Netcompany

Telecom Equipment and IT
Denmark

Solid quarter suggests guidance upside

Netcompany had a solid start to 2023, including a 3% beat to company-compiled EBITDA consensus. All divisions excluding Denmark delivered 20%-plus revenue growth y/y. The group reported healthy 13.7% organic revenue growth, above the full-year guidance of 8-12%, which suggests potential for a guidance upgrade. Importantly, Intrasoft's EBITA improved 83% y/y. For Danish operations, revenue growth was more modest, at 6% y/y, owing to a combination of FTE redundancies not being billable and a 3% revenue decline owing to the signing of several private-sector projects being delayed. After the Q1 report, our combined DCF and peer group valuation range is unchanged at DKK 400-460 per share. We increase our estimates for revenue, operational costs and depreciation slightly and continue to believe that Netcompany will exceed its FY EBITDA guidance.

Q1: Solid revenue growth but profitability weighed down

The group reported solid organic revenue growth of 13% y/y in Q1, with just 6% from the Danish operations. During the Q1 investor call, the CFO said however that the Danish operations are expected to grow more than 6% for FY 2023. Helped by 23% revenue growth y/y, the UK delivered a 19% EBITDA margin, while both Norway and the Netherlands are hovering around breakeven. Intrasoft delivered a 11.6% EBITDA margin, aided by no HQ cost allocations. Free cash flow was strong in the quarter, at DKK 135m (+176% y/y). By the end of Q1, Netcompany had secured 80% of our 2023 revenue estimate compared to ~75% seen in the past three years.

Denmark: Performance must improve to drive revaluation

The Danish operations delivered record-low 6.1% revenue growth y/y. However, based on LTM performance, revenue growth seems to have troughed in Q2 2022, at 3.1% (Q1 2023 LTM 7.6%), while the EBITA margin has declined 7.6 pp since Q1 2021 (32.4%). This obviously needs to be reversed, for which a higher utilisation rate, a more balanced personnel pyramid and probably also pricing will be the most important drivers.

FTEs: Trimming the pyramid and adding more employees

Netcompany grew its total FTEs and the client-facing side of its workforce by 15% y/y, which is typically the best proxy for how management foresees its revenue growth potential. However, since the 7,497 FTEs in Q1 2023 (+984 y/y) include those who have been made redundant, the underlying growth is probably closer to ~14%, still comfortably above the 8-12% organic revenue growth guidance.

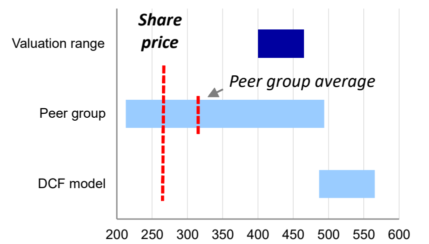
KEY DATA

Stock country	Denmark
Bloomberg	NETC DC
Reuters	NETCG.CO
Share price (close)	DKK 264.7
Free Float	85%
Market cap. (bn)	EUR 1.75/DKK 13.00
Website	www.netcompany.com
Next report date	16 Aug 2023

PERFORMANCE

Source: Refinitiv

VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	1%	1%	1%
EBIT (adj)	-4%	-2%	-1%

Source: Nordea estimates

Nordea IB & Equity - Analysts
Claus Almer
Director

Jesper Herholt Jensen
Managing Director, Sector Coordinator

SUMMARY TABLE - KEY FIGURES

DKKm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	2,454	2,839	3,632	5,545	6,183	7,111	8,036
EBITDA (adj)	674	809	881	1,112	1,171	1,346	1,521
EBIT (adj)	516	645	742	839	871	1,036	1,189
EBIT (adj) margin	21.0%	22.7%	20.4%	15.1%	14.1%	14.6%	14.8%
EPS (adj, DKK)	7.84	9.36	10.94	12.31	11.86	15.48	18.23
EPS (adj) growth	89.5%	19.4%	16.8%	12.6%	-3.7%	30.5%	17.8%
DPS (ord, DKK)	0.00	1.00	0.00	0.00	0.00	0.00	0.00
EV/Sales	6.8	11.1	10.2	2.9	2.3	1.9	1.6
EV/EBIT (adj)	32.3	48.9	49.9	19.4	16.3	13.1	10.8
P/E (adj)	40.4	66.5	64.4	23.9	22.3	17.1	14.5
P/BV	7.7	12.8	11.6	4.2	3.2	2.7	2.3
Dividend yield (ord)	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield bef A&D, lease	3.1%	2.1%	2.9%	3.3%	3.6%	4.7%	5.7%
Net debt	826	402	1,817	1,536	960	319	-455
Net debt/EBITDA	1.2	0.5	2.2	1.4	0.8	0.2	-0.3
ROIC after tax	13.4%	16.3%	17.7%	15.8%	0.0%	-18.7%	-41.8%

Source: Company data and Nordea estimates

Q1 2023 review

Q1 2023 performance

Netcompany reported Q1 revenue in line with company-collected consensus and EBITDA 3% above consensus and 8% above our estimate. Reported Q1 revenue growth was 12.3% y/y, in line with consensus of 12.1% (our forecast: 13%). Denmark weighed heavily on the result, but the rest of the countries grew more than 20% y/y.

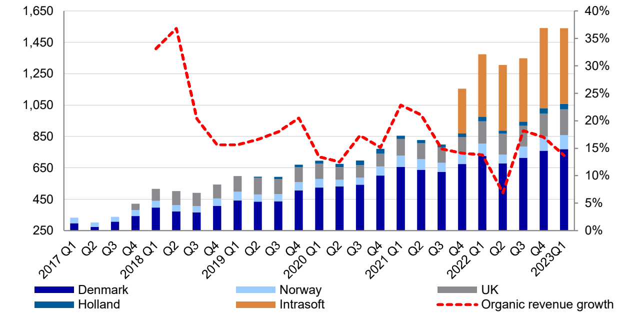
- Our implicit estimates for Q2-Q4 2023: 9.3% revenue growth y/y and 19.9% EBITDA margin (Q2-Q4 2022: 20.4%).
- Employees: Netcompany increased the number of client-facing employees in Q1 by 15% y/y (compared to 8-12% revenue growth guidance).
- Denmark: 6% revenue growth y/y in Q1 and a 21.5% EBITDA margin (-7.4 pp y/y). Operations were negatively impacted by the decision to reduce the number of FTEs to reshape the employee pyramid to better fit the business model. Netcompany did not quantify the impact.
- Netcompany Intrasoft: 21% revenue growth y/y in Q1 and a 11.6% EBITDA margin.
- Norway: 28% revenue growth y/y in Q1 and a 2.2% EBITDA margin.
- UK: 23% Q1 revenue growth y/y and a 20.1% EBITDA margin.
- Netherlands: 22% revenue growth y/y in Q1 and a 1.6% EBITDA margin.

NETCOMPANY: Q1 2023 RESULTS (DKKm)

