

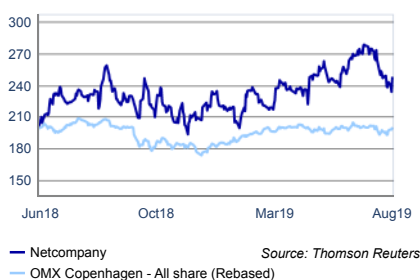
Netcompany

Telecom Equipment and IT
Denmark

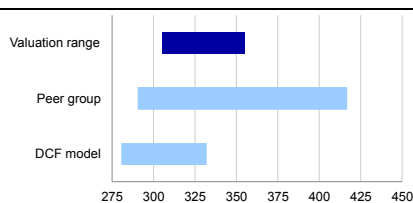
KEY DATA

Stock country	Denmark
Bloomberg	NETC.DC
Reuters	NETCG.CO
Share price (close)	DKK 249.2
Free Float	69%
Market cap. (bn)	EUR 1.67/DKK 12.46
Website	www.netcompany.com
Next report date	06 Nov 2019

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	-3%	-3%	-3%
EBIT (adj)	-4%	-4%	-3%

Source: Nordea estimates

Nordea Markets - Analysts

Claus Almer
Senior AnalystJesper Herholt Jensen
Senior Director, Sector Coordinator

Intact equity story

Netcompany's share price was a roller coaster yesterday after the release of its Q2 results. Initially, the share price traded down 9%, likely due to the company's miss on Q2 EBITA (10% below company-compiled consensus), and organic revenue growth guidance changed to 20-22% (20-25% previously). The share price ended up 6%, however, likely because management's confidence has remained unchanged, the award of larger public tenders has been delayed not cancelled (expected in the coming months), margins have improved in the UK, cash flow was strong, and a profit warning had been feared. We make smaller changes to our estimates and we reiterate our fair value range of DKK 280-325 per share, based on DCF and SOTP, but note that a higher valuation could be justified as several peers have seen their multiples expand.

Guidance implies that the EBITA margin will recover in H2

Following a lower level of profit in Q2, we believe Netcompany is set to significantly improve its EBITA margin during H2. Compared to an adjusted and underlying ~24.5% EBITA margin in H1 (23.0% reported), the margin is set to jump to ~28% in H2 2019 if the ~25.6% 2019 reported EBITA margin guidance is achieved. Although this appears ambitious, it will be met if the H1 2019 EBITA margin in the UK and Norway is repeated for H2 and a ~32.7% margin in Denmark (H2 2018: 33.6%). New and cheaper employees, who are billable from day one, contribute to an improved H2 margin.

Pipeline: Delayed, not cancelled

Awards for several larger public projects expected this summer have been delayed, due to the election in Denmark in June followed by one month lag before the new government was in place. Importantly, however, several of these projects are still expected to be awarded in H2 2019, and new projects entering the tender phase (or an earlier phase) remain unaffected, according to Netcompany, hence their time schedule is intact.

Q2 2019 EBITA margin

Adjusted EBITA missed consensus by 10%, ie by DKK 15m. The lower profit was caused by a higher cost base than expected, as it increased by 4% q/q versus a decrease in Q2 2017 and 2018. When we examine the cost base surprise more closely, it appears linked to one troublesome UK project and a higher number of new employees than expected, as Netcompany is preparing for an expected increase in demand. Easter had roughly a -3% revenue impact, which obviously should not come as a surprise.

SUMMARY TABLE - KEY FIGURES

DKKm	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	758	900	1,416	2,053	2,487	3,090	3,700
EBITDA (adj)	228	268	435	555	684	864	1,036
EBIT (adj)	207	162	306	399	524	747	932
EBIT (adj) margin	27.4%	18.0%	21.6%	19.4%	21.1%	24.2%	25.2%
EPS (adj)	3.75	0.97	3.34	4.16	7.71	11.33	14.28
EPS (adj) growth	39.7%	-74.0%	242.5%	24.7%	85.2%	47.0%	26.1%
DPS (ord)	-2.33	0.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	n.a.	n.a.	n.a.	5.8	5.3	4.1	3.2
EV/EBIT (adj)	n.a.	n.a.	n.a.	30.0	24.9	16.9	12.9
P/E (adj)	n.a.	n.a.	n.a.	52.9	32.3	22.0	17.5
P/BV	n.a.	n.a.	n.a.	6.1	5.7	4.5	3.6
Dividend yield (ord)	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	n.a.	n.a.	n.a.	1.2%	3.3%	3.9%	4.8%
Net debt	-111	1,118	1,070	998	607	130	-460
Net debt/EBITDA	-0.5	4.8	2.7	1.9	0.9	0.2	-0.4
ROIC after tax	81.0%	9.3%	8.8%	10.6%	13.7%	19.2%	29.6%

Source: Company data and Nordea estimates

Q2 2019 review

Implicit H2 2019 guidance: Achievable but ambitious

The implicit H2 2019 guidance calls for revenue around DKK ~1.3bn and adjusted EBITA at DKK ~370m, hence a ~28% EBITA margin. At first glance, this sounds ambitious given the underlying 24.5% margin achieved in H1 2019, but H2 2019 will benefit from higher revenue and hence improved utilisation, as well as new and less expensive employees, who are billable day one.

If we assume both Norway and the UK increase revenue by 20% y/y in H2 2019 – and repeat their EBITA margin from H1 2019 – then the Danish division is set to grow ~30% y/y and 15% h/h, and the adjusted EBITA margin would be 32.7% compared to 33.6% in H2 2018. This appears possible, albeit ambitious.

New guidance: Low end of the initial revenue growth guidance

With its Q2 2019 report, Netcompany reduced its organic revenue growth to 20.0-22%, down from 20.0-25.5%, while its organic LCY EBITA margin was reiterated at ~26%.

Including the acquired business in the Netherlands Netcompany expects a LCY revenue growth between 20.75-23.25%, and an adjusted LCY EBITA margin of ~25.7%.

