

CONSTI PLC

INTERIM REPORT

1 JANUARY –
31 MARCH 2025

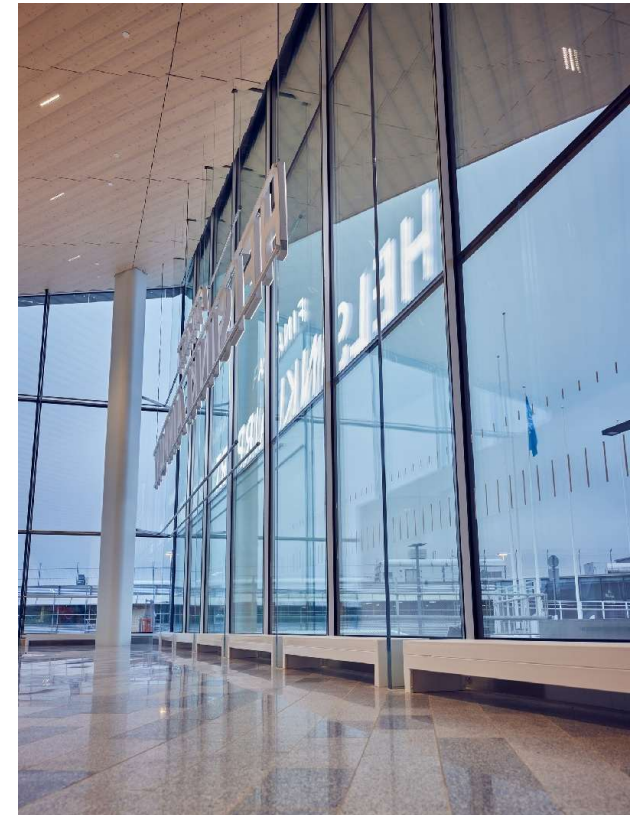
CEO Esa Korkeela
CFO Anders Löfman



CONSTI

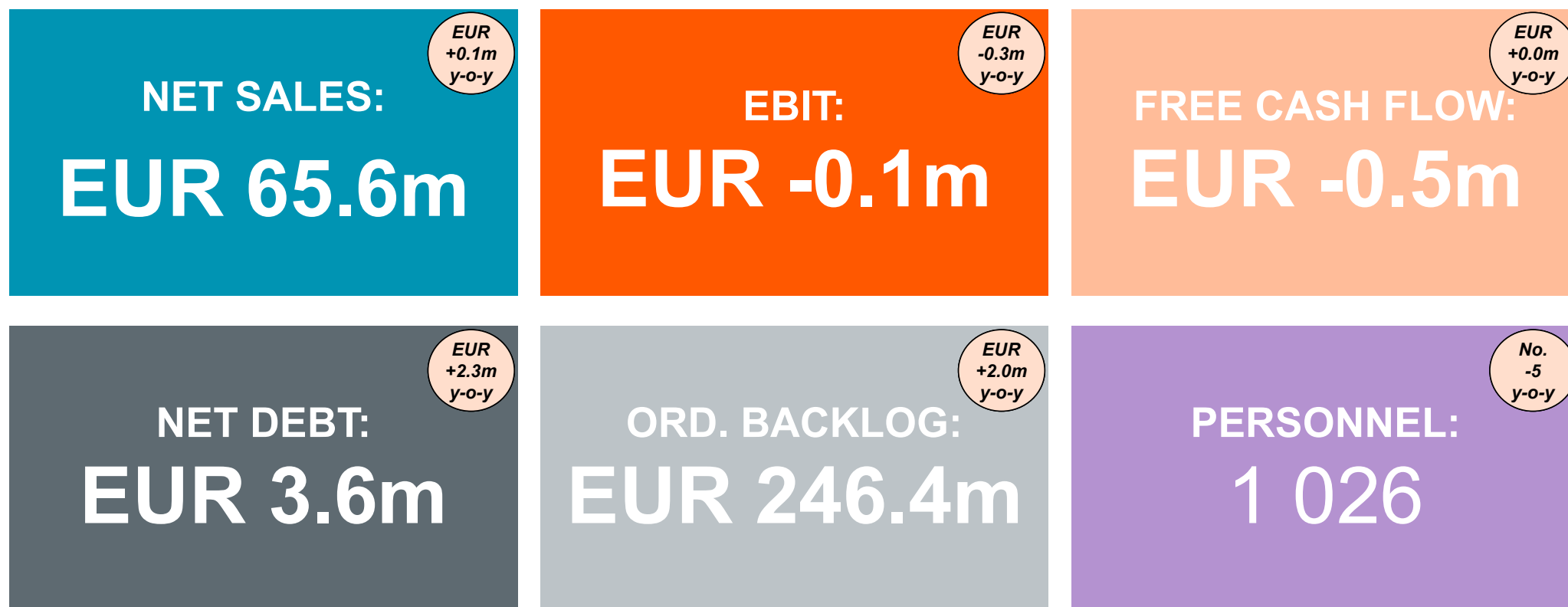
CONTENTS

- 1. Highlights and Group performance**
- 2. Cash flow and financial position**
- 3. Market outlook, guidance and summary**
- 4. Appendix**



Highlights of the first quarter of 2025

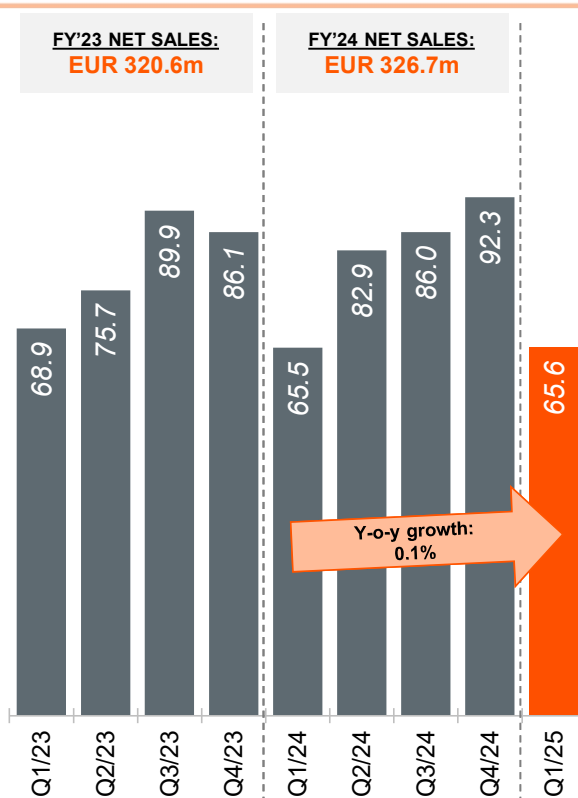
Net sales and operating result at planned level



