

Steadily moving forward

Consti's Q4 results were on the softer side, with some performance challenges in two regional business units. The guidance implies rather healthy margins in 2022. We retain our BUY-rating with a TP of EUR 14.0 (14.5).

Q4 results on the softer side

Consti reported Q4 results that were on the softer side. Revenue amounted to EUR 82.6m (EUR 86.9m/86.4m Evli/Cons.), with growth of 5.8% y/y. Profitability declined y/y with EBIT amounting to EUR 3.0m (EUR 3.7m/3.4m Evli/cons.). Profitability was impacted by the performance of two regional business units, where corrective actions are ongoing. The order backlog development was on a good track, with new orders of EUR 66.9m and the order backlog up 28.4% y/y to EUR 275.1m. Consti's BoD proposes a dividend of EUR 0.45 per share (EUR 0.35/0.41 Evli/cons.).

Expect revenue and earnings growth in 2022

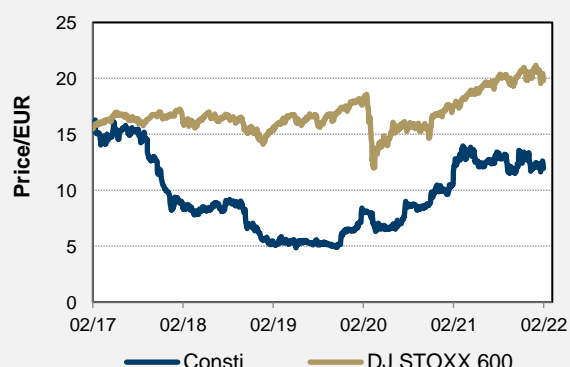
Consti's estimates that its operating result for 2022 will be EUR 9-13m, in line with our and consensus pre-Q4 estimates (EUR 11.0m/11.5m Evli/cons.). No guidance was given on revenue but activity is seen to be higher going into this year compared with the same time in the previous year. The acquisition of RA-Urakointi is also set to boost revenue. We have only made small tweaks to our 2022 estimates, expecting revenue of EUR 309.7m (prev. EUR 314.3m) and EBIT of EUR 10.9m (prev. EUR 11.0m). The situation with construction material prices and availability still pose some margin risks going into 2022, with prices still on elevated levels and material availability uncertainty. The market demand situation appears to be rather adequate, but uncertainties due to the pandemic continue to impact on demand from corporations

BUY with a TP of EUR 14.0 (14.5)

With only small estimate revisions we finetune our TP to EUR 14.0 (prev. 14.5) per share, valuing Consti at approx. 14.0x 2022 P/E, and retain our BUY-rating. Our target price puts valuation quite in line with both the Nordic construction company peer and building installations and services company peers.

Rating

BUY



Share price, EUR (Last trading day's closing price)	11.95
Target price, EUR	14.0

Latest change in recommendation	23-Jul-21
Latest report on company	02-Feb-22
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	94
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	29-Apr-22
Web site	investor.consti.fi

Analyst	Jerker Salokivi
E-mail	jerker.salokivi@evli.com
Telephone	+358 9 4766 9149

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
2020	274.6	8.2	3.0%	15.1	0.71	14.2	0.3	10.6	19.2	0.40
2021	288.8	5.7	2.0%	-3.1	0.47	25.9	0.4	19.1	-3.3	0.45
2022E	309.7	10.9	3.5%	8.4	1.01	11.8	0.3	9.4	9.0	0.51
2023E	320.0	12.2	3.8%	9.3	1.16	10.3	0.3	8.0	9.9	0.58
2024E	330.7	13.0	3.9%	10.0	1.25	9.5	0.3	7.1	10.7	0.63
Market cap, EURm		94	Gearing 2022E, %			25.4	CAGR EPS 2021-24, %			39.0
Net debt 2022E, EURm		9	Price/book 2022E			2.6	CAGR sales 2021-24, %			4.6
Enterprise value, EURm		103	Dividend yield 2022E, %			4.2	ROE 2022E, %			23.2
Total assets 2022E, EURm		124	Tax rate 2022E, %			20.0	ROCE 2022E, %			17.0
Goodwill 2022E, EURm		50	Equity ratio 2022E, %			29.5	PEG, P/E 22/CAGR			1.3

