

NET SALES AND ORDER BACKLOG GREW
1–3/2018 highlights (comparison figures in parenthesis 1–3/2017):

- Net sales 62.3 (57.3) million euro; growth 8.7%
- EBITDA 0.2 (0.8) million euro and EBITDA margin 0.4 (1.3)%
- Operating profit/loss -0.2 (0.3) million euro and operating profit/loss (EBIT) margin -0.3 (0.5)%
- Order backlog 250.2 (212.9) million euro; growth 17.5%
- Free cash flow -7.8 (-0.5) million euro
- Earnings per share -0.04 (0.00) euro

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)	1-3/ 2018	1-3/ 2017	Change %	1-12/ 2017
Net sales	62,267	57,268	8.7 %	300,203
EBITDA	231	772	-70.1 %	1,714
EBITDA margin, %	0.4 %	1.3 %		0.6 %
Operating profit/loss (EBIT)	-201	278		-375
Operating profit/loss (EBIT) margin, %	-0.3 %	0.5 %		-0.1 %
Profit/loss for the period	-286	17		-1,074
Order backlog	250,177	212,910	17.5 %	225,721
Free cash flow	-7,801	-477		8,936
Cash conversion, %	n/a	-61.8 %		521.4 %
Net interest-bearing debt	20,295	15,036	35.0 %	12,070
Gearing, %	80.5 %	49.7 %		47.7 %
Return on investment, ROI %	-1.7 %	22.8 %		-0.7 %
Number of personnel at period end	1,053	1,029	2.3 %	1,079
Earnings per share, undiluted (EUR)	-0.04	0.00		-0.14

CEO's review

"Our net sales for the first quarter grew 8.7 percent and amounted to MEUR 62.3. Net sales growth continued especially good in Building Facades. Yet despite net sales growth, our result did not yet rise to a satisfactory level, though it improved significantly compared to the previous quarter. During the reporting period we continued activities to improve productivity and profitability. We completed the reorganising of our Technical Building Services business area, and took several operating models into practise to improve project steering and follow-up. Nevertheless, our result was still weakened by the execution of the remaining performance obligations from certain already identified projects that generate low gross margin on sales.

The share of low-margin projects in our order backlog has steadily decreased during the beginning of the year. In addition, we received new orders amounting to MEUR 72.7 during January-March, which is a 22.2 percent increase to the comparative period. Consequently, our order backlog at the end of March, MEUR 250.2, was 17.5 percent larger than in the comparative period, which puts us in a good position to return to a profitable growth path. Simultaneously, however, we note that a project in our Renovation Contracting business area still has open risks, which we have taken into account in the result for the first quarter to the best of our ability.

We are continuing implementation of our updated strategy, placing emphasis on activities aimed at improving profitability. In our profitability improving activities we will continue highlighting the implementation of practises relating to project steering and reporting, and clarifying profit and reporting responsibilities.

The market environment for renovation and technical building services remained good during the first quarter. I believe that our strong order backlog and the positive demand for renovations and building technology form a solid foundation for us to achieve profitability turnaround assuming that potentially expanding labour dispute doesn't significantly affect the execution of our projects."

Operating environment

In Finland, nearly six percent of the GDP is spent on renovations, which is significantly more than the European average. The Confederation of Finnish Construction Industries RT estimated in its March review of market conditions that the construction boom will continue, but growth will halt in 2019, mainly due to the decrease in the amount of predicted new residential construction. RT estimates positive growth prospects for renovation construction and expects its steady growth to continue.

The Finnish Association of HPAC Technical Contractors' March survey of the current economic situation also implies that new construction is levelling off. The survey also showed that while the current market conditions remain favourable, the pace is expected to slow down toward the end of the year. At the time of the survey 82% of HVAC contractors felt the current market situation in new construction was at least satisfactory. Approximately 89% of the respondents said the current market situation was at least satisfactory in renovations and 85% felt it was at least satisfactory in maintenance.

The Confederation of Finnish Construction Industries RT's review of market conditions estimated renovations to amount to approximately 13.1 billion euro in 2017, and predicts a two-percent growth for both this and the following year. Availability of skilled workforce, however, remains a challenge hindering renovation construction growth. Small apartment buildings have comprised a large portion of new construction and thus RT mentions that there has been more competition between new construction and renovation construction for the same workforce.

