

North Media

Diversification is gaining momentum

- 9th guidance upgrade in a row, driven by strong Q3
- 2021-23 strategic plan to be announced soon
- We increase EBITDA margins by 2.7pp for 2021/22e

Several new service offerings launched during Q3'20

North Media delivered a strong Q3 with revenue of DKK 261m (10% vs. ABGSCe), EBIT (bsi.) of DKK 60m (28% vs. ABGSCe) and EBT of DKK 101m (-7% vs. ABGSCe). The positive result was primarily attributed to 13 distribution weeks in Q3'19 vs. 14 weeks this year. The FK Distribution segment announced an agreement with Deutsche Post to pack for 143,000 households in Flensburg, but in light of this, we do not expect to see higher revenue short term. FK is turning its focus on new areas aside from commercial leaflets, and is entering into distribution of magazines and direct mail. The NM Online segment delivered 19% sales growth while doubling its EBIT, which was attributed to strong 16% and 33% growth in BoligPortal and Ofir, respectively. The successful launch of the updated BoligPortal platform has seen growth of 16%, 52% and 119% in Denmark, Sweden and among landlords. The new services tailored towards landlords will launch in Sweden next year. Ofir's turnaround is complete and is guided to be profitable in 2021. Due to COVID-19, BEKEY has onboarded ~52% of Copenhagen apartment blocks and targeted min. penetration of 70%, which it expects to meet next year. BEKEY has started a pilot programme to assess the needs of the service where e.g. ~60% of households prefer home delivery.

The company is showing strong momentum in online

Guidance for '20 is narrowed to the high end with revenue of DKK 1,020-1,045m (DKK 1,005-1,045m) and EBIT raised to DKK 230-245m (DKK 215-245m). We increase our gross margin by 2% for 2020 and 3% for 2021/22e. Even though FK Distribution accounts for ~94% of EBIT, 50% of our upgrade is based on strong momentum in NM Online and BEKEY. We decrease our return on securities estimate by 14% in 2020 and by DKK 20m for 2021/22e. The portfolio delivered DKK -14m in October and we estimate a DKK 29m return in Q4 after a strong start to November.

Strategic plan announced in connection with FY'20

A 2021-23 financial strategic plan is planned in connection with North Media's FY'20 update. Our value range widens by 6% to 58-90 (55-85).

Analyst(s): Laurits Kjærgaard

DKKm	2018	2019	2020e	2021e	2022e
Sales	1,145	1,130	1,016	999	986
EBITDA	137	191	269	271	271
EBITDA margin (%)	12.0	16.9	26.4	27.1	27.4
EBIT adj	110	160	236	239	239
EBIT adj margin (%)	9.6	14.2	23.2	23.9	24.2
Pretax profit	89	266	353	279	279
EPS rep	3.77	11.02	14.99	12.13	12.13
EPS adj	3.50	4.41	8.27	9.35	9.35
Sales growth (%)	27.3	-1.3	-10.1	-1.7	-1.3
EPS growth (%)	151.8	192.2	36.0	-19.1	-0.0

Source: ABG Sundal Collier, Company data

Reason: Post-results comment

Company sponsored research

Not rated

Estimate changes (%)

	2020e	2021e	2022e
Sales	0.0%	0.0%	0.0%
EBIT (rep)	5.6%	10.8%	14.3%
EPS (rep)	-0.8%	1.2%	4.0%

Source: ABG Sundal Collier

Share price (DKK)	04/11/2020	70.0
Fair value range (per share)		58-90

Media, Denmark
NORTHM.COF/NORTHM:DC

MCap (DKKkm)	1,257
MCap (EURm)	169
Net debt (EURm)	-88

No. of shares (m)	18.0
Free float (%)	36
Av. daily volume (k)	21

Next event Q4 report: 11 Feb

Performance



	1m	3m	12m
Absolute (%)	3.6	29.7	102.5
OMX CPGN PI (%)	2.7	8.6	26.7

Source: FactSet

	2020e	2021e	2022e
P/E (x)	4.7	5.8	5.8
P/E adj (x)	8.5	7.5	7.5
P/BVPS (x)	1.33	1.08	0.90
EV/EBITDA (x)	2.2	1.2	0.3
EV/EBIT adj (x)	2.4	1.4	0.4
EV/sales (x)	0.57	0.34	0.09
ROE adj (%)	18.4	15.9	13.1
Dividend yield (%)	5.7	5.7	5.7
FCF yield (%)	13.8	15.4	15.3
Lease adj. FCF yld (%)	13.8	15.4	15.4
Net IB debt/EBITDA	-2.4	-3.3	-4.3
Lease adj. ND/EBITDA	-2.4	-3.3	-4.3

Please refer to important disclosures at the end of this report

This research product is commissioned and paid for by the company covered in this report. As such, this report is deemed to constitute an acceptable minor non-monetary benefit (i.e. not investment research) as defined in MiFID II.

