CONSTI'S INTERIM REPORT JANUARY – SEPTEMBER 2019

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NET SALES GREW, PROFITABILITY IMPROVED

7-9/2019 highlights (comparison figures in parenthesis 7-9/2018):

- Net sales 81.8 (78.9) million euro; growth 3.7 %
- EBITDA 3.0 (-1.0) million euro and EBITDA margin 3.6% (-1.3%)
- Operating profit/loss (EBIT) 2.1 (-1.4) million and EBIT margin 2.6% (-1.8%)
- Order backlog 206.4 (270.1) million euro; change -23.6%
- Free cash flow -0.4 (-3.5) million euro
- Earnings per share 0.17 (-0.17) euro

1–9/2019 highlights (comparison figures in parenthesis 1–9/2018):

- Net sales 236.5 (219.0) million euro; growth 8.0 %
- EBITDA 4.5 (1.3) million euro and EBITDA margin 1.9 % (0.6 %)
- Operating profit (EBIT) 1.8 (0.0) million and EBIT margin 0.8% (0.0%)
- Free cash flow -1.1 (-9.1) million euro
- Earnings per share 0.06 (-0.05) euro

Guidance on the Group outlook for 2019:

The Company estimates that its operating result for 2019 will improve compared to 2018.

KEY FIGURES (EUR 1,000)	7-9/ 2019	7-9/ 2018	Change %	1-9/ 2019	1-9/ 2018	Change %	1-12/ 2018
Net sales	81,837	78,942	3.7 %	236,542	218,983	8.0 %	315,762
EBITDA	2,979	-1,030		4,494	1,285	249.8 %	-464
EBITDA margin, %	3.6 %	-1.3 %		1.9 %	0.6 %		-0.1 %
Operating profit/loss (EBIT)	2,089	-1,437		1,810	27		-2,126
Operating profit/loss (EBIT) margin, %	2.6 %	-1.8 %		0,8 %	0.0 %		-0.7 %
Profit/loss for the period	1,412	-1,311		720	-404		-2,330
Order backlog				206,406	270,072	-23.6 %	225,082
Free cash flow	-406	-3,510	88.4 %	-1,134	-9,082	87.5 %	-7,140
Cash conversion, %	n/a	n/a		n/a	n/a		n/a
Net interest-bearing debt				22,727	22,460	1.2 %	19,582
Gearing, %				83.3 %	88.9 %		83.6 %
Return on investment, ROI %				-0.7 %	-5.3 %		-4.5 %
Number of personnel at period end				1,024	1,104	-7.2 %	1,046
Earnings per share, undiluted (EUR)	0.17	-0.17		0.06	-0.05		-0.30

The impacts of IFRS 16 –standard on the reported figures are described in the accounting principles included in the financial tables of the interim report.

CEO's Review

"Our net sales for the third quarter of 2019 grew 3.7 percent from the comparison year and amounted to 81.8 million euro. The growth rate of our net sales has levelled off compared to the beginning of the year. In July-September, net sales development was still supported by sustained high volumes of large comprehensive renovation projects.

Our operating result continued to improve compared to previous quarters and was clearly better than in the comparison period. In July-September our operating result was 2.1 (-1.4) million euro, which is 2.6 (-1.8) percent of our net sales. Our profitability development was mainly positive during the third quarter. Although the old projects of already discontinued housing repair unit continued to have a negative impact on operating result, as anticipated, the impact was clearly smaller than at the beginning of the year. All of our business areas were profitable in the third quarter.

Our order backlog at the end of September was 206.4 million euro. Our order backlog decreased 8.3 percent in comparison to our order backlog at the end of the previous year, and it was 23.6 percent smaller than that of the comparison period. During July-September we received new orders amounting to 37.0 million euro, which is a 5.7 percent decrease to the comparison period. Our order intake and order backlog development reflects the new, more disciplined bidding procedures that we took into use in our entire Group last year, and ongoing large comprehensive renovation projects, which tie up resources.

During the reporting period, we continued implementing our turnaround programme to improve Consti's profitability and competitiveness. The main goals we aspire to achieve with the programme – improved customer orientation, moving business leadership closer to production at our worksites, and improved risk management and agility – are already visible. With these actions we have systematically built a stronger foundation for developing and growing our business. We will continue our work to realize our turnaround programme also in the last quarter of the year. We are also advancing as planned in achieving the programme's cost savings goals. Due to the actions we have taken to improve profitability and performance, our fixed costs for the reporting period are lower than that of the comparison period.

The market environment remained moderate for renovations and technical building services during the third quarter. The predicted deceleration of new construction has not, in our opinion, reflected on renovation markets thus far. We believe that demand for renovations and technical building services will remain at a moderate level for the rest of the year in Consti's market areas."

Operating environment

Professional renovation construction has grown in Finland steadily for nearly 20 years, and at its best its value has surpassed that of new construction. Due to the age of our building stock, growth in renovation construction has been rapid in comparison to the rest of Europe. The value of renovation construction was approximately 13.0 billion euro in building construction during 2018.

In its October report, the Confederation of Finnish Construction Industries RT estimates that in 2019, building construction will decrease approximately 0.6 percent from the previous year. The change is due to the estimated deceleration of new construction of apartment buildings. In its forecast, the Confederation of Finnish Construction Industries RT estimates that new construction will decrease approximately 2.5 percent in 2019, while renovations will increase about 1.5 percent from the previous year. In 2020 the drop in new construction is estimated to accelerate to 10.2 percent, while renovations will continue growing at a rate of 1.5 percent. Larger cities and growth areas will be even more significant focal points for new construction. RT affirms that renovations will have an increasingly significant role as new construction decreases. Residential buildings in growth areas are expected to be a focal point for renovations as well.

The latest statistics on new construction permissions and commenced projects indicate that construction will slow down after a long period of growth, as economic growth calms down. If new construction volumes do decline, it is expected to have a two-fold impact on renovation construction markets. As pressure eases in the construction value chain, the availability of resources will improve and quality is projected to increase, but on the other hand, competition for large-scale renovation projects in particular is estimated to increase.

