

SpareBank MARKETS



IT SERVICES

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ITE (Neutral tp NOK17): +20% sum growth and EBIT margins in core digital services

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SpareBank
MARKETS 

+20% sum growth and EBIT margins in core digital services

We reiterate our Neutral rec., but increase tp. from NOK13 to NOK17 on SOTP approach

Over the last year, even though our top-pick within the IT services space WSTEP has significantly outperformed (+59%) both BOUVET (+11%) and ITE (+32%), we have to admit that we have misjudged the investment case in the latter. Indeed, in that same period, ITE has been very clear with regards to its planned exit within year-end 2021 of the data center operations and hence, the on-premise customers. Still, we have valued ITE on a group level. Why can that be wrong?

Because first, the data center operation is dilutive on organic growth and dilutive on margins. Therefore, we argue the correct way to look at ITE today, as we maybe should have started with one year ago, is as a SOTP where we 1) value the “core digital services” stand-alone and compare it with relevant Nordic IT services peers and deduct a residual cost for sunseting the data center operations.

To start by looking in the mirror, we see a core digital services segment that can look back at 6 quarters with average YoY employee growth of +10% and trailing 12m EBIT margins consistently above 11.5%. Going forward, the higher installed base of consultants make us continue to model with low double-digit revenue growth. However, i) temporarily lower costs during Covid-19 where we saw margins at and above 13% and ii) opex, which, post cogs and depreciation that disappears with the on-premise data center operating services, will need to be absorbed by core digital services make us take a more cautious stand on EBIT margins for the next two years. Nevertheless, we still find financial KPI support (Ro40* of +20% for ITE on SB1Me vs. median Nordic peers at ~15%) for ITE to trade at a premium to the sector at 2022 P/E of 20x. Thus, based on an EPS of NOK0.76 and 20-25x P/E, we arrive at ~NOK17 per share. The residual cost for sunseting the data center operations is negligible and post 2022, the remainder is absorbed in the EPS of core digital services and hence, we leave it there. Consequently, we still keep our Neutral rec., but the company deserves a significantly higher tp., which we up from NOK13 to NOK17.

Close to zero changes to 2021e and 2022e EPS

ITE NOKm	Historical figures			New Estimates			Old Estimates			Delta (%)		
	2017	2018	2019	2020	2021	2022	2020	2021	2022	2020	2021	2022
Revenues	475	531	560	619	624	696	619	668	725	0%	-7%	-4%
Expenses	-415	-467	-468	-514	-527	-585	-514	-550	-590	0%	-4%	-1%
EBITDA	60	64	92	105	97	111	105	117	136	0%	-17%	-18%
EBITDA-margin	12.6%	12.0%	16.4%	17.0%	15.5%	15.9%	17.0%	17.5%	18.7%			
DA&I	-20	-21	-36	-46	-29	-32	-46	-49	-55	0%	-41%	-42%
EBIT	39	43	56	59	68	79	59	68	80	0%	0%	-2%
EBIT-margin	8.3%	8.1%	10.0%	9.5%	10.9%	11.3%	9.5%	10.2%	11.1%			
Pre-tax profit	38	41	54	58	67	79	58	68	80	0%	-1%	-2%
Tax & Minorities	-9	-10	-12	-14	-15	-17	-14	-15	-18	0%	-2%	-4%
Net income	30	31	42	44	53	62	44	53	63	0%	0%	-1%
EPS	0.4	0.4	0.5	0.5	0.6	0.8	0.5	0.6	0.8	0%	0%	-1%
Revenue break-down												
Services revenues own consultants	302	335	373	420	467	525	420	460	506	0%	1%	4%
Subscriptions	129	135	143	155	92	99	155	162	171	0%	-44%	-42%
3-party services revenue	22	39	29	26	48	53	26	26	29	0%	82%	82%
Other (incl. HW/SW)	21	22	15	18	18	19	18	18	19	0%	-4%	-1%
KPI's												
CFO	50	57	80	102	61	100	102	108	125	0%	-44%	-20%
Capex	-19	-21	-19	-17	-29	-20	-17	-27	-22	0%	8%	-10%
NIBD	-53	-51	-18	-29	8	-11	-29	-70	-128	0%	-111%	-91%

