



Q2/2024

Half-Year Report January – June 2024

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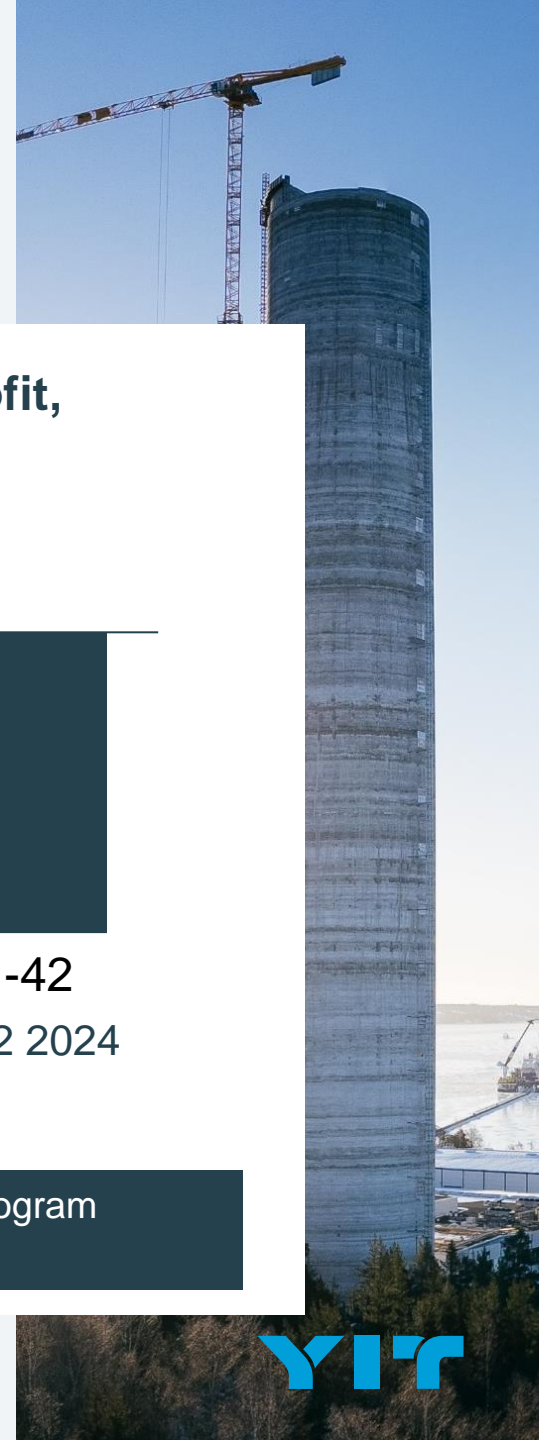
Transformation program savings target achieved ahead of schedule, contracting segments main profit drivers in Q2

Transformation program cost savings target of EUR 40 million was achieved ahead of schedule.

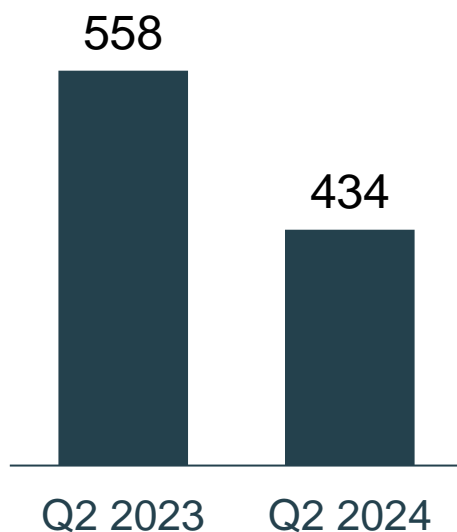
Adjusted operating profit supported by Infrastructure, Business Premises and Housing in the Baltic and CEE countries.

Consumer apartment sales increased for the fifth consecutive quarter in Finland.

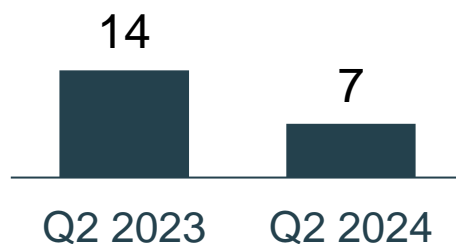
Revenue and adjusted operating profit decreased in Q2



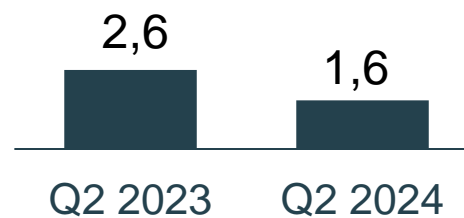
Revenue
EUR million



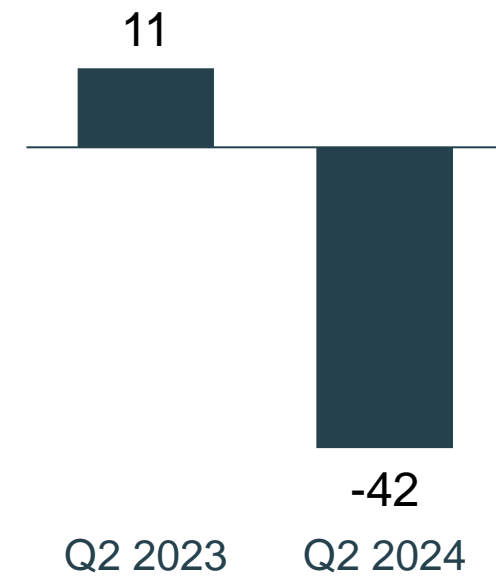
Adjusted operating profit EUR million



Adjusted operating profit margin, %



Operating profit,
EUR million



Operating profit adjusting items were EUR 49 million (3) in Q2/24, mainly related to the costs of transformation program (EUR 28 million) and operating profit from operations to be closed down in Sweden (EUR 19 million).

Contracting segments main profit drivers in Q2

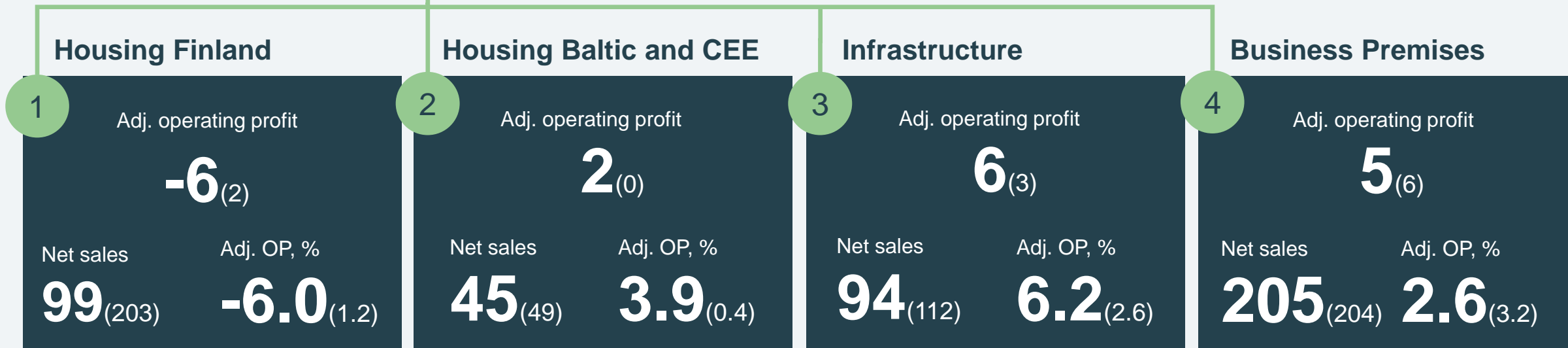
YIT Group, EUR million

Adj. operating profit	Net sales	Adj. OP, %
7 ₍₁₄₎	434 ₍₅₅₈₎	1.6 _(2.6)

(previous year comparable period in parenthesis)

- Housing market in Finland remained weak impacting both net sales and profitability. The comparison period included sale of 190 apartments in Finland to YIT's joint venture and sale and leaseback transactions of plots.
- Solid performance in Housing operations in Baltic and CEE countries
- Profitability increased significantly in Infrastructure
- Improved underlying performance in Business Premises

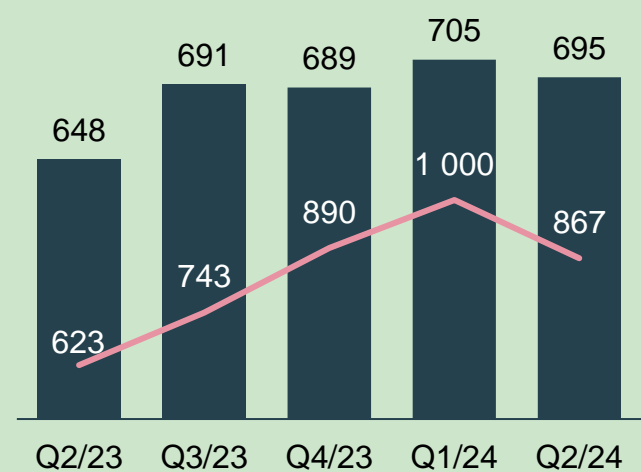
EUR million



Housing Finland: The number of unsold completed apartments decreased



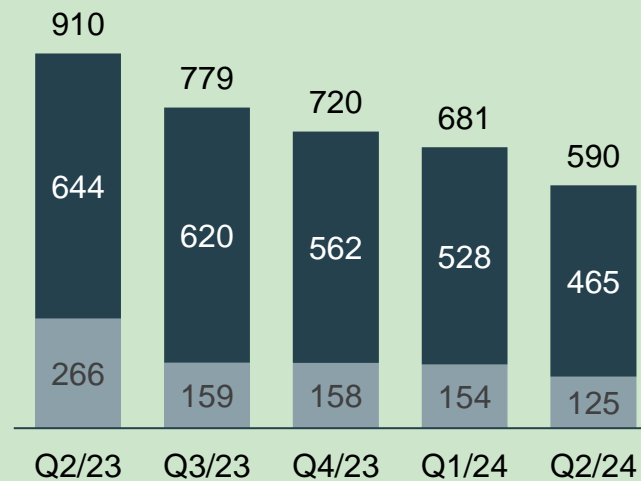
Capital employed, EUR million



— Unsold completed apartments, housing units

Improved apartment sales decreased the number of unsold completed apartments to 867 at the end of June.

