

Stabilizing EBIT after high growth

Dovre's Q3 EBIT topped our estimate as Project Personnel drove results. We see only moderate earnings growth prospects in the short term, yet valuation is undemanding.

Project Personnel helped EBIT amid high comparison figures

Dovre's Q3 revenue fell 11.6% y/y to EUR 52.8m, close to our EUR 53.5m estimate. Top line would have been some 5% better than that at fixed FX rates as weak NOK had an impact. Renewable Energy was expected to decline relative to a more favorable comparison period, but its 38% y/y fall was clearly steeper than we estimated. The segment's EBIT, however, was a bit better than expected. Consulting figures didn't meet our estimates, but their softness was more than compensated by Project Personnel; the segment's 6% EBIT margin helped drive Dovre's EUR 2.7m EBIT above our EUR 2.2m estimate.

We estimate annual EBIT to pick up from around EUR 7m

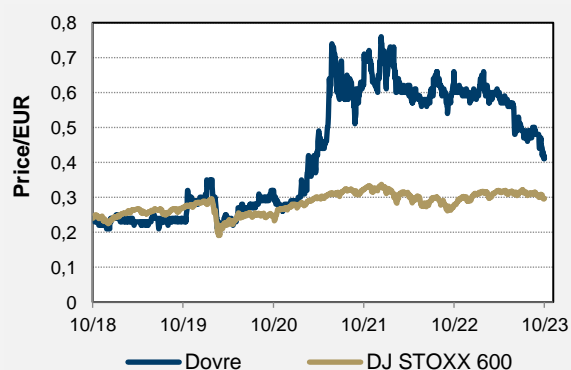
In our opinion Project Personnel will not find annual 4% EBIT margin too high a hurdle, and hence we view EUR 4.5m EBIT a reasonable level for next year, assuming moderate growth. The segment could even land near EUR 5m annual EBIT, while Consulting's annual rate appears to be roughly EUR 2m for now. In our view Consulting's longer-term potential remains closer to EUR 3m should growth and margins pick up again. Renewable Energy still has most long-term upside, but a more challenging Finnish wind power construction market limits its potential for now. Both Consulting and Renewable Energy continue to face high comparison figures also for Q4, and neither were those of Project Personnel soft. We thus believe Dovre's Q4 EBIT will weaken by some EUR 1m y/y. For next year we expect some reversion as Consulting and Renewable Energy will have room to improve, whereas Project Personnel may remain a bit soft or flat.

Short-term earnings growth modest, yet valuation is low

We estimate FY '24 EBIT at EUR 7.3m, which would be only a marginal improvement on our FY '23 estimate of EUR 7.1m. In our view Dovre still has potential to reach above 4% EBIT margin in the long-term as Consulting and Renewable Energy return to growth. Meanwhile valuation implies very modest expectations; Dovre is valued only some 6x EV/EBIT (excl. 49% of Renewable Energy EBIT) and peer multiples have also declined recently. We revise our TP to EUR 0.65 (0.80) and retain 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 18-Aug-23

