

Netcompany

Telecom Equipment and IT
Denmark

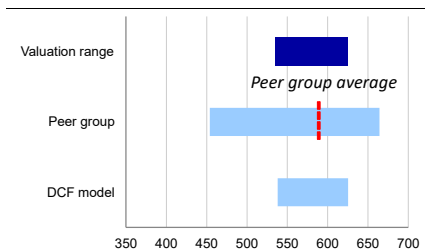
KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 352.0
Free Float	85%
Market cap. (bn)	EUR 2.36/DKK 17.60
Website	www.netcompany.com
Next report date	03 Nov 2022

PERFORMANCE



VALUATION APPROACH



ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	1%	0%	0%
EBIT (adj)	-2%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts

Claus Almer
DirectorJesper Herholt Jensen
Managing Director, Sector Coordinator

Smooth setup makes it difficult to absorb issues

The Q2 results were disappointing due to new project-related writedowns and higher-than-normal sickness levels. At first, it may seem odd that the latter could have such a big impact, but this is the consequence of having a highly efficient setup with a high FTE utilisation rate: with no unused resources available, it is difficult to absorb unexpected events. Just a 1 pp lower utilisation rate may hurt revenue and profitability as much as DKK ~50m, and the reported 2.5 pp margin dilution in Q2 translates to just ~1.5 to two extra sickness days. Our updated combined DCF and peer group valuation suggests a fair value range of DKK 535-620 (520-600) per share.

Q2 2022E: Significant miss versus consensus

Netcompany missed company-compiled consensus for revenue and EBITDA by 4% and 28%, respectively. The solid performances by the UK and Intrasoft were a positive surprise, but this was more than offset by notably the developments in Denmark and Norway. The Danish operation grew just 7% y/y and the gross margin declined to 37.1% (-2.6 pp y/y) as a consequence of a higher level of sickness during the quarter, likely related to the reopening of society. At the investor call, the CEO appeared optimistic that the Danish operation will soon return to its historical performance; we see this as essential.

Group guidance maintained but not necessarily for each division

Netcompany "only" reiterated its group guidance; it did not address divisional guidance. The implicit H2 revenue growth guidance is ~35-53% y/y, and 17-28% for Core. The higher end is particularly interesting, as this must imply that the Danish operation will show strong growth.

H2 EBITDA guidance seems to imply strong revenue in H2

Netcompany's 2022 EBITDA guidance is a minimum DKK 1.07bn, implying a minimum DKK 622m in H2. Compared to the DKK 488m in H1, this means an improvement in H2 of at least DKK ~100m when we add back the DKK ~75m from writedowns and the high level of sickness. As the implicit 2022 revenue guidance suggests DKK 0-235m higher revenue in H2 than in H1, the implicit H2 EBITDA guidance of DKK ~100m seems (too) ambitious. However, the structurally lower cost base in H2 secured by its business model has in the past secured a flattish cost base in H2 versus H1, despite the solid growth in FTE. In other words, the calculated incremental margin in H2 h/h has hovered around 100% in the past, which is also what is needed in 2022 based on the midpoint of the 2022 revenue guidance range.

SUMMARY TABLE - KEY FIGURES

DKKm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	2,053	2,454	2,839	3,632	5,537	6,345	7,298
EBITDA (adj)	555	674	809	881	1,105	1,309	1,530
EBIT (adj)	399	516	645	742	875	1,087	1,289
EBIT (adj) margin	19.4%	21.0%	22.7%	20.4%	15.8%	17.1%	17.7%
EPS (adj, DKK)	4.14	7.84	9.36	10.94	13.56	16.71	19.91
EPS (adj) growth	24.3%	89.5%	19.4%	16.8%	24.0%	23.3%	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	3.4	2.9	2.4
EV/EBIT (adj)	30.0	32.3	48.9	49.9	21.8	16.9	13.5
P/E (adj)	53.2	40.4	66.5	64.4	26.0	21.1	17.7
P/BV	6.1	7.7	12.8	11.6	4.7	3.9	3.2
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%	2.4%	4.2%	4.9%
Net debt	998	826	402	1,817	1,472	724	-149
Net debt/EBITDA	1.9	1.2	0.5	2.2	1.3	0.6	-0.1
ROIC after tax	10.7%	13.3%	16.3%	17.6%	16.1%	0.0%	-22.4%

Source: Company data and Nordea estimates

Q1 2022 review

Reiterated 2022 guidance but likely a different split

Netcompany reiterated its 2022 guidance at the group level, but the company did not mention its initial guidance per segment beyond saying that Q2 revenue growth was below expectations within Core and above expectations within Intrasoft.

When we calculate the implicit guidance for H2, some interesting observations unfold:

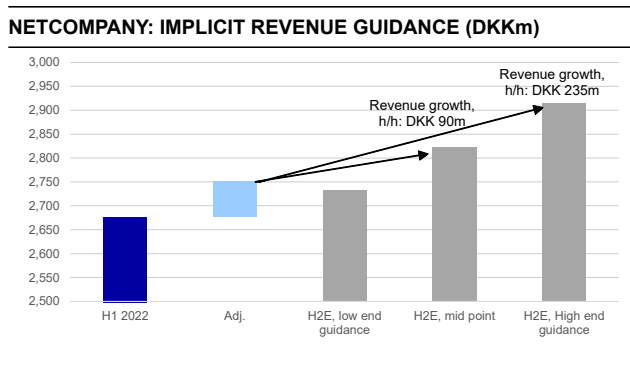
According to implicit H2 revenue guidance, Netcompany expects to deliver revenue of DKK 2.7-3.0bn, equal to underlying revenue growth of -2% to 9% h/h for H2 (midpoint: 3%), including Intrasoft. If Intrasoft can repeat its H1 revenue level in H2, this ends up at just above the midpoint of the revenue guidance range, and Core would deliver 17-28% revenue growth for H2 y/y.

When we calculate implicit H2 EBITDA guidance based on the lower end of 2022 EBITDA guidance, i.e. DKK 1.07bn for 2022, we find that Netcompany expects to deliver at least DKK 620m in H2 compared to the DKK 448m reported in H1.

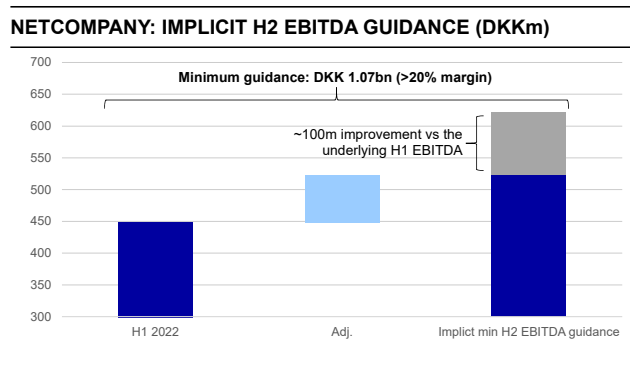
If we adjust for the approximate DKK -75m accumulated from project writedowns and the negative effect of higher illness rates in H1, Netcompany is set to deliver an underlying DKK ~100m improvement h/h. This sounds ambitious given the company's DKK 0-235m implicit revenue growth guidance for same period. Simple math suggests a 110% incremental margin for the midpoint of revenue guidance and ~40% for the upper end of the revenue guidance range.

