CONSTI

CONSTI INTERIM REPORT 1 January – 31 March 2024

25 April 2024 at 8.30 a.m.

SOLID PERFORMANCE IN A CHALLENGING MARKET

1–3/2024 highlights (comparison figures in parenthesis 1–3/2023):

- Net sales 65.5 (68.9) million euro; change -4.9%
- EBITDA 1.3 (1.5) million euro and EBITDA margin 2.0% (2.1%)
- Operating result (EBIT) 0.2 (0.7) million euro and EBIT margin 0.3% (1.0%)
- Order backlog 244.4 (253.8) million euro; change -3.7%
- Order intake 36.3 (58.6) million euro; change -38.0%
- Free cash flow -0.5 (-1.0) million euro
- Earnings per share -0.00 (0.04) euro

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)	1-3/2024	1-3/2023	Change %	1-12/2023
Net sales	65,525	68,928	-4.9 %	320,607
EBITDA	1,284	1,473	-12.8 %	15,940
EBITDA margin, %	2.0 %	2.1 %		5.0 %
Operating result (EBIT)	214	657	-67.3 %	12,345
Operating result (EBIT) margin, %	0.3 %	1.0 %		3.9 %
Profit/loss for the period	-36	304		9,014
Order backlog	244,371	253,756	-3.7 %	270,021
Free cash flow	-517	-970	46.8 %	13,104
Cash conversion, %	n/a	n/a		82.2 %
Net interest-bearing debt	1,299	5,661	-77.0 %	-934
Gearing, %	3.1 %	15.8 %		-2.3 %
Return on investment, ROI %	20.6 %	19.3 %		20.8 %
Number of personnel at period end	1,031	1,020	1.1 %	1,008
Earnings per share, undiluted (EUR)	-0.00	0.04		1.17

CEO's review

”In line with our expectations, 2024 started with declining net sales. Our seasonally low net sales in January-March contracted by 4.9 per cent to EUR 65.5 (68.9) million. Our net sales grew in the Public Sector and Building Technology business areas but decreased in the Housing Companies and Corporations business areas.

Our operating result for January-March was EUR 0.2 (0.7) million, representing 0.3 (1.0) percent of net sales. Operationally, the first quarter of the year proceeded as expected, with projects progressing predominantly as planned. Our profitability in the first quarter was impacted by the lower net sales level than in the comparison period and changes in the relative net sales shares of business areas compared to the corresponding period. Our balance sheet and liquidity position at the end of the reporting period remained at a good level.

During January-March, our order intake amounted to EUR 36.3 (58.6) million, which is a 38.0 percent decrease year-on-year. In January-March, we continued our disciplined tendering activities, which together with intensified competition and weaker demand, impacted our order intake for the reporting period. Our order intake for the first quarter does not include individual projects of significant size but consists of several smaller projects. Our order backlog at the end of the reporting period decreased by 3.7 percent year-on-year and was EUR 244.4 (253.8) million.

We published our updated strategy during the reporting period in February. The implementation of our updated strategy is now underway, and our work to deploy the strategy is progressing by business area according to our plans. During the reporting period, we continued to invest in, among other things, the expansion of our technical real estate services and strengthened our expertise to achieve the goals we have set for the 2024-2027 strategy period. Additionally, we continued our sustainability work by focusing on selected sustainability themes: mitigating climate change, promoting occupational safety and well-being, and developing responsible practices in the industry.

Based on our current market outlook, we anticipate a decline in demand for renovation and building technology services in 2024. Forecasts suggest that renovation is expected to contract by approximately 1.0 percent in 2024. The significant weakening in demand for new construction has notably intensified competition for renovation projects and building technology contracts. In early 2024, the readiness of housing companies and the public sector for renovation investments has remained at a reasonable level in our operating areas, but private real estate investment companies have been cautious about initiating new construction projects. However, we believe that the prevailing market conditions favour a versatile construction and building technology expert like Consti, which has a strong financial position and the ability to deliver diverse projects ranging from small service contracts to extensive construction projects.

The demand outlook for construction is weakened by persistently high construction costs, rapidly increased interest rates and tighter availability of financing, and we do not anticipate significant improvement during the second quarter of the year. Supported by a healthy order backlog, we aim to continue delivering solid results and focus on implementing our updated strategy.”

