

Q2



MERENKULKIJANRANTA, HELSINKI, FINLAND

Half-year report January-June 2020

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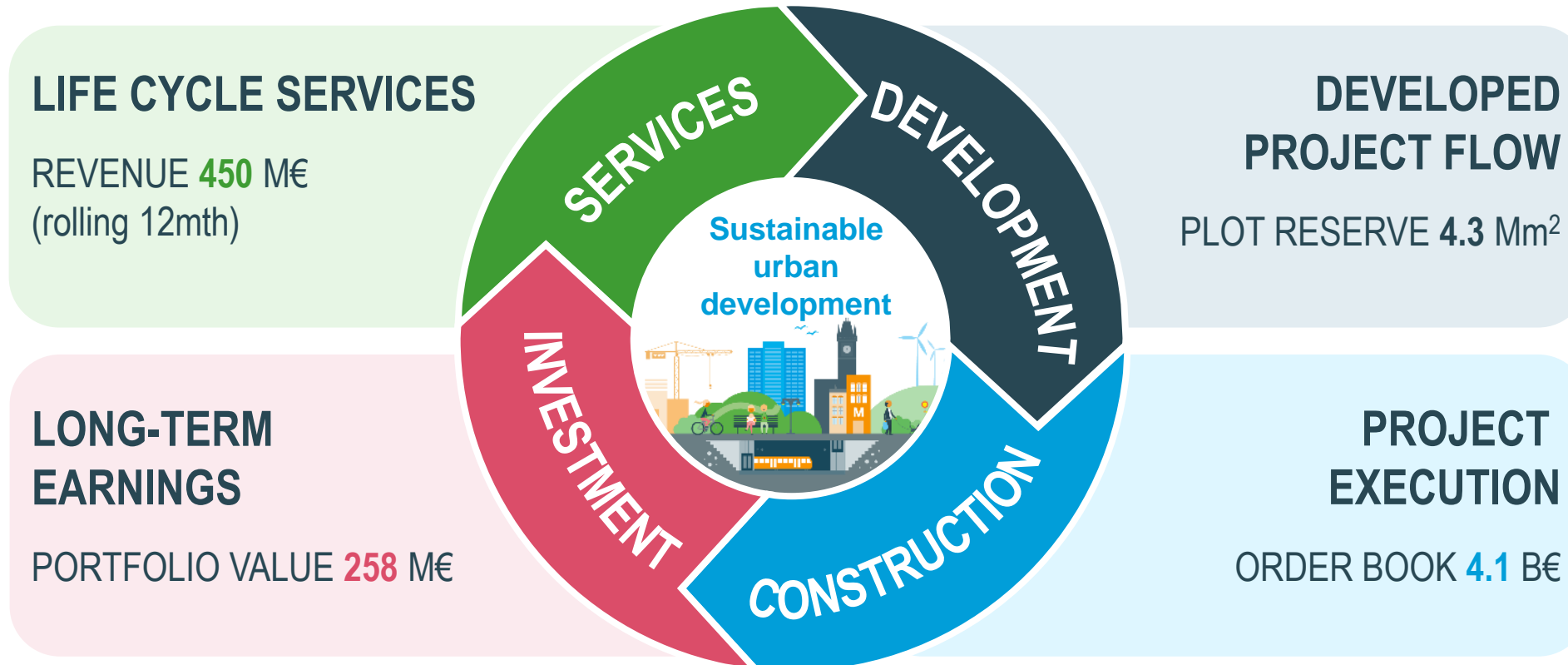
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Sustainable urban development is the core of our business



Q2: Operations remained stable during the coronavirus pandemic with strong cash flow

Financial settlements
of €17 million in
Business premises

Strong liquidity and
cash flow

Apartment sales
recovering towards the
end of quarter

Order book grew by
6%
q-o-q



Materialised impacts of coronavirus pandemic moderate, uncertainties remain

Q2

Successful actions

- Speed and flexibility of organisation to adapt operations
- Rapid proactive actions on sites ensuring continuity

External impacts

- Housing consumer sales dipped and started to recover
- A few temporary shutdowns in sites
- Private investments postponed



Q3

- Sites ongoing
- Housing consumer demand revitalising
- First infra stimulus packages in tendering



