

Q1

Interim report 1-3/2021

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Markku Moilanen

President and CEO

OUR
STRENGTHS
TO BUILD
UPON

Outstanding team spirit
Competent, passionate people

YIT brand

Quality of work

Customer orientation



” We need to become more resilient in our operational performance ”

IMMEDIATE ACTIONS

- Project management
- Operating model
- Infrastructure strategy

LONG-TERM COMPETITIVENESS

Sustainability and health
and safety in the core,
strategy to be sharpened

Safety is our number one priority with everything we do

9.9

COMBINED
LOST TIME
INJURY
FREQUENCY
(TARGET <9)

Stagnant development
for several years.

Improvement actions
needed.

Q1: Adjusted operating profit €21m, gearing at target level

Solid performance in
housing segments,
stabilising Business
premises

Strong operating cash flow
after investments

€70
million (-48)

Three green bonds of
€300
million in total

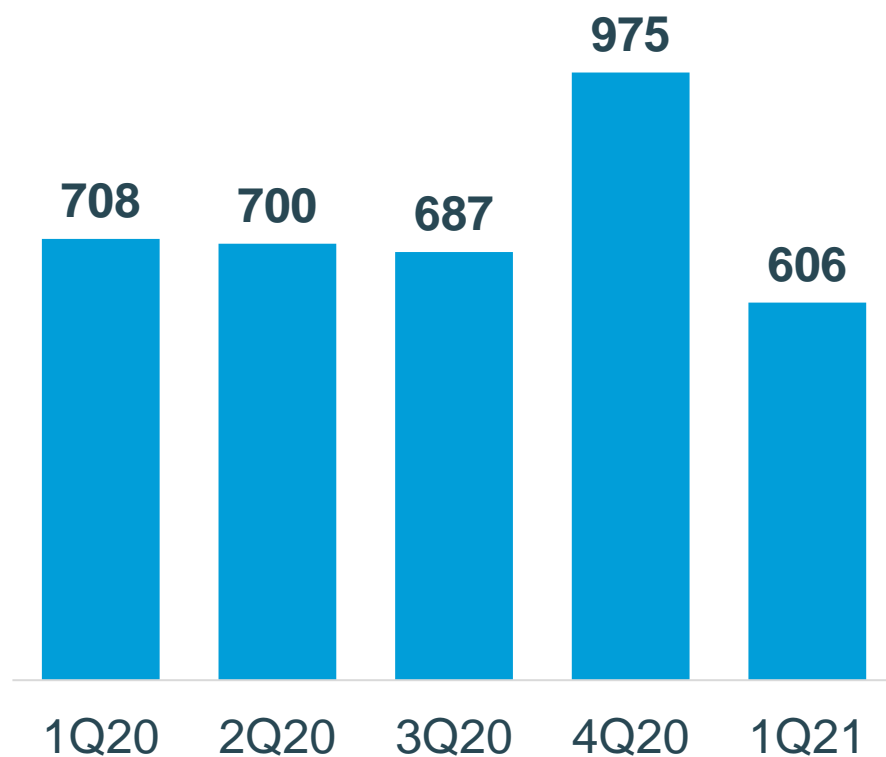
Balance sheet strengthened,
gearing at target