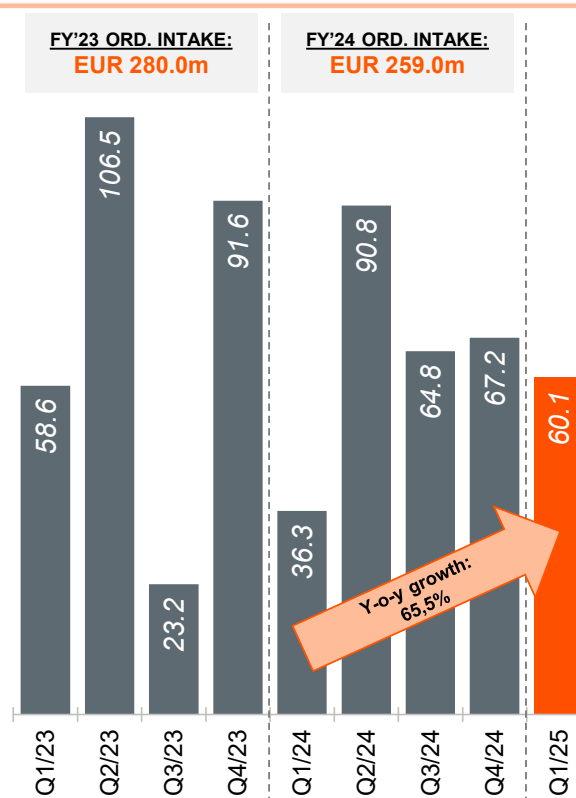
Quarterly performance overview

Net sales unchanged, order intake grew 65.5% and order backlog 0.8% y-o-y

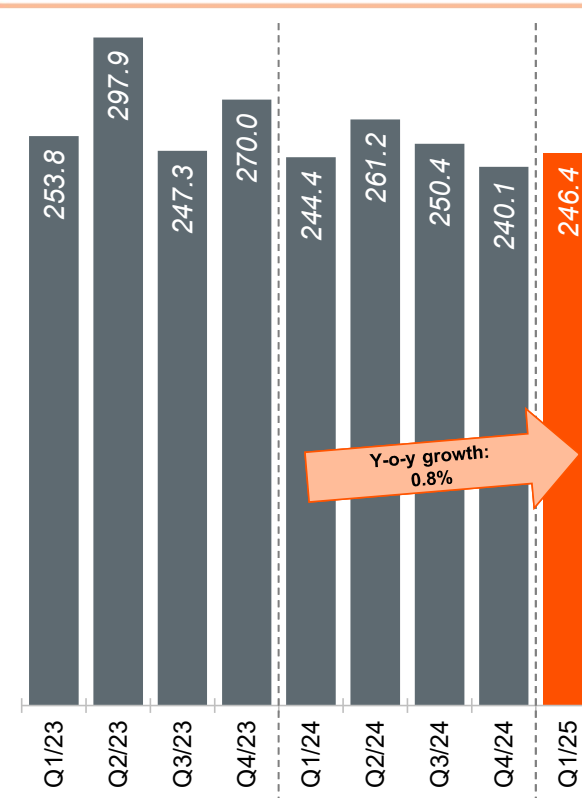
QUARTERLY NET SALES (EUR m)



QUARTERLY ORDER INTAKE (EUR m)



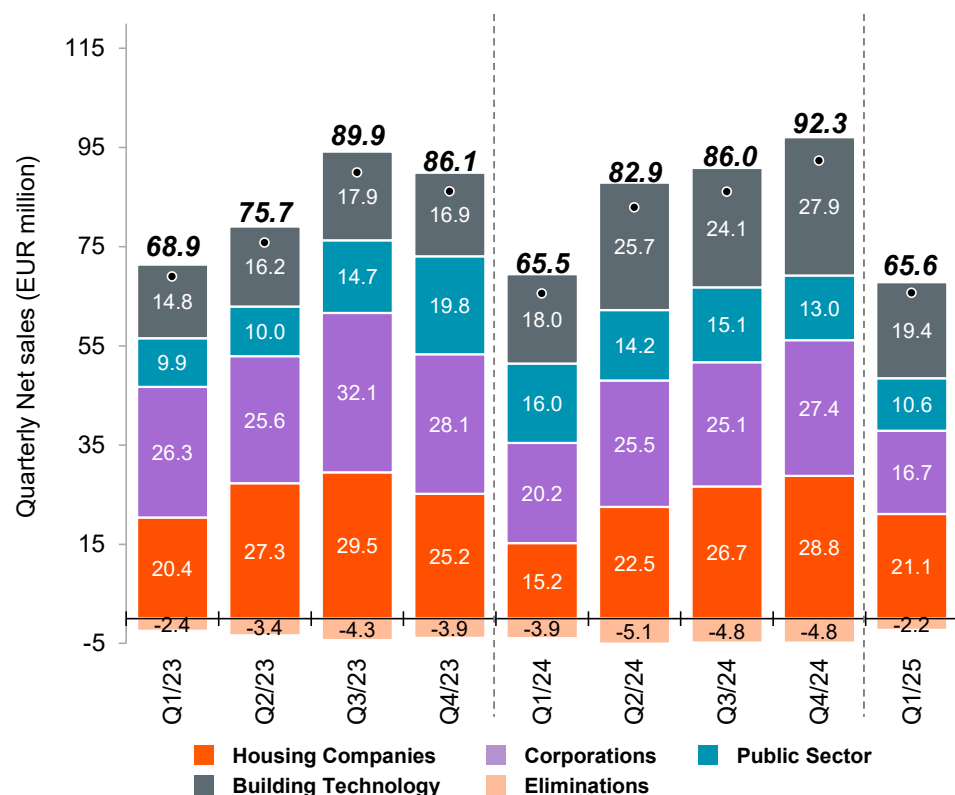
QUARTERLY ORDER BACKLOG (EUR m)



Quarterly net sales development

Net sales at the same level as last year in seasonally low first quarter

Quarterly net sales development Q1/2023 – Q1/2025 (EUR m)



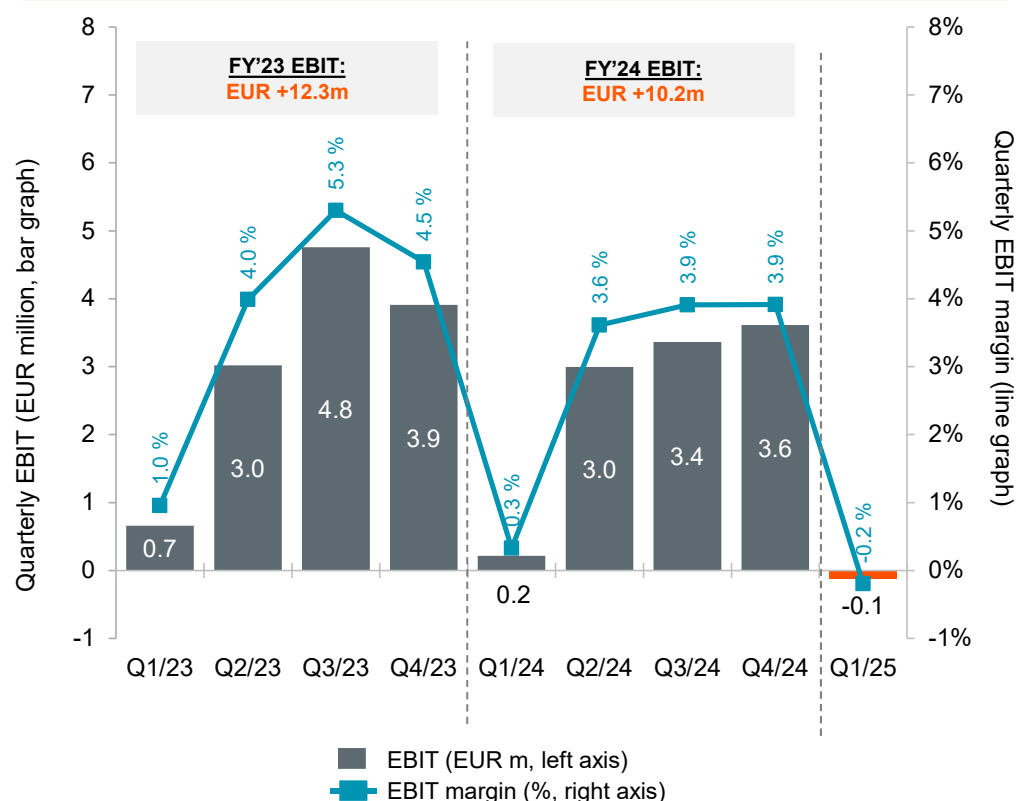
Comments

- Q1/2025 net sales EUR 65.6m (65.5m)
 - Year-on-year growth 0.1%
 - Consti's business volumes are typically lowest during the first quarter of the year
 - Net sales grew in Housing Companies (38.7%) and in Building Technology (7.5%) business areas
 - Net sales decreased in Public Sector (-33.5%) and in Corporations (-17.3%) business areas
 - Housing Companies net sales EUR 21.1m (15.2m)
 - Corporations net sales EUR 16.7m (20.2m)
 - Public Sector net sales EUR 10.6m (16.0m)
 - Building Technology net sales EUR 19.4m (18.0m)