Investment case

Share price performance ITE vs. WSTEP and BOUVET

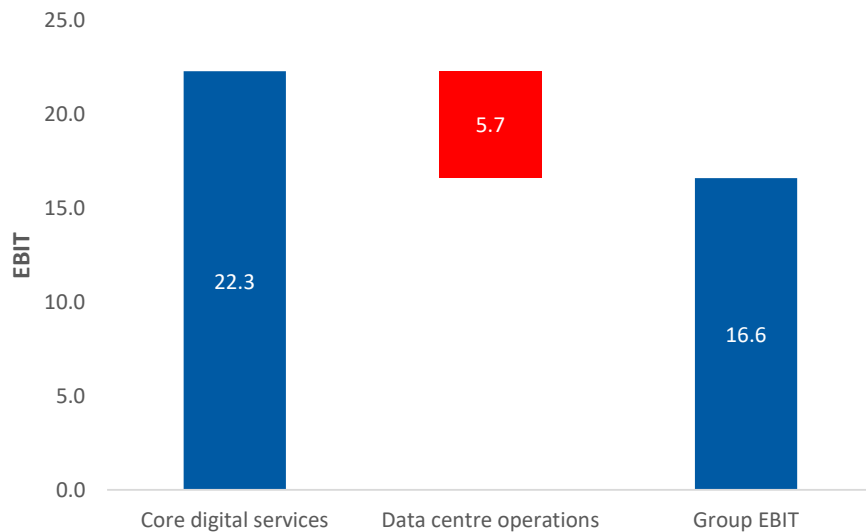
Last year



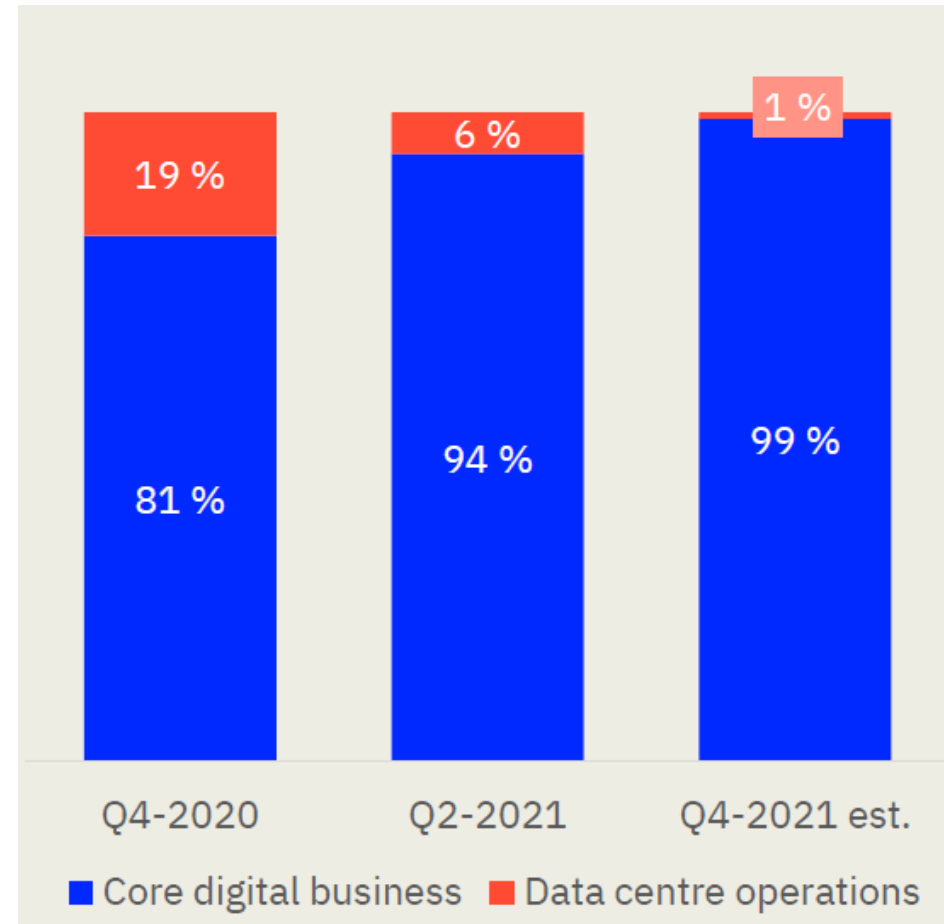
Going into 2022, ITE will consist of “core digital services”...

Planned exit of on-premise customers “done” by the end of 2021

2Q21 EBIT bridge



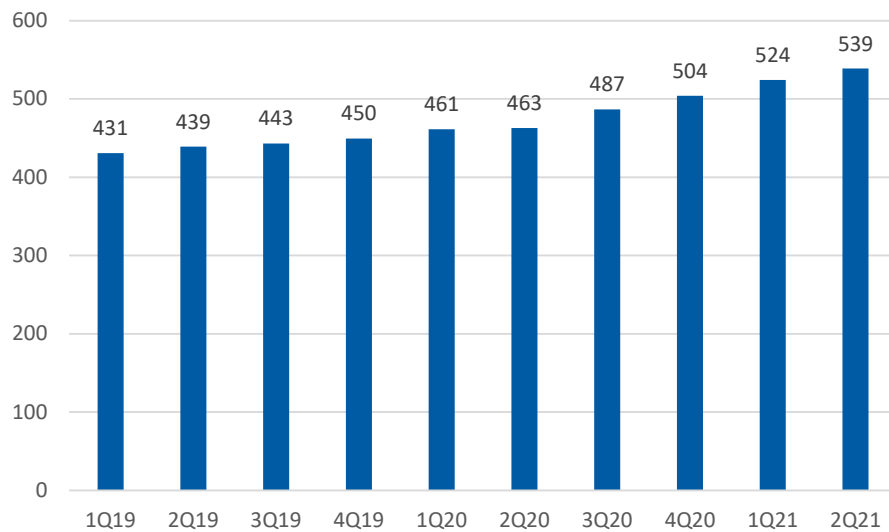
Revenues per business segment



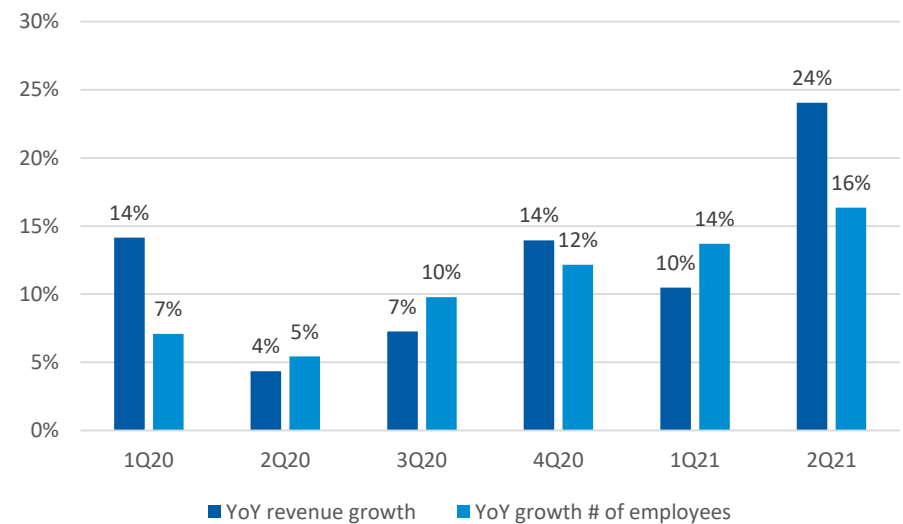
....which show accelerating growth rates in # of employees...

