



Q3/2024

Interim Report January – September 2024

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Profitability improved in all segments in Q3, cash flow positive

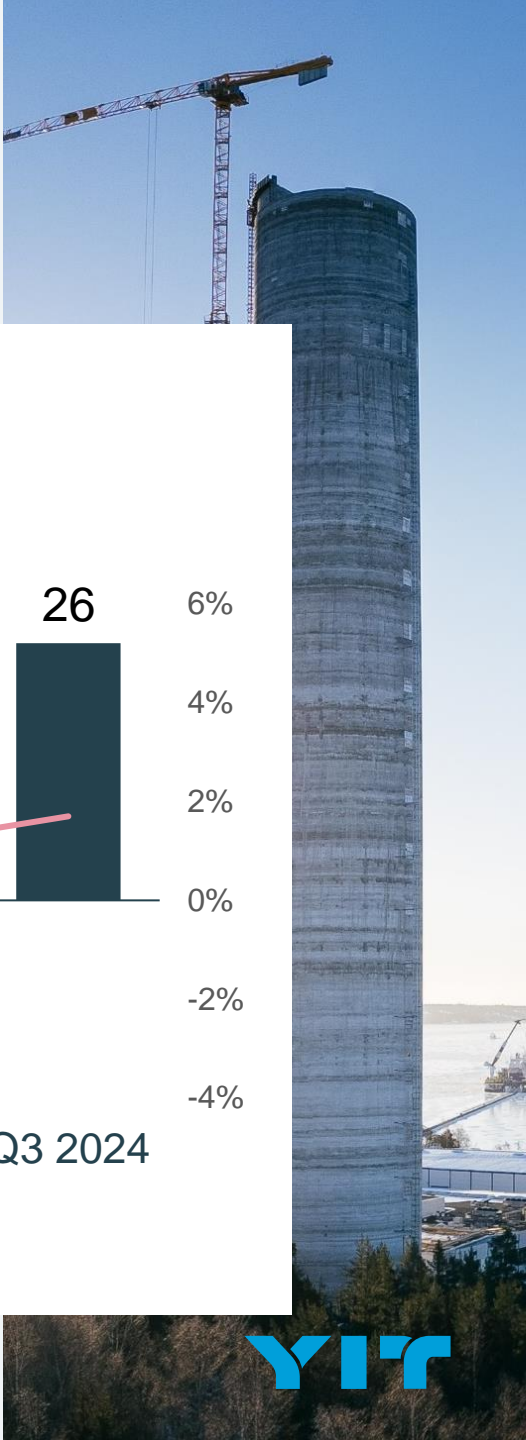
Profitability improved in all segments in the third quarter, reflecting the results of our transformation program.

Three out of four businesses operate under normal market conditions with active tendering and healthy demand.

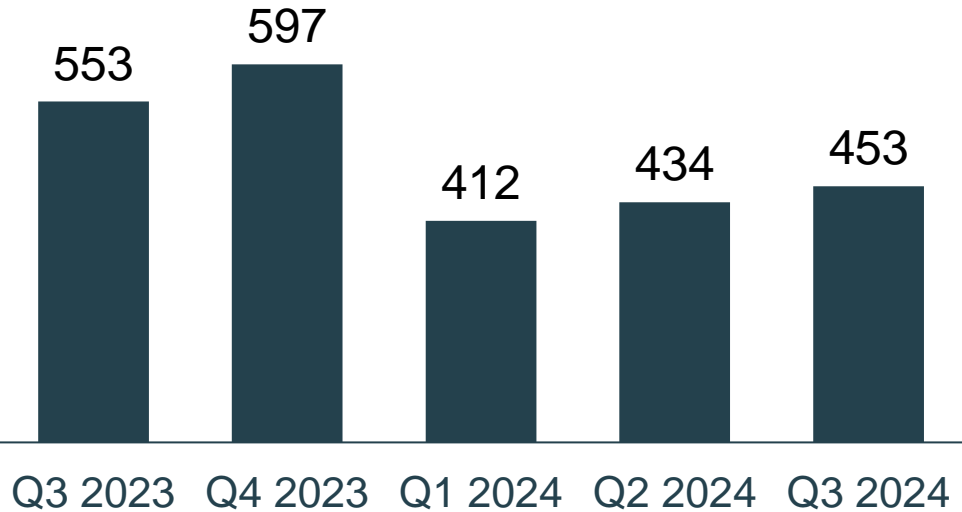
A total of 550 YIT homes were sold to consumers during the third quarter in our operating countries.



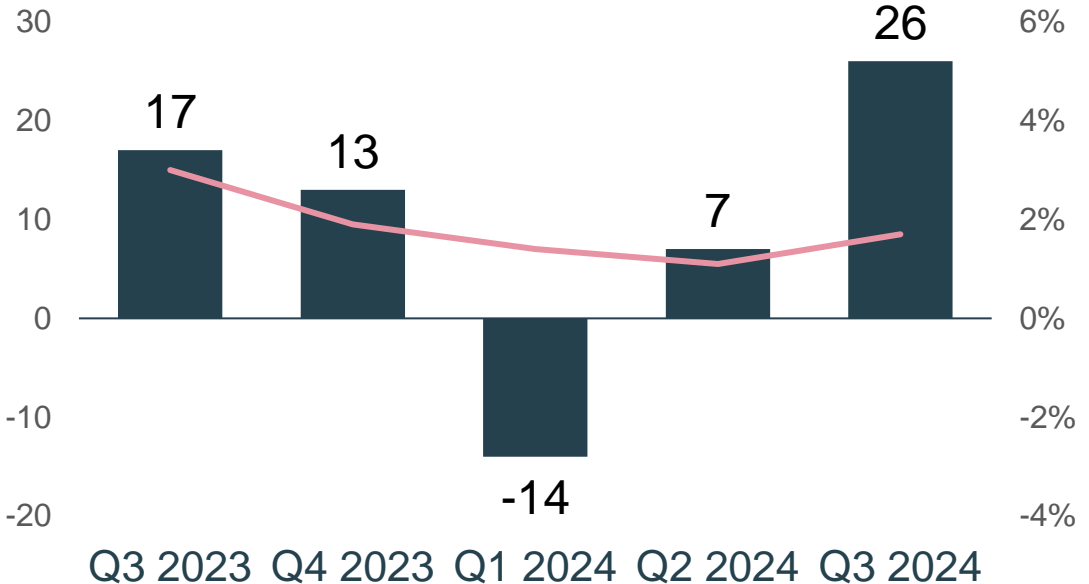
Revenue decreased and profitability increased in Q3



