

**Borussia Dortmund GmbH & Co. KGaA**

STOCK HAS UPSIDE

**Buy - Price target 5.00 EUR**

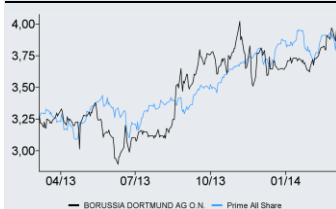
(Buy - Price target 5.00 EUR)

05/03/2014

Close 04/03/2014 (ETR) 3.95 EUR  
 Bloomberg BVB GY  
 WKN 549309  
 Sector Media

**Share price performance**

52 week high 4.02 EUR  
 52 week low 2.89 EUR  
 Prime All Share  
 Compared to Share  
 YTD 8.0 %  
 1 month 0.9 %  
 3 months -1.0 %  
 12 months 3.7 %

**Share data:**

EV (m EUR; 2014) 270  
 Market Cap (m EUR) 243  
 No. of shares (m) 61.4  
 Free float 82.7%  
 Trading vol. Ø (m EUR) 0.40

**Major shareholders:**

Bernd Geske 11.7 %  
 BV. Borussia 09 e.V. Dortmund 7.2 %  
 Allianz Global Investors Europe GmbH 2.2 %  
 - -  
 - -

**Next event:**

Quarterly Results 15/05/2014

**Change in model:**

|        | Sales | EBIT  | EPS   |
|--------|-------|-------|-------|
| 13/14e | ---   | 0.2%  | 0.2%  |
| 14/15e | ---   | ---   | -0.1% |
| 15/16e | ---   | -6.4% | -7.1% |

Christoph Schlienkamp,  
 Investmentanalyst DVFA

Telephone: +49 (0)211 4952-311  
 christoph.schlienkamp@bankhaus-lampe.de

Please note the disclaimer & disclosures at the end of this publication.

Following recent sporting successes particularly in the Champions League, where Borussia Dortmund has one foot in the quarter-finals, and in the DFB Cup, where it reached the semi-finals, we reiterate our BUY rating for the share with an unchanged price target of EUR 5.00.

**2013/14 REVENUE DECLINE NOT SURPRISING**

After the 4:2 away win in St. Petersburg, Borussia Dortmund stands a good chance of reaching the Champions League quarter-finals again this year, and the home fixture against VfL Wolfsburg in the DFB Cup might pave the way to the final in Berlin. Consequently, it appears that our estimates offer further upside potential. The company published the following numbers last week:

| Bor. Dortmund [€ m]     | Q2 13/14 | Q2 12/13 | % yoy   | H1 13/14 | H1 12/13 | % yoy   |
|-------------------------|----------|----------|---------|----------|----------|---------|
| Sales                   | 77.1     | 73.9     | 4.3%    | 136.6    | 125.9    | 8.5%    |
| EBIT                    | 9.3      | 14.9     | -37.4%  | 11.6     | 19.0     | -39.1%  |
| EBIT-margin             | 12.1%    | 20.1%    | -8 PP   | 8.5%     | 15.1%    | -6.6 PP |
| EBT                     | 8.3      | 13.6     | -39.4%  | 9.6      | 16.7     | -42.2%  |
| EBT-margin              | 10.7%    | 18.5%    | -7.7 PP | 7.0%     | 13.2%    | -6.2 PP |
| Net income (after min.) | 6.9      | 11.7     | -41.1%  | 8.2      | 14.2     | -42.1%  |
| EPS Pref. [€]           | 0.11     | 0.19     | -42.1%  | 0.13     | 0.23     | -43%    |

Source: Company information, Bloomberg, Bankhaus Lampe Research

- Positive trends in all categories have led to higher revenues again in H1.
- Due to further investments in licensed players, the wage bill rose 17.5% to EUR 52.2 m.
- As expected, higher write-downs (up 24.5% to EUR 15.1 m vs. previous year) weighed on earnings, mainly due to investments in the professional squad and tangible fixed assets.