Core digital services is a double-digit growing business unit

Number of employees (end of period)

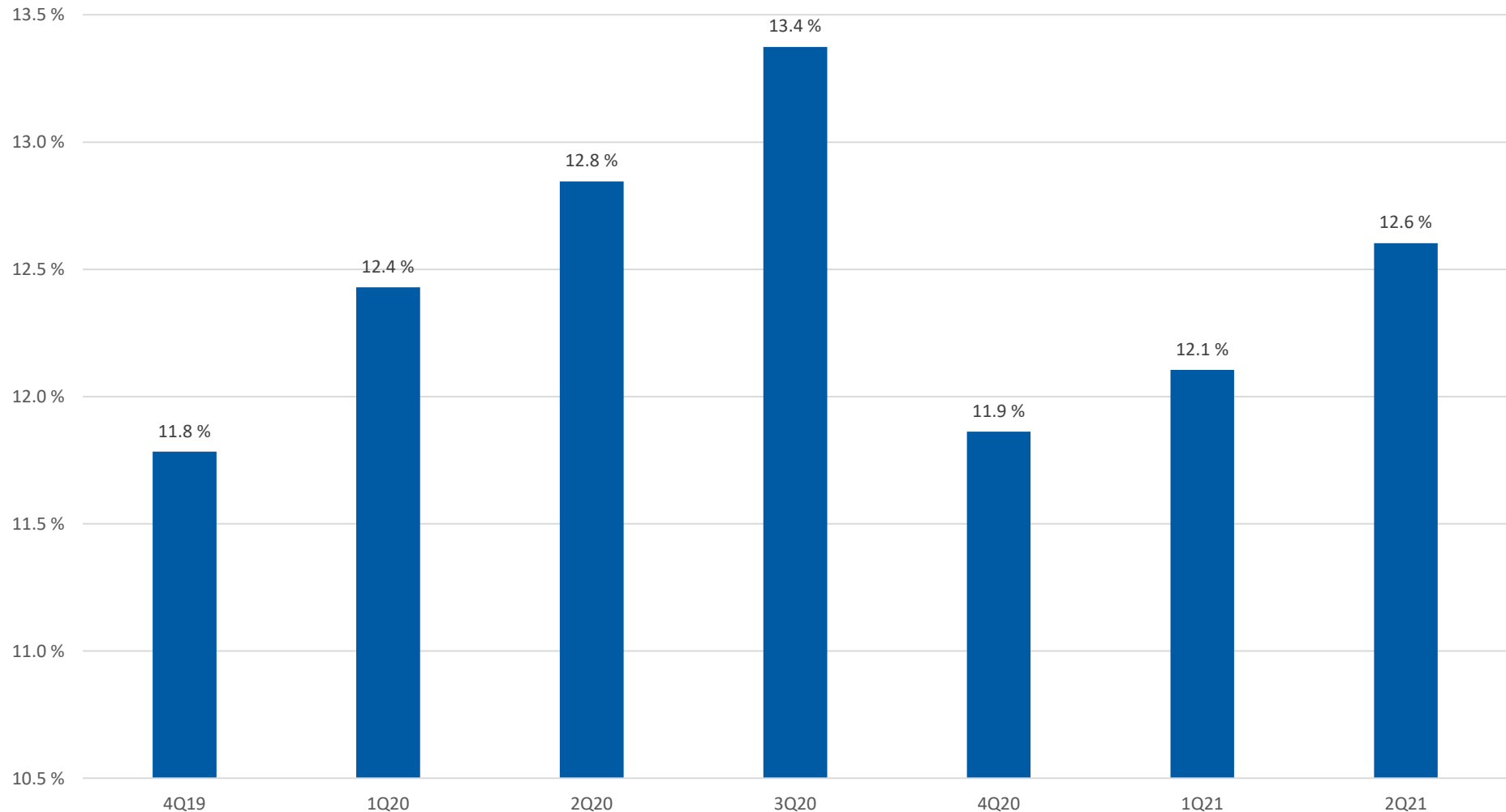


Revenues per business segment



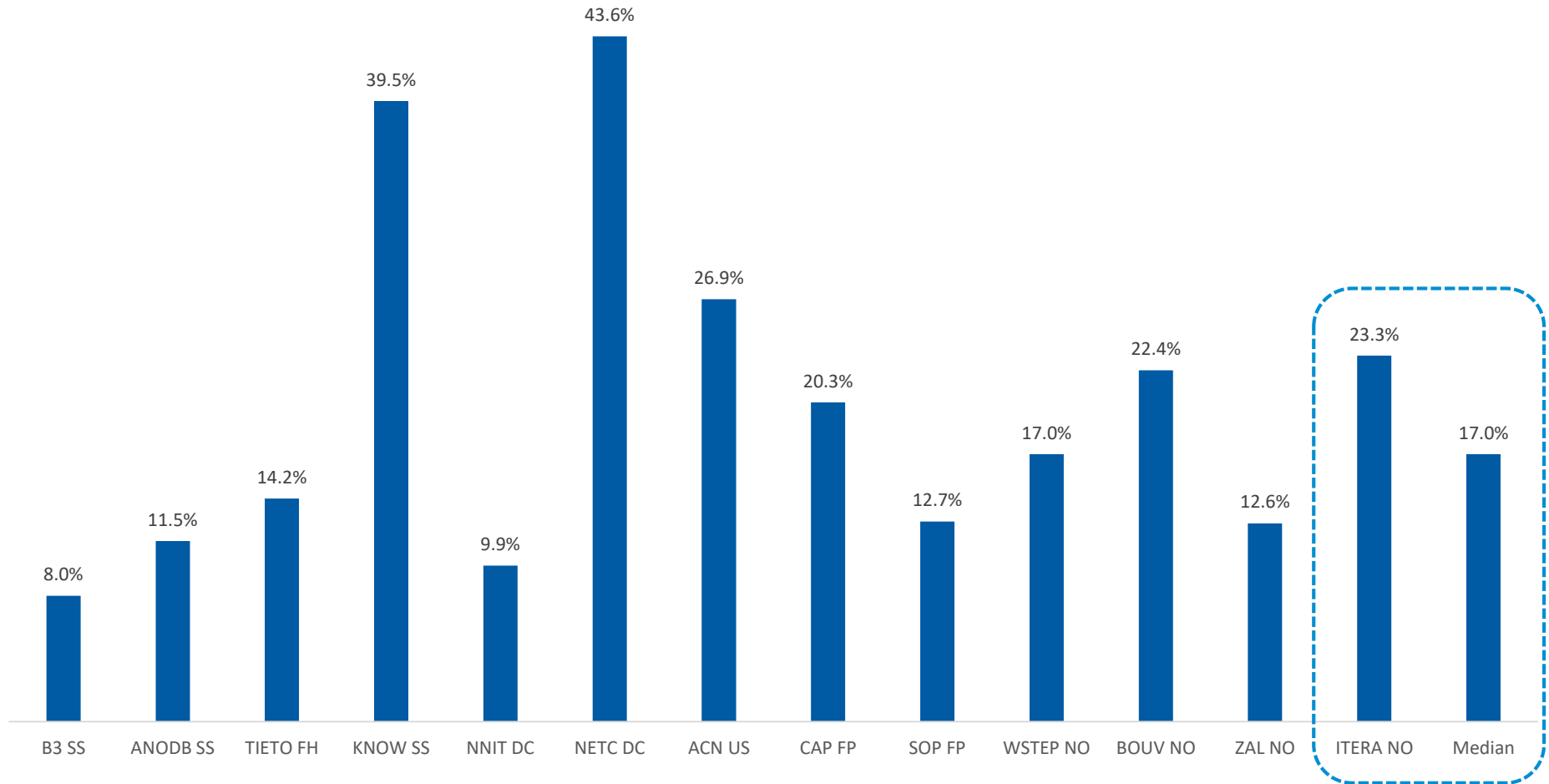
...and stellar profitability with consistent +11.5% EBIT margin