Revenue
EUR million



Adjusted operating profit
EUR million



— Adj. OPM (%), rolling 12 months

All businesses contributed to a solid quarter

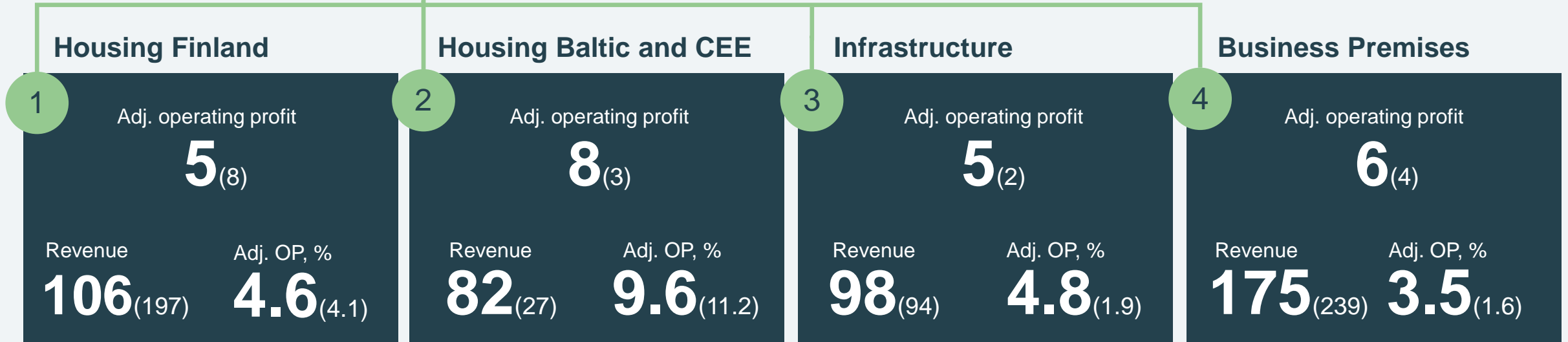
YIT Group, EUR million

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

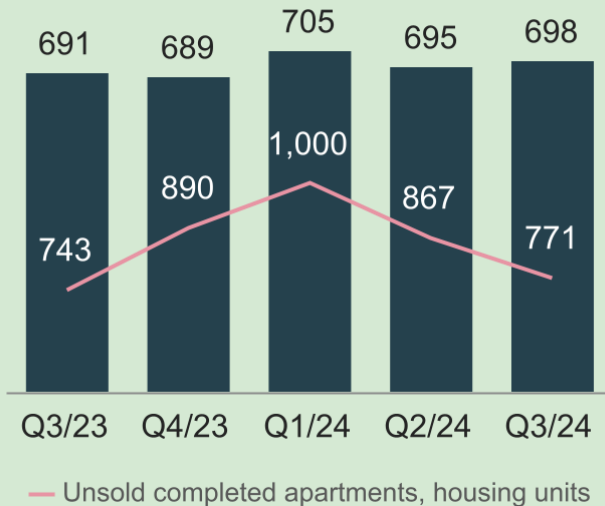
EUR million



Housing Finland: The number of unsold completed apartments continued to decrease

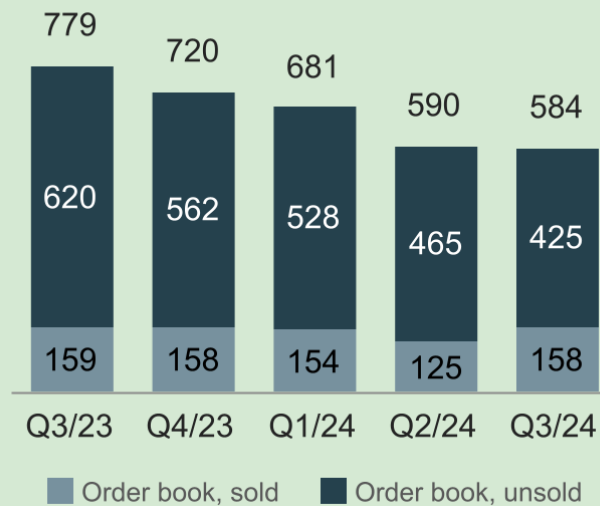


Capital employed, EUR million



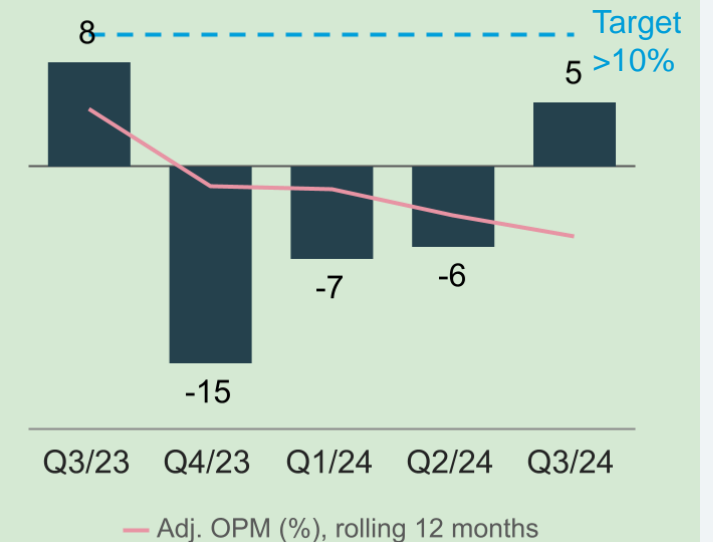
Improved apartment sales decreased the number of unsold completed apartments to 771 at the end of Q3.

Order book, EUR million



Order book decreased due to market conditions.

Quarterly adj. operating profit, EUR million

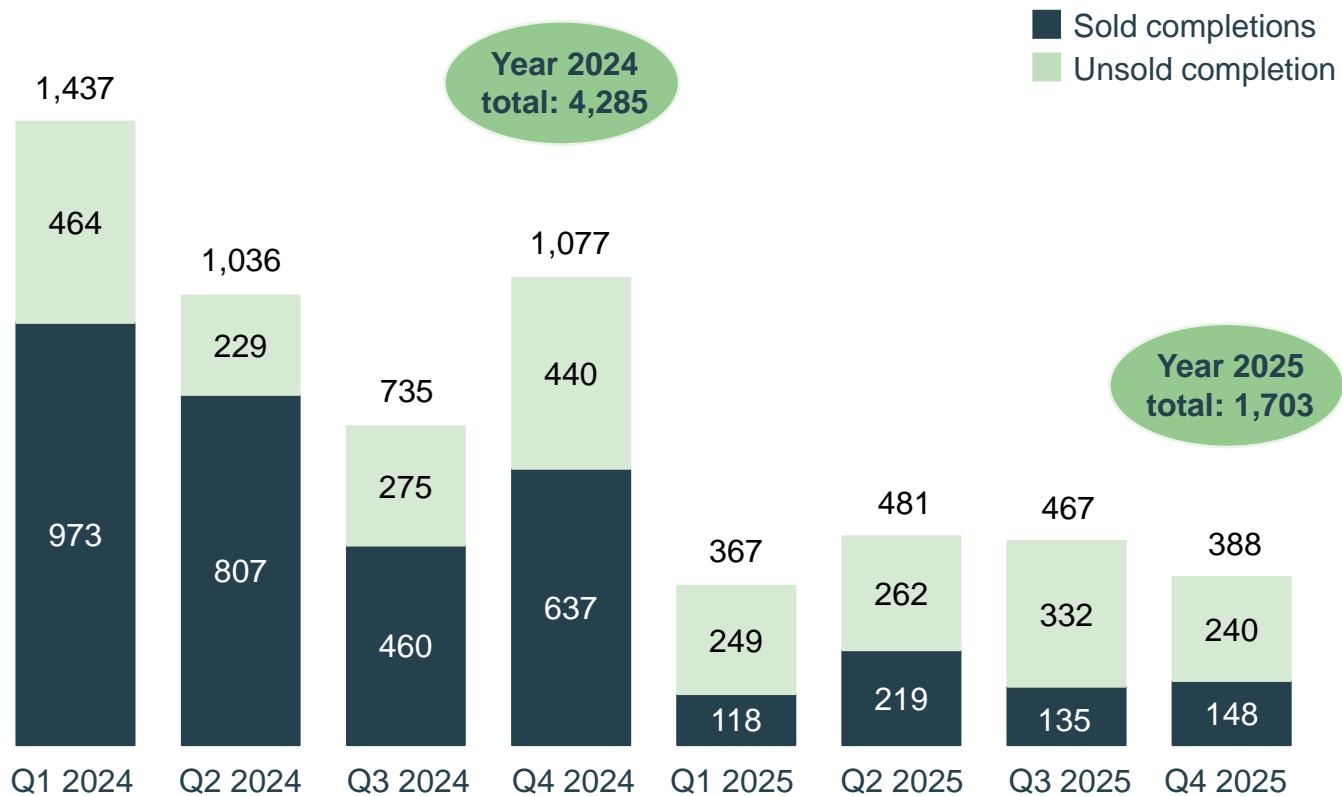


Adj. operating profit supported by a EUR 6 million decrease in 10-year liability provision mainly related to a declined number of apartments on a liability period.

Finnish housing market completions outlook

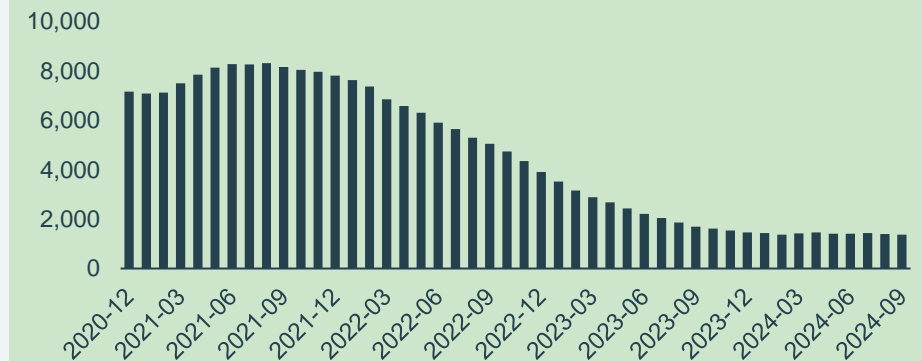
Q1 2024 – Q4 2025

Self-developed housing unit completions in the Finnish housing market



- Market recovery is expected to begin in 2025, with the emphasis on the latter half of the year
- Reduced supply may cause regional tightness in supply, which typically will lead to increase in pricing.

Total sales of new apartments in Finland rolling 12 months

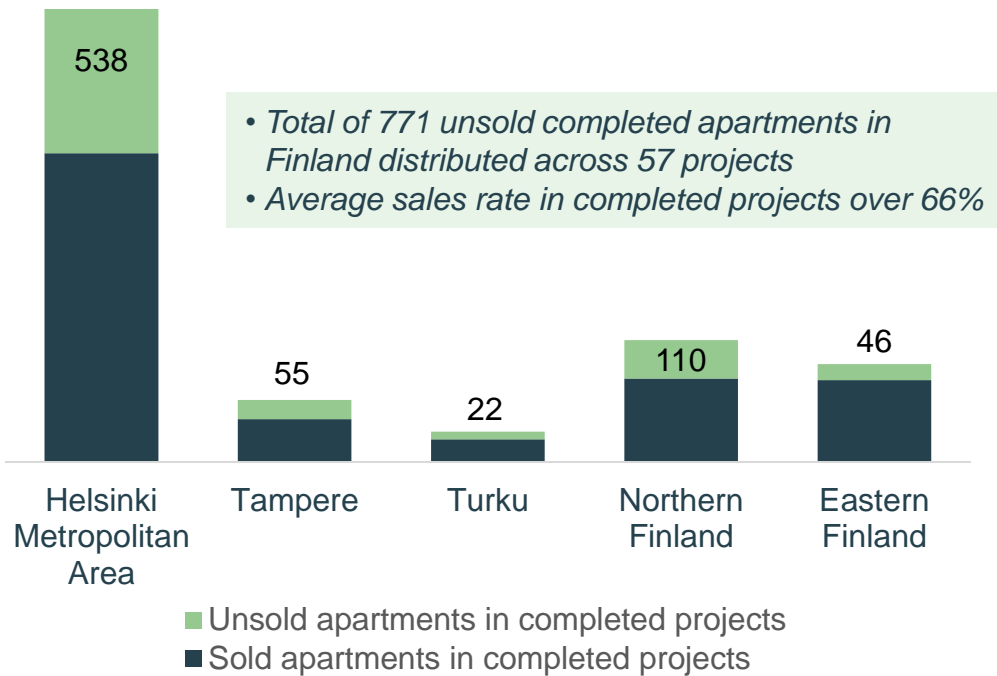


Source: Project list from STH Group 4/2024, company websites 10/2024

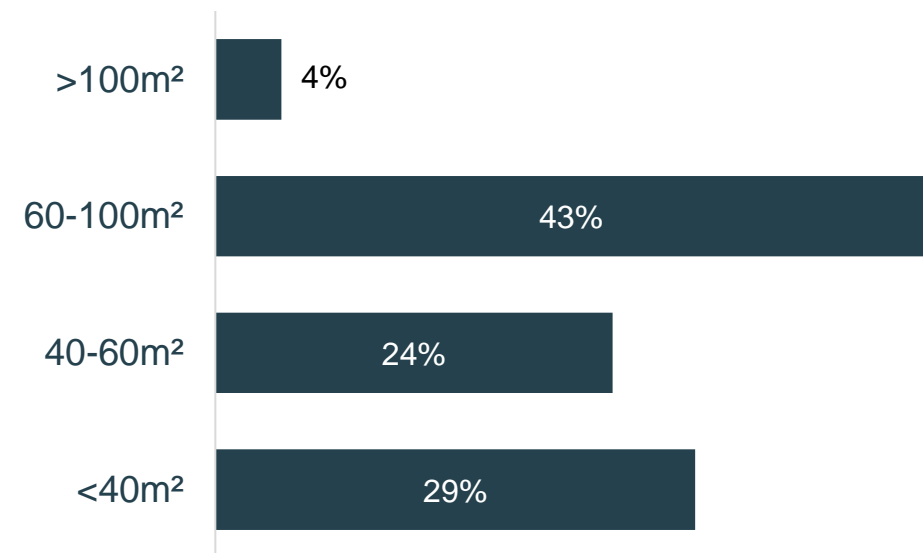
Source: Federation of Real Estate Agency

