YIT

Q3

YIT Corporation
Interim Report 1–9/2024

Table of contents

Interim Report January–September 2024

Profitability improved in all segments in Q3, cash flow positive

Third quarter 2024 in brief

- Order book at the end of the period was EUR 2,736 million (30 Jun 2024: 2,980). At the end of the period, 77% of the order book was sold (30 Jun 2024: 76%).
- Revenue decreased to EUR 453 million (553). In Housing, revenue in total decreased, increasing in the Baltic and CEE countries and decreasing in Finland. In Business Premises, revenue decreased. Comparison period was supported by the sale of the Maistraatinportti office property. In Infrastructure, revenue increased, supported by industrial construction.
- Adjusted operating profit amounted to EUR 26 million (17), increasing in all segments in the third quarter. Adjusted operating profit margin was 5.6% (3.0). Adjusted operating profit was impacted by sound performance in the contracting segments and Housing Baltic and CEE. Housing Finland adjusted operating profit was supported by a EUR 6 million net decrease in 10-year liability provision mainly related to a declined number of apartments on a liability period.
- Operating cash flow after investments was EUR 2 million (-2).
- Net interest-bearing debt at the end of the period was EUR 789 million (869), and gearing 98% (105).
- In Housing, adjusted operating profit increased to EUR 13 million (11). Consumer apartment starts amounted to 57 (108), all the starts in the third quarter were in the Baltic and CEE countries. The number of unsold completed apartments decreased to 1,048 (30 Jun 2024: 1,212), out of which 771 (30 Jun 2024: 867) were located in Finland and 277 (30 Jun 2024: 345) in the Baltic and CEE countries.
- In Business Premises, adjusted operating profit increased to EUR 6 million (4).
- In Infrastructure, adjusted operating profit increased to EUR 5 million (2), supported by the steady performance of the projects in Finland.
- Result for the period was EUR -6 million (1).

January-September 2024 in brief

- Revenue decreased to EUR 1,299 million (1,566).
- Adjusted operating profit decreased to EUR 18 million (28), increasing in Infrastructure and decreasing in Housing and Business Premises. The adjusted operating profit margin was 1.4% (1.8).
- Operating cash flow after investments improved to EUR -4 million (-204).
- In Housing, adjusted operating profit decreased to EUR 4 million (17), mainly attributable to the decrease in adjusted operating profit in Housing Finland.
- In Business Premises, adjusted operating profit decreased to EUR 0 million (3), burdened by a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million.
- In Infrastructure, adjusted operating profit improved to EUR 11 million (5), supported by the steady performance of the projects in Finland.
- Result for the period was EUR -73 million (-14).
- YIT's transformation program has progressed faster than originally expected, and the annualised inflation-adjusted run-rate cost savings target of EUR 40 million for the program was achieved ahead of schedule. By the end of September 2024, YIT had reached EUR 41 million of savings. YIT continues to seek further savings and efficiencies.
- Transformation program costs are estimated to be EUR 50–70 million in total, of which EUR 57 million was realized by the end of September 2024. Program costs are recorded in operating profit adjusting items.

Key figures

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Revenue	453	553	1,299	1,566	2,163
Operating profit	13	14	-37	18	51
Operating profit, %	2.9	2.6	-2.9	1.2	2.4
Adjusted operating profit	26	17	18	28	41
Adjusted operating profit margin, %	5.6	3.0	1.4	1.8	1.9
Result before taxes	-6	1	-86	-18	-5
Result for the period	-6	1	-73	-14	3
Earnings per share, EUR	-0.03	0.00	-0.34	-0.08	-0.01
Operating cash flow after investments	2	-2	-4	-204	-137
Net interest-bearing debt	789	869	789	869	795
Gearing ratio, %	98	105	98	105	94
Equity ratio, %	34	32	34	32	33
Return on capital employed, % (ROCE, rolling 12 months)	2.0	4.4	2.0	4.4	2.5
Order book	2,736	3,391	2,736	3,391	3,157
Combined lost time injury frequency (cLTIF, rolling 12 months)	9.7	13.2	9.7	13.2	12.1
Customer satisfaction rate (NPS)	58	51	58	51	52

Unless otherwise noted, the figures in brackets in this report refer to the corresponding period in the previous year.

Comments from the President and CEO, Heikki Vuorenmaa

Profitability improved in all our segments in the third quarter, reflecting the results of our transformation program. The actions we have taken to focus on our core businesses, to upskill our people in supply chain and project management capabilities, and to enhance commercial excellence are paying off. Both contracting segments improved their performance in the third quarter. In Housing, actions taken to activate consumers and boost sales are visible, despite our sales continuing flat in Finland. While operational efficiencies and the order book are more in our own hands, reducing balance sheet and debt level is connected with the successful timing of divestments, which requires increasing activity in the retail transaction market.

Markets are active in both Infrastructure and Business Premises, and multiple large projects are in the tendering phase for example, in the industrial sector. We are particularly focused on complex projects that require high-level engineering skills.

Housing sales have continued at a good level in Central Eastern Europe, with the Baltics continuing to pick up, and business overall is progressing as planned. Our capital employed remains under control, and we see significant potential to further increase our production volumes and simultaneously release capital over time through increased sales.

We have seen the macroeconomy moving in a direction that is likely to support a pick-up in the Finnish housing market, and the secondary market has already shown signs of increased activity levels. Inflation has fallen, and during the third quarter, we have seen significant interest rate decreases. Although declining interest rates will help brighten the picture for the Finnish construction industry, there are no visible signs of a steep recovery in the housing market. We haven't started any consumer apartment projects in Finland during the first nine months of 2024, thus the level of consumer apartment completions in Finland will be low in 2025. Market recovery is expected to begin in 2025, with the emphasis on the latter half of the year. Along with the recovery, the number of consumer apartment starts will accelerate.

Lowering indebtedness has not progressed as we would have expected. Net debt at the end of September was at the same level as at the end of the previous quarter, albeit lower than in the comparison period. Our financial status allows us time to address the level of indebtedness, and dedicated actions are ongoing to optimize the balance sheet and lower our debt.

In September, YIT was ranked as the most attractive employer in the construction industry for the fifth consecutive year. We are extremely proud of this achievement. The key to YIT’s success is our skilled and versatile employees. By focusing on understanding our customers' needs and offering opportunities for professional growth, our goal-oriented, development-focused culture creates a foundation for shared successes and inspiring career paths.

We are well on track to achieve the expected results in 2024. We are determined to push forward our strategic priorities and to further improve customer experience and operational performance. During the third quarter, we have put much time and effort into building our new long-term plan, and the whole team is excited to communicate the updated strategy and financial targets to the market in mid-November. Our ambition remains high – to be the expert partner in developing sustainable homes, spaces and cities – for a good life.

Heikki Vuorenmaa
President and CEO

Guidance and outlook for 2024

YIT expects its Group adjusted operating profit for continuing operations to be EUR 20–60 million in 2024. The operating cash flow after investments is expected to be positive.

The housing market recovery in the Baltic countries and Central Eastern Europe is expected to continue. In Finland, the housing market is not expected to materially improve during 2024. In Business Premises and Infrastructure, the underlying operational performance is expected to improve.

YIT's performance will be supported by the increased efficiencies from the transformation program launched on 10 February 2023.

Changes in the macroeconomic environment, especially in interest rates, may impact the housing market demand and the fair value of investments. Delayed apartment completions could lead to the postponement of revenue and profit from one quarter or year to another. Actions to release capital may have an impact on the company's profit.

