

# CONSTI PLC

## FINANCIAL STATEMENTS

1 JANUARY –  
31 DECEMBER 2024

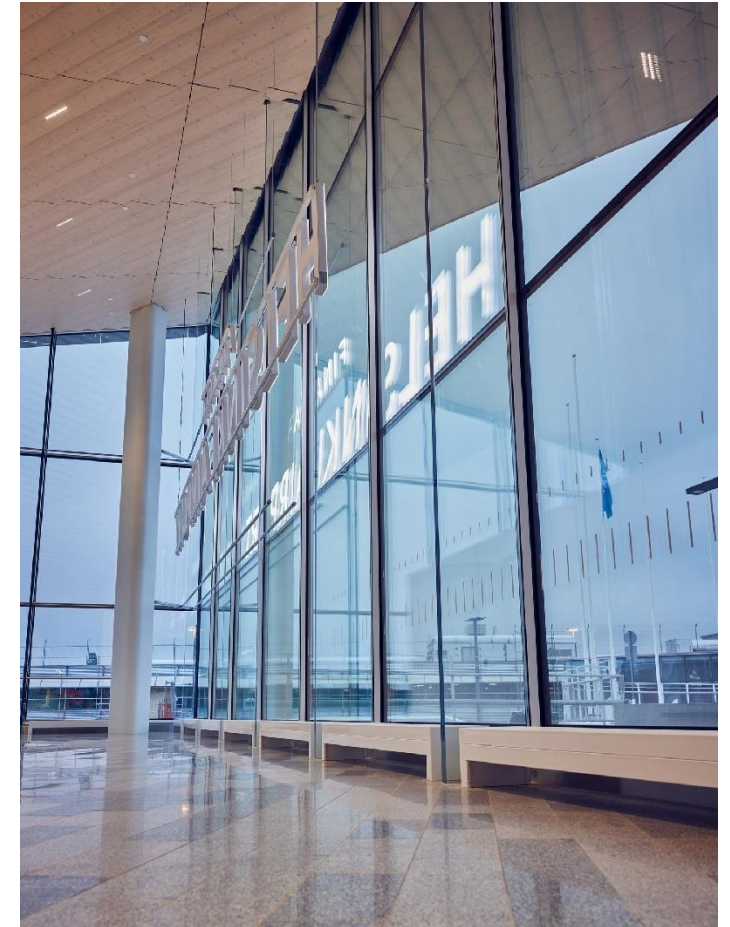
CEO Esa Korkeela  
CFO Anders Löfman



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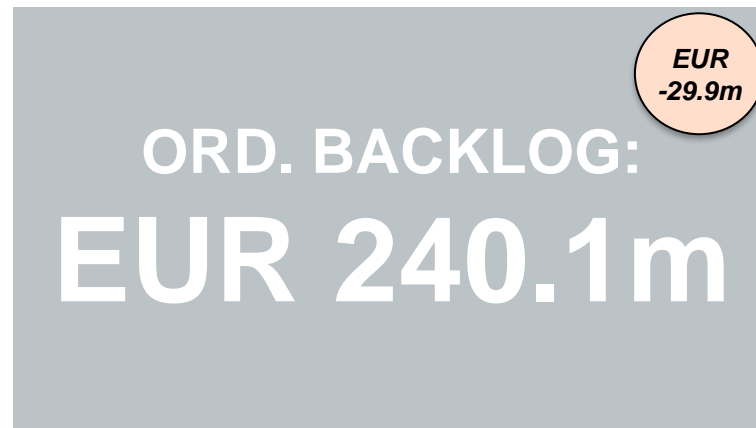
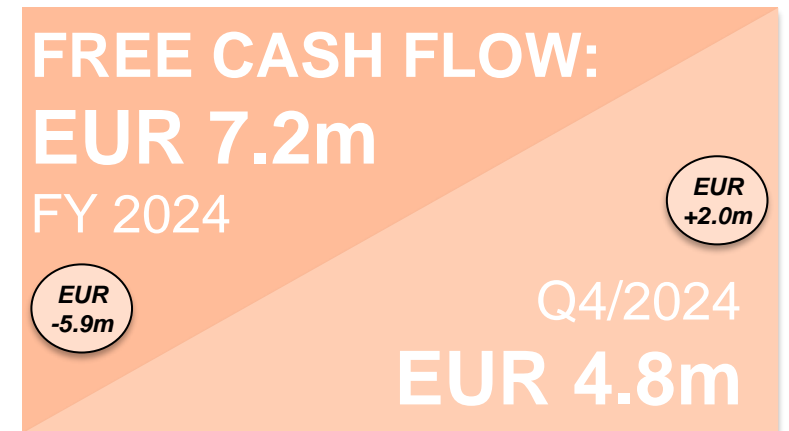
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- 1. Highlights and Group performance**
2. Cash flow and financial position
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# Highlights of FY 2024 and Q4/2024

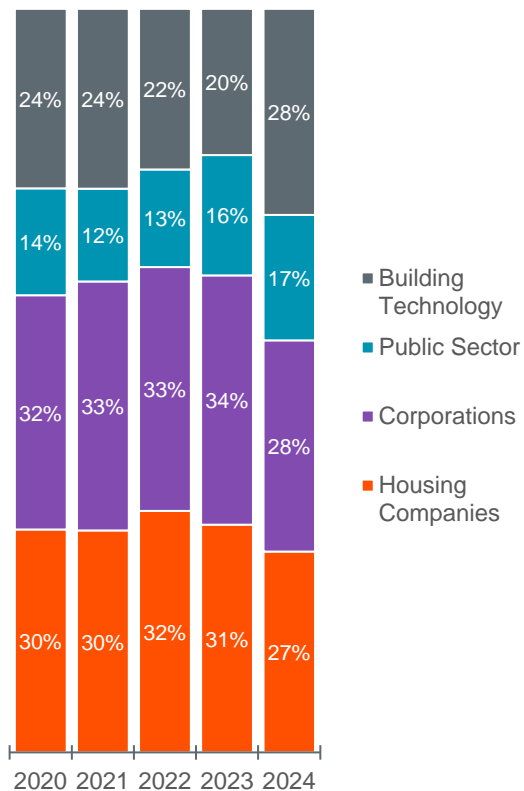
A reasonable financial year in a challenging market



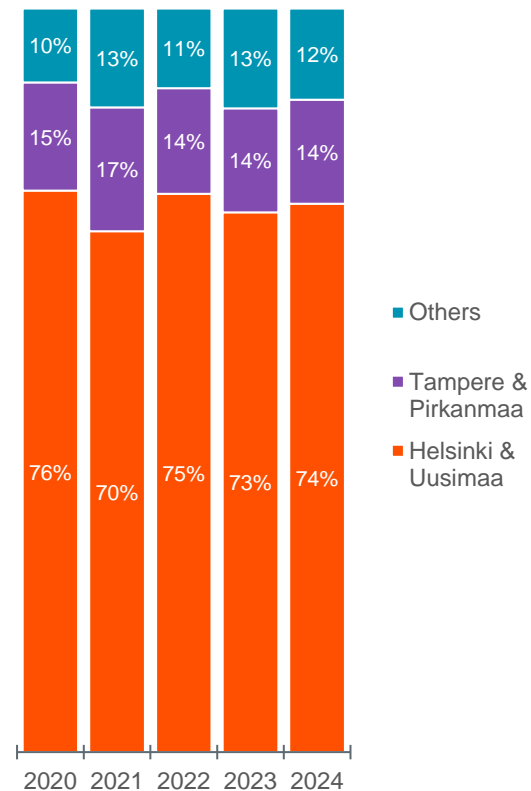
# Consti Group's net sales overview 2020-24

Strong growth in Building Technology business area (45.5% y-o-y) compensated the decline in the construction business area. Diversified customer base an advantage in prevailing market conditions