**SQUAD QUALITY PROVIDES SUBSTANCE FOR UPSIDE**

We believe a potential increase in the professional squad's market value (currently EUR 323.4 m according to transfermarkt.de) represents the main catalyst for the share. However, in terms of the valuation, one must consider that some players can leave Borussia Dortmund on a free transfer once their contracts run out, which means there is a difference between market value and transfer value. Our price target of EUR 5.00 still reflects the squad's adjusted value. It is based on a conservative valuation and therefore does not include hidden reserves, which are inherent in the Borussia Dortmund brand and rather suggest upside potential.

| in m EUR                   | 2011/12 | 2012/13 | 2013/14e | 2014/15e | 2015/16e |
|----------------------------|---------|---------|----------|----------|----------|
| Sales                      | 215.2   | 305.0   | 242.0    | 254.1    | 266.8    |
| EBIT                       | 41.4    | 65.1    | 19.2     | 24.1     | 29.3     |
| EBIT margin                | 19.2%   | 21.3%   | 7.9%     | 9.5%     | 11.0%    |
| Net financial debt         | 63.1    | 53.9    | 27.0     | -9.5     | -18.3    |
| Free cash-flow             | 19.2    | 14.3    | 32.6     | 42.7     | 15.0     |
| EPS (in EUR)               | 0.45    | 0.83    | 0.19     | 0.25     | 0.31     |
| DPS (in EUR)               | 0.06    | 0.10    | 0.10     | 0.10     | 0.10     |
| Dividend yield             | 1.9%    | 2.5%    | 2.5%     | 2.5%     | 2.5%     |
| EV/Sales                   | 0.3     | 1.0     | 1.1      | 0.9      | 0.8      |
| EV/EBIT                    | 1.5     | 4.6     | 14.1     | 9.7      | 7.7      |
| Price Earnings ratio (P/E) | 7.0     | 4.8     | 20.8     | 16.0     | 12.8     |

