

Upgrade to BUY

Consti's Q4 EBIT remained negative in Q4 at EUR -2.2m, impacted further by the impact of a building purpose modification project. Consti initiated a program to improve profitability and is also renewing its segment reporting. Consti expects the operating profitability to improve in 2019 compared to 2018. We upgrade to BUY (HOLD) with a TP of EUR 6.0

Renewing segment reporting

Consti's Q4 results were further burdened by costs relating to a demanding building purpose modification project and EBIT was negative at EUR -2.2m, below our expectations (Evli EUR -1.0m). Consti estimates that its operating result for 2019 will be compared to 2018 (EUR -2.1m). Consti launched a program to improve profitability and will renew its segment reporting with the intention of moving towards a customer-oriented organisation structure. The current segments will be re-organised into customer specific business areas, which is intended to among other things benefit in sales by offering a larger part of the relevant services from one entity. The program's costs are estimated at approx. EUR 0.5m with the aim of achieving savings of EUR 2m from 2020 onwards.

Estimates mainly intact post-Q4

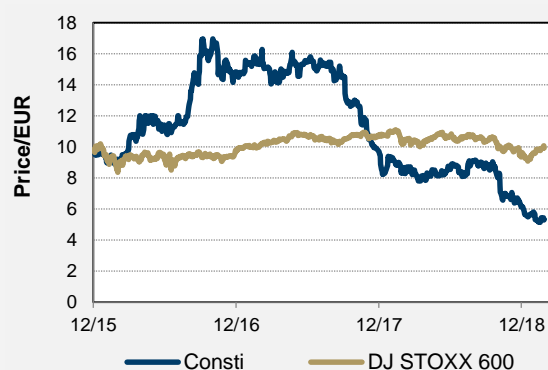
Our earnings estimates remain mainly intact post-Q4, with our sales estimates up by some 3%. We continue to expect profitability improvements in 2019 as the effects of the projects that impacted 2018 diminishes, although we note that risks related to the projects are not all resolved. We further expect the slow-down in new construction to alleviate some of the supply chain pressure and enable margin improvement.

BUY (HOLD) with a TP of EUR 6.0

On our estimates Consti trades at a 33%/28% discount on 2019E EV/EBITDA and EV/EBIT. We note that there are risks associated with our estimated profitability improvement, but we see the measures taken during recent years, including among other things stricter tendering processes, to support profitability. We upgrade to BUY (HOLD) with a target price of EUR 6.0.

Rating

BUY



Share price, EUR (Last trading day's closing price) 5.30

Target price, EUR 6.0

Latest change in recommendation 08-Feb-19

Latest report on company 08-Feb-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 42

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 26-Apr-19

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BUY HOLD SELL

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
2017	300	0	-0.1%	-1	-0.14	-61.0	0.3	7.7	-207.0	0.00
2018	316	-2	-0.7%	-3	-0.30	-18.5	0.2	-5.7	-31.4	0.00
2019E	327	7	2.3%	7	0.67	7.9	0.2	3.8	8.0	0.34
2020E	335	12	3.5%	11	1.12	4.7	0.2	3.0	4.5	0.56
2021E	342	13	3.7%	12	1.21	4.4	0.1	2.8	3.8	0.61
Market cap, EURm			42	BV per share 2019E, EUR		3.7	CAGR EPS 2018-21, %			0.0
Net debt 2019E, EURm			18	Price/book 2019E		1.5	CAGR sales 2018-21, %			2.7
Enterprise value, EURm			59	Dividend yield 2019E, %		6.3	ROE 2019E, %			20.2
Total assets 2019E, EURm			119	Tax rate 2019E, %		20.0	ROCE 2019E, %			13.9
Goodwill 2019E, EURm			49	Equity ratio 2019E, %		24.2	PEG, P/E 19/CAGR			0.3

