

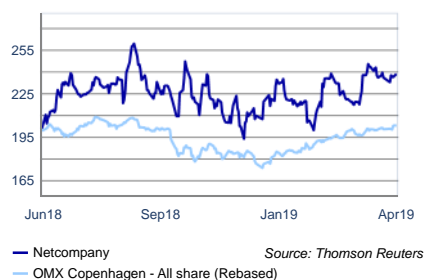
## Netcompany

Telecom Equipment and IT  
Denmark

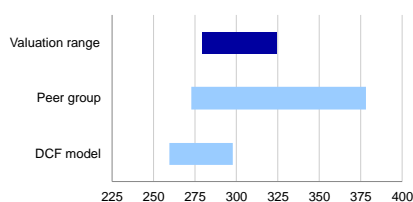
## KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 239.2
Free Float	69%
Market cap. (bn)	EUR 1.60/DKK 11.96
Website	www.netcompany.com
Next report date	08 May 2019

## PERFORMANCE



## VALUATION APPROACH



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2019E	2020E	2021E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

## Nordea Markets - Analysts

Claus Almer  
Senior AnalystJesper Herholt Jensen  
Senior Director, Sector Coordinator

## Q1 preview – solid growth and cash flow

We estimate Netcompany grew its Q1 revenue by 15% y/y in Q1 2019 (consensus: 18%), due to a combination of unchanged strong momentum and tougher comparisons. Unfortunately, Q1 consensus seems "inflated" by one outlier that is 8% ahead of the remaining part of consensus on revenue. We estimate EBITA will jump by 25% y/y (DKK 150m) and the EBITA margin by 0.5 pp, up to 25.2%. The key focus in the Q1 report, besides the performance in the company's three markets, will be on cash flow, where we expect net working capital to normalise and include a reduction of the high level of overdue receivables that hit Q4 2018. We leave our estimates unchanged ahead of the Q1 2019 interim report.

## The cash flow trend in 2018 raised some questions

The soft cash flow in 2018 prompted a growing list of questions about underlying performance. Contract work in progress (WIP) more than doubled y/y during 2018 – and reduced cash conversion has garnered attention. These could be early indicators of problem projects etc. We are not alarmed by the trends, however, and we expect working capital to improve in 2019 and we expect management will at least provide better clarity on the underlying development.

## 2019 guidance: Likely reiterated

We expect Netcompany to reiterate its 2019 guidance, which was announced in November 2018 with the Q3 2018 interim report.

## Fair value of DKK 280-325 per share

Mainly due to changes among the peer group, we upgrade our fair value range to DKK 280-325 (260-300). We still believe Netcompany should trade at the higher end of its peer group, if not above, but we notice that it is trading at a discount (P/E and EV/EBITDA).

## Limited news flow

News flow has been limited since Netcompany reported its full-year report (ie no larger orders have been announced), but the company has won two larger public EU tenders YTD and eight in total.

## Q1 2019 details: To be released ~07.30 CET on 8 May

The investor call is scheduled for 10.00 CET. Dial-in details: +45 3272 8042, +44 (0)84457 18892 (code: 3272 8042).

## SUMMARY TABLE - KEY FIGURES

DKKm	2015	2016	2017	2018	2019E	2020E	2021E
Total revenue	758	900	1,416	2,053	2,555	3,142	3,732
EBITDA (adj)	228	268	435	555	714	898	1,066
EBIT (adj)	207	173	306	399	553	780	962
EBIT (adj) margin	27.4%	19.3%	21.6%	19.4%	21.6%	24.8%	25.8%
EPS (adj)	3.75	1.35	3.48	4.31	8.13	11.81	14.72
EPS (adj) growth	39.7%	-64.0%	157.8%	23.9%	88.3%	45.4%	24.6%
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	4.9	3.8	3.0
EV/EBIT (adj)	n.a.	n.a.	n.a.	30.0	22.6	15.3	11.7
P/E (adj)	n.a.	n.a.	n.a.	51.0	29.4	20.2	16.3
P/BV	n.a.	n.a.	n.a.	6.1	5.4	4.3	3.4
Dividend yield (ord)	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%
FCF Yield bef acq & disp	n.a.	n.a.	n.a.	1.5%	3.9%	4.7%	5.7%
Net debt	-111	1,118	1,070	998	545	-19	-703
Net debt/EBITDA	-0.5	4.8	2.7	1.9	0.8	0.0	-0.7
ROIC after tax	80.0%	9.9%	8.8%	10.6%	14.5%	20.5%	31.7%

Source: Company data and Nordea estimates

# Q1 2019 preview

We are in line with consensus for Q1 2019E EBITA. We are 3% below consensus on revenue, but the consensus estimate is skewed by one analyst contribution that is 8% above the others four contributions. Consensus for Q1 revenue is DKK 602m if we adjust for the outlier (EUR 611m with all five contributions) with DKK 592m as the low point, while the outlier forecast calls for DKK 652m in revenue.

The cost base in Q1 was impacted by annual salary increases, which were implemented from 1 January (our estimate: up 3.5%) in combination with the continually expanding employee base.