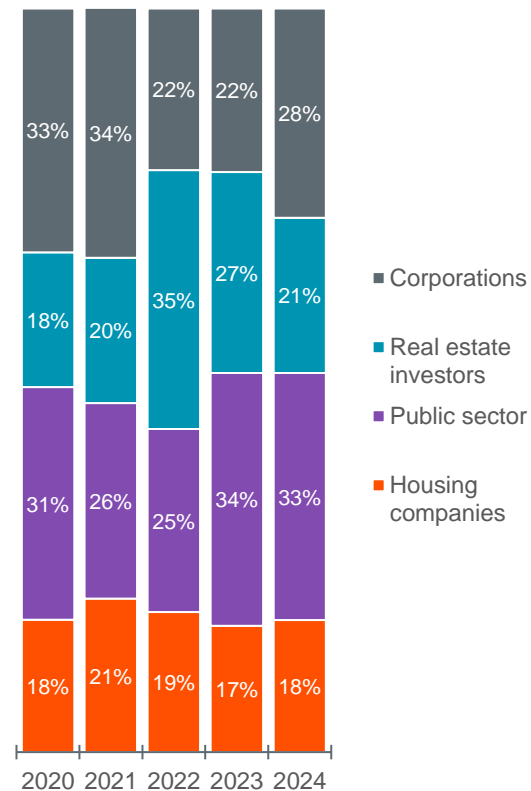
### Net sales by business area



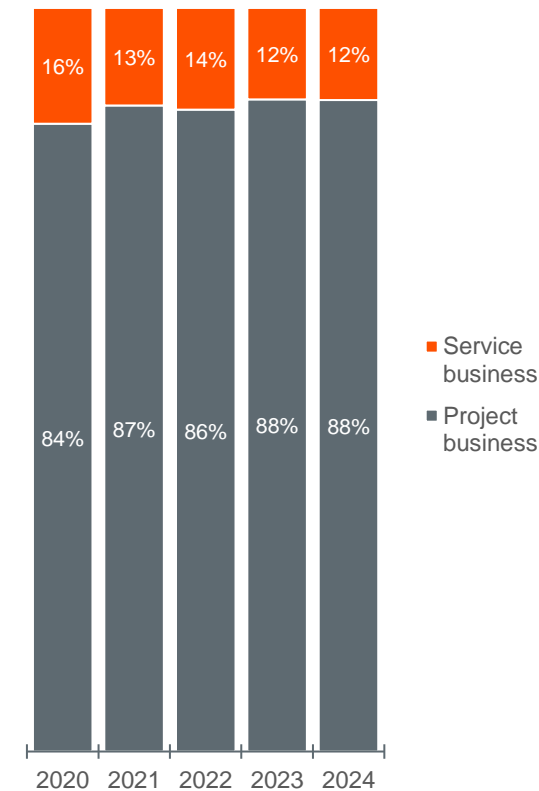
### Net sales by geography



### Net sales by customer group



### Net sales by project / service

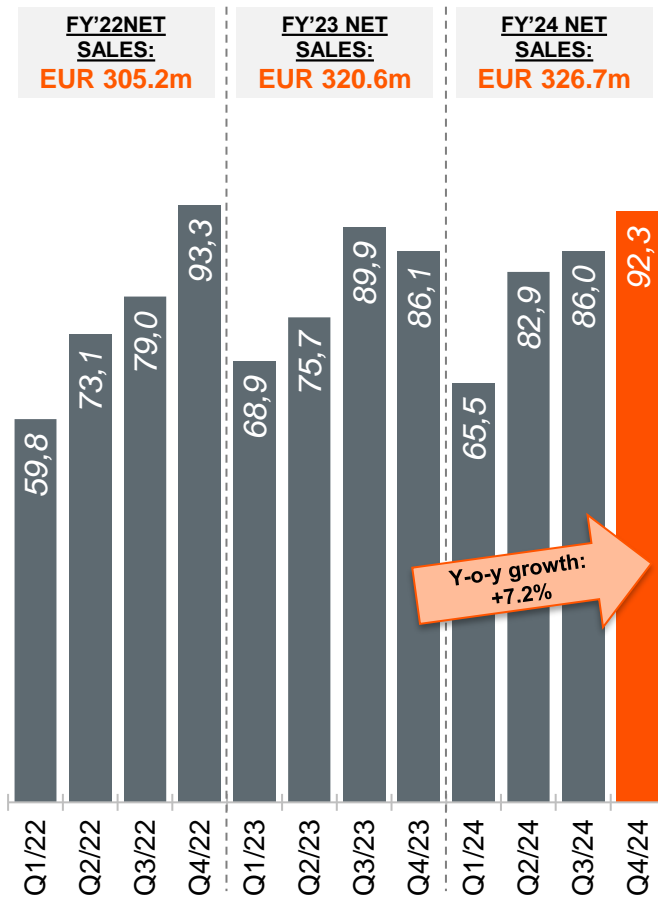


1) Business area splits excluding eliminations

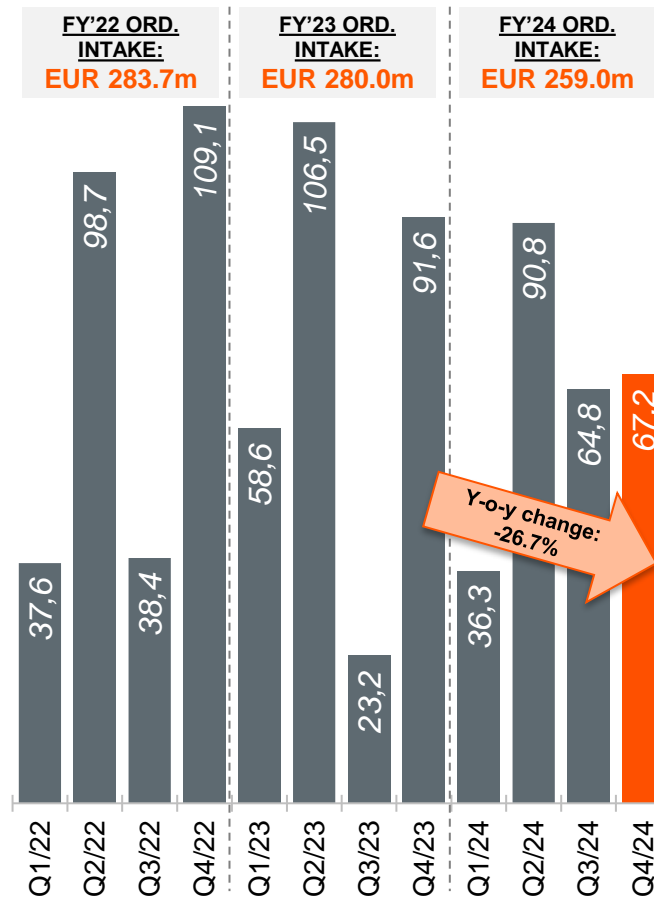
# Quarterly performance overview

Net sales continued to grow in FY 2024, order intake during FY 2024 EUR 259m, order backlog EUR 240.1m at YE 2024

## QUARTERLY NET SALES (EUR m)



## QUARTERLY ORDER INTAKE (EUR m)



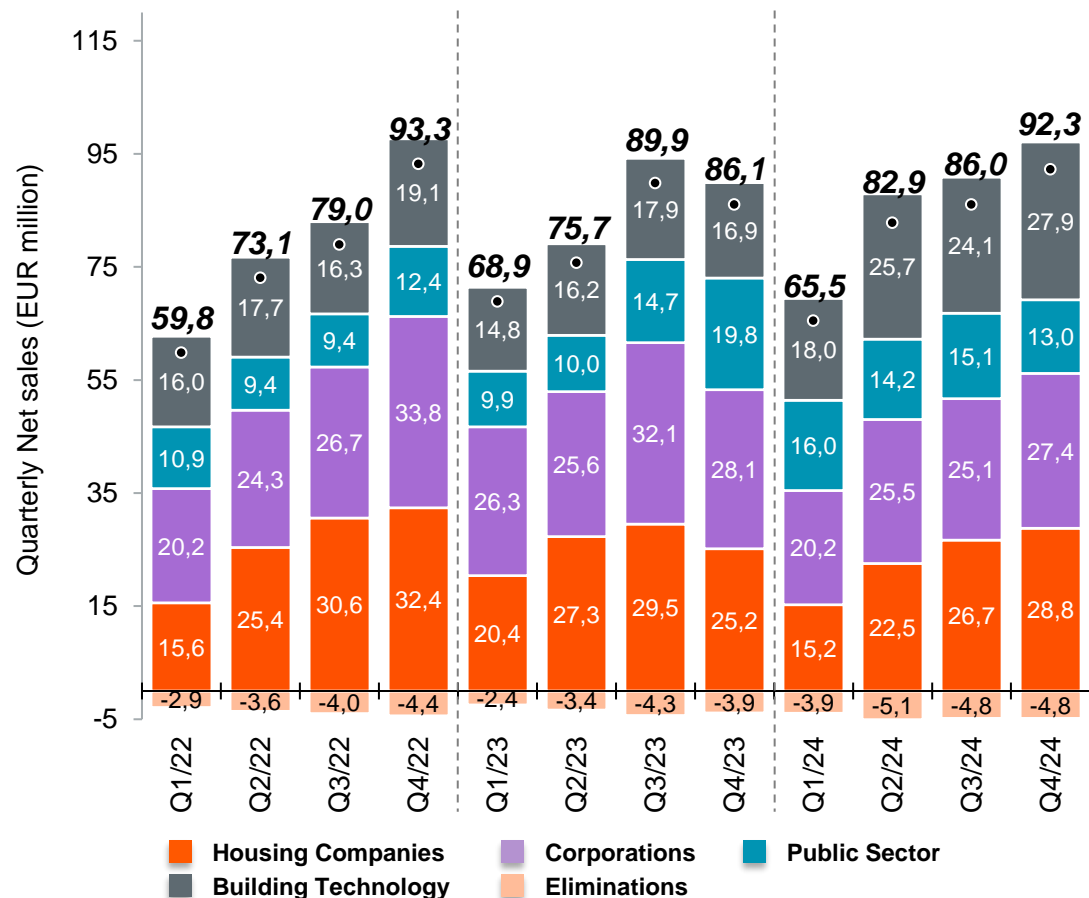
## QUARTERLY ORDER BACKLOG (EUR m)



# Quarterly net sales development

Q4/2024 net sales amounted to EUR 92.3m, growing 7.2% y-o-y

Quarterly net sales development Q1/2022 – Q4/2024 (EUR m)



