

## Growth likely to moderate this year

Dovre announced preliminary Q4 figures already on Feb 3, and therefore the Q4 report didn't hold many surprises. Growth continued in all segments, especially in Consulting and Renewable Energy. EBIT should stay relatively high this year, but there are a few uncertain factors which may limit earnings growth.

- Dovre Q4 revenue grew by 13.6% y/y to EUR 48.1m, compared to our EUR 45.4m estimate. Project Personnel amounted to EUR 23.0m vs our EUR 22.8m estimate, while Consulting was EUR 4.8m vs our EUR 4.3m estimate. Renewable Energy landed at EUR 20.2m, compared to our EUR 18.3m estimate.
- EBITDA came in at EUR 2.5m vs our EUR 2.3m estimate. EBIT was EUR 2.1m, compared to our EUR 2.1m estimate. Project Personnel EBIT was EUR 1.1m vs our EUR 1.1m estimate, whereas Consulting landed at EUR 0.9m vs our EUR 0.7m estimate. Renewable Energy amounted to EUR 0.4m vs our EUR 0.6m estimate.
- The BoD proposes EUR 0.01 per share dividend to be distributed for the year, compared to our EUR 0.01 estimate.
- Dovre guides FY '23 revenue to improve y/y and EBIT to be about the same as previous year. Norway introduces new legislation in Q2 which regulates the hire of temporary employees in various situations. Its impact on Project Personnel and Consulting is yet unclear as the segments typically employ white collar staff. Suvic's sales cycle creates some uncertainty as negotiations for the summer period have not yet been fully completed.

| Rating  |        |      |          | BUY   |
|---|--------|------|----------|---|
| Q4'22   | Actual | Evli | Year ago | Q3'22   |
| Revenue   | 48.1   | 45.4 | 42.3     | 59.7  |
| EBITDA  | 2.5    | 2.3  | 2.0      | 3.2   |
| EBIT  | 2.1    | 2.1  | 1.8      | 3.0   |
| Deviation   | Actual | Evli | Year ago | Q3'22   |
| Revenue   |        | 6 %  | 14 %     | -19 %   |
| EBITDA  |        | 9 %  | 25 %     | -22 %   |
| EBIT  |        | 0 %  | 17 %     | -30 %   |
| 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                            |        |      |          | 27-Oct-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                                 |        |      |          | 23-Feb-23   |
| Web site  |        |      |          | <a href="https://www.dovregroup.com/">https://www.dovregroup.com/</a> |
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BUY HOLD SELL

### PRE-REPORT KEY FIGURES

|                          | Sales<br>EURm | EBIT<br>EURm | EBIT<br>% | FCF<br>EURm             | EPS<br>EUR | P/E<br>(x) | EV/Sales<br>(x) | EV/EBIT<br>(x)        | FCF yield<br>% | DPS<br>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                    | 200.2         | 8.4          | 4.2%      | 3.1                     | 0.05       | 13.0       | 0.3             | 7.8                   | 4.4            | 0.01       |      |
| 2023E                    | 211.8         | 10.0         | 4.7%      | 4.3                     | 0.05       | 12.4       | 0.3             | 6.3                   | 6.1            | 0.01       |      |
| 2024E                    | 220.6         | 11.2         | 5.1%      | 4.4                     | 0.06       | 10.6       | 0.3             | 5.3                   | 6.3            | 0.01       |      |
| Market cap, EURm         |               |              | 70        | BV per share 2022E, EUR |            |            | -12.1           | CAGR EPS 2021-24, %   |                |            | 21.1 |
| Net debt 2022E, EURm     |               |              | -4        | Price/book 2022E        |            |            | 2.1             | CAGR sales 2021-24, % |                |            | 15.6 |
| Enterprise value, EURm   |               |              | 66        | Dividend yield 2022E, % |            |            | 1.5             | ROE 2022E, %          |                |            | 17.4 |
| Total assets 2022E, EURm |               |              | 88        | Tax rate 2022E, %       |            |            | 21.3            | ROCE 2022E, %         |                |            | 21.0 |
| Goodwill 2022E, EURm     |               |              | 21        | Equity ratio 2022E, %   |            |            | 38.4            | PEG, P/E 22/CAGR      |                |            | 1.0  |

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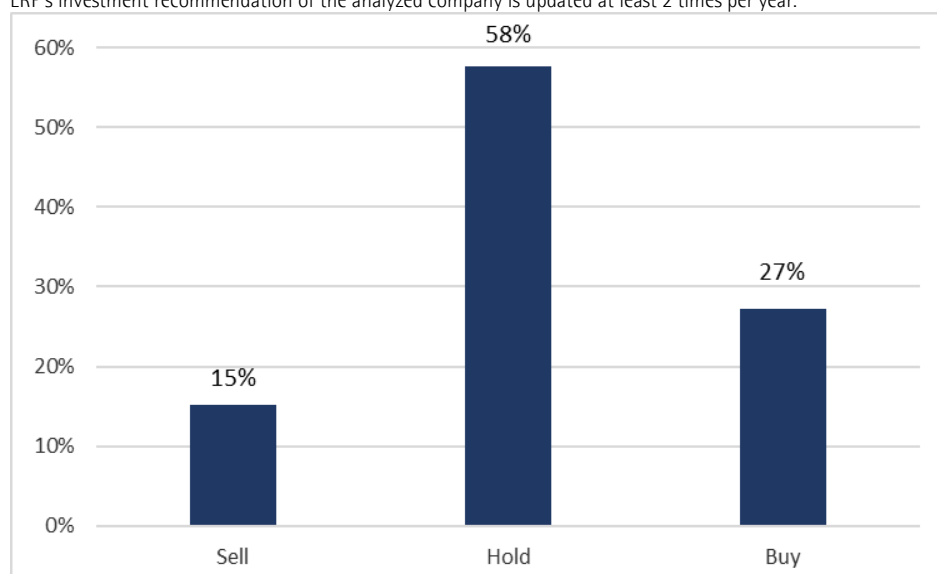
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|--------------------------------------|----------------|
| < -10 %                              | SELL           |
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