

Stabilizing results across segments

Dovre Q4 results topped our estimates due to Project Personnel. We expect the segment to soften a bit this year, while Consulting and Renewable Energy have easier time to improve due to new orders and soft comparison periods.

Project Personnel supported profitability last year

Dovre's Q4 revenue grew 5.6% y/y to EUR 50.8m, compared to our EUR 45.2m estimate, as Project Personnel continued to grow 27% y/y. The segment also helped Dovre's EUR 1.5m EBIT above our EUR 1.2m estimate, and its results were high throughout last year. The 4.5% EBIT achieved wasn't yet exceptionally high as we see a margin of 5% to be a relevant long-term target, however a decrease in demand may soften its EBIT a bit this year. PP has achieved a CAGR of 20% in the past few years; we estimate its revenue to decline by 5% in FY '24. Meanwhile Renewable Energy remains the segment with uncertain near-term results as the Finnish wind power construction market is still quite challenging.

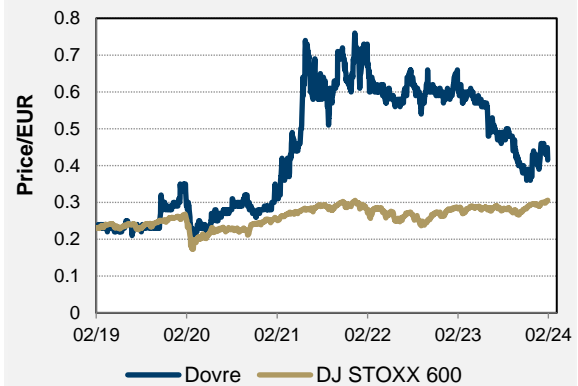
Consulting and Renewable Energy to gain this year

Suvic has recently signed contracts to build wind and solar farms in Sweden and Finland, respectively, worth ca. EUR 90m over the next two years or so, while Consulting has signed additional public project quality assurance contracts in Norway. We had previously estimated Project Personnel's FY '24 EBIT at EUR 4.5m, and we make only small revisions as our new estimate is EUR 4.4m. We estimate Dovre FY '24 EBIT to be flattish as our estimate remains at EUR 7.3m. For Project Personnel we estimate an EBIT decline of EUR 0.5m, whereas we see upside potential for Consulting as the 10% EBIT margin recorded last year was relatively soft. Renewable Energy has plenty of scope for earnings gains, especially in the long-term, while EBIT should at least stabilize this year due to the volume attributable to the new Swedish and Finnish orders.

Valuation doesn't demand much earnings growth

Dovre is valued 7x EV/EBIT (excl. 49% of Renewable Energy EBIT) on our FY '24 estimates, whereas segmental peers are trading around 11-13x now that their multiples have increased in the past few months. The valuation is thus by no means challenging as we estimate flat EBIT at a margin of 3.5%, from which level plenty of upside exists as we estimate Dovre's long-term potential to be closer to 5%. We retain our EUR 0.65 TP and BUY rating.

Rating + BUY



Share price, EUR (Last trading day's closing price) 0.42
Target price, EUR 0.65

Latest change in 20-May-22
Latest report on company 26-Oct-23
Research paid by issuer: YES
No. of shares outstanding, 105,960
No. of shares fully diluted, 105,960
Market cap, EURm 44
Free float, % 94.3
Exchange rate -
Reuters code DOV1V.HE
Bloomberg code DOV1V FH
Average daily volume, EURm 0.1
Next interim report 25-Apr-24
Web site <https://www.dovregroup.com/>

