

Encouraging Norwegian performance

Dovre's Norwegian operations drove Q1 EBIT above our estimate even when there was an FX headwind and Renewable Energy missed our estimates.

EBIT was encouraging despite a few top line headwinds

Dovre's Q1 revenue declined 4% y/y to EUR 45.8m vs our EUR 48.3m estimate. Top line for both Project Personnel and Consulting came in clearly above our estimates, whereas Renewable Energy missed our estimate by more than EUR 6m. EBIT was in line with these trends as the two Norwegian focused businesses topped our estimates even despite the fact that controlling for FX changes, especially weak NOK, top line would have actually gained 5%. Any softness in the results was thus due to Renewable Energy, where seasonality remains and the fact that the Finnish wind market has been taking a breather after a busy year as e.g. transfer capacity is now a bottleneck.

Business in Norway continues to perform well

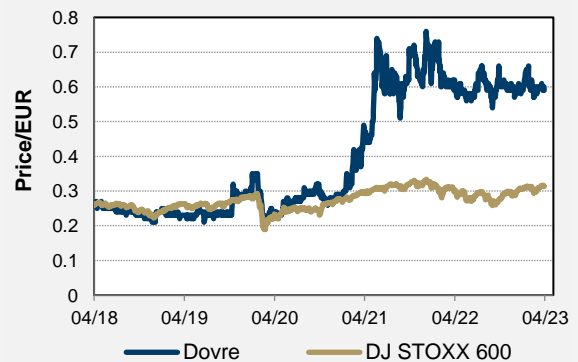
Dovre and Suvic are expanding to solar power, Suvic in its capacity as a specialty construction company whereas Dovre has established a project development company called Renetec, which may also expand beyond solar. We make only small estimate revisions after the report; we estimate very decent 5-6% growth for Project Personnel and Consulting (in EUR terms) and some profitability improvement in absolute terms, a slight revision on our previous estimates as new Norwegian legislation on temporary hiring hasn't proved any major challenge. We make some downward revisions to our Renewable Energy estimates and now expect flat margin development for the year.

EV/EBIT of around 7x not a very challenging multiple

In our view it wouldn't seem too hard for Dovre to end up improving at least a bit this year in terms of EBIT. Profitability should hold up well especially within Project Personnel and Consulting, and Renewable Energy has a lot more long-term potential even if this year's margins may remain somewhat low. There have been no big changes in peer multiples over the past few months, and while our group level estimates have remained basically unchanged the relatively strong report increased our confidence in the profitability path's sustainability. Our updated SOTP valuation indicates value of roughly EUR 0.85 per share. We update our TP to EUR 0.82 (0.80) and retain our BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 0.59

Target price, EUR 0.82

Latest change in 20-May-22

Latest report on company 24-Feb-23

Research paid by issuer: YES

No. of shares outstanding, 105,960

No. of shares fully diluted, 105,960

Market cap, EURm 63

Free float, % 94.3

Exchange rate -

Reuters code DOV1V.HE

Bloomberg code DOV1V.FH

Average daily volume, EURm 0.1

Next interim report 17-Aug-23

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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
2021	142.7	6.1	4.3%	0.5	0.03	19.5	0.5	11.6	0.7	0.00
2022	203.0	8.5	4.2%	0.9	0.05	11.9	0.3	6.9	1.5	0.00
2023E	208.0	8.7	4.2%	3.9	0.05	12.0	0.3	6.4	6.2	0.01
2024E	216.6	9.3	4.3%	3.2	0.04	13.3	0.2	5.8	5.2	0.01
2025E	224.9	10.4	4.6%	3.6	0.06	10.7	0.2	4.9	5.7	0.01
Market cap, EURm				63	Gearing 2023E, %		-17.5	CAGR EPS 2022-25, %		4.0
Net debt 2023E, EURm				-7	Price/book 2023E		1.6	CAGR sales 2022-25, %		3.5
Enterprise value, EURm				56	Dividend yield 2023E, %		1.7	ROE 2023E, %		14.1
Total assets 2023E, EURm				85	Tax rate 2023E, %		20.0	ROCE 2023E, %		20.1
Goodwill 2023E, EURm				21	Equity ratio 2023E, %		46.5	PEG, P/E 23/CAGR		0.4

