



## Penser Access by Carnegie

IT Services | Sweden | 08 May 2024

# BTS Group

## Heading towards easier comparables

### Below Market expectations...

Net sales reached SEK619m in the quarter, representing currency-adjusted growth of 7%. This was in line with consensus estimates. EBITA was SEK58m, implying a margin of 9.5%, some 6%-points below consensus. As Q1 is BTS's smallest quarter, this represents a deviation of some 2% on consensus for the full year. The weaker performance stemmed largely from the EBITA margin in Europe declining to 9.6% from 10.2%. The market in Europe remains hesitant, and several projects have been postponed to H2(24). EPS arrived at SEK2.75 in Q1. This included a positive revision of the earn-outs. Adjusted for this, EPS came in at SEK1.3, which was about SEK0.3 short of consensus. During Q1, the company launched its BTS Total Access concept that involves BTS working more closely with customers to develop and drive change themselves, with the help of BTS-developed material on a subscription basis, for example. The concept accounted for 4% of Q1 revenues.

### ...but in the weakest quarter...

Despite a weaker start on the EBITA level, we believe sales will continue to develop well during 2024. As comparables will become easier, we expect organic growth to accelerate during the year. The weaker start to the year prompts us to cut our EBITA estimates by 5.9% for 2024 and 4.7% for 2025. We lower our 2024e adjusted EPS by 10.1%. Our estimate for reported EPS increases by 2.8%, however, owing to the earn-outs that have not been paid out.

### ...with easier comparables

Given this less convincing start to the year than expected and the still challenging market, we lift our WACC to 9% (8.5%). As a result, we adjust our fair value to SEK350–390 (380–400). We believe the company will continue to improve margins sequentially in the coming quarters despite the challenging market.

Change in estimates				Forecasts (SEKm)				Value and risk		
	24e	25e	26e	2023	2024e	2025e	2026e	Fair value	SEK 350 - 390	
Total Revenues	0.0%	-0.4%	1.2%	2,683	2,893	3,199	3,499	Share price	SEK 330	
EBITDA, adj.	-4.7%	-4.0%	-2.4%	Revenue growth	6%	8%	11%	9%	Risk level	Medium
EPS, adj.	-10.1%	-5.5%	3.2%	EBITDA, adj.	422	475	529	553	<b>Price Performance 12 months</b>	
<b>Upcoming events</b>				EBIT, adj.	288	337	399	423		
Q2 - report	15 August 2024			EPS, adj.	11.1	11.3	13.8	14.6		
Q3 - report	08 November 2024			EPS growth, adj.	8%	2%	22%	6%		
<b>Company facts (SEKm)</b>				Dividend per share	5.7	6.5	6.8	7.0		
Number of shares	19m			EBIT margin	10.7%	11.6%	12.5%	12.1%		
Market capitalisation	6,452			ROE, adj.	17.0%	15.9%	17.7%	17.1%		
Net debt	-196			ROCE, adj.	22.9%	24.6%	26.5%	25.6%		
EV	6,256			EV/Sales	2.1x	2.2x	2.0x	1.8x		
Free float	81%			EV/EBITDA	13.1x	13.2x	11.8x	11.3x		
Daily trading volume, average	6k			EV/EBIT	19.2x	18.6x	15.7x	14.8x		
Bloomberg Ticker	BTSB SS EQUITY			P/E, adj.	26.8x	29.6x	24.2x	22.8x	<b>Conflicts of interest</b>	
<b>Analyst</b>				P/BV	Neg.	Neg.	Neg.	Neg.	Yes	No
Rikard Engberg				Dividend yield	1.9%	2.0%	2.0%	2.1%	Liquidity provider	✓
rikard.engberg@carnegie.se				FCF yield	1%	3%	4%	4%	Certified adviser	✓
				Net debt / EBITDA	-1.3x	-1.3x	-1.5x	-1.6x	Transactions 12m	✓

## Investment case

BTS is the market leader in simulation and implementation of business strategies. Since its listing in 2001, the company has increased its turnover by some 13% a year and its EBITA annually by 16%. This outstrips the management consulting industry as a whole at 6–8% over the same period. We believe this is explained by three factors:

- 1) BTS has built an impressively loyal client base over the years, with some 80% of revenues now stemming from previous customers. This has led the company to successful and maintained growth in profitability even in turbulent times, distinguishing BTS from other listed consulting firms.
- 2) It has succeeded when complementing its business with acquisitions.
- 3) Historically, it has shown especially high employee satisfaction – thanks to an entrepreneurial, results-oriented, and robust culture that brings engagement. This is an essential element in sustaining high growth.

