

Good finish to the year

Consti's net sales in Q4 amounted to EUR 78.1m, above our estimates and consensus estimates (EUR 71.6m/71.1m Evli/cons.). EBIT amounted to EUR 3.0m, slightly above our and consensus estimates (EUR 2.7m/2.7m Evli/cons.). Dividend proposal EUR 0.40 per share (0.35 Evli/cons.). 2021 EBIT guidance EUR 7-11m.

- Net sales in Q4 were EUR 78.1m (EUR 78.3m in Q4/19), above our and consensus estimates (EUR 71.6m/71.1m Evli/Cons.). Sales declined -0.2% y/y.
- Operating profit in Q4 amounted to EUR 3.0m (EUR 2.8m in Q4/19), slightly above our and consensus estimates (EUR 2.7m/2.7m Evli/cons.), at a margin of 3.8%.
- EPS in Q4 amounted to EUR 0.27 (EUR 0.25 in Q4/19), slightly above our and consensus estimates (EUR 0.23/0.23 Evli/cons.).
- The order backlog in Q4 was EUR 177.9m (EUR 185.8m in Q4/19), down by -4.3%. Order intake EUR 54.3m in Q4 (Q4/19: EUR 46.8m). New orders in 2020 EUR 214.3m, down 0.2% y/y.
- Free cash flow amounted to EUR 3.6m (Q4/19: EUR -5.1m) and 2020 cash flow amounted to a stellar EUR 18.3m (2019: EUR 4.0m).
- Consti's BoD proposes a dividend distribution of EUR 0.40 per share (0.35 Evli/cons.).
- **Guidance for 2021:** Operating profit is expected to be between EUR 7-11. The guidance range is large due to uncertainty factors brought by the COVID-19 pandemic. Our 2021 estimate is EUR 9.1m.
- Strategy updated for 2021-2023, long-term financial targets remain unchanged.

Rating

BUY

Q4/20	Actual	Evli	Consensus	Year ago	Q3/20
Net sales	78.1	71.6	71.1	78.3	68.2
EBIT	3.0	2.7	2.7	2.8	2.5
EPS	0.27	0.23	0.23	0.24	0.22
DPS 2020	0.40	0.35	0.35	0.16	

Deviation	Actual	Evli	Consensus	Year ago	Q3/20
Net sales		9%	10%	0%	15%
EBIT		9%	9%	5%	20%
EPS		16%	17%	14%	25%
DPS 2020		16%	14%	>100%	

Consensus by FactSet

Share price, EUR (Last trading day's closing price) 11.00

Target price, EUR 12.0

Latest change in recommendation	27-Jul-20
Latest report on company	03-Feb-21
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	86
Free float, %	62.0
Exchange rate EUR	1.000
Reuters code	CONSTI.HE
Bloomberg code	CONSTI FH
Average daily volume, EURm	0.1
Next interim report	05-Feb-21
Web site	investor.consti.fi

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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
2018	315.8	-2.1	-0.7%	-7.5	-0.30	-18.5	0.2	-31.3	-17.4	0.00
2019	314.8	4.6	1.5%	0.1	0.32	20.3	0.2	15.6	0.2	0.16
2020E	268.1	8.0	3.0%	13.7	0.68	16.1	0.4	12.1	15.9	0.35
2021E	272.0	9.1	3.3%	6.4	0.80	13.7	0.3	10.2	7.4	0.41
2022E	280.1	10.0	3.6%	7.6	0.94	11.8	0.3	8.8	8.8	0.47

Market cap, EURm	86	BV per share 2020E, EUR	33.3	CAGR EPS 2019-22, %	43.7
Net debt 2020E, EURm	10	Price/book 2020E	2.9	CAGR sales 2019-22, %	-3.8
Enterprise value, EURm	96	Dividend yield 2020E, %	3.1	ROE 2020E, %	19.0
Total assets 2020E, EURm	124	Tax rate 2020E, %	21.1	ROCE 2020E, %	13.6
Goodwill 2020E, EURm	49	Equity ratio 2020E, %	27.0	PEG, P/E 20/CAGR	1.1

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

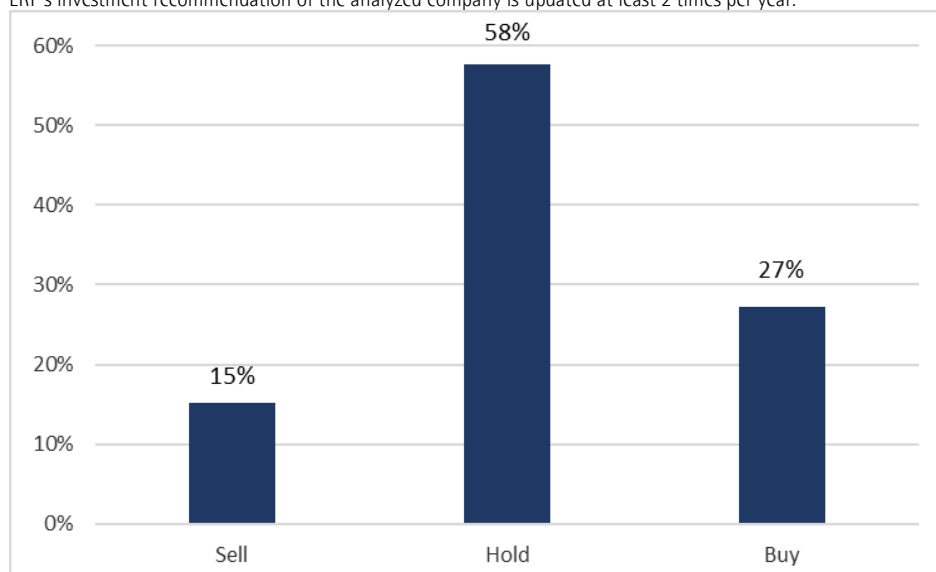
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Investment recommendations are defined as follows:

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): Salokivi

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