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

Consti	2020	Q1/'21	Q2/'21	Q3/'21	Q4/'21	2021	Q1/'22E	Q2/'22E	Q3/'22E	Q4/'22E	2022E	2023E	2024E
Housing Companies	86.1	13.4	21.7	27.6	27.3	90.0	15.0	24.3	30.9	30.6	100.8	104.8	109.0
Corporations	90.6	21.8	26.0	25.6	27.6	101.0	22.9	27.3	26.8	29.0	106.0	109.2	112.5
Public Sector	41.4	7.5	8.5	9.6	12.1	37.7	7.7	8.8	9.9	12.5	38.8	40.0	41.2
Building Technology	69.4	19.2	17.8	16.3	19.5	72.9	20.4	18.9	17.3	20.7	77.3	79.6	82.0
Eliminations	-12.9	-2.6	-3.1	-3.1	-3.9	-12.7	-2.7	-3.2	-3.2	-4.0	-13.1	-13.5	-13.9
Net sales	274.6	59.3	70.9	76.0	82.6	288.8	63.3	76.0	81.8	88.7	309.7	320.0	330.7
change, %	-12.8%	0.4%	2.3%	11.4%	5.8%	5.1%	6.7%	7.2%	7.6%	7.3%	7.3%	3.3%	3.3%
Operating profit	8.2	0.1	-0.5	3.1	3.0	5.7	0.4	3.1	3.4	4.0	10.9	12.2	13.0
-margin, %	3.0%	0.2%	-0.7%	4.1%	3.6%	2.0%	0.6%	4.1%	4.2%	4.5%	3.5%	3.8%	3.9%
Adj. Op. profit	9.4	0.5	2.9	3.1	3.0	9.5	0.4	3.1	3.4	4.0	10.9	12.2	13.0
-margin, %	3.4%	0.8%	4.1%	4.1%	3.6%	3.3%	0.6%	4.1%	4.2%	4.5%	3.5%	3.8%	3.9%

Construction companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
YIT	881	16.6x	8.3x	7.2x	12.9x	10.4x	9.0x	15.3x	10.4x	8.5x
SRV Yhtiot	131	87.3x	9.5x	7.8x	85.5x	11.8x	9.3x		12.5x	7.9x
Lehto Group	59		12.9x	7.8x		28.2x	11.6x		33.7x	6.7x
Skanska	9429	9.1x	9.6x	7.9x	11.2x	12.0x	11.0x	12.1x	14.3x	13.0x
NCC	1471	6.2x	4.9x	4.6x	10.7x	8.1x	7.5x	10.2x	9.4x	8.8x
Peab	3121	10.9x	10.0x	9.5x	16.0x	14.4x	13.4x	13.6x	13.4x	12.2x
JM	2264	15.7x	12.5x	11.6x	15.9x	12.6x	11.7x	13.9x	13.8x	12.5x
Veidekke	1768	6.6x	6.2x	5.7x	11.0x	10.1x	9.1x	18.0x	16.1x	14.6x
Peer Group Average	2079	21.8x	9.2x	7.8x	23.3x	13.5x	10.3x	13.9x	15.4x	10.5x
Peer Group Median	1510	10.9x	9.6x	7.8x	12.9x	11.9x	10.1x	13.8x	13.6x	10.5x
Consti (Evli est.)	94	11.9x	7.3x	6.3x	19.1x	9.4x	8.0x	25.9x	11.8x	10.3x