However, this calculation does not capture Netcompany's business model securing a structurally lower cost base in H2 versus H1 (in the past, it has secured a flattish cost base in H2 h/h), despite a higher number of employees. As a consequence, the calculated incremental (h/h) EBITDA margin in H2 has historically hovered around 100%.

As a consequence, what at first glance looks to be an aggressive implicit H2 2022 guidance should be achievable if Netcompany ends up at around the midpoint or on the upper end of its guidance range.



Source: Company data and Nordea estimates



Source: Company data and Nordea estimates

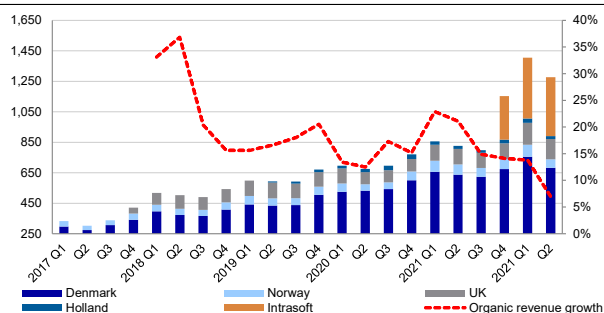
Group guidance appears reasonable, but the initial guidance for Intrasoft seems rather conservative. The 2022 EBITDA guidance for Intrasoft is a minimum of DKK 140m, which it should "easily" exceed (DKK 86m already achieved in H1). The opposite observation seems true for Core, where the minimum 2022 EBITDA of DKK 955m looks more challenging given the DKK 362m achieved in H1.

NETCOMPANY: Q2 2022 RESULTS (DKKm)

	2021				2022				Act vs		Q2, y/y	2021 H2	2022 H2	2022 y/y
	Q1	Q2	Q3	Q4	Q1	Q2A	Q2E	Cons	NDA	Cons				
Revenue, Core	855	827	798	867	973	887	965	955	-8%	-7%	7%	1,665	2,042	23%
Revenue, Expand	-	-	-	286	399	419	387	405	8%	3%	-	-	818	-
Revenue	855	827	798	1,152	1,372	1,306	1,352	1,360	-3%	-4%	58%	1,950	2,860	47%
Production cost	529	533	470	766	954	942	954	-	-1%	-	77%	1,236	1,852	50%
Gross profit	326	293	328	386	417	364	397	-	-8%	-	24%	714	1,008	41%
Sales & marketing	6	6	6	19	9	10	11	-	-11%	-	56%	24	25	0%
Administration	103	121	123	157	181	199	181	-	10%	-	65%	280	372	33%
Special items	0	0	-30	-8	0	0	0	-	-	-	-	-38	0	-
EBITA	216	167	170	203	227	156	206	-	-24%	-	-6%	372	612	64%
Amortisation	9	9	9	24	33	33	30	-	9%	-	263%	33	55	65%
EBIT	207	158	161	178	194	123	176	-	-30%	-	-22%	339	557	64%
Net financial items	37	-12	-12	11	-16	-23	-6	-	-	-	-	-1	23	-
Pre-tax profit	244	146	149	189	178	101	170	-	-41%	-	-31%	338	580	72%
Taxes	45	33	41	35	45	16	37	-	-58%	-	-53%	76	128	69%
Net profit	200	112	109	154	132	85	132	-	-36%	-	-24%	263	453	72%
EPS	4.1	2.3	2.2	3.1	2.7	1.7	2.6	-	-35%	-	-25%	5.3	9.0	69%
EPS growth, y/y	114.8%	16.8%	-15.3%	-	-33.3%	-24.9%	15.6%	-	-	-	-	37.5%	69.4%	-
Revenue growth, organic	22.9%	21.1%	14.9%	14.1%	13.8%	7.3%	16.7%	-	-	-	-	-	-	-
Revenue growth, y/y	23.0%	22.4%	14.9%	49.1%	60.4%	58.0%	63.5%	64.5%	-	-	-	32.9%	46.7%	-
Gross margin	38.1%	35.5%	41.2%	33.5%	30.4%	27.9%	29.4%	-	-	-	-	36.6%	35.3%	-
Costs (Revenue - EBITDA adj)	620	640	607	921	1,112	1,117	1,118	1,099	-0%	2%	75%	1,528	2,203	44%
Costs growth, q/q	-	3%	-5%	52%	-	0%	1%	-1%	-	-	-	-	-	-
EBITDA	235	187	191	231	259	189	233	261	-19%	-28%	1%	422	657	56%
EBITDA margin	27.4%	22.6%	23.9%	20.0%	18.9%	14.5%	17.3%	19.2%	-	-	-	44.0%	23.0%	-
EBITA, adj	216	167	200	210	227	156	206	-	-24%	-	-6%	410	612	49%
EBITA margin, adj	25.3%	20.2%	25.1%	18.3%	16.5%	11.9%	15.2%	-	-	-	-	21.0%	21.4%	-
Incremental EBITA margin, adj	32.7%	3.5%	4.4%	-3.5%	16.5%	-1.9%	-2.1%	-	-	-	-	-1.8%	22.2%	-
EBIT margin	24.2%	19.1%	20.2%	15.5%	14.2%	9.4%	13.0%	-	-	-	-	17.4%	19.5%	-
Tax rate	18.2%	22.9%	27.2%	18.5%	25.6%	15.5%	22.0%	-	-	-	-	22.3%	22.0%	-
Revenue visibility	2,765	3,065	3,274	-	4,544	4,977	-	-	-	-	62%	-	-	-
% of FY revenue	76.1%	84.4%	90.1%	-	82.1%	89.9%	-	-	-	-	-	-	-	-
In/out orders	634	299	209	73	719	433	-	-	-	-	45%	282	561	-
Growth, y/y	108.5%	-15.0%	-11.4%	-38.8%	13.4%	44.8%	-	-	-	-	-	-20.6%	98.9%	-
Employees, average	3,109	3,238	3,385	5,417	6,513	6,719	6,783	-	-1%	-	108%	-	-	-
Growth, y/y	20%	22%	20%	81%	20%	108%	109%	-	-	-	-	-	-	-
Growth, q/q	4%	4%	5%	60%	20%	3%	4%	-	-	-	-	-	-	-
12-month performance:														
Revenue (12m)	2,998	3,149	3,253	3,632	3,851	4,627	4,348	4,137	6%	12%	47%	-	-	-
Revenue growth (12m)	-	-	-	-	28.5%	146.9%	138.1%	131.4%	-	-	-	-	-	-
EBITA adj (12M)	797	802	806	793	804	793	843	577	-6%	37%	-1%	-	-	-
EBITA margin, adj (12M)	26.6%	25.5%	24.8%	21.8%	20.9%	17.1%	19.4%	13.9%	-	-	-	-	-	-

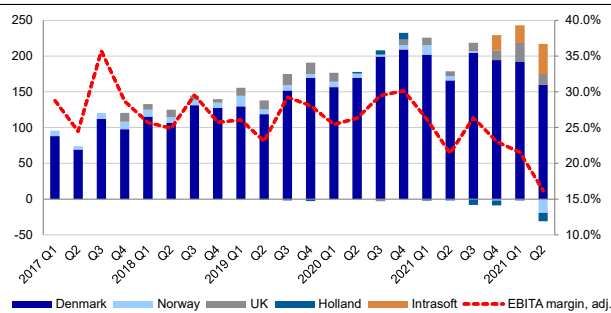
Source: Company data, company-compiled consensus, and Nordea estimates

