

## Single project still causing troubles

Consti's Q1 saw good sales growth of 18%, while performance obligations relating to a building purpose modification project kept earnings in the red, with a Q1 EBIT of EUR -0.4m. With the project still on-going the earnings outlook for 2019 continues to appear somewhat meagre, despite otherwise decent profitability development.

### Solid sales growth but earnings still slightly negative

Consti's first quarter revenue beat expectations, growing 18.0% y/y to EUR 73.5m supported by strong sales growth in Housing Companies. Profitability only just remained negative, with EBIT at EUR -0.4m, with remaining performance obligations relating to a building purpose modification project still affecting results. Pick up in order intake compared to H2/18 aided in pushing the order backlog to a healthy EUR 237.8m. Stricter tendering criteria in Building Technology continued to weigh in on revenue and order backlog but management considers the quality of the order backlog to have improved.

### On-going project still casting a shadow on 2019 earnings

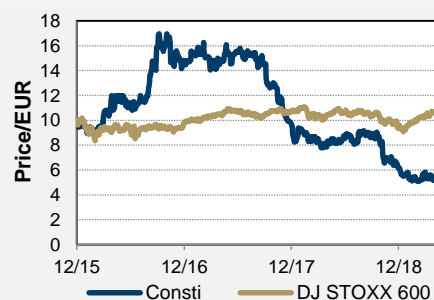
With the good growth in Q1 we adjust our 2019 revenue estimate to EUR 337m (prev. EUR 324.1m) while the stagnant order backlog development prompts us to remain cautious on growth in the mid-term. We expect growth above all in the Housing Companies and Public Sector business areas. With the profitability burdening building purpose modification project still on-going (expected completion during Q2/19) we lower our Q2 EBIT estimates while keeping our H2/19 estimates intact for a 2019 EBIT estimate of EUR 5.9m (prev. EUR 7.1m).

### HOLD with a target price of EUR 6.0

On our estimates Consti trades in line with the construction company peer group on 2019E P/E but on a significant discount on 2020E multiples. With the profitability burdening on-going obligations and uncertainties relating to Consti's earnings capacity under a healthier project pipeline, without major negative margin projects, we retain our HOLD-rating with a target price of EUR 6.0

Rating

HOLD



Share price, EUR (Last trading day's closing price) 5.54

Target price, EUR 6.0

Latest change in recommendation 29-Mar-19

Latest report on company 29-Mar-19

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 44

Free float, % 70.0

Exchange rate EUR 1.000

Reuters code CONSTI.HE

Bloomberg code CONSTI FH

Average daily volume, EURm 0.09

Next interim report 26-Jul-19

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BUY HOLD SELL

## KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	Ptx profit EURm	EPS EUR	P/E (x)	EV/Sales (x)	P/CF (x)	EV/EBIT (x)	DPS EUR
2017	300	0	-0.1%	-1	-0.14	-61.0	0.3	7.7	-207.0	0.00
2018	316	-2	-0.7%	-3	-0.30	-18.5	0.2	-5.7	-31.4	0.00
2019E	333	6	1.8%	5	0.45	12.3	0.2	4.5	10.7	0.25
2020E	344	11	3.3%	10	0.96	5.8	0.2	3.2	5.1	0.40
2021E	349	12	3.5%	11	1.10	5.0	0.1	3.0	4.2	0.55
Market cap, EURm			44	BV per share 2019E, EUR		3.4	CAGR EPS 2018-21, %			0.0
Net debt 2019E, EURm			19	Price/book 2019E		1.6	CAGR sales 2018-21, %			3.3
Enterprise value, EURm			63	Dividend yield 2019E, %		4.5	ROE 2019E, %			14.0
Total assets 2019E, EURm			120	Tax rate 2019E, %		20.0	ROCE 2019E, %			11.1
Goodwill 2019E, EURm			49	Equity ratio 2019E, %		22.5	PEG, P/E 19/CAGR			0.3

