

Yet to gain momentum

Consti's Q2/2025 figures are due on Friday, July 18. We expect slight sales decline y/y while mix should retain margins at a satisfactory level despite the intense competition. Market conditions continue to be soft, with recovery progressing slowly.

Backlog should stay at a healthy level

Consti's order backlog at the end of Q1 was at EUR 246.4m, up 0.8% y/y while order intake grew 65.5% y/y. The order intake was positively driven by increased orders in the Housing Companies and Corporations business areas. The company announced a EUR 30 million school renovation and expansion project during the second quarter. The market has remained quiet, and the Finnish renovation trend indicator kept declining during Q1/25. Despite the slowness, a survey by the Finnish Association of HVAC Technical Contractors conducted at the start of the year indicates that market sentiment in renovation construction has continued to improve.

Forecasting slight acceleration in H2

While we model slight sales decline for Q2, we continue to expect sales growth for the full year. The overall Finnish renovation market volumes are expected to grow slightly this year. In addition, a larger share of end of Q1/25 backlog will be recognized during the year compared to last year. We also expect that the company's order backlog stayed at a healthy level at the end of Q2/25. Despite the forecast for FY sales growth, we estimate margins to only match those of last year for the full year as we expect the competitive environment in renovation to remain tight. On the other hand, we see the relatively strong backlog in the Housing Companies business area supporting the sales mix. We also expect the headwinds impacting the service business to ease compared to what was observed in Q1. Given the continued sluggishness in market recovery and the likelihood of continued elevated competition, we have lowered our estimates for the coming years as well.

BUY with a TP of EUR 12.0 (prev. EUR 12.5)

After the slight negative adjustments, we lower our TP to EUR 12.0 while retaining rating at BUY. Consti is priced at 8–7x EV/EBIT on our estimates for 2025–2026E. Although significant earnings growth remains difficult to achieve in the near term, the valuation discount compared to peers continues to be larger than warranted especially considering the company's resilient performance in a sluggish market.

Rating

++ Buy


Share price, EUR (Last trading day's closing price)	10.65
Target price, EUR	12.0
Latest change in recommendation	26-Jul-21
Latest report on company	15-Jul-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	84
Free float, %	45.9 %
Exchange rate	1.0
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EUR	0.1
Next interim report	18-Jul-25
Web site	investor.consti.fi
Analyst	Atte Jortikka
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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	330.6	10.2	3.1%	7.9	0.93	11.4	0.3	8.3	9.3%	0.72
2026E	342.9	11.6	3.4%	10.0	1.10	9.7	0.2	6.9	11.9%	0.74
2027E	352.2	13.1	3.7%	9.4	1.27	8.4	0.2	5.9	11.2%	0.76
Market cap, EURm	84		Gearing 2025E, %		0.8 %		CAGR EPS 2024–27, %		12.0 %	
Net debt 2025E, EURm	0		Price/book 2025		1.9		CAGR Sales 2024–27, %		2.5 %	
Enterprise value, EURm	85		Dividend yield 2025E, %		6.8 %		ROE 2025E, %		16.7 %	
Total assets 2025E, EURm	115		Tax rate 2025E, %		20.0 %		ROCE 2025E, %		17.4 %	
Goodwill 2025E, EURm	49		Equity ratio 2025E, %		39.5 %		PEG, P/E 25/CAGR		0.8	