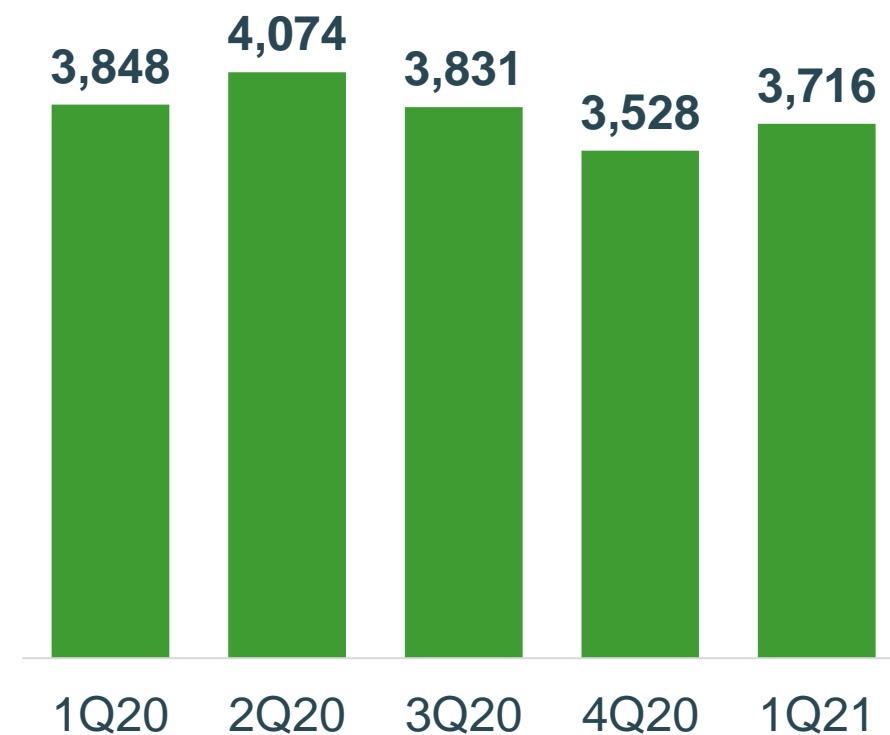
Q1 results

Order book grew in all businesses

REVENUE, € million

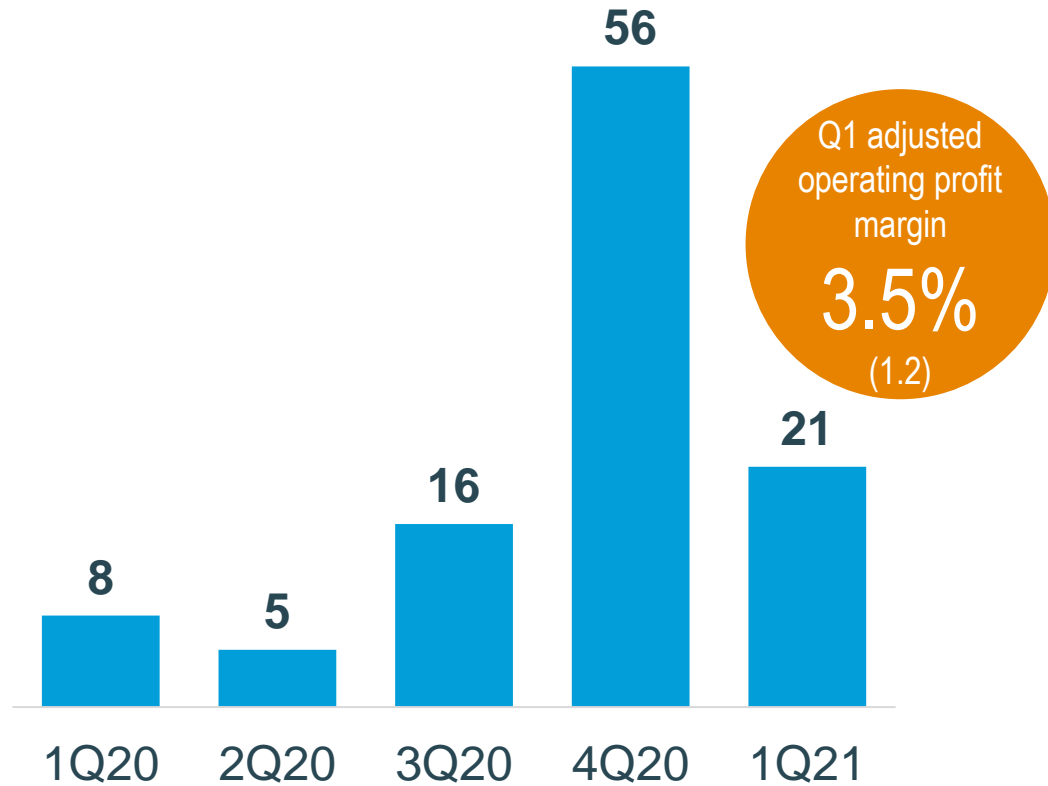


ORDER BOOK, € million

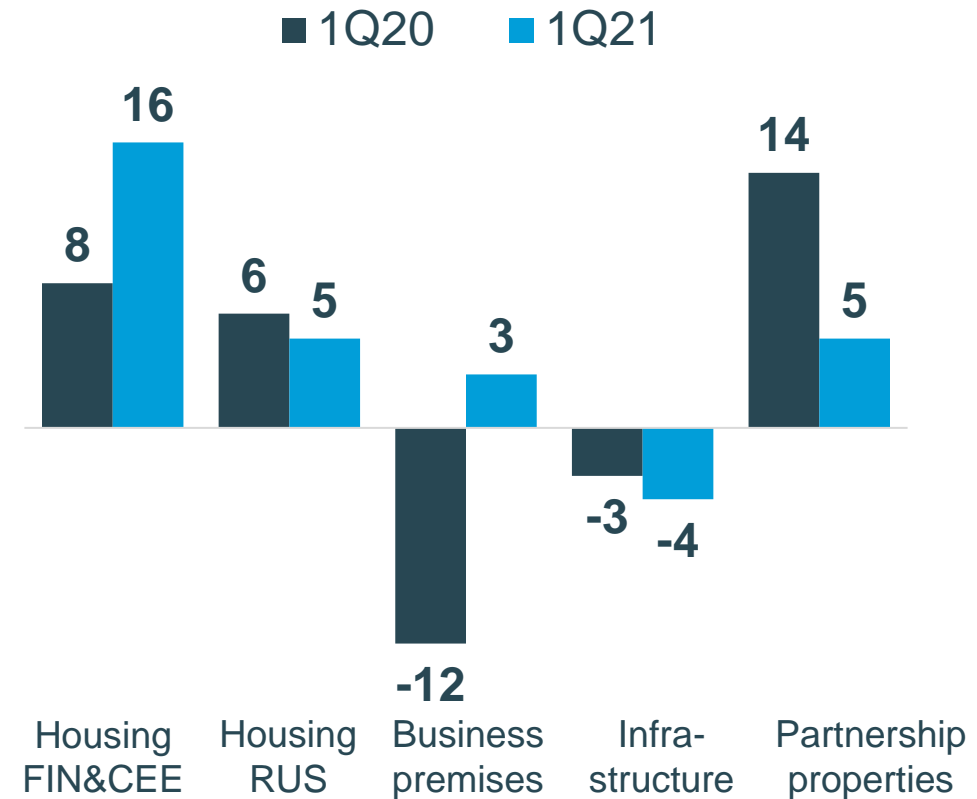


Profitability improved, variation between segments

ADJUSTED OPERATING PROFIT, € million

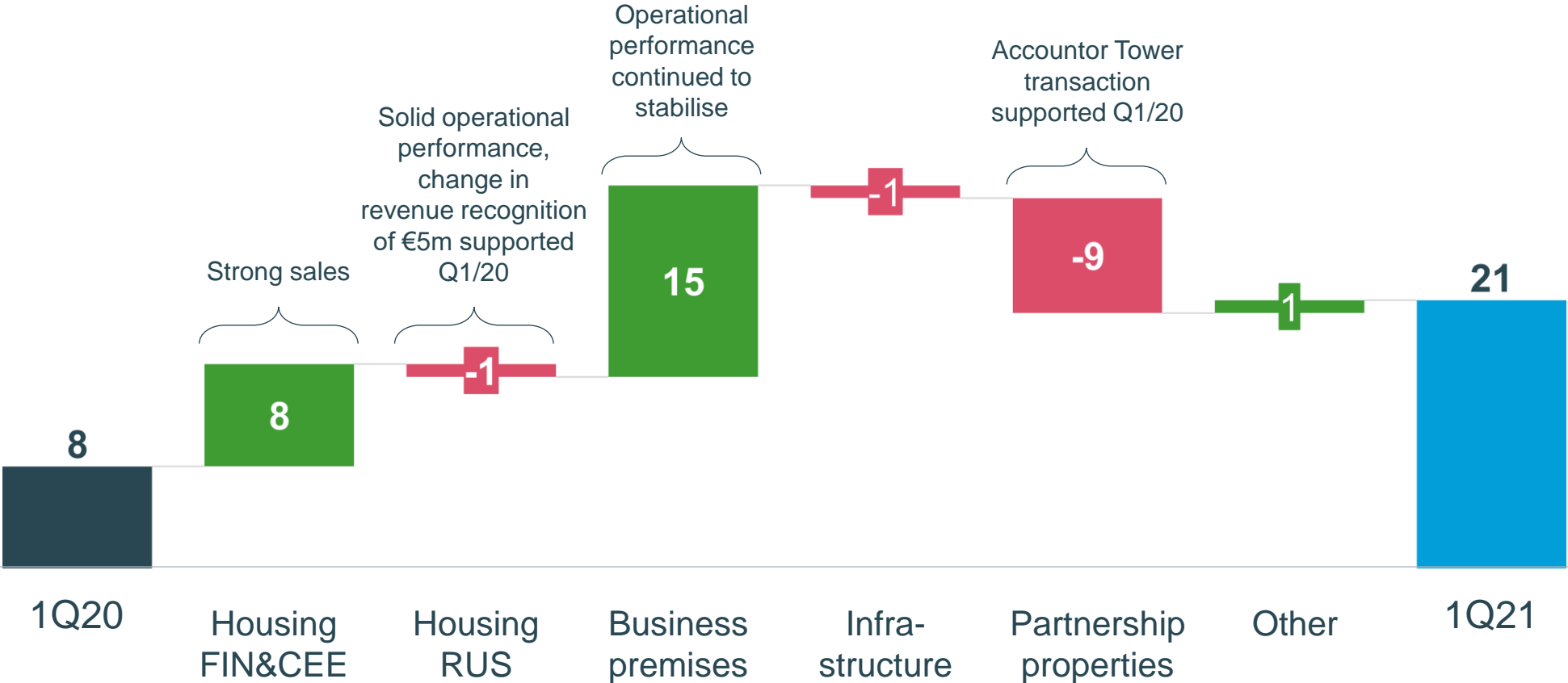


ADJUSTED OPERATING PROFIT BY SEGMENT, € million



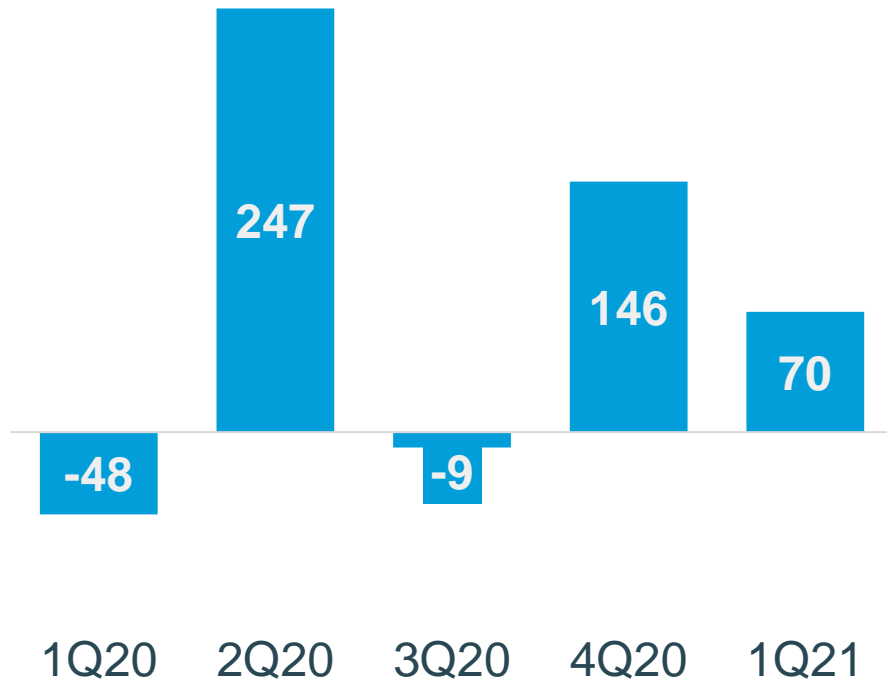
Performance in Business premises stabilised

