



**Roadshow presentation**

May 2022

**Creating  
sustainable  
success through  
sustainable living**



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**Our strategy  
for 2022-2025  
is to deliver  
predictable results**

Redefined and clarified  
**business model** with clear focus

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Execution through  
**3 strategic priorities**

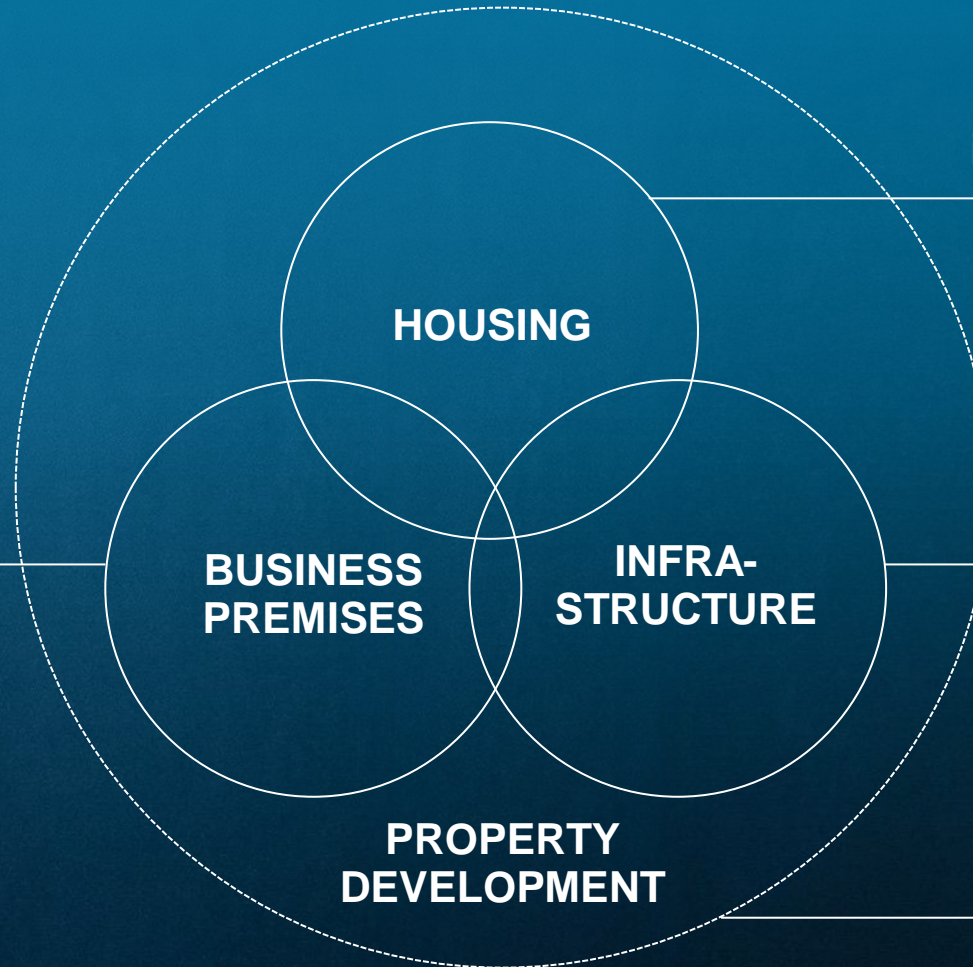
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Solid path to reach  
**EBIT of >6%**



# We have a clear business model

Focus on  
core project  
types to  
generate  
strong **profit**  
and stable  
**cash flow**



Drive **growth**  
in growing cities

Leverage  
competencies  
to generate strong  
**profit** and stable  
**cash flow**

**Fuel growth**  
in housing and  
**profitability** in the  
other segments



# We execute our strategy through 3 strategic priorities

## FOCUS

- Grow in housing
  - Evaluate strategic options in Russia
  - Service business no longer in focus
  - Divest non-core assets
- 

## PRODUCTIVITY

- Execute transformation in Infrastructure and Business Premises
  - Drive efficiency in production and scale in supply chain
  - Implement an agile and empowering operational model
- 

## ESG

- Commit to SBTi to reach 1.5°C global warming goal
- Decrease accident frequency
- Advance ESG matters throughout supply chains



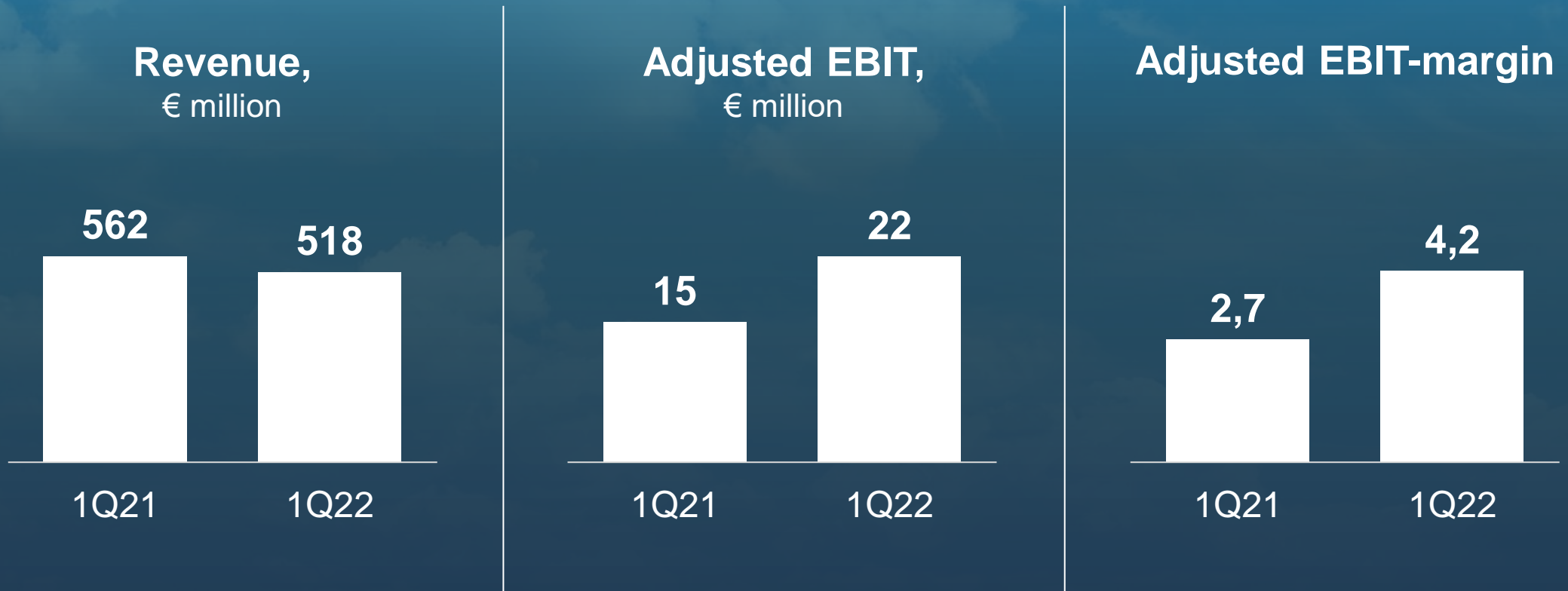
# Q1 – solid quarter

**With our focused strategy, we utilised our capabilities successfully**

**We are selling our businesses in Russia**

**Balance sheet remains strong**

# Our profitability improved markedly





# All segments in the black

**Housing**  
continued strong  
performance

Adj. EBIT

**€21** 

million (14)

Decisive actions well  
under way in  
**Business  
Premises**


Adj. EBIT

**€1** 

million (-1)

Transformation  
progressed in  
**Infrastructure**

Adj. EBIT

**€2** 

million (-1)

Stable result in  
**Property  
Development**

Adj. EBIT

**€1** 

million (2)



# Strategy execution continued

## FOCUS

- Investments in attractive urban plots continued
- Ongoing selectiveness in tendering progressed
- Business portfolio streamlined by the sale of the Russian operations

## PRODUCTIVITY

- New operating model implemented – annual savings of EUR 15-20 million by 2023 expected
- Project management actions and lean construction method implementation continued

## ESG

- SBTi and EU taxonomy related actions progressed and are well underway
- Combined lost time injury frequency decreased to 10.5 (12.2)
- Code of Conduct update launched
- Internal audits to inspect non-EU/EETA/EFTA workers conducted



