

Well-positioned despite headwinds

Dovre revised guidance down due to larger-than-expected challenges in the Finnish wind power construction market.

We cut our FY '23 EBIT estimate by EUR 1.4m

Dovre downgraded guidance due to headwinds already to some extent visible in the Q1 report but which have since proved more pronounced. Dovre previously expected FY '23 top line to improve and EBIT to stay about the same compared to FY '22, however the new guidance hints revenue to decline by a roughly mid-single digit rate while EBIT may be down by more than EUR 1m. We revise our FY '23 revenue estimate down by 8% to EUR 190.8m and estimate EBIT at EUR 7.3m (prev. EUR 8.7m). We make only marginal revisions for Project Personnel and Consulting; we cut our FY '23 revenue estimate for Renewable Energy by 16%, now estimating the segmental EBIT at EUR 1.5m (prev. EUR 2.8m). Our estimates for the coming years are likewise down for Renewable Energy (we trim some EUR 1m in terms of EBIT) but remain intact for Project Personnel and Consulting.

Strong resilient Norwegian results

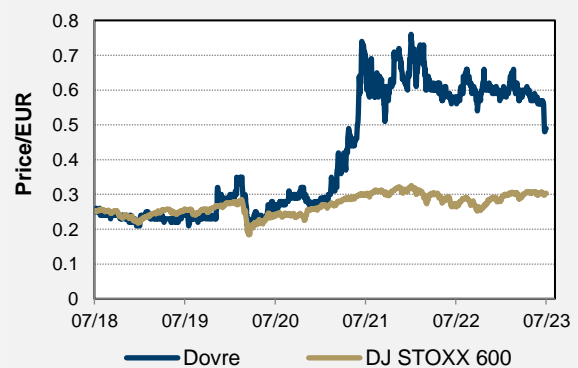
No softness was to be seen in the performance of Project Personnel and Consulting last year and Q1 showed high growth even in EUR terms despite weak NOK; we expect the Norwegian businesses' performance to translate to flattish or slightly positive y/y development. Suvic's long-term demand drivers remain intact as countries like Finland are still far from done building up their wind power capacity, however the lack of transmission capacity may in places limit demand in the short-term. In our view such challenges should be relatively easy to solve in countries like Finland (compared to e.g. the US where there are many other complicating factors besides long distances). We hence believe Renewable Energy is likely to grow again next year; our respective EUR 84m top line and 3% EBIT margin estimates are more likely to be on the conservative side.

Finnish wind power market to add earnings again next year

We expect Renewable Energy EBIT to improve again to EUR 2.5m next year, which would help Dovre EBIT to EUR 8.2m. Dovre is valued no more than 7x EV/EBIT on our FY '23 estimates (excl. 49% of Suvic), an undemanding level considering the resilient Norwegian performance and temporary softness in Finland. Our new TP is EUR 0.77 (0.82); we retain BUY rating.