## NETCOMPANY: Q1 2019E, DKKm

	2017				2018				2019		Q1, y/y	NDA vs cons
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1E	Cons		
<b>Revenue</b>	<b>333</b>	<b>302</b>	<b>338</b>	<b>443</b>	<b>517</b>	<b>503</b>	<b>490</b>	<b>543</b>	<b>594</b>	<b>612</b>	<b>15%</b>	<b>-3%</b>
Production cost	192	179	171	261	319	306	282	329	358	-	12%	-
<b>Gross profit</b>	<b>141</b>	<b>124</b>	<b>166</b>	<b>182</b>	<b>198</b>	<b>196</b>	<b>208</b>	<b>214</b>	<b>236</b>	<b>-</b>	<b>19%</b>	<b>-</b>
Sales & marketing	2	2	3	3	3	4	2	3	4	-	37%	-
Administration	43	48	47	64	68	73	69	81	82	-	21%	-
Special items	0	-2	-14	-16	-8	-27	0	0	0	-	-	-
<b>EBIT</b>	<b>72</b>	<b>49</b>	<b>80</b>	<b>72</b>	<b>91</b>	<b>64</b>	<b>107</b>	<b>102</b>	<b>122</b>	<b>-</b>	<b>34%</b>	<b>-</b>
Net financial items	-24	-18	-18	-12	-25	-65	-8	-10	-6	-	-	-
<b>Pretax profit</b>	<b>48</b>	<b>31</b>	<b>62</b>	<b>61</b>	<b>67</b>	<b>-2</b>	<b>99</b>	<b>92</b>	<b>116</b>	<b>116</b>	<b>74%</b>	<b>-0%</b>
Taxes	12	8	19	20	15	15	21	23	27	24	74%	9%
<b>Net profit</b>	<b>36</b>	<b>22</b>	<b>43</b>	<b>40</b>	<b>51</b>	<b>-17</b>	<b>78</b>	<b>68</b>	<b>89</b>	<b>92</b>	<b>74%</b>	<b>-3%</b>
EPS	0.7	0.5	89.0%	90.0%	1.0	-0.3	1.6	1.4	1.8	-	73%	-
EPS growth, y/y	-	-	-	-	39.2%	-	77.5%	52.0%	73.5%	-	-	-
Revenue growth, y/y	-	-	-	-	55.3%	66.2%	45.3%	22.5%	14.8%	18.3%	-	-
Revenue, 12m	-	-	-	1,416	1,600	1,801	1,953	2,053	2,130	2,148	33%	-1%
Gross margin	42.2%	40.9%	49.3%	41.1%	38.3%	39.1%	42.4%	39.4%	39.7%	-	-	-
Costs (Revenue - EBITA adj)	237	228	221	328	389	383	354	413	444	461	14%	-4%
Costs growth, q/q	-	-4%	-3%	49%	-	-2%	-8%	17%	8%	4%	-	-
<b>EBITA, adj</b>	<b>96</b>	<b>74</b>	<b>117</b>	<b>115</b>	<b>128</b>	<b>119</b>	<b>136</b>	<b>131</b>	<b>150</b>	<b>151</b>	<b>17%</b>	<b>-1%</b>
EBITA margin, adj	28.8%	24.5%	34.7%	26.0%	24.7%	23.7%	27.8%	24.0%	25.2%	24.7%	-	-
EBITA adj, 12M	-	-	-	402	434	479	499	514	536	537	24%	-0%
EBITA margin, adj (12M)	-	-	-	28.4%	27.1%	26.6%	25.5%	25.0%	25.2%	25.0%	-	-
Incremental EBITA, adj	-	-	-	-	17.4%	22.6%	12.6%	15.4%	28.8%	24.6%	-	-
EBIT margin	21.6%	16.3%	23.7%	16.3%	17.6%	12.7%	21.9%	18.8%	20.6%	-	-	-
Tax rate	25.2%	27.4%	30.3%	33.4%	23.1%	-	21.0%	25.3%	23.0%	21.0%	-	-
In/out orders	-	-	-	-	-	-	349	28	-	-	-	-
Growth, y/y	-	-	-	-	-	-	-	-	-	-	-	-

Source: Company data (company-compiled consensus) and Nordea estimates

Netcompany has won several public EU tenders YTD, the largest of which is ATP at DKK 250m. The price was weighted by 20% in the tender. ATP initially expected the value of the contract – to develop a new Case Management Solution for Danish Labour Market Insurance – would be within the range of DKK 200m-250m.

The remaining tenders won are all of a smaller size.

## NETCOMPANY: 2019E GUIDANCE, DKKm

	2018	2019 guidance		2019E		2020E		2019-21e guidance
		Low	High	NDA	Cons	NDA	Cons	
<b>Revenue</b>	<b>2,053</b>	<b>1.7bn</b>	<b>1.78bn</b>	<b>2,555</b>	<b>2,527</b>	<b>3,142</b>	<b>3,060</b>	-
Revenue growth, y/y	45%	-	-	24%	23%	23%	21%	-
Revenue growth, organic	<b>26%</b>	<b>20%</b>	<b>25%</b>	<b>24%</b>	<b>23%</b>	<b>23%</b>	-	-
Costs	1,539	1.3bn	1.3bn	1,893	1,877	2,307	2,241	-
Growth	52%	24%	29%	23%	22%	22%	19%	-
<b>EBITA, adj</b>	<b>514</b>	<b>440</b>	<b>460</b>	<b>663</b>	<b>650</b>	<b>835</b>	<b>820</b>	<b>Mid-high 20s%</b>
EBITA margin, adj	25.0%	26%	26%	25.9%	25.7%	26.6%	26.8%	-

Source: Company-compiled consensus (2019E), Thomson Reuters (2020E), and Nordea estimates

# Valuation: DKK 280-325 per share

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

Given its record and high-growth, 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 few suitable peers for Netcompany, however, our valuation range (DKK 260-300 per share) is derived from a combination of a DCF model and a peer group valuation. Our DCF-based range is based on  $\pm 1$  pp revenue and EBIT margin versus our base scenario. Our valuation range of DKK 280-325 share is up from DKK 260-300 per share previously, with a positive contribution from our peer group valuation.

