

Revenue beat, earnings below expectations

Consti's EBIT was below expectations, at EUR -2.2m (EUR -1.0m/-1.3m Evli/cons.), while Q4 revenue of EUR 96.8m was higher than expected (EUR 87.0m/87.8m Evli/cons.). Consti estimates that its operating result for 2019 will improve compared to 2018. The BoD proposes that no dividend be paid.

- Net sales in Q4 amounted to EUR 96.8m (EUR 86.3m in Q/17), beating both our and consensus estimates (EUR 87.0m/87.8m Evli/cons.). Sales growth in Q4 was 12.1 % y/y.
- EBIT in Q4 was EUR -2.2 (EUR -2.6m in Q4/17), falling below both our and consensus estimates (EUR -1.0m/-1.3m Evli/cons.). EBIT was negative due to weaker than expected profitability in the housing repair unit included in the Building Facades business area.
- Technical Building Services: Net sales in Q4 were EUR 31.0m vs. EUR 30.1m Evli.
- Renovation Contracting: Net sales in Q4 were EUR 28.5m vs. EUR 24.1m Evli.
- Building Facades: Net sales in Q4 were EUR 42.5m vs. EUR 36.8m Evli.
- Order backlog at the end of Q4 was EUR 225m, down 0.3 % y/y.
- **Guidance:** Consti estimates that its operating result for 2019 will improve compared to 2018.
- **Dividend:** Consti's BoD proposes that no dividend be paid for 2018 (Evli/cons. expectation no dividend)
- Consti announced the initiation of a cost savings program with a target of EUR 2m annual savings, expected to be achieved by 2020.

Rating 🟡 HOLD

Q4/18	Actual	Evli	Consensus	Year ago	Q3/18
Net sales	96.8	87.0	87.8	86.3	78.9
EBIT	-2.2	-1.0	-1.3	-2.6	-1.4
EPS	-0.25	-0.12	-0.16	-0.30	-0.17
DPS 2018	0.00	0.00	0.00	0.00	-

Deviation	Actual	Evli	Consensus	Year ago	Q3/18
Net sales		11%	10%	12%	23%
EBIT		-120%	-69%	15%	-53%
EPS		-105%	-56%	17%	-50%
DPS 2018		-	-	-	-

Consensus by FactSet

Share price, EUR (Last trading day's closing price) 5.28

Target price, EUR 6.0

Latest change in recommendation 18-Oct-18

Latest report on company 15-Jan-19

Research paid by issuer: YES

No. of shares outstanding, '000's 7,858

No. of shares fully diluted, '000's 7,858

Market cap, EURm 41

Free float, % 70.0

Exchange rate EUR 1.000

Reuters code CONSTI.HE

Bloomberg code CONSTI FH

Average daily volume, EURm 0.09

Next interim report 07-Feb-19

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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2016	262	11	4.2%	10	1.05	14.1	0.5	9.7	11.4	0.54
2017	300	0	-0.1%	-1	-0.14	-61.0	0.3	7.7	-207.0	0.00
2018E	306	-1	-0.3%	-2	-0.17	-30.4	0.2	-4.8	-65.8	0.00
2019E	317	7	2.2%	6	0.61	8.6	0.2	3.6	7.9	0.30
2020E	325	12	3.6%	11	1.14	4.6	0.2	3.7	4.1	0.55

Market cap, EURm	41	BV per share 2018E, EUR	3.0	CAGR EPS 2017-20, %	0.0
Net debt 2018E, EURm	23	Price/book 2018E	1.7	CAGR sales 2017-20, %	2.6
Enterprise value, EURm	64	Dividend yield 2018E, %	0.0	ROE 2018E, %	-5.5
Total assets 2018E, EURm	111	Tax rate 2018E, %	20.0	ROCE 2018E, %	-2.0
Goodwill 2018E, EURm	49	Equity ratio 2018E, %	26.6	PEG, P/E 18/CAGR	0.0

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

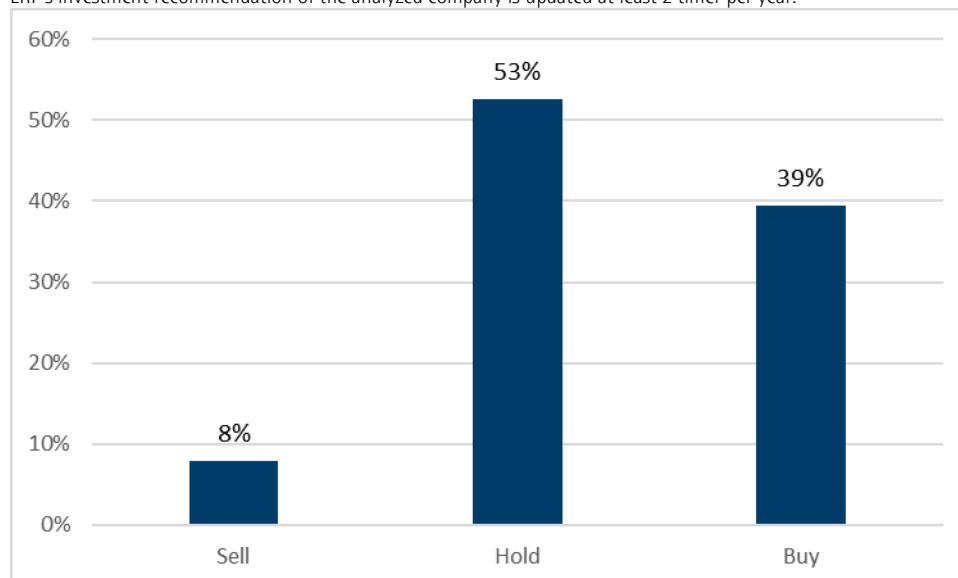
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Investment recommendations are defined as follows:

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

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

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