

**CONSTI'S INTERIM REPORT JANUARY – MARCH 2016**
**NET SALES AND ORDER BACKLOG CONTINUED TO GROW**
**1–3/2016 highlights (comparison figures in parenthesis 1–3/2015):**

- Net sales 51.4 (47.5) million euro; growth 8.2 %
- EBITDA 0.6 (0.6) million euro and EBITDA margin 1.2 % (1.2 %)
- Adjusted EBITDA 0.7 (0.9) million euro and adjusted EBITDA margin 1.3 % (1.9 %)
- Operating profit (EBIT) 0.2 (0.1) million and operating profit (EBIT) margin 0.4 % (0.1 %)
- Adjusted EBIT 0.2 (0.4) million euro and adjusted EBIT margin 0.4 % (0.8 %)
- Order backlog 191.7 (179.9) million euro
- Free cash flow 3.4 (2.2) million euro
- Earnings per share -0.01 (-0.26) euro

**Guidance on the Group outlook for 2016:**

The company estimates that its total annual sales for 2016 will grow compared to 2015.

**Impact of new ESMA guidelines**

New ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs) are effective for the financial year 2016. Consti presents APMs to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. As of Q1 2016, Consti relabels the previously referenced "before non-recurring items" with "before items affecting comparability" (IAC).

KEY FIGURES (EUR 1,000)	1-3/ 2016	1-3/ 2015	Change %	1-12/ 2015
Net sales	51,367	47,494	8.2 %	256,151
Adjusted EBITDA*	660	881	-25.1 %	12,613
Adjusted EBITDA margin, %	1.3 %	1.9 %		4.9 %
EBITDA	637	586	8.7 %	10,507
EBITDA margin, %	1.2 %	1.2 %		4.1 %
Adjusted EBIT*	214	366	-41.5 %	10,520
Adjusted EBIT margin, %	0.4 %	0.8 %		4.1 %
Operating profit (EBIT)	191	71	169.6 %	8,414
Operating profit (EBIT) margin, %	0.4 %	0.1 %		3.3 %
Profit for the period	-77	-1,036	92.6 %	3,260
Order backlog	191,725	179,866	6.6 %	181,301
Free cash flow	3,394	2,184	55.4 %	8,910
Cash conversion, %	532.6 %	372.7 %		84.8 %
Net interest-bearing debt	15,014	43,307	-65.3 %	17,407
Gearing, %	61.4 %	neg. eq.		70.9 %
Number of personnel at period end	904	864	4.6 %	890
Earnings per share, undiluted (EUR)	-0.01	-0.26	96.1 %	0.61

\* For a more detailed description of items affecting comparability, see section "Sales, result and order backlog"

## CEO's review

"The demand in renovation construction and technical building services continued good during the first quarter. Order intake increased and our order backlog grew compared to the turn of the year.

Our net sales grew 8.2 percent to 51.4 million euro. Sales growth was strong in Renovation Contracting and Technical Building Services. Our profitability remained solid during the first quarter of the year, which is our slowest season. Our adjusted EBIT was 0.2 million euro, which is 0.4 percent of the net sales, while corresponding figures from the first quarter of 2015 were 0.4 million euro and 0.8 percent of the net sales. At the end of the reporting period our order backlog in euro was strong: 191.7 (179.9) million euro, which provides a good foundation for our business during the rest of the year.

The market situation in the beginning of the year has been good. The amount of tender requests has increased positively and we have negotiated about several interesting ventures. New work sites that started during the reporting period include for example a large-scale building automation project at the Helsinki City Theatre, which is one of the largest automation ventures Consti has ever had. In addition, Consti will for instance renovate Samppalinna outdoor swimming stadium in Turku.

As defined in our strategy, we have actively sought new acquisition possibilities and continued work to progress our internal development projects. Our goal is to continue profitable growth by strengthening our position in Finland's growth centres.

Based on our current market and business outlook, we believe that renovation construction and technical building services will continue their stable growth during 2016", says Consti Group Plc's CEO Marko Holopainen.

## Operating environment

Renovation's relative portion of the building market has grown during the past decade in Finland, and it is now already larger than the new building market. The Confederation of Finnish Construction Industries RT (CFCI) estimates that renovation amounted to approximately 54 percent of the building market's total value in 2015. The general economic situation has a significantly smaller impact on renovation construction and technical building services than it does on the new building market.

The ageing building stock particularly increases the demand for renovation construction. As buildings age, they require more technical renovations such as pipeline and façade renovations. At the moment mainly buildings from the 1960s are being renovated in Finland. Next, renovations will start on the considerably larger building stock of the 1970s and 1980s. Renovation of this building stock has already been partly started. In renovation construction the largest growth during the next decade is expected to come from residential buildings in large cities. In residential building renovations approximately one third of the renovations are pipelines, one third façades and the rest other structures.

