

Onwards in a tough market

Consti's Q1 net sales beat our estimates slightly while operative profitability missed by only a small margin. Order intake was on the softer side, yet backlog remains robust.

Q1 profitability only slightly weaker than expected

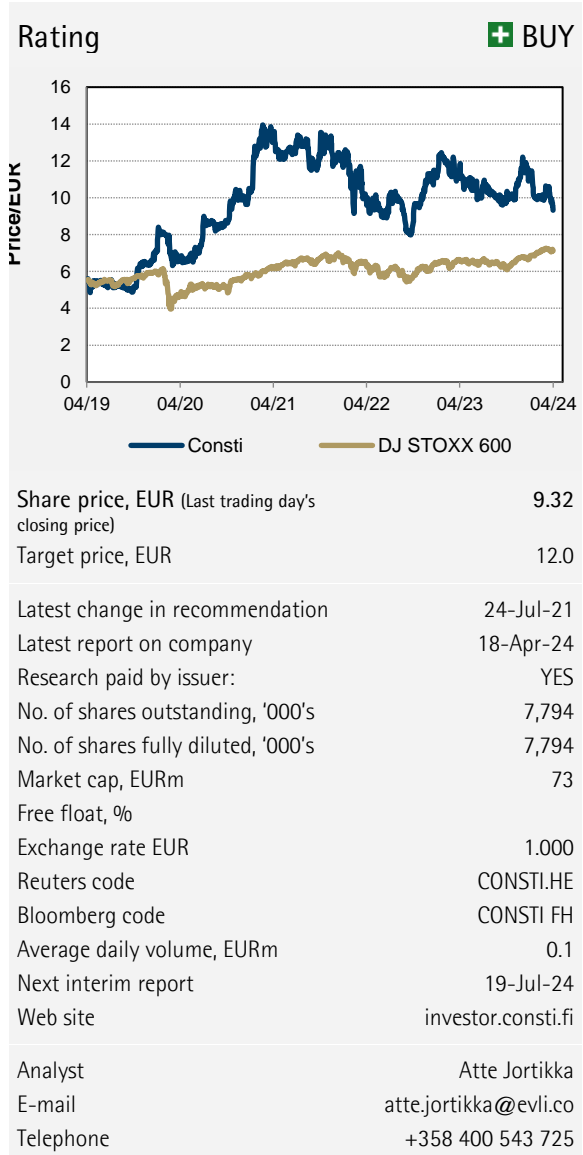
Net sales in Q1 were EUR 65.5m (EUR 68.9m in Q1/23), slightly above our estimates (EUR 64.5m). Sales declined 4.9% y/y. Operating profit in Q1 amounted to EUR 0.2m (EUR 0.7m in Q1/23), below our estimates (EUR 0.5m) at a margin of 0.3% (1.0%). The main driver behind the EBIT miss compared to our estimate was non-operative as the result was burdened by amortization of purchase price allocations from the previous year's acquisition. On EBITDA terms, the miss was nearly non-existent as we expected EBITDA of EUR 1.4m vs. actual of EUR 1.3m. Order intake fell 38% y/y as Consti was not able to sign any larger orders during the quarter. The company's backlog fell slightly with the weaker order intake yet remained at a strong level of EUR 244.4m (EUR 253.8m Q1/23).

We continue to expect slight sales decline for 2024E

With Q1/24 figures largely as expected, we have made only slight estimate adjustments going forward. According to the company, a larger share of the end of March backlog will be recognized during the remainder of the FY when compared to last year. Consti's current backlog supports its net sales for the remainder of the year while we expect the company's disciplined tendering activities coupled with intensified competition to affect project sales negatively. We now estimate revenue of EUR 318.0m (prev. EUR 315.5m) and EBIT of EUR 10.7m (prev. EUR 10.8m) for FY 2024E. For Q2, we estimate net sales growth as some projects in the Building Technology business area did not contribute to Q1 sales as the company expected and we estimate that these projects will start to contribute during the second quarter.

BUY with a TP of EUR 12.0 (prev. EUR 13.0)

Seasonally slow Q1 brought no major news, and the fundamentals remain intact. Consti is priced at 9-8x P/E and 7-5x EV/EBIT on our 24-25E estimates. While the market presents some challenges, we still see the valuation undemanding.



KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2022	305.2	11.5	3.8%	15.2	1.10	10.2	0.3	7.9	17.6	0.60
2023	320.6	12.3	3.9%	8.6	1.16	9.8	0.3	7.1	9.7	0.70
2024E	318.0	10.7	3.4%	7.1	1.01	9.3	0.2	6.6	9.8	0.60
2025E	332.8	12.8	3.8%	8.7	1.24	7.5	0.2	5.2	11.9	0.74
2026E	341.3	14.2	4.2%	9.2	1.40	6.7	0.2	4.4	12.6	0.84
Market cap, EURm		73	Gearing 2024E, %			-5.9	CAGR EPS 2023-26, %			6.6
Net debt 2024E, EURm		-3	Price/book 2024E			1.7	CAGR sales 2023-26, %			2.1
Enterprise value, EURm		70	Dividend yield 2024E, %			6.5	ROE 2024E, %			18.5
Total assets 2024E, EURm		121	Tax rate 2024E, %			20.0	ROCE 2024E, %			17.5
Goodwill 2024E, EURm		49	Equity ratio 2024E, %			35.8	PEG, P/E 24/CAGR			0.6

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

Table 1: Estimate summary

Consti	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24	Q2/'24E	Q3/'24E	Q4/'24E	2024E	2025E
Housing Companies Corporations	104.0	20.4	27.3	29.5	25.2	102.4	15.2	24.6	28.1	25.2	93.0	96.8
Public Sector	104.9	26.3	25.6	32.1	28.1	112.2	20.2	20.5	25.7	28.1	94.5	102.1
Building Technology	42.1	9.9	10.0	14.7	19.8	54.3	16.0	14.0	14.7	17.8	62.4	63.6
Eliminations	69.1	14.8	16.2	17.9	16.9	65.7	18.0	21.0	21.5	21.9	82.5	84.9
Net sales	-14.9	-2.4	-3.4	-4.3	-3.9	-14.0	-3.9	-3.2	-3.6	-3.7	-14.4	-14.6
change, %	305.2	68.9	75.7	89.9	86.1	320.6	65.5	76.9	86.3	89.3	318.0	332.8
	5.7%	15.2%	3.6%	13.8%	-7.8%	5.0%	-4.9%	1.5%	-4.0%	3.8%	-0.8%	4.7%
Operating profit	11.5	0.7	3.0	4.8	3.9	12.3	0.2	2.8	3.3	4.4	10.7	12.8
-margin, %	3.8%	1.0%	4.0%	5.3%	4.5%	3.9%	0.3%	3.6%	3.8%	4.9%	3.4%	3.8%
Adj. Op. profit	11.5	0.7	3.0	4.8	3.9	12.3	0.2	2.8	3.3	4.4	10.7	12.8
-margin, %	3.8%	1.0%	4.0%	5.3%	4.5%	3.9%	0.3%	3.6%	3.8%	4.9%	3.4%	3.8%

Source: Consti, Evli Research

Valuation discount remains substantial

Based on our estimates for 2024-25E, Consti is currently priced at 7-5x EV/EBIT and 9-8x P/E. We consider these valuation levels undemanding in both absolute and relative terms. When compared to its construction and building technology & service peers, the discount is roughly 30-40%. In addition to multiples, our DCF points towards a substantial discount. Our new target price values Consti at 12-10x P/E and 9-7x EV/EBIT 2024-2025E, which we consider a more neutral level considering the industry's historic valuation levels. In addition, Consti's share offers an over 6% dividend yield at the current price level.

Table 2: Peer group

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
YIT	410	20.0x	15.3x	11.2x	30.4x	20.5x	14.3x	35.3x	11.5x	
SRV Yhtiot	80	11.6x	8.0x	6.1x	16.9x	10.6x	7.6x	29.4x	9.0x	5.2x
Skanska	6360	7.8x	7.1x	6.9x	10.4x	9.1x	8.5x	12.6x	11.2x	10.6x
NCC	1092	5.6x	5.6x	5.5x	9.6x	9.4x	9.0x	9.0x	8.8x	8.5x
Peab	1389	10.0x	9.3x	8.7x	17.5x	15.7x	14.1x	13.6x	11.9x	10.3x
JM AB	990	42.7x	30.7x	20.6x	34.7x	30.8x	20.7x	31.4x	19.6x	12.4x
Veidekke	1288	5.2x	5.1x	4.9x	8.8x	8.4x	8.1x	13.2x	12.7x	12.1x
Peer group average	1658	14.7x	11.6x	9.1x	18.3x	14.9x	11.8x	18.2x	15.5x	10.1x
Peer group median	1092	10.0x	8.0x	6.9x	16.9x	10.6x	9.0x	13.4x	11.9x	10.6x
Consti (Evli est.)	74	4.9x	4.0x	3.4x	6.6x	5.2x	4.4x	9.3x	7.5x	6.7x

