

Recommendation:  
**BUY** (BUY)

Risk:  
**MEDIUM** (MEDIUM)

Price Target:  
**EUR 5.00** (5.00)

02 October 2013

## Final figures with no surprise

### Start into new season very positively

- Final figures 2012/13:** On Friday, 27 September, Borussia Dortmund released its final financial figures for 2012/13 with no further surprises and confirmed its preliminary figures which were announced already a few weeks ago. Group revenues amounted to EUR 305.0m, which were clearly above last year's revenues (EUR 215.2m). The sales jump is mostly attributable to higher TV marketing and transfer revenues. After an EBITDA of EUR 60.0m in 2011/2012 the group managed to improve its EBITDA to EUR 87.5m. Regarding the EBITDA margin the club reported a strong 28.7%. Group EBT amounted to EUR 60.0m after EUR 36.6m in 2011/2012. All in all net income came in at EUR 50.8m (2011/2012: EUR 27.4m). The translating EPS was at EUR 0.83. At the AGM the management will propose a dividend payment of EUR 0.10 per share as we had previously expected.
- Segment reporting:** All segments reported a positive top line growth. Match operations achieved segment sales of EUR 44.8m which was clearly ahead of last year's EUR 31.4m (+42.6%) as well as our forecast of EUR 40.5m. The Advertising unit reached sales of EUR 69.3m which came in as expected (CBSRe: EUR 69.9m) and +19.8% above last year (2011/2012: EUR 57.8m). The TV marketing segment reported the second strongest growth with EUR 87.6m/ +45.1% (CBSRe: EUR 81.6m) after EUR 60.4m in corresponding period of last year. Revenue growth is mostly attributable to the media pool income from the UEFA CL of EUR 21.8m. The Retail, Catering, Licensing & Others sales amounted to EUR 51.8m (CBSRe: EUR 47.4m) after EUR 39.5m last year. Due to the Götze deal as well as transfers of Kagawa and Barrios, transfer income nearly doubled to EUR 51.6m (CBSRe: EUR 51.7m) from EUR 26.1m last year (+97.5%).
- Unchanged estimates:** Since the final figures did not provide any surprises (both ways) we see no need to update our estimates for the time being. Therefore, top line is still expected to be at EUR 242.5m and EBITDA should come in at EUR 58.4m. The corresponding EPS is anticipated at EUR 0.28. For FY14/15E we still forecast revenues of EUR 254.4m with an EBITDA of EUR 66.6m. EPS might amount to EUR 0.35.
- Unchanged PT:** We continue to rate the stock with BUY with an unchanged price target of EUR 5.00 per share.

#### Key data:

Y/E 30 June, EURm	10/11	11/12	12/13	13/14E	14/15E	15/16E
Sales	151.5	215.2	305.0	242.5	254.4	270.9
EBITDA	32.4	60.0	87.5	58.4	66.6	73.2
EBIT (reported)	14.9	41.4	65.1	27.1	32.6	35.5
Net income/loss	5.3	27.4	50.8	17.4	21.3	23.4
EPS	0.09	0.45	0.83	0.28	0.35	0.38
EBITDA margin	21.4%	27.9%	28.7%	24.1%	26.2%	27.0%
EBIT margin	9.8%	19.2%	21.3%	11.2%	12.8%	13.1%
Net margin	3.5%	12.7%	16.7%	7.2%	8.4%	8.7%
EV/EBITDA	8.4	4.6	3.1	4.7	4.1	3.7
EV/EBIT	18.4	6.6	4.2	10.1	8.4	7.7
P/E	43.5	8.4	4.5	13.3	10.8	9.9

Source: Borussia Dortmund GmbH & Co KGaA, CBS Research AG

#### Share price (dark) vs. SDAX



Sources: CBS Research AG, Bloomberg

Change	13/14E		14/15E		15/16E	
	new	old	new	old	new	old
Revenues	-	242.5	-	254.4	270.9	-
EBITDA	-	58.4	-	66.6	73.2	-
EPS	-	0.28	-	0.35	0.38	-

Internet: bvb.de  
WKN: 549309  
Reuters: BVB.DE

Sector: Entertainment  
ISIN: DE0005493092  
Bloomberg: BVB GY

#### Short company profile:

Borussia Dortmund GmbH & Co. KGaA (henceforth Borussia Dortmund, BVB, KGaA) is one of the most successful companies in European professional football and one of the few clubs listed on a stock exchange (and the only listed club in Germany).