In addition to ageing, buildings require more renovation, technical building services and building technology maintenance services due to heightened energy efficiency requirements, urbanisation, modification of the use of buildings, the development of housing automatisisation and the ageing populations' need for barrier-free buildings.

There are currently a great number of buildings in Finland which would benefit from renovations modifying their use to match current needs. Such renovations would improve both the buildings' usability and profitability. Typical modifications of buildings include the altering of old office

buildings and industrial buildings in growth centres into hotels, apartments and assisted living facilities. Modifications of the use of buildings are a central part of Consti's services.

Renovation construction markets are concentrating on growth areas, akin to new construction. Necessary technical repairs in declining suburbs and less populated areas are often economically unviable.

The Confederation of Finnish Construction Industries RT (CFCI) estimated in its April business conditions review that total construction will increase 3-4 percent from the previous year during 2016. Renovation construction is estimated to grow 2.5 percent from the previous year. The majority of renovation is estimated to come from renovations of residential buildings.

The boost in new building should have a positive impact on Consti's competitive environment and create new growth opportunities for Technical Building Services. New building growth has a delayed impact on technical building services. The Finnish Association of HPAC Technical Contractors estimated in their April review of business conditions that the economic situation should improve for technical building services by autumn.

The renovation market is very fragmented in Finland. Large construction companies focus on new building and the field of renovation has typically consisted of several small companies that usually focus on only one segment of renovation.

Measured in sales, Consti is one of Finland's leading companies in renovation and technical building services.

## **Group structure**

Consti is one of Finland's leading companies focused on renovation and technical building services. Consti has a comprehensive service offering covering technical building services, residential pipeline renovation, renovation contracting, building façade repair and maintenance, and other renovation and technical services for demanding residential, commercial and public properties. Consti has focused its operations especially to the Greater Helsinki area and the Tampere region of Pirkanmaa. The company also has operations in Turku, Lahti and Oulu.

Consti has three business areas: Technical Building Services, Building Façades, 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' net 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 order intake 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 Façades) and Consti Korjausurakointi Oy (Renovation Contracting). Eleta Talotekniikka Oy was acquired in January 2016. The aim is to complete its merger with Consti Technical Building Services during the second quarter of 2016.

## **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 conversion ratio of over 90 percent
- Net debt and adjusted EBITDA rate of under 2.5 whilst maintaining an efficient capital structure

## Sales, result and order backlog

1–3/2016

Consti Group's January-March net sales grew 8.2 percent and was 51.4 (47.5) million euro. Technical Building Services sales were 23.7 (21.8) million euro, Renovation Contracting sales were 16.8 (14.3) and Building Façades sales were 11.8 (12.5) million euro.

Sales continued to grow in Technical Building Services and Renovation Contracting, but declined in Building Façades. Renovation Contracting sales grew 17.3 percent. Growth was largely due to good order intake and order backlog in late 2015. Renovation Contracting sales had strong growth in the Greater Helsinki area and Turku area. Technical Building Services sales grew 8.8 percent. Technical Building Services sales grew well in service operations and in business premise renovations. Building Façades sales decreased 5.6 percent in the first quarter of the year, which is its slowest season.

Operating profit (EBIT) for January-March grew from last year and was 0.2 (0.1) million euro. Operating profit from sales was 0.4 (0.1) percent. Costs affecting comparability during the fiscal period totalled 0.02 (0.3) million euro, relating to the IPO. The adjusted EBIT before items affecting comparability for the first quarter of the year was 0.2 (0.4) million euro. The adjusted EBIT margin before items affecting comparability was 0.4 (0.8) percent. The operating profit and operating profit margin fluctuation are affected by the Group's progress in projects that generate revenue according to the percentage-of-completion method, the starting of new projects and the development of demand for services. Consti's business volumes are typically lowest during the first quarter of the year, when changes in fixed costs reflect more on the result than during other quarters. During the first quarter fixed costs were increased by an acquisition as well as resourcing and investments necessary for operations as a listed company.

The order backlog at the end of the period increased 6.6 percent and was 191.7 (179.9) million euro. The order backlog increased in Renovation Contracting and Building Façades, but decreased in Technical Building Services. Order intake value in January-March grew approximately 9 percent. Order intake increased in Building Façades but decreased in Technical Building Services and Renovation Contracting.

ITEMS AFFECTING COMPARABILITY (EUR 1,000)	1-3/2016	1-3/2015	1-12/2015
Planning of structural arrangements		-295	-385
Adoption of IFRS standards			-353
Planning and execution of IPO	-23		-1,368
<b>Items affecting comparability, total</b>	<b>-23</b>	<b>-295</b>	<b>-2,106</b>

## Investments and business combinations

Investments into intangible and tangible goods in January-March were 0.2 (0.9) million euro, which is 0.5 (2.0) percent of the company's net sales. The largest investments were made into tangible

items of property which include capital improvements to the Company's offices, machinery and equipment purchases.