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

Consti	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	300.2	62.3	77.8	78.9	96.8	315.8	65.4	83.0	82.8	96.2	326.1	334.7	342.2
change, %	14.8%	8.7%	-1.3%	1.4%	12.1%	5.2%	5.1%	6.8%	4.9%	-0.6%	3.3%	2.6%	2.2%
Operating profit	-0.4	-0.2	1.7	-1.4	-2.2	-2.2	0.2	1.6	2.6	3.0	7.4	11.8	12.5
-margin, %	-0.1%	-0.4%	2.1%	-1.8%	-2.3%	-0.7%	0.3%	1.9%	3.1%	3.1%	2.3%	3.5%	3.7%
Technical Building Services	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	116.1	25.0	28.0	25.0	31.0	108.9	25.1	29.8	25.0	30.7	110.6	112.6	114.8
change, %	11.8%	-4.2%	-14.6%	-3.0%	-1.6%	-6.2%	0.5%	6.5%	-0.1%	-0.8%	1.5%	1.8%	2.0%
Renovation Contracting	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	80.9	18.1	21.0	23.8	28.5	91.4	18.7	23.0	24.8	28.0	94.5	97.0	99.3
change, %	7.9%	13.3%	1.4%	11.2%	25.2%	13.0%	3.3%	9.3%	4.3%	-1.6%	3.4%	2.6%	2.4%
Building Facades	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19E	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Net sales	113.9	21.7	33.2	34.1	42.5	131.5	24.7	34.3	37.0	42.5	137.0	141.1	144.6
change, %	28.6%	28.6%	20.5%	0.1%	19.9%	15.4%	13.7%	3.1%	8.5%	0.0%	4.2%	3.0%	2.5%
Parent comp. and elim.	-10.7	-2.5	-4.5	-4.0	-5.1	-16.1	-3.0	-4.0	-4.0	-5.0	-16.0	-16.0	-16.5

CONSTI PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		19E	20E	21E	19E	20E	21E	19E	20E	21E
YIT	1110	7.2x	7.4x	7.3x	8.8x	9.3x	9.0x	8.2x	8.8x	8.8x
SRV Yhtiöt	116	14.0x	11.5x	10.7x	16.5x	13.1x	12.3x	12.4x	8.4x	7.1x
Lehto Group	267	5.9x	5.1x	5.0x	6.3x	5.4x	6.7x	6.9x	5.9x	7.5x
Skanska	6439	8.9x	8.5x	9.8x	11.5x	10.8x	12.6x	12.7x	11.8x	14.6x
NCC	1414	7.3x	5.8x	6.1x	11.1x	8.1x	8.6x	13.8x	9.9x	10.8x
Peab	2143	8.6x	8.5x	7.3x	11.3x	11.2x		11.1x	11.0x	
JM	1174	9.8x	9.7x	9.2x	10.0x	9.7x	9.2x	10.4x	10.2x	9.6x
Veidekke	1248	7.7x	7.2x	6.8x	11.2x	10.2x	9.7x	11.2x	10.3x	10.1x
Caverion	712	7.6x	6.5x	5.9x	13.7x	10.1x	8.8x	16.5x	12.6x	10.9x
Bravida Holding	1293	12.0x	11.7x	10.7x	12.3x	12.0x	11.8x	14.2x	13.7x	11.6x
MITIE Group	528	5.5x	5.2x		7.2x	6.6x		7.0x	6.3x	
Peer Group Average	1724	8.6x	7.9x	7.9x	10.9x	9.7x	9.8x	11.3x	9.9x	10.1x
Peer Group Median	1248	7.7x	7.4x	7.3x	11.2x	10.1x	9.2x	11.2x	10.2x	10.1x
Consti (Evli est.)	42	5.2x	3.3x	2.8x	8.0x	4.5x	3.8x	7.9x	4.7x	4.4x

Consti prem./disc. to peer median

-33% -56% -61% -28% -55% -58% -36% -54% -58%

Source Bloomberg, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.30 PV of Free Cash Flow	68 Long-term growth, %	1.0 Risk-free interest rate, %	2.25
DCF share value	13.59 PV of Horizon value	62 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	156.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	14.8 Marketable securities	3 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	12.6 Debt - dividend	-27 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	47.9 Value of stock	107 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	316	327	335	342	349	353	356	360	363	367	371	374
<i>Sales growth, %</i>	<i>5.2</i>	<i>3.7</i>	<i>2.2</i>	<i>2.2</i>	<i>2.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>	<i>1.0</i>
Operating income (EBIT)	-2	7	12	13	14	14	14	14	15	15	13	13
<i>EBIT margin, %</i>	<i>-0.7</i>	<i>2.3</i>	<i>3.5</i>	<i>3.7</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>3.5</i>	<i>3.5</i>
+ Depreciation+amort.	2	4	4	5	5	5	5	5	5	5	5	5
- Income taxes	0	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	-7	1	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>-2.5</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	0
- Capital Expenditure	-5	-4	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5
<i>Investments / Sales, %</i>	<i>1.6</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= Unlevered Free CF (FCF)	-11	6	10	10	11	11	11	12	12	12	11	141
= Discounted FCF (DFCF)		6	8	8	8	8	7	7	6	6	5	62
= DFCF min WACC		6	8	8	8	8	7	7	6	6	5	70
= DFCF max WACC		6	8	8	8	7	7	6	6	5	4	56

INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1E	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	62	78	79	97	316	65	83	83	96	327	335	342
EBITDA	0	2	-1	-2	0	1	3	4	4	11	16	17
<i>EBITDA margin (%)</i>	<i>0.3</i>	<i>2.7</i>	<i>-1.3</i>	<i>-1.8</i>	<i>-0.1</i>	<i>1.9</i>	<i>3.2</i>	<i>4.4</i>	<i>4.2</i>	<i>3.5</i>	<i>4.9</i>	<i>5.0</i>
EBIT	0	2	-1	-2	-2	0	2	3	3	7	12	13
<i>EBIT margin (%)</i>	<i>-0.4</i>	<i>2.2</i>	<i>-1.8</i>	<i>-2.2</i>	<i>-0.7</i>	<i>0.3</i>	<i>1.9</i>	<i>3.1</i>	<i>3.1</i>	<i>2.3</i>	<i>3.5</i>	<i>3.7</i>
Net financial items	0	0	0	0	-1	0	0	0	0	-1	-1	-1
Pre-tax profit	0	2	-2	-2	-3	0	1	2	3	7	11	12
Tax	0	0	0	0	1	0	0	0	-1	-1	-2	-2
<i>Tax rate (%)</i>	<i>18.9</i>	<i>19.7</i>	<i>20.0</i>	<i>17.4</i>	<i>17.9</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>	<i>20.0</i>
Net profit	0	1	-1	-2	-2	0	1	2	2	5	9	10
EPS	-0.04	0.16	-0.17	-0.25	-0.30	0.00	0.14	0.24	0.29	0.67	1.12	1.21
EPS adjusted (diluted no. of shares)	-0.04	0.16	-0.17	-0.25	-0.30	0.00	0.14	0.24	0.29	0.67	1.12	1.21
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.34	0.56	0.61
SALES, EURm												
Technical Building Services	25	28	25	31	109	25	30	25	31	111	113	115
Renovation	18	21	24	28	91	19	23	25	28	95	97	99
Building Facades	22	33	34	42	131	25	34	37	42	138	141	145
Elimination	-2	-4	-4	-5	-16	-3	-4	-4	-5	-16	-16	-16
Total	62	78	79	97	316	65	83	83	96	327	335	342
SALES GROWTH, Y/Y %												
<i>Technical Building Services</i>	<i>-4.2</i>	<i>-14.6</i>	<i>-3.0</i>	<i>-1.6</i>	<i>-6.2</i>	<i>0.5</i>	<i>6.5</i>	<i>-0.1</i>	<i>-0.8</i>	<i>1.5</i>	<i>1.8</i>	<i>2.0</i>
<i>Renovation</i>	<i>13.3</i>	<i>1.4</i>	<i>11.2</i>	<i>25.2</i>	<i>13.0</i>	<i>3.3</i>	<i>9.3</i>	<i>4.3</i>	<i>-1.6</i>	<i>3.4</i>	<i>2.6</i>	<i>2.4</i>
<i>Building Facades</i>	<i>28.6</i>	<i>20.5</i>	<i>0.1</i>	<i>19.9</i>	<i>15.4</i>	<i>13.7</i>	<i>3.1</i>	<i>8.5</i>	<i>0.0</i>	<i>5.2</i>	<i>2.0</i>	<i>2.5</i>
<i>Elimination</i>	<i>53.0</i>	<i>97.5</i>	<i>15.1</i>	<i>53.8</i>	<i>50.4</i>	<i>22.0</i>	<i>-10.2</i>	<i>0.1</i>	<i>-2.7</i>	<i>-0.3</i>	<i>0.0</i>	<i>3.1</i>
Total	8.7	-1.3	1.4	12.1	5.2	5.1	6.8	4.9	-0.6	3.7	2.2	2.2
EBIT, EURm												
Group	0	2	-1	-2	-2	0	2	3	3	7	12	13
Total	0	2	-1	-2	-2	0	2	3	3	7	12	13
EBIT margin, %												
Total	-0.4	2.2	-1.8	-2.2	-0.7	0.3	1.9	3.1	3.1	2.3	3.5	3.7