The stock of unsold completed apartments is located primarily in the capital region – at the current pace of sales, the stock will last until the end of Q3/25

Unsold completed apartments in Finland by region



Size distribution of the unsold completed apartments in Finland

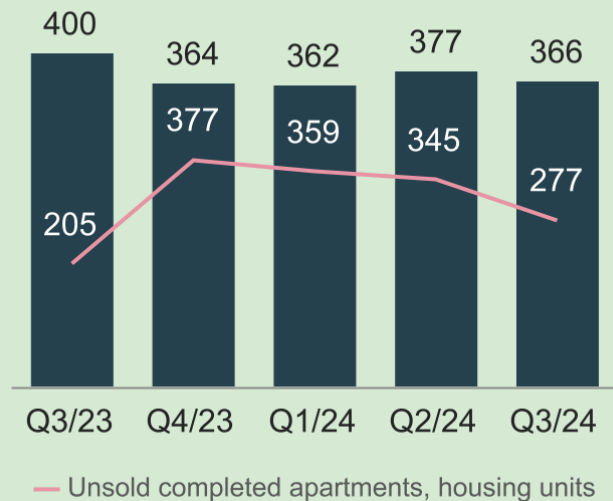


Source: <https://www.yit.fi/en/homes/apartments-for-sale>, 30 September 2024

Housing Baltic and CEE countries: Stable performance continued

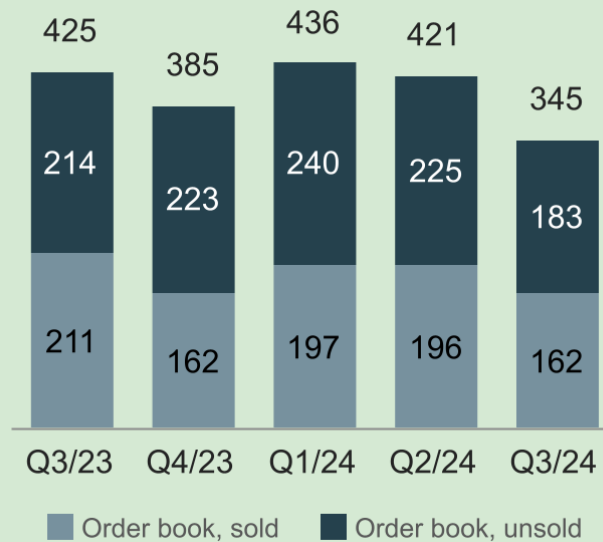


Capital employed, EUR million



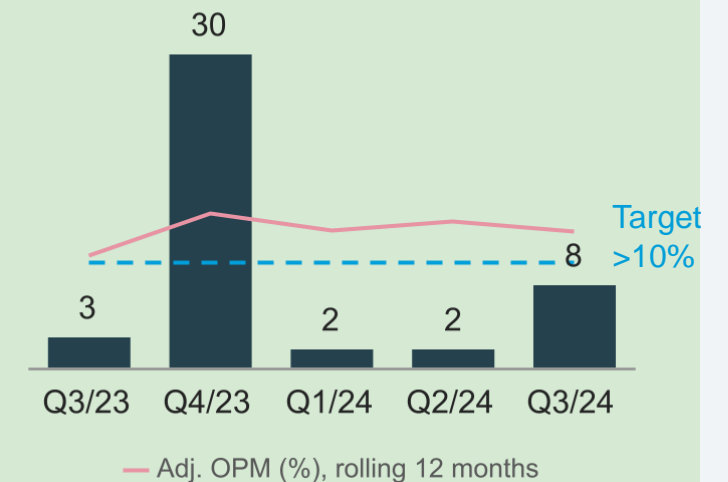
Stock corresponds to seven weeks' sales, capital tied in plots and project starts in line with the strategy.

Order book, EUR million



Order book has remained solid, decline during the quarter connected to low amount of starts.

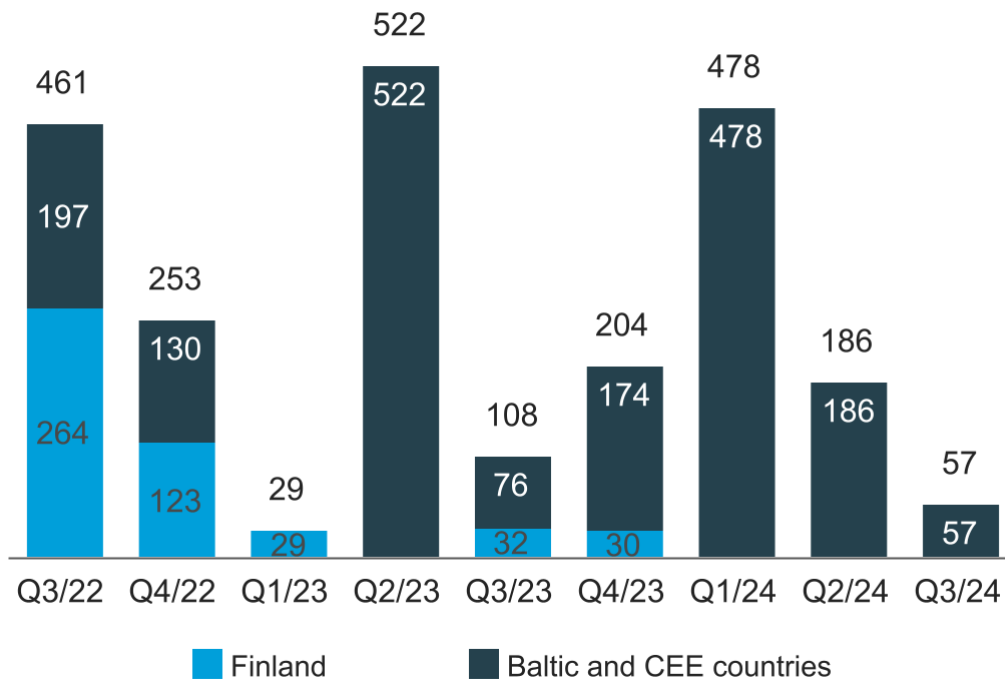
Quarterly adj. operating profit, EUR million



Rolling 12 months adjusted operating profit margin at 13%

Apartment starts are concentrated in the Baltic and CEE countries

Consumer apartments starts, housing units

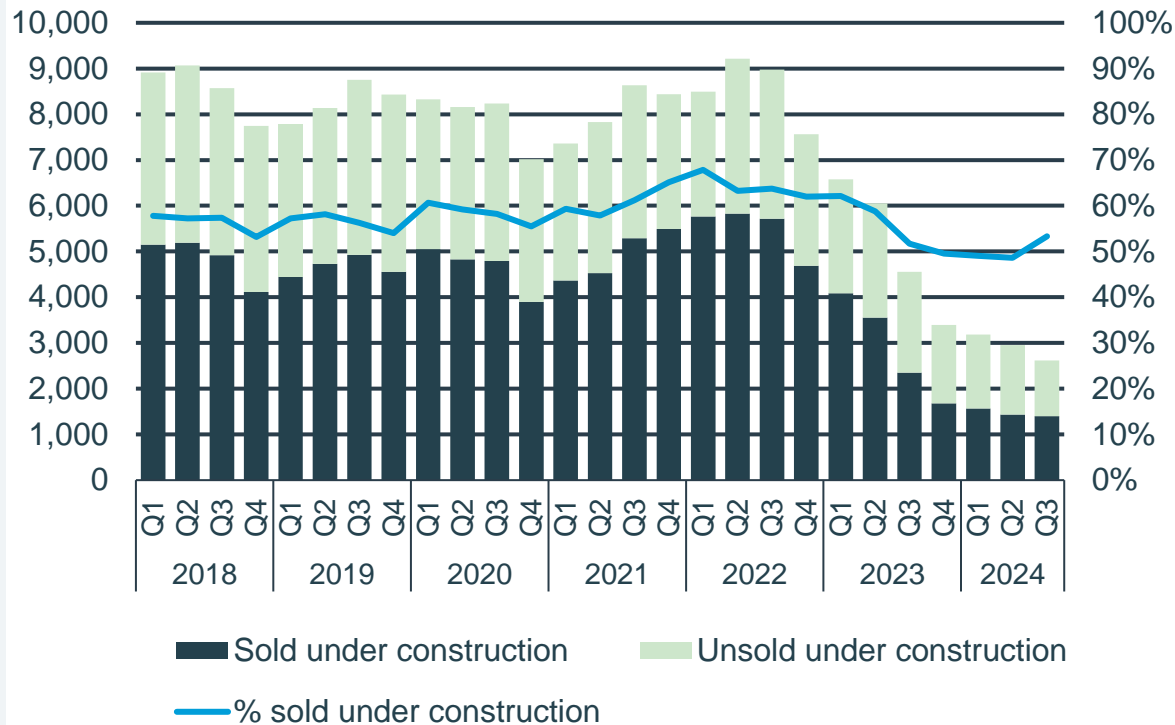


- Consumer apartment starts amounted to 57 (108) apartments
- All the starts in Q3/24 were in the Baltic and CEE countries
- The plot reserve in Finland offers the capability to start new projects when the timing is right.
- 12 projects in pre-marketing phase and 25 projects in planning in Finland

