

## Many energy sector opportunities

Dovre's Q2 results landed near our estimates. Renewable Energy drags EBIT this year, but demand remains in place and all segments still have room to improve going forward.

**Renewable Energy Q2 EBIT proved better than we estimated**  
Dovre's Q2 top line developments were twofold: on the one hand Project Personnel continued to grow at a strong rate of 15.7% y/y, driven by demand in Canada, while Consulting saw a slower quarter after strong Q1 (Q2 revenue was down by 13.5% y/y as new Norwegian legislation on temporary hiring affects the public sector market of Consulting more than it does the energy sector of Project Personnel). Renewable Energy revenue declined much as expected, however its EUR 0.5m EBIT was a positive surprise as it improved a bit y/y. Project Personnel's strong performance pushed Dovre's EUR 47.3m revenue above our EUR 44.4m estimate, whereas Renewable Energy's bottom line performance helped the EUR 1.5m EBIT slightly above our EUR 1.4m estimate.

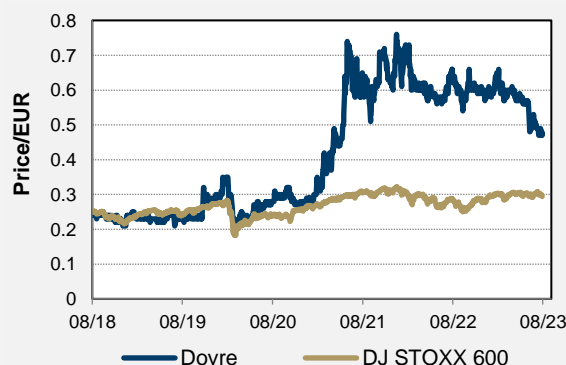
### Renewable Energy is likely to drive growth next year

Project Personnel has grown at a CAGR of 18% after FY '20; the comparison figures are high, but we continue to expect further incremental growth in H2. We see Consulting top line flat or slightly down for the year after double-digit growth in recent years, whereas Renewable Energy should again see growth next year as new Finnish electricity transmission capacity opens construction bottlenecks. We estimate Project Personnel EBIT to develop flat this year and next but note there should be more potential towards an EBIT margin of 5%. We estimate Consulting EBIT down EUR 0.3m this year; the legislation on temporary hiring limits potential, and we have been expecting more moderate growth for the segment compared to the other two.

### Earnings multiples remain undemanding

In our view Dovre is likely to land near the upper end of its revenue guidance range, while we note Q3 is important for EBIT due to the seasonality of Renewable Energy. Our group-level estimate revisions remain small while peer multiples have gained recently; Consulting peer multiples are rather high at around 16x EV/EBIT, but we have also revised down our estimates for the segment. Dovre is valued only 7x EV/EBIT on our FY '23 estimates (excl. 49% of Suvic EBIT), while most peers trade well above 10x. Our new TP is EUR 0.80 (0.77); we retain BUY rating.

Rating BUY



Share price, EUR (Last trading day's closing price) 0.47  
Target price, EUR 0.80

