

# Q1

Interim report January-March 2019

Kari Kauniskangas, President and CEO

TRIPLA PROJECT  
HELSINKI, FINLAND





# Contents

- 1 Group development in Q1/2019
- 2 Segment reviews
- 3 Financial position and key ratios
- 4 Outlook and guidance
- 5 Appendices

*All 2018 figures are pro forma, please see slide 29 for additional information. Figures in brackets refer to comparison period unless otherwise stated.*





# 1

---

## Group development in Q1/2019



# Q1 in brief

---

**Paving's and  
Housing  
Russia's  
result  
improvements**

**+19.6**

EUR million  
combined adjusted operating  
profit improvement

**Synergies  
realised  
faster than  
estimated**

**25**

EUR million realised  
cumulative synergies by  
the end of Q1/2019

**Good cash  
flow  
considering  
seasonality**

**-3**

EUR million  
operating cash flow  
after investments  
(-153)

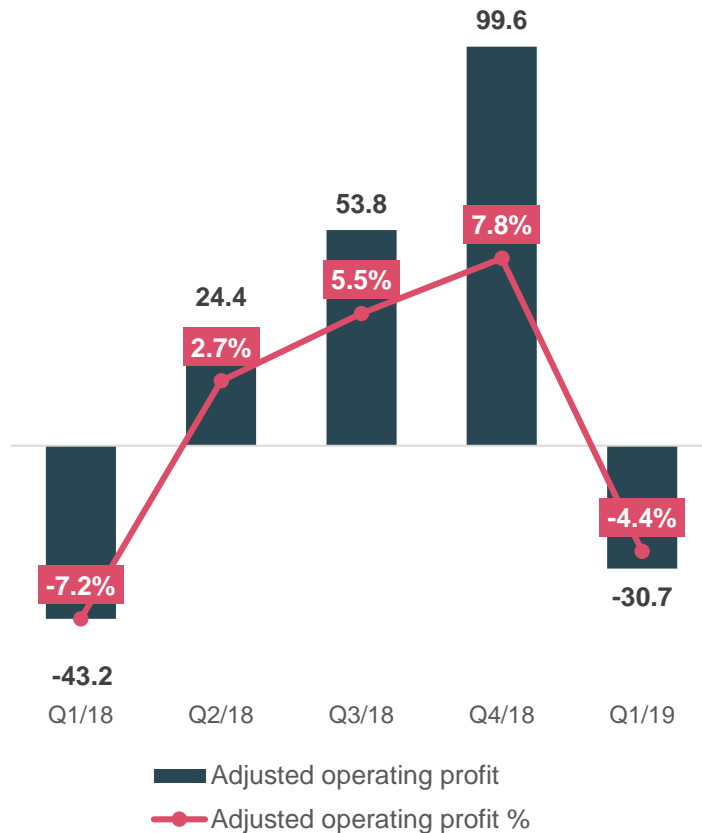
**Strong order  
backlog**

**4,556**

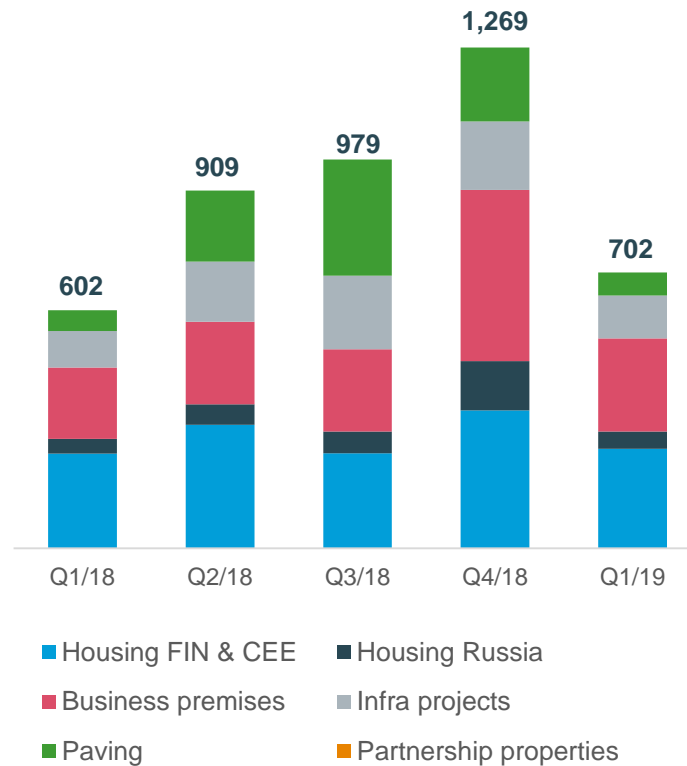
EUR million order  
backlog on 31 March  
(31 Dec 18: 4,434)

# Positive development in key figures

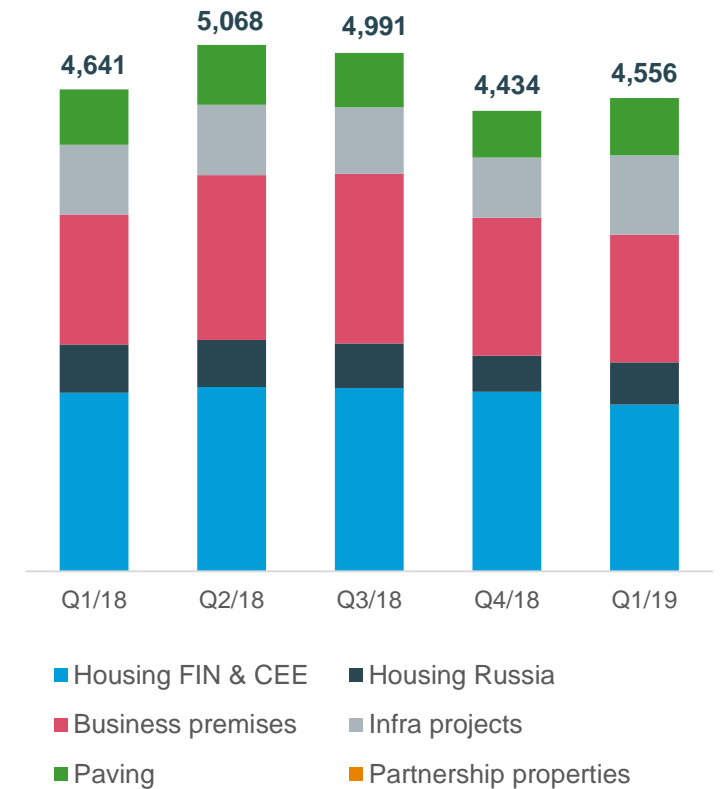
ADJUSTED OPERATING PROFIT, EUR million, %



REVENUE PER SEGMENT, EUR million

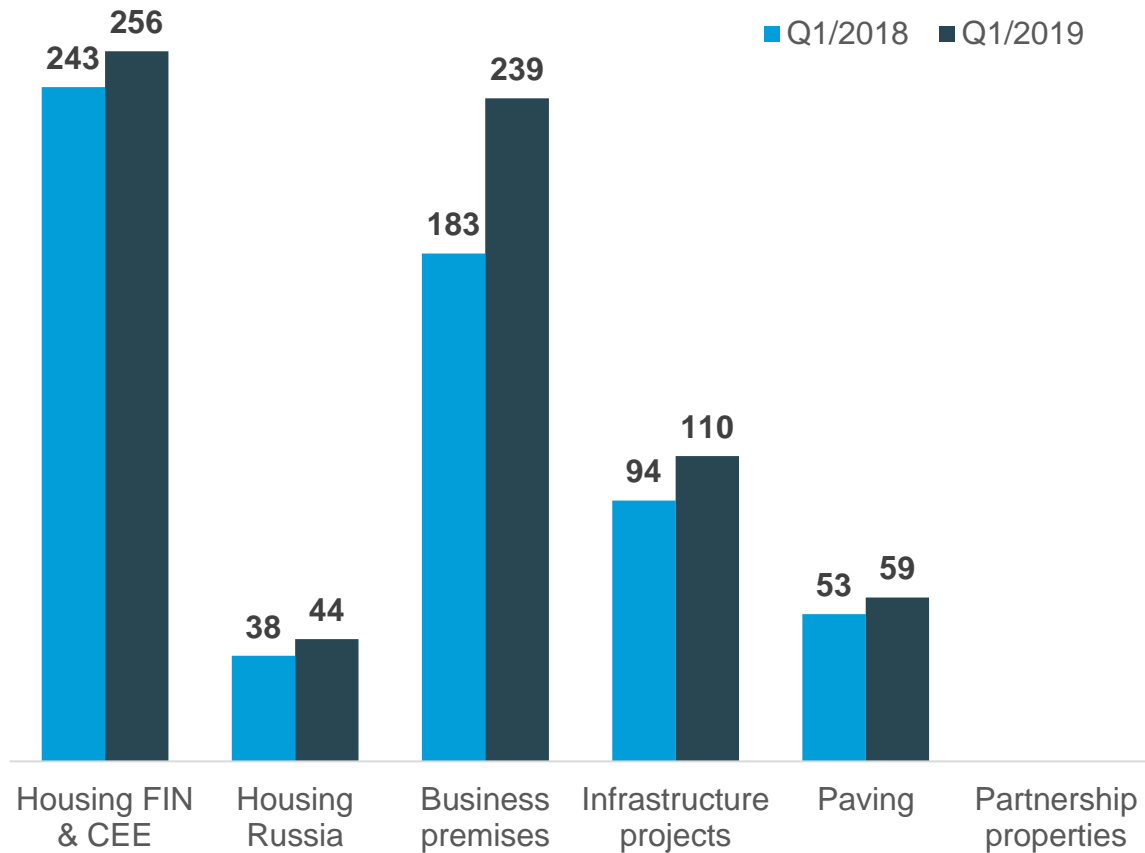


ORDER BACKLOG PER SEGMENT, EUR million

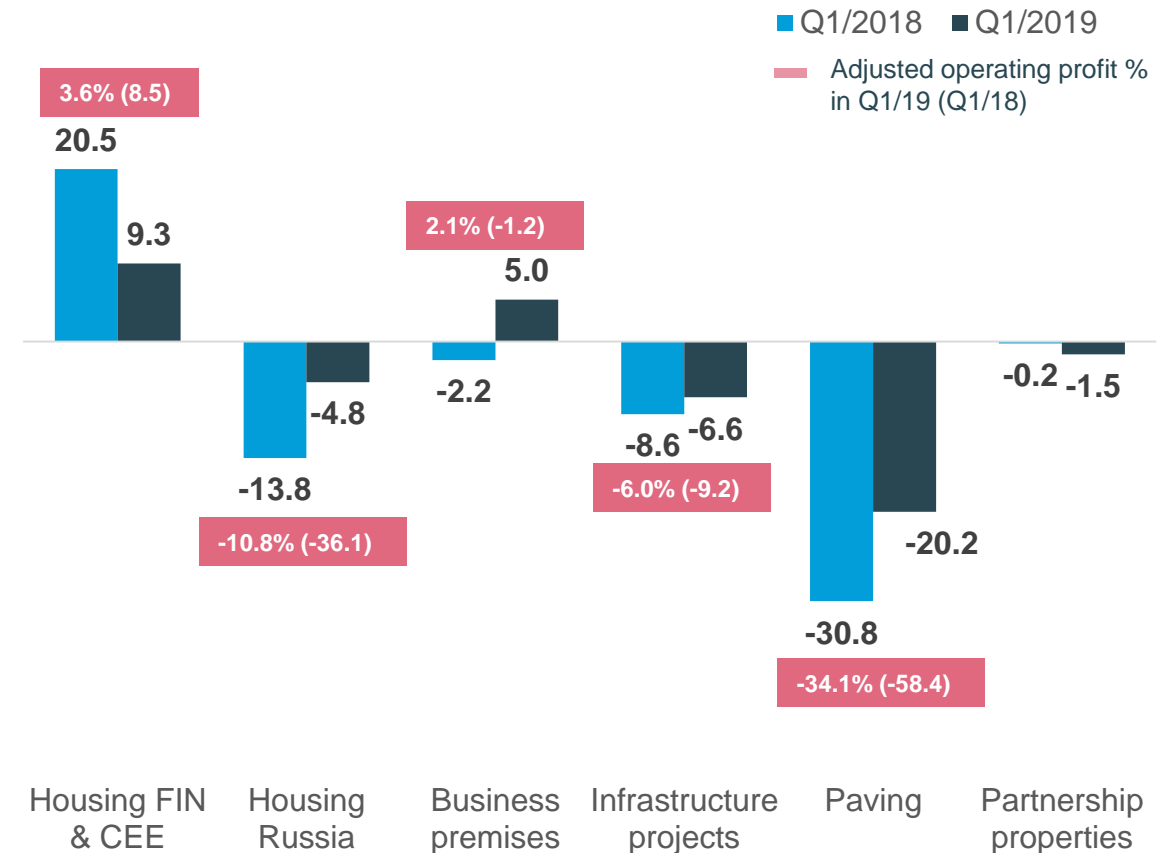


# Performance by segment in Q1

REVENUE PER SEGMENT, EUR million

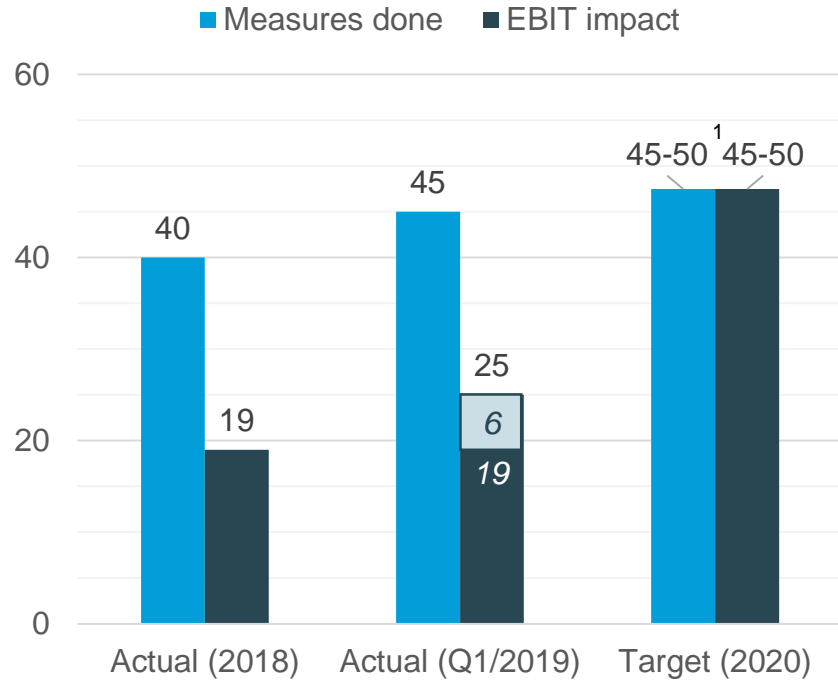


ADJUSTED OPERATING PROFIT PER SEGMENT, EUR million, %

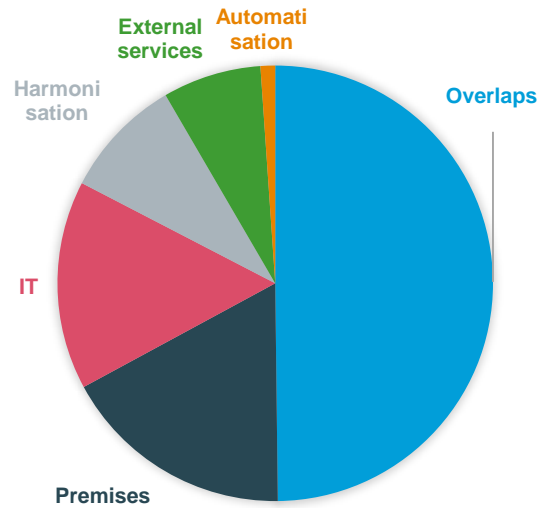


# Synergies and integration costs

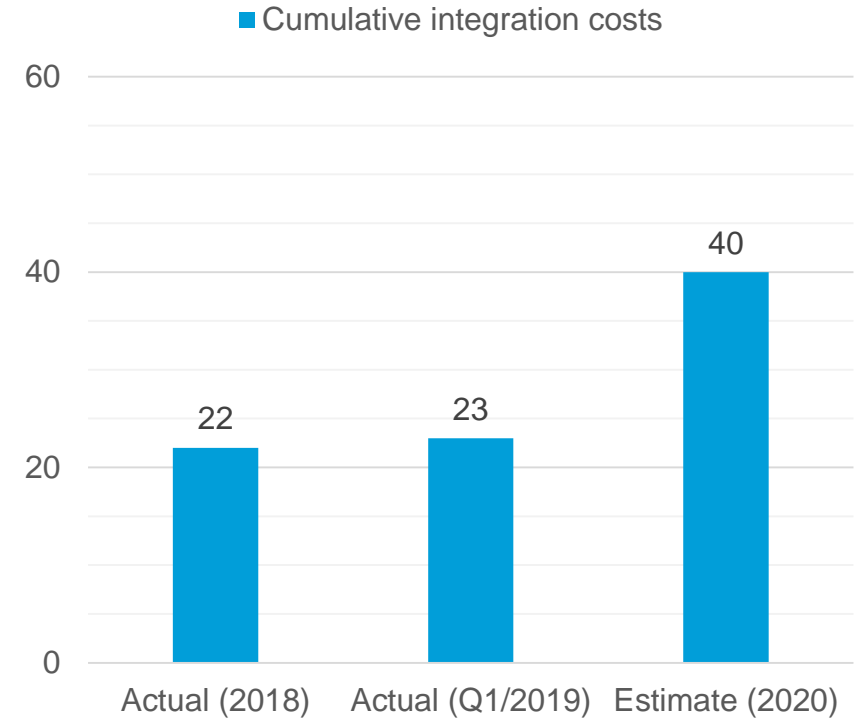
## CUMULATIVE SYNERGIES



## MAIN SOURCES OF SYNERGIES



## INTEGRATION COSTS<sup>2</sup>



**Additional synergy benefits expected from refinancing**

<sup>1</sup> According to the original target, full EBIT improvement potential per annum by the end of 2020, original target was set in June 2017. The target was raised in connection with Interim Report January–March 2018.

<sup>2</sup> Integration costs for 2017, EUR 4 million included in the cumulative figure

# Market outlook for the next 12 months

	Housing Finland and CEE	Housing Russia	Business premises	Infrastructure projects	Paving	Partnership properties
Finland	●		●	●	● → ●	●
Russia		●			●	
<i>The CEE countries</i>						
The Baltic countries	●		●	●	●	●
The Czech Republic, Slovakia, Poland	●		●			●
<i>Scandinavia</i>						
Sweden				●	●	
Norway				●	●	
Denmark					●	

● Weakened outlook compared to the past 12 months' development

● Unchanged outlook compared to the past 12 months' development

● Improved outlook compared to the past 12 months' development

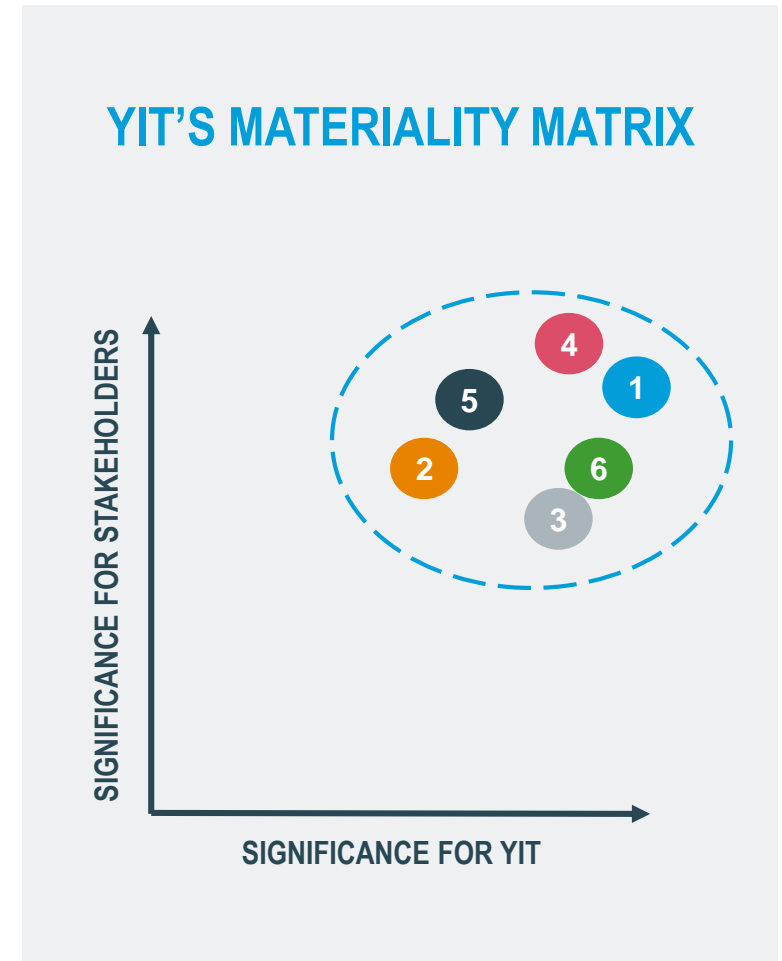


# YIT's key sustainable development themes – materiality matrix

YIT's key sustainable development themes were identified together with over 2,000 stakeholders in 2018

## Material topics:

1. Creating sustainable, comfortable and safe urban development by utilising opportunities provided by the circular economy
2. Compliance with good corporate governance. Preventing corruption and the grey economy
3. Occupational safety
4. Promoting the personnel's occupational well-being and competence development
5. Implementing responsible subcontracting and procurement
6. Reducing the environmental impacts of YIT's own operations



# 2

---

## Segment reviews



# Housing Finland and CEE

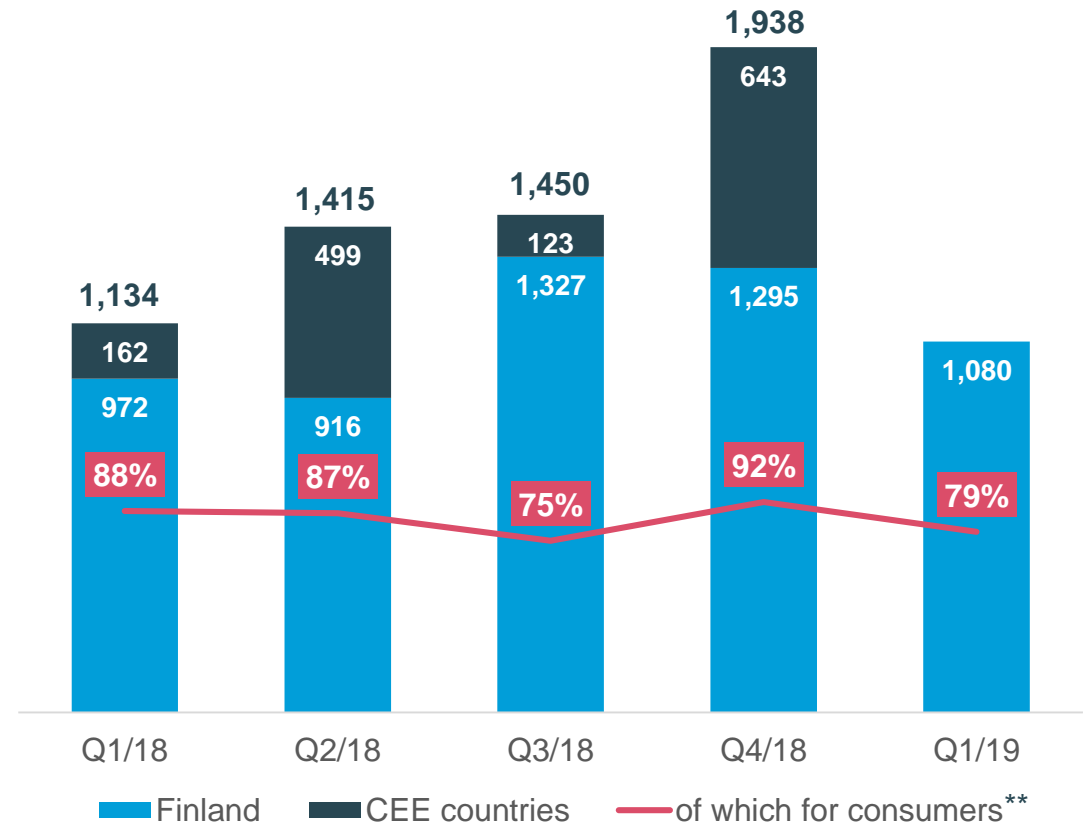
## Risk level adjusted for current demand

- Operating profit declined due to no completions in the CEE countries and a lower year-on-year number of completed apartments in the Helsinki metropolitan area.
- The segment sold almost 600 completed apartments or apartments in the final stage of construction in Finland to a new joint venture partly owned by YIT.
  - The revenue impact was approximately 40 M€ and it had a weakening impact on profitability.
- Number of unsold completed units at the end of the period was 216 in Finland (12/18: 422) and 73 in CEE countries (12/18: 130).