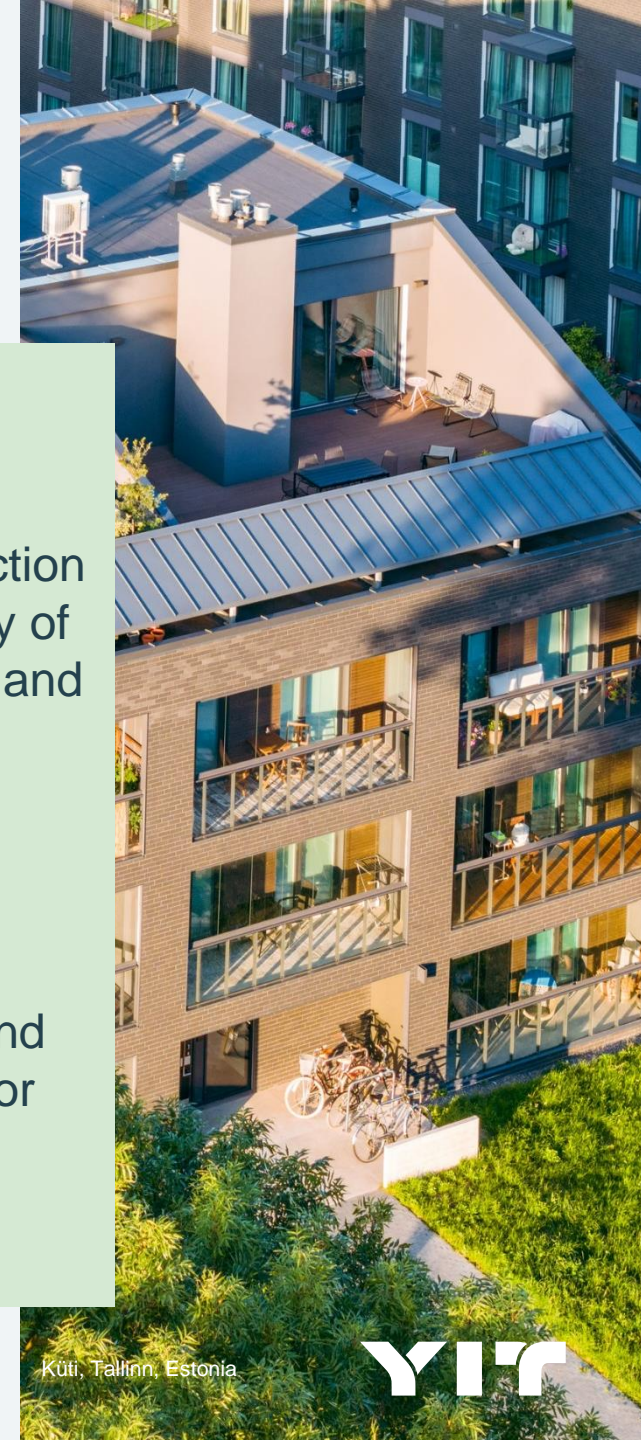


Our production has reached the bottom of the cycle

Total number of apartments under construction for consumers and investors, housing units

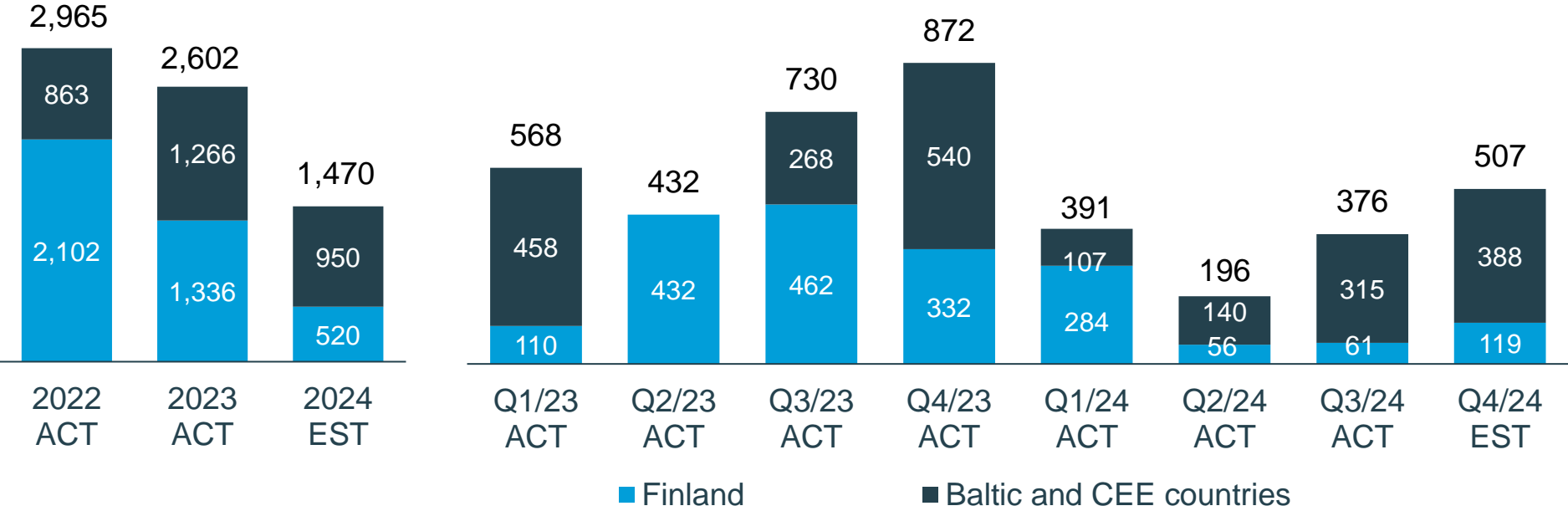


- Total number of apartments under construction was 2,618 (4,553), majority of which located in the Baltic and CEE countries
- Sales rate of apartments under construction at 53% (R24M: 54%)
- Industry cycle is turning, and production has bottomed for new apartments



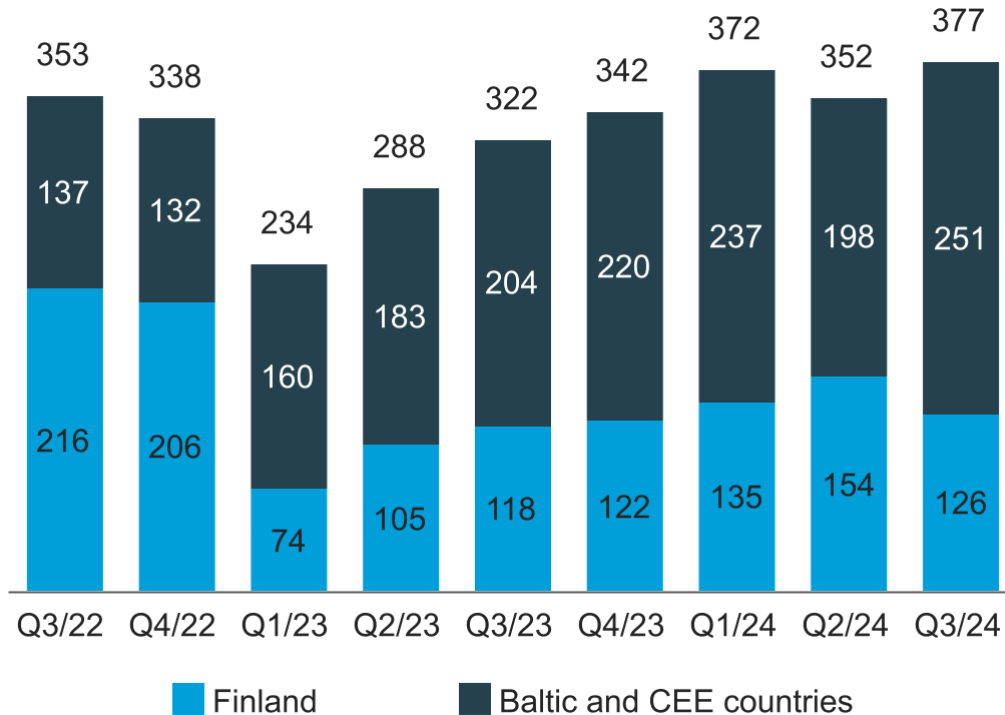
Consumer apartment completions are located primarily in the Baltic and CEE countries

Consumer apartment completions, housing units



Consumer apartment sales increased in the Baltic and CEE countries

Consumer apartments sold, housing units

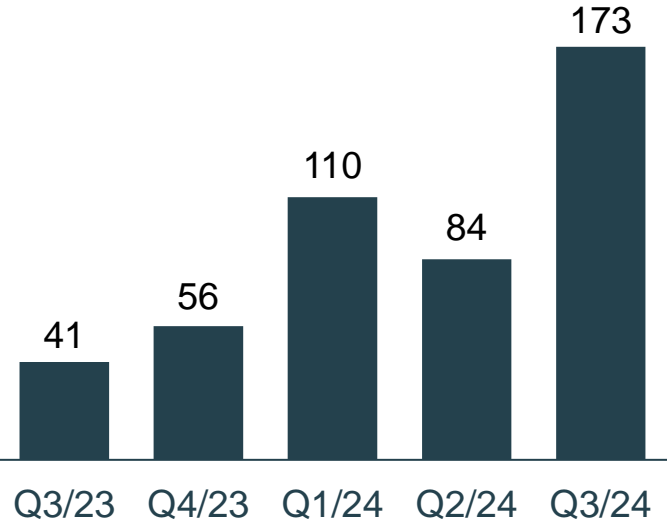


- Consumer sales in Finland decreased by -18% during the third quarter, but increased +7% y-on-y
- In the Baltic and CEE countries, consumer sales improved by +27% from the previous quarter and +23% y-on-y

