

A modern office interior with glass partitions and large windows. The room is bright and airy, with sunlight streaming in through the windows. The floor is covered in a patterned carpet. The ceiling has exposed pipes and lights. The overall atmosphere is clean and professional.

CONSTI PLC

Annual General Meeting

4 April 2023

CONSTI

CONSTI PLC

**ANNUAL GENERAL MEETING
4 APRIL 2023**

CEO Esa Korkeela

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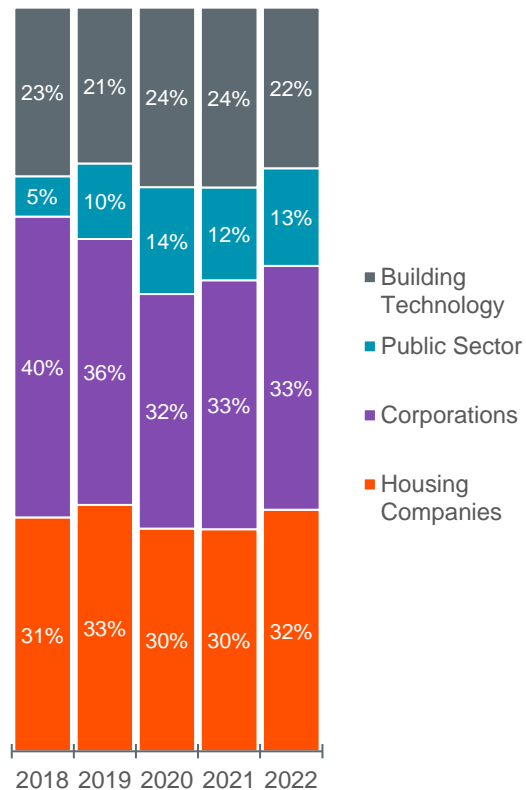
1. **Figures for FY 2022**
2. Consti's strategy
3. Outlook for 2023



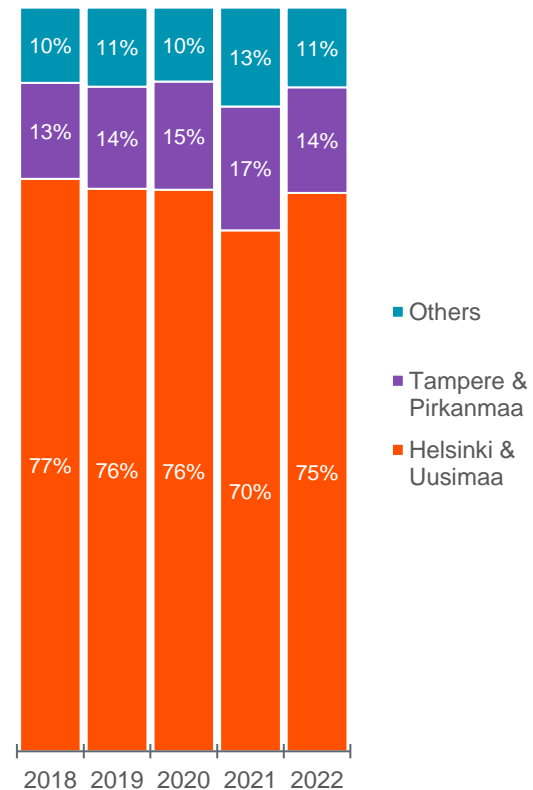
Consti Group's net sales overview 2018-22

