

## Solid performance continues

Consti's steady development continued with slightly higher than expected growth during the Q3. With the gain from the sale of relining business, the company is pushing the higher limit of the current guidance.

### Growth exceeded our expectations in Q3

Consti's net sales grew 13.8% y/y during the Q3/23 with the support of strong growth in Corporations business area where the main driver was shopping centre projects and Public Sector business area where the growth was supported by the ongoing school projects. The sale of Consti's relining business had a positive effect of EUR 1m on the company's profitability. Excluding the sale, profitability was roughly at the same level seen during Q3/22. The company's EBIT for Q3 2023 amounted to EUR 4.8m (Q3/22 3.3m) with a margin of 5.3% (Q3/22 4.2%).

### Revised FY 23E estimates push the guidance range top

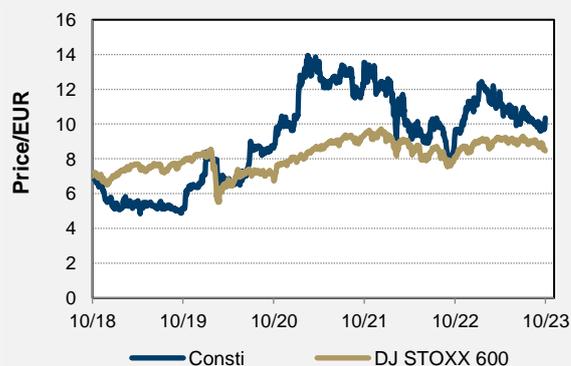
With the first three quarters of the FY in the books, Consti's EBIT stands at EUR 8.4m, not very far from the lower end of the current guidance range which stays unchanged (Consti estimates that 2023 EBIT will be in the range of EUR 9.5-13.5m). Our revised estimate for the company's net sales is EUR 330.7m for FY 2023 and we forecast EBIT of EUR 13.4m, which pushes the top of the current guidance range. We see that the growth continues in Q4, albeit at a slower rate when compared to Q3 with similar margin levels compared to Q4/22. We have revised our growth estimates for 2024E slightly as we see increased softness in the renovation construction market. However, in our view Consti is still well positioned within the renovation segment and operates in regions which are affected to a lesser extent.

### BUY with a TP of EUR 13.0 (14.0)

With our revised estimates, we adjust our target price to EUR 13.0 (prev. EUR 14.0). We still see the company's valuation undemanding with multiples clearly below the peers despite Consti being active in the more stable renovation construction market. In addition to peer group multiples, Consti trades at a discount to its own historic multiple levels despite the strong performance witnessed during FY 22-23.

## Rating

BUY



Share price, EUR (Last trading day's closing price) 10.35

Target price, EUR 13.0

Latest change in recommendation	23-Jul-21
Latest report on company	19-Oct-23
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	80
Free float, %	45.9
Exchange rate EUR	1.000
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	0.1
Next interim report	02-Feb-24
Web site	investor.consti.fi

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BUY HOLD 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
2021	288.8	5.7	2.0%	-3.1	0.47	25.9	0.4	19.1	-3.3	0.45
2022	305.2	11.5	3.8%	15.2	1.10	10.2	0.3	7.9	17.6	0.60
2023E	330.7	13.4	4.1%	12.4	1.28	8.1	0.2	5.7	15.5	0.65
2024E	339.4	13.6	4.0%	11.2	1.33	7.8	0.2	5.1	14.1	0.73
2025E	350.3	14.7	4.2%	12.1	1.48	7.0	0.2	4.3	15.1	0.81
Market cap, EURm	80		Gearing 2023E, %			-9.4	CAGR EPS 2022-25, %		10.3	
Net debt 2023E, EURm	-4		Price/book 2023E			1.9	CAGR sales 2022-25, %		4.7	
Enterprise value, EURm	76		Dividend yield 2023E, %			6.3	ROE 2023E, %		25.4	
Total assets 2023E, EURm	127		Tax rate 2023E, %			20.0	ROCE 2023E, %		22.3	
Goodwill 2023E, EURm	50		Equity ratio 2023E, %			32.5	PEG, P/E 23/CAGR		1.0	