	2022				2023			Act vs			Q2-Q4		
	Q1	Q2	Q3	Q4	Q1A	Q1E	Cons	NDA	Cons	y/y	2022	2023E	y/y
Revenue, Core	973	887	944	1,009	1,058	1,111	-	-5%	-	9%	2,839	3,256	15%
Revenue, Expand	399	419	405	511	482	438	-	10%	-	21%	1,334	1,355	2%
Revenue	**1,372**	**1,306**	**1,348**	**1,519**	**1,540**	**1,550**	**1,538**	-1%	0%	12%	**4,173**	**4,643**	11%
Production cost	954	942	877	999	1,100	1,149	-	-4%	-	15%	2,818	3,206	14%
Gross profit	**417**	**364**	**471**	**520**	**440**	**401**	**-**	**10%**	**-**	**5%**	**1,355**	**1,437**	**6%**
Sales & marketing	9	10	11	12	12	9	-	29%	-	37%	32	34	5%
Administration	181	199	185	199	231	202	-	15%	-	28%	582	619	6%
Special items	0	0	-1	6	0	0	-	-	-	-	6	0	-
EBITA	**227**	**156**	**275**	**315**	**197**	**189**	**-**	**4%**	**-**	**-13%**	**746**	**784**	**5%**
EBIT	194	123	240	281	163	162	-	1%	-	-16%	645	708	10%
Net financial items	-16	-23	-19	-25	-32	-17	-	-	-	-	-66	-59	-11%
Pre-tax profit	**178**	**101**	**221**	**256**	**131**	**145**	**-**	**-10%**	**-**	**-26%**	**579**	**649**	**12%**
Taxes	45	16	52	41	0	30	-	-	-	-	108	187	73%
Net profit	**132**	**85**	**170**	**216**	**131**	**116**	**-**	**13%**	**-**	**-1%**	**470**	**462**	**-2%**
EPS	2.7	1.7	3.5	4.3	2.1	2.3	-	-9%	-	-23%	9.5	9.8	3%
EPS growth, y/y	-33.3%	-24.9%	56.1%	39.7%	-22.5%	-14.6%	-	-	-	-	25.0%	3.0%	-
Revenue growth, y/y	60.4%	58.0%	68.9%	31.9%	12.3%	13.0%	12.1%	-	-	-	50.3%	11.3%	-
Revenue growth, organic	13.8%	6.9%	18.2%	17.0%	12.3%	14.0%	-	-	-	-	-	-	-
Gross margin	30.4%	27.9%	34.9%	34.2%	28.6%	25.8%	-	-	-	-	32.5%	31.0%	-
Costs (Reveneue - EBITDA adj)	1,112	1,117	1,040	1,164	1,298	1,326	-	-2%	-	17%	3,321	3,715	12%
Costs growth, q/q	18%	0%	-7%	12%	12%	14%	-	-	-	-	-	-	-
Costs growth, y/y	74%	69%	74%	24%	17%	19%					51%	12%	-
EBITDA	259	189	308	355	242	224	235	8%	3%	-7%	852	928	9%
EBITDA adj.	**259**	**189**	**308**	**355**	**242**	**224**	**235**	**8%**	**3%**	**-7%**	**852**	**928**	**9%**
EBITA, adj	227	156	275	315	197	189	-	4%	-	-13%	746	784	5%
EBITDA margin adj.	10.5%	1.1%	61.3%	53.9%	15.7%	14.4%	15.3%				20.4%	20.0%	-
EBITA margin, adj	16.5%	12.0%	20.4%	20.8%	12.8%	12.2%	-	-	-	-	17.9%	16.9%	-
EBIT margin	14.2%	9.5%	17.8%	18.5%	10.6%	10.4%	-	-	-	-	17.9%	16.9%	-
Incremental EBITA margin, adj	2.0%	-2.2%	13.6%	28.6%	-17.7%	-21.1%	-	-	-	-	12.1%	8.1%	-
Tax rate	25.6%	15.5%	23.4%	16.0%	0.0%	20.3%	-	-	-	-	18.7%	28.8%	-
Revenue visibility	4,544	4,977	5,296	5,545	4,942	-	-	-	-	9%	-	-	-
% of FY revenue	73.5%	80.5%	85.7%	89.7%	79.9%	-	-	-	-	-	-	-	-
In/out orders	719	433	320	248	762	-	-	-	-	6%	1,001	1,241	24%
Growth, y/y	13.4%	44.8%	52.7%	-	6.0%	-	-	-	-	-	96.9%	24.0%	-
Revenue (12m)	4,148	4,627	5,178	5,545	5,713	5,723	5,711	-0%	0%	38%	-	-	-
Revenue growth (12m)	38.4%	46.9%	59.2%	52.7%	37.7%	38.0%	37.7%	-1%	0%	-2%	-	-	-
Gross margin (12M)	34.3%	32.3%	31.6%	32.0%	31.4%	30.7%	23.7%	2%	32%	-9%	-	-	-
EBITDA adj (12M)	906	908	995	1,112	1,094	1,076	982	2%	11%	21%	-	-	-
EBITA margin, adj (12M)	19.4%	17.1%	16.8%	17.6%	20.8%	18.8%	8.4%	11%	148%	7%	-	-	-
EBITA adj (12M)	804	793	868	973	943	936	746	1%	26%	17%	-	-	-
EBITA margin, adj (12M)	19.4%	17.1%	16.8%	17.6%	16.5%	16.4%	13.1%	-	-	-	-	-	-

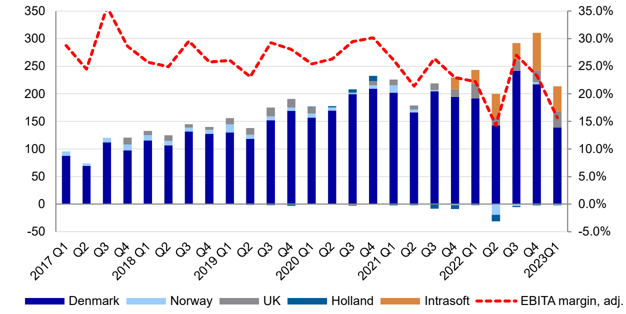
Source: Company data, company-compiled consensus and Nordea estimates

NETCOMPANY: REVENUE (DKKm)



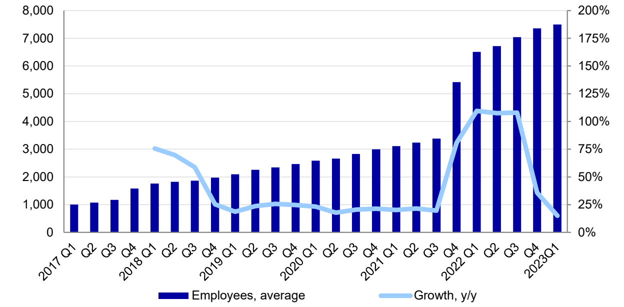
Source: Company data and Nordea

NETCOMPANY: EBITA (DKKm)



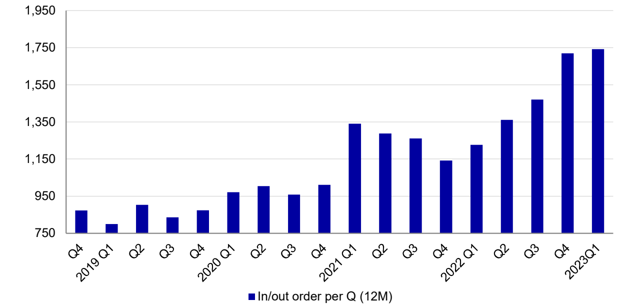
Source: Company data and Nordea

NETCOMPANY: FTE DEVELOPMENT (DKKm)



Source: Company data and Nordea

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



Source: Company data and Nordea

Estimates: Few changes after the Q1 report

In light of the Q1 2023 interim report, we increase 2023E-25E revenue, operational costs and depreciation. The net effect on 2023E-25E EBITDA is ~2%, while our EBITA estimates are down by ~2%. We also increase our net financial costs.

NETCOMPANY: 2023 GUIDANCE AND UPDATED ESTIMATES, PRE-Q1 COLLECTED COMPANY-COMPILED CONSENSUS (DKKm)

	2022	2023 guidance			2023E		2024E		2025E	
		Low	High	Mid	Nordea	Cons	Nordea	Cons	Nordea	Cons
Revenue, Core	3,846	-	-	-	4,314	-	7,073	-	7,993	-
Revenue, Expand	1,670	-	-	-	1,837	-	2,113	-	2,429	-
Revenue	**5,545**	**5,988**	**6,210**	**6,099**	**6,183**	**6,055**	**7,111**	**6,796**	**8,036**	**7,607**
Revenue growth, y/y	52.7%	8.0%	12.0%	10.0%	11.5%	9.2%	15.0%	12.2%	13.0%	11.9%
Revenue growth, organic	**14.7%**	**8.0%**	**12.0%**	**8.0%**	**11.5%**	**-**	**15.0%**	**-**	**13.0%**	**-**
Costs (Revenue - EBITDA adj.)	4,571	-	-	-	5,202	4,981	5,964	5,521	6,737	6,140
Growth	58.9%	-	-	-	13.8%	9.0%	14.7%	10.8%	13.0%	23.3%
Special items	0	-	-	-	0	-	0	-	0	-
EBITDA adj.	**1,112**	**898**	**1,118**	**1,008**	**1,171**	**1,074**	**1,346**	**1,276**	**1,521**	**1,467**
EBITDA, Core	906	-	-	-	943	-	1,085	-	1,221	-
EBITDA, Expand	206	-	-	-	227	-	261	-	300	-
EBITDA margin, adj.	**20.1%**	**15.0%**	**18.0%**	**16.5%**	**18.9%**	**17.7%**	**18.9%**	**18.8%**	**18.9%**	**19.3%**
EBITA, adj.:	973	-	-	-	981	-	1,146	-	1,299	-
EBITA margin, adj.:	17.6%	-	-	-	15.9%	-	16.1%	-	16.2%	-

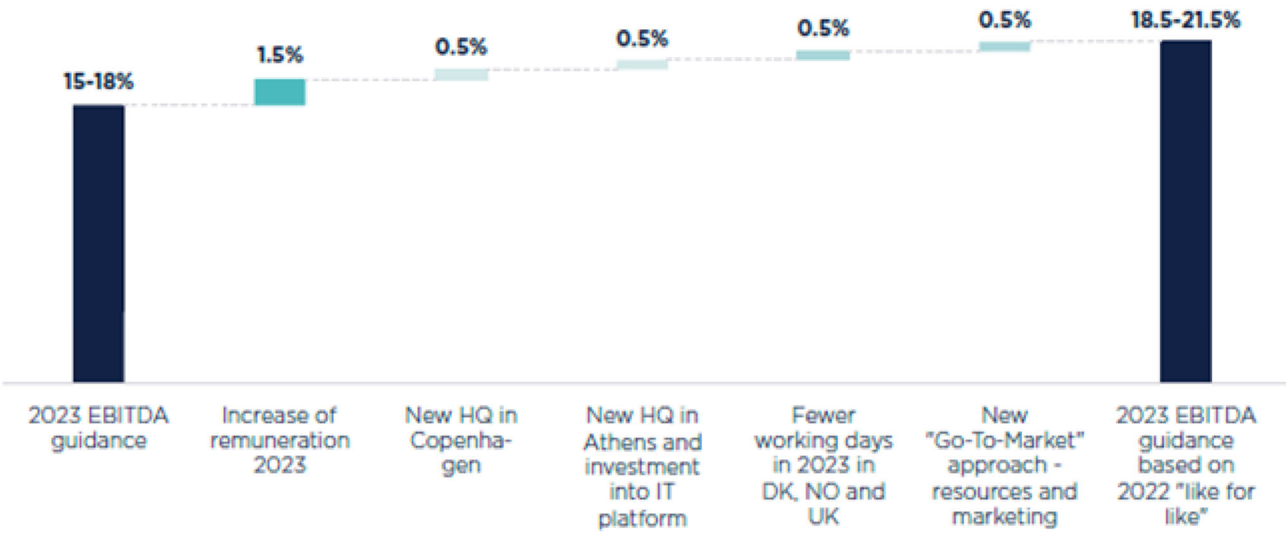
Source: Company data, company-compiled consensus and Nordea estimates

