

**ORDER BACKLOG GREW, RESULT TURNED POSITIVE**
**4–6/2018 highlights (comparison figures in parenthesis 4–6/2017):**

- Net sales EUR 77.8 (78.8) million; change -1.3 %
- EBITDA EUR 2.1 (3.2) million and EBITDA margin 2.7 % (4.1 %)
- Operating profit (EBIT) EUR 1.7 (2.7) million and operating profit (EBIT) margin 2.1 % (3.4 %)
- Order backlog EUR 286.2 (227.9) million; growth 25.6 %
- Free cash flow EUR 2.2 (4.0) million
- Earnings per share EUR 0.16 (0.26)

**1–6/2018 highlights (comparison figures in parenthesis 1–6/2017):**

- Net sales EUR 140.0 (136.1) million; growth 2,9 %
- EBITDA EUR 2.3 (4.0) million and EBITDA margin 1.7 % (2.9 %)
- Operating profit (EBIT) EUR 1.5 (3.0) million and operating profit (EBIT) margin 1.0 % (2.2 %)
- Free cash flow EUR -5.6 (3.5) million
- Earnings per share EUR 0.12 (0.26)

**Guidance on the Group outlook for 2018:**

The company estimates that its operating result for 2018 will grow compared to 2017.

KEY FIGURES (EUR 1,000)	4-6/ 2018	4-6/ 2017	Change %	1-6/ 2018	1-6/ 2017	Change %	1-12/ 2017
Net sales	77,773	78,811	-1.3 %	140,041	136,079	2.9 %	300,203
EBITDA	2,084	3,206	-35.0 %	2,315	3,978	-41.8 %	1,714
EBITDA margin, %	2.7 %	4.1 %		1.7 %	2.9 %		0.6 %
Operating profit/loss (EBIT)	1,664	2,697	-38.3 %	1,464	2,975	-50.8 %	-375
Operating profit/loss (EBIT) margin, %	2.1 %	3.4 %		1.0 %	2.2 %		-0.1 %
Profit/loss for the period	1,194	1,996	-40.2 %	907	2,013	-54.9 %	-1,074
Order backlog				286,201	227,907	25.6 %	225,721
Free cash flow	2,229	3,980	-44.0 %	-5,572	3,502		8,936
Cash conversion, %	107.0 %	124.1 %		n/a	88.0 %		521.4 %
Net interest-bearing debt				18,455	15,514	19.0 %	12,070
Gearing, %				69.7 %	55.0 %		47.7 %
Return on investment, ROI %				-3.8 %	23.7 %		-0.7%
Number of personnel at period end				1,153	1,165	-1.0 %	1,079
Earnings per share, undiluted (EUR)	0.16	0.26	-38.6 %	0.12	0.26	-54.4 %	-0.14

## CEO's review

"Our net sales for the second quarter of the year were at nearly the same level as in the comparison period, amounting to 77.8 million euro. Net sales growth continued strong in our Building Facades business area, but second quarter volumes in Technical Building Services still reflected the business areas' reorganising which was started towards the end of 2017; as well as taking new operating models into use, and the more disciplined bidding activity applied to pipeline renovation services. Our operating profit improved clearly compared to the previous quarter. Although we could already see a positive impact on our result due to the corrective actions we have taken, our profitability was still weakened by certain already identified low-margin projects, as well as carrying out final performance obligations in one Renovation Contracting project during the reporting period.

The market environment continued mainly good during the second quarter. During April-June we received new orders amounting to 88.7 million euro, which is a 6.9 percent growth to the comparison period. New order intake grew particularly much in facade renovations in the Greater Helsinki area. Due to the good development in new order intake, our order backlog at the end of June, 286.2 million euro, was 25.6 percent larger than in the comparison period, which puts us in a good position to return to a path of profitable growth. At the same time, however, we note that a certain project in our Renovation Contracting business area still has open risks, which we have to the best of our ability taken into consideration in our result. The building in question has already been handed over to the customer and the project's final financial statement notes that there is a significant disagreement between the parties.

We continued carrying out our updated strategy during the second quarter of the year. In addition to actions improving profitability, we also advanced in for example launching new services. In April, we launched our new Consti Kodikas service concept. Consti Kodikas is a product family offered to housing corporations. It aims to provide comprehensively planned residential building renovations that increase the value and comfort of the property as cost effectively as possible. In our actions to improve profitability we are continuing the implementation of common practises relating to steering and reporting in our projects, as well as clarifying profit and reporting responsibilities.

Our current market and business outlook leads us to believe that the demand for renovations and technical building services will remain at a good level during the latter half of the year as well. I expect that our strong order backlog combined with our actions to improve performance will support us in achieving a turn in our profitability during the second part of the year, although restoring our Technical Building Services business areas' performance to the required level will take somewhat longer than expected."

## Operating environment

In Finland, nearly six percent of the GDP is spent on renovations, which is significantly more than the European average. During recent years, renovations have increased their share of the total construction market steadily. Due to our building stock's age, growth in Finland has been rapid compared to the rest of Europe.

European construction business research group Euroconstruct estimated in its June 2018 forecast that total building in 2018 will increase approximately 4.3 percent from the previous year, renovation construction will grow about 1.5 percent, and new building 6.9 percent from 2017. In renovation construction demand growth is estimated to continue progressing steadily during upcoming years and the growth is estimated to be faster than new building growth on average.

The Confederation of Finnish Construction Industries RT estimated in its March 2018 review of market conditions that renovations will continue growing at approximately 2.0 percent both during the current and upcoming year. Growth is expected especially from residential building renovations in growth centres. Business premises renovations are also expected to grow due to the improved economic environment. Renovation prospects are also improved by the more systematic renovations of public sector properties.

The general economic climate has a significantly smaller impact on renovations and technical building services than it does on new construction. Prerequisites for office building renovations also improve with economic growth. In upcoming years as well, renovation construction activity will be maintained by the aging building stock, renovation debt built up throughout the years, urbanisation, changes in building use purpose and energy efficiency requirements.

## Group structure

Consti is one of Finland's leading companies focused on renovation contracting and technical building services. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building facade repair and maintenance, and other renovation and technical services for demanding residential, commercial and public properties.

Consti has three business areas: Technical Building Services, Building Facades, and Renovation Contracting. All these also contain Servicing and maintenance services which is not reported as its own business area. Consti however reports its Service operations' sales per financial year. Consti's Service business includes service contracting as well as technical repair and maintenance services to contract customers.

Business areas are reported in one segment. In addition, Consti reports sales, order backlog and new orders for each business area.

The Group's parent company is Consti Group Plc. The business areas operate in three subsidiaries completely owned by the parent company: Consti Talotekniikka Oy (Technical Building Services), Consti Julkisivut Oy (Building Facades) and Consti Korjausurakointi Oy (Renovation Contracting). Lumicon Oy (acquired in October 2017), was merged into Consti Korjausurakointi Oy during the second quarter of 2018.