Trailing 12m EBIT margin core digital services



ITE has superior financial KPI's in core digital services vs. median peers

Itera core digital services set to deliver +20% Ro40 vs. median sector at 17%



Nordic IT services peers

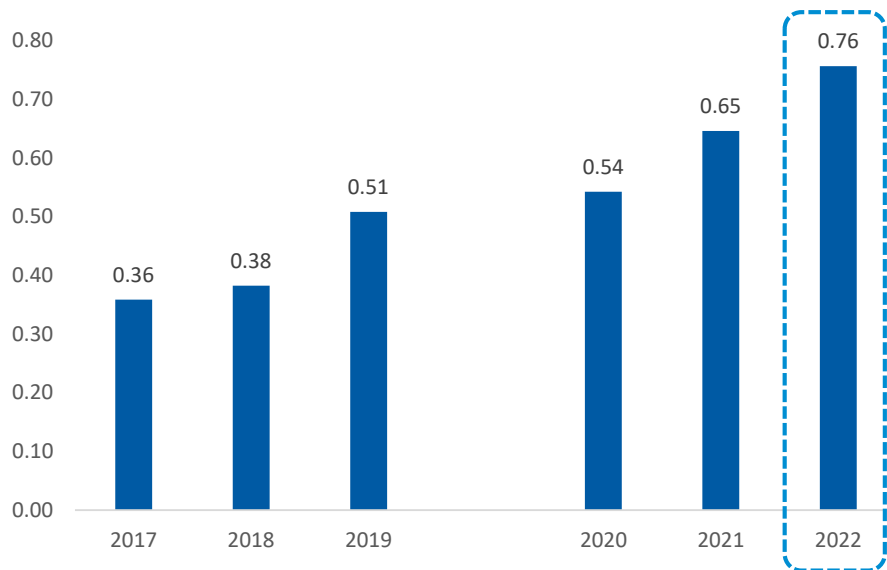
Based on Bloomberg consensus

Peer Group	Share price performance			EV/EBITDA				EV/EBIT				P/E				P/B		Div yield (%)			EV/Sales			
	1m	3m	6m	2020	2021	2022	Hist.	2020	2021	2022	Hist.	2020	2021	2022	Hist.	2019	Hist.	2020	2021	2022	2020	2021	2022	Hist.
							5Y avg.									5Y avg.	5Y avg.							
B3 CONSULTING GROUP AB	22%	37%	58%	9.2x	9.1x	8.2x	8.6x	14.3x	14.1x	12.1x	10.5x	19.8x	21.3x	17.7x	14.1x	5.9x	4.2x	3.12	3.54	4.25	0.79x	0.78x	0.75x	0.78x
ADDNODE GROUP AB	6%	23%	63%	30.6x	26.9x	25.4x	12.7x	58.3x	50.0x	44.7x	21.6x	42.3x	38.3x	36.2x	20.9x	9.4x	3.7x	0.57	0.71	0.76	3.49x	3.39x	3.18x	1.47x
TIETOEVRV OYJ	4%	16%	16%	8.8x	8.4x	8.4x	9.3x	12.5x	12.1x	11.6x	12.8x	13.9x	13.0x	12.1x	12.6x	4.3x	3.0x	4.34	4.64	4.89	1.56x	1.55x	1.52x	1.34x
KNOW IT AB	10%	12%	23%	21.7x	16.3x	12.2x	9.6x	27.8x	22.7x	16.5x	11.1x	25.8x	23.3x	20.2x	13.8x	5.3x	2.5x	1.61	1.90	1.96	2.56x	1.86x	1.48x	1.06x
NNIT A/S	2%	12%	30%	10.4x	11.0x	9.3x	8.6x	26.4x	27.8x	19.2x	15.2x	30.8x	33.8x	22.8x	16.5x	3.0x	3.0x	1.85	1.72	2.36	1.40x	1.35x	1.27x	1.38x
NETCOMPANY GROUP AS	6%	16%	47%	53.1x	45.5x	37.3x	23.7x	67.2x	50.2x	41.6x	27.3x	75.3x	62.1x	49.8x	32.4x	19.4x	7.2x	0.19	0.44	0.61	14.66x	12.22x	10.31x	6.64x