Translated to DKK, we expect Netcompany to guide for EBITA within the range of DKK ~635-645m, compared to consensus ahead of the Q2 report at DKK 644m.

NETCOMPANY: 2019 GUIDANCE, DKKm

	2018	2019 guidance, new		2019 guidance old		2019E		2020E	
		Low	High	Low	High	NDA	Cons	NDA	Cons
Revenue	2,053	~2,5bn	~2,5bn	~2.5bn	~2.6bn	2,555	2,539	3,196	3,117
Revenue growth, y/y	45.0%	20.75%	23.3%	-	-	24.4%	23.7%	25.1%	22.7%
Revenue growth, organic	25.5%	20.0%	22.0%	20.0%	25.0%	23.3%	21.8%	22.8%	21.1%
Costs	1,539	-	-	1.8bn	1.9bn	1,900	1,895	2,362	2,306
Growth	52%	-	-	19%	23%	23.5%	23.2%	24.3%	21.7%
EBITA, adj	514	~635	~645	640	670	655	644	834	810
EBITA margin, adj	25.0%	~26%	~26%	~26%	~26%	25.6%	25.4%	26.1%	26.0%

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

Q2 2019: Below expectations

Netcompany reported Q2 2019 revenue 1% higher and EBITA 10% lower than the company-compiled consensus. Organic revenue growth in Q2 was 17%, including a roughly -3 pp Easter holiday impact from two fewer working days.

Netcompany's cash flow has been questioned in the past, but with DKK 122m cash flow from operations (Q2 2018: DKK 27m achieved and DKK 186m in 2018), these concerns now seem unjustified.

While larger tender awards have been delayed due to the election of a new Danish government in June, Netcompany still signed DKK 319m of in/out orders in Q2, 48% higher than the same quarter last year. As a consequence, Netcompany's 2019 revenue visibility increased by 26% to DKK 2.1bn, ie ~84% of full-year revenue (Q2 2018: 82%).

The Danish operations showed a solid performance, including a 42.1% gross margin (Q2 2018: 44%) and a 27.3% adjusted EBITA margin (LCY) before HQ allocated costs, slightly down y/y.

In Norway, the Easter holiday had a ~3% negative revenue impact, but organic revenue growth was still 16% and the adjusted EBITA margin before allocated HQ costs was 14.7% (down ~5% y/y).

Supported by a number of new projects wins, LCY Q2 revenue growth in the UK was 17%. The adjusted EBITA margin before allocated HQ costs ended at 12.2% (LCY), up from 11.6% in Q2 2018.

NETCOMPANY: Q2 2019E, DKKm

	2018				2019				Act vs		Q2, y/y	2018 H2 (FY-H1)	2019 H2	H2, y/y
	Q1	Q2	Q3	Q4	Q1	Q2A	Q2E	Cons	NDA	Cons				
Revenue	517	503	490	543	598	593	587	586	1%	1%	18%	1,034	1,364	32%
Production cost	319	306	282	329	364	370	355	-	4%	-	21%	612	792	30%
Gross profit	198	196	208	214	234	223	232	235	-4%	-5%	13%	422	572	36%
Sales & marketing	3	4	2	3	3	3	4	-	-10%	-	-23%	5	9	77%
Administration	68	73	69	81	84	93	86	-	8%	-	28%	150	182	21%
Special items	-8	-27	0	0	-1	-3	-4	-1	-	-	-	0	-1	-
EBITA	120	93	136	131	146	124	138	140	-11%	-12%	33%	267	380	42%
Amortisation	29	29	29	28	26	25	28	-	-11%	-	-15%	57	60	4%
EBIT	91	64	107	102	120	99	111	-	-11%	-	55%	210	320	53%
Net financial items	-25	-65	-8	-10	6	-21	-6	-	-	-	-	-19	-10	-
Pre-tax profit	67	-2	99	92	126	78	105	107	-26%	-27%	-	191	311	63%
Taxes	15	15	21	23	28	16	24	23	-34%	-29%	5%	44	75	70%
Net profit	51	-17	78	68	99	62	81	84	-24%	-27%	-	147	236	61%
EPS	1.0	-0.3	1.6	1.4	2.0	1.3	1.6	-	-22%	-	-	2.9	4.7	58%
EPS growth, y/y	39.2%	-	77.5%	52.0%	94.2%	-	-	-	-	-	-	64.7%	58.2%	-
Revenue growth, organic	33.1%	36.8%	20.4%	15.6%	15.6%	16.6%	15.8%	15.5%	-	-	-	-	-	-
Revenue growth, y/y	55.3%	66.2%	45.3%	22.5%	15.6%	18.0%	16.8%	16.7%	-	-	-	32.4%	-	-
Revenue, 12m	1,600	1,801	1,953	2,053	2,134	2,224	2,218	2,123	0%	5%	24%	-	-	-
Gross margin	38.3%	39.1%	42.4%	39.4%	39.1%	37.5%	39.5%	40.0%	-	-	-	40.8%	41.9%	-
Costs (Revenue - EBITA adj)	389	383	354	413	450	467	445	446	5%	5%	22%	767	983	28%
Costs growth, q/q	-	-2%	-8%	17%	-	4%	8%	8%	-	-	-	40%	-	-
EBITA, adj	128	119	136	131	147	126	142	141	-11%	-10%	6%	267	382	43%
EBITA margin, adj	24.7%	23.7%	27.8%	24.0%	24.6%	21.3%	24.3%	24.0%	-	-	-	25.8%	28.0%	-
EBITA adj, 12M	434	479	499	514	533	540	557	527	-3%	3%	13%	-	-	-
EBITA margin, adj (12M)	27.1%	26.6%	25.5%	25.0%	25.0%	24.3%	25.1%	24.8%	-	-	-	-	-	-
Incremental EBITA margin, adj	17.4%	22.6%	12.6%	15.4%	24.1%	67.3%	27.5%	-	-	-	-	-	34.7%	-
EBIT margin	17.6%	12.7%	21.9%	18.8%	20.2%	16.7%	18.9%	-	-	-	-	20.3%	23.5%	-
Tax rate	23.1%	-	21.0%	25.3%	21.9%	20.5%	23.0%	21.0%	-	-	-	23.0%	24.1%	-
Revenue visibility	1,461	1,676	2,025	3,633	1,786	2,106	-	-	-	-	26%	3,633	-	-
% of FY revenue	-	81.6%	98.6%	-	69.9%	82.4%	-	-	-	-	-	-	-	-
In/out orders	281	215	349	28	207	319	-	-	-	-	48%	377	450	-
Growth, y/y	-	-	-	-	-26.3%	48.3%	-	-	-	-	-	-	19.2%	-

