

A photograph of a modern office interior. The space is bright and airy, featuring large windows on the left side that let in natural light. The ceiling is white with exposed ductwork and modern lighting fixtures. The floor is a dark, textured material. A glass-walled office or meeting room is visible in the foreground, with a glass door leading into it. The overall aesthetic is clean and professional.

# CONSTI PLC

## FINANCIAL STATEMENTS

1 JANUARY –  
31 DECEMBER 2021

CEO Esa Korkeela  
CFO Joni Sorsanen

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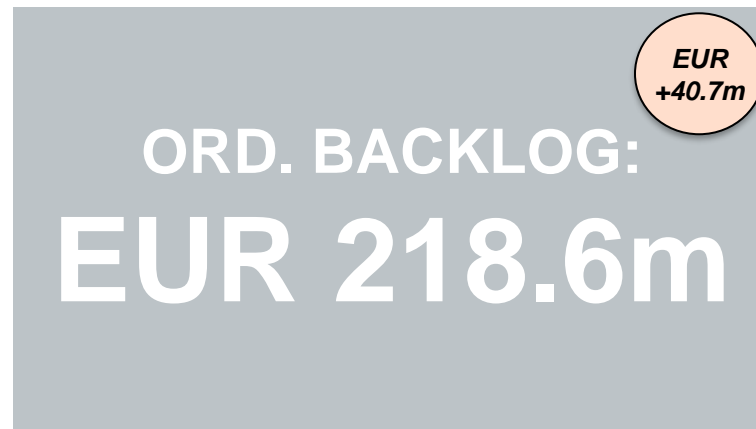
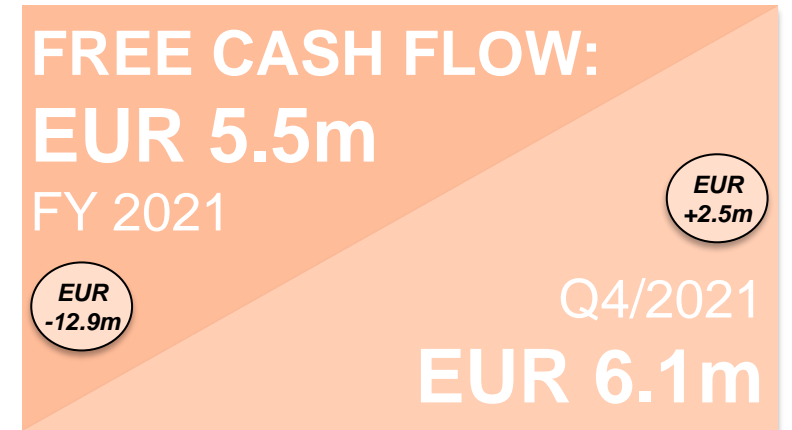
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1. **Highlights and Group performance**
2. Cash flow and financial position
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# Highlights of FY 2021 and Q4/2021

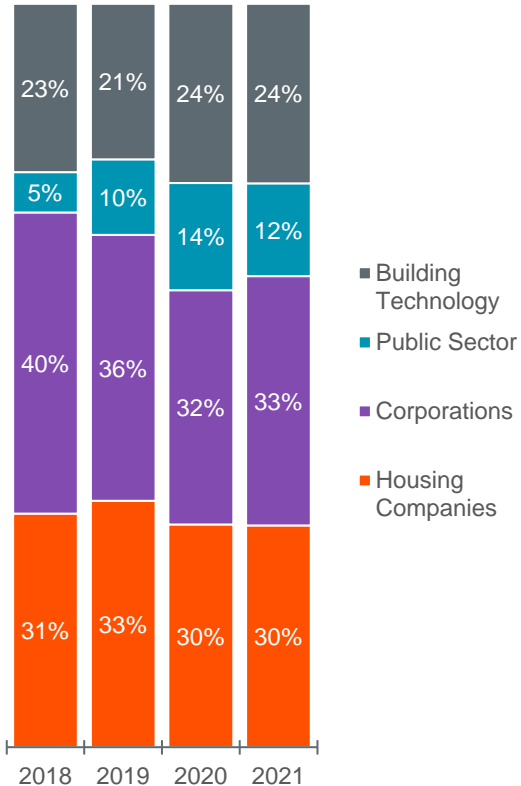
Solid performance continued



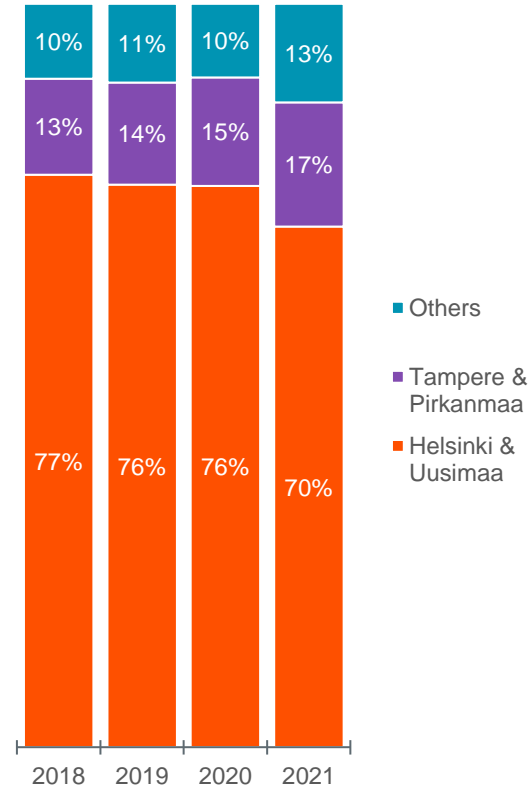
# Consti Group's net sales overview 2018-21

Business area split almost intact year-on-year. Tampere and other geographical areas outgrew capital region in 2021