### Company profile

BTS, a consultancy firm within strategy implementation, has, since its IPO in 2001, shown an impressive performance in both turnover and profits. The company's principal product is training programmes (63% of 2022 turnover). These programmes simulate strategies and decision-making for much of an organisation. One example is a project that a software industry client rolled out in Q4(22), allowing 30,000 salespeople to participate in a simulation programme. During the pandemic, BTS was able to reorganise its deliveries from a focus on physical products to virtual and digital services, confirming the company's strong culture and its ability to adapt. Beyond its high organic growth, BTS has also proven its ability to implement change.

Over the past ten years, BTS has reported ROE of 17% on average – among the highest of the consultancy firms we have looked at listed on the Stockholm stock exchange. In addition to having one of the highest ROEs among the companies we cover, it also boasts the lowest volatility in ROE, which we believe justifies a premium over other Swedish consulting companies. We believe its low ROE volatility can be attributed to its services being sought after in most economic climates and as it relies on repeat customers that, in times of crisis, invest in simulations and implementation of new strategies.

BTS is a global company with around 1,150 employees. Its key market is North America, accounting for around 50% of turnover in 2023. Europe accounted for 18% of turnover. Other markets represented 27%. This global presence is a consequence of the smaller acquisitions BTS carried out in the years before its IPO. We believe its geographical coverage also contributes to the low volatility in its turnover and profits.

### Valuation

Given the stable cash flows in BTS, we have chosen to value the share using a DCF model. Our DCF model suggests a value of SEK350–390. We believe the key share price catalysts, beyond the continued increase in margins, will be new, smaller acquisitions that bolster organic growth and the initiated action programmes that are now having an effect on the margin.

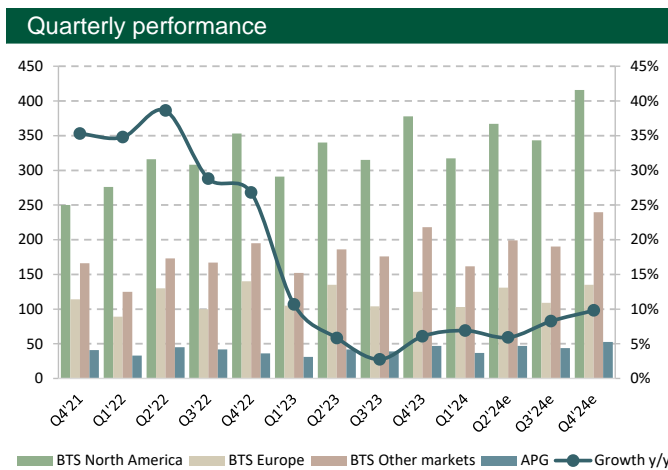
## Brief overview of the quarter

**BTS North America:** Net sales came in at SEK317m for the quarter, representing currency-adjusted growth of 10% Y/Y. EBITA for Q1 was SEK33.8m, implying a margin of 10.7%. The positive trend among tech and software customers continued during the quarter, but the company anticipates further caution among other industries. We thus expect an ongoing improvement during the year is likely.

