

Earnings clearly above our estimates

Dovre's Q3 revenue was close to our estimate as Project Personnel landed significantly higher while Consulting and Renewable Energy were soft. Meanwhile earnings came in clearly above our estimates, driven by Project Personnel's performance.

- Dovre Q3 revenue declined by 11.6% y/y to EUR 52.8m, compared to our EUR 53.5m estimate. The figure would have decreased 6.4% at fixed exchange rates as weak NOK had an impact. Project Personnel was EUR 28.8m vs our EUR 23.3m estimate, while Consulting landed at EUR 3.5m vs our EUR 4.1m estimate. Renewable Energy was EUR 20.5m, compared to our EUR 26.1m estimate.
- EBITDA came in at EUR 2.9m vs our EUR 2.4m estimate, while EBIT was EUR 2.7m vs our EUR 2.2m estimate. Project Personnel EBIT amounted to EUR 1.7m, compared to our EUR 1.1m estimate, whereas Consulting was EUR 0.4m vs our EUR 0.6m estimate. Renewable Energy was EUR 0.9m, compared to our EUR 0.8m estimate.
- New activities include a major biodiesel refinery project in Canada (Project Personnel), a new multi-year framework agreement with the Ministry of Finance (Consulting), and a Fortum heat-exchange power plant in Finland as well as an "early works contract" for two large wind farms in Sweden (Renewable Energy).
- A ransom attack on Norwegian operations in late September impacted systems. Dovre has recovered from the incident without interruption to its services and has used the opportunity to transfer to cloud-based financial systems. The move will yield lower costs for the financial function in Norway starting from Q4'23.
- Dovre guides FY '23 revenue in the range of EUR 185-195m and EBIT at above EUR 7.0m (unchanged).

Rating 🇺🇸 BUY

Q3'23	Actual	Evli	Year ago	Q2'23
Revenue	52.8	53.5	59.7	47.3
EBITDA	2.9	2.4	3.2	1.8
EBIT	2.7	2.2	3.0	1.5

Deviation	Actual	Evli	Year ago	Q2'23
Revenue		-1 %	-12 %	12 %
EBITDA		21 %	-9 %	61 %
EBIT		23 %	-10 %	80 %

 Share price, EUR (Last trading day's closing price) 0.41

 Target price, EUR 0.80

 Latest change in 20-May-22

 Latest report on company 18-Aug-23

 Research paid by issuer: YES

 No. of shares outstanding, 105,960

 No. of shares fully diluted, 105,960

 Market cap, EURm 43

 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-23

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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
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	193.3	7.3	3.8%	3.5	0.04	10.3	0.2	5.1	8.1	0.01
2024E	204.6	8.1	4.0%	2.2	0.04	11.5	0.2	4.4	5.1	0.01
2025E	212.3	9.2	4.4%	2.6	0.05	8.9	0.2	3.7	6.0	0.01

Market cap, EURm	43	BV per share 2023E, EUR	-17.1	CAGR EPS 2022-25, %	-2.0
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Net debt 2023E, EURm	-7	Price/book 2023E	1.1	CAGR sales 2022-25, %	1.5
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Enterprise value, EURm	37	Dividend yield 2023E, %	2.4	ROE 2023E, %	11.5
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Total assets 2023E, EURm	81	Tax rate 2023E, %	23.5	ROCE 2023E, %	17.1
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Goodwill 2023E, EURm	21	Equity ratio 2023E, %	47.6	PEG, P/E 23/CAGR	0.3
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All the important disclosures can be found on the last pages of this report.

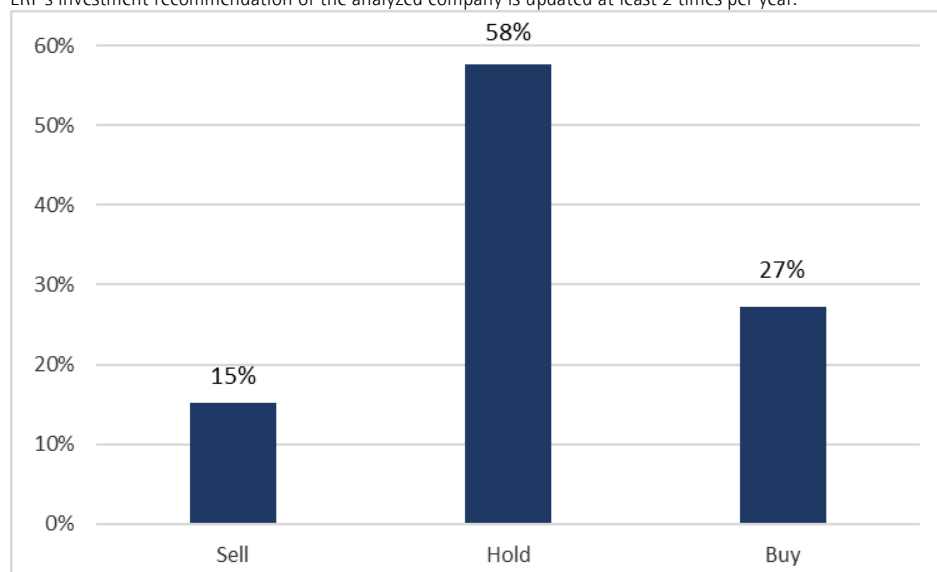
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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