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

Consti	2017	Q1/'18	Q2/'18	Q3/'18	Q4/'18	2018	Q1/'19	Q2/'19E	Q3/'19E	Q4/'19E	2019E	2020E	2021E
Housing Companies		17.9	25.1	28.9	32.4	104.3	28.3	29.0	27.5	33.7	118.5	124.5	129.0
Corporations		26.0	33.1	33.2	42.0	134.3	27.6	33.3	35.5	40.8	137.2	135.0	134.0
Public Sector		3.0	3.8	4.0	7.2	18.0	5.3	6.0	7.0	8.5	26.8	27.5	28.0
Building Technology		17.9	20.1	16.8	20.4	75.2	16.4	19.0	16.5	20.5	72.4	73.0	74.0
Eliminations		-2.5	-4.5	-4.0	-5.1	-16.1	-4.1	-4.3	-4.5	-5.0	-17.9	-18.0	-18.5
Net sales	300.2	62.3	77.8	78.9	96.8	315.8	73.5	83.0	82.0	98.5	337.0	342.0	346.5
change, %	14.8%	8.7%	-1.3%	1.4%	12.1%	5.2%	18.0%	6.7%	3.9%	1.8%	6.7%	1.5%	1.3%
Operating profit	-0.4	-0.2	1.7	-1.4	-2.2	-2.2	-0.4	0.8	2.5	3.0	5.9	11.2	12.3
-margin, %	-0.1%	-0.4%	2.1%	-1.8%	-2.3%	-0.7%	-0.5%	1.0%	3.0%	3.0%	1.8%	3.3%	3.5%

Construction companies	MCAP	EV/EBITDA		EV/EBIT		P/E		Div. yield	
	MEUR	19E	20E	19E	20E	19E	20E	19E	20E
YIT	1122	6.6x	6.8x	8.7x	9.2x	8.6x	9.3x	5.6 %	5.9 %
SRV Yhtiöt	105	12.6x	10.0x	15.1x	11.4x	12.0x	7.6x	2.8 %	3.5 %
Lehto Group	244	6.3x	5.5x	6.9x	5.9x	7.4x	6.8x	5.9 %	6.9 %
Skanska	6558	8.6x	7.9x	10.7x	9.7x	13.8x	12.7x	4.3 %	4.5 %
NCC	1560	8.8x	6.6x	14.0x	9.3x	16.2x	11.5x	3.4 %	4.7 %
Peab	2426	7.8x	7.7x	10.0x	9.9x	12.2x	12.1x	5.0 %	5.1 %
JM	1135	7.4x	7.1x	7.4x	7.1x	9.6x	9.7x	6.4 %	6.5 %
Veidekke	1326	6.8x	6.3x	10.9x	10.0x	12.0x	11.6x	5.3 %	5.5 %
Peer Group Average	1810	8.1x	7.2x	10.5x	9.1x	11.5x	10.2x	4.8 %	5.3 %
Peer Group Median	1231	7.6x	7.0x	10.4x	9.5x	12.0x	10.6x	5.2 %	5.3 %
Consti (Evli est.)	44	6.4x	3.7x	10.7x	5.1x	12.3x	5.8x	4.5 %	7.2 %