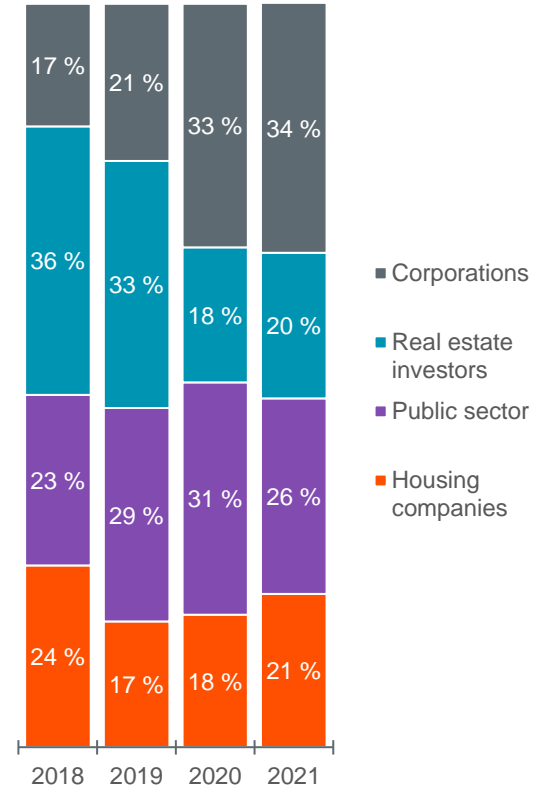
## Net sales by business area



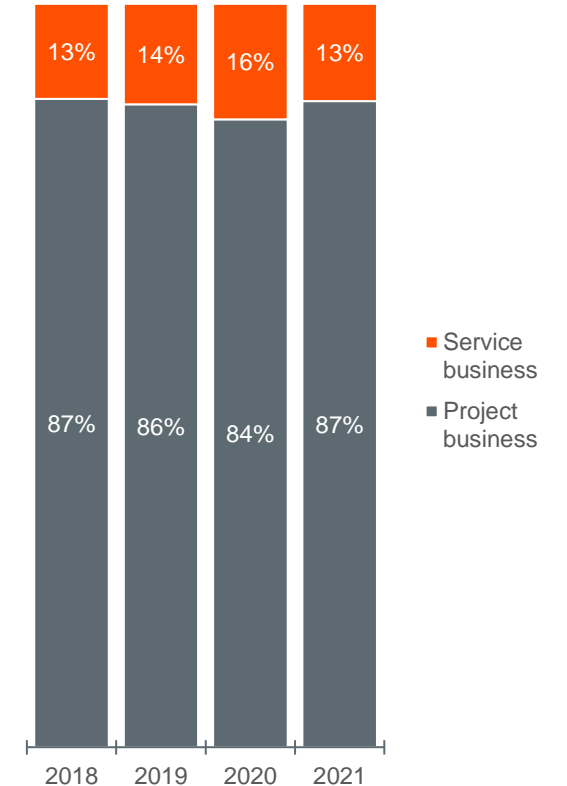
## Net sales by geography



## Net sales by customer group



## Net sales by project / service

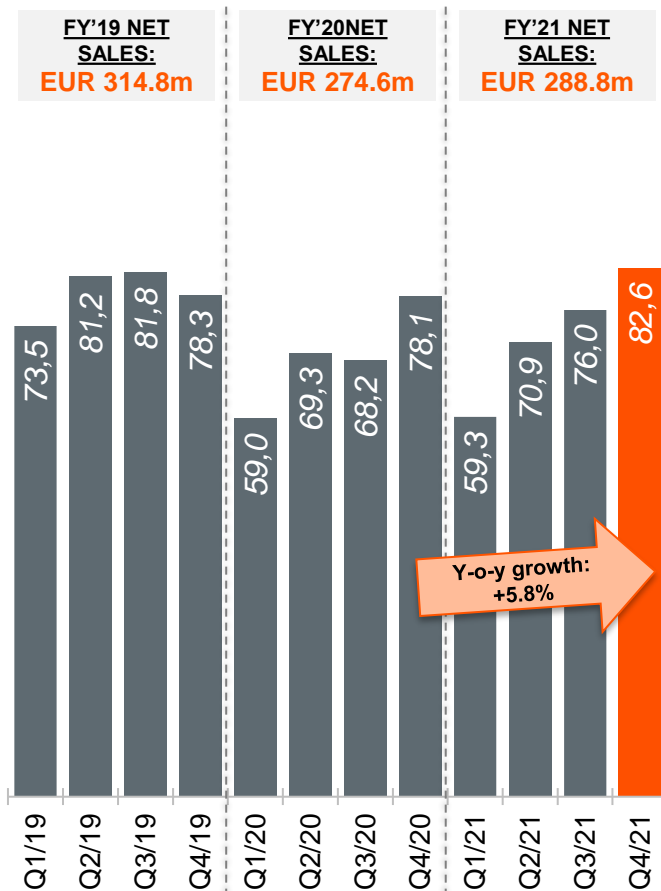


1) Business area splits excluding eliminations

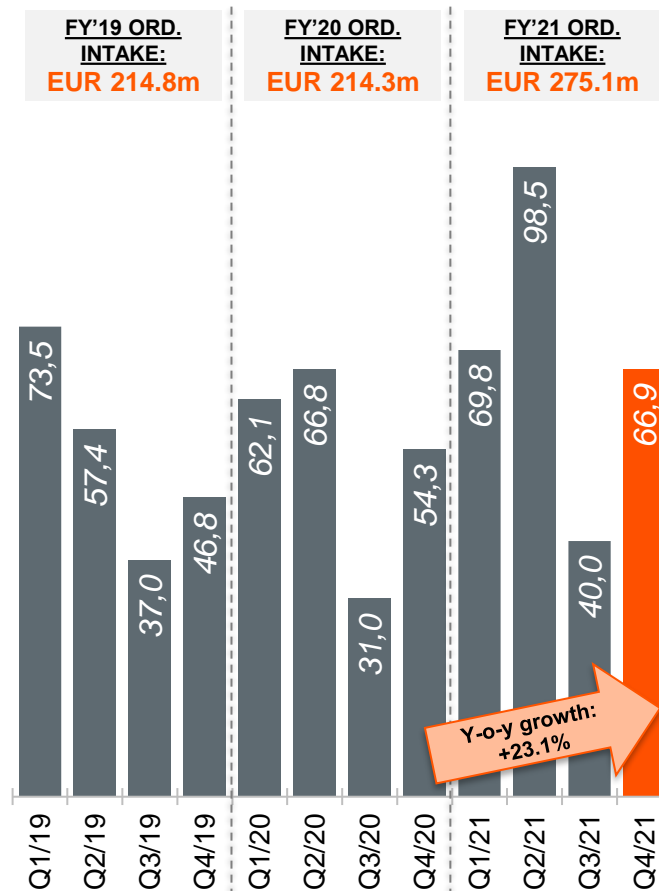
# Quarterly performance overview

Net sales, order intake and order backlog continues to grow year-on-year

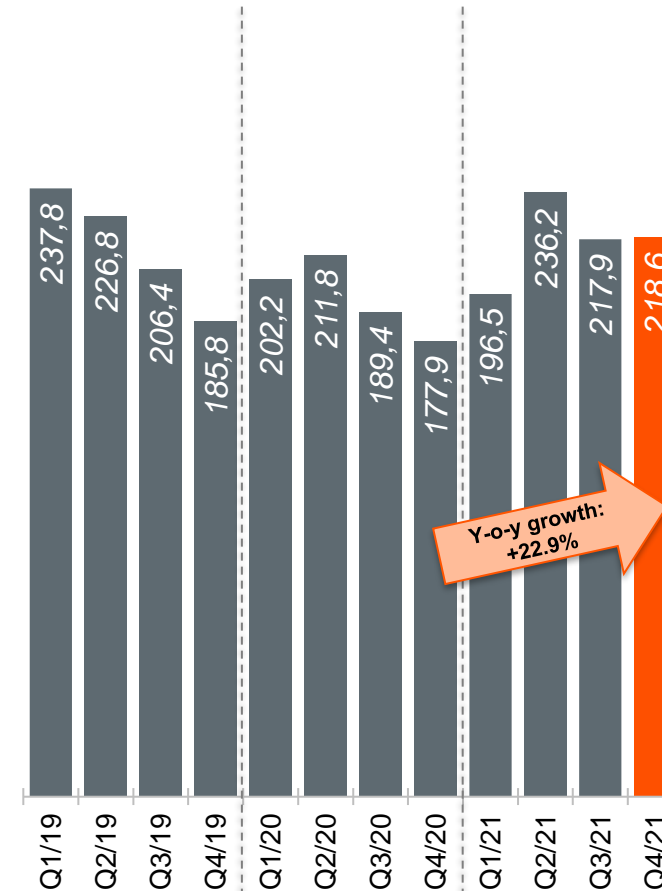
## QUARTERLY NET SALES (EUR m)



## QUARTERLY ORDER INTAKE (EUR m)



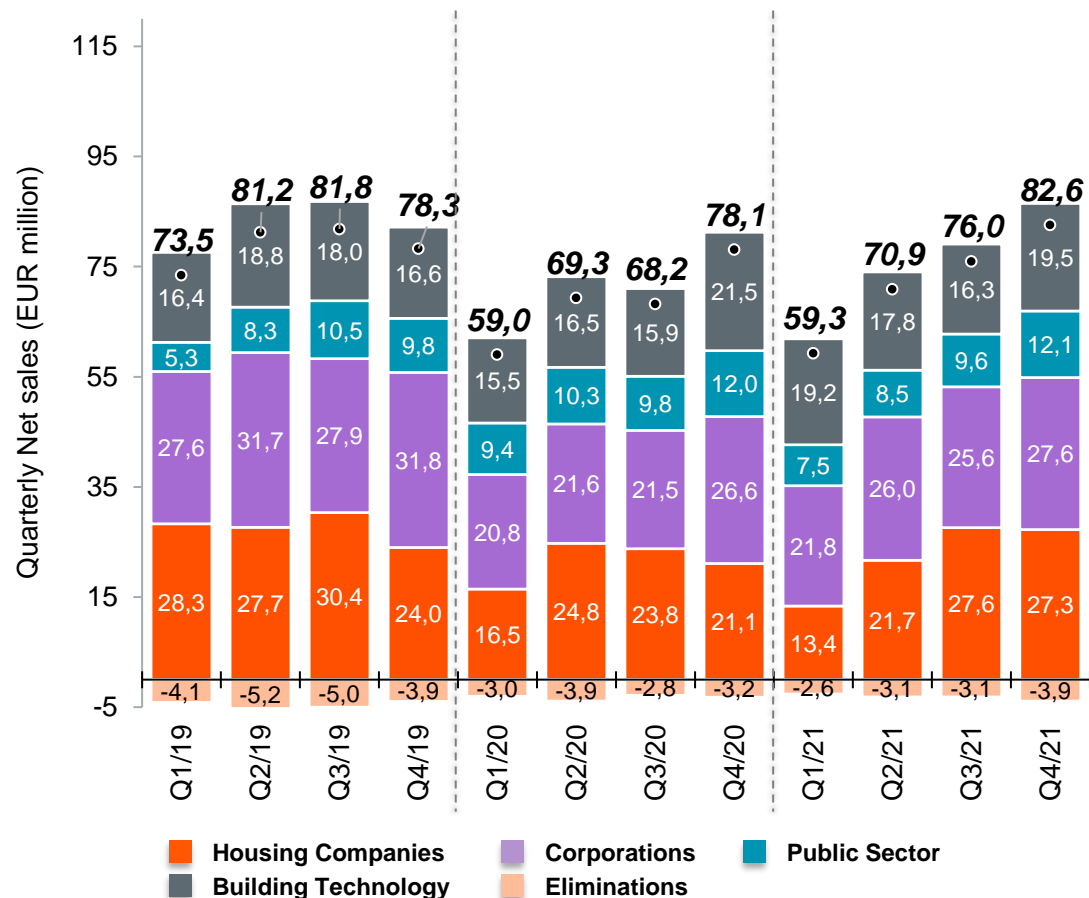
## QUARTERLY ORDER BACKLOG (EUR m)