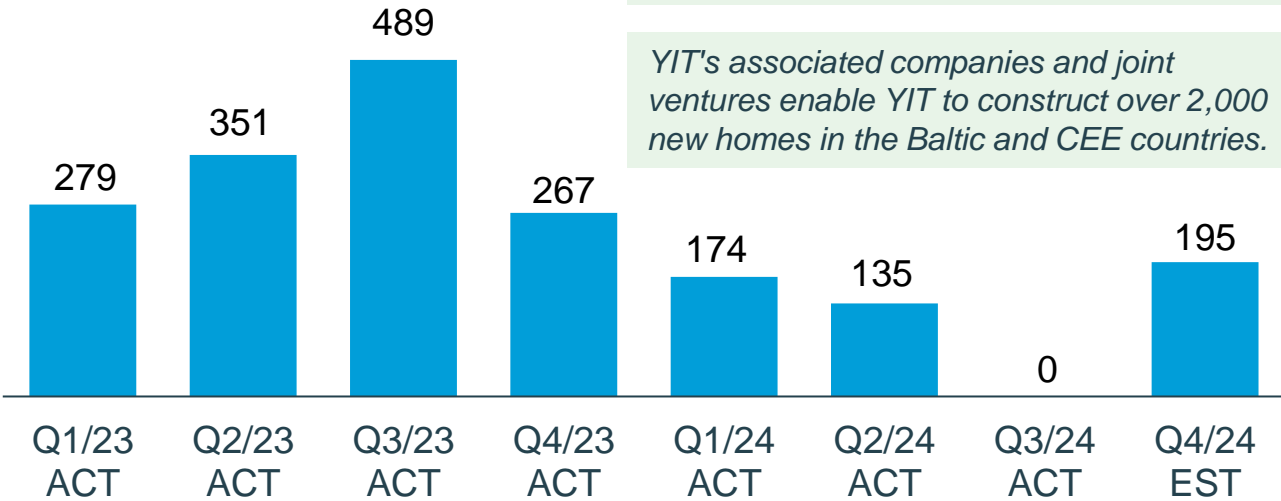


Consumer apartments sold by associated companies and joint ventures increased

Consumer apartments sold by associated companies and joint ventures*, housing units



Estimated completions of apartments under construction in associated companies and joint ventures, housing units



Total of 109 (end of Q2/24: 204) unsold completed apartments in associated companies and joint ventures at the end of September 2024.

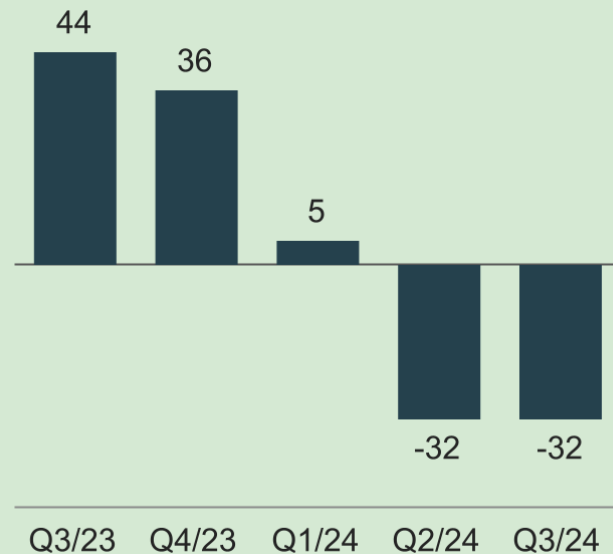
YIT's associated companies and joint ventures enable YIT to construct over 2,000 new homes in the Baltic and CEE countries.

*Apartments sold from the inventory of YIT's project development joint ventures and associated companies, not included in YIT's reported apartment sales or completions.



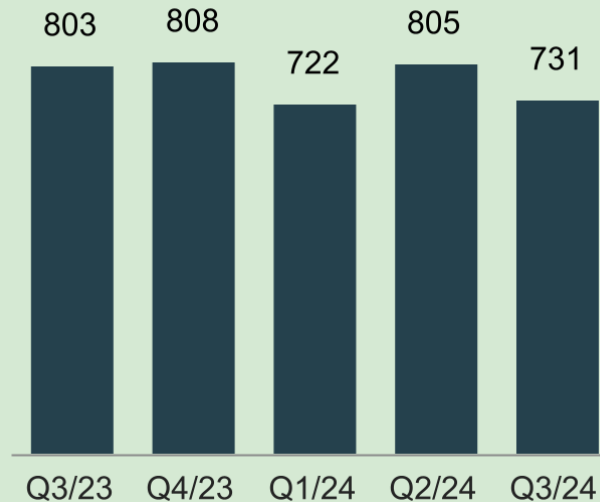
Infrastructure: Steady profitability with negative capital employed

Capital employed, EUR million



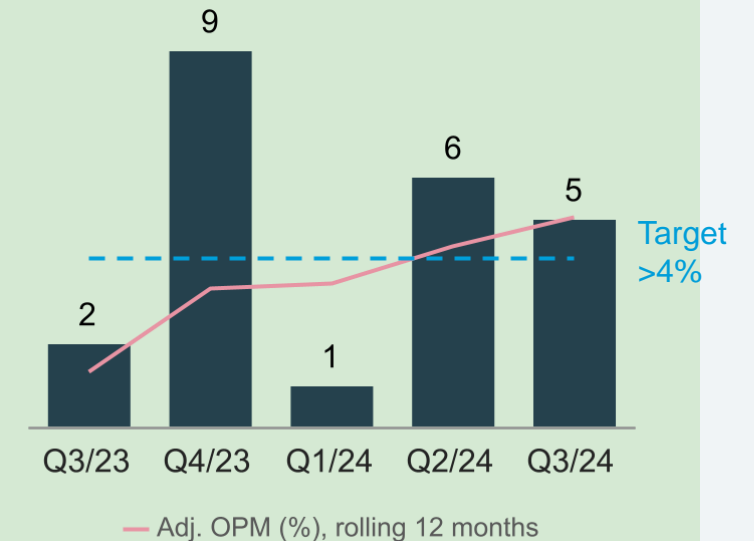
Segment has reached the target to operate with negative capital employed.

Order book, EUR million



The order for the first phase of the Pirkkala-Linnainmaa tramway worth approximately EUR 115 million will be recorded in the order book in Q4.

Quarterly adj. operating profit, EUR million

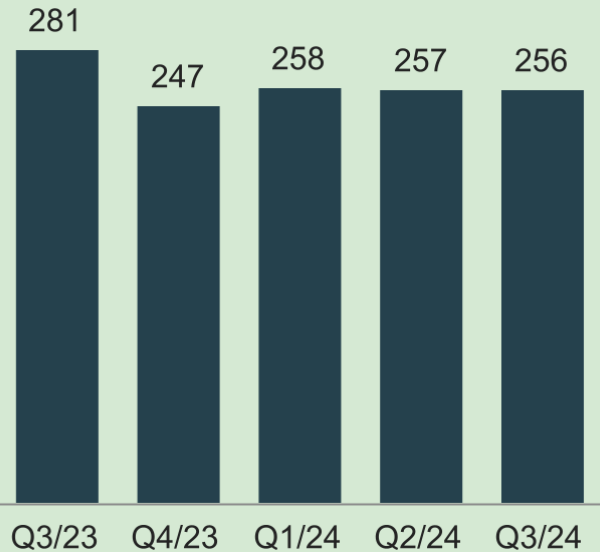


Rolling 12 months adjusted operating profit margin exceeded the minimum target level and was 5.0% in Q3/24.

Business Premises: Solid performance in Q3

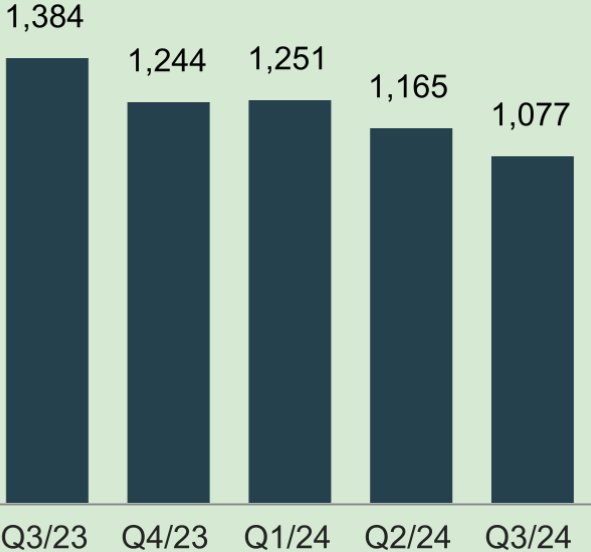


Capital employed, EUR million



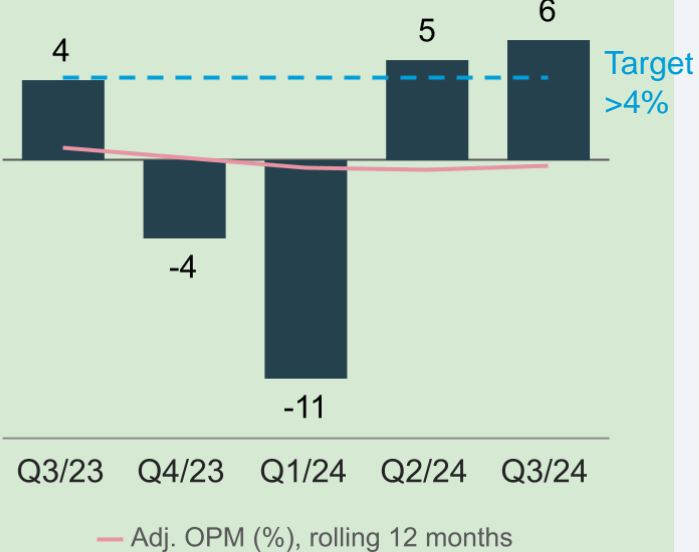
Capital employed includes Tripla Mall, two self-developed offices, plots and one brownfield development site.