Consti prem./disc. to peer median

-16% -47% 3% -46% 2% -46%

Source FactSet, Evli Research

Building installations and services companies	MCAP	EV/EBITDA		EV/EBIT		P/E		Div. yield	
	EUR	19E	20E	19E	20E	19E	20E	19E	20E
Caverion	853	8.7x	7.0x	16.0x	11.6x	20.7x	14.9x	2.3 %	3.5 %
Bravida Holding	1589	11.7x	10.8x	13.4x	12.3x	16.6x	15.9x	2.7 %	3.1 %
MITIE Group	535	5.4x	4.7x	6.9x	6.0x	7.9x	7.0x	3.1 %	3.1 %
ISS	5145	9.2x	8.2x	12.5x	11.0x	15.2x	13.5x	3.9 %	4.0 %
Bilfinger	1301	8.3x	5.5x	14.1x	8.4x	18.7x	11.5x	3.2 %	3.9 %
Peer Group Average	1885	8.7x	7.3x	12.6x	9.9x	15.8x	12.6x	3.0 %	3.5 %
Peer Group Median	1301	8.7x	7.0x	13.4x	11.0x	16.6x	13.5x	3.1 %	3.5 %
Consti (Evli est.)	44	6.4x	3.7x	10.7x	5.1x	12.3x	5.8x	4.5 %	7.2 %

Consti prem./disc. to peer median

-27% -48% -20% -54% -26% -57%

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	5.54 PV of Free Cash Flow	68 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	14.36 PV of Horizon value	69 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	159.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	15.6 Marketable securities	3 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	13.3 Debt - dividend	-27 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	50.2 Value of stock	113 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2018	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	Horizon
Net sales	316	333	344	349	355	361	366	372	377	383	388	392
<i>Sales growth, %</i>	<i>5.2</i>	<i>5.5</i>	<i>3.3</i>	<i>1.3</i>	<i>2.0</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)	-2	6	11	12	14	14	15	15	15	15	14	14
<i>EBIT margin, %</i>	<i>-0.7</i>	<i>1.8</i>	<i>3.3</i>	<i>3.5</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>4.0</i>	<i>3.5</i>	<i>3.5</i>
+ Depreciation+amort.	2	4	4	5	5	5	5	5	5	5	5	5
- Income taxes	0	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3
- Change in NWC	-7	1	0	0	0	0	0	0	0	0	0	0
<i>NWC / Sales, %</i>	<i>-2.5</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	<i>-2.7</i>	
+ Change in other liabs	1	0	0	0	0	0	0	0	0	0	0	0
- Capital Expenditure	-5	-4	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5
<i>Investments / Sales, %</i>	<i>1.6</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>	<i>1.3</i>
- Other items	0	0	0	0	0	0	0	0	0	0	0	0
= Unlevered Free CF (FCF)	-11	5	9	10	11	12	12	12	12	12	11	152
= Discounted FCF (DFCF)		5	8	8	8	8	7	7	6	6	5	69
= DFCF min WACC		5	8	8	8	8	8	7	7	6	5	77
= DFCF max WACC		5	8	8	8	8	7	7	6	6	5	61

