

Upgrade to buy

Consti reported rather good Q2 results on an adj. basis, with both growth and underlying profitability slightly better than expected. The solid order intake also bodes well for continued growth during the latter half of the year. We raise our target price to EUR 14.5 (13.0) and upgrade our rating to BUY (HOLD).

Q2 better than expected on adj. basis

Consti reported overall slightly better than expected Q2 results. Revenue grew 2.3% y/y (5.9% excl. IAC) to EUR 70.9m (EUR 68.5m/69.2m Evli/cons.). The operating profit and adj. operating profit amounted to EUR -0.5m (EUR -0.4m/-0.7m Evli/cons.) and EUR 2.9m (EUR 2.6m Evli) respectively. The operating profit included EUR 3.5m of IAC's relating to the Hotel St. George project arbitration proceedings, which should no longer materially affect costs during H2. The order backlog was back to growth, up 11.5% y/y to EUR 236.2m, supported by a solid order intake of EUR 98.5m.

Growth picking up

We have made minor upward revisions to our estimates, now expecting 2021 revenue of EUR 286.4m (prev. EUR 278.0m) and operating profit of EUR 5.9m (prev. 5.7m). The growth exceeded our expectations in Q2 and with the solid order intake Consti is poised to continue the growth during the latter half of the year. The increases in building material costs could potentially affect costs during H2 and we for now assume a very minor impact as prices have been going recently. With the new construction venture having gotten off to a good start with the recently signed deals we expect continued growth of some 3% p.a. during 2022-2023 with relatively stable margins on adjusted basis.

BUY (HOLD) with a target price of EUR 14.5 (13.0)

With the signs of pick-up in growth and slightly better than estimated underlying profitability (excl. IAC's) we raise our target price to EUR 14.5 (13.0) and upgrade our rating to BUY (HOLD). Our TP values Consti at a quite reasonable 14.7x 2022 P/E.

Rating

BUY



Share price, EUR (Last trading day's closing price) 13.00

Target price, EUR 14.5

Latest change in recommendation	26-Jul-21
Latest report on company	21-Jul-21
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	102
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	27-Oct-21
Web site	investor.consti.fi

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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
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020	274.6	8.2	3.0%	15.1	0.71	14.2	0.3	10.6	19.2	0.40
2021E	286.4	5.9	2.0%	4.2	0.48	26.9	0.4	18.6	4.1	0.35
2022E	295.8	10.6	3.6%	8.0	0.99	13.2	0.4	9.8	7.9	0.49
2023E	305.5	11.2	3.7%	8.7	1.07	12.2	0.3	8.8	8.5	0.53
Market cap, EURm		102	Gearing 2021E, %			22.3	CAGR EPS 2020-23, %			14.5
Net debt 2021E, EURm		7	Price/book 2021E			3.3	CAGR sales 2020-23, %			3.6
Enterprise value, EURm		109	Dividend yield 2021E, %			2.7	ROE 2021E, %			12.4
Total assets 2021E, EURm		128	Tax rate 2021E, %			20.0	ROCE 2021E, %			9.8
Goodwill 2021E, EURm		49	Equity ratio 2021E, %			24.2	PEG, P/E 21/CAGR			0.8

