

Strong performance

Consti's net sales in Q3 amounted to EUR 89.9m above our estimates (Evli est. EUR 81.5m.), with growth of 13.8% y/y. EBIT amounted to EUR 4.8m, clearly above our estimates (Evli est. EUR 3.4m) driven partly by the sale of the company's relining business.

- Net sales in Q3 were EUR 89.9m (EUR 79.0m in Q3/22), above our estimates (EUR 81.5m). Sales grew 13.8% y/y.
- Operating profit in Q3 amounted to EUR 4.8m (EUR 3.3m in Q3/22), above our estimates (EUR 3.4m) at a margin of 5.3% (4.2%).
- A gain recognised on the sale of Consti's property-related relining business at the end of the reporting period amounting approximately EUR 1m supported the profitability in the third quarter.
- EPS in Q3 amounted to EUR 0.47 (EUR 0.32 in Q3/22), also above our estimates (EUR 0.32)
- The order backlog at the end of Q3 was EUR 247.3m (EUR 210.5m in Q3/22), up by 17.5% y/y. Order intake was EUR 23.2m in Q3 (Q3/22: EUR 38.4m).
- Free cash flow amounted to EUR 7.1m (Q3/22: EUR 5.8m).
- When adjusting for the sale of the company's relining business, Consti beat our net sales estimates by 10% and EBIT estimates by 12%
- Order backlog strengthened y/y yet was already at a lower level when compared to H1/23. In addition, the order intake fell y/y, on the other hand, Q2 order intake was very strong and Q3 is typically slower on the order intake side.
- **Guidance for 2023 (unchanged):** Operating result for 2023 will be in the range of EUR 9.5–13.5 million

Rating + BUY

Q3/23	Actual	Evli	Year ago	Q2/23
Net sales	89.9	81.5	79.0	75.7
EBIT	4.8	3.4	3.3	3.0
EPS	0.47	0.32	0.32	0.29

Deviation	Actual	Evli	Year ago	Q2/23
Net sales		10 %	14 %	19 %
EBIT		41 %	43 %	58 %
EPS		47 %	48 %	65 %

Share price, EUR (Last trading day's closing price) **9.94**

Target price, EUR **14.0**

Latest change in recommendation **26-Jul-21**

Latest report on company

Research paid by issuer:

No. of shares outstanding, '000's **7,735**

No. of shares fully diluted, '000's **7,735**

Market cap, EURm **77**

Free float, % **45.9**

Exchange rate EUR **1.000**

Reuters code **CONSTI.HE**

Bloomberg code **CONSTI FH**

Average daily volume, EURm **0.1**

Next interim report **21-Jul-23**

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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
2021	288.8	5.7	2.0%	-3.1	0.47	25.9	0.4	19.1	-3.3	0.45
2022	305.2	11.5	3.8%	15.2	1.10	10.2	0.3	7.9	17.6	0.60
2023E	321.9	12.2	3.8%	11.1	1.14	8.7	0.2	6.1	14.4	0.65
2024E	332.0	13.9	4.2%	11.5	1.36	7.3	0.2	4.9	15.0	0.75
2025E	339.2	14.9	4.4%	12.1	1.49	6.7	0.2	4.1	15.7	0.82
Market cap, EURm		77	BV per share 2023E, EUR		-6.3	CAGR EPS 2022-25, %				10.7
Net debt 2023E, EURm		-3	Price/book 2023E		1.9	CAGR sales 2022-25, %				3.6
Enterprise value, EURm		74	Dividend yield 2023E, %		6.5	ROE 2023E, %				23.1
Total assets 2023E, EURm		125	Tax rate 2023E, %		20.0	ROCE 2023E, %				20.3
Goodwill 2023E, EURm		50	Equity ratio 2023E, %		32.2	PEG, P/E 23/CAGR				0.8

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

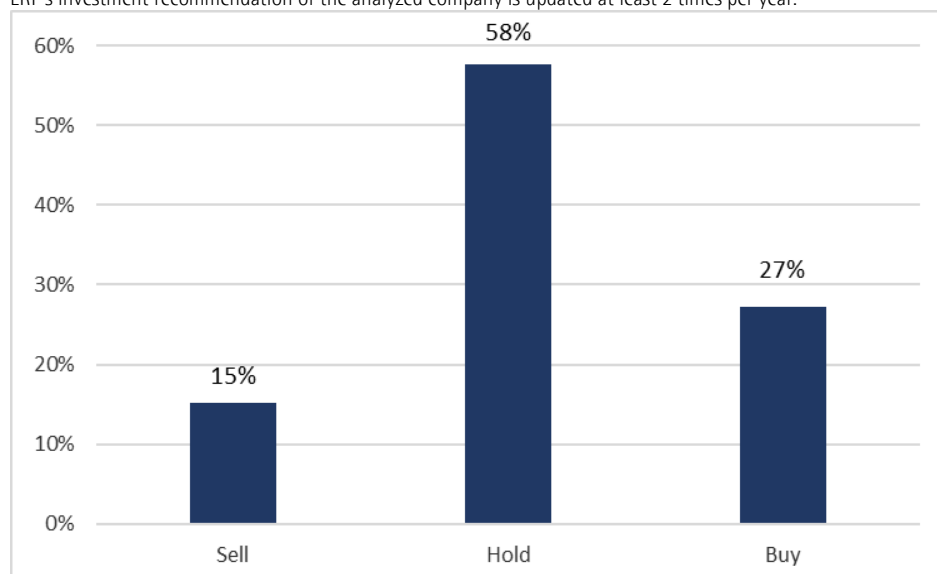
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Investment recommendations are defined as follows:

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

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

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