

Margins were soft despite growth

Dovre Q3 results came in mixed relative to our estimates in the sense that Renewable Energy grew a lot faster than we expected, while earnings were soft as the EUR 2.4m EBIT missed our estimate by EUR 0.5m. Dovre however retained its FY'24 guidance, which now implies relatively strong margins for Q4'24.

- Dovre Q3 revenue grew by 19.8% y/y to EUR 63.2m, compared to our EUR 57.6m estimate. Project Personnel amounted to EUR 25.1m vs our EUR 27.2m estimate, while Consulting was EUR 2.8m vs our EUR 3.6m estimate. Renewable Energy landed at EUR 35.3m, compared to our EUR 26.8m estimate. Renewable Energy has seen record high activity levels this year, as Q3 revenue grew by 72.5% y/y, thanks to several large solar and wind park construction projects in Sweden and Finland.
- EBITDA amounted to EUR 2.6m, compared to our EUR 3.1m estimate. EBIT was EUR 2.4m vs our EUR 2.9m estimate. Project Personnel EBIT landed at EUR 1.0m vs our EUR 1.3m estimate, whereas Consulting was EUR 0.3m vs our EUR 0.3m estimate. Renewable Energy EBIT came in at EUR 1.4m, compared to our EUR 1.6m estimate. Consulting managed a relatively strong profitability despite lower activity in Norway, as Finland has remained stable, while a large Canadian renewable energy project no longer contributed for Project Personnel following its completion last year.
- Dovre guides FY'24 revenue to be in the range of EUR 185-210m and EBIT of EUR 2-4m (unchanged). Q4'24 EBIT is thus implied to be at least EUR 2.7m.

Rating				+ BUY
Q3'24	Actual	Evli	Year ago	Q2'24
Revenue	63.2	57.6	52.8	50.9
EBITDA	2.6	3.1	2.9	2.1
EBIT	2.4	2.9	2.7	1.9
Deviation	Actual	Evli	Year ago	Q2'24
Revenue		10 %	20 %	24 %
EBITDA		-16 %	-10 %	24 %
EBIT		-17 %	-11 %	26 %
Share price, EUR (Last trading day's closing price)				0.34
Target price, EUR				0.50
Latest change in				20-May-22
Latest report on company				16-Aug-24
Research paid by issuer:				YES
No. of shares outstanding,				105,960
No. of shares fully diluted,				105,960
Market cap, EURm				36
Free float, %				94.3
Exchange rate				-
Reuters code				DOV1V.HE
Bloomberg code				DOV1V.FH
Average daily volume, EURm				0.1
Next interim report				24-Oct-24
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+ BUY + HOLD - SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	203.0	8.5	4.2%	0.9	0.05	11.9	0.3	6.9	1.5	0.00
2023	196.7	7.4	3.8%	-0.1	0.04	11.3	0.2	6.3	-0.2	0.01
2024E	201.9	2.2	1.1%	1.2	0.02	13.6	0.2	16.7	3.4	0.01
2025E	209.6	8.2	3.9%	2.4	0.04	9.6	0.2	4.3	6.7	0.01
2026E	215.2	9.4	4.4%	5.5	0.07	4.8	0.1	3.3	15.4	0.01
Market cap, EURm	36		BV per share 2024E, EUR		2.6		CAGR EPS 2023-26, %		22.8	
Net debt 2024E, EURm	1		Price/book 2024E		0.9		CAGR sales 2023-26, %		3.0	
Enterprise value, EURm	37		Dividend yield 2024E, %		3.0		ROE 2024E, %		6.9	
Total assets 2024E, EURm	91		Tax rate 2024E, %		51.9		ROCE 2024E, %		4.7	
Goodwill 2024E, EURm	20		Equity ratio 2024E, %		43.0		PEG, P/E 24/CAGR		0.3	

All the important disclosures can be found on the last pages of this report.

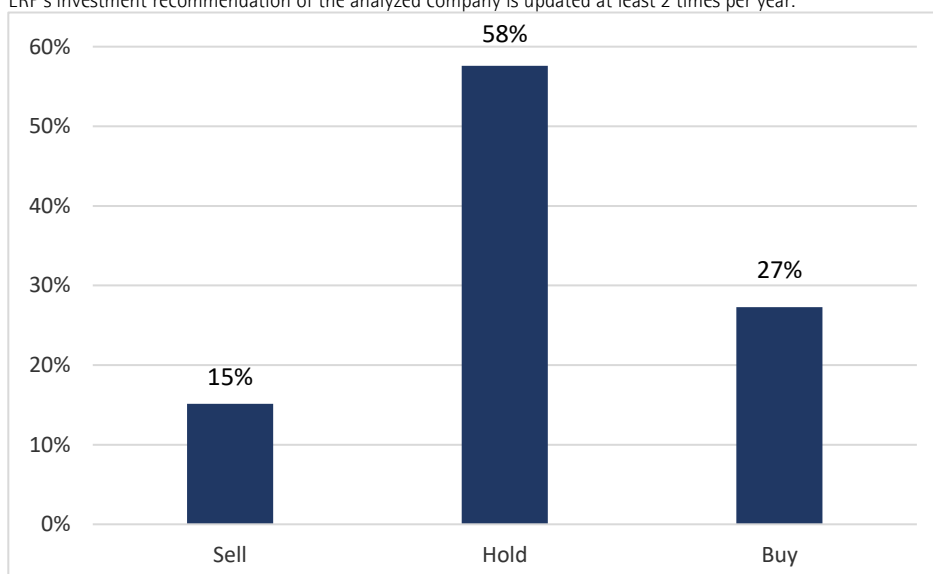
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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