NETCOMPANY: REVENUE (DKKm)



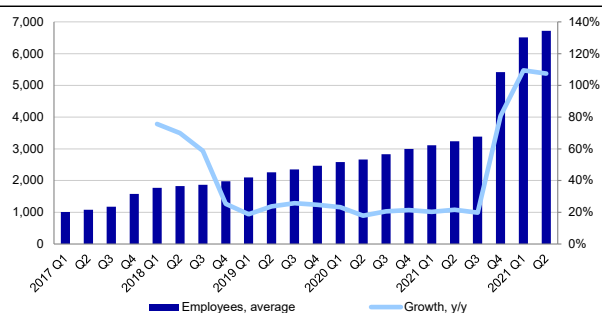
Source: Company data and Nordea

NETCOMPANY: EBITA (DKKm)



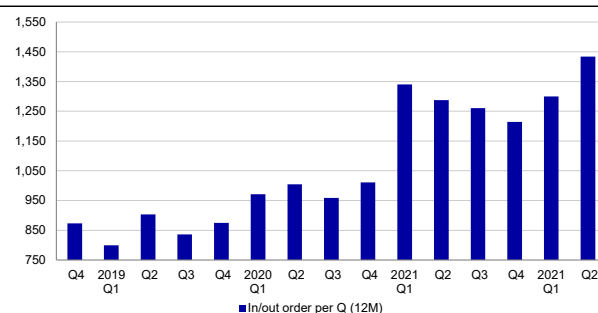
Source: Company data and Nordea

NETCOMPANY: FTE DEVELOPMENT (DKKm)



Source: Company data and Nordea

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



Source: Company data and Nordea

Estimates untouched

We have implemented minor changes to our estimates.

NETCOMPANY: UPDATED ESTIMATES, 2022 COMPANY GUIDANCE AND PRE-Q2 COMPANY-COMPILED CONSENSUS (DKKm)

	2021	2022 guidance			2022 guid. pre Q2		2022E		2023E		2024E	
		Low	High	Mid	Low	High	Nordea	Cons	Nordea	Cons	Nordea	Cons
Revenue, Core	3,346	3,815	3,982	3,899	3,815	3,982	3,902	3,905	4,546	-	5,318	-
Revenue, Expand	286	1,560	1,684	1,622	1,560	1,684	1,636	1,620	1,799	-	1,979	-
Revenue	3,632	5,375	5,666	5,521	5,375	5,666	5,537	5,525	6,345	6,313	7,298	7,263
Revenue growth, y/y	28.0%	48%	56%	-	48.0%	56.00%	52.5%	52.1%	14.6%	14.3%	15.0%	15.0%
Revenue growth, organic	17.0%	13%	18%	-	13%	18%	16.6%	-	14.6%	-	15.0%	-
Costs	2,877	-	-	-	-	-	4,543	-	5,163	-	5,914	-
Growth	37.4%	-	-	-	-	-	57.9%	-	13.6%	-	14.5%	-
EBITA, adj	755	-	-	-	-	-	995	-	1,182	-	1,384	-
EBITA margin, adj	20.8%	-	-	-	-	-	18.0%	-	18.6%	-	19.0%	-
Special items	-38	-	-	-	-	-	0	-	0	-	0	-
EBITDA adj.	881	>~1.07bn	-	-	>~1.07bn	-	1,105	1,130	1,309	1,344	1,530	1,575
EBITDA, Core	856	-	-	-	>~955	-	965	985	1,145	-	1,340	-
EBITDA, Expand	25	-	-	-	>~140	-	141	141	164	-	190	-
EBITDA margin, adj.												
Group	24.3%	>20%	-	-	>20%	-	20.0%	20.4%	20.6%	21.3%	21.0%	21.7%
Core	25.6%	-	-	-	>25%	-	24.7%	25.2%	25.2%	-	25.2%	-
Expand	8.8%	-	-	-	>9%	-	8.6%	8.7%	9.1%	-	9.6%	-
EBITA, adj.:												
Group	755	-	-	-	-	-	995	-	1,182	-	1,384	-
Netcompany Core	736	-	-	-	>877	-	887	906	1,054	-	1,234	-
Netcompany Intrasoft	19	-	-	-	-	-	108	-	128	-	150	-
EBITA margin, adj.:												
Group	20.8%	-	-	-	-	-	18.0%	-	18.6%	-	19.0%	-
Netcompany Core	20.8%	-	>23%	-	>23%	-	18.0%	-	18.6%	-	19.0%	-
Netcompany Intrasoft	6.8%	-	-	-	-	-	6.6%	-	7.1%	-	7.6%	-

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

Valuation: DKK 535-620 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. Our updated combined DCF and peer group valuation suggest a fair value of DKK 535-620 per share (previously DKK 520-620).

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: 6.3%) is DKK 580 per share, based on the assumptions outlined below.

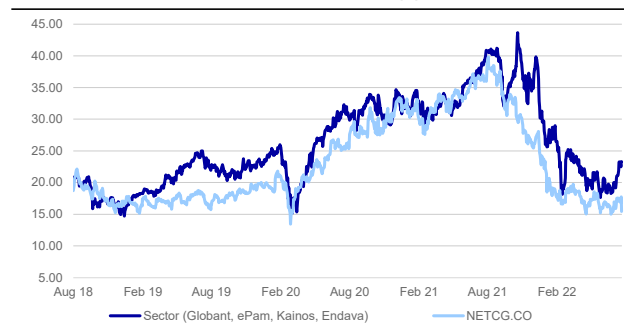
NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2022-30	2031-32	2033-37	2038-42	2043-47	2048-52	LT
Sales growth, CAGR	11.0%	10.0%	10.0%	10.0%	6.3%	2.5%	-
EBIT-margin	18.0%	16.5%	15.0%	14.0%	8.2%	2.4%	-
Capex/depreciation, x	0.4	0.7	1.1	1.1	1.1	1.1	-
Capex/sales	1.1%	0.5%	0.5%	0.4%	0.4%	0.4%	-
NWC/sales	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	-
FCFF, CAGR	17.8%	-2.0%	7.4%	8.1%	-4.6%	-21.9%	2.0%

Source: Nordea estimates

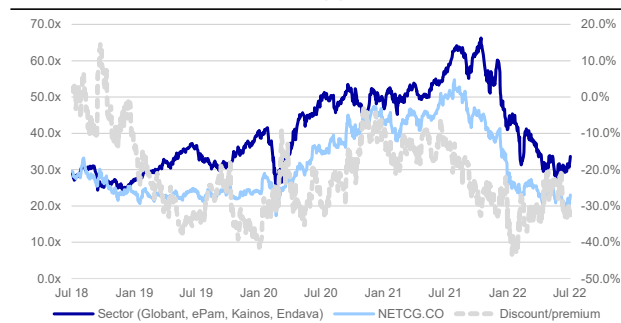
The model is sensitive to revenue growth and the EBIT margin is relatively high, although this should be expected given the company's high-growth profile.

