

Netcompany

Telecom Equipment and IT
Denmark

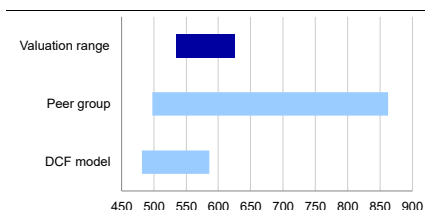
KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 530
Free Float	85%
Market cap. (bn)	EUR 3.56/DKK 26.50
Website	www.netcompany.com
Next report date	

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2020E	2021E	2022E
Sales	-2%	-3%	-4%
EBIT (adj)	-6%	-6%	-4%

Source: Nordea estimates

Nordea Markets - Analysts

Claus Almer
Senior Analyst

Jesper Herholt Jensen
Senior Director, Sector Coordinator

Diluted by the UK, DK continues on a strong note

The implicit guidance for H2 2020 was demanding, as we highlighted in our preview, and left no room for disappointments. Because the new restrictions imposed in the UK have hit this market hard, including postponements/cancellations of its backlog, the company downgraded its 2020 guidance to reflect the revenue lost in the UK during Q2-Q4. Following the Q3 performance and Q4 outlook, we cut 2020E-22E EBITA by ~5%, and our updated combined DCF- and peer group-based valuation suggests a range of DKK 525-615 per share (down from DKK 550-645).

Denmark: 24% revenue growth and 35% EBITA margin

The Danish division continued its strong performance, which exceeded the internal budget. The 49% gross margin and 35% EBITA margin were particularly impressive, including 43% within the private sector.

The UK will take time and will be a drag for the quarters ahead

The -17% y/y revenue growth clearly illustrates the issues within the UK division. Renewed lockdowns in the UK have made matters worse, forcing cancellations and postponements for part of the company's backlog. Q2-Q4 revenue is DKK ~20m lower than Q1, equal to ~2pp lower revenue growth on the group level. To maintain its medium-term potential, Netcompany has rightly decided to not launch a redundancy programme, which would dilute profitability margins due to too-low capacity utilisation (Q3 2020 EBITA margin: -5.9%; Q3 2019: 14.5%).

Holland: 107% revenue growth y/y and 37% q/q

The Dutch division showed a promising performance, including 107% revenue growth y/y. This helped the EBITA margin reach 19% (Q3 2019: -16.4%), a doubling q/q. Also, 22% more employees were added q/q in Q3 clearly illustrating the company's continued solid outlook.

Norway: Improved backlog to improve revenue and utilisation

The Norwegian business increased revenue by 5% (LCY) and showed a 5% EBITA margin (Q3 2019: 14.3%), which obviously is not satisfactory. As in the UK, the division struggled with a lack of multi-year contracts, but recent wins support a more positive outlook.

CMD: 19 November (online)

Netcompany will host its first CMD on 19 November at 11:00-17:00 CET.

SUMMARY TABLE - KEY FIGURES

DKKm	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	900	1,416	2,053	2,454	2,846	3,355	3,866
EBITDA (adj)	268	435	555	674	768	912	1,072
EBIT (adj)	162	306	399	516	631	820	995
EBIT (adj) margin	18.0%	21.6%	19.4%	21.0%	22.2%	24.4%	25.7%
EPS (adj, DKK)	0.97	3.33	4.14	7.84	9.07	12.72	15.46
EPS (adj) growth	-74.0%	241.4%	24.3%	89.5%	15.7%	40.3%	21.5%
DPS (ord, DKK)	0.00	0.00	0.00	0.00	1.50	2.00	2.00
EV/Sales	n.a.	n.a.	5.8	6.8	9.5	7.9	6.7
EV/EBIT (adj)	n.a.	n.a.	30.0	32.3	42.7	32.2	26.0
P/E (adj)	n.a.	n.a.	53.2	40.4	58.4	41.7	34.3
P/BV	n.a.	n.a.	6.1	7.7	10.5	8.6	7.0
Dividend yield (ord)	n.a.	n.a.	0.0%	0.0%	0.3%	0.4%	0.4%
FCF Yield bef A&D, lease	n.a.	n.a.	1.2%	2.5%	1.6%	2.1%	2.5%
Net debt	1,118	1,070	998	826	426	-51	-611
Net debt/EBITDA	4.8	2.7	1.9	1.2	0.6	-0.1	-0.6
ROIC after tax	9.3%	8.8%	10.7%	13.3%	15.9%	26.0%	30.4%

Source: Company data and Nordea estimates

Q3 2020 review

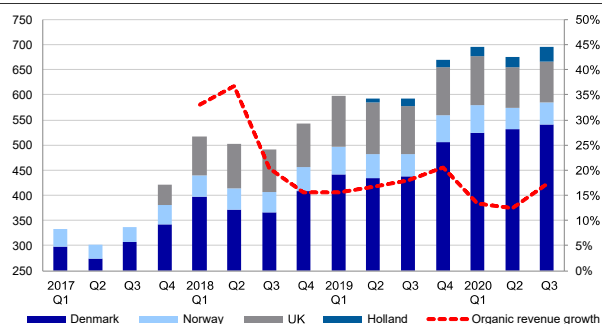
Solid Q3 revenue growth but the UK notably disappointed

NETCOMPANY: Q3 2020E (DKKm)