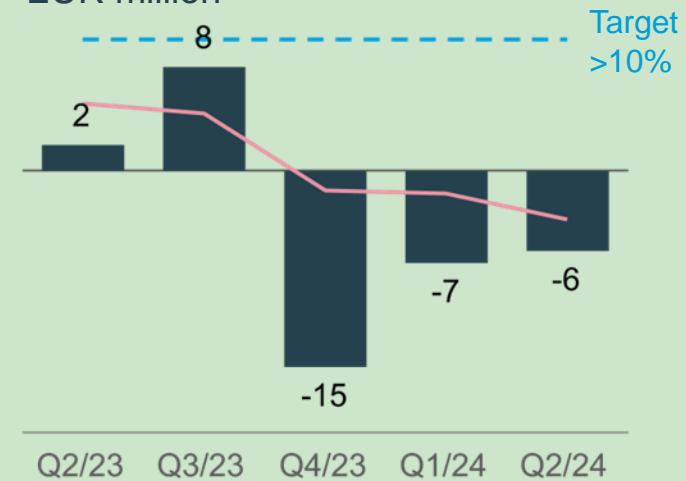
Order book, EUR million



■ Order book, sold ■ Order book, unsold

Order book decreased due to market conditions.

Quarterly adj. operating profit, EUR million



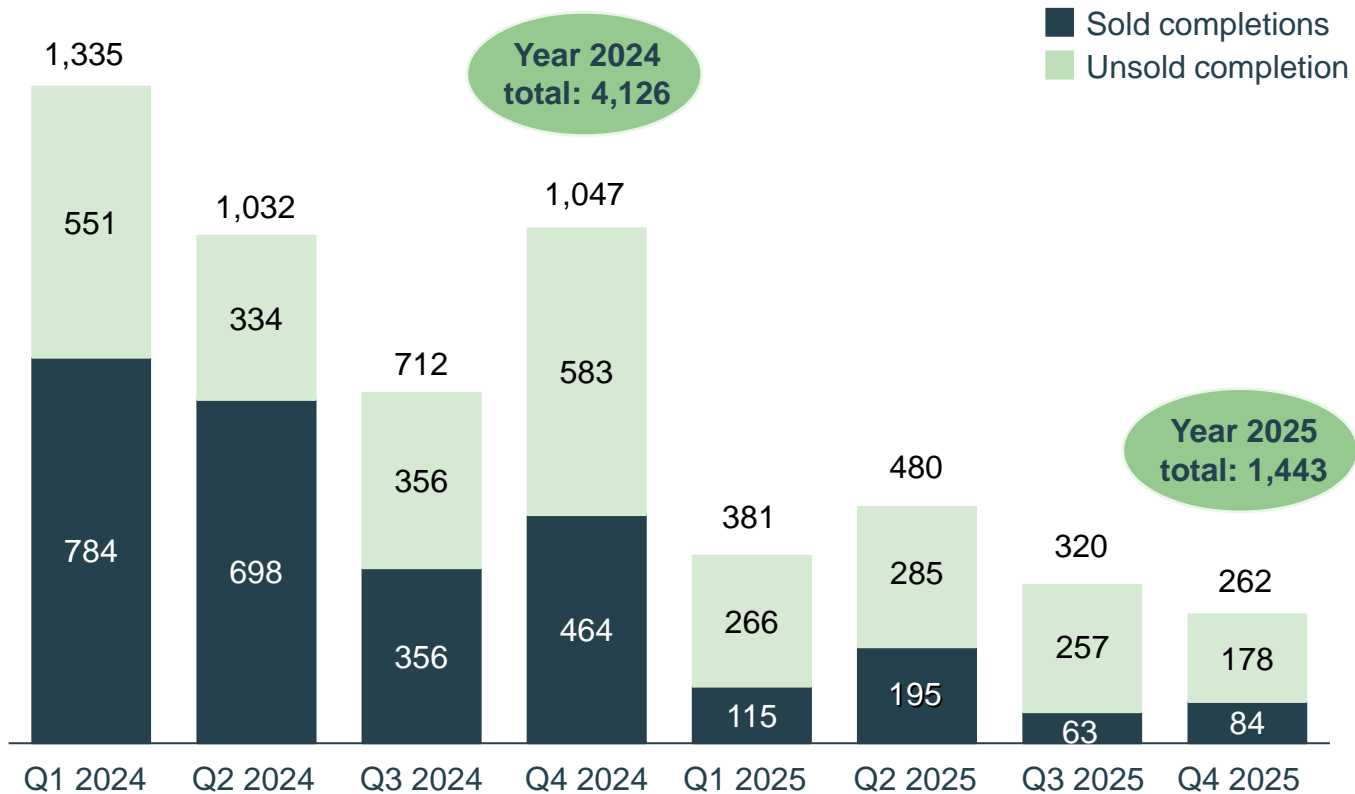
— Adj. OPM (%), rolling 12 months

Actions taken have mitigated the operative losses. Overall profitability has, however, remained weak.

Finnish housing market completions outlook

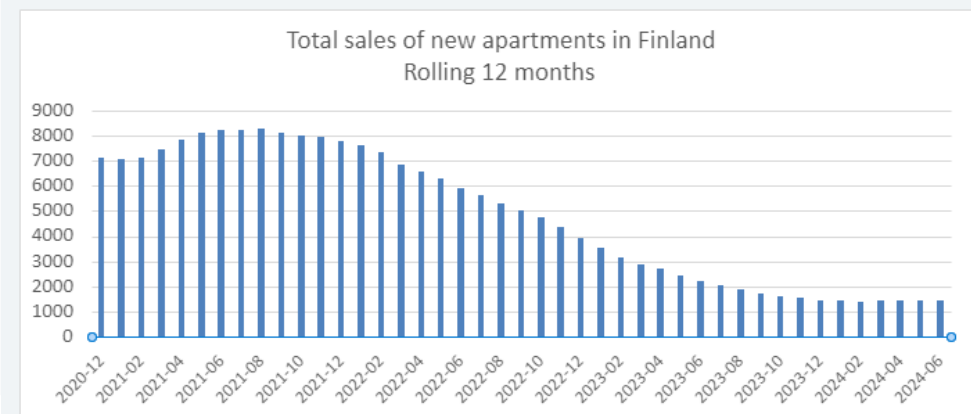
Q1 2024 – Q4 2025

Self-developed housing unit completions in the Finnish housing market



Source: Project list from STH Group 4/2024, company websites 7/2024

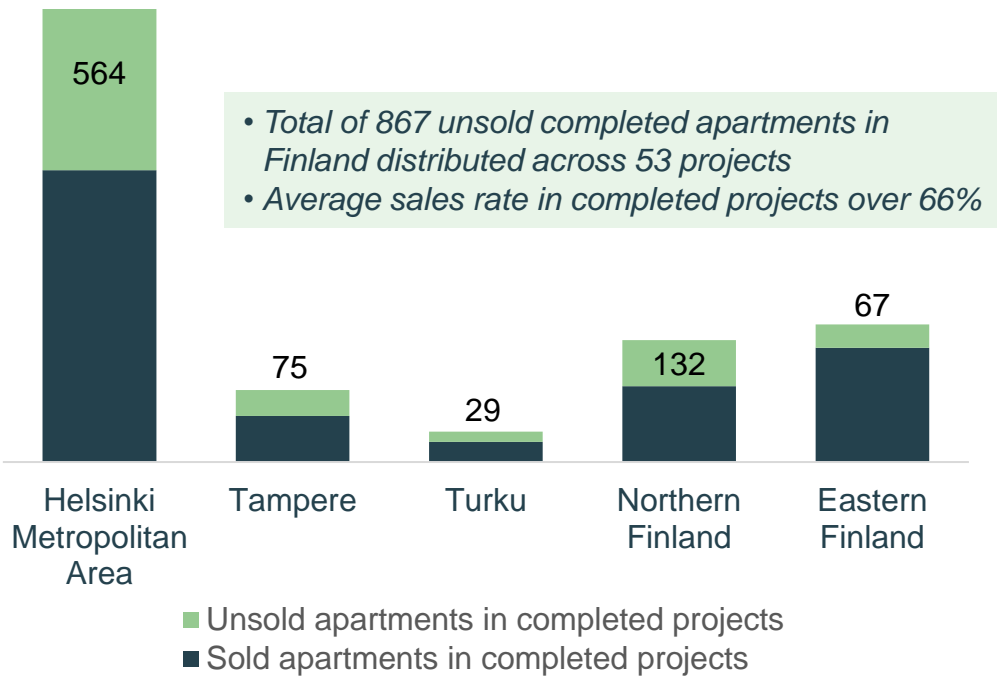
- Supply of new apartments in the Finnish market will significantly decline during 2024, and, especially during 2025.
- Reduced supply may cause regional tightness in supply, which typically will lead to increase in pricing.