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

Consti	2019	Q1/'20	Q2/'20	Q3/'20	Q4/'20	2020	Q1/'21	Q2/'21	Q3/'21E	Q4/'21E	2021E	2022E	2023E
Housing Companies	110.4	16.5	24.8	23.8	21.1	86.1	13.4	21.7	21.0	23.0	79.1	82.3	85.6
Corporations	119.1	20.8	21.6	21.5	26.6	90.6	21.8	26.0	27.5	28.5	103.8	106.9	110.1
Public Sector	33.9	9.4	10.3	9.8	12.0	41.4	7.5	8.5	10.0	13.8	39.8	40.9	42.2
Building Technology	69.7	15.5	16.5	15.9	21.5	69.4	19.2	17.8	18.1	21.0	76.1	78.4	80.8
Eliminations	-18.2	-3.0	-3.9	-2.8	-3.2	-12.9	-2.6	-3.1	-3.3	-3.4	-12.4	-12.8	-13.2
Net sales	314.8	59.0	69.3	68.2	78.1	274.6	59.3	70.9	73.3	82.9	286.4	295.8	305.5
change, %	-0.3%	-19.7%	-14.7%	-16.7%	-0.2%	-12.8%	0.4%	2.3%	7.5%	6.1%	4.3%	3.3%	3.3%
Operating profit	4.6	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
-margin, %	1.5%	0.8%	3.4%	3.6%	3.8%	3.0%	0.2%	-0.7%	3.7%	4.3%	2.0%	3.6%	3.7%
Adj. Op. profit	5.3	0.6	2.7	2.6	3.5	9.4	0.5	2.9	2.7	3.6	9.7	10.6	11.2
-margin, %	1.7%	1.0%	3.9%	3.8%	4.5%	3.4%	0.8%	4.1%	3.7%	4.3%	3.4%	3.6%	3.7%

Construction companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
YIT	1101	9.7x	8.4x	7.8x	12.6x	10.5x	9.8x	13.0x	10.3x	9.4x
SRV Yhtiot	175	14.5x	11.4x	9.9x	20.1x	14.3x	11.9x	50.2x	13.2x	9.5x
Lehto Group	149	9.9x	6.1x	5.4x	16.2x	7.8x	6.3x	21.4x	8.7x	6.9x
Skanska	10436	10.6x	10.9x	9.1x	13.1x	13.6x	12.2x	15.3x	16.0x	14.3x
NCC	1656	6.0x	5.8x	5.5x	10.5x	10.0x	9.1x	11.0x	10.8x	10.0x
Peab	2933	11.2x	10.2x	9.6x	16.6x	14.8x	13.5x	14.3x	12.9x	11.7x
JM	2091	12.3x	11.9x	11.1x	11.7x	11.9x	11.1x	12.8x	12.8x	11.8x
Veidekke	1464	5.9x	5.6x	5.1x	10.1x	9.5x	8.1x	15.9x	14.9x	12.9x
Peer Group Average	2254	10.0x	8.8x	7.9x	13.8x	11.5x	10.3x	19.2x	12.4x	10.8x
Peer Group Median	1560	10.3x	9.3x	8.4x	12.8x	11.2x	10.5x	14.8x	12.8x	10.8x
Consti (Evli est.)	102	12.2x	7.5x	6.8x	18.6x	9.8x	8.8x	26.9x	13.2x	12.2x

Consti prem./disc. to peer median

18 % -19 % -19 % 45 % -13 % -16 % 81 % 3 % 13 %

Source FactSet, Evli Research

Building installations and services companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
Caverion	987	8.1x	7.1x	6.5x	15.3x	12.3x	10.7x	22.2x	16.7x	14.2x
Bravida Holding	2708	15.7x	14.7x	13.9x	20.6x	18.9x	17.8x	25.5x	23.5x	22.1x
MITIE Group	1035	4.7x	3.9x	3.6x	7.0x	5.5x	4.9x	11.8x	9.4x	8.2x
ISS A/S	3550	13.2x	9.6x	8.3x	28.5x	16.2x	13.2x	41.4x	17.8x	13.6x
Bilfinger	1014							19.5x	11.7x	9.5x
Instalco	2261	27.6x	25.7x	24.1x	33.1x	30.3x	28.3x	42.3x	38.3x	35.5x
Peer Group Average	2254	13.9x	12.2x	11.3x	20.9x	16.6x	15.0x	27.1x	19.6x	17.2x
Peer Group Median	1560	13.2x	9.6x	8.3x	20.6x	16.2x	13.2x	23.9x	17.3x	13.9x
Consti (Evli est.)	102	12.2x	7.5x	6.8x	18.6x	9.8x	8.8x	26.9x	13.2x	12.2x

