



HELSINKI-VANTAA AIRPORT, FINLAND

Handelsbanken Small and Mid Cap Seminar 2020

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# Significant North European construction and development company

Strong market share  
and brand

Solid order book and  
large development  
portfolio

Healthy balance sheet

Potential for further  
profitability improvement



# Our customer offering



## Housing

Functional homes, living services and convenience in daily life.



## Business premises

Diverse office, business, production and logistics premises, hybrid projects and public spaces.



## Infrastructure projects

Smooth traffic flows and sustainable living environments.



## Partnership properties

Profitable solutions for investors and owners.

# Strong market position in core markets

## Finland

Revenue ~2,500  
Personnel ~4,300



## Scandinavia

Revenue ~150  
Personnel ~200



## Russia

Revenue ~300  
Personnel ~1,300



## Baltic countries

Revenue ~300  
Personnel ~1,200



## CEE countries

Revenue ~100  
Personnel ~300



Revenue by geography, EUR million 2019



Revenue

# 3.4

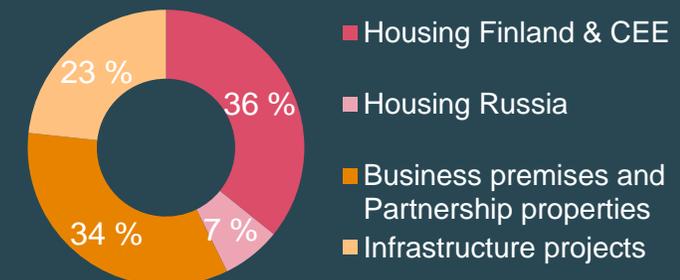
EUR billion in 2019

Adjusted operating profit

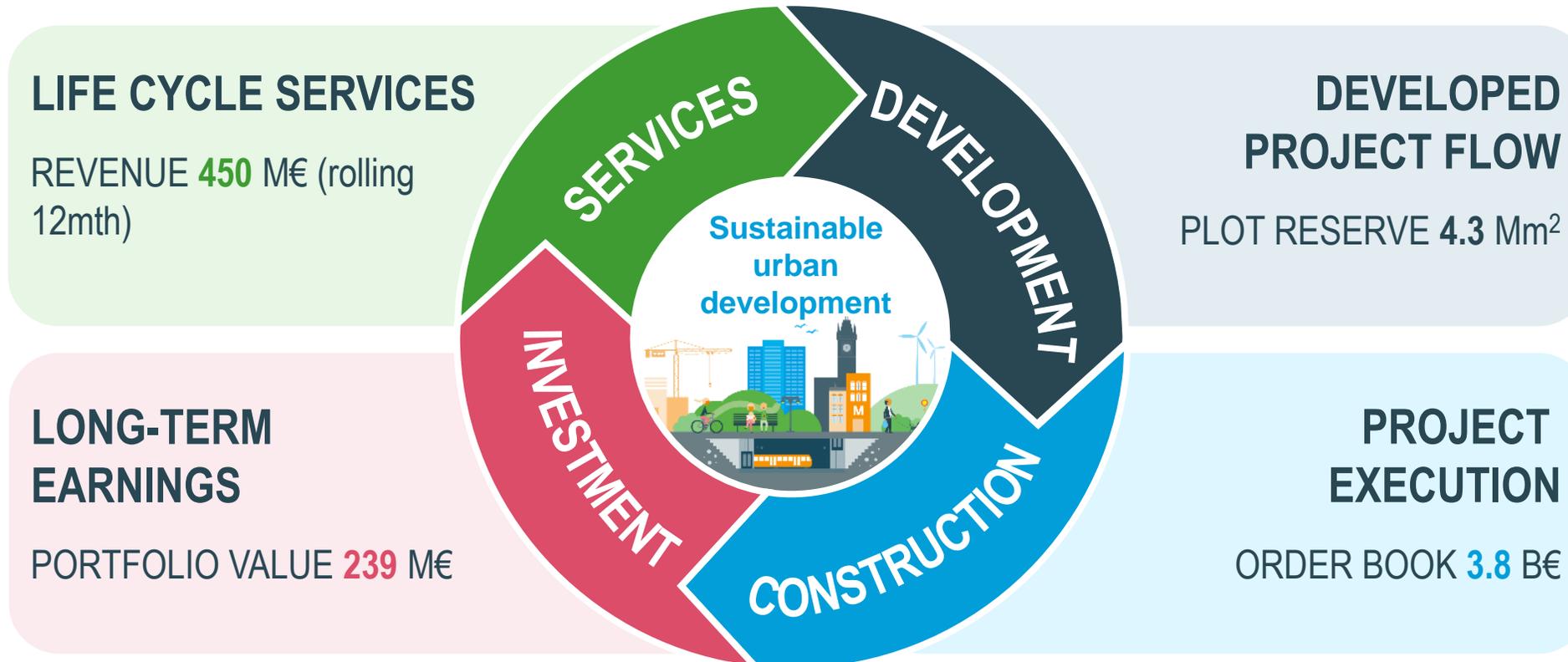
# 166

EUR million in 2019

Revenue by segment



# Sustainable urban development is the core of our business



# Q1: Operationally solid quarter

Strong apartment sales  
to consumers

**+14%**  
y-o-y

Business premises  
burdened by costs  
related to progress in  
financial settlements

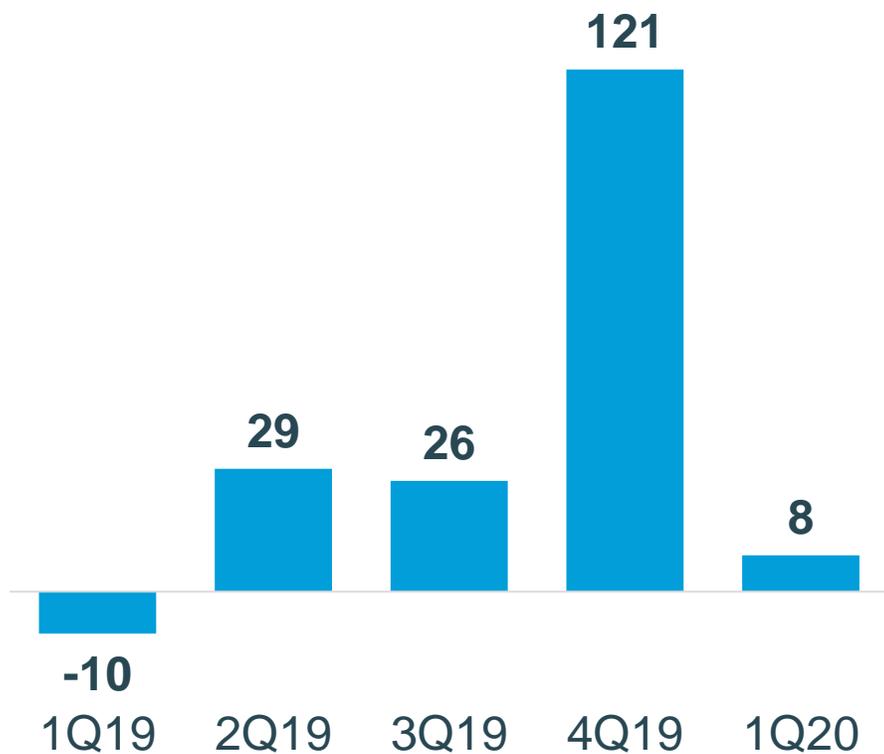
Balance sheet to  
strengthen further  
in Q2

