CONSTI'S FINANCIAL STATEMENTS BULLETIN JANUARY – DECEMBER 2023

GOOD FINANCIAL YEAR IN A CHALLENGING MARKET

2 February 2024 at 8:30 am

10-12/2023 highlights (comparison figures in parenthesis 10-12/2022):

- Net sales 86.1 (93.3) million euro; change -7.7 %
- EBITDA 4.9 (5.7) million euro and EBITDA margin 5.7 % (6.1%)
- Operating result (EBIT) 3.9 (4.8) million and operating result (EBIT) margin 4.5 % (5.2%)
- Order backlog 270.0 (246.7) million euro; growth 9.5 %
- Order intake EUR 91.6 (109.1) million; change -16.0%
- Free cash flow 2.8 (10.4) million euro
- Earnings per share 0.37 (0.49) euro

1–12/2023 highlights (comparison figures in parenthesis 1–12/2022):

- Net sales 320.6 (305.2) million euro; growth 5.0 %
- EBITDA 15.9 (14.9) million euro and EBITDA margin 5.0 % (4.9%)
- Operating result (EBIT) 12.3 (11.4) million and operating result (EBIT) margin 3.9 % (3.7%)
- Order intake EUR 280.0 (283.7) million; change -1.3%
- Free cash flow 13.1 (18.0) million euro
- Earnings per share 1,17 (1.10) euro
- The Board of Directors proposes a dividend of EUR 0.70 per share. The Board proposes that the dividend be paid in two instalments. The first instalment of EUR 0.40 per share be paid in April 2024 and the second instalment of EUR 0.30 per share be paid in October 2024.

Guidance on the Group outlook for 2024:

Consti estimates that its operating result for 2024 will be in the range of EUR 9–12 million.

KEY FIGURES (EUR 1,000)	10-12/ 2023	10-12/ 2022	Change %	1-12/ 2023	1-12/ 2022	Change %
Net sales	86,060	93,264	-7.7 %	320,607	305,217	5.0 %
EBITDA	4,891	5,674	-13.8 %	15,940	14,927	6.8 %
EBITDA margin, %	5.7 %	6.1 %		5.0 %	4.9 %	
Operating result (EBIT)	3,908	4,827	-19.0 %	12,345	11,428	8.0 %
Operating result (EBIT) margin, %	4.5 %	5.2 %		3.9 %	3.7 %	
Profit/loss for the period	2,879	3,739	-23.0 %	9,014	8,491	6.2 %
Order backlog				270,021	246,650	9.5 %
Free cash flow	2,835	10,413	-72.8 %	13,104	18,000	-27.2 %
Cash conversion, %	58.0 %	183.5 %		82.2 %	120.6 %	
Net interest-bearing debt				-934	3,871	
Gearing, %				-2.3 %	10.7 %	
Return on investment, ROI %				20.8 %	18.3 %	
Number of personnel at period end				1,008	975	3.4 %
Earnings per share, undiluted (EUR)	0.37	0.49	-24.5 %	1.17	1.10	6.4 %

CEO's Review

"In 2023, the total market for housebuilding is estimated to have contracted by approximately 11 percent from the previous year. Although renovation is significantly less sensitive to economic fluctuations than new construction, renovation growth also halted.

Despite the market conditions, we successfully capitalised on attractive growth opportunities during the fiscal year. Our full-year net sales grew by 5.0 percent, reaching EUR 320.6 (305.2) million. Our actions to improve the profitability of our business continued, resulting in a full-year operating result of EUR 12.3 (11.4) million, representing 3.9 (3.7) percent of net sales. Measured in euros, our operating profit was the highest in our history.

Our net sales for October–December decreased by 7.7 per cent and were EUR 86.1 (93.3) million. Among our business areas, Public Sector was the only one able to increase its net sales in the fourth quarter, supported by ongoing school projects. Net sales in the fourth quarter were negatively impacted by both intra-year fluctuations in net sales, and low order intake in the third quarter.

Our October–December operating result was 3.9 (4.8) million euros, representing 4.5 (5.2) percent of net sales. Operationally, the final quarter of the year proceeded as expected, and our projects predominantly progressed according to plan. The decline in operating result was mainly due to a decrease in volume and partly due to changes in the relative net sales shares of our business areas compared to the previous year.

During the year, our order intake amounted to EUR 280.0 (283.7) million, which is almost at last year's level. Our order intake for October-December totalled EUR 91.6 (109.1) million, which means a decrease of 16.0 percent year-on-year. Order intake during the review period was affected by intensified competition, our disciplined tendering activities, and reduced demand, particularly in the private real estate investment company market. Our order intake received a positive boost thanks to a significant order valued at approximately EUR 26 million for our Building Technology business area. This order pertained to the northern part of the main building of Laakso Joint Hospital. As a result, our order backlog for the Building Technology business area exceeded EUR one hundred million by the end of the review period. As a whole, our order backlog increased by 9.5 percent and was EUR 270.0 (246.7) million.

Towards the end of the review period, we started work to renew our strategy for the strategy period 2024–2027. In accordance with our new strategy, we will grow in construction and building technology by responding to the demand created by the ageing building stock, urbanisation, and climate change. Our business area specific strategy emphasises taking advantage of attractive growth opportunities in both construction and building technology. We will also continue our actions to increase customer value, improve production efficiency, and develop our personnel and leadership. We have also updated our sustainability themes and mapped out our most important development targets on the way to becoming a responsible forerunner in our field. By the end of the strategy period, we aim to have four equally strong business areas, with total net sales amounting to approximately EUR 400 million. Our profitability target remains unchanged, which means an operating profit margin of five percent based on the current market outlook.

Economic uncertainty continues to pose challenges to the demand outlook for construction and building technology. Visibility for the financial year 2024 is limited, and we do not anticipate significant improvements in the first half of the year. Supported by a strong order backlog, we aim to continue our solid performance also during 2024 and focus on implementing our new strategy and advancing the impact of our sustainability work.

I would like to thank all our customers and partners for the good cooperation, and all Consti employees for their committed and determined contribution to achieving improved occupational safety and strong financial results."

Strategy 2024–2027

Consti's strategy update for the period 2024–2027 was launched in the fourth quarter of 2023. The Group strategy was formed by first drawing up strategies for Consti's four business areas, in which the broad participation of the business areas was central. Finally, the Group strategy was compiled on the basis of finalised business area strategies.

