

EBIT still slightly negative

Consti's Q1 EBIT was in line with consensus but slightly below our estimates, at EUR -0.4m (EUR 0.1m/-0.3m Evli/cons.). Consti's Q1 revenue of EUR 73.5m beat both our and consensus estimates (EUR 64.4m/62.4m Evli/cons.). Consti's order backlog amounted to EUR 237.8m.

- Net sales in Q1 amounted to EUR 73.5m (EUR 62.3m in Q1/18), beating both our and consensus estimates (EUR 64.4m/62.4m Evli/cons.). Sales growth in Q1 was 18.0 % y/y.
- EBIT in Q1 amounted to EUR -0.4m (EUR -0.2m in Q1/18), slightly below our estimates but in line with consensus (EUR 0.1m/-0.3m Evli/cons.). EBIT remained negative due to performance obligations relating to a building purpose modification project while profitability development otherwise was mainly positive.
- The order backlog at the end of Q1 was EUR 237.8m, down 5.0 % y/y.
- **Guidance reiterated:** Consti estimates that its operating result for 2019 will improve compared to 2018.

Rating 🟡 HOLD

Q1/19	Actual	Evli	Consensus	Year ago	Q4/18
Net sales	73.5	64.4	62.4	62.3	96.8
EBIT	-0.4	0.1	-0.3	-0.2	-2.2
EPS	-0.08	-0.01	-0.05	-0.04	-0.25

Deviation	Actual	Evli	Consensus	Year ago	Q4/18
Net sales		14%	18%	18%	-24%
EBIT		-	-33%	-72%	81%
EPS		-686%	-60%	-98%	67%

Consensus by Bloomberg

Share price, EUR (Last trading day's closing price) 5.26

Target price, EUR 6.0

Latest change in recommendation	29-Mar-19
Latest report on company	29-Mar-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	26-Apr-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
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	324	7	2.2%	6	0.61	8.6	0.2	3.9	8.4	0.25
2020E	331	11	3.4%	10	1.02	5.2	0.2	3.0	4.8	0.40
2021E	337	12	3.6%	11	1.16	4.5	0.1	2.8	3.9	0.58

Market cap, EURm	41	BV per share 2019E, EUR	3.6	CAGR EPS 2018-21, %	0.0
Net debt 2019E, EURm	18	Price/book 2019E	1.5	CAGR sales 2018-21, %	2.2
Enterprise value, EURm	60	Dividend yield 2019E, %	4.8	ROE 2019E, %	18.6
Total assets 2019E, EURm	118	Tax rate 2019E, %	20.0	ROCE 2019E, %	13.4
Goodwill 2019E, EURm	49	Equity ratio 2019E, %	23.9	PEG, P/E 19/CAGR	0.3

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

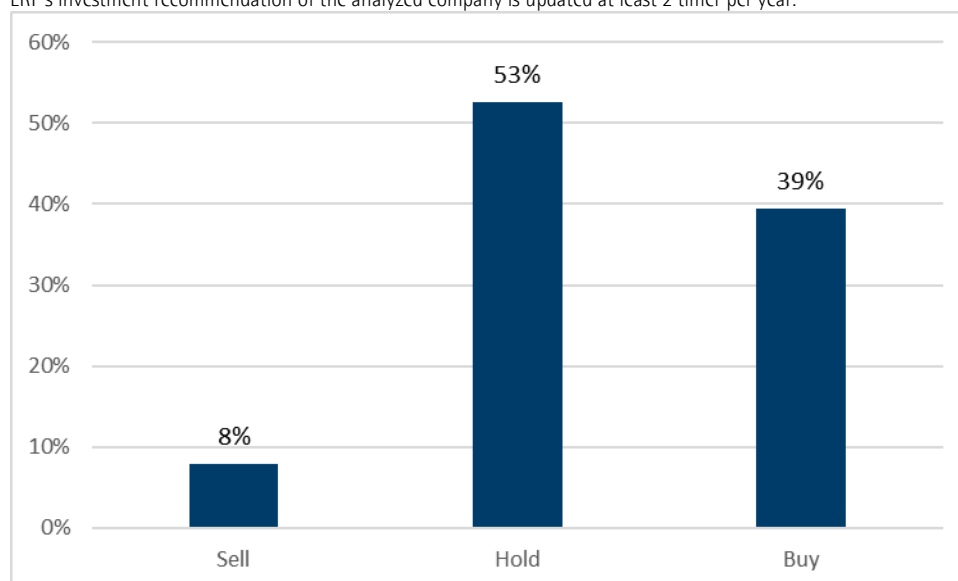
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Investment recommendations are defined as follows:

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

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 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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