



CONSTI GROUP PLC ANNUAL GENERAL MEETING 6 APRIL 2016

CEO Marko Holopainen

Building renovation specialist | www.consti.fi

CONSTI
YHTIÖT



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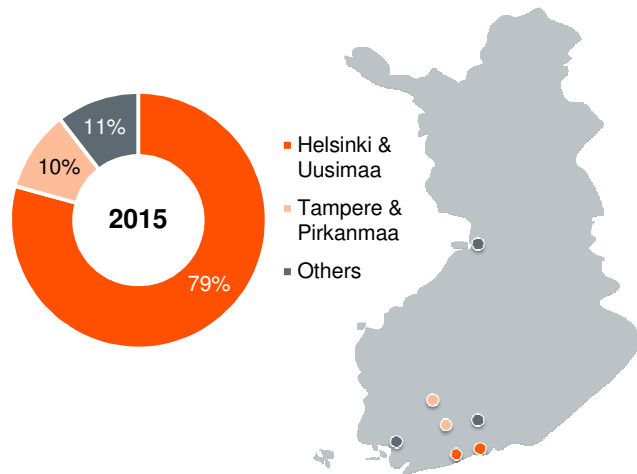
- **Consti in brief**
- Consti's year 2015
- Market outlook and guidance for 2016

Overview of Consti – one of the leading renovation and technical services provider in Finland

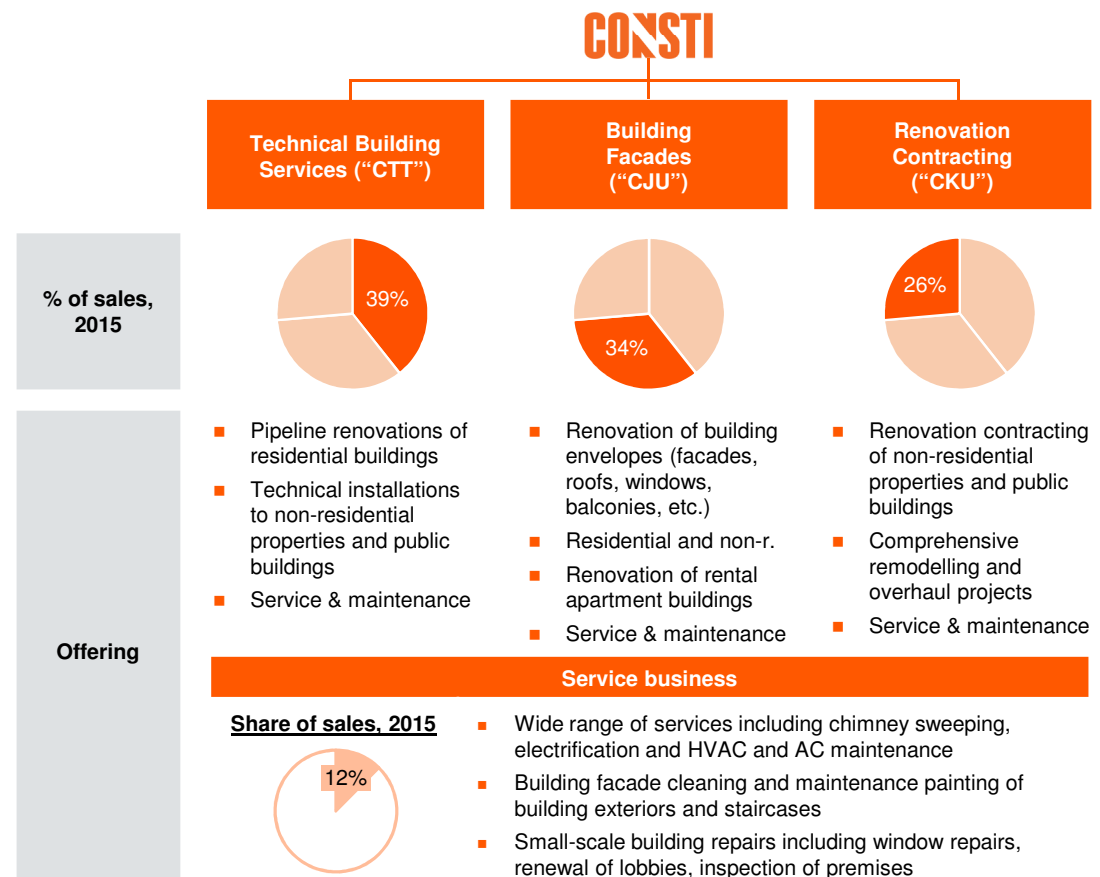
Consti in brief

- Established in 2008, Consti is one of the leading Finnish company focusing on renovation construction and technical services
- Comprehensive service offering covering technical building services, building facades, renovation contracting and maintenance services
- Operations are focused on Finnish growth centres with particular emphasis on the Helsinki and Uusimaa region
- Headquartered in Helsinki, Finland, and currently employs approx. 900 renovation professionals