Consti's vision remains to be "Our customer's number one partner and expert in multiple types of construction". Consti's mission is to improve the value of Finnish buildings and promote climate change mitigation with outstanding expertise in construction and building technology. The updated strategy for

2024–2027 is based on achieving growth in construction and building technology by responding to the demand created by the ageing building stock, urbanisation, and climate change.

Consti seeks faster growth than the market in both the construction and building technology markets. By the end of the strategy period, the aim is to have four equally strong business areas with total net sales amounting to approximately EUR 400 million. The profitability target remains unchanged, which means an operating profit margin of five percent based on the current market outlook.

In both construction and building technology, growth is based on the development of current business operations. In the construction business areas, Consti aims to strengthen and expand its special expertise in, for example, groundworks and facade repairs. Growth opportunities are also seen among industrial customers. In building technology, the aim is to increase building technology contracting as well as comprehensive energy solutions. Building technology was strengthened already at the end of 2023 with the acquisition of Sähkö-Huhta Oy, which operates in the Helsinki metropolitan area, and correspondingly by divesting the property-related relining business.

The goal is to further utilise Consti's expertise more extensively throughout the construction value chain, from project development to maintenance. Changes in construction legislation and tightening energy efficiency requirements increase the developer's responsibilities, and this is expected to emphasise the role of the main contractor, especially in project development and planning. Consti aims to strengthen its position also in the planning phase of building technology projects.

In developing sustainability, Consti focuses on promoting occupational safety and well-being at work and mitigating climate change. Climate change mitigation is increasingly becoming the starting point for renovation, either through improving energy efficiency or as an alternative to demolition. According to studies, repairing and improving a building produces a smaller carbon footprint in the long term than replacing an existing building with a new building of similar size.

Alongside energy renovations, Consti is developing its services to even better accommodate requirements brought forth by climate change, for example requirements regarding maintenance and the outer envelope of buildings. Consti's goal is to be a forerunner in sustainability.

Consti has defined the focus areas of its strategy, which are:

- Growth in construction
- Growth in building technology and technical real estate services
- Customers and partnerships
- Operational efficiency
- Personnel and leadership
- Sustainability

The company's long-term financial goals remain unchanged:

- Growth: net sales growing faster than the market
- Profitability: EBIT margin exceeding 5 percent
- Free cash flow: Cash conversion ratio exceeding 90 percent
- Balance sheet structure: Net debt to adjusted EBITDA ratio of less than 2.5x
- The Company's aim is to distribute as dividends at least 50 percent of the Company's annual net profit

Operating environment

In 2023, the total market for housebuilding is estimated to have contracted by approximately 11 percent compared to the previous year. Although renovation is considerably less sensitive to economic fluctuations than new construction, renovation growth has also halted.

The demand for renovation has been steady in Finland for a long time, and the market value of renovation is almost the same as that of new construction. In 2023, the value of residential building renovation remained on level with the previous year, i.e. around EUR 9 billion. The value of other renovation was still around EUR 6 billion.

Nearly two-thirds of renovation involve residential properties, with over half of them being professional renovation. In residential renovation, there is a notable emphasis on building technology, constituting around 40 percent of the total value of renovation.

The renovation market encompasses not only technical repairs related to building age but also significant building purpose modifications, for example, converting old, underutilised office properties into hotels or apartments, or improving usability by renewing layouts.

Housebuilding experienced a significant contraction in 2023. In its December economic outlook, Euroconstruct revised its earlier estimates from summer 2023 significantly downward, stating that new residential construction decreased by 37 percent instead of the initially projected 25 percent. Euroconstruct also adjusted renovation growth estimates, now projecting a decrease of 0.8 percent, compared to the 0.8 percent growth estimated in June.

In its September reporting of market conditions, the Confederation of Finnish Construction Industries RT estimated the market development for renovation to be -4 per cent and that of new housing construction -38 percent in 2023.

The sharp decline in housebuilding is primarily a consequence of the slowdown in residential construction following an exceptionally intense period of housing production. The rise in interest rates has particularly dampened demand for completed homes.

Non-residential new construction decreased by only 2.6 percent according to Euroconstruct. Commercial space construction declined significantly, but construction of, for example, industrial and warehouse spaces, as well as green investments, increased. The demand for warehouse and logistics facilities is driven by e-commerce. Office construction continued to grow strongly in the Helsinki metropolitan area, despite relatively low office occupancy rates. In public construction, school construction has continued to grow steadily, and several new hospital projects are underway. The most significant hospital project nationally was the start of Laakso Joint Hospital.

According to Euroconstruct's estimate, renovation of residential buildings contracted by around 1.3 percent. This decline is attributed to the sharp increase in living expenses, such as property maintenance costs and rising interest rates, which began affecting the demand for residential renovations already in 2022. It has been estimated that in 2023, renovation of non-residential buildings remained almost on level with the previous year. However, renovation decreased in absolute numbers, because according to Statistics Finland, renovation prices rose by 12 per cent in spring 2023.

Approximately one-fifth of all renovation is maintenance and upkeep, with a higher-than-average share in non-residential properties.

Renovation market is expected to remain stable in 2024. According to Euroconstruct's forecast, the renovation market is expected to remain at the 2023 level in 2024. RT predicts a decline of about one percent in renovation. Euroconstruct anticipates a slight increase in the value of residential renovation, accompanied by a slight decrease in the value of other renovation.

The construction of new residential buildings is expected to decrease by 9–15 per cent in 2024. Non-residential construction is forecasted to grow by 3-7 percent. Residential construction is expected to return to normal levels in 2025–2026.

Both new construction and renovation prospects are hindered by the rise in construction costs and interest rates, with additional cost increases in renovation due to higher property maintenance expenses. Both housing companies and institutional landlords have postponed significant renovations in the past couple of years.

In needs-based renovation, facade repairs and pipeline renovation are the largest projects for residential buildings. The number and value of pipeline renovation have been growing faster than other renovation for a long time, and this growth is expected to continue for a few more years. The growth is sustained by the large number of residential buildings that have reached the age when pipeline renovation are required. For a long time, apartment buildings built in the 1960s had the most building technology renovation. Now, properties built in the 1970s, which have the largest number of dwellings in terms of floor area, and partly properties from the 1980s, which are the most numerous due to e.g., the large number of terraced house construction, have reached renovation age. In addition to addressing technical repair needs, building technology enhancements improve living comfort.