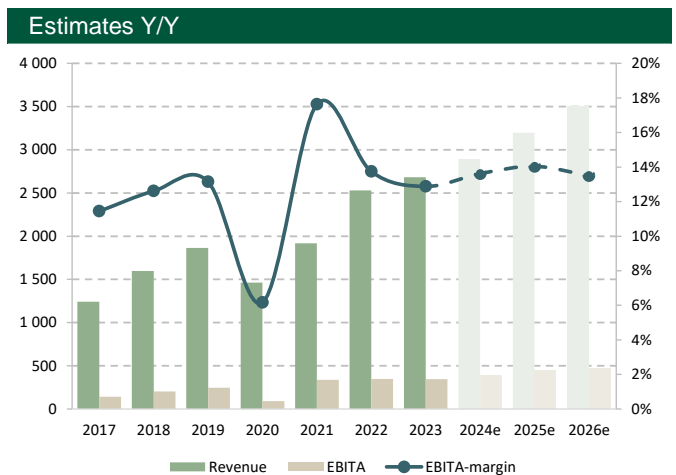
**BTS Europe:** Net sales were SEK 103m for Q1, representing currency-adjusted growth of -4% Y/Y. EBITA came in at SEK 9.8m, meaning the margin was 9.6%. The European market remained hesitant during Q1. Several customers signed agreements for delivery in H2(24) during the quarter, and so we expect a turnaround in growth from this region.

**BTS Other Markets:** Net sales reached SEK 162m, suggesting currency-adjusted growth of 8% Y/Y. EBITA was SEK12.1m, which implies a margin of 7.5%. The Middle East was again a robust market, while the company sees more caution in China and South Korea.

We thus believe the profitability trend for BTS is positive, but that the market will remain challenging during H1(24). BTS will see easier comparables from H2(24).



Source: BTS, Penser by Carnegie



Source: Penser by Carnegie

## Quarterly estimates for current year

	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24e	Q3'24e	Q4'24e
Sales BTS North America	175	210	238	251	250	276	316	308	353	291	340	315	378	317	367	343	416
Sales BTS Europe	92	70	93	77	114	89	130	100	140	105	135	104	125	103	131	109	135
Sales BTS other markets	124	84	119	124	166	125	173	167	195	152	186	176	218	162	199	190	240
APG	31	24	29	27	41	33	45	42	36	31	42	39	47	37	47	44	53
<b>Total Sales</b>	<b>422</b>	<b>388</b>	<b>479</b>	<b>479</b>	<b>571</b>	<b>533</b>	<b>664</b>	<b>617</b>	<b>724</b>	<b>579</b>	<b>703</b>	<b>634</b>	<b>768</b>	<b>619</b>	<b>744</b>	<b>686</b>	<b>843</b>
Total Costs	-361	-331	-384	-397	-446	-449	-524	-533	-593	-513	-580	-562	-606	-539	-621	-570	-687
depreciation PPE	-16	-8	-8	-8	-25	-18	-18	-18	-20	-18	-17	-18	-23	-21	-20	-20	-20
Amortization	-7	-16	-14	-17	-10	-11	-11	-12	-9	-11	-14	-16	-17	-15	-14	-14	-14
<b>EBIT</b>	<b>37</b>	<b>34</b>	<b>74</b>	<b>57</b>	<b>91</b>	<b>45</b>	<b>101</b>	<b>54</b>	<b>102</b>	<b>37</b>	<b>92</b>	<b>38</b>	<b>122</b>	<b>43</b>	<b>89</b>	<b>83</b>	<b>122</b>
Net Financials	-4	-4	-4	-5	-4	-3	-4	-4	-3	-4	-5	-8	-7	21	-6	-6	0
Affiliated companies	0	0	0	0	0	0	0	1	0	0	0	28	28	0	0	0	0
<b>Profit Before Tax</b>	<b>34</b>	<b>30</b>	<b>69</b>	<b>53</b>	<b>87</b>	<b>42</b>	<b>96</b>	<b>51</b>	<b>99</b>	<b>33</b>	<b>88</b>	<b>59</b>	<b>144</b>	<b>64</b>	<b>83</b>	<b>77</b>	<b>122</b>
Tax	0	-9	-21	-17	-27	-13	-30	-15	-31	-10	-27	-10	-33	-11	-25	-23	-35
<b>Profit After Tax</b>	<b>34</b>	<b>21</b>	<b>48</b>	<b>36</b>	<b>60</b>	<b>29</b>	<b>66</b>	<b>35</b>	<b>68</b>	<b>22</b>	<b>61</b>	<b>49</b>	<b>110</b>	<b>53</b>	<b>58</b>	<b>54</b>	<b>87</b>
Growth North America y/y					43%	31%	33%	23%	41%	5%	8%	2%	7%	9%	8%	9%	10%
Growth Europe y/y					24%	27%	40%	30%	23%	18%	4%	4%	-11%	-2%	-3%	5%	8%
Growth other Markets y/y					34%	49%	45%	35%	17%	22%	8%	5%	12%	6%	7%	8%	10%
Growth APG y/y					32%	38%	55%	56%	-12%	-6%	-7%	-7%	31%	19%	12%	12%	12%
<b>EBITA</b>	<b>45</b>	<b>50</b>	<b>88</b>	<b>74</b>	<b>100</b>	<b>56</b>	<b>112</b>	<b>66</b>	<b>111</b>	<b>48</b>	<b>106</b>	<b>54</b>	<b>139</b>	<b>59</b>	<b>103</b>	<b>97</b>	<b>136</b>
EBITA-margin	26%	13%	18%	15%	18%	11%	17%	11%	15%	8%	15%	9%	18%	9%	14%	14%	16%
EBIT-margin	9%	9%	15%	12%	16%	9%	15%	9%	14%	6%	13%	6%	16%	7%	12%	12%	14%
EPS	1,7	1,1	2,5	1,9	3,1	1,5	3,4	1,8	3,5	1,1	3,1	2,5	5,7	2,8	3,0	2,8	4,5
EPS Growth y/y					79%	38%	37%	-2%	13%	-23%	-8%	37%	64%	140%	-4%	10%	-21%

