



Q1

YIT Corporation
Interim report 1-3/2021

Table of contents

Interim report 1-3/2021	3
Markku Moilanen, President and CEO	4
Guidance	4
Market environment and outlook by region	5
Results	6
Cash flow and financial position	7
Investments and divestments	7
Housing Finland and CEE	8
Housing Russia	9
Business premises	10
Infrastructure	11
Partnership properties	12
Shares	13
Personnel	13
Sustainability	13
Governance	13
Significant risks and uncertainties	14
Events after the reporting period	14
Interim report 1-3/2021: Tables	15

Interim report January–March 2021

Group's adjusted operating profit improved to EUR 21 million. Gearing at target level.



- YIT's adjusted operating profit improved to EUR 21 million (8).
- Solid performance in the housing segments continued.
- Result stabilised in the Business premises segment.
- Operating cash flow after investments was strong at EUR 70 million (-48) supported by strong apartment sales and decreased capital employed in Housing Finland and CEE.
- Net interest-bearing debt decreased to EUR 439 million (942) driven by hybrid bond issuance and strong cash flow.
- Gearing was 44% (105) reaching the target level of <50%.



- YIT took significant steps towards its climate and sustainability targets by launching a Green Finance Framework and converting a significant part of its funding to green instruments with the successful issue of three green bonds.
- Strong residential sales led to a record-low number of unsold completed apartments.



- Successful work with customers continued as YIT received the highest score for customer satisfaction in new residential construction in EPSI rating survey in Finland.
- Markku Moilanen started as the President and CEO of YIT Corporation on 1 April 2021.

Key figures

EUR million	1-3/21	1-3/20	1-12/20
Revenue	606	708	3,069
Operating profit	14	-3	35
Operating profit margin, %	2.4	-0.4	1.1
Adjusted operating profit	21	8	85
Adjusted operating profit margin, %	3.5	1.2	2.8
Result before taxes	6	-16	-6
Result for the period	4	-10	-8
Result for the period, including discontinued operations	4	-32	27
Earnings per share, EUR	0.02	-0.05	0.13
Operating cash flow after investments	70	-48	336
Net interest-bearing debt	439	942	628
Gearing ratio, %	44	105	68
Equity ratio, %	37	30	33
Return on capital employed, % (ROCE, rolling 12 months)	6.1	11.4	5.2
Order book	3,716	3,848	3,528
Combined lost time injury frequency (LTIF, rolling 12 months)	9.9	10.2	9.8
Customer satisfaction rate (NPS)	51	52	51

Nordic paving and mineral aggregates businesses sold on 1 April 2020, are reported as discontinued operations. Unless otherwise noted, the figures in brackets refer to the corresponding period in the previous year.

Markku Moilanen, President and CEO

“YIT’s first quarter adjusted operating profit was EUR 21 million (8), a clear improvement compared to the previous year. The performance in the housing segments in particular was excellent, and the Business premises’ result continued to stabilise. Infrastructure posted a loss being negatively impacted by a seasonally slower market, as well as margin reductions in certain projects.

The issuances of two green bonds and a green hybrid bond were certainly a highlight of the quarter. The launch of the Green Finance Framework supports our efforts in reaching our climate and sustainability targets. As a result of the issue of the hybrid bond and a solid first-quarter operating cash flow after investments of EUR 70 million (-48), our net debt decreased to EUR 439 million (942) and our gearing to 44% (105). This is first time that YIT achieved its gearing target of below 50%.

Since the merger with Lemminkäinen, YIT has done good work in harmonising its processes, driving cultural integration, and strengthening its financial position. However, deviations in project performance and earnings volatility show that these improvements have not been enough. We need to become much more resilient in our operational performance to unlock the full potential of the business and to secure stable profitability development. After reviewing our operations, I am confident about what we need to do to improve the performance and competitiveness of YIT.

We will immediately take swift and precise measures to address three areas: project management, our operating model, and infrastructure business. Problems in project management have led to significant losses in various projects over the past couple of years. To stabilise performance, the company has already taken decisive actions to develop and implement new project management and leadership practices. The results have been promising particularly in the Business premises segment. Our clear goal now is to make sure those practices are implemented throughout the organisation. In parallel, we will take a close look on how we operate. In that work, we will make sure that our resources are

allocated in an optimal way and that our organisation becomes more efficient. Finally, we will do a thorough review of the Infrastructure segment’s strategy. The performance of the segment has been unsatisfactory, and it is clear that changes are needed.

I believe that the core of YIT’s strategy, sustainable urban development with a strong emphasis on self-developed and competence-based projects, remains key for future success. However, I see a clear need to sharpen our strategy and to make our key objectives more tangible. We will also have renewed vigour in sustainability. Our clear target is to achieve top level sustainability performance in the industry, which not only provides us with a notable competitive advantage but is also our license to operate. Important part of this is occupational health and safety, which will be our number one priority in everything that we do.

My first weeks as the YIT CEO have only strengthened my belief in this company. The competence, professionalism and passion of our people, and their outstanding team spirit are a strong foundation to build upon. The quality of work at our construction sites is among the best in the industry. Our overall customer satisfaction is at a very good level and the YIT brand is highly appreciated. We will now move into an era of steady operational performance with an efficient cost structure. This will give us the power to successfully perform in any market condition and enable us to create value for our shareholders.”



Markku Moilanen
President and CEO

Guidance for 2021

In Housing Finland and CEE, housing completions in 2021 are expected to decrease compared to 2020 and volatility between the quarters is expected to be high. Compared to the first quarter of 2021, the number of completions is expected to increase in the second quarter but then decrease clearly in the third quarter. The fourth-quarter completions are expected to be at a high level.

For the full year, Housing Russia’s solid underlying performance is estimated to continue. In Business premises, performance is expected to stabilise. Project management issues in the Infrastructure segment are burdening earnings but those issues are expected to be

resolved as the year progresses. In Partnership properties, portfolio development is expected to continue.

YIT expects its full-year 2021 adjusted operating profit to be higher than in 2020 (EUR 85 million).

The result is dependent on certain project completions and contract closings towards the end of the year. Temporary shutdowns or slower progress on construction sites and delayed completions due to the COVID-19 pandemic could lead to the postponement of revenue and profit from one quarter or year to another. Changes in market yields or estimated future cash flows may have impacts on the fair value of the investments.

Market environment and outlook by region

Housing market

Q1	Outlook for Q2
<p>Finland</p> <ul style="list-style-type: none"> Consumer demand remained strong but access to consumer mortgages was delayed as banks continued to be congested. Institutional investor demand stayed stable. In the rental market, supply increased and renting periods lengthened increasing downward pressure on rental levels. Housing company loan financing was stable but challenging due to the cautiousness of banks. 	<p>→</p> <ul style="list-style-type: none"> Consumer activity expected to stay at a good level but delays in handling consumer mortgages continues. Institutional investor demand expected to remain stable and international investors to become more active. In the rental market, competition expected to remain intense. Availability of housing company loan financing expected to remain challenging.
<p>Baltic countries</p> <ul style="list-style-type: none"> Consumer residential demand strengthened. 	<p>→</p> <ul style="list-style-type: none"> Consumer demand expected to stay stable at a good level.
<p>Central European countries</p> <ul style="list-style-type: none"> Consumer residential demand stayed at a good level. 	<p>→</p> <ul style="list-style-type: none"> Consumer demand expected to stay stable at a good level.
<p>Russia</p> <ul style="list-style-type: none"> Interest rates for mortgages remained low and share of consumers purchasing apartments with mortgages continued to increase slightly. Demand focused on reliable developers and price levels continued to increase. 	<p>→</p> <ul style="list-style-type: none"> The State's interest subsidy programme to continue until June 2021, which continues to support consumer demand. Demand continues to focus on reliable developers.

