2%	36.8	37.3	1.4%
EBIT margin	6.5%	6.1%	-0,4 PP	7.8%	7.8%	0 PP	8.0%	7.5%	-0,5 PP
EPS (€)	0.21	0.22	3.5%	0.27	0.27	0.5%	0.27	0.27	1.5%
DPS (€)	0.06	0.06	0.0%	0.06	0.06	0.0%	0.06	0.06	0.0%

Source: Bankhaus Lampe Research

#### Changes in estimates

Bankhaus Lampe

EUR m	2018/19e			2019/20e			2020/21e		
	2016/17	2017/18	Change	old	new	Change	old	new	Change
Bor. Dortmund	405.7	536.0	8.6%	443.0	481.0	1.4%	462.5	468.9	7.6%
Broadcasting	125.8	122.3	18.1%	144.0	170.0	3.4%	174.0	180.0	9.2%
Advertising	87.4	94.0	1.1%	94.0	95.0	7.4%	94.0	101.0	23.4%
Merchandising	39.5	29.5	-11.4%	35.0	31.0	-20.0%	40.0	32.0	-17.5%
Transfers	77.3	222.7	12.0%	100.0	112.0	0.0%	80.0	80.0	0.0%
Match operations	43.9	42.3	7.1%	42.0	45.0	8.0%	42.8	46.8	9.4%
Catering/others	31.9	25.2	0.0%	28.0	28.0	-6.3%	32.0	32.0	0.0%

Source: Company information, Consensus FactSet, Bankhaus Lampe Research

Our estimates compare with the FactSet consensus as follows. We do not regard this comparison as meaningful due to the low number of contributions and different approaches (i.e. including or excluding transfers).

BHL vs. Consensus EUR m	2018/19e			2019/20e			2020/21e		
	BHL	Consensus	Delta	BHL	Consensus	Delta	BHLe	Consensus	Delta
Sales	481.0	491.3	-2.1%	468.9	486.4	3.7%	497.8	492.1	1.2%
EBIT	29.5	28.4	4.1%	36.8	22.2	-39.7%	37.3	31.1	20.0%
EBIT margin	6.1%	5.8%	0,4 PP	7.8%	4.6%	-3,3 PP	7.5%	6.3%	1,2 PP
EPS (€)	0.22	0.54	-59.8%	0.27	0.49	81.5%	0.27	0.25	9.7%
DPS (€)	0.06	0.06	0.0%	0.06	0.06	0.0%	0.06	0.06	0.0%