# Quarterly net sales development

Q4/2021 net sales amounted to EUR 82.6m, growing 5.8% year-on-year

Quarterly net sales development Q1/2019 – Q4/2021 (EUR m)



## Comments

- Q4/2021 net sales EUR 82.6m (78.1m)
  - Year-on-year growth 5.8%
  - Organic growth 3.0%
  - Housing Companies net sales EUR 27.3m (21.1m)
  - Corporations net sales EUR 27.6m (26.6m)
  - Public Sector net sales EUR 12.1m (12.0m)
  - Building Technology net sales EUR 19.5m (21.5m)
- FY 2021 net sales EUR 288.8m (274.6m)
  - Year-on-year growth 5.1%
  - Organic growth 4.1%
  - Housing Companies net sales EUR 90.0m (86.1m) → net sales increased mainly as a result of the acquisition of RA-Urakointi Oy that was completed in August 2021
  - Corporations net sales EUR 101.0m (90.6m) → net sales grew in Greater Helsinki area as well as in other areas
  - Public Sector net sales EUR 37.7m (41.4m)
  - Building Technology net sales EUR 72.9m (69.3m) → net sales increased in building technology installations business but decreased in service business

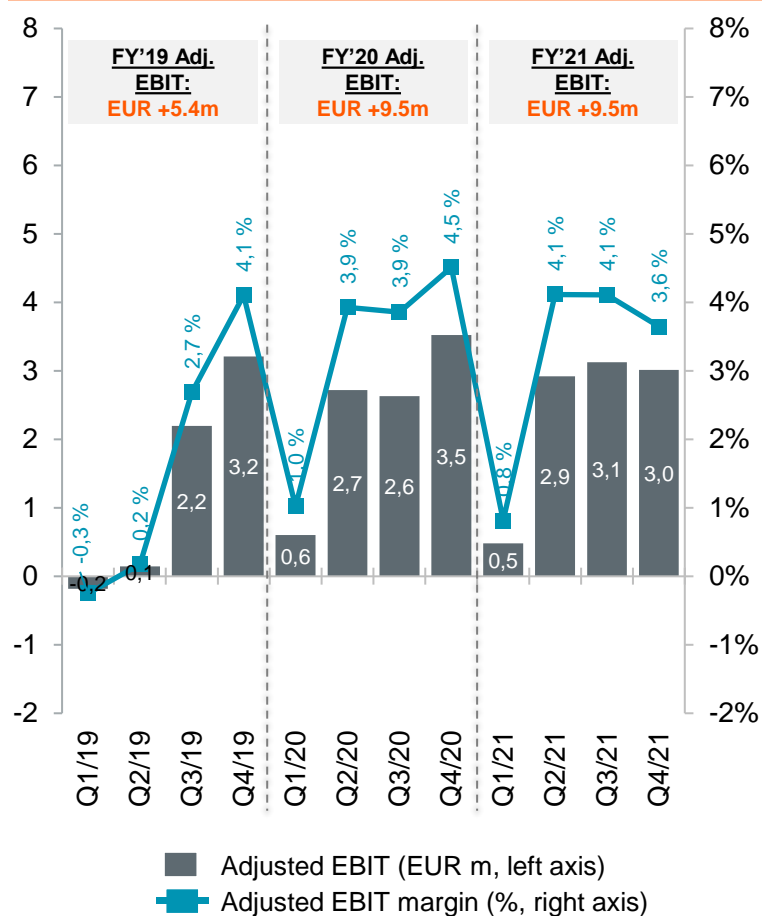
# Quarterly Adjusted EBIT and EBIT development

## Full-year adjusted EBIT amounted to EUR 9.5m

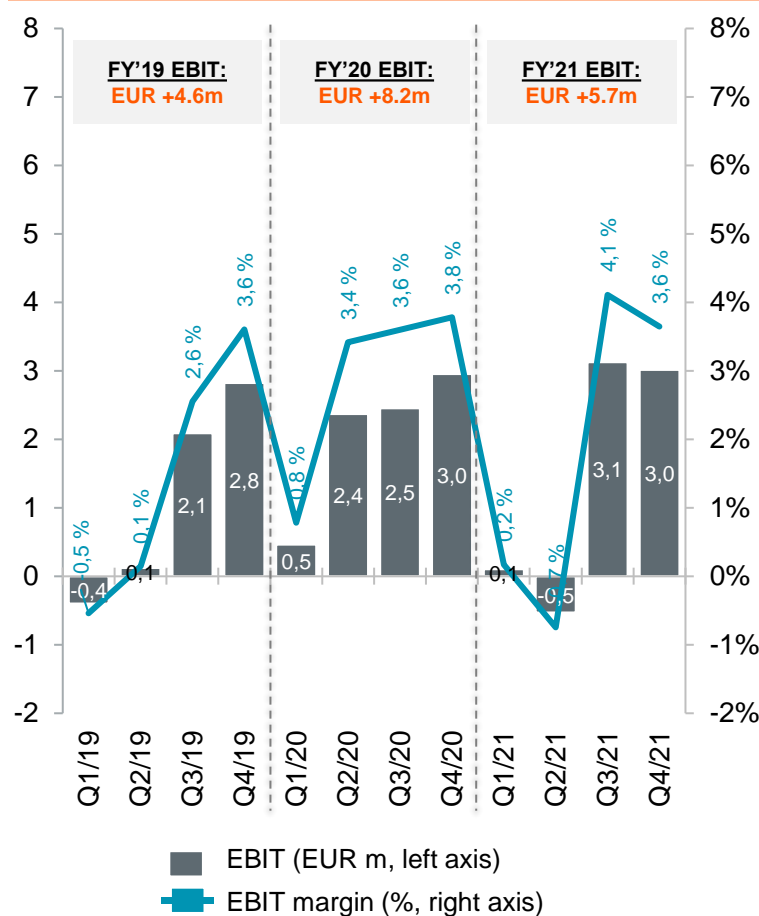
\*Adjusted EBIT = EBIT before items affecting comparability (IAC)

- IAC during the reporting period and comparison periods = Financial impact of arbitral award received in June 2021 as well as legal cost related to the arbitration proceedings

Quarterly Adjusted EBIT\* development  
Q1/2019 – Q4/2021 (EUR m)



Quarterly EBIT development  
Q1/2019 – Q4/2021 (EUR m)