Coronavirus pandemic:  
Anticipatory and  
protective  
measures taken



# Adjusted operating profit improved year-on-year

## ADJUSTED OPERATING PROFIT, € million



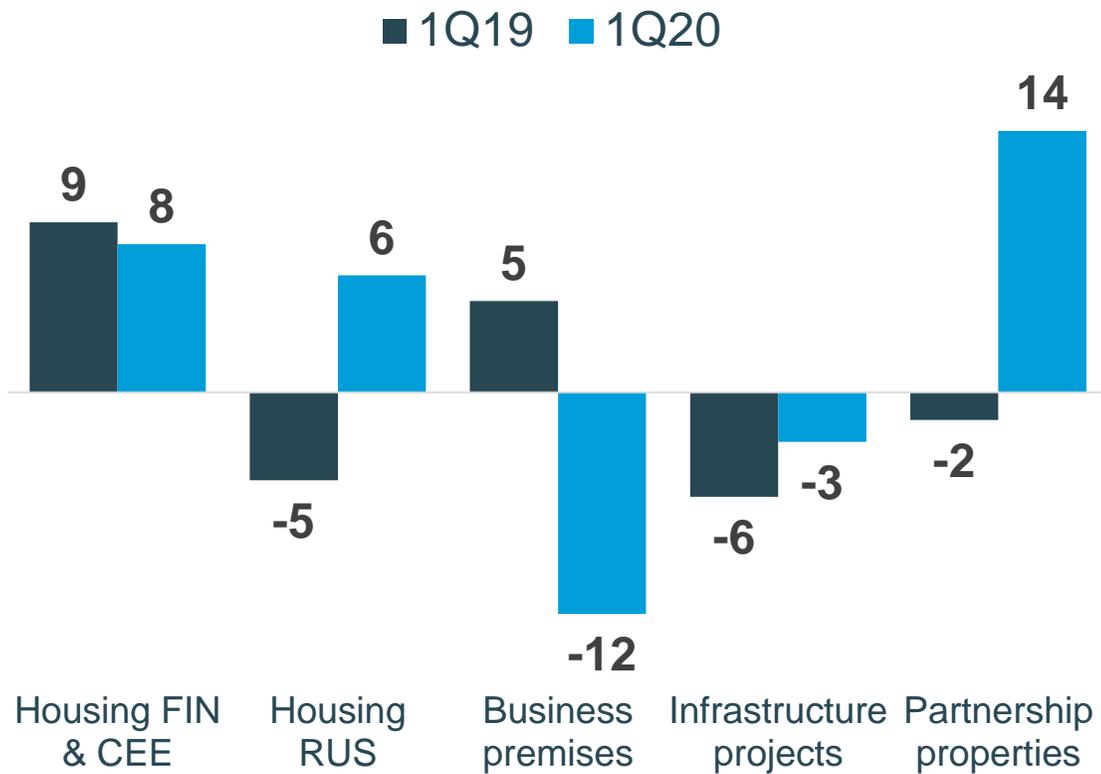
Q1 adjusted  
operating profit  
margin

**1.2%**  
(-1.4)



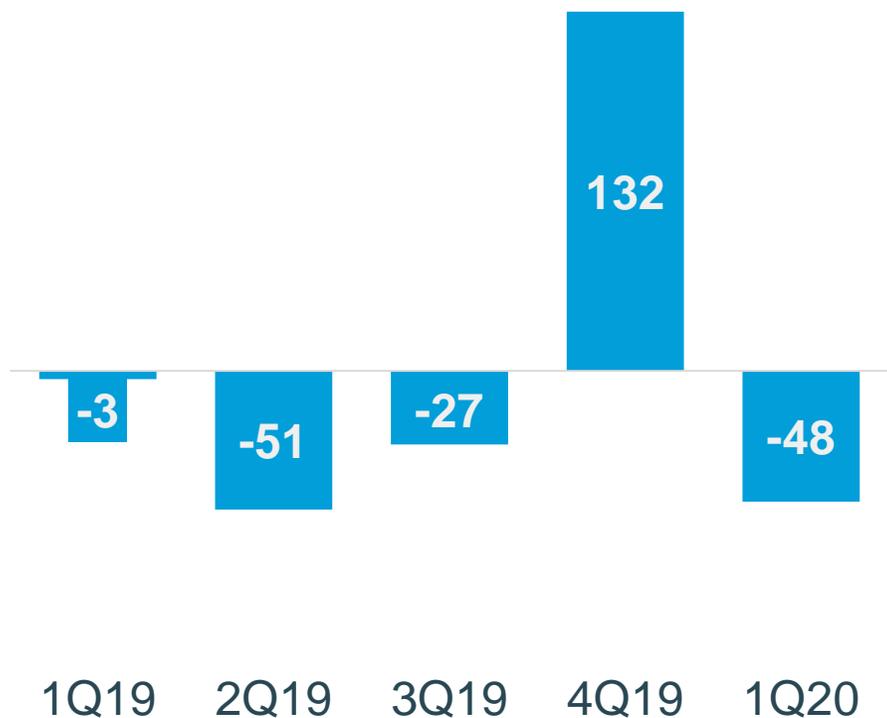
