

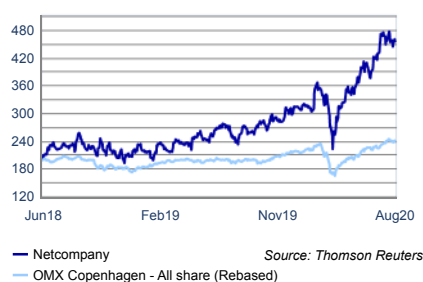
## Netcompany

Telecom Equipment and IT  
Denmark

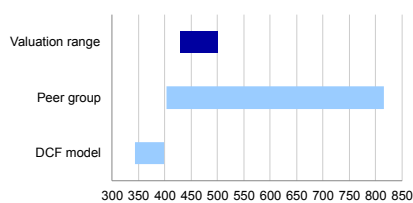
## KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 460.0
Free Float	85%
Market cap. (bn)	EUR 3.07/DKK 23.00
Website	www.netcompany.com
Next report date	20 Aug 2020

## PERFORMANCE



## VALUATION APPROACH (DKK/SHARE)



## 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

## Solid order intake in June and July

We expect Netcompany to have continued its solid growth in Q2, secured by a strong performance in the Danish operation, while the other countries have likely been more affected by COVID-19, partly due to their lack of multi-year contracts. In addition to the DKK ~400-600m import/export system development contract Netcompany won in late June, several existing contracts have been up for renewal in July (value: DKK ~450m), where we understand Netcompany has successfully recovered its fair share. We leave our estimates unchanged but increase our combined DCF- and SOTP-based fair value range to DKK 450-525 per share (405-470), mainly due to material multiple expansion among peers.

## Q2E 2020: 16.7% revenue growth (LCY) y/y

We estimate 16.7% y/y revenue growth (LCY) in Q2 based on 20% growth in Denmark, 15% in Norway (but FX: -12%) and -5% in the UK (negative effect from fewer independent contractors, flattish q/q), and Holland to deliver flattish revenue q/q. As Netcompany has continued to hire employees, the utilisation rate may have come under slight pressure both in terms of y/y and q/q development, albeit we also expect churn that should have a positive impact on the average cost level.

## Several order wins – mainly Q3 effect

In late June, Netcompany was awarded the important development contract for the Danish new import/export system, but as it became firm in July, it will not be in the backlog and revenue visibility at the end of Q2. In July, several existing development/maintenance contracts have been up for renewal. We can track DKK ~450m, which will cover several years, of which Netcompany appears to have won the majority of, and none of the existing contracts have been lost, we understand. We also note that Netcompany was awarded two contracts in the Netherlands and one in the UK, which all have been through the EU tender process. The values have not been disclosed.

## COVID-19: less impact

As a combination of its backlog, which includes multi-year development and maintenance contracts mainly in Denmark, demand for various digital services, and a digital setup that has made it possible to deliver during the lockdowns, we expect Netcompany to have performed well in Q2.

## Q2 2020 report at ~7:30 am and investor call at 11:00 CET

Dial-in details are not yet available.

## 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	4,011
EBITDA (adj)	268	435	555	674	808	967	1,118
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, DKK)	0.97	3.33	4.14	7.84	9.91	13.53	16.13
EPS (adj) growth	-74.0%	241.4%	24.3%	89.5%	26.4%	36.6%	19.1%
DPS (ord, DKK)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	5.8	6.8	8.1	6.6	5.5
EV/EBIT (adj)	n.a.	n.a.	30.0	32.3	34.9	26.1	21.3
P/E (adj)	n.a.	n.a.	53.2	40.4	46.4	34.0	28.5
P/BV	n.a.	n.a.	6.1	7.7	9.0	7.1	5.7
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%	2.0%	2.5%	3.0%
Net debt	1,118	1,070	998	826	393	-187	-874
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

# Q2 2020 preview

## Expecting solid Q2 revenue growth

We expect 15.5% y/y organic revenue growth, 2.1 pp above consensus. We estimate that revenue growth in the Norwegian operation will be negatively impacted by a significant headwind from FX (about -12%). We forecast a Q2 2020 adjusted EBITA margin of 22.4%, compared to the 21.3% reported for Q2 2019. Consensus is at 23%.