Quarterly EBIT development

Q1 operating result at planned level

Quarterly EBIT development Q1/2023 – Q1/2025 (EUR m)



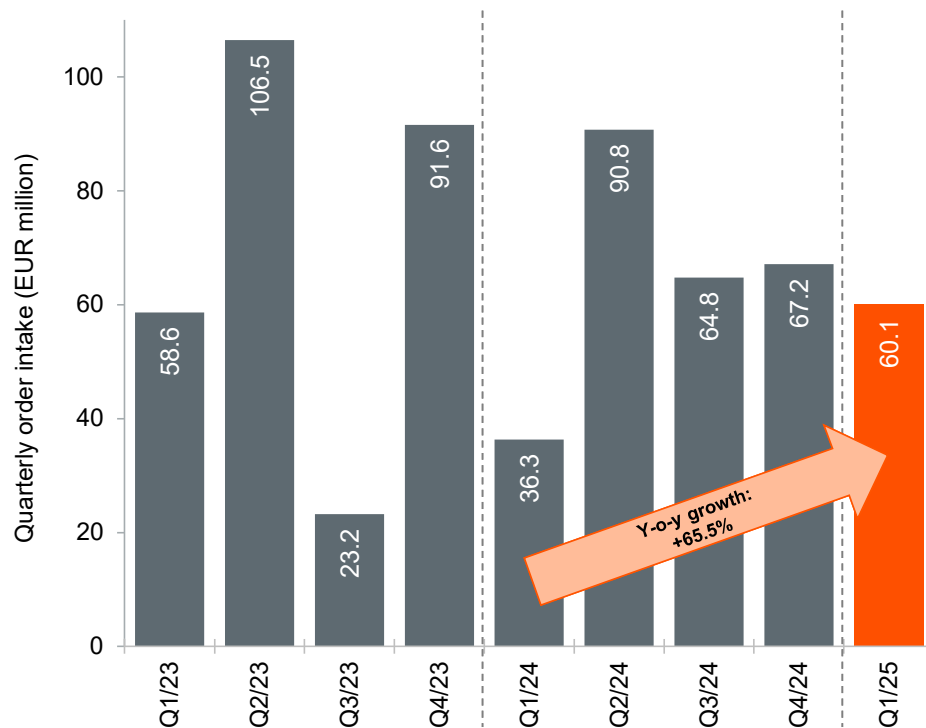
Comments

- Q1/2025 EBIT amounted to EUR -0.1 (0.2) million, or -0.2% (0.3%) of net sales
- Projects progressed mostly as planned, profitability of project business broadly in line with expectations
- Operating result negatively affected by lower-than-expected net sales and profitability in Service business and partly by allocation of resources in tendering and negotiation activities to secure order backlog
- Intense competition and prolonged downturn in the construction sector continued to have a negative impact on profitability

Quarterly order intake development

Q1/2025 order intake EUR 60.1 million (36.3m), growing 65.5% year-on-year

Quarterly order intake development Q1/2023 – Q1/2025 (EUR m)



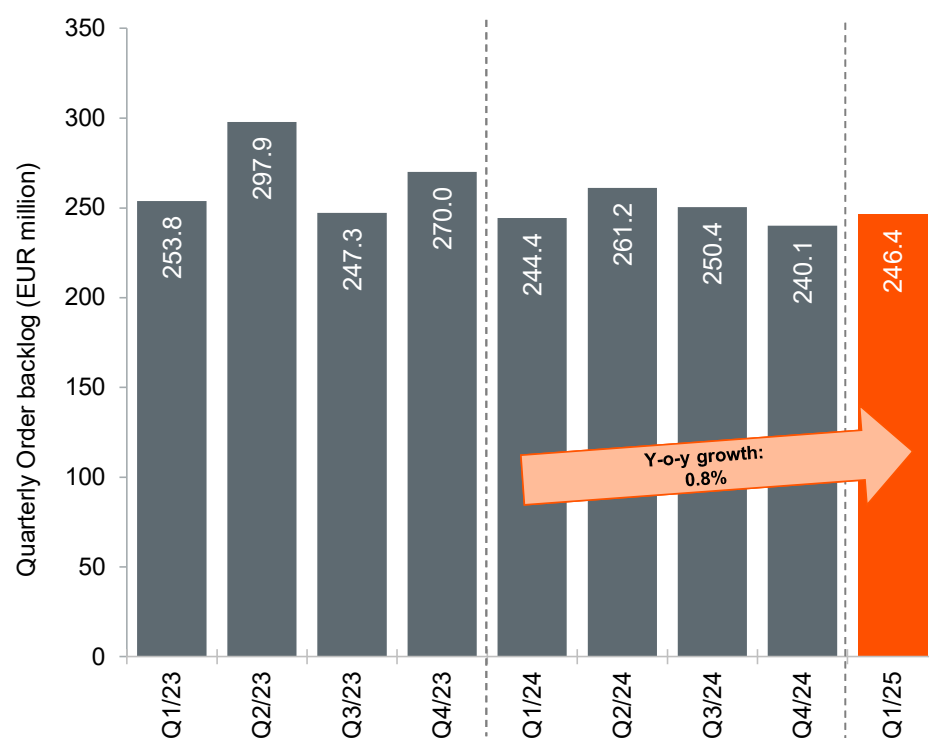
Comments

- Q1/2025 order intake EUR 60.1m (36.3m)
 - Year-on-year growth 65.5%
 - The order intake was positively influenced by new orders in the Housing Companies and Corporations business areas.
 - Order intake for Q1 2025 consists of several small and mid-sized projects

Quarterly order backlog development

Q1/2025 order backlog at EUR 246.4 million

Quarterly order backlog development Q1/2023 – Q1/2025 (EUR m)



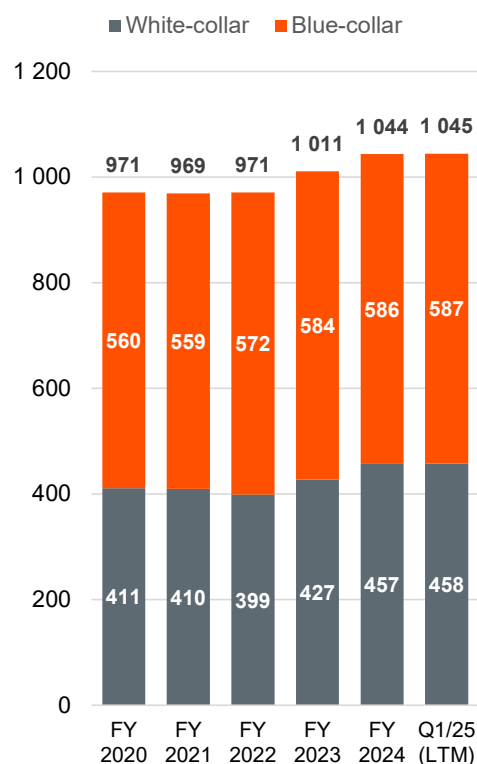
Comments

- Q1/2025 order backlog at EUR 246.4m (244.4m)
 - Year-on-year growth 0.8%
 - In absolute and relative terms, a larger share of March 2025 order backlog to be recognised in revenue within the next nine months compared to March 2024 backlog
 - At the end of Q1, order backlog of Housing Companies business area was clearly higher than in the reference period
 - Healthy order backlog to support solid performance going forward
 - However, order intake in H1 still plays an important role from the full-year net sales' perspective