Investments related to business combinations in January-March were 0.4 (0.0) million euro. During the reporting period Consti signed a deal of the purchase of the entire share base of Eleta Talotekniikka Oy. Eleta is based in Espoo and established in 1987. The company specialises in technical building services and its annual turnover is approximately 2 million euro. In the deal, all Eleta employees transferred to work for Consti. The deal further enhances Consti's strong expertise in technical building services in the Helsinki Metropolitan Area and supports the company's drive to increase its maintenance and energy know-how.

### Financing and financial position

The operating cash flow in January-March before financing items and taxes was 3.6 (3.1) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was 3.4 (2.2) million euro. The cash flow ratio in January-March was 532.6 (372.7) percent. The improvement of operating result had a positive impact on operating cash flow. In addition, cash flow from working capital release was larger than in the comparison period.

Consti Group's cash and cash equivalents on March 31<sup>st</sup> 2016 were 6.4 (12.2) million euro. In addition, the company has undrawn revolving credit facilities amounting to 5.0 million. The Group's interest bearing debts were 21.4 (55.5) 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 15.0 (43.3) million euro and the gearing ratio 61.4 percent.

The balance sheet total on March 31<sup>st</sup> 2016 was 87.2 (94.0) million euro. At the end of the reporting period tangible assets in the balance sheet were 5.2 (6.3) million euro. Equity ratio was 33.4 (-0.7) percent. Rental liabilities associated with off-balance sheet operational leasing agreements totalled 4.2 (2.8) million euro on March 31<sup>st</sup> 2016.

In September 2015 the Company changed its capital structure and refinanced its indebtedness. The change in capital structure and refinancing of indebtedness decreased financing costs in 2015. The impact is seen especially in 2016.

<b>MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021-</b>	<b>Total</b>
Bank loans	210	280	280	280	20,210	0	<b>21,260</b>
Finance lease liabilities	70	62	50	12	0	0	<b>194</b>
Other interest-bearing liabilities	424	430	295	91	3	0	<b>1,243</b>
<b>Total</b>	<b>704</b>	<b>772</b>	<b>625</b>	<b>383</b>	<b>20,213</b>	<b>0</b>	<b>22,697</b>

### Personnel

Consti Group had 904 (864) employees at the end of the reporting period. The increase in personnel was mainly due to project management personnel recruitments. The average employee count during the period was 896 (858).

At the end of the reporting period 523 (516) employees worked in Technical Building Services, 164 (147) in Renovation Contracting and 208 (193) in the Building Façades business area. The parent company employed 9 (8) people.

PERSONNEL BY SEGMENT AT PERIOD END	3/2016	3/2015	12/2015
Technical Building Services	523	516	509
Renovation Contracting	164	147	164
Building Facades	208	193	209
Parent company	9	8	8
<b>Total Group</b>	<b>904</b>	<b>864</b>	<b>890</b>

## Management Team

Consti Group Plc's Management Team at the end of the reporting period consisted of CEO Marko Holopainen and the following persons: Esa Korkeela, CFO; Risto Kivi, Consti Julkisivut Oy's CEO; Jukka Mäkinen, Consti Korjausurakointi 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 Korjausurakointi Oy's Regional Director and Juha Salminen, CDO.

## Important events during the reporting period

Consti Group Plc announced Danske Bank's actions to stabilise the share price on 8 January 2016 and its use of the over-allotment option relating to Consti Group Plc's IPO to Helsinki Stock Exchange.

Consti Group Plc received an announcement from Intera Fund I Ky ("Intera") on 11 January 2016, in accordance with the Finnish Securities Market Act Chapter 9, Section 10. According to the announcement, the total number of Consti shares and votes owned by Intera decreased below fifteen (15) percent of the share capital of Consti on 8 January 2016.

Consti Group Plc announced on 4 January 2016 that it is acquiring Eleta Talotekniikka Oy, a company specialising in building automation services. Eleta is based in Espoo and established in 1987. The company specialises in technical building services and its annual net sales is approximately EUR 2 million. In the deal, all Eleta employees transferred to work for Consti. The deal further enhances Consti's strong expertise in technical building services in the Helsinki Metropolitan Area and supports the company's drive to increase its maintenance and energy know-how.

Consti Group Plc received an announcement from Danske Bank A/S ("Danske") on 10 March 2016, in accordance with the Finnish Securities Market Act Chapter 9, Section 10. According to the announcement, the total number of Consti shares and votes owned by Danske's funds and Pensionsforsikringsselskabet Danica A/S increased above five (5) percent of the share capital of Consti on 9 March 2016.

## The Annual General Meeting 2016 and Board authorisations

The Annual General Meeting of Shareholders of Consti Group Plc held on 6 April 2016 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 2015. The Annual General Meeting resolved that dividend of EUR 0.39 per share for the financial year 2015 is paid.

