

Slower start to the year expected

Consti reports its Q1/24 results on 25th of April. We expect continued sales decline during the seasonally slow Q1 as a result of the strong comparison period Q1/23 and lower order intake during H2/23.

Focus is on orders and backlog during seasonally slow Q1

Consti's Q1 typically represents roughly one fifth of total annual sales and only 5% of EBIT due to seasonality. Our interest in the Q1 report lies in order intake and backlog development in addition to possible comments on the market development. The Confederation of Finnish Construction Industries RT expects continued decline for renovation construction volumes during 2024 in its latest report. The volume decline is expected to slow down from last year as renovation volumes are estimated to decline by 1% while in 2023 volumes declined by 4%.

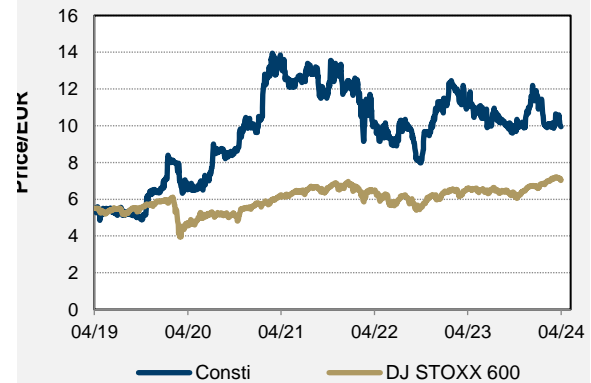
Minor downward estimate revisions

Consti's order intake fell roughly 22% short of the comparison period during H2/2023, while for FY 2023, order intake declined 1.3% y/y. In absolute terms, Consti expects that a larger part of 12/2023 backlog will be recognized during 2024 when compared to last year. On the other hand, in relative terms, the current backlog is more evenly distributed to following years when compared to 12/2022 backlog. We expect the revenue decline seen during Q4/23 to have continued during the first quarter. We now estimate net sales of EUR 64.5m (prev. EUR 66.4m) for Q1 with EBIT of EUR 0.5m (prev. EUR 0.5m). For FY 2024, we estimate net sales of EUR 315.5m with a sales decline of 1.6% y/y. Driven by the decline in net sales, we estimate EBIT of EUR 10.8m (EUR 12.3m 2023) with a margin of 3.4% (3.9% 2023).

Current valuation offers a margin of safety

Despite the expectation of a slower year ahead, we find Consti's current pricing conservative. Consti trades at a discount of roughly 30% based on 24-25E P/E and EV/EBIT when compared to its main construction and building technology and service peers. Even with the guidance range low, EBIT of EUR 9m, the current pricing would offer a substantial discount to peers and the company's historic multiple levels.

Rating + BUY



Share price, EUR (Last trading day's closing price)	9.94
Target price, EUR	13.0

Latest change in recommendation	24-Jul-21
Latest report on company	5-Feb-24
Research paid by issuer:	YES
No. of shares outstanding, '000's	7,794
No. of shares fully diluted, '000's	7,794
Market cap, EURm	77
Free float, %	
Exchange rate EUR	1.000
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	0.1
Next interim report	25-Apr-24
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
2022	305.2	11.5	3.8%	15.2	1.10	10.2	0.3	7.9	17.6	0.60
2023	320.6	12.3	3.9%	8.6	1.16	9.8	0.3	7.1	9.7	0.70
2024E	315.5	10.8	3.4%	7.2	1.03	9.7	0.2	6.9	9.2	0.62
2025E	329.5	12.6	3.8%	8.6	1.22	8.1	0.2	5.6	11.0	0.73
2026E	337.8	14.0	4.2%	9.1	1.38	7.2	0.2	4.8	11.7	0.83