	2019				2020				Act vs		Q3, y/y	"Q4" FY-9M	Grw. y/y	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3A	Q3E	Cons	NDA				Cons
Revenue	597.6	593.1	592.1	671.2	695.5	675.5	694.7	704.6	703.7	-1%	-1%	17%	780.6	16%
Production cost	364.0	370.4	336.4	387.3	421.0	415.8	401.4	401.6	405.2	-0%	-1%	19%	468.2	21%
Gross profit	233.6	222.7	255.7	283.9	274.5	259.7	293.3	303.0	298.5	-3%	-2%	15%	312.3	10%
Sales & marketing	2.7	3.3	2.6	3.1	4.4	3.8	4.3	4.0	-	8%	-	65%	1.0	-69%
Administration	83.7	93.3	88.9	100.8	106.1	94.6	93.6	106.1	-	-12%	-	5%	121.0	20%
Special items	-1.1	-2.7	-0.6	0.0	0.0	0.0	0.0	0.0	0.1	-	-	-	0.0	-
EBITA	146.1	123.4	163.5	180.0	164.1	161.3	195.4	192.9	194.4	1%	1%	20%	190.4	6%
Amortisation	25.7	24.6	26.0	25.4	25.3	25.3	25.3	25.3	-	0%	-	-3%	4.1	-84%
EBIT	120.5	98.8	137.5	154.5	138.8	136.0	170.1	167.6	-	1%	-	24%	186.3	21%
Net financial items	5.9	-21.3	-3.7	5.1	-19.2	-16.2	-6.2	-4.0	-	-	-	-	-2.1	-
Pre-tax profit	126.4	77.5	133.8	159.6	119.6	119.8	163.9	163.6	165.5	0%	-1%	23%	184.2	15%
Taxes	27.7	15.9	31.3	33.9	26.8	23.9	35.9	32.6	36.7	10%	-2%	15%	47.6	40%
Net profit	98.7	61.6	102.5	125.7	92.8	95.9	128.0	131.0	128.8	-2%	-1%	25%	136.6	9%
EPS	2.0	1.3	2.1	2.5	1.9	2.0	2.6	2.6	-	-0%	-	25%	2.6	4%
EPS growth, y/y	94.2%	-	32.3%	83.8%	-5.5%	55.6%	24.9%	25.4%	-	-	-	-	3.7%	-
Revenue growth, organic	15.6%	16.6%	18.0%	20.5%	13.4%	12.5%	18.1%	19.0%	18.8%	-	-	-	-	-
Revenue growth, y/y	15.6%	18.0%	20.8%	23.5%	16.4%	13.9%	17.3%	19.0%	18.8%	-	-	-	16.3%	-
Gross margin	39.1%	37.5%	43.2%	42.3%	39.5%	38.4%	42.2%	43.0%	42.4%	-	-	-	40.0%	-5%
Costs (Revenue - EBITA adj)	450	467	428	491	531	514	499	512	509	-	-	-	590	-
Costs growth, q/q	-	4%	-8%	15%	8%	-3%	-3%	0%	-1%	-	-	-	18%	-
EBITA, adj	147.2	126.1	164.1	180.0	164.1	161.3	195.4	192.9	194.3	1%	1%	19%	190.4	6%
EBITA margin, adj	24.6%	21.3%	27.7%	26.8%	23.6%	23.9%	28.1%	27.4%	27.6%	-	-	-	24.4%	-
Incremental EBITA margin, adj	24.1%	40.2%	27.3%	38.6%	17.2%	42.7%	129.3%	25.6%	-	-	-	-	130.8%	-
EBIT margin	20.2%	16.7%	23.2%	23.0%	20.0%	20.1%	24.5%	23.8%	-	-	-	-	23.9%	-
Tax rate	22%	21%	23%	21%	22%	20%	22%	20%	22%	-	-	-	26%	-
Revenue visibility	1,786.3	2,105.5	2,387.4	2,453.9	2,131.8	2,483.6	2,719.9	2,821.9	-	-4%	-	14%	-	-
% of FY revenue	73%	86%	97%	100%	75%	87%	96%	97%	-	-	-	-	-	-
In/out orders	206.9	319.2	281.9	66.6	303.9	351.8	236.3	338.3	-	-30%	-	-16%	126.4	90%
Growth, y/y	-26%	48%	-19%	137%	47%	10%	-16%	20%	-	-	-	-	-	-
12-month performance:														
Revenue (12m)	2,133.9	2,224.4	2,326.2	2,454.0	2,551.9	2,634.3	2,736.9	2,746.8	-	-0%	-	-	2,846.3	16%
EBITA adj (12M)	503.8	540.3	568.1	617.4	634.2	669.4	700.7	698.3	-	0%	-	23%	711.2	15%
EBITA margin, adj (12M)	24%	24%	24%	25%	25%	25%	26%	25%	-	-	-	-	25%	-

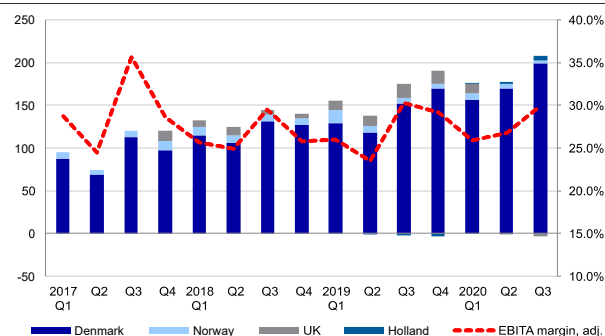
Source: Company data, company-compiled consensus, and Nordea estimates

NETCOMPANY: REVENUE (DKKm)



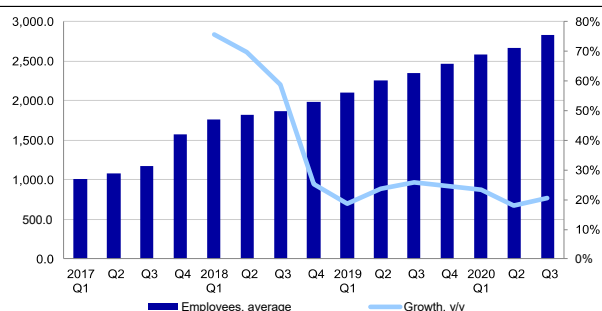
Source: Company data and Nordea estimates

NETCOMPANY: EBITA (DKKm)



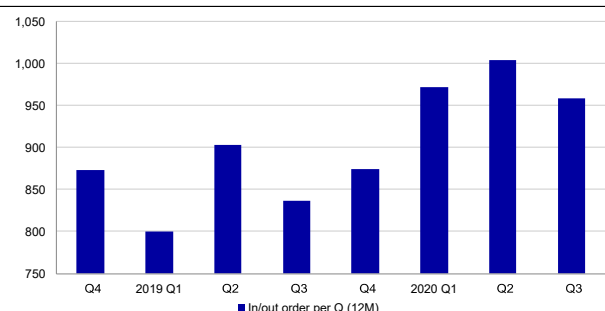
Source: Company data and Nordea estimates

NETCOMPANY: FTE DEVELOPMENT



Source: Company data and Nordea estimates

NETCOMPANY: IN/OUT ORDERS, 12-MONTH (DKKm)



Source: Company data and Nordea estimates

Order intake

To meet 2020 revenue guidance, in/out orders in Q4 must grow by more than ~90% y/y

To meet our 2020 revenue estimate, a minimum DKK 126m of in/out orders needs to be signed in Q4 2020, ~90% higher than the same period last year. Netcompany has already won several larger contracts in Q4, however, which will have a meaningful impact on revenue in Q4.