The Finnish Association of HPAC Technical Contractors' October review indicates that the most rapid phase of construction growth is now over, and HPAC contractors expect a moderate drop back to normal levels. As new construction is declining, the focus is shifting from new construction to renovations. In particular, the number of pipeline renovations is expected to increase. In the 2020s as many as 30 000 apartments are expected to need pipeline renovations annually.

Residential building renovations make up over half of all renovations, mainly due to the age of the building stock. At present, renovations are being conducted predominantly on buildings from the 1960s and 1970s. Next, renovations will start on the considerably larger building stock of buildings from the late 1970s and the 1980s. Nearly half of the residential buildings constructed in the 1970s and 1980s were apartment buildings. According to statistics published by Statistics Finland in June 2019, about 2.2 billion euro was spent on apartment building renovations in 2018. The bulk of this amount – a total of 1.7 billion euro – was spent on renovations ordered by housing companies. According to a survey that Statistics Finland conducted alongside these statistics, housing companies estimate that their largest renovations will mainly be pipeline, facade, roof and yard renovations during the next 10 years. The survey indicated an annual growth in planned renovations of approximately 1.5-2 percent during the next 10 years.

The general economic climate does not impact renovations nearly as much as it does new construction. The majority of respondents in Finnish Real Estate Federation's renovation barometer published in May 2019 said that the current general economic climate does not have an impact on the realisation of renovation projects.

Demand for renovations, technical building services and building technology maintenance services is sustained by the ageing building stock, stricter energy efficiency requirements, urbanisation, the need to adapt buildings to new uses, the development of building automation, and the ageing population's need for accessible buildings. Climate change is also increasing the demand for facade renovations and facade maintenance in particular.

Group structure

Consti is one of Finland's leading companies focused on renovation contracting and technical building services. Consti offers comprehensive renovation and building technology services to housing companies, corporations, investors and the public sector in Finland's growth centres.

On 6 February 2019, Consti Group Plc's Board of Directors decided to launch a program to improve the company's profitability and competitiveness. The essence of the program is to create a customer-oriented organisation structure, which moves leadership closer to production at the work sites and fosters the efficient organising of internal support services. The new organisation has been effective since 18 February 2019.

New organisational structure has four business areas: Housing Companies, Corporations, Public Sector and Building Technology. 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 net sales for each business area.

The Group's parent company is Consti Group Plc. Until 30 September 2019, the business areas operated 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). Since 1 October 2019, the business areas operate in two subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector) and Consti Talotekniikka Oy (Building Technology). Consti Korjausrakentaminen Oy was formed on 1 October, 2019, when Consti Julkisivut Oy merged with Consti Korjausurakointi Oy, and Consti Korjausurakointi Oy's name was changed to Consti Korjausrakentaminen Oy.

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

7-9/2019

Consti Group's July-September net sales grew 3.7 percent and were 81.8 (78.9) million euro. Housing Companies net sales were 30.4 (28.9), Corporations net sales were 27.9 (33.2) Public Sector net sales were 10.5 (4.0) and Building Technology net sales were 18.0 (16.8) million euro.

Net sales grew in Housing Companies, in Public Sector and in Building Technology but decreased in Corporations. In Housing Companies business area, net sales growth was strong in Oulu and in Greater Helsinki area. Public Sector business area's net sales grew as planned in relation to the low levels of the comparison period. The net sales of Building Technology business area increased mainly thanks to positive development of Tampere area technical installations unit. Net sales in Consti's Corporations business area decreased somewhat from the comparison period. Net sales from non-residential renovations grew, but net sales from residential renovations decreased due to the housing repair unit's reorganization, which commenced at the end of 2018.

Operating result (EBIT) for July-September was 2.1 (-1.4) million euro. Operating result from net sales was 2.6 (-1.8) percent. The operating result for July-September improved compared to the previous quarter and was clearly better than that of the comparison period. Profitability development was mainly positive during the third quarter. Although the old projects of already discontinued housing repair unit continued to have a negative impact on operating result, as anticipated, the impact was clearly smaller than at the beginning of the year and during the comparison period. All business areas were profitable in the third quarter.

The order backlog at the end of the reporting period decreased 23.6 percent and was 206.4 (270.1) million euro. Order intake value during July-September decreased 5.7 percent and was 37.0 (39.3) million euro.

1–9/2019

Consti Group's January-September net sales grew 8.0 percent and were 236.5 (219.0) million euro. Housing Companies net sales were 86.3 (71.9), Corporations net sales were 87.3 (92.3) Public Sector net sales were 24.1 (10.9) and Building Technology net sales were 53.1 (54.8) million euro.

Net sales grew in Housing Companies and in Public Sector but decreased in Corporations and in Building Technology. In Housing Companies business area, net sales growth was strong especially in facade renovations. Public Sector business area's net sales grew as planned in relation to the low levels of the comparison period. Net sales in Consti's Corporations business area decreased somewhat from the comparison period. Net sales from non-residential renovations grew, but net sales from residential renovations decreased due to the housing repair unit's reorganization, which commenced at the end of 2018. The development of net sales of Building Technology business area is still reflected by the decreased net sales during H1 2019 due to previously introduced new operating models and more disciplined bidding processes.

Operating profit (EBIT) for January-September was 1.8 (0.0) million euro. Operating profit from sales was 0.8 (0.0) percent. Profitability development was mainly positive during the reporting period. During the first half of the year, the execution of the remaining performance obligations in an individual building purpose modification project had a material negative impact on the result. Although the old projects of already discontinued housing repair unit continued to have a negative impact on operating result during July-September, as anticipated, the impact was clearly smaller than at the beginning of the year.

The order backlog at the end of the reporting period decreased 8.3 percent compared to the end of the previous financial year and was 206.4 million euro. The order intake value during January-September decreased 16.3 percent and was 168.0 (200.6) million euro. Order intake development reflects the new, more disciplined bidding procedures that were taken into use in the entire Group last year, and ongoing large comprehensive renovation projects, which tie up resources.

