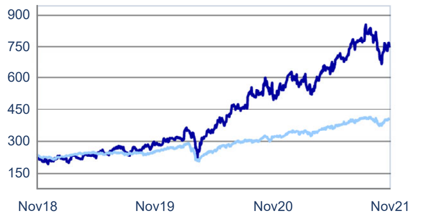
Netcompany

Telecom Equipment and IT
Denmark

KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 746
Free Float	85%
Market cap. (bn)	EUR 5.02/DKK 37.30
Website	www.netcompany.com
Next report date	

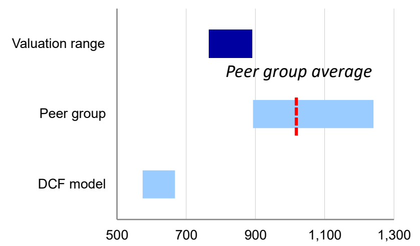
PERFORMANCE



— Netcompany
— OMX Copenhagen - All share (Rebased)

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	8%	44%	41%
EBIT (adj)	2%	12%	13%

Source: Nordea estimates

Nordea Markets - Analysts
Claus Almer
Director

Jesper Herholt Jensen
Managing Director, Sector Coordinator

20% employee growth indicates a strong outlook

Netcompany's Q3 results largely mirrored its performance in recent quarters. The 15% y/y revenue growth was disappointing, but this was partly explained by deferred vacations from H1, which diluted revenue growth by ~2 pp. 9M reported revenue growth was 20%. The number of employees increased organically by 20% y/y (5% q/q), a metric that signals how Netcompany sees the potential of its pipeline. According to the Q3 investor call, several tenders are coming up. A number of details about Intrasoft are still lacking, but these may come with the full-year report. Excluding the effect from including Intrasoft in our estimates, we leave our estimates unchanged but lift our combined DCF and peer group valuation to DKK 760-890 (700-815) based on our updated estimates.

Q3 2021: Largely as expected

Netcompany delivered EBITA close to expectations, despite a revenue miss and a negative impact from one fixed-priced project in Holland. The performance of the Danish operation continued to be impressive (EBITA margin of 32.8% before HQ cost allocation), while the UK started to show its potential (EBITA margin: 11.7%). Norway failed to convert its 28% revenue growth to improved profitability and reported EBITA of only DKK 1.7m). Despite the recent frame agreement wins in Holland, this division continues to struggle, which the 40% revenue decline y/y clearly illustrates.

Implicit Q4 organic guidance: 15-22% revenue growth

The implicit guidance for Q4 organic revenue growth is 15-22% y/y, with EBITA growth between -14% and 22% y/y (EBITA margin: 21.6-28.9%).

Intrasoft: No new details disclosed, unfortunately

The acquisition of Intrasoft has received all necessary approvals and Netcompany announced on 1 November that the transaction has closed. We still lack a number of important details about Intrasoft, which the Q3 report and investor call failed to provide. Netcompany did, however, issue guidance for November and December (9-10% revenue growth and a 7-8% EBITDA margin, the latter seasonally lower than the full-year level).

M&A: More to come?

Following the Intrasoft acquisition, Netcompany has become more vocal about its ambition of becoming the leading next-generation-focused European IT consulting firm. This could trigger new larger acquisitions in new markets like Germany, which is in front in a long digitalisation journey.

SUMMARY TABLE - KEY FIGURES

DKKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,416	2,053	2,454	2,839	3,676	5,695	6,541
EBITDA (adj)	435	555	674	809	923	1,250	1,514
EBIT (adj)	306	399	516	645	813	1,117	1,380
EBIT (adj) margin	21.6%	19.4%	21.0%	22.7%	22.1%	19.6%	21.1%
EPS (adj, DKK)	3.33	4.14	7.84	9.36	12.17	17.30	21.29
EPS (adj) growth	241.4%	24.3%	89.5%	19.4%	29.9%	42.2%	23.1%
DPS (ord, DKK)	0.00	0.00	0.00	1.00	2.00	2.00	2.00
EV/Sales	n.a.	5.8	6.8	11.1	10.6	6.8	5.8
EV/EBIT (adj)	n.a.	30.0	32.3	48.9	48.0	34.5	27.4
P/E (adj)	n.a.	53.2	40.4	66.5	61.3	43.1	35.0
P/BV	n.a.	6.1	7.7	12.8	12.6	10.0	7.9
Dividend yield (ord)	n.a.	0.0%	0.0%	0.2%	0.3%	0.3%	0.3%
FCF Yield bef A&D, lease	n.a.	1.2%	2.5%	1.6%	1.1%	1.4%	2.4%
Net debt	1,070	998	826	402	1,707	1,261	462
Net debt/EBITDA	2.7	1.9	1.2	0.5	1.9	1.0	0.3
ROIC after tax	8.8%	10.7%	13.3%	16.3%	25.4%	31.9%	36.4%

Source: Company data and Nordea estimates

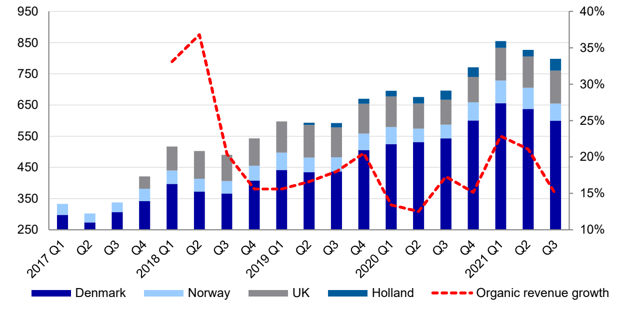
Q3 2021 review

NETCOMPANY: Q3 2021 RESULTS (DKKm)

	2020				2021					Act vs		Q3,	2021	Grw.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3A	Q3E	Cons	NDA	Cons	y/y	Q4E	y/y
Revenue	**695.5**	**675.5**	**694.7**	**772.8**	**855.1**	**826.7**	**798.0**	**819.7**	**827.4**	**-3%**	**-4%**	**15%**	**904.7**	**17%**
Production cost	421.0	415.8	401.4	445.2	529.5	533.3	469.6	488.0	498.4	-4%	-6%	17%	556.9	25%
Gross profit	**274.5**	**259.7**	**293.3**	**327.6**	**325.7**	**293.4**	**328.4**	**331.8**	**329.0**	**-1%**	**-0%**	**12%**	**347.7**	**6%**
Sales & marketing	4.4	3.8	4.3	4.6	6.1	6.1	5.7	7.6	-	-25%	-	33%	10.7	133%
Administration	106.1	94.6	93.6	99.5	103.2	120.6	122.8	124.6	-	-1%	-	31%	86.6	-13%
EBITA, adj	**164.1**	**161.3**	**195.4**	**223.6**	**216.3**	**166.7**	**199.9**	**199.5**	**203.0**	**0%**	**-2%**	**2%**	**250.5**	**12%**
Special items	0.0	0.0	0.0	0.0	0.0	0.0	-30.0	0.0	0.0	-	-	-	0.0	-
EBITA	**164.1**	**161.3**	**195.4**	**223.6**	**216.3**	**166.7**	**169.9**	**199.5**	**203.0**	**-15%**	**-16%**	**-13%**		
Amortisation	25.3	25.3	25.3	23.5	9.2	9.0	9.0	9.2	-	-2%	-	-64%		
EBIT	**138.8**	**136.0**	**170.1**	**200.1**	**207.1**	**157.7**	**160.9**	**190.3**	**-**	**-15%**	**-**	**-5%**	**241.1**	**21%**
Net financial items	-19.2	-16.2	-6.2	-151.8	36.9	-12.0	11.7	-5.8	-	-	-	-	-5.4	-
Pre-tax profit	**119.6**	**119.8**	**163.9**	**48.3**	**244.0**	**145.7**	**149.2**	**184.6**	**184.1**	**-19%**	**-19%**	**-9%**	**235.7**	**388%**
Taxes	26.8	23.9	35.9	43.2	44.5	33.3	40.6	40.6	41.9	-0%	-3%	13%	59.8	38%
Net profit	**92.8**	**95.9**	**128.0**	**5.0**	**199.5**	**112.4**	**108.6**	**144.0**	**142.2**	**-25%**	**-24%**	**-15%**	**175.9**	**3388%**
EPS	1.9	2.0	2.6	0.1	4.1	2.3	2.2	2.9	-	-23%	-	-15%	3.5	3388%
EPS growth, y/y	-5.5%	55.6%	24.9%	-96.0%	114.8%	16.8%	-15.3%	10.3%	-	-	-	-	-	-
Revenue growth, organic	**13.4%**	**12.5%**	**17.3%**	**15.1%**	**22.9%**	**21.1%**	**13.8%**	**18.0%**	**19.1%**	**-**	**-**	**-**	**-**	**-**
Revenue growth, y/y	16.4%	13.9%	17.3%	15.1%	23.0%	22.4%	14.9%	18.0%	19.1%	-	-	-	17.1%	-
Gross margin	39.5%	38.4%	42.2%	42.4%	38.1%	35.5%	41.2%	40.5%	39.8%	-	-	-	38.4%	-
Costs (Reveneue - EBITA adj)	531	514	499	549	639	660	598	620	624	-	-	-	654	19%
Costs growth, q/q	-	-3%	-3%	10%	16%	3%	-9%	-6%	-5%	-	-	-	9%	-
EBITA margin, adj	**23.6%**	**23.9%**	**28.1%**	**28.9%**	**25.3%**	**20.2%**	**25.1%**	**24.3%**	**24.5%**	**-**	**-**	**-**	**27.7%**	**-**
Incremental EBITA margin, adj	17.2%	42.7%	30.5%	42.9%	32.7%	3.5%	102.3%	3.3%	-	-	-	-	20.4%	-
EBIT margin	20.0%	20.1%	24.5%	25.9%	24.2%	19.1%	20.2%	23.2%	-	-	-	-	26.7%	-
Tax rate	22%	20%	22%	90%	18%	23%	27%	22%	23%	-	-	-	25%	-
Revenue visibility	2,131.8	2,483.6	2,719.9	-	2,765.4	3,064.5	3,273.8	-	-	-	-	20%	-	-
% of FY revenue	75%	87%	96%	-	81%	90%	96%	-	-	-	-	-	-	-
In/out orders	303.9	351.8	236.3	118.6	633.7	299.1	209.3	-	-	-	-	-11%	132.4	
Growth, y/y	47%	10%	-16%	78%	109%	-15%	-11%	-	-	-	-	-	12%	-
12-month performance:														
Revenue (12m)	2,551.9	2,634.3	2,736.9	2,838.5	2,998.2	3,149.3	3,252.6	3,274.4	-	-1%	-	-	3,406.2	-
EBITA adj (12M)	634.2	669.4	700.7	744.3	796.6	802.0	806.5	806.1	-	0%	-	15%	833.0	12%
EBITA margin, adj (12M)	25%	25%	26%	26%	27%	25%	25%	25%	-	-	-	-	24%	-