Consti prem./disc. to peer median

-50.9% -50.2% -50.8% -61.0% -51.1% -51.1% -30.9% -36.4% -37.0%

Source Factset, Evli Research

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Bravida Holding	1240	7.5x	6.9x	6.5x	10.3x	9.1x	8.5x	12.5x	10.6x	9.7x
MITIE Group	1788	6.5x	6.0x		8.1x	7.4x		10.5x	9.4x	
ISS A/S	3154	6.1x	5.8x	5.5x	8.4x	7.8x	7.4x	8.6x	7.6x	6.8x
Bilfinger	1677	4.6x	4.2x	3.9x	6.7x	5.7x	5.2x	11.1x	9.5x	8.6x
Instalco	854	9.7x	8.9x	8.4x	15.6x	13.3x	11.9x	16.3x	13.2x	11.6x
Peer group average	1743	6.9x	6.3x	6.1x	9.8x	8.7x	8.3x	11.8x	10.1x	9.2x
Peer group median	1677	6.5x	6.0x	6.0x	8.4x	7.8x	8.0x	11.1x	9.5x	9.2x
Consti (Evli est.)	74	4.9x	4.0x	3.4x	6.6x	5.2x	4.4x	9.3x	7.5x	6.7x

Consti prem./disc. to peer median

-24.2% -34.1% -43.3% -21.5% -33.8% -44.6% -16.3% -20.4% -27.3%

Source Factset, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.32 PV of Free Cash Flow	93 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	23.49 PV of Horizon value	95 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	152.1 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	25.2 Marketable securities	21 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	22.0 Debt - dividend	-26 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	50.5 Value of stock	183 Nr of shares, Mn	7.8 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	321	318	333	341	346	352	357	362	368	373	377	381
<i>Sales growth, %</i>	<i>5.0</i>	<i>-0.8</i>	<i>4.7</i>	<i>2.5</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>1.0</i>	<i>1.0</i>
Operating income (EBIT)	12	11	13	14	15	14	14	14	15	15	15	15
<i>Operating income margin, %</i>	<i>3.9</i>	<i>3.4</i>	<i>3.8</i>	<i>4.2</i>	<i>4.4</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.	4	4	4	4	4	4	5	5	5	5	5	
EBITDA	16	14	17	18	20	19	19	19	20	20	20	
- Paid taxes	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	1	0	0	-1	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-4.9</i>	<i>-4.9</i>	<i>-4.6</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-1	-2	-1	-1	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>1.5</i>	<i>1.3</i>	<i>1.4</i>	<i>1.3</i>	<i>1.3</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	13	11	12	13	15	14	15	15	15	16	16	210
= Discounted FCFF		10	11	10	11	10	9	9	8	8	7	95
= DFCF min WACC		10	11	10	11	10	9	9	8	8	7	106
= DFCF max WACC		10	11	10	11	10	9	8	8	7	7	85

