

# Borussia Dortmund

Q320 results

Good to see you again

Borussia Dortmund's Q320 results were positive from a profit and cash flow perspective despite the impact of COVID-19 at the end of the period. The Bundesliga has led the way in recommencing games after the season was temporarily suspended, albeit games are to be played behind closed doors, which will lead to lost ticket revenue (among other revenues). Borussia Dortmund is well placed to qualify for the Champions League in the 2020/21 season if the current season can be completed. We downgrade our EBITDA forecast for FY20 by c 49%, to reflect lost revenue due to COVID-19 and lower net transfer income. The share price looks well supported by asset valuations.

Year end	Revenue* (€m)	EBITDA (€m)	PBT** (€m)	EPS** (€)	DPS (€)	P/E (x)	EV/EBITDA (x)
06/18	313.3	137.3	121.8	1.21	0.06	5.2	4.2
06/19	369.3	116.0	101.5	0.88	0.06	7.2	5.0
06/20e	379.1	65.4	51.5	0.45	0.00	14.1	8.8
06/21e	424.8	125.5	110.4	0.96	0.06	6.6	4.6

Note: \*Before player transactions. \*\*PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

## Q320: Improved profitability and cash flow

Borussia Dortmund's underlying EBITDA, excluding net transfer income, improved from a loss in Q319 to a profit in Q320 despite two fewer games played, including one that was temporarily suspended due to COVID-19. Revenue declined by 4.7%, with all revenue streams ex Advertising and Miscellaneous declining due to fewer games. Profitability was helped by cost savings due to fewer games, as well as good management of costs generally. Year to date, EBITDA ex-net transfer income has increased by 31.6%, and net transfer income has reduced by 49.5%. Given the uncertainty created by COVID-19, management has withdrawn prior guidance, now stating that it will not be possible to generate a net profit in FY20.

## Forecasts: FY20 affected by COVID-19

Following the resumption of Bundesliga games, the team is placed second in the league, five points ahead of the fifth-place team and with a superior goal difference (+41 goals vs +19 goals), with seven games to play. We downgrade our FY20 EBITDA forecast by 49% to reflect lower revenue from Match Operations, Merchandising and Catering, lower net transfer income and cost savings. Given our forecast of a net loss for the year, we assume that no dividend will be declared for FY20.

## Valuation: Reflecting economic concerns

Following the recent improvement in the share price, the EV/EBITDA multiples for FY20e and FY21e are 8.8x and 4.6x respectively versus the average multiple since FY10 of 5.4x. The higher multiple for FY20e reflects depressed earnings due to COVID-19. Our sum-of-the-parts valuation suggests a share price of €13.64. The current share price therefore reflects enhanced concerns about the outlook and for the continuation of football games.

## Travel & leisure

26 May 2020

Price €6.3

Market cap €580m

Net cash (€m) at 31 March 2020 (including finance leases) 6.2

Shares in issue 92.0m

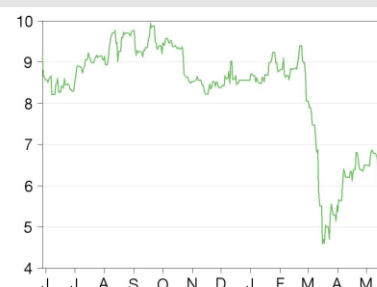
Free float 59.9%

Code BVB

Primary exchange Frankfurt

Secondary exchange N/A

## Share price performance



% 1m 3m 12m

Abs (2.0) (30.3) (30.8)

Rel (local) (11.1) (21.8) (27.1)

52-week high/low €10.0 €4.6

## Business description

The group operates Borussia Dortmund, a leading German football club, Bundesliga runners-up in 2018/19, DFB Super Cup winners in 2019/20 and DFB Cup winners in 2016/17. The club has qualified for the Champions League in eight of the last nine seasons.

## Next events

FY20 results August 2020

## Analysts

Russell Pointon +44 (0)20 3077 5757

Neil Shah +44 (0)20 3077 5700

[consumer@edisongroup.com](mailto:consumer@edisongroup.com)

[Edison profile page](#)

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## Q320 results: Improved profitability and cash flow

The end of Q320 saw the first impact of the COVID-19 pandemic, but improved profitability and cash flow despite lower revenue. Revenue fell by 4.7% during the period due to fewer home matches played, including one game that was suspended due to COVID-19. Underlying EBITDA, ie excluding net transfer income, was positive at €0.8m against a loss in Q319 of €3.5m. In the first nine months of FY20 (9M20), EBITDA ex-net transfer income of €44.3m compares with €33.6m in 9M19, an increase of 31.6%.