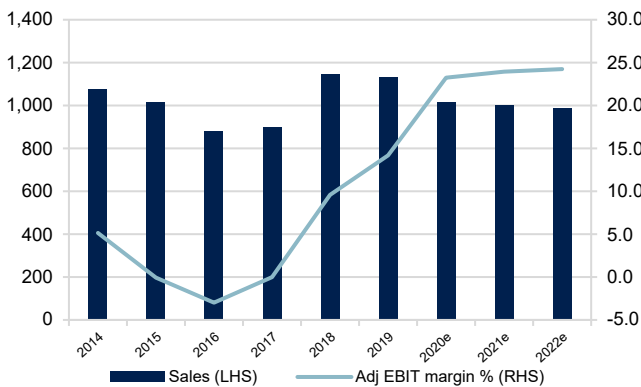
Company description

North Media's history dates back to 1965, when the distribution of unaddressed printed advertisements and newspapers was its main activity. The company has since diversified its product offering to include advertisement-funded internet distribution activities. North Media is the only media company listed on the OMX Copenhagen Stock Exchange. It operates three segments: FK Distribution, North Media Online and BEKEY.

Risks

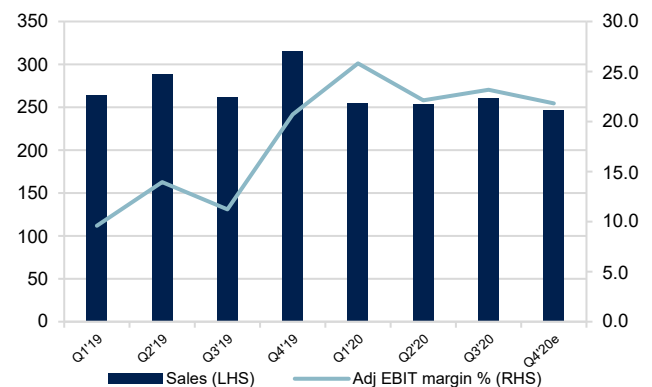
There are three main risks to the business: 1) the implementation of regulations against physical advertisements and/or an increased negative perception of offline advertisements, 2) increased penetration of online marketing from competitors and its market share versus print media, and 3) difficulties finding growth opportunities in the three smaller segments of the company.

Annual sales and adj. EBIT marginDKKm



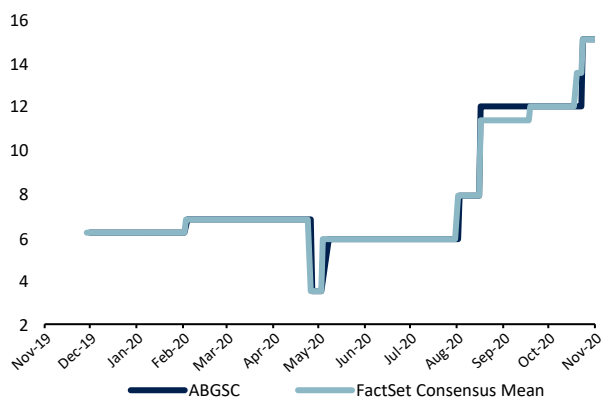
Source: ABG Sundal Collier, Company data

Quarterly sales and adj. EBIT margin



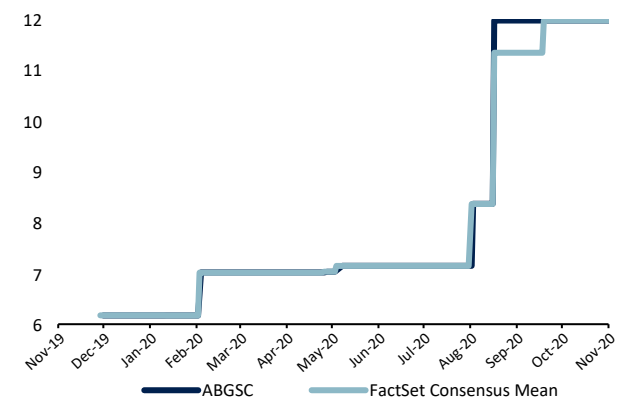
Source: ABG Sundal Collier, Company data

EPS estimate changes, 2020e, DKK



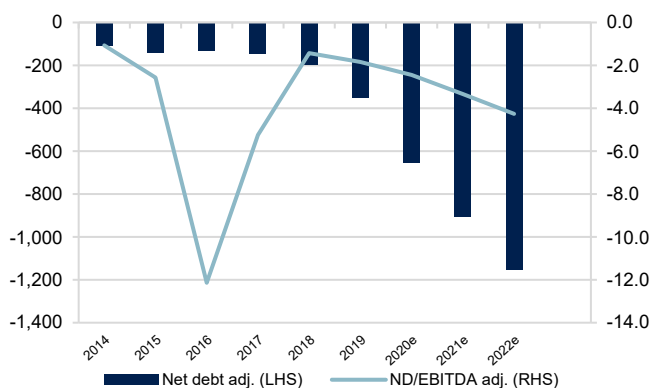
Source: ABG Sundal Collier, FactSet

EPS estimate changes, 2021e, DKK



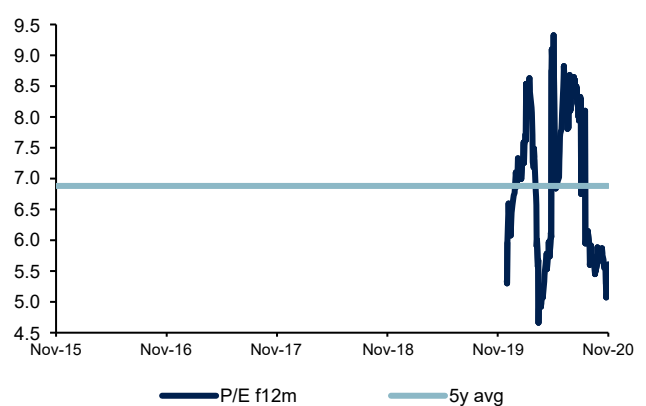
Source: ABG Sundal Collier, FactSet

Net debt and ND/EBITDA adj.