Estimates cut

After the Q3 report, we reduce our estimates for Netcompany. For 2020-22, our EBITA estimates have been cut by ~5%.

NETCOMPANY: CHANGE OF ESTIMATE (DKKm)

	New			Old			Change			Consensus		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
Revenue	2,846	3,355	3,866	2,898	3,470	4,011	-2%	-3%	-4%	2,887	3,469	4,089
Revenue growth, organic	15.1%	17.9%	15.2%	17.6%	19.7%	15.6%	-	-	-	17.0%	20.1%	18.0%
Revenue growth, y/y	16.0%	17.9%	15.2%	18.1%	19.7%	15.6%	-	-	-	17.7%	20.1%	17.9%
Costs	2,135	2,510	2,871	2,148	2,572	2,974	-1%	-2%	-3%	2,139	2,543	2,986
EBITA, adj	711	845	995	750	897	1,037	-5%	-6%	-4%	749	925	1,103
EBITA margin, adj	25.0%	25.2%	25.7%	25.9%	25.9%	25.9%	-	-	-	25.9%	26.7%	27.0%
EBITA	711	845	995	750	897	1,037	-5%	-6%	-4%	749	925	1,103
Pre-tax profit	588	815	991	626	868	1,034	-6%	-6%	-4%	613	834	1,023
EPS	9.1	12.7	15.5	9.7	13.5	16.1	-6%	-6%	-4%	-	-	-

Source: Company data and Nordea estimates

2020 guidance downgraded due to the UK

Netcompany downgraded its guidance due to the disappointing performance from its UK division. It also announced its expectations for 2021.

Netcompany guided for a DKK 100m shareholder distribution to be paid out in 2021.

NETCOMPANY: 2020 UPDATED GUIDANCE AND COMPANY EXPECTATIONS FOR 2021 (DKKm)

	2019	2020 guidance		2020 guid., old		2020E		2021 expectations		2021E	
		Low	High	Low	High	NDA	Cons	Low	High	NDA	Cons
Revenue	2,454	~2.85bn	~2.90bn	~2.90bn	~2.95bn	2,846	2,887	~3.3bn	~3.5bn	3,355	3,469
Revenue growth, y/y	19.5%	-	-	-	-	16.0%	17.7%	-	-	17.9%	20.1%
Revenue growth, organic	17.7%	16%	18%	18%	20%	15.1%	17.0%	15%	20%	17.9%	20.1%
Costs	1,837	-	-	-	-	2,135	2,139	-	-	2,510	2,543
Growth	19.3%	-	-	-	-	16.3%	16.5%	-	-	17.6%	18.9%
EBITA, adj	617	~710	~725	~750	~770	711	749	~820	~370	845	925
EBITA margin, adj	25.2%	~25%	~25%	~26%	~26%	25.0%	25.9%	~25%	~25%	25.2%	26.7%

Source: Company data, company-compiled consensus, and Nordea estimates

Valuation: DKK 525-615 per share

Our valuation of Netcompany is based on the combination of our DCF model and a peer group valuation. Both methods have their strengths and weaknesses, but when evaluated together, we believe they yield a reliable valuation range.

As there are a few suitable peers for Netcompany, our valuation range is derived from the combination of a DCF model and a peer group valuation.

The valuation is sensitive to the number of years with high revenue growth – if NetCompany were to extend the number of years with revenue growth above 20%, this would have a significant impact on our valuation.

Our DCF-based 12-month fair value (WACC: 6.0%) is DKK 515 per share based on the assumptions outlined below.

NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2020-30	2031-35	2036-40	2041-45	2046-50	LT
Sales growth, CAGR	12.2%	10.0%	10.0%	5.0%	2.5%	-
EBIT-margin	23.6%	22.0%	20.0%	11.0%	2.0%	-
Capex/depreciation, x	0.5	1.0	1.0	1.0	1.0	-
Capex/sales	1.0%	2.0%	2.0%	2.0%	2.0%	-
NWC/sales	17.6%	17.6%	17.6%	17.6%	17.6%	-
FCFF, CAGR	10.8%	10.6%	7.7%	-6.0%	-32.5%	2.0%

Source: Nordea estimates

The model is sensitive to revenue growth and the EBIT margin is relatively high, although this should be expected given the company's high-growth profile.

Our peer group valuation is based on IT companies with similar growth, above-average margins, and a focus on "new world IT". Geographical exposure plays a smaller role in our selection of peers. Within this group, we find the following companies particularly suitable:

- Epam
- Globant
- Endava
- Kainos

Although the company Reply shares some of the same characteristics as Netcompany, we exclude it from our peer group valuation, as its expected growth (according to Refinitiv consensus) is somewhat lower than for Netcompany.