Net sales by geographical locations, 2015

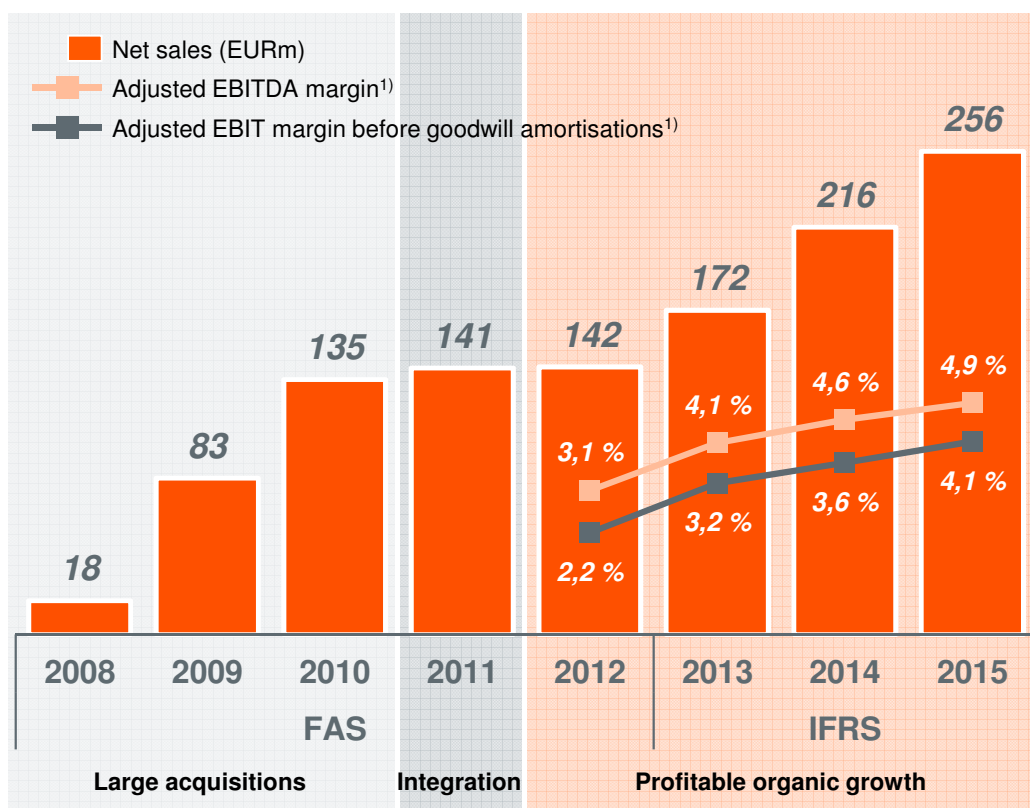


Consti business areas



Consti was built through acquisitions and following integration the Company has a track of profitable growth

Consti's three development phases since the foundation in 2008



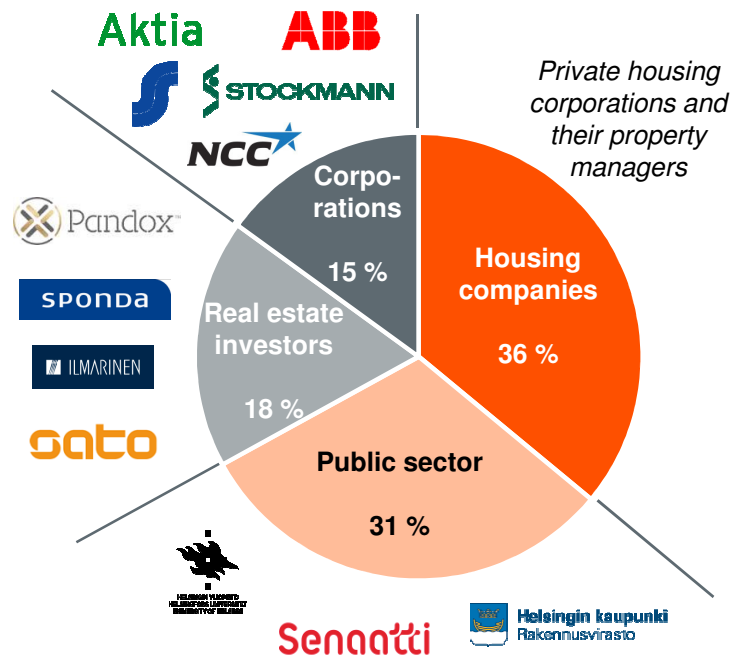
Key actions taken to drive profitable growth

