

## Margin potential leaves upside

Dovre posted Q3 results above our estimates; in our view earnings growth should continue next year, while valuation still leaves enough upside potential.

### Especially high growth in Norway during Q3

Q3 revenue grew to EUR 59.7m, above our EUR 54.1m estimate. The 28.5% growth was driven by all three segments. High demand in Norway continued to support both Project Personnel and Consulting, and in our view the latter's 33% growth was encouraging as it was driven by several larger projects within the Norwegian public sector as well as energy. Consulting continues to grow in Finland, but Suvic's wind farm projects remain the more significant Dovre business. Dovre's EUR 3.0m EBIT topped our EUR 2.2m estimate (due to all three); Renewable Energy EBIT declined y/y (as the combination of busy construction season and inflation causes some challenges) but was nevertheless above our estimate. Dovre also made an upward revision to its guidance.

### Renewable Energy and Consulting to drive FY '23 EBIT

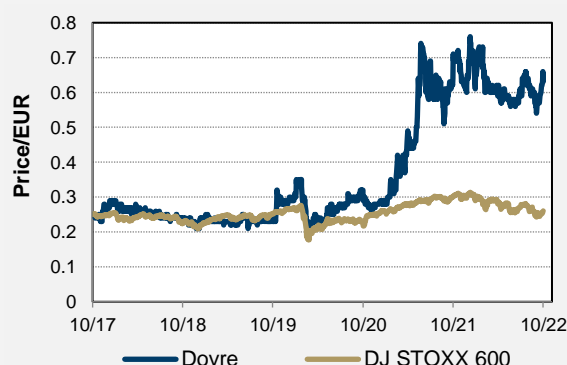
Dovre says this year has seen extraordinarily high growth (in our view the note concerns particularly Project Personnel) and such a level is not to be expected next year. This is no surprise, and we expect organic growth to slow to 7% in Q4. We have previously estimated an organic CAGR of 5% to be a reasonable long-term pace for Dovre, and we continue to expect such a rate for next year. We also see there to be further earnings growth potential especially within Renewable Energy; Suvic has managed well in terms of profitability despite the inflationary environment, and we see scope for margin improvement next year as wind farm demand remains high while the operating environment should be more normal. We continue to expect flattish profitability for Project Personnel going forward, while Consulting should be able to achieve earnings growth also next year.

### Multiples are down, earnings growth potential attractive

We see a 5% growth rate realistic for next year and wouldn't be surprised by a high single-digit rate, whereas such an organic double-digit rate as seen this year shouldn't be expected. Dovre's valuation is reasonable, around 8x EV/EBIT on our FY '22 estimates, while we expect 50bps EBIT margin gain for next year. Peer multiples have retreated a bit, but we retain our EUR 0.75 TP and BUY rating as we make some upward estimate revisions.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 0.63  
Target price, EUR 0.75

Latest change in 20-May-22  
Latest report on company 19-Aug-22  
Research paid by issuer: YES  
No. of shares outstanding, 105,960  
No. of shares fully diluted, 105,960  
Market cap, EURm 67  
Free float, % 94.3  
Exchange rate -  
Reuters code DOV1V.HE  
Bloomberg code DOV1V FH  
Average daily volume, EURm 0.1  
Next interim report  
Web site <https://www.dovregroup.com/>

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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
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	12.4	0.3	7.5	4.6	0.01
2023E	211.8	10.0	4.7%	4.3	0.05	11.8	0.3	6.0	6.4	0.01
2024E	220.6	11.2	5.1%	4.4	0.06	10.2	0.3	5.0	6.6	0.01
Market cap, EURm				67	Gearing 2022E, %		-12.1	CAGR EPS 2021-24, %		21.1
Net debt 2022E, EURm				-4	Price/book 2022E		2.0	CAGR sales 2021-24, %		15.6
Enterprise value, EURm				63	Dividend yield 2022E, %		1.6	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