Källa: BTS, Penser by Carnegie

## Estimate changes

	Estimates changes					
	New estimates			Old estimates		
	2024e	2025e	2026e	2024e	2025e	2026e
<b>Net Sales</b>	<b>2 893</b>	<b>3 199</b>	<b>3 499</b>	<b>2 892</b>	<b>3 213</b>	<b>3 499</b>
Operating Expenses	-2 417	-2 670	-2 946	-2 393	-2 661	-2 946
depreciation PPE	-81	-80	-80	-80	-80	-80
Amortization of intangible assets	-57	-50	-50	-50	-50	-50
<b>EBIT</b>	<b>337</b>	<b>399</b>	<b>423</b>	<b>369</b>	<b>421</b>	<b>421</b>
Net Financials	-25	-18	-18	-22	-18	-18
Profit Before Tax	312	381	405	347	403	403
Tax	-94	-114	-121	-104	-121	-121
<b>Profit After Tax</b>	<b>218</b>	<b>267</b>	<b>283</b>	<b>243</b>	<b>282</b>	<b>282</b>
<b>EPS</b>	<b>12,7</b>	<b>13,8</b>	<b>14,6</b>	<b>12,5</b>	<b>14,6</b>	<b>14,6</b>
<b>EBITA</b>	<b>394</b>	<b>449</b>	<b>473</b>	<b>419</b>	<b>471</b>	<b>471</b>
<b>Changes in estimates %</b>						
Revenue	0,0%	-0,4%	1,2%			
EBITA	-5,9%	-4,7%	-2,8%			
EPS	1,5%	-5,5%	-3,2%			

Source: BTS, Penser by Carnegie

# Värdering

## DCF

Valuation output		WACC assumptions		Terminal value assumptions	
Sum of PV of FCF (explicit period)	2 666	Risk free nominal rate	2,5%	Long term growth rate	2,0%
PV of terminal value (perpetuity formula)	4 010	Risk premium	5,5%	Long term EBIT margin	15,5%
<b>Enterprise value</b>	<b>6 676</b>	Small cap premium	0,0%	Depreciation (% of sales)	5,0%
Latest net debt	-196	Extra risk premium	1,0%	Capex (% of sales)	4,0%
Minority interests & other	0	<b>Cost of equity</b>	<b>9,0%</b>	Working cap. (% of sales)	5,0%
<b>Equity value</b>	<b>6 872</b>			Tax rate	22%
No. of shares outstanding (millions)	19				
<b>Equity value per share</b>	<b>355</b>				