Consti prem./disc. to peer median

9 % -24 % -19 % 48 % -20 % -21 % 88 % -13 % -2 %

Source FactSet, Evli Research

Building installations and services companies	MCAP MEUR	EV/EBITDA			EV/EBIT			P/E		
		21	22	23	21	22	23	21	22	23
Caverion	831	8.2x	6.8x	6.1x	17.9x	12.5x	10.4x	19.4x	14.3x	11.6x
Bravida Holding	2182	14.9x	12.2x	11.5x	19.5x	15.7x	14.7x	21.4x	19.2x	17.9x
MITIE Group	1005	5.0x	4.4x	4.2x	7.2x	6.6x	5.7x	8.7x	8.7x	8.4x
ISS A/S	3245	10.7x	8.5x	7.4x	21.3x	13.8x	11.5x	27.1x	14.9x	11.7x
Bilfinger	1170							18.7x	12.7x	11.0x
Instalco	1550	27.3x	16.9x	15.8x	34.3x	20.5x	18.8x	29.9x	24.1x	21.9x
Peer Group Average	2079	13.2x	9.8x	9.0x	20.0x	13.8x	12.2x	20.9x	15.7x	13.8x
Peer Group Median	1510	10.7x	8.5x	7.4x	19.5x	13.8x	11.5x	20.4x	14.6x	11.6x
Consti (Evli est.)	94	11.9x	7.3x	6.3x	19.1x	9.4x	8.0x	25.9x	11.8x	10.3x

Consti prem./disc. to peer median

11 % -14 % -15 % -2 % -32 % -31 % 27 % -19 % -11 %

Source FactSet, Evli Research

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	11.95 PV of Free Cash Flow	85 Long-term growth, %	1.2 Risk-free interest rate, %	2.25
DCF share value	20.02 PV of Horizon value	86 WACC, %	8.6 Market risk premium, %	5.8
Share price potential, %	67.5 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	3.3
Maximum value	21.6 Marketable securities	18 Minimum WACC, %	8.1 Equity beta coefficient	1.15
Minimum value	18.6 Debt - dividend	-32 Maximum WACC, %	9.1 Target debt ratio, %	30
Horizon value, %	50.4 Value of stock	157 Nr of shares, Mn	7.9 Effective tax rate, %	20

DCF valuation, EURm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Horizon
Net sales	289	310	320	331	336	341	346	351	356	362	366	370
<i>Sales growth, %</i>	<i>5.1</i>	<i>7.3</i>	<i>3.3</i>	<i>3.3</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)	6	11	12	13	13	14	14	14	14	14	15	15
<i>Operating income margin, %</i>	<i>2.0</i>	<i>3.5</i>	<i>3.8</i>	<i>3.9</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>4.0</i>	<i>4.0</i>
+ Depreciation+amort.	3	3	3	3	3	3	4	4	4	4	4	4
EBITDA	9	14	15	16	17	17	17	18	18	18	19	
- Paid taxes	-1	-2	-2	-3	-3	-3	-3	-3	-3	-3	-3	
- Change in NWC	-3	1	0	0	0	0	0	0	0	0	0	
<i>NWC / Sales, %</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	<i>-3.4</i>	
+ Change in other liabs	0	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	
<i>opCAPEX / Sales, %</i>	<i>2.4</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	<i>1.1</i>	
- Acquisitions	-1	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	1	0	0	0	0	0	0	0	0	0	0	
= FCFF	3	11	12	13	13	13	13	14	14	14	14	195
= Discounted FCFF		10	10	10	9	9	8	8	7	7	6	86
= DFCF min WACC		10	10	10	10	9	8	8	7	7	7	97
= DFCF max WACC		10	10	10	9	9	8	7	7	6	6	77