DEVELOPMENT OF ADJUSTED OPERATING PROFIT, € million

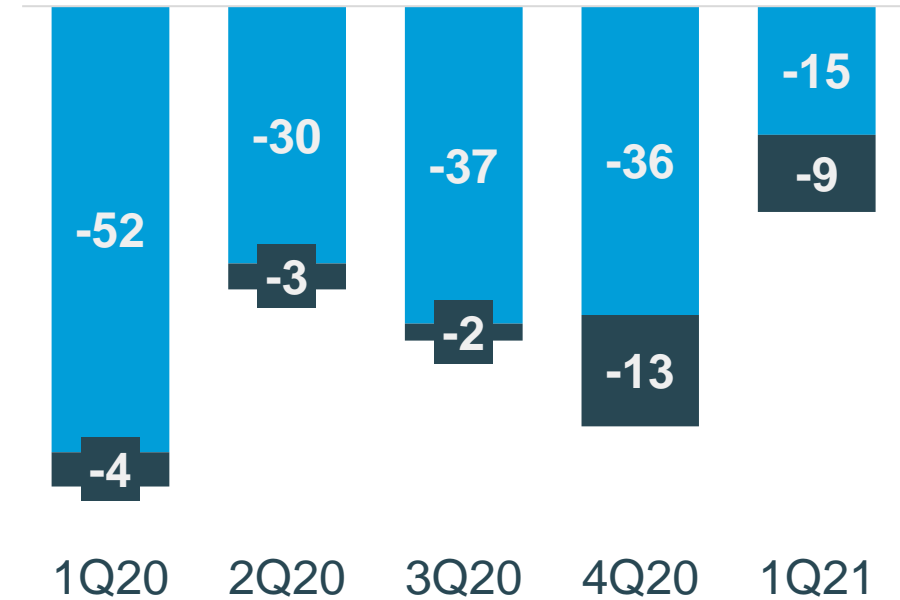


Strong cash flow of €70m

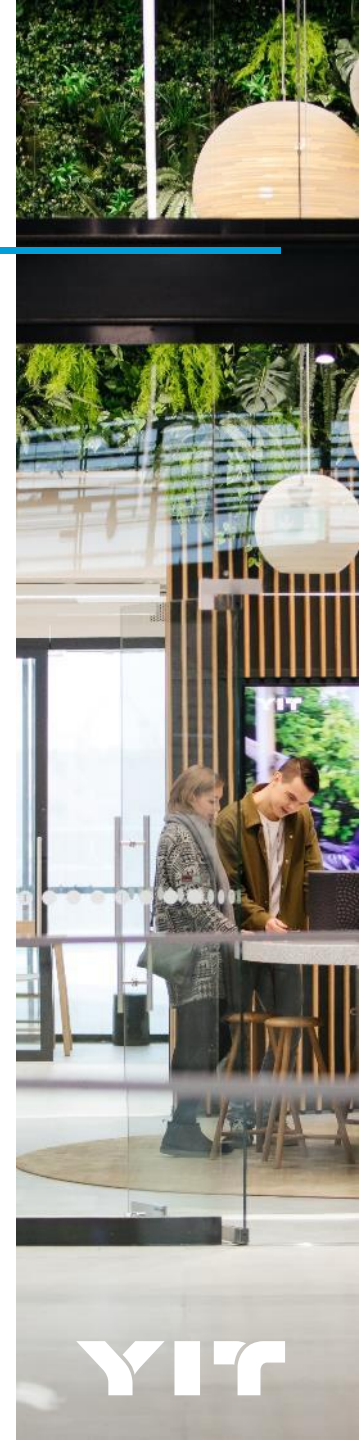
OPERATING CASH FLOW AFTER INVESTMENTS, € million



CASH FLOW OF INVESTMENTS, € million



■ Associated companies and joint ventures
■ Plot investments



Green Finance Framework

USE OF PROCEEDS:

Green and energy efficient buildings



Renewable energy



Clean transportation and technologies



Pollution prevention and control and protection of ecosystem services



Climate change adaptation



SECOND PARTY OPINION BY CICERO SHADES OF GREEN:



CICERO
Light Green



Issuing three Green Bonds of €300m

Green Bond

€100
million

Matures on 3/2024

Floating coupon
interest of
3M Euribor + 3.1%

Green Bond

€100
million

Matures on 1/2026

Fixed coupon
interest of 3.25%

Green
Hybrid Bond

€100
million

No maturity date*

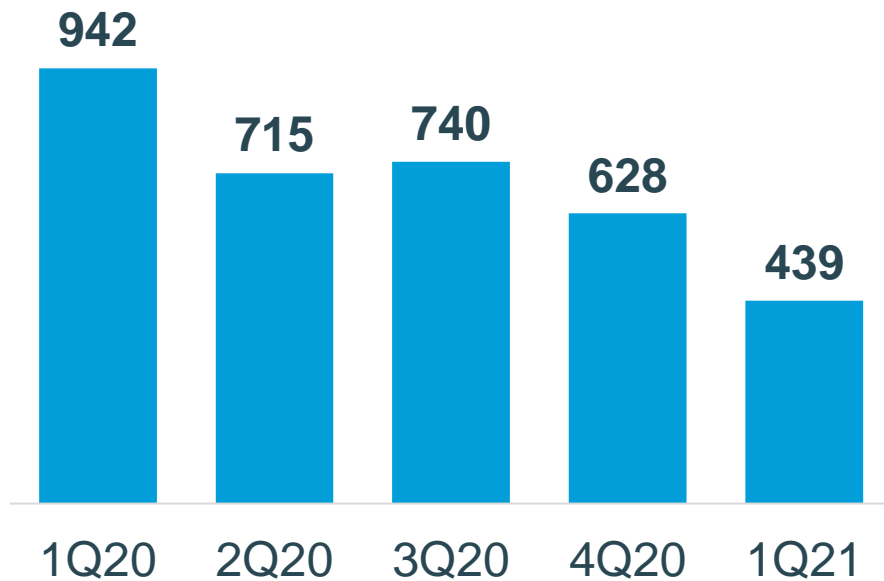
Fixed coupon
interest of 5.75%
until reset date*