Analyst Joonas Ilvonen
E-mail joonas.ilvonen@evli.com
Telephone +358 44 430 9071

+ 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
2022	203.0	8.5	4.2%	0.9	0.05	11.9	0.3	6.9	1.5	0.00
2023	196.7	7.4	3.8%	-0.1	0.04	11.3	0.2	6.3	-0.2	0.01
2024E	207.5	7.3	3.5%	3.0	0.05	9.0	0.2	5.9	6.9	0.01
2025E	215.4	8.4	3.9%	2.2	0.04	11.3	0.2	5.0	5.0	0.01
2026E	221.1	10.0	4.5%	5.5	0.08	5.5	0.2	3.8	12.6	0.01
Market cap, EURm		44	Gearing 2024E, %			-2.0	CAGR EPS 2023-26, %			25.2
Net debt 2024E, EURm		-1	Price/book 2024E			1.1	CAGR sales 2023-26, %			4.0
Enterprise value, EURm		43	Dividend yield 2024E, %			2.4	ROE 2024E, %			12.5
Total assets 2024E, EURm		92	Tax rate 2024E, %			17.4	ROCE 2024E, %			15.3
Goodwill 2024E, EURm		20	Equity ratio 2024E, %			44.6	PEG, P/E 24/CAGR			0.4

Estimates and valuation

Dovre	FY '20	FY '21	FY '22	Q1'23	Q2'23	Q3'23	Q4'23	FY '23	Q1'24e	Q2'24e	Q3'24e	Q4'24e	FY '24e
Revenue	77.5	142.7	203.0	45.8	47.3	52.8	50.8	196.7	45.6	51.5	60.1	50.3	207.5
Project Personnel	62.9	76.2	90.6	24.8	25.9	28.8	29.3	108.8	22.3	26.5	29.7	24.8	103.3
<i>y/y growth</i>	-18 %	21 %	19 %	9 %	16 %	28 %	27 %	20 %	-10 %	2 %	3 %	-15 %	-5 %
Consulting	14.5	16.1	18.2	5.1	4.0	3.5	3.9	16.5	4.5	4.3	3.9	4.2	16.9
<i>y/y growth</i>	137 %	11 %	13 %	17 %	-13 %	-20 %	15 %	-9 %	-12 %	8 %	11 %	8 %	2 %
Renewable Energy		50.4	94.2	15.9	17.4	20.5	17.6	71.4	18.8	20.7	26.5	21.3	87.3
<i>y/y growth</i>			87 %	-23 %	-14 %	-38 %	-13 %	-24 %	18 %	19 %	29 %	21 %	22 %
EBIT	2.4	6.1	8.5	1.7	1.5	2.7	1.5	7.4	1.4	1.6	2.6	1.7	7.3
Project Personnel	1.9	2.9	4.3	1.2	0.9	1.7	1.1	4.9	1.0	1.0	1.3	1.1	4.4
<i>EBIT-%</i>	3 %	4 %	5 %	5 %	3 %	6 %	4 %	5 %	4 %	4 %	4 %	4 %	4 %
Consulting	1.5	2.3	2.5	0.6	0.4	0.4	0.4	1.7	0.4	0.5	0.5	0.5	1.9
<i>EBIT-%</i>	10 %	14 %	14 %	12 %	10 %	11 %	10 %	10 %	9 %	12 %	13 %	12 %	11 %
Renewable Energy		1.9	2.7	0.2	0.5	0.9	0.2	1.8	0.3	0.4	1.1	0.4	2.2
<i>EBIT-%</i>		4 %	3 %	1 %	3 %	4 %	1 %	3 %	2 %	2 %	4 %	2 %	3 %
Other & Unallocated	-1.0	-1.0	-1.0	-0.3	-0.3	-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	644	6.2x	7.0x	5.9x	8.0x	9.3x	7.5x	5.1 %	5.2 %	5.8 %
Eezy	49	7.2x	6.9x	6.3x	12.2x	14.2x	11.7x	4.4 %	3.4 %	4.1 %
Randstad	8815	7.6x	7.6x	7.5x	9.3x	9.5x	9.4x	4.6 %	4.1 %	4.1 %
AFRY	1156	10.4x	6.5x	6.1x	16.5x	9.6x	8.7x	6.7 %	7.2 %	7.6 %
Etteplan	354	8.9x	9.1x	8.5x	15.0x	15.2x	14.2x	8.3 %	7.7 %	8.0 %
Sitowise Group	105	10.7x			16.7x			7.9 %	7.1 %	8.2 %
SWECO	2879	13.3x	12.2x	11.2x	17.5x	15.7x	14.2x	9.3 %	9.2 %	9.5 %
AF Gruppen	1062	8.8x	8.9x	7.2x	12.1x	12.8x	9.5x	4.5 %	3.9 %	5.2 %
Kreate Group	55	7.9x	6.8x	5.6x	12.5x	12.4x	9.3x	3.1 %	2.2 %	3.1 %
Sdiptech	656	11.7x	7.8x	7.0x	16.0x	10.5x	9.3x	18.0 %	17.3 %	17.6 %
Veidekke	1068	4.6x			7.4x			3.9 %	3.0 %	3.6 %
Peer Group Average	1531	8.8x	8.1x	7.2x	13.0x	12.1x	10.4x	6.9 %	6.4 %	7.0 %
Peer Group Median	656	8.8x	7.6x	7.0x	12.5x	12.4x	9.4x	5.1 %	5.2 %	5.8 %
Dovre (Evli est.)	44	6.2x	5.6x	5.3x	6.9x	6.3x	5.9x	4.2 %	3.8 %	3.5 %