### NETCOMPANY: Q2 2020 ESTIMATES (DKKm)

	2019				2020			NDA vs		Q2,	H2		H2
	Q1	Q2	Q3	Q4	Q1	Q2E	Cons	Cons	y/y	2019	2020E	y/y	
<b>Revenue</b>	<b>598</b>	<b>593</b>	<b>592</b>	<b>671</b>	<b>696</b>	<b>685</b>	<b>669</b>	<b>2%</b>	<b>17%</b>	<b>1,263</b>	<b>1,518</b>	<b>20%</b>	
Production cost	364	370	336	387	421	421	-	-	14%	724	870	20%	
<b>Gross profit</b>	<b>234</b>	<b>223</b>	<b>256</b>	<b>284</b>	<b>275</b>	<b>264</b>	<b>264</b>	<b>0%</b>	<b>23%</b>	<b>540</b>	<b>648</b>	<b>20%</b>	
Sales & marketing	3	3	3	3	4	4	-	-	34%	6	5	-13%	
Administration	84	93	89	101	106	106	-	-	14%	190	211	11%	
Special items	-1	-3	-1	0	0	0	0	-	-	-1	0	-	
<b>EBITA</b>	<b>146</b>	<b>123</b>	<b>164</b>	<b>180</b>	<b>164</b>	<b>154</b>	<b>154</b>	<b>-0%</b>	<b>33%</b>	<b>343</b>	<b>432</b>	<b>26%</b>	
Amortisation	26	25	26	25	25	25	-	-	3%	51	29	-43%	
<b>EBIT</b>	<b>120</b>	<b>99</b>	<b>138</b>	<b>155</b>	<b>139</b>	<b>128</b>	<b>-</b>	<b>-</b>	<b>40%</b>	<b>292</b>	<b>403</b>	<b>38%</b>	
Net financial items	6	-21	-4	5	-19	-4	-	-	-	1	-8	-	
<b>Pre-tax profit</b>	<b>126</b>	<b>78</b>	<b>134</b>	<b>160</b>	<b>120</b>	<b>124</b>	<b>128</b>	<b>-3%</b>	<b>54%</b>	<b>293</b>	<b>394</b>	<b>34%</b>	
Taxes	28	16	31	34	27	28	-	-	69%	65	88	35%	
<b>Net profit</b>	<b>99</b>	<b>62</b>	<b>102</b>	<b>126</b>	<b>93</b>	<b>96</b>	<b>99</b>	<b>-2%</b>	<b>51%</b>	<b>228</b>	<b>306</b>	<b>34%</b>	
EPS	2.0	1.3	2.1	2.5	1.9	1.9	-	-	50%	4.6	6.1	32%	
EPS growth, y/y	94.2%	-	32.3%	83.8%	-5.5%	53.1%	-	-	-	56.2%	32.3%	-	
<b>Revenue growth, organic</b>	<b>15.6%</b>	<b>16.6%</b>	<b>18.0%</b>	<b>20.5%</b>	<b>13.4%</b>	<b>15.5%</b>	<b>13.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Revenue growth, y/y	15.6%	18.0%	20.8%	23.5%	16.4%	15.5%	12.8%	-	-	22.2%	20.1%	-	
Revenue (12m)	2,134	2,224	2,326	2,454	2,552	2,644	2,628	1%	15%	-	-	-	
Gross margin	39.1%	37.5%	43.2%	42.3%	39.5%	38.5%	39.4%	-	-	42.7%	42.7%	-	
Costs (Revenue - EBITA adj)	450	467	428	491	531	531	515	3%	14%	919	1,085	18%	
Costs growth, q/q	-	4%	-8%	15%	8%	0%	-3%	-	-	-	-	-	
<b>EBITDA</b>	<b>158</b>	<b>137</b>	<b>178</b>	<b>196</b>	<b>180</b>	<b>163</b>	<b>-</b>	<b>-</b>	<b>31%</b>	<b>374</b>	<b>465</b>	<b>24%</b>	
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	
<b>EBITA, adj</b>	<b>147</b>	<b>126</b>	<b>164</b>	<b>180</b>	<b>164</b>	<b>154</b>	<b>154</b>	<b>-0%</b>	<b>30%</b>	<b>344</b>	<b>432</b>	<b>26%</b>	
EBITA margin, adj	24.6%	21.3%	27.7%	26.8%	23.6%	22.4%	23.0%	-	-	27.2%	28.5%	-	
EBITA adj (12M)	504	540	568	617	634	662	624	6%	17%	-	-	-	
EBITA margin, adj (12M)	23.6%	24.3%	24.4%	25.2%	24.9%	25.0%	23.7%	-	-	-	-	-	
Incremental EBITA margin, adj	24.1%	40.2%	27.3%	38.6%	17.2%	29.9%	9.1%	-	-	-	34.6%	-	
EBIT margin	20.2%	16.7%	23.2%	23.0%	20.0%	18.7%	-	-	-	23.1%	26.5%	-	
Tax rate	21.9%	20.5%	23.4%	21.2%	22.4%	22.4%	-	-	-	22.2%	22.3%	-	
Revenue visibility	1,786	2,106	2,387	2,454	2,132	2,382	-	-	1%	2,454	-	-	
% of FY revenue	72.8%	85.8%	97.3%	100.0%	73.6%	82.2%	-	-	-	-	-	-	
In/out orders	207	319	282	67	304	250	-	-	-5%	349	516	48%	
Growth, y/y	-26.3%	48.3%	-19.3%	137.0%	46.9%	-21.7%	-	-	-	-7.6%	48.2%	-	