NETCOMPANY: PEER GROUP VALUATION

	Share price	MCAP EURbn	Grw, 2019-22E			EBIT mrg		P/E		EV/EBIT			PEG	Share price		
			Rev	EBIT	EPS	2021E	2020E	2021E	2022E	2020E	2021E	2022E	19-22E	1M	YTD	
Key peers																
Epam	US	2,145	16.1	17%	18%	16%	17.3%	54.9x	45.8x	37.3x	35.0x	29.1x	23.7x	3.4x	2%	61%
Globant	Lux	1,311	6.5	19%	19%	16%	15.7%	88.3x	67.8x	54.8x	57.4x	42.4x	34.2x	5.6x	10%	97%
Endava	UK	429	3.1	21%	22%	20%	17.2%	57.1x	52.4x	41.4x	34.7x	31.4x	25.3x	2.9x	4%	47%
Kainos	UK	739	3.7	12%	18%	19%	19.8%	80.4x	44.4x	46.8x	55.2x	32.4x	34.0x	4.2x	30%	75%
Reply	UK	529	3.5	8%	11%	9%	12.9%	34.1x	30.0x	26.6x	18.6x	16.5x	14.9x	3.7x	3%	43%
Average (ex Reply)	-	-	7.4	17%	19%	18%	17.5%	70.2x	52.6x	45.1x	45.6x	33.8x	29.3x	4.0x	12%	70%
Netcompany (cons.)	DKK	529	3.5	19%	23%	20%	24.4%	52.0x	38.7x	31.4x	34.0x	27.5x	23.0x	2.6x	-0%	67%
IT service companies:																
IBM	US	96	115.7	-3%	-0%	-3%	17.4%	13.5x	9.8x	9.0x	10.2x	8.0x	8.0x	-5.4x	-7%	-15%
Accenture	IE	199	22.4	3%	4%	4%	15.1%	30.9x	29.4x	26.7x	18.0x	17.1x	15.9x	6.9x	7%	12%
Cognizant	US	63	9.4	1%	1%	1%	16.0%	20.5x	18.7x	17.0x	12.0x	11.1x	10.3x	18.7x	6%	20%
Atos	FR	63	6.9	0%	-1%	1%	9.3%	8.9x	8.4x	7.7x	5.8x	5.5x	5.1x	16.8x	-8%	-15%
Cap Gemini	FR	110	18.7	8%	8%	9%	11.8%	17.3x	15.0x	13.3x	11.0x	10.0x	9.4x	1.8x	3%	1%
CGI Group	CA	55	14.3	0%	2%	4%	15.8%	17.7x	16.0x	15.1x	9.5x	9.0x	8.9x	4.0x	-5%	-21%
DXC Technology	US	15	3.9	-9%	-26%	-26%	8.5%	3.4x	8.7x	5.1x	3.0x	4.7x	4.3x	-0.1x	1%	-52%
Sopra Steria	FR	111	2.3	2%	6%	8%	7.8%	14.1x	11.1x	9.4x	7.1x	6.3x	5.7x	1.8x	-18%	-23%
HCL	IN	10	0.4	7%	9%	7%	20.7%	21.4x	18.8x	16.9x	12.6x	11.3x	10.3x	3.1x	3%	50%
Infosys	IN	13	-	6%	6%	7%	23.4%	28.6x	25.3x	22.4x	19.0x	16.7x	15.1x	4.3x	5%	52%
Tata	IN	31	-	4%	3%	3%	25.5%	31.2x	31.6x	26.9x	22.0x	22.1x	19.0x	9.9x	-0%	25%
Wipro	IN	4	3.5	1%	3%	4%	17.6%	20.6x	19.7x	18.2x	12.7x	12.0x	11.3x	5.1x	5%	41%
Tech Mahindra	IN	10	-	2%	-1%	1%	13.7%	17.5x	17.5x	15.3x	11.0x	11.2x	9.7x	21.0x	2%	14%
Average, ex India	-	-	24.2	0%	-1%	-0%	12.7%	15.8x	14.6x	12.9x	9.6x	9.0x	8.4x	6.7x	-2%	-12%
Average	-	-	19.7	2%	1%	2%	15.6%	18.9x	17.7x	15.6x	11.8x	11.2x	10.2x	6.7x	-0%	7%
Nordic peers:																
NNIT	DKK	112	0.4	-0%	1%	-1%	7.9%	23.0x	16.6x	15.0x	17.0x	13.7x	13.4x	-22.2x	-17%	0%
HiQ	SE	7	0.4	3%	1%	1%	11.3%	27.9x	23.9x	22.5x	20.5x	17.7x	16.7x	53.6x	0%	39%
TietoEvry	FI	23	2.8	21%	27%	11%	11.8%	11.8x	10.5x	9.6x	11.4x	10.9x	10.3x	1.1x	0%	-16%
KnowIT	SE	26	0.5	6%	8%	8%	9.6%	21.1x	18.5x	17.1x	16.5x	13.6x	12.3x	2.7x	14%	27%
Average	-	-	1.0	7%	9%	5%	10.2%	21.0x	17.4x	16.0x	16.4x	14.0x	13.2x	8.8x	-1%	13%
SimCorp	DKK	817	4.3	8%	8%	9%	27.6%	48.2x	40.9x	34.9x	38.1x	31.6x	27.1x	5.7x	-2%	8%
Others:																
Europe IT consult. 1)	-	-	-	5%	5%	8%	7.9%	18.7x	17.6x	15.9x	17.1x	16.4x	13.9x	2.4x	-3%	7%
Global IT consult. 2)	-	-	-	5%	9%	28%	21.7%	30.4x	25.5x	24.9x	26.3x	21.5x	18.2x	1.1x	6%	2%
Average, total	-	-	-	7%	9%	12%	14.6%	31.8x	26.2x	23.5x	23.4x	19.4x	17.0x	4.6x	3%	20%
Netcompany, NDA	DKK	529	3.5	16%	24%	25%	24.4%	58.4x	41.6x	34.2x	42.5x	32.2x	26.1x	2.3x	-0%	67%
- One-off, PPA adj.	DKK	529	3.5	16%	17%	16%	25.2%	47.7x	37.0x	33.2x	37.8x	31.3x	26.1x	2.9x	-0%	67%

Source: Refinitiv and Nordea estimates

VALUATION: NETCOMPANY (OUR ESTIMATES) VS PEER GROUP VALUATION

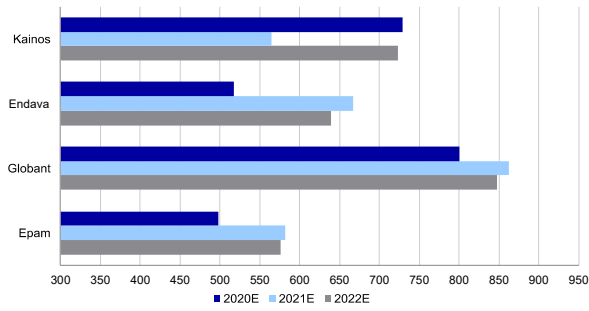
	Grw, 2019-22E			EV/EBIT			PEG	Share price	
	Rev	EBIT	EPS	2020E	2021E	2022E	19-22E	1M	YTD
Key peers	Underperf.	Underperf.	Underperf.	Discount	Discount	Discount	Discount	Underperf.	Underperf.
IT service companies:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Outperf.	Outperf.
- Ex India	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Outperf.	Outperf.
Nordic peers:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Outperf.	Outperf.
Europe IT consult. 1)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Outperf.	Outperf.
Global IT consult. 2)	Outperf.	Outperf.	Underperf.	Premium	Premium	Premium	Premium	Underperf.	Outperf.

