

## Some headwind seen

Consti saw some seasonal softness in growth in Q1. Demand and construction material uncertainty continues to have an impact, but we still see the renovation market being fairly well positioned.

### Growth softness in Q1 due to long winter

Consti's Q1 results were fairly decent compared with our estimates. Revenue development was slow due to the longer winter, with y/y growth of 0.9% to EUR 59.8m (EUR 63.3m/64.4m Evli/cons.). Profitability was still at decent levels for the seasonally slower quarter, with EBIT at EUR 0.4m (EUR 0.0m/0.4m Evli/cons.). The increase in construction materials prices had a somewhat higher impact than in the comparison period. The order backlog grew 4.4% y/y on new orders of EUR 37.6m (Q1/21: 69.8m). Consti kept its guidance intact, expecting the operating profit in 2022 to be between EUR 9-13m.

### 2022 estimates still largely intact

We have only minor adjustments to our 2022 estimates, having slightly lowered our growth and profitability estimates for the rest of the year, while our full year EBIT estimate is slightly up due to the earnings beat in Q1. Our 2022 estimates for revenue and adj. EBIT are now at EUR 304.5m (2021: 288.8m) and 10.7m (2021: EUR 9.5m). The market continues to be affected to some degree by construction material availability and prices, with the crisis in Ukraine having further affected the situation and created short-term uncertainty relating to new projects in the negotiation phase, but overall still does not appear to have deteriorated materially and the long-term demand drivers for the renovation market provide continued support.

### BUY with a target price of EUR 12.0 (13.0)

The uncertainty relating to demand and construction material prices and availability is currently at elevated levels and has understandably led to lower valuation multiples. Consti is in our view still less prone to the shocks compared with primarily new construction focused companies. Consti currently trades below peers, which given the aforementioned appears unjustified. We adjust our TP to EUR 12.0 (13.0) and retain our BUY-rating.

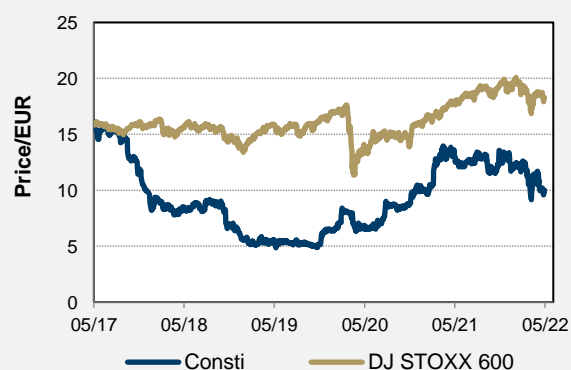
## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	274.6	8.2	3.0%	15.1	0.71	14.2	0.3	10.6	19.2	0.40
2021	288.8	5.7	2.0%	-3.1	0.47	25.9	0.4	19.1	-3.3	0.45
2022E	304.5	10.7	3.5%	8.6	1.00	10.0	0.3	8.1	11.1	0.50
2023E	314.7	12.2	3.9%	9.6	1.18	8.5	0.3	6.6	12.3	0.59
2024E	325.2	13.0	4.0%	10.2	1.28	7.8	0.2	5.8	13.2	0.64
Market cap, EURm			77	Gearing 2022E, %		25.2	CAGR EPS 2021-24, %		39.9	
Net debt 2022E, EURm			9	Price/book 2022E		2.1	CAGR sales 2021-24, %		4.0	
Enterprise value, EURm			86	Dividend yield 2022E, %		5.0	ROE 2022E, %		22.7	
Total assets 2022E, EURm			122	Tax rate 2022E, %		19.9	ROCE 2022E, %		16.7	
Goodwill 2022E, EURm			50	Equity ratio 2022E, %		29.7	PEG, P/E 22/CAGR		1.0	

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

## Rating

BUY



Share price, EUR (Last trading day's closing price)	10.00
Target price, EUR	12.0

Latest change in recommendation	23-Jul-21
Latest report on company	27-Apr-22
Research paid by issuer:	YES
No. of shares outstanding, '000's	7,735
No. of shares fully diluted, '000's	7,735
Market cap, EURm	77
Free float, %	62.0
Exchange rate EUR	1.000
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	0.1
Next interim report	22-Jul-22
Web site	investor.consti.fi