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

## We expect 2020 guidance to be reiterated

Consensus is below 2020  
EBITA guidance

We expect Netcompany to reiterate its 2020 guidance.

Consensus continues to be below the low end of the 2020 EBITA guidance range.

### NETCOMPANY: GUIDANCE AND UPDATED CONSENSUS (DKKm)

	2019	2020 guidance		2020E		2021E		2022E		2019-21e
		Low	High	NDA	Cons	NDA	Cons	NDA	Cons	guidance
<b>Revenue</b>	<b>2,454</b>	<b>~2.90bn</b>	<b>~2.95bn</b>	<b>2,898</b>	<b>2,853</b>	<b>3,470</b>	<b>3,400</b>	<b>4,011</b>	<b>3,997</b>	<b>-</b>
Revenue growth, y/y	19.5%	-	-	18.1%	16.3%	19.7%	19.2%	15.6%	17.6%	-
Revenue growth, organic	<b>17.7%</b>	<b>18%</b>	<b>20%</b>	<b>17.6%</b>	<b>-</b>	<b>19.7%</b>	<b>-</b>	<b>15.6%</b>	<b>-</b>	<b>20%-25% p.a.</b>
Costs	1,837	-	-	2,148	2,119	2,572	2,503	2,974	2,929	-
Growth	19.3%	-	-	17.0%	15.4%	19.7%	18.1%	15.6%	17.0%	-
<b>EBITA, adj</b>	<b>617</b>	<b>~750</b>	<b>~770</b>	<b>750</b>	<b>734</b>	<b>897</b>	<b>897</b>	<b>1,037</b>	<b>1,069</b>	<b>Mid-high 20s%</b>
EBITA margin, adj	25.2%	~26%	~26%	25.9%	25.7%	25.9%	26.4%	25.9%	26.7%	-

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

## Valuation: DKK 450-525 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 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, 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: 6.3%) is DKK 370 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	10.0%	10.0%	6.3%	2.5%	2.5%	-
EBIT-margin	23.6%	20.0%	17.5%	10.0%	2.5%	-
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	8.5%	7.2%	5.1%	-7.4%	-27.0%	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.