## Long term goals

Consti's goal is to grow in the company's current market areas and to broaden the offering of Consti's full services to Finland's growth centres. The company is seeking to accomplish both organic growth and growth through acquisitions.

The company's long term financial goals are to achieve:

- Annual average net sales growth of at least 10 percent
- Adjusted EBIT margin of over 5 percent
- Cash flow ratio of over 90 percent
- Net debt and adjusted EBITDA rate of under 2.5 whilst maintaining an efficient capital structure
- The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit

## Sales, income and order backlog

4-6/2018

Consti Group's April-June net sales decreased -1.3 percent and were 77.8 (78.8) million euro. Organic growth for April-June was -4.4 percent. Technical Building Services net sales were 28.0 (32.8) million euro, Renovation Contracting net sales were 21.0 (20.7) and Building Facades net sales were 33.2 (27.6) million euro.

Net sales grew in Building Facades and in Renovation Contracting but decreased in Technical Building Services. Building Facades net sales grew 20.5 percent mainly thanks to good order backlog in housing repair business included in Building Facades business area. Renovation Contracting net sales were slightly above comparison period level with a growth of 1.4 percent and were positively affected by the acquisitions made during the second half of 2017. Technical Building Services net sales decreased 14.6 percent due to the business areas' reorganising which was started towards the end of 2017; as well as taking new operating models into use, and the more disciplined bidding activity applied to pipeline renovation services.

Operating profit (EBIT) for April-June was 1.7 (2.7) million euro. Operating profit from net sales was 2.1 (3.4) percent. Operating profit improved significantly compared to the previous quarter. Profitability was, however, weakened by the execution of the remaining performance obligations from certain already identified low-margin projects. Operating result was also weakened by carrying out final performance obligations in one Renovation Contracting project. There are still open risks related to this project, which was handed over to the customer by the end of the reporting period. The project's final financial statement notes that there is a significant disagreement between the parties.

The order backlog at the end of the reporting period grew 25.6 percent and was 286.2 (227.9) million euro. The order backlog increased in Renovation Contracting by 111.4 percent and by 8.7 percent in Building

Facades and was close to comparison period's level with change of -0.3% in Technical Building Services. Order intake value during April-June grew 6.9 percent. Order intake increased in Building Facades by 62.3 percent, but decreased by 33.0 percent in Technical Building Services and by 7.4 percent in Renovation Contracting. New order intake grew particularly much in facade renovations in the Greater Helsinki area.

1-6/2018

Consti Group's January-June net sales grew 2.9 percent and were 140.0 (136.1) million euro. In January-June organic growth was -0.7 percent. Technical Building Services net sales were 52.9 (58.8) million euro, Renovation Contracting net sales were 39.1 (36.7) and Building Facades net sales were 54.9 (44.4) million euro.

Net sales grew in Building Facades and in Renovation Contracting but decreased in Technical Building Services. Building Facades net sales grew 23.6 percent mainly thanks to good order backlog in housing repair business included in Building Facades business area. Renovation Contracting net sales grew 6.6 percent. Net sales were positively affected by the acquisitions made during the second half of 2017 as well as growth in Greater Helsinki area's renovation business. Technical Building Services net sales decreased 10.0 percent due to the business areas' reorganising which was started towards the end of 2017; as well as taking new operating models into use, and the more disciplined bidding activity applied to pipeline renovation services.

Operating profit (EBIT) for January-June was 1.5 (3.0) million euro. Operating profit from sales was 1.0 (2.2) percent. Profitability was weakened by the execution of the remaining performance obligations from certain already identified low-margin projects. Operating result during the reporting period was weakened particularly by work on a certain Renovation Contracting project and carrying out its final performance obligations. There are still open risks related to this project, which was handed over to the customer by the end of the reporting period. The project's final financial statement notes that there is a significant disagreement between the parties.

The order backlog at the end of the reporting period grew 26.8 percent compared to the end of the previous financial year and was 286.2 million euro. The order intake value during January-June grew 13.3 percent. Orders increased by 34.6 percent in Building Facades and by 21.9 percent in Renovation Contracting but decreased 16.2 percent in Technical Building Services.

### **Investments and business combinations**

Investments into intangible and tangible goods in April-June were 0.2 (0.3) million euro, which is 0.3 (0.4) percent of the company's net sales. Investments into tangible and intangible assets in January-June were 0.6 (0.6) million euro, which is 0.4 (0.4) percent of net sales. The largest investments were made into property, plant and equipment which primarily include machinery and equipment purchases.

In January-June investments related to business combinations were 0.0 (2.6) million euro.

### **Cash flow and financial position**

The operating cash flow in April-June before financing items and taxes was 2.5 (4.3) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 2.2 (4.0) million euro. The cash flow ratio in April-June was 107.0 (124.1) percent.

The January-June operating cash flow before financing items and taxes was -5.0 (4.1) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was -5.6 (3.5) million euro. The cash flow in January-June was affected by tied up working capital during the reporting phase especially due to the exceptionally low net working capital level in the last quarter of 2017 and tied up working capital in one of our Renovation Contracting business area's projects.

Consti Group's cash and cash equivalents on 30 June 2018 were 4.7 (5.8) million euro. In addition, the company has undrawn revolving credit facilities amounting to 3.0 million. The Group's interest bearing debts were 23.2 (21.3) million euro. External loans are subject to two financial covenants based on the ratio of the Group's net debt to adjusted EBITDA and gearing. On the balance sheet date, the interest bearing net debt was 18.5 (15.5) million euro and the gearing ratio 69.7 (55.0) percent. On 28 December 2017, Consti

Group's financing bank agreed on allowing a violation of covenant at the financial reporting date 30 June 2018 regarding the key figure "net debt's relation to adjusted EBITDA".

The balance sheet total on 30 June 2018 was 112.6 (101.1) million euro. At the end of the reporting period tangible assets in the balance sheet were 4.1 (4.5) million euro. Equity ratio was 29.3 (32.9) percent. Rental liabilities associated with off-balance sheet operational leasing agreements totalled 4.3 (4.5) million euro on 30 June 2018.

<b>MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023-</b>	<b>Total</b>
Bank loans	2,610	1,203	1,183	1,173	16,583	0	<b>22,750</b>
Finance lease liabilities	42	67	50	24	0	0	<b>182</b>
Other interest-bearing liabilities	293	476	220	104	12	0	<b>1,104</b>
<b>Total</b>	<b>2,945</b>	<b>1,745</b>	<b>1,452</b>	<b>1,300</b>	<b>16,595</b>	<b>0</b>	<b>24,037</b>

## Personnel

Consti Group's personnel count was 1,153 (1,165) at the end of the reporting period. The average personnel count during the reporting period January-June was 1,085 (1,051).