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

Solid quarter, yet order intake on a softer side

Net sales in Q3 were EUR 89.9m (EUR 79.0m in Q3/22), above our estimates (EUR 81.5m). Sales grew 13.8% y/y. Operating profit in Q3 amounted to EUR 4.8m (EUR 3.3m in Q3/22), above our estimates (EUR 3.4m) at a margin of 5.3% (4.2%). A gain recognised on the sale of Consti's property-related relining business at the end of the reporting period amounting approximately EUR 1m supported the profitability in the third quarter. EPS in Q3 amounted to EUR 0.47 (EUR 0.32 in Q3/22), also above our estimates (EUR 0.32). The order backlog at the end of Q3 was EUR 247.3m (EUR 210.5m in Q3/22), up by 17.5% y/y. Order intake was EUR 23.2m in Q3 (Q3/22: EUR 38.4m). Free cash flow amounted to EUR 7.1m (Q3/22: EUR 5.8m). When adjusting for the sale of the company's relining business, Consti beat our net sales estimates by 10% and EBIT estimates by 12%. Order backlog strengthened y/y yet was already at a lower level when compared to H1/23. In addition, the order intake fell y/y, on the other hand, Q2 order intake was very strong and Q3 is typically slower on the order intake side. Despite the seasonality, the company commented on increased competition as a result of the decline in new construction market.

BUY with a target price of EUR 13.0 (14.0)

We retain our BUY rating and adjust our target price to EUR 13.0 (14.0). Consti trades at a discount to its Nordic construction company peer group which we find unjustified because of the company's focus on more defensive renovation construction. The current market environment puts uncertainty into our estimates, but we find the long-term secular trends favorable for the investment case. We do not put emphasis on absolute valuation at present, but we see that there is a strong underlying upside potential if the company is able to improve its operational performance in the long run.

Table 1: Peer group overview (Nordic construction peers above, building technology & service peers below)

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E		
		23	24	25	23	24	25	23	24	25
YIT	363	19.7x	12.6x	8.6x	30.9x	18.1x	11.5x	47.8x	16.1x	8.9x
SRV Yhtiot	58	17.6x	8.7x	6.3x	72.4x	11.6x	8.1x		10.5x	4.5x
Skanska	5535	7.8x	6.5x	6.5x	10.9x	8.5x	8.4x	13.0x	10.6x	9.7x
NCC	972	4.6x	4.7x	4.5x	7.7x	8.1x	7.7x	7.4x	8.3x	8.3x
Peab	934	7.0x	7.0x	6.6x	11.5x	11.8x	10.7x	6.3x	7.5x	6.9x
JM AB	634	13.3x	16.0x	12.7x	12.0x	15.1x	12.7x	9.4x	13.1x	11.4x
Veidekke	1064	4.4x	4.2x	3.8x	8.1x	7.1x	6.3x	13.0x	11.4x	10.6x
<b>Peer group average</b>	<b>1195</b>	<b>10.6x</b>	<b>8.5x</b>	<b>7.0x</b>	<b>21.9x</b>	<b>11.5x</b>	<b>9.4x</b>	<b>16.1x</b>	<b>11.1x</b>	<b>8.6x</b>
<b>Peer group median</b>	<b>784</b>	<b>7.8x</b>	<b>7.0x</b>	<b>6.5x</b>	<b>11.5x</b>	<b>11.6x</b>	<b>8.4x</b>	<b>11.2x</b>	<b>10.6x</b>	<b>8.9x</b>
<b>Consti (Evli est.)</b>	<b>82</b>	<b>4.5x</b>	<b>4.3x</b>	<b>3.7x</b>	<b>5.7x</b>	<b>5.1x</b>	<b>4.3x</b>	<b>8.1x</b>	<b>7.8x</b>	<b>7.0x</b>

