

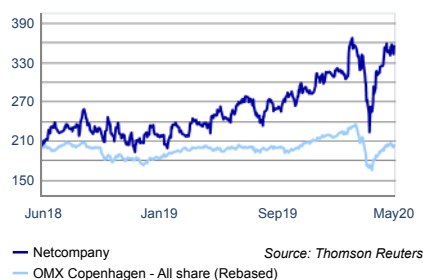
## Netcompany

Telecom Equipment and IT  
Denmark

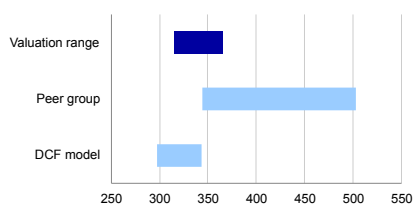
## KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 358.0
Free Float	69%
Market cap. (bn)	EUR 2.40/DKK 17.90
Website	www.netcompany.com
Next report date	

## PERFORMANCE



## VALUATION APPROACH



## ESTIMATE CHANGES

Year	2020E	2021E	2022E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

## Nordea Markets - Analysts

Claus Almer  
Senior AnalystJesper Herholt Jensen  
Senior Director, Sector Coordinator

## High Q1 tender activity, 2020 guidance reiterated

Netcompany slightly missed company-compiled consensus, but 13.4% organic revenue growth was still solid, considering the disruptions caused by COVID-19 and resources being allocated to tender activity. As in/out orders jumped by 47%, the revenue visibility increased by 19% y/y. To achieve the full-year guidance, in/out orders in Q2-Q4 2020 must grow by a more "modest" ~15%. Consensus is currently below full-year guidance. As we expected, 2020 guidance was reiterated. We leave our estimates untouched, but we lift our combined DCF- and SOTP-based fair value range to DKK 340-400 (320-375) per share due to multiple expansion among peers.

## Q1 2020: ~3% EBITA before special items miss

Q1 revenue and EBITA ended 5% and 2% below consensus, respectively, driven by the UK and Norway, which both reported a negative revenue trend due to tough comparisons. Other factors included FX (NOK) and fewer independent contractors in the UK. FCF was strong again (DKK 95m), up 26% y/y.

## High tender activity: Award in Q2-Q3 2020

Due to high activity related to upcoming tenders, Netcompany invested DKK ~10m worth of hours for submitting offers in Q1. The majority of the work is likely linked to Danish import/export system tenders. The first tender award (DKK ~600m) is expected in Q2-Q3 2020 and plays an important role for Netcompany's performance in 2020. The CEO seemed optimistic about the pipeline in Norway, where larger wins are needed to bring the division to the next level and thus validate the potential.

## Revenue visibility: 15% in/out order growth needed in Q2-Q4

Based on 47% higher in/out orders in Q1 (DKK 304m), Netcompany has now secured DKK 2.1bn 2020 revenue visibility (19% y/y), equal to 74% of our 2020 revenue estimate. To meet our estimates and 2020 guidance, an additional DKK ~0.8bn of in/out orders need to be signed in Q2-Q4, ie ~15% higher than the same period last year.

## Still adding employees: ~19% y/y

Organically, Netcompany added ~19% more employees y/y in Q1 and an additional 100 have been added in April and May, compared to 51 more employees in Q2 2019 (average q/q), as Netcompany continues to invest in future growth opportunities.

## SUMMARY TABLE - KEY FIGURES

DKKm	2016	2017	2018	2019	2020E	2021E	2022E
Total revenue	900	1,416	2,053	2,454	2,898	3,470	4,009
EBITDA (adj)	268	435	555	674	808	967	1,117
EBIT (adj)	162	306	399	516	670	872	1,037
EBIT (adj) margin	18.0%	21.6%	19.4%	21.0%	23.1%	25.1%	25.9%
EPS (adj)	0.97	3.34	4.16	7.91	10.26	13.60	16.18
EPS (adj) growth	-74.0%	242.5%	24.7%	90.0%	29.7%	32.6%	19.0%
DPS (ord)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	5.8	6.8	6.3	5.1	4.2
EV/EBIT (adj)	n.a.	n.a.	30.0	32.3	27.3	20.3	16.4
P/E (adj)	n.a.	n.a.	52.9	40.1	34.9	26.3	22.1
P/BV	n.a.	n.a.	6.1	7.7	6.9	5.5	4.4
Dividend yield (ord)	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	n.a.	n.a.	1.2%	2.5%	2.6%	3.3%	3.9%
Net debt	1,118	1,070	998	826	379	-201	-888
Net debt/EBITDA	4.8	2.7	1.9	1.2	0.5	-0.2	-0.8
ROIC after tax	9.3%	8.8%	10.7%	13.3%	16.9%	27.5%	31.5%

Source: Company data and Nordea estimates

# Q1 2020 preview

## Solid Q1 revenue growth

Revenue visibility was up 19% y/y at the end of Q1, in line with the 18-20% organic revenue growth guidance

Netcompany reported solid Q1 2020 results, although slightly below company-compiled consensus. Q1 revenue was 2% below expectations and EBITA before special items was 3% below. With 16.4% y/y growth in Q1 revenue, Netcompany continued its solid sales growth, despite lockdowns and restrictions in the latter part of March.

Organic revenue growth of 13.4% in Q1 was solid, but still below Netcompany's 2020 organic revenue growth guidance (LCY) of 18-20%. Perhaps more importantly, revenue visibility was up 19% y/y by the end of Q1, as order intake (in/out) jumped 47% y/y. DKK 304m of in/out orders were signed in the quarter.

The average number of employees in Q1 increased by ~19% y/y (organic), and hence investments in future growth opportunities have continued. Netcompany has added additional 100 employees so far in April and May.

Netcompany continued its strong cash flow profile as FCF increased by DKK 26m to DKK 95m.

