

## Earnings continue to grow

Dovre's Q2 EBIT came in above our estimate due to Project Personnel. There were no big surprises; we expect earnings growth to continue also next year.

### Another strong quarter for Project Personnel

Dovre grew 38% y/y to EUR 47.3m top line vs our EUR 50.5m estimate. Project Personnel and Consulting landed close to our estimates, while Renewable Energy fell EUR 3m short. We reckon late Finnish spring to have caused Suvic project delays, but the segment didn't disappoint in terms of EBIT as it posted a big y/y improvement despite Q2 being relatively slow and this year also challenged by an inflation spike. Consulting EBIT was as expected as progress continued in both Norway and Finland. Consulting is still mostly driven by early-stage reviews of Norwegian civil & infrastructure projects, however the acquisition of eSite has added a new angle to serve Finnish industrial clients with VR solutions. Extended high demand in Norway also helped Project Personnel to top our EBIT estimate, and as a result Dovre's EUR 1.7m EBIT came in easily above our EUR 1.2m estimate.

### Renewable Energy could still drive another positive revision

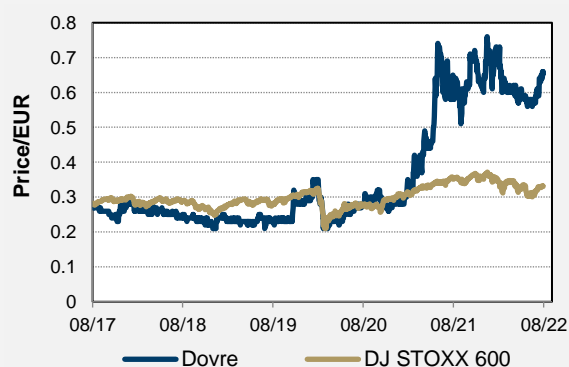
Dovre revised its guidance only two weeks ago, so it came as no surprise there was no further upgrade despite the continued high Q2 profitability and demand outlook for H2. Oil prices stay high, which supports oil & gas capex levels and hence Project Personnel, but risks seem to tilt more towards downside from here on. We estimate 4.5% FY '22 EBIT margin for Project Personnel, which is more than a satisfactory level yet still short of long-term potential. We continue to expect only flat PP EBIT development for next year. Covid-19 may still cause some sick leaves, while extraordinary inflation rates tend to be more of an issue for Renewable Energy than the other two segments. Q3 is seasonally the best one for Suvic but it may not achieve y/y EBIT improvement this year due to a very strong comparison period.

### EUR 7.5m EBIT leaves ample room for earnings growth

We see Dovre headed towards the upper end of its EBIT guidance range. Suvic's H2 performance could yet lead Dovre to top the range, while Consulting should be able to resume earnings growth next year. Renewable Energy's expansion is also set to continue. We see potential for EBIT to improve to EUR 9m next year and thus we revise our TP to EUR 0.75 (0.70); retain BUY.

Rating

BUY



Share price, EUR (Last trading day's closing price) 0.66

Target price, EUR 0.75

Latest change in 20-May-22

Latest report on company 04-Aug-22

Research paid by issuer: YES

No. of shares outstanding, 105,960

No. of shares fully diluted, 105,960

Market cap, EURm 70

Free float, % 94.3

Exchange rate -

Reuters code DOV1V.HE

Bloomberg code DOV1V.FH

Average daily volume, EURm 0.1

Next interim report 26-Oct-22

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BUY HOLD SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	77.4	2.4	3.1%	0.2	0.02	17.0	0.3	11.0	0.7	0.01
2021	142.7	6.1	4.3%	0.5	0.03	19.5	0.5	11.6	0.7	0.00
2022E	196.1	7.5	3.8%	2.5	0.04	14.8	0.3	8.9	3.5	0.01
2023E	207.4	9.1	4.4%	3.7	0.05	14.1	0.3	7.0	5.3	0.01
2024E	216.1	10.9	5.0%	4.3	0.06	11.1	0.3	5.6	6.2	0.01
Market cap, EURm			70	Gearing 2022E, %		-10.6	CAGR EPS 2021-24, %			19.6
Net debt 2022E, EURm			-3	Price/book 2022E		2.1	CAGR sales 2021-24, %			14.8
Enterprise value, EURm			66	Dividend yield 2022E, %		1.5	ROE 2022E, %			15.4
Total assets 2022E, EURm			87	Tax rate 2022E, %		21.5	ROCE 2022E, %			18.9
Goodwill 2022E, EURm			21	Equity ratio 2022E, %		38.2	PEG, P/E 22/CAGR			0.9

