

## Moderation in growth to be expected

Dovre disclosed Q4 figures before the report and thus there were no big surprises. We make some downward revisions to our estimates yet note guidance appears conservative.

### No surprises in Q4; FY '22 growth not to be repeated

Dovre continued to grow at a 14% y/y rate in Q4 and reached EUR 48m in top line vs our EUR 45m estimate. There were no big surprises as Consulting and Renewable Energy both grew by double digits whereas Project Personnel remained flat. An FPSO project in Singapore delivered to Equinor no longer contributed, but otherwise growth continued in Norway, Finland, and North America. Dovre disclosed preliminary Q4 figures before the report and the EUR 2.1m EBIT was in line with our estimate. Last year's growth is not to be repeated but many Norwegian clients have extended their agreements while Consulting Finland has performed as expected after the eSite industrial VR acquisition. The Finnish wind power market helped Suvic grow 87% last year; growth is likely to be very modest this year relatively speaking however we still estimate a high single-digit figure.

### EBIT should hold up at least flat in the short-term

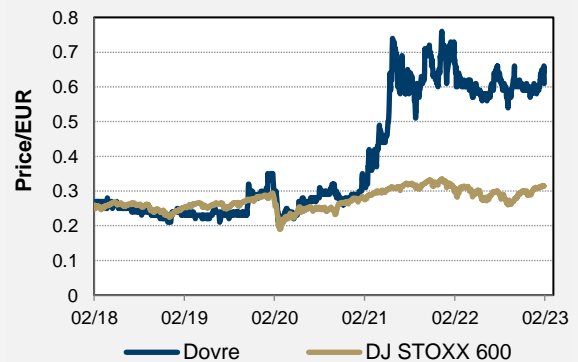
The summer period is important for Renewable Energy and negotiations are still going on. Norway introduces new legislation in Q2 which regulates temporary staffing in various contexts, and it may also affect white collar work. Project Personnel and Consulting are coordinating with clients to make sure they comply. We make small revisions to our revenue estimates and see group growth at just above 3% this year. We revise our EBIT estimate for FY '23 down to EUR 8.6m (prev. EUR 10.0m); we revise both Project Personnel and Consulting down by EUR 0.2m and Renewable Energy by EUR 1.0m. In our view Dovre's guidance doesn't seem demanding and our estimates are conservative. The worst inflationary period has likely passed and wasn't such a big issue for Dovre, but the lingering level may still limit margin expansion now that growth is much more modest.

### There remains earnings growth potential beyond this year

Dovre still trades only 7x EV/EBIT on our FY '23 estimates while peer multiples, for all three segments, have gained significantly in the past few months. Our SOTP valuation indicates current fair value to be slightly north of EUR 0.80 per share. We thus update our TP to EUR 0.80 (0.75) and retain our BUY rating.