Rating

BUY



Share price, EUR (Last trading day's closing price) 0.49

Target price, EUR 0.77

Latest change in 20-May-22

Latest report on company 28-Apr-23

Research paid by issuer: YES

No. of shares outstanding, 105,960

No. of shares fully diluted, 105,960

Market cap, EURm 52

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	190.8	7.3	3.8%	3.4	0.04	12.7	0.2	6.2	6.6	0.01
2024E	200.5	8.2	4.1%	2.4	0.04	13.4	0.2	5.4	4.5	0.01
2025E	208.1	9.3	4.5%	2.7	0.05	10.5	0.2	4.6	5.1	0.01
Market cap, EURm				52	Gearing 2023E, %		-16.9	CAGR EPS 2022-25, %		-1.8
Net debt 2023E, EURm				-6	Price/book 2023E		1.4	CAGR sales 2022-25, %		0.8
Enterprise value, EURm				45	Dividend yield 2023E, %		2.0	ROE 2023E, %		11.3
Total assets 2023E, EURm				80	Tax rate 2023E, %		20.0	ROCE 2023E, %		17.2
Goodwill 2023E, EURm				21	Equity ratio 2023E, %		47.8	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	44.4	53.8	46.8	190.8
Project Personnel	62.9	76.2	22.7	22.4	22.5	23.0	90.6	24.8	22.7	23.1	23.3	93.9
y/y growth	-18 %	21 %	47 %	20 %	16 %	1 %	19 %	9 %	1 %	3 %	1 %	4 %
Consulting	14.5	16.1	4.4	4.6	4.4	4.8	18.2	5.1	4.6	4.5	4.8	19.0
y/y growth	137 %	11 %	2 %	5 %	33 %	15 %	13 %	17 %	0 %	2 %	0 %	4 %
Renewable Energy		50.4	20.7	20.3	32.9	20.2	94.2	15.9	17.1	26.2	18.7	77.9
y/y growth				82 %	38 %	32 %	87 %	-23 %	-16 %	-20 %	-7 %	-17 %
EBIT	2.4	6.1	1.7	1.7	3.0	2.1	8.5	1.7	1.4	2.2	2.0	7.3
Project Personnel	1.9	2.9	1.1	0.9	1.1	1.1	4.3	1.2	1.0	1.1	1.1	4.4
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 %	16 %	17 %	14 %
Renewable Energy		1.9	0.5	0.4	1.4	0.4	2.7	0.2	0.2	0.7	0.4	1.5
EBIT-%		4 %	2 %	2 %	4 %	2 %	3 %	1 %	1 %	3 %	2 %	2 %
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	600	6.2x	6.3x	5.3x	8.0x	8.3x	6.8x	5.1 %	5.2 %	5.7 %
Eezy	70	7.2x	6.2x	5.9x	12.2x	10.1x	9.1x	4.4 %	5.2 %	5.5 %
Randstad	8907	7.6x	7.1x	6.9x	9.3x	9.2x	8.9x	4.6 %	4.0 %	4.1 %
AFRY	1515	10.4x	7.7x	7.2x	16.5x	11.1x	10.1x	6.7 %	7.8 %	8.2 %
Etteplan	398	8.9x	9.2x	8.6x	15.0x	15.2x	13.8x	8.3 %	8.2 %	8.6 %
Sitowise Group	142	10.7x			16.7x			7.9 %	8.7 %	10.0 %
SWECO	3411	13.3x	13.6x	12.7x	17.5x	17.7x	16.2x	9.3 %	9.4 %	9.8 %
AF Gruppen	1224	8.8x	9.3x	7.4x	12.1x	13.5x	9.7x	4.5 %	3.8 %	5.2 %
Kreate Group	69	7.9x	7.5x	6.7x	12.5x	12.1x	10.1x	3.1 %	3.1 %	3.6 %
Sdiptech	798	11.7x	11.6x	10.4x	16.0x	15.5x	13.8x	18.0 %	17.3 %	17.6 %
Veidekke	1334	4.6x			7.4x			3.9 %	3.3 %	4.0 %
Peer Group Average	1679	8.8x	8.7x	7.9x	13.0x	12.5x	10.9x	6.9 %	6.9 %	7.5 %
Peer Group Median	798	8.8x	7.7x	7.2x	12.5x	12.1x	10.1x	5.1 %	5.2 %	5.7 %
Dovre (Evli est.)	52	6.2x	5.6x	4.9x	6.9x	6.3x	5.4x	4.2 %	3.8 %	4.1 %

Dovre prem./disc. to peer median

-29 % -27 % -32 % -45 % -48 % -46 % -18 % -27 % -28 %

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	4.4	9.2x	40	4.1	8.9x	36
Consulting	2.5	16.6x	42	2.6	15.2x	40	2.8	13.8x	39
Renewable Energy	2.7	12.3x	17	1.5	13.5x	10	2.5	10.1x	13
Other & Unallocated ²⁾	-1.0	12.7x	-13	-1.2	12.6x	-15	-1.2	10.9x	-13
Total	8.5	10.1x	86	7.3	10.3x	75	8.2	9.1x	75
Net debt (Evli YE est.)			-3			-6			-8
Equity value			89			81			83
Per share			0.84			0.77			0.78
EV/EBIT ³⁾			12.0x			11.5x			10.8x

