

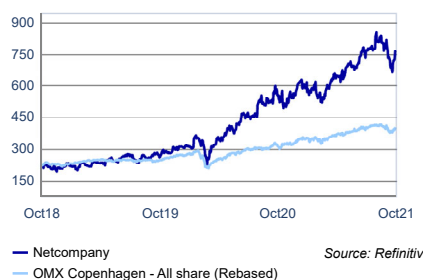
## Netcompany

Telecom Equipment and IT  
Denmark

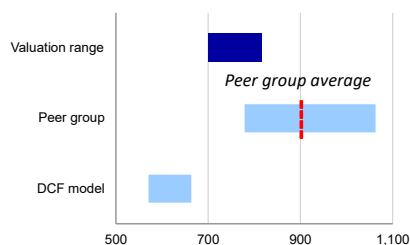
## KEY DATA

Stock country	Denmark
Bloomberg	NETC.DC
Reuters	NETCG.CO
Share price (close)	DKK 762
Free Float	85%
Market cap. (bn)	EUR 5.11/DKK 38.10
Website	www.netcompany.com
Next report date	04 Nov 2021

## PERFORMANCE



## VALUATION APPROACH (DKK)



## ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

## Nordea Markets - Analysts

Claus Almer  
DirectorJesper Herholt Jensen  
Managing Director, Sector Coordinator

## Bold M&amp;A move may overshadow Q3 results

We do not expect Netcompany to provide any guidance for 2022 when reporting its Q3 results. The acquisition of Intrasoft is a bold move, which will create attractive business potential within digitalisation (EU), but also marks a change in M&A strategy, which raises a number of questions. Even so, we find it hard to see the transaction, isolated, not adding value. As to the Q3 performance, we expect Netcompany to have continued its solid revenue trend (18% growth y/y), while we expect the EBITA margin to decline to 24.3%, down from 28.1% y/y (company-compiled consensus: 24.5%). However, we stress that estimating profitability is made more difficult by the increased use of freelancers in Denmark, who add revenue but no/limited profitability. We leave our estimates unchanged, but lift our DCF- and peer-group-based valuation range to DKK 700-815 (DKK 655-760) due to multiple expansion within the peer group.

## Q3 2021: Solid revenue growth, but margin setback y/y

We expect Netcompany to deliver 18% revenue growth y/y, with a flattish development q/q, but there is some uncertainty due to the impact from freelancers and holidays reducing billable hours. In terms of profitability, we estimate a 23.4% EBITA margin for Q3, which is 3.8 pp lower y/y but 4.1 pp higher q/q. We expect the quarter to have been negatively impacted by the use of freelancers and increased travelling.

## An interesting acquisition but it will dilute group performance

The acquisition of Intrasoft is expected to be finalised during Q4, when we will hopefully receive more details about the business, including the timing and quality of the backlog, the margin and growth potential, and the business done in Greece (~33% of revenue).

## Netcompany + Intrasoft: Performance still impressive, but...

It is still uncertain what Intrasoft's growth and margin profile will look like. The order backlog increased from EUR 417m at the end of 2019 to EUR ~900m by Q2 2021, equal to 4.5x 2020 revenue. This could suggest impressive growth ahead, but part of the backlog runs for at least five years, which makes it impossible to make a link from backlog to revenue – a link that management could have provided if it wanted to, we believe.

## Ahead of the Q3 report, we leave our estimates unchanged

As we stick to our estimates (we have not included Intrasoft), we are still at the higher end of the EBITA guidance range (DKK ~770-855m), and just above the company-collected consensus (DKK 833m versus DKK 828m).

## SUMMARY TABLE - KEY FIGURES

DKKm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	1,416	2,053	2,454	2,839	3,406	3,951	4,623
EBITDA (adj)	435	555	674	809	901	1,094	1,322
EBIT (adj)	306	399	516	645	796	995	1,226
EBIT (adj) margin	21.6%	19.4%	21.0%	22.7%	23.4%	25.2%	26.5%
EPS (adj, DKK)	3.33	4.14	7.84	9.36	12.13	15.40	19.04
EPS (adj) growth	241.4%	24.3%	89.5%	19.4%	29.5%	27.0%	23.7%
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	11.2	9.5	8.0
EV/EBIT (adj)	n.a.	30.0	32.3	48.9	47.9	37.7	30.0
P/E (adj)	n.a.	53.2	40.4	66.5	62.8	49.5	40.0
P/BV	n.a.	6.1	7.7	12.8	12.8	10.4	8.5
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%	1.3%	1.8%	2.2%
Net debt	1,070	998	826	402	7	-580	-1,308
Net debt/EBITDA	2.7	1.9	1.2	0.5	0.0	-0.5	-1.0
ROIC after tax	8.8%	10.7%	13.3%	16.3%	25.0%	30.2%	35.8%

Source: Company data and Nordea estimates

# Q3 2021 preview

## **Q3 2021 details to be released at ~07.30 CET on 4 November**

The investor call is scheduled to start at 11.00 CET: Dial-in details are +45 8233 3194, +44 3333 009265 and +1 6319131422. PIN: 5643 5484#

## **Intrasoft: an acquisition with potential, but also marking a shift in strategy**

On 8 October 2021, Netcompany announced the acquisition of Luxembourg-based Intrasoft International, which will strengthen Netcompany's position in the EU and also give it a broader European foothold.

This deal is still in the early stages and remains subject to antitrust approvals. If successful, it would boost Netcompany's potential for tapping into the significant digitalisation investments planned by the EU and its member states, in which Intrasoft's platforms are expected to play an important role.

One core part of the due diligence process when judging an IT company is looking at the quality of the business and its delivery. According to the investor call that Netcompany hosted after the announcement, the CEO of Intrasoft has declared that there have been no problems with larger IT projects or with missed deadlines.

We do, however, see the acquisition as a shift in Netcompany's strategy, because Intrasoft will be operated independently and with limited integration. There are likely to be many reasons for this, but Intrasoft's size alone (2,800-plus employees) would make integration difficult. Netcompany should know Intrasoft well, given that they have cooperated in the past. Notably, they have worked together on the development contract won in 2020 for a platform to handle customs declarations for importing and exporting goods to/from Denmark.

Intrasoft has rapidly grown its order backlog in recent years but without similar revenue growth. At the end of H1 2021, the backlog stood at EUR ~900m, ~4.5x 2020 revenue, and had more than doubled since the end of 2019. However, as the backlog covers a multiple number of years (five-plus years in some cases), it is difficult to assess the link between backlog and revenue, and there is always the risk that such rapid growth ahead of a divestment has been achieved through more aggressive pricing.

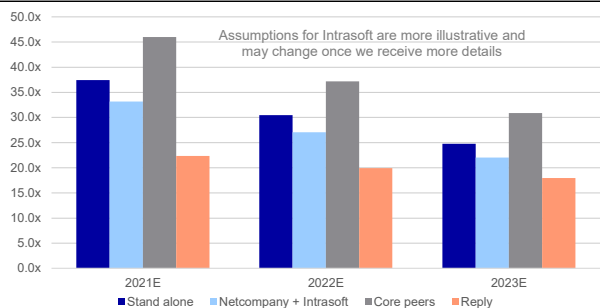
In terms of the acquisition price, Netcompany is to pay EUR 235m (of which EUR 15m will be in existing shares), equal to 2020 EV/EBITDA of 13x. This appears to be a less demanding valuation, not least when taking the future prospects into account. Even so, given the size of Intrasoft, Netcompany's reported numbers will likely be diluted for the next few years at least, and will be less impressive than we have been used to. The remaining EUR 217m will be paid in cash. A refinancing is expected in 2022.