Consti prem./disc. to peer median

-42.4% -38.9% -42.9% -50.7% -55.8% -48.6% -27.5% -26.3% -20.9%

Source Bloomberg, Evli Research

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E		
		23	24	25	23	24	25	23	24	25
Caverion	1209	9.1x	7.6x	7.5x	16.8x	12.2x	11.4x	18.0x	14.3x	12.9x
Bravida Holding	1162	6.9x	7.0x	6.2x	8.9x	9.2x	8.1x	10.5x	11.2x	10.1x
MITIE Group	1488	5.7x	5.2x	4.8x	7.3x	6.6x	6.0x	9.7x	9.7x	8.9x
ISS A/S	2478	5.9x	5.0x	4.5x	8.7x	7.0x	6.3x	8.8x	6.9x	6.1x
Bilfinger	1278	4.3x	3.4x	2.9x	6.7x	5.0x	4.1x	12.7x	9.3x	7.9x
Instalco	682	8.4x	7.7x	6.6x	13.1x	11.6x	9.6x	14.1x	11.9x	10.1x
<b>Peer group average</b>	<b>1383</b>	<b>6.7x</b>	<b>6.0x</b>	<b>5.4x</b>	<b>10.3x</b>	<b>8.6x</b>	<b>7.6x</b>	<b>12.3x</b>	<b>10.6x</b>	<b>9.3x</b>
<b>Peer group median</b>	<b>1243</b>	<b>6.4x</b>	<b>6.1x</b>	<b>5.5x</b>	<b>8.8x</b>	<b>8.1x</b>	<b>7.2x</b>	<b>11.6x</b>	<b>10.5x</b>	<b>9.5x</b>
<b>Consti (Evli est.)</b>	<b>82</b>	<b>4.5x</b>	<b>4.3x</b>	<b>3.7x</b>	<b>5.7x</b>	<b>5.1x</b>	<b>4.3x</b>	<b>8.1x</b>	<b>7.8x</b>	<b>7.0x</b>

Consti prem./disc. to peer median

-29.4% -29.2% -32.3% -35.4% -36.7% -40.0% -30.0% -25.4% -26.1%

Source Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.35 PV of Free Cash Flow	97 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	23.91 PV of Horizon value	96 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	131.0 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	25.6 Marketable securities	21 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	22.4 Debt - dividend	-29 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	49.7 Value of stock	185 Nr of shares, Mn	7.7 Effective tax rate, %	20

DCF valuation, EURm	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	Horizon
Net sales	305	331	339	350	357	363	368	374	379	385	390	394
<i>Sales growth, %</i>	<i>5.7</i>	<i>8.3</i>	<i>2.6</i>	<i>3.2</i>	<i>2.0</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)	11	13	14	15	16	16	16	16	17	17	17	17
<i>Operating income margin, %</i>	<i>3.8</i>	<i>4.1</i>	<i>4.0</i>	<i>4.2</i>	<i>4.4</i>							
+ Depreciation+amort.	4	4	3	2	2	2	2	2	2	2	2	2
EBITDA	15	17	16	17	18	18	18	19	19	19	20	
- Paid taxes	1	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	4	1	0	1	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>-4.9</i>											
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	<i>0.7</i>	<i>0.7</i>	<i>0.6</i>									
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	-2	0	0	0	0	0	0	0	0	0	0	0
= FCFF	17	14	13	13	14	14	14	14	15	15	15	204
= Discounted FCFF		14	12	11	11	10	9	9	8	8	7	96
= DFCF min WACC		14	12	11	11	10	9	9	8	8	7	108
= DFCF max WACC		14	11	11	10	10	9	8	8	7	7	86

