

An aerial photograph of a city, likely Helsinki, showing a dense cluster of buildings with prominent blue-painted roofs. In the background, a large body of water (the harbor) is visible, with several ships and cranes. The sky is blue with scattered white clouds. The text is overlaid on the top left of the image.

CONSTI GROUP PLC

ANNUAL GENERAL MEETING

4 APRIL 2017

CEO Marko Holopainen



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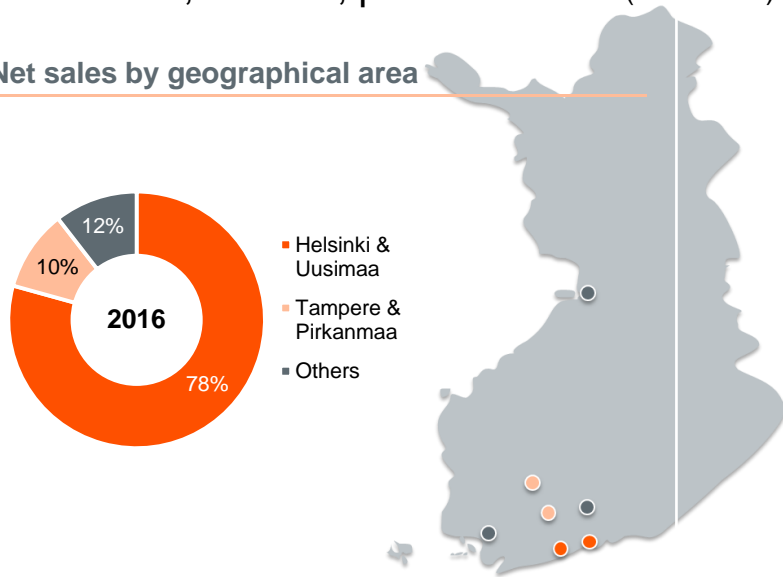
- **Consti in brief**
- Consti's year 2016
- Outlook for 2017

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

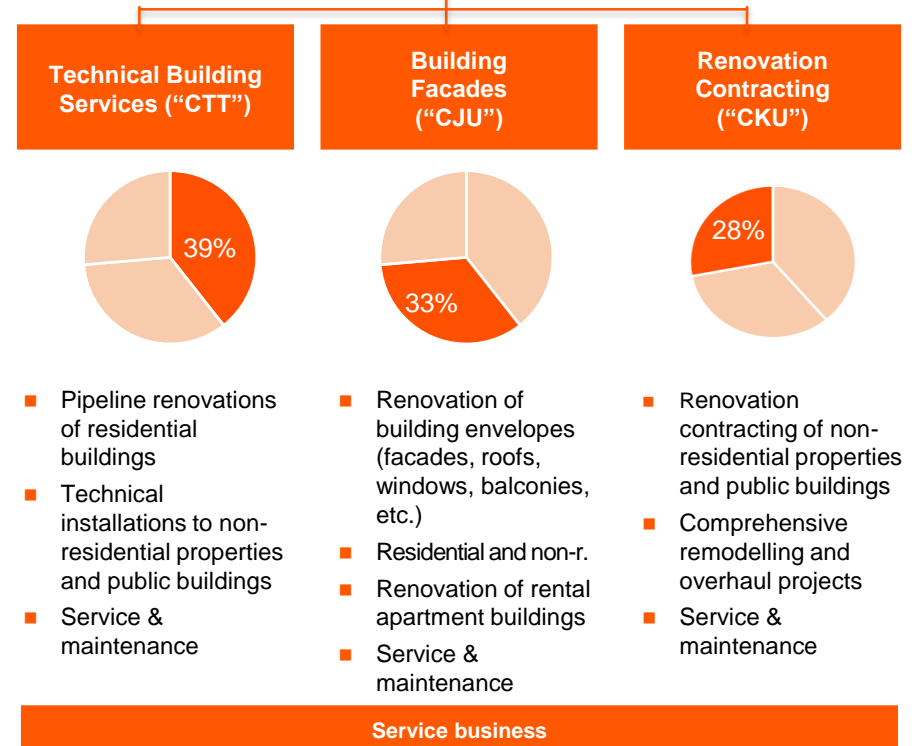
Consti in brief

- Comprehensive service offering covering technical building services, building facades, renovation contracting and maintenance services
- Focused on Finnish growth centres
- Established in 2008, headquartered in Helsinki, Finland, personnel 991 (Feb. 2017)