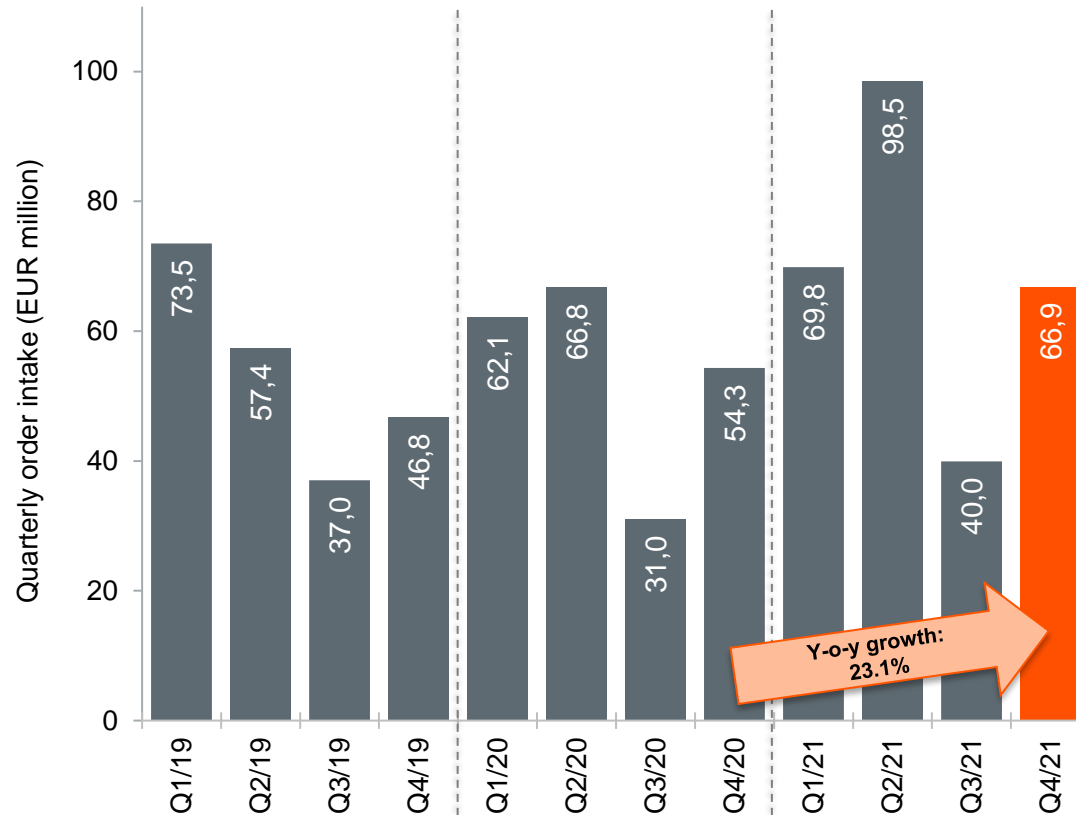
### Comments

- Operationally the last quarter of the year was twofold. The best business units' performance was excellent, but the performance of two regional business units with poor profitability was weaker than expected
  - Q4/2021 Adjusted EBIT EUR 3.0 (3.5) million, or 3.6% (4.5%) of net sales
  - FY 2021 Adjusted EBIT EUR 9.5 (9.5) million, or 3.3% (3.5%) of net sales
  - Corrective actions to improve two regional business units' performance ongoing
- Reported FY 2021 EBIT impacted by non-recurring items affecting comparability of EUR 3.8m related to St. George arbitral tribunal's award received in June 2021 as well as legal costs
  - Q4/2021 EBIT amounted to EUR 3.0 (3.0) million, or 3.6% (3.8%) of net sales
  - FY 2021 EBIT amounted to EUR 5.7 (8.2) million, or 2.0% (3.0%) of net sales

# Quarterly order intake development

Q4/2021 order intake EUR 66.9 million (54.3m), up by 23.1 percent y-o-y

Quarterly order intake development Q1/2019 – Q4/2021 (EUR m)



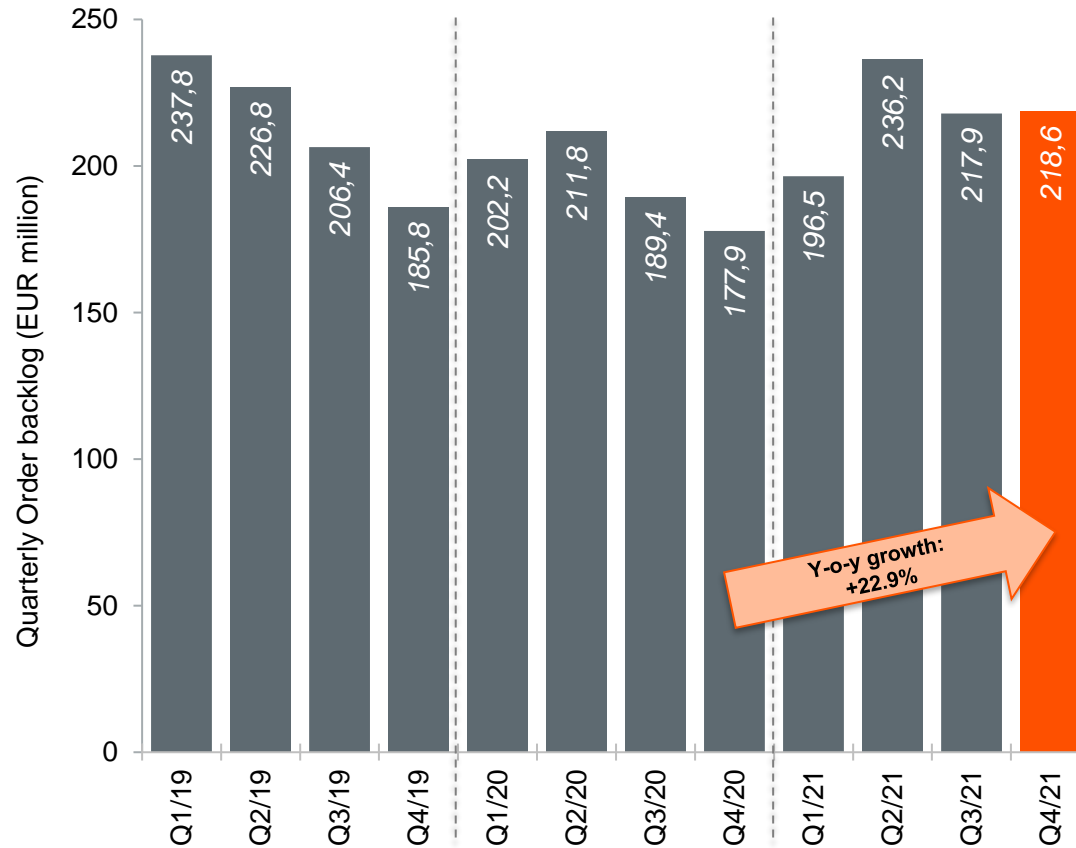
## Comments

- Q4/2021 order intake EUR 66.9m (54.3m)
  - Year-on-year growth 23.1%
  - Examples of new orders received in Q4:
    - Helsingin Ensikoti, a comprehensive renovation project whereby a part of the existing building will be dismantled and a new one constructed in its stead
    - As Oy Itäkumpu, plumbing renovation in Espoo
    - S-market Redi, technical installation project in Helsinki
- Strong order intake development in FY 2021, order intake value in Jan-Dec 2021 amounted to EUR 275.1m (214.3m), up by 28.4% year-on-year

# Quarterly order backlog development

Q4/2021 order backlog at EUR 218.6 million (177.9m), up by 22.9% y-o-y

Quarterly order backlog development Q1/2019 – Q4/2021 (EUR m)



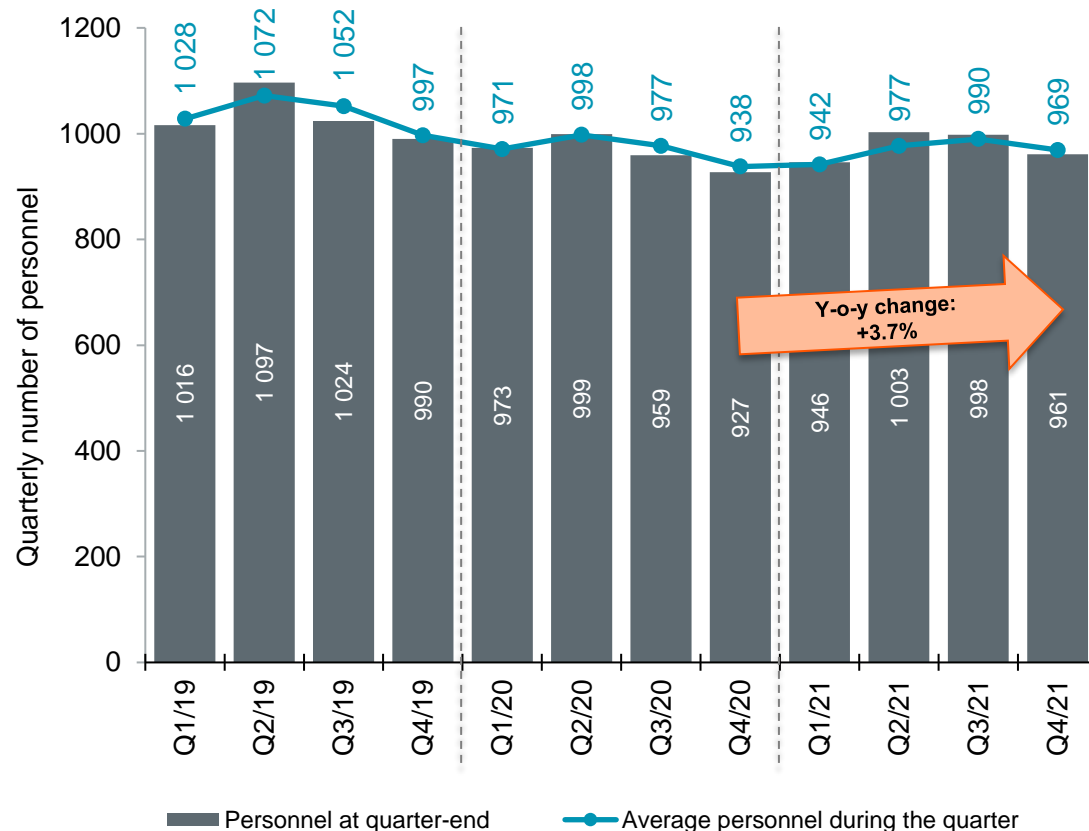
## Comments

- Q4/2021 order backlog at EUR 218.6m (177.9m)
- Order backlog at year-end 22.9% higher compared to previous year-end
- Strong order backlog to support solid performance going forward