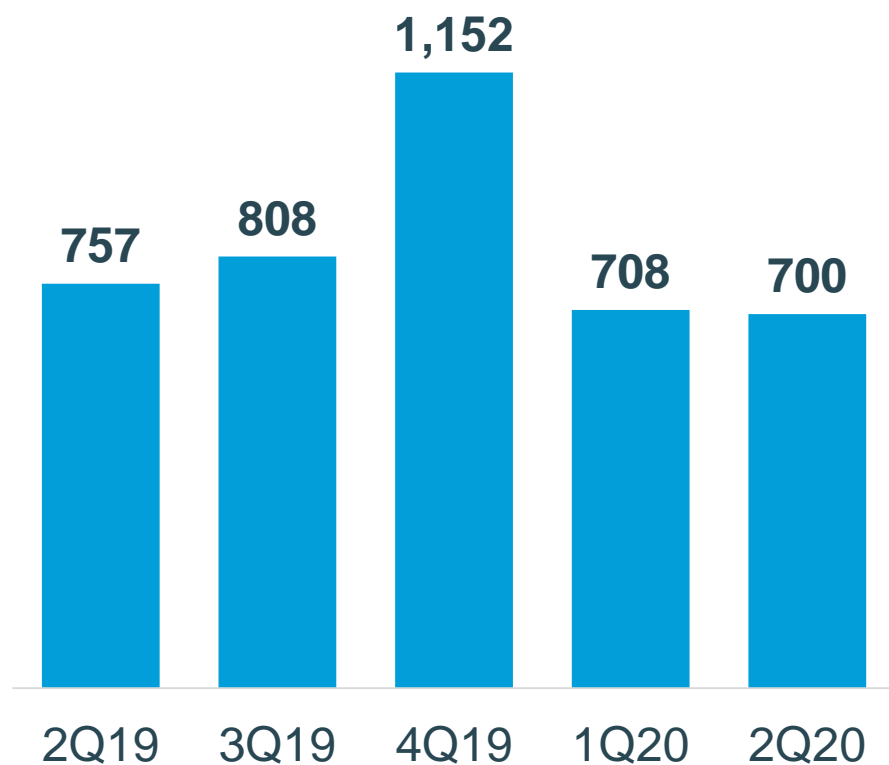
Q4

- Apartment completion timings uncertain
- Sales rates of projects at completion

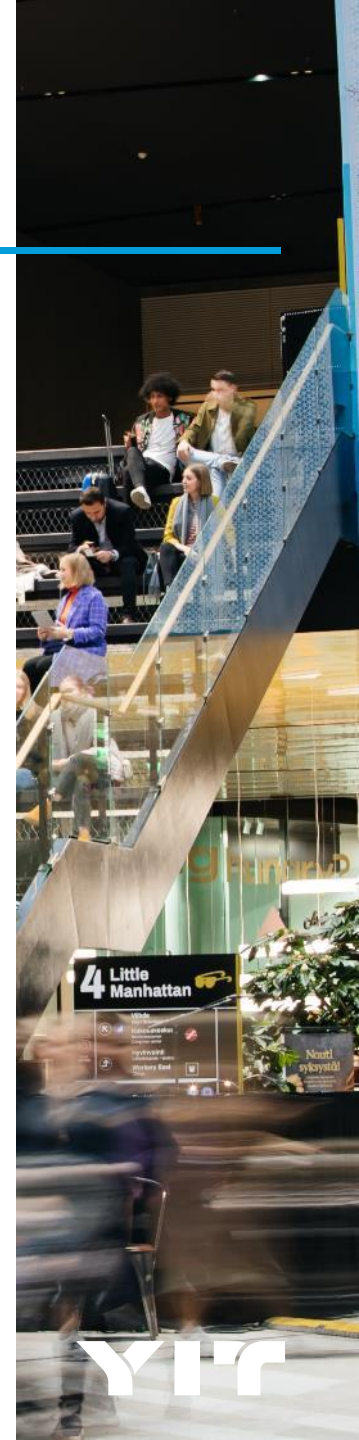


Order book increased 6% quarter-on-quarter

REVENUE, € million

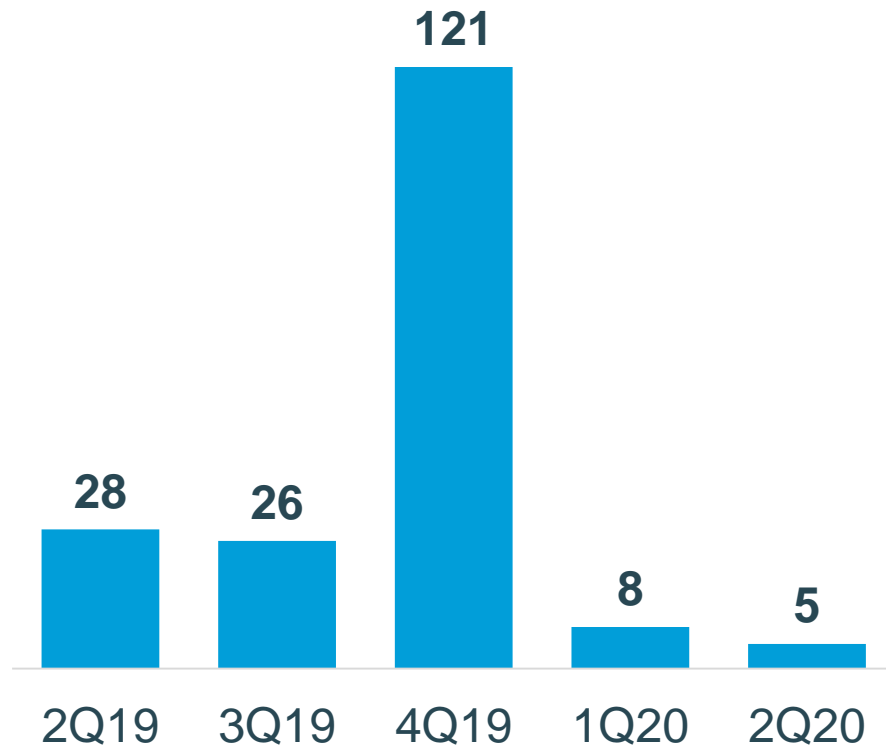


ORDER BOOK, € million



Profitability negatively impacted by financial settlements

ADJUSTED OPERATING PROFIT,
€ million

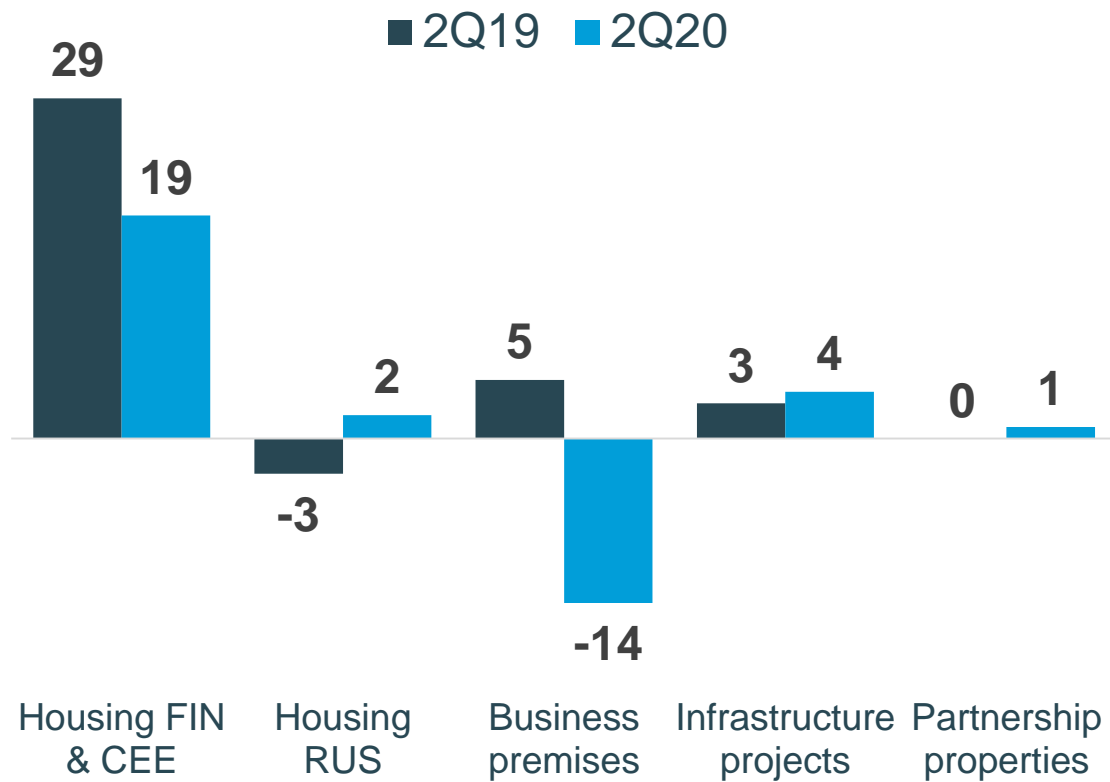


Q2 adjusted
operating profit
margin

0.7%
(3.8)

Adjusted operating profit per segment

€ million





Housing Finland and CEE Uncertainty affected consumer sales

Adjusted operating profit

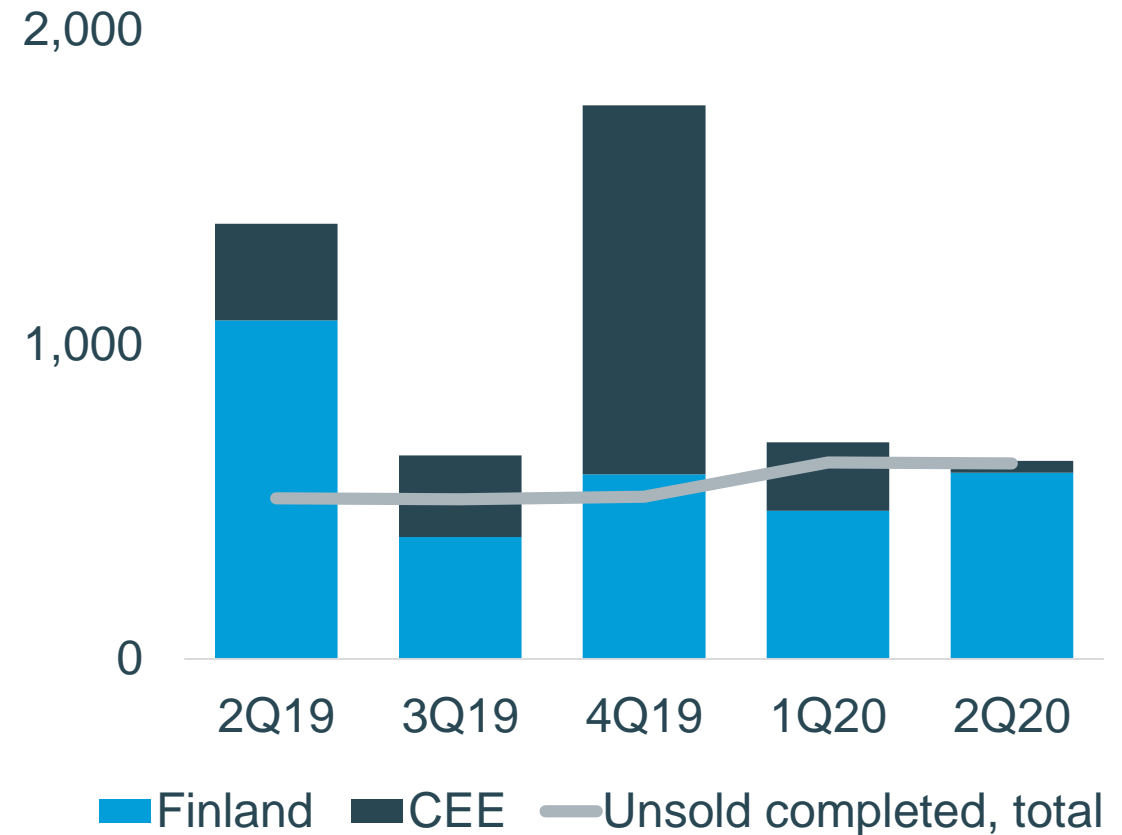
€19 million (29)

Weaker sales mix

Consumer sales recovering from a drop in April

Consumer start-ups at good level

COMPLETED CONSUMER APARTMENTS, units





Housing Russia Margins improved

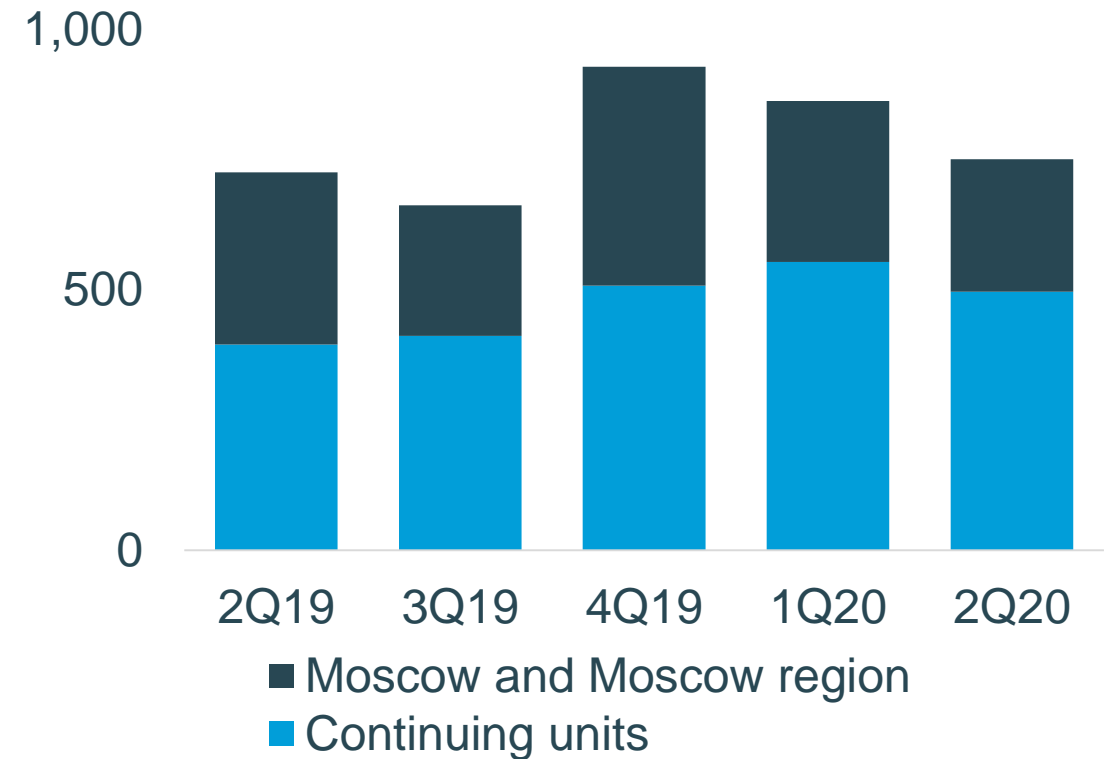
Adjusted operating profit
€2
million (-3)