Order book, EUR million



Strong order book corresponding to approximately 14 months of work

Quarterly adj. operating profit, EUR million



Operative performance improving, while fair value changes contribute negatively to rolling 12 months profitability

Market environment remained stable; housing market in Finland not expected to materially improve during 2024

	Housing market	Real estate market	Infrastructure market
Finland	Weak →	Normal →	Normal →
Baltic countries	Normal →	Normal →	
Central Eastern Europe	Normal →	Normal →	

Q3 market environment

■ Good
 ■ Normal
 ■ Weak

Short-term market outlook

↗ Improving
 → Stable
 ↘ Weakening

Key figures on the right track

Adjusted operating profit
at

EUR **26** million

(Q3/23: 17)

Operating cash flow
after investments was

EUR **2** million

(Q3/23: -2)

Capital employed
amounted to

EUR **1,542** million

(Q3/23: 1,681)

Net debt at

EUR **789** million

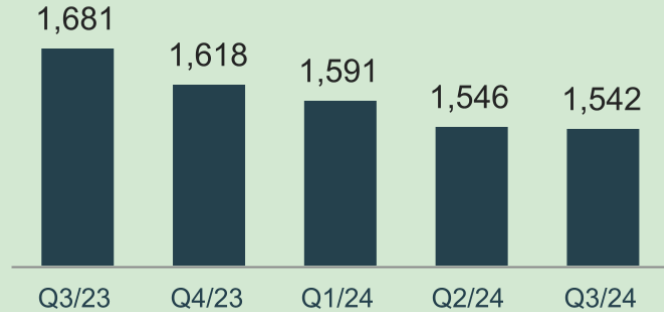
(Q3/23: 869)

(Q2/24: 788)



Capital employed on a downward trend

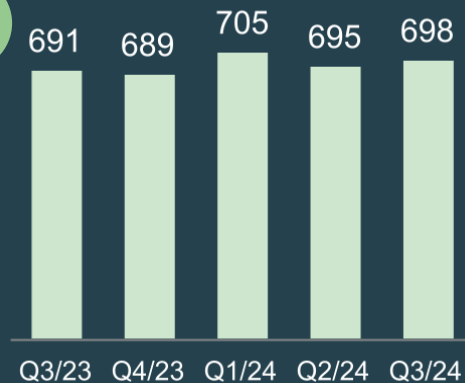
YIT Group, EUR million



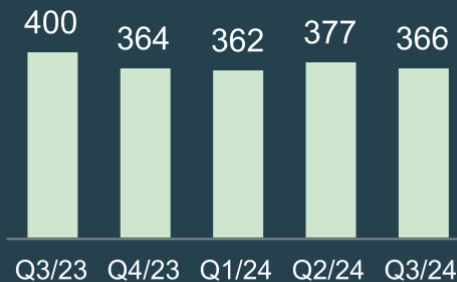
- Capital employed on a downward trend on a group level, supported by the successful capital release measures
- Capital employed in Housing remained stable
- Capital employed negative in Infrastructure supported by successful capital release measures
- Business Premises capital employed includes Tripla Mall

EUR million

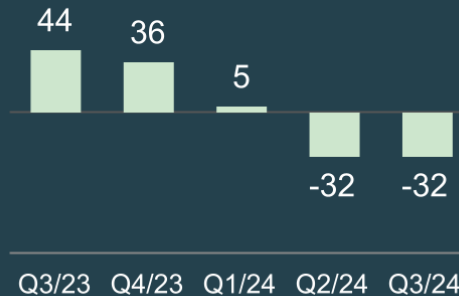
1 Housing Finland



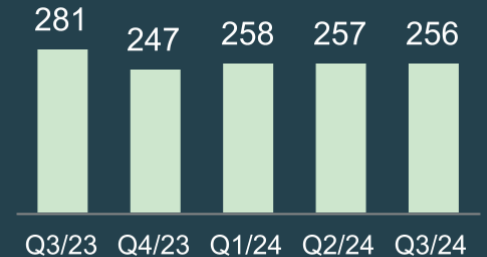
2 Housing Baltic and CEE



3 Infrastructure



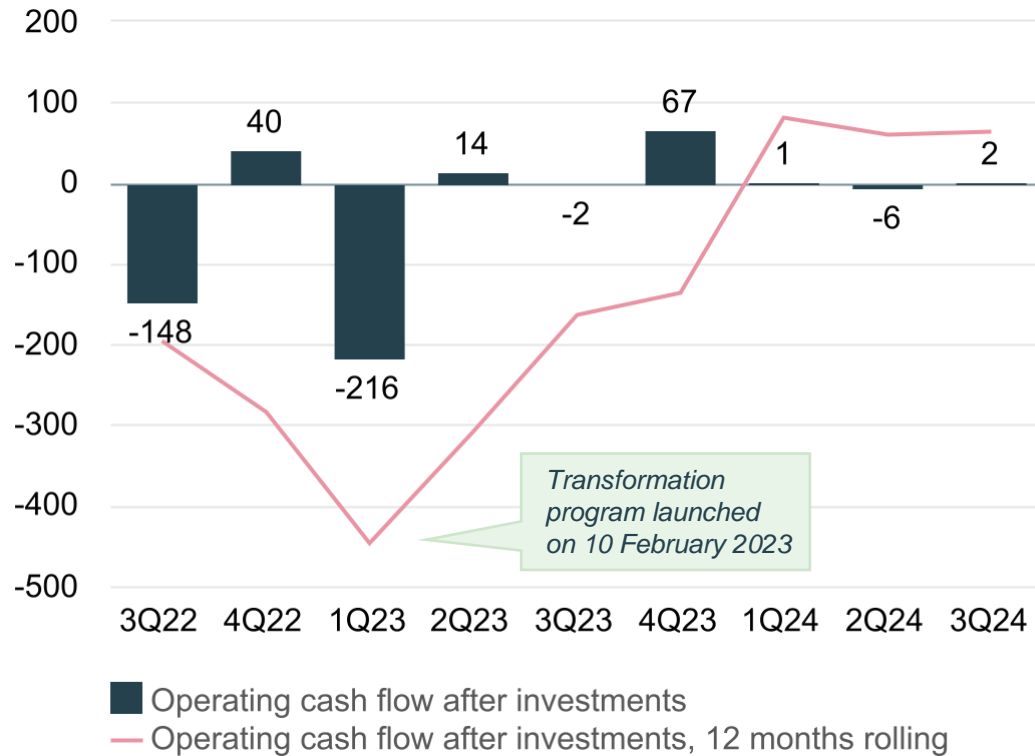
4 Business Premises



'Other' segment capital employed EUR 253 million in Q3/24

Operating cash flow after investments positive in Q3

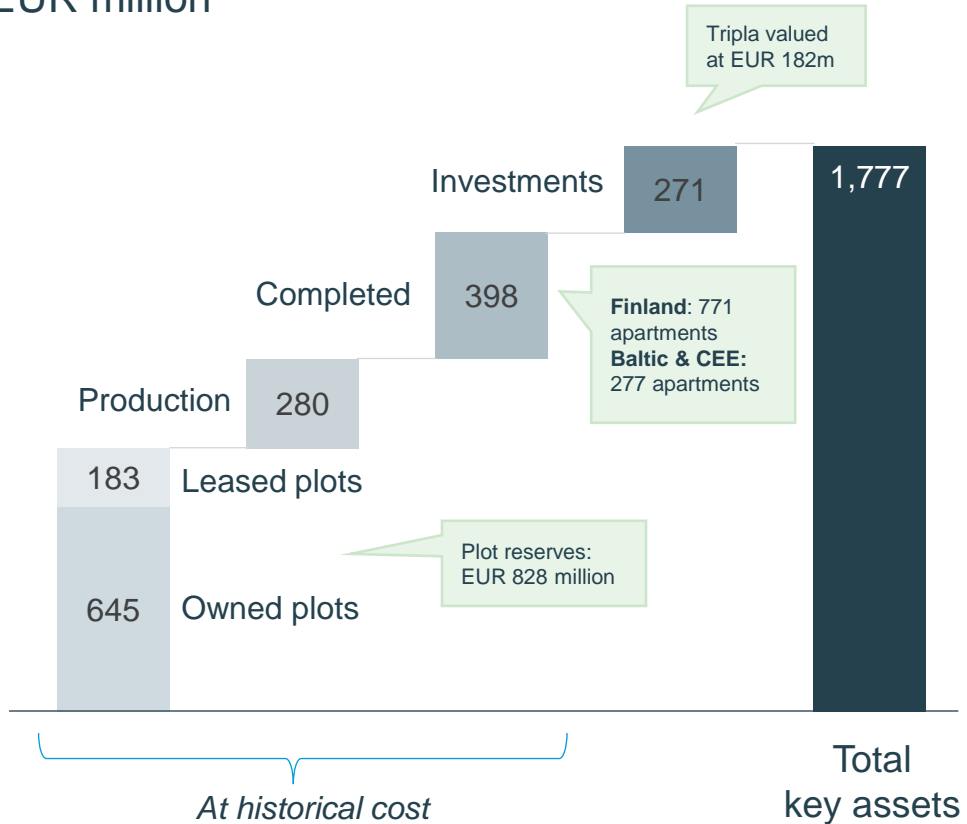
Operating cash flow after investments,
EUR million



- Operating cash flow after investments was EUR 2 million (-2) in Q3.
- 12 months rolling operative cash flow after investments was EUR 63 million at the end of the quarter.
- Cash and cash equivalents at the end of the period amounted to EUR 81 million (30 Jun 2024: 119).