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2022Q1	2022Q2	2022Q3	2022Q4	2022	2023Q1	2023Q2	2023Q3E	2023Q4E	2023E	2024E	2025E
Net sales	59.8	73.1	79.0	93.3	305.2	68.9	75.7	89.9	96.1	330.7	339.4	350.3
EBITDA	1.4	3.7	4.2	5.7	15.0	1.5	3.9	5.7	5.9	16.9	16.3	17.1
<i>EBITDA margin (%)</i>	<i>2.3</i>	<i>5.1</i>	<i>5.4</i>	<i>6.1</i>	<i>4.9</i>	<i>2.1</i>	<i>5.2</i>	<i>6.3</i>	<i>6.1</i>	<i>5.1</i>	<i>4.8</i>	<i>4.9</i>
EBIT	0.4	2.9	3.3	4.9	11.5	0.7	3.0	4.8	5.0	13.4	13.6	14.7
<i>EBIT margin (%)</i>	<i>0.6</i>	<i>4.0</i>	<i>4.2</i>	<i>5.2</i>	<i>3.8</i>	<i>1.0</i>	<i>4.0</i>	<i>5.3</i>	<i>5.2</i>	<i>4.1</i>	<i>4.0</i>	<i>4.2</i>
Net financial items	-0.2	-0.2	-0.2	-0.3	-1.0	-0.3	-0.3	-0.2	-0.3	-1.1	-0.8	-0.4
Pre-tax profit	0.1	2.7	3.1	4.5	10.4	0.4	2.8	4.5	4.7	12.3	12.8	14.3
Tax	0.0	-0.5	-0.6	-0.8	-1.9	-0.1	-0.6	-0.9	-0.9	-2.5	-2.6	-2.9
<i>Tax rate (%)</i>	<i>20.3</i>	<i>20.0</i>	<i>20.0</i>	<i>16.8</i>	<i>18.6</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>
Net profit	0.1	2.2	2.5	3.8	8.5	0.3	2.2	3.6	3.7	9.9	10.3	11.4
EPS	0.01	0.28	0.32	0.49	1.10	0.04	0.29	0.47	0.48	1.28	1.33	1.48
EPS adjusted (diluted no. of shares)	0.01	0.28	0.32	0.49	1.10	0.04	0.29	0.47	0.48	1.28	1.33	1.48
Dividend per share	0.00	0.00	0.00	0.00	0.60	0.00	0.00	0.00	0.00	0.65	0.73	0.81
<b>SALES, EURm</b>												
Housing Companies	15.6	25.4	30.6	32.4	104.0	20.4	27.3	29.5	31.8	109.0	112.3	115.6
Corporations	20.2	24.3	26.7	33.8	104.9	26.3	25.6	32.1	36.3	120.4	122.8	127.7
Public Sector	10.9	9.4	9.4	12.4	42.1	9.9	10.0	14.7	13.3	47.8	49.7	50.7
Building Technology	16.0	17.7	16.3	19.1	69.1	14.8	16.2	17.9	19.3	68.2	69.5	71.6
Elimination	-2.9	-3.6	-4.0	-4.4	-14.9	-2.4	-3.4	-4.3	-4.5	-14.7	-14.9	-15.4
<b>Total</b>	<b>59.8</b>	<b>73.1</b>	<b>79.0</b>	<b>93.3</b>	<b>305.2</b>	<b>68.9</b>	<b>75.7</b>	<b>89.9</b>	<b>96.1</b>	<b>330.7</b>	<b>339.4</b>	<b>350.3</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Housing Companies</i>	<i>16.5</i>	<i>16.9</i>	<i>10.9</i>	<i>18.7</i>	<i>15.5</i>	<i>30.9</i>	<i>7.6</i>	<i>-3.5</i>	<i>-2.0</i>	<i>4.8</i>	<i>3.0</i>	<i>3.0</i>
<i>Corporations</i>	<i>-7.4</i>	<i>-6.7</i>	<i>4.3</i>	<i>22.6</i>	<i>3.9</i>	<i>30.3</i>	<i>5.7</i>	<i>20.4</i>	<i>7.5</i>	<i>14.7</i>	<i>2.0</i>	<i>4.0</i>
<i>Public Sector</i>	<i>46.6</i>	<i>10.5</i>	<i>-2.0</i>	<i>2.4</i>	<i>11.9</i>	<i>-9.9</i>	<i>6.2</i>	<i>56.1</i>	<i>7.0</i>	<i>13.4</i>	<i>4.0</i>	<i>2.0</i>
<i>Building Technology</i>	<i>-16.6</i>	<i>-0.7</i>	<i>-0.3</i>	<i>-2.0</i>	<i>-5.2</i>	<i>-7.9</i>	<i>-8.4</i>	<i>9.9</i>	<i>1.0</i>	<i>-1.4</i>	<i>2.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>12.2</i>	<i>15.5</i>	<i>26.6</i>	<i>14.1</i>	<i>17.1</i>	<i>-16.7</i>	<i>-6.6</i>	<i>9.2</i>	<i>2.7</i>	<i>-1.6</i>	<i>1.5</i>	<i>3.2</i>
<b>Total</b>	<b>0.9</b>	<b>3.1</b>	<b>4.0</b>	<b>12.9</b>	<b>5.7</b>	<b>15.2</b>	<b>3.6</b>	<b>13.8</b>	<b>3.0</b>	<b>8.3</b>	<b>2.6</b>	<b>3.2</b>
<b>EBIT, EURm</b>												
Group	0.4	2.9	3.3	4.9	11.5	0.7	3.0	4.8	5.0	13.4	13.6	14.7
Total	0.4	2.9	3.3	4.9	11.5	0.7	3.0	4.8	5.0	13.4	13.6	14.7
<b>EBIT margin, %</b>												
<b>Total</b>	<b>0.6</b>	<b>4.0</b>	<b>4.2</b>	<b>5.2</b>	<b>3.8</b>	<b>1.0</b>	<b>4.0</b>	<b>5.3</b>	<b>5.2</b>	<b>4.1</b>	<b>4.0</b>	<b>4.2</b>