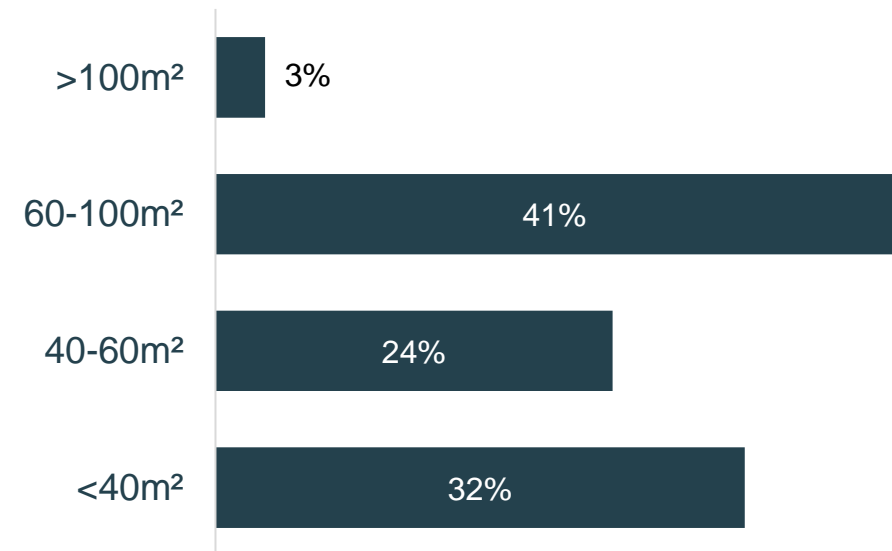
Source: Federation of Real Estate Agency

The stock of unsold completed apartments corresponds to the demand profile – 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

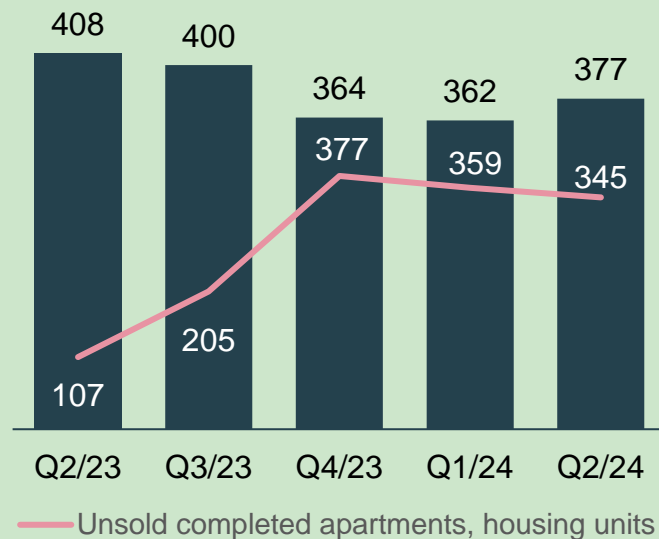


Source: <https://www.yit.fi/en/homes/apartments-for-sale>, 30 June 2024

Housing Baltic and CEE countries: Stable performance continued

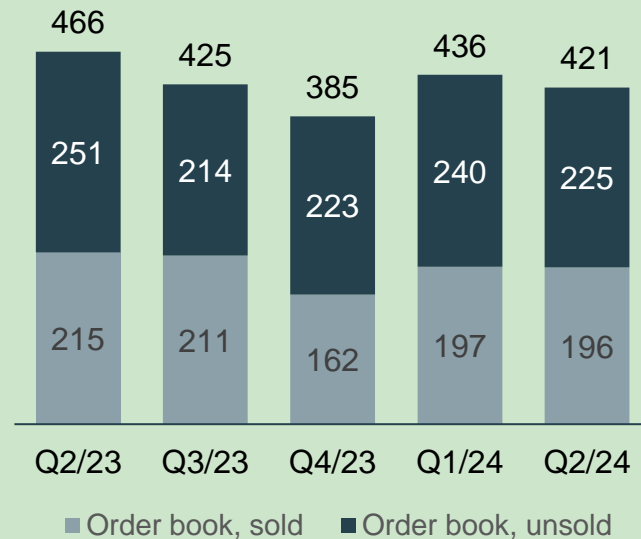


Capital employed, EUR million



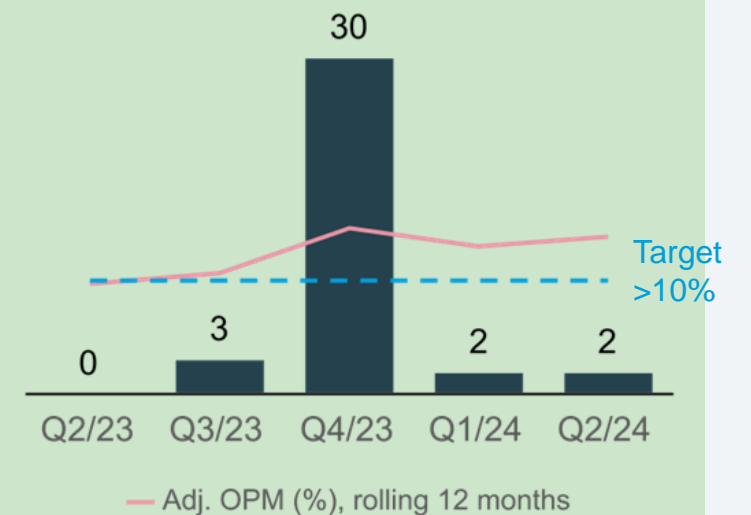
Sales stock for approximately 4 months, capital has been tied in plots and project start-ups in line with the strategy.

Order book, EUR million



Order book has remained solid.

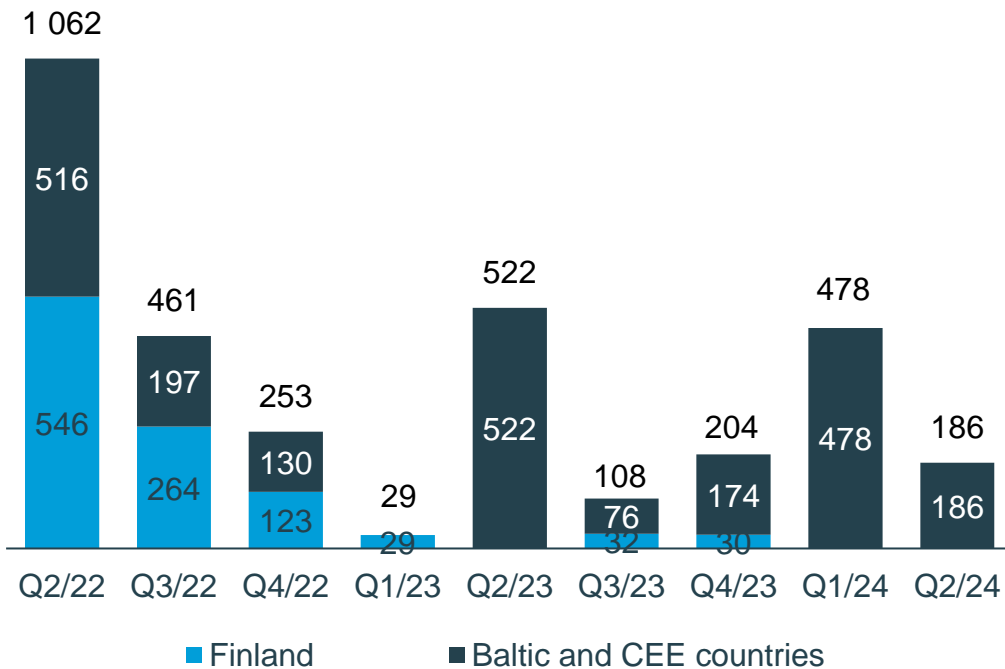
Quarterly adjusted operating profit, EUR million



Rolling 12 months adjusted operating profit margin at 14%, completions will take place in Q3 and Q4 this year.

Apartment start-ups are concentrated in the Baltic and CEE countries

Consumer apartments start-ups, housing units

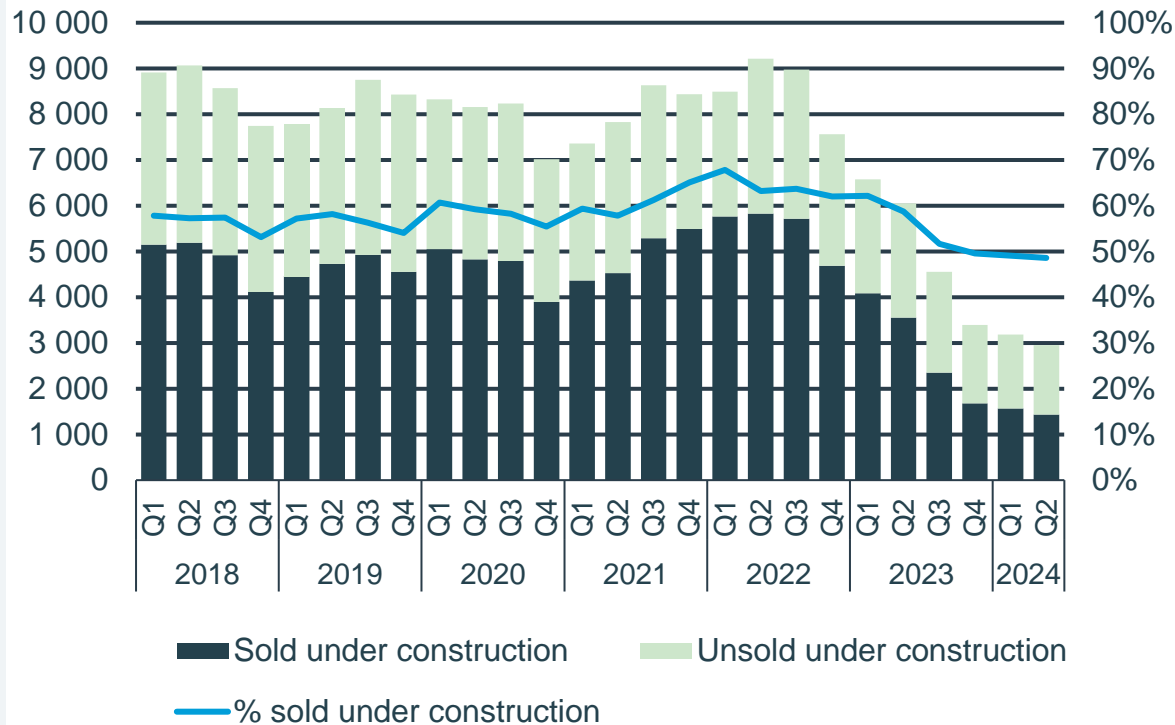


- Consumer apartment start-ups were 186 (522) apartments in the second quarter of 2024
- All the start-ups in Q2/24 were in the Baltic and CEE countries
- The plot reserve in Finland offers the capability to start new projects when the timing is right.
- 11 projects in pre-marketing phase and 29 projects in planning in Finland.



