

Patience is a virtue

Consti reports its Q4 result on 7th of February. We anticipate slight sales growth for Q4, although we expect ongoing margin pressure due to the sales mix. Our projections for 2025E remain conservative, as we anticipate only marginal support from the market.

Renovation volumes should turn to slight growth this year

The Confederation of Finnish Construction Industries RT (CFCI) expects volume growth of 1% for 2025 for renovation construction while it expects that the volumes decreased 4% in 2024. In June 2024, Euroconstruct expected only 0.4% decline in renovation volume while it expects 0.5% growth for 2025. The prevailing consensus regarding the Finnish renovation market suggests that it will commence a gradual recovery this year. We expect that demand from certain customer segments such as real estate investors will remain muted also going forward. Consti did not release any significant orders during the fourth quarter, and one of our main focuses in the report is the development of new orders.

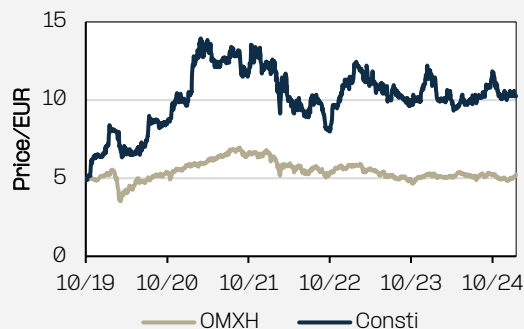
Estimates for 2025E remain relatively modest

We have made only minor adjustments to our estimates ahead of the Q4 print. We continue to expect slight growth for Q4/24 while profitability trails that of Q4 last year due to sales mix. Overall, we expect net sales of EUR 324m and EBIT of EUR 10.3m for 2024E. Consti's guidance for 2024 stands at EBIT of EUR 9–12m, therefore our estimate is slightly below the guidance middle. For 2025E, we expect net sales growth of 3% to EUR 333m and EBIT to land to EUR 11.8m with a margin of 3.5%. We expect Consti to provide relatively broad guidance, for which we anticipate a slight increase compared to the guidance for 2024. We have adjusted our dividend estimates. We now expect dividend of EUR 0.75 per share or approximately 80% of 2024E EPS (Consti's long-term aim is to distribute at least 50% of the annual net profit as dividends). We estimate the dividend yield to be approximately 7% for 2024, and between 7–8% for the subsequent years.

BUY with at TP of EUR 12.5

We retain our TP of EUR 12.5 and maintain rating at BUY. Our target values Consti on 8x EV/EBIT and 12x P/E based on our estimates for 2025E. We continue to find the current pricing conservative, especially considering the potential cycle low volumes in the renovation construction market in 2024.

Rating ++ Buy



Share price, EUR (Last trading day's closing price)	10.35
Target price, EUR	12.5
Latest change in recommendation	26-Jul-21
Latest report on company	28-Oct-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	7 913
No. of shares fully diluted, '000's	7 913
Market cap, EURm	82
Free float, %	
Exchange rate	1.0
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	
Next interim report	25-Apr-25
Web site	investor.consti.fi
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++ BUY + ACCUMULATE - REDUCE - 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
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	323.7	10.3	3.2%	2.5	0.93	11.1	0.3	8.1	3.1%	0.75
2025E	332.9	11.8	3.5%	9.7	1.07	9.6	0.2	6.8	11.8%	0.80
2026E	348.7	13.9	4.0%	9.8	1.31	7.9	0.2	5.5	11.9%	0.85

Market cap, EURm	82	Gearing 2024E, %	4.6 %	CAGR EPS 2023–26, %	4.2 %
Net debt 2024E, EURm	2	Price/book 2024E	1.9	CAGR Sales 2023–26, %	2.8 %
Enterprise value, EURm	84	Dividend yield 2024E, %	7.3 %	ROE 2024E, %	17.5 %
Total assets 2024E, EURm	127	Tax rate 2024E, %	20.0 %	ROCE 2024E, %	16.3 %
Goodwill 2024E, EURm	49	Equity ratio 2024E, %	33.9 %	PEG, P/E 24/CAGR	0.7