Estimates and valuation

Dovre	FY '20	Q1'21	Q2'21	Q3'21	Q4'21	FY '21	Q1'22	Q2'22	Q3'22e	Q4'22e	FY '22e
<b>Revenue</b>	<b>77.5</b>	<b>19.7</b>	<b>34.2</b>	<b>46.5</b>	<b>42.3</b>	<b>142.7</b>	<b>47.8</b>	<b>47.3</b>	<b>54.1</b>	<b>46.9</b>	<b>196.1</b>
Project Personnel	62.9	15.4	18.6	19.4	22.8	76.2	22.7	22.4	21.8	22.8	89.7
y/y growth	-18 %	-21 %	16 %	44 %	62 %	21 %	47 %	20 %	12 %	0 %	18 %
Consulting	14.5	4.3	4.4	3.3	4.1	16.1	4.4	4.6	3.4	4.3	16.7
y/y growth	137 %	2 %	27 %	7 %	13 %	11 %	2 %	5 %	3 %	3 %	3 %
Renewable Energy			11.2	23.8	15.4	50.4	20.7	20.3	28.9	19.8	89.7
y/y growth							82 %	21 %	29 %		78 %
<b>EBIT</b>	<b>2.4</b>	<b>0.8</b>	<b>0.9</b>	<b>2.5</b>	<b>1.9</b>	<b>6.1</b>	<b>1.7</b>	<b>1.7</b>	<b>2.2</b>	<b>1.9</b>	<b>7.5</b>
Project Personnel	1.9	0.6	0.5	0.7	1.1	2.9	1.1	0.9	0.9	1.1	4.0
EBIT-%	3 %	4 %	3 %	4 %	5 %	4 %	5 %	4 %	4 %	5 %	4 %
Consulting	1.5	0.6	0.7	0.4	0.6	2.3	0.4	0.6	0.4	0.6	2.0
EBIT-%	10 %	14 %	16 %	12 %	14 %	14 %	9 %	13 %	12 %	14 %	12 %
Renewable Energy			-0.2	1.7	0.4	1.9	0.5	0.4	1.2	0.5	2.6
EBIT-%			-2 %	7 %	3 %	4 %	2 %	2 %	4 %	3 %	3 %
Other & Unallocated	-1.0	-0.4	-0.1	-0.3	-0.2	-1.0	-0.3	-0.2	-0.3	-0.3	-1.1

Source: Evli Research

DOVRE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		21	22	23	21	22	23	21	22	23
Brunel International	511	8.2x	6.3x	5.4x	11.8x	9.0x	7.5x	5.0 %	5.1 %	5.4 %
Eezy	108	10.2x	7.6x	6.8x	17.3x	12.3x	10.1x	5.6 %	5.3 %	6.2 %
Randstad	8868	8.6x	6.4x	6.8x	10.9x	8.1x	8.7x	4.4 %	4.4 %	4.1 %
AFRY	1619	14.7x	8.6x	8.0x	22.3x	13.6x	11.9x	7.9 %	7.2 %	8.0 %
Etteplan	383	10.9x	9.3x	8.6x	18.6x	15.6x	14.1x	8.6 %	8.2 %	8.6 %
Sitowise Group	186		8.7x	7.9x		13.5x	11.7x	10.1 %	9.1 %	10.0 %
SWECO	3692	22.9x	14.0x	13.2x	32.4x	19.8x	18.6x	9.3 %	9.3 %	9.5 %
AF Gruppen	1820	10.0x	8.4x	7.6x	13.5x	11.2x	10.0x	5.8 %	5.3 %	5.7 %
Kreate Group	82							4.2 %	3.9 %	4.3 %
Sdiptech	866	31.8x	13.9x	11.9x	47.2x	18.2x	15.6x	13.4 %	17.5 %	17.7 %
Veidekke	1364	6.5x	4.7x	4.3x	10.9x	7.9x	7.0x	3.6 %	3.6 %	4.0 %
Peer Group Average	1773	<b>13.8x</b>	<b>8.8x</b>	<b>8.1x</b>	<b>20.5x</b>	<b>12.9x</b>	<b>11.5x</b>	<b>7.1 %</b>	<b>7.2 %</b>	<b>7.6 %</b>
Peer Group Median	866	<b>10.2x</b>	<b>8.5x</b>	<b>7.8x</b>	<b>17.3x</b>	<b>12.9x</b>	<b>10.9x</b>	<b>5.8 %</b>	<b>5.3 %</b>	<b>6.2 %</b>
Dovre (Evli est.)	<b>70</b>	<b>10.2x</b>	<b>8.0x</b>	<b>6.4x</b>	<b>11.6x</b>	<b>8.8x</b>	<b>7.0x</b>	<b>4.3 %</b>	<b>3.8 %</b>	<b>4.4 %</b>