Diverse business and customer mix, presence in Finland's growth centres

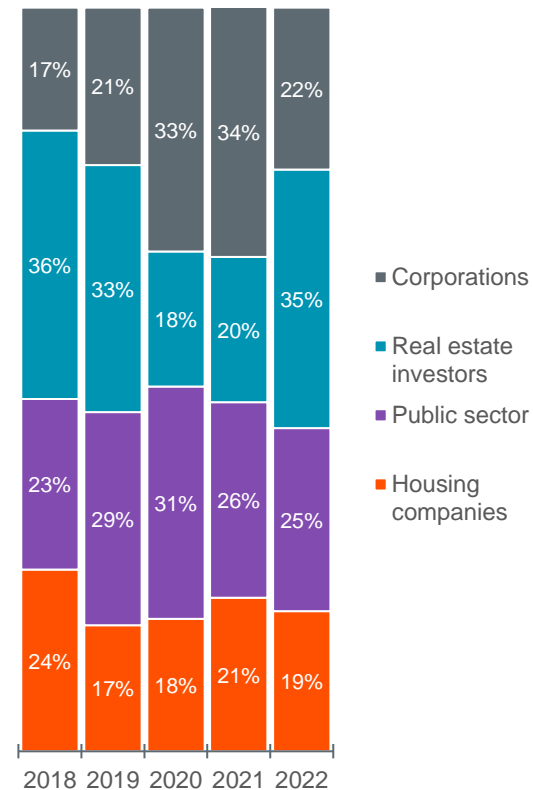
Net sales by business area



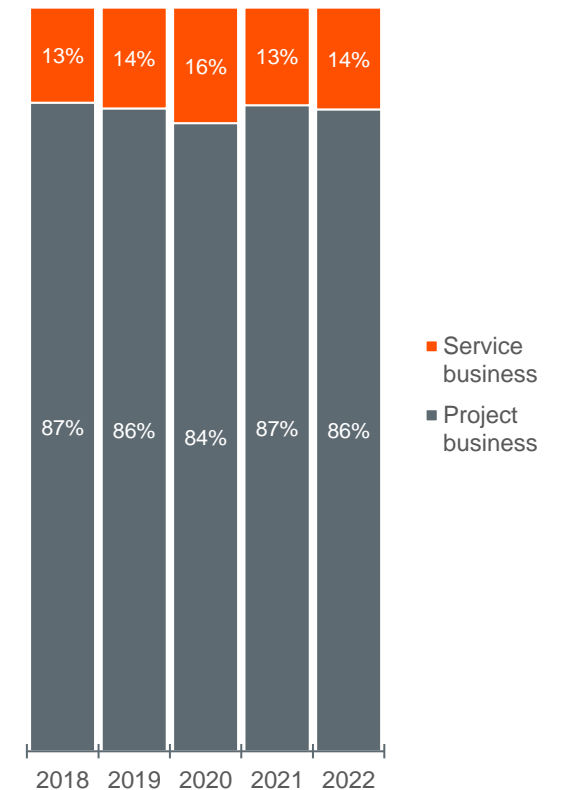
Net sales by geography



Net sales by customer group



Net sales by project / service

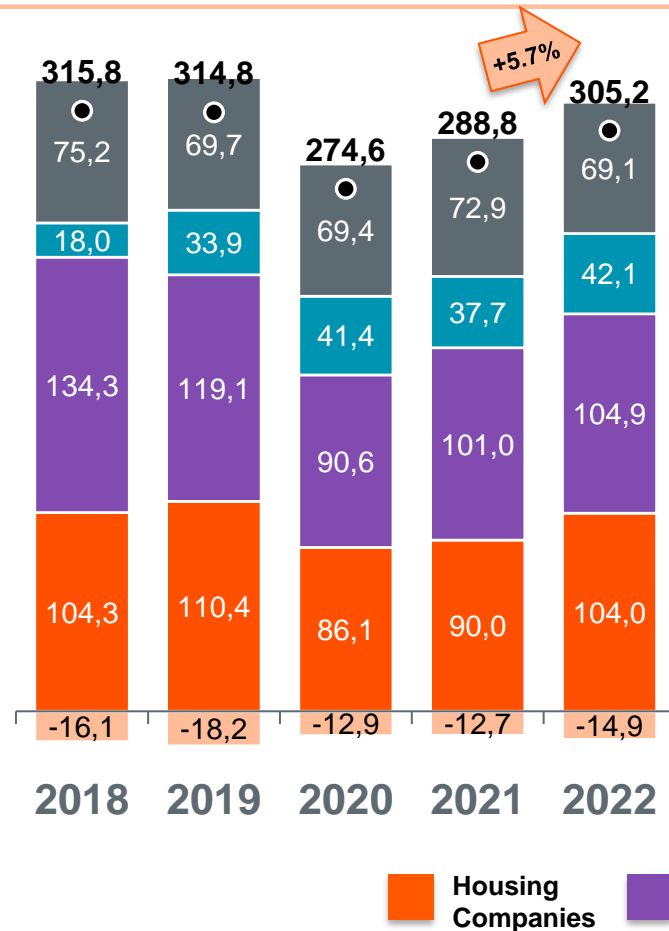


1) Business area splits excluding eliminations

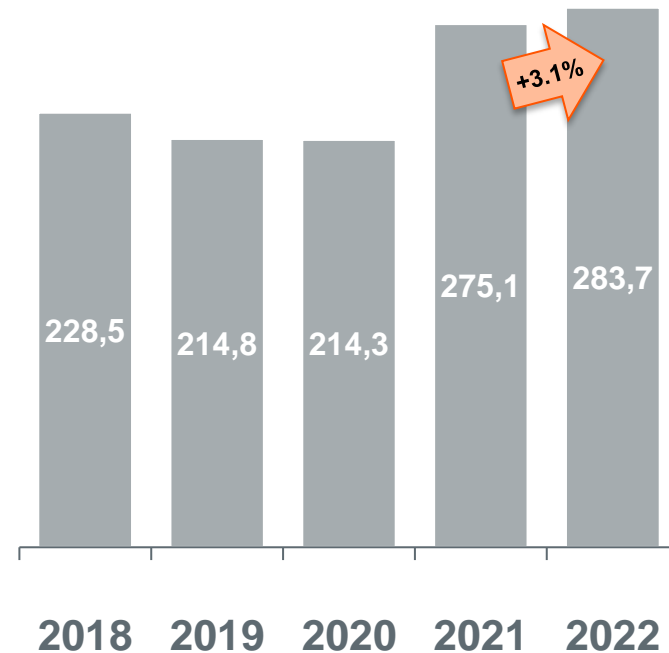
Net sales, order intake and order backlog