## INTERIM FIGURES

EVLI ESTIMATES, EURm	2018Q1	2018Q2	2018Q3	2018Q4	2018	2019Q1	2019Q2E	2019Q3E	2019Q4E	2019E	2020E	2021E
Net sales	62	78	79	97	316	73	81	81	98	333	344	349
EBITDA	0	2	-1	-2	0	0	2	4	4	10	16	17
<i>EBITDA margin (%)</i>	<i>0.3</i>	<i>2.7</i>	<i>-1.3</i>	<i>-1.8</i>	<i>-0.1</i>	<i>0.7</i>	<i>2.2</i>	<i>4.4</i>	<i>4.1</i>	<i>3.0</i>	<i>4.5</i>	<i>4.8</i>
EBIT	0	2	-1	-2	-2	0	1	3	3	6	11	12
<i>EBIT margin (%)</i>	<i>-0.4</i>	<i>2.2</i>	<i>-1.8</i>	<i>-2.2</i>	<i>-0.7</i>	<i>-0.5</i>	<i>1.0</i>	<i>3.1</i>	<i>3.1</i>	<i>1.8</i>	<i>3.3</i>	<i>3.5</i>
Net financial items	0	0	0	0	-1	0	0	0	0	-1	-1	-1
Pre-tax profit	0	2	-2	-2	-3	-1	1	2	3	5	10	11
Tax	0	0	0	0	1	0	0	0	-1	-1	-2	-2
<i>Tax rate (%)</i>	<i>18.9</i>	<i>19.7</i>	<i>20.0</i>	<i>17.4</i>	<i>17.9</i>	<i>20.1</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	-2	-2	0	0	2	2	4	8	9
EPS	-0.04	0.16	-0.17	-0.25	-0.30	-0.06	0.04	0.21	0.26	0.45	0.96	1.10
EPS adjusted (diluted no. of shares)	-0.04	0.16	-0.17	-0.25	-0.30	-0.06	0.04	0.21	0.26	0.45	0.96	1.10
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.40	0.55
<b>SALES, EURm</b>												
Housing Companies	18	25	29	32	104	28	24	28	31	112	125	129
Corporations	26	33	33	42	134	28	35	36	44	142	135	134
Public Sector	3	4	4	7	18	5	5	5	7	21	28	28
Building Technology	18	20	17	20	75	16	21	17	21	75	73	74
Elimination	-2	-4	-4	-5	-16	-4	-4	-4	-5	-17	-16	-16
<b>Total</b>	<b>62</b>	<b>78</b>	<b>79</b>	<b>97</b>	<b>316</b>	<b>73</b>	<b>81</b>	<b>81</b>	<b>98</b>	<b>333</b>	<b>344</b>	<b>349</b>
<b>SALES GROWTH, Y/Y %</b>												
<i>Housing Companies</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>58.6</i>	<i>-3.2</i>	<i>-5.0</i>	<i>-3.2</i>	<i>6.9</i>	<i>11.6</i>	<i>3.6</i>
<i>Corporations</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>6.4</i>	<i>5.6</i>	<i>7.0</i>	<i>4.8</i>	<i>5.8</i>	<i>-5.0</i>	<i>-0.7</i>
<i>Public Sector</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>75.1</i>	<i>17.7</i>	<i>11.6</i>	<i>-2.1</i>	<i>18.0</i>	<i>29.3</i>	<i>1.8</i>
<i>Building Technology</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-8.4</i>	<i>6.5</i>	<i>1.3</i>	<i>0.7</i>	<i>0.2</i>	<i>-3.1</i>	<i>1.4</i>
<i>Elimination</i>	<i>53.0</i>	<i>97.5</i>	<i>15.1</i>	<i>53.8</i>	<i>50.4</i>	<i>67.8</i>	<i>-10.2</i>	<i>0.1</i>	<i>-2.7</i>	<i>6.7</i>	<i>-6.6</i>	<i>3.1</i>
<i>Group</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>-100.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>Total</b>	<b>8.7</b>	<b>-1.3</b>	<b>1.4</b>	<b>12.1</b>	<b>5.2</b>	<b>18.0</b>	<b>4.5</b>	<b>2.0</b>	<b>1.2</b>	<b>5.5</b>	<b>3.3</b>	<b>1.3</b>
<b>EBIT, EURm</b>												
Group	0	2	-1	-2	-2	0	1	3	3	6	11	12
Total	0	2	-1	-2	-2	0	1	3	3	6	11	12
<b>EBIT margin, %</b>												
<i>Total</i>	<i>-0.4</i>	<i>2.2</i>	<i>-1.8</i>	<i>-2.2</i>	<i>-0.7</i>	<i>-0.5</i>	<i>1.0</i>	<i>3.1</i>	<i>3.1</i>	<i>1.8</i>	<i>3.3</i>	<i>3.5</i>