Dovre prem./disc. to peer median

0 % -6 % -17 % -33 % -32 % -36 % -26 % -28 % -29 %

Source FactSet, Evli Research

Segment	EBIT '22e	EV/EBIT '22e *	EV <sup>1)</sup>	EBIT '23e	EV/EBIT '23e *	EV <sup>1)</sup>
Project Personnel	4.1	9.0x	37	4.2	8.7x	37
Consulting	2.0	14.6x	28	2.3	13.0x	30
Renewable Energy	2.6	11.2x	15	3.8	10.0x	19
Other & Unallocated <sup>2)</sup>	-1.1	10.9x	-12	-1.2	10.1x	-12
Total	7.6	9.0x	68	9.1	8.1x	74
Net debt (Evli YE est.)			-3			-6
Equity value			71			80
Per share			0.67			0.75

\*Peer group median (FactSet)

1) 51% stake in Renewable Energy

2) Multiple based on the weighted segmental average

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.66 PV of Free Cash Flow	54 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	0.79 PV of Horizon value	29 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	20.3 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	0.8 Marketable securities	10 Minimum WACC, %	9.2 Equity beta coefficient	1.20
Minimum value	0.8 Debt - dividend	-8 Maximum WACC, %	9.2 Target debt ratio, %	15
Horizon value, %	34.6 Value of stock	84 Nr of shares, Mn	106.0 Effective tax rate, %	20

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	143	196	207	216	224	230	236	242	248	254	260	267
<i>Sales growth, %</i>	<i>84.4</i>	<i>37.4</i>	<i>5.8</i>	<i>4.2</i>	<i>3.9</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>	<i>2.5</i>
Operating income (EBIT)	6	8	9	11	12	12	12	12	12	13	13	13
<i>Operating income margin, %</i>	<i>4.3</i>	<i>3.8</i>	<i>4.4</i>	<i>5.0</i>	<i>5.5</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>
+ Depreciation+amort.	1	0	0	0	0	0	0	1	1	1	1	0
EBITDA	7	8	9	11	13	12	12	13	13	13	13	
- Paid taxes	-1	-2	-2	-2	-2	-2	-2	-2	-2	-3	-3	
- Change in NWC	-2	-1	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>1.2</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-1	-1	-2	-2	-2	-2	-2	-2	17	-6	
<i>opCAPEX / Sales, %</i>	<i>1.8</i>	<i>0.6</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>	<i>-6.7</i>	<i>2.2</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	2	4	6	7	8	7	8	8	8	28	4	66
= Discounted FCFF		4	5	5	6	5	5	5	4	13	2	29
= DFCF min WACC		4	5	5	6	5	5	5	4	13	2	29
= DFCF max WACC		4	5	5	6	5	5	5	4	13	2	29

