



 yitgroup.com

YIT Analyst Day

3 September 2024
Helsinki



Agenda

Presentations and discussion

- Vesa Pirinen / Transformation program in a nutshell
- Mika Toivonen / YIT's procurement transformation
- Tiina Siika-aho / Building effective project management
- Pekka Helin / Commercial excellence





Transformation program in a nutshell

Vesa Pirinen
SVP, Transformation

What is the Transformation program?

Cutting costs

Improving competitiveness

Transforming the company

Transformation program



Targets: at least EUR 40 million annual cost savings and potential to release capital by over EUR 400 million.
Program costs estimated to be EUR 50 – 70 million.

The current state and how to succeed

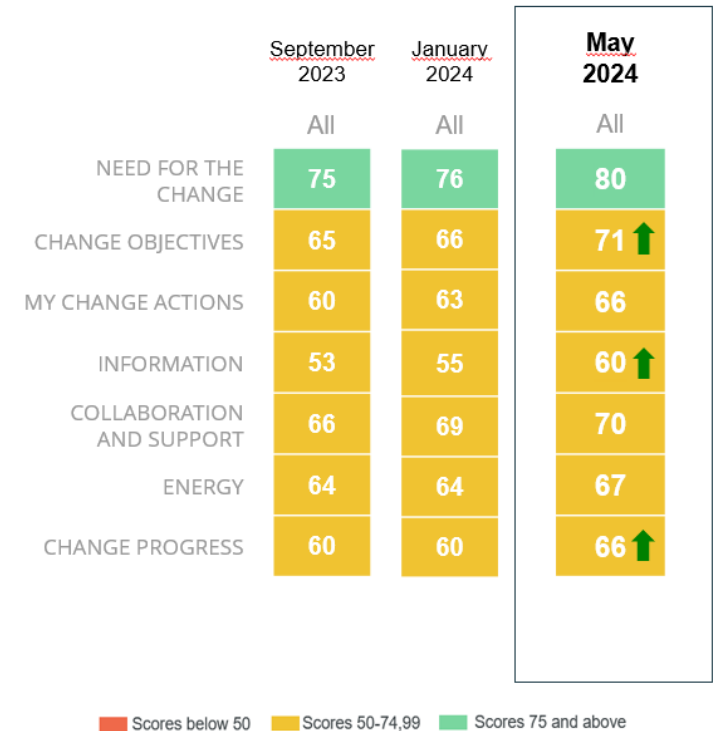
Current state

- The target of EUR 40 million in savings was reached by 06/2024.
- Capital releasing proceeding
- Great interest and commitment from personnel to change
 - Over 100,000 reads & views on videos and articles
- Continuous change measurement
 - Measuring shows the desire for changes and that the change is going through in the organisation.

How to succeed – actions ongoing

- Employee engagement
- Active dialogue/communication in all levels and channels
- Change agent networks
- Sponsors (GMT members) having visible role
- Concrete changes identified, led and communicated
- Change trainings and support for managers

Change measurement results





YIT's procurement transformation

Mika Toivonen

VP, Procurement

Procurement function had a significant role in YIT achieving the EUR 40 million savings target by June 2024



Procurement is targeting savings from the EUR ~1.6b direct and indirect spend,

across segments, through category-based procurement



YIT's transformation program succeeded in gaining EUR 40m in savings

by June 2024, as annualized inflation-adjusted run-rate



Procurement played a significant role in achieving the savings, alongside e.g., organizational changes, IT, premises, project management, and productivity

YIT's procurement function is transforming itself towards a category-led operating model, which has already yielded significant results

We are renewing procurement...

- In order to **decrease procurement spending**, YIT is transforming the procurement function into a **category-based operating model**
- The model enables YIT to improve **efficient tendering**, **quality control**, design management, and supplier partnerships
- YIT is also planning to implement a **new Source-to-Contract system** to further capitalize on further **operational efficiencies**

...and are already seeing the results

-  **Stronger supplier partnerships**
Deeper collaboration with suppliers enables development over various projects in procurement, design and production
-  **Better leveraging of scale**
Buying larger volumes leads to lower unit prices, and provides YIT with better terms and conditions
-  **Increase in expertise**
Procurement teams accumulate deep knowledge of their own area of responsibility
-  **Utilizing best practices**
Spreading the best practices and processes in terms of quality and efficiency across YIT

The new model is being built in collaboration with the production and design operations, to ensure targeting sustainable and holistic savings

How we run the transformation

The Procurement transformation is being implemented **hand-in-hand with the production and design operations**, to ensure that the efficiencies identified in Procurement of materials and services are **seamlessly implemented across YIT's** operations