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 exclude Epam from our peer group owing to the considerable uncertainty arising from its high share of employees that were located in Russia and Ukraine before the outbreak of the war.

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 that for Netcompany.

Our peer group valuation suggests a DKK 455-665 per share range (average: DKK 575).

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. 2021-24E			EBIT mrg		P/E				EV/EBITDA			EV/EBIT			PEG			Share price		
			Rev	EBIT	EPS	2023E	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E	21-24E	1M	3M	YTD				
Key peers																							
Epam	US	3,186	24.6	30%	28%	27%	16.1%	44.5x	34.7x	27.3x	28.6x	22.0x	17.2x	28.6x	22.0x	17.2x	1.7x	37%	38%	-34%			
Globant	Lux	1,714	9.6	35%	34%	35%	15.5%	47.6x	37.5x	28.6x	26.7x	21.4x	17.0x	26.5x	21.2x	16.9x	1.4x	26%	34%	-24%			
Endava	UK	797	6.0	32%	32%	32%	20.0%	46.8x	38.1x	32.4x	30.8x	24.4x	19.5x	30.8x	24.4x	19.5x	1.5x	21%	13%	-34%			
Kainos	UK	127	2.1	21%	10%	8%	18.3%	37.4x	35.0x	31.7x	27.5x	25.1x	22.2x	27.5x	25.1x	22.2x	4.5x	23%	30%	-25%			
Reply	UK	1,022	5.1	15%	15%	14%	13.8%	29.1x	26.1x	23.7x	16.2x	14.8x	13.7x	16.2x	14.8x	13.7x	2.1x	11%	16%	-23%			
Average (ex Reply)	-	-	10.6	29%	26%	26%	17.5%	44.1x	36.3x	30.0x	28.4x	23.2x	19.0x	28.4x	23.2x	19.0x	2.2x	27%	29%	-29%			
Netcompany (cons.)	DK	418	2.8	26%	20%	22%	18.2%	27.1x	22.0x	17.9x	19.6x	16.8x	14.1x	19.8x	16.9x	14.2x	1.2x	9%	16%	-41%			
IT service companies:																							
IBM	US	128	115.3	1%	8%	6%	19.1%	14.1x	13.0x	12.3x	10.3x	9.6x	9.6x	10.3x	9.7x	9.6x	2.4x	-6%	2%	-2%			
Accenture	IE	307	194.5	18%	19%	21%	15.5%	29.6x	26.3x	23.8x	16.8x	15.5x	14.2x	16.7x	15.5x	14.2x	1.4x	13%	10%	-24%			
Cognizant	US	67	34.7	11%	12%	15%	15.9%	15.2x	13.9x	12.6x	9.2x	8.5x	7.9x	9.2x	8.5x	7.9x	1.0x	3%	-7%	-22%			
Atos	FR	12	32.1	-0%	14%	6%	3.8%	19.7x	18.5x	16.6x	12.5x	11.4x	10.2x	12.4x	11.3x	10.1x	3.5x	2%	-9%	-27%			
Cap Gemini	FR	190	83.4	11%	13%	14%	12.3%	30.3x	28.0x	24.0x	21.0x	19.2x	16.7x	21.0x	19.2x	16.7x	2.1x	10%	6%	-14%			
CGI Group	CA	84	153.8	8%	10%	14%	16.8%	33.2x	29.8x	26.5x	23.5x	20.5x	18.3x	23.5x	20.5x	18.3x	2.5x	10%	0%	-8%			
DXC Technology	US	26	29.4	-0%	15%	32%	9.5%	19.8x	20.0x	17.5x	13.6x	13.1x	11.6x	13.6x	13.1x	11.6x	0.6x	7%	-7%	-39%			
Sopra Steria	FR	160	11.6	6%	11%	15%	8.8%	17.3x	17.6x	15.0x	11.1x	10.3x	8.9x	12.4x	11.5x	9.9x	1.1x	8%	-11%	-39%			
HCL	IN	12	1.3	16%	11%	9%	18.7%	7.2x	4.9x	3.7x	4.8x	4.5x	3.8x	4.8x	4.5x	3.8x	0.8x	-3%	-49%	-68%			
Infosys	IN	20	32.7	20%	16%	17%	22.2%	18.4x	16.5x	14.9x	11.3x	10.4x	9.4x	11.3x	10.4x	9.4x	1.1x	13%	8%	-12%			
Tata	IN	42	20.0	17%	17%	17%	25.3%	18.0x	16.6x	15.3x	11.4x	10.8x	10.4x	10.3x	9.8x	9.4x	1.1x	4%	8%	-1%			
Wipro	IN	5	5.9	21%	15%	13%	16.5%	7.2x	7.5x	5.7x	3.4x	3.9x	3.6x	3.4x	3.9x	3.6x	0.5x	-12%	-7%	-18%			
Tech Mahindra	IN	13	3.2	19%	19%	15%	13.8%	12.0x	10.6x	9.6x	6.9x	6.4x	5.8x	7.0x	6.4x	5.9x	0.8x	7%	3%	2%			
Average, ex India	-	-	81.9	7%	13%	15%	12.7%	22.4x	20.9x	18.5x	14.7x	13.5x	12.2x	14.9x	13.7x	12.3x	1.5x	6%	-2%	-22%			
Average	-	-	55.2	11%	14%	15%	15.2%	18.6x	17.2x	15.2x	12.0x	11.1x	10.0x	12.0x	11.1x	10.0x	1.5x	4%	-4%	-21%			
Nordic peers:																							
Trifork	DK	24	0.5	12%	2%	5%	12.4%	35.2x	28.0x	23.5x	16.8x	14.3x	12.0x	27.1x	21.5x	18.6x	6.8x	-6%	-16%	-40%			
NNIT	DK	72	0.2	4%	94%	-	5.4%	-	-	-	9.2x	7.3x	6.1x	0.0x	15.3x	10.9x	-	-1%	3%	-37%			
TietoEvry	FI	27	3.2	3%	1%	4%	11.9%	12.1x	11.2x	10.4x	8.5x	7.8x	7.4x	12.4x	11.0x	10.3x	3.0x	9%	21%	-3%			
KnowIT	SE	27	0.7	16%	23%	13%	8.9%	16.9x	15.6x	14.2x	9.9x	8.9x	8.8x	14.6x	12.9x	11.7x	1.3x	-7%	-3%	-26%			
Average	-	-	1.2	9%	30%	7%	9.6%	21.4x	18.3x	16.0x	11.1x	9.6x	8.6x	13.5x	15.2x	12.9x	3.7x	-1%	1%	-27%			
SimCorp	DK	557	2.9	9%	9%	10%	24.8%	29.1x	26.1x	22.8x	21.5x	19.4x	17.2x	23.6x	20.9x	18.3x	2.8x	3%	17%	-22%			
Others:																							
Europe IT consult. 1)	-	-	-	6%	11%	11%	7.8%	22.3x	24.2x	19.8x	11.3x	8.2x	8.5x	17.0x	14.7x	11.3x	2.0x	6%	7%	-5%			
Global IT consult. 2)	-	-	-	10%	15%	12%	23.3%	26.6x	26.5x	24.2x	14.8x	12.7x	280.6x	20.7x	19.0x	15.9x	2.3x	5%	7%	-5%			
Average, total	-	-	-	13%	19%	14%	14.7%	26.6x	24.5x	21.0x	15.5x	13.0x	65.3x	18.3x	16.6x	13.8x	2.3x	8%	8%	-17%			
Netcompany, NDA	DK	418	2.8	26%	20%	22%	17.1%	30.9x	25.0x	21.0x	20.3x	16.8x	13.9x	25.6x	20.3x	16.5x	1.4x	9%	16%	-41%			

