Nordea

Commissioned Equity Research • 6 May 2022

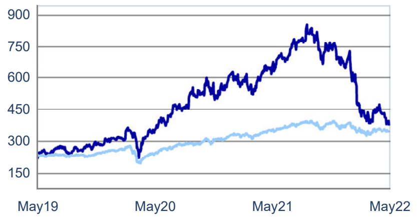
Netcompany

Telecom Equipment and IT
Denmark

KEY DATA

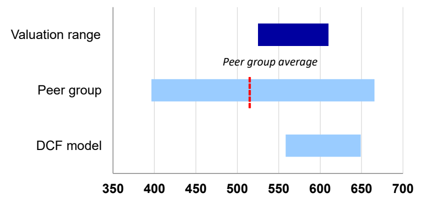
Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 378.8
Free Float	85%
Market cap. (bn)	EUR 2.57/DKK 18.94
Website	www.netcompany.com
Next report date	11 Aug 2022

PERFORMANCE



Netcompany
OMX Copenhagen - All share (Rebased)
Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	0%	0%	0%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts
Claus Almer
Director

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Managing Director, Sector Coordinator

High activity and the UK showing its potential

Netcompany delivered a Q1 close to company-compiled consensus and solid 13% organic revenue growth, despite the strong Q1 2021. According to the Q1 investor call, Netcompany has a promising order pipeline that includes several larger public Danish projects and several wins achieved so far in Q2. A successful win rate may add to the already higher-than-normal revenue visibility as percentage of full-year revenue (83% in Q1 versus ~75% on average). Employee churn, one of the main concerns in the equity market, is still high (Q1: 17% y/y), but the level seems to be declining (LTM for core: 24%). Our new combined DCF and peer group valuation suggests an unchanged valuation range of DKK 525-610 per share.

Q1 2022: In line with consensus

Q1 ended broadly in line with consensus – revenue 1% above (13% y/y organic revenue growth) and EBITDA 1% below – the first time in several quarters that Netcompany has met expectations. Its solid FCF (Q1: DKK 49m) was also 'converted' to a DKK 50m share buyback programme.

Solid growth and margin expansion in the UK

Revenue growth of 29% y/y was mainly driven by the public sector (45% growth), where Netcompany continues to add new customers. Because the number of FTEs increased 'only' 12% during the quarter, Netcompany improved its utilisation rate and thereby its profitability. As a net result, Q1 EBITDA more than doubled. The EBITDA margin rose 8.7 pp, up to 20.8%.

Norway: Disappointingly breakeven

The Norwegian division's revenue increased modestly by 4%, but its number of FTEs increased by 10%. Combined with a couple of low-margin, fixed-priced projects, this pushed Q1 EBITDA close to breakeven (Q1 2021: DKK 14m). According to Netcompany, the majority of the lower profitability y/y can be explained by these low-margin projects (DKK 10m). As the projects should be delivered in Q2, it should mark the last weak quarter for the Norwegian division.

Employees: 16% organic growth y/y

High employee churn makes it even more critical that Netcompany continues to be able to attract highly skilled employees. The tight labour market does not help, but so far the company is succeeding at this task. In Q1, Netcompany added 16% y/y more employees (net and organic), and management expressed high confidence the hiring trend will continue.

SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	2,053	2,454	2,839	3,632	5,492	6,313	7,263
EBITDA (adj)	555	674	809	881	1,122	1,311	1,532
EBIT (adj)	399	516	645	742	892	1,090	1,292
EBIT (adj) margin	19.4%	21.0%	22.7%	20.4%	16.2%	17.3%	17.8%
EPS (adj, DKK)	4.14	7.84	9.36	10.94	13.80	16.75	19.95
EPS (adj) growth	24.3%	89.5%	19.4%	16.8%	26.1%	21.4%	19.1%
DPS (ord, DKK)	0.00	0.00	1.00	0.00	0.00	0.00	0.00
EV/Sales	5.8	6.8	11.1	10.2	3.7	3.1	2.6
EV/EBIT (adj)	30.0	32.3	48.9	49.9	22.8	18.0	14.5
P/E (adj)	53.2	40.4	66.5	64.4	27.5	22.6	19.0
P/BV	6.1	7.7	12.8	11.6	5.1	4.1	3.4
Dividend yield (ord)	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	1.2%	2.5%	1.6%	1.0%	2.3%	3.9%	4.5%
Net debt	998	826	402	1,817	1,443	697	-179
Net debt/EBITDA	1.9	1.2	0.5	2.2	1.3	0.5	-0.1
ROIC after tax	10.7%	13.3%	16.3%	17.6%	16.4%	19.4%	22.5%

Source: Company data and Nordea estimates

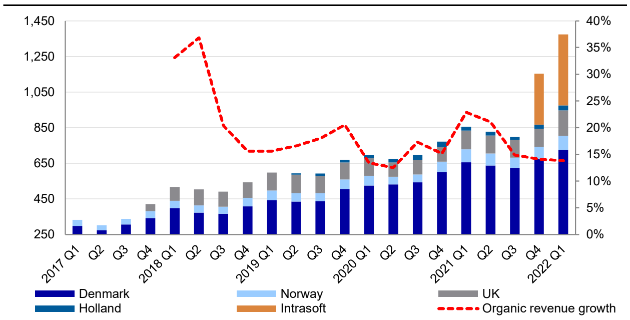
Q1 2022 review

NETCOMPANY: Q1 2022 RESULTS (DKKm)

