



Company Value Case Analysis

AFC Ajax N.V. (Ticker: AJAX.AS)

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TABLE OF CONTENTS

01 Project Overview

About Ajax / Choice of The Company

02 Capital Structure Analysis

Debt-to-Equity Ratio / Cost of Debt and Equity
/ Impact of Interest Rates and Market Volatility

03 Financial Health & Performance

Key Financial Ratios / Analysis

04 Intrinsic Valuation

Discounted Cash Flow (DCF)
Analysis / Valuation Conclusion

05 Investment Recommendation

Rationale / Risks / Recommendations /
Impact of the Team Performance



01

Project Overview

About Ajax

Football Club Ajax (Dutch pronunciation: ['a:jaks]), also known as AFC Ajax, Ajax Amsterdam, or simply Ajax, is a Dutch professional football club based in Amsterdam that plays in the Eredivisie. Ajax, named after the legendary Greek hero, is the most successful club in the Netherlands, with 36 Eredivisie titles and 20 KNVB Cups. And along with Feyenoord and PSV Eindhoven, is one of the country's "big three" clubs.

Why Ajax ?



I chose Ajax to explore how sports team operations impact stock value — a unique angle beyond typical firms.



Ajax balances youth development, competitive performance, and financial sustainability without big-club commercial power.



Ideal case to study the link between team performance, financial strategy, and shareholder value.

02

Capital Structure Analysis

Capital Structure Analysis

Total Liabilities (2024)	€ 354.00 M
Total Equity (2024)	€ 226.00 M
Debt-to-Equity Ratio	1.57
Cost of Debt	5.5%
Cost of Equity	5.2%
Corporate Tax Rate	25.8%
Debt Proportion	61%
Equity Proportion	39%
Debt Contribution (after tax)	2.491%
Equity Contribution	2.026%
WACC	4.517%

- Ajax's D/E ratio of 1.57 is in line with industry norms — more conservative than debt-heavy clubs like Juventus or Dortmund.
- Leverage Level: Moderately leveraged — enough debt for flexibility, but not overexposed.
- Interest Rates: Since Ajax has moderate debt, rising rates would slightly increase interest costs — but not enough to pressure their overall strategy.
- Market Volatility: Much bigger impact — Ajax's financial results swing more from on-field performance and transfer market dynamics than from changes in borrowing costs.

03

Financial Health & Performance

Financial Health & Performance

- Profitability down: ROE dropped from 17.95% to −4.21%; net margin fell to −6.42% in 2024.
- On-field decline: Ajax finished 5th in 2024 — their worst league result in 10 years, missing out on European competition revenue.
- Efficiency dropped: Asset turnover fell from 0.39 to 0.27; inventory turnover from 4.07 to 2.09.
- Liquidity solid: Current ratio rose to 1.12; Ajax can still meet short-term needs.
- Debt manageable: D/E ratio improved from 74% in 2022 to 48% in 2024.
- Overall: Weaker performance and falling efficiency are pressuring financial health despite stable liquidity.

Ratio	2024	2023	2022
Return on Equity (ROE)	−4.21%	17.95%	−11.59%
Return on Assets (ROA)	−10.00%	−6.32%	−7.85%
Net Profit Margin	−6.42%	19.85%	−12.85%
Current Ratio	1.12	1.05	1.29
Quick Ratio	1.07	1.00	1.25
Debt-to-Equity Ratio	48%	44%	74%
Asset Turnover Ratio	0.27	0.39	0.39
Inventory Turnover Ratio	2.09	3.52	4.07

04

Intrinsic Valuation

Discounted Cash Flow (DCF) Analysis

AFC Ajax NV Income Statement						
Year	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Revenue (M)	€ 152.00	€ 196.00	€ 189.00	€ 125.00	€ 162.00	€ 199.00
Revenue Growth Rate	-22%	4%	51%	-23%	-19%	X
EBIT Margin (%)	-58.92%	-26.07%	-32.10%	-72.43%	-34.28%	
Revenue Growth Rate (Average)	-1.80%	(5 year average)				
WACC	4.52%					
Corporate Tax Rate	25.80%					
Terminal Growth	1.50%	Based on Eurozone economic standards				
EBIT Margin	-44.76%	(5 year average)				
Net Debt(M)	€ 51.53					
Share Outstanding (M)	18.33					