- ✓ Successful integration of acquired businesses
- ✓ Clear strategic focus areas
- ✓ Reorganising business areas and centralising expertise to them
- ✓ Standardisation of operating models and information systems
- ✓ Deepening and systemising risk management
- ✓ Successful project management
- ✓ Management of fixed expenses growth

¹⁾ Adjusted figures excluding non-recurring items. Non-recurring items include (i) expenses arising from contemplation of the structural agreements and listing, and (ii) implementation of IFRS

Diverse customer mix and strong track record in project deliveries

Dispersed customer mix (share of net sales, 2015)



In 2015, net sales realised from one single customer did not exceed 10% of that year's sales

Selected references

As Oy Risto Rytin tie 28 (2014)

- 53 apartments
- Pipeline renovation
- Award "The best pipeline renovation of the year"



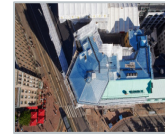
As Oy Vihtilä (2013)

- 105 apartments
- Broad renewal of HVAC systems



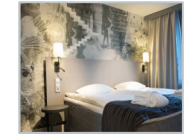
Oy Kaisaniemenkatu 1 (2015)

- Refurbishment of the roof and building facades, and renovation of yard structures



Scandic Park (2015)

- 365 hotel rooms
- Renewal of hotel rooms, lobby and restaurant



Puuvilla shopping centre (2014)

- 40,000 m²
- Installation of HVAC systems



Stora Enso HQ (2013)

- Comprehensive renovation and improvement of energy efficiency





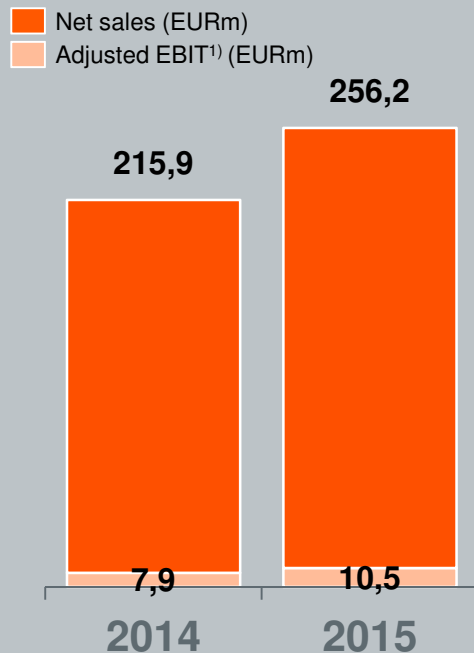
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Consti's year 2015