At the end of the reporting period 536 (633) employees worked in Technical Building Services 222 (187) in Renovation Contracting and 385 (336) in the Building Facades business area. The parent company employed 10 (9) people.

<b>PERSONNEL BY SEGMENT AT PERIOD END</b>	<b>6/2018</b>	<b>6/2017</b>	<b>12/2017</b>
Technical Building Services	536	633	566
Renovation Contracting	222	187	201
Building Facades	385	336	304
Parent company	10	9	8
<b>Total Group</b>	<b>1,153</b>	<b>1,165</b>	<b>1,079</b>

## Management Team

Consti Group Plc's Management Team at the end of the reporting period consisted of CEO Esa Korkeela and the following persons: Joni Sorsanen, CFO; Risto Kivi, Consti Julkisivut Oy's CEO; Jukka Mäkinen, Consti Korjausrakointi Oy's CEO; Pekka Pöykkö, Consti Talotekniikka Oy's CEO, Hannu Kimiläinen, Consti Service Business Director; Markku Kalevo, Consti Julkisivut Oy's Bid and Sales Director; Pirkka Lähteinen, Consti Korjausrakointi Oy's Regional Director and Juha Salminen, CDO.

## Important events during the half-year reporting period

Consti Group Plc ("Consti") received an announcement from Evli Pankki Plc ("Evli") on 5 June 2018, in accordance with the Finnish Securities Market Act Chapter 9, Section 5. According to the announcement, the number of Consti shares and votes owned by Evli exceeded five (5) per cent of the share capital of Consti on 2 May 2018.

## The Annual General Meeting 2018 and Board authorisations

The Annual General Meeting of Shareholders of Consti Group Plc held on 4 April 2018 adopted the Financial Statements and discharged the Members of the Board of Directors and the CEO from liability for the financial year 1 January - 31 December 2017. The Annual General Meeting resolved that no dividend will be paid for the financial year 2017.

The Annual General Meeting resolved that the Board of Directors consists of six members. The members of the Board of Directors, Tapio Hakakari, Antti Korkeela, Erkki Norvio, Niina Rajakoski, Petri Rignell and Pekka Salokangas were re-elected for the following term of office.

Authorised Public Accounting firm Ernst & Young Ltd was elected as the Auditor of the Company and Mikko Ryttilähti, Authorised Public Accountant, will act as the Responsible Auditor.

It was resolved that the annual remuneration of the members of the Board of Directors is paid as follows: The Chairman of the Board of Directors is paid EUR 36,000 and members of the Board of Directors are each paid EUR 24,000. It was resolved that the remuneration for the Auditor shall be paid according to the Auditor's reasonable invoice.

The Board of Directors was authorised to resolve on the repurchase of a maximum of 580 000 shares in the Company in one or several tranches by using funds in the unrestricted shareholders' equity. The shares may be repurchased for the price formed at the moment of purchase on public trading or for the price otherwise formed on the markets. The own shares may be purchased by deviating from the shareholders' pre-emptive rights (directed repurchase). The shares may be repurchased in order to, for example, carry out the Company's share-based incentive plan. The Board of Directors is authorized to decide on how repurchase is carried out and on all other matters related to the repurchase of shares.

The Board of Directors was authorised to resolve on the share issue and the issuance of special rights entitling to shares as referred to in Chapter 10 Section 1 of the Companies Act in one or several tranches, either against payment or without payment. The aggregate amount of shares to be issued, including the shares to be received based on special rights, shall not exceed 780,000 shares. The Board of the Directors may resolve to issue either new shares or to transfer treasury shares potentially held by the Company. The Board of Directors is authorized to decide on all other matters related to the issuance of shares and special rights, including on a deviation from the shareholders' pre-emptive rights. The authorization is used, for example, to carry out the Company's share-based incentive plan or for other purposes resolved by the Board of Directors.

These authorizations replace previous authorizations of the Board of Directors and they shall be valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2019.

### **Organising Meeting of the Board of Directors**

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Group Plc on 4 April 2018 held its organising meeting and elected Tapio Hakakari as the Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio, Tapio Hakakari and Pekka Salokangas as members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

### **Shares and share capital**

Consti Group Plc's share capital on 30 June 2018 was 80 000 euro and the number of shares 7 858 267. Consti Group Plc held 173 031 of these shares. The Company has a single series of shares, and each share entitles its holder to one vote at the General Meeting of the company and to an equal dividend. The Company's shares have no par value. Consti Group Plc's shares are added into the Book-Entry Securities System.

### **Share based bonus schemes**

Consti Group Plc's Board decided on 15 February 2018 to continue the share-based incentive plan that was set up to engage the Group's key people in 2016. The plan offers the key people included in the plan the opportunity to earn Company shares as bonuses by altering half or all of their performance based bonuses for 2018 into shares. The performance based bonuses altered into shares will be multiplied with a bonus factor determined by the Board before the bonuses are paid. The possible bonus for earnings period 2018 will be paid to participants after a two-year engagement period during 2021, in part as company shares and in part as cash. During earnings period 2018, the plan will include a maximum of approximately 70 key people including the Management Team. For the earning period 2018, the bonuses paid will amount to a maximum of approximately 250 000 Consti Group Plc shares at the share price level of the plan's decision time, including also the cash payment, providing that all of the key people included in the plan decide to participate in it and alter their performance based bonuses entirely into shares.



## Trade at Nasdaq Helsinki

Consti Group Plc has been listed in the Helsinki Stock Exchange main list since 15 December 2015. The trade symbol is CONSTI. On the Nordic list Consti Group Plc is classified a small cap company within the Industrials sector. During 1 January – 30 June 2018 Consti Group Plc's lowest share price was 7.74 (14.00) euro and the highest 9.52 (16.49) euro. The share's trade volume weighted average price was 8.59 (15.20 euro). At the close of the stock day 29 June 2018 the share value was 8.78 (15.03) euro and the Company's market value was 69.0 (118.1) million euro.

## Related-party transactions

There were no significant related-party transactions during the reporting period.

## Outlook for 2018

Growth is expected to continue in Renovation construction in 2018. The European construction business research group Euroconstruct estimated in its June 2018 forecast that total building in 2018 will increase approximately 4.3 percent from the previous year, renovation construction will grow about 1.5 percent, and new building 6.9 percent from 2017. In renovation construction demand growth is estimated to continue progressing steadily during upcoming years and the growth is estimated to be faster than new building growth on average.

Consti estimates that its operating result for 2018 will grow compared to 2017.

## Significant risks and risk management

Consti divides risks into strategic and operative risks, financing risks and risks of injury or damage.