INCOME STATEMENT, EURm	2014	2015	2016	2017	2018	2019E	2020E	2021E
Sales	216	256	262	300	316	333	344	349
<i>Sales growth (%)</i>	<i>25.6</i>	<i>18.6</i>	<i>2.1</i>	<i>14.8</i>	<i>5.2</i>	<i>5.5</i>	<i>3.3</i>	<i>1.3</i>
Costs	-206	-244	-248	-298	-316	-323	-328	-332
Reported EBITDA	10	13	13	2	0	10	16	17
Extraordinary items in EBITDA	0	0	0	0	0	0	0	0
<i>EBITDA margin (%)</i>	<i>4.5</i>	<i>4.9</i>	<i>5.0</i>	<i>0.6</i>	<i>-0.1</i>	<i>3.0</i>	<i>4.5</i>	<i>4.8</i>
Depreciation	-2	-2	-2	-2	-2	-4	-4	-5
EBITA	8	11	11	0	-2	6	11	12
Goodwill amortization / writedown	0	0	0	0	0	0	0	0
Reported EBIT	8	11	11	0	-2	6	11	12
<i>EBIT margin (%)</i>	<i>3.6</i>	<i>4.1</i>	<i>4.2</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.8</i>	<i>3.3</i>	<i>3.5</i>
Net financials	-5	-4	-1	-1	-1	-1	-1	-1
Pre-tax profit	3	6	10	-1	-3	5	10	11
Extraordinary items	0	-2	0	0	0	0	0	0
Taxes	-1	-1	-2	0	1	-1	-2	-2
Minority shares	0	0	0	0	0	0	0	0
Net profit	2	3	8	-1	-2	4	8	9
<b>BALANCE SHEET, EURm</b>								
Assets								
Fixed assets	7	6	6	5	8	9	9	9
<i>% of sales</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>	<i>3</i>	<i>3</i>	<i>3</i>	<i>3</i>
Goodwill	44	43	44	49	49	49	49	49
<i>% of sales</i>	<i>20</i>	<i>17</i>	<i>17</i>	<i>16</i>	<i>15</i>	<i>15</i>	<i>14</i>	<i>14</i>
Inventory	1	1	1	1	1	1	1	1
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Receivables	35	36	39	36	53	50	52	52
<i>% of sales</i>	<i>16</i>	<i>14</i>	<i>15</i>	<i>12</i>	<i>17</i>	<i>15</i>	<i>15</i>	<i>15</i>
Liquid funds	10	4	9	10	3	11	11	11
<i>% of sales</i>	<i>5</i>	<i>2</i>	<i>4</i>	<i>3</i>	<i>1</i>	<i>3</i>	<i>3</i>	<i>3</i>
Total assets	96	91	98	101	115	120	122	123
Liabilities								
Equity	1	25	30	25	23	27	33	38
<i>% of sales</i>	<i>0</i>	<i>10</i>	<i>11</i>	<i>8</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>11</i>
Deferred taxes	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Interest bearing debt	55	21	21	22	27	30	25	19
<i>% of sales</i>	<i>25</i>	<i>8</i>	<i>8</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>7</i>	<i>6</i>
Non-interest bearing current liabilities	40	43	46	52	62	60	62	62
<i>% of sales</i>	<i>18</i>	<i>17</i>	<i>18</i>	<i>17</i>	<i>20</i>	<i>18</i>	<i>18</i>	<i>18</i>
Other interest free debt	0	0	0	0	0	0	0	0
<i>% of sales</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total liabilities	96	91	98	101	115	120	122	123
<b>CASH FLOW, EURm</b>								
+ EBITDA	10	13	13	2	0	10	16	17
- Net financial items	-5	-4	-1	-1	-1	-1	-1	-1
- Taxes	0	-1	-2	0	0	-1	-2	-2
- Increase in Net Working Capital	8	2	0	8	-7	1	0	0
+/- Other	0	-2	0	-1	0	0	0	0
= Cash flow from operations	12	7	11	9	-8	9	12	13
- Capex	-2	-1	-3	-1	-5	-4	-5	-5
- Acquisitions	0	0	0	-4	0	0	0	0
+ Divestments	0	0	0	0	0	0	0	0
= Net cash flow	9	6	8	3	-13	4	8	9
+/- Change in interest-bearing debt	-1	-33	0	0	5	3	-5	-5
+/- New issues/buybacks	0	21	0	1	0	0	0	0
- Paid dividend	0	0	-3	-4	0	0	-2	-3
+/- Change in loan receivables	1	0	0	1	1	0	0	0
Change in cash	9	-6	5	1	-6	7	0	0