# Land bank supports our strategic objectives

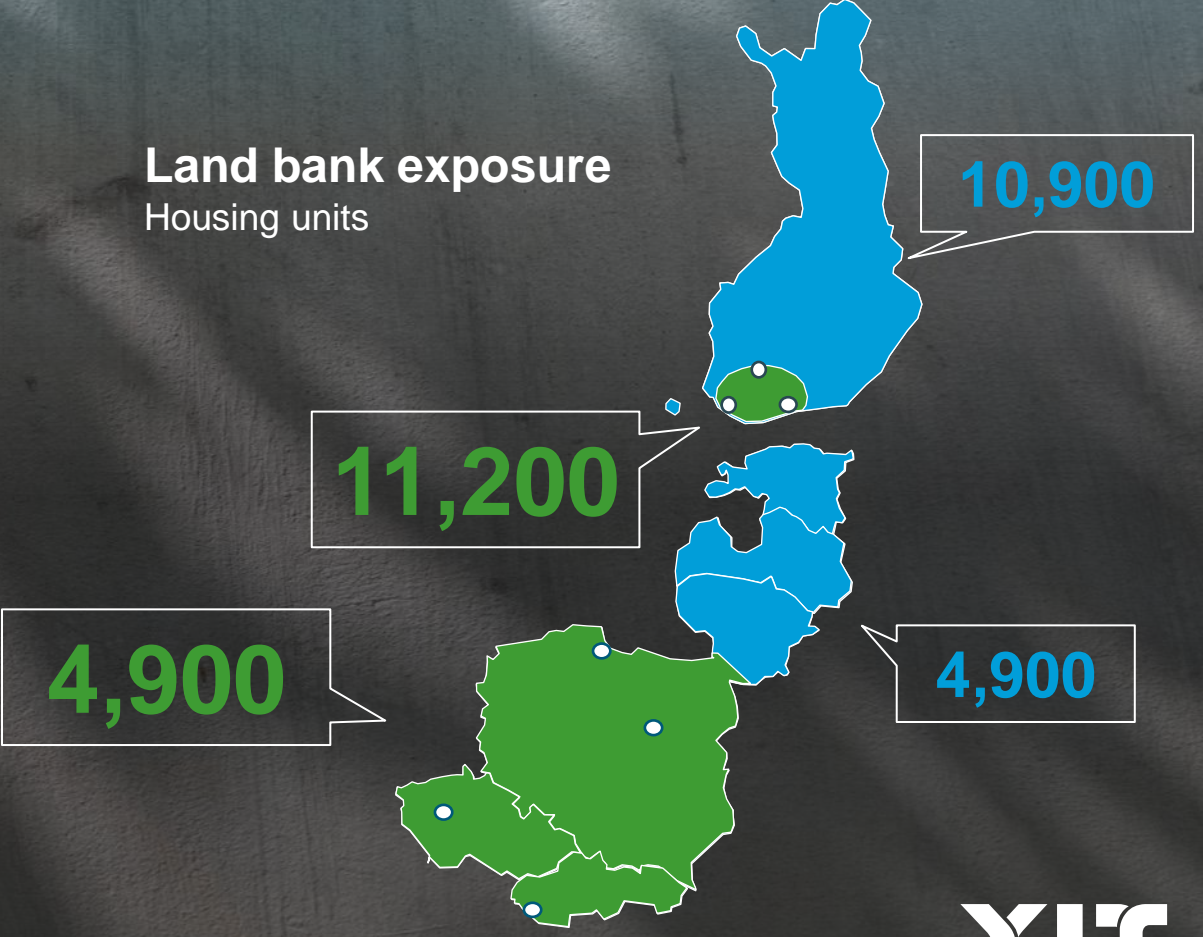
## Most significant land bank acquisitions in Q1

**Kladno**  
The Czech Republic  
**430**  
housing units

**Espoo**  
Finland  
**270**  
housing units

**Järvenpää**  
Finland  
**70**  
housing units

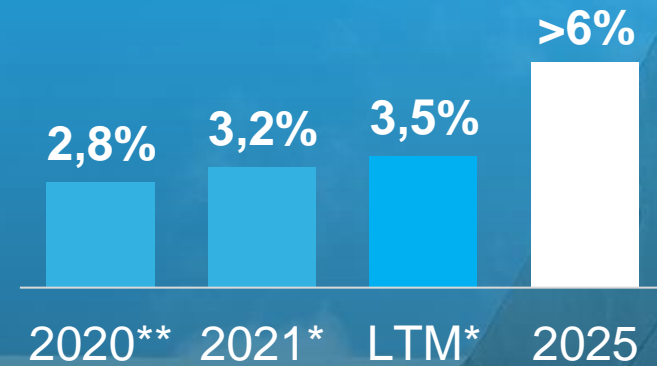
## Land bank exposure Housing units



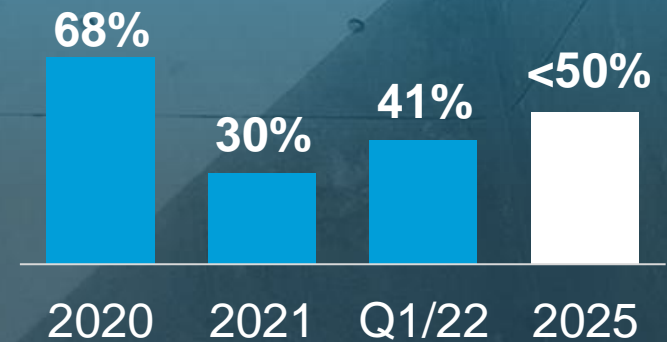


We are well positioned to achieve our financial targets for 2025

EBIT  
>6%



GEARING  
<50%



DIVIDEND  
Stable  
growth



\*Adj.EBIT

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

# Profitability strengthened; balance sheet remains strong



# Q1 in numbers

Order book  
strengthened to

**€3.8**

billion  
(3.5)

Adjusted EBIT  
increased to

**€22**

million  
(15)

Adjusted  
EBIT-margin  
increased to

**4.2%**

(2.7)

Net debt  
decreased to

**€338**

million  
(439)

# Financial information for 2021 restated

## Operating model change

- 4 reportable segments: Housing, Business Premises, Infrastructure and Property Development
- Wind power development from Infrastructure to Property Development
- Trigoni costs from Housing to Property Development
- Baltics' Infrastructure business to Business Premises
- Certain group costs reallocated from Other items to segments

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## Sale of Russian operations

- Russian operations classified as assets held for sale
- Reporting as discontinued operations
- Former Housing Russia segment no longer reported



# The financial impacts of the sale of the Russian businesses

## Q1

- Impairment of €152 million reported as part of discontinued operations
  - Result for the period including discontinued operations -€133 million
- 

## Accumulated RUB/EUR translation difference

- -€308 million at the end of Q1
- To be booked to consolidated income statement once the sale is closed, no impact on equity
- To be reported as part of discontinued operations