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

Table 1: Peer group summary

Consti peer group	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		25	26	27	25	26	27	25	26	27
YIT	620	20.0x	12.9x	10.5x	30.5x	16.9x	13.0x		34.0x	13.7x
SRV Yhtiot	88	16.1x	9.6x	7.5x	26.2x	12.5x	9.2x	94.5x	9.7x	5.8x
Skanska	8205	8.9x	7.9x	7.7x	11.5x	10.0x	9.6x	13.6x	12.1x	11.6x
NCC	1567	6.6x	6.4x	6.1x	11.1x	10.4x	9.6x	12.4x	11.6x	10.7x
Peab	1966	8.2x	7.5x	7.1x	13.3x	11.5x	10.5x	14.9x	10.4x	9.3x
JM	818	37.0x	20.9x	14.8x	37.1x	21.7x	15.2x	36.3x	15.0x	10.0x
Veidekke	1913	7.3x	6.8x	6.6x	12.0x	11.0x	10.6x	17.3x	15.9x	15.3x
Bravida Holding	1663	9.8x	9.0x	8.4x	13.3x	11.9x	11.0x	14.6x	12.7x	11.6x
MITIE Group	1954	6.4x	5.9x	5.4x	8.5x	7.8x	7.1x	11.2x	10.2x	9.1x
ISS	4085	7.8x	7.4x	7.1x	10.6x	10.0x	9.6x	11.2x	9.9x	8.8x
Bilfinger	3472	8.0x	7.0x	6.5x	11.1x	9.5x	8.8x	17.3x	14.7x	13.3x
Instalco	599	8.9x	7.5x	7.0x	15.6x	11.7x	10.6x	12.6x	9.5x	8.4x
Peer Group Average	2246	12.1x	9.1x	7.9x	16.7x	12.1x	10.4x	23.3x	13.8x	10.6x
Peer Group Median	1788	8.6x	7.5x	7.1x	12.6x	11.3x	10.1x	14.6x	11.8x	10.3x
Consti (Evli est.)	84	6.2x	5.4x	4.7x	8.3x	6.9x	5.9x	11.4x	9.7x	8.4x
Consti prem./disc. to peer median		-28 %	-28 %	-33 %	-34 %	-38 %	-42 %	-22 %	-18 %	-19 %
Source FactSet, Evli Research										

Table 2: Forecast summary

Consti	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25E	Q3/'25E	Q4/'25E	2025E	2026E	2027E
Housing Companies	102.4	15.2	22.5	26.7	28.8	93.2	21.1	28.2	32.0	30.9	112.3	116.7	120.3
Corporations	112.2	20.2	25.5	25.1	27.4	98.1	16.7	27.3	27.6	28.8	100.3	103.3	106.4
Public Sector	54.3	16.0	14.2	15.1	13.0	58.3	10.6	9.2	14.3	14.3	48.5	50.9	51.4
Building Technology	65.7	18.0	25.7	24.1	27.9	95.7	19.4	19.3	20.5	23.7	82.8	87.0	89.6
Eliminations	-14.0	-3.9	-5.1	-4.8	-4.8	-18.6	-2.2	-3.4	-3.8	-3.9	-13.3	-15.0	-15.4
Net sales	320.6	65.5	82.9	86.1	92.3	326.7	65.6	80.6	90.6	93.8	330.6	342.9	352.2
change, %	5.0%	-4.9%	9.4%	-4.3%	7.2%	1.9%	0.1%	-2.7%	5.3%	1.7%	1.2%	3.7%	2.7%
Operating profit	12.3	0.2	3.0	3.4	3.6	10.2	-0.1	2.7	3.7	3.9	10.2	11.6	13.1
margin, %	3.9%	0.3%	3.6%	3.9%	3.9%	3.1%	-0.2%	3.3%	4.1%	4.1%	3.1%	3.4%	3.7%
Net financials	-1.0	-0.3	-0.3	-0.3	-0.2	-1.1	-0.2	-0.2	-0.2	-0.2	-0.9	-0.7	-0.5
Pre-tax profit	11.4	0.0	2.7	3.1	3.4	9.1	-0.4	2.5	3.5	3.7	9.2	10.9	12.6
Income taxes	-2.4	0.0	-0.5	-0.6	-0.8	-2.0	0.1	-0.5	-0.7	-0.7	-1.8	-2.2	-2.5
Net earnings	9.0	0.0	2.1	2.5	2.6	7.1	-0.3	2.0	2.8	2.9	7.4	8.7	10.0