Real estate market

Q1	Outlook for Q2
<p>Finland</p> <ul style="list-style-type: none"> Public sector demand remained active. Investor demand stayed stable but demand particularly for logistics properties improved. Yield requirements for commercial properties stabilised. Competition for projects was intense. Rental demand slowed down. 	<p>→</p> <ul style="list-style-type: none"> Public sector demand expected to stay active. Investor demand expected to remain stable. Yield requirements for commercial properties are not expected to face upward pressure. Intense competition and increasing material prices expected to add pressure on price levels. Rental demand expected to remain slow due to uncertainty caused by the COVID-19 pandemic.
<p>Baltic countries</p> <ul style="list-style-type: none"> Investor demand was stable, but competition remained intense. 	<p>→</p> <ul style="list-style-type: none"> Investor demand expected to strengthen, but uncertainty caused by the COVID-19 pandemic continues. Competition expected to stay intense.
<p>Central European countries</p> <ul style="list-style-type: none"> Investor demand was stable and price levels stabilised. Rental demand slowed down. 	<p>→</p> <ul style="list-style-type: none"> Investor demand strengthening. Rental demand expected to remain slow due to uncertainty caused by the COVID-19 pandemic.

Infrastructure market

Q1	Outlook for Q2
<p>Finland</p> <ul style="list-style-type: none"> Public sector demand remained slow as there were delays in the development of certain infrastructure projects. Investor demand was moderate. Demand for wind parks remained active. Competition was intense adding pressure on the prices. 	<p>→</p> <ul style="list-style-type: none"> Related to COVID-19 pandemic, public sector demand expected to remain subdued due to delays in the development of infrastructure projects. State stimulus packages not expected to largely support the sector yet in 2021. Investor demand expected to remain moderate. Competition expected to remain intense.
<p>Baltic countries</p> <ul style="list-style-type: none"> Public sector demand slow and development of infrastructure projects delayed. Competition was intense adding pressure on the prices. 	<p>→</p> <ul style="list-style-type: none"> Related to COVID-19 pandemic, public sector demand remains slow due to delays in the development of infrastructure projects. Competition expected to stay intense.
<p>Sweden</p> <ul style="list-style-type: none"> Public sector demand remained strong supported by several ongoing major infrastructure projects. Private demand remained solid supported by several ongoing industrial investments. 	<p>→</p> <ul style="list-style-type: none"> Public sector demand expected to remain at a good level due to traffic infrastructure development programmes and urbanisation development. Private demand expected to remain at a good level. Large-scale industrial investments ongoing and in preparation.

Market environment in Q1/2021

● Good
 ● Normal
 ● Weak

Market outlook for Q2/2021

➔ Improving
 ➔ Stable
 ➔ Weakening



Results

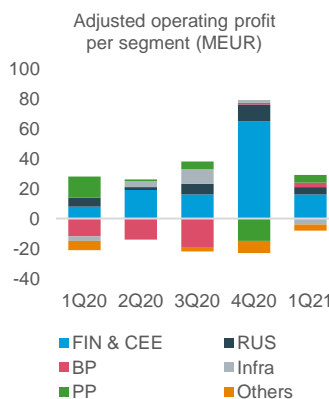
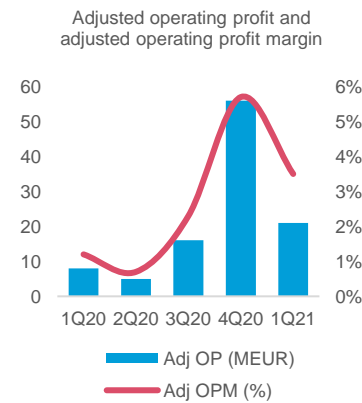
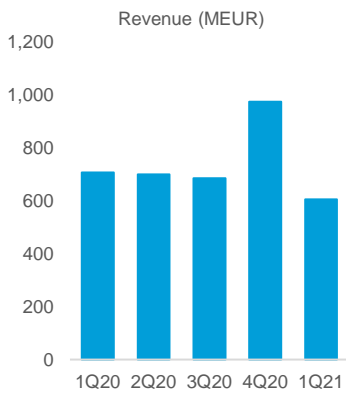
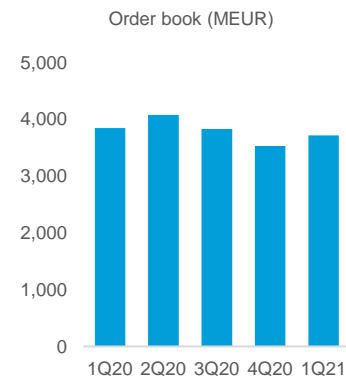
January–March

At the end of the first quarter 2021, YIT's order book amounted to EUR 3,716 million (31 Dec 2020: 3,528). The order book remained stable in the Partnership properties segment and increased in all other segments. At the end of the quarter, 80% of the order book was sold (31 Dec 2020: 82).

The Group's revenue was EUR 606 million (708). Revenue decreased in the Business premises, Housing Russia and Infrastructure segments. In Housing Russia, the corresponding period included a positive impact of EUR 57 million from the change in revenue recognition over time. In Housing Finland and CEE and the Partnership properties, revenue increased.

The Group's adjusted operating profit amounted to EUR 21 million (8) and the adjusted operating profit margin to 3.5% (1.2). The result improved in the Business premises and Housing Finland and CEE segments, but weakened in Housing Russia, Infrastructure and the Partnership properties.

YIT's operating profit was EUR 14 million (-3). The adjusting items amounted to EUR 7 million (12) including operating profit from operations to be closed. During the comparison period, the adjusted items included, among others, a goodwill impairment in the Housing Russia segment.





Cash flow and financial position

Operating cash flow after investments for January–March was EUR 70 million (-48) supported by strong apartment sales and decreased capital employed in Housing Finland and CEE. Cash flow from plot investments was EUR -15 million (-52). Cash flow from investments to associated companies and joint ventures was EUR -9 million (-4).

During the first quarter, YIT launched a [Green Finance Framework](#). YIT also reorganised its debt portfolio by issuing two EUR 100 million senior unsecured green bonds and a EUR 100 million green hybrid bond.

- The 2024 green bond matures on 31 March 2024 and bears a floating interest rate of EURIBOR 3 months plus a margin of 3.1% per annum.
- The 2026 green bond matures on 15 January 2026 and bears a fixed interest rate of 3.25% per annum.
- The green hybrid bond bears a fixed interest rate of 5.75% per annum until 31 March 2026 (the “Reset Date”), and, from the Reset Date, a floating interest rate as defined in the terms and conditions of the hybrid bond. The hybrid bond does not have a maturity date, but the company is entitled to redeem it on the Reset Date, and subsequently, on each interest payment date. The hybrid bond is recorded as part of equity.

Simultaneously YIT announced a tender offer and a voluntary total redemption targeting to redeem its old bonds: EUR 100 million 3.15% bond due 11 June 2021 and EUR 150 million 4.25% bond due 11 June 2023. The redemption through the tender offer took place during the first quarter when old bonds worth nominal amount of EUR 201 million were redeemed. The settlement of the voluntary total redemption took place after the reporting period on 8 April 2021 and remaining nominal amount of the old bonds worth EUR 49 million were redeemed.

With these arrangements the company proactively managed the upcoming debt redemptions and extended its average debt maturity profile, as well as mobilised debt capital to support YIT to reach its climate and sustainability targets.

At the end of the period, interest-bearing debt amounted to EUR 1,005 million (1,166) and net interest-bearing debt to EUR 439 million (942). Key drivers behind the net debt reduction were the proceeds from sale of the Nordic paving and mineral aggregates businesses in the second quarter of 2020, the hybrid bond issuance in the first quarter of 2021 and strong operating cash flow after investments during the last 12 months. Gearing ratio was 44% (105) and it reached YIT’s strategic target level of below 50%. Equity ratio was 37% (30). Equity increased to EUR 1,003 million (900) due to the hybrid bond. Net debt/adjusted EBITDA ratio was 3.2 (4.0) and interest cover ratio 3.5 (5.9). During January–March, the net finance costs amounted to EUR 9 million (13).