1

Strong profitable organic growth continued



2

Net sales grew and market position improved in all business areas

Technical Building Services

Building Facades

Renovation Contracting

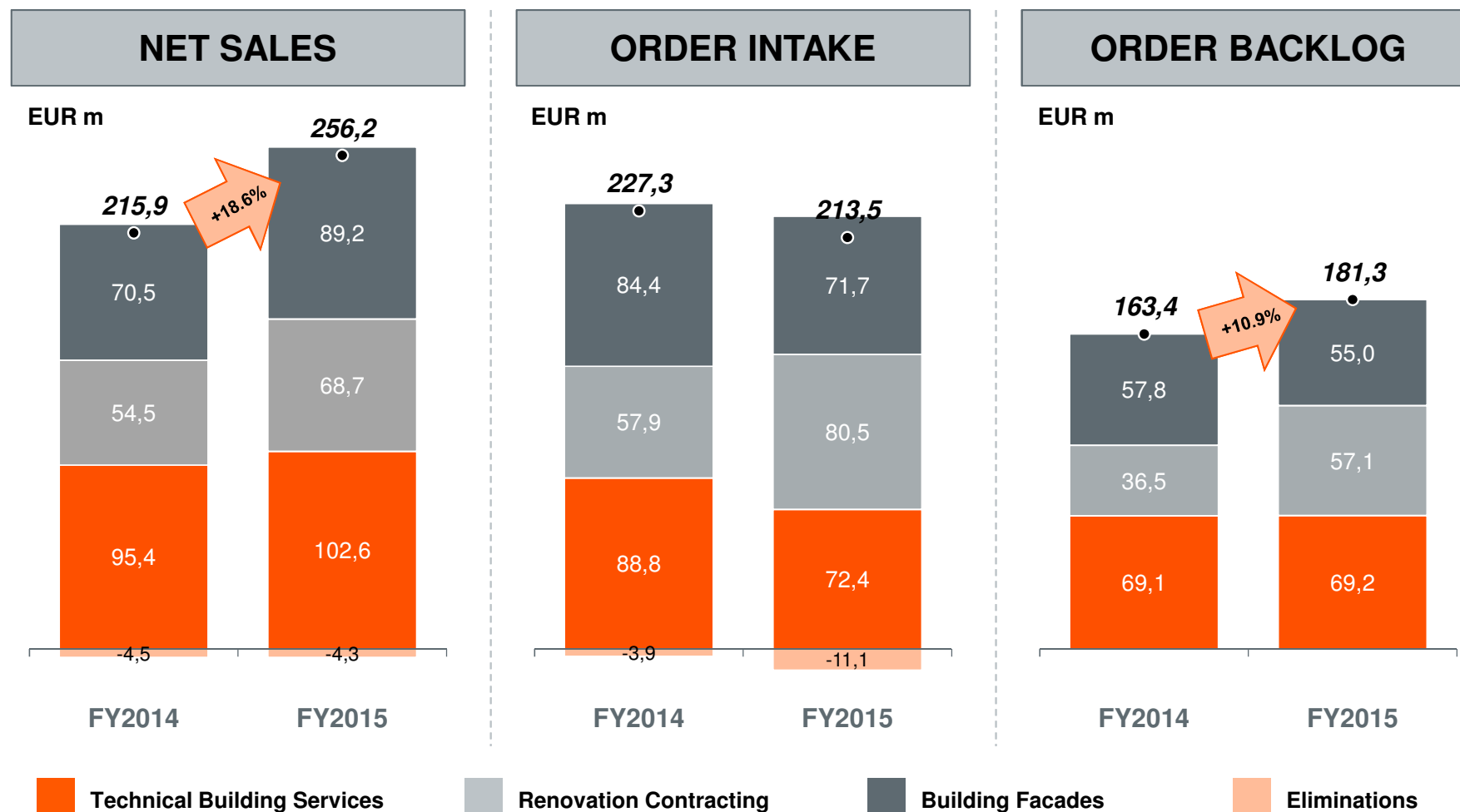
3

Successful completion of IPO in December



1) Operating profit (EBIT) before non-recurring items

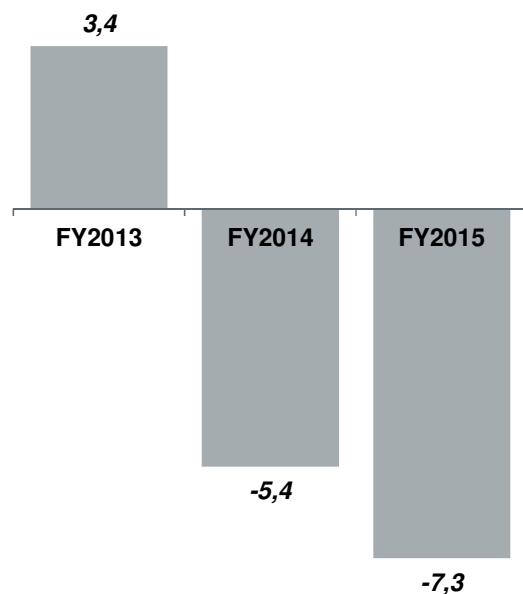
Performance by business segment – Strong sales growth attributable to all three business areas



Asset-light business model supporting strong cash conversion, healthy balance sheet going forward

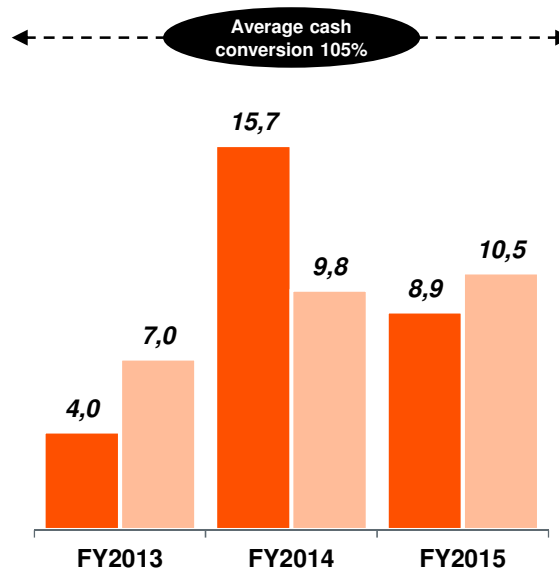
Net working capital, 2013 – 2015

■ Net working capital at year-end (EURm)