Net sales, order intake and order backlog continued to grow in 2022

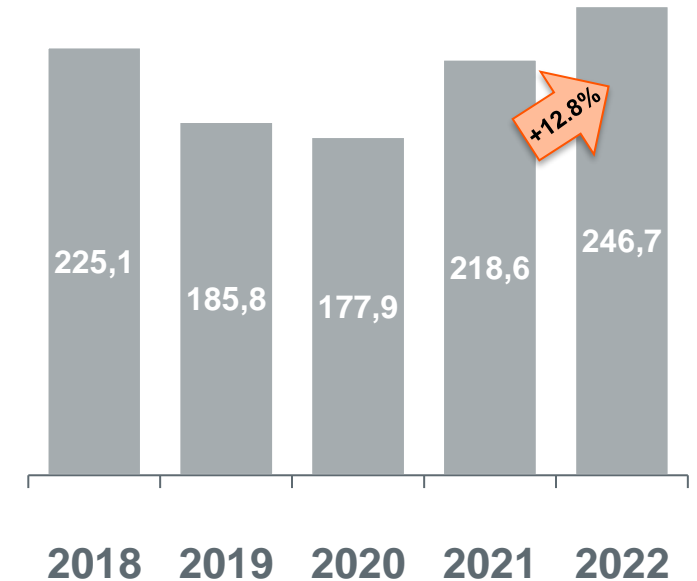
NET SALES (EUR million)



ORDER INTAKE (EUR million)



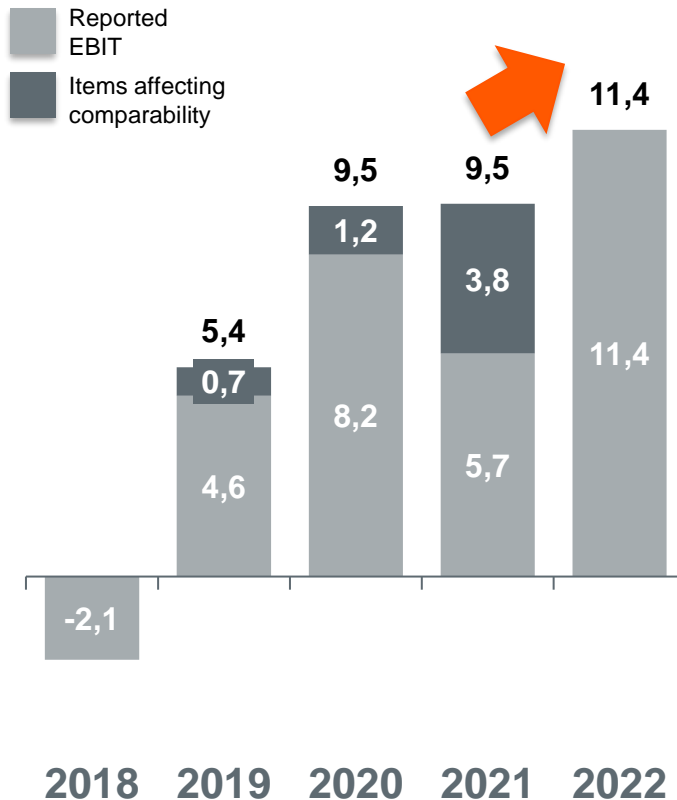
ORDER BACKLOG (EUR million)