Operating environment

Construction market 2024–2025

In its March business cycle report, the Confederation of Finnish Construction Industries (CFCI) estimated that the entire construction market will contract by about 5 percent in 2024. According to CFCI's forecast, the renovation market is expected to decline by about 1 percent in 2024, while new residential construction is projected to decline by as much as 22 percent.

In its March economic outlook, CFCI states that the weak economic situation and the cessation of energy subsidies will burden renovation in 2024. CFCI predicts that pent-up demand will turn the renovation market towards a modest growth of around 1 percent next year.

The renovation market in general

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.

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

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 and adjusted EBITDA rate 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

Consti Group's January-March net sales 2024 decreased 4.9 percent and were 65.5 (68.9) million euro. Housing Companies net sales were 15.2 (20.4), Corporations net sales were 20.2 (26.3) Public Sector net sales were 16.0 (9.9) and Building Technology net sales were 18.0 (14.8) million euro. Consti's business volumes are typically lowest during the first quarter of the year.

Net sales grew in Public Sector and in Building Technology but decreased in Housing Companies and Corporations. In Public Sector business area, the net sales were increased by the ongoing school projects. Net sales in the Building Technology business area grew in both technical real estate services and in building technology contracting, but the net sales growth fell short of expectations set for the first quarter. The contraction in net sales for the Housing Companies business area was particularly influenced by a decrease in volume in areas outside the greater Helsinki area compared to the corresponding period. The decrease in net sales for the Corporations business area was affected by the market situation, which had weakened already during the previous year, as well as the intensified competition, and the disciplined tendering activities.

Operating result for January-March was 0.2 (0.7) million euro. Operating result from net sales was 0.3 (1.0) percent. Operationally, the first quarter of the year proceeded as expected, with projects progressing predominantly as planned. Profitability in the first quarter was affected by the lower net sales level compared to the corresponding period and changes in the relative net sales shares of the business areas year-on-year. The operating result for January-March was also burdened by amortisation of purchase price allocations from the previous year's acquisition and investments in the development of building technology prefabrication and technical real estate services.

Order backlog decreased 3.7 percent and was 244.4 (253.8) million euro. Order intake value in January-March decreased 38.0 percent and was 36.3 (58.6) million euro.

Investments and business combinations

Investments into intangible and tangible assets in January-March were 0.5 (0.5) million euro, which is 0.8 (0.8) percent of the company's 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-March were EUR 0.4 (0.3) 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.

Cash flow and financial position

The operating cash flow in January-March before financing items and taxes improved compared to comparison period and was 0.0 (-0.4) million euro. January-March free cash flow was -0.5 (-1.0) million euro.

Consti Group's cash and cash equivalents on 31 March 2024 were 18.6 (17.0) million euro. In addition, the company has undrawn revolving credit facilities and unused credit limits amounting to 8.0 million euro in total. The Group's interest-bearing debt were 19.9 (22.7) million euro. External loans are subject to two financial covenants based on the ratio of the Group's net debt to EBITDA and gearing. On the balance sheet date, the interest-bearing net debt was 1.3 (5.7) million euro and the net gearing ratio 3.1 (15.8) percent. At the balance sheet date 31 March 2024, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.25x according to the confirmed calculation principles.

The balance sheet total on 31 March 2024 was 116.4 (113.0) million euro. At the end of the reporting period tangible assets in the balance sheet were 8.8 (7.6) million euro. Equity ratio was 40.2 (35.8) 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 January-March 2024, Consti did not issue any new commercial papers, and there were no outstanding commercial papers issued by Consti at the reporting date of March 31, 2024.

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	2,477	2,541	9,232	0	0	0	**14,250**
Commercial papers	0	0	0	0	0	0	**0**
Lease liabilities	2,187	1,699	920	381	174	0	**5,361**
Other interest-bearing liabilities	693	802	578	208	3	0	**2,284**
Total	**5,357**	**5,042**	**10,730**	**589**	**177**	**0**	**21,895**

**Including deferred interest expense*

Personnel

Consti Group's average personnel count during the reporting period was 1,018 (1,006). The personnel count was 1,031 (1,020) at the end of the reporting period.