Production in Finland adapted to meet the market conditions

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



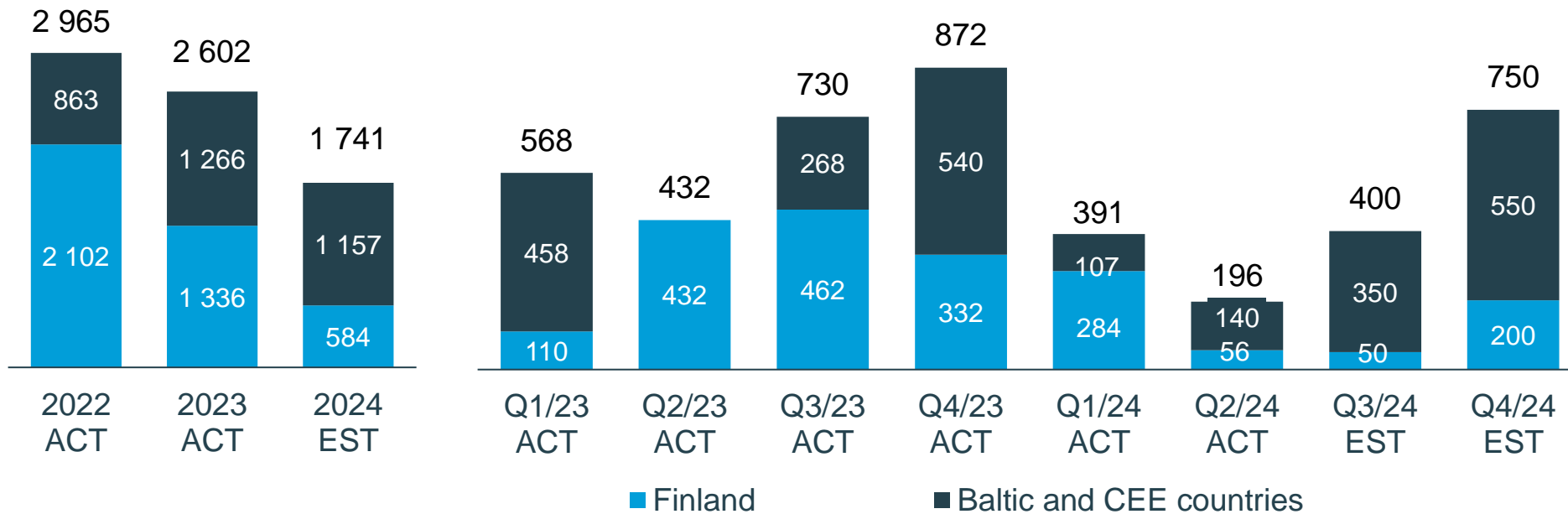
- Total number of apartments under construction was 2,956 (6,049), majority of which located in the Baltic and CEE countries
- Sales rate of apartments under construction at 49% (R24M: 56%), reflecting lower portion of investor sales



Approximately 80% of the consumer apartment completions in H2/24 will take place in the Baltic and CEE countries

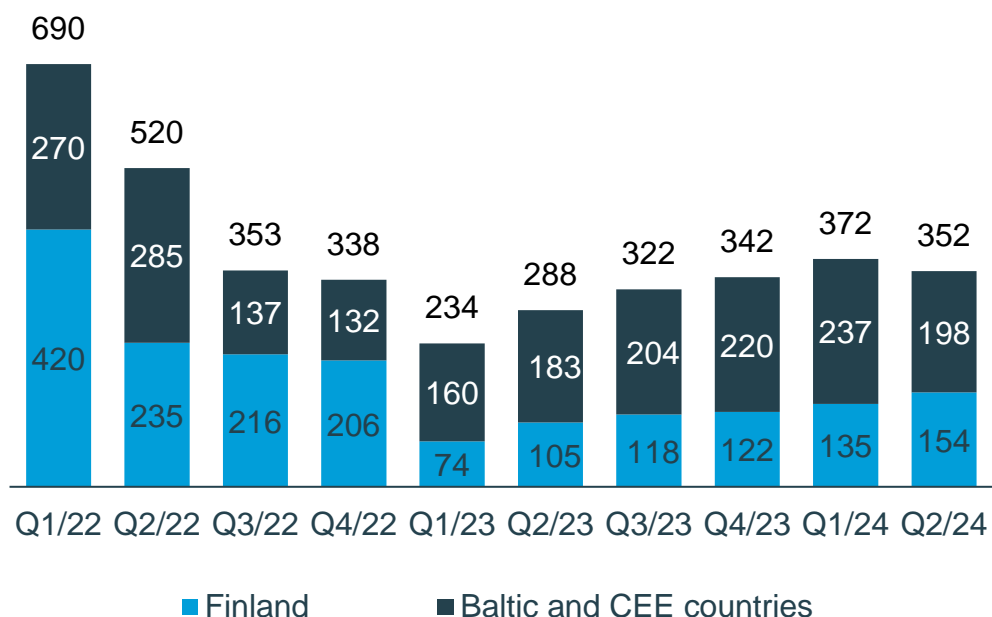
Estimated completions of consumer apartments under construction

Housing units



Consumer apartment sales increased for the fifth consecutive quarter in Finland

Consumer apartments sold, housing units

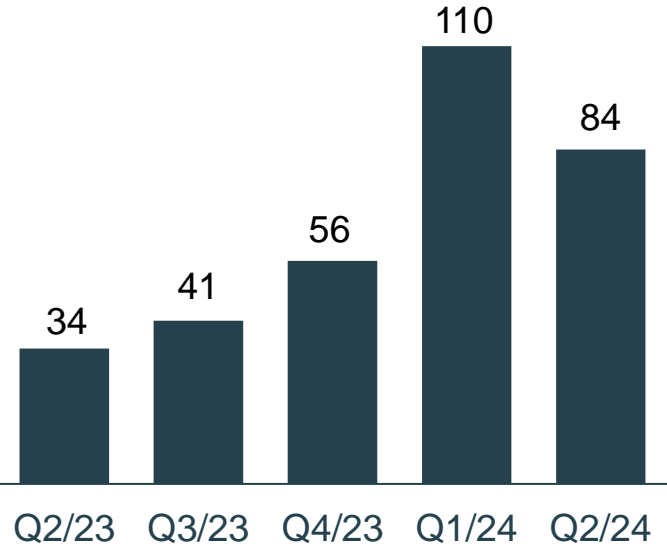


- Consumer sales in Finland increased by +14% during the second quarter, 47% increase y-on-y.
- In the Baltic and CEE countries consumer sales improved y-on-y but decreased from the previous quarter.
- Sales improved in the Czech Republic during the quarter.

