

Profitability relatively strong

Dovre's Q1 profitability came in above our estimates despite some softness in top line attributable to Renewable Energy. Project Personnel and Consulting performed a bit better than we estimated, and new Norwegian legislation on temporary work seems to be having only limited effects on business.

- Dovre Q1 revenue declined by 4.3% y/y to EUR 45.8m, compared to our EUR 48.3m estimate. Project Personnel came in at EUR 24.8m vs our EUR 21.6m estimate, while Consulting amounted to EUR 5.1m, compared to our EUR 4.5m estimate. Renewable Energy was EUR 15.9m, compared to our EUR 22.2m estimate. Renewable Energy is seasonally driven, and the wind power construction market has been less active than last year.
- EBITDA landed at EUR 1.9m while we estimated EUR 1.7m. EBIT amounted to EUR 1.7m vs our EUR 1.5m estimate. Project Personnel EBIT was EUR 1.2m, compared to our EUR 1.0m estimate, while Consulting came in at EUR 0.6m vs our EUR 0.4m estimate. Renewable Energy landed at EUR 0.2m vs our EUR 0.4m estimate.
- Dovre guides revenue to improve from FY '22 and EBIT to be about the same as last year (unchanged). The new Norwegian legislation on temporary work seems to be having only very limited negative effects on the group's local businesses.

Rating				+ BUY
Q1'23	Actual	Evli	Year ago	Q4'22
Revenue	45.8	48.3	47.8	48.1
EBITDA	1.9	1.7	1.9	2.5
EBIT	1.7	1.5	1.7	2.1
Deviation	Actual	Evli	Year ago	Q4'22
Revenue		-5 %	-4 %	-5 %
EBITDA		12 %	0 %	-24 %
EBIT		13 %	0 %	-19 %
Share price, EUR (Last trading day's closing price)				0.60
Target price, EUR				0.80
Latest change in				20-May-22
Latest report on company				24-Feb-23
Research paid by issuer:				YES
No. of shares outstanding,				105,960
No. of shares fully diluted,				105,960
Market cap, EURm				64
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

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	0.01	
2023E	209.8	8.6	4.1%	2.8	0.04	15.0	0.3	6.8	4.5	0.01	
2024E	218.6	9.5	4.3%	3.4	0.05	13.1	0.3	6.0	5.3	0.01	
2025E	227.1	11.0	4.8%	4.0	0.06	10.1	0.2	4.9	6.2	0.01	
Market cap, EURm			64	BV per share 2023E, EUR			-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			59	Dividend yield 2023E, %			1.7	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

All the important disclosures can be found on the last pages of this report.

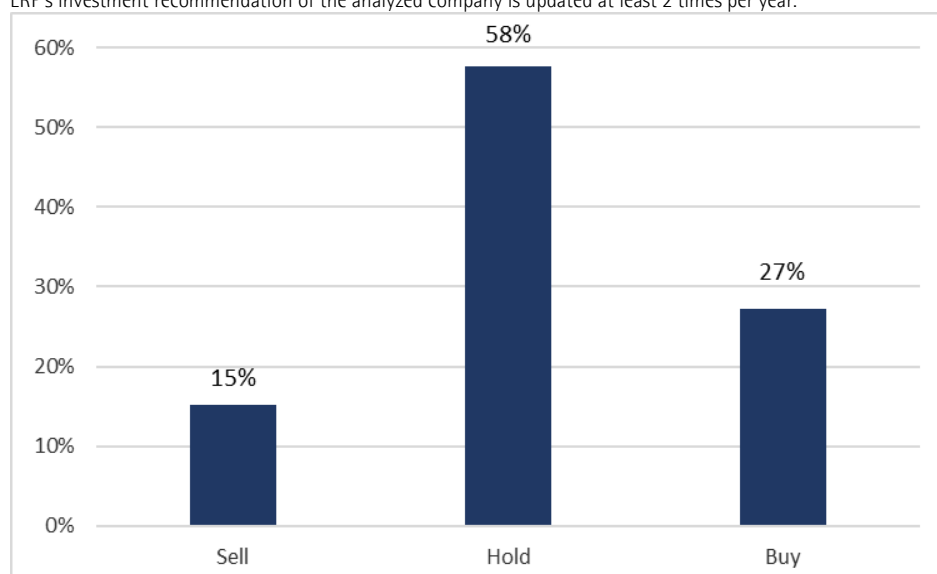
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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