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	68.9	75.7	89.9	86.1	320.6	65.5	76.9	86.3	89.3	318.0	332.8	341.3
EBITDA	1.5	3.9	5.7	4.8	16.1	1.3	3.7	4.2	5.3	14.3	16.7	18.4
<i>EBITDA margin (%)</i>	<i>2.1</i>	<i>5.2</i>	<i>6.3</i>	<i>5.6</i>	<i>5.0</i>	<i>2.0</i>	<i>4.8</i>	<i>4.9</i>	<i>5.9</i>	<i>4.5</i>	<i>5.0</i>	<i>5.4</i>
EBIT	0.7	3.0	4.8	3.9	12.3	0.2	2.8	3.3	4.4	10.7	12.8	14.2
<i>EBIT margin (%)</i>	<i>1.0</i>	<i>4.0</i>	<i>5.3</i>	<i>4.5</i>	<i>3.9</i>	<i>0.3</i>	<i>3.6</i>	<i>3.8</i>	<i>4.9</i>	<i>3.4</i>	<i>3.8</i>	<i>4.2</i>
Net financial items	-0.3	-0.3	-0.2	-0.2	-1.0	-0.3	-0.2	-0.2	-0.2	-0.9	-0.7	-0.6
Pre-tax profit	0.4	2.8	4.5	3.7	11.4	0.0	2.6	3.1	4.2	9.8	12.0	13.6
Tax	-0.1	-0.6	-0.9	-0.8	-2.4	0.0	-0.5	-0.6	-0.8	-2.0	-2.4	-2.7
<i>Tax rate (%)</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>22.2</i>	<i>20.7</i>	<i>20.9</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	0.3	2.2	3.6	2.9	9.0	0.0	2.1	2.5	3.3	7.8	9.6	10.9
EPS	0.04	0.28	0.47	0.37	1.16	0.00	0.26	0.32	0.43	1.01	1.24	1.40
EPS adjusted (diluted no. of shares)	0.04	0.28	0.47	0.37	1.16	0.00	0.26	0.32	0.43	1.01	1.24	1.40
Dividend per share	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.00	0.00	0.60	0.74	0.84
SALES, EURm												
Housing Companies	20.4	27.3	29.5	25.2	102.4	15.2	24.6	28.1	25.2	93.0	96.8	98.7
Corporations	26.3	25.6	32.1	28.1	112.2	20.2	20.5	25.7	28.1	94.5	102.1	105.2
Public Sector	9.9	10.0	14.7	19.8	54.3	16.0	14.0	14.7	17.8	62.4	63.6	64.9
Building Technology	14.8	16.2	17.9	16.9	65.7	18.0	21.0	21.5	21.9	82.5	84.9	87.5
Elimination	-2.4	-3.4	-4.3	-3.9	-14.0	-3.9	-3.2	-3.6	-3.7	-14.4	-14.6	-15.0
Total	68.9	75.7	89.9	86.1	320.6	65.5	76.9	86.3	89.3	318.0	332.8	341.3
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>30.9</i>	<i>7.6</i>	<i>-3.5</i>	<i>-22.3</i>	<i>-1.5</i>	<i>-25.3</i>	<i>-10.0</i>	<i>-5.0</i>	<i>0.0</i>	<i>-9.2</i>	<i>4.0</i>	<i>2.0</i>
<i>Corporations</i>	<i>30.3</i>	<i>5.7</i>	<i>20.4</i>	<i>-16.8</i>	<i>6.9</i>	<i>-23.1</i>	<i>-20.0</i>	<i>-20.0</i>	<i>0.0</i>	<i>-15.7</i>	<i>8.0</i>	<i>3.0</i>
<i>Public Sector</i>	<i>-9.9</i>	<i>6.2</i>	<i>56.1</i>	<i>59.4</i>	<i>28.8</i>	<i>62.0</i>	<i>40.0</i>	<i>0.0</i>	<i>-10.0</i>	<i>15.0</i>	<i>2.0</i>	<i>2.0</i>
<i>Building Technology</i>	<i>-7.9</i>	<i>-8.4</i>	<i>9.9</i>	<i>-11.7</i>	<i>-4.9</i>	<i>21.8</i>	<i>30.0</i>	<i>20.0</i>	<i>30.0</i>	<i>25.4</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-16.7</i>	<i>-6.6</i>	<i>9.2</i>	<i>-12.3</i>	<i>-6.1</i>	<i>59.9</i>	<i>-4.5</i>	<i>-17.1</i>	<i>-3.8</i>	<i>3.0</i>	<i>1.2</i>	<i>2.5</i>
Total	15.2	3.6	13.8	-7.7	5.0	-4.9	1.5	-4.0	3.7	-0.8	4.7	2.5
EBIT, EURm												
Group	0.7	3.0	4.8	3.9	12.3	0.2	2.8	3.3	4.4	10.7	12.8	14.2
Total	0.7	3.0	4.8	3.9	12.3	0.2	2.8	3.3	4.4	10.7	12.8	14.2
EBIT margin, %												
Total	1.0	4.0	5.3	4.5	3.9	0.3	3.6	3.8	4.9	3.4	3.8	4.2