*Reset date 31 Mar 2026

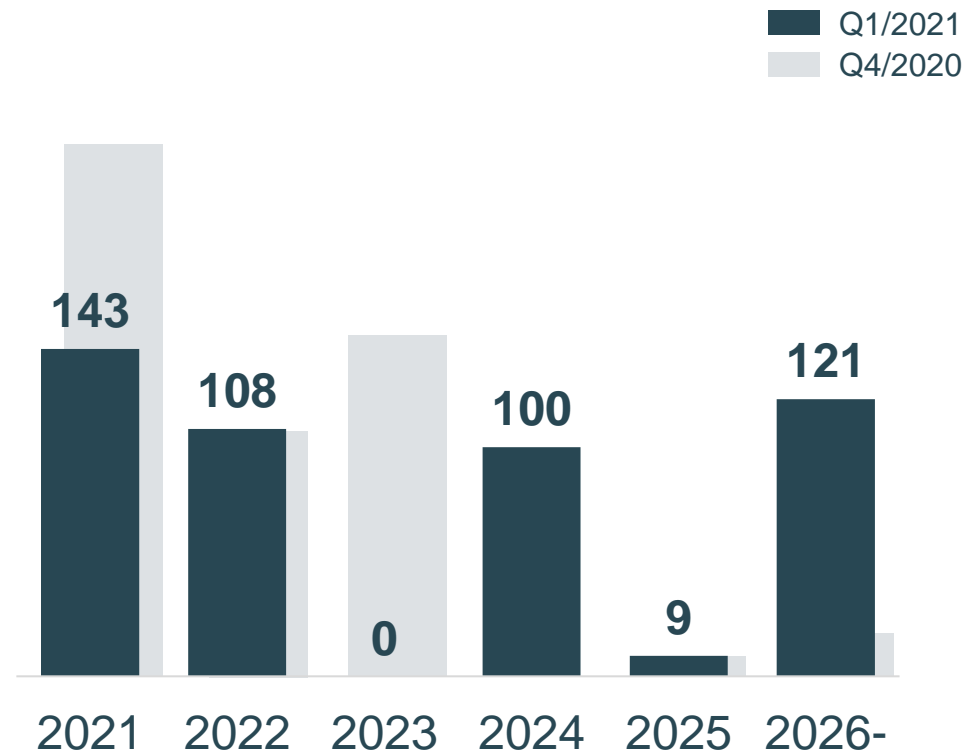


Net interest-bearing debt -53% y-o-y, maturity profile extended

NET INTEREST-BEARING DEBT,
€ million



MATURITY STRUCTURE OF INTEREST-BEARING DEBT¹, € million



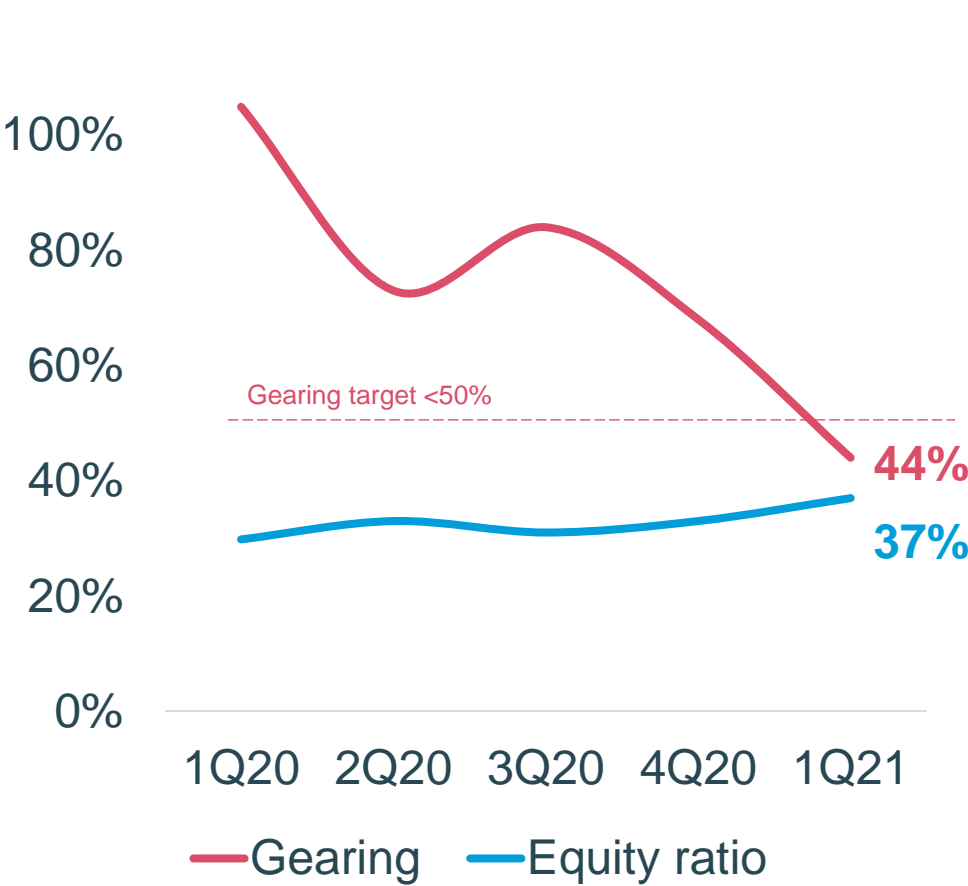
¹ Excluding housing company loans related to unsold apartments, €125 million, commercial papers, €195 million and lease liabilities, €206 million.

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

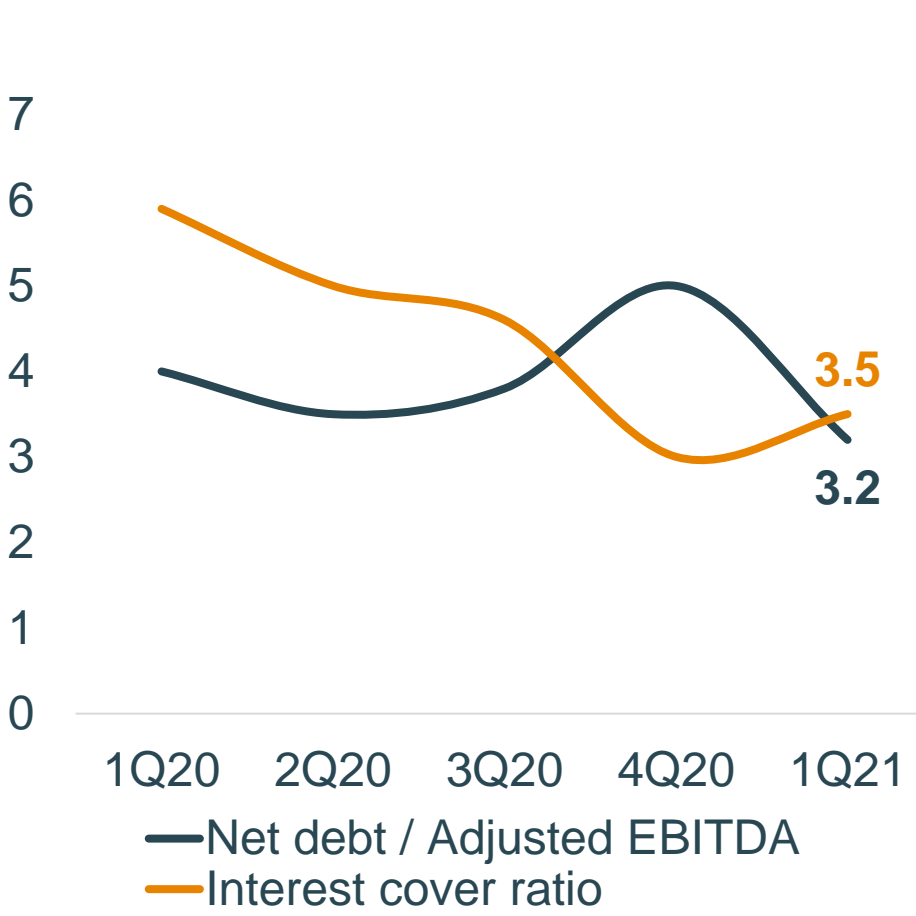


Gearing below strategic target level of <50%

EQUITY RATIO AND GEARING RATIO, %



NET DEBT / ADJUSTED EBITDA RATIO AND INTEREST COVER RATIO



Outlook



Q2 market outlook stable with limited visibility

	Housing market	Real estate market	Infrastructure market
Finland			
Russia			
Baltic countries			
Central European countries			
Sweden			

Q1/2021 market environment*

Good
 Normal
 Weak

Q2/2021 market outlook*

Improving
 Stable
 Weakening



Guidance for 2021

Group adjusted operating profit
to be
higher
than in 2020
(€85 million)

Housing

- Demand outlook solid in all regions
- Completions in 2021 to decrease compared to 2020 and volatility between the quarters to be high
- COVID-19 could lead to delays

Business premises

- Performance continues to stabilise

Infrastructure

- Strategy under review as project management issues continue
- Lestijärvi transaction to be closed in 2021 or 2022

Partnership properties

- Changes in market yields or estimated future cash flows may impact fair values of the investments

Management agenda

1

We have strong foundation to build upon

2

We are taking immediate actions to stabilise our performance

3

Sustainability, health and safety in the core, strategy to be sharpened

Additional information

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YIT's Q2 half-year
report will be
published on Fri

30 Jul
2021

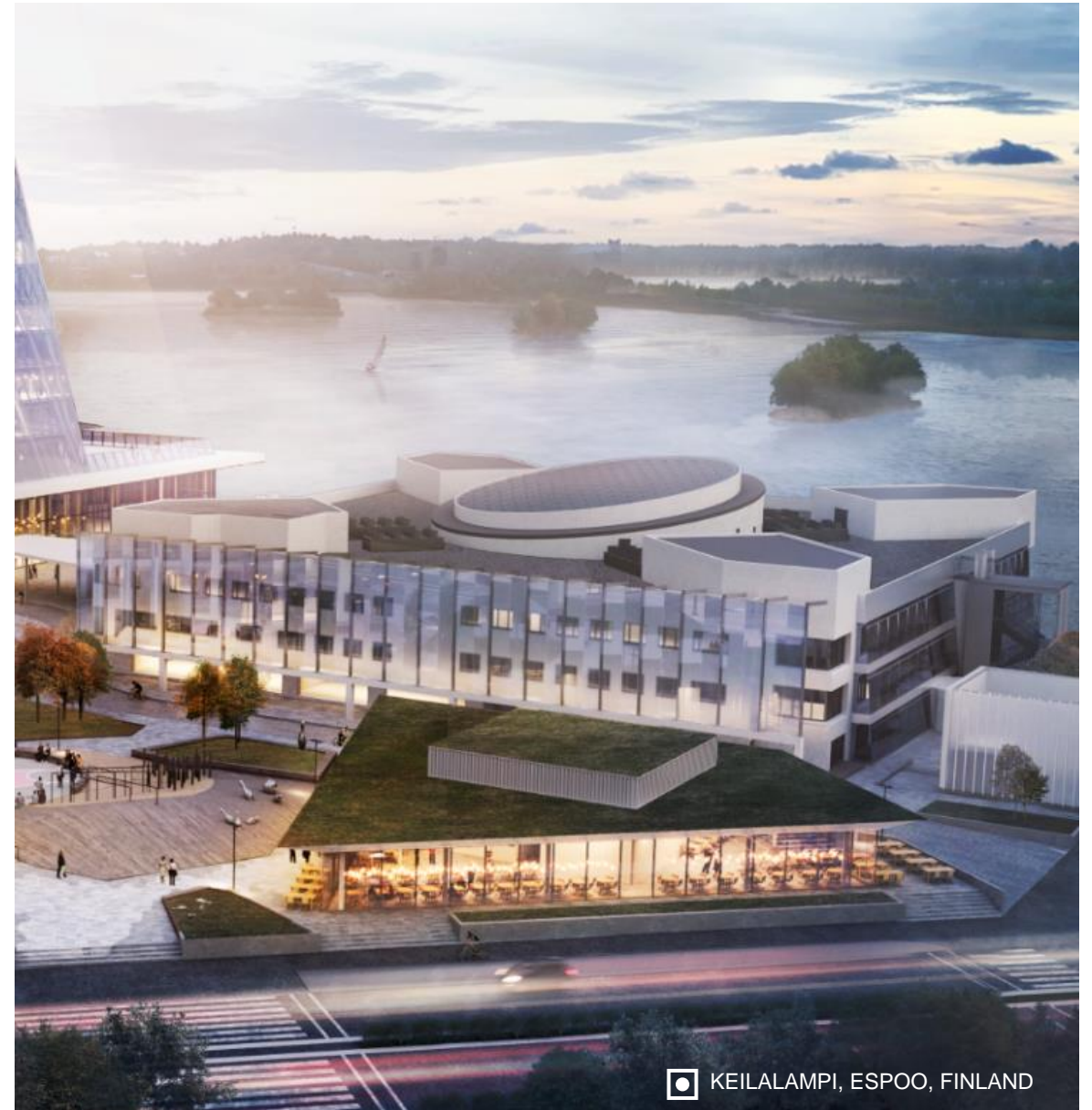


Appendices



Appendices

- I. Key figures
- II. Housing sales and start-ups
- III. Housing completion estimates
- IV. Share ownership
- V. Debt structure
- VI. Investment portfolio