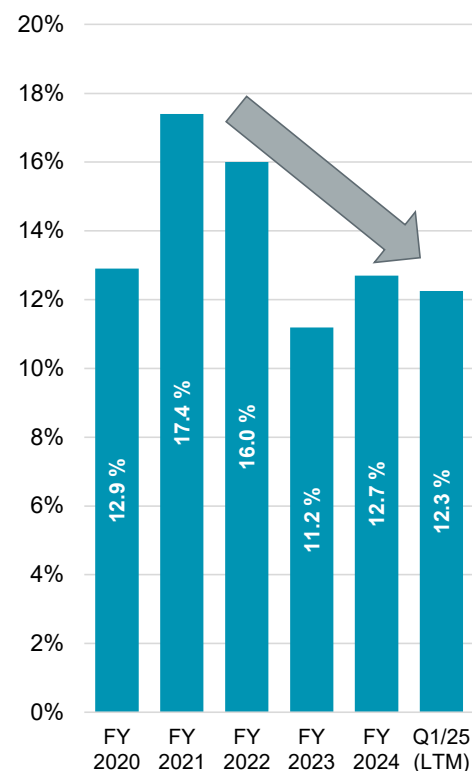
Number of personnel and other HR KPIs

Consti employed 1,026 (1,031) professionals at quarter-end

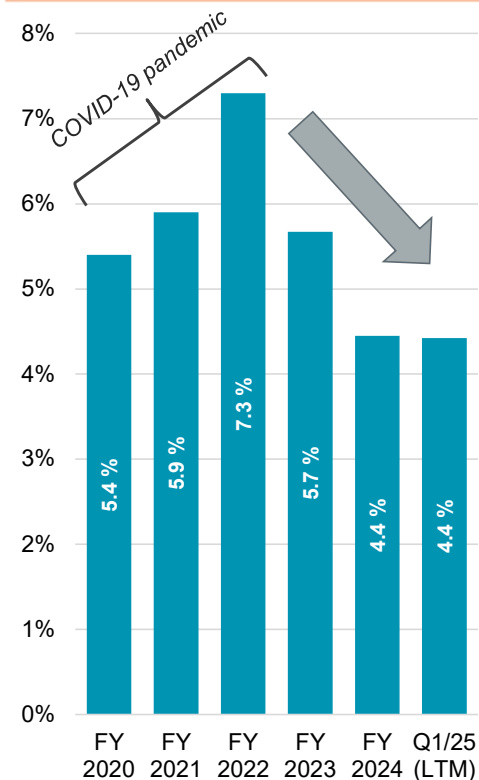
Average number of personnel
2019 – Q1/2024



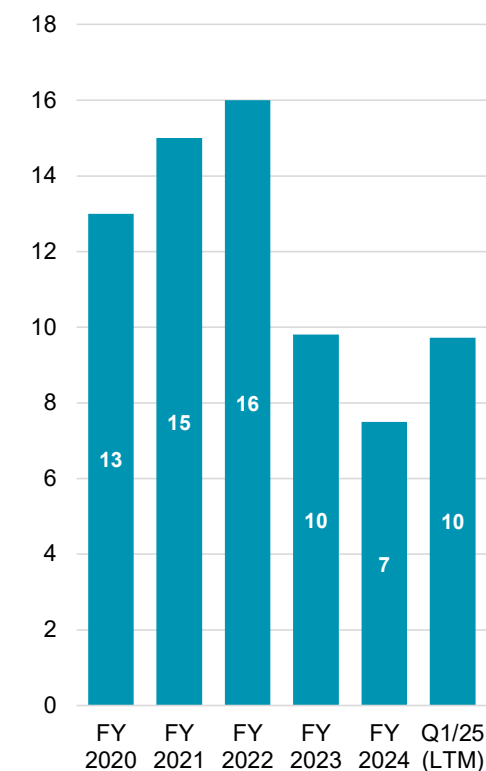
Permanent personnel turnover ratio
(% of employees leaving)



Average absence rate (%)

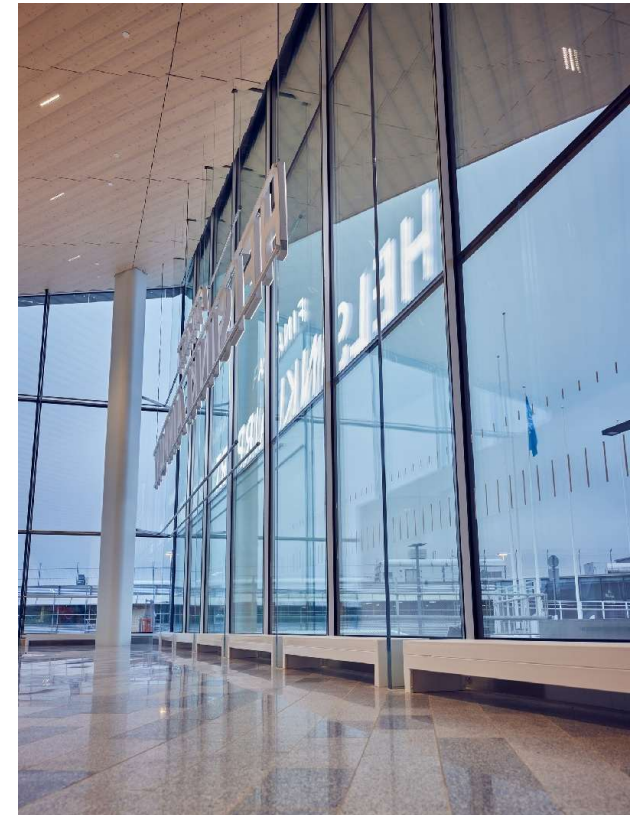


Accident rate / LTIFR
(accidents per million hours worked)



CONTENTS

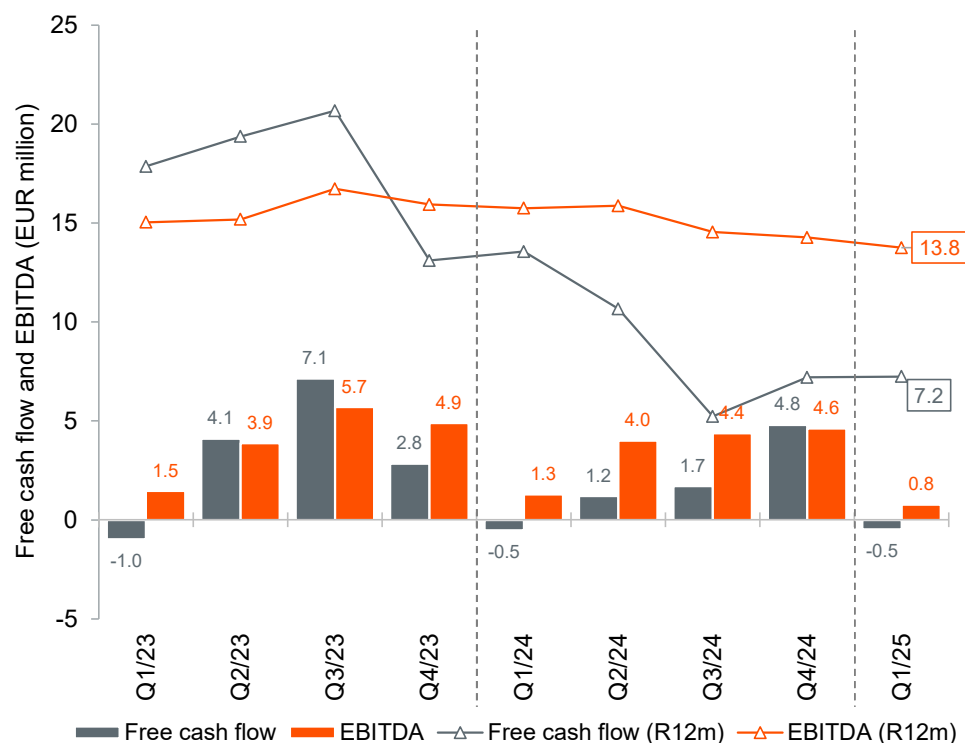
1. Highlights and Group performance
2. **Cash flow and financial position**
3. Market outlook, guidance and summary
4. Appendix



Quarterly free cash flow development

Q1 2025 free cash flow EUR -0.5 million

Quarterly free cash flow¹⁾ and EBITDA Q1/2023 – Q1/2025 (EUR m)