Revenue increased by
26%

Apartment sales grew
3%
y-o-y

Apartment start-ups stable in continuing units

APARTMENT SALES, units

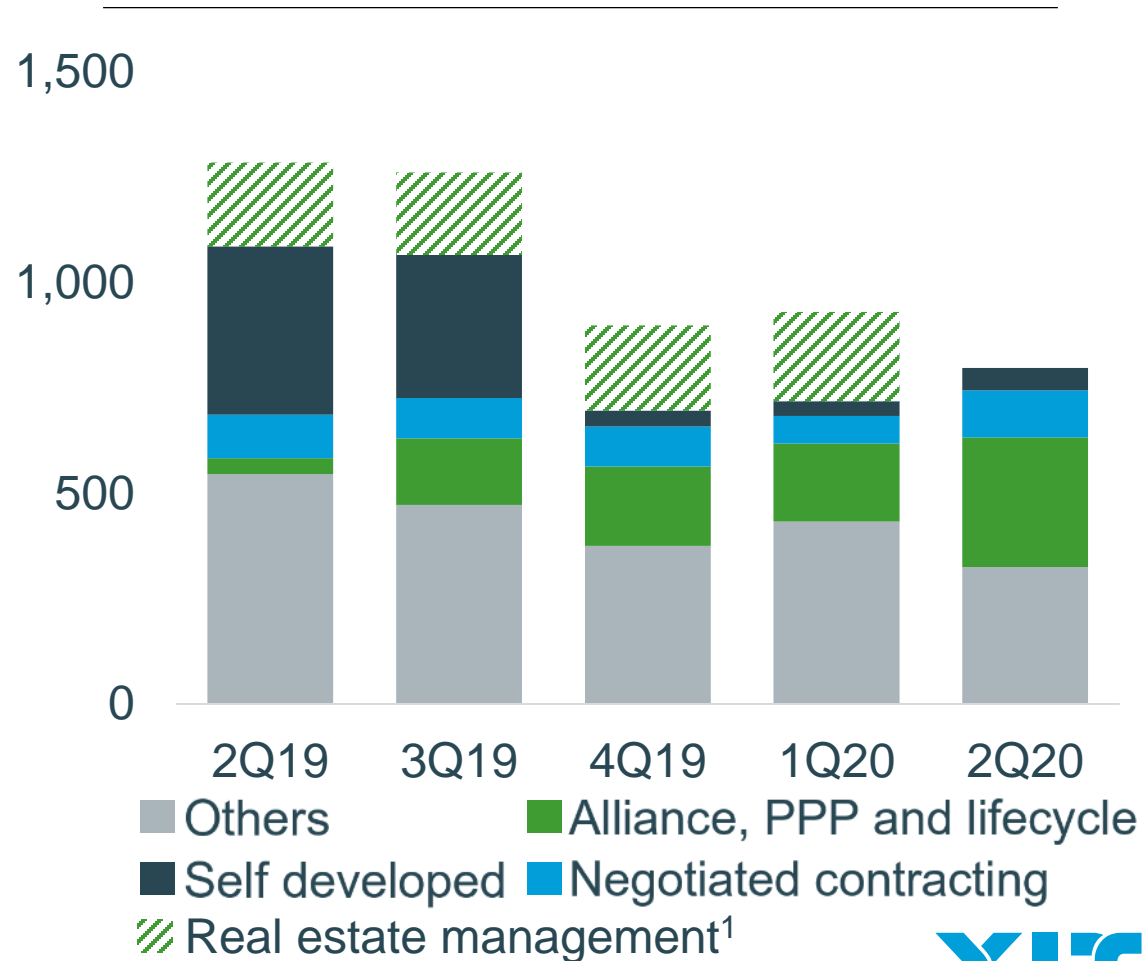




Result burdened by financial settlements

Adjusted operating profit €-14 million (5)	Financial settlements in two projects
Order book strong and healthy	Organisation revamped

ORDER BOOK, € million



¹Reported in Partnership properties since 2Q20





Infrastructure projects Revenue and profitability improved

Adjusted
operating profit

€4
million (3)