# Quarterly development in number of personnel

Total number of personnel at the end of Q4/2021 increased by 34 year-on-year

Quarterly development in number of personnel Q1/2019 – Q4/2021



Comments

- Number of personnel at the end of Q4/2021 961 (927), increase of 34
  - Acquisition of RA-Urakointi Oy in August 2021 increased number of personnel by 30
- Average number of personnel during Q4/2021 969 (938), increase of 31
- Average number of personnel during FY 2021 969 (971), reduction of 2

# Implementation of Group Strategy progressed according to plan in 2021

	Focus Areas	Objectives	Achievements in FY2021	
Utilising the full potential of customer-oriented organisational structure	1	<ul style="list-style-type: none"> <li><b>Growth in current business</b></li> </ul>	<ul style="list-style-type: none"> <li>Controlled and profitable growth in attractive renovation and building technology segments</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of RA-Urakointi Oy in order to meet the increased demand in housing company market</li> <li>Regional footprint increasing, share of capital area decreased to 70% (76% in 2020)</li> </ul>
	2	<ul style="list-style-type: none"> <li><b>New businesses</b></li> </ul>	<ul style="list-style-type: none"> <li>Comprehensively answering customer needs by growing in attractive new construction projects</li> </ul>	<ul style="list-style-type: none"> <li>Two new building projects started in June 2021</li> <li>Share of net sales from new building market increased to approximately 16% (~10% in 2020)</li> </ul>
	3	<ul style="list-style-type: none"> <li><b>Improving relative profitability</b></li> </ul>	<ul style="list-style-type: none"> <li>Expanding value created for customers and active management of business portfolio</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of capabilities in project development, design management and energy efficiency</li> <li>Changes in Technical Building Services management to drive profitable growth particularly in service business</li> </ul>
	4	<ul style="list-style-type: none"> <li><b>Improving production efficiency</b></li> </ul>	<ul style="list-style-type: none"> <li>The industry's most efficient production</li> <li>Steady level of performance in project deliveries</li> </ul>	<ul style="list-style-type: none"> <li>Development of procurement function</li> <li>Partner program for subcontractors</li> <li>New digital solution for quality management of projects</li> <li>Increase in utilisation of Lean and takt time principles</li> </ul>
	5	<ul style="list-style-type: none"> <li><b>People and management</b></li> </ul>	<ul style="list-style-type: none"> <li>Supporting profitable growth by investing in the implementation of the Consti Way, expanding competence, adding diversity, and adopting LEAN principles</li> </ul>	<ul style="list-style-type: none"> <li>New digital solution for personnel training (also on site)</li> <li>Development of learning and training processes and content based on Consti Way</li> <li>Increase in diversity in new recruitments</li> </ul>
	6	<ul style="list-style-type: none"> <li><b>Corporate social responsibility and sustainable development</b></li> </ul>	<ul style="list-style-type: none"> <li>Concentrating on updated responsibility themes, which are environmentally friendly business, work safety and well-being at work, supply chain and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Implementation in accordance with selected themes</li> <li>Development of tools and measures for e.g. carbon footprint, construction waste and occupational safety</li> <li>EU Taxonomy analysis: Net sales 100% taxonomy eligible</li> </ul>

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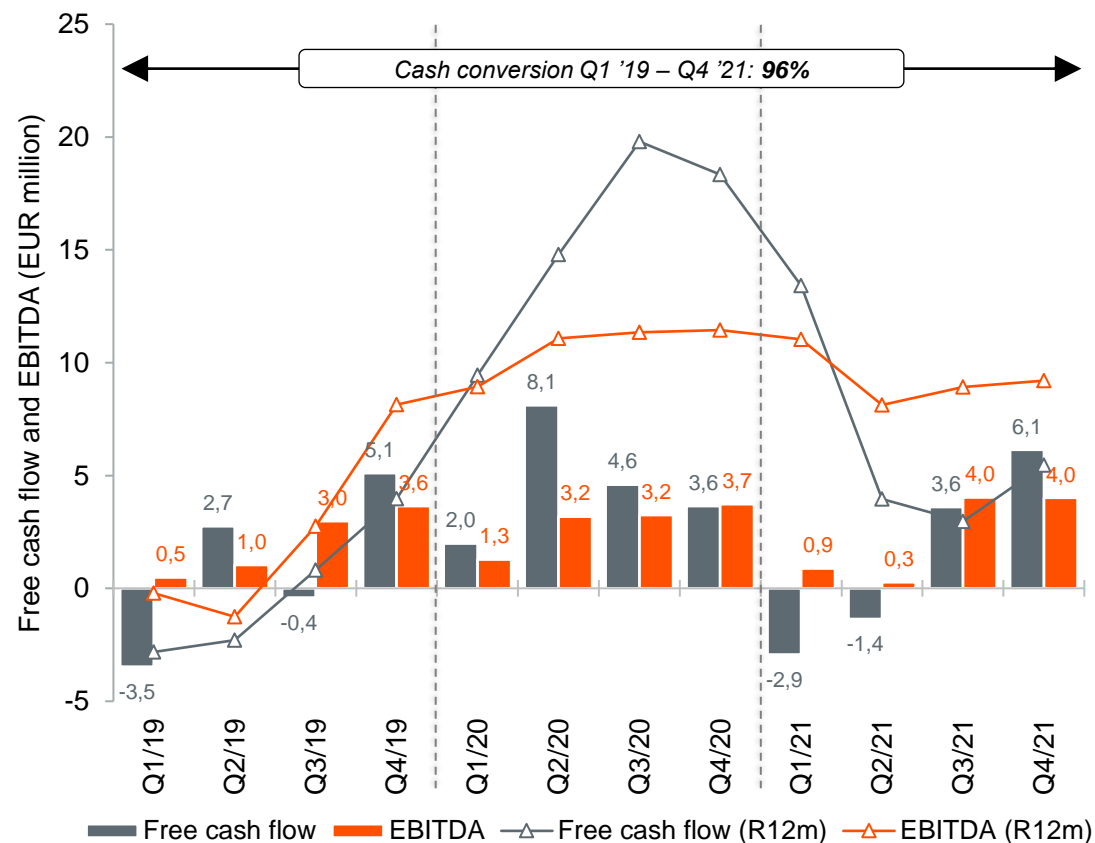
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# Quarterly free cash flow development

Q4 2021 free cash flow improved clearly year-on-year and was EUR 6.1 million

Quarterly free cash flow<sup>1)</sup> and EBITDA Q1/2019 – Q4/2021 (EUR m)



