

## Steady finish to year expected

Consti will report Q4 results on February 5<sup>th</sup>. We expect the steady development seen during earlier quarters to continue and a first good year in a while after previous year challenges. On our estimates Consti is set to double its EBIT-margin in 2020 compared to 2019. We also expect dividend distribution to pick up to EUR 0.35 per share (2019: EUR 0.16).

### Expect a good finish to a year of improvement

Consti will report Q4 results on February 5<sup>th</sup>. We do not expect any major deviations from the steady progress during earlier quarters in 2020 and expect Q4 EBIT of EUR 2.7m. Consti has for FY2020 estimated that its operating result will improve compared to 2019, which was achieved already by Q3. The second wave of the coronavirus pandemic has had an impact on the construction industry during Q4, with reports of temporary worksite shutdowns due to virus exposures. To our understanding Consti has not been significantly affected, with some very minor additional costs having been incurred already from earlier on in the year.

### Cash generation supporting increased dividend distribution

We expect that Consti will propose a dividend of EUR 0.35 per share (2019: EUR 0.16), now being well back on track on profitability and cash generation after challenges faced in previous years. The cash flow during 1-9/2020 was an exceptionally solid EUR 14.7m (1-9/2019: EUR -1.1m). The outlook for 2021 remains somewhat weakened by demand uncertainty in particular among corporate customers and we expect only limited growth. Room for some margin improvement still exists, with supplier pricing power having impacted on the construction industry during recent boom years.

### BUY with a target price of EUR 12.0 (10.0)

We have not made any revisions to our estimates ahead of Q4. Valuation compared to construction and building installations and services company peers is still not challenging. With peer multiples also up since our previous update we adjust our target price to EUR 12.0 (EUR 10.0) with our BUY-rating intact.

Rating

BUY



Share price, EUR (Last trading day's closing price) 10.55

Target price, EUR 12.0

Latest change in recommendation 24-Jul-20

Latest report on company 29-Oct-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 83

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 05-Feb-21

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BUY HOLD 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
2018	315.8	-2.1	-0.7%	-7.5	-0.30	-18.5	0.2	-31.3	-17.4	0.00
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020E	268.1	8.0	3.0%	13.7	0.68	15.5	0.3	11.6	16.6	0.35
2021E	272.0	9.1	3.3%	6.4	0.80	13.1	0.3	9.8	7.8	0.41
2022E	280.1	10.0	3.6%	7.6	0.94	11.3	0.3	8.5	9.1	0.47
Market cap, EURm			83	Gearing 2020E, %			20.5	CAGR EPS 2019-22, %		43.7
Net debt 2020E, EURm			10	Price/book 2020E			2.7	CAGR sales 2019-22, %		-3.8
Enterprise value, EURm			93	Dividend yield 2020E, %			3.3	ROE 2020E, %		19.0
Total assets 2020E, EURm			124	Tax rate 2020E, %			21.1	ROCE 2020E, %		13.6
Goodwill 2020E, EURm			49	Equity ratio 2020E, %			27.0	PEG, P/E 20/CAGR		1.0

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

Construction companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		20	21	22	20	21	22	20	21	22
YIT	1035	15.2x	9.7x	8.6x	20.6x	12.9x	11.1x	25.2x	11.8x	9.5x
SRV Yhtiot	149	20.1x	12.6x	10.9x	49.5x	16.8x	13.3x		23.4x	10.3x
Lehto Group	110	46.5x	9.1x	6.2x		13.6x	8.3x		10.0x	5.6x
Skanska	9127	6.6x	10.4x	8.9x	7.7x	13.4x	11.9x	10.3x	16.4x	14.5x
NCC	1518	6.7x	5.6x	5.5x	13.8x	10.1x	9.7x	12.3x	11.0x	10.7x
Peab	2816	8.4x	10.4x	9.8x	11.2x	15.1x	14.0x	10.9x	13.6x	12.5x
JM	2130	13.5x	14.0x	12.4x	13.2x	13.9x	12.3x	15.1x	15.1x	13.4x
Veidekke	1384	4.7x	4.4x	4.0x	8.2x	8.1x	7.1x	17.3x	17.7x	15.5x
Peer Group Average	1940	<b>15.2x</b>	<b>9.5x</b>	<b>8.3x</b>	<b>17.7x</b>	<b>13.0x</b>	<b>10.9x</b>	<b>15.2x</b>	<b>14.9x</b>	<b>11.5x</b>
Peer Group Median	1391	<b>11.0x</b>	<b>10.0x</b>	<b>8.7x</b>	<b>13.2x</b>	<b>13.5x</b>	<b>11.5x</b>	<b>13.7x</b>	<b>14.3x</b>	<b>11.6x</b>
Consti (Evli est.)	<b>83</b>	<b>8.6x</b>	<b>7.8x</b>	<b>6.9x</b>	<b>11.6x</b>	<b>9.8x</b>	<b>8.5x</b>	<b>15.5x</b>	<b>13.1x</b>	<b>11.3x</b>