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/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	1,838	13.7	17%	17%	15%	16.7%	53.0x	41.5x	34.0x	31.7x	24.8x	20.2x	31.9x	24.9x	20.3x	3.5x	17%	37%
Globant	Lux	1,140	5.7	18%	17%	17%	15.9%	79.3x	58.4x	46.4x	50.6x	36.9x	29.8x	54.1x	39.4x	31.9x	4.8x	17%	71%
Endava	UK	334	2.4	19%	21%	19%	16.3%	45.1x	44.0x	33.8x	26.0x	24.3x	19.1x	26.0x	24.3x	19.1x	2.4x	7%	14%
Kainos	UK	640	3.2	9%	8%	10%	13.8%	68.0x	53.4x	50.6x	46.7x	38.3x	36.1x	46.8x	38.3x	36.2x	6.9x	46%	48%
Reply	UK	457	3.0	8%	10%	8%	12.9%	30.0x	25.9x	23.6x	16.3x	14.5x	13.1x	16.3x	14.5x	13.1x	3.5x	16%	24%
<b>Average (ex Reply)</b>	-	-	<b>6.3</b>	<b>16%</b>	<b>16%</b>	<b>15%</b>	<b>15.7%</b>	<b>61.4x</b>	<b>49.3x</b>	<b>41.2x</b>	<b>38.8x</b>	<b>31.1x</b>	<b>26.3x</b>	<b>39.7x</b>	<b>31.7x</b>	<b>26.9x</b>	<b>4.4x</b>	<b>22%</b>	<b>42%</b>
Netcompany (cons.)	DKK	457	3.0	18%	24%	22%	25.4%	41.0x	31.8x	26.0x	28.4x	23.3x	19.3x	28.9x	23.8x	19.6x	1.9x	-3%	44%
<b>IT service companies:</b>																			
IBM	US	107	95.3	-2%	2%	-1%	18.1%	11.4x	10.3x	9.6x	9.3x	8.7x	8.6x	9.2x	8.5x	8.4x	-18.2x	5%	-6%
Accenture	IE	193	18.1	4%	5%	6%	14.8%	29.7x	28.1x	25.7x	16.6x	16.6x	15.4x	17.3x	17.4x	16.2x	5.2x	5%	8%
Cognizant	US	58	6.4	1%	-0%	1%	16.0%	19.4x	17.1x	15.6x	11.8x	10.7x	9.6x	11.8x	10.7x	9.6x	22.2x	21%	10%
Atos	FR	73	8.0	0%	-2%	0%	9.1%	10.5x	9.8x	9.0x	6.6x	6.2x	5.7x	6.6x	6.2x	5.7x	160.2x	-5%	-1%
Cap Gemini	FR	110	18.5	8%	7%	9%	11.7%	17.5x	14.9x	13.3x	8.9x	8.0x	7.4x	8.9x	8.0x	7.4x	1.9x	9%	1%
CGI Group	CA	60	15.5	-0%	0%	3%	15.4%	19.5x	17.7x	16.7x	11.7x	11.1x	11.0x	10.5x	9.9x	9.9x	5.8x	9%	-13%
DXC Technology	US	15	3.9	-7%	-20%	-19%	10.2%	3.4x	6.3x	4.1x	3.1x	4.4x	3.7x	3.0x	4.2x	3.6x	-0.2x	13%	-51%
Sopra Steria	FR	128	2.6	2%	5%	8%	7.7%	16.3x	12.8x	11.0x	8.1x	7.1x	6.4x	8.2x	7.2x	6.5x	2.1x	11%	-11%
HCL	IN	8	0.4	6%	7%	5%	19.9%	17.4x	16.4x	14.8x	10.2x	9.6x	8.9x	10.2x	9.7x	8.9x	3.7x	20%	22%
Infosys	IN	11	-	5%	4%	5%	22.5%	24.4x	23.1x	20.5x	16.1x	15.3x	13.7x	16.1x	15.3x	13.8x	5.3x	25%	30%
Tata	IN	25	-	2%	1%	1%	24.9%	25.9x	27.1x	23.7x	18.1x	18.7x	16.7x	18.1x	18.8x	16.8x	21.8x	2%	4%
Wipro	IN	3	3.0	-1%	-1%	1%	16.8%	16.7x	17.1x	16.0x	10.0x	10.2x	9.8x	10.0x	10.3x	9.9x	11.7x	25%	14%
Tech Mahindra	IN	7	-	1%	-5%	-2%	12.5%	13.4x	15.0x	12.7x	8.0x	9.1x	7.7x	9.0x	10.2x	8.7x	-5.9x	15%	-14%
<b>Average, ex India</b>	-	-	<b>21.0</b>	<b>1%</b>	<b>-0%</b>	<b>1%</b>	<b>12.9%</b>	<b>16.0x</b>	<b>14.6x</b>	<b>13.1x</b>	<b>9.5x</b>	<b>9.1x</b>	<b>8.5x</b>	<b>9.4x</b>	<b>9.0x</b>	<b>8.4x</b>	<b>16.6x</b>	<b>8%</b>	<b>-8%</b>
<b>Average</b>	-	-	<b>17.2</b>	<b>2%</b>	<b>0%</b>	<b>1%</b>	<b>15.3%</b>	<b>17.4x</b>	<b>16.6x</b>	<b>14.8x</b>	<b>10.6x</b>	<b>10.4x</b>	<b>9.6x</b>	<b>10.7x</b>	<b>10.5x</b>	<b>9.6x</b>	<b>16.6x</b>	<b>12%</b>	<b>-1%</b>
<b>Nordic peers:</b>																			
NNIT	DKK	122	0.4	0%	2%	-1%	7.4%	19.8x	18.3x	16.4x	7.6x	8.1x	8.0x	17.4x	16.5x	14.8x	-15.9x	5%	9%
HiQ	SE	5	0.3	3%	1%	1%	11.5%	19.7x	17.6x	16.5x	11.3x	10.4x	9.8x	13.9x	12.5x	11.8x	21.8x	16%	2%
TietoEvry	FI	25	3.0	21%	25%	10%	11.5%	13.1x	11.6x	10.8x	9.8x	8.3x	7.8x	15.1x	11.9x	11.4x	1.4x	3%	-9%
KnowIT	SE	18	0.3	4%	7%	7%	10.0%	15.1x	13.1x	12.0x	8.4x	7.3x	6.8x	10.9x	9.1x	8.4x	2.1x	12%	-13%
<b>Average</b>	-	-	<b>1.0</b>	<b>7%</b>	<b>9%</b>	<b>4%</b>	<b>10.1%</b>	<b>16.9x</b>	<b>15.2x</b>	<b>13.9x</b>	<b>9.3x</b>	<b>8.5x</b>	<b>8.1x</b>	<b>14.3x</b>	<b>12.5x</b>	<b>11.6x</b>	<b>2.3x</b>	<b>9%</b>	<b>-3%</b>
SimCorp	DKK	737	3.9	8%	9%	10%	28.2%	51.8x	35.8x	30.1x	33.1x	25.8x	22.5x	37.4x	28.1x	24.1x	5.2x	1%	-3%
<b>Others:</b>																			
Europe IT consult. 1)	-	-	-	5%	5%	7%	7.9%	17.6x	17.3x	15.6x	12.9x	10.2x	10.3x	13.3x	13.5x	12.0x	2.4x	5%	5%
Global IT consult. 2)	-	-	-	6%	10%	25%	21.8%	29.1x	24.8x	22.0x	16.3x	13.9x	235.7x	24.2x	22.3x	17.0x	1.1x	6%	-1%
<b>Average, total</b>	-	-	-	<b>7%</b>	<b>8%</b>	<b>11%</b>	<b>14.2%</b>	<b>28.5x</b>	<b>24.6x</b>	<b>21.5x</b>	<b>17.6x</b>	<b>14.8x</b>	<b>58.0x</b>	<b>20.4x</b>	<b>18.1x</b>	<b>15.4x</b>	<b>5.4x</b>	<b>11%</b>	<b>9%</b>
<b>Netcompany, NDA</b>	<b>DKK</b>	<b>457</b>	<b>3.0</b>	<b>18%</b>	<b>26%</b>	<b>27%</b>	<b>25.1%</b>	<b>46.1x</b>	<b>33.8x</b>	<b>28.4x</b>	<b>28.9x</b>	<b>23.7x</b>	<b>19.9x</b>	<b>34.8x</b>	<b>26.2x</b>	<b>21.5x</b>	<b>1.7x</b>	<b>-3%</b>	<b>44%</b>
- One-off, PPA adj.	DKK	457	3.0	18%	19%	18%	25.9%	38.3x	30.2x	27.5x	28.9x	23.7x	19.9x	31.1x	25.5x	21.5x	2.1x	-3%	44%