Together with pipeline renovation, the increase in heating costs and the green transition contribute to growth in the building technology market. While energy efficiency has so far been primarily addressed alongside other renovation, the rising cost of energy and carbon neutrality goals have increased interest in separate energy renovation.

Besides building technology renovation, many housing companies have a growing need for facade renovation, which have often been neglected due to financial reasons in favour of pipeline renovation. Climate change significantly increases the demand for facade renovation and related maintenance services. The importance of roofs, eaves, cladding, and intact facades grows as winters become wetter, slanting rainfall increases and extreme weather phenomena intensify. The need for facade renovation is also heightened by the large number of residential buildings from the 1970s and 1980s reaching the renovation age.

In addition to renovation related to building technology and environmental goals, the need for renovation in commercial and office premises is increased by changes in space needs.

The need for renovation is sustained by both the aging building stock and global megatrends such as urbanisation, an aging population, changes in working habits and retail, and sustainability goals. Renovation play a crucial role in reducing the carbon footprint of the built environment, as the number of new buildings increases by only about one percent annually.

In Finland, both new construction and renovation are still strongly concentrated in growth centres.

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 and selected new construction services to housing companies, corporations, investors and the public sector in Finland's growth centres.

Consti 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 Plc. The business areas operate in subsidiaries completely owned by the parent company: Consti Korjausrakentaminen Oy (Housing Companies, Corporations and Public Sector), Consti Talotekniikka Oy (Building Technology), RA-Urakointi Oy and Sähkö-Huhta Oy.

Long term goals

Consti's mission is to improve the value of Finnish buildings and promote climate change mitigation with outstanding expertise in construction and building technology. Consti's vision is to be ”Our customer's number one partner and expert in multiple types of construction”. To achieve its vision and goals, Consti has defined strategic focus areas, which are: Growth in construction, Growth in building technology and technical real estate services, Customers and partnerships, Operational efficiency, Personnel and leadership and Sustainability.

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

- Growth: net sales growing faster than the market
- Profitability: EBIT margin exceeding 5 percent
- Free cash flow: Cash conversion ratio exceeding 90 percent
- Balance sheet structure: Net debt to adjusted EBITDA ratio of less than 2.5x
- 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

10-12/2023

Consti Group's October-December net sales were 86.1 (93.3) million euro. Net sales decreased 7.7 percent. Housing Companies net sales were 25.2 (32.4), Corporations net sales were 28.1 (33.8) Public Sector net sales were 19.8 (12.4) and Building Technology net sales were 16.9 (19.1) million euro.

Net sales grew in Public Sector business area but decreased in Housing Companies, Corporations and Building Technology business areas. In Public Sector business area, the net sales were increased by the ongoing school projects. In other business areas, net sales in the fourth quarter were negatively impacted by both intra-year fluctuations in net sales and low order intake during the third quarter.

Operating result (EBIT) for October-December was 3.9 (4.8) million euro. Operating result from net sales was 4.5 (5.2) percent. Operationally the last quarter of the year advanced as expected and projects largely progressed as planned. The decrease in operating result is mainly due to the decrease in volume and partly due to changes in the relative net sales shares of our business areas compared to the previous year.

Additionally, fixed costs were increased by transaction costs related to the acquisition of Sähkö-Huhta Oy during the review period.

The order backlog at the end of the reporting period increased 9.5 percent and was EUR 270.0 (246.7) million euro. In October-December, the order intake decreased by 16.0 percent and was 91.6 (109.1) million euro.

1–12/2023

Consti Group's January-December net sales were 320.6 (305.2) million euro. Net sales increased 5.0 percent. Housing Companies net sales were 102.4 (104.0), Corporations net sales were 112.2 (104.9), Public Sector net sales were 54.3 (42.1) and Building Technology net sales were 65.7 (69.1) million euro. These figures include Service Business's net sales amounting to 39.4 (41.8) million euro.

Net sales grew in Public Sector and Corporations business areas but decreased in Housing Companies and Building Technology business area. In Public Sector business area, the net sales were increased by the ongoing school projects. Net sales growth in Corporations business area was supported by the shopping centre projects. Net sales in Housing Companies business area increased in other areas but decreased in Greater Helsinki area. The net sales of Building Technology business area increased in service business but decreased in contracting business.

Operating result (EBIT) for January-December was 12.3 (11.4) million euro. Operating result from net sales was 3.9 (3.7) percent. Operationally January-December advanced as expected and projects largely progressed as planned. A gain recognised on the sale of Consti's property-related relining business in the third quarter amounting approximately EUR 1 million supported the profitability in the reporting period.

The order backlog at the end of the reporting period increased 9.5 percent compared to the end of the previous financial year and was 270.0 (246.7) million euro. The order intake value during January-December 280.0 (283.7) million euro were close to previous year's level with a change of -1.3 percent.

Investments and business combinations

Investments into intangible and tangible assets in October-December were 0.4 (0.4) million euro, which is 0.5 (0.4) percent of the company's net sales. Investments into tangible and intangible assets in January-December were 2.0 (1.5) million euro, which is 0.6 (0.5) 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-December were EUR 3.0 (1.3) 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, new warehouse facilities as well as to the accounting of business premises and warehouses lease agreements that are valid until further notice, in accordance with the IFRS 16 -standard.

On August 31, 2023, Consti signed a business transfer agreement, whereby Consti Korjausrakentaminen Oy acquired the building renovation and painting business of Maalausliike Peitso Oy. In the financial year 2022, the revenue of the painting business of Maalausliike Peitso Oy was approximately EUR 0.3 million, and the business had 2 employees. With the transaction, the employees of the building renovation and painting business operations were transferred to Consti. At the closing of the transaction, all assets and liabilities related to the acquired business were transferred to Consti. The purchase price was not disclosed. The purchase price was paid in cash.

On 24 September 2023, Consti signed a business transfer agreement, whereby the Group's property-related relining business was sold to Spolargruppen. The requirements of closing the sale were fulfilled and the transaction was completed on 29 September 2023. In the financial year 2022, the revenue of Consti's property-related relining business was approximately EUR 5.4 million, and the business had approximately 45 employees. With the transaction, the employees of the property-related relining business operations were transferred to Spolargruppen. At the closing of the transaction, all assets and liabilities related to the business being sold were transferred to the buyer. The purchase price was not disclosed. The purchase price was paid in cash. Consti recorded in other operating income a profit of approximately EUR 1 million on the purchase price in the third quarter. The transaction costs approximately EUR 0.1 million were recognised as expenses and are included under administrative expenses.