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

Valuation: DKK 280-325 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; 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, asset-light business model and low operating leverage.

As there are a few suitable peers for Netcompany, however, our valuation range is derived from a combination of a DCF model and a peer group valuation. Our DCF-based range is based on ± 1 pp revenue and EBIT margin versus our base scenario. Our valuation range is unchanged at DKK 280-325 share.

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 value (WACC: 6.6%) is DKK 300 (down from DKK 305) per share, based on the assumptions outlined below.

NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2019-30	2031-34	2035-39	2040-44	2045-49	LT
Sales growth, CAGR	11.18%	10.0%	6.3%	2.5%	2.5%	-
EBIT-margin	23.7%	17.0%	13.5%	7.8%	2.1%	-
Capex/depreciation, x	0.9	1.0	1.0	1.0	1.0	-
Capex/sales	2.0%	2.0%	2.0%	2.0%	2.0%	-
NWC/sales	18.6%	18.6%	18.6%	18.6%	18.6%	-
FCFF, CAGR	8.9%	2.1%	3.0%	-7.1%	-26.8%	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	461	377	319	275	241
	+1.0pp	440	363	309	268	236
	0.0pp	422	351	300	262	231
	-1.0pp	405	339	292	256	226
	-2.0pp	390	329	285	250	222

Source: Nordea estimates

NETCOMPANY: DCF SENSITIVITY

		Sales growth change				
		-2.0pp	-1.0pp	0.0pp	1.0pp	2.0pp
EBIT margin, change	+2.0pp	322	335	348	363	380
	+1.0pp	304	314	324	336	349
	0.0pp	285	292	300	309	319
	-1.0pp	267	271	277	282	288
	-2.0pp	248	250	253	255	257

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 expectations for Netcompany.