Source: Refinitiv and Nordea estimates

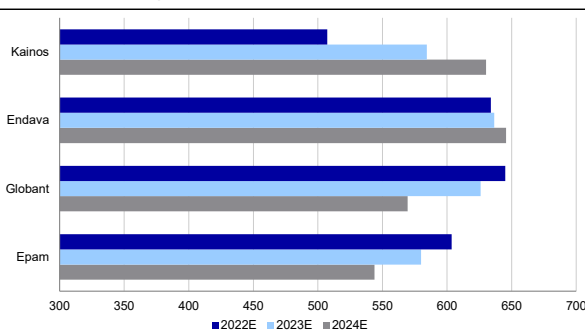
VALUATION: NETCOMPANY (OUR ESTIMATES) VS PEER GROUP VALUATION

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

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

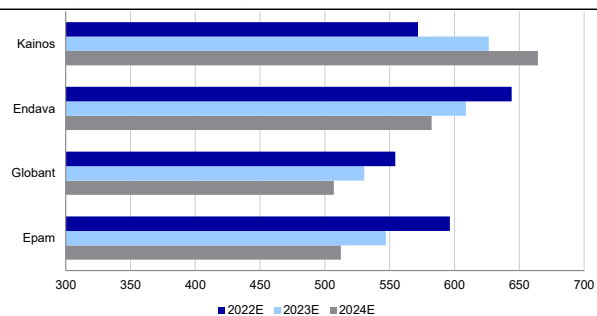
Source: Refinitiv and Nordea estimates

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



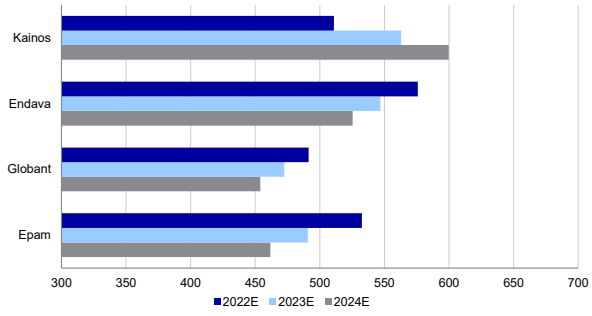
Source: Refinitiv and Nordea

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



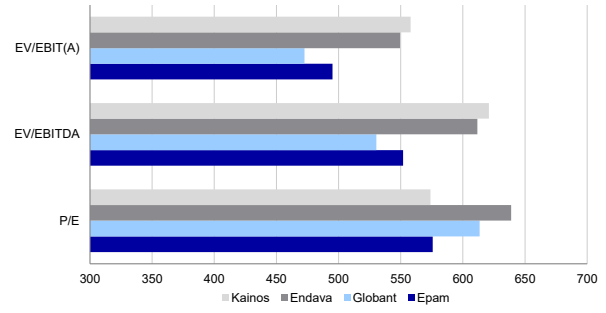
Source: Refinitiv and Nordea

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

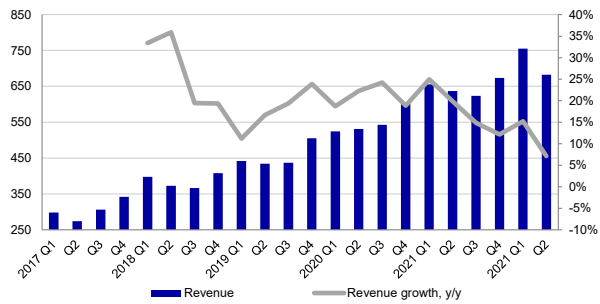
Netcompany: Quarterly reported numbers

NETCOMPANY: QUARTERLY NUMBERS (DKKm; EPS IN DKK)