Risks pertain to defining and carrying out strategy. Consti's goal is to grow in its central businesses in its current market areas and also expand its full offering to Finland's other growth centres. In addition, we aim to increase maintenance and service contracting work, i.e. our Service business, so it amounts to a larger share of our net sales. Our strategy includes both organic growth and acquisitions. Risks related to acquisitions are managed with careful deal preparation and integration monitoring. Market risks are controlled by actively following the market and adjusting operations as necessary.

Operative risks relate to clients and project operations, personnel, subcontractors, suppliers, legislation and legal claims. Consti has a wide customer base that consists of housing companies, municipalities and other public-sector operators, real estate investors as well as corporations and industrial players. Our broad customer base decreases risks related to both individual projects and the market environment. A substantial part of Consti Group's business comes from tendered projects and services. The Company and its business areas have procedures that determine which tenders Consti participates in and what the decision-making processes regarding these projects are. Consti's jointly agreed upon procedures for internal tender calculation and authorisation for decision-making are also central to tender processes.

Our success depends to a large extent on how well we are able to acquire, motivate and retain professional personnel and upkeep our employees' competence. Personnel turnover risk will be kept at minimum with for example continuous training and by supporting voluntary training. Personnel risks also include possible human errors and misconducts. These risks are managed with careful recruiting, orientation, work supervision and with ethical guidelines created for supervisors. Subcontractor and supplier risks are managed with meticulously made contracts, long-term partnerships and regular assessments of the subcontractor and suppliers' financial position. Changes in building, environmental protection, workforce and work safety legislation as well as taxation and financial reporting all have an impact on Consti's operating possibilities.

Risks relating to legal proceedings are managed with meticulous contract preparation and monitoring, the highest possible work quality, and liability insurance. The Group has ongoing and pending legal cases relating to normal business. It is difficult to predict the outcome of these proceedings, but provisions based on the best possible estimate have been recorded in those cases where such provisions are estimated necessary.

Risks pertaining to injuries or damage include injuries, environmental risks, and ICT risks. Consti strives to follow all applicable regulation aimed at protecting employees, and occupational safety is emphasized in all our actions. The most significant environmental risks are related to environmentally harmful substances,

which may be produced for example in deconstruction waste processing, or caused by neglects in end-storage. In addition, operations can cause noise, construction dust and tremor to nearby surroundings. Consti abides by legislation, regulation, permit procedures and authority regulations regarding construction, the materials used in building, storage, recycling, waste disposal and other environmental issues. ICT risk are assessed and managed in cooperation between the Group's ICT function and business areas and together with partners.

Consti Group's business has financial risks. Financial risks include interest rate, credit and liquidity risks as well as risk relating to the realisation of payments from long-term contract and service agreements.

The Group's risks related to market rate fluctuations are due largely to the Group's long-term variable interest rate loans. Consti monitors the sensitivity of its loans to changes in interest rates and the effect such changes would have on the Group's results prior to taxes. Consti's credit risk is related to customers who have unpaid invoices or with whom Consti has long-term contracts as well as counterparties to cash and cash equivalents and derivative agreements. The businesses credit risk is managed for instance with advance payments, front-loaded payment schedules for projects and by examining client backgrounds.

The Group strives to ensure the availability and flexibility of financing with sufficient credit limit reserves and sufficiently long loan periods. The Group's working capital management makes every effort to ensure that it abides to covenants included in interest bearing loans, which in turn determine the capital structure provisions. On 28 December 2017 Consti Group's financing bank agreed on allowing a violation of covenant at the financial reporting date regarding the key figure "net debt's relation to adjusted EBITDA". The financial covenant's degree is continuously monitored and assessed in relation to net debt and EBIT realisations and predictions.

There is a risk that revenue and results of operations from long-term contracts recognised using the percentage-of-completion method and presented by financial year do not necessarily correspond to an even distribution of the final overall result over the contract period. Calculating the total result of a contract involves estimates of the total cost of completing the contract and the progress of the work to be invoiced. If the estimates of the final result of the contract change, the effect of this is reported in the period when the change first became known and could be estimated. There are some open risks relating to a project in Renovation Contracting, which we have to the best of our ability taken into consideration in our half-year financial report 1 January – 30 June 2018. The building in question has been handed over to the customer and the project's final financial statement notes that there is a significant disagreement between the parties.

Goodwill is based on management estimates. Goodwill recognised on Consti's balance sheet is not amortised, but it is tested for impairment annually or if necessary more often by the Group.

A detailed description of risks related to Consti and its operating environment and business, as well as the Group's risk management are presented in the Board of Directors' Report published in Consti's annual report 2017. Financial risks and their management is described in detail in note 18 to the financial statements "Financial risk management".

### Dividend and dividend policy

The Annual General Meeting of Shareholders held on 4 April 2018 resolved that no dividend will be paid for the financial year 2017.

According to the Company dividend policy its goal is to distribute a minimum of 50 percent of the fiscal year's profit as dividend, however taking into consideration the Company's financial position, cash flow and growth opportunities.

### Events after the reporting period

Consti Group Plc announced 5 July 2018 that the Company is renewing the management model of its Service business by allocating the responsibility of the Service business management to the operating business areas. Therefore, the Service business as a Group level function ceases to exist. Due to the change, Consti Group Plc and its Service Business Director Hannu Kimiläinen have jointly agreed that Hannu Kimiläinen will leave his position as Group's Service Business Director immediately. Kimiläinen has worked as Service Business Director and as member of Group Management Team since April 2014.



**HALF-YEAR FINANCIAL REPORT 1.1. - 30.6.2018: FINANCIAL TABLES**

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)</b>	<b>4-6/ 2018</b>	<b>4-6/ 2017</b>	<b>Change %</b>	<b>1-6/ 2018</b>	<b>1-6/ 2017</b>	<b>Change %</b>	<b>1-12/ 2017</b>
<b>Net sales</b>	<b>77,773</b>	<b>78,811</b>	<b>-1.3 %</b>	<b>140,041</b>	<b>136,079</b>	<b>2.9 %</b>	<b>300,203</b>
Other operating income	100	168	-40.4 %	248	311	-20.3 %	850
Materials and services	-54,162	-55,468	2.4 %	-97,919	-95,217	-2.8 %	-218,324
Employee benefit expenses	-15,843	-15,397	-2.9 %	-30,333	-27,876	-8.8 %	-60,181
Depreciation	-420	-509	17.5 %	-851	-1,003	15.1 %	-2,089
Other operating expenses	-5,784	-4,908	-17.8 %	-9,722	-9,319	-4.3 %	-20,834
<b>Operating profit/loss (EBIT)</b>	<b>1,664</b>	<b>2,697</b>	<b>-38.3 %</b>	<b>1,464</b>	<b>2,975</b>	<b>-50.8 %</b>	<b>-375</b>
Financial income	23	21	11.8 %	32	32	2.2 %	22
Financial expenses	-192	-223	13.7 %	-361	-443	18.4 %	-851
Total financial income and expenses	-169	-202	16.4 %	-329	-412	20.0 %	-829
<b>Profit/loss before taxes (EBT)</b>	<b>1,495</b>	<b>2,495</b>	<b>-40.1 %</b>	<b>1,134</b>	<b>2,564</b>	<b>-55.8 %</b>	<b>-1,204</b>
Total taxes	-301	-499	39.6 %	-227	-551	58.8 %	130
<b>Profit/loss for the period</b>	<b>1,194</b>	<b>1,996</b>	<b>-40.2 %</b>	<b>907</b>	<b>2,013</b>	<b>-54.9 %</b>	<b>-1,074</b>
<b>Comprehensive income for the period 1)</b>	<b>1,194</b>	<b>1,996</b>	<b>-40.2 %</b>	<b>907</b>	<b>2,013</b>	<b>-54.9 %</b>	<b>-1,074</b>
Earnings per share attributable to equity holders of parent company							
Earnings per share, undiluted (EUR)	0.16	0.26	-38.6 %	0.12	0.26	-54.4 %	-0,14
Earnings per share, diluted (EUR)	0.16	0.26	-38.6 %	0.12	0.26	-54.4 %	-0,14

