

## Weaker finish to the year than expected

Consti's net sales in Q4 amounted to EUR 86.1m, below our estimates (Evli est. EUR 96.1m.), with decline of 7.7% y/y. EBIT amounted to EUR 3.9m, also weaker than our estimates (Evli est. EUR 4.8m).

- Net sales in Q4 were EUR 86.1m (EUR 93.3m in Q4/22), below our estimates (EUR 96.1m). Sales declined 7.7% y/y.
- Public Sector was the only business area that grew in Q4, supported by ongoing school projects. Low order intake in the third quarter affected sales more than we had estimated.
- Operating profit in Q4 amounted to EUR 3.9m (EUR 4.8m in Q4/22), below our estimates (EUR 4.8m) at a margin of 4.5% (5.2%). The EBIT miss is mostly related to lower-than-expected volumes.
- EPS in Q4 amounted to EUR 0.37 (EUR 0.49 in Q4/22), also below our estimates (EUR 0.46)
- The order backlog at the end of Q4 was EUR 270.0m (EUR 246.7m in Q4/22), up by 9.5% y/y. Order intake was EUR 91.6m in Q4 (Q4/22: EUR 109.1m).
- Free cash flow amounted to EUR 2.8m (Q4/22: EUR 10.4m).
- **Guidance for 2024:** Operating result for 2024 will be in the range of EUR 9–12 million, Evli current est. at EUR 13.3m
- Consti updated its strategy for 2024–2027. The updated strategy is based on achieving growth in construction and building technology by responding to the demand created by the ageing building stock, urbanisation, and climate change.
- By the end of the strategy period, the aim is to have total net sales of roughly EUR 400m with an operating margin of 5%, EBIT amounting to EUR 20m. We will comment more on the updated strategy in our company update.

Rating + BUY

Q4/23	Actual	Evli	Year ago	Q3/23
Net sales	86.1	96.1	93.3	89.9
EBIT	3.9	4.8	4.9	4.8
EPS	0.37	0.46	0.49	0.47

Deviation	Actual	Evli	Year ago	Q3/23
Net sales		-10 %	-8 %	-4 %
EBIT		-19 %	-20 %	-19 %
EPS		-20 %	-24 %	-21 %

Share price, EUR (Last trading day's closing price) 11.45

Target price, EUR 13.0

Latest change in recommendation 26-Jul-21

Latest report on company 26-Jan-24

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 89

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

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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
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	13.3	4.0%	10.3	1.26	9.1	0.3	6.5	11.6	0.65
2024E	341.6	13.3	3.9%	11.1	1.30	8.8	0.2	6.0	12.6	0.71
2025E	352.5	14.8	4.2%	12.1	1.48	7.7	0.2	5.0	13.7	0.81

Market cap, EURm	89	BV per share 2023E, EUR	-4.3	CAGR EPS 2022-25, %	10.4
Net debt 2023E, EURm	-2	Price/book 2023E	2.1	CAGR sales 2022-25, %	4.9
Enterprise value, EURm	87	Dividend yield 2023E, %	5.7	ROE 2023E, %	25.1
Total assets 2023E, EURm	129	Tax rate 2023E, %	20.2	ROCE 2023E, %	21.7
Goodwill 2023E, EURm	50	Equity ratio 2023E, %	31.9	PEG, P/E 23/CAGR	1.1

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

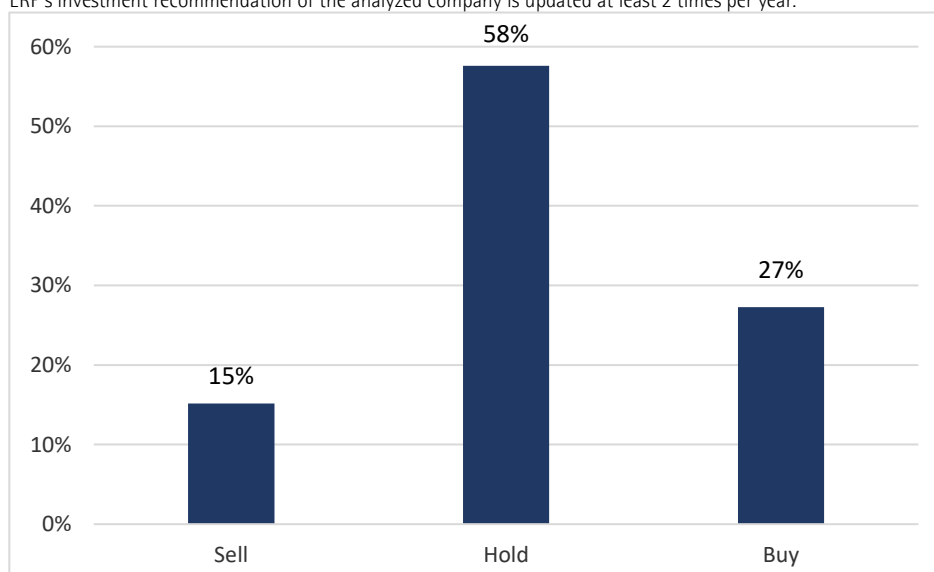
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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