## Comments

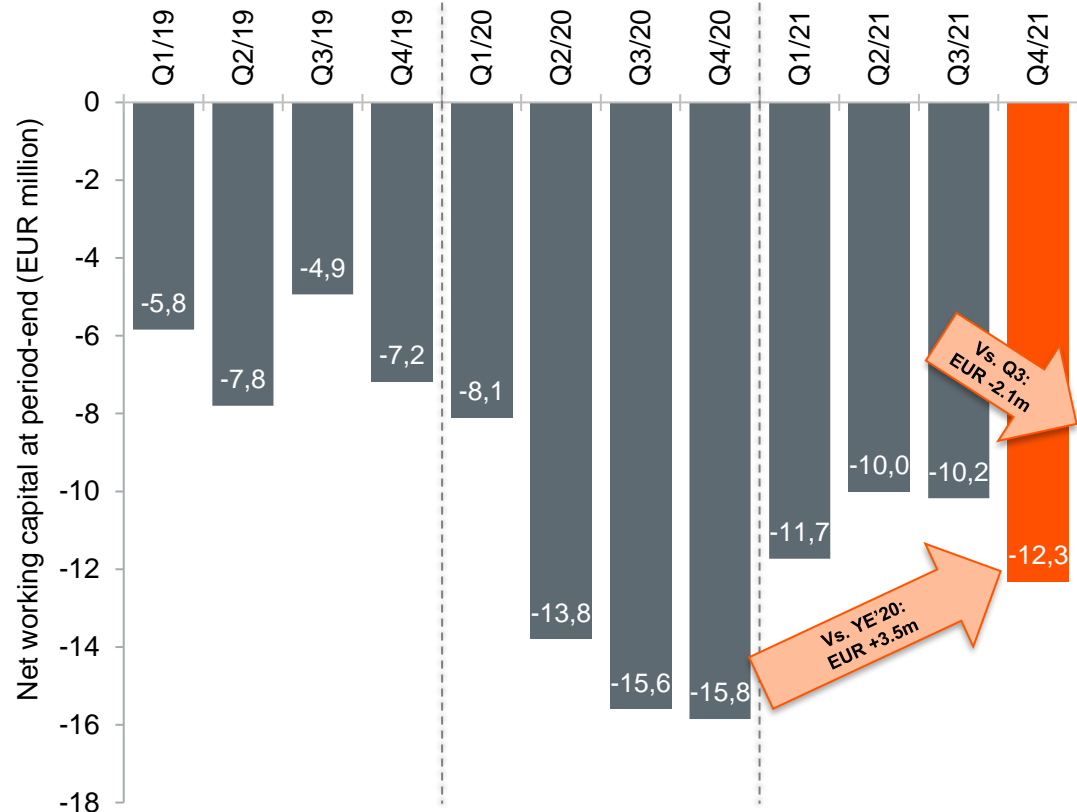
- Q4/2021 free cash flow EUR 6.1m (3.6m)
  - EBITDA amounted to EUR 4.0m (3.7m)
  - Cash flow impact from change in net working capital was EUR 2.2m (0.0m)
  - Cash flow from investments in tangible and intangible assets amounted to EUR -0.2m (-0.3m)
- FY 2021 free cash flow EUR 5.5m (18.3m)
  - EBITDA amounted to EUR 9.2m (11.4m)
  - Cash flow impact from change in net working capital was EUR -2.9m (7.7m)
  - Cash flow from investments in tangible and intangible assets amounted to EUR -1.4m (-1.2m)
- Rolling 12-month cash conversion ratio 59.3% (160.3%)
- In 2019-2021, Consti's cash conversion ratio was 96%, meeting the long-term financial target of >90%

<sup>1)</sup> 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

# Quarterly net working capital development

Net working capital at EUR -12.3 million at the end of Q4/2021

Quarterly net working capital<sup>1)</sup> Q1/2019 – Q4/2021 (EUR m)



## Comments

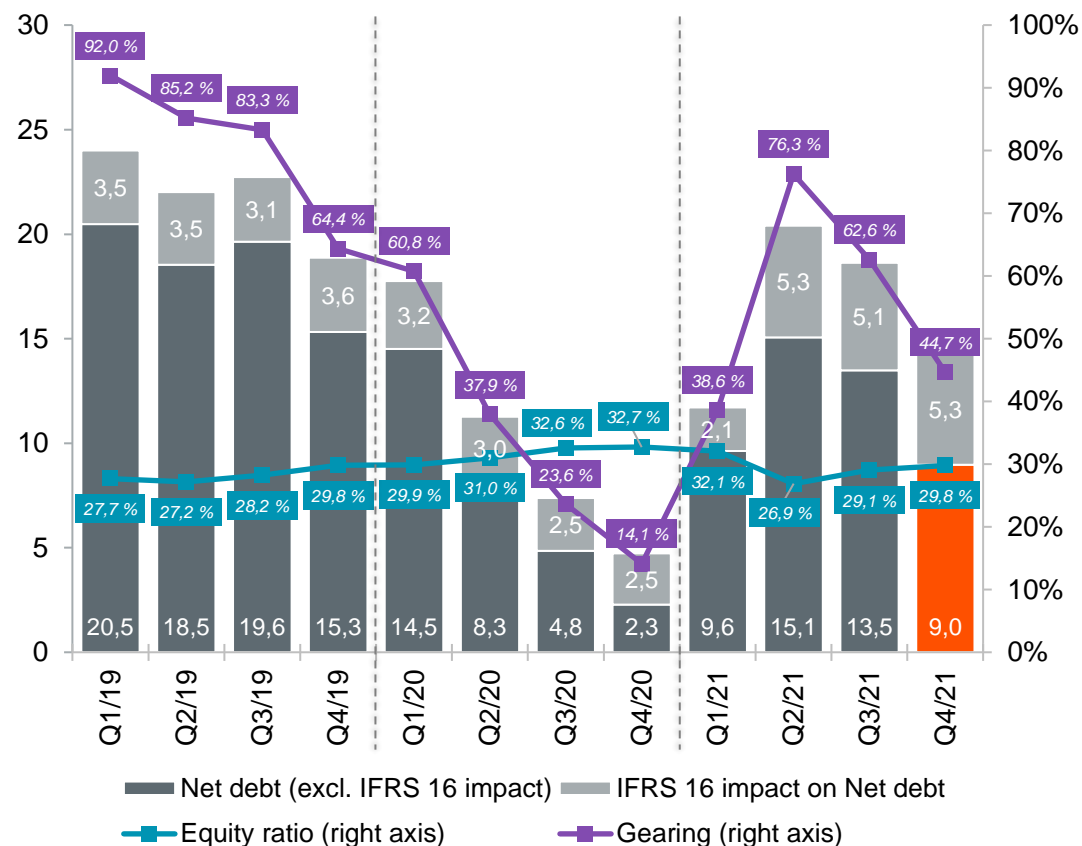
- Net working capital EUR -12.3m (-15.8m) at the end of Q4/2021
  - NWC released during Q4/2021 amounted to EUR 2.1m
  - NWC tied up during FY 2021 amounted to EUR 3.5m
  - In FY2021, NWC affected by a change in financial position of project portfolio
    - Majority of the change is due to a few large renovation projects advancing towards the final settlement phase during the period

1) Net working capital calculated as follows: Inventories + Trade and other receivables + Deferred tax receivables – Trade and other payables – Advances received – Provisions

# Quarterly balance sheet structure

## Q4 financial position strengthened compared to previous quarter

Quarterly net debt, equity ratio and gearing Q1/2019 – Q4/2021



### Comments

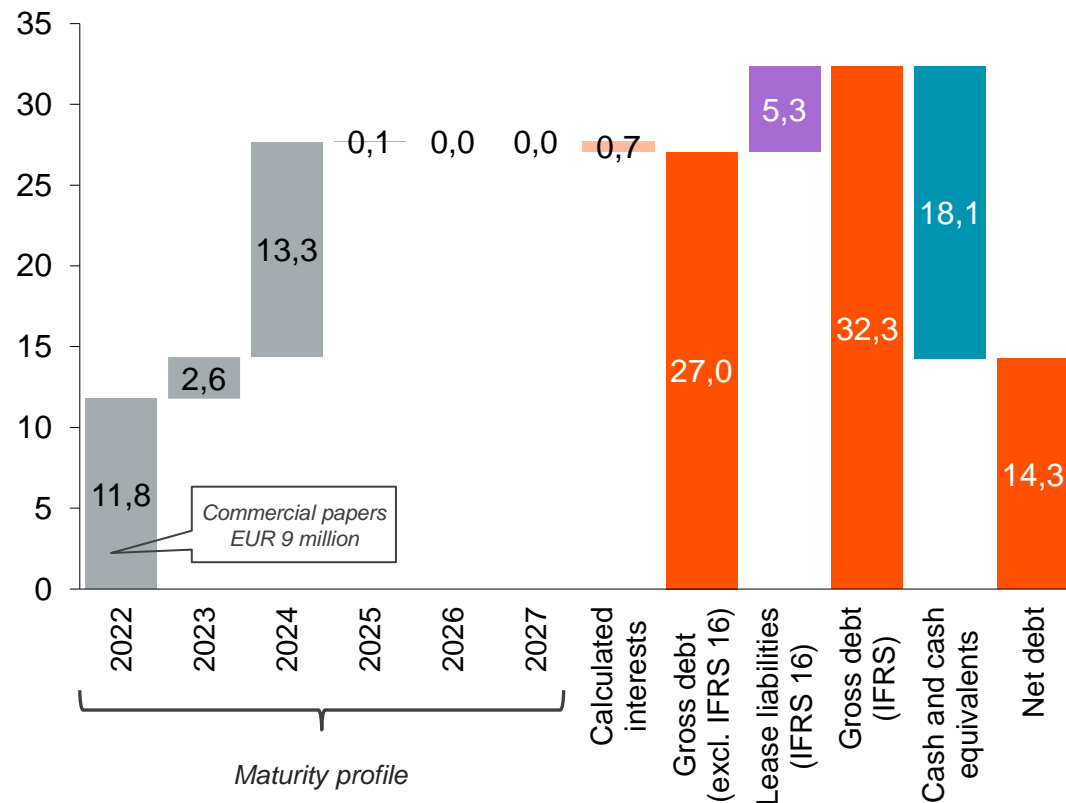
- Financial position as per 31 December 2021 strengthened compared to previous quarter
- Q4/2021 net debt at EUR 14.3m (4.7m), of which EUR 5.3 (2.5m) is attributable to IFRS 16 related lease liabilities
  - Net debt excluding IFRS 16 at EUR 9.0m (2.3m)
- Q4/2021 equity ratio at 29.8% (32.7%)
  - Equity ratio excluding IFRS 16 at 31.5% (33.6%)
- Q4/2021 gearing at 44.7% (14.1%)
  - Gearing excluding IFRS 16 at 27.9% (6.8%)