Market cap, EURm	77	Gearing 2024E, %	-6.1	CAGR EPS 2023-26, %	6.2
Net debt 2024E, EURm	-3	Price/book 2024E	1.8	CAGR sales 2023-26, %	1.8
Enterprise value, EURm	75	Dividend yield 2024E, %	6.2	ROE 2024E, %	18.9
Total assets 2024E, EURm	121	Tax rate 2024E, %	20.0	ROCE 2024E, %	17.7
Goodwill 2024E, EURm	49	Equity ratio 2024E, %	36.1	PEG, P/E 24/CAGR	0.7

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

Table 1: Peer group

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
YIT	405	20.1x	14.8x	11.0x	31.4x	19.9x	14.1x	25.7x	11.1x	
SRV Yhtiöt	77	11.4x	8.1x	7.6x	16.2x	12.5x	9.8x	24.4x	8.8x	5.1x
Skanska	6467	8.1x	7.4x	7.2x	10.7x	9.5x	8.9x	13.1x	11.6x	11.0x
NCC	1087	5.8x	5.8x	5.7x	9.9x	9.7x	9.3x	9.4x	9.3x	8.9x
Peab	1345	9.9x	9.3x	8.6x	17.4x	15.7x	14.0x	13.5x	11.8x	10.2x
JM AB	1056	40.7x	29.1x	20.8x	37.5x	29.3x	21.0x	24.9x	19.1x	13.4x
Veidekke	1284	5.3x	5.1x	4.9x	8.7x	8.4x	8.1x	13.4x	12.8x	12.1x
Peer group average	1675	14.5x	11.4x	9.4x	18.8x	15.0x	12.2x	16.4x	14.1x	10.3x
Peer group median	1087	9.9x	8.1x	7.6x	16.2x	12.5x	9.8x	13.4x	11.8x	11.0x
Consti (Evli est.)	79	5.2x	4.3x	3.8x	7.0x	5.7x	4.9x	9.7x	8.2x	7.2x

Consti prem./disc. to peer median

-47.5% -46.4% -50.9% -57.0% -54.7% -50.2% -27.6% -30.6% -34.3%

Source Bloomberg, Evli Research

Company name	Market capitalization mEUR	EV/EBITDA			EV/EBIT			P/E		
		24	25	26	24	25	26	24	25	26
Bravida Holding	1216	7.4x	6.5x	5.8x	10.0x	8.6x	7.5x	12.3x	10.6x	9.9x
MITIE Group	1788	6.5x	6.0x	5.4x	8.3x	7.6x	6.7x	10.8x	10.7x	9.6x
ISS A/S	3128	6.0x	5.4x	5.1x	8.2x	7.4x	6.8x	8.6x	7.5x	6.5x
Bilfinger	1538	4.5x	3.6x	3.3x	6.3x	5.0x	4.4x	10.1x	8.4x	7.6x
Instalco	790	9.2x	8.0x	7.4x	14.2x	11.7x	10.1x	15.1x	12.6x	11.1x
Peer group average	1692	6.7x	5.9x	5.4x	9.4x	8.0x	7.1x	11.4x	10.0x	8.9x
Peer group median	1538	6.5x	6.0x	5.4x	8.3x	7.6x	6.8x	10.8x	10.6x	9.6x
Consti (Evli est.)	79	5.2x	4.3x	3.8x	7.0x	5.7x	4.9x	9.7x	8.2x	7.2x