Source: Refinitiv and Nordea estimates

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

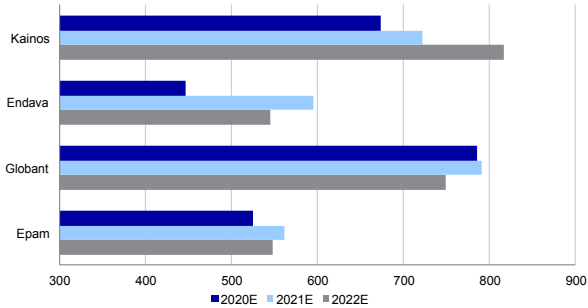
	Grw, 2019-22E			EV/EBITDA			PEG	Share price	
	Rev	EBIT	EPS	2020E	2021E	2022E	19-22E	1M	YTD
<b>Key peers</b>	<b>Outperf.</b>	<b>Outperf.</b>	<b>Outperf.</b>	<b>Discount</b>	<b>Discount</b>	<b>Discount</b>	<b>Discount</b>	<b>Underperf.</b>	<b>Outperf.</b>
IT service companies:	Outperf.	Outperf.	Outperf.	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	Discount	Underperf.	Outperf.
Europe IT consult. 1)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	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: Refinitiv and Nordea estimates

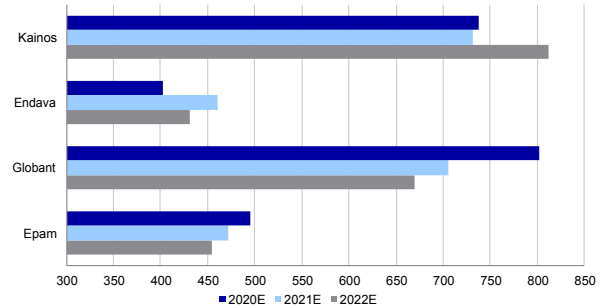
Based on our estimates and Refinitiv consensus, Netcompany should show EBIT growth similar to its key peers, but an EBIT margin superior to most of its peers. We thus believe Netcompany should trade at the higher end of the peer range, maybe even at a premium once its record as a listed company has been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