Källa: Penser by Carnegie

## Sensitivity table

### Sensitivity analysis

		Long-term growth rate					Long-term EBIT margin						
		1,0%	1,5%	2,0%	2,5%	3,0%			12,0%	13,0%	15,5%	15,0%	16,0%
WACC	8,0%	374	397	423	454	492	WACC	8,0%	352	372	423	413	433
	8,5%	345	364	386	412	442		8,5%	322	341	386	377	395
	9,0%	320	336	355	376	401		9,0%	297	314	355	347	363
	9,5%	298	312	328	346	366		9,5%	276	291	328	320	335
	10,0%	278	290	304	319	337		10,0%	257	270	304	297	311

Källa: Penser by Carnegie

## Peer group

Valuation	MCAP	EV	EV / Sales			EV / EBITDA			EV / EBIT			Price / Earnings		
	(sek)	(sek)	LTM	2024	2025	LTM	2024	2025	LTM	2024	2025	LTM	2024	2025
Mind Gym	528	536	0,81x	-	-	-	-	-	-	-	-	nm	-	-
Korn Ferry	36 491	34 487	1,12x	1,12x	1,05x	8,12	7,33	6,69	10,2x	8,9x	7,9x	22,4x	13,9x	12,1x
Heidrick & Struggles Intl	7 092	3 278	0,27x	0,27x	0,25x	1,68	3,00	2,68	2,0x	4,9x	3,5x	12,4x	15,9x	12,4x
Accenture	2 303 142	2 291 413	3,28x	3,25x	3,06x	17,44	17,39	15,93	21,0x	21,0x	19,5x	30,7x	28,0x	26,1x
Capgemini	425 167	454 388	1,75x	1,72x	1,62x	12,00	10,57	9,70	15,3x	12,7x	11,7x	22,0x	17,8x	16,0x
<b>Nordic Peers</b>														
Knowit AB	4 331	5 304	0,75x	0,76x	0,72x	7,86	7,44	6,61	16,3x	14,2x	10,9x	nm	15,4x	11,7x
NNIT A/S	4 164	4 257	1,60x	1,41x	1,24x	19,22	11,48	8,00	23,9x	13,3x	9,0x	-	17,2x	11,4x
Netcompany Group	21 935	24 986	2,68x	2,44x	2,22x	18,08	14,64	12,28	28,2x	19,9x	15,5x	46,5x	25,3x	18,6x
Sweco AB Class B	43 772	48 819	1,71x	1,60x	1,53x	12,93	12,30	11,62	20,1x	17,5x	15,7x	25,9x	22,1x	19,1x
Bouvet ASA	6 262	6 153	1,77x	1,60x	1,46x	12,42	11,56	10,75	15,4x	14,6x	13,4x	19,7x	19,0x	17,4x
AFRY AB Class B	19 366	26 058	0,97x	0,94x	0,89x	9,59	8,72	8,16	14,7x	12,5x	11,2x	17,6x	13,5x	11,5x
BTS Group AB Class B	6 352	6 122	2,28x	2,12x	1,92x	14,35	12,56	11,20	20,9x	17,5x	15,0x	29,6x	27,4x	23,0x
<b>Mean</b>			<b>1,58x</b>	<b>1,56x</b>	<b>1,45x</b>	<b>12,15</b>	<b>10,64</b>	<b>9,42</b>	<b>17,1x</b>	<b>14,3x</b>	<b>12,1x</b>	<b>25,2x</b>	<b>19,6x</b>	<b>16,3x</b>
<b>Median</b>			<b>1,66x</b>	<b>1,60x</b>	<b>1,46x</b>	<b>12,42</b>	<b>11,48</b>	<b>9,70</b>	<b>16,3x</b>	<b>14,2x</b>	<b>11,7x</b>	<b>22,4x</b>	<b>17,8x</b>	<b>16,0x</b>