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	314.8	274.6	288.8	305.2	320.6	318.0	332.8	341.3
<i>Sales growth (%)</i>	-0.3	-12.8	5.1	5.7	5.0	-0.8	4.7	2.5
EBITDA	8.1	11.4	9.2	15.0	16.1	14.3	16.7	18.4
<i>EBITDA margin (%)</i>	2.6	4.2	3.2	4.9	5.0	4.5	5.0	5.4
Depreciation	-3.5	-3.2	-3.5	-3.5	-3.7	-3.6	-3.9	-4.2
EBITA	4.6	8.2	5.7	11.5	12.3	10.7	12.8	14.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.6	8.2	5.7	11.5	12.3	10.7	12.8	14.2
<i>EBIT margin (%)</i>	1.5	3.0	2.0	3.8	3.9	3.4	3.8	4.2
Reported EBIT	4.6	8.2	5.7	11.5	12.3	10.7	12.8	14.2
<i>EBIT margin (reported) (%)</i>	1.5	3.0	2.0	3.8	3.9	3.4	3.8	4.2
Net financials	-1.2	-1.0	-1.1	-1.0	-1.0	-0.9	-0.7	-0.6
Pre-tax profit	3.4	7.2	4.6	10.4	11.4	9.8	12.0	13.6
Taxes	-0.7	-1.6	-0.9	-1.9	-2.4	-2.0	-2.4	-2.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	2.5	5.6	3.7	8.5	9.0	7.8	9.6	10.9
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
BALANCE SHEET, EURm								
Assets								
Fixed assets	4	3	3	4	5	4	5	5
Goodwill	49	49	50	50	49	49	49	49
Right of use assets	3	2	6	4	5	6	6	6
Inventory	1	1	1	1	1	1	1	1
Receivables	50	49	41	44	41	40	43	46
Liquid funds	10	24	18	21	21	21	22	22
Total assets	117	129	119	123	121	121	126	130
Liabilities								
Shareholder's equity	26	30	32	36	41	43	48	54
Minority interest	0	0	0	0	0	0	0	0
Convertibles	3	3	0	0	0	0	0	0
Lease liabilities	4	2	5	4	5	6	6	6
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	25	27	27	20	15	13	9	6
Non-interest bearing current liabilities	56	63	52	60	57	57	59	61
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	117	129	119	123	121	121	126	130
CASH FLOW, EURm								
+ EBITDA	8	11	9	15	16	14	17	18
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	0	-1	-1	1	-2	-2	-2	-3
- Increase in Net Working Capital	-3	8	-3	4	1	0	0	-1
+/- Other	0	0	1	-2	0	0	0	0
= Cash flow from operations	4	18	5	17	13	11	13	14
- Capex	-4	-3	-7	-2	-5	-4	-5	-5
- Acquisitions	0	0	-1	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	15	-3	15	9	7	9	9
+/- New issues/buybacks	0	0	1	-1	1	0	0	0
- Paid dividend	0	-1	-3	-4	-5	-5	-5	-6
+/- Other	6	0	-1	-8	-4	-2	-3	-3
Change in cash	7	14	-6	3	0	0	1	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	79	95	86	88	73	73	73
Net debt (excl. convertibles)	5	14	4	-1	-3	-7	-10
Enterprise value	87	109	90	88	70	66	63
Sales	275	289	305	321	318	333	341
EBITDA	11	9	15	16	14	17	18
EBIT	8	6	11	12	11	13	14
Pre-tax	7	5	10	11	10	12	14
Earnings	6	4	8	9	8	10	11
Equity book value (excl. minorities)	30	32	36	41	43	48	54
Valuation multiples							
EV/sales	0.3	0.4	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	7.6	11.9	6.0	5.4	4.9	4.0	3.4
EV/EBITA	10.6	19.1	7.9	7.1	6.6	5.2	4.4
EV/EBIT	10.6	19.1	7.9	7.1	6.6	5.2	4.4
EV/OCF	4.9	23.3	5.2	6.5	6.2	5.0	4.6
EV/FCFF	5.2	32.9	5.2	6.9	6.5	5.4	4.9
P/FCFE	5.2	-30.6	5.7	10.3	10.2	8.4	7.9
P/E	14.2	25.9	10.2	9.8	9.3	7.5	6.7
P/B	2.6	3.0	2.4	2.2	1.7	1.5	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.4	5.2	4.5
Target EV/EBIT	0.0	0.0	0.0	0.0	8.5	6.8	5.9
Target EV/FCF	0.0	0.0	0.0	0.0	12.8	10.0	9.1
Target P/B	0.0	0.0	0.0	0.0	2.2	1.9	1.7
Target P/E	0.0	0.0	0.0	0.0	11.9	9.7	8.6
Per share measures							
Number of shares	7,858	7,858	7,735	7,794	7,794	7,794	7,794
Number of shares (diluted)	7,858	7,858	7,735	7,794	7,794	7,794	7,794
EPS	0.71	0.47	1.10	1.16	1.01	1.24	1.40
Operating cash flow per share	2.27	0.60	2.25	1.73	1.45	1.69	1.76
Free cash flow per share	1.93	-0.40	1.96	1.10	0.91	1.11	1.18
Book value per share	3.87	4.08	4.68	5.27	5.58	6.21	6.87
Dividend per share	0.40	0.45	0.60	0.70	0.60	0.74	0.84
Dividend payout ratio, %	56.3	96.4	54.6	60.5	60.0	60.0	60.0
Dividend yield, %	4.0	3.7	5.4	6.2	6.5	8.0	9.0
FCF yield, %	19.2	-3.3	17.6	9.7	9.8	11.9	12.6
Efficiency measures							
ROE	19.7	11.8	24.9	23.3	18.5	20.9	21.4
ROCE	13.7	9.1	18.4	20.3	17.5	20.5	22.1
Financial ratios							
Inventories as % of sales	0.2	0.3	0.3	0.2	0.2	0.2	0.2
Receivables as % of sales	17.9	14.3	14.4	12.7	12.7	13.0	13.5
Non-interest bearing liabilities as % of sales	23.1	18.0	19.6	17.8	17.8	17.8	17.8
NWC/sales, %	-4.9	-3.4	-4.9	-4.9	-4.9	-4.6	-4.1
Operative CAPEX/sales, %	1.0	2.4	0.7	1.5	1.3	1.4	1.3
CAPEX/sales (incl. acquisitions), %	1.0	2.0	0.7	1.5	1.3	1.4	1.3
FCFF/EBITDA	1.5	0.4	1.1	0.8	0.8	0.7	0.7
Net debt/EBITDA, book-weighted	0.4	1.5	0.3	-0.1	-0.2	-0.4	-0.5
Debt/equity, market-weighted	0.3	0.3	0.2	0.2	0.2	0.1	0.1
Equity ratio, book-weighted	26.1	26.9	29.4	33.9	35.8	38.4	41.3
Gearing, %	14.1	44.1	10.7	-2.3	-5.9	-13.5	-18.5