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BUY HOLD SELL

Construction companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
YIT	804	9.5x	8.1x	8.1x	12.1x	10.1x	10.1x	14.1x	11.0x	11.0x
SRV Yhtiot	92		8.5x	8.5x	14.6x	10.7x	10.7x		8.8x	8.8x
Lehto Group	34		9.6x	9.6x		16.8x	16.8x		7.8x	7.8x
Skanska	7563	6.7x	6.0x	6.0x	8.9x	8.5x	8.5x	11.2x	10.7x	10.7x
NCC	1277	4.5x	4.2x	4.2x	7.6x	6.9x	6.9x	8.6x	7.7x	7.7x
Peab	2699	8.8x	8.4x	8.4x	12.7x	12.0x	12.0x	11.1x	10.4x	10.4x
JM AB	1520	9.3x	8.8x	8.8x	9.1x	8.9x	8.9x	9.4x	8.8x	8.8x
Veidekke	1675	5.5x	5.1x	5.1x	9.1x	8.2x	8.2x	14.9x	13.5x	13.5x
Peer Group Average	1804	<b>7.4x</b>	<b>7.4x</b>	<b>7.4x</b>	<b>10.6x</b>	<b>10.3x</b>	<b>10.3x</b>	<b>11.6x</b>	<b>9.8x</b>	<b>9.8x</b>
Peer Group Median	1529	<b>7.8x</b>	<b>8.3x</b>	<b>8.3x</b>	<b>9.1x</b>	<b>9.5x</b>	<b>9.5x</b>	<b>11.1x</b>	<b>9.6x</b>	<b>9.6x</b>
Consti (Evli est.)	<b>77</b>	<b>6.0x</b>	<b>5.1x</b>	<b>4.5x</b>	<b>8.1x</b>	<b>6.6x</b>	<b>5.8x</b>	<b>10.0x</b>	<b>8.5x</b>	<b>7.8x</b>

Consti prem./disc. to peer median -22 % -38 % -45 % -11 % -30 % -39 % -10 % -12 % -19 %

Source FactSet, Evli Research

Building installations and services companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		22	23	24	22	23	24	22	23	24
Caverion	637	5.5x	5.0x	5.0x	10.7x	8.8x	8.8x	12.5x	9.9x	9.9x
Bravida Holding	1995	10.9x	10.2x	10.2x	14.0x	13.0x	13.0x	17.5x	16.2x	16.2x
MITIE Group	923	4.0x	3.8x	3.8x	6.0x	5.2x	5.2x	7.9x	7.6x	7.6x
ISS A/S	2929	7.9x	6.9x	6.9x	13.1x	10.8x	10.8x	13.7x	10.7x	10.7x
Bilfinger	1574	4.6x	4.3x	4.3x	7.7x	6.7x	6.7x	16.9x	14.1x	14.1x
Instalco	1538	17.3x	15.8x	15.8x	22.5x	20.0x	20.0x	25.6x	22.6x	22.6x
Peer Group Average	1804	<b>8.4x</b>	<b>7.7x</b>	<b>7.7x</b>	<b>12.3x</b>	<b>10.7x</b>	<b>10.7x</b>	<b>15.7x</b>	<b>13.5x</b>	<b>13.5x</b>
Peer Group Median	1529	<b>6.7x</b>	<b>6.0x</b>	<b>6.0x</b>	<b>11.9x</b>	<b>9.8x</b>	<b>9.8x</b>	<b>15.3x</b>	<b>12.4x</b>	<b>12.4x</b>
Consti (Evli est.)	<b>77</b>	<b>6.0x</b>	<b>5.1x</b>	<b>4.5x</b>	<b>8.1x</b>	<b>6.6x</b>	<b>5.8x</b>	<b>10.0x</b>	<b>8.5x</b>	<b>7.8x</b>

Consti prem./disc. to peer median -10 % -14 % -24 % -32 % -32 % -41 % -35 % -32 % -37 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.00 PV of Free Cash Flow	87 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	20.17 PV of Horizon value	87 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	101.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	21.8 Marketable securities	18 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	18.8 Debt - dividend	-36 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	50.2 Value of stock	156 Nr of shares, Mn	7.7 Effective tax rate, %	20