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

Our DCF-based 12-month value (WACC: 7.4%) is DKK 280 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	10.89%	10.0%	6.3%	2.5%	2.5%	-
EBIT-margin	24.0%	18.0%	14.5%	8.2%	1.9%	-
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	18.0%	18.0%	18.0%	18.0%	18.0%	-
FCFF, CAGR	8.4%	4.2%	3.3%	-7.5%	-30.8%	2.5%

Source: Nordea estimates

The model's sensitivity 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

EBIT margin, change	Sales growth change				
	-2.0pp	-1.0pp	0.0pp	1.0pp	2.0pp
+2.0pp	297	307	318	330	343
+1.0pp	282	290	299	308	319
0.0pp	267	273	<b>280</b>	287	295
-1.0pp	252	256	261	265	270
-2.0pp	237	239	242	244	246

Source: Nordea estimates

## NETCOMPANY: DCF SENSITIVITY

Sales growth, change	WACC				
	5.4%	6.4%	7.4%	8.4%	9.4%
+2.0pp	407	342	295	258	228
+1.0pp	392	331	287	252	223
0.0pp	378	322	<b>280</b>	246	219
-1.0pp	365	313	273	241	215
-2.0pp	353	305	267	237	212

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 EURm	Grw, 2018-21E			EBIT mrg		P/E			EV/EBITDA			PEG	Div.	Share price		
			Rev	EBIT	EPS	2020E	2019E	2020E	2021E	2019E	2020E	2021E	18-21E	2019E	1m	3M	YTD	
<b>Key peers</b>																		
Epam	US	1,179	8.6	22%	21%	22%	16.9%	34.6x	28.2x	22.8x	21.9x	17.6x	15.1x	1.6x	0.0%	4%	25%	52%
Globant	Lux	554	2.7	22%	24%	24%	15.9%	38.4x	31.4x	25.7x	23.6x	19.3x	15.5x	1.6x	-	17%	22%	47%
Endava	UK	209	1.5	52%	45%	55%	17.0%	33.6x	28.5x	22.9x	24.0x	18.8x	14.9x	0.6x	0.0%	22%	32%	30%
Reply	Italy	434	2.2	10%	12%	12%	12.9%	20.6x	18.8x	16.8x	12.7x	11.7x	10.7x	1.7x	0.0%	3%	13%	32%
<b>Average (ex Reply)</b>	-	-	<b>4.2</b>	<b>32%</b>	<b>30%</b>	<b>34%</b>	<b>16.6%</b>	<b>35.6x</b>	<b>29.4x</b>	<b>23.8x</b>	<b>23.1x</b>	<b>18.6x</b>	<b>15.2x</b>	<b>1.3x</b>	<b>0.0%</b>	<b>14%</b>	<b>27%</b>	<b>43%</b>
Netcompany (cons.)	DKK	236	1.6	22%	29%	39%	24.5%	24.5x	20.0x	15.8x	18.2x	14.9x	12.3x	0.6x	0.0%	9%	7%	8%
<b>IT service companies:</b>																		
IBM	US	125	111.6	-0%	1%	2%	18.5%	10.0x	9.8x	9.7x	8.5x	8.4x	8.5x	5.2x	4.9%	-1%	4%	23%
Accenture	IE	162	103.6	9%	10%	11%	15.1%	24.7x	22.7x	20.9x	16.5x	14.6x	13.6x	2.3x	1.8%	8%	19%	28%
Cognizant	US	66	38.0	9%	9%	7%	19.4%	16.5x	15.0x	13.7x	10.0x	9.5x	8.9x	2.3x	1.3%	3%	5%	16%
Atos	FR	93	10.0	6%	12%	12%	11.1%	9.7x	9.0x	8.2x	7.5x	7.2x	6.4x	0.8x	2.7%	8%	21%	31%
Cap Gemini	FR	108	18.1	6%	8%	9%	12.3%	16.6x	15.2x	13.9x	9.3x	8.8x	8.4x	1.9x	2.8%	3%	11%	25%
CGI Group	CA	64	17.6	4%	5%	9%	15.5%	20.6x	19.0x	17.6x	11.4x	12.0x	11.5x	2.3x	1.9%	6%	11%	15%
DXC Technology	US	58	15.7	-1%	5%	11%	17.9%	7.9x	7.1x	6.3x	4.9x	4.7x	4.5x	0.7x	0.9%	0%	3%	22%
Sopra Steria	FR	118	2.4	5%	14%	16%	8.9%	11.9x	9.8x	8.6x	7.4x	6.5x	5.8x	0.7x	2.1%	15%	26%	46%
HCL	IN	15	19.8	14%	14%	13%	19.7%	15.5x	14.3x	13.2x	10.7x	9.5x	8.8x	1.2x	2.2%	10%	17%	18%
Infosys	IN	9	41.0	13%	11%	10%	22.9%	20.2x	19.0x	17.0x	14.0x	13.2x	11.8x	2.1x	-	1%	1%	12%
Tata	IN	29	107.9	15%	17%	16%	26.2%	26.9x	24.2x	21.9x	20.0x	18.2x	16.4x	1.6x	1.9%	13%	17%	18%
Wipro	IN	4	22.7	7%	10%	11%	17.6%	19.4x	17.5x	16.4x	12.7x	11.8x	11.1x	1.7x	0.0%	15%	11%	19%
Tech Mahindra	IN	11	10.4	12%	23%	16%	15.5%	16.9x	15.2x	13.8x	11.5x	10.6x	9.8x	1.1x	1.2%	7%	13%	14%
<b>Average, ex India</b>	-	-	<b>40</b>	<b>5%</b>	<b>8%</b>	<b>10%</b>	<b>14.8%</b>	<b>14.7x</b>	<b>13.4x</b>	<b>12.4x</b>	<b>9.4x</b>	<b>8.9x</b>	<b>8.4x</b>	<b>1.8x</b>	<b>2.3%</b>	<b>6%</b>	<b>12%</b>	<b>26%</b>
<b>Average</b>	-	-	<b>40</b>	<b>8%</b>	<b>11%</b>	<b>11%</b>	<b>17.0%</b>	<b>16.7x</b>	<b>15.2x</b>	<b>13.9x</b>	<b>11.1x</b>	<b>10.4x</b>	<b>9.6x</b>	<b>1.8x</b>	<b>2.0%</b>	<b>7%</b>	<b>12%</b>	<b>22%</b>
<b>Nordic peers:</b>																		
NNIT	DKK	177	584	5%	5%	6%	10.3%	18.1x	16.9x	15.7x	8.5x	8.2x	8.0x	3.1x	2.4%	2%	-16%	-3%
HiQ	SE	5	290	4%	9%	9%	11.9%	17.6x	16.0x	15.0x	11.1x	10.4x	9.9x	1.9x	6.5%	-3%	8%	23%
Evry	FI	27	1,214	3%	9%	7%	12.3%	10.5x	9.8x	9.2x	8.3x	8.1x	7.8x	1.5x	3.3%	-2%	3%	1%
Tieto	FI	27	1,967	3%	5%	4%	10.5%	14.4x	13.7x	13.2x	9.5x	8.9x	8.6x	3.2x	5.3%	-1%	5%	13%
KnowIT	SE	21	399	6%	6%	9%	10.3%	16.5x	15.3x	13.9x	10.2x	9.6x	9.1x	1.9x	2.5%	7%	36%	43%
Acando	SE	3	408	6%	8%	8%	10.0%	19.2x	17.6x	16.5x	12.1x	11.2x	10.6x	2.5x	3.7%	1%	38%	43%
<b>Average</b>	-	-	<b>810</b>	<b>5%</b>	<b>7%</b>	<b>7%</b>	<b>10.9%</b>	<b>16.0x</b>	<b>14.9x</b>	<b>13.9x</b>	<b>10.0x</b>	<b>9.4x</b>	<b>9.0x</b>	<b>2.2x</b>	<b>3.9%</b>	<b>1%</b>	<b>12%</b>	<b>20%</b>
SimCorp	DKK	648	3,446	10%	14%	15%	28.0%	37.7x	34.4x	29.1x	28.2x	25.9x	22.5x	2.5x	1.0%	4%	25%	46%
<b>Others:</b>																		
Europe IT consult. 1)	-	-	-	6%	9%	8%	7.9%	16.2x	17.0x	14.5x	10.5x	9.3x	8.4x	2.0x	2.3%	7%	18%	34%
Global IT consult. 2)	-	-	-	5%	9%	10%	20.9%	27.8x	24.6x	21.3x	14.6x	13.6x	235.7x	2.8x	0.7%	4%	12%	26%
<b>Average, total</b>	-	-	-	<b>11%</b>	<b>13%</b>	<b>14%</b>	<b>14.7%</b>	<b>22.5x</b>	<b>20.2x</b>	<b>17.5x</b>	<b>13.9x</b>	<b>12.2x</b>	<b>55.6x</b>	<b>2.0x</b>	<b>1.8%</b>	<b>7%</b>	<b>16%</b>	<b>29%</b>
Netcompany, NDA	DKK	236	1.6	22%	38%	60%	24.8%	29.1x	20.0x	16.0x	18.0x	13.8x	11.1x	0.5x	0.0%	9%	7%	8%
- One-off and PPA adj.	DKK	236	1.6	22%	37%	52%	17.6%	29.1x	20.0x	16.0x	18.0x	13.8x	11.1x	0.6x	0.0%	9%	7%	8%