Latest change in 20-May-22  
Latest report on company 04-Jul-23  
Research paid by issuer: YES  
No. of shares outstanding, 105,960  
No. of shares fully diluted, 105,960  
Market cap, EURm 50  
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  
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
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	11.8	0.2	5.9	7.1	0.01
2024E	204.6	8.1	4.0%	2.2	0.04	13.2	0.2	5.2	4.4	0.01
2025E	212.3	9.2	4.4%	2.6	0.05	10.2	0.2	4.4	5.3	0.01
Market cap, EURm				50	Gearing 2023E, %		-17.1	CAGR EPS 2022-25, %		-2.0
Net debt 2023E, EURm				-7	Price/book 2023E		1.3	CAGR sales 2022-25, %		1.5
Enterprise value, EURm				43	Dividend yield 2023E, %		2.1	ROE 2023E, %		11.5
Total assets 2023E, EURm				81	Tax rate 2023E, %		23.5	ROCE 2023E, %		17.1
Goodwill 2023E, EURm				21	Equity ratio 2023E, %		47.6	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	Q1'23	Q2'23	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>45.8</b>	<b>47.3</b>	<b>53.5</b>	<b>46.7</b>	<b>193.3</b>
Project Personnel	62.9	76.2	22.7	22.4	22.5	23.0	90.6	24.8	25.9	23.3	23.5	97.5
y/y growth	-18 %	21 %	47 %	20 %	16 %	1 %	19 %	9 %	16 %	4 %	2 %	8 %
Consulting	14.5	16.1	4.4	4.6	4.4	4.8	18.2	5.1	4.0	4.1	4.5	17.7
y/y growth	137 %	11 %	2 %	5 %	33 %	15 %	13 %	17 %	-13 %	-7 %	-6 %	-3 %
Renewable Energy		50.4	20.7	20.3	32.9	20.2	94.2	15.9	17.4	26.1	18.7	78.1
y/y growth				82 %	38 %	32 %	87 %	-23 %	-14 %	-21 %	-7 %	-17 %
<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>1.7</b>	<b>1.5</b>	<b>2.2</b>	<b>1.9</b>	<b>7.3</b>
Project Personnel	1.9	2.9	1.1	0.9	1.1	1.1	4.3	1.2	0.9	1.1	1.1	4.3
EBIT-%	3 %	4 %	5 %	4 %	5 %	5 %	5 %	5 %	3 %	5 %	5 %	4 %
Consulting	1.5	2.3	0.4	0.6	0.7	0.9	2.5	0.6	0.4	0.6	0.7	2.3
EBIT-%	10 %	14 %	9 %	13 %	16 %	19 %	14 %	12 %	10 %	15 %	16 %	13 %
Renewable Energy		1.9	0.5	0.4	1.4	0.4	2.7	0.2	0.5	0.8	0.4	1.9
EBIT-%		4 %	2 %	2 %	4 %	2 %	3 %	1 %	3 %	3 %	2 %	2 %
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	624	6.2x	6.8x	5.7x	8.0x	9.0x	7.2x	5.1 %	5.2 %	5.8 %
Eezy	63	7.2x	6.5x	6.2x	12.2x	11.4x	10.4x	4.4 %	4.4 %	4.8 %
Randstad	9645	7.6x	8.3x	8.1x	9.3x	10.6x	10.3x	4.6 %	4.0 %	4.0 %
AFRY	1369	10.4x	7.4x	6.8x	16.5x	10.9x	9.7x	6.7 %	7.3 %	7.8 %
Etteplan	397	8.9x	9.7x	8.9x	15.0x	16.1x	14.6x	8.3 %	7.9 %	8.4 %
Sitowise Group	142	10.7x			16.7x			7.9 %	8.3 %	9.7 %
SWECO	3206	13.3x	13.1x	12.2x	17.5x	17.2x	15.5x	9.3 %	9.3 %	9.7 %
AF Gruppen	1268	8.8x	9.5x	7.5x	12.1x	13.6x	9.9x	4.5 %	3.8 %	5.2 %
Kreate Group	67	7.9x	8.2x	6.9x	12.5x	14.7x	11.0x	3.1 %	2.3 %	3.1 %
Sdiptech	801	11.7x	10.1x	9.0x	16.0x	13.6x	12.0x	18.0 %	17.4 %	17.6 %
Veidekke	1291	4.6x			7.4x			3.9 %	3.2 %	3.9 %
Peer Group Average	1716	<b>8.8x</b>	<b>8.9x</b>	<b>7.9x</b>	<b>13.0x</b>	<b>13.0x</b>	<b>11.2x</b>	<b>6.9 %</b>	<b>6.6 %</b>	<b>7.3 %</b>
Peer Group Median	801	<b>8.8x</b>	<b>8.3x</b>	<b>7.5x</b>	<b>12.5x</b>	<b>13.6x</b>	<b>10.4x</b>	<b>5.1 %</b>	<b>5.2 %</b>	<b>5.8 %</b>
Dovre (Evli est.)	<b>50</b>	<b>6.2x</b>	<b>5.2x</b>	<b>4.7x</b>	<b>6.9x</b>	<b>5.9x</b>	<b>5.2x</b>	<b>4.2 %</b>	<b>3.8 %</b>	<b>4.0 %</b>

