



 [yitgroup.com](https://www.yitgroup.com)

SEB Nordic Seminar

8 January 2025

Heikki Vuorenmaa

President and CEO, YIT Corporation



YIT is a European developer and contractor

**Trusted European
construction company
for over 100 years**

Driven and
visionary people

High-quality
construction

Forerunner in
urban development

First Finnish construction company to commit to validated sustainability targets (SBTI)

2

Revenue
2023

2.2
BEUR

Adjusted EBIT
2023

41
MEUR

Employees
2023

4,300
in 8 countries

Most favored
employer

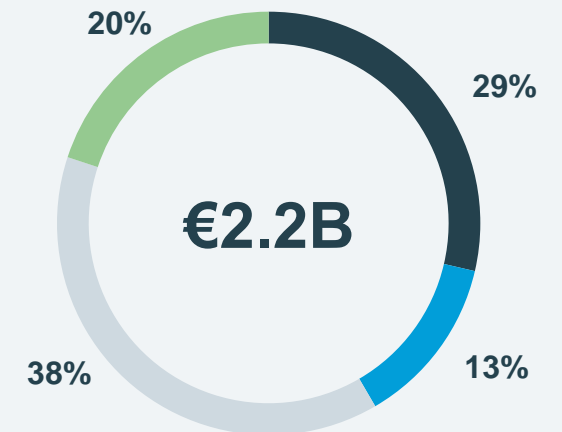
5
consecutive years₁

NPS
Sep 2024

58

Revenue by business 2023₂

Residential FI Building Construction
Residential CEE Infrastructure



1 the most attractive employer in the construction industry (Universum Professional Talent Survey)
2 Excluding eliminations

YIT to continue benefiting from megatrends

Megatrend	Quantified opportunity	Segment impact			YIT references
		 Residential	 Building Construction	 Infrastructure	
Urbanization & demographics	Share of urban population in Europe is expected to increase from 76% in 2023 to 84% by 2050 ¹	High	Mid	Mid	Major downtown apartment and office complex in Bratislava Total value €460M
Global security needs	European members of NATO are increasing defense spend by 18% ² in 2024	Low	High	Mid	Multiple classified projects
Climate change & energy transition	European Green Deal estimated to require +600B€ each year in investments	Mid	High	High	Prysmian Tower, Finland's tallest building Total value €100M
Digitalization & AI	European datacenter market projected to double in 2024-2027 ³	Low	High	Mid	Multiple classified projects



All businesses contributed to a solid Q3

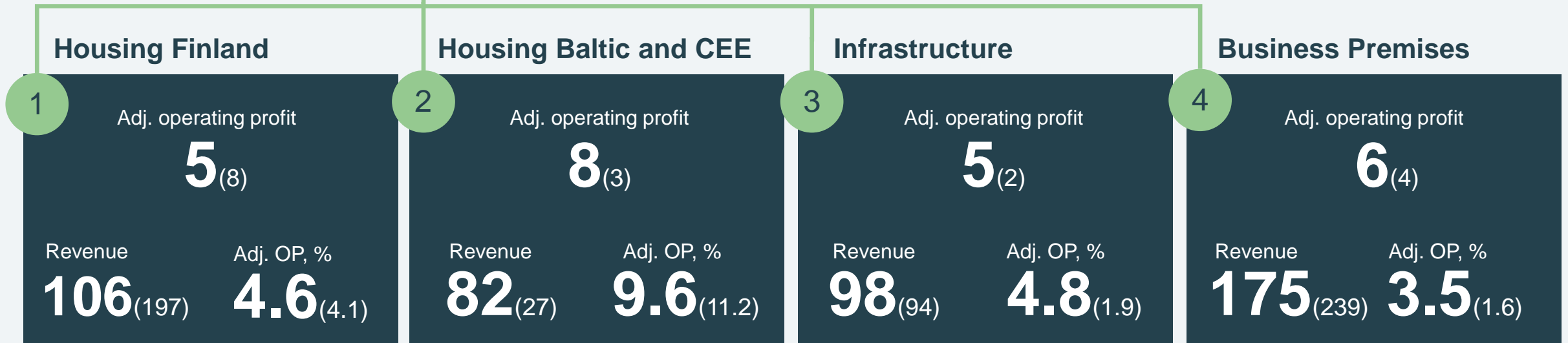
YIT Group, EUR million

Adj. operating profit	Revenue	Adj. OP, %
26 (17)	453 (553)	5.6 (3.0)

