

Dovre Group Plc Stock exchange release October 26, 2023, at 8.45 a.m.

DOVRE GROUP TRADING STATEMENT JANUARY 1 – SEPTEMBER 30, 2023

Dovre Group Plc issues today a trading statement for the three months ended on September 30, 2023. The figures presented in this trading statement are not audited. Last year's corresponding period in parentheses.

July – September 2023

- Net sales EUR 52.8 (59.7) million – decrease of -11.6%.
 - Project Personnel: net sales EUR 28.8 (22.5) million – increase of 28.2%.
 - Consulting: net sales EUR 3.5 (4.4) million – decrease of -19.7%.
 - Renewable Energy: net sales EUR 20.5 (32.9) million – decrease of -37.8%.
- EBITDA EUR 2.9 (3.2) million – decrease of -7.2%.
- Operating profit EUR 2.7 (3.0) million – decrease of -12.1%.
- Profit before tax EUR 2.1 (2.9) million – decrease of -26.2%.
- Profit for the shareholders of the parent company EUR 1.3 (1.9) million – decrease of -31.6%.
- Earnings per share EUR 0.012 (0.018) – decrease of -32.6%.
- Net cash flow from operating activities EUR -3.3 (0.6) million.

January – September 2023

- Net sales EUR 145.9 (154.9) million – decrease of -5.8%.
 - Project Personnel: net sales EUR 79.5 (67.6) million – increase of 17.6%.
 - Consulting: net sales EUR 12.6 (13.3) million – decrease of -5.5%.
 - Renewable Energy: net sales EUR 53.8 (73.9) million – decrease of -27.2%.
- EBITDA EUR 6.6 (7.0) million – decrease of -4.8%.
- Operating profit EUR 5.9 (6.3) million – decrease of -6.7%.
- Profit before tax EUR 4.9 (6.0) million – decrease of -18.8%.
- Profit for the shareholders of the parent company EUR 3.1 (4.1) million – decrease of -24.0%.
- Earnings per share EUR 0.029 (0.039) – decrease of -25.6%.
- Net cash flow from operating activities EUR 3,8 (0.0) million.

Outlook for 2023 unchanged (issued on 26 June 2023):

Dovre Group's net sales in 2023 are expected to be in the range of 185 to 195 million Euros and the operating profit (EBIT) is expected to be above 7.0 million.

ARVE JENSEN, CEO:

In Q3 2023, Dovre Group posted total net sales of EUR 52.8 million, reflecting an 11.6% decrease compared to the same period in 2022. Year-on-year fluctuations in foreign currency exchange rates, particularly the Norwegian krone, had an impact on the Group's net sales in Q3. At fixed rates, the net sales decreased by 6.4%.

Our Project Personnel segment was the outstanding performer in Q3 and reported a remarkable 28.2% increase in net sales compared to Q3 2022. By contrast, the Consulting segment reported a 19.7% decrease and Renewable Energy experienced a 37.8% decrease in net sales during Q3 2023.

A ransom attack on our Norwegian operations in late September impacted our financial systems and operational directories. We have successfully recovered from this incident without interruption to our services and we used this opportunity to move our financial systems to be cloud-based. This will yield lower costs for the financial function in Norway starting from Q4/2023.

Despite challenges posed by the weak Norwegian currency and new labor legislation, our Project Personnel division maintained robust growth. Meanwhile, our Canadian operations remained active, particularly with a major biodiesel refinery project. In the Consulting sector, the comparison period in 2022 was at an all-time high, but we have since leveled down from that peak. This notwithstanding, the Norwegian consulting unit signed a new multi-year framework agreement with the Ministry of Finance.

The Finnish wind farm construction market's sluggish performance in 2023 affected Suvic's operations throughout the year. However, Suvic had already diversified its scope in 2022 to encompass other renewable business areas, thus securing new projects such as the Fortum heat-exchange power plant in Kirkkonummi and an "early works contract" for two large wind farms in Sweden during Q3.

Varied performance between the three segments is a natural part of our business landscape. These fluctuations can be attributed to market cycles, project timelines, and related factors. They also highlight the need for continuous adaptability, prudent risk management, and strategic foresight.

NET SALES

Net sales in Q3

In Q3, Dovre Group's net sales decreased by -11.6% to EUR 52.8 (59.7) million.

Project Personnel accounted for 54 (38) %, Consulting for 7 (7) %, and Renewable Energy for 39 (55) % of the Group's net sales.