At the end of the reporting period 353 (370) employees worked in Housing Companies, 220 (227) in Corporations, 64 (54) in Public Sector and 381 (355) in the Building Technology business area. The parent company employed 13 (14) people.

PERSONNEL AT PERIOD END	31 March 2024	31 March 2023	Change %	31 Dec 2023
Housing Companies	353	370	-4.6 %	353
Corporations	220	227	-3.1 %	222
Public Sector	64	54	18.5 %	63
Building Technology	381	355	7.3 %	357
Parent company	13	14	-7.1 %	13
Group	**1,031**	**1,020**	**1.1 %**	**1,008**

Management Team

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 the new position on 2 February 2024, and he reports to Esa Korkeela, CEO of Consti Group.

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; Heikki Untamala, Chief Legal Officer and Aija Harju, HR Director.

Important events during the reporting period

Consti Plc's Board decided on 28 February 2024 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 2024 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 2024 will be paid to participants partly in shares and partly in cash after a two-year vesting period in 2027. During the performance period 2024, a maximum of approximately 80 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 2024 will amount up to a maximum total of approximately 300,000 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 13 March, that between 21 November 2023 and 20 February 2024, a total of 81,572 Consti Plc new shares has been subscribed for with the company's stock options 2020. The subscription price, a total of EUR 424,174.40, has been recognised in the invested non-restricted equity. The subscribed new shares have been registered with the Trade Register on March 14, 2024. After the registrations, the total number of shares in the Company is now 7,978,839 shares.

Consti Plc received an announcement from Lujatalo Oy on 18 Mach 2024, in accordance with the Finnish Securities Market Act Chapter 9, Section 5. According to the announcement, the number of Consti shares and votes owned by Lujatalo decreased below ten (10) per cent of the share capital of Consti on 13 March 2024.

Shares and share capital

Consti Plc’s share capital on 31 March 2024 was 80 000 euro and the number of shares 7,978,839. 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. The Company’s shares have no par value. Consti Plc’s shares are added into the Book-Entry Securities System.

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 March 2024 Consti Plc’s lowest share price was 9.86 (10.40) euro and the highest 12.05 (13.35) euro. The share’s trade volume weighted average price was 10.71 (11.83) euro. At the close of the stock day 28 March 2024, the share value was 10.55 (12.20) euro and the Company’s market value was 84.2 (95.9) million euro.

Related-party transactions

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

Outlook for 2024

In its March business cycle report, the Confederation of Finnish Construction Industries (CFCI) estimated that the entire construction market will contract by about 5 percent in 2024. According to CFCI's forecast, the renovation market is expected to decline by about 1 percent in 2024, while new residential construction is projected to decline by as much as 22 percent. In its March economic outlook, CFCI states that the weak economic situation and the cessation of energy subsidies will burden renovation in 2024.

Consti anticipates a decline in demand for renovation and building technology services in 2024. The significant weakening in demand for new construction has notably intensified competition for renovation projects and building technology contracts. In early 2024, the readiness of housing companies and the public sector for renovation investments has remained at a reasonable level in Consti's operating areas, but private real estate investment companies have been cautious about initiating new construction projects.

The demand outlook for construction is weakened by persistently high construction costs, rapidly increased interest rates and tighter availability of financing, and Consti does not anticipate significant improvement during the second quarter of the year.

Despite the market conditions, Consti aims to continue its solid performance supported by a healthy order backlog in 2024.

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 31 March 2024, the Group's interest-bearing net debt to adjusted EBITDA ratio was -0.25 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 2023. Financial risks and their management is described in detail in note 18 to the financial statements "Financial risk management".

Events after the reporting period

The Annual General Meeting 2024 and Board authorisations

The Annual General Meeting of Shareholders of Consti Plc held on 3 April 2024 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 2023. The Annual General Meeting resolved that a dividend of 0.70 euro per share for the financial year 2023 is paid. The dividend shall be paid in two instalments. The record date for the first instalment of the dividend, EUR 0.40 per share, was 5 April 2024 and the dividend was paid on 12 April 2024. The record date of the second instalment of the dividend, EUR 0.30 per share, together with the dividend payment date, shall be decided by the Board of Directors in its meeting scheduled for 24 October 2024. The record date of the dividend date would then be 28 October 2024 and the dividend payment date 4 November 2024.

