

# DOVRE GROUP TRADING STATEMENT JANUARY 1 – SEPTEMBER 30, 2022: Dovre's all three business areas continued profitable growth in Q3 2022

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a.m.



**DOVRE GROUP TRADING STATEMENT JANUARY 1 – SEPTEMBER 30, 2022**



**Dovre's all three business areas continued profitable growth in Q3 2022**



*Dovre Group Plc issues today a trading statement for the three months ended on September 30, 2022. The figures presented in this trading statement are not audited. Last year's corresponding period in parentheses.*



## **July – September 2022**

- Net sales EUR 59.7 (46.5) million – increase 28.5%.
  - Project Personnel: net sales EUR 22.5 (19.4) million – increase 16.1%.
  - Consulting: net sales EUR 4.4 (3.3) million – increase 32.8%.
  - Renewable Energy: net sales EUR 32.9 (23.9) million – increase 37.9%.
- EBITDA EUR 3.2 (2.9) million – increase 10.5%.
- Operating profit EUR 3.0 (2.7) million – increase 11.5%.
- Profit before tax EUR 2.9 (1.5) million – increase 96.9%.
- Profit for the shareholders of the parent company EUR 1.9 (1.5) million – increase of 29.2%.
- Earnings per share EUR 0.018 (0.014).
- Net cash flow from operating activities EUR 0.6 (3.4) million.

## **January–September 2022**

- Net sales grew by 54.3% to EUR 154.9 (100.4) million. All business areas continued to grow, but the increase was driven especially by the Renewable Energy business.
  - Project Personnel: net sales EUR 67.6 (53.4) million – increase of 26.6%.
  - Consulting: net sales EUR 13.3 (11.9) million – increase of 11.8%.
  - Renewable Energy: net sales EUR 73.9 (35.0) million – increase of 111.0%. The 2021 comparison period figure is for the period 1 April – 30 September 2021).

- EBITDA increased to EUR 7.0 (4.9) million – increase of 41.5%.
- Operating profit EUR 6.3 (4.3) million – increase of 47.7%.
- Profit before tax EUR 6.0 (4.0) million – increase 53.0%.
- Profit for the shareholders of the parent EUR 4.1 (2.5) million – increase of 59.8%
- Earnings per share EUR 0.038 (0.024).
- Net cash flow from operating activities EUR 0.0 (1.2) million.

**Outlook for 2022 unchanged (issued on 25 October 2022):**

Dovre Group's net sales in 2022 is expected to be more than EUR 195 million and the operating profit (EBIT) is expected to be above 7.3 million.

**ARVE JENSEN, CEO:**

In Q3 our net sales was up by 28.5% to 59.7 (46.5) million euros. The increase was driven by organic growth in all three business areas, with Consulting and Renewable Energy each increasing their net sales by approximately one third year-on-year. I am pleased to see all three business segments to deliver profitable operating results again this the quarter.

Current energy crisis, and the need to replace fossil fuel -based energy production, are driving the growth of all our business areas, but especially in our Renewal Energy segment. Close to 75% of our Q3 - and also from our January-September - topline growth came from this segment, which consists of a majority of Suvic Oy's business that was acquired in March 2021. During Q3 Suvic has been involved in building seven different windmill parks in Finland, and after the review period it announced the signing of two additional windmill park projects, that will be started in Q4 2022. I am proud to see the strong development of Suvic and how they have been able to manage their projects through the very busy summer season.

Activity levels were high also in our Project Personnel and Consulting businesses. Increased demand for our services, in Norway, supported these segments' growth. Project Personnel's net sales increased by 16.1% and profitability improved clearly in Q3, even if the number of consultant employed by this segment decreased mainly due to Castberg project being completed in Singapore in Q1. In Consulting, the 32.8% growth was driven by several larger projects in Norway both in public sector and energy. In Consulting Finland, the Proha entity has continued to have high activity and the strengthening of our operations with eSite develops according to plan.

In short-term, our operating environment continues to possess several concerns, such as the current geopolitical situation, high inflation, and high oil prices. In mid to long-term, the demand for energy is forcing governments and the private sector to seek new energy-efficient solutions, which we believe will support the growth of all our business areas.

After a very high post-pandemic growth in both revenue and operating profit in 2022 we expect the 2023 growth numbers to return to more normal levels.