Market environment

Housing market

In Finland, consumer demand continued at a low level as a result of the continued generally weak consumer confidence. Interest rates have decreased faster than expected, which is expected to have a positive effect on future demand. In the investor market, the higher interest rate level has had a significant negative impact on activity levels. Although interest rates have been decreasing, the timing of the recovery remains uncertain. The Finnish housing market is not expected to materially improve during 2024.

In the Baltic and Central Eastern European countries, inflation has slowed down, and the interest rates have continued to decrease. Demand improved in all operating countries during the third quarter. Due to the gradual market recovery, the overall market outlook is normal in the Baltic and Central Eastern European Countries.

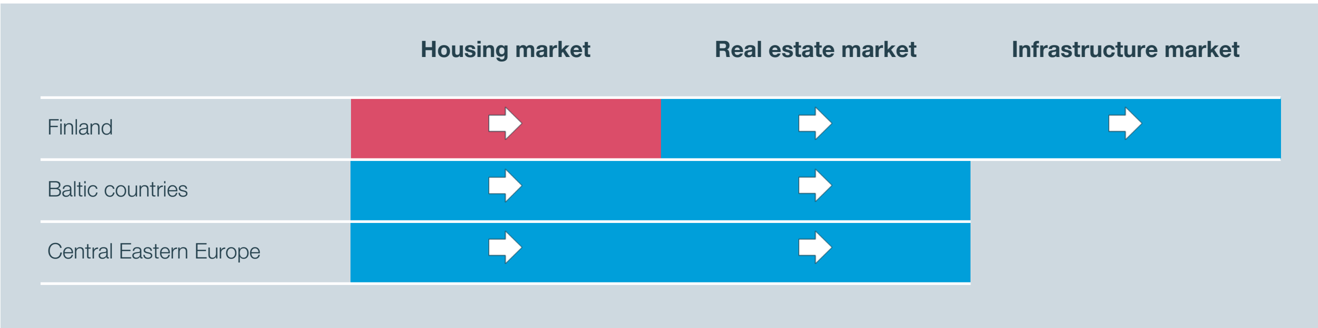
Real estate market

In Finland, demand remained moderate, but low market confidence in general is slowing down customers' decision making, especially in the private sector. Activity in data centres and industrial projects is expected to increase in the coming years, driven by the green transition. The competition for new projects has intensified as a result of the overall decline in construction volumes. In the investor market, the low availability of financing and increased financing costs and yields have decreased activity levels in transactions and new developments.

In the Baltic and Central Eastern European countries, overall demand and market activity remained stable, supported especially by private-sector demand for new industrial premises in certain countries. New project start-ups are facing challenges due to the low availability of financing and high financing costs and yield requirements.

Infrastructure market

In Finland, the public-sector demand in infrastructure is expected to remain at a relatively stable level, with many investments currently in the design phase. Private-sector demand is driven by industrial construction and the transition to renewable energy. Lower construction volumes in residential construction are reflected in the demand for earthworks and foundation construction, but the long-term outlook for the overall market remains stable. The development span of infrastructure projects is relatively long, and changes in the market environment may lead to postponements of upcoming projects.



Q3 market environment

Good Normal Weak

Short-term market outlook

Improving Stable Weakening

Strategy

During the third quarter of 2024, the management of YIT has together with the Board of Directors worked on building a new long-term plan for the company to replace the strategy and financial targets for the period of 2022-2025 launched in 2021. The updated strategy and long-term financial targets for the company will be communicated to the market with a stock exchange release and presented in more detail in Capital Markets Day arranged by YIT on 13 November 2024.

Transformation program

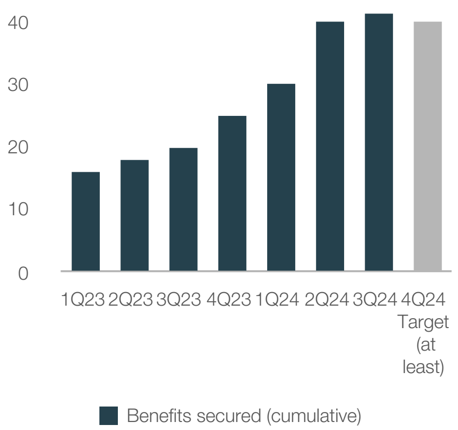
YIT launched a transformation program in February 2023. The purpose of the program is to increase agility and strengthen customer focus, improve competitiveness, generate efficiency gains, achieve cost savings and release capital.

The transformation program has progressed faster than originally expected, and YIT has launched all the planned measures to achieve the targeted annual inflation-adjusted run-rate cost savings of EUR 40 million by the end of 2024. The annualised run-rate cost savings target of EUR 40 million for the program was achieved ahead of schedule by the end of June 2024, and by the end of September 2024, YIT had reached EUR 41 million of savings. Savings have been achieved by streamlining the organisation and reducing IT and premises costs, for example. YIT continues to seek further savings and efficiencies.

In addition to the cost savings, YIT is expecting to achieve a significant amount of project-related and capital efficiency gains. Competitiveness is improved by increasing efficiency in procurement, project management and productivity. YIT has changed the procurement model from project-level procurement to selective and partner-based cooperation, gaining savings by utilising YIT's and partners' combined knowledge. To reduce project management risks, an emphasis has been placed on project management training and supporting the starting projects in the early phases. Productivity development measures have focused on shortening the construction time and improving site coordination.

Program costs are estimated to be EUR 50–70 million in total. EUR 57 million of the program costs were realised by the end of September 2024. Program costs are recorded in operating profit adjusting items.

Cumulative annualised cost savings secured from the transformation program (EURm)



Safety development

YIT's combined lost time injury frequency improved to 9.7 (13.2) compared to the comparison period. Lost time injury frequency improved also compared to the previous quarter. YIT has worked systematically to increase the number of observations, and to promote low-threshold intervention, feedback and employee well-being.

Results

July–September

YIT's order book decreased from the previous quarter to EUR 2,736 million (30 Jun 2024: 2,980). At the end of the quarter, 77% of the order book was sold (30 Jun 2024: 76%).

YIT's revenue decreased from the comparison period to EUR 453 million (553). In Housing, revenue in total decreased, increasing in the Baltic and CEE countries and decreasing in Finland. In Business Premises, revenue decreased. Comparison period was supported by the sale of the Maistraatinportti office property. In Infrastructure, revenue increased, supported by industrial construction.

Adjusted operating profit increased to EUR 26 million (17). Adjusted operating profit margin was 5.6% (3.0). Adjusted operating profit increased in all segments in the third quarter, impacted by sound performance in the contracting segments and Housing Baltic and CEE. In Housing Finland, adjusted operating profit was supported by a EUR 6 million net decrease in 10-year liability provision mainly related to a declined number of apartments on a liability period.

YIT's operating profit was EUR 13 million (14). Adjusting items were EUR 12 million in the third quarter (3), mainly related to the costs of transformation program and operating profit from operations to be closed down in Sweden. Net finance costs increased to EUR 20 million (13) year-on-year due to increased cost of funding driven by the higher interest rate environment and higher margins in refinancing. The result for the period was EUR -6 million (1).

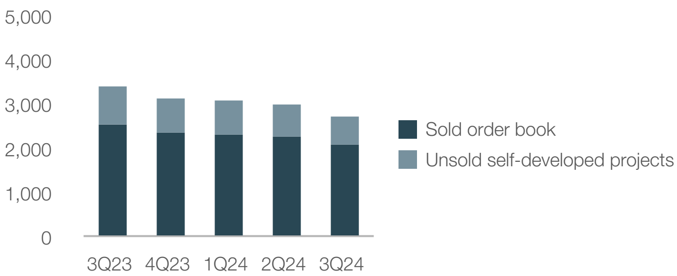
January–September

YIT's revenue decreased to EUR 1,299 million (1,566). Revenue decreased in all segments. In Housing, revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT's joint venture's rental housing portfolio and by sale and leaseback transactions for 11 plots in the second quarter of 2023. In Business Premises the comparison period was supported by the sale of the Maistraatinportti office property. In Infrastructure, revenue decreased mainly due to the revenue decrease in businesses to be closed down.