As regards its EU position, according to Netcompany, Intrasoft is "among the top-three IT service providers for EU institutions focusing on helping EU international institutions support and implement their policies".

Netcompany has not provided much financial data about Intrasoft and hence we have to make use of historical figures. In 2020, Intrasoft delivered 11% revenue growth and lifted its EBITDA margin by ~1 pp to 9.1%.

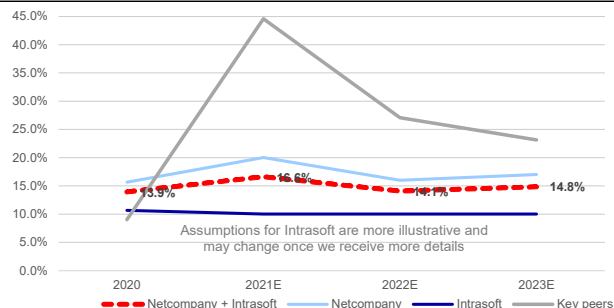
The charts below illustrate what the performance of the combined company might look like. For these calculations, we have made the simple assumptions that Intrasoft will grow revenue by 10% per year (as in 2020) and continue to expand its EBITDA margin by 1 pp per year (as over the last couple of years).

**EV/EBITDA: NETCOMPANY + INTRASOFT (x)**



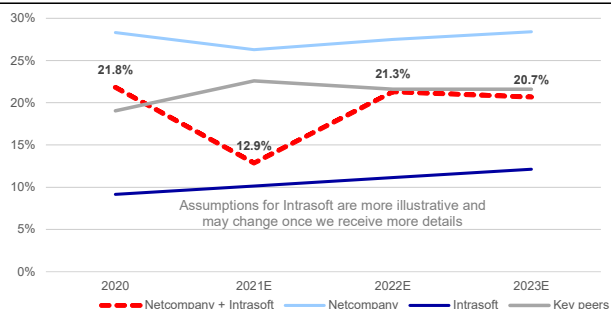
Source: Company data and Nordea estimates

**REVENUE GROWTH: NETCOMPANY + INTRASOFT (%)**



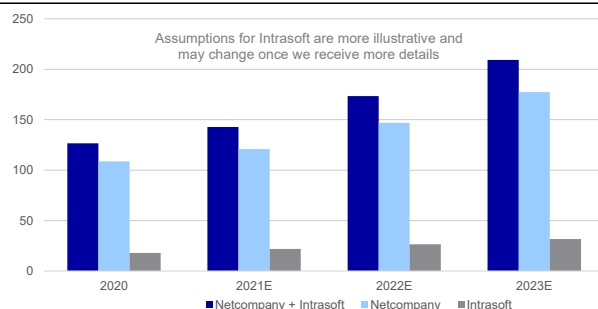
Source: Company data and Nordea estimates

**EBITDA MARGIN: NETCOMPANY + INTRASOFT (%)**



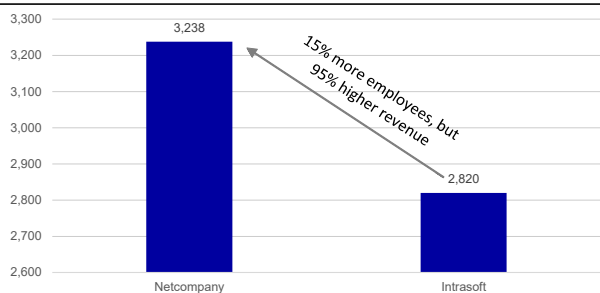
Source: Company data and Nordea estimates

**EBITDA: NETCOMPANY + INTRASOFT (EURm)**



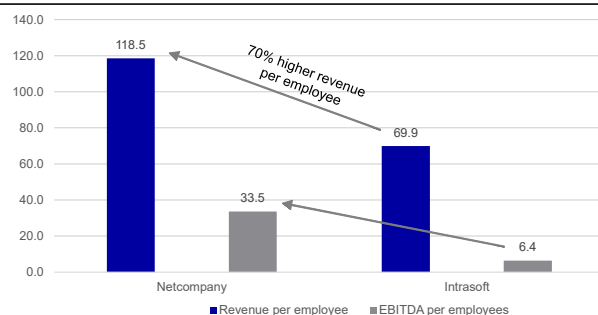
Source: Company data and Nordea estimates

**NUMBER OF EMPLOYEES: NETCOMPANY VS INTRASOFT, 2020 (#)**



Source: Company data and Nordea estimates

**REVENUE AND EBITDA PER EMPLOYEES: NETCOMPANY VS INTRASOFT (EUR 000)**



Source: Company data and Nordea estimates

## Solid Q3 performance expected

## NETCOMPANY: Q3 2021 ESTIMATES (DKKm)

	2020				2021				Q3 grw., y/y	NDA vs cons	2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3E	Cons			Q4E	y/y
<b>Revenue</b>	<b>695.5</b>	<b>675.5</b>	<b>694.7</b>	<b>772.8</b>	<b>855.1</b>	<b>826.7</b>	<b>819.7</b>	<b>827.4</b>	<b>18%</b>	<b>-1%</b>	<b>904.7</b>	<b>17%</b>
Production cost	421.0	415.8	401.4	445.2	529.5	533.3	488.0	498.4	22%	-2%	556.9	25%
<b>Gross profit</b>	<b>274.5</b>	<b>259.7</b>	<b>293.3</b>	<b>327.6</b>	<b>325.7</b>	<b>293.4</b>	<b>331.8</b>	<b>329.0</b>	<b>13%</b>	<b>1%</b>	<b>347.7</b>	<b>6%</b>
Sales & marketing	4.4	3.8	4.3	4.6	6.1	6.1	7.6	-	77%	-	10.7	133%
Administration	106.1	94.6	93.6	99.5	103.2	120.6	124.6	-	33%	-	86.6	-13%
Special items	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0	-
<b>EBITA</b>	<b>164.1</b>	<b>161.3</b>	<b>195.4</b>	<b>223.6</b>	<b>216.3</b>	<b>166.7</b>	<b>199.5</b>	<b>203.0</b>	<b>2%</b>	<b>-2%</b>	<b>250.5</b>	<b>12%</b>
Amortisation	25.3	25.3	25.3	23.5	9.2	9.0	9.2	-	-64%	-	9.4	-60%
<b>EBIT</b>	<b>138.8</b>	<b>136.0</b>	<b>170.1</b>	<b>200.1</b>	<b>207.1</b>	<b>157.7</b>	<b>190.3</b>	<b>-</b>	<b>12%</b>	<b>-</b>	<b>241.1</b>	<b>21%</b>
Net financial items	-19.2	-16.2	-6.2	-151.8	36.9	-12.0	-7.0	-	-	-	-13.3	-
<b>Pre-tax profit</b>	<b>119.6</b>	<b>119.8</b>	<b>163.9</b>	<b>48.3</b>	<b>244.0</b>	<b>145.7</b>	<b>183.3</b>	<b>184.1</b>	<b>12%</b>	<b>-0%</b>	<b>227.8</b>	<b>372%</b>
Taxes	26.8	23.9	35.9	43.2	44.5	33.3	40.3	41.9	12%	-4%	60.1	39%
<b>Net profit</b>	<b>92.8</b>	<b>95.9</b>	<b>128.0</b>	<b>5.0</b>	<b>199.5</b>	<b>112.4</b>	<b>143.0</b>	<b>142.2</b>	<b>12%</b>	<b>1%</b>	<b>176.9</b>	<b>3407%</b>
EPS	1.9	2.0	2.6	0.1	4.1	2.3	2.9	-	10%	-	3.5	3407%
EPS growth, y/y	-5.5%	55.6%	24.9%	-96.0%	114.8%	16.8%	9.6%	-	-	-	3406.9%	-
Revenue growth, organic	13.4%	12.5%	17.3%	15.1%	22.9%	21.1%	18.0%	19.1%	-	-	17.1%	-
Revenue growth, y/y	16.4%	13.9%	17.3%	15.1%	23.0%	22.4%	18.0%	19.1%	-	-	17.1%	-
Gross margin	39.5%	38.4%	42.2%	42.4%	38.1%	35.5%	40.5%	39.8%	-	-	38.4%	-
<b>Costs (Revenue - EBITA adj)</b>	<b>531.4</b>	<b>514.2</b>	<b>499.3</b>	<b>549.3</b>	<b>638.8</b>	<b>660.0</b>	<b>620.2</b>	<b>624.4</b>	<b>24%</b>	<b>-1%</b>	<b>654.2</b>	<b>19%</b>
Costs growth, q/q	-	-3.2%	-2.9%	10.0%	16.3%	3.3%	-6.0%	0.7%	-	-	5.5%	-
EBITA, adj	164.1	161.3	195.4	223.6	216.3	166.7	199.5	203.0	2%	-2%	250.5	12%
EBITA margin, adj	23.6%	23.9%	28.1%	28.9%	25.3%	20.2%	24.3%	24.5%	-	-	27.7%	-
Incremental EBITA margin, adj	17.2%	42.7%	30.5%	42.9%	32.7%	3.5%	3.3%	5.7%	-	-42%	20.4%	-
EBIT margin	20.0%	20.1%	24.5%	25.9%	24.2%	19.1%	23.2%	-	-	-	26.7%	-
Tax rate	22%	20%	22%	90%	18%	23%	22%	23%	-	-	26%	-
Revenue visibility	2,131.8	2,483.6	2,719.9	-	2,765.4	3,064.5	-	-	-	-	-	-
% of FY revenue	75%	87%	96%	-	81%	90%	-	-	-	-	-	-
In/out orders	303.9	351.8	236.3	118.6	633.7	299.1	-	-	-	-	-	-
Growth, y/y	47%	10%	-16%	78%	109%	-15%	-	-	-	-	-	-
Revenue (12m)	2,551.9	2,634.3	2,736.9	2,838.5	2,998.2	3,149.3	3,274.4	3,282.0	20%	-0%	3,406.2	20%
EBITA adj (12M)	634.2	669.4	700.7	744.3	796.6	802.0	806.1	809.6	15%	-0%	833.0	12%
EBITA margin, adj (12M)	24.9%	25.4%	25.6%	26.2%	26.6%	25.5%	24.6%	24.7%	-	-	24.5%	-