Consti Plc has agreed to acquire Sähkö-Huhta Oy on 30 November 2023. Sähkö-Huhta Oy, founded in 2005, operates in the Greater Helsinki area and specializes in installation, electrical maintenance, and repair work for both new construction and renovation sector. Sähkö-Huhta Oy had net sales of approximately EUR 5.4 million in 2022. The employees of Sähkö-Huhta Oy, 40 people, transferred to work for Consti. Consti's strategic goal is to grow in the building technology related maintenance and real estate service business. The acquisition will therefore expand and strengthen Consti's expertise, especially in the production of comprehensive building technology related real estate services.

Cash flow and financial position

The operating cash flow in October-December before financing items and taxes was 3.2 (10.8) million euro. Free cash flow was 2.8 (10.4) million euro. The cash conversion (%) in October-December was 58.0 (183.5) percent. October-December cash flow was affected by the change in working capital during the reporting period in particular. The cash flow effect of change in working capital in October-December was -1.9 (4.9) million euro.

The January-December operating cash flow before financing items and taxes was 15.1 (19.5) million euro. Free cash flow was 13.1 (18.0) million euro. The cash conversion (%) in January-December was 82.2 (120.6) percent. The cash flow in January-December was affected by the improvement in the operating result and by the change in working capital. The cash flow effect of change in working capital in FY 2023 was 0.3 (4.4) million euro.

Consti Group's cash and cash equivalents on 31 December 2023 were 21.0 (20.9) million euro. In addition, the company has undrawn revolving credit facilities and unused credit limits amounting to 8.0 (8.0) million euro in total. The Group's interest-bearing debts were 20.1 (24.8) 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 -0.9 (3.9) million euro and the gearing ratio -2.3 (10.7) percent. At the balance sheet date, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.43x according to the confirmed calculation principles.

The balance sheet total on 31 December 2023 was 121.3 (123.3) million euro. At the end of the reporting period tangible assets in the balance sheet were 8.8 (7.7) million euro. Equity ratio was 38.6 (32.9) percent.

Within the framework of the EUR 50 million domestic commercial paper program initiated in October 2019, Consti may issue commercial papers with maturity of under one year. During 2023, Consti issued new commercial papers with maturity of under one year amounting to EUR 2.0 million. During the same period, matured total of EUR 6.0 million earlier issued commercial papers.

The long-term loan refinanced by the company in June 2021 includes an extension option that allows to extend the maturity of the loan in two phases by a maximum of two years. The Company exercised the first extension option in May 2022 and the second extension option in April 2023. With the use of the second extension option, the last maturity date of the loan was moved to June 2026.

MATURITY DISTRIBUTION OF INTEREST-BEARING DEBT (EUR 1,000)*	2024	2025	2026	2027	2028	2029-	Total
Bank loans	2,644	2,541	9,232	0	0	0	**14,418**
Commercial papers	0	0	0	0	0	0	**0**
Lease liabilities	2,685	1,520	737	289	138	0	**5,368**
Other interest-bearing liabilities	845	699	481	150	0	0	**2,175**
Total	**6,175**	**4,760**	**10,449**	**439**	**138**	**0**	**21,961**

**Including deferred interest expense*

Personnel

Consti Group had 1,008 (975) employees at the end of the reporting period. The average employee count during January-December was 1,011 (971).

At the end of the reporting period 353 (362) employees worked in Housing Companies, 222 (209) in Corporations, 63 (46) in Public Sector and 357 (345) in the Building Technology business area. The parent company employed 13 (13) people.

PERSONNEL AT PERIOD END	31 Dec 2023	31 Dec 2022	Change %
Housing Companies	353	362	-2,5 %
Corporations	222	209	6,2 %
Public Sector	63	46	37,0 %
Building Technology	357	345	3,5 %
Parent company	13	13	0,0 %
Group	**1,008**	**975**	3,4 %

Management Team

Consti 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; Jukka Mäkinen, Business Area Director Corporations; Jukka Kylliö, Business Area Director Public Sector; Jaakko Taivalkoski, Business Area Director Building Technology; Pirkka Lähteinen, Regional Director Corporations and Heikki Untamala, Chief Legal Officer.

Important events during the reporting period

Consti announced on 8 November 2023, that Turo Turja, Consti's HR Director, has stated that he will leave the company and move on to another position outside the company. Turja has acted as HR Director and a member of the Group Management Team since 2018. Turja left his position on 31 January 2024. His membership in the Group Management Team ended on 8 November 2023.

Consti announced on 1 December 2023, that Consti Plc's ("Company") Board of Directors has decided on transferring a total of 20,439 own shares (CONSTI) related to the purchase of the shares of Sähkö-Huhta Oy. In accordance with the share purchase agreement, part of the purchase price is paid with Company's own shares. The value of the transferred shares is approximately EUR 204,390 in total, calculated based on the weighted average share price of the Company in the period of 24 August 2023 - 24 November 2023 in accordance with the terms of the share purchase agreement. After the transfer, the Company holds a total of 103,300 own shares.

Consti announced on 11 December 2023, that between 16 August 2023 and 20 November 2023, a total of 1,800 Consti Plc ("Company") new shares has been subscribed for with the company's stock options 2020. The subscription price, a total of EUR 9,360.00, has been recognised in the invested non-restricted equity. The subscribed new shares have been registered with the Trade Register on December 11, 2023. After the registrations, the total number of shares in the Company is now 7,897,267 shares.

The Annual General Meeting 2023 and Board authorisations

The Annual General Meeting of Shareholders of Consti Plc held on 4 April 2023 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 2022. The Annual General Meeting resolved that a dividend of 0.60 euro per share for the financial year 2022 is paid. The record date for dividend payment was 6 April 2023 and the dividend was paid on 17 April 2023.

The Annual General Meeting resolved that the Board of Directors consists of six members. The current members of the Board of Directors, Erkki Norvio, Petri Rignell, Pekka Salokangas, Anne Westersund, Johan Westermarck and Juhani Pitkäkoski were re-elected for the following term of office.

Authorised Public Accounting firm Ernst & Young Oy was elected as the Auditor of the Company and Toni Halonen, 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 48,000 and members of the Board of Directors are each paid EUR 36,000. It was also resolved that a EUR 500 fee per member per meeting is paid for Board meetings. 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 decide on the acquisition of a maximum of 606,000 own shares in one or more tranches by using the unrestricted equity of the Company. The own shares can be acquired at a price formed in public trading on the acquisition date or at a price otherwise formed on the market. In the acquisition, derivatives, inter alia, can be used. The acquisition of own shares may be made otherwise than in proportion to the share ownership of the shareholders (directed acquisition). Own shares acquired by the Company may be held by it, cancelled or transferred. The authorisation includes the right of the Board of Directors to resolve on how the own shares are acquired as well as to decide on other matters related to the acquisition of own shares.