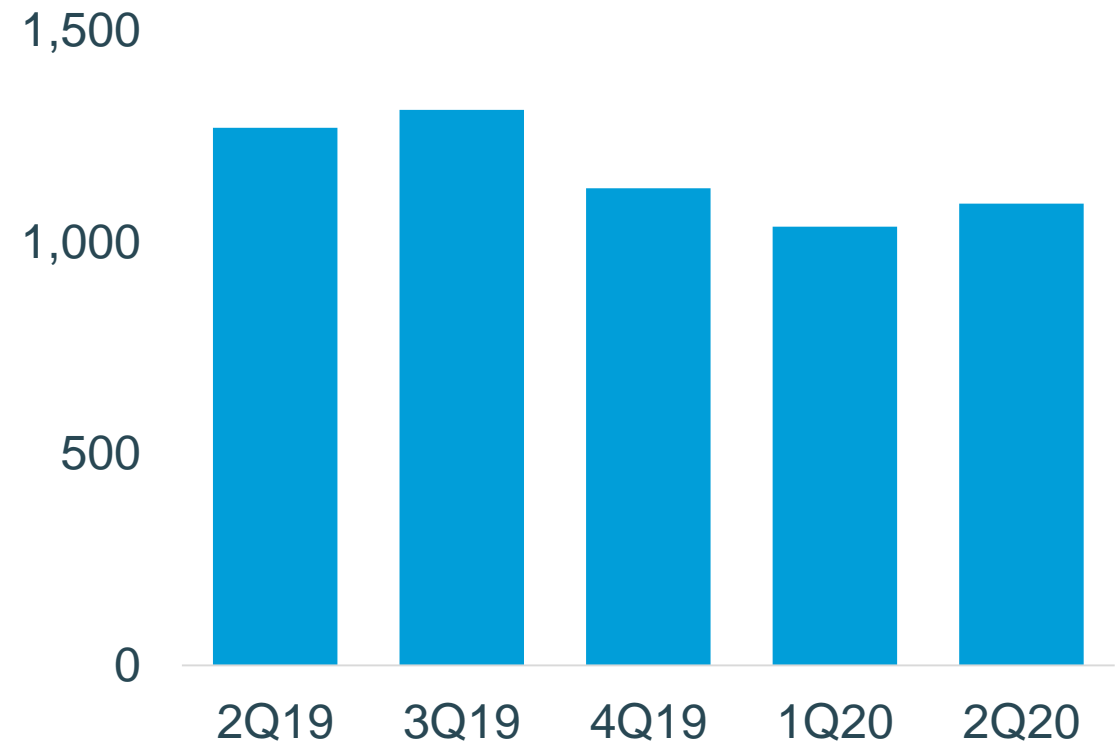
Revenue grew
by

4%
y-o-y

Order book
declined y-o-y
in the Baltics
and Norway

State stimulus
packages
agreed in
Finland

ORDER BOOK, € million

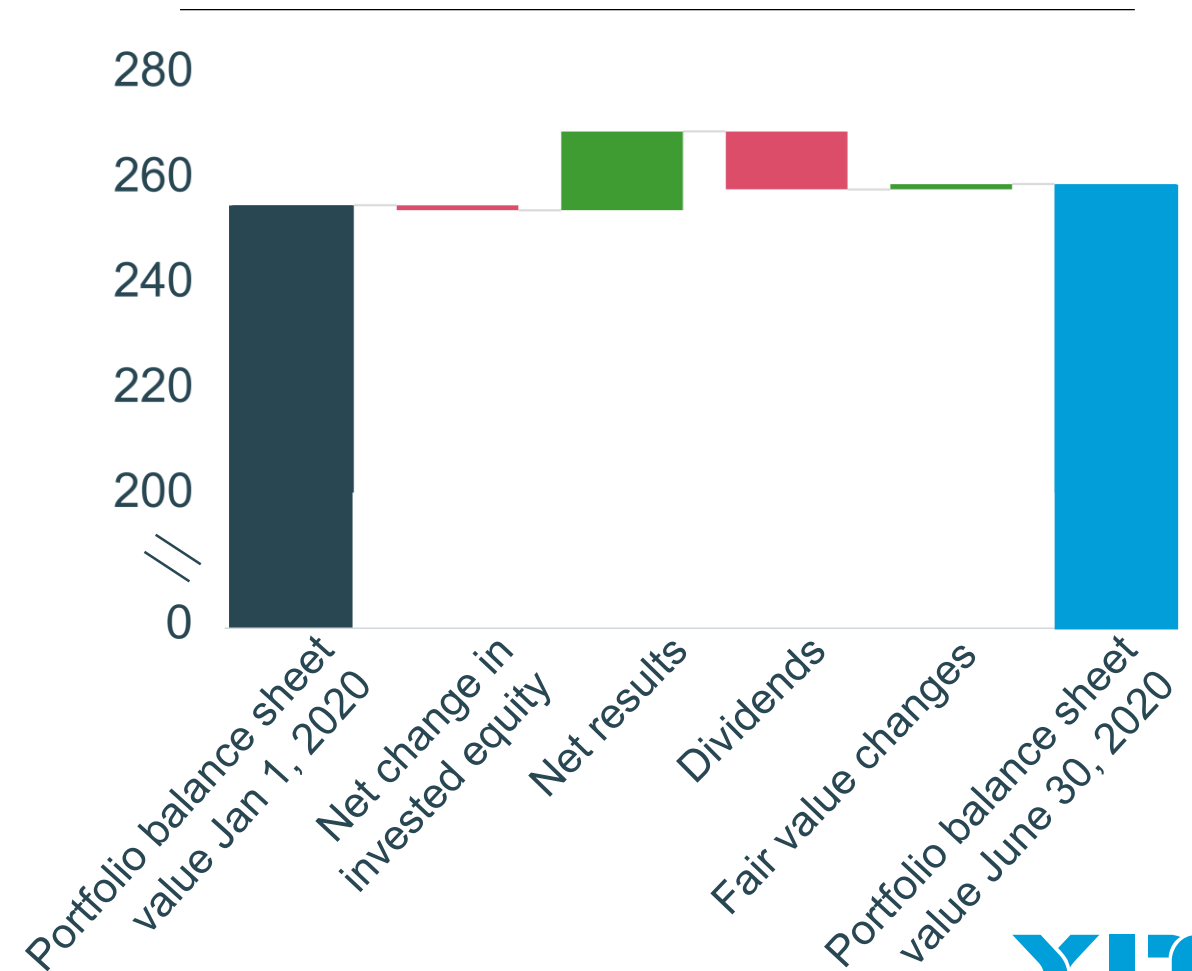




Partnership properties Segment's organisation strengthened

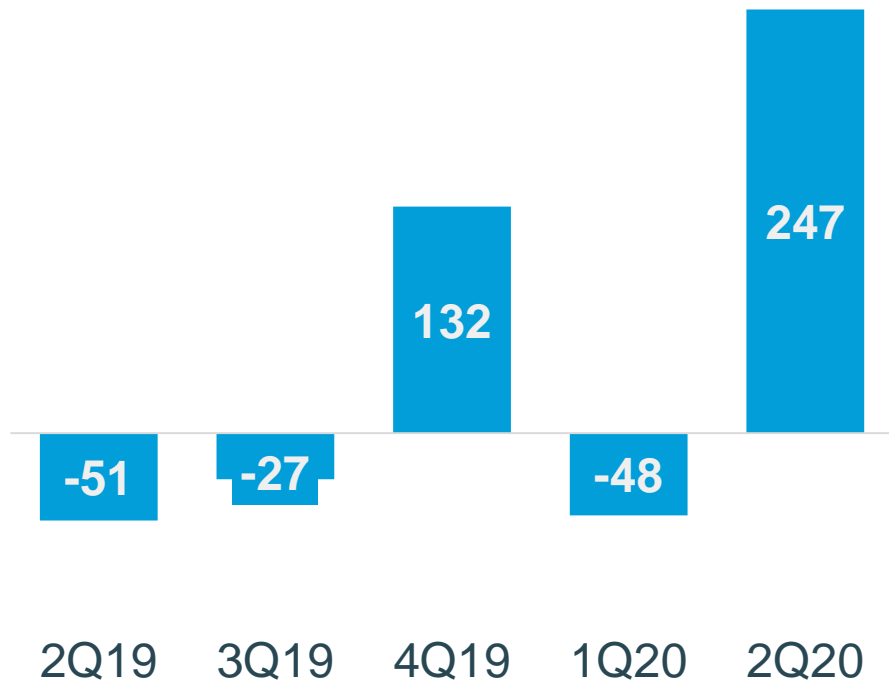
Adjusted operating profit €1 million (0)	Organisation strengthened
Mall of Tripla fair value unchanged	Order book of €286 million from real estate management

PORTFOLIO VALUE, € million

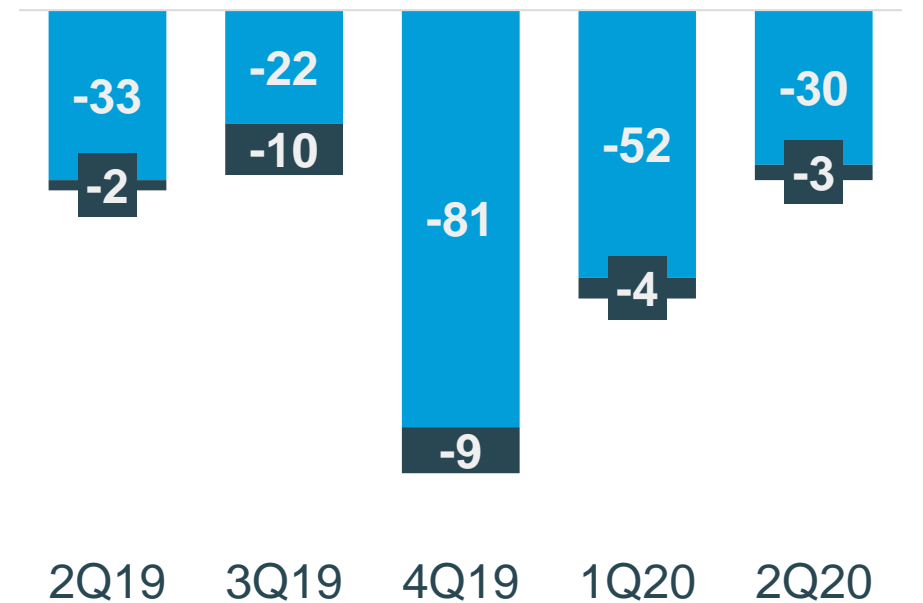


Sale of Nordic paving and mineral aggregates businesses boosted cash flow

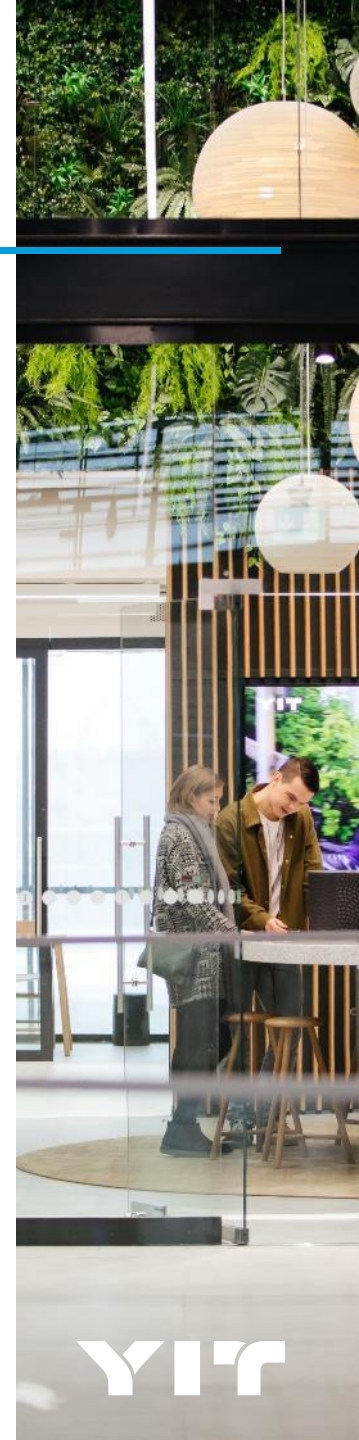
OPERATING CASH FLOW AFTER INVESTMENTS, € million