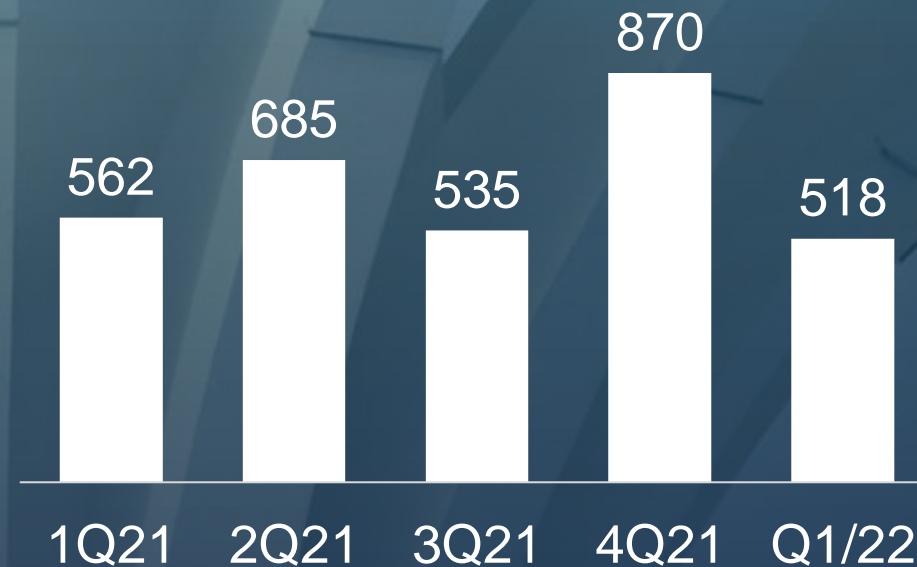


# Strong order book; revenue decreased due to lower number of apartment completions

Order book, € million



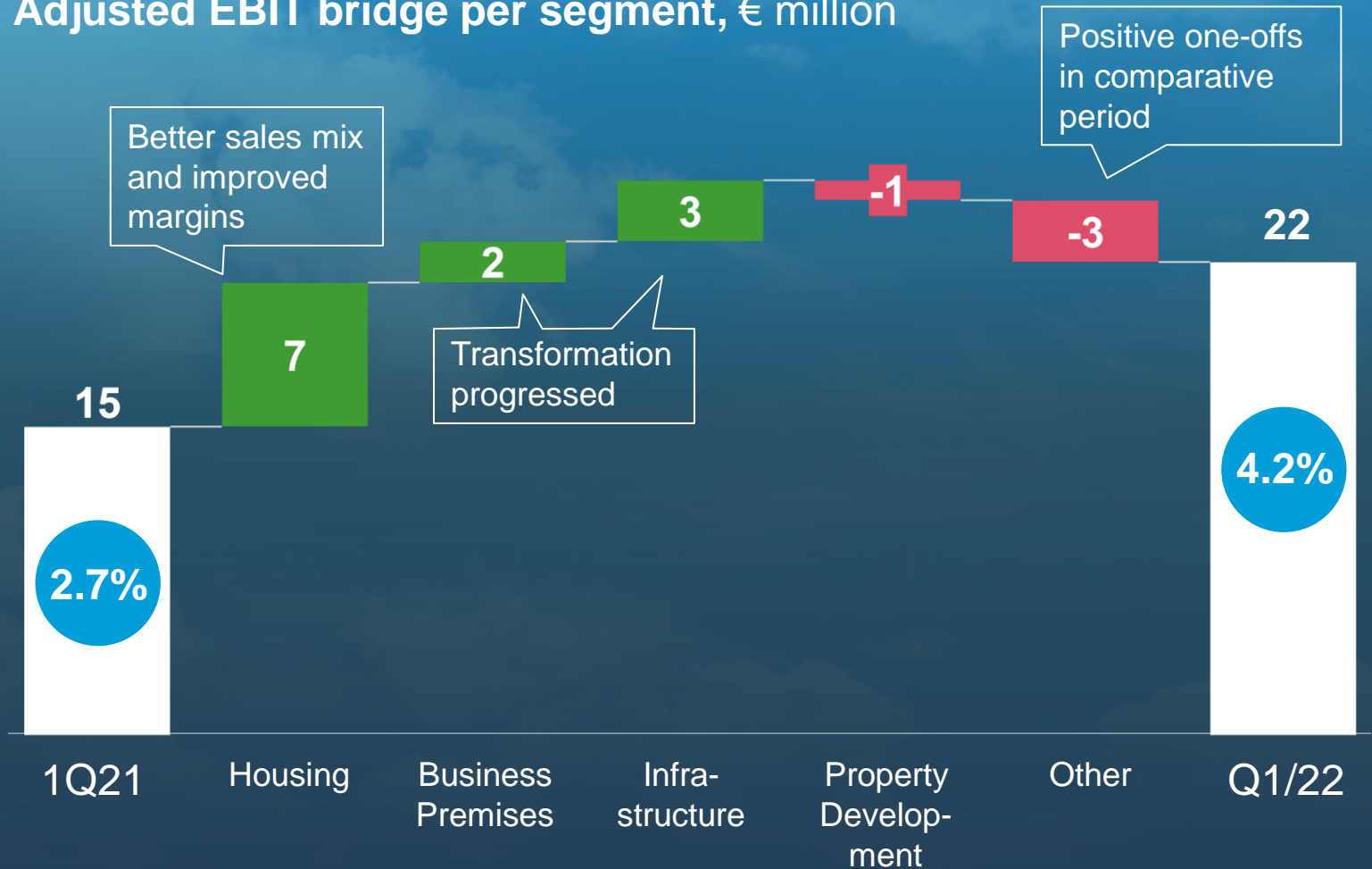
Revenue, € million





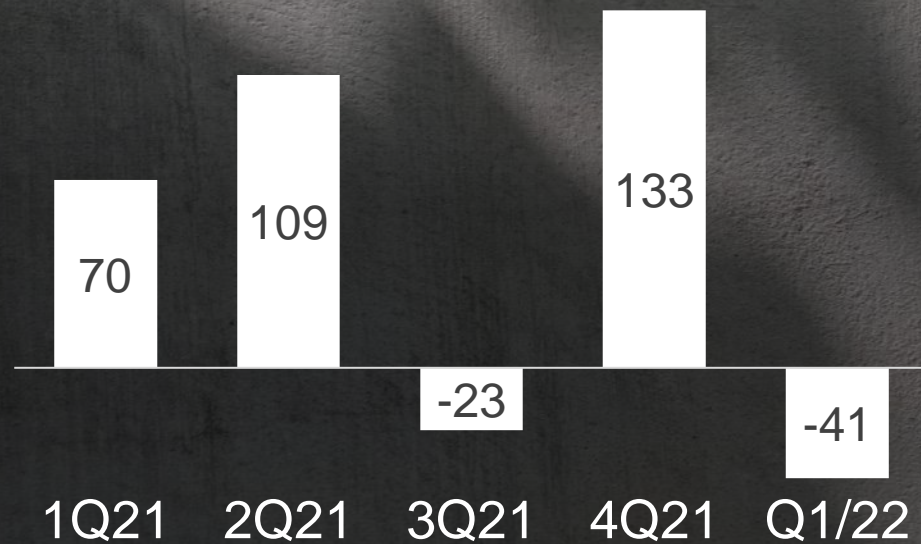
# Profitability strengthened with improvements in operational performance

Adjusted EBIT bridge per segment, € million

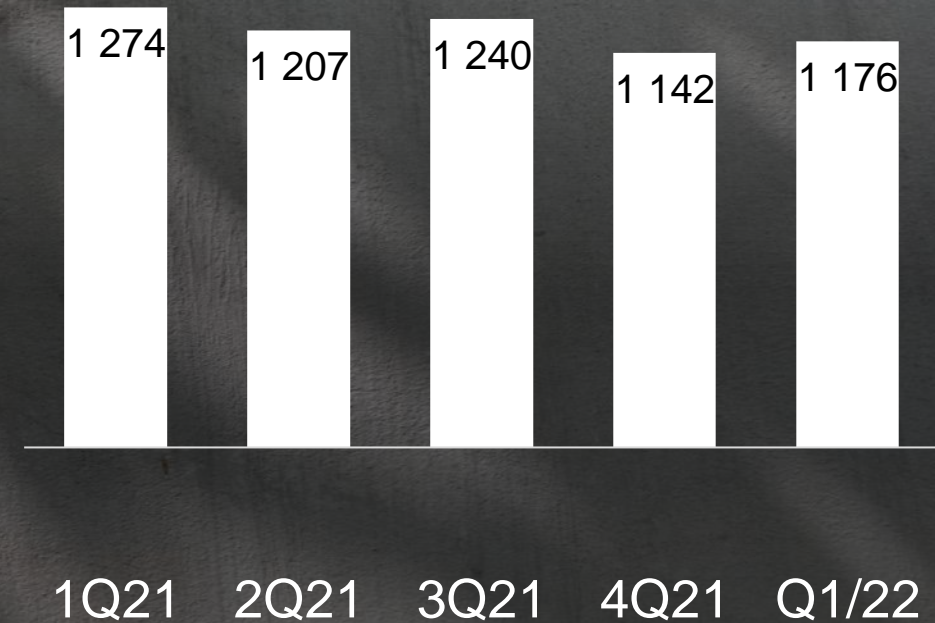


# Capital employed decreased y-o-y

Operating cash flow after investments,  
€ million



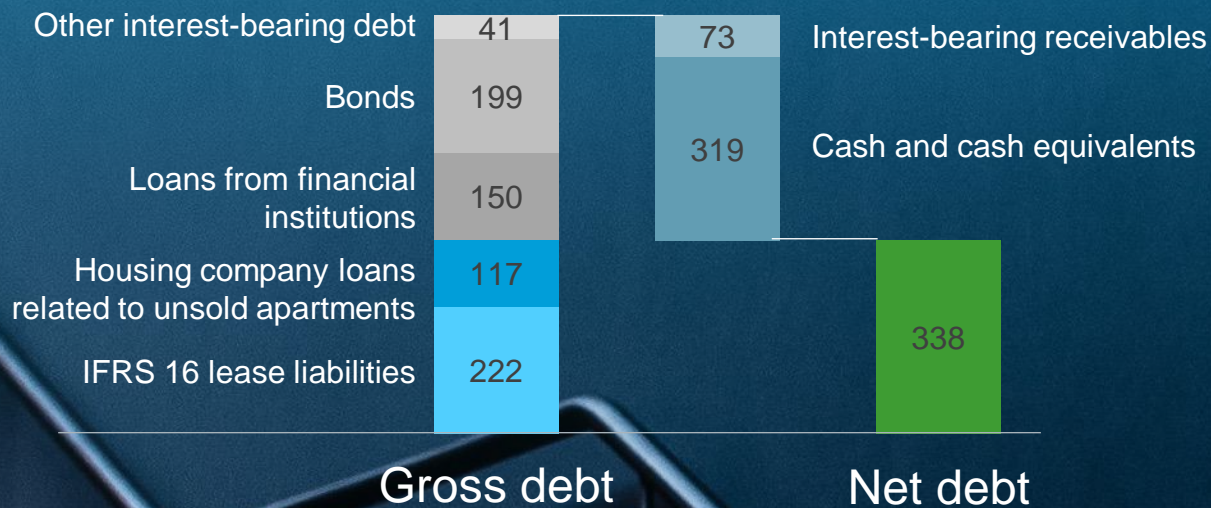
Capital employed, continuing  
operations, € million