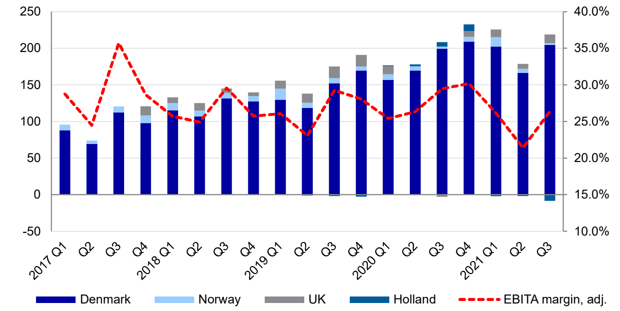
Source: Company data, company-compiled consensus, and Nordea estimates

NETCOMPANY: REVENUE (DKKm)



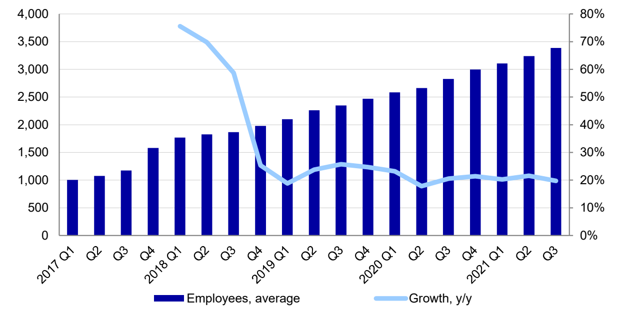
Source: Company data and Nordea

NETCOMPANY: EBITA (DKKm)



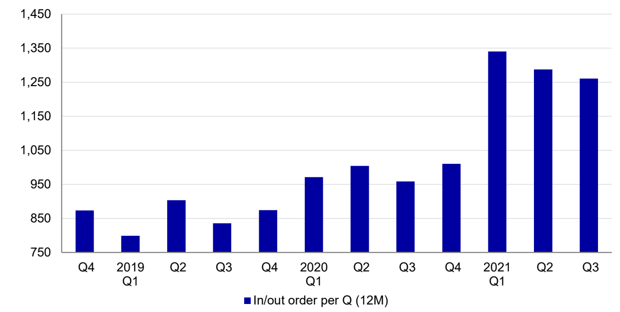
Source: Company data and Nordea

NETCOMPANY: FTE DEVELOPMENT (DKKm)



Source: Company data and Nordea

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



Source: Company data and Nordea

2021 revenue heading for the upper end of the guidance range

Netcompany reiterated its 2021 organic guidance and offered new guidance for Intrasoft from 1 November to 31 December.

Based on its 9M performance, Netcompany as a standalone is guiding for implicit organic Q4 revenue growth between 15% and 22%, with an adjusted EBITA margin of 21.6-28.9%.

We now include Intrasoft in our estimates, however, because a lack of details makes our estimates subject to high uncertainty – they could change once we recieve more information, particularly about the timing of the backlog (4x 2020 revenue), the potential in Greece and the EU overall, and the potential of cost optimisation.

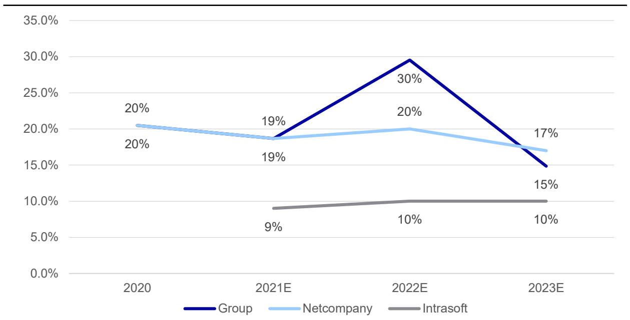
We leave our estimates unchanged for Netcompany standalone.

NETCOMPANY: UPDATED ESTIMATES AND COMPANY GUIDANCE FOR 2021 (DKKm)

	2021 guidance		2021E		2022E		2023E	
	Low	High	Nordea	Cons	Nordea	Cons	Nordea	Cons
Revenue	**3,605**	**3,690**	**3,676**	**-**	**5,695**	**-**	**6,541**	**-**
Costs	-	-	2,827	-	4,558	-	5,158	-
Growth	-	-	35.0%	-	61.3%	-	13.2%	-
EBITA, adj	**-**	**-**	**850**	**-**	**1,137**	**-**	**1,383**	**-**
EBITA margin, adj	-	-	23.1%	-	20.0%	-	21.1%	-
Special items	-30	-30	-30	-	0	-	0	-
Non-organic revenue growth	~9%	~10%	9.5%	-	10.0%	-	10.0%	-
Non-organic adj. EBITDA margin	~7%	~8%	7.5%	-	8.0%	-	10.0%	-
Organic revenue growth	~18%	~20%	20.0%	-	20.0%	-	20.0%	-
Organic EBITDA mnargin	~25%	~27%	26.5%	-	27.7%	-	28.6%	-
Organic EBITA mnargin	23%	~25%	24.5%	24.2%	25.7%	25.4%	26.6%	26.1%
Revenue:								
Group	3,605	3,690	3,676	-	5,695	-	6,541	-
Netcompany	3,349	3,406	3,406	3,425	3,951	4,060	4,623	4,799
Intrasoft	255	284	270	-	1,744	-	1,918	-
EBITDA margin, adj.								
Group	~24%	~26%	25.1%	-	22.0%	-	23.1%	-
Netcompany	~25%	~27%	26.5%	-	27.7%		28.6%	-
Intrasoft	~7%	~8%	7.5%	-	9.0%	-	10.0%	-
EBITA, adj.:								
Group	-	-	850	-	1,137	-	1,383	-
Netcompany	757	849	833	828	1,015	1,031	1,229	1,253
Intrasoft	-	-	15	-	122	-	153	-
EBITA margin, adj.:								
Group	~21%	~23%	23.1%	-	20.0%	-	21.1%	-
Netcompany	~23%	~25%	24.5%	24.2%	25.7%	25.4%	26.6%	26.1%
Intrasoft	-	-	5.5%	-	7.0%	-	8.0%	-

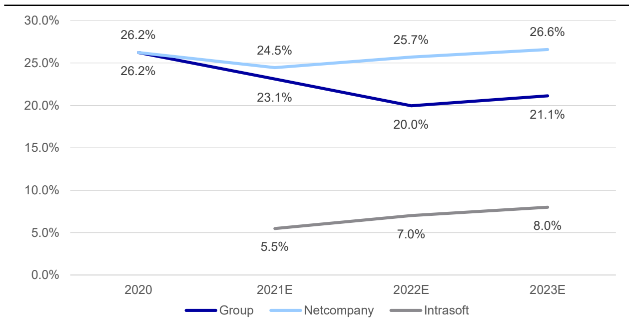
Source: Company data, pre-Q3 company-compiled consensus, and Nordea estimates

NETCOMPANY: REVENUE GROWTH (%), Y/Y



Source: Company data and Nordea estimates

NETCOMPANY: EBITA MARGIN (%)



Source: Company data and Nordea estimates

Valuation: DKK 760-890 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 we believe they yield a reliable valuation range when evaluated together.