CASH FLOW OF INVESTMENTS, € million

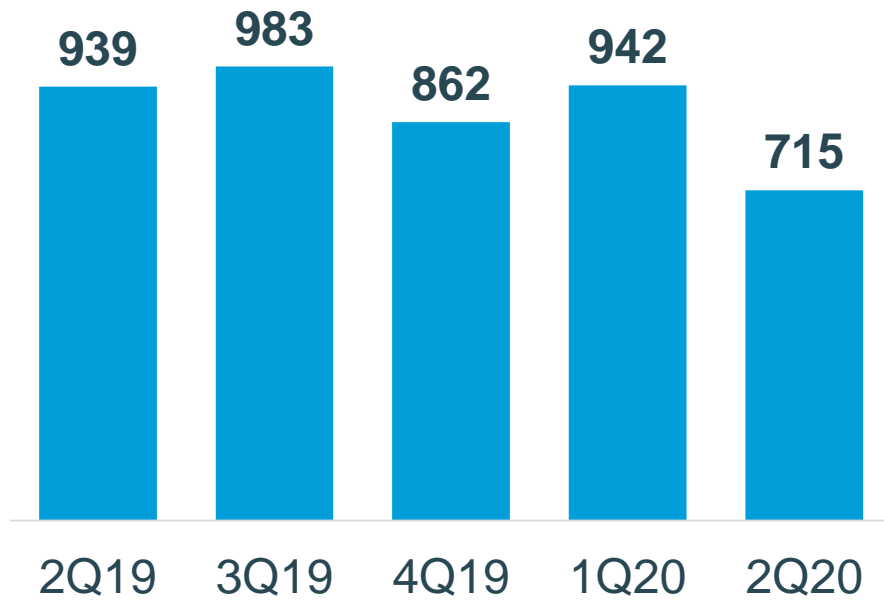


■ Associated companies and joint ventures
■ Plot investments

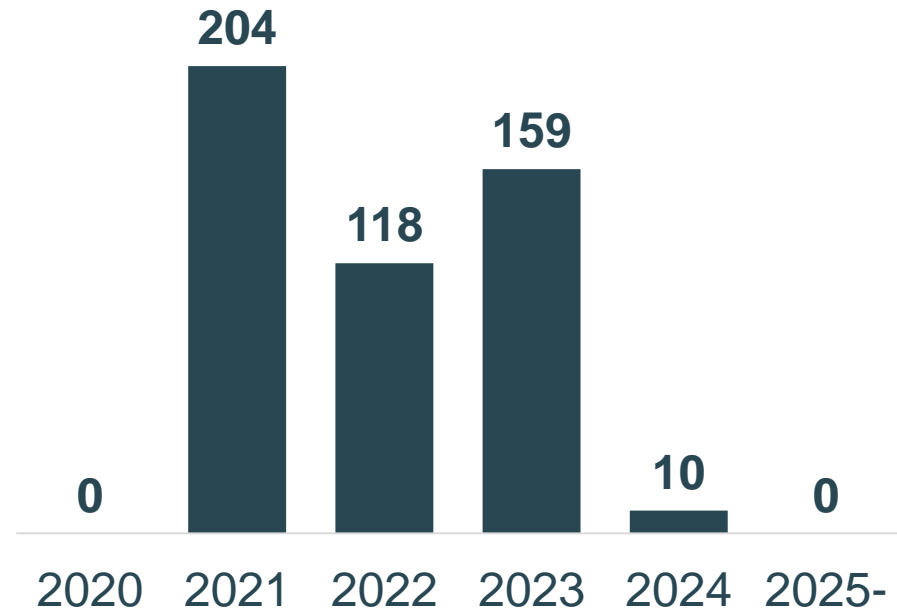


Strong liquidity position

NET INTEREST-BEARING DEBT,
€ million



MATURITY STRUCTURE¹,
€ million

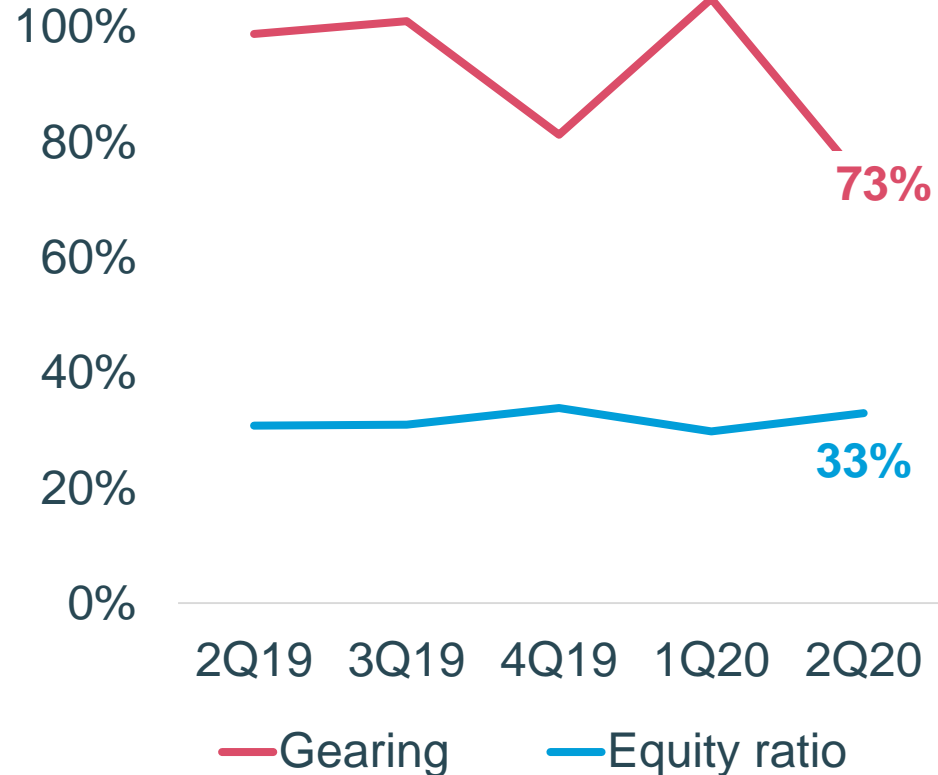


¹ Excluding housing company loans related to unsold apartments, € 207 million, commercial papers, € 200 million and IFRS 16 lease liabilities, € 262 million.

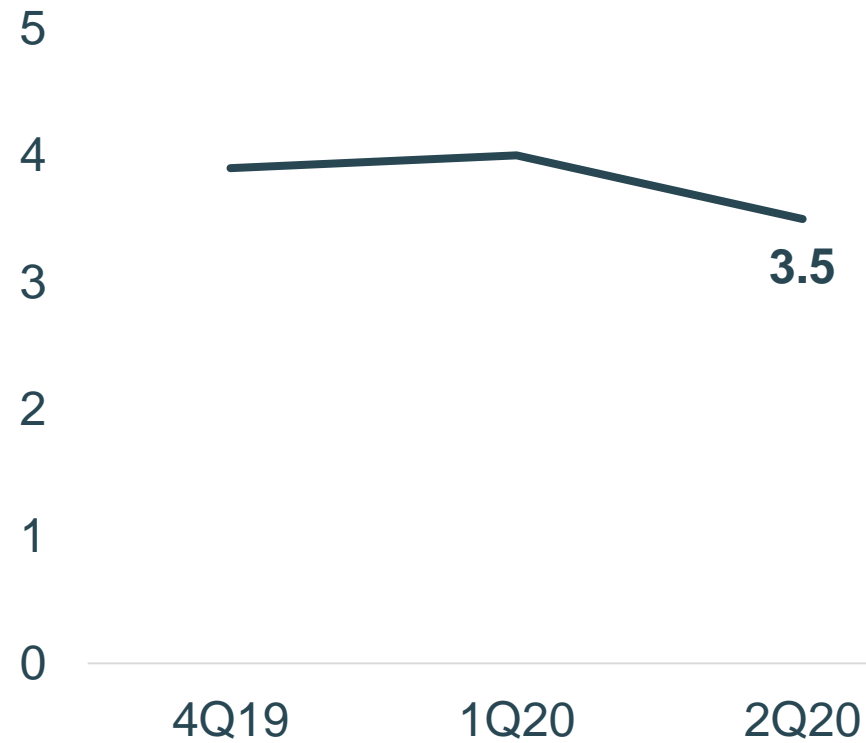


Financial key ratios improved significantly

EQUITY RATIO AND GEARING, %



NET DEBT / ADJUSTED EBITDA ratio



Uncertainties caused by coronavirus pandemic continue in the market

	Housing	Business premises	Infrastructure projects	Partnership properties
Finland	→	→	→	→
Russia	→			
Baltic countries	→	→	→	→
Central European countries	→	→		→
Sweden			→	
Norway			→	

Q2 market situation

■ Good
 ■ Normal
 ■ Weak

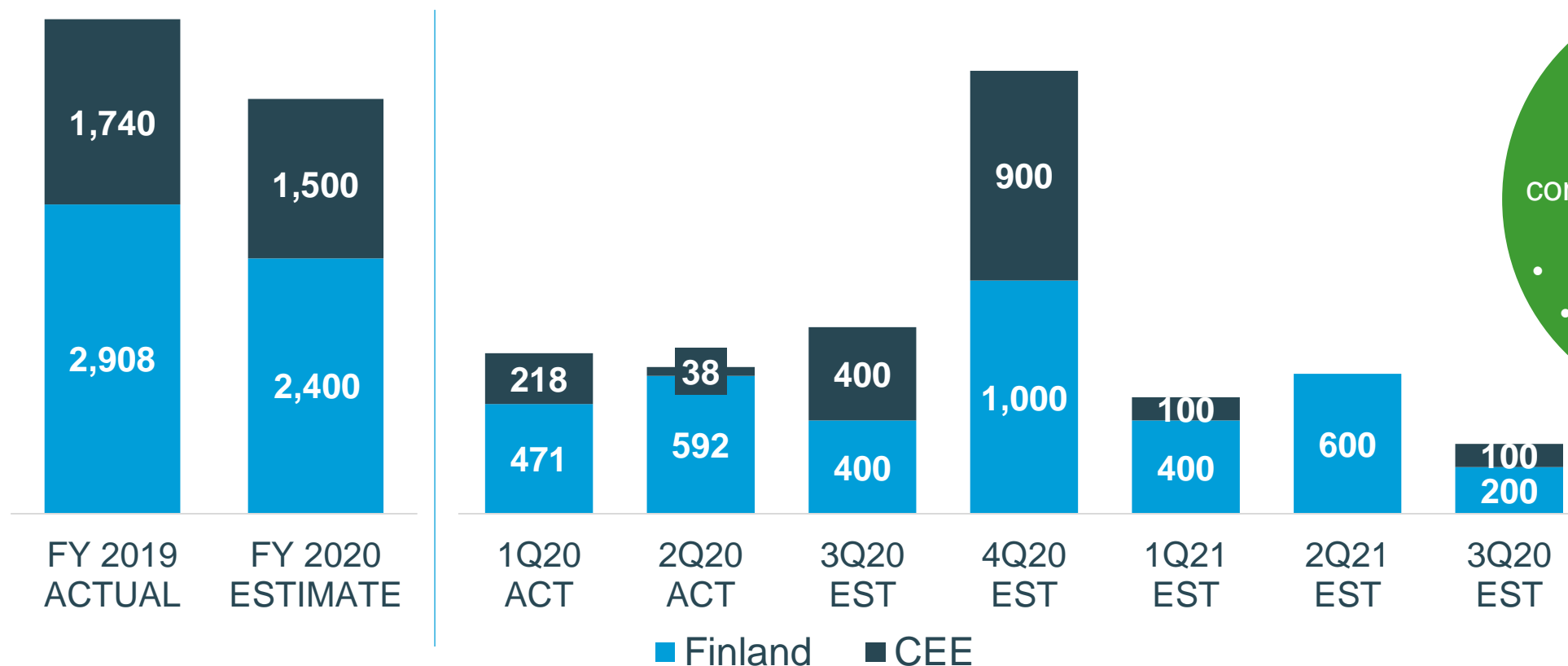
Market outlook, 12 months

↗ Improving
 → Stable
 ↘ Weakening



Completions estimated to peak in Q4

ESTIMATED COMPLETIONS OF CONSUMER APARTMENT PROJECTS UNDER CONSTRUCTION, units



In addition, revenue from apartments under construction recognised over time (POC):

- 2,513 for investors
- 5,420 in Russia

Guidance for Q3/20



Consumer apartment completions at low level in Finland and CEE

In Russia, solid sales and operative performance continue



Business premises segment to be profitable



Good operative performance in Infrastructure projects segment



Customer behavior normalising in Mall of Tripla

Full year outlook clouded by uncertainty in consumer behavior and apartment completion timings at the end of the year due to the coronavirus pandemic.

Significant fluctuation between the quarters, Q4 the strongest.



Our short-term priorities

Positive
operating cash flow in 2020

Coronavirus pandemic:
Construction sites
ongoing

Utilise YIT's
strong position



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YIT's Q3 interim
report will be
published on
Oct 30,
2020



1

Appendices



Appendices

- I. Key figures
- II. Housing sales and start-ups
- III. Share ownership
- IV. Debt structure
- V. Investment portfolio
- VI. Occupational safety
- VII. Coronavirus pandemic