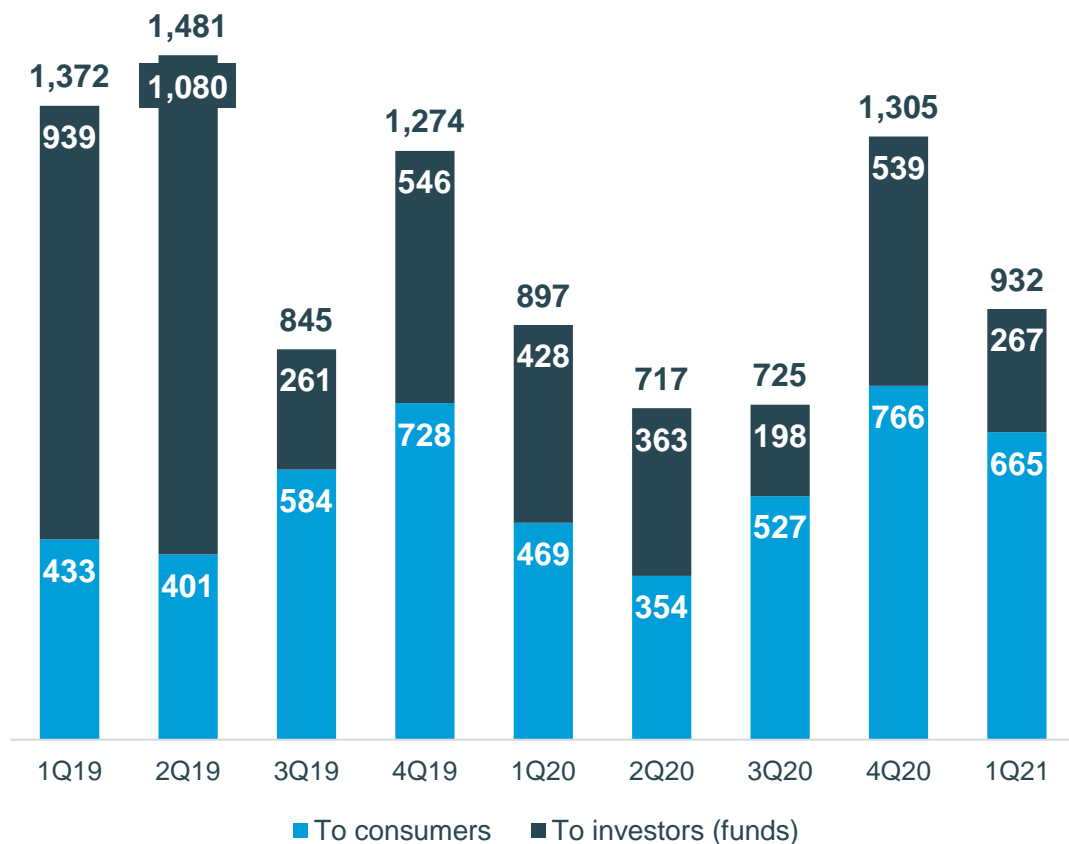
KEILAMPI, ESPOO, FINLAND

I. Key figures

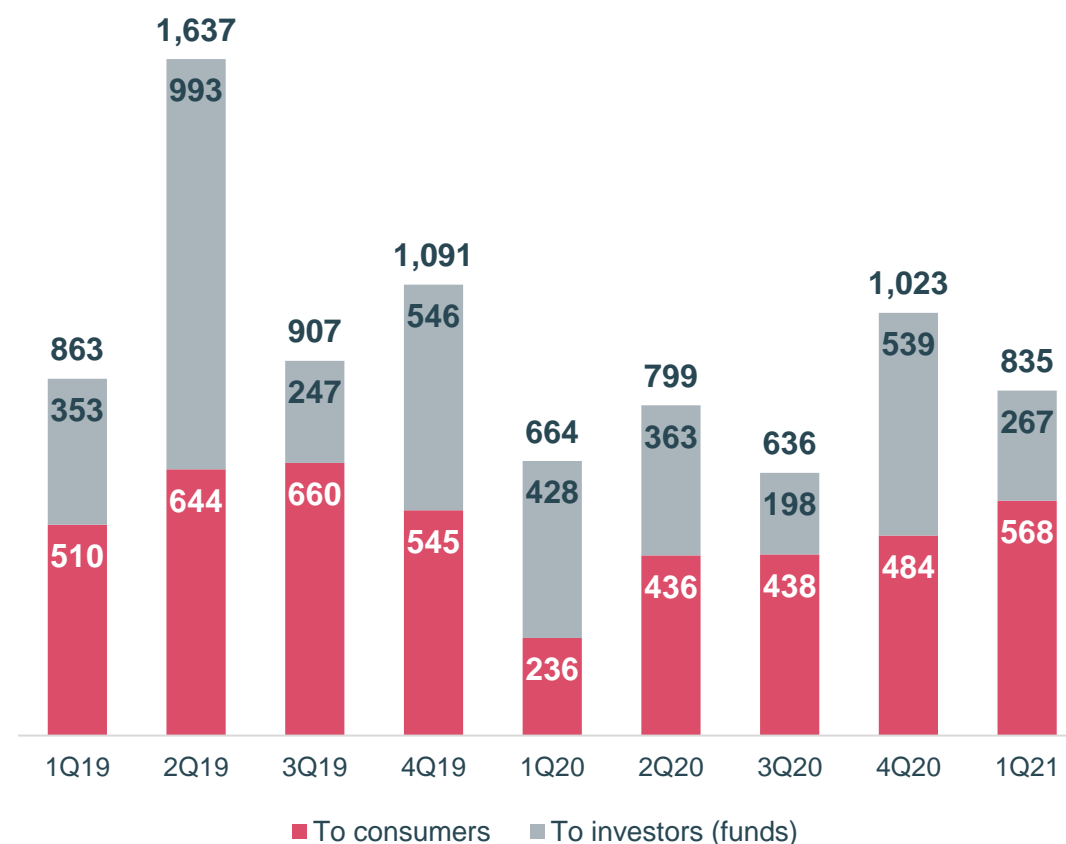
€ million	1-3/21	1-3/20	1-12/20
Revenue	606	708	3,069
Operating profit	14	-3	35
Operating profit margin, %	2.4	-0.4	1.1
Adjusted operating profit	21	8	85
Adjusted operating profit margin, %	3.5	1.2	2.8
Result before taxes	6	-16	-6
Result for the period	4	-10	-8
Result for the period, including discontinued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