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	289	305	315	325	330	335	340	345	350	356	360	364
<i>Sales growth, %</i>	<i>5.1</i>	<i>5.5</i>	<i>3.3</i>	<i>3.3</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.2</i>	<i>1.2</i>
Operating income (EBIT)	6	11	12	13	13	13	14	14	14	14	14	15
<i>Operating income margin, %</i>	<i>2.0</i>	<i>3.5</i>	<i>3.9</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>
+ Depreciation+amort.	3	4	4	4	4	4	4	4	4	4	4	4
EBITDA	9	14	16	17	17	17	17	18	18	18	18	
- Paid taxes	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	-3	1	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>2.4</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.2</i>	<i>1.1</i>	
- Acquisitions	-1	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	1	0	0	0	0	0	0	0	0	0	0	
= FCFF	3	11	12	13	13	13	13	13	14	14	14	193
= Discounted FCFF		11	11	10	9	9	8	8	7	7	6	87
= DFCF min WACC		11	11	10	10	9	9	8	8	7	7	98
= DFCF max WACC		11	11	10	9	9	8	8	7	7	6	78

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	59.3	70.9	76.0	82.6	288.8	59.8	74.6	81.8	88.3	304.5	314.7	325.2
EBITDA	0.9	0.3	4.0	4.0	9.2	1.4	3.9	4.3	4.8	14.4	15.8	16.5
<i>EBITDA margin (%)</i>	<i>1.5</i>	<i>0.4</i>	<i>5.3</i>	<i>4.9</i>	<i>3.2</i>	<i>2.3</i>	<i>5.2</i>	<i>5.2</i>	<i>5.4</i>	<i>4.7</i>	<i>5.0</i>	<i>5.1</i>
EBIT	0.1	-0.5	3.1	3.0	5.7	0.4	3.0	3.4	3.9	10.7	12.2	13.0
<i>EBIT margin (%)</i>	<i>0.2</i>	<i>-0.7</i>	<i>4.1</i>	<i>3.6</i>	<i>2.0</i>	<i>0.7</i>	<i>4.0</i>	<i>4.1</i>	<i>4.4</i>	<i>3.5</i>	<i>3.9</i>	<i>4.0</i>
Net financial items	-0.2	-0.4	-0.2	-0.3	-1.1	-0.2	-0.2	-0.2	-0.2	-1.0	-0.8	-0.6
Pre-tax profit	-0.1	-0.9	2.9	2.7	4.6	0.2	2.8	3.1	3.7	9.7	11.4	12.4
Tax	0.0	0.2	-0.6	-0.5	-0.9	0.0	-0.5	-0.6	-0.7	-1.9	-2.3	-2.5
<i>Tax rate (%)</i>	<i>19.8</i>	<i>20.0</i>	<i>19.1</i>	<i>19.1</i>	<i>18.9</i>	<i>15.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>19.9</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-0.1	-0.7	2.4	2.2	3.7	0.2	2.2	2.5	2.9	7.8	9.1	9.9
EPS	-0.02	-0.09	0.30	0.27	0.47	0.02	0.28	0.32	0.38	1.00	1.18	1.28
EPS adjusted (diluted no. of shares)	-0.02	-0.09	0.30	0.27	0.47	0.02	0.28	0.32	0.38	1.00	1.18	1.28
Dividend per share	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.50	0.59	0.64
<b>SALES, EURm</b>												
Housing Companies	13.4	21.7	27.6	27.3	90.0	15.6	23.7	30.9	30.6	100.8	104.8	109.0
Corporations	21.8	26.0	25.6	27.6	101.0	20.2	24.7	24.8	27.0	96.7	99.6	102.6
Public Sector	7.5	8.5	9.6	12.1	37.7	10.9	11.2	12.0	14.5	48.6	50.1	51.6
Building Technology	19.2	17.8	16.3	19.5	72.9	16.0	18.2	17.3	20.2	71.8	73.9	76.1
Elimination	-2.6	-3.1	-3.1	-3.9	-12.7	-2.9	-3.2	-3.2	-4.0	-13.3	-13.7	-14.2
<b>Total</b>	<b>59.3</b>	<b>70.9</b>	<b>76.0</b>	<b>82.6</b>	<b>288.8</b>	<b>59.8</b>	<b>74.6</b>	<b>81.8</b>	<b>88.3</b>	<b>304.5</b>	<b>314.7</b>	<b>325.2</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Housing Companies</i>	<i>-18.6</i>	<i>-12.4</i>	<i>16.1</i>	<i>29.2</i>	<i>4.5</i>	<i>16.5</i>	<i>9.2</i>	<i>12.0</i>	<i>12.0</i>	<i>12.0</i>	<i>4.0</i>	<i>4.0</i>