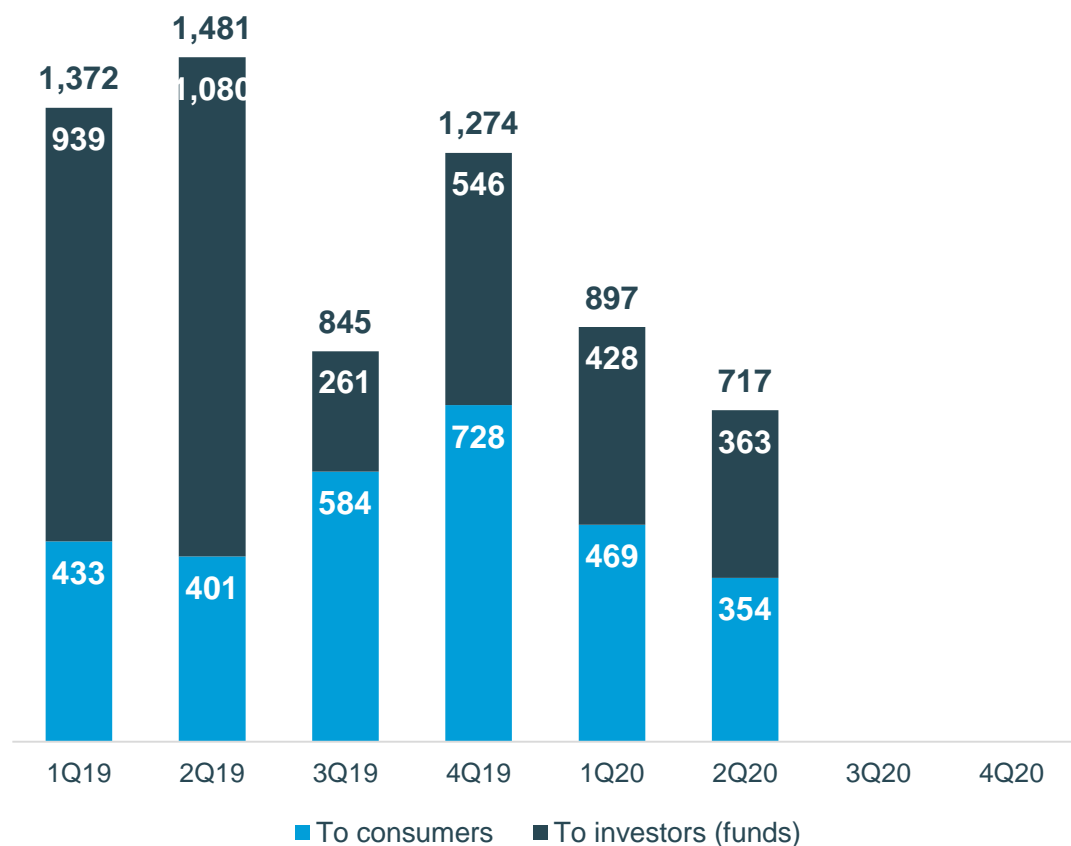


I. Key figures

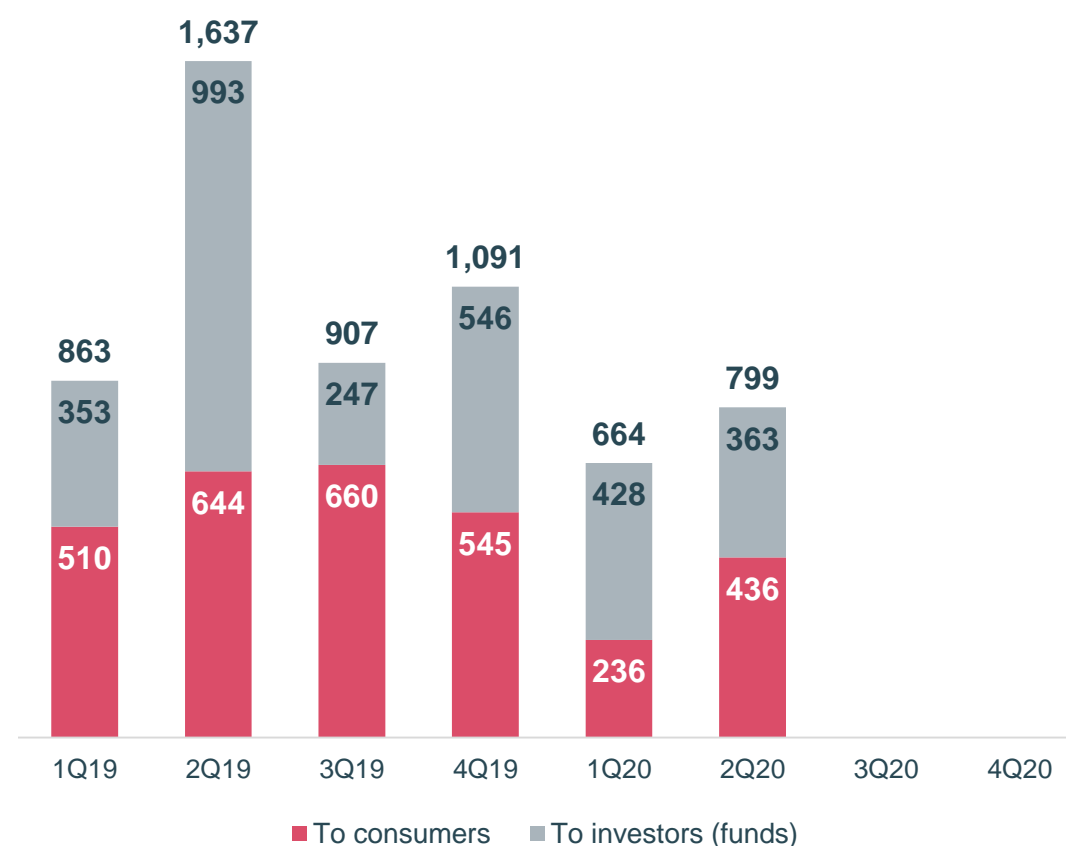
€ million	4-6/20	4-6/19	1-6/20	1-6/19	1-12/19
Revenue	700	757	1,407	1,432	3,392
Operating profit	0	-23	-4	-35	80
Operating profit margin, %	0.0	-3.0	-0.3	-2.4	2.4
Adjusted operating profit	5	28	13	19	165
Adjusted operating profit margin, %	0.7	3.8	0.9	1.3	4.9
Result before taxes	-8	-32	-25	-55	40
Result for the period, continuing operations	-9	-43	-18	-61	5
Result for the period	45	-47	13	-85	15
Earnings per share, EUR	0.22	-0.22	0.06	-0.40	0.07
Operating cash flow after investments	247	-51	199	-54	51
Net interest-bearing debt	715	939	715	939	862
Gearing ratio, %	73	99	73	99	81
Equity ratio, %	33	31	33	31	34
Adjusted return on capital employed, % (ROCE, rolling 12 months)	9.5	10.0	9.5	10.0	11.1
Order book	4,074	4,652	4,074	4,652	4,131

II. Housing Finland Sales and start-ups 2019-2020

SOLD APARTMENTS, units



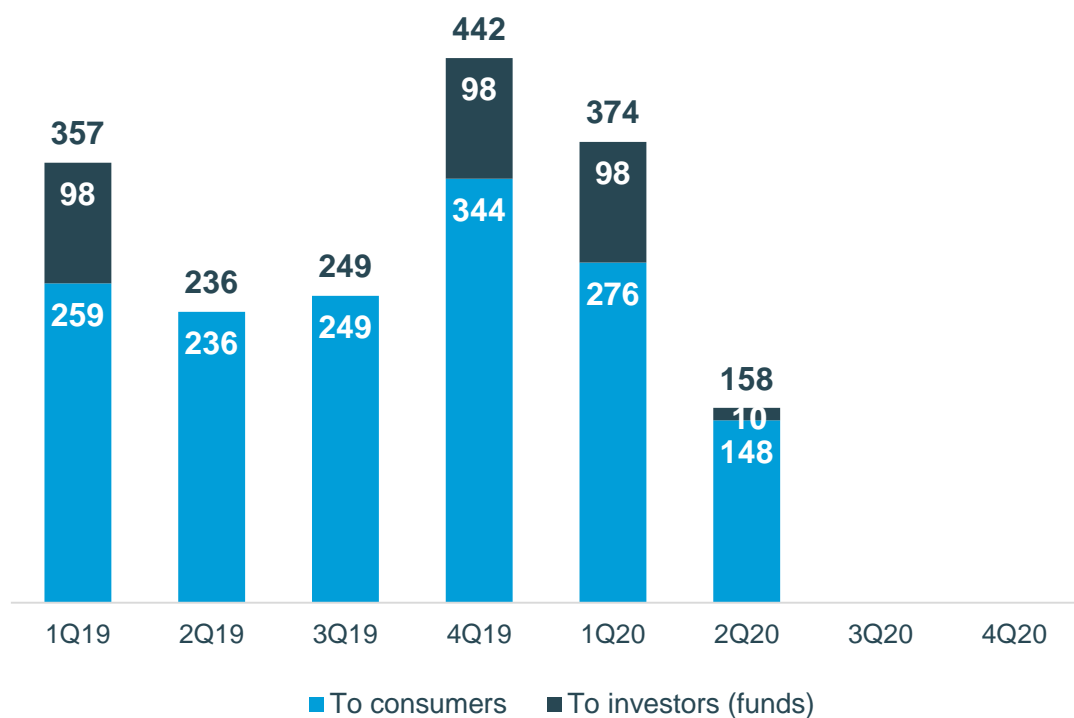
APARTMENT START-UPS, units



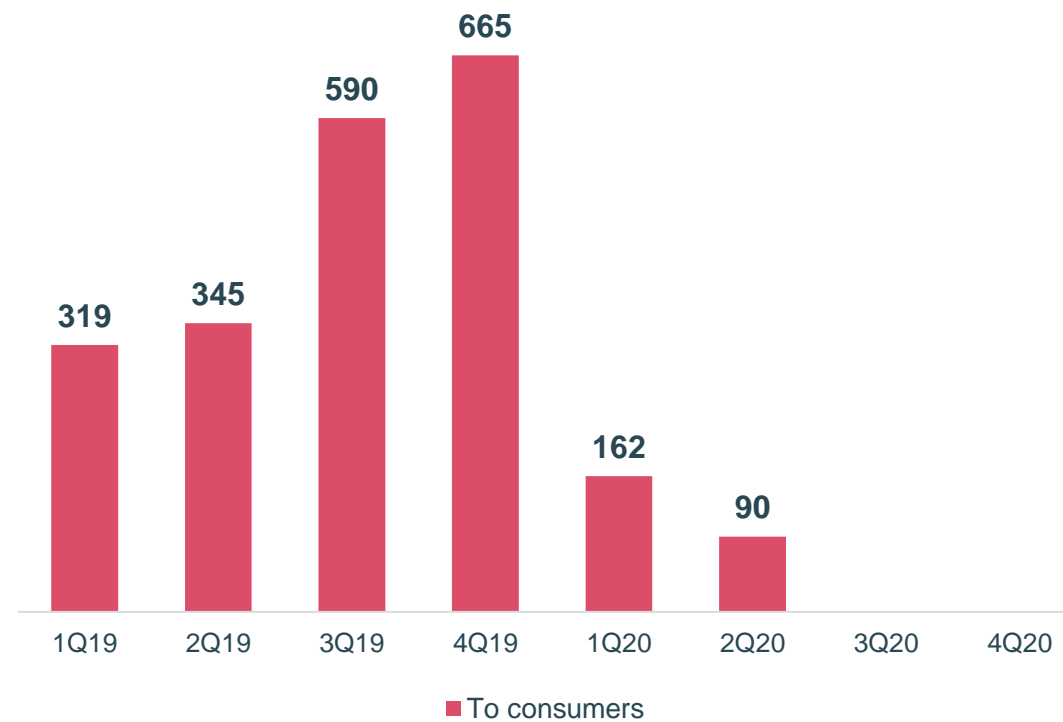
II. Housing CEE Sales and start-ups 2019-2020

