

# Q3

## Interim Report 1-9/2022

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# Q3 – improved performance

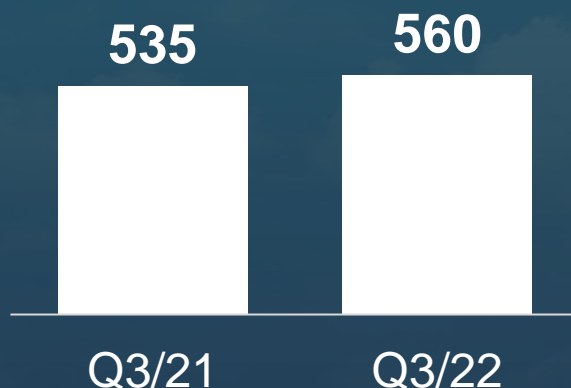
**Profitability improved  
in a challenging  
business environment**

**Transformation  
continued  
successfully**

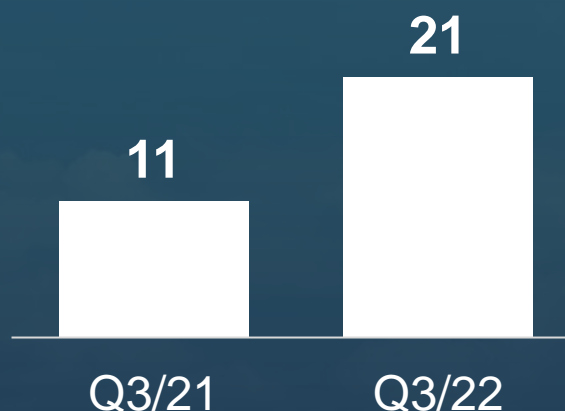
**Substantial  
productivity gains  
achieved**

# Solid quarter in a challenging business environment

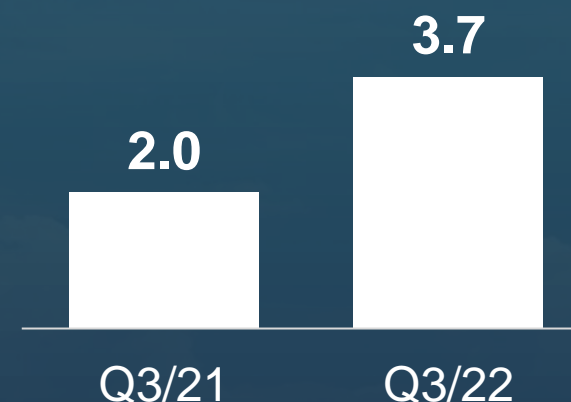
Revenue,  
€ million



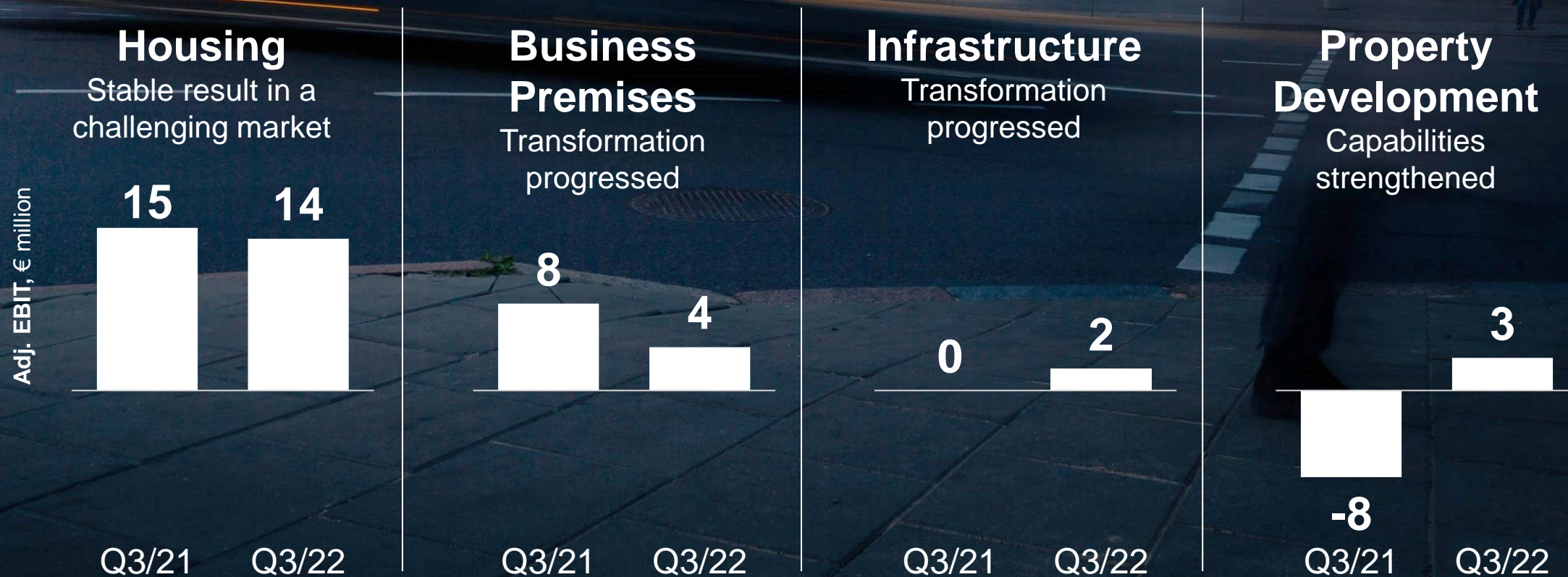
Adjusted EBIT,  
€ million



Adjusted EBIT-margin  
%



# Stable underlying performance across the segments



# Strategy execution progressing

## FOCUS

- Selected investments in attractive urban plots continued to safeguard future earnings
  - Selectiveness in project tendering yielding good results – order book remained strong in a challenging business environment
- 

## PRODUCTIVITY

- Cumulative YTD cost savings from the new operating model amounted to over €20 million at the end of Q3
  - Efficiency gains achieved from enhanced project management and procurement
  - Productivity gains partly offset by the challenging market situation
- 

## ESG

- Important step towards lower emissions with low-carbon hollow-core slabs in housing production in Finland
- Large wind power development portfolio and capabilities support the European energy transition