Rating

+ BUY



Share price, EUR (Last trading day's closing price) 0.61

Target price, EUR 0.80

Latest change in 20-May-22

Latest report on company 27-Oct-22

Research paid by issuer: YES

No. of shares outstanding, 105,960

No. of shares fully diluted, 105,960

Market cap, EURm 65

Free float, % 94.3

Exchange rate -

Reuters code DOV1V.HE

Bloomberg code DOV1V FH

Average daily volume, EURm 0.1

Next interim report 27-Apr-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	0.01
2023E	209.8	8.6	4.1%	2.8	0.04	15.2	0.3	7.0	4.4	0.01
2024E	218.6	9.5	4.3%	3.4	0.05	13.3	0.3	6.1	5.2	0.01
2025E	227.1	11.0	4.8%	4.0	0.06	10.3	0.2	5.0	6.1	0.01
Market cap, EURm			65	Gearing 2023E, %			-12.9	CAGR EPS 2022-25, %	6.5	
Net debt 2023E, EURm			-5	Price/book 2023E			1.7	CAGR sales 2022-25, %	3.8	
Enterprise value, EURm			60	Dividend yield 2023E, %			1.6	ROE 2023E, %	11.8	
Total assets 2023E, EURm			85	Tax rate 2023E, %			20.0	ROCE 2023E, %	19.8	
Goodwill 2023E, EURm			21	Equity ratio 2023E, %			43.9	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	Q1'23e	Q2'23e	Q3'23e	Q4'23e	FY '23e
<b>Revenue</b>	<b>77.5</b>	<b>142.7</b>	<b>47.8</b>	<b>47.3</b>	<b>59.8</b>	<b>48.0</b>	<b>203.0</b>	<b>48.3</b>	<b>48.9</b>	<b>62.8</b>	<b>49.8</b>	<b>209.8</b>
Project Personnel	62.9	76.2	22.7	22.4	22.5	23.0	90.6	21.6	22.7	23.5	23.3	91.1
y/y growth	-18 %	21 %	47 %	20 %	16 %	1 %	19 %	-5 %	1 %	4 %	1 %	1 %
Consulting	14.5	16.1	4.4	4.6	4.4	4.8	18.2	4.5	4.5	4.6	4.9	18.5
y/y growth	137 %	11 %	2 %	5 %	33 %	15 %	13 %	2 %	-2 %	5 %	2 %	2 %
Renewable Energy		50.4	20.7	20.3	32.9	20.2	94.2	22.2	21.7	34.7	21.6	100.2
y/y growth				82 %	38 %	32 %	87 %	7 %	7 %	5 %	7 %	6 %
<b>EBIT</b>	<b>2.4</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>	<b>1.5</b>	<b>1.4</b>	<b>3.4</b>	<b>2.3</b>	<b>8.6</b>
Project Personnel	1.9	2.9	1.1	0.9	1.1	1.1	4.3	1.0	0.8	1.0	1.2	4.0
EBIT-%	3 %	4 %	5 %	4 %	5 %	5 %	5 %	5 %	4 %	4 %	5 %	4 %
Consulting	1.5	2.3	0.4	0.6	0.7	0.9	2.5	0.4	0.5	0.7	0.8	2.4
EBIT-%	10 %	14 %	9 %	13 %	16 %	19 %	14 %	9 %	11 %	15 %	16 %	13 %
Renewable Energy		1.9	0.5	0.4	1.4	0.4	2.7	0.4	0.4	2.0	0.6	3.4
EBIT-%		4 %	2 %	2 %	4 %	2 %	3 %	2 %	2 %	6 %	3 %	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	592	5.6x	5.9x	5.2x	7.8x	8.1x	7.0x	5.1 %	5.5 %	5.7 %
Eezy	82	7.3x	6.7x	6.0x	13.0x	11.3x	9.5x	4.2 %	4.9 %	5.6 %
Randstad	10547	7.7x	8.4x	8.2x	9.2x	11.0x	10.4x	4.6 %	4.1 %	4.1 %
AFRY	1919	9.7x	9.7x	8.9x	15.2x	14.4x	12.6x	6.8 %	7.2 %	8.0 %
Etteplan	351	8.9x	8.3x	7.7x	14.8x	13.8x	12.7x	8.5 %	8.3 %	8.6 %
Sitowise Group	170	9.9x	8.7x	8.0x	16.4x	13.4x	12.0x	8.1 %	9.1 %	9.7 %
SWECO	4216	13.1x	15.7x	14.7x	18.0x	21.0x	19.3x	9.3 %	9.2 %	9.6 %
AF Gruppen	1476	8.4x	7.8x	7.2x	11.6x	10.3x	9.4x	4.5 %	5.2 %	5.6 %
Kreate Group	78	7.8x	7.1x	6.5x	12.2x	10.4x	9.3x	3.2 %	3.8 %	4.1 %
Sdiptech	889	11.8x	11.8x	10.6x	16.0x	15.7x	14.0x	18.0 %	17.2 %	17.5 %
Veidekke	1417	4.4x	5.3x	5.2x	7.1x	8.7x	8.3x	3.9 %	3.8 %	4.0 %
Peer Group Average	1976	<b>8.6x</b>	<b>8.7x</b>	<b>8.0x</b>	<b>12.8x</b>	<b>12.6x</b>	<b>11.3x</b>	<b>6.9 %</b>	<b>7.1 %</b>	<b>7.5 %</b>
Peer Group Median	889	<b>8.4x</b>	<b>8.3x</b>	<b>7.7x</b>	<b>13.0x</b>	<b>11.3x</b>	<b>10.4x</b>	<b>5.1 %</b>	<b>5.5 %</b>	<b>5.7 %</b>
Dovre (Evli est.)	<b>65</b>	<b>6.2x</b>	<b>6.4x</b>	<b>5.6x</b>	<b>6.9x</b>	<b>7.0x</b>	<b>6.1x</b>	<b>4.2 %</b>	<b>4.1 %</b>	<b>4.3 %</b>