Dovre prem./disc. to peer median

-29 % -26 % -24 % -45 % -49 % -37 % -18 % -28 % -39 %

Source FactSet, Evli Research

Segment	EBIT '23	EV/EBIT '23 *	EV ¹⁾	EBIT '24e	EV/EBIT '24e *	EV ¹⁾
Project Personnel	4.9	10.6x	52	4.4	10.8x	48
Consulting	1.7	15.4x	26	1.9	12.6x	24
Renewable Energy	1.8	15.2x	14	2.2	10.8x	12
Other & Unallocated ²⁾	-1.0	13.7x	-14	-1.2	11.4x	-14
Total	7.4	10.6x	78	7.3	9.6x	70
Net debt (Evli YE est.)			1			0
Equity value			77			70
Per share			0.73			0.66
EV/EBIT ³⁾			12.1x			11.3x

*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	0.42 PV of Free Cash Flow	49 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	0.96 PV of Horizon value	54 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	132.2 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	1.0 Marketable securities	8 Minimum WACC, %	9.2 Equity beta coefficient	1.20
Minimum value	1.0 Debt - dividend	-9 Maximum WACC, %	9.2 Target debt ratio, %	15
Horizon value, %	52.2 Value of stock	102 Nr of shares, Mn	106.0 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	197	208	215	221	227	232	238	244	250	256	263	269
<i>Sales growth, %</i>	-3.1	5.5	3.8	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Operating income (EBIT)	7	7	8	10	11	12	12	12	13	13	13	13
<i>Operating income margin, %</i>	3.8	3.5	3.9	4.5	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0
+ Depreciation+amort.	1	0	0	0	0	0	0	0	0	0	0	0
EBITDA	8	7	8	10	11	12	12	12	12	13	13	
- Paid taxes	-2	-1	-2	-2	-2	-2	-2	-2	-3	-3	-3	
- Change in NWC	-5	-1	-1	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	5.9	5.9	5.9	5.9	5.9	5.9	6.0	6.0	6.0	6.0	6.0	
+ 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	15	-1	-2	
<i>opCAPEX / Sales, %</i>	0.1	0.6	0.5	0.9	0.9	0.9	0.8	0.8	-6.0	0.4	0.6	
- 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	1	4	5	6	6	7	7	7	25	9	8	129
= Discounted FCFF		4	4	4	4	4	4	4	12	4	4	54
= DFCF min WACC		4	4	4	4	4	4	4	12	4	4	54
= DFCF max WACC		4	4	4	4	4	4	4	12	4	4	54

