

Focusing on Renewable Energy

Dovre will realize significant value through the announced sale, which should help it to better find growth within Renewable Energy, however the exit leaves valuation neutral.

Today's Renewable Energy should again reach EUR 2m EBIT

The sale of Project Personnel and Consulting Norway will realize substantial value for Dovre so that it can focus on the remaining Renewable Energy segment, which has further growth potential in Finland and Sweden. Its profitability however has had its ups and downs, and as there were again some projects with challenges Dovre lowered its FY'24 EBIT guidance. We now estimate Q4 EBIT at EUR -0.8m, dragged down by Renewable Energy. The segment has averaged an EBIT of EUR 2.1m in the three previous years, and in our view it shouldn't be too hard to reach a similar level again next year as its top line is then likely to near EUR 100m. We include the divested assets in our estimates for now as the transaction is yet to be completed.

There are some potentially suitable acquisition targets

The 7x EV/EBIT multiple is well in line with that of the Project Personnel peer Brunel, and above Dovre's recent historical earnings multiples, while still clearly below many peers especially within Consulting. In our view any potential Renewable Energy acquisitions could be found at multiples above or below the 7x level. The segment has recently focused more on Swedish wind farms and solar power projects in Finland, where we believe there are at least a handful of companies Dovre might possibly acquire. The Finnish solar construction market still has considerable growth potential due to strong renewables demand, however the supply side is also competitive as larger players like Destia (Colas) participate too.

The exit leaves valuation quite neutral for now

The divestment should leave more than EUR 1m in reported EBIT for FY'25, assuming EUR 2.4m for Renewable Energy and EUR -1.2m for Other & Unallocated. Equity value will thus mostly rest on the estimated EUR 34m proceeds as Dovre owns no more than 51% of Suvic (in our view one use for the proceeds could be to add ownership), in addition to which it includes the solar development company Renetec (founded last year) as well as Consulting Finland. Our new TP is EUR 0.35 (0.50) to reflect the post-deal cash position; our rating is now HOLD (BUY).

Rating Hold



Share price, EUR (Last trading day's closing price)	0.32
Target price, EUR	0.35
Latest change in recommendation	22-Nov-24
Latest report on company	25-Oct-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	105 960
No. of shares fully diluted, '000's	105 960
Market cap, EURm	34
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
2022	203.0	8.5	4.2%	0.9	0.05	11.9	0.3	6.9	1.5%	
2023	196.7	7.4	3.8%	-0.1	0.04	11.3	0.2	6.3	-0.2%	0.01
2024E	210.3	-1.5	-0.7%	0.4	-0.02	-21.3	0.2	-23.9	1.2%	0.01
2025E	220.2	6.7	3.1%	0.9	0.02	15.4	0.2	5.4	2.6%	0.01
2026E	228.0	8.6	3.8%	4.5	0.06	5.2	0.1	3.8	13.3%	0.01
Market cap, EURm		34	Gearing 2024E, %			5.2 %	CAGR EPS 2023-26, %			17.2 %
Net debt 2024E, EURm		2	Price/book 2024E			1.0	CAGR Sales 2023-26, %			5.1 %
Enterprise value, EURm		36	Dividend yield 2024E, %			3.1 %	ROE 2024E, %			-4.4 %
Total assets 2024E, EURm		89	Tax rate 2024E, %			-47.8 %	ROCE 2024E, %			-3.3 %
Goodwill 2024E, EURm		20	Equity ratio 2024E, %			39.0 %	PEG, P/E 24/CAGR			0.0