INTERIM FIGURES

EVLI ESTIMATES, EURm	2021Q1	2021Q2	2021Q3	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	59.3	70.9	76.0	82.6	288.8	63.3	76.0	81.8	88.7	309.7	320.0	330.7
EBITDA	0.9	0.3	4.0	4.0	9.2	1.2	3.9	4.2	4.8	14.1	15.5	16.4
<i>EBITDA margin (%)</i>	<i>1.5</i>	<i>0.4</i>	<i>5.3</i>	<i>4.9</i>	<i>3.2</i>	<i>1.9</i>	<i>5.2</i>	<i>5.2</i>	<i>5.4</i>	<i>4.6</i>	<i>4.8</i>	<i>4.9</i>
EBIT	0.1	-0.5	3.1	3.0	5.7	0.4	3.1	3.4	4.0	10.9	12.2	13.0
<i>EBIT margin (%)</i>	<i>0.2</i>	<i>-0.7</i>	<i>4.1</i>	<i>3.6</i>	<i>2.0</i>	<i>0.6</i>	<i>4.1</i>	<i>4.2</i>	<i>4.5</i>	<i>3.5</i>	<i>3.8</i>	<i>3.9</i>
Net financial items	-0.2	-0.4	-0.2	-0.3	-1.1	-0.2	-0.2	-0.2	-0.2	-1.0	-0.9	-0.7
Pre-tax profit	-0.1	-0.9	2.9	2.7	4.6	0.1	2.9	3.2	3.7	9.9	11.3	12.3
Tax	0.0	0.2	-0.6	-0.5	-0.9	0.0	-0.6	-0.6	-0.7	-2.0	-2.3	-2.5
<i>Tax rate (%)</i>	<i>19.8</i>	<i>20.0</i>	<i>19.1</i>	<i>19.1</i>	<i>18.9</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	-0.1	-0.7	2.4	2.2	3.7	0.1	2.3	2.5	3.0	7.9	9.1	9.9
EPS	-0.02	-0.09	0.30	0.27	0.47	0.01	0.29	0.32	0.38	1.01	1.16	1.25
EPS adjusted (diluted no. of shares)	-0.02	-0.09	0.30	0.27	0.47	0.01	0.29	0.32	0.38	1.01	1.16	1.25
Dividend per share	0.00	0.00	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.51	0.58	0.63
SALES, EURm												
Housing Companies	13.4	21.7	27.6	27.3	90.0	15.0	24.3	30.9	30.6	100.8	104.8	109.0
Corporations	21.8	26.0	25.6	27.6	101.0	22.9	27.3	26.8	29.0	106.0	109.2	112.5
Public Sector	7.5	8.5	9.6	12.1	37.7	7.7	8.8	9.9	12.5	38.8	40.0	41.2
Building Technology	19.2	17.8	16.3	19.5	72.9	20.4	18.9	17.3	20.7	77.3	79.6	82.0
Elimination	-2.6	-3.1	-3.1	-3.9	-12.7	-2.7	-3.2	-3.2	-4.0	-13.1	-13.5	-13.9
Total	59.3	70.9	76.0	82.6	288.8	63.3	76.0	81.8	88.7	309.7	320.0	330.7
SALES GROWTH, Y/Y %												
<i>Housing Companies</i>	<i>-18.6</i>	<i>-12.4</i>	<i>16.1</i>	<i>29.2</i>	<i>4.5</i>	<i>12.0</i>	<i>12.0</i>	<i>12.0</i>	<i>12.0</i>	<i>12.0</i>	<i>4.0</i>	<i>4.0</i>
<i>Corporations</i>	<i>5.0</i>	<i>20.2</i>	<i>18.8</i>	<i>3.5</i>	<i>11.4</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>5.0</i>	<i>3.0</i>	<i>3.0</i>
<i>Public Sector</i>	<i>-20.3</i>	<i>-17.4</i>	<i>-2.0</i>	<i>1.0</i>	<i>-9.1</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>
<i>Building Technology</i>	<i>24.4</i>	<i>8.2</i>	<i>2.7</i>	<i>-9.3</i>	<i>5.1</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>	<i>6.0</i>	<i>3.0</i>	<i>3.0</i>
<i>Elimination</i>	<i>-13.5</i>	<i>-19.6</i>	<i>11.6</i>	<i>22.1</i>	<i>-1.1</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>	<i>3.0</i>
Total	0.4	2.3	11.4	5.8	5.1	6.7	7.2	7.6	7.3	7.3	3.3	3.3
EBIT, EURm												
Group	0.1	-0.5	3.1	3.0	5.7	0.4	3.1	3.4	4.0	10.9	12.2	13.0
Total	0.1	-0.5	3.1	3.0	5.7	0.4	3.1	3.4	4.0	10.9	12.2	13.0
EBIT margin, %												
<i>Total</i>	<i>0.2</i>	<i>-0.7</i>	<i>4.1</i>	<i>3.6</i>	<i>2.0</i>	<i>0.6</i>	<i>4.1</i>	<i>4.2</i>	<i>4.5</i>	<i>3.5</i>	<i>3.8</i>	<i>3.9</i>

INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
Sales	300.2	315.8	314.8	274.6	288.8	309.7	320.0	330.7
<i>Sales growth (%)</i>	<i>14.8</i>	<i>5.2</i>	<i>-0.3</i>	<i>-12.8</i>	<i>5.1</i>	<i>7.3</i>	<i>3.3</i>	<i>3.3</i>
EBITDA	1.7	-0.5	8.1	11.4	9.2	14.1	15.5	16.4
<i>EBITDA margin (%)</i>	<i>0.6</i>	<i>-0.1</i>	<i>2.6</i>	<i>4.2</i>	<i>3.2</i>	<i>4.6</i>	<i>4.8</i>	<i>4.9</i>
Depreciation	-2.1	-1.7	-3.5	-3.2	-3.5	-3.2	-3.3	-3.4
EBITA	-0.4	-2.1	4.6	8.2	5.7	10.9	12.2	13.0
Goodwill amortization / writedown	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-0.4	-2.1	4.6	8.2	5.7	10.9	12.2	13.0
<i>EBIT margin (%)</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.5</i>	<i>3.8</i>	<i>3.9</i>
Reported EBIT	-0.4	-2.1	4.6	8.2	5.7	10.9	12.2	13.0
<i>EBIT margin (reported) (%)</i>	<i>-0.1</i>	<i>-0.7</i>	<i>1.5</i>	<i>3.0</i>	<i>2.0</i>	<i>3.5</i>	<i>3.8</i>	<i>3.9</i>
Net financials	-0.8	-0.7	-1.2	-1.0	-1.1	-1.0	-0.9	-0.7
Pre-tax profit	-1.2	-2.8	3.4	7.2	4.6	9.9	11.3	12.3
Taxes	0.1	0.5	-0.7	-1.6	-0.9	-2.0	-2.3	-2.5
Minority shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	-1.1	-2.3	2.5	5.6	3.7	7.9	9.1	9.9
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	5	4	4	3	3	4	4	4
Goodwill	49	49	49	49	50	50	50	50
Right of use assets	0	4	3	2	6	6	6	6
Inventory	1	1	1	1	1	1	1	1
Receivables	36	53	50	49	41	44	46	47
Liquid funds	10	3	10	24	18	19	20	21
Total assets	101	115	117	129	119	124	126	128
Liabilities								
Shareholder's equity	25	23	26	30	32	36	42	47
Minority interest	0	0	0	0	0	0	0	0
Convertibles	0	0	3	3	0	0	0	0
Lease liabilities	0	4	4	2	5	6	6	6
Deferred taxes	0	0	0	0	0	0	0	0
Interest bearing debt	22	23	25	27	27	23	18	13
Non-interest bearing current liabilities	52	62	56	63	52	56	58	60
Other interest-free debt	0	0	0	0	0	0	0	0
Total liabilities	101	115	117	129	119	124	126	128
CASH FLOW, EURm								
+ EBITDA	2	0	8	11	9	14	15	16
- Net financial items	-1	-1	-1	-1	-1	-1	-1	-1
- Taxes	-1	0	0	-1	-1	-2	-2	-2
- Increase in Net Working Capital	9	-5	-3	8	-3	1	0	0
+/- Other	0	0	0	0	1	0	0	0
= Cash flow from operations	9	-7	4	18	5	12	13	14
- Capex	-1	-1	-4	-3	-7	-3	-3	-4
- Acquisitions	-4	0	0	0	-1	0	0	0
+ Divestments	1	1	0	0	0	0	0	0
= Free cash flow	4	-8	0	15	-3	8	9	10
+/- New issues/buybacks	1	0	0	0	1	0	0	0
- Paid dividend	-4	0	0	-1	-3	-4	-4	-5
+/- Other	-1	1	6	0	-1	-4	-5	-5
Change in cash	0	-6	7	14	-6	1	1	1