**Estimates and valuation**

Dovre	FY '20	Q1'21	Q2'21	Q3'21	Q4'21	FY '21	Q1'22	Q2'22	Q3'22	Q4'22e	FY '22e
<b>Revenue</b>	<b>77.5</b>	<b>19.7</b>	<b>34.2</b>	<b>46.5</b>	<b>42.3</b>	<b>142.7</b>	<b>47.8</b>	<b>47.3</b>	<b>59.8</b>	<b>45.4</b>	<b>200.3</b>
Project Personnel	62.9	15.4	18.6	19.4	22.8	76.2	22.7	22.4	22.5	22.8	90.4
y/y growth	-18 %	-21 %	16 %	44 %	62 %	21 %	47 %	20 %	16 %	0 %	19 %
Consulting	14.5	4.3	4.4	3.3	4.1	16.1	4.4	4.6	4.4	4.3	17.7
y/y growth	137 %	2 %	27 %	7 %	13 %	11 %	2 %	5 %	33 %	3 %	9 %
Renewable Energy			11.2	23.8	15.4	50.4	20.7	20.3	32.9	18.3	92.2
y/y growth								82 %	38 %	19 %	83 %
<b>EBIT</b>	<b>2.4</b>	<b>0.8</b>	<b>0.9</b>	<b>2.7</b>	<b>1.9</b>	<b>6.1</b>	<b>1.7</b>	<b>1.7</b>	<b>3.0</b>	<b>2.1</b>	<b>8.5</b>
Project Personnel	1.9	0.6	0.5	0.7	1.1	2.9	1.1	0.9	1.1	1.1	4.2
EBIT-%	3 %	4 %	3 %	4 %	5 %	4 %	5 %	4 %	5 %	5 %	5 %
Consulting	1.5	0.6	0.7	0.4	0.6	2.3	0.4	0.6	0.7	0.7	2.4
EBIT-%	10 %	14 %	16 %	12 %	14 %	14 %	9 %	13 %	16 %	16 %	14 %
Renewable Energy			-0.2	1.8	0.4	1.9	0.5	0.4	1.4	0.6	2.9
EBIT-%			-2 %	7 %	3 %	4 %	2 %	2 %	4 %	3 %	3 %
Other & Unallocated	-1.0	-0.4	-0.1	-0.2	-0.2	-1.0	-0.3	-0.2	-0.3	-0.3	-1.1

Source: Evli Research

DOVRE PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			EBIT-%		
		21	22	23	21	22	23	21	22	23
Brunel International	473	8.2x	6.1x	5.2x	11.8x	8.3x	6.9x	5.0 %	5.0 %	5.5 %
Eezy	95	10.2x	7.0x	6.2x	17.3x	11.4x	9.3x	5.6 %	5.3 %	6.2 %
Randstad	9043	8.6x	6.5x	7.1x	10.9x	8.1x	9.4x	4.4 %	4.4 %	3.9 %
AFRY	1614	14.7x	8.9x	8.5x	22.3x	14.2x	12.7x	7.9 %	7.1 %	7.6 %
Etteplan	326	10.9x	8.3x	7.9x	18.6x	14.1x	13.4x	8.6 %	8.0 %	8.1 %
Sitowise Group	140		8.3x	7.4x		12.3x	10.9x	10.1 %	9.0 %	9.8 %
SWECO	3124	22.9x	13.4x	12.8x	32.4x	17.7x	17.1x	9.3 %	9.2 %	9.2 %
AF Gruppen	1492	10.0x	7.5x	6.7x	13.5x	10.1x	8.9x	5.8 %	5.1 %	5.6 %
Kreate Group	75							4.2 %	3.4 %	4.0 %
Sdiptech	660	31.8x	11.7x	10.1x	47.2x	15.4x	13.2x	13.4 %	17.3 %	17.4 %
Veidekke	1075	6.5x	4.1x	3.7x	10.9x	6.9x	5.8x	3.6 %	3.4 %	4.0 %
Peer Group Average	1647	<b>13.8x</b>	<b>8.2x</b>	<b>7.6x</b>	<b>20.5x</b>	<b>11.9x</b>	<b>10.8x</b>	<b>7.1 %</b>	<b>7.0 %</b>	<b>7.4 %</b>
Peer Group Median	660	<b>10.2x</b>	<b>7.9x</b>	<b>7.2x</b>	<b>17.3x</b>	<b>11.8x</b>	<b>10.1x</b>	<b>5.8 %</b>	<b>5.3 %</b>	<b>6.2 %</b>
Dovre (Evli est.)	<b>67</b>	<b>10.2x</b>	<b>6.8x</b>	<b>5.5x</b>	<b>11.6x</b>	<b>7.5x</b>	<b>6.0x</b>	<b>4.3 %</b>	<b>4.2 %</b>	<b>4.7 %</b>