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/'24	Q3/'24	Q4/'24E	2024E	2025E
Housing Companies	104.0	20.4	27.3	29.5	25.2	102.4	15.2	22.5	26.7	25.2	89.6	96.7
Corporations	104.9	26.3	25.6	32.1	28.1	112.2	20.2	25.5	25.1	25.3	96.1	102.1
Public Sector	42.1	9.9	10.0	14.7	19.8	54.3	16.0	14.2	15.1	19.8	65.0	59.9
Building Technology	69.1	14.8	16.2	17.9	16.9	65.7	18.0	25.7	24.1	22.8	90.5	88.0
Eliminations	-14.9	-2.4	-3.4	-4.3	-3.9	-14.0	-3.9	-5.1	-4.8	-3.7	-17.5	-13.9
Net sales	305.2	68.9	75.7	89.9	86.1	320.6	65.5	82.9	86.1	89.3	323.7	332.9
<i>change, %</i>	<i>5.7%</i>	<i>15.2%</i>	<i>3.6%</i>	<i>13.8%</i>	<i>-7.8%</i>	<i>5.0%</i>	<i>-4.9%</i>	<i>9.4%</i>	<i>-4.3%</i>	<i>3.8%</i>	<i>1.0%</i>	<i>2.8%</i>
Operating profit	11.5	0.7	3.0	4.8	3.9	12.3	0.2	3.0	3.4	3.8	10.3	11.8
<i>-margin, %</i>	<i>3.8%</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>3.9%</i>	<i>4.2%</i>	<i>3.2%</i>	<i>3.5%</i>
Adj. Op. profit	11.5	0.7	3.0	3.8	3.9	12.3	0.2	3.0	3.4	3.8	10.3	11.8
<i>-margin, %</i>	<i>3.8%</i>	<i>1.0%</i>	<i>4.0%</i>	<i>4.2%</i>	<i>4.5%</i>	<i>3.9%</i>	<i>0.3%</i>	<i>3.6%</i>	<i>3.9%</i>	<i>4.2%</i>	<i>3.2%</i>	<i>3.5%</i>
Net financials	-1.0	-0.3	-0.3	-0.2	-0.2	-1.0	-0.3	-0.3	-0.3	-0.3	-1.1	-1.1
Pre-tax profit	10.4	0.4	2.8	4.5	3.7	11.4	0.0	2.7	3.1	3.5	9.2	10.6
Income taxes	-1.9	-0.1	-0.6	-0.9	-0.8	-2.4	0.0	-0.5	-0.6	-0.7	-1.8	-2.1
Net earnings	8.5	0.3	2.2	3.6	2.9	9.0	0.0	2.1	2.5	2.8	7.4	8.5

Table 2: Peer group

Company name	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
YIT	550	18.3x	16.8x	12.3x	38.2x	24.4x	15.8x			
SRV Yhtiot	86	12.7x	9.6x	6.5x	19.8x	13.5x	8.4x	48.6x	14.0x	6.3x
Skanska	8327	10.8x	9.6x	9.0x	14.4x	12.0x	11.0x	16.5x	13.6x	12.5x
NCC	1370	6.9x	6.9x	7.0x	11.6x	11.4x	11.2x	11.4x	10.8x	10.6x
Peab	1922	9.2x	9.0x	8.2x	14.7x	14.4x	12.7x	11.9x	12.5x	10.7x
JM AB	956	41.7x	31.1x	19.9x	39.3x	32.0x	19.9x	34.6x	21.6x	12.3x
Veidekke	1609	6.6x	6.2x	5.9x	10.9x	10.2x	9.6x	15.1x	14.6x	13.8x
Bravida Holding	1476	9.3x	8.4x	7.9x	13.2x	11.3x	10.4x	15.5x	12.5x	11.3x
MITIE Group	1695	6.0x	5.7x	5.3x	7.7x	7.4x	6.8x	10.0x	9.3x	8.5x
ISS A/S	3137	7.0x	6.5x	6.2x	9.5x	8.8x	8.3x	8.9x	7.8x	7.0x
Bilfinger	1754	4.8x	4.3x	4.0x	6.7x	5.8x	5.2x	10.7x	9.1x	8.1x
Instalco	692	10.5x	9.2x	8.1x	18.3x	14.9x	11.9x	16.1x	12.6x	9.9x
Peer Group Average	1965	12.0x	10.3x	8.3x	17.0x	13.8x	10.9x	18.1x	12.6x	10.7x
Peer Group Median	1543	9.3x	8.7x	7.4x	13.8x	11.7x	10.7x	15.1x	12.5x	10.6x
Consti (Evli est.)	82	6.0x	5.1x	4.2x	8.1x	6.8x	5.5x	11.1x	9.6x	7.9x