Källa: Factset

Income statement									
	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<b>Net sales</b>	<b>1,598</b>	<b>1,865</b>	<b>1,464</b>	<b>1,917</b>	<b>2,529</b>	<b>2,683</b>	<b>2,893</b>	<b>3,199</b>	<b>3,499</b>
Other Operating Expenses	-1,384	-1,554	-1,309	-1,557	-2,110	-2,261	-2,417	-2,670	-2,946
<b>EBITDA</b>	<b>214</b>	<b>311</b>	<b>155</b>	<b>359</b>	<b>419</b>	<b>422</b>	<b>475</b>	<b>529</b>	<b>553</b>
<b>EBITDA, adjusted</b>	<b>214</b>	<b>311</b>	<b>155</b>	<b>359</b>	<b>419</b>	<b>422</b>	<b>475</b>	<b>529</b>	<b>553</b>
Depreciation	-12	-66	-65	-71	-72	-76	-81	-80	-80
<b>EBITA, adjusted</b>	<b>202</b>	<b>245</b>	<b>90</b>	<b>288</b>	<b>348</b>	<b>346</b>	<b>394</b>	<b>449</b>	<b>473</b>
Amortization	-18	-20	-26	-33	-45	-58	-57	-50	-50
<b>EBIT</b>	<b>183</b>	<b>226</b>	<b>65</b>	<b>256</b>	<b>303</b>	<b>288</b>	<b>337</b>	<b>399</b>	<b>423</b>
<b>EBIT, adjusted</b>	<b>183</b>	<b>226</b>	<b>65</b>	<b>256</b>	<b>303</b>	<b>288</b>	<b>337</b>	<b>399</b>	<b>423</b>
Net Financial Items	-4	-9	-14	-16	-14	6	3	-18	-18
<b>Profit before tax</b>	<b>180</b>	<b>216</b>	<b>51</b>	<b>240</b>	<b>289</b>	<b>295</b>	<b>340</b>	<b>381</b>	<b>405</b>
<b>Profit before tax, adjusted</b>	<b>180</b>	<b>216</b>	<b>51</b>	<b>240</b>	<b>289</b>	<b>295</b>	<b>312</b>	<b>381</b>	<b>405</b>
Taxes	-54	-66	-16	-75	-90	-80	-94	-114	-121
<b>Net income</b>	<b>126</b>	<b>151</b>	<b>35</b>	<b>165</b>	<b>199</b>	<b>214</b>	<b>246</b>	<b>267</b>	<b>283</b>
<b>Net income, adjusted</b>	<b>126</b>	<b>151</b>	<b>35</b>	<b>165</b>	<b>199</b>	<b>214</b>	<b>218</b>	<b>267</b>	<b>283</b>
Sales Growth	Neg.	17%	-22%	31%	32%	6%	8%	11%	9%
Gross Margin	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.
EBIT Margin, Adjusted	11.5%	12.1%	4.4%	13.3%	12.0%	10.7%	11.6%	12.5%	12.1%
EPS, Adjusted	6.63	7.80	1.82	8.52	10.3	11.1	11.3	13.8	14.6
EPS Growth, Adjusted	N.m.	18%	-77%	367%	20%	8%	2%	22%	6%

Source: BTS Group, Penser by Carnegie

Cash flow statement									
	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBIT	183	226	65	256	303	288	337	399	423
Other Cash flow Items	-23	5	40	12	48	41	20	-2	-9
Changes in working capital	-2	-18	143	-5	-152	-164	-67	-45	-72
<b>Cash flow from operating activities</b>	<b>158</b>	<b>212</b>	<b>247</b>	<b>263</b>	<b>199</b>	<b>165</b>	<b>290</b>	<b>352</b>	<b>341</b>
Investments in Fixed Assets	-19	-16	-	-12	-61	-40	-80	-80	-80
Investments in intangible fixed assets	0	-10	-	-7	0	0	0	0	0
Other Cash flow from investments	-18	-12	-149	-163	-15	-65	0	0	0
<b>Cash flow from Investments</b>	<b>-37</b>	<b>-38</b>	<b>-149</b>	<b>-182</b>	<b>-76</b>	<b>-105</b>	<b>-80</b>	<b>-80</b>	<b>-80</b>
<b>Free cash flow</b>	<b>121</b>	<b>175</b>	<b>98</b>	<b>81</b>	<b>123</b>	<b>60</b>	<b>210</b>	<b>272</b>	<b>261</b>
New share issue / repurchase	-	23	0	-	-	-	-	-	-
Change in liabilities	-23	-38	-	-79	-116	74	0	0	0
Dividends	-53	-69	-69	-23	-93	-105	-110	-126	-131
Other items	0	-48	-86	-59	0	-53	0	0	0
<b>Cash flow from financing</b>	<b>-76</b>	<b>-132</b>	<b>-155</b>	<b>-161</b>	<b>-209</b>	<b>-84</b>	<b>-110</b>	<b>-126</b>	<b>-131</b>
<b>Cash flow</b>	<b>44</b>	<b>42</b>	<b>-57</b>	<b>-80</b>	<b>-85</b>	<b>-24</b>	<b>99</b>	<b>146</b>	<b>130</b>
<b>Net debt</b>	<b>-262</b>	<b>-316</b>	<b>-591</b>	<b>-594</b>	<b>-577</b>	<b>-532</b>	<b>-631</b>	<b>-778</b>	<b>-909</b>