Why we are succeeding

The transformation is **phased to ensure that the organization is able to implement changes** to how we currently operate and to develop the key competencies and capabilities of the procurement personnel

One example of what we have already achieved

Transformation success story:
YIT entered into **design partnerships with selected suppliers** to improve the **quality, cost efficiency, and carbon footprint** of its operations

ARCO

SITOWISE



arkkitehti palvelu

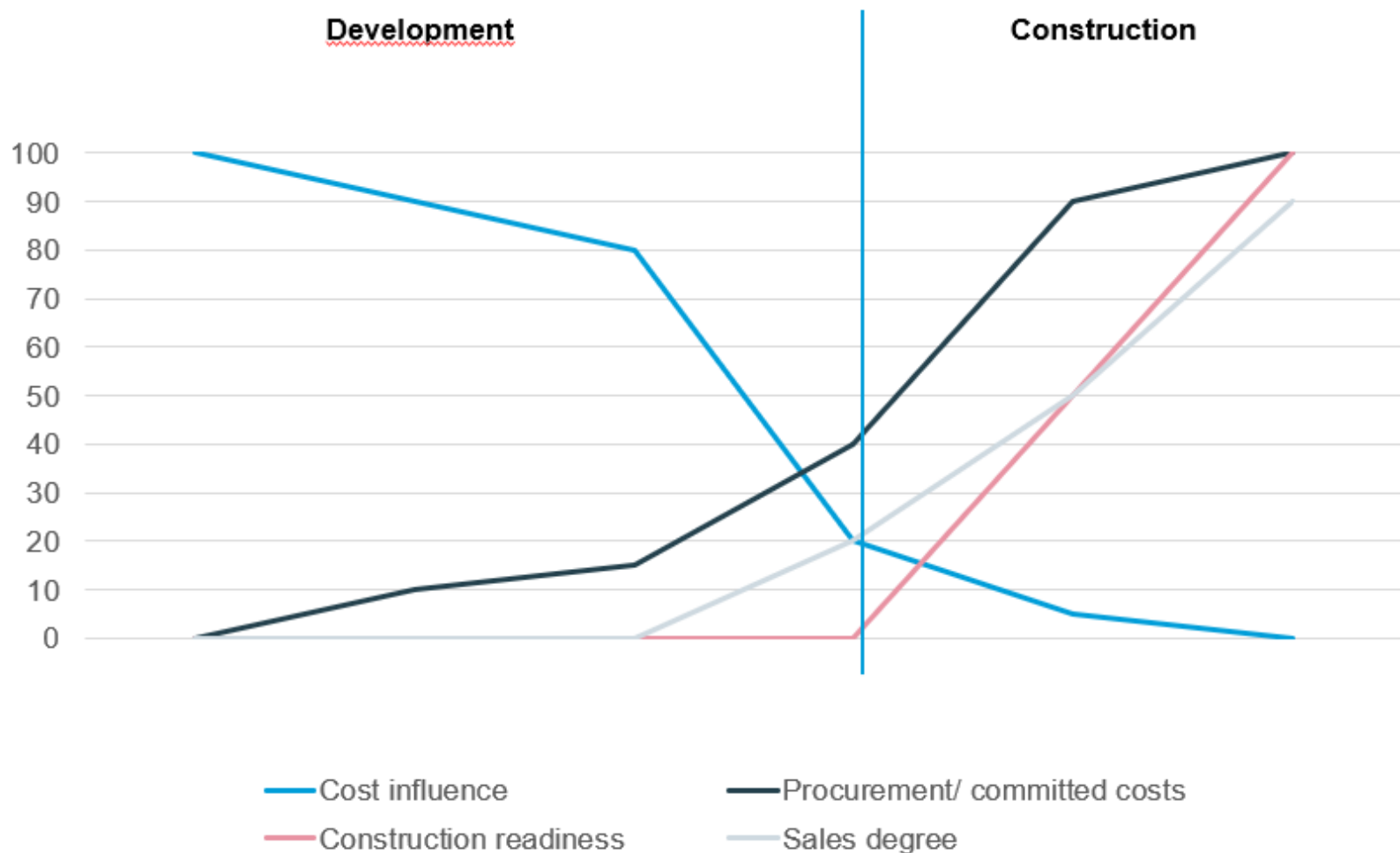


Granlund

SWECO



Cost influence in a construction project





Building effective project management

Tiina Siika-aho
Development Manager

Strengthening our capabilities in project management

Added value for customer

High quality

Effective

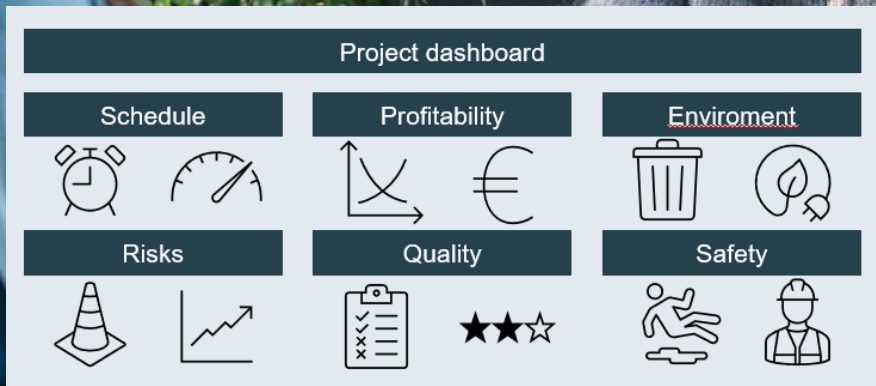
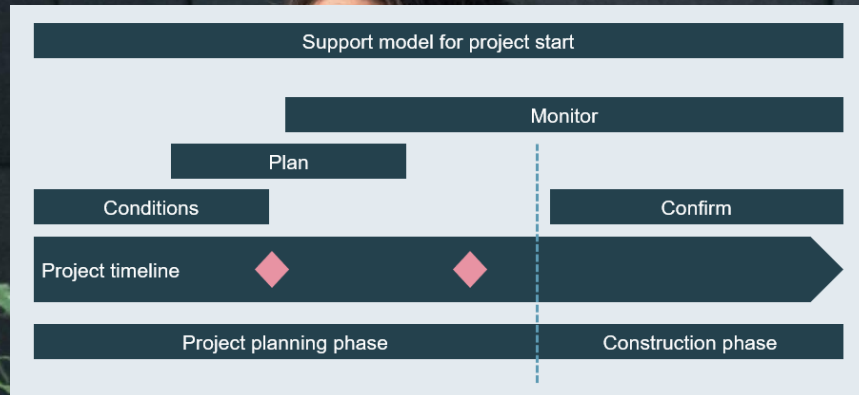
Profitable and predictable

Project management improvement is a
continuous process for us in YIT



How we have strengthened our project management expertise

Different levels of training by role	Training themes
Project management	Production planning and management practices
Site Production management	Contract Management
Workphase management	Quality control
	Profitability management
	Scheduling and time management
	Worksafety management
	Procurement management