In order to stay ahead of our industry's tight competition, we continue to focus on further expanding our services in the energy sector, sustaining profitable growth and ensuring high customer satisfaction by securing the best professionals for our clients' projects.

## NET SALES

### Net sales in Q3

In Q3, Dovre Group's net sales increased by 28.5% to EUR 59.7 (46.5) million. The majority of the growth, close to three quarters, was due to the Renewable Energy business.

Project Personnel accounted for 38 (42) %, Consulting for 7 (7) % and Renewable Energy for 55 (51) % of the Group's net sales. Project Personnel's net sales increased by 16.1% to EUR 22.5 (19.4) million and net sales for Consulting increased by 32.8% to EUR 4.4 (3.3) million. Net sales in Renewable Energy was up by 37.9% to 32.9 (23.9) million euros.

### Net sales in January – September

In January–September, Dovre Group's net sales increased by 54.3% to EUR 154.9 (100.4) million with Renewable Energy representing approximately 71% of the growth. In the 2021 comparison period Renewable Energy is included in group figures from 1 April 2021 onwards.

Project Personnel accounted for 44 (53) %, Consulting for 9 (12) % and Renewable Energy for 48 (35) % of the Group's net sales.

Project Personnel's net sales increased by 26.6% to EUR 67.6 (53.4) million driven by favorable market development especially in Norway. Net sales for Consulting increased by 11.8%, totaling EUR 13.3 (11.9) million. Renewable Energy segment has grown rapidly with the launch of new windmill park projects after the 2021 comparison period, and the segment's net sales in January–September totaled 73.9 million euros (35.0 in April–June 2021).

Year-on-year fluctuations in foreign currency exchange rates a minor positive impact on the Group's net sales in Q3. At constant currencies, net sales would have increased by 52.0% year-on-year in January–September instead of 54.3%.

### Net sales by reporting segment

	7-9	7-9	Change	1-9	1-9	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
Project Personnel	22.5	19.4	16.1	67.6	53.4	26.6	76.2
Consulting	4.4	3.3	32.8	13.3	11.9	11.8	16.1

Renewable Energy	32.9	23.9	37.9	73.9	35.0	111.0	50.4
<b>Group total</b>	<b>59.7</b>	<b>46.5</b>	<b>28.5</b>	<b>154.9</b>	<b>100.4</b>	<b>54.3</b>	<b>142.7</b>

\*Renewable Energy as of April 1, 2021 (Suvic acquisition).

## PROFITABILITY

### Profitability in Q3

The Group's EBITDA in Q3 improved by 10.5% to EUR 3.2 (2.9) million. The Group's operating profit increased by 11.5% to EUR 3.0 (2.7) million. Project Personnel's operating profit was EUR 1.1 (0.7) million, Consulting's operating profit was EUR 0.7 (0.4) million and Renewable Energy's operating profit was EUR 1.4 (1.8) million. In Renewable Energy, the weakened Q3 profitability year-on-year was attributable to the difference in portfolio of projects. The operating loss of the Group's Other functions was EUR -0.1 (-0.1) million.

### Profitability in January – September

The Group's EBITDA in January – September improved by 41.5% to EUR 7.0 (4.9) million. The Group's operating profit increased by 47.7% to EUR 6.3 (4.3) million. Project Personnel's operating profit was EUR 3.2 (1.8) million, Consulting's operating profit was EUR 1.6 (1.7) million and Renewable Energy's operating profit was EUR 2.3 (1.5) million. The operating loss of the Group's Other functions was EUR -0.3 (-0.2) million.

### EBITDA

	7-9	7-9	Change	1-9	1-9	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
Project Personnel	1.2	0.7	55.0	3.4	2.1	64.6	3.3
Consulting	0.7	0.4	60.7	1.6	1.8	-8.8	2.3
Renewable Energy*	1.5	1.8	-18.3	2.4	1.6	54.1	2.0
Other Functions	-0.1	-0.1	-6.4	-0.4	-0.5	17.7	-0.7
Unallocated **	0.0	0.1	-45.8	-0.1	0.0	-499.8	0.0
<b>Group total</b>	<b>3.2</b>	<b>2.9</b>	<b>10.5</b>	<b>7.0</b>	<b>4.9</b>	<b>41.5</b>	<b>6.9</b>