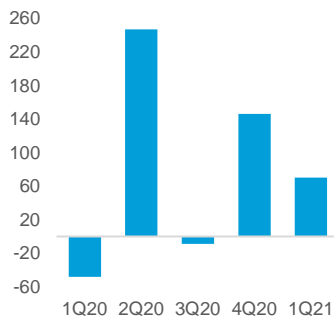
Cash and cash equivalents increased to EUR 501 million (161), in addition to which YIT had undrawn overdraft facilities amounting to EUR 47 million (47). Furthermore, a committed revolving credit facility of EUR 300 million (300) was completely undrawn, and undrawn and committed housing corporation and project loan limits related to apartment projects were EUR 170 million (256).

Capital employed was EUR 1,446 million (1,643) at the end of the quarter, out of which capital employed in Russia was 12% (18) resulting in EUR 173 million (233). In new residential development projects in Russia, the consumer payments for housing shall be made to escrow accounts and the funds will be released to the contractor from the escrow accounts upon completion of the project. At the end of the period, the Russian escrow accounts amounted to EUR 56 million (7). Equity investments in Russia were EUR 272 million (282).

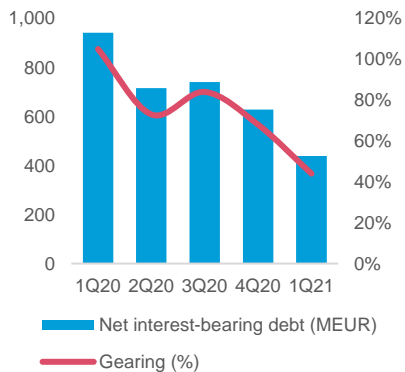
Investments and divestments

In the first quarter, gross capital expenditure amounted to EUR 2 million (12), or 0.4% of revenue (1.6), of which EUR 2 million (10) leased. Investments in plots were EUR 13 million (25), after which the plot reserve amounted to EUR 678 million (701). Investments in leased plots were EUR 0 million (8), after which the leased plot reserve amounted to EUR 114 million (135). The total plot reserve at the end of the quarter was EUR 792 million (836).

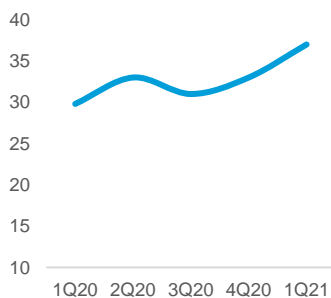
Operating cash flow after investments (MEUR)



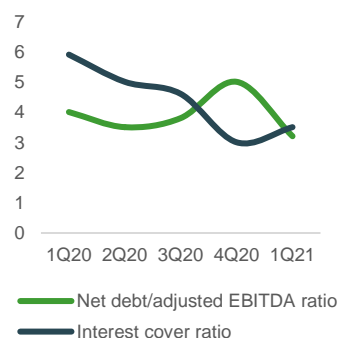
Net interest-bearing debt and gearing



Equity ratio (%)



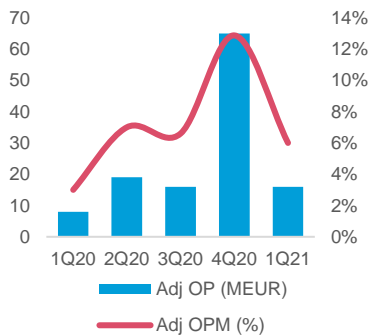
Net debt/adjusted EBITDA ratio and interest cover ratio



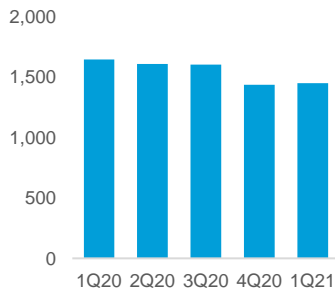


Housing Finland and CEE

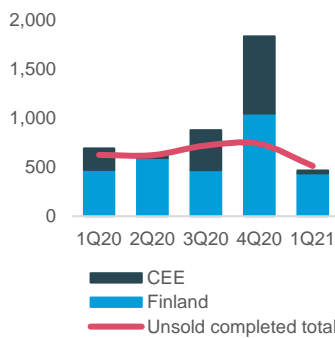
Adjusted operating profit and adjusted operating profit margin



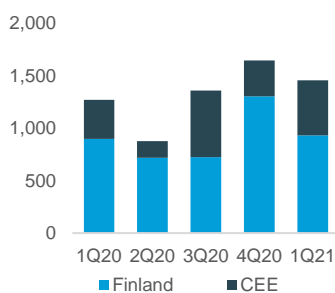
Order book (MEUR)



Completed consumer apartments, Finland and CEE (units)



Sold apartments, Finland and CEE (units)



EUR million	1-3/21	1-3/20	1-12/20
Revenue	265	248	1,286
Operating profit	16	8	108
Adjusted operating profit	16	8	108
Adjusted operating profit margin, %	6.2	3.3	8.4
Order book at end of period	1,451	1,646	1,437
Capital employed	606	721	700

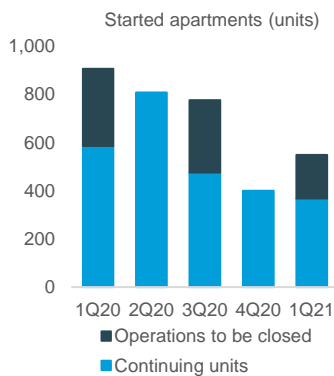
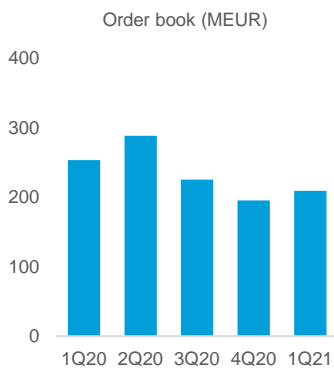
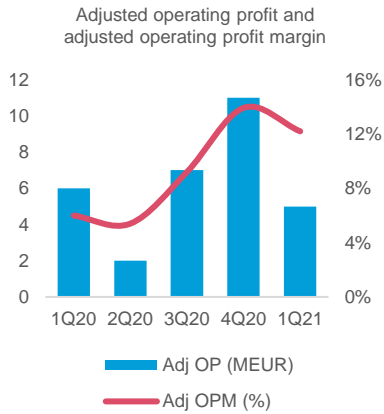
Results

January–March

- Revenue increased by 7% to EUR 265 million (248) supported by strong apartment sales.
- Number of unsold completed apartments decreased by 18% supported by strong sales particularly in the CEE.
- Adjusted operating profit increased to EUR 16 million (8) supported by higher apartment sales and improved margins across the business.
- Order book increased slightly to EUR 1,451 million (31 Dec 2020: 1,437).
- Consumer apartment start-ups increased by 153% year-on-year.
- According to the EPSI rating survey, YIT received the top rating for customer satisfaction (a score of 81) in new residential construction in Finland. YIT has been placed in the EPSI Rating survey's top three for four years in a row.
- The living services business progressed well:
 - Number of residential rental agreements increased by 137% year-on-year.
 - Service offering in YIT Plus service platform widened, for example the car sharing service in Tripla, and visits increased by 85% year-on-year in total in Finland.