Note: Netcompany's EBIT and EPS growth (2018-21) is one-off adjusted and excluding PPA

Source: Refinitiv and Nordea estimates

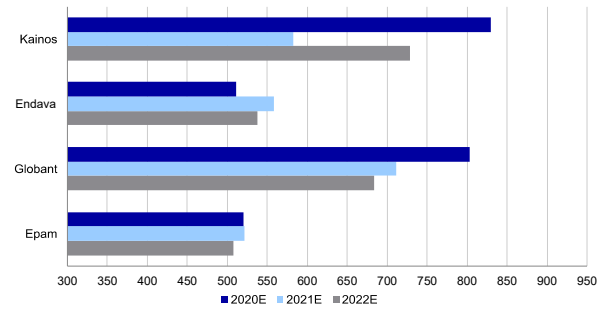
Based on our estimates and Refinitiv consensus, Netcompany should show an EBIT margin superior to most of its peers. We thus believe Netcompany should trade at the higher end of the peer range, maybe even at a premium once the operations outside Denmark start to show their potential.

P/E: NETCOMPANY'S VALUATION BASED ON KEY PEER GROUP (DKK PER SHARE)



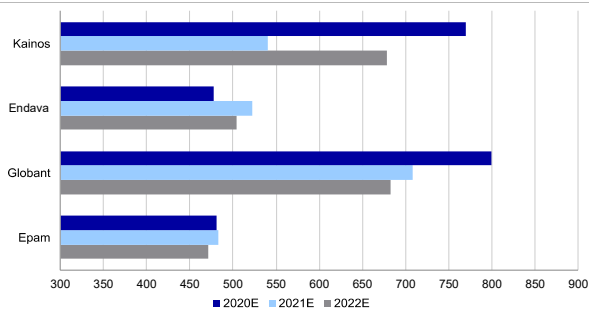
Source: Refinitiv and Nordea estimates

EV/EBITDA: NETCOMPANY'S VALUATION BASED ON KEY PEER GROUP (DKK PER SHARE)



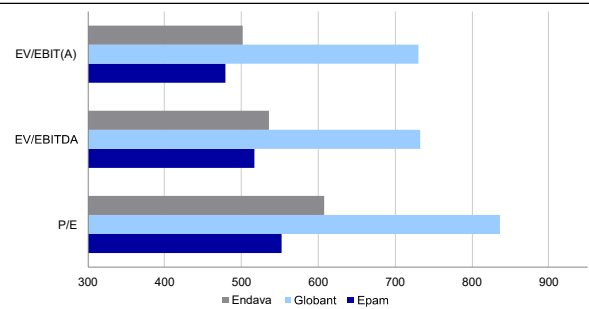
Source: Refinitiv and Nordea estimates

EV/EBIT(A): NETCOMPANY'S VALUATION BASED ON KEY PEER GROUP (DKK PER SHARE)



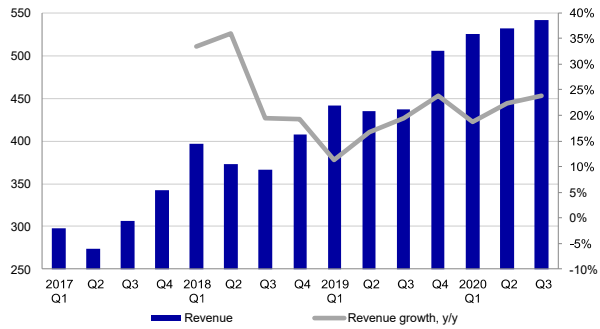
Source: Refinitiv and Nordea estimates

NETCOMPANY VALUATION, AVERAGE 2020E-22E (DKK PER SHARE)



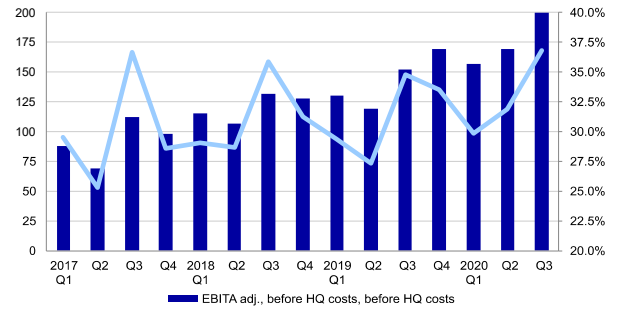
Source: Refinitiv and Nordea estimates

NETCOMPANY, DENMARK: REVENUE (DKKm)



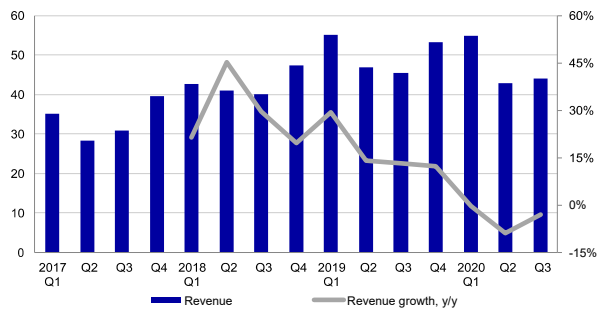
Source: Company data and Nordea estimates

NETCOMPANY, DENMARK: ADJUSTED EBITA (DKKm)



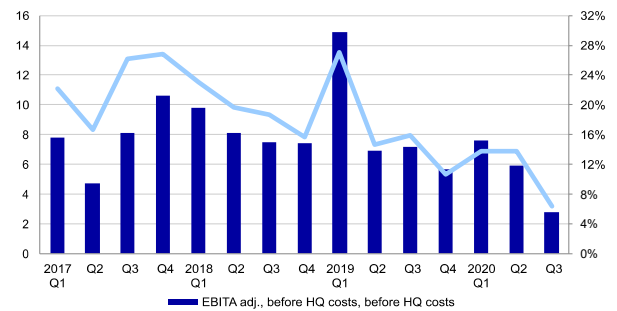
Source: Company data and Nordea estimates

NETCOMPANY, NORWAY: REVENUE (DKKm)



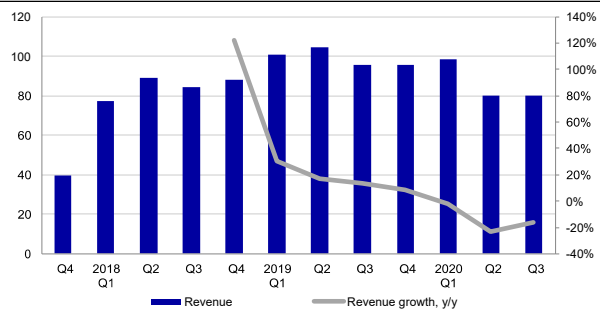
Source: Company data and Nordea estimates

NETCOMPANY, NORWAY: ADJUSTED EBITA (DKKm)