	2021				2022			Act vs			Q2-Q4		
	Q1	Q2	Q3	Q4	Q1A	Q1E	Cons	NDA	Cons	y/y	2021	2022E	y/y
Revenue, Core	-	-	-	867	973	941	962	3%	1%	-	867	2,909	236%
Revenue, Expand	-	-	-	286	399	370	402	8%	-1%	-	286	1,212	324%
Revenue	**855**	**827**	**798**	**1,152**	**1,372**	**1,311**	**1,364**	5%	1%	60%	**2,777**	**4,121**	48%
Production cost	529	533	470	766	954	918	-	4%	-	80%	1,769	2,737	55%
Gross profit	**326**	**293**	**328**	**386**	**417**	**393**	**-**	**6%**	**-**	**28%**	**1,008**	**1,383**	**37%**
Sales & marketing	6	6	6	19	9	11	-	-17%	-	44%	31	34	10%
Administration	103	121	123	157	182	177	-	2%	-	76%	400	564	41%
Special items	0	0	-30	-8	0	0	-	-	-	-	-38	0	-100%
EBITA	**216**	**167**	**170**	**203**	**227**	**206**	**-**	**10%**	**-**	**5%**	**539**	**785**	**46%**
EBIT	207	158	161	178	195	176	-	11%	-	-6%	497	698	40%
Net financial items	37	-12	-12	11	-16	-2	-	-	-	-	-13	8	-165%
Pre-tax profit	**244**	**146**	**149**	**189**	**178**	**174**	**-**	**3%**	**-**	**-27%**	**484**	**706**	**46%**
Taxes	45	33	41	35	46	38	-	19%	-	2%	109	149	37%
Net profit	**200**	**112**	**109**	**154**	**133**	**135**	**-**	**-2%**	**-**	**-33%**	**375**	**557**	**49%**
EPS	4.1	2.3	2.2	3.1	2.7	2.7	-	0%	-	-33%	7.6	11.1	46%
EPS growth, y/y	114.8%	16.8%	-15.3%	2958.4%	-33.3%	-33.3%	-	-	-	-	62.4%	46.2%	-
Revenue growth, y/y	23.0%	22.4%	14.9%	49.1%	60.4%	53.3%	59.5%	-	-	-	29.6%	48.4%	-
Revenue growth, organic	22.9%	21.1%	14.9%	14.1%	12.8%	10.0%	-	-	-	-	-	-	-
Gross margin	38.1%	35.5%	41.2%	33.5%	30.4%	30.0%	-	-	-	-	36.3%	33.6%	-
Costs (Reveneue - EBITA adj)	639	660	598	942	1,145	1,106	-	4%	-	79%	2,200	3,335	52%
Costs growth, q/q	-	3%	-9%	57%	22%	17%	-	-	-	-	-	-	-
EBITDA	**235**	**187**	**191**	**231**	**259**	**233**	**262**	**11%**	**-1%**	**11%**	**608**	**863**	**42%**
EBITDA, Core	235	187	221	211	225	196	226	15%	-0%	-4%	619	758	23%
EBITDA, Expand	-	-	-	28	34	37	36	-8%	-4%	-	28	105	279%
EBITDA margin, Core	-	-	-	24.3%	23.2%	20.8%	23.5%	-	-	-	71.4%	26.1%	-
EBITDA margin, Expand	-	-	-	9.7%	8.5%	10.0%	8.8%	-	-	-	9.7%	8.6%	-
EBITA, adj	**216**	**167**	**200**	**210**	**227**	**206**	**-**	**10%**	**-**	**5%**	**577**	**785**	**36%**
EBITA margin, adj	25.3%	20.2%	25.1%	18.3%	16.5%	15.7%	-	-	-	-	20.8%	19.1%	-
Incremental EBITA margin, adj	32.7%	3.5%	4.4%	-3.5%	2.0%	15.7%	-	-	-	-	-0.5%	15.5%	-
EBIT margin	24.2%	19.1%	20.2%	15.5%	14.2%	13.4%	-	-	-	-	19.4%	19.1%	-
Tax rate	18.2%	22.9%	27.2%	18.5%	25.5%	22.0%	-	-	-	-	22.5%	21.1%	-
Revenue visibility	2,765	3,065	3,274	-	4,544	-	-	-	-	64%	-	-	-
% of FY revenue	76.1%	84.4%	90.1%	-	82.7%	-	-	-	-	-	-	-	-
In/out orders	634	299	209	73	719	-	-	-	-	13%	581	949	63%
Growth, y/y	108.5%	-15.0%	-11.4%	-38.8%	13.4%	-	-	-	-	-	-17.8%	63.3%	-
Revenue (12m)	2,998	3,149	3,253	3,632	4,148	3,791	4,141	9%	0%	38%	-	-	-
Revenue growth (12m)	-	-	-	-	38.4%	26.4%	38.1%	45%	1%	-	-	-	-
Gross margin (12M)	40.2%	39.4%	39.2%	36.7%	34.3%	34.3%	24.3%	0%	41%	-15%	-	-	-
EBITA adj (12M)	797	802	806	793	804	782	577	3%	39%	1%	-	-	-
EBITA margin, adj (12M)	26.6%	25.5%	24.8%	21.8%	19.4%	20.6%	13.9%	-	-	-	-	-	-

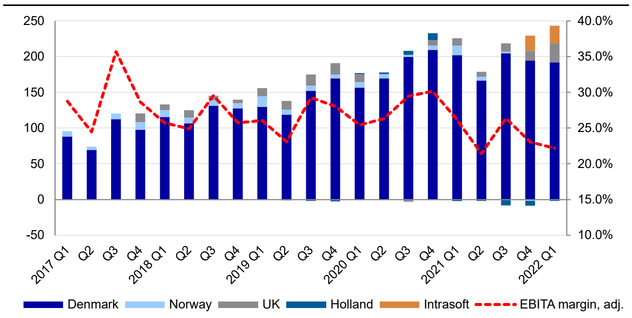
Source: Company data, company-compiled consensus, and Nordea estimates

NETCOMPANY: REVENUE (DKKm)



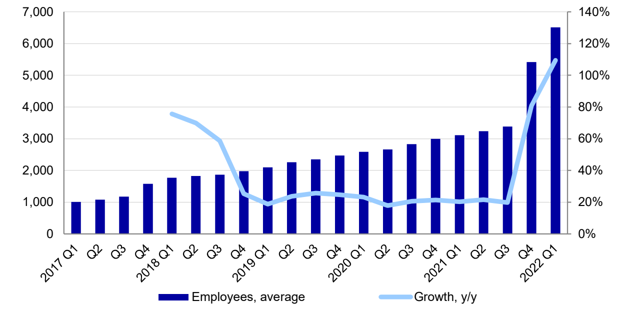
Source: Company data and Nordea

NETCOMPANY: EBITA (DKKm)



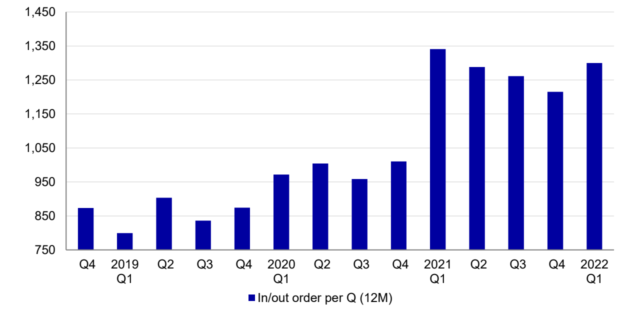
Source: Company data and Nordea

NETCOMPANY: FTE DEVELOPMENT (DKKm)



Source: Company data and Nordea

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



Source: Company data and Nordea

Estimates untouched

We leave our estimates unchanged.

NETCOMPANY: UPDATED ESTIMATES AND COMPANY GUIDANCE FOR 2022 (DKKm)

	2021	2022 guidance			2022E		2023E		2024E	
		Low	High	Mid	Nordea	Cons	Nordea	Cons	Nordea	Cons
Revenue, Core	3,346	3,815	3,982	3,899	3,882	3,925	4,542	4,638	5,314	5,323
Revenue, Expand	286	1,560	1,684	1,622	1,611	1,650	1,772	1,796	1,949	1,952
Revenue	**3,632**	**5,375**	**5,666**	**5,521**	**5,492**	**5,575**	**6,313**	**6,434**	**7,263**	**7,275**
Revenue growth, y/y	28.0%	48%	56%	-	51.2%	53.5%	14.9%	15.4%	15.0%	13.1%
Revenue growth, organic	**17.0%**	**13%**	**18%**	**-**	**16.0%**	**-**	**14.9%**	**-**	**15.0%**	**-**
Costs	2,877	-	-	-	4,480	-	5,129	-	5,876	-
Growth	37.4%	-	-	-	55.7%	-	14.5%	-	14.6%	-
EBITA, adj	**755**	**-**	**-**	**-**	**1,012**	**-**	**1,185**	**-**	**1,387**	**-**
EBITA margin, adj	20.8%	-	-	-	18.4%	-	18.8%	-	19.1%	-
Special items	-38	-	-	-	0	-	0	-	0	-
EBITDA adj.	**881**	**>~1.07bn**	**-**	**-**	**1,122**	**1,147**	**1,311**	**1,383**	**1,532**	**1,636**
EBITDA, Core	856	>~955	-	-	984	1,006	1,150	1,220	1,345	1,454
EBITDA, Expand	25	>~140	-	-	139	141	161	163	187	181
EBITDA margin, adj.										
Group	24.3%	**>20%**	-		20.4%	20.6%	20.8%	21.5%	21.1%	22.5%
Core	25.6%	>25%	-		25.3%	25.6%	25.3%	26.3%	25.3%	27.3%
Expand	8.8%	>9%	-		8.6%	8.5%	9.1%	9.1%	9.6%	9.3%
EBITA, adj.:										
Group	755	-	-		1,012	-	1,185	-	1,387	-
Netcompany Core	736	>877	-		906	-	1,059	-	1,239	-
Netcompany Intrasoft	19	-	-		106	-	126	-	148	-
EBITA margin, adj.:										
Group	20.8%	-	-		18.4%	-	18.8%	-	19.1%	-
Netcompany Core	20.8%	>23%	>23%		18.4%	-	18.8%	-	19.1%	-
Netcompany Intrasoft	6.8%	-	-		6.6%	-	7.1%	-	7.6%	-

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

Valuation: DKK 525-610 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, but we believe they yield a reliable valuation range when combined.