NETCOMPANY: PEER GROUP VALUATION

	Share price	MCAP EURbn	Grw, 2018-21E			EBIT mrg		P/E		EV/EBITDA			PEG	Divi.	Share price			
			Rev	EBIT	EPS	2020E	2019E	2020E	2021E	2019E	2020E	2021E	18-21E	2019E	1m	3M	YTD	
Key peers																		
Epam	US	1,296	9.5	22%	23%	22%	17.1%	36.5x	30.0x	24.7x	24.0x	19.2x	16.2x	1.6x	0.0%	0%	16%	67%
Globant	Lux	602	3.0	24%	28%	27%	16.6%	40.0x	32.4x	26.1x	25.0x	20.9x	16.5x	1.5x	-	-14%	6%	59%
Endava	UK	239	1.7	47%	41%	51%	17.4%	38.7x	34.7x	28.2x	27.7x	23.9x	19.3x	0.8x	0.0%	-9%	8%	48%
Reply	Italy	388	2.0	10%	12%	13%	12.9%	18.8x	17.1x	15.0x	11.5x	10.5x	9.7x	1.5x	0.0%	-13%	-10%	18%
Average (ex Reply)	-	-	4.7	31%	31%	34%	17.0%	38.4x	32.4x	26.4x	25.5x	21.3x	17.3x	1.3x	0.0%	-7%	10%	58%
Netcompany (cons.)	DKK	234	1.5	22%	30%	40%	24.9%	25.5x	19.2x	15.6x	18.2x	14.6x	12.0x	0.6x	0.0%	-16%	-6%	7%
IT service companies:																		
IBM	US	120	106.2	2%	3%	2%	18.5%	10.4x	9.9x	9.2x	8.3x	7.6x	7.3x	5.3x	5.0%	-11%	-2%	17%
Accenture	IE	175	111.6	10%	10%	11%	15.0%	26.4x	24.3x	22.3x	17.8x	15.6x	14.4x	2.4x	1.6%	0%	9%	38%
Cognizant	US	55	30.6	6%	2%	3%	17.2%	15.5x	14.2x	12.9x	9.6x	9.0x	8.4x	5.5x	1.5%	-5%	3%	-3%
Atos	FR	67	7.3	-1%	4%	5%	10.8%	8.4x	7.8x	7.2x	6.8x	6.5x	6.1x	1.7x	2.4%	-13%	-3%	27%
Cap Gemini	FR	105	17.5	6%	9%	9%	12.4%	16.1x	14.7x	13.4x	9.2x	8.7x	8.2x	1.8x	2.8%	-7%	1%	21%
CGI Group	CA	70	18.8	5%	7%	11%	15.7%	21.9x	19.9x	18.4x	12.2x	12.7x	12.4x	2.1x	1.9%	0%	6%	24%
DXC Technology	US	30	7.9	-2%	-0%	5%	15.5%	4.1x	4.6x	3.9x	3.5x	3.9x	3.6x	0.8x	1.1%	-40%	-38%	-37%
Sopra Steria	FR	116	2.4	6%	15%	15%	8.8%	12.0x	9.8x	8.7x	7.2x	6.4x	5.7x	0.8x	2.4%	14%	13%	44%
HCL	IN	13	18.3	16%	14%	12%	19.0%	14.6x	14.1x	12.6x	10.0x	9.0x	8.0x	1.2x	2.7%	5%	1%	11%
Infosys	IN	10	43.0	13%	10%	9%	22.5%	21.9x	20.9x	18.7x	15.0x	14.5x	12.9x	2.5x	-	2%	13%	22%
Tata	IN	28	103.3	13%	15%	15%	26.3%	26.2x	24.2x	21.9x	19.4x	18.3x	16.4x	1.8x	1.9%	5%	4%	15%
Wipro	IN	3	19.1	6%	8%	10%	17.4%	16.7x	15.5x	14.4x	10.2x	9.9x	9.2x	1.7x	0.0%	-5%	-12%	2%
Tech Mahindra	IN	8	7.5	9%	17%	11%	14.3%	13.8x	14.0x	12.5x	8.9x	8.6x	7.7x	1.2x	2.5%	-0%	-13%	-7%
Average, ex India	-	-	37.8	4%	6%	8%	14.2%	14.4x	13.2x	12.0x	9.3x	8.8x	8.3x	2.2x	2.3%	-8%	-1%	16%
Average	-	-	38.0	7%	9%	9%	16.4%	16.0x	14.9x	13.5x	10.6x	10.0x	9.3x	2.2x	2.2%	-4%	-1%	13%
Nordic peers:																		
NNIT	DKK	73	0.2	-1%	-4%	-8%	8.8%	8.8x	9.0x	9.8x	4.9x	5.1x	5.2x	-1.1x	5.7%	-31%	-44%	-60%
HiQ	SE	4	0.2	4%	7%	7%	11.7%	15.0x	14.8x	14.0x	9.5x	9.5x	9.1x	2.2x	7.5%	-4%	-4%	7%
Evry	FI	22	1.2	2%	8%	4%	12.5%	11.4x	10.3x	9.6x	8.9x	8.4x	8.1x	2.7x	3.4%	1%	-1%	0%
Tieto	FI	22	1.7	2%	4%	3%	10.4%	12.5x	12.1x	11.6x	8.4x	8.0x	7.8x	4.1x	6.2%	-3%	-14%	-5%
KnowIT	SE	17	0.3	7%	8%	8%	10.2%	14.4x	12.9x	11.9x	8.9x	8.2x	7.6x	1.8x	2.9%	1%	-11%	22%
Acando	SE	2	0.4	-	-	-	-	-	-	-	-	-	-	-	3.7%	-0%	46%	42%
Average	-	-	0.7	3%	5%	3%	10.7%	12.4x	11.8x	11.4x	8.1x	7.8x	7.5x	4.4x	4.9%	-6%	-5%	1%
SimCorp	DKK	576	3.1	11%	15%	15%	28.0%	33.4x	30.3x	26.0x	23.9x	21.8x	19.1x	2.2x	1.1%	-8%	-4%	30%
Others:																		
Europe IT consult. 1)	-	-	-	7%	10%	8%	8.1%	16.6x	17.4x	15.3x	12.3x	9.2x	8.8x	2.0x	2.5%	-3%	3%	33%
Global IT consult. 2)	-	-	-	6%	9%	10%	21.0%	27.8x	26.7x	22.2x	16.6x	14.2x	241.1x	2.8x	0.7%	-1%	6%	30%
Average, total	-	-	-	11%	13%	13%	14.6%	22.3x	20.6x	17.8x	14.6x	12.5x	56.8x	2.5x	2.1%	-4%	3%	27%
Netcompany, NDA	DKK	234	1.5	23%	38%	60%	24.4%	29.5x	19.8x	15.9x	17.7x	13.5x	10.9x	0.5x	0.0%	-16%	-6%	7%
- One-off and PPA adj.	DKK	234	1.5	23%	27%	53%	22.1%	0.6x	0.4x	0.3x	17.7x	13.5x	10.9x	0.0x	0.0%	-16%	-6%	7%

Source: Thomson Reuters and Nordea estimates

VALUATION: NETCOMPANY (NORDEA ESTIMATES) VS CONSENSUS

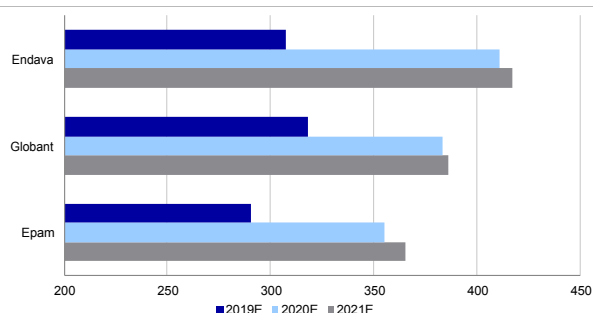
	Grw, 2018-21E			EV/EBITDA			PEG	Share price	
	Rev	EBIT	EPS	2019E	2020E	2021E	18-21E	1m	3M
Key peers	Underperf.	Underperf.	Outperf.	Discount	Discount	Discount	Discount	Underperf.	Underperf.
IT service companies:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	Underperf.
- Ex India	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	Underperf.
Nordic peers:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	Underperf.
Europe IT consult. 1)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Underperf.	Underperf.
Global IT consult. 2)	Outperf.	Outperf.	Outperf.	Premium	Discount	Discount	Discount	Underperf.	Underperf.

Source: Thomson Reuters and Nordea estimates

Based on our estimates and consensus, Netcompany should show EBIT growth performance 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.

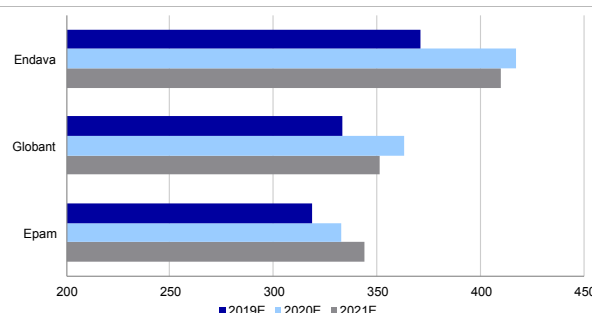
Using a comparison based on 2019E-21E EV/EBITDA and P/E multiples, the peer group valuation points to a broad valuation range of DKK 290-415 per share.