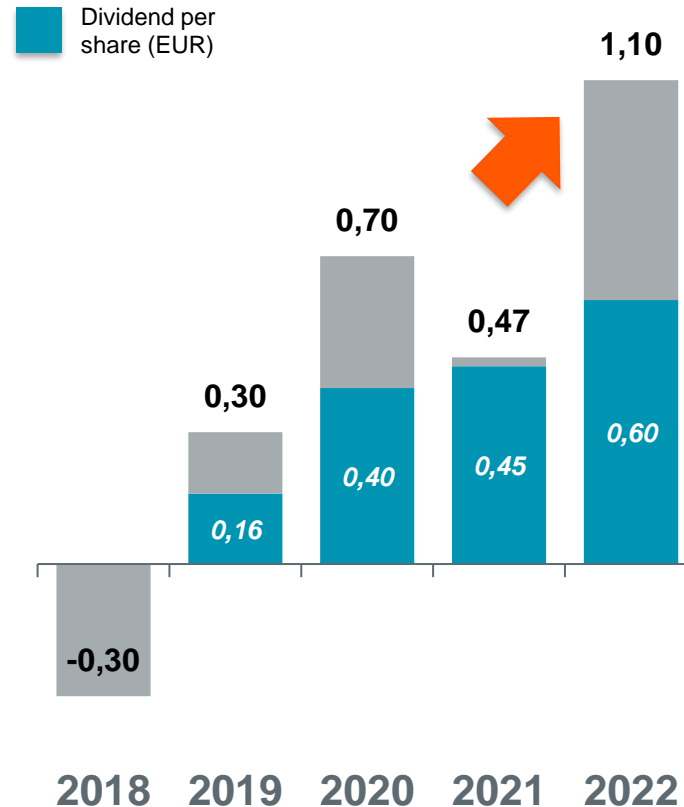
Development of operating result (EBIT) and earnings per share (EPS)

In 2022, profitability improved year-on-year. As a result of improved EPS, a dividend of EUR 0.60 per share, i.e. 54.5% of EPS, is proposed to the AGM

EBIT (EUR million)



EPS (EUR)



COMMENTS

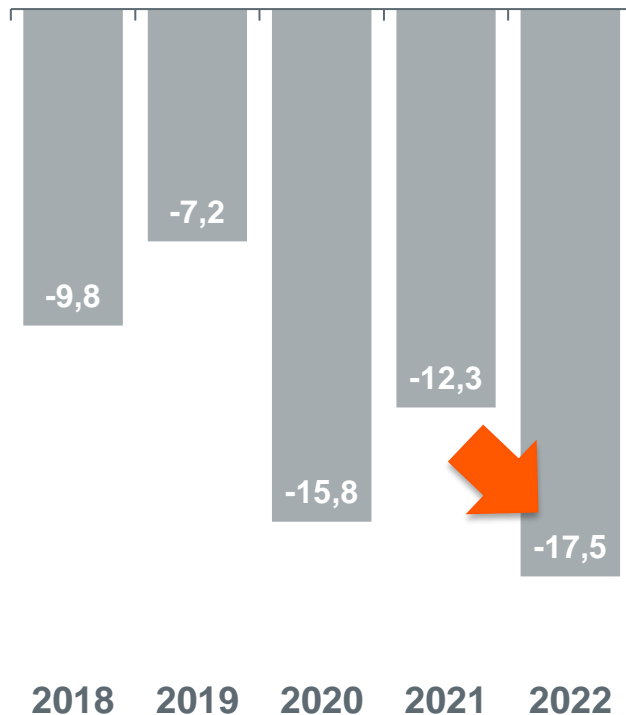
- FY 2022 EBIT amounted to EUR 11.4 (5.7) million
- EBIT margin was 3.7 (2.0) percent
- FY 2022 adjusted EBIT amounted to EUR 11.4 (9.5) million
- Adjusted EBIT margin was 3.7 (3.3) percent
- FY 2022 EPS amounted to EUR 1.10 (0.47)
- The Board of Directors proposes to the General Meeting that a dividend of EUR 0.60 per share shall be paid for the financial year 1 January – 31 December 2022

Net working capital, cash flow and financial position

Cash flow improved clearly year-on-year and financial position strengthened in 2022

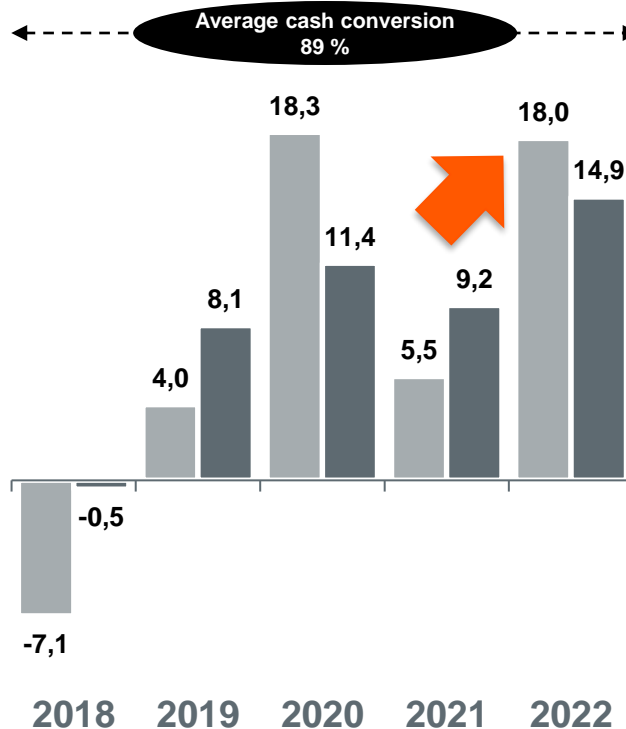
Net working capital

■ Net working capital at year-end (EUR million)



