Q2

YIT Corporation
Half-Year Report 1–6/2024

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Half-Year Report January–June 2024

Transformation program savings target achieved ahead of schedule, contracting segments the main profit drivers in the second quarter

Second quarter 2024 in brief

- Order book at the end of the period was EUR 2,980 million (31 Mar 2024: 3,091). At the end of the period, 76% of the order book was sold (31 Mar 2024: 74%).
- Revenue decreased to EUR 434 million (558), mainly due to revenue decrease in Housing. The comparison period included sale of 190 apartments in Finland to YIT's joint venture and sale and leaseback transactions of plots. In Business Premises, revenue remained stable. In Infrastructure, revenue decreased, mainly due to the revenue decrease in businesses to be closed down in Sweden, while in Finland revenue increased.
- Adjusted operating profit decreased to EUR 7 million (14). Adjusted operating profit increased in Infrastructure and remained stable in Business Premises. In Housing, adjusted operating profit decreased. Adjusted operating profit margin was 1.6% (2.6).
- Operating cash flow after investments was EUR -6 million (14), which included cash flow of EUR -39 million from investments related to housing plots, impacted mainly by payments for plots committed before 2024 in CEE countries. Cash and cash equivalents at the end of the period amounted to EUR 119 million (97).
- Net interest-bearing debt at the end of the period was EUR 788 million (865), and gearing 97% (104).
- In Housing, adjusted operating profit decreased to EUR -4 million (3). The decrease was mainly attributable to the decrease in adjusted operating profit in Finland. Consumer apartment start-ups amounted to 186 (522), all the start-ups in the second quarter were in the Baltic and CEE countries. The number of unsold completed apartments decreased to 1,212 (31 Mar 2024: 1,359), out of which 867 (31 Mar 2024: 1,000) were located in Finland and 345 (31 Mar 2024: 359) in the Baltic and CEE countries.
- In Business Premises, adjusted operating profit was EUR 5 million (6).
- In Infrastructure, adjusted operating profit increased to EUR 6 million (3), supported by the steady performance of the projects in Finland.
- Result for the period was EUR -51 million (-1). Second quarter 2024 result was impacted by the transformation program costs and operations to be closed down in Sweden.
- YIT announced on 11 June 2024 the successful issuance of new EUR 100 million green floating rate senior secured notes. The maturity of the notes is three years and they mature on 18 June 2027.The notes carry a margin of 7.50 per cent per annum over 3 months Euribor. The issue price of the notes was 100 percent.

January-June 2024 in brief

- Revenue decreased to EUR 846 million (1,013). In Business Premises, revenue increased slightly. In Infrastructure, revenue decreased mainly due to the revenue decrease in businesses to be closed down. In Housing, revenue decreased.
- Adjusted operating profit decreased to EUR -7 million (11), increasing in Infrastructure and decreasing in Housing and Business Premises. The adjusted operating profit margin was -0.9% (1.1).
- Operating cash flow after investments improved to EUR -6 million (-202).
- In Housing, adjusted operating profit decreased to EUR -9 million (6), mainly attributable to the decrease in adjusted operating profit in Housing Finland.
- In Business Premises, adjusted operating profit decreased to EUR -6 million (0), The decrease was mainly due to a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million.
- In Infrastructure, adjusted operating profit improved to EUR 6 million (4), supported by the steady performance of the projects in Finland.
- Result for the period was EUR -67 million (-15).
- 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.
- 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. Program costs are recorded in operating profit adjusting items. 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.
- In June 2023, YIT estimated that as part of the transformation program, the company had the potential to release approximately EUR 400 million in capital, excluding current assets such as self-developed projects, unsold apartments and land plots. With the actions taken by the end of June 2024, YIT had released approximately EUR 140 million of the stated potential. The actions to improve net working capital are also proceeding according to plan.

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

Unless otherwise noted, the figures in brackets in this report refer to the corresponding period in the previous year.

Comments from the President and CEO, Heikki Vuorenmaa

During the first half of 2024, we have determinately continued the execution of our transformation program and completed a multi-stage financing renewal in a planned manner. We have prioritised optimising our balance sheet and liquidity while improving the underlying performance in our business segments. At the same time, we have continued to increase our operational efficiency and customer focus and built capabilities to accelerate, when it is visible that the Finnish housing market starts to stabilise. We will continue to take the required measures to further reduce the indebtedness of the company and release capital from our investment portfolio and other non-core businesses.

We achieved the targeted savings for the transformation program well ahead of schedule, and we continue to seek further savings and efficiencies. With the actions taken by the end of June 2024, YIT will gain annualised inflation-adjusted run-rate cost savings of EUR 40 million. As a result, YIT will operate with a significantly improved cost structure going forward. I want to express my sincere thanks to all of our employees for their tireless work towards achieving the target. As expected, our result for the period has been impacted by the transformation actions taken. The lighter balance sheet and achieved operative and cost efficiencies will pay off going forward as the company will come out of the housing market cycle stronger and with better capabilities.

Releasing capital and lowering our indebtedness are high on our agenda. Within the transformation program, we have already released approximately EUR 140 million of capital. There is still work to be done to bring the capital efficiency to the desired level. Supported by the successful financing arrangements, we are able to carry out the required capital release measures with optimised timing from a value creation perspective. This might result in postponing for example the divestment of the ownership share in the Tripla Mall to a point of time when the market is more optimal.

The impact of the actions taken is already supporting profitability in our contracting segments. In the second quarter, Infrastructure achieved an over 4% rolling 12 months adjusted operating profit with negative capital employed supported by the economies of scale of the business. Business Premises continued to improve the underlying profitability supported by procurement efficiencies and is on a safe path towards operating with negative capital employed.

In Housing, the operations in the Baltic and CEE countries continued the solid performance. Our sales of consumer apartments improved year-on-year, and the market recovery continued. However, completions during the second quarter were approximately 100 apartments lower than expected, as the finalising of an approval process was shifted to early July. In Finland, the worst slowdown in the market starts to be behind and we are starting to approach the end of the cycle. The supply of new apartments in the market is significantly decreasing and consequently, the peak in the number of unsold completed new apartments in Finland is behind us. The housing market in Finland is not, however, expected to materially improve in 2024. Supported by our high-quality plot reserve and secured financing position, we have the capability to start new projects in Finland when the timing is right.

The renewal of our financing during the past six months has included measures to strengthen equity, extension of bank loans and credit limits, certain easing of loan covenants, the issuance of a convertible bond and the new issue of a senior bond. The main objective of our plan has been to ensure that liquidity remains available to the company through the Finnish housing market cycle. The maturity of the loans has been pushed significantly forward, and the company has strong liquidity to operate with even if the market situation was to continue. The successful execution of the financing arrangement in the current construction market environment has been a great achievement from the YIT team, not forgetting the strong support of the owners of the company.

While a lot of focus is on financial performance, it is paramount that we pursue our systematic work on work safety and customer satisfaction and strengthen the day-to-day safety management within the company and with its partners. As a result, the combined lost time injury frequency, relative to hours worked, has been in a downward trend improving again in the second quarter of 2024. The customer satisfaction rate has remained on a good level quarter after quarter. This demonstrates the commitment of our employees to our way of working and our culture. I want to express my appreciation for the everyday work done to ensure safety at work and the high-level customer satisfaction and encourage all our employees to continue on this path going forward.

Heikki Vuorenmaa
President and CEO

Guidance and outlook for 2024

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 the Baltic countries and 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 one quarter or year to another. Actions to release capital may have an impact on the company's profit.

Market environment

Housing market

In Finland, consumer demand continued at a low level as a result of the continued generally weak consumer confidence. The gradually decreasing interest rates may, however, have a positive effect on the consumer behaviour over time. In the investor market, the higher interest rate level has had a significant negative impact on activity levels. Although interest rates have shown signs of levelling off, the timing of the recovery remains uncertain. The housing market is not expected to materially improve during 2024.

In the Baltic and Central Eastern European countries, inflation has slowed down, and the higher interest rates have started to decrease in Poland and Czech Republic. Demand in the Czech Republic continued to further improve during the second quarter. The gradual market recovery is expected to continue, and the overall market outlook shows signs of improvement.

Real estate market

In Finland, demand remained moderate, but low market confidence in general is slowing down customers’ decision making, especially in the private sector. Activity in industrial projects is expected to increase in the coming years, driven by the green transition. Inflation in construction material prices has stabilised. The competition for new projects has intensified as a result of the overall decline in construction volumes. In the investor market, the low availability of financing and increased financing costs and yields have decreased activity levels in transactions and new developments.

In the Baltic and Central Eastern European countries, overall demand and market activity remained stable, supported especially by private-sector demand for new industrial premises in certain countries. Price inflation in construction materials has stabilised, but new project start-ups are facing challenges due to the low availability of financing and high financing costs and yield requirements.

Infrastructure market

In Finland, public-sector demand in infrastructure is expected to remain at a relatively stable level, with many investments currently in the design phase. Private-sector demand is driven by industrial construction and the transition to renewable energy. Lower construction volumes in residential construction are reflected in the demand for earthworks and foundation construction, but the long-term outlook for the overall market remains stable. The development span of infrastructure projects is relatively long, and changes in the market environment may lead to postponements of upcoming projects.