Cash conversion¹⁾, 2013 – 2015

■ Free cash flow (EURm)
■ EBITDA (EURm)



Balance sheet KPIs as per 31 Dec 2015

70.9%
Gearing

31.4%
Equity ratio

EUR
17.4m
Net debt

Asset-light business model enabling strong cash flow generation

Strong balance sheet going forward

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 expenses and taxes, less capital used for purchase of intangible assets and property, plant and equipment

Realisation of Consti's long-term financial targets in 2015

Growth	Profitability	Cash flow	Capital structure	Dividends
<p><i>Average annual growth in net sales of at least 10%</i></p> <p>FY 2015 realisation</p> <p>+18.6%</p> <ul style="list-style-type: none"> Target was achieved, growth from all business areas <p>✓</p>	<p><i>Adjusted EBIT-margin exceeding 5 percent</i></p> <p>FY 2015 realisation</p> <p>4.1%</p> <ul style="list-style-type: none"> Margin has steadily improved, efforts continue to meet the target level 	<p><i>Cash conversion ratio exceeding 90 percent¹</i></p> <p>FY 2015 realisation</p> <p>84.8%</p> <ul style="list-style-type: none"> Net working capital was released in 2015. Target was almost achieved 	<p><i>Net debt to adjusted EBITDA ratio of less than 2.5x while maintaining an efficient capital structure</i></p> <p>FY 2015 realisation</p> <p>1.4x</p> <ul style="list-style-type: none"> Target was clearly achieved <p>✓</p>	<p><i>The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit²</i></p> <p>FY 2015 realisation</p> <p>63.8%</p> <ul style="list-style-type: none"> Board proposes dividend of EUR 0.39 per share, or 64% of 2015 EPS <p>✓</p>

1) Cash conversion defined as free cash flow divided by EBITDA. Free cash flow equals operating cash flow before net financial items and taxes less investments in tangible and intangible assets

2) While taking other factors such as financial position, cash flow and growth opportunities into consideration.

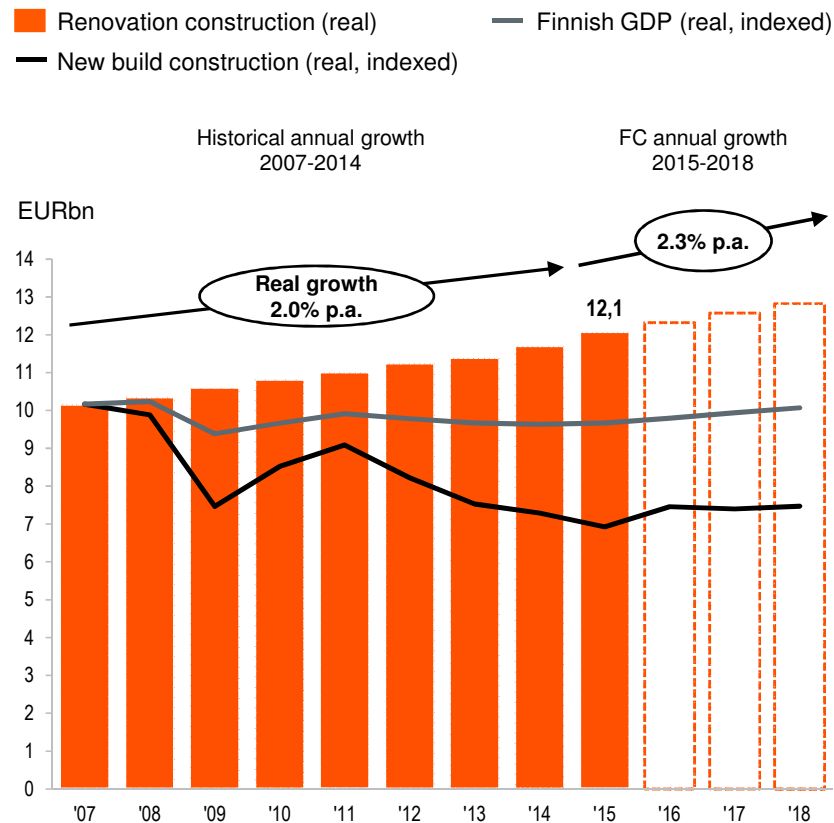


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Renovation market resilient through cycles with Consti's areas seeing above average growth