INCOME STATEMENT, EURm	2018	2019	2020	2021	2022	2023E	2024E	2025E
Sales	315.8	314.8	274.6	288.8	305.2	330.7	339.4	350.3
<i>Sales growth (%)</i>	<i>5.2</i>	<i>-0.3</i>	<i>-12.8</i>	<i>5.1</i>	<i>5.7</i>	<i>8.3</i>	<i>2.6</i>	<i>3.2</i>
EBITDA	-0.5	8.1	11.4	9.2	15.0	16.9	16.3	17.1
<i>EBITDA margin (%)</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.2</i>	<i>3.2</i>	<i>4.9</i>	<i>5.1</i>	<i>4.8</i>	<i>4.9</i>
Depreciation	-1.7	-3.5	-3.2	-3.5	-3.5	-3.5	-2.7	-2.4
EBITA	-2.1	4.6	8.2	5.7	11.5	13.4	13.6	14.7
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-2.1	4.6	8.2	5.7	11.5	13.4	13.6	14.7
<i>EBIT margin (%)</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.8</i>	<i>4.1</i>	<i>4.0</i>	<i>4.2</i>
Reported EBIT	-2.1	4.6	8.2	5.7	11.5	13.4	13.6	14.7
<i>EBIT margin (reported) (%)</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.8</i>	<i>4.1</i>	<i>4.0</i>	<i>4.2</i>
Net financials	-0.7	-1.2	-1.0	-1.1	-1.0	-1.1	-0.8	-0.4
Pre-tax profit	-2.8	3.4	7.2	4.6	10.4	12.3	12.8	14.3
Taxes	0.5	-0.7	-1.6	-0.9	-1.9	-2.5	-2.6	-2.9
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-2.3	2.5	5.6	3.7	8.5	9.9	10.3	11.4
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	4	4	3	3	4	4	4	4
Goodwill	49	49	49	50	50	50	50	50
Right of use assets	4	3	2	6	4	3	2	2
Inventory	1	1	1	1	1	1	1	1
Receivables	53	50	49	41	44	47	49	50
Liquid funds	3	10	24	18	21	23	23	24
Total assets	115	117	129	119	123	127	129	131
<b>Liabilities</b>								
Shareholder's equity	23	26	30	32	36	41	47	52
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	3	3	0	0	0	0	0
Lease liabilities	4	4	2	5	4	3	2	2
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	23	25	27	27	20	16	11	6
Non-interest bearing current liabilities	62	56	63	52	60	65	66	69
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	115	117	129	119	123	127	129	131
<b>CASH FLOW, EURm</b>								
+ EBITDA	0	8	11	9	15	17	16	17
- Net financial items	-1	-1	-1	-1	-1	-1	-1	0
- Taxes	0	0	-1	-1	1	-2	-3	-3
- Increase in Net Working Capital	-5	-3	8	-3	4	1	0	1
+/- Other	0	0	0	1	-2	0	0	0
= Cash flow from operations	-7	4	18	5	17	15	13	14
- Capex	-1	-4	-3	-7	-2	-2	-2	-2
- Acquisitions	0	0	0	-1	0	0	0	0
+ Divestments	1	0	0	0	0	0	0	0
= Free cash flow	-8	0	15	-3	15	12	11	12
+/- New issues/buybacks	0	0	0	1	-1	0	0	0
- Paid dividend	0	0	-1	-3	-4	-5	-5	-6
+/- Other	1	6	0	-1	-8	-6	-6	-6
Change in cash	-6	7	14	-6	3	2	1	1