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	30 Jun 2018	30 Jun 2017	Change %	31 Dec 2017
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4,089	4,488	-8.9 %	4,528
Goodwill	48,604	46,671	4.1 %	48,604
Other intangible assets	252	438	-42.5 %	262
Available-for-sale financial assets	17	16	7.8 %	17
Long-term receivables	0	0		0
Deferred tax receivables	702	50	1297.7 %	808
<b>Total non-current assets</b>	<b>53,664</b>	<b>51,663</b>	<b>3.9 %</b>	<b>54,219</b>
<b>Current assets</b>				
Inventories	637	601	6.0 %	550
Trade and other receivables	53,564	43,065	24.4 %	36,389
Cash and cash equivalents	4,718	5,801	-18.7 %	9,652
<b>Total current assets</b>	<b>58,918</b>	<b>49,467</b>	<b>19.1 %</b>	<b>46,591</b>
<b>TOTAL ASSETS</b>	<b>112,582</b>	<b>101,130</b>	<b>11.3 %</b>	<b>100,810</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>26,483</b>	<b>28,205</b>	<b>-6.1 %</b>	<b>25,281</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	19,582	20,749	-5.6 %	20,138
<b>Total non-current liabilities</b>	<b>19,582</b>	<b>20,749</b>	<b>-5.6 %</b>	<b>20,138</b>
<b>Current liabilities</b>				
Trade and other payables	39,330	35,108	12.0 %	39,325
Advances received	22,286	15,475	44.0 %	12,531
Interest-bearing liabilities	3,591	565	535.4 %	1,584
Provisions	1,310	1,027	27.6 %	1,951
<b>Total current liabilities</b>	<b>66,518</b>	<b>52,175</b>	<b>27.5 %</b>	<b>55,391</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>112,582</b>	<b>101,130</b>	<b>11.3 %</b>	<b>100,810</b>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)	Equity attributable to owners of the parent					
	Share capital	Reserve for invested non- restricted equity	Treasury shares	Retained earnings	Total	Total equity
<b>Equity on 31 December 2017</b>	<b>80</b>	<b>28,252</b>	<b>-601</b>	<b>-2,450</b>	<b>25,201</b>	<b>25,281</b>
Changes in accounting principles (IFRS 2)				116	116	116
<b>Equity on 1 January 2018</b>	<b>80</b>	<b>28,252</b>	<b>-601</b>	<b>-2,334</b>	<b>25,317</b>	<b>25,397</b>
Total comprehensive income				907	907	907
Share-based incentive				179	179	179
<i>Transactions with shareholders, total</i>				179	179	179
<b>Equity on 30 June 2018</b>	<b>80</b>	<b>28,252</b>	<b>-601</b>	<b>-1,248</b>	<b>26,403</b>	<b>26,483</b>

<b>Equity on 1 January 2017</b>	<b>80</b>	<b>27,405</b>	<b>-446</b>	<b>2,604</b>	<b>29,563</b>	<b>29,643</b>
Total comprehensive income				2,013	2,013	2,013
Dividend distribution				-4,135	-4,135	-4,135
Conveyance of own shares		504	46		550	550
Share-based incentive				134	134	134
<i>Transactions with shareholders, total</i>		504	46	-4,001	-3,451	-3,451
<b>Equity on 30 June 2017</b>	<b>80</b>	<b>27,909</b>	<b>-400</b>	<b>616</b>	<b>28,125</b>	<b>28,205</b>

<b>Equity on 1 January 2017</b>	<b>80</b>	<b>27,405</b>	<b>-446</b>	<b>2,604</b>	<b>29,563</b>	<b>29,643</b>
Total comprehensive income				-1,074	-1,074	-1,074
Dividend distribution				-4,135	-4,135	-4,135
Conveyance of own shares		847	103		950	950
Purchase of own shares			-258		-258	-258
Share-based incentive				155	155	155
<i>Transactions with shareholders, total</i>		847	-155	-3,980	-3,288	-3,288
<b>Equity on 31 December 2017</b>	<b>80</b>	<b>28,252</b>	<b>-601</b>	<b>-2,450</b>	<b>25,201</b>	<b>25,281</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)</b>	<b>4-6/2018</b>	<b>4-6/2017</b>	<b>1-6/2018</b>	<b>1-6/2017</b>	<b>1-12/2017</b>
<b>Cash flows from operating activities</b>					
Operating profit/loss	1,664	2,697	1,464	2,975	-375
Adjustments:					
Depreciation	420	509	851	1,003	2,089
Other adjustments	-70	-46	72	-17	-81
Change in working capital	436	1,103	-7,384	101	8,742
<b>Operating cash flow before financial and tax items</b>	<b>2,450</b>	<b>4,263</b>	<b>-4,998</b>	<b>4,062</b>	<b>10,375</b>
Financial items, net	-169	-202	-329	-412	-829
Taxes paid	-380	-215	-762	-445	-679
<b>Net cash flow from operating activities</b>	<b>1,901</b>	<b>3,846</b>	<b>-6,089</b>	<b>3,205</b>	<b>8,867</b>
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries and business operations, net of cash acquired	0	0	0	-2,099	-3,855
Investments in tangible and intangible assets	-222	-283	-575	-560	-1,439
Proceeds from sale of property, plant and equipment	161	95	280	172	847
Proceeds from sale of available-for-sale financial assets	0	0	0	0	0
<b>Net cash flow from investing activities</b>	<b>-60</b>	<b>-188</b>	<b>-295</b>	<b>-2,487</b>	<b>-4,446</b>
<b>Cash flows from financing activities</b>					
Purchase of own shares	0	0	0	0	-258
Dividend distribution	0	-4,135	0	-4,135	-4,135
Proceeds from long-term liabilities	0	0	0	0	21,000
Payments of long-term liabilities	-500	0	-500	0	-20,500
Change in other interest-bearing liabilities	-124	23	1,951	-87	-179
<b>Net cash flow from financing activities</b>	<b>-624</b>	<b>-4,112</b>	<b>1,451</b>	<b>-4,222</b>	<b>-4,072</b>
<b>Change in cash and cash equivalents</b>	<b>1,216</b>	<b>-454</b>	<b>-4,934</b>	<b>-3,504</b>	<b>348</b>
Cash and cash equivalents at period start	3,502	6,255	9,652	9,304	9,304
<b>Cash and cash equivalents at period end</b>	<b>4,718</b>	<b>5,801</b>	<b>4,718</b>	<b>5,801</b>	<b>9,652</b>