*Peer group median (FactSet)

1) 51% stake in Renewable Energy

2) Multiple based on the weighted segmental average

3) Excluding 49% of Renewable Energy EBIT

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.49 PV of Free Cash Flow	51 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	1.04 PV of Horizon value	56 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	112.7 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	1.0 Marketable securities	11 Minimum WACC, %	9.2 Equity beta coefficient	1.20
Minimum value	1.0 Debt - dividend	-8 Maximum WACC, %	9.2 Target debt ratio, %	15
Horizon value, %	52.3 Value of stock	110 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	191	200	208	214	219	225	230	236	242	248	254
<i>Sales growth, %</i>	<i>42.3</i>	<i>-6.0</i>	<i>5.1</i>	<i>3.8</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	7	8	9	12	11	11	12	12	12	12	13
<i>Operating income margin, %</i>	<i>4.2</i>	<i>3.8</i>	<i>4.1</i>	<i>4.5</i>	<i>5.8</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	7	8	9	12	11	11	12	12	12	12	
- Paid taxes	-2	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
- Change in NWC	-5	0	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>3.2</i>	<i>3.1</i>	<i>3.2</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>
+ Change in other liabs	1	0	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>0.6</i>	<i>1.0</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.8</i>	<i>-6.2</i>	<i>0.4</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	4	5	5	5	8	7	7	7	7	25	9	130
= Discounted FCFF		5	4	4	6	4	4	4	4	12	4	56
= DFCF min WACC		5	4	4	6	4	4	4	4	12	4	56
= DFCF max WACC		5	4	4	6	4	4	4	4	12	4	56

Commercial Services & Supplies/Finland, July 4, 2023
Company update

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	44.4	53.8	46.8	190.8	200.5	208.1
EBITDA	1.9	1.9	3.1	2.6	9.5	1.9	1.6	2.4	2.2	7.4	8.3	9.3
<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>3.6</i>	<i>4.5</i>	<i>4.7</i>	<i>3.9</i>	<i>4.1</i>	<i>4.5</i>
EBIT	1.7	1.7	2.9	2.2	8.5	1.7	1.4	2.2	2.0	7.3	8.2	9.3
<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>4.1</i>	<i>4.3</i>	<i>3.8</i>	<i>4.1</i>	<i>4.5</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	1.2	2.0	1.8	6.5	7.8	9.3
Tax	-0.3	-0.4	-0.6	-0.3	-1.6	-0.3	-0.2	-0.4	-0.4	-1.3	-1.6	-1.9
<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	0.7	1.3	1.1	4.1	3.9	4.9
EPS	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.01	0.01	0.04	0.04	0.05
EPS adjusted (diluted no. of shares)	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.01	0.01	0.04	0.04	0.05
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	22.7	23.1	23.3	93.9	97.2	100.1
Consulting	4.4	4.6	4.3	4.9	18.2	5.1	4.6	4.5	4.8	19.0	19.6	20.1
Renewable Energy	20.7	20.3	32.9	20.3	94.2	15.9	17.1	26.2	18.7	77.9	83.7	87.9
Total	47.8	47.3	59.7	48.2	203.0	45.8	44.4	53.8	46.8	190.8	200.5	208.1
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>1.3</i>	<i>2.7</i>	<i>1.3</i>	<i>3.6</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>0.0</i>	<i>4.7</i>	<i>-2.0</i>	<i>4.4</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>-15.8</i>	<i>-20.4</i>	<i>-7.9</i>	<i>-17.3</i>	<i>7.5</i>	<i>5.0</i>
Total	142.6	38.3	28.7	13.7	42.3	-4.2	-6.1	-9.9	-2.9	-6.0	5.1	3.8
EBIT, EURm												
Project Personnel	1.1	1.0	1.1	1.1	4.3	1.2	1.0	1.1	1.1	4.4	4.1	4.5
Consulting	0.4	0.5	0.7	0.9	2.5	0.6	0.5	0.7	0.8	2.6	2.8	2.9
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	0.2	0.7	0.4	1.5	2.5	3.1
Total	1.7	1.7	2.9	2.2	8.5	1.7	1.4	2.2	2.0	7.3	8.2	9.3
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>4.4</i>	<i>4.8</i>	<i>4.7</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>10.9</i>	<i>15.6</i>	<i>16.7</i>	<i>13.7</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>1.2</i>	<i>2.7</i>	<i>2.1</i>	<i>1.9</i>	<i>3.0</i>	<i>3.5</i>
Total	3.6	3.6	4.9	4.6	4.2	3.7	3.2	4.1	4.3	3.8	4.1	4.5

