

Fared rather well

SRV's net sales in Q2 amounted to EUR 265.0m, above our and consensus estimates (EUR 243.4m/243.0m Evli/cons.). EBIT amounted to EUR 3.3m, below our estimates and above consensus estimates (EUR 3.8m/2.4m Evli/cons.).

- Revenue in Q2 was EUR 265.0m (EUR 207.4m in Q2/19), above our estimates and consensus estimates (EUR 243.4m/243.0m Evli/Cons.). Growth in Q2 amounted to 27.8 % y/y.
- Operating profit in Q2 amounted to EUR 3.3m (EUR -3.1m in Q2/19), below our estimates and above consensus estimates (EUR 3.8m/2.4m Evli/cons.), at a margin of 1.2 %. The operative operating profit amounted to EUR 0.5m (Evli EUR 3.8m). The operating profit was affected by an EUR 3.1m provision for expenses that were recognized due to a ruling by a Russian court, as well as costs relating to the recovery programme among other things.
- EPS in Q2 amounted to EUR 0.02, above our estimates and consensus estimates (EUR -0.02/-0.01 Evli/cons.).
- Construction: Revenue in Q2 was EUR 264.1m vs. EUR 242.7m Evli. Operating profit in Q2 amounted to EUR 7.4m vs. EUR 6.3m Evli.
- Investments: Revenue in Q2 was EUR 1.2m vs. EUR 1.2m Evli. Operating profit in Q2 amounted to EUR -1.7m vs. EUR -1.5m Evli.
- Other operations and elim.: Revenue in Q2 was EUR -0.2m vs. EUR -0.5m Evli. Operating profit in Q2 amounted to EUR -2.4m vs. EUR -1.0m Evli.

Rating 🟡 HOLD

Q2/20	Actual	Evli	Cons.	Q2/19
Net sales	265.0	243.4	243.0	207.4
EBIT	3.3	3.8	2.4	-3.1
EPS	0.02	-0.02	-0.01	-0.15

Deviation	Actual	Evli	Cons.	Q2/19
Net sales		9%	9%	28%
EBIT		-13%	38%	-
EPS		-	-	-

*Consensus by FactSet

 Share price, EUR (Last trading day's closing price) 0.57

 Target price, EUR 0.64

 Latest change in recommendation 18-Sep-18

 Latest report on company 03-Jun-20

 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 75

 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-20

 Web site srv.fi/en/investors

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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
2018	959.9	-19.9	-2.1%	10.7	-0.57	-3.0	0.6	-30.2	10.6	0.00
2019	1,061.0	-93.1	-8.8%	-36.9	-1.80	-0.8	0.6	-6.3	-45.6	0.00
2020E	957.2	14.8	1.5%	76.3	-0.07	-7.8	0.4	28.2	101.5	0.00
2021E	986.0	23.2	2.4%	-8.0	0.00	135.1	0.4	18.4	-10.7	0.00
2022E	962.7	25.4	2.6%	65.1	0.01	52.1	0.4	16.3	86.5	0.02

Market cap, EURm	75	BV per share 2020E, EUR	187.6	CAGR EPS 2019-22, %	0.0
Net debt 2020E, EURm	344	Price/book 2020E	0.4	CAGR sales 2019-22, %	-3.2
Enterprise value, EURm	418	Dividend yield 2020E, %	0.0	ROE 2020E, %	-13.6
Total assets 2020E, EURm	858	Tax rate 2020E, %	6.6	ROCE 2020E, %	3.6
Goodwill 2020E, EURm	2	Equity ratio 2020E, %	25.8	PEG, P/E 20/CAGR	0.0

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

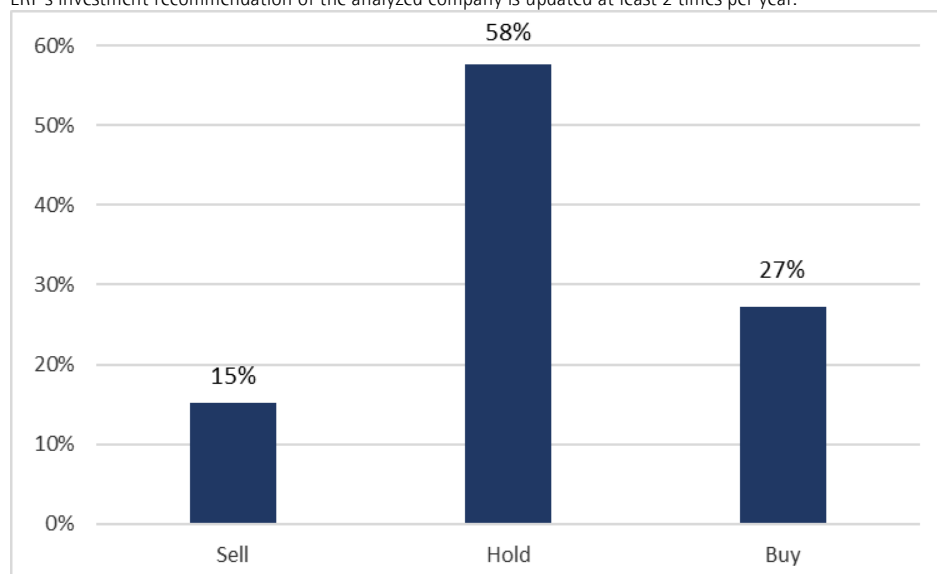
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Investment recommendations are defined as follows:

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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