Research paid by issuer: YES

No. of shares outstanding, 105,960

No. of shares fully diluted, 105,960

Market cap, EURm 45

Free float, % 94.3

Exchange rate -

Reuters code DOV1V.HE

Bloomberg code DOV1V FH

Average daily volume, EURm 0.1

Next interim report

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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	191.1	7.1	3.7%	3.2	0.04	11.7	0.2	5.4	7.2	0.01
2024E	199.4	7.3	3.6%	1.6	0.03	14.4	0.2	5.2	3.7	0.01
2025E	206.9	8.4	4.1%	2.0	0.04	10.5	0.2	4.4	4.4	0.01
Market cap, EURm				45	Gearing 2023E, %		-16.4	CAGR EPS 2022-25, %		-6.7
Net debt 2023E, EURm				-6	Price/book 2023E		1.2	CAGR sales 2022-25, %		0.6
Enterprise value, EURm				38	Dividend yield 2023E, %		2.4	ROE 2023E, %		10.5
Total assets 2023E, EURm				80	Tax rate 2023E, %		25.4	ROCE 2023E, %		16.7
Goodwill 2023E, EURm				21	Equity ratio 2023E, %		47.5	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	Q3'23	Q4'23e	FY '23e
Revenue	77.5	142.7	47.8	47.3	59.8	48.0	203.0	45.8	47.3	52.8	45.2	191.1
Project Personnel	62.9	76.2	22.7	22.4	22.5	23.0	90.6	24.8	25.9	28.8	23.2	102.7
y/y growth	-18 %	21 %	47 %	20 %	16 %	1 %	19 %	9 %	16 %	28 %	1 %	13 %
Consulting	14.5	16.1	4.4	4.6	4.4	4.8	18.2	5.1	4.0	3.5	4.2	16.8
y/y growth	137 %	11 %	2 %	5 %	33 %	15 %	13 %	17 %	-13 %	-20 %	-13 %	-8 %
Renewable Energy		50.4	20.7	20.3	32.9	20.2	94.2	15.9	17.4	20.5	17.8	71.6
y/y growth				82 %	38 %	32 %	87 %	-23 %	-14 %	-38 %	-12 %	-24 %
EBIT	2.4	6.1	1.7	1.7	3.0	2.1	8.5	1.7	1.5	2.7	1.2	7.1
Project Personnel	1.9	2.9	1.1	0.9	1.1	1.1	4.3	1.2	0.9	1.7	0.9	4.7
EBIT-%	3 %	4 %	5 %	4 %	5 %	5 %	5 %	5 %	3 %	6 %	4 %	5 %
Consulting	1.5	2.3	0.4	0.6	0.7	0.9	2.5	0.6	0.4	0.4	0.4	1.8
EBIT-%	10 %	14 %	9 %	13 %	16 %	19 %	14 %	12 %	10 %	11 %	10 %	11 %
Renewable Energy		1.9	0.5	0.4	1.4	0.4	2.7	0.2	0.5	0.9	0.2	1.8
EBIT-%		4 %	2 %	2 %	4 %	2 %	3 %	1 %	3 %	4 %	1 %	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	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 %
Sdipotech	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	4.7x	4.6x	6.9x	5.3x	5.1x	4.2 %	3.7 %	3.6 %

Dovre prem./disc. to peer median

-29 % -38 % -35 % -45 % -57 % -45 % -18 % -29 % -37 %

Source FactSet, Evli Research

Segment	EBIT '22	EV/EBIT '22 *	EV ¹⁾	EBIT '23e	EV/EBIT '23e *	EV ¹⁾	EBIT '24e	EV/EBIT '24e *	EV ¹⁾
Project Personnel	4.3	9.3x	40	4.7	9.5x	45	4.5	9.4x	42
Consulting	2.5	16.6x	42	1.7	15.2x	26	1.9	14.2x	27
Renewable Energy	2.7	12.3x	17	1.8	12.4x	11	2.1	9.3x	10
Other & Unallocated ²⁾	-1.0	12.7x	-13	-1.1	12.4x	-14	-1.2	11.0x	-13
Total	8.5	10.1x	86	7.1	9.6x	68	7.3	9.1x	66
Net debt (Evli YE est.)			-3			-6			-7
Equity value			89			74			73
Per share			0.84			0.70			0.69
EV/EBIT ³⁾			12.0x			11.0x			10.6x

*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	50 Long-term growth, %	2.5 Risk-free interest rate, %	2.25
DCF share value	1.04 PV of Horizon value	58 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	148.8 Unconsolidated equity	0 Spread, %	0.0 Debt risk premium, %	2.8
Maximum value	1.0 Marketable securities	11 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, %	53.5 Value of stock	111 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	191	199	207	212	218	223	229	234	240	246	252
<i>Sales growth, %</i>	42.3	-5.9	4.4	3.7	2.7	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Operating income (EBIT)	9	7	7	8	11	11	11	11	12	12	12	13
<i>Operating income margin, %</i>	4.2	3.7	3.6	4.1	5.3	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	10	7	7	8	11	11	11	12	12	12	12	
- Paid taxes	-2	-2	-1	-2	-2	-2	-2	-2	-2	-2	-2	
- Change in NWC	-5	0	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	3.2	3.1	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	
+ 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>	0.1	0.6	0.6	1.0	0.9	0.9	0.9	0.9	0.9	-6.2	0.4	
- 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	4	4	7	7	7	7	7	25	9	130
= Discounted FCFF		5	4	4	5	5	4	4	4	12	4	58
= DFCF min WACC		5	4	4	5	5	4	4	4	12	4	58
= DFCF max WACC		5	4	4	5	5	4	4	4	12	4	58

INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3	2023Q4E	2023E	2024E	2025E
Net sales	47.8	47.3	59.7	48.2	203.0	45.8	47.3	52.8	45.2	191.1	199.4	206.9
EBITDA	1.9	1.9	3.2	2.5	9.5	1.9	1.8	2.9	1.4	7.1	7.3	8.4
<i>EBITDA margin (%)</i>	<i>4.0</i>	<i>4.0</i>	<i>5.4</i>	<i>5.2</i>	<i>4.7</i>	<i>4.1</i>	<i>3.8</i>	<i>5.5</i>	<i>3.1</i>	<i>3.7</i>	<i>3.7</i>	<i>4.1</i>
EBIT	1.7	1.7	2.9	2.2	8.5	1.7	1.5	2.7	1.2	7.1	7.3	8.4
<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>5.1</i>	<i>2.7</i>	<i>3.7</i>	<i>3.6</i>	<i>4.1</i>
Net financial items	-0.2	0.0	0.0	-0.7	-1.0	-0.2	-0.2	-0.6	-0.2	-1.2	-0.4	0.0
Pre-tax profit	1.5	1.7	2.9	1.5	7.5	1.5	1.3	2.1	1.0	5.9	6.9	8.4
Tax	-0.3	-0.4	-0.6	-0.3	-1.6	-0.3	-0.5	-0.5	-0.2	-1.5	-1.4	-1.7
<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>24.4</i>	<i>20.0</i>	<i>25.4</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	0.7	3.8	3.1	4.2
EPS	0.01	0.01	0.02	0.01	0.05	0.01	0.01	0.01	0.01	0.04	0.03	0.04
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	0.03	0.04
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
SALES, EURm												
Project Personnel	22.7	22.4	22.5	23.0	90.6	24.8	25.9	28.8	23.2	102.7	106.3	109.5
Consulting	4.4	4.6	4.3	4.9	18.2	5.1	4.0	3.5	4.2	16.8	16.9	17.3
Renewable Energy	20.7	20.3	32.9	20.3	94.2	15.9	17.4	20.5	17.8	71.6	76.3	80.1
Total	47.8	47.3	59.7	48.2	203.0	45.8	47.3	52.8	45.2	191.1	199.4	206.9
SALES GROWTH, Y/Y %												
<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>28.0</i>	<i>0.9</i>	<i>13.4</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>15.9</i>	<i>-13.0</i>	<i>-18.6</i>	<i>-14.3</i>	<i>-7.7</i>	<i>0.5</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>-37.7</i>	<i>-12.3</i>	<i>-24.0</i>	<i>6.5</i>	<i>5.0</i>
Total	142.6	38.3	28.7	13.7	42.3	-4.2	0.0	-11.6	-6.2	-5.9	4.4	3.7
EBIT, EURm												
Project Personnel	1.1	1.0	1.1	1.1	4.3	1.2	0.9	1.7	0.9	4.7	4.5	4.9
Consulting	0.4	0.5	0.7	0.9	2.5	0.6	0.3	0.4	0.4	1.7	1.9	2.1
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	0.9	0.2	1.8	2.1	2.6
Total	1.7	1.7	2.9	2.2	8.5	1.7	1.5	2.7	1.2	7.1	7.3	8.4
EBIT margin, %												
<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>5.9</i>	<i>3.9</i>	<i>4.6</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>11.4</i>	<i>9.5</i>	<i>10.1</i>	<i>11.0</i>	<i>12.0</i>
<i>Unallocated</i>				<i>0.0</i>	<i>-75,000.0</i>		<i>0.0</i>			<i>-</i>	<i>-</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>4.4</i>	<i>1.1</i>	<i>2.5</i>	<i>2.8</i>	<i>3.3</i>
Total	3.6	3.6	4.9	4.6	4.2	3.7	3.2	5.1	2.7	3.7	3.6	4.1

Commercial Services & Supplies/Finland, October 26, 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	191.1	199.4	206.9
<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>-5.9</i>	<i>4.4</i>	<i>3.7</i>
EBITDA	1.0	3.5	3.2	7.0	9.5	7.1	7.3	8.4
<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>3.7</i>	<i>3.7</i>	<i>4.1</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	7.1	7.3	8.4
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	7.1	7.3	8.4
<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>3.7</i>	<i>3.6</i>	<i>4.1</i>
Reported EBIT	0.6	2.6	2.4	6.1	8.5	7.1	7.3	8.4
<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>3.7</i>	<i>3.6</i>	<i>4.1</i>
Net financials	0.5	-0.1	-0.2	-0.5	-1.0	-1.2	-0.4	0.0
Pre-tax profit	1.1	2.5	2.2	5.6	7.5	5.9	6.9	8.4
Taxes	-0.2	-0.6	-0.5	-1.3	-1.6	-1.5	-1.4	-1.7
Minority shares	0.0	0.0	0.0	-0.6	-0.7	-0.6	-2.4	-2.5
Net profit	0.9	2.0	1.7	3.7	5.2	3.8	3.1	4.2
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	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	1	2
Receivables	12	15	14	32	42	40	41	43
Liquid funds	5	7	9	10	11	11	11	11
Total assets	37	41	44	70	82	80	84	88
Liabilities								
Shareholder's equity	23	24	24	28	34	38	40	43
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	4
Non-interest bearing current liabilities	10	13	13	30	36	33	35	36
Other interest-free debt	0	0	0	1	2	2	2	2
Total liabilities	37	41	44	70	82	80	84	88
CASH FLOW, EURm								
+ EBITDA	1	3	3	7	10	7	7	8
- Net financial items	1	0	0	0	-1	-1	0	0
- Taxes	0	-1	0	-1	-2	-1	-1	-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	4	3	4
- 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	2	2
+/- 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	0	0
Change in cash	0	1	2	1	2	-1	0	0