#### Share data:

Share price (last closing price):	<b>EUR 3.76</b>
Shares outstanding (m):	61.4
Market capitalisation (EURm):	231.0
Enterprise value (EURm):	273.9
Ø daily trading volume (3 m., no. of shares):	119,514

#### Performance data:

High 52 weeks:	EUR 3.83
Low 52 weeks:	EUR 2.43
Absolute performance (12 months):	50.6%
Relative performance (vs. SDAX):	
1 month	-0.6%
3 months	6.9%
6 months	-2.4%
12 months	10.4%

#### Shareholders (preferred shares):

Bernd Geske:	11.7%
BVB (own shares):	7.2%
Free Float, others:	81.1%

#### Financial calendar:

1Q 13/14 report	13 November 2013
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## Appendix

### Profit and loss account

	IFRS	EURm	10/11	11/12	12/13	13/14E	14/15E	15/16E
<b>Sales</b>			<b>151.48</b>	<b>215.24</b>	<b>305.03</b>	<b>242.46</b>	<b>254.42</b>	<b>270.86</b>
YoY growth			-	42.1%	41.7%	-20.5%	4.9%	6.5%
Cost of materials			-7.66	-12.48	-17.49	-14.55	-15.27	-16.25
as % of sales			-5.1%	-5.8%	-5.7%	-6.0%	-6.0%	-6.0%
Personnel costs			-61.54	-79.92	-106.22	-101.84	-101.77	-102.93
as % of sales			-40.6%	-37.1%	-34.8%	-42.0%	-40.0%	-38.0%
Other operating income			4.31	7.63	2.79	7.50	5.50	5.50
as % of sales			2.8%	5.0%	1.8%	5.0%	3.6%	3.6%
Other operating expenses			-54.14	-70.49	-96.58	-75.16	-76.33	-83.97
as % of sales			-35.7%	-32.7%	-31.7%	-31.0%	-30.0%	-31.0%
<b>EBITDA</b>			<b>32.44</b>	<b>59.98</b>	<b>87.53</b>	<b>58.42</b>	<b>66.56</b>	<b>73.22</b>
as % of sales			21.4%	27.9%	28.7%	24.1%	26.2%	27.0%
Depreciation and amortisation (incl. PPA depreciation)			-17.53	-18.59	-22.41	-31.33	-33.97	-37.74
as % of sales			-11.6%	-8.6%	-7.3%	-12.9%	-13.4%	-13.9%
<b>EBIT (reported)</b>			<b>14.91</b>	<b>41.39</b>	<b>65.12</b>	<b>27.09</b>	<b>32.59</b>	<b>35.48</b>
as % of sales			9.8%	19.2%	21.3%	11.2%	12.8%	13.1%
Net financial results			-5.44	-4.86	-5.07	-2.59	-2.60	-2.43
<b>EBT (Earnings before income taxes)</b>			<b>9.50</b>	<b>36.59</b>	<b>60.04</b>	<b>24.50</b>	<b>29.98</b>	<b>33.05</b>
as % of sales			6.3%	17.0%	19.7%	10.1%	11.8%	12.2%
Income taxes (incl. other taxes)			-4.10	-9.06	-8.84	-6.86	-8.40	-9.25
as % of EBT			-43.1%	-24.8%	-14.7%	-28.0%	-28.0%	-28.0%
<b>Net income</b>			<b>5.40</b>	<b>27.53</b>	<b>51.19</b>	<b>17.64</b>	<b>21.59</b>	<b>23.80</b>
Minorities			0.09	-0.12	-0.37	-0.25	-0.30	-0.35
<b>Net income attributable to shareholders</b>			<b>5.31</b>	<b>27.41</b>	<b>50.82</b>	<b>17.39</b>	<b>21.29</b>	<b>23.45</b>
as % of sales			3.5%	12.7%	16.7%	7.2%	8.4%	8.7%
Shares outstanding (in m)			61.4	61.4	61.4	61.4	61.4	61.4
<b>Basic earnings per share (EUR)</b>			<b>0.09</b>	<b>0.45</b>	<b>0.83</b>	<b>0.28</b>	<b>0.35</b>	<b>0.38</b>

Source: Borussia Dortmund GmbH & Co KGaA, CBS Research AG

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Date	Recommendation	Price at change date	Price target
23 May 2013	BUY (Initial Coverage)	EUR 3.17	EUR 5.00
08 August 2013	BUY	EUR 3.10	EUR 5.00
26 August 2013	BUY	EUR 3.50	EUR 5.00
02 October 2013	BUY	EUR 3.76	EUR 5.00

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