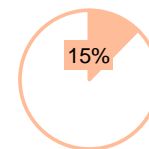
Net sales by geographical area



CONSTI



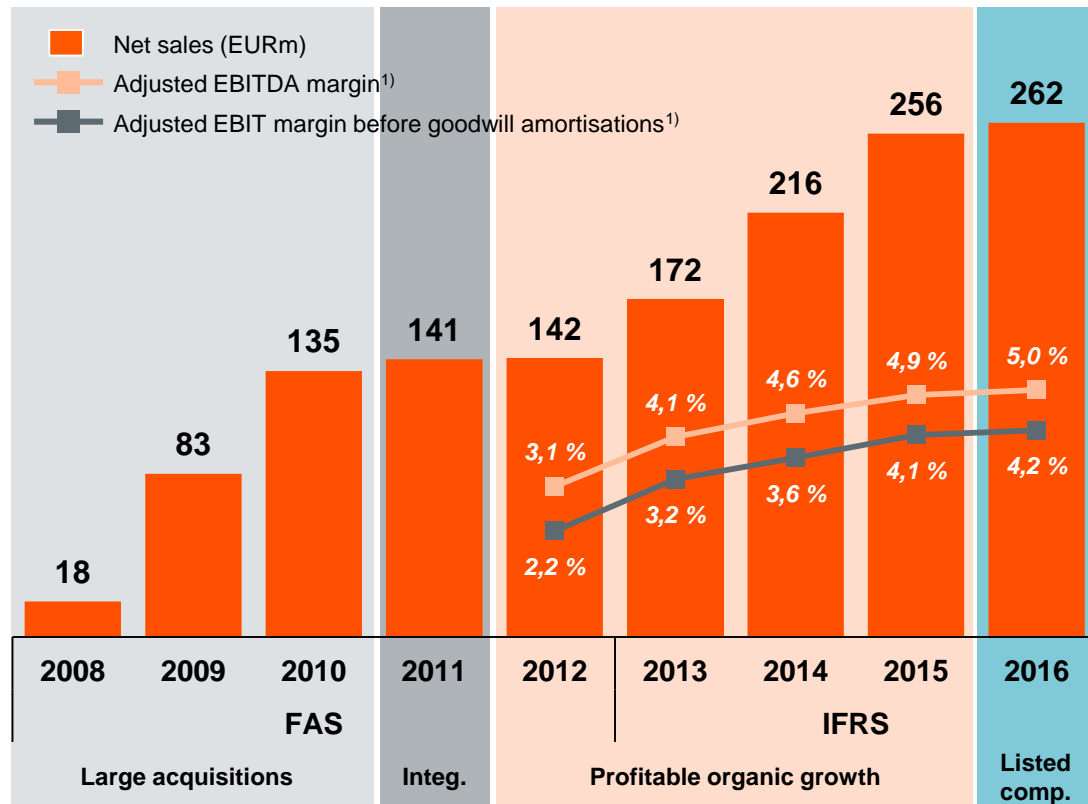
Share of sales 2016



- Wide range of services for HVAC and renovation contracting
- Building facade cleaning and maintenance painting of building exteriors and staircases
- Small-scale building repairs including window repairs, renewal of lobbies, inspection of premises

Strong organic growth after acquisitions

Consti's four development phases since the foundation in 2008

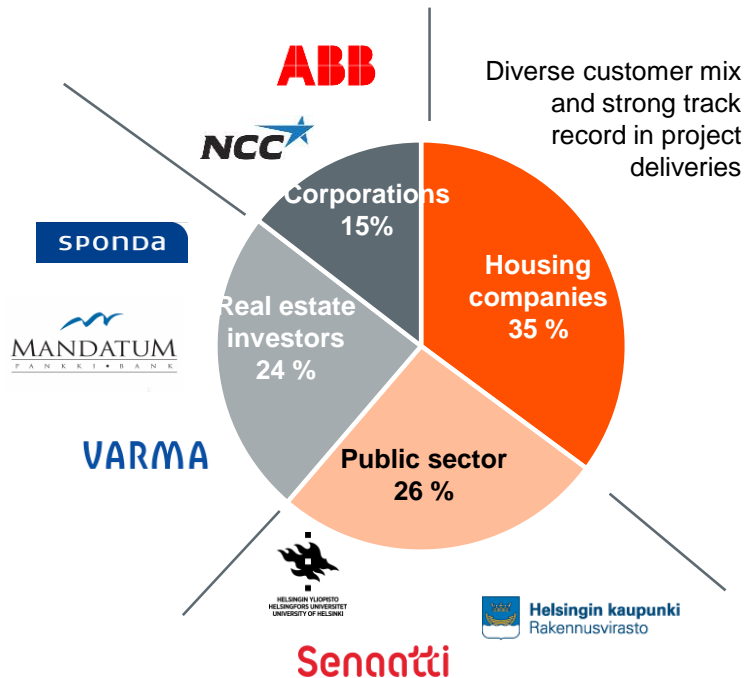


- ✓ Successful integration of acquired businesses
- ✓ Clear strategic focus areas
- ✓ Reorganising business areas and centralising expertise to them
- ✓ Standardisation of operating models and information systems
- ✓ Deepening and systemising risk management
- ✓ Successful project management
- ✓ Management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