The authorisation revokes previous unused authorisations on the acquisition of the Company's own shares. The authorisation is valid until the following Annual General Meeting, however no longer than until 30 June 2024.

The Board of Directors was authorised to decide on the issuance of shares and on the transfer of special rights entitling to shares referred to in Chapter 10, Section 1 of the Limited Liability Companies Act, in one or several tranches, either against or without consideration. The number of shares to be issued, including shares transferred under special rights, may not exceed 780,000 shares. The Board of the Directors may decide to issue either new shares and/or transfer of own shares possibly held by the Company. The authorisation entitles the Board of Directors to resolve on all the conditions of the issuance of shares and the issuance of special rights entitling to shares, including the right to deviate from the shareholders' pre-emptive subscription right.

The authorisation revokes previous unused authorisations on the issuance of shares and the issuance of options and other special rights entitling to shares. The authorisation is valid until the end of the following Annual General Meeting, however no longer than until 30 June 2024.

Corporate Governance and Auditors

Consti Plc's Board of Directors on 31 December 2023 included Petri Rignell (Chairman), Erkki Norvio, Pekka Salokangas, Anne Westersund, Johan Westermarck and Juhani Pitkäkoski. The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Plc on 4 April 2023, held its organising meeting and elected Petri Rignell as the Chairman of the Board. The Board of Directors appointed Petri Rignell, Erkki Norvio, Pekka Salokangas and Juhani Pitkäkoski as members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

Esa Korkeela Has acted as CEO of Consti Plc during the financial year 1 January - 31 December 2023.

On 31 December 2023, the Board members and CEO owned personally or through a holding company a total of 605,494 Consti Plc's shares, which amounts to 7.67 percent of the Company's entire share base and votes.

Authorised Public Accounting firm Ernst & Young Oy has acted as the Auditor of the Company with Toni Halonen, Authorised Public Accountant as the Principal Auditor.

Consti complies with regulations of The Finnish Corporate Governance Code. In insider issues Consti complies with EU Regulation on Market Abuse ((EU) 596/2014, "MAR") and 2- and 3-tier regulation supplementing it, the Finnish Securities Markets Act, the insider guidelines of Nasdaq Helsinki Ltd as well as guidance issued by authorities. Consti Plc's Board of Director's report on the Company's corporate governance from 2023 and the remuneration report from 2023 will be published on Consti Plc's website on week 11.

Shares and share capital

Consti Plc's share capital on 31 December 2023 was 80,000 euro and the number of shares 7,897,267. Consti Plc held 103,300 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 Plc's shares are added into the Book-Entry Securities System.

Share based bonus schemes

Consti Plc's Board decided on 2 March 2023 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 2023 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 2023 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2026. During the performance period 2023, a maximum of approximately 75 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 2023 will amount up to a maximum total of approximately 240,000 Consti 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.

Consti announced on 4 September and on 11 December, that between 1 July 2023 and 15 August 2023 and between 16 August 2023 and 20 November 2023, a total of 39,000 Consti Plc ("Company") new shares has been subscribed for with the company's stock options 2020. The subscription price, a total of EUR 202,800.00, has been recognised in the invested non-restricted equity. The subscribed new shares have been registered with the Trade Register on September 4, 2023, and on December 11, 2023. After the registrations, the total number of shares in the Company is now 7,897,267 shares.

Trade at Nasdaq Helsinki

Consti 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 Plc is classified a small cap company within the Industrials sector. During 1 January – 31 December 2023 Consti Plc's lowest share price was EUR 9.58 (7.80) and the highest EUR 13.35 (12.80). The share's trade volume weighted average price was EUR 10.96 (10.01). At the close of the stock day on the last trading day of the reporting period 29 December 2023 the share value was EUR 11.80 (11.15) and the Company's market value was EUR 93.2 (87.6) million.

Related-party transactions

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

Outlook for 2024

According to forecasts, the renovation market is likely to remain unchanged in 2024. Euroconstruct estimates that the renovation market will remain at the 2023 level in 2024. RT expects a decline of about one percent in renovation. Euroconstruct predicts a slight increase in the value of residential building renovation and, correspondingly that the value of other renovation will decrease slightly.

The construction of new residential buildings is estimated to decrease by 9–15 percent in 2024. Non-residential new construction is predicted to increase by 3–7 percent. Residential construction is expected to return to normal levels in 2025–2026.

Economic uncertainty continues to pose challenges to the demand outlook for construction and building technology. Visibility for the fiscal year 2024 is limited, and significant improvements are not expected in the first half of 2024.

Supported by a strong order backlog, Consti aims to maintain solid performance throughout 2024 while focusing on implementing the new strategy.

Consti estimates that its operating result for 2024 will be in the range of EUR 9-12 million.

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. The main goal of Consti's strategy is to utilise the full potential of its customer focused organisation structure. Consti aspires to achieve controlled and profitable growth in attractive renovation and building technology segments. In order to answer more comprehensively to customer needs the company will also offer selected new construction services. Consti's 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. At the balance sheet date, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.43x 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 2022. Financial risks and their management is described in detail in note 18 to the financial statements "Financial risk management".

Dividend and dividend policy and the Board's suggestion for profit distribution

The Annual General Meeting of Shareholders held on 4 April 2023 resolved that dividend of EUR 0.60 per share for the financial year 2022 is paid. No dividend was paid on own shares held by the Company. The record date for dividend distribution was 6 April 2023, and the dividend was paid on 17 April 2023.

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.

Consti Plc's distributable funds on 31 December 2023 were 64,248,215.03 euro, including retained earnings of 35,298,661.72 euro. The Board proposes to the Annual General Meeting that a dividend of 0.70 euro per share be paid for the financial period 1 January – 31 December 2023. The Board proposes that the dividend be paid in two instalments. The first instalment of EUR 0.40 per share be paid in April 2024 and the second instalment of EUR 0.30 per share be paid in October 2024. The Board of Directors plans to call the Annual General Meeting of shareholders to convene on Wednesday 3 April 2024.