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 600 per share, based on the assumptions outlined below.

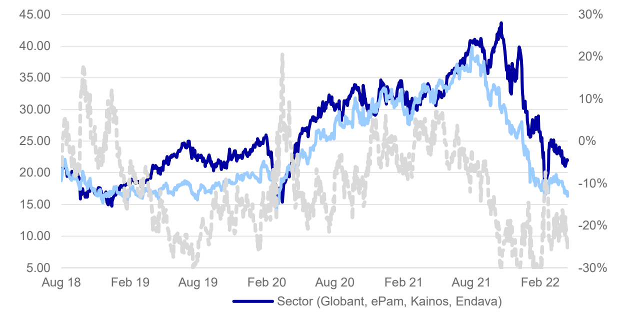
NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2022-30	2033-37	2038-42	2043-47	2048-52	LT
Sales growth, CAGR	11.1%	10.0%	10.0%	6.3%	2.5%	-
EBIT-margin	18.2%	15.0%	14.0%	8.1%	2.3%	-
Capex/depreciation, x	0.4	1.1	1.1	1.1	1.1	-
Capex/sales	1.1%	0.5%	0.4%	0.4%	0.4%	-
NWC/sales	24.0%	24.0%	24.0%	24.0%	24.0%	-
FCFF, CAGR	17.2%	7.3%	8.1%	-4.9%	-23.3%	2.0%

Source: Nordea estimates

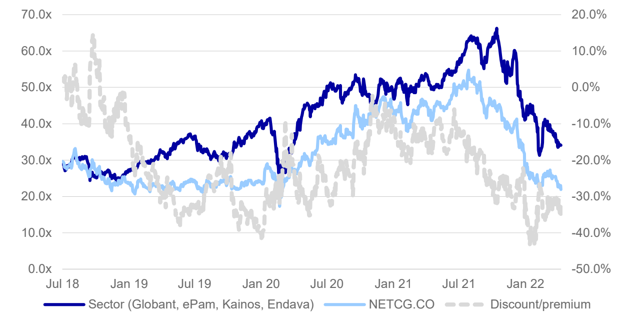
The model is sensitive to revenue growth and the EBIT margin is relatively high, although this should be expected given the company's high-growth profile.

EV/EBITDA: NETCOMPANY VS SECTOR (x)



Source: Refinitiv and Nordea

P/E: NETCOMPANY VS SECTOR (x)



Source: Refinitiv and Nordea

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:

- Globant
- Endava
- Kainos

We have decided to exclude Epam from our peer group due to the considerable uncertainty arising from its high share of employees located in Russia and Ukraine.

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 360-685 per share range (average: DKK 535). The valuation is based on an equally weighted P/E, EV/EBITDA and EV/EBIT(A).

NETCOMPANY: PEER GROUP VALUATION

		Share	MCAP	Grw, 2021-24E			EBIT mrg	P/E			EV/EBITDA			EV/EBIT			PEG	Share price		
		price	EURbn	Rev	EBIT	EPS	2023E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	21-24E	1M	3M	YTD
Key peers																				
Epam	US	2,190	16.7	28%	27%	26%	16.4%	38.6x	24.7x	18.5x	24.2x	15.9x	11.7x	24.2x	15.9x	11.7x	1.5x	5%	-31%	-53%
Globant	Lux	1,514	8.5	32%	32%	31%	15.4%	43.5x	34.6x	27.6x	24.6x	19.8x	15.5x	24.4x	19.6x	15.4x	1.4x	-18%	-14%	-31%
Endava	UK	763	5.7	31%	28%	28%	19.5%	46.7x	38.0x	33.4x	30.0x	24.1x	19.4x	29.5x	23.7x	19.1x	1.7x	-21%	-14%	-35%
Kainos	UK	100	1.7	19%	10%	8%	19.3%	28.9x	26.7x	24.5x	21.3x	19.4x	17.3x	21.4x	19.4x	17.4x	3.5x	-16%	-28%	-41%
Reply	UK	981	4.9	14%	13%	13%	13.8%	28.5x	25.9x	23.1x	16.2x	14.8x	13.5x	16.3x	14.8x	13.5x	2.1x	-15%	-7%	-26%
Average (ex Reply)	**-**	**-**	**8.2**	**27%**	**25%**	**23%**	**17.6%**	**39.4x**	**31.0x**	**26.0x**	**25.0x**	**19.8x**	**16.0x**	**24.9x**	**19.7x**	**15.9x**	**2.0x**	**-13%**	**-22%**	**-40%**
Netcompany (cons.)	DK	379	2.5	26%	21%	20%	18.6%	25.2x	20.5x	17.0x	17.6x	15.0x	12.6x	17.9x	15.2x	12.8x	1.2x	-21%	-14%	-46%
IT service companies:																				
IBM	US	129	116.4	0%	9%	6%	19.9%	14.2x	13.2x	12.5x	10.0x	9.6x	10.0x	10.1x	9.7x	10.1x	2.5x	5%	0%	3%
Accenture	IE	296	187.9	17%	18%	19%	15.5%	29.1x	26.0x	23.4x	17.4x	15.9x	14.5x	18.2x	16.6x	15.1x	1.6x	-9%	-9%	-24%
Cognizant	US	79	41.4	11%	12%	14%	16.1%	18.6x	16.7x	15.1x	11.3x	10.3x	9.4x	11.2x	10.2x	9.4x	1.3x	-6%	-3%	-5%
Atos	FR	25	35.9	1%	27%	16%	5.1%	21.9x	19.8x	17.3x	14.0x	12.2x	10.8x	14.0x	12.2x	10.8x	1.4x	-10%	-8%	-19%
Cap Gemini	FR	189	82.1	9%	13%	14%	12.8%	29.6x	26.4x	22.8x	20.6x	18.6x	16.2x	20.5x	18.6x	16.2x	2.2x	-15%	-9%	-16%
CGI Group	CA	78	158.7	7%	9%	13%	16.8%	34.1x	29.8x	26.4x	24.1x	21.1x	18.7x	24.4x	21.3x	18.9x	2.7x	-8%	-8%	-6%
DXC Technology	US	29	33.8	1%	21%	34%	10.4%	22.6x	21.2x	18.5x	15.1x	13.7x	12.1x	15.1x	13.7x	12.0x	0.7x	-16%	-12%	-30%
Sopra Steria	FR	164	13.6	5%	12%	16%	8.9%	20.3x	17.7x	15.6x	12.8x	10.8x	9.6x	13.8x	11.7x	10.4x	1.3x	-15%	-13%	-29%
HCL	IN	13	2.7	17%	13%	12%	19.2%	10.7x	7.2x	5.8x	5.2x	4.7x	4.2x	5.2x	4.7x	4.2x	0.9x	3%	-24%	-34%
Infosys	IN	20	32.6	20%	17%	18%	23.0%	18.9x	16.6x	15.1x	11.4x	10.4x	9.4x	11.4x	10.4x	9.4x	1.1x	-6%	-2%	-12%
Tata	IN	43	18.6	17%	17%	18%	25.5%	17.2x	15.8x	14.6x	10.7x	10.1x	9.8x	9.7x	9.2x	8.9x	1.0x	4%	-6%	-6%
Wipro	IN	6	7.1	22%	18%	17%	17.6%	8.5x	7.3x	6.1x	3.7x	3.7x	3.6x	3.8x	3.8x	3.6x	0.5x	-3%	-14%	-4%
Tech Mahindra	IN	16	3.3	19%	23%	19%	15.4%	12.1x	10.6x	9.7x	6.9x	6.2x	5.8x	7.0x	6.3x	5.9x	0.6x	-6%	6%	4%
Average, ex India	**-**	**-**	**83.7**	**7%**	**15%**	**16%**	**13.2%**	**23.8x**	**21.3x**	**19.0x**	**15.7x**	**14.0x**	**12.7x**	**15.9x**	**14.2x**	**12.9x**	**1.4x**	**-9%**	**-8%**	**-16%**
Average	**-**	**-**	**56.5**	**11%**	**16%**	**16%**	**15.9%**	**19.8x**	**17.6x**	**15.6x**	**12.6x**	**11.3x**	**10.3x**	**12.6x**	**11.4x**	**10.4x**	**1.4x**	**-6%**	**-8%**	**-14%**
Nordic peers:																				
Trifork	DK	30	0.6	13%	5%	5%	12.6%	88.3x	66.7x	29.9x	19.9x	16.9x	14.1x	31.7x	25.3x	20.9x	17.0x	3%	-7%	-26%
NNIT	DK	86	0.3	5%	109%	-	7.0%	-	-	-	8.4x	6.7x	5.8x	378.6x	11.8x	9.1x	-	-8%	-6%	-25%
TietoEvry	FI	23	2.7	3%	2%	5%	12.7%	10.2x	9.3x	8.7x	6.8x	6.3x	6.1x	9.7x	8.8x	8.4x	2.1x	-7%	-13%	-17%
KnowIT	SE	28	0.8	13%	19%	7%	8.8%	20.2x	17.4x	17.8x	10.7x	9.6x	9.2x	17.6x	14.1x	13.0x	3.0x	-7%	-12%	-22%
Average	**-**	**-**	**1.1**	**8%**	**34%**	**6%**	**10.3%**	**39.6x**	**31.1x**	**18.8x**	**11.4x**	**9.9x**	**8.8x**	**109.4x**	**15.0x**	**12.9x**	**7.4x**	**-5%**	**-10%**	**-22%**
SimCorp	DK	494	2.6	10%	10%	11%	25.7%	24.1x	21.5x	19.1x	18.0x	16.3x	14.3x	19.8x	17.5x	15.8x	2.1x	-1%	-17%	-31%
Others:																				
Europe IT consult. 1)	-	-	-	6%	12%	12%	8.3%	22.3x	24.2x	19.8x	10.5x	7.8x	7.2x	13.0x	12.1x	10.0x	1.9x	-8%	-4%	-4%
Global IT consult. 2)	-	-	-	10%	15%	17%	23.4%	25.7x	25.7x	24.5x	15.6x	13.3x	280.6x	20.6x	20.7x	16.1x	1.5x	-4%	-1%	-3%
Average, total	**-**	**-**	**-**	**13%**	**20%**	**15%**	**15.1%**	**29.4x**	**25.9x**	**20.9x**	**15.0x**	**12.4x**	**64.6x**	**36.1x**	**15.8x**	**13.1x**	**2.8x**	**-7%**	**-9%**	**-17%**
Netcompany, NDA	**DK**	**379**	**2.5**	**26%**	**20%**	**22%**	**17.3%**	**27.5x**	**22.6x**	**19.0x**	**18.2x**	**15.4x**	**12.6x**	**22.9x**	**18.5x**	**15.0x**	**1.2x**	**-21%**	**-14%**	**-46%**