## NETCOMPANY: Q1 2020E (DKKm)

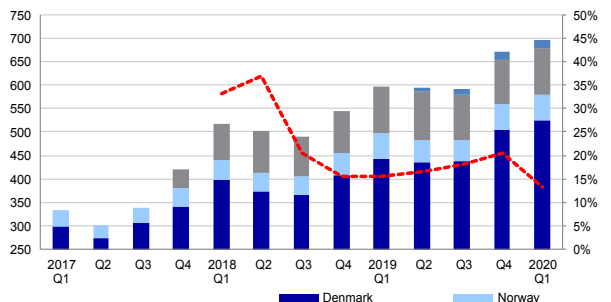
	2019				2020					Q1, y/y
	Q1	Q2	Q3	Q4	Q1A	Q1E	Cons	Act vs NDA	Cons	
<b>Revenue</b>	<b>598</b>	<b>593</b>	<b>592</b>	<b>671</b>	<b>696</b>	<b>716</b>	<b>713</b>	<b>-3%</b>	<b>-2%</b>	<b>16%</b>
Production cost	364	370	336	387	421	429	-	-2%	-	16%
<b>Gross profit</b>	<b>234</b>	<b>223</b>	<b>256</b>	<b>284</b>	<b>275</b>	<b>286</b>	<b>-</b>	<b>-4%</b>	<b>-</b>	<b>18%</b>
Sales & marketing	3	3	3	3	4	3	-	29%	-	63%
Administration	84	93	89	101	106	111	-	-4%	-	27%
Special items	-1	-3	-1	0	-3	0	0	-	-	-
<b>EBITA</b>	<b>146</b>	<b>123</b>	<b>164</b>	<b>180</b>	<b>164</b>	<b>172</b>	<b>172</b>	<b>-5%</b>	<b>-5%</b>	<b>12%</b>
EBIT	120	99	138	155	139	147	-	-5%	-	15%
Net financial items	6	-21	-4	5	-19	-4	-	-	-	-
<b>Pre-tax profit</b>	<b>126</b>	<b>78</b>	<b>134</b>	<b>160</b>	<b>120</b>	<b>142</b>	<b>147</b>	<b>-16%</b>	<b>-19%</b>	<b>-5%</b>
Taxes	28	16	31	34	27	33	35	-18%	-22%	-3%
<b>Net profit</b>	<b>99</b>	<b>62</b>	<b>102</b>	<b>126</b>	<b>93</b>	<b>110</b>	<b>113</b>	<b>-15%</b>	<b>-18%</b>	<b>-6%</b>
EPS	2.0	1.3	2.1	2.5	1.9	2.2	-	-14%	-	-6%
EPS growth, y/y	94.2%	-	32.3%	83.8%	-5.5%	9.7%	-	-	-	-
Revenue growth, y/y	15.6%	18.0%	20.8%	23.5%	16.4%	19.7%	19.3%	-	-	-
Revenue growth, organic	15.6%	16.6%	18.0%	20.5%	13.4%	17.3%	16.3%	-	-	-
Gross margin	39.1%	37.5%	43.2%	42.3%	39.5%	40.0%	-	-	-	-
<b>Costs (Revenue - EBITA adj)</b>	<b>450</b>	<b>467</b>	<b>428</b>	<b>491</b>	<b>529</b>	<b>544</b>	<b>541</b>	<b>-3%</b>	<b>-2%</b>	<b>17%</b>
Costs growth, q/q	-	4%	-8%	15%	8%	11%	10%	-	-	-
<b>EBITA, adj</b>	<b>147</b>	<b>126</b>	<b>164</b>	<b>180</b>	<b>167</b>	<b>172</b>	<b>172</b>	<b>-3%</b>	<b>-3%</b>	<b>13%</b>
EBITA margin, adj	24.6%	21.3%	27.7%	26.8%	24.0%	24.0%	24.1%	-	-	-
Incremental EBITA margin, adj	24.1%	40.2%	27.3%	38.6%	136.2%	21.0%	-	-	-	-
EBIT margin	20.2%	16.7%	23.2%	23.0%	20.0%	20.5%	-	-	-	-
Tax rate	21.9%	20.5%	23.4%	21.2%	22.4%	23.0%	23.4%	-	-	-
Revenue visibility	1,786	2,106	2,387	2,454	2,132	2,029	-	5%	-	19%
% of FY revenue	72.8%	85.8%	97.3%	100.0%	73.6%	63.1%	-	-	-	-
In/out orders	207	319	282	67	304	200	-	52%	-	47%
Growth, y/y	-26.3%	48.3%	-19.3%	137.0%	46.9%	-99.3%	-	-	-	-
Revenue (12m)	2,134	2,224	2,326	2,454	2,552	2,572	2,570	-1%	-1%	20%
Revenue growth (12m)	33.3%	23.5%	19.1%	19.5%	19.6%	20.5%	-	-5%	-	-41%
Gross margin (12M)	39.9%	39.5%	39.8%	40.6%	40.6%	40.8%	76227.4%	0%	-100%	2%
EBITA adj (12M)	504	540	568	617	637	642	642	-1%	-1%	26%
EBITA margin, adj (12M)	23.6%	24.3%	24.4%	25.2%	25.0%	25.0%	25.0%	-	-	-

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

In Denmark, Netcompany delivered 18.7% revenue growth y/y in Q1, slightly below our 20% estimate. We had factored in low growth for Norway due to the combination of negative FX effects and a tough comparison (Q1 2019: 29.3%), but the 0.4% revenue decline y/y (LCY: +6.5%) was lower than our 5% estimate. The UK business also reported a revenue decline (-2.3%), due to a tough comparison (Q1 2019: 30.5%) and the reduction of independent contractors. This had a negative impact on available client-facing resources, which were 6% lower y/y.

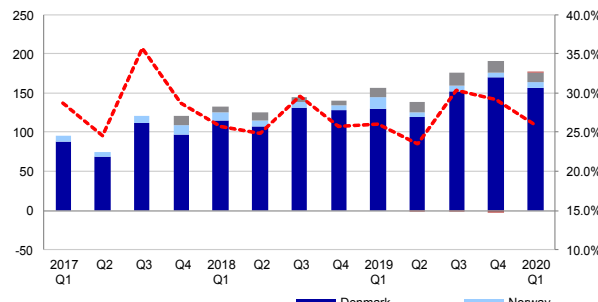
The newest acquired activities, Holland, had a solid quarter based on 9% higher revenue than in Q4 2019 (no comparable numbers for Q1 2019), versus our more modest 3% growth estimate.

**NETCOMPANY: REVENUE (DKK m)**



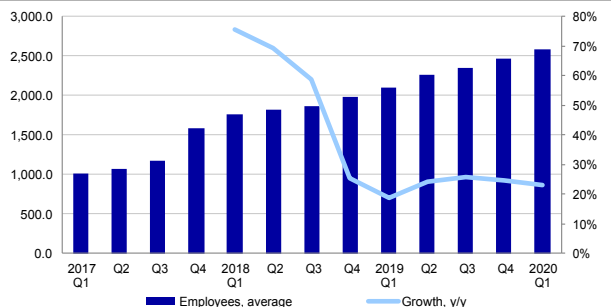
Source: Company data and Nordea estimates

**NETCOMPANY, DENMARK: EBITA (DKK m)**



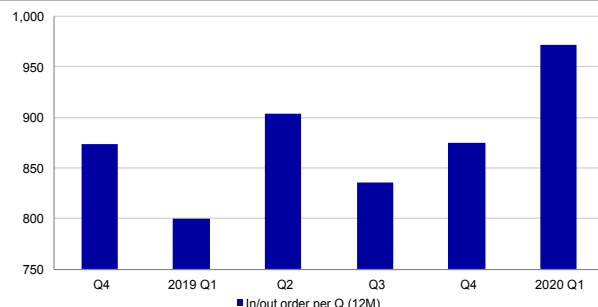
Source: Company data and Nordea estimates

**NETCOMPANY: FTE DEVELOPMENT**



Source: Company data and Nordea estimates

**NETCOMPANY: IN/OUT ORDERS, 12-MONTH (DKK m)**



Source: Company data and Nordea estimates

**Order intake**

To meet the 2020 revenue guidance, in/out orders in Q2-Q4 2020 must grow by ~15% y/y

To meet its guidance and our revenue estimate, around DKK 770m of in/out orders are to be signed in Q2-Q4 2020, 15% higher than the same period last year. The award of the development contract for the Danish import/export system plays an important role for this, but Netcompany has won at least one larger contract so far in Q2.

Together with Keyland, Netcompany has won the contract to develop a system for LD Fonde. The new system will handle communications for LD's 500,000 members, who have a combined DKK 30bn in pension savings. We estimate Netcompany's share of the contract is DKK ~75m.

**2020 guidance was reiterated, as expected**

Netcompany reiterated its 2020 guidance, as we expected, while consensus is currently below guidance.

According to Netcompany, several tender awards are expected in the coming months, which should support performance in 2020.