The Annual General Meeting resolved that the Board of Directors consists of seven members. The current members of the Board of Directors, Tapio Hakakari, Antti Korkeela, Erkki Norvio, Janne



Näränen, Niina Rajakoski, Petri Rignell and Pekka Salokangas were re-elected to the Board of Directors 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 Principal 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 30,000 and members of the Board of Directors are each paid EUR 15,000. It was resolved that the travel expenses of the members of the Board of Directors arising from participation in the Board meetings are compensated according to invoice. 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 471,000 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 authorization shall replace previous unused authorizations of the Board of Directors to resolve on the repurchase of the Company's shares. The authorization shall be valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2017.

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 Company's share-based incentive plan or for other purposes resolved by the Board of Directors. The Board of Directors is authorized to decide on all other matters related to the issuance of shares and special rights entitling to shares.

The authorization replaces previous authorizations of the Board of Directors to resolve on the issuance of shares and issuance of other special rights entitling to shares. The authorization shall be valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2017.

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

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Group Plc on 6 April 2016, held its organising meeting and elected Tapio Hakakari as the Chairman of the Board.

The Board of Directors appointed Tapio Hakakari, Janne Näränen and Petri Rignell 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 March 31<sup>st</sup> 2016 was 80,000 euro and the number of shares 7,858,267. Consti Group Plc held 243,500 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. Consti Group Plc's shares are added into the Book-Entry Securities System.

## **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 – 31 March 2016 Consti Group Plc's lowest share price was 8.90 euro and the highest 10.82 euro. The share's trade volume weighted average price was 9.48 euro. At the close of the stock day 31 March 2016 the share value was 10.58 euro and the Company's market value was 83.1 million euro.

## **Related-party transactions**

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

## **Outlook for 2016**

Renovation construction is expected to continue steady growth in 2016. The Confederation of Finnish Construction Industries RT (CFCI) estimated in its April review of business conditions that renovation construction will grow approximately 2.5 percent from the previous year during 2016. The European construction business research group Euroconstruct estimated in its December 2015 forecast that renovation construction will grow about 2 percent from the previous year during 2016.

The boost in new building should have a positive impact on Consti's competitive environment and create new growth opportunities for Technical Building Services. New building growth has a delayed impact on technical building services. The Finnish Association of HPAC Technical Contractors estimated in their April review of business condition that the economic situation should improve for technical building services by autumn.

The general economic conditions have a considerably smaller impact on renovation construction and technical building services than on new building.

The company estimates that its total annual sales for 2016 will grow compared to 2015.

## **Significant risks and risk management**

Consti divides risks to the Company's business into strategic and operative risks, as well as financing risks and risks of injury or damage. Consti's businesses main uncertainties have to do with the Finnish economic situation, which has an impact for example on inhabitants' eagerness to invest and the availability of financing, as well as the success of the Company's growth strategy and related corporate acquisitions, personnel and recruitments. In addition, financing risks come from interest rate, credit and liquidity risks. The Company estimates that no relevant changes have occurred in the Company risks during the fiscal period.

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 2015. 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 6 April 2016 resolved that dividend of EUR 0.39 per share for the financial year 2015 is paid. No dividend is paid on own shares held by the Company. The record date for dividend distribution was 8 April 2016, and the dividend was paid on 15 April 2016.

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.

**SUMMARY OF FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA 1.1. - 31.3.2016**
**Accounting principles**

Consti Group Plc's interim report has been prepared for the accounting period of 1.1. - 31.3.2016 according to the IAS 34 Interim Financial reporting principles. Consti has abided by the same accounting principles in its interim financial reporting as in its IFRS financial statements 2015. The information presented in the interim reports 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 interim reports.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)</b>	<b>1-3/ 2016</b>	<b>1-3/ 2015</b>	<b>Change %</b>	<b>1-12/ 2015</b>
<b>Net sales</b>	<b>51,367</b>	<b>47,494</b>	<b>8.2 %</b>	<b>256,151</b>
Other operating income	183	179	2.3 %	798
Change in inventories of finished goods and work in progress	0	0		0
Materials and services	-35,163	-32,289	-8.9 %	-178,072
Employee benefit expenses	-12,064	-11,421	-5.6 %	-51,574
Depreciation	-446	-515	13.4 %	-2,093
Other operating expenses	-3,686	-3,377	-9.2 %	-16,796
<b>Operating profit (EBIT)</b>	<b>191</b>	<b>71</b>	<b>169.6 %</b>	<b>8,414</b>
Total financial income and expenses	-288	-1,353	78.7 %	-4,360
<b>Profit before taxes (EBT)</b>	<b>-97</b>	<b>-1,282</b>	<b>92.5 %</b>	<b>4,054</b>
Total taxes	19	246	-92.2 %	-794
<b>Profit for the period</b>	<b>-77</b>	<b>-1,036</b>	<b>92.6 %</b>	<b>3,260</b>
<b>Comprehensive income for the period 1)</b>	<b>-77</b>	<b>-1,036</b>	<b>92.6 %</b>	<b>3,260</b>
Earnings per share attributable to equity holders of parent company 2)				
Earnings per share, undiluted (EUR)	-0.01	-0.26	96.1 %	0.61
Earnings per share, diluted (EUR)	-0.01	-0.26	96.1 %	0.61

1) The group has no other comprehensive income items.