Consti prem./disc. to peer median

-8 % -22 % -18 % -10 % -40 % -33 % 13 % -24 % -12 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	13.00 PV of Free Cash Flow	80 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	19.59 PV of Horizon value	85 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	50.7 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	21.1 Marketable securities	24 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	18.3 Debt - dividend	-35 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	51.5 Value of stock	154 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2020	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Horizon
Net sales	275	286	296	305	310	315	319	324	329	334	338	342
<i>Sales growth, %</i>	-12.8	4.3	3.3	3.3	1.5	1.5	1.5	1.5	1.5	1.5	1.2	1.2
Operating income (EBIT)	8	6	11	11	12	13	13	13	13	13	14	14
<i>Operating income margin, %</i>	3.0	2.0	3.6	3.7	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
+ Depreciation+amort.	3	3	3	3	3	4	4	4	4	4	4	4
EBITDA	11	9	14	15	16	16	16	17	17	17	17	17
- Paid taxes	-1	-1	-2	-2	-2	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	8	1	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9	-4.9
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	0
- Operative CAPEX	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
<i>opCAPEX / Sales, %</i>	1.0	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
- 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	17	7	11	12	12	13	13	13	13	13	13	185
= Discounted FCFF		7	10	9	9	9	8	8	7	7	6	85
= DFCF min WACC		7	10	10	9	9	8	8	7	7	6	95
= DFCF max WACC		7	10	9	9	9	8	7	7	6	6	76

INTERIM FIGURES

EVLI ESTIMATES, EURm	2020Q1	2020Q2	2020Q3	2020Q4	2020	2021Q1	2021Q2	2021Q3E	2021Q4E	2021E	2022E	2023E
Net sales	59.0	69.3	68.2	78.1	274.6	59.3	70.9	73.3	82.9	286.4	295.8	305.5
EBITDA	1.3	3.2	3.2	3.7	11.4	0.9	0.3	3.5	4.4	9.0	13.8	14.5
<i>EBITDA margin (%)</i>	<i>2.2</i>	<i>4.6</i>	<i>4.8</i>	<i>4.8</i>	<i>4.2</i>	<i>1.5</i>	<i>0.4</i>	<i>4.7</i>	<i>5.3</i>	<i>3.1</i>	<i>4.7</i>	<i>4.8</i>
EBIT	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
<i>EBIT margin (%)</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>0.2</i>	<i>-0.7</i>	<i>3.7</i>	<i>4.3</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>
Net financial items	-0.3	-0.2	-0.2	-0.2	-1.0	-0.2	-0.4	-0.2	-0.2	-1.1	-0.9	-0.7
Pre-tax profit	0.2	2.1	2.2	2.7	7.2	-0.1	-0.9	2.5	3.4	4.8	9.7	10.5
Tax	0.0	-0.4	-0.5	-0.6	-1.6	0.0	0.2	-0.5	-0.7	-1.0	-1.9	-2.1
<i>Tax rate (%)</i>	<i>16.9</i>	<i>19.6</i>	<i>24.0</i>	<i>21.4</i>	<i>21.6</i>	<i>19.8</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	1.7	1.7	2.0	5.6	-0.1	-0.7	2.0	2.7	3.8	7.8	8.4
EPS	0.02	0.22	0.22	0.26	0.71	-0.02	-0.09	0.25	0.34	0.48	0.99	1.07
EPS adjusted (diluted no. of shares)	0.02	0.22	0.22	0.26	0.71	-0.02	-0.09	0.25	0.34	0.48	0.99	1.07
Dividend per share	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.35	0.49	0.53
SALES, EURm												
Housing Companies	16.5	24.8	23.8	21.1	86.1	13.4	21.7	21.0	23.0	79.1	82.3	85.6
Corporations	20.8	21.6	21.5	26.6	90.6	21.8	26.0	27.5	28.5	103.8	106.9	110.1
Public Sector	9.4	10.3	9.8	12.0	41.4	7.5	8.5	10.0	13.8	39.8	40.9	42.2
Building Technology	15.5	16.5	15.9	21.5	69.4	19.2	17.8	18.1	21.0	76.1	78.4	80.8
Elimination	-3.0	-3.9	-2.8	-3.2	-12.9	-2.6	-3.1	-3.3	-3.4	-12.4	-12.8	-13.2
Total	59.0	69.3	68.2	78.1	274.6	59.3	70.9	73.3	82.9	286.4	295.8	305.5
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>-41.9</i>	<i>-10.4</i>	<i>-21.7</i>	<i>-12.1</i>	<i>-22.0</i>	<i>-18.6</i>	<i>-12.4</i>	<i>-11.7</i>	<i>8.9</i>	<i>-8.2</i>	<i>4.0</i>	<i>4.0</i>
<i>Corporations</i>	<i>-24.8</i>	<i>-31.8</i>	<i>-22.9</i>	<i>-16.2</i>	<i>-23.9</i>	<i>5.0</i>	<i>20.2</i>	<i>27.7</i>	<i>7.0</i>	<i>14.6</i>	<i>3.0</i>	<i>3.0</i>
<i>Public Sector</i>	<i>77.7</i>	<i>24.2</i>	<i>-7.2</i>	<i>22.7</i>	<i>22.3</i>	<i>-20.3</i>	<i>-17.4</i>	<i>2.1</i>	<i>15.1</i>	<i>-4.1</i>	<i>3.0</i>	<i>3.0</i>
<i>Building Technology</i>	<i>-5.5</i>	<i>-12.3</i>	<i>-11.5</i>	<i>29.5</i>	<i>-0.5</i>	<i>24.4</i>	<i>8.2</i>	<i>13.7</i>	<i>-2.3</i>	<i>9.8</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-26.8</i>	<i>-25.6</i>	<i>-43.5</i>	<i>-19.5</i>	<i>-29.4</i>	<i>-13.5</i>	<i>-19.6</i>	<i>17.4</i>	<i>7.4</i>	<i>-3.5</i>	<i>3.0</i>	<i>3.0</i>
Total	-19.7	-14.7	-16.7	-0.2	-12.8	0.4	2.3	7.5	6.1	4.3	3.3	3.3
EBIT, EURm												
Group	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
Total	0.5	2.4	2.5	3.0	8.2	0.1	-0.5	2.7	3.6	5.9	10.6	11.2
EBIT margin, %												
<i>Total</i>	<i>0.8</i>	<i>3.4</i>	<i>3.6</i>	<i>3.8</i>	<i>3.0</i>	<i>0.2</i>	<i>-0.7</i>	<i>3.7</i>	<i>4.3</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>