Dovre prem./disc. to peer median

-29 % -37 % -38 % -45 % -56 % -50 % -18 % -28 % -31 %

Source FactSet, Evli Research

Segment	EBIT '22	EV/EBIT '22 *	EV <sup>1)</sup>	EBIT '23e	EV/EBIT '23e *	EV <sup>1)</sup>	EBIT '24e	EV/EBIT '24e *	EV <sup>1)</sup>
Project Personnel	4.3	9.3x	40	4.3	10.6x	46	4.4	10.3x	45
Consulting	2.5	16.6x	42	2.2	16.1x	35	2.5	14.6x	37
Renewable Energy	2.7	12.3x	17	1.9	13.6x	13	2.5	11.0x	14
Other & Unallocated <sup>2)</sup>	-1.0	12.7x	-13	-1.2	13.4x	-16	-1.2	12.0x	-14
Total	8.5	10.1x	86	7.2	10.8x	78	8.2	9.9x	81
Net debt (Evli YE est.)			-3			-7			-8
Equity value			89			85			89
Per share			0.84			0.80			0.84
EV/EBIT <sup>3)</sup>			12.0x			12.5x			11.8x

\*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	0.47 PV of Free Cash Flow	52 Long-term growth, %	2.5 Risk-free interest rate, %
DCF share value	1.06 PV of Horizon value	58 WACC, %	9.2 Market risk premium, %
Share price potential, %	126.4 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %
Maximum value	1.1 Marketable securities	11 Minimum WACC, %	9.2 Equity beta coefficient
Minimum value	1.1 Debt - dividend	-8 Maximum WACC, %	9.2 Target debt ratio, %
Horizon value, %	52.7 Value of stock	113 Nr of shares, Mn	106.0 Effective tax rate, %

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	203	193	205	212	218	223	229	235	241	247	253	259
<i>Sales growth, %</i>	<i>42.3</i>	<i>-4.8</i>	<i>5.8</i>	<i>3.8</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	7	8	9	12	11	11	12	12	12	13	13
<i>Operating income margin, %</i>	<i>4.2</i>	<i>3.8</i>	<i>4.0</i>	<i>4.4</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	10	7	8	9	12	11	12	12	12	13	13	
- Paid taxes	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3
- Change in NWC	-5	0	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>3.2</i>	<i>3.1</i>	<i>3.2</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>
+ Change in other liabs	1	0	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>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.9</i>	<i>0.8</i>	<i>-6.1</i>	<i>0.5</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	4	5	5	5	8	7	7	7	8	25	9	132
= Discounted FCFF		5	4	4	6	5	4	4	4	12	4	58
= DFCF min WACC		5	4	4	6	5	4	4	4	12	4	58
= DFCF max WACC		5	4	4	6	5	4	4	4	12	4	58