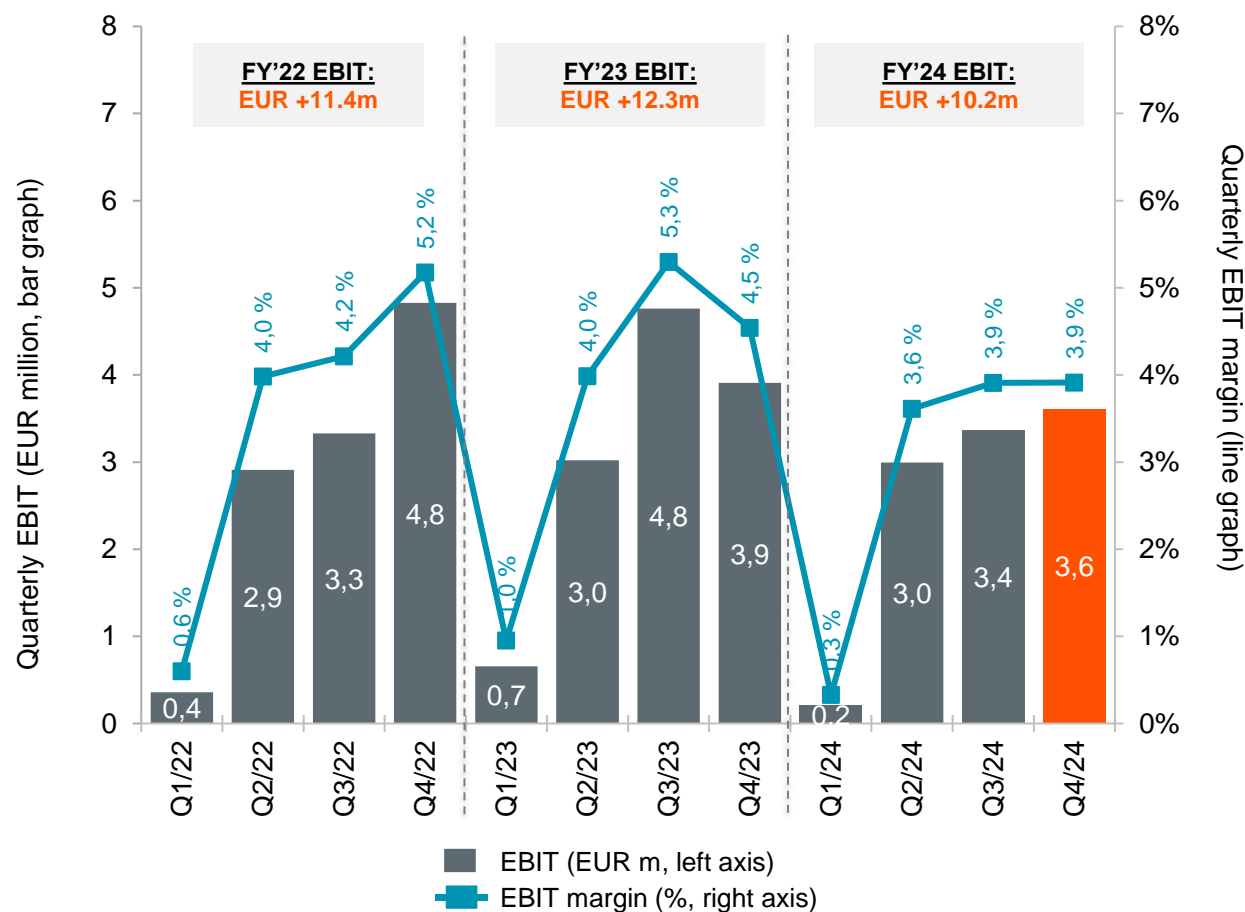
## Comments

- Q4/2024 net sales EUR 92.3m (86.1m)
  - Year-on-year growth 7.2%
  - Net sales grew strongly in Building Technology (65.5%) business area
  - Net sales grew 14.3% in Housing Companies business area
  - Net sales decreased in Public Sector (-34.2%) and in Corporations business areas (-2.6%)
  - Housing Companies net sales EUR 28.8m (25.2m)
  - Corporations net sales EUR 27.4m (28.1m)
  - Public Sector net sales EUR 13.0m (19.8m)
  - Building Technology net sales EUR 27.9m (16.9m)
- FY 2024 net sales EUR 326.7m (320.6m)
  - Year-on-year growth 1.9%
  - Housing Companies net sales EUR 93.2m (102.4m)
  - Corporations net sales EUR 98.1m (112.2m)
  - Public Sector net sales EUR 58.3m (54.3m)
  - Building Technology net sales EUR 95.7m (65.7m)

# Quarterly EBIT development

Regardless of the prevailing market conditions and sharply intensified competition, Consti has managed to maintain a reasonable level of profitability in 2024

Quarterly EBIT development Q1/2022 – Q4/2024 (EUR m)



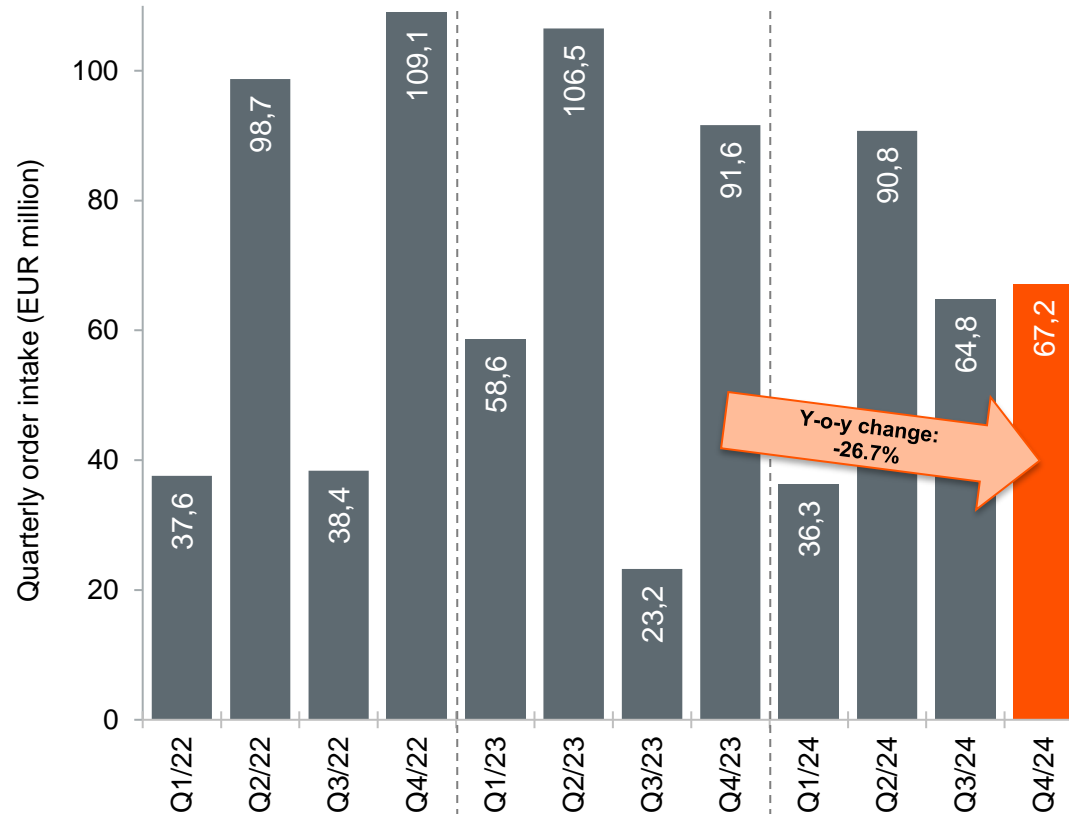
## Comments

- Q4/2024 EBIT amounted to EUR 3.6 (3.9) million, or 3.9% (4.5%) of net sales
  - Q4 proceeded in line with our expectations, with projects progressing predominantly as planned
  - Relative profitability was partly affected by allocation of resources in tendering and negotiation activities to secure order backlog, as well as the sharply intensified competition
- FY 2024 EBIT amounted to EUR 10.2 (12.3) million, or 3.1% (3.9%) of net sales
  - Relative profitability was primarily influenced by changes in the relative net sale shares of the business areas compared to the reference period, and partly by allocation of resources in tendering and negotiation activities to secure order backlog, along with the sharply intensified competition
  - The approximately 1 million euro gain from the sale of the property-related relining business supported profitability in FY2023

# Quarterly order intake development

Q4/2024 order intake EUR 67.2 million (91.6m), falling 26.7% short of strong comparison period

Quarterly order intake development Q1/2022 – Q4/2024 (EUR m)



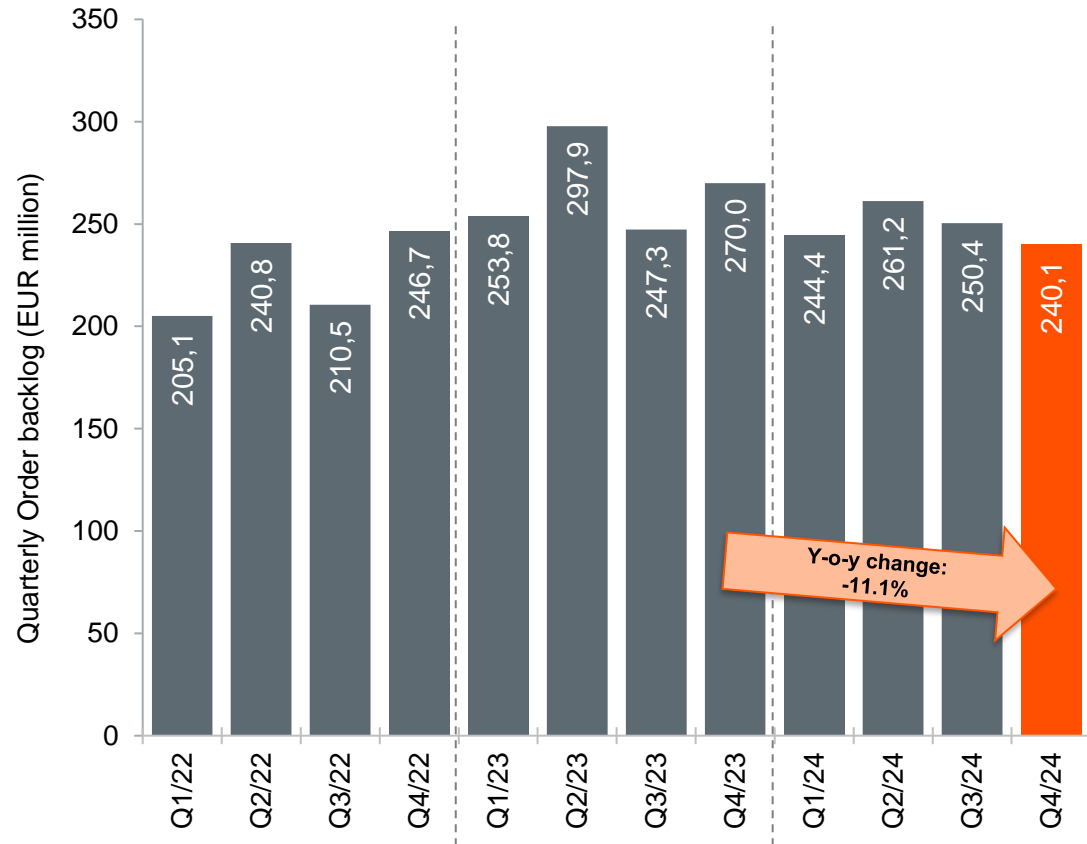
## Comments

- Q4/2024 order intake EUR 67.2m (91.6m)
  - Year-on-year change -26.7%
  - Examples of new orders received in Q4:
    - Renovation and extension project of Lapland hotel in Oulu
    - As Oy Salpa-Kannel, pipeline renovation in Helsinki
    - Renovation and extension project of Sokos Hotel Vaakuna in Hämeenlinna
    - Tampere University Hospital, plumbing works for the new building for Child and Adolescent Psychiatry
    - The rest of the order intake for Q4 2024 consists of several small and mid-sized projects
- FY 2024 order intake EUR 259.0m (280.0m), change -7.5% year-on-year