Source: Consti, Evli Research estimates

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.65 PV of Free Cash Flow	76 Long-term growth, %	1.0 % Risk-free interest rate, %	2.25 %
DCF share value	16.60 PV of Horizon value	58 WACC, %	9.2 % Market risk premium, %	5.8 %
Share price potential, %	55.8 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.3 %
Maximum value	17.6 Marketable securities	14 Minimum WACC, %	8.7 % Equity beta coefficient	1.15
Minimum value	15.7 Debt – dividend	–17 Maximum WACC, %	9.7 % Target debt ratio, %	20 %
Horizon value, %	43.0 % Value of stock	131 No. of shares, Mn	7.9 Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	327	331	343	352	357	363	368	374	379	385	389	393
Sales growth (%)	1.9%	1.2%	3.7%	2.7%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.0%	1.0%
Operating income (EBIT)	10	10	12	13	14	15	13	13	11	12	12	12
Operating income margin %	3.1%	3.1%	3.4%	3.7%	4.0%	4.0%	3.5%	3.5%	3.0%	3.0%	3.0%	3.0%
+ Depreciation+amort.	4	4	3	3	3	3	3	3	3	3	3	3
EBITDA	14	14	15	16	17	18	16	16	15	15	15	
– Paid taxes	–2	–2	–2	–3	–3	–3	–3	–3	–2	–2	–2	
– Change in NWC	–7	0	1	–1	0	0	0	0	0	0	0	
NWC / Sales, %	–2.7%	–2.7%	–2.9%	–2.6%	–2.5%	–2.4%	–2.3%	–2.2%	–2.1%	–2.1%	–2.0%	
+ Change in other liabs	0											
– Operative CAPEX	–1	–2	–2	–2	–2	–2	–2	–2	–2	–2	–2	
opCAPEX / Sales, %	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	
– Acquisitions												
+ Divestments												
– Other items												
= FCFF	4	10	12	11	13	13	12	12	10	11	11	132
= Discounted FCFF		10	11	9	9	9	7	7	5	5	5	58
= DFCF min WACC		10	11	9	9	9	7	7	6	5	5	64
= DFCF max WACC		10	10	9	9	8	7	6	5	5	4	52

Sensitivity analysis, EUR

		Terminal WACC				
		7.17 %	8.17 %	9.17 %	10.17 %	11.17 %
Terminal EBIT–%	1.00 %	13.25	12.17	11.30	10.57	9.95
	2.00 %	17.43	15.46	13.95	12.74	11.74
	3.00 %	21.61	18.76	16.60	14.90	13.53
	4.00 %	25.79	22.05	19.25	17.07	15.33
	5.00 %	29.96	25.34	21.89	19.23	17.12