<b>Exhibit 1: Q320 and 9M20 results</b>						
<b>€000s</b>	<b>H119</b>	<b>Q319</b>	<b>9M19</b>	<b>H120</b>	<b>Q320</b>	<b>9M20</b>
Revenue:						
- Match Operations	27,346	11,928	39,274	22,627	9,874	32,501
- Advertising	46,518	22,933	69,451	50,540	24,187	74,727
- TV Marketing	105,526	35,996	141,522	113,059	33,005	146,064
- Merchandising	18,190	6,238	24,428	21,193	5,951	27,144
- Conference, Catering & Miscellaneous	16,287	6,630	22,917	29,166	6,798	35,964
<b>Total revenue</b>	<b>213,867</b>	<b>83,725</b>	<b>297,592</b>	<b>236,585</b>	<b>79,815</b>	<b>316,400</b>
Revenue growth y-o-y:						
- Match Operations				(17.3%)	(17.2%)	(17.2%)
- Advertising				8.6%	5.5%	7.6%
- TV Marketing				7.1%	(8.3%)	3.2%
- Merchandising				16.5%	(4.6%)	11.1%
- Conference, Catering & Miscellaneous				79.1%	2.5%	56.9%
Total revenue growth				10.6%	(4.7%)	6.3%
Net transfer income	20,432	56,796	77,228	11,205	27,780	38,985
Other operating income	4,160	769	4,929	3,309	762	4,071
Cost of materials	(11,535)	(5,455)	(16,990)	(14,330)	(4,556)	(18,886)
Personnel expenses	(101,286)	(52,054)	(153,340)	(111,465)	(50,123)	(161,588)
Other operating expenses	(68,085)	(30,471)	(98,556)	(70,649)	(25,094)	(95,743)
<b>EBITDA</b>	<b>57,553</b>	<b>53,310</b>	<b>110,863</b>	<b>54,655</b>	<b>28,584</b>	<b>83,239</b>
EBITDA margin	26.9%	63.7%	37.3%	23.1%	35.8%	26.3%
<b>EBITDA ex net transfer income</b>	<b>37,121</b>	<b>(3,486)</b>	<b>33,635</b>	<b>43,450</b>	<b>804</b>	<b>44,254</b>
Depreciation and amortisation	(36,940)	(19,701)	(56,641)	(49,288)	(26,560)	(75,848)
Operating income	20,613	33,609	54,222	5,367	2,024	7,391
Operating margin	9.6%	40.1%	18.2%	2.3%	2.5%	2.3%
Profit after tax	17,629	29,437	47,066	2,960	1,095	4,055
EPS (€)	0.19	0.32	0.51	0.03	0.01	0.04

Source: Borussia Dortmund accounts

By the end of Q320, Borussia Dortmund's Bundesliga position had improved to second with 51 points from fourth at the end of December. The team was placed behind Bayern Munich (55 points) and ahead of RB Leipzig (50 points) and Borussia Mönchengladbach (49 points), and four points ahead of the fifth-place team, Leverkusen. Borussia Dortmund's goal difference of +35 was superior to Leverkusen's +15.

Having been eliminated from the Champions League in the Round of 16 by Paris Saint-Germain and from the DFB Cup by Werder Bremen, the team's primary focus for the remainder of the season is to finish in the top four and to qualify for the Champions League in the 2020/21 season, which we assume in our forecasts for FY21.

Due to the outbreak of COVID-19, it was announced on 13 March 2020 that all Bundesliga games would be temporarily suspended after the 25th match of the season, from a total of 34 games. As a result, one home match that should have been played during Q320 was not played.

During Q320 there were two fewer home games played, ie five games were played versus seven games played in Q319. Therefore, revenue from most sources was affected to a greater or lesser extent. The only two revenue sources to increase were Advertising, as the addition of new sponsors

at the start of the season continued to be a positive, and Miscellaneous, due to a y-o-y increase in fees for players who played for the national team.