Net sales by customer groups 2016



References 2016

Korkeavuorenkatu 21, Helsinki

- Conversion of a high-value property into apartments
- Facades
- Installation of HVAC systems

Finish Broadcasting Company

- Long term contract of preventive HVAC maintenance and repairs

As Oy Peski, Espoo

- Renewal of HVAC systems for 100 apartments

Kauppakeskus Kaari, Helsinki

- Modernization of a shopping mall, new escalators

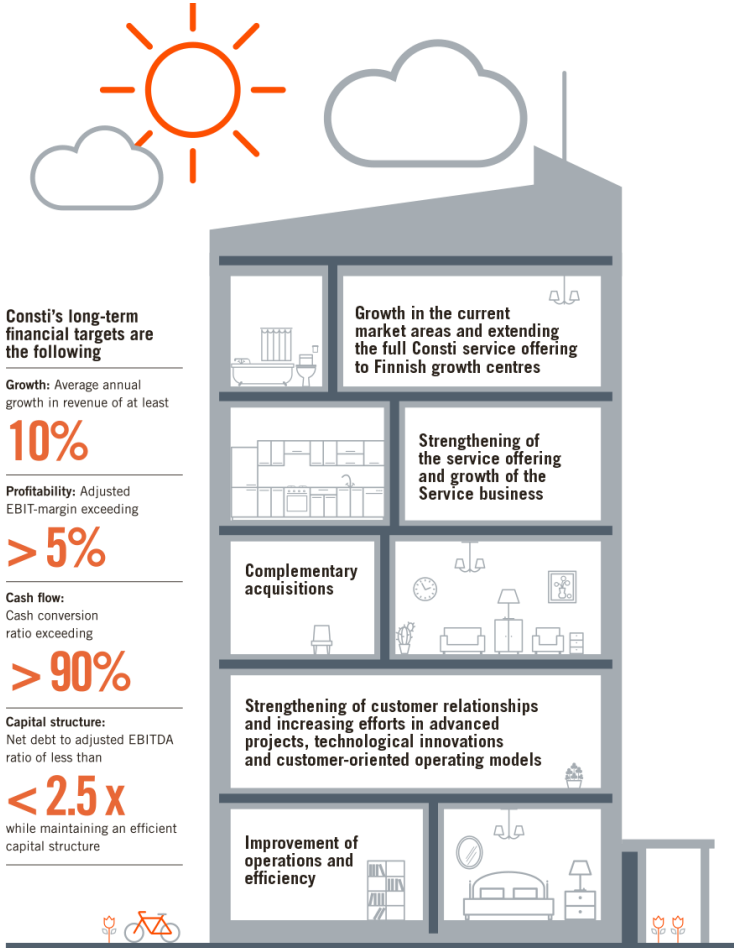
References

- Scandic Park hotel, Hki
- As Oy Risto Ryhtintie (The best pipeline renovation of 2014)
- KOy Jyrkkälä
- As Oy Merikamppi



Consti Group's strategic themes

Preparations for new strategy going on



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

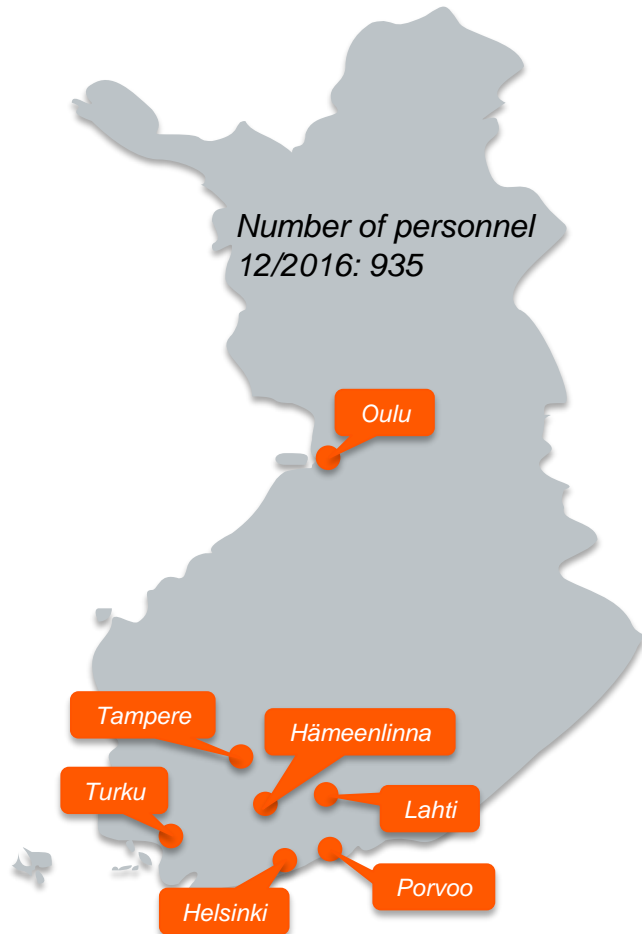
- Development and optimisation of sales mix
- Project management and procurement
- Fixed expense control
- Strengthening of HR operations