Source: Company information, Bankhaus Lampe Research

## KEY FIGURES

## Borussia Dortmund GmbH &amp; Co. KGaA – Profit &amp; Loss Account

| in m EUR                             | 2011/12 |        | 2012/13 |        | 2013/14e |        | 2014/15e |        | 2015/16e |        |
|--------------------------------------|---------|--------|---------|--------|----------|--------|----------|--------|----------|--------|
| Sales                                | 215.2   | 100.0% | 305.0   | 100.0% | 242.0    | 100.0% | 254.1    | 100.0% | 266.8    | 100.0% |
| year on year                         | 42.1%   |        | 41.7%   |        | -20.7%   |        | 5.0%     |        | 5.0%     |        |
| Own work capitalised                 | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| year on year                         | ---     |        | ---     |        | ---      |        | ---      |        | ---      |        |
| Total sales                          | 215.2   | 100.0% | 305.0   | 100.0% | 242.0    | 100.0% | 254.1    | 100.0% | 266.8    | 100.0% |
| year on year                         | 42.1%   |        | 41.7%   |        | -20.7%   |        | 5.0%     |        | 5.0%     |        |
| Material expenses                    | -12.5   | -5.8%  | -17.5   | -5.7%  | -14.3    | -5.9%  | -15.0    | -5.9%  | -15.7    | -5.9%  |
| year on year                         | 62.9%   |        | 40.2%   |        | -18.4%   |        | 5.0%     |        | 5.0%     |        |
| Personnel expenses                   | -79.9   | -37.1% | -106.2  | -34.8% | -99.5    | -41.1% | -94.0    | -37.0% | -98.7    | -37.0% |
| year on year                         | 29.9%   |        | 32.9%   |        | -6.3%    |        | -5.5%    |        | 5.0%     |        |
| Unusual or infrequent items          | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| year on year                         | ---     |        | ---     |        | ---      |        | ---      |        | ---      |        |
| Other operating result               | -62.9   | -29.2% | -93.8   | -30.7% | -75.0    | -31.0% | -87.0    | -34.2% | -89.0    | -33.4% |
| year on year                         | 26.1%   |        | 49.2%   |        | -20.0%   |        | 16.0%    |        | 2.3%     |        |
| EBITDA                               | 60.0    | 27.9%  | 87.5    | 28.7%  | 53.2     | 22.0%  | 58.1     | 22.9%  | 63.3     | 23.7%  |
| year on year                         | 84.9%   |        | 45.9%   |        | -39.2%   |        | 9.1%     |        | 0.0%     |        |
| Depreciation                         | 18.6    | 8.6%   | 22.4    | 7.3%   | 34.0     | 14.0%  | 34.0     | 13.4%  | 34.0     | 12.7%  |
| year on year                         | 0.0%    |        | 20.6%   |        | 51.7%    |        | 0.0%     |        | 0.0%     |        |
| EBITA                                | 41.4    | 19.2%  | 65.1    | 21.3%  | 19.2     | 7.9%   | 24.1     | 9.5%   | 29.3     | 11.0%  |
| year on year                         | >100%   |        | 57.3%   |        | -70.5%   |        | 25.3%    |        | 21.8%    |        |
| Amortisation of goodwill             | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| year on year                         | ---     |        | ---     |        | ---      |        | ---      |        | ---      |        |
| Amortisation of intangible assets    | 0.0     | 0.0%   | 0.0     | -      | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| year on year                         | ---     |        | 0.0%    |        | 0.0%     |        | ---      |        | ---      |        |
| EBIT                                 | 41.4    | 19.2%  | 65.1    | 21.3%  | 19.2     | 7.9%   | 24.1     | 9.5%   | 29.3     | 11.0%  |
| year on year                         | >100%   |        | 57.3%   |        | -70.5%   |        | 25.3%    |        | 21.8%    |        |
| Financial result                     | -4.8    | -2.2%  | -5.1    | -1.7%  | -3.0     | -1.2%  | -3.0     | -1.2%  | -3.0     | -1.1%  |
| year on year                         | -11.3%  |        | 5.8%    |        | -40.7%   |        | 0.0%     |        | 0.0%     |        |
| Income on ordinary activities        | 36.6    | 17.0%  | 60.0    | 19.7%  | 16.2     | 6.7%   | 21.1     | 8.3%   | 26.3     | 9.9%   |
| year on year                         | >100%   |        | 64.1%   |        | -73.0%   |        | 30.0%    |        | 24.9%    |        |
| Extraordinary income/loss            | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| year on year                         | ---     |        | ---     |        | ---      |        | ---      |        | ---      |        |
| EBT                                  | 36.6    | 17.0%  | 60.0    | 19.7%  | 16.2     | 6.7%   | 21.1     | 8.3%   | 26.3     | 9.9%   |
| year on year                         | >100%   |        | 64.1%   |        | -73.0%   |        | 30.0%    |        | 24.9%    |        |
| Taxes                                | -9.1    | -4.2%  | -8.8    | -2.9%  | -4.5     | -1.9%  | -5.9     | -2.3%  | -7.4     | -2.8%  |
| year on year                         | >100%   |        | -2.4%   |        | -48.7%   |        | 30.0%    |        | 24.9%    |        |
| Tax rate                             | 24.8%   |        | 14.7%   |        | 28.0%    |        | 28.0%    |        | 28.0%    |        |
| Net income from cont. operations     | 27.5    | 12.8%  | 51.2    | 16.8%  | 11.7     | 4.8%   | 15.2     | 6.0%   | 19.0     | 7.1%   |
| year on year                         | >100%   |        | 86.0%   |        | -77.2%   |        | ---      |        | 24.9%    |        |
| Net income from discount. operations | -0.1    | -0.1%  | -0.4    | -0.1%  | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| year on year                         | 35.2%   |        | ---     |        | 0.0%     |        | ---      |        | ---      |        |
| Minority interest                    | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| Net income (adj.)                    | 27.4    | 12.7%  | 50.8    | 16.7%  | 11.7     | 4.8%   | 15.2     | 6.0%   | 19.0     | 7.1%   |
| year on year                         | >100%   |        | 85.4%   |        | -77.0%   |        | 30.0%    |        | 24.9%    |        |
| No. of shares                        | 61.4    |        | 61.4    |        | 61.4     |        | 61.4     |        | 61.4     |        |
| EPS(in EUR)                          | 0.45    |        | 0.83    |        | 0.19     |        | 0.25     |        | 0.31     |        |