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, Anne Westersund, Johan Westermarck and Juhani Pitkäkoski were re-elected to the Board of Directors for the following term of office. Katja Pussinen was elected as a new member of the Board.

Authorised Public Accounting firm KPMG Oy Ab was elected as the Auditor of the Company and Turo Koila, Authorised Public Accountant, will act as the Responsible Auditor. t was resolved that KPMG Oy Ab will also carry out the assurance of the company's sustainability reporting for the financial year 2024 in accordance with the transitional provision of the act changing the Limited Liability Companies Act

(1252/2023) and Turo Koila, Authorized Public Accountant, Authorized Sustainability Auditor will act as the principally responsible sustainability reporting assurer.

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 54,000 and members of the Board of Directors are each paid EUR 42,000. 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 686,000 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 2025.

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 2025.

Organising Meeting of the Board of Directors

The Board of Directors elected by the Annual General Meeting of Shareholders of Consti Plc on 3 April 2024 held its organising meeting and elected Petri Rignell as the Chairman of the Board. The Board of Directors appointed Erkki Norvio, Petri Rignell and Juhani Pitkäkoski members of the Nomination and Compensation Committee. The Board of Directors has not established other committees.

Notice pursuant to the Finnish Securities Market Act, Chapter 9, Section 10

Consti Plc ("Consti") received an announcement from Lujatalo Oy on 2 April 2024, in accordance with the Finnish Securities Market Act Chapter 9, Section 5. According to the announcement, the number of Consti shares and votes owned by Lujatalo increased above ten (10) per cent of the share capital of Consti on 28 March 2024.

Change in Consti Group's Management Team

Consti announced on 10 April 2024, that Joni Sorsanen, Consti Group's CFO and member of the Group Management Team, has resigned and is moving to a new position outside the company. Sorsanen will leave his position and Consti's Group Management Team in July 2024. Sorsanen has worked at Consti since 2018.

INTERIM REPORT 1.1. - 31.3.2024: FINANCIAL TABLES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	1-3 / 2024	1-3 / 2023	Change %	1-12 / 2023
Net sales	**65,525**	**68,928**	**-4.9 %**	**320,607**
Other operating income	157	289	-45.7 %	2,172
Change in inventories of finished goods and work in progress	13	0		11
Materials and services	-45,799	-49,392	7.3 %	-226,763
Employee benefit expenses	-15,499	-15,478	-0.1 %	-66,469
Depreciation	-1,069	-816	-31.1 %	-3,595
Other operating expenses	-3,114	-2,874	-8.3 %	-13,617
Operating result (EBIT)	**214**	**657**	-67.3 %	**12,345**
Financial income	120	29	315.2 %	359
Financial expenses	-379	-306	-23.7 %	-1,333
Total financial income and expenses	-259	-277	6.6 %	-975
Profit/loss before taxes (EBT)	**-44**	**380**		**11,371**
Total taxes	9	-76		-2,357
Profit/loss for the period	**-36**	**304**		**9,014**
Comprehensive income for the period 1)	**-36**	**304**		**9,014**
Earnings per share attributable to equity holders of parent company				
Earnings per share, undiluted (EUR)	-0.00	0.04	-111.6 %	1.17
Earnings per share, diluted (EUR)	-0.00	0.04	-111.7 %	1.11

1) The group has no other comprehensive income items.

CONSOLIDATED BALANCE SHEET (EUR 1,000)	31 Mar 2024	31 Mar 2023	Change %	31 Dec 2023
ASSETS				
Non-current assets				
Property, plant and equipment	8,772	7,649	14.7 %	8,832
Goodwill	49,449	49,501	-0.1 %	49,449
Other intangible assets	369	305	20.7 %	538
Shares and other non-current financial assets	57	57	0.0 %	57
Deferred tax receivables	0	41	-100.0 %	65
Total non-current assets	**58,647**	**57,554**	**1.9 %**	**58,941**
Current assets				
Inventories	686	803	-14.5 %	719
Trade and other receivables	38,507	37,630	2.3 %	40,611
Cash and cash equivalents	18,576	17,013	9.2 %	21,043
Total current assets	**57,770**	**55,446**	**4.2 %**	**62,373**
TOTAL ASSETS	**116,417**	**113,001**	**3.0 %**	**121,314**
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent company	41,444	35,884	15.5 %	41,113
Total Equity	**41,444**	**35,884**	**15.5 %**	**41,113**
Non-current liabilities				
Interest-bearing liabilities	14,759	16,354	-9.8 %	14,774
Deferred tax liabilities	22	0		0
Total non-current liabilities	**14,781**	**16,354**	**-9.6 %**	**14,774**
Current liabilities				
Trade and other payables	39,104	39,456	-0.9 %	42,276
Advances received	13,276	12,820	3.6 %	14,834
Interest-bearing liabilities	5,117	6,320	-19.0 %	5,335
Provisions	2,695	2,167	24.4 %	2,982
Total current liabilities	**60,193**	**60,762**	**-0.9 %**	**65,427**
TOTAL EQUITY AND LIABILITIES	**116,417**	**113,001**	**3.0 %**	**121,314**