KEY FIGURES	2015	2016	2017	2018	2019E	2020E	2021E
M-cap	73	112	66	43	44	44	44
Net debt	17	12	12	24	19	14	8
Enterprise value	91	125	78	67	63	57	52
Sales	256	262	300	316	333	344	349
EBITDA	13	13	2	0	10	16	17
EBIT	11	11	0	-2	6	11	12
Pre-tax	6	10	-1	-3	5	10	11
Earnings	5	8	-1	-2	4	8	9
Book value	25	30	25	23	27	33	38
<b>Valuation multiples</b>							
EV/sales	0.4	0.5	0.3	0.2	0.2	0.2	0.1
EV/EBITDA	7.2	9.5	45.3	-144.0	6.4	3.7	3.1
EV/EBITA	8.6	11.4	-207.0	-31.4	10.7	5.1	4.2
EV/EBIT	8.6	11.4	-207.0	-31.4	10.7	5.1	4.2
EV/operating cash flow	7.0	10.8	9.1	-8.8	6.5	4.2	3.6
EV/cash earnings	12.4	11.9	273.3	-54.9	8.1	4.6	3.8
P/E	13.6	14.1	-61.0	-18.5	12.3	5.8	5.0
P/E excl. goodwill	13.6	14.1	-61.0	-18.5	12.3	5.8	5.0
P/B	3.0	3.8	2.6	1.8	1.6	1.3	1.1
P/sales	0.3	0.4	0.2	0.1	0.1	0.1	0.1
P/CF	5.7	9.7	7.7	-5.7	4.5	3.2	3.0
Target EV/EBIT	0.0	0.0	0.0	0.0	11.3	5.4	4.5
Target P/E	0.0	0.0	0.0	0.0	13.3	6.2	5.4
Target P/B	0.0	0.0	0.0	0.0	1.7	1.4	1.2
<b>Per share measures</b>							
Number of shares	7,615	7,621	7,621	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,615	7,621	7,621	7,858	7,858	7,858	7,858
EPS	0.70	1.05	-0.14	-0.30	0.45	0.96	1.10
EPS excl. goodwill	0.70	1.05	-0.14	-0.30	0.45	0.96	1.10
Cash EPS	0.96	1.38	0.04	-0.15	0.99	1.57	1.73
Operating cash flow per share	1.69	1.52	1.12	-0.97	1.24	1.74	1.84
Capital employed per share	5.51	5.48	4.90	5.98	5.90	5.88	5.87
Book value per share	3.22	3.89	3.32	2.98	3.43	4.14	4.85
Book value excl. goodwill	-2.49	-1.90	-3.06	-3.21	-2.76	-2.04	-1.34
Dividend per share	0.39	0.54	0.00	0.00	0.25	0.40	0.55
Dividend payout ratio, %	55.4	51.5	0.0	0.0	55.6	41.5	50.0
Dividend yield, %	4.1	3.7	0.0	0.0	4.5	7.2	10.0
<b>Efficiency measures</b>							
ROE	42.8	29.5	-3.9	-9.6	14.0	25.4	24.5
ROCE	21.0	22.7	-0.6	-4.2	11.1	19.8	21.7
<b>Financial ratios</b>							
Capex/sales, %	0.5	1.0	1.7	1.6	1.3	1.3	1.3
Capex/depreciation excl. goodwill,%	66.0	87.6	36.4	302.9	110.7	103.2	101.3
Net debt/EBITDA, book-weighted	1.4	0.9	7.0	-50.8	2.0	0.9	0.5
Debt/equity, market-weighted	0.3	0.2	0.3	0.6	0.7	0.6	0.4
Equity ratio, book-weighted	31.4	34.8	28.8	24.9	22.5	26.7	31.0
Gearing	0.71	0.41	0.48	1.01	0.72	0.42	0.21
Number of employees, average	890	935	1,079	1,046	1,077	1,088	1,099
Sales per employee, EUR	287,810	279,704	278,222	301,876	309,217	316,132	317,096
EBIT per employee, EUR	11,819	11,708	-347	-2,032	5,478	10,293	11,192