Commercial Services & Supplies/Finland, February 23, 2024
Company update

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	45.8	47.3	52.8	50.8	196.7	45.6	51.5	60.1	50.3	207.5	215.4	221.1
EBITDA	1.9	1.8	2.9	1.8	8.4	1.6	1.8	2.8	1.9	7.5	8.4	10.0
<i>EBITDA margin (%)</i>	<i>4.1</i>	<i>3.8</i>	<i>5.5</i>	<i>3.5</i>	<i>4.3</i>	<i>3.5</i>	<i>3.5</i>	<i>4.7</i>	<i>3.8</i>	<i>3.6</i>	<i>3.9</i>	<i>4.5</i>
EBIT	1.7	1.5	2.7	1.5	7.4	1.4	1.6	2.6	1.7	7.3	8.4	10.0
<i>EBIT margin (%)</i>	<i>3.7</i>	<i>3.2</i>	<i>5.1</i>	<i>3.0</i>	<i>3.8</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>3.4</i>	<i>3.5</i>	<i>3.9</i>	<i>4.5</i>
Net financial items	-0.2	-0.2	-0.6	-0.1	-1.1	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	0.0
Pre-tax profit	1.5	1.3	2.1	1.4	6.3	1.3	1.5	2.5	1.6	6.9	8.0	10.0
Tax	-0.3	-0.5	-0.5	-0.4	-1.7	-0.3	-0.3	-0.3	-0.3	-1.2	-1.6	-2.0
<i>Tax rate (%)</i>	<i>20.0</i>	<i>37.5</i>	<i>24.4</i>	<i>28.6</i>	<i>27.0</i>	<i>23.1</i>	<i>20.0</i>	<i>12.0</i>	<i>18.8</i>	<i>17.4</i>	<i>20.1</i>	<i>20.0</i>
Net profit	1.0	0.8	1.3	1.0	4.1	0.8	1.0	2.0	1.1	4.9	3.9	8.0
EPS	0.01	0.01	0.01	0.01	0.04	0.01	0.01	0.02	0.01	0.05	0.04	0.08
EPS adjusted (diluted no. of shares)	0.01	0.01	0.01	0.01	0.04	0.01	0.01	0.02	0.01	0.05	0.04	0.08
Dividend per share	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.01	0.01	0.01
SALES, EURm												
Project Personnel	24.8	25.9	28.8	29.3	108.8	22.3	26.5	29.7	24.8	103.3	106.4	109.1
Consulting	5.1	4.0	3.5	3.9	16.5	4.5	4.3	3.9	4.2	16.9	17.3	17.7
Renewable Energy	15.9	17.4	20.5	17.6	71.4	18.8	20.7	26.5	21.3	87.3	91.7	94.4
Total	45.8	47.3	52.8	50.8	196.7	45.6	51.5	60.1	50.3	207.5	215.4	221.1
SALES GROWTH, Y/Y %												
<i>Project Personnel</i>	<i>9.3</i>	<i>15.6</i>	<i>28.0</i>	<i>27.4</i>	<i>20.1</i>	<i>-10.1</i>	<i>2.3</i>	<i>3.1</i>	<i>-15.4</i>	<i>-5.1</i>	<i>3.0</i>	<i>2.5</i>
<i>Consulting</i>	<i>15.9</i>	<i>-13.0</i>	<i>-18.6</i>	<i>-20.4</i>	<i>-9.3</i>	<i>-11.8</i>	<i>7.5</i>	<i>11.4</i>	<i>7.7</i>	<i>2.4</i>	<i>2.5</i>	<i>2.0</i>
<i>Renewable Energy</i>	<i>-23.2</i>	<i>-14.3</i>	<i>-37.7</i>	<i>-13.3</i>	<i>-24.2</i>	<i>18.2</i>	<i>19.0</i>	<i>29.3</i>	<i>21.0</i>	<i>22.3</i>	<i>5.0</i>	<i>3.0</i>
<i>Total</i>	<i>-4.2</i>	<i>0.0</i>	<i>-11.6</i>	<i>5.4</i>	<i>-3.1</i>	<i>-0.4</i>	<i>8.9</i>	<i>13.8</i>	<i>-1.0</i>	<i>5.5</i>	<i>3.8</i>	<i>2.7</i>
EBIT, EURm												
Project Personnel	1.2	0.9	1.7	1.1	4.9	1.0	1.0	1.3	1.1	4.4	4.5	5.2
Consulting	0.6	0.3	0.4	0.4	1.7	0.4	0.5	0.5	0.5	1.9	2.1	2.2
Other functions	-0.2	-0.2	-0.2	-0.1	-0.7	-0.2	-0.2	-0.2	-0.2	-0.8	-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	0.2	0.5	0.9	0.2	1.8	0.3	0.4	1.1	0.4	2.2	3.0	3.8
Total	1.7	1.5	2.7	1.5	7.4	1.4	1.6	2.6	1.7	7.3	8.4	10.0
EBIT margin, %												
<i>Project Personnel</i>	<i>4.8</i>	<i>3.5</i>	<i>5.9</i>	<i>3.8</i>	<i>4.5</i>	<i>4.5</i>	<i>3.8</i>	<i>4.4</i>	<i>4.4</i>	<i>4.3</i>	<i>4.3</i>	<i>4.8</i>
<i>Consulting</i>	<i>11.8</i>	<i>7.5</i>	<i>11.4</i>	<i>10.3</i>	<i>10.3</i>	<i>8.9</i>	<i>11.6</i>	<i>12.8</i>	<i>11.9</i>	<i>11.2</i>	<i>12.0</i>	<i>12.5</i>
<i>Unallocated</i>	<i>0.0</i>				<i>-75,000.0</i>							
<i>Renewable Energy</i>	<i>1.3</i>	<i>2.9</i>	<i>4.4</i>	<i>1.1</i>	<i>2.5</i>	<i>1.6</i>	<i>1.9</i>	<i>4.2</i>	<i>1.9</i>	<i>2.5</i>	<i>3.3</i>	<i>4.0</i>
<i>Total</i>	<i>3.7</i>	<i>3.2</i>	<i>5.1</i>	<i>3.0</i>	<i>3.8</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>3.4</i>	<i>3.5</i>	<i>3.9</i>	<i>4.5</i>