(previous year comparable period in parenthesis)

- Housing market in Finland remained weak impacting revenue
- Sound performance in Housing operations in Baltic and CEE countries
- Profitability increased significantly in Infrastructure
- Operational performance improved in Business Premises

EUR million



Financial stability reached through rigorous execution

Divested non-core assets

Focused, resilient business portfolio

Date	Divestment / exit	Value
Ongoing	Infrastructure Sweden exit	
May 2024	Sale of stake in JV Teyhtiö Vaalimaa Oy to Meridiam Infra	€6M
Feb 2024	Sale of YIT Kalusto Oy to Renta	€37M
Dec 2023	Sale of YIT's renewables portfolio to Eolus	€48M
Oct 2023	Sale of Sia LiveOn co-investment vehicle to Vienna Insurance Group	€7M
May 2022	Sale of businesses in Russia to Etalon	€50M

Successful refinancing

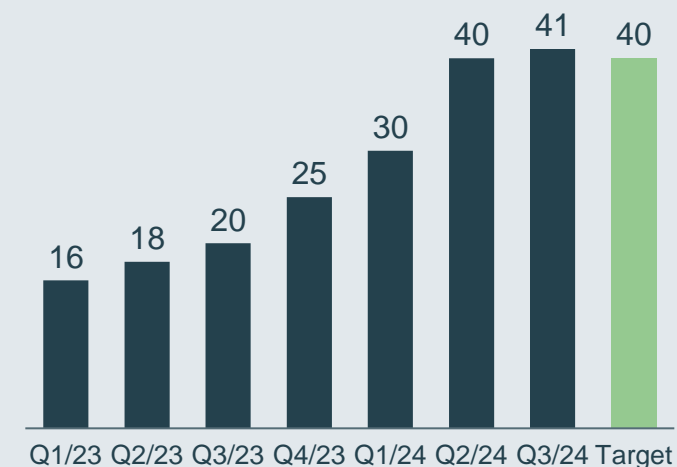
Comprehensive financing and stable position

Date	Financing	Value
Jun 2024	Issue of secured green notes	€100M
Apr 2024	Redemption of Nov 2023 loan	€100M
Mar 2024	Directed share issue Convertible notes issue Amendments to loan terms	€100M
Nov 2023	Loan signing	€140M

Transformation savings

Savings achieved ahead of schedule

■ Cumulative annualized cost savings, €M



Three strategic priorities for strategy period 2025-2029 to guide Group execution

1

Deliver industry-leading productivity and financial performance

2

Generate targeted growth and resilience

3

Elevate customer and employee experience



Company performance fueled by industry-leading productivity and capital-efficient business model

	Examples of initiatives	Targeted impact
Deliver industry-leading productivity and financial performance	Strong fixed cost discipline across the operations	→ Already executed over €40M fixed costs reduction with further upsides
Generate targeted growth and resilience	Focus on productivity of construction process, standardize processes and leverage AI for automatization	→ Over 20% reduction in construction and process lead times across operations
Elevate customer and employee experience	Sell or divest non-operating assets	→ Release non-operating capital connected to earlier investment portfolio by 2029

Targeted growth in residential, segments backed by megatrends, and selected value chain expansion

	Examples of initiatives	Targeted impact
Deliver industry-leading productivity and financial performance	Grow in selected areas in Finland and current CEE countries	→ Residential market share growth in Finland 15% annual organic revenue growth in residential CEE
Generate targeted growth and resilience	Collaborate with local and international customers on demanding construction projects	→ Balanced portfolio of public and private projects provides resilience in energy and renewables, datacenters, and industry
Elevate customer and employee experience	Expand vertically in selected parts of value chain	→ Capture larger share of profit pool through selected investment in in-house capabilities

Winning with our differentiating customer experience, leveraging the best talent and leading in work safety

	Examples of initiatives	Targeted impact
Deliver industry-leading productivity and financial performance	Continue development of our customer experience processes	→ Maintain high customer NPS level of over 50 across the operations
Generate targeted growth and resilience	Most attractive employer for experts in the industry	→ Increase eNPS from 30 to over 50 → Offer international career paths and continuous training programs
Elevate customer and employee experience	Step change in work safety for own and subcontractor employees	→ Target below 5 in combined Lost Time Injury Frequency (cLTIF) metric in all operations