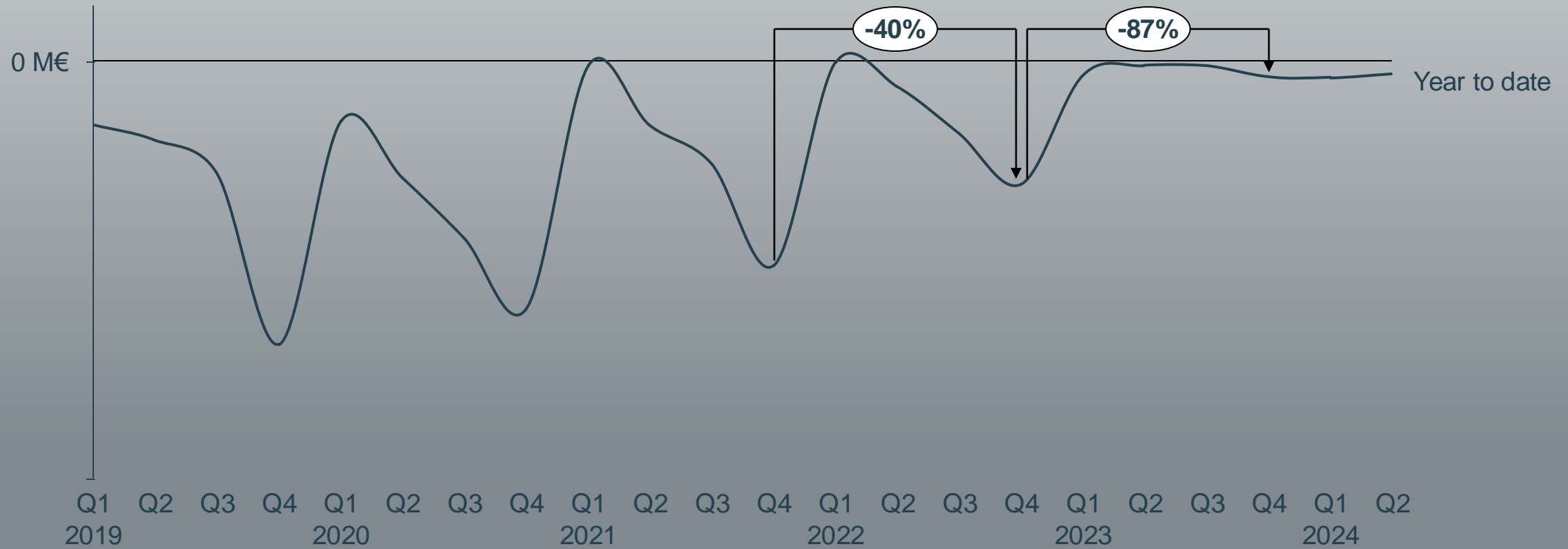
Continuos improvement
Set a mindset

Project management
training program
Focus on learning in practice

Support model
for project starts
Ensure efficient project start

Lead and manage with knowledge
Project situational awarness

Strong positive trend in net project margin deviations since 2019



What enables us to succeed in project management now and in the future

Change management and process development

Clear role and ownership in business segments

Systematic and common way to improve our capabilities

Less variations
Engaged and well-being employees





Commercial excellence

YIT Housing | Pekka Helin
SVP, Customerships and Living Services

Commercial Excellence – agenda

MARKET TRENDS
AND CHANGES

2

1

CUSTOMER NEEDS,
SEGMENTATION AND OUR
VALUE PROPOSITION

3

COMPETITIVE
ENVIRONMENT

4

BUSINESS LOGIC,
PRICING AND SALES
EXCELLENCE

6

SUMMARY

5

CUSTOMER SATISFACTION
AND VALUE CREATION

Customer needs, segmentation and value proposition

1

CUSTOMER NEEDS,
SEGMENTATION AND
OUR VALUE
PROPOSITION

Our value proposition: Living made easy

YIT offers contemporary solutions for people who want to experience the benefits of modern living, either as a resident or as an investor. We make both finding and living in a YIT home an enjoyable experience.

Housing

We build highly functional and sustainable quality homes and living environments in growing cities. We provide the framework for easy and convenient housing that is aligned with the principles of sustainable development.