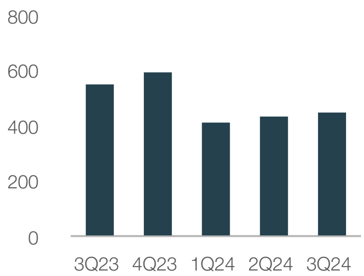
YIT's adjusted operating profit decreased to EUR 18 million (28), and the adjusted operating profit margin was 1.4% (1.8). In Housing, adjusted operating profit decreased mainly attributable to the decrease in adjusted operating profit in Housing Finland. In Business Premises, adjusted operating profit decreased, burdened by a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million. In Infrastructure, adjusted operating profit increased supported by the steady performance of the projects in Finland.

YIT's operating profit was EUR -37 million (18). Adjusting items amounted to EUR 56 million (10), mainly related to the costs of transformation program and operating profit from operations to be closed down, offset by the gain on sale of the equipment services business YIT Kalusto Oy. Net finance costs amounted to EUR 48 million (37). The result for the period amounted to EUR -73 million (-14), and earnings per share amounted to EUR -0.34 (-0.08).

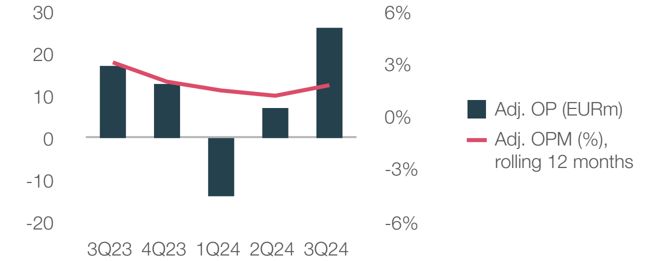
Order book (EURm)



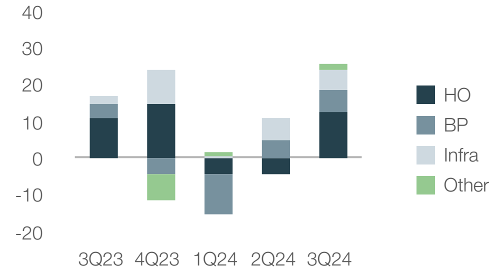
Revenue (EURm)



Adjusted operating profit and adjusted operating profit margin



Adjusted operating profit per segment (EURm)



Cash flow

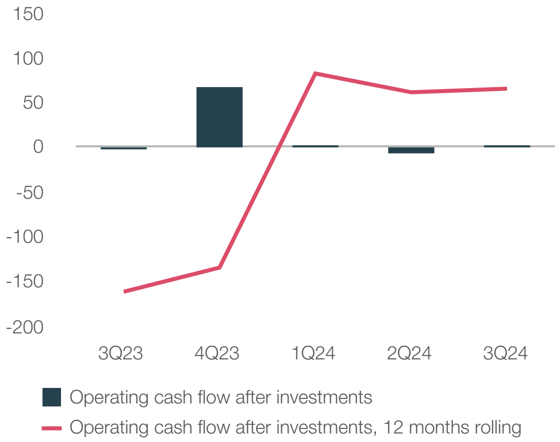
July–September

YIT's operating cash flow after investments increased to EUR 2 million (-2). Cash flow from plot investments amounted to EUR -6 million (-3).

January–September

YIT's operating cash flow after investments amounted to EUR -4 million (-204). Cash flow from plot investments was EUR -51 million (-66).

Operating cash flow after investments (EURm)



Financial position

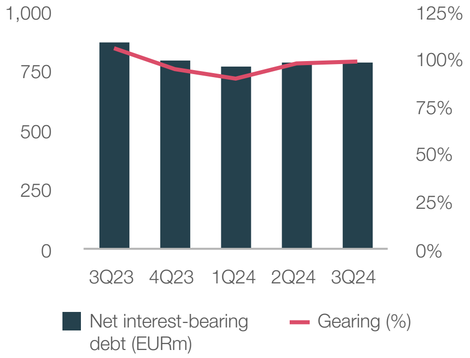
At the end of the period, interest-bearing debt amounted to EUR 948 million (1,024). Net interest-bearing debt decreased to EUR 789 million (869). Net interest-bearing debt included IFRS 16 lease liabilities of EUR 278 million (273), as well as housing company loans of EUR 203 million (270) related to unsold apartments. Gearing ratio decreased to 98% (105). Equity ratio was 34% (32). Equity decreased to EUR 809 million (825). The net debt/adjusted EBITDA ratio was 14.9 (30 Jun 2024: 17.1), and the interest cover ratio 0.8 (30 Jun 2024: 0.8).

Cash and cash equivalents amounted to EUR 81 million (94), and YIT had undrawn overdraft facilities amounting to EUR 20 million (35). YIT also had a EUR 250 million (300) committed revolving credit facility, of which EUR 160 million (240) was unused and available at the end of the third quarter. Unutilised and committed housing company loan limits associated with apartment projects decreased to EUR 13 million (62), as a result of the lower number of consumer apartments under construction in Finland.

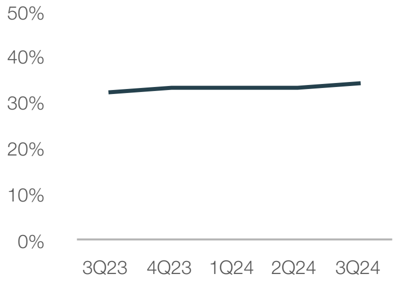
Capital employed decreased to EUR 1,542 million (1,681) at the end of the third quarter, decreasing also from the previous quarter (30 Jun 2024: 1,546). Capital employed was supported by the successful capital release measures and burdened by the capital employed in Housing Finland, attributable to the high level of unsold completed apartments.

Investments in plots in the quarter were EUR 3 million (3). Investments in leased plots, excluding sale and leaseback transactions, were EUR 0 million (0). The total plot reserve at the end of the quarter amounted to EUR 828 million (840).

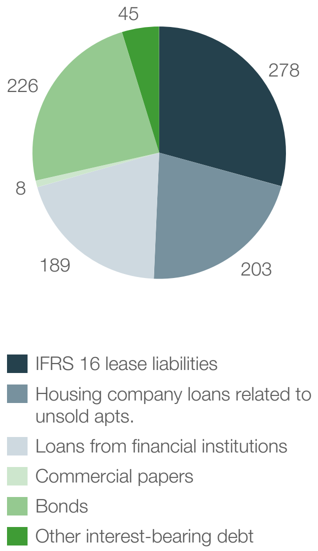
Net interest-bearing debt and gearing



Equity ratio



Distribution of interest-bearing debt (EURm)



Housing

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Revenue	188	225	501	670	912
Operating profit	13	11	4	17	32
Adjusted operating profit	13	11	4	17	32
Adj. operating profit margin, %	6.8	5.0	0.8	2.6	3.5
Order book at end of period	928	1,204	928	1,204	1,105
Capital employed	1,065	1,091	1,065	1,091	1,054