Commercial Services & Supplies/Finland, October 26, 2023
Company update

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	30	29	72	62	45	45	45
Net debt (excl. convertibles)	-3	-2	-1	-3	-6	-7	-8
Enterprise value	26	26	71	59	38	38	37
Sales	83	77	143	203	191	199	207
EBITDA	3	3	7	10	7	7	8
EBIT	3	2	6	9	7	7	8
Pre-tax	3	2	6	7	6	7	8
Earnings	2	2	4	5	4	3	4
Equity book value (excl. minorities)	24	24	28	34	38	40	43
Valuation multiples							
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	5.4	5.2	4.4
EV/EBITA	10.0	11.0	11.6	6.9	5.4	5.2	4.4
EV/EBIT	10.0	11.0	11.6	6.9	5.4	5.2	4.4
EV/OCF	11.1	5.5	23.6	51.2	8.9	13.5	9.3
EV/FCFF	12.3	81.0	33.1	16.3	8.2	8.6	8.3
P/FCFE	14.2	153.8	143.0	65.2	13.9	27.1	22.7
P/E	14.9	17.0	19.5	11.9	11.7	14.4	10.5
P/B	1.3	1.2	2.5	1.8	1.2	1.1	1.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.8	8.5	7.3
Target EV/EBIT	0.0	0.0	0.0	0.0	8.8	8.5	7.3
Target EV/FCF	0.0	0.0	0.0	0.0	19.6	37.8	31.2
Target P/B	0.0	0.0	0.0	0.0	1.8	1.7	1.6
Target P/E	0.0	0.0	0.0	0.0	18.1	22.2	16.3
Per share measures							
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	0.03	0.04
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	0.38	0.41
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	27.9	34.2	25.1
Dividend yield, %	3.4	3.6	0.0	0.0	2.4	2.4	2.4
FCF yield, %	7.0	0.7	0.7	1.5	7.2	3.7	4.4
Efficiency measures							
ROE	8.6	7.1	14.1	16.6	10.5	7.9	10.1
ROCE	9.9	8.4	18.3	21.4	16.7	16.8	18.4
Financial ratios							
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	1.0
CAPEX/sales (incl. acquisitions), %	0.3	6.0	1.8	0.1	0.6	0.6	1.0
FCFF/EBITDA	0.6	0.1	0.3	0.4	0.7	0.6	0.5
Net debt/EBITDA, book-weighted	-1.0	-0.7	-0.2	-0.3	-0.9	-0.9	-0.9
Debt/equity, market-weighted	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Equity ratio, book-weighted	57.8	53.6	40.8	41.6	47.5	48.0	49.4
Gearing, %	-14.9	-10.1	-3.7	-8.8	-16.4	-17.0	-17.8

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	8.400	18.9%
JOENSUUN KAUPPA JA KONE OY	10,955,791	4.601	10.3%
KOSKELO ILARI	6,000,000	2.520	5.7%
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	2,836,216	1.191	2.7%
SIIK SEPPÖ SAKARI	2,033,243	0.854	1.9%
K22 FINANCE OY	2,000,000	0.840	1.9%
MÄKELÄ PEKKA MIKAEL	1,775,713	0.746	1.7%
PAASI KARI	1,631,048	0.685	1.5%
SIIK RAUNI MARJUT	1,512,029	0.635	1.4%
KAKKONEN KARI HEIKKI ILMARI	1,500,000	0.630	1.4%
Ten largest	50,244,040	21.102	47%
Residual	55,715,960	23.401	53%
Total	105,960,000	44.503	100%

EARNINGS CALENDAR	
October 26, 2023	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
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

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

Recommendation	Percentage
Sell	15%
Hold	58%
Buy	27%

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

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