Housing Russia



EUR million	1-3/21	1-3/20	1-12/20
Revenue	44	107	305
Operating profit	4	-4	8
Adjusted operating profit	5	6	27
Adjusted operating profit margin, %	12.2	6.0	8.8
Order book at end of period	209	253	195
Capital employed	172	222	180

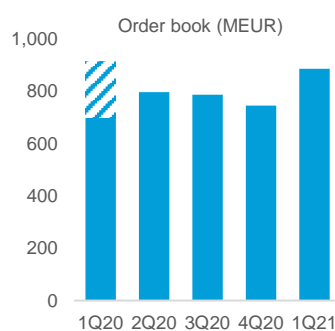
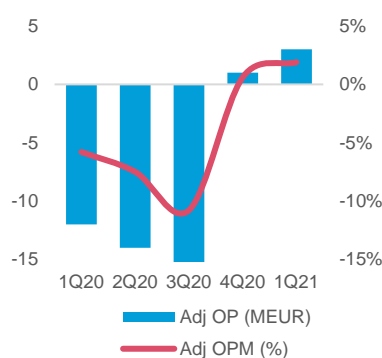
Results

January–March

- Revenue decreased by 59% to EUR 44 million (107). The corresponding period included a positive impact of EUR 57 million from the change in revenue recognition over time.
- Adjusted operating profit amounted to EUR 5 million (6) supported by good apartment sales and improved margins. The corresponding period's adjusted operating profit included a positive impact of EUR 5 million from the change in revenue recognition over time.
- Order book increased slightly to EUR 209 million (31 Dec 2020: 195).
 - YIT started the last residential building in the Shchelkovo area development project in the Moscow region which began 10 years ago. The decision on the start of construction expedites the covering of YIT's obligations and the controlled completion of the area development project.
- Share of sold apartments financed with mortgage continued to increase to 66% (44).
- At end of quarter, YIT was responsible for service and maintenance for
 - over 73,000 apartments (65,000)
 - over 13,000 parking spaces (11,000)
 - over 10,000 business premises (8,000)
 - total over 97,000 clients (85,000)



Adjusted operating profit and adjusted operating profit margin



Real estate management reported in Partnership properties since 2Q20.



Business premises

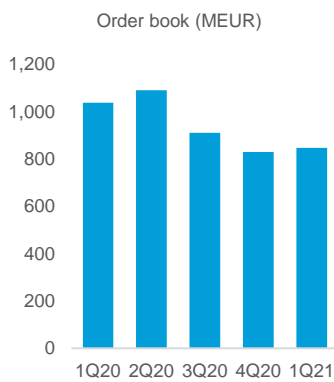
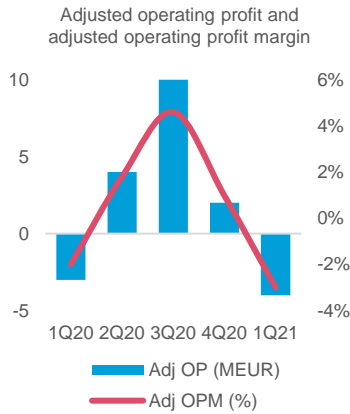
EUR million	1-3/21	1-3/20	1-12/20
Revenue	144	209	761
Operating profit	3	-12	-46
Adjusted operating profit	3	-12	-44
Adjusted operating profit margin, %	1.9	-5.8	-5.8
Order book at end of period	886	913	745
Capital employed	-23	91	-44

Following the organisational change on 1 May 2020, the real estate management and project development businesses were transferred from the Business premises segment into the Partnership properties segment. The change had an impact on the order book and capital employed of both segments from that point onward.

Results

January–March

- Revenue decreased by 31% to EUR 144 million (209). The comparison period included revenue recognition from the finalisation of the Espoo Keilaniemi project's Accountor Tower transaction as well as revenue from the completion of Tripla offices and hotel and real estate management business.
- Adjusted operating profit increased to EUR 3 million (-12) as the operational performance continues to stabilise. The comparison period was negatively impacted by financial settlements in certain challenging projects.
- The financial settlements of the Tripla project progressed according to plans.
- Order book increased to EUR 886 million (31 Dec 2020: 745).
 - The implementation phase of the new Tammissairaala eye hospital, value of EUR 120 million, the Kymenlaakso Central Hospital expansion, value of EUR 50 million, and the renovation of the Helsinki City Housing Company's rental apartments, value of EUR 31 million, among other projects, were entered in the order book.



Infrastructure

EUR million	1-3/21	1-3/20	1-12/20
Revenue	141	173	791
Operating profit	-9	-3	-1
Adjusted operating profit	-4	-3	13
Adjusted operating profit margin, %	-3.0	-1.5	1.6
Order book at end of period	847	1,037	829
Capital employed	55	57	48

From the third quarter 2020 onwards, operating profit from the businesses to be closed down in Norway are recorded in adjusting items and are not presented in adjusted operating profit.

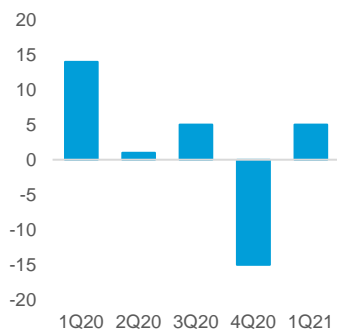
Results

January–March

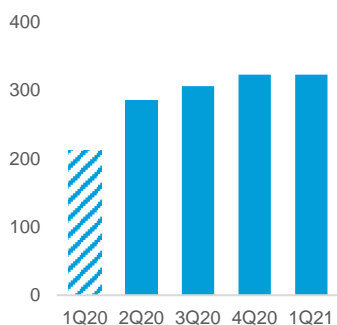
- Revenue decreased by 18% to EUR 141 million (173).
- Adjusted operating profit decreased to EUR -4 million (-3), impacted by typical seasonality and margin reductions in certain projects.
- YIT announced on April 28, 2021 that it sells its paving and mineral aggregates businesses in Estonia. From the first quarter onwards, operating profit from the businesses to be sold are recorded in adjusting items.
- Adjusting items were EUR 5 million (0) including operating profit from operations to be closed down in Norway and businesses to be sold in Estonia.
- Order book increased slightly to EUR 847 million (31 Dec 2020: 829).
 - A new wastewater treatment plant in Sweden, value of EUR 12 million, and a metro extension in Stockholm, Sweden, value of EUR 9 million, among other projects, were entered in the order book.
- YIT announced on 12 February 2021 that it is selling the building rights of the wind power project it has developed in the municipality of Lestijärvi, Finland to OX2. The transaction is expected to be closed latest in 2022 once certain terms and conditions of the contract are met. The transaction is expected to have an effect of approximately EUR 40 million on YIT's adjusted operating profit.




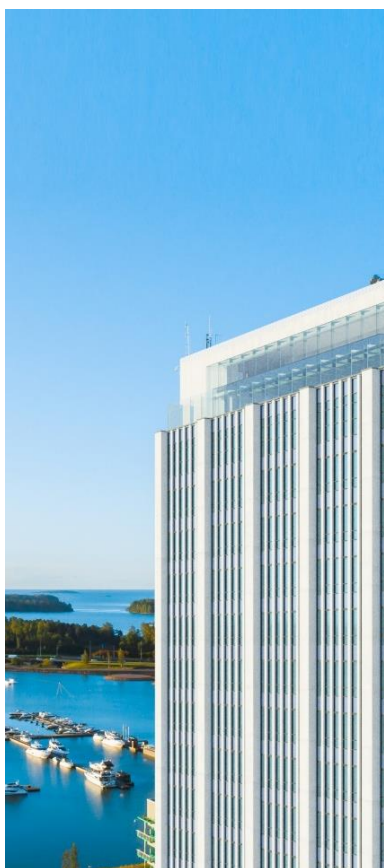
Adjusted operating profit (MEUR)



Order book (MEUR)



 Real estate management reported in Business premises until 1Q20.



Partnership properties

EUR million	1-3/21	1-3/20	1-12/20
Revenue	4		17
Operating profit	5	14	5
Adjusted operating profit	5	14	5
Order book at end of period	323		323
Capital employed	334	256	331

Following an organisational change on 1 May 2020, the real estate management and project development businesses were transferred from the Business premises segment into the Partnership properties segment thereby having an impact on order book and capital employed of both segments from that point onward.