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

**2021 guidance: Higher end of range expected, consensus has come down**

Guidance: "Higher end of the guidance range expected"

With its Q2 report, Netcompany updated its 2021 guidance to be at the higher end of the revenue guidance range, while the EBITDA margin guidance stayed at 23-25%.

Based on continued solid performance and a limited negative impact from COVID-19, we expect Netcompany to be on track for at least the higher end of its guidance range.

## NETCOMPANY: GUIDANCE AND UPDATED CONSENSUS (DKKm)

	2020	2021 guidance			2021E		2022E		2023E	
		Low	High	Mid	Nordea	Cons	Nordea	Cons	Nordea	Cons
<b>Revenue</b>	<b>2,839</b>	<b>~3.36bn</b>	<b>~3.42bn</b>	<b>3,395</b>	<b>3,406</b>	<b>3,425</b>	<b>3,951</b>	<b>4,060</b>	<b>4,623</b>	<b>4,799</b>
Revenue growth, y/y	15.7%	-	-	-	20.0%	20.6%	16.0%	18.6%	17.0%	18.2%
FX effect, Revenue	-1.1%	-	-	-	0.6%	0.8%	0.0%	0.0%	0.0%	0.0%
Revenue growth, organic	16.0%	-	-	-	20.0%	20.6%	16.0%	18.4%	17.0%	17.0%
<b>Revenue growth, LCY+organic</b>	<b>17.1%</b>	<b>18%</b>	<b>20%</b>	<b>19.0%</b>	<b>19.4%</b>	<b>19.8%</b>	<b>16.0%</b>	<b>18.4%</b>	<b>17.0%</b>	<b>17.2%</b>
Costs	2,094	~2.5	~2.6	2,580	2,573	2,596	2,936	3,028	3,394	3,546
Growth	14.0%	~20%	~22%	23.2%	22.9%	24.0%	14.1%	16.6%	15.6%	17.1%
<b>EBITA, adj</b>	<b>744</b>	<b>~770</b>	<b>~855</b>	<b>815</b>	<b>833</b>	<b>828</b>	<b>1,015</b>	<b>1,031</b>	<b>1,229</b>	<b>1,253</b>
EBITA margin, adj	26.2%	~23	~25%	24.0%	24.5%	24.2%	25.7%	25.4%	26.6%	26.1%

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

We leave our estimates unchanged and we are broadly in line with pre-Q2 company-collected consensus.

# Valuation: DKK 700-815 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 610 per share, based on the assumptions outlined below.

## NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2021-30	2032-36	2037-41	2042-46	2047-51	LT
Sales growth, CAGR	11.9%	10.0%	10.0%	6.3%	2.5%	-
EBIT-margin	23.7%	22.0%	20.0%	11.0%	2.0%	-
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	18.0%	18.0%	18.0%	18.0%	18.0%	-
FCFF, CAGR	11.3%	9.1%	7.7%	-5.9%	-32.3%	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 780-1,060 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 price	MCAP EURbn	Grw, 2020-23E			EBIT mrg			P/E			EV/EBITDA			EV/EBIT			PEG 20-23E	Share price		
			Rev	EBIT	EPS	2022E	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E	20-23E	1M		3M	YTD	
<b>Key peers</b>																					
Epam	US	4,114	31.3	30%	30%	30%	17.1%	76.4x	60.8x	48.7x	50.0x	39.8x	32.0x	49.9x	39.8x	32.0x	2.6x	5%	17%	79%	
Globant	Lux	1,982	11.1	37%	43%	36%	15.8%	85.7x	67.6x	52.6x	50.0x	39.1x	31.2x	49.9x	39.1x	31.2x	2.4x	-4%	35%	42%	
Endava	UK	957	7.2	31%	40%	34%	19.4%	87.6x	64.7x	52.4x	54.5x	40.4x	33.0x	54.5x	40.4x	33.0x	2.5x	15%	22%	95%	
Kainos	UK	178	2.9	21%	34%	34%	20.9%	54.3x	53.5x	49.9x	42.0x	40.0x	36.5x	42.2x	40.2x	36.7x	1.6x	1%	28%	65%	
Reply	UK	1,241	6.2	14%	17%	18%	13.8%	43.5x	38.5x	34.2x	24.5x	21.8x	19.6x	24.6x	21.9x	19.7x	2.4x	-4%	16%	75%	
<b>Average (ex Reply)</b>	-	-	<b>13.1</b>	<b>30%</b>	<b>37%</b>	<b>33%</b>	<b>18.3%</b>	<b>76.0x</b>	<b>61.7x</b>	<b>50.9x</b>	<b>49.1x</b>	<b>39.8x</b>	<b>33.2x</b>	<b>49.1x</b>	<b>39.9x</b>	<b>33.2x</b>	<b>2.3x</b>	<b>4%</b>	<b>26%</b>	<b>70%</b>	
Netcompany (cons.)	DK	762	5.0	19%	26%	27%	25.2%	57.9x	45.7x	36.4x	40.9x	33.1x	27.5x	41.6x	33.7x	28.0x	2.1x	-5%	1%	22%	
<b>IT service companies:</b>																					
IBM	US	110	99.0	3%	18%	15%	17.3%	12.3x	11.3x	10.5x	8.6x	8.3x	8.2x	8.6x	8.3x	8.2x	0.8x	-3%	-9%	2%	
Accenture	IE	299	189.0	12%	14%	14%	15.5%	39.4x	34.3x	30.9x	22.7x	19.9x	18.4x	23.6x	20.6x	19.2x	2.9x	5%	11%	33%	
Cognizant	US	68	35.7	9%	10%	12%	15.5%	19.6x	17.7x	16.2x	11.9x	10.9x	10.2x	11.9x	10.9x	10.2x	1.7x	6%	17%	-4%	
Atos	FR	44	37.2	0%	-7%	-5%	6.4%	24.3x	24.2x	21.2x	16.0x	15.1x	13.3x	16.0x	15.1x	13.3x	-4.6x	-9%	22%	28%	
Cap Gemini	FR	184	82.8	8%	13%	17%	12.5%	37.5x	32.6x	28.2x	25.7x	22.3x	19.5x	25.8x	22.4x	19.5x	2.2x	0%	8%	37%	
CGI Group	CA	80	148.8	3%	7%	14%	16.9%	39.5x	33.5x	29.4x	27.9x	23.5x	21.0x	27.9x	23.5x	21.0x	2.9x	-9%	9%	22%	
DXC Technology	US	30	42.8	-7%	-11%	-9%	9.4%	36.1x	30.5x	27.0x	24.6x	20.6x	18.0x	24.7x	20.6x	18.0x	-4.0x	2%	17%	77%	
Sopra Steria	FR	166	15.2	6%	21%	25%	8.3%	28.8x	24.0x	21.7x	18.9x	15.1x	13.6x	21.1x	16.9x	15.2x	1.1x	0%	34%	58%	
HCL	IN	14	4.9	9%	10%	11%	20.1%	10.7x	8.9x	7.5x	6.3x	5.5x	5.0x	6.3x	5.5x	5.0x	1.0x	-2%	10%	-41%	
Infosys	IN	20	31.0	13%	16%	15%	23.7%	22.4x	20.3x	18.0x	13.5x	12.4x	11.5x	13.5x	12.5x	11.5x	1.5x	-5%	10%	45%	
Tata	IN	40	19.6	9%	11%	10%	26.0%	21.4x	19.5x	16.9x	13.0x	12.5x	12.0x	11.8x	11.3x	10.9x	2.2x	1%	1%	14%	
Wipro	IN	8	7.6	12%	13%	13%	18.1%	14.6x	9.7x	8.2x	4.9x	4.4x	4.1x	4.8x	4.4x	4.1x	1.1x	1%	-10%	36%	
Tech Mahindra	IN	17	3.4	7%	15%	11%	15.5%	15.5x	13.1x	11.5x	7.9x	7.1x	6.6x	8.0x	7.2x	6.7x	1.4x	-3%	1%	25%	
<b>Average, ex India</b>	-	-	<b>81.3</b>	<b>4%</b>	<b>8%</b>	<b>10%</b>	<b>12.7%</b>	<b>29.7x</b>	<b>26.0x</b>	<b>23.1x</b>	<b>19.5x</b>	<b>17.0x</b>	<b>15.3x</b>	<b>19.9x</b>	<b>17.3x</b>	<b>15.6x</b>	<b>0.8x</b>	<b>-1%</b>	<b>13%</b>	<b>32%</b>	
<b>Average</b>	-	-	<b>55.2</b>	<b>7%</b>	<b>10%</b>	<b>11%</b>	<b>15.8%</b>	<b>24.8x</b>	<b>21.5x</b>	<b>19.0x</b>	<b>15.5x</b>	<b>13.7x</b>	<b>12.4x</b>	<b>15.7x</b>	<b>13.8x</b>	<b>12.5x</b>	<b>0.8x</b>	<b>-1%</b>	<b>9%</b>	<b>26%</b>	
<b>Nordic peers:</b>																					
Trifork	DK	35	0.7	-	-	-	11.3%	43.5x	35.0x	31.1x	28.9x	25.1x	21.5x	49.0x	37.0x	30.9x	-	38%	47%	-	
NNIT	DK	126	0.4	6%	16%	28%	7.2%	67.4x	18.3x	15.3x	9.5x	8.4x	7.7x	45.9x	15.6x	13.1x	2.4x	0%	-2%	4%	
TietoEvry	FI	28	3.3	2%	5%	6%	12.5%	12.0x	11.6x	10.8x	7.7x	7.8x	7.5x	11.5x	11.3x	10.7x	2.1x	1%	-3%	3%	
KnowIT	SE	36	0.8	23%	24%	10%	8.5%	30.3x	26.3x	22.5x	12.7x	10.1x	9.0x	19.2x	14.7x	12.7x	3.2x	-2%	26%	15%	
<b>Average</b>	-	-	<b>1.3</b>	<b>10%</b>	<b>15%</b>	<b>14%</b>	<b>9.9%</b>	<b>38.3x</b>	<b>22.8x</b>	<b>19.9x</b>	<b>14.7x</b>	<b>12.8x</b>	<b>11.4x</b>	<b>31.4x</b>	<b>19.7x</b>	<b>16.9x</b>	<b>2.6x</b>	<b>9%</b>	<b>17%</b>	<b>7%</b>	
SimCorp	DK	762	4.2	9%	12%	13%	27.7%	41.0x	36.0x	32.2x	28.8x	26.0x	23.5x	31.8x	28.2x	25.4x	3.1x	-2%	-8%	-14%	
<b>Others:</b>																					
Europe IT consult. 1)	-	-	-	9%	8%	11%	7.6%	22.9x	24.9x	20.8x	18.7x	15.1x	15.7x	22.9x	20.2x	17.4x	2.1x	-1%	11%	27%	
Global IT consult. 2)	-	-	-	8%	11%	19%	21.2%	36.0x	29.2x	27.0x	20.3x	17.4x	230.2x	34.4x	30.0x	22.3x	1.8x	5%	2%	18%	
<b>Average, total</b>	-	-	-	<b>13%</b>	<b>16%</b>	<b>18%</b>	<b>14.6%</b>	<b>39.6x</b>	<b>32.0x</b>	<b>27.5x</b>	<b>23.7x</b>	<b>19.8x</b>	<b>60.6x</b>	<b>30.7x</b>	<b>24.7x</b>	<b>20.5x</b>	<b>1.9x</b>	<b>3%</b>	<b>13%</b>	<b>30%</b>	
<b>Netcompany, NDA</b>	DK	762	5.0	18%	24%	27%	25.2%	62.9x	49.5x	40.0x	42.0x	34.2x	27.9x	47.5x	37.6x	30.0x	2.4x	-5%	1%	22%	
<b>- One-off, PPA adj.</b>	DK	762	5.0	18%	18%	17%	21.1%	66.9x	54.0x	47.2x	42.0x	34.2x	27.9x	45.4x	36.9x	30.0x	4.0x	-5%	1%	22%	