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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	0.32 PV of Free Cash Flow	48 Long-term growth, %	2.5 % Risk-free interest rate, % 2.25 %
DCF share value	0.73 PV of Horizon value	32 WACC, %	9.2 % Market risk premium, % 5.8 %
Share price potential, %	128.2 % Unconsolidated equity	0 Spread, %	0.0 % Debt risk premium % 2.8 %
Maximum value	0.7 Marketable securities	8 Minimum WACC, %	9.2 % Equity beta coefficient 1.20
Minimum value	0.7 Debt – dividend	-10 Maximum WACC, %	9.2 % Target debt ratio, % 15 %
Horizon value, %	40.3 % Value of stock	78 No. of shares, Mn	106.0 Effective tax rate, % 20 %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	197	210	220	228	234	240	246	252	259	265	272	278
Sales growth (%)	-3.1%	6.9%	4.7%	3.6%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Operating income (EBIT)	7	-2	7	9	11	12	12	13	13	13	14	14
Operating income margin %	3.8%	-0.7%	3.1%	3.8%	4.6%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	1		0	0	0	0	1	1	1	0	0	
EBITDA	8	-2	7	9	11	12	13	13	14	13	14	
- Paid taxes	-2	-1	-2	-2	-2	-2	-2	-3	-3	-3	-3	
- Change in NWC	-5	3	0	0	0	0	0	0	0	0	0	
NWC / Sales, %	5.9%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.1%	4.2%	4.2%	4.2%	
+ Change in other liabs	-1											
- Operative CAPEX	0	-1	-1	-2	-2	-2	-2	-2	15	-1	-6	
opCAPEX / Sales, %	0.1%	0.5%	0.5%	0.9%	0.9%	0.8%	0.8%	0.8%	-5.8%	0.4%	2.1%	
- Acquisitions												
+ Divestments												
- Other items												
= FCFF	1	-1	4	5	7	8	8	8	26	9	5	72
= Discounted FCF		-1	3	4	5	5	5	5	14	5	2	32
= DFCF min WACC		-1	3	4	5	5	5	5	14	5	2	32
= DFCF max WACC		-1	3	4	5	5	5	5	14	5	2	32

Sensitivity analysis, EUR

		Terminal WACC				
		7.23 %	8.23 %	9.23 %	10.23 %	11.23 %
Terminal EBIT-%	3.00 %	0.40	0.39	0.38	0.37	0.36
	4.00 %	0.69	0.62	0.56	0.51	0.47
	5.00 %	0.99	0.84	0.73	0.65	0.59
	6.00 %	1.28	1.06	0.91	0.79	0.70
	7.00 %	1.58	1.29	1.08	0.93	0.81