# Quarterly order backlog development

Q4/2024 order backlog at EUR 240.1 million (270.0m) supporting solid performance going forward

Quarterly order backlog development Q1/2022 – Q4/2024 (EUR m)



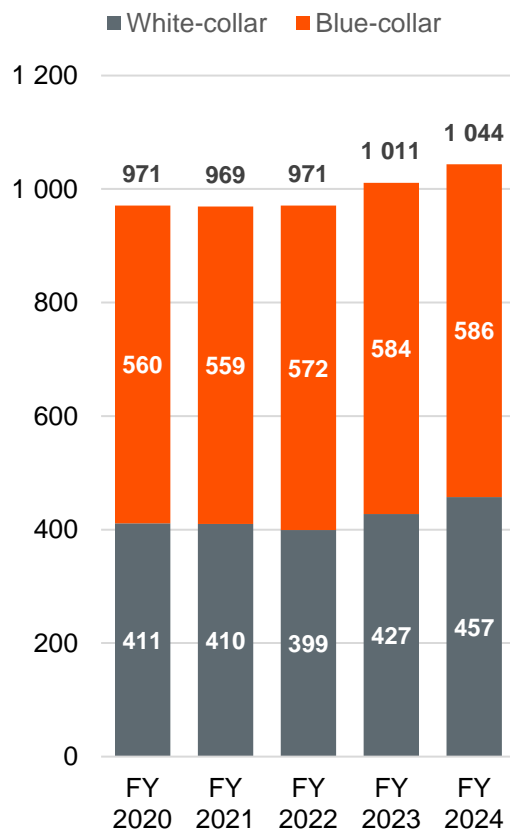
## Comments

- Q4/2024 order backlog at EUR 240.1m (270.0m)
  - Year-on-year change -11.1%
  - In relative terms a larger and in absolute terms a slightly smaller share of December 2024 order backlog to be recognised in revenue within the next twelve months compared to December 2023 backlog
  - At the end of 2024 order backlog of Housing Companies business area was approximately 29 million higher than in the reference period
  - Healthy order backlog to support solid performance going forward
  - However, order intake in H1 still plays an important role from the full-year net sales' perspective

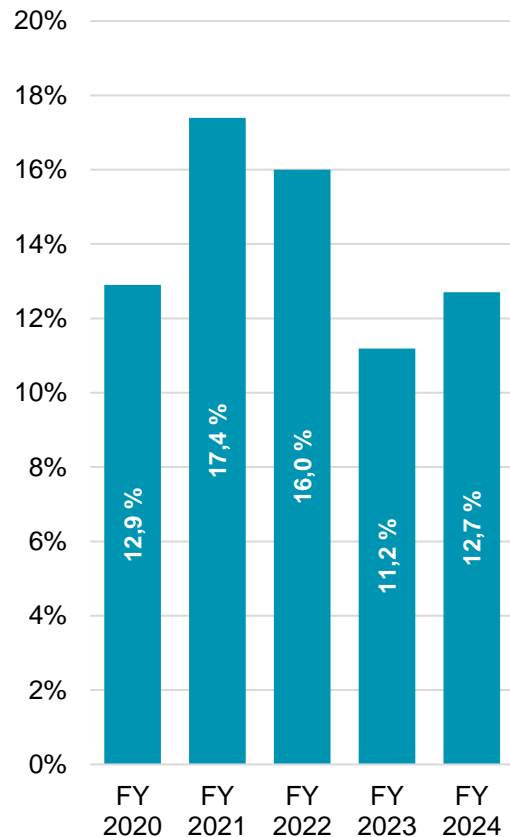
# Number of personnel and other HR KPIs

Average number of personnel increasing along with growing business volumes, accident rate of 7 a good outcome of continuous efforts to improve employee safety

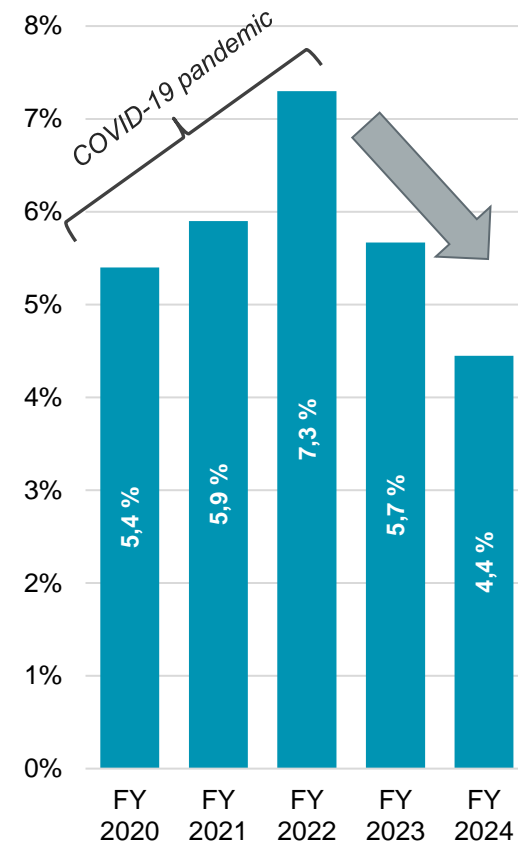
Average number of personnel 2020–2024



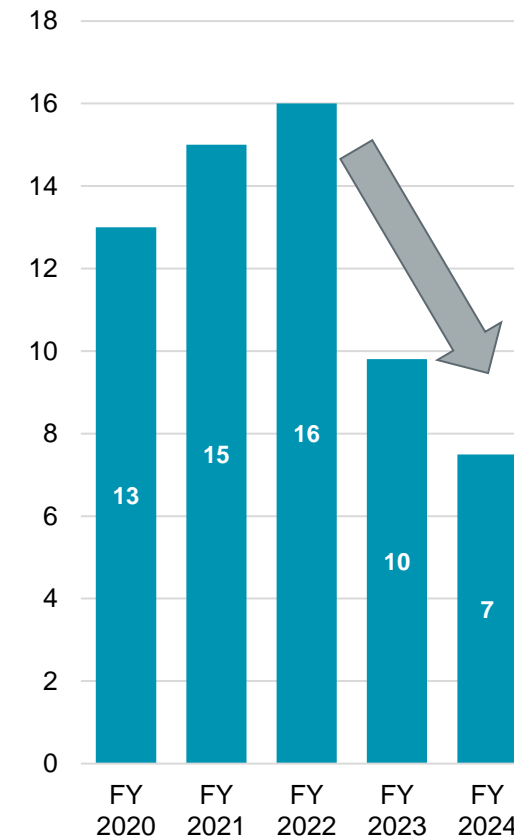
Permanent personnel turnover ratio (% of employees leaving)



Average absence rate (%)



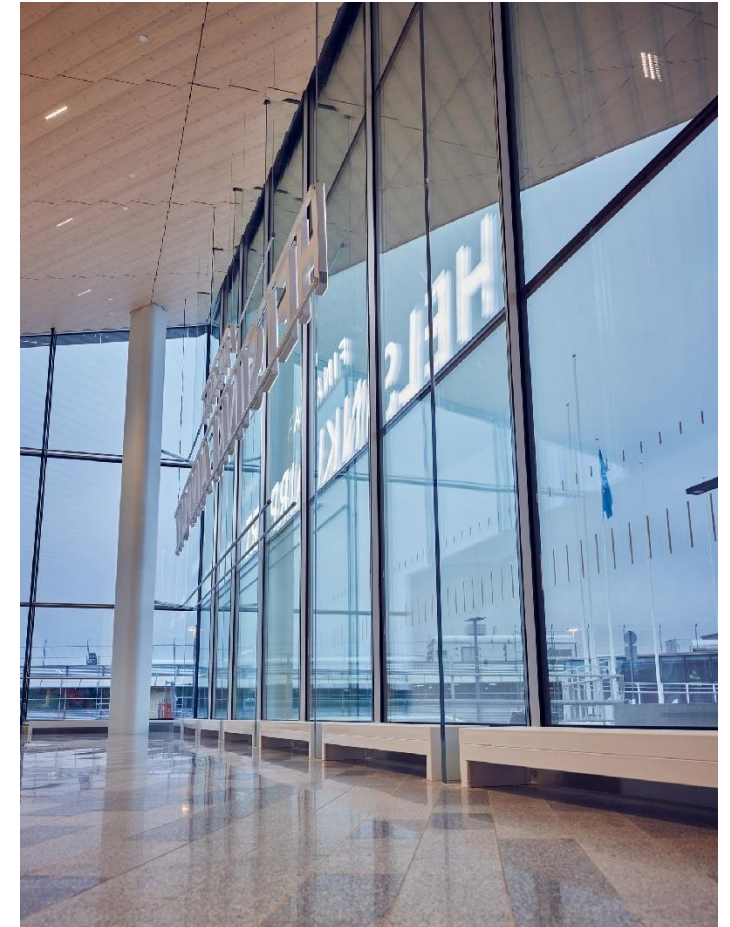
Accident rate / LTIFR (accidents per million hours worked)