II. Housing Finland Sales and start-ups 2019-2021

SOLD APARTMENTS, units



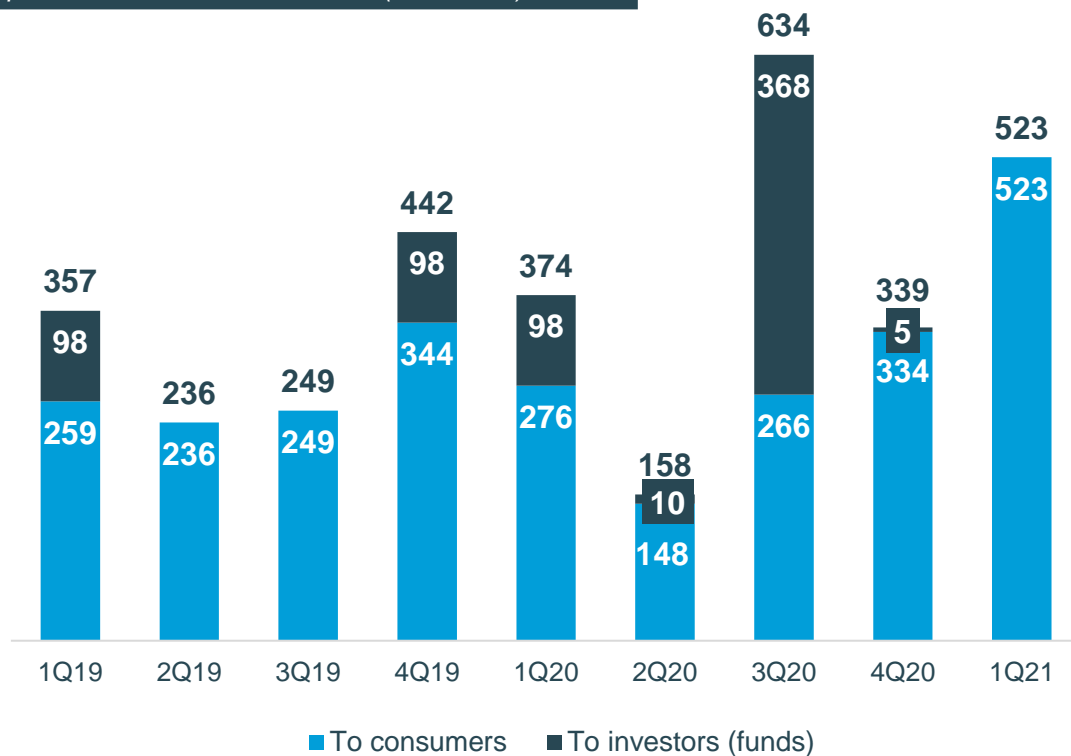
APARTMENT START-UPS, units



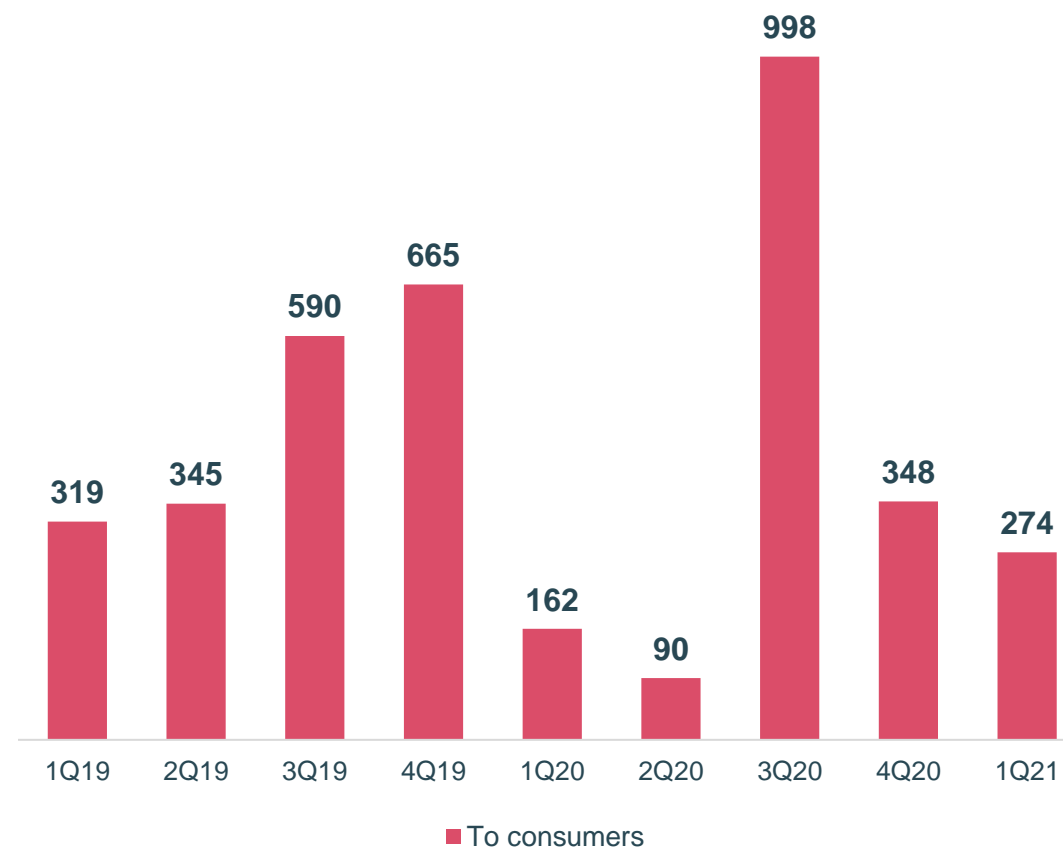
II. Housing CEE Sales and start-ups 2019-2021

SOLD APARTMENTS, units

Of projects earlier sold to YCE Housing I fund or a JV, and recorded as investor sales, YIT sold 1 apartments further to consumers (1Q20: 112)

