

Awaiting better market conditions

Consti reports its Q2 results on Friday 19th of July. Our main interest on the report lies on the order intake, which has traditionally been the strongest during the second quarter. Market conditions remain challenging while the backlog is still on a healthy level for FY 2024.

Expecting similar net sales to the previous year's level in Q2
While the market remains challenging and the backlog declined y/y in Q1/24, we expect that the ongoing public projects will continue to support Consti. For Q2/24, we estimate net sales roughly at the same level as in Q2/23 helped by the company's Public Sector and Building Technology business areas. Some projects in the Building Technology business area did not contribute to Q1/24 sales as the company expected and we estimate that these projects started to contribute during the second quarter. While we expect flat sales development for Q2, we estimate revenue decline for FY as we expect that the company's disciplined tendering activities coupled with intensified competition will affect new project starts during 2024.

Market conditions have remained challenging

Value of renovation in Finland kept declining during the first quarter as the value of Finnish renovation dropped over 15% y/y. In the Q1 report, the company commented that it doesn't anticipate significant improvement in market conditions during the second quarter. The two main headwinds remain high interest rates and construction costs. While the cost inflation has slowed down, the construction costs have remained at a high level. On the other hand, while the ECB cut its rate by 25bps, the rates are still at a high level. Although market sentiment is largely negative, there are some positive indications. Survey study by Finnish Association of HVAC Technical Contractors showed some improvement in the sentiment across all the renovation segments in the Spring 2024 survey results when compared to results from last September.

Valuation remains attractive despite short-term headwinds

Consti is still priced at attractive multiples on our estimates as EV/EBIT for 24-25E is at 7-6x and P/E at 10-8x. These multiples continue to present discount to both the peer companies and Consti's own historic multiples.



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	317.0	10.4	3.3%	6.8	0.97	10.1	0.2	7.2	8.8	0.58
2025E	331.8	12.7	3.8%	8.3	1.22	8.1	0.2	5.5	10.9	0.73
2026E	344.5	14.4	4.2%	8.6	1.41	7.0	0.2	4.7	11.3	0.84

Market cap, EURm	77	Gearing 2024E, %	-5.2	CAGR EPS 2023-26, %	6.7
Net debt 2024E, EURm	-2	Price/book 2024E	1.8	CAGR sales 2023-26, %	2.4
Enterprise value, EURm	74	Dividend yield 2024E, %	5.9	ROE 2024E, %	17.9
Total assets 2024E, EURm	121	Tax rate 2024E, %	20.0	ROCE 2024E, %	17.0
Goodwill 2024E, EURm	49	Equity ratio 2024E, %	35.6	PEG, P/E 24/CAGR	0.7

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

Table 1: Peer group

Company name	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
YIT	535	23.1x	16.9x	12.3x	52.9x	22.8x	15.4x	68.6x	15.6x	
SRV Yhtiot	86	12.7x	8.4x	6.4x	18.4x	10.9x	8.0x	32.8x	9.5x	5.4x
Skanska	7357	10.3x	9.3x	8.8x	13.3x	11.6x	10.8x	13.8x	12.3x	11.5x
NCC	1372	6.8x	6.7x	6.7x	11.7x	11.3x	10.9x	11.7x	11.2x	10.9x
Peab	1930	10.3x	9.8x	9.0x	17.5x	16.1x	14.3x	15.3x	13.8x	11.9x
JM AB	1212	42.5x	31.5x	21.6x	38.4x	31.6x	21.6x	39.7x	23.3x	14.7x
Veidekke	1394							13.6x	12.8x	12.3x
Bravida Holding	1544	9.7x	8.6x	8.1x	13.5x	11.3x	10.6x	15.6x	12.5x	11.5x
MITIE Group	1851	6.4x	6.0x	5.6x	8.0x	7.4x	6.8x	10.7x	9.9x	9.1x
ISS A/S	3003	5.9x	5.6x	5.4x	8.1x	7.5x	7.2x	8.2x	7.2x	6.5x
Bilfinger	1848	5.0x	4.5x	4.1x	7.1x	6.1x	5.5x	11.6x	9.8x	8.7x
Instalco	1112	12.5x	11.4x	10.6x	19.8x	17.1x	14.9x	22.0x	17.5x	14.7x
Peer Group Average	1937	13.2x	10.8x	9.0x	19.0x	14.0x	11.5x	17.7x	17.4x	11.1x
Peer Group Median	1469	10.3x	8.6x	8.1x	13.5x	11.3x	10.8x	13.8x	12.4x	11.5x
Consti (Evli est.)	78	5.3x	4.2x	3.6x	7.1x	5.5x	4.7x	10.0x	8.0x	6.9x
Consti prem./disc. to peer median		-48 %	-50 %	-55 %	-47 %	-51 %	-57 %	-27 %	-35 %	-40 %