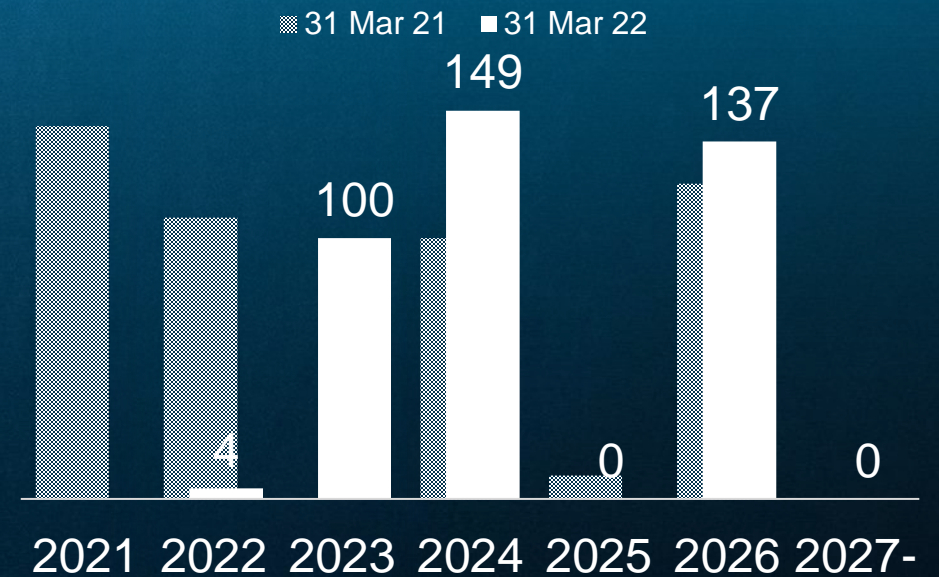


# Our debt structure leads to a low financial risk profile

Distribution of interest-bearing debt, € million



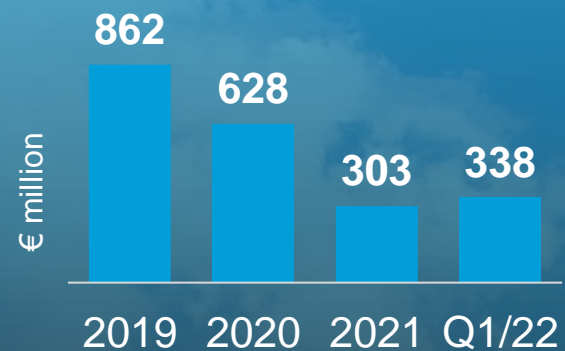
Maturity structure of interest-bearing debt<sup>1</sup>, € million



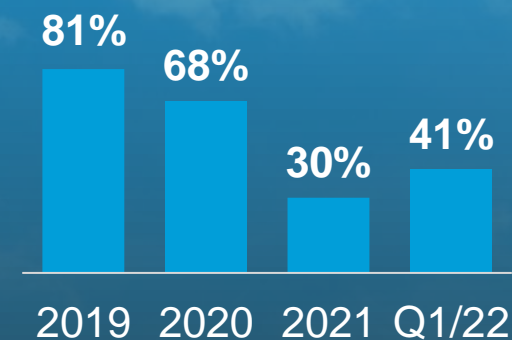
<sup>1</sup> Excluding housing company loans related to unsold apartments, €117 million and lease liabilities, €222 million. The hybrid bond, €100 million, is recorded as part of equity and therefore excluded from this paragraph.

# Our strong balance sheet leaves us room for manoeuvre

### Net interest-bearing debt



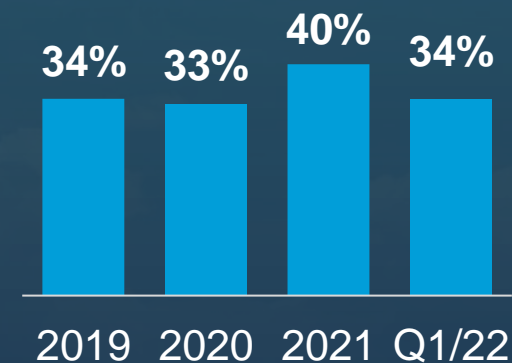
### Gearing



### Interest cover ratio



### Equity ratio



<sup>1</sup>The comparability is affected by the classification of Russian operations as assets held for sale. Comparative periods' figures before 2021 have not been restated.



# Good start for the year

**Our profitability  
improved**

**Our balance  
sheet remains  
strong**

**Our order book  
is healthy**



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



# Market outlook is subdued in the short term

	Housing market	Real estate market	Infrastructure market
Finland	Improving	Improving	Stable
Baltic countries	Improving	Weakening	
Central Eastern European countries	Improving	Weakening	
Sweden			Stable