Dovre prem./disc. to peer median

0 %    -14 %    -24 %    -33 %    -37 %    -41 %    -26 %    -21 %    -24 %

Source FactSet, Evli Research

Segment	EBIT	EV/EBIT	EV <sup>1)</sup>	EBIT	EV/EBIT	EV <sup>1)</sup>
	'22e	'22e *		'23e	'23e *	
Project Personnel	4.2	8.3x	35	4.2	9.3x	39
Consulting	2.4	14.2x	34	2.6	13.1x	34
Renewable Energy	2.9	10.1x	15	4.4	8.9x	20
Other & Unallocated <sup>2)</sup>	-1.1	10.3x	-11	-1.2	10.0x	-12
<b>Total</b>	<b>8.4</b>	<b>8.6x</b>	<b>72</b>	<b>10.0</b>	<b>8.1x</b>	<b>81</b>
<b>Net debt (Evli YE est.)</b>			<b>-4</b>			<b>-7</b>
Equity value			<b>76</b>			<b>88</b>
Per share			<b>0.72</b>			<b>0.83</b>

\*Peer group median (FactSet)

1) 51% stake in Renewable Energy

2) Multiple based on the weighted segmental average

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.63 PV of Free Cash Flow	57 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	0.97 PV of Horizon value	45 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	54.1 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	1.0 Marketable securities	10 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, %	43.8 Value of stock	103 Nr of shares, Mn	106.0 Effective tax rate, %	20

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	143	200	212	221	229	235	241	247	253	259	266	272
<i>Sales growth, %</i>	<i>84.4</i>	<i>40.3</i>	<i>5.8</i>	<i>4.2</i>	<i>3.9</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)	6	8	10	11	13	12	12	12	13	13	13	14
<i>Operating income margin, %</i>	<i>4.3</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>	<i>5.6</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	7	8	10	11	13	12	12	13	13	13	13	
- Paid taxes	-1	-2	-2	-2	-3	-2	-2	-2	-3	-3	-3	
- Change in NWC	-2	-1	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>1.2</i>	<i>1.4</i>	<i>1.4</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-1	-1	-2	-2	-2	-2	-2	-2	17	-4	
<i>opCAPEX / Sales, %</i>	<i>1.8</i>	<i>0.6</i>	<i>0.5</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>	<i>-6.6</i>	<i>1.4</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	2	4	7	7	8	7	8	8	8	28	7	100
= Discounted FCFF		4	6	6	6	5	5	5	4	13	3	45
= DFCF min WACC		4	6	6	6	5	5	5	4	13	3	45
= DFCF max WACC		4	6	6	6	5	5	5	4	13	3	45