Q2 market environment

Good Normal Weak

Short-term market outlook

Improving Stable Weakening

Strategy

YIT launched its 2022–2025 strategy in November 2021. The objective of YIT's strategy is to be the most reliable partner for all its stakeholders, delivering predictable market-leading results. During 2023, YIT continued the implementation of its strategy and specified the action plans for the Housing, Business Premises and Infrastructure segments on how the business segments contribute to YIT's common goals. The company strengthened its focus on the customer and continued the determined work to improve productivity and sustainability. In February 2023, YIT launched a transformation program to accelerate the implementation of the strategy.

Transformation program

The purpose of YIT's transformation program is to increase agility and strengthen customer focus, improve competitiveness, generate efficiency gains, achieve cost savings and release capital.

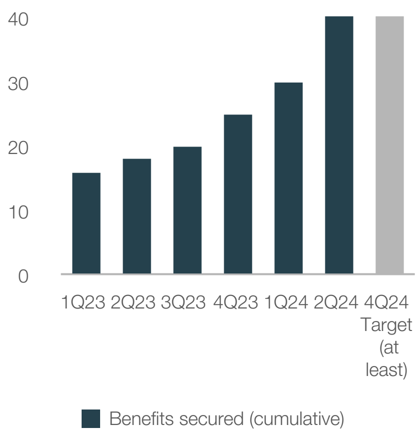
The transformation program has progressed faster than originally expected, and YIT has launched all the planned measures to achieve the targeted annual inflation-adjusted run-rate cost savings of EUR 40 million by the end of 2024. The annualised run-rate cost savings target of EUR 40 million for the program was achieved ahead of schedule by the end of June 2024, and YIT continues to seek further savings and efficiencies. Savings have been achieved by streamlining the organisation and reducing IT and premises costs, for example.

In addition to the cost savings, YIT is expecting to achieve a significant amount of project-related and capital efficiency gains. Competitiveness is improved by increasing efficiency in procurement, project management and productivity. YIT has changed the procurement model from project-level procurement to selective and partner-based cooperation, gaining savings by utilising YIT's and partners' combined knowledge. To reduce project management risks, an emphasis has been placed on project management training and supporting the starting projects in the early phases. Productivity development measures have focused on shortening the construction time and improving site coordination.

Program costs are estimated to be EUR 50–70 million in total. EUR 51 million of the program costs were realised by the end of June 2024. Program costs are recorded in operating profit adjusting items. 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. As a result, YIT made an impairment of right-of-use asset and a provision for an onerous contract totalling EUR 20 million recorded in operating profit adjusting items in transformation program costs.

In June 2023, YIT estimated that as part of the transformation program, the company had the potential to release approximately EUR 400 million in capital, excluding current assets such as self-developed projects, unsold apartments and land plots. Measures aiming to achieve the potential are ongoing. With the actions taken by the end of June 2024, YIT had released approximately EUR 140 million of the stated potential. YIT will continue to evaluate alternatives for releasing capital, including YIT's share of the Mall of Tripla Ky, considering the market situation. The actions to improve net working capital are proceeding according to plan.

Cumulative annualised cost savings secured from the transformation program (EURm)



Safety development

YIT's combined lost time injury frequency improved to 10.0 (14.1) compared to the comparison period. Lost time injury frequency improved also compared to the previous quarter. YIT has worked systematically to increase the number of observations, and to promote low-threshold intervention, feedback and employee well-being.

Results

April–June

YIT’s order book decreased slightly from the previous quarter to EUR 2,980 million (31 Mar 2024: 3,091). Order book decreased in Housing and Business Premises and increased in Infrastructure. At the end of the quarter, 76% of the order book was sold (31 Mar 2024: 74%).

YIT’s revenue decreased from the comparison period to EUR 434 million (558). In Housing, revenue decreased. Revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT’s joint venture’s rental housing portfolio and by sale and leaseback transactions for 11 plots. In Business Premises, revenue remained stable. In Infrastructure, revenue decreased, mainly due to the revenue decrease in businesses to be closed down, while revenue in Finland increased.

Adjusted operating profit decreased to EUR 7 million (14). Adjusted operating profit margin was 1.6% (2.6). The decrease in adjusted operating profit was mainly attributable to the decrease in adjusted operating profit in Housing Finland. In Business Premises, adjusted operating profit remained stable and in Infrastructure, increased significantly compared to the comparison period.

YIT’s operating profit was EUR -42 million (11). Adjusting items were EUR 49 million in the second quarter (3), mainly related to the costs of transformation program and operating profit from operations to be closed down in Sweden. 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. As a result, YIT made an impairment of right-of-use asset and a provision for an onerous contract totalling EUR 20 million recorded in operating profit adjusting items in transformation program costs. Net finance costs increased to EUR 15 million (12) year-on-year due to increased cost of funding driven by the higher interest rate environment and higher margins in refinancing. The result for the period was EUR -51 million (-1).

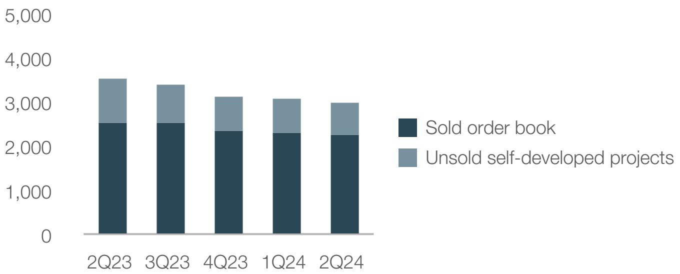
January–June

YIT’s revenue decreased to EUR 846 million (1,013). In Housing, revenue decreased from the comparison period. Revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT’s joint venture’s rental housing portfolio and by sale and leaseback transactions for 11 plots in the second quarter. In Business Premises revenue increased. In Infrastructure, revenue decreased mainly due to the revenue decrease in businesses to be closed down.

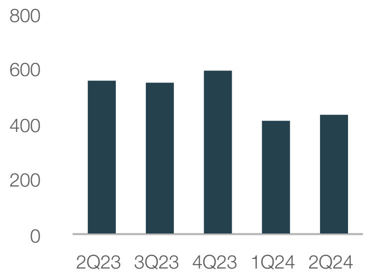
YIT’s adjusted operating profit decreased to EUR -7 million (11), and the adjusted operating profit margin was (0.9)% (1.1). In Housing, adjusted operating profit decreased mainly attributable to the decrease in adjusted operating profit in Housing Finland. In Business Premises, adjusted operating profit decreased. The decrease was mainly due to a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million. In Infrastructure, adjusted operating profit increased supported by the steady performance of the projects in Finland.

YIT’s operating profit was EUR -51 million (4). Adjusting items amounted to EUR 43 million (7), mainly related to the gain on sale of the equipment services business YIT Kalusto Oy, offset by the costs of transformation program and operating profit from operations to be closed down. Net finance costs amounted to EUR 29 million (23). The result for the period amounted to EUR -67 million (-15), and earnings per share amounted to EUR -0.31 (-0.08).

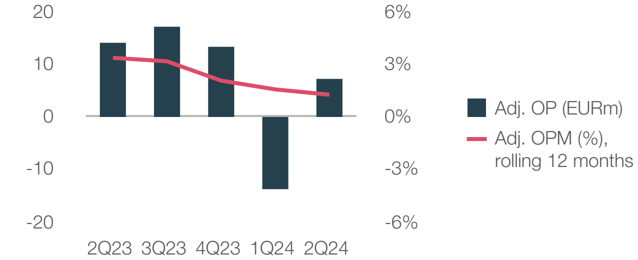
Order book (EURm)



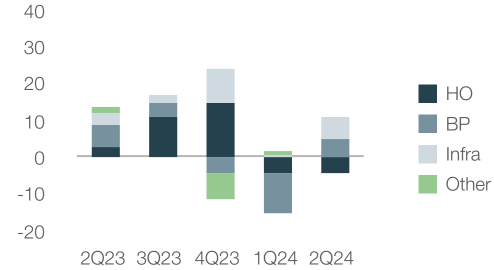
Revenue (EURm)



Adjusted operating profit and adjusted operating profit margin



Adjusted operating profit per segment (EURm)



Cash flow

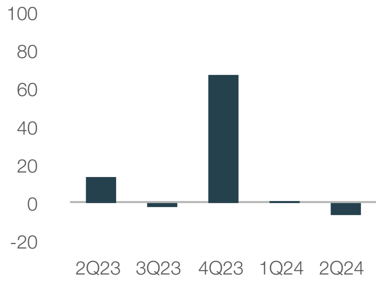
April–June

YIT's operating cash flow after investments decreased to EUR -6 million (14). Cash flow from plot investments amounted to EUR -39 million (-17), impacted mainly by payments for plots committed before 2024 in CEE countries.

January–June

YIT's operating cash flow after investments amounted to EUR -6 million (-202). Cash flow from plot investments was EUR -45 million (-64).

Operating cash flow after investments (EURm)



Financial position

At the end of the period, interest-bearing debt amounted to EUR 981 million (1,024). Net interest-bearing debt decreased to EUR 788 million (865). Net interest-bearing debt included IFRS 16 lease liabilities of EUR 278 million (279), as well as housing company loans of EUR 219 million (257) related to unsold apartments. Gearing ratio decreased to 97% (104). Equity ratio was 33% (32). Equity decreased to EUR 814 million (828). The net debt/adjusted EBITDA ratio was 17.1 (31 Mar 2024: 13.9), and the interest cover ratio 0.8 (31 Mar 2024: 1.0).

