

## Order intake on the weaker side

SRV's net sales in Q2 amounted to EUR 168.7m, slightly below our estimate of EUR 174.7m. With weaker than expected volumes, operative EBIT fell to EUR 0.8m, below our estimate of EUR 1.3m. New orders declined, and the backlog decreased to EUR 931.8m (EUR 1067.3m Q2/24).

- Revenue in Q2 was EUR 168.7m (EUR 186.3m in Q2/24), slightly below our estimate of EUR 174.7m. Revenue declined 9.4% y/y.
- The operative operating profit in Q2 amounted to EUR 0.8m (EUR 1.5m in Q2/24), below our estimate of EUR 1.3m.
- As noted in our preview, decline in operative EBIT was a result of lower volumes, especially in development and developer-contracted projects.
- SRV's infrastructure business maintained the good momentum we saw in Q1 and achieved a better margin than in the comparison period.
- SRV's signed new agreements worth EUR 37.7m (EUR 215.0m in Q2/24).
- The order backlog in Q2 fell to EUR 932m (EUR 1067m in Q2/24, EUR 1043m in Q1/25).
- While order intake was sluggish, the company expects flow of orders to be significantly stronger in Q3.
- Business construction revenue in Q2 was EUR 156.1m, (EUR 161.0m Evli estimate) down 10% y/y. Revenue decreased in development projects. Lower margin project management and alliance contracting accounted for 81% of the order backlog.
- Housing construction revenue in Q2 was EUR 12.6m (EUR 13.6m Evli estimate). Three developer-contracted units were recognized as income during Q2, generating total revenue of EUR 0.1m.
- SRV outlook for 2025 (**specified**): Revenue is expected to decline compared with 2024 and to amount to EUR 630–680m (prev. EUR 630–710m) and operative EBIT is expected to be positive.
- Our current estimate is above the specified guidance top range for revenue.

## Rating ■ Reduce

Q2/25	Actual	Evli	Q2/24	Q1/25
Net sales	168.7	174.7	186.3	161.4
EBIT	0.7	1.3	1.5	0.7
Op. EBIT	0.8	1.3	1.5	1.1

Deviation	Actual	Evli	Q2/24	Q1/25
Net sales		–3 %	–9 %	5 %
EBIT		–45 %	–53 %	0 %
Op. EBIT		–37 %	–47 %	–27 %

<b>Share price, EUR</b> (Last trading day's closing price)	<b>5.44</b>
Target price, EUR	5.0
Latest change in recommendation	07-Feb-25
Latest report on company	06-Aug-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	16 938
No. of shares fully diluted, '000's	16 938
Market cap, EURm	92
Free float, %	61.1 %
Exchange rate	
Reuters code	SRV1V.HE
Bloomberg code	SRV1V FH
Average daily volume, EURm	
Next interim report	08-Aug-25
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🟢 BUY 🟢 ACCUMULATE 🟠 REDUCE 🔴 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
2023	610.1	–6.8	–1.1%	–21.1	–0.90	–4.4	0.3	–29.6	–31.4%	
2024	745.9	12.0	1.6%	13.7	0.31	15.8	0.3	17.8	16.2%	
2025E	703.9	8.6	1.2%	14.3	0.21	26.5	0.3	24.3	15.5%	
2026E	770.6	15.5	2.0%	5.7	0.53	10.3	0.3	13.0	6.2%	
2027E	824.0	22.6	2.8%	3.6	0.86	6.3	0.2	8.8	3.9%	0.26
Market cap, EURm				92	Gearing 2025E, %		54.6 %	CAGR EPS 2024–27, %		40.0 %
Net debt 2025E, EURm				116	Price/book 2025E		0.8	CAGR Sales 2024–27, %		3.4 %
Enterprise value, EURm				208	Dividend yield 2025E, %		0.0 %	ROE 2025E, %		3.0 %
Total assets 2025E, EURm				460	Tax rate 2025E, %		10.8 %	ROCE 2025E, %		3.1 %
Goodwill 2025E, EURm				2	Equity ratio 2025E, %		27.6 %	PEG, P/E 25/CAGR		0.3

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

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Target price compared to share price

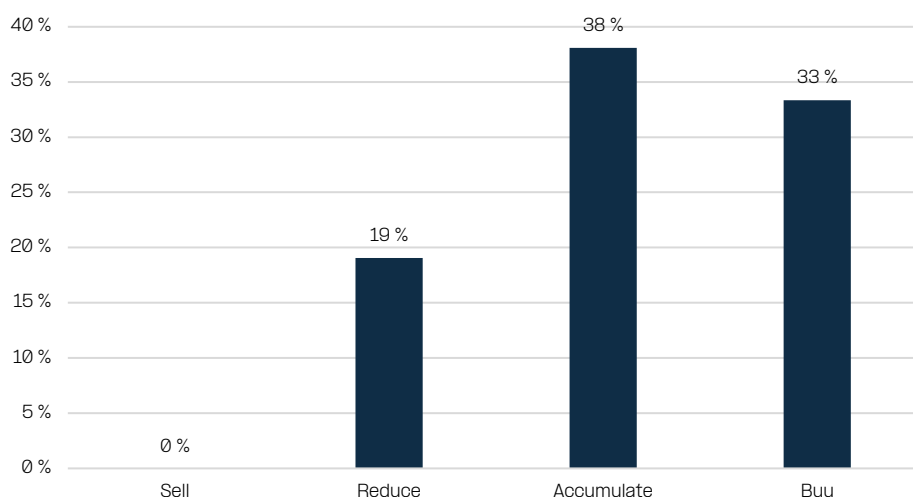
< -10 %  
 -10 - 0 %  
 0 - (+10) %  
 > 10 %

Recommendation

SELL  
 REDUCE  
 ACCUMULATE  
 BUY

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Name(s) of the analyst(s): Atte Jortikka

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