Comments

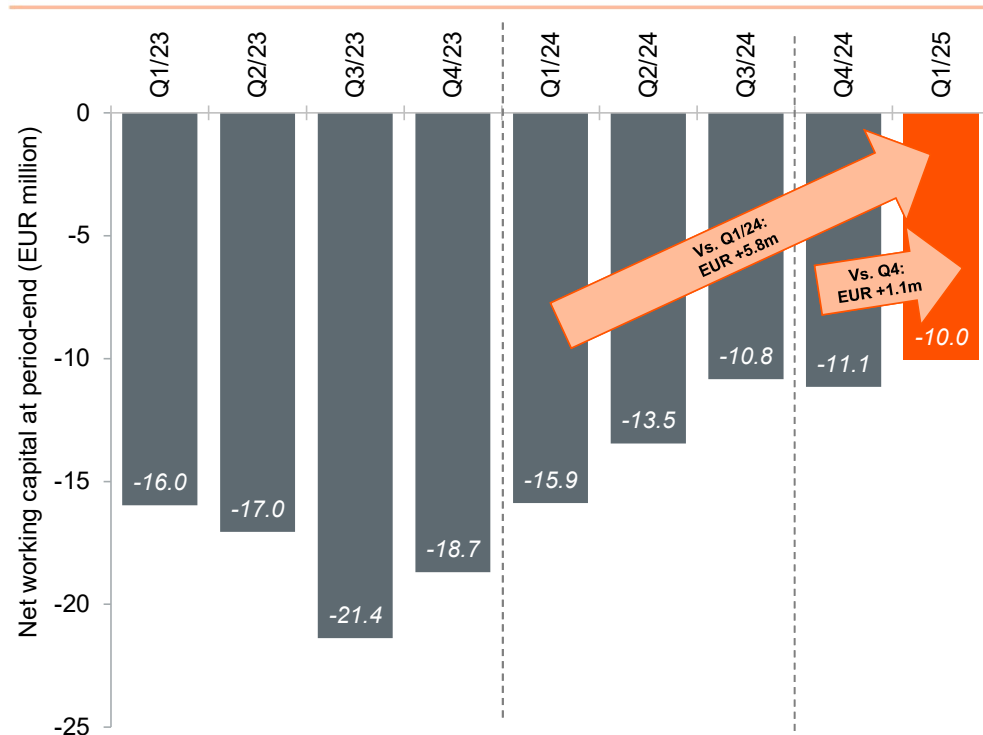
- Q1/2025 free cash flow EUR -0.5m (-0.5m)
 - EBITDA amounted to EUR 0.8m (1.3m)
 - Cash flow impact from change in net working capital was EUR -0.7m (-1.4m)
 - Cash flow from investments in tangible and intangible assets amounted to EUR -0.3m (-0.5m)
- In March 2025, rolling 12-month free cash flow EUR 7.2m and EBITDA EUR 13.8m → R12m cash conversion ratio 52.7%
- In the longer term Q1/2022 - Q1/2025, Consti's cash conversion ratio at 82.4%

¹⁾ Free cash flow means net cash flow from operating activities before financial items and taxes, less capital used for purchase of intangible assets and property, plant and equipment

Quarterly net working capital development

Net working capital at EUR -10.0 million at the end of Q1/2025

Quarterly net working capital¹⁾ Q1/2023 – Q1/2025 (EUR m)



Comments

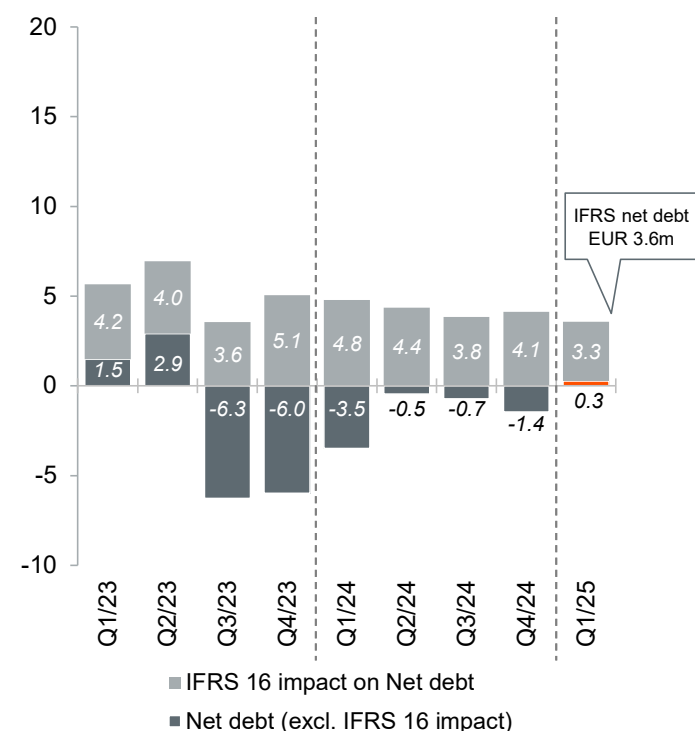
- Net working capital EUR -10.0m (-15.9m) at the end of Q1/2025
 - NWC tied up during Q1/2025 amounted to EUR 1.1m (2.8m)
 - NWC EUR 5.8m higher compared to Q1/2024
 - NWC affected by a change in financial position of project portfolio