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

Netcompany: Quarterly numbers

NETCOMPANY: QUARTERLY NUMBERS, DKKm

	2016				2017				2018				2019	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	205	204	229	265	333	302	338	443	517	503	490	543	598	593
Production cost	-	-	-	-	192	179	171	261	319	306	282	329	364	370
Gross profit	-	-	-	-	141	124	166	182	198	196	208	214	234	223
Sales & marketing	-	-	-	2	2	3	3	3	3	4	2	3	3	3
Administration	-	-	-	-	43	48	47	64	68	73	69	81	84	93
Special items	-	-	-	-	0	-2	-14	-16	-8	-27	0	0	-1	-3
EBITA	-	-	-	-	96	72	103	99	120	93	136	131	146	123
Amortisation	-	-	-	-	24	23	23	27	29	29	29	28	26	25
EBIT	-	-	-	-	72	49	80	72	91	64	107	102	120	99
Net financial items	-	-	-	-	-24	-18	-18	-12	-25	-65	-8	-10	6	-21
Pre-tax profit	-	-	-	-	48	31	62	61	67	-2	99	92	126	78
Taxes	-	-	-	-	12	8	19	20	15	15	21	23	28	16
Net profit	-	-	-	-	36	22	43	40	51	-17	78	68	99	62
Revenue visibility	-	-	-	-	-	-	-	-	1,461	1,676	2,025	3,633	1,786	2,106
% of FY revenue	-	-	-	-	-	-	-	-	-	81.6%	98.6%	176.9%	71.8%	84.6%
In/out orders	-	-	-	-	-	-	-	-	281	215	349	28	207	319
Growth, y/y	-	-	-	-	-	-	-	-	-	-	-	-	-26.3%	48.3%
EPS	-	-	-	-	0.7	0.5	0.9	0.9	1.0	-0.3	1.6	1.4	2.0	1.3
EPS growth, y/y	-	-	-	-	-	-	-	-	39.2%	-	77.5%	52.0%	94.2%	-
Tax rate	-	-	-	-	25.2%	27.4%	30.3%	33.4%	23.1%	-	21.0%	25.3%	21.9%	20.5%
Revenue growth, y/y	-	-	-	-	-	-	-	-	55.3%	66.2%	45.3%	22.5%	15.6%	18.0%
Gross margin	-	-	-	-	42.2%	40.9%	49.3%	41.1%	38.3%	39.1%	42.4%	39.4%	39.1%	37.5%
EBITDA	-	-	-	-	-	-	106	-	130	103	148	140	158	137
EBITDA margin	-	-	-	-	-	-	31.5%	-	25.1%	20.5%	30.1%	25.8%	26.5%	23.1%
Incremental EBITA margin, adj	-	-	-	-	-	-	-	-	17.4%	22.6%	12.6%	15.4%	24.1%	-
EBITA, adj	-	-	-	-	96	74	117	115	128	119	136	131	147	126
EBITA margin, adj	-	-	-	-	28.8%	24.5%	34.7%	26.0%	24.7%	23.7%	27.8%	24.0%	24.6%	21.3%
EBITA margin	-	-	-	-	28.8%	23.7%	30.4%	22.3%	23.2%	18.4%	27.8%	24.0%	24.5%	20.8%
EBIT margin	-	-	-	-	21.6%	16.3%	23.7%	16.3%	17.6%	12.7%	21.9%	18.8%	20.2%	16.7%
PTP margin	-	-	-	-	14.4%	10.2%	18.3%	13.7%	12.9%	-0.3%	20.2%	16.9%	21.1%	13.1%
FCF	-	-	-	-	39	-15	44	-23	86	22	48	23	74	80
Revenue, 12m	-	-	-	-	-	-	-	1,416	1,600	1,801	1,953	2,053	2,134	2,224
Revenue growth, 12m	-	-	-	-	-	-	-	-	-	-	-	45.0%	33.3%	23.5%
EBITA adj, 12M	-	-	-	-	-	-	-	402	434	479	499	514	533	540
EBITA margin, adj (12M)	-	-	-	-	-	-	-	28.4%	27.1%	26.6%	25.5%	25.0%	25.0%	24.3%
Incremental EBITA margin, 12M	-	-	-	-	-	-	-	-	-	-	-	17.6%	18.6%	14.4%
Revenue, Public	-	-	-	-	153	145	188	245	286	268	278	321	351	329
Revenue, private	-	-	-	-	180	157	150	199	231	235	213	222	247	252
Revenue growth, Public	-	-	-	-	-	-	-	-	87.3%	84.4%	47.8%	31.2%	22.7%	23.0%
Revenue growth, private	-	-	-	-	-	-	-	-	28.2%	49.5%	42.2%	11.9%	6.8%	7.2%
Development revenue	-	-	-	-	141	132	163	211	223	217	260	305	330	290
Maintenance revenue	-	-	-	-	192	170	175	232	294	285	230	239	268	303
Netcompany Denmark:														
Revenue, Denmark	-	-	-	-	298	274	307	342	397	372	366	404	442	435
Revenue growth, Denmark	-	-	-	-	-	-	-	-	33.4%	35.9%	19.4%	18.2%	11.2%	16.7%
EBITA adj, Denmark	-	-	-	-	88	69	112	98	115	84	131	127	130	119
EBITA margin adj, Denmark	-	-	-	-	29.5%	25.3%	36.6%	28.5%	29.0%	22.4%	35.9%	31.5%	29.4%	27.3%
EBITA margin adj, Denmark (12M)	-	-	-	-	-	-	-	30.1%	29.9%	28.8%	28.9%	29.7%	29.8%	30.8%
Netcompany Norway														
Revenue, Norway	-	-	-	-	35	28	31	40	43	41	41	47	55	48
Revenue growth, Norway	-	-	-	-	-	-	-	-	21.4%	45.5%	32.7%	18.9%	29.4%	15.6%
EBITA adj, Norway	-	-	-	-	8	5	8	11	10	6	8	7	15	7
EBITA margin adj, Norway	-	-	-	-	22.2%	16.6%	26.2%	26.8%	23.0%	13.6%	20.5%	15.3%	26.3%	14.7%
EBITA margin adj, Norway (12M)	-	-	-	-	-	-	-	23.3%	23.5%	22.1%	20.9%	18.0%	19.4%	19.4%
Netcompany UK														
Revenue, UK	-	-	-	-	-	-	40	77	89	84	88	101	104	
Revenue growth, UK	-	-	-	-	-	-	-	-	-	-	-	121.2%	30.6%	16.8%
EBITA adj, UK	-	-	-	-	-	-	-	12	8	4	6	5	11	13
EBITA margin adj, UK	-	-	-	-	-	-	-	31.3%	10.2%	4.0%	7.3%	5.6%	10.9%	12.1%
EBITA margin adj, UK (12M)	-	-	-	-	-	-	-	-	-	-	10.3%	6.7%	7.1%	9.2%
Netcompany Holland														
Revenue, Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	4
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITA adj, Holland	-	-	-	-	-	-	-	-	-	-	-	-	-	-2
EBITA margin adj, Holland	-	-	-	-	-	-	-	-	-	-	-	-	-	-53.3%
EBITA margin adj, Holland (12M)	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data and Nordea