Source: Refinitiv and Nordea estimates

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

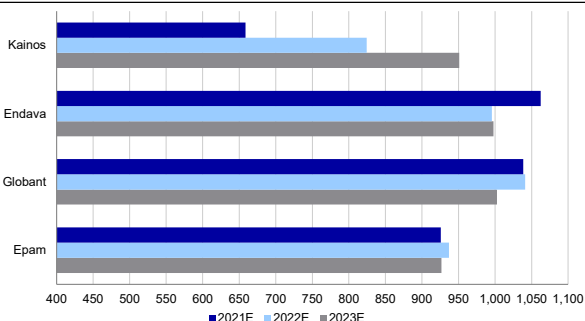
Key peers	Grw, 2020-23E			EV/EBIT			PEG 20-23E	Share price	
	Rev	EBIT	EPS	2021E	2022E	2023E		1M	YTD
IT service companies:	Underperf.	Underperf.	Underperf.	Discount	Discount	Discount	Premium	Underperf.	Underperf.
- Ex India	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Underperf.	Underperf.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

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

Source: Refinitiv and Nordea estimates

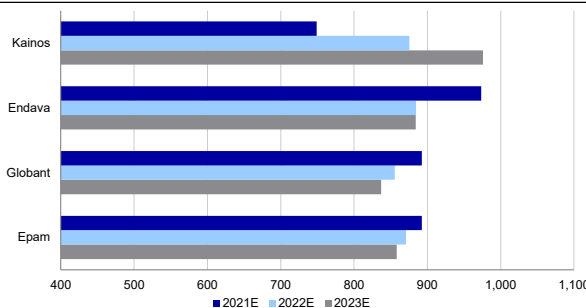
Based on our estimates and Refinitiv consensus, Netcompany should show an EBIT margin that is superior to that of most of its peers. The forecast revenue, EBIT and EPS growth rates for 2020-23 are lower than for its key peers.

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



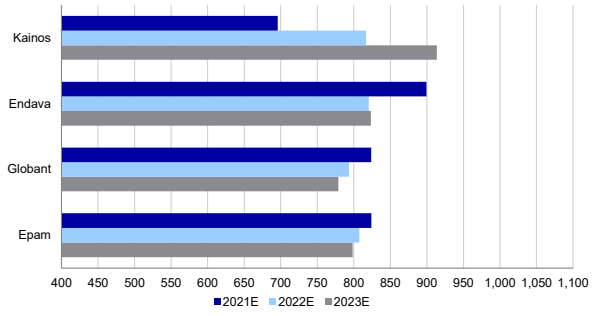
Source: Refinitiv and Nordea

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



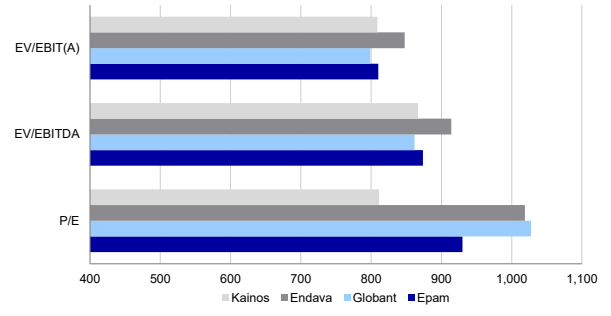
Source: Refinitiv and Nordea

**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

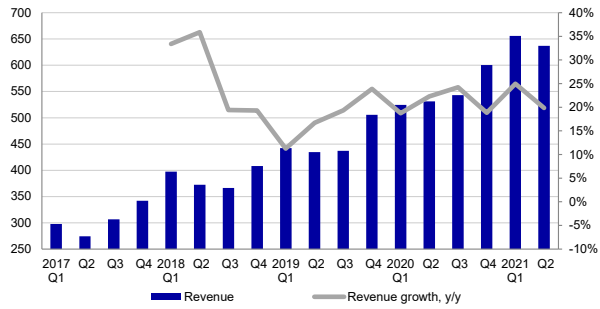
## NETCOMPANY: QUARTERLY NUMBERS (DKKm AND DKK)

	2018				2019				2020				2021	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>Revenue</b>	<b>517</b>	<b>503</b>	<b>490</b>	<b>543</b>	<b>598</b>	<b>593</b>	<b>592</b>	<b>671</b>	<b>696</b>	<b>676</b>	<b>695</b>	<b>773</b>	<b>855</b>	<b>827</b>
Production cost	319	306	282	329	364	370	336	387	421	416	401	445	529	533
<b>Gross profit</b>	<b>198</b>	<b>196</b>	<b>208</b>	<b>214</b>	<b>234</b>	<b>223</b>	<b>256</b>	<b>284</b>	<b>275</b>	<b>260</b>	<b>293</b>	<b>328</b>	<b>326</b>	<b>293</b>
Sales & marketing	3	4	2	3	3	3	3	3	4	4	4	5	6	6
Administration	68	73	69	81	84	93	89	101	106	95	94	99	103	121
Special items	-8	-27	0	0	-1	-3	-1	0	0	0	0	0	0	0
<b>EBITA</b>	<b>120</b>	<b>93</b>	<b>136</b>	<b>131</b>	<b>146</b>	<b>123</b>	<b>164</b>	<b>180</b>	<b>164</b>	<b>161</b>	<b>195</b>	<b>224</b>	<b>216</b>	<b>167</b>
Amortisation	29	29	29	28	26	25	26	25	25	25	25	24	9	9
<b>EBIT</b>	<b>91</b>	<b>64</b>	<b>107</b>	<b>102</b>	<b>120</b>	<b>99</b>	<b>138</b>	<b>155</b>	<b>139</b>	<b>136</b>	<b>170</b>	<b>200</b>	<b>207</b>	<b>158</b>
Net financial items	-25	-65	-8	-10	6	-21	-4	5	-19	-16	-6	-152	37	-12
<b>Pre-tax profit</b>	<b>67</b>	<b>-2</b>	<b>99</b>	<b>92</b>	<b>126</b>	<b>78</b>	<b>134</b>	<b>160</b>	<b>120</b>	<b>120</b>	<b>164</b>	<b>48</b>	<b>244</b>	<b>146</b>
Taxes	15	15	21	23	28	16	31	34	27	24	36	43	45	33
<b>Net profit</b>	<b>51</b>	<b>-17</b>	<b>78</b>	<b>68</b>	<b>99</b>	<b>62</b>	<b>102</b>	<b>126</b>	<b>93</b>	<b>96</b>	<b>128</b>	<b>5</b>	<b>200</b>	<b>112</b>
Revenue visibility	1,461	1,676	2,025	-	1,786	2,106	2,387	-	2,132	2,484	2,720	-	2,765	3,065
% of FY revenue	-	81.6%	98.6%	-	72.8%	85.8%	97.3%	-	75.1%	87.5%	95.8%	-	81.2%	90.0%
In/out orders	281	215	349	28	207	319	282	67	304	352	236	119	634	299
Growth, y/y	-	-	-	-	-26.3%	48.3%	-19.3%	137.0%	46.9%	10.2%	-16.2%	78.1%	108.5%	-15.0%
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
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%
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%
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%
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%
EBITDA	130	103	148	140	158	137	178	196	180	177	212	241	235	187
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%
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%
<b>EBITA, adj</b>	<b>128</b>	<b>90</b>	<b>136</b>	<b>131</b>	<b>147</b>	<b>126</b>	<b>164</b>	<b>180</b>	<b>164</b>	<b>161</b>	<b>195</b>	<b>224</b>	<b>216</b>	<b>167</b>
<b>EBITA margin, adj</b>	<b>24.7%</b>	<b>17.8%</b>	<b>27.8%</b>	<b>24.0%</b>	<b>24.6%</b>	<b>21.3%</b>	<b>27.7%</b>	<b>26.8%</b>	<b>23.6%</b>	<b>23.9%</b>	<b>28.1%</b>	<b>28.9%</b>	<b>25.3%</b>	<b>20.2%</b>
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%
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%
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%
<b>FCF</b>	<b>84</b>	<b>24</b>	<b>48</b>	<b>23</b>	<b>74</b>	<b>80</b>	<b>126</b>	<b>116</b>	<b>95</b>	<b>103</b>	<b>149</b>	<b>-80</b>	<b>10</b>	<b>-36</b>
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
Revenue growth (12m)	-	-	-	45.0%	33.3%	23.5%	19.1%	19.5%	19.6%	18.4%	17.7%	15.7%	-	-
EBITA adj (12M)	434	450	469	484	504	540	568	617	634	669	701	744	797	802
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%
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%
Revenue, Public	286	268	278	321	351	342	356	407	433	442	436	466	502	488
Revenue, private	231	235	213	222	247	252	236	264	262	233	258	307	353	339
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%
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%
Development revenue	223	217	260	305	330	290	299	339	356	347	380	434	518	513
Maintenance revenue	294	285	230	239	268	303	293	332	340	328	315	339	338	313
<b>Netcompany Denmark:</b>														
Revenue, Denmark	397	372	366	408	442	435	437	505	525	532	543	601	656	637
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%
EBITA adj. before HQ costs, DK	115	107	131	127	130	119	152	169	157	170	199	209	202	166
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%
EBITA margin adj, 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%
<b>Netcompany Norway</b>														
Revenue, Norway	43	41	40	47	55	47	45	53	55	43	44	58	73	68
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%
EBITA adj. before HQ costs, Norway	10	8	8	7	15	7	7	6	8	6	3	6	13	6
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%	8.3%
EBITA margin adj, 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%
<b>Netcompany UK</b>														
Revenue, UK	77	89	84	88	101	104	96	95	98	80	80	82	105	101
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%
EBITA adj. before HQ costs, , UK	8	10	6	5	11	12	16	16	11	0	-3	8	21	7
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%	20.4%	6.8%
EBITA margin adj, UK (12M)	-	-	12.6%	8.6%	9.0%	9.1%	11.4%	13.9%	14.0%	11.6%	6.7%	4.7%	7.5%	9.0%
<b>Netcompany Holland</b>														
Revenue, Netherlands	-	-	-	-	-	7	14	16	18	21	29	31	22	20
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	197.2%	107.9%	88.5%	22.0%	-3.3%
EBITA adj. before HQ costs, , Holland	-	-	-	-	-	-1	-2	-3	1	2	6	9	-2	-2
EBITA margin adj. before HQ costs, Holland	-	-	-	-	-	-15.5%	-13.6%	-17.2%	6.2%	11.4%	20.6%	30.3%	-10.6%	-9.3%
EBITA margin adj, Holland (12M)	-	-	-	-	-	-	-	-	-8.5%	-1.7%	8.0%	19.1%	15.0%	10.9%

