

## Quite in line with expectations

SRV's net sales in Q2 amounted to EUR 218.0m, below our and consensus estimates (EUR 232.1m/241.0m Evli/cons.). EBIT amounted to EUR 6.3m, above our and consensus estimates (EUR 5.8m/5.0m Evli/cons.).

- Revenue in Q2 was EUR 218.0m (EUR 265.1m in Q2/20), below our and consensus estimates (EUR 232.1m/241.0m Evli/Cons.). Revenue declined 18% y/y in Q2.
- Operating profit in Q2 amounted to EUR 6.3m (EUR 3.3m in Q2/20), above our estimates and above consensus estimates (EUR 5.8m/5.0m Evli/cons.), at a margin of 2.9%. The operative operating profit amounted to EUR 5.7m (Evli EUR 5.8m).
- EPS in Q2 amounted to EUR 0.01 (EUR 0.02 in Q2/20), above our and consensus estimates (EUR 0.00 Evli/cons.).
- The order backlog in Q2 was EUR 1,048m (EUR 1,332m in Q2/20), down by -21%.
- Construction revenue in Q2 was EUR 218.5m vs. EUR 231m Evli. Operating profit in Q2 amounted to EUR 7.0m vs. EUR 8.0m Evli.
- Investments revenue in Q2 was EUR 1.0m vs. EUR 1.1m Evli. Operating profit in Q2 amounted to EUR 0.1m vs. EUR -1.3m Evli.
- Other operations and elim. revenue in Q2 was EUR -1.5m vs. EUR 0.0m Evli. Operating profit in Q2 amounted to EUR -0.8m vs. EUR -0.9m Evli.
- **Guidance intact:** Consolidated revenue for 2021 is expected to amount to EUR 900-1,050m and operating profit is expected to improve on 2020 and amount to EUR 16-26m.

### Rating + BUY

Q2/21	Actual	Evli	Consensus	Q2/20	Q1/21
Net sales	218.0	232.1	241.0	265.1	187.1
EBIT	6.3	5.8	5.0	3.3	5.2
Adj. EBIT	5.7	5.8		0.5	4.8
EPS	0.01	0.00	0.00	0.02	0.00
Deviation	Actual	Evli	Consensus	Year ago	Q1/21
Net sales		-6 %	-10 %	-18 %	17 %
EBIT		9 %	26 %	91 %	21 %
Adj. EBIT		-2 %		>100%	19 %
EPS		>100%	-	-50 %	>100%

\*Consensus by FactSet

Share price, EUR (Last trading day's closing price) 0.69

Target price, EUR 0.8

Latest change in recommendation 21-Jul-20

Latest report on company 30-Apr-21

Research paid by issuer: YES

No. of shares outstanding, '000's 263,017

No. of shares fully diluted, '000's 263,017

Market cap, EURm 181

Free float, % 33.2

Exchange rate 1.000

Reuters code SRV1V.HE

Bloomberg code SRV1V.FH

Average daily volume, EURm 0.06

Next interim report 21-Jul-21

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+ BUY   + HOLD   - SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2019	1,061.0	-93.1	-8.8%	-36.9	-1.80	-0.8	0.6	-6.3	-45.6	0.00
2020	975.5	1.5	0.2%	72.0	-0.10	-5.7	0.5	304.1	46.4	0.00
2021E	904.3	23.9	2.6%	37.4	0.01	50.5	0.5	18.6	20.6	0.00
2022E	932.8	26.7	2.9%	-3.1	0.03	25.4	0.5	16.7	-1.7	0.00
2023E	970.7	32.1	3.3%	64.3	0.05	14.1	0.4	13.5	35.4	0.01
Market cap, EURm		181	BV per share 2021E, EUR		157.8	CAGR EPS 2020-23, %				0.0
Net debt 2021E, EURm		267	Price/book 2021E		1.0	CAGR sales 2020-23, %				-0.2
Enterprise value, EURm		444	Dividend yield 2021E, %		0.0	ROE 2021E, %				2.1
Total assets 2021E, EURm		837	Tax rate 2021E, %		6.7	ROCE 2021E, %				5.2
Goodwill 2021E, EURm		2	Equity ratio 2021E, %		24.6	PEG, P/E 21/CAGR				0.5

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

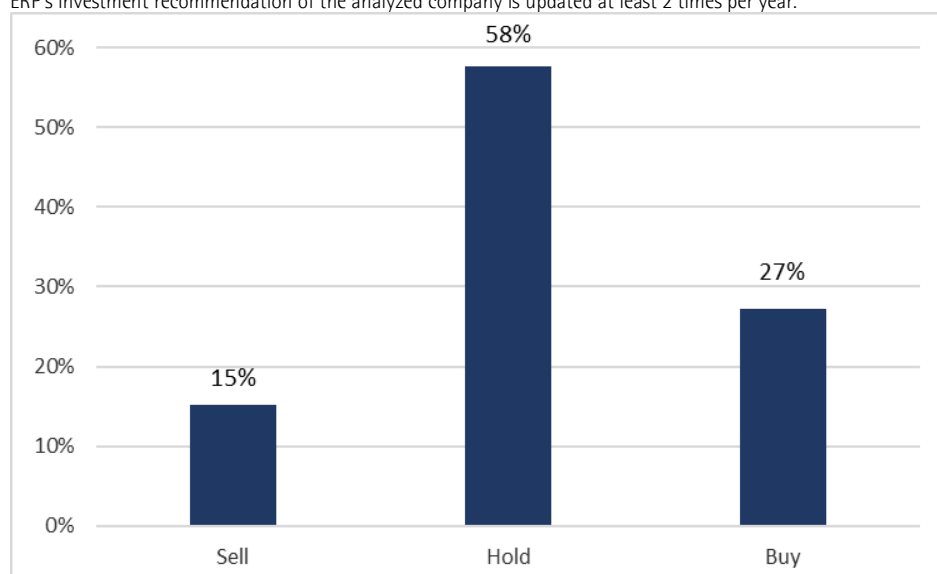
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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Name(s) of the analyst(s): Salokivi

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