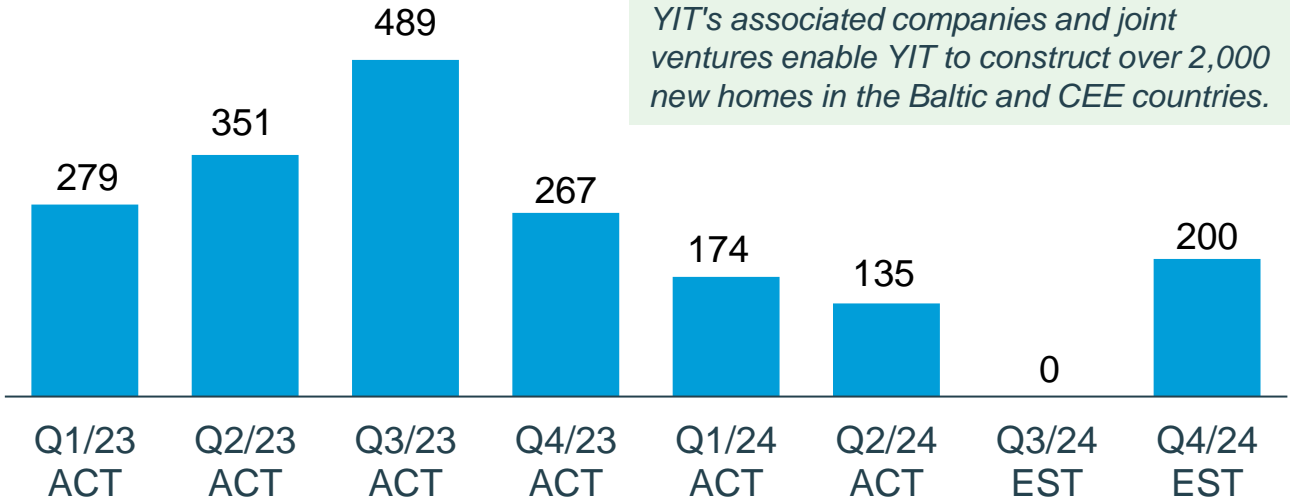


Consumer apartments sales by associated companies and joint ventures increasing

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



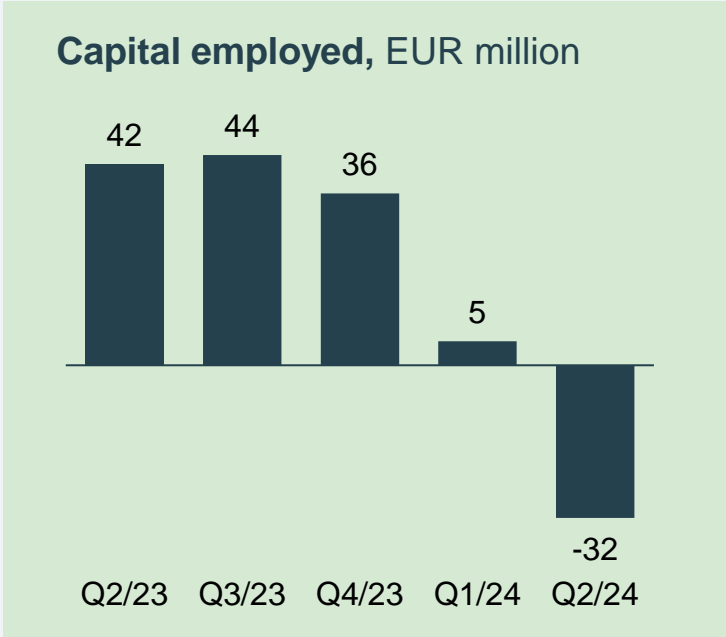
Total of 204 unsold completed apartments in associated companies and joint ventures at the end of June 2024.

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

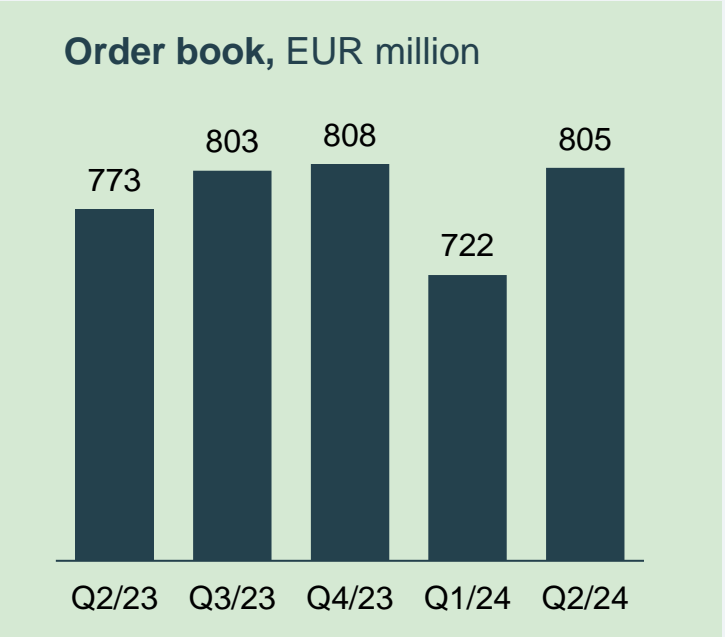
*Apartments sold from the inventory of YIT's project development joint ventures and associated companies, not included in YIT's reported apartment sales or completions.



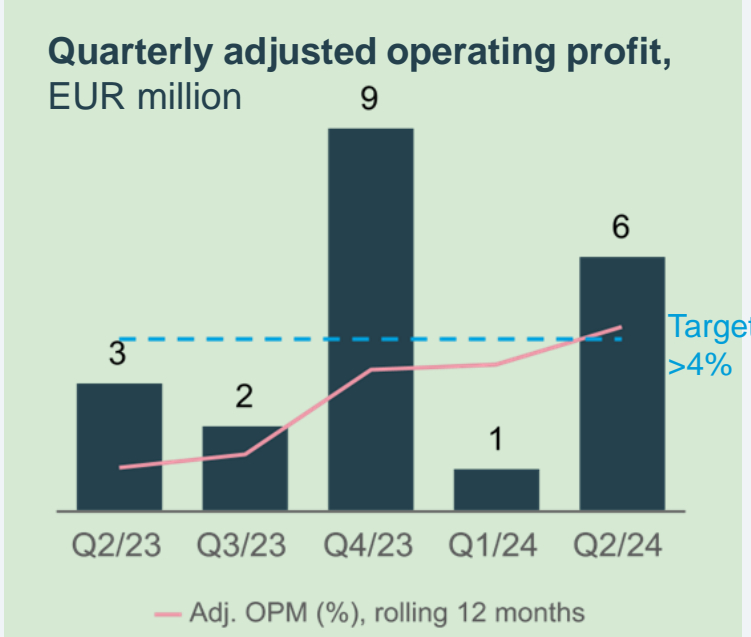
Infrastructure: Significantly improved profitability with negative capital employed



Segment has reached the target to operate with negative capital employed as we have released over EUR 70 million of capital y-on-y.

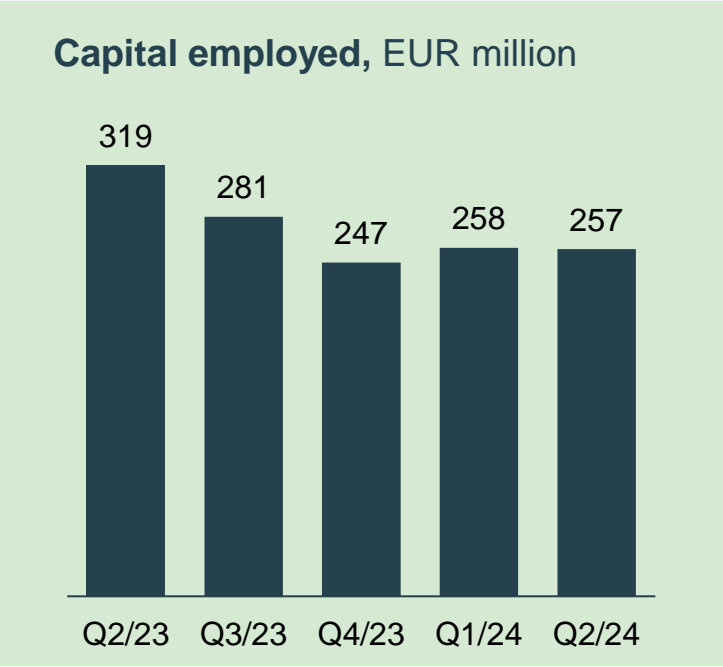


Order book continues strong and corresponds to approximately 24 months of work.



Rolling 12 months adjusted operating profit margin exceeded the minimum target level and was 4.3% in Q2/24.

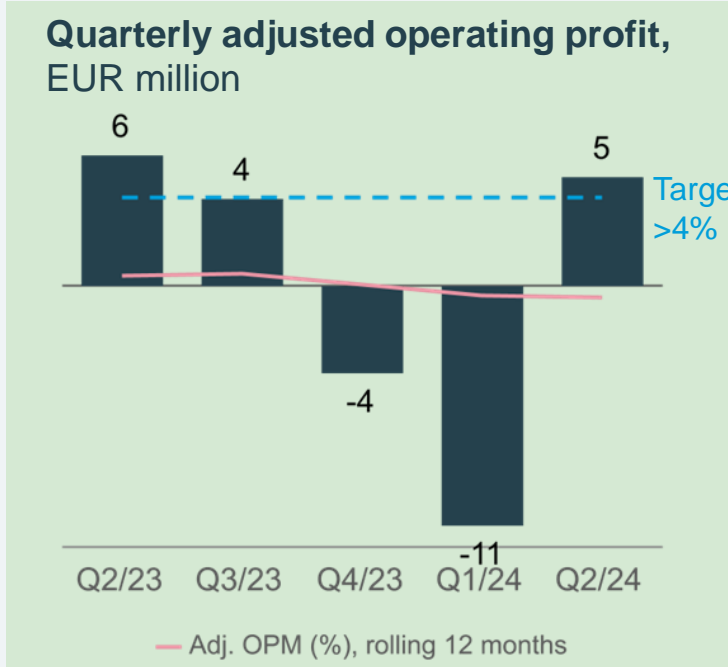
Business Premises: Performance according to plan in Q2



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



Strong order book corresponding to approximately 16 months of work



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	→	→	→
Baltic countries	↗	→	
Central Eastern Europe	→	→	

Q2 market environment

■ Good
 ■ Normal
 ■ Weak

Short-term market outlook

↗ Improving
 → Stable
 ↘ Weakening

Maturity of the interest-bearing debt has been extended significantly

Adjusted operating profit at

EUR **7** million

(Q2/23: 14)

Operating cash flow after investments was

EUR **-6** million

(Q2/23: 14)

Capital employed amounted to

EUR **1,546** million

(Q2/23: 1,683)

Net debt at

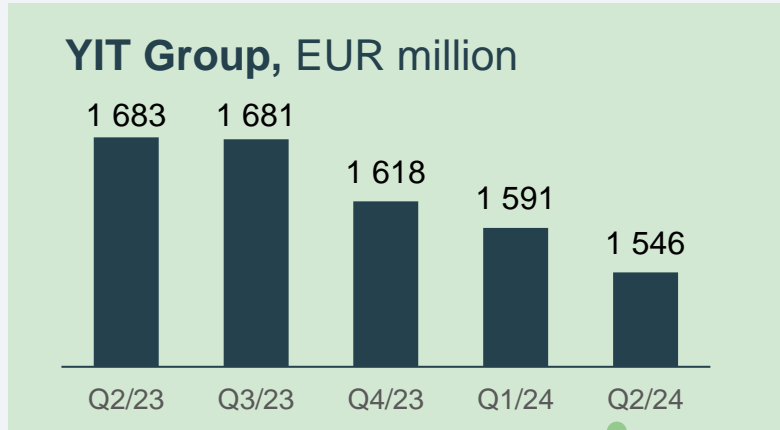
EUR **788** million

(Q2/23: 865)