NETCOMPANY: UPDATED ESTIMATES (DKK)

	New			Old			Change			Consensus			Nordea vs cons.		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Revenue	**6,183**	**7,111**	**8,036**	**6,101**	**7,016**	**7,928**	**1%**	**1%**	**1%**	**6,055**	**6,796**	**7,607**	**2%**	**5%**	**6%**
Revenue growth, organic	11.5%	15.0%	13.0%	10.0%	15.0%	13.0%	-	-	-	-	-	-	-	-	-
Revenue growth, y/y	11.5%	15.0%	13.0%	10.0%	15.0%	13.0%	-	-	-	9.2%	12.2%	11.9%	-	-	-
Costs	5,202	5,964	6,737	5,087	5,850	6,612	2%	2%	2%	-	-	-	-	-	-
EBITDA adj.	**1,171**	**1,346**	**1,521**	**1,151**	**1,323**	**1,495**	**2%**	**2%**	**2%**	**1,074**	**1,276**	**1,467**	**9%**	**6%**	**4%**
EBITDA margin adj.	18.9%	18.9%	18.9%	18.9%	18.9%	18.9%	-	-	-	17.7%	18.8%	19.3%	-	-	-
D&A	189	200	222	137	158	178	38%	26%	25%	-	-	-	-	-	-
EBITA, adj	**981**	**1,146**	**1,299**	**1,013**	**1,165**	**1,317**	**-3%**	**-2%**	**-1%**	-	-	-	-	-	-
EBITA margin, adj	15.9%	16.1%	16.2%	16.6%	16.6%	16.6%	-	-	-	-	-	-	-	-	-
EBITA	**981**	**1,146**	**1,299**	**1,013**	**1,165**	**1,317**	**-3%**	**-2%**	**-1%**	-	-	-	-	-	-
EBIT	871	1,036	1,189	903	1,055	1,207	-4%	-2%	-1%	-	-	-	-	-	-
Net financial items	-91	-65	-45	-66	-65	-45	-	-	-	-	-	#N/A	-	-	-
PTP	**780**	**972**	**1,144**	**837**	**990**	**1,162**	**-7%**	**-2%**	**-2%**	-	-	-	-	-	-
Taxes	187	198	233	194	201	236	-4%	-2%	-2%	-	-	-	-	-	-
Net profit	**593**	**774**	**912**	**643**	**789**	**926**	**-8%**	**-2%**	**-2%**	-	-	-	-	-	-
EPS	11.9	15.5	18.2	12.9	15.8	18.5	-8%	-2%	-2%	-	-	-	-	-	-

Source: Company data, company-compiled consensus (pre-2022 report), and Nordea estimates

NETCOMPANY: EBITDA MARGIN GUIDANCE BRIDGE (%)



Source: Company data and Nordea

Valuation: DKK 400-465 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-based valuation suggests a fair value of DKK 400-465 per share.

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 525 per share, based on the assumptions outlined below.

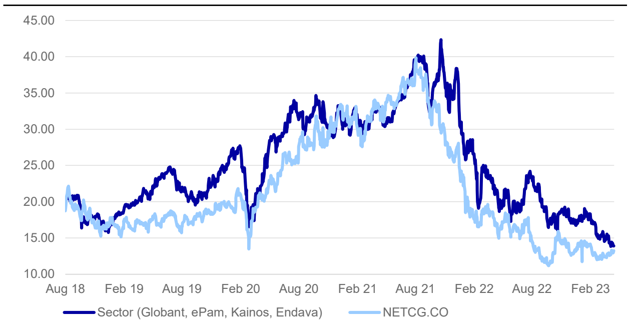
NETCOMPANY: DCF MODEL ASSUMPTIONS

Averages and assumptions	2023-30	2031-33	2034-38	2039-43	2044-48	2049-53	LT
Sales growth, CAGR	10.5%	10.0%	10.0%	7.5%	5.0%	2.5%	-
EBIT-margin	15.3%	14.6%	14.0%	13.0%	7.6%	2.3%	-
Capex/depreciation, x	1.1	1.1	1.1	1.1	1.1	1.1	-
Capex/sales	3.9%	2.5%	2.5%	2.4%	2.4%	2.4%	-
NWC/sales	17.9%	17.9%	17.9%	17.9%	17.9%	17.9%	-
FCFF, CAGR	13.5%	4.0%	8.8%	7.3%	-6.3%	-24.4%	2.0%

Source: Nordea estimates

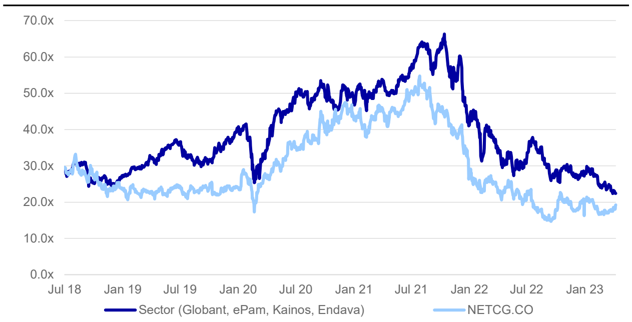
The model is sensitive to revenue growth and the EBIT margin is relatively high, although this should be expected given the company's high-growth profile.

EV/EBITDA: NETCOMPANY VS. SECTOR (x)



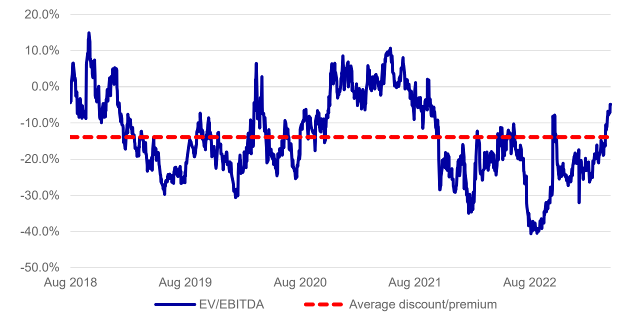
Source: Refinitiv and Nordea

P/E: NETCOMPANY VS. SECTOR (x)



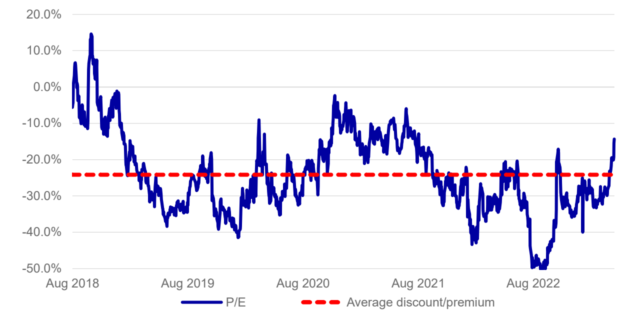
Source: Refinitiv and Nordea

DISCOUNT, EV/EBITDA: NETCOMPANY VS. SECTOR (%)



Source: Refinitiv and Nordea

DISCOUNT, P/E: NETCOMPANY VS. SECTOR (%)



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 see the following companies as particularly suitable:

- Epam
- Globant
- Endava
- Kainos

NETCOMPANY: PEER GROUP VALUATION

		Share	MCAP	Grw, 2022-25E			EBIT mrg	P/E			EV/EBITDA			EV/EBIT			PEG	Share price		
		price	EURbn	Rev	EBIT	EPS	2023E	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	22-25E	1M	12M	YTD
Key peers																				
Epam	US	1,827	14.2	16%	17%	16%	16.9%	24.1x	19.6x	16.2x	14.8x	11.8x	9.8x	14.9x	11.9x	9.9x	1.6x	-7%	-13%	-17%
Globant	Lux	1,020	5.8	20%	22%	19%	15.4%	26.3x	21.4x	17.0x	14.4x	11.9x	9.6x	14.5x	12.0x	9.6x	1.4x	-3%	-30%	-10%
Endava	UK	376	2.9	21%	21%	18%	19.2%	20.1x	16.9x	14.0x	12.7x	10.3x	8.4x	12.6x	10.3x	8.4x	1.1x	-13%	-49%	-27%
Kainos	UK	107	1.8	15%	11%	10%	17.6%	29.8x	27.4x	24.4x	20.9x	18.6x	16.4x	21.0x	18.7x	16.5x	3.1x	-7%	9%	-18%
Reply	UK	767	3.8	13%	12%	12%	13.2%	19.2x	17.2x	15.7x	11.0x	10.0x	9.0x	11.0x	10.0x	9.1x	1.6x	-8%	-24%	-4%
Average (ex Reply)	**-**	**-**	**6.2**	**18%**	**18%**	**16%**	**17.3%**	**25.1x**	**21.3x**	**17.9x**	**15.7x**	**13.2x**	**11.1x**	**15.8x**	**13.2x**	**11.1x**	**1.8x**	**-8%**	**-21%**	**-18%**
Netcompany (cons.)	DK	264	1.8	13%	10%	13%	14.9%	21.5x	16.7x	14.1x	13.9x	12.0x	10.5x	14.0x	12.1x	10.6x	1.6x	7%	-34%	-10%
IT service companies:																				
IBM	US	111	101.1	3%	7%	3%	18.5%	13.0x	12.2x	12.0x	10.0x	9.6x	9.4x	9.9x	9.6x	9.3x	3.8x	-7%	-11%	-13%
Accenture	IE	242	152.9	2%	4%	5%	15.7%	23.0x	21.2x	19.3x	13.8x	12.7x	11.5x	13.9x	12.7x	11.5x	4.3x	-7%	-15%	-0%
Cognizant	US	57	28.9	3%	3%	5%	15.4%	14.5x	13.3x	12.1x	8.7x	8.2x	7.5x	8.7x	8.2x	7.5x	2.8x	4%	-25%	10%
Atos	FR	12	32.2	-0%	20%	59%	4.9%	19.7x	17.9x	16.1x	11.9x	11.0x	10.0x	11.9x	11.0x	10.0x	0.3x	-3%	2%	3%
Cap Gemini	FR	162	58.6	6%	9%	10%	12.6%	21.7x	20.0x	17.8x	14.5x	13.5x	12.1x	14.5x	13.5x	12.1x	2.3x	-10%	-17%	-16%
CGI Group	CA	90	131.0	4%	4%	8%	16.6%	27.8x	24.9x	22.3x	18.8x	17.0x	15.3x	18.8x	17.0x	15.3x	3.5x	1%	-6%	1%
DXC Technology	US	20	23.4	-5%	-3%	7%	9.0%	18.4x	16.7x	14.9x	10.9x	10.2x	9.3x	10.9x	10.2x	9.3x	2.7x	4%	-22%	-2%
Sopra Steria	FR	188	11.3	7%	11%	15%	9.0%	18.4x	16.7x	14.3x	11.8x	11.4x	9.8x	11.8x	11.4x	9.8x	1.2x	-5%	-11%	3%
HCL	IN	12	1.4	9%	8%	7%	18.7%	5.7x	3.9x	3.1x	4.1x	3.7x	3.1x	4.1x	3.7x	3.1x	0.8x	6%	-52%	35%
Infosys	IN	14	28.1	10%	7%	7%	21.8%	14.1x	12.8x	11.7x	8.9x	8.2x	7.4x	9.0x	8.3x	7.5x	2.0x	-5%	-15%	4%
Tata	IN	36	21.2	10%	10%	9%	25.3%	19.0x	17.2x	15.7x	12.1x	11.3x	10.9x	11.0x	10.3x	9.9x	2.1x	2%	28%	15%
Wipro	IN	4	4.6	6%	3%	2%	16.2%	6.4x	5.6x	4.8x	3.5x	3.5x	3.5x	3.4x	3.5x	3.5x	3.2x	-11%	-28%	-16%
Tech Mahindra	IN	12	3.8	8%	3%	2%	13.1%	11.2x	9.9x	8.8x	6.7x	6.2x	5.7x	6.8x	6.3x	5.8x	5.3x	-3%	14%	33%
Average, ex India	**-**	**-**	**67.4**	**3%**	**7%**	**14%**	**12.7%**	**19.6x**	**17.9x**	**16.1x**	**12.6x**	**11.7x**	**10.6x**	**12.6x**	**11.7x**	**10.6x**	**2.6x**	**-3%**	**-13%**	**-2%**
Average	**-**	**-**	**46.0**	**5%**	**7%**	**11%**	**15.1%**	**16.4x**	**14.8x**	**13.3x**	**10.4x**	**9.7x**	**8.9x**	**10.4x**	**9.7x**	**8.8x**	**2.6x**	**-3%**	**-12%**	**4%**
Nordic peers:																				
Trifork	DK	20	0.4	12%	22%	23%	11.5%	31.5x	21.2x	17.3x	13.7x	11.4x	10.0x	21.9x	17.3x	14.5x	1.4x	-10%	-	3%
NNIT	DK	74	0.2	6%	-232%	-	7.1%	-	-	-	8.0x	6.9x	5.8x	440.2x	11.0x	9.7x	-	9%	-15%	12%
TietoEvry	FI	27	3.1	3%	9%	6%	11.8%	11.1x	10.4x	9.5x	7.6x	7.3x	7.2x	11.2x	10.5x	10.0x	1.7x	-9%	11%	0%
KnowIT	SE	18	0.5	6%	3%	7%	6.8%	17.8x	15.0x	13.3x	8.3x	7.7x	7.3x	14.7x	12.7x	11.4x	2.5x	-2%	-30%	1%
Average	**-**	**-**	**1.1**	**7%**	**-50%**	**12%**	**9.3%**	**20.1x**	**15.5x**	**13.4x**	**9.4x**	**8.3x**	**7.6x**	**122.0x**	**12.9x**	**11.4x**	**1.8x**	**-3%**	**-11%**	**4%**
SimCorp	DK	734	3.9	9%	15%	12%	23.5%	37.4x	31.6x	28.0x	28.2x	24.2x	21.1x	32.8x	26.3x	22.7x	3.1x	39%	47%	53%
Others:																				
Europe IT consult. 1)	-	-	-	6%	12%	13%	8.0%	23.6x	26.1x	22.4x	10.6x	8.2x	8.1x	15.3x	15.3x	11.5x	1.8x	0%	3%	24%
Global IT consult. 2)	-	-	-	7%	12%	15%	23.0%	24.5x	24.0x	24.5x	14.2x	12.1x	280.6x	19.4x	19.0x	15.6x	1.6x	-1%	-7%	0%
Average, total	**-**	**-**	**-**	**9%**	**-0%**	**13%**	**14.6%**	**21.9x**	**20.3x**	**18.3x**	**12.1x**	**10.3x**	**63.3x**	**36.6x**	**14.0x**	**11.7x**	**1.9x**	**-3%**	**-10%**	**3%**
Netcompany, NDA	**DK**	**264**	**1.8**	**13%**	**12%**	**14%**	**14.6%**	**22.3x**	**17.1x**	**14.5x**	**12.5x**	**10.5x**	**8.8x**	**16.8x**	**13.6x**	**11.3x**	**1.6x**	**7%**	**-34%**	**-10%**

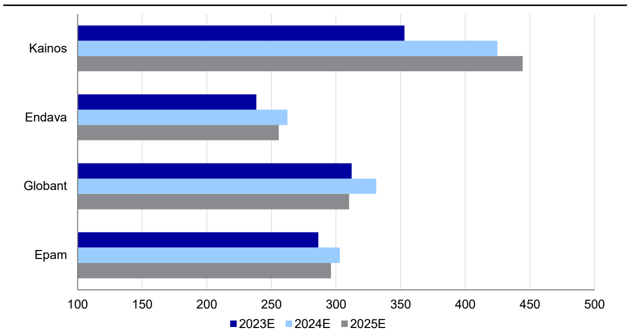
Source: Refinitiv and Nordea estimates

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

	Grw, 2022-25E			EV/EBIT			PEG	Share price	
	Rev	EBIT(A)	EPS	2023E	2024E	2025E	22-25E	1M	YTD
Key peers	**Underperf.**	**Underperf.**	**Underperf.**	**Discount**	**Discount**	**Discount**	**Premium**	**Outperf.**	**Outperf.**
IT service companies:	Outperf.	Outperf.	Underperf.	Premium	Premium	Premium	Discount	Outperf.	Underperf.
Nordic peers:	Outperf.	Outperf.	Underperf.	Discount	Discount	Discount	Premium	Outperf.	Underperf.
Europe IT consult. 1)	Outperf.	Outperf.	Underperf.	Discount	Discount	Discount	Premium	Outperf.	Underperf.
Global IT consult. 2)	Outperf.	Outperf.	Underperf.	Discount	Discount	Discount	Premium	Outperf.	Underperf.