As there are 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 of high revenue growth – if Netcompany were to extend the number of years of revenue growth by more than 20%, this would have a significant impact on our valuation.

Our DCF-based 12-month fair value (WACC: 6.0%) is DKK 620 per share (up from DKK 610), based on the assumptions outlined below.

We could see additional upside potential given the 13x EV/EBITDA that Netcompany paid for Intrasoft, but we need to understand the quality of the company better before including this in our valuation.

NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2021-30	2032-36	2037-41	2042-46	2047-51	LT
Sales growth, CAGR	15.0%	10.0%	10.0%	6.3%	2.5%	-
EBIT-margin	18.6%	16.0%	14.0%	7.9%	1.8%	-
Capex/depreciation, x	0.5	1.1	1.1	1.1	1.1	-
Capex/sales	1.0%	0.5%	0.4%	0.4%	0.4%	-
NWC/sales	18.3%	18.3%	18.3%	18.3%	18.3%	-
FCFF, CAGR	13.0%	8.1%	6.6%	-5.4%	-27.6%	2.0%

Source: Nordea estimates

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

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

- Epam
- Globant
- Endava
- Kainos

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

Our peer group valuation suggests a DKK 875-1,240 per share valuation range (average: DKK 900). The valuation is based on an equally weighted P/E, EV/EBITDA and EV/EBIT(A).

NETCOMPANY: PEER GROUP VALUATION

		Share	MCAP	Grw, 2020-23E			EBIT mrg	P/E			EV/EBITDA			EV/EBIT			PEG	Share price		
		price	EURbn	Rev	EBIT	EPS	2022E	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E	20-23E	1M	3M	YTD
Key peers																				
Epam	US	4,357	33.2	32%	31%	32%	17.4%	79.0x	62.3x	49.4x	52.0x	40.8x	32.7x	51.9x	40.7x	32.6x	2.5x	18%	19%	90%
Globant	Lux	2,104	11.7	37%	43%	36%	15.8%	90.8x	71.7x	55.8x	53.1x	41.6x	33.2x	53.1x	41.6x	33.2x	2.5x	18%	38%	51%
Endava	UK	1,041	7.8	31%	40%	34%	19.4%	95.3x	70.3x	57.0x	59.3x	44.0x	35.9x	59.3x	44.0x	35.9x	2.8x	16%	30%	112%
Kainos	UK	177	2.9	21%	34%	34%	20.9%	53.9x	53.1x	49.5x	41.7x	39.7x	36.2x	42.0x	40.0x	36.5x	1.6x	13%	17%	65%
Reply	UK	1,330	6.7	14%	17%	18%	13.8%	46.3x	41.0x	36.5x	26.2x	23.4x	21.0x	26.2x	23.4x	21.1x	2.6x	16%	16%	88%
Average (ex Reply)	**-**	**-**	**13.9**	**30%**	**37%**	**34%**	**18.4%**	**79.8x**	**64.4x**	**52.9x**	**51.5x**	**41.5x**	**34.5x**	**51.6x**	**41.6x**	**34.6x**	**2.3x**	**16%**	**26%**	**79%**
Netcompany (cons.)	DK	746	4.9	19%	26%	27%	25.8%	56.5x	44.7x	35.6x	39.8x	32.3x	26.8x	40.7x	33.0x	27.4x	2.1x	3%	-5%	20%
IT service companies:																				
IBM	US	110	98.1	-	16%	-	-	12.5x	11.7x	#N/A	8.8x	9.4x	-	8.8x	9.4x	#N/A	-	-11%	-12%	1%
Accenture	IE	312	197.3	12%	14%	14%	15.5%	41.1x	35.8x	32.2x	23.8x	20.8x	19.3x	24.7x	21.6x	20.0x	3.0x	11%	14%	39%
Cognizant	US	69	36.0	10%	11%	12%	15.6%	19.6x	17.7x	16.2x	11.7x	10.7x	10.0x	11.7x	10.7x	10.0x	1.6x	6%	6%	-3%
Atos	FR	44	37.1	1%	-7%	-5%	6.5%	24.1x	24.0x	21.0x	16.0x	15.2x	13.3x	16.0x	15.2x	13.3x	-4.6x	-7%	14%	26%
Cap Gemini	FR	211	82.9	9%	14%	19%	12.5%	37.3x	32.4x	28.0x	25.8x	22.4x	19.6x	25.8x	22.4x	19.6x	2.0x	2%	4%	36%
CGI Group	CA	78	150.2	4%	7%	14%	16.8%	39.6x	33.6x	29.5x	28.1x	23.8x	21.3x	28.1x	23.8x	21.3x	2.8x	-7%	7%	22%
DXC Technology	US	28	41.3	-7%	-11%	-9%	9.5%	34.6x	29.2x	25.8x	23.7x	19.9x	17.4x	23.7x	19.9x	17.4x	-4.0x	2%	9%	69%
Sopra Steria	FR	172	16.9	6%	22%	26%	8.3%	28.6x	23.5x	20.7x	20.5x	16.4x	14.3x	20.6x	16.4x	14.3x	1.1x	9%	25%	58%
HCL	IN	14	4.8	9%	10%	11%	20.1%	10.6x	8.8x	7.5x	6.1x	5.5x	5.0x	6.1x	5.5x	5.0x	1.0x	-4%	12%	-41%
Infosys	IN	20	35.6	13%	16%	14%	23.7%	24.9x	22.2x	19.7x	14.6x	13.4x	12.3x	14.7x	13.4x	12.3x	1.7x	20%	11%	67%
Tata	IN	41	19.1	9%	11%	9%	26.0%	20.8x	19.0x	16.8x	12.4x	11.8x	11.6x	11.2x	10.7x	10.5x	2.2x	4%	-2%	11%
Wipro	IN	8	7.0	12%	13%	13%	18.1%	13.5x	8.9x	7.6x	4.4x	3.9x	3.7x	4.6x	4.0x	3.8x	1.0x	-6%	-25%	26%
Tech Mahindra	IN	17	3.5	8%	16%	12%	15.7%	15.9x	13.5x	11.9x	8.1x	7.4x	6.9x	8.2x	7.5x	6.9x	1.3x	10%	1%	30%
Average, ex India	**-**	**-**	**82.5**	**5%**	**8%**	**10%**	**12.1%**	**29.7x**	**26.0x**	**24.8x**	**19.8x**	**17.3x**	**16.4x**	**19.9x**	**17.4x**	**16.6x**	**0.8x**	**1%**	**8%**	**31%**
Average	**-**	**-**	**56.1**	**7%**	**10%**	**11%**	**15.7%**	**24.9x**	**21.6x**	**19.7x**	**15.7x**	**13.9x**	**12.9x**	**15.7x**	**13.9x**	**12.9x**	**0.8x**	**2%**	**5%**	**26%**
Nordic peers:																				
Trifork	DK	35	0.7	-	-	-	11.5%	40.5x	34.5x	30.0x	28.2x	23.7x	20.5x	48.8x	36.0x	29.5x	-	33%	44%	-
NNIT	DK	113	0.4	6%	14%	24%	6.0%	60.5x	19.5x	14.9x	9.1x	8.5x	7.7x	72.2x	18.2x	13.2x	2.5x	-6%	-20%	-7%
TietoEvry	FI	27	3.2	2%	4%	6%	12.1%	11.7x	11.2x	10.6x	7.3x	7.6x	7.3x	10.6x	11.2x	10.6x	2.1x	3%	-8%	1%
KnowIT	SE	39	1.1	24%	25%	11%	8.6%	29.6x	26.8x	23.4x	14.7x	11.6x	10.4x	21.9x	16.8x	14.6x	2.6x	10%	26%	23%
Average	**-**	**-**	**1.3**	**11%**	**15%**	**14%**	**9.5%**	**35.6x**	**23.0x**	**19.7x**	**14.8x**	**12.9x**	**11.5x**	**38.4x**	**20.6x**	**17.0x**	**2.4x**	**10%**	**10%**	**6%**
SimCorp	DK	812	4.3	9%	12%	13%	27.7%	42.3x	37.2x	33.3x	29.8x	26.9x	24.4x	33.0x	29.2x	26.3x	3.2x	11%	-3%	-11%
Others:																				
Europe IT consult. 1)	-	-	-	9%	8%	11%	7.6%	22.9x	25.5x	21.4x	18.4x	14.5x	17.4x	23.3x	21.3x	18.4x	2.0x	9%	10%	33%
Global IT consult. 2)	-	-	-	6%	10%	18%	21.3%	33.8x	27.4x	26.3x	19.7x	17.1x	230.2x	31.8x	29.0x	21.2x	1.9x	-1%	-1%	14%
Average, total	**-**	**-**	**-**	**13%**	**16%**	**18%**	**14.5%**	**39.4x**	**32.4x**	**28.0x**	**24.0x**	**20.0x**	**61.3x**	**32.1x**	**25.3x**	**20.8x**	**1.9x**	**7%**	**10%**	**32%**
Netcompany, NDA	**DK**	**746**	**4.9**	**32%**	**29%**	**32%**	**19.6%**	**61.4x**	**43.2x**	**35.1x**	**40.2x**	**30.7x**	**25.1x**	**45.6x**	**34.4x**	**27.5x**	**1.9x**	**3%**	**-5%**	**20%**