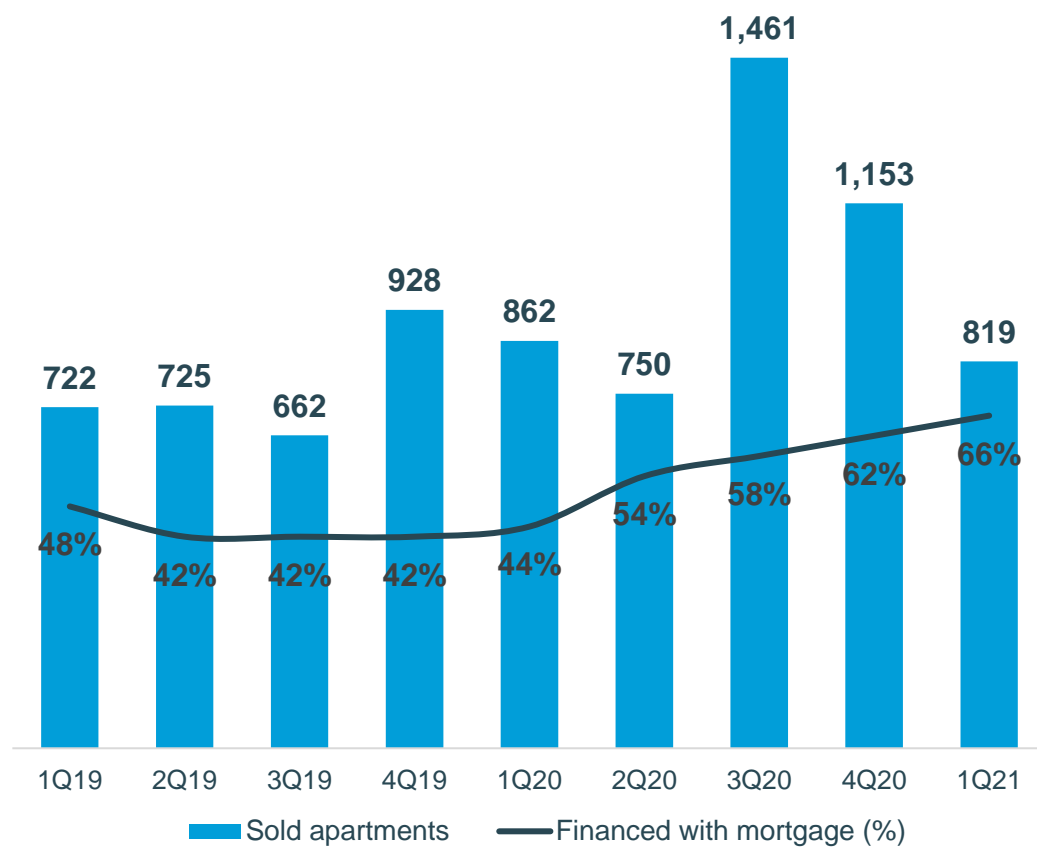


APARTMENT START-UPS, units

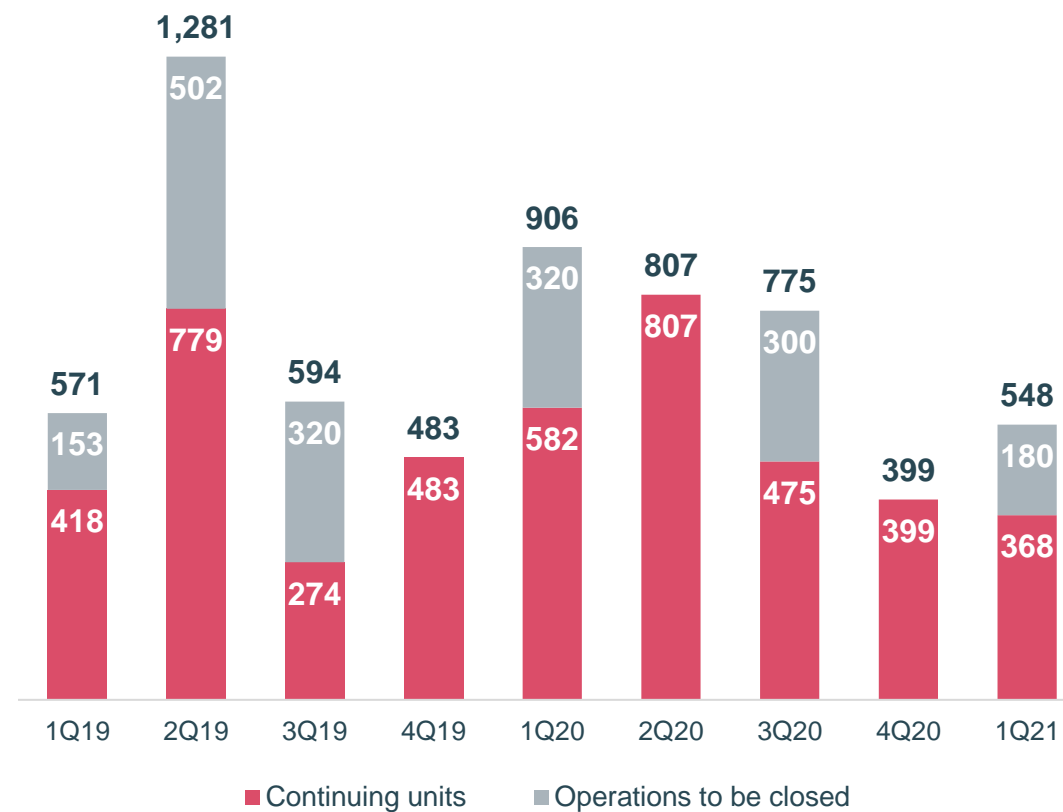


II. Housing Russia Sales and start-ups 2019-2021

SOLD APARTMENTS, units

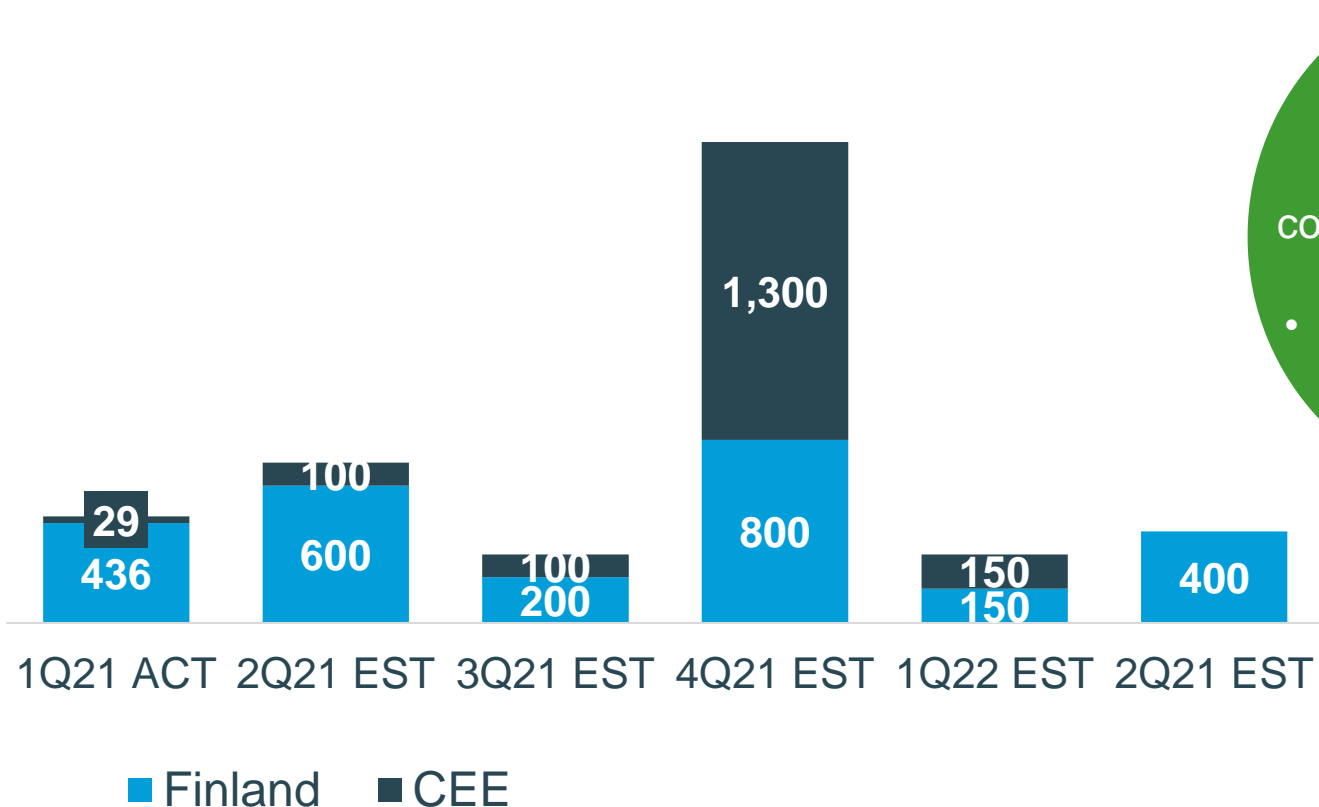
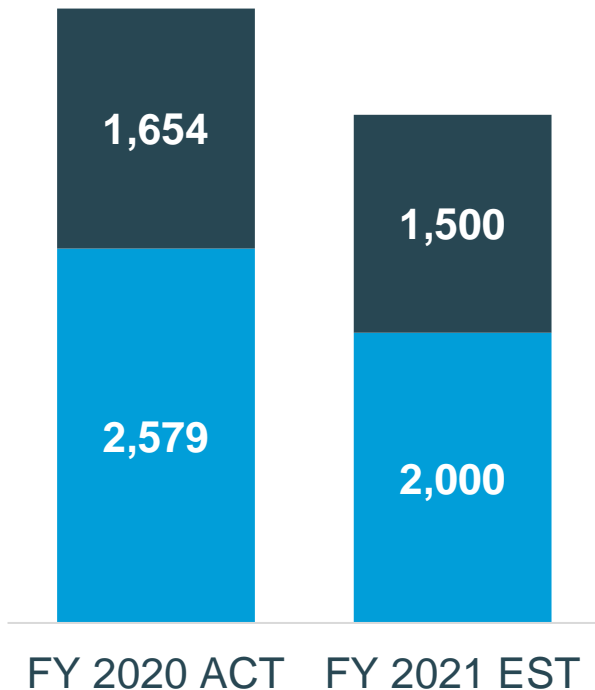


APARTMENT START-UPS, units



III. Number of completions declining, completions expected to peak again in Q4

ESTIMATED COMPLETIONS OF CONSUMER APARTMENT PROJECTS UNDER CONSTRUCTION, units



In addition, revenue from apartments under construction recognised over time (POC):