Estimates and valuation

Dovre	FY '20	FY '21	FY '22	Q1'23	Q2'23	Q3'23	Q4'23	FY '23	Q1'24	Q2'24	Q3'24	Q4'24e	FY '24e
Revenue	77.5	142.7	203.0	45.8	47.3	52.8	50.8	196.7	42.3	50.9	63.2	53.9	210.3
Project Personnel	62.9	76.2	90.6	24.8	25.9	28.8	29.3	108.8	25.2	25.3	25.1	30.2	105.8
y/y growth	-18 %	21 %	19 %	9 %	16 %	28 %	27 %	20 %	2 %	-2 %	-13 %	3 %	-3 %
Consulting	14.5	16.1	18.2	5.1	4.0	3.5	3.9	16.5	3.6	3.5	2.8	3.8	13.7
y/y growth	137 %	11 %	13 %	17 %	-13 %	-20 %	15 %	-9 %	-30 %	-13 %	-19 %	-3 %	-17 %
Renewable Energy		50.4	94.2	15.9	17.4	20.5	17.6	71.4	13.5	22.1	35.3	19.9	90.8
y/y growth			87 %	-23 %	-14 %	-38 %	-13 %	-24 %	-15 %	27 %	72 %	13 %	27 %
EBIT	2.4	6.1	8.5	1.7	1.5	2.7	1.5	7.4	-4.9	1.9	2.4	-0.8	-1.5
Project Personnel	1.9	2.9	4.3	1.2	0.9	1.7	1.1	4.9	0.7	0.7	1.0	0.9	3.3
EBIT-%	3 %	4 %	5 %	5 %	3 %	6 %	4 %	5 %	3 %	3 %	4 %	3 %	3 %
Consulting	1.5	2.3	2.5	0.6	0.4	0.4	0.4	1.7	0.3	0.2	0.3	0.2	1.0
EBIT-%	10 %	14 %	14 %	12 %	10 %	11 %	10 %	10 %	8 %	6 %	11 %	5 %	7 %
Renewable Energy		1.9	2.7	0.2	0.5	0.9	0.2	1.8	-5.7	1.1	1.4	-1.6	-4.8
EBIT-%		4 %	3 %	1 %	3 %	4 %	1 %	3 %	-42 %	5 %	4 %	-8 %	-5 %
Other & Unallocated	-1.0	-1.0	-1.0	-0.3	-0.3	-0.3	-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-%		
		23	24	25	23	24	25	23	24	25
Brunel International	424	7.7x	6.0x	5.0x	10.8x	8.4x	6.7x	4.1 %	4.0 %	4.7 %
Eezy	30	7.1x	8.2x	6.6x	25.7x	24.7x	14.7x	1.8 %	2.1 %	3.3 %
Randstad	7079	8.6x	8.4x	7.4x	10.6x	11.2x	9.5x	4.2 %	3.2 %	3.7 %
AFRY	1456	8.1x	8.0x	7.3x	12.2x	11.6x	10.3x	6.8 %	7.2 %	7.8 %
Etteplan	266	9.3x	9.3x	7.6x	14.7x	15.9x	12.7x	7.7 %	6.0 %	7.4 %
Sitowise Group	88	8.3x	9.6x	7.5x	15.0x	30.1x	16.0x	6.2 %	3.0 %	5.4 %
SWECO	4907	16.0x	16.6x	15.1x	22.0x	21.2x	19.0x	8.6 %	9.8 %	10.3 %
AF Gruppen	1252	11.4x	9.7x	7.3x	19.9x	16.1x	10.7x	2.5 %	3.4 %	5.0 %
Kreate Group	68	5.9x	6.6x	5.9x	11.1x	10.8x	9.0x	2.3 %	3.3 %	3.6 %
Sdiptech	768	10.8x	9.3x	8.6x	15.2x	13.0x	11.8x	17.1 %	16.5 %	16.9 %
Veidekke	1537	4.9x			8.4x			3.3 %	3.8 %	3.9 %
Peer Group Average	1625	8.9x	9.2x	7.8x	15.1x	16.3x	12.1x	5.9 %	5.7 %	6.5 %
Peer Group Median	768	8.3x	8.8x	7.3x	14.7x	14.5x	11.3x	4.2 %	3.8 %	5.0 %
Dovre (Evli est.)	34	5.6x	-71.6x	4.6x	6.3x	-23.9x	5.4x	3.8 %	-0.7 %	3.0 %

Dovre prem./disc. to peer median

-32 % -910 % -38 % -57 % -265 % -53 % -11 % -119 % -39 %

Source FactSet, Evli Research

Segment	EBIT '24e	EV/EBIT '24e *	EV ¹⁾	EBIT '25e	EV/EBIT '25e *	EV ¹⁾
Project Personnel	3.3	11.2x	37	4.0	9.5x	38
Consulting	1.0	18.6x	19	1.5	14.4x	22
Renewable Energy	-4.8	13.0x	-32	2.4	10.7x	13
Other & Unallocated ²⁾	-1.1	14.3x	-16	-1.2	11.5x	-14
Total	-1.6	-5.0x	8	6.7	8.8x	58
Net debt (Evli YE est.)			2			1
Equity value			6			57
Per share			0.06			0.54
EV/EBIT ³⁾			10.7x			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