Q1 market environment



Strong



Normal



Weak

Short-term market outlook



Improving



Stable



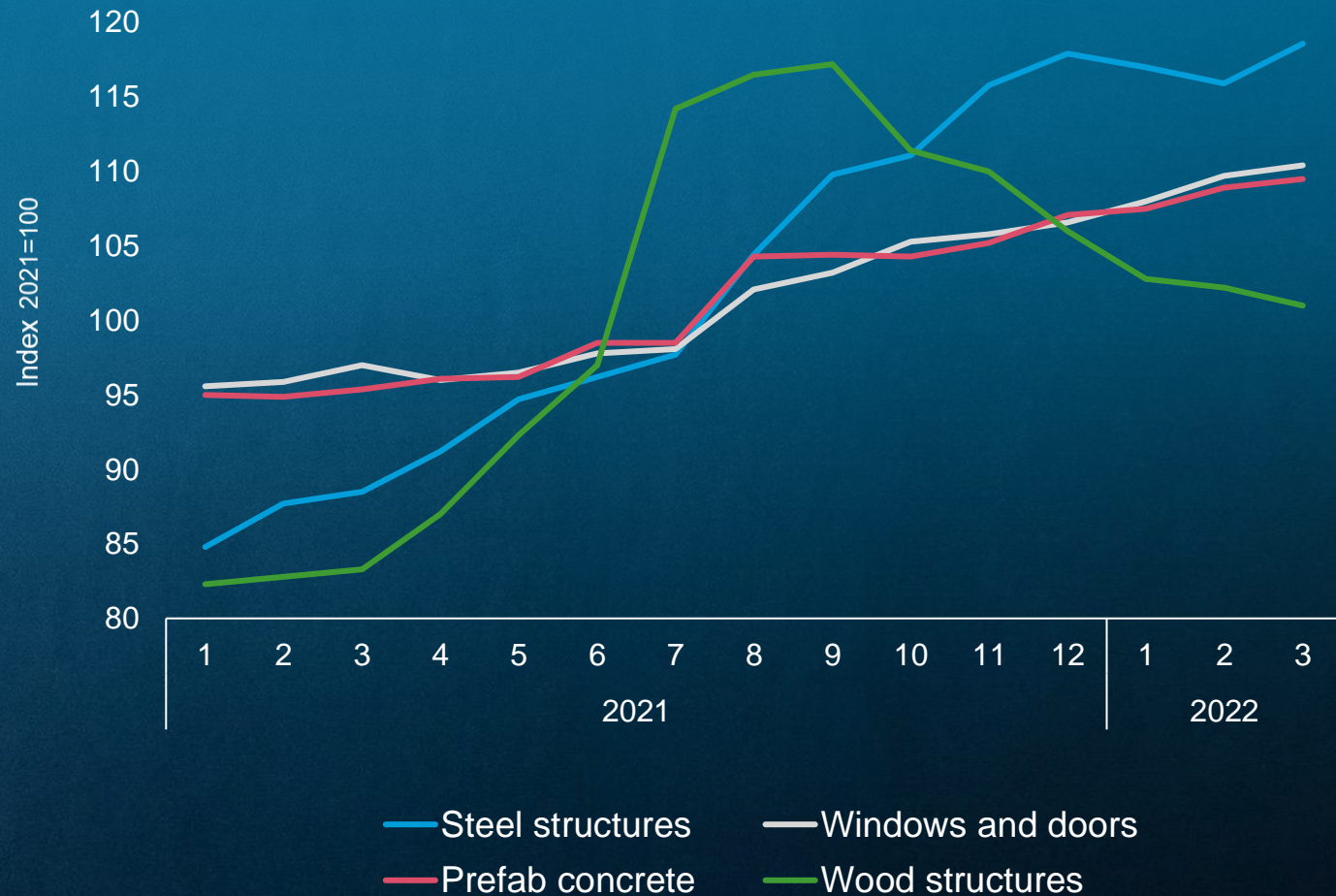
Weakening



**Some material prices have continued to increase due to the crisis in Ukraine...**

## Material cost indices (1.1.2021 – 15.3.2022)

Source: Statistics Finland





# ...but the direct impact is limited overall

## Average apartment building price breakdown in Finland

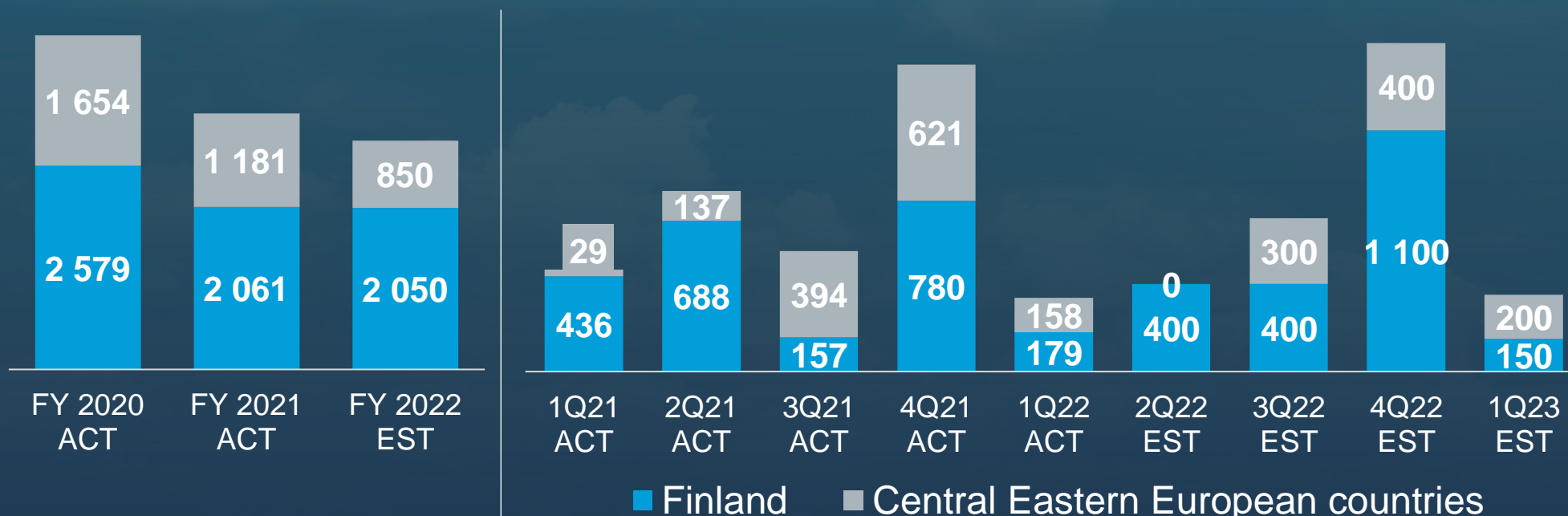


<sup>1</sup> Based on company's own estimations.

<sup>2</sup> According to Statistics Finland building cost index block of flats breakdown.

# COVID-19 pandemic reflected in 2022 completions

Estimated completions of consumer apartment projects under construction, housing units



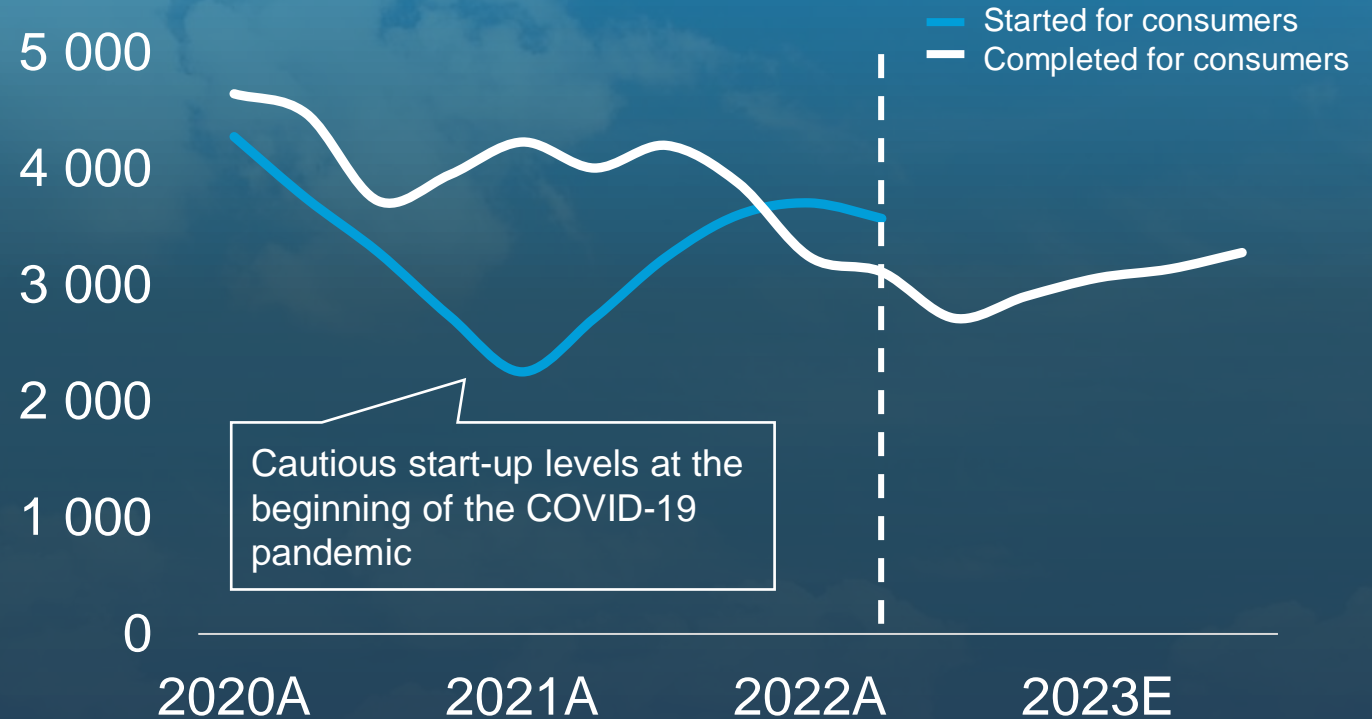
In addition, revenue from apartments under construction recognised over time (POC):

- 2,074 units for investors



**Apartment completions to remain low in 2022 but increase in 2023**

**Consumer apartment start-ups and completions, Finland and Central Europe, rolling 12 months, units**





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

(EUR 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



# Foundation is set, it is time to execute

Mid- and long-term prospects for our industry remain positive

Our strategy helps us to stay competitive even if the market weakens

We continue focusing on our profitable core and executing our strategy



# Additional information

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## YIT'S FINANCIAL REPORTING IN 2022