Source FactSet, Evli Research

Table 2: 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	104.0	20.4	27.3	29.5	25.2	102.4	15.2	24.3	28.1	25.2	92.8	96.5
Corporations	104.9	26.3	25.6	32.1	28.1	112.2	20.2	20.5	25.7	28.1	94.5	102.1
Public Sector	42.1	9.9	10.0	14.7	19.8	54.3	16.0	13.2	14.7	17.8	61.6	62.9
Building Technology	69.1	14.8	16.2	17.9	16.9	65.7	18.0	21.0	21.5	21.9	82.5	84.9
Eliminations	-14.9	-2.4	-3.4	-4.3	-3.9	-14.0	-3.9	-3.2	-3.6	-3.7	-14.4	-14.5
Net sales	305.2	68.9	75.7	89.9	86.1	320.6	65.5	75.9	86.3	89.3	317.0	331.8
change, %	5.7%	15.2%	3.6%	13.8%	-7.8%	5.0%	-4.9%	0.2%	-4.0%	3.8%	-1.1%	4.7%
Operating profit	11.5	0.7	3.0	4.8	3.9	12.3	0.2	2.5	3.3	4.4	10.4	12.7
-margin, %	3.8%	1.0%	4.0%	5.3%	4.5%	3.9%	0.3%	3.3%	3.8%	4.9%	3.3%	3.8%
Adj. Op. profit	11.5	0.7	3.0	4.8	3.9	12.3	0.2	2.5	3.3	4.4	10.4	12.7
-margin, %	3.8%	1.0%	4.0%	5.3%	4.5%	3.9%	0.3%	3.3%	3.8%	4.9%	3.3%	3.8%
Net financials	-1.0	-0.3	-0.3	-0.2	-0.2	-1.0	-0.3	-0.2	-0.2	-0.2	-0.9	-0.7
Pre-tax profit	10.4	0.4	2.8	4.5	3.7	11.4	0.0	2.3	3.1	4.2	9.5	12.0
Income taxes	-1.9	-0.1	-0.6	-0.9	-0.8	-2.4	0.0	-0.5	-0.6	-0.8	-1.9	-2.4
Net earnings	8.5	0.3	2.2	3.6	2.9	9.0	0.0	1.8	2.5	3.3	7.6	9.6

Source: Consti, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.82 PV of Free Cash Flow	88 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	20.71 PV of Horizon value	78 WACC, %	9.2 Market risk premium, %	5.8
Share price potential, %	110.9 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	22.1 Marketable securities	21 Minimum WACC, %	8.7 Equity beta coefficient	1.15
Minimum value	19.5 Debt - dividend	-26 Maximum WACC, %	9.7 Target debt ratio, %	20
Horizon value, %	46.9 Value of stock	161 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	317	332	345	353	358	364	369	375	380	384	388
<i>Sales growth, %</i>	<i>5.0</i>	<i>-1.1</i>	<i>4.7</i>	<i>3.8</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>1.0</i>	<i>1.0</i>
Operating income (EBIT)	12	10	13	14	15	14	13	13	13	13	13	14
<i>Operating income margin, %</i>	<i>3.9</i>	<i>3.3</i>	<i>3.8</i>	<i>4.2</i>	<i>4.2</i>	<i>4.0</i>	<i>3.5</i>	<i>3.5</i>	<i>3.5</i>	<i>3.5</i>	<i>3.5</i>	<i>3.5</i>
+ Depreciation+amort.	4	4	4	4	5	5	5	5	5	5	5	6
EBITDA	16	14	17	19	20	19	18	18	18	19	19	
- 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	-2	-2	-2	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>1.5</i>	<i>1.3</i>	<i>1.4</i>	<i>1.6</i>	<i>1.4</i>	<i>1.4</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</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	10	12	12	15	15	13	14	14	14	14	179
= Discounted FCFF		10	11	10	11	10	8	8	7	7	6	78
= DFCF min WACC		10	11	10	11	10	9	8	8	7	7	87
= DFCF max WACC		10	10	10	11	10	8	8	7	7	6	70