Source: Company information, Consensus FactSet, Bankhaus Lampe Research

### Quarterly performance overview

	Sales	EBITDA	EBIT	Net Income	EBITDA margin	EBIT margin	Net margin
Q1	132.1	22.8	6.4	5.1	17.3%	4.9%	3.9%
Q2	123.9	31.3	13.8	12.2	25.2%	11.2%	9.8%
Q3	153.2	32.9	32.9	28.8	21.5%	21.5%	18.8%
Q4e	71.8	-23.7	-23.7	-26.1	-33.0%	-33.0%	-36.3%
<b>2018/19e</b>	<b>481.0</b>	<b>63.3</b>	<b>29.5</b>	<b>20.0</b>	<b>13.2%</b>	<b>6.1%</b>	<b>4.2%</b>
Q1	224.8	81.4	62.5	52.6	36.2%	27.8%	23.4%
Q2	87.0	2.5	-14.8	-13.2	2.8%	-17.0%	-15.1%
Q3	143.5	44.6	27.3	22.2	31.1%	19.0%	15.5%
Q4	80.8	-1.8	-38.9	-33.1	-2.3%	-48.2%	-41.0%
<b>2017/18</b>	<b>536.0</b>	<b>126.6</b>	<b>36.1</b>	<b>28.5</b>	<b>23.6%</b>	<b>6.7%</b>	<b>5.3%</b>
Q1	126.8	40.1	24.1	20.7	31.6%	19.0%	16.3%
Q2	87.4	9.7	-5.9	-5.1	11.1%	-6.7%	-5.8%
Q3	71.3	0.7	-16.0	-14.2	1.0%	-22.4%	-19.9%
Q4	120.2	23.5	8.4	6.8	19.5%	7.0%	5.7%
<b>2016/17</b>	<b>405.7</b>	<b>74.1</b>	<b>10.7</b>	<b>8.2</b>	<b>18.3%</b>	<b>2.6%</b>	<b>2.0%</b>
Q1	90.0	13.9	-5.2	-5.6	15.4%	-5.8%	-6.2%
Q2	78.2	11.6	1.3	1.0	14.8%	1.7%	1.2%
Q3	72.4	2.2	-8.1	-8.8	3.0%	-11.2%	-12.1%
Q4	135.7	59.0	48.4	42.8	43.5%	35.7%	31.6%
<b>2015/16</b>	<b>376.3</b>	<b>86.7</b>	<b>36.4</b>	<b>29.4</b>	<b>23.0%</b>	<b>9.7%</b>	<b>7.8%</b>
Q1	70.0	13.9	3.8	2.4	19.9%	5.5%	3.4%
Q2	80.4	16.8	6.3	1.3	20.9%	7.8%	1.6%
Q3	53.8	2.7	-8.2	-8.4	5.0%	-15.2%	-15.7%
Q4	71.9	22.2	11.2	10.3	30.9%	15.6%	14.3%
<b>2014/15</b>	<b>276.0</b>	<b>55.6</b>	<b>13.16</b>	<b>5.5</b>	<b>20.1%</b>	<b>4.8%</b>	<b>2.0%</b>
Q1	59.5	9.7	2.3	1.4	16.3%	3.8%	2.3%
Q2	77.1	17.0	9.3	6.9	22.0%	12.1%	8.9%
Q3	56.4	9.1	1.5	0.2	16.1%	2.7%	0.3%
Q4	67.8	13.4	5.4	3.2	19.8%	7.9%	4.8%
<b>2013/14</b>	<b>260.7</b>	<b>49.1</b>	<b>18.5</b>	<b>11.7</b>	<b>18.8%</b>	<b>7.1%</b>	<b>4.5%</b>
Q1	52.0	9.8	4.2	2.6	18.9%	8.0%	4.9%
Q2	74.0	20.6	14.9	11.7	27.8%	20.1%	15.8%
Q3	55.7	9.2	3.7	2.1	16.5%	6.7%	3.8%
Q4	123.4	48.0	42.4	34.5	38.9%	34.3%	28.0%
<b>2012/13</b>	<b>305.0</b>	<b>87.5</b>	<b>65.1</b>	<b>50.8</b>	<b>28.7%</b>	<b>21.3%</b>	<b>16.7%</b>
Q1	43.1	11.2	6.5	4.2	26.0%	15.0%	9.6%
Q2	58.3	16.0	11.2	8.6	27.5%	19.2%	14.8%
Q3	39.0	6.1	1.5	0.0	15.7%	3.7%	0.1%
Q4	74.8	26.6	22.2	14.6	35.5%	29.7%	19.5%
<b>2011/12</b>	<b>215.2</b>	<b>60.0</b>	<b>41.4</b>	<b>27.4</b>	<b>27.9%</b>	<b>19.2%</b>	<b>12.7%</b>

Source: Company reports, Bankhaus Lampe Research

#### MAIN RISKS TO OUR INVESTMENT CASE

The main risk to our investment case is the fact that sporting success cannot be relied upon. Elimination from a cup competition reduces the brand value, while going through to the next round is positive. Moreover, a higher-than-expected bid for a player could drive up the squad value, while an injury of a highly valued player could drive it down. And in terms of numbers, major deviation from our forecasts is possible as transfers are not predictable.

# Key figures

## Borussia Dortmund GmbH & Co. KGaA – Income statement

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	405.7	536.0	481.0	468.9	497.8
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	405.7	536.0	481.0	468.9	497.8
Material expenses	-25.9	-20.1	-24.0	-24.0	-27.0
Personnel expenses	-177.9	-186.7	-205.0	-211.2	-217.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0
Other operating result	-127.7	-202.6	-152.5	-127.0	-146.0
EBITDA	74.1	126.6	99.5	106.8	107.3
Depreciation	63.4	90.6	70.0	70.0	70.0
EBITA	10.7	36.1	29.5	36.8	37.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
EBIT	10.7	36.1	29.5	36.8	37.3
Financial result	-1.5	-4.3	-0.9	-1.1	-1.3
Income on ordinary activities	9.1	31.8	28.6	35.7	36.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
EBT	9.1	31.8	28.6	35.7	36.0
Taxes	-0.9	-3.3	-8.6	-10.7	-10.8
Net income from cont. operations	8.2	28.5	20.0	25.0	25.2
Net income from discount. operations	0.0	0.0	0.0	0.0	0.0
Minority interest	0.0	0.0	0.0	0.0	0.0
Net income (adj.)	8.2	28.5	20.0	25.0	25.2
No. of shares	92.0	92.0	92.0	92.0	92.0
EPS	0.09	0.31	0.22	0.27	0.27

Source: Company information, Bankhaus Lampe Research estimates

	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Gross margin	93.6%	96.3%	95.0%	94.9%	94.6%
EBITDA margin	18.3%	23.6%	20.7%	22.8%	21.6%
EBITA margin	2.6%	6.7%	6.1%	7.8%	7.5%
EBIT margin	2.6%	6.7%	6.1%	7.8%	7.5%
EBT margin	2.2%	5.9%	5.9%	7.6%	7.2%
Net profit margin	2.0%	5.3%	4.2%	5.3%	5.1%
Tax rate	10.0%	10.4%	30.0%	30.0%	30.0%