5-Year Ajax DCF Forecast						
Year	Revenue (M)	EBIT (M)	NOPAT(M)	Discount Factor	PV of NOPAT(M)	
2025	€ 149.27	-€ 66.81	-€ 49.58	1.045	-€ 47.43	
2026	€ 146.59	-€ 65.61	-€ 48.69	1.092	-€ 44.57	
2027	€ 143.96	-€ 64.44	-€ 47.81	1.142	-€ 41.88	
2028	€ 141.37	-€ 63.28	-€ 46.95	1.193	-€ 39.35	
2029	€ 138.84	-€ 62.14	-€ 46.11	1.247	-€ 36.97	
Terminal Value (M)	-€ 1,551.25					
Discounted Terminal Value (M)	-€ 1,243.79					
Total Enterprise Value (EV) (M)	-€ 1,453.98					
Equity Value Calculation(M)	-€ 1,505.51					
Implied Share Price	-€ 82.13					

DCF Model Inputs

Revenue Growth Rate: -1.84% (5-year average)

Starting Revenue (2024): €152M

WACC: 4.52%

Corporate Tax Rate: 25.80%

Terminal Growth: 1.50%

(Based on Eurozone economic standards)

EBIT Margin: -45.58% (5-year average)

Valuation Results

Projected Free Cash Flows (2025–2029): Based on

declining revenue and negative EBIT

Terminal Value: –€1,551.25M

Discounted Terminal Value: –€1,243.79M

Total Enterprise Value: –€1,453.98M

Net Debt: –€51.53M

Equity Value: –€1,505.51M

Implied Share Price: –€82.13

Stock Rating & Outlook

Implied Share Price:

~~—€82.134~~

Market Price (2025/4/28) :

€9.96

Analyst Consensus: Hold, with an average target price of €9.00.

Why Hold ? A Potential 2025 Winning Season



Brand remains strong



















Ajax still holds value through youth development and fan trust.













Turnaround possible










Selling now may lock in losses, also, a potential promising 2025 season could quickly improve financials.




Dutch Eredivisie Table 2025

Dutch Eredivisie									
Last updated: 29 April, 9:12am									
	Team	Pl	W	D	L	F	A	GD	Pts
1	 Ajax	31	23	5	3	63	27	+36	74
2	 PSV Eindhoven	30	21	4	5	89	34	+55	67
3	 Feyenoord	30	18	8	4	68	32	+36	62
4	 FC Utrecht	31	18	8	5	61	42	+19	62
5	 FC Twente	30	13	9	8	56	44	+12	48
6	 AZ Alkmaar	30	13	8	9	48	34	+14	47
7	 Go Ahead Eagles	30	13	8	9	52	46	+6	47
8	 Heerenveen	31	11	7	13	39	53	-14	40
9	 Fortuna Sittard	30	10	6	14	34	49	-15	36
10	 Sparta Rotterdam	30	8	11	11	34	37	-3	35
11	 Groningen	30	9	8	13	32	45	-13	35
12	 Heracles Almelo	30	8	11	11	37	52	-15	35
13	 NEC Nijmegen	30	9	6	15	42	44	-2	33
14	 NAC Breda	30	8	8	14	32	50	-18	32
15	 PEC Zwolle	30	7	10	13	35	48	-13	31
16	 Willem II	30	6	6	18	30	50	-20	24
17	 Almere City FC	31	4	8	19	21	59	-38	20
18	 RKC Waalwijk	30	4	7	19	35	62	-27	19

Strong Youth Prospects

	A. Gaai RB 21	69	80	RB (3)	2023 ~ 2028
	J. Šutalo CB 24	79	84	RCB (37)	2023 ~ 2028
	Y. Baas CB LB 21	72	80	LCB (15)	2021 ~ 2028
	J. Hato LB CB 18	77	88	LB (4)	2022 ~ 2028
	J. Henderson CDM CM 34	79	79	CDM (6)	2024 ~ 2026
	D. Klaassen CM CAM 31	77	77	RCM (18)	2024 ~ 2025
	K. Taylor CM CAM 22	77	83	LCM (8)	2018 ~ 2027
	S. Berghuis RW CAM 32	78	78	RW (23)	2021 ~ 2027
	B. Brobbey ST 22	78	84	ST (9)	2022 ~ 2027
	M. Godts LW RW 19	73	85	LW (11)	2023 ~ 2029