INCOME STATEMENT, EURm	2016	2017	2018	2019	2020	2021E	2022E	2023E
Sales	261.5	300.2	315.8	314.8	274.6	286.4	295.8	305.5
<i>Sales growth (%)</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-12.8</i>	<i>4.3</i>	<i>3.3</i>	<i>3.3</i>
EBITDA	13.1	1.7	-0.5	8.1	11.4	9.0	13.8	14.5
<i>EBITDA margin (%)</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.2</i>	<i>3.1</i>	<i>4.7</i>	<i>4.8</i>
Depreciation	-2.1	-2.1	-1.7	-3.5	-3.2	-3.1	-3.2	-3.3
EBITA	10.9	-0.4	-2.1	4.6	8.2	5.9	10.6	11.2
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.9	-0.4	-2.1	4.6	8.2	5.9	10.6	11.2
<i>EBIT margin (%)</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>
Reported EBIT	10.9	-0.4	-2.1	4.6	8.2	5.9	10.6	11.2
<i>EBIT margin (reported) (%)</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.6</i>	<i>3.7</i>
Net financials	-0.9	-0.8	-0.7	-1.2	-1.0	-1.1	-0.9	-0.7
Pre-tax profit	10.1	-1.2	-2.8	3.4	7.2	4.8	9.7	10.5
Taxes	-2.1	0.1	0.5	-0.7	-1.6	-1.0	-1.9	-2.1
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	8.0	-1.1	-2.3	2.5	5.6	3.8	7.8	8.4
Cash NRIs	0.0	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
BALANCE SHEET, EURm								
Assets								
Fixed assets	6	5	4	4	3	3	3	3
Goodwill	44	49	49	49	49	49	49	49
Right of use assets	0	0	4	3	2	2	3	3
Inventory	1	1	1	1	1	1	1	1
Receivables	39	36	53	50	49	51	53	55
Liquid funds	9	10	3	10	24	21	22	23
Total assets	98	101	115	117	129	128	131	133
Liabilities								
Shareholder's equity	30	25	23	26	30	31	36	41
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	0	3	3	0	0	0
Lease liabilities	0	0	4	4	2	2	3	3
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	21	22	23	25	27	26	21	17
Non-interest bearing current liabilities	46	52	62	56	63	66	68	70
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	98	101	115	117	129	128	131	133
CASH FLOW, EURm								
+ EBITDA	13	2	0	8	11	9	14	15
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	-1	0	0	-1	-1	-2	-2
- Increase in Net Working Capital	0	9	-5	-3	8	1	0	0
+/- Other	0	0	0	0	0	0	0	0
= Cash flow from operations	11	9	-7	4	18	7	11	12
- Capex	-2	-1	-1	-4	-3	-3	-3	-4
- Acquisitions	-1	-4	0	0	0	0	0	0
+ Divestments	0	1	1	0	0	0	0	0
= Free cash flow	8	4	-8	0	15	4	8	9
+/- New issues/buybacks	0	1	0	0	0	0	0	0
- Paid dividend	-3	-4	0	0	-1	-3	-3	-4
+/- Other	0	-1	1	6	0	-4	-5	-4
Change in cash	5	0	-6	7	14	-3	1	1