Commercial Services & Supplies/Finland, February 23, 2024
Company update

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	83.1	77.4	142.7	203.0	196.7	207.5	215.4	221.1
<i>Sales growth (%)</i>	<i>26.9</i>	<i>-6.9</i>	<i>84.4</i>	<i>42.3</i>	<i>-3.1</i>	<i>5.5</i>	<i>3.8</i>	<i>2.7</i>
EBITDA	3.5	3.2	7.0	9.5	8.4	7.5	8.3	9.9
<i>EBITDA margin (%)</i>	<i>4.2</i>	<i>4.2</i>	<i>4.9</i>	<i>4.7</i>	<i>4.3</i>	<i>3.6</i>	<i>3.9</i>	<i>4.5</i>
Depreciation	-0.9	-0.8	-0.9	-1.0	-1.0	0.0	0.0	0.1
EBITA	2.6	2.4	6.1	8.5	7.4	7.3	8.4	10.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.6	2.4	6.1	8.5	7.4	7.3	8.4	10.0
<i>EBIT margin (%)</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>4.2</i>	<i>3.8</i>	<i>3.5</i>	<i>3.9</i>	<i>4.5</i>
Reported EBIT	2.6	2.4	6.1	8.5	7.4	7.3	8.4	10.0
<i>EBIT margin (reported) (%)</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>4.2</i>	<i>3.8</i>	<i>3.5</i>	<i>3.9</i>	<i>4.5</i>
Net financials	-0.1	-0.2	-0.5	-1.0	-1.1	-0.4	-0.4	0.0
Pre-tax profit	2.5	2.2	5.6	7.5	6.3	6.9	8.0	10.0
Taxes	-0.6	-0.5	-1.3	-1.6	-1.7	-1.2	-1.6	-2.0
Minority shares	0.0	0.0	-0.6	-0.7	-0.5	-0.8	-2.5	0.0
Net profit	2.0	1.7	3.7	5.2	4.1	4.9	3.9	8.0
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	3	3	3	4	7	8	9	11
Goodwill	15	16	21	21	20	20	20	20
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	1	2	7	7	7	8
Receivables	15	14	32	42	44	46	48	50
Liquid funds	7	9	10	11	8	8	9	9
Total assets	41	44	70	82	88	92	96	100
Liabilities								
Shareholder's equity	24	24	28	34	37	41	44	51
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	6	8	8	9	8	7	2
Non-interest bearing current liabilities	13	13	30	36	38	40	42	43
Other interest-free debt	0	0	1	2	1	1	1	1
Total liabilities	41	44	70	82	88	92	96	100
CASH FLOW, EURm								
+ EBITDA	3	3	7	10	8	7	8	10
- Net financial items	0	0	0	-1	-1	0	0	0
- Taxes	-1	0	-1	-2	-2	-1	-2	-2
- Increase in Net Working Capital	-1	2	-2	-5	-5	-1	-1	0
+/- Other	0	0	-1	-1	-1	-1	-2	0
= Cash flow from operations	2	5	3	1	0	4	3	8
- Capex	0	-5	-2	0	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	2	0	1	1	0	3	2	6
+/- New issues/buybacks	0	0	2	1	-1	0	0	0
- Paid dividend	-1	-1	-1	0	0	-1	-1	-1
+/- Other	0	3	0	0	-2	-2	-1	-4
Change in cash	1	2	1	2	-3	0	0	0