Source: Thomson Reuters and Nordea estimates

## VALUATION: NETCOMPANY (NORDEA ESTIMATES) VS CONSENSUS

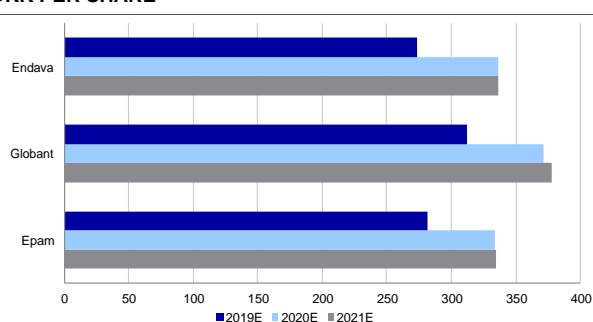
	Grw, 2018-21E			EV/EBITDA			PEG	Share price	
	Rev	EBIT	EPS	2019E	2020E	2021E	18-21E	1m	3M
<b>Key peers</b>	Underperf.	Outperf.	Outperf.	Discount	Discount	Discount	Discount	Underperf.	Underperf.
IT service companies:	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Discount	Outperf.	Underperf.
- Ex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

Source: Thomson Reuters and Nordea estimates

Based on our estimates and consensus, Netcompany is forecast to show stronger growth performance on most parameters than its peers (source: Thomson Reuters) and an EBIT margin superior to most of its peers. As a consequence, we believe Netcompany should trade at the higher end of the range of its peers, and maybe even at a premium once its record as a listed company has been established and more projects have been added to the backlog.