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 2024	**80**	**29,148**	**-204**	**12,088**	**41,113**
Total comprehensive income				-36	-36
Purchase of own shares			-189		-189
Conveyance of own shares			189		189
Share-based incentive				-106	-106
Option scheme		424		49	473
Transactions with shareholders, total		*424*	*0*	*-57*	*367*
Equity on 31 March 2024	**80**	**29,572**	**-204**	**11,996**	**41,444**

Equity on 1 January 2023	**80**	**28,781**	**-782**	**8,127**	**36,206**
Total comprehensive income				304	304
Purchase of own shares			-240		-240
Conveyance of own shares			778		778
Share-based incentive				-1,233	-1,233
Option scheme				70	70
Transactions with shareholders, total			*538*	*-1,163*	*-625*
Equity on 31 March 2023	**80**	**28,781**	**-244**	**7,267**	**35,884**

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**

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	1-3/2024	1-3/2023	1-12/2023
Cash flows from operating activities			
Profit/loss before taxes (EBT)	-44	380	11,371
Adjustments:			
Depreciation	1,069	816	3,595
Other adjustments	105	-486	-1,070
Total financial income and expenses	259	277	975
Change in working capital	-1,388	-1,432	252
Operating cash flow before financial and tax items	**1**	**-445**	**15,122**
Financial items, net	-199	-252	-839
Taxes paid	-1,397	-217	-1,845
Net cash flow from operating activities	**-1,595**	**-914**	**12,438**
Cash flows from investing activities			
Acquisition of subsidiaries and business operations, net of cash acquired	0	0	-1,179
Disposal of subsidiaries and business operations	0	0	2,782
Investments in tangible and intangible assets	-517	-525	-2,018
Proceeds from sale of property, plant and equipment	73	194	649
Net cash flow from investing activities	**-444**	**-331**	**233**
Cash flows from financing activities			
Purchase of own shares	-189	-240	-240
Share subscriptions with share options	424	0	203
Dividend distribution	0	0	-4,641
Payments of long-term liabilities	0	0	-2,000
Payments of lease liabilities	-700	-551	-2,410
Change in other interest-bearing liabilities	38	-1,833	-3,422
Net cash flow from financing activities	**-427**	**-2,623**	**-12,509**
Change in cash and cash equivalents	**-2,467**	**-3,868**	**162**
Cash and cash equivalents at period start	21,043	20,881	20,881
Cash and cash equivalents at period end	**18,576**	**17,013**	**21,043**

Accounting principles

Consti Plc's interim financial report has been prepared for the accounting period of 1 January – 31 March 2024 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 2023. The information presented in the interim reports are not audited. All figures in these accounts have been rounded. Consequently, the sum of individual figures can deviate from the presented sum figure. The preparation of the financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the valuation of the reported assets and liabilities, and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge of current events and actions, actual results may differ from the values given in interim reports. 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 March 2024 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 2024	**3,296**	**1,329**	**221**	**4,847**	**5,057**
Additions	14	355	0	369	369
Depreciations	-424	-168	-53	-645	-
Interest expense	-	-	-	-	60
Payments	-	-	-	-	-700
31 March 2024	**2,886**	**1,516**	**169**	**4,571**	**4,785**