Results

January–March

- Revenue grew to EUR 4 million impacted by the organisational change.
- Adjusted operating profit decreased to EUR 5 million (14). The result was positively impacted by the property transaction of Keilalampi and the Keilaniemenranta pavilions in Espoo, Finland. The comparison period was supported by the finalisation of the Espoo Keilaniemi project's Accountor Tower transaction in Finland.
- Order book was stable at EUR 323 million (31 Dec 2020: 323) including primarily service periods for life cycle projects.
- YIT launched the Workery+ concept to the business premises market, combining traditional office rental and coworking spaces.
 - After the reporting period, YIT announced on 6 April 2021, that it has acquired the Finnish operations of UMA Workspace, a business established in 2016 by Technopolis. In connection with the acquisition, eight UMA employees will transfer to YIT's Partnership Properties segment to strengthen the operations of YIT Workery+.

Investments

EUR million	
Portfolio balance sheet value 1 January 2021	254
Net change in invested equity	-2
Net result	6
Dividends	-5
Changes in fair value	1
Portfolio balance sheet value 31 March 2021	254



Shares

YIT Corporation's share capital and number of shares remained unchanged during the reporting period.

At the beginning of 2021, YIT's share capital was EUR 149,716,748.22 (149,716,748.22) and the number of shares outstanding at the end of the reporting period, on 31 March 2021, was 209,083,556 (208,768,363).

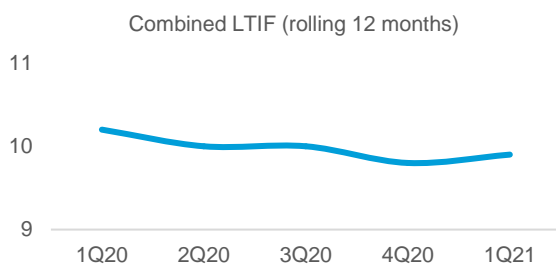
Personnel

During January–March 2021, the Group employed on average 6,936 people (7,436). Personnel expenses in January–March totalled EUR 92 million (102).

Sustainability

Safety

The Group's rolling 12-month combined lost time injury frequency, including own personnel and subcontractors, was 9.9 (10.2).



Environment

During the first quarter, YIT launched a Green Finance Framework to support investments promoting the transition towards a low-carbon circular economy and other sustainability goals of the company. Green financing under the framework will be one of the tools to support YIT to reach its climate and sustainability targets. The Green Finance Framework will enable YIT to [issue green bonds and other green financial instruments](#) to finance projects with environmental benefits.

Governance

Resolutions passed at the Annual General Meeting

The Annual General Meeting of YIT Corporation was held on 18 March 2021 in accordance with the so-called Temporary Act without the shareholders' or their proxy representatives' presence at the meeting venue.

The Annual General Meeting adopted the 2020 financial statements and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting also gave its advisory approval for the remuneration report for the company's governing bodies. The Annual General Meeting further decided on the dividend payout, the composition of the Board of Directors and their fees, the election of the auditor and its fees as well as authorising the Board of Directors to decide on the repurchase of company shares and share issues.

It was decided that a dividend of EUR 0.14 be paid per share, amounting to a total of approximately EUR 29.3 million, as proposed by the Board of Directors, and that the dividend will be paid in two instalments. No dividend will be paid on treasury shares.

The Annual General Meeting resolved to elect a Chairman, Vice Chairman and six ordinary members to the Board of Directors for a term ending at the close of the next Annual General Meeting following their election, namely: Harri-Pekka Kaukonen was re-elected as the Chairman, Eero Heliövaara was re-elected as the Vice Chairman and Alexander Ehrnrooth, Frank Hyldmar, Olli-Petteri Lehtinen, Kristina Pentti-von Walzel, Barbara Topolska and Tiina Tuomela were re-elected as members.

YIT published stock exchange releases on the resolutions of the Annual General Meeting and on the organisational meeting of the Board of Directors on 18 March 2021. The stock exchange releases and introductions of the members of the Board of Directors are available on YIT's [web pages](#).



Significant risks and uncertainties

The purpose of YIT's risk management is to identify the most significant risks to the company's operations and manage them in a balanced way. Risk management aims to ensure the continuity of YIT's operations and the achievement of targets. YIT has a risk management policy that guides the management of the company's overall risk position. Risk management is included in all of the Group's significant operating, reporting and management processes.

YIT has categorised the risks that are significant to its operations into strategic, operational, financial and event risks. Strategic risks relate to market, countries of operation, legislation, good corporate governance, reputation and climate change. Operational risks, on the other hand, to projects, contract and agreement disputes, resources and personnel, procurement, occupational safety, human rights and the environment. Financial risks relate to financing, reporting and capital efficiency, while event risks include issues related to information security and pandemics.

Detailed descriptions of risks, their impacts and risk management practices are available in YIT's [Annual Review 2020 on pages 27-32](#). These risks still apply. The main updates to risks since the publication of the report are related to the operations to be closed down which include risks related to sales of assets and finalisation of operation closures.

Events after the reporting period

Markku Moilanen commenced as the President and CEO of YIT Corporation on 1 April 2021.

YIT announced on 1 April 2021 that Harri Kailasalo, Executive Vice President, Infrastructure segment, leaves the company. Antti Inkilä, who has acted as the YIT Corporation's interim President and CEO until 31 March 2021, takes over the position as interim Executive Vice President of the Infrastructure segment and member of the Group Management Team. Marko Oinas will continue as interim Executive Vice President of the Housing Finland and CEE segment.

YIT announced on 30 April 2021 that YIT's Board of Directors has appointed Ilkka Tomperi (45, Ph.D., Finance) as Executive Vice President of Partnership Properties segment and a member of the Group Management Team. He shall take over his position at the beginning of August 2021. Timo Lehmus will continue as interim Executive President of Partnership Properties segment until the end of July, and thereafter, he will continue his position as Head of Development of Partnership Properties segment.

**YIT Corporation
Board of Directors**

Helsinki, 30 April 2021

Interim report January–March 2021: Tables

Table of contents

Primary Financial Statements	16
Consolidated income statement, IFRS	16
Consolidated statement of comprehensive income, IFRS	17
Consolidated statement of financial position, IFRS	18
Consolidated cash flow statement, IFRS	19
Consolidated statement of changes in equity, IFRS	20
Basis of preparation and accounting policies of the interim report	22
Basis of preparation	22
Accounting policies	22
Coronavirus pandemic (COVID-19)	22
Most relevant currency exchange rates used in the interim report	23
Notes	24
Segment information	24
Discontinued operations	26
Inventories	27
Derivative contracts	28
Contingent liabilities and assets and commitments	28
Adjustments concerning prior periods	29
Additional information	30
Reconciliation of certain key figures	30
Definitions of financial key performance indicators	31

Primary Financial Statements

Consolidated income statement, IFRS

EUR million	1-3/21	1-3/20	1-12/20
Revenue	606	708	3,069
Other operating income	4	12	30
Change in inventories of finished goods and in work in progress	-26	-60	-249
Production for own use	0		0
Materials and supplies	-86	-77	-325
External services	-331	-428	-1,777
Personnel expenses	-92	-102	-372
Other operating expenses	-60	-47	-291
Changes in fair value of financial assets	1	0	-14
Share of results in associated companies and joint ventures	6	15	23
Depreciation, amortisation and impairment	-9	-25	-58
Operating profit	14	-3	35
Finance income	1	1	4
Exchange rate differences (net)	0	-1	1
Finance expenses	-10	-13	-45
Finance income and expenses, total	-9	-13	-41
Result before taxes	6	-16	-6
Income taxes	-2	6	-3
Result for the period, continuing operations	4	-10	-8
Result for the period, discontinued operations		-23	35
Result for the period	4	-32	27
Attributable to			
Owners of YIT Corporation	4	-32	26
Non-controlling interests	0	0	0
Total	4	-32	27
Earnings per share, attributable to the equity holders of the parent company, euro			
Basic, total	0.02	-0.15	0.13
Diluted, total	0.02	-0.15	0.13
Basic, continuing operations	0.02	-0.05	-0.04
Basic, discontinued operations		-0.11	0.17
Diluted, continuing operations	0.02	-0.05	-0.04
Diluted, discontinued operations		-0.11	0.17