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, 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, which was acquired in October 2017, will be merged into Consti Korjausurakointi Oy during the first half 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 conversion 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, result and order backlog

Consti Group's January-March net sales 2018 grew 8.7 percent and were 62.3 (57.3) million euro. Organic growth for January-March was 4.5 percent. Technical Building Services net sales were 25.0 (26.0), Renovation Contracting net sales were 18.1 (16.0) and Building Facades net sales were 21.7 (16.9) million euro.

Net sales grew in Building Facades and Renovation Contracting but decreased somewhat in Technical Building Services. Building Facades net sales grew 28.6 percent mainly thanks to good development in housing repair business included in Building Facades business area. Renovation Contracting net sales grew 13.3 percent. Majority of Renovation Contracting net sales growth resulted from the Greater Helsinki area's renovation business and due to the acquisitions made during the second half of 2017. Technical Building Services' net sales decreased 4.2 percent due to the tightened bidding criteria in Pipeline renovations taken into use towards the end of 2017.

Operating result for January-March decreased from previous year and was -0.2 (0.3) million euro. Operating result from net sales was -0.3 (0.5) percent. The operating result was weakened by the execution of the remaining performance obligations from certain already identified projects that generate low gross margin on sales. During the reporting period profitability was weakened in particular by a project in our Renovation Contracting business area, which by the end of the reporting period had advanced to the handover phase.

Consti's business volumes are typically lowest during the first quarter of the year. The operating result and EBIT 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 demand for Service operations.

Our order backlog increased 17.5 percent and was 250.2 (212.9) million euro. The order backlog increased in Renovation Contracting and Technical Building Services, but decreased in Building Facades. New order intake value in January-March grew 22.2 percent. Orders increased in all business areas.

Investments and business combinations

Investments into intangible and tangible assets in January-March were 0.4 (0.3) million euro, which is 0.6 (0.5) percent of the company's sales. The largest investments were made into property, plant and equipment, which primarily include machinery and equipment purchases.

Investments related to business combinations during January-March were 0.0 (2.6) million euro.

Cash flow and financial position

The operating cash flow in January-March before financing items and taxes was -7.4 (-0.2) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was -7.8 (-0.5) million euro. Our cash flow 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, the seasonality of our Building Facades business area, and tied up working capital in one of our Renovation Contracting business area's projects.

Consti Group's cash and cash equivalents on 31 March 2018 were 3.5 (6.3) million euro. In addition, the company has undrawn revolving credit facilities amounting to 3.0 million euro. The Group's interest bearing debt were 23.8 (21.3) million euro. External loans are subject to two financial covenants based on the ratio of the Group's net debt to EBITDA and gearing. On the balance sheet date, the interest bearing net debt was 20.3 (15.0) million euro and the net gearing ratio 80.5 (49.7) percent. On 28 December 2017, Consti Group's financing bank agreed on allowing a violation of covenant at the financial reporting date 31 March 2018 regarding the key figure "net debt's relation to adjusted EBITDA".

The balance sheet total on 31 March 2018 was 98.7 (95.2) million euro. At the end of the reporting period tangible assets in the balance sheet were 4.4 (5.1) million euro. Equity ratio was 30.9 (37.2) percent. Rental liabilities associated with off-balance sheet operational leasing agreements totalled 4.8 (4.4) million euro on 31 March 2018.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)	2018	2019	2020	2021	2022	2023-	Total
Bank loans	3,209	1,193	1,183	1,173	16,583	0	23,341
Finance lease liabilities	63	59	49	12	0	0	182
Other interest-bearing liabilities	462	472	209	94	12	0	1,249
Total	3,734	1,724	1,441	1,279	16,595	0	24,772

Personnel

Consti Group's average personnel count during the reporting period was 1,061 (993). The personnel count was 1,053 (1,029) at the end of the reporting period.

At the end of the reporting period 517 (587) employees worked in Technical Building Services, 210 (169) in Renovation Contracting and 315 (265) in the Building Facades business area. The parent company employed 11 (8) people.

PERSONNEL BY SEGMENT AT PERIOD END	31 Mar 2018	31 Mar 2017	31 Dec 2017
Technical Building Services	517	587	566
Renovation Contracting	210	169	201
Building Facades	315	265	304
Parent company	11	8	8
Total Group	1,053	1,029	1,079

Management Team

Consti Group Plc announced 3 January 2018 that Joni Sorsanen (born 1983), M.Sc. (econ.), has been appointed as Consti Group Plc's CFO and a member of Management Team. Joni Sorsanen joined Consti 26 March 2018 and reports to Esa Korkeela, CEO of Consti Group Plc.