Events after the reporting period

Consti announced on 8 January 2024, that Aija Harju (born 1969, M.Ed.) has been appointed as HR Director of Consti Plc and a member of the Group Management Team. Aija Harju assumed her position on 2 February 2024, and she reports to Esa Korkeela, CEO of Consti Group.

FINANCIAL STATEMENTS BULLETIN 1.1. - 31.12.2023: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	10-12 / 2023	10-12 / 2022	Change %	1-12 / 2023	1-12 / 2022	Change %
Net sales	**86,060**	**93,264**	**-7.7 %**	**320,607**	**305,217**	**5.0 %**
Other operating income	302	342	-11.5 %	2,172	689	215.1 %
Change in inventories of finished goods and work in progress	11	0		11	0	
Materials and services	-59,878	-64,760	7.5 %	-226,763	-214,216	-5.9 %
Employee benefit expenses	-17,902	-18,200	1.6 %	-66,469	-62,721	-6.0 %
Depreciation	-983	-847	-16.0 %	-3,595	-3,499	-2.7 %
Other operating expenses	-3,701	-4,972	25.6 %	-13,617	-14,041	3.0 %
Operating result (EBIT)	**3,908**	**4,827**	**-19.0 %**	**12,345**	**11,428**	**8.0 %**
Financial income	168	19	796.9 %	359	24	1382.9 %
Financial expenses	-374	-348	-7.6 %	-1,333	-1,014	-31.4 %
Total financial income and expenses	-207	-329	37.2 %	-975	-990	1.6 %
Profit/loss before taxes (EBT)	**3,702**	**4,498**	**-17.7 %**	**11,371**	**10,438**	**8.9 %**
Total taxes	-823	-759	-8.4 %	-2,357	-1,947	-21.1 %
Profit/loss for the period	**2,879**	**3,739**	**-23.0 %**	**9,014**	**8,491**	**6.2 %**
Comprehensive income for the period 1)	**2,879**	**3,739**	**-23.0 %**	**9,014**	**8,491**	**6.2 %**
Earnings per share attributable to equity holders of parent company						
Earnings per share, undiluted (EUR)	0.37	0.49	-24.5 %	1.17	1.10	6.4 %
Earnings per share, diluted (EUR)	0.35	0.46	-23.9 %	1.11	1.06	4.7 %

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Dec 2023	31 Dec 2022	Change %
ASSETS			
Non-current assets			
Property, plant and equipment	8,832	7,710	14.5 %
Goodwill	49,449	49,501	-0.1 %
Other intangible assets	538	349	54.0 %
Shares and other non-current financial assets	57	57	0.0 %
Deferred tax receivables	65	179	-63.7 %
Total non-current assets	**58,941**	**57,797**	**2.0 %**
Current assets			
Inventories	719	768	-6.4 %
Trade and other receivables	40,611	43,847	-7.4 %
Cash and cash equivalents	21,043	20,881	0.8 %
Total current assets	**62,373**	**65,497**	**-4.8 %**
TOTAL ASSETS	**121,314**	**123,294**	**-1.6 %**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	41,113	36,206	13.6 %
Total Equity	**41,113**	**36,206**	**13.6 %**
Non-current liabilities			
Interest-bearing liabilities	14,774	16,314	-9.4 %
Total non-current liabilities	**14,774**	**16,314**	**-9.4 %**
Current liabilities			
Trade and other payables	42,276	46,418	-8.9 %
Advances received	14,834	13,299	11.5 %
Interest-bearing liabilities	5,335	8,439	-36.8 %
Provisions	2,982	2,618	13.9 %
Total current liabilities	**65,427**	**70,774**	**-7.6 %**
TOTAL EQUITY AND LIABILITIES	**121,314**	**123,294**	**-1.6 %**

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**
Equity on 1 January 2023	**80**	**28,781**	**-782**	**8,127**	**36,206**
Total comprehensive income				9,014	9,014
Dividend distribution				-4,641	-4,641
Purchase of own shares			-240		-240
Conveyance of own shares		164	818		982
Share-based incentive				-648	-648
Option scheme		203		237	440
Transactions with shareholders, total		*367*	*578*	*-5,052*	*-4,107*
Equity on 31 December 2023	**80**	**29,148**	**-204**	**12,088**	**41,113**
Equity on 1 January 2022	**80**	**28,781**	**-696**	**3,774**	**31,939**
Total comprehensive income				8,491	8,491
Dividend distribution				-3,481	-3,481
Purchase of own shares			-1,069		-1,069
Conveyance of own shares			983		983
Share-based incentive				-770	-770
Option scheme				112	112
Transactions with shareholders, total			*-86*	*-4,138*	*-4,224*
Equity on 31 December 2022	**80**	**28,781**	**-782**	**8,127**	**36,206**

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	10-12 / 2023	10-12 / 2022	1-12 / 2023	1-12 / 2022
Cash flows from operating activities				
Profit/loss before taxes (EBT)	3,702	4,498	11,371	10,438
Adjustments:				
Depreciation	983	847	3,595	3,499
Other adjustments	217	220	-1,070	114
Total financial income and expenses	207	329	975	990
Change in working capital	-1,880	4,889	252	4,419
Operating cash flow before financial and tax items	**3,229**	**10,783**	**15,122**	**19,460**
Financial items, net	-146	-311	-839	-911
Taxes paid	-1,195	-445	-1,845	-1,139
Net cash flow from operating activities	**1,888**	**10,028**	**12,438**	**17,410**
Cash flows from investing activities				
Acquisition of subsidiaries and business operations, net of cash acquired	-1,109	0	-1,179	0
Disposal of subsidiaries and business operations	0	0	2,782	0
Investments in tangible and intangible assets	-394	-370	-2,018	-1,461
Proceeds from sale of property, plant and equipment	145	140	649	418
Net cash flow from investing activities	**-1,358**	**-230**	**233**	**-1,043**
Cash flows from financing activities				
Purchase of own shares	0	-190	-240	-1,069
Share subscriptions with share options	9	0	203	0
Dividend distribution	0	0	-4,641	-3,481
Payments of long-term liabilities	-1,000	-1,000	-2,000	-2,000
Payments of lease liabilities	-668	-541	-2,410	-2,287
Change in other interest-bearing liabilities	-4	-1,399	-3,422	-4,721
Net cash flow from financing activities	**-1,662**	**-3,131**	**-12,509**	**-13,558**
Change in cash and cash equivalents	**-1,132**	**6,667**	**162**	**2,809**
Cash and cash equivalents at period start	22,176	14,214	20,881	18,072
Cash and cash equivalents at period end	**21,043**	**20,881**	**21,043**	**20,881**

Accounting principles

Consti Plc's financial statements bulletin has been prepared for the accounting period of 1 January – 31 December 2023 according to the IAS 34 Interim Financial reporting principles. Consti has abided by the same accounting principles in its financial statements bulletin as in its IFRS financial statement 2022. Consti's financial statement 2023 has been audited and an auditor's report has been received on 1 February 2024. The information presented in the interim financial reports and financial statements bulletin 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 financial statements bulletin. ESMA (European Securities and Markets Authority) has published guidelines on Alternative Performance Measures (APMs). Consti presents Alternative Performance Measures (APMs) to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS.