Source: Company information, Bankhaus Lampe Research estimates

Growth rates yoy	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	7.8%	32.1%	-10.3%	-2.5%	6.2%
EBITDA	-14.5%	71.0%	-21.4%	7.3%	0.5%
EBIT	-70.7%	>100%	-18.2%	24.6%	1.5%
EBT	-73.4%	>100%	-10.0%	24.8%	1.0%
Net income (adj.)	-72.1%	>100%	-29.7%	24.8%	1.0%
EPS	-72.1%	>100%	-29.7%	24.8%	1.0%

Source: Company information, Bankhaus Lampe Research estimates

## Borussia Dortmund GmbH &amp; Co. KGaA – Balance sheet

Assets (in m EUR)	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	354.9	341.9	400.1	405.1	410.1
Property, plant and equipment	184.7	180.7	185.0	190.0	195.0
Intangible assets	141.5	109.7	180.0	180.0	180.0
Financial assets	0.1	0.1	0.1	0.1	0.1
Other long-term assets	28.6	51.5	35.0	35.0	35.0
Current assets	123.7	136.4	130.7	150.2	177.9
Inventories	9.0	5.6	9.0	9.0	9.0
Accounts receivable	48.8	23.0	68.0	70.0	70.0
Other current assets	16.7	48.4	40.0	40.0	40.0
Securities	0.0	0.0	0.0	0.0	0.0
Cash	49.3	59.5	13.7	31.2	58.9
Total assets	478.6	478.3	530.8	555.2	587.9
Equity and liabilities in m EUR					
Shareholders' equity	312.3	336.3	350.8	370.2	389.9
Shareholders' equity (before minority)	312.3	336.3	350.8	370.2	389.9
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	25.4	23.0	25.0	25.0	33.0
Pension provisions	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	1.0	1.0	1.0
Long-term financial debt	8.7	6.7	7.0	7.0	7.0
Other long-term debt	16.7	16.3	17.0	17.0	25.0
Current liabilities	140.9	119.0	155.0	160.0	165.0
Short-term debt	53.6	36.6	40.0	40.0	40.0
Other accruals short-term	1.2	1.1	0.0	0.0	0.0
Accounts payable	63.6	54.6	75.0	80.0	85.0
Other liabilities	22.6	26.7	40.0	40.0	40.0
Total equity and liabilities	478.6	478.3	530.8	555.2	587.9

Source: Company information, Bankhaus Lampe Research estimates

## Borussia Dortmund GmbH &amp; Co. KGaA – Balance sheet structure

Assets	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Fixed assets	74.1%	71.5%	75.4%	73.0%	69.7%
Property, plant and equipment	38.6%	37.8%	34.9%	34.2%	33.2%
Intangible assets	29.6%	22.9%	33.9%	32.4%	30.6%
Current assets	25.9%	28.5%	24.6%	27.0%	30.3%
Inventories	1.9%	1.2%	1.7%	1.6%	1.5%
Accounts receivable	10.2%	4.8%	12.8%	12.6%	11.9%
Cash	10.3%	12.4%	2.6%	5.6%	10.0%
Equity and liabilities					
Shareholders' equity	65.3%	70.3%	66.1%	66.7%	66.3%
Non-current liabilities	5.3%	4.8%	4.7%	4.5%	5.6%
Pension provisions	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term financial debt	1.8%	1.4%	1.3%	1.3%	1.2%
Current liabilities	29.4%	24.9%	29.2%	28.8%	28.1%
Short-term debt	11.2%	7.7%	7.5%	7.2%	6.8%
Accounts payable	13.3%	11.4%	14.1%	14.4%	14.5%