<i>Corporations</i>	<i>5.0</i>	<i>20.2</i>	<i>18.8</i>	<i>3.5</i>	<i>11.4</i>	<i>-7.4</i>	<i>-5.0</i>	<i>-3.0</i>	<i>-2.1</i>	<i>-4.2</i>	<i>3.0</i>	<i>3.0</i>
<i>Public Sector</i>	<i>-20.3</i>	<i>-17.4</i>	<i>-2.0</i>	<i>1.0</i>	<i>-9.1</i>	<i>46.6</i>	<i>31.8</i>	<i>25.1</i>	<i>19.7</i>	<i>29.1</i>	<i>3.0</i>	<i>3.0</i>
<i>Building Technology</i>	<i>24.4</i>	<i>8.2</i>	<i>2.7</i>	<i>-9.3</i>	<i>5.1</i>	<i>-16.6</i>	<i>2.2</i>	<i>6.0</i>	<i>3.6</i>	<i>-1.5</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-13.5</i>	<i>-19.6</i>	<i>11.6</i>	<i>22.1</i>	<i>-1.1</i>	<i>12.2</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>4.9</i>	<i>3.0</i>	<i>3.0</i>
<b>Total</b>	<b>0.4</b>	<b>2.3</b>	<b>11.4</b>	<b>5.8</b>	<b>5.1</b>	<b>0.9</b>	<b>5.2</b>	<b>7.7</b>	<b>6.9</b>	<b>5.5</b>	<b>3.3</b>	<b>3.3</b>
<b>EBIT, EURm</b>												
Group	0.1	-0.5	3.1	3.0	5.7	0.4	3.0	3.4	3.9	10.7	12.2	13.0
Total	0.1	-0.5	3.1	3.0	5.7	0.4	3.0	3.4	3.9	10.7	12.2	13.0
<b>EBIT margin, %</b>												
<b>Total</b>	<b>0.2</b>	<b>-0.7</b>	<b>4.1</b>	<b>3.6</b>	<b>2.0</b>	<b>0.7</b>	<b>4.0</b>	<b>4.1</b>	<b>4.4</b>	<b>3.5</b>	<b>3.9</b>	<b>4.0</b>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	300.2	315.8	314.8	274.6	288.8	304.5	314.7	325.2
<i>Sales growth (%)</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-12.8</i>	<i>5.1</i>	<i>5.5</i>	<i>3.3</i>	<i>3.3</i>
EBITDA	1.7	-0.5	8.1	11.4	9.2	14.4	15.8	16.5
<i>EBITDA margin (%)</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.2</i>	<i>3.2</i>	<i>4.7</i>	<i>5.0</i>	<i>5.1</i>
Depreciation	-2.1	-1.7	-3.5	-3.2	-3.5	-3.7	-3.6	-3.5
EBITA	-0.4	-2.1	4.6	8.2	5.7	10.7	12.2	13.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-0.4	-2.1	4.6	8.2	5.7	10.7	12.2	13.0
<i>EBIT margin (%)</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.5</i>	<i>3.9</i>	<i>4.0</i>
Reported EBIT	-0.4	-2.1	4.6	8.2	5.7	10.7	12.2	13.0
<i>EBIT margin (reported) (%)</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.5</i>	<i>3.9</i>	<i>4.0</i>
Net financials	-0.8	-0.7	-1.2	-1.0	-1.1	-1.0	-0.8	-0.6
Pre-tax profit	-1.2	-2.8	3.4	7.2	4.6	9.7	11.4	12.4
Taxes	0.1	0.5	-0.7	-1.6	-0.9	-1.9	-2.3	-2.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-1.1	-2.3	2.5	5.6	3.7	7.8	9.1	9.9
Cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	5	4	4	3	3	4	4	4
Goodwill	49	49	49	49	50	50	50	50
Right of use assets	0	4	3	2	6	5	5	5
Inventory	1	1	1	1	1	1	1	1
Receivables	36	53	50	49	41	44	45	47
Liquid funds	10	3	10	24	18	19	20	20
Total assets	101	115	117	129	119	122	124	126
<b>Liabilities</b>								
Shareholder's equity	25	23	26	30	32	36	41	47
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	3	3	0	0	0	0
Lease liabilities	0	4	4	2	5	5	5	5
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	22	23	25	27	27	23	18	13
Non-interest bearing current liabilities	52	62	56	63	52	55	57	59