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 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 Lähteenen, Consti Korjausurakointi Oy's Regional Director and Juha Salminen, CDO.

Important events during the reporting period

Consti Group Plc ("Consti") received an announcement from Ilmarinen Mutual Pension Insurance Company ("Ilmarinen") on 2 January 2018, 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 Ilmarinen exceeded five (5) per cent of the share capital of Consti on 1 January 2018. The reason for the notification was merger between Ilmarinen Mutual Pension Insurance Company and Etera Mutual Pension Insurance Company as of 1 January 2018.

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 periods 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.

Shares and share capital

Consti Group Plc's share capital on 31 March 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.

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 2018 Consti Group Plc's lowest share price was 7.76 (14.00) euro and the highest 9.52 (16.49) euro. The share's trade volume weighted average price was 8.76 (15.11) euro. At the close of the stock day 29 March 2018, the share value was 8.10 (14.16) euro and the Company's market value was 63.7 (111.3) million euro.

Outlook for 2018

Growth is expected to continue in renovation construction in 2018. The Confederation of Finnish Construction Industries RT estimated in its March review of market conditions that renovation construction in Finland will grow 2.0 percent from the previous year. Construction market forecasting network Euroconstruct published a growth estimate in November 2017, in which it estimated growth at 1.5 percent. The Finnish Association of HPAC Technical Contractors' March survey of the current economic situation estimated that the market conditions for building technology remain good, but predicted that the market will slow down especially in new construction toward the end of the year. This survey also mentioned that already ongoing and soon to be started projects will, however, create work for building technology contractors well into next year.

The Company 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 ongoing projects in Technical Building Services and Renovation Contracting, which we have to the best of our ability taken into consideration in our interim report 1 January – 31 March 2018.

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".

Events after the reporting period

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.

INTERIM REPORT 1 JANUARY – 31 MARCH 2018: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	1-3/ 2018	1-3/ 2017	Change %	1-12/ 2017
Net sales	62,267	57,268	8.7 %	300,203
Other operating income	148	143	3.4 %	850
Materials and services	-43,757	-39,749	-10.1 %	-218,324
Employee benefit expenses	-14,490	-12,479	-16.1 %	-60,181
Depreciation	-432	-494	12.7 %	-2,089
Other operating expenses	-3,937	-4,411	10.7 %	-20,834
Operating profit/loss (EBIT)	-201	278		-375
Financial income	9	11	-16.1 %	22
Financial expenses	-169	-220	23.2 %	-851
Total financial income and expenses	-160	-209	23.6 %	-829
Profit/loss before taxes (EBT)	-360	69		-1,204
Total taxes	74	-52		130
Profit/loss for the period	-286	17		-1,074
Comprehensive income for the period 1)	-286	17		-1,074
Earnings per share attributable to equity holders of parent company				
Earnings per share, undiluted (EUR)	-0.04	0.00		-0.14
Earnings per share, diluted (EUR)	-0.04	0.00		-0.14

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Mar 2018	31 Mar 2017	Change %	31 Dec 2017
ASSETS				
Non-current assets				
Property, plant and equipment	4,427	5,053	-12.4 %	4,528
Goodwill	48,604	46,671	4.1 %	48,604
Other intangible assets	233	561	-58.4 %	262
Available-for-sale financial assets	17	16	7.8 %	17
Deferred tax receivables	751	0		808
Total non-current assets	54,033	52,301	3.3 %	54,219
Current assets				
Inventories	651	656	-0.7 %	550
Trade and other receivables	40,552	35,986	12.7 %	36,389
Cash and cash equivalents	3,502	6,255	-44.0 %	9,652
Total current assets	44,705	42,897	4.2 %	46,591
TOTAL ASSETS	98,738	95,197	3.7 %	100,810
EQUITY AND LIABILITIES				
Equity	25,203	30,277	-16.8 %	25,281
Non-current liabilities				
Interest-bearing liabilities	20,169	20,743	-2.8 %	20,138
Total non-current liabilities	20,169	20,743	-2.8 %	20,138
Current liabilities				
Trade and other payables	31,091	28,787	8.0 %	39,325
Advances received	17,133	13,730	24.8 %	12,531
Interest-bearing liabilities	3,628	548	561.8 %	1,584
Provisions	1,514	1,112	36.1 %	1,951
Total current liabilities	53,366	44,177	20.8 %	55,391
TOTAL EQUITY AND LIABILITIES	98,738	95,197	3.7 %	100,810