2) Due to a share issue without payment completed in December 2015, the earnings per share (EPS) figures for the previous periods have been adjusted according to IFRS.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Mar 2016	31 Mar 2015	Change %	31 Dec 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,232	6,308	-17.1 %	5,354
Goodwill	43,743	43,484	0.6 %	43,484
Other intangible assets	464	594	-21.9 %	425
Available-for-sale financial assets	8	65	-88.1 %	8
Long-term receivables	0	0		0
Deferred tax receivables	396	504	-21.5 %	430
<b>Total non-current assets</b>	<b>49,842</b>	<b>50,955</b>	<b>-2.2 %</b>	<b>49,701</b>
<b>Current assets</b>				
Inventories	541	582	-7.0 %	507
Trade and other receivables	30,490	30,206	0.9 %	36,415
Cash and cash equivalents	6,356	12,238	-48.1 %	4,070
<b>Total current assets</b>	<b>37,387</b>	<b>43,026</b>	<b>-13.1 %</b>	<b>40,991</b>
<b>TOTAL ASSETS</b>	<b>87,229</b>	<b>93,981</b>	<b>-7.2 %</b>	<b>90,692</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>24,461</b>	<b>-570</b>		<b>24,538</b>
<b>Non-current liabilities</b>				
Interest-bearing liabilities	20,773	51,751	-59.9 %	20,864
<b>Total non-current liabilities</b>	<b>20,773</b>	<b>51,751</b>	<b>-59.9 %</b>	<b>20,864</b>
<b>Current liabilities</b>				
Trade and other payables	40,119	38,096	5.3 %	43,389
Interest-bearing liabilities	596	3,794	-84.3 %	613
Provisions	1,279	911	40.4 %	1,288
<b>Total current liabilities</b>	<b>41,994</b>	<b>42,801</b>	<b>-1.9 %</b>	<b>45,290</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>87,229</b>	<b>93,981</b>	<b>-7.2 %</b>	<b>90,692</b>

<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)</b>	<b>Equity attributable to owners of the parent</b>					
	<b>Share capital</b>	<b>Reserve for invested non- restricted equity</b>	<b>Treasury shares</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Total equity</b>
<b>Equity on 1 January 2016</b>	<b>80</b>	<b>27,318</b>	<b>-456</b>	<b>-2,404</b>	<b>24,458</b>	<b>24,538</b>
Total comprehensive income				-77	-77	-77
Share issue					0	0
Purchase of own shares					0	0
Transactions with shareholders, total	0	0	0	0	0	0
<b>Equity on 31 March 2016</b>	<b>80</b>	<b>27,318</b>	<b>-456</b>	<b>-2,481</b>	<b>24,381</b>	<b>24,461</b>

<b>Equity on 1 January 2015</b>	<b>3</b>	<b>6,431</b>	<b>-305</b>	<b>-5,664</b>	<b>462</b>	<b>465</b>
Total comprehensive income				-1,036	-1,036	-1,036
Purchase of own shares					0	0
Transactions with shareholders, total	0	0	0	0	0	0
<b>Equity on 31 March 2015</b>	<b>3</b>	<b>6,431</b>	<b>-305</b>	<b>-6,700</b>	<b>-574</b>	<b>-570</b>

<b>Equity on 1 January 2015</b>	<b>3</b>	<b>6,431</b>	<b>-305</b>	<b>-5,664</b>	<b>462</b>	<b>465</b>
Total comprehensive income				3,260	3,260	3,260
Share issue	77	20,887			20,887	20,964
Purchase of own shares			-151		-151	-151
Transactions with shareholders, total	77	20,887	-151	0	20,736	20,813
<b>Equity on 31 December 2015</b>	<b>80</b>	<b>27,318</b>	<b>-456</b>	<b>-2,404</b>	<b>24,458</b>	<b>24,538</b>