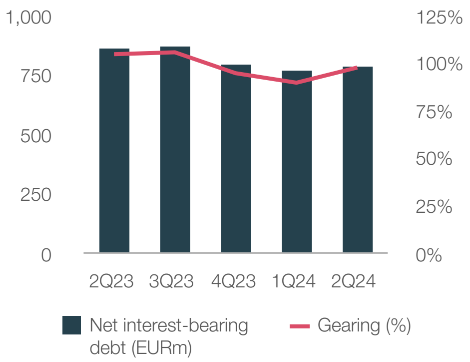
Cash and cash equivalents increased to EUR 119 million (97), and YIT had undrawn overdraft facilities amounting to EUR 20 million (35). YIT also had a EUR 250 million committed revolving credit facility, of which EUR 136 million (255) was unused and available at the end of the second quarter. Unutilised and committed housing company loan limits associated with apartment projects decreased to EUR 21 million (101), as a result of the lower number of consumer apartments under construction in Finland.

YIT announced on 11 June 2024 the successful issuance of new EUR 100 million green floating rate senior secured notes. The maturity of the notes is three years and they mature on 18 June 2027.The notes carry a margin of 7.50 per cent per annum over 3 months Euribor. The issue price of the notes was 100 percent.

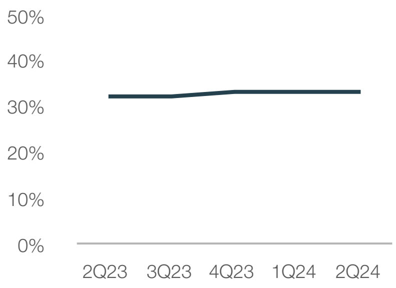
Capital employed decreased to EUR 1,546 million (1,683) at the end of the second quarter, decreasing also from the previous quarter (31 Mar 2024: 1,591). Capital employed was supported by the successful capital release measures and burdened by the capital employed in Housing Finland, attributable to the high level of unsold completed apartments.

Investments in plots in the quarter were EUR 11 million (25). Investments in leased plots, excluding sale and leaseback transactions, were EUR 0 million (0). The total plot reserve at the end of the quarter amounted to EUR 831 million (846).

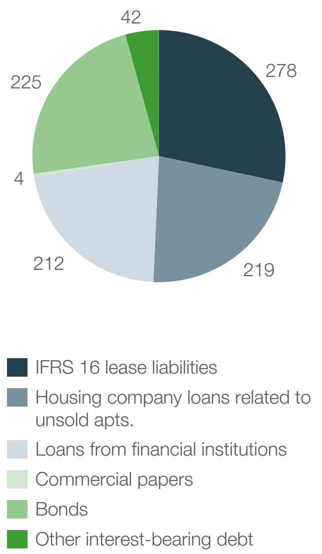
Net interest-bearing debt and gearing



Equity ratio



Distribution of interest-bearing debt (EURm)



Housing

EUR million	4–6/24	4–6/23	1–6/24	1–6/23	1–12/23
Revenue	144	252	313	446	912
Operating profit	-4	3	-9	6	32
Adjusted operating profit	-4	3	-9	6	32
Adj. operating profit margin, %	-2.9	1.0	-2.8	1.4	3.5
Order book at end of period	1,011	1,376	1,011	1,376	1,105
Capital employed	1,071	1,056	1,071	1,056	1,054

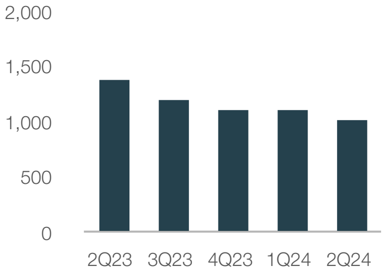
April–June

- Revenue decreased to EUR 144 million (252).
    - Revenue in Finland decreased to EUR 99 million (203). Revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT's joint venture's rental housing portfolio and by sale and leaseback transactions for 11 plots.
    - Revenue in the Baltic and CEE countries was EUR 45 million (49).
- Adjusted operating profit decreased to EUR -4 million (3), negatively impacted by low consumer sales in Finland.
    - Adjusted operating profit in Finland was EUR -6 million (2).
    - Adjusted operating profit in the Baltic and CEE countries was EUR 2 million (0).
- Consumer apartment sales increased in Finland to 154 (105) apartments. Demand in the Baltic and CEE countries was healthy, with consumer apartment sales increasing to 198 (183) apartments.
- Consumer apartment start-ups in the quarter were 186 (522), of which 0 (0) were in Finland, and 186 (522) in the Baltic and CEE countries.
- The number of unsold completed apartments decreased to 1,212 (31 Mar 2024: 1,359), out of which 867 (31 Mar 2024: 1,000) were located in Finland and 345 (31 Mar 2024: 359) in the Baltic and CEE countries. The unsold completed apartments are located in attractive housing markets, with more than 90% of the units in capital regions or university towns in Finland and the Baltic and CEE countries. YIT recognises unsold completed apartments at the lower of cost or net realisable value on its balance sheet.
- The share of results of associated companies and joint ventures was EUR 0 million (3), and changes in the fair value of the segment's equity investments amounted to EUR 0 million (-1).
- Capital employed at the end of the period remained stable at EUR 1,071 million (1,056), burdened by the unsold completed apartments attributable to the high level of unsold completed apartments in Finland. Capital employed in Finland increased to EUR 695 million (648), and decreased to EUR 377 million (408) in the Baltic and CEE countries at the end of the period.
- The land bank in Housing amounted to 2,159,000 sqm (31 Mar 2024: 2,175,000). The land bank will enable the construction of approximately 34,000 new homes.
- Consumer apartment sales from the inventory of YIT's project development associated companies and joint ventures was 84 apartments (34) in the second quarter. Respectively, the number of unsold completed apartments was 204 (45). Overall, YIT's associated companies and joint ventures enable YIT to construct over 2,000 new homes in the Baltic and CEE countries.

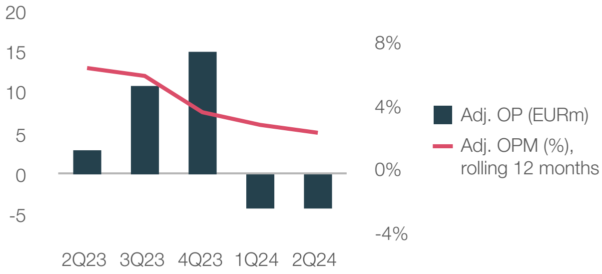
January–June

- Revenue decreased to EUR 313 million (446).
    - Revenue in Finland was EUR 218 million (324). The revenue in the comparison period was supported by the sale of 190 apartments in Finland to YIT's joint venture's rental housing portfolio and by sale and leaseback transactions for 11 plots.
    - Revenue in the Baltic and CEE countries was EUR 96 million (123).
- Adjusted operating profit decreased to EUR -9 million (6).
    - Adjusted operating profit in Finland was EUR -13 million (-3).
    - Adjusted operating profit in the Baltic and CEE countries was EUR 4 million (9).
- The share of results of associated companies and joint ventures was EUR 1 million (5), and changes in the fair value of the segment's equity investments amounted to EUR -1 million (-1).

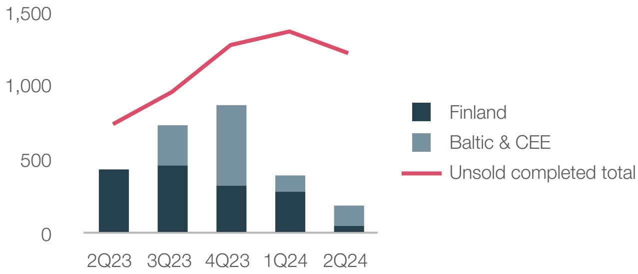
Order book (EURm)



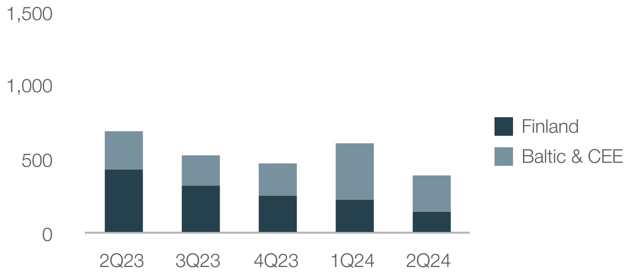
Adjusted operating profit and adjusted operating profit margin



Consumer apartment completions (units)



Sold apartments (units)



Business Premises

EUR million	4–6/24	4–6/23	1–6/24	1–6/23	1–12/23
Revenue	205	204	375	365	843
Operating profit	5	5	-6	-2	-2
Adjusted operating profit	5	6	-6	0	0
Adj. operating profit margin, %	2.6	3.2	-1.5	-0.1	—
Order book at end of period	1,165	1,391	1,165	1,391	1,244
Capital employed	257	319	257	319	247

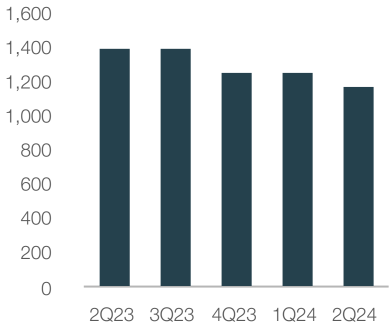
April–June

- Revenue remained stable at EUR 205 million (204).
- Adjusted operating profit amounted to EUR 5 million (6).
- YIT's partly owned Mall of Tripla continued its good operational performance. The Mall of Tripla's total revenue increased, and the total number of visitors grew year-on-year. The fair value of YIT's equity investment in Tripla Mall Ky was EUR 183 million (31 Mar 2024: 182). The total change in the fair value of the segment's equity investments amounted to EUR 1 million (2).
- The share of results of associated companies and joint ventures was EUR 0 million (-1).
- Capital employed improved and decreased to EUR 257 million (319) at the end of the period.
- Order book amounted to EUR 1,165 million (31 Mar 2024: 1,251). At the end of the quarter, the order book included EUR 314 million (31 Mar 2024: 322) of service periods for life cycle projects.