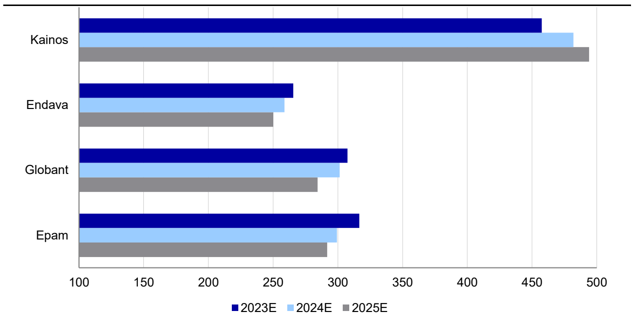
Source: Refinitiv and Nordea estimates

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



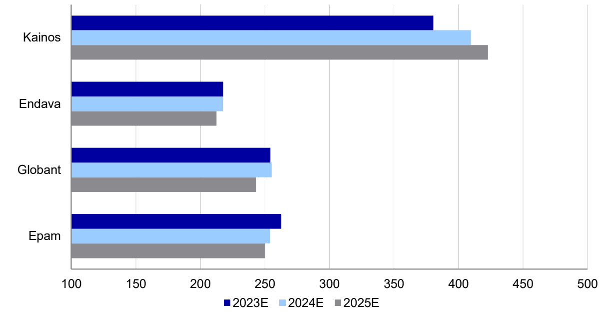
Source: Refinitiv and Nordea

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



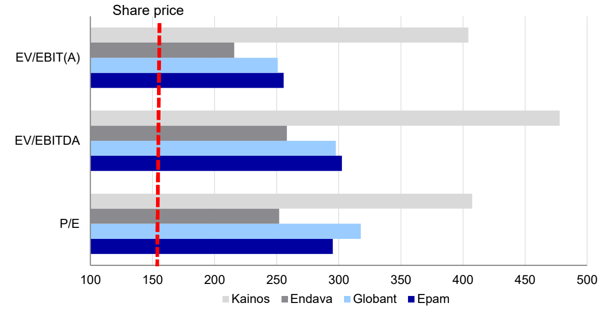
Source: Refinitiv and Nordea

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				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	**598**	**593**	**592**	**671**	**696**	**676**	**695**	**773**	**855**	**827**	**798**	**1,152**	**1,372**	**1,306**	**1,348**	**1,519**	**1,540**
Production cost	364	370	336	387	421	416	401	445	529	533	470	766	954	942	877	999	1,100
Gross profit	**234**	**223**	**256**	**284**	**275**	**260**	**293**	**328**	**326**	**293**	**328**	**386**	**417**	**364**	**471**	**520**	**440**
Sales & marketing	3	3	3	3	4	4	4	5	6	6	6	19	9	10	11	12	12
Administration	84	93	89	101	106	95	94	99	103	121	123	157	181	199	185	199	231
Special items	-1	-3	-1	0	0	0	0	0	0	0	-30	-8	0	0	-1	6	0
EBITA	**146**	**123**	**164**	**180**	**164**	**161**	**195**	**224**	**216**	**167**	**170**	**203**	**227**	**156**	**275**	**315**	**197**
Amortisation	26	25	26	25	25	25	25	24	9	9	9	24	33	33	35	34	34
EBIT	**120**	**99**	**138**	**155**	**139**	**136**	**170**	**200**	**207**	**158**	**161**	**178**	**194**	**123**	**240**	**281**	**163**
Net financial items	6	-21	-4	5	-19	-16	-6	-152	37	-12	-12	11	-16	-23	-19	-25	-32
Pre-tax profit	**126**	**78**	**134**	**160**	**120**	**120**	**164**	**48**	**244**	**146**	**149**	**189**	**178**	**101**	**221**	**256**	**131**
Taxes	28	16	31	34	27	24	36	43	45	33	41	35	45	16	52	41	28
Net profit	**99**	**62**	**102**	**126**	**93**	**96**	**128**	**5**	**200**	**112**	**109**	**154**	**132**	**85**	**170**	**216**	**103**
Revenue visibility	1,786	2,106	2,387	-	2,132	2,484	2,720	2,839	2,765	3,065	3,274	3,632	4,544	4,977	5,296	5,545	4,921
% of FY revenue	72.8%	85.8%	97.3%	-	75.1%	87.5%	95.8%	100.0%	76.1%	84.4%	90.1%	100.0%	73.5%	80.5%	85.7%	89.7%	79.6%
In/out orders	207	319	282	67	304	352	236	119	634	299	209	-	719	433	320	248	741
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%	-	13.4%	44.8%	52.7%	-	3.1%
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	3.5	4.3	2.1
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%	56.1%	39.7%	-22.5%
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%	23.4%	16.0%	21.2%
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%	68.9%	31.9%	12.3%
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%	34.9%	34.2%	28.6%
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%	2.0%	-2.2%	13.6%	28.6%	-17.9%
EBITA, adj	**147**	**126**	**164**	**180**	**164**	**161**	**195**	**224**	**216**	**167**	**200**	**210**	**227**	**156**	**275**	**315**	**197**
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%**	**20.4%**	**20.8%**	**12.8%**
FCF	74	80	126	116	95	103	149	-80	10	-36	180	-944	10	-36	180	268	10
Revenue, public	351	342	356	407	433	442	436	466	502	488	462	759	875	837	885	998	1,025
Revenue, private	247	252	236	264	262	233	258	307	353	339	336	394	497	469	463	521	516
Revenue, Core	598	593	592	671	696	676	695	773	855	827	798	867	973	887	944	1,009	1,058
Revenue, Expand	-	-	-	-	-	-	-	-	-	-	-	286	399	419	405	511	482
Revenue growth, Core	15.6%	18.0%	20.8%	23.5%	16.4%	13.9%	17.3%	15.1%	23.0%	22.4%	14.9%	12.1%	13.8%	7.3%	18.2%	16.4%	8.8%
Revenue growth, Expand	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78.7%	20.9%
Netcompany Denmark:																	
Revenue, Denmark	442	435	437	505	525	532	543	601	656	637	624	674	725	679	714	759	769
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%	10.6%	6.5%	14.4%	12.7%	6.1%
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%	39.4%	36.3%	47.7%	44.1%	35.1%
EBITA adj. before HQ costs, DK	130	119	152	169	157	170	199	209	202	166	205	195	192	143	242	217	139
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%	26.4%	21.0%	33.8%	28.6%	18.1%
Netcompany Norway:																	
Revenue, Norway	55	47	45	53	55	43	44	58	73	68	58	68	78	56	72	89	90
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%	-18.3%	22.6%	31.7%	14.6%
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%	-6.5%	16.4%	22.4%	17.5%
EBITA adj. before HQ costs, Norway	15	7	7	6	8	6	3	6	13	6	2	-2	-1	-19	-3	3	-1
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%	-34.6%	-4.6%	3.8%	-1.6%
Netcompany UK:																	
Revenue, UK	101	104	96	95	98	80	80	82	105	101	99	105	143	134	132	146	165
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%	28.9%	36.3%	33.0%	34.1%	38.5%	15.0%
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%	29.1%	30.0%	26.8%	26.8%	28.4%	30.0%
EBITA adj. before HQ costs, UK	11	12	16	16	11	0	-3	8	11	7	12	14	27	15	19	21	29
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%	13.0%	18.5%	11.3%	14.0%	14.6%	17.8%
Netcompany Netherlands:																	
Revenue, Netherlands	-	7	14	16	18	21	29	31	22	20	17	23	29	18	26	36	34
Revenue growth, Netherlands	-	-	-	-	-	197.2%	107.9%	88.5%	22.0%	-3.3%	-40.5%	-25.8%	33.1%	-11.8%	50.9%	58.6%	19.7%
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%	21.8%	19.5%	20.6%
EBITA adj. before HQ costs, Netherlands	-	-1	-2	-3	1	2	6	9	-2	-2	-8	-7	-1	-12	-2	-2	-1
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%	-8.0%	-6.1%	-2.6%
Netcompany Intrasoft:																	
Revenue, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	286	399	419	405	511	482
Revenue growth, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78.7%	20.9%
Gross margin, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	17.6%	17.1%	21.0%	19.3%	22.8%	20.4%
EBITA adj. before HQ costs, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	21	25	42	32	69	45
EBITA margin adj. before HQ costs, Intrasoft	-	-	-	-	-	-	-	-	-	-	-	7.5%	6.2%	10.1%	7.8%	13.4%	9.4%
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	4,148	4,627	5,178	5,545	5,713
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%	38.4%	46.9%	59.2%	52.7%	37.7%
- 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%	14.1%	10.9%	10.9%	11.1%	9.8%
- 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%	7.1%	6.3%	10.4%	12.3%
- UK (12M)	-	-	34.0%	17.1%	8.9%	-2.0%	-8.9%	-14.1%	-11.9%	-0.5%	9.0%	20.4%	29.0%	30.9%	33.3%	35.5%	28.8%
- Netherlands (12M)	-	-	-	-	-	-	-	-	86.1%	47.4%	6.9%	-16.8%	-13.0%	-14.7%	6.2%	32.8%	28.5%
- Intrasoft (12M)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITA adj (12M)	504	540	568	617	634	669	701	744	797	802	806	793	804	793	868	973	943
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%	19.4%	17.1%	16.8%	17.6%	16.5%
- 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%	28.9%	26.5%	28.5%	27.6%	25.3%
- 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%	-8.0%	-6.7%	-6.7%
- UK (12M)	9.0%	9.1%	11.4%	13.9%	14.0%	11.6%	6.7%	4.7%	4.4%	6.0%	9.6%	10.5%	12.5%	12.7%	14.2%	14.7%	14.6%
- Netherlands (12M)	-	-	-	-	-8.5%	-1.7%	8.0%	19.1%	15.0%	10.9%	-3.6%	-23.4%	-15.6%	-27.4%	-25.8%	-15.8%	-14.7%
- Intrasoft (12M)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.0%	9.6%	-
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%	0.6%	-0.2%	3.3%	7.3%	8.9%