Source: Company information, Bankhaus Lampe Research

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

| Assets (in m EUR)             | 2011/12 |        | 2012/13 |        | 2013/14e |        | 2014/15e |        | 2015/16e |        |
|-------------------------------|---------|--------|---------|--------|----------|--------|----------|--------|----------|--------|
| Fixed assets                  | 210.4   | 84.6%  | 212.2   | 70.2%  | 218.4    | 75.7%  | 218.4    | 68.3%  | 218.4    | 66.6%  |
| Property, plant and equipment | 182.6   | 73.4%  | 178.4   | 59.0%  | 183.0    | 63.5%  | 183.0    | 57.2%  | 183.0    | 55.8%  |
| Intangible assets             | 25.7    | 10.4%  | 28.4    | 9.4%   | 30.0     | 10.4%  | 30.0     | 9.4%   | 30.0     | 9.2%   |
| Financial assets              | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| Other long-term assets        | 2.0     | 0.8%   | 5.4     | 1.8%   | 5.4      | 1.9%   | 5.4      | 1.7%   | 5.4      | 1.7%   |
| Current assets                | 38.3    | 15.4%  | 90.2    | 29.8%  | 70.0     | 24.3%  | 101.5    | 31.7%  | 109.3    | 33.4%  |
| Inventories                   | 5.8     | 2.3%   | 7.5     | 2.5%   | 8.0      | 2.8%   | 8.0      | 2.5%   | 8.0      | 2.4%   |
| Accounts receivable           | 24.5    | 9.9%   | 65.9    | 21.8%  | 25.0     | 8.7%   | 25.0     | 7.8%   | 25.0     | 7.6%   |
| Other current assets          | 2.7     | 1.1%   | 4.2     | 1.4%   | 3.0      | 1.0%   | 3.0      | 0.9%   | 7.0      | 2.1%   |
| Securities                    | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| Cash                          | 5.3     | 2.1%   | 12.5    | 4.1%   | 34.0     | 11.8%  | 65.5     | 20.5%  | 69.3     | 21.1%  |
| Total assets                  | 248.7   | 100.0% | 302.4   | 100.0% | 288.4    | 100.0% | 319.9    | 100.0% | 327.7    | 100.0% |

| Equity and Liabilities (in m EUR)      | 2011/12 |        | 2012/13 |        | 2013/14e |        | 2014/15e |        | 2015/16e |        |
|--|---------|--------|---------|--------|----------|--------|----------|--------|----------|--------|
| Shareholders' equity                   | 93.5    | 37.6%  | 140.6   | 46.5%  | 146.1    | 50.7%  | 155.2    | 48.5%  | 168.0    | 51.3%  |
| Shareholders' equity (before minority) | 93.1    | 37.4%  | 140.0   | 46.3%  | 145.6    | 50.5%  | 154.6    | 48.3%  | 167.4    | 51.1%  |
| Minorities                             | 0.3     | 0.1%   | 0.6     | 0.2%   | 0.6      | 0.2%   | 0.6      | 0.2%   | 0.6      | 0.2%   |
| Non-current liabilities                | 93.3    | 37.5%  | 87.4    | 28.9%  | 82.2     | 28.5%  | 77.2     | 24.1%  | 72.2     | 22.0%  |
| Pension provisions                     | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| Other provisions                       | 28.7    | 11.6%  | 24.3    | 8.0%   | 24.3     | 8.4%   | 24.3     | 7.6%   | 24.3     | 7.4%   |
| Long-term financial debt               | 62.4    | 25.1%  | 60.6    | 20.0%  | 55.0     | 19.1%  | 50.0     | 15.6%  | 45.0     | 13.7%  |
| Other long-term debt                   | 2.1     | 0.9%   | 2.5     | 0.8%   | 2.9      | 1.0%   | 2.9      | 0.9%   | 2.9      | 0.9%   |
| Current liabilities                    | 61.9    | 24.9%  | 74.4    | 24.6%  | 60.0     | 20.8%  | 87.5     | 27.4%  | 87.5     | 26.7%  |
| Short-term debt                        | 6.0     | 2.4%   | 5.9     | 1.9%   | 6.0      | 2.1%   | 6.0      | 1.9%   | 6.0      | 1.8%   |
| Other accruals short-term              | 0.0     | 0.0%   | 0.0     | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   | 0.0      | 0.0%   |
| Accounts payable                       | 9.6     | 3.9%   | 14.2    | 4.7%   | 8.0      | 2.8%   | 9.0      | 2.8%   | 9.0      | 2.7%   |
| Other liabilities                      | 46.3    | 18.6%  | 54.3    | 18.0%  | 46.0     | 16.0%  | 72.5     | 22.7%  | 72.5     | 22.1%  |
| Total equity and liabilities           | 248.7   | 100.0% | 302.4   | 100.0% | 288.4    | 100.0% | 319.9    | 100.0% | 327.7    | 100.0% |