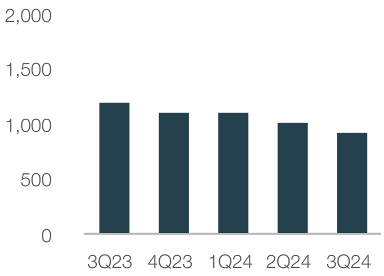
July–September

- Revenue decreased to EUR 188 million (225).
    - Revenue in Finland decreased to EUR 106 million (197).
    - Revenue in the Baltic and CEE countries increased to EUR 82 million (27).
- Adjusted operating profit increased to EUR 13 million (11).
    - Adjusted operating profit in Finland was EUR 5 million (8). Adjusted operating profit was supported by a EUR 6 million net decrease in 10-year liability provision mainly related to a declined number of apartments on a liability period.
    - Adjusted operating profit in the Baltic and CEE countries increased to EUR 8 million (3).
- Consumer apartment sales increased in Finland to 126 (118) apartments. Demand in the Baltic and CEE countries was healthy, with consumer apartment sales increasing to 251 (204) apartments.
- Consumer apartment starts in the quarter were 57 (108), of which 0 (32) were in Finland, and 57 (76) in the Baltic and CEE countries.
- The number of unsold completed apartments decreased to 1,048 (30 Jun 2024: 1,212), out of which 771 (30 Jun 2024: 867) were located in Finland and 277 (30 Jun 2024: 345) in the Baltic and CEE countries. The unsold completed apartments are located in attractive housing markets, with more than 90% of the units in capital regions or university towns in Finland and the Baltic and CEE countries. YIT recognises unsold completed apartments at the lower of cost or net realisable value on its balance sheet.
- The share of results of associated companies and joint ventures was EUR 1 million (2), and changes in the fair value of the segment’s equity investments amounted to EUR 0 million (1).
- Capital employed at the end of the period decreased to EUR 1,065 million (1,091). Capital employed in Finland increased to EUR 698 million (691), and decreased to EUR 366 million (400) in the Baltic and CEE countries at the end of the period.
- The land bank in Housing amounted to 2,181,000 sqm (30 Jun 2024: 2,159,000). The land bank will enable the construction of approximately 35,000 new homes.
- Consumer apartment sales from the inventory of YIT's project development associated companies and joint ventures was 173 apartments (41) in the third quarter. Respectively, the number of unsold completed apartments was 109 (139). Overall, YIT's associated companies and joint ventures enable YIT to construct over 2,000 new homes in the Baltic and CEE countries.

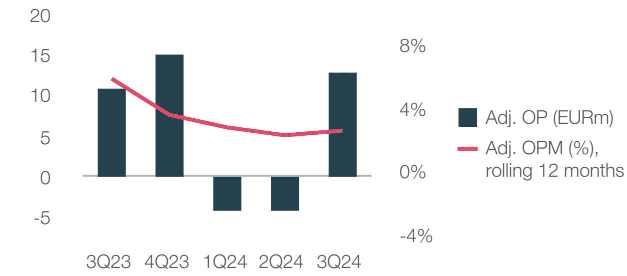
January–September

- Revenue decreased to EUR 501 million (670).
    - Revenue in Finland was EUR 324 million (521). The revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT’s joint venture’s rental housing portfolio and by sale and leaseback transactions for 11 plots in the second quarter of 2023.
    - Revenue in the Baltic and CEE countries increased to EUR 177 million (150).
- Adjusted operating profit decreased to EUR 4 million (17).
    - Adjusted operating profit in Finland was EUR -8 million (5).
    - Adjusted operating profit in the Baltic and CEE countries was EUR 12 million (12).
- The share of results of associated companies and joint ventures was EUR 2 million (7), and changes in the fair value of the segment’s equity investments amounted to EUR -1 million (0).

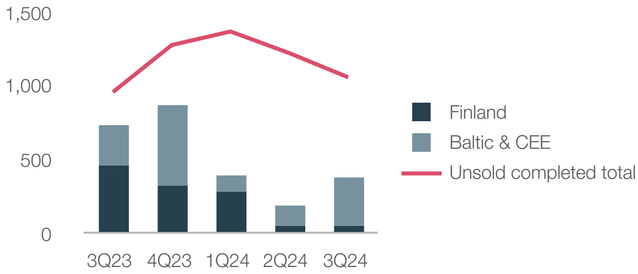
Order book (EURm)



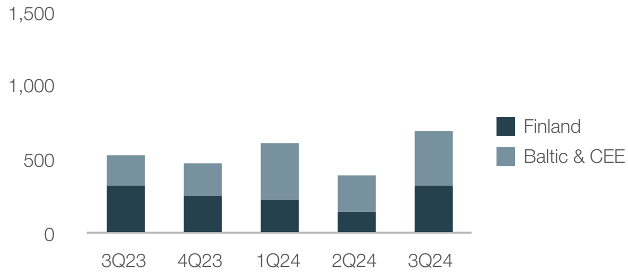
Adjusted operating profit and adjusted operating profit margin



Consumer apartment completions (units)



Sold apartments (units)



Business Premises

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Revenue	175	239	550	604	843
Operating profit	6	4	0	2	-2
Adjusted operating profit	6	4	0	3	0
Adj. operating profit margin, %	3.5	1.6	0.1	0.6	—
Order book at end of period	1,077	1,384	1,077	1,384	1,244
Capital employed	256	281	256	281	247

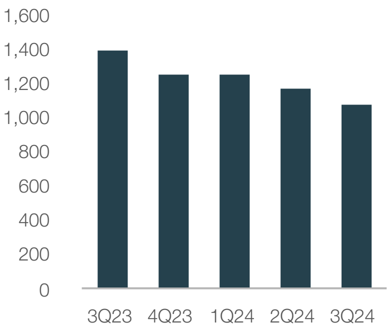
July–September

- Revenue decreased to EUR 175 million (239). Comparison period was supported by the sale of the Maistraatinportti office property.
- Adjusted operating profit increased to EUR 6 million (4).
- YIT's partly owned Mall of Tripla continued its good operational performance. The Mall of Tripla's total revenue increased, and the total number of visitors grew year-on-year. The fair value of YIT's equity investment in Tripla Mall Ky was EUR 182 million (30 Jun 2024: 183). The total change in the fair value of the segment's equity investments amounted to EUR -1 million (2). Change in the fair value of the segment's equity investments excluding equity distributions amounted to EUR 1 million (2).
- The share of results of associated companies and joint ventures was EUR 0 million (0).
- Capital employed improved and decreased to EUR 256 million (281) at the end of the period.
- Order book amounted to EUR 1,077 million (30 Jun 2024: 1,165). At the end of the quarter, the order book included EUR 328 million (30 Jun 2024: 314) of service periods for life cycle projects.
- YIT announced on 20 August 2024, that YIT and the City of Lappeenranta had signed a contract for the construction of an indoor sports hall suitable for sports and events. The project will be carried out as a design-build contract, where the developer will also be responsible for the planning of the site. The contract is worth approximately EUR 14 million and was entered in YIT's order book for the third quarter of 2024.

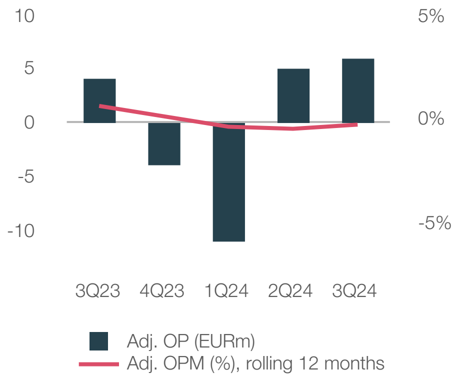
January–September

- Revenue decreased to EUR 550 million (604). Comparison period was supported by the sale of the Maistraatinportti office property.
- Adjusted operating profit decreased to EUR 0 million (3), burdened by a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million.
- The share of results of associated companies and joint ventures was EUR -1 million (-1). The total change in the fair value of the segment's equity investments amounted to EUR -10 million (6). Change in the fair value of the segment's equity investments excluding equity distributions amounted to EUR -6 million (6).