Consti prem./disc. to peer median -35% -41% -43% -41% -42% -48% -26% -23% -26%

Source FactSet, Evli Research

We have amended our rating methodology since the previous update of the stock. Please see the updated and previous methodologies below.

NEW

Target price compared to share price

< -10%

-10 – 0%

0 – (+10)%

> 10%

Recommendation

SELL

REDUCE

ACCUMULATE

BUY

OLD

Target price compared to share price

< -10%

-10 – (+10)%

> 10%

Recommendation

SELL

HOLD

BUY

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	10.35 PV of Free Cash Flow	88 Long-term growth, %	1.0 % Risk-free interest rate, %
DCF share value	19.55 PV of Horizon value	71 WACC, %	9.2 % Market risk premium, %
Share price potential, %	88.9 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	20.7 Marketable securities	21 Minimum WACC, %	8.7 % Equity beta coefficient
Minimum value	18.5 Debt – dividend	-26 Maximum WACC, %	9.7 % Target debt ratio, %
Horizon value, %	44.8 % Value of stock	155 No. of shares, Mn	7.9 Effective tax rate, %

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	TERMINAL
Net sales	321	324	333	349	357	363	368	374	379	385	389	393
Sales growth (%)	5.0%	1.0%	2.8%	4.8%	2.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.0%	1.0%
Operating income (EBIT)	12	10	12	14	15	15	13	13	13	12	12	12
Operating income margin %	3.9%	3.2%	3.5%	4.0%	4.2%	4.0%	3.5%	3.5%	3.5%	3.0%	3.0%	3.0%
+ Depreciation+amort.	4	4	4	4	5	5	5	5	5	5	6	
EBITDA	16	14	16	18	20	19	18	18	19	17	17	
- Paid taxes	-2	-2	-2	-3	-3	-3	-3	-3	-3	-2	-2	
- Change in NWC	1	-4	2	1	-1	0	0	0	0	0	0	
NWC / Sales, %	-4.9%	-3.6%	-4.1%	-4.1%	-3.8%	-3.7%	-3.6%	-3.5%	-3.4%	-3.3%	-3.2%	
+ Change in other liabs	0											
- Operative CAPEX	-2	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	
opCAPEX / Sales, %	1.5%	1.3%	1.4%	1.6%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%	1.5%	
- Acquisitions												
+ Divestments												
- Other items												
= FCFF	13	6	14	14	14	14	13	13	14	12	13	156
= Discounted FCF		6	13	12	11	10	9	8	7	6	6	71
= DFCF min WACC		6	13	12	11	10	9	8	8	6	6	79
= DFCF max WACC		6	13	11	11	10	8	8	7	6	6	64

Sensitivity analysis, EUR

		Terminal WACC				
		7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT-%	1.00 %	16.78	15.22	13.99	12.98	12.14
	2.00 %	21.12	18.66	16.77	15.27	14.04
	3.00 %	25.46	22.10	19.55	17.55	15.94
	4.00 %	29.80	25.54	22.33	19.84	17.84
	5.00 %	34.14	28.98	25.11	22.12	19.74