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

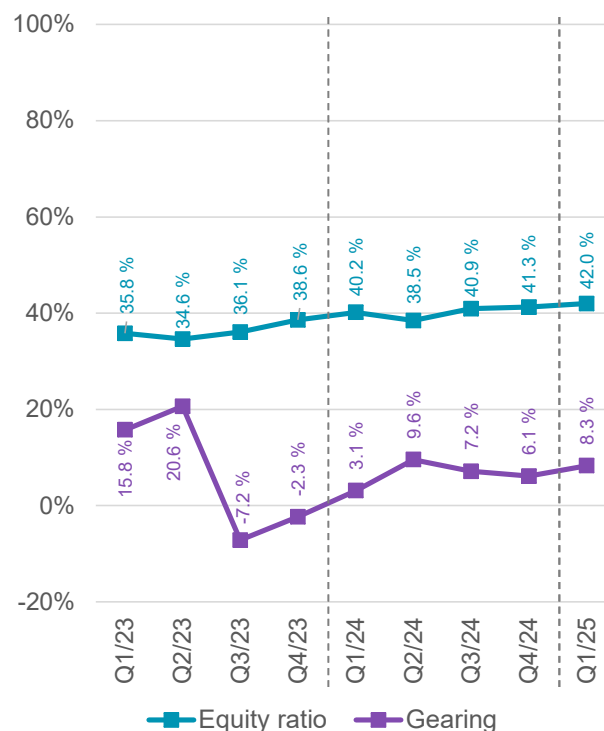
Quarterly balance sheet structure

Strong financial position at the quarter-end

Quarterly net debt development (EUR m)
Q1/2023 – Q1/2025



Quarterly equity ratio and gearing development
Q1/2023 – Q1/2025



Comments

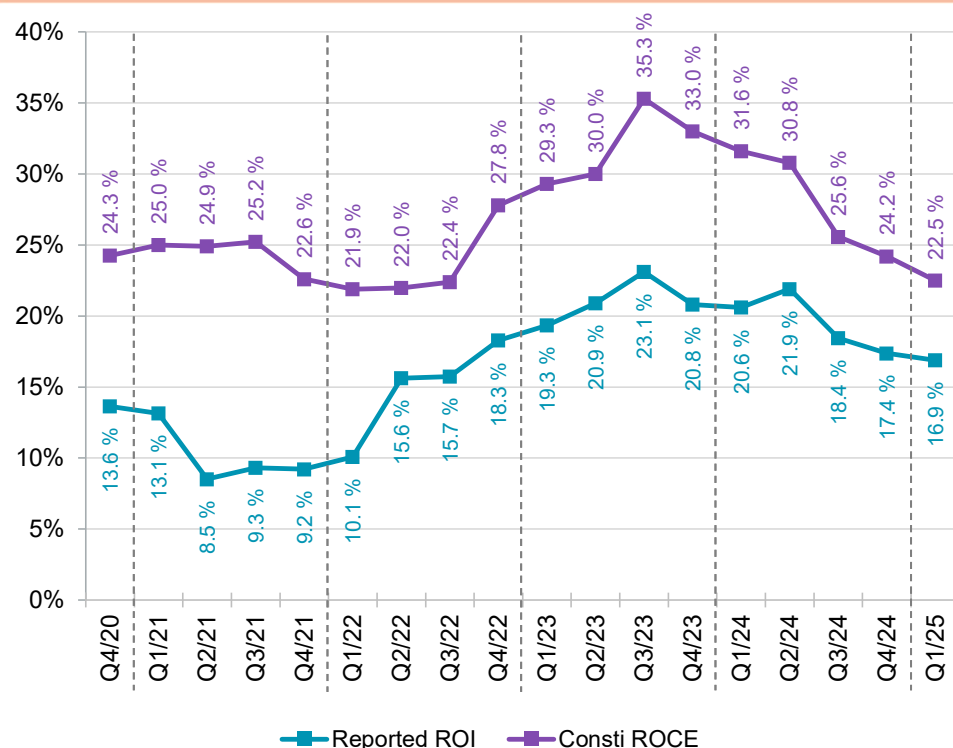
- Q1/2025 net debt at EUR 3.6m (1.3m), of which EUR 3.3m (4.8m) attributable to IFRS 16 related lease liabilities
 - Net debt excluding IFRS 16 at EUR 0.3m (-3.5m)
- Q1/2025 equity ratio at 42.0% (40.2%)
 - Equity ratio excluding IFRS 16 at 43.5% (42.2%)
- Q1/2025 gearing at 8.3% (3.1%)
 - Gearing excluding IFRS 16 at 0.6% (-8.4%)

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

Reported ROI¹⁾ and Consti ROCE²⁾

Return on capital on a reasonable level

Reported ROI¹⁾ and Consti ROCE²⁾ Q4/2020 – Q1/2025 (%)



Comments

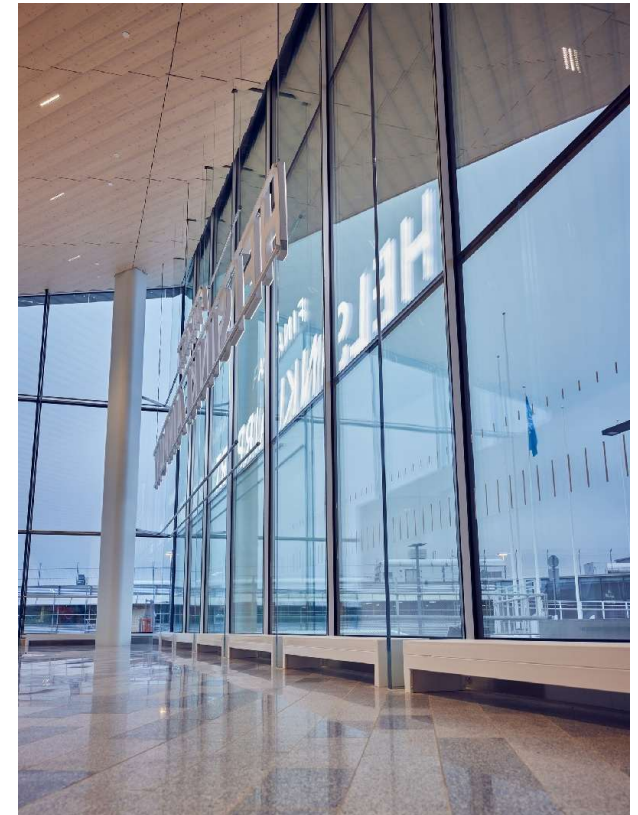
- In financial years 2020-2024, Consti's return on capital employed has exceeded 20%
- Q1 2025 Consti ROCE totalled 22.5% (31.6%)
 - Q1 2025 R12m EBIT margin 3.0% (3.8%)
- Q1 2025 Reported ROI totalled 16.9% (20.6%)

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

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

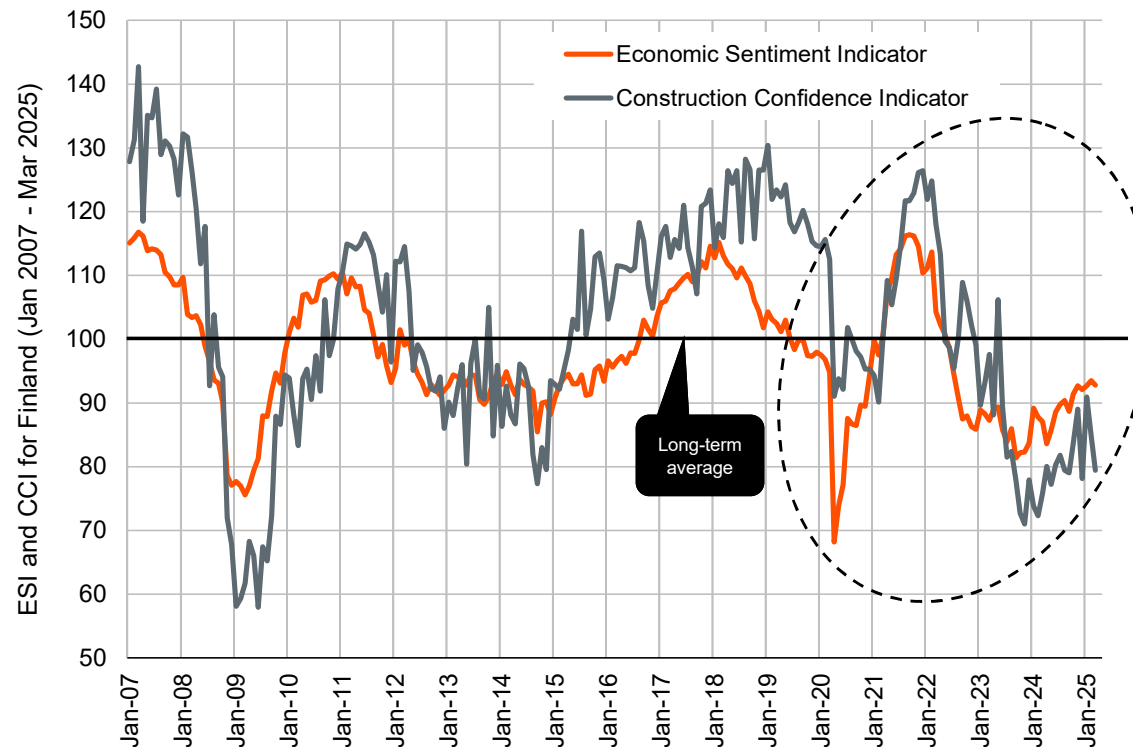
CONTENTS

1. Highlights and Group performance
2. Cash flow and financial position
3. **Market outlook, guidance and summary**
4. Appendix



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

Economic Sentiment and Construction Confidence / Finland (2007 – 3/2025)