**NETCOMPANY: ESTIMATES AND GUIDANCE (DKKm)**

	2019	2020 guidance		2020E		2021E		2022E	
		Low	High	NDA	Cons	NDA	Cons	NDA	Cons
<b>Revenue</b>	<b>2,454</b>	<b>~2.90bn</b>	<b>~2.95bn</b>	<b>2,898</b>	<b>2,844</b>	<b>3,470</b>	<b>3,374</b>	<b>4,011</b>	<b>3,964</b>
Revenue growth, y/y	19.5%	-	-	18.1%	15.9%	19.7%	18.6%	15.6%	17.5%
Revenue growth, organic	<b>17.7%</b>	<b>18%</b>	<b>20%</b>	<b>17.6%</b>	<b>14.8%</b>	<b>19.7%</b>	<b>18.6%</b>	<b>15.6%</b>	<b>17.5%</b>
Costs	1,837	-	-	2,148	2,121	2,572	2,488	2,974	2,915
Growth	19.3%	-	-	17.0%	15.5%	19.7%	17.3%	15.6%	17.1%
<b>EBITA, adj</b>	<b>617</b>	<b>~750</b>	<b>~770</b>	<b>750</b>	<b>723</b>	<b>897</b>	<b>886</b>	<b>1,037</b>	<b>1,050</b>
EBITA margin, adj	25.2%	~26%	~26%	25.9%	25.4%	25.9%	26.3%	25.9%	26.5%

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

# Valuation: DKK 340-400 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.

Given its record-high growth and high-margin profile, we do not find an abundance of well-matched peers for Netcompany. As a consequence, we favour our DCF model, which reflects the company's high revenue and EBITA growth, its margin, its asset-light business model, and low operating leverage.

As there are a few suitable peers for Netcompany, however, our valuation range is derived from the combination of a DCF model and a peer group valuation. Our DCF-based range is based on  $\pm 1$  pp for revenue growth and the EBIT margin versus our base scenario. Our valuation range is thus DKK 340-400 per share, up from DKK 330-385 share, due to multiple expansion within the peer group.

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: 6.6%) is DKK 320 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	9.47%	10.0%	6.3%	2.5%	2.5%	-
EBIT-margin	23.7%	18.0%	15.5%	9.1%	2.7%	-
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	17.5%	17.5%	17.5%	17.5%	17.5%	-
FCFF, CAGR	8.1%	4.7%	4.8%	-6.8%	-23.5%	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.

If Netcompany were to extend the period with 20-25% organic revenue growth beyond its current guidance (up to 2021), this would have a significant positive impact on our valuation.

## NETCOMPANY: DCF SENSITIVITY

		WACC				
		4.6%	5.6%	6.6%	7.6%	8.6%
Sales growth, change	+2.0pp	515	413	345	296	258
	+1.0pp	485	394	332	287	251
	0.0pp	460	377	320	278	244
	-1.0pp	437	362	310	270	238
	-2.0pp	416	348	300	263	233

Source: Nordea estimates

## NETCOMPANY: DCF SENSITIVITY

		Sales growth change				
		-2.0pp	-1.0pp	0.0pp	1.0pp	2.0pp
EBIT margin, change	+2.0pp	335	350	366	384	405
	+1.0pp	318	330	343	358	375
	0.0pp	300	310	320	332	345
	-1.0pp	282	289	297	306	316
	-2.0pp	264	269	275	280	286

Source: Nordea estimates

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

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 consensus) is somewhat lower than for Netcompany.

## NETCOMPANY: PEER GROUP VALUATION

	Share price	MCAP EURbn	Grw, 2019-22E			EBIT mrg		P/E		EV/EBITDA			EV/EBIT			PEG	Share price		
			Rev	EBIT	EPS	2021E	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E	19-22E	1m	YTD	
<b>Key peers</b>																			
Epam	US	1,523	11.3	21%	21%	18%	16.7%	38.2x	30.4x	24.7x	23.5x	18.5x	15.2x	23.5x	18.4x	15.2x	2.1x	37%	5%
Globant	Lux	796	4.0	21%	20%	21%	16.5%	49.0x	36.3x	28.8x	29.5x	22.9x	18.7x	29.5x	22.9x	18.7x	2.3x	60%	9%
Endava	UK	302	2.2	58%	55%	63%	19.1%	36.6x	33.9x	28.0x	23.4x	20.9x	17.2x	23.5x	20.9x	17.2x	0.6x	30%	-6%
Reply	Italy	470	2.4	8%	9%	8%	12.9%	21.5x	19.1x	17.6x	11.9x	10.7x	9.7x	11.9x	10.7x	9.7x	2.7x	8%	-9%
<b>Average (ex Reply)</b>	-	-	<b>5.8</b>	<b>33%</b>	<b>32%</b>	<b>34%</b>	<b>17.4%</b>	<b>41.3x</b>	<b>33.5x</b>	<b>27.2x</b>	<b>25.5x</b>	<b>20.7x</b>	<b>17.1x</b>	<b>25.5x</b>	<b>20.7x</b>	<b>17.1x</b>	<b>1.7x</b>	<b>42%</b>	<b>3%</b>
Netcompany (cons.)	DKK	343	2.3	18%	24%	22%	25.5%	28.9x	23.2x	19.2x	21.2x	17.7x	14.7x	21.9x	18.2x	15.2x	1.3x	10%	9%
<b>IT service companies:</b>																			
IBM	US	113	88.4	0%	4%	2%	18.3%	10.9x	9.8x	9.3x	9.1x	8.3x	8.8x	9.2x	8.4x	8.9x	6.0x	15%	-9%
Accenture	IE	168	12.8	5%	6%	7%	15.1%	23.9x	22.5x	20.7x	14.0x	13.6x	12.6x	14.6x	14.1x	13.1x	3.5x	19%	-14%
Cognizant	US	53	5.9	4%	4%	5%	16.5%	15.6x	14.0x	12.5x	9.5x	8.7x	8.1x	9.4x	8.7x	8.1x	3.1x	32%	-8%
Atos	FR	63	6.9	0%	0%	0%	9.5%	9.2x	8.2x	7.7x	6.4x	6.0x	5.4x	6.4x	6.0x	5.5x	23.7x	6%	-15%
Cap Gemini	FR	87	14.7	8%	9%	11%	12.0%	13.8x	11.7x	10.1x	6.9x	6.1x	5.7x	6.0x	6.2x	5.7x	1.3x	29%	-20%
CGI Group	CA	59	15.3	0%	1%	4%	15.6%	18.9x	17.3x	16.2x	11.7x	11.1x	10.8x	11.0x	10.5x	10.2x	5.1x	19%	-17%
DXC Technology	US	15	3.9	-3%	-14%	-10%	11.1%	3.1x	3.3x	2.8x	3.2x	3.5x	3.2x	3.2x	3.5x	3.2x	-0.3x	42%	-56%
Sopra Steria	FR	110	2.2	1%	8%	8%	8.4%	14.2x	10.9x	9.4x	7.5x	6.4x	5.6x	7.5x	6.5x	5.6x	1.9x	18%	-24%
HCL	IN	6	0.4	8%	8%	6%	19.2%	13.1x	12.6x	11.3x	8.3x	7.6x	7.0x	8.3x	7.6x	7.0x	2.3x	28%	-8%
Infosys	IN	8	-	5%	3%	4%	21.7%	17.3x	17.7x	15.8x	12.1x	11.9x	10.6x	11.9x	11.7x	10.5x	4.5x	15%	-8%
Tata	IN	24	-	4%	2%	2%	24.6%	22.2x	22.8x	20.4x	16.8x	16.9x	15.2x	16.5x	16.6x	15.0x	11.3x	17%	-11%
Wipro	IN	2	2.3	1%	1%	3%	16.6%	11.0x	11.7x	10.7x	6.7x	6.9x	6.5x	6.8x	7.0x	6.6x	4.2x	2%	-25%
Tech Mahindra	IN	6	-	4%	-2%	1%	12.8%	10.3x	11.5x	9.6x	6.6x	6.8x	5.9x	6.7x	6.9x	6.0x	15.3x	-4%	-34%
<b>Average, ex India</b>	-	-	<b>18.8</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>13.3%</b>	<b>13.7x</b>	<b>12.2x</b>	<b>11.1x</b>	<b>8.5x</b>	<b>8.0x</b>	<b>7.5x</b>	<b>8.5x</b>	<b>8.0x</b>	<b>7.5x</b>	<b>6.3x</b>	<b>22%</b>	<b>-20%</b>
<b>Average</b>	-	-	<b>15.3</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>15.5%</b>	<b>14.1x</b>	<b>13.4x</b>	<b>12.0x</b>	<b>9.1x</b>	<b>8.8x</b>	<b>8.1x</b>	<b>9.1x</b>	<b>8.8x</b>	<b>8.1x</b>	<b>6.3x</b>	<b>18%</b>	<b>-19%</b>
<b>Nordic peers:</b>																			
NNIT	DKK	107	0.4	-	-	-	-	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	-	16%	-4%
HiQ	SE	4	0.2	0%	-3%	-2%	11.1%	16.0x	12.6x	12.5x	9.7x	8.1x	7.7x	12.0x	9.8x	9.8x	-9.5x	11%	-24%
TietoEvry	FI	22	2.6	20%	23%	7%	10.9%	12.8x	10.4x	9.8x	9.1x	8.1x	7.6x	14.3x	11.6x	11.1x	1.7x	11%	-22%
KnowIT	SE	13	0.3	5%	-	-	10.3%	9.7x	8.9x	-	6.1x	5.7x	5.2x	7.6x	7.0x	-	-	9%	-33%
Acando	SE	1	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0%
<b>Average</b>	-	-	<b>0.8</b>	<b>8%</b>	<b>10%</b>	<b>3%</b>	<b>10.8%</b>	<b>9.6x</b>	<b>8.0x</b>	<b>7.4x</b>	<b>6.2x</b>	<b>5.5x</b>	<b>5.1x</b>	<b>8.5x</b>	<b>7.1x</b>	<b>6.9x</b>	<b>-3.9x</b>	<b>9%</b>	<b>-8%</b>
SimCorp	DKK	630	3.3	9%	10%	12%	28.7%	38.6x	28.9x	24.0x	27.2x	21.2x	18.6x	30.5x	23.1x	19.9x	3.1x	14%	-17%
<b>Others:</b>																			
Europe IT consult. 1)	-	-	-	7%	11%	12%	8.1%	14.4x	14.1x	12.2x	10.8x	8.3x	8.5x	10.8x	10.8x	9.8x	1.2x	10%	-6%
Global IT consult. 2)	-	-	-	6%	11%	22%	22.3%	25.3x	22.6x	20.6x	15.7x	12.6x	235.7x	21.3x	18.8x	16.0x	1.2x	19%	-10%
<b>Average, total</b>	-	-	-	<b>12%</b>	<b>13%</b>	<b>15%</b>	<b>14.8%</b>	<b>21.0x</b>	<b>18.3x</b>	<b>15.9x</b>	<b>13.5x</b>	<b>11.2x</b>	<b>54.9x</b>	<b>15.0x</b>	<b>13.2x</b>	<b>11.6x</b>	<b>1.3x</b>	<b>20%</b>	<b>-8%</b>
<b>Netcompany, NDA</b>	DKK	343	2.3	18%	27%	27%	25.1%	33.4x	25.2x	21.2x	21.9x	17.8x	14.9x	1.3x	0.6x	-0.1x	1.2x	10%	9%
<b>- One-off, PPA adj.</b>	DKK	343	2.3	18%	19%	18%	25.9%	27.9x	22.6x	20.5x	21.9x	17.8x	14.9x	1.3x	0.6x	-0.1x	1.6x	10%	9%