Cash conversion¹⁾

■ Free cash flow (EUR million)
■ EBITDA (EUR million)



Balance sheet KPIs (31 Dec 2022)

10.7 %
(44.7 %)
Gearing

32.9 %
(29.8 %)
Equity ratio

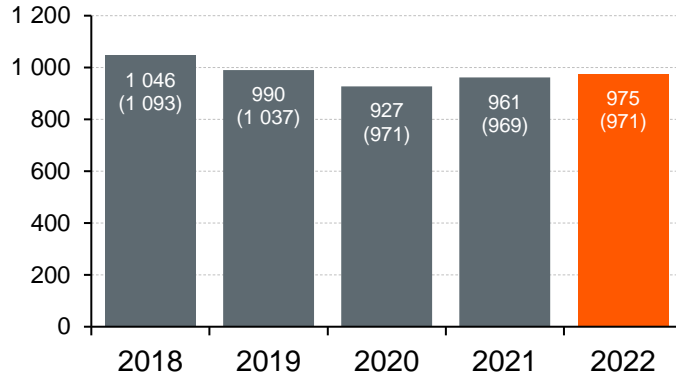
EUR 3.9m
(14.3m)
Net debt

¹⁾ The cash conversion is the amount of free cash flow divided by EBITDA. Free cash flow means net cash flow from operating activities before financial items and taxes, less capital used for purchase of intangible assets and property, plant and equipment

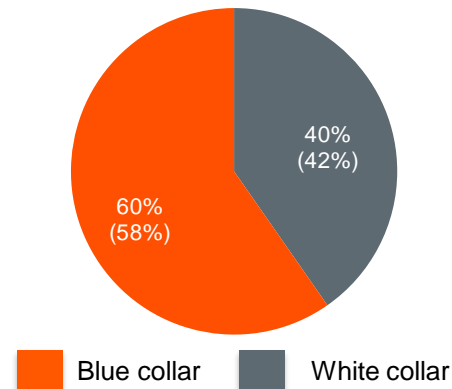
Personnel KPIs 2018-22

In 2022, personnel turnover decreased while absence rate increased year-on-year, Consti employed 975 renovation and building technology professionals at year-end 2022

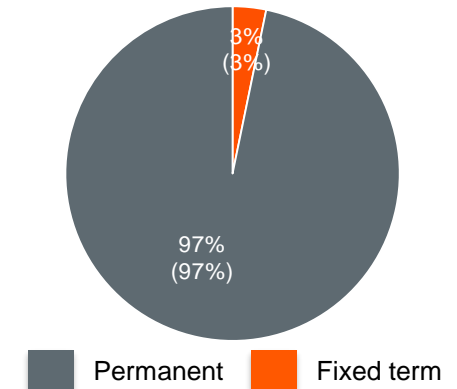
Personnel at year-end
(average)



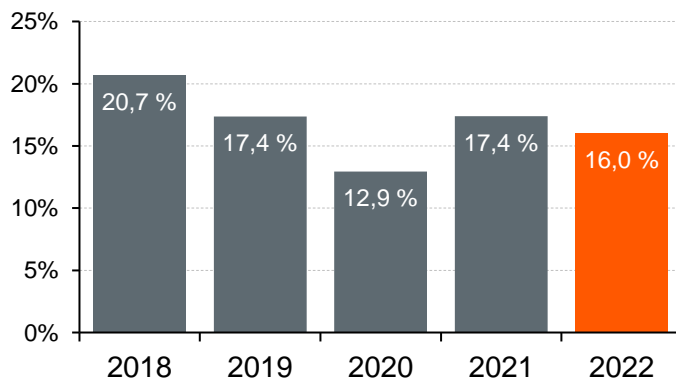
Blue collar / White collar
2022 (2021)



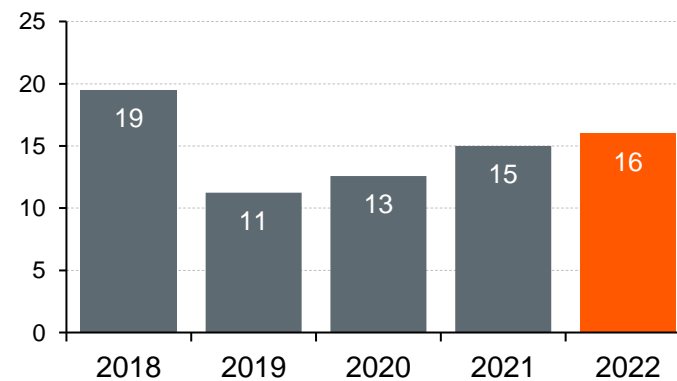
Permanent / Fixed term
2022 (2021)