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	65.5	82.9	86.1	92.3	326.7	65.6	80.6	90.6	93.8	330.6	342.9	352.2
EBITDA	1.3	3.9	4.3	4.5	13.9	0.8	3.8	4.8	5.0	13.8	14.8	16.1
EBITDA margin (%)	2.0%	4.7%	5.0%	4.9%	4.3%	1.2%	4.7%	5.3%	5.3%	4.2%	4.3%	4.6%
EBIT	0.2	3.0	3.4	3.6	10.2	-0.1	2.7	3.7	3.9	10.2	11.6	13.1
EBIT margin (%)	0.3%	3.6%	3.9%	3.9%	3.1%	-0.2%	3.4%	4.1%	4.1%	3.1%	3.4%	3.7%
Net financial items	-0.3	-0.3	-0.3	-0.2	-1.1	-0.2	-0.2	-0.2	-0.2	-0.9	-0.7	-0.5
Pre-tax profit	0.0	2.7	3.1	3.4	9.1	-0.4	2.5	3.5	3.7	9.2	10.9	12.6
Tax	0.0	-0.5	-0.6	-0.8	-2.0	0.1	-0.5	-0.7	-0.7	-1.8	-2.2	-2.5
Tax rate (%)	20.9%	19.9%	20.0%	24.8%	21.8%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net profit	0.0	2.2	2.5	2.6	7.1	-0.3	2.0	2.8	2.9	7.4	8.7	10.0
EPS	0.00	0.27	0.31	0.32	0.90	-0.04	0.25	0.35	0.37	0.93	1.10	1.27
EPS adj. (diluted)	0.00	0.27	0.31	0.32	0.90	-0.04	0.25	0.35	0.37	0.93	1.10	1.27
Dividend per share					0.70					0.72	0.74	0.76
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Housing Companies	15.2	22.5	26.7	28.8	93.2	21.1	28.2	32.0	30.9	112.3	116.7	120.3
Corporations	20.2	25.5	25.1	27.4	98.1	16.7	27.3	27.6	28.8	100.3	103.3	106.4
Public Sector	16.0	14.2	15.1	13.0	58.3	10.6	9.2	14.3	14.3	48.5	50.9	51.4
Building Technology	18.0	25.7	24.1	27.9	95.7	19.4	19.3	20.5	23.7	82.8	87.0	89.6
Elimination	-3.9	-5.1	-4.8	-4.8	-18.6	-2.2	-3.4	-3.8	-3.9	-13.3	-15.0	-15.4
Total	65.5	82.9	86.1	92.3	326.7	65.6	80.6	90.6	93.8	330.6	342.9	352.2
SALES GROWTH, Y-Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Housing Companies	-25.3%	-17.4%	-9.7%	14.4%	-9.0%	38.7%	25.0%	20.0%	7.5%	20.4%	4.0%	3.0%
Corporations	-23.1%	-0.6%	-21.9%	-2.6%	-12.5%	-17.3%	7.0%	10.0%	5.0%	2.2%	3.0%	3.0%
Public Sector	62.0%	42.5%	2.8%	-34.2%	7.4%	-33.5%	-35.0%	-5.0%	10.0%	-16.8%	5.0%	1.0%
Building Technology	21.8%	58.7%	34.5%	65.5%	45.5%	7.5%	-25.0%	-15.0%	-15.0%	-13.5%	5.0%	3.0%
Elimination	59.9%	51.0%	11.3%	25.1%	33.1%	-42.8%	-33.7%	-21.8%	-19.2%	-28.8%	13.3%	2.7%
Total	-4.9%	9.4%	-4.3%	7.2%	1.9%	0.1%	-2.7%	5.3%	1.7%	1.2%	3.7%	2.7%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	0.2	3.0	3.4	3.6	10.2	-0.1	2.7	3.7	3.9	10.2	11.6	13.1
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Total	0.3%	3.6%	3.9%	3.9%	3.1%	-0.2%	3.4%	4.1%	4.1%	3.1%	3.4%	3.7%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	274.6	288.8	305.2	320.6	326.7	330.6	342.9	352.2
<i>Sales growth (%)</i>	-12.8%	5.1%	5.7%	5.0%	1.9%	1.2%	3.7%	2.7%
EBITDA	11.4	9.2	15.0	16.1	13.9	13.8	14.8	16.1
<i>EBITDA margin (%)</i>	4.2%	3.2%	4.9%	5.0%	4.3%	4.2%	4.3%	4.6%
Depreciation	-3.2	-3.5	-3.5	-3.7	-3.7	-3.6	-3.2	-3.1
EBITA	8.2	5.7	11.5	12.3	10.2	10.2	11.6	13.1
Goodwill amortization / writedown								
EBIT	8.2	5.7	11.5	12.3	10.2	10.2	11.6	13.1
<i>EBIT margin (%)</i>	3.0%	2.0%	3.8%	3.9%	3.1%	3.1%	3.4%	3.7%
Reported EBIT	8.2	5.7	11.5	12.3	10.2	10.2	11.6	13.1
<i>EBIT margin (reported) (%)</i>	3.0%	2.0%	3.8%	3.9%	3.1%	3.1%	3.4%	3.7%
Net financials	-1.0	-1.1	-1.0	-1.0	-1.1	-0.9	-0.7	-0.5
Pre-tax profit	7.2	4.6	10.4	11.4	9.1	9.2	10.9	12.6
Taxes	-1.6	-0.9	-1.9	-2.4	-2.0	-1.8	-2.2	-2.5
Minority shares								
Net profit	5.6	3.7	8.5	9.0	7.1	7.4	8.7	10.0
Cash NRIs								
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	3	3	4	5	4	5	5	5
Goodwill	49	50	50	49	49	49	49	49
Right of use assets	2	6	4	5	4	3	3	3
Inventory	1	1	1	1	1	1	1	1
Receivables	49	41	44	41	45	45	46	48
Liquid funds	24	18	21	21	14	12	14	14
Total assets	129	119	123	121	117	115	118	120
Liabilities								
Shareholders' equity	30	32	36	41	43	45	48	52
Minority interest								
Convertibles	3							
Lease liabilities	2	5	4	5	4	3	3	3
Deferred taxes								
Interest bearing debt	27	27	20	15	13	9	7	4
Non-interest bearing current liabilities	63	52	60	57	54	55	57	58
Other interest-free debt								
Total liabilities	129	119	123	121	117	115	118	120
CASH FLOW, EURm								
+ EBITDA	11	9	15	16	14	14	15	16
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	1	-2	-2	-2	-2	-3
- Increase in Net Working Capital	8	-3	4	1	-7	0	1	-1
+/- Other	0	1	-2					
= Cash flow from operations	18	5	17	13	4	11	13	13
- Capex	-3	-7	-2	-5	-2	-3	-3	-3
- Acquisitions		-1						
+ Divestments		0						
= Free cash flow	15	-3	15	9	2	8	10	9
+/- New issues/buybacks	0	1	-1	1	1			
- Paid dividend	3	4	5	5	6	6	6	6
+/- Other	0	-1	-8	-4	-4	-5	-2	-3
Change in cash	14	-6	3	0	-7	-3	2	0