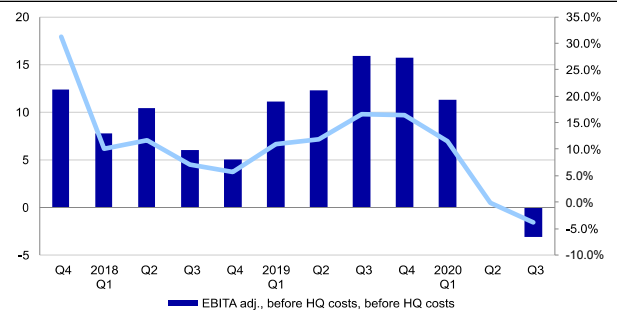
Source: Company data and Nordea estimates

NETCOMPANY, UK: REVENUE (DKKm)



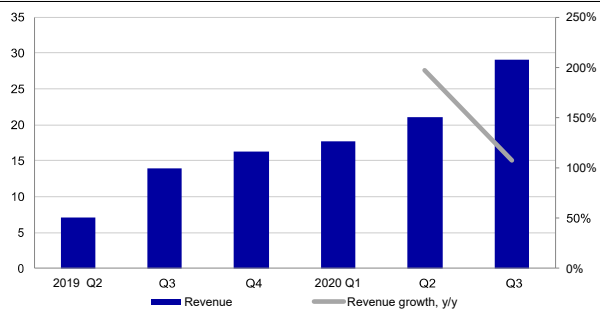
Source: Company data and Nordea estimates

NETCOMPANY, UK: EBITA ADJUSTED (DKKm)



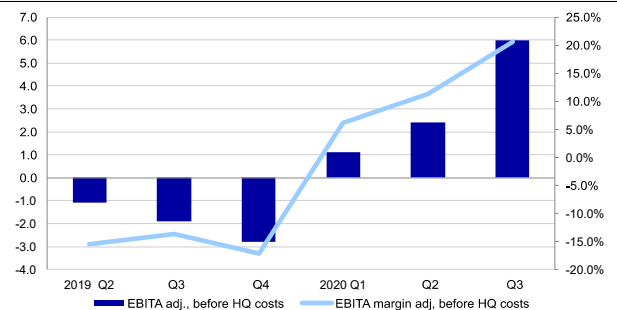
Source: Company data and Nordea estimates

NETCOMPANY, HOLLAND: REVENUE (DKKm)



Source: Company data and Nordea estimates

NETCOMPANY, HOLLAND: EBITA ADJUSTED (DKKm)



Source: Company data and Nordea estimates

Netcompany: Full-year numbers

NETCOMPANY: FULL-YEAR NUMBERS (DKKm)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Revenue	327	400	461	629	758	900	1,416	2,053	2,454	2,846	3,355	3,866
Production cost	-	-	-	-	447	527	803	1,237	1,458	1,706	2,005	2,289
Gross profit	-	-	-	-	311	373	613	817	996	1,140	1,351	1,577
Sales & marketing	-	-	-	-	4	4	10	12	12	13	16	18
Administration	-	-	-	-	100	121	201	290	367	415	489	564
Special items	-	-	-	-	0	-35	-33	-34	-4	0	0	0
EBITDA	108	103	91	157	228	233	402	520	669	768	912	1,072
Depreciation	4	6	9	8	9	32	34	40	56	57	67	77
Amortisation	0	0	0	-2	12	0	0	0	0	0	0	0
EBITA	105	98	81	150	207	201	369	480	613	711	845	995
Amortisation	0	2	2	2	0	74	96	115	102	80	25	0
EBIT	105	96	80	149	207	127	273	365	511	631	820	995
Net financial items	0	-2	1	1	0	-62	-73	-109	-14	-44	-5	-4
Pre-tax profit	105	94	81	150	208	65	200	256	497	588	815	991
Taxes	26	7	8	15	20	44	59	74	109	134	179	218
Net profit	79	88	73	134	188	21	141	181	389	453	636	773
One-off items	0	0	0	0	0	-35	-33	-34	-4	0	0	0
EPS	-	-	-	-	-	-	2.8	3.7	7.9	9.1	12.7	15.5
EPS growth, y/y	-	-	-	-	-	-	-	29.7%	116.7%	14.6%	40.3%	21.5%
Tax rate	25.0%	7.0%	9.3%	10.2%	9.6%	67.1%	29.7%	29.1%	21.9%	22.8%	22.0%	22.0%
Revenue growth, y/y	25.3%	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	16.0%	17.9%	15.2%
Gross margin	-	-	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.0%	40.2%	40.8%
EBITDA margin	33.1%	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	27.0%	27.2%	27.7%
EBITA, adj	105	98	81	150	207	236	402	514	617	711	845	995
EBITA margin, adj	32.0%	24.4%	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	25.0%	25.2%	25.7%
EBITA margin	32.0%	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	25.0%	25.2%	25.7%
EBIT margin	32.0%	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.2%	24.4%	25.7%
Net profit, adj.	79	89	75	136	188	106	241	298	471	516	656	773
CFFO	-	-	-	-	217	117	195	187	460	443	601	714
Capex	-5	-16	-16	-4	-18	-2,539	-150	-27	-65	-40	-34	-73
FCF	-	-	-	-	207	-2,422	45	160	396	403	568	641
Revenue, Public	-	-	-	-	312	368	730	1,152	1,456	1,480	2,097	2,231
Revenue, private	-	-	-	-	447	531	686	901	998	1,048	1,258	1,635
Revenue growth, Public	-	-	-	-	-	18.3%	98.2%	57.8%	26.3%	1.7%	41.7%	6.3%
Revenue growth, private	-	-	-	-	-	19.0%	29.1%	31.4%	10.8%	5.0%	20.0%	30.0%
Development revenue	-	-	-	-	347	439	647	1,005	1,258	1,427	1,263	1,289
Public customers	-	-	-	-	137	167	440	575	738	581	608	438
Private customers	-	-	-	-	210	272	206	430	520	546	655	852
Maintenance revenue	-	-	-	-	411	461	769	1,048	1,196	1,401	2,093	2,577
Public customers	-	-	-	-	175	202	290	577	718	899	1,490	1,793
Private customers	-	-	-	-	236	260	479	471	478	502	603	784
Netcompany Denmark:												
Revenue, Denmark	327	400	461	629	758	888	1,220	1,544	1,819	2,215	2,634	3,024
Revenue growth, Denmark	25.3%	22.3%	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	21.8%	18.9%	14.8%
EBITA adj. before HQ costs, Denmark	105	98	81	150	207	234	358	461	544	633	749	871
EBITA margin adj. before HQ costs, Denmark	32.0%	24.4%	17.7%	23.9%	27.4%	26.4%	29.4%	29.8%	29.9%	28.6%	28.4%	28.8%
Netcompany Norway												
Revenue, Norway	-	-	-	-	-	12	134	171	203	203	234	275
Revenue growth, Norway	-	-	-	-	-	-	1044.4%	27.9%	18.6%	0.0%	15.0%	17.5%
EBITA adj. before HQ costs, Norway	-	-	-	-	-	2	31	31	32	33	40	48
EBITA margin adj. before HQ costs, Norway	-	-	-	-	-	17.1%	23.1%	17.9%	15.9%	16.4%	16.9%	17.4%
Netcompany UK												
Revenue, UK	-	-	-	-	-	-	62	338	395	339	373	429
Revenue growth, UK	-	-	-	-	-	-	-	446.2%	16.7%	-14.0%	10.0%	15.0%
EBITA adj. before HQ costs, UK	-	-	-	-	-	-	12	23	48	45	57	76
EBITA margin adj. before HQ costs, UK	-	-	-	-	-	-	20.0%	6.8%	12.2%	13.2%	15.2%	17.7%
Netcompany Holland												
Revenue, Netherlands	-	-	-	-	-	-	-	-	37	88	115	138
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	135.8%	30.0%	20.0%
EBITA adj. before HQ costs, Holland	-	-	-	-	-	-	-	-	-7	4	9	14
EBITA margin adj. before HQ costs, Holland	-	-	-	-	-	-	-	-	-17.4%	5.0%	7.5%	10.0%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

