BTS Group

Q2 PW not out of the blue

- North American weakness behind yesterday's Q2 PW
- FY guidance cut more than feared
- Estimates likely down 10-15%, stock closed -12% yesterday

Late Q2 PW, but not entirely unexpected

As we argued for in our preview (link), North America has likely been tough in Q2 for larger consulting projects, and the FY guidance was at risk. Yesterday morning, BTS sent out a PW with sales -1% vs FactSet consensus and EBITA -20% (-14% vs ABG), as well as adjusting its FY EBITA guidance from “better than 2024” to “worse than 2024”, while we feared a cut to “in line with 2024”. EBITA declined -23% y-o-y in Q2, vs 0% y-o-y in Q1. BTS blames underperformance in the North American market and business, and acts immediately by doing organisational changes. CEO Jessica Skon was previously Head of North America, so she clearly knows the market, the business and the organisation well. Having been with BTS for more than 20 years, Mrs Skon is hopefully making the right changes to get the Group's largest business unit back on track again. BTS also said that the other segments (Europe and Other markets) as well as the recently acquired Boda in the US are performing both revenue and EBITA growth, which is a positive sign. FX has also had a negative effect on earnings growth y-o-y and impacts the new FY guidance.

Estimates likely down 10-15%

As a result of the Q2 PW and FY guidance cut, we expect consensus to reduce EBITA estimates by 10-15%, as consensus expected a 4% growth in EBITA in 2025e. The share closed -12% yesterday, and it will likely take some quarters to get back full trust again as the North American underperformance does not only seem to be temporary in Q2. The Q2 report is still scheduled for 22 August. The share closed at 9.0x 2025e EV/EBITA yesterday before estimate changes (FactSet consensus).

Q2 deviation

SEKm	Q2'24	Q2'25	ABGSC Q2'25e	Cons Q2'25e	vs ABGSC	vs Cons
Sales	730	**720**	724	729	**-1%**	**-1%**
EBITA	110	**85**	99	106	**-14%**	**-20%**

Source: ABG Sundal Collier, FactSet, company data

2025 guidance change

SEKm	2024	2025 old guidance	2025 new guidance	ABGSC 2025e	Cons 2025e
EBITA	365	"better than 2024"	"worse than 2024"	370	379
			y-o-y growth:	*1%*	*4%*

Source: ABG Sundal Collier, FactSet, company data

Fast comment

Commissioned research

Not rated

Services

BTS.B-SE/BTSB SS

Share price (SEK)	4/8/2025	178.60

MCap (SEKm)	3,464
MCap (EURm)	296
No. of shares (m)	18.5
Free float (%)	72.3
Av. daily volume (k)	1

Next event Q2 Report 22 August 2025

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SEKm	2023	2024	2025e	2026e	2027e
Sales	2,683	2,802	2,867	3,147	3,429
Sales growth (%)	*6.1*	*4.4*	*2.3*	*9.8*	*8.9*
EBITDA	422	439	445	519	583
EBITDA margin (%)	*15.7*	*15.7*	*15.5*	*16.5*	*17.0*
EBIT adj.	288	298	297	370	435
EBIT adj. margin (%)	*10.7*	*10.6*	*10.4*	*11.8*	*12.7*
Pretax profit	295	468	279	360	425
EPS	11.07	19.95	10.13	12.99	15.35
EPS growth (%)	*8.1*	*80.1*	*-49.2*	*28.2*	*18.2*
EPS adj.	13.24	22.80	12.79	15.52	17.69
DPS	5.70	6.10	5.07	6.50	7.67
EV/EBITDA (x)	8.2	7.6	7.4	6.0	5.1
EV/EBIT adj. (x)	12.0	11.2	11.1	8.5	6.8
P/E (x)	16.1	9.0	17.6	13.7	11.6
P/E adj. (x)	13.5	7.8	14.0	11.5	10.1
EV/sales (x)	1.29	1.19	1.14	1.00	0.87
FCF yield (%)	1.7	5.7	5.0	8.8	10.1
Le. adj. FCF yld. (%)	0.2	4.0	3.3	7.0	8.3
Dividend yield (%)	3.2	3.4	2.8	3.6	4.3
Net IB debt/EBITDA (x)	-0.0	-0.3	-0.4	-0.6	-0.8
Le. adj. ND/EBITDA (x)	-0.4	-0.7	-0.9	-1.0	-1.2

Source: ABG Sundal Collier, Company Data

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