Source: Refinitiv and Nordea estimates

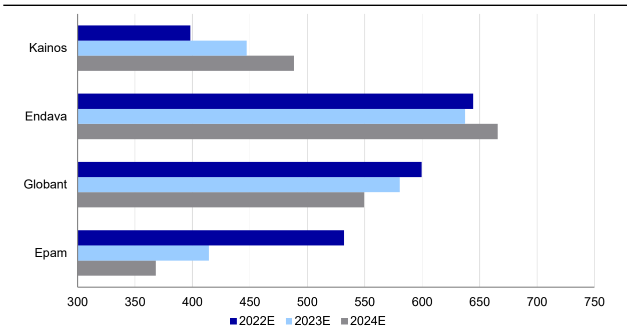
VALUATION: NETCOMPANY (OUR ESTIMATES) VS PEER GROUP VALUATION

	Grw, 2021-24E			EV/EBIT			PEG	Share price	
	Rev	EBIT	EPS	2022E	2023E	2024E	21-24E	1M	YTD
Key peers	**Underperf.**	**Underperf.**	**Underperf.**	**Discount**	**Discount**	**Discount**	**Premium**	**Underperf.**	**Underperf.**
IT service companies:	Outperf.	Outperf.	Underperf.	Premium	Premium	Premium	Premium	Underperf.	Underperf.
- Ex India	Outperf.	Outperf.	Underperf.	Premium	Premium	Premium	Premium	Underperf.	Underperf.
Nordic peers:	Outperf.	Underperf.	Outperf.	Discount	Premium	Premium	Discount	Underperf.	Underperf.
Europe IT consult. 1)	Outperf.	Outperf.	Outperf.	Premium	Premium	Premium	Premium	Underperf.	Underperf.
Global IT consult. 2)	Outperf.	Outperf.	Underperf.	Discount	Discount	Discount	Premium	Underperf.	Underperf.