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	75.9	86.3	89.3	317.0	331.8	344.5
EBITDA	1.5	3.9	5.7	4.8	16.1	1.3	3.4	4.2	5.3	14.0	16.6	18.6
<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>4.5</i>	<i>4.9</i>	<i>5.9</i>	<i>4.4</i>	<i>5.0</i>	<i>5.4</i>
EBIT	0.7	3.0	4.8	3.9	12.3	0.2	2.5	3.3	4.4	10.4	12.7	14.4
<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>3.3</i>	<i>3.8</i>	<i>4.9</i>	<i>3.3</i>	<i>3.8</i>	<i>4.2</i>
Net financial items	-0.3	-0.3	-0.2	-0.2	-1.0	-0.3	-0.3	-0.2	-0.2	-1.0	-0.8	-0.7
Pre-tax profit	0.4	2.8	4.5	3.7	11.4	0.0	2.2	3.1	4.2	9.4	11.9	13.7
Tax	-0.1	-0.6	-0.9	-0.8	-2.4	0.0	-0.4	-0.6	-0.8	-1.9	-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	1.8	2.5	3.3	7.5	9.5	11.0
EPS	0.04	0.28	0.47	0.37	1.16	0.00	0.23	0.32	0.43	0.97	1.22	1.41
EPS adjusted (diluted no. of shares)	0.04	0.28	0.47	0.37	1.16	0.00	0.23	0.32	0.43	0.97	1.22	1.41
Dividend per share	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.00	0.00	0.58	0.73	0.84
SALES, EURm												
Housing Companies	20.4	27.3	29.5	25.2	102.4	15.2	24.3	28.1	25.2	92.8	96.5	98.4
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	13.2	14.7	17.8	61.6	62.9	66.0
Building Technology	14.8	16.2	17.9	16.9	65.7	18.0	21.0	21.5	21.9	82.5	84.9	90.0
Elimination	-2.4	-3.4	-4.3	-3.9	-14.0	-3.9	-3.2	-3.6	-3.7	-14.4	-14.5	-15.1
Total	68.9	75.7	89.9	86.1	320.6	65.5	75.9	86.3	89.3	317.0	331.8	344.5
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>-11.0</i>	<i>-5.0</i>	<i>0.0</i>	<i>-9.4</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>32.5</i>	<i>0.0</i>	<i>-10.0</i>	<i>13.6</i>	<i>2.0</i>	<i>5.0</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>6.0</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>-5.7</i>	<i>-17.1</i>	<i>-3.8</i>	<i>2.7</i>	<i>1.1</i>	<i>3.8</i>
Total	15.2	3.6	13.8	-7.7	5.0	-4.9	0.2	-4.0	3.7	-1.1	4.7	3.8
EBIT, EURm												
Group	0.7	3.0	4.8	3.9	12.3	0.2	2.5	3.3	4.4	10.4	12.7	14.4
Total	0.7	3.0	4.8	3.9	12.3	0.2	2.5	3.3	4.4	10.4	12.7	14.4
EBIT margin, %												
Total	1.0	4.0	5.3	4.5	3.9	0.3	3.3	3.8	4.9	3.3	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	317.0	331.8	344.5
<i>Sales growth (%)</i>	-0.3	-12.8	5.1	5.7	5.0	-1.1	4.7	3.8
EBITDA	8.1	11.4	9.2	15.0	16.1	14.0	16.6	18.6
<i>EBITDA margin (%)</i>	2.6	4.2	3.2	4.9	5.0	4.4	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	10.4	12.7	14.4
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	10.4	12.7	14.4
<i>EBIT margin (%)</i>	1.5	3.0	2.0	3.8	3.9	3.3	3.8	4.2
Reported EBIT	4.6	8.2	5.7	11.5	12.3	10.4	12.7	14.4
<i>EBIT margin (reported) (%)</i>	1.5	3.0	2.0	3.8	3.9	3.3	3.8	4.2
Net financials	-1.2	-1.0	-1.1	-1.0	-1.0	-1.0	-0.8	-0.7
Pre-tax profit	3.4	7.2	4.6	10.4	11.4	9.4	11.9	13.7
Taxes	-0.7	-1.6	-0.9	-1.9	-2.4	-1.9	-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	7.5	9.5	11.0
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	6
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	47
Liquid funds	10	24	18	21	21	21	22	23
Total assets	117	129	119	123	121	121	126	131
Liabilities								
Shareholder's equity	26	30	32	36	41	43	48	53
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	10	7
Non-interest bearing current liabilities	56	63	52	60	57	56	59	61
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	117	129	119	123	121	121	126	131
CASH FLOW, EURm								
+ EBITDA	8	11	9	15	16	14	17	19
- 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	8	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	-2
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	77	77	77
Net debt (excl. convertibles)	5	14	4	-1	-2	-6	-9
Enterprise value	87	109	90	88	74	71	68
Sales	275	289	305	321	317	332	345
EBITDA	11	9	15	16	14	17	19
EBIT	8	6	11	12	10	13	14
Pre-tax	7	5	10	11	9	12	14
Earnings	6	4	8	9	8	10	11
Equity book value (excl. minorities)	30	32	36	41	43	48	53
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	5.3	4.2	3.6
EV/EBITA	10.6	19.1	7.9	7.1	7.2	5.5	4.7
EV/EBIT	10.6	19.1	7.9	7.1	7.2	5.5	4.7
EV/OCF	4.9	23.3	5.2	6.5	6.8	5.4	4.8
EV/FCFF	5.2	32.9	5.2	6.9	7.1	5.9	5.5
P/FCFE	5.2	-30.6	5.7	10.3	11.3	9.2	8.9
P/E	14.2	25.9	10.2	9.8	10.1	8.1	7.0
P/B	2.6	3.0	2.4	2.2	1.8	1.6	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.5	5.3	4.5
Target EV/EBIT	0.0	0.0	0.0	0.0	8.8	6.9	5.9
Target EV/FCF	0.0	0.0	0.0	0.0	13.5	10.5	9.8
Target P/B	0.0	0.0	0.0	0.0	2.2	1.9	1.8
Target P/E	0.0	0.0	0.0	0.0	12.4	9.8	8.5
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	0.97	1.22	1.41
Operating cash flow per share	2.27	0.60	2.25	1.73	1.41	1.68	1.80
Free cash flow per share	1.93	-0.40	1.96	1.10	0.87	1.07	1.11
Book value per share	3.87	4.08	4.68	5.27	5.54	6.18	6.86
Dividend per share	0.40	0.45	0.60	0.70	0.58	0.73	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	5.9	7.5	8.6
FCF yield, %	19.2	-3.3	17.6	9.7	8.8	10.9	11.3
Efficiency measures							
ROE	19.7	11.8	24.9	23.3	17.9	20.8	21.6
ROCE	13.7	9.1	18.4	20.3	17.0	20.4	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	1.6
CAPEX/sales (incl. acquisitions), %	1.0	2.0	0.7	1.5	1.3	1.4	1.6
FCFF/EBITDA	1.5	0.4	1.1	0.8	0.7	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	35.6	38.2	40.7
Gearing, %	14.1	44.1	10.7	-2.3	-5.2	-12.5	-16.8