Consolidated statement of comprehensive income, IFRS

EUR million	1-3/21	1-3/20	1-12/20
Result for the period	4	-32	27
Items that may be reclassified to income statement			
Cash flow hedges	0		
Change in translation differences	9	-73	-88
Translation differences reclassified to income statement	0		1
Items that may be reclassified to income statement, total	9	-73	-87
Items that will not be reclassified to income statement			
Change in fair value of defined benefit pension			0
Income tax relating to item above			0
Items that will not be reclassified to income statement, total			0
Other comprehensive income, total	9	-73	-87
Total comprehensive income	13	-105	-60
Attributable to			
Owners of YIT Corporation	13	-105	-60
Non-controlling interests	0	0	0
Total	13	-105	-60

Consolidated statement of financial position, IFRS

EUR million	3/21	3/20	12/20
ASSETS			
Non-current assets			
Property, plant and equipment	65	70	68
Leased property, plant and equipment	78	96	84
Goodwill	249	251	249
Other intangible assets	9	13	10
Investments in associated companies and joint ventures	79	59	80
Equity investments	181	194	180
Interest-bearing receivables	49	49	49
Other receivables	9	12	11
Deferred tax assets	34	35	35
Non-current assets total	753	779	764
Current assets			
Inventories	1,376	1,601	1,376
Leased inventories	170	198	190
Trade and other receivables	430	405	417
Interest-bearing receivables	16	15	17
Income tax receivables	2	3	2
Cash and cash equivalents	501	161	419
Current assets total	2,495	2,381	2,421
Assets classified as held-for-sale		346	
Total assets	3,248	3,506	3,185
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	901	898	918
Non-controlling interests	2	2	2
Hybrid bond	99		
Equity total	1,003	900	920
Non-current liabilities			
Deferred tax liabilities	9	6	10
Pension obligations	2	2	2
Provisions	79	74	78
Borrowings	287	386	286
Lease liabilities	144	215	174
Trade and other payables	29	47	27
Non-current liabilities total	549	730	577
Current liabilities			
Advances received ¹	515	494	429
Trade and other payables	566	670	566
Income tax payables	3	3	3
Provisions	37	36	37
Borrowings	512	509	592
Lease liabilities	62	57	62
Current liabilities total	1,695	1,767	1,688
Liabilities directly associated with assets classified as held-for-sale		109	
Liabilities total	2,245	2,607	2,265
Total equity and liabilities	3,248	3,506	3,185

¹ On March 31, 2021, the reported amount includes EUR 185 million (184) non-cash considerations from customer contracts related to sold uncompleted residential developments arising from housing company loans and plot lease liabilities.

Consolidated cash flow statement, IFRS

EUR million	1-3/21	1-3/20	1-12/20
Result for the period	4	-32	27
Reversal of accrual-based items	19	12	56
Change in trade and other receivables	-11	66	55
Change in inventories	4	52	251
Change in current liabilities	60	-171	-299
Change in working capital, total	54	-53	7
Cash flow of financial items	-15	-3	-51
Taxes paid (-)	-3	18	15
Net cash generated from operating activities	58	-58	54
Investments to subsidiaries, associated companies and joint ventures	-9	-4	-27
Disposal of subsidiaries, associated companies and joint ventures	15	15	306
Cash outflow from other investing activities	-1	-10	-13
Cash inflow from other investing activities	6	8	16
Net cash used in investing activities	11	10	282
Operating cash flow after investments	70	-48	336
Proceeds from non-current borrowings	200	50	57
Repayments of non-current borrowings	-221	-30	-30
Change in current borrowings	-55	85	66
Payments of lease liabilities	-11	-10	-35
Change in interest-bearing receivables	1	-7	-10
Proceeds from hybrid bond	100		
Change in treasury shares			2
Dividends paid	0	-1	-84
Net cash used in financing activities	13	87	-35
Net change in cash and cash equivalents	83	39	301
Cash and cash equivalents at the beginning of the period	419	132	132
Foreign exchange differences	-1	-10	-14
Cash and cash equivalents at the end of the period	501	161	419

Consolidated statement of changes in equity, IFRS

EUR million											
	Share capital	Legal reserve	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Non-controlling interests	Hybrid bond	Equity total
Equity on January 1, 2021	150	1	553	-303		-10	527	918	2		920
Comprehensive income											
Result for the period							4	4	0		4
Cash flow hedges					0			0			0
Translation differences				9				9	0		9
Translation differences reclassified to income statement				0				0			0
Comprehensive income for the period, total				9	0		4	13	0		13
Transactions with owners											
Dividend distribution							-29	-29			-29
Share-based incentive schemes							0	0			0
Transactions with owners, total							-29	-29			-29
Other items											
Hybrid bond										99	99
Other items, total										99	99
Equity on March 31, 2021	150	1	553	-294	0	-10	501	901	2	99	1,003

EUR million										
	Share capital	Legal reserve	Unrestricted equity reserve	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Non-controlling interests		Equity total
Equity on January 1, 2020	150	1	553	-216	-12	585	1,061			1,061
Comprehensive income										
Result for the period						-32	-32			-32
Translation differences				-73			-73			-73
Comprehensive income for the period, total				-73		-32	-105			-105
Transactions with owners										
Dividend distribution						-58	-58			-58
Share-based incentive schemes						0	0			0
Transactions with owners, total						-58	-58			-58
Other items										
Non-controlling interests from business combinations								2		2
Other items, total								2		2
Equity on March 31, 2020	150	1	553	-289	-12	494	898	2		900

EUR million									
	Share capital	Legal reserve	Unrestricted equity reserve	Translation differences	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Non-controlling interests	Equity total
Equity on January 1, 2020	150	1	553	-216	-12	585	1,061		1,061
Comprehensive income									
Result for the period						26	26	0	27
Change in fair value of defined benefit pension						0	0		0
Income tax relating to item above						0	0		0
Translation differences				-88			-88	0	-88
Translation differences reclassified to income statement				1			1		1
Comprehensive income for the period, total				-87		27	-60	0	-60
Transactions with owners									
Dividend distribution						-84	-84		-84
Share-based incentive schemes					2	-1	1		1
Transactions with owners, total					2	-85	-83		-83
Other items									
Non-controlling interests from business combinations								2	2
Other items, total								2	2
Equity on December 31, 2020	150	1	553	-303	-10	527	918	2	920

Basis of preparation and accounting policies of the interim report

Basis of preparation

This interim report has been prepared in accordance with IFRS recognition and measurement principles, but all requirements of IAS 34 Interim Financial Reporting standard have not been applied. This interim report should be read together with YIT's consolidated Financial Statements 2020. The figures presented in the interim report are unaudited. In the interim report, the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in column and total sums.

Accounting policies

The same IFRS recognition and measurement principles have been applied in the preparation of this interim report as in YIT's consolidated Financial Statements 2020 except for the changes described below and the amendments to IFRS standards which were effective as of January 1, 2021. The amendments did not have impact on the consolidated financial statements.

Hybrid bond

A hybrid bond is recognised in shareholders' equity after equity belonging to shareholders. The bond holders do not have any rights equivalent to ordinary shareholders, and the bond does not dilute shareholders' ownership in the company. YIT has no contractual obligation to repay the loan capital or the interest on the loan. The hybrid bond is initially recognised at fair value less transaction cost and subsequently the bond is measured at cost. If interest is paid to the hybrid bond, it is recognised directly into retained earnings.