Source: Company information, Bankhaus Lampe Research

## Borussia Dortmund GmbH &amp; Co. KGaA – Cash Flow Statement

| in m EUR                                     | 2011/12 | 2012/13 | 2013/14e | 2014/15e | 2015/16e |
|--|---------|---------|----------|----------|----------|
| Net income (adj.)                            | 27.4    | 50.8    | 11.7     | 15.2     | 19.0     |
| Depreciation                                 | 18.6    | 22.4    | 34.0     | 34.0     | 34.0     |
| Amortisation of goodwill & intangible assets | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| Change of provisions                         | 9.0     | -4.4    | 0.0      | 0.0      | 0.0      |
| Other  | -28.2   | -8.1    | 0.0      | 0.0      | 0.0      |
| Operating Cash-flow before changes in w/c    | 26.8    | 60.7    | 45.7     | 49.2     | 53.0     |
| Change in inventory                          | 0.0     | -1.7    | -0.5     | 0.0      | 0.0      |
| Change in accounts receivable                | -5.9    | -41.4   | 40.9     | 0.0      | 0.0      |
| Change in accounts payable                   | 7.0     | 4.6     | -6.2     | 1.0      | 0.0      |
| Change in other working capital positions    | 0.0     | 6.5     | -7.2     | 26.5     | -4.0     |
| Operating Cash-flow                          | 27.9    | 28.6    | 72.8     | 76.7     | 49.0     |
| Capex, excluding maintenance                 | -1.5    | -7.7    | -40.2    | -34.0    | -34.0    |
| Payments for acquisitions                    | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| Financial investments                        | -7.3    | -6.7    | 0.0      | 0.0      | 0.0      |
| Income from asset disposals                  | 0.1     | 0.1     | 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          | -8.7    | -14.2   | -40.2    | -34.0    | -34.0    |
| Free cash-flow                               | 19.2    | 14.3    | 32.6     | 42.7     | 15.0     |
| Capital measures                             | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| Increase/decrease in debt position           | -12.8   | -3.3    | -5.5     | -5.0     | -5.0     |
| Purchase of own shares                       | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| Other financing Cash-flow                    | -0.1    | -0.1    | 0.4      | 0.0      | 0.0      |
| Dividend paid                                | 0.0     | -3.7    | -6.1     | -6.1     | -6.1     |
| Cash-flow from financing activities          | -12.9   | -7.1    | -11.2    | -11.1    | -11.1    |
| Increase/ decrease in liquid assets          | 6.3     | 7.3     | 21.4     | 31.5     | 3.8      |
| Effects of exchange rate changes             | 0.0     | 0.0     | 0.0      | 0.0      | 0.0      |
| Cash at beginning of period                  | -1.2    | 5.3     | 12.5     | 34.0     | 65.5     |
| Change in total cash and cash equivalents    | 6.3     | 7.3     | 21.4     | 31.5     | 3.8      |
| Cash at end of period                        | 5.1     | 12.5    | 34.0     | 65.5     | 69.3     |