Source: Refinitiv and Nordea estimates

VALUATION: NETCOMPANY (OUR ESTIMATES) VS PEER GROUP VALUATION

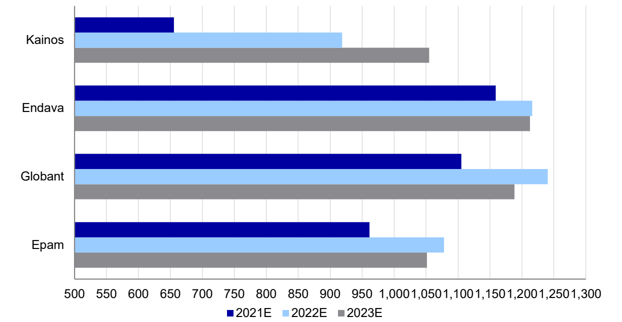
	Grw, 2020-23E			EV/EBIT			PEG	Share price	
	Rev	EBIT	EPS	2021E	2022E	2023E	20-23E	1M	YTD
Key peers	**Outperf.**	**Underperf.**	**Underperf.**	**Discount**	**Discount**	**Discount**	**Premium**	**Underperf.**	**Underperf.**
IT service companies:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Outperf.	Underperf.
- Ex India	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Outperf.	Underperf.
Nordic peers:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Underperf.	Outperf.
Europe IT consult. 1)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Underperf.	Underperf.
Global IT consult. 2)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Outperf.	Outperf.

Note: Netcompany's EBIT and EPS growth is adjusted for one-offs and excludes PPA

Source: Refinitiv and Nordea estimates

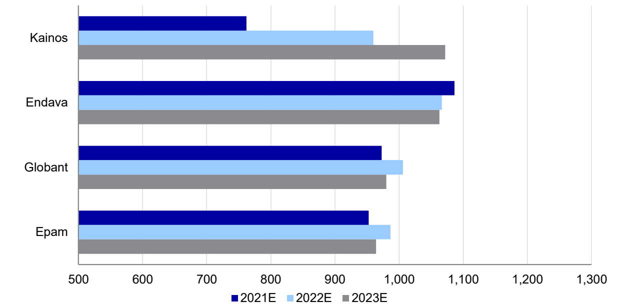
Based on our estimates including Intrasoft, Netcompany should still show an EBIT margin above the peer average, but not superior to individual peers.

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



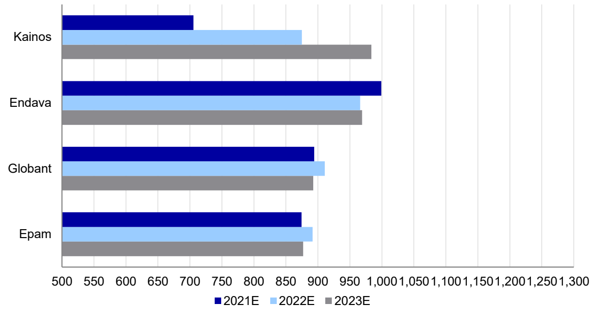
Source: Refinitiv and Nordea

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



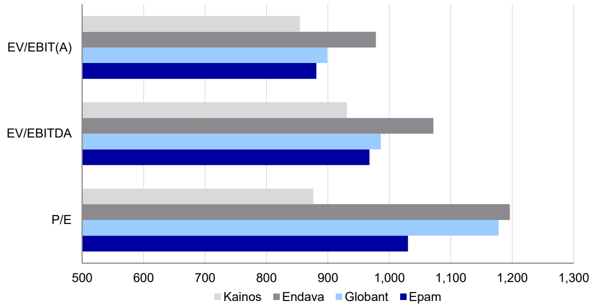
Source: Refinitiv and Nordea

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



Source: Refinitiv and Nordea

NETCOMPANY: AVERAGE VALUATION (DKK PER SHARE), 2021E-23E



Source: Refinitiv and Nordea

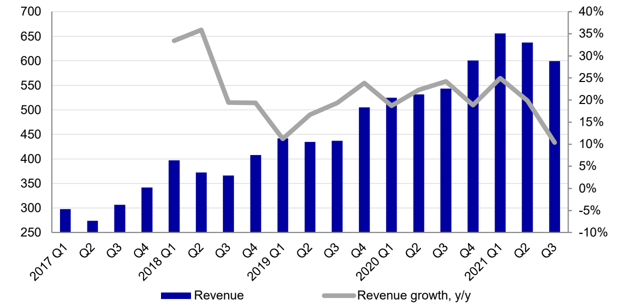
Netcompany: Quarterly numbers

NETCOMPANY: QUARTERLY NUMBERS (DKKm; EPS IN DKK)