(Q1/24: 768)

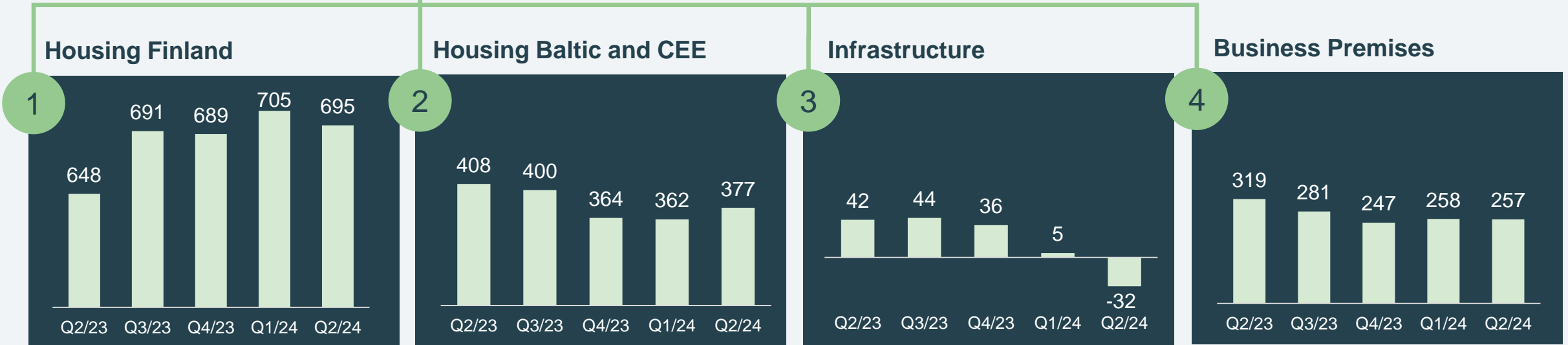


Capital employed on a downward trend



- Capital employed on a downward trend on a group level, supported by the successful capital release measures
- Capital employed in Housing Finland decreased from the end of March
- Capital employed negative in Infrastructure supported by successful capital release measures
- Business Premises capital employed includes Tripla Mall

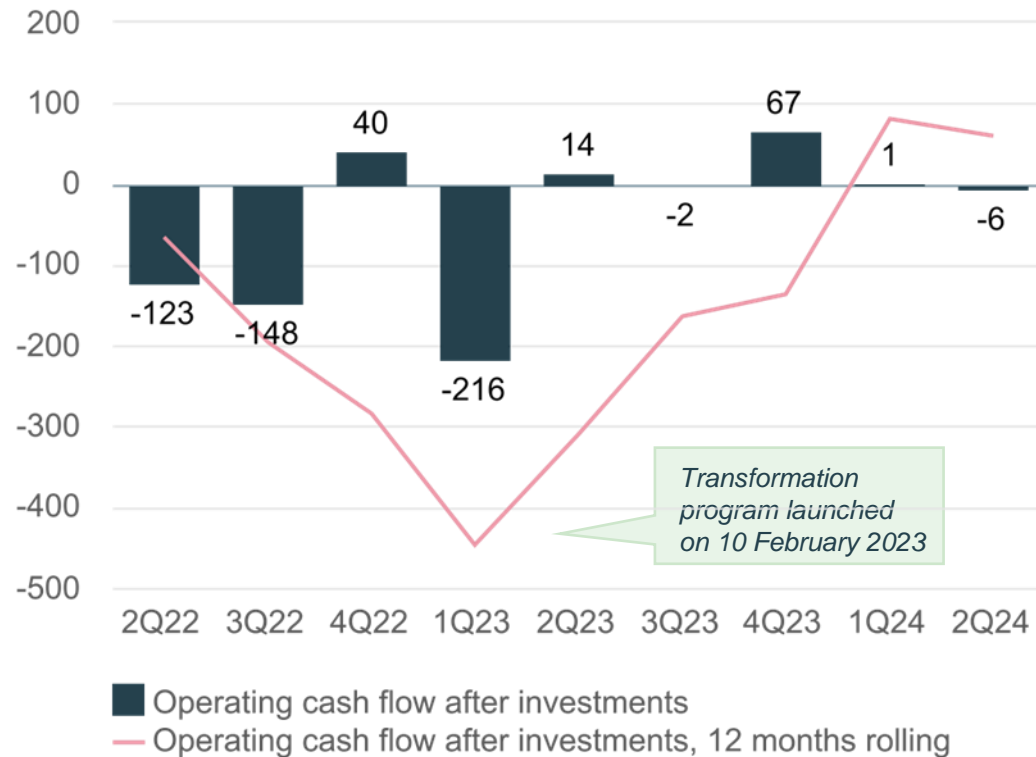
EUR million



'Other' segment capital employed EUR 250 million in Q2/24

Operating cash flow after investments included cash flow of EUR -39 million from investments related to housing plots

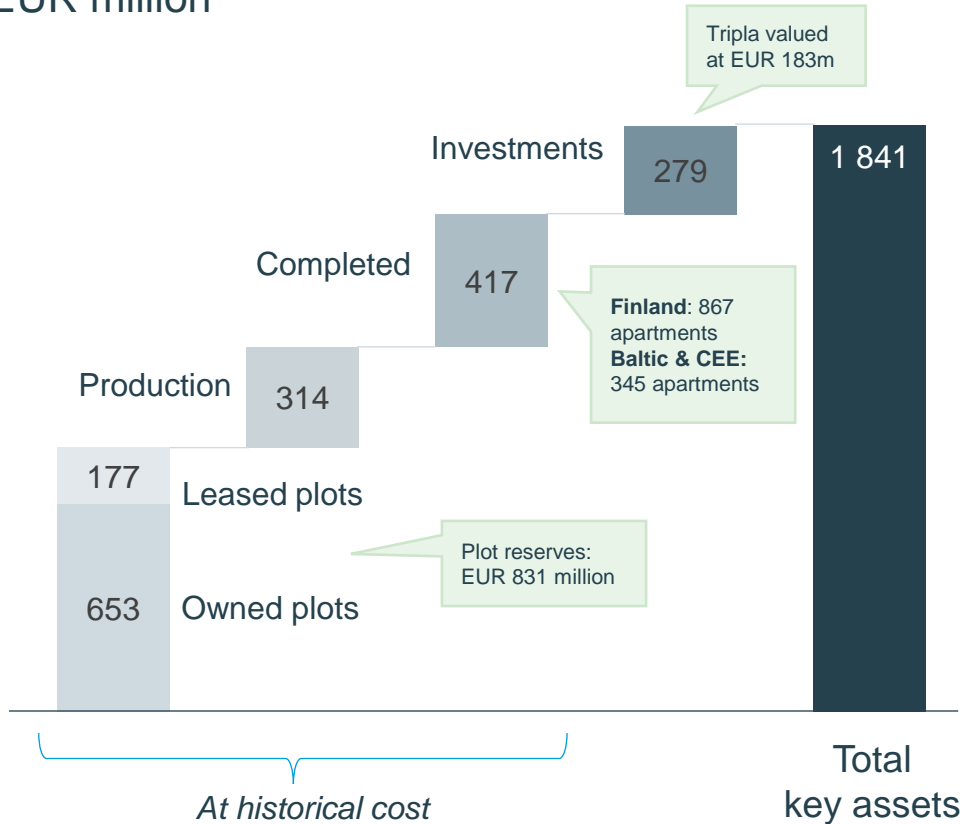
Operating cash flow after investments,
EUR million



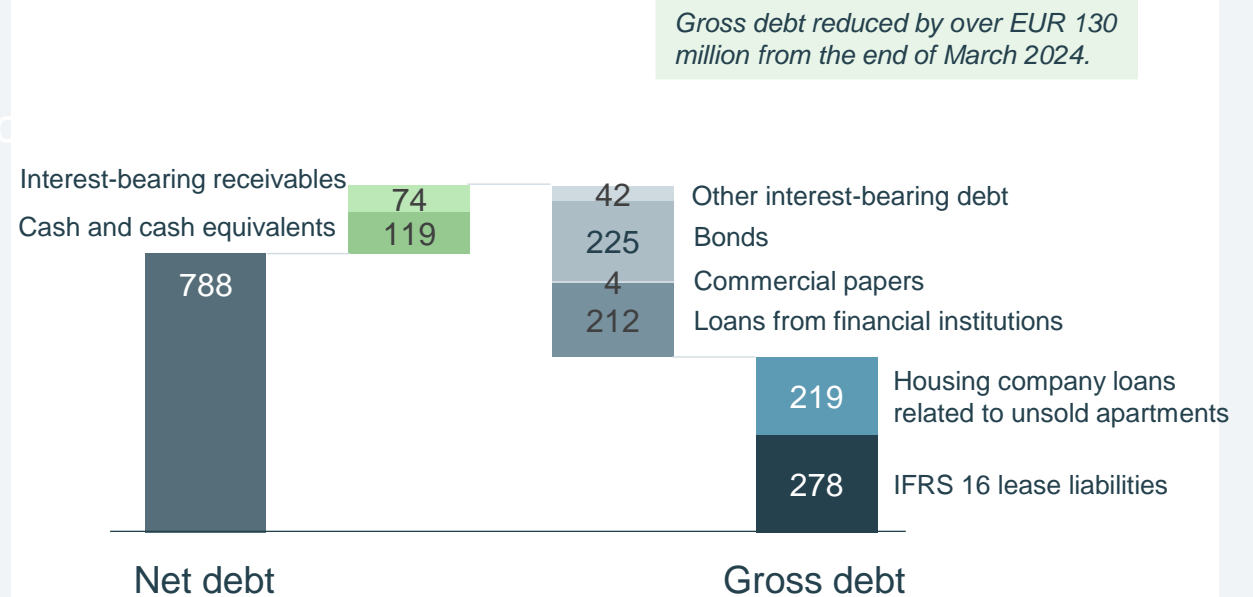
- Operating cash flow after investments was EUR -6 million, which included a total of EUR -39 million of investments related to housing plots, impacted mainly by payments for plots committed before 2024 in CEE countries.
- 12 months rolling operative cash flow after investments EUR 59 million positive at the end of the second quarter
- Cash and cash equivalents at the end of the period amounted to EUR 119 million (31 March 2024: 268).