Source: Company information, Bankhaus Lampe Research

| Borussia Dortmund GmbH & Co. KGaA – Ratios     |         |         |          |          |          |
|--|---------|---------|----------|----------|----------|
|  | 2011/12 | 2012/13 | 2013/14e | 2014/15e | 2015/16e |
| <b>Per Share Data</b>                          |         |         |          |          |          |
| EPS  | 0.45    | 0.83    | 0.19     | 0.25     | 0.31     |
| Book value per share                           | 1.52    | 2.29    | 2.38     | 2.53     | 2.73     |
| Free Cash-flow per share                       | 0.31    | 0.23    | 0.53     | 0.69     | 0.24     |
| Dividend per share                             | 0.06    | 0.10    | 0.10     | 0.10     | 0.10     |
| <b>Valuation ratios</b>                        |         |         |          |          |          |
| EV/Sales                                       | 0.3     | 1.0     | 1.1      | 0.9      | 0.8      |
| EV/EBITDA                                      | 1.1     | 3.4     | 5.1      | 4.0      | 3.6      |
| EV/EBIT  | 1.5     | 4.6     | 14.1     | 9.7      | 7.7      |
| Price Earnings ratio (P/E)                     | 7.0     | 4.8     | 20.8     | 16.0     | 12.8     |
| Price to book (total equity)                   | 2.0     | 1.7     | 1.7      | 1.6      | 1.4      |
| Dividend yield                                 | 1.9%    | 2.5%    | 2.5%     | 2.5%     | 2.5%     |
| <b>Profitability ratios</b>                    |         |         |          |          |          |
| EBITDA margin                                  | 27.9%   | 28.7%   | 22.0%    | 22.9%    | 23.7%    |
| EBIT margin                                    | 19.2%   | 21.3%   | 7.9%     | 9.5%     | 11.0%    |
| Net return on sales                            | 12.7%   | 16.7%   | 4.8%     | 6.0%     | 7.1%     |
| Return on capital employed (ROCE)              | 25.6%   | 31.4%   | 9.3%     | 11.4%    | 13.4%    |
| <b>Productivity ratios</b>                     |         |         |          |          |          |
| Capital turnover                               | 1.1     | 0.9     | 1.0      | 1.0      | 0.9      |
| Operating leverage                             | 4.2     | 1.4     | 3.4      | 5.1      | 4.4      |
| Sales per employee (in thousands)              | 467     | 662     | 525      | 551      | 579      |
| EBIT per employee (in thousands)               | 90      | 141     | 42       | 52       | 64       |
| Number of employees (in thousands)             | 0.5     | 0.5     | 0.5      | 0.5      | 0.5      |
| <b>Financial ratios</b>                        |         |         |          |          |          |
| Equity ratio                                   | 37.6%   | 46.5%   | 50.7%    | 48.5%    | 51.3%    |
| Net financial debt                             | 63.1    | 53.9    | 27.0     | -9.5     | -18.3    |
| Net debt / Equity                              | 67.5%   | 38.3%   | 18.5%    | -6.1%    | -10.9%   |
| Interest cover                                 | 8.3     | 0.0     | 6.4      | 8.0      | 9.8      |
| Net debt / EBITDA                              | 1.05    | 0.62    | 0.51     | -0.16    | -0.29    |
| Working Capital                                | 20.7    | 59.3    | 25.0     | 24.0     | 24.0     |
| Change Working Capital                         | 9.3     | 38.6    | -34.3    | -1.0     | 0.0      |
| WC /sales                                      | 9.6%    | 19.4%   | 10.3%    | 9.4%     | 9.0%     |
| Stocks in days of sales                        | 10      | 9       | 12       | 11       | 11       |
| Trade debtors in days of sales                 | 42      | 79      | 38       | 36       | 34       |
| Trade creditors in days of COGS/Material cost  | 16      | 17      | 12       | 13       | 12       |
| Cash conversion cycle                          | 36      | 71      | 38       | 34       | 33       |
| Invest. (property/plant/equity) / Depreciation | 0.08    | 0.34    | 1.18     | 1.00     | 1.00     |
| <b>Others</b>                                  |         |         |          |          |          |
| Sales CAGR (last 3 years)                      | 26.9%   | 40.4%   | 16.9%    | 5.7%     | -4.4%    |
| EBIT CAGR (last 3 years)                       | 54.1%   | -604.2% | 8.8%     | -16.5%   | -23.3%   |
| Net income CAGR (last 3 years)                 | 73.0%   | -302.2% | 30.0%    | -17.9%   | -28.0%   |
| Pay out ratio                                  | 13.4%   | 12.1%   | 52.6%    | 40.5%    | 32.4%    |
| Free cash-flow                                 | 19.2    | 14.3    | 32.6     | 42.7     | 15.0     |
| Free cash flow yield                           | ---     | 5.9%    | 13.4%    | 17.6%    | 6.2%     |

Source: Company information, Bankhaus Lampe Research

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Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of 0% to 10%. "Sell" means that the share's forecast performance is negative.

### Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted flow-cash pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment. Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of 0% to 10%. "Sell" means that the share's forecast performance is negative. Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Overview of changes in our recommendations/price targets for Borussia Dortmund GmbH & Co. KGaA in the previous twelve months.

| Date of publication | Price at recommendation | Rating | Price target |
|---------------------|-------------------------|--------|--------------|
| 23/08/2013          | 3.53 EUR                | Buy    | 5.00 EUR     |

The distribution of recommendations in our investments universe is currently as follows (date: 01/01/2014)

| Rating       | Basis: all analysed companies | Basis: companies with investment banking relationships |
|--------------|-------------------------------|--|
| Buy          | 46.2%                         | 60.0%  |
| Hold         | 40.6%                         | 20.0%  |
| Sell         | 13.3%                         | 20.0%  |
| under review | 0.0%                          | 0.0%   |

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Bankhaus Lampe KG, Jägerhofstraße 10, D-40479 Düsseldorf is responsible for this study.

Further information may be obtained from Bankhaus Lampe KG.  
05 March 2014

**HEAD OF FINANCIAL MARKETS**

Leonhard Uphues  
Fon + 49 (0)211 4952-285  
leonhard.uphues@bankhaus-lampe.de

**EQUITY SALES**

Ulrich Klingmüller, CEFA  
Fon + 49 (0)211 4952-784  
ulrich.klingmueller@bankhaus-lampe.de

Yusuf Bilgic (London)  
Fon + 44 (0)203 405 4318  
yb@lampe-capital.com

Mary Foster (London)  
Fon + 44 (0)203 405 1039  
mf@lampe-capital.com

Peter Lohren  
Fon + 49 (0)211 4952-782  
peter.lohren@bankhaus-lampe.de

Brigitte Vigener  
Fon + 49 (0)211 4952-834  
brigitte.viegenger@bankhaus-lampe.de

**EQUITY SALES TRADING**

Nils Carstens  
Fon + 49 (0)211 4952-758  
nils.carstens@bankhaus-lampe.de

Kevin Chua (London)  
Fon + 44 (0)203 405 1038  
kc@lampe-capital.com

Matthias Rolke  
Fon + 49 (0)211 4952-755  
matthias.rolke@bankhaus-lampe.de

**INTERNATIONAL KBR FINANCE LLC (CHAPERONE OF BANKHAUS LAMPE KG IN THE US)**

Jörg Hagenbuch  
Fon + 1 212 218-7411  
jh@ikbrfinance.com

Bill Dixon  
Fon + 1 212 218-7414  
bd@ikbrfinance.com

**CAPITAL MARKET ANALYSIS**

Dr. Alexander Krüger  
Fon + 49 (0)211 4952-187  
alexander.krueger@bankhaus-lampe.de

**RESEARCH**

Christoph Schlienkamp, Investmentanalyst, DVFA  
Fon + 49 (0)211 4952-311  
christoph.schlienkamp@bankhaus-lampe.de

Marc Gabriel, CIIA, CEFA  
Fon + 49 (0)211 4952-313  
marc.gabriel@bankhaus-lampe.de

Dr. Karsten Iltgen  
Fon + 49 (0)211 4952-351  
karsten.iltgen@bankhaus-lampe.de

Andreas Schäfer, CFA  
Fon + 49 (0)211 4952-819  
andreas.schaefer@bankhaus-lampe.de

Neil Smith, ACA  
Fon + 49 (0)211 4952-478  
neil.smith@bankhaus-lampe.de

**RESEARCH & SALES SUPPORT**

Claus Kampermann  
Fon + 49 (0)211 4952-476  
claus.kampermann@bankhaus-lampe.de

Nicole Juskowiak  
Fon + 49 (0)211 4952-607  
nicole.juskowiak@bankhaus-lampe.de

Elke Röhling-Kampmann  
Fon + 49 (0)211 4952-635  
elke.roehling-kampmann@bankhaus-lampe.de