<b>CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)</b>	<b>1-3/2016</b>	<b>1-3/2015</b>	<b>Change %</b>	<b>1-12/2015</b>
<b>Cash flows from operating activities</b>				
Operating profit	191	71	169.0 %	8,414
Adjustments:				
Depreciation	446	515	-13.4 %	2,093
Other adjustments	-22	-21	-4.8 %	-116
Change in working capital	3,011	2,556	17.8 %	1,190
<b>Operating cash flow before financial and tax items</b>	<b>3,626</b>	<b>3,121</b>	<b>16.2 %</b>	<b>11,581</b>
Financial items, net	-288	-424	32.1 %	-1,762
Taxes paid	-299	-3	-9869.6 %	-66
<b>Net cash flow from operating activities</b>	<b>3,039</b>	<b>2,694</b>	<b>12.8 %</b>	<b>9,753</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries and business operations, net of cash acquired	-410	0		0
Investments in tangible and intangible assets	-232	-937	75.2 %	-2,671
Proceeds from sale of property, plant and equipment	35	101	-65.4 %	1,475
Proceeds from sale of available-for-sale financial assets	5	0		57
<b>Net cash flow from investing activities</b>	<b>-603</b>	<b>-836</b>	<b>27.9 %</b>	<b>-1,139</b>
<b>Cash flows from financing activities</b>				
Purchase of own shares	0	0		-151
Share issue	0	0		536
Other changes in equity	0	0		392
Change in interest-bearing liabilities	-149	56		-15,645
<b>Net cash flow from financing activities</b>	<b>-149</b>	<b>56</b>		<b>-14,868</b>
<b>Change in cash and cash equivalents</b>	<b>2,287</b>	<b>1,914</b>	<b>19.5 %</b>	<b>-6,254</b>
Cash and cash equivalents at period start	4,070	10,324	-60.6 %	10,324
<b>Cash and cash equivalents at period end</b>	<b>6,356</b>	<b>12,238</b>	<b>-48.1 %</b>	<b>4,070</b>

KEY FIGURES (EUR 1,000)	3/2016	3/2015	12/2015
<b>INCOME STATEMENT</b>			
Net sales	51,367	47,494	256,151
Adjusted EBITDA	660	881	12,613
Adjusted EBITDA margin, %	1.3 %	1.9 %	4.9 %
EBITDA	637	586	10,507
EBITDA margin, %	1.2 %	1.2 %	4.1 %
Adjusted operating profit (EBIT)	214	366	10,520
Adjusted operating profit (EBIT) margin, %	0.4 %	0.8 %	4.1 %
Operating profit (EBIT)	191	71	8,414
Operating profit margin, %	0.4 %	0.1 %	3.3 %
Profit before taxes (EBT)	-97	-1,282	4,054
as % of sales	-0.2 %	-2.7 %	1.6 %
Profit for the period	-77	-1,036	3,260
as % of sales	-0.1 %	-2.2 %	1.3 %
<b>OTHER KEY FIGURES</b>			
Balance sheet total	87,229	93,981	90,692
Net interest-bearing debt	15,014	43,307	17,407
Equity ratio, %	33.4 %	-0.7 %	31.4 %
Gearing, %	61.4 %	neg. equity	70.9 %
Free cash flow	3,394	2,184	8,910
Cash conversion, %	532.6 %	372.7 %	84.8 %
Order backlog	191,725	179,866	181,301
Order intake	51,156	46,829	213,504
Average number of personnel	896	858	910
Number of personnel at period end	904	864	890
<b>SHARE RELATED KEY FIGURES</b>			
Earnings per share, undiluted (EUR)	-0.01	-0.26	0.61
Earnings per share, diluted (EUR)	-0.01	-0.26	0.61
Shareholders' equity per share (EUR)	3.21	-0.14	3.22
Number of shares, end of period	7,858,267	4,192,200	7,858,267
Number of outstanding shares, end of period	7,614,767	4,025,000	7,614,767
Average number of shares	7,614,767	4,025,000	5,329,936



## Calculation of key figures

EBITDA =	Operating profit (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 (%) =	$\frac{\text{Interest-bearing liabilities - cash and cash equivalents}}{\text{Equity}} \times 100$
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 =	$\frac{\text{Profit attributable to equity holders of the parent company}}{\text{Weighted average number of shares outstanding during the period}} \times 100$
Adjusted EBITDA =	EBITDA before items affecting comparability (IAC)
Adjusted operating profit (EBIT) =	Operating profit (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

## Business areas

During the reporting period Consti Group consisted of three domestic operational segments that support each other: Technical Building Services, Renovation Contracting and Building Façades. 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 items.

<b>NET SALES BY SEGMENT (EUR 1,000)</b>	<b>1-3/ 2016</b>	<b>1-3/ 2015</b>	<b>Change %</b>	<b>1-12/ 2015</b>
Technical Building Services	23,736	21,807	8.8 %	102,578
Renovation Contracting	16,820	14,344	17.3 %	68,697
Building Facades	11,829	12,536	-5.6 %	89,221
Parent company and elimin.	-1,018	-1,193	14.6 %	-4,345
<b>Total Net sales</b>	<b>51,367</b>	<b>47,494</b>	<b>8.2 %</b>	<b>256,151</b>