Net transfer income of €27.8m in Q320 was lower than the c €56.8m reported in Q319, and the cumulative position to Q320 of €39m compares with c €77m to Q319. Year to date, gross proceeds are similar to FY19, but the unamortised cost of the players sold in FY19 was much lower, thus generating higher income, ie profit in the prior year. During the winter transfer window Borussia Dortmund sold three players and signed two new players: Emre Can from Juventus and Erling Braut Haaland. The latter made a spectacular start with nine goals in eight Bundesliga appearances, and 12 goals in 11 overall appearances. As a reminder from Q220, in accordance with IAS 8.42, Borussia Dortmund changed its accounting so that net income on transfers is now reported as a single line item in the P&L, rather than gross amounts for revenue and unamortised costs etc recognised previously. The net effect is that profitability is not affected, but gross revenue and costs for the group, as previously disclosed, are lower.

Underlying profitability increased in Q320 despite lower revenue from fewer games and lower gains from transfers, as operating costs also benefited from fewer games. The most significant cost, personnel costs, fell by c 4% during Q320 and represented a relatively stable c 62.8% of revenue versus 62.2% in Q319. Year to date, personnel expenses have marginally reduced to 51.1% of revenue. The most important driver of improved underlying EBITDA was a reduction of other operating expenses of c 18% to €25m.

Investment in the playing squad is the primary reason for the c 46% increase in depreciation and amortisation, which represented 24% of revenue year to date versus 19% in FY19.

## Cash flow and balance sheet

Year to date, Borussia Dortmund's negative free cash flow (excluding interest payments and receipts) of €26.8m is similar to the cumulative €26.2m for 9M19, with a higher level of operating cash flow offset by a similar absolute increase in investment in tangibles and intangibles.

In Q320, free cash flow (FCF) of €12.4m was a good improvement on the €9.9m generated in Q319, due to a higher net inflow on transfers, offset in part by lower operating cash flow. The lower operating cash flow was mainly due to the lower level of profit as discussed above.

The company's cash position improved from €8.1m at the end of December 2019 to €18.8m at the end of March 2020. With no borrowing and lease liabilities of €12.6m the net cash position including leases was €6.2m.

## Outlook and near-term COVID-19 sensitivity

Due to the uncertainty created by the COVID-19 pandemic and on whether it is possible to complete the football season, management has withdrawn its prior financial guidance for the full year. The prior guidance was that revenue excluding transfers would be greater than €398m, representing growth of 7.8% y-o-y, and operating income would be in 'mid-seven figures', ie c €5m. Management now believes it will not be possible to generate a consolidated net profit in FY20.

The Bundesliga recommenced games over the weekend commencing 15 May 2020, with an elevated and significant level of media attention in overseas countries. There were nine games to play, and the aspiration is to complete all games before the end of June, when the four-year contracts that players enjoy typically expire. Borussia Dortmund had a successful return, beating local rivals, Schalke 04, 4-0 at home, and then beating VfL Wolfsburg 2-0 away. Following completion of the 27th game of the season, the team is placed second in the Bundesliga, and the gap versus the fifth-place team, Borussia Mönchengladbach, has increased to five points. Its goal difference of +41 is superior to Borussia Mönchengladbach's +19.

As all games are to be played behind closed doors, ie with no fans in attendance, the club will generate no revenue from ticket sales and catering at games, and revenue from merchandising will be lower than previously expected. So long as all games are completed, revenue from the other sources of Advertising (sponsors) and TV Marketing (broadcast) is not at risk in the near term.

Exhibit 2 highlights the revenue sources excluding transfer income for Borussia Dortmund during the last three seasons.

<b>Exhibit 2: Revenue sources</b>				
<b>€000s</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20e</b>
<b>Revenue</b>				
- Match Operations	43,915	42,322	44,659	32,501
- Advertising	87,350	93,962	96,813	104,558
- TV Marketing	125,750	122,293	167,349	172,367
- Merchandising	39,452	29,499	29,989	29,989
- Conference, Catering & Miscellaneous	31,908	25,234	30,510	39,663
<b>Total revenue</b>	<b>328,375</b>	<b>313,310</b>	<b>369,320</b>	<b>379,078</b>
<b>% of total revenue</b>				
- Match Operations	13%	14%	12%	9%
- Advertising	27%	30%	26%	28%
- TV Marketing	38%	39%	45%	45%
- Merchandising	12%	9%	8%	8%
- Conference, Catering & Miscellaneous	10%	8%	8%	10%
<b>Growth y-o-y%</b>				
- Match Operations		(4%)	6%	(27%)
- Advertising		8%	3%	8%
- TV Marketing		(3%)	37%	3%
- Merchandising		(25%)	2%	0%
- Conference, Catering & Miscellaneous		(21%)	21%	30%
<b>Total revenue</b>		<b>(5%)</b>	<b>18%</b>	<b>3%</b>