DKKm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	400	461	629	758	900	1,416	2,053	2,454	2,846	3,355	3,866
Revenue growth	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	16.0%	17.9%	15.2%
of which organic	n.a.	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	15.1%	17.9%	15.2%
of which FX	n.a.	n.a.	n.a.	0.0%	0.0%	0.3%	0.1%	0.0%	-1.0%	0.0%	0.0%
EBITDA	103	91	157	228	233	402	520	669	768	912	1,072
Depreciation and impairments PPE	-6	-10	-7	-21	-32	-34	-40	-56	-57	-67	-77
of which leased assets	0	0	0	0	-11	-19	-24	-37	-42	-50	-58
EBITA	98	81	150	207	201	369	480	613	711	845	995
Amortisation and impairments	-2	-2	-2	0	-74	-96	-115	-102	-80	-25	0
EBIT	96	80	149	207	127	273	365	511	631	820	995
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-2	1	1	0	-62	-73	-110	-14	-44	-5	-4
of which lease interest	0	0	0	0	0	-1	-1	-3	-3	-3	-3
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	94	81	150	208	65	200	254	497	588	815	991
Reported taxes	-7	-8	-15	-20	-44	-59	-74	-109	-134	-179	-218
Net profit from continued operations	88	73	134	188	21	141	180	389	453	636	773
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	88	73	134	188	21	141	180	389	453	636	773
EPS, DKK	1.75	1.47	2.69	3.75	0.43	2.81	3.60	7.77	9.07	12.72	15.46
DPS, DKK	n.a.	n.a.	-2.00	-2.33	0.00	0.00	0.00	0.00	1.50	2.00	2.00
of which ordinary	0.66	0.60	-2.00	-2.33	0.00	0.00	0.00	0.00	1.50	2.00	2.00
of which extraordinary	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	27.0%	27.2%	27.7%
EBITA	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	25.0%	25.2%	25.7%
EBIT	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.2%	24.4%	25.7%

Adjusted earnings

EBITDA (adj)	103	91	157	228	268	435	555	674	768	912	1,072
EBITA (adj)	98	81	150	207	236	402	514	617	711	845	995
EBIT (adj)	96	80	149	207	162	306	399	516	631	820	995
EPS (adj, DKK)	1.75	1.47	2.69	3.75	0.97	3.33	4.14	7.84	9.07	12.72	15.46

Adjusted profit margins in percent

EBITDA (adj)	25.8%	19.8%	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	27.0%	27.2%	27.7%
EBITA (adj)	24.4%	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	25.0%	25.2%	25.7%
EBIT (adj)	24.0%	17.3%	23.6%	27.4%	18.0%	21.6%	19.4%	21.0%	22.2%	24.4%	25.7%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	23.1%	23.7%	22.4%	28.7%	34.8%	31.3%	30.3%	30.1%	22.2%
EBITDA	n.m.	n.m.	16.8%	20.6%	16.6%	31.2%	41.7%	33.7%	27.5%	31.4%	21.7%
EBIT	n.m.	n.m.	15.5%	19.3%	4.0%	23.2%	35.5%	28.0%	24.9%	45.2%	29.5%
EPS	n.a.	n.a.	19.2%	23.8%	-23.0%	9.9%	19.6%	23.7%	19.3%	97.2%	40.6%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Average last 5 years											
Average EBIT margin	n.a.	26.2%	24.8%	24.7%	20.9%	20.1%	19.5%	19.6%	19.7%	21.4%	22.8%
Average EBITDA margin	n.a.	27.8%	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	26.8%	27.0%	27.0%

VALUATION RATIOS - ADJUSTED EARNINGS

DKKm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	53.2	40.4	58.4	41.7	34.3
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	24.8	35.1	29.0	24.1
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	27.0	37.9	31.3	26.0
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	32.3	42.7	32.2	26.0

VALUATION RATIOS - REPORTED EARNINGS

DKKm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	61.1	40.8	58.4	41.7	34.3
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	6.80	9.46	7.88	6.70
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	24.9	35.1	29.0	24.1
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	27.2	37.9	31.3	26.0
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	32.6	42.7	32.2	26.0
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.3%	0.4%	0.4%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.5%	2.5%	1.7%	2.3%	2.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	1.6%	2.1%	2.5%
Payout ratio	n.a.	n.a.	n.m.	n.m.	0.0%	0.0%	0.0%	0.0%	16.5%	15.7%	12.9%