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Net sales	45.8	47.3	52.8	50.8	196.7	42.3	50.9	63.2	53.9	210.3	220.2	228.0
EBITDA	1.9	1.8	2.9	1.8	8.4	-4.6	2.1	2.6	-0.6	-0.5	7.0	8.9
<i>EBITDA margin (%)</i>	<i>4.2%</i>	<i>3.8%</i>	<i>5.5%</i>	<i>3.5%</i>	<i>4.3%</i>	<i>-10.9%</i>	<i>4.1%</i>	<i>4.1%</i>	<i>-1.1%</i>	<i>-0.2%</i>	<i>3.2%</i>	<i>3.9%</i>
EBIT	1.7	1.5	2.7	1.5	7.4	-4.9	1.9	2.3	-0.8	-1.5	6.7	8.6
<i>EBIT margin (%)</i>	<i>3.7%</i>	<i>3.2%</i>	<i>5.1%</i>	<i>2.9%</i>	<i>3.8%</i>	<i>-11.6%</i>	<i>3.7%</i>	<i>3.6%</i>	<i>-1.5%</i>	<i>-0.7%</i>	<i>3.1%</i>	<i>3.8%</i>
Net financial items	-0.2	-0.2	-0.6	-0.1	-1.1	-0.2	-0.1	-0.4	-0.1	-0.8	-0.4	-0.4
Pre-tax profit	1.5	1.3	2.1	1.4	6.3	-5.1	1.8	1.9	-0.9	-2.3	6.3	8.2
Tax	-0.3	-0.5	-0.5	-0.4	-1.7	-0.3	0.0	-0.5	-0.3	-1.1	-1.6	-1.6
<i>Tax rate (%)</i>	<i>20.0%</i>	<i>37.5%</i>	<i>24.4%</i>	<i>28.6%</i>	<i>27.0%</i>	<i>-5.9%</i>	<i>-0.9%</i>	<i>27.2%</i>	<i>-33.3%</i>	<i>-47.8%</i>	<i>25.4%</i>	<i>20.0%</i>
Net profit	1.0	0.8	1.3	1.0	4.1	-2.4	1.0	1.2	-1.4	-1.6	2.2	6.5
EPS	0.01	0.01	0.01	0.01	0.04	-0.02	0.01	0.01	-0.01	-0.02	0.02	0.06
EPS adj. (diluted)	0.01	0.01	0.01	0.01	0.04	-0.02	0.01	0.01	-0.01	-0.02	0.02	0.06
Dividend per share					0.01					0.01	0.01	0.01

SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Project Personnel	24.8	25.9	28.8	29.3	108.8	25.2	25.3	25.1	30.2	105.8	109.0	111.7
Consulting	5.1	4.0	3.5	3.9	16.5	3.6	3.5	2.8	3.8	13.7	14.0	14.3
Renewable Energy	15.9	17.4	20.5	17.6	71.4	13.5	22.1	35.3	19.9	90.8	97.2	102.0
Total	45.8	47.3	52.8	50.8	196.7	42.3	50.9	63.2	53.9	210.3	220.2	228.0

SALES GROWTH, Y/Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Project Personnel	9.3%	15.6%	28.0%	27.4%	20.1%	1.6%	-2.3%	-12.9%	3.1%	-2.8%	3.0%	2.5%
Consulting	15.9%	-13.0%	-18.6%	-20.4%	-9.3%	-29.4%	-12.5%	-20.0%	-2.6%	-17.0%	2.5%	2.0%
Renewable Energy	-23.2%	-14.3%	-37.7%	-13.3%	-24.2%	-15.1%	27.0%	72.2%	13.1%	27.2%	7.0%	5.0%
Total	-4.2%		-11.6%	5.4%	-3.1%	-7.6%	7.6%	19.7%	6.1%	6.9%	4.7%	3.6%

EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Project Personnel	1.2	0.9	1.7	1.1	4.9	0.7	0.7	1.0	0.9	3.3	4.0	4.5
Consulting	0.6	0.3	0.4	0.4	1.7	0.3	0.3	0.3	0.2	1.1	1.5	1.7
Renewable Energy	0.2	0.5	0.9	0.2	1.8	-5.7	1.1	1.4	-1.6	-4.8	2.4	3.6
Other functions	-0.2	-0.2	-0.2	-0.1	-0.7	-0.2	-0.2	-0.3	-0.2	-0.8	-0.8	-0.8
Unallocated	-0.1		-0.1	-0.1	-0.3	-0.1		-0.1	-0.1	-0.3	-0.4	-0.4
Total	1.7	1.5	2.7	1.5	7.4	-4.9	1.9	2.3	-0.8	-1.5	6.7	8.6

EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2	2024Q3	2024Q4E	2024E	2025E	2026E
Project Personnel	4.8%	3.5%	5.9%	3.8%	4.5%	2.8%	2.8%	4.0%	3.0%	3.1%	3.7%	4.0%
Consulting	11.8%	7.5%	11.4%	10.3%	10.3%	8.3%	8.6%	10.7%	5.3%	8.0%	10.5%	12.0%
Renewable Energy	1.3%	2.9%	4.4%	1.1%	2.5%	-41.9%	4.8%	4.0%	-8.0%	-5.3%	2.5%	3.5%
Other functions	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Unallocated	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%		-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
Total	3.7%	3.2%	5.1%	2.9%	3.8%	-11.6%	3.7%	3.6%	-1.5%	-0.7%	3.1%	3.8%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	83.1	77.4	142.7	203.0	196.7	210.3	220.2	228.0
<i>Sales growth (%)</i>	26.9%	-6.9%	84.4%	42.3%	-3.1%	6.9%	4.7%	3.6%
EBITDA	3.5	3.2	7.0	9.5	8.4	-0.5	7.0	8.9
<i>EBITDA margin (%)</i>	4.2%	4.2%	4.9%	4.7%	4.3%	-0.2%	3.2%	3.9%
Depreciation	-0.9	-0.8	-0.9	-1.0	-1.0	-1.0	-0.3	-0.3
EBITA	2.6	2.4	6.1	8.5	7.4	-1.5	6.7	8.6
Goodwill amortization / writedown								
EBIT	2.6	2.4	6.1	8.5	7.4	-1.5	6.7	8.6
<i>EBIT margin (%)</i>	3.1%	3.1%	4.3%	4.2%	3.8%	-0.7%	3.1%	3.8%
Reported EBIT	2.6	2.4	6.1	8.5	7.4	-1.5	6.7	8.6
<i>EBIT margin (reported) (%)</i>	3.1%	3.1%	4.3%	4.2%	3.8%	-0.7%	3.1%	3.8%
Net financials	-0.1	-0.2	-0.5	-1.0	-1.1	-0.8	-0.4	-0.4
Pre-tax profit	2.5	2.2	5.6	7.5	6.3	-2.3	6.3	8.2
Taxes	-0.6	-0.5	-1.3	-1.6	-1.7	-1.1	-1.6	-1.6
Minority shares			-0.6	-0.7	-0.5	1.8	-2.5	
Net profit	2.0	1.7	3.7	5.2	4.1	-1.6	2.2	6.5
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	3	3	3	4	7	8	9	10
Goodwill	15	16	21	21	20	20	20	20
Right of use assets								
Inventory			1	2	7	6	7	7
Receivables	15	14	32	42	44	44	46	48
Liquid funds	7	9	10	11	8	8	9	9
Total assets	41	44	70	82	88	89	93	97
Liabilities								
Shareholders' equity	24	24	28	34	37	35	36	41
Minority interest								
Convertibles								
Lease liabilities								
Deferred taxes	1	1	1	1	1	1	1	1
Interest bearing debt	3	6	8	8	9	10	11	8
Non-interest bearing current liabilities	13	13	30	36	38	41	43	44
Other interest-free debt	0	0	1	2	1	1	1	1
Total liabilities	41	44	70	82	88	89	93	97
CASH FLOW, EURm								
+ EBITDA	3	3	7	10	8	-1	7	9
- Net financial items	0	0	0	-1	-1	-1	0	0
- Taxes	-1	0	-1	-2	-2	-1	-2	-2
- Increase in Net Working Capital	-1	2	-2	-5	-5	3	0	0
+/- Other			-1	-1	-1	2	-3	
= Cash flow from operations	2	5	3	1	0	1	2	7
- Capex	0	-5	-3	0	0	-1	-1	-2
- Acquisitions								
+ Divestments								
= Free cash flow	2	0	1	1	0	0	1	5
+/- New issues/buybacks		0	2	1	-1			
- Paid dividend	1	1			1	1	1	1
+/- Other	0	3	0	0	-2	1	1	-3
Change in cash	1	2	1	2	-3	1	0	0

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	29	72	62	46	34	34	34
Net debt (excl. convertibles)	-2	-1	-3	1	2	2	-2
Enterprise value	26	71	59	47	36	36	33
Sales	77	143	203	197	210	220	228
EBITDA	3	7	10	8	-1	7	9
EBIT	2	6	9	7	-2	7	9
Pre-tax	2	6	7	6	-2	6	8
Earnings	2	4	5	4	-2	2	7
Equity book value (excl. minorities)	24	28	34	37	35	36	41