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 2017-2019 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	792,825	7.389	10.2%
Heikintorppa Oy	750,000	6.990	9.6%
Wipunen Varainhallinta Oy	750,000	6.990	9.6%
Fennia Life Insurance Company Ltd	520,524	4.851	6.7%
Korkeela Esa Sakari	477,931	4.454	6.1%
Kivi Risto Juhani	392,354	3.657	5.0%
Kalevo Markku	298,967	2.786	3.8%
Varma Mutual Pension Insurance Company	172,000	1.603	2.2%
Drumbo Oy	150,000	1.398	1.9%
Norvier Oy	106,463	0.992	1.4%
Ten largest	4,411,064	41.111	57%
Residual	3,382,903	31.529	43%
Total	7,793,967	72.640	100%

EARNINGS CALENDAR

July 19, 2024 Q2 report
October 25, 2024 Q3 report

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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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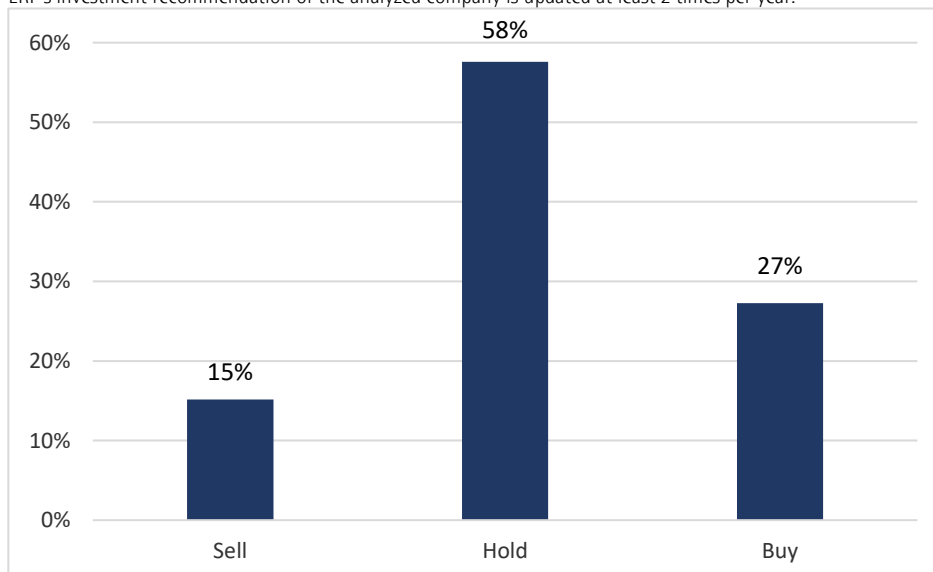
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Investment recommendations are defined as follows:

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

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

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