SOLD APARTMENTS, units

Of projects earlier sold to YCE Housing I fund or a JV, and recorded as investor sales, YIT sold 63 apartments further to consumers (2Q19: 112)

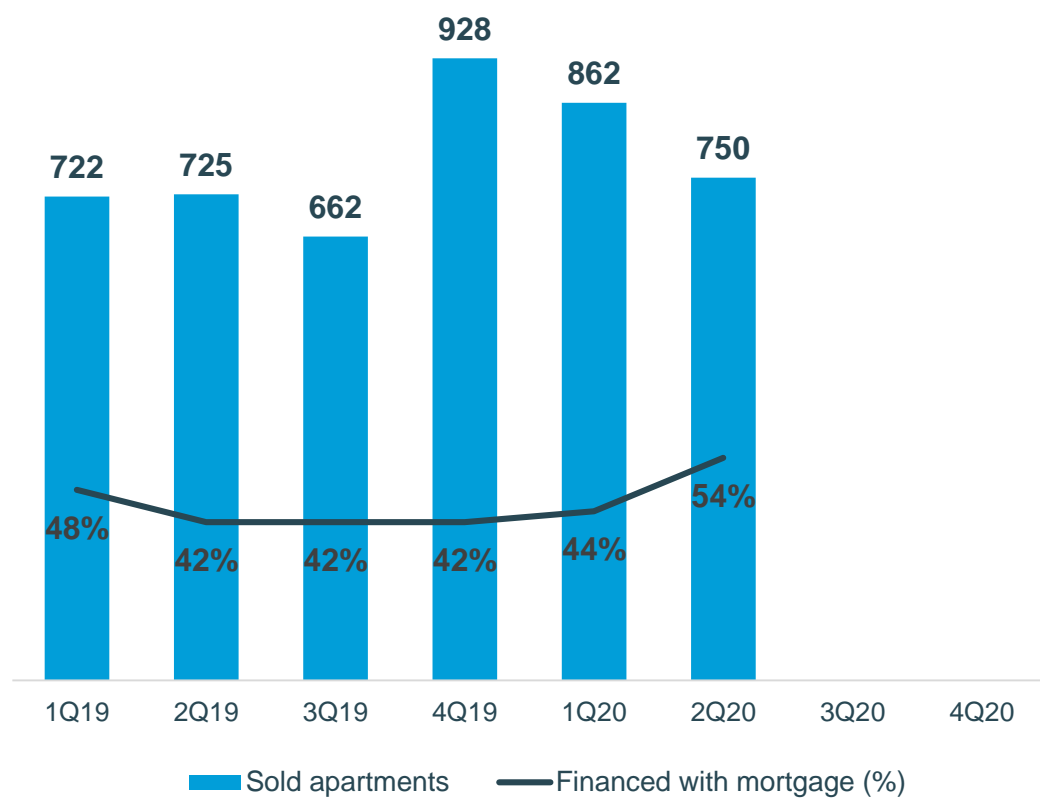


APARTMENT START-UPS, units

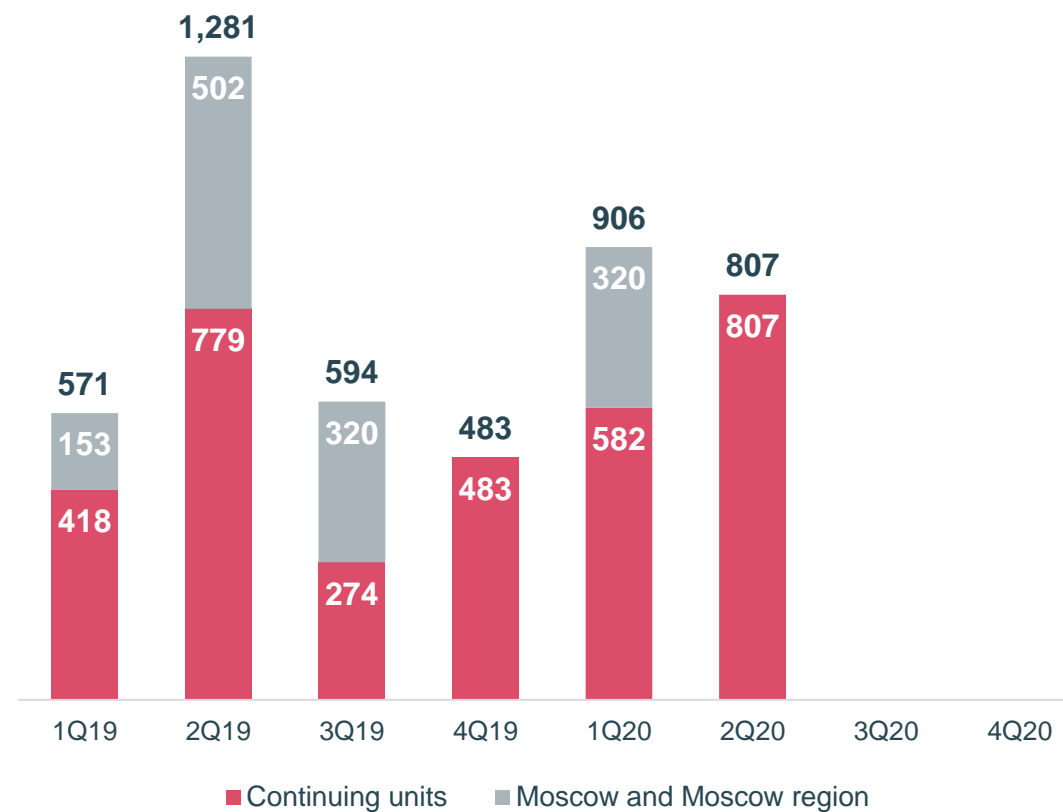


II. Housing Russia Sales and start-ups 2019-2020

SOLD APARTMENTS, units



APARTMENT START-UPS, units

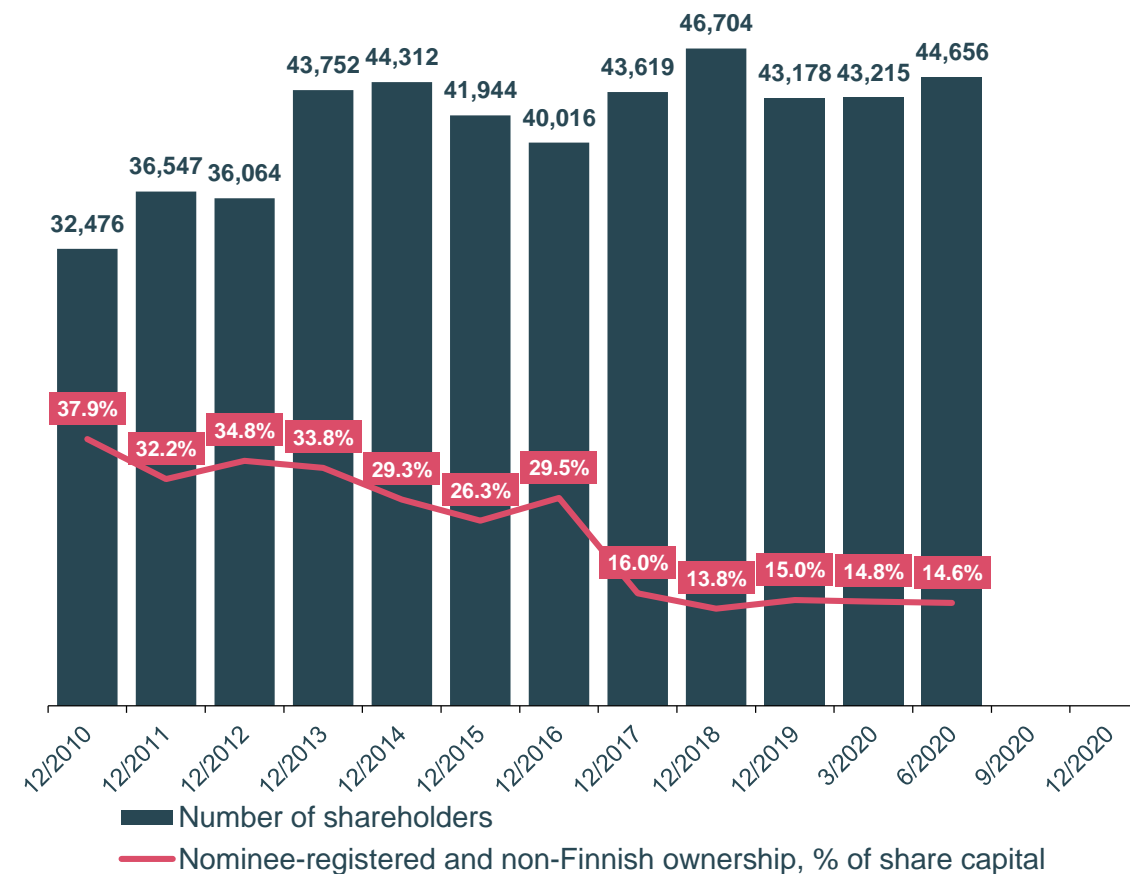


III. Share ownership, June 30, 2020

MAJOR SHAREHOLDERS

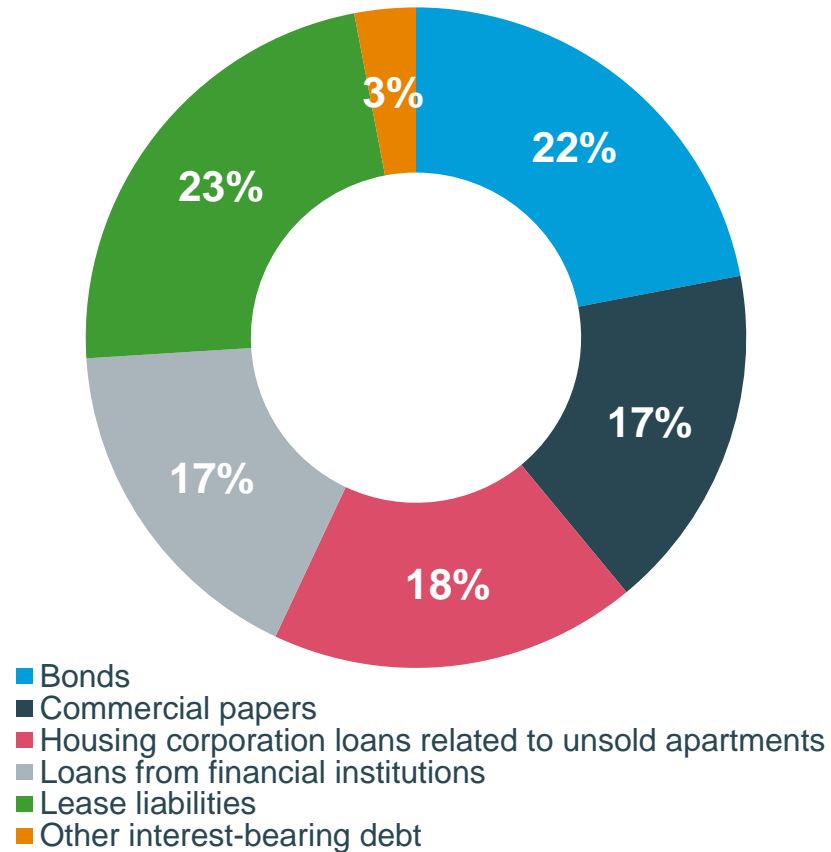
SHAREHOLDERS	SHARES	% OF SHARE CAPITAL
1. Tercero Invest AB	24,650,000	11.68
2. Varma Mutual Pension Insurance Company	15,954,975	7.55
3. PNT Group Oy	15,296,799	7.25
4. Conficap Oy	8,886,302	4.21
5. Pentti Heikki Oskari Estate	8,146,215	3.86
6. Ilmarinen Mutual Pension Insurance Company	5,984,339	2.83
7. Forstén Noora Eva Johanna	5,115,529	2.42
8. Elo Mutual Pension Insurance Company	4,396,850	2.08
9. Herlin Antti	4,265,180	2.02
10. Pentti Lauri Olli Samuel	3,398,845	1.61
Ten largest total	96,086,034	45.52
Nominee registered shares	24,912,097	11.80
Other shareholders	90,101,722	42.68
Total	211,099,853	100.00

NUMBER OF SHAREHOLDERS AND SHARE OF NOMINEE-REGISTERED AND NON-FINNISH OWNERSHIP

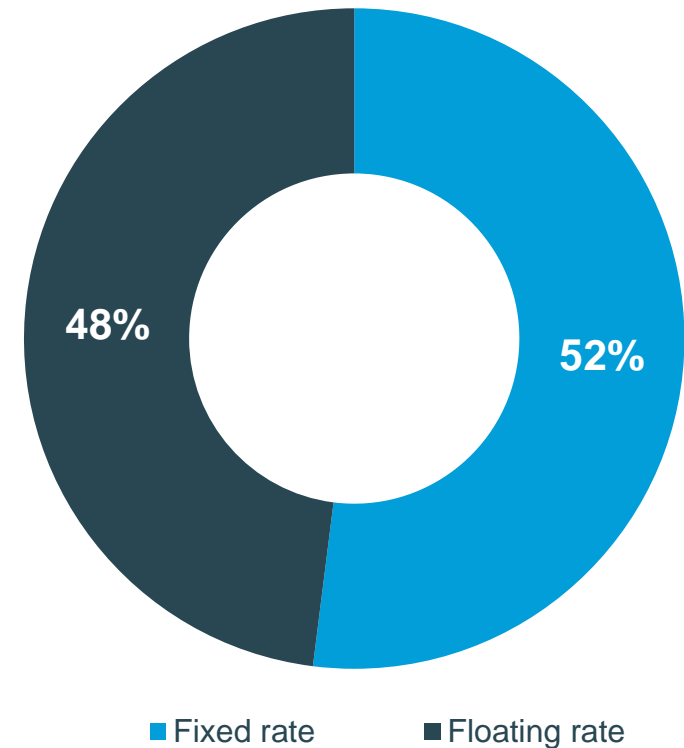


IV. Debt structure, June 30, 2020

INTEREST-BEARING DEBT PORTFOLIO, € million



INTEREST RATE DISTRIBUTION OF INTEREST PORTFOLIO¹



¹ Excluding IFRS 16 lease liabilities, EUR 262 million

V. Partnership properties

Investment portfolio and estimated timelines

COMPLETED AND ONGOING > €2 billion

Equity investments

Tripla Mall Ky

Associated companies and joint ventures

Tieyhtiö Vaalimaa Oy (PPP project)

Regenero Oy (Keilaniemi area)

ÅB Lunastustontti I Ky (plot fund)

YCE Housing I Ky (project development fund)

ÅB Kodit Ky (real estate fund)

FinCap Asunnot Oy (real estate fund)

OPPORTUNITIES > €2 billion

Vallila Campus

Otava property

Maria 01¹

Trigoni Helsinki High Rise¹

Helsinki Garden¹