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)	Equity attributable to owners of the parent company					
	Share capital	Reserve for invested non- restricted equity	Treasury shares	Retained earnings	Total	Total equity
Equity on 31 December 2017	80	28,252	-601	-2,450	25,201	25,281
Changes in accounting principles (IFRS 2)				116	116	116
Equity on 1 January 2018	80	28,252	-601	-2,334	25,317	25,397
Total comprehensive income				-286	-286	-286
Share-based incentive				93	93	93
<i>Transactions with shareholders, total</i>				93	93	93
Equity on 31 March 2018	80	28,252	-601	-2,528	25,123	25,203

Equity on 1 January 2017	80	27,405	-446	2,604	29,563	29,643
Total comprehensive income				17	17	17
Conveyance of own shares		504	46		550	550
Share-based incentive				67	67	67
<i>Transactions with shareholders, total</i>		504	46	67	617	617
Equity on 31 March 2017	80	27,909	-400	2,688	30,197	30,277

Equity on 1 January 2017	80	27,405	-446	2,604	29,563	29,643
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
Equity on 31 December 2017	80	28,252	-601	-2,450	25,201	25,281

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	1-3/2018	1-3/2017	Change %	1-12/2017
Cash flows from operating activities				
Operating profit/loss	-201	278		-375
Adjustments:				
Depreciation	432	494	-12.7 %	2,089
Other adjustments	141	29	388.4 %	-81
Change in working capital	-7,820	-1,002	-680.5 %	8,742
Operating cash flow before financial and tax items	-7,448	-201		10,375
Financial items, net	-160	-209	23.6 %	-829
Taxes paid	-383	-230	-66.0 %	-679
Net cash flow from operating activities	-7,990	-641	-1147.5 %	8,867
Cash flows from investing activities				
Acquisition of subsidiaries and business operations, net of cash acquired	0	-2,099		-3,855
Investments in tangible and intangible assets	-353	-276	-27.9 %	-1,439
Proceeds from sale of property, plant and equipment	118	77	54.1 %	847
Net cash flow from investing activities	-235	-2,299	89.8 %	-4,446
Cash flows from financing activities				
Purchase of own shares	0	0		-258
Dividend distribution	0	0		-4,135
Proceeds from long-term liabilities	0	0		21,000
Payments of long-term liabilities	0	0		-20,500
Change in other interest-bearing liabilities	2,075	-110		-179
Net cash flow from financing activities	2,075	-110		-4,072
Change in cash and cash equivalents	-6,150	-3,049		348
Cash and cash equivalents at period start	9,652	9,304	3.7 %	9,304
Cash and cash equivalents at period end	3,502	6,255	-44.0 %	9,652

Accounting principles

Consti Group Plc's interim financial report has been prepared for the accounting period of 1 January – 31 March 2018 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 statement 2017 with the exception of the changes in accounting principles described below. 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.

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) is the first quarter during which the Group is abiding 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.

NET SALES (EUR 1,000)	1-3/2018	1-3/2017	1-12/2017
Project deliveries			
Technical Building Services	22,374	23,475	103,514
Renovation Contracting	16,603	13,658	71,104
Building Facades	21,244	16,344	111,398
Parent company and eliminations	-2,459	-1,607	-10,675
Total project deliveries	57,761	51,870	275,340
Other cost + fee projects and service contracts			
Technical Building Services	2,579	2,569	12,592
Renovation Contracting	1,489	2,315	9,747
Building Facades	438	514	2,524
Parent company and eliminations	0	0	0
Total other cost + fee projects and service contracts	4,506	5,398	24,863
Total net sales	62,267	57,268	300,203

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.