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Infrastructure

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Revenue	98	94	277	315	437
Operating profit	-1	2	-5	5	45
Adjusted operating profit	5	2	11	5	14
Adj. operating profit margin, %	4.8	1.9	4.0	1.7	3.3
Order book at end of period	731	803	731	803	808
Capital employed	-32	44	-32	44	36

Operating profits from the businesses to be closed down in Norway, and Sweden from Q4/2023 onwards, are recorded in adjusting items and not presented in adjusted operating profit.

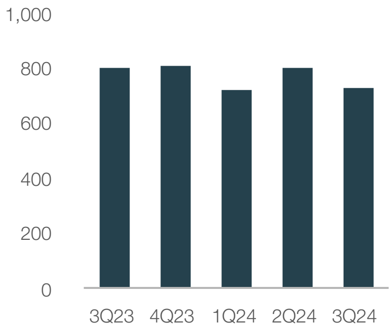
July–September

- Revenue increased to EUR 98 million (94).
    - Revenue in Finland increased to EUR 92 million (78), supported by industrial construction. The comparison figure includes the revenue from YIT Kalusto Oy, divested in the first quarter of 2024.
    - Revenue in businesses to be closed down decreased to EUR 7 million (16).
- Adjusted operating profit increased to EUR 5 million (2), supported by the steady performance of the projects in Finland.
- Operating profit adjusting items were mainly related to finalising historical projects in Sweden.
- Capital employed at the end of the period improved significantly and decreased to EUR -32 million (44). The improvement was mainly related to successful capital release measures.
- Order book amounted to EUR 731 million (30 Jun 2024: 805).

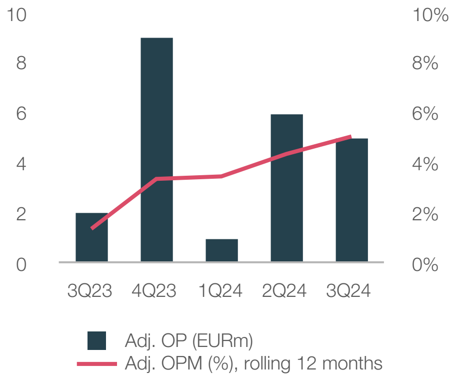
January–September

- Revenue decreased to EUR 277 million (315).
    - Revenue in Finland increased to EUR 258 million (252). The comparison figure includes the revenue from YIT Kalusto Oy, divested in the first quarter of 2024.
    - Revenue in businesses to be closed down decreased to EUR 20 million (63).
- Adjusted operating profit increased to EUR 11 million (5), supported by the steady performance of the projects in Finland.

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Shares

YIT Corporation's share capital and the number of shares remained unchanged during the third quarter of 2024.

At the end of the reporting period, YIT's share capital was EUR 149,716,748.22 (31 Dec 2023: 149,716,748.22), and the number of shares outstanding was 230,574,104 (31 Dec 2023: 209,547,734).

Personnel

During January–September, the Group employed an average of 4,256 people (4,954) in continuing operations. Personnel expenses in July–September totalled EUR 57 million (62) and in January–September EUR 194 million (228).

Governance

Changes in the Group Management Team

There were no changes in the Group Management Team during January–September 2024.

Significant risks and uncertainties

The purpose of YIT's risk management is to promote the achievement of the objectives set for YIT's operations and ensure the continuity of operations. Risk management is incorporated into all the Group's significant operating, reporting and management processes. Risk management planning, risk exposure assessment and risk analyses of the operating environment are part of the annual strategy and planning process. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

YIT has categorised the risks that are significant to its operations as strategic, operational, project-related, financial and event risks. Detailed descriptions of risks, their impacts and risk management practices are available in the Board of Directors' Report published on 19 February 2024.

Low residential demand, especially in Finland, continues due to the uncertainty in the macroeconomic environment. At YIT, the implications of market uncertainty could lead to weakening business performance and profitability or the postponement of revenue and profit from one quarter or year to another. Delayed apartment completions could also lead to the postponement of revenue and profit from one quarter or year to another.

The escalation of geopolitical risks reflected in general uncertainty and demand could have a negative impact on the company's financial position.

The company is executing capital release measures that may have an impact on its financial position.

YIT Corporation
Board of Directors

Helsinki, 31 October 2024

Interim Report January–September 2024: Tables

Table of contents

Primary Financial Statements

Consolidated income statement

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Revenue	**453**	**553**	**1,299**	**1,566**	**2,163**
Other operating income	5	2	26	8	57
Change in inventories of finished goods and in work in progress	-52	-80	-117	-12	-47
Materials and supplies	-82	-78	-197	-247	-353
External services	-214	-274	-662	-912	-1,234
Personnel expenses	-57	-62	-194	-228	-310
Other operating expenses	-34	-45	-155	-146	-207
Changes in fair value of financial assets	-1	3	-12	6	-1
Share of results of associated companies and joint ventures	—	2	1	6	13
Depreciation, amortisation and impairment	-5	-6	-27	-21	-29
Operating profit	**13**	**14**	**-37**	**18**	**51**
Finance Income	1	1	5	4	5
Exchange rate differences (net)	-1	-1	-2	-4	-5
Finance expenses	-20	-13	-51	-36	-56
Finance income and expenses, total	-20	-13	-48	-37	-56
Result before taxes	**-6**	**1**	**-86**	**-18**	**-5**
Income taxes	1	—	13	4	8
Result for the period	**-6**	**1**	**-73**	**-14**	**3**
Attributable to					
Owners of YIT Corporation	-6	1	-73	-14	3
Earnings per share, attributable to the equity holders of the parent company, EUR					
Basic, total	-0.03	0.00	-0.34	-0.08	-0.01
Diluted, total	-0.03	0.00	-0.34	-0.08	-0.01

Consolidated statement of comprehensive income

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Result for the period	-6	1	-73	-14	3
Items that may be reclassified to income statement					
Cash flow hedges, net of tax	-2	-1	-3	-2	-3
Change in translation differences	—	-5	—	—	4
Items that may be reclassified to income statement, total	**-1**	**-6**	**-3**	**-2**	**2**
Items that will not be reclassified to income statement					
Change in fair value of defined benefit pension, net of tax	1	—	1	—	—
Change in fair value of financial asses measured through other comprehensive income, net of tax	—		—		
Items that will not be reclassified to income statement, total	**1**	**—**	**1**	**—**	**—**
Other comprehensive income, total	**-1**	**-5**	**-2**	**-1**	**2**
Total comprehensive income	**-6**	**-4**	**-75**	**-15**	**5**
Attributable to					
Owners of YIT Corporation	-6	-4	-75	-15	5

Consolidated statement of financial position

EUR million	9/24	9/23	12/23
ASSETS			
Non-current assets			
Property, plant and equipment	19	35	22
Leased property, plant and equipment	42	64	60
Goodwill	248	248	248
Other intangible assets	3	4	3
Investments in associated companies and joint ventures	60	67	77
Equity investments	211	222	214
Interest-bearing receivables	61	61	62
Trade and other receivables	39	42	73
Deferred tax assets	70	39	49
Non-current assets total	**752**	**781**	**807**
Current assets			
Inventories	1,287	1,457	1,417
Leased inventories	218	206	192
Trade and other receivables	213	298	255
Interest-bearing receivables	16	1	12
Income tax receivables	5	3	2
Cash and cash equivalents	81	94	128
Current assets total	**1,821**	**2,058**	**2,006**
Assets classified as held for sale		**11**	**18**
Total assets	**2,573**	**2,850**	**2,832**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	710	725	746
Hybrid bond	99	99	99
Equity total	**809**	**825**	**845**
Non-current liabilities			
Deferred tax liabilities	6	6	4
Pension obligations	2	3	3
Provisions	85	87	87
Interest-bearing liabilities	455	199	328
Lease liabilities	260	241	240
Contract liabilities, advances received	8	—	5
Trade and other payables	28	23	29
Non-current liabilities total	**844**	**558**	**695**
Current liabilities			
Contract liabilities, advances received	204	287	248
Other contract liabilities	8	20	10
Trade and other payables	421	527	535
Income tax payables	5	3	5
Provisions	49	48	54
Interest-bearing liabilities	215	552	414
Lease liabilities	18	32	16
Current liabilities total	**920**	**1,468**	**1,282**
Liabilities directly associated with assets classified as held for sale			**11**
Liabilities total	**1,764**	**2,026**	**1,987**
Total equity and liabilities	**2,573**	**2,850**	**2,832**