Source: Thomson Reuters and Nordea estimates

## VALUATION: NETCOMPANY (OUR ESTIMATES) VS PEER GROUP VALUATION

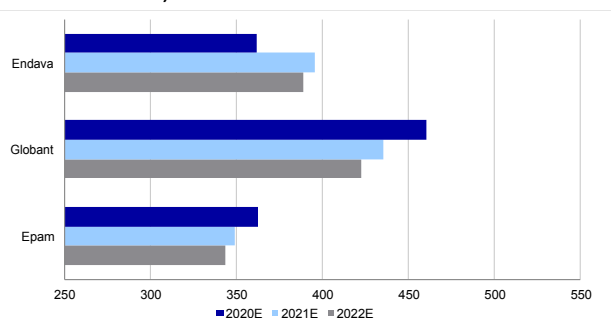
	Grw, 2019-22E			EV/EBITDA			PEG	Share price	
	Rev	EBIT	EPS	2020E	2021E	2022E	19-22E	1m	3M
<b>Key peers</b>	Underperf.	Underperf.	Underperf.	Discount	Discount	Discount	Discount	Underperf.	Outperf.
IT service companies:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	Outperf.
- Ex India	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	Outperf.
Nordic peers:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Outperf.	Outperf.
Europe IT consult. 1)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Outperf.	Outperf.
Global IT consult. 2)	Outperf.	Outperf.	Underperf.	Premium	Premium	Discount	Premium	Underperf.	Outperf.

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

Source: Thomson Reuters and Nordea estimates

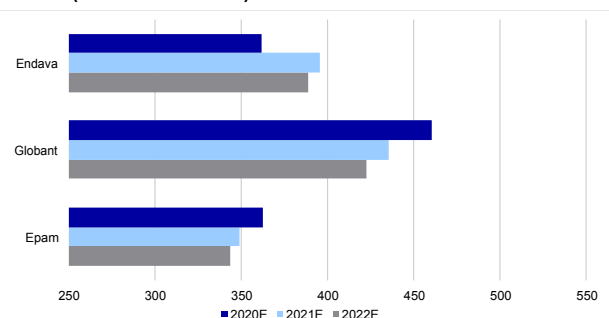
Based on our estimates and consensus, Netcompany should show EBIT growth similar to its key peers (source: Thomson Reuters) but an EBIT margin superior to most of its peers. We thus believe Netcompany should trade at the higher end of the peer range, maybe even at a premium once its record as a listed company has been established and more projects have been added to the backlog.

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



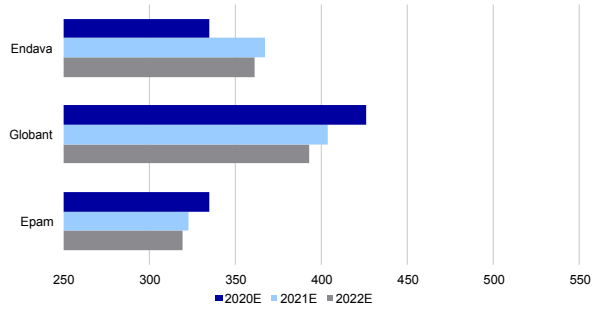
Source: Thomson Reuters and Nordea estimates

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



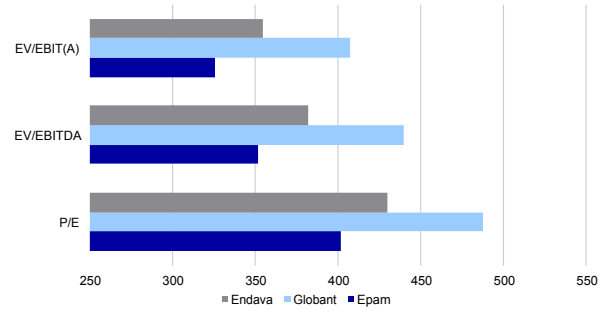
Source: Thomson Reuters and Nordea estimates

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



Source: Company data and Nordea estimates

**NETCOMPANY VALUATION, AVERAGE 2019-21E (DKK PER SHARE)**



Source: Company data and Nordea estimates

# Netcompany: Quarterly numbers

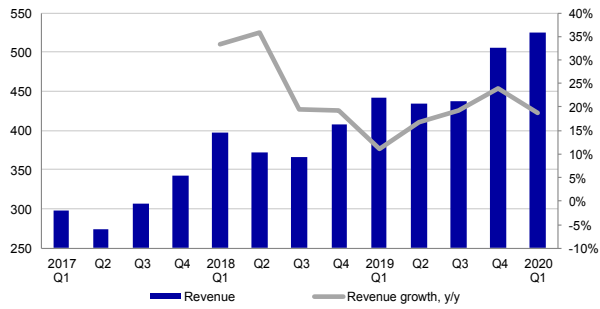
## NETCOMPANY: QUARTERLY NUMBERS (DKKkm)