Plot investment

Rental apartment joint venture

Wind farms

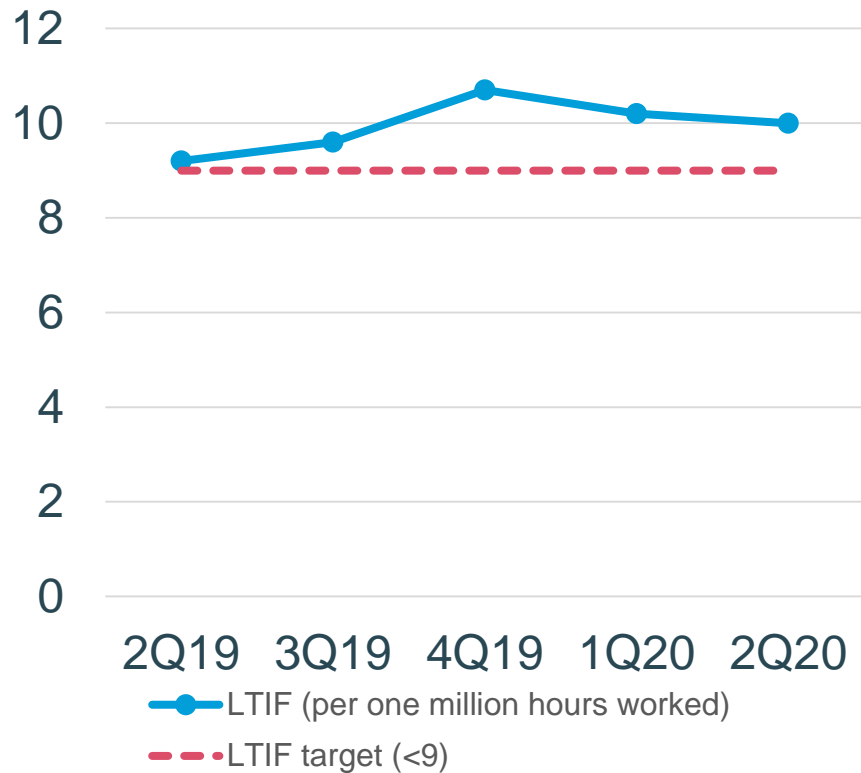
	YIT'S OWNERSHIP	YIT'S EQUITY INVESTMENT COMMITMENT	FAIR VALUATION STARTED
Tripla Mall Ky	38.75%	117 M€	4Q19
Tieyhtiö Vaalimaa Oy (PPP project)	20%	5 M€ ⁵	3Q19 ³
Regenero Oy (Keilaniemi area)	50%	8 M€ ²	-
ÅB Lunastustontti I Ky (plot fund)	20%	10 M€	-
YCE Housing I Ky (project development fund)	40%	15 M€	-
ÅB Kodit Ky (real estate fund)	40%	18 M€	4Q19 ⁴
FinCap Asunnot Oy (real estate fund)	49%	11 M€	4Q19 ⁴
Vallila Campus			
Otava property			
Maria 01 ¹			
Trigoni Helsinki High Rise ¹			
Helsinki Garden ¹			
Plot investment			
Rental apartment joint venture			
Wind farms			

■ Planning and zoning period ■ Estimated construction period ■ Income for Partnership properties segment ■ Illustration of potential exit period

¹ Construction subject to required decisions
² YIT's current equity investment in Regenero Oy
³ Fair valuation of a loan receivable
⁴ Completed investment properties measured at fair value
⁵ Includes also shareholder loans

VI. Occupational safety

LOST TIME INJURY FREQUENCY (LTIF), ROLLING 12 MONTHS



LTIF,
rolling 12 months

10.0

injuries of YIT's own
employees and
subcontractors
per million hours worked



VII. Materialised impacts of coronavirus pandemic

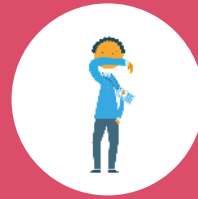
RISKS



The most significant uncertainties

- Availability of personnel
- Availability of materials
- Authorities' decisions
- Decline in demand
- Investor decisions postponed

IMPACTS



Potential impacts

- Temporary shutdowns or slower progress on sites
- Delayed completions
- Revenue and profit postponed
- Extra costs due to preventive actions

ACTIONS



Comprehensive anticipatory actions taken

- Task force
- Substitutive resources
- Hygiene concept
- Preparedness for shutdown and restart of sites
- Digital sales boosted
- Savings measures
- Co-operation with authorities and other stakeholders
- Active communication



**Together
we can
do it.**