Finnish renovation market development, 2007-2018E

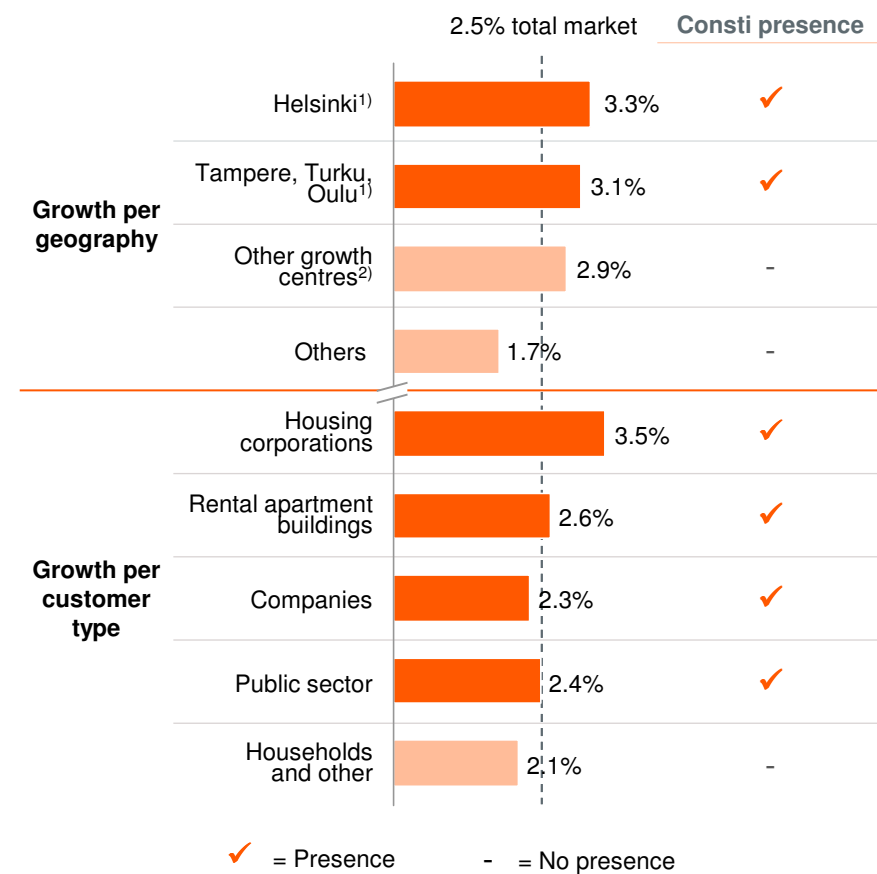


1) Consists of city centres and smaller surrounding regions

2) Consists of Jyväskylä, Kuopio, Vaasa and Lappeenranta and surrounding regions

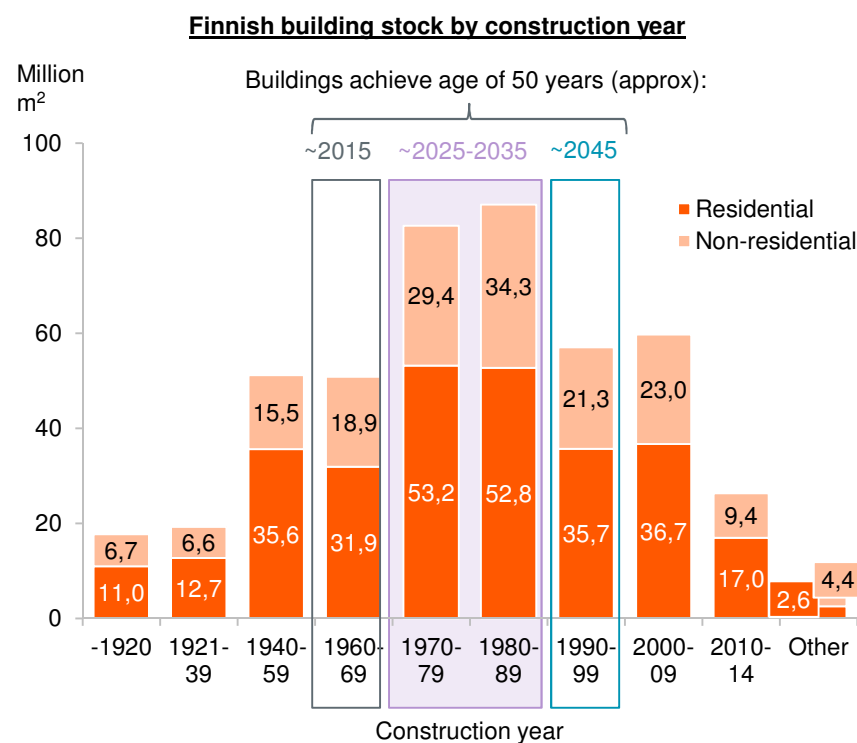
Source: Bank of Finland; EuroConstruct, December 2015; Statistics Finland, VTT 2015

Renovation market growth per segment, CAGR 2014-20 (real)



Ageing building stock is a key structural market growth driver...