Source: Borussia Dortmund accounts

In FY19, Match Operations, ie revenue from tickets, was €44.7m or 12% of total revenue. Within this, ticket revenue for Bundesliga games represented €28.2m, or c 8% of total revenue. With modest inflation in ticket prices, we estimate that ticket revenue in FY20 is c €1.7m per home game, and therefore lost revenue for the five home games that are to be played behind closed doors is c €8.5m. There are no other potential lost revenues from ticket sales as Borussia Dortmund is competing in just the Bundesliga for the rest of the current season.

In FY19, Merchandising revenue was €30.0m or 8% of total revenue. This revenue is seasonal; Q4 is typically a less important period for sales of merchandise given that launch of new replica kits for the new season etc, are imminent. In FY19, Q4 represented 19% of total Merchandising revenue. Sales of merchandise from the club's stores on match days are an important revenue source, although the absolute level of these versus online sales and sales made on non-match days is not known.

In FY19, Conference, Catering & Miscellaneous revenue was €30.5m or 21% of revenue. As well as food and beverage sales, it includes other miscellaneous revenues such as fees received for players that play for the national squad and booking fees. Therefore, through the year quarterly revenue trends are volatile. Within this, conference and catering sales represented c €17m, but the breakdown between food and beverage at matches versus other revenues is not disclosed. Therefore, if we assume that catering is evenly split between the four accounting periods, the maximum revenue at risk from fans not attending games is c €4m.

The above potential near-term revenue affects due to the COVID-19 outbreak are the easiest to quantify. Our assumption is that all of the remaining games are completed.

Beyond the above, the greatest near-term risk to forecasts is if the remaining games cannot be played due to re-emergence of the virus and another economic lockdown follows, preventing the season from being finalised. This would raise questions about the other, and more significant

revenue sources of Advertising and TV Marketing. Such events would be unprecedented. As we are not party to the terms of the contracts covering these relationships, we believe the company would be liable to repay or not receive the unearned income from any games not played.

In FY19, Advertising was worth €96.8m, 26% of total revenue, and we estimate that it will grow by 8% to €105m in FY20. Year to date, Advertising revenue has grown by 7.6% to €74.7m, and we therefore assume that Q4 will represent €29.8m of revenue. Revenue is earned from long-term sponsorship deals from five key 'Premium Partners', four of which are also shareholders. We estimate that these represent approximately half of advertising revenue. The two shirt sponsors have contracts that expire in FY25, and the equipment/kit supplier has a contract that expires in FY28. The remainder is earned from a number of smaller sponsors, 'Champion Partners' with terms that are typically for a minimum of one year. If we assume that advertising is earned per game, Q420e advertising per game is €3.3m; therefore, if the season were terminated today, the remaining seven games would represent potential lost revenue of €23.1m, which would drop straight through to the bottom line.

In FY19, TV Marketing was worth €167.3m or 45% of total revenue. Year to date it has grown by 3% to €146.1m, with Q320 down by 8% due to fewer games. Within this, Bundesliga rights represented €98.1m in FY19 and we expect it to grow by 5% to €103m in FY20e, and we therefore expect Q420e revenue of €26.3m. If we assume the revenue is earned pro rata, revenue per game is c €2.9m, and therefore the revenue at risk if the final seven games are not played is €20.3m. Again, it would be difficult to offset this revenue with cost savings.

## Longer-term sensitivity

Looking into future seasons, further potential COVID outbreaks could have a greater impact on the company's financial performance than on the current financial year, but this would depend on when the outbreak occurred and how long it lasted.