EUR million	Q1/2019 reported	Q1/2018 pro forma
Revenue	256	243
Adjusted operating profit	9.3 (3.6%)	20.5 (8.5%)
Order backlog	1,607	1,720
Capital employed	679	571 <sup>*</sup>

<sup>\*</sup> Reported, excl. IFRS 16 impact

### COMPLETED APARTMENTS, units



<sup>\*\*</sup> Includes projects in the CEE sold to YCE housing I fund that is reported in the Partnership properties segment



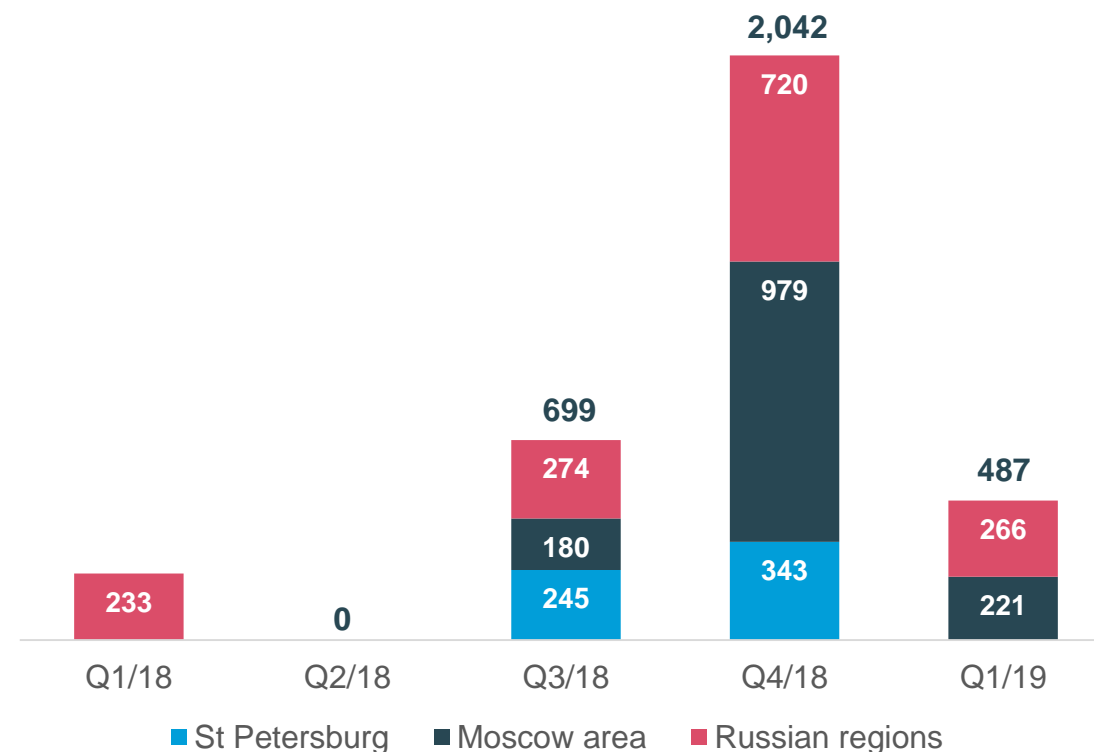
# Low result, but better performance in contracting

- Weak comparison period due to project write-down in contracting.
- Revenue increased due to higher year-on year number of completed apartments.
- Number of unsold completed units at the end of the period was 584 (12/18: 683).
- The majority of completions in 2019 will be in Q4/2019.

EUR million	Q1/2019 reported	Q1/2018 pro forma
Revenue	44	38
Adjusted operating profit	-4.8 (-10.8%)	-13.8 (-36.1%)
Order backlog	405	466
Capital employed	314	393*)

\* Reported, excl. IFRS 16 impact

## COMPLETED APARTMENTS, units



## Business premises

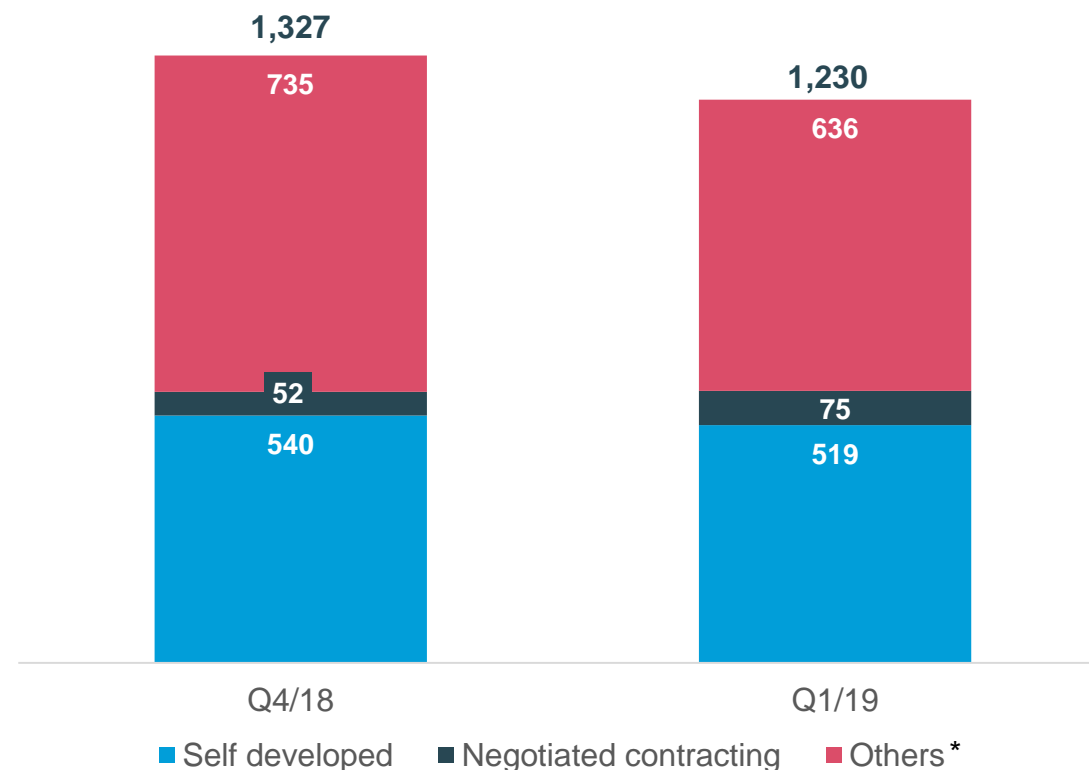
# Major projects boosted revenue and operating profit

- Revenue and operating profit improved mainly due to higher renovation volumes as well as the start of Tripla offices' revenue and profit recognition.
- Operating profit was also supported by overall higher year-on-year margins.
- Large projects such as Tripla progressed as planned.
- Several projects won during Q1, not yet in order backlog.

EUR million	Q1/2019 reported	Q1/2018 pro forma
Revenue	239	183
Adjusted operating profit	5.0 (2.1%)	-2.2 (-1.2%)
Order backlog	1,230	1,250
Capital employed	65	122*)

\* Reported, excl. IFRS 16 impact

### ORDER BACKLOG BY PROJECT TYPE, EUR million



\* Includes tender-based projects as well as lifecycle projects and their service agreements.

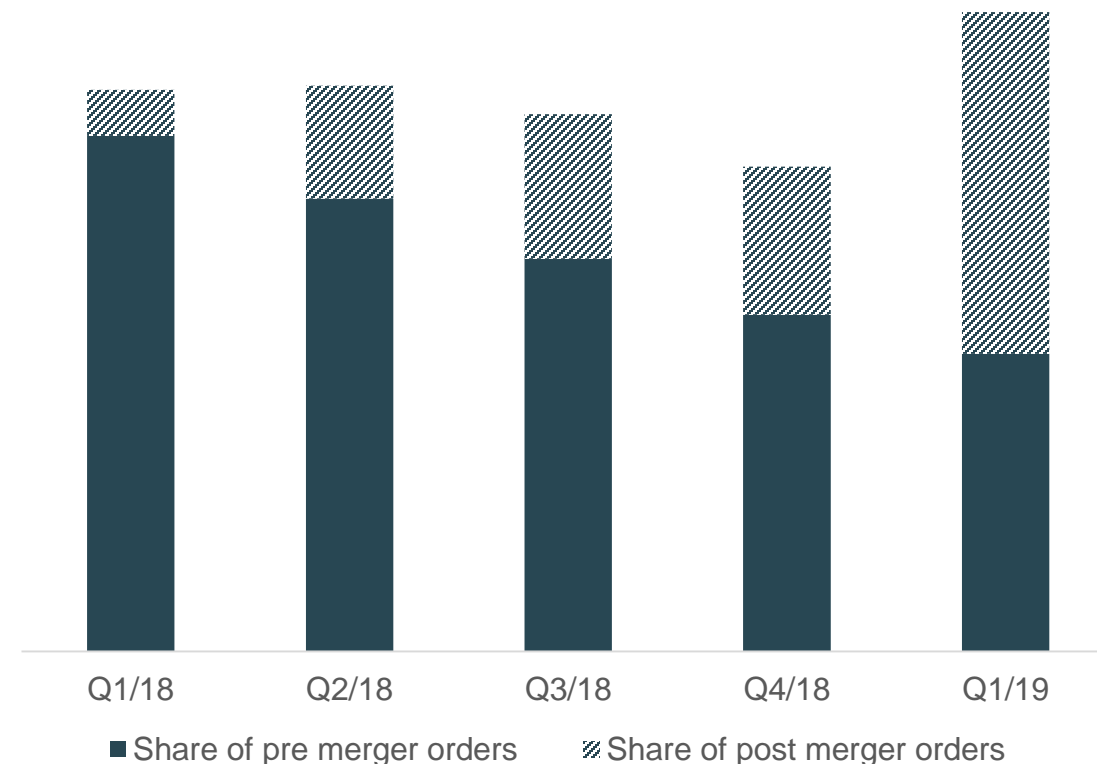
# Positive development in order backlog and margins of new projects

- Revenue increased due to higher year-on-year volumes.
- Operating profit improved, but the result was still burdened by low margin level of old projects.
- Positive development in order backlog and margins of new projects during the quarter. New orders won during Q1 will be started in Q2.

ORDER BACKLOG AND ILLUSTRATIVE SHARE OF POST MERGER ORDERS, EUR million

EUR million	Q1/2019 reported	Q1/2018 pro forma
Revenue	110	94
Adjusted operating profit	-6.6 (-6.0%)	-8.6 (-9.2%)
Order backlog	765	672
Capital employed	83	98 <sup>*)</sup>

\* Reported, excl. IFRS 16 impact





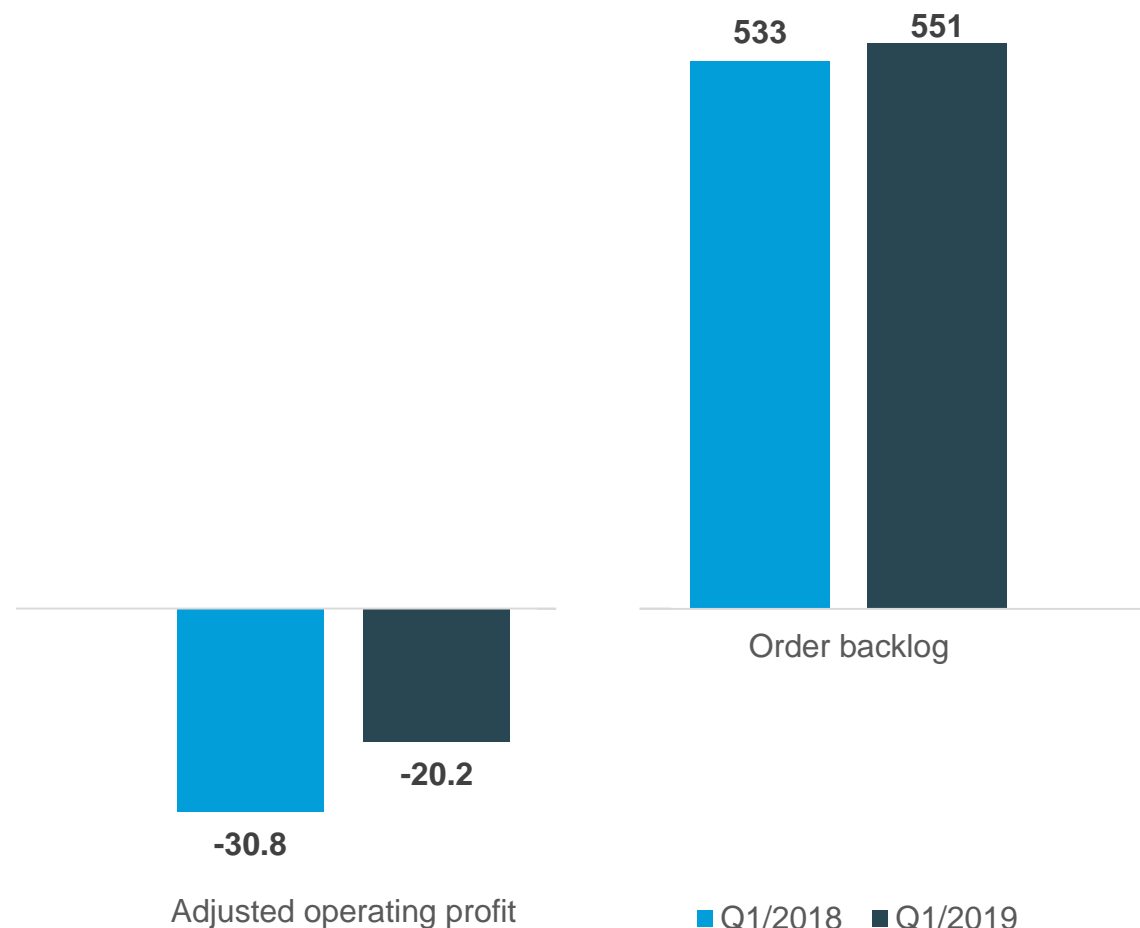
# Paving Efficiency measures improved result

- Operating profit improved due to better results in Sweden and Norway where sizeable measures were taken in 2018 to improve operational efficiency and decrease winter planning costs.
- Revenue grew slightly due to increased volumes in road maintenance.
- Strong order inflow during the quarter in all Nordic countries.

EUR million	Q1/2019 reported	Q1/2018 pro forma
Revenue	59	53
Adjusted operating profit	-20.2 (-34.1%)	-30.8 (-58.4%)
Order backlog	551	533
Capital employed	167	143*)

\* Reported, excl. IFRS 16 impact

## ADJUSTED OPERATING PROFIT AND ORDER BACKLOG, EUR million



## Partnership properties

# A new joint venture established

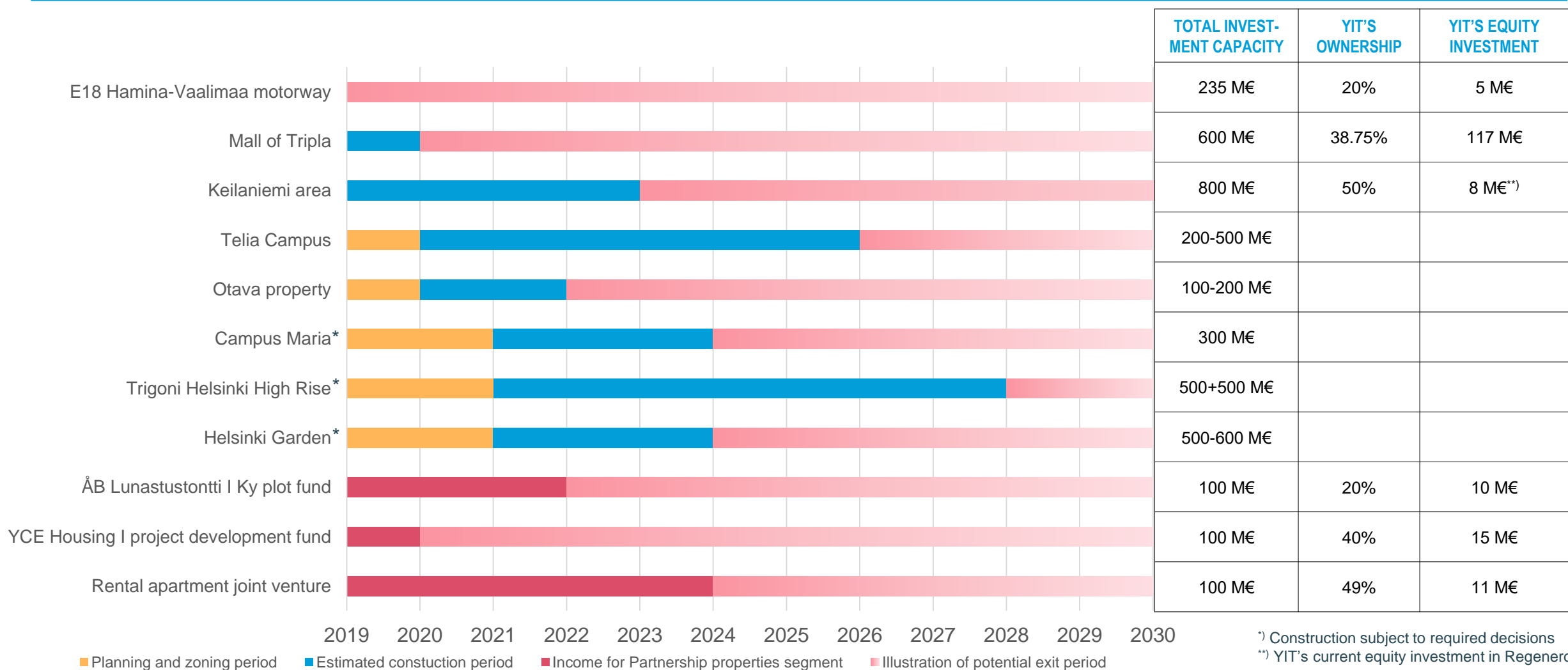
- During Q1, YIT established a new joint venture investing in rental apartments YIT has constructed in Finland. The investors in the joint venture are YIT (49%) and a group of Finnish private investment companies.
- The transaction strengthened the investments of the segment in rental housing generating stable cash flow. It enables YIT to speed up capital turnover, while keeping a value upside on the portfolio.
- The occupancy rate of the Mall of Tripla was 90% at the end of period.