	2019				2020				2021				2022	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Revenue	598	593	592	671	696	676	695	773	855	827	798	1,152	1,372	1,306
Production cost	364	370	336	387	421	416	401	445	529	533	470	766	954	942
Gross profit	234	223	256	284	275	260	293	328	326	293	328	386	417	364
Sales & marketing	3	3	3	3	4	4	4	5	6	6	6	19	9	10
Administration	84	93	89	101	106	95	94	99	103	121	123	157	181	199
Special items	-1	-3	-1	0	0	0	0	0	0	0	-30	-8	0	0
EBITA	146	123	164	180	164	161	195	224	216	167	170	203	227	156
Amortisation	26	25	26	25	25	25	25	24	9	9	9	24	33	33
EBIT	120	99	138	155	139	136	170	200	207	158	161	178	194	123
Net financial items	6	-21	-4	5	-19	-16	-6	-152	37	-12	-12	11	-16	-23
Pre-tax profit	126	78	134	160	120	120	164	48	244	146	149	189	178	101
Taxes	28	16	31	34	27	24	36	43	45	33	41	35	45	16
Net profit	99	62	102	126	93	96	128	5	200	112	109	154	132	85
Revenue visibility	1,786	2,106	2,387	-	2,132	2,484	2,720	-	2,765	3,065	3,274	-	4,544	4,977
% of FY revenue	72.8%	85.8%	97.3%	-	75.1%	87.5%	95.8%	-	76.1%	84.4%	90.1%	-	82.1%	89.9%
In/out orders	207	319	282	67	304	352	236	119	634	299	209	73	719	433
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%	13.4%	44.8%
EPS	2.0	1.3	2.1	2.5	1.9	2.0	2.6	0.1	4.1	2.3	2.2	3.1	2.7	1.7
EPS growth, y/y	94.2%	-	32.3%	83.8%	-5.5%	55.6%	24.9%	-96.0%	114.8%	16.8%	-15.3%	2958.4%	-33.3%	-24.9%
Tax rate	21.9%	20.5%	23.4%	21.2%	22.4%	19.9%	21.9%	89.5%	18.2%	22.9%	27.2%	18.5%	25.6%	15.5%
Revenue growth, y/y	15.6%	18.0%	20.8%	23.5%	16.4%	13.9%	17.3%	15.1%	23.0%	22.4%	14.9%	49.1%	60.4%	58.0%
Gross margin	39.1%	37.5%	43.2%	42.3%	39.5%	38.4%	42.2%	42.4%	38.1%	35.5%	41.2%	33.5%	30.4%	27.9%
Incremental EBITA margin, adj	24.1%	40.2%	27.3%	38.6%	17.2%	42.7%	30.5%	42.9%	32.7%	3.5%	4.4%	-3.5%	16.5%	-13.4%
EBITA, adj	147	126	164	180	164	161	195	224	216	167	200	210	227	156
EBITA margin, adj	24.6%	21.3%	27.7%	26.8%	23.6%	23.9%	28.1%	28.9%	25.3%	20.2%	25.1%	18.3%	16.5%	12.0%
FCF	74	80	126	116	95	103	149	-80	10	-36	180	0	10	-36
Revenue, public	351	342	356	407	433	442	436	466	502	488	462	759	875	837
Revenue, private	247	252	236	264	262	233	258	307	353	339	336	394	497	469
Revenue growth, public	22.7%	27.5%	28.4%	26.8%	23.5%	29.5%	22.4%	14.5%	15.9%	10.4%	5.8%	62.8%	74.1%	71.5%
#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Netcompany Denmark:														
Revenue, Denmark	442	435	437	505	525	532	543	601	656	637	624	674	755	683
Revenue growth, Denmark	11.2%	16.7%	19.4%	23.9%	18.7%	22.3%	24.3%	18.8%	25.0%	19.9%	14.9%	12.2%	15.2%	7.1%
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%	37.9%	36.9%
EBITA adj. before HQ costs, DK	130	119	152	169	157	170	199	209	202	166	205	195	192	160
EBITA margin adj. before HQ costs, DK	29.4%	27.3%	34.8%	33.5%	29.9%	31.9%	36.7%	34.8%	30.8%	26.1%	32.8%	28.9%	25.4%	23.4%
Netcompany Norway:														
Revenue, Norway	55	47	45	53	55	43	44	58	73	68	58	68	78	55
Revenue growth, Norway	29.3%	14.1%	13.2%	12.4%	-0.4%	-8.7%	-3.1%	9.0%	32.6%	59.6%	32.5%	16.9%	7.8%	-18.9%
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%	17.1%	-6.1%
EBITA adj. before HQ costs, Norway	15	7	7	6	8	6	3	6	13	6	2	-2	-1	-19
EBITA margin adj. before HQ costs, Norway	27.0%	14.7%	15.9%	10.7%	13.8%	13.8%	6.4%	10.8%	18.1%	8.2%	3.8%	-2.9%	-0.9%	-34.8%
Netcompany UK:														
Revenue, UK	101	104	96	95	98	80	80	82	105	101	99	102	143	134
Revenue growth, UK	30.5%	17.3%	13.7%	8.5%	-2.3%	-23.2%	-16.2%	-14.5%	6.8%	25.7%	22.9%	25.4%	36.3%	33.0%
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%	30.0%	26.8%
EBITA adj. before HQ costs, UK	11	12	16	16	11	0	-3	8	11	7	12	14	27	15
EBITA margin adj. before HQ costs, UK	11.0%	11.8%	16.6%	16.5%	11.5%	-0.1%	-3.9%	9.6%	10.0%	6.8%	12.1%	13.4%	18.5%	11.3%
Netcompany Holland:														
Revenue, Netherlands	-	7	14	16	18	21	29	31	22	20	17	23	29	18
Revenue growth, Netherlands	-	-	-	-	-	197.2%	107.9%	88.5%	22.0%	-3.3%	-40.5%	-25.8%	33.1%	-11.8%
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%	23.3%	-15.6%
EBITA adj. before HQ costs, Netherlands	-	-1	-2	-3	1	2	6	9	-2	-2	-8	-7	-1	-12
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%	-4.2%	-65.0%
Netcompany Intrasoft:														
Revenue, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	286	399	387
Revenue growth, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross margin, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	17.6%	17.1%	22.8%
EBITA adj. before HQ costs, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	21	25	42
EBITA margin adj. before HQ costs, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	7.5%	6.2%	10.9%
12-month performance:														
Revenue (12m)	2,134	2,224	2,326	2,454	2,552	2,634	2,737	2,839	2,998	3,149	3,253	3,632	3,851	4,302
Revenue growth (12m)	33.3%	23.5%	19.1%	19.5%	19.6%	18.4%	17.7%	15.7%	17.5%	19.6%	18.8%	28.0%	28.5%	36.6%
- DK (12M)	20.4%	16.4%	16.5%	17.8%	19.7%	21.1%	22.3%	20.9%	22.6%	21.9%	19.6%	17.8%	15.4%	12.3%
- Norway (12M)	29.9%	22.9%	19.2%	17.2%	9.1%	3.6%	0.1%	-0.5%	8.6%	23.8%	32.0%	33.8%	25.4%	6.9%
- UK (12M)	-	-	34.0%	17.1%	8.9%	-2.0%	-8.9%	-14.1%	-11.9%	-0.5%	9.0%	19.5%	28.2%	30.1%
- Netherlands (12M)	-	-	-	-	-	-	-	-	86.1%	47.4%	6.9%	-16.8%	-13.0%	-14.7%
- Intrasoft (12M)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITA adj (12M)	504	540	568	617	634	669	701	744	797	802	806	793	804	793
EBITA margin, adj (12M)	23.6%	24.3%	24.4%	25.2%	24.9%	25.4%	25.6%	26.2%	26.6%	25.5%	24.8%	21.8%	20.9%	18.4%
- DK (12M)	31.2%	30.7%	30.7%	31.3%	31.4%	32.4%	33.0%	33.4%	33.5%	31.9%	31.1%	29.6%	28.6%	26.8%
- Norway (12M)	20.6%	19.4%	18.7%	17.3%	13.7%	13.5%	11.3%	11.3%	13.0%	11.5%	10.6%	7.1%	7.3%	-4.7%
- UK (12M)	9.0%	9.1%	11.4%	13.9%	14.0%	11.6%	6.7%	4.7%	4.4%	6.0%	9.6%	10.6%	12.5%	12.7%
- Netherlands (12M)	-	-	-	-	-8.5%	-1.7%	8.0%	19.1%	15.0%	10.9%	-3.6%	-23.4%	-15.6%	-27.4%
- Intrasoft (12M)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incremental EBITA margin (12M)	13.1%	21.3%	26.6%	33.2%	31.2%	31.5%	32.3%	33.0%	36.4%	25.7%	20.5%	6.2%	20.9%	-0.3%

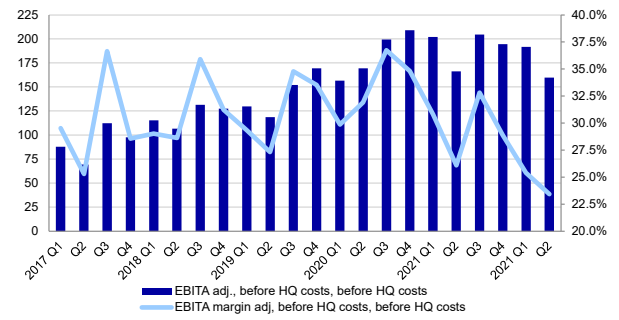
Source: Company data and Nordea

NETCOMPANY, DENMARK: REVENUE (DKKm)



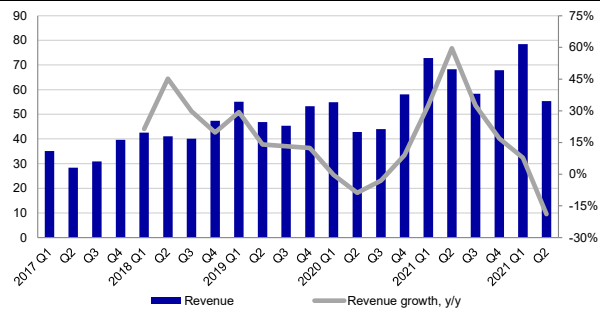
Source: Company data and Nordea estimates