Source: Company data and Nordea estimates

BALANCE SHEET

DKKm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
Intangible assets	2	2	1	4	2,373	2,604	2,485	2,551	2,471	2,446	2,446
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	2	2	1	4	489	495	376	286	286	286	286
of which goodwill	0	0	0	0	1,884	2,109	2,109	2,264	2,184	2,159	2,159
Tangible assets	15	20	14	20	41	55	117	146	168	194	222
of which leased assets	0	0	0	12	25	31	83	101	109	119	128
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	11	11	11	11	0	0	1	4	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	3	4	3	4	5	9	13	16	0	0	0
Total non-current assets	31	37	30	39	2,420	2,667	2,616	2,716	2,639	2,640	2,668
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	113	107	146	180	258	445	458	531	616	727	837
Short-term leased assets	0	0	0	11	19	24	37	42	50	58	67
Other current assets	77	101	190	174	103	139	268	305	403	475	547
Cash and bank	16	1	13	111	60	194	108	132	345	318	672
Total current assets	206	209	349	477	441	802	869	1,011	1,414	1,577	2,124
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	236	246	379	516	2,860	3,470	3,486	3,728	4,053	4,217	4,792
Shareholders equity	68	108	213	300	1,261	1,644	1,806	2,072	2,525	3,086	3,759
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	68	108	213	300	1,261	1,644	1,806	2,072	2,525	3,086	3,759
Deferred tax	0	7	0	0	111	112	89	73	73	73	73
Long term interest bearing debt	14	6	0	0	1,178	1,265	1,106	959	759	259	59
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0
Non-current lease debt	0	0	0	6	14	18	54	65	70	76	82
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	14	13	0	6	1,303	1,395	1,249	1,128	935	445	253
Short-term provisions	0	0	0	5	9	30	36	4	4	5	6
Accounts payable	13	14	12	19	27	51	54	44	51	60	69
Current lease debt	5	4	1	6	12	14	29	39	43	46	50
Other current liabilities	91	79	149	180	222	336	310	441	495	575	655
Short term interest bearing debt	46	28	5	0	28	0	0	0	0	0	0
Total current liabilities	155	125	166	210	297	431	430	528	593	686	779
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	237	246	379	516	2,860	3,469	3,485	3,728	4,053	4,217	4,792
Balance sheet and debt metrics											
Net debt	49	3	-13	-111	1,118	1,070	998	826	426	-51	-611
of which lease debt	5	4	1	12	25	31	83	104	112	122	132
Working capital	86	115	175	155	113	198	361	351	473	567	661
Invested capital	116	152	205	195	2,533	2,865	2,977	3,068	3,112	3,207	3,329
Capital employed	133	146	218	312	2,492	2,940	2,996	3,134	3,396	3,467	3,949
ROE	n.m.	83.5%	83.8%	73.2%	2.7%	9.7%	10.4%	20.0%	19.7%	22.7%	22.6%
ROIC	70.2%	46.5%	65.0%	81.0%	9.3%	8.8%	10.7%	13.3%	15.9%	26.0%	30.4%
ROCE	77.5%	58.9%	83.7%	79.5%	11.7%	11.6%	13.8%	18.1%	19.8%	23.9%	26.8%
Net debt/EBITDA	0.5	0.0	-0.1	-0.5	4.8	2.7	1.9	1.2	0.6	-0.1	-0.6
Interest coverage	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	28.6%	44.0%	56.1%	58.2%	44.1%	47.4%	51.8%	55.6%	62.3%	73.2%	78.5%
Net gearing	72.0%	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	16.9%	-1.6%	-16.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

DKKm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
EBITDA (adj) for associates	103	91	157	228	233	402	520	669	768	912	1,072
Paid taxes	0	0	0	-21	-34	-35	-167	-116	-134	-179	-218
Net financials	0	0	0	7	65	79	80	33	-44	-5	-4
Change in provisions	-5	0	0	5	4	21	6	-33	1	1	1
Change in other LT non-IB	-12	-1	1	-1	9	-3	-6	26	22	3	3
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	n.a.	n.a.	n.a.	-11	-141	-174	-114	-33	0	0	0
Funds from operations (FFO)	n.a.	n.a.	n.a.	208	137	290	319	547	613	732	854
Change in NWC	n.a.	n.a.	n.a.	9	-20	-95	-133	-87	-122	-93	-94
Cash flow from operations (CFO)	n.a.	n.a.	n.a.	217	117	195	187	460	491	639	760
Capital expenditure	0	0	0	-10	-23	-30	-27	-27	-28	-34	-39
Free cash flow before A&D	n.a.	n.a.	n.a.	207	94	165	160	433	462	605	721
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	-2,516	-120	0	-37	0	0	0
Free cash flow	n.a.	n.a.	n.a.	207	-2,422	45	160	396	462	605	721
Free cash flow bef A&D, lease adj	n.a.	n.a.	n.a.	207	83	146	136	396	420	555	664
Dividends paid	n.a.	n.a.	n.a.	-100	-116	0	0	0	0	-75	-100
Equity issues / buybacks	n.a.	n.a.	n.a.	0	0	0	0	-175	0	0	0
Net change in debt	n.a.	n.a.	n.a.	0	0	0	0	-200	-200	-500	-200
Other financing adjustments	0	0	0	0	0	0	0	-34	-50	-57	-67
Other non-cash adjustments	n.a.	n.a.	n.a.	-8	2,487	90	-246	30	0	0	0
Change in cash	-21	-15	12	99	-52	135	-87	25	213	-27	354
Cash flow metrics											
Capex/D&A	0.0%	0.0%	0.0%	46.5%	22.0%	23.3%	17.5%	17.4%	20.8%	n.m.	n.m.
Capex/Sales	0.0%	0.0%	0.0%	1.3%	2.6%	2.1%	1.3%	1.1%	1.0%	1.0%	1.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	220	317	530	530	530
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	26,500	26,500	26,500
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	16,676	26,926	26,449	25,889
Diluted no. of shares, year-end (m)	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their unit Nordea Markets.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report

This report has been prepared solely by Nordea Markets.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets ("External Information"), Nordea Markets has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Readers of this document should note that Nordea Markets has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea Markets that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid.

Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US. This research report is intended only for, and may be distributed only to, accredited investors, expert investors or institutional investors in Singapore who may contact Nordea Bank, Singapore Branch of 138 Market Street, #09-01 CapitaGreen, Singapore 048946.

This publication or report may be distributed by Nordea Bank Abp Singapore Branch, which is subject to the supervision of the European Central Bank, the Finnish Financial Supervisory Authority and the Monetary Authority of Singapore.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea Markets analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea Markets has no market-making obligations in Netcompany.

Investment banking transactions

In view of Nordea's position in its markets readers should assume that the bank may currently or may in the coming three months and beyond be providing or seeking to provide confidential investment banking services to the company/companies

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

08 Nov 2020, 21:17 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650