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	95	86	88	82	84	84	84
Net debt (excl. convertibles)	14	4	-1	3	0	-4	-7
Enterprise value	109	90	88	85	85	80	77
Sales	289	305	321	327	331	343	352
EBITDA	9	15	16	14	14	15	16
EBIT	6	11	12	10	10	12	13
Pre-tax	5	10	11	9	9	11	13
Earnings	4	8	9	7	7	9	10
Equity book value (excl. minorities)	32	36	41	43	45	48	52

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.4	0.3	0.3	0.3	0.3	0.2	0.2
EV/EBITDA	11.9	6.0	5.4	6.1	6.2	5.4	4.8
EV/EBITA	19.1	7.9	7.1	8.3	8.3	6.9	5.9
EV/EBIT	19.1	7.9	7.1	8.3	8.3	6.9	5.9
EV/OCF	23.3	5.2	6.5	21.2	7.8	6.2	6.1
EV/FCF	32.9	5.2	6.9	24.1	8.5	6.7	6.8
P/FCFR	-30.6	5.7	10.3	54.1	10.7	8.4	9.0
P/E	25.9	10.2	9.8	11.5	11.4	9.7	8.4
P/BV	3.0	2.4	2.2	1.9	1.9	1.7	1.6
Target EV/EBITDA					6.9	6.2	5.4
Target EV/EBIT					9.4	7.9	6.7
Target EV/FCFF					12.1	9.1	9.3
Target P/BV					2.1	2.0	1.8
Target P/E, diluted	26.9	13.3	10.3	13.5	12.8	10.9	9.5