	2018				2019				2020				2021		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	**517**	**503**	**490**	**543**	**598**	**593**	**592**	**671**	**696**	**676**	**695**	**773**	**855**	**827**	**798**
Production cost	319	306	282	329	364	370	336	387	421	416	401	445	529	533	470
Gross profit	**198**	**196**	**208**	**214**	**234**	**223**	**256**	**284**	**275**	**260**	**293**	**328**	**326**	**293**	**328**
Sales & marketing	3	4	2	3	3	3	3	3	4	4	4	5	6	6	6
Administration	68	73	69	81	84	93	89	101	106	95	94	99	103	121	123
Special items	-8	-27	0	0	-1	-3	-1	0	0	0	0	0	0	0	-30
EBITA	**120**	**93**	**136**	**131**	**146**	**123**	**164**	**180**	**164**	**161**	**195**	**224**	**216**	**167**	**170**
Amortisation	29	29	29	28	26	25	26	25	25	25	25	24	9	9	9
EBIT	**91**	**64**	**107**	**102**	**120**	**99**	**138**	**155**	**139**	**136**	**170**	**200**	**207**	**158**	**161**
Net financial items	-25	-65	-8	-10	6	-21	-4	5	-19	-16	-6	-152	37	-12	-12
Pre-tax profit	**67**	**-2**	**99**	**92**	**126**	**78**	**134**	**160**	**120**	**120**	**164**	**48**	**244**	**146**	**149**
Taxes	15	15	21	23	28	16	31	34	27	24	36	43	45	33	41
Net profit	**51**	**-17**	**78**	**68**	**99**	**62**	**102**	**126**	**93**	**96**	**128**	**5**	**200**	**112**	**109**
Revenue visibility	1,461	1,676	2,025	-	1,786	2,106	2,387	-	2,132	2,484	2,720	-	2,765	3,065	3,274
% of FY revenue	-	81.6%	98.6%	-	72.8%	85.8%	97.3%	-	75.1%	87.5%	95.8%	-	75.2%	83.4%	89.1%
In/out orders	281	215	349	28	207	319	282	67	304	352	236	119	634	299	209
Growth, y/y	-	-	-	-	-26.3%	48.3%	-19.3%	137.0%	46.9%	10.2%	-16.2%	78.1%	108.5%	-15.0%	-11.4%
EPS	1.0	-0.3	1.6	1.4	2.0	1.3	2.1	2.5	1.9	2.0	2.6	0.1	4.1	2.3	2.2
EPS growth, y/y	39.2%	-	77.5%	52.0%	94.2%	-	32.3%	83.8%	-5.5%	55.6%	24.9%	-96.0%	114.8%	16.8%	-15.3%
Tax rate	23.1%	-	21.0%	25.3%	21.9%	20.5%	23.4%	21.2%	22.4%	19.9%	21.9%	89.5%	18.2%	22.9%	27.2%
Revenue growth, y/y	55.3%	66.2%	45.3%	22.5%	15.6%	18.0%	20.8%	23.5%	16.4%	13.9%	17.3%	15.1%	23.0%	22.4%	14.9%
Gross margin	38.3%	39.1%	42.4%	39.4%	39.1%	37.5%	43.2%	42.3%	39.5%	38.4%	42.2%	42.4%	38.1%	35.5%	41.2%
EBITDA	130	103	148	140	158	137	178	196	180	177	212	241	235	187	191
EBITDA margin	25.1%	20.5%	30.1%	25.8%	26.5%	23.1%	30.1%	29.2%	25.9%	26.3%	30.5%	31.2%	27.4%	22.6%	23.9%
Incremental EBITA margin, adj	17.4%	7.9%	12.6%	15.4%	24.1%	40.2%	27.3%	38.6%	17.2%	42.7%	30.5%	42.9%	32.7%	3.5%	-24.7%
EBITA, adj	**128**	**90**	**136**	**131**	**147**	**126**	**164**	**180**	**164**	**161**	**195**	**224**	**216**	**167**	**170**
EBITA margin, adj	**24.7%**	**17.8%**	**27.8%**	**24.0%**	**24.6%**	**21.3%**	**27.7%**	**26.8%**	**23.6%**	**23.9%**	**28.1%**	**28.9%**	**25.3%**	**20.2%**	**21.3%**
EBITA margin	23.2%	18.4%	27.8%	24.0%	24.5%	20.8%	27.6%	26.8%	23.6%	23.9%	28.1%	28.9%	25.3%	20.2%	21.3%
EBIT margin	17.6%	12.7%	21.9%	18.8%	20.2%	16.7%	23.2%	23.0%	20.0%	20.1%	24.5%	25.9%	24.2%	19.1%	20.2%
PTP margin	12.9%	-0.3%	20.2%	16.9%	21.1%	13.1%	22.6%	23.8%	17.2%	17.7%	23.6%	6.2%	28.5%	17.6%	18.7%
FCF	**84**	**24**	**48**	**23**	**74**	**80**	**126**	**116**	**95**	**103**	**149**	**-80**	**10**	**-36**	**180**
Revenue, Public	286	268	278	321	351	342	356	407	433	442	436	466	502	488	462
Revenue, private	231	235	213	222	247	252	236	264	262	233	258	307	353	339	336
Revenue growth, Public	87.3%	84.4%	47.8%	31.2%	22.7%	27.5%	28.4%	26.8%	23.5%	29.5%	22.4%	14.5%	15.9%	10.4%	5.8%
Revenue growth, private	28.2%	49.5%	42.2%	11.8%	6.8%	7.2%	10.8%	18.8%	6.2%	-7.2%	9.6%	16.2%	34.6%	45.1%	30.2%
Development revenue	223	217	260	305	330	290	299	339	356	347	380	434	518	513	488
Maintenance revenue	294	285	230	239	268	303	293	332	340	328	315	339	338	313	310
Netcompany Denmark:															
Revenue, Denmark	397	372	366	408	442	435	437	505	525	532	543	601	656	637	599
Revenue growth, Denmark	33.4%	35.9%	19.4%	19.3%	11.2%	16.7%	19.4%	23.9%	18.7%	22.3%	24.3%	18.8%	25.0%	19.9%	10.4%
Gross profit, DK	-	-	-	-	192	183	213	238	229	236	265	282	280	247	286
Gross margin, DK	-	-	-	-	43.4%	42.1%	48.8%	47.1%	43.6%	44.4%	48.7%	47.0%	42.7%	38.7%	47.7%
EBITA adj. before HQ costs, DK	115	107	131	127	130	119	152	169	157	170	199	209	202	166	205
EBITA margin adj. before HQ costs, DK	29.0%	28.6%	35.9%	31.2%	29.4%	27.3%	34.8%	33.5%	29.9%	31.9%	36.7%	34.8%	30.8%	26.1%	34.1%
Netcompany Norway:															
Revenue, Norway	43	41	40	47	55	47	45	53	55	43	44	58	73	68	55
Revenue growth, Norway	21.4%	45.2%	29.8%	19.7%	29.3%	14.1%	13.2%	12.4%	-0.4%	-8.7%	-3.1%	9.0%	32.6%	59.6%	25.0%
Gross profit, Norway	-	-	-	-	23	15	14	14	15	5	9	14	21	17	13
Gross margin, Norway	-	-	-	-	41.7%	32.0%	30.0%	27.0%	27.3%	12.4%	20.2%	24.6%	29.3%	24.7%	24.4%
EBITA adj. before HQ costs, Norway	10	8	8	7	15	7	7	6	8	6	3	6	13	6	2
EBITA margin adj. before HQ costs, Norway	23.0%	19.7%	18.7%	15.6%	27.0%	14.7%	15.9%	10.7%	13.8%	13.8%	6.4%	10.8%	18.1%	8.2%	4.0%
Netcompany UK:															
Revenue, UK	77	89	84	88	101	104	96	95	98	80	80	82	105	101	106
Revenue growth, UK	-	-	-	122.0%	30.5%	17.3%	13.7%	8.5%	-2.3%	-23.2%	-16.2%	-14.5%	6.8%	25.7%	32.0%
Gross profit, UK	-	-	-	-	19	24	25	28	25	11	9	18	21	25	29
Gross margin, UK	-	-	-	-	18.7%	22.5%	26.5%	29.1%	25.4%	13.3%	11.3%	21.6%	20.4%	24.8%	27.2%
EBITA adj. before HQ costs, , UK	8	10	6	5	11	12	16	16	11	0	-3	8	11	7	12
EBITA margin adj. before HQ costs, UK	10.1%	11.7%	7.1%	5.7%	11.0%	11.8%	16.6%	16.5%	11.5%	-0.1%	-3.9%	9.6%	10.0%	6.8%	11.2%
Netcompany Holland:															
Revenue, Netherlands	-	-	-	-	-	7	14	16	18	21	29	31	22	20	38
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	197.2%	107.9%	88.5%	22.0%	-3.3%	30.0%
Gross profit, Netherlands	-	-	-	-	-	1	4	3	6	8	11	13	3	5	0
Gross margin, Netherlands	-	-	-	-	-	18.3%	25.0%	20.9%	31.1%	36.5%	36.1%	43.6%	12.5%	26.0%	0.3%
EBITA adj. before HQ costs, , Netherlands	-	-	-	-	-	-1	-2	-3	1	2	6	9	-2	-2	-8
EBITA margin adj. before HQ costs, Netherlands	-	-	-	-	-	-15.5%	-13.6%	-17.2%	6.2%	11.4%	20.6%	30.3%	-10.6%	-9.3%	-21.9%
12-month performance:															
Revenue (12m)	1,600	1,801	1,953	2,053	2,134	2,224	2,326	2,454	2,552	2,634	2,737	2,839	2,998	3,149	3,253
Revenue growth (12m)	-	-	-	45.0%	33.3%	23.5%	19.1%	19.5%	19.6%	18.4%	17.7%	15.7%	17.5%	19.6%	18.8%
- DK (12M)	-	-	-	26.5%	20.4%	16.4%	16.5%	17.8%	19.7%	21.1%	22.3%	20.9%	22.6%	21.9%	18.4%
- Norway (12M)	-	-	-	27.9%	29.9%	22.9%	19.2%	17.2%	9.1%	3.6%	0.1%	-0.5%	8.6%	23.8%	30.3%
- UK (12M)	-	-	-	-	-	-	34.0%	17.1%	8.9%	-2.0%	-8.9%	-14.1%	-11.9%	-0.5%	11.1%
- Netherlands (12M)	-	-	-	-	-	-	-	-	-	-	-	-	86.1%	47.4%	31.3%
EBITA adj (12M)	434	450	469	484	504	540	568	617	634	669	701	744	797	802	776
EBITA margin, adj (12M)	27.1%	25.0%	24.0%	23.6%	23.6%	24.3%	24.4%	25.2%	24.9%	25.4%	25.6%	26.2%	26.6%	25.5%	23.9%
- DK (12M)	29.9%	30.4%	30.5%	31.1%	31.2%	30.7%	30.7%	31.3%	31.4%	32.4%	33.0%	33.4%	33.5%	31.9%	31.4%
- Norway (12M)	23.5%	23.7%	22.0%	19.2%	20.6%	19.4%	18.7%	17.3%	13.7%	13.5%	11.3%	11.3%	13.0%	11.5%	10.7%
- UK (12M)	-	-	12.6%	8.6%	9.0%	9.1%	11.4%	13.9%	14.0%	11.6%	6.7%	4.7%	4.4%	6.0%	9.4%
- Netherlands (12M)	-	-	-	-	-	-	-	-	-8.5%	-1.7%	8.0%	19.1%	15.0%	10.9%	-2.9%
Incremental EBITA margin (12M)	-	-	-	12.9%	13.1%	21.3%	26.6%	33.2%	31.2%	31.5%	32.3%	33.0%	36.4%	25.7%	14.7%