# We continued to invest in our land bank

## Most significant land bank acquisitions in Q3

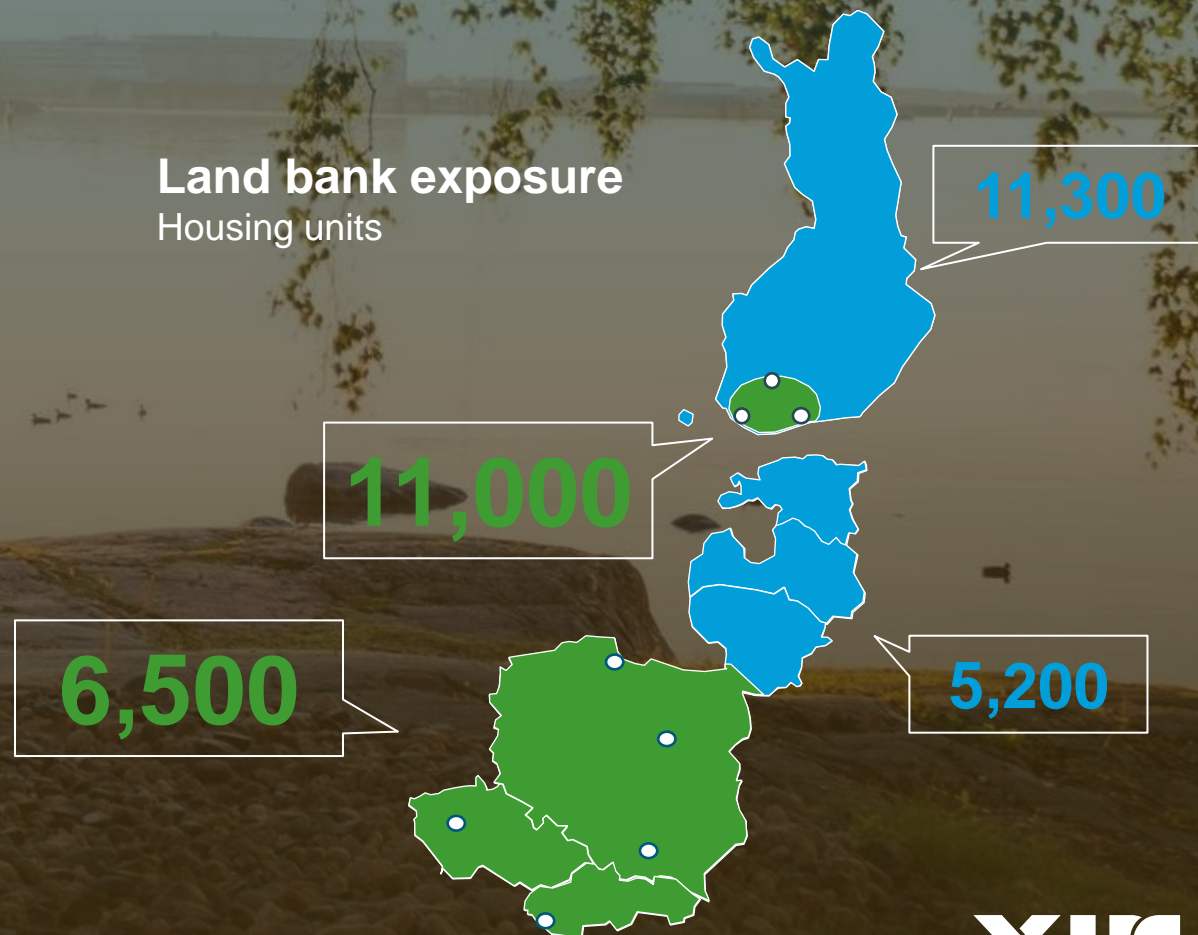
Warsaw, Kraków, Gdańsk  
Poland

**1,100**  
housing units

Prague  
The Czech Republic

**150**  
housing units

## Land bank exposure Housing units

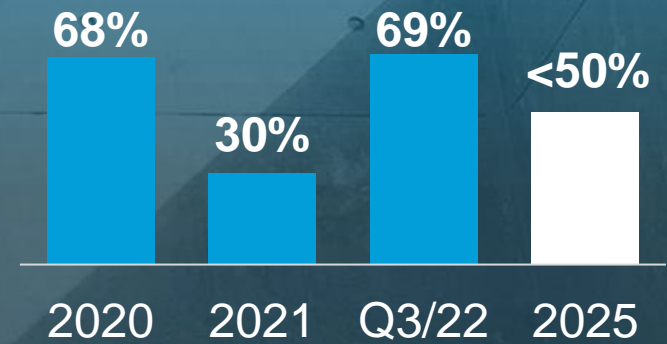


We are well positioned to achieve our financial targets for 2025

EBIT  
>6%



GEARING  
<50%



DIVIDEND  
Stable  
growth



\*Adj.EBIT

\*\*Adj. EBIT. Not restated and therefore not fully comparable.



**Profitability  
improved;  
balance sheet  
remained strong**



# Q3 in numbers

Order book  
increased to

**€4.1**

billion  
(3.9)

Adjusted EBIT  
amounted to

**€21**

million  
(11)

Adjusted  
EBIT-margin  
increased to

**3.7%**

(2.0)

Net debt  
increased to

**€590**

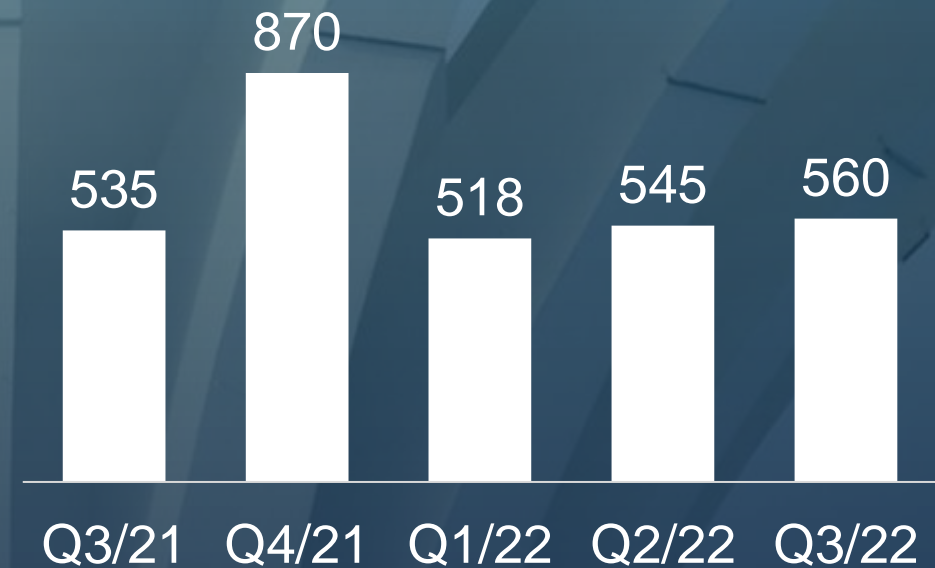
million  
(411)