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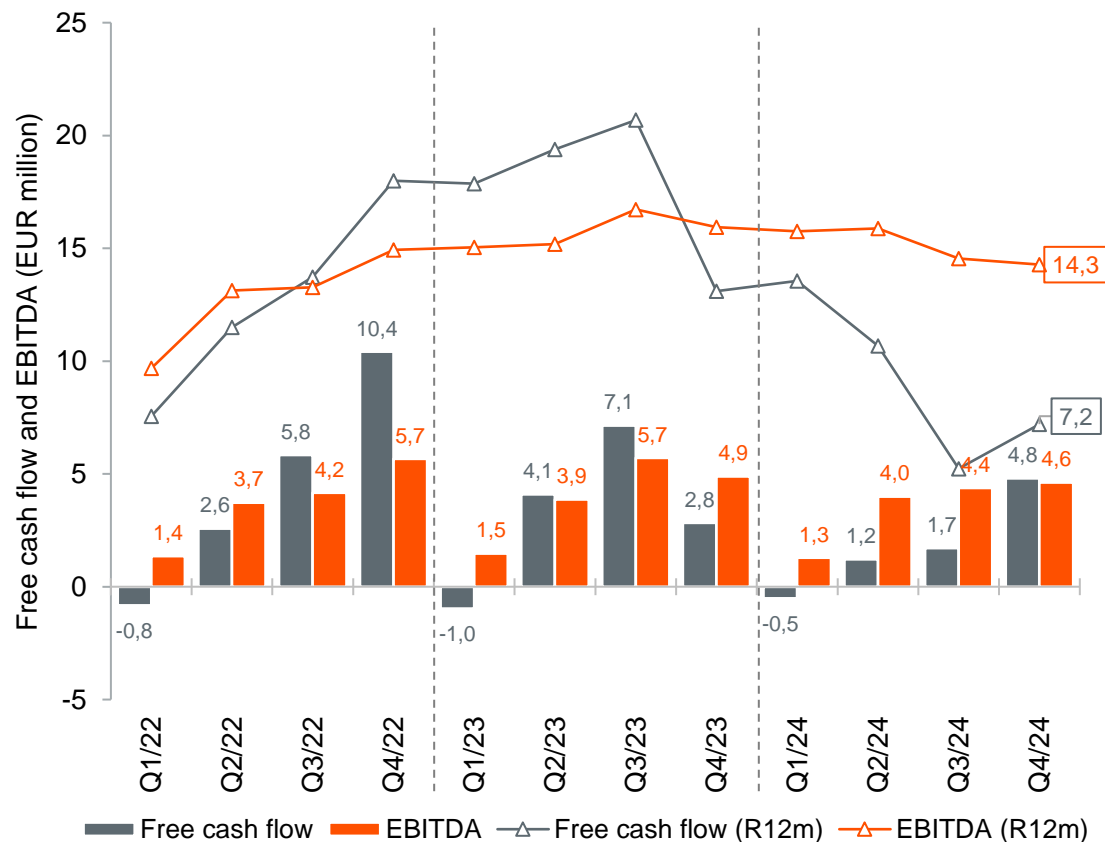
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# Quarterly free cash flow development

Q4/2024 free cash flow EUR 4.8 million (2.8m), up by 69.5% y-o-y

Quarterly free cash flow<sup>1)</sup> and EBITDA Q1/2022 – Q4/2024 (EUR m)



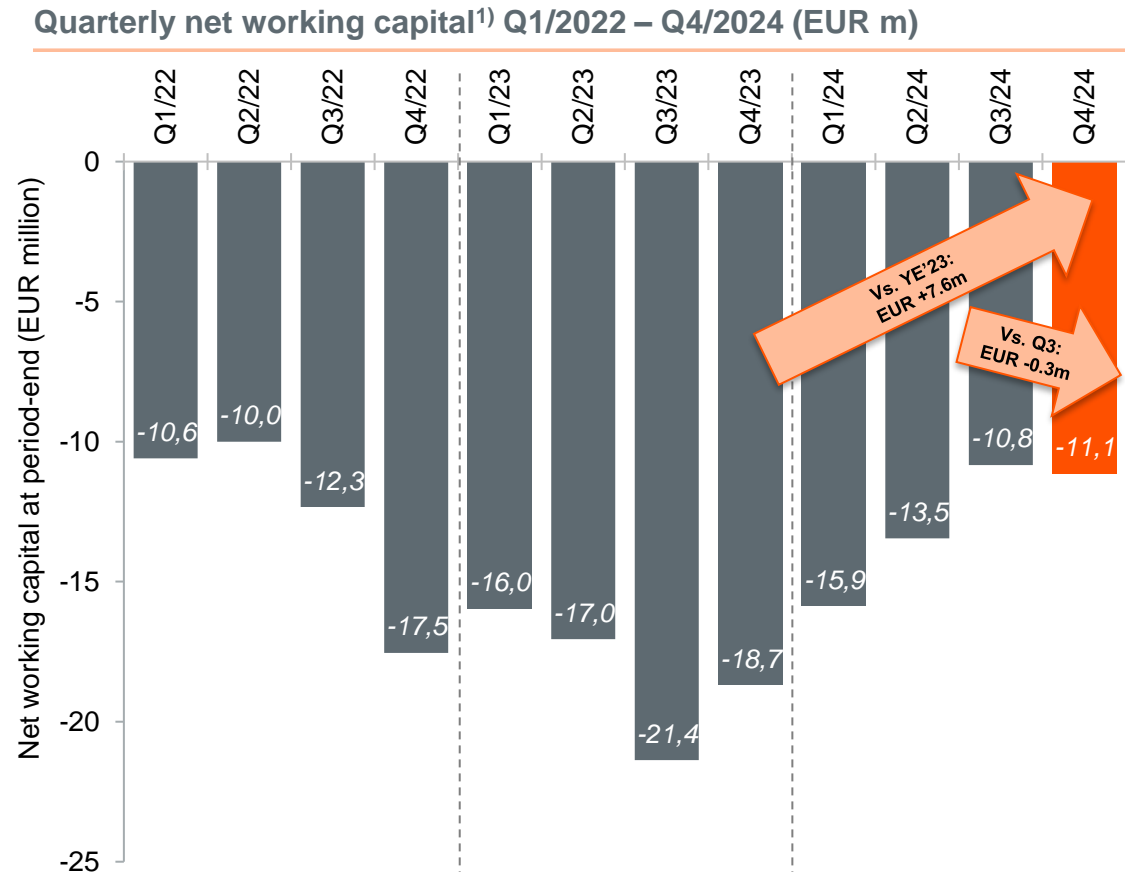
## Comments

- Q4/2024 free cash flow EUR 4.8m (2.8m)
  - EBITDA amounted to EUR 4.6m (4.9m)
  - Cash flow impact from change in net working capital was EUR 0.0m (-1.9m)
  - Cash flow from investments in tangible and intangible assets amounted to EUR -0.2m (-0.4m)
- FY 2024 free cash flow EUR 7.2m (13.1m)
  - EBITDA amounted to EUR 14.3m (15.9m)
  - Cash flow impact from change in net working capital was EUR -6.6m (0.3m)
  - Cash flow from investments in tangible and intangible assets amounted to EUR -1.2m (-2.0m)
- Rolling 12-month cash conversion ratio was 50.5% (82.2%), an improvement towards the end of the year
- In the longer term 2022-2024, Consti's cash conversion ratio totaled 84.9%

<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 -11.1 million at the end of Q4/2024



## Comments

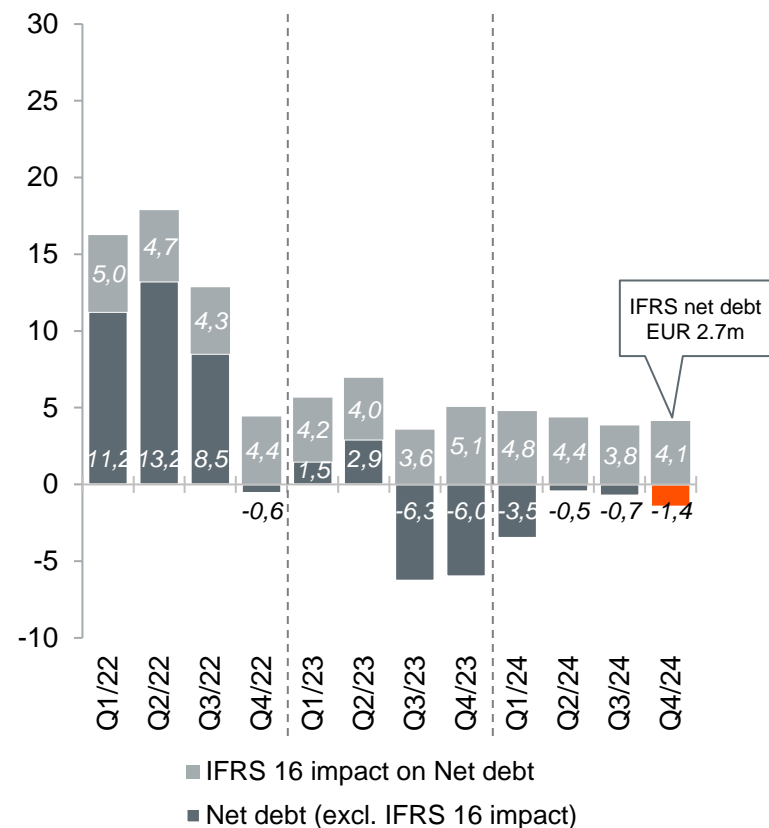
- Net working capital EUR -11.1m (-18.7m) at the end of Q4/2024
  - NWC released during Q4/2024 amounted to EUR 0.3m
  - NWC tied up during FY 2024 amounted to EUR 7.6m
  - NWC affected by a change in financial position of project portfolio