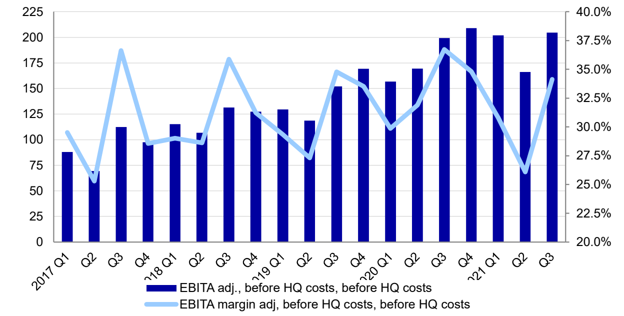
Source: Company data and Nordea

NETCOMPANY, DENMARK: REVENUE (DKKm)



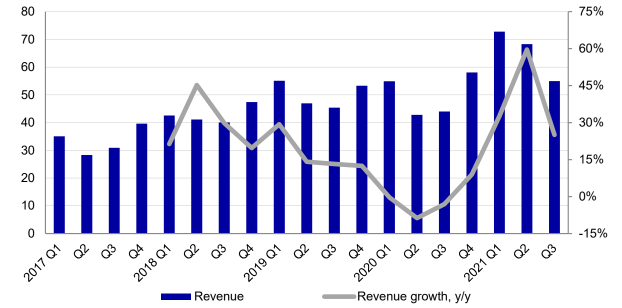
Source: Company data and Nordea estimates

NETCOMPANY, DENMARK: ADJUSTED EBITA (DKKm)



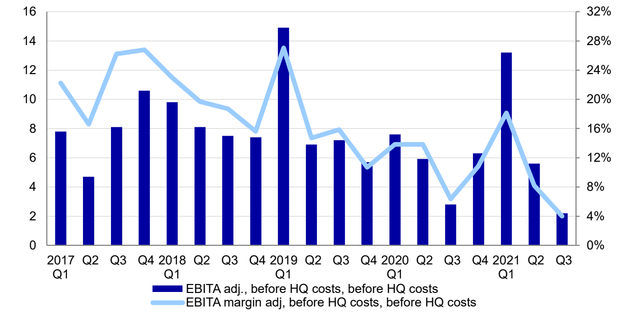
Source: Company data and Nordea estimates

NETCOMPANY, NORWAY: REVENUE (DKKm)



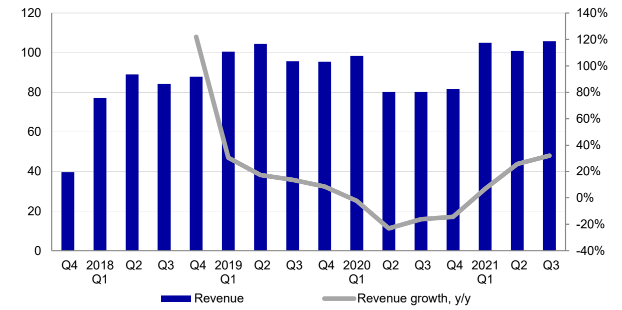
Source: Company data and Nordea

NETCOMPANY, NORWAY: ADJUSTED EBITA (DKKm)



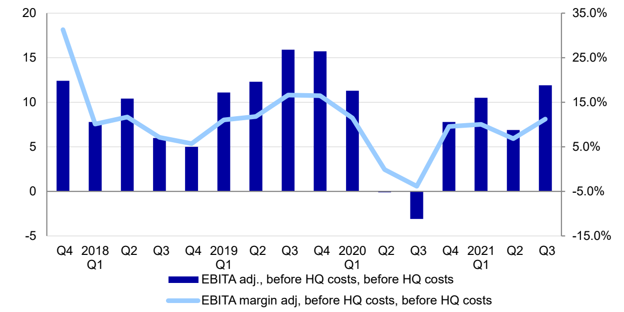
Source: Company data and Nordea

NETCOMPANY, UK: REVENUE (DKKm)



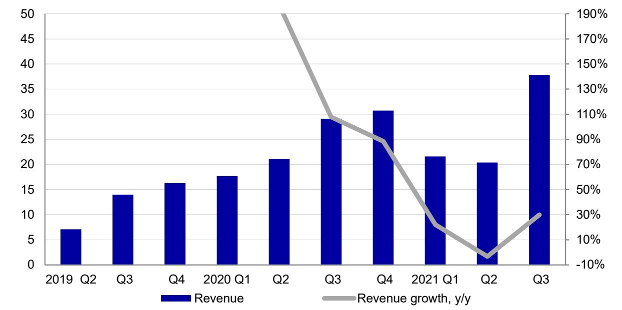
Source: Company data and Nordea

NETCOMPANY, UK: ADJUSTED EBITA (DKKm)



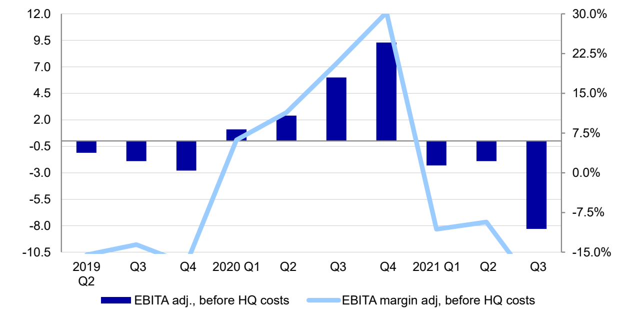
Source: Company data and Nordea

NETCOMPANY, HOLLAND: REVENUE (DKKm)



Source: Company data and Nordea

NETCOMPANY, HOLLAND: ADJUSTED EBITA (DKKm)