Lease agreements

The impact of the leases on Consti's 1 Jan - 31 December 2023 profit or loss and balance sheet is presented in table below:

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
1 Jan 2023	**3,223**	**877**	**108**	**4,208**	**4,426**
Additions	1,560	1,171	288	3,019	3,019
Disposals	-2	-112	-	-114	-115
Depreciations	-1,484	-607	-175	-2,266	-
Interest expense	-	-	-	-	136
Payments	-	-	-	-	-2,410
31 December 2023	**3,296**	**1,329**	**221**	**4,847**	**5,057**

The majority of investments into right-of-use assets during the reporting period 1-12/2023 were related to renewed leasing contracts of vans used in project and service business, new warehouse facilities as well as to the accounting of business premises and warehouses lease agreements that are valid until further notice, in accordance with the IFRS 16 -standard.

Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	10-12 / 2023	10-12 / 2022	Change %	1-12 / 2023	1-12 / 2022	Change %
Housing Companies	25,167	32,396	-22.3 %	102,425	103,987	-1.5 %
Corporations	28,128	33,831	-16.9 %	112,169	104,945	6.9 %
Public Sector	19,768	12,384	59.6 %	54,269	42,104	28.9 %
Building Technology	16,865	19,062	-11.5 %	65,746	69,086	-4.8 %
Parent company and eliminations	-3,868	-4,409	12.3 %	-14,001	-14,905	6.1 %
Total net sales	**86,060**	**93,264**	**-7.7 %**	**320,607**	**305,217**	**5.0 %**

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	10-12 / 2023	10-12 / 2022	Change %	1-12 / 2023	1-12 / 2022	Change %
Project deliveries						
Housing Companies	24,536	31,303	-21.6 %	100,211	101,211	-1.0 %
Corporations	26,695	32,236	-17.2 %	107,825	96,194	12.1 %
Public Sector	19,761	12,382	59.6 %	54,243	42,098	28.8 %
Building Technology	13,554	15,930	-14.9 %	55,626	59,897	-7.1 %
Parent company and eliminations	-3,868	-4,409	12.3 %	-14,001	-14,905	6.1 %
Total project deliveries	**80,678**	**87,442**	**-7.7 %**	**303,902**	**284,495**	**6.8 %**
Other cost + fee projects and service contracts						
Housing Companies	632	1,093	-42.2 %	2,215	2,776	-20.2 %
Corporations	1,433	1,594	-10.1 %	4,344	8,751	-50.4 %
Public Sector	7	2	178.0 %	26	7	283.5 %
Building Technology	3,311	3,132	5.7 %	10,120	9,188	10.1 %
Parent company and eliminations	0	0		0	0	
Total other cost + fee projects and service contracts	**5,382**	**5,822**	**-7.5 %**	**16,705**	**20,722**	**-19.4 %**
Total net sales	**86,060**	**93,264**	**-7.7 %**	**320,607**	**305,217**	**5.0 %**

ACCOUNTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES (EUR 1,000)	31 Dec 2023	31 Dec 2022	Change %
Trade receivables	26,313	31,391	-16.2 %
Receivables from project deliveries and cost + fee accruals	11,907	9,901	20.3 %
Advances received from project deliveries and cost + fee accruals	14,834	13,299	11.5 %

In the view of the management, the carrying amount of accounts receivable is reasonably close to fair value due to the short maturity of these items.

Group liabilities

GROUP LIABILITIES (EUR 1,000)	31 Dec 2023	31 Dec 2022
Other liabilities		
Leasing and rental liabilities	302	185

The off-balance sheet leasing and rental liabilities include lease liabilities from short-term leases and lease liabilities from low value items.

Business combinations

Consti made the following acquisitions during the January-December 2023 period:

Acquisition of building renovation and painting business

On August 31, 2023, Consti signed a business transfer agreement, whereby Consti Korjausrakentaminen Oy acquired the building renovation and painting business of Maalausliike Peitso Oy.

In the financial year 2022, the revenue of the transferring business was approximately EUR 0.3 million, and the business had 2 employees. With the transaction, the employees of the building renovation and painting business operations were transferred to Consti. At the closing of the transaction, all assets and liabilities related to the acquired business were transferred to Consti. The purchase price was not disclosed. The purchase price was paid in cash.

Acquisition of Sähkö-Huhta Oy

Consti Plc has agreed to acquire Sähkö-Huhta Oy on 30 November 2023.

Sähkö-Huhta Oy had net sales of approximately EUR 5.4 million in 2022. The employees of Sähkö-Huhta Oy, 40 people, transferred to work for Consti. The purchase price was paid in cash and in shares. A total of 20,439 own shares were transferred related to the purchase of the shares of Sähkö-Huhta Oy to cover part of the purchase price. The transaction costs approximately EUR 0.1 million were recognized as expenses and are included under administrative expenses.

Consti sold the following businesses during the January-December 2023 period:

Sales of property-related relining business business

On 24 September 2023, Consti signed a business transfer agreement, whereby the Group's property-related relining business was sold to Spolargruppen.

In the financial year 2022, the revenue of the transferring business was approximately EUR 5.4 million, and the business had approximately 45 employees. With the transaction, the employees of the property-related relining business operations were transferred to Spolargruppen. At the closing of the transaction, all assets and liabilities related to the business being sold were transferred to the buyer. The purchase price was not disclosed. The purchase price was paid in cash. Consti recorded in other operating income a profit of approximately EUR 1 million on the purchase price in the third quarter. The transaction costs approximately EUR 0.1 million were recognized as expenses and are included under administrative expenses.