Estimates and valuation

Dovre	FY '20	FY '21	Q1'22	Q2'22	Q3'22	Q4'22	FY '22	Q1'23	Q2'23e	Q3'23e	Q4'23e	FY '23e
Revenue	77.5	142.7	47.8	47.3	59.8	48.0	203.0	45.8	49.7	62.3	50.2	208.0
Project Personnel	62.9	76.2	22.7	22.4	22.5	23.0	90.6	24.8	23.8	23.5	23.7	95.8
y/y growth	-18 %	21 %	47 %	20 %	16 %	1 %	19 %	9 %	6 %	4 %	3 %	6 %
Consulting	14.5	16.1	4.4	4.6	4.4	4.8	18.2	5.1	4.7	4.6	4.9	19.3
y/y growth	137 %	11 %	2 %	5 %	33 %	15 %	13 %	17 %	2 %	5 %	2 %	6 %
Renewable Energy		50.4	20.7	20.3	32.9	20.2	94.2	15.9	21.2	34.2	21.6	92.9
y/y growth				82 %	38 %	32 %	87 %	-23 %	4 %	4 %	7 %	-1 %
EBIT	2.4	6.1	1.7	1.7	3.0	2.1	8.5	1.7	1.6	3.2	2.2	8.7
Project Personnel	1.9	2.9	1.1	0.9	1.1	1.1	4.3	1.2	1.0	1.1	1.2	4.5
EBIT-%	3 %	4 %	5 %	4 %	5 %	5 %	5 %	5 %	4 %	5 %	5 %	5 %
Consulting	1.5	2.3	0.4	0.6	0.7	0.9	2.5	0.6	0.5	0.7	0.8	2.6
EBIT-%	10 %	14 %	9 %	13 %	16 %	19 %	14 %	12 %	11 %	15 %	16 %	13 %
Renewable Energy		1.9	0.5	0.4	1.4	0.4	2.7	0.2	0.4	1.7	0.5	2.8
EBIT-%		4 %	2 %	2 %	4 %	2 %	3 %	1 %	2 %	5 %	2 %	3 %
Other & Unallocated	-1.0	-1.0	-0.3	-0.2	-0.3	-0.2	-1.0	-0.3	-0.3	-0.3	-0.3	-1.2

Source: Evli Research

DOVRE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		22	23	24	22	23	24	22	23	24
Brunel International	632	6.2x	6.7x	5.8x	8.7x	9.0x	7.6x	4.7 %	5.2 %	5.6 %
Eezy	83	7.4x	6.7x	6.1x	13.0x	11.4x	9.5x	4.2 %	4.9 %	5.6 %
Randstad	8865	7.6x	7.1x	6.8x	9.3x	9.0x	8.6x	4.6 %	4.1 %	4.1 %
AFRY	1984	10.4x	10.7x	9.8x	16.5x	15.9x	13.8x	6.7 %	7.3 %	8.0 %
Etteplan	429	8.9x	9.8x	9.2x	14.7x	16.3x	15.0x	8.5 %	8.3 %	8.6 %
Sitowise Group	144	11.3x	8.0x	7.1x	16.8x	12.8x	10.6x	7.8 %	8.4 %	9.8 %
SWECO	4212	13.3x	16.0x	14.9x	17.5x	20.7x	18.8x	9.3 %	9.3 %	9.7 %
AF Gruppen	1461	8.4x	8.4x	7.7x	11.6x	11.1x	10.1x	4.5 %	5.1 %	5.6 %
Kreate Group	72	7.8x	6.7x	6.2x	12.2x	9.8x	8.8x	3.2 %	3.8 %	4.1 %
Sdiptech	730	11.7x	10.6x	9.6x	16.0x	14.2x	12.6x	18.0 %	17.1 %	17.5 %
Veidekke	1343	4.6x	5.6x	5.4x	7.4x	9.2x	8.8x	3.9 %	3.8 %	4.0 %
Peer Group Average	1814	8.9x	8.8x	8.0x	13.0x	12.7x	11.3x	6.8 %	7.0 %	7.5 %
Peer Group Median	730	8.4x	8.0x	7.1x	13.0x	11.4x	10.1x	4.7 %	5.2 %	5.6 %
Dovre (Evli est.)	62	6.2x	5.8x	5.3x	6.9x	6.4x	5.7x	4.2 %	4.2 %	4.3 %