Source: Company data and Nordea

Netcompany: Annual numbers

NETCOMPANY: ANNUAL NUMBERS (DKKm; EPS IN DKK)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Revenue	**400**	**461**	**629**	**758**	**900**	**1,416**	**2,053**	**2,454**	**2,839**	**3,676**	**5,695**	**6,541**
Production cost	-	-	-	447	527	803	1,237	1,458	1,683	2,323	3,778	4,261
Gross profit	**-**	**-**	**-**	**311**	**373**	**613**	**817**	**996**	**1,155**	**1,354**	**1,917**	**2,280**
Sales & marketing	-	-	-	4	4	10	12	12	17	32	50	57
Administration	-	-	-	100	121	201	290	367	394	472	731	840
Special items	-	-	-	0	-35	-33	-34	-4	0	-30	0	0
EBITDA	**103**	**91**	**157**	**228**	**233**	**402**	**520**	**669**	**809**	**893**	**1,250**	**1,514**
Depreciation	6	9	8	9	32	34	40	56	65	74	114	131
Amortisation	0	0	-2	12	0	0	0	0	0	0	0	0
EBITA	**98**	**81**	**150**	**207**	**201**	**369**	**480**	**613**	**744**	**820**	**1,137**	**1,383**
Amortisation	2	2	2	0	74	96	115	102	99	37	20	3
EBIT	**96**	**80**	**149**	**207**	**127**	**273**	**365**	**511**	**645**	**783**	**1,117**	**1,380**
Net financial items	-2	1	1	0	-62	-73	-109	-14	-193	0	-8	-15
Pre-tax profit	**94**	**81**	**150**	**208**	**65**	**200**	**256**	**497**	**452**	**783**	**1,109**	**1,365**
Taxes	7	8	15	20	44	59	74	109	130	172	244	300
Net profit	**88**	**73**	**134**	**188**	**21**	**141**	**181**	**389**	**322**	**610**	**865**	**1,064**
One-off items	0	0	0	0	-35	-33	-34	-4	0	-30	0	0
EPS	-	-	-	-	-	2.8	3.7	7.9	6.4	12.2	17.3	21.3
EPS growth, y/y	-	-	-	-	-	-	29.7%	116.7%	-18.6%	89.7%	41.7%	23.1%
Tax rate	7.0%	9.3%	10.2%	9.6%	67.1%	29.7%	29.1%	21.9%	28.7%	22.0%	22.0%	22.0%
Revenue growth, y/y	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	29.5%	54.9%	14.9%
Gross margin	-	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.7%	36.8%	33.7%	34.9%
EBITDA margin	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	24.3%	22.0%	23.1%
EBITA, adj	**98**	**81**	**150**	**207**	**236**	**402**	**514**	**617**	**744**	**850**	**1,137**	**1,383**
EBITA margin, adj	**24.4%**	**17.7%**	**23.9%**	**27.4%**	**26.3%**	**28.4%**	**25.0%**	**25.2%**	**26.2%**	**23.1%**	**20.0%**	**21.1%**
EBITA margin	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	22.3%	20.0%	21.1%
EBIT margin	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	21.3%	19.6%	21.1%
Net profit, adj.	89	75	136	188	106	241	298	471	399	662	880	1,067
CFFO	-	-	-	217	117	195	187	460	581	512	661	987
Capex	-16	-16	-4	-18	-2,539	-150	-27	-65	-102	-1,763	-57	-65
FCF	**-**	**-**	**-**	**207**	**-2,422**	**45**	**160**	**396**	**479**	**-1,251**	**604**	**921**
Revenue, Public	-	-	-	312	368	730	1,152	1,456	1,778	2,302	3,567	4,096
Revenue, private	-	-	-	447	531	686	901	998	1,061	1,374	2,128	2,444
Revenue growth, Public	-	-	-	-	18.3%	98.2%	57.8%	26.3%	22.1%	29.5%	54.9%	14.9%
Revenue growth, private	-	-	-	-	19.0%	29.1%	31.4%	10.8%	6.3%	20.0%	30.0%	25.0%
Development revenue	**-**	**-**	**-**	**347**	**439**	**647**	**1,005**	**1,258**	**1,517**	**1,965**	**3,043**	**3,495**
Public customers	-	-	-	137	167	440	575	738	920	1,191	1,845	2,119
Private customers	-	-	-	210	272	206	430	520	597	774	1,199	1,377
Maintenance revenue	**-**	**-**	**-**	**411**	**461**	**769**	**1,048**	**1,196**	**1,322**	**1,712**	**2,651**	**3,045**
Public customers	-	-	-	175	202	290	577	718	858	1,111	1,722	1,978
Private customers	-	-	-	236	260	479	471	478	463	600	930	1,068
Netcompany Denmark:												
Revenue, Denmark	400	461	629	758	888	1,220	1,544	1,819	2,200	2,941	4,829	5,502
Revenue growth, Denmark	22.3%	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	21.0%	33.7%	64.2%	13.9%
EBITA adj. before HQ costs, DK	98	81	150	207	234	358	461	544	706	774	1,028	1,230
EBITA margin adj. before HQ costs, DK	24.4%	17.7%	23.9%	27.4%	26.4%	29.4%	29.8%	29.9%	32.1%	26.3%	21.3%	22.3%
Netcompany Norway												
Revenue, Norway	-	-	-	-	12	134	171	203	200	230	270	324
Revenue growth, Norway	-	-	-	-	-	1044.4%	27.9%	18.6%	-1.7%	15.0%	17.5%	20.0%
EBITA adj. before HQ costs, Norway	-	-	-	-	2	31	31	32	12	21	30	44
EBITA margin adj. before HQ costs, Norway	-	-	-	-	17.1%	23.1%	17.9%	15.9%	6.0%	9.0%	11.0%	13.5%
Netcompany UK												
Revenue, UK	-	-	-	-	-	62	338	395	340	357	411	493
Revenue growth, UK	-	-	-	-	-	-	446.2%	16.7%	-13.8%	5.0%	15.0%	20.0%
EBITA adj. before HQ costs, , UK	-	-	-	-	-	12	23	48	9	25	37	54
EBITA margin adj. before HQ costs, UK	-	-	-	-	-	20.0%	6.8%	12.2%	2.8%	7.0%	9.0%	11.0%
Netcompany Holland												
Revenue, Netherlands	-	-	-	-	-	-	-	37	99	148	185	222
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	163.7%	50.0%	25.0%	20.0%
EBITA adj. before HQ costs, , Netherlands	-	-	-	-	-	-	-	-7	17	30	42	55
EBITA margin adj. before HQ costs, Netherlands	-	-	-	-	-	-	-	-17.4%	17.0%	20.0%	22.5%	25.0%
Intrasoft												
Revenue, Intrasoft	-	-	-	-	-	-	-	-	-	270	1,744	1,918
Revenue growth, Intrasoft	-	-	-	-	-	-	-	-	-	-	545.8%	10.0%
EBITA	-	-	-	-	-	-	-	-	-	15	122	153
EBITA margin	-	-	-	-	-	-	-	-	-	5.5%	7.0%	8.0%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	**461**	**629**	**758**	**900**	**1,416**	**2,053**	**2,454**	**2,839**	**3,676**	**5,695**	**6,541**
Revenue growth	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	29.5%	54.9%	14.9%
of which organic	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	15.5%	29.5%	54.9%	14.9%
of which FX	n.a.	n.a.	0.0%	0.0%	0.3%	0.1%	0.0%	-1.1%	0.6%	0.0%	0.0%
EBITDA	91	157	228	233	402	520	669	809	893	1,250	1,514
Depreciation and impairments PPE	-10	-7	-21	-32	-34	-40	-56	-65	-74	-114	-131
of which leased assets	0	0	0	-11	-19	-24	-37	-42	-55	-85	-98
EBITA	81	150	207	201	369	480	613	744	820	1,137	1,383
Amortisation and impairments	-2	-2	0	-74	-96	-115	-102	-99	-37	-20	-3
EBIT	80	149	207	127	273	365	511	645	783	1,117	1,380
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	1	1	0	-62	-73	-110	-14	-47	-26	-8	-15
of which lease interest	0	0	0	0	-1	-1	-3	-4	-4	-4	-4
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**81**	**150**	**208**	**65**	**200**	**254**	**497**	**598**	**757**	**1,109**	**1,365**
Reported taxes	-8	-15	-20	-44	-59	-74	-109	-130	-172	-244	-300
Net profit from continued operations	73	134	188	21	141	180	389	468	585	865	1,064
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	73	134	188	21	141	180	389	468	585	865	1,064
EPS, DKK	**1.47**	**2.69**	**3.75**	**0.43**	**2.81**	**3.60**	**7.77**	**9.36**	**11.70**	**17.30**	**21.29**
DPS, DKK	n.a.	-2.00	-2.33	0.00	0.00	0.00	0.00	1.00	2.00	2.00	2.00
of which ordinary	0.60	-2.00	-2.33	0.00	0.00	0.00	0.00	1.00	2.00	2.00	2.00
of which extraordinary	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit margin in percent											
EBITDA	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	24.3%	22.0%	23.1%
EBITA	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	22.3%	20.0%	21.1%
EBIT	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	21.3%	19.6%	21.1%
Adjusted earnings											
EBITDA (adj)	91	157	228	268	435	555	674	809	923	1,250	1,514
EBITA (adj)	81	150	207	236	402	514	617	744	850	1,137	1,383
EBIT (adj)	80	149	207	162	306	399	516	645	813	1,117	1,380
EPS (adj, DKK)	1.47	2.69	3.75	0.97	3.33	4.14	7.84	9.36	12.17	17.30	21.29
Adjusted profit margins in percent											
EBITDA (adj)	19.8%	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	28.5%	25.1%	22.0%	23.1%
EBITA (adj)	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	26.2%	23.1%	20.0%	21.1%
EBIT (adj)	17.3%	23.6%	27.4%	18.0%	21.6%	19.4%	21.0%	22.7%	22.1%	19.6%	21.1%
Performance metrics											
CAGR last 5 years											
Net revenue	n.a.	23.1%	23.7%	22.4%	28.7%	34.8%	31.3%	30.2%	32.5%	32.1%	26.1%
EBITDA	n.m.	16.8%	20.6%	16.6%	31.2%	41.7%	33.7%	28.8%	30.8%	25.5%	23.8%
EBIT	n.m.	15.5%	19.3%	4.0%	23.2%	35.5%	28.0%	25.5%	43.8%	32.6%	30.5%
EPS	n.a.	19.2%	23.8%	-23.0%	9.9%	19.6%	23.7%	20.0%	93.9%	43.8%	42.7%
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	26.2%	24.8%	24.7%	20.9%	20.1%	19.5%	19.6%	19.9%	20.7%	20.5%	20.9%
Average EBITDA margin	27.8%	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	27.3%	26.5%	24.8%	24.2%