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



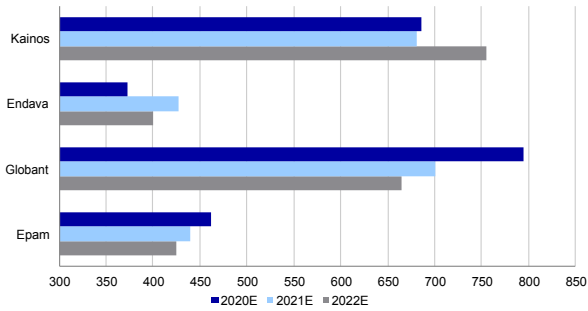
Source: Refinitiv and Nordea estimates

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



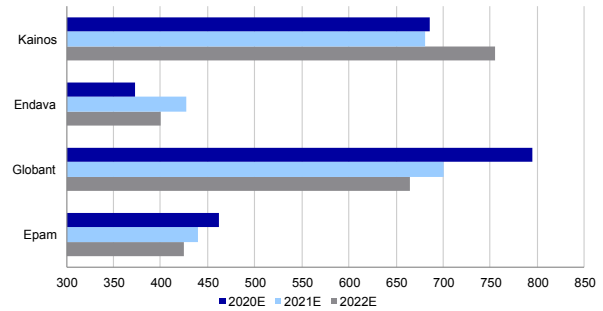
Source: Refinitiv and Nordea estimates

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



Source: Refinitiv and Nordea estimates

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



Source: Refinitiv and Nordea estimates

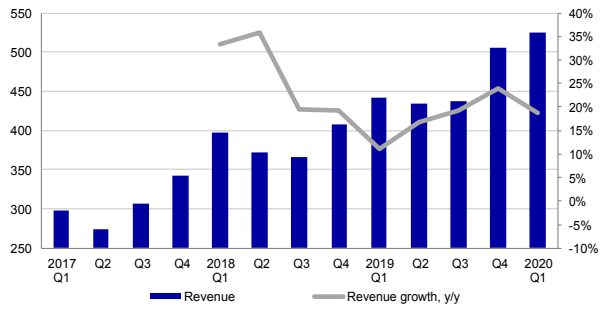
# Netcompany: Quarterly numbers

## 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)	-	-	-	-	-	-	-	-	-	-	-	-	-

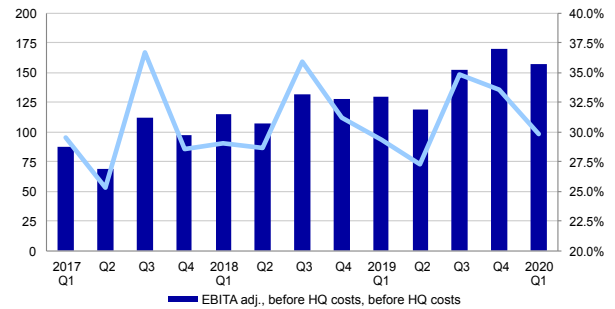
Source: Company data and Nordea

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



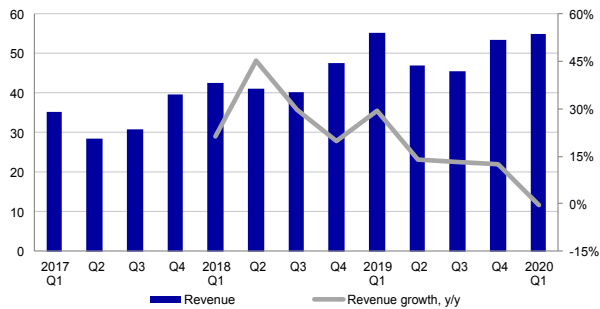
Source: Company data and Nordea estimates

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



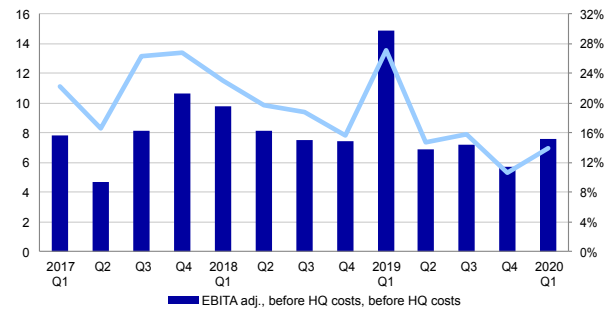
Source: Company data and Nordea estimates