Investments and business combinations

Investments into intangible and tangible assets in July-September were 0.2 (0.2) million euro, which is 0.2 (0.3) percent of the company's net sales. Investments into tangible and intangible assets in January-September were 0.6 (0.8) million euro, which is 0.2 (0.4) percent of net sales. The largest investments were made into property, plant and equipment, which primarily include machinery and equipment purchases. Investments into right-of-use assets (IFRS 16) during January-September were EUR 0.7 million. The majority of investments into right-of-use assets during the reporting period were related to renewed leasing contracts of vans used in project and service business.

Cash flow and financial position

The operating cash flow in July-September before financing items and taxes was -0.2 (-3.3) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was -0.4 (-3.5) million euro. July-September cash flow was affected by the improvement of operating result and tied up working capital during the period. Tied up working capital was affected by the volume increase of projects based on other than payment programmes, and a few large comprehensive renovation projects' progressing toward handover phase.

The January-September operating cash flow before financing items and taxes was -0.6 (-8.3) million euro. Free cash flow, i.e. operating cash flow before financing items and taxes less investments in intangible and tangible assets was -1.1 (-9.1) million euro. The cash flow in January-September was affected by the improvement of operating result and tied up working capital during the period. Tied up working capital was affected by the volume increase of projects based on other than payment programmes, and a few large comprehensive renovation projects' progressing toward handover phase.

Consti Group's cash and cash equivalents on 30 September 2019 were 4.3 (0.7) million euro. In addition, the company has undrawn revolving credit facilities and unused credit limits amounting to 6.0 million euro in total. The Group's interest bearing debts were 27.0 (23.1) 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 22.7 (22.5) million euro and the gearing ratio 83.3 (88.9) percent. Consti Group made an agreement with its financing bank in December 2018 regarding contract changes to the EBITDA calculation principles related to the Group's financial covenant. At the balance sheet date 30 September 2019, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles. The adoption of IFRS 16 standard increased the amount of interest-bearing net debt by EUR 3.1 million and raised gearing by approximately 11.4 percentage points at the balance sheet date 30 September 2019, but it will not affect the covenant calculations of the Group's external financing arrangement. The calculation of covenants will continue with the financing bank in accordance with the accounting principles confirmed in the original financing arrangement and in the contract changes made in December 2018.

Consti Group issued on 29 March 2019 a EUR 3.2 million hybrid bond. A hybrid bond is an instrument that is subordinated to certain other debt obligations and is treated as equity on Consti's consolidated financial statements prepared in accordance with IFRS. The amount recognised in equity is EUR 3.1 million after issuing expenses. The bond bears interest at a fixed interest rate of 12.0 per cent until the reset date and thereafter, the interest rate will be determined on each second (2) anniversary of the issue date. The hybrid bond does not have a specified maturity date but Consti is entitled to redeem the hybrid bond for the first time on the second (2) anniversary of the issue date, and subsequently, on each annual coupon interest payment date. A hybrid bond does not confer its holder the rights of a shareholder nor does it dilute the holdings of the current shareholders.

The balance sheet total on 30 September 2019 was 118.0 (110.2) million euro. At the end of the reporting period, tangible assets in the balance sheet were 6.0 (3.9) million euro. The increase in tangible assets is affected by the adoption of IFRS 16 standard on 1 Jan 2019, the impact of which is described in more detail in the accounting principles included in the financial tables of the interim financial report. Equity ratio was 28.2 (28.3) percent. Rental liabilities associated with off-balance sheet operational leasing agreements totalled 0.03 (4.2) million euro on 30 September 2019. The decrease in rental liabilities associated with off-balance sheet operational leasing agreements is affected by the adoption of IFRS 16 standard on 1 Jan 2019, the impact of which is described in more detail in the accounting principles included in the financial tables of the interim financial report.

On 24 October, 2019 Consti Yhtiöt Oyj signed a contract for a EUR 50 million domestic commercial paper program. Within the framework of the contract, the company may issue commercial papers with maturities of under one year. The financing arrangement broadens Consti's financing base and secures the Group's normal working capital financing. The program is arranged by OP Corporate Bank Plc.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)	2019	2020	2021	2022	2023	2024-	Total
Bank loans	2,664	3,577	1,492	16,749	0	0	**24,482**
Lease liabilities	513	1,245	1,023	345	70	2	**3,198**
Other interest-bearing liabilities	132	383	300	162	28	0	**1,006**
Total	**3,309**	**5,206**	**2,815**	**17,256**	**98**	**2**	**28,686**

Personnel

Consti Group had 1,024 (1,104) employees at the end of the reporting period. The average employee count during January-September was 1,050 (1,099).

At the end of the reporting period 360 employees worked in Housing Companies, 250 in Corporations, 47 in Public Sector and 358 in the Building Technology business area. The parent company employed 9 people.

PERSONNEL AT PERIOD END	Housing Companies	Corporations	Public Sector	Building Technology	Parent company	Group
31 March 2019	366	246	42	353	9	**1,016**
30 June 2019	421	261	43	362	10	**1,097**
30 September 2019	360	250	47	358	9	**1,024**

Management Team

Consti Group Plc’s Management Team at the end of the reporting period consisted of CEO Esa Korkeela and the following persons: Joni Sorsanen, CFO; Risto Kivi, Business Area Director Housing Companies and Public Sector; Jukka Mäkinen, Business Area Director Corporations; Pekka Pöykkö, Business Area Director Building Technology, Markku Kalevo, Bid and Sales Director Housing Companies; Pirkka Lähteinen, Regional Director Corporations, Heikki Untamala, Chief Legal Officer and Turo Turja, HR Director.

Important events during the reporting period

Consti Group Plc announced 16 August 2019 that its subsidiary Consti Korjausurakointi Oy has received on 16 August 2019 a response and counterclaim from Kiinteistö Oy Yrjönkatu 13 with respect to the statement of claim sent to the arbitral tribunal by Consti Korjausurakointi Oy on 28 February 2019. In its response and counterclaim, Kiinteistö Oy Yrjönkatu 13 has denied all claims stated by Consti Korjausurakointi Oy in its statement of claim, and has presented claims against Consti Korjausurakointi Oy for the amount of capital approximately EUR 11 million. The amount does not include VAT. In addition, Kiinteistö Oy Yrjönkatu 13 claims interest payments and compensation for legal expenses from Consti Korjausurakointi Oy. Consti Korjausurakointi Oy considers the claims of Kiinteistö Oy Yrjönkatu 13 to be unfounded.