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	43	50	79	95	94	94	94
Net debt (excl. convertibles)	23	19	5	14	9	4	-2
Enterprise value	67	72	87	109	103	98	92
Sales	316	315	275	289	310	320	331
EBITDA	0	8	11	9	14	15	16
EBIT	-2	5	8	6	11	12	13
Pre-tax	-3	3	7	5	10	11	12
Earnings	-2	2	6	4	8	9	10
Equity book value (excl. minorities)	23	26	30	32	36	42	47
Valuation multiples							
EV/sales	0.2	0.2	0.3	0.4	0.3	0.3	0.3
EV/EBITDA	-143.6	8.9	7.6	11.9	7.3	6.3	5.7
EV/EBITA	-31.3	15.6	10.6	19.1	9.4	8.0	7.1
EV/EBIT	-31.3	15.6	10.6	19.1	9.4	8.0	7.1
EV/OCF	-9.9	19.7	4.9	23.3	8.7	7.7	6.8
EV/FCFF	-9.6	31.9	5.2	32.9	9.2	8.1	7.3
P/FCFE	-5.7	523.9	5.2	-30.6	11.1	10.1	9.4
P/E	-18.5	20.3	14.2	25.9	11.8	10.3	9.5
P/B	1.8	1.9	2.6	3.0	2.6	2.3	2.0
Target EV/EBITDA	0.0	0.0	0.0	0.0	8.4	7.4	6.6
Target EV/EBIT	0.0	0.0	0.0	0.0	10.9	9.3	8.3
Target EV/FCF	0.0	0.0	0.0	0.0	14.1	12.3	10.8
Target P/B	0.0	0.0	0.0	0.0	3.0	2.6	2.3
Target P/E	0.0	0.0	0.0	0.0	13.9	12.1	11.2
Per share measures							
Number of shares	7,858	7,858	7,858	7,858	7,858	7,858	7,858
Number of shares (diluted)	7,858	7,858	7,858	7,858	7,858	7,858	7,858
EPS	-0.30	0.32	0.71	0.47	1.01	1.16	1.25
Operating cash flow per share	-0.85	0.47	2.27	0.60	1.51	1.62	1.73
Free cash flow per share	-0.96	0.01	1.93	-0.40	1.07	1.18	1.27
Book value per share	2.98	3.33	3.87	4.08	4.64	5.29	5.96
Dividend per share	0.00	0.16	0.40	0.45	0.51	0.58	0.63
Dividend payout ratio, %	0.0	50.8	56.3	96.4	50.0	50.0	50.0
Dividend yield, %	0.0	2.5	4.0	3.8	4.2	4.8	5.2
FCF yield, %	-17.4	0.2	19.2	-3.3	9.0	9.9	10.7
Efficiency measures							
ROE	-9.6	10.0	19.7	11.8	23.2	23.3	22.3
ROCE	-4.2	8.6	13.7	9.1	17.0	18.8	19.9
Financial ratios							
Inventories as % of sales	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Receivables as % of sales	16.8	15.8	17.9	14.3	14.3	14.3	14.3
Non-interest bearing liabilities as % of sales	19.5	17.8	23.1	18.0	18.0	18.0	18.0
NWC/sales, %	-2.5	-1.7	-4.9	-3.4	-3.4	-3.4	-3.4
Operative CAPEX/sales, %	0.4	1.3	1.0	2.4	1.1	1.1	1.1
CAPEX/sales (incl. acquisitions), %	0.4	1.3	1.0	2.0	1.1	1.1	1.1
FCFF/EBITDA	15.0	0.3	1.5	0.4	0.8	0.8	0.8
Net debt/EBITDA, book-weighted	-50.5	2.3	0.4	1.5	0.7	0.3	-0.1
Debt/equity, market-weighted	0.5	0.5	0.3	0.3	0.2	0.2	0.1
Equity ratio, book-weighted	24.4	29.8	26.1	26.9	29.5	33.0	36.5
Gearing, %	100.0	64.4	14.1	44.1	25.4	9.5	-3.2