Key assets nearly 2x gross debt

Distribution of key assets in balance sheet, EUR million



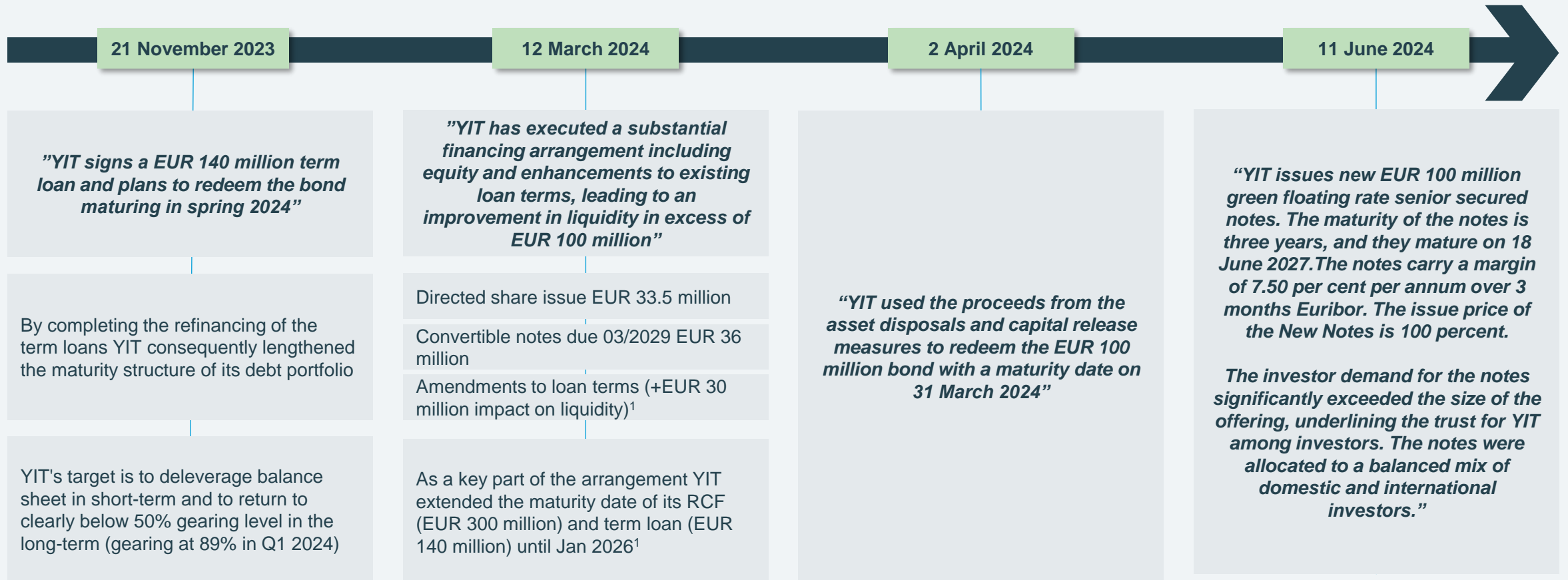
Distribution of interest-bearing debt, EUR million



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

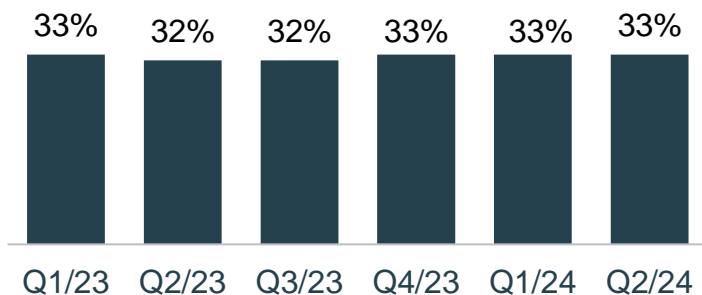
The hybrid bond, €100 million, is recorded as part of equity under IFRS and therefore excluded from this graph.

YIT has completed a comprehensive multi-step financing process and reached a stable position with long maturities in its financing

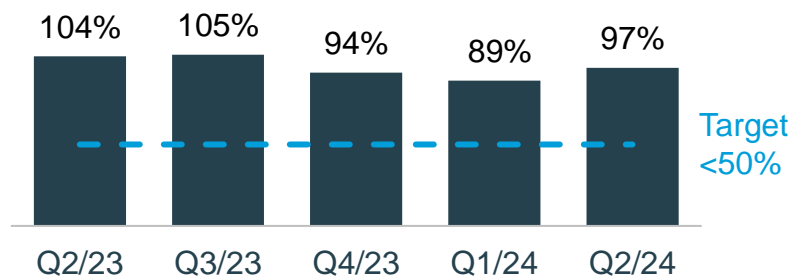


Maturity structure of the interest-bearing debt has been significantly extended

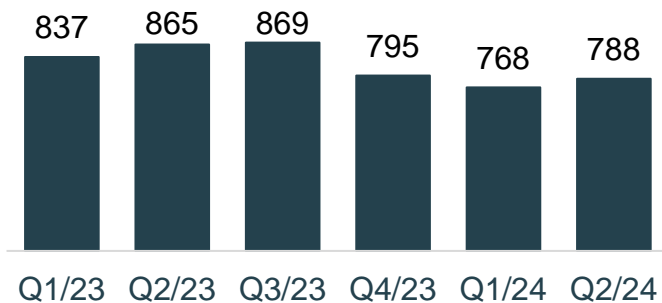
Equity ratio



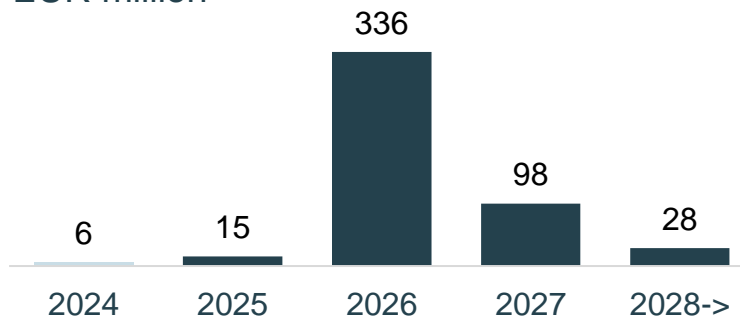
Gearing



Net interest-bearing debt, EUR million



Maturity structure of interest-bearing debt, EUR million*

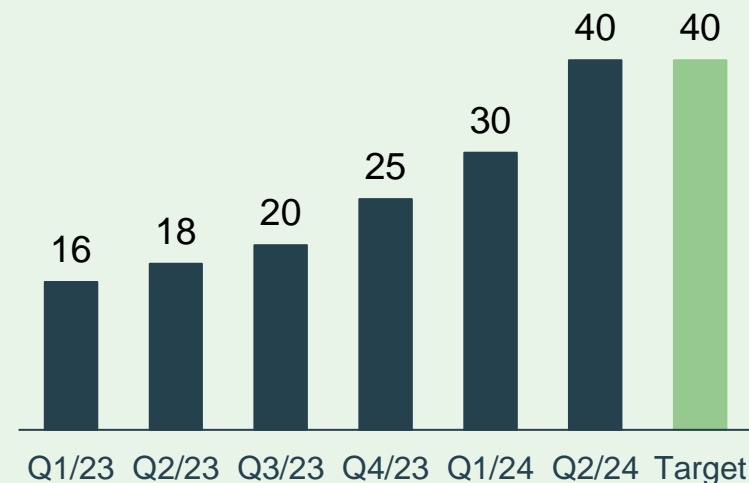


*Excluding housing company loans related to unsold apartments, €219 million and lease liabilities, €278 million. The hybrid bond, €100 million, is recorded as part of equity under IFRS and therefore excluded from this paragraph.

Transformation program savings target achieved ahead of schedule

- 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 June 2024.
- 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 51 million was realised by the end of June 2024. In the second quarter of 2024, YIT decided, as part of the transformation program, to partially release its leased headquarter premises for sublease to increase the efficiency of its premises used, which impacted the program costs by EUR 20 million.
- With the actions taken by the end of June 2024, YIT had released approximately EUR 140 million of the capital release potential announced in June 2023. The actions to improve net working capital are also proceeding according to plan.

Cumulative annualised 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.

Releasing capital and lowering our indebtedness are high on our agenda

A multi-stage financing renewal was executed in a planned manner during the first half of the year.

We will continue to take the required measures to further release capital from our investment portfolio and other non-core businesses.

The targeted savings for the transformation program were achieved well ahead of schedule - we continue to seek further savings and efficiencies.





Our strength lies in our people and their competences

Engineering students ranked YIT as the most attractive construction industry employer for the 6th consecutive time (Universum).

This year, we offer jobs or trainee positions to more than 350 young talents.

Part of our commitment to continuous improvement and learning, we increased focus on feedback culture. Since we launched our new internal platform a month ago, nearly 500 employees have used it to give feedback to their peers.