The Annual General Meeting 2019 and Board authorisations

The Annual General Meeting of Shareholders of Consti Group Plc held on 2 April 2019 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 2018. The Annual General Meeting resolved that no dividend will be paid for the financial year 2018.

The Annual General Meeting resolved that the Board of Directors consists of six members. The current members of the Board of Directors, Tapio Hakakari, Antti Korkeela, Erkki Norvio, Petri Rignell and Pekka Salokangas were re-elected and Anne Westersund was elected as a new member 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 Rytilahti, 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 2020.

Organising Meeting of the Board of Directors

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Group Plc on 2 April 2019 held its organising meeting and elected Tapio Hakakari as the Chairman of the Board and Erkki Norvio as the Deputy Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio, Tapio Hakakari and Pekka Salokangas as members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

Shares and share capital

Consti Group Plc’s share capital on 30 September 2019 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. Consti Group Plc’s shares are added into the Book-Entry Securities System.

Share based bonus schemes

Consti Group Plc's Board decided on 1 March 2019 to continue the key employee share-based incentive plan launched in 2016. The plan offers the key employees that belong to the target group of the plan an opportunity to earn the Company’s shares as reward by converting half or all of their performance-based bonuses to be earned on the basis of the Company’s bonus scheme in 2019 into shares. Before the reward payment, the performance-based bonuses that have been converted into shares will be multiplied by a reward multiplier determined by the Board. The potential reward from the performance period 2019 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2022. During the performance period 2019, a maximum of 70 key employees will belong to the target group of the plan, including the members of the Management Team. The rewards to be paid for the performance period 2019 will amount up to a maximum total of approximately 450,000 Consti Group Plc shares at the prevailing share price level, including also the cash portion, providing that all of the key employees that belong to the target group of the plan decide to participate and convert their performance-based bonuses entirely into shares.

Trade at Nasdaq Helsinki

Consti Group Plc has been listed in the Helsinki Stock Exchange main list since 15 December 2015. The trade symbol is CONSTI. On the Nordic list Consti Group Plc is classified a small cap company within the Industrials sector. During 1 January – 30 September 2019 Consti Group Plc’s lowest share price was EUR 4.76 (7.74) and the highest EUR 6.02 (9.52). The share’s trade volume weighted average price was EUR 5.28 (8.60). At the close of the stock day on the last trading day of the reporting period 30 September 2019 the share value was EUR 5.00 (9.04) and the Company’s market value was EUR 39.3 (71.0) million.

Related-party transactions

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

Outlook for 2019

In its October report, the Confederation of Finnish Construction Industries RT estimates that in 2019, building construction will decrease approximately 0.6 percent from the previous year. The change is due to the estimated deceleration of new construction of apartment buildings. In its forecast, the Confederation of Finnish Construction Industries RT estimates that new construction will decrease approximately 2.5 percent in 2019, while renovations will increase about 1.5 percent from the previous year. Larger cities and growth areas will be even more significant focal points for new construction. RT affirms that renovations will have an increasingly significant role as new construction decreases. Residential buildings in growth areas are expected to be a focal point for renovations as well.

The latest statistics on new construction permissions and commenced projects indicate that construction will slow down after a long period of growth, as economic growth calms down. If new construction volumes do decline, it is expected to have a two-fold impact on renovation construction markets. As pressure eases in the construction value chain, the availability of resources will improve and quality is projected to increase, but on the other hand, competition for large-scale renovation projects in particular is estimated to increase.

The Company estimates that its operating result for 2019 will improve compared to 2018.

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 re-porting 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. Consti Group made an agreement with its financing bank in December 2018 regarding contract changes to the EBITDA calculation principles related to the Group's financial covenant. At the balance sheet date 30 September 2019, the Group's interest-bearing net debt to adjusted EBITDA ratio was under the covenant's maximum level according to the confirmed calculation principles. 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.

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 2018. Financial risks and their management is described in detail in note 17 to the financial statements "Financial risk management".

Hotel St. George construction project

Consti Group Plc's subsidiary Consti Korjausurakointi Oy has initiated on 17 August 2018 arbitration proceedings in accordance with the Arbitration Rules of the Finland Chamber of Commerce against Kiinteistö Oy Yrjönkatu 13, which relates to the construction project for Hotel St. George. This disagreement has arisen between Consti Korjausurakointi Oy and Kiinteistö Oy Yrjönkatu 13 relating to the project management agreement signed on 21 December 2015, which concerns the construction project for Hotel St. George. In addition, the disagreement relates to a so-called rush contract signed on 1 December 2017. The construction project for Hotel St. George has been completed and handed over to the client.

Consti Korjausurakointi Oy demands payments from Kiinteistö Oy Yrjönkatu 13 based on the above-mentioned contracts. The amount of capital of Consti's settlement requirement has been stipulated as approximately 13 million euro in the statement of claim sent to the arbitral tribunal on 28 February 2019. Consti Korjausurakointi Oy has received on 16 August 2019 a response and counterclaim from Kiinteistö Oy Yrjönkatu 13 with respect to the statement of claim sent to the arbitral tribunal by Consti Korjausurakointi Oy on 28 February 2019. In its response and counterclaim, Kiinteistö Oy Yrjönkatu 13 has denied all claims stated by Consti Korjausurakointi Oy in its statement of claim, and has presented claims against Consti Korjausurakointi Oy for the amount of capital approximately EUR 11 million. The amount does not include VAT. In addition, Kiinteistö Oy Yrjönkatu 13 claims interest payments and compensation for legal expenses from Consti Korjausurakointi Oy. Consti Korjausurakointi Oy considers the claims of Kiinteistö Oy Yrjönkatu 13 to be unfounded.