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

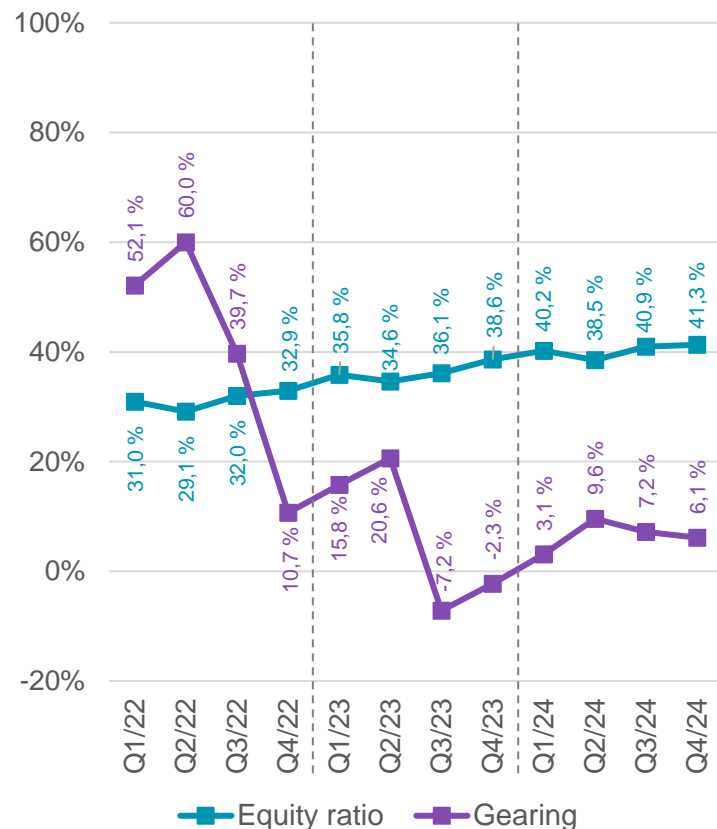
# Quarterly balance sheet structure

Financial position remained at a good level at the year-end

Quarterly net debt development (EUR m)  
Q1/2022 – Q4/2024



Quarterly equity ratio and gearing development  
Q1/2022 – Q4/2024



## Comments

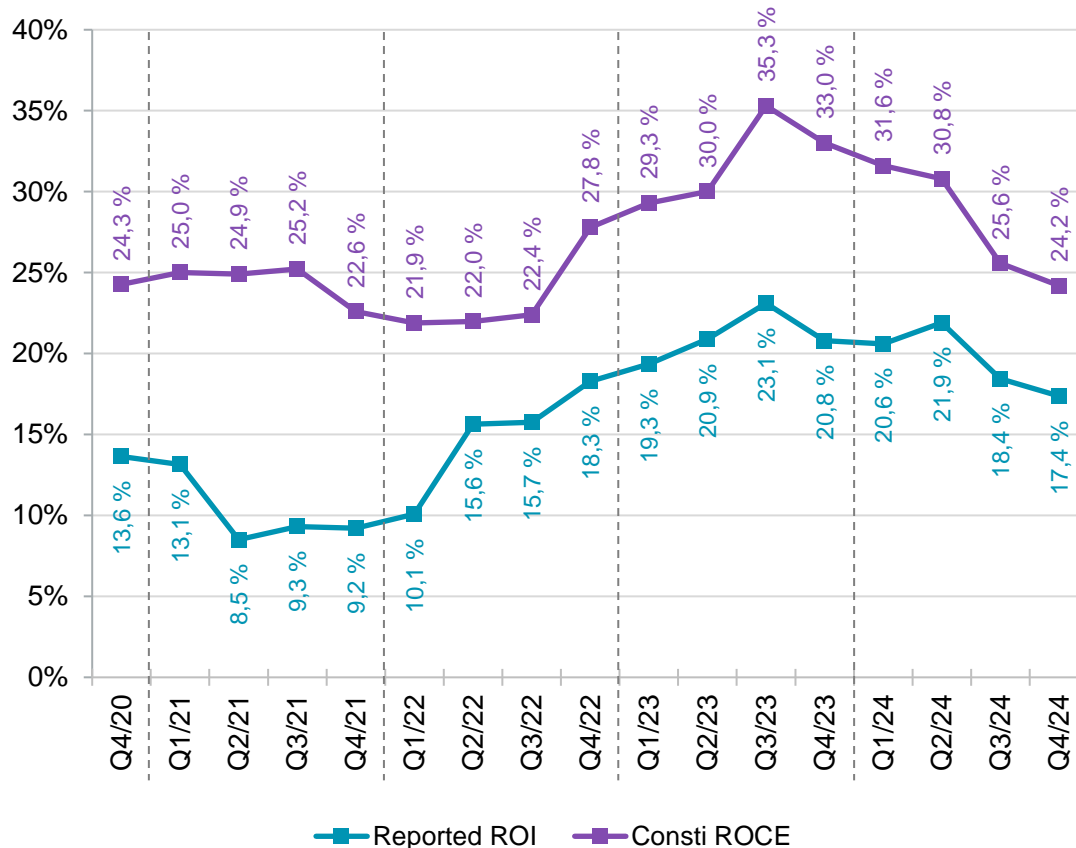
- Q4/2024 net debt at EUR 2.7m (-0.9m), of which EUR 4.1m (5.1m) attributable to IFRS 16 related lease liabilities
  - Net debt excluding IFRS 16 at EUR -1.4m (-6.0m)
- Q4/2024 equity ratio at 41.3% (38.6%)
  - Equity ratio excluding IFRS 16 at 43.0% (40.7%)
- Q4/2024 gearing at 6.1% (-2.3%)
  - Gearing excluding IFRS 16 at -3.3% (-14.5%)

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

# Reported ROI<sup>1)</sup> and Consti ROCE<sup>2)</sup>

## Return on capital continues to be on a good level

Reported ROI<sup>1)</sup> and Consti ROCE<sup>2)</sup> Q4/2020 – Q4/2024 (%)



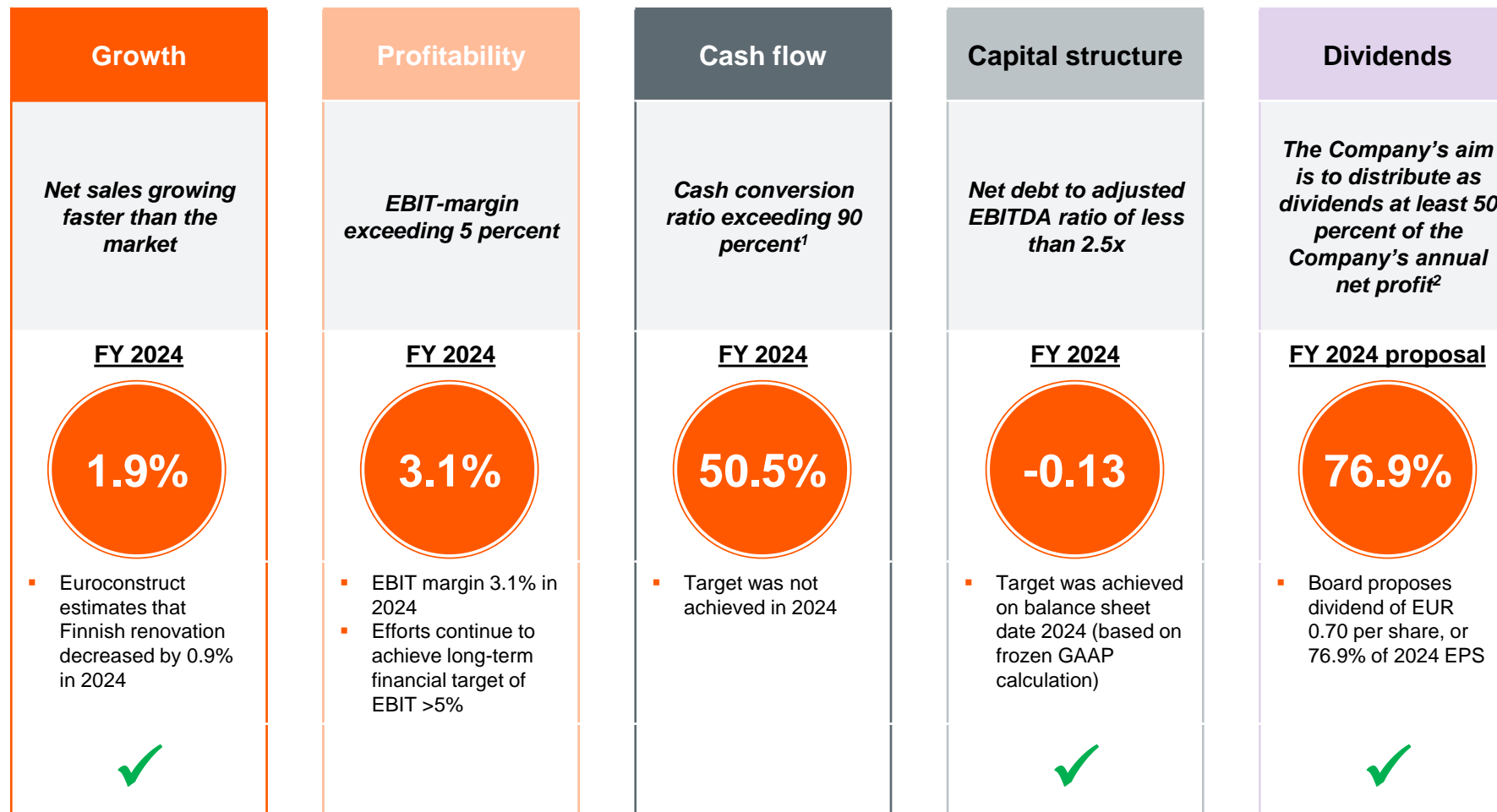
### Comments

- In financial years 2020-2024, Consti's return on capital employed has exceeded 20%
- Q4 2024 Consti ROCE totaled 24.2% (33.0%)
  - Q4 2024 R12m EBIT margin 3.1% (3.9%)
- Q4 2024 Reported ROI totaled 17.4% (20.8%)