For example, an outbreak earlier in the football season may affect revenue as the team might not be able to compete in other competitions beyond the Bundesliga, eg the Champions League and domestic cup competitions. In FY19, participation in the Champions League generated directly identifiable revenue of €75.6m (TV Marketing €68.1m and Match Operations of €7.5m), representing c 20% of total revenue. Competing in the domestic cup generated directly identifiable revenue of €3.8m (TV Marketing €1.2m and Match Operations €2.7m) in FY19, representing c 1% of total revenue. In addition, other revenues that cannot be easily identified, from merchandising etc, may also be affected due to fewer games.

Further travel restrictions could also affect the team's ability to undertake friendly games around the world and in Germany, as is traditional in pre-season training and during the winter break. In FY19, friendlies represented €6.3m of revenue, or less than 2% of the group total.

Beyond the end of the current season, the more long-term impacts of the impending economic downturn may include increasing difficulty in finding new and/or replacing existing sponsors that have multi-year contracts with the club.

In FY20e, we estimate the key operating costs to be personnel costs at c 58% of revenue; depreciation of fixed assets and amortisation of player contracts at c 24% of revenue; and other operating expenses at c 31% of revenue. There should be some flexibility in personnel costs, albeit the greatest part is the salaries of the players and may vary with the level of success on the pitch. Depreciation and amortisation are non-cash costs that are difficult to vary in the short term. The most significant cost here is the amortisation of player contracts, representing c 86% of this cost. Other operating costs includes: Match Operations costs that vary with the number of games played; advertising costs that vary with the level of Advertising revenue; and other admin costs that could be addressed in the event of lost revenue.

## Forecast changes

We downgrade our revenue forecast for FY20e by 3.8% and our EBITDA forecast by 48.9%. Our revenue forecast for FY21e increases by 2.6% but our EBITDA forecast falls by 5.0%.

Exhibit 3: Forecast changes							
€000s	FY19	FY20 old	FY20 new	Change	FY21 old	FY21 new	Change
Revenue*	369,320	394,000	379,078	(3.8%)	414,000	424,818	2.6%
Growth y-o-y		N/M	2.6%		5.1%	12.1%	
EBITDA	115,983	128,000	65,392	(48.9%)	132,000	125,464	(5.0%)
Margin	31.4%	32.5%	17.3%		31.9%	29.5%	
Growth y-o-y		10.4%	(43.6%)		3.1%	91.9%	
Operating income	23,501	29,000	(26,006)	N/M	27,000	14,432	(46.5%)
Profit before tax	21,809	28,000	(28,084)	N/M	26,000	11,507	(55.7%)
Profit after tax	17,391	23,000	(38,515)	N/M	21,000	(10,858)	N/M
EPS reported (€)	0.19	0.25	(0.42)	N/M	0.23	(0.12)	N/M
EPS normalised (€)	0.88	1.04	0.45	(57.3%)	1.07	0.96	(10.7%)
DPS (€)	0.06	0.06	0.00	(100.0%)	0.06	0.06	0.0%

Source: Edison Investment Research. Note: \*Revenue excludes transfer revenue in accordance with new IAS.

The FY20 revenue forecast of €379.1m compares to management's prior guidance of greater than €398m. Our revenue forecast reduces due to the lower/lost revenue from Match Operations, Catering and Merchandising in Q420 as a result of the remaining Bundesliga games being played behind closed doors. We assume that all of the remaining games in the season are played.

The downgrade to FY20e EBITDA reflects the lower revenue mentioned above, some operating cost savings and lower net transfer income. There are a number of changes to operating costs given the postponement of games and the fact that these postponed games are to be played behind closed doors. With lower revenue from Match Operations, Merchandising and Catering there should be natural cost savings from not having to pay ground staff, etc. The cost of merchandise and food and beverages should fall in line with lost revenue. In addition, players have elected to waive salaries or take temporary salary reductions, although the details of the latter are unknown. Year to date, net transfer income of €39m compares with c €77m in the first nine months of FY19, and we now assume there will be no more transfers before the end of the season given it has been delayed.

For FY21e, our revenue is upgraded primarily due to the recent addition of a second shirt sponsor. We assume net transfer income of €70m, which is higher than the FY20 estimate of €39m, but lower than the c €83m that we estimate was earned in FY19. We assume that no dividend is declared for FY20 to reflect negative reported operating income and profit after tax.

