

Quite in line with our expectations

Consti's net sales in Q4 amounted to EUR 78.3m, in line with our estimates and below consensus (EUR 80.9m/86.0m Evli/cons.). EBIT amounted to EUR 2.8m, slightly below our and consensus estimates (EUR 3.0m/3.0m Evli/cons.). Dividend proposal: Consti proposes a dividend of EUR 0.16 per share (EUR 0.17/0.17 Evli/Cons.). Guidance: the operating result for 2020 will improve compared to 2019.

- Net sales in Q4 were EUR 78.3m (EUR 96.8m in Q4/18), in line with our estimates and below consensus estimates (EUR 80.9m/86.0m Evli/Cons.). Growth in Q4 amounted to -19.2 % y/y.
- Operating profit in Q4 amounted to EUR 2.8m (EUR -2.2m in Q4/18), slightly below our estimates and consensus estimates (EUR 3.0m/3.0m Evli/cons.), at a margin of 3.6 %.
- EPS in Q4 amounted to EUR 0.25 (EUR -0.25 in Q4/18), slightly below our estimates and consensus estimates (EUR 0.26/0.26 Evli/cons.).
- The free cash flow in Q4 was EUR 5.1m (Q4/18: 1.9m) and EUR 4.0m in 2019 (2018: EUR -7.1m)
- The order backlog in Q4 was EUR 185.8m (EUR 225.1m in Q4/18), down by -17.5 %. Q4/19 order intake amounted to EUR 46.8m.
- Dividend proposal: Consti proposes a dividend of EUR 0.16 per share (EUR 0.17/0.17 Evli/Cons.).
- Guidance: the operating result for 2020 will improve compared to 2019.
- Consti updated its financial targets. Consti now expects revenue growth at above the market pace (previously: average growth exceeding 10% p.a.), while other targets remain unchanged.

 Rating 🟡 HOLD

Q4/19	Actual	Evli	Cons.	Q4/18
Net sales	78.3	80.9	86.0	96.8
EBIT	2.8	3.0	3.0	-2.2
EPS	0.25	0.26	0.26	-0.25
DPS	0.16	0.17	0.17	0.00
Deviation	Actual	Evli	Cons.	Q4/18
Net sales		-3%	-9%	-19%
EBIT		-6%	-6%	-
EPS		-5%	-4%	-
DPS		-6%	-6%	-

*Consensus by Bloomberg

 Share price, EUR (Last trading day's closing price) 8.20

 Target price, EUR 7.0

 Latest change in recommendation 29-Jan-20

 Latest report on company 29-Jan-20

 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 64

 Free float, % 62.0

 Exchange rate EUR 1.000

 Reuters code CONSTI.HE

 Bloomberg code CONSTI FH

 Average daily volume, EURm 0.1

 Next interim report 07-Feb-20

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🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2017	300.2	-0.4	-0.1%	4.5	-0.14	-61.0	0.3	-207.0	6.8	0.00
2018	315.8	-2.1	-0.7%	-7.5	-0.30	-18.5	0.2	-31.3	-17.4	0.00
2019E	317.4	4.8	1.5%	2.8	0.34	24.0	0.3	17.7	4.4	0.17
2020E	312.0	10.3	3.3%	6.9	0.88	9.3	0.3	7.7	10.8	0.44
2021E	319.0	11.6	3.6%	8.1	1.04	7.9	0.2	6.4	12.6	0.52
Market cap, EURm	64		BV per share 2019E, EUR		78.9		CAGR EPS 2018-21, %		0.0	
Net debt 2019E, EURm	21		Price/book 2019E		2.5		CAGR sales 2018-21, %		0.3	
Enterprise value, EURm	85		Dividend yield 2019E, %		2.1		ROE 2019E, %		10.8	
Total assets 2019E, EURm	118		Tax rate 2019E, %		20.0		ROCE 2019E, %		9.5	
Goodwill 2019E, EURm	49		Equity ratio 2019E, %		30.2		PEG, P/E 19/CAGR		0.5	

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

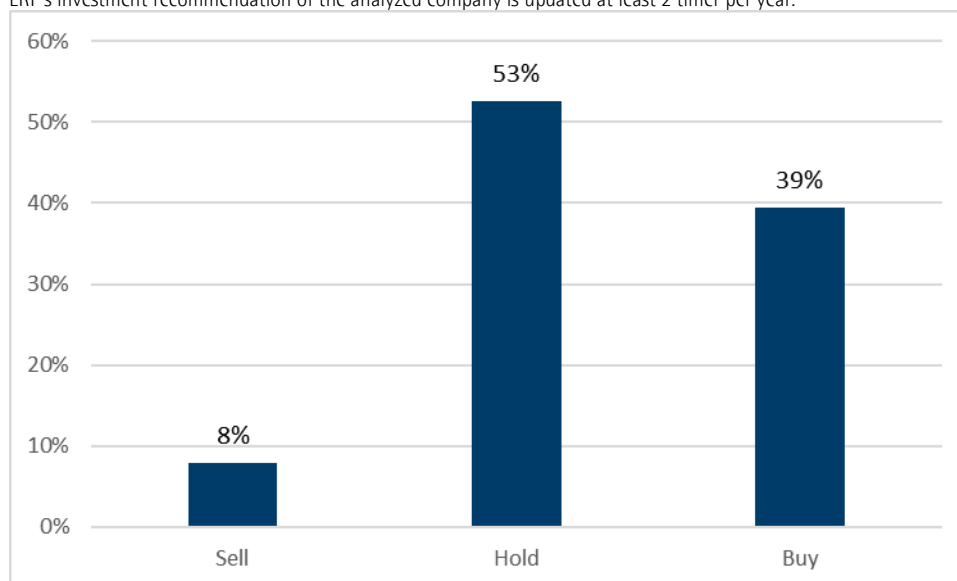
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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