Commercial Services & Supplies/Finland, August 19, 2022  
Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	19.7	34.2	46.4	42.4	142.7	47.8	47.3	54.1	46.9	196.1	207.4	216.1
EBITDA	1.0	1.1	2.7	2.2	7.0	1.9	1.9	2.4	2.1	7.5	9.3	11.1
<i>EBITDA margin (%)</i>	<i>5.1</i>	<i>3.3</i>	<i>5.8</i>	<i>5.1</i>	<i>4.9</i>	<i>4.0</i>	<i>4.0</i>	<i>4.4</i>	<i>4.5</i>	<i>3.8</i>	<i>4.5</i>	<i>5.1</i>
EBIT	0.8	0.9	2.5	1.9	6.1	1.7	1.7	2.2	1.9	7.5	9.1	10.9
<i>EBIT margin (%)</i>	<i>4.1</i>	<i>2.6</i>	<i>5.4</i>	<i>4.5</i>	<i>4.3</i>	<i>3.6</i>	<i>3.6</i>	<i>4.1</i>	<i>4.1</i>	<i>3.8</i>	<i>4.4</i>	<i>5.0</i>
Net financial items	-0.1	-0.1	-0.1	-0.2	-0.5	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	0.0
Pre-tax profit	0.7	0.8	2.4	1.7	5.6	1.6	1.6	2.1	1.8	7.1	8.7	10.9
Tax	-0.2	-0.2	-0.5	-0.5	-1.3	-0.2	-0.5	-0.4	-0.4	-1.5	-1.7	-2.2
<i>Tax rate (%)</i>	<i>22.9</i>	<i>23.5</i>	<i>20.7</i>	<i>26.1</i>	<i>23.0</i>	<i>12.5</i>	<i>34.4</i>	<i>20.0</i>	<i>20.0</i>	<i>21.5</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.5	0.5	2.0	0.6	3.7	1.4	0.8	1.4	1.1	4.7	5.0	6.3
EPS	0.01	0.00	0.02	0.01	0.03	0.01	0.01	0.01	0.01	0.04	0.05	0.06
EPS adjusted (diluted no. of shares)	0.01	0.00	0.02	0.01	0.03	0.01	0.01	0.01	0.01	0.04	0.05	0.06
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01
<b>SALES, EURm</b>												
Project Personnel	15.4	18.7	19.3	22.8	76.2	22.7	22.4	21.8	22.8	89.7	94.2	97.5
Consulting	4.3	4.3	3.3	4.2	16.1	4.4	4.6	3.4	4.3	16.7	17.3	17.8
Renewable Energy	0.0	11.2	23.8	15.4	50.4	20.7	20.3	28.9	19.8	89.7	96.0	100.8
Total	19.7	34.2	46.4	42.4	142.7	47.8	47.3	54.1	46.9	196.1	207.4	216.1
<b>SALES GROWTH, Y/Y %</b>												
<i>Project Personnel</i>	<i>-20.6</i>	<i>16.1</i>	<i>44.0</i>	<i>62.9</i>	<i>21.1</i>	<i>47.4</i>	<i>19.8</i>	<i>13.0</i>	<i>0.0</i>	<i>17.7</i>	<i>5.0</i>	<i>3.5</i>
<i>Consulting</i>	<i>2.4</i>	<i>22.9</i>	<i>6.5</i>	<i>13.5</i>	<i>11.0</i>	<i>2.3</i>	<i>7.0</i>	<i>3.0</i>	<i>2.4</i>	<i>3.7</i>	<i>3.5</i>	<i>3.0</i>
<i>Renewable Energy</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>		<i>81.3</i>	<i>21.4</i>	<i>28.6</i>	<i>78.0</i>	<i>7.0</i>	<i>5.0</i>
Total	-16.5	74.5	181.2	139.5	84.4	142.6	38.3	16.6	10.6	37.4	5.8	4.2
<b>EBIT, EURm</b>												
Project Personnel	0.6	0.5	0.7	1.1	2.9	1.1	1.0	0.9	1.1	4.1	4.1	4.4
Consulting	0.6	0.7	0.4	0.6	2.3	0.4	0.5	0.4	0.6	1.9	2.3	2.7
Other functions	-0.3	-0.1	-0.2	-0.1	-0.7	-0.2	-0.1	-0.2	-0.2	-0.7	-0.8	-0.8
Unallocated	-0.1	0.0	-0.1	-0.1	-0.3	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4
Renewable Energy	0.0	-0.2	1.7	0.4	1.9	0.5	0.4	1.2	0.5	2.6	3.8	5.0
Total	0.8	0.9	2.5	1.9	6.1	1.7	1.7	2.2	1.9	7.5	9.1	10.9
<b>EBIT margin, %</b>												
<i>Project Personnel</i>	<i>3.9</i>	<i>2.7</i>	<i>3.6</i>	<i>4.8</i>	<i>3.8</i>	<i>4.8</i>	<i>4.5</i>	<i>4.1</i>	<i>4.8</i>	<i>4.6</i>	<i>4.4</i>	<i>4.5</i>
<i>Consulting</i>	<i>14.0</i>	<i>16.3</i>	<i>12.1</i>	<i>14.3</i>	<i>14.3</i>	<i>9.1</i>	<i>10.9</i>	<i>11.8</i>	<i>14.0</i>	<i>11.4</i>	<i>13.5</i>	<i>15.0</i>
<i>Unallocated</i>		<i>0.0</i>			<i>-75,000.0</i>							
<i>Renewable Energy</i>	<i>0.0</i>	<i>-1.8</i>	<i>7.1</i>	<i>2.6</i>	<i>3.8</i>	<i>2.4</i>	<i>2.0</i>	<i>4.2</i>	<i>2.5</i>	<i>2.9</i>	<i>4.0</i>	<i>5.0</i>
Total	4.1	2.6	5.4	4.5	4.3	3.6	3.6	4.1	4.1	3.8	4.4	5.0