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	101	115	117	129	119	122	124	126
<b>CASH FLOW, EURm</b>								
+ EBITDA	2	0	8	11	9	14	16	17
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	0	0	-1	-1	-2	-2	-2
- Increase in Net Working Capital	9	-5	-3	8	-3	1	0	0
+/- Other	0	0	0	0	1	0	0	0
= Cash flow from operations	9	-7	4	18	5	12	13	14
- Capex	-1	-1	-4	-3	-7	-3	-3	-4
- Acquisitions	-4	0	0	0	-1	0	0	0
+ Divestments	1	1	0	0	0	0	0	0
= Free cash flow	4	-8	0	15	-3	9	10	10
+/- New issues/buybacks	1	0	0	0	1	0	0	0
- Paid dividend	-4	0	0	-1	-3	-4	-4	-5
+/- Other	-1	1	6	0	-1	-4	-5	-5
Change in cash	0	-6	7	14	-6	1	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	43	50	79	95	77	77	77
Net debt (excl. convertibles)	23	19	5	14	9	3	-2
Enterprise value	67	72	87	109	86	81	75
Sales	316	315	275	289	305	315	325
EBITDA	0	8	11	9	14	16	17
EBIT	-2	5	8	6	11	12	13
Pre-tax	-3	3	7	5	10	11	12
Earnings	-2	2	6	4	8	9	10
Equity book value (excl. minorities)	23	26	30	32	36	41	47
<b>Valuation multiples</b>							
EV/sales	0.2	0.2	0.3	0.4	0.3	0.3	0.2
EV/EBITDA	-143.6	8.9	7.6	11.9	6.0	5.1	4.5
EV/EBITA	-31.3	15.6	10.6	19.1	8.1	6.6	5.8
EV/EBIT	-31.3	15.6	10.6	19.1	8.1	6.6	5.8
EV/OCF	-9.9	19.7	4.9	23.3	7.2	6.2	5.5
EV/FCFF	-9.6	31.9	5.2	32.9	7.6	6.6	5.9
P/FCFE	-5.7	523.9	5.2	-30.6	9.0	8.1	7.6
P/E	-18.5	20.3	14.2	25.9	10.0	8.5	7.8
P/B	1.8	1.9	2.6	3.0	2.1	1.9	1.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	7.1	6.1	5.5
Target EV/EBIT	0.0	0.0	0.0	0.0	9.6	7.9	7.0
Target EV/FCF	0.0	0.0	0.0	0.0	11.9	10.1	8.9
Target P/B	0.0	0.0	0.0	0.0	2.6	2.2	2.0
Target P/E	0.0	0.0	0.0	0.0	12.0	10.2	9.4
<b>Per share measures</b>							
Number of shares	7,858	7,858	7,858	7,858	7,735	7,735	7,735
Number of shares (diluted)	7,858	7,858	7,858	7,858	7,735	7,735	7,735
EPS	-0.30	0.32	0.71	0.47	1.00	1.18	1.28
Operating cash flow per share	-0.85	0.47	2.27	0.60	1.55	1.68	1.78
Free cash flow per share	-0.96	0.01	1.93	-0.40	1.11	1.23	1.32
Book value per share	2.98	3.33	3.87	4.08	4.69	5.36	6.05
Dividend per share	0.00	0.16	0.40	0.45	0.50	0.59	0.64
Dividend payout ratio, %	0.0	50.8	56.3	96.4	50.0	50.0	50.0
Dividend yield, %	0.0	2.5	4.0	3.7	5.0	5.9	6.4
FCF yield, %	-17.4	0.2	19.2	-3.3	11.1	12.3	13.2
<b>Efficiency measures</b>							
ROE	-9.6	10.0	19.7	11.8	22.7	23.4	22.4
ROCE	-4.2	8.6	13.7	9.1	16.7	19.0	20.2
<b>Financial ratios</b>							
Inventories as % of sales	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Receivables as % of sales	16.8	15.8	17.9	14.3	14.3	14.3	14.3
Non-interest bearing liabilities as % of sales	19.5	17.8	23.1	18.0	18.0	18.0	18.0
NWC/sales, %	-2.5	-1.7	-4.9	-3.4	-3.4	-3.4	-3.4
Operative CAPEX/sales, %	0.4	1.3	1.0	2.4	1.1	1.1	1.1
CAPEX/sales (incl. acquisitions), %	0.4	1.3	1.0	2.0	1.1	1.1	1.1
FCFF/EBITDA	15.0	0.3	1.5	0.4	0.8	0.8	0.8
Net debt/EBITDA, book-weighted	-50.5	2.3	0.4	1.5	0.6	0.2	-0.1
Debt/equity, market-weighted	0.5	0.5	0.3	0.3	0.3	0.2	0.2
Equity ratio, book-weighted	24.4	29.8	26.1	26.9	29.7	33.4	37.1
Gearing, %	100.0	64.4	14.1	44.1	25.2	8.3	-4.7