1) Return on investment, ROI (%) = Profit/loss before taxes + interest and other financial expenses (R12m) / Total equity + interest-bearing liabilities (average)

2) Consti ROCE = Adjusted EBIT (R12m) / Capital employed (R12m average), where Capital employed = Tangible and intangible assets (excl. IFRS 16) + Net working capital

# Realisation of Consti's long-term financial targets in 2024



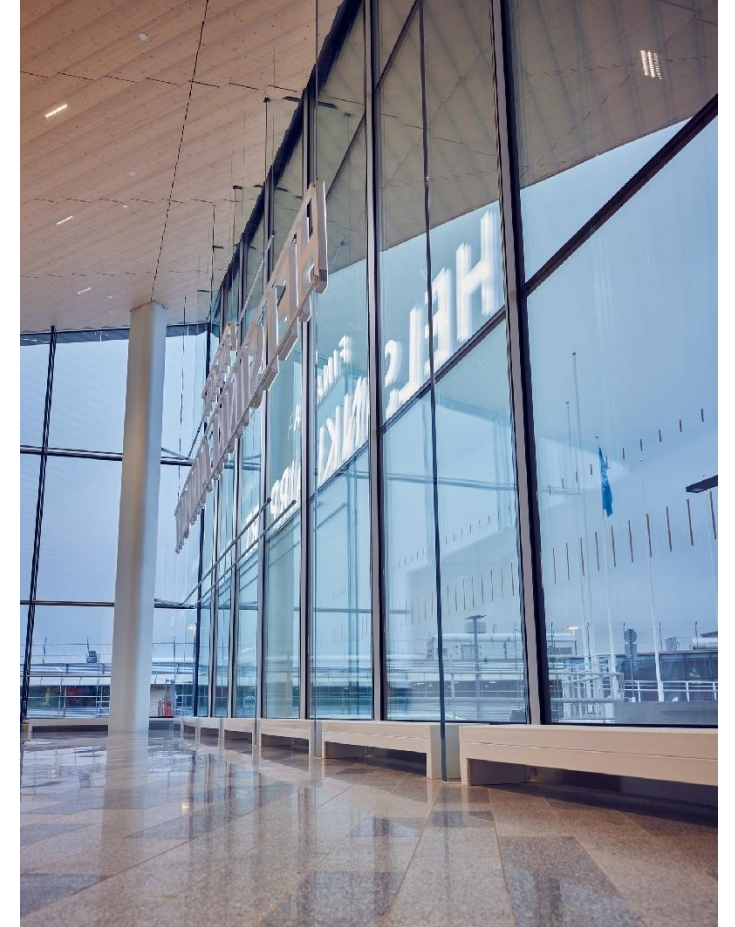
1) Cash conversion defined as free cash flow divided by EBITDA. Free cash flow equals operating cash flow before net financial items and taxes less investments in tangible and intangible assets

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

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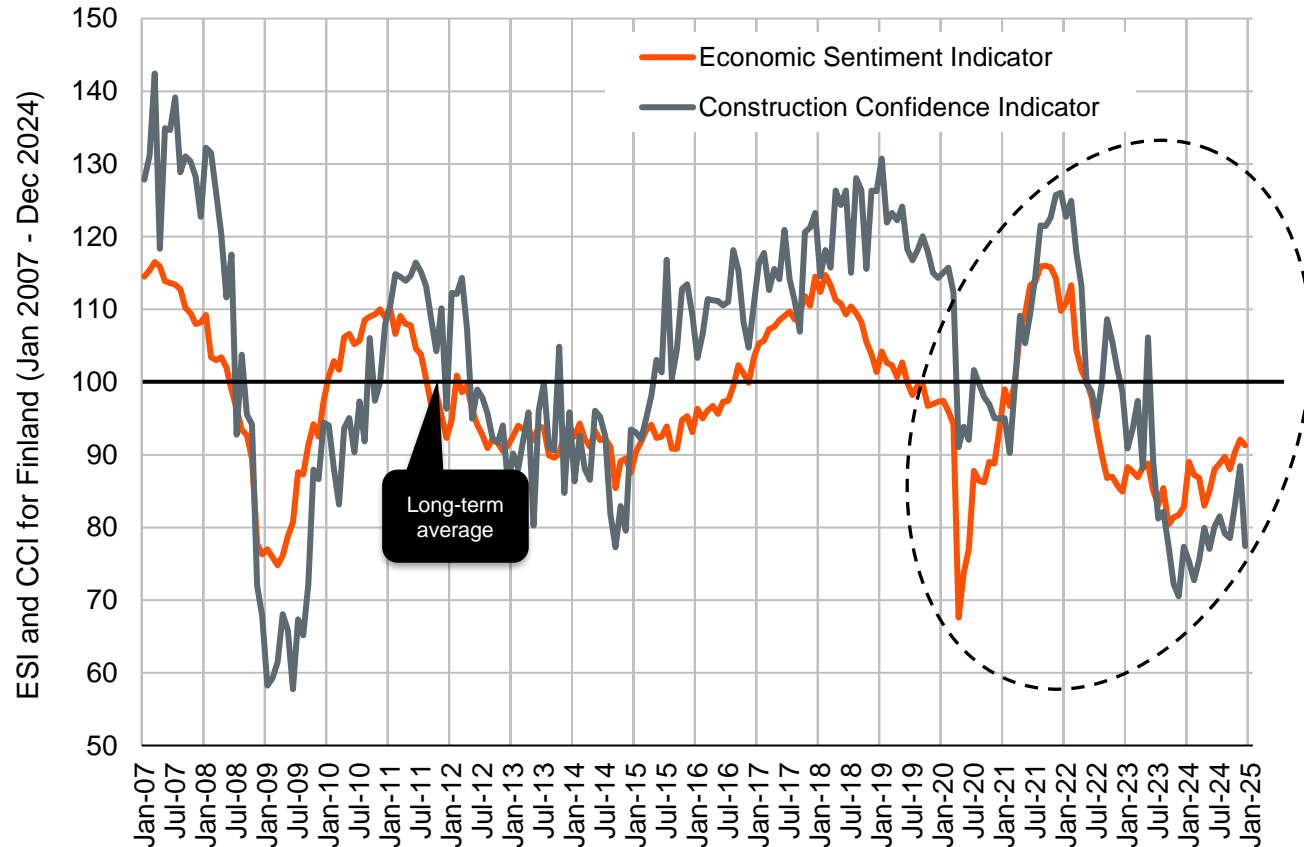
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# Economic sentiment and construction confidence in Finland clearly below their long-term average levels

Economic Sentiment and Construction Confidence / Finland (2007 – 12/2024)



Note: Mean-adjusted figures

Source: European Commission, December 2024

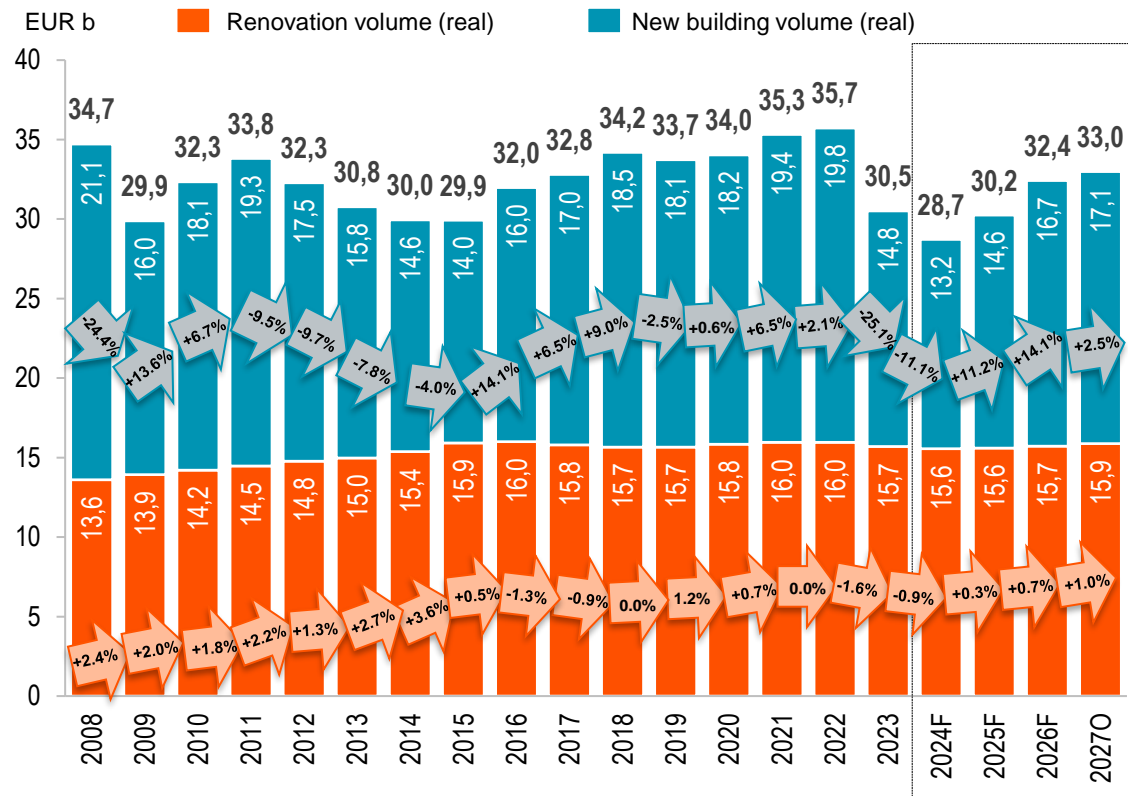
## Comments

- Economic Sentiment Indicator (ESI) clearly below its long-term average level
  - Driven by a deterioration in confidence in all surveyed business sectors (industry, services, consumer, retail trade and construction)
- Construction confidence indicator (CCI) still at a low level at the end of Q4/2024
  - CCI clearly below its long-term average level
  - The construction confidence in Finland one of the lowest among the European Union countries