Commercial Services & Supplies/Finland, August 19, 2022  
Company update

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	62.7	65.5	83.1	77.4	142.7	196.1	207.4	216.1
<i>Sales growth (%)</i>	<i>-25.2</i>	<i>4.5</i>	<i>26.9</i>	<i>-6.9</i>	<i>84.4</i>	<i>37.4</i>	<i>5.8</i>	<i>4.2</i>
EBITDA	0.5	1.0	3.5	3.2	7.0	7.5	9.3	11.1
<i>EBITDA margin (%)</i>	<i>0.8</i>	<i>1.6</i>	<i>4.2</i>	<i>4.2</i>	<i>4.9</i>	<i>3.8</i>	<i>4.5</i>	<i>5.1</i>
Depreciation	-0.5	-0.4	-0.9	-0.8	-0.9	0.0	-0.1	-0.2
EBITA	0.0	0.6	2.6	2.4	6.1	7.5	9.1	10.9
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	0.6	2.6	2.4	6.1	7.5	9.1	10.9
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.9</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>3.8</i>	<i>4.4</i>	<i>5.0</i>
Reported EBIT	-0.3	0.6	2.6	2.4	6.1	7.5	9.1	10.9
<i>EBIT margin (reported) (%)</i>	<i>-0.5</i>	<i>0.9</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>3.8</i>	<i>4.4</i>	<i>5.0</i>
Net financials	-0.4	0.5	-0.1	-0.2	-0.5	-0.4	-0.4	0.0
Pre-tax profit	-0.4	1.1	2.5	2.2	5.6	7.1	8.7	10.9
Taxes	-0.1	-0.2	-0.6	-0.5	-1.3	-1.5	-1.7	-2.2
Minority shares	0.0	0.0	0.0	0.0	-0.6	-0.8	-2.0	-2.4
Net profit	-0.9	0.9	2.0	1.7	3.7	4.7	5.0	6.3
Cash NRIs	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	4	4	3	3	3	5	6	7
Goodwill	15	15	15	16	21	21	21	21
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	1	1	1	1
Receivables	12	12	15	14	32	44	47	49
Liquid funds	5	5	7	9	10	13	14	14
Total assets	36	37	41	44	70	87	91	95
<b>Liabilities</b>								
Shareholder's equity	23	23	24	24	28	33	37	42
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	0	0	0	0
Lease liabilities	0	0	0	0	0	0	0	0
Deferred taxes	1	1	1	1	1	1	1	1
Interest bearing debt	3	3	3	6	8	10	8	5
Non-interest bearing current liabilities	10	10	13	13	30	41	44	45
Other interest-free debt	0	0	0	0	1	1	1	1
Total liabilities	36	37	41	44	70	87	91	95
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	1	3	3	7	8	9	11
- Net financial items	-3	1	0	0	0	0	0	0
- Taxes	0	0	-1	0	-1	-2	-2	-2
- Increase in Net Working Capital	-1	0	-1	2	-2	-1	0	0
+/- Other	3	0	0	0	-1	-1	-2	-2
= Cash flow from operations	-1	1	2	5	3	4	5	6
- Capex	0	0	0	-5	-2	-1	-1	-2
- Acquisitions	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	-1	1	2	0	1	2	4	4
+/- New issues/buybacks	-1	0	0	0	2	0	0	0
- Paid dividend	-1	-1	-1	-1	-1	0	-1	-1
+/- Other	1	0	0	3	0	1	-2	-3
Change in cash	-3	0	1	2	1	4	1	1