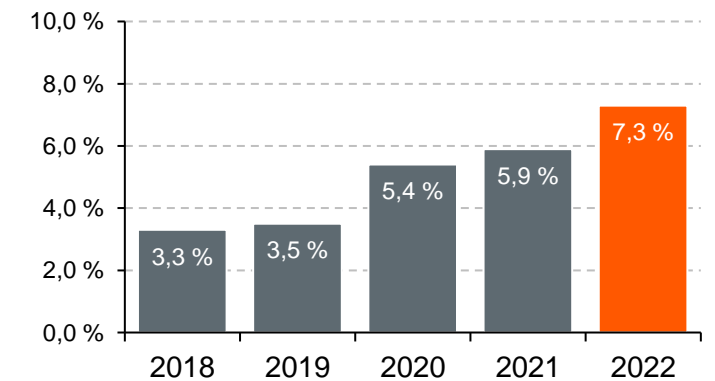
Permanent personnel turnover ratio
(% of employees leaving)



Accident rate
(accidents per million hours worked)



Average absence rate (%)



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3. Outlook for 2023



CONSTI GROUP STRATEGY 2021–2023

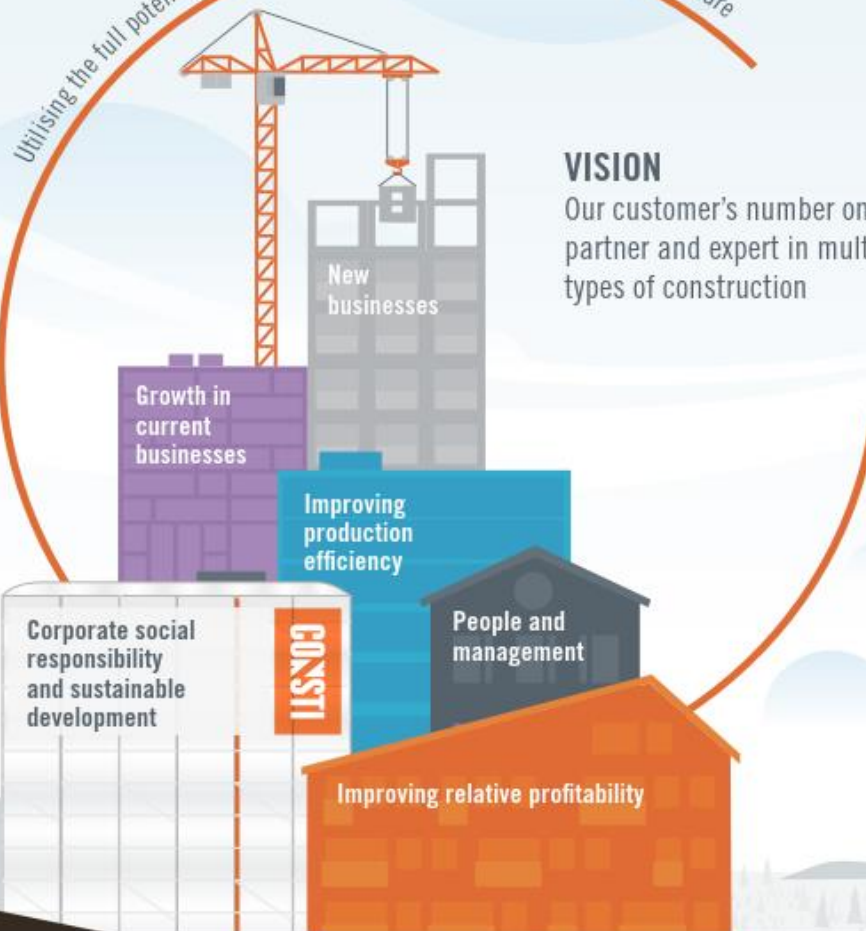
MISSION

Our mission is to improve the value of the building stock, and the value of life. The satisfaction of our customers and partners, as well as the well-being of our personnel are the prerequisites to all our operations.