# Order book remained strong; revenue increased in all segments

Order book, € million

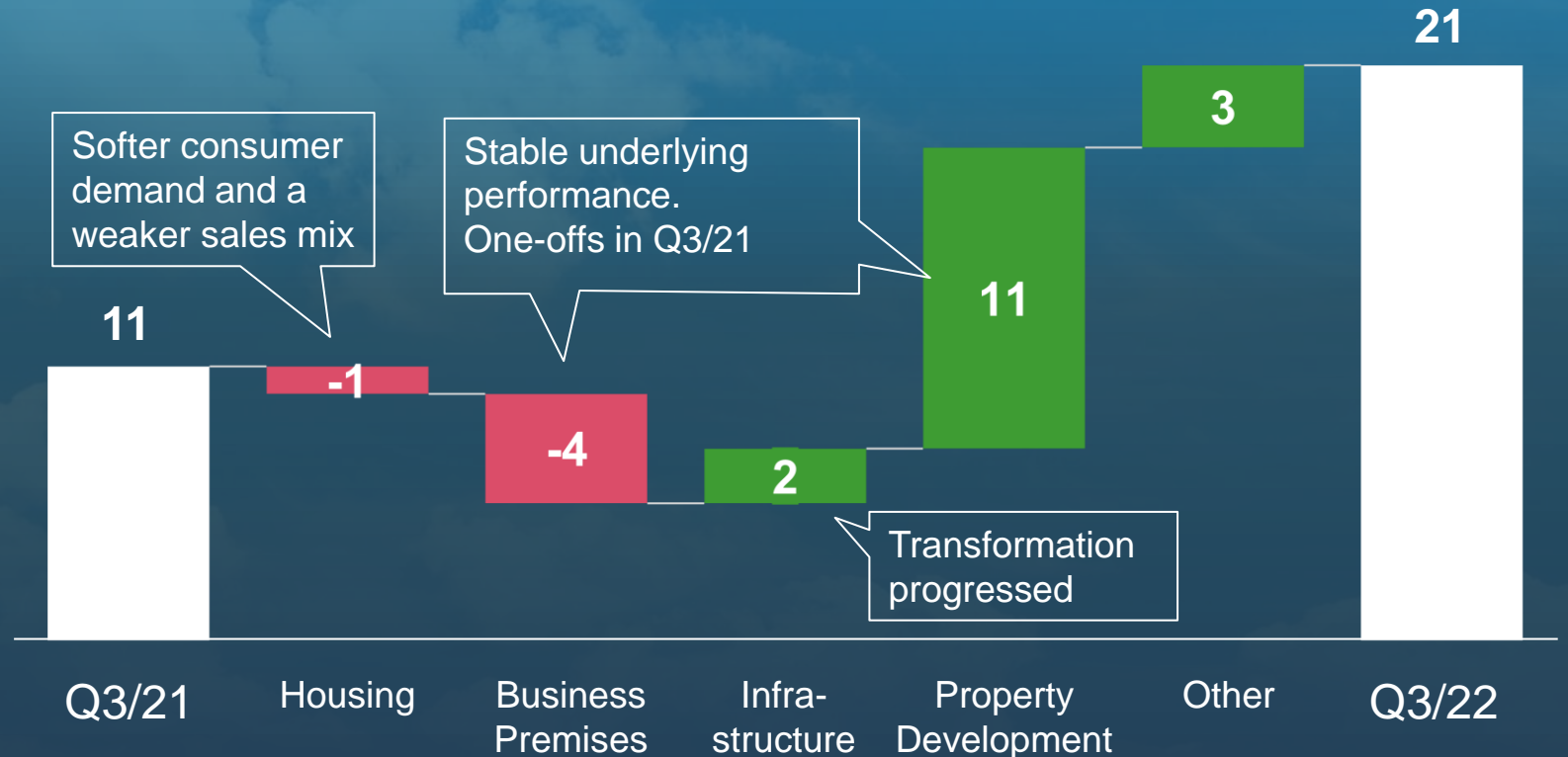


Revenue, € million



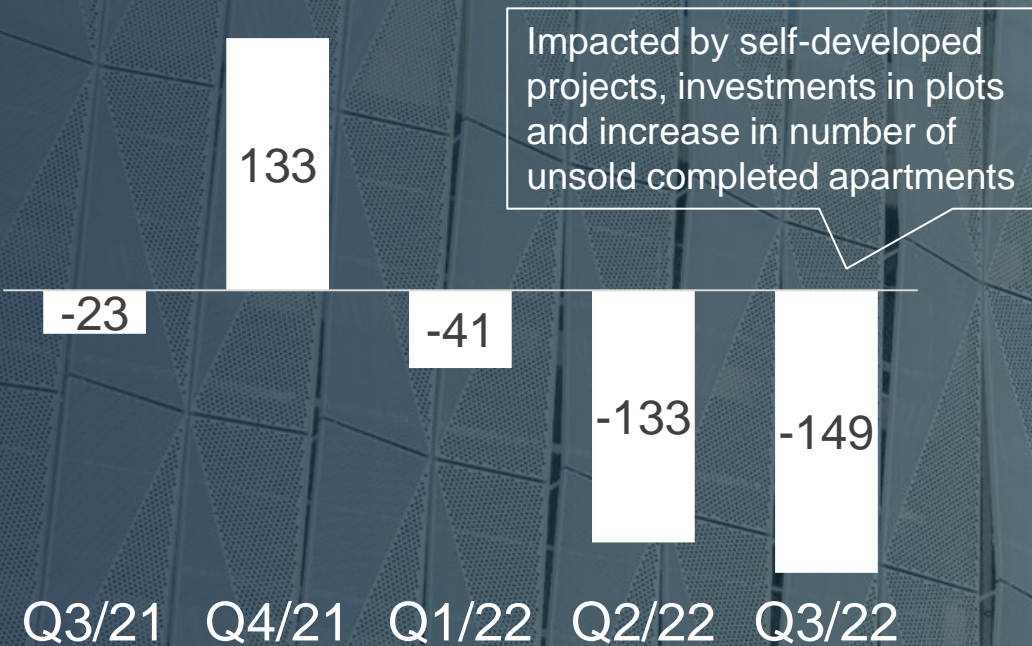
Profitability improvement driven by continued transformation and productivity gains.