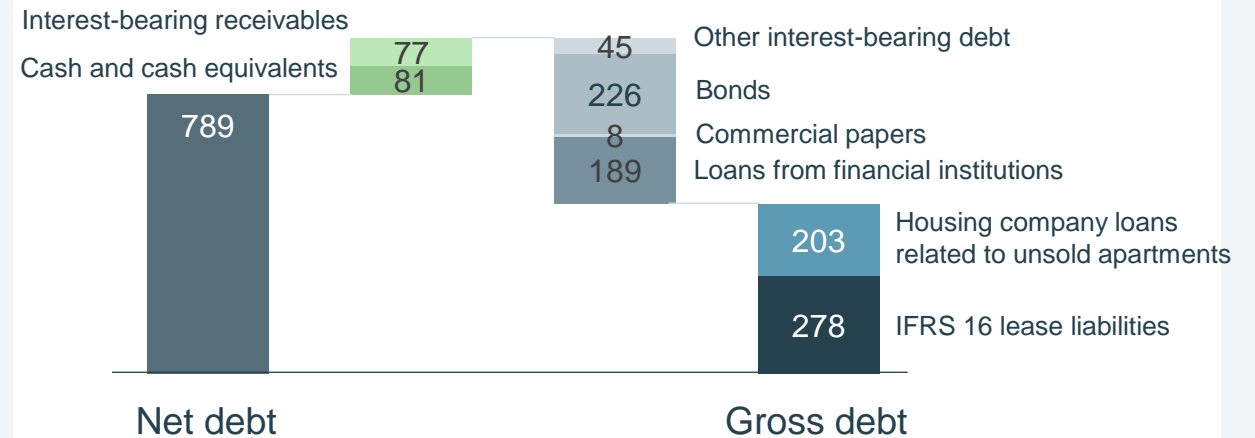
Key assets over 2x net debt

Distribution of key assets in balance sheet, EUR million



Plots = Plot reserve; Leased plot reserve
 Production = Work in progress; Raw materials and consumables; Leased plots, WIP; Advance payments; Other
 Completed = Completed apartments and real estate; Leased plots, completed apartments and real estate
 Investments = Equity investments; Investments in associated companies and joint ventures

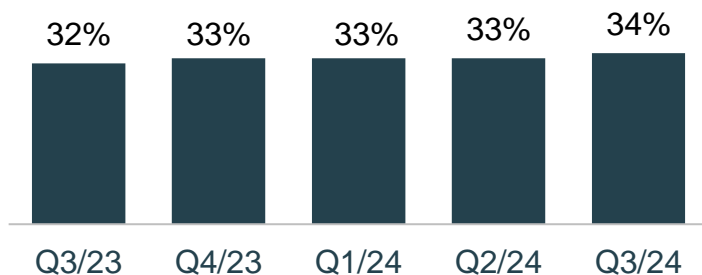
Distribution of interest-bearing debt, EUR million



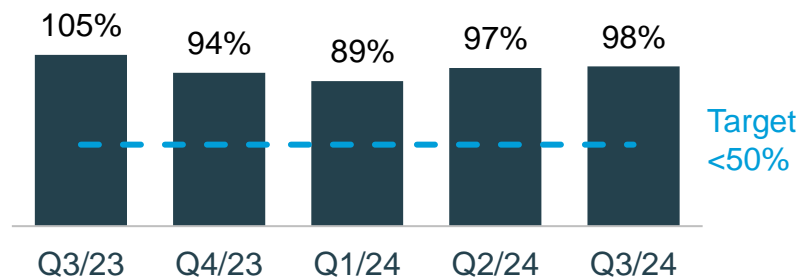
The hybrid bond, €100 million, is recorded as part of equity under IFRS and therefore excluded from this graph.

The work continues to decrease our indebtedness

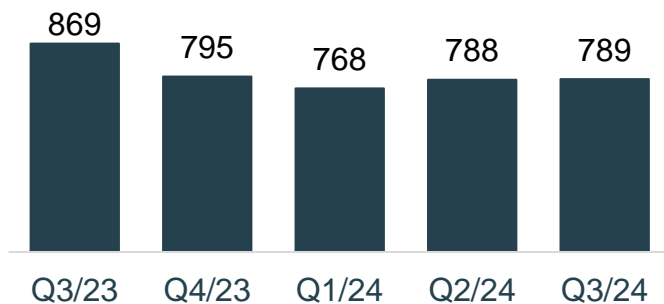
Equity ratio



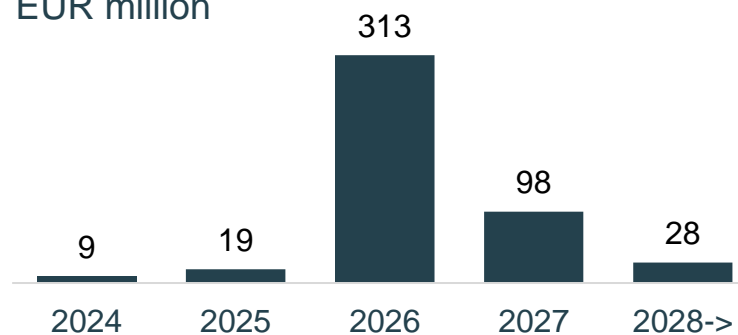
Gearing



Net interest-bearing debt, EUR million



Maturity structure of interest-bearing debt, EUR million*

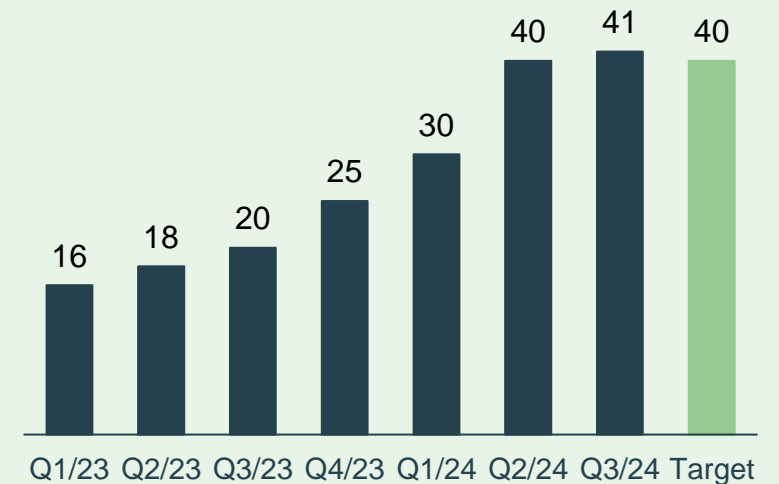


*Excluding housing company loans related to unsold apartments, €203 million and lease liabilities, €278 million. The hybrid bond, €100 million, is recorded as part of equity under IFRS and therefore excluded from this paragraph.

Strong profitability in Q3 reflects the results of the transformation program

- Annualized inflation-adjusted run-rate cost savings target of EUR 40 million for the program was achieved ahead of schedule by the end of June 2024.
- By the end of September 2024, YIT had reached EUR 41 million of savings.
- YIT continues to seek further savings and efficiencies.
- Competitiveness is improved by increasing efficiency in procurement and project management and improving productivity.
- 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.
- The program ends at the end of 2024 and the focus moves towards continuous improvement.

Cumulative annualized cost savings secured from the transformation program, EUR million



Group adjusted operating profit is expected to be **EUR 20–60** million in 2024

(2023: EUR 41 million)

- 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 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 quarter or year to another. Actions to release capital may have an impact on the company's profit.

A solid quarter on all fronts

We are well on track to achieve the expected results in 2024, driven by profitability improvement across the segments

Our financial position allows us time to address the capital release and focus on performance improvement

The results of the transformation program are reflected in our improved profitability – we continue to seek further savings and efficiencies





The key to our success is our skilled and versatile employees

We continued to develop YIT's procurement towards a category-based model as part of the transformation program.

During the quarter, new Chief Procurement Officer was appointed.

Our employee survey was executed during October with 80% of our employees taking part.

The employee net promoter score (eNPS) reached a very good level of 30.

We continued the systematic work to strengthen safety management in the company and with our partners.

YIT's combined lost time injury frequency improved to 9.7 (Q3/23: 13.2), and it has improved for the past five quarters.

As part of our investments to new capabilities and adopting the use of AI, we expanded our pilot and gave access to M365 Copilot for all office employees to ensure productivity improvement across the company.

YIT Capital Markets Day

Our Capital Markets Day will be held on Wednesday, 13 November at 1:00 p.m. EET at Aleksanterinkatu 13. The event will be webcasted live.