Netcompany: Full-year numbers

NETCOMPANY: FULL-YEAR NUMBERS, DKKm

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Revenue	261	327	400	461	629	758	900	1.416	2.053	2.487	3.090	3.700
Production cost	-	-	-	-	-	447	527	803	1.237	1.476	1.824	2.183
Gross profit	-	-	-	-	-	311	373	613	817	1.011	1.265	1.517
Sales & marketing	-	-	-	-	-	4	4	10	12	14	17	21
Administration	-	-	-	-	-	100	121	201	290	362	446	534
Special items	-	-	-	-	-	0	-35	-33	-34	-4	0	0
EBITDA	89	108	103	91	157	228	233	402	520	680	864	1.036
Depreciation	3	4	6	9	8	9	32	34	40	50	62	74
Amortisation	1	0	0	0	-2	12	0	0	0	0	0	0
EBITA	86	105	98	81	150	207	201	369	480	631	802	962
Amortisation	0	0	2	2	2	0	74	96	115	110	55	30
EBIT	86	105	96	80	149	207	127	273	365	521	747	932
Net financial items	1	0	-2	1	1	0	-62	-73	-109	-25	-22	-18
Pre-tax profit	87	105	94	81	150	208	65	200	256	495	725	914
Taxes	22	26	7	8	15	20	44	59	74	114	160	201
Net profit	65	79	88	73	134	188	21	141	181	381	565	713
One-off items	-	0	0	0	0	0	-35	-33	-34	-4	0	0
EPS	-	-	-	-	-	-	-	2,8	3,7	7,6	11,3	14,3
EPS growth, y/y	-	-	-	-	-	-	-	-	29,7%	108,9%	48,2%	26,1%
Tax rate	25,5%	25,0%	7,0%	9,3%	10,2%	9,6%	67,1%	29,7%	29,1%	23,0%	22,0%	22,0%
Revenue growth, y/y	17,6%	25,3%	22,3%	15,0%	36,6%	20,5%	18,7%	57,4%	45,0%	21,1%	24,2%	19,8%
Gross margin	-	-	-	-	-	41,1%	41,4%	43,3%	39,8%	40,6%	41,0%	41,0%
EBITDA margin	34,2%	33,1%	25,8%	19,8%	24,9%	30,1%	25,9%	28,4%	25,3%	27,3%	28,0%	28,0%
EBITA, adj	86	105	98	81	150	207	236	402	514	634	802	962
EBITA margin, adj	32,8%	32,0%	24,4%	17,7%	23,9%	27,4%	26,3%	28,4%	25,0%	25,5%	26,0%	26,0%
EBITA margin	32,8%	32,0%	24,4%	17,7%	23,9%	27,4%	22,3%	26,0%	23,4%	25,3%	26,0%	26,0%
EBIT margin	32,8%	32,0%	24,0%	17,3%	23,6%	27,4%	14,1%	19,3%	17,8%	20,9%	24,2%	25,2%
Net profit, adj.	65	79	89	75	136	188	106	241	298	470	608	736
CFFO	-	-	-	-	-	217	117	195	187	451	551	676
Capex	-	-5	-16	-16	-4	-18	-2.539	-150	-27	-87	-64	-74
FCF	-	-	-	-	-	207	-2.422	45	160	364	486	602
Revenue, Public	-	-	-	-	-	312	368	730	1.152	1.445	1.853	2.165
Revenue, private	-	-	-	-	-	447	531	686	901	1.027	1.228	1.535
Revenue growth, Public	-	-	-	-	-	-	18,3%	98,2%	57,8%	25,5%	28,2%	16,9%
Revenue growth, private	-	-	-	-	-	-	19,0%	29,1%	31,4%	14,0%	19,5%	25,0%
Development revenue	-	-	-	-	-	347	439	647	1.005	1.051	1.216	1.385
Public customers	-	-	-	-	-	137	167	440	575	560	630	652
Private customers	-	-	-	-	-	210	272	206	430	490	586	732
Maintenance revenue	-	-	-	-	-	411	461	769	1.048	1.422	1.864	2.315
Public customers	-	-	-	-	-	175	202	290	577	885	1.223	1.513
Private customers	-	-	-	-	-	236	260	479	471	537	642	802
Netcompany Denmark:												
Revenue, Denmark	261	327	400	461	629	758	888	1.220	1.540	1.871	2.344	2.818
Revenue growth, Denmark	17,6%	25,3%	22,3%	15,0%	36,6%	20,5%	18,7%	37,4%	26,2%	21,5%	25,3%	20,2%
EBITA adj, Denmark	86	105	98	81	150	207	234	358	461	551	687	810
EBITA margin adj, Denmark	32,8%	32,0%	24,4%	17,7%	23,9%	27,4%	26,4%	29,4%	29,9%	29,4%	29,3%	28,8%
Netcompany Norway												
Revenue, Norway	-	-	-	-	-	-	12	134	176	207	255	293
Revenue growth, Norway	-	-	-	-	-	-	-	1044,4%	31,3%	18,0%	23,0%	15,0%
EBITA adj, Norway	-	-	-	-	-	-	2	31	31	48	60	70
EBITA margin adj, Norway	-	-	-	-	-	-	17,1%	23,1%	17,8%	23,0%	23,5%	24,0%
Netcompany UK												
Revenue, UK	-	-	-	-	-	-	-	62	338	409	490	589
Revenue growth, UK	-	-	-	-	-	-	-	-	445,7%	21,0%	20,0%	20,0%
EBITA adj, UK	-	-	-	-	-	-	-	12	23	36	55	81
EBITA margin adj, UK	-	-	-	-	-	-	-	20,0%	6,8%	8,8%	11,3%	13,8%
Netcompany Holland												
Revenue, Netherlands	-	-	-	-	-	-	-	-	-	30	72	86
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	-	140,0%	20,0%
EBITA adj, Holland	-	-	-	-	-	-	-	-	-	0	4	6
EBITA margin adj, Holland	-	-	-	-	-	-	-	-	-	0,0%	5,0%	7,5%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Net revenue	327	400	461	629	758	900	1,416	2,053	2,487	3,090	3,700
Revenue growth	25.3%	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	21.1%	24.2%	19.8%
of which organic	n.a.	n.a.	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	19.9%	21.9%	19.8%
of which FX	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.3%	0.1%	-1.0%	-0.5%	0.0%
EBITDA	108	103	91	157	228	233	402	520	680	864	1,036
Depreciation and impairments PPE	-4	-6	-10	-7	-21	-32	-34	-40	-50	-62	-74
of which leased assets	0	0	0	0	0	-11	-19	-24	-29	-35	-43
EBITA	105	98	81	150	207	201	369	480	631	802	962
Amortisation and impairments	0	-2	-2	-2	0	-74	-96	-115	-110	-55	-30
EBIT	105	96	80	149	207	127	273	365	521	747	932
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	0	-2	1	1	0	-62	-72	-109	-24	-21	-17
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
Pre-tax profit	105	94	81	150	208	65	201	256	496	726	915
Reported taxes	-26	-7	-8	-15	-20	-44	-59	-74	-114	-160	-201
Net profit from continued operations	79	88	73	134	188	21	141	181	383	566	714
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	79	88	73	134	188	21	141	181	383	566	714
EPS	1.57	1.75	1.47	2.69	3.75	0.43	2.82	3.62	7.65	11.33	14.28
DPS	n.a.	n.a.	n.a.	-2.00	-2.33	0.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	0.85	0.66	0.60	-2.00	-2.33	0.00	0.00	0.00	0.00	0.00	0.00
of which extraordinary	n.a.	n.a.	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	33.1%	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.0%	28.0%
EBITA	32.0%	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.3%	26.0%	26.0%
EBIT	32.0%	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.9%	24.2%	25.2%