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- Consti in brief
- **Consti's year 2016**
- Market outlook and guidance for 2017

Profitable growth continued in 2016

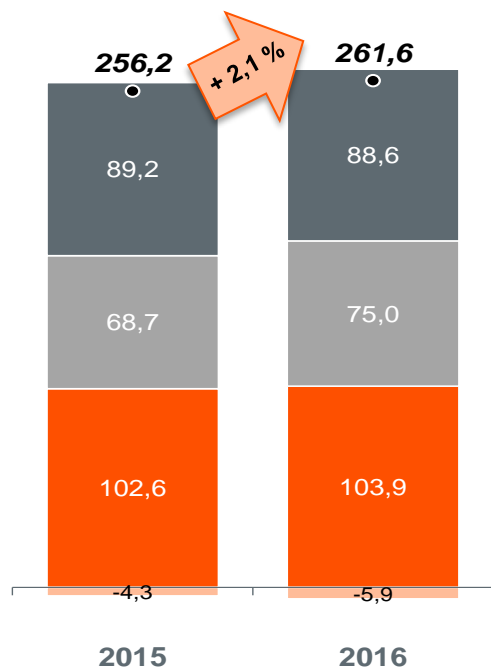


- Net sales EUR 261.6 (256.2) million, growth +2.1%
- Share of Service business from 12% to 15%
- EBIT EUR 11.0 (8.4) million, EBIT margin 4.2% (3.3%)
- Adjusted EBIT EUR 11.0 (10.5) million, adjusted EBIT margin 4.2% (4.1%)
- Personnel, average 933 (910)
- Free cash flow EUR 10.9 (8.9) million
- Order backlog EUR 190.8 (181.3) million, up by +5.2% year-on-year
- Net interest-bearing debt EUR 12.1 (17.4) million
- Gearing at 40.8% (70.9%)
- Earnings per share EUR 1.05 (0.61)
- Number of shareholders at year end 1788 (1025); 23 March 2017: 2642