EUR million	Q1/2019 reported	Q1/2018 pro forma
Adjusted operating profit	-1.5	-0.2
Capital employed	150	137*)

\* Reported, excl. IFRS 16 impact



# Partnership properties project portfolio and estimated timelines





# 3

---

## Financial position and key ratios



# Impact of the IFRS 16 adoption in 2019 for YIT

## ESTIMATED ANNUAL IMPACT ON INCOME STATEMENT

	IFRS 16 impact
Revenue	No material impact
EBITDA	+45 M€
Operating profit	+10 M€
Profit before tax	-7 M€
Profit for the period	-6 M€
EPS	EUR -0.03

The figures above describe the estimated annual impact and are based on current estimates that are subject to possible changes.

## IMPACT ON BALANCE SHEET ON 1 JAN 2019

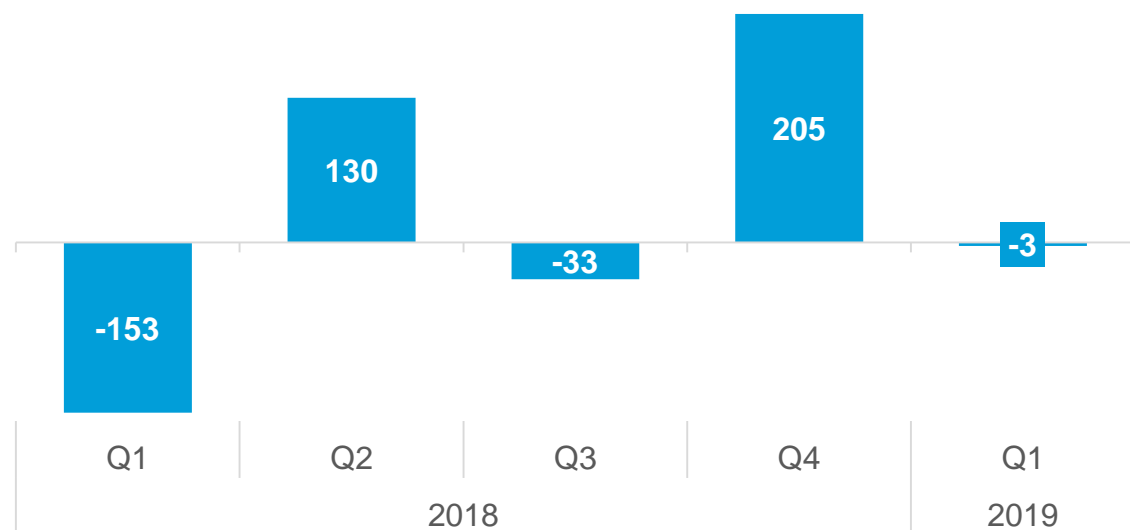
	IFRS 16 impact
<b>Assets</b>	<b>+306 M€</b>
Property plant and equipment	-19 M€
Leased property, plant and equipment	+138 M€
Leased inventories	+187 M€
<b>Liabilities</b>	<b>+306 M€</b>
Borrowings, non-current	-10 M€
Lease liabilities, non-current	+245 M€
Borrowings, current	-8 M€
Lease liabilities, current	+73 M€
Advances received	+14 M€
Provisions	-8 M€

The figures above describe the impact to the opening balance sheet on 1 Jan 2019.

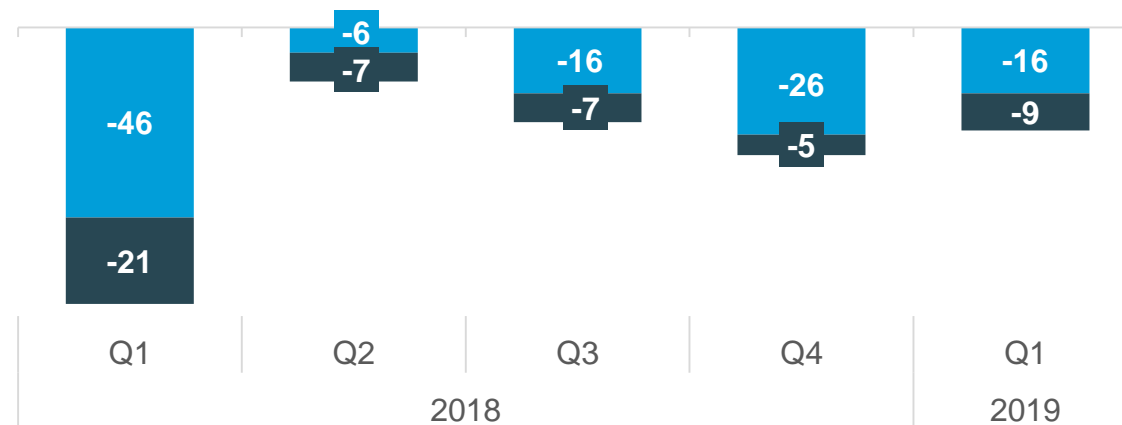
# Good operating cash flow considering seasonality

- Operating cash flow in Q1 after investments was EUR -3 million (-153) supported by Housing Finland and CEE

OPERATING CASH FLOW AFTER INVESTMENTS, EUR million



CASH FLOW OF PLOT INVESTMENTS AND INVESTMENTS TO ASSOCIATED COMPANIES AND JOINT VENTURES, EUR million



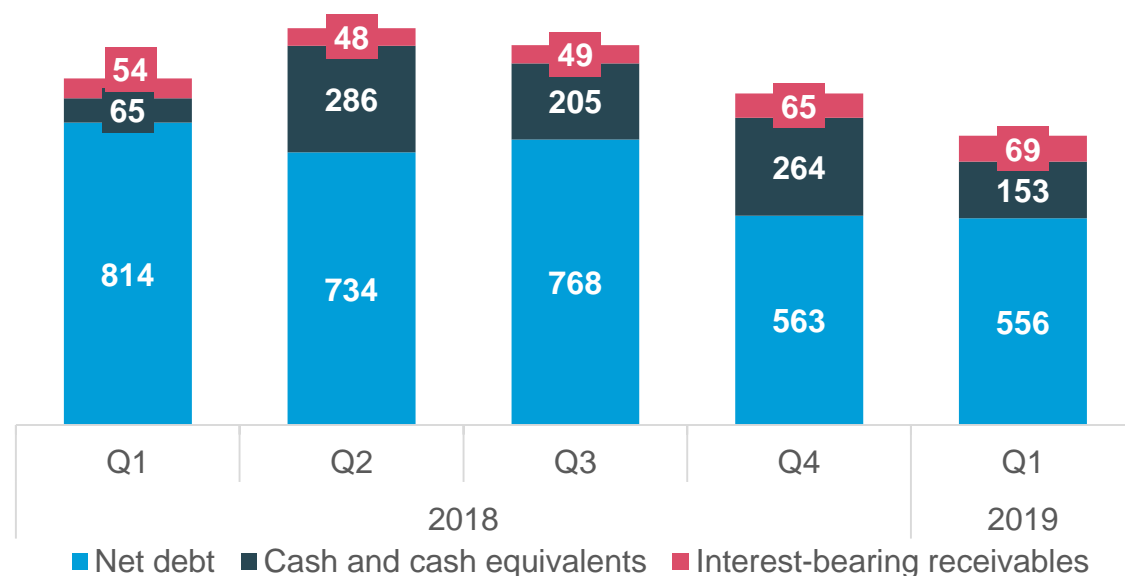
- Cash flow from investments to associated companies and joint ventures
- Cash flow from plot investments

Figures are actual reported figures.

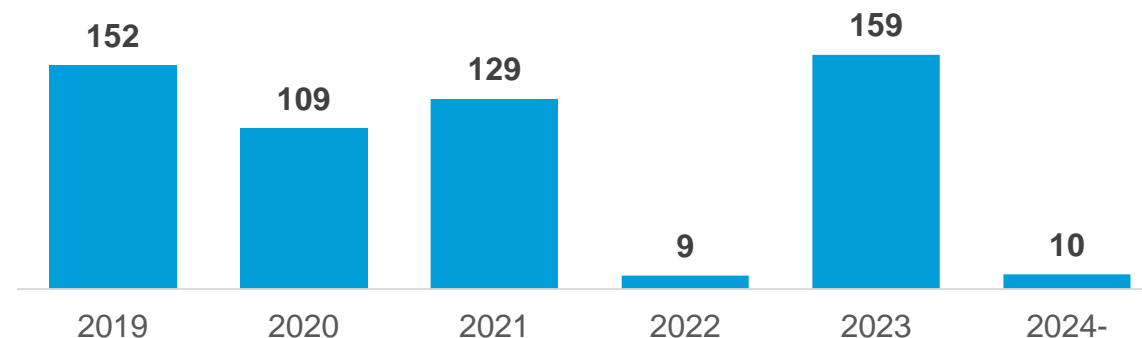
# Adjusted net debt stable compared to 12/2018

- In order to improve comparability between quarters, the company has excluded the IFRS 16 impact from the graphs below
- Adjusted net debt amounted to EUR 556 million

ADJUSTED NET INTEREST-BEARING DEBT<sup>1</sup>, EUR million



MATURITY STRUCTURE, NOMINAL AMOUNTS<sup>1</sup>, EUR million



<sup>1</sup> Excluding housing corporation loans, EUR 210.5 million (these loans will be transferred to the buyers of the apartments when the units are handed over), and IFRS 16 lease liabilities, 312.7 EUR million.

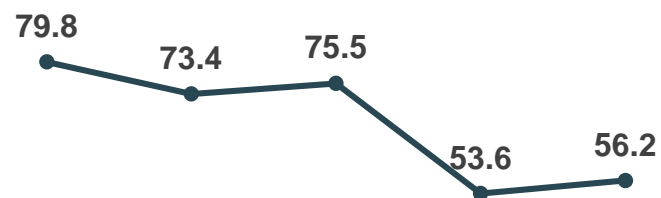
<sup>1</sup> Excluding IFRS 16 lease liabilities, 312.7 EUR million. Finance lease liabilities are included in lease liabilities as of 1.1.2019.



# Adjusted financial key ratios

- In order to improve comparability between quarters, the company has excluded the IFRS 16 impact from the graphs below.
- The adoption of the IFRS standard 16 will not have an impact on the company's gearing target of 30-50% by the end of the strategy period.

## ADJUSTED GEARING<sup>1</sup>, %



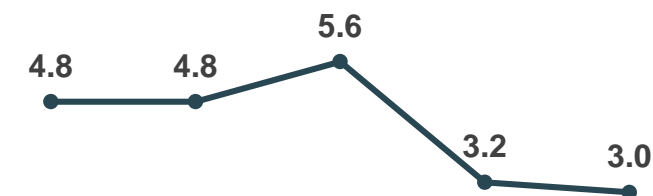
Q1	Q2	Q3	Q4	Q1
2018				2019

## ADJUSTED EQUITY RATIO<sup>1</sup>, %



Q1	Q2	Q3	Q4	Q1
2018				2019

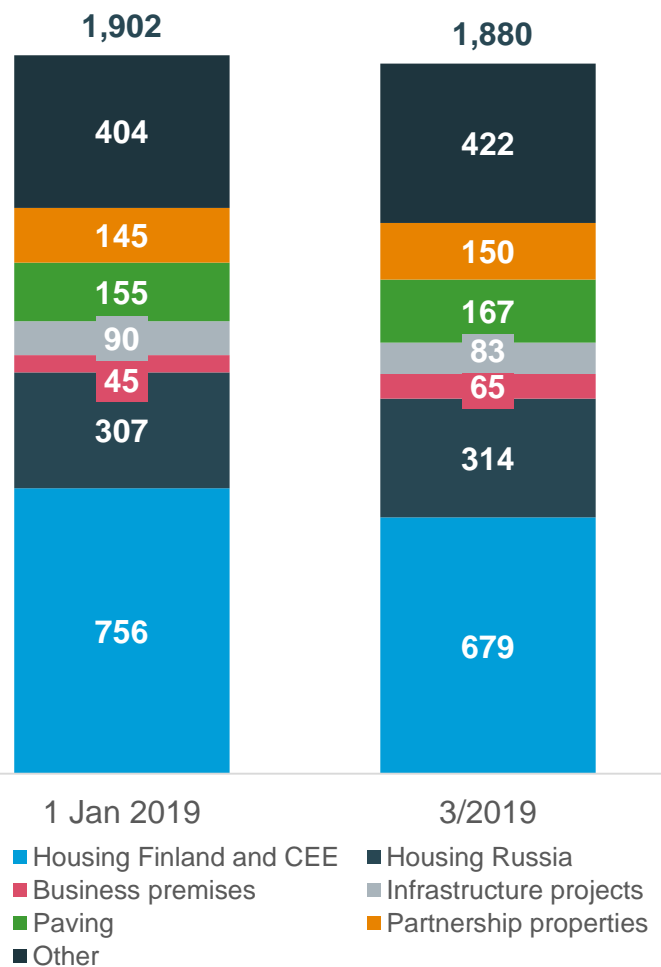
## ADJUSTED NET DEBT<sup>1</sup> / ADJUSTED PRO FORMA EBITDA (multiple, x)



Q1	Q2	Q3	Q4	Q1
2018				2019

<sup>1</sup> Excluding IFRS 16 impact in 2019 figures. 2018 figures are reported figures.

# Capital employed by segment



## The impact of the IFRS 16 standard implementation on capital employed on 1 Jan 2019

Capital employed, M€	Housing FIN & CEE	Housing Russia	Business premises	Infra projects	Paving	Partnership properties	Other and eliminations	Group, IFRS
31/12/2018	584.9	294.3	38.2	83.0	123.7	145.0	332.1	1,601.2
IFRS 16 impact of adoption	170.8	13.0	6.4	7.2	31.7	0.0	71.5	300.6
1/1/2019	755.7	307.3	44.6	90.2	155.4	145.0	403.6	1,901.8

# 4

---

## Outlook and guidance



# Estimated completions of consumer apartment projects under construction

Apartments under construction in total on March 31, 2019: 13,350. The table below shows the company's current estimate of completed consumer apartment projects under construction. In addition, the company has 2,364 apartments (12/18: 1,429) that are recognised in accordance with percentage of completion. The timing of the commissioning permit may deviate from the technical completion of a building, and the company cannot fully influence the reported completion date. Also other factors may influence the completion date.

	FY 2018 Actual	Q1/2019 Actual	Q2/2019 Estimate	Q3/2019 Estimate	Q4/2019 Estimate	Q1/2020 Estimate	Later
Finland <sup>1</sup>	3,657	858	1,000	300	600	400	1,305
CEE <sup>2</sup>	1,427	0	500	700	400	200	905
Russia <sup>3</sup>	2,974	437	400	600	2,400	400	1,760
<b>In total</b>	<b>8,058</b>	<b>1,295</b>	<b>1,900</b>	<b>1,600</b>	<b>3,400</b>	<b>1,000</b>	<b>3,970</b>

<sup>1</sup> In Finland, the estimate of completions may deviate with tens apartments depending on the construction schedule.

<sup>2</sup> In CEE countries, the estimate of completions may vary with tens apartments, a deviation of over 100 apartments is possible depending on authorities' decisions. The figure includes projects sold to YCE housing fund I.

<sup>3</sup> In Russia, the estimate of completions may vary with hundreds apartments, a deviation of over 500 apartments is possible depending on authorities' decisions.





# Guidance for 2019

The Group revenue 2019 is estimated to be in the range of +5% – -5% compared to revenue 2018 (pro forma 2018: EUR 3,759.3 million).

In 2019, the adjusted operating profit<sup>1</sup> is estimated to be EUR 170–230 million (pro forma 2018: EUR 134.5 million).

## GUIDANCE RATIONALE

- The guidance for 2019 is based, among others, on the completion of Mall of Tripla in the last quarter, the estimated timing of completion of the residential projects under construction and the company's solid order backlog. At the end of March, 73% of the order backlog was sold.
- Significant fluctuation is expected between the quarters due to normal seasonal variation, sales of business premises projects and the timing of completions of residential projects as well as Mall of Tripla. As in 2018, the last quarter of the year is expected to be clearly the strongest.
- The company estimates that the adjusted operating profit for the second quarter of 2019 will improve slightly from the comparison period (pro forma).

<sup>1</sup> The adjusted operating profit reflects the result of ordinary course of business and does not include material reorganisation costs, impairment charges or other items affecting comparability. Adjusted operating profit is disclosed to improve comparability between reporting periods. Adjusting items are defined more precisely in bulletin's the tables section.

# Additional information

---

## **Ilkka Salonen**

Chief Financial Officer (CFO)

+358 45 359 4434

[ilkka.salonen@yit.fi](mailto:ilkka.salonen@yit.fi)

## **Hanna Jaakkola**

Vice President,  
Investor Relations

+358 40 566 6070

[hanna.jaakkola@yit.fi](mailto:hanna.jaakkola@yit.fi)

**Follow YIT on Twitter**

@YITInvestors



# 5

---

## Appendices





# Presentation of financial information in Q1

- In this presentation, all figures for 2018 are pro forma figures, unless otherwise stated, to facilitate the comparability of the combined company's financial information
  - YIT reports pro forma figures for 2018 to include Lemminkäinen's financial statements for January 1–January 31, 2018
  - Balance sheet based figures are actual reported figures
- All figures and comparisons are according to IFRS reporting unless otherwise stated.
- Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year and are of the same unit.

Merger related fair value cost effects and goodwill have not been allocated to the segments' capital employed but are reported in segment level in "other items and eliminations". Therefore, adjustments due to merger related items have no impact on the segments' results.





# Appendices

---

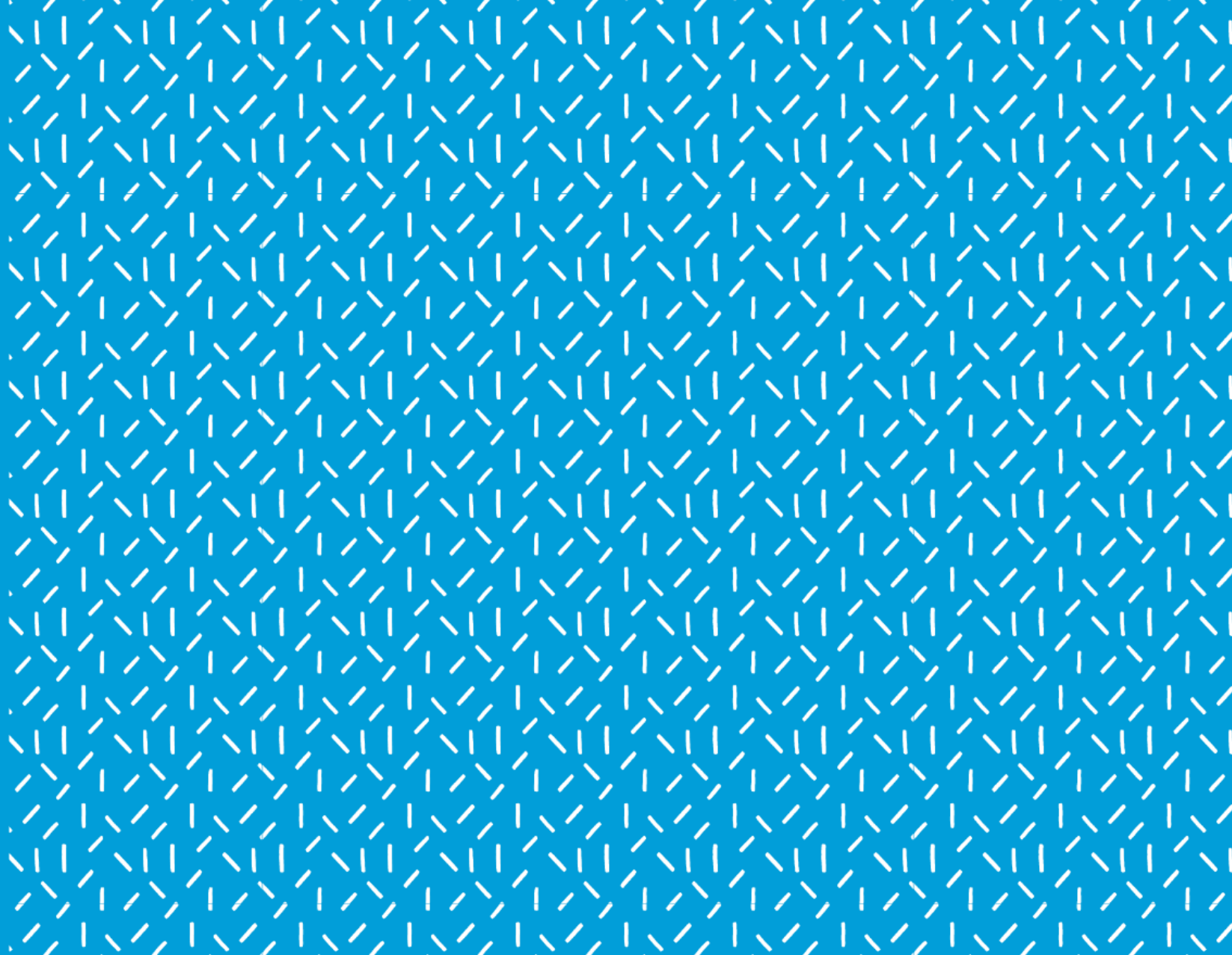
- I. Key figures and additional information about financial position and IFRS 16
- II. Housing sales and start-ups
- III. Share ownership
- IV. General economic and construction indicators
- V. Housing indicators
- VI. Business premises, infrastructure and paving indicators





---

## Key figures and additional information about financial position and IFRS 16



# Key figures

EUR million	Reported 1–3/19	Pro forma 1–3/18	Change	Reported 1-12/18	Pro forma 1–12/18
Revenue	701.6	602.2	16%	3,689.4	3,759.3
Operating profit	-34.6	-51.1	32%	94.6	91.3
Operating profit margin, %	-4.9%	-8.5%		2.6%	2.4%
Adjusted operating profit	-30.7	-43.2	29%	152.5	134.5
Adjusted operating profit margin, %	-4.4%	-7.2%		4.1%	3.6%
Adjustments	3.9	7.8	-50%	57.9	43.2
Order backlog	4,556.2	4,640.8	-2%	4,433.8	4,433.8
Result before taxes	-45.3	-57.8	22%	59.1	57.2
Result for the period <sup>1</sup>	-38.0	-52.2	27%	39.2	33.3
Earnings per share, EUR	-0.18	-0.25	28%	0.19	0.16
Operating cash flow after investments, excluding discontinued operations	-3.2	n/a		148.6	n/a
Equity ratio, %	33.1%	n/a		38.1%	n/a
Adjusted equity ratio, %	37.0%	n/a		n/a	n/a
Net interest-bearing debt	868.7	813.8		562.9	562.9
Adjusted net interest-bearing debt	556.0	n/a		n/a	n/a
Gearing, %	87.7%	n/a		53.6%	n/a
Adjusted gearing, %	56.2%	n/a		n/a	n/a
Number of personnel at tend of period	8,715	9,296		9,070	9,070