On 18 September, 2019, the Arbitration Institute decided to extend the time limit given for the delivery of final arbitral award until 31 December, 2020. To the best of its ability, Consti has taken the disagreement into consideration in its financial reporting. In the future, Consti will disclose information on this matter, on the final claims presented and on the relevance of this matter to the company's financial position as necessary in connection with interim reports and by separate releases, as necessary.

Dividend and dividend policy

The Annual General Meeting of Shareholders held on 2 April 2019 resolved that no dividend will be paid for the financial year 2018.

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

Events after the reporting period

No material events have been disclosed after the reporting period.

INTERIM REPORT 1.1. - 30.9.2019: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	7-9 / 2019	7-9 / 2018	Change %	1-9 / 2019	1-9 / 2018	Change %	1-12 / 2018
Net sales	**81,837**	**78,942**	**3.7 %**	**236,542**	**218,983**	**8.0 %**	**315,762**
Other operating income	200	111	80.0 %	566	359	57.7 %	731
Materials and services	-60,125	-59,971	-0.3 %	-176,406	-157,890	-11.7 %	-233,181
Employee benefit expenses	-14,776	-14,957	1.2 %	-45,033	-45,290	0.6 %	-62,170
Depreciation	-890	-406	-119.0 %	-2,684	-1,258	-113.4 %	-1,662
Other operating expenses	-4,157	-5,155	19.4 %	-11,175	-14,876	24.9 %	-21,606
Operating profit/loss (EBIT)	**2,089**	**-1,437**		**1,810**	**27**		**-2,126**
Financial income	2	11	-85.8 %	10	43	-77.0 %	23
Financial expenses	-327	-213	-53.3 %	-920	-575	-60.2 %	-734
Total financial income and expenses	-325	-202	-60.8 %	-910	-531	-71.4 %	-711
Profit/loss before taxes (EBT)	**1,764**	**-1,639**		**900**	**-504**		**-2,837**
Total taxes	-352	327		-180	101		507
Profit/loss for the period	**1,412**	**-1,311**		**720**	**-404**		**-2,330**
Comprehensive income for the period 1)	**1,412**	**-1,311**		**720**	**-404**		**-2,330**
Earnings per share attributable to equity holders of parent company							
Earnings per share, undiluted (EUR)	0.17	-0.17		0.06	-0.05		-0.30
Earnings per share, diluted (EUR)	0.17	-0.17		0.06	-0.05		-0.30

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	30 Sep 2019	30 Sep 2018	Change %	31 Dec 2018
ASSETS				
Non-current assets				
Property, plant and equipment	6,025	3,906	54.2 %	3,908
Goodwill	48,604	48,604	0.0 %	48,604
Other intangible assets	296	231	28.1 %	254
Shares and other non-current financial assets	17	17	-0.4 %	17
Deferred tax receivables	1,092	797	37.0 %	1,356
Total non-current assets	**56,035**	**53,556**	**4.6 %**	**54,139**
Current assets				
Inventories	616	632	-2.5 %	650
Trade and other receivables	57,085	55,310	3.2 %	53,049
Cash and cash equivalents	4,288	683	527.7 %	3,203
Total current assets	**61,989**	**56,625**	**9.5 %**	**56,902**
TOTAL ASSETS	**118,023**	**110,181**	**7.1 %**	**111,041**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent company	24,080	25,259	-4.7 %	23,418
Hybrid bond	3,200	0		0
Total Equity	**27,280**	**25,259**	**8.0 %**	**23,418**
Non-current liabilities				
Interest-bearing liabilities	20,214	19,596	3.2 %	19,186
Total non-current liabilities	**20,214**	**19,596**	**3.2 %**	**19,186**
Current liabilities				
Trade and other payables	40,254	38,762	3.8 %	42,622
Advances received	21,454	21,019	2.1 %	19,020
Interest-bearing liabilities	6,800	3,548	91.7 %	3,600
Provisions	2,020	1,998	1.1 %	3,195
Total current liabilities	**70,529**	**65,326**	**8.0 %**	**68,437**
TOTAL EQUITY AND LIABILITIES	**118,023**	**110,181**	**7.1 %**	**111,041**

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	Hybrid bond	Total equity
Equity on 31 December 2018	**80**	**28,252**	**-601**	**-4,313**	**23,338**		**23,418**
Total comprehensive income				720	720		**720**
Hybrid bond				-105	-105	**3,200**	**3,096**
Purchase of own shares			-18		-18		**-18**
Conveyance of own shares			274		274		**274**
Share-based incentive				-210	-210		**-210**
Transactions with shareholders, total			*257*	*-210*	*47*		***47***
Equity on 30 September 2019	**80**	**28,252**	**-344**	**-3,907**	**24,000**	**3,200**	**27,280**

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				-404	-404		**-404**
Share-based incentive				266	266		**266**
Transactions with shareholders, total				*266*	*266*		***266***
Equity on 30 September 2018	**80**	**28,252**	**-601**	**-2,472**	**25,179**		**25,259**

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				-2,330	-2,330		**-2,330**
Share-based incentive				351	351		**351**
Transactions with shareholders, total				*351*	*351*		***351***
Equity on 31 December 2018	**80**	**28,252**	**-601**	**-4,313**	**23,338**		**23,418**