Source: ABG Sundal Collier, Company data

12-month forward-looking P/E



Source: ABG Sundal Collier, Company data

Estimate revisions

Estimate revisions

Estimate Revisions	New estimates			Old estimates			Change		
	2020e	2021e	2022e	2020e	2021e	2022e	2020e	2021e	2022e
Revenue	1016	999	986	1016	999	986	0%	0%	0%
Gross profit	609	607	600	594	581	570	3%	4%	5%
EBITDA	269	271	271	256	248	241	5%	9%	12%
EBIT (bsi.)	236	239	239	224	216	209	6%	11%	14%
EBIT	236	239	239	224	216	209	6%	11%	14%
EBT	353	279	279	356	276	268	-1%	1%	4%
EPS grow th	36%	-19%	0%	37%	-21%	-3%	-1%p	2%p	3%p
Sales grow th	-10%	-2%	-1%	-10%	-2%	-1%	0%p	0%p	0%p
Gross profit margin	60%	61%	61%	58%	58%	58%	2%p	3%p	3%p
EBITDA margin	26%	27%	27%	25%	25%	24%	1%p	2%p	3%p
EBIT margin	23%	24%	24%	22%	22%	21%	1%p	2%p	3%p
Segments (Revenue)									
FK Distribution	907	879	853	907	879	853	0%	0%	0%
NM Online	99	109	120	99	109	120	0%	0%	0%
BEKEY	28	28	29	28	28	29	0%	0%	0%
Segments (EBIT bsi.)									
FK Distribution	231	224	217	219	212	205	5%	6%	6%
NM Online	22	21	26	20	16	18	13%	31%	43%
BEKEY	-8	-3	-1	-8	-9	-10	1%	217%	1780%

Source: ABG Sundal Collier, company data

Annual estimates

Profit / Loss	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY
Revenues	1,139	1,212	1,105	1,077	1,074	1,012	881	899	1,145	1,130	1,016	999	986
Direct expenses	-400	-427	-375	-394	-334	-317	-282	-280	-331	-300	-234	-225	-220
Direct staff cost	-203	-205	-199	-196	-207	-199	-181	-210	-261	-241	-173	-167	-166
Gross profit	536	580	530	488	533	497	418	410	553	589	609	607	600
Staff cost	-267	-263	-279	-271	-279	-292	-267	-262	-270	-272	-225	-219	-211
Other cost	-119	-124	-125	-136	-157	-157	-144	-124	-151	-133	-122	-123	-124
Other operating income	6.8	7.4	7.0	12.2	6.2	7.9	4.3	4.4	5.5	7.3	6.1	6.0	5.9
Distribution & Admin. costs (incl. depr.)	-379	-380	-397	-394	-430	-441	-407	-381	-415	-398	-340	-336	-329
- of sales (%)	33.3%	31.4%	35.9%	36.6%	40.0%	43.6%	46.2%	42.4%	36.3%	35.3%	33.5%	33.6%	33.4%
EBITDA	156	200	134	94	103	56	11	28	137	191	269	271	271
- margin (%)	13.7%	16.5%	12.1%	8.7%	9.6%	5.5%	1.2%	3.2%	12.0%	16.9%	26.4%	27.1%	27.4%
Amortisation and depreciation	-46	-33	-33	-36	-48	-56	-37	-29	-28	-30	-33	-32	-32
- of sales (%)	4.1%	2.7%	3.0%	3.3%	4.5%	5.6%	4.2%	3.2%	2.4%	2.7%	3.2%	3.2%	3.2%
EBIT b. special items	110	167	101	58	55	-1	-26	0	110	160	236	239	239
Special items, net	-28	0	-7	-20	-8	-19	-41	0	-16	2	0	0	0
EBIT	82	167	93	38	48	-20	-67	0	94	162	236	239	239
- margin (%)	7.2%	13.7%	8.5%	3.5%	4.4%	-2.0%	-7.6%	-0.1%	8.2%	14.3%	23.2%	23.9%	24.2%
Share of profit/loss in associates	17	-1	-2	-2	-1	0	25	-2	1	-5	-5	-5	-5
Return on securities	0	0	0	0	0	13	-6	35	5	122	127	50	50
Net financial income	4	-4	5	-8	-7	-8	-21	-3	-27	-12	-5	-5	-5
financial income	10	7	16	3	18	1	0	5	0	1	0	0	0
financial expenses	-5	-11	-11	-12	-25	-8	-21	-8	-27	-12	-5	-5	-5
Pre-tax profit	103	162	97	27	40	-15	-70	29	73	268	353	279	279
- margin (%)	9.0%	13.4%	8.8%	2.5%	3.7%	-1.5%	-7.9%	3.2%	6.4%	23.7%	34.8%	28.0%	28.3%
Tax for the year	-15	-41	-21	-11	-17	3	6	-1	-17	-62	-78	-61	-61
Net profit for the year (ex. disc.)	88	121	76	16	23	-12	-64	28	56	205	275	218	218