VISION

Our customer's number one partner and expert in multiple types of construction

Utilising the full potential of Consti's customer-oriented organisational structure



- 1 **Growth in current business**
 - ▷ controlled and profitable growth in attractive renovation and building technology segments
- 2 **New businesses**
 - ▷ comprehensively answering customer needs by growing in attractive new construction projects
- 3 **Improving relative profitability**
 - ▷ expanding value created for customers and active management of business portfolio
- 4 **Improving production efficiency**
 - ▷ Target to have the industry's most efficient production and a steady level of performance in project deliveries
- 5 **People and management**
 - ▷ supporting profitable growth by investing in the implementation of the Consti Way, expanding competence, adding diversity, and adopting LEAN principles
- 6 **Corporate social responsibility and sustainable development**
 - ▷ concentrating on updated responsibility themes, which are environmentally friendly business, work safety and well-being at work, supply chain and customer satisfaction

Long-term financial goals

Growth: net sales growing faster than the market

Profitability: EBIT-margin exceeding **>5%**

Cash flow: Cash conversion ratio exceeding* **>90%**

Capital structure: Net debt to adjusted EBITDA ratio **<2,5x**

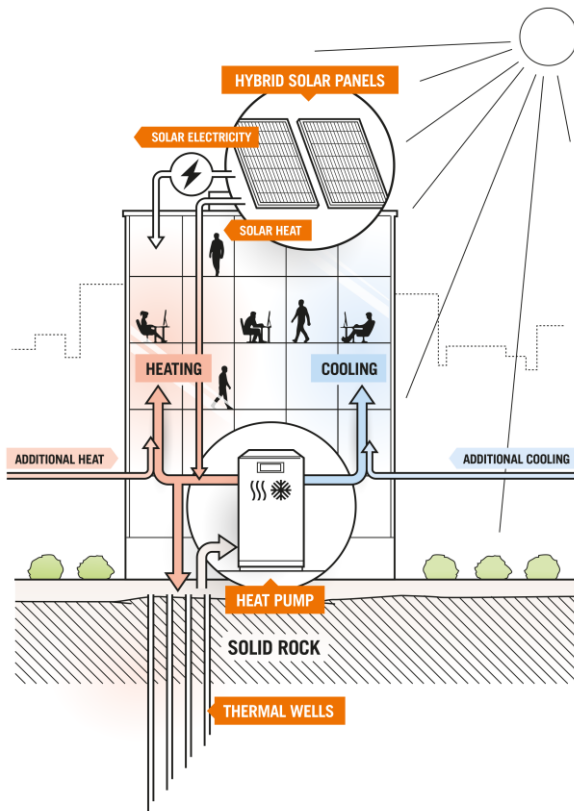
* The cash conversion is the amount of free cash flow divided by EBITDA. Free cash flow means net cash flow from operating activities before financial expenses and taxes, less capital used for purchases of intangible assets and property, plant and equipment.

Implementation of Group Strategy progressed according to plan in 2022

Focus Areas		Objectives	Achievements in FY2022	
Utilising the full potential of customer-oriented organisational structure	1	<ul style="list-style-type: none">• Growth in current business	<ul style="list-style-type: none">• Controlled and profitable growth in attractive renovation and building technology segments	<ul style="list-style-type: none">• Strong growth in Housing Companies business area• Positioned strengthened in renovation of row houses• Building technology installations in demanding hospital environments (e.g. Jorvi Hospital & Laakso Joint Hospital)
	2	<ul style="list-style-type: none">• New businesses	<ul style="list-style-type: none">• Comprehensively answering customer needs by growing in attractive new construction projects	<ul style="list-style-type: none">• Projects comprising both renovation and new building (E.g. Ensikoti & Oulunkylä elementary school and kindergarten)• Share of net sales from new building market increased to approximately 20% (~16% in 2021 and ~10% in 2020)
	3	<ul style="list-style-type: none">• Improving relative profitability	<ul style="list-style-type: none">• Expanding value created for customers and active management of business portfolio	<ul style="list-style-type: none">• Strengthening of service business in Building Technology• Strengthening of capabilities in project development, design management and energy efficiency• Share of target price and cost + fee based contracts increased
	4	<ul style="list-style-type: none">• Improving production efficiency	<ul style="list-style-type: none">• The industry's most efficient production• Steady level of performance in project deliveries	<ul style="list-style-type: none">• Variation in project performance narrowed• Development of procurement function continued• Development of quality management continued• Increase in utilisation of Lean and takt time principles
	5	<ul style="list-style-type: none">• People and management	<ul style="list-style-type: none">• Supporting profitable growth by investing in the implementation of the Consti Way, expanding competence, adding diversity, and adopting LEAN principles	<ul style="list-style-type: none">• Harmonisation of recruitment processes, employee orientation and development discussions• Expansion of training offering, more specific learning paths• Increased safety management support at worksites
	6	<ul style="list-style-type: none">• Corporate social responsibility and sustainable development	<ul style="list-style-type: none">• Concentrating on updated responsibility themes, which are environmentally friendly business, work safety and well-being at work, supply chain and customer satisfaction	<ul style="list-style-type: none">• Development of new solutions to improve customers' energy efficiency (e.g. Consti OPTIMI & Vodavol)• Recycling rate of construction waste improved• Systematic reporting of energy consumption at worksites begun