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

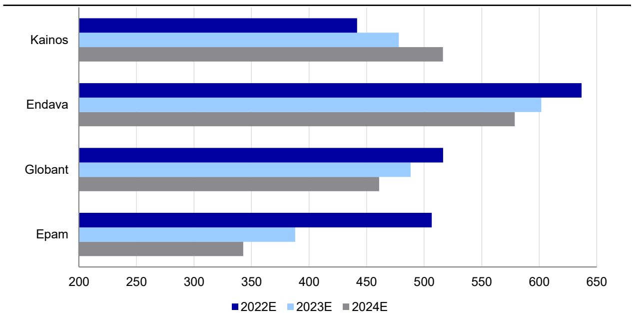
Source: Refinitiv and Nordea estimates

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



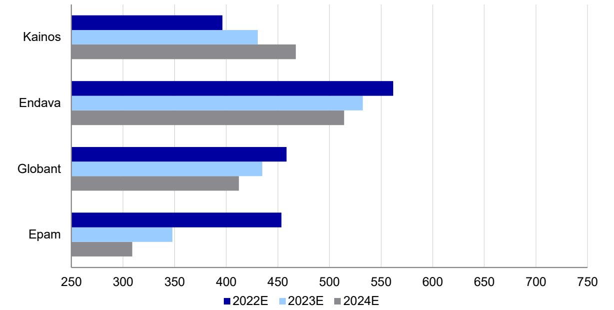
Source: Refinitiv and Nordea

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



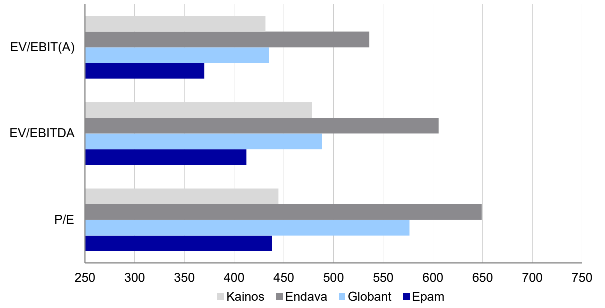
Source: Refinitiv and Nordea

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



Source: Refinitiv and Nordea

NETCOMPANY: AVERAGE VALUATION (DKK PER SHARE), 2022E-24E



Source: Refinitiv and Nordea

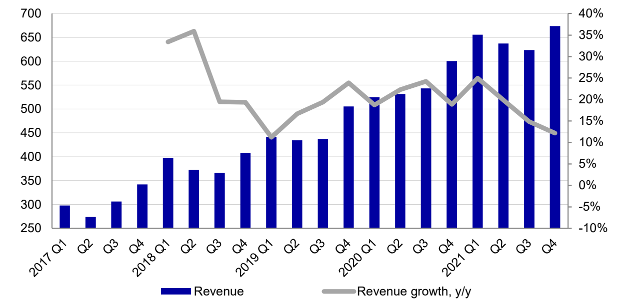
Netcompany: Quarterly numbers

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	Q4
Revenue	**517**	**503**	**490**	**543**	**598**	**593**	**592**	**671**	**696**	**676**	**695**	**773**	**855**	**827**	**798**	**1,152**
Production cost	319	306	282	329	364	370	336	387	421	416	401	445	529	533	470	766
Gross profit	**198**	**196**	**208**	**214**	**234**	**223**	**256**	**284**	**275**	**260**	**293**	**328**	**326**	**293**	**328**	**386**
Sales & marketing	3	4	2	3	3	3	3	3	4	4	4	5	6	6	6	19
Administration	68	73	69	81	84	93	89	101	106	95	94	99	103	121	123	157
Special items	-8	-27	0	0	-1	-3	-1	0	0	0	0	0	0	0	-30	-8
EBITA	**120**	**93**	**136**	**131**	**146**	**123**	**164**	**180**	**164**	**161**	**195**	**224**	**216**	**167**	**170**	**203**
Amortisation	29	29	29	28	26	25	26	25	25	25	25	24	9	9	9	24
EBIT	**91**	**64**	**107**	**102**	**120**	**99**	**138**	**155**	**139**	**136**	**170**	**200**	**207**	**158**	**161**	**178**
Net financial items	-25	-65	-8	-10	6	-21	-4	5	-19	-16	-6	-152	37	-12	-12	11
Pre-tax profit	**67**	**-2**	**99**	**92**	**126**	**78**	**134**	**160**	**120**	**120**	**164**	**48**	**244**	**146**	**149**	**189**
Taxes	15	15	21	23	28	16	31	34	27	24	36	43	45	33	41	35
Net profit	**51**	**-17**	**78**	**68**	**99**	**62**	**102**	**126**	**93**	**96**	**128**	**5**	**200**	**112**	**109**	**154**
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%	-	76.1%	84.4%	90.1%	-
In/out orders	281	215	349	28	207	319	282	67	304	352	236	119	634	299	209	73
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%	-38.8%
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	3.1
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%	2958.4%
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%	18.5%
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%	49.1%
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%	33.5%
EBITDA	130	103	148	140	158	137	178	196	180	177	212	241	235	187	191	231
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%	20.0%
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%	4.4%	-3.5%
EBITA, adj	**128**	**90**	**136**	**131**	**147**	**126**	**164**	**180**	**164**	**161**	**195**	**224**	**216**	**167**	**200**	**210**
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%**	**25.1%**	**18.3%**
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%	17.6%
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%	15.5%
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%	16.4%
FCF	**84**	**24**	**48**	**23**	**74**	**80**	**126**	**116**	**95**	**103**	**149**	**-80**	**10**	**-36**	**180**	**0**
Revenue, Public	286	268	278	321	351	342	356	407	433	442	436	466	502	488	462	759
Revenue, private	231	235	213	222	247	252	236	264	262	233	258	307	353	339	336	394
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%	62.8%
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%	28.3%
Development revenue	223	217	260	305	330	290	299	339	356	347	380	434	518	513	488	269
Maintenance revenue	294	285	230	239	268	303	293	332	340	328	315	339	338	313	310	597
Netcompany Denmark:																
Revenue, Denmark	397	372	366	408	442	435	437	505	525	532	543	601	656	637	624	674
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%	14.9%	12.2%
Gross profit, DK	-	-	-	-	192	183	213	238	229	236	265	282	280	247	286	289
Gross margin, DK	-	-	-	-	43.4%	42.1%	48.8%	47.1%	43.6%	44.4%	48.7%	47.0%	42.7%	38.7%	45.9%	42.9%
EBITA adj. before HQ costs, DK	115	107	131	127	130	119	152	169	157	170	199	209	202	166	205	195
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%	32.8%	28.9%
Netcompany Norway:																
Revenue, Norway	43	41	40	47	55	47	45	53	55	43	44	58	73	68	58	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%	32.5%	16.9%
Gross profit, Norway	-	-	-	-	23	15	14	14	15	5	9	14	21	17	13	14
Gross margin, Norway	-	-	-	-	41.7%	32.0%	30.0%	27.0%	27.3%	12.4%	20.2%	24.6%	29.3%	24.7%	23.0%	20.5%
EBITA adj. before HQ costs, Norway	10	8	8	7	15	7	7	6	8	6	3	6	13	6	2	-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%	3.8%	-2.9%
Netcompany UK:																
Revenue, UK	77	89	84	88	101	104	96	95	98	80	80	82	105	101	99	102
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%	22.9%	25.4%
Gross profit, UK	-	-	-	-	19	24	25	28	25	11	9	18	21	25	29	31
Gross margin, UK	-	-	-	-	18.7%	22.5%	26.5%	29.1%	25.4%	13.3%	11.3%	21.6%	20.4%	24.8%	29.2%	29.9%
EBITA adj. before HQ costs, , UK	8	10	6	5	11	12	16	16	11	0	-3	8	11	7	12	14
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%	12.1%	13.4%
Netcompany Holland:																
Revenue, Netherlands	-	-	-	-	-	7	14	16	18	21	29	31	22	20	17	23
Revenue growth, Netherlands	-	-	-	-	-	-	-	-	-	197.2%	107.9%	88.5%	22.0%	-3.3%	-40.5%	-25.8%
Gross profit, Netherlands	-	-	-	-	-	1	4	3	6	8	11	13	3	5	0	2
Gross margin, Netherlands	-	-	-	-	-	18.3%	25.0%	20.9%	31.1%	36.5%	36.1%	43.6%	12.5%	26.0%	0.6%	10.5%
EBITA adj. before HQ costs, , Netherlands	-	-	-	-	-	-1	-2	-3	1	2	6	9	-2	-2	-8	-7
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%	-48.0%	-29.4%
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	3,632
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%	28.0%
- DK (12M)	-	-	-	26.5%	20.4%	16.4%	16.5%	17.8%	19.7%	21.1%	22.3%	20.9%	22.6%	21.9%	19.6%	17.8%
- Norway (12M)	-	-	-	27.9%	29.9%	22.9%	19.2%	17.2%	9.1%	3.6%	0.1%	-0.5%	8.6%	23.8%	32.0%	33.8%
- UK (12M)	-	-	-	-	-	-	34.0%	17.1%	8.9%	-2.0%	-8.9%	-14.1%	-11.9%	-0.5%	9.0%	19.5%
- Netherlands (12M)	-	-	-	-	-	-	-	-	-	-	-	-	86.1%	47.4%	6.9%	-16.8%
EBITA adj (12M)	434	450	469	484	504	540	568	617	634	669	701	744	797	802	806	793
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%	24.8%	21.8%
- 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%	31.1%	29.6%
- 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%	10.6%	7.1%
- 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%	9.6%	10.6%
- Netherlands (12M)	-	-	-	-	-	-	-	-	-8.5%	-1.7%	8.0%	19.1%	15.0%	10.9%	-3.6%	-23.4%
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%	20.5%	6.2%

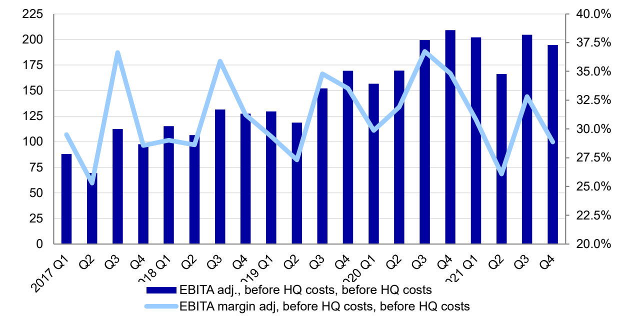
Source: Company data and Nordea

NETCOMPANY, DENMARK: REVENUE (DKKm)