Source: Company data and Nordea

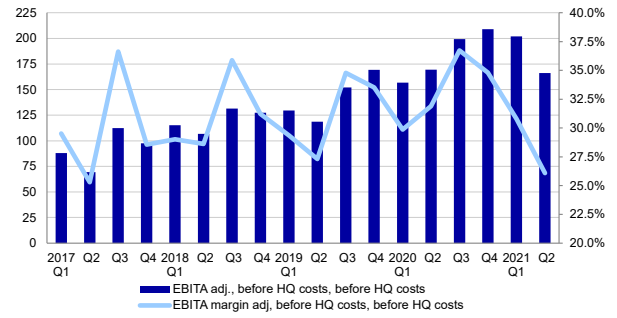


**NETCOMPANY, DENMARK: REVENUE (DKKm)**



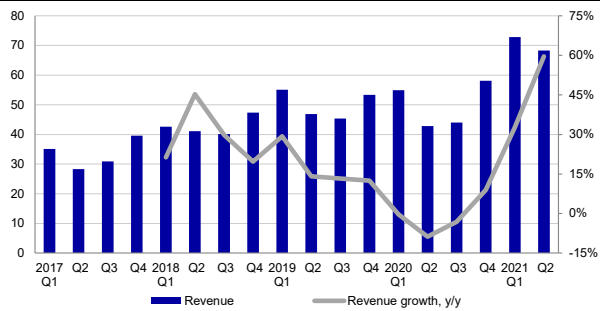
Source: Company data and Nordea estimates

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



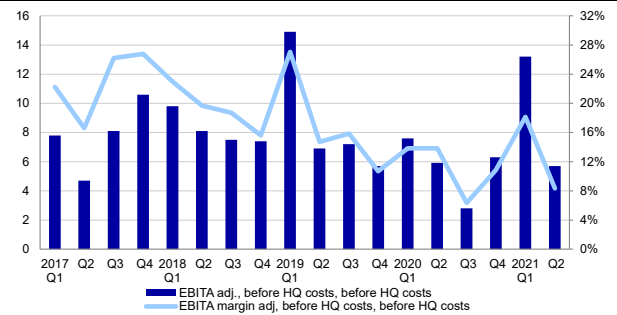
Source: Company data and Nordea estimates