Source: Company data and Nordea

Netcompany: Annual numbers

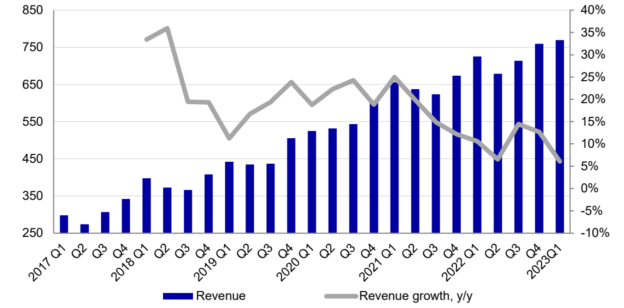
NETCOMPANY: ANNUAL NUMBERS (DKKm; EPS IN DKK)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Revenue	**461**	**629**	**758**	**900**	**1,416**	**2,053**	**2,454**	**2,839**	**3,632**	**5,545**	**6,183**	**7,111**	**8,036**
Production cost	-	-	447	527	803	1,237	1,458	1,683	2,299	3,772	4,306	4,948	5,592
Gross profit	**-**	**-**	**311**	**373**	**613**	**817**	**996**	**1,155**	**1,333**	**1,772**	**1,878**	**2,162**	**2,444**
Sales & marketing	-	-	4	4	10	12	12	17	37	41	46	53	59
Administration	-	-	100	121	201	290	367	394	503	764	850	963	1,086
Special items	-	-	0	-35	-33	-34	-4	0	-38	0	0	0	0
EBITDA	**91**	**157**	**228**	**233**	**402**	**520**	**669**	**809**	**843**	**1,112**	**1,171**	**1,346**	**1,521**
Depreciation	9	8	9	32	34	40	56	65	88	139	189	200	222
Amortisation	0	-2	12	0	0	0	0	0	0	0	0	0	0
EBITA	**81**	**150**	**207**	**201**	**369**	**480**	**613**	**744**	**755**	**973**	**981**	**1,146**	**1,299**
Amortisation	2	2	0	74	96	115	102	99	51	134	110	110	110
EBIT	**80**	**149**	**207**	**127**	**273**	**365**	**511**	**645**	**704**	**839**	**871**	**1,036**	**1,189**
Net financial items	1	1	0	-62	-73	-109	-14	-193	24	-83	-91	-65	-45
Pre-tax profit	**81**	**150**	**208**	**65**	**200**	**256**	**497**	**452**	**728**	**757**	**780**	**972**	**1,144**
Taxes	8	15	20	44	59	74	109	130	153	154	187	198	233
Net profit	**73**	**134**	**188**	**21**	**141**	**181**	**389**	**322**	**575**	**603**	**593**	**774**	**912**
One-off items	0	0	0	-35	-33	-34	-4	0	-38	0	0	0	0
EPS	-	-	-	-	2.8	3.7	7.9	6.4	11.7	12.3	11.9	15.5	18.2
EPS growth, y/y	-	-	-	-	-	29.7%	116.7%	-18.6%	82.4%	4.5%	-3.3%	30.5%	17.8%
Tax rate	9.3%	10.2%	9.6%	67.1%	29.7%	29.1%	21.9%	28.7%	21.1%	20.3%	24.0%	20.3%	20.3%
Revenue growth, y/y	15.0%	36.6%	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	28.0%	52.7%	11.5%	15.0%	13.0%
Gross margin	-	-	41.1%	41.4%	43.3%	39.8%	40.6%	40.7%	36.7%	32.0%	30.4%	30.4%	30.4%
EBITDA margin	19.8%	24.9%	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	23.2%	20.1%	18.9%	18.9%	18.9%
EBITA, adj	**81**	**150**	**207**	**236**	**402**	**514**	**617**	**744**	**755**	**973**	**981**	**1,146**	**1,299**
EBITA margin, adj	**17.7%**	**23.9%**	**27.4%**	**26.3%**	**28.4%**	**25.0%**	**25.2%**	**26.2%**	**20.8%**	**17.6%**	**15.9%**	**16.1%**	**16.2%**
EBITA margin	17.7%	23.9%	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	20.8%	17.6%	15.9%	16.1%	16.2%
EBIT margin	17.3%	23.6%	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	19.4%	15.1%	14.1%	14.6%	14.8%
Net profit, adj.	75	136	188	106	241	298	471	399	644	707	679	860	998
CFFO	-	-	217	117	195	227	559	718	1,151	773	710	817	965
Capex	-16	-4	-18	-2,539	-150	-27	-65	-102	-1,254	-244	-162	-176	-191
FCF	**-**	**-**	**207**	**-2,422**	**45**	**200**	**495**	**616**	**-103**	**529**	**548**	**641**	**774**
Revenue, public	-	-	312	368	730	1,152	1,456	1,778	2,209	3,567	3,977	4,574	5,168
Revenue, private	-	-	447	531	686	901	998	1,061	1,421	1,950	2,174	2,500	2,825
Revenue, Core	-	-	758	900	1,416	2,053	2,454	2,839	3,349	3,846	4,314	7,073	7,993
Revenue, Expand	-	-	-	-	-	-	-	-	281	1,670	1,837	2,113	2,429
Revenue growth, Core	-	-	-	18.7%	57.4%	45.0%	19.5%	15.7%	18.0%	14.8%	12.2%	64.0%	13.0%
Revenue growth, Expand	-	-	-	-	-	-	-	-	-	494.3%	10.0%	15.0%	15.0%
Development revenue	-	-	347	439	647	1,005	1,258	1,517	2,302	2,640	2,944	3,385	3,826
Maintenance revenue	-	-	411	461	769	1,048	1,196	1,322	1,328	2,876	3,207	3,688	4,167
Netcompany Denmark:													
Revenue, Denmark	461	629	758	888	1,220	1,544	1,819	2,200	2,592	2,915	3,271	3,761	4,184
Revenue growth, Denmark	15.0%	36.6%	20.5%	18.7%	37.4%	26.5%	17.8%	21.0%	17.8%	12.5%	12.2%	15.0%	11.2%
EBITA adj. before HQ costs, DK	81	150	207	234	358	461	544	706	712	762	704	800	869
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%	26.1%	21.5%	21.3%	20.8%
Intrasoft													
Revenue, Intrasoft	-	-	-	-	-	-	-	-	281	1,670	1,837	2,113	2,429
Revenue growth, Intrasoft	-	-	-	-	-	-	-	-	-	494.3%	10.0%	15.0%	15.0%
EBITA adj. before HQ costs, Intrasoft	-	-	-	-	-	-	-	-	19	173	190	219	252
EBITA margin adj. before HQ costs, Intrasoft	-	-	-	-	-	-	-	-	6.9%	10.4%	10.4%	10.4%	10.4%
Netcompany UK													
Revenue, UK	-	-	-	-	62	338	395	340	410	555	611	702	808
Revenue growth, UK	-	-	-	-	-	446.2%	16.7%	-13.8%	20.4%	35.5%	10.0%	15.0%	15.0%
EBITA adj. before HQ costs, UK	-	-	-	-	12	23	48	9	34	80	87	115	148
EBITA margin adj. before HQ costs, UK	-	-	-	-	20.0%	6.8%	12.2%	2.8%	8.2%	14.3%	14.3%	16.3%	18.3%
Netcompany Norway													
Revenue, Norway	-	-	-	12	134	171	203	200	267	295	339	390	449
Revenue growth, Norway	-	-	-	-	1044.4%	27.9%	18.6%	-1.7%	33.8%	10.4%	15.0%	15.0%	15.0%
EBITA adj. before HQ costs, Norway	-	-	-	2	31	31	32	12	12	-23	0	10	22
EBITA margin adj. before HQ costs, Norway	-	-	-	17.1%	23.1%	17.9%	15.9%	6.0%	4.6%	-7.7%	0.0%	2.5%	5.0%
Netcompany Netherlands													
Revenue, Netherlands	-	-	-	-	-	-	37	99	82	109	125	144	166
Revenue growth, Netherlands	-	-	-	-	-	-	-	163.7%	-16.8%	32.8%	15.0%	15.0%	15.0%
EBITA adj. before HQ costs, Netherlands	-	-	-	-	-	-	-7	17	-22	-19	0	4	8
EBITA margin adj. before HQ costs, Netherlands	-	-	-	-	-	-	-17.4%	17.0%	-27.0%	-17.1%	0.0%	2.5%	5.0%

Source: Company data and Nordea estimates

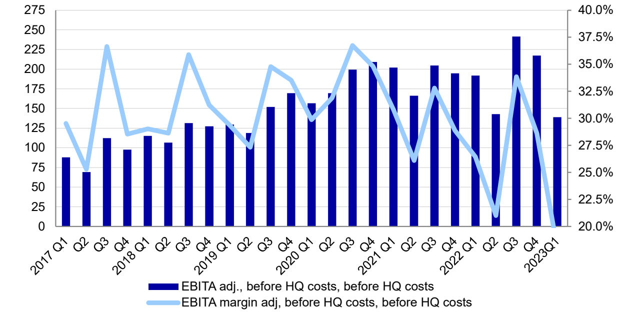
Quarterly charts

NETCOMPANY, DENMARK: REVENUE (DKKm)



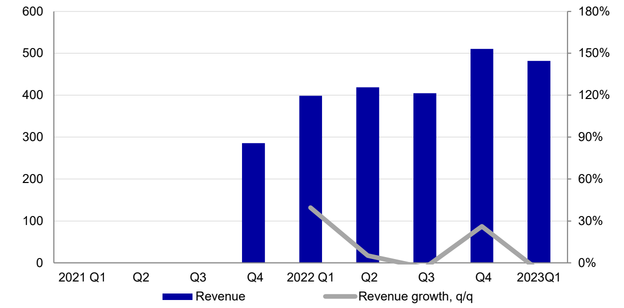
Source: *Company data and Nordea*

NETCOMPANY, DENMARK: EBITA (DKKm)