Our new financial targets

Financial targets by 2029

Growth

≥5%

Net sales CAGR

Operative performance

≥7%

Adjusted EBIT

Capital efficiency

≥15%

ROCE





Financial framework

Net debt to equity in the range of 30-70% over the cycle

Dividend policy

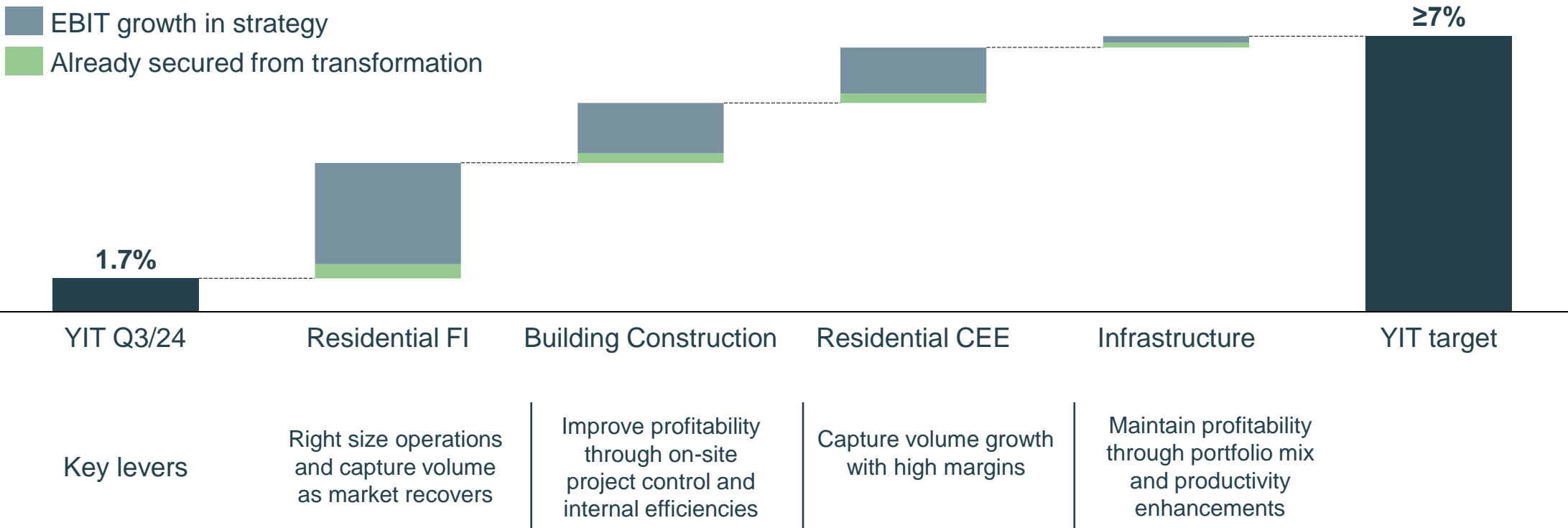
Payout ratio ≥ 50%

Four distinctive segments to deliver on Group targets

	 Residential Finland	 Residential CEE	 Building Construction	 Infrastructure
Segment targets				
Growth	Increase market share	≥15% CAGR	≥2% CAGR	≥5% CAGR
Adjusted EBIT	≥10% ₁	≥15%	≥6%	≥6%
ROCE	>20% ₁	>25%		
Capital efficiency			Negative capital employed	Negative capital employed
Segment roles	Segments to deploy capital efficiently and drive returns Strong growth potential in Finland as market recovers and in developing CEE cities		Stable segments with solid profitability Cash flow generation with negative capital employed	