Consolidated cash flow statement

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Result for the period	**-6**	**1**	**-73**	**-14**	**3**
Reversal of accrual-based items	12	18	48	45	28
Change in trade and other receivables	28	15	70	-27	17
Change in inventories	58	50	130	-28	21
Change in current liabilities	-72	-72	-147	-107	-121
Change in working capital, total	13	-7	54	-162	-83
Cash flow of financial items	-17	-12	-63	-49	-66
Taxes paid (-)	-4	-2	-9	-19	-21
Net cash generated from operating activities	**-2**	**-2**	**-43**	**-199**	**-139**
Cash flow from investing activities					
Sale of subsidiaries, net of cash	—	—	34	—	10
Investments in associated companies and joint ventures	—	-1	-3	-3	-6
Proceeds from sale of associated companies and joint ventures	3	1	4	1	2
Purchases of tangible assets	—	-1	-6	-4	-4
Purchases of intangible assets	—	—	—	—	—
Proceeds from tangible and intangible assets	1	—	2	2	2
Proceeds from sale of investments	—	—	—	—	11
Dividends received (from associated companies and joint ventures)	4	—	9	4	4
Increase in interest-bearing receivables	-5	—	-11	-15	-27
Decrease in interest-bearing receivables	2	2	10	10	11
Net cash used in investing activities	**4**	**0**	**39**	**-5**	**2**
Operating cash flow after investments	**2**	**-2**	**-4**	**-204**	**-137**
Cash flow from financing activities					
Proceeds from issue of shares	—	—	32	—	—
Proceeds from non-current interest-bearing liabilities	—	70	257	155	360
Repayments of non-current interest-bearing liabilities	-24	-55	-251	-95	-310
Proceeds from current interest-bearing liabilities	16	51	46	205	326
Repayments of current interest-bearing liabilities	-26	-58	-115	-138	-260
Payments of lease liabilities	-5	-5	-14	-16	-22
Dividends paid	—	—	—	-19	-38
Net cash used in financing activities	**-39**	**3**	**-44**	**93**	**57**
Net change in cash and cash equivalents	-38	1	-48	-111	-81
Cash and cash equivalents at the beginning of the period	119	97	128	206	206
Foreign exchange differences	—	-4	1	-1	2
Cash and cash equivalents at the end of the period	**81**	**94**	**81**	**94**	**128**

Consolidated statement of changes in equity

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value and other reserves	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2024	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**
Result for the period						-73	-73		-73
Cash flow hedges, net of tax				-3			-3		-3
Change in fair value of defined benefit pension, net of tax						1	1		1
Translation differences			—				—		—
Change in fair value of financial assets measured through other comprehensive income, net of tax				—			—		—
Comprehensive income for the period, total			**—**	**-3**		**-72**	**-75**		**-75**
Share issue		33					33		33
Share-based incentive schemes					—	—	1		1
Convertible note						6	6		6
Transactions with owners, total		**33**			**—**	**6**	**39**		**39**
Equity on 30 September 2024	**150**	**586**	**5**	**-2**	**-7**	**-21**	**710**	**99**	**809**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						-14	-14		-14
Cash flow hedges, net of tax				-2			-2		-2
Change in fair value of defined benefit pension, net of tax						—	—		—
Translation differences			—				—		—
Comprehensive income for the period, total			**—**	**-2**		**-14**	**-15**		**-15**
Dividend distribution						-38	-38		-38
Share-based incentive schemes					—	—	1		1
Transactions with owners, total					**—**	**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-6	-6		-6
Equity on 30 September 2023	**150**	**553**	**1**	**2**	**-8**	**27**	**725**	**99**	**825**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						3	3		3
Cash flow hedges, net of tax				-3			-3		-3
Change in fair value of defined benefit pension, net of tax						—	—		—
Translation differences			4				4		4
Comprehensive income for the period, total			**4**	**-3**		**3**	**5**		**5**
Dividend distribution						-38	-38		-38
Share-based incentive schemes					—	1	1		1
Transactions with owners, total					**—**	**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-6	-6		-6
Equity on 31 December 2023	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**

Basis of preparation and accounting policies of the interim report

Basis of preparation

This interim report has been prepared in accordance with IFRS Accounting Standards recognition and measurement principles, but not all the requirements of IAS 34 Interim Financial Reporting standard have been applied. This interim report should be read together with YIT's consolidated Financial Statements 2023. 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 columns and total sums.

Accounting policies

The same IFRS Accounting Standards recognition and measurement principles have been applied in the preparation of this interim report as in YIT's consolidated Financial Statements 2023, except for the amendments to the IFRS Accounting Standards effective as of January 1, 2024 and the additions described in the following paragraphs. The amendments had no impact on the consolidated financial statements.

Convertible bonds are compound instruments with components of the bonds classified separately as financial liabilities and equity in accordance with the substance of the arrangement. The liability component is recognized initially at fair value of a similar liability. The equity component is recognized initially at the difference between the fair values of the full bond and the liability component. Transaction costs are allocated to the components in proportion to their initial carrying amounts. The fair value includes the value of conversion rights. Subsequently the liability component is measured at amortized cost with the effective interest method. At conversion or on expiry the equity component is reclassified within equity.

In addition, when calculating the earnings per share, diluted earnings per share is calculated by adjusting the adjusted weighted average number of ordinary shares outstanding with the assumption that convertible instruments are converted. The profit or loss used in the calculation is adjusted for the interest expense related to the instrument and recognised in the period, net of tax. However, potential ordinary shares are only dilutive if the adjustments decrease the earnings per share ratio.

Significant management judgements

In preparing this interim report, significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated Financial Statements for the year ended 31 December 2023. Measurement technique used to measure the 10-year liability provision has been changed during the period.

Previously, the calculation of the provision was based on the discounted value of actual incurred expenses from a five-year period adjusted yearly with construction cost index, without considering the number of apartments on a liability period. Currently, the 10-year liability provision, primarily associated with YIT's own housing development, is determined as the discounted value based on the average annual realized repair costs of a single apartment. Average annual cost for a single apartment is multiplied by the number of apartments on a liability period, taking into account the remaining liability period. The net decrease in 10-year liability provision in the third quarter of 2024 was EUR 6 million, mainly related to change in measurement technique. The 10-year liability provision amounted to EUR 75 million in the third quarter of 2024 (Q2/2024: EUR 81 million).

Russia's invasion of Ukraine

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 2023. When making these judgements, the management constantly estimates the impact of Russia's invasion of Ukraine on the estimates and judgements. The Russian invasion of Ukraine is not expected to have direct impacts on YIT's financial performance that would require material adjustments to carrying amounts in the statement of financial position. However, YIT's management continuously monitors the market indicators and estimated future cash flows related to fair values of investments and carrying amounts of other assets.