<sup>1</sup> Attributable to equity holders of the parent company

# Balanced debt portfolio

## BONDS

Maturity	Initial amount	Issue date	Coupon
July 6, 2019	EUR 100 million	June 26, 2014	7.375%
June 11, 2021	EUR 100 million	June 11, 2018	3.150%
June 11, 2023	EUR 150 million	June 11, 2018	4.250%

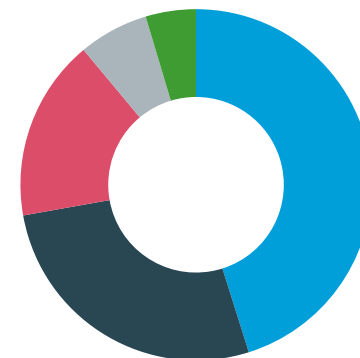
## RCF

Maturity	Initial amount	Issue date	Status
August 2021	EUR 300 million	February 2018	Undrawn

## COVENANTS

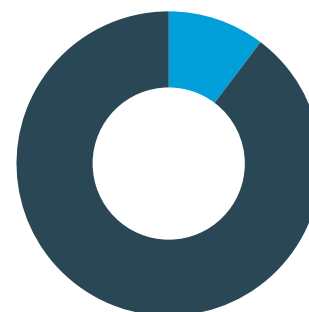
- YIT's generally used covenants: gearing, equity ratio and interest cover ratio

## DEBT PORTFOLIO<sup>1</sup> AT THE END OF THE PERIOD 3/2019, EUR 778 MILLION



- Bonds, 45%
- Housing corporation loans, 27%
- Loans from financial institutions, 17%
- Pension loans, 6%
- Other loans, 5%

## INTEREST RATE DISTRIBUTION OF THE DEBT PORTFOLIO<sup>1</sup> AT THE END OF 3/2019



- Floating rate, 10%
- Fixed rate, 90%



# Foreign exchange rates in Q1

## PRINCIPLES OF MANAGING CURRENCY RISKS

- Sales and project costs typically in same currency, all foreign currency items hedged  
→ no transaction impact
- Currency positions affecting the income statement, such as loans to subsidiaries, are hedged
- Equity and equity-like investments in foreign currency not hedged
  - Considered to be of permanent nature
  - FX changes recognised as translation difference in equity




EUR/RUB exchange rates	1–3/2019	1–3/2018
Average rate	74.8898	69.9378
End of period	72.8564	70.8897

# New IFRS 16 standard principles

## INCOME STATEMENT

	IAS 17		IFRS 16
	Finance leases	Operating leases	All leases
Revenue	x	x	x
Operating costs	--	Expense	--
EBITDA			↑
Depreciation and amortisation	Depreciation		Depreciation
Operating profit			↑
Finance costs	Interest		Interest
Profit before tax			↔

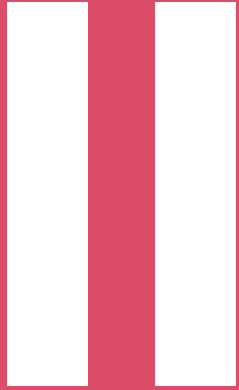
## BALANCE SHEET

	IAS 17		IFRS 16
	Finance leases	Operating leases	All leases
Assets		--	
Liabilities	€€€	--	€€€€€€€€
Off balance sheet rights / obligations	--	 €€€€	--

Source: IASB

# Recognition of housing plots according to the IFRS 16 standard

CONSTRUCTION NOT YET STARTED		UNDER CONSTRUCTION		COMPLETED PROJECTS	
IAS 17	IFRS 16	IAS 17	IFRS 16	IAS 17	IFRS 16
<b>EBIT</b>					
Lease expenses impact in EBIT	<b>No impact to EBIT</b>	Lease expenses capitalised to cost of inventory	<b>No impact to EBIT</b>	Lease expenses related to unsold completed apartments impact in EBIT  Capitalised lease expenses related to sold apartments impact to EBIT	<b>No impact to EBIT from unsold completed apartments</b>  <b>Lease liability of sold apartments recognised in revenue and related assets recognised as cost</b>
<b>ASSETS</b>					
Off balance sheet	<b>Leased inventory</b>	Capitalised lease expenses	<b>Leased inventory</b>	Capitalised lease expenses related to unsold completed apartments	<b>Leased inventory related to unsold apartments</b>
<b>LIABILITIES</b>					
Off balance sheet	<b>Lease liability</b>	Off balance sheet	<b>Lease liability related to unsold apartments in lease liabilities</b>  <b>Lease liability related to sold apartments in advances received</b>	Off balance sheet	<b>Lease liability related to unsold apartments</b>



---

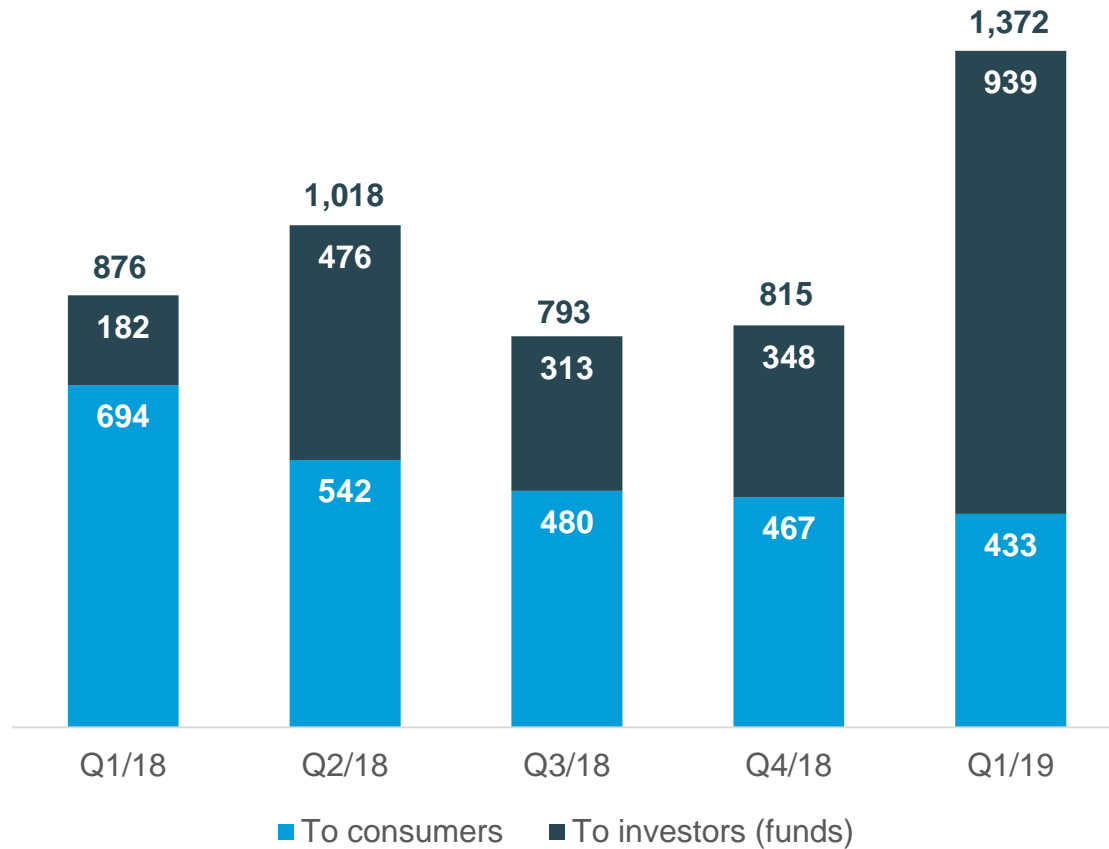
## Housing sales and start-ups



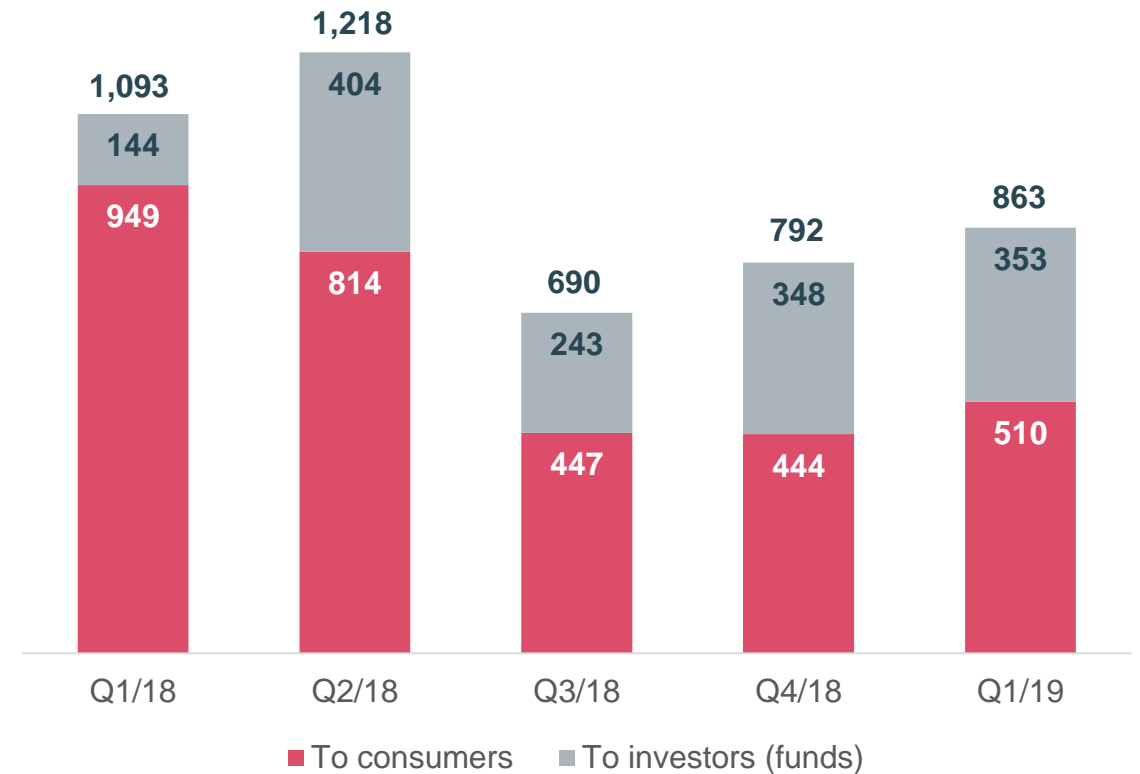
# Housing Finland

## Sales and start-ups in Q1

SOLD APARTMENTS, units



APARTMENT START-UPS, units

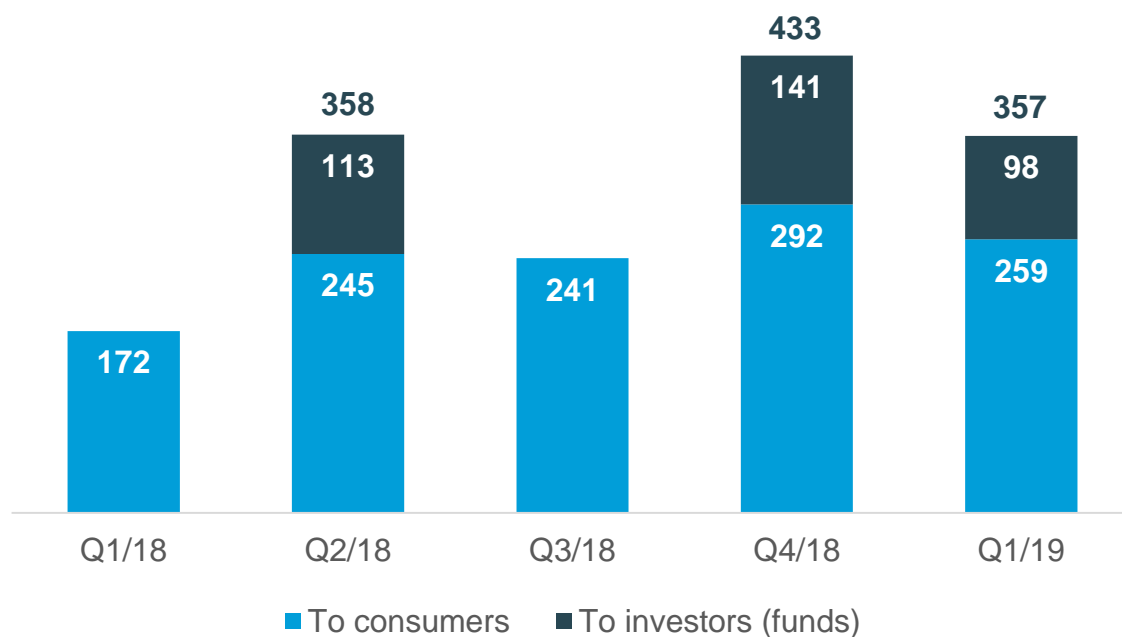


# Housing CEE

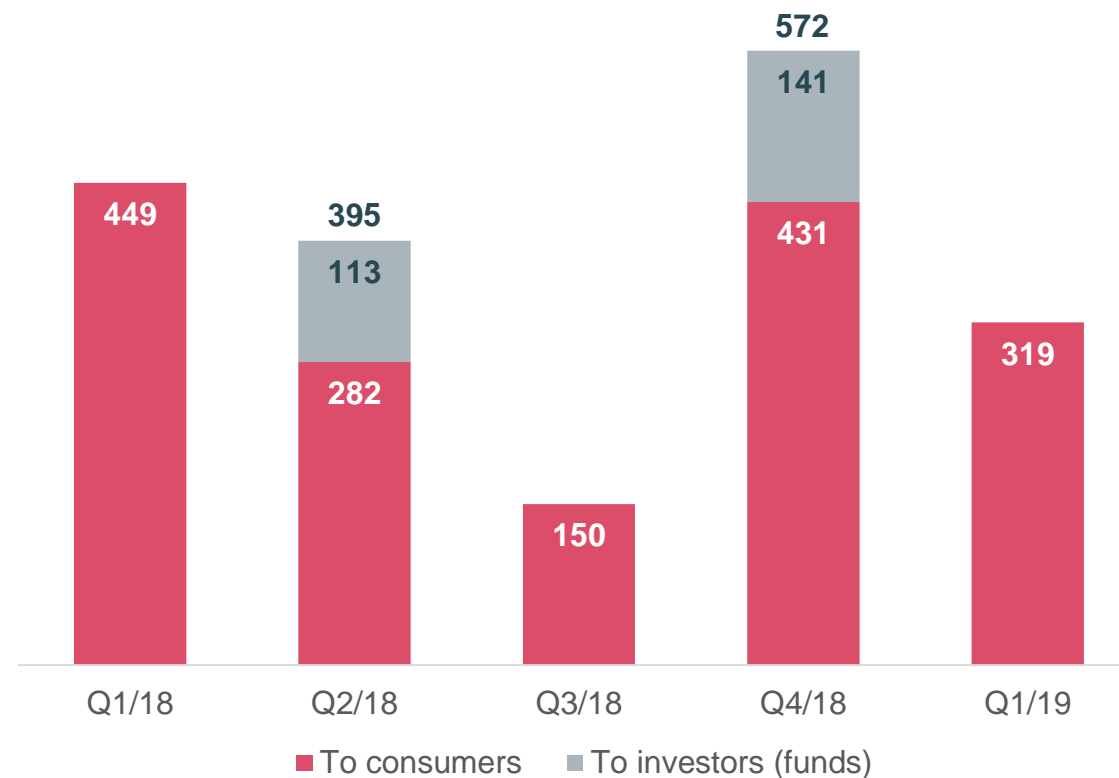
## Sales and start-ups in Q1

### SOLD APARTMENTS, units

*Of projects earlier sold to YCE Housing I fund or a JV, and recorded as investor sales, YIT sold 129 apartments further to consumers (Q1/2018: 113)*