Business areas

NET SALES BY BUSINESS AREA (EUR 1,000)	1-3 / 2024	1-3 / 2023	Change %	1-12 / 2023
Housing Companies	15,248	20,420	-25.3 %	102,425
Corporations	20,224	26,312	-23.1 %	112,169
Public Sector	15,958	9,851	62.0 %	54,269
Building Technology	18,002	14,785	21.8 %	65,746
Parent company and eliminations	-3,905	-2,442	-59.9 %	-14,001
Total net sales	**65,525**	**68,928**	**-4.9 %**	**320,607**

NET SALES CLASSIFICATION ACCORDING TO IFRS 15 (EUR 1,000)	1-3 / 2024	1-3 / 2023	Change %	1-12 / 2023
Project deliveries				
Housing Companies	14,808	20,280	-27.0 %	100,211
Corporations	19,614	25,215	-22.2 %	107,825
Public Sector	15,953	9,848	62.0 %	54,243
Building Technology	14,910	12,781	16.7 %	55,626
Parent company and eliminations	-3,905	-2,442	-59.9 %	-14,001
Total project deliveries	**61,379**	**65,683**	**-6.6 %**	**303,902**
Other cost + fee projects and service contracts				
Housing Companies	440	140	214.3 %	2,215
Corporations	610	1,097	-44.4 %	4,344
Public Sector	5	3	49.3 %	26
Building Technology	3,092	2,004	54.3 %	10,120
Parent company and eliminations	0	0		0
Total other cost + fee projects and service contracts	**4,146**	**3,244**	**27.8 %**	**16,705**
Total net sales	**65,525**	**68,928**	**-4.9 %**	**320,607**

ACCOUNTS RECEIVABLE AND CONTRACT ASSETS AND LIABILITIES (EUR 1,000)	31 Mar 2024	31 Mar 2023	Change %
Trade receivables	22,409	23,435	-4.4 %
Receivables from project deliveries and cost + fee accruals	13,259	12,039	10.1 %
Advances received from project deliveries and cost + fee accruals	13,276	12,820	3.6 %

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 Mar 2024	31 Mar 2023	31 Dec 2023
Other liabilities			
Leasing and rental liabilities	268	191	302

The 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 (EUR 1,000)	1-3 / 2024	1-3 / 2023	1-12 / 2023
INCOME STATEMENT			
Net sales	65,525	68,928	320,607
EBITDA	1,284	1,473	15,940
EBITDA margin, %	2.0 %	2.1 %	5.0 %
Operating result (EBIT)	214	657	12,345
Operating result (EBIT) margin, %	0.3 %	1.0 %	3.9 %
Profit/loss before taxes (EBT)	-44	380	11,371
as % of sales	-0.1 %	0.6 %	3.5 %
Profit/loss for the period	-36	304	9,014
as % of sales	-0.1 %	0.4 %	2.8 %
OTHER KEY FIGURES			
Balance sheet total	116,417	113,001	121,314
Net interest-bearing debt	1,299	5,661	-934
Equity ratio, %	40.2 %	35.8 %	38.6 %
Gearing, %	3.1 %	15.8 %	-2.3 %
Return on investment, ROI %	20.6 %	19.3 %	20.8 %
Free cash flow	-517	-970	13,104
Cash conversion, %	n/a	n/a	82.2 %
Order backlog	244,371	253,756	270,021
Order intake	36,336	58,642	280,026
Average number of personnel	1,018	1,006	1,011
Number of personnel at period end	1,031	1,020	1,008
SHARE RELATED KEY FIGURES			
Earnings per share, undiluted (EUR)	-0.00	0.04	1.17
Earnings per share, diluted (EUR)	-0.00	0.04	1.11
Shareholders' equity per share (EUR)	5.26	4.64	5.27
Number of shares, end of period	7,978,839	7,858,267	7,897,267
Number of outstanding shares, end of period	7,875,539	7,734,528	7,793,967
Average number of outstanding shares	7,805,305	7,688,265	7,736,926