Adjusted EBIT bridge per segment, € million

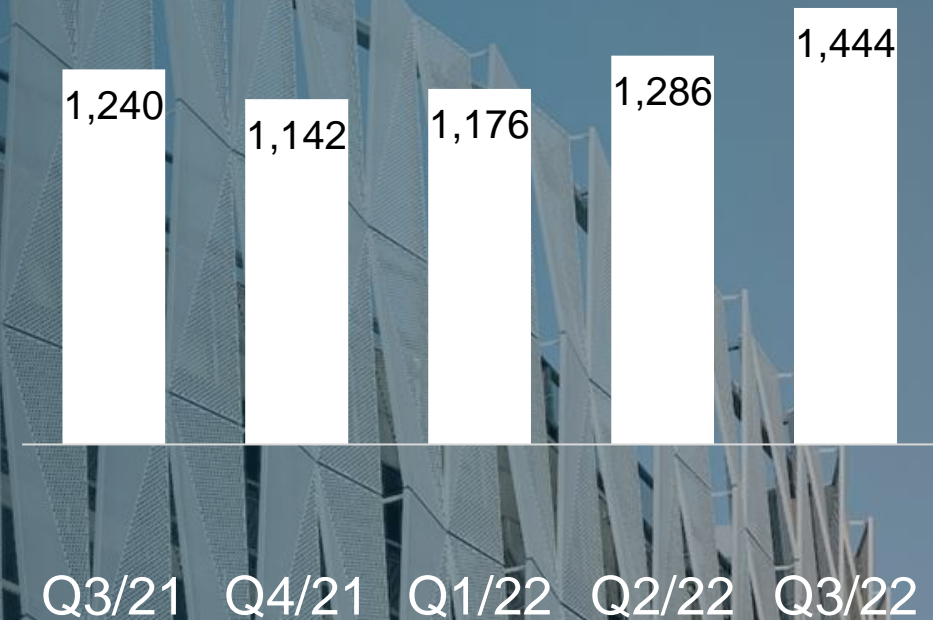


# Capital employed increased y-o-y

Operating cash flow after investments,  
€ million

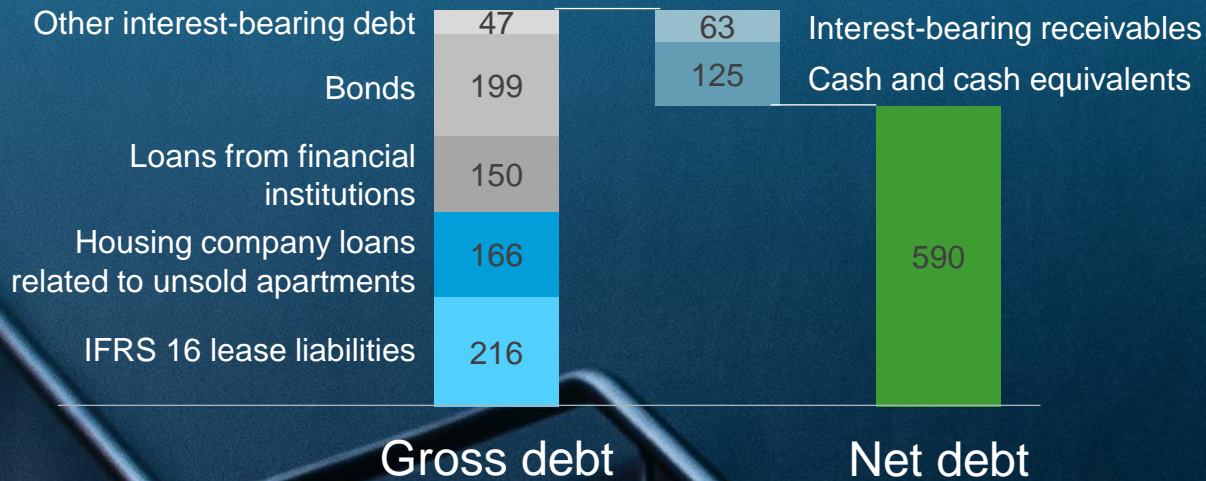


Capital employed, continuing operations, € million

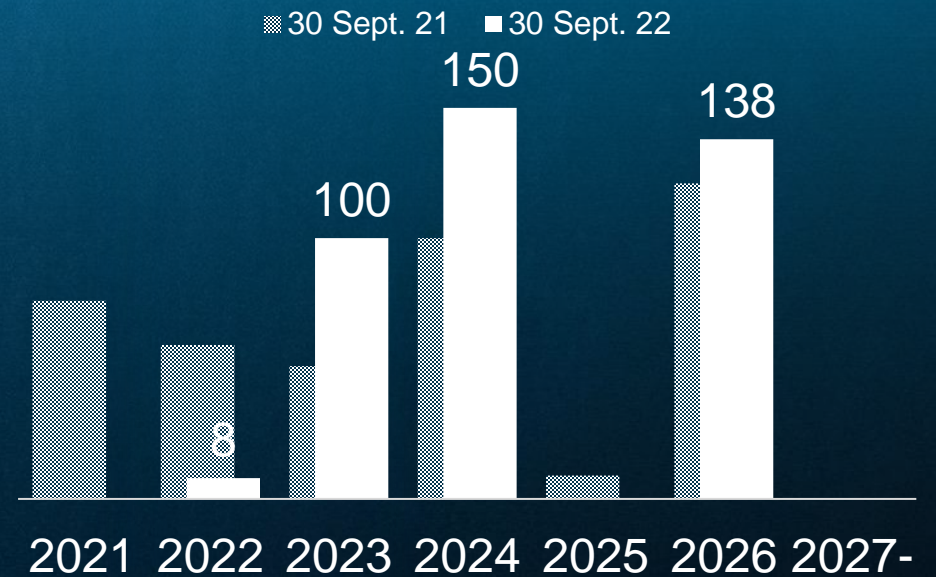


# Our debt structure leads to a low financial risk profile

Distribution of interest-bearing debt, € million



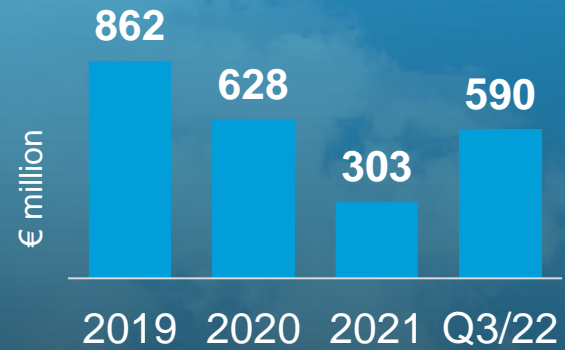
Maturity structure of interest-bearing debt<sup>1</sup>, € million