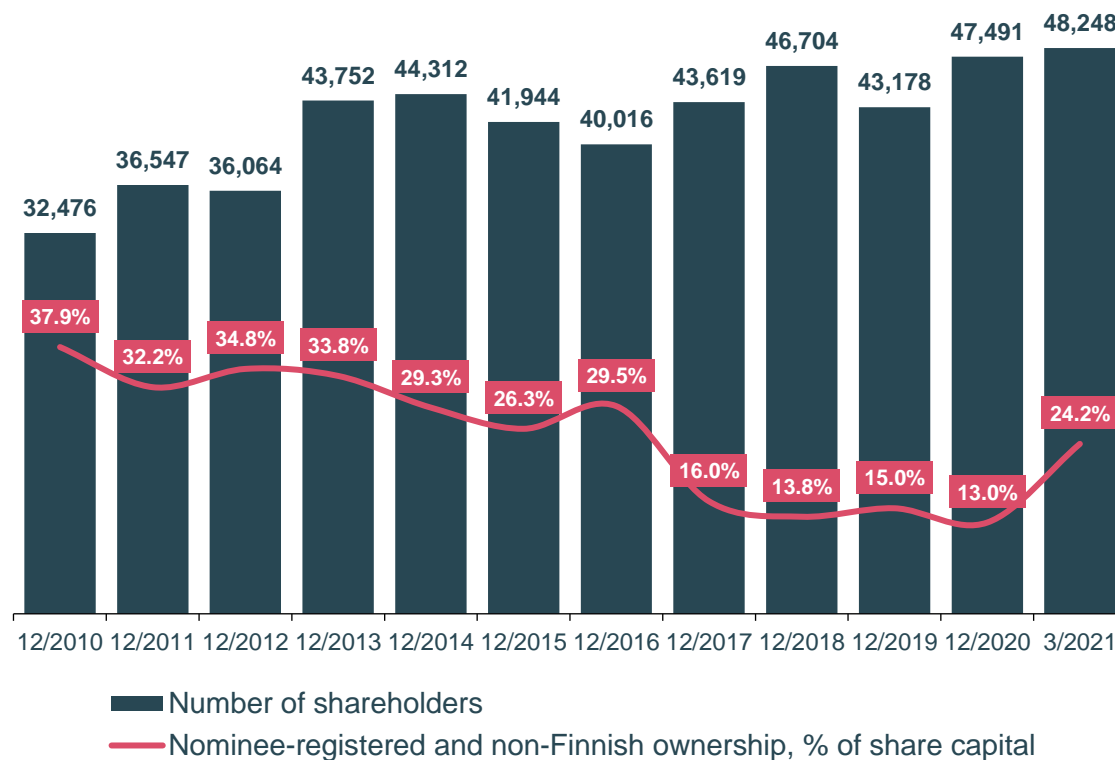
- 2,062 for investors
- 4,060 in Russia

IV. Share ownership*, 31 March 2021

MAJOR SHAREHOLDERS

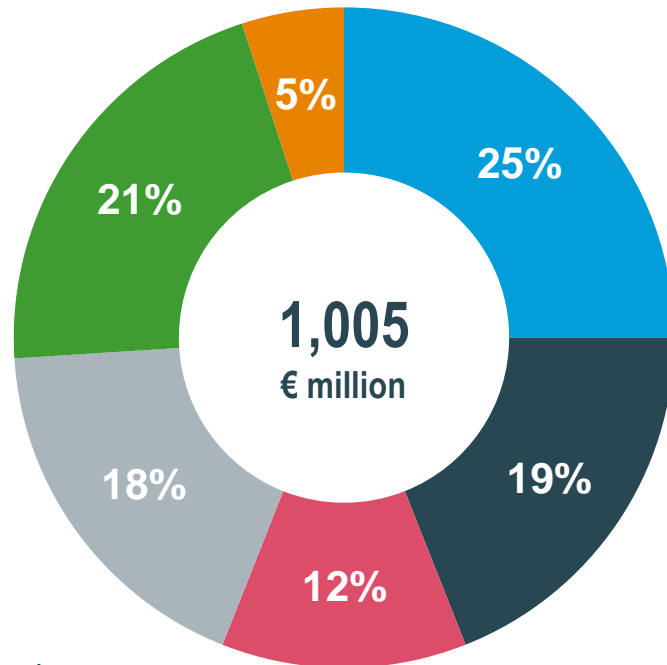
SHAREHOLDERS	SHARES	% OF SHARE CAPITAL
1. Tercero Invest AB	25,100,000	11.89
2. Varma Mutual Pension Insurance Company	15,945,975	7.55
3. PNT Group Oy	15,296,799	7.25
4. Conficap Oy	8,886,302	4.21
5. Pentti Heikki Oskari Estate	8,146,215	3.86
6. Ilmarinen Mutual Pension Insurance Company	5,684,339	2.69
7. Forstén Noora Eva Johanna	5,115,529	2.42
8. Elo Mutual Pension Insurance Company	4,396,850	2.08
9. Herlin Antti	3,445,180	1.63
10. Pentti Lauri Olli Samuel	3,398,845	1.61
Ten largest total	95,416,034	45.20
Nominee registered shares	20,031,777	9.49
Other shareholders	95,652,042	45.31
Total	211,099,853	100.00

NUMBER OF SHAREHOLDERS AND SHARE OF NOMINEE-REGISTERED AND NON-FINNISH OWNERSHIP



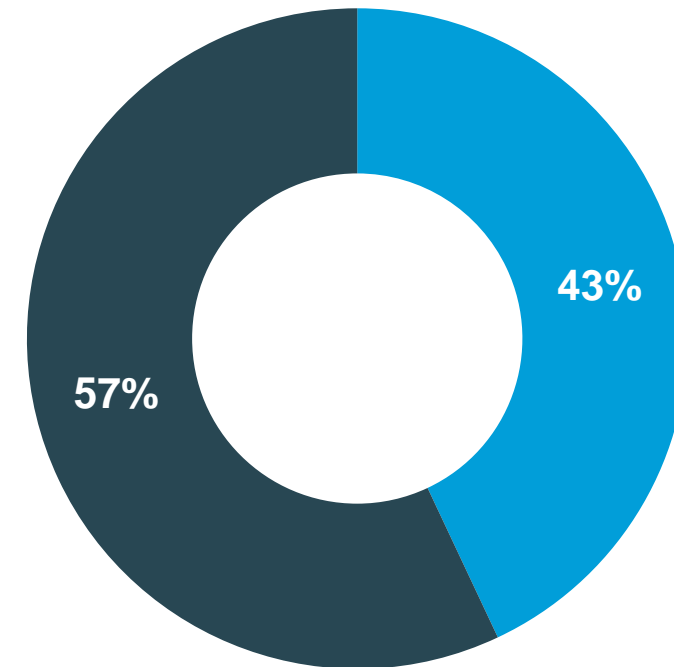
V. Debt structure, 31 March 2021

DISTRIBUTION OF INTEREST-BEARING DEBT



- Bonds
- Commercial papers
- Housing corporation loans related to unsold apartments
- Loans from financial institutions
- Lease liabilities
- Other interest-bearing debt

INTEREST RATE DISTRIBUTION OF INTEREST-BEARING DEBT¹

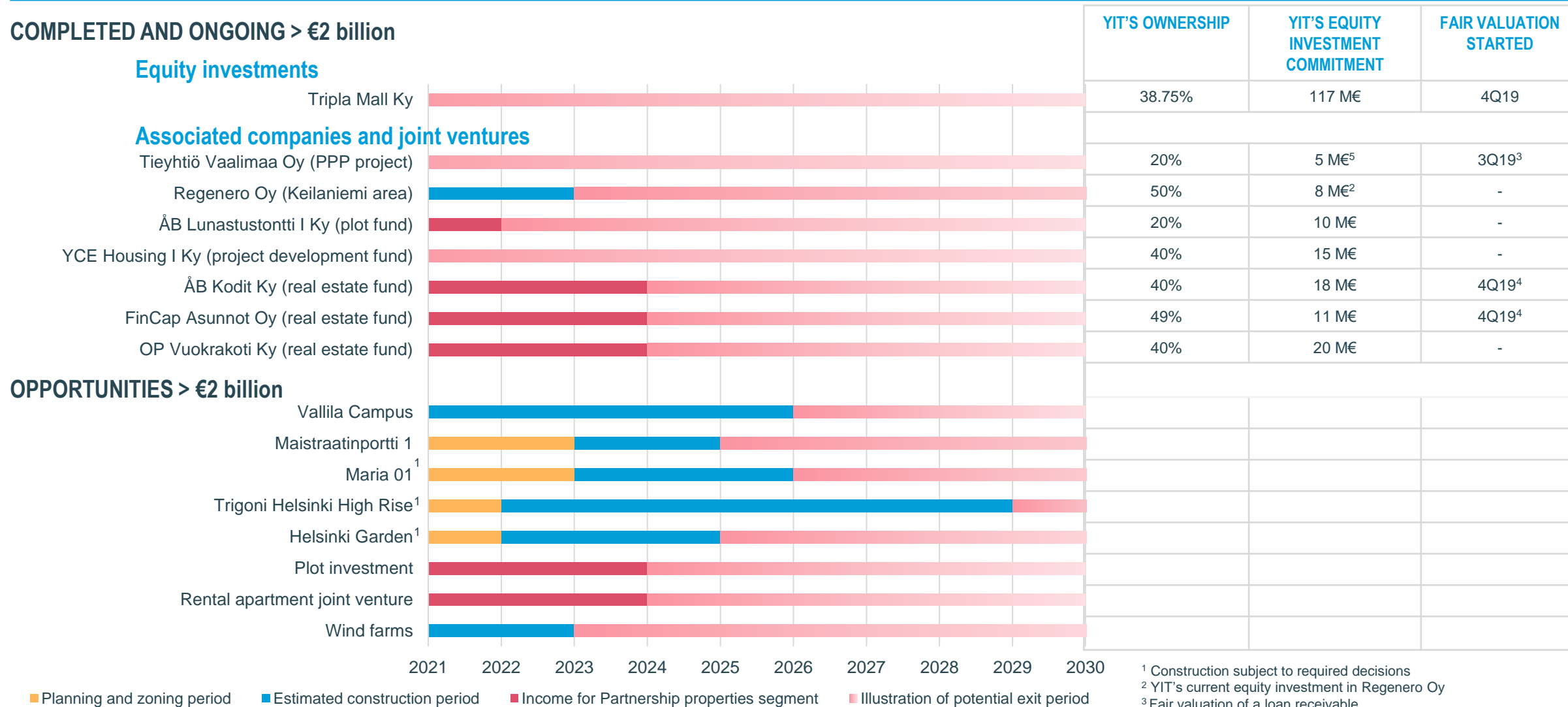


- Fixed rate
- Floating rate

¹ Including interest-bearing debt and interest rate derivatives, but excluding lease liabilities, EUR 206 million

VI. Partnership properties

Investment portfolio and estimated timelines



¹ Construction subject to required decisions
² YIT's current equity investment in Regenero Oy
³ Fair valuation of a loan receivable
⁴ Completed investment properties measured at fair value
⁵ Includes also shareholder loans



**Together
we can
do it.**