### Operating profit

	7-9	7-9	Change	1-9	1-9	Change	1-12
EUR million	2022	2021	%	2022	2021	%	2021
Project Personnel	1.1	0.7	57.1	3.2	1.8	73.2	2.9
Consulting	0.7	0.4	65.5	1.6	1.7	-7.5	2.3
Renewable Energy*	1.4	1.8	-18.9	2.3	1.5	54.9	1.9
Other Functions	-0.2	-0.1	-3.0	-0.5	-0.6	18.6	-0.7
Unallocated **	-0.1	-0.1	-37.1	-0.3	-0.2	-46.1	-0.3
<b>Group total</b>	<b>3.0</b>	<b>2.7</b>	<b>11.5</b>	<b>6.3</b>	<b>4.3</b>	<b>47.7</b>	<b>6.1</b>

\*Renewable Energy as of April 1, 2021 (Suvic acquisition).

\*\*Unallocated expenses include amortization of customer agreements and relations.

## CASH POSITION

On September 30, 2022, the Group's net debt was EUR 1.3 (0.3) million. The Group's cash and cash equivalents totaled EUR 7.9 (6.9) million. The Group's interest-bearing liabilities were EUR 9.2 (7.2) million, a total of EUR 6.2 (4.2) million of which were current and EUR 3.0 (3.1) million non-current.

In January – September, net cash flow from operating activities totaled EUR 0.0 (1.2) million, which includes EUR -5.6 (-1.7) million change in working capital. The change in working capital is mainly due to the increase in Suvic's short-term receivables (income based on the percentage of completion).

Due to the nature of the business, the Group's cash flow development is typically less favorable during the first half of the year.

## PERSONNEL

In Q3 2022, the average number of employees declined by 11.4% year-on-year following the completion of major projects in Project Personnel business area after the comparison period. During January–September, the Dovre Group employed an average of 789 people (763). The average number of employees during the period increased due to the organic growth of the Consulting and Renewable Energy businesses.

On September 30, 2022, Dovre Group employed 708 (884) people, 563 (761) of whom were employed by Project Personnel, 101 (92) by Consulting, 42 (30) by Renewable Energy and 2 (2) by Other functions.

Average number of personnel	7-9		Change %	1-9		Change %	1-12 2021
	2022	2021		2022	2021		
Project Personnel	619	741	-16.5	653	654	-0.1	685
Consulting	99	88	13.1	97	87	11.9	88
Renewable Energy*	42	30	40.0	36	19	88.5	22
Other Functions	2	2	0.0	2	2	-18.2	2
<b>Group total</b>	<b>762</b>	<b>861</b>	<b>-11.4</b>	<b>789</b>	<b>763</b>	<b>3.4</b>	<b>796</b>

### Personnel at period-end

	30.9.		Change %	31.12. 2021
	2022	2021		
Project Personnel	563	761	-26.0	743
Consulting	101	92	10.4	90
Renewable Energy*	42	30	40.0	32
Other Functions	2	2	0.0	1
<b>Group total</b>	<b>708</b>	<b>884</b>	<b>-20.0</b>	<b>865</b>

## EVENTS AFTER THE REVIEW PERIOD

### New windmill park agreement

In October 5, 2022, Suvic Oy, which forms the Group's Renewable Energy business area, announced a new wind farm project after the review period in October. The company has signed a design and construction agreement for constructing the foundations for two new wind farms in Ostrobothnia in the municipality of Ii. The new wind farms will be called Isokangas and Palokangas. The design work will start by the end of 2022 and the construction work will commence in the spring of 2023.

#### **SaraRasa signs a pellet off-take agreement until December 2024**

In October 14, 2022, Dovre Group's partly owned equity investment (ownership 19.86%) SaraRasa Bioindo Pte. Ltd., agreed with Cellmark Ab to supply the majority of its production of pellets for a two-year period starting from December 2022 and ending in December 2024 for the Korean market using Cellmark's services. The agreement is fixed price, and the contract is valued at about 14 million euros. This new off-take agreement replaces the previous agreement announced on July 25, 2019, between the same parties.

#### **New outlook for 2022 issued on 25 October 2022**

Dovre Group's net sales in 2022 is expected to be more than EUR 195 million and the operating profit (EBIT) is expected to be above 7.3 million.

The guidance is raised due to the continued strong demand for Dovre's services in Project Personnel and Consulting, and also due to the solid execution of Suvic in its Renewable Energy construction projects.

In Espoo, October 26, 2022

DOVRE GROUP PLC  
BOARD OF DIRECTORS

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