Adjusted earnings

EBITDA (adj)	108	103	91	157	228	268	435	555	684	864	1,036
EBITA (adj)	105	98	81	150	207	236	402	514	634	802	962
EBIT (adj)	105	96	80	149	207	162	306	399	524	747	932
EPS (adj)	1.57	1.75	1.47	2.69	3.75	0.97	3.34	4.16	7.71	11.33	14.28

Adjusted profit margins in percent

EBITDA (adj)	33.1%	25.8%	19.8%	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	28.0%	28.0%
EBITA (adj)	32.0%	24.4%	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.5%	26.0%	26.0%
EBIT (adj)	32.0%	24.0%	17.3%	23.6%	27.4%	18.0%	21.6%	19.4%	21.1%	24.2%	25.2%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	23.1%	23.7%	22.4%	28.7%	34.8%	31.6%	32.4%	32.7%
EBITDA	n.m.	n.m.	n.m.	16.8%	20.6%	16.6%	31.2%	41.7%	34.1%	30.5%	34.7%
EBIT	n.m.	n.m.	n.m.	15.5%	19.3%	4.0%	23.2%	35.5%	28.5%	29.2%	48.9%
EPS	n.a.	n.a.	n.a.	19.2%	23.8%	-23.0%	10.0%	19.8%	23.3%	24.7%	101.8%
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.	n.a.	26.2%	24.8%	24.7%	20.9%	20.1%	19.5%	19.6%	20.4%	22.3%
Average EBITDA margin	n.a.	n.a.	27.8%	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	27.1%	27.5%

VALUATION RATIOS - ADJUSTED EARNINGS

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	52.9	32.3	22.0	17.5
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	19.1	14.6	11.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	20.6	15.7	12.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	24.9	16.9	12.9