Dovre prem./disc. to peer median

-26 %   -23 %   -28 %   -47 %   -38 %   -41 %   -18 %   -25 %   -24 %

Source FactSet, Evli Research

Segment	EBIT '22	EV/EBIT '22 *	EV <sup>1)</sup>	EBIT '23e	EV/EBIT '23e *	EV <sup>1)</sup>
Project Personnel	4.3	9.2x	40	4.0	11.0x	44
Consulting	2.5	15.8x	40	2.4	14.1x	34
Renewable Energy	2.7	11.6x	16	3.4	10.3x	18
Other & Unallocated <sup>2)</sup>	-1.0	11.6x	-12	-1.2	11.5x	-14
<b>Total</b>	<b>8.5</b>	<b>9.8x</b>	<b>83</b>	<b>8.6</b>	<b>9.5x</b>	<b>82</b>
<b>Net debt (Evli YE est.)</b>			<b>-3</b>			<b>-5</b>
Equity value			<b>86</b>			<b>87</b>
Per share			<b>0.82</b>			<b>0.82</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	0.61 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, %	81.3 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, %	51.5 Value of stock	117 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	210	219	227	233	239	245	251	258	264	271	277
<i>Sales growth, %</i>	<i>42.3</i>	<i>3.3</i>	<i>4.2</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	11	14	12	12	13	13	13	14	14
<i>Operating income margin, %</i>	<i>4.2</i>	<i>4.1</i>	<i>4.3</i>	<i>4.8</i>	<i>6.1</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	10	11	14	12	12	13	13	13	13	
- Paid taxes	-2	-2	-2	-2	-3	-2	-2	-3	-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	5	6	6	9	7	8	8	8	26	9	140
= Discounted FCFF		5	5	5	7	5	5	4	4	12	4	59
= DFCF min WACC		5	5	5	7	5	5	4	4	12	4	59
= DFCF max WACC		5	5	5	7	5	5	4	4	12	4	59