NETCOMPANY, DENMARK: ADJUSTED EBITA (DKKm)



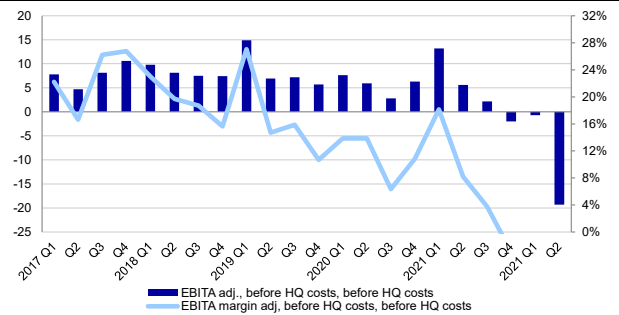
Source: Company data and Nordea estimates

NETCOMPANY, NORWAY: REVENUE (DKKm)



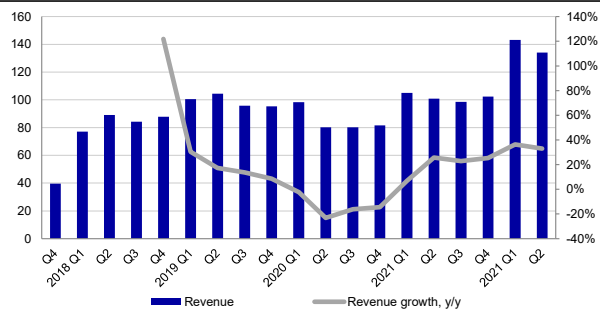
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NETCOMPANY, NORWAY: ADJUSTED EBITA (DKKm)



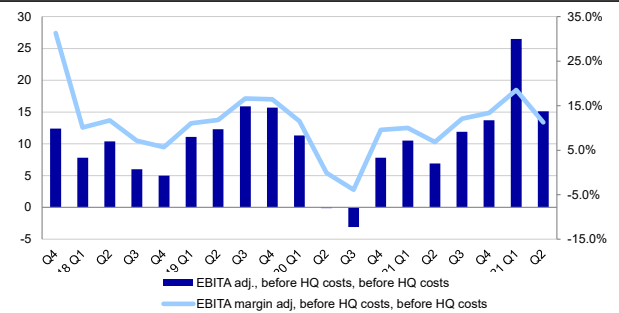
Source: Company data and Nordea

NETCOMPANY, UK: REVENUE (DKKm)



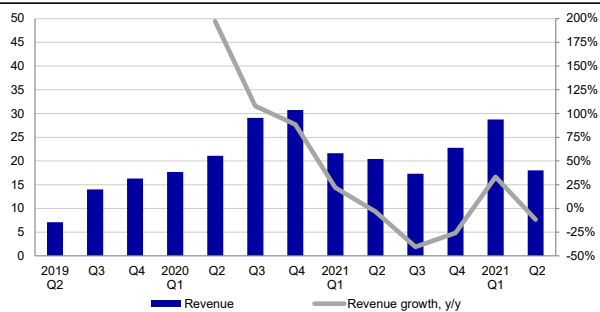
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NETCOMPANY, UK: ADJUSTED EBITA (DKKm)



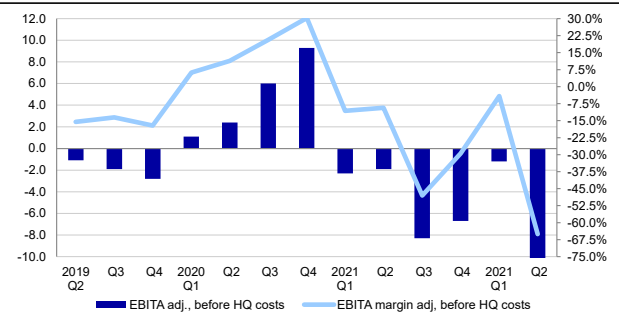
Source: Company data and Nordea

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	5,537	6,345	7,298
Production cost	-	-	447	527	803	1,237	1,458	1,683	2,299	3,748	4,252	4,866
Gross profit	-	-	311	373	613	817	996	1,155	1,333	1,790	2,093	2,432
Sales & marketing	-	-	4	4	10	12	12	17	37	43	49	56
Administration	-	-	100	121	201	290	367	394	503	752	862	991
Special items	-	-	0	-35	-33	-34	-4	0	-38	0	0	0
EBITDA	91	157	228	233	402	520	669	809	843	1,105	1,309	1,530
Depreciation	9	8	9	32	34	40	56	65	88	111	127	146
Amortisation	0	-2	12	0	0	0	0	0	0	0	0	0
EBITA	81	150	207	201	369	480	613	744	755	995	1,182	1,384
Amortisation	2	2	0	74	96	115	102	99	51	120	95	95
EBIT	80	149	207	127	273	365	511	645	704	875	1,087	1,289
Net financial items	1	1	0	-62	-73	-109	-14	-193	24	-16	-16	-13
Pre-tax profit	81	150	208	65	200	256	497	452	728	859	1,071	1,276
Taxes	8	15	20	44	59	74	109	130	153	189	236	281
Net profit	73	134	188	21	141	181	389	322	575	670	836	995
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	13.4	16.7	19.9
EPS growth, y/y	-	-	-	-	-	29.7%	116.7%	-18.6%	82.4%	14.1%	24.8%	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%	52.5%	14.6%	15.0%
Gross margin	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.7%	36.7%	32.3%	33.0%	33.3%
EBITDA margin	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	23.2%	20.0%	20.6%	21.0%
EBITA, adj	81	150	207	236	402	514	617	744	755	995	1,182	1,384
EBITA margin, adj	17.7%	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	26.2%	20.8%	18.0%	18.6%	19.0%
EBITA margin	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	20.8%	18.0%	18.6%	19.0%
EBIT margin	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	19.4%	15.8%	17.1%	17.7%
Net profit, adj.	75	136	188	106	241	298	471	399	644	763	910	1,069
CFFO	-	-	217	117	195	187	460	581	466	583	835	971
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	517	760	887
Revenue, public	-	-	312	368	730	1,152	1,456	1,778	2,209	2,576	3,001	3,511
Revenue, private	-	-	447	531	686	901	998	1,061	1,421	1,326	1,545	1,808
Revenue growth, public	-	-	-	18.3%	98.2%	57.8%	26.3%	22.1%	24.3%	16.6%	16.5%	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	2,085	2,429	2,842
Maintenance revenue	-	-	411	461	769	1,048	1,196	1,322	1,558	1,817	2,116	2,476
Netcompany Denmark:												
Revenue, Denmark	461	629	758	888	1,220	1,544	1,819	2,200	2,590	3,022	3,489	4,104
Revenue growth, Denmark	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	21.0%	17.7%	16.7%	15.5%	17.6%
EBITA adj. before HQ costs, DK	81	150	207	234	358	461	544	706	712	810	937	1,071
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%	26.8%	26.8%	26.1%
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	1,636	1,799
Revenue growth, Intrasoft	-	-	-	-	-	-	-	-	-	-	472.7%	10.0%
EBITA	-	-	-	-	-	-	-	-	-	108	128	150
EBITA margin	-	-	-	-	-	-	-	-	-	37.8%	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	5,537	6,345	7,298
Revenue growth	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	28.0%	52.5%	14.6%	15.0%
of which organic	n.a.	20.5%	17.1%	37.0%	25.5%	17.7%	15.5%	17.0%	16.6%	14.6%	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	1,105	1,309	1,530
Depreciation and impairments PPE	-7	-21	-32	-34	-40	-56	-65	-88	-111	-127	-146
of which leased assets	0	0	-11	-19	-24	-37	-42	-54	-54	-62	-72
EBITA	150	207	201	369	480	613	744	755	995	1,182	1,384
Amortisation and impairments	-2	0	-74	-96	-115	-102	-99	-51	-120	-95	-95
EBIT	149	207	127	273	365	511	645	704	875	1,087	1,289
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	867	1,071	1,276
Reported taxes	-15	-20	-44	-59	-74	-109	-130	-153	-189	-236	-281
Net profit from continued operations	134	188	21	141	180	389	468	517	678	836	995
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	678	836	995
EPS, DKK	2.69	3.75	0.43	2.81	3.60	7.77	9.36	10.35	13.56	16.71	19.91
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%	20.0%	20.6%	21.0%
EBITA	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	20.8%	18.0%	18.6%	19.0%
EBIT	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	19.4%	15.8%	17.1%	17.7%