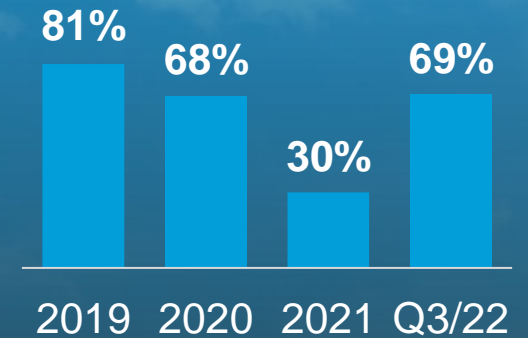
<sup>1</sup> Excluding housing company loans related to unsold apartments, €166 million and lease liabilities, €216 million. The hybrid bond, €100 million, is recorded as part of equity and therefore excluded from this paragraph.

# Our balance sheet remained strong

## Net interest-bearing debt



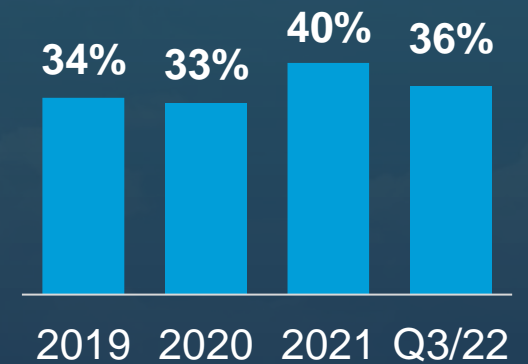
## Gearing



## Interest cover ratio



## Equity ratio



<sup>1</sup> The comparability is affected by the sale of the Russian businesses. Comparative periods' figures before 2021 have not been restated.

# Improved performance drove our earnings growth

**Our  
profitability  
improved**

**Our balance  
sheet remained  
strong**

**Our order  
book is  
healthy**



**We expect our  
profitability to  
improve in 2022**



# Market outlook remains subdued in the short term

	Housing market	Real estate market	Infra-structure market
Finland	→	↘	→
Baltic countries	→	↘	
Central Eastern Europe	→	↘	
Sweden			→