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



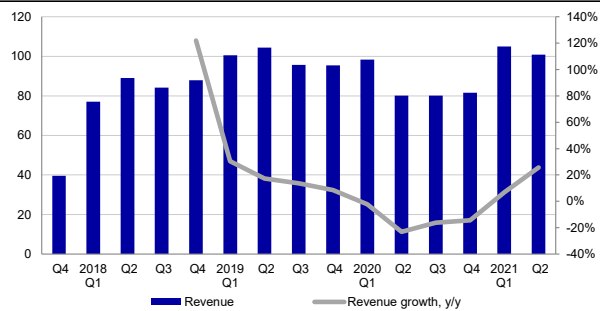
Source: Company data and Nordea

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



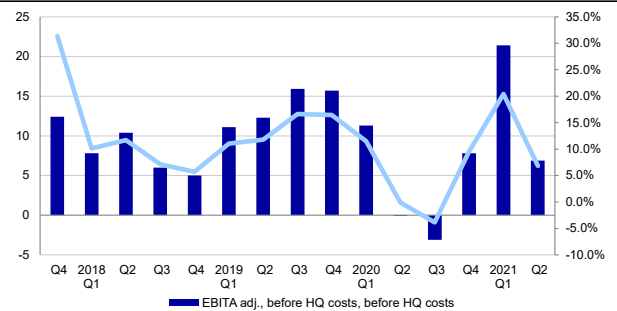
Source: Company data and Nordea

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



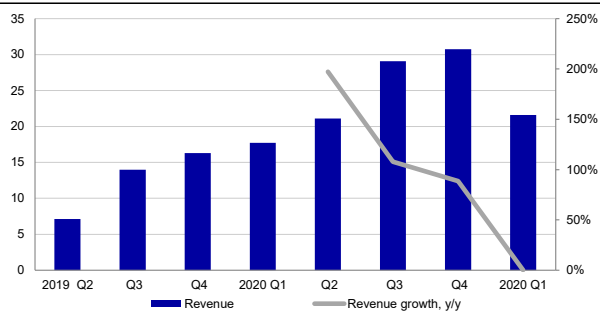
Source: Company data and Nordea

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



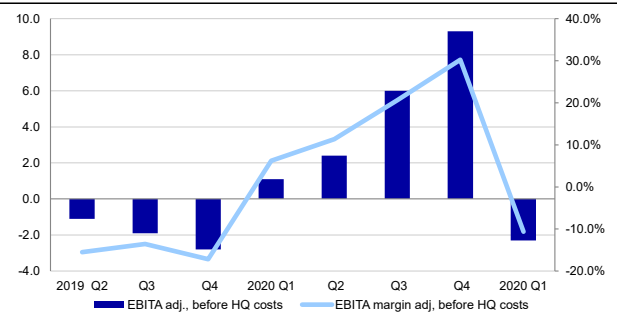
Source: Company data and Nordea

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



Source: Company data and Nordea

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



Source: Company data and Nordea

# Netcompany: Full-year numbers

## NETCOMPANY: FULL-YEAR NUMBERS (DKKm AND DKK)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Revenue</b>	<b>400</b>	<b>461</b>	<b>629</b>	<b>758</b>	<b>900</b>	<b>1,416</b>	<b>2,053</b>	<b>2,454</b>	<b>2,839</b>	<b>3,406</b>	<b>3,951</b>	<b>4,623</b>
Production cost	-	-	-	447	527	803	1,237	1,458	1,683	2,108	2,396	2,762
<b>Gross profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>311</b>	<b>373</b>	<b>613</b>	<b>817</b>	<b>996</b>	<b>1,155</b>	<b>1,299</b>	<b>1,555</b>	<b>1,861</b>
Sales & marketing	-	-	-	4	4	10	12	12	17	31	35	41
Administration	-	-	-	100	121	201	290	367	394	435	505	590
Special items	-	-	-	0	-35	-33	-34	-4	0	0	0	0
<b>EBITDA</b>	<b>103</b>	<b>91</b>	<b>157</b>	<b>228</b>	<b>233</b>	<b>402</b>	<b>520</b>	<b>669</b>	<b>809</b>	<b>901</b>	<b>1,094</b>	<b>1,322</b>
Depreciation	6	9	8	9	32	34	40	56	65	68	79	92
Amortisation	0	0	-2	12	0	0	0	0	0	0	0	0
<b>EBITA</b>	<b>98</b>	<b>81</b>	<b>150</b>	<b>207</b>	<b>201</b>	<b>369</b>	<b>480</b>	<b>613</b>	<b>744</b>	<b>833</b>	<b>1,015</b>	<b>1,229</b>
Amortisation	2	2	2	0	74	96	115	102	99	37	20	3
<b>EBIT</b>	<b>96</b>	<b>80</b>	<b>149</b>	<b>207</b>	<b>127</b>	<b>273</b>	<b>365</b>	<b>511</b>	<b>645</b>	<b>796</b>	<b>995</b>	<b>1,226</b>
Net financial items	-2	1	1	0	-62	-73	-109	-14	-193	14	-8	-5
<b>Pre-tax profit</b>	<b>94</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>65</b>	<b>200</b>	<b>256</b>	<b>497</b>	<b>452</b>	<b>810</b>	<b>987</b>	<b>1,221</b>
Taxes	7	8	15	20	44	59	74	109	130	178	217	269
<b>Net profit</b>	<b>88</b>	<b>73</b>	<b>134</b>	<b>188</b>	<b>21</b>	<b>141</b>	<b>181</b>	<b>389</b>	<b>322</b>	<b>632</b>	<b>770</b>	<b>952</b>
One-off items	0	0	0	0	-35	-33	-34	-4	0	0	0	0
EPS	-	-	-	-	-	2.8	3.7	7.9	6.4	12.6	15.4	19.0
EPS growth, y/y	-	-	-	-	-	-	29.7%	116.7%	-18.6%	96.3%	21.9%	23.7%
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%	20.0%	16.0%	17.0%
Gross margin	-	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.7%	38.1%	39.4%	40.3%
EBITDA margin	25.8%	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	26.5%	27.7%	28.6%
<b>EBITA, adj</b>	<b>98</b>	<b>81</b>	<b>150</b>	<b>207</b>	<b>236</b>	<b>402</b>	<b>514</b>	<b>617</b>	<b>744</b>	<b>833</b>	<b>1,015</b>	<b>1,229</b>
<b>EBITA margin, adj</b>	<b>24.4%</b>	<b>17.7%</b>	<b>23.9%</b>	<b>27.4%</b>	<b>26.3%</b>	<b>28.4%</b>	<b>25.0%</b>	<b>25.2%</b>	<b>26.2%</b>	<b>24.5%</b>	<b>25.7%</b>	<b>26.6%</b>
EBITA margin	24.4%	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	24.5%	25.7%	26.6%
EBIT margin	24.0%	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	23.4%	25.2%	26.5%
Net profit, adj.	89	75	136	188	106	241	298	471	399	660	785	955
CFFO	-	-	-	217	117	195	187	460	581	564	746	896
Capex	-16	-16	-4	-18	-2,539	-150	-27	-65	-102	-123	-40	-46
<b>FCF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>-2,422</b>	<b>45</b>	<b>160</b>	<b>396</b>	<b>479</b>	<b>440</b>	<b>706</b>	<b>849</b>
Revenue, Public	-	-	-	312	368	730	1,152	1,456	1,778	2,133	2,475	2,895
Revenue, private	-	-	-	447	531	686	901	998	1,061	1,273	1,477	1,728
Revenue growth, Public	-	-	-	-	18.3%	98.2%	57.8%	26.3%	22.1%	20.0%	16.0%	17.0%
Revenue growth, private	-	-	-	-	19.0%	29.1%	31.4%	10.8%	6.3%	20.0%	30.0%	25.0%
<b>Development revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>347</b>	<b>439</b>	<b>647</b>	<b>1,005</b>	<b>1,258</b>	<b>1,517</b>	<b>1,820</b>	<b>2,112</b>	<b>2,471</b>
Public customers	-	-	-	137	167	440	575	738	920	1,103	1,280	1,498
Private customers	-	-	-	210	272	206	430	520	597	717	832	973
<b>Maintenance revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411</b>	<b>461</b>	<b>769</b>	<b>1,048</b>	<b>1,196</b>	<b>1,322</b>	<b>1,586</b>	<b>1,840</b>	<b>2,152</b>
Public customers	-	-	-	175	202	290	577	718	858	1,030	1,195	1,398
Private customers	-	-	-	236	260	479	471	478	463	556	645	755
<b>Netcompany Denmark:</b>												
Revenue, Denmark	400	461	629	758	888	1,220	1,544	1,819	2,200	2,671	3,085	3,584
Revenue growth, Denmark	22.3%	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	21.0%	21.4%	15.5%	16.2%
EBITA adj. before HQ costs, DK	98	81	150	207	234	358	461	544	706	758	907	1,076
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%	28.4%	29.4%	30.0%
<b>Netcompany Norway</b>												
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%
<b>Netcompany UK</b>												
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%
<b>Netcompany Holland</b>												
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%

Source: Company data and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>Total revenue</b>	<b>461</b>	<b>629</b>	<b>758</b>	<b>900</b>	<b>1,416</b>	<b>2,053</b>	<b>2,454</b>	<b>2,839</b>	<b>3,406</b>	<b>3,951</b>	<b>4,623</b>
Revenue growth	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	20.0%	16.0%	17.0%
of which organic	n.a.	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	16.0%	20.0%	16.0%	17.0%
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	901	1,094	1,322
Depreciation and impairments PPE	-10	-7	-21	-32	-34	-40	-56	-65	-68	-79	-92
of which leased assets	0	0	0	-11	-19	-24	-37	-42	-51	-59	-69
EBITA	81	150	207	201	369	480	613	744	833	1,015	1,229
Amortisation and impairments	-2	-2	0	-74	-96	-115	-102	-99	-37	-20	-3
EBIT	80	149	207	127	273	365	511	645	796	995	1,226
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	-12	-8	-5
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
<b>Pre-tax profit</b>	<b>81</b>	<b>150</b>	<b>208</b>	<b>65</b>	<b>200</b>	<b>254</b>	<b>497</b>	<b>598</b>	<b>784</b>	<b>987</b>	<b>1,221</b>
Reported taxes	-8	-15	-20	-44	-59	-74	-109	-130	-178	-217	-269
Net profit from continued operations	73	134	188	21	141	180	389	468	606	770	952
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	606	770	952
<b>EPS, DKK</b>	<b>1.47</b>	<b>2.69</b>	<b>3.75</b>	<b>0.43</b>	<b>2.81</b>	<b>3.60</b>	<b>7.77</b>	<b>9.36</b>	<b>12.13</b>	<b>15.40</b>	<b>19.04</b>
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%	26.5%	27.7%	28.6%
EBITA	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	24.5%	25.7%	26.6%
EBIT	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	23.4%	25.2%	26.5%