	2017				2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Revenue</b>	<b>333</b>	<b>302</b>	<b>338</b>	<b>443</b>	<b>517</b>	<b>503</b>	<b>490</b>	<b>543</b>	<b>598</b>	<b>593</b>	<b>592</b>	<b>671</b>	<b>696</b>
Production cost	192	179	171	261	319	306	282	329	364	370	336	387	421
<b>Gross profit</b>	<b>141</b>	<b>124</b>	<b>166</b>	<b>182</b>	<b>198</b>	<b>196</b>	<b>208</b>	<b>214</b>	<b>234</b>	<b>223</b>	<b>256</b>	<b>284</b>	<b>275</b>
Sales & marketing	2	2	3	3	3	4	2	3	3	3	3	3	4
Administration	43	48	47	64	68	73	69	81	84	93	89	101	106
Special items	0	-2	-14	-16	-8	-27	0	0	-1	-3	-1	0	0
<b>EBITA</b>	<b>96</b>	<b>72</b>	<b>103</b>	<b>99</b>	<b>120</b>	<b>93</b>	<b>136</b>	<b>131</b>	<b>146</b>	<b>123</b>	<b>164</b>	<b>180</b>	<b>164</b>
Amortisation	24	23	23	27	29	29	29	28	26	25	26	25	25
<b>EBIT</b>	<b>72</b>	<b>49</b>	<b>80</b>	<b>72</b>	<b>91</b>	<b>64</b>	<b>107</b>	<b>102</b>	<b>120</b>	<b>99</b>	<b>138</b>	<b>155</b>	<b>139</b>
Net financial items	-24	-18	-18	-12	-25	-65	-8	-10	6	-21	-4	5	-19
<b>Pre-tax profit</b>	<b>48</b>	<b>31</b>	<b>62</b>	<b>61</b>	<b>67</b>	<b>-2</b>	<b>99</b>	<b>92</b>	<b>126</b>	<b>78</b>	<b>134</b>	<b>160</b>	<b>120</b>
Taxes	12	8	19	20	15	15	21	23	28	16	31	34	27
<b>Net profit</b>	<b>36</b>	<b>22</b>	<b>43</b>	<b>40</b>	<b>51</b>	<b>-17</b>	<b>78</b>	<b>68</b>	<b>99</b>	<b>62</b>	<b>102</b>	<b>126</b>	<b>93</b>
Revenue visibility	-	-	-	-	1,461	1,676	2,025	-	1,786	2,106	2,387	2,454	2,132
% of FY revenue	-	-	-	-	-	81.6%	98.6%	-	72.8%	85.8%	97.3%	100.0%	73.6%
In/out orders	-	-	-	-	281	215	349	28	207	319	282	67	304
Growth, y/y	-	-	-	-	-	-	-	-	-26.3%	48.3%	-19.3%	137.0%	46.9%
EPS	0.7	0.5	0.9	0.9	1.0	-0.3	1.6	1.4	2.0	1.3	2.1	2.5	1.9
EPS growth, y/y	-	-	-	-	39.2%	-	77.5%	52.0%	94.2%	-	32.3%	83.8%	-5.5%
Tax rate	25.2%	27.4%	30.3%	33.4%	23.1%	-	21.0%	25.3%	21.9%	20.5%	23.4%	21.2%	22.4%
Revenue growth, y/y	-	-	-	-	55.3%	66.2%	45.3%	22.5%	15.6%	18.0%	20.8%	23.5%	16.4%
Gross margin	42.2%	40.9%	49.3%	41.1%	38.3%	39.1%	42.4%	39.4%	39.1%	37.5%	43.2%	42.3%	39.5%
EBITDA	-	-	106	-	130	103	148	140	158	137	178	196	180
EBITDA margin	-	-	31.5%	-	25.1%	20.5%	30.1%	25.8%	26.5%	23.1%	30.1%	29.2%	25.9%
Incremental EBITA margin, adj	-	-	-	-	17.4%	7.9%	12.6%	15.4%	24.1%	40.2%	27.3%	38.6%	17.2%
<b>EBITA, adj</b>	<b>96</b>	<b>74</b>	<b>117</b>	<b>115</b>	<b>128</b>	<b>90</b>	<b>136</b>	<b>131</b>	<b>147</b>	<b>126</b>	<b>164</b>	<b>180</b>	<b>164</b>
<b>EBITA margin, adj</b>	<b>28.8%</b>	<b>24.5%</b>	<b>34.7%</b>	<b>26.0%</b>	<b>24.7%</b>	<b>17.8%</b>	<b>27.8%</b>	<b>24.0%</b>	<b>24.6%</b>	<b>21.3%</b>	<b>27.7%</b>	<b>26.8%</b>	<b>23.6%</b>
EBITA margin	28.8%	23.7%	30.4%	22.3%	23.2%	18.4%	27.8%	24.0%	24.5%	20.8%	27.6%	26.8%	23.6%
EBIT margin	21.6%	16.3%	23.7%	16.3%	17.6%	12.7%	21.9%	18.8%	20.2%	16.7%	23.2%	23.0%	20.0%
PTP margin	14.4%	10.2%	18.3%	13.7%	12.9%	-0.3%	20.2%	16.9%	21.1%	13.1%	22.6%	23.8%	17.2%
<b>FCF</b>	<b>39</b>	<b>-15</b>	<b>44</b>	<b>-23</b>	<b>84</b>	<b>24</b>	<b>48</b>	<b>23</b>	<b>74</b>	<b>80</b>	<b>126</b>	<b>116</b>	<b>95</b>
Revenue (12m)	-	-	-	1,416	1,600	1,801	1,953	2,053	2,134	2,224	2,326	2,454	2,552
Revenue growth (12m)	-	-	-	-	-	-	-	45.0%	33.3%	23.5%	19.1%	19.5%	19.6%
EBITA adj (12M)	-	-	-	402	434	450	469	484	504	540	568	617	634
EBITA margin, adj (12M)	-	-	-	28.4%	27.1%	25.0%	24.0%	23.6%	23.6%	24.3%	24.4%	25.2%	24.9%
Incremental EBITA margin (12M)	-	-	-	-	-	-	-	12.9%	13.1%	21.3%	26.6%	33.2%	31.2%
Revenue, Public	153	145	188	245	286	268	278	321	351	342	356	407	433
Revenue, private	180	157	150	199	231	235	213	222	247	252	236	264	262
Revenue growth, Public	-	-	-	-	87.3%	84.4%	47.8%	31.2%	22.7%	27.5%	28.4%	26.8%	23.5%
Revenue growth, private	-	-	-	-	28.2%	49.5%	42.2%	11.8%	6.8%	7.2%	10.8%	18.8%	6.2%
Development revenue	141	132	163	211	223	217	260	305	330	290	299	339	356
Maintenance revenue	192	170	175	232	294	285	230	239	268	303	293	332	340
<b>Netcompany Denmark:</b>													
Revenue, Denmark	298	274	307	342	397	372	366	408	442	435	437	505	525
Revenue growth, Denmark	-	-	-	-	33.4%	35.9%	19.4%	19.3%	11.2%	16.7%	19.4%	23.9%	18.7%
EBITA adj. before HQ costs, Denmark	88	69	112	98	115	107	131	127	130	119	152	169	157
EBITA margin adj. before HQ costs, Denmark	29.5%	25.3%	36.6%	28.5%	29.0%	28.6%	35.9%	31.2%	29.4%	27.3%	34.8%	33.5%	29.9%
EBITA margin adj, Denmark (12M)	-	-	-	30.1%	29.9%	30.4%	30.5%	31.1%	31.2%	30.7%	30.7%	31.3%	31.4%
<b>Netcompany Norway</b>													
Revenue, Norway	35	28	31	40	43	41	40	47	55	47	45	53	55
Revenue growth, Norway	-	-	-	-	21.4%	45.2%	29.8%	19.7%	29.3%	14.1%	13.2%	12.4%	-0.4%
EBITA adj. before HQ costs, Norway	8	5	8	11	10	8	8	7	15	7	7	6	8
EBITA margin adj. before HQ costs, Norway	22.2%	16.6%	26.2%	26.8%	23.0%	19.7%	18.7%	15.6%	27.0%	14.7%	15.9%	10.7%	13.8%
EBITA margin adj, Norway (12M)	-	-	-	23.3%	23.5%	23.7%	22.0%	19.2%	20.6%	19.4%	18.7%	17.3%	13.7%
<b>Netcompany UK</b>													
Revenue, UK	-	-	-	40	77	89	84	88	101	104	96	95	98
Revenue growth, UK	-	-	-	-	-	-	-	122.0%	30.5%	17.3%	13.7%	8.5%	-2.3%
EBITA adj. before HQ costs, , UK	-	-	-	12	8	10	6	5	11	12	16	16	11
EBITA margin adj. before HQ costs, UK	-	-	-	31.3%	10.1%	11.7%	7.1%	5.7%	11.0%	11.8%	16.6%	16.5%	11.5%
EBITA margin adj, UK (12M)	-	-	-	-	-	-	12.6%	8.6%	9.0%	9.1%	11.4%	13.9%	14.0%
<b>Netcompany Holland</b>													
Revenue, Netherlands	-	-	-	-	-	-	-	-	-	7	14	16	18
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITA adj. before HQ costs, , Holland	-	-	-	-	-	-	-	-	-	-1	-2	-3	1
EBITA margin adj. before HQ costs, Holland	-	-	-	-	-	-	-	-	-	-15.5%	-13.6%	-17.2%	6.2%
EBITA margin adj, Holland (12M)	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data and Nordea