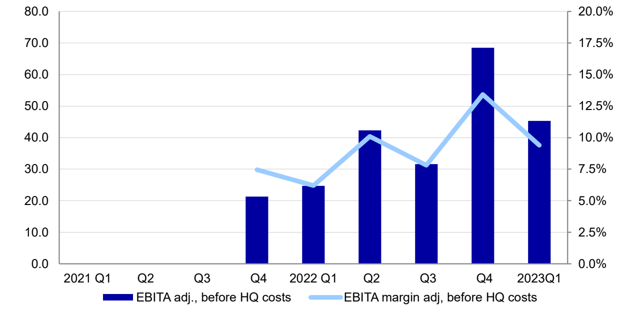
Source: *Company data and Nordea*

NETCOMPANY, INTRASOFT: REVENUE (DKKm)



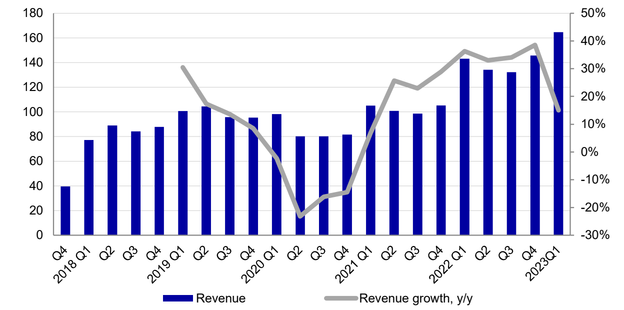
Source: *Company data and Nordea*

NETCOMPANY, INTRASOFT: EBITA (DKKm)



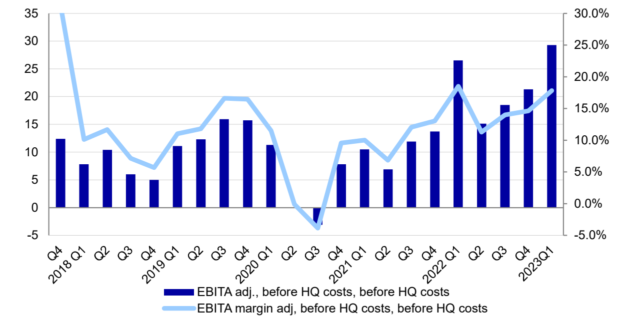
Source: *Company data and Nordea*

NETCOMPANY, UK: REVENUE (DKKm)



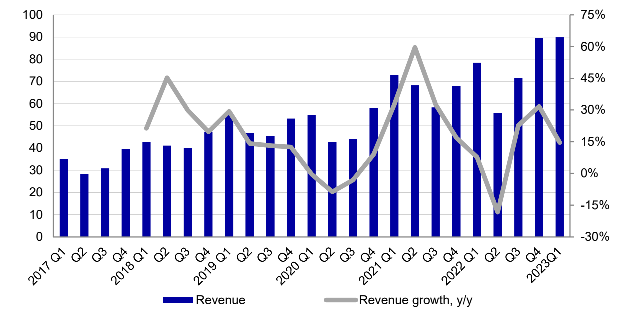
Source: *Company data and Nordea*

NETCOMPANY, UK: EBITA (DKKm)



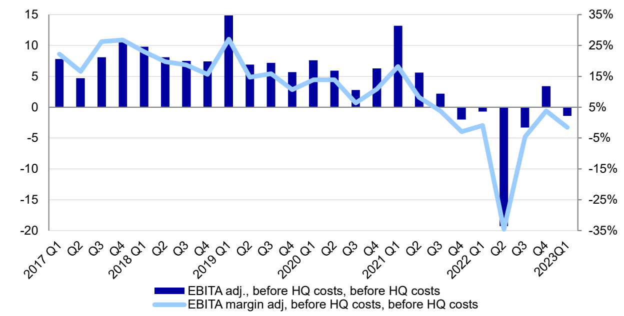
Source: *Company data and Nordea*

NETCOMPANY, NORWAY: REVENUE (DKKm)



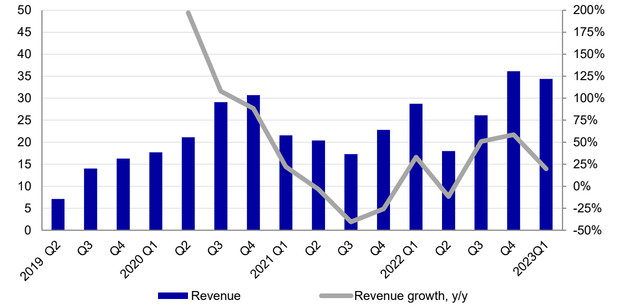
Source: *Company data and Nordea*

NETCOMPANY, NORWAY: EBITA (DKKm)



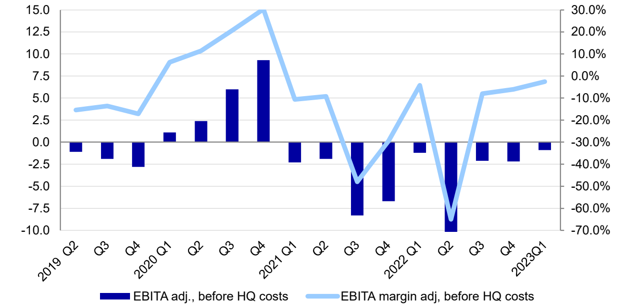
Source: *Company data and Nordea estimates*

NETCOMPANY, NETHERLANDS: REVENUE (DKKm)



Source: Company data and Nordea

NETCOMPANY, NETHERLANDS: EBITA (DKKm)



Source: Company data and Nordea

Reported numbers and forecasts

INCOME STATEMENT											
DKKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Total revenue	**758**	**900**	**1,416**	**2,053**	**2,454**	**2,839**	**3,632**	**5,545**	**6,183**	**7,111**	**8,036**
Revenue growth	20.5%	18.7%	57.4%	45.0%	19.5%	15.7%	28.0%	52.7%	11.5%	15.0%	13.0%
of which organic	20.5%	17.1%	37.0%	25.5%	17.7%	15.5%	17.0%	14.7%	11.5%	15.0%	13.0%
of which FX	0.0%	0.0%	0.3%	0.1%	0.0%	-1.1%	0.9%	0.0%	-0.5%	0.0%	0.0%
EBITDA	228	233	402	520	669	809	843	1,112	1,171	1,346	1,521
Depreciation and impairments PPE	-21	-32	-34	-40	-56	-65	-88	-139	-189	-200	-222
of which leased assets	0	-11	-19	-24	-37	-42	-54	-90	-105	-116	-127
EBITA	207	201	369	480	613	744	755	973	981	1,146	1,299
Amortisation and impairments	0	-74	-96	-115	-102	-99	-51	-134	-110	-110	-110
EBIT	207	127	273	365	511	645	704	839	871	1,036	1,189
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	-62	-73	-110	-14	-47	-33	-70	-91	-65	-45
of which lease interest	0	0	-1	-1	-3	-4	-4	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**208**	**65**	**200**	**254**	**497**	**598**	**671**	**769**	**780**	**972**	**1,144**
Reported taxes	-20	-44	-59	-74	-109	-130	-153	-154	-187	-198	-233
Net profit from continued operations	188	21	141	180	389	468	517	616	593	774	912
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	188	21	141	180	389	468	517	616	593	774	912
EPS, DKK	**3.75**	**0.43**	**2.81**	**3.60**	**7.77**	**9.36**	**10.35**	**12.31**	**11.86**	**15.48**	**18.23**
DPS, DKK	-2.33	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
of which ordinary	-2.33	0.00	0.00	0.00	0.00	1.00	0.00	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	30.1%	25.9%	28.4%	25.3%	27.3%	28.5%	23.2%	20.1%	18.9%	18.9%	18.9%
EBITA	27.4%	22.3%	26.0%	23.4%	25.0%	26.2%	20.8%	17.6%	15.9%	16.1%	16.2%
EBIT	27.4%	14.1%	19.3%	17.8%	20.8%	22.7%	19.4%	15.1%	14.1%	14.6%	14.8%
Adjusted earnings											
EBITDA (adj)	228	268	435	555	674	809	881	1,112	1,171	1,346	1,521
EBITA (adj)	207	236	402	514	617	744	793	973	981	1,146	1,299
EBIT (adj)	207	162	306	399	516	645	742	839	871	1,036	1,189
EPS (adj, DKK)	3.75	0.97	3.33	4.14	7.84	9.36	10.94	12.31	11.86	15.48	18.23
Adjusted profit margins in percent											
EBITDA (adj)	30.1%	29.8%	30.7%	27.0%	27.5%	28.5%	24.3%	20.1%	18.9%	18.9%	18.9%
EBITA (adj)	27.4%	26.3%	28.4%	25.0%	25.2%	26.2%	21.8%	17.6%	15.9%	16.1%	16.2%
EBIT (adj)	27.4%	18.0%	21.6%	19.4%	21.0%	22.7%	20.4%	15.1%	14.1%	14.6%	14.8%
Performance metrics											
CAGR last 5 years											
Net revenue	23.7%	22.4%	28.7%	34.8%	31.3%	30.2%	32.2%	31.4%	24.7%	23.7%	23.1%
EBITDA	20.6%	16.6%	31.2%	41.7%	33.7%	28.8%	29.3%	22.6%	17.6%	15.0%	13.5%
EBIT	19.3%	4.0%	23.2%	35.5%	28.0%	25.5%	40.8%	25.2%	19.0%	15.2%	13.0%
EPS	23.8%	-23.0%	9.9%	19.6%	23.7%	20.0%	89.2%	34.3%	26.9%	14.8%	14.3%
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	24.7%	20.9%	20.1%	19.5%	19.6%	19.9%	20.2%	18.5%	17.3%	16.2%	15.2%
Average EBITDA margin	26.7%	25.8%	26.7%	26.8%	27.1%	27.3%	26.2%	23.9%	22.3%	20.9%	19.6%