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	216	256	262	300	316	327	335	342
<i>Sales growth (%)</i>	<i>25.6</i>	<i>18.6</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>3.7</i>	<i>2.2</i>	<i>2.2</i>
Costs	-206	-244	-248	-298	-316	-316	-318	-325
Reported EBITDA	10	13	13	2	0	11	16	17
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>4.5</i>	<i>4.9</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>3.5</i>	<i>4.9</i>	<i>5.0</i>
Depreciation	-2	-2	-2	-2	-2	-4	-4	-5
EBITA	8	11	11	0	-2	7	12	13
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	8	11	11	0	-2	7	12	13
<i>EBIT margin (%)</i>	<i>3.6</i>	<i>4.1</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>2.3</i>	<i>3.5</i>	<i>3.7</i>
Net financials	-5	-4	-1	-1	-1	-1	-1	-1
Pre-tax profit	3	6	10	-1	-3	7	11	12
Extraordinary items	0	-2	0	0	0	0	0	0
Taxes	-1	-1	-2	0	1	-1	-2	-2
Minority shares	0	0	0	0	0	0	0	0
Net profit	2	3	8	-1	-2	5	9	10
BALANCE SHEET, EURm								
Assets								
Fixed assets	7	6	6	5	8	9	9	9
<i>% of sales</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>3</i>	<i>3</i>	<i>3</i>
Goodwill	44	43	44	49	49	49	49	49
<i>% of sales</i>	<i>20</i>	<i>17</i>	<i>17</i>	<i>16</i>	<i>15</i>	<i>15</i>	<i>15</i>	<i>14</i>
Inventory	1	1	1	1	1	1	1	1
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	35	36	39	36	53	49	50	51
<i>% of sales</i>	<i>16</i>	<i>14</i>	<i>15</i>	<i>12</i>	<i>17</i>	<i>15</i>	<i>15</i>	<i>15</i>
Liquid funds	10	4	9	10	3	10	11	11
<i>% of sales</i>	<i>5</i>	<i>2</i>	<i>4</i>	<i>3</i>	<i>1</i>	<i>3</i>	<i>3</i>	<i>3</i>
Total assets	96	91	98	101	115	119	120	122
Liabilities								
Equity	1	25	30	25	23	29	35	40
<i>% of sales</i>	<i>0</i>	<i>10</i>	<i>11</i>	<i>8</i>	<i>7</i>	<i>9</i>	<i>10</i>	<i>12</i>
Deferred taxes	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Interest bearing debt	55	21	21	22	27	28	22	17
<i>% of sales</i>	<i>25</i>	<i>8</i>	<i>8</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>7</i>	<i>5</i>
Non-interest bearing current liabilities	40	43	46	52	62	59	60	61
<i>% of sales</i>	<i>18</i>	<i>17</i>	<i>18</i>	<i>17</i>	<i>20</i>	<i>18</i>	<i>18</i>	<i>18</i>
Other interest free debt	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total liabilities	96	91	98	101	115	119	120	122
CASH FLOW, EURm								
+ EBITDA	10	13	13	2	0	11	16	17
- Net financial items	-5	-4	-1	-1	-1	-1	-1	-1
- Taxes	0	-1	-2	0	0	-1	-2	-2
- Increase in Net Working Capital	8	2	0	8	-7	1	0	0
+/- Other	0	-2	0	-1	0	0	0	0
= Cash flow from operations	12	7	11	9	-8	10	13	14
- Capex	-2	-1	-3	-1	-5	-4	-5	-5
- Acquisitions	0	0	0	-4	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	9	6	8	3	-13	6	9	10
+/- Change in interest-bearing debt	-1	-33	0	0	5	1	-6	-5
+/- New issues/buybacks	0	21	0	1	0	0	0	0
- Paid dividend	0	0	-3	-4	0	0	-3	-4
+/- Change in loan receivables	1	0	0	1	1	0	0	0
Change in cash	9	-6	5	1	-6	7	0	0