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)	1-3/ 2018	1-3/ 2017	Change %	1-12/ 2017
Technical Building Services	24,953	26,044	-4.2 %	116,106
Renovation Contracting	18,092	15,973	13.3 %	80,850
Building Facades	21,682	16,858	28.6 %	113,921
Parent company and eliminations	-2,459	-1,607	-53.0 %	-10,675
Total Net sales	62,267	57,268	8.7 %	300,203

ORDER INTAKE BY SEGMENT (EUR 1,000)	1-3/ 2018	1-3/ 2017	Change %	1-12/ 2017
Technical Building Services	21,026	18,611	13.0 %	97,180
Renovation Contracting	19,635	11,040	77.8 %	97,827
Building Facades	35,948	33,182	8.3 %	94,901
Parent company and eliminations	-3,922	-3,335	-17.6 %	-11,832
Total Order intake	72,687	59,499	22.2 %	278,077

ORDER BACKLOG BY SEGMENT (EUR 1,000)	1-3/ 2018	1-3/ 2017	Change %	1-12/ 2017
Technical Building Services	75,200	74,000	1.6 %	72,500
Renovation Contracting	83,634	41,266	102.7 %	78,233
Building Facades	91,343	97,644	-6.5 %	74,988
Total Order backlog	250,177	212,910	17.5 %	225,721

Group liabilities

GROUP LIABILITIES (EUR 1,000)	31 March 2018	31 March 2017	December 2017
Other liabilities			
Leasing and rental liabilities	4,759	4,399	4,708

Key figures

KEY FIGURES (EUR 1,000)	1-3/2018	1-3/2017	1-12/2017
INCOME STATEMENT			
Net sales	62,267	57,268	300,203
EBITDA	231	772	1,714
EBITDA margin, %	0.4 %	1.3 %	0.6 %
Operating profit/loss (EBIT)	-201	278	-375
Operating profit/loss margin, %	-0.3 %	0.5 %	-0.1 %
Profit/loss before taxes (EBT)	-360	69	-1,204
as % of sales	-0.6 %	0.1 %	-0.4 %
Profit/loss for the period	-286	17	-1,074
as % of sales	-0.5 %	0.0 %	-0.4 %
OTHER KEY FIGURES			
Balance sheet total	98,738	95,197	100,810
Net interest-bearing debt	20,295	15,036	12,070
Equity ratio, %	30.9 %	37.2 %	28.6 %
Gearing, %	80.5 %	49.7 %	47.7 %
Return on investment, ROI %	-1.7 %	22.8 %	-0.7 %
Free cash flow	-7,801	-477	8,936
Cash conversion, %	n/a	-61.8 %	521.4 %
Order backlog	250,177	212,910	225,721
Order intake	72,687	59,499	278,077
Average number of personnel	1,061	993	1,088
Number of personnel at period end	1,053	1,029	1,079
SHARE RELATED KEY FIGURES			
Earnings per share, undiluted (EUR)	-0.04	0.00	-0.14
Earnings per share, diluted (EUR)	-0.04	0.00	-0.14
Shareholders' equity per share (EUR)	3.29	3.95	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	7,641,652	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 (%) =	$\frac{\text{Equity}}{\text{Total assets} - \text{advances received}} \times 100$
Gearing (%) =	$\frac{\text{Interest-bearing liabilities} - \text{cash and cash equivalents}}{\text{Equity}} \times 100$
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