Commercial Services & Supplies/Finland, July 4, 2023
Company update

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	65.5	83.1	77.4	142.7	203.0	190.8	200.5	208.1
<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>-6.0</i>	<i>5.1</i>	<i>3.8</i>
EBITDA	1.0	3.5	3.2	7.0	9.5	7.4	8.3	9.3
<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>3.9</i>	<i>4.1</i>	<i>4.5</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	7.3	8.2	9.3
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	7.3	8.2	9.3
<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>3.8</i>	<i>4.1</i>	<i>4.5</i>
Reported EBIT	0.6	2.6	2.4	6.1	8.5	7.3	8.2	9.3
<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>3.8</i>	<i>4.1</i>	<i>4.5</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	6.5	7.8	9.3
Taxes	-0.2	-0.6	-0.5	-1.3	-1.6	-1.3	-1.6	-1.9
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	4.1	3.9	4.9
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	1	1	2
Receivables	12	15	14	32	42	40	42	43
Liquid funds	5	7	9	10	11	11	11	12
Total assets	37	41	44	70	82	80	84	88
Liabilities								
Shareholder's equity	23	24	24	28	34	38	41	45
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	4	3	2
Non-interest bearing current liabilities	10	13	13	30	36	33	35	36
Other interest-free debt	0	0	0	1	2	2	2	2
Total liabilities	37	41	44	70	82	80	84	88
CASH FLOW, EURm								
+ EBITDA	1	3	3	7	10	7	8	9
- Net financial items	1	0	0	0	-1	-1	0	0
- Taxes	0	-1	0	-1	-2	-1	-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	5
- 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	3	2	3
+/- 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	-1	-1
Change in cash	0	1	2	1	2	-1	1	0

Commercial Services & Supplies/Finland, July 4, 2023
Company update

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	30	29	72	62	52	52	52
Net debt (excl. convertibles)	-3	-2	-1	-3	-6	-8	-9
Enterprise value	26	26	71	59	45	44	43
Sales	83	77	143	203	191	200	208
EBITDA	3	3	7	10	7	8	9
EBIT	3	2	6	9	7	8	9
Pre-tax	3	2	6	7	7	8	9
Earnings	2	2	4	5	4	4	5
Equity book value (excl. minorities)	24	24	28	34	38	41	45
Valuation multiples							
EV/sales	0.3	0.3	0.5	0.3	0.2	0.2	0.2
EV/EBITDA	7.5	8.2	10.2	6.2	6.2	5.3	4.6
EV/EBITA	10.0	11.0	11.6	6.9	6.2	5.4	4.6
EV/EBIT	10.0	11.0	11.6	6.9	6.2	5.4	4.6
EV/OCF	11.1	5.5	23.6	51.2	9.8	12.6	9.1
EV/FCFF	12.3	81.0	33.1	16.3	8.8	8.7	8.2
P/FCFE	14.2	153.8	143.0	65.2	15.1	22.0	19.5
P/E	14.9	17.0	19.5	11.9	12.7	13.4	10.5
P/B	1.3	1.2	2.5	1.8	1.4	1.3	1.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.2	8.9	7.7
Target EV/EBIT	0.0	0.0	0.0	0.0	10.3	9.0	7.8
Target EV/FCF	0.0	0.0	0.0	0.0	21.9	31.3	27.1
Target P/B	0.0	0.0	0.0	0.0	2.1	2.0	1.8
Target P/E	0.0	0.0	0.0	0.0	19.9	21.1	16.5
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	0.04	0.04	0.05
Operating cash flow per share	0.02	0.05	0.03	0.01	0.04	0.03	0.04
Free cash flow per share	0.02	0.00	0.00	0.01	0.03	0.02	0.03
Book value per share	0.23	0.23	0.27	0.32	0.36	0.39	0.43
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	25.8	27.4	21.5
Dividend yield, %	3.4	3.6	0.0	0.0	2.0	2.0	2.0
FCF yield, %	7.0	0.7	0.7	1.5	6.6	4.5	5.1
Efficiency measures							
ROE	8.6	7.1	14.1	16.6	11.3	9.7	11.4
ROCE	9.9	8.4	18.3	21.4	17.2	18.9	20.2
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	3.1	3.2	3.2
Operative CAPEX/sales, %	0.3	6.0	1.8	0.1	0.6	0.6	1.0
CAPEX/sales (incl. acquisitions), %	0.3	6.0	1.8	0.1	0.6	0.6	1.0
FCFF/EBITDA	0.6	0.1	0.3	0.4	0.7	0.6	0.6
Net debt/EBITDA, book-weighted	-1.0	-0.7	-0.2	-0.3	-0.9	-0.9	-1.0
Debt/equity, market-weighted	0.1	0.2	0.1	0.1	0.1	0.1	0.0
Equity ratio, book-weighted	57.8	53.6	40.8	41.6	47.8	49.0	51.2
Gearing, %	-14.9	-10.1	-3.7	-8.8	-16.9	-18.9	-20.8