ACCENTURE PLC-CL A	7%	22%	34%	25.7x	22.0x	19.7x	14.5x	32.2x	27.6x	24.7x	17.2x	44.3x	38.6x	34.6x	23.1x	16.7x	8.0x	0.92	1.04	1.12	4.74x	4.17x	3.80x	2.56x
CAPGEMINI SE	1%	28%	37%	15.5x	13.7x	12.8x	9.7x	20.5x	18.5x	16.9x	12.3x	29.4x	23.4x	20.4x	15.2x	3.9x	2.2x	0.88	1.12	1.25	2.39x	2.15x	2.02x	1.42x
SOPRA STERIA GROUP	3%	18%	25%	9.9x	8.7x	7.8x	7.8x	16.3x	14.0x	11.8x	10.5x	21.8x	16.7x	14.3x	12.0x	2.5x	1.7x	0.91	1.47	1.53	1.02x	0.95x	0.91x	0.80x
WEBSTEP ASA	18%	14%	8%	14.1x	12.4x	11.0x	9.4x	17.6x	15.2x	13.2x	10.8x	20.5x	17.5x	15.1x	10.8x	n.a.	n.a.	4.94	5.02	5.85	1.46x	1.34x	1.25x	1.07x
BOUVET ASA	8%	1%	(3%)	16.0x	15.9x	14.4x	12.3x	19.9x	19.4x	17.6x	15.0x	27.1x	26.5x	24.0x	18.5x	20.2x	11.1x	3.64	3.45	3.96	2.59x	2.35x	2.13x	1.60x
ZALARIS ASA	(9%)	(10%)	(3%)	11.3x	10.1x	8.8x	9.3x	35.8x	21.1x	16.8x	17.2x	n.a.	23.7x	19.0x	159.8x	n.a.	5.7x	0.45	2.26	2.71	1.76x	1.73x	1.61x	1.44x
ITERA ASA	2%	15%	16%	12.0x	11.2x	9.6x	8.7x	19.3x	18.7x	16.2x	14.1x	24.5x	23.4x	20.4x	17.1x	n.a.	n.a.	n.a.	n.a.	n.a.	2.17x	1.96x	1.80x	1.32x
Median	6%	16%	25%	14.1x	12.4x	11.0x	9.4x	20.5x	19.4x	16.8x	14.1x	26.4x	23.4x	20.4x	16.5x	5.6x	3.7x	1.3	1.8	2.2	2.17x	1.86x	1.61x	1.38x

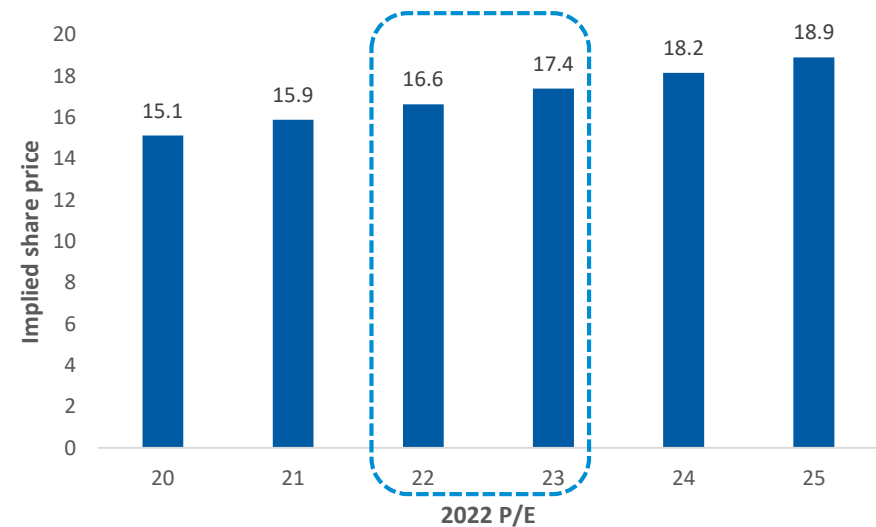
Based on NOK0.76 EPS and 20-25x 2022e P/E, we arrive at ~NOK17

We reiterate our Neutral rec. and set our target to NOK17 (up from NOK13 previously)

