

Profitability missed

Consti's net sales in Q1 amounted to EUR 65.6m, in line with our estimate (Evli est. EUR 65.7m.), with growth of 0.1% y/y. EBIT amounted to EUR –0.1m, while we had estimated EBIT of EUR 0.4m. Profitability was negatively affected by performance in the Service business.

- Net sales in Q1 were EUR 65.6m (EUR 65.5m in Q1/24), in line with our estimate.
- Although the group's overall net sales aligned with our expectations, performance varied by segment, with Housing Companies experiencing stronger growth than anticipated, while net sales in Corporations declined
- Operating profit in Q1 amounted to EUR –0.1m (EUR 0.2m in Q1/24), below our estimate of EUR 0.4m.
- Profitability was negatively affected by lower-than-expected net sales and profitability in Service business. Profitability in the project business was broadly in line with the company's expectations.
- We note that Q1 is traditionally the seasonal low for Consti's business.
- EPS in Q1 amounted to EUR –0.04 (EUR –0.00 in Q1/24)
- The order backlog at the end of Q1 was EUR 246.4m (EUR 244.4m in Q1/24), growing 0.8% y/y. Order intake was EUR 60.1m in Q1 (Q1/24: EUR 36.3m).
- Order backlog stays at a healthy level while order intake was substantially higher than during Q1 last year. There were no larger orders as the order intake consisted of several smaller-scale projects. Order intake was positively affected by new orders in Housing Companies and Corporations segments.
- Free cash flow amounted to EUR –0.5m (Q1/24: EUR –0.5m).
- Guidance for 2025 (unchanged): Operating result for 2025 will be in the range of EUR 9–12 million.

Rating ++ Buy

Q1/25	Actual	Evli	Year ago
Net sales	65.6	65.7	65.5
EBIT	–0.1	0.4	0.2
EPS	–0.04	0.02	0.00

Deviation	Actual	Evli	Year ago
Net sales		0 %	0 %
EBIT		–	–
EPS		–	–

Share price, EUR (Last trading day's closing price)	10.20
Target price, EUR	12.5
Latest change in recommendation	26-Jul-21
Latest report on company	17-Apr-25
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	81
Free float, %	
Exchange rate	1.0
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	0.1
Next interim report	25-Apr-25
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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
2023	320.6	12.3	3.9%	8.6	1.16	9.8	0.3	7.1	9.7%	0.70
2024	326.7	10.2	3.1%	1.5	0.90	11.5	0.3	8.3	1.9%	0.70
2025E	335.9	10.8	3.2%	9.2	1.00	10.2	0.2	7.4	11.4%	0.73
2026E	351.9	12.3	3.5%	9.9	1.17	8.7	0.2	6.1	12.2%	0.76
2027E	362.4	13.6	3.7%	9.8	1.32	7.7	0.2	5.3	12.1%	0.79
Market cap, EURm			81	Gearing 2025E, %			–2.2 %	CAGR EPS 2024–27, %		13.5 %
Net debt 2025E, EURm			–1	Price/book 2025E			1.8	CAGR Sales 2024–27, %		3.5 %
Enterprise value, EURm			80	Dividend yield 2025E, %			7.2 %	ROE 2025E, %		17.7 %
Total assets 2025E, EURm			118	Tax rate 2025E, %			20.0 %	ROCE 2025E, %		18.2 %
Goodwill 2025E, EURm			49	Equity ratio 2025E, %			38.9 %	PEG, P/E 25/CAGR		0.8

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

Important Disclosures

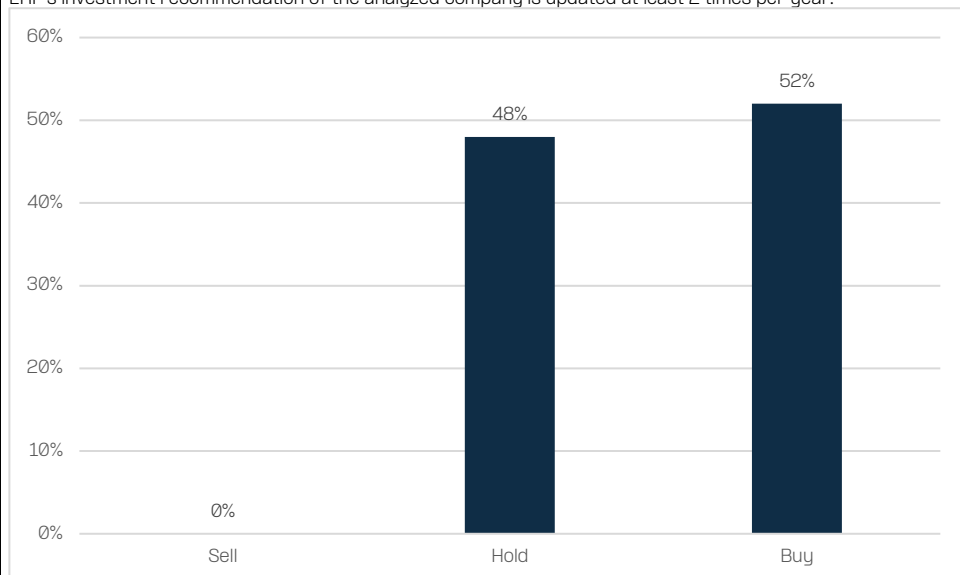
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Investment recommendations are defined as follows:

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

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

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