Source: BTS Group, Penser by Carnegie

Balance sheet									
	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
<b>ASSETS</b>									
Goodwill	455	536	549	830	909	1,104	1,047	997	946
Other intangible assets	72	82	75	115	121	154	154	154	154
Tangible fixed assets	39	220	185	180	186	180	179	179	179
Financial assets	15	13	17	22	28	28	28	28	28
<b>Total fixed assets</b>	<b>581</b>	<b>851</b>	<b>826</b>	<b>1,147</b>	<b>1,244</b>	<b>1,466</b>	<b>1,408</b>	<b>1,358</b>	<b>1,307</b>
Accounts receivable	512	514	409	557	723	714	868	928	1,015
Other current assets	172	187	134	194	215	243	243	243	243
Cash and cash equivalents	262	316	591	594	577	532	631	778	909
<b>Total current assets</b>	<b>947</b>	<b>1,018</b>	<b>1,134</b>	<b>1,345</b>	<b>1,515</b>	<b>1,490</b>	<b>1,743</b>	<b>1,949</b>	<b>2,167</b>
<b>TOTAL ASSETS</b>	<b>1,528</b>	<b>1,869</b>	<b>1,960</b>	<b>2,492</b>	<b>2,758</b>	<b>2,956</b>	<b>3,150</b>	<b>3,307</b>	<b>3,474</b>
<b>EQUITY AND LIABILITIES</b>									
Equity	704	840	710	983	1,213	1,301	1,437	1,578	1,730
<b>Total equity</b>	<b>704</b>	<b>840</b>	<b>710</b>	<b>983</b>	<b>1,213</b>	<b>1,301</b>	<b>1,437</b>	<b>1,578</b>	<b>1,730</b>
Other long-term liabilities	284	364	431	543	508	592	592	592	592
<b>Total long-term liabilities</b>	<b>284</b>	<b>364</b>	<b>431</b>	<b>543</b>	<b>508</b>	<b>592</b>	<b>592</b>	<b>592</b>	<b>592</b>
Other current liabilities	540	665	820	966	1,036	1,064	1,123	1,138	1,153
<b>Total current liabilities</b>	<b>540</b>	<b>665</b>	<b>820</b>	<b>966</b>	<b>1,036</b>	<b>1,064</b>	<b>1,123</b>	<b>1,138</b>	<b>1,153</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,528</b>	<b>1,869</b>	<b>1,960</b>	<b>2,492</b>	<b>2,758</b>	<b>2,957</b>	<b>3,151</b>	<b>3,307</b>	<b>3,475</b>