## Accounting principles

Consti Group Plc's half-year financial report has been prepared for the accounting period of 1.1. - 30.6.2018 according to the IAS 34 Interim Financial reporting principles. Consti has abided by the same accounting principles in its half-year financial reporting as in its IFRS financial statement 2017 with the exception of the changes in accounting principles described below. The information presented in the half-year financial report are not audited. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the values given in half-year financial report.

## Changes in accounting principles

### IFRS 15 Revenue from contracts with customers

Consti Group Plc took the IFRS 15 'Revenue from contracts with customers' standard into use retrospectively adopting the IAS 8 standard from 1 January 2018 onwards. The reporting period 1 January – 31 March 2018 was the first quarter during which the Group abided to regulation in the IFRS 15 standard.

IFRS 15 replaces all standards regarding revenue from contracts with customers, IAS 11 'Construction contracts', and IAS 18 'Revenue and related interpretations'. IFRS 15 establishes a 5-step model on how to account for revenue from contracts with customers. The standard is applied to all contracts made with customers that have commercial value and in which parties involved have performance obligations. The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers, and the recognised revenue reflects the compensation that the entity expects to be entitled to in exchange for those goods or services.

The retrospective application of the standard does not have an impact on the Group's reported figures. The Group has not applied practical expedients allowed in implementing the IFRS standard.

#### 1. Project deliveries

Project deliveries form a significant part of Consti's net sales. Project deliveries include building technology, pipeline renovations, renovation contracting, facade renovations, and other demanding renovation contracts and service contracts, which Consti has determined as significant based on both value and duration.

#### Identifying contracts

IFRS 15 includes criteria for assessing both contract identification and combination. If two or more simultaneous contracts have been made with the same customer or a related party of the customer relating to the same entity, the contracts are combined and handled as if they were one contract.

Combinable contracts have been identified particularly in total building technology deliveries, such as heating, water, ventilation, electricity, and automation instalments. In such cases the contracts are combined either because they are negotiated as one entity with one commercial purpose, or because the services outlined in the contract form one performance obligation.

#### Contract changes

Changes made in customer contracts do not typically fulfil the IFRS 15 standard's requirements for handling the change as a separate contract. The contract changes are thus handled as part of the total work. The contract changes are combined because the services related to the contract change cannot be separated from the original performance obligation.

Transition to the IFRS 15 standard does not change the manner in which Consti identifies a contract and the way in which contract changes are handled.



## **Identifying performance obligations**

When the contract is made the promised services included in the contract are assessed and the performance obligations to the customer are identified. In Consti's project deliveries, work and material shares cannot be separated. In projects including design responsibility, the design and building phases of the project can be divided into their own performance obligations. In addition, in Consti's total deliveries, it is possible to divide work into performance obligations based on for example separate parts of construction work and building technology.

Transition to the IFRS 15 standard does not change the manner in which Consti identifies performance obligations in customer contracts.

## **Determining transaction price for performance obligations**

The transaction price is the compensation that the Group expects to be entitled to for the provided services. In customer contracts the promised compensation can include fixed or variable monetary compensation or both. The Group's project deliveries are typically priced either as fixed price contracts, target price contracts or as cost + fee contracts.

For variable consideration the Group estimates the compensation to which it is entitled to for delivering the promised services to the customer. In estimating the variable consideration, it is essential that the amount of revenue recognised is limited to an amount in which it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when uncertainty associated with the variable consideration is subsequently resolved.

Transaction price is allocated to each performance obligation based on the compensation that the Group expects to be entitled to in exchange for transferring the promised services to the customer.

Transition to the IFRS 15 standard does not change the manner in which Consti determines transaction price or allocates transaction price to each performance obligation. The amount of revenue recognised has included management estimates, and recognition has been based on the management's best estimate on the compensation the Group expects to be entitled.

## **Revenue recognition**

The Group recognises revenue when it fulfils its performance obligation by handing over the promised service to the customer. Consti has analysed that its project deliveries still fulfil requirements for recognising revenue over time. In project deliveries Consti's business is based on work conducted on an asset owned by the customer, in which the customer gains control of the created asset as soon as Consti's performance creates the asset. Revenue recognition occurs gradually as the project advances and the customer gains control of the promised asset.

Transition to the IFRS 15 standard does not change the manner in which Consti recognises revenue or the timing of revenue recognition.

## **2. Other cost + fee projects and service contracts**

Other cost + fee projects and service contracts include small cost + fee based building technology, pipeline renovation, renovation contracting, facade renovations, and other worksite renovation contracts and service contracts. This category also includes technical repair and maintenance services for contract customers.

In other cost + fee projects and service contracts, revenue is recognised when Consti's performance creates an asset and the customer receives and consumes benefits acquired from the performance as the service is delivered.

<b>NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)</b>	<b>4-6/2018</b>	<b>4-6/2017</b>	<b>1-6/2018</b>	<b>1-6/2017</b>	<b>1-12/2017</b>
<b>Project deliveries</b>					
Technical Building Services	25 608	29 312	47 982	52 787	103 514
Renovation Contracting	18 917	18 307	35 520	31 965	71 104
Building Facades	32 440	26 449	53 684	42 794	111 398
Parent company and eliminations	-4 454	-2 255	-6 913	-3 862	-10 675
<b>Total project deliveries</b>	<b>72 511</b>	<b>71 813</b>	<b>130 273</b>	<b>123 683</b>	<b>275 340</b>
<b>Other cost + fee projects and service contracts</b>					
Technical Building Services	2 387	3 472	4 966	6 041	12 592
Renovation Contracting	2 088	2 406	3 577	4 721	9 747
Building Facades	787	1 121	1 225	1 634	2 524
Parent company and eliminations	0	0	0	0	0
<b>Total other cost + fee projects and service contracts</b>	<b>5 262</b>	<b>6 998</b>	<b>9 768</b>	<b>12 396</b>	<b>24 863</b>
<b>Total net sales</b>	<b>77 773</b>	<b>78 811</b>	<b>140 041</b>	<b>136 079</b>	<b>300 203</b>

## IFRS 9 Financial instruments

IFRS 9 includes requirements regarding the classification and valuation of financial assets, new guidelines for hedge accounting, and a new model for estimating impairment of financial assets which is based on expected credit loss. Consti has not thus far applied hedge accounting and has not yet decided upon starting hedge accounting based on IFRS 9. The main impact of IFRS 9 application is limited to the new expected credit loss model applied to assessing impairment loss for the doubtful accounts receivable. Applying this standard does not, however, have a significant impact on credit loss recognition, because historically impairment of trade receivables at Consti has remained at a low level. Transition to the IFRS 9 standard does not have an impact on Consti's opening balance 2018 figures.