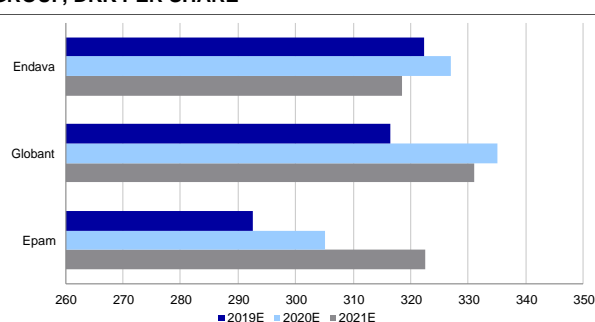
Using a comparison based on 2019E-21E EV/EBITDA and P/E multiples, the peer group valuation points to a broad valuation range of DKK 230-330 per share.

## 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			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Revenue</b>	<b>205</b>	<b>204</b>	<b>229</b>	<b>265</b>	<b>333</b>	<b>302</b>	<b>338</b>	<b>443</b>	<b>517</b>	<b>503</b>	<b>490</b>	<b>543</b>
Production cost	-	-	-	-	192	179	171	261	319	306	282	329
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141</b>	<b>124</b>	<b>166</b>	<b>182</b>	<b>198</b>	<b>196</b>	<b>208</b>	<b>214</b>
Sales & marketing	-	-	-	-	2	2	3	3	3	4	2	3
Administration	-	-	-	-	43	48	47	64	68	73	69	81
Special items	-	-	-	-	0	-2	-14	-16	-8	-27	0	0
<b>EBITA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>72</b>	<b>103</b>	<b>99</b>	<b>120</b>	<b>93</b>	<b>136</b>	<b>131</b>
Amortisation	-	-	-	-	24	23	23	27	29	29	29	28
<b>EBIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>49</b>	<b>80</b>	<b>72</b>	<b>91</b>	<b>64</b>	<b>107</b>	<b>102</b>
Net financial items	-	-	-	-	-24	-18	-18	-12	-25	-65	-8	-10
<b>Pretax profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>31</b>	<b>62</b>	<b>61</b>	<b>67</b>	<b>-2</b>	<b>99</b>	<b>92</b>
Taxes	-	-	-	-	12	8	19	20	15	15	21	23
<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>22</b>	<b>43</b>	<b>40</b>	<b>51</b>	<b>-17</b>	<b>78</b>	<b>68</b>
Revenue visibility	-	-	-	-	-	-	-	1,180	-	1,676	2,025	2,053
% of FY revenue	-	-	-	-	-	-	-	-	-	81.6%	98.6%	100.0%
In/out orders, per quarter	-	-	-	-	-	-	-	-	-	-	349	28
Growth, y/y	-	-	-	-	-	-	-	-	75.6%	69.1%	56.8%	25.3%
EPS	-	-	-	-	0.7	0.5	0.9	0.9	1.0	-0.3	1.6	1.4
EPS growth, y/y	-	-	-	-	-	-	-	-	39.2%	-	77.5%	52.0%
Tax rate	-	-	-	-	25.2%	27.4%	30.3%	33.4%	23.1%	-	21.0%	25.3%
Revenue growth, y/y	-	-	-	-	-	-	-	-	55.3%	66.2%	45.3%	22.5%
Gross margin	-	-	-	-	42.2%	40.9%	49.3%	41.1%	38.3%	39.1%	42.4%	39.4%
EBITDA	-	-	-	-	-	-	106	-	-	-	148	-
EBITDA margin	-	-	-	-	-	-	31.5%	-	-	-	30.1%	25.8%
<b>EBITA, adj</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>	<b>74</b>	<b>117</b>	<b>115</b>	<b>128</b>	<b>119</b>	<b>136</b>	<b>131</b>
<b>EBITA margin, adj</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.8%</b>	<b>24.5%</b>	<b>34.7%</b>	<b>26.0%</b>	<b>24.7%</b>	<b>23.7%</b>	<b>27.8%</b>	<b>24.0%</b>
EBITA margin	-	-	-	-	-	-	-	-	-	-	-	-
EBIT margin	-	-	-	-	21.6%	16.3%	23.7%	16.3%	17.6%	12.7%	21.9%	18.8%
PTP margin	-	-	-	-	14.4%	10.2%	18.3%	13.7%	12.9%	-0.3%	20.2%	16.9%
<b>FCF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>15</b>	<b>59</b>	<b>155</b>	<b>95</b>	<b>64</b>	<b>-8</b>	<b>0</b>
Revenue, Public	-	-	-	-	153	145	188	245	286	268	278	321
Revenue, private	-	-	-	-	180	157	150	199	231	235	213	222
Revenue growth, Public	-	-	-	-	-	-	-	-	28.2%	49.5%	42.2%	11.9%
Revenue growth, private	-	-	-	-	-	-	-	-	28.2%	49.5%	42.2%	11.9%
Development revenue	-	-	-	-	141	132	163	211	223	217	260	305
Maintenance revenue	-	-	-	-	192	170	175	232	294	285	230	239
<b>Netcompany Denmark:</b>												
Revenue, Denmark	-	-	-	-	298	274	307	342	397	372	366	404
Revenue growth, Denmark	-	-	-	-	-	-	-	-	33.4%	35.9%	19.4%	18.2%
EBITA adj, Denmark	-	-	-	-	88	69	109	93	112	84	125	140
EBITA margin adj, Denmark	-	-	-	-	29.5%	25.3%	35.5%	27.1%	28.1%	22.4%	34.3%	34.7%
<b>Netcompany Norway</b>												
Revenue, Norway	-	-	-	-	35	28	31	40	43	41	41	51
Revenue growth, Norway	-	-	-	-	-	-	-	-	21.4%	45.5%	32.7%	28.9%
EBITA adj, Norway	-	-	-	-	8	5	8	10	10	6	7	9
EBITA margin adj, Norway	-	-	-	-	22.2%	16.6%	26.2%	25.8%	22.3%	13.6%	17.1%	18.1%
<b>Netcompany UK</b>												
Revenue, UK	-	-	-	-	-	-	-	62	77	89	84	88
Revenue growth, UK	-	-	-	-	-	-	-	-	-	-	-	41.5%
EBITA adj, UK	-	-	-	-	-	-	-	12	7	4	4	8
EBITA margin adj, UK	-	-	-	-	-	-	-	20.0%	8.8%	4.0%	4.9%	9.6%