Commercial Services & Supplies/Finland, February 23, 2024
Company update

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	29	72	62	46	44	44	44
Net debt (excl. convertibles)	-2	-1	-3	1	-1	-2	-6
Enterprise value	26	71	59	47	43	42	38
Sales	77	143	203	197	208	215	221
EBITDA	3	7	10	8	7	8	10
EBIT	2	6	9	7	7	8	10
Pre-tax	2	6	7	6	7	8	10
Earnings	2	4	5	4	5	4	8
Equity book value (excl. minorities)	24	28	34	37	41	44	51
Valuation multiples							
EV/sales	0.3	0.5	0.3	0.2	0.2	0.2	0.2
EV/EBITDA	8.2	10.2	6.2	5.6	5.3	5.0	3.8
EV/EBITA	11.0	11.6	6.9	6.3	5.9	5.0	3.8
EV/EBIT	11.0	11.6	6.9	6.3	5.9	5.0	3.8
EV/OCF	5.5	23.6	52.0	363.9	10.2	12.6	5.0
EV/FCFF	81.0	33.1	16.4	65.5	10.4	8.4	6.8
P/FCFE	153.8	143.0	66.4	-644.7	14.6	20.2	8.0
P/E	17.0	19.5	11.9	11.3	9.0	11.3	5.5
P/B	1.2	2.5	1.8	1.2	1.1	1.0	0.9
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.3	8.0	6.3
Target EV/EBIT	0.0	0.0	0.0	0.0	9.3	8.0	6.3
Target EV/FCF	0.0	0.0	0.0	0.0	22.6	30.7	11.3
Target P/B	0.0	0.0	0.0	0.0	1.7	1.6	1.4
Target P/E	0.0	0.0	0.0	0.0	14.1	17.8	8.6
Per share measures							
Number of shares	102,960	105,960	105,960	105,960	105,960	105,960	105,960
Number of shares (diluted)	102,960	105,960	105,960	105,960	105,960	105,960	105,960
EPS	0.02	0.03	0.05	0.04	0.05	0.04	0.08
Operating cash flow per share	0.05	0.03	0.01	0.00	0.04	0.03	0.07
Free cash flow per share	0.00	0.00	0.01	0.00	0.03	0.02	0.05
Book value per share	0.23	0.27	0.32	0.35	0.39	0.42	0.48
Dividend per share	0.01	0.00	0.00	0.01	0.01	0.01	0.01
Dividend payout ratio, %	60.9	0.0	0.0	26.1	21.6	27.3	13.3
Dividend yield, %	3.6	0.0	0.0	2.4	2.4	2.4	2.4
FCF yield, %	0.7	0.7	1.5	-0.2	6.9	5.0	12.6
Efficiency measures							
ROE	7.1	14.1	16.5	11.3	12.5	9.1	16.8
ROCE	8.4	18.3	21.4	16.6	15.3	16.8	19.1
Financial ratios							
Inventories as % of sales	0.0	0.5	0.7	3.4	3.4	3.4	3.4
Receivables as % of sales	17.7	22.5	20.8	22.4	22.4	22.4	22.4
Non-interest bearing liabilities as % of sales	17.1	21.1	17.5	19.5	19.5	19.5	19.5
NWC/sales, %	0.2	1.2	3.2	5.9	5.9	5.9	5.9
Operative CAPEX/sales, %	6.0	1.8	0.1	0.1	0.6	0.5	0.9
CAPEX/sales (incl. acquisitions), %	6.0	1.8	0.1	0.1	0.6	0.5	0.9
FCFF/EBITDA	0.1	0.3	0.4	0.1	0.6	0.6	0.6
Net debt/EBITDA, book-weighted	-0.7	-0.2	-0.3	0.1	-0.1	-0.2	-0.6
Debt/equity, market-weighted	0.2	0.1	0.1	0.2	0.2	0.2	0.1
Equity ratio, book-weighted	53.6	40.8	41.6	42.5	44.6	45.9	51.1
Gearing, %	-10.1	-3.7	-8.8	3.1	-2.0	-4.4	-12.5