Commercial Services & Supplies/Finland, October 27, 2022  
Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2	2022Q3	2022Q4E	2022E	2023E	2024E
Net sales	19.7	34.2	46.4	42.4	142.7	47.8	47.3	59.7	45.4	200.2	211.8	220.6
EBITDA	1.0	1.1	2.7	2.2	7.0	1.9	1.9	3.1	2.3	8.4	10.0	11.2
<i>EBITDA margin (%)</i>	<i>5.1</i>	<i>3.3</i>	<i>5.8</i>	<i>5.1</i>	<i>4.9</i>	<i>4.0</i>	<i>4.0</i>	<i>5.2</i>	<i>5.1</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>
EBIT	0.8	0.9	2.5	1.9	6.1	1.7	1.7	2.9	2.1	8.4	10.0	11.2
<i>EBIT margin (%)</i>	<i>4.1</i>	<i>2.6</i>	<i>5.4</i>	<i>4.5</i>	<i>4.3</i>	<i>3.6</i>	<i>3.6</i>	<i>4.9</i>	<i>4.6</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>
Net financial items	-0.1	-0.1	-0.1	-0.2	-0.5	-0.1	-0.1	-0.1	-0.1	-0.4	-0.4	0.0
Pre-tax profit	0.7	0.8	2.4	1.7	5.6	1.6	1.6	2.8	2.0	8.0	9.6	11.2
Tax	-0.2	-0.2	-0.5	-0.5	-1.3	-0.2	-0.5	-0.6	-0.4	-1.7	-1.9	-2.2
<i>Tax rate (%)</i>	<i>22.9</i>	<i>23.5</i>	<i>20.7</i>	<i>26.1</i>	<i>23.0</i>	<i>12.5</i>	<i>34.4</i>	<i>19.7</i>	<i>20.0</i>	<i>21.3</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.5	0.5	1.4	1.2	3.7	1.4	0.8	1.9	1.3	5.4	5.7	6.6
EPS	0.01	0.00	0.01	0.01	0.03	0.01	0.01	0.02	0.01	0.05	0.05	0.06
EPS adjusted (diluted no. of shares)	0.01	0.00	0.01	0.01	0.03	0.01	0.01	0.02	0.01	0.05	0.05	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
<b>SALES, EURm</b>												
Project Personnel	15.4	18.7	19.3	22.8	76.2	22.7	22.4	22.5	22.8	90.4	94.9	98.2
Consulting	4.3	4.3	3.3	4.2	16.1	4.4	4.6	4.3	4.3	17.6	18.2	18.8
Renewable Energy	0.0	11.2	23.8	15.4	50.4	20.7	20.3	32.9	18.3	92.2	98.7	103.6
Total	19.7	34.2	46.4	42.4	142.7	47.8	47.3	59.7	45.4	200.2	211.8	220.6
<b>SALES GROWTH, Y/Y %</b>												
<i>Project Personnel</i>	<i>-20.6</i>	<i>16.1</i>	<i>44.0</i>	<i>62.9</i>	<i>21.1</i>	<i>47.4</i>	<i>19.8</i>	<i>16.6</i>	<i>0.0</i>	<i>18.6</i>	<i>5.0</i>	<i>3.5</i>
<i>Consulting</i>	<i>2.4</i>	<i>22.9</i>	<i>6.5</i>	<i>13.5</i>	<i>11.0</i>	<i>2.3</i>	<i>7.0</i>	<i>30.3</i>	<i>2.4</i>	<i>9.3</i>	<i>3.5</i>	<i>3.0</i>
<i>Renewable Energy</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>		<i>81.3</i>	<i>38.2</i>	<i>18.8</i>	<i>82.9</i>	<i>7.0</i>	<i>5.0</i>
Total	-16.5	74.5	181.2	139.5	84.4	142.6	38.3	28.7	7.1	40.3	5.8	4.2
<b>EBIT, EURm</b>												
Project Personnel	0.6	0.5	0.7	1.1	2.9	1.1	1.0	1.1	1.1	4.3	4.2	4.4
Consulting	0.6	0.7	0.4	0.6	2.3	0.4	0.5	0.7	0.7	2.3	2.6	2.8
Other functions	-0.3	-0.1	-0.2	-0.1	-0.7	-0.2	-0.1	-0.2	-0.2	-0.7	-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	0.0	-0.2	1.7	0.4	1.9	0.5	0.4	1.4	0.6	2.9	4.4	5.2
Total	0.8	0.9	2.5	1.9	6.1	1.7	1.7	2.9	2.1	8.4	10.0	11.2
<b>EBIT margin, %</b>												
<i>Project Personnel</i>	<i>3.9</i>	<i>2.7</i>	<i>3.6</i>	<i>4.8</i>	<i>3.8</i>	<i>4.8</i>	<i>4.5</i>	<i>4.9</i>	<i>4.8</i>	<i>4.8</i>	<i>4.4</i>	<i>4.5</i>
<i>Consulting</i>	<i>14.0</i>	<i>16.3</i>	<i>12.1</i>	<i>14.3</i>	<i>14.3</i>	<i>9.1</i>	<i>10.9</i>	<i>16.3</i>	<i>16.3</i>	<i>13.1</i>	<i>14.0</i>	<i>15.0</i>
<i>Unallocated</i>		<i>0.0</i>			<i>-75,000.0</i>							
<i>Renewable Energy</i>	<i>0.0</i>	<i>-1.8</i>	<i>7.1</i>	<i>2.6</i>	<i>3.8</i>	<i>2.4</i>	<i>2.0</i>	<i>4.3</i>	<i>3.3</i>	<i>3.1</i>	<i>4.5</i>	<i>5.0</i>
Total	4.1	2.6	5.4	4.5	4.3	3.6	3.6	4.9	4.6	4.2	4.7	5.1