VALUATION RATIOS - REPORTED EARNINGS

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	60.7	32.6	22.0	17.5
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	5.25	4.07	3.24
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	19.2	14.6	11.6
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	20.7	15.7	12.5
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	25.1	16.9	12.9
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.5%	3.5%	4.1%	5.1%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	3.3%	3.9%	4.8%
Payout ratio	n.a.	n.a.	n.a.	n.m.	n.m.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0	2	2	1	4	2,373	2,604	2,485	2,375	2,320	2,290
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	2	2	1	4	489	495	376	376	376	376
of which goodwill	0	0	0	0	0	1,884	2,109	2,109	1,999	1,944	1,914
Tangible assets	8	15	20	14	20	41	55	117	155	201	254
of which leased assets	0	0	0	0	12	25	31	83	91	103	113
Shares associates	2	0	0	0	0	0	0	1	1	1	1
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	11	11	11	11	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	2	3	4	3	4	5	9	13	0	0	0
Total non-current assets	12	31	37	30	39	2,420	2,667	2,616	2,530	2,522	2,545
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	96	113	107	146	180	258	445	458	554	688	824
Short-term leased assets	0	0	0	0	11	19	24	29	35	43	49
Other current assets	58	77	101	190	174	103	139	276	368	458	548
Cash and bank	37	16	1	13	111	60	194	108	310	585	974
Total current assets	191	206	209	349	477	441	802	869	1,268	1,773	2,395
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	203	236	246	379	516	2,860	3,470	3,486	3,799	4,295	4,940
Shareholders equity	106	68	108	213	300	1,261	1,644	1,806	2,189	2,755	3,469
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	106	68	108	213	300	1,261	1,644	1,806	2,189	2,755	3,469
Deferred tax	13	0	7	0	0	111	112	89	89	89	89
Long term interest bearing debt	6	14	6	0	0	1,178	1,265	1,106	906	706	506
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	0	6	14	18	54	60	67	74
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	19	14	13	0	6	1,303	1,395	1,249	1,055	862	669
Short-term provisions	5	0	0	0	5	9	30	36	44	54	65
Accounts payable	7	13	14	12	19	27	51	54	66	82	98
Current lease debt	3	5	4	1	6	12	14	29	32	36	40
Other current liabilities	61	91	79	149	180	222	336	310	413	506	599
Short term interest bearing debt	1	46	28	5	0	28	0	0	0	0	0
Total current liabilities	77	155	125	166	210	297	431	430	555	678	802
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	203	237	246	379	516	2,860	3,469	3,485	3,799	4,295	4,940
Balance sheet and debt metrics											
Net debt	-27	49	3	-13	-111	1,118	1,070	998	607	130	-460
of which lease debt	3	5	4	1	12	25	31	83	92	103	114
Working capital	86	86	115	175	155	113	198	369	444	559	676
Invested capital	97	116	152	205	195	2,533	2,865	2,985	2,974	3,081	3,220
Capital employed	126	81	121	213	307	2,563	3,039	3,056	3,244	3,618	4,138
ROE	65.1%	n.m.	83.5%	83.8%	73.2%	2.7%	9.7%	10.5%	19.2%	22.9%	22.9%
ROIC	86.0%	70.2%	46.5%	65.0%	81.0%	9.3%	8.8%	10.6%	13.7%	19.2%	29.6%
ROCE	83.4%	n.m.	65.9%	69.9%	67.7%	5.0%	9.0%	11.9%	16.0%	20.6%	22.5%
Net debt/EBITDA	-0.2	0.5	0.0	-0.1	-0.5	4.8	2.7	1.9	0.9	0.2	-0.4
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	52.4%	28.6%	44.0%	56.1%	58.2%	44.1%	47.4%	51.8%	57.6%	64.1%	70.2%
Net gearing	-25.1%	72.0%	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	27.7%	4.7%	-13.3%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
EBITDA (adj) for associates	108	103	91	157	228	233	402	520	680	864	1,036
Paid taxes	0	0	0	0	-21	-34	-35	-167	-114	-160	-201
Net financials	0	0	0	0	7	65	79	80	-24	-21	-17
Change in provisions	3	-5	0	0	5	4	21	6	8	11	11
Change in other LT non-IB	-1	-12	-1	1	-1	9	-3	-4	13	0	0
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.	n.a.	-11	-141	-174	-115	0	0	0
Funds from operations (FFO)	n.a.	n.a.	n.a.	n.a.	208	137	290	319	563	694	829
Change in NWC	n.a.	n.a.	n.a.	n.a.	9	-20	-95	-133	-75	-115	-117
Cash flow from operations (CFO)	n.a.	n.a.	n.a.	n.a.	217	117	195	187	488	579	712
Capital expenditure	0	0	0	0	-10	-23	-30	-27	-50	-62	-74
Free cash flow before A&D	n.a.	n.a.	n.a.	n.a.	207	94	165	160	438	517	638
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	-2,516	-120	0	0	0	0
Free cash flow	n.a.	n.a.	n.a.	n.a.	207	-2,422	45	160	438	517	638
Free cash flow bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	207	83	146	136	409	482	595
Dividends paid	n.a.	n.a.	n.a.	n.a.	-100	-116	0	0	0	0	0
Equity issues / buybacks	n.a.	n.a.	n.a.	n.a.	0	0	0	0	0	0	0
Net change in debt	n.a.	n.a.	n.a.	n.a.	0	0	0	0	-200	-200	-200
Other financing adjustments	0	0	0	0	0	0	0	0	-35	-42	-49
Other non-cash adjustments	n.a.	n.a.	n.a.	n.a.	-8	2,487	90	-246	0	0	0
Change in cash	-26	-21	-15	12	99	-52	135	-87	202	275	389
Cash flow metrics											
Capex/D&A	0.0%	0.0%	0.0%	0.0%	46.5%	22.0%	23.3%	17.5%	31.1%	52.9%	n.m.
Capex/Sales	0.0%	0.0%	0.0%	0.0%	1.3%	2.6%	2.1%	1.3%	2.0%	2.0%	2.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	220	249	249	249
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	12,460	12,460	12,460
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	13,067	12,590	12,000
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 report may be distributed by Nordea Bank Luxembourg S.A., 562 rue de Neudorf, L-2015 Luxembourg which is subject to the supervision of the Commission de Surveillance du Secteur Financier.

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 sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. When applicable, we set a 12-month target price by applying an appropriate premium/discount and/or other relevant adjustment to our fair value to reflect the share price potential we see within the coming 12 months. 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. Dividend payouts are included in the target price. 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.

Where applicable, recommendation changes are available at: <https://research.nordea.com/compliance#equity-changes>.

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

22 Aug 2019, 02:45 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