Note: Mean-adjusted figures

Source: European Commission, March 2025

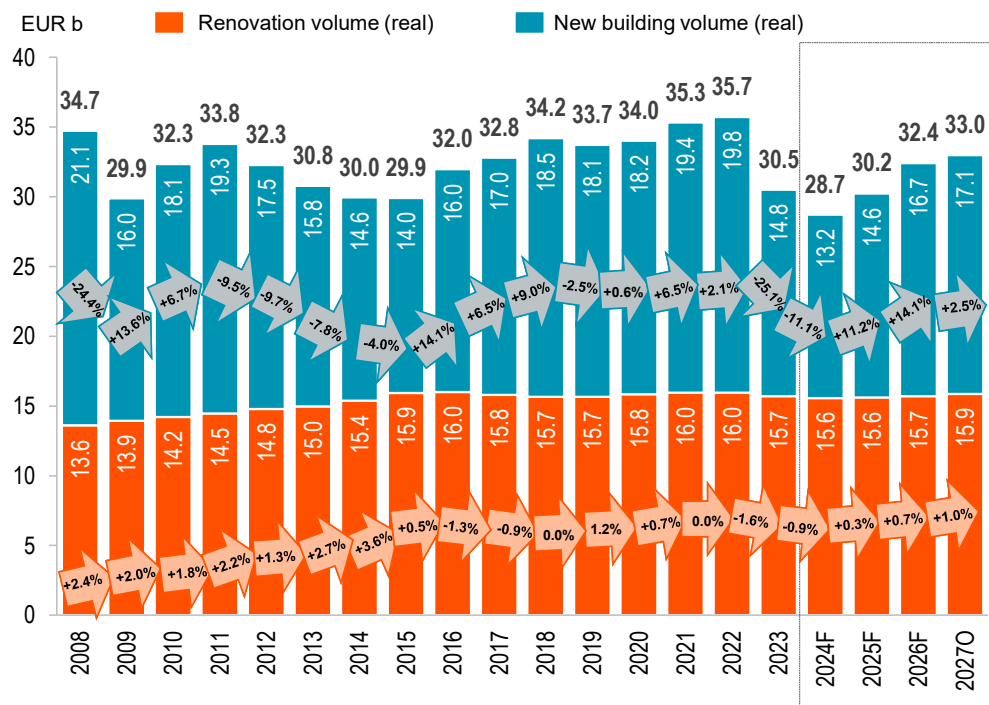
Comments

- Economic Sentiment Indicator (ESI) clearly below its long-term average level
 - Driven by a deterioration in confidence in all surveyed business sectors (industry, services, consumer, retail trade and construction)
- Construction confidence indicator (CCI) still at a low level at the end of Q1/2025
 - CCI clearly below its long-term average level
 - The construction confidence in Finland one of the lowest among the European Union countries

CFCI: construction volume is turning to growth amid great uncertainty

Renovation volume is projected to grow by 1% in 2025 (CFCI)

Finnish new building and renovation market development 2008 – 2027



Source: Euroconstruct, December 2024

Confederation of Finnish Construction Industries RT (CFCI), April 2025

Comments

- The Confederation of Finnish Construction Industries RT (CFCI) estimates in its April 2025 report that the entire Finnish construction market is expected to grow by about 4% in 2025
- CFCI estimates that renovation will grow by approximately 1% in 2025 and new residential construction is expected to grow by 10 %
- CFCI states that despite pent-up demand and increasing renovation debt, annual growth in renovation activity will remain slow as availability of financing increasingly hinders recovery
- However, we do not expect a significant improvement in the demand outlook for construction in the first half of 2025

CAGR
2022-27:
-2.8%

CAGR
2022-27:
-0.1%

Long-term market outlook continues to be positive – ageing building stock, urbanisation and the growing significance of sustainability offering the basis for our growth in our strategy period



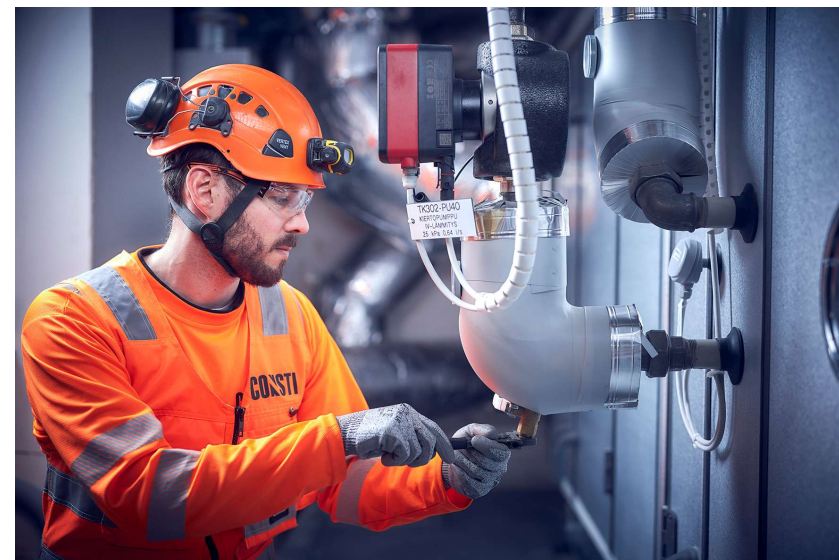
Ageing building stock, urbanisation and the growing significance of sustainability and green transition together with growing complexity in construction as well as tightening legislation **to create demand going forward, thereby offering the basis for Consti's growth in strategy period 2024-2027**

Consti's updated transition plan: own operations carbon neutral by 2035 and emissions in the value chain -50% by 2050

Scope 1 and 2 emissions (direct emissions and indirect emissions from purchased energy)	2030		2035		2050	
	Target: -70 %*		Target: -100 %*		Target: -100 %*	
	<ul style="list-style-type: none"> Gradual transition of the vehicle fleet, machinery, offices and worksites to emission-free energy sources 		<ul style="list-style-type: none"> All vehicles and machinery emission-free as well as energy at the offices and worksites emission-free 		<ul style="list-style-type: none"> Emission-free own operations 	
Scope 3 emissions (value chain emissions)	2030		2035		2050	
	Target: -10 %*		Target: -25 %*		Target: -50 %*	
	<ul style="list-style-type: none"> Among other things: 80 % waste recycling target, exploring opportunities for reducing emissions with partners 		<ul style="list-style-type: none"> Among other things: 85 % waste recycling target, deployment of low-emission services and materials 		<p>Among other things: business processes, procedures and procurement activities are based on the requirements of sustainable business and their maintenance and continuous improvement</p>	
Assessment of the prerequisites, requirements and impacts of sustainable business	2030		2035		2050	
	<ul style="list-style-type: none"> Among other things: developing business processes and practices to meet sustainability requirements Among other things: developing and offering solutions for energy efficiency 		<ul style="list-style-type: none"> Among other things: business processes and operating methods in line with the requirements set for sustainable business Among other things: collaboration with customers and stakeholders to achieve sustainability goals 			

Outlook and guidance for 2025

- In 2025, Finland's construction volume is estimated to increase by approximately 4% from the previous year. Renovation is predicted to grow by approximately 1% in 2025 and new residential construction is expected to grow by 10%
- Competition in the construction and building technology market remains intense
- The weak demand for new construction and private real estate investment companies' caution in launching new construction projects has continued
- The demand outlook for construction is weakened by prolonged economic uncertainty, interest rates, high construction costs, and tightening availability of financing
- Consti does not expect a significant improvement in the demand outlook for construction in the first half of 2025
- Despite the market situation, Consti aims to continue solid performance supported by a good order backlog and focus on implementing the updated strategy



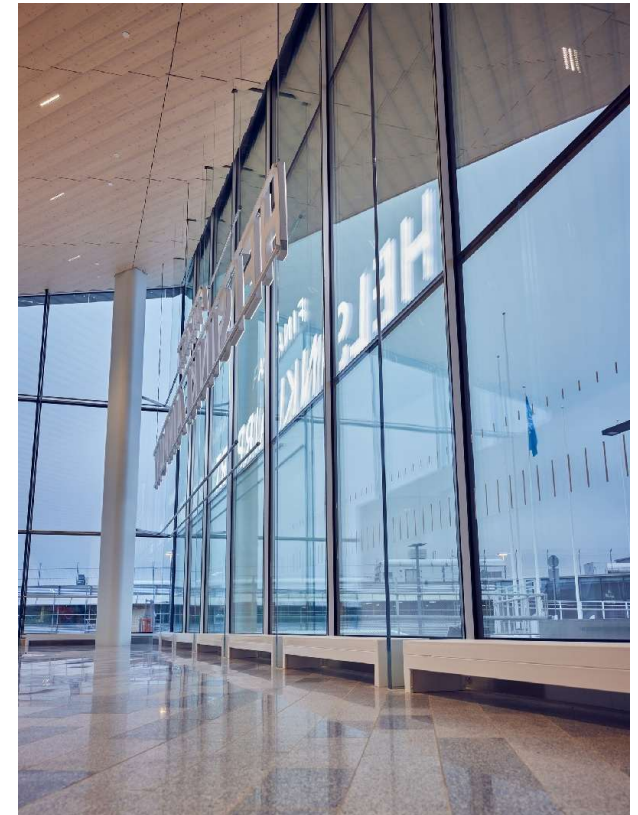
"Consti estimates that its operating result for 2025 will be in the range of EUR 9–12 million."