Commercial Services & Supplies/Finland, October 27, 2022  
Company update

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	62.7	65.5	83.1	77.4	142.7	200.2	211.8	220.6
<i>Sales growth (%)</i>	<i>-25.2</i>	<i>4.5</i>	<i>26.9</i>	<i>-6.9</i>	<i>84.4</i>	<i>40.3</i>	<i>5.8</i>	<i>4.2</i>
EBITDA	0.5	1.0	3.5	3.2	7.0	8.4	10.0	11.2
<i>EBITDA margin (%)</i>	<i>0.8</i>	<i>1.6</i>	<i>4.2</i>	<i>4.2</i>	<i>4.9</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>
Depreciation	-0.5	-0.4	-0.9	-0.8	-0.9	0.0	0.0	0.0
EBITA	0.0	0.6	2.6	2.4	6.1	8.4	10.0	11.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.0	0.6	2.6	2.4	6.1	8.4	10.0	11.2
<i>EBIT margin (%)</i>	<i>0.0</i>	<i>0.9</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>
Reported EBIT	-0.3	0.6	2.6	2.4	6.1	8.4	10.0	11.2
<i>EBIT margin (reported) (%)</i>	<i>-0.5</i>	<i>0.9</i>	<i>3.1</i>	<i>3.1</i>	<i>4.3</i>	<i>4.2</i>	<i>4.7</i>	<i>5.1</i>
Net financials	-0.4	0.5	-0.1	-0.2	-0.5	-0.4	-0.4	0.0
Pre-tax profit	-0.4	1.1	2.5	2.2	5.6	8.0	9.6	11.2
Taxes	-0.1	-0.2	-0.6	-0.5	-1.3	-1.7	-1.9	-2.2
Minority shares	0.0	0.0	0.0	0.0	-0.6	-0.9	-2.0	-2.4
Net profit	-0.9	0.9	2.0	1.7	3.7	5.4	5.7	6.6
Cash NRIs	-0.3	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
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	4	4	3	3	3	5	6	8
Goodwill	15	15	15	16	21	21	21	21
Right of use assets	0	0	0	0	0	0	0	0
Inventory	0	0	0	0	1	1	1	1
Receivables	12	12	15	14	32	45	48	50
Liquid funds	5	5	7	9	10	13	14	15
Total assets	36	37	41	44	70	88	92	97
<b>Liabilities</b>								
Shareholder's equity	23	23	24	24	28	34	38	44
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	3	6	8	9	7	4
Non-interest bearing current liabilities	10	10	13	13	30	42	45	46
Other interest-free debt	0	0	0	0	1	1	1	1
Total liabilities	36	37	41	44	70	88	92	97
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	1	3	3	7	8	10	11
- Net financial items	-3	1	0	0	0	0	0	0
- Taxes	0	0	-1	0	-1	-2	-2	-2
- Increase in Net Working Capital	-1	0	-1	2	-2	-1	0	0
+/- Other	3	0	0	0	-1	-1	-2	-2
= Cash flow from operations	-1	1	2	5	3	4	5	6
- Capex	0	0	0	-5	-2	-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	1	2	0	1	3	4	4
+/- New issues/buybacks	-1	0	0	0	2	0	0	0
- Paid dividend	-1	-1	-1	-1	-1	0	-1	-1
+/- Other	1	0	0	3	0	1	-2	-3
Change in cash	-3	0	1	2	1	4	1	1