## Valuation

Using our new forecasts, at the current share price of €6.3, the EV/Sales multiples for FY20e and FY21e are 1.5x and 1.3x, versus the average since FY10 of 1.4x. The company's peak EV/Sales multiple was 2.4x in FY19. The EV/EBITDA multiples for FY20e and FY21e are 8.8x and 4.6x respectively versus the average multiple since FY10 of 5.4x. The higher multiple for FY20e reflects depressed earnings due to COVID-19.

The valuation of the playing squad per Transfermarkt.com on 20 May 2020 was €586m, representing a premium of 123% to the book value of the playing squad at the end of Q320. A simple sum-of-the-parts, in which we inflate the current book value of the squad to Transfermarkt.com's valuation, and include the last-quoted valuation of the brand from May 2018 by Brand Finance of €587m, produces a valuation for Borussia Dortmund of €13.64, a premium of 117% to the current share price.

The current share price therefore reflects wider concerns about the impact of COVID-19 on the wider economy and the ability for football games to continue.

**Exhibit 4: Financial summary**

	€'000s	2014	2015	2016	2017	2018	2019	2020e	2021e
30-June		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>									
Revenue		256,280	263,601	281,261	328,375	313,310	369,320	379,078	424,818
EBITDA		49,132	55,594	86,668	74,073	137,306	115,983	65,392	125,464
Normalised operating profit		40,976	46,025	75,798	62,597	126,150	103,160	53,571	113,329
Amortisation of acquired intangibles		(22,523)	(32,865)	(31,899)	(51,939)	(66,814)	(65,850)	(79,577)	(98,897)
Exceptionals		0	0	(7,469)	0	(20,362)	(13,809)	0	0
Share-based payments		0	0	0	0	0	0	0	0
Reported operating profit		18,453	13,160	36,430	10,658	38,974	23,501	(26,006)	14,432
Net Interest		(3,889)	(7,159)	(2,104)	(1,567)	(4,336)	(1,705)	(2,078)	(2,925)
Joint ventures & associates (post tax)		27	0	8	28	13	13	0	0
Exceptionals		0	0	0	0	0	0	0	0
Profit Before Tax (norm)		37,114	38,866	73,702	61,058	121,827	101,468	51,493	110,404
Profit Before Tax (reported)		14,591	6,001	34,334	9,119	34,651	21,809	(28,084)	11,507
Reported tax		(2,621)	(469)	(4,898)	(910)	(2,946)	(4,418)	(10,431)	(22,365)
Profit After Tax (norm)		30,447	35,828	63,188	54,965	111,469	80,913	41,062	88,039
Profit After Tax (reported)		11,970	5,532	29,436	8,209	31,705	17,391	(38,515)	(10,858)
Minority interests		(310)	(281)	(245)	0	0	0	0	0
Net income (normalised)		30,137	35,547	62,943	54,965	111,469	80,913	41,063	88,041
Net income (reported)		11,660	5,251	29,191	8,209	31,705	17,391	(38,515)	(10,858)
Basic average number of shares outstanding (m)		61,425	92,000	92,000	92,000	92,000	92,000	92,000	92,000
EPS - basic normalised (€)		0.49	0.39	0.68	0.60	1.21	0.88	0.45	0.96
EPS - diluted normalised (€)		0.49	0.39	0.68	0.60	1.21	0.88	0.45	0.96
EPS - basic reported (€)		0.19	0.06	0.32	0.09	0.34	0.19	(0.42)	(0.12)
Dividend (€)		0.10	0.00	0.06	0.06	0.06	0.06	0.00	0.06
Revenue growth (%)	#REF!	2.9	6.7	16.8	(4.6)	17.9	2.6	12.1	
EBITDA Margin (%)		19.2	21.1	30.8	22.6	43.8	31.4	17.3	29.5
Normalised Operating Margin		16.0	17.5	26.9	19.1	40.3	27.9	14.1	26.7
<b>BALANCE SHEET</b>									
Fixed Assets		249,492	289,509	302,765	354,858	351,405	371,715	371,917	341,844
Intangible Assets		61,602	96,340	65,278	141,521	120,342	163,710	167,732	139,795