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	82.9	86.1	89.3	323.7	332.9	348.7
EBITDA	1.5	3.9	5.7	4.8	16.1	1.3	3.9	4.3	4.7	13.9	15.7	18.2
<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>4.7%</i>	<i>5.0%</i>	<i>5.2%</i>	<i>4.3%</i>	<i>4.7%</i>	<i>5.2%</i>
EBIT	0.7	3.0	4.8	3.9	12.3	0.2	3.0	3.4	3.8	10.3	11.8	13.9
<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>3.9%</i>	<i>4.2%</i>	<i>3.2%</i>	<i>3.5%</i>	<i>4.0%</i>
Net financial items	-0.3	-0.3	-0.2	-0.2	-1.0	-0.3	-0.3	-0.3	-0.3	-1.1	-1.1	-1.0
Pre-tax profit	0.4	2.8	4.5	3.7	11.4	0.0	2.7	3.1	3.5	9.2	10.6	13.0
Tax	-0.1	-0.6	-0.9	-0.8	-2.4	0.0	-0.5	-0.6	-0.7	-1.8	-2.1	-2.6
<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>19.9%</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	2.2	2.5	2.8	7.4	8.5	10.4
EPS	0.04	0.28	0.47	0.37	1.16	0.00	0.27	0.31	0.35	0.93	1.07	1.31
EPS adj. (diluted)	0.04	0.28	0.47	0.37	1.16	0.00	0.27	0.31	0.35	0.93	1.07	1.31
Dividend per share					0.70					0.75	0.80	0.85
SALES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Housing Companies	20.4	27.3	29.5	25.2	102.4	15.2	22.5	26.7	25.2	89.6	96.7	100.5
Corporations	26.3	25.6	32.1	28.1	112.2	20.2	25.5	25.1	25.3	96.1	102.1	107.2
Public Sector	9.9	10.0	14.7	19.8	54.3	16.0	14.2	15.1	19.8	65.0	59.9	62.9
Building Technology	14.8	16.2	17.9	16.9	65.7	18.0	25.7	24.1	22.8	90.5	88.0	93.3
Elimination	-2.4	-3.4	-4.3	-3.9	-14.0	-3.9	-5.1	-4.8	-3.7	-17.5	-13.9	-15.3
Total	68.9	75.7	89.9	86.1	320.6	65.5	82.9	86.1	89.3	323.7	332.9	348.7
SALES GROWTH, Y.Y%	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Housing Companies	31.0%	7.6%	-3.5%	-22.3%	-1.5%	-25.3%	-17.4%	-9.7%		-12.5%	7.9%	4.0%
Corporations	30.3%	5.7%	20.4%	-16.8%	6.9%	-23.1%	-0.6%	-21.9%	-10.0%	-14.4%	6.3%	5.0%
Public Sector	-9.9%	6.2%	56.1%	59.4%	28.8%	62.0%	42.5%	2.8%		19.8%	-7.8%	5.0%
Building Technology	-7.9%	-8.4%	9.9%	-11.7%	-4.9%	21.8%	58.7%	34.5%	35.0%	37.7%	-2.8%	6.0%
Elimination	-16.7%	-6.6%	9.2%	-12.3%	-6.1%	59.9%	51.0%	11.3%	-3.8%	25.1%	-20.8%	10.2%
Total	15.2%	3.6%	13.8%	-7.8%	5.0%	-4.9%	9.4%	-4.3%	3.8%	1.0%	2.8%	4.8%
EBIT, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Total	0.7	3.0	4.8	3.9	12.3	0.2	3.0	3.4	3.8	10.3	11.8	13.9
EBIT margin %	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Total	1.0%	4.0%	5.3%	4.5%	3.9%	0.3%	3.6%	3.9%	4.2%	3.2%	3.5%	4.0%