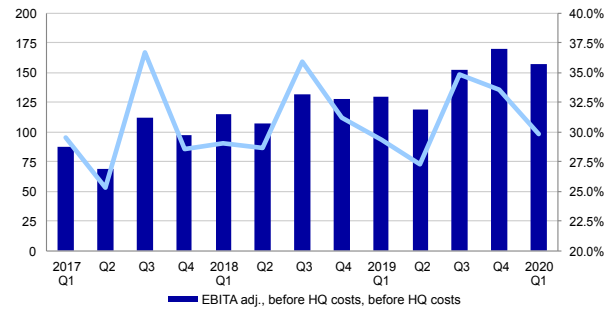


**NETCOMPANY, DENMARK: REVENUE (DKKm)**



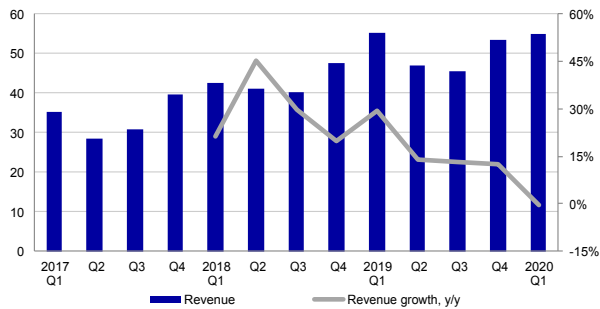
Source: Company data and Nordea estimates

**NETCOMPANY, DENMARK: EBITA ADJUSTED (DKKm)**



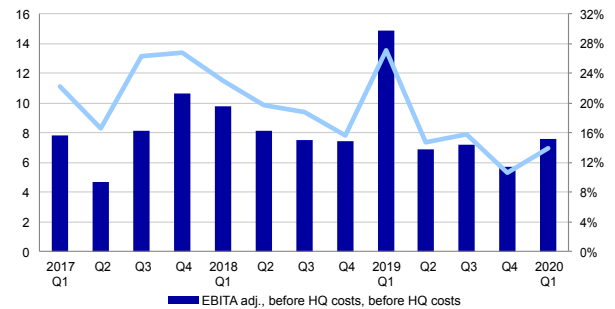
Source: Company data and Nordea estimates

**NETCOMPANY, NORWAY: REVENUE (DKKm)**



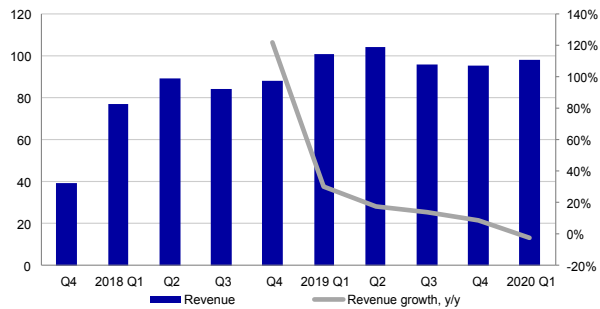
Source: Company data and Nordea estimates

**NETCOMPANY, NORWAY: EBITA ADJUSTED (DKKm)**



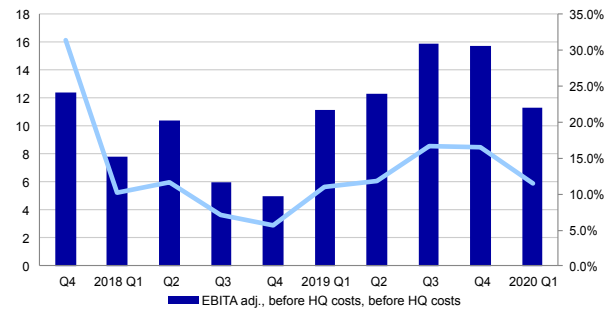
Source: Company data and Nordea estimates

**NETCOMPANY, UK: REVENUE (DKKm)**



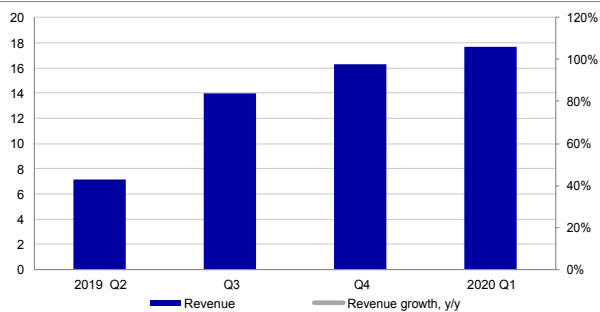
Source: Company data and Nordea estimates

**NETCOMPANY, UK: EBITA ADJUSTED (DKKm)**



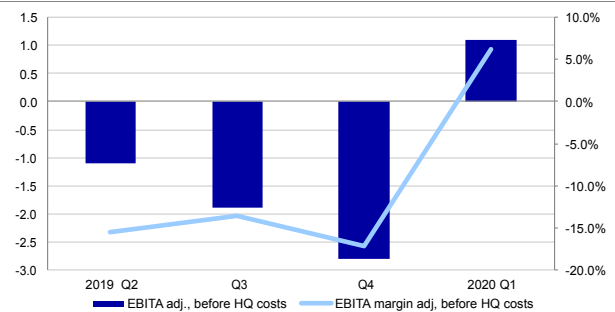
Source: Company data and Nordea estimates