QUARTERLY INFORMATION (EUR 1,000)	Q1/18	Q4/17	Q3/17	Q2/17	Q1/17	Q4/16	Q3/16	Q2/16	Q1/16
Net sales	62,267	86,300	77,824	78,811	57,268	74,823	70,554	64,813	51,367
Other operating income	148	307	232	168	143	187	435	115	183
Materials and services	-43,757	-64,540	-58,567	-55,468	-39,749	-50,491	-49,423	-44,481	-35,163
Employee benefit expenses	-14,490	-17,275	-15,031	-15,397	-12,479	-14,682	-12,878	-13,457	-12,064
Other operating expenses	-3,937	-6,843	-4,672	-4,908	-4,411	-4,945	-4,167	-3,922	-3,686
Adjusted EBITDA	231	-2,050	-214	3,206	772	4,892	4,521	3,069	660
Adjusted EBITDA margin, %	0.4 %	-2.4 %	-0.3 %	4.1 %	1.3 %	6.5 %	6.4 %	4.7 %	1.3 %
EBITDA	231	-2,050	-214	3,206	772	4,892	4,521	3,069	637
EBITDA margin, %	0.4 %	-2.4 %	-0.3 %	4.1 %	1.3 %	6.5 %	6.4 %	4.7 %	1.2 %
Depreciation	-432	-540	-546	-509	-494	-446	-792	-454	-446
Adjusted operating profit/loss (EBIT)	-201	-2,590	-760	2,697	278	4,447	3,729	2,614	214
Adjusted operating profit/loss (EBIT)	-0.3 %	-3.0 %	-1.0 %	3.4 %	0.5 %	5.9 %	5.3 %	4.0 %	0.4 %
Operating profit/loss (EBIT)	-201	-2,590	-760	2,697	278	4,447	3,729	2,614	191
Operating profit/loss margin, %	-0.3 %	-3.0 %	-1.0 %	3.4 %	0.5 %	5.9 %	5.3 %	4.0 %	0.4 %
Financial income	9	-55	45	21	11	11	4	5	2
Financial expenses	-169	-164	-243	-223	-220	-202	-206	-238	-290
Total financial income and expenses	-160	-220	-198	-202	-209	-192	-202	-233	-288
Profit/loss before taxes (EBT)	-360	-2,810	-958	2,495	69	4,255	3,527	2,381	-97
Total taxes	74	516	165	-499	-52	-870	-736	-503	19
Profit/loss for the period	-286	-2,294	-793	1,996	17	3,385	2,791	1,878	-77
Balance sheet total	98,738	100,810	103,226	101,130	95,197	98,078	97,132	91,815	87,229
Net interest-bearing debt	20,295	12,070	13,402	15,514	15,036	12,097	11,667	17,780	15,014
Equity ratio, %	30.9 %	28.6 %	31.9 %	32.9 %	37.2 %	34.5 %	32.5 %	31.5 %	33.4 %
Gearing, %	80.5 %	47.7 %	48.6 %	55.0 %	49.7 %	40.8 %	44.6 %	76.1 %	61.4 %
Return on investment, ROI %	-1.7 %	-0.7 %	14.0 %	23.7 %	22.8 %	22.7 %	21.2 %	18.3 %	17.0 %
Order backlog	250,177	225,721	198,759	227,907	212,910	190,806	185,614	212,590	191,725
Order intake	72,687	104,920	30,682	82,976	59,499	66,059	30,285	75,554	51,156
Average number of personnel	1,061	1,099	1,153	1,108	993	941	956	940	896
Number of personnel at period end	1,053	1,079	1,117	1,165	1,029	935	931	990	904
Earnings per share, undiluted (EUR)	-0.04	-0.30	-0.10	0.26	0.00	0.44	0.37	0.25	-0.01
Number of outstanding shares, end of period	7,662,216	7,662,216	7,670,154	7,657,048	7,657,048	7,620,931	7,614,767	7,614,767	7,614,767
Average number of outstanding shares	7,662,216	7,672,147	7,669,727	7,657,048	7,641,652	7,617,179	7,614,767	7,614,767	7,614,767

Largest shareholders

10 LARGEST SHAREHOLDERS 31 March 2018		Number of shares	% of shares and voting rights
1	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	780,451	9.93 %
2	Sijoitusrahasto Danske Invest Suomi Yhteisöosake	425,818	5.42 %
3	Korkeela Esa Sakari	411,600	5.24 %
4	Kivi Risto Juhani	375,300	4.78 %
5	Op-Suomi Pienyhtiöt	307,977	3.92 %
6	Kalevo Markku	297,900	3.79 %
7	Sijoitusrahasto Evi Suomi Pienyhtiöt	294,032	3.74 %
8	Korkeela Antti Petteri	276,894	3.52 %
9	Fondita Nordic Micro Cap Placeringsfond	260,000	3.31 %
10	Sijoitusrahasto Aktia Capital	185,850	2.37 %
Ten largest owners, total		3,615,822	46.01 %
Nominee registered		1,154,218	14.69 %
Others		3,088,227	39.30 %
Total		7,858,267	100.00 %

In Helsinki, 27 April 2018

CONSTI GROUP PLC'S BOARD OF DIRECTORS

Press conference

A press conference for analysts, portfolio managers and media will be arranged on Friday 27 April 2018 at 10.00 Hotel Scandic Park, at Mannerheimintie 46, Helsinki. The conference is hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial communication in 2018

- Half-year report 1-6/2018 will be published 26 July 2018
- Interim report 1-9/2018 will be published 26 October 2018

Further information:

Esa Korkeela, CEO, Consti Group Plc, Tel. +358 40 730 8568
Joni Sorsanen, CFO, Consti Group Plc, Tel. +358 50 443 3045

Distribution

Nasdaq Helsinki
Key media
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.