Customer personas

First home buyer



Under 39 years, no previous experience in buying an apartment

- Rents an apartment
- Graduated
- In work life
- Leads an active lifestyle

Young family



Family with children, with the youngest child under 13 years and others under 18 years

- Lives in an owned apartment
- Considers renovation
- Interested in certain residential areas

Empty nesters



A working-age couple, whose children are moving or moved away from home

- Lives in an owned apartment (row house or detached house)
- Children over 15 years or moved away from home
- Considers renovations
- Longing for easy and living

Adult household



35-59-year-old single person or couple, no children

- Lives in an owned apartment
- Enjoys decorating
- Considers renovation
- Interested in personalized solutions

Senior



Over 63-year-old single person or couple

- Approaching retirement or retired
- Lived in the same apartment for a long time

Small Investor



Owns max. 5 apartments for investment purposes

- Actively follows the housing market
- Acquainted with investing and renting

Institutional Investor



Owns a portfolio of apartment buildings or apartments

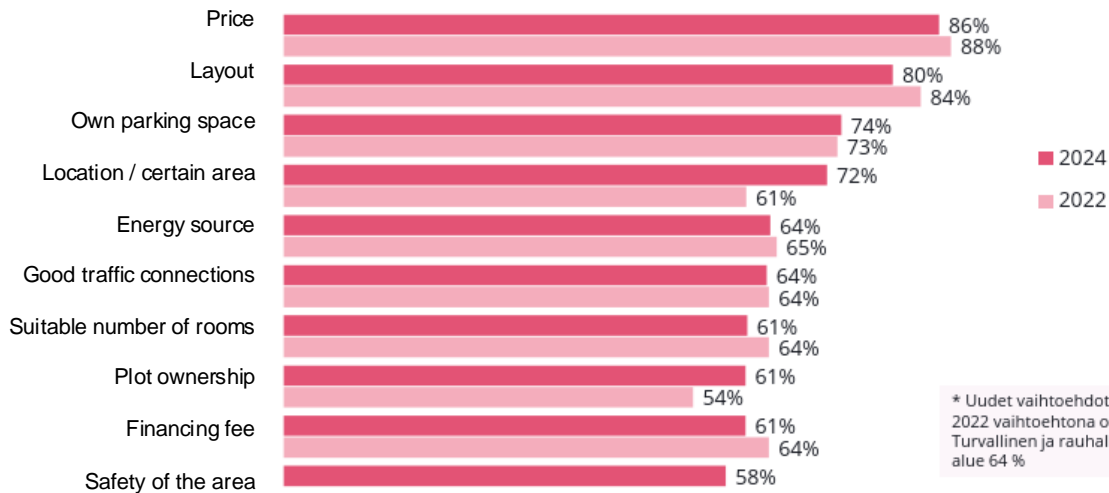
- Professional investors
- Follows an investment strategy
- Actively follows the housing market
- Has partners for various processes

