



# Borussia Dortmund GmbH & Co. KGaA

## Back on track?

25/02/2019

**Buy**  
**10.00 EUR**

Close (22/02/2019)	7.49 EUR
Bloomberg: BVB	WKN: 549309
Sector	Media

### Share price performance

52 week high	10.06
52 week low	4.98
Compared to	Prime All Share
YTD	-16.1%
1 month	-20.7%
12 months	35.3%



### Share data

Market Cap (m EUR)	688.6
No. of shares (m)	92.0
Free float	60.8%
Trading vol. Ø (m EUR)	2.0

### Next event

28/02/2019	Quarterly Results
------------	-------------------

### Analyst

Christoph Schlienkamp, Investmentanalyst DVFA  
 Phone: +49 211 4952 311  
 christoph.schlienkamp@bankhaus-lampe.de

See end of document for disclaimer.

Borussia Dortmund released preliminary H1 results on Friday. Even though the latest matches were not as successful as previously expected – except for yesterday's match – there is no reason for us to change our net asset value calculation for the company. Consequently, we confirm our BUY rating for the stock with an unchanged price target of € 10.00.

### KEY TAKEAWAYS

- For H1 2018/19; BVB reported group revenues € 256.0 m (H1 2017/18: € 311.8 m). This decline was mainly due to a reduction in transfer revenues of € 136.2 m. This figure was exceptionally high in H1 2017/18, mainly due to the transfer of Ousmane Dembélé to FC Barcelona. In the period under review, H1 2018/19 transfer revenues amounted to € 42.4 m.
- Taking this into account, transfer-adjusted group revenues increased by € 38.0 m to € 213.6 m (H1 2017/18: € 175.6 m.). The main driver here was the increase in TV revenues by € 31.4 m (42%) to € 105.5 m as expected. More details by segment will be released on 28 February 2019 when the company publishes its full H1 2018/19 report.
- EBITDA amounted to € 54.1 m after € 83.9 m in H1 2017/18. EBIT came in at € 20.3 m (H1 2017/18: € 47.7 m). Group earnings amounted to € 17.3 m (H1 2017/18: € 39.4 m).
- BVB also stated that the equity ratio is still at a healthy level of 70%.
- Investors have to keep in mind that the important € 64 m Pulisic deal was published on 2 January 2019 at the beginning of Q3. This transfer is not included in the above mentioned numbers.
- All in all, we confirm our positive view on the stock. We will adjust our model in due course.

in m EUR	2016/17	2017/18	2018/19e	2019/20e	2020/21e
Sales	405.7	536.0	443.0	462.5	462.8
EBIT	10.7	36.1	29.0	36.3	36.8
EBIT margin	2.6%	6.7%	6.5%	7.8%	8.0%
Net financial debt	13.0	-16.1	-25.3	-55.5	-87.7
Free cash flow	5.8	27.6	13.9	35.7	37.7
EPS (in EUR)	0.09	0.31	0.21	0.27	0.27
DPS (in EUR)	0.06	0.06	0.06	0.06	0.06
Dividend yield	1.1%	0.8%	0.8%	0.8%	0.8%
EV/sales	1.3	1.3	1.5	1.4	1.3
EV/EBIT	47.6	18.6	22.9	17.4	16.3
P/E	60.2	24.2	35.6	28.2	27.8

Source: Company information, Bankhaus Lampe Research estimates

# Disclaimer

The creation of this recommendation was finalised on 25/02/2019 08:40 AM (CET) and first published on 25/02/2019 08:44 AM (CET).

## Analyst declaration

The relevant research analysts, as named on the front cover of this research report, certify that (a) all of the views expressed in this research report accurately reflect their personal views about the securities and companies mentioned in this research report; and (b) that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views expressed by them in this research report.

## Rating system

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 -10% to 10%. "Sell" means that the share's forecast performance is less than -10%.

## Explanation of valuation

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.

Details on the concepts and methods as well as the valuation models employed are available on our [website](#).

Overview of changes in our recommendations/price targets in the previous twelve months for: Borussia Dortmund GmbH & Co. KGaA (BVB GY), Close (22/02/2019): 7.49 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

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

## The distribution of recommendations in our investments universe is currently as follows (date: 01/01/2019)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	58.3%	60.0%
Hold	38.1%	40.0%
Sell	3.1%	0.0%
Under Review	0.0%	0.0%

## Frequency of updates

The Bank intends to publish at least one research report per year for the aforementioned stock/stocks.

## Complete list of recommendations

The complete list of recommendations for each financial instrument of the last twelve months is available on our [website](#).

## Prevention and dealing with conflicts of interest

The measures taken by Bankhaus Lampe KG within the framework of its management of conflicts of interest in order to prevent and handle conflicts of interest are based, among other things, on the functional separation of sensitive business units, the establishment of confidentiality units by setting up information barriers, the establishment of organisational regulations regarding the treatment of confidential and sensitive information both inside and outside the confidentiality units and the monitoring and limitation of private securities transactions conducted by employees working in sensitive areas of Bankhaus Lampe KG. Conflicts of interest that cannot be avoided despite the measures taken are disclosed. Compliance with the internal and organisational provisions to prevent and handle conflicts of interest is monitored by the independent Compliance unit.