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	7-9/2019	7-9/2018	1-9/2019	1-9/2018	1-12/2018
Cash flows from operating activities					
Operating profit/loss	2,089	-1,437	1,810	27	-2,126
Adjustments:					
Depreciation	890	406	2,684	1,258	1,662
Other adjustments	-6	27	-33	99	118
Change in working capital	-3,215	-2,260	-5,027	-9,644	-5,469
Operating cash flow before financial and tax items	**-242**	**-3,263**	**-566**	**-8,260**	**-5,815**
Financial items, net	-325	-202	-910	-531	-711
Taxes paid	0	-398	0	-1,161	-184
Net cash flow from operating activities	**-567**	**-3,863**	**-1,477**	**-9,952**	**-6,711**
Cash flows from investing activities					
Investments in tangible and intangible assets	-164	-248	-568	-822	-1,325
Investments in right-of-use assets (IFRS 16)	-159	0	-651	0	0
Proceeds from sale of property, plant and equipment	171	105	315	384	524
Net cash flow from investing activities	**-152**	**-143**	**-903**	**-438**	**-801**
Cash flows from financing activities					
Purchase of own shares	0	0	-18	0	0
Hybrid bond	0	0	3,095	0	0
Payments of long-term liabilities	0	0	-500	-500	-1,000
Change in lease liabilities	-380	0	-926	0	0
Change in other interest-bearing liabilities	-40	-30	1,813	1,921	2,063
Net cash flow from financing activities	**-420**	**-30**	**3,465**	**1,421**	**1,063**
Change in cash and cash equivalents	**-1,139**	**-4,035**	**1,084**	**-8,969**	**-6,449**
Cash and cash equivalents at period start	5,427	4,718	3,203	9,652	9,652
Cash and cash equivalents at period end	**4,288**	**683**	**4,288**	**683**	**3,203**

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Accounting principles

Consti Group Plc's interim financial report has been prepared for the accounting period of 1 January – 30 September 2019 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 2018 with the exception of the changes in accounting principles described below. The information presented in the interim financial report are not audited. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the values given in the interim financial report.

Changes in accounting principles

IFRS 16 Leases

Consti Group Plc took the IFRS 16 'Leases' standard into use on 1 Jan 2019 using the modified retrospective approach by recognising the cumulative effect of initially applying the standard in the opening balance sheet as at 1 January 2019, thus comparative information were not restated. The reporting period 1 January –31 March 2019 was the first quarter during which the Group abided to regulation in the IFRS 16 standard.

According to IFRS 16, the lessee is required to recognise assets and liabilities for nearly all leases. There are optional exemptions for short-term leases and leases of low-value items which Consti utilised in the adoption of the standard.

The most significant impact identified is that Consti recognised new assets and liabilities, mainly for its operating leases of facilities and vehicles. In addition, the nature of expenses related to those leases changed as IFRS 16 replaced the operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities reported under financing expenses. The adoption of new standard also had an impact on the presentation of the consolidated statement of cash flows as realised rent payments were allocated to cash flow from financing activities for the portion corresponding to part payment of debt and to cash flow from operating activities for the portion corresponding to finance costs.

As a result of adopting the standard, Consti recognised right-of-use assets and respective lease liabilities of EUR 4.0 million as of 1 January 2019. EUR 0.2 million of the recognised right-of-use assets and lease liabilities are related to the earlier finance leases recognised according to IAS 17 resulting an increase of EUR 3.8 million in right-of-use assets and lease liabilities compared to 31 Dec 2018 reported figures.

Impact of IFRS 16 adoption on balance sheet 31 Dec 2018

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Dec 2018 reported	IFRS 16 impact	1 Jan 2019
Non-current assets			
Property, plant and equipment	3,908	3,730	7,639
Goodwill	48,604		48,604
Other intangible assets	254	112	365
Shares and other non-current financial assets	17		17
Deferred tax receivables	1,356		1,356
Total non-current assets	**54,139**	**3,842**	**57,981**
Current assets			
Inventories	650		650
Trade and other receivables	53,049		53,049
Cash and cash equivalents	3,203		3,203
Total current assets	**56,902**		**56,902**
TOTAL ASSETS	**111,041**	**3,842**	**114,883**
EQUITY AND LIABILITIES			
Equity	**23,418**		**23,418**
Non-current liabilities			
Interest-bearing liabilities	19,186	2,072	21,257
Total non-current liabilities	**19,186**	**2,072**	**21,257**
Current liabilities			
Trade and other payables	42,622		42,622
Advances received	19,020		19,020
Interest-bearing liabilities	3,600	1,770	5,370
Provisions	3,195		3,195
Total current liabilities	**68,437**	**1,770**	**70,208**
TOTAL EQUITY AND LIABILITIES	**111,041**	**3,842**	**114,883**

The impact of the leases recognised in balance sheet on Consti's 1 Jan - 30 September 2019 rental expenses was EUR +1,658 thousand, on depreciations EUR -1,609 thousand and on financial expenses EUR -81 thousand. The effect on Consti's 1 Jan - 30 September 2019 EBITDA was EUR +1,658 thousand, on EBIT EUR +49 thousand and on profit/loss before taxes EUR -31 thousand. The impact on Consti's 1 Jan - 30 September 2019 cash flow from operating activities was EUR +1,577 thousand, on cash flow from investing activities EUR -651 thousand and on cash flow from financing activities EUR -926 thousand.

The impact of the leases recognised in balance sheet on Consti's 1 Jan - 30 September 2019 profit or loss, balance sheet and cash flow is presented in tables below in more detail:

CLASSIFICATION OF AMOUNTS RECOGNISED IN BALANCE SHEET AND PROFIT OR LOSS ACCORDING TO IFRS 16 (EUR 1,000)	Right-of-use assets				
	Buildings and structures	Machinery and equipment	Other intangible assets	Total	Lease liabilities
31 Dec 2018	-	**170**	-	**170**	**170**
The effect of IFRS 16 adoption	2,610	1,120	112	3,842	3,842
1 Jan 2019	**2,610**	**1,290**	**112**	**4,012**	**4,012**
Additions	-	599	52	651	651
Depreciations	-1,043	-521	-45	-1,609	-
Interest expense	-	-	-	-	81
Payments	-	-	-	-	-1,658
30 September 2019	**1,566**	**1,369**	**119**	**3,055**	**3,086**