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
<b>Revenue</b>	<b>261</b>	<b>327</b>	<b>400</b>	<b>461</b>	<b>629</b>	<b>758</b>	<b>900</b>	<b>1,416</b>	<b>2,053</b>	<b>2,555</b>	<b>3,142</b>	<b>3,732</b>
Production cost	-	-	-	-	-	438	520	793	1,225	1,504	1,834	2,178
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321</b>	<b>380</b>	<b>623</b>	<b>828</b>	<b>1,051</b>	<b>1,308</b>	<b>1,554</b>
Sales & marketing	-	-	-	-	-	4	4	10	12	15	18	22
Administration	-	-	-	-	-	89	108	178	262	322	392	466
Special items	-	-	-	-	-	0	-35	-33	-34	0	0	0
<b>EBITDA</b>	<b>89</b>	<b>108</b>	<b>103</b>	<b>91</b>	<b>157</b>	<b>228</b>	<b>233</b>	<b>402</b>	<b>520</b>	<b>714</b>	<b>898</b>	<b>1,066</b>
Depreciation	3	4	6	9	8	9	21	34	40	51	63	75
Amortisation	1	0	0	0	-2	12	0	0	0	0	0	0
<b>EBITA</b>	<b>86</b>	<b>105</b>	<b>98</b>	<b>81</b>	<b>150</b>	<b>207</b>	<b>212</b>	<b>369</b>	<b>480</b>	<b>663</b>	<b>835</b>	<b>992</b>
Amortisation	0	0	2	2	2	0	74	96	115	110	55	30
<b>EBIT</b>	<b>86</b>	<b>105</b>	<b>96</b>	<b>80</b>	<b>149</b>	<b>207</b>	<b>138</b>	<b>273</b>	<b>365</b>	<b>553</b>	<b>780</b>	<b>962</b>
Net financial items	1	0	-2	1	1	0	-62	-72	-109	-25	-22	-18
<b>Pretax profit</b>	<b>87</b>	<b>105</b>	<b>94</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>76</b>	<b>201</b>	<b>256</b>	<b>528</b>	<b>758</b>	<b>943</b>
Taxes	22	26	7	8	15	20	44	59	74	121	167	208
<b>Net profit</b>	<b>65</b>	<b>79</b>	<b>88</b>	<b>73</b>	<b>134</b>	<b>188</b>	<b>32</b>	<b>141</b>	<b>181</b>	<b>406</b>	<b>591</b>	<b>736</b>
One-off items	-	0	0	0	0	0	-35	-33	-34	0	0	0
EPS	-	-	-	-	-	-	-	2.8	3.7	8.1	11.8	14.7
EPS growth, y/y	-	-	-	-	-	-	-	-	29.2%	122.6%	45.4%	24.6%
Tax rate	25.5%	25.0%	7.0%	9.3%	10.2%	9.6%	57.3%	29.6%	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%	24.5%	22.9%	18.8%
Gross margin	-	-	-	-	-	42.3%	42.3%	44.0%	40.3%	41.1%	41.6%	41.6%
Revenue visibility	-	-	-	-	-	-	-	-	1,180	1,579	-	-
In/out orders	-	-	-	-	-	-	-	-	873	976	-	-
Growth, y/y	-	-	-	-	-	-	-	-	-	11.8%	-	-
EBITDA margin	34.2%	33.1%	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.9%	28.6%	28.6%
<b>EBITA, adj</b>	<b>86</b>	<b>105</b>	<b>98</b>	<b>81</b>	<b>150</b>	<b>207</b>	<b>247</b>	<b>402</b>	<b>514</b>	<b>663</b>	<b>835</b>	<b>992</b>
<b>EBITA margin, adj</b>	<b>32.8%</b>	<b>32.0%</b>	<b>24.4%</b>	<b>17.7%</b>	<b>23.9%</b>	<b>27.4%</b>	<b>27.5%</b>	<b>28.4%</b>	<b>25.0%</b>	<b>25.9%</b>	<b>26.6%</b>	<b>26.6%</b>
EBITA margin	32.8%	32.0%	24.4%	17.7%	23.9%	27.4%	23.6%	26.0%	23.4%	25.9%	26.6%	26.6%
EBIT margin	32.8%	32.0%	24.0%	17.3%	23.6%	27.4%	15.4%	19.3%	17.8%	21.6%	24.8%	25.8%
PTP margin	33.2%	32.1%	23.5%	17.6%	23.8%	27.4%	8.4%	14.2%	12.5%	20.6%	24.1%	25.3%
Net profit, adj.	65	79	89	75	136	188	117	242	298	492	634	759
CFFO	-	-	-	-	-	217	117	195	187	504	627	758
Capex	-	-5	-16	-16	-4	-18	-2,539	-150	-27	-51	-63	-75
<b>FCF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>-2,422</b>	<b>45</b>	<b>160</b>	<b>453</b>	<b>564</b>	<b>684</b>
Revenue, Public	-	-	-	-	-	312	368	730	1,152	1,519	1,898	2,178
Revenue, private	-	-	-	-	-	447	531	686	901	1,036	1,244	1,555
Revenue growth, Public	-	-	-	-	-	-	18.3%	98.2%	57.8%	31.9%	25.0%	14.7%
Revenue growth, private	-	-	-	-	-	-	19.0%	29.1%	31.4%	15.0%	20.0%	25.0%
<b>Development revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347</b>	<b>439</b>	<b>647</b>	<b>1,005</b>	<b>1,095</b>	<b>1,259</b>	<b>1,369</b>
Public customers	-	-	-	-	-	137	167	440	575	600	666	627
Private customers	-	-	-	-	-	210	272	206	430	495	594	742
<b>Maintenance revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411</b>	<b>461</b>	<b>769</b>	<b>1,048</b>	<b>1,461</b>	<b>1,883</b>	<b>2,363</b>
Public customers	-	-	-	-	-	175	202	290	577	919	1,233	1,550
Private customers	-	-	-	-	-	236	260	479	471	542	650	813
<b>Netcompany Denmark:</b>												
Revenue, Denmark	261	327	400	461	629	758	888	1,220	1,540	1,905	2,328	2,770
Revenue growth, Denmark	17.6%	25.3%	22.3%	15.0%	36.6%	20.5%	18.7%	37.4%	26.2%	23.7%	22.2%	19.0%
EBITA adj, Denmark	86	105	98	81	150	207	245	358	461	573	708	825
EBITA margin adj, Denmark	32.8%	32.0%	24.4%	17.7%	23.9%	27.4%	27.6%	29.4%	29.9%	30.1%	30.4%	29.8%
<b>Netcompany Norway</b>												
Revenue, Norway	-	-	-	-	-	-	12	134	176	229	286	329
Revenue growth, Norway	-	-	-	-	-	-	-	1044.4%	31.3%	30.0%	25.0%	15.0%
EBITA adj, Norway	-	-	-	-	-	-	2	31	31	53	67	79
EBITA margin adj, Norway	-	-	-	-	-	-	17.1%	23.1%	17.8%	23.0%	23.5%	24.0%
<b>Netcompany UK</b>												
Revenue, UK	-	-	-	-	-	-	-	62	338	422	528	633
Revenue growth, UK	-	-	-	-	-	-	-	-	445.7%	25.0%	25.0%	20.0%
EBITA adj, UK	-	-	-	-	-	-	-	12	23	37	60	87
EBITA margin adj, UK	-	-	-	-	-	-	-	20.0%	6.8%	8.8%	11.3%	13.8%

