

Earnings remain weaker

Consti's net sales in Q2 amounted to EUR 81.2m, in line with our estimates (Evli EUR 81.3m). EBIT amounted to EUR 0.1m, below our estimates (Evli EUR 0.6m). Profitability continued to be affected by performance obligations of a single building purpose modification project.

- Net sales in Q2 were EUR 81.2m (EUR 77.8m in Q2/18), in line with our estimates (Evli EUR 81.3m). Growth in Q2 amounted to 4.4 % y/y. Growth was aided by an increase in volume of large comprehensive renovation projects.
- Operating profit in Q2 amounted to EUR 0.1m (EUR 1.7m in Q2/18), below our estimates (Evli EUR 0.6m), at a margin of 0.1 %. The profitability was still burdened by remaining performance obligations of an individual building purpose modification project, that was essentially completed by the end of Q2/19. The impact was included in our estimates but was larger than anticipated.
- The order backlog in Q2 was EUR 227m (EUR 286m in Q2/18), down by 20.8 %. The order intake amounted to EUR 57.4m, down 35.2% y/y, reflecting the company's more disciplined bidding procedures.
- Guidance reiterated: The Company estimates that its operating result for 2019 will improve compared to 2018.

Rating						🟡 HOLD
Q2/19	Actual	Evli	Consensus	Year ago	Q1/19	
Net sales	81.2	81.3	80.3	77.8	73.5	
EBIT	0.1	0.6	1.0	1.7	-0.4	
EPS	-0.04	0.02	0.05	0.16	-0.06	
Deviation	Actual	Evli	Consensus	Year ago	Q1/19	
Net sales		0%	1%	4%	11%	
EBIT		-83%	-90%	-94%	-	
EPS		-	-	-	35%	
<i>Consensus by Bloomberg</i>						
Share price, EUR (Last trading day's closing price)						5.28
Target price, EUR						5.8
Latest change in recommendation						29-Mar-19
Latest report on company						19-Jul-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						41
Free float, %						64.5
Exchange rate EUR						1.000
Reuters code						CONSTI.HE
Bloomberg code						CONSTI FH
Average daily volume, EURm						0.05
Next interim report						26-Jul-19
Web site						www.consti.fi
Analyst						Jerker Salokivi
E-mail						jerker.salokivi@evli.com
Telephone						+358 9 4766 9149

🟢 BUY 🟡 HOLD 🔴 SELL

PRE-REPORT 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	-5.9	-31.4	0.00
2019E	333	6	1.7%	5	0.43	12.3	0.2	4.3	10.7	0.25
2020E	342	11	3.3%	10	0.96	5.5	0.2	3.1	4.9	0.40
2021E	347	12	3.5%	11	1.10	4.8	0.1	2.9	4.0	0.55
Market cap, EURm	41			BV per share 2019E, EUR	3.4			CAGR EPS 2018-21, %	0.0	
Net debt 2019E, EURm	20			Price/book 2019E	1.5			CAGR sales 2018-21, %	3.1	
Enterprise value, EURm	61			Dividend yield 2019E, %	4.7			ROE 2019E, %	13.4	
Total assets 2019E, EURm	120			Tax rate 2019E, %	20.0			ROCE 2019E, %	10.8	
Goodwill 2019E, EURm	49			Equity ratio 2019E, %	22.3			PEG, P/E 19/CAGR	0.3	

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

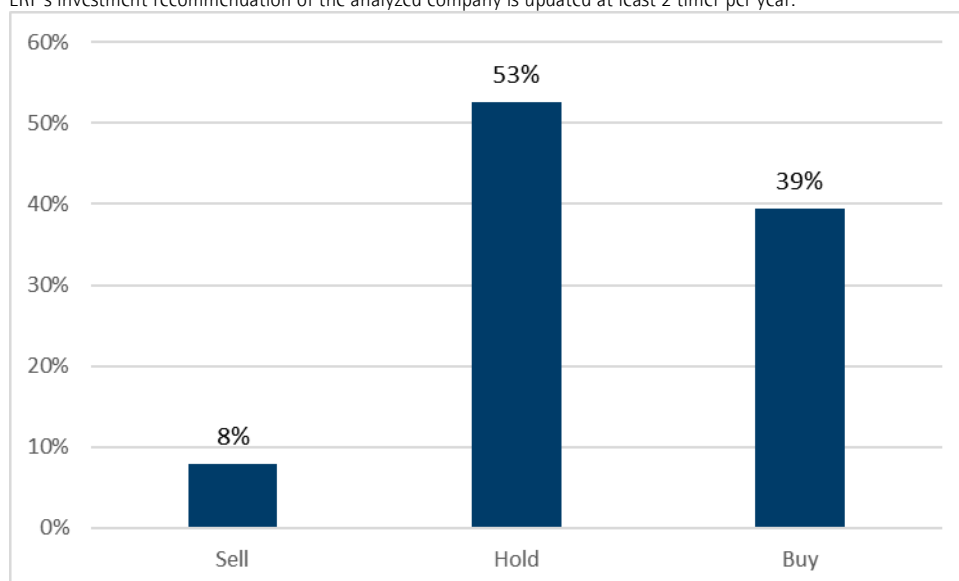
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Investment recommendations are defined as follows:

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

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

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Contact information

SALES, TRADING AND RESEARCH

Equity Sales

Ari Laine +358 9 4766 9115
Lauri Ahokanto +358 9 4766 9117
Niclas Henelius +358 9 4766 9116

Trading

Lauri Vehkaluoto (Head) +358 9 4766 9130
Pasi Väisänen +358 9 4766 9120
Antti Kässi +358 9 4766 9120

ETFs and Derivatives

Tobias Björk (Head) +358 9 4766 9130
Joachim Dannberg +358 9 4766 9123
Kimmo Lijja +358 9 4766 9130
Sami Järvinen +358 9 4766 9110

Structured Investments

Heikki Savijoki +358 9 4766 9726
Aki Lakkisto +358 9 4766 9123

Equity Research

Jonas Forslund +358 9 4766 9314
Joonas Ilvonen +358 44 430 9071
Jerker Salokivi +358 9 4766 9149
Anna-Liisa Rissanen +358 40 157 9919

Evli Investment Solutions

Johannes Asuja +358 9 4766 9205
Markku Reinikainen +358 9 4766 9669



EVLI BANK PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Fax +358 9 634 382
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI BANK PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000
Fax +46 (0)8 407 8001