Market trends and changes

Consumer market

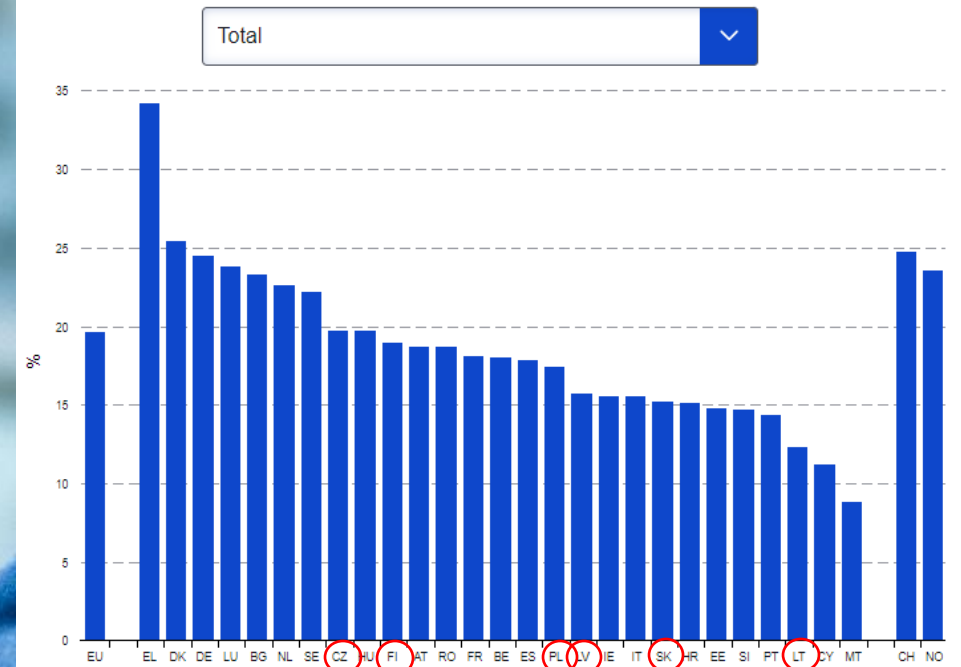
- Location/certain area, safety and plot ownership are increasing in importance for consumers
- Each customer has her/his own personal set of criteria
- Affordability of housing in general still reasonably good in all the operating countries

When comparing various new apartments which features in apartment, housing company or area are the most important as your choice criteria?



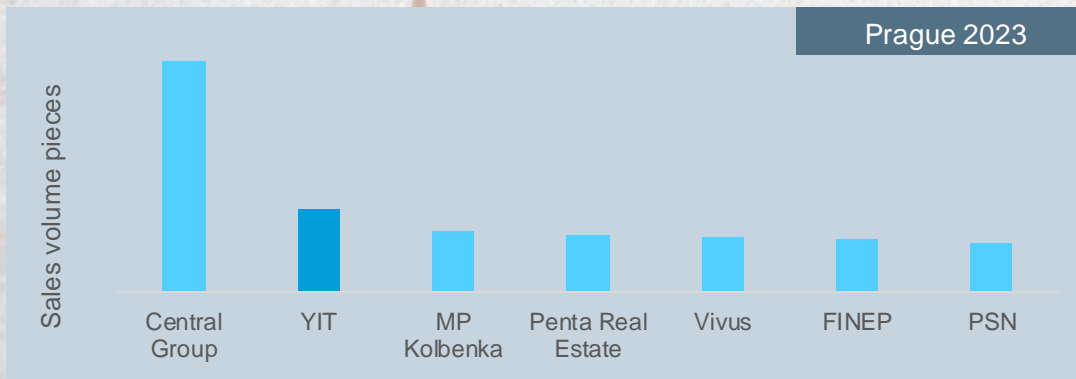
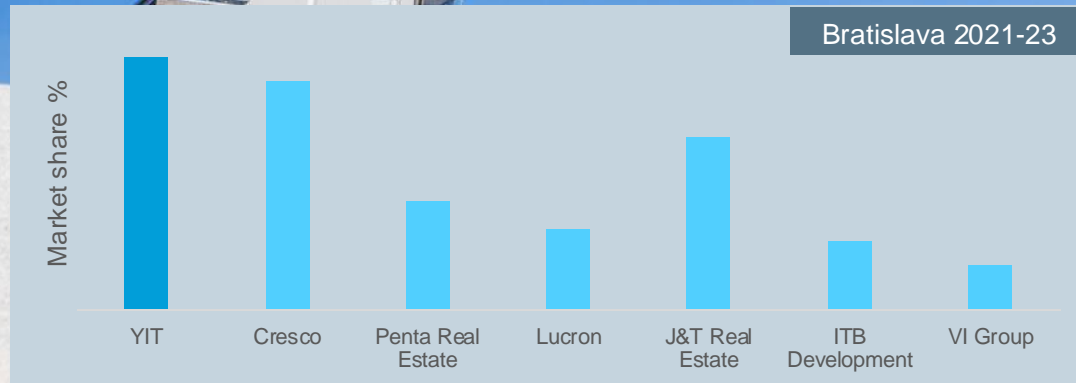
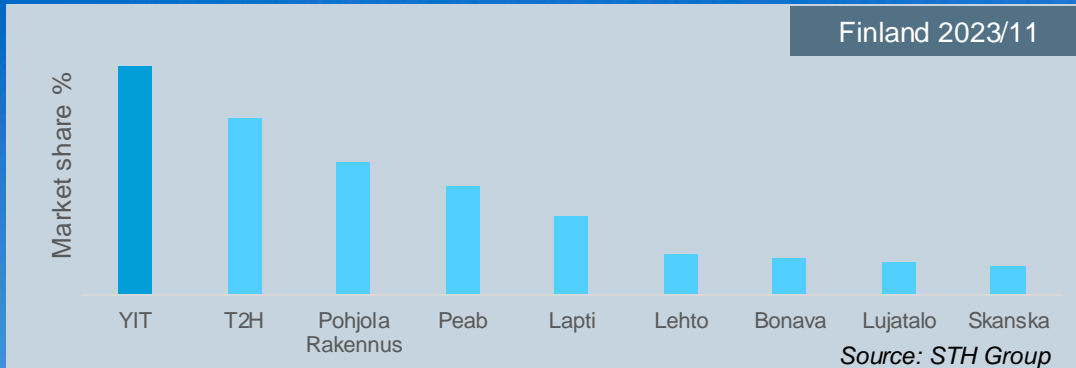
* Uudet vaihtoehdot 2024. 2022 vaihtoehtona oli: Turvallinen ja rauhallinen alue 64 %