Dovre prem./disc. to peer median

-27 % -27 % -26 % -47 % -44 % -43 % -10 % -20 % -24 %

Source FactSet, Evli Research

Segment	EBIT '22	EV/EBIT '22 *	EV ¹⁾	EBIT '23e	EV/EBIT '23e *	EV ¹⁾	EBIT '24e	EV/EBIT '24e *	EV ¹⁾
Project Personnel	4.3	9.3x	40	4.5	9.0x	41	4.2	8.6x	36
Consulting	2.5	16.7x	42	2.6	16.1x	42	2.8	14.4x	40
Renewable Energy	2.7	11.6x	16	2.8	11.1x	16	3.4	10.1x	18
Other & Unallocated ²⁾	-1.0	11.9x	-12	-1.2	11.5x	-14	-1.2	11.2x	-13
Total	8.5	10.1x	86	8.7	9.7x	84	9.2	8.8x	81
Net debt (Evli YE est.)			-3			-6			-8
Equity value			89			90			89
Per share			0.84			0.85			0.84
EV/EBIT ³⁾			11.9x			11.5x			10.7x

*Peer group median (FactSet)

1) 51% stake in Renewable Energy

2) Multiple based on the weighted segmental average

2) Excluding 49% of Renewable Energy EBIT

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.59 PV of Free Cash Flow	55 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	1.11 PV of Horizon value	59 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	88.0 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	1.1 Marketable securities	11 Minimum WACC, %	9.2 Equity beta coefficient	1.20
Minimum value	1.1 Debt - dividend	-8 Maximum WACC, %	9.2 Target debt ratio, %	15
Horizon value, %	51.7 Value of stock	118 Nr of shares, Mn	106.0 Effective tax rate, %	20

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	203	208	217	225	231	237	243	249	255	261	268	275
<i>Sales growth, %</i>	<i>42.3</i>	<i>2.5</i>	<i>4.1</i>	<i>3.9</i>	<i>2.7</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)	9	9	9	10	14	12	12	12	13	13	13	14
<i>Operating income margin, %</i>	<i>4.2</i>	<i>4.2</i>	<i>4.3</i>	<i>4.6</i>	<i>5.9</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	0	0	0	0	0
EBITDA	10	9	9	10	14	12	12	13	13	13	13	
- Paid taxes	-2	-2	-2	-2	-3	-2	-2	-2	-3	-3	-3	
- Change in NWC	-5	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>3.2</i>	<i>3.2</i>	<i>3.2</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.4</i>	<i>3.4</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	0	-1	-1	-2	-2	-2	-2	-2	-2	15	-1	
<i>opCAPEX / Sales, %</i>	<i>0.1</i>	<i>0.6</i>	<i>0.5</i>	<i>0.9</i>	<i>0.9</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>	<i>-5.7</i>	<i>0.5</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	4	6	6	6	9	7	8	8	8	25	9	139
= Discounted FCFF		5	5	5	6	5	5	4	4	12	4	59
= DFCF min WACC		5	5	5	6	5	5	4	4	12	4	59
= DFCF max WACC		5	5	5	6	5	5	4	4	12	4	59