**BANKHAUS LAMPE RESEARCH**

Jägerhofstraße 10 | 40479 Düsseldorf | research@bankhaus-lampe.de | Fon + 49 (0)211 4952-678 | Fax + 49(0)211 4952-49

**HEAD OF EQUITY**

Ralf Menzel  
Fon + 49 (0)211 4952-282  
ralf.menzel@bankhaus-lampe.de

Frank Albrecht  
Fon + 49 (0)211 4952-830  
frank.albrecht@bankhaus-lampe.de

Udo Bodewig  
Fon + 49 (0)211 4952-863  
udo.bodewig@bankhaus-lampe.de

André Gollmer  
Fon + 49 (0)211 4952-751  
andre.gollmer@bankhaus-lampe.de

Guido Rohlfing  
Fon + 49 (0)211 4952-832  
guido.rohlfing@bankhaus-lampe.de

Nils Christoph Becker  
Fon + 49 (0)211 4952-869  
nils.christoph.becker@bankhaus-lampe.de

Tim Deemann  
Fon + 49 (0)211 4952-955  
tim.deemann@bankhaus-lampe.de

Kim Last  
Fon + 1 212 218-7412  
kl@ikbrfinance.com

Dr. Ulrike Rondorf  
Fon + 49 (0)211 4952-401  
ulrike.rondorf@bankhaus-lampe.de

Theresa Dick  
Fon +49 (0)211 4952-289  
theresa.dick@bankhaus-lampe.de

Michael Gorny  
Fon + 49 (0)211 4952-969  
michael.gorny@bankhaus-lampe.de

Dr. Georg Kandlers, Investmentanalyst DVFA  
Fon + 49 (0)211 4952-718  
georg.kanders@bankhaus-lampe.de

Alexandra Schlegel  
Fon + 49 (0)211 4952-328  
alexandra.schlegel@bankhaus-lampe.de

Wolfgang Specht, CEFA  
Fon + 49 (0)211 4952-637  
wolfgang.specht@bankhaus-lampe.de

Stephanie Berghaeuser  
Fon + 49 (0)211 4952-678  
stephanie.berghaeuser@bankhaus-lampe.de

Ian Pulham  
Fon + 49 (0)211 4952-713  
ian.pulham@bankhaus-lampe.de

Nicole Reckin  
Fon + 49 (0)211 4952-128  
nicole.reckin@bankhaus-lampe.de

Justin Barnebeck  
Fon + 49 (0)211 4952-753  
justin.barnebeck@bankhaus-lampe.de

Charlotte Craigie (London)  
Fon + 44 (0)203 405 3299  
cc@lampe-capital.com

Frank Habbig  
Fon + 49 (0)211 4952-868  
frank.habbig@bankhaus-lampe.de

Carla dos Santos Reichert  
Fon + 49 (0)211 4952-786  
carla.reichert@bankhaus-lampe.de

John Blackley (London)  
Fon + 44 (0)203 405 3298  
jb@lampe-capital.com

Silke Neubauer  
Fon + 49 (0)211 4952-221  
silke.neubauer@bankhaus-lampe.de

Quinn Raftery  
Fon + 1 212 218-7413  
qr@ikbrfinance.com

**EQUITY STRATEGY**

Dr. Ralf Zimmermann  
Fon + 49 (0)211 4952-841  
ralf.zimmermann@bankhaus-lampe.de

Heiko Feber  
Fon + 49 (0)211 4952-413  
heiko.feber@bankhaus-lampe.de

Sebastian Hein, CIIA, CEFA  
Fon + 49 (0)211 4952-606  
sebastian.hein@bankhaus-lampe.de

Christian Ludwig, CFA  
Fon + 49 (0)211 4952-126  
christian.ludwig@bankhaus-lampe.de

Gordon Schönell, CIIA, CEFA  
Fon + 49 (0)211 4952-455  
gordon.schoenell@bankhaus-lampe.de

Nadine Goertz Campbell  
Fon + 49 (0)211 4952-104  
nadine.goertz@bankhaus-lampe.de

Sandra Rath  
Fon + 49 (0)211 4952-242  
sandra.rath@bankhaus-lampe.de