Segments

Revenue														
FK Distribution							691	591	671	933	926	892	864	839
North Media Online							95	96	85	81	86	99	109	120
BEKEY							18	20	19	24	25	25	25	27
Print (discont.)	1,071	1,148	1,019	986	976									
Online (discont.)	77	73	95	91	97									
EBIT Margin (%)														
FK Distribution							8%	6%	5%	14%	19%	26%	26%	26%
North Media Online							-13%	-12%	-6%	-5%	13%	22%	19%	22%
BEKEY							-107%	-106%	-87%	-47%	-42%	-31%	-11%	-2%
Print (discont.)	15%	19%	14%	7%	6%									
Online (discont.)	-100%	-78%	-46%	-46%	-17%									

Source: ABG Sundal Collier, company data

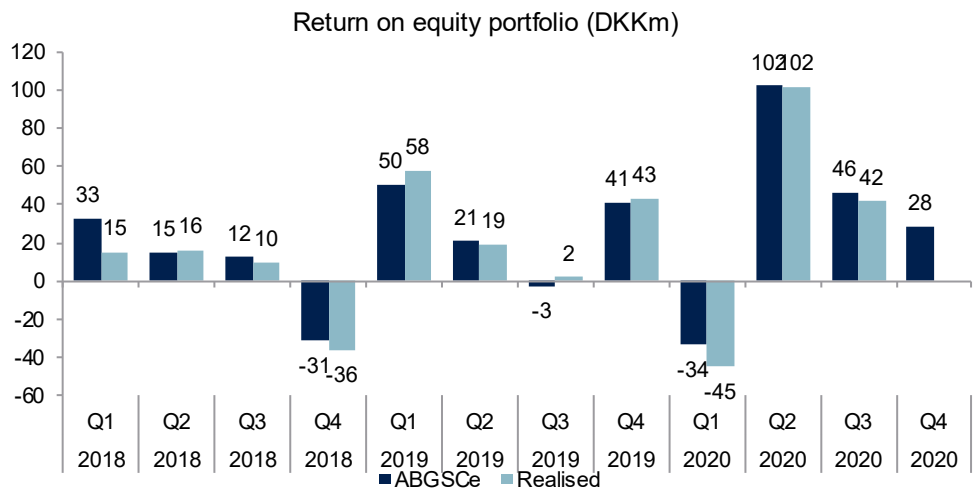
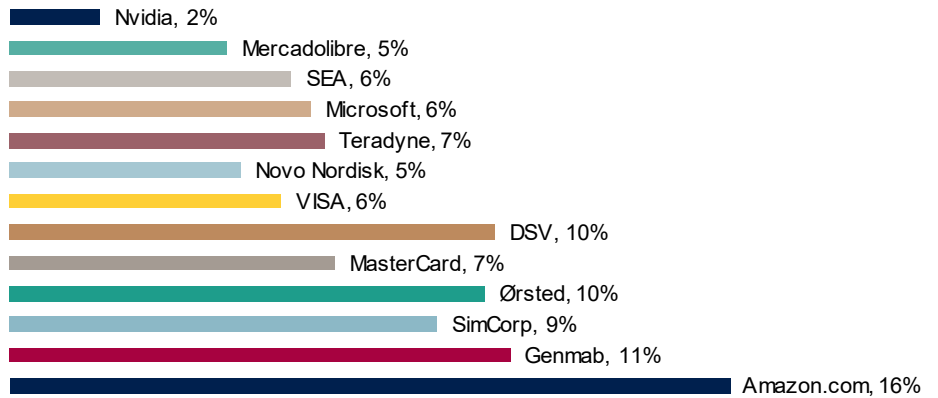
Quarterly estimates