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	314.8	274.6	288.8	305.2	320.6	323.7	332.9	348.7
<i>Sales growth (%)</i>	-0.3%	-12.8%	5.1%	5.7%	5.0%	1.0%	2.8%	4.8%
EBITDA	8.1	11.4	9.2	15.0	16.1	13.9	15.7	18.2
<i>EBITDA margin (%)</i>	2.6%	4.2%	3.2%	4.9%	5.0%	4.3%	4.7%	5.2%
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	10.3	11.8	13.9
Goodwill amortization / writedown								
EBIT	4.6	8.2	5.7	11.5	12.3	10.3	11.8	13.9
<i>EBIT margin (%)</i>	1.5%	3.0%	2.0%	3.8%	3.9%	3.2%	3.5%	4.0%
Reported EBIT	4.6	8.2	5.7	11.5	12.3	10.3	11.8	13.9
<i>EBIT margin (reported) (%)</i>	1.5%	3.0%	2.0%	3.8%	3.9%	3.2%	3.5%	4.0%
Net financials	-1.2	-1.0	-1.1	-1.0	-1.0	-1.1	-1.1	-1.0
Pre-tax profit	3.4	7.2	4.6	10.4	11.4	9.2	10.6	13.0
Taxes	-0.7	-1.6	-0.9	-1.9	-2.4	-1.8	-2.1	-2.6
Minority shares								
Net profit	2.5	5.6	3.7	8.5	9.0	7.4	8.5	10.4
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	4	3	3	4	5	5	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	45	45	47
Liquid funds	10	24	18	21	21	21	22	23
Total assets	117	129	119	123	121	127	128	132
Liabilities								
Shareholders' equity	26	30	32	36	41	43	46	50
Minority interest								
Convertibles	3	3						
Lease liabilities	4	2	5	4	5	6	6	6
Deferred taxes								
Interest bearing debt	25	27	27	20	15	18	14	11
Non-interest bearing current liabilities	56	63	52	60	57	58	59	62
Other interest-free debt								
Total liabilities	117	129	119	123	121	127	128	132
CASH FLOW, EURm								
+ EBITDA	8	11	9	15	16	14	16	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	-4	2	1
+/- Other	0	0	1	-2				
= Cash flow from operations	4	18	5	17	13	7	14	15
- Capex	-4	-3	-7	-2	-5	-4	-5	-5
- Acquisitions			-1					
+ Divestments	0		0					
= Free cash flow	0	15	-3	15	9	3	10	10
+/- New issues/buybacks	0	0	1	-1	1			
- Paid dividend	1	3	4	5	5	6	6	7
+/- Other	6	0	-1	-8	-4	3	-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	82	82	82
Net debt (excl. convertibles)	5	14	4	-1	2	-2	-5
Enterprise value	87	109	90	88	84	80	77
Sales	275	289	305	321	324	333	349
EBITDA	11	9	15	16	14	16	18
EBIT	8	6	11	12	10	12	14
Pre-tax	7	5	10	11	9	11	13
Earnings	6	4	8	9	7	9	10
Equity book value (excl. minorities)	30	32	36	41	43	46	50

Valuation multiple	2020	2021	2022	2023	2024E	2025E	2026E
EV/Sales	0.3	0.4	0.3	0.3	0.3	0.2	0.2
EV/EBITDA	7.6	11.9	6.0	5.4	6.0	5.1	4.2
EV/EBITA	10.6	19.1	7.9	7.1	8.1	6.8	5.5
EV/EBIT	10.6	19.1	7.9	7.1	8.1	6.8	5.5
EV/OCF	4.9	23.3	5.2	6.5	12.3	5.6	5.0
EV/FCF	5.2	32.9	5.2	6.9	13.1	5.9	5.6
P/FCFR	5.2	-30.6	5.7	10.3	32.2	8.4	8.4
P/E	14.2	25.9	10.2	9.8	11.1	9.6	7.9
P/BV	2.6	3.0	2.4	2.2	1.9	1.8	1.7
Target EV/EBITDA					7.2	6.2	5.2
Target EV/EBIT					9.8	8.3	6.7
Target EV/FCFF					39.7	10.0	9.6
Target P/BV					2.3	2.2	2.0
Target P/E, diluted	17.6	26.9	13.3	10.3	13.5	11.6	9.5

Per share measures	2020	2021	2022	2023	2024E	2025E	2026E
Number of shares (million)	7.86	7.86	7.73	7.79	7.91	7.91	7.91
Number of shares (diluted, million)	7.86	7.86	7.73	7.79	7.91	7.91	7.91
EPS	0.71	0.47	1.10	1.16	0.93	1.07	1.31
Operating cash flow per share	2.27	0.60	2.25	1.73	0.86	1.82	1.93
Free cash flow per share	1.93	-0.40	1.96	1.10	0.32	1.23	1.24
Book value per share	3.87	4.08	4.68	5.27	5.44	5.76	6.27
Dividend per share	0.40	0.45	0.60	0.70	0.75	0.80	0.85
Dividend payout ratio, %	56.3%	96.4%	54.6%	60.5%	80.7%	74.4%	65.0%
Dividend yield, %	4.0%	3.7%	5.4%	6.2%	7.2%	7.7%	8.2%
FCF yield, %	19.2%	-3.3%	17.6%	9.7%	3.1%	11.8%	11.9%