**COMPANY DESCRIPTION:** Consti, listed on the Helsinki stock exchange in 2015, 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 demanding residential and non-residential properties. Consti was established in 2008 to meet the growing need for repair and construction work.

**INVESTMENT CASE:**

OWNERSHIP STRUCTURE	SHARES	EURm	%
Ilmarinen Mutual Pension Insurance Company	780,451	4.324	9.9%
Evli Finnish Small Cap Fund	479,200	2.655	6.1%
Danske Invest Finnish Institutional Equity Fund	425,818	2.359	5.4%
Korkeela Esa Sakari	411,600	2.280	5.2%
Kivi Risto Juhani	375,300	2.079	4.8%
OP-Finland Small Firms Fund	307,977	1.706	3.9%
Kalervo Markku	297,900	1.650	3.8%
Korkeela Antti Petteri	276,894	1.534	3.5%
Aktia Capital Investment Fund	185,850	1.030	2.4%
Mutual Fund eQ Nordic Small Cap	181,624	1.006	2.3%
Ten largest	3,722,614	20.623	47%
Residual	4,135,653	22.912	53%
Total	7,858,267	43.535	100%

**EARNINGS CALENDAR**

July 26, 2019 Q2 report  
October 25, 2019 Q3 report

**OTHER EVENTS**

April 02, 2019 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	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
P/Sales	$\frac{\text{Market cap}}{\text{Sales}}$	DPS	Dividend for the financial period per share
P/BV	$\frac{\text{Price per share}}{\text{Shareholders' equity} + \text{taxed provisions per share}}$	CEPS	$\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF	$\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	EV/Share	$\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value)	Market cap + net debt + minority interest at market value – share of associated companies at market value	Sales/Share	$\frac{\text{Sales}}{\text{Number of shares}}$
Net debt	Interest bearing debt – financial assets	EBITDA/Share	$\frac{\text{Earnings before interest, tax, depreciation and amortisation}}{\text{Number of shares}}$
EV/Sales	$\frac{\text{Enterprise value}}{\text{Sales}}$	EBIT/Share	$\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA	$\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortisation}}$	EAFI/Share	$\frac{\text{Pretax profit}}{\text{Number of shares}}$
EV/EBIT	$\frac{\text{Enterprise value}}{\text{Operating profit}}$	Capital employed/Share	$\frac{\text{Total assets} - \text{non interest bearing debt}}{\text{Number of shares}}$
Div yield, %	$\frac{\text{Dividend per share}}{\text{Price per share}}$	Total assets	Balance sheet total
Payout ratio, %	$\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	Interest coverage (x)	$\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share	$\frac{\text{Financial assets} - \text{interest bearing debt}}{\text{Number of shares}}$	Asset turnover (x)	$\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, %	$\frac{\text{Operating profit} + \text{financial income} + \text{extraordinary items}}{\text{Balance sheet total} - \text{interest free short term debt} - \text{long term advances received and accounts payable (average)}}$	Debt/Equity, %	$\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
ROCE, %	$\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non interest bearing debt (average)}}$	Equity ratio, %	$\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest free loans}}$
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	CAGR, %	Cumulative annual growth rate = Average growth per year



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Investment recommendations are defined as follows:

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

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.

Recommendation	Percentage
Sell	8%
Hold	53%
Buy	39%

The graph above shows the distribution of ERP's recommendations of companies under coverage in 1st of February 2019. If recommendation is not given, it is not mentioned here.

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

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