## Q3 market environment

■ Good
 ■ Normal
 ■ Weak

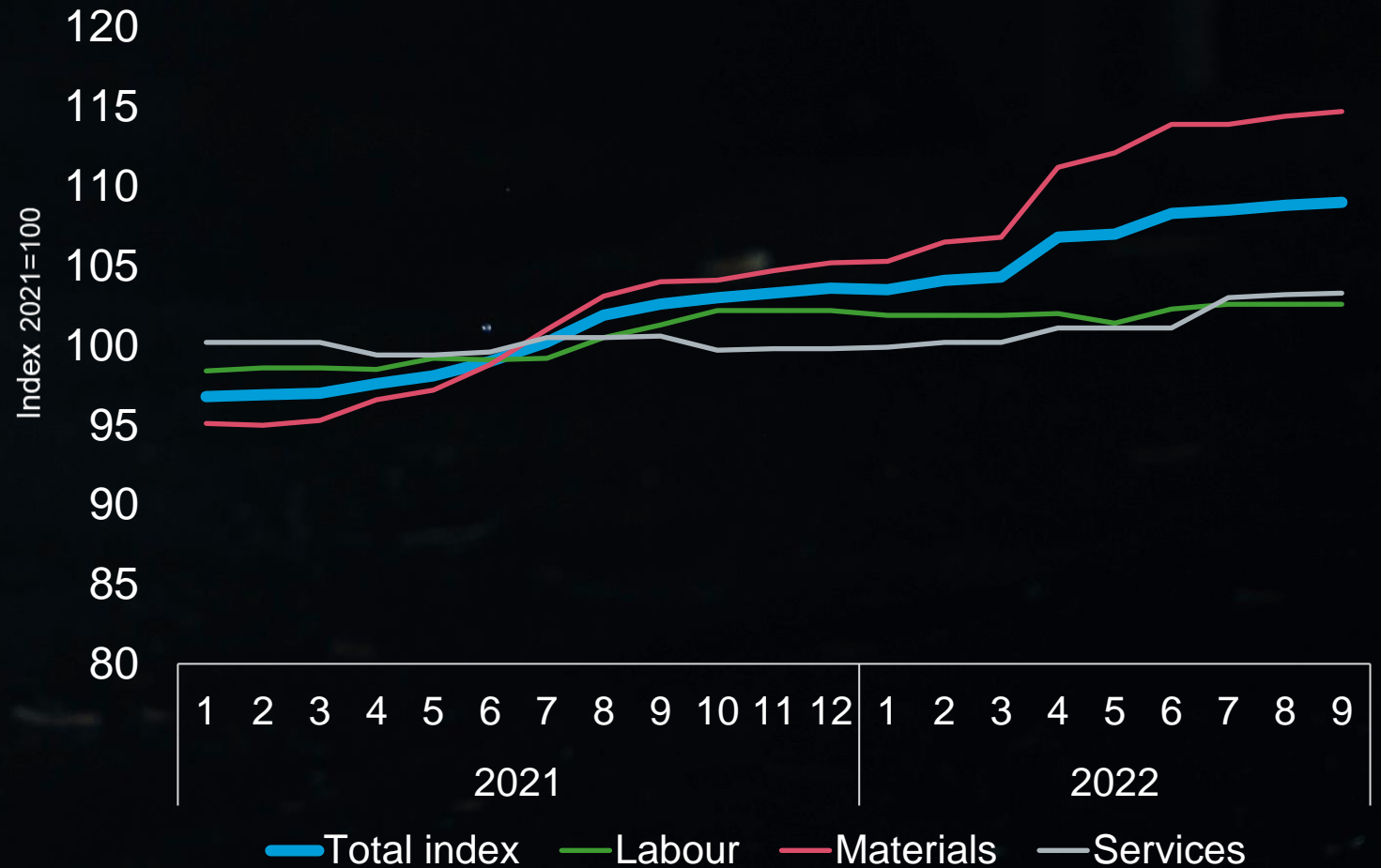
## Short-term market outlook

↗ Improving
 → Stable
 ↘ Weakening

**In Finland,  
building costs  
rose by 6.2%  
y-o-y, but the  
situation  
continued to  
stabilise**

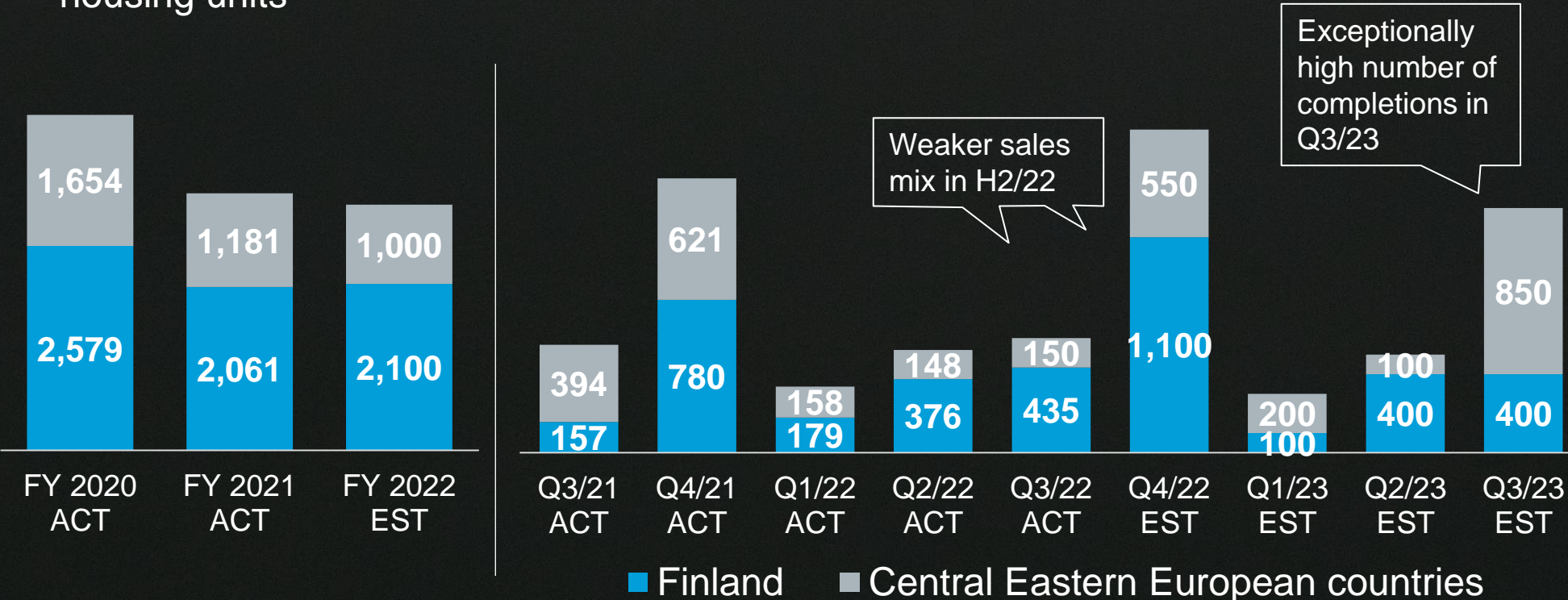
## Building cost index (1.1.2021 – 30.9.2022)

Source: Statistics Finland



# Completions of consumer apartments to decrease in 2022

Estimated completions of consumer apartment projects under construction, housing units



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

- **2,079 units for investors**

# Our 2022 Group adjusted operating profit expected to be higher than in 2021

(€85 million)

## Housing

- Completions of consumer apartments to decrease

## Business Premises

- Performance continues to improve

## Infrastructure

- Will gradually improve
- Still impacted by certain legacy low-margin projects

## Property Development

- Several promising projects in the pipeline

# **We focus firmly on executing our strategy and securing our earnings**

**We will pursue further opportunities to increase efficiencies**

**Our investments are geared towards future growth and opportunities**

**Our diversified business model provides us balance in a challenging market**

# Additional information

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## YIT'S FINANCIAL REPORTING AND AGM IN 2023

Full-year result 2022 Financial Statements	10 February Week 8/2023
Annual General Meeting	16 March
Interim Report Q1/2023	3 May
Half-year Report 2023	1 August
Interim Report Q3/2023	1 November

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# Appendices

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# Appendices

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- I. Key figures
- II. Housing sales and start-ups
- III. Property Development highlights