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	7.86	7.73	7.79	7.91	7.91	7.91	7.91
Number of shares (diluted, million)	7.86	7.73	7.79	7.91	7.91	7.91	7.91
EPS	0.47	1.10	1.16	0.90	0.93	1.10	1.27
Operating cash flow per share	0.60	2.25	1.73	0.50	1.38	1.65	1.58
Free cash flow per share	-0.40	1.96	1.10	0.19	0.99	1.26	1.19
Book value per share	4.08	4.68	5.27	5.49	5.72	6.10	6.63
Dividend per share	0.45	0.60	0.70	0.70	0.72	0.74	0.76
Dividend payout ratio, %	96.4%	54.6%	60.5%	77.6%	77.6%	67.3%	60.0%
Dividend yield, %	3.7%	5.4%	6.2%	6.6%	6.8%	7.0%	7.2%
FCF yield, %	-3.3%	17.6%	9.7%	1.9%	9.3%	11.9%	11.2%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	11.8%	24.9%	23.3%	16.9%	16.7%	18.6%	19.9%
ROCE	9.1%	18.4%	20.3%	16.9%	17.4%	20.2%	22.4%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Receivables as % of sales	14.3%	14.4%	12.7%	13.7%	13.7%	13.5%	13.8%
Non-int. bearing liabilities as % of sales	18.0%	19.6%	17.8%	16.6%	16.6%	16.6%	16.6%
NWC/sales, %	-3.4%	-5.0%	-4.9%	-2.7%	-2.7%	-2.9%	-2.6%
Operative CAPEX/Sales, %	2.4%	0.7%	1.5%	0.8%	0.9%	0.9%	0.9%
CAPEX/sales (incl. acquisitions), %	2.0%	0.7%	1.5%	0.8%	0.9%	0.9%	0.9%
FCFF/EBITDA	0.4	1.1	0.8	0.3	0.7	0.8	0.7
Net Debt/EBITDA, book-weighted	1.5	0.3	-0.1	0.2	0.0	-0.3	-0.5
Debt/equity, market-weighted	0.3	0.2	0.2	0.2	0.1	0.1	0.0
Equity ratio, book-weighted	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Gearing, %	44.1%	10.7%	-2.3%	6.2%	0.8%	-8.1%	-14.2%

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	8.627	10.2 %
Heikintorppa Oy	750 000	7.988	9.5 %
Wipunen Varainhallinta Oy	750 000	7.988	9.5 %
Fennia Life Insurance Company Ltd	544 470	5.799	6.9 %
Korkeela Esa Sakari	486 561	5.182	6.1 %
Kivi Risto Juhani	408 050	4.346	5.2 %
Kalevo Markku	294 175	3.133	3.7 %
Varma Mutual Pension Insurance Company	172 000	1.832	2.2 %
Drumbo Oy	150 000	1.598	1.9 %
Norvier Oy	106 463	1.134	1.3 %
Ten largest	4 471 719	47.624	56.5 %
Residual	3 441 548	36.652	43.5 %
Total	7 913 267	84.276	100%

EARNINGS CALENDAR

July 18, 2025	Q2 report
October 24, 2025	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Esa Korkeela	Valimotie 16, 5th floor, 00380 Helsinki, Finland
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 $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	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, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Investment recommendations are defined as follows:

Target price compared to share price

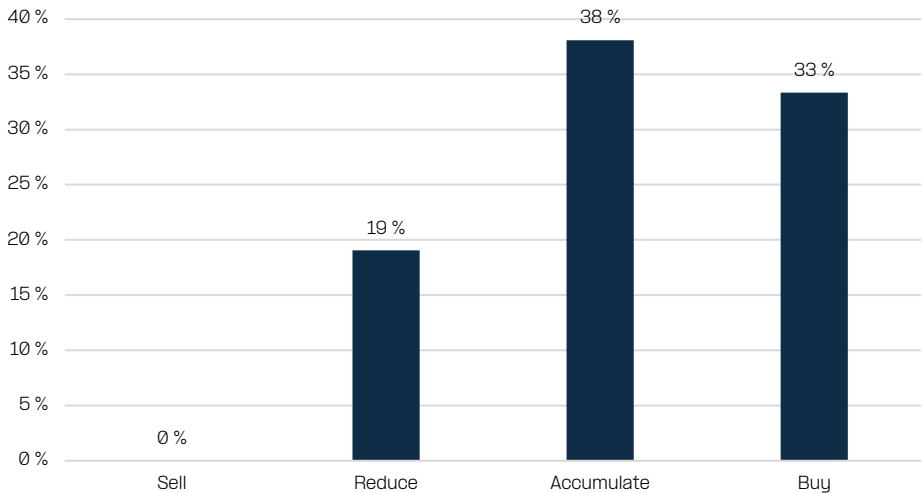
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
REDUCE
ACCUMULATE
BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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