VALUATION RATIOS - ADJUSTED EARNINGS											
DKKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
P/E (adj)	n.a.	n.a.	n.a.	53.2	40.4	66.5	64.4	23.9	22.3	17.1	14.5
EV/EBITDA (adj)	n.a.	n.a.	n.a.	21.6	24.8	39.0	42.1	14.6	12.1	10.1	8.4
EV/EBITA (adj)	n.a.	n.a.	n.a.	23.3	27.0	42.4	46.7	16.7	14.5	11.8	9.8
EV/EBIT (adj)	n.a.	n.a.	n.a.	30.0	32.3	48.9	49.9	19.4	16.3	13.1	10.8

VALUATION RATIOS - REPORTED EARNINGS											
DKKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
P/E	n.a.	n.a.	n.a.	61.1	40.8	66.5	68.1	23.9	22.3	17.1	14.5
EV/Sales	n.a.	n.a.	n.a.	5.84	6.80	11.11	10.20	2.93	2.30	1.91	1.59
EV/EBITDA	n.a.	n.a.	n.a.	23.1	24.9	39.0	43.9	14.6	12.1	10.1	8.4
EV/EBITA	n.a.	n.a.	n.a.	25.0	27.2	42.4	49.0	16.7	14.5	11.8	9.8
EV/EBIT	n.a.	n.a.	n.a.	32.9	32.6	48.9	52.6	19.4	16.3	13.1	10.8
Dividend yield (ord.)	n.a.	n.a.	n.a.	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	n.a.	n.a.	n.a.	1.8%	3.1%	2.0%	-0.3%	3.6%	4.4%	5.6%	6.7%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	1.6%	3.1%	2.1%	2.9%	3.3%	3.6%	4.7%	5.7%
Payout ratio	n.m.	0.0%	0.0%	0.0%	0.0%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data and Nordea estimates

BALANCE SHEET

DKKm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	4	2,373	2,604	2,485	2,551	2,451	3,896	3,880	3,870	3,865	3,865
of which R&D	0	0	0	0	0	0	0	0	100	205	315
of which other intangibles	4	489	495	376	286	187	524	507	507	507	507
of which goodwill	0	1,884	2,109	2,109	2,264	2,264	3,372	3,372	3,262	3,152	3,042
Tangible assets	20	41	55	117	146	135	317	332	310	297	282
of which leased assets	12	25	31	83	101	89	235	247	247	247	247
Shares associates	0	0	0	0	0	70	110	105	105	105	105
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	11	0	0	1	4	9	17	33	33	33	33
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	-11	0	0	-1	-4	19	28	56	56	56	56
Total non-current assets	24	2,414	2,658	2,602	2,697	2,684	4,369	4,406	4,374	4,356	4,342
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	180	258	445	458	531	459	1,032	1,112	1,240	1,426	1,612
Short-term leased assets	11	19	24	37	42	54	90	105	116	127	142
Other current assets	174	103	139	268	305	484	1,068	1,235	1,491	1,710	1,930
Cash and bank	111	60	194	108	132	359	459	336	511	648	914
Total current assets	477	441	802	869	1,011	1,356	2,649	2,788	3,358	3,911	4,597
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	**501**	**2,855**	**3,461**	**3,471**	**3,708**	**4,039**	**7,018**	**7,194**	**7,732**	**8,267**	**8,938**
Shareholders equity	300	1,261	1,644	1,806	2,072	2,429	3,031	3,520	4,113	4,888	5,799
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	7	6	6	6	6
Total Equity	300	1,261	1,644	1,806	2,072	2,429	3,038	3,526	4,120	4,894	5,805
Deferred tax	0	111	112	89	73	66	134	111	111	111	111
Long term interest bearing debt	0	1,178	1,265	1,106	959	761	2,276	1,872	1,572	1,072	572
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	6	14	18	54	65	57	148	181	191	205	219
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	6	1,303	1,395	1,249	1,128	1,057	2,671	2,178	1,874	1,389	902
Short-term provisions	5	9	30	36	4	0	9	12	13	15	17
Accounts payable	19	27	51	54	44	40	329	265	340	391	442
Current lease debt	6	12	14	29	39	35	99	85	90	97	103
Other current liabilities	180	222	336	310	441	478	877	1,127	1,295	1,482	1,669
Short term interest bearing debt	0	28	0	0	0	0	0	0	0	0	0
Total current liabilities	210	297	431	430	528	554	1,312	1,489	1,738	1,985	2,231
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	**516**	**2,860**	**3,469**	**3,485**	**3,728**	**4,039**	**7,021**	**7,193**	**7,732**	**8,267**	**8,938**
Balance sheet and debt metrics											
Net debt	-111	1,118	1,070	998	826	402	1,817	1,536	960	319	-455
of which lease debt	12	25	31	83	104	93	247	266	281	302	322
Working capital	155	113	198	361	351	424	895	954	1,096	1,263	1,431
Invested capital	180	2,527	2,856	2,963	3,048	3,108	5,264	5,360	5,470	5,619	5,772
Capital employed	312	2,492	2,940	2,996	3,134	3,282	5,560	5,665	5,973	6,269	6,700
ROE	73.2%	2.7%	9.7%	10.4%	20.0%	20.8%	19.0%	18.8%	15.5%	17.2%	17.1%
ROIC	87.4%	9.4%	8.9%	10.7%	13.4%	16.3%	17.7%	15.8%	0.0%	-18.7%	-41.8%
ROCE	79.5%	11.7%	11.6%	13.8%	18.1%	20.7%	17.0%	15.5%	15.0%	16.9%	18.3%
Net debt/EBITDA	-0.5	4.8	2.7	1.9	1.2	0.5	2.2	1.4	0.8	0.2	-0.3
Interest coverage	65.3	2.0	3.4	8.0	10.9	10.7	18.1	8.7	9.6	16.0	26.5
Equity ratio	58.2%	44.1%	47.4%	51.8%	55.6%	60.1%	43.2%	48.9%	53.2%	59.1%	64.9%
Net gearing	-37.1%	88.7%	65.1%	55.3%	39.9%	16.5%	59.8%	43.6%	23.3%	6.5%	-7.8%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT											
DKKm	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
EBITDA (adj) for associates	**228**	**233**	**402**	**520**	**669**	**809**	**843**	**1,112**	**1,171**	**1,346**	**1,521**
Paid taxes	-21	-34	-35	-167	-116	-126	-198	-234	-187	-198	-233
Net financials	7	65	79	80	33	22	40	75	-91	-65	-45
Change in provisions	5	4	21	6	-33	-4	9	3	1	2	2
Change in other LT non-IB	0	0	0	0	31	115	-79	-142	-14	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	-11	-132	-177	-119	-38	-132	39	19	0	0	0
Funds from operations (FFO)	**208**	**137**	**290**	**319**	**547**	**684**	**655**	**832**	**880**	**1,086**	**1,246**
Change in NWC	9	-20	-95	-92	12	34	496	-59	-142	-167	-167
Cash flow from operations (CFO)	**217**	**117**	**195**	**227**	**559**	**718**	**1,151**	**773**	**738**	**918**	**1,078**
Capital expenditure	-10	-23	-30	-27	-27	-27	-61	-199	-162	-176	-191
Free cash flow before A&D	**207**	**94**	**165**	**200**	**532**	**691**	**1,091**	**574**	**576**	**742**	**888**
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	-2,516	-120	0	-37	-75	-1,194	-46	0	0	0
Free cash flow	207	-2,422	45	200	495	616	-103	529	576	742	888
Free cash flow bef A&D, lease adj	207	83	146	176	495	649	1,036	484	471	627	761
Dividends paid	-100	-116	0	0	0	0	-49	0	0	0	0
Equity issues / buybacks	0	0	0	0	-175	0	-100	-131	0	0	0
Net change in debt	0	0	0	0	-200	-198	1,515	-600	-300	-500	-500
Other financing adjustments	0	0	0	0	-34	-55	-74	7	-101	-106	-122
Other non-cash adjustments	-8	2,487	90	-287	-69	-126	-1,243	10	0	0	0
Change in cash	99	-52	135	-87	25	227	100	-123	175	136	266
Cash flow metrics											
Capex/D&A	46.5%	22.0%	23.3%	17.5%	17.4%	16.2%	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	1.3%	2.6%	2.1%	1.3%	1.1%	0.9%	1.7%	3.6%	2.6%	2.5%	2.4%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	220	317	623	705	294	265	265	265
Market cap.	n.a.	n.a.	n.a.	11,000	15,850	31,125	35,225	14,710	13,235	13,235	13,235
Enterprise value	n.a.	n.a.	n.a.	11,998	16,676	31,527	37,049	16,253	14,201	13,560	12,786
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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