CONSOLIDATED STATEMENT OF CASH FLOWS 1-9/2019 (EUR 1,000)	w/o IFRS 16 impact	IFRS 16 impact	IFRS
Cash flows from operating activities			
Operating profit/loss	1,761	49	1,810
Adjustments:			
Depreciation	1,075	1,609	2,684
Other adjustments	-33		-33
Change in working capital	-5,027		-5,027
Operating cash flow before financial and tax items	**-2,224**	**1,658**	**-566**
Financial items, net	-830	-81	-910
Taxes paid	0		0
Net cash flow from operating activities	**-3,054**	**1,577**	**-1,477**
Cash flows from investing activities			
Investments in tangible and intangible assets	-568		-568
Investments in right-of-use assets (IFRS 16)	0	-651	-651
Proceeds from sale of property, plant and equipment	315		315
Net cash flow from investing activities	**-252**	**-651**	**-903**
Cash flows from financing activities			
Purchase of own shares	-18		-18
Hybrid bond	3,095		3,095
Payments of long-term liabilities	-500		-500
Change in lease liabilities	0	-926	-926
Change in other interest-bearing liabilities	1,813		1,813
Net cash flow from financing activities	**4,391**	**-926**	**3,465**
Change in cash and cash equivalents	**1,084**	**0**	**1,084**
Cash and cash equivalents at period start	3,203		3,203
Cash and cash equivalents at period end	**4,288**		**4,288**
Free cash flow	-2,791	1,658	-1,134
EBITDA	2,836	1,658	4,494
Cash conversion, %	n/a		n/a

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Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	7-9 / 2019	7-9 / 2018	Change %	1-9 / 2019	1-9 / 2018	Change %	1-12 / 2018
Housing Companies	30,360	28,941	4.9 %	86,333	71,905	20.1 %	104,331
Corporations	27,911	33,178	-15.9 %	87,281	92,315	-5.5 %	134,292
Public Sector	10,544	4,033	161.4 %	24,096	10,863	121.8 %	18,016
Building Technology	17,999	16,788	7.2 %	53,133	54,812	-3.1 %	75,174
Parent company and eliminations	-4,976	-3,998	-24.5 %	-14,303	-10,912	-31.1 %	-16,050
Total net sales	**81,837**	**78,942**	**3.7 %**	**236,542**	**218,983**	**8.0 %**	**315,762**

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	7-9 / 2019	7-9 / 2018	Change %	1-9 / 2019	1-9 / 2018	Change %	1-12 / 2018
Project deliveries							
Housing Companies	29,481	28,372	3.9 %	84,714	70,124	20.8 %	101,511
Corporations	24,095	31,224	-22.8 %	78,112	86,771	-10.0 %	126,653
Public Sector	10,516	4,033	160.7 %	24,051	10,863	121.4 %	18,016
Building Technology	15,492	14,143	9.5 %	46,583	47,201	-1.3 %	65,120
Parent company and eliminations	-4,976	-3,998	-24.5 %	-14,303	-10,911	-31.1 %	-16,050
Total project deliveries	**74,608**	**73,774**	**1.1 %**	**219,157**	**204,047**	**7.4 %**	**295,248**
Other cost + fee projects and service contracts							
Housing Companies	880	569	54.7 %	1,620	1,781	-9.0 %	2,820
Corporations	3,815	1,954	95.2 %	9,169	5,544	65.4 %	7,639
Public Sector	27	0		45	0		0
Building Technology	2,506	2,645	-5.3 %	6,550	7,611	-13.9 %	10,054
Parent company and eliminations	0	0		0	0		0
Total other cost + fee projects and service contracts	**7,228**	**5,168**	**39.9 %**	**17,384**	**14,936**	**16.4 %**	**20,514**
Total net sales	**81,837**	**78,942**	**3.7 %**	**236,542**	**218,983**	**8.0 %**	**315,762**

Group liabilities

GROUP LIABILITIES (EUR 1,000)	30 Sep 2019	30 Sep 2018	31 Dec 2018
Other liabilities			
Leasing and rental liabilities	33	4,225	3,935

The decrease in rental liabilities associated with off-balance sheet operational leasing agreements is affected by the adoption of IFRS 16 standard on 1 Jan 2019, the impact of which is described in more detail in the accounting principles above. After the adoption of IFRS 16 on 1 Jan 2019, off-balance sheet leasing and rental liabilities include lease liabilities from short-term leases and lease liabilities from low value items.

Key figures

KEY FIGURES	1-9 / 2019	1-9 / 2018	1-12 / 2018
INCOME STATEMENT (EUR 1,000)			
Net sales	236,542	218,983	315,762
EBITDA	4,494	1,285	-464
EBITDA margin, %	1.9 %	0.6 %	-0.1 %
Operating profit/loss (EBIT)	1,810	27	-2,126
Operating profit/loss margin, %	0.8 %	0.0 %	-0.7 %
Profit/loss before taxes (EBT)	900	-504	-2,837
as % of sales	0.4 %	-0.2 %	-0.9 %
Profit/loss for the period	720	-404	-2,330
as % of sales	0.3 %	-0.2 %	-0.7 %
OTHER KEY FIGURES (EUR 1,000)			
Balance sheet total	118,023	110,181	111,041
Net interest-bearing debt	22,727	22,460	19,582
Equity ratio, %	28.2 %	28.3 %	25.4 %
Gearing, %	83.3 %	88.9 %	83.6 %
Return on investment, ROI %	-0.7 %	-5.3 %	-4.5 %
Free cash flow	-1,134	-9,082	-7,140
Cash conversion, %	n/a	n/a	n/a
Order backlog	206,406	270,072	225,082
Order intake	167,967	200,628	228,525
Average number of personnel	1,050	1,099	1,093
Number of personnel at period end	1,024	1,104	1,046
SHARE RELATED KEY FIGURES			
Earnings per share, undiluted (EUR)	0.06	-0.05	-0.30
Earnings per share, diluted (EUR)	0.06	-0.05	-0.30
Shareholders' equity per share (EUR)	3.13	3.30	3.06
Number of shares, end of period	7,858,267	7,858,267	7,858,267
Number of outstanding shares, end of period	7,685,042	7,662,216	7,662,216
Average number of outstanding shares	7,678,886	7,662,216	7,662,216