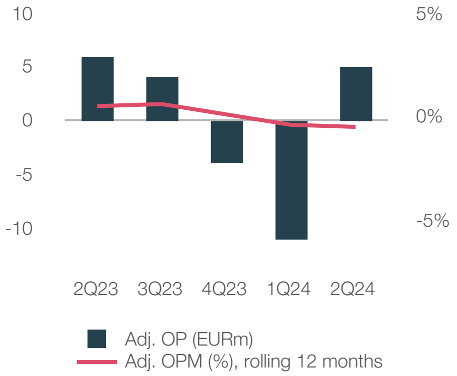
January–June

- Revenue increased to EUR 375 million (365).
- Adjusted operating profit decreased to EUR -6 million (0), The decrease was mainly due to a decrease in the fair value of Tripla Mall caused by a yield increase in the first quarter, impacting the adjusted operating profit by EUR -12 million.
- The share of results of associated companies and joint ventures was EUR -1 million (-1). Changes in the fair value of the segment's equity investments amounted to EUR -9 million (4).

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Infrastructure

EUR million	4–6/24	4–6/23	1–6/24	1–6/23	1–12/23
Revenue	94	112	179	221	437
Operating profit	-16	3	-5	4	45
Adjusted operating profit	6	3	6	4	14
Adj. operating profit margin, %	6.2	2.6	3.6	1.6	3.3
Order book at end of period	805	773	805	773	808
Capital employed	-32	42	-32	42	36

Operating profits from the businesses to be closed down in Norway, and Sweden from Q4/23 onwards, are recorded in adjusting items and not presented in adjusted operating profit.

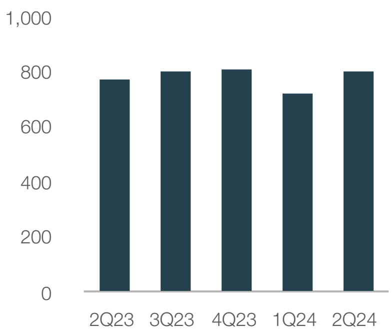
April–June

- Revenue decreased to EUR 94 million (112).
    - Revenue in Finland increased to EUR 92 million (90). The comparison figure includes the revenue from YIT Kalusto Oy, divested in the first quarter of 2024.
    - Revenue in businesses to be closed down decreased to EUR 2 million (22).
- Adjusted operating profit increased to EUR 6 million (3), supported by the steady performance of the projects in Finland.
- Operating profit adjusting items were mainly related to finalising historical projects in Sweden.
- Capital employed at the end of the period improved significantly and decreased to EUR -32 million (42). The improvement was mainly related to successful capital release measures.
- Order book increased to EUR 805 million (31 Mar 2024: 722).
- On 19 June 2024 YIT announced it had signed a contract with Prysmian Group Finland Oy for the construction and expansion of warehouse facilities in the company's Kirkkonummi production site for submarine cables. The total value of the construction project is approximately EUR 35 million. The contract was entered in the order book for the second quarter of 2024.

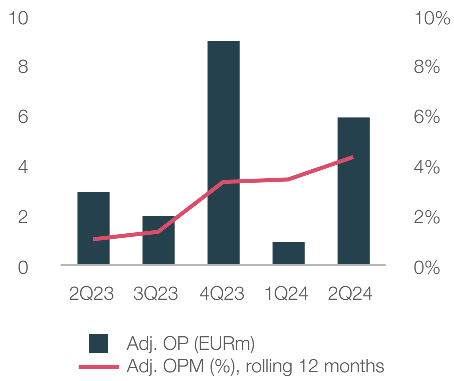
January–June

- Revenue decreased to EUR 179 million (221).
    - Revenue in Finland decreased slightly to EUR 166 million (173). The comparison figure includes the revenue from YIT Kalusto Oy, divested in the first quarter of 2024.
    - Revenue in businesses to be closed down decreased to EUR 13 million (47).
- Adjusted operating profit increased to EUR 6 million (4), supported by the steady performance of the projects in Finland.

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Shares

YIT Corporation's share capital and the number of shares remained unchanged during the second quarter of 2024.

At the end of the reporting period, YIT's share capital was EUR 149,716,748.22 (31 Dec 2023: 149,716,748.22), and the number of shares outstanding was 230,574,104 (31 Dec 2023: 209,547,734).

Personnel

During January–June, the Group employed an average of 4,477 people (5,156) in continuing operations. Personnel expenses in April–June totalled EUR 68 million (83) and in January–June amounted to EUR 136 million (166).

Governance

Changes in the Group Management Team

There were no changes in the Group Management Team during January-June 2024.

Significant risks and uncertainties

The purpose of YIT's risk management is to promote the achievement of the objectives set for YIT's operations and ensure the continuity of operations. Risk management is incorporated into all the Group's significant operating, reporting and management processes. Risk management planning, risk exposure assessment and risk analyses of the operating environment are part of the annual strategy and planning process. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

YIT has categorised the risks that are significant to its operations as strategic, operational, project-related, financial and event risks. Detailed descriptions of risks, their impacts and risk management practices are available in the Board of Directors' Report published on 19 February 2024.

Low residential demand, especially in Finland, continues due to the uncertainty in the macroeconomic environment. At YIT, the implications of market uncertainty could lead to weakening business performance and profitability or the postponement of revenue and profit from one quarter or year to another. Delayed apartment completions could also lead to the postponement of revenue and profit from one quarter or year to another.

The escalation of geopolitical risks reflected in general uncertainty and demand could have a negative impact on the company's financial position.

The company is executing capital release measures that may have an impact on its financial position.

YIT Corporation
Board of Directors

Helsinki, 26 July 2024

Half-Year Report January–June 2024: Tables

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Primary Financial Statements

Consolidated income statement

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**
Other operating income	1	3	21	6	57
Change in inventories of finished goods and in work in progress	-21	32	-65	68	-47
Materials and supplies	-63	-104	-114	-169	-353
External services	-245	-325	-448	-638	-1,234
Personnel expenses	-68	-83	-136	-166	-310
Other operating expenses	-64	-65	-121	-101	-207
Changes in fair value of financial assets	—	2	-10	3	-1
Share of results of associated companies and joint ventures	—	2	—	4	13
Depreciation, amortisation and impairment	-17	-8	-22	-15	-29
Operating profit	**-42**	**11**	**-51**	**4**	**51**
Finance Income	—	2	3	2	5
Exchange rate differences (net)	-1	-1	-1	-3	-5
Finance expenses	-14	-12	-31	-23	-56
Finance income and expenses, total	-15	-12	-29	-23	-56
Result before taxes	**-57**	**-1**	**-79**	**-19**	**-5**
Income taxes	6	-1	12	4	8
Result for the period	**-51**	**-1**	**-67**	**-15**	**3**
Attributable to					
Owners of YIT Corporation	-51	-1	-67	-15	3
Earnings per share, attributable to the equity holders of the parent company, EUR					
Basic, total	-0.23	-0.01	-0.31	-0.08	-0.01
Diluted, total	-0.23	-0.01	-0.31	-0.08	-0.01

Consolidated statement of comprehensive income

EUR million	4–6/24	4–6/23	1–6/24	1–6/23	1–12/23
Result for the period	-51	-1	-67	-15	3
Items that may be reclassified to income statement					
Cash flow hedges, net of tax	-1	-1	-1	-1	-3
Change in translation differences	1	4	—	5	4
Items that may be reclassified to income statement, total	**—**	**3**	**-2**	**4**	**2**
Items that will not be reclassified to income statement					
Change in fair value of defined benefit pension, net of tax					—
Items that will not be reclassified to income statement, total					**—**
Other comprehensive income, total	**—**	**3**	**-2**	**4**	**2**
Total comprehensive income	**-51**	**2**	**-69**	**-11**	**5**
Attributable to					
Owners of YIT Corporation	-51	2	-69	-11	5