Performance by business segment

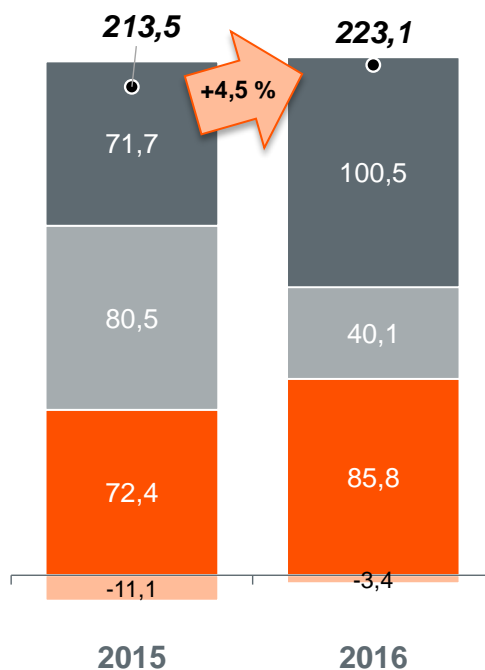
NET SALES

MEUR



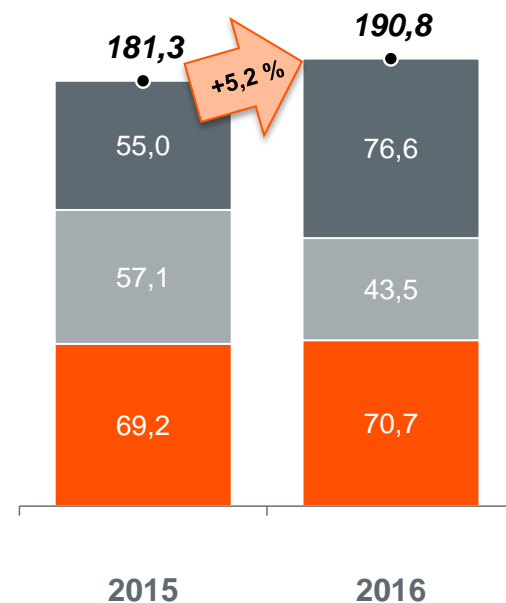
ORDER INTAKE

MEUR



ORDER BACKLOG

MEUR



Technical Building Services



Renovation Contracting



Building Facades

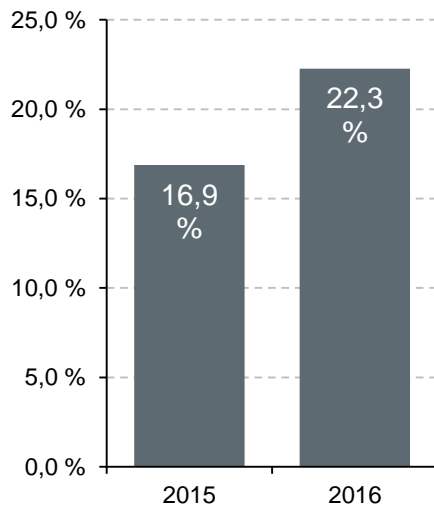


Eliminations

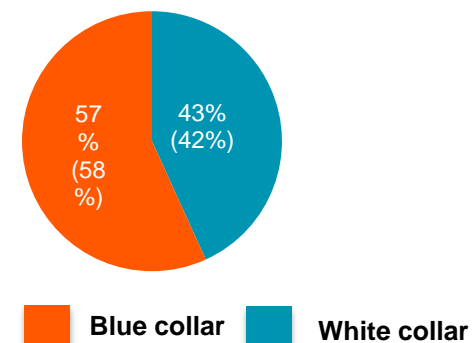
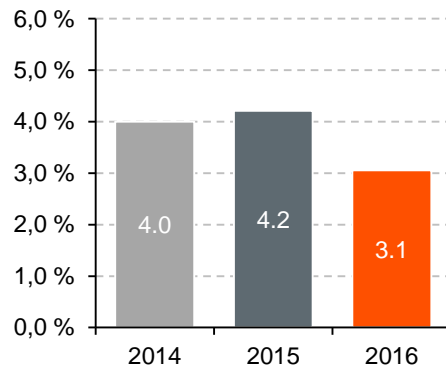
Personnel

- 2016 average 933 (910)
- 2016 year end 935 (890)
- 2017 Feb 991

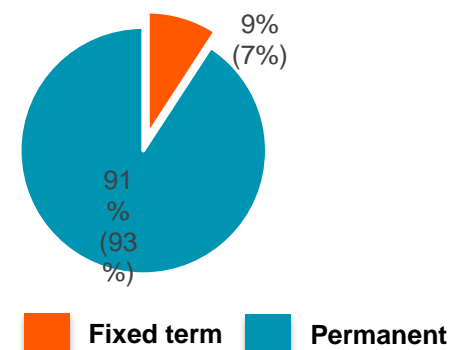
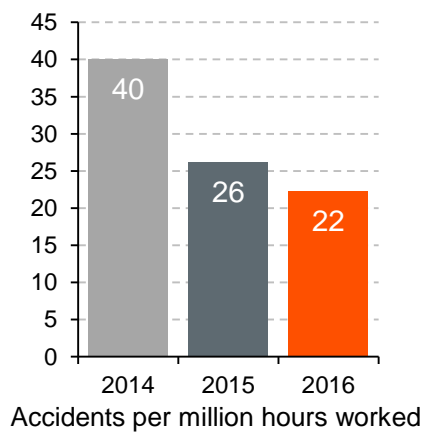
PERMANENT
PERSONNEL TURNOVER