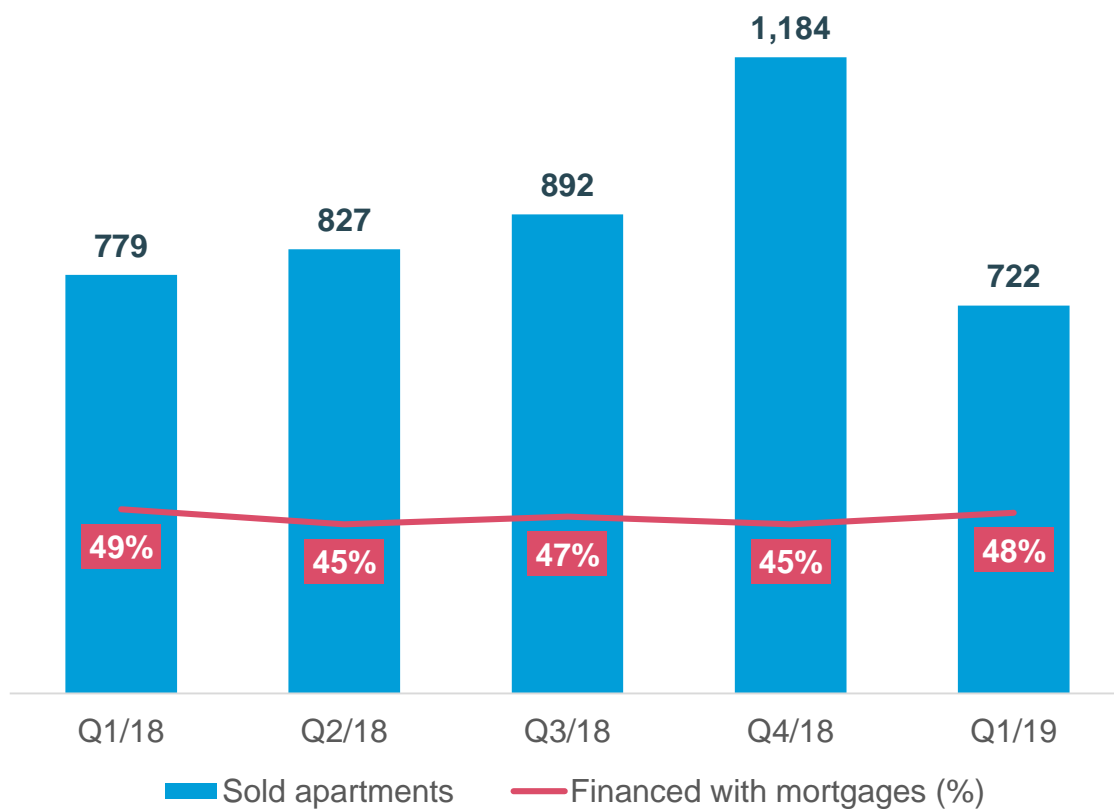
### APARTMENT START-UPS, units



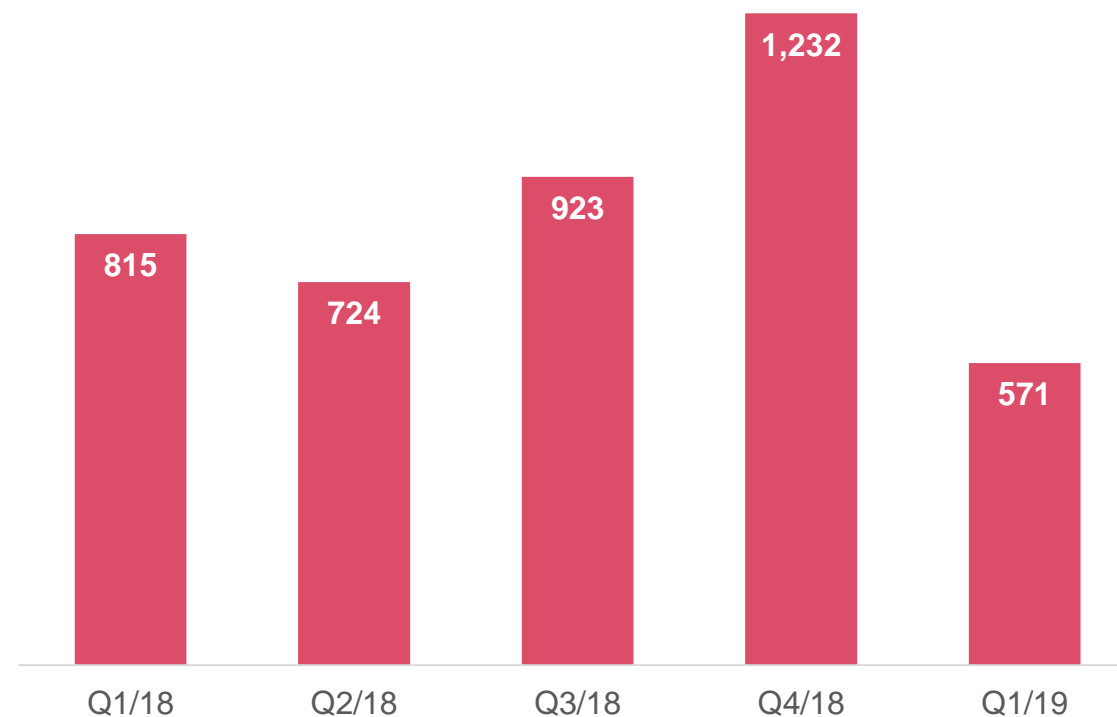
# Housing Russia

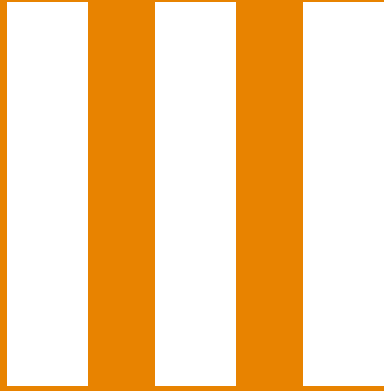
## Sales and start-ups in Q1

### SOLD APARTMENTS, units



### APARTMENT START-UPS, units





---

## Share ownership

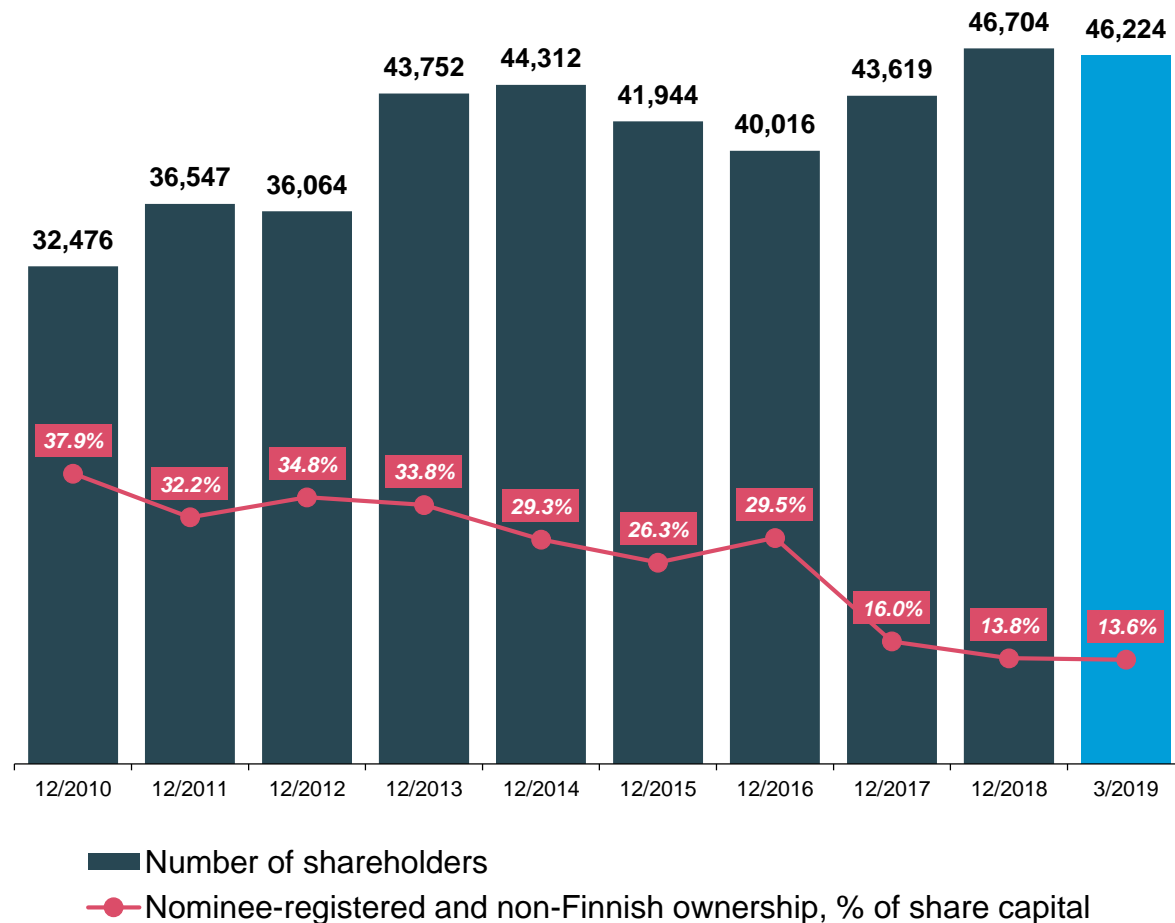


# YIT's shareholders

## MAJOR SHAREHOLDERS ON MARCH 31, 2019

Shareholder	Shares	% of share capital
1. Tercero Invest AB	24,125,000	11.43
2. Varma Mutual Pension Insurance Company	15,945,975	7.55
3. PNT Group Oy	15,296,799	7.25
4. Conficap Invest Oy	8,886,302	4.21
5. Pentti Heikki Oskari Estate	8,146,215	3.86
6. Ilmarinen Mutual Pension Insurance Company	5,610,818	2.66
7. Forstén Noora Eva Johanna	5,115,529	2.42
8. Herlin Antti	4,710,180	2.23
9. Elo Mutual Pension Insurance Company	3,786,587	1.79
10. Pentti Lauri Olli Samuel	3,398,845	1.61
Ten largest total	95,022,250	45.01
Nominee registered shares	22,778,741	10.79
Other shareholders	93,298,862	44.20
<b>Total</b>	<b>211,099,853</b>	<b>100.00</b>

## NUMBER OF SHAREHOLDERS AND SHARE OF NOMINEE-REGISTERED AND NON-FINNISH OWNERSHIP, MARCH 31, 2019



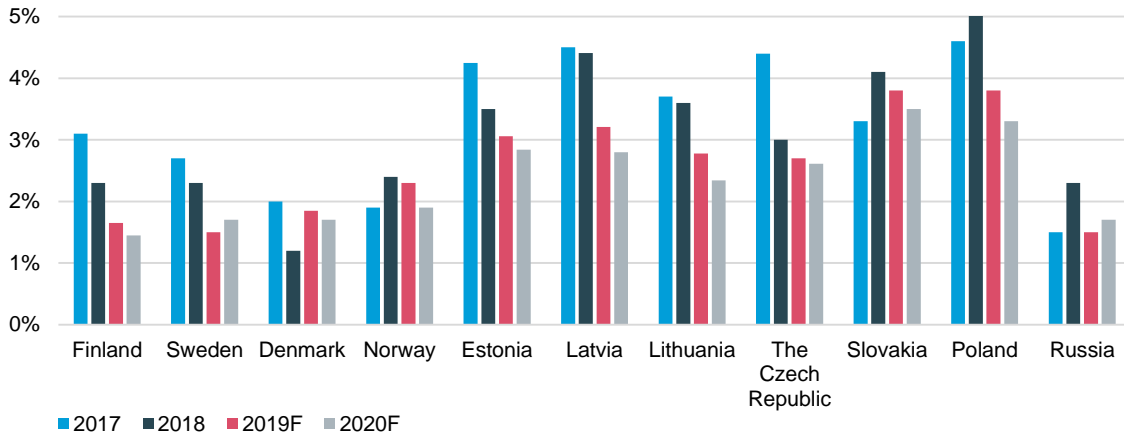
# IV

---

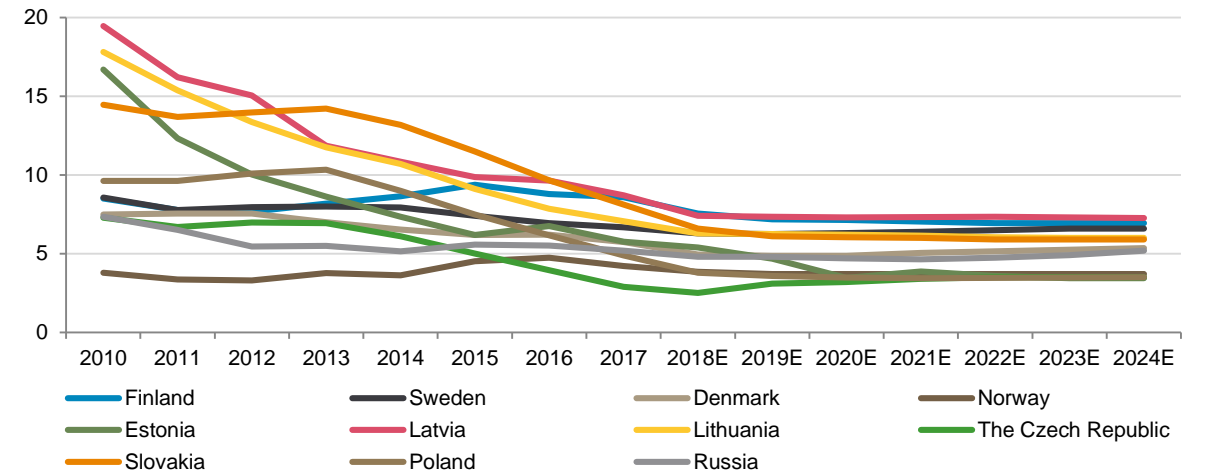
## General economic and construction indicators

# General economic and construction indicators

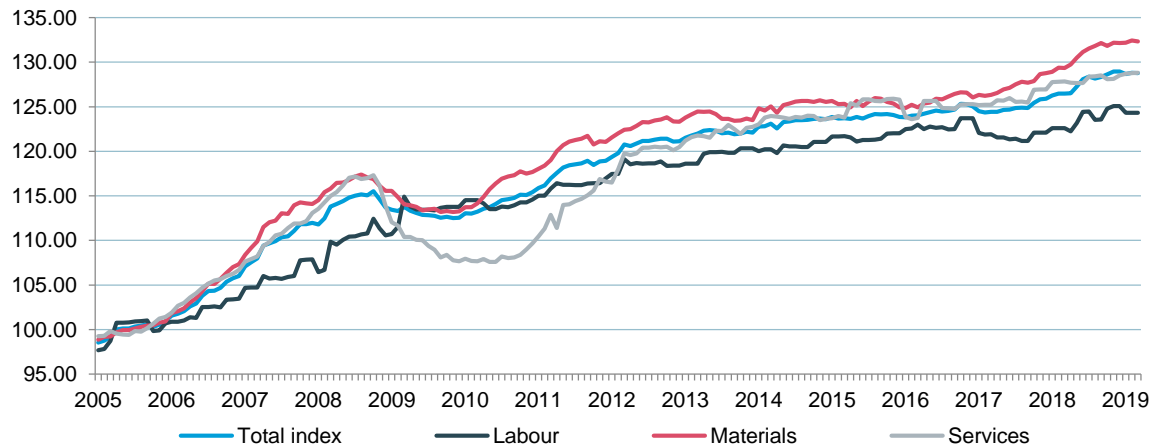
GDP GROWTH IN YIT'S OPERATING COUNTRIES, %



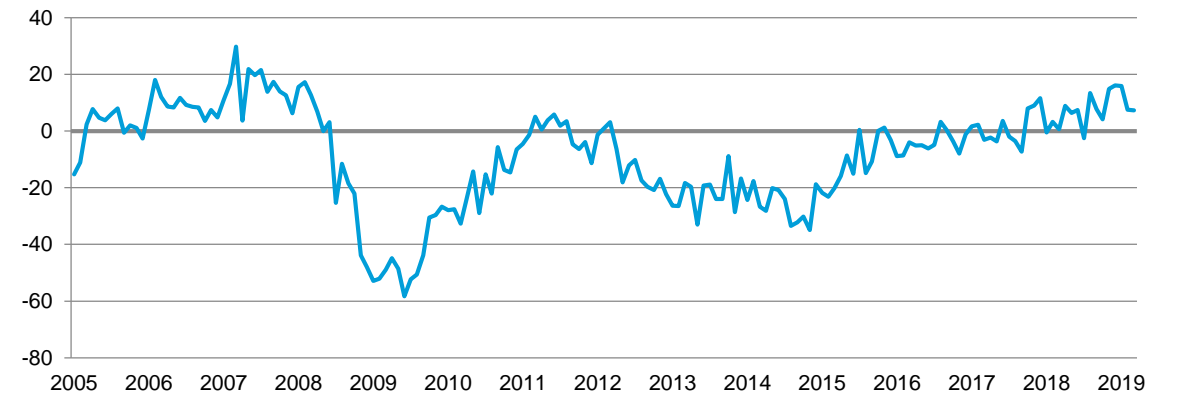
UNEMPLOYMENT RATE IN YIT'S OPERATING COUNTRIES, %



CONSTRUCTION COST INDEX IN FINLAND (index 2005=100)



CONSTRUCTION CONFIDENCE IN FINLAND (balance)

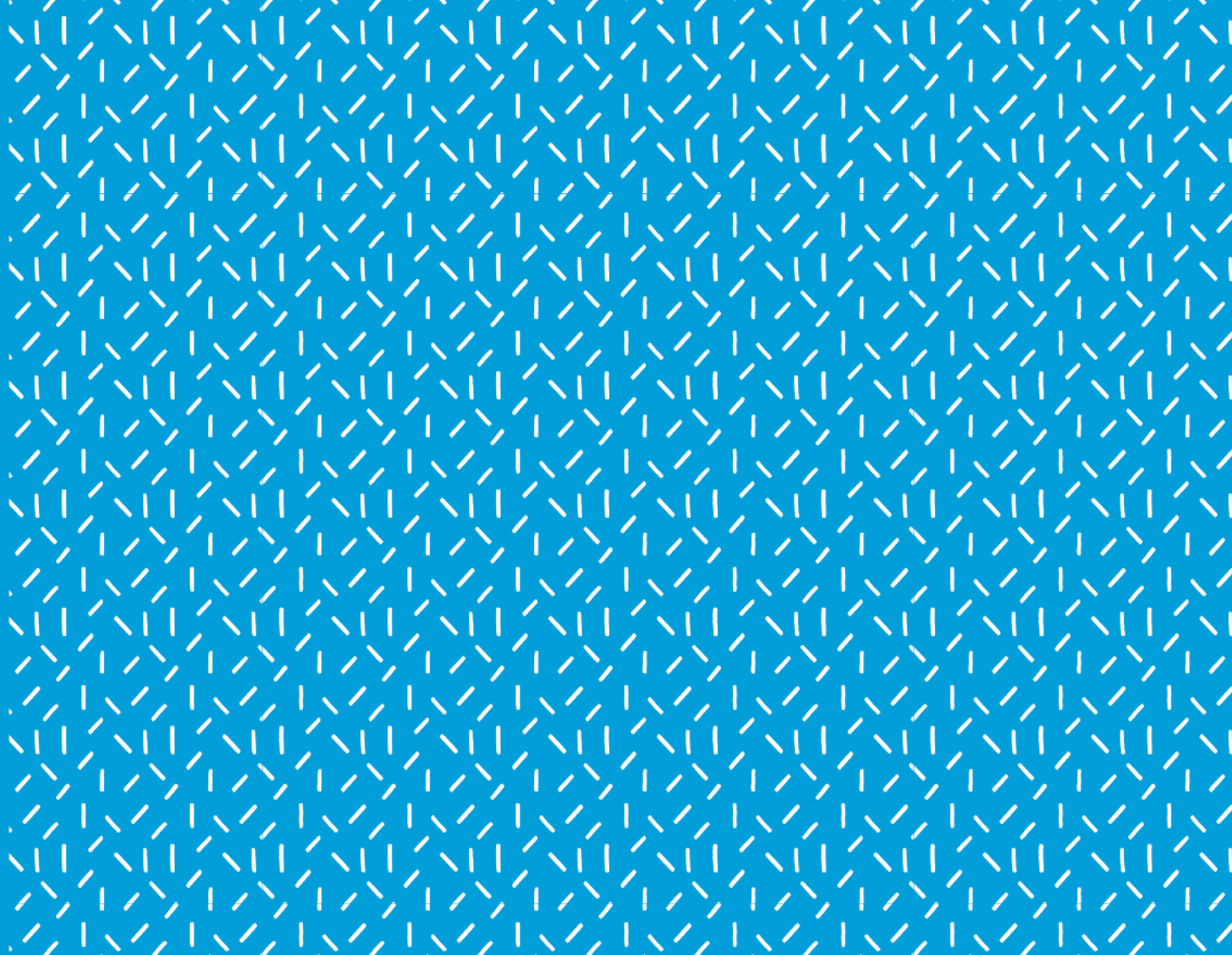


Sources: GDP growth: Bloomberg consensus 1 April 2019; Unemployment: IMF  
Construction cost index: Statistics Finland; Construction confidence: Confederation of Finnish Industries EK

# V

---

## Housing indicators





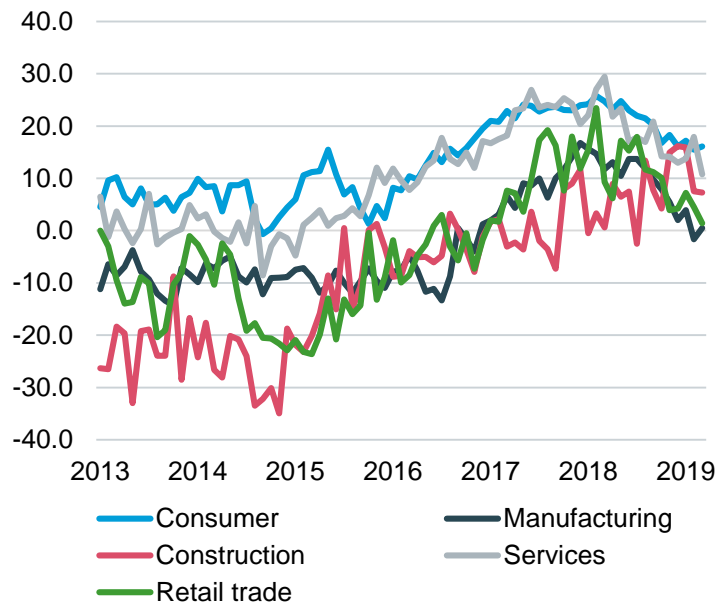
# Operating environment for housing in Q1

- In Finland, consumer demand was on a good level, supply on a high level
- Residential demand of private investors remained at a low level

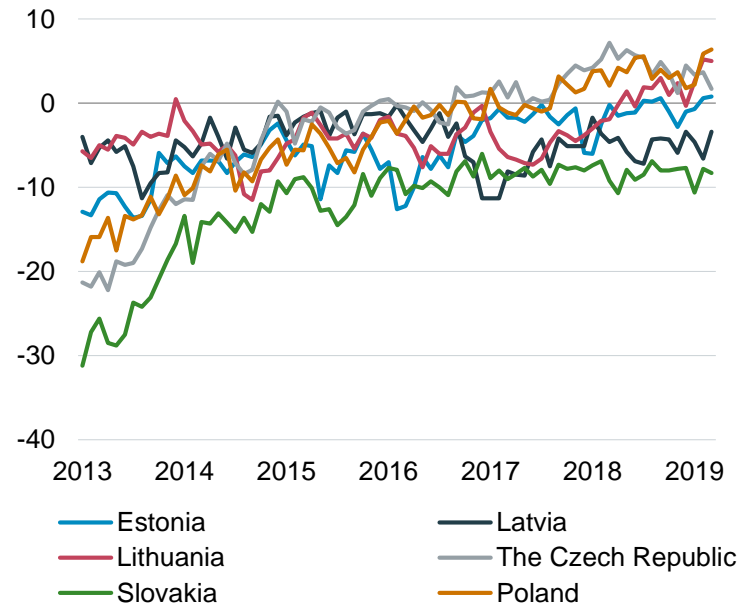
- Consumer demand was brisk in all CEE countries
- Due to increased construction volume, shortage of resources caused cost pressure

- In Russia, consumers were cautious with their apartment buying decisions
- Demand and prices remained stable
- Changes of the housing sales legislation coming into force in summer caused uncertainty

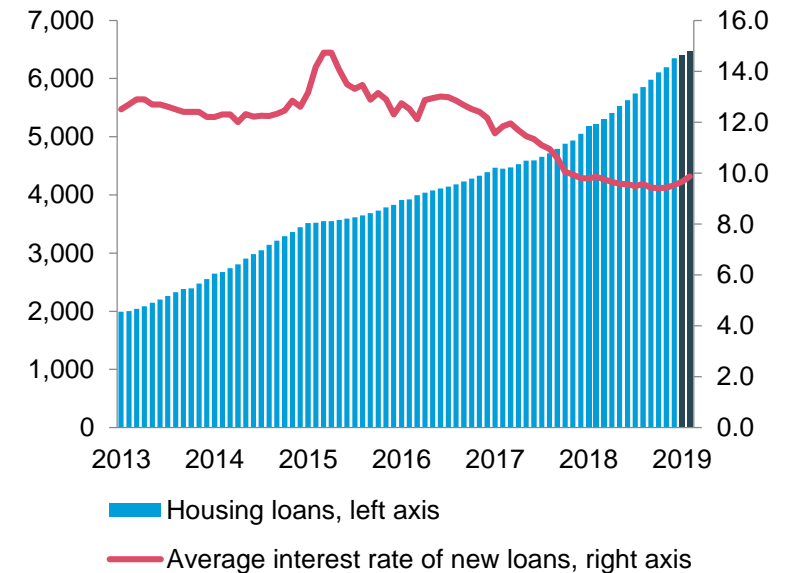
## CONFIDENCE INDICATORS IN FINLAND



## CONSUMER CONFIDENCE IN THE CEE COUNTRIES



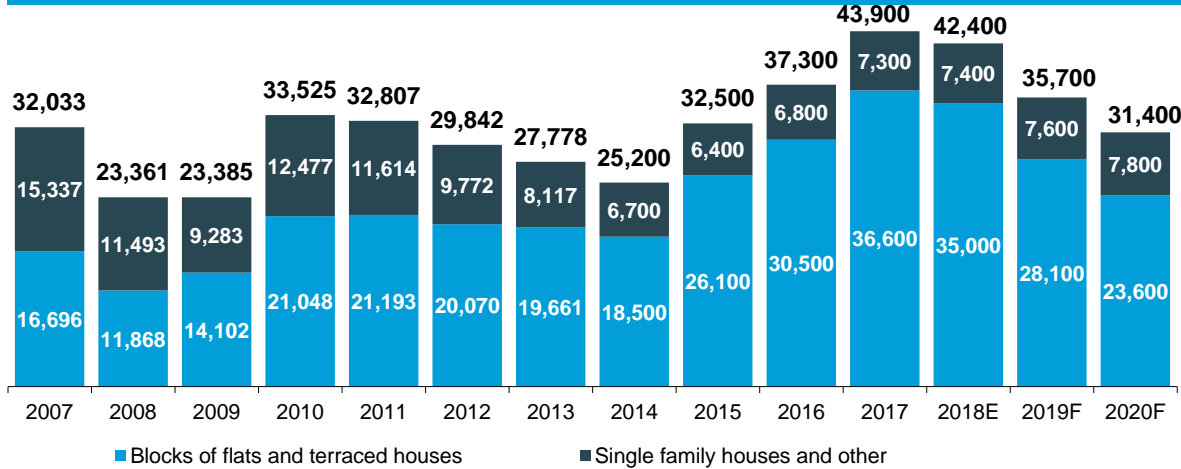
## HOUSING LOANS AND AVERAGE INTEREST RATE IN RUSSIA (RUB billion, %)