KEY FIGURES	2017	2018	2019	2020	2021E	2022E	2023E
M-cap	66	43	50	79	102	102	102
Net debt (excl. convertibles)	12	23	19	5	7	2	-3
Enterprise value	78	67	72	87	109	104	99
Sales	300	316	315	275	286	296	305
EBITDA	2	0	8	11	9	14	15
EBIT	0	-2	5	8	6	11	11
Pre-tax	-1	-3	3	7	5	10	10
Earnings	-1	-2	2	6	4	8	8
Equity book value (excl. minorities)	25	23	26	30	31	36	41
Valuation multiples							
EV/sales	0.3	0.2	0.2	0.3	0.4	0.4	0.3
EV/EBITDA	45.3	-143.6	8.9	7.6	12.2	7.5	6.8
EV/EBITA	-207.0	-31.3	15.6	10.6	18.6	9.8	8.8
EV/EBIT	-207.0	-31.3	15.6	10.6	18.6	9.8	8.8
EV/OCF	8.8	-9.9	19.7	4.9	14.6	9.1	8.1
EV/FCFF	14.9	-9.6	31.9	5.2	15.2	9.4	8.6
P/FCFE	14.6	-5.7	523.9	5.2	24.6	12.7	11.8
P/E	-61.0	-18.5	20.3	14.2	26.9	13.2	12.2
P/B	2.6	1.8	1.9	2.6	3.3	2.8	2.5
Target EV/EBITDA	0.0	0.0	0.0	0.0	13.5	8.4	7.6
Target EV/EBIT	0.0	0.0	0.0	0.0	20.6	10.9	9.9
Target EV/FCF	0.0	0.0	0.0	0.0	29.1	14.4	12.8
Target P/B	0.0	0.0	0.0	0.0	3.7	3.2	2.8
Target P/E	0.0	0.0	0.0	0.0	30.0	14.7	13.6
Per share measures							
Number of shares	7,621	7,858	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,621	7,858	7,858	7,858	7,858	7,858	7,858
EPS	-0.14	-0.30	0.32	0.71	0.48	0.99	1.07
Operating cash flow per share	1.16	-0.85	0.47	2.27	0.95	1.46	1.55
Free cash flow per share	0.59	-0.96	0.01	1.93	0.53	1.02	1.10
Book value per share	3.32	2.98	3.33	3.87	3.95	4.59	5.16
Dividend per share	0.00	0.00	0.16	0.40	0.35	0.49	0.53
Dividend payout ratio, %	0.0	0.0	50.8	56.3	72.4	50.0	50.0
Dividend yield, %	0.0	0.0	2.5	4.0	2.7	3.8	4.1
FCF yield, %	6.8	-17.4	0.2	19.2	4.1	7.9	8.5
Efficiency measures							
ROE	-3.9	-9.6	10.0	19.7	12.4	23.1	21.9
ROCE	-0.6	-4.2	8.6	13.7	9.8	17.9	18.8
Financial ratios							
Inventories as % of sales	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Receivables as % of sales	12.1	16.8	15.8	17.9	17.9	17.9	17.9
Non-interest bearing liabilities as % of sales	17.3	19.5	17.8	23.1	23.1	23.1	23.1
NWC/sales, %	-5.0	-2.5	-1.7	-4.9	-4.9	-4.9	-4.9
Operative CAPEX/sales, %	0.5	0.4	1.3	1.0	1.2	1.2	1.2
CAPEX/sales (incl. acquisitions), %	-0.8	0.4	1.3	1.0	1.2	1.2	1.2
FCFF/EBITDA	3.0	15.0	0.3	1.5	0.8	0.8	0.8
Net debt/EBITDA, book-weighted	7.0	-50.5	2.3	0.4	0.8	0.1	-0.2
Debt/equity, market-weighted	0.3	0.5	0.5	0.3	0.3	0.2	0.2
Equity ratio, book-weighted	28.8	24.4	29.8	26.1	24.2	27.6	30.4
Gearing, %	47.7	100.0	64.4	14.1	22.3	4.5	-7.8