Most relevant currency exchange rates used in the interim report

		Average rates		End Rates	
		1–9/24	1–9/23	9/24	9/23
1 EUR =	CZK	25.0743	23.8301	25.1840	24.3390
	PLN	4.3053	4.5826	4.2788	4.6283
	SEK	11.4049	11.4769	11.3000	11.5325
	NOK	11.5763	11.3502	11.7645	11.2535

Notes

Adjustments concerning prior periods

Adjustment to reported leased plots

YIT supplemented agreements in the scope of IFRS 16 leases in the last quarter in 2023. YIT adjusted the income statement and statement of financial position for the first three quarters of 2023 for the effects of the supplemented lease agreements. All adjustments are related to Housing segment. The adjustments are described in the tables below.

EUR million	3/23	Adjustment	Adjusted 3/23	6/23	Adjustment	Adjusted 6/23	9/23	Adjustment	Adjusted 9/23
Leased inventories	163	47	**209**	180	47	**226**	158	48	**206**
Equity attributable to owners of the parent company	732	—	**732**	729	—	**729**	725	—	**725**
Non-current lease liabilities	194	46	**241**	213	46	**259**	193	48	**241**
Current lease liabilities	19	—	**19**	19	—	**20**	32	—	**32**

EUR million	1-3/23	Adjusted 1-3/23	1-6/23	Adjusted 1-6/23	1-9/23	Adjusted 1-9/23
Other operating expenses	-38	**-37**	-103	**-101**	-149	**-146**
Operating profit	-8	**-7**	2	**4**	16	**18**
Finance expenses	-10	**-11**	-21	**-23**	-34	**-36**
Finance income and expenses, total	-11	**-12**	-22	**-23**	-34	**-37**
Result before taxes	-19	**-19**	-20	**-19**	-19	**-18**
Result for the period	-14	**-14**	-15	**-15**	-14	**-14**

Key figures

EUR million	1-3/23	Adjusted 1-3/23	1-6/23	Adjusted 1-6/23	1-9/23	Adjusted 1-9/23
Adjusted operating profit	-4	**-3**	10	**11**	26	**28**
Adjusted operating profit-%	-0.9	**-0.7**	0.9	**1.1**	1.6	**1.8**
Capital employed	1,626	**1,672**	1,636	**1,683**	1,632	**1,681**
Net interest-bearing debt	791	**837**	819	**865**	820	**869**
Gearing ratio, %	95	**101**	99	**104**	100	**105**
Equity ratio, %	34	**33**	33	**32**	33	**32**
Return on capital employed, % (ROCE, rolling 12 months)	6.0	**6.0**	4.9	**4.9**	4.4	**4.4**
Net debt/ adjusted EBITDA, rolling 12 months	7.1	**7.5**	8.2	**8.5**	8.7	**9.0**

Adjustment to presentation of consolidated cash flow statement

YIT has adjusted the presentation of consolidated cash flow statement between net cash used in investing activities and net cash used in financing activities. Change in interest-bearing receivables, previously presented in net cash used in financing activities, is now presented in net cash used in investing activities. The table below presents the adjustments for Q1-Q3/2023.

EUR million	1-3/23	Adjust -ment	Adjusted 1-3/23	1-6/23	Adjust -ment	Adjusted 1-6/23	1-9/23	Adjust -ment	Adjusted 1-9/23
Net cash used in investing activities	-1	-5	**-7**	0	-5	**-5**	-1	-4	**-5**
Net cash used in financing activities	79	5	**84**	85	5	**90**	89	4	**93**

Segment information

Segment financial information

7–9/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**188**	**175**	**98**	**-8**	**453**
Revenue from external customers	181	175	97	—	453
Revenue Group internal	6	—	1	-8	—
Depreciation, amortisation and impairment	-1	-1	-1	-2	-5
Operating profit	**13**	**6**	**-1**	**-5**	**13**
Operating profit margin, %	**6.8**	**3.5**	**-0.8**		**2.9**
Adjusting items	—	—	5	7	12
Adjusted operating profit	**13**	**6**	**5**	**2**	**26**
Adjusted operating profit margin, %	**6.8**	**3.5**	**4.8**		**5.6**

7–9/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**225**	**239**	**94**	**-5**	**553**
Revenue from external customers	225	242	87	-1	553
Revenue Group internal	—	-2	7	-5	—
Depreciation, amortisation and impairment	-1	-1	-2	-2	-6
Operating profit	**11**	**4**	**2**	**-2**	**14**
Operating profit margin, %	**5.0**	**1.5**	**1.8**		**2.6**
Adjusting items	—	—	—	2	3
Adjusted operating profit	**11**	**4**	**2**	**0**	**17**
Adjusted operating profit margin, %	**5.0**	**1.6**	**1.9**		**3.0**

1–9/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**501**	**550**	**277**	**-29**	**1,299**
Revenue from external customers	480	548	271	—	1,299
Revenue Group internal	21	1	6	-28	—
Depreciation, amortisation and impairment	-3	-2	-4	-18	-27
Operating profit	**4**	**0**	**-5**	**-36**	**-37**
Operating profit margin, %	**0.8**	**0.1**	**-1.9**		**-2.9**
Adjusting items	—	—	16	39	56
Adjusted operating profit	**4**	**0**	**11**	**3**	**18**
Adjusted operating profit margin, %	**0.8**	**0.1**	**4.0**		**1.4**

1–9/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**670**	**604**	**315**	**-23**	**1,566**
Revenue from external customers	670	602	295	-2	1,566
Revenue Group internal	—	2	20	-21	—
Depreciation, amortisation and impairment	-3	-4	-7	-7	-21
Operating profit	**17**	**2**	**5**	**-6**	**18**
Operating profit margin, %	**2.6**	**0.3**	**1.7**		**1.2**
Adjusting items	—	2	—	8	10
Adjusted operating profit	**17**	**3**	**5**	**2**	**28**
Adjusted operating profit margin, %	**2.6**	**0.6**	**1.7**		**1.8**

1–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**912**	**843**	**437**	**-30**	**2,163**
Revenue from external customers	912	844	409	-3	2,163
Revenue Group internal	—	-1	28	-28	—
Depreciation, amortisation and impairment	-4	-6	-10	-10	-29
Operating profit	**32**	**-2**	**45**	**-24**	**51**
Operating profit margin, %	**3.5**	**-0.2**	**10.3**		**2.4**
Adjusting items	—	1	-31	20	-10
Adjusted operating profit	**32**	**0**	**14**	**-5**	**41**
Adjusted operating profit margin, %	**3.5**	**0.0**	**3.3**		**1.9**

Capital employed by segments

EUR million	9/24	9/23	12/23
Housing	1,065	1,091	1,054
Business Premises	256	281	247
Infrastructure	-32	44	36
Other Items	253	266	266
Capital employed, segments total	**1,542**	**1,681**	**1,603**
Reconciliation*	—	—	15
Capital employed, total	**1,542**	**1,681**	**1,618**

*Reconciliation relates to assets and liabilities classified as held for sale, which are not part of capital employed items presented in the consolidated statement of financial position.

Order book at the end of the period by segments

EUR million	9/24	9/23	12/23
Housing	928	1,204	1,105
Business Premises	1,077	1,384	1,244
Infrastructure	731	803	808
Internal order book	—	—	—
Order book, total	**2,736**	**3,391**	**3,157**

Disposals of business

On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of YIT Kalusto Oy, the company's subsidiary providing in-house equipment services, to Renta Oy. As part of the arrangement, YIT and Renta announced the signing of a long-term cooperation agreement on the delivery of equipment services to YIT in Finland. In addition to the share transaction, YIT announced that it would sell the property used by YIT Kalusto Oy, located in Urjala, Finland, to Renta. Prior to the share transaction, the specialised equipment related to YIT's Infrastructure business and the personnel working with the business was transferred to YIT Infra Oy in an intra-group business transaction. The transaction was closed on 29 February 2024. YIT Kalusto Oy was classified as an asset held-for-sale at year-end 2023 because the sale was highly probable at year-end. YIT Kalusto Oy was part of the Infrastructure segment.

