



NEWS FLASH

Software & Services

Fair value: SEK311.0–396.0

Share price: SEK247.5

BTS Group

Slightly below estimates, guidance kept – Q1 initial comment

Research analysts:

Rikard Engberg

DNB Carnegie Investment Bank AB

BTS reported rather lacklustre numbers in Q1, but reiterated its full-year guidance. The reported bookings of its AI and the cost savings due to AI investments support our long-term equity story of an expanding margin during 2025-27e.

Profitability maintained despite lower topline. Q1 sales were SEK647m, corresponding to a 3% FX-adjusted growth rate Y/Y and a 1% organic growth rate. The number was 5.1% lower than our estimate. Adj. EBITA in the quarter was SEK59m, SEK5m below our estimate. The strongest segment was Europe, with organic growth of 9% Y/Y and strong momentum. North America and Other Markets were rather lacklustre, with organic growth of 2% and a decline of 2% on economic uncertainties and seasonal effects. We argue the most important aspect of the report is that the company reiterated its full year guidance, with a caveat with regard to FX.

Productivity investments and Verity performance strengthen our equity story. BTS for the first time reported the performance of Wonderways, its AI-based coaching software, with bookings of USD2m YTD. This together with AI investments resulted in annual cost savings of USD5m, starting in H2 2025e and supporting to our equity story of an expanding margin during 2025e–27e, eventually leading to multiples expansion.

Valuation below long-term median. Based on the FactSet consensus, BTS is currently trading at an EV/EBIT of 12.8x, compared to the median during 2020–25 of 16.7x. While we believe the shares will perform slightly below the market during the day, we expect long-term multiple expansion as Wonderways increases its share of revenue and the AI investments lead to a higher margin.

Upcoming events

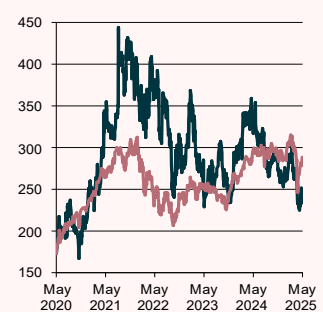
Q1 Report	16 May 2025
Q2 Report	22 Aug 2025
Q3 Report	12 Nov 2025

Key facts

No. shares (m)	19.4
Market cap. (USDm)	493
Market cap. (SEKm)	4,802
Net IB Debt. (SEKm)	-341
Adjustments (SEKm)	0
EV (2025e) (SEKm)	4,460
Free float	81.0%
Avg. daily vol. ('000)	2
BBG	BTSB SS
Fiscal year end	December
Share price as of (CET)	15 May 2025 17:29

Key figures (SEK)

	2024	2025e	2026e	2027e
Sales (m)	2,802	3,074	3,372	3,707
EBITDA (m)	439	479	514	624
EBIT (m)	298	347	389	499
EPS	20.1	11.9	13.4	17.9
EPS adj.	12.6	14.1	15.1	19.6
DPS	6.10	6.50	7.00	7.75
Sales growth Y/Y	4%	10%	10%	10%
EPS adj. growth Y/Y	-6%	12%	7%	30%
EBIT margin	10.6%	11.3%	11.5%	13.5%
P/E adj.	19.7	17.6	16.4	12.6
EV/EBIT	16.6	12.9	10.9	8.1
EV/EBITA	14.2	11.4	10.1	7.6
EV/EBITDA	11.3	9.3	8.3	6.4
P/BV	2.9	2.7	2.5	2.3
Dividend yield	2.5%	2.6%	2.8%	3.1%
FCF yield	6.2%	5.9%	6.4%	6.9%
Equity/Total Assets	49.5%	50.4%	51.3%	53.6%
ROCE	23.6%	14.7%	15.9%	19.2%
ROE adj.	16.4%	15.9%	15.9%	18.8%
Net IB debt/EBITDA	-0.3	-0.7	-1.1	-1.2

Share price – 5-year


— BTS Group
— OMX Stockholm_PI (Se) (Rebased)

High/Low (12M) **SEK354/225**

Perf.	3M	6M	12M	YTD
Abs.	-14.06	-9.34	-21.68	-5.89
Rel.	-6.73	-10.60	-18.80	-7.45

Source: DNB Carnegie (estimates), FactSet, Infront & company data

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Deviation table

BTS (SEKm)													
Deviation table													
	2024							2025e					
SEKm	Q1	Q2	Q3	Q4a	Q1a	Q1e	Dev	Q2e	Q3e	Q4e	2025e	2026e	2027e
Sales	619	730	657	796	647	682	-5%	807	714	871	3,074	3,372	3,707
Growth	7%	4%	4%	4%	4.6%	10.2%	-5.6pp	11%	9%	9%	10%	10%	13%
Adj EBITA	59	110	60	136	59	64	-8%	119	68	156	407	439	549
Adj. EBITA margin	9.5%	15.1%	9.1%	17.0%	9.1%	9.4%	-0.2pp	15%	9%	18%	13.2%	13.0%	14.8%
EO	0	0	0	0	0	0	0	0	0	0	0	0	0
Adj EBIT	43	95	43	117.6	410	49	-16%	104	53	141	347	389	499
Adj. EBIT margin	7.0%	13.0%	6.5%	14.8%	6.3%	7%	-0.8pp	13%	7%	16%	11.3%	11.5%	13.5%
Pre-tax Profit	64	87	200	116	35	43	-19%	99	47	136	329	371	481
Net profit	36	86	34	116	25	30	-17%	69	33	95	230	260	347
EPS (SEK)	2.8	3.1	9.8	4.3	1.3	1.6	-15%	3.6	1.7	4.9	11.9	13.4	17.9

Source: Company data, Carnegie Research *Adj. EBITA BTS reported EBITA

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