# Housebuilding construction output is estimated to decline by approximately 6 percent in 2024 whereas renovation volume is projected to decline by 0.9% in 2024 (Euroconstruct)

Finnish new building and renovation market development 2008 – 2027

## Comments



- According to the Euroconstruct's December 2024 report the housebuilding construction output is estimated to decline by approximately 6 percent in 2024
- Euroconstruct estimates that renovation volume declined by approximately 0.9 percent in 2024 and the Confederation of Finnish Construction Industries RT (CFCI) estimates decline of 4 percent
- According to the Euroconstruct's December 2024 report, new building volume is estimated to decline by 11 percent in 2024
- Euroconstruct estimates that the housebuilding construction output will grow by 5.3% and renovation by 0.3 percent in 2025
- In general, renovation is more needs-oriented and less sensitive to economic cycles than new construction

CAGR  
2022-27:  
-2.8%

CAGR  
2022-27:  
-0.1%

Source: Euroconstruct, December 2024

Confederation of Finnish Construction Industries RT (CFCI), September 2024

# Outlook and guidance for 2025

- According to forecasts, the renovation market is expected to return to moderate growth. Euroconstruct's growth forecast is 0.3 percent, while RT's is 1.0 percent.
- Euroconstruct predicts a slight increase in the value of residential building renovation and, correspondingly that the value of other renovation will decrease slightly.
- Euroconstruct forecasts a 5.3 percent growth for housebuilding construction in 2025. After a weak comparison year, new housing construction is expected to grow by about 26 percent. Non-residential construction is expected to grow by 2 percent.
- The continued weak demand for new construction has maintained tight competition for renovation projects and building technology contracts.
- The demand outlook for construction is weakened by interest rates, persistently high construction costs, and tighter availability of financing, and Consti does not expect a significant improvement in construction demand prospects during the first half of 2025.
- Supported by a healthy order backlog, Consti aims to maintain solid performance while focusing on the implementation of its updated strategy.



- **”Consti estimates that its operating result for 2025 will be in the range of EUR 9–12 million.”**

# Summary

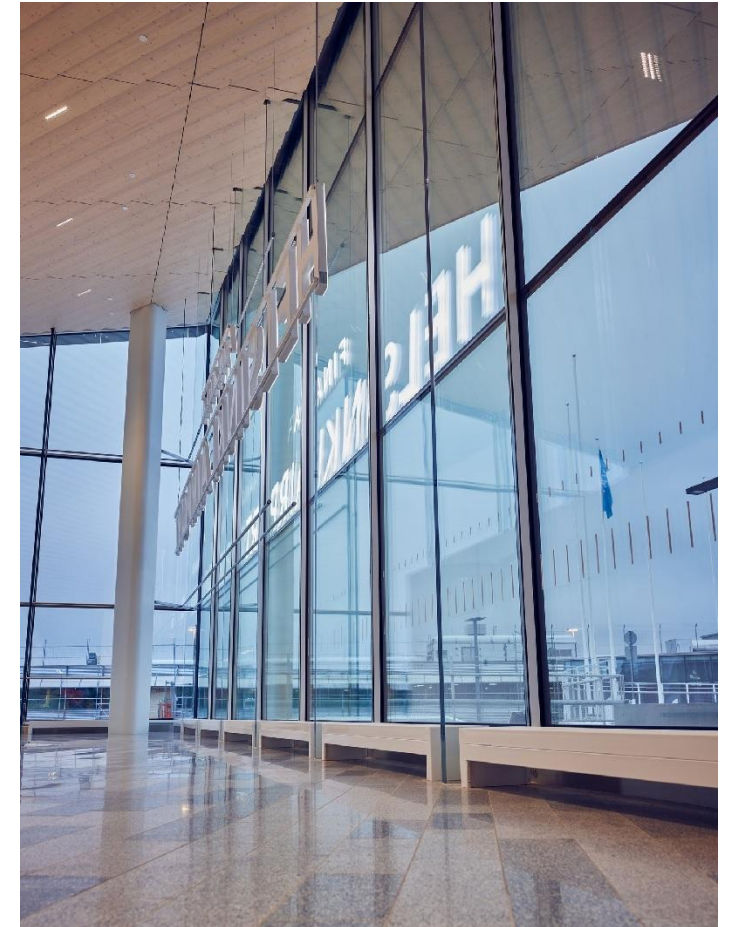
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1. A reasonable financial year in a challenging market
2. Net sales continued to grow in FY 2024, order intake during FY 2024 EUR 259m, order backlog EUR 240.1m at YE 2024
3. Despite the prevailing market conditions and the sharply intensified competition, Consti has been able to maintain a reasonable level of profitability in 2024
4. Financial and liquidity positions remained at a good level, The Board of Directors proposes a dividend of EUR 0.70 per share
5. Despite the market conditions, Consti aims to continue its solid performance supported by a healthy order backlog and focus on the implementation of its updated strategy

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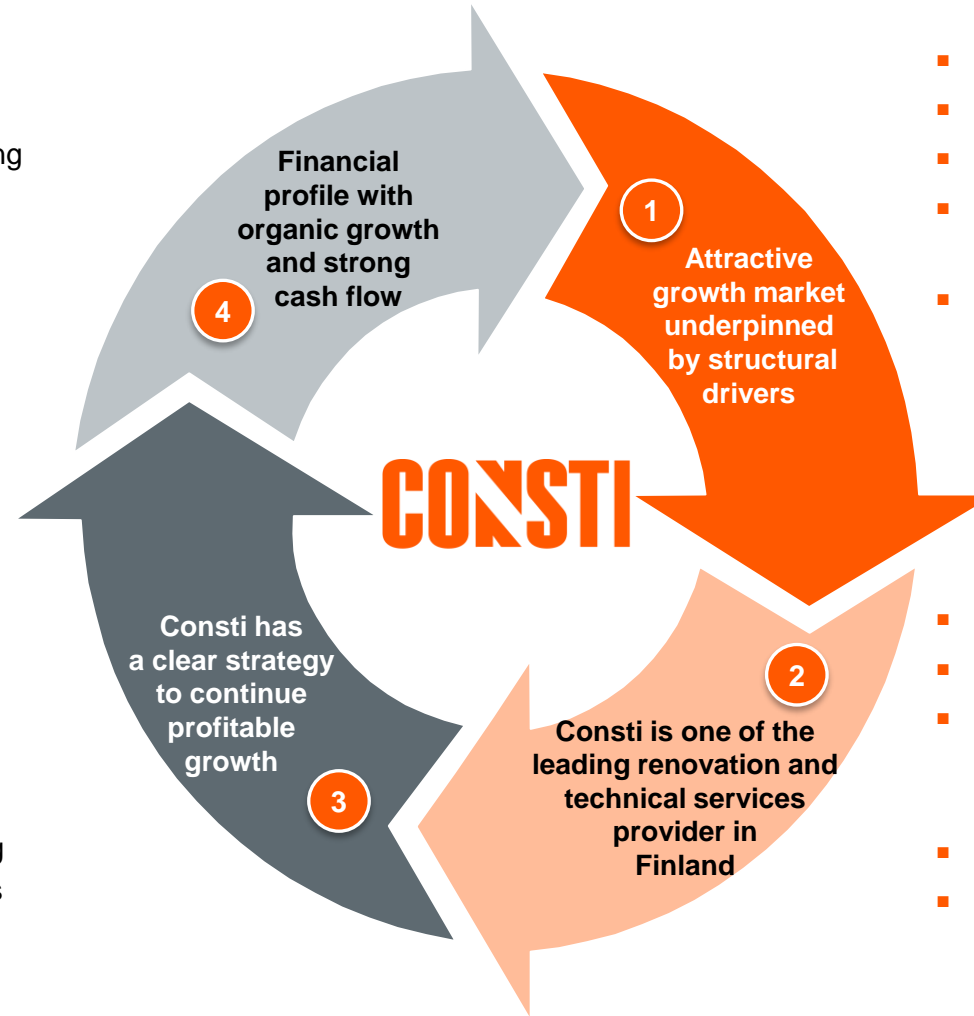
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# Consti as an investment - Key investment highlights

- Steadily improving profitability
- Solid platform for future growth
- Asset-light business model with negative working capital and strong cash flow
- High return on capital employed

- Utilising the full potential of customer-oriented organisational structure
- Growing in existing businesses as well as in attractive new construction projects
- Expanding value created for customers
- Improving production efficiency and maintaining steady level of performance in project deliveries
- Complementary acquisitions



- Aging building stock driving need-based renovation
- Climate change and energy efficiency requirements
- Urbanisation and changes in working methods
- Increased need for building technology and automation
- Fragmented market with limited renovation focused players

- Comprehensive service offering
- Focus on Finnish growth centres
- Diversified customer base including housing companies, corporations, real estate investors and public sector
- Ability to deliver projects of all sizes
- Responsible company creating a clearly positive overall impact on its social and ecological environment



**CONSTI**

**FINANCIAL STATEMENTS**

**1-12/2024**

**CONSTI PLC**

**FY 2024**

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