AVERAGE ABSENCE
RATE



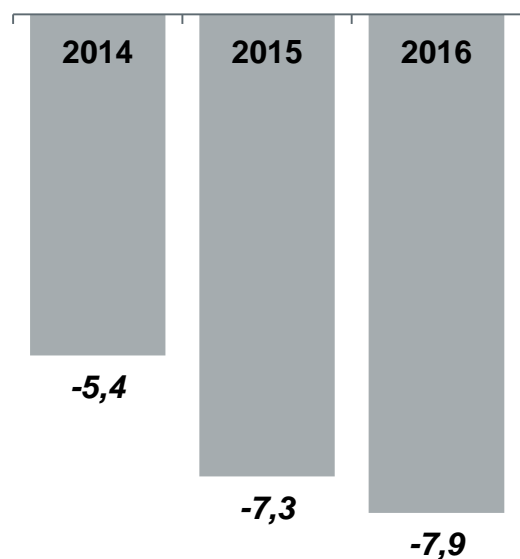
ACCIDENT RATE



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

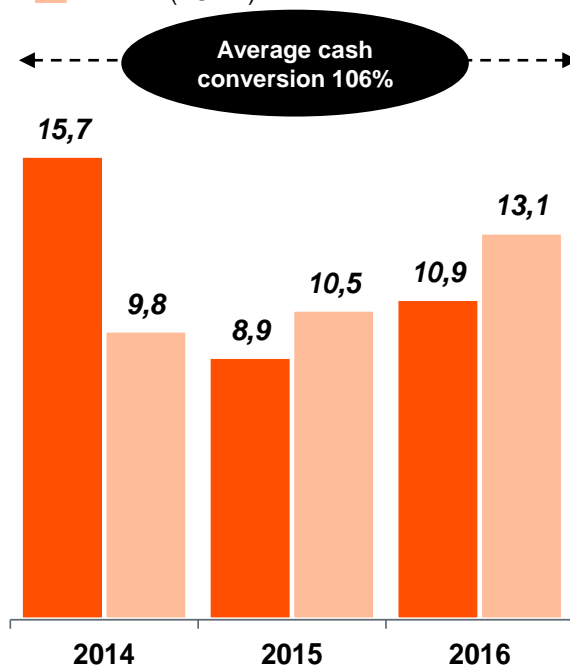
Net working capital

■ Net working capital at year-end (EURm)



Cash conversion¹⁾

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



Balance sheet KPIs as per 31 Dec 2016

40.8%
Gearing

34.5%
Equity ratio

EUR
12.1m
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 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 2016

Growth	Profitability	Cash flow	Capital structure	Dividends
<i>Average annual growth in net sales of at least 10%</i>	<i>Adjusted EBIT-margin exceeding 5 percent</i>	<i>Cash conversion ratio exceeding 90 percent¹</i>	<i>Net debt to adjusted EBITDA ratio of less than 2.5x while maintaining an efficient capital structure</i>	<i>The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit²</i>
<u>FY 2016</u>	<u>FY 2016</u>	<u>FY 2016</u>	<u>FY 2016</u>	<u>FY 2016 proposal</u>
+2.1%	4.2%	82.8%	0.9x	51.5%
<ul style="list-style-type: none"> Growth slowed down in 2016, long-term CAGR 2011-16 13.1% still above the target level 	<ul style="list-style-type: none"> Profitability steadily improving, efforts continue to meet the target level 	<ul style="list-style-type: none"> Target was almost achieved in 2016, long-term ratio above target level 	<ul style="list-style-type: none"> Target was clearly achieved on balance sheet date 2016 	<ul style="list-style-type: none"> Board proposes dividend of EUR 0.54 per share, or 51.5% of 2016 EPS
			✓	✓

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.

Active screening of M&A candidates

Consti Group's strategy

Demonstrated financial track record

Good organisational fit

Relevant M&A targets

$N = X$

$N \sim 50$

- Expansion in Finland's growth centers
- Strengthening of the offering
- Growth in Service business

- Established strong local presence with good customer relations and healthy order backlog
- Access to reliable financial data
- No specific limitations in terms of size (net sales)

- Minimised overlap with Consti's current businesses
- Committed management with clear future roles and responsibilities
- Smooth integration to attain scalable value

- For instance:
 - Roof renovation and glass construction companies
 - Service businesses
 - Pipeline renovation and building automation specialists
 - New geograph. areas

Aquisitions from 2016 on

- **Eleta Talotekniikka Oy**, January 2016
 - Building automation services in Helsinki region since 1987
 - Net sales for 2015 approx. EUR 2 million
 - **Pirkanmaan JT-Palvelut Oy**, November 2016
 - Maintenance and repair of facades in Pirkanmaa region since 1989
 - Net sales for 2015 approx. EUR 1.3 million
 - **Cool Air Service Ky**, November 2016 (business combination)
 - Service and maintenance of cooling equipment in the Pirkanmaa region since 2012
 - Net sales for 2015 approx. EUR 0.2 million
-
- In January 2017 **Oulun Talosaneeraus Oy**
 - Pipeline renovations in Oulu region for 10 years
 - Net sales for 2016 approx. EUR 8 million
 - In March 2017 **Pisara-Steel Oy**
 - Roof renovations mostly in Helsinki region since 2000
 - Net sales for 2016 approx. EUR 2.4 million
-