Commercial Services & Supplies/Finland, August 19, 2022  
Company update

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	21	30	29	72	70	70	70
Net debt (excl. convertibles)	-2	-3	-2	-1	-3	-6	-9
Enterprise value	19	26	26	71	66	64	61
Sales	66	83	77	143	196	207	216
EBITDA	1	3	3	7	8	9	11
EBIT	1	3	2	6	8	9	11
Pre-tax	1	3	2	6	7	9	11
Earnings	1	2	2	4	5	5	6
Equity book value (excl. minorities)	23	24	24	28	33	37	42
<b>Valuation multiples</b>							
EV/sales	0.3	0.3	0.3	0.5	0.3	0.3	0.3
EV/EBITDA	17.8	7.5	8.2	10.2	8.9	6.9	5.5
EV/EBITA	31.1	10.0	11.0	11.6	8.9	7.0	5.6
EV/EBIT	31.1	10.0	11.0	11.6	8.9	7.0	5.6
EV/OCF	14.7	11.1	5.5	23.6	18.1	13.1	9.6
EV/FCFF	21.2	12.3	81.0	33.1	18.3	10.6	9.0
P/FCFE	16.2	14.2	153.8	143.0	28.2	18.8	16.1
P/E	23.2	14.9	17.0	19.5	14.8	14.1	11.1
P/B	0.9	1.3	1.2	2.5	2.1	1.9	1.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.1	7.9	6.3
Target EV/EBIT	0.0	0.0	0.0	0.0	10.1	8.0	6.4
Target EV/FCF	0.0	0.0	0.0	0.0	30.7	19.7	16.2
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	16.8	16.0	12.6
<b>Per share measures</b>							
Number of shares	100,169	101,950	102,960	105,960	105,960	105,960	105,960
Number of shares (diluted)	100,169	101,950	102,960	105,960	105,960	105,960	105,960
EPS	0.01	0.02	0.02	0.03	0.04	0.05	0.06
Operating cash flow per share	0.01	0.02	0.05	0.03	0.03	0.05	0.06
Free cash flow per share	0.01	0.02	0.00	0.00	0.02	0.04	0.04
Book value per share	0.22	0.23	0.23	0.27	0.31	0.35	0.40
Dividend per share	0.01	0.01	0.01	0.00	0.01	0.01	0.01
Dividend payout ratio, %	110.7	51.3	60.9	0.0	22.4	21.3	16.8
Dividend yield, %	4.8	3.4	3.6	0.0	1.5	1.5	1.5
FCF yield, %	6.2	7.0	0.7	0.7	3.5	5.3	6.2
<b>Efficiency measures</b>							
ROE	4.0	8.6	7.1	14.1	15.4	14.2	15.9
ROCE	2.2	9.9	8.4	18.3	18.9	20.9	23.7
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.5	0.5	0.5	0.5
Receivables as % of sales	18.5	18.5	17.7	22.5	22.5	22.5	22.5
Non-interest bearing liabilities as % of sales	15.5	15.5	17.1	21.1	21.1	21.1	21.1
NWC/sales, %	2.7	2.7	0.2	1.2	1.4	1.4	1.4
Operative CAPEX/sales, %	0.0	0.3	6.0	1.8	0.6	0.6	0.9
CAPEX/sales (incl. acquisitions), %	0.0	0.3	6.0	1.8	0.6	0.6	0.9
FCFF/EBITDA	0.8	0.6	0.1	0.3	0.5	0.7	0.6
Net debt/EBITDA, book-weighted	-2.3	-1.0	-0.7	-0.2	-0.5	-0.7	-0.9
Debt/equity, market-weighted	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Equity ratio, book-weighted	61.5	57.8	53.6	40.8	38.2	40.7	44.3
Gearing, %	-10.8	-14.9	-10.1	-3.7	-10.6	-16.6	-22.3