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
<b>Net revenue</b>	<b>327</b>	<b>400</b>	<b>461</b>	<b>629</b>	<b>758</b>	<b>900</b>	<b>1,416</b>	<b>2,053</b>	<b>2,555</b>	<b>3,142</b>	<b>3,732</b>
Revenue growth	25.3%	22.3%	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	24.5%	22.9%	18.8%
of which organic	n.a.	n.a.	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	24.5%	22.9%	18.8%
of which FX	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.3%	0.1%	0.0%	0.0%	0.0%
EBITDA	108	103	91	157	228	233	402	520	714	898	1,066
Depreciation and impairments PPE	-4	-6	-10	-7	-21	-21	-34	-40	-51	-63	-75
EBITA	105	98	81	150	207	212	369	480	663	835	992
Amortisation and impairments	0	-2	-2	-2	0	-74	-96	-115	-110	-55	-30
EBIT	105	96	80	149	207	138	273	365	553	780	962
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	-25	-22	-18
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>105</b>	<b>94</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>76</b>	<b>201</b>	<b>256</b>	<b>528</b>	<b>758</b>	<b>943</b>
Reported taxes	-26	-7	-8	-15	-20	-44	-59	-74	-121	-167	-208
Net profit from continued operations	79	88	73	134	188	32	141	181	406	591	736
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	32	141	181	406	591	736
<b>EPS</b>	<b>1.57</b>	<b>1.75</b>	<b>1.47</b>	<b>2.69</b>	<b>3.75</b>	<b>0.65</b>	<b>2.82</b>	<b>3.62</b>	<b>8.13</b>	<b>11.81</b>	<b>14.72</b>
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%	27.9%	28.6%	28.6%
EBITA	32.0%	24.4%	17.7%	23.9%	27.4%	23.6%	26.0%	23.4%	25.9%	26.6%	26.6%
<b>EBIT</b>	<b>32.0%</b>	<b>24.0%</b>	<b>17.3%</b>	<b>23.6%</b>	<b>27.4%</b>	<b>15.4%</b>	<b>19.3%</b>	<b>17.8%</b>	<b>21.6%</b>	<b>24.8%</b>	<b>25.8%</b>

## Adjusted earnings

EBITDA (adj)	108	103	91	157	228	268	435	555	714	898	1,066
EBITA (adj)	105	98	81	150	207	247	402	514	663	835	992
EBIT (adj)	105	96	80	149	207	173	306	399	553	780	962
<b>EPS (adj)</b>	<b>1.57</b>	<b>1.75</b>	<b>1.47</b>	<b>2.69</b>	<b>3.75</b>	<b>1.35</b>	<b>3.48</b>	<b>4.31</b>	<b>8.13</b>	<b>11.81</b>	<b>14.72</b>