**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
<b>Revenue</b>	<b>327</b>	<b>400</b>	<b>461</b>	<b>629</b>	<b>758</b>	<b>900</b>	<b>1,416</b>	<b>2,053</b>	<b>2,454</b>	<b>2,898</b>	<b>3,470</b>	<b>4,009</b>
Production cost	-	-	-	-	447	527	803	1,237	1,458	1,712	2,050	2,368
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>373</b>	<b>613</b>	<b>817</b>	<b>996</b>	<b>1,186</b>	<b>1,420</b>	<b>1,641</b>
Sales & marketing	-	-	-	-	4	4	10	12	12	14	16	19
Administration	-	-	-	-	100	121	201	290	367	423	506	585
Special items	-	-	-	-	0	-35	-33	-34	-4	0	0	0
<b>EBITDA</b>	<b>108</b>	<b>103</b>	<b>91</b>	<b>157</b>	<b>228</b>	<b>233</b>	<b>402</b>	<b>520</b>	<b>669</b>	<b>808</b>	<b>967</b>	<b>1,117</b>
Depreciation	4	6	9	8	9	32	34	40	56	58	69	80
Amortisation	0	0	0	-2	12	0	0	0	0	0	0	0
<b>EBITA</b>	<b>105</b>	<b>98</b>	<b>81</b>	<b>150</b>	<b>207</b>	<b>201</b>	<b>369</b>	<b>480</b>	<b>613</b>	<b>750</b>	<b>897</b>	<b>1,037</b>
Amortisation	0	2	2	2	0	74	96	115	102	80	25	0
<b>EBIT</b>	<b>105</b>	<b>96</b>	<b>80</b>	<b>149</b>	<b>207</b>	<b>127</b>	<b>273</b>	<b>365</b>	<b>511</b>	<b>670</b>	<b>872</b>	<b>1,037</b>
Net financial items	0	-2	1	1	0	-62	-73	-109	-14	-17	-5	-4
<b>Pre-tax profit</b>	<b>105</b>	<b>94</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>65</b>	<b>200</b>	<b>256</b>	<b>497</b>	<b>653</b>	<b>868</b>	<b>1,033</b>
Taxes	26	7	8	15	20	44	59	74	109	144	191	227
<b>Net profit</b>	<b>79</b>	<b>88</b>	<b>73</b>	<b>134</b>	<b>188</b>	<b>21</b>	<b>141</b>	<b>181</b>	<b>389</b>	<b>509</b>	<b>677</b>	<b>806</b>
One-off items	0	0	0	0	0	-35	-33	-34	-4	0	0	0
EPS	-	-	-	-	-	-	2.8	3.7	7.9	10.2	13.5	16.1
EPS growth, y/y	-	-	-	-	-	-	-	29.7%	116.7%	28.8%	32.8%	19.1%
Tax rate	25.0%	7.0%	9.3%	10.2%	9.6%	67.1%	29.7%	29.1%	21.9%	22.0%	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%	18.1%	19.7%	15.5%
Gross margin	-	-	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.9%	40.9%	40.9%
<b>EBITDA margin</b>	<b>33.1%</b>	<b>25.8%</b>	<b>19.8%</b>	<b>24.9%</b>	<b>30.1%</b>	<b>25.9%</b>	<b>28.4%</b>	<b>25.3%</b>	<b>27.3%</b>	<b>27.9%</b>	<b>27.9%</b>	<b>27.9%</b>
<b>EBITA, adj</b>	<b>105</b>	<b>98</b>	<b>81</b>	<b>150</b>	<b>207</b>	<b>236</b>	<b>402</b>	<b>514</b>	<b>617</b>	<b>750</b>	<b>897</b>	<b>1,037</b>
<b>EBITA margin, adj</b>	<b>32.0%</b>	<b>24.4%</b>	<b>17.7%</b>	<b>23.9%</b>	<b>27.4%</b>	<b>26.3%</b>	<b>28.4%</b>	<b>25.0%</b>	<b>25.2%</b>	<b>25.9%</b>	<b>25.9%</b>	<b>25.9%</b>
EBITA margin	32.0%	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	25.9%	25.9%	25.9%
EBIT margin	32.0%	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	23.1%	25.1%	25.9%
Net profit, adj.	79	89	75	136	188	106	241	298	471	572	696	806
CFFO	-	-	-	-	217	117	195	187	460	491	632	743
Capex	-5	-16	-16	-4	-18	-2,539	-150	-27	-65	-30	-35	-65
<b>FCF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>-2,422</b>	<b>45</b>	<b>160</b>	<b>396</b>	<b>461</b>	<b>598</b>	<b>678</b>
Revenue, Public	-	-	-	-	312	368	730	1,152	1,456	1,792	2,109	2,240
Revenue, private	-	-	-	-	447	531	686	901	998	1,088	1,360	1,768
Revenue growth, Public	-	-	-	-	-	18.3%	98.2%	57.8%	26.3%	23.1%	17.7%	6.2%
Revenue growth, private	-	-	-	-	-	19.0%	29.1%	31.4%	10.8%	9.0%	25.0%	30.0%
<b>Development revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347</b>	<b>439</b>	<b>647</b>	<b>1,005</b>	<b>1,258</b>	<b>1,153</b>	<b>1,321</b>	<b>1,362</b>
Public customers	-	-	-	-	137	167	440	575	738	587	612	441
Private customers	-	-	-	-	210	272	206	430	520	567	709	921
<b>Maintenance revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411</b>	<b>461</b>	<b>769</b>	<b>1,048</b>	<b>1,196</b>	<b>1,726</b>	<b>2,149</b>	<b>2,646</b>
Public customers	-	-	-	-	175	202	290	577	718	1,205	1,497	1,799
Private customers	-	-	-	-	236	260	479	471	478	521	652	847
<b>Netcompany Denmark:</b>												
Revenue, Denmark	327	400	461	629	758	888	1,220	1,544	1,819	2,221	2,668	3,087
Revenue growth, Denmark	25.3%	22.3%	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	22.1%	20.1%	15.7%
EBITA adj, Denmark	105	98	81	150	207	234	358	461	544	653	771	874
EBITA margin adj, Denmark	32.0%	24.4%	17.7%	23.9%	27.4%	26.4%	29.4%	29.8%	29.9%	29.4%	28.9%	28.3%
<b>Netcompany Norway</b>												
Revenue, Norway	-	-	-	-	-	12	134	171	203	224	257	296
Revenue growth, Norway	-	-	-	-	-	-	1044.4%	27.9%	18.6%	10.0%	15.0%	15.0%
EBITA adj, Norway	-	-	-	-	-	2	31	31	32	37	44	52
EBITA margin adj, Norway	-	-	-	-	-	17.1%	23.1%	17.9%	15.9%	16.4%	16.9%	17.4%
<b>Netcompany UK</b>												
Revenue, UK	-	-	-	-	-	-	62	338	395	454	545	626
Revenue growth, UK	-	-	-	-	-	-	-	446.2%	16.7%	15.0%	20.0%	15.0%
EBITA adj, UK	-	-	-	-	-	-	12	23	48	60	83	111
EBITA margin adj, UK	-	-	-	-	-	-	20.0%	6.8%	12.2%	13.2%	15.2%	17.7%
<b>Netcompany Holland</b>												
Revenue, Netherlands	-	-	-	-	-	-	-	-	37	69	83	99
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	84.5%	20.0%	20.0%
EBITA adj, Holland	-	-	-	-	-	-	-	-	-7	3	6	10
EBITA margin adj, 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
<b>Total revenue</b>	<b>400</b>	<b>461</b>	<b>629</b>	<b>758</b>	<b>900</b>	<b>1,416</b>	<b>2,053</b>	<b>2,454</b>	<b>2,898</b>	<b>3,470</b>	<b>4,009</b>
Revenue growth	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	18.1%	19.7%	15.5%
of which organic	n.a.	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	17.6%	19.7%	15.5%
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	808	967	1,117
Depreciation and impairments PPE	-6	-10	-7	-21	-32	-34	-40	-56	-58	-69	-80
of which leased assets	0	0	0	0	-11	-19	-24	-37	-43	-52	-60
EBITA	98	81	150	207	201	369	480	613	750	897	1,037
Amortisation and impairments	-2	-2	-2	0	-74	-96	-115	-102	-80	-25	0
EBIT	96	80	149	207	127	273	365	511	670	872	1,037
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	-72	-109	-11	-13	-1	0
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>94</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>65</b>	<b>201</b>	<b>256</b>	<b>501</b>	<b>657</b>	<b>871</b>	<b>1,036</b>
Reported taxes	-7	-8	-15	-20	-44	-59	-74	-109	-144	-191	-227
Net profit from continued operations	88	73	134	188	21	141	181	392	513	680	809
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	181	392	513	680	809
<b>EPS</b>	<b>1.75</b>	<b>1.47</b>	<b>2.69</b>	<b>3.75</b>	<b>0.43</b>	<b>2.82</b>	<b>3.62</b>	<b>7.84</b>	<b>10.26</b>	<b>13.60</b>	<b>16.18</b>
DPS	n.a.	n.a.	-2.00	-2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.66	0.60	-2.00	-2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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%	27.9%	27.9%	27.9%
EBITA	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	25.9%	25.9%	25.9%
EBIT	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	23.1%	25.1%	25.9%