## IFRS 2 Share-based payments

Amendments to IFRS 2 mean that share-based payments that are settled net in shares after withholding taxes, and in which the company pays in cash the taxes related to the rewards on behalf of the participants, are accounted for in full as equity-settled arrangements. Consti Group's financial statements 2017 included EUR 0.1 million as short-term liability related to the share paid in cash. Following amendments to the standard this share paid in cash has been adjusted in the opening balance from short-term liabilities to retained earnings.

## Evaluation of future effects of new standards and interpretations

### IFRS 16 Leases

According to IFRS 16, the lessee is required to recognise assets and liabilities for nearly all leases. There are optional exemptions for short-term leases and leases of low-value items. The most significant impact identified is that Consti will recognise new assets and liabilities, mainly for its operating leases of facilities and vehicles. In addition, the nature of expenses related to those leases will change as IFRS 16 replaces the operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities reported under financing expenses. Consti will adopt IFRS 16 on 1 January 2019. Estimate for the impacts of the adoption of IFRS 16 on consolidated financial statements and decision about the transition approach will be done during the second half of FY 2018.

## Business areas

During the fiscal period Consti Group consisted of three domestic operational segments that support each other: Technical Building Services, Renovation Contracting and Building Facades. Due to the similarity of Consti Group's management structure, the operations and business segments these operational segments are combined for the IFRS 8 segment reporting into one reportable segment, which also includes Group services and other liabilities.

NET SALES BY SEGMENT (EUR 1,000)	4-6/ 2018	4-6/ 2017	Change %	1-6/ 2018	1-6/ 2017	Change %	1-12/ 2017
Technical Building Services	27,996	32,783	-14.6 %	52,948	58,828	-10.0 %	116,106
Renovation Contracting	21,005	20,713	1.4 %	39,097	36,686	6.6 %	80,850
Building Facades	33,227	27,570	20.5 %	54,909	44,428	23.6 %	113,921
Parent company and elimin.	-4,454	-2,255	-97.6 %	-6,913	-3,862	-79.0 %	-10,675
<b>Total Net sales</b>	<b>77,773</b>	<b>78,811</b>	<b>-1.3 %</b>	<b>140,041</b>	<b>136,079</b>	<b>2.9 %</b>	<b>300,203</b>

ORDER INTAKE BY SEGMENT (EUR 1,000)	4-6/ 2018	4-6/ 2017	Change %	1-6/ 2018	1-6/ 2017	Change %	1-12/ 2017
Technical Building Services	21 616	32,252	-33,0 %	42 642	50,864	-16,2 %	97,180
Renovation Contracting	19 457	21,020	-7,4 %	39 092	32,060	21,9 %	97,827
Building Facades	51 188	31,539	62,3 %	87 136	64,722	34,6 %	94,901
Parent company and elimin.	-3 583	-1,836	-95,1 %	-7 505	-5,171	-45,1 %	-11,832
<b>Total Order intake</b>	<b>88 678</b>	<b>82,976</b>	<b>6,9 %</b>	<b>161 365</b>	<b>142,475</b>	<b>13,3 %</b>	<b>278,077</b>

ORDER BACKLOG BY SEGMENT (EUR 1,000)	4-6/ 2018	4-6/ 2017	Change %	1-6/ 2018	1-6/ 2017	Change %	1-12/ 2017
Technical Building Services	77,457	77,700	-0,3 %	77,457	77,700	-0,3 %	72,500
Renovation Contracting	93,655	44,310	111,4 %	93,655	44,310	111,4 %	78,233
Building Facades	115,089	105,897	8,7 %	115,089	105,897	8,7 %	74,988
<b>Total Order backlog</b>	<b>286,201</b>	<b>227,907</b>	<b>25,6 %</b>	<b>286,201</b>	<b>227,907</b>	<b>25,6 %</b>	<b>225,721</b>

## Group liabilities

GROUP LIABILITIES (EUR 1,000)	6/2018	6/2017	12/2017
<b>Other liabilities</b>			
Leasing and rental liabilities	4,324	4,463	4,708

## Key figures

KEY FIGURES (EUR 1,000)	1-6/2018	1-6/2017	1-12/2017
<b>INCOME STATEMENT</b>			
Net sales	140,041	136,079	300,203
EBITDA	2,315	3,978	1,714
EBITDA margin, %	1.7 %	2.9 %	0.6 %
Operating profit/loss (EBIT)	1,464	2,975	-375
Operating profit/loss margin, %	1.0 %	2.2 %	-0.1 %
Profit/loss before taxes (EBT)	1,134	2,564	-1,204
as % of sales	0.8 %	1.9 %	-0.4 %
Profit/loss for the period	907	2,013	-1,074
as % of sales	0.6 %	1.5 %	-0.4 %
<b>OTHER KEY FIGURES</b>			
Balance sheet total	112,582	101,130	100,810
Net interest-bearing debt	18,455	15,514	12,070
Equity ratio, %	29.3 %	32.9 %	28.6 %
Gearing, %	69.7 %	55.0 %	47.7 %
Return on investment, ROI %	-3.8 %	23.7 %	-0.7%
Free cash flow	-5,572	3,502	8,936
Cash conversion, %	n/a	88.0 %	521.4 %
Order backlog	286,201	227,907	225,721
Order intake	161,365	142,475	278,077
Average number of personnel	1,085	1,051	1,088
Number of personnel at period end	1,153	1,165	1,079
<b>SHARE RELATED KEY FIGURES</b>			
Earnings per share, undiluted (EUR)	0.12	0.26	-0.14
Earnings per share, diluted (EUR)	0.12	0.26	-0.14
Shareholders' equity per share (EUR)	3.46	3.68	3.30
Number of shares, end of period	7,858,267	7,858,267	7,858,267
Number of outstanding shares, end of period	7,662,216	7,657,048	7,662,216
Average number of outstanding shares	7,662,216	7,649,393	7,660,253