Project Personnel's net sales increased by 28.2% to EUR 28.8 (22.5) million, while net sales for Consulting decreased by -19.7% to EUR 3.5 (4.4) million. Net sales in Renewable Energy were also down by -37.8% to 20.5 (32.9) million euros.

Net sales by reporting segment

	7-9	7-9	Change	1-9	1-9	Change	1-12
EUR million	2023	2022	%	2023	2022	%	2022
Project Personnel	28.8	22.5	28.2	79.5	67.6	17.6	90.6
Consulting	3.5	4.4	-19.7	12.6	13.3	-5.5	18.2
Renewable Energy	20.5	32.9	-37.8	53.8	73.9	-27.2	94.2
Group total	52.8	59.7	-11.6	145.9	154.9	-5.8	203.0

OPERATING PROFIT

Profitability in Q3

The Group's EBITDA in Q3 decreased by -7.2% to EUR 2.9 (3.2) million. The Group's operating profit decreased by -12.1% to EUR 2.7 (3.0) million. Project Personnel's operating profit was EUR 1.7 (1.1) million, Consulting's operating profit was EUR 0.4 (0.7) million and Renewable Energy's operating profit was EUR 0.9 (1.4) 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 -0.2 (-0.2) million.

EBITDA	7-9	7-9	Change	1-9	1-9	Change	1-12
EUR million	2023	2022	%	2023	2022	%	2022
Project Personnel	1.8	1.2	59.0	4.2	3.4	21.6	4.7
Consulting	0.4	0.7	-42.5	1.3	1.6	-19.5	2.5
Renewable Energy	0.9	1.5	-36.2	1.7	2.4	-27.8	2.9
Other Functions	-0.2	-0.1	-39.2	-0.6	-0.4	-33.3	-0.7
Unallocated *	0.0	0.0	159.3	0.0	-0.1	75.2	0.0
Group total	2.9	3.2	-7.2	6.6	7.0	-4.8	9.5

Operating profit	7-9	7-9	Change	1-9	1-9	Change	1-12
EUR million	2023	2022	%	2023	2022	%	2022
Project Personnel	1.7	1.1	53.7	3.8	3.2	20.0	4.3
Consulting	0.4	0.7	-42.6	1.3	1.6	-19.0	2.5
Renewable Energy	0.9	1.4	-43.9	1.6	2.3	-31.9	2.7
Other Functions	-0.2	-0.2	-34.2	-0.6	-0.5	-28.7	-0.7
Unallocated *	-0.1	-0.1	8.4	-0.2	-0.3	39.2	-0.3
Group total	2.7	3.0	-12.1	5.9	6.3	-6.7	8.5

*Unallocated expenses include amortization of customer agreements and relations.

PERSONNEL

In Q3 2023, the average number of employees increased by 14.4% year-on-year. During January–September, Dovre Group employed an average of 833 people (789). The average number of employees during the period increased due to the organic growth of the Project Personnel and Renewable Energy business areas.

On September 30, 2023, Dovre Group employed 900 (708) people, 746 (563) of whom were employed by Project Personnel, 95 (101) by Consulting, 57 (42) by Renewable Energy and 2 (2) by Other functions.

Average number of personnel	7–9			1–9			1–
	2023	2022	Change %	2023	2022	Change %	12 2022
Project Personnel	723	619	16.8	682	653	4.4	642
Consulting	93	99	-6.4	100	97	2.7	98
Renewable Energy	54	42	28.6	49	36	34.5	38
Other Functions	2	2	0.0	2	2	0.0	1
Group total	872	762	14.4	833	789	5.6	779

Personnel at period-end	30.9.			31.12.
	2023	2022	Change %	2022
Project Personnel	746	563	32.6	583
Consulting	95	101	-5.9	100
Renewable Energy*	57	42	35.7	43
Other Functions	2	2	0.0	2
Group total	900	708	27.2	728

CASH POSITION

On September 30, 2023, the Group's net debt was EUR -1.7 (1.3) million. The Group's cash and cash equivalents totaled EUR 9.2 (7.9) million. The Group's interest-bearing liabilities were EUR 7.5 (9.2) million, a total of EUR 5.8 (6.2) million of which were current and EUR 1.7 (3.0) million non-current.

In January – September, net cash flow from operating activities totaled EUR 3.8 (0.0) million, which includes EUR 0.7 (-5.6) million change in working capital. The increase in working capital is mainly due to the decrease in the total amount of advance payments from projects in progress.

In Espoo, October 26, 2023

DOVRE GROUP PLC
BOARD OF DIRECTORS

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