Hedge accounting

Derivative instruments used in hedge accounting that meet the hedge accounting criteria under IFRS 9 are entered in the balance sheet at fair value on the day that YIT becomes counterpart to the agreement. YIT has applied hedge accounting for hedging against the reference rate of certain floating rate loans (cash flow hedging), but YIT always estimates hedge accounting needs case by case. YIT documents the relationship between the target and the hedging instruments and risk management objective as well as the strategy applied. The effectiveness of hedging is evaluated at least on every reporting date. Changes in the fair value of the effective part of derivative instruments meeting the criteria for cash flow hedging are entered in fair value reserves in shareholders' equity, taking the tax impact into consideration, and presented in other comprehensive items. Gains and losses recognised in shareholders' equity are transferred to financial income or expenses within the same financial periods as the items of the hedging target.

Earnings per share (EPS)

The hybrid bond issued in the first quarter of 2021 has an effect on the calculation of earnings per share. When calculating earnings per share, the result is adjusted with hybrid bond interests regardless of payment date and adjusted with tax effect. When YIT redeems the hybrid bond, redemption costs adjusted with tax effect are adjusted from the result when calculating earnings per share.

Significant management judgements

In preparing this interim report, significant judgements made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated Financial Statements for the year ended December 31, 2020.

Coronavirus pandemic (COVID-19)

The sections of the financial statements that involve an unusual amount of judgement or that include significant assumptions and estimates have been described in YIT's Financial Statements 2020. When making these judgements, the management estimates constantly the impacts of coronavirus pandemic on the estimates and judgements.

Coronavirus pandemic is not expected to have such long-term impacts on YIT's financial performance which would require adjustments to carrying amounts in the statement of financial position. However, the management of the company follows constantly the market indicators and estimated future cash flows related to fair values of investments and carrying amounts of other assets. The most significant single investment is Tripla Mall Ky which is recognised at fair value through profit and loss.

YIT has also assessed the implications of the coronavirus pandemic in regard to its most significant financial risks, i.e. funding, liquidity, and credit risks and market risks, e.g. foreign exchange and interest rate risks. Out of these, the funding and liquidity risks have been seen from YIT perspective as the main affected risks by the turbulence in the market. YIT's liquidity position is strong and it was further improved in the first quarter by solid operative cash flow and issuance of EUR 300 million new bonds, with which EUR 250 million old bonds were redeemed (redemption of nominal amount of EUR 49

million took place only on April 8th 2021). With this transaction the capital structure and equity of YIT was also further strengthened as the new bonds included an EUR 100 million green hybrid bond, which doesn't have a maturity date, but the company is entitled to redeem it on the Reset Date, and subsequently, on each interest payment date. These actions support sustaining a high level of liquidity and extended the average maturity profile of the debt portfolio.

Most relevant currency exchange rates used in the interim report

		Average rates			End rates		
		1-3/21	1-3/20	1-12/20	3/21	3/20	12/20
1 EUR =	CZK	26.0730	25.6264	26.4595	26.1430	27.3120	26.2420
	PLN	4.5451	4.3236	4.4436	4.6508	4.5506	4.5597
	RUB	89.7261	73.7854	82.6883	88.3175	85.9486	91.4671
	SEK	10.1177	10.6680	10.4875	10.2383	11.0613	10.0343
	NOK	10.2652	10.4622	10.7261	9.9955	11.5100	10.4703

Notes

Segment information

Seasonality of business

Seasonality of certain operations of the company affects the company's profit and its timing. According to IFRS accounting principles, certain customer contracts are recognised at a certain point in time. As a result, the profit of the company can fluctuate greatly between quarters depending on the completion of the projects. Additionally, length of working season is limited in the Infrastructure segment's road construction business in Baltics.

Other changes

Following the organisational change on May 1, 2020, the real estate management and project development businesses were transferred from the Business premises segment into the Partnership properties segment having an impact on order book and capital employed of both segments. The comparative periods' figures were not adjusted.

Segment financial information

1-3/21 EUR million	Housing Finland and CEE	Housing Russia	Business premises	Infrastructure	Partnership properties	Other items	Group, IFRS
Revenue	265	44	144	141	4	8	606
Revenue from external customers	265	44	144	137	4	12	606
Revenue Group internal	0		0	4	0	-4	
Depreciation, amortisation and impairment	-1	0	0	-4	0	-3	-9
Operating profit	16	4	3	-9	5	-5	14
Operating profit margin, %	6.2	9.4	1.9	-6.2	139.4		2.4
Adjusting items		1		5		1	7
Adjusted operating profit	16	5	3	-4	5	-5	21
Adjusted operating profit margin, %	6.2	12.2	1.9	-3.0	139.4		3.5

1-3/20 EUR million	Housing Finland and CEE	Housing Russia	Business premises	Infrastructure	Partnership properties	Other items	Group, IFRS
Revenue	248	107	209	173		-28	708
Revenue from external customers	248	106	209	169		-24	708
Revenue Group internal		0	0	4		-4	
Depreciation, amortisation and impairment	-1	-14	0	-5		-5	-25
Operating profit	8	-4	-12	-3	14	-6	-3
Operating profit margin, %	3.3	-4.0	-5.9	-1.5			-0.4
Adjusting items		11	0			1	12
Adjusted operating profit	8	6	-12	-3	14	-6	8
Adjusted operating profit margin, %	3.3	6.0	-5.8	-1.5			1.2

1-12/20 EUR million	Housing Finland and CEE	Housing Russia	Business premises	Infrastructure	Partnership properties	Other items	Group, IFRS
Revenue	1,286	305	761	791	17	-90	3,069
Revenue from external customers	1,286	305	760	776	17	-75	3,069
Revenue Group internal	0		0	15		-16	
Depreciation, amortisation and impairment	-4	-14	-2	-18	0	-20	-58
Operating profit	108	8	-46	-1	5	-40	35
Operating profit margin, %	8.4	2.5	-6.0	-0.1	30.2		1.1
Adjusting items		19	1	13		15	50
Adjusted operating profit	108	27	-44	13	5	-24	85
Adjusted operating profit margin, %	8.4	8.8	-5.8	1.6	30.2		2.8

Capital employed by segments

EUR million	3/21	3/20	12/20
Housing Finland and CEE	606	721	700
Housing Russia	172	222	180
Business premises	-23	91	-44
Infrastructure	55	57	48
Partnership properties	334	256	331
Other items	302	297	312
Capital employed, total	1,446	1,643	1,527

Order book at the end of the period

EUR million	3/21	3/20	12/20
Housing Finland and CEE	1,451	1,646	1,437
Housing Russia	209	253	195
Business premises	886	913	745
Infrastructure	847	1,037	829
Partnership properties	323		323
Order book, total	3,716	3,848	3,528

Discontinued operations

On July 4, 2019, YIT announced having signed an agreement with Peab on the sale of YIT's paving and mineral aggregates businesses in Finland, Sweden, Norway and Denmark. The transaction comprised the operations of the company's Paving segment with the exclusion of the road maintenance business in Finland and paving business in Russia. The sale was successfully completed on April 1, 2020. For the financial year 2020 the income statement and cash flows used in discontinued operations are therefore presented for the three months period from Jan 1, 2020 to April 1, 2020.

Results of discontinued operations

EUR million	1-3/20	1-12/20
Revenue	28	27
Other operating income	1	1
Change in inventories of finished goods and in work in progress	8	8
Production for own use	0	0
Materials and supplies	-11	-11
External services	-11	-11
Personnel expenses	-17	-17
Other operating expenses	-18	-17
Share of results in associated companies and joint ventures	-1	-1
Operating profit	-23	-22
Finance income	0	0
Finance expenses	-1	-1
Finance income and expenses, total	-1	-1
Result before taxes	-23	-23
Income taxes	1	4
Result after taxes	-23	-19
Gain on sale of discontinued operation		55
Result from discontinued operations		35

Cash flows (used in) discontinued operations

EUR million	1-3/20	1-12/20
Cash used in operating activities	-22	-24
Cash used in investing activities	-6	277
Cash used in financing activities	-3	-6
Cash flow for the period	-30	247

Effect of disposal on financial position

EUR million	1 April 2020
Sold assets	
Property, plant and equipment	112
Leased property, plant and equipment	39
Goodwill	55
Other intangible assets	23
Investments in associated companies and joint ventures	3
Deferred tax assets	3
Inventories	60
Trade and other receivables	37
Cash and cash equivalents	5
Sold assets, total	337
Sold liabilities	
Deferred tax liabilities	16
Provisions	8
Lease liabilities	31
Advances received	7
Trade and other payables	54
Income tax payables	0
Sold liabilities, total	116
Sold net assets	221

EUR million	1 April 2020
Cash consideration	288
Sold net assets	-221
Other items	-12
Gain on sale of discontinued operation	55

Other items include translation difference of -2 million euros.