EPS



P/E scenario



Estimates

Estimates

Income statement (€30)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Revenues	347.6	431.1	438.3	465.2	439.8	435.4	425.1	475.0	531.3	560.3	619.1	624.2	696.1
growth (YoY)		24.0%	1.7%	6.1%	-5.4%	-1.0%	-2.4%	11.7%	11.9%	5.5%	10.5%	0.8%	11.5%
growth (QoQ)													
Cost of sales	68.2	91.0	80.2	90.6	75.9	70.4	63.9	73.4	87.3	77.3	75.5	69.4	77.4
Gross profit	279.4	340.1	358.1	374.6	363.9	365.0	361.3	401.7	444.0	483.0	543.6	554.8	618.7
gross margin	80.4%	78.9%	81.7%	80.5%	82.7%	83.8%	85.0%	84.6%	83.6%	86.2%	87.8%	88.9%	88.9%
change (YoY)		-1.5pp	+2.8pp	-1.2pp	+2.2pp	+1.1pp	+1.1pp	-0.4pp	-1.0pp	+2.6pp	+1.6pp	+1.1pp	+0.0pp
Opex	266.5	325.8	332.1	330.7	338.7	324.5	305.7	342.0	380.1	391.0	438.5	457.9	507.7
growth YoY		22%	2%	0%	2%	-4%	-6%	12%	11%	3%	12%	4%	11%
Personell expenses	228.9	274.4	281.9	279.4	289.4	273.4	263.3	294.3	327.8	348.3	392.4	410.7	458.0
in % of sales	65.8%	63.6%	64.3%	60.1%	65.8%	62.8%	61.9%	62.0%	61.7%	62.2%	63.4%	65.8%	65.8%
Other	37.7	51.5	50.2	51.3	49.3	51.1	42.3	47.7	52.3	42.7	46.0	47.2	49.7
in % of sales	11%	12%	11%	11%	11%	12%	10%	10%	10%	8%	7%	8%	7%
EBITDA	12.9	14.2	25.9	43.9	25.2	40.5	55.6	59.7	64.0	92.0	105.1	96.9	111.0
EBITDA margin	3.7%	3.3%	5.9%	9.4%	5.7%	9.3%	13.1%	12.6%	12.0%	16.4%	17.0%	15.5%	15.9%
D&A	13.2	15.9	18.6	21.4	21.4	20.4	19.8	20.3	21.1	35.8	42.5	29.0	32.0
<i>Fixed asset split</i>													
<i>Intangible asset split</i>													
D&A in % of sales	3.8%	3.7%	4.2%	4.6%	4.9%	4.7%	4.7%	4.3%	4.0%	6.4%	6.9%	4.6%	4.6%
EBIT (adj.)	(0.3)	(1.7)	7.3	22.5	3.8	20.1	35.8	39.3	42.8	56.2	62.6	68.0	79.0
EBIT (adj.) margin	-0.1%	-0.4%	1.7%	4.8%	0.9%	4.6%	8.4%	8.3%	8.1%	10.0%	10.1%	10.9%	11.3%
Non-recurring items				-	3.7	1.4	1.6	-	-	-	3.8	-	-
EBIT	(0.3)	(1.7)	7.3	22.5	0.2	18.8	34.1	39.3	42.8	56.2	58.8	68.0	79.0
EBIT margin	0%	0%	2%	4.8%	0.0%	4.3%	8.0%	8.3%	8.1%	10.0%	9.5%	10.9%	11.3%
Other financial income				0.4	1.5	4.5	0.9	0.7	1.2	2.5	6.4	3.3	-
Other financial expenses				2.5	3.2	3.6	2.2	1.7	2.6	5.1	7.2	3.8	-
PTP	0.5	(2.3)	6.8	20.4	(1.6)	19.7	32.8	38.3	41.4	53.6	58.0	67.4	79.0
Taxes	(0.4)	(1.8)	1.9	4.6	3.3	6.6	7.5	8.7	10.0	12.0	13.6	14.6	17.1
tax-rate	-72%	77%	28%	22.7%	28.0%	33.8%	22.8%	22.7%	24.0%	22.4%	23.4%	21.6%	21.6%
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	0.9	(0.5)	4.9	15.8	(4.9)	13.0	25.3	29.6	31.5	41.6	44.4	52.9	61.9
Adjustments	-	-	-	-	3.7	1.4	1.6	-	-	-	3.8	-	-
Net income (adj.)	0.9	(0.5)	4.9	15.8	(1.2)	14.4	27.0	29.6	31.5	41.6	48.2	52.9	61.9
EPS	0.01	(0.01)	0.06	0.19	(0.06)	0.16	0.31	0.36	0.38	0.51	0.54	0.65	0.76
EPS (adj.)	0.01	(0.01)	0.06	0.19	(0.01)	0.17	0.33	0.36	0.38	0.51	0.59	0.65	0.76

Estimates

Revenue breakdown	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Services revenues own consultants				297.7	238.0	249.0	250.9	302.3	335.2	373.1	420.5	466.9	525.3
growth YoY							1%	20%	11%	11%	13%	11%	13%
Subscriptions				135.3	139.2	134.4	131.4	129.2	134.9	143.4	154.7	91.5	98.9
growth YoY							-2%	-2%	4%	6%	8%	-41%	8%
3-party services revenue				0.6	27.9	12.9	15.4	22.1	39.1	28.7	26.3	48.0	52.7
change (YoY)							19%	43%	77%	-27%	-8%	82%	10%
Other (incl. HW/SW)				31.5	34.7	39.1	27.3	21.4	22.2	15.1	17.6	17.8	19.2
change (YoY)							-30%	-22%	4%	-32%	16%	1%	8%
Total				465.2	439.8	435.4	425.1	475.0	531.3	560.3	619.1	624.2	696.1
change (YoY)					-5.4%	-1.0%	-2.4%	11.7%	11.9%	5.5%	10.5%	0.8%	11.5%
check				0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimates

Balance sheet (c110)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Deferred tax assets	11.2	12.8	12.4	9.1	5.8	2.5	2.9	3.0	3.6	2.9	4.9	4.8	4.8
Other intangible assets	19.3	24.0	20.4	17.2	15.9	15.3	15.6	22.3	23.0	21.9	24.2	27.8	7.5
Fixed assets	16.5	23.6	26.7	27.9	26.9	30.0	27.2	21.2	23.5	36.0	20.3	18.6	27.1
Lease receivables - long term													
Right-of-use assets										40.8	33.4	26.6	26.6
Total non-current assets	46.9	60.4	59.5	54.2	48.6	47.8	45.7	46.5	50.1	101.6	82.8	81.3	69.4
Work in progress	-	-	-	15.7	12.2	9.5	14.3	15.8	4.2	0.7	1.2	2.7	3.0
Accounts receivable	65.2	84.6	82.9	69.7	61.6	66.6	55.9	54.0	52.3	57.1	67.3	86.7	96.6
Contract assets	-	-	-	-	-	-	-	-	16.4	11.6	6.9	5.4	6.0
Lease receivables - short term													
Other receivables	3.8	1.9	6.1	12.6	17.2	22.9	22.0	21.2	14.5	17.2	11.9	22.0	24.5
Cash and cash equivalents	40.1	20.9	28.8	68.0	67.2	68.4	71.1	59.9	55.3	53.1	54.4	4.5	14.5
Total current assets	109.1	107.4	117.8	165.9	158.3	167.3	163.4	150.9	142.7	139.7	141.6	122.8	146.2
TOTAL ASSETS	156.1	167.8	177.3	220.1	206.9	215.1	209.1	197.5	192.7	241.2	224.4	204.1	215.6
Share capital	-	-	-	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7	24.7
Own shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Other equity	77.0	67.2	72.4	56.2	33.5	16.7	4.7	(3.7)	(8.9)	20.3	(38.8)	(24.5)	(24.5)
Net income for the period	-	-	-	6.1	(4.3)	13.1	25.0	29.6	31.5	1.4	48.2	20.4	21.5
Total equity	77.0	67.2	72.4	86.9	53.9	54.4	54.3	50.6	47.2	46.4	34.0	20.6	21.6
Other provisions and liabilities	-	-	-	-	-	-	-	-	0.9	1.1	0.7	0.3	0.3
Non-current interest-bearing liabilities	-	8.7	11.9	15.8	16.0	22.5	20.3	6.8	4.7	35.6	25.0	12.3	3.1
Total non-current liabilities	-	8.7	11.9	15.8	16.0	22.5	20.3	6.8	5.6	36.7	25.7	12.7	3.5
Accounts payable	18.6	15.3	18.0	27.2	27.2	24.8	24.4	20.7	23.9	23.8	23.2	28.1	31.3
Tax payable	-	-	-	0.2	0.0	3.2	8.1	8.5	7.6	10.9	13.1	13.2	14.7
Public duties payable	-	-	-	24.6	30.8	29.3	29.9	33.0	33.1	32.8	37.7	38.0	42.4
Contract liabilities	-	-	-	-	-	-	-	-	9.7	21.3	14.1	14.3	15.9
Other short-term liabilities	60.5	76.6	74.9	65.4	78.9	80.9	72.0	77.7	65.5	69.4	76.7	77.3	86.2
Total current liabilities	79.1	91.8	93.0	117.3	137.0	138.2	134.5	140.0	139.9	158.2	164.7	170.8	190.5
Total liabilities	79.1	100.6	104.9	133.2	153.0	160.7	154.8	146.8	145.5	194.9	190.4	183.5	194.0
TOTAL EQUITY AND LIABILITIES	156.1	167.8	177.3	220.1	206.9	215.1	209.1	197.5	192.7	241.2	224.4	204.1	215.6
<i>Auto check balance</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>	<i>ok</i>

Key parameters	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Equity ratio	49%	40%	41%	39%	26%	25%	26%	26%	25%	19%	15%	10%	10%
NIBD	(40.1)	(12.2)	(16.9)	(52.1)	(51.2)	(45.8)	(50.8)	(53.1)	(50.5)	(17.5)	(29.4)	7.8	(11.3)
(40.1) (12.2) (16.9) (52.1) (51.2) (45.8) (50.8) (53.1) (50.5) (17.5) (29.4) 7.8 (11.3)													
NIBD (adjusted, used in adj. EV calc.)	(3.1x)	(0.9x)	(0.7x)	(1.2x)	(2.0x)	(1.1x)	(0.9x)	(0.9x)	(0.8x)	(0.2x)	(0.3x)	0.1x	(0.1x)
NIBD/EBITDA													
Working capital	46.6	69.3	64.9	33.4	15.8	18.8	7.7	7.6	(1.5)	(19.4)	(12.7)	1.3	1.4
in % of sales	3.3%	4.0%	3.7%	1.8%	0.9%	1.1%	0.5%	0.4%	-0.1%	-0.9%	-0.5%	0.1%	0.1%
Gross capital employed	77.0	75.9	84.3	102.8	69.9	76.9	74.6	57.4	52.0	81.9	59.0	32.9	24.8