## Calculation of key figures

EBITDA =	Operating profit/loss (EBIT) + depreciation, amortisation and impairment
Net interest-bearing debt =	Interest-bearing liabilities - cash and cash equivalents
Equity ratio (%) =	$\frac{\text{Equity}}{\text{Total assets - advances received}} \times 100$
Gearing (%) =	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$
Return on investment, ROI (%) =	$\frac{\text{Profit/loss before taxes + interest and other financial expenses (rolling 12 month)}}{\text{Total equity + interest-bearing liabilities (average)}} \times 100$
Average number of personnel =	The average number of personnel at the end of each calendar month during the period
Number of personnel at period end =	Number of personnel at the end of period
Free cash flow =	Net cash flow from operating activities before financial and tax items - investments in intangible and tangible assets
Cash conversion (%) =	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Earnings per share =	$\frac{\text{Profit/loss attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding during the period}} \times 100$
Adjusted EBITDA =	EBITDA before items affecting comparability (IAC)
Adjusted operating profit/loss (EBIT) =	Operating profit/loss (EBIT) before items affecting comparability (IAC)
Order backlog =	At the end of the period the unrecognised amount of construction contracts recognised in accordance with the percentage of completion method, including not started ordered construction contracts, long-term service agreements and the part which has not been invoiced in ordered invoice based projects
Order intake =	Orders of construction contracts, long-term service agreements and invoice based projects during the period



QUARTERLY INFORMATION (EUR 1,000)	Q2/18	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16
Net sales	77,773	62,267	86,300	77,824	78,811	57,268	74,823	70,554	64,813
Other operating income	100	148	307	232	168	143	187	435	115
Materials and services	-54,162	-43,757	-64,540	-58,567	-55,468	-39,749	-50,491	-49,423	-44,481
Employee benefit expenses	-15,843	-14,490	-17,275	-15,031	-15,397	-12,479	-14,682	-12,878	-13,457
Other operating expenses	-5,784	-3,937	-6,843	-4,672	-4,908	-4,411	-4,945	-4,167	-3,922
EBITDA	2,084	231	-2,050	-214	3,206	772	4,892	4,521	3,069
EBITDA margin, %	2.7 %	0.4 %	-2.4 %	-0.3 %	4.1 %	1.3 %	6.5 %	6.4 %	4.7 %
Depreciation	-420	-432	-540	-546	-509	-494	-446	-792	-454
Operating profit/loss (EBIT)	1,664	-201	-2,590	-760	2,697	278	4,447	3,729	2,614
Operating profit/loss margin, %	2.1 %	-0.3 %	-3.0 %	-1.0 %	3.4 %	0.5 %	5.9 %	5.3 %	4.0 %
Financial income	23	9	-55	45	21	11	11	4	5
Financial expenses	-192	-169	-164	-243	-223	-220	-202	-206	-238
Total financial income and expenses	-169	-160	-220	-198	-202	-209	-192	-202	-233
Profit/loss before taxes (EBT)	1,495	-360	-2,810	-958	2,495	69	4,255	3,527	2,381
Total taxes	-301	74	516	165	-499	-52	-870	-736	-503
Profit/loss for the period	1,194	-286	-2,294	-793	1,996	17	3,385	2,791	1,878
Balance sheet total	112,582	98,738	100,810	103,226	101,130	95,197	98,078	97,132	91,815
Net interest-bearing debt	18,455	20,295	12,070	13,402	15,514	15,036	12,097	11,667	17,780
Equity ratio, %	29.3 %	30.9 %	28.6 %	31.9 %	32.9 %	37.2 %	34.5 %	32.5 %	31.5 %
Gearing, %	69.7 %	80.5 %	47.7 %	48.6 %	55.0 %	49.7 %	40.8 %	44.6 %	76.1 %
Return on investment, ROI %	-3.8 %	-1.7 %	-0.7 %	14.0 %	23.7 %	22.8 %	22.7 %	21.2 %	18.3 %
Order backlog	286,201	250,177	225,721	198,759	227,907	212,910	190,806	185,614	212,590
Order intake	88,678	72,687	104,920	30,682	82,976	59,499	66,059	30,285	75,554
Average number of personnel	1,110	1,061	1,099	1,153	1,108	993	941	956	940
Number of personnel at period end	1,153	1,053	1,079	1,117	1,165	1,029	935	931	990
Earnings per share, undiluted (EUR)	0.16	-0.04	-0.30	-0.10	0.26	0.00	0.44	0.37	0.25
Number of outstanding shares, end of period	7,662,216	7,662,216	7,662,216	7,670,154	7,657,048	7,657,048	7,620,931	7,614,767	7,614,767
Average number of outstanding shares	7,662,216	7,662,216	7,672,147	7,669,727	7,657,048	7,641,652	7,617,179	7,614,767	7,614,767

## Largest shareholders

10 LARGEST SHAREHOLDERS 30 June 2018		Number of shares	% of shares and voting rights
1	Ilmarinen Mutual Pension Insurance Company	780,451	9.93 %
2	Evli Suomi Pienyhtiöt Fund	499,568	6.36 %
3	Danske Invest Suomi Yhteisöosake Fund	425,818	5.42 %
4	Korkeela Esa Sakari	411,600	5.24 %
5	Kivi Risto Juhani	375,300	4.78 %
6	Op-Suomi Pienyhtiöt	307,977	3.92 %
7	Kalevo Markku	297,900	3.79 %
8	Korkeela Antti Petteri	276,894	3.52 %
9	Aktia Capital Fund	185,850	2.37 %
10	Danske Invest Suomen Parhaat Fund	175,000	2.23 %
<b>Ten largest owners, total</b>		<b>3,736,358</b>	<b>47.55 %</b>
Nominee registered		1,117,934	14.23 %
Others		3,003,975	38.23 %
<b>Total</b>		<b>7,858,267</b>	<b>100.00 %</b>

In Helsinki, 26 July 2018

CONSTI GROUP PLC'S BOARD OF DIRECTORS

## Press conference

A press conference for analysts, portfolio managers and media will be arranged on Thursday 26 July 2018 at 10.00 Glo Hotel Kluuvi's Board -conference room, at Kluuvikatu 4, Helsinki. The conference is hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

## Financial communication in 2018

Consti Group Plc shall publish one more interim report during 2018:

- Interim report 1-9/2018 will be published 26 October 2018

## Further information:

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## Distribution

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[www.consti.fi](http://www.consti.fi)

This communication includes future-oriented statements that are based on Consti's managements current assumptions and issues it is aware of as well as its existing decisions and plans. Although the management believes that the future expectations are well-founded, there is no certainty that these expectations will prove to be correct. Thus the results may significantly deviate from the assumptions included in the future-oriented statements as a result of issues such as changes in the economy, markets competitive conditions, legislation and regulations.