Commercial Services & Supplies/Finland, February 24, 2023  
Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1E	2023Q2E	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	47.8	47.3	59.7	48.2	203.0	48.3	48.9	62.8	49.8	209.8	218.6	227.1
EBITDA	1.9	1.9	3.1	2.6	9.5	1.7	1.6	3.6	2.5	8.7	9.5	11.0
<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>3.6</i>	<i>3.3</i>	<i>5.8</i>	<i>5.1</i>	<i>4.1</i>	<i>4.3</i>	<i>4.8</i>
EBIT	1.7	1.7	2.9	2.2	8.5	1.5	1.4	3.4	2.3	8.6	9.5	11.0
<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>3.1</i>	<i>2.9</i>	<i>5.4</i>	<i>4.6</i>	<i>4.1</i>	<i>4.3</i>	<i>4.8</i>
Net financial items	-0.1	-0.1	-0.1	-0.7	-1.0	-0.2	-0.2	-0.2	-0.2	-0.8	-0.4	0.0
Pre-tax profit	1.6	1.6	2.8	1.5	7.5	1.3	1.2	3.2	2.1	7.8	9.1	11.0
Tax	-0.2	-0.5	-0.6	-0.3	-1.6	-0.3	-0.2	-0.6	-0.4	-1.6	-1.8	-2.2
<i>Tax rate (%)</i>	<i>12.5</i>	<i>34.4</i>	<i>19.7</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	1.4	0.8	1.9	1.1	5.2	0.5	0.5	2.1	1.2	4.2	4.9	6.3
EPS	0.01	0.01	0.02	0.01	0.05	0.01	0.00	0.02	0.01	0.04	0.05	0.06
EPS adjusted (diluted no. of shares)	0.01	0.01	0.02	0.01	0.05	0.01	0.00	0.02	0.01	0.04	0.05	0.06
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
<b>SALES, EURm</b>												
Project Personnel	22.7	22.4	22.5	23.0	90.6	21.6	22.7	23.5	23.3	91.1	94.3	97.1
Consulting	4.4	4.6	4.3	4.9	18.2	4.5	4.5	4.6	4.9	18.5	19.1	19.5
Renewable Energy	20.7	20.3	32.9	20.3	94.2	22.2	21.7	34.7	21.6	100.2	105.2	110.5
Total	47.8	47.3	59.7	48.2	203.0	48.3	48.9	62.8	49.8	209.8	218.6	227.1
<b>SALES GROWTH, Y/Y %</b>												
<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>-4.8</i>	<i>1.3</i>	<i>4.4</i>	<i>1.3</i>	<i>0.6</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>2.3</i>	<i>-2.2</i>	<i>7.0</i>	<i>0.0</i>	<i>1.6</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>7.2</i>	<i>6.9</i>	<i>5.5</i>	<i>6.4</i>	<i>6.4</i>	<i>5.0</i>	<i>5.0</i>
Total	142.6	38.3	28.7	13.7	42.3	1.0	3.4	5.2	3.3	3.3	4.2	3.9
<b>EBIT, EURm</b>												
Project Personnel	1.1	1.0	1.1	1.1	4.3	1.0	0.8	1.0	1.2	4.0	4.0	4.4
Consulting	0.4	0.5	0.7	0.9	2.5	0.4	0.5	0.7	0.8	2.4	2.7	2.8
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	0.4	0.4	2.0	0.6	3.4	3.9	5.0
Total	1.7	1.7	2.9	2.2	8.5	1.5	1.4	3.4	2.3	8.6	9.5	11.0
<b>EBIT margin, %</b>												
<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>4.6</i>	<i>3.5</i>	<i>4.3</i>	<i>5.2</i>	<i>4.4</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>8.9</i>	<i>11.1</i>	<i>15.2</i>	<i>16.3</i>	<i>13.0</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>1.8</i>	<i>1.8</i>	<i>5.8</i>	<i>2.8</i>	<i>3.4</i>	<i>3.8</i>	<i>4.5</i>
Total	3.6	3.6	4.9	4.6	4.2	3.1	2.9	5.4	4.6	4.1	4.3	4.8

Commercial Services & Supplies/Finland, February 24, 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	209.8	218.6	227.1
<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>3.3</i>	<i>4.2</i>	<i>3.9</i>
EBITDA	1.0	3.5	3.2	7.0	9.5	8.7	9.5	11.0
<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>4.1</i>	<i>4.3</i>	<i>4.8</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	8.6	9.5	11.0
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	8.6	9.5	11.0
<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>4.1</i>	<i>4.3</i>	<i>4.8</i>
Reported EBIT	0.6	2.6	2.4	6.1	8.5	8.6	9.5	11.0
<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>4.1</i>	<i>4.3</i>	<i>4.8</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	7.8	9.1	11.0
Taxes	-0.2	-0.6	-0.5	-1.3	-1.6	-1.6	-1.8	-2.2
Minority shares	0.0	0.0	0.0	-0.6	-0.7	-2.0	-2.4	-2.5
Net profit	0.9	2.0	1.7	3.7	5.2	4.2	4.9	6.3
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
<b>BALANCE SHEET, EURm</b>								
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	44	45	47
Liquid funds	5	7	9	10	11	12	12	13
Total assets	37	41	44	70	82	85	89	93
Liabilities								
Shareholder's equity	23	24	24	28	34	37	41	47
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	7	5	3
Non-interest bearing current liabilities	10	13	13	30	36	37	38	40
Other interest-free debt	0	0	0	1	2	2	2	2
Total liabilities	37	41	44	70	82	85	89	93
<b>CASH FLOW, EURm</b>								
+ EBITDA	1	3	3	7	10	9	10	11
- 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	-2	-2	-2
= Cash flow from operations	1	2	5	3	1	4	5	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	3	3	4
+/- New issues/buybacks	0	0	0	2	1	0	0	0
- Paid dividend	-1	-1	-1	-1	0	-1	-1	-1
+/- Other	0	0	3	0	0	-1	-2	-2
Change in cash	0	1	2	1	2	0	0	0