Profit / Loss	2018				2019				2020e			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4e
Revenues	278	291	268	308	264	289	262	315	255	254	261	247
Direct expenses	-79	-85	-82	-85	-74	-75	-72	-80	-63	-57	-61	-53
Direct staff cost	-64	-67	-63	-67	-59	-63	-58	-61	-38	-46	-45	-44
Gross profit	134	139	123	156	131	151	132	175	154	151	154	150
Staff cost	-68	-69	-66	-67	-64	-71	-67	-71	-54	-57	-56	-58
Other cost	-32	-44	-36	-40	-36	-34	-30	-33	-29	-31	-32	-30
Other operating income	1.2	1.3	1.5	1.5	1.7	1.7	1.8	2.1	1.5	1.9	1.3	1.4
Distribution & Admin. costs (incl. depr.)	-98	-112	-100	-106	-98	-103	-95	-102	-82	-86	-87	-86
- of sales (%)	35.3%	38.3%	37.4%	34.3%	37.2%	35.7%	36.4%	32.3%	32.0%	33.9%	33.3%	34.9%
EBITDA	36	28	23	50	33	48	37	73	73	65	68	63
- margin (%)	13.0%	9.5%	8.5%	16.4%	12.5%	16.6%	14.1%	23.1%	28.5%	25.6%	25.9%	25.7%
Amortisation and depreciation	-7	-7	-7	-7	-8	-8	-8	-7	-7	-9	-7	-10
- of sales (%)	2.4%	2.4%	2.6%	2.3%	2.9%	2.6%	2.9%	2.4%	2.7%	3.5%	2.7%	3.9%
EBIT b. special items	30	21	16	43	25	40	29	65	66	56	60	54
Special items, net	-4	-14	0	2	3	0	0	-1	-1	0	0	1
EBIT	26	7	16	45	28	40	29	64	65	56	60	55
- margin (%)	9.2%	2.5%	5.9%	14.7%	10.6%	13.9%	11.2%	20.4%	25.5%	22.1%	23.2%	22.2%
Share of profit/loss in associates	0	0	1	1	0	0	0	-5	0	-1	0	-5
Return on securities	15	16	10	-36	58	19	2	43	-45	102	42	29
Net financial income	-2	-2	-17	-6	1	-2	-8	-3	-1	-1	-1	-1
financial income	0	0	0	0	2	0	0	-1	0	0	0	0
financial expenses	-2	-2	-17	-7	-1	-2	-8	-1	-1	-2	-1	-1
Pre-tax profit	39	22	9	3	86	58	24	100	19	156	101	77
- margin (%)	14.1%	7.4%	3.4%	1.1%	32.7%	19.9%	9.1%	31.7%	7.4%	61.5%	38.8%	31.3%
Tax for the year	-9	-6	-2	-1	-19	-13	-5	-25	-4	-36	-21	-17
Net profit for the year (ex. disc.)	30	16	7	3	67	45	19	75	15	120	81	60
Segments												
Revenue												
FK Distribution	227	238	215	254	215	238	214	259	223	221	228	219
North Media Online	19	21	22	20	21	22	23	22	24	26	27	23
BEKEY	5	5	8	5	7	5	5	10	8	6	6	5
Print (discont.)												
Online (discont.)												
EBIT Margin (%)												
FK Distribution	17%	12%	10%	20%	14%	18%	16%	25%	29%	24%	26%	25%
North Media Online	-15%	-5%	1%	-2%	6%	6%	6%	23%	18%	27%	22%	22%
BEKEY	-37%	-73%	-13%	-67%	-27%	-78%	-54%	-22%	-18%	-31%	-35%	-50%
Print (discont.)												
Online (discont.)												

Source: ABG Sundal Collier, company data

Equity portfolio

Overview of liquid assets (ex. funds)



Source: ABG Sundal Collier, company data

North Media

Income Statement (DKKm)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020e
Sales	264	289	262	315	255	254	261	247
COGS	-133	-138	-130	-141	-101	-103	-106	-97
Gross profit	131	151	132	175	154	151	154	150
Other operating items	-98	-103	-95	-102	-80	-87	-86	-88
EBITDA	33	48	37	73	74	64	69	62
Depreciation and amortisation	-8	-8	-8	-8	-8	-8	-8	-8
EBITA	25	40	29	65	66	56	60	54
EO items	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0
EBIT	25	40	29	65	66	56	60	54
Net financial items	1	-2	-8	-3	-1	-1	-1	-1
Pretax profit	86	58	24	100	19	156	101	77
Tax	-19	-13	-5	-25	-4	-36	-21	-17
Net profit	67	45	19	75	15	120	81	60
Minority interest	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	-3	6	0	0
Net profit to shareholders	67	45	19	75	12	126	81	60
EPS	0	0	0	0	0	0	0	0
EPS Adj	0	0	0	0	0	0	0	0
Total extraordinary items after tax	3	0	0	-1	-1	0	0	1
Tax rate (%)	22.1	22.0	22.3	25.3	19.1	23.3	20.5	22.1
Gross margin (%)	49.7	52.2	50.6	55.3	60.5	59.5	59.2	60.6
EBITDA margin (%)	12.5	16.6	14.1	23.1	29.0	25.3	26.3	25.1
EBITA margin (%)	9.6	13.9	11.2	20.7	25.8	22.1	23.2	21.8
EBIT margin (%)	9.6	13.9	11.2	20.7	25.8	22.1	23.2	21.8
Pretax margin (%)	10.8	13.4	8.2	19.5	25.0	21.6	22.8	21.6
Net margin (%)	3.6	9.0	6.1	11.5	23.5	7.3	14.9	14.7
Growth rates Y/Y	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020e
Sales growth (%)	-5.1	-0.9	-2.1	2.4	-3.4	-12.2	-0.5	-21.7
EBITDA growth (%)	-9.4	72.3	132.7	27.1	124.7	34.1	85.2	-14.9
EBIT growth (%)	-14.8	93.8	84.9	50.5	160.1	39.2	105.4	-17.6
Net profit growth (%)	122.1	184.2	156.9	2,663.0	-77.4	166.4	335.1	-19.4
EPS growth (%)	122.1	184.2	156.9	2,663.0	-77.4	166.4	335.1	-19.4
Adj earnings numbers	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020e
EBITDA Adj	33	48	37	73	74	64	69	62
EBITDA Adj margin (%)	12.5	16.6	14.1	23.1	29.0	25.3	26.3	25.1
EBITA Adj	25	40	29	65	66	56	60	54
EBITA Adj margin (%)	9.6	13.9	11.2	20.7	25.8	22.1	23.2	21.8
EBIT Adj	25	40	29	65	66	56	60	54
EBIT Adj margin (%)	9.6	13.9	11.2	20.7	25.8	22.1	23.2	21.8
Pretax profit Adj	84	58	24	101	20	156	101	76
Net profit Adj	65	45	19	76	16	120	81	59
Net profit to shareholders Adj	65	45	19	76	16	120	81	59
Net Adj margin (%)	2.5	9.0	6.1	11.9	23.9	7.3	14.9	14.3