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



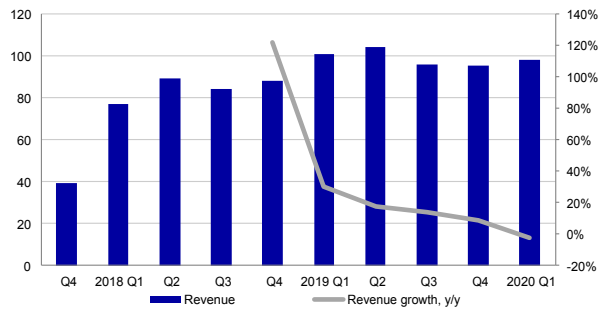
Source: Company data and Nordea estimates

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



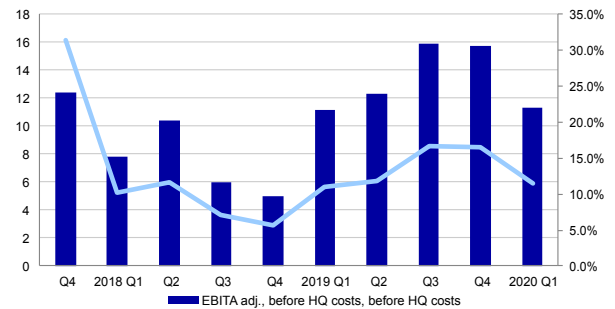
Source: Company data and Nordea estimates

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



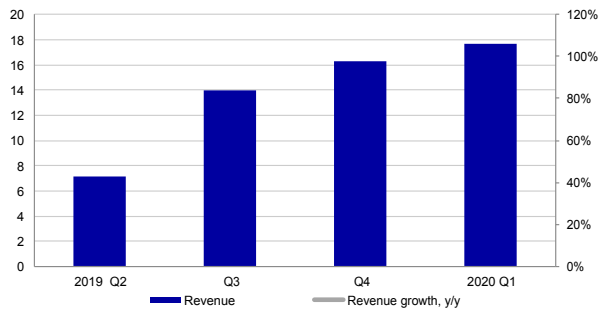
Source: Company data and Nordea estimates

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



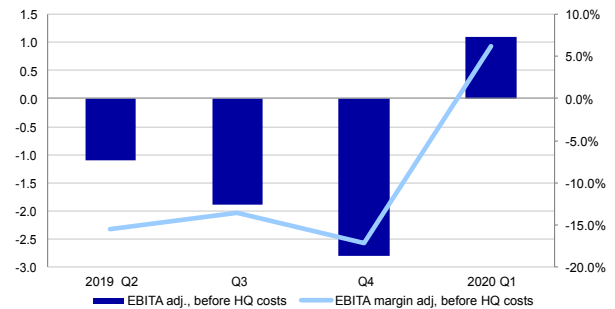
Source: Company data and Nordea estimates