Tangible Assets		184,502	189,518	188,423	184,664	180,693	184,001	180,180	178,045
Investments & other		3,388	3,651	49,064	28,673	50,370	24,004	24,004	24,004
Current Assets		42,803	97,030	121,780	123,739	134,207	128,356	109,795	137,642
Stocks		5,921	9,376	10,158	8,978	5,588	4,569	28,629	32,083
Debtors		14,923	29,680	51,072	48,776	22,981	30,061	30,855	34,578
Cash & cash equivalents		17,852	53,739	51,722	49,297	59,464	55,865	12,450	33,119
Other		4,107	4,235	8,828	16,688	46,174	37,861	37,861	37,861
Current Liabilities		(71,014)	(61,627)	(78,811)	(140,912)	(119,026)	(128,067)	(151,062)	(159,695)
Creditors		(59,927)	(58,327)	(69,587)	(128,707)	(113,949)	(119,779)	(145,453)	(154,086)
Tax and social security		(571)	(803)	(5,212)	(732)	(1,962)	(811)	(811)	(811)
Short term borrowings		(8,889)	0	0	0	0	0	0	0
Finance leases		(1,627)	(2,497)	(2,640)	(10,295)	(1,969)	(3,127)	(3,127)	(3,127)
Other		0	0	(1,372)	(1,178)	(1,146)	(4,350)	(1,671)	(1,671)
Long Term Liabilities		(76,032)	(38,834)	(36,192)	(25,383)	(23,001)	(17,085)	(19,764)	(19,764)
Long term borrowings		(32,139)	0	0	0	0	0	0	0
Finance leases		(20,142)	(21,630)	(18,990)	(8,695)	(6,726)	(8,381)	(8,381)	(8,381)
Other long-term liabilities		(23,751)	(17,204)	(17,202)	(16,688)	(16,275)	(8,704)	(11,383)	(11,383)
Net Assets		145,249	286,078	309,542	312,302	343,585	354,919	310,885	300,027
Minority interests		(334)	(305)	0	0	0	0	0	0
Shareholders' equity		144,915	285,773	309,542	312,302	343,585	354,919	310,885	300,027
<b>CASH FLOW</b>									
Op Cash Flow before WC and tax		45,270	48,435	84,572	72,534	132,983	111,914	63,314	122,539
Working capital		(6,672)	(20,851)	29,052	31,488	(9,402)	17,345	821	1,455
Exceptional & other		(4,649)	(3,193)	(76,641)	13,868	52,171	19,556	(36,907)	(67,075)
Tax		(3,879)	(200)	(320)	(5,476)	(1,723)	(2,834)	(10,431)	(22,365)
Net operating cash flow		30,070	24,191	36,663	112,414	174,029	145,981	16,796	34,554
Capex		(10,923)	(10,399)	(9,442)	(8,139)	(7,195)	(9,872)	(8,000)	(10,000)
Net investment in intangibles		2,058	(61,682)	(20,038)	(96,526)	(135,556)	(129,458)	(44,614)	(960)
Acquisitions/disposals		0	0	(500)	(45)	0	0	0	0
Net interest		(3,644)	(7,244)	(1,435)	(2,002)	(3,668)	(1,456)	(2,078)	(2,925)
Equity financing		5	140,708	1	0	0	0	0	0
Dividends		(6,523)	(6,451)	(5,124)	(5,519)	(5,519)	(5,519)	(5,519)	0
Other		(5,727)	(43,236)	(2,142)	(2,608)	(11,924)	(3,275)	0	0
Net Cash Flow		5,316	35,887	(2,017)	(2,425)	10,167	(3,599)	(43,415)	20,669
Opening net debt/(cash) incl financial leases		53,932	44,945	(29,612)	(30,092)	(30,307)	(50,769)	(44,357)	(942)
FX		0	0	0	0	0	0	0	0
Other non-cash movements		3,671	38,670	2,497	2,640	10,295	(2,813)	0	0
Closing net debt/(cash) incl financial leases		44,945	(29,612)	(30,092)	(30,307)	(50,769)	(44,357)	(942)	(21,611)

Source: Company accounts, Edison Investment Research

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Frankfurt +49 (0)69 78 8076 960  
Schumannstrasse 34b  
60325 Frankfurt  
Germany

London +44 (0)20 3077 5700  
280 High Holborn  
London, WC1V 7EE  
United Kingdom

New York +1 646 653 7026  
1,185 Avenue of the Americas  
3rd Floor, New York, NY 10036  
United States of America

Sydney +61 (0)2 8249 8342  
Level 4, Office 1205  
95 Pitt Street, Sydney  
NSW 2000, Australia