Estimates

Cashflow statement (c170)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Profit before taxes	14.6	(2.3)	6.8	20.4	(1.6)	19.7	32.8	38.3	41.4	53.6	61.7	67.4	79.0
Profit from sale of subsidiary	-	-	-	-	-	(2.3)	(0.5)	-	-	-	-	-	-
Income taxes paid	-	-	-	(1.2)	(0.7)	(0.3)	(3.0)	(8.7)	(9.8)	(10.0)	(9.4)	(12.7)	(17.1)
Tap/gevinst ved salg av anleggsmidler	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	13.6	15.9	18.6	21.4	21.4	20.4	19.8	20.3	21.1	35.8	42.5	29.0	32.0
Change in work in progress	(9.7)	3.9	(4.4)	(6.7)	3.4	2.4	(5.3)	(1.5)	5.5	3.5	(0.5)	(1.5)	(0.3)
Change in accounts receivable	5.2	(23.7)	(2.2)	4.5	10.0	(12.1)	5.5	(14.4)	1.8	(4.8)	(10.2)	(19.4)	(10.0)
Change in accounts payable	(4.2)	(4.1)	2.6	9.5	0.1	(0.6)	2.8	(3.7)	3.2	(0.1)	(0.7)	4.9	3.2
Change in other accruals	(18.6)	24.1	1.6	7.5	13.7	(6.4)	(3.1)	18.7	(6.7)	3.9	15.1	(5.5)	13.3
Effect of changes in exchange rates	-	-	-	2.2	(0.5)	0.1	(0.4)	0.6	0.3	(1.8)	3.2	(1.7)	-
Net cash flow from operating activities	1.0	13.8	23.0	57.7	45.8	20.8	48.4	49.7	56.8	80.0	101.7	60.5	100.2
Payment from sale of fixed assets	-	-	-	-	-	-	0.1	-	-	-	-	-	-
Investment in fixed assets	(6.7)	(19.5)	(11.9)	(5.1)	(6.1)	(2.9)	(5.3)	(6.0)	(12.5)	(11.9)	(10.0)	(8.1)	(12.5)
Investment in intangible assets	(7.6)	(7.0)	(5.6)	(3.6)	(5.6)	(6.7)	(6.2)	(13.4)	(8.1)	(6.9)	(7.0)	(20.7)	(7.7)
Receipt from sale of shares in other companies	-	-	-	-	-	10.9	0.0	-	-	-	-	-	-
Net payment from sale of subsidiary	-	-	-	-	-	-	(0.9)	-	-	-	-	-	-
Net cash flow from investing activities	(14.3)	(26.5)	(17.4)	(8.8)	(11.7)	1.3	(12.2)	(19.5)	(20.7)	(18.8)	(17.0)	(28.8)	(20.2)
Purchase of own shares	(1.3)	(0.3)	-	-	(0.1)	(0.5)	(3.6)	(1.6)	(22.6)	(0.1)	(18.8)	(23.5)	-
Sales of own shares	-	-	-	-	-	0.1	0.4	3.3	11.1	2.1	7.3	8.4	-
New borrowing	-	2.5	6.3	-	-	-	-	-	-	(10.0)	(14.6)	(11.6)	-
Borrowings repaid	-	(0.5)	(4.0)	(6.1)	(7.2)	(8.3)	(8.6)	(8.1)	(8.7)	(9.1)	(8.6)	(2.6)	(9.2)
Dividends paid to equity holders of Itera ASA	(16.5)	(8.2)	-	(4.9)	(28.8)	(12.3)	(21.9)	(35.1)	(20.5)	(44.7)	(48.6)	(52.3)	(60.8)
Net cash flow from financing activities	(17.8)	(6.5)	2.3	(11.1)	(36.0)	(21.0)	(33.7)	(41.5)	(40.7)	(61.8)	(83.4)	(81.6)	(70.0)
Effects of exchange rate changes on cash and cash equivalents	(0.5)	0.1	(0.0)	1.3	1.1	-	0.3	0.1	(0.0)	0.1	0.0	(0.0)	-
Net change in cash and cash equivalents	(31.5)	(19.2)	7.8	39.1	(0.8)	1.2	2.7	(11.2)	(4.6)	(0.5)	1.3	(49.9)	9.9
Cash and cash equivalents at the beginning of the period		40.1	20.9	28.8	68.0	67.2	68.4	71.1	59.9	55.3	53.1	54.4	4.5
Cash and cash equivalents at the end of the period	40.1	20.9	28.8	68.0	67.2	68.4	71.1	59.9	55.3	53.1	54.4	4.5	14.5

Appendix

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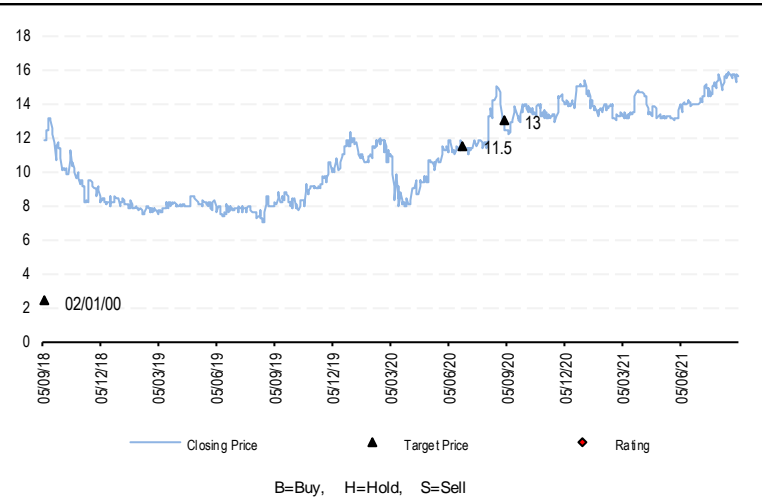
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3-Year Price, Target Price and Rating Change History Chart for ITE NO

ITE NO	Closing Price	Target Price	Rating
Date	Price	Price	Rating
26/06/2020	11.4	11.5	NEUTRAL
30/08/2020	13	13	NEUTRAL
04/09/2021	15.65	17	NEUTRAL



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