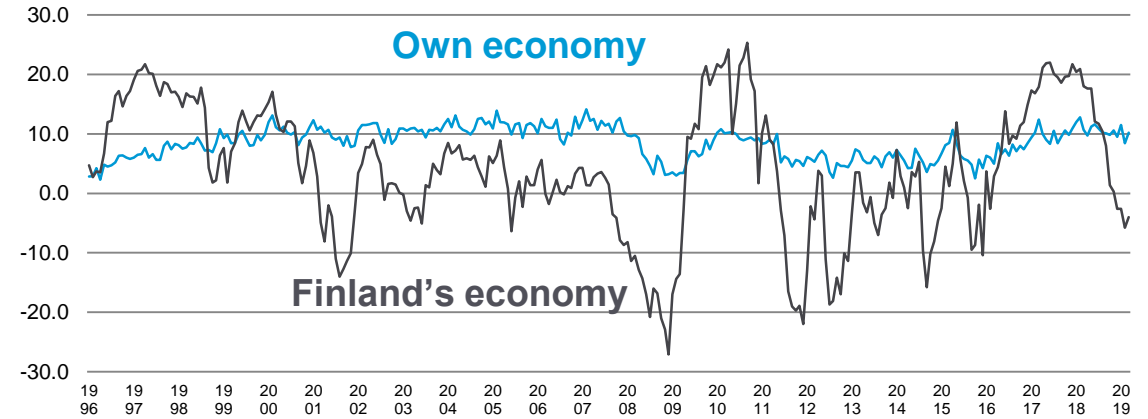
Sources: Statistics Finland and Confederation of Finnish Industries, EK; European Commission; Central Bank of Russia

# Start-ups expected to decrease in 2019 and 2020

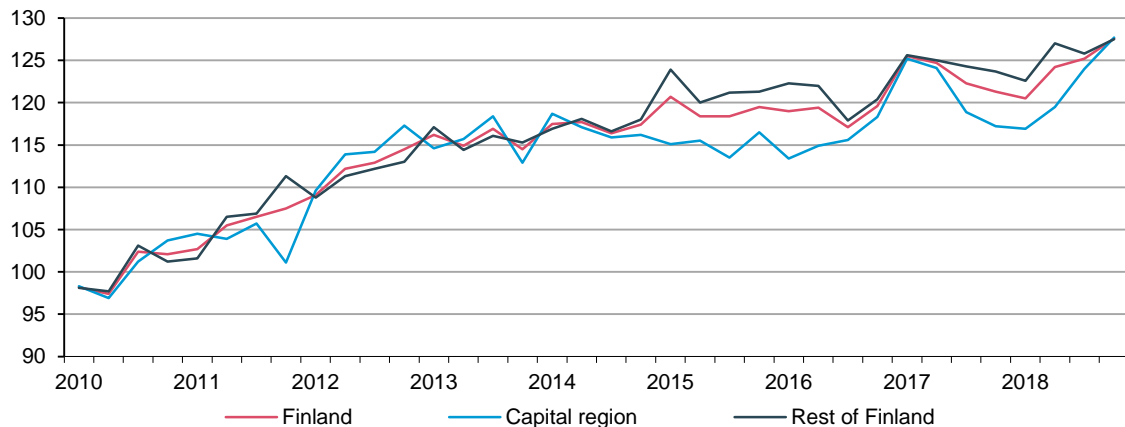
RESIDENTIAL START-UPS (units)



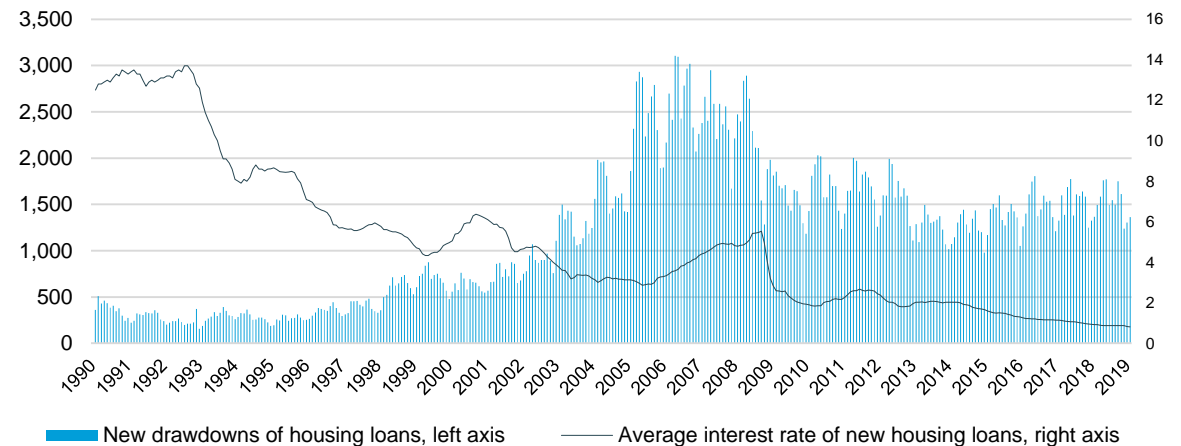
CONSUMERS' VIEWS ON ECONOMIC SITUATION IN ONE YEAR'S TIME (balance)



PRICES OF NEW DWELLINGS (index 2010=100)



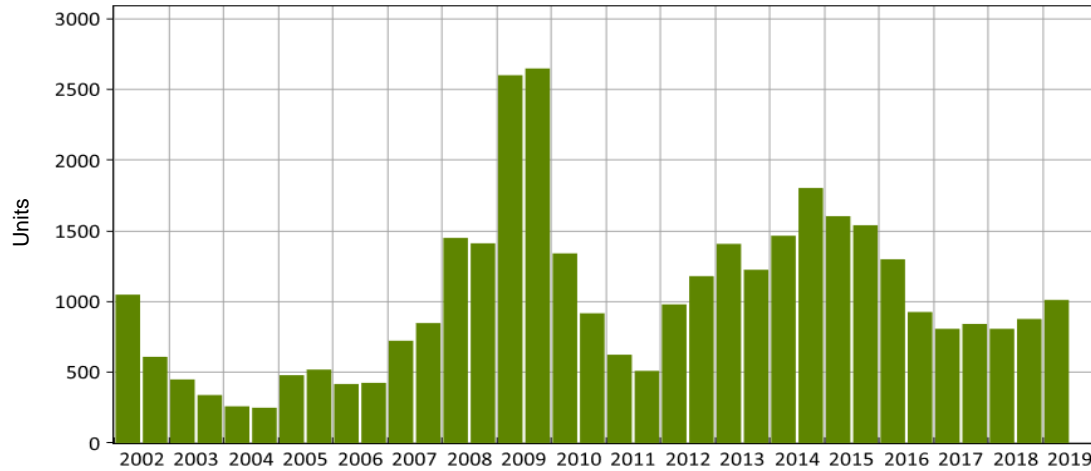
VOLUME OF NEW MORTGAGES AND AVERAGE INTEREST RATE (EUR million, %)



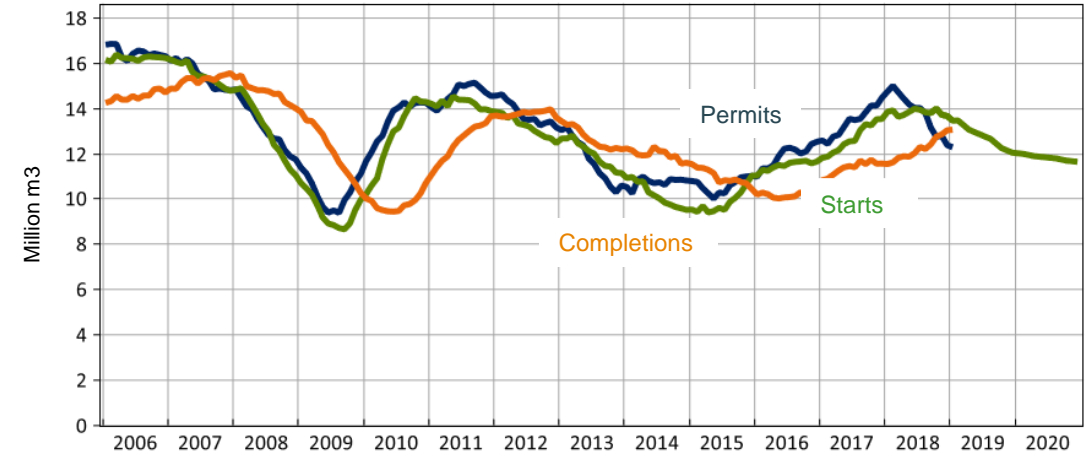
# Finland

## Construction indicators

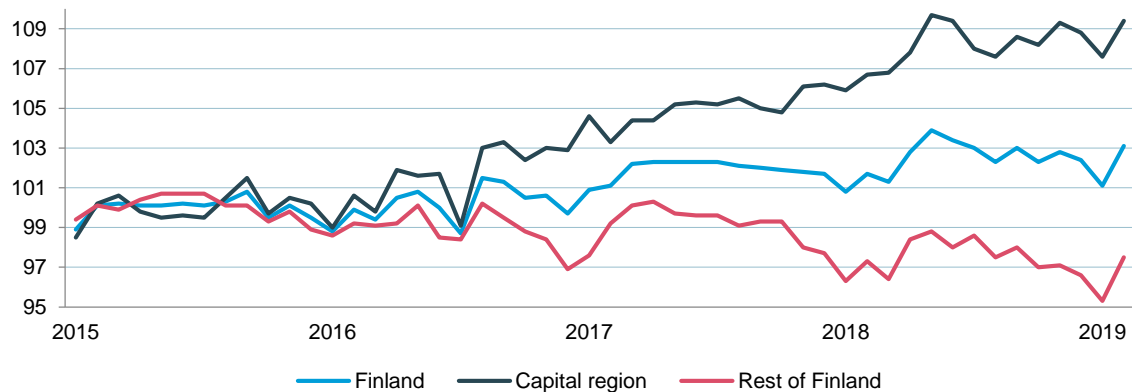
UNSOLD COMPLETED UNITS, RESIDENTIAL DEVELOPMENT PROJECTS (units)



RESIDENTIAL BUILDING PERMITS, START-UPS AND COMPLETIONS (million ,m<sup>3</sup>)



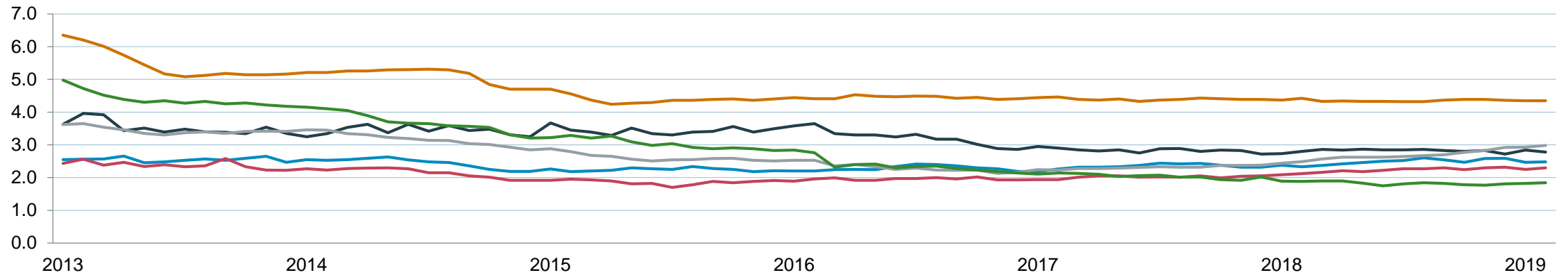
PRICES OF OLD APARTMENTS IN FINLAND (index 2015=100)



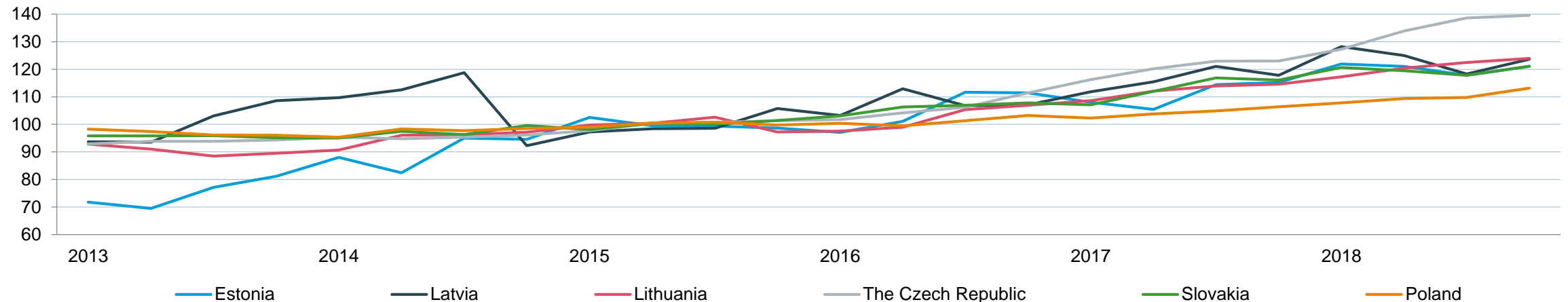
# CEE

## Operating environment in CEE

AVERAGE INTEREST RATE OF MORTGAGES IN CEE COUNTRIES (%)



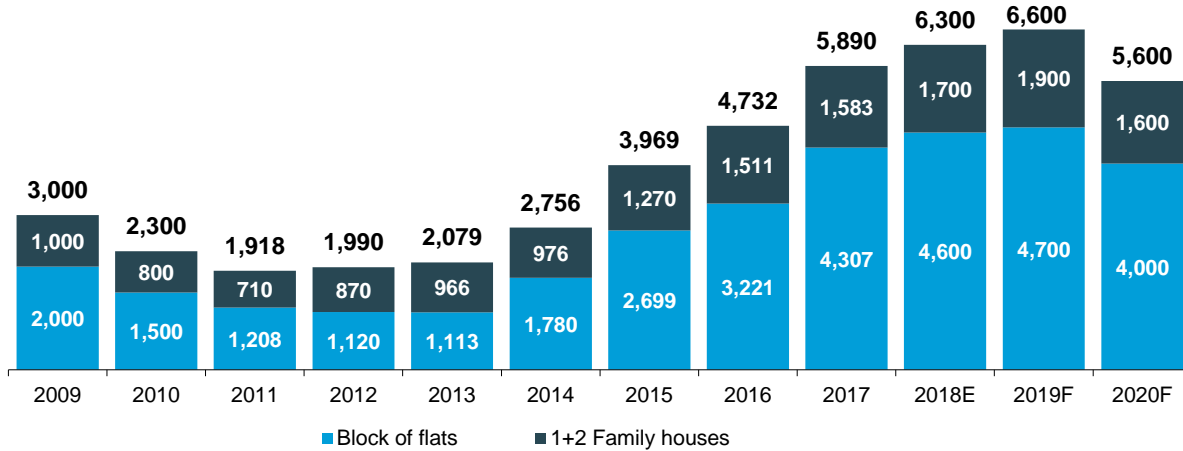
HOUSE PRICE INDEX, NEW DWELLINGS IN CEE COUNTRIES (2015=100)



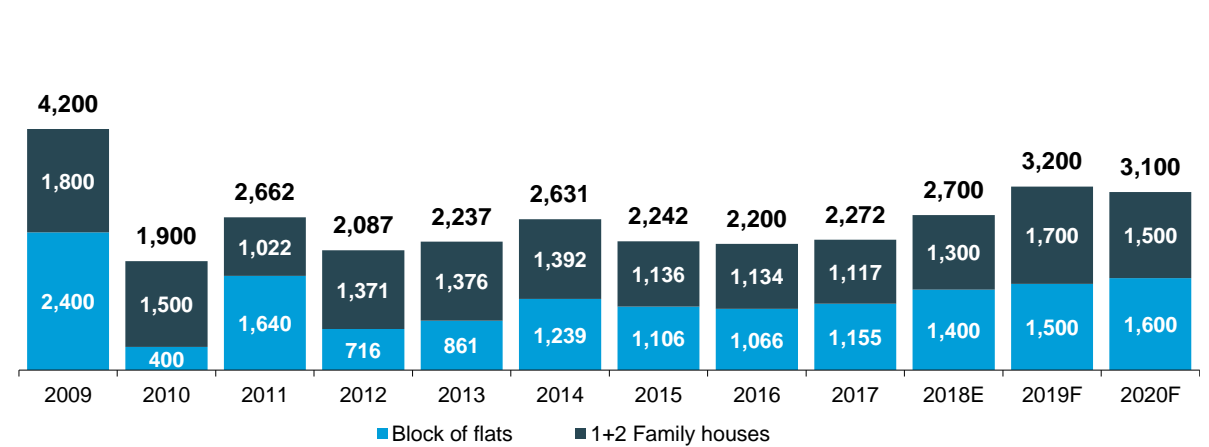
# The Baltic Countries

## Residential construction is expected to level off

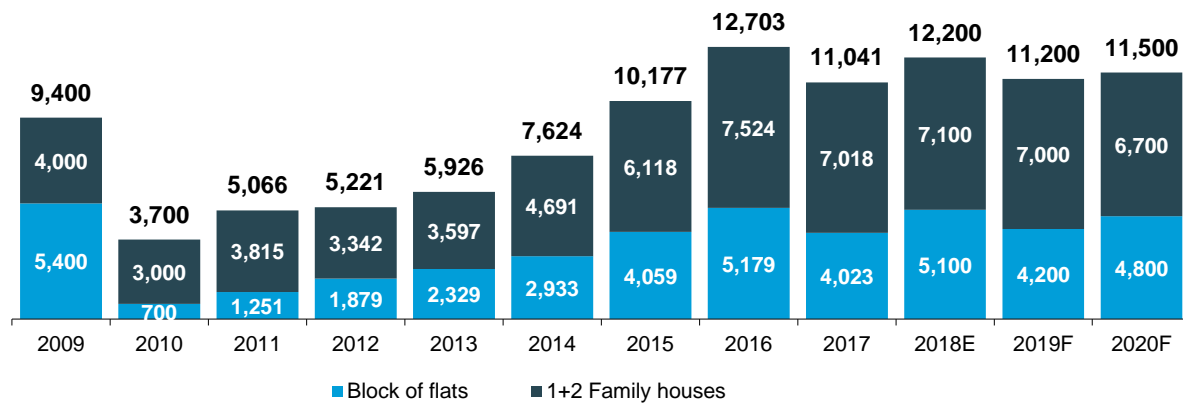
### RESIDENTIAL COMPLETIONS IN ESTONIA (UNITS)



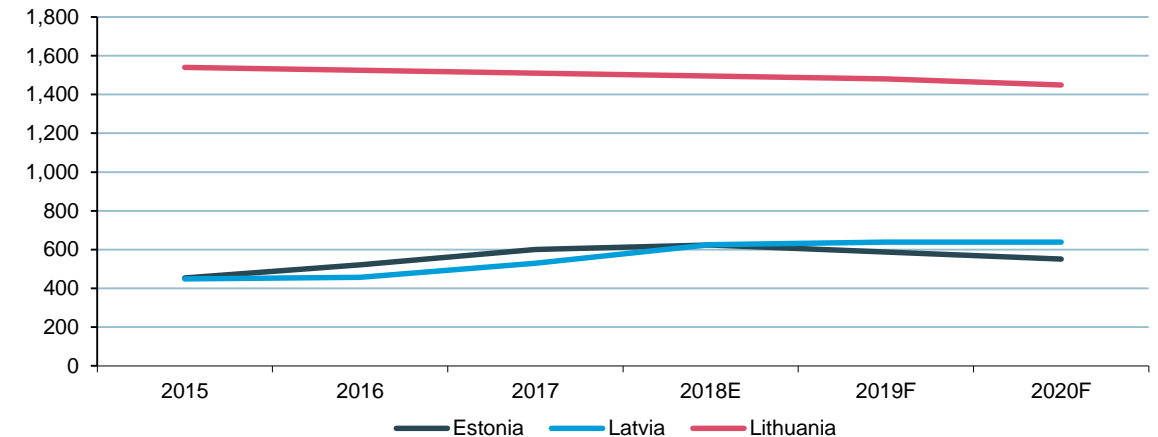
### RESIDENTIAL COMPLETIONS IN LATVIA (UNITS)