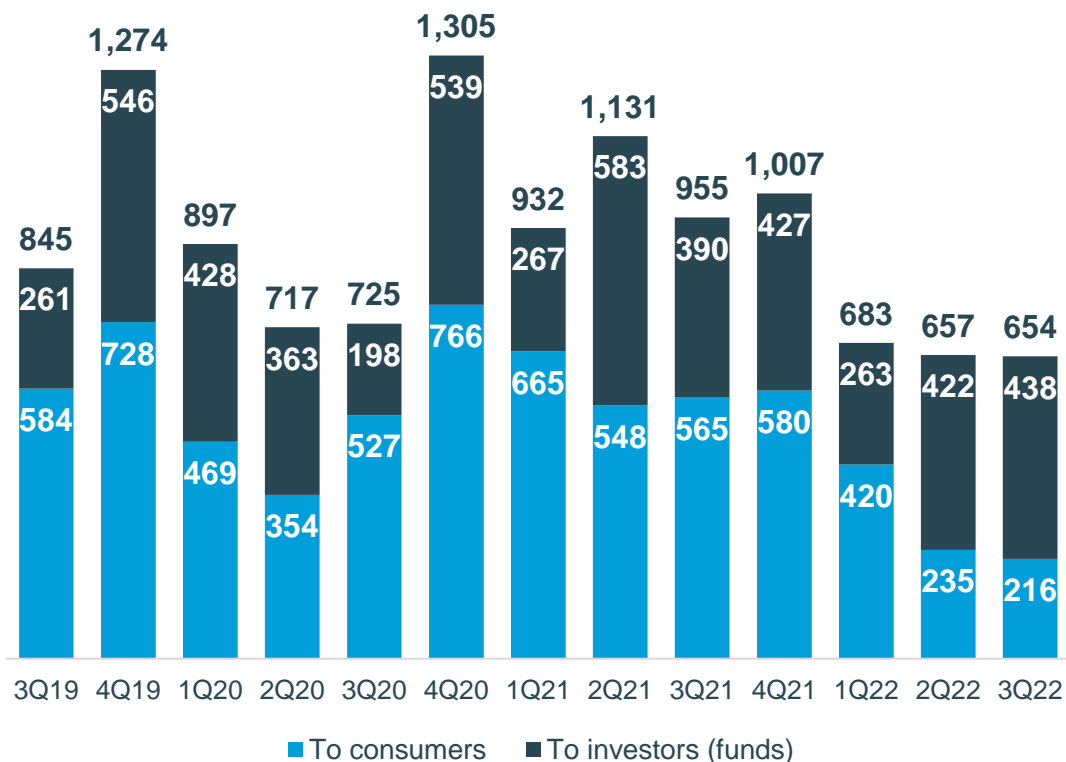
# I. Key figures

€ million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	560	535	1,623	1,782	2,652
Operating profit	16	0	60	31	56
Operating profit, %	2.9	0.0	3.7	1.7	2.1
Adjusted operating profit	21	11	67	49	85
Adjusted operating profit margin, %	3.7	2.0	4.1	2.8	3.2
Result before taxes	11	-8	38	5	22
Result for the period, continuing operations	7	-9	35	-1	6
Result for the period, including discontinued operations	7	-3	-403	12	4
Earnings per share, continuing operations, EUR	0.03	-0.05	0.15	-0.02	0.01
Operating cash flow after investments	-149	-23	-322	155	288
Net interest-bearing debt	590	411	590	411	303
Gearing ratio, %	69	40	69	40	30
Equity ratio, %	36	40	36	40	40
Return on capital employed, % (ROCE, rolling 12 months)	8.1	8.4	8.1	8.4	6.8
Order book	4,089	3,885	4,089	3,885	3,847
Combined lost time injury frequency (cLTIF, rolling 12 months)	12.5	11.7	12.5	11.7	11.0
Customer satisfaction rate (NPS)	48	51	48	51	51