Half-year report 2022  
Interim report Q3/2022

28 July  
27 October

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# Appendices

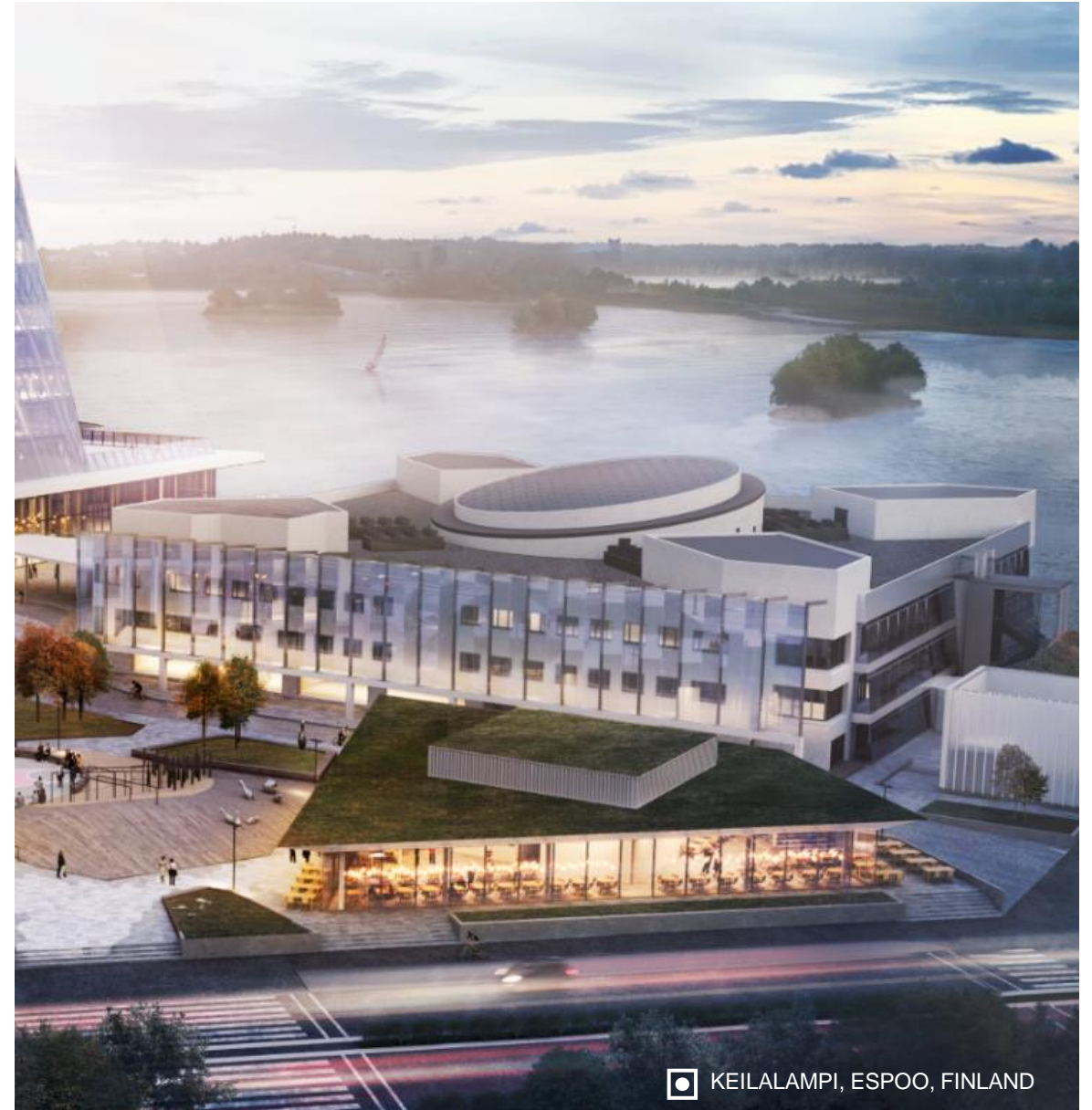




# Appendices

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- I. Key figures
- II. Housing sales and start-ups
- III. Share ownership
- IV. Debt structure
- V. Property Development highlights



KEILALAMPI, ESPOO, FINLAND



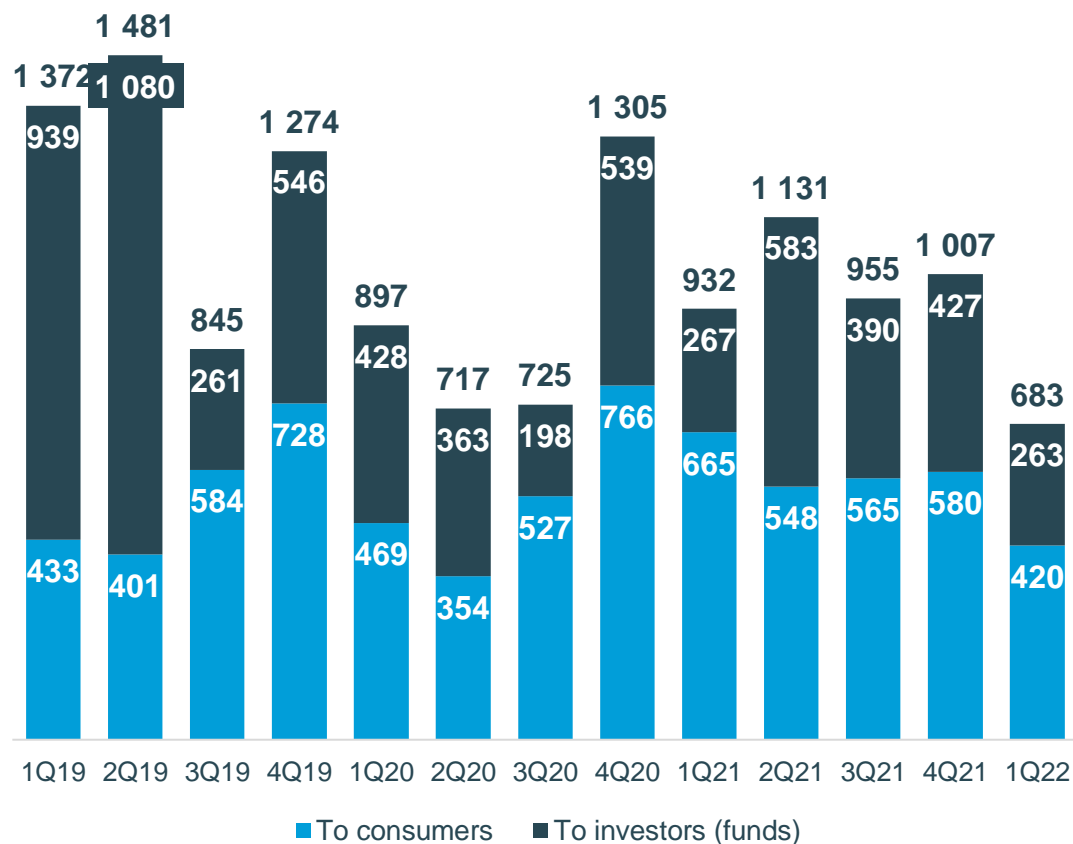
# I. Key figures

€ million	1-3/22	1-3/21	1-12/21
Revenue	518	562	2,652
Operating profit	22	10	56
Operating profit margin, %	4.2	1.7	2.1
Adjusted operating profit	22	15	85
Adjusted operating profit margin, %	4.2	2.7	3.2
Result before taxes	14	0	22
Result for the period, continuing operations	12	-1	6
Result for the period, including discontinued operations	-133	4	4
Earnings per share, EUR	0.05	0.00	0.01
Operating cash flow after investments	-41	70	288
Net interest-bearing debt	338	439	303
Gearing ratio, %	41	44	30
Equity ratio, %	34	37	40
Return on capital employed, % (ROCE, rolling 12 months)	7.6	-	6.8
Order book	3,756	3,506	3,847
Combined lost time injury frequency (LTIF, rolling 12 months)	10.5	12.2	11.0
Customer satisfaction rate (NPS)	53	50	51