**COMPANY DESCRIPTION:** Dovre Group is a global provider of project management services. The Group's parent Dovre Group Plc is domiciled in Finland and is listed on Nasdaq Helsinki (symbol DOV1V).  
Dovre Group has three business areas: Project Personnel, Consulting and Renewable Energy.

**INVESTMENT CASE:** The three segments' organic development has been strong in recent years, while outlook for the key markets, namely the Norwegian oil and gas industry, the Norwegian public sector and the Finnish wind power construction market, remains favorable in the short and long-term. We believe Dovre is therefore likely to reach a healthy 5% organic CAGR in the coming years, which would also help EBIT margin to improve to around 5%.

OWNERSHIP STRUCTURE	SHARES	EURm	%
ETRA CAPITAL OY	20,000,000	13.200	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	7.231	10.3%
KOSKELO ILARI	6,000,000	3.960	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.872	2.7%
SIIK SEPPÖ SAKARI	2,033,243	1.342	1.9%
K22 FINANCE OY	2,000,000	1.320	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	1.172	1.7%
PAASI KARI	1,631,048	1.076	1.5%
SIIK RAUNI MARJUT	1,512,029	0.998	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.990	1.4%
Ten largest	50,244,040	33.161	47%
Residual	55,715,960	36.773	53%
Total	105,960,000	69.934	100%

**EARNINGS CALENDAR**

October 26, 2022

Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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Ahventie 4 B

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IR:

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



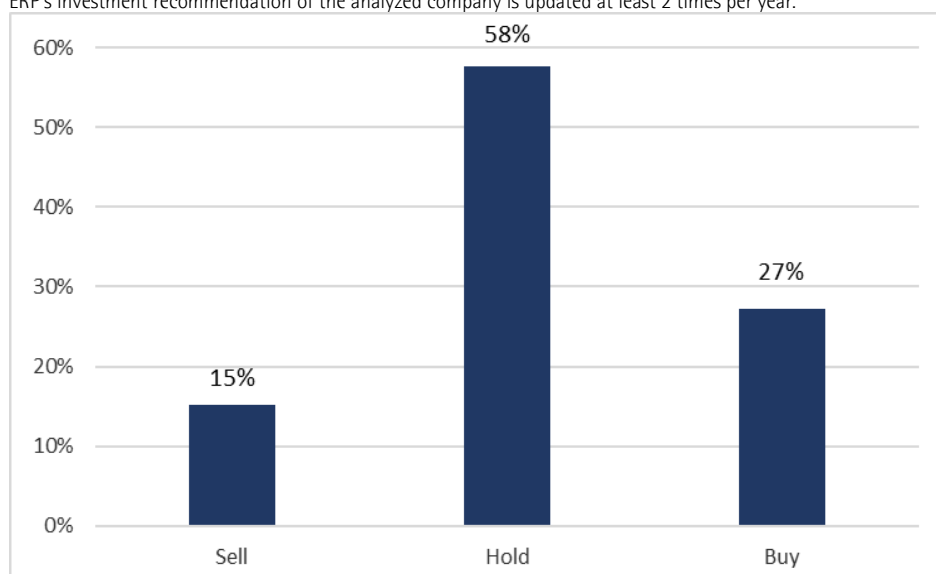
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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## Name(s) of the analyst(s): Ilvonen

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