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	0.3	0.5	0.3	0.2	0.2	0.2	0.1
EV/EBITDA	8.2	10.2	6.2	5.6	-71.6	5.1	3.6
EV/EBITA	11.0	11.6	6.9	6.3	-23.9	5.4	3.8
EV/EBIT	11.0	11.6	6.9	6.3	-23.9	5.4	3.8
EV/OCF	5.5	23.6	52.0	363.9	25.6	17.6	5.0
EV/FCF	81.0	33.1	16.4	65.5	-47.2	9.7	6.7
P/FCFR	153.8	143.0	66.4	-644.7	84.9	37.8	7.5
P/E	17.0	19.5	11.9	11.3	-21.3	15.4	5.2
P/BV	1.2	2.5	1.8	1.2	1.0	0.9	0.8
Target EV/EBITDA					-25.9	5.6	4.0
Target EV/EBIT					-25.9	5.8	4.1
Target EV/FCFF					97.1	43.4	7.9
Target P/BV					1.1	1.0	0.9
Target P/E, diluted	12.1		14.7	18.1	-23.2	16.8	5.7

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	102.96	105.96	105.96	105.96	105.96	105.96	105.96
Number of shares (diluted, million)	102.96	105.96	105.96	105.96	105.96	105.96	105.96
EPS	0.02	0.03	0.05	0.04	-0.02	0.02	0.06
Operating cash flow per share	0.05	0.03	0.01	0.00	0.01	0.02	0.06
Free cash flow per share	0.00	0.00	0.01	0.00	0.00	0.01	0.04
Book value per share	0.23	0.27	0.32	0.35	0.33	0.34	0.39
Dividend per share	0.01			0.01	0.01	0.01	0.01
Dividend payout ratio, %	60.9%			26.1%	-66.2%	48.0%	16.2%
Dividend yield, %	3.6%			2.3%	3.1%	3.1%	3.1%
FCF yield, %	0.7%	0.7%	1.5%	-0.2%	1.2%	2.6%	13.3%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	7.1%	14.2%	16.5%	11.3%	-4.4%	6.2%	16.9%
ROCE	8.5%	18.3%	21.4%	16.6%	-3.3%	13.8%	17.1%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
Inventories as % of sales		0.5%	0.7%	3.4%	3.0%	3.0%	3.0%
Receivables as % of sales	17.8%	22.5%	20.8%	22.4%	21.0%	21.0%	21.0%
Non-int. bearing liabilities as % of sales	17.1%	21.1%	17.5%	19.5%	19.5%	19.5%	19.5%
NWC/sales, %	0.2%	1.2%	3.2%	5.9%	4.1%	4.1%	4.1%
Operative CAPEX/Sales, %	6.0%	1.8%	0.1%	0.1%	0.5%	0.5%	0.9%
CAPEX/sales (incl. acquisitions), %	6.0%	1.8%	0.1%	0.1%	0.5%	0.5%	0.9%
FCFF/EBITDA	0.1	0.3	0.4	0.1	0.5	0.5	0.5
Net Debt/EBITDA, book-weighted	-0.7	-0.2	-0.3	0.1	-1.2	0.3	-0.2
Debt/equity, market-weighted	0.2	0.1	0.1	0.2	0.3	0.3	0.2
Equity ratio, book-weighted	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Gearing, %	-10.1%	-3.7%	-8.8%	3.1%	5.2%	5.5%	-3.6%

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	19 000 000	6.099	17.9 %
JOENSUUN KAUPPA JA KONE OY	11 482 391	3.686	10.8 %
KOSKELO ILARI	6 155 000	1.976	5.8 %
SKANDINAVISKA ENSKILDA BANKEN AB (PUBL) HELSINKI BRANCH	3 465 513	1.112	3.3 %
SIIK SEPPO SAKARI	2 094 015	0.672	2.0 %
K22 FINANCE OY	2 000 000	0.642	1.9 %
MÄKELÄ PEKKA MIKAEL	1 775 713	0.570	1.7 %
PAASI KARI	1 750 000	0.562	1.7 %
SIIK RAUNI MARJUT	1 584 885	0.509	1.5 %
KAKKONEN KARI HEIKKI ILMARI	1 500 000	0.481	1.4 %
Ten largest	50 807 517	16.309	47.9 %
Residual	55 152 483	17.704	52.1 %
Total	105 960 000	34.013	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