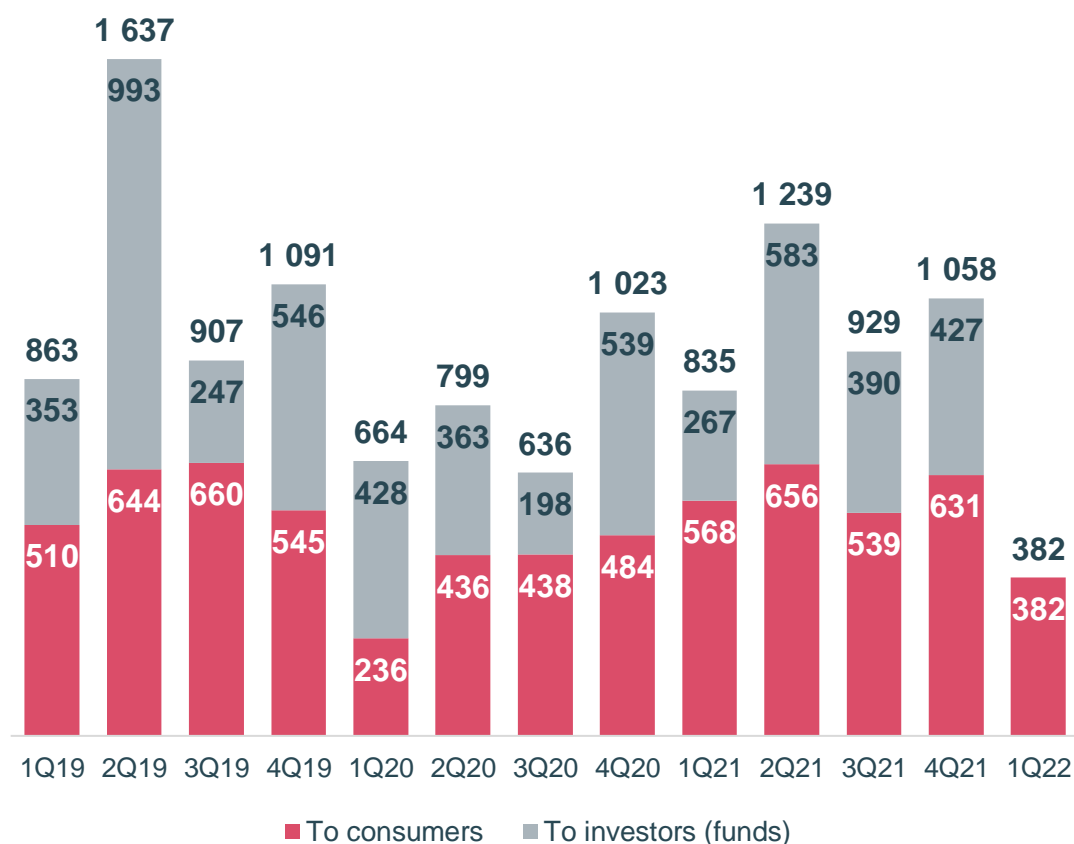
## II. The Housing segment in Finland

# II. Sales and start-ups 2019-Q1/2022

### SOLD APARTMENTS, units



### APARTMENT START-UPS, units

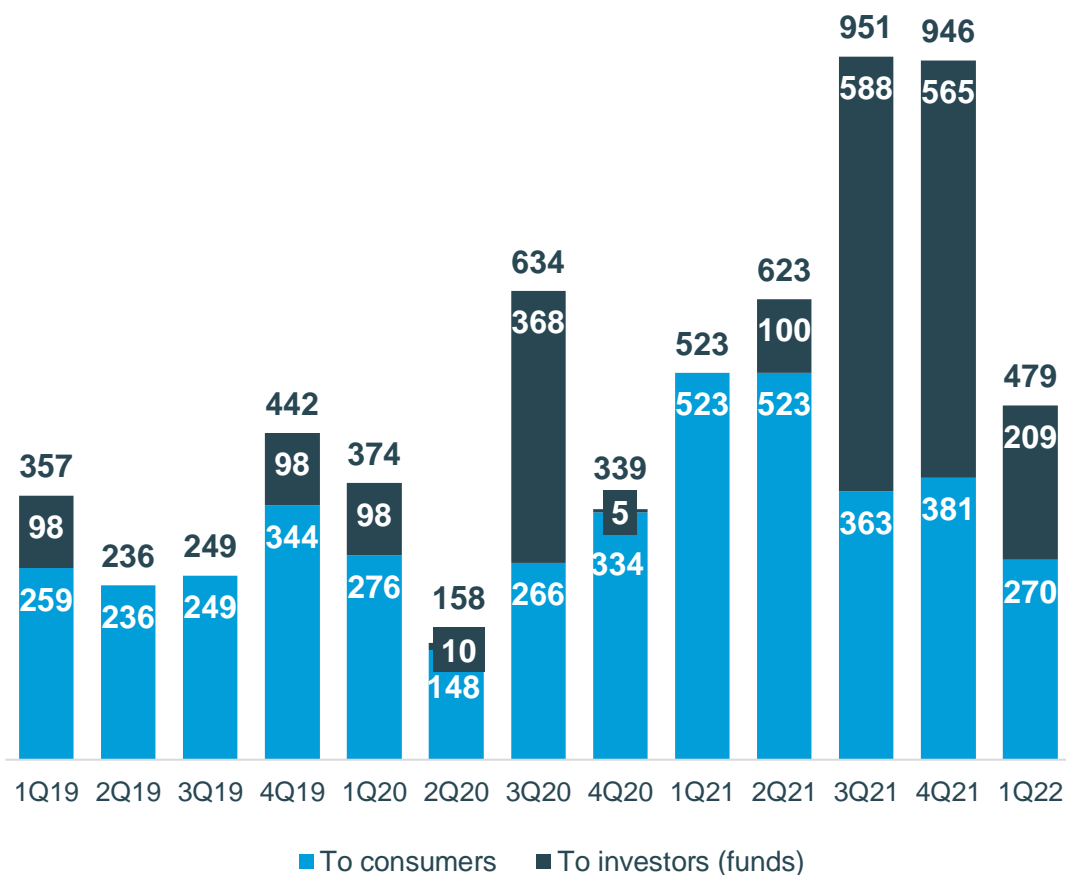




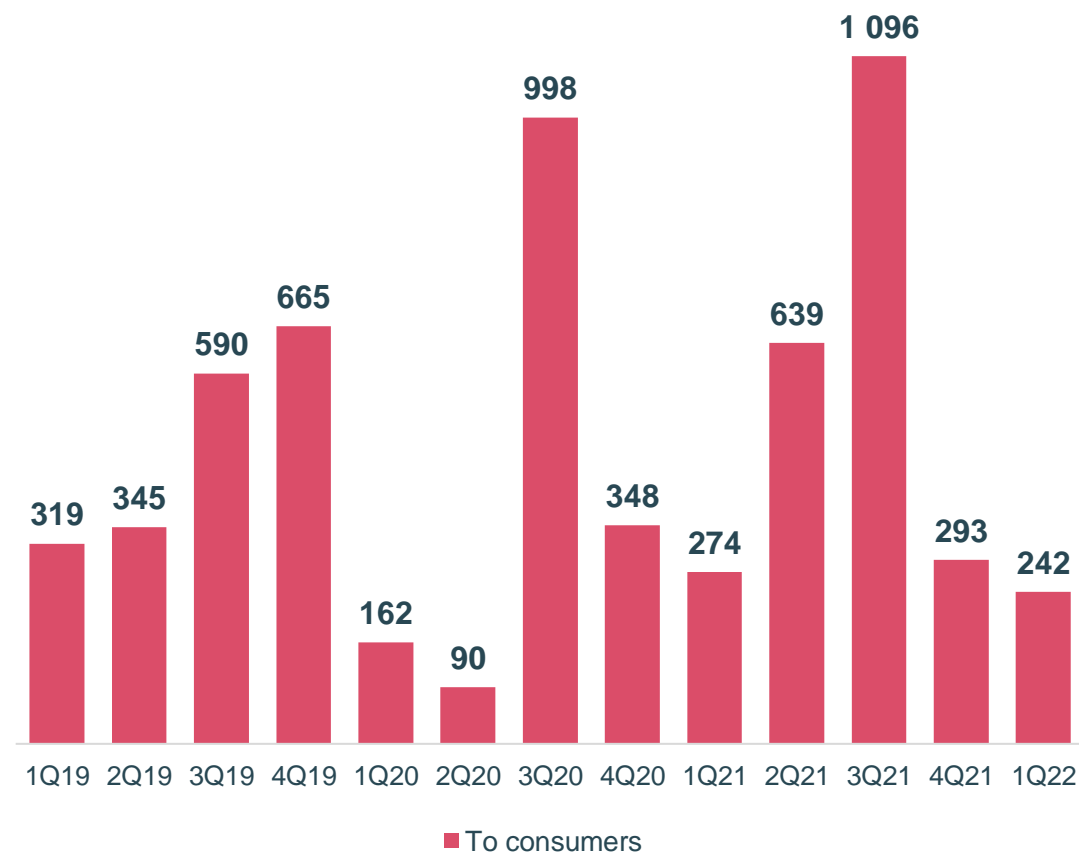
## II. The Housing segment in Central Eastern European countries

