

Growth picking up nicely

Consti's net sales in Q3 amounted to EUR 76.0m, slightly above our and consensus estimates (EUR 73.3m/73.0m Evli/cons.), with growth picking up clearly to 11.4% y/y. EBIT amounted to EUR 3.1m, above our and consensus estimates (EUR 2.7m Evli/cons.). The order backlog continued to grow well, up 15.0% to EUR 217.9m.

- Net sales in Q3 were EUR 76.0m (EUR 68.2m in Q3/20), slightly above our and consensus estimates (EUR 73.3m/73.0m Evli/Cons.). Sales grew 11.4% y/y.
- Operating profit in Q3 amounted to EUR 3.1m (EUR 2.5m in Q3/20), above our and consensus estimates (EUR 2.7m Evli/cons.), at a margin of 4.1%. Relative profitability improved slightly y/y, with the adjusted EBIT-margin up 0.2 percentage points. Construction material price increases and material availability did not have a significant impact.
- EPS in Q3 amounted to EUR 0.29 (EUR 0.22 in Q3/20), above our consensus estimates (EUR 0.25 Evli/cons.).
- The order backlog in Q3 was EUR 217.9m (EUR 189.4m in Q3/20), up by 15%. Order intake was EUR 40.0m in Q3 (Q3/20: EUR 31.0m).
- Free cash flow amounted to EUR 3.6m (Q3/20: EUR 4.6m).
- During the reporting period Consti acquired RA-Urakointi Oy, a company specialising in the repair of apartments and row houses.
- **Guidance for 2021 (intact):** Operating profit is expected to be between EUR 4-8m.

Rating						BUY
Q3/21	Actual	Evli	Consensus	Year ago	Q2/21	
Net sales	76.0	73.3	73.0	68.2	70.9	
EBIT	3.1	2.7	2.7	2.5	-0.5	
EPS	0.29	0.25	0.25	0.22	-0.09	
Deviation	Actual	Evli	Consensus	Year ago	Q2/21	
Net sales		4 %	4 %	11 %	7 %	
EBIT		15 %	15 %	26 %	-	
EPS		16 %	16 %	35 %	-	
<i>Consensus by FactSet</i>						
Share price, EUR (Last trading day's closing price)						12.40
Target price, EUR						14.5
Latest change in recommendation						26-Jul-21
Latest report on company						25-Oct-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						97
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
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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
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	25.6	0.4	17.8	4.3	0.35
2022E	295.8	10.6	3.6%	8.0	0.99	12.6	0.3	9.3	8.3	0.49
2023E	305.5	11.2	3.7%	8.7	1.07	11.6	0.3	8.4	8.9	0.53
Market cap, EURm	97			BV per share 2021E, EUR	22.3		CAGR EPS 2020-23, %	14.5		
Net debt 2021E, EURm	7			Price/book 2021E	3.1		CAGR sales 2020-23, %	3.6		
Enterprise value, EURm	104			Dividend yield 2021E, %	2.8		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	0.7		

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

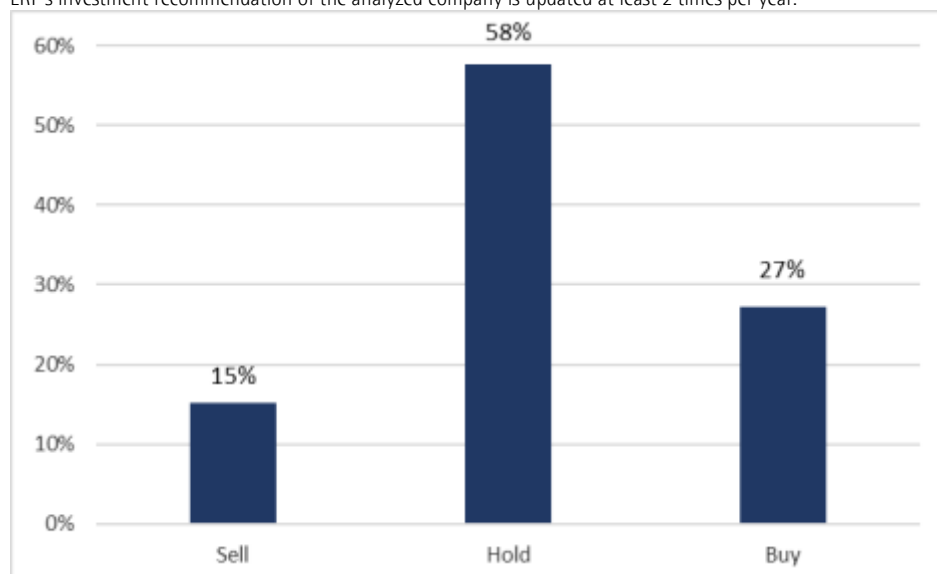
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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