Commercial Services & Supplies/Finland, July 4, 2023
Company update

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	9.800	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	5.368	10.3%
KOSKELO ILARI	6,000,000	2.940	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.390	2.7%
SIIK SEPPO SAKARI	2,033,243	0.996	1.9%
K22 FINANCE OY	2,000,000	0.980	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	0.870	1.7%
PAASI KARI	1,631,048	0.799	1.5%
SIIK RAUNI MARJUT	1,512,029	0.741	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.735	1.4%
Ten largest	50,244,040	24.620	47%
Residual	55,715,960	27.301	53%
Total	105,960,000	51.920	100%

EARNINGS CALENDAR

August 17, 2023

Q2 report

October 26, 2023

Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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Ahventie 4 B

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Tel: +358 20 436 2000

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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

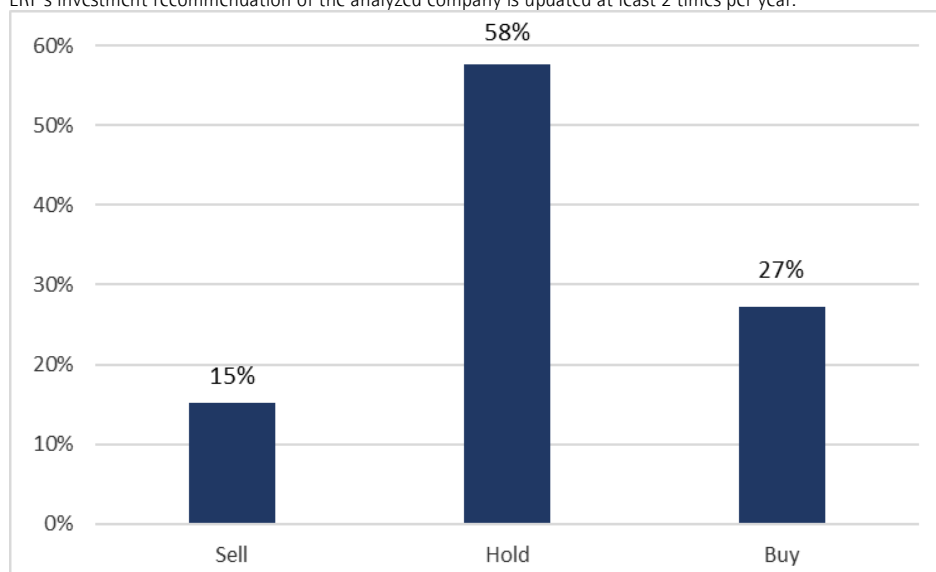
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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