# II. Sales and start-ups 2019-Q1/2022

### SOLD APARTMENTS, units



### APARTMENT START-UPS, units

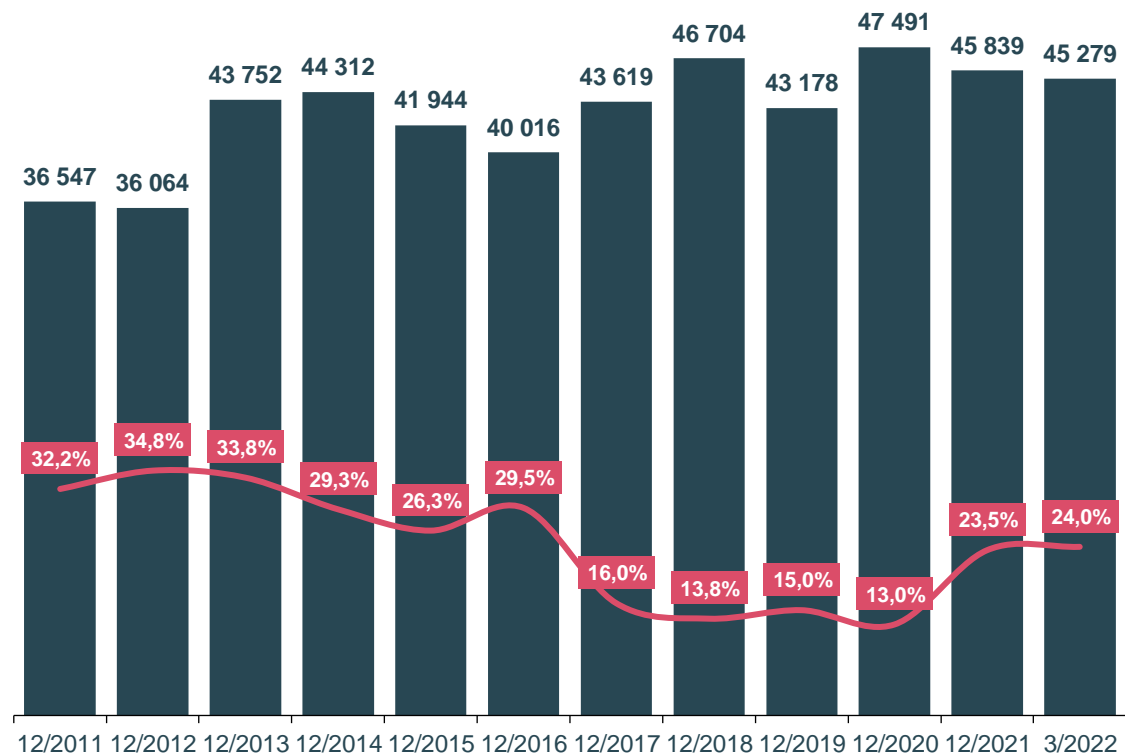


# III. Share ownership\*, 31 March 2022

## MAJOR SHAREHOLDERS

SHAREHOLDERS	SHARES	% OF SHARE CAPITAL
1. Tercero Invest AB	25,550,000	12.10
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. Forstén Noora Eva Johanna	5,115,529	2.42
7. Ilmarinen Mutual Pension Insurance Company	4,930,000	2.34
8. Herlin Antti	3,445,180	1.63
9. Pentti Lauri Olli Samuel	3,398,845	1.61
10. Elo Mutual Pension Insurance Company	3,296,110	1.56
Ten largest total	94,010,955	44.53
Nominee registered shares	24,660,721	11.68
Other shareholders	92,428,177	43.78
<b>Total</b>	<b>211,099,853</b>	<b>100.00</b>

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

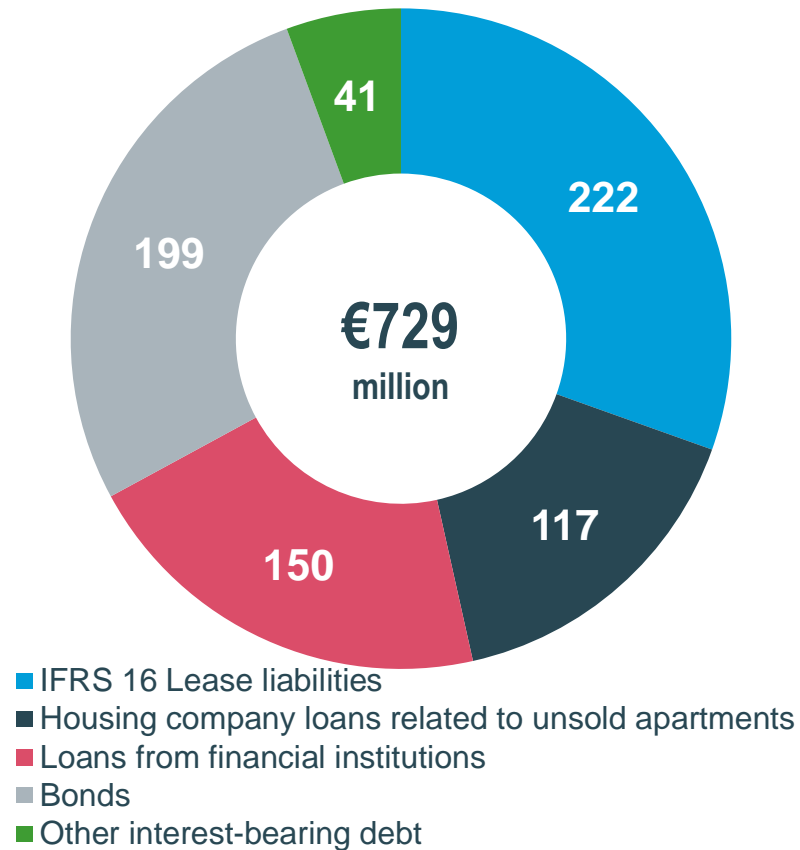


■ Number of shareholders  
 — Nominee-registered and non-Finnish ownership, % of share capital

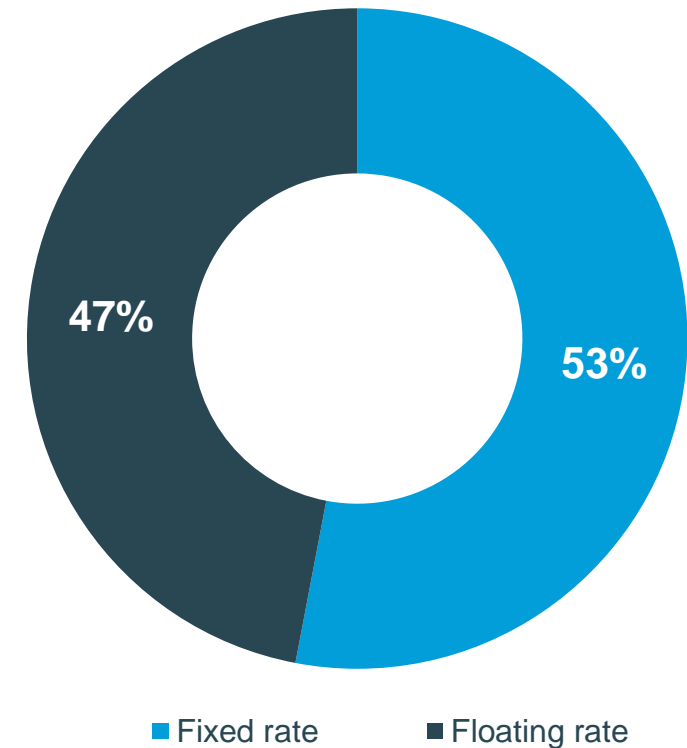


# IV. Debt structure, 31 March 2022

## DISTRIBUTION OF INTEREST-BEARING DEBT



## INTEREST RATE DISTRIBUTION OF INTEREST-BEARING DEBT<sup>1</sup>



<sup>1</sup>Including interest-bearing debt and interest rate derivatives, but excluding lease liabilities, €222 million

# V. Property Development Investment portfolio and development highlights, 31 March 2022

## INVESTMENT PORTFOLIO

EUR million	Value <sup>1</sup>	Change from 31 Dec 2021 <sup>2</sup>	Change from 31 Mar 2021 <sup>2</sup>
Housing	60	0	6
Commercial	210	4	13
Infra	6	-1	-1
<b>Total</b>	<b>276</b>	<b>3</b>	<b>17</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	
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	

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

2022 2023 2024 2025 2026 2027 2028 2029 2030  
 ■ Planning and zoning period ■ Construction period ■ Potential exit period



**Together  
we can  
do it.**