**COMPANY DESCRIPTION:** Consti is one of the leading renovation and technical service companies in Finland. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building facade repair and maintenance, and other renovation and technical services for residential and non-residential properties. Consti was established in 2008 to meet the growing need for repair and construction work.

**INVESTMENT CASE:** Consti should seek to maintain the achieved healthier levels of profitability after a period of weaker profitability during previous years driven by a number of weak margin projects. Growth has been a challenge but with an improved order backlog and the strategic venture into new construction services growth is once again picking up. Demand in certain areas remains affected by the pandemic but for instance the housing market has seen good recovery. The long-term market outlook remains favourable due to among other things a large aging building stock, and the renovation market is expected to see steady growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	790,000	7.900	10.2%
Heikintorppa Oy	750,000	7.500	9.7%
Wipunen varainhallinta Oy	750,000	7.500	9.7%
Fennia Life Insurance Company Ltd	518,525	5.185	6.7%
Korkeela Esa Sakari	442,058	4.421	5.7%
Kivi Risto Juhani	380,267	3.803	4.9%
Kalervo Markku	300,044	3.000	3.9%
Varma Mutual Pension Insurance Company	172,000	1.720	2.2%
Korkeela Antti Petteri	157,515	1.575	2.0%
Drumbo Oy	150,000	1.500	1.9%
Ten largest	4,410,409	44.104	57%
Residual	3,324,119	33.241	43%
Total	7,734,528	77.345	100%

**EARNINGS CALENDAR**

July 22, 2022	Q2 report
October 27, 2022	Q3 report

**OTHER EVENTS****COMPANY MISCELLANEOUS**

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CFO: Joni Sorsanen	Tel: +358 10 288 6000
IR: Ismo Heikkilä	

## DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	DPS	Dividend for the financial period per share
Market cap	Price per share * Number of shares	OCF (Operating cash flow)	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	FCF (Free cash flow)	Operating cash flow – operative CAPEX – acquisitions + divestments
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	FCF yield, %	$\frac{\text{Free cash flow}}{\text{Market cap}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	Operative CAPEX/sales	$\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Net working capital	Current assets – current liabilities
Net debt	Interest bearing debt – financial assets	Capital employed/Share	$\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets	Balance sheet total	Gearing	$\frac{\text{Net debt}}{\text{Equity}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



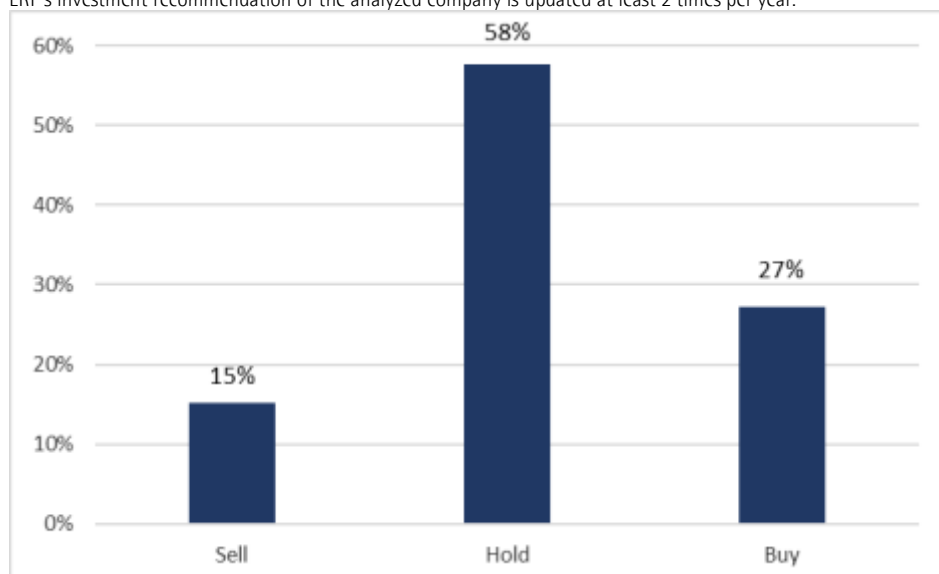
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< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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