Consti prem./disc. to peer median

-21% -22% -21% -12% -27% -26% 12% -8% -3%

Source FactSet, Evli Research

Building installations and services companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		20	21	22	20	21	22	20	21	22
Caverion	809	8.6x	7.2x	6.3x	25.6x	14.3x	11.2x	27.8x	16.7x	12.5x
Bravida Holding	2074	13.5x	12.4x	11.6x	17.8x	16.1x	14.9x	21.3x	20.2x	18.7x
MITIE Group	802	2.3x	2.2x	1.8x	4.0x	3.5x	2.6x	11.4x	11.3x	8.1x
ISS A/S	2642		11.0x	8.2x		22.2x	13.6x		27.7x	13.1x
Bilfinger	1171	14.0x	6.0x	4.7x		11.7x	8.1x		22.2x	13.5x
Instalco	1399	19.4x	18.1x	16.4x	23.7x	21.5x	19.2x	32.0x	26.9x	24.1x
Peer Group Average	1940	<b>11.6x</b>	<b>9.5x</b>	<b>8.2x</b>	<b>17.8x</b>	<b>14.9x</b>	<b>11.6x</b>	<b>23.1x</b>	<b>20.8x</b>	<b>15.0x</b>
Peer Group Median	1391	<b>13.5x</b>	<b>9.1x</b>	<b>7.3x</b>	<b>20.8x</b>	<b>15.2x</b>	<b>12.4x</b>	<b>24.6x</b>	<b>21.2x</b>	<b>13.3x</b>
Consti (Evli est.)	<b>83</b>	<b>8.6x</b>	<b>7.8x</b>	<b>6.9x</b>	<b>11.6x</b>	<b>9.8x</b>	<b>8.5x</b>	<b>15.5x</b>	<b>13.1x</b>	<b>11.3x</b>

Consti prem./disc. to peer median

-36% -15% -6% -44% -35% -32% -37% -38% -15%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	10.55 PV of Free Cash Flow	78 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	14.39 PV of Horizon value	60 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	36.4 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	15.5 Marketable securities	20 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	13.4 Debt - dividend	-30 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	43.7 Value of stock	115 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2019	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Horizon
Net sales	315	268	272	280	284	289	293	297	302	306	310	314
<i>Sales growth, %</i>	-0.3	-14.8	1.4	3.0	1.5	1.5	1.5	1.5	1.5	1.5	1.2	1.2
Operating income (EBIT)	5	8	9	10	11	12	12	12	12	12	12	13
<i>Operating income margin, %</i>	1.5	3.0	3.3	3.6	3.8	4.0	4.0	4.0	4.0	4.0	4.0	4.0
+ Depreciation+amort.	4	3	2	2	2	2	3	3	3	3	3	3
EBITDA	8	11	11	12	13	14	14	14	15	15	15	
- Paid taxes	0	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
- Change in NWC	-3	7	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	-1.7	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8	-4.8
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-3	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4
<i>opCAPEX / Sales, %</i>	1.3	0.7	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.7
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	0
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= FCFF	2	15	9	10	10	11	11	11	11	11	9	126
= Discounted FCFF		15	8	8	8	8	7	7	6	6	4	60
= DFCF min WACC		15	8	8	8	8	7	7	7	6	5	68
= DFCF max WACC		15	8	8	8	8	7	7	6	6	4	54