Housing costs in disposable income – Total, 2022 (in %)



Source: Eurostat - [access to dataset](#)

Competitive environment



In most of the markets YIT is one of the biggest players and has a high brand preference.

Strong brand and customer experience are the sources of differentiation

The four elements of a good home

A functional and bright apartment floorplan

- A floorplan carefully designed from the customer's standpoint.
- A functional layout, with the kitchen and storage spaces as a priority.
- A bright apartment, where natural light is taken into account in all rooms, large windows are conceptualized in terms of furnishing, functionality and connection to nature.

Energy efficiency

- The apartment consumes as little energy as possible during occupancy.
- Energy production is planned in a sustainable way.
- Energy efficiency and environmental friendliness are taken into account in all phases of the project.

Elements of a good home

Connection to the green outdoor space

- The apartments are designed so that they have a personal connection to the green outdoor space and the outdoors.
- Balcony/terrace/French balcony connected to the apartment whenever possible.
- A green yard area with the solutions that are possible in different situations.

Good customer service

- The customer receives personal service at all stages.
- High-quality, pre-selected materials are a safe choice, customized modifications are available.
- Communication between YIT and the customer is easy and smooth.
- YIT is proactive in communication.
- The customer is at the center of YIT's internal decision-making points.

Business logic and pricing

“We provide the framework for easy and convenient housing that is aligned with the principles of sustainable development.”

4

BUSINESS LOGIC,
PRICING AND SALES
EXCELLENCE



Consumer sales
- Homes for own use



Consumer sales
- Private investment
for rental purpose



Investor sales



Subsidized
production (ARA)

Business logic and pricing

“We provide the framework for easy and convenient housing that is aligned with the principles of sustainable development.”

4

BUSINESS LOGIC,
PRICING AND SALES
EXCELLENCE

Apartment buildings






Small houses



Leisure homes



		
COZY	CITY	ELITE
Cast on site slab	Hollow core	Cast on site slab
YIT Design library: <ul style="list-style-type: none"> Productized structures & solutions BIM templates (Revit & Archicad) 		
YIT Design guidelines: <ul style="list-style-type: none"> Structural HVACE BIM 		
YIT Prefabricated concepts <ul style="list-style-type: none"> Bathroom pods (8 models + mirrored versions) Balconies (5 and 6 sqm + French) 		
Materials etc. <ul style="list-style-type: none"> Selection of interior materials and choices 	Materials etc. <ul style="list-style-type: none"> Selection of interior materials and choices 	Materials etc. <ul style="list-style-type: none"> Selection of interior materials and choices

Business logic and pricing

4

BUSINESS LOGIC,
PRICING AND SALES
EXCELLENCE

“Target is to achieve the optimal balance between project profitability (project income) and capital turnover (sales speed).”