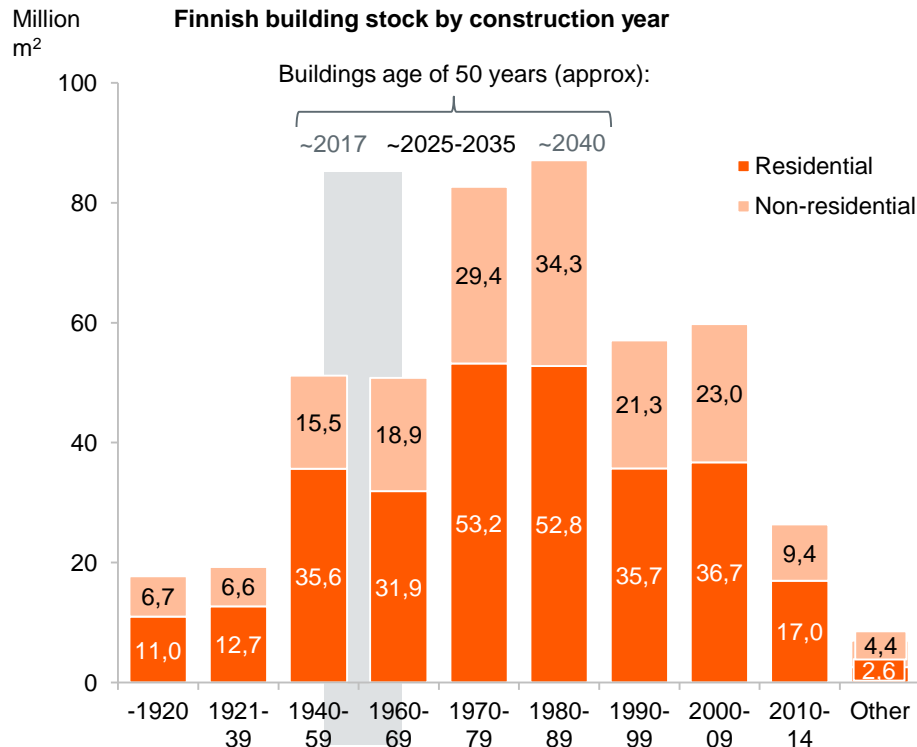
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- **Outlook for 2017**

Renovation market growth supported by a number of key structural growth drivers



Ageing building stock



Source: Statistics Finland



Energy efficiency



Urbanisation



Modifications of the use of buildings

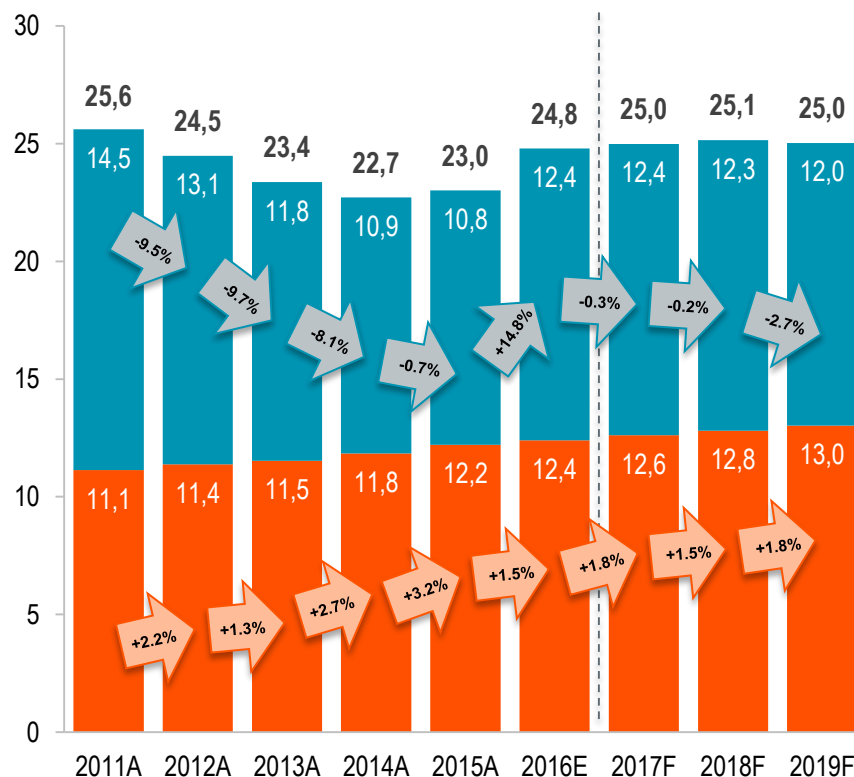


Increased need for building technology and automation

Stable growth in renovation to continue, new building grew strongly in 2016

Finnish new building and renovation market development

EURmrd ■ Renovation volume (real) ■ New building volume (real)