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	47.8	47.3	59.7	48.2	203.0	45.8	49.7	62.3	50.2	208.0	216.6	224.9
EBITDA	1.9	1.9	3.1	2.6	9.5	1.9	1.8	3.4	2.4	8.8	9.3	10.5
<i>EBITDA margin (%)</i>	<i>4.0</i>	<i>4.0</i>	<i>5.2</i>	<i>5.4</i>	<i>4.7</i>	<i>4.1</i>	<i>3.7</i>	<i>5.5</i>	<i>4.8</i>	<i>4.2</i>	<i>4.3</i>	<i>4.7</i>
EBIT	1.7	1.7	2.9	2.2	8.5	1.7	1.6	3.2	2.2	8.7	9.3	10.4
<i>EBIT margin (%)</i>	<i>3.6</i>	<i>3.6</i>	<i>4.9</i>	<i>4.6</i>	<i>4.2</i>	<i>3.7</i>	<i>3.2</i>	<i>5.1</i>	<i>4.4</i>	<i>4.2</i>	<i>4.3</i>	<i>4.6</i>
Net financial items	-0.2	0.0	0.0	-0.7	-1.0	-0.2	-0.2	-0.2	-0.2	-0.8	-0.4	0.0
Pre-tax profit	1.5	1.7	2.9	1.5	7.5	1.5	1.4	3.0	2.0	7.9	8.9	10.4
Tax	-0.3	-0.4	-0.6	-0.3	-1.6	-0.3	-0.3	-0.6	-0.4	-1.6	-1.8	-2.1
<i>Tax rate (%)</i>	<i>20.7</i>	<i>26.1</i>	<i>19.5</i>	<i>20.5</i>	<i>21.4</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	1.1	1.1	1.9	1.1	5.2	1.0	0.8	2.1	1.3	5.2	4.7	5.9
EPS	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.02	0.01	0.05	0.04	0.06
EPS adjusted (diluted no. of shares)	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.02	0.01	0.05	0.04	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
SALES, EURm												
Project Personnel	22.7	22.4	22.5	23.0	90.6	24.8	23.8	23.5	23.7	95.8	99.2	102.1
Consulting	4.4	4.6	4.3	4.9	18.2	5.1	4.7	4.6	4.9	19.3	19.9	20.4
Renewable Energy	20.7	20.3	32.9	20.3	94.2	15.9	21.2	34.2	21.6	92.9	97.5	102.4
Total	47.8	47.3	59.7	48.2	203.0	45.8	49.7	62.3	50.2	208.0	216.6	224.9
SALES GROWTH, Y/Y %												
<i>Project Personnel</i>	<i>47.4</i>	<i>19.8</i>	<i>16.6</i>	<i>0.9</i>	<i>18.9</i>	<i>9.3</i>	<i>6.3</i>	<i>4.4</i>	<i>3.0</i>	<i>5.7</i>	<i>3.5</i>	<i>3.0</i>
<i>Consulting</i>	<i>2.3</i>	<i>7.0</i>	<i>30.3</i>	<i>16.7</i>	<i>13.0</i>	<i>15.9</i>	<i>2.2</i>	<i>7.0</i>	<i>0.0</i>	<i>6.0</i>	<i>3.0</i>	<i>2.5</i>
<i>Renewable Energy</i>	<i>0.0</i>	<i>81.3</i>	<i>38.2</i>	<i>31.8</i>	<i>86.9</i>	<i>-23.2</i>	<i>4.4</i>	<i>4.0</i>	<i>6.4</i>	<i>-1.4</i>	<i>5.0</i>	<i>5.0</i>
Total	142.6	38.3	28.7	13.7	42.3	-4.2	5.1	4.4	4.1	2.5	4.1	3.9
EBIT, EURm												
Project Personnel	1.1	1.0	1.1	1.1	4.3	1.2	1.0	1.1	1.2	4.5	4.2	4.6
Consulting	0.4	0.5	0.7	0.9	2.5	0.6	0.5	0.7	0.8	2.6	2.8	3.0
Other functions	-0.2	-0.1	-0.2	-0.2	-0.7	-0.2	-0.2	-0.2	-0.2	-0.8	-0.8	-0.8
Unallocated	-0.1	-0.1	-0.1	0.0	-0.3	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	-0.4
Renewable Energy	0.5	0.4	1.4	0.4	2.7	0.2	0.4	1.7	0.5	2.8	3.4	4.1
Total	1.7	1.7	2.9	2.2	8.5	1.7	1.6	3.2	2.2	8.7	9.3	10.4
EBIT margin, %												
<i>Project Personnel</i>	<i>4.8</i>	<i>4.5</i>	<i>4.9</i>	<i>4.8</i>	<i>4.7</i>	<i>4.8</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>	<i>4.7</i>	<i>4.3</i>	<i>4.5</i>
<i>Consulting</i>	<i>9.1</i>	<i>10.9</i>	<i>16.3</i>	<i>18.4</i>	<i>13.7</i>	<i>11.8</i>	<i>10.6</i>	<i>15.2</i>	<i>16.3</i>	<i>13.5</i>	<i>14.3</i>	<i>14.5</i>
<i>Unallocated</i>				<i>0.0</i>	<i>-75,000.0</i>							
<i>Renewable Energy</i>	<i>2.4</i>	<i>2.0</i>	<i>4.3</i>	<i>2.0</i>	<i>2.9</i>	<i>1.3</i>	<i>1.9</i>	<i>5.0</i>	<i>2.3</i>	<i>3.0</i>	<i>3.5</i>	<i>4.0</i>
Total	3.6	3.6	4.9	4.6	4.2	3.7	3.2	5.1	4.4	4.2	4.3	4.6