Renovation of 1970-1980s building stock in the pipeline



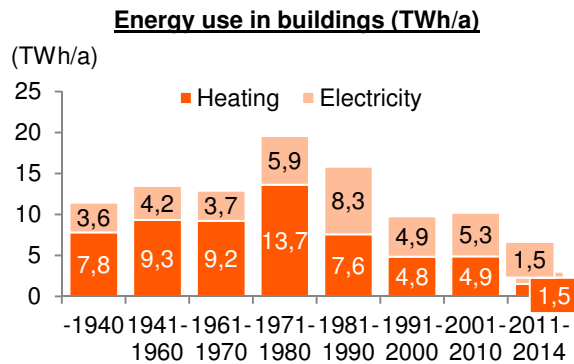
Comments

- Almost all of the technical renovation need is expected to be also financially justified in the growth centres where Consti operates¹⁾
 - Rural areas will see more demolition/decaying
- Need-based renovation relates particularly to the aging of pipelines, sewers and facades and problems with indoor air quality
 - Consti has a long track record in residential pipeline renovations and building facade renovations
- Residential building renovations expected to grow faster than the general renovation market

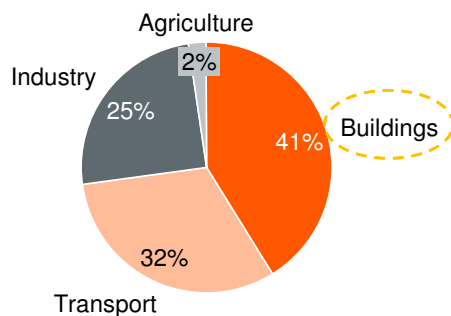
1) According to Pellervo Economic Research PTT (Apr 2015)
Source: Pellervo Economic Research PTT (Apr 2015), Statistics Finland

...further supported by energy efficiency, building purpose modifications and increasing automation

Energy efficiency requirements and awareness translating into energy renovations

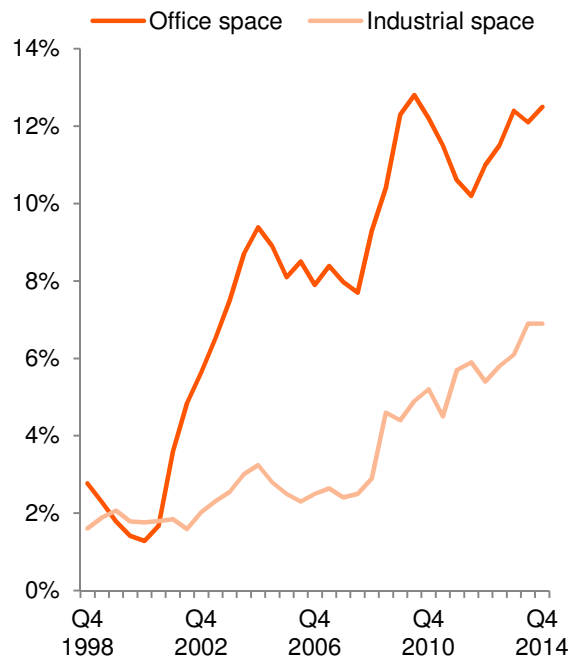


Energy consumption by sector in Europe (2013)¹⁾



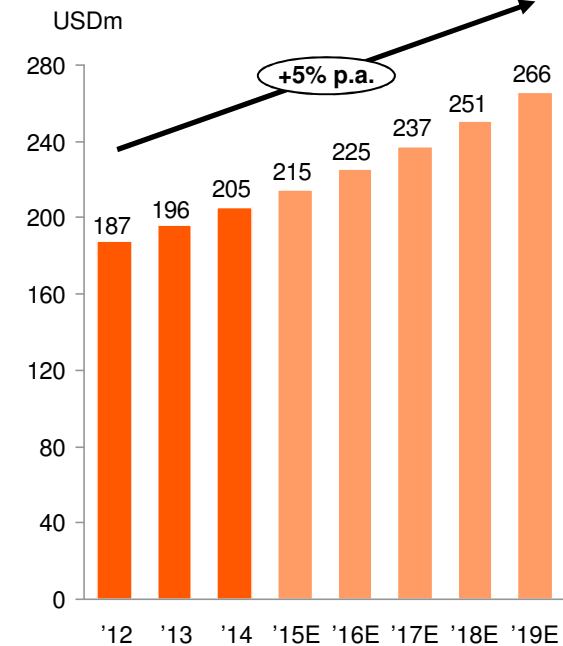
Purpose modifications to improve economic yield of building stock