Price = tool for balancing project profitability and sales speed

Price management is a tool for **optimizing sales speed while maximizing project income.**

Target is to achieve the optimal **balance between project profitability** (project income) and **capital turnover** (sales speed).

Price management needs to be **aligned with market conditions.**

Price management covers
(1) setting an **optimal average price level** and
(2) **setting an optimal price for each** sellable item.

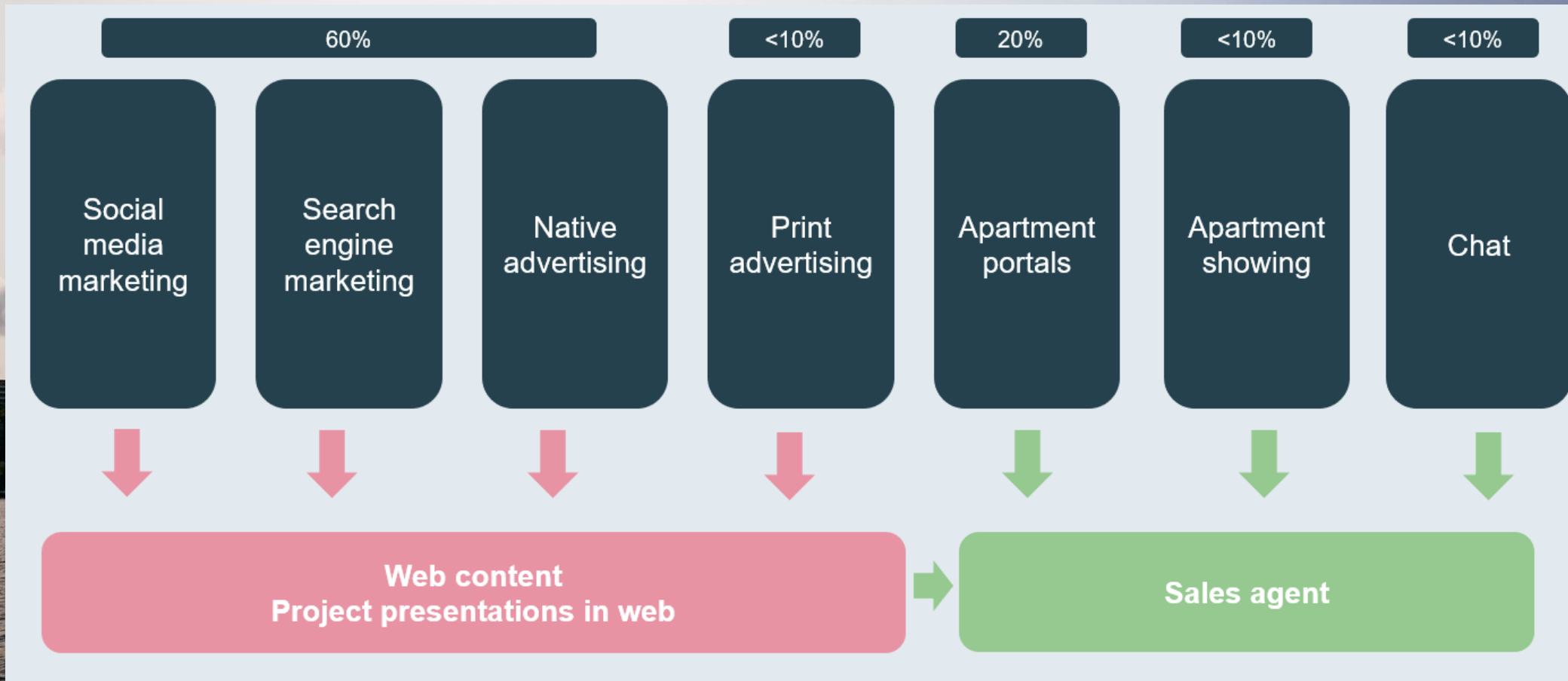


Success in sales and marketing

4

BUSINESS LOGIC,
PRICING AND SALES
EXCELLENCE

“Most of the leads are from digital channels, leads are nurtured until they become opportunities”