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2019Q1	2019Q2	2019Q3	2019Q4	2019	2020Q1	2020Q2	2020Q3	2020Q4E	2020E	2021E	2022E
Net sales	73.5	81.2	81.8	78.3	314.8	59.0	69.3	68.2	71.6	268.1	272.0	280.1
EBITDA	0.5	1.0	3.0	3.6	8.1	1.3	3.2	2.7	3.6	10.8	11.5	12.4
<i>EBITDA margin (%)</i>	<i>0.7</i>	<i>1.3</i>	<i>3.6</i>	<i>4.7</i>	<i>2.6</i>	<i>2.2</i>	<i>4.6</i>	<i>4.0</i>	<i>5.0</i>	<i>4.0</i>	<i>4.2</i>	<i>4.4</i>
EBIT	-0.4	0.1	2.1	2.8	4.6	0.5	2.4	2.5	2.7	8.0	9.1	10.0
<i>EBIT margin (%)</i>	<i>-0.5</i>	<i>0.1</i>	<i>2.6</i>	<i>3.6</i>	<i>1.5</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>3.3</i>	<i>3.6</i>
Net financial items	-0.2	-0.4	-0.3	-0.3	-1.2	-0.3	-0.2	-0.2	-0.3	-1.1	-0.9	-0.8
Pre-tax profit	-0.6	-0.3	1.8	2.5	3.4	0.2	2.1	2.2	2.4	6.9	8.2	9.2
Tax	0.1	0.1	-0.4	-0.6	-0.7	0.0	-0.4	-0.5	-0.5	-1.5	-1.6	-1.8
<i>Tax rate (%)</i>	<i>20.1</i>	<i>19.6</i>	<i>20.0</i>	<i>22.2</i>	<i>21.6</i>	<i>16.9</i>	<i>19.6</i>	<i>24.0</i>	<i>20.0</i>	<i>21.1</i>	<i>20.0</i>	<i>20.0</i>
Net profit	-0.5	-0.3	1.4	1.9	2.5	0.1	1.7	1.7	1.8	5.4	6.3	7.3
EPS	-0.06	-0.04	0.18	0.24	0.32	0.02	0.22	0.22	0.23	0.68	0.80	0.94
EPS adjusted (diluted no. of shares)	-0.06	-0.04	0.18	0.24	0.32	0.02	0.22	0.22	0.23	0.68	0.80	0.94
Dividend per share	0.00	0.00	0.00	0.00	0.16	0.00	0.00	0.00	0.00	0.35	0.41	0.47
<b>SALES, EURm</b>												
Housing Companies	28.3	27.7	30.4	24.0	110.4	16.5	24.8	23.8	25.0	90.0	92.2	95.0
Corporations	27.6	31.7	27.9	31.8	119.1	20.8	21.6	21.5	22.0	85.9	82.0	84.5
Public Sector	5.3	8.3	10.5	9.8	33.9	9.4	10.3	9.8	10.5	39.9	42.8	44.1
Building Technology	16.4	18.8	18.0	16.6	69.7	15.5	16.5	15.9	17.6	65.5	68.4	70.5
Elimination	-4.1	-5.2	-5.0	-3.9	-18.2	-3.0	-3.9	-2.8	-3.5	-13.2	-13.4	-13.8
<b>Total</b>	<b>73.5</b>	<b>81.2</b>	<b>81.8</b>	<b>78.3</b>	<b>314.8</b>	<b>59.0</b>	<b>69.3</b>	<b>68.2</b>	<b>71.6</b>	<b>268.1</b>	<b>272.0</b>	<b>280.1</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Housing Companies</i>	<i>58.6</i>	<i>10.2</i>	<i>4.9</i>	<i>-25.9</i>	<i>5.8</i>	<i>-41.9</i>	<i>-10.4</i>	<i>-21.7</i>	<i>4.0</i>	<i>-18.4</i>	<i>2.4</i>	<i>3.0</i>
<i>Corporations</i>	<i>6.4</i>	<i>-4.3</i>	<i>-15.9</i>	<i>-24.3</i>	<i>-11.3</i>	<i>-24.8</i>	<i>-31.8</i>	<i>-22.9</i>	<i>-30.8</i>	<i>-27.8</i>	<i>-4.6</i>	<i>3.0</i>
<i>Public Sector</i>	<i>75.1</i>	<i>116.8</i>	<i>161.4</i>	<i>36.6</i>	<i>88.0</i>	<i>77.7</i>	<i>24.2</i>	<i>-7.2</i>	<i>7.5</i>	<i>17.9</i>	<i>7.2</i>	<i>3.0</i>
<i>Building Technology</i>	<i>-8.4</i>	<i>-6.9</i>	<i>7.2</i>	<i>-18.5</i>	<i>-7.2</i>	<i>-5.5</i>	<i>-12.3</i>	<i>-11.5</i>	<i>6.0</i>	<i>-6.1</i>	<i>4.5</i>	<i>3.0</i>
<i>Elimination</i>	<i>67.8</i>	<i>16.8</i>	<i>24.5</i>	<i>-23.5</i>	<i>13.6</i>	<i>-26.8</i>	<i>-25.6</i>	<i>-43.5</i>	<i>-11.0</i>	<i>-27.6</i>	<i>1.8</i>	<i>3.0</i>
<b>Total</b>	<b>18.0</b>	<b>4.4</b>	<b>3.7</b>	<b>-19.1</b>	<b>-0.3</b>	<b>-19.7</b>	<b>-14.7</b>	<b>-16.7</b>	<b>-8.5</b>	<b>-14.8</b>	<b>1.4</b>	<b>3.0</b>
<b>EBIT, EURm</b>												
Group	-0.4	0.1	2.1	2.8	4.6	0.5	2.4	2.5	2.7	8.0	9.1	10.0
Total	-0.4	0.1	2.1	2.8	4.6	0.5	2.4	2.5	2.7	8.0	9.1	10.0
<b>EBIT margin, %</b>												
<b>Total</b>	<b>-0.5</b>	<b>0.1</b>	<b>2.6</b>	<b>3.6</b>	<b>1.5</b>	<b>0.8</b>	<b>3.4</b>	<b>3.6</b>	<b>3.8</b>	<b>3.0</b>	<b>3.3</b>	<b>3.6</b>