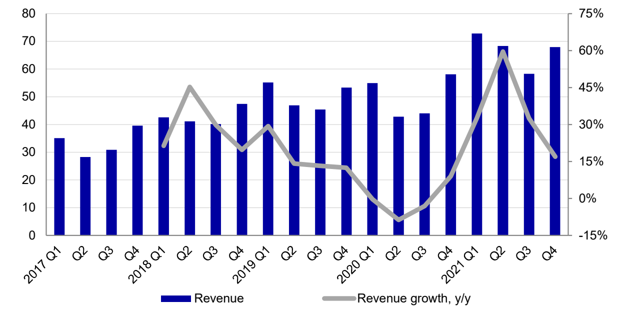
Source: Company data and Nordea estimates

NETCOMPANY, DENMARK: ADJUSTED EBITA (DKKm)



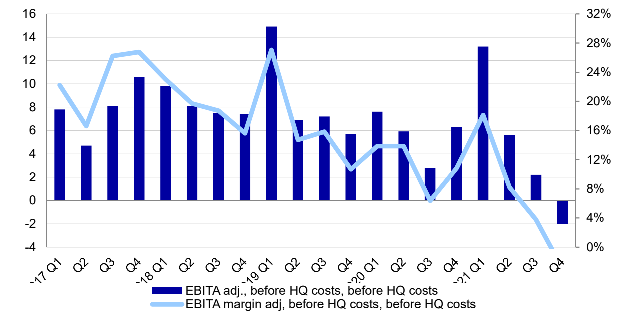
Source: Company data and Nordea estimates

NETCOMPANY, NORWAY: REVENUE (DKKm)



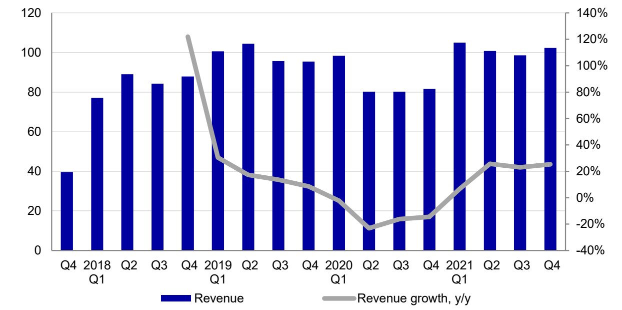
Source: Company data and Nordea

NETCOMPANY, NORWAY: ADJUSTED EBITA (DKKm)



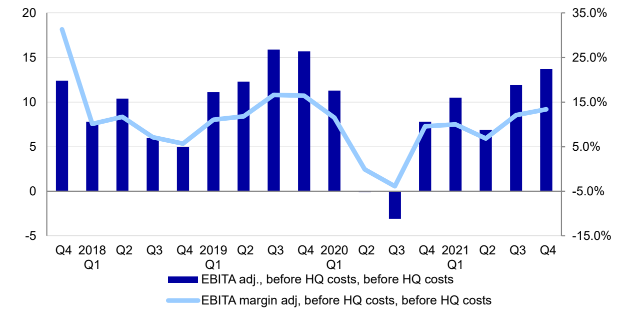
Source: Company data and Nordea

NETCOMPANY, UK: REVENUE (DKKm)



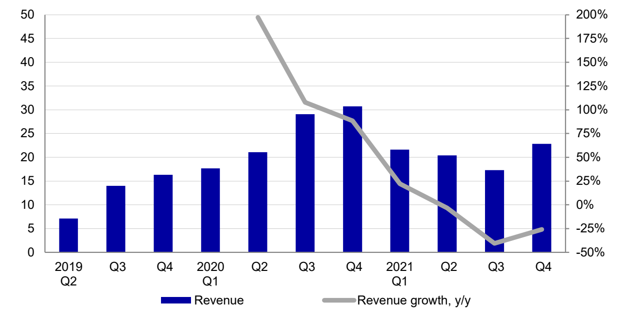
Source: Company data and Nordea

NETCOMPANY, UK: ADJUSTED EBITA (DKKm)