New concepts

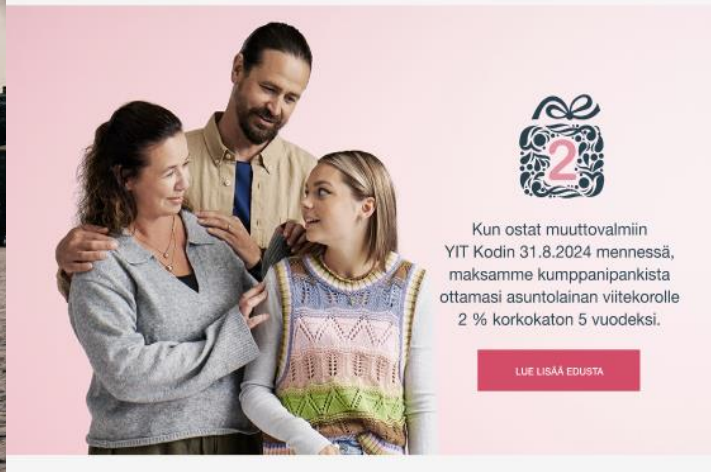
4

BUSINESS LOGIC,
PRICING AND SALES
EXCELLENCE



Muuttovalmiin YIT Kodin ostajalle korkokatto kaupan päälle 31.8.2024 asti.

LUE LISÄÄ EDUSTÄ



Kun ostat muuttovalmiin YIT Kodin 31.8.2024 mennessä, maksamme kumppanipankista ottamasi asuntolainan viitekorolle 2 % korkokaton 5 vuodeksi.

LUE LISÄÄ EDUSTÄ



Muuta ensin vuokralle, osta myöhemmin omaksi

Hanki YIT Koti uudella tavalla! Ensin teet valitsemasi asunnon ostosta käsirahallisen esisopimuksen. Pääset muuttamaan kotiin vuokralle saman tien. Kahden vuoden kuluessa vuokra-ajan alkamisesta voit ostaa kodin ikimaksiksi. **Asunnon hinnasta vähennämme käsirahan ja maksamasi vuokrat.**



29.04.2024 08.00 CET

**YIT syventää yhteistyötä
tšekkiläisen kumppanin RSJ
Investmentsin kanssa ja
perustaa kolme yhteisyritystä
aluehankkeiden
toteuttamiseen**

YIT

Customer satisfaction and value creation

5

CUSTOMER SATISFACTION AND VALUE CREATION

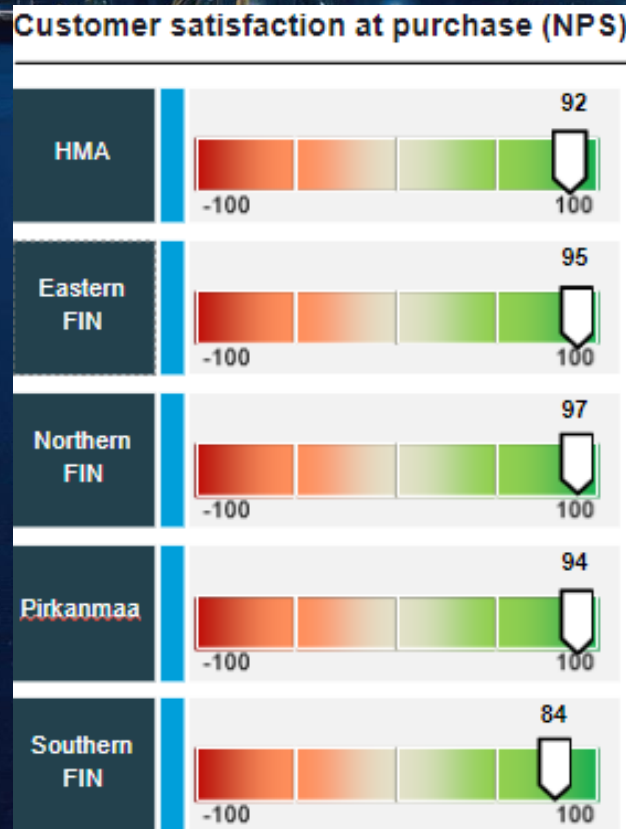
Finland

Baltic countries and CEE

NPS Sales
95

NPS Move-in
57

NPS Warranty
43



NPS Move-in
59

NPS Warranty
23

The key activities

- Excellent quality – faultlessness of apartments
- Proactiveness
- Value for money
- Customer care



- B2C business is increasingly digital, data and analytics is a key capability
 - Multiple sources of data
 - Prescriptive analytics to be developed – e.g. for pricing excellence
- Pricing development – analysis and agility
- "Elements of a good home" crystallizes the key competitive edge
 - Implementation Q3/2024 onward
- Work towards the best customer experience in the new apartment business
- Ensure market leadership
- New concepts for more diverse offering

Thank you, now it is time for questions!



[facebook.com/
yitsuomi](https://facebook.com/yitsuomi)



[linkedin.com/
company/yit](https://linkedin.com/company/yit)



[x.com/
YITSuomi](https://x.com/YITSuomi)



[youtube.com/
YITCorporation](https://youtube.com/YITCorporation)



[instagram.com/
yitsuomi](https://instagram.com/yitsuomi)

**Together
we can
do it.**