VALUATION RATIOS - ADJUSTED EARNINGS

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	53.2	40.4	66.5	61.3	43.1	35.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	24.8	39.0	42.3	30.8	24.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	27.0	42.4	45.9	33.9	27.3
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	32.3	48.9	48.0	34.5	27.4

VALUATION RATIOS - REPORTED EARNINGS

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	61.1	40.8	66.5	63.8	43.1	35.0
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	6.80	11.11	10.61	6.77	5.77
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	24.9	39.0	43.7	30.8	24.9
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	27.2	42.4	47.6	33.9	27.3
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	32.6	48.9	49.8	34.5	27.4
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.2%	0.3%	0.3%	0.3%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	1.5%	2.5%	1.5%	1.3%	1.6%	2.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	1.6%	1.1%	1.4%	2.4%
Payout ratio	n.a.	n.m.	n.m.	0.0%	0.0%	0.0%	0.0%	10.7%	17.1%	11.6%	9.4%

Source: Company data and Nordea estimates

BALANCE SHEET

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	2	1	4	2,373	2,604	2,485	2,551	2,451	2,414	2,394	2,391
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	2	1	4	489	495	376	286	187	187	187	187
of which goodwill	0	0	0	1,884	2,109	2,109	2,264	2,264	2,227	2,207	2,204
Tangible assets	20	14	20	41	55	117	146	135	154	182	214
of which leased assets	0	0	12	25	31	83	101	89	89	89	89
Shares associates	0	0	0	0	0	0	0	70	70	70	70
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	11	11	11	0	0	1	4	9	9	9	9
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	4	3	4	5	9	13	16	19	19	19	19
Total non-current assets	37	30	39	2,420	2,667	2,616	2,716	2,684	2,665	2,674	2,703
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	107	146	180	258	445	458	531	459	594	920	1,057
Short-term leased assets	0	0	11	19	24	37	42	55	85	98	111
Other current assets	101	190	174	103	139	268	305	483	686	1,063	1,221
Cash and bank	1	13	111	60	194	108	132	359	2,210	2,354	2,844
Total current assets	209	349	477	441	802	869	1,011	1,356	3,575	4,435	5,232
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	**246**	**379**	**516**	**2,860**	**3,470**	**3,486**	**3,728**	**4,039**	**6,240**	**7,109**	**7,935**
Shareholders equity	108	213	300	1,261	1,644	1,806	2,072	2,429	2,964	3,728	4,693
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	108	213	300	1,261	1,644	1,806	2,072	2,429	2,964	3,728	4,693
Deferred tax	7	0	0	111	112	89	73	66	66	66	66
Long term interest bearing debt	6	0	0	1,178	1,265	1,106	959	761	2,261	1,961	1,661
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	6	14	18	54	65	57	66	84	90
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	13	0	6	1,303	1,395	1,249	1,128	1,057	2,591	2,364	2,089
Short-term provisions	0	0	5	9	30	36	4	0	0	0	0
Accounts payable	14	12	19	27	51	54	44	40	52	80	92
Current lease debt	4	1	6	12	14	29	39	35	41	52	56
Other current liabilities	79	149	180	222	336	310	441	478	593	885	1,006
Short term interest bearing debt	28	5	0	28	0	0	0	0	0	0	0
Total current liabilities	125	166	210	297	431	430	528	554	686	1,017	1,154
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**246**	**379**	**516**	**2,860**	**3,469**	**3,485**	**3,728**	**4,039**	**6,240**	**7,109**	**7,935**
Balance sheet and debt metrics											
Net debt	3	-13	-111	1,118	1,070	998	826	402	1,707	1,261	462
of which lease debt	4	1	12	25	31	83	104	93	106	136	146
Working capital	115	175	155	113	198	361	351	424	635	1,018	1,180
Invested capital	152	205	195	2,533	2,865	2,977	3,067	3,107	3,300	3,692	3,883
Capital employed	146	218	312	2,492	2,940	2,996	3,134	3,282	5,331	5,825	6,499
ROE	83.5%	83.8%	73.2%	2.7%	9.7%	10.4%	20.0%	20.8%	21.7%	25.8%	25.3%
ROIC	46.5%	65.0%	81.0%	9.3%	8.8%	10.7%	13.3%	16.3%	25.4%	31.9%	36.4%
ROCE	58.9%	83.7%	79.5%	11.7%	11.6%	13.8%	18.1%	20.7%	19.1%	20.0%	22.4%
Net debt/EBITDA	0.0	-0.1	-0.5	4.8	2.7	1.9	1.2	0.5	1.9	1.0	0.3
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	44.0%	56.1%	58.2%	44.1%	47.4%	51.8%	55.6%	60.1%	47.5%	52.4%	59.1%
Net gearing	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	16.5%	57.6%	33.8%	9.9%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	**91**	**157**	**228**	**233**	**402**	**520**	**669**	**809**	**893**	**1,250**	**1,514**
Paid taxes	0	0	-21	-34	-35	-167	-116	-126	-172	-244	-300
Net financials	0	0	7	65	79	80	33	22	-26	-8	-15
Change in provisions	0	0	5	4	21	6	-33	-4	0	0	0
Change in other LT non-IB	-1	1	-1	9	-3	-6	26	134	26	55	19
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.	-11	-141	-174	-114	-33	-152	0	0	0
Funds from operations (FFO)	**n.a.**	**n.a.**	**208**	**137**	**290**	**319**	**547**	**684**	**721**	**1,053**	**1,217**
Change in NWC	n.a.	n.a.	9	-20	-95	-133	-87	-103	-212	-383	-161
Cash flow from operations (CFO)	**n.a.**	**n.a.**	**217**	**117**	**195**	**187**	**460**	**581**	**509**	**670**	**1,056**
Capital expenditure	0	0	-10	-23	-30	-27	-27	-27	-37	-57	-65
Free cash flow before A&D	**n.a.**	**n.a.**	**207**	**94**	**165**	**160**	**433**	**554**	**472**	**613**	**990**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	-2,516	-120	0	-37	-75	0	0	0
Free cash flow	n.a.	n.a.	207	-2,422	45	160	396	479	472	613	990
Free cash flow bef A&D, lease adj	n.a.	n.a.	207	83	146	136	396	512	417	528	892
Dividends paid	n.a.	n.a.	-100	-116	0	0	0	0	-50	-100	-100
Equity issues / buybacks	n.a.	n.a.	0	0	0	0	-175	0	0	0	0
Net change in debt	n.a.	n.a.	0	0	0	0	-200	-198	1,500	-300	-300
Other financing adjustments	0	0	0	0	0	0	-34	-55	-72	-69	-101
Other non-cash adjustments	n.a.	n.a.	-8	2,487	90	-246	30	11	0	0	0
Change in cash	-15	12	99	-52	135	-87	25	227	1,851	144	489
Cash flow metrics											
Capex/D&A	0.0%	0.0%	46.5%	22.0%	23.3%	17.5%	17.4%	16.2%	n.m.	n.m.	n.m.
Capex/Sales	0.0%	0.0%	1.3%	2.6%	2.1%	1.3%	1.1%	0.9%	1.0%	1.0%	1.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	220	317	623	746	746	746
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	31,125	37,300	37,300	37,300
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	16,676	31,527	39,007	38,561	37,762
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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