Consti prem./disc. to peer median

-19.7% -27.3% -30.4% -15.9% -24.8% -28.9% -9.8% -22.7% -24.4%

Source Bloomberg, Evli Research

Table 2: Estimate summary

Consti	2020	2021	2022	Q1/'23	Q2/'23	Q3/'23	Q4/'23	2023	Q1/'24E	Q2/'24E	Q3/'24E	Q4/'24E	2024E	2025E
Housing Companies	86.1	90.0	104.0	20.4	27.3	29.5	25.2	102.4	15.3	24.6	30.1	26.4	96.4	100.3
Corporations	90.6	101.0	104.9	26.3	25.6	32.1	28.1	112.2	21.0	23.1	27.3	29.0	100.4	108.4
Public Sector	41.4	37.7	42.1	9.9	10.0	14.7	19.8	54.3	13.8	13.0	14.7	17.8	59.2	60.4
Building Technology	69.4	72.9	69.1	14.8	16.2	17.9	16.9	65.7	17.0	17.8	19.3	18.6	72.6	74.8
Eliminations	-12.9	-12.7	-14.9	-2.4	-3.4	-4.3	-3.9	-14.0	-2.7	-3.1	-3.7	-3.7	-13.1	-14.4
Net sales	274.6	288.8	305.2	68.9	75.7	89.9	86.1	320.6	64.5	75.3	87.7	88.1	315.5	329.5
<i>change, %</i>	<i>-12.8%</i>	<i>5.1%</i>	<i>5.7%</i>	<i>15.2%</i>	<i>3.6%</i>	<i>13.8%</i>	<i>-7.8%</i>	<i>5.0%</i>	<i>-6.5%</i>	<i>-0.6%</i>	<i>-2.4%</i>	<i>2.3%</i>	<i>-1.6%</i>	<i>4.4%</i>
Operating profit	8.2	5.7	11.5	0.7	3.0	4.8	3.9	12.3	0.5	2.7	3.4	4.3	10.8	12.6
<i>-margin, %</i>	<i>3.0%</i>	<i>2.0%</i>	<i>3.8%</i>	<i>1.0%</i>	<i>4.0%</i>	<i>5.3%</i>	<i>4.5%</i>	<i>3.8%</i>	<i>0.7%</i>	<i>3.6%</i>	<i>3.8%</i>	<i>4.9%</i>	<i>3.4%</i>	<i>3.8%</i>
Adj. Op. profit	9.4	9.5	11.5	0.7	3.0	4.8	3.9	12.3	0.5	2.7	3.4	4.3	10.8	12.6
<i>-margin, %</i>	<i>3.4%</i>	<i>3.3%</i>	<i>3.8%</i>	<i>1.0%</i>	<i>4.0%</i>	<i>5.3%</i>	<i>4.5%</i>	<i>3.8%</i>	<i>0.7%</i>	<i>3.6%</i>	<i>3.8%</i>	<i>4.9%</i>	<i>3.4%</i>	<i>3.8%</i>

Source: Consti, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	9.94 PV of Free Cash Flow	96 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	25.79 PV of Horizon value	104 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	159.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	27.7 Marketable securities	21 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	24.1 Debt - dividend	-20 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	52.1 Value of stock	201 Nr of shares, Mn	7.8 Effective tax rate, %	20

DCF valuation, EURm	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Horizon
Net sales	321	316	329	338	343	348	353	359	364	369	374	378
<i>Sales growth, %</i>	<i>5.0</i>	<i>-1.6</i>	<i>4.4</i>	<i>2.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.5</i>	<i>1.2</i>	<i>1.2</i>
Operating income (EBIT)	12	11	13	14	15	15	16	16	16	16	16	17
<i>Operating income margin, %</i>	<i>3.9</i>	<i>3.4</i>	<i>3.8</i>	<i>4.2</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>	<i>4.4</i>
+ Depreciation+amort.	4	4	4	4	4	4	5	5	5	5	5	
EBITDA	16	14	16	18	19	20	20	21	21	21	22	
- Paid taxes	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	1	0	0	-1	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-4.9</i>	<i>-4.9</i>	<i>-4.6</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	<i>-4.1</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-2	-1	-1	-1	-1	-1	-2	-2	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>1.5</i>	<i>1.3</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	0	0	0	0	0	0	0	0	0	0	0	
= FCFF	13	11	12	13	15	15	16	16	16	17	17	232
= Discounted FCFF		10	11	10	11	10	10	9	9	8	8	104
= DFCF min WACC		10	11	10	11	11	10	10	9	8	8	117
= DFCF max WACC		10	10	10	11	10	10	9	8	8	7	93