### RESIDENTIAL COMPLETIONS IN LITHUANIA (UNITS)



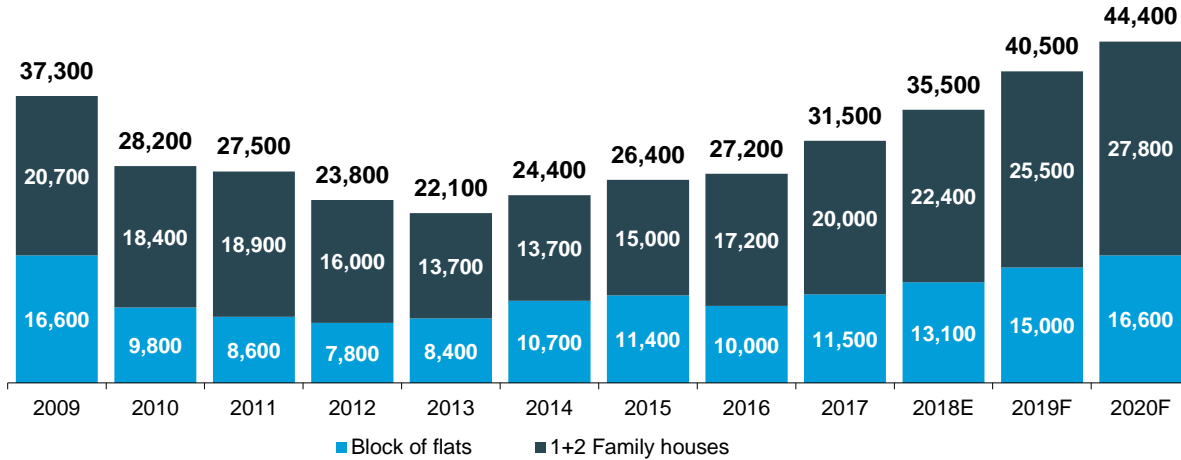
### NEW RESIDENTIAL CONSTRUCTION VOLUME (EUR MILLION at 2017 prices, excl. taxes)



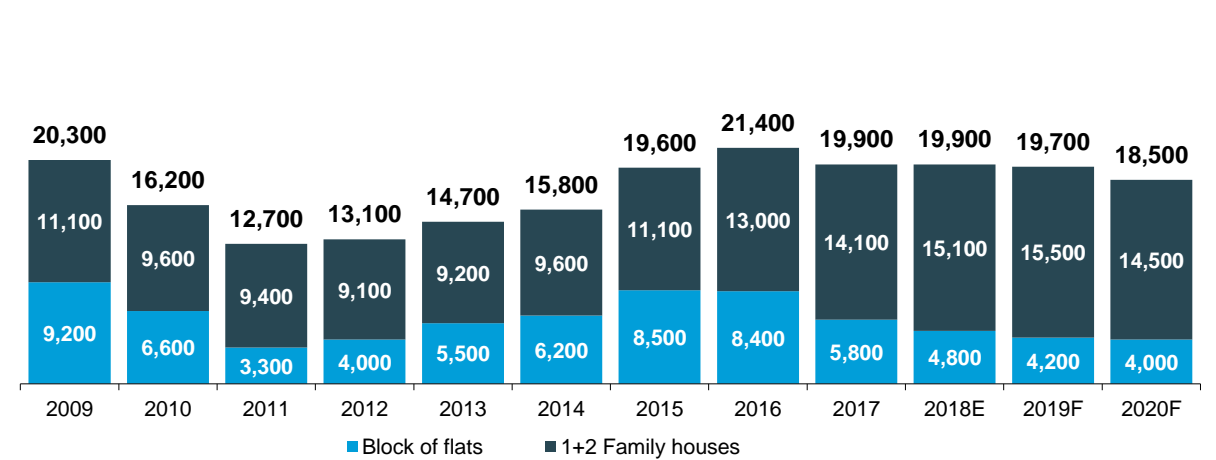


# Start-ups forecasted to grow in the Czech Republic

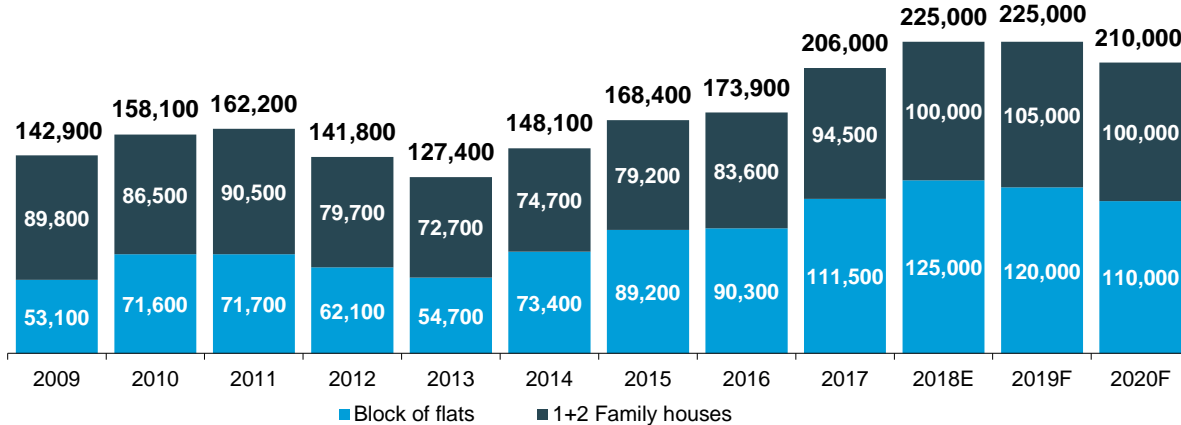
RESIDENTIAL START-UPS IN THE CZECH REPUBLIC (UNITS)



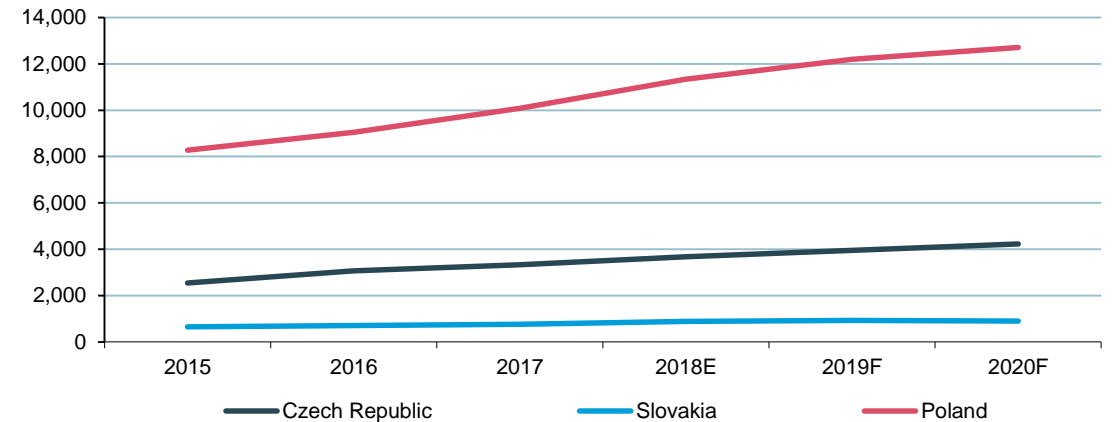
RESIDENTIAL START-UPS IN SLOVAKIA (UNITS)



RESIDENTIAL START-UPS IN POLAND (UNITS)



NEW RESIDENTIAL CONSTRUCTION VOLUME (EUR MILLION at 2017 prices)



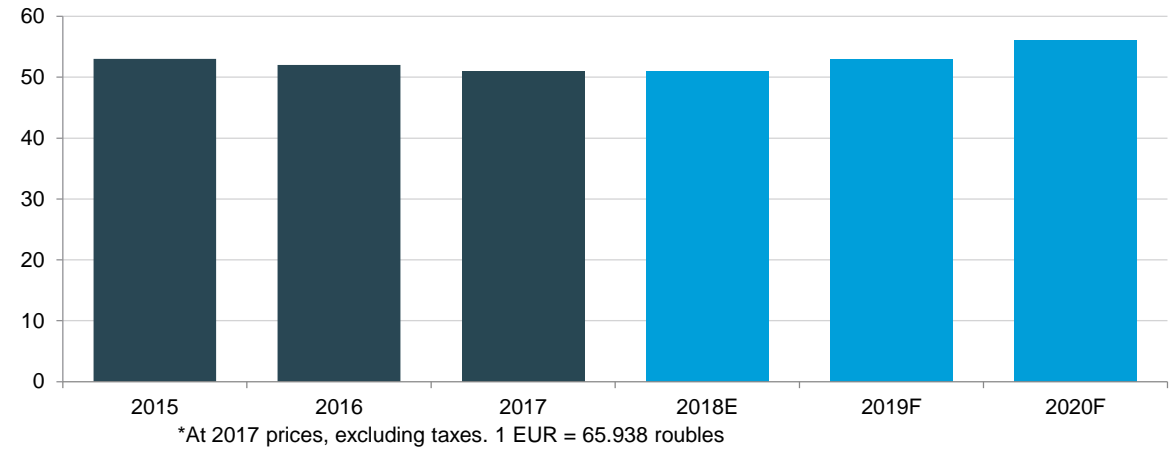
# Russia

## EUR/RUB exchange rate and housing indicators

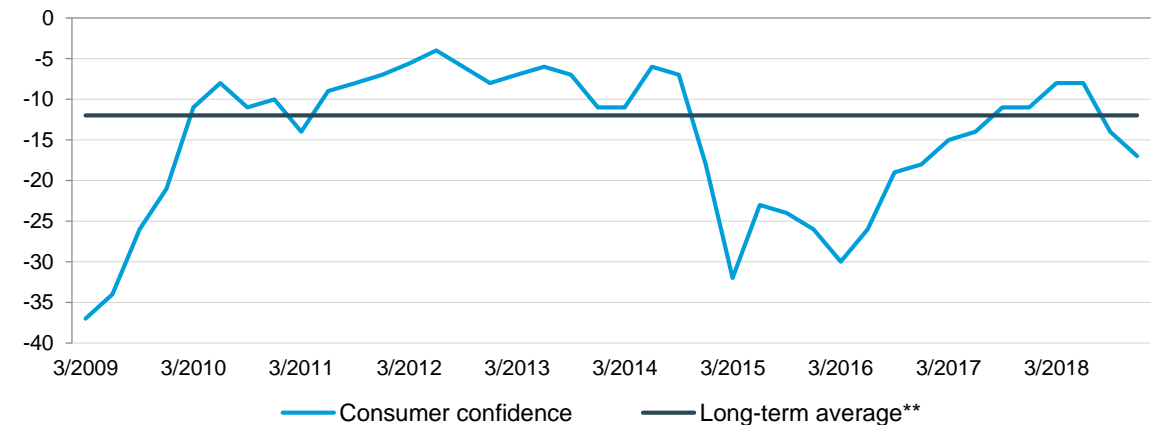
### EUR/RUB EXCHANGE RATE



### NEW RESIDENTIAL CONSTRUCTION VOLUMES (EUR billion\*)



### CONSUMER CONFIDENCE



# VI

---

Business premises,  
infrastructure and paving  
indicators

# Group

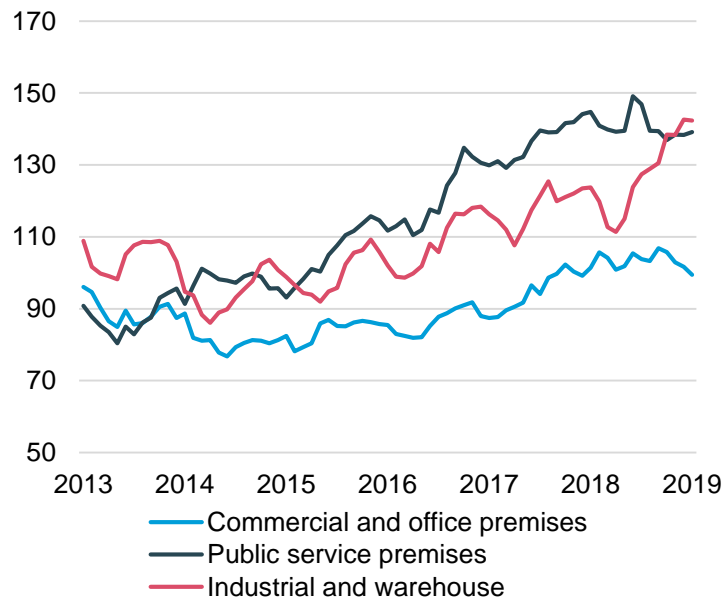
## Operating environment for business premises, infrastructure projects and paving in Q1

- The good market in Finland continued to support public and private investments. The volume of construction on a high level. Tenant demand on a good level in the Helsinki metropolitan area.
- The rental levels remained on a good level in Finland and in the Baltic countries.

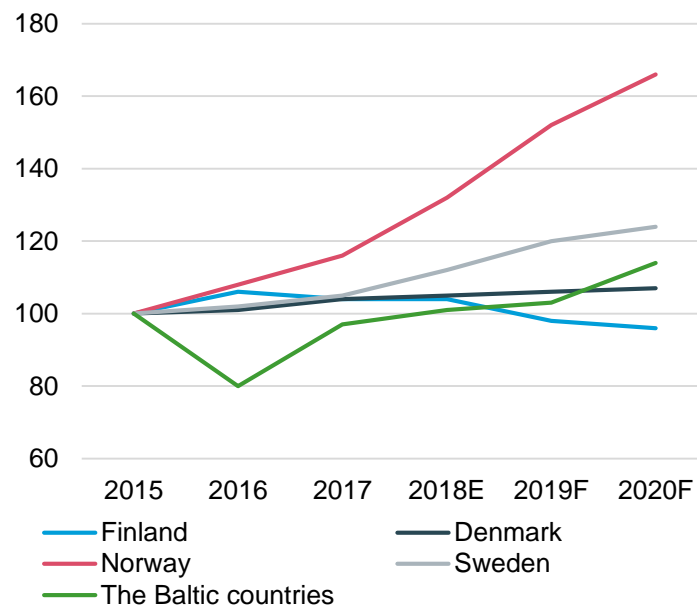
- In Sweden and Norway, the infrastructure market remained strong, and there are several major infra projects and industrial investments ongoing or planned in both countries.
- In Finland, volume in infrastructure construction has declined following the decrease in construction project start-ups.

- In Finland, State investments have declined clearly in the beginning of the year 2019.
- In Sweden, the market was solid, and in Norway the state investments continued to be strong. In Denmark, the competition remained intense.

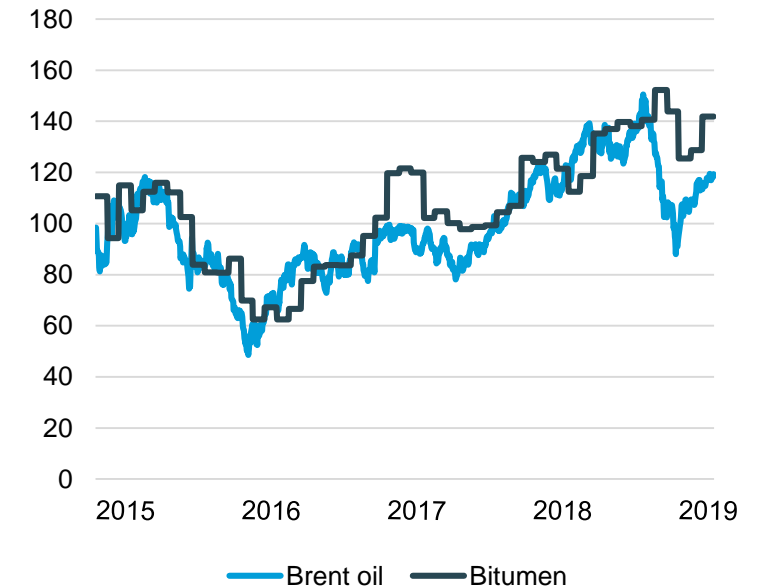
### VOLUME OF NEW CONSTRUCTION IN FINLAND (index 2010=100)



### INFRASTRUCTURE MARKET (index 2015=100)



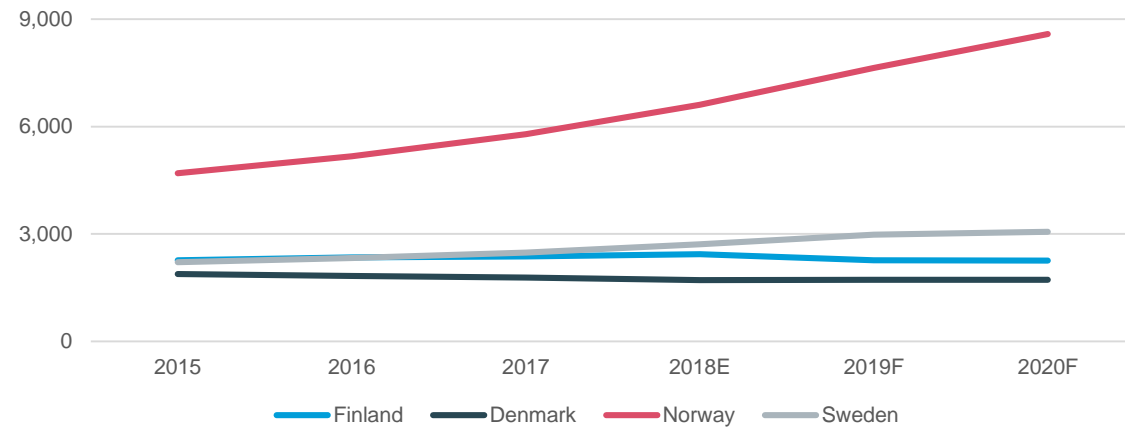
### BITUMEN AND BRENT OIL PRICE DEVELOPMENT (index 2015=100)



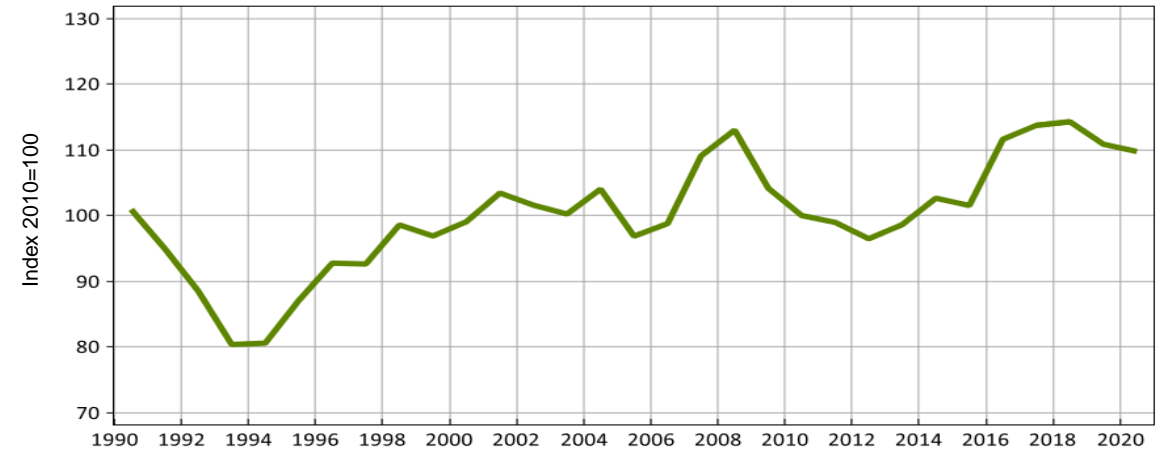
# Infrastructure, paving and business premises

## Operating environment

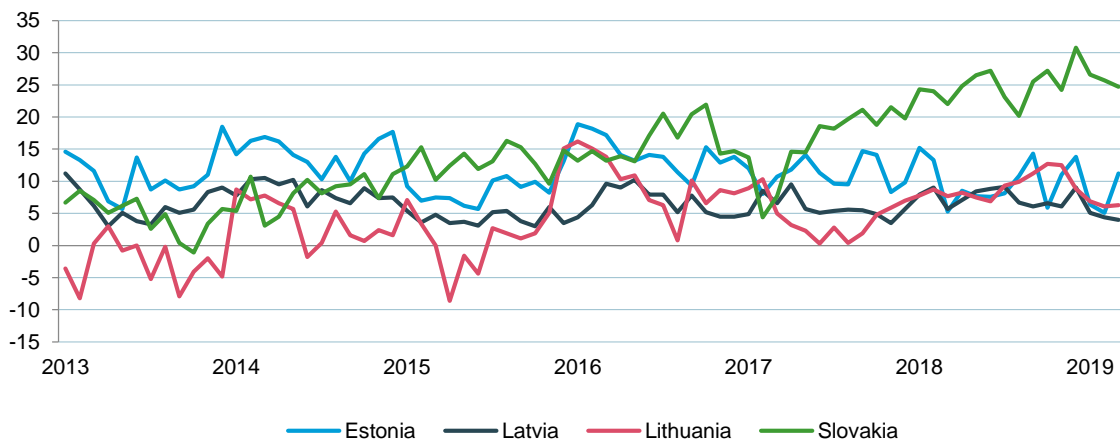
**TRANSPORT INFRASTRUCTURE, ROADS (EUR million at 2017 prices)**



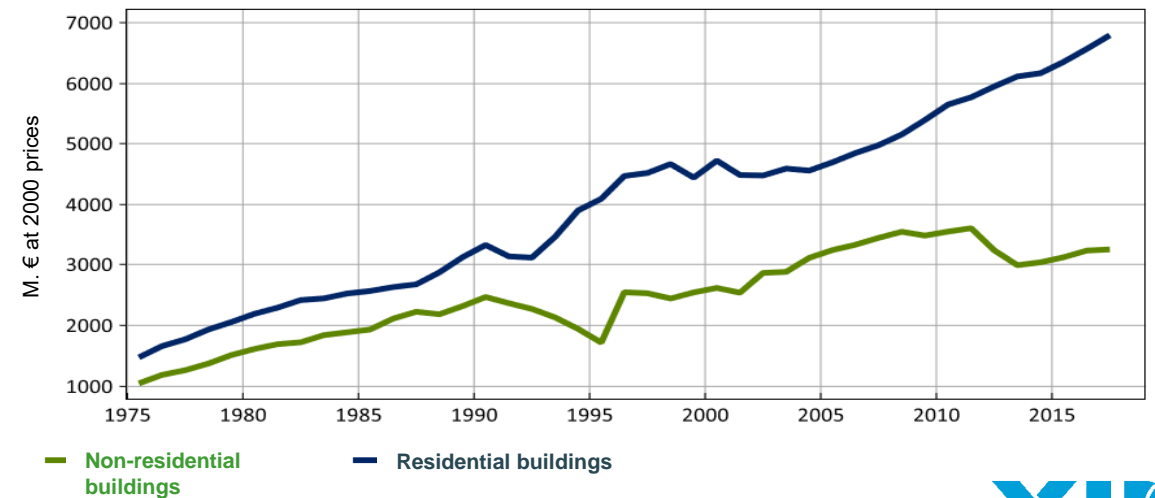
**CIVIL ENGINEERING INVESTMENT VOLUME IN FINLAND**