Efficiency measures	2020	2021	2022	2023	2024E	2025E	2026E
ROE	19.8%	11.8%	24.9%	23.3%	17.5%	19.2%	21.8%
ROCE	13.8%	9.1%	18.4%	20.3%	16.3%	18.0%	21.1%

Financial ratios	2020	2021	2022	2023	2024E	2025E	2026E
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%	14.0%	13.5%	13.5%
Non-int. 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%	-5.0%	-4.9%	-3.6%	-4.1%	-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	0.5	0.9	0.8
Net Debt/EBITDA, book-weighted	0.4	1.5	0.3	-0.1	0.1	-0.1	-0.3
Debt/equity, market-weighted	0.3	0.3	0.2	0.2	0.2	0.2	0.1
Equity ratio, book-weighted	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Gearing, %	14.1%	44.1%	10.7%	-2.3%	4.6%	-3.9%	-10.6%

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 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	810 000	8.384	10.2 %
Heikintorppa Oy	750 000	7.763	9.5 %
Wipunen Varainhallinta Oy	750 000	7.763	9.5 %
Fennia Life Insurance Company Ltd	519 970	5.382	6.6 %
Korkeela Esa Sakari	477 931	4.947	6.0 %
Kivi Risto Juhani	392 354	4.061	5.0 %
Kalevo Markku	298 967	3.094	3.8 %
Varma Mutual Pension Insurance Company	172 000	1.780	2.2 %
Drumbo Oy	150 000	1.553	1.9 %
Erikoissijoitusrahasto Aktia Mikro Markka	117 678	1.218	1.5 %
Ten largest	4 438 900	45.943	56.1 %
Residual	3 474 367	35.960	43.9 %
Total	7 913 267	81.902	100%

EARNINGS CALENDAR

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Esa Korkeela
OFO: Anders Löfman
IR: Ismo Heikkilä

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Tel: +358 10 288 6000

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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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 rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

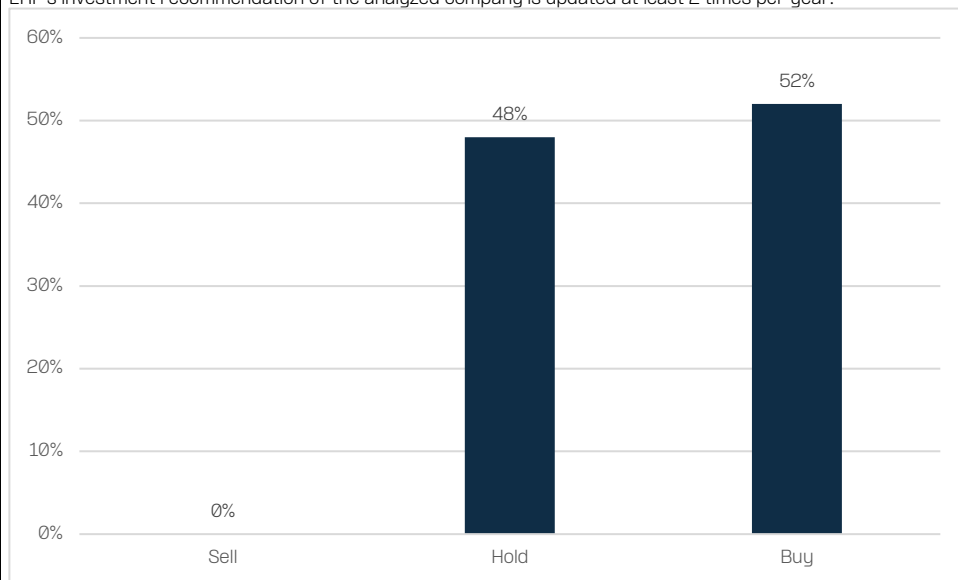
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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