INTERIM FIGURES

EVLI ESTIMATES, EURm	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024Q1E	2024Q2E	2024Q3E	2024Q4E	2024E	2025E	2026E
Net sales	68.9	75.7	89.9	86.1	320.6	64.5	75.3	87.7	88.1	315.5	329.5	337.8
EBITDA	1.5	3.9	5.7	4.8	16.1	1.4	3.6	4.3	5.2	14.4	16.5	18.2
<i>EBITDA margin (%)</i>	<i>2.1</i>	<i>5.2</i>	<i>6.3</i>	<i>5.6</i>	<i>5.0</i>	<i>2.1</i>	<i>4.8</i>	<i>4.8</i>	<i>5.9</i>	<i>4.6</i>	<i>5.0</i>	<i>5.4</i>
EBIT	0.7	3.0	4.8	3.9	12.3	0.5	2.7	3.4	4.3	10.8	12.6	14.0
<i>EBIT margin (%)</i>	<i>1.0</i>	<i>4.0</i>	<i>5.3</i>	<i>4.5</i>	<i>3.9</i>	<i>0.7</i>	<i>3.6</i>	<i>3.8</i>	<i>4.9</i>	<i>3.4</i>	<i>3.8</i>	<i>4.2</i>
Net financial items	-0.3	-0.3	-0.2	-0.2	-1.0	-0.2	-0.2	-0.2	-0.2	-0.8	-0.7	-0.6
Pre-tax profit	0.4	2.8	4.5	3.7	11.4	0.3	2.5	3.2	4.1	10.0	11.9	13.5
Tax	-0.1	-0.6	-0.9	-0.8	-2.4	-0.1	-0.5	-0.6	-0.8	-2.0	-2.4	-2.7
<i>Tax rate (%)</i>	<i>20.0</i>	<i>20.0</i>	<i>20.0</i>	<i>22.2</i>	<i>20.7</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>	<i>20.0</i>
Net profit	0.3	2.2	3.6	2.9	9.0	0.2	2.0	2.5	3.3	8.0	9.5	10.8
EPS	0.04	0.28	0.47	0.37	1.16	0.03	0.26	0.32	0.42	1.03	1.22	1.38
EPS adjusted (diluted no. of shares)	0.04	0.28	0.47	0.37	1.16	0.03	0.26	0.32	0.42	1.03	1.22	1.38
Dividend per share	0.00	0.00	0.00	0.00	0.70	0.00	0.00	0.00	0.00	0.62	0.73	0.83
SALES, EURm												
Housing Companies	20.4	27.3	29.5	25.2	102.4	15.3	24.6	30.1	26.4	96.4	100.3	102.3
Corporations	26.3	25.6	32.1	28.1	112.2	21.0	23.1	27.3	29.0	100.4	108.4	111.7
Public Sector	9.9	10.0	14.7	19.8	54.3	13.8	13.0	14.7	17.8	59.2	60.4	61.6
Building Technology	14.8	16.2	17.9	16.9	65.7	17.0	17.8	19.3	18.6	72.6	74.8	77.0
Elimination	-2.4	-3.4	-4.3	-3.9	-14.0	-2.7	-3.1	-3.7	-3.7	-13.1	-14.4	-14.8
Total	68.9	75.7	89.9	86.1	320.6	64.5	75.3	87.7	88.1	315.5	329.5	337.8
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>30.9</i>	<i>7.6</i>	<i>-3.5</i>	<i>-22.3</i>	<i>-1.5</i>	<i>-25.0</i>	<i>-10.0</i>	<i>2.0</i>	<i>5.0</i>	<i>-5.8</i>	<i>4.0</i>	<i>2.0</i>
<i>Corporations</i>	<i>30.3</i>	<i>5.7</i>	<i>20.4</i>	<i>-16.8</i>	<i>6.9</i>	<i>-20.0</i>	<i>-10.0</i>	<i>-15.0</i>	<i>3.0</i>	<i>-10.5</i>	<i>8.0</i>	<i>3.0</i>
<i>Public Sector</i>	<i>-9.9</i>	<i>6.2</i>	<i>56.1</i>	<i>59.4</i>	<i>28.8</i>	<i>40.0</i>	<i>30.0</i>	<i>0.0</i>	<i>-10.0</i>	<i>9.1</i>	<i>2.0</i>	<i>2.0</i>
<i>Building Technology</i>	<i>-7.9</i>	<i>-8.4</i>	<i>9.9</i>	<i>-11.7</i>	<i>-4.9</i>	<i>15.0</i>	<i>10.0</i>	<i>7.5</i>	<i>10.0</i>	<i>10.4</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-16.7</i>	<i>-6.6</i>	<i>9.2</i>	<i>-12.3</i>	<i>-6.1</i>	<i>10.0</i>	<i>-6.5</i>	<i>-15.8</i>	<i>-5.1</i>	<i>-6.1</i>	<i>9.9</i>	<i>2.5</i>
Total	15.2	3.6	13.8	-7.7	5.0	-6.5	-0.6	-2.4	2.3	-1.6	4.4	2.5
EBIT, EURm												
Group	0.7	3.0	4.8	3.9	12.3	0.5	2.7	3.4	4.3	10.8	12.6	14.0
Total	0.7	3.0	4.8	3.9	12.3	0.5	2.7	3.4	4.3	10.8	12.6	14.0
EBIT margin, %												
Total	1.0	4.0	5.3	4.5	3.9	0.7	3.6	3.8	4.9	3.4	3.8	4.2