**RETAIL TRADE CONFIDENCE IN THE BALTIC COUNTRIES AND SLOVAKIA**



**RENOVATION AND MODERNISATION OF BUILDING CONSTRUCTION IN FINLAND**

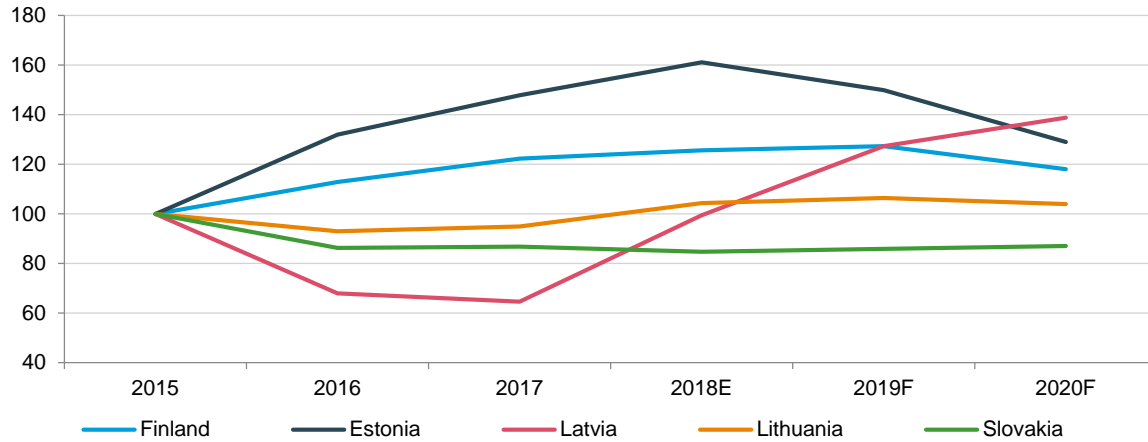




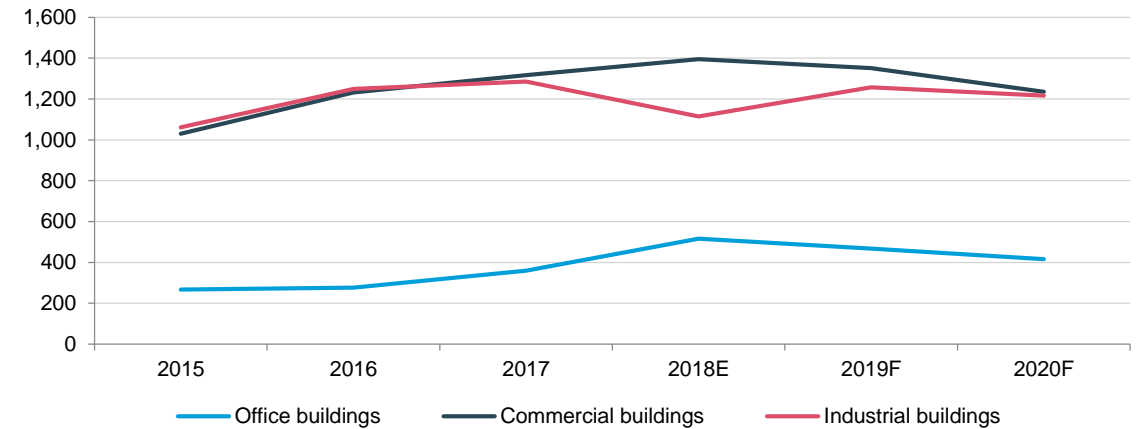
# Finland, the Baltic countries and Slovakia

## Non-residential construction volumes

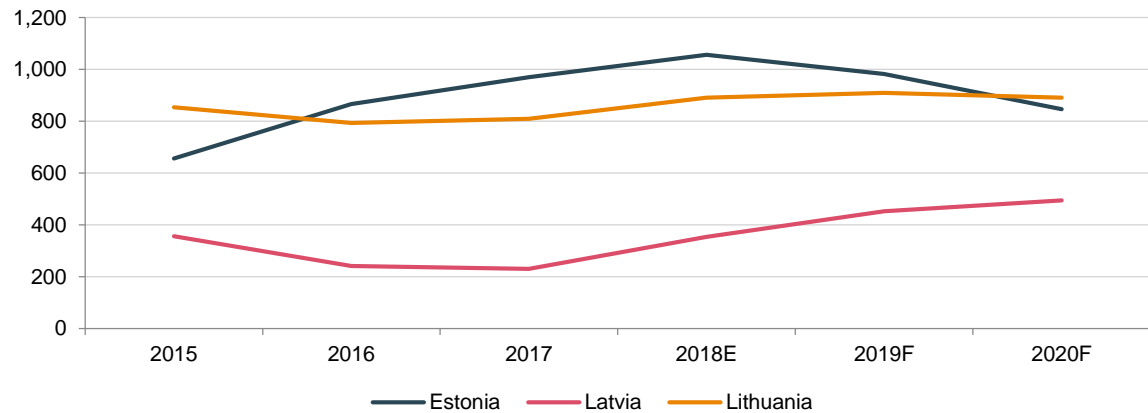
**NEW NON-RESIDENTIAL CONSTRUCTION VOLUMES (index 2015=100)**



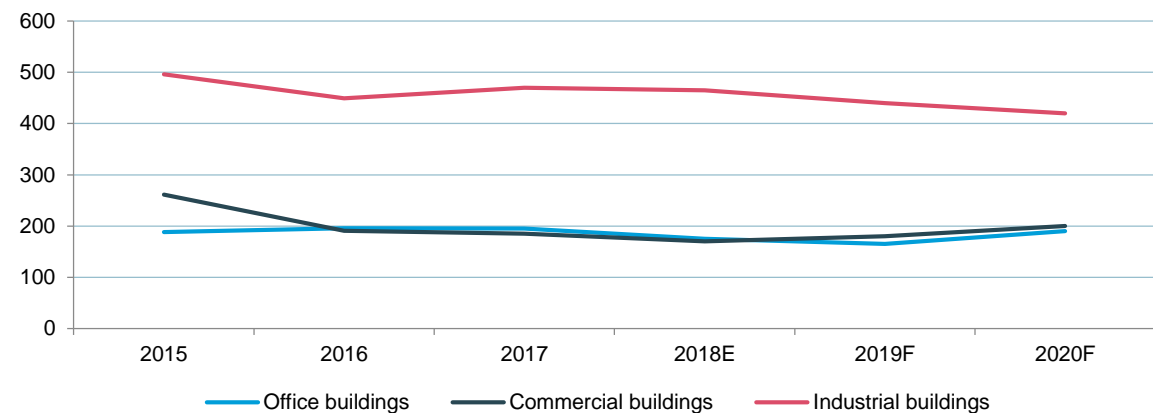
**NEW NON-RESIDENTIAL CONSTRUCTION IN FINLAND (EUR million at 2017 prices)**



**NEW NON-RESIDENTIAL CONSTRUCTION IN THE BALTIC COUNTRIES (EUR million at 2017 prices)**



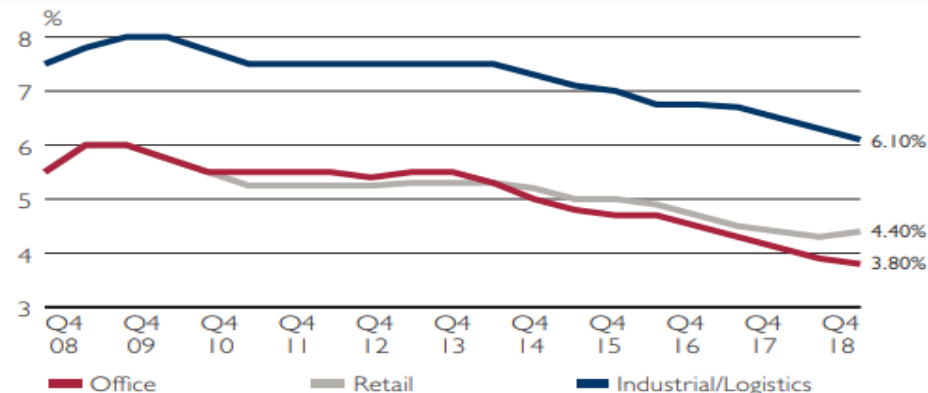
**NEW NON-RESIDENTIAL CONSTRUCTION IN SLOVAKIA (EUR million at 2017 prices)**



# Finland

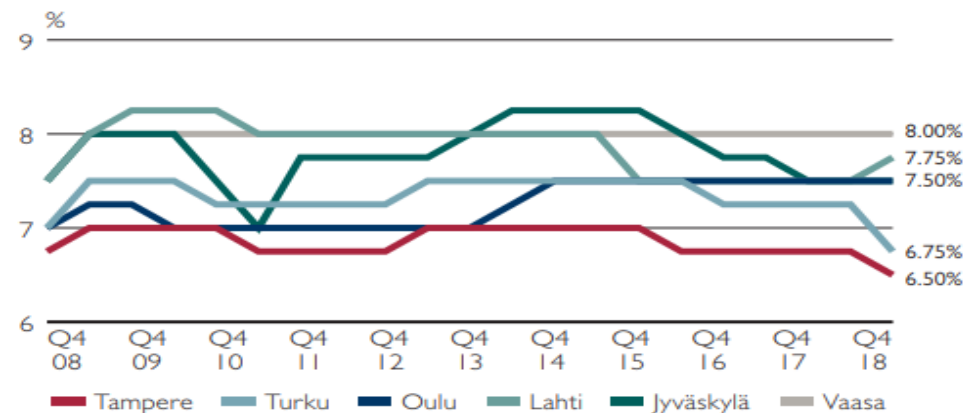
## Yields and transaction volumes in Finland

PRIME YIELDS IN THE HELSINKI METROPOLITAN AREA, (%)



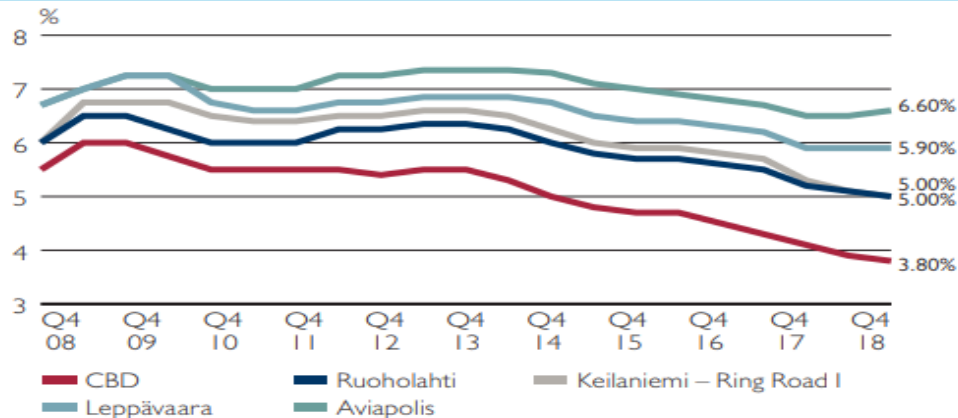
Particularly long lease agreements currently decrease yields by approximately 0.1–0.5% points in the Helsinki CBD and 0.1–0.7% points in other submarkets.

PRIME YIELDS IN GROWTH CENTRES, (%)



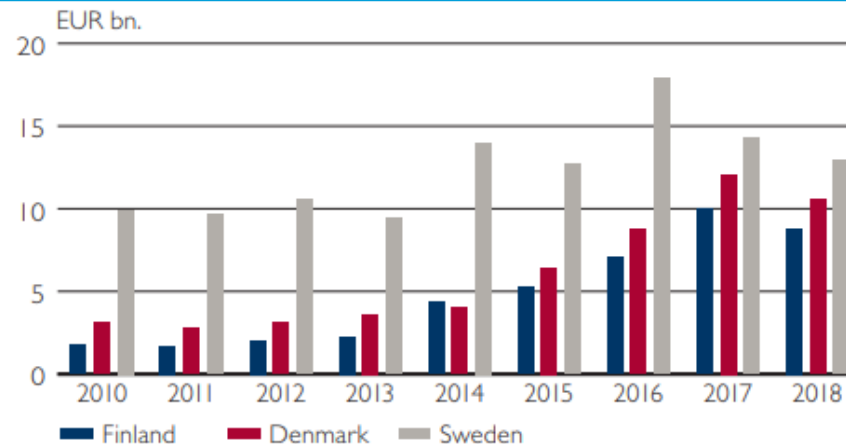
Particularly long lease agreements currently decrease yields by 0.1–0.7% points.

OFFICE YIELDS IN THE HELSINKI METROPOLITAN AREA, (%)



Particularly long lease agreements currently decrease yields by approximately 0.1–0.5% points in the Helsinki CBD and 0.1–0.7% points in other submarkets.

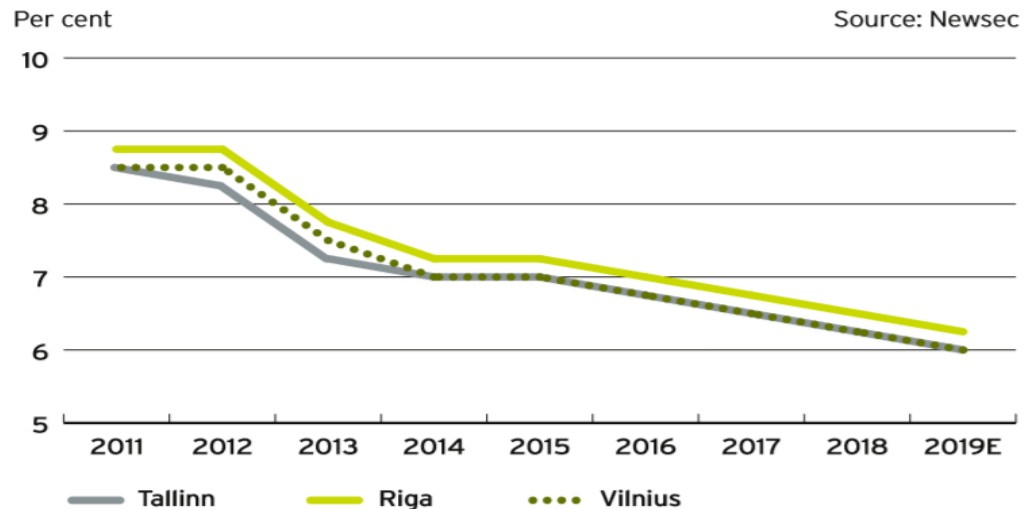
TRANSACTION VOLUME IN FINLAND, DENMARK AND SWEDEN, (EUR bn)



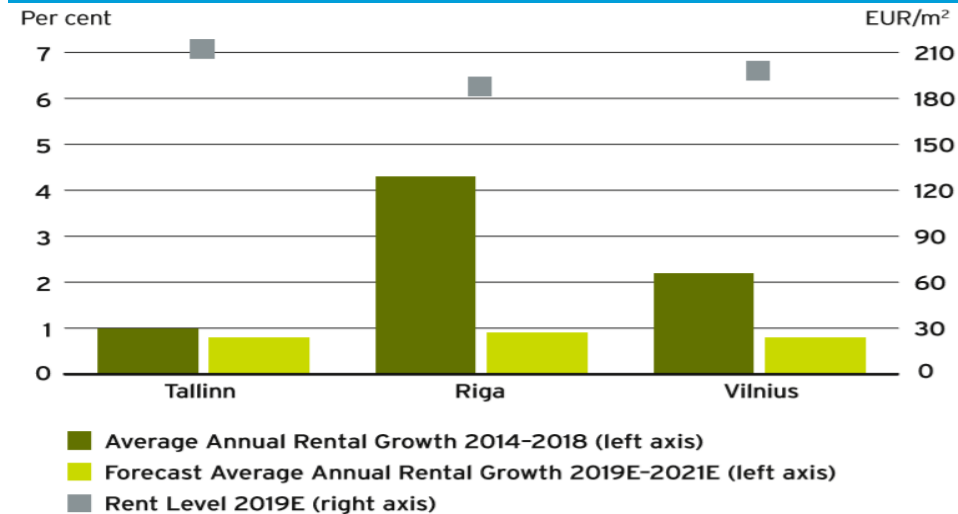
# The Baltic countries

## Yields are expected to decrease slightly

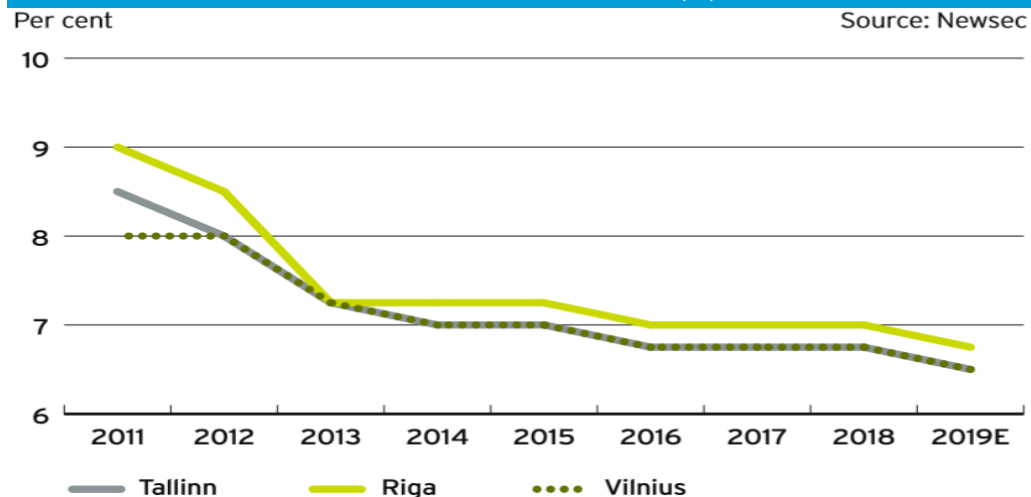
### PRIME OFFICE YIELDS IN THE BALTIC COUNTRIES (%)



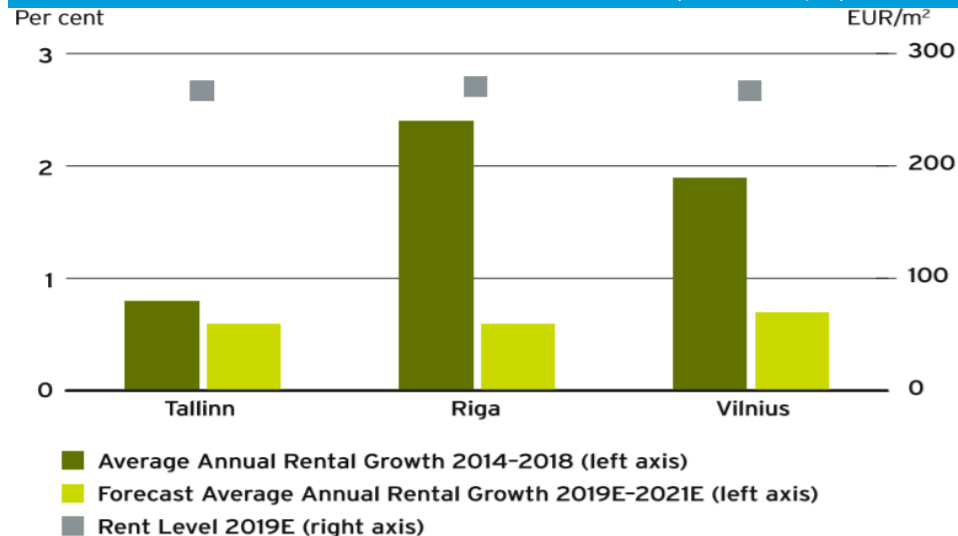
### PRIME OFFICE RENTS IN THE BALTIC COUNTRIES (% , EUR/sq.m)



### PRIME RETAIL YIELDS IN THE BALTIC COUNTRIES (%)



### PRIME RETAIL RENTS IN THE BALTIC COUNTRIES (% , EUR/sq.m)



# Disclaimer

---

This presentation has been prepared by, and the information contained herein (unless otherwise indicated) has been provided by YIT Corporation (the “Company”). By attending the meeting or event where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations. This presentation is being furnished to you solely for your information on a confidential basis and may not be reproduced, redistributed or passed on, in whole or in part, to any other person.

This presentation does not constitute or form part of and should not be construed as, an offer to sell, or the solicitation or invitation of any offer to buy, acquire or subscribe for, securities of the Company or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investments decision whatsoever. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither the Company nor any of its respective affiliates, advisors or representatives nor any other person shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with the presentation. Each person must rely on their own examination and analysis of the Company and the transactions discussed in this presentation, including the merits and risks involved.

This presentation includes “forward-looking statements”. These statements contain the words "anticipate", “will”, "believe", "intend", "estimate", "expect" and words of similar meaning. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this presentation. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The Company cautions you that forward-looking statements are not guarantees of future performance and that its actual financial position, business strategy, plans and objectives of management for future operations may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Company's financial position, business strategy, plans and objectives of management for future operations are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. Neither the Company nor any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this presentation.

**Together  
we can  
do it.**