Source: ABG Sundal Collier, Company data

North Media

Income Statement (DKK m)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales	1,077	1,074	1,012	881	899	1,145	1,130	1,016	999	986
COGS	-589	-540	-516	-463	-490	-592	-541	-407	-392	-386
Gross profit	488	533	497	418	410	553	589	609	607	600
Other operating items	-394	-430	-441	-407	-381	-415	-398	-340	-336	-329
EBITDA	94	103	56	11	28	137	191	269	271	271
Depreciation and amortisation	-36	-48	-56	-37	-29	-28	-30	-33	-32	-32
Of which leasing depreciation	0	0	0	0	0	0	0	0	0	0
EBITA	58	55	-1	-26	-0	110	160	236	239	239
EO items	0	0	0	0	0	0	0	0	0	0
Impairment and PPA amortisation	0	0	0	0	0	0	0	0	0	0
EBIT	58	55	-1	-26	-0	110	160	236	239	239
Net financial items	-8	-7	-8	-21	-3	-27	-12	-5	-5	-5
Pretax profit	47	47	4	-29	29	89	266	353	279	279
Tax	-11	-17	3	6	-1	-17	-62	-78	-61	-61
Net profit	36	30	8	-23	28	72	204	275	218	218
Minority interest	0	0	0	0	0	0	0	0	0	0
Net profit discontinued	0	0	0	0	0	0	0	-6	0	0
Net profit to shareholders	36	30	8	-23	28	72	204	269	218	218
EPS	1.88	1.59	0.40	-1.19	1.50	3.77	11.02	14.99	12.13	12.13
EPS Adj	1.88	1.59	-0.28	-0.87	-0.33	3.50	4.41	8.27	9.35	9.35
Total extraordinary items after tax	0	0	13	-6	35	5	122	127	50	50
Leasing payments	0	0	0	0	0	0	0	0	0	0
Tax rate (%)	23.7	35.9	78.6	21.0	2.1	19.5	23.4	22.0	22.0	22.0
Gross margin (%)	45.3	49.7	49.1	47.4	45.6	48.3	52.1	60.0	60.8	60.9
EBITDA margin (%)	8.7	9.6	5.5	1.2	3.2	12.0	16.9	26.4	27.1	27.4
EBITA margin (%)	5.3	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.2	23.9	24.2
EBIT margin (%)	5.3	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.2	23.9	24.2
Pretax margin (%)	4.6	4.5	0.4	-6.0	3.5	7.7	24.0	35.2	28.5	28.8
Net margin (%)	3.5	2.9	0.8	-5.3	3.4	6.2	18.5	27.6	22.3	22.6
Growth rates Y/Y	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Sales growth (%)	-2.5	-0.3	-5.7	-13.0	2.1	27.3	-1.3	-10.1	-1.7	-1.3
EBITDA growth (%)	-30.0	10.5	-46.2	-80.4	160.6	383.1	38.9	40.9	0.9	-0.2
EBIT growth (%)	-42.7	-4.2	-101.3	-3,657.1	99.6	109,800.0	46.1	47.3	1.3	-0.1
Net profit growth (%)	-57.0	-15.4	-75.2	-401.3	225.7	151.8	184.8	35.3	-20.9	-0.0
EPS growth (%)	-57.0	-15.4	-75.2	-401.3	225.7	151.8	192.2	36.0	-19.1	-0.0
Profitability	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
ROE (%)	7.1	5.8	1.4	-4.6	5.9	13.8	33.7	33.3	20.6	17.0
ROE Adj (%)	7.1	5.8	-1.0	-3.3	-1.3	12.8	13.5	18.4	15.9	13.1
ROCE (%)	8.8	10.7	1.9	-1.2	6.0	17.8	37.7	38.1	23.9	20.1
ROCE Adj (%)	8.8	10.7	-0.1	-0.2	0.3	17.0	21.2	24.6	19.7	16.6
ROIC (%)	8.7	7.0	-0.3	-5.5	-0.0	25.0	35.8	57.0	63.5	69.4
ROIC Adj (%)	8.7	7.0	-0.3	-5.5	-0.0	25.0	35.8	57.0	63.5	69.4
Adj earnings numbers	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA Adj	94	103	56	11	28	137	191	269	271	271
EBITDA Adj margin (%)	8.7	9.6	5.5	1.2	3.2	12.0	16.9	26.4	27.1	27.4
EBITDA lease Adj	94	103	56	11	28	137	191	269	271	271
EBITDA lease Adj margin (%)	8.7	9.6	5.5	1.2	3.2	12.0	16.9	26.4	27.1	27.4
EBITA Adj	58	55	-1	-26	-0	110	160	236	239	239
EBITA Adj margin (%)	5.3	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.2	23.9	24.2
EBIT Adj	58	55	-1	-26	-0	110	160	236	239	239
EBIT Adj margin (%)	5.3	5.1	-0.1	-3.0	-0.0	9.6	14.2	23.2	23.9	24.2
Pretax profit Adj	47	47	-9	-22	-6	84	144	226	229	229
Net profit Adj	36	30	-5	-16	-6	66	82	148	168	168
Net profit to shareholders Adj	36	30	-5	-16	-6	66	82	148	168	168
Net Adj margin (%)	3.5	2.9	-0.5	-4.6	-0.4	5.7	7.6	15.1	17.3	17.5