## Adjusted profit margins in percent

EBITDA (adj)	33.1%	25.8%	19.8%	24.9%	30.1%	29.8%	30.7%	27.0%	27.9%	28.6%	28.6%
EBITA (adj)	32.0%	24.4%	17.7%	23.9%	27.4%	27.5%	28.4%	25.0%	25.9%	26.6%	26.6%
EBIT (adj)	32.0%	24.0%	17.3%	23.6%	27.4%	19.3%	21.6%	19.4%	21.6%	24.8%	25.8%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	23.1%	23.7%	22.4%	28.7%	34.8%	32.4%	32.9%	32.9%
EBITDA	n.m.	n.m.	n.m.	16.8%	20.6%	16.6%	31.2%	41.7%	35.4%	31.5%	35.5%
EBIT	n.m.	n.m.	n.m.	15.5%	19.3%	5.7%	23.2%	35.5%	30.1%	30.3%	47.4%
EPS	n.a.	n.a.	n.a.	19.2%	23.8%	-16.3%	10.0%	19.8%	24.8%	25.8%	86.7%
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	n.a.	n.a.	26.2%	24.8%	24.7%	21.3%	20.3%	19.7%	20.0%	20.9%	22.7%
Average EBITDA margin	n.a.	n.a.	27.8%	26.4%	26.7%	25.8%	26.7%	26.8%	27.3%	27.5%	27.9%

## 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.	51.0	29.4	20.2	16.3
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	17.5	13.3	10.6
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	18.9	14.3	11.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	22.6	15.3	11.7

## 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	29.4	20.2	16.3
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	4.89	3.80	3.02
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	17.5	13.3	10.6
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	18.9	14.3	11.4
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	22.6	15.3	11.7
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%	3.9%	4.7%	5.7%
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	117	117	117
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	2,493	2,438	2,408
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	96	113	107	146	180	258	445	458	569	700	832
Other current assets	58	77	101	190	185	123	162	304	379	465	553
Cash and bank	37	16	1	13	111	60	194	108	374	738	1,221
Total current assets	191	206	209	349	477	441	802	869	1,322	1,903	2,606
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>203</b>	<b>236</b>	<b>246</b>	<b>379</b>	<b>516</b>	<b>2,860</b>	<b>3,470</b>	<b>3,486</b>	<b>3,815</b>	<b>4,341</b>	<b>5,014</b>
Shareholders equity	106	68	108	213	300	1,261	1,644	1,806	2,213	2,803	3,539
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	2,213	2,803	3,539
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	6	14	18	54	67	83	98
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
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	1,063	878	694
Short-term provisions	5	0	0	0	5	9	30	36	45	55	66
Accounts payable	7	13	14	12	19	27	51	54	67	83	99
Other current liabilities	64	96	83	150	186	233	350	340	427	522	617
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	539	660	781
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>203</b>	<b>237</b>	<b>246</b>	<b>379</b>	<b>516</b>	<b>2,860</b>	<b>3,469</b>	<b>3,485</b>	<b>3,815</b>	<b>4,341</b>	<b>5,014</b>
<b>Balance sheet and debt metrics</b>											
Net debt	-30	44	3	-13	-111	1,118	1,070	998	545	-19	-703
Working capital	82	81	111	174	161	121	208	368	453	561	669
Invested capital	94	112	148	204	200	2,540	2,875	2,984	2,946	2,999	3,077
Capital employed	126	81	121	213	307	2,563	3,039	3,056	3,275	3,681	4,233
ROE	65.1%	n.m.	83.5%	83.8%	73.2%	4.2%	9.7%	10.5%	20.2%	23.6%	23.2%
ROIC	88.8%	72.9%	48.1%	65.8%	80.0%	9.9%	8.8%	10.6%	14.5%	20.5%	31.7%
ROCE	83.4%	n.m.	65.9%	69.9%	67.7%	5.4%	9.0%	11.9%	16.9%	21.2%	22.7%
Net debt/EBITDA	-0.3	0.4	0.0	-0.1	-0.5	4.8	2.7	1.9	0.8	0.0	-0.7
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%	58.0%	64.6%	70.6%
Net gearing	-28.3%	65.1%	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	24.6%	-0.7%	-19.9%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

DKKm	2011	2012	2013	2014	2015	2016	2017	2018	2019E	2020E	2021E
<b>EBITDA (adj) for associates</b>	<b>108</b>	<b>103</b>	<b>91</b>	<b>157</b>	<b>228</b>	<b>233</b>	<b>402</b>	<b>520</b>	<b>714</b>	<b>898</b>	<b>1,066</b>
Paid taxes	n.a.	n.a.	n.a.	n.a.	-21	-34	-35	-167	-121	-167	-208
Net financials	0	0	0	0	7	65	79	80	-25	-22	-18
Change in provisions	3	-5	0	0	11	11	25	42	22	26	26
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.	-17	-149	-178	-152	0	0	0
<b>Funds from operations (FFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>208</b>	<b>137</b>	<b>290</b>	<b>319</b>	<b>603</b>	<b>734</b>	<b>866</b>
Change in NWC	n.a.	n.a.	n.a.	n.a.	9	-20	-95	-133	-85	-107	-108
<b>Cash flow from operations (CFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>217</b>	<b>117</b>	<b>195</b>	<b>187</b>	<b>517</b>	<b>627</b>	<b>758</b>
Capital expenditure	n.a.	n.a.	n.a.	n.a.	-10	-23	-30	-27	-51	-63	-75
<b>Free cash flow before A&amp;D</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>207</b>	<b>94</b>	<b>165</b>	<b>160</b>	<b>466</b>	<b>564</b>	<b>684</b>
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	466	564	684
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	0	0	0
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	266	364	484

**Cash flow metrics**

Capex/D&A	n.a.	n.a.	n.a.	n.a.	46.5%	24.6%	23.3%	17.5%	31.7%	53.3%	n.m.
Capex/Sales	n.a.	n.a.	n.a.	n.a.	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	239	239	239
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	11,960	11,960	11,960
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	12,505	11,941	11,257
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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**Completion Date**

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