INCOME STATEMENT, EURm	2015	2016	2017	2018	2019	2020E	2021E	2022E
Sales	256.2	261.5	300.2	315.8	314.8	268.1	272.0	280.1
<i>Sales growth (%)</i>	<i>18.6</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-14.8</i>	<i>1.4</i>	<i>3.0</i>
EBITDA	12.6	13.1	1.7	-0.5	8.1	10.8	11.5	12.4
<i>EBITDA margin (%)</i>	<i>4.9</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.0</i>	<i>4.2</i>	<i>4.4</i>
Depreciation	-2.1	-2.1	-2.1	-1.7	-3.5	-2.8	-2.4	-2.4
EBITA	10.5	10.9	-0.4	-2.1	4.6	8.0	9.1	10.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.5	10.9	-0.4	-2.1	4.6	8.0	9.1	10.0
<i>EBIT margin (%)</i>	<i>4.1</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>3.3</i>	<i>3.6</i>
Reported EBIT	8.4	10.9	-0.4	-2.1	4.6	8.0	9.1	10.0
<i>EBIT margin (reported) (%)</i>	<i>3.3</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>3.3</i>	<i>3.6</i>
Net financials	-4.4	-0.9	-0.8	-0.7	-1.2	-1.1	-0.9	-0.8
Pre-tax profit	6.2	10.1	-1.2	-2.8	3.4	6.9	8.2	9.2
Taxes	-0.8	-2.1	0.1	0.5	-0.7	-1.5	-1.6	-1.8
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	3.3	8.0	-1.1	-2.3	2.5	5.4	6.3	7.3
Cash NRIs	-2.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-cash NRIs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>BALANCE SHEET, EURm</b>								
<b>Assets</b>								
Fixed assets	6	6	5	4	4	3	3	3
Goodwill	43	44	49	49	49	49	49	49
Right of use assets	0	0	0	4	3	3	3	3
Inventory	1	1	1	1	1	1	1	1
Receivables	36	39	36	53	50	48	49	50
Liquid funds	4	9	10	3	10	20	20	21
Total assets	91	98	101	115	117	124	125	127
<b>Liabilities</b>								
Shareholder's equity	25	30	25	23	26	30	34	38
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	0	3	3	0	0
Lease liabilities	0	0	0	4	4	3	3	3
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	21	21	22	23	25	24	24	20
Non-interest bearing current liabilities	43	46	52	62	56	62	63	64
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	91	98	101	115	117	124	125	127
<b>CASH FLOW, EURm</b>								
+ EBITDA	13	13	2	0	8	11	11	12
- Net financial items	-4	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	-1	0	0	-1	-2	-2
- Increase in Net Working Capital	2	0	9	-5	-3	7	0	0
+/- Other	-2	0	0	0	0	0	0	0
= Cash flow from operations	7	11	9	-7	4	16	9	10
- Capex	-1	-2	-1	-1	-4	-2	-2	-3
- Acquisitions	0	-1	-4	0	0	0	0	0
+ Divestments	0	0	1	1	0	0	0	0
= Free cash flow	6	8	4	-8	0	14	6	8
+/- New issues/buybacks	21	0	1	0	0	0	0	0
- Paid dividend	0	-3	-4	0	0	-1	-3	-3
+/- Other	-33	0	-1	1	6	-2	-3	-4
Change in cash	-6	5	0	-6	7	10	0	1