Adjusted earnings

EBITDA (adj)	157	228	268	435	555	674	809	881	1,105	1,309	1,530
EBITA (adj)	150	207	236	402	514	617	744	793	995	1,182	1,384
EBIT (adj)	149	207	162	306	399	516	645	742	875	1,087	1,289
EPS (adj, DKK)	2.69	3.75	0.97	3.33	4.14	7.84	9.36	10.94	13.56	16.71	19.91

Adjusted profit margins in percent

EBITDA (adj)	24.9%	30.1%	29.8%	30.7%	27.0%	27.5%	28.5%	24.3%	20.0%	20.6%	21.0%
EBITA (adj)	23.9%	27.4%	26.3%	28.4%	25.0%	25.2%	26.2%	21.8%	18.0%	18.6%	19.0%
EBIT (adj)	23.6%	27.4%	18.0%	21.6%	19.4%	21.0%	22.7%	20.4%	15.8%	17.1%	17.7%

Performance metrics

CAGR last 5 years											
Net revenue	23.1%	23.7%	22.4%	28.7%	34.8%	31.3%	30.2%	32.2%	31.4%	25.3%	24.4%
EBITDA	16.8%	20.6%	16.6%	31.2%	41.7%	33.7%	28.8%	29.3%	22.4%	20.3%	18.0%
EBIT	15.5%	19.3%	4.0%	23.2%	35.5%	28.0%	25.5%	40.8%	26.2%	24.4%	20.3%
EPS	19.2%	23.8%	-23.0%	9.9%	19.6%	23.7%	20.0%	89.2%	36.9%	35.9%	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%	18.8%	18.4%	17.9%
Average EBITDA margin	26.4%	26.7%	25.8%	26.7%	26.8%	27.1%	27.3%	26.2%	23.9%	22.8%	21.8%

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	26.0	21.1	17.7
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	21.6	24.8	39.0	42.0	17.3	14.0	11.4
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	23.3	27.0	42.4	46.7	19.2	15.5	12.6
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	30.0	32.3	48.9	49.9	21.8	16.9	13.5

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	26.0	21.1	17.7
EV/Sales	n.a.	n.a.	n.a.	n.a.	5.84	6.80	11.11	10.20	3.44	2.89	2.39
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	23.1	24.9	39.0	43.9	17.3	14.0	11.4
EV/EBITA	n.a.	n.a.	n.a.	n.a.	25.0	27.2	42.4	49.0	19.2	15.5	12.6
EV/EBIT	n.a.	n.a.	n.a.	n.a.	32.9	32.6	48.9	52.6	21.8	16.9	13.5
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%	2.7%	4.5%	5.3%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	1.2%	2.5%	1.6%	1.0%	2.4%	4.2%	4.9%
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	315	314
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	4,259	4,174	4,089
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	146	180	258	445	458	531	459	1,032	1,218	1,396	1,605
Short-term leased assets	0	11	19	24	37	42	54	62	62	72	81
Other current assets	190	174	103	139	268	305	484	1,104	1,417	1,620	1,859
Cash and bank	13	111	60	194	108	132	359	459	437	685	1,059
Total current assets	349	477	441	802	869	1,011	1,356	2,649	3,135	3,772	4,605
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	7,394	7,946	8,694
Shareholders equity	213	300	1,261	1,644	1,806	2,072	2,429	3,038	3,716	4,551	5,547
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	3,716	4,551	5,547
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	187	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	2,216	1,738	1,263
Short-term provisions	0	5	9	30	36	4	0	9	13	15	18
Accounts payable	12	19	27	51	54	44	40	329	501	574	660
Current lease debt	1	6	12	14	29	39	35	99	124	134	144
Other current liabilities	149	180	222	336	310	441	478	877	823	933	1,063
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	1,462	1,656	1,884
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	7,394	7,946	8,694
Balance sheet and debt metrics											
Net debt	-13	-111	1,118	1,070	998	826	402	1,817	1,472	724	-149
of which lease debt	1	12	25	31	83	104	93	247	311	334	359
Working capital	175	155	113	198	361	351	424	931	1,311	1,508	1,742
Invested capital	205	195	2,533	2,865	2,977	3,067	3,108	5,300	5,570	5,682	5,831
Capital employed	218	312	2,492	2,940	2,996	3,134	3,282	5,560	5,803	6,161	6,682
ROE	83.8%	73.2%	2.7%	9.7%	10.4%	20.0%	20.8%	18.9%	20.1%	20.2%	19.7%
ROIC	65.0%	81.0%	9.3%	8.8%	10.7%	13.3%	16.3%	17.6%	16.1%	0.0%	-22.4%
ROCE	83.7%	79.5%	11.7%	11.6%	13.8%	18.1%	20.7%	17.0%	15.4%	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	0.6	-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%	50.3%	57.3%	63.8%
Net gearing	-6.1%	-37.1%	88.7%	65.1%	55.3%	39.9%	16.5%	59.8%	39.6%	15.9%	-2.7%

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	1,105	1,309	1,530
Paid taxes	0	-21	-34	-35	-167	-116	-126	-198	-189	-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	7	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	920	1,068	1,248
Change in NWC	n.a.	9	-20	-95	-133	-87	-103	-189	-380	-197	-234
Cash flow from operations (CFO)	n.a.	217	117	195	187	460	581	466	540	871	1,014
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	473	796	930
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	473	796	930
Free cash flow bef A&D, lease adj	n.a.	207	83	146	136	396	512	358	419	734	859
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	5	-49	-56
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	-21	247	374
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	352	352	352
Market cap.	n.a.	n.a.	n.a.	n.a.	11,000	15,850	31,125	35,225	17,600	17,600	17,600
Enterprise value	n.a.	n.a.	n.a.	n.a.	11,998	16,676	31,527	37,042	19,072	18,324	17,451
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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