Source: ABG Sundal Collier, Company data

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Cash Flow Statement (DKKkm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
EBITDA	94	103	56	11	28	137	191	269	271	271
Net financial items	-8	-7	-8	-21	-3	-27	-12	-5	-5	-5
Paid tax	-11	-17	3	6	-1	-17	-62	-78	-61	-61
Non-cash items	-8	7	-19	7	-14	0	0	0	0	0
Cash flow before change in WC	66	87	33	3	11	93	117	186	205	204
Change in WC	14	-3	2	-18	12	12	14	4	1	0
Operating cash flow	80	84	35	-14	23	105	130	190	205	205
CAPEX tangible fixed assets	-26	-26	-10	-7	-31	-26	-12	-12	-12	-12
CAPEX intangible fixed assets	0	0	0	0	0	0	1	0	0	0
Acquisitions and disposals	-67	-24	-10	23	-11	-9	2	-5	0	0
Free cash flow	-12	34	14	2	-19	70	121	173	193	193
Dividend paid	11	4	2	0	0	28	28	5	5	5
Share issues and buybacks	0	0	0	0	0	0	1	0	0	0
Lease liability amortisation	0	0	0	0	0	0	1	0	0	1
Other non cash items	-51	35	35	-16	50	-49	-7	129	50	50
Balance Sheet (DKKkm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Goodwill	98	72	62	39	39	39	39	39	39	39
Other intangible assets	84	68	53	16	16	14	14	9	8	6
Tangible fixed assets	301	292	275	267	259	247	250	232	214	196
Right-of-use asset	0	0	0	0	0	0	0	0	0	-1
Total other fixed assets	110	93	67	63	89	95	86	81	76	71
Fixed assets	593	526	458	385	403	396	389	361	336	311
Inventories	0	0	11	6	6	4	5	4	4	4
Receivables	131	115	93	103	95	99	89	85	83	82
Other current assets	0	0	0	0	0	0	0	0	0	0
Cash and liquid assets	198	248	289	271	281	327	485	791	1,038	1,287
Total assets	922	889	850	766	785	825	968	1,240	1,462	1,684
Shareholders equity	508	527	521	460	497	539	671	945	1,167	1,390
Minority	16	5	1	0	0	0	0	0	0	0
Total equity	523	532	522	460	498	539	671	945	1,167	1,390
Long-term debt	138	132	139	132	125	127	123	123	123	123
Pension debt	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0
Leasing liability	0	0	0	0	0	0	0	0	0	0
Total other long-term liabilities	70	51	27	18	11	5	19	19	19	19
Short-term debt	6	6	7	7	7	5	11	11	11	11
Accounts payable	83	61	56	47	54	51	42	42	41	41
Other current liabilities	103	107	99	102	91	100	102	101	101	101
Total liabilities and equity	922	889	850	766	785	825	968	1,240	1,462	1,684
Net IB debt	-54	-110	-143	-132	-149	-196	-351	-657	-905	-1,153
Net IB debt excl. pension debt	-54	-110	-143	-132	-149	-196	-351	-657	-905	-1,153
Net IB debt excl. leasing	-54	-110	-143	-132	-149	-196	-351	-657	-905	-1,153
Capital invested	539	473	406	346	359	347	339	307	281	256
Working capital	-54	-53	-51	-39	-44	-48	-50	-54	-55	-55
EV breakdown	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Market cap. diluted (m)	na	337	251	235	628	614	778	1,257	1,257	1,257
Net IB debt Adj	-54	-110	-143	-132	-149	-196	-351	-657	-905	-1,153
Market value of minority	0	0	0	0	0	0	0	0	0	0
Reversal of shares and participations	-92	-78	-55	-51	-21	-35	-26	-21	-17	-12
Reversal of conv. debt assumed equity	0	0	0	0	0	0	0	0	0	0
EV	na	149	53	52	458	383	400	578	336	92
Capital efficiency	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Total assets turnover (%)	120.6	118.6	116.4	109.0	116.0	142.2	126.0	92.0	73.9	62.7
Working capital/sales (%)	-3.0	-5.0	-5.2	-5.1	-4.6	-4.0	-4.3	-5.1	-5.5	-5.6
Financial risk and debt service	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Net debt/equity	-0.10	-0.21	-0.27	-0.29	-0.30	-0.36	-0.52	-0.70	-0.78	-0.83
Net debt/market cap	na	-0.32	-0.51	-0.54	-0.35	-0.29	-0.54	-0.52	-0.72	-0.92
Equity ratio (%)	56.8	59.9	61.4	60.1	63.4	65.3	69.4	76.2	79.8	82.5
Net IB debt adj./equity	-0.10	-0.21	-0.27	-0.29	-0.30	-0.36	-0.52	-0.70	-0.78	-0.83
Current ratio	1.72	2.09	2.42	2.45	2.53	2.77	3.74	5.72	7.36	9.01
EBITDA/net interest	11.14	15.43	7.13	0.53	8.88	5.08	16.43	52.89	54.29	54.89
Net IB debt/EBITDA	-0.58	-1.07	-2.57	-12.14	-5.25	-1.43	-1.84	-2.45	-3.34	-4.26
Net IB debt/EBITDA lease Adj	-0.58	-1.07	-2.57	-12.14	-5.25	-1.43	-1.84	-2.45	-3.34	-4.26
Interest cover	5.21	2.96	-0.02	-1.24	0.58	4.05	13.19	44.25	45.58	46.15

