

NEWS FLASH

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Sweden
Software & Services

Research analysts:

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BTS Group

Share price: SEK276.0

Fair value range: SEK311.0–396.0

Makes acquisition in the coaching segment

Acquires Sounding Board a technology based coaching solutions provider

Sounding Board is a tech-first coaching platform. The company had revenue of USD7m in 2024, equivalent to ~3% of BTS's revenue the same year. BTS will use the Sounding Board platform for its coaching segment, a segment with sales of USD40m. BTS expects the transaction to have a slightly positive impact on EBITA(25) and a positive impact on both margins and EBITA in 2026. We believe that the reason for the impact being higher in 2026e than 2025e is that Sounding Board may historically have prioritised growth ahead of profitability and that the synergies for implementing the new platform will become fully apparent in 2026e.

Transaction value not disclosed

The acquisition includes a limited upfront cash payment as well as earn-outs paid during 2025–28 based on performance. We like the structure of the deal as it aligns the interests of Sounding Board management with those of BTS and limits the risk for BTS.

Supports our thesis of a long-term margin expansion

We believe that this acquisition and the recent acquisition of Verify can act as catalysts for the BTS margin going forward as they are both tech-driven. Sounding Board has invested over USD45m in its technical platform, which leads us to believe that, by using it, BTS will be able to expand its margins in coaching.

Upcoming events

- Q1 Report: 16 May 2025
- Q2 Report: 22 Aug 2025
- Q3 Report: 12 Nov 2025

Growth and profitability are the main catalysts for the share going forward

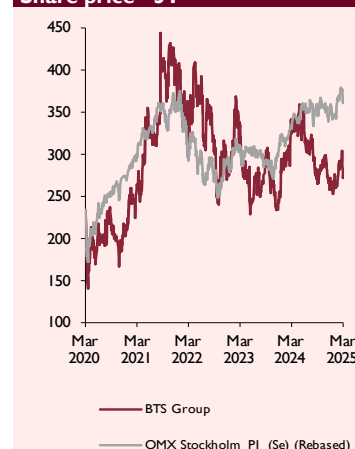
BTS currently trades at EV/EBIT 14.2x based on our estimates, which is a discount of ~5% to the consensus median EV/EBIT NTM for the past three years. We believe that the main catalyst for the share in 2025–26e will be if the initiatives and acquisitions made in 2024 to return the company to a growth rate of 10% Y/Y are successful.

Key facts

| | |
|-------------------------|-------------------|
| No. shares (m) | 19.4 |
| Market cap. (USDm) | 522 |
| Market cap. (SEKm) | 5,354 |
| Net IB Debt. (SEKm) | -347 |
| Adjustments (SEKm) | 0 |
| EV (2025e) (SEKm) | 5,007 |
| Free float | 81.0% |
| Avg. daily vol. ('000) | 20 |
| Risk | Medium Risk |
| Fiscal year end | December |
| Share price as of (CET) | 05 Mar 2025 00:00 |

| Key figures (SEK) | 2024 | 2025e | 2026e | 2027e |
|---------------------|-------|-------|-------|-------|
| Sales (m) | 2,802 | 3,123 | 3,425 | 3,743 |
| EBITDA (m) | 439 | 485 | 533 | 660 |
| EBIT (m) | 298 | 353 | 408 | 535 |
| EPS | 20.1 | 12.1 | 14.1 | 18.7 |
| EPS adj. | 12.6 | 14.3 | 15.8 | 20.4 |
| DPS | 6.10 | 6.50 | 7.00 | 7.75 |
| Sales growth Y/Y | 4% | 11% | 10% | 9% |
| EPS adj. growth Y/Y | -6% | 14% | 10% | 29% |
| EBIT margin | 10.6% | 11.3% | 11.9% | 14.3% |
| P/E adj. | 21.9 | 19.3 | 17.5 | 13.5 |
| EV/EBIT | 16.6 | 14.2 | 11.7 | 8.5 |
| EV/EBITA | 14.2 | 12.6 | 10.8 | 8.0 |
| EV/EBITDA | 11.3 | 10.3 | 9.0 | 6.9 |
| P/BV | 3.2 | 3.0 | 2.8 | 2.5 |
| Dividend yield | 2.2% | 2.4% | 2.5% | 2.8% |
| FCF yield | 5.5% | 5.4% | 6.0% | 6.5% |
| Equity/Total Assets | 49.5% | 50.2% | 51.3% | 53.8% |
| ROCE | 23.6% | 14.9% | 16.5% | 20.4% |
| ROE adj. | 16.4% | 16.1% | 16.5% | 19.4% |
| Net IB debt/EBITDA | -0.3 | -0.7 | -1.1 | -1.2 |

Share price - 5Y



High/Low (12M) SEK359/253

| Perf. | 3M | 6M | 12M | YTD |
|-------|-----|------|-------|------|
| Abs. | 4.9 | 1.5 | -15.1 | 4.9 |
| Rel. | 1.9 | -4.2 | -26.5 | -2.3 |

Source: Carnegie Research, FactSet, Millstream & company data

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