KEY FIGURES	2016	2017	2018	2019	2020E	2021E	2022E
M-cap	112	66	43	50	83	83	83
Net debt (excl. convertibles)	12	12	23	19	7	6	2
Enterprise value	125	78	67	72	93	89	85
Sales	262	300	316	315	268	272	280
EBITDA	13	2	0	8	11	11	12
EBIT	11	0	-2	5	8	9	10
Pre-tax	10	-1	-3	3	7	8	9
Earnings	8	-1	-2	2	5	6	7
Equity book value (excl. minorities)	30	25	23	26	30	34	38
<b>Valuation multiples</b>							
EV/sales	0.5	0.3	0.2	0.2	0.3	0.3	0.3
EV/EBITDA	9.5	45.3	-143.6	8.9	8.6	7.8	6.9
EV/EBITA	11.4	-207.0	-31.3	15.6	11.6	9.8	8.5
EV/EBIT	11.4	-207.0	-31.3	15.6	11.6	9.8	8.5
EV/OCF	11.7	8.8	-9.9	19.7	6.0	10.1	8.4
EV/FCFF	13.8	14.9	-9.6	31.9	6.1	10.5	8.8
P/FCFE	13.5	14.6	-5.7	523.9	6.0	12.9	10.9
P/E	14.1	-61.0	-18.5	20.3	15.5	13.1	11.3
P/B	3.8	2.6	1.8	1.9	2.7	2.4	2.2
Target EV/EBITDA	0.0	0.0	0.0	0.0	9.7	8.8	7.8
Target EV/EBIT	0.0	0.0	0.0	0.0	13.1	11.1	9.6
Target EV/FCF	0.0	0.0	0.0	0.0	7.6	15.6	12.7
Target P/B	0.0	0.0	0.0	0.0	3.1	2.8	2.5
Target P/E	0.0	0.0	0.0	0.0	17.6	14.9	12.8
<b>Per share measures</b>							
Number of shares	7,621	7,621	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,621	7,621	7,858	7,858	7,858	7,858	7,858
EPS	1.05	-0.14	-0.30	0.32	0.68	0.80	0.94
Operating cash flow per share	1.40	1.16	-0.85	0.47	1.98	1.13	1.29
Free cash flow per share	1.09	0.59	-0.96	0.01	1.75	0.82	0.96
Book value per share	3.89	3.32	2.98	3.33	3.85	4.31	4.83
Dividend per share	0.54	0.00	0.00	0.16	0.35	0.41	0.47
Dividend payout ratio, %	51.5	0.0	0.0	50.8	50.7	51.3	50.0
Dividend yield, %	3.7	0.0	0.0	2.5	3.3	3.9	4.4
FCF yield, %	7.4	6.8	-17.4	0.2	16.6	7.8	9.1
<b>Efficiency measures</b>							
ROE	29.5	-3.9	-9.6	10.0	19.0	19.7	20.5
ROCE	22.7	-0.6	-4.2	8.6	13.6	15.2	16.6
<b>Financial ratios</b>							
Inventories as % of sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Receivables as % of sales	14.7	12.1	16.8	15.8	18.0	18.0	18.0
Non-interest bearing liabilities as % of sales	17.5	17.3	19.5	17.8	23.0	23.0	23.0
NWC/sales, %	-2.6	-5.0	-2.5	-1.7	-4.8	-4.8	-4.8
Operative CAPEX/sales, %	0.7	0.5	0.4	1.3	0.7	0.9	0.9
CAPEX/sales (incl. acquisitions), %	0.4	-0.8	0.4	1.3	0.7	0.9	0.9
FCFF/EBITDA	0.7	3.0	15.0	0.3	1.4	0.7	0.8
Net debt/EBITDA, book-weighted	0.9	7.0	-50.5	2.3	0.6	0.6	0.2
Debt/equity, market-weighted	0.2	0.3	0.5	0.5	0.3	0.3	0.2
Equity ratio, book-weighted	34.8	28.8	24.4	29.8	27.0	27.0	29.8
Gearing, %	40.8	47.7	100.0	64.4	20.5	18.7	5.3