KEY FIGURES	2019	2020	2021	2022	2023E	2024E	2025E
M-cap	50	79	95	86	80	80	80
Net debt (excl. convertibles)	19	5	14	4	-4	-10	-17
Enterprise value	72	87	109	90	76	70	63
Sales	315	275	289	305	331	339	350
EBITDA	8	11	9	15	17	16	17
EBIT	5	8	6	11	13	14	15
Pre-tax	3	7	5	10	12	13	14
Earnings	2	6	4	8	10	10	11
Equity book value (excl. minorities)	26	30	32	36	41	47	52
<b>Valuation multiples</b>							
EV/sales	0.2	0.3	0.4	0.3	0.2	0.2	0.2
EV/EBITDA	8.9	7.6	11.9	6.0	4.5	4.3	3.7
EV/EBITA	15.6	10.6	19.1	7.9	5.7	5.1	4.3
EV/EBIT	15.6	10.6	19.1	7.9	5.7	5.1	4.3
EV/OCF	19.7	4.9	23.3	5.2	5.2	5.2	4.4
EV/FCFF	31.9	5.2	32.9	5.2	5.4	5.5	4.8
P/FCFE	523.9	5.2	-30.6	5.7	6.4	7.1	6.6
P/E	20.3	14.2	25.9	10.2	8.1	7.8	7.0
P/B	1.9	2.6	3.0	2.4	1.9	1.7	1.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	5.7	5.6	4.9
Target EV/EBIT	0.0	0.0	0.0	0.0	7.2	6.7	5.7
Target EV/FCF	0.0	0.0	0.0	0.0	7.8	8.0	7.0
Target P/B	0.0	0.0	0.0	0.0	2.4	2.2	1.9
Target P/E	0.0	0.0	0.0	0.0	10.2	9.8	8.8
<b>Per share measures</b>							
Number of shares	7,858	7,858	7,858	7,735	7,735	7,735	7,735
Number of shares (diluted)	7,858	7,858	7,858	7,735	7,735	7,735	7,735
EPS	0.32	0.71	0.47	1.10	1.28	1.33	1.48
Operating cash flow per share	0.47	2.27	0.60	2.25	1.89	1.73	1.85
Free cash flow per share	0.01	1.93	-0.40	1.96	1.61	1.45	1.56
Book value per share	3.33	3.87	4.08	4.68	5.36	6.03	6.78
Dividend per share	0.16	0.40	0.45	0.60	0.65	0.73	0.81
Dividend payout ratio, %	50.8	56.3	96.4	54.6	50.9	55.0	55.0
Dividend yield, %	2.5	4.0	3.7	5.4	6.3	7.0	7.8
FCF yield, %	0.2	19.2	-3.3	17.6	15.5	14.1	15.1
<b>Efficiency measures</b>							
ROE	10.0	19.7	11.8	24.9	25.4	23.3	23.0
ROCE	8.6	13.7	9.1	18.4	22.3	22.8	24.8
<b>Financial ratios</b>							
Inventories as % of sales	0.2	0.2	0.3	0.3	0.3	0.3	0.3
Receivables as % of sales	15.8	17.9	14.3	14.4	14.4	14.4	14.4
Non-interest bearing liabilities as % of sales	17.8	23.1	18.0	19.6	19.6	19.6	19.6
NWC/sales, %	-1.7	-4.9	-3.4	-4.9	-4.9	-4.9	-4.9
Operative CAPEX/sales, %	1.3	1.0	2.4	0.7	0.7	0.6	0.6
CAPEX/sales (incl. acquisitions), %	1.3	1.0	2.0	0.7	0.7	0.6	0.6
FCFF/EBITDA	0.3	1.5	0.4	1.1	0.8	0.8	0.8
Net debt/EBITDA, book-weighted	2.3	0.4	1.5	0.3	-0.2	-0.6	-1.0
Debt/equity, market-weighted	0.5	0.3	0.3	0.2	0.2	0.1	0.1
Equity ratio, book-weighted	29.8	26.1	26.9	29.4	32.5	36.2	40.0
Gearing, %	64.4	14.1	44.1	10.7	-9.4	-21.7	-31.6

**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. The backlog is still at healthy levels which supports near-term development. 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 low single-digit growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	790,000	8.177	10.2%
Heikintorppa Oy	750,000	7.763	9.7%
Wipunen Varainhallinta Oy	750,000	7.763	9.7%
Vakuutusosakeyhtiö Henki-Fennia	518,525	5.367	6.7%
Korkeela Esa Sakari	462,931	4.791	6.0%
Kivi Risto Juhani	388,913	4.025	5.0%
Kalevo Markku	301,044	3.116	3.9%
Keskinäinen Työeläkevakuutusyhtiö Varma	172,000	1.780	2.2%
Drumbo Oy	150,000	1.553	1.9%
Consti Yhtiöt Oyj	123,739	1.281	1.6%
Ten largest	4,407,152	45.614	57%
Residual	3,327,376	34.438	43%
Total	7,734,528	80.052	100%

## EARNINGS CALENDAR

## OTHER EVENTS

## COMPANY MISCELLANEOUS

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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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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.

Recommendation	Percentage
Sell	15%
Hold	58%
Buy	27%

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

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