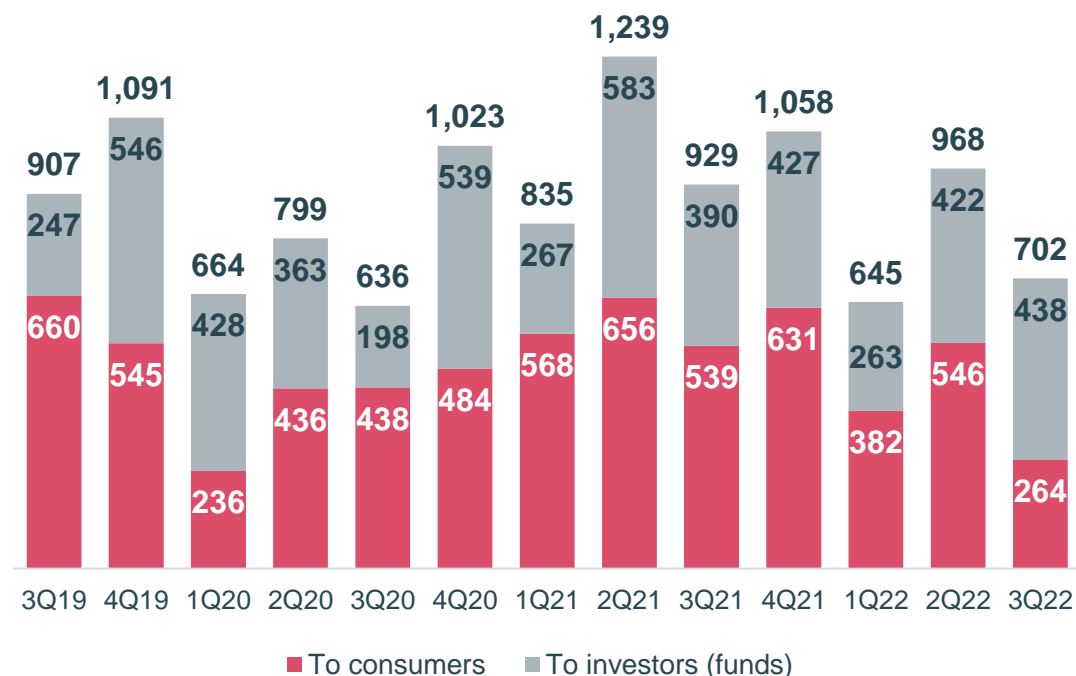
## II. The Housing segment in Finland

# Sales and start-ups Q2/2019-Q3/2022

### SOLD APARTMENTS, units



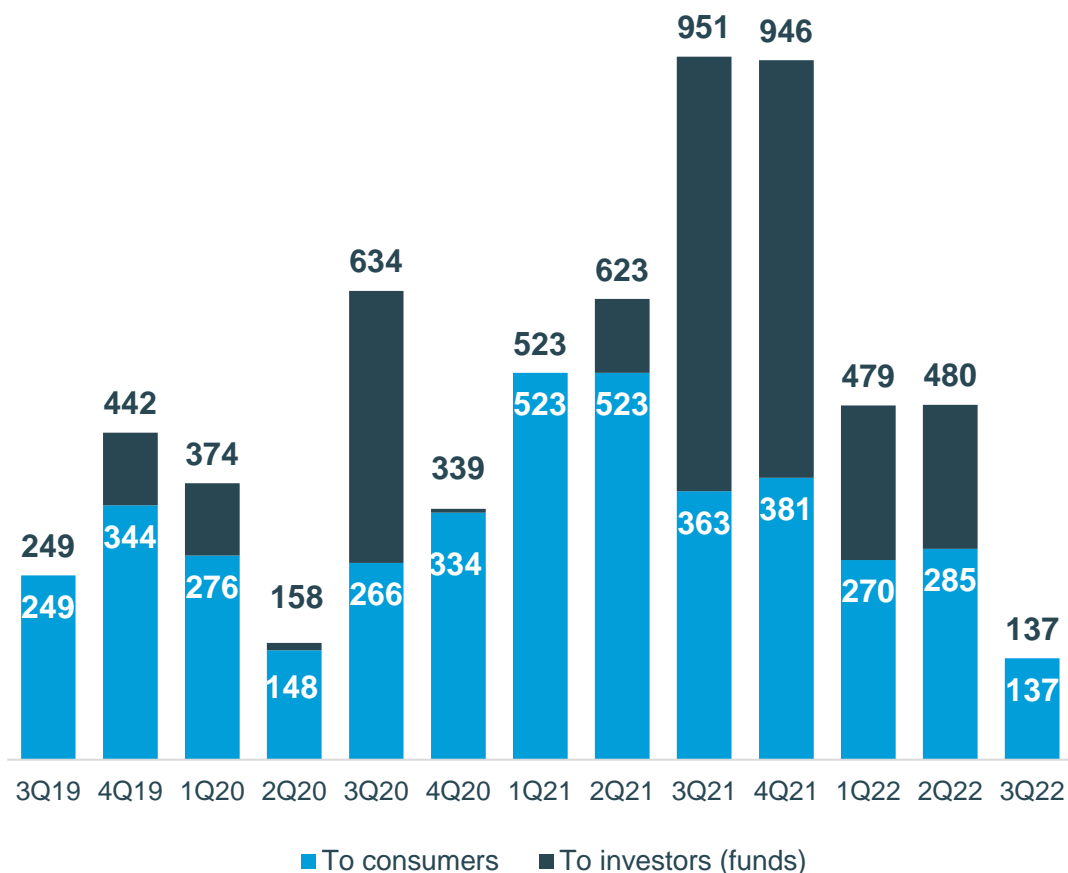
### APARTMENT START-UPS, units



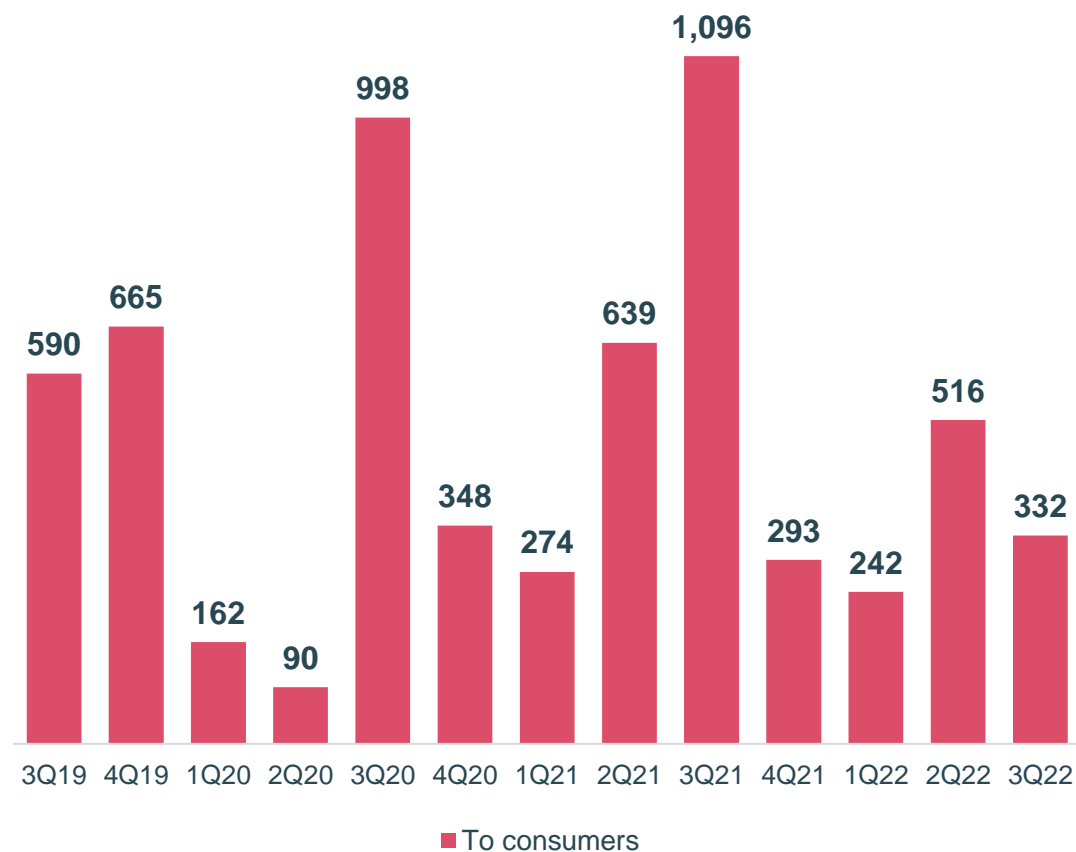
## II. The Housing segment in Central Eastern Europe

# Sales and start-ups Q2/2019-Q3/2022

### SOLD APARTMENTS, units



### APARTMENT START-UPS, units



# III. Property Development Investment portfolio and development highlights, 30 Sept. 2022

## INVESTMENT PORTFOLIO

EUR million	Value <sup>1</sup>	Change 7/22 - 9/22 <sup>2</sup>	Change 10/21 - 9/22 <sup>2</sup>
Housing	70	8	17
Commercial	208	2	5
Infra	6	–	1
<b>Total</b>	<b>285</b>	<b>10</b>	<b>22</b>

<sup>1</sup> Book value of Property Development's equity investment including shareholder/capital loan.

<sup>2</sup> Including changes in book value, e.g., fair value, additional investments, and/or capital returns.

## HIGHLIGHTS OF ONGOING DEVELOPMENT PROJECTS

Project	Type	Key metric	Illustrated timeline <sup>3</sup>
Vallila Campus	Commercial property	Lettable area 46,300 sqm	<p>2022 2023 2024 2025 2026 2027 2028 2029 2030</p> <p>■ Planning and zoning period ■ Construction period ■ Potential exit period</p>
Maistraatinportti 1	Commercial property	Lettable area 12,200 sqm	
Maria 01	Commercial property	Lettable area 47,000 sqm	
Tuultenristi	Commercial property	Lettable area 4,200 sqm	
Murtomäki 2	Wind power	Total capacity 104 MW	
Taraskallio	Wind power	Total capacity 32 MW	

<sup>3</sup> For illustrative purposes only. Timeline estimates are based on the company's own assessment and are subject to change.

**Together  
we can  
do it.**