Consti's solutions to improve energy efficiency of buildings and to help customers to achieve their climate goals

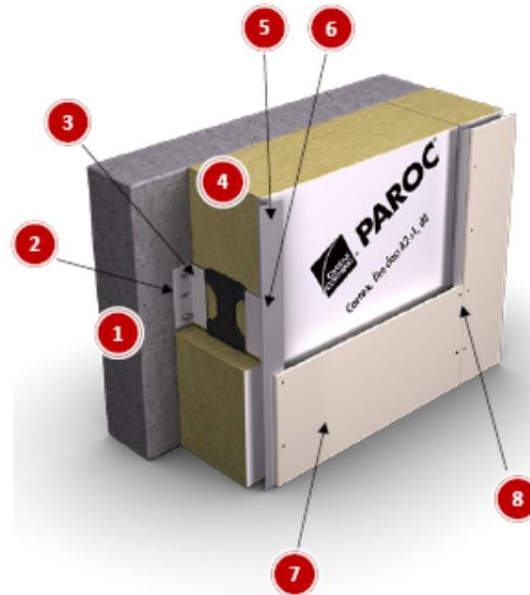
Consti OPTIMI Building technology system



ENERGY
SOLUTION
OF THE
YEAR 2022

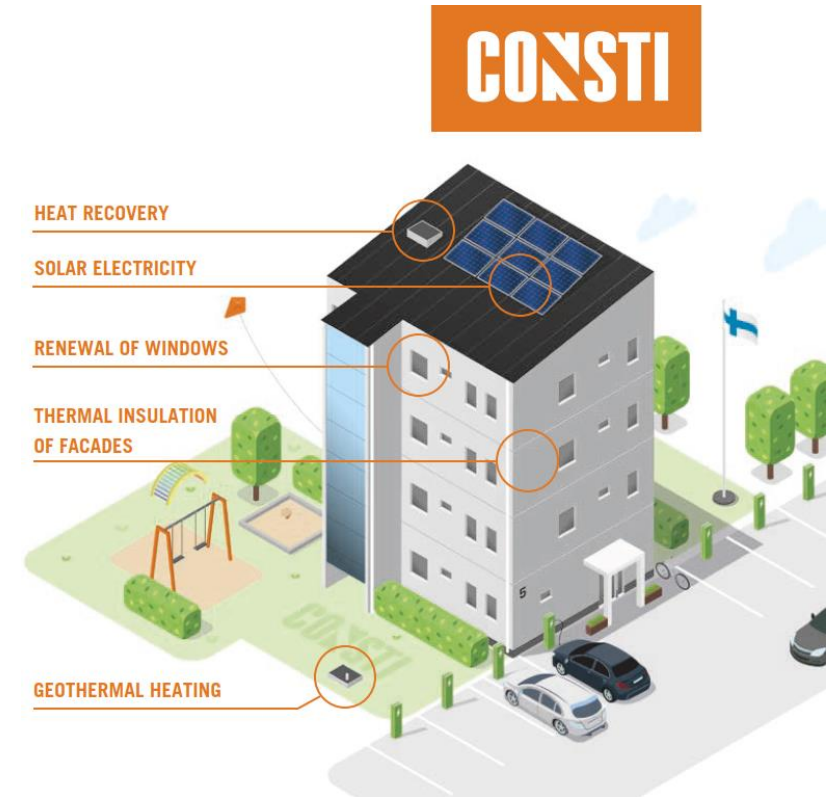
- Reduces total energy consumption by up to 50%
- Utilises multiple energy sources: geothermal energy, solar heat and electricity as well as internal waste heat of the building
- Seasonal thermal energy storage
- Developed especially for urban areas
- Suitable for both renovation and new building

VODAVOL Facade solution



VODAVOL™
JULKISIVUJÄRJESTELMÄ

Energy solutions for housing companies



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3. **Outlook for 2023**



Outlook and guidance for 2023

- In 2023, Finland's house construction volume is estimated to decrease by approximately 3.7 percent from the previous year
 - New construction is predicted to decrease by about 7.2 percent
 - Renovation will continue on a growth path of around one per cent also in 2023. Growth is expected from both residential renovation and other renovation
 - The demand for renovation and building technology services expected to remain on a reasonably good level in 2023. The forecasts reflect the needs-oriented nature of renovation
 - Strong inflation and the rapid rise of both energy costs and the cost of financing may postpone construction projects in the short term
 - Uncertainty in the outlook for construction is also brought about by the rise in the prices and availability of building materials and products, intensified by the war in Ukraine as well as the potential labour disputes
 - The company's strong order backlog, the progress of strategic projects, and steadily improved performance put Consti in a good position to continue positive and solid development in 2023
- **"The Company estimates that its operating result for 2023 will be in the range of EUR 9.5–13.5 million."**