Key figures

KEY FIGURES	1-12 / 2023	1-12 / 2022
INCOME STATEMENT (EUR 1,000)		
Net sales	320,607	305,217
EBITDA	15,940	14,927
EBITDA margin, %	5.0 %	4.9 %
Operating result (EBIT)	12,345	11,428
Operating result (EBIT) margin, %	3.9 %	3.7 %
Profit/loss before taxes (EBT)	11,371	10,438
as % of sales	3.5 %	3.4 %
Profit/loss for the period	9,014	8,491
as % of sales	2.8 %	2.8 %
OTHER KEY FIGURES (EUR 1,000)		
Balance sheet total	121,314	123,294
Net interest-bearing debt	-934	3,871
Equity ratio, %	38.6 %	32.9 %
Gearing, %	-2.3 %	10.7 %
Return on investment, ROI %	20.8 %	18.3 %
Free cash flow	13,104	18,000
Cash conversion, %	82.2 %	120.6 %
Order backlog	270,021	246,650
Order intake	280,026	283,696
Average number of personnel	1,011	971
Number of personnel at period end	1,008	975
SHARE RELATED KEY FIGURES		
Earnings per share, undiluted (EUR)	1.17	1.10
Earnings per share, diluted (EUR)	1.11	1.06
Shareholders' equity per share (EUR)	5.27	4.71
Number of shares, end of period	7,897,267	7,858,267
Number of outstanding shares, end of period	7,793,967	7,679,528
Average number of outstanding shares	7,736,926	7,704,804

Calculation of key figures

EBITDA =	Operating result (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 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 operating result (EBIT) =	Operating result (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)	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22	Q4/21
Net sales	86,060	89,872	75,747	68,928	93,264	79,005	73,118	59,830	82,605
Other operating income	302	1,266	314	289	342	61	168	118	171
Materials and services	-59,878	-65,730	-51,763	-49,392	-64,760	-56,233	-50,804	-42,420	-58,050
Employee benefit expenses	-17,902	-16,107	-16,982	-15,478	-18,200	-15,762	-14,995	-13,765	-17,255
Other operating expenses	-3,701	-3,597	-3,445	-2,874	-4,972	-2,905	-3,758	-2,406	-3,457
EBITDA	4,891	5,705	3,871	1,473	5,674	4,167	3,729	1,357	4,014
EBITDA margin, %	5.7 %	6.3 %	5.1 %	2.1 %	6.1 %	5.3 %	5.1 %	2.3 %	4.9 %
Depreciation	-983	-945	-851	-816	-847	-836	-817	-998	-1,004
Operating result (EBIT)	3,908	4,760	3,020	657	4,827	3,330	2,912	359	3,011
Operating result (EBIT) margin, %	4.5 %	5.3 %	4.0 %	1.0 %	5.2 %	4.2 %	4.0 %	0.6 %	3.6 %
Financial income	168	105	57	29	19	4	1	1	21
Financial expenses	-374	-331	-322	-306	-348	-226	-220	-222	-232
Total financial income and expenses	-207	-226	-265	-277	-329	-222	-218	-221	-212
Profit/loss before taxes (EBT)	3,702	4,534	2,755	380	4,498	3,108	2,693	138	2,799
Total taxes	-823	-907	-551	-76	-759	-621	-539	-28	-509
Profit/loss for the period	2,879	3,627	2,204	304	3,739	2,488	2,154	111	2,290
Balance sheet total	121,314	121,174	114,826	113,001	123,294	114,104	114,018	110,776	119,041
Net interest-bearing debt	-934	-2,703	6,949	5,661	3,871	12,844	17,880	16,255	14,262
Equity ratio, %	38.6 %	36.1 %	34.6 %	35.8 %	32.9 %	32.0 %	29.1 %	31.0 %	29.8 %
Gearing, %	-2.3 %	-7.2 %	20.6 %	15.8 %	10.7 %	39.7 %	60.0 %	52.1 %	44.7 %
Return on investment, ROI %	20.8 %	23.1 %	20.9 %	19.3 %	18.3 %	15.7 %	15.6 %	10.1 %	9.2 %
Order backlog	270,021	247,287	297,870	253,756	246,650	210,499	240,756	205,094	218,578
Order intake	91,620	23,234	106,530	58,642	109,059	38,354	98,722	37,561	66,854
Average number of personnel	983	1,015	1,039	1,006	983	994	966	944	969
Number of personnel at period end	1,008	973	1,052	1,020	975	988	997	933	961
Earnings per share, undiluted (EUR)	0.37	0.47	0.29	0.04	0.49	0.32	0.28	0.01	0.30
Number of outstanding shares, end of period	7,793,967	7,771,728	7,734,528	7,734,528	7,679,528	7,699,528	7,719,528	7,734,528	7,694,406
Average number of outstanding shares	7,778,784	7,745,041	7,734,528	7,688,265	7,686,548	7,709,745	7,730,572	7,692,360	7,706,091

Largest shareholders

10 LARGEST SHAREHOLDERS 31 December 2023		Number of shares	% of shares and voting rights
1	Lujatalo Oy	790,000	10.00 %
2	Heikintorppa Oy	750,000	9.50 %
3	Wipunen Varainhallinta Oy	750,000	9.50 %
4	Fennia Life Insurance Company	518,525	6.57 %
5	Korkeela Esa	462,931	5.86 %
6	Kivi Risto	388,913	4.92 %
7	Kalevo Markku	299,967	3.80 %
8	Varma Mutual Pension Insurance Company	172,000	2.18 %
9	Drumbo Oy	150,000	1.90 %
10	Norvier Oy	106,463	1.35 %
Ten largest owners, total		**4,388,799**	**55.57 %**
Nominee registered		883,739	11.19 %
Others		2,624,729	33.24 %
Total		**7,897,267**	**100.00 %**

In Helsinki, 1 February 2024

Consti Plc’s Board of Directors

Press conference

Microsoft Teams meeting for analysts, portfolio managers and media representatives, will take place 2 February 2024, at 10:00 a.m. (EET). The meeting will be hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial reporting in 2024

Consti will publish its Financial Statements, Board of Directors’ Report, Auditors’ Report, and Corporate Governance Statement on the company website during week 11/2024.

Consti Plc's Annual General Meeting for 2024 is scheduled to take place on Wednesday, 3 April 2024 in Helsinki.

Consti Plc shall publish three interim reports during 2024:

- Interim report 1-3/2024 will be published 25 April 2024
- Half-year financial report 1-6/2024 will be published 19 July 2024
- Interim report 1-9/2024 will be published 25 October 2024

Further information:

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