INCOME STATEMENT, EURm	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sales	314.8	274.6	288.8	305.2	320.6	315.5	329.5	337.8
<i>Sales growth (%)</i>	-0.3	-12.8	5.1	5.7	5.0	-1.6	4.4	2.5
EBITDA	8.1	11.4	9.2	15.0	16.1	14.4	16.5	18.2
<i>EBITDA margin (%)</i>	2.6	4.2	3.2	4.9	5.0	4.6	5.0	5.4
Depreciation	-3.5	-3.2	-3.5	-3.5	-3.7	-3.6	-3.9	-4.1
EBITA	4.6	8.2	5.7	11.5	12.3	10.8	12.6	14.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.6	8.2	5.7	11.5	12.3	10.8	12.6	14.0
<i>EBIT margin (%)</i>	1.5	3.0	2.0	3.8	3.9	3.4	3.8	4.2
Reported EBIT	4.6	8.2	5.7	11.5	12.3	10.8	12.6	14.0
<i>EBIT margin (reported) (%)</i>	1.5	3.0	2.0	3.8	3.9	3.4	3.8	4.2
Net financials	-1.2	-1.0	-1.1	-1.0	-1.0	-0.8	-0.7	-0.6
Pre-tax profit	3.4	7.2	4.6	10.4	11.4	10.0	11.9	13.5
Taxes	-0.7	-1.6	-0.9	-1.9	-2.4	-2.0	-2.4	-2.7
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	2.5	5.6	3.7	8.5	9.0	8.0	9.5	10.8
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	4	3	3	4	5	4	5	5
Goodwill	49	49	50	50	49	49	49	49
Right of use assets	3	2	6	4	5	6	6	6
Inventory	1	1	1	1	1	1	1	1
Receivables	50	49	41	44	41	40	43	46
Liquid funds	10	24	18	21	21	21	22	22
Total assets	117	129	119	123	121	121	125	129
Liabilities								
Shareholder's equity	26	30	32	36	41	44	48	53
Minority interest	0	0	0	0	0	0	0	0
Convertibles	3	3	0	0	0	0	0	0
Lease liabilities	4	2	5	4	5	6	6	6
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	25	27	27	20	15	13	9	6
Non-interest bearing current liabilities	56	63	52	60	57	56	59	60
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	117	129	119	123	121	121	125	129
CASH FLOW, EURm								
+ EBITDA	8	11	9	15	16	14	16	18
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	0	-1	-1	1	-2	-2	-2	-3
- Increase in Net Working Capital	-3	8	-3	4	1	0	0	-1
+/- Other	0	0	1	-2	0	0	0	0
= Cash flow from operations	4	18	5	17	13	11	13	14
- Capex	-4	-3	-7	-2	-5	-4	-4	-5
- Acquisitions	0	0	-1	0	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Free cash flow	0	15	-3	15	9	7	9	9
+/- New issues/buybacks	0	0	1	-1	1	0	0	0
- Paid dividend	0	-1	-3	-4	-5	-5	-5	-6
+/- Other	6	0	-1	-8	-4	-2	-3	-3
Change in cash	7	14	-6	3	0	0	1	1