## Adjusted earnings

EBITDA (adj)	103	91	157	228	268	435	555	674	808	967	1,117
EBITA (adj)	98	81	150	207	236	402	514	617	750	897	1,037
EBIT (adj)	96	80	149	207	162	306	399	516	670	872	1,037
EPS (adj)	1.75	1.47	2.69	3.75	0.97	3.34	4.16	7.91	10.26	13.60	16.18

## Adjusted profit margins in percent

EBITDA (adj)	25.8%	19.8%	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	27.9%	27.9%	27.9%
EBITA (adj)	24.4%	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	25.9%	25.9%	25.9%
EBIT (adj)	24.0%	17.3%	23.6%	27.4%	18.0%	21.6%	19.4%	21.0%	23.1%	25.1%	25.9%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	23.1%	23.7%	22.4%	28.7%	34.8%	31.3%	30.8%	31.0%	23.1%
EBITDA	n.m.	n.m.	16.8%	20.6%	16.6%	31.2%	41.7%	33.7%	28.8%	32.9%	22.7%
EBIT	n.m.	n.m.	15.5%	19.3%	4.0%	23.2%	35.5%	28.0%	26.4%	47.0%	30.6%
EPS	n.a.	n.a.	19.2%	23.8%	-23.0%	10.0%	19.8%	23.9%	22.3%	99.8%	41.8%
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%	20.0%	21.9%	23.2%
Average EBITDA margin	n.a.	27.8%	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	27.1%	27.4%	27.4%

## 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.	52.9	40.1	34.9	26.3	22.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	24.8	22.6	18.3	15.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	27.0	24.4	19.7	16.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	32.3	27.3	20.3	16.4

## 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.	60.7	40.4	34.9	26.3	22.1
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	6.80	6.31	5.10	4.24
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	24.9	22.6	18.3	15.2
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	27.2	24.4	19.7	16.4
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	32.6	27.3	20.3	16.4
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.5%	2.5%	2.9%	3.6%	4.2%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	2.6%	3.3%	3.9%
Payout ratio	n.a.	n.a.	n.m.	n.m.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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	170	197	226
of which leased assets	0	0	0	12	25	31	83	101	110	121	130
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	2,640	2,643	2,672
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	113	107	146	180	258	445	458	531	628	751	868
Short-term leased assets	0	0	0	11	19	24	37	43	52	60	69
Other current assets	77	101	190	174	103	139	268	304	410	491	568
Cash and bank	16	1	13	111	60	194	108	132	393	473	958
Total current assets	206	209	349	477	441	802	869	1,011	1,483	1,775	2,463
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>236</b>	<b>246</b>	<b>379</b>	<b>516</b>	<b>2,860</b>	<b>3,470</b>	<b>3,486</b>	<b>3,728</b>	<b>4,123</b>	<b>4,418</b>	<b>5,135</b>
Shareholders equity	68	108	213	300	1,261	1,644	1,806	2,072	2,585	3,265	4,074
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	2,585	3,265	4,074
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	77	83
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	936	447	256
Short-term provisions	0	0	0	5	9	30	36	4	4	5	6
Accounts payable	13	14	12	19	27	51	54	44	52	62	72
Current lease debt	5	4	1	6	12	14	29	39	43	47	51
Other current liabilities	91	79	149	180	222	336	310	441	503	593	677
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	602	707	805
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>237</b>	<b>246</b>	<b>379</b>	<b>516</b>	<b>2,860</b>	<b>3,469</b>	<b>3,485</b>	<b>3,728</b>	<b>4,123</b>	<b>4,418</b>	<b>5,135</b>
<b>Balance sheet and debt metrics</b>											
Net debt	49	3	-13	-111	1,118	1,070	998	826	379	-201	-888
of which lease debt	5	4	1	12	25	31	83	104	113	125	134
Working capital	86	115	175	155	113	198	361	351	483	588	687
Invested capital	116	152	205	195	2,533	2,865	2,977	3,067	3,123	3,231	3,359
Capital employed	133	146	218	312	2,492	2,940	2,996	3,134	3,457	3,648	4,267
ROE	n.m.	83.5%	83.8%	73.2%	2.7%	9.7%	10.5%	20.2%	22.0%	23.3%	22.1%
ROIC	70.2%	46.5%	65.0%	81.0%	9.3%	8.8%	10.7%	13.3%	16.9%	27.5%	31.5%
ROCE	77.5%	58.9%	83.7%	79.5%	11.7%	11.6%	13.8%	18.1%	20.3%	24.6%	26.2%
Net debt/EBITDA	0.5	0.0	-0.1	-0.5	4.8	2.7	1.9	1.2	0.5	-0.2	-0.8
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%	62.7%	73.9%	79.3%
Net gearing	72.0%	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	14.7%	-6.2%	-21.8%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

DKKm	2012	2013	2014	2015	2016	2017	2018	2019	2020E	2021E	2022E
<b>EBITDA (adj) for associates</b>	<b>103</b>	<b>91</b>	<b>157</b>	<b>228</b>	<b>233</b>	<b>402</b>	<b>520</b>	<b>669</b>	<b>808</b>	<b>967</b>	<b>1,117</b>
Paid taxes	0	0	0	-21	-34	-35	-167	-116	-144	-191	-227
Net financials	0	0	0	7	65	79	80	33	-13	-1	0
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
<b>Funds from operations (FFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>208</b>	<b>137</b>	<b>290</b>	<b>319</b>	<b>547</b>	<b>674</b>	<b>779</b>	<b>893</b>
Change in NWC	n.a.	n.a.	n.a.	9	-20	-95	-133	-87	-132	-105	-99
<b>Cash flow from operations (CFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>217</b>	<b>117</b>	<b>195</b>	<b>187</b>	<b>460</b>	<b>541</b>	<b>674</b>	<b>794</b>
Capital expenditure	0	0	0	-10	-23	-30	-27	-27	-29	-35	-40
<b>Free cash flow before A&amp;D</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>207</b>	<b>94</b>	<b>165</b>	<b>160</b>	<b>433</b>	<b>512</b>	<b>639</b>	<b>754</b>
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	512	639	754
Free cash flow bef A&D, lease adj	n.a.	n.a.	n.a.	207	83	146	136	396	469	587	694
Dividends paid	n.a.	n.a.	n.a.	-100	-116	0	0	0	0	0	0
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	-51	-59	-68
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	261	80	485
<b>Cash flow metrics</b>											
Capex/D&A	0.0%	0.0%	0.0%	46.5%	22.0%	23.3%	17.5%	17.4%	21.0%	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%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	220	317	358	358	358
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	17,900	17,900	17,900
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	16,676	18,279	17,699	17,012
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

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