Summary

1. Net sales and operating result at planned level in seasonally low first quarter
2. Order intake grew 65.5% and order backlog 0.8% y-o-y
3. Financial and liquidity positions remained at a good level
4. Competition in the construction and building technology market remains intense
5. The demand outlook for construction is weakened by prolonged economic uncertainty, interest rates, high construction costs, and tightening availability of financing
6. Consti aims to continue solid performance supported by a good order backlog and focus on improving operational efficiency and implementing current strategy

CONTENTS

1. Highlights and Group performance
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4. **Appendix**



We are growing in construction and building technology by responding to the demand created by aging building stock, urbanisation, and climate change.

VISION

Our customer's number one partner and expert in multiple types of construction

MISSION

Our mission is to improve the value of the building stock and mitigate climate change through our excellent competence in construction and building technology

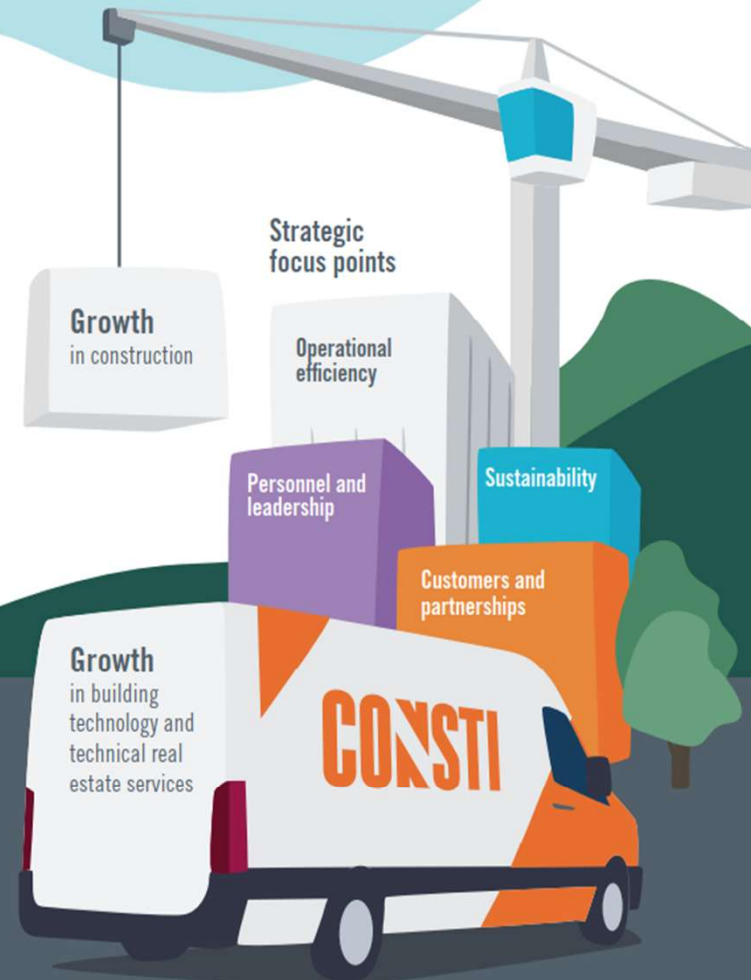
Results for 2024

Growth: 1.9%	Profitability: EBIT-margin 3.1%	Cash flow: Cash conversion ratio* 50.5%	Capital structure: Net debt to adjusted EBITDA ratio -0.13x
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Long-term financial goals

Growth: net sales growing faster than the market	Profitability: EBIT-margin exceeding > 5%	Cash flow: Cash conversion ratio exceeding* > 90%	Capital structure: Net debt to adjusted EBITDA ratio < 2,5x
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* The cash conversion is the amount of free cash flow divided by EBITDA. Free cash flow means net cash flow from operating activities before financial expenses and taxes, less capital used for purchase of intangible assets and property, plant and equipment.



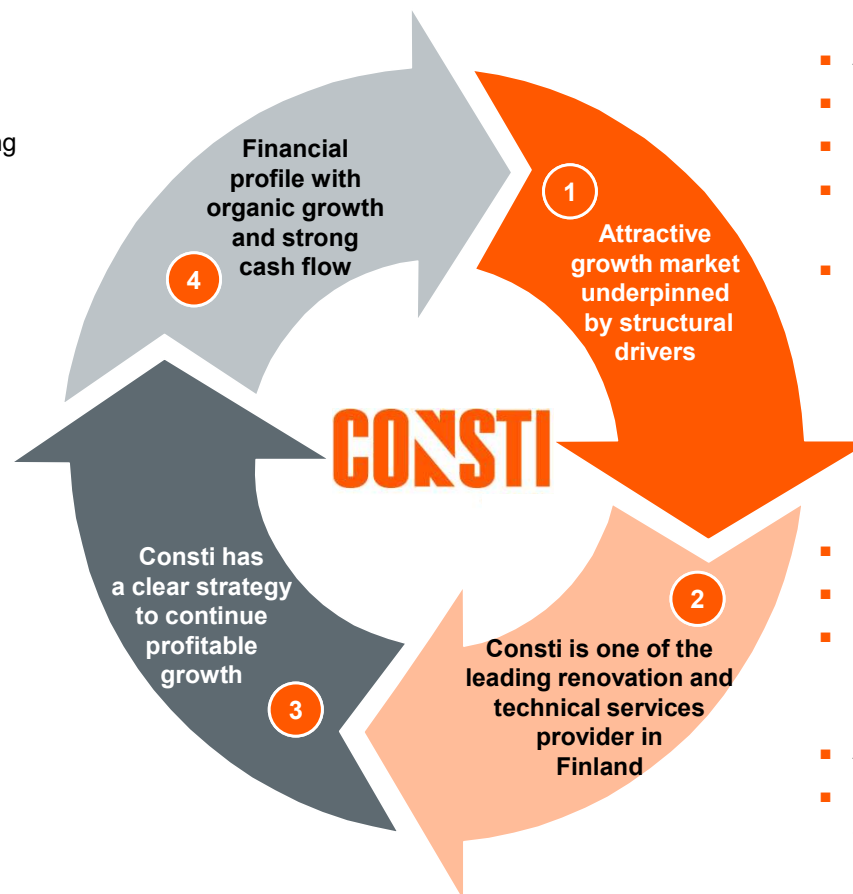
To realise its vision and goals, Consti has defined the following strategic focus areas:

- 1 **Growth in construction**
 - ▷ Profitable development of current business, expansion in the construction value chain, capitalising on attractive opportunities in new construction, strengthening special expertise
- 2 **Growth in building technology and technical real estate services**
 - ▷ Profitable development of current business, strengthening broad offering of installation and technical real estate services, offering comprehensive technical energy efficiency solutions for buildings
- 3 **Customers and partnerships**
 - ▷ Comprehensive customer understanding, subcontractor partnerships, Consti brand
- 4 **Operational efficiency**
 - ▷ Procurement development, utilisation of digitalization, performance management
- 5 **Personnel and leadership**
 - ▷ Consti Way, development of expertise and leadership, group-wide collaboration
- 6 **Sustainability**
 - ▷ Climate change mitigation, enhancing occupational safety and well-being at work, developing responsible practices of the industry

Consti as an investment - Key investment highlights

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

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



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

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



CONSTI

INTERIM REPORT

1-3/2025

CONSTI PLC

Q1

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