Commercial Services & Supplies/Finland, February 24, 2023  
Company update

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	30	29	72	62	65	65	65
Net debt (excl. convertibles)	-3	-2	-1	-3	-5	-7	-10
Enterprise value	26	26	71	59	60	57	55
Sales	83	77	143	203	210	219	227
EBITDA	3	3	7	10	9	10	11
EBIT	3	2	6	9	9	9	11
Pre-tax	3	2	6	7	8	9	11
Earnings	2	2	4	5	4	5	6
Equity book value (excl. minorities)	24	24	28	34	37	41	47
<b>Valuation multiples</b>							
EV/sales	0.3	0.3	0.5	0.3	0.3	0.3	0.2
EV/EBITDA	7.5	8.2	10.2	6.2	6.9	6.0	5.0
EV/EBITA	10.0	11.0	11.6	6.9	7.0	6.1	5.0
EV/EBIT	10.0	11.0	11.6	6.9	7.0	6.1	5.0
EV/OCF	11.1	5.5	23.6	51.2	14.8	12.7	9.1
EV/FCFF	12.3	81.0	33.1	16.3	10.9	9.4	8.4
P/FCFE	14.2	153.8	143.0	65.2	22.8	19.1	16.3
P/E	14.9	17.0	19.5	11.9	15.2	13.3	10.3
P/B	1.3	1.2	2.5	1.8	1.7	1.6	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.2	8.2	6.8
Target EV/EBIT	0.0	0.0	0.0	0.0	9.3	8.2	6.8
Target EV/FCF	0.0	0.0	0.0	0.0	28.2	23.0	18.8
Target P/B	0.0	0.0	0.0	0.0	2.3	2.1	1.8
Target P/E	0.0	0.0	0.0	0.0	20.0	17.5	13.5
<b>Per share measures</b>							
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	0.05	0.06
Operating cash flow per share	0.02	0.05	0.03	0.01	0.04	0.04	0.06
Free cash flow per share	0.02	0.00	0.00	0.01	0.03	0.03	0.04
Book value per share	0.23	0.23	0.27	0.32	0.35	0.39	0.44
Dividend per share	0.01	0.01	0.00	0.01	0.01	0.01	0.01
Dividend payout ratio, %	51.3	60.9	0.0	20.4	25.0	21.8	16.9
Dividend yield, %	3.4	3.6	0.0	1.6	1.6	1.6	1.6
FCF yield, %	7.0	0.7	0.7	1.5	4.4	5.2	6.1
<b>Efficiency measures</b>							
ROE	8.6	7.1	14.1	16.6	11.8	12.3	14.3
ROCE	9.9	8.4	18.3	21.4	19.8	20.9	23.0
<b>Financial ratios</b>							
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	-0.6	-0.8	-0.9
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	43.9	46.4	49.9
Gearing, %	-14.9	-10.1	-3.7	-8.8	-12.9	-17.3	-21.6

**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	12.200	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	6.683	10.3%
KOSKELO ILARI	6,000,000	3.660	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.730	2.7%
SIIK SEPPO SAKARI	2,033,243	1.240	1.9%
K22 FINANCE OY	2,000,000	1.220	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	1.083	1.7%
PAASI KARI	1,631,048	0.995	1.5%
SIIK RAUNI MARJUT	1,512,029	0.922	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.915	1.4%
Ten largest	50,244,040	30.649	47%
Residual	55,715,960	33.987	53%
Total	105,960,000	64.636	100%

EARNINGS CALENDAR	
April 27, 2023	Q1 report
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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## Name(s) of the analyst(s): Ilvonen

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