Source: Company information, Bankhaus Lampe Research estimates



## Borussia Dortmund GmbH &amp; Co. KGaA – Cash flow statement

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Net income (adj.)	8.2	28.5	20.0	25.0	25.2
Depreciation	63.4	90.6	70.0	70.0	70.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0
Change of provisions	-0.2	0.0	-0.1	0.0	0.0
Other	-108.1	46.8	0.0	0.0	0.0
Operating cash flow before changes in w/c	-36.6	165.8	89.8	95.0	95.2
Change in inventory	1.2	3.4	-3.4	0.0	0.0
Change in accounts receivable	2.3	25.8	-45.0	-2.0	0.0
Change in accounts payable	48.9	-9.0	20.4	5.0	5.0
Change in other assets	-11.0	-27.6	21.7	0.0	0.0
Operating cash flow	4.8	158.4	83.5	98.0	100.2
Capex, incl. capitalized R&D	0.0	-130.8	-128.1	-75.0	-75.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.0	0.0	0.0	0.0	0.0
Income from financial investments	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	1.0	-130.7	-128.1	-75.0	-75.0
Free cash flow	5.8	27.6	-44.6	23.0	25.2
Capital measures	0.0	0.0	0.0	0.0	0.0
Increase/decrease in debt position	-2.6	-11.9	3.6	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Other financing Cash-flow	0.0	0.0	0.7	0.0	8.0
Dividend paid	-5.5	-5.5	-5.5	-5.5	-5.5
Cash flow from financing activities	-8.2	-17.5	-1.1	-5.5	2.5
Increase/ decrease in liquid assets	-2.4	10.2	-45.8	17.4	27.7
Effects of exchange rate changes	0.0	0.0	0.0	0.0	0.0
Cash at beginning of period	51.7	49.3	59.5	13.7	31.2
Change in total cash and cash equivalents	-2.4	10.2	-45.8	17.4	27.7
Cash at end of period	49.3	59.5	13.7	31.2	58.9

Source: Company information, Bankhaus Lampe Research estimates

## Borussia Dortmund GmbH &amp; Co. KGaA – Ratios

	2016/17	2017/18	2018/19e	2019/20e	2020/21e
<b>Per Share Data</b>					
EPS	0.09	0.31	0.22	0.27	0.27
Book value per share	3.39	3.66	3.81	4.02	4.24
Free Cash-flow per share	0.06	0.30	-0.48	0.25	0.27
Dividend per share	0.06	0.06	0.06	0.06	0.06
<b>Valuation ratios</b>					
EV/Sales	1.3	1.4	1.8	1.8	1.6
EV/EBITDA	6.9	5.9	8.6	7.8	7.5
EV/EBIT	47.6	20.7	28.9	22.7	21.6
P/E	60.2	26.7	41.0	32.8	32.5
Price to book (total equity)	1.6	2.3	2.3	2.2	2.1
Dividend yield	1.1%	0.7%	0.7%	0.7%	0.7%
<b>Profitability ratios</b>					
EBITDA margin	18.3%	23.6%	20.7%	22.8%	21.6%
EBIT margin	2.6%	6.7%	6.1%	7.8%	7.5%
Net return on sales	2.0%	5.3%	4.2%	5.3%	5.1%
Return on capital employed (ROCE)	2.8%	9.5%	7.4%	8.8%	8.5%
<b>Productivity ratios</b>					
Capital turnover	86.0%	58.9%	83.6%	86.2%	81.2%
Operating leverage	-9.0	7.4	1.8	-9.8	0.2
Sales per employee (in thousands)	536,630	666,720	601,250	586,125	622,250
EBIT per employee (in thousands)	14,098	44,868	36,875	45,938	46,644
Number of employees (in thousands)	0.8	0.8	0.8	0.8	0.8
<b>Financial ratios</b>					
Equity ratio	65.3%	70.3%	66.1%	66.7%	66.3%
Net financial debt (in m EUR)	13.0	-16.1	33.3	15.8	-11.9
Net debt / Equity	4.1%	-4.8%	9.5%	4.3%	-3.0%
Interest cover	4.7	7.4	0.0	0.0	0.0
Net debt / EBITDA	0.17	-0.13	0.33	0.15	-0.11
Working Capital (in m EUR)	-5.8	-26.0	2.0	-1.0	-6.0
Change in working capital (in m EUR)	-52.4	-20.2	28.0	-3.0	-5.0
WC /sales	-1.4%	-4.9%	0.4%	-0.2%	-1.2%
Stocks in days of sales	8	4	7	7	7
Trade debtors in days of sales	44	16	52	54	51
Trade creditors in days of COGS/sales	57	37	57	62	62
Cash conversion cycle	-5	-17	2	-1	-4
Invest. (property/plant/equity) / Depreciation	0.0%	144.4%	183.1%	107.1%	107.1%
<b>Others</b>					
Sales CAGR (last 3 years)	15.9%	24.8%	8.5%	4.9%	-2.4%
EBIT CAGR (last 3 years)	-16.7%	40.0%	-6.8%	51.1%	1.1%
Net income CAGR (last 3 years)	-11.0%	72.6%	-12.1%	44.9%	-4.0%
Pay-out ratio	67.2%	19.4%	27.6%	22.1%	21.9%
Free cash flow (in m EUR)	5.8	27.6	-44.6	23.0	25.2
Free cash flow yield	1.2%	3.6%	-5.4%	2.8%	3.1%

Source: Company information, Bankhaus Lampe Research estimates

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The creation of this recommendation was finalised on 05/08/2019 03:20 PM (CEST) and first published on 06/08/2019 07:01 AM (CEST).

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Date of publication	Price at recommendation	Rating	Price target
14/09/2018	6.73 EUR	Buy	10.00 EUR

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Borussia Dortmund GmbH & Co. KGaA	9

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06 August 2019

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