

Order intake on the softer side

Consti's net sales in Q1 amounted to EUR 65.5m, only slightly higher than our estimate (Evli est. EUR 64.5m.), with decline of 4.9% y/y. EBIT amounted to EUR 0.2m, weaker than our estimates (Evli est. EUR 0.5m).

- Net sales in Q1 were EUR 65.5m (EUR 68.9m in Q1/23), slightly above our estimates (EUR 64.5m). Sales declined 4.9% y/y.
- As we estimated, Public Sector and Building Technology business areas kept delivering growth while the larger Housing Companies and Corporations business areas declined further
- Operating profit in Q1 amounted to EUR 0.2m (EUR 0.7m in Q1/23), below our estimates (EUR 0.5m) at a margin of 0.3% (1.0%). We assume that the EBIT miss is mostly related to project mix changes y/y.
- EPS in Q1 amounted to EUR -0.00 (EUR 0.04 in Q1/23), also below our estimates (EUR 0.03)
- The order backlog at the end of Q1 was EUR 244.4m (EUR 253.8m in Q1/23), down 3.7% y/y. Order intake was EUR 36.3m in Q1 (Q1/23: EUR 58.6m).
- The order intake figure was a clear letdown as the competition remained intense coupled with the company's disciplined tendering activities.
- Free cash flow amounted to EUR -0.5m (Q1/23: EUR -1.0m).
- **Guidance for 2024 (unchanged):** Operating result for 2024 will be in the range of EUR 9–12 million

Rating + BUY

Q1/24	Actual	Evli	Year	Q4/23
Net sales	65.5	64.5	68.9	86.1
EBIT	0.2	0.5	0.7	3.9
EPS	0.00	0.03	0.04	0.37

Deviation	Actual	Evli	Year	Q4/23
Net sales		2 %	-5 %	-24 %
EBIT		-58 %	-70 %	-95 %

Share price, EUR (Last trading day's closing price) 9.56

Target price, EUR 13.0

Latest change in recommendation 24-Jul-21

Latest report on company 18-Apr-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 75

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 25-Apr-24

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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
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	9.3	0.2	6.6	9.6	0.62
2025E	329.5	12.6	3.8%	8.6	1.22	7.8	0.2	5.4	11.5	0.73
2026E	337.8	14.0	4.2%	9.1	1.38	6.9	0.2	4.6	12.2	0.83

Market cap, EURm	75	BV per share 2024E, EUR	-6.1	CAGR EPS 2023-26, %	6.2
Net debt 2024E, EURm	-3	Price/book 2024E	1.7	CAGR sales 2023-26, %	1.8
Enterprise value, EURm	72	Dividend yield 2024E, %	6.4	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.

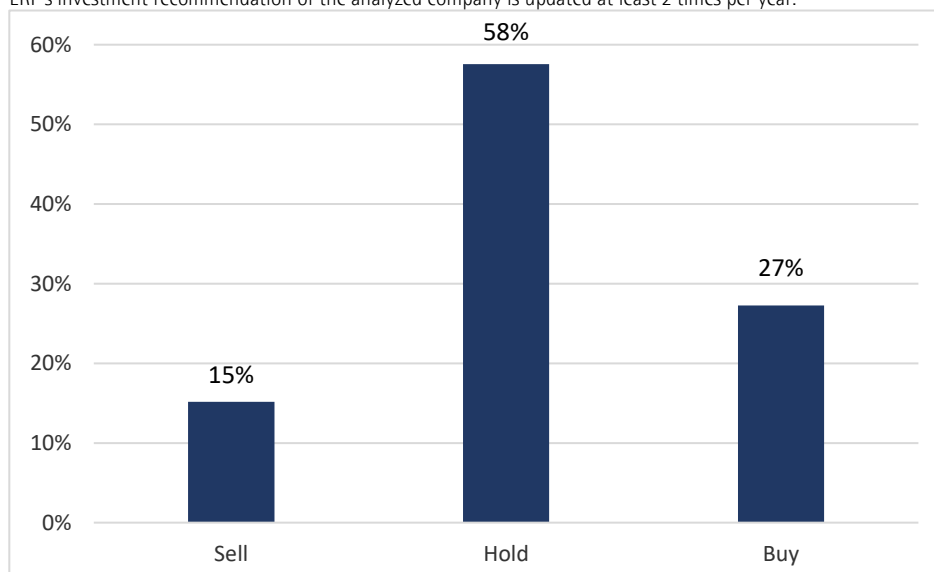
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Investment recommendations are defined as follows:

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

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The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

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