<b>ORDER INTAKE BY SEGMENT (EUR 1,000)</b>	<b>1-3/ 2016</b>	<b>1-3/ 2015</b>	<b>Change %</b>	<b>1-12/ 2015</b>
Technical Building Services	17,726	21,500	-17.6 %	72,363
Renovation Contracting	9,899	11,521	-14.1 %	80,482
Building Facades	25,254	20,487	23.3 %	71,744
Parent company and elimin.	-1,723	-6,680	74.2 %	-11,085
<b>Total Order intake</b>	<b>51,156</b>	<b>46,829</b>	<b>9.2 %</b>	<b>213,504</b>

<b>ORDER BACKLOG BY SEGMENT (EUR 1,000)</b>	<b>1-3/ 2016</b>	<b>1-3/ 2015</b>	<b>Change %</b>	<b>1-12/ 2015</b>
Technical Building Services	67,500	73,500	-8.2 %	69,200
Renovation Contracting	54,678	37,439	46.0 %	57,100
Building Facades	69,547	68,927	0.9 %	55,001
<b>Total Order backlog</b>	<b>191,725</b>	<b>179,866</b>	<b>6.6 %</b>	<b>181,301</b>

## Reconciliation between reported operating profit (EBIT) and EBIT before items affecting comparability (adjusted EBIT) commented in this financial review

The income statement under IFRS has been adjusted by the following items when reporting and commenting EBITDA before items affecting comparability (adjusted EBITDA) and EBIT before items affecting comparability (adjusted EBIT) in this financial review:

1-3/2016 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>51,367</b>		<b>51,367</b>
Other operating income	183		183
Change in inventories of finished goods and work in progress	0		0
Materials and services	-35,163		-35,163
Employee benefit expenses	-12,064		-12,064
Other operating expenses	-3,686	-23	-3,663
<b>EBITDA</b>	<b>637</b>	<b>-23</b>	<b>660</b>
Depreciation	-446		-446
<b>Operating profit (EBIT)</b>	<b>191</b>	<b>-23</b>	<b>214</b>

1-3/2015 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>47,494</b>		<b>47,494</b>
Other operating income	179		179
Change in inventories of finished goods and work in progress	0		0
Materials and services	-32,289		-32,289
Employee benefit expenses	-11,421		-11,421
Other operating expenses	-3,377	-295	-3,082
<b>EBITDA</b>	<b>586</b>	<b>-295</b>	<b>881</b>
Depreciation	-515		-515
<b>Operating profit (EBIT)</b>	<b>71</b>	<b>-295</b>	<b>366</b>

1-12/2015 (EUR 1,000)	IFRS	IAC	Income statement before IAC
<b>Net sales</b>	<b>256,151</b>		<b>256,151</b>
Other operating income	798		798
Change in inventories of finished goods and work in progress	0		0
Materials and services	-178,072		-178,072
Employee benefit expenses	-51,574	-103	-51,471
Other operating expenses	-16,796	-2,002	-14,794
<b>EBITDA</b>	<b>10,507</b>	<b>-2,106</b>	<b>12,613</b>
Depreciation	-2,093		-2,093
<b>Operating profit (EBIT)</b>	<b>8,414</b>	<b>-2,106</b>	<b>10,520</b>

<b>GROUP LIABILITIES (EUR 1,000)</b>	<b>3/2016</b>	<b>3/2015</b>	<b>12/2015</b>
<b>Liabilities given on behalf of the Group</b>			
Mortgage deeds	0	191,752	0
<b>Other liabilities</b>			
Leasing and rental liabilities	4,195	2,802	4,380

## Business combinations

Consti made the following acquisitions during the January-March 2016 period:

<b>ACQUIRED BUSINESS</b>	<b>Country</b>	<b>Type</b>	<b>Month of acquisition</b>	<b>Acquired share</b>	<b>No. of employees</b>	<b>Estimated annual net sales (€m)</b>
Building automation, Helsinki	Finland	Share deal	January	100 %	18	2

### Acquired assets and liabilities

Fair values of the identified assets and liabilities of the businesses acquired in 2016, after their combination:

	<b>Fair value, EUR 1,000</b>
<b>Assets</b>	
Property, plant and equipment	43
Intangible assets	100
Cash and cash equivalents	122
Inventories	58
Trade and other receivables	244
Available-for-sale financial assets	5
<b>Total assets</b>	<b>572</b>
<b>Liabilities</b>	
Trade and other payables	238
Interest-bearing liabilities	42
Deferred tax liabilities	18
<b>Total liabilities</b>	<b>298</b>
<b>Fair value of identified net assets, total</b>	<b>274</b>
Goodwill arising from acquisitions	259
<b>Amount of consideration transferred</b>	<b>532</b>

The goodwill recognised on the acquisition is attributable to the special expertise transferred with the company. The transaction costs arising from the acquisition, totalling EUR 48 thousand, have been recognised as expenses and are included under administrative expenses.