Commercial Services & Supplies/Finland, August 18, 2023  
Company update

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	47.8	47.3	59.7	48.2	203.0	45.8	47.3	53.5	46.7	193.3	204.6	212.3
EBITDA	1.9	1.9	3.1	2.6	9.5	1.9	1.8	2.4	2.1	7.3	8.2	9.3
<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>4.1</i>	<i>3.8</i>	<i>4.5</i>	<i>4.5</i>	<i>3.8</i>	<i>4.0</i>	<i>4.4</i>
EBIT	1.7	1.7	2.9	2.2	8.5	1.7	1.5	2.2	1.9	7.3	8.1	9.2
<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>3.7</i>	<i>3.2</i>	<i>4.1</i>	<i>4.1</i>	<i>3.8</i>	<i>4.0</i>	<i>4.4</i>
Net financial items	-0.2	0.0	0.0	-0.7	-1.0	-0.2	-0.2	-0.2	-0.2	-0.8	-0.4	0.0
Pre-tax profit	1.5	1.7	2.9	1.5	7.5	1.5	1.3	2.0	1.7	6.5	7.7	9.2
Tax	-0.3	-0.4	-0.6	-0.3	-1.6	-0.3	-0.5	-0.4	-0.3	-1.5	-1.5	-1.8
<i>Tax rate (%)</i>	<i>20.7</i>	<i>26.1</i>	<i>19.5</i>	<i>20.5</i>	<i>21.4</i>	<i>20.0</i>	<i>37.5</i>	<i>20.0</i>	<i>20.0</i>	<i>23.5</i>	<i>20.0</i>	<i>20.0</i>
Net profit	1.1	1.1	1.9	1.1	5.2	1.0	0.8	1.3	1.1	4.2	3.8	4.9
EPS	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.01	0.01	0.04	0.04	0.05
EPS adjusted (diluted no. of shares)	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.01	0.01	0.04	0.04	0.05
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	22.7	22.4	22.5	23.0	90.6	24.8	25.9	23.3	23.5	97.5	102.4	105.4
Consulting	4.4	4.6	4.3	4.9	18.2	5.1	4.0	4.1	4.5	17.7	18.2	18.7
Renewable Energy	20.7	20.3	32.9	20.3	94.2	15.9	17.4	26.1	18.7	78.1	84.0	88.2
Total	47.8	47.3	59.7	48.2	203.0	45.8	47.3	53.5	46.7	193.3	204.6	212.3
<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>9.3</i>	<i>15.6</i>	<i>3.6</i>	<i>2.2</i>	<i>7.6</i>	<i>5.0</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>15.9</i>	<i>-13.0</i>	<i>-4.7</i>	<i>-8.2</i>	<i>-2.7</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>-23.2</i>	<i>-14.3</i>	<i>-20.7</i>	<i>-7.9</i>	<i>-17.1</i>	<i>7.5</i>	<i>5.0</i>
Total	142.6	38.3	28.7	13.7	42.3	-4.2	0.0	-10.4	-3.1	-4.8	5.8	3.8
<b>EBIT, EURm</b>												
Project Personnel	1.1	1.0	1.1	1.1	4.3	1.2	0.9	1.1	1.1	4.3	4.4	4.7
Consulting	0.4	0.5	0.7	0.9	2.5	0.6	0.3	0.6	0.7	2.2	2.5	2.6
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	0.0	-0.1	-0.1	-0.3	-0.4	-0.4
Renewable Energy	0.5	0.4	1.4	0.4	2.7	0.2	0.5	0.8	0.4	1.9	2.5	3.1
Total	1.7	1.7	2.9	2.2	8.5	1.7	1.5	2.2	1.9	7.3	8.1	9.2
<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>4.8</i>	<i>3.5</i>	<i>4.7</i>	<i>4.7</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>11.8</i>	<i>7.5</i>	<i>14.6</i>	<i>15.6</i>	<i>12.4</i>	<i>13.5</i>	<i>14.0</i>
<i>Unallocated</i>				<i>0.0</i>	<i>-75,000.0</i>		<i>0.0</i>			<i>-</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>1.3</i>	<i>2.9</i>	<i>3.1</i>	<i>2.1</i>	<i>2.4</i>	<i>3.0</i>	<i>3.5</i>
Total	3.6	3.6	4.9	4.6	4.2	3.7	3.2	4.1	4.1	3.8	4.0	4.4

Commercial Services & Supplies/Finland, August 18, 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	193.3	204.6	212.3
<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>-4.8</i>	<i>5.8</i>	<i>3.8</i>
EBITDA	1.0	3.5	3.2	7.0	9.5	7.3	8.2	9.3
<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>3.8</i>	<i>4.0</i>	<i>4.4</i>
Depreciation	-0.4	-0.9	-0.8	-0.9	-1.0	0.0	0.0	0.0
EBITA	0.6	2.6	2.4	6.1	8.5	7.3	8.1	9.2
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	7.3	8.1	9.2
<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>3.8</i>	<i>4.0</i>	<i>4.4</i>
Reported EBIT	0.6	2.6	2.4	6.1	8.5	7.3	8.1	9.2
<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>3.8</i>	<i>4.0</i>	<i>4.4</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	6.5	7.7	9.2
Taxes	-0.2	-0.6	-0.5	-1.3	-1.6	-1.5	-1.5	-1.8
Minority shares	0.0	0.0	0.0	-0.6	-0.7	-0.8	-2.4	-2.5
Net profit	0.9	2.0	1.7	3.7	5.2	4.2	3.8	4.9
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>								
<b>Assets</b>								
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	1	2	2
Receivables	12	15	14	32	42	40	42	44
Liquid funds	5	7	9	10	11	11	11	12
Total assets	37	41	44	70	82	81	85	89
<b>Liabilities</b>								
Shareholder's equity	23	24	24	28	34	39	41	45
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	4	4	2
Non-interest bearing current liabilities	10	13	13	30	36	34	36	37
Other interest-free debt	0	0	0	1	2	2	2	2
Total liabilities	37	41	44	70	82	81	85	89
<b>CASH FLOW, EURm</b>								
+ EBITDA	1	3	3	7	10	7	8	9
- 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	-1	-2	-2
= Cash flow from operations	1	2	5	3	1	5	3	5
- 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	4	2	3
+/- New issues/buybacks	0	0	0	2	1	0	0	0
- Paid dividend	-1	-1	-1	-1	0	0	-1	-1
+/- Other	0	0	3	0	0	-4	-1	-1
Change in cash	0	1	2	1	2	-1	1	0