**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>4,011</b>
Production cost	-	-	-	-	447	527	803	1,237	1,458	1,712	2,050	2,370
<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>1,642</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>1,118</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	-32	-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>638</b>	<b>868</b>	<b>1,034</b>
Taxes	26	7	8	15	20	44	59	74	109	143	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>496</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	9.9	13.5	16.1
EPS growth, y/y	-	-	-	-	-	-	-	29.7%	116.7%	25.3%	36.6%	19.1%
Tax rate	25.0%	7.0%	9.3%	10.2%	9.6%	67.1%	29.7%	29.1%	21.9%	22.4%	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%	15.6%
Gross margin	-	-	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.9%	40.9%	40.9%
EBITDA margin	33.1%	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	27.9%	27.9%	27.9%
<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	558	696	806
CFFO	-	-	-	-	217	117	195	187	460	477	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>447</b>	<b>598</b>	<b>678</b>
Revenue, Public	-	-	-	-	312	368	730	1,152	1,456	1,792	2,109	2,243
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%	6.3%
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>1,363</b>
Public customers	-	-	-	-	137	167	440	575	738	587	612	442
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>2,648</b>
Public customers	-	-	-	-	175	202	290	577	718	1,205	1,497	1,800
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	3,083
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%	15.6%
EBITA adj. before HQ costs, Denmark	105	98	81	150	207	234	358	461	544	653	771	874
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%	29.4%	28.9%	28.4%
<b>Netcompany Norway</b>												
Revenue, Norway	-	-	-	-	-	12	134	171	203	224	257	302
Revenue growth, Norway	-	-	-	-	-	-	1044.4%	27.9%	18.6%	10.0%	15.0%	17.5%
EBITA adj. before HQ costs, Norway	-	-	-	-	-	2	31	31	32	37	44	53
EBITA margin adj. before HQ costs, 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. before HQ costs, UK	-	-	-	-	-	-	12	23	48	60	83	111
EBITA margin adj. before HQ costs, 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. before HQ costs, Holland	-	-	-	-	-	-	-	-	-7	3	6	10
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
<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>4,011</b>
Revenue growth	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	18.1%	19.7%	15.6%
of which organic	n.a.	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	17.6%	19.7%	15.6%
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	1,118
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	-73	-110	-14	-32	-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
<b>Pre-tax profit</b>	<b>94</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>65</b>	<b>200</b>	<b>254</b>	<b>497</b>	<b>638</b>	<b>868</b>	<b>1,034</b>
Reported taxes	-7	-8	-15	-20	-44	-59	-74	-109	-143	-191	-227
Net profit from continued operations	88	73	134	188	21	141	180	389	496	677	806
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	496	677	806
<b>EPS, DKK</b>	<b>1.75</b>	<b>1.47</b>	<b>2.69</b>	<b>3.75</b>	<b>0.43</b>	<b>2.81</b>	<b>3.60</b>	<b>7.77</b>	<b>9.91</b>	<b>13.53</b>	<b>16.13</b>
DPS, DKK	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	1,118
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, DKK)	1.75	1.47	2.69	3.75	0.97	3.33	4.14	7.84	9.91	13.53	16.13

## 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%	23.2%
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%	9.9%	19.6%	23.7%	21.4%	99.7%	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.	53.2	40.4	46.4	34.0	28.5
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	24.8	29.0	23.6	19.8
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	27.0	31.2	25.4	21.3
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	32.3	34.9	26.1	21.3

## 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	46.4	34.0	28.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	6.80	8.07	6.58	5.52
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	24.9	29.0	23.6	19.8
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	27.2	31.2	25.4	21.3
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	32.6	34.9	26.1	21.3
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%	2.2%	2.8%	3.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	2.0%	2.5%	3.0%
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	869
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	376	452	935
Total current assets	206	209	349	477	441	802	869	1,011	1,466	1,755	2,440
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>4,106</b>	<b>4,398</b>	<b>5,112</b>
Shareholders equity	68	108	213	300	1,261	1,644	1,806	2,072	2,567	3,244	4,050
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	2,567	3,244	4,050
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	806
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>4,106</b>	<b>4,398</b>	<b>5,112</b>
<b>Balance sheet and debt metrics</b>											
Net debt	49	3	-13	-111	1,118	1,070	998	826	393	-187	-874
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	3,439	3,627	4,243
ROE	n.m.	83.5%	83.8%	73.2%	2.7%	9.7%	10.4%	20.0%	21.4%	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%	20.6%	24.7%	26.4%
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%	62.5%	73.8%	79.2%
Net gearing	72.0%	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	15.3%	-5.8%	-21.6%

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>1,118</b>
Paid taxes	0	0	0	-21	-34	-35	-167	-116	-143	-191	-227
Net financials	0	0	0	7	65	79	80	33	-32	-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
<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>656</b>	<b>775</b>	<b>890</b>
Change in NWC	n.a.	n.a.	n.a.	9	-20	-95	-133	-87	-132	-105	-100
<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>524</b>	<b>671</b>	<b>791</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>495</b>	<b>636</b>	<b>750</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	495	636	750
Free cash flow bef A&D, lease adj	n.a.	n.a.	n.a.	207	83	146	136	396	452	584	691
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	244	76	482
<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	460	460	460
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	23,000	23,000	23,000
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	16,676	23,393	22,813	22,126
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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Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
<b>Nordea Markets Division, Research</b> 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	<b>Nordea Markets Division, Research</b> Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden  Tel: +46 8 614 7000 Fax: +46 8 534 911 60	<b>Nordea Markets Division, Research</b> Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark  Tel: +45 3333 3333 Fax: +45 3333 1520	<b>Nordea Markets Division, Research</b> Visiting address: Essendropsgate 7 N-0107 Oslo Norway  Tel: +47 2248 5000 Fax: +47 2256 8650