YIT has continued the systematic work to strengthen safety management within the company and with its partners.

YIT's combined lost time injury frequency has improved for past five quarters.

Employee well-being is important for us. Mental Health Friendly Workplace® label was awarded to YIT in recognition of our commitment to mental health of our employees.

We continue to improve operative performance in all segments

We continue our boost our sales both in Finland and Baltic and CEE countries. Consumer start-ups in Finland will take place when the timing is right.

Infrastructure continues to further improve operative efficiencies and tender for suitable public and industrial projects.

Operative performance in Business Premises continues to improve as we implement new capabilities and improve our capital efficiency.

Additional information

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2024

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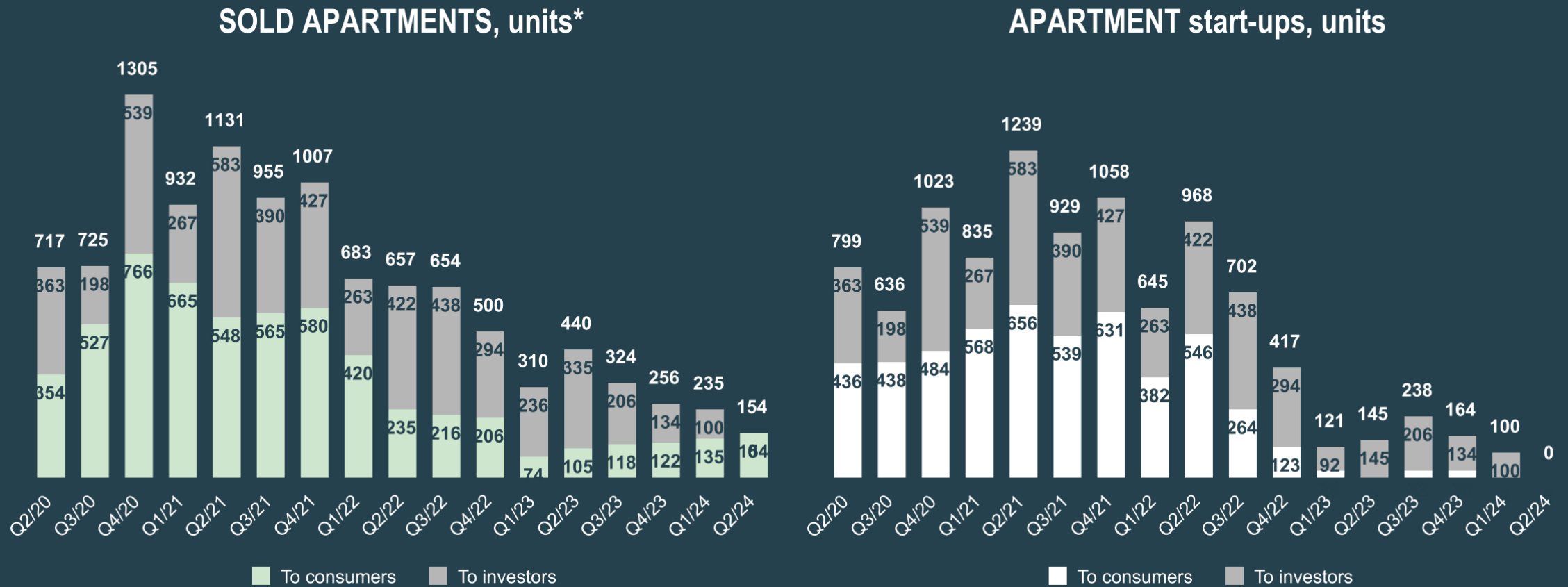
Appendices

- I. Key figures
- II. Housing sales and start-ups

I. Key figures

EUR million	4-6/24	4-6/23	1-6/24	1-6/23	1-12/23
Revenue	434	558	846	1,013	2,163
Operating profit	-42	11	-51	4	51
Operating profit, %	-9.8	2.0	-6.0	0.4	2.4
Adjusted operating profit	7	14	-7	11	41
Adjusted operating profit margin, %	1.6	2.6	-0.9	1.1	1.9
Result before taxes	-57	-1	-79	-19	-5
Result for the period	-51	-1	-67	-15	3
Earnings per share, EUR	-0.23	-0.01	-0.31	-0.08	-0.01
Operating cash flow after investments	-6	14	-6	-202	-137
Net interest-bearing debt	788	865	788	865	795
Gearing ratio, %	97	104	97	104	94
Equity ratio, %	33	32	33	32	33
Return on capital employed, % (ROCE, rolling 12 months)	1.4	4.9	1.4	4.9	2.5
Order book	2,980	3,540	2,980	3,540	3,157
Combined lost time injury frequency (cLTIF, rolling 12 months)	10.0	14.1	10.0	14.1	12.1
Customer satisfaction rate (NPS)	55	54	55	54	55

II. Sales and start-ups

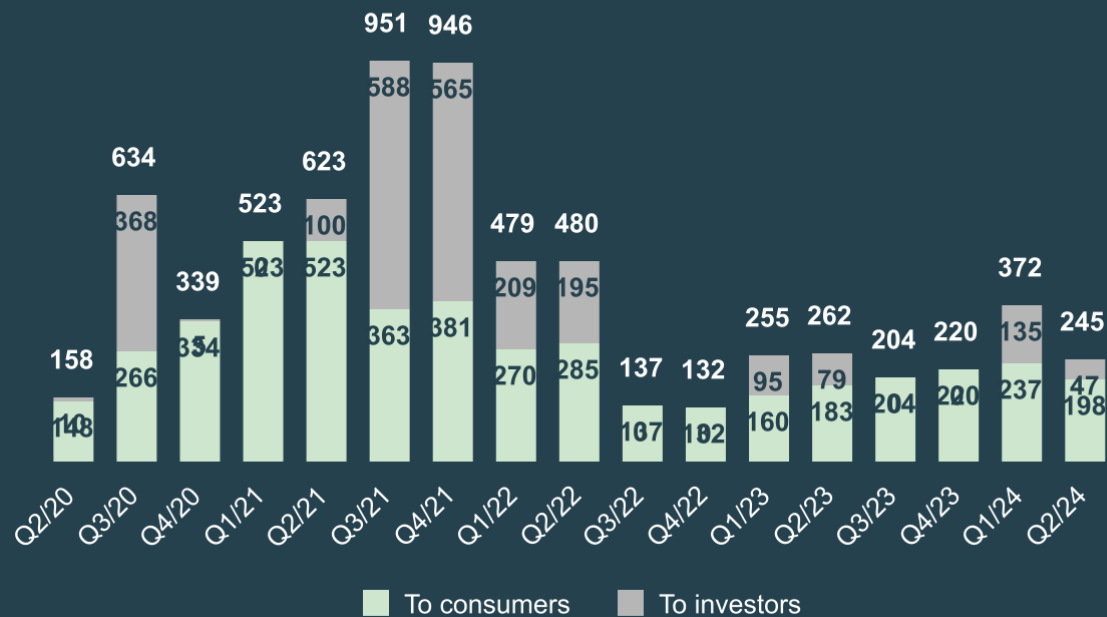


*Q1/2023 "To investors" figure includes 144 units initially started for consumers from a bundle deal.

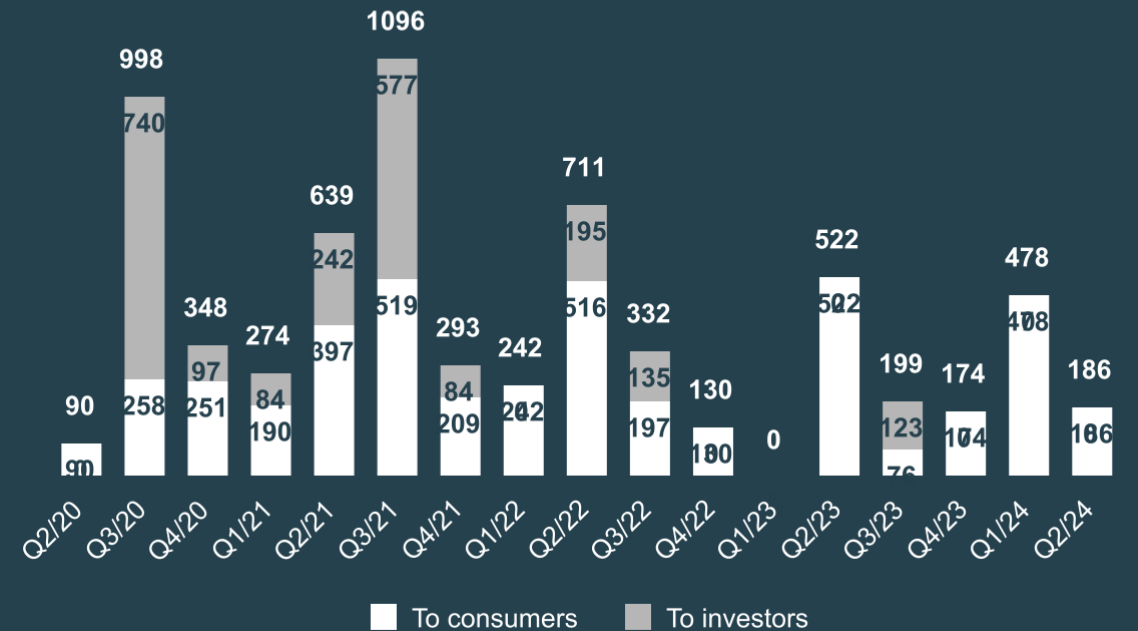
*Q2/2023 "To investors" figure includes 190 units initially started for consumers from a bundle deal.

II. Sales and start-ups

SOLD APARTMENTS, units



APARTMENT start-ups, 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.**