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	65.5	83.1	77.4	142.7	203.0	208.0	216.6	224.9
<i>Sales growth (%)</i>	<i>4.5</i>	<i>26.9</i>	<i>-6.9</i>	<i>84.4</i>	<i>42.3</i>	<i>2.5</i>	<i>4.1</i>	<i>3.9</i>
EBITDA	1.0	3.5	3.2	7.0	9.5	8.8	9.3	10.5
<i>EBITDA margin (%)</i>	<i>1.6</i>	<i>4.2</i>	<i>4.2</i>	<i>4.9</i>	<i>4.7</i>	<i>4.2</i>	<i>4.3</i>	<i>4.7</i>
Depreciation	-0.4	-0.9	-0.8	-0.9	-1.0	-0.1	0.0	0.0
EBITA	0.6	2.6	2.4	6.1	8.5	8.7	9.3	10.4
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.6	2.6	2.4	6.1	8.5	8.7	9.3	10.4
<i>EBIT margin (%)</i>	<i>0.9</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>4.2</i>	<i>4.2</i>	<i>4.3</i>	<i>4.6</i>
Reported EBIT	0.6	2.6	2.4	6.1	8.5	8.7	9.3	10.4
<i>EBIT margin (reported) (%)</i>	<i>0.9</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>4.2</i>	<i>4.2</i>	<i>4.3</i>	<i>4.6</i>
Net financials	0.5	-0.1	-0.2	-0.5	-1.0	-0.8	-0.4	0.0
Pre-tax profit	1.1	2.5	2.2	5.6	7.5	7.9	8.9	10.4
Taxes	-0.2	-0.6	-0.5	-1.3	-1.6	-1.6	-1.8	-2.1
Minority shares	0.0	0.0	0.0	-0.6	-0.7	-1.1	-2.4	-2.5
Net profit	0.9	2.0	1.7	3.7	5.2	5.2	4.7	5.9
Cash NRIs	0.0	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
BALANCE SHEET, EURm								
Assets								
Fixed assets	4	3	3	3	4	5	6	8
Goodwill	15	15	16	21	21	21	21	21
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	1	2	2	2	2
Receivables	12	15	14	32	42	43	45	47
Liquid funds	5	7	9	10	11	12	12	12
Total assets	37	41	44	70	82	85	88	93
Liabilities								
Shareholder's equity	23	24	24	28	34	40	43	48
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	6	8	8	5	3	1
Non-interest bearing current liabilities	10	13	13	30	36	36	38	39
Other interest-free debt	0	0	0	1	2	2	2	2
Total liabilities	37	41	44	70	82	85	88	93
CASH FLOW, EURm								
+ EBITDA	1	3	3	7	10	9	9	10
- Net financial items	1	0	0	0	-1	-1	0	0
- Taxes	0	-1	0	-1	-2	-2	-2	-2
- Increase in Net Working Capital	0	-1	2	-2	-5	0	0	0
+/- Other	0	0	0	-1	-1	-1	-2	-2
= Cash flow from operations	1	2	5	3	1	5	4	6
- Capex	0	0	-5	-2	0	-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	2	0	1	1	4	3	4
+/- New issues/buybacks	0	0	0	2	1	0	0	0
- Paid dividend	-1	-1	-1	-1	0	0	-1	-1
+/- Other	0	0	3	0	0	-4	-2	-2
Change in cash	0	1	2	1	2	0	0	0