Consolidated statement of financial position

EUR million	6/24	6/23	12/23
ASSETS			
Non-current assets			
Property, plant and equipment	20	36	22
Leased property, plant and equipment	43	67	60
Goodwill	248	248	248
Other intangible assets	3	4	3
Investments in associated companies and joint ventures	74	75	77
Equity investments	205	220	214
Interest-bearing receivables	59	62	62
Trade and other receivables	41	43	73
Deferred tax assets	64	36	49
Non-current assets total	**756**	**790**	**807**
Current assets			
Inventories	1,344	1,517	1,417
Leased inventories	218	226	192
Trade and other receivables	240	314	255
Interest-bearing receivables	15	1	12
Income tax receivables	2	2	2
Cash and cash equivalents	119	97	128
Current assets total	**1,938**	**2,157**	**2,006**
Assets classified as held for sale			**18**
Total assets	**2,694**	**2,947**	**2,832**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	715	729	746
Hybrid bond	99	99	99
Equity total	**814**	**828**	**845**
Non-current liabilities			
Deferred tax liabilities	1	5	4
Pension obligations	3	3	3
Provisions	93	86	87
Interest-bearing liabilities	478	184	328
Lease liabilities	261	259	240
Contract liabilities, advances received	7	—	5
Trade and other payables	24	27	29
Non-current liabilities total	**867**	**565**	**695**
Current liabilities			
Contract liabilities, advances received	243	297	248
Other contract liabilities	10	81	10
Trade and other payables	457	544	535
Income tax payables	5	3	5
Provisions	55	48	54
Interest-bearing liabilities	225	561	414
Lease liabilities	17	20	16
Current liabilities total	**1,013**	**1,554**	**1,282**
Liabilities directly associated with assets classified as held for sale			**11**
Liabilities total	**1,879**	**2,118**	**1,987**
Total equity and liabilities	**2,694**	**2,947**	**2,832**

Consolidated cash flow statement

EUR million	4–6/24	4–6/23	1–6/24	1–6/23	1–12/23
Result for the period	**-51**	**-1**	**-67**	**-15**	**3**
Reversal of accrual-based items	37	13	37	26	28
Change in trade and other receivables	50	-17	43	-43	17
Change in inventories	11	-12	73	-78	21
Change in current liabilities	-33	46	-75	-34	-121
Change in working capital, total	27	17	41	-155	-83
Cash flow of financial items	-25	-16	-46	-37	-66
Taxes paid (-)	-3	-1	-5	-16	-21
Net cash generated from operating activities	**-15**	**12**	**-40**	**-197**	**-139**
Cash flow from investing activities					
Sale of subsidiaries, net of cash	—	—	34	—	10
Investments in associated companies and joint ventures	-2	-2	-3	-2	-6
Proceeds from sale of associated companies and joint ventures	1	—	1	—	2
Purchases of tangible assets	-1	-1	-6	-3	-4
Purchases of intangible assets	—	—	—	—	—
Proceeds from tangible and intangible assets	—	1	1	1	2
Proceeds from sale of investments	—	—	—	—	11
Dividends received (from associated companies and joint ventures)	5	4	5	4	4
Increase in interest-bearing receivables	-2	-8	-6	-14	-27
Decrease in interest-bearing receivables	7	8	8	9	11
Net cash used in investing activities	**8**	**2**	**35**	**-5**	**2**
Operating cash flow after investments	**-6**	**14**	**-6**	**-202**	**-137**
Cash flow from financing activities					
Proceeds from issue of shares	—	—	32	—	—
Proceeds from non-current interest-bearing liabilities	125	85	257	85	360
Repayments of non-current interest-bearing liabilities	-227	-40	-227	-40	-310
Proceeds from current interest-bearing liabilities	11	10	31	154	326
Repayments of current interest-bearing liabilities	-50	-25	-89	-80	-260
Payments of lease liabilities	-4	-5	-9	-10	-22
Dividends paid	—	-19	—	-19	-38
Net cash used in financing activities	**-145**	**6**	**-5**	**90**	**57**
Net change in cash and cash equivalents	-152	20	-11	-112	-81
Cash and cash equivalents at the beginning of the period	268	75	128	206	206
Foreign exchange differences	2	2	1	2	2
Cash and cash equivalents at the end of the period	**119**	**97**	**119**	**97**	**128**

Consolidated statement of changes in equity

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2024	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**
Result for the period						-67	-67		-67
Cash flow hedges, net of tax				-1			-1		-1
Translation differences			—				—		—
Comprehensive income for the period, total			**—**	**-1**		**-67**	**-69**		**-69**
Share issue		33					33		33
Share-based incentive schemes					—	-1	—		—
Convertible note						6	6		6
Transactions with owners, total		**33**			**—**	**5**	**38**		**38**
Equity on 30 June 2024	**150**	**586**	**5**	**-1**	**-7**	**-18**	**715**	**99**	**814**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						-15	-15		-15
Cash flow hedges, net of tax				-1			-1		-1
Translation differences			5				5		5
Comprehensive income for the period, total			**5**	**-1**		**-15**	**-11**		**-11**
Dividend distribution						-38	-38		-38
Share-based incentive schemes					—	—	—		—
Transactions with owners, total						**-38**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-6	-6		-6
Equity on 30 June 2023	**150**	**553**	**6**	**3**	**-8**	**25**	**729**	**99**	**828**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						3	3		3
Cash flow hedges, net of tax				-3			-3		-3
Change in fair value of defined benefit pension, net of tax						—	—		—
Translation differences			4				4		4
Comprehensive income for the period, total			**4**	**-3**		**3**	**5**		**5**
Dividend distribution						-38	-38		-38
Share-based incentive schemes					—	1	1		1
Transactions with owners, total					**—**	**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-6	-6		-6
Equity on 31 December 2023	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**

Basis of preparation and accounting policies of the half-year report

Basis of preparation

This half-year report has been prepared in accordance with IFRS Accounting Standards recognition and measurement principles, and all the requirements of IAS 34 Interim Financial Reporting standard have been applied. This half-year report should be read together with YIT's consolidated Financial Statements 2023. The figures presented in the half-year report are unaudited. In the half-year report, the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in columns and total sums.

Accounting policies

The same IFRS Accounting Standards recognition and measurement principles have been applied in the preparation of this half-year report as in YIT's consolidated Financial Statements 2023, except for the amendments to the IFRS Accounting Standards effective as of January 1, 2024 and the additions described in the following paragraphs. The amendments had no impact on the consolidated financial statements.

Convertible bonds are compound instruments with components of the bonds classified separately as financial liabilities and equity in accordance with the substance of the arrangement. The liability component is recognized initially at fair value of a similar liability. The equity component is recognized initially at the difference between the fair values of the full bond and the liability component. Transaction costs are allocated to the components in proportion to their initial carrying amounts. The fair value includes the value of conversion rights. Subsequently the liability component is measured at amortized cost with the effective interest method. At conversion or on expiry the equity component is reclassified within equity.

In addition, when calculating the earnings per share, diluted earnings per share is calculated by adjusting the adjusted weighted average number of ordinary shares outstanding with the assumption that convertible instruments are converted. The profit or loss used in the calculation is adjusted for the interest expense related to the instrument and recognised in the period, net of tax. However, potential ordinary shares are only dilutive if the adjustments decrease the earnings per share ratio.

Significant management judgements

In preparing this half-year report, significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated Financial Statements for the year ended 31 December 2023.

Russia's invasion of Ukraine

The sections of the financial statements that involve an unusual amount of judgement or that include significant assumptions and estimates have been described in YIT's Financial Statements 2023. When making these judgements, the management constantly estimates the impact of Russia's invasion of Ukraine on the estimates and judgements. The Russian invasion of Ukraine is not expected to have direct impacts on YIT's financial performance that would require material adjustments to carrying amounts in the statement of financial position. However, YIT's management continuously monitors the market indicators and estimated future cash flows related to fair values of investments and carrying amounts of other assets.

Most relevant currency exchange rates used in the half-year report

		Average rates		End Rates	
		1–6/24	1–6/23	6/24	6/23
1 EUR =	CZK	25.0169	23.6807	25.0250	23.7420
	PLN	4.3166	4.6249	4.3090	4.4388
	SEK	11.3903	11.3321	11.3595	11.8055
	NOK	11.4937	11.3231	11.3965	11.7040

Notes

Adjustments concerning prior periods

Adjustment to reported leased plots

YIT supplemented agreements in the scope of IFRS 16 leases in the last quarter in 2023. YIT adjusted the income statement and statement of financial position for the first three quarters of 2023 for the effects of the supplemented lease agreements. All adjustments are related to Housing segment. The adjustments are described in the tables below.

EUR million	3/23	Adjustment	Adjusted 3/23	6/23	Adjustment	Adjusted 6/23	9/23	Adjustment	Adjusted 9/23
Leased inventories	163	47	**209**	180	47	**226**	158	48	**206**
Equity attributable to owners of the parent company	732	—	**732**	729	—	**729**	725	—	**725**
Non-current lease liabilities	194	46	**241**	213	46	**259**	193	48	**241**
Current lease liabilities	19	—	**19**	19	—	**20**	32	—	**32**

EUR million	1-3/23	Adjusted 1-3/23	1-6/23	Adjusted 1-6/23	1-9/23	Adjusted 1-9/23
Other operating expenses	-38	**-37**	-103	**-101**	-149	**-146**
Operating profit	-8	**-7**	2	**4**	16	**18**
Finance expenses	-10	**-11**	-21	**-23**	-34	**-36**
Finance income and expenses, total	-11	**-12**	-22	**-23**	-34	**-37**
Result before taxes	-19	**-19**	-20	**-19**	-19	**-18**
Result for the period	-14	**-14**	-15	**-15**	-14	**-14**

Key figures

EUR million	1-3/23	Adjusted 1-3/23	1-6/23	Adjusted 1-6/23	1-9/23	Adjusted 1-9/23
Adjusted operating profit	-4	**-3**	10	**11**	26	**28**
Adjusted operating profit-%	-0.9	**-0.7**	0.9	**1.1**	1.6	**1.8**
Capital employed	1,626	**1,672**	1,636	**1,683**	1,632	**1,681**
Net interest-bearing debt	791	**837**	819	**865**	820	**869**
Gearing ratio, %	95	**101**	99	**104**	100	**105**
Equity ratio, %	34	**33**	33	**32**	33	**32**
Return on capital employed, % (ROCE, rolling 12 months)	6.0	**6.0**	4.9	**4.9**	4.4	**4.4**
Net debt/ adjusted EBITDA, rolling 12 months	7.1	**7.5**	8.2	**8.5**	8.7	**9.0**

Adjustment to presentation of consolidated cash flow statement

YIT has adjusted the presentation of consolidated cash flow statement between net cash used in investing activities and net cash used in financing activities. Change in interest-bearing receivables, previously presented in net cash used in financing activities, is now presented in net cash used in investing activities. The table below presents the adjustments for Q1-Q3/2023.