1) Net working capital calculated as follows: Inventories + Trade and other receivables + Deferred tax receivables – Trade and other payables – Advances received – Provisions

# Maturity distribution of interest-bearing debt (31 December 2021)

Consti refinanced its long-term loan in June 2021

Maturity profile of interest-bearing debt<sup>1)</sup> as per 31 Dec 2021 (EUR m)

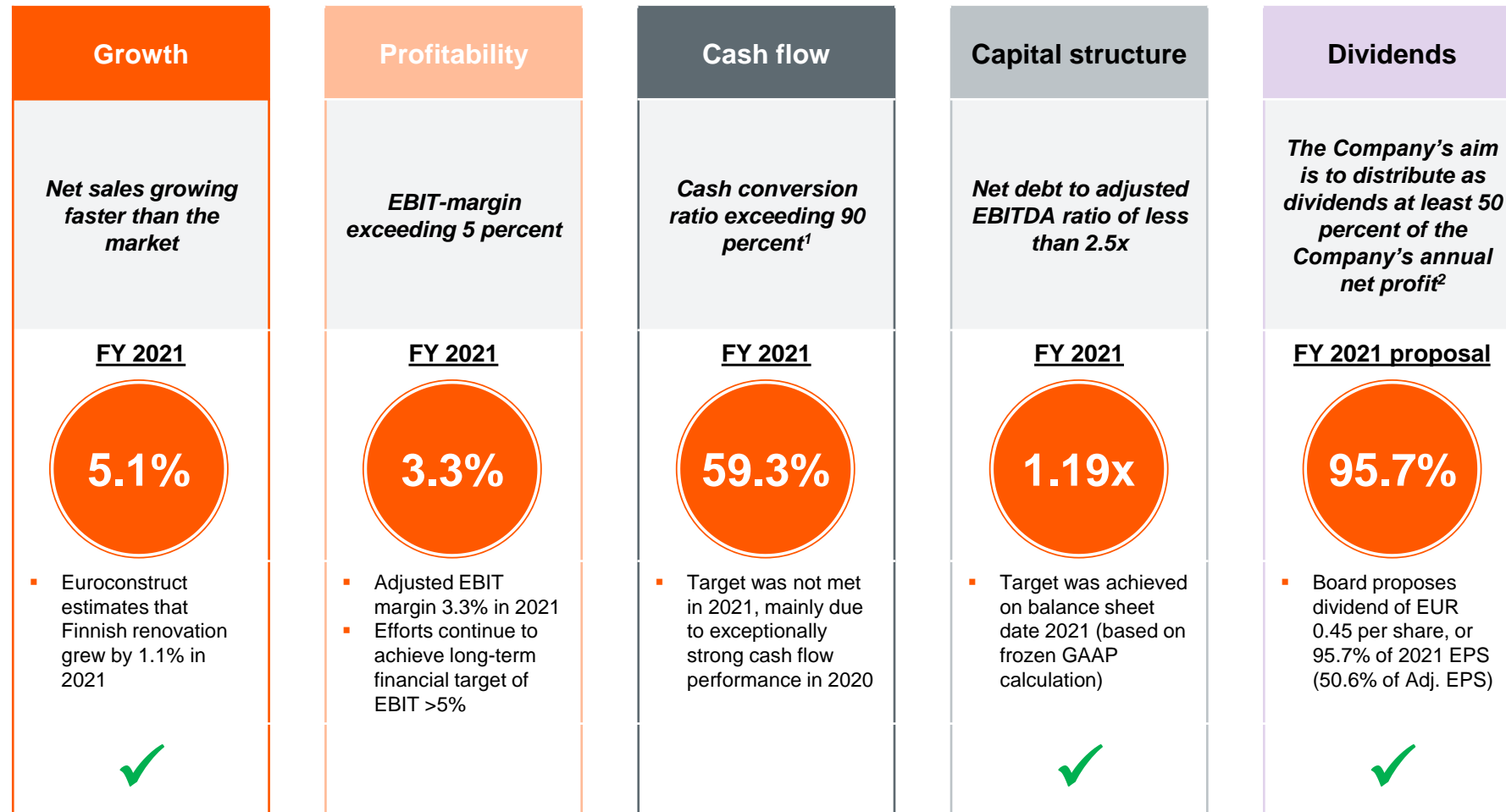


Comments

- Consti's gross interest-bearing debt at EUR 27.0 million (excluding IFRS 16) at the end of Q4/2021
- Cash and cash equivalents amounted to EUR 18.1m at year-end
- In addition, Consti has undrawn revolving credit facilities and unused credit limits amounting to EUR 8.0m in total
- Majority of Consti's bank loans have maturity in 2024 (with extension option in 2026), i.e. no significant bank loan redemptions in the coming years
- Refinancing of long-term loan in June 2021
  - Previous loan EUR 17.5 million in total, were paid back and EUR 18.0 million of new loan was raised in June
  - Refinancing extended the maturity for at least 3 years
  - New loan agreement includes an extension option → possibility to extend the maturity of the loan by a maximum of 2 years

<sup>1)</sup> Both calculated interest payments and repayments of the principal included in maturity profile values

# Realisation of Consti's long-term financial targets in 2021



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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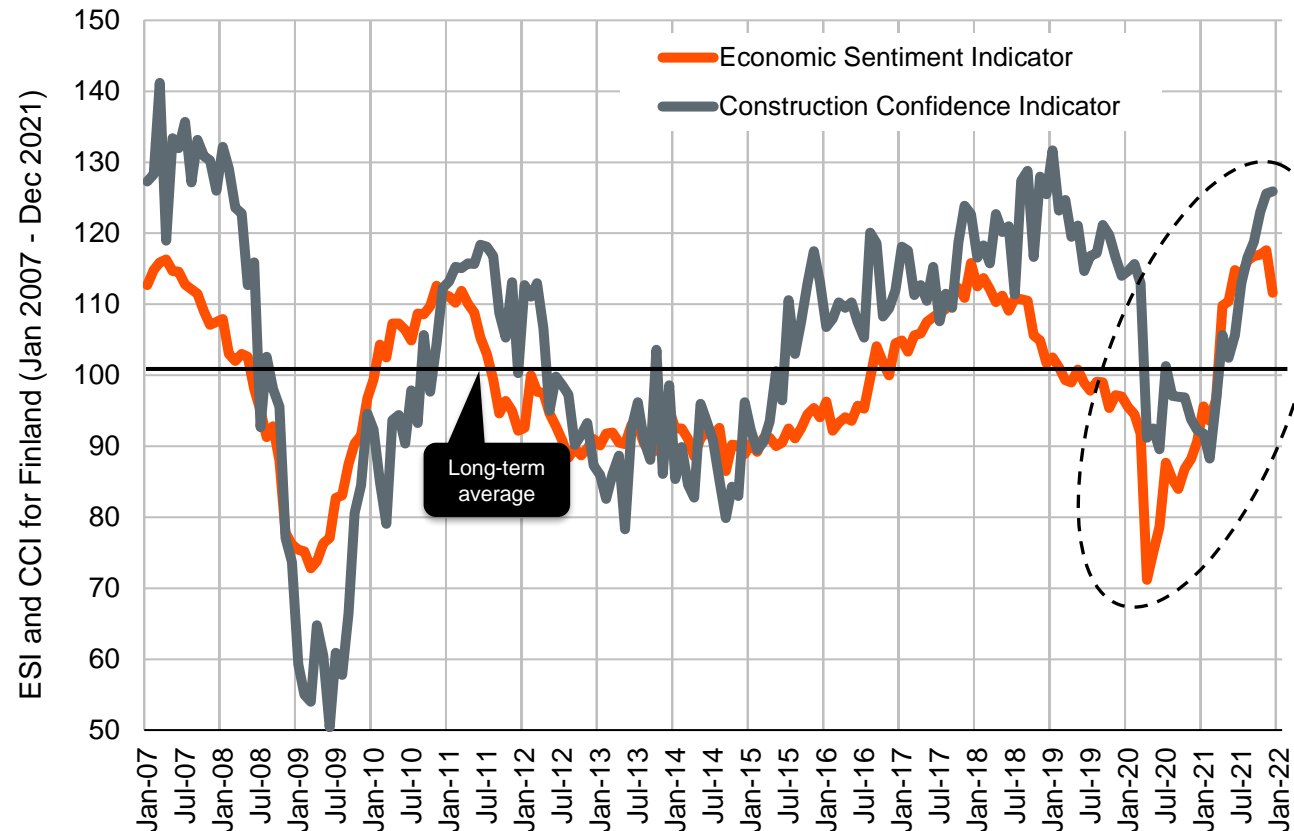
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# Economic sentiment and construction confidence in Finland have surpassed their long-term average levels as well as the pre-pandemic levels