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	73	112	66	43	42	42	42
Net debt	17	12	12	24	18	11	6
Enterprise value	91	125	78	67	59	53	48
Sales	256	262	300	316	327	335	342
EBITDA	13	13	2	0	11	16	17
EBIT	11	11	0	-2	7	12	13
Pre-tax	6	10	-1	-3	7	11	12
Earnings	5	8	-1	-2	5	9	10
Book value	25	30	25	23	29	35	40
Valuation multiples							
EV/sales	0.4	0.5	0.3	0.2	0.2	0.2	0.1
EV/EBITDA	7.2	9.5	45.3	-144.0	5.2	3.3	2.8
EV/EBITA	8.6	11.4	-207.0	-31.4	8.0	4.5	3.8
EV/EBIT	8.6	11.4	-207.0	-31.4	8.0	4.5	3.8
EV/operating cash flow	7.0	10.8	9.1	-8.8	5.5	3.8	3.2
EV/cash earnings	12.4	11.9	273.3	-54.9	6.3	4.0	3.4
P/E	13.6	14.1	-61.0	-18.5	7.9	4.7	4.4
P/E excl. goodwill	13.6	14.1	-61.0	-18.5	7.9	4.7	4.4
P/B	3.0	3.8	2.6	1.8	1.5	1.2	1.0
P/sales	0.3	0.4	0.2	0.1	0.1	0.1	0.1
P/CF	5.7	9.7	7.7	-5.7	3.8	3.0	2.8
Target EV/EBIT	0.0	0.0	0.0	0.0	8.8	5.0	4.3
Target P/E	0.0	0.0	0.0	0.0	8.9	5.3	4.9
Target P/B	0.0	0.0	0.0	0.0	1.6	1.4	1.2
Per share measures							
Number of shares	7,615	7,621	7,621	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,615	7,621	7,621	7,858	7,858	7,858	7,858
EPS	0.70	1.05	-0.14	-0.30	0.67	1.12	1.21
EPS excl. goodwill	0.70	1.05	-0.14	-0.30	0.67	1.12	1.21
Cash EPS	0.96	1.38	0.04	-0.15	1.19	1.69	1.79
Operating cash flow per share	1.69	1.52	1.12	-0.97	1.39	1.79	1.88
Capital employed per share	5.51	5.48	4.90	5.98	5.91	5.90	5.89
Book value per share	3.22	3.89	3.32	2.98	3.65	4.44	5.09
Book value excl. goodwill	-2.49	-1.90	-3.06	-3.21	-2.53	-1.75	-1.10
Dividend per share	0.39	0.54	0.00	0.00	0.34	0.56	0.61
Dividend payout ratio, %	55.4	51.5	0.0	0.0	50.0	50.0	50.0
Dividend yield, %	4.1	3.7	0.0	0.0	6.3	10.6	11.4
Efficiency measures							
ROE	42.8	29.5	-3.9	-9.6	20.2	27.7	25.5
ROCE	21.0	22.7	-0.6	-4.2	13.9	20.9	22.1
Financial ratios							
Capex/sales, %	0.5	1.0	1.7	1.6	1.4	1.4	1.4
Capex/depreciation excl. goodwill,%	66.0	87.6	36.4	302.9	108.5	102.1	102.1
Net debt/EBITDA, book-weighted	1.4	0.9	7.0	-50.8	1.5	0.7	0.4
Debt/equity, market-weighted	0.3	0.2	0.3	0.6	0.7	0.5	0.4
Equity ratio, book-weighted	31.4	34.8	28.8	24.9	24.2	29.0	32.9
Gearing	0.71	0.41	0.48	1.01	0.62	0.33	0.16
Number of employees, average	890	935	1,079	1,046	1,077	1,088	1,099
Sales per employee, EUR	287,810	279,704	278,222	301,875	303,950	307,585	311,364
EBIT per employee, EUR	11,819	11,708	-347	-2,032	6,858	10,844	11,374

COMPANY DESCRIPTION: Consti, listed in the Helsinki stock exchange in 2015, 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 demanding residential and non-residential properties. Consti's strongest position is in residential building pipeline and façade renovations. Consti was established in 2008 to meet the growing need for repair and construction work.

INVESTMENT CASE:

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ilmarinen Mutual Pension Insurance Company	780,451	4.136	9.9%
Evli Finnish Small Cap Fund	490,000	2.597	6.2%
Danske Invest Finnish Institutional Equity Fund	425,818	2.257	5.4%
Korkeela Esa Sakari	411,600	2.181	5.2%
Kivi Risto Juhani	375,300	1.989	4.8%
OP-Finland Small Firms Fund	307,977	1.632	3.9%
Kalervo Markku	297,900	1.579	3.8%
Korkeela Antti Petteri	276,894	1.468	3.5%
Aktia Capital Investment Fund	185,850	0.985	2.4%
Mutual Fund eQ Nordic Small Cap	181,624	0.963	2.3%
Ten largest	3,733,414	19.787	48%
Residual	4,124,853	21.862	52%
Total	7,858,267	41.649	100%

EARNINGS CALENDAR

April 26, 2019	Q1 report
July 26, 2019	Q2 report
October 25, 2019	Q3 report

OTHER EVENTS

April 02, 2019	AGM
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COMPANY MISCELLANEOUS

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CFO: Joni Sorsanen	Tel: +358 10 288 6000
IR: Ismo Heikkilä	

DEFINITIONS

P/E	$\frac{\text{Price per share}}{\text{Earnings per share}}$	EPS	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year

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Investment recommendations are defined as follows:

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

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

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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