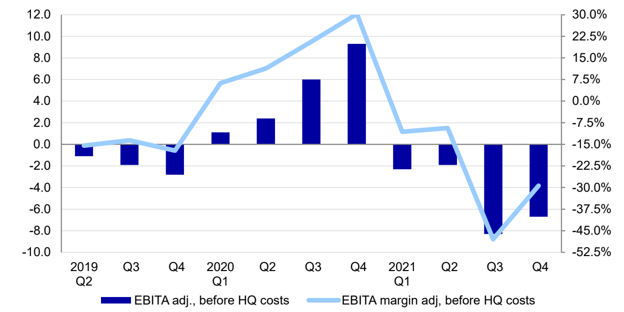
Source: Company data and Nordea

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Revenue	**461**	**629**	**758**	**900**	**1,416**	**2,053**	**2,454**	**2,839**	**3,632**	**5,492**	**6,313**	**7,263**
Production cost	-	-	447	527	803	1,237	1,458	1,683	2,299	3,692	4,222	4,833
Gross profit	**-**	**-**	**311**	**373**	**613**	**817**	**996**	**1,155**	**1,333**	**1,801**	**2,091**	**2,429**
Sales & marketing	-	-	4	4	10	12	12	17	37	43	49	56
Administration	-	-	100	121	201	290	367	394	503	746	857	986
Special items	-	-	0	-35	-33	-34	-4	0	-38	0	0	0
EBITDA	**91**	**157**	**228**	**233**	**402**	**520**	**669**	**809**	**843**	**1,122**	**1,311**	**1,532**
Depreciation	9	8	9	32	34	40	56	65	88	110	126	145
Amortisation	0	-2	12	0	0	0	0	0	0	0	0	0
EBITA	**81**	**150**	**207**	**201**	**369**	**480**	**613**	**744**	**755**	**1,012**	**1,185**	**1,387**
Amortisation	2	2	0	74	96	115	102	99	51	120	95	95
EBIT	**80**	**149**	**207**	**127**	**273**	**365**	**511**	**645**	**704**	**892**	**1,090**	**1,292**
Net financial items	1	1	0	-62	-73	-109	-14	-193	24	-8	-16	-13
Pre-tax profit	**81**	**150**	**208**	**65**	**200**	**256**	**497**	**452**	**728**	**884**	**1,074**	**1,279**
Taxes	8	15	20	44	59	74	109	130	153	195	236	281
Net profit	**73**	**134**	**188**	**21**	**141**	**181**	**389**	**322**	**575**	**690**	**837**	**997**
One-off items	0	0	0	-35	-33	-34	-4	0	-38	0	0	0
EPS	-	-	-	-	2.8	3.7	7.9	6.4	11.7	13.8	16.7	19.9
EPS growth, y/y	-	-	-	-	-	29.7%	116.7%	-18.6%	82.4%	17.5%	21.4%	19.1%
Tax rate	9.3%	10.2%	9.6%	67.1%	29.7%	29.1%	21.9%	28.7%	21.1%	22.0%	22.0%	22.0%
Revenue growth, y/y	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	28.0%	51.2%	14.9%	15.0%
Gross margin	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.7%	36.7%	32.8%	33.1%	33.5%
EBITDA margin	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	23.2%	20.4%	20.8%	21.1%
EBITA, adj	**81**	**150**	**207**	**236**	**402**	**514**	**617**	**744**	**755**	**1,012**	**1,185**	**1,387**
EBITA margin, adj	**17.7%**	**23.9%**	**27.4%**	**26.3%**	**28.4%**	**25.0%**	**25.2%**	**26.2%**	**20.8%**	**18.4%**	**18.8%**	**19.1%**
EBITA margin	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	20.8%	18.4%	18.8%	19.1%
EBIT margin	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	19.4%	16.2%	17.3%	17.8%
Net profit, adj.	75	136	188	106	241	298	471	399	644	783	912	1,071
CFFO	-	-	217	117	195	187	460	581	466	603	833	973
Capex	-16	-4	-18	-2,539	-150	-27	-65	-102	-1,779	-66	-74	-84
FCF	**-**	**-**	**207**	**-2,422**	**45**	**160**	**396**	**479**	**-1,313**	**537**	**759**	**890**
Revenue, Public	-	-	312	368	730	1,152	1,456	1,778	2,209	2,562	2,998	3,508
Revenue, private	-	-	447	531	686	901	998	1,061	1,421	1,319	1,544	1,806
Revenue growth, Public	-	-	-	18.3%	98.2%	57.8%	26.3%	22.1%	24.3%	16.0%	17.0%	17.0%
Revenue growth, private	-	-	-	19.0%	29.1%	31.4%	10.8%	6.3%	34.0%	30.0%	25.0%	20.0%
Development revenue	**-**	**-**	**347**	**439**	**647**	**1,005**	**1,258**	**1,517**	**1,788**	**2,074**	**2,427**	**2,840**
Public customers	-	-	137	167	440	575	738	920	1,320	1,531	1,791	2,095
Private customers	-	-	210	272	206	430	520	597	983	544	636	744
Maintenance revenue	**-**	**-**	**411**	**461**	**769**	**1,048**	**1,196**	**1,322**	**1,558**	**1,807**	**2,115**	**2,474**
Public customers	-	-	175	202	290	577	718	858	890	1,032	1,207	1,412
Private customers	-	-	236	260	479	471	478	463	439	776	907	1,062
Netcompany Denmark:												
Revenue, Denmark	461	629	758	888	1,220	1,544	1,819	2,200	2,590	3,001	3,485	4,099
Revenue growth, Denmark	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	21.0%	17.7%	15.9%	16.1%	17.6%
EBITA adj. before HQ costs, DK	81	150	207	234	358	461	544	706	712	829	941	1,076
EBITA margin adj. before HQ costs, DK	17.7%	23.9%	27.4%	26.4%	29.4%	29.8%	29.9%	32.1%	27.5%	27.6%	27.0%	26.3%
Netcompany Norway												
Revenue, Norway	-	-	-	12	134	171	203	200	267	314	377	433
Revenue growth, Norway	-	-	-	-	1044.4%	27.9%	18.6%	-1.7%	33.8%	17.5%	20.0%	15.0%
EBITA adj. before HQ costs, Norway	-	-	-	2	31	31	32	12	12	24	40	57
EBITA margin adj. before HQ costs, Norway	-	-	-	17.1%	23.1%	17.9%	15.9%	6.0%	4.6%	7.6%	10.6%	13.1%
Netcompany UK												
Revenue, UK	-	-	-	-	62	338	395	340	407	468	561	645
Revenue growth, UK	-	-	-	-	-	446.2%	16.7%	-13.8%	19.5%	15.0%	20.0%	15.0%
EBITA adj. before HQ costs, , UK	-	-	-	-	12	23	48	9	34	48	69	92
EBITA margin adj. before HQ costs, UK	-	-	-	-	20.0%	6.8%	12.2%	2.8%	8.2%	10.2%	12.2%	14.2%
Netcompany Holland												
Revenue, Netherlands	-	-	-	-	-	-	37	99	82	99	118	136
Revenue growth, Netherlands	-	-	-	-	-	-	-	163.7%	-16.8%	20.0%	20.0%	15.0%
EBITA adj. before HQ costs, , Netherlands	-	-	-	-	-	-	-7	17	-22	5	9	14
EBITA margin adj. before HQ costs, Netherlands	-	-	-	-	-	-	-17.4%	17.0%	-27.0%	5.0%	7.5%	10.0%
Intrasoft												
Revenue, Intrasoft	-	-	-	-	-	-	-	-	-	286	1,611	1,772
Revenue growth, Intrasoft	-	-	-	-	-	-	-	-	-	-	463.9%	10.0%
EBITDA	-	-	-	-	-	-	-	-	-	106	126	148
EBITDA margin	-	-	-	-	-	-	-	-	-	37.2%	7.8%	8.4%

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

DKKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	**629**	**758**	**900**	**1,416**	**2,053**	**2,454**	**2,839**	**3,632**	**5,492**	**6,313**	**7,263**
Revenue growth	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	28.0%	51.2%	14.9%	15.0%
of which organic	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	15.5%	17.0%	16.0%	14.9%	15.0%
of which FX	n.a.	0.0%	0.0%	0.3%	0.1%	0.0%	-1.1%	0.9%	0.0%	0.0%	0.0%
EBITDA	157	228	233	402	520	669	809	843	1,122	1,311	1,532
Depreciation and impairments PPE	-7	-21	-32	-34	-40	-56	-65	-88	-110	-126	-145
of which leased assets	0	0	-11	-19	-24	-37	-42	-54	-54	-63	-72
EBITA	150	207	201	369	480	613	744	755	1,012	1,185	1,387
Amortisation and impairments	-2	0	-74	-96	-115	-102	-99	-51	-120	-95	-95
EBIT	149	207	127	273	365	511	645	704	892	1,090	1,292
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	0	-62	-73	-110	-14	-47	-33	-8	-16	-13
of which lease interest	0	0	0	-1	-1	-3	-4	-4	-4	-4	-4
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**150**	**208**	**65**	**200**	**254**	**497**	**598**	**671**	**884**	**1,074**	**1,279**
Reported taxes	-15	-20	-44	-59	-74	-109	-130	-153	-195	-236	-281
Net profit from continued operations	134	188	21	141	180	389	468	517	690	837	997
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	134	188	21	141	180	389	468	517	690	837	997
EPS, DKK	**2.69**	**3.75**	**0.43**	**2.81**	**3.60**	**7.77**	**9.36**	**10.35**	**13.80**	**16.75**	**19.95**
DPS, DKK	-2.00	-2.33	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
of which ordinary	-2.00	-2.33	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
of which extraordinary	0.00	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	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	23.2%	20.4%	20.8%	21.1%
EBITA	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	20.8%	18.4%	18.8%	19.1%
EBIT	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	19.4%	16.2%	17.3%	17.8%
Adjusted earnings											
EBITDA (adj)	157	228	268	435	555	674	809	881	1,122	1,311	1,532
EBITA (adj)	150	207	236	402	514	617	744	793	1,012	1,185	1,387
EBIT (adj)	149	207	162	306	399	516	645	742	892	1,090	1,292
EPS (adj, DKK)	2.69	3.75	0.97	3.33	4.14	7.84	9.36	10.94	13.80	16.75	19.95
Adjusted profit margins in percent											
EBITDA (adj)	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	28.5%	24.3%	20.4%	20.8%	21.1%
EBITA (adj)	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	26.2%	21.8%	18.4%	18.8%	19.1%
EBIT (adj)	23.6%	27.4%	18.0%	21.6%	19.4%	21.0%	22.7%	20.4%	16.2%	17.3%	17.8%
Performance metrics											
CAGR last 5 years											
Net revenue	23.1%	23.7%	22.4%	28.7%	34.8%	31.3%	30.2%	32.2%	31.1%	25.2%	24.2%
EBITDA	16.8%	20.6%	16.6%	31.2%	41.7%	33.7%	28.8%	29.3%	22.8%	20.3%	18.0%
EBIT	15.5%	19.3%	4.0%	23.2%	35.5%	28.0%	25.5%	40.8%	26.7%	24.5%	20.4%
EPS	19.2%	23.8%	-23.0%	9.9%	19.6%	23.7%	20.0%	89.2%	37.4%	36.0%	20.7%
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	24.8%	24.7%	20.9%	20.1%	19.5%	19.6%	19.9%	20.2%	18.9%	18.5%	18.1%
Average EBITDA margin	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	27.3%	26.2%	24.1%	22.9%	22.0%