## Conflict of interest

Disclosures of potential conflicts of interest relating to Bankhaus Lampe KG, its affiliates and subsidiaries in the following companies named in this research report are valid as of the end of the month prior to the publication of this report (updating this information may take up to ten days after the month comes to an end).

Potential conflicts of interests may exist in the following companies named in this research report.

Company	Disclosure
Borussia Dortmund GmbH & Co. KGaA	9

9. Bankhaus Lampe KG or an affiliated company has entered into an agreement with the company or a person close to the company on the production of this financial analysis.

Responsible regulatory authority:

Federal Financial Supervisory Authority – Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Str. 24-28, D-60439 Frankfurt

### Declaration of liability

The information in this study is based on public sources which the author(s) believe(s) to be reliable. Nevertheless, neither Bankhaus Lampe KG, nor its affiliated companies, nor the legal representatives, supervisory board members and employees of these companies can assume any guarantee for the correctness, completeness and accuracy of the information. All opinions and evaluations expressed in this study only reflect the current opinions and evaluations of the author(s), which do not necessarily correspond to the opinions and evaluations of other spheres of business of Bankhaus Lampe KG or its affiliated companies. All opinions and evaluations can be changed at any time without prior notice. They may differ from views set out in other documents, including research, published by Bankhaus Lampe KG.

This study is directed to institutional investors with registered offices in the European Union as well as in Switzerland, Liechtenstein and the United States of America, to whom the Bank has deliberately made it available. Its contents are for information purposes only and are not to be regarded as an offer or invitation to buy or sell financial instruments. Private investors who come to know the contents of this study should, before making a concrete investment decision, consult the investment adviser of their bank on whether any recommendation for a certain investment decision contained in this study is suitable for them in view of their investment objectives and financial conditions. The adviser may not share the views contained herein on the financial instruments and their issuers.

The completion and publication of this study is subject to the law of the Federal Republic of Germany. Its publication in other jurisdictions may be restricted by applicable laws or other legal regulations. Persons with residence outside the Federal Republic of Germany who come into possession of this study must inform themselves about any applicable restrictions that they are obligated to observe. They are recommended to contact the authorities of their country that are responsible for the monitoring of financial instruments and of markets in which financial instruments are traded, in order to find out whether there are any restrictions on acquisition regarding the financial instruments this study refers to. This study may neither be reprinted, in whole or in part, nor transferred to an information system, nor stored in any way whatsoever, be it electronically, mechanically, via photocopy, or by any other means, except with the prior written approval of Bankhaus Lampe KG.

### Additional information for clients in the United Kingdom

Publications in the United Kingdom are distributed by Lampe Capital UK (Services) Limited, 2 Savile Row, London W1S 3PA, United Kingdom and this report is only directed at persons who are investment professionals under Article 19 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 and the investment or investment activity to which this report relates is only available to and will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely upon the contents of this report.

### Additional information for clients in the United States

This research report has been prepared and approved by Bankhaus Lampe KG, a full-service bank in Germany. Bankhaus Lampe KG is not a registered broker/dealer in the United States and therefore is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts.

The research report is distributed solely to "major U.S. institutional investors" within the United States. Lampe Capital North America LLC assumes responsibility for the distribution of this research report within the United States on behalf of Bankhaus Lampe KG in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended.

Any US recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Lampe Capital North America LLC. Lampe Capital North America LLC may be contacted in writing or by phone: Lampe Capital North America LLC, 712 Fifth Avenue, 28th floor, New York, NY 10019, U.S. phone: +1-212-218 7410. Lampe Capital North America LLC is a wholly owned subsidiary of Bankhaus Lampe KG. Under no circumstances should any US recipient effect any transaction to buy or sell securities or related financial instruments through Bankhaus Lampe KG.

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

Further information may be obtained from Bankhaus Lampe KG.

25 February 2019

# Contacts

## GENERAL PARTNER

---

**Ute Gerbaulet**

+ 49 (0)211 4952-656

ute.gerbaulet@bankhaus-lampe.de

## EQUITY SALES CONTINENTAL EUROPE

---

**Ulrich Klingmüller**

+ 49 (0)211 4952-784

ulrich.klingmueller@bankhaus-lampe.de

## EQUITY SALES IN US

---

**Per Hallgren**

+1 212 218 7415

per.hallgren@lampe-capital-us.com

## EQUITY SALES IN GB

---

**Yusuf Bilgic**

+ 44 (0)203 405 4318

yb@lampe-capital.com

## EQUITY SALES TRADING CONTINENTAL EUROPE

---

**Nils Carstens**

+ 49 (0)211 4952-758

nils.carstens@bankhaus-lampe.de

**Bankhaus Lampe Research**

Jägerhofstraße 10

D - 40479 Düsseldorf

research@bankhaus-lampe.de

📞 + 49 (0)211 4952-678

📠 + 49 (0)211 4952-494