Commercial Services & Supplies/Finland, August 18, 2023  
Company update

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	30	29	72	62	50	50	50
Net debt (excl. convertibles)	-3	-2	-1	-3	-7	-8	-9
Enterprise value	26	26	71	59	43	42	41
Sales	83	77	143	203	193	205	212
EBITDA	3	3	7	10	7	8	9
EBIT	3	2	6	9	7	8	9
Pre-tax	3	2	6	7	7	8	9
Earnings	2	2	4	5	4	4	5
Equity book value (excl. minorities)	24	24	28	34	39	41	45
<b>Valuation multiples</b>							
EV/sales	0.3	0.3	0.5	0.3	0.2	0.2	0.2
EV/EBITDA	7.5	8.2	10.2	6.2	5.9	5.2	4.4
EV/EBITA	10.0	11.0	11.6	6.9	5.9	5.2	4.4
EV/EBIT	10.0	11.0	11.6	6.9	5.9	5.2	4.4
EV/OCF	11.1	5.5	23.6	51.2	9.3	12.5	8.8
EV/FCFF	12.3	81.0	33.1	16.3	8.8	8.5	7.9
P/FCFE	14.2	153.8	143.0	65.2	14.1	22.5	19.0
P/E	14.9	17.0	19.5	11.9	11.8	13.2	10.2
P/B	1.3	1.2	2.5	1.8	1.3	1.2	1.1
Target EV/EBITDA	0.0	0.0	0.0	0.0	10.7	9.4	8.1
Target EV/EBIT	0.0	0.0	0.0	0.0	10.7	9.5	8.2
Target EV/FCF	0.0	0.0	0.0	0.0	22.2	34.8	28.8
Target P/B	0.0	0.0	0.0	0.0	2.2	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	20.2	22.4	17.3
<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	0.04	0.05
Operating cash flow per share	0.02	0.05	0.03	0.01	0.04	0.03	0.04
Free cash flow per share	0.02	0.00	0.00	0.01	0.03	0.02	0.02
Book value per share	0.23	0.23	0.27	0.32	0.36	0.39	0.43
Dividend per share	0.01	0.01	0.00	0.00	0.01	0.01	0.01
Dividend payout ratio, %	51.3	60.9	0.0	0.0	25.2	28.0	21.6
Dividend yield, %	3.4	3.6	0.0	0.0	2.1	2.1	2.1
FCF yield, %	7.0	0.7	0.7	1.5	7.1	4.4	5.3
<b>Efficiency measures</b>							
ROE	8.6	7.1	14.1	16.6	11.5	9.5	11.3
ROCE	9.9	8.4	18.3	21.4	17.1	18.6	20.0
<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	3.1	3.2	3.2
Operative CAPEX/sales, %	0.3	6.0	1.8	0.1	0.6	0.6	0.9
CAPEX/sales (incl. acquisitions), %	0.3	6.0	1.8	0.1	0.6	0.6	0.9
FCFF/EBITDA	0.6	0.1	0.3	0.4	0.7	0.6	0.6
Net debt/EBITDA, book-weighted	-1.0	-0.7	-0.2	-0.3	-0.9	-0.9	-1.0
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	47.6	48.5	50.6
Gearing, %	-14.9	-10.1	-3.7	-8.8	-17.1	-18.7	-20.6

**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	9.400	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	5.149	10.3%
KOSKELO ILARI	6,000,000	2.820	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.333	2.7%
SIIK SEPPÖ SAKARI	2,033,243	0.956	1.9%
K22 FINANCE OY	2,000,000	0.940	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	0.835	1.7%
PAASI KARI	1,631,048	0.767	1.5%
SIIK RAUNI MARJUT	1,512,029	0.711	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.705	1.4%
Ten largest	50,244,040	23.615	47%
Residual	55,715,960	26.187	53%
Total	105,960,000	49.801	100%

**EARNINGS CALENDAR**

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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