**CAGR
2017-19:
-1.1%**

**CAGR
2017-19:
+1.7%**

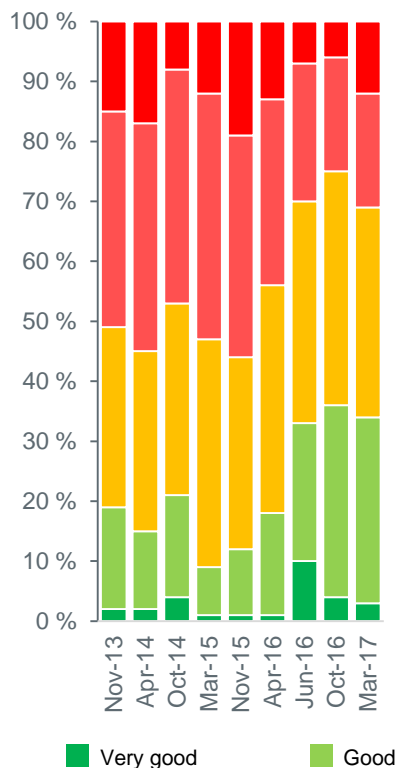
- Euroconstruct estimates renovation to have grown approximately +1.5, while projection for new building growth is as much as +14.8% in 2016
- Pace of renovation growth slowed down slightly in 2016 as a result of the strong increase in new building sector
- However, the renovation needs of existing building stock are believed to sustain steady renovation growth
- Renovation forecast for 2017:
 - Euroconstruct + 1.7% and CFCI +2.0%
 - 1970's apartments' total renovations, and renovations for saving energy
 - Schools and hospitals in particular

Source: Euroconstruct, December 2016

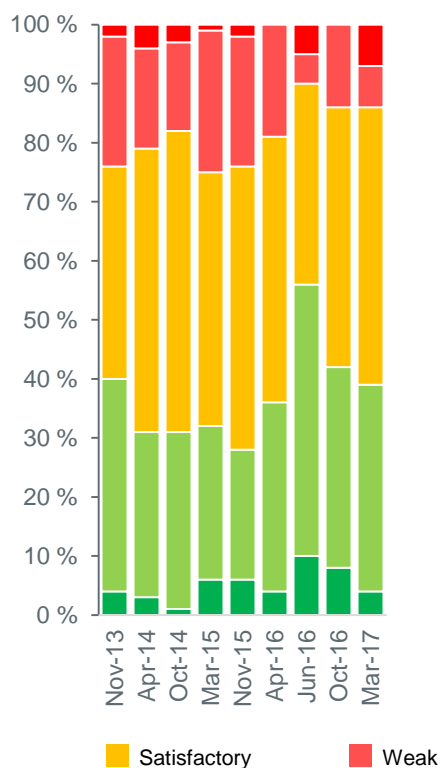
CFCI = The Confederation of Finnish Construction Industries, March 2017

HVAC market development

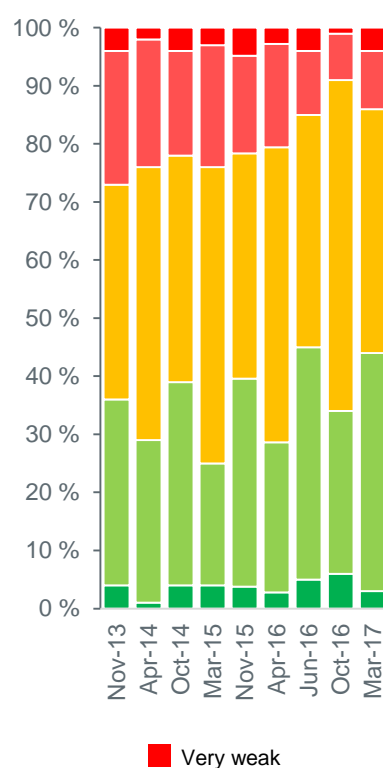
New construction



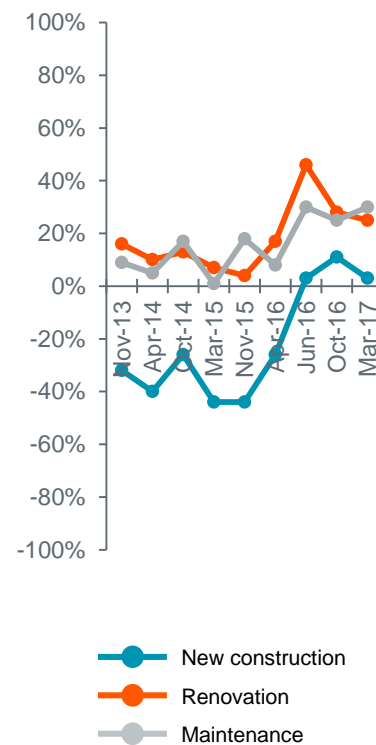
Renovation



Maintenance



Balanced view *



* Balanced view = Very good + Good - Weak - Very weak

Source: LVI-Tekniset Urakoitsijat LVI-TU ry, **Expert of HPAC industry**

Guidance for 2017

“The Company estimates that its total annual sales for 2017 will grow compared to 2016.”

