

## DOVERIE Holding

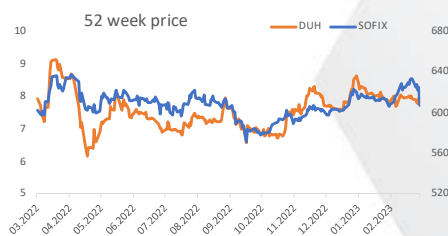
### Overcoming geopolitical challenges in Q4 2022

**NAV Value: BGN 18.14**

#### Share Information

Price (BGN)	7.92
Year to date change	-3.65%
52-week price change	-0.50%
52-week price range	6.00 – 9.30
1Year $\beta$ (Sofix)	1.95
Market Cap (BGN)	170 278 851
Market Cap (EUR)	87 062 194
Shares outstanding	21,499,855
Free Float	61.03%
P/E (ttm)	7.80
P/S (ttm)	0.33
P/BV	0.44

Source: SIS Calculations and Market Data  
BGN is pegged to EUR at 1.95583 BGN



\* in BGN, source Bloomberg

#### Notable events

Non cons annual results	31.03.2023
Cons annual results	30.04.2023
Q1 2023 results	30.04.2023
Cons Q1 2023 results	31.05.2023

#### Atanas Videv

Equity Analyst  
Tel.: +359 88 834 3583  
e-mail: videv@sis.bg

#### Svetozar Abrashev

Senior Managing Partner  
Tel.: +359 2 937 9869  
e-mail: abrashev@sis.bg

#### Sofia International Securities

Sofia 1000,  
140 G. S. Rakovski Str.  
Tel.: + 359 2 937 98 65  
e-mail: info@sis.bg

#### Q4 2022 Results

- Impressive annual growth in total revenues for 2022 to BGN 520.5 mln (+49.6% YoY). The biggest contribution to the excellent performance of the company is due to the growth of the revenues of "Moldindconbank" S.A. to BGN 312.9 mln or +66.9% compared to 2021. Serious growth in revenue of medical services 28.4% and from Mr.Bricolage with 32.4%.

- 2022 preliminary net income after minority interest was up by 61.8% YoY to BGN 72.5m (EPS of BGN 3.37). Banking income increased by 37.3% YoY despite the almost 30-fold growth of provisioning charges, net insurance income added 2.1% YoY and other business sector result grew 32.4% YoY.

- Comparing the results of the last quarter of 2022 with that of 2021 net insurance income brought positive effect by surging 66.7% YoY to BGN 0.8m and gross profit from the other business sectors (mainly Bricolage stores) grew 51.1% YoY to BGN 19m. Administrative cost marked 40.2% YoY growth and the other operating loss vs other operating income in the comparable period reduced profitability. Q4 consolidated net income dropped 42.2% YoY to BGN 12.1m. The non-controlling interest was also down 43.6% YoY to BGN 3m (Moldindconbank has 21.79% minority shareholders).

- Doverie reported consolidated net income for the last quarter of 2022 (after minority interest) of BGN 9.1m (EPS of BGN 0.42), -42.8% for the same period of 2021. The banking sector, the main segment of the group, registered 3.5% decline of total operating income to BGN 42.9m, the first decline since Doverie acquired Moldindconbank. This was entirely due to the significant provisioning in Q4'22 (BGN 27.2m) compared to reintegration of BGN 0.2m in Q4'21. Other than that, net interest income surged 104.1% YoY mainly on increase of interest rates in Moldova, while bank's gross loan portfolio increased by 9.6% YoY.

- The revenues of Doverie are extremely dependent on the revenues of the financial and subdivision operating in the territory of Moldova and form more than 60% of the company's total revenues. With the start of the war in Ukraine (24.02.2021) the shares were subjected to a massive sell-off due to the risk of the war escalating towards Moldova. The price collapsed by about 36% from the pre-war price. The stock price is currently trading 15.7% off its February 23 price and 14.8% off its 52-week high.