## Adjusted earnings

EBITDA (adj)	91	157	228	268	435	555	674	809	901	1,094	1,322
EBITA (adj)	81	150	207	236	402	514	617	744	833	1,015	1,229
EBIT (adj)	80	149	207	162	306	399	516	645	796	995	1,226
EPS (adj, DKK)	1.47	2.69	3.75	0.97	3.33	4.14	7.84	9.36	12.13	15.40	19.04

## Adjusted profit margins in percent

EBITDA (adj)	19.8%	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	28.5%	26.5%	27.7%	28.6%
EBITA (adj)	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	26.2%	24.5%	25.7%	26.6%
EBIT (adj)	17.3%	23.6%	27.4%	18.0%	21.6%	19.4%	21.0%	22.7%	23.4%	25.2%	26.5%

## Performance metrics

CAGR last 5 years											
Net revenue	n.a.	23.1%	23.7%	22.4%	28.7%	34.8%	31.3%	30.2%	30.5%	22.8%	17.6%
EBITDA	n.m.	16.8%	20.6%	16.6%	31.2%	41.7%	33.7%	28.8%	31.0%	22.1%	20.5%
EBIT	n.m.	15.5%	19.3%	4.0%	23.2%	35.5%	28.0%	25.5%	44.3%	29.5%	27.4%
EPS	n.a.	19.2%	23.8%	-23.0%	9.9%	19.6%	23.7%	20.0%	95.3%	40.5%	39.5%
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%	21.3%	22.5%	24.2%
Average EBITDA margin	27.8%	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	27.3%	27.1%	27.2%	27.8%

## 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	62.8	49.5	40.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	21.6	24.8	39.0	42.3	34.3	27.8
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	23.3	27.0	42.4	45.7	37.0	29.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	30.0	32.3	48.9	47.9	37.7	30.0

## 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	62.8	49.5	40.0
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	5.84	6.80	11.11	11.19	9.50	7.96
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	23.1	24.9	39.0	42.3	34.3	27.8
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	25.0	27.2	42.4	45.7	37.0	29.9
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	32.9	32.6	48.9	47.9	37.7	30.0
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%	1.4%	1.9%	2.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	1.6%	1.3%	1.8%	2.2%
Payout ratio	n.a.	n.m.	n.m.	0.0%	0.0%	0.0%	0.0%	10.7%	16.5%	13.0%	10.5%

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	152	172	195
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	2,664	2,664	2,683
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	107	146	180	258	445	458	531	459	551	639	747
Short-term leased assets	0	0	11	19	24	37	42	51	59	69	79
Other current assets	101	190	174	103	139	268	305	487	636	737	863
Cash and bank	1	13	111	60	194	108	132	359	297	677	1,399
Total current assets	209	349	477	441	802	869	1,011	1,356	1,542	2,122	3,088
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total assets</b>	<b>246</b>	<b>379</b>	<b>516</b>	<b>2,860</b>	<b>3,470</b>	<b>3,486</b>	<b>3,728</b>	<b>4,039</b>	<b>4,206</b>	<b>4,786</b>	<b>5,771</b>
Shareholders equity	108	213	300	1,261	1,644	1,806	2,072	2,429	2,985	3,655	4,507
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	2,985	3,655	4,507
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	261	61	61
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	63	68	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	13	0	6	1,303	1,395	1,249	1,128	1,057	580	401	424
Short-term provisions	0	0	5	9	30	36	4	0	0	0	0
Accounts payable	14	12	19	27	51	54	44	40	48	56	65
Current lease debt	4	1	6	12	14	29	39	35	39	42	46
Other current liabilities	79	149	180	222	336	310	441	478	554	633	730
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	641	731	840
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>246</b>	<b>379</b>	<b>516</b>	<b>2,860</b>	<b>3,469</b>	<b>3,485</b>	<b>3,728</b>	<b>4,039</b>	<b>4,206</b>	<b>4,786</b>	<b>5,771</b>
<b>Balance sheet and debt metrics</b>											
Net debt	3	-13	-111	1,118	1,070	998	826	402	7	-580	-1,308
of which lease debt	4	1	12	25	31	83	104	93	102	110	120
Working capital	115	175	155	113	198	361	351	428	584	687	815
Invested capital	152	205	195	2,533	2,865	2,977	3,067	3,111	3,248	3,351	3,499
Capital employed	146	218	312	2,492	2,940	2,996	3,134	3,282	3,347	3,826	4,687
ROE	83.5%	83.8%	73.2%	2.7%	9.7%	10.4%	20.0%	20.8%	22.4%	23.2%	23.3%
ROIC	46.5%	65.0%	81.0%	9.3%	8.8%	10.7%	13.3%	16.3%	25.0%	30.2%	35.8%
ROCE	58.9%	83.7%	79.5%	11.7%	11.6%	13.8%	18.1%	20.7%	24.0%	27.7%	28.8%
Net debt/EBITDA	0.0	-0.1	-0.5	4.8	2.7	1.9	1.2	0.5	0.0	-0.5	-1.0
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%	71.0%	76.4%	78.1%
Net gearing	3.1%	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	16.5%	0.2%	-15.9%	-29.0%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

DKKm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
<b>EBITDA (adj) for associates</b>	<b>91</b>	<b>157</b>	<b>228</b>	<b>233</b>	<b>402</b>	<b>520</b>	<b>669</b>	<b>809</b>	<b>901</b>	<b>1,094</b>	<b>1,322</b>
Paid taxes	0	0	-21	-34	-35	-167	-116	-126	-178	-217	-269
Net financials	0	0	7	65	79	80	33	22	-12	-8	-5
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	17	15	17
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
<b>Funds from operations (FFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>208</b>	<b>137</b>	<b>290</b>	<b>319</b>	<b>547</b>	<b>684</b>	<b>729</b>	<b>884</b>	<b>1,065</b>
Change in NWC	n.a.	n.a.	9	-20	-95	-133	-87	-103	-156	-103	-128
<b>Cash flow from operations (CFO)</b>	<b>n.a.</b>	<b>n.a.</b>	<b>217</b>	<b>117</b>	<b>195</b>	<b>187</b>	<b>460</b>	<b>581</b>	<b>572</b>	<b>781</b>	<b>937</b>
Capital expenditure	0	0	-10	-23	-30	-27	-27	-27	-34	-40	-46
<b>Free cash flow before A&amp;D</b>	<b>n.a.</b>	<b>n.a.</b>	<b>207</b>	<b>94</b>	<b>165</b>	<b>160</b>	<b>433</b>	<b>554</b>	<b>538</b>	<b>741</b>	<b>891</b>
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	538	741	891
Free cash flow bef A&D, lease adj	n.a.	n.a.	207	83	146	136	396	512	487	682	822
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	-500	-200	0
Other financing adjustments	0	0	0	0	0	0	-34	-55	-50	-61	-70
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	-62	380	721
<b>Cash flow metrics</b>											
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%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	220	317	623	762	762	762
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	31,125	38,100	38,100	38,100
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	11,998	16,676	31,527	38,107	37,520	36,792
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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