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	7.786	10.2%
Heikintorppa Oy	750,000	7.365	9.6%
Wipunen Varainhallinta Oy	750,000	7.365	9.6%
Fennia Life Insurance Company Ltd	520,524	5.112	6.7%
Korkeela Esa Sakari	477,931	4.693	6.1%
Kivi Risto Juhani	392,354	3.853	5.0%
Kalevo Markku	298,967	2.936	3.8%
Varma Mutual Pension Insurance Company	172,000	1.689	2.2%
Drumbo Oy	150,000	1.473	1.9%
Norvier Oy	106,463	1.045	1.4%
Ten largest	4,411,064	43.317	57%
Residual	3,382,903	33.220	43%
Total	7,793,967	76.537	100%

EARNINGS CALENDAR

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

OTHER EVENTS**COMPANY MISCELLANEOUS**

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CFO: Anders Löfman 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

<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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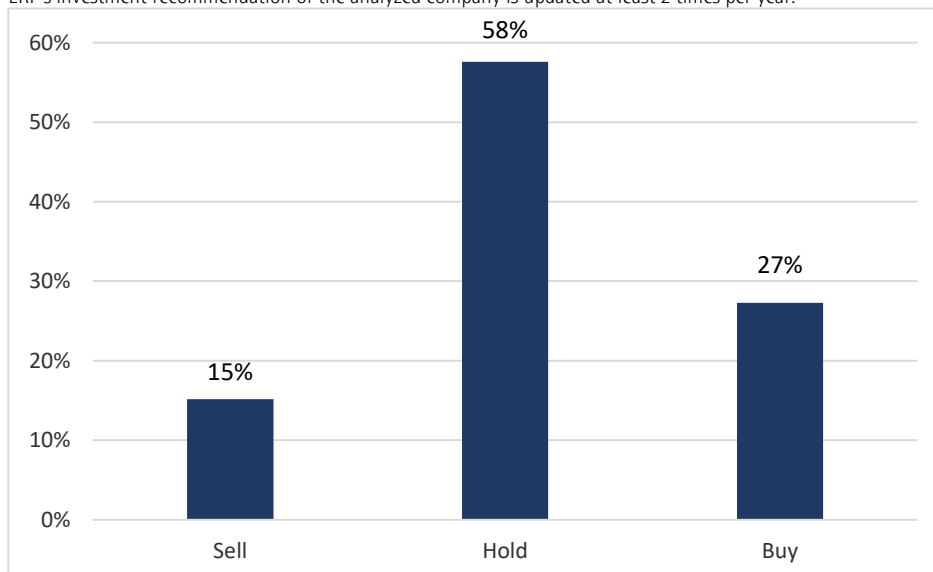
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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