Commercial Services & Supplies/Finland, February 23, 2024
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	19,000,000	7.885	17.9%
JOENSUUN KAUPPA JA KONE OY	11,482,391	4.765	10.8%
KOSKELO ILARI	6,155,000	2.554	5.8%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	3,465,513	1.438	3.3%
SIIK SEPPO SAKARI	2,094,015	0.869	2.0%
K22 FINANCE OY	2,000,000	0.830	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	0.737	1.7%
PAASI KARI	1,750,000	0.726	1.7%
SIIK RAUNI MARJUT	1,584,885	0.658	1.5%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.622	1.4%
Ten largest	50,807,517	21.085	48%
Residual	55,152,483	22.888	52%
Total	105,960,000	43.973	100%

EARNINGS CALENDAR

April 25, 2024	Q1 report
August 15, 2024	Q2 report
October 24, 2024	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Arve Jensen	Ahventie 4 B
CFO: Hans Sten	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

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

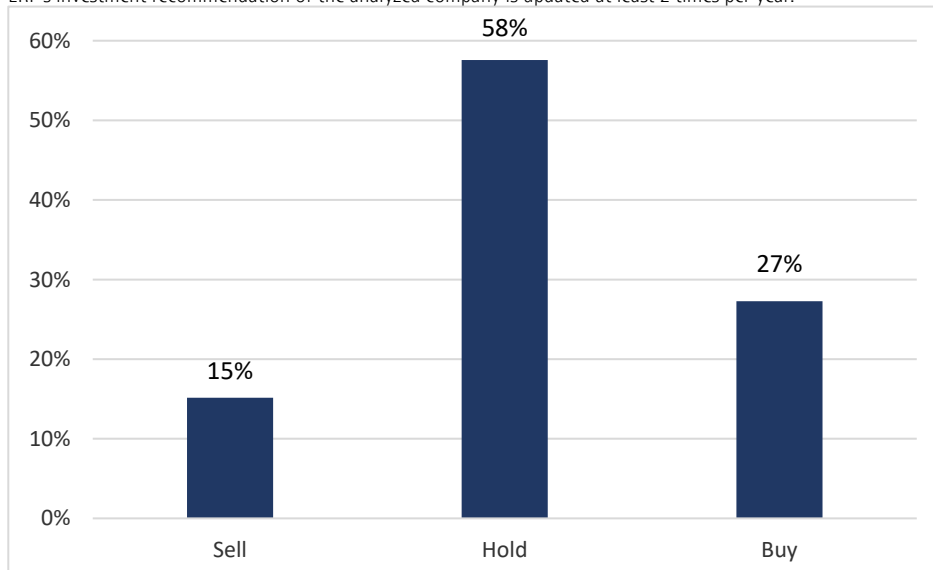
Important Disclosures

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on [23.2.2024, 8:50]. This report has been published on [23.2.2024, 9:10].

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

Commercial Services & Supplies/Finland, February 23, 2024
Company update

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers Reuters and Bloomberg, stock-exchange releases from the companies and other company news, Statistics Finland and articles in newspapers and magazines. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg +358 9 4766 9123
Ari Laine +358 9 4766 9115
Kimmo Lijja +358 9 4766 9130

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120
Miika Ronkanen +358 9 4766 9120

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Atte Jortikka +358 40 054 3725
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

EVLI

EVLI PLC

Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**

Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000