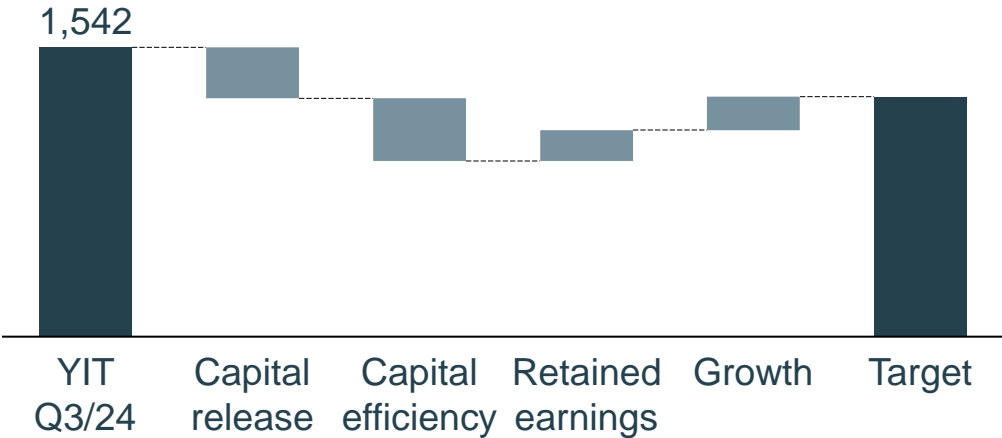
Residential and Building Construction to drive profitability improvement

EBIT contribution by business segment
Adjusted EBIT



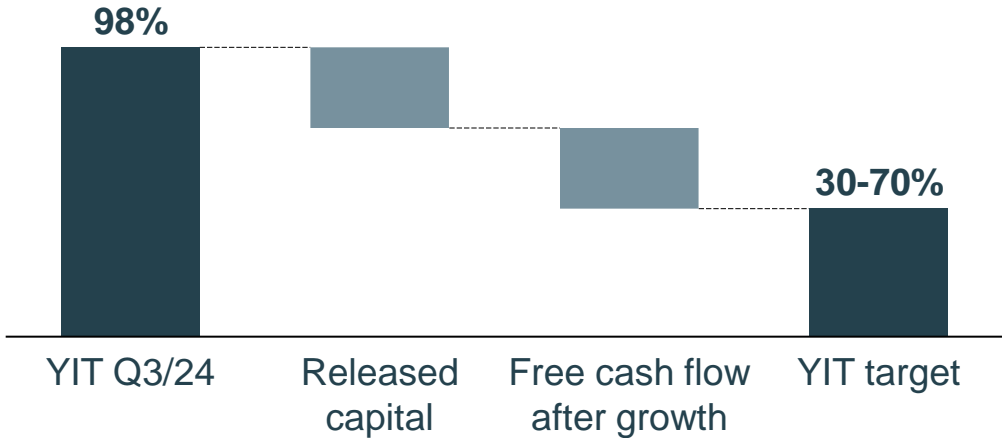
Increased capital efficiency and returns to ensure resilience

Development of capital employed EUR million



- Release capital by divesting non-core investment properties and ownership in selected associated companies
- Improve capital efficiency by lowering completed apartment inventory and faster plot conversion, project financing models and NWC reduction

Development of net debt to equity %



- Generate cash flow by the capital release measures
- Drive capital efficiency and retained earnings to generate free cash flow after growth
- Operate within 30-70% Net debt to equity to ensure resilience

YIT to deliver on targets in two phases

2025-2026 – Reinforcing the core

2027-2029 – Acceleration

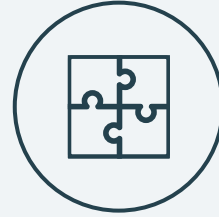
	2025-2026 – Reinforcing the core	2027-2029 – Acceleration
Growth	Return to growth after market downturn	Accelerate growth in core segments and explore potential in adjacencies
Profitability	Reinforce financial stability	Capitalize on profitable and growing Residential business
Capital release	Sell and divest non-operating assets	Further improve operating capital efficiency via project financing models, payment terms, and business portfolio choices
Dividend payout	Subject to fulfillment of certain conditions in current financial agreements	≥50% dividend payout

Key investment highlights



Trusted industry leader

Preferred brand
Leading urban developer
Diverse, engaged talent
Forerunner in sustainable solutions



Resilient business model

Presence in multiple markets and construction sectors
Balanced project portfolio
Residential market recovering
Tailwinds from megatrends



Execution focused corporate culture

Transformation delivering results
Ongoing productivity improvements and capital release
Renewed capabilities to execute strategy

**Together
we can
do it.**