Commercial Services & Supplies/Finland, April 28, 2023
Company update

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	30	29	72	62	63	63	63
Net debt (excl. convertibles)	-3	-2	-1	-3	-7	-9	-12
Enterprise value	26	26	71	59	56	53	51
Sales	83	77	143	203	208	217	225
EBITDA	3	3	7	10	9	9	10
EBIT	3	2	6	9	9	9	10
Pre-tax	3	2	6	7	8	9	10
Earnings	2	2	4	5	5	5	6
Equity book value (excl. minorities)	24	24	28	34	40	43	48
Valuation multiples							
EV/sales	0.3	0.3	0.5	0.3	0.3	0.2	0.2
EV/EBITDA	7.5	8.2	10.2	6.2	6.4	5.7	4.9
EV/EBITA	10.0	11.0	11.6	6.9	6.4	5.8	4.9
EV/EBIT	10.0	11.0	11.6	6.9	6.4	5.8	4.9
EV/OCF	11.1	5.5	23.6	51.2	11.0	12.2	9.2
EV/FCFF	12.3	81.0	33.1	16.3	9.9	9.0	8.4
P/FCFE	14.2	153.8	143.0	65.2	16.1	19.4	17.6
P/E	14.9	17.0	19.5	11.9	12.0	13.3	10.7
P/B	1.3	1.2	2.5	1.8	1.6	1.4	1.3
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.1	8.4	7.2
Target EV/EBIT	0.0	0.0	0.0	0.0	9.2	8.4	7.2
Target EV/FCF	0.0	0.0	0.0	0.0	20.6	24.1	21.2
Target P/B	0.0	0.0	0.0	0.0	2.2	2.0	1.8
Target P/E	0.0	0.0	0.0	0.0	16.6	18.5	14.8
Per share measures							
Number of shares	101,950	102,960	105,960	105,960	105,960	105,960	105,960
Number of shares (diluted)	101,950	102,960	105,960	105,960	105,960	105,960	105,960
EPS	0.02	0.02	0.03	0.05	0.05	0.04	0.06
Operating cash flow per share	0.02	0.05	0.03	0.01	0.05	0.04	0.05
Free cash flow per share	0.02	0.00	0.00	0.01	0.04	0.03	0.03
Book value per share	0.23	0.23	0.27	0.32	0.37	0.41	0.45
Dividend per share	0.01	0.01	0.00	0.00	0.01	0.01	0.01
Dividend payout ratio, %	51.3	60.9	0.0	0.0	20.3	22.6	18.1
Dividend yield, %	3.4	3.6	0.0	0.0	1.7	1.7	1.7
FCF yield, %	7.0	0.7	0.7	1.5	6.2	5.2	5.7
Efficiency measures							
ROE	8.6	7.1	14.1	16.6	14.1	11.3	12.9
ROCE	9.9	8.4	18.3	21.4	20.1	20.5	22.0
Financial ratios							
Inventories as % of sales	0.0	0.0	0.5	0.7	0.7	0.7	0.7
Receivables as % of sales	18.5	17.7	22.5	20.8	20.8	20.8	20.8
Non-interest bearing liabilities as % of sales	15.5	17.1	21.1	17.5	17.5	17.5	17.5
NWC/sales, %	2.7	0.2	1.2	3.2	3.2	3.2	3.3
Operative CAPEX/sales, %	0.3	6.0	1.8	0.1	0.6	0.5	0.9
CAPEX/sales (incl. acquisitions), %	0.3	6.0	1.8	0.1	0.6	0.5	0.9
FCFF/EBITDA	0.6	0.1	0.3	0.4	0.6	0.6	0.6
Net debt/EBITDA, book-weighted	-1.0	-0.7	-0.2	-0.3	-0.8	-1.0	-1.1
Debt/equity, market-weighted	0.1	0.2	0.1	0.1	0.1	0.0	0.0
Equity ratio, book-weighted	57.8	53.6	40.8	41.6	46.5	48.8	51.8
Gearing, %	-14.9	-10.1	-3.7	-8.8	-17.5	-21.0	-24.1

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	11.800	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	6.464	10.3%
KOSKELO ILARI	6,000,000	3.540	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.673	2.7%
SIIK SEPPO SAKARI	2,033,243	1.200	1.9%
K22 FINANCE OY	2,000,000	1.180	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	1.048	1.7%
PAASI KARI	1,631,048	0.962	1.5%
SIIK RAUNI MARJUT	1,512,029	0.892	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.885	1.4%
Ten largest	50,244,040	29.644	47%
Residual	55,715,960	32.872	53%
Total	105,960,000	62.516	100%

EARNINGS CALENDAR

August 17, 2023

Q2 report

October 26, 2023

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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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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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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