Commercial Services & Supplies/Finland, October 27, 2022  
Company update

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	21	30	29	72	67	67	67
Net debt (excl. convertibles)	-2	-3	-2	-1	-4	-7	-11
Enterprise value	19	26	26	71	63	59	56
Sales	66	83	77	143	200	212	221
EBITDA	1	3	3	7	8	10	11
EBIT	1	3	2	6	8	10	11
Pre-tax	1	3	2	6	8	10	11
Earnings	1	2	2	4	5	6	7
Equity book value (excl. minorities)	23	24	24	28	34	38	44
<b>Valuation multiples</b>							
EV/sales	0.3	0.3	0.3	0.5	0.3	0.3	0.3
EV/EBITDA	17.8	7.5	8.2	10.2	7.5	5.9	5.0
EV/EBITA	31.1	10.0	11.0	11.6	7.5	6.0	5.0
EV/EBIT	31.1	10.0	11.0	11.6	7.5	6.0	5.0
EV/OCF	14.7	11.1	5.5	23.6	14.7	10.9	8.7
EV/FCFF	21.2	12.3	81.0	33.1	14.6	9.0	8.2
P/FCFE	16.2	14.2	153.8	143.0	21.7	15.5	15.1
P/E	23.2	14.9	17.0	19.5	12.4	11.8	10.2
P/B	0.9	1.3	1.2	2.5	2.0	1.7	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.0	7.2	6.1
Target EV/EBIT	0.0	0.0	0.0	0.0	9.0	7.2	6.1
Target EV/FCF	0.0	0.0	0.0	0.0	24.5	16.8	15.5
Target P/B	0.0	0.0	0.0	0.0	2.4	2.1	1.8
Target P/E	0.0	0.0	0.0	0.0	14.7	14.1	12.1
<b>Per share measures</b>							
Number of shares	100,169	101,950	102,960	105,960	105,960	105,960	105,960
Number of shares (diluted)	100,169	101,950	102,960	105,960	105,960	105,960	105,960
EPS	0.01	0.02	0.02	0.03	0.05	0.05	0.06
Operating cash flow per share	0.01	0.02	0.05	0.03	0.04	0.05	0.06
Free cash flow per share	0.01	0.02	0.00	0.00	0.03	0.04	0.04
Book value per share	0.22	0.23	0.23	0.27	0.32	0.36	0.41
Dividend per share	0.01	0.01	0.01	0.00	0.01	0.01	0.01
Dividend payout ratio, %	110.7	51.3	60.9	0.0	19.6	18.7	16.1
Dividend yield, %	4.8	3.4	3.6	0.0	1.6	1.6	1.6
FCF yield, %	6.2	7.0	0.7	0.7	4.6	6.4	6.6
<b>Efficiency measures</b>							
ROE	4.0	8.6	7.1	14.1	17.4	15.7	16.0
ROCE	2.2	9.9	8.4	18.3	21.0	22.6	24.1
<b>Financial ratios</b>							
Inventories as % of sales	0.0	0.0	0.0	0.5	0.5	0.5	0.5
Receivables as % of sales	18.5	18.5	17.7	22.5	22.5	22.5	22.5
Non-interest bearing liabilities as % of sales	15.5	15.5	17.1	21.1	21.1	21.1	21.1
NWC/sales, %	2.7	2.7	0.2	1.2	1.4	1.4	1.5
Operative CAPEX/sales, %	0.0	0.3	6.0	1.8	0.6	0.5	0.9
CAPEX/sales (incl. acquisitions), %	0.0	0.3	6.0	1.8	0.6	0.5	0.9
FCFF/EBITDA	0.8	0.6	0.1	0.3	0.5	0.7	0.6
Net debt/EBITDA, book-weighted	-2.3	-1.0	-0.7	-0.2	-0.5	-0.7	-1.0
Debt/equity, market-weighted	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Equity ratio, book-weighted	61.5	57.8	53.6	40.8	38.4	41.5	45.2
Gearing, %	-10.8	-14.9	-10.1	-3.7	-12.1	-19.1	-24.4

**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	12.600	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	6.902	10.3%
KOSKELO ILARI	6,000,000	3.780	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.787	2.7%
SIIK SEPPÖ SAKARI	2,033,243	1.281	1.9%
K22 FINANCE OY	2,000,000	1.260	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	1.119	1.7%
PAASI KARI	1,631,048	1.028	1.5%
SIIK RAUNI MARJUT	1,512,029	0.953	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.945	1.4%
Ten largest	50,244,040	31.654	47%
Residual	55,715,960	35.101	53%
Total	105,960,000	66.755	100%

## EARNINGS CALENDAR

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

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