VALUATION RATIOS - ADJUSTED EARNINGS

DKKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	53.2	40.4	66.5	64.4	27.5	22.6	19.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	21.6	24.8	39.0	42.0	18.2	15.0	12.2
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	23.3	27.0	42.4	46.7	20.1	16.6	13.5
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	30.0	32.3	48.9	49.9	22.8	18.0	14.5

VALUATION RATIOS - REPORTED EARNINGS

DKKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	n.a.	61.1	40.8	66.5	68.1	27.5	22.6	19.0
EV/Sales	n.a.	n.a.	n.a.	n.a.	5.84	6.80	11.11	10.20	3.71	3.11	2.58
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	23.1	24.9	39.0	43.9	18.2	15.0	12.2
EV/EBITA	n.a.	n.a.	n.a.	n.a.	25.0	27.2	42.4	49.0	20.1	16.6	13.5
EV/EBIT	n.a.	n.a.	n.a.	n.a.	32.9	32.6	48.9	52.6	22.8	18.0	14.5
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	n.a.	1.5%	2.5%	1.5%	-3.7%	2.6%	4.2%	4.9%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	1.6%	1.0%	2.3%	3.9%	4.5%
Payout ratio	n.m.	n.m.	0.0%	0.0%	0.0%	0.0%	10.7%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

DKKm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	1	4	2,373	2,604	2,485	2,551	2,451	3,896	3,787	3,703	3,619
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	1	4	489	495	376	286	187	524	535	546	557
of which goodwill	0	0	1,884	2,109	2,109	2,264	2,264	3,372	3,252	3,157	3,062
Tangible assets	14	20	41	55	117	146	135	317	316	316	315
of which leased assets	0	12	25	31	83	101	89	235	235	235	235
Shares associates	0	0	0	0	0	0	70	113	113	113	113
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	11	11	0	0	1	4	9	17	17	17	17
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	3	4	5	9	13	16	19	26	26	26	26
Total non-current assets	30	39	2,420	2,667	2,616	2,716	2,684	4,369	4,260	4,175	4,090
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	146	180	258	445	458	531	459	1,032	1,208	1,389	1,598
Short-term leased assets	0	11	19	24	37	42	54	54	63	72	82
Other current assets	190	174	103	139	268	305	484	1,104	1,405	1,612	1,850
Cash and bank	13	111	60	194	108	132	359	459	457	703	1,080
Total current assets	349	477	441	802	869	1,011	1,356	2,649	3,133	3,776	4,609
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	**379**	**516**	**2,860**	**3,470**	**3,486**	**3,728**	**4,039**	**7,018**	**7,393**	**7,951**	**8,700**
Shareholders equity	213	300	1,261	1,644	1,806	2,072	2,429	3,038	3,728	4,565	5,563
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	213	300	1,261	1,644	1,806	2,072	2,429	3,038	3,728	4,565	5,563
Deferred tax	0	0	111	112	89	73	66	134	134	134	134
Long term interest bearing debt	0	0	1,178	1,265	1,106	959	761	2,276	1,776	1,276	776
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	6	14	18	54	65	57	148	186	200	215
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	0	6	1,303	1,395	1,249	1,128	1,057	2,671	2,215	1,737	1,262
Short-term provisions	0	5	9	30	36	4	0	9	13	15	18
Accounts payable	12	19	27	51	54	44	40	329	497	571	657
Current lease debt	1	6	12	14	29	39	35	99	124	133	143
Other current liabilities	149	180	222	336	310	441	478	877	817	929	1,058
Short term interest bearing debt	5	0	28	0	0	0	0	0	0	0	0
Total current liabilities	166	210	297	431	430	528	554	1,312	1,451	1,648	1,875
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**379**	**516**	**2,860**	**3,469**	**3,485**	**3,728**	**4,039**	**7,021**	**7,393**	**7,951**	**8,700**
Balance sheet and debt metrics											
Net debt	-13	-111	1,118	1,070	998	826	402	1,817	1,443	697	-179
of which lease debt	1	12	25	31	83	104	93	247	310	333	358
Working capital	175	155	113	198	361	351	424	931	1,300	1,501	1,734
Invested capital	205	195	2,533	2,865	2,977	3,067	3,108	5,300	5,560	5,676	5,824
Capital employed	218	312	2,492	2,940	2,996	3,134	3,282	5,560	5,813	6,174	6,696
ROE	83.8%	73.2%	2.7%	9.7%	10.4%	20.0%	20.8%	18.9%	20.4%	20.2%	19.7%
ROIC	65.0%	81.0%	9.3%	8.8%	10.7%	13.3%	16.3%	17.6%	16.4%	19.4%	22.5%
ROCE	83.7%	79.5%	11.7%	11.6%	13.8%	18.1%	20.7%	17.0%	15.7%	18.2%	20.1%
Net debt/EBITDA	-0.1	-0.5	4.8	2.7	1.9	1.2	0.5	2.2	1.3	0.5	-0.1
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	56.1%	58.2%	44.1%	47.4%	51.8%	55.6%	60.1%	43.3%	50.4%	57.4%	63.9%
Net gearing	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	16.5%	59.8%	38.7%	15.3%	-3.2%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
DKKm	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022E**	**2023E**	**2024E**
EBITDA (adj) for associates	**157**	**228**	**233**	**402**	**520**	**669**	**809**	**843**	**1,122**	**1,311**	**1,532**
Paid taxes	0	-21	-34	-35	-167	-116	-126	-198	-195	-236	-281
Net financials	0	7	65	79	80	33	22	40	-8	-16	-13
Change in provisions	0	5	4	21	6	-33	-4	9	5	2	2
Change in other LT non-IB	1	-1	9	-3	-6	26	134	-77	6	9	10
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.	-11	-141	-174	-114	-33	-152	37	0	0	0
Funds from operations (FFO)	**n.a.**	**208**	**137**	**290**	**319**	**547**	**684**	**655**	**930**	**1,070**	**1,250**
Change in NWC	n.a.	9	-20	-95	-133	-87	-103	-189	-369	-201	-233
Cash flow from operations (CFO)	**n.a.**	**217**	**117**	**195**	**187**	**460**	**581**	**466**	**561**	**869**	**1,017**
Capital expenditure	0	-10	-23	-30	-27	-27	-27	-53	-66	-74	-84
Free cash flow before A&D	**n.a.**	**207**	**94**	**165**	**160**	**433**	**554**	**413**	**495**	**795**	**933**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	-2,516	-120	0	-37	-75	-1,726	0	0	0
Free cash flow	n.a.	207	-2,422	45	160	396	479	-1,313	495	795	933
Free cash flow bef A&D, lease adj	n.a.	207	83	146	136	396	512	358	440	732	861
Dividends paid	n.a.	-100	-116	0	0	0	0	-49	0	0	0
Equity issues / buybacks	n.a.	0	0	0	0	-175	0	-150	0	0	0
Net change in debt	n.a.	0	0	0	0	-200	-198	1,515	-500	-500	-500
Other financing adjustments	0	0	0	0	0	-34	-55	-74	4	-49	-57
Other non-cash adjustments	n.a.	-8	2,487	90	-246	30	11	18	0	0	0
Change in cash	12	99	-52	135	-87	25	227	100	-1	246	376
Cash flow metrics											
Capex/D&A	0.0%	46.5%	22.0%	23.3%	17.5%	17.4%	16.2%	n.m.	n.m.	n.m.	n.m.
Capex/Sales	0.0%	1.3%	2.6%	2.1%	1.3%	1.1%	0.9%	1.5%	1.2%	1.2%	1.2%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	220	317	623	705	379	379	379
Market cap.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	31,125	35,225	18,940	18,940	18,940
Enterprise value	n.a.	n.a.	n.a.	n.a.	11,998	16,676	31,527	37,042	20,383	19,637	18,761
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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