Source: BTS Group, Penser by Carnegie

Growth and margins									
	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Revenue growth	Neg.	17%	-22%	31%	32%	6%	8%	11%	9%
EBITDA growth, adjusted	Neg.	45%	-50%	131%	17%	1%	13%	11%	4%
EBIT growth, adjusted	Neg.	23%	-71%	295%	18%	-5%	17%	19%	6%
EPS growth, adjusted	N.m.	18%	-77%	367%	20%	8%	2%	22%	6%
Gross margin	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.	N.m.
EBITDA margin	13.4%	16.7%	10.6%	18.8%	16.6%	15.7%	16.4%	16.5%	15.8%
EBITDA margin, adjusted	13.4%	16.7%	10.6%	18.8%	16.6%	15.7%	16.4%	16.5%	15.8%
EBIT margin	11.5%	12.1%	4.4%	13.3%	12.0%	10.7%	11.6%	12.5%	12.1%
EBIT margin, adjusted	11.5%	12.1%	4.4%	13.3%	12.0%	10.7%	11.6%	12.5%	12.1%
Profit margin, adjusted	7.9%	8.1%	2.4%	8.6%	7.9%	8.0%	7.5%	8.3%	8.1%

Source: BTS Group, Penser by Carnegie

Return									
	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
ROE, adjusted	Neg.	20%	5%	19%	18%	17%	16%	18%	17%
ROCE, adjusted	Neg.	29%	8%	30%	28%	23%	25%	26%	26%
ROIC, adjusted	Neg.	47%	20%	>100%	59%	41%	43%	50%	52%

Source: BTS Group, Penser by Carnegie

### Capital efficiency

	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Accounts receivable / total revenue	32%	28%	28%	29%	29%	27%	30%	29%	29%
Total short-term liabilities / total cost	39%	43%	63%	62%	49%	47%	46%	43%	39%
Working capital / total revenue	9%	2%	-19%	-11%	-4%	-4%	0%	1%	3%
Capital turnover rate	2.3x	2.2x	2.1x	1.9x	2.1x	2.1x	2.0x	2.0x	2.0x

Source: BTS Group, Penser by Carnegie

### Financial position

	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Net debt	-262	-316	-591	-594	-577	-532	-631	-778	-909
Equity ratio	46%	45%	36%	39%	44%	44%	46%	48%	50%
Net debt / EBITDA	-1.2x	-1.0x	-3.8x	-1.7x	-1.4x	-1.3x	-1.3x	-1.5x	-1.6x

Source: BTS Group, Penser by Carnegie

### Per share data

	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EPS	6.63	7.80	1.82	8.52	10.3	11.1	12.7	13.8	14.6
EPS, adjusted	6.63	7.80	1.82	8.52	10.3	11.1	11.3	13.8	14.6
FCF per share	6.36	9.04	5.07	4.19	6.37	3.08	10.8	14.1	13.5
Dividend per share	3.60	3.60	1.20	4.80	5.40	5.70	6.50	6.75	7.00
Number of shares after dilution, average	19.0	19.3	19.3	19.4	19.4	19.4	19.4	19.4	19.4

Source: BTS Group, Penser by Carnegie

### Valuation

	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
P/E, adjusted	19.1x	30.5x	100x	47.3x	28.4x	26.8x	29.6x	24.2x	22.8x
P/BV	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
P/FCF	20.0x	26.3x	42.8x	96.2x	45.7x	96.2x	30.8x	23.7x	24.7x
FCF-yield	5%	4%	2%	1%	2%	1%	3%	4%	4%
Dividend yield	2.8%	1.5%	0.6%	1.2%	1.9%	1.9%	2.0%	2.0%	2.1%
Payout ratio, adjusted	54.3%	46.2%	65.8%	56.4%	52.6%	51.6%	57.7%	49.0%	47.9%
EV/Sales	0.9x	1.1x	2.7x	1.9x	2.9x	1.9x	2.2x	2.0x	1.8x
EV/EBITDA, adjusted	7.1x	6.9x	25.8x	10.0x	17.2x	12.1x	13.2x	11.8x	11.3x
EV/EBIT, adjusted	8.3x	9.5x	62.0x	14.1x	23.9x	17.7x	18.6x	15.7x	14.8x
EV	1,515	2,137	4,007	3,610	7,231	5,106	6,256	6,256	6,256
Share price, year end	127	238	217	403	291	296	333	333	333

Source: BTS Group, Penser by Carnegie



## Share Price and Average Fair Value Chart

### BTS Group (BTSB SS EQUITY)



Source: Penser by Carnegie, IDC

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