QUARTERLY RESULTS					COMPANY DESCRIPTION				
<b>Financial Metrics</b>	<b>Q4 2022</b>	<b>Q4 2021</b>	<b>% Change</b>	<b>TTM</b>	Doverie Holding (DUH) is a business group with various lines of business deriving its revenues from a stable portfolio of subsidiaries with a focus on banking and financial services, more than 60% of the revenues come from such types of businesses. The subsidiaries operate primarily in Bulgaria and Eastern Europe in general.				
Total Revenue	520 526	347 930	49.6%	520 636					
Operating Expenses	(398 362)	(258 543)	29.1%	(245 093)					
EBIT	107 178	71 044	50.9%	74 413					
Operating Margin	20.6%	20.4%	0.2%	14.3%					
EBITDA	122 164	91 258	33.9%	113 203					
Net profit to Equity holders of DUH	72 479	45 104	60.7%	21 350					
Net profit to Non-controlling interest	21 742	14 544	49.5%	8 627					
Net Margin	13.9%	13.0%	1.0%	4.1%					
Total Assets	2 717 740	2 601 946	4.5%	-					
Net Debt	(794 472)	(804 787)	-1.3%	-					
Debt-to-Equity	0.1	0.2	-34.5%	-					
<b>FINANCIAL RATIOS</b>					<b>FINANCIAL METRICS</b>				
<b>Per share</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Income Statement (BGN th)</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Number of shares	21 499 855	21 499 855	18 736 099	18 736 099	<b>Operating Revenue</b>	<b>520 526</b>	<b>348 040</b>	<b>310 278</b>	<b>162 082</b>
EPS	3.37	2.08	1.14	9.47	Income from banking operations	312 905	187 510	163 940	12 993
DPS	0.00	0.00	0.00	0.00	Income from insurance operations	21 139	19 059	17 089	17 867
					Income from medical services	25 639	19 974	15 746	0
					Income from other business sectors	160 843	121 497	113 503	131 222
<b>Growth &amp; Activity</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Operating Expenses</b>	<b>(251 537)</b>	<b>(142 549)</b>	<b>(133 582)</b>	<b>(92 792)</b>
Revenue growth	49.6%	12.2%	91.4%	-	<b>Gross Profit</b>	<b>141 622</b>	<b>205 491</b>	<b>176 696</b>	<b>69 290</b>
Earnings growth	60.7%	109.8%	-88.0%	-	EBIT	107 178	77 069	50 784	185 072
CAPEX growth	44.8%	23.1%	28.2%	-	EBITDA	122 164	97 420	77 643	196 540
CAPEX/Revenue	4.5%	4.7%	4.3%	6.4%	<b>Net profit to Equity holders of DUH</b>	<b>72 479</b>	<b>44 792</b>	<b>21 350</b>	<b>177 358</b>
Asset Turnover	0.2	0.1	0.1	0.1					
Working Capital Turnover	1.0	1.3	-1.4	-0.8	<b>Balance Sheet (BGN th)</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
					Current assets	1 685 712	1 575 921	1 480 151	1 063 168
<b>Return &amp; Profitability</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	Cash & equiv.	834 526	855 225	742 486	638 295
ROE	18.6%	13.9%	8.5%	51.0%	Non-current assets	1 032 028	1 026 280	715 001	1 041 202
ROA	2.7%	1.7%	1.0%	8.4%	PP&E and Inv. Properties	143 710	133 516	134 272	133 318
ROIC	17.6%	12.8%	7.4%	48.8%	<b>Total Assets</b>	<b>2 717 740</b>	<b>2 602 201</b>	<b>2 195 152</b>	<b>2 104 370</b>
EBITDA margin	23.5%	28.0%	25.0%	121.3%	Current Liabilities	1 191 529	1 002 963	1 517 021	1 468 442
Operating margin	20.6%	22.1%	16.4%	114.2%	ST Loans	18 056	31 264	27 200	15 363
Net margin	13.9%	12.9%	6.9%	109.4%	Non-current liabilities	1 076 986	1 170 564	331 856	288 490
					LT Loans	21 998	27 910	37 720	15 902
<b>Gearing &amp; Liquidity</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>Total Liabilities</b>	<b>2 199 145</b>	<b>2 173 527</b>	<b>1 848 877</b>	<b>1 756 932</b>
Debt-to-Equity	0.1	0.2	0.3	0.1	<b>Equity</b>	<b>390 074</b>	<b>321 210</b>	<b>249 912</b>	<b>347 438</b>
Net Debt to EBITDA	-0.2	-0.1	-0.1	-0.3	Net Working Capital	494 183	572 958	(36 870)	(405 274)
Interest coverage	108.8	17.5	22.0	75.3	Total Debt	40 054	59 174	64 920	31 265
Cash ratio	0.7	0.9	0.5	0.4	Net Debt	(794 472)	(796 051)	(677 566)	(607 030)
Current ratio	1.4	1.6	1.0	0.7	<b>Cash Flow Statement (BGN th)</b>	<b>Q4 2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
					CF from operations	40 468	87 052	177 618	(139 858)
					CF from investments	(21 022)	(11 622)	(9 977)	737 908
					CAPEX	(23 526)	(16 250)	(13 204)	(10 303)
					Purchase of investments	(6)	(5 888)	(5 739)	741 549
					CF from financing	34 813	(69 700)	(26 297)	81 733
					Change in debt	(17 525)	38 712	33 293	(12 793)
					Paid interest	(985)	(4 416)	(2 307)	(2 458)
					Paid dividends	(246)	(7 320)	(3)	(1 284)

Source: SIS calculations

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