	A. Kaplan CB 21	71	82	SUB (13)	2022 ~ 2027
	C. Rasmussen RW ST 21	65	75	RES (29)	2019 ~ 2027
	A. van Axel Dongen LW 19	65	78	RES (27)	2020 ~ 2027
	D. Janse CB 18	64	80	RES (36)	2024 ~ 2028
	J. Rijkhoff ST 19	64	80	RES (19)	2024 ~ 2027
	C. Setford GK 20	63	78	RES (51)	2020 ~ 2027
	R. Bounida LW CAM 18	62	83	RES (64)	2025 ~ 2028
	L. Jetten LB 17	62	82	RES (46)	2025 ~ 2026
	S. Steur CM 16	62	82	RES (63)	2025 ~ 2027

	S. Steur CM 16	62	82	RES (63)	2025 ~ 2027
	P. Reversion GK 19	61	76	RES (52)	2024 ~ 2027
	N. Verschuren CB 19	61	78	RES (42)	2023 ~ 2026
	J. Faberski RW 18	60	80	RES (50)	2022 ~ 2028
	D. Konadu ST LW 18	60	80	RES (59)	2023 ~ 2028
	A. Bouwman CB 16	59	81	RES (43)	2024 ~ 2027
	P. Ugwu CB RB 18	59	79	RES (45)	2023 ~ 2026
	Y. Regeer CM RB 20	72	82	RES (44)	2025 ~ 2029

Valuation Conclusion

DCF result

Ajax appears significantly overvalued based on current financials.



Negative equity

Driven by ongoing losses and declining revenue.



Market optimism

Current price reflects hope for a rebound — stronger player development and European competition success.

2025 outlook

Investors may be pricing in a potential Eredivisie title push.

05

Investment Recommendation

Strategy Insight

Rationale

- Ajax has a strong brand, solid equity, and a world-class youth system.
- But current financials show warning signs:
 - EBIT margin: -45.58%
 - Revenue growth: -1.84% avg
 - Heavy reliance on transfer income and European competition
- Upside is limited without a strong performance rebound.

Key Risks

- Performance Risk: Missing top 3 or Europe hits revenue hard.
- Transfer Risk: Profits depend on selling players at the right time, for the right price.
- Operational Risk: High wages and fixed costs can squeeze cash flow.

Recommendations



Grow commercial income

Boost global branding and merchandise sales.



Control costs smartly

Cut admin and wage bloat without hurting squad quality.



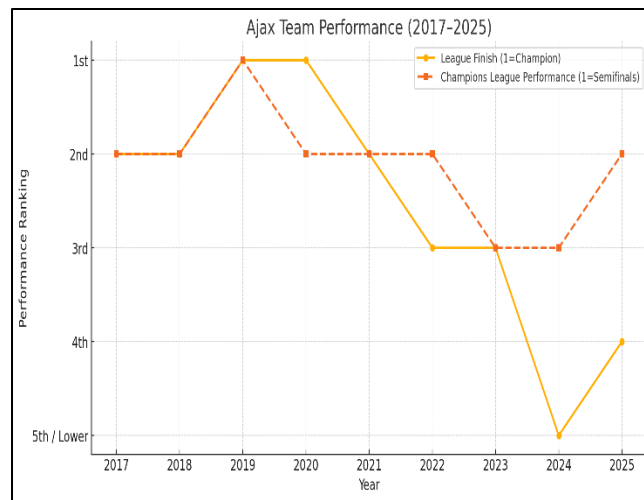
Double down on youth

Keep developing talent to stay competitive and profitable.



Impact of the Team Performance

- Ajax's stock peaked during the 2018–19 UCL semifinal run and hit a historic low after finishing 5th in 2024.
- Performance has a direct impact on revenue, investor confidence, and market value.
- Strong results drive ticket sales, transfer value, and financial momentum — poor performance does the opposite.



THANKS!

Do you have any questions?
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