Additional information

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YIT's Capital Markets Day
will be held on Wednesday,
13 November 2024

YIT's Financial Statements Bulletin 2024
will be published on Friday,
7 February 2025

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Appendices

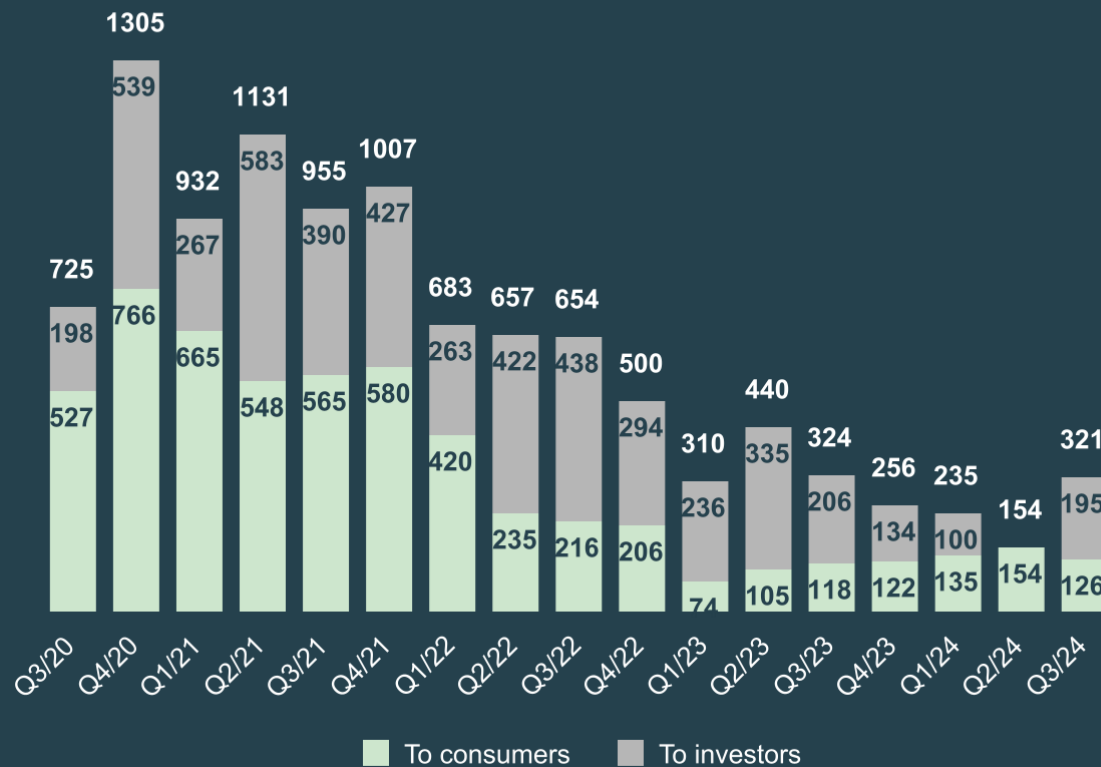
- I. Key figures
- II. Housing sales and starts

I. Key figures

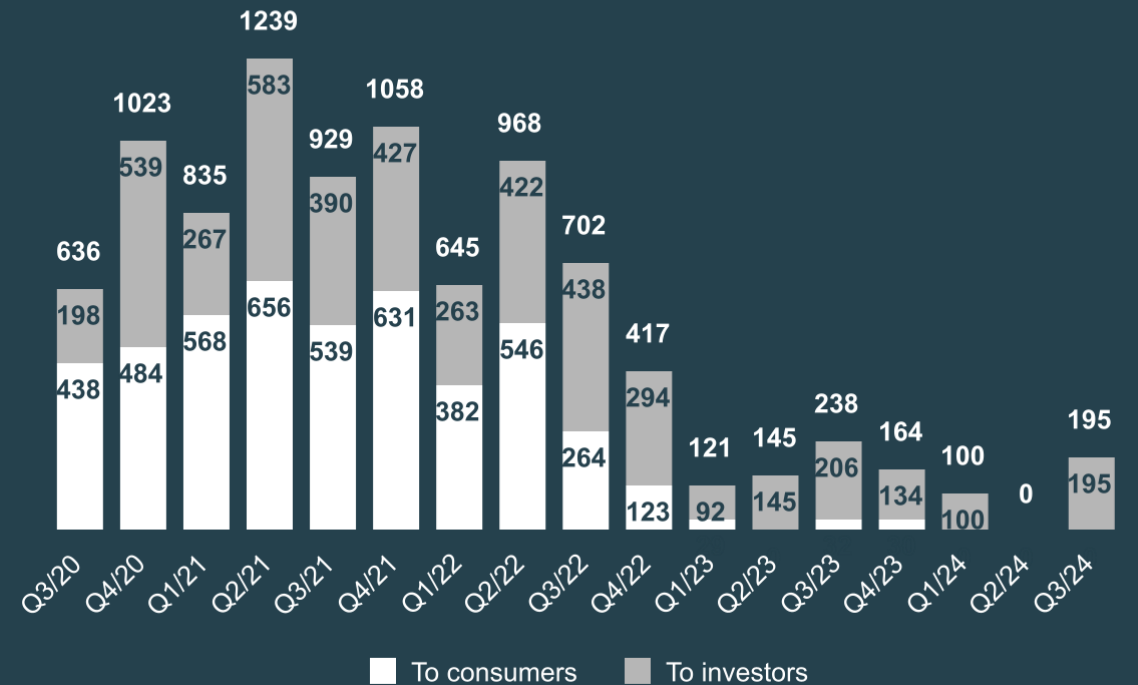
EUR million	7-9/24	7-9/23	1-9/24	1-9/23	1-12/23
Revenue	453	553	1,299	1,566	2,163
Operating profit	13	14	-37	18	51
Operating profit, %	2.9	2.6	-2.9	1.2	2.4
Adjusted operating profit	26	17	18	28	41
Adjusted operating profit margin, %	5.6	3.0	1.4	1.8	1.9
Result before taxes	-6	1	-86	-18	-5
Result for the 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

II. Sales and starts

SOLD APARTMENTS, units*



APARTMENT starts, units

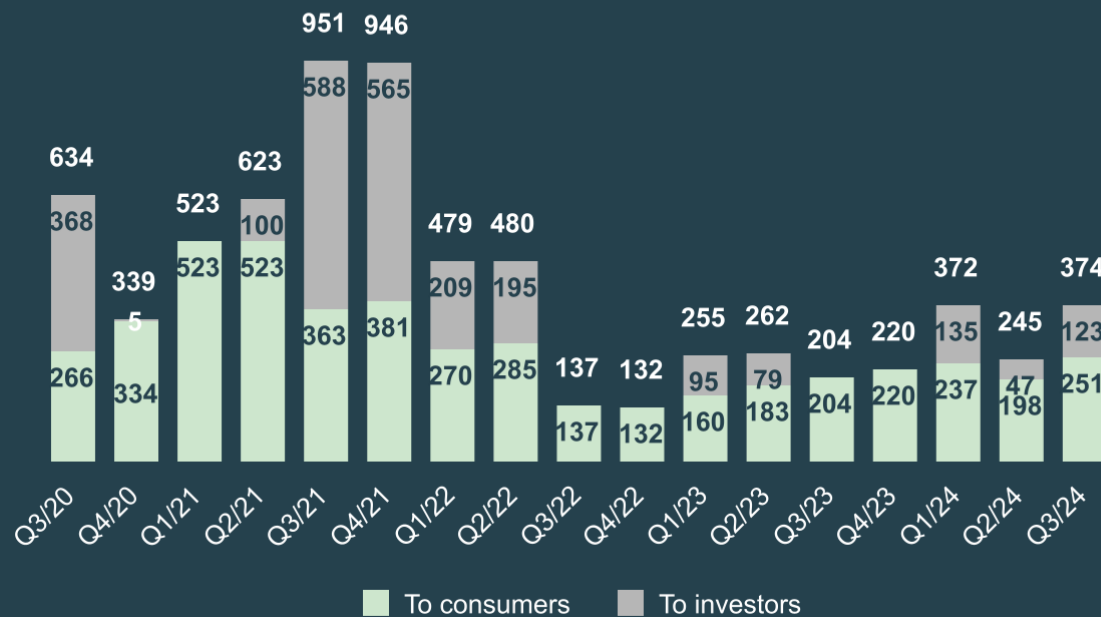


*Q1/2023 "To investors" figure includes 144 units initially started for consumers from a bundle deal.

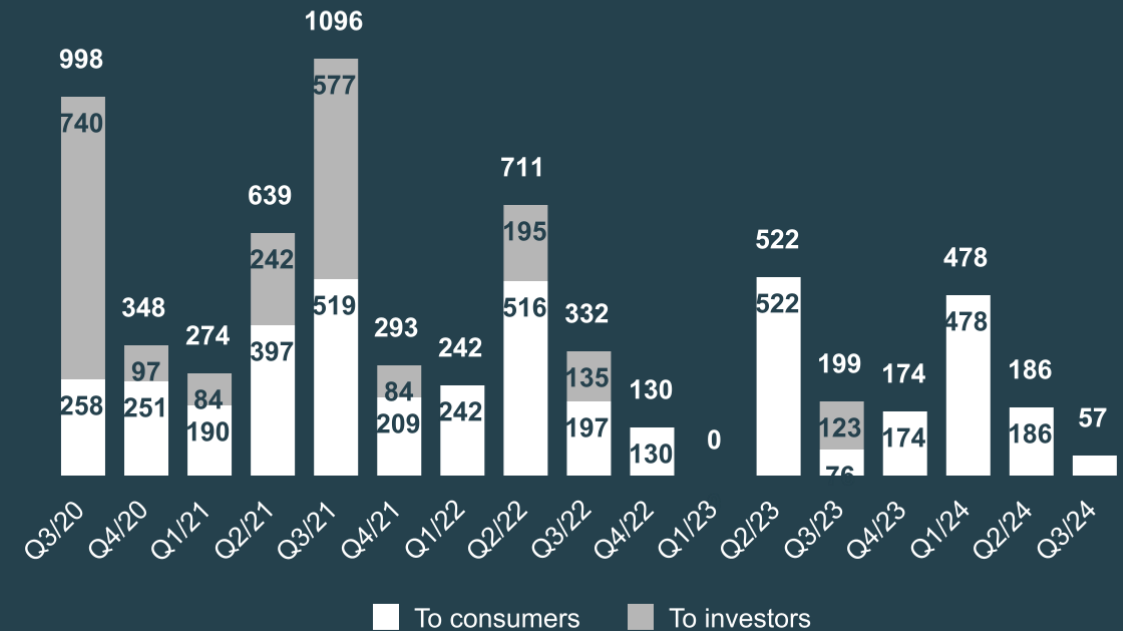
*Q2/2023 "To investors" figure includes 190 units initially started for consumers from a bundle deal.

II. Sales and starts

SOLD APARTMENTS, units



APARTMENT starts, units*



* 135 units initially started for consumers in Q3/2022, were later sold to investors. The figures have been adjusted so that the units sold to investors appear under "Started for investors".

**Together
we can
do it.**