EUR million	1-3/23	Adjust -ment	Adjusted 1-3/23	1-6/23	Adjust -ment	Adjusted 1-6/23	1-9/23	Adjust -ment	Adjusted 1-9/23
Net cash used in investing activities	-1	-5	**-7**	0	-5	**-5**	-1	-4	**-5**
Net cash used in financing activities	79	5	**84**	85	5	**90**	89	4	**93**

Segment information

Segment financial information

4–6/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**144**	**205**	**94**	**-10**	**434**
Revenue from external customers	136	205	92	—	434
Revenue Group internal	8	—	2	-10	—
Depreciation, amortisation and impairment	-1	-1	-1	-14	-17
Operating profit	**-4**	**5**	**-16**	**-28**	**-42**
Operating profit margin, %	**-2.9**	**2.6**	**-16.9**		**-9.8**
Adjusting items	—	—	22	28	49
Adjusted operating profit	**-4**	**5**	**6**	**0**	**7**
Adjusted operating profit margin, %	**-2.9**	**2.6**	**6.2**		**1.6**

4–6/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**252**	**204**	**112**	**-10**	**558**
Revenue from external customers	252	200	106	-1	558
Revenue Group internal	—	4	6	-10	—
Depreciation, amortisation and impairment	-1	-2	-2	-2	-8
Operating profit	**3**	**5**	**3**	**0**	**11**
Operating profit margin, %	**1.0**	**2.6**	**2.6**		**2.0**
Adjusting items	—	1	—	2	3
Adjusted operating profit	**3**	**6**	**3**	**2**	**14**
Adjusted operating profit margin, %	**1.0**	**3.2**	**2.6**		**2.6**

1–6/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**313**	**375**	**179**	**-21**	**846**
Revenue from external customers	299	374	174	—	846
Revenue Group internal	14	1	5	-21	—
Depreciation, amortisation and impairment	-2	-1	-3	-16	-22
Operating profit	**-9**	**-6**	**-5**	**-32**	**-51**
Operating profit margin, %	**-2.8**	**-1.5**	**-2.6**		**-6.0**
Adjusting items	—	—	11	32	43
Adjusted operating profit	**-9**	**-6**	**6**	**1**	**-7**
Adjusted operating profit margin, %	**-2.8**	**-1.5**	**3.6**		**-0.9**

1–6/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**446**	**365**	**221**	**-18**	**1,013**
Revenue from external customers	446	361	208	-1	1,013
Revenue Group internal	—	4	13	-17	—
Depreciation, amortisation and impairment	-2	-3	-5	-5	-15
Operating profit	**6**	**-2**	**4**	**-4**	**4**
Operating profit margin, %	**1.4**	**-0.5**	**1.6**		**0.4**
Adjusting items	—	1	—	6	7
Adjusted operating profit	**6**	**0**	**4**	**2**	**11**
Adjusted operating profit margin, %	**1.4**	**-0.1**	**1.6**		**1.1**

1–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**912**	**843**	**437**	**-30**	**2,163**
Revenue from external customers	912	844	409	-3	2,163
Revenue Group internal	—	-1	28	-28	—
Depreciation, amortisation and impairment	-4	-6	-10	-10	-29
Operating profit	**32**	**-2**	**45**	**-24**	**51**
Operating profit margin, %	**3.5**	**-0.2**	**10.3**		**2.4**
Adjusting items	—	1	-31	20	-10
Adjusted operating profit	**32**	**0**	**14**	**-5**	**41**
Adjusted operating profit margin, %	**3.5**	**0.0**	**3.3**		**1.9**

Capital employed by segments

EUR million	6/24	6/23	12/23
Housing	1,071	1,056	1,054
Business Premises	257	319	247
Infrastructure	-32	42	36
Other Items	250	265	266
Capital employed, segments total	**1,546**	**1,683**	**1,603**
Reconciliation*	—	—	15
Capital employed, total	**1,546**	**1,683**	**1,618**

*Reconciliation relates to assets and liabilities classified as held for sale, which are not part of capital employed items presented in the consolidated statement of financial position.

Order book at the end of the period by segments

EUR million	6/24	6/23	12/23
Housing	1,011	1,376	1,105
Business Premises	1,165	1,391	1,244
Infrastructure	805	773	808
Internal order book	—	—	—
Order book, total	**2,980**	**3,540**	**3,157**

Revenue from customer contracts

1–6/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue by market area					
Finland	203	284	161	—	648
Baltic & CEE	96	90	—	—	186
Baltic countries	40	85	—	—	125
Central Eastern European countries	55	5	—	—	60
Scandinavia	—	—	13	—	13
Sweden	—	—	20	—	20
Norway	—	—	-7	—	-7
Internal sales between segments	14	1	5	-21	—
Total	**313**	**375**	**179**	**-21**	**846**

1–6/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Timing of revenue recognition					
Over time	89	360	174	—	623
At a point in time	210	14	—	—	224
Internal sales between segments	14	1	5	-21	—
Total	**313**	**375**	**179**	**-21**	**846**

1–6/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue by market area					
Finland*	323	294	161	-1	776
Baltic & CEE	123	67	—	—	189
Baltic countries	41	65	—	—	106
Central Eastern European countries*	82	2	—	—	84
Scandinavia	—	—	47	—	47
Sweden	—	—	47	—	47
Norway	—	—	—	—	—
Internal sales between segments	—	4	13	-17	—
Total	**446**	**365**	**221**	**-18**	**1,013**

*2023 figures for Housing segment have been adjusted

1–6/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Timing of revenue recognition					
Over time	149	354	208	-2	710
At a point in time	297	6	—	—	303
Internal sales between segments	—	4	13	-17	—
Total	**446**	**365**	**221**	**-18**	**1,013**

Property, plant and equipment

EUR million	6/24	6/23	12/23
Carrying amount at Jan, 1	**22**	**37**	**37**
Exchange rate differences	—	—	—
Increases	6	3	4
Decreases	—	—	—
Business disposals	-5		
Depreciation	-2	-4	-8
Reclassifications	—	—	—
Transfers to assets classified as held for sale			-12
Carrying amount at the end of the period	**20**	**36**	**22**

Leased property, plant and equipment

EUR million	6/24	6/23	12/23
Carrying amount at Jan, 1	**60**	**68**	**68**
Exchange rate differences	—	—	—
Increases, including the effect of index changes	3	9	19
Decreases	—	-1	-5
Business disposals			—
Depreciation and impairment*	-20	-9	-18
Transfers to assets classified as held for sale			-5
Carrying amount at the end of the period	**43**	**67**	**60**

*During Q2 2024 YIT made an impairment of right-of-use asset amounting to EUR 12 million as a part of the transformation program to partially release its leased headquarter premises for sublease.

Goodwill

EUR million	6/24	6/23	12/23
Housing	105	105	105
Business Premises	87	87	87
Infrastructure	56	56	56
Goodwill total	**248**	**248**	**248**

EUR million	6/24	6/23	12/23
Carrying amount at Jan, 1	**248**	**249**	**249**
Decreases		-1	-1
Carrying amount at the end of the period	**248**	**248**	**248**

Disposals of business

On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of YIT Kalusto Oy, the company's subsidiary providing in-house equipment services, to Renta Oy. As part of the arrangement, YIT and Renta announced the signing of a long-term cooperation agreement on the delivery of equipment services to YIT in Finland. In addition to the share transaction, YIT announced that it would sell the property used by YIT Kalusto Oy, located in Urjala, Finland, to Renta. Prior to the share transaction, the specialised equipment related to YIT's Infrastructure business and the personnel working with the business was transferred to YIT Infra Oy in an intra-group business transaction. The transaction was closed on 29 February 2024. YIT Kalusto Oy was classified as an asset held-for-sale at year-end 2023 because the sale was highly probable at year-end. YIT Kalusto Oy was part of the Infrastructure segment.

YIT recorded a gain on sale of EUR 18 million of the transaction. The enterprise value of the transaction was EUR 37 million in total, and the cash flow from the transaction amounted to EUR 34 million. As a condition precedent to the closing of the transaction, YIT redeemed the leased equipment to YIT Kalusto Oy, which resulted the total net cash inflow from the transaction to amount EUR 29 million.