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 years driven by a number of weak margin projects. Growth has been a challenge but with an improved order backlog and the strategic venture into new construction services growth is once again picking up. Demand in certain areas remains affected by the pandemic but for instance the housing market has seen good recovery. 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 growth.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Lujatalo Oy	790,000	9.440	10.1%
Heikintorppa Oy	750,000	8.962	9.5%
Wipunen varainhallinta Oy	750,000	8.962	9.5%
Fennia Life Insurance Company Ltd	520,525	6.220	6.6%
Korkeela Esa Sakari	434,637	5.194	5.5%
Kivi Risto Juhani	380,267	4.544	4.8%
Kalervo Markku	299,128	3.575	3.8%
Korkeela Antti Petteri	176,594	2.110	2.2%
Varma Mutual Pension Insurance Company	172,000	2.055	2.2%
Drumbo Oy	150,000	1.792	1.9%
Ten largest	4,423,151	52.857	56%
Residual	3,435,116	41.050	44%
Total	7,858,267	93.906	100%

EARNINGS CALENDAR

April 29, 2022	Q1 report
July 22, 2022	Q2 report
October 27, 2022	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

CEO: Esa Korkeela	Hopeatie 2, 6. krs, 00440 Helsinki, Finland
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
ROE, %	$\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholder's equity} + \text{minority interest} + \text{taxed provisions (average)}}$		

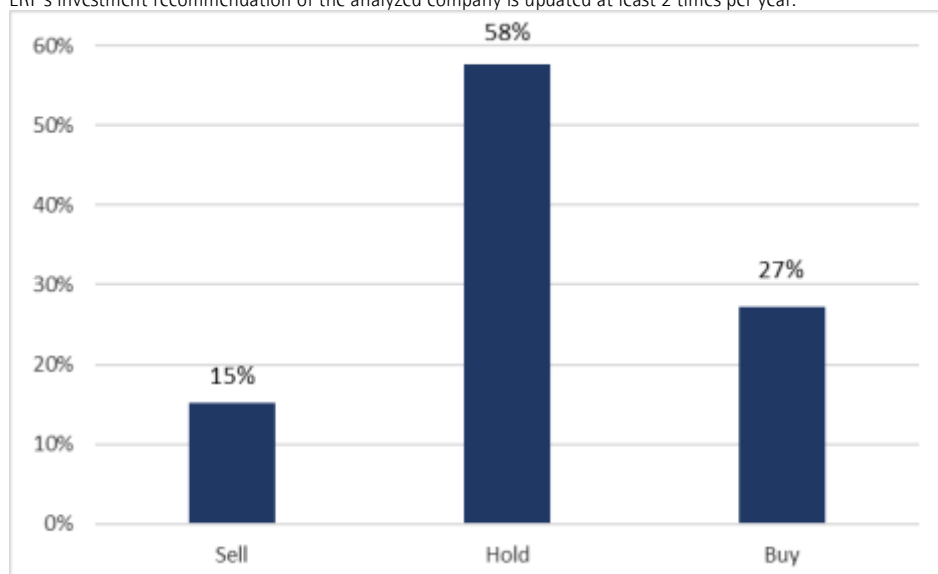
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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Contact information**SALES, TRADING AND RESEARCH****Equity, ETF and Derivatives Sales**

Joachim Dannberg	+358 9 4766 9123
Ari Laine	+358 9 4766 9115
Kimmo Lilja	+358 9 4766 9130

Trading

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

Structured Investments

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

Equity Research

Arttu Heikura	+358 40 082 8098
Joonas Ilvonen	+358 44 430 9071
Jerker Salokivi	+358 9 4766 9149

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------



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