Source: ABG Sundal Collier, Company data

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Valuation and Ratios (DKKm)	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Shares outstanding adj.	19	19	19	19	19	19	18	18	18	18
Fully diluted shares Adj	19	19	19	19	19	19	18	18	18	18
EPS	1.88	1.59	0.40	-1.19	1.50	3.77	11.02	14.99	12.13	12.13
Dividend per share Adj	0.6	0.2	0.1	0	0	1.5	2.0	4.0	4.0	4.0
EPS Adj	1.88	1.59	-0.28	-0.87	-0.33	3.50	4.41	8.27	9.35	9.35
BVPS	26.78	27.81	27.47	24.29	26.24	28.42	36.37	52.63	65.01	77.39
BVPS Adj	17.46	20.64	24.06	22.18	23.33	25.70	33.64	49.93	62.41	74.89
Net IB debt / share	-2.9	-5.8	-7.5	-7.0	-7.9	-10.3	-19.0	-36.6	-50.4	-64.2
Share price	na	17.80	13.26	12.41	33.14	32.39	42.14	70.00	70.00	70.00
Market cap. (m)	na	337	251	235	628	614	778	1,257	1,257	1,257
Valuation	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
P/E	na	11.2	33.5	-10.4	22.1	8.6	3.8	4.7	5.8	5.8
EV/sales	na	0.14	0.05	0.06	0.51	0.33	0.35	0.57	0.34	0.09
EV/EBITDA	na	1.4	1.0	4.7	16.1	2.8	2.1	2.2	1.2	0.3
EV/EBITA	na	2.7	-76.0	-2.0	-4,580.3	3.5	2.5	2.4	1.4	0.4
EV/EBIT	na	2.7	-76.0	-2.0	-4,580.3	3.5	2.5	2.4	1.4	0.4
Dividend yield (%)	na	1.1	0.8	0	0	4.6	4.7	5.7	5.7	5.7
FCF yield (%)	na	10.1	5.7	1.0	-3.0	11.4	15.5	13.8	15.4	15.3
Lease adj. FCF yield (%)	na	10.1	5.7	1.0	-3.0	11.4	15.6	13.8	15.4	15.4
P/BVPS	na	0.64	0.48	0.51	1.26	1.14	1.16	1.33	1.08	0.90
P/BVPS Adj	na	0.86	0.55	0.56	1.42	1.26	1.25	1.40	1.12	0.93
P/E Adj	na	11.2	-46.5	-14.3	-99.7	9.3	9.6	8.5	7.5	7.5
EV/EBITDA Adj	na	1.4	1.0	4.7	16.1	2.8	2.1	2.2	1.2	0.3
EV/EBITA Adj	na	2.7	-76.0	-2.0	-4,580.3	3.5	2.5	2.4	1.4	0.4
EV/EBIT Adj	na	2.7	-76.0	-2.0	-4,580.3	3.5	2.5	2.4	1.4	0.4
EV/cap. employed	na	0.2	0.1	0.1	0.7	0.6	0.5	0.5	0.3	0.1
Investment ratios	2013	2014	2015	2016	2017	2018	2019	2020e	2021e	2022e
Capex/sales	2.4	2.4	1.0	0.7	3.5	2.2	1.0	1.2	1.2	1.2
Capex/depreciation	70.8	53.7	18.3	17.7	109.8	93.5	37.0	38.4	38.4	38.4
Capex tangibles/tangible fixed assets	8.5	8.9	3.7	2.5	12.1	10.4	4.9	5.4	5.7	6.2
Capex intangibles/definite intangibles	0	0	0	0	0	0	-8.9	0	0	0
Depreciation on intangibles/definite intai	9.3	25.8	1,028.0	1,555.6	49.7	33.9	15.2	19.5	23.7	30.5
Depreciation on tangibles/tangibles	9.5	10.8	11.1	8.7	7.9	9.4	11.4	13.2	14.1	15.2

Source: ABG Sundal Collier, Company data

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