Inventories

EUR million	3/21	3/20	12/20
Raw materials and consumables	9	17	10
Work in progress	506	643	482
Land areas and plot owning companies	678	701	678
Shares in completed housing and real estate companies	130	181	151
Advance payments	49	55	51
Other inventories	3	4	3
Total inventories	1,376	1,601	1,376
Leased inventories	170	198	190

Derivative contracts

EUR million	3/21	3/20	12/20
Value of underlying instruments			
Interest rate derivatives (hedge accounting applied)	100		
Interest rate derivatives (hedge accounting not applied)	60	180	60
Foreign exchange derivatives	207	141	198
Commodity derivatives	2	1	1
Fair value			
Interest rate derivatives (hedge accounting applied)	0		
Interest rate derivatives (hedge accounting not applied)	-1	-2	-1
Foreign exchange derivatives	2	1	-1
Commodity derivatives	0	-1	0

Contingent liabilities and assets and commitments

EUR million	3/21	3/20	12/20
Guarantees			
Guarantees on behalf of others	1	1	1
Guarantees on behalf of consortiums	10	10	10
Guarantees on behalf of associated companies	5	0	5
Guarantees on behalf of parent and other Group companies	964	1,237	1,053
Other commitments			
Investment commitments	22	28	46
Purchase commitments	228	148	201

As a result of the partial demerger registered on June 30, 2013, YIT Corporation has secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 6 million on March 31, 2021.

Legal proceedings

Quality concerns related to ready-mixed concrete

Ready-mixed concrete, among other things, has been used in construction business as a raw material. During the year 2016, especially in some infrastructure projects, suspicions arose that the ready-mixed concrete used in Finland would not entirely fulfil the predetermined quality requirements.

The Hospital District of Southwest Finland presented claims for damages to YIT relating to the quality of the ready-mixed concrete as well as the work performance in the project for the construction of the concrete deck of the T3 building of Turku University Hospital.

YIT has in April 2019 signed a contract with the concrete supplier on agreeing the dispute between YIT and the concrete supplier.

The Hospital District of Southwest Finland has on June 3, 2020 filed a summons in the District Court of Southwest Finland against YIT and presented claims for damages etc. to YIT relating to the project for the construction of the concrete deck of the T3 building of Turku University Hospital. The capital amount of the claims totals approximately EUR 20 million. The company deems the claims for damages etc. unfounded.

YIT has submitted its response to the Hospital District's claims to the District Court on 29 January 2021. In its response YIT has denied the Hospital District's claims as unfounded.

Adjustments concerning prior periods

In the beginning of 2021, the company adjusted its presentation of Finnish VAT expenses for own use. This adjustment has been made between items above operating profit and has no effect on revenue, operating profit or items presented after operating profit. Prior to 2021, VAT expenses for own use were presented in the income statement under Other operating expenses. From the beginning of 2021 these expenses are presented in External services. The change has been implemented by adjusting the items of the comparison period that are affected as follows:

EUR million	1-12/20	Adjustment	Adjusted 1-12/20	1-9/20	Adjustment	Adjusted 1-9/20
External services	-1,612	-164	-1,777	-1,195	-121	-1,316
Other operating expenses	-456	164	-291	-307	121	-186

EUR million	1-6/20	Adjustment	Adjusted 1-6/20	1-3/20	Adjustment	Adjusted 1-3/20
External services	-820	-86	-906	-384	-44	-428
Other operating expenses	-190	86	-104	-91	44	-47

Additional information

Reconciliation of certain key figures

Reconciliation of adjusted operating profit

EUR million	1-3/21	1-3/20	1-12/20
Operating profit (IFRS)	14	-3	35
Adjusting items			
Goodwill impairment		14	15
Fair value changes related to redemption liability of non-controlling interests		-5	-7
Restructurings and divestments		1	1
Court proceedings		-2	-3
Integration costs related to merger		1	6
EBIT from operations to be closed	6	2	34
Inventory fair value adjustment from PPA ¹	0	1	1
Depreciation and amortisation expenses from PPA ¹	1	0	3
Adjusting items, total	7	12	50
Adjusted operating profit	21	8	85

¹ PPA refers to merger related fair value adjustments.

Reconciliation of adjusted EBITDA, rolling 12 months

EUR million	3/21
Adjusted operating profit	98
Depreciations and amortisations	42
Depreciation and amortisation expenses from PPA	-3
Goodwill impairment	-1
Adjusted EBITDA	135

Definitions of financial key performance indicators

Key figure	Definitions	Reason for use
Operating profit	Result for the period before taxes and finance expenses and finance income equalling to the subtotal presented in the consolidated income statement.	Operating profit shows result generated by operating activities excluding finance and tax related items.
Adjusted operating profit	Operating profit excluding adjusting items.	Adjusted operating profit is presented in addition to operating profit to reflect the underlying core business performance and to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations thus improving comparability from period to period.
Adjusting items	Adjusting items are material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, fair value changes related to redemption liability of non-controlling interests, integration costs related to merger, transaction costs related to merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, operating profit from businesses to be closed down, gains or losses arising from the divestments of a business or part of a business, costs on the basis of statutory personnel negotiations and adaption measures, and cost impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA").	
Capital employed	Capital employed includes tangible and intangible assets, shares in associates and joint ventures, investments, inventories, trade receivables and other non-interest-bearing receivables, provisions, advance payments and other non-interest-bearing debts excluding items related to taxes, finance items and profit distribution.	Capital employed presents capital employed of segment's operative business.
Interest-bearing debt	Non-current borrowings, current borrowings and non-current and current lease liabilities.	Interest-bearing debt is a key figure to measure YIT's total debt financing.
Net interest-bearing debt	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables.	Net interest-bearing debt is an indicator to measure YIT's net debt financing.
Equity ratio, %	Equity total / total assets less advances received.	Equity ratio is a key figure to measure the relative proportion of equity used to finance YIT's assets.
Gearing, %	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables / equity total.	Gearing ratio is one of YIT's key long-term financial targets. It helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.
Return on equity, %	Result for the period, 12 months rolling / equity total average.	Key figure describes YIT's relative profitability.

Key figure	Definitions	Reason for use
Return on capital employed, segments total (ROCE), %, rolling 12 months	Rolling 12 months adjusted operating profit/capital employed, segments total average.	Return on capital employed, % is one of YIT's key long-term financial targets. Key figure describes segment's relative profitability, in other words, the profit received from capital employed.
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	
Gross capital expenditures	Investments in tangible and intangible assets.	
Equity per share	Equity total divided by number of outstanding shares at the end of the period.	
Net debt / adjusted EBITDA, rolling 12 months	Net interest-bearing debt/rolling 12 months adjusted operating profit before depreciations and amortisations added	Net debt to adjusted EBITDA gives investor information on ability to service debt.
Interest cover ratio	Adjusted operating profit before depreciations and amortisations / (Net finance costs - net exchange currency differences), rolling 12 months	Interest cover ratio gives investors information on YIT's ability to service debt
Market capitalisation	(Number of shares – treasury shares) multiplied by share price on the closing date by share series.	
Average share price	EUR value of shares traded during period divided by number of shares traded during period.	

Together we can do it.

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