KEY FIGURES	2020	2021	2022	2023	2024E	2025E	2026E
M-cap	79	95	86	88	77	77	77
Net debt (excl. convertibles)	5	14	4	-1	-3	-6	-10
Enterprise value	87	109	90	88	75	71	68
Sales	275	289	305	321	316	329	338
EBITDA	11	9	15	16	14	16	18
EBIT	8	6	11	12	11	13	14
Pre-tax	7	5	10	11	10	12	13
Earnings	6	4	8	9	8	10	11
Equity book value (excl. minorities)	30	32	36	41	44	48	53
Valuation multiples							
EV/sales	0.3	0.4	0.3	0.3	0.2	0.2	0.2
EV/EBITDA	7.6	11.9	6.0	5.4	5.2	4.3	3.7
EV/EBITA	10.6	19.1	7.9	7.1	6.9	5.6	4.8
EV/EBIT	10.6	19.1	7.9	7.1	6.9	5.6	4.8
EV/OCF	4.9	23.3	5.2	6.5	6.6	5.4	5.0
EV/FCFF	5.2	32.9	5.2	6.9	7.0	5.9	5.4
P/FCFE	5.2	-30.6	5.7	10.3	10.8	9.1	8.6
P/E	14.2	25.9	10.2	9.8	9.7	8.1	7.2
P/B	2.6	3.0	2.4	2.2	1.8	1.6	1.4
Target EV/EBITDA	0.0	0.0	0.0	0.0	6.9	5.8	5.0
Target EV/EBIT	0.0	0.0	0.0	0.0	9.1	7.5	6.5
Target EV/FCF	0.0	0.0	0.0	0.0	13.8	11.1	10.1
Target P/B	0.0	0.0	0.0	0.0	2.3	2.1	1.9
Target P/E	0.0	0.0	0.0	0.0	12.7	10.6	9.4
Per share measures							
Number of shares	7,858	7,858	7,735	7,794	7,794	7,794	7,794
Number of shares (diluted)	7,858	7,858	7,735	7,794	7,794	7,794	7,794
EPS	0.71	0.47	1.10	1.16	1.03	1.22	1.38
Operating cash flow per share	2.27	0.60	2.25	1.73	1.46	1.67	1.75
Free cash flow per share	1.93	-0.40	1.96	1.10	0.92	1.10	1.16
Book value per share	3.87	4.08	4.68	5.27	5.60	6.21	6.86
Dividend per share	0.40	0.45	0.60	0.70	0.62	0.73	0.83
Dividend payout ratio, %	56.3	96.4	54.6	60.5	60.0	60.0	60.0
Dividend yield, %	4.0	3.7	5.4	7.0	6.2	7.4	8.4
FCF yield, %	19.2	-3.3	17.6	9.7	9.2	11.0	11.7
Efficiency measures							
ROE	19.7	11.8	24.9	23.3	18.9	20.7	21.2
ROCE	13.7	9.1	18.4	20.3	17.7	20.2	21.8
Financial ratios							
Inventories as % of sales	0.2	0.3	0.3	0.2	0.2	0.2	0.2
Receivables as % of sales	17.9	14.3	14.4	12.7	12.7	13.0	13.5
Non-interest bearing liabilities as % of sales	23.1	18.0	19.6	17.8	17.8	17.8	17.8
NWC/sales, %	-4.9	-3.4	-4.9	-4.9	-4.9	-4.6	-4.1
Operative CAPEX/sales, %	1.0	2.4	0.7	1.5	1.3	1.4	1.4
CAPEX/sales (incl. acquisitions), %	1.0	2.0	0.7	1.5	1.3	1.4	1.4
FCFF/EBITDA	1.5	0.4	1.1	0.8	0.7	0.7	0.7
Net debt/EBITDA, book-weighted	0.4	1.5	0.3	-0.1	-0.2	-0.4	-0.5
Debt/equity, market-weighted	0.3	0.3	0.2	0.2	0.2	0.1	0.1
Equity ratio, book-weighted	26.1	26.9	29.4	33.9	36.1	38.6	41.4
Gearing, %	14.1	44.1	10.7	-2.3	-6.1	-13.2	-18.2