In December 2023, YIT sold its renewable energy business, YIT Energy Oy, to Eolus Vind AB. The transaction price consists of a fixed and a variable consideration. YIT recorded a discounted total consideration of EUR 48 million and a gain on sale of EUR 47 million in 2023. The effect of discounting in the total consideration recorded amounts to EUR 4 million. Gain on sale is presented as part of the other operating income in the consolidated income statement. YIT Energy Oy was part of the Infrastructure segment.

Inventories

EUR million	6/24	6/23	12/23
Raw materials and consumables	5	8	7
Work in progress	286	577	370
Plot reserve	653	684	664
Completed apartments and real estate	384	232	360
Advance payments	15	16	16
Other inventories	—	—	—
Inventories	**1,344**	**1,517**	**1,417**
Plot reserve	177	162	150
Plots, work in progress	7	33	12
Plots, completed apartments and real estate	34	31	30
Leased inventories	**218**	**226**	**192**

In 2023, YIT recognised inventory write-downs related to the Business Premises segment amounting to EUR 3 million.

Financial assets and liabilities by category

30 June 2024, EUR million

Measurement category	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities recognised at fair value through profit and loss	Financial assets and liabilities recognised at fair value through comprehensive income	Carrying amount	Fair value	Fair value measurement hierarchy
Non-current financial assets						
Equity investments		203	2	205	205	Level 3
Trade receivables, interest-bearing receivables and other receivables*	53			53	45	
Interest-bearing receivables and other receivables		38		38	38	Level 3
Other receivables		5		5	5	Level 2
Derivative agreements		3		3	3	Level 2
Current financial assets						
Trade receivables, interest-bearing receivables and other receivables*	158			158	158	
Other receivables		10		10	10	Level 2
Derivative agreements		1	—	1	1	Level 2
Cash and cash equivalents	119			119	119	
Financial assets by category, total	**330**	**259**	**2**	**591**	**582**	
Non-current financial liabilities						
Interest-bearing liabilities	478			478	464	
Trade payables and other liabilities*	23			23	20	
Derivative agreements		—	1	1	1	Level 2
Current financial liabilities						
Interest-bearing liabilities	225			225	225	
Trade payables and other liabilities*	226			226	226	
Derivative agreements		1		1	1	Level 2
Financial liabilities by category, total	**951**	**1**	**1**	**953**	**937**	

*Do not include accruals, statutory obligations or advances, as these are not classified as financial assets and liabilities under IFRS Accounting Standards.

30 June 2023, EUR million

Measurement category	Financial assets and liabilities measured at amortised cost	Financial assets and liabilities recognised at fair value through profit and loss	Financial assets and liabilities recognised at fair value through comprehensive income	Carrying amount	Fair value	Fair value measurement hierarchy
Non-current financial assets						
Equity investments		219	2	220	220	Level 3
Trade receivables, interest-bearing receivables and other receivables*	92			92	72	
Loan receivables		6		6	6	Level 3
Derivative agreements		6		6	6	Level 2
Current financial assets						
Trade receivables, interest-bearing receivables and other receivables*	206			206	206	
Derivative agreements		2	3	5	5	Level 2
Cash and cash equivalents	97			97	97	
Financial assets by category, total	**395**	**232**	**5**	**632**	**613**	
Non-current financial liabilities						
Interest-bearing liabilities	184			184	157	
Trade payables and other liabilities*	27			27	21	
Derivative agreements				—	—	Level 2
Current financial liabilities						
Interest-bearing liabilities	561			561	561	
Trade payables and other liabilities*	295			295	295	
Derivative agreements		3		3	3	Level 2
Financial liabilities by category, total	**1,067**	**3**		**1,070**	**1,037**	

*Do not include accruals, statutory obligations or advances, as these are not classified as financial assets and liabilities under IFRS Accounting Standards.

The fair values of bonds issued are based on the market price at the reporting date. The fair values of other non-current financial assets and liabilities are based on discounted cash flows. The discount rate is defined to be the rate YIT was to pay for equivalent external loans at the end of the reporting period. It consists of risk-free market rate and company related risk premium of 3.85–7.68 % (4.74–9.39 %). The fair values of other current financial assets and liabilities are equal to their carrying amounts.

Fair value measurement

The Group categorises financial instruments recognised at fair value by using a three-level fair value hierarchy. Financial instruments recognised at fair value in the balance sheet are classified by fair value measurement hierarchy as follows:

Level 1

Level 1 of the fair value hierarchy is defined as all financial instruments for which there are quotes available in an active market. These quoted market prices are readily and regularly available from an exchange, broker, pricing service or regulatory agency. These prices are used without adjustment to measure fair value. YIT has no financial instruments classified in Level 1.

Level 2

The fair value of financial instruments in Level 2 is determined using valuation techniques. These techniques utilize other than Level 1 quoted market prices readily and regularly available from an exchange, broker, pricing service or regulatory agency. YIT values OTC derivatives from a Level 2 Intermediary, pricing service or regulatory agency at fair value based on observable market inputs and generally accepted valuation methods.

Level 3

Fair values of financial instruments within Level 3 are not based on observable market data. The fair value levels are presented in previous tables. YIT has classified investments at fair value on Level 3.

Fair value measurements using significant unobservable inputs (level 3)

	Valuation technique	Significant unobservable inputs	Base value 6/24	Base value 12/23	Sensitivity of the input to fair value for YIT	Additional information regarding the input
Equity investments recognised at fair value through profit and loss, Tripla Mall Ky	Discounted Cash Flow (DCF) method, 10-year period	Compound annual growth rate (CAGR) of Net Operating Income (NOI) for the entire valuation period	3.33%	3.72%	1 percentage point increase (decrease) in the input value leads to a EUR 19 million increase (EUR 19 million decrease) in the fair value of the asset.	The change in the input value is estimated through a coefficient that increases/ decreases the growth of all annual NOI cash flows identically, therefore depicting a scenario where the NOI of commercial facility and parking facility follows a higher/lower growth trajectory during the valuation period.
		Yield	6.00%	5.75%	5 percentage increase (decrease) in the input values leads to a EUR 12 million decrease (EUR 16 million increase) in the fair value of the asset.	
Equity investments recognised at fair value through profit and loss, OP Vuokrakoti Ky	Comparable transactions method and discounted cash flow method	Price per square meter	4,804 € / m2	4,935 € / m2	5 percentage point increase (decrease) in the average square meter price leads to a EUR 2 million increase (EUR 2 million decrease) in the fair value of the asset.	Both comparable transactions and discounted cash flow method are taken into account in the determination of average square meter price.

Description of valuation techniques

Equity investments recognised at fair value through profit and loss

Tripla Mall Ky
The fair value of YIT's equity investment in Tripla Mall Ky is calculated as the fair value of the property, subtracting the net debt and the sum is multiplied with YIT's share of ownership. The value of the property is determined by using the income approach, taking 10-year discounted cash flows and the present value of the terminal value. An independent external appraiser (CBRE) has audited the valuation model used by YIT and assessed the relevant valuation assumptions and stated that it fulfils the requirements of IFRS and IVSC (International Valuation Standards Council). Separate calculations have been used for the shopping mall and the parking facility. In general, the discounted cash flow model uses contract rents until the lease expiry, after which the expected market rent rates are used. The valuation is made on a net rental basis and utilises a long-term vacancy rate for the net rental income. For both shopping mall and the parking facility, other operating income such as advertising have been added to the net rental income. Similarly, expenses such as maintenance expenses for vacant premises and administration expenses have been deducted from the net rental income. The discount rates used are based on reasonable market yields and projected average inflation for the 10-year cash flow valuation period. The market yields are derived from market data and the market knowledge of the independent external appraiser (CBRE).

The value of the investment of YIT to Tripla Mall Ky is also affected by a separate profit-sharing agreement between the shareholders of Tripla Mall Ky. When an equity multiple that is calculated with fixed market parameters (inflation and exit yield) exceeds (or is below) an agreed target range, YIT is entitled to a larger (or smaller) share of the fair value of the investment, in 2026 when the investment is sold or when the profit-sharing agreement has expired. If the equity multiple is in the agreed target range, YIT is entitled to its original share of the fair value of the investment. The equity multiple is defined as the ratio between the equity value, which is projected in the fair value model, and realised equity investments in Tripla Mall Ky. At the reporting date, the outcome of the modelling of the profit-sharing agreement does not have an impact on the value of the investment when compared to the carrying amount. If the equity multiple increased or decreased by 5 percent, it would not have an impact on the value of the investment when compared to the carrying amount. Fair value changes resulting from the profit-sharing agreement are reported in consolidated income statement in the row "Changes in fair value of financial assets".

OP Vuokrakoti Ky
The fair value of YIT's equity investment in OP Vuokrakoti Ky is calculated as the fair value of the owned properties, subtracting the net debt and the sum is multiplied with YIT's share ownership. The fair values of the properties are based on valuation reports from an independent external appraiser (Finnish AKA report, following IVS). Valuation is made separately for each property. Both comparable transactions method and discounted cash flow method have been used in the valuation. Based on the judgement of the appraiser, the two valuation methods have been weighted in the final valuation.

Loan receivables and other receivables recognised at fair value through profit and loss

The fair value of loan receivables and other receivables for YIT has been calculated by discounting the expected cash flows with a specific discount rate. The discount rate is based on the average maturity, market interest rate for the maturity concerned and the risk premium for the loan or other receivable.