### Largest shareholders

<b>10 LARGEST SHAREHOLDERS 31 March 2016</b>		<b>Number of shares</b>	<b>% of shares and voting rights</b>
1	Intera Fund I Ky	939,436	11.95 %
2	Keskinäinen Eläkevakuutusyhtiö Etera	475,000	6.04 %
3	Esa Korkeela	399,600	5.09 %
4	Nordea Fennia Fund	388,908	4.95 %
5	Risto Kivi	375,300	4.78 %
6	Keva	360,000	4.58 %
7	Markku Kalevo	296,900	3.78 %
8	Antti Korkeela	289,842	3.69 %
9	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	246,000	3.13 %
10	Consti Yhtiöt Oyj	243,500	3.10 %
<b>Ten largest owners, total</b>		<b>4,014,486</b>	<b>51.09 %</b>
Nominee registered		863,218	10.98 %
Others		2,980,563	37.93 %
<b>Total</b>		<b>7,858,267</b>	<b>100.00 %</b>

QUARTERLY INFORMATION (EUR 1,000)	Q1/16	Q4/15	Q3/15	Q2/15	Q1/15	Q4/14	Q3/14
Net sales	51,367	74,939	70,361	63,357	47,494	69,854	64,345
Other operating income	183	301	151	167	179	181	100
Change in inventories of finished goods and work in progress	0	0	0	0	0	38	0
Materials and services	-35,163	-51,222	-50,920	-43,641	-32,289	-47,969	-45,293
Employee benefit expenses	-12,064	-14,966	-12,273	-12,914	-11,421	-14,141	-11,391
Other operating expenses	-3,686	-5,559	-3,721	-4,139	-3,377	-4,291	-3,947
Adjusted EBITDA	660	5,074	3,788	2,870	881	3,704	3,814
Adjusted EBITDA margin, %	1.3 %	6.8 %	5.4 %	4.5 %	1.9 %	5.3 %	5.9 %
EBITDA	637	3,493	3,598	2,830	586	3,672	3,814
EBITDA margin, %	1.2 %	4.7 %	5.1 %	4.5 %	1.2 %	5.3 %	5.9 %
Depreciation	-446	-441	-632	-506	-515	-578	-510
Adjusted operating profit (EBIT)	214	4,633	3,156	2,364	366	3,126	3,304
Adjusted operating profit (EBIT) margin, %	0.4 %	6.2 %	4.5 %	3.7 %	0.8 %	4.5 %	5.1 %
Operating profit (EBIT)	191	3,052	2,966	2,324	71	3,094	3,304
Operating profit margin, %	0.4 %	4.1 %	4.2 %	3.7 %	0.1 %	4.4 %	5.1 %
Total financial income and expenses	-288	-281	-1,465	-1,261	-1,353	-1,342	-1,316
Profit before taxes (EBT)	-97	2,771	1,501	1,063	-1,282	1,752	1,988
Total taxes	19	-568	-256	-217	246	-449	-400
Profit for the period	-77	2,203	1,245	846	-1,036	1,303	1,588
Balance sheet total	87,229	90,692	88,494	95,252	93,981	95,861	97,682
Net interest-bearing debt	15,014	17,407	19,441	38,514	43,307	44,236	49,142
Equity ratio, %	33.4 %	31.4 %	30.6 %	1.8 %	-0.7 %	0.6 %	-0.7 %
Gearing, %	61.4 %	70.9 %	88.6 %	2815.2 %	neg. eq.	9513.1 %	neg. eq.
Order backlog	191,725	181,301	172,299	199,833	179,866	163,447	169,607
Order intake	51,156	63,639	28,502	74,534	46,829	52,320	49,429
Average number of personnel	896	900	947	936	858	872	863
Number of personnel at period end	904	890	928	981	864	853	867
Earnings per share, undiluted (EUR)	-0.01	0.29	0.25	0.18	-0.26	0.32	0.38
Number of outstanding shares, end of period	7,614,767	7,614,767	7,568,800	5,007,400	4,025,000	4,025,000	4,153,300
Average number of shares	7,614,767	7,573,796	5,033,320	4,651,889	4,025,000	4,032,062	4,153,300

## Events after the reporting period

No significant events have occurred after the end of the reporting period.

In Helsinki, May 11<sup>th</sup> 2016

Consti Group Plc's Board of Directors



**Press conference**

A press conference for analysts, investors and media will be arranged on Thursday May 12<sup>th</sup> 2016 at 10:00 at Scandic Marski hotel's Neptun-cabinet at Mannerheimintie 10, Helsinki. The conference is hosted by CEO Marko Holopainen and CFO Esa Korkeela.

**Financial communication in 2016**

Consti Group Plc shall publish two more interim reports during 2016:

- Interim report 1-6/2016 published 17 August 2016
- Interim report 1-9/2016 published 10 November 2016

**Distribution**

Nasdaq Helsinki  
Key media  
[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.

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