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 CFO: Hans Sten
 IR:

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DEFINITIONS

<p>P/E</p> $\frac{\text{Price per share}}{\text{Earnings per share}}$	<p>EPS</p> $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<p>P/BV</p> $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<p>DPS</p> <p>Dividend for the financial period per share</p>
<p>Market cap</p> <p>Price per share * Number of shares</p>	<p>OCF (Operating cash flow)</p> <p>EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments</p>
<p>EV (Enterprise value)</p> <p>Market cap + net debt + minority interest at market value – share of associated companies at market value</p>	<p>FCF (Free cash flow)</p> <p>Operating cash flow – Operative CAPEX – acquisitions + divestments</p>
<p>EV/Sales</p> $\frac{\text{Enterprise value}}{\text{Sales}}$	<p>FCF yield, %</p> $\frac{\text{Free cash flow}}{\text{Market cap}}$
<p>EV/EBITDA</p> $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<p>Operative CAPEX / Sales</p> $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<p>EV/EBIT</p> $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<p>Net working capital</p> <p>Current assets – current liabilities</p>
<p>Net debt</p> <p>Interest bearing debt – financial assets</p>	<p>Capital employed / Share</p> $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<p>Total assets</p> <p>Balance sheet total</p>	<p>Gearing</p> $\frac{\text{Net debt}}{\text{Equity}}$
<p>Div yield, %</p> $\frac{\text{Dividend per share}}{\text{Price per share}}$	<p>Debt/Equity, %</p> $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<p>Payout ratio, %</p> $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<p>Equity ratio, %</p> $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<p>ROCE, %</p> $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	<p>CAGR, %</p> <p>Cumulative annual growth rate = Average growth rate per year</p>
<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

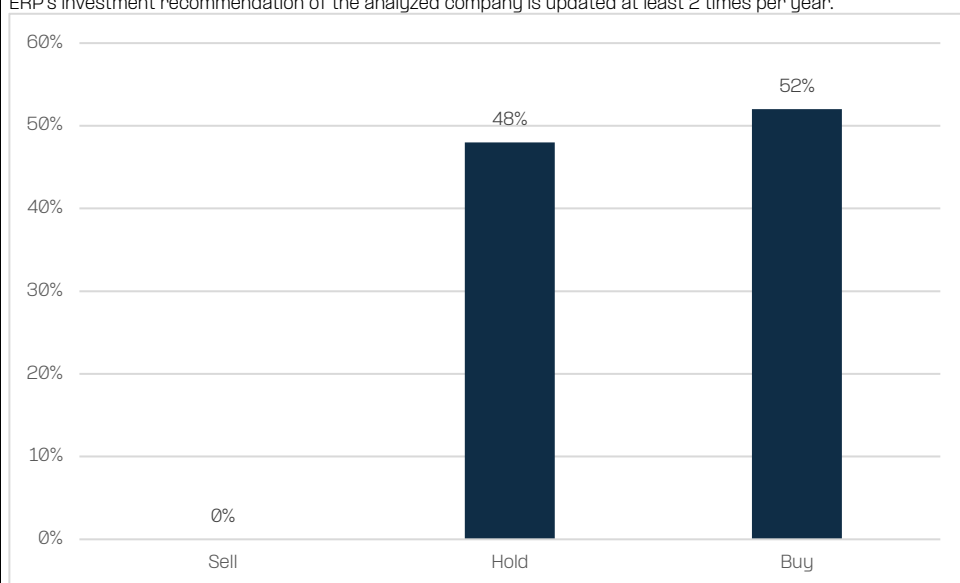
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage on the 23rd of October, 2024. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Joonas Iivonen

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