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 maintain the achieved healthier levels of profitability after a period of weaker profitability during previous 2017-2019 driven by a number of weak margin projects. The backlog is still at healthy levels which supports near-term development. The long-term market outlook remains favourable due to among other things a large aging building stock, and the renovation market is expected to see steady low single-digit growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	792,825	7.881	10.2%
Heikintorppa Oy	750,000	7.455	9.6%
Wipunen Varainhallinta Oy	750,000	7.455	9.6%
Fennia Life Insurance Company Ltd	520,524	5.174	6.7%
Korkeela Esa Sakari	477,931	4.751	6.1%
Kivi Risto Juhani	392,354	3.900	5.0%
Kalevo Markku	298,967	2.972	3.8%
Varma Mutual Pension Insurance Company	172,000	1.710	2.2%
Drumbo Oy	150,000	1.491	1.9%
Norvier Oy	106,463	1.058	1.4%
Ten largest	4,411,064	43.846	57%
Residual	3,382,903	33.626	43%
Total	7,793,967	77.472	100%

EARNINGS CALENDAR

April 25, 2024	Q1 report
July 19, 2024	Q2 report
October 25, 2024	Q3 report

OTHER EVENTS**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

<p>ROE, %</p> $\frac{\text{Profit before extraordinary items and taxes - income taxes}}{\text{Shareholder's equity + minority interest + taxed provisions (average)}}$	
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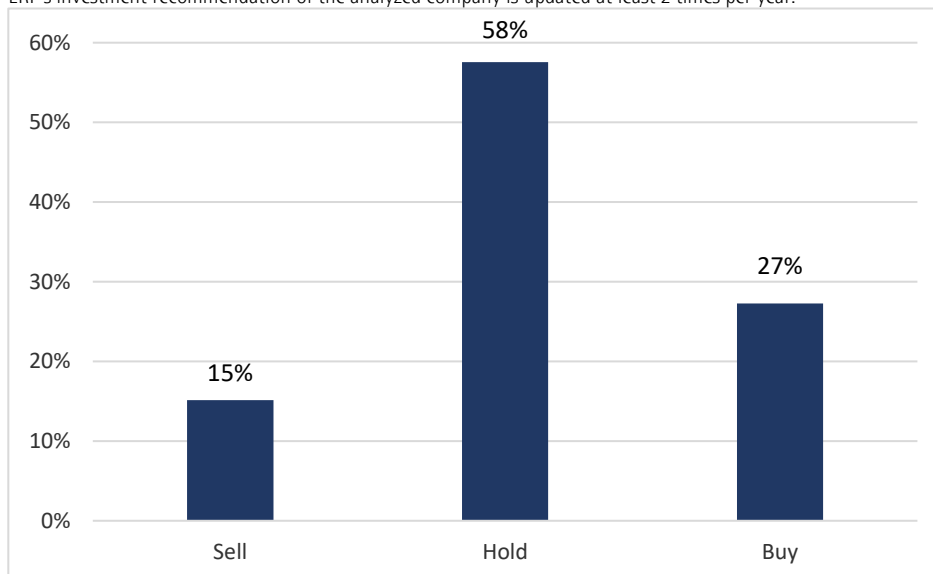
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Investment recommendations are defined as follows:

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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