**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 regain healthier levels of profitability after a period of weaker profitability during the past few years driven by a number of weak margin projects. Reorganisations and more disciplined bidding procedures support the profitability outlook, although the latter has had an unfavourable impact on the order backlog. In the near-term the decline in order backlog along with an anticipated increase in competition following a slow-down in new construction volumes pose growth challenges. The long-term market outlook, however, remains favourable due to among other things a large aging building stock, and the renovation market is expected to see steady growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	790,000	8.334	10.1%
Heikintorppa Oy	450,000	4.747	5.7%
Wipunen varainhallinta Oy	450,000	4.747	5.7%
Korkeela Esa Sakari	434,133	4.580	5.5%
Evli Finnish Small Cap Fund	423,370	4.467	5.4%
Kivi Risto Juhani	379,758	4.006	4.8%
Kalervo Markku	299,128	3.156	3.8%
Fennia Life Insurance Company Ltd	247,471	2.611	3.1%
Korkeela Antti Petteri	187,194	1.975	2.4%
Mutual Fund eQ Nordic Small Cap	181,362	1.913	2.3%
Ten largest	3,842,416	40.537	49%
Residual	4,015,851	42.367	51%
Total	7,858,267	82.905	100%

EARNINGS CALENDAR	
February 05, 2021	FY 2020 Results
April 30, 2021	Q1 report
July 23, 2021	Q2 report
October 27, 2021	Q3 report
OTHER EVENTS	
April 07, 2021	AGM

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	$\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	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 per year
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		



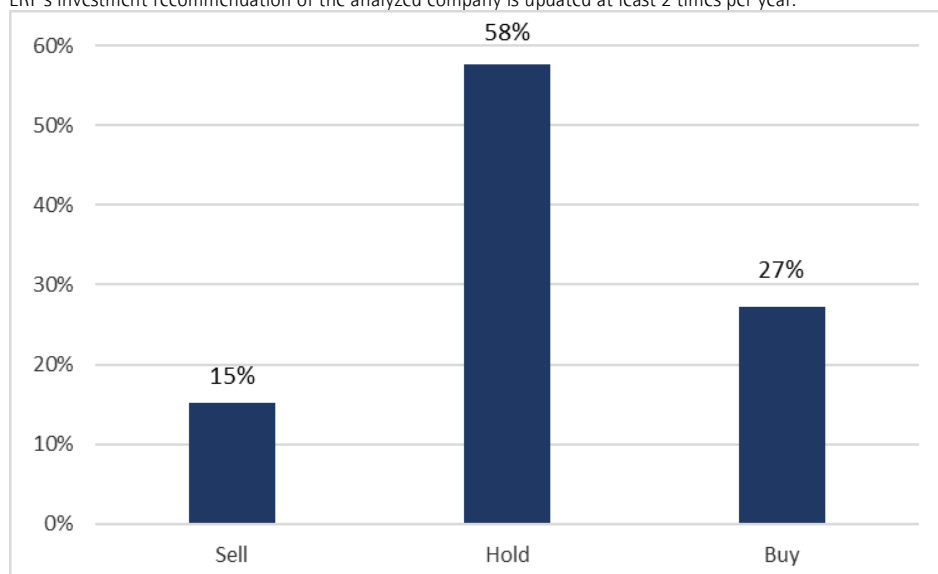
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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