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)	Q1/24	Q4/23	Q3/23	Q2/23	Q1/23	Q4/22	Q3/22	Q2/22	Q1/22
Net sales	65,525	86,060	89,872	75,747	68,928	93,264	79,005	73,118	59,830
Other operating income	157	302	1,266	314	289	342	61	168	118
Change in inventories of finished goods and work in progress	13	11	0	0	0	0	0	0	0
Materials and services	-45,799	-59,878	-65,730	-51,763	-49,392	-64,760	-56,233	-50,804	-42,420
Employee benefit expenses	-15,499	-17,902	-16,107	-16,982	-15,478	-18,200	-15,762	-14,995	-13,765
Other operating expenses	-3,114	-3,701	-3,597	-3,445	-2,874	-4,972	-2,905	-3,758	-2,406
EBITDA	1,284	4,891	5,705	3,871	1,473	5,674	4,167	3,729	1,357
EBITDA margin, %	2.0 %	5.7 %	6.3 %	5.1 %	2.1 %	6.1 %	5.3 %	5.1 %	2.3 %
Depreciation	-1,069	-983	-945	-851	-816	-847	-836	-817	-998
Operating result (EBIT)	214	3,908	4,760	3,020	657	4,827	3,330	2,912	359
Operating result (EBIT) margin, %	0.3 %	4.5 %	5.3 %	4.0 %	1.0 %	5.2 %	4.2 %	4.0 %	0.6 %
Financial income	120	168	105	57	29	19	4	1	1
Financial expenses	-379	-374	-331	-322	-306	-348	-226	-220	-222
Total financial income and expenses	-259	-207	-226	-265	-277	-329	-222	-218	-221
Profit/loss before taxes (EBT)	-44	3,702	4,534	2,755	380	4,498	3,108	2,693	138
Total taxes	9	-823	-907	-551	-76	-759	-621	-539	-28
Profit/loss for the period	-36	2,879	3,627	2,204	304	3,739	2,488	2,154	111
Balance sheet total	116,417	121,314	121,174	114,826	113,001	123,294	114,104	114,018	110,776
Net interest-bearing debt	1,299	-934	-2,703	6,949	5,661	3,871	12,844	17,880	16,255
Equity ratio, %	40.2 %	38.6 %	36.1 %	34.6 %	35.8 %	32.9 %	32.0 %	29.1 %	31.0 %
Gearing, %	3.1 %	-2.3 %	-7.2 %	20.6 %	15.8 %	10.7 %	39.7 %	60.0 %	52.1 %
Return on investment, ROI %	20.6 %	20.8 %	23.1 %	20.9 %	19.3 %	18.3 %	15.7 %	15.6 %	10.1 %
Order backlog	244,371	270,021	247,287	297,870	253,756	246,650	210,499	240,756	205,094
Order intake	36,336	91,620	23,234	106,530	58,642	109,059	38,354	98,722	37,561
Average number of personnel	1,018	983	1,015	1,039	1,006	983	994	966	944
Number of personnel at period end	1,031	1,008	973	1,052	1,020	975	988	997	933
Earnings per share, undiluted (EUR)	-0.00	0.37	0.47	0.29	0.04	0.49	0.32	0.28	0.01
Number of outstanding shares, end of period	7,875,539	7,793,967	7,771,728	7,734,528	7,734,528	7,679,528	7,699,528	7,719,528	7,734,528
Average number of outstanding shares	7,805,305	7,778,784	7,745,041	7,734,528	7,688,265	7,686,548	7,709,745	7,730,572	7,692,360

Largest shareholders

10 LARGEST SHAREHOLDERS 31 March 2024		Number of shares	% of shares and voting rights
1	Lujatalo Oy	792,825	9.94 %
2	Heikintorppa Oy	750,000	9.40 %
3	Wipunen Varainhallinta Oy	750,000	9.40 %
4	Fennia Life Insurance Company	520,524	6.52 %
5	Korkeela Esa	477,931	5.99 %
6	Kivi Risto	392,354	4.92 %
7	Kalevo Markku	298,967	3.75 %
8	Varma Mutual Pension Insurance Company	172,000	2.16 %
9	Drumbo Oy	150,000	1.88 %
10	Norvier Oy	106,463	1.33 %
Ten largest owners, total		**4,411,064**	**55.28 %**
Nominee registered		775,610	9.72 %
Others		2,792,165	34.99 %
Total		**7,978,839**	**100.00 %**

In Helsinki, 24 April 2024

Consti Plc’s Board of Directors

Press conference

Microsoft Teams meeting for analysts, portfolio managers and media representatives, will take place 25 April 2024, at 10:00 a.m. (EET). The meeting will be hosted by CEO Esa Korkeela and CFO Joni Sorsanen.

Financial communication in 2024

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

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