YIT recorded a gain on sale of EUR 19 million of the transaction. The enterprise value of the transaction was EUR 37 million in total, and the cash flow from the transaction amounted to EUR 34 million. As a condition precedent to the closing of the transaction, YIT redeemed the leased equipment to YIT Kalusto Oy, which resulted the total net cash inflow from the transaction to amount EUR 28 million.

In December 2023, YIT sold its renewable energy business, YIT Energy Oy, to Eolus Vind AB. The transaction price consists of a fixed and a variable consideration. YIT recorded a discounted total consideration of EUR 48 million and a gain on sale of EUR 47 million in 2023. The effect of discounting in the total consideration recorded amounts to EUR 4 million. Gain on sale is presented as part of the other operating income in the consolidated income statement. YIT Energy Oy was part of the Infrastructure segment.

Inventories

EUR million	9/24	9/23	12/23
Raw materials and consumables	7	9	7
Work in progress	256	463	370
Plot reserve	645	691	664
Completed apartments and real estate	363	277	360
Advance payments	16	18	16
Other inventories	—	—	—
Inventories	**1,287**	**1,457**	**1,417**
Plot reserve	183	150	150
Plots, work in progress	1	15	12
Plots, completed apartments and real estate	35	42	30
Leased inventories	**218**	**206**	**192**

Convertible notes

In March 2024 YIT issued senior unsecured convertible notes with a total nominal amount of EUR 36 million to some of the largest Finnish institutional investors. The coupon of the convertible is 8% per annum. The subscription price of the related 16 000 000 shares is EUR 2.25 per share and is subject to certain potential adjustments in accordance with the conditions of the notes.

The notes were issued at 100 per cent of the nominal amount and, unless previously converted, redeemed or purchased and cancelled, will be redeemed at 100 per cent of the nominal amount on the maturity date, being 19 March 2029.

The noteholders will be entitled to convert the notes into shares in the company in accordance with the conditions of the notes. The shares are offered to the holders of the notes in deviation from the pre-emptive subscription rights of the shareholders. There are weighty financial reasons for the company to deviate from shareholders' pre-emptive subscription rights, as the share issue related to convertible notes forms an integral part of the financing arrangement announced on 12 March 2024, which strengthens the company's balance sheet, improves the company's liquidity position, enables the loan terms more beneficial for the company, and provides equity on terms and timetable that, in the assessment of the Board of Directors, would otherwise not be available.

Should all the notes be converted into shares of the company at the initial subscription price, the shares to be issued by the company would represent approximately 6.5 per cent of all the company's shares immediately after the conversion of the notes. Should adjustments be made to the initial subscription price, requiring an increase of the number of shares to be issued, a separate resolution may be made in accordance with the Finnish Companies Act to increase the number of shares.

Derivative contracts

EUR million	9/24	9/23	12/23
Value of underlying instruments			
Interest rate derivatives (hedge accounting applied)	100	100	100
Interest rate derivatives (hedge accounting not applied)	200	200	200
Foreign exchange derivatives	157	192	188
Fair value			
Interest rate derivatives (hedge accounting applied)	-3	2	1
Interest rate derivatives (hedge accounting not applied)	—	6	1
Foreign exchange derivatives	—	1	-3

Contingent liabilities and assets and commitments

EUR Million	9/24	9/23	12/23
Guarantees given			
Guarantees on behalf of others	—	—	—
Guarantees on behalf of construction consortia	3	2	2
Guarantees on behalf of associated companies and joint ventures	—	—	—
Guarantees on behalf of parent and other Group companies	730	950	883
Collateral given			
Nominal amount of financial liabilities covered by collateral	390	—	140
Collateral related to financial liabilities above			
Plots and real estate properties in inventories	163	—	150
Equity investments	182	—	192
Interest-bearing receivables	4	—	—
Subsidiary shares*	1,261	—	—
Subsidiary loan receivables*	276	—	—
Other commitments			
Investment commitments	74	67	82
Purchase commitments**	280	306	317

*Book values of subsidiary shares in the separate financial statements of the owning group company and subsidiary loan receivables in the lender's balance sheet.
**Amount of purchase commitments in Q3/2023 has been adjusted.

Guarantees given are typical in construction industry including, for example, performance and warranty guarantees.

As a result of the partial demerger registered on 30 June, 2013, YIT has a secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 4 million (5) on 30 September 2024.

Purchase commitments are mainly pre-contracts for plot acquisitions, the realisation of which typically depends on the implementation of zoning. The value of the plot purchase commitments is an estimate which is subject to zoning, amount of building rights and changes in cost indexes. In addition, the amount presented in the notes is based on the estimated acquisition value of the plot, despite conditionalities or possible termination clauses in the contract.

Additional information

Reconciliation of certain key figures

Reconciliation of adjusted operating profit

EUR million	7–9/24	7–9/23	1–9/24	1–9/23	1–12/23
Operating profit (IFRS)	**13**	**14**	**-37**	**18**	**51**
Adjusting items					
Gains and losses on disposal of businesses	-1	—	-16	—	-47
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	6	2	39	9	20
Operating profit from operations to be closed	6	—	31	—	17
Depreciation, amortisation and impairment from PPA*	1	—	1	1	1
Adjusting items, total	**12**	**3**	**56**	**10**	**-10**
Adjusted operating profit	**26**	**17**	**18**	**28**	**41**

*PPA refers to merger-related fair value adjustments.

Reconciliation of adjusted EBITDA, rolling 12 months

EUR million	9/24
Adjusted operating profit	**31**
Depreciation and amortisation	23
Depreciation, amortisation and impairment from PPA	-1
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	—
Adjusted EBITDA	**53**

Reconciliation of order book

EUR million	9/24	9/23	12/23
Partially or fully unsatisfied performance obligations	2,100	2,554	2,345
Unsold self-developed projects	636	838	812
Order book	**2,736**	**3,391**	**3,157**

Definitions of financial key performance indicators

Key figure	Definition	Reason for use
Operating profit	Result for the period before taxes and finance expenses and finance income equalling 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, items related to restructuring, efficiency and adaptation measures and other non-recurring costs arising from agreements with the Group management team, 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"). YIT has clarified the definition of Adjusting items on 1 January 2022 to include also other non-recurring costs arising from agreements with the Group management team in addition to restructuring, efficiency and adaptation measures related items.	
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 is calculated from the total capital employed of the segments.	Capital employed presents capital employed of segment's operating business.
Interest-bearing debt	Non-current and current borrowings including non-current and current lease liabilities.	Interest-bearing debt is a key figure for measuring 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 for measuring YIT's net debt financing.
Equity ratio, %	Equity total/total assets less advances received.	Equity ratio is a key figure for measuring the relative proportion of equity used to finance YIT's assets.
Gearing ratio, %	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity.	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 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.
Return on equity, %	Result for the period, 12 months rolling/equity total average	Key figure describes YIT's relative profitability.

Key figure	Definition	Reason for use
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	
Order book	Transaction price allocated to performance obligations that are partially or fully unsatisfied and estimated transaction price related to unsold own developments.	Order book presents estimated transaction price for all projects.
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 ratio (rolling 12 months)	Net 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.

YIT Corporation

P.O. Box 36, Panuntie 11
FI-00621 Helsinki
Tel. +358 20 433 111

www.yitgroup.com

x.com/YITInvestors