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 (%) =	Equity / Total assets - advances received	X 100
Gearing (%) =	Interest-bearing liabilities - cash and cash equivalents / Equity	X 100
Return on investment, ROI (%) =	Profit/loss before taxes + interest and other financial expenses (r12m) / Total equity + interest-bearing liabilities (average)	X 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 (%) =	Free cash flow / EBITDA	X 100
Earnings per share =	Profit/loss attributable to equity holders of the parent company - hybrid bond's transaction costs and accrued unrecognised interests after tax / Weighted average number of shares outstanding during the period	X 100
Shareholders' equity per share (EUR) =	Equity attributable to owners of the parent company / Number of outstanding shares, end of period	
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 project deliveries, long-term service agreements and the part which has not been invoiced in ordered invoice based projects	
Order intake =	Orders of project deliveries, long-term service agreements and invoice based projects during the period	

Quarterly information

QUARTERLY INFORMATION (EUR 1,000)	Q3/19	Q2/19	Q1/19	Q4/18	Q3/18	Q2/18	Q1/18	Q4/17	Q3/17
Net sales	81,837	81,225	73,480	96,779	78,942	77,773	62,267	86,300	77,824
Other operating income	200	63	303	372	111	100	148	307	232
Materials and services	-60,125	-60,178	-56,103	-75,290	-59,971	-54,162	-43,757	-64,540	-58,567
Employee benefit expenses	-14,776	-16,023	-14,234	-16,880	-14,957	-15,843	-14,490	-17,275	-15,031
Other operating expenses	-4,157	-4,057	-2,961	-6,729	-5,155	-5,784	-3,937	-6,843	-4,672
EBITDA	2,979	1,030	486	-1,749	-1,030	2,084	231	-2,050	-214
EBITDA margin, %	3.6 %	1.3 %	0.7 %	-1.8 %	-1.3 %	2.7 %	0.4 %	-2.4 %	-0.3 %
Depreciation	-890	-910	-883	-404	-406	-420	-432	-540	-546
Operating profit/loss (EBIT)	2,089	120	-398	-2,153	-1,437	1,664	-201	-2,590	-760
Operating profit/loss margin, %	2.6 %	0.1 %	-0.5 %	-2.2 %	-1.8 %	2.1 %	-0.3 %	-3.0 %	-1.0 %
Financial income	2	3	5	-20	11	23	9	-55	45
Financial expenses	-327	-379	-215	-160	-213	-192	-169	-164	-243
Total financial income and expenses	-325	-376	-210	-180	-202	-169	-160	-220	-198
Profit/loss before taxes (EBT)	1,764	-256	-608	-2,333	-1,639	1,495	-360	-2,810	-958
Total taxes	-352	51	122	406	327	-301	74	516	165
Profit/loss for the period	1,412	-205	-486	-1,926	-1,311	1,194	-286	-2,294	-793
Balance sheet total	118,023	116,009	115,048	111,041	110,181	112,582	98,738	100,810	103,226
Net interest-bearing debt	22,727	22,007	24,001	19,582	22,460	18,455	20,295	12,070	13,402
Equity ratio, %	28.2 %	27.2 %	27.7 %	25.4 %	28.3 %	29.3 %	30.9 %	28.6 %	31.9 %
Gearing, %	83.3 %	85.2 %	92.0 %	83.6 %	88.9 %	69.7 %	80.5 %	47.7 %	48.6 %
Return on investment, ROI %	-0.7 %	-7.5 %	-4.5 %	-4.5 %	-5.3 %	-3.8 %	-1.7 %	-0.7 %	14.0 %
Order backlog	206,406	226,765	237,763	225,082	270,072	286,201	250,177	225,721	198,759
Order intake	37,017	57,437	73,514	27,897	39,263	88,678	72,687	104,920	30,682
Average number of personnel	1,052	1,072	1,028	1,075	1,125	1,110	1,061	1,099	1,153
Number of personnel at period end	1,024	1,097	1,016	1,046	1,104	1,153	1,053	1,079	1,117
Earnings per share, undiluted (EUR)	0.17	-0.04	-0.08	-0.25	-0.17	0.16	-0.04	-0.30	-0.10
Number of outstanding shares, end of period	7,685,042	7,685,042	7,684,849	7,662,216	7,662,216	7,662,216	7,662,216	7,662,216	7,670,154
Average number of outstanding shares	7,685,042	7,685,023	7,666,737	7,662,216	7,662,216	7,662,216	7,662,216	7,672,147	7,669,727

Largest shareholders

10 LARGEST SHAREHOLDERS 30 September 2019		Number of shares	% of shares and voting rights
1	Evli Suomi Pienyhtiöt Fund	479,200	6.10 %
2	Ilmarinen Mutual Pension Insurance Company	470,958	5.99 %
3	Danske Invest Suomi Yhteisöosake Fund	425,818	5.42 %
4	Korkeela Esa	414,133	5.27 %
5	Kivi Risto	377,937	4.81 %
6	Op-Suomi Pienyhtiöt Fund	307,977	3.92 %
7	Kalevo Markku	298,692	3.80 %
8	Korkeela Antti	276,894	3.52 %
9	Riikantorppa Oy	241,680	3.08 %
10	Wipunen Varainhallinta Oy	200,000	2.55 %
Ten largest owners, total		**3,493,289**	**44.45 %**
Nominee registered		1,241,138	15.79 %
Others		3,123,840	39.75 %
Total		**7,858,267**	**100.00 %**

In Helsinki, 24 October 2019

Consti Group Plc’s Board of Directors

Press conference

A press conference for analysts, portfolio managers, and media will be arranged 25 October 2019 at 10:00 at Hotel Lilla Roberts at Pieni Roobertinkatu 1-3, Helsinki. The conference is hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial reporting in 2020

Consti Group Plc's Financial Statements Bulletin 2019 will be published 7 February 2020.

The electronic version of the annual report, which includes the full financial statements for 2019, will be published in week 11/2020.

Consti Group Plc's Annual General Meeting for 2020 is scheduled to take place on Monday, 6 April 2020 in Helsinki.

Consti Group Plc shall publish three interim reports durng 2020:

- Interim report 1-3/2020 will be published 29 April 2020
- Half-year financial report 1-6/2020 will be published 24 July 2020
- Interim report 1-9/2020 will be published 28 October 2020

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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.