Level 3 reconciliation

EUR million	6/24	6/23	12/23
Fair value on 1 January	**258**	**223**	**223**
Purchases*	3	—	47
Change in fair value from equity investments recognised in income statement (Changes in fair value of financial assets)	-8	2	-2
Change in fair value from loan receivables, interest-bearing receivables and other receivables recognised in income statement**	-2	—	1
Settlements / realised fair value changes	-1	—	—
Sales	-7	—	-11
Fair value at the end of the period	**243**	**226**	**258**

*Amount of purchases in Q4/2023 has been adjusted.
**EUR 0 million (0) recognised in changes in fair value of financial assets, EUR -2 million (0) in other operating income and EUR 1 million (0) in finance income.

There were no transfers into or out of Level 3 during the period.

Convertible notes

In March 2024 YIT issued senior unsecured convertible notes with a total nominal amount of EUR 36 million to some of the largest Finnish institutional investors. The coupon of the convertible is 8% per annum. The subscription price of the related 16 000 000 shares is EUR 2.25 per share and is subject to certain potential adjustments in accordance with the conditions of the notes.

The notes were issued at 100 per cent of the nominal amount and, unless previously converted, redeemed or purchased and cancelled, will be redeemed at 100 per cent of the nominal amount on the maturity date, being 19 March 2029.

The noteholders will be entitled to convert the notes into shares in the company in accordance with the conditions of the notes. The shares are offered to the holders of the notes in deviation from the pre-emptive subscription rights of the shareholders. There are weighty financial reasons for the company to deviate from shareholders' pre-emptive subscription rights, as the share issue related to convertible notes forms an integral part of the financing arrangement announced on 12 March 2024, which strengthens the company's balance sheet, improves the company's liquidity position, enables the loan terms more beneficial for the company, and provides equity on terms and timetable that, in the assessment of the Board of Directors, would otherwise not be available.

Should all the notes be converted into shares of the company at the initial subscription price, the shares to be issued by the company would represent approximately 6.5 per cent of all the company's shares immediately after the conversion of the notes. Should adjustments be made to the initial subscription price, requiring an increase of the number of shares to be issued, a separate resolution may be made in accordance with the Finnish Companies Act to increase the number of shares.

Derivative contracts

EUR million	6/24	6/23	12/23
Value of underlying instruments			
Interest rate derivatives (hedge accounting applied)	100	100	100
Interest rate derivatives (hedge accounting not applied)	200	200	200
Foreign exchange derivatives	182	205	188
Fair value			
Interest rate derivatives (hedge accounting applied)	-1	3	1
Interest rate derivatives (hedge accounting not applied)	3	6	1
Foreign exchange derivatives	-1	-1	-3

Contingent liabilities and assets and commitments

EUR Million	6/24	6/23	12/23
Guarantees given			
Guarantees on behalf of others	—	—	—
Guarantees on behalf of construction consortia	5	2	2
Guarantees on behalf of associated companies and joint ventures	—	—	—
Guarantees on behalf of parent and other Group companies	799	962	883
Collateral given			
Nominal amount of financial liabilities covered by collateral	414	—	140
Collateral related to financial liabilities above			
Plots and real estate properties in inventories	163	—	150
Equity investments	183	—	192
Interest-bearing receivables	1	—	—
Subsidiary shares*	1,256	—	—
Subsidiary loan receivables*	252	—	—
Other commitments			
Investment commitments	70	74	82
Purchase commitments**	290	293	317

*Book values of subsidiary shares in the separate financial statements of the owning group company and subsidiary loan receivables in the lender's balance sheet.
**Amount of purchase commitments in Q2/2023 has been adjusted.

Guarantees given are typical in construction industry including, for example, performance and warranty guarantees.

As a result of the partial demerger registered on 30 June, 2013, YIT has a secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 4 million (5) on 30 June 2024.

Purchase commitments are mainly pre-contracts for plot acquisitions, the realisation of which typically depends on the implementation of zoning. The value of the plot purchase commitments is an estimate which is subject to zoning, amount of building rights and changes in cost indexes. In addition, the amount presented in the notes is based on the estimated acquisition value of the plot, despite conditionalities or possible termination clauses in the contract.

Related party transactions

The Group's related parties include associated companies, joint ventures and key executives with their closely associated persons. Key executives include the members of the Board of Directors, President and CEO and the Group Management Team.

YIT's related party transactions with key management personnel and Board members other than those shown in the table consisted of normal salaries and remuneration. The sale of goods and services to key management personnel was sale of apartments in 2024. All transactions with related parties are made at arm's length principle.

EUR Million	1–6/24	1–6/23	1–12/23
Sale of goods and services			
Key management personnel	0.36		0.01
Associated companies and joint ventures	56	104	269
Purchases of goods and services			
Associated companies and joint ventures	—	1	1

EUR Million	6/24	6/23	12/23
Trade and other receivables			
Associated companies and joint ventures	13	17	19
Interest-bearing receivables			
Associated companies and joint ventures	33	23	35
Trade payables and other liabilities			
Associated companies and joint ventures	—	—	—
Interest-bearing liabilities			
Associated companies and joint ventures	2	4	3

Additional information

Reconciliation of certain key figures

Reconciliation of adjusted operating profit

EUR million	4–6/24	4–6/23	1–6/24	1–6/23	1–12/23
Operating profit (IFRS)	**-42**	**11**	**-51**	**4**	**51**
Adjusting items					
Gains and losses on disposal of businesses	2	—	-16	—	-47
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	28	3	33	7	20
Operating profit from operations to be closed	19	—	25	—	17
Depreciation, amortisation and impairment from PPA*	—	—	1	1	1
Adjusting items, total	**49**	**3**	**43**	**7**	**-10**
Adjusted operating profit	**7**	**14**	**-7**	**11**	**41**

*PPA refers to merger-related fair value adjustments.

Reconciliation of adjusted EBITDA, rolling 12 months

EUR million	6/24
Adjusted operating profit	**23**
Depreciation and amortisation	25
Depreciation, amortisation and impairment from PPA	-1
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	—
Adjusted EBITDA	**46**

Reconciliation of order book

EUR million	6/24	6/23	12/23
Partially or fully unsatisfied performance obligations	2,265	2,566	2,345
Unsold self-developed projects	715	974	812
Order book	**2,980**	**3,540**	**3,157**

Definitions of financial key performance indicators

Key figure	Definition	Reason for use
Operating profit	Result for the period before taxes and finance expenses and finance income equalling the subtotal presented in the consolidated income statement.	Operating profit shows result generated by operating activities excluding finance and tax-related items.
Adjusted operating profit	Operating profit excluding adjusting items.	Adjusted operating profit is presented in addition to operating profit to reflect the underlying core business performance and to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations thus improving comparability from period to period.
Adjusting items	Adjusting items are material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, fair value changes related to redemption liability of non-controlling interests, integration costs related to merger, transaction costs related to merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, operating profit from businesses to be closed down, gains or losses arising from the divestments of a business or part of a business, items related to restructuring, efficiency and adaptation measures and other non-recurring costs arising from agreements with the Group management team, impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment, and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). YIT has clarified the definition of Adjusting items on 1 January 2022 to include also other non-recurring costs arising from agreements with the Group management team in addition to restructuring, efficiency and adaptation measures related items.	
Capital employed	Capital employed includes tangible and intangible assets, shares in associates and joint ventures, investments, inventories, trade receivables and other non-interest bearing receivables, provisions, advance payments and other non-interest bearing debts excluding items related to taxes, finance items and profit distribution. Capital employed is calculated from the total capital employed of the segments.	Capital employed presents capital employed of segment's operating business.
Interest-bearing debt	Non-current and current borrowings including non-current and current lease liabilities.	Interest-bearing debt is a key figure for measuring YIT's total debt financing.
Net interest-bearing debt	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables.	Net interest-bearing debt is an indicator for measuring YIT's net debt financing.
Equity ratio, %	Equity total/total assets less advances received.	Equity ratio is a key figure for measuring the relative proportion of equity used to finance YIT's assets.
Gearing ratio, %	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity.	Gearing ratio is one of YIT's key long-term financial targets. It helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.
Return on capital employed, segments total (ROCE), %, rolling 12 months	Rolling 12 months adjusted operating profit/capital employed, segments total average.	Return on capital employed, % is one of YIT's key long-term financial targets. Key figure describes segment's relative profitability, in other words, the profit received from capital employed.
Return on equity, %	Result for the period, 12 months rolling/equity total average	Key figure describes YIT's relative profitability.

Key figure	Definition	Reason for use
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	
Order book	Transaction price allocated to performance obligations that are partially or fully unsatisfied and estimated transaction price related to unsold own developments.	Order book presents estimated transaction price for all projects.
Gross capital expenditures	Investments in tangible and intangible assets.	
Equity per share	Equity total divided by number of outstanding shares at the end of the period.	
Net debt/adjusted EBITDA ratio (rolling 12 months)	Net debt/rolling 12 months adjusted operating profit before depreciations and amortisations added	Net debt to adjusted EBITDA gives investor information on ability to service debt.
Interest cover ratio	Adjusted operating profit before depreciations and amortisations/ (net finance costs - net exchange currency differences), rolling 12 months	Interest cover ratio gives investors information on YIT's ability to service debt
Market capitalisation	(Number of shares - treasury shares) multiplied by share price on the closing date by share series.	
Average share price	EUR value of shares traded during period divided by number of shares traded during period.	

Together we can do it.

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