Office and industrial space vacancy rate in the Helsinki Metropolitan Area



Building technology and automation driving technical renovation market

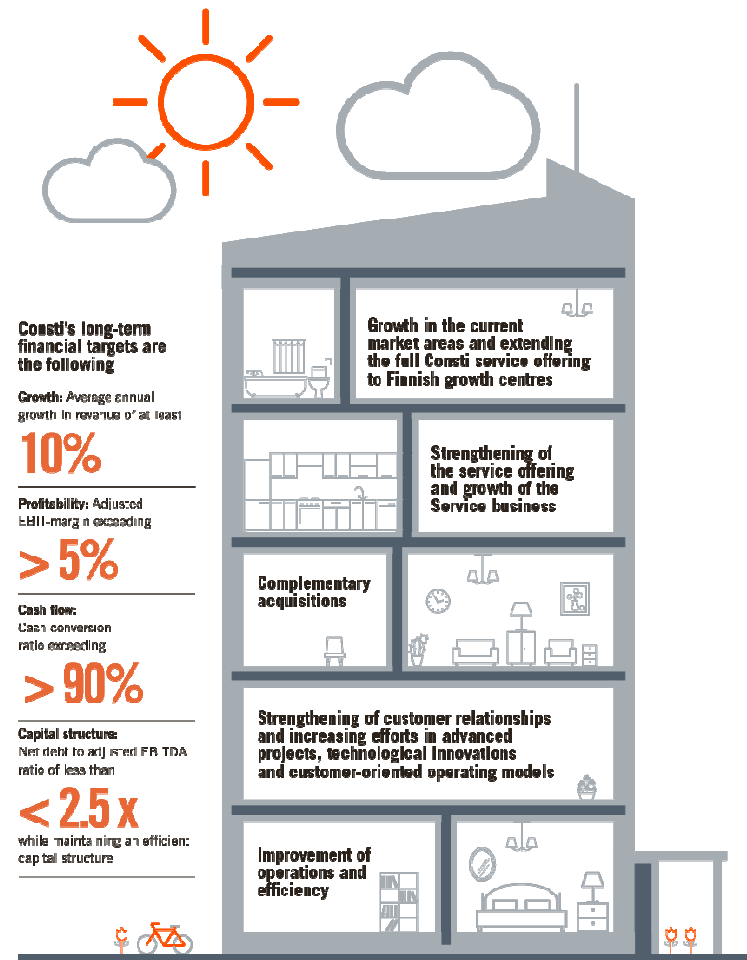
Building automation market²⁾ in the Nordic countries, 2012-2019E



1) Combined data from Odyssee and EuroStat; 2) Defined as revenue from the sale of automation controllers and supervisory software, excluding channel revenue. 2014 base year, real figures
Source: EuroStat, Odyssee, Ministry of the Environment, Catella, Frost & Sullivan (The European Building Automation Market, May 2015), VTT

Consti Group's strategic themes

STRATEGY



- 1 Exploit market position and expand full offering to Finland's growth centers**
 - Grow in businesses where Consti has long experience and a strong position
 - Expand full offering to the growth centres of Finland
 - Acquisitions to support growth
- 2 Strengthen the offering and continuously grow in Service business**
 - Strengthen and complement the service offering with supplementary capabilities (building automation, roof renov.)
 - Further grow the service business
 - Acquisitions to support growth
- 3 Continue to strengthen customer relationships and innovation leadership**
 - Cross-selling across business areas and development of KAM
 - Growth in advanced project types
 - Modern renovation methods and technological innovations
- 4 Maintain and further improve operational excellence**
 - Development and optimisation of sales mix
 - Project management and procurement
 - Fixed expense control
 - Strengthening of HR operations

Guidance for 2016

“The Company estimates that its total annual sales for 2016 will grow compared to 2015.”





CONSTI

CONSTI GROUP PLC
6 APRIL 2016

AGM

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