Economic Sentiment and Construction Confidence / Finland (2007 – 12/2021)



Note: Mean-adjusted figures

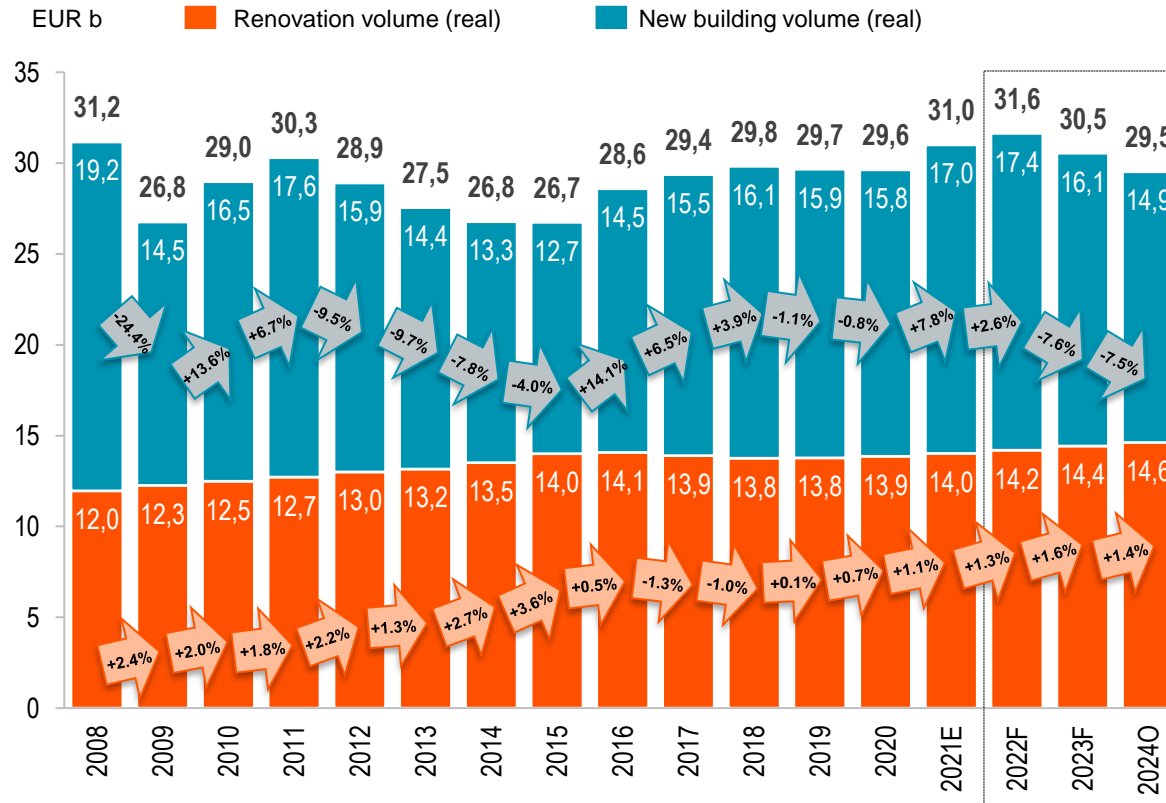
Source: European Commission, January 2022

## Comments

- The spread of coronavirus and its accompanying containment measures clearly visible in the development of confidence indicators 2020-21
- Both construction confidence and economic sentiment deteriorated sharply in April 2020, construction confidence falling clearly below the long-term average within one month
- Since April 2020, both indicators have recovered and weakened following the development of the pandemic situation
- At the end of December 2021, both indicators had already surpassed their long-term average levels as well as the pre-pandemic levels
- In December 2021, Economic Sentiment decreased but Construction Confidence continued to increase slightly

# Stable growth in renovation expected to continue going forward

## Finnish new building and renovation market development 2008 – 2024



Source: Euroconstruct, November 2021

Confederation of Finnish Construction Industries RT (CFCI), October 2021

## Comments

- According to Euroconstruct, the value of building renovation amounted to approximately EUR 14.0 billion in 2021, representing approximately 45% of total building volume
- Euroconstruct estimates that renovation grew by approximately 1.1 percent in 2021 and the Confederation of Finnish Construction Industries RT (CFCI) estimates growth of approximately 1 percent
- According to the Euroconstruct's November 2021 report, new building grew by 7.8% in 2021
- Euroconstruct estimates that building renovation will grow by 1.3 percent in 2022 and by 1.6 percent in 2023
- As for new building, Euroconstruct estimates growth of 2.6 percent in 2022 and a decrease of 7.6 percent in 2023

**CAGR  
2021-24:  
-4.3%**

**CAGR  
2021-24:  
+1.4%**

# Outlook and guidance for 2022

- The amount of construction is estimated to grow by around 2.0 percent in 2022 from the previous year.
- The renovation market is estimated to grow by approximately 1.3 percent in 2022. Renovations of both residential buildings and business premises are expected to increase.
- The most significant uncertainties in the operating environment in 2022 are related to rising construction costs and the availability of materials.
- In addition, the coronavirus pandemic may have a negative impact on the company's ability to carry out ongoing projects due to the large number of coronavirus cases.
- Strong order backlog and successful implementation of Group strategy to support Consti in continuing positive and solid performance in 2022.



- "The Company estimates that its operating result for 2022 will be in the range of EUR 9-13 million.

# Summary

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1. Solid performance continued in Q4 as well in FY 2021
2. Strong development in order intake and order backlog in FY 2021
3. The Board of Directors proposes a dividend of EUR 0.45 per share, growing 12.5% year-on-year
4. Implementation of strategy progressing according to plan and to support performance going forward
5. Renovation expected to grow in 2022, uncertainties relate to rising construction costs and the availability of materials as well as to the potential negative impact on projects due to large number of coronavirus cases
6. Strong order backlog and successful implementation of Group strategy to support performance in 2022

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A photograph of three people in orange safety vests. A woman in the center is smiling and holding a white coffee cup. Two men are on either side of her, also holding coffee cups and looking towards her. They are outdoors, possibly on a construction site.

**CONSTI**

**WAY**

THE CONSTI WAY IS CONSTI PEOPLE'S WAY OF WORKING AND LEADING

**CONSTI**

# We are all aiming at the same goal


**The Consti Way is Consti people's way of working and leading.**

Consti Way directs its whole personnel towards shared goals. In this, we build on the values that are important to us. The Consti Way is part of our every working day and client meeting. It lives on all our building sites and is felt in every meeting we have. The Consti Way guarantees our high quality and is the basis for our occupational welfare. It means respect and competitiveness. It means professional pride, openness and a pioneer spirit.

We are all Consti people – regardless of our field, skills or position.

We cooperate seamlessly across barriers and walls, and between building sites, in jointly agreed, functional and efficient ways.

We know how we work, we know our strengths and we always work in our clients' best interests.

A man and a woman are looking at a tablet together. The man is wearing a grey cap and a plaid shirt. The woman is wearing a white hard hat, glasses, a black scarf, and an orange safety vest with 'CONSTI' written on it. They are both smiling and looking at the tablet.

*“ We are all Consti people  
– regardless of our field,  
skills or position.*

**CONSTI**



**CONSTI**

**FINANCIAL STATEMENTS**

**1-12/2021**

**CONSTI PLC**

**FY 2021**

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