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	10.270	10.1%
Heikintorppa Oy	557,700	7.250	7.1%
Wipunen varainhallinta Oy	557,700	7.250	7.1%
Korkeela Esa Sakari	434,637	5.650	5.5%
Evli Finnish Small Cap Fund	422,625	5.494	5.4%
Kivi Risto Juhani	380,267	4.943	4.8%
Fennia Life Insurance Company Ltd	355,525	4.622	4.5%
Kalervo Markku	299,128	3.889	3.8%
Korkeela Antti Petteri	176,705	2.297	2.2%
Consti Yhtiöt Oyj	173,031	2.249	2.2%
Ten largest	4,147,318	53.915	53%
Residual	3,710,949	48.242	47%
Total	7,858,267	102.157	100%

EARNINGS CALENDAR	
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, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

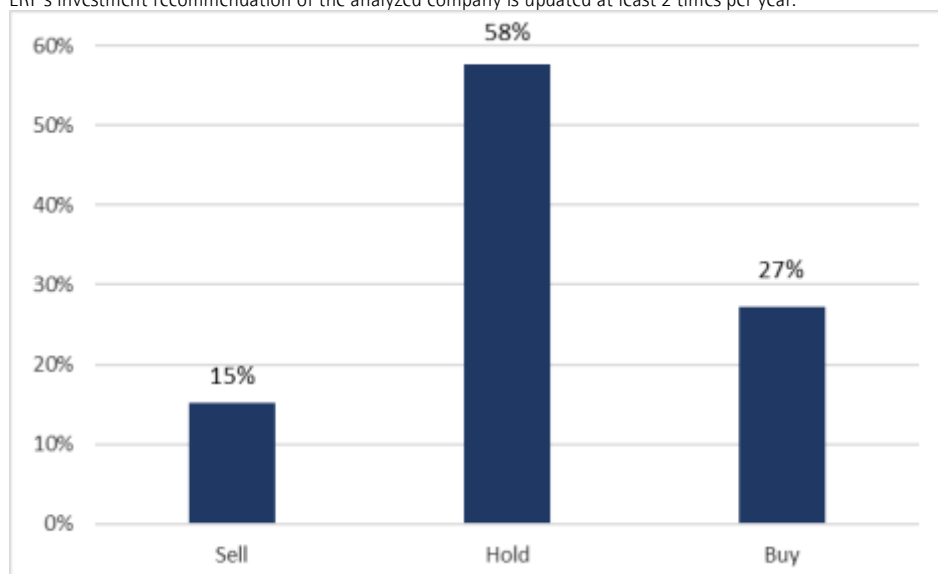
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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