# Adjusted operating profit per segment

€ million

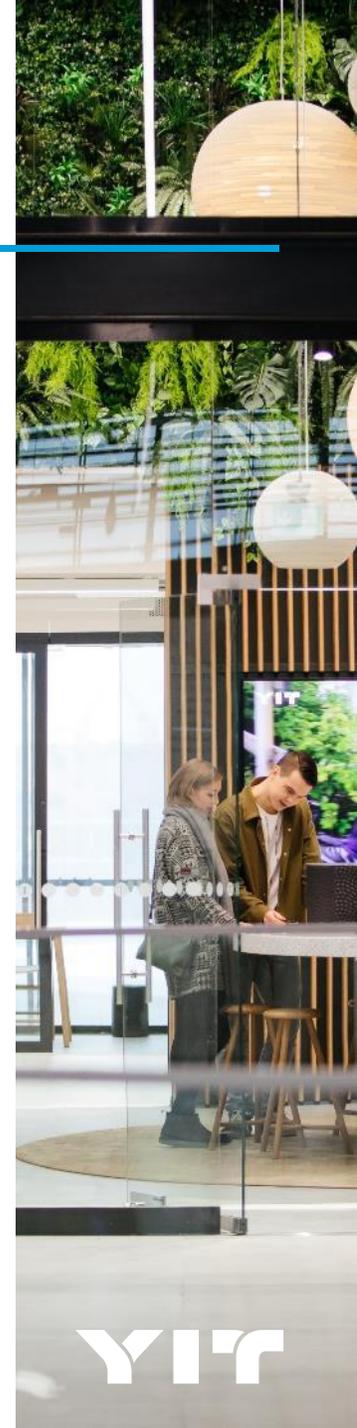
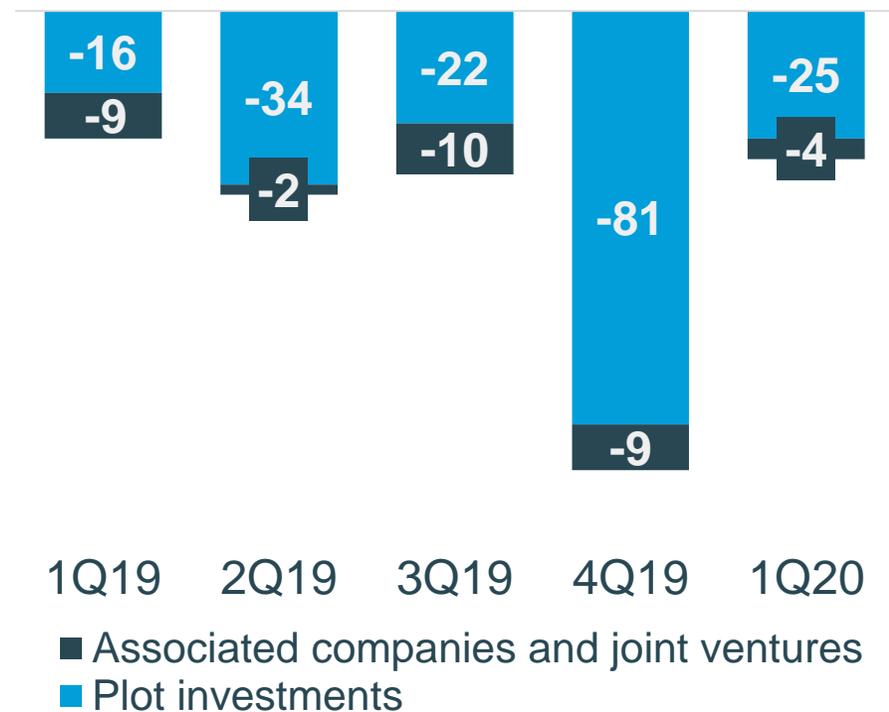


# Continued plot investments for the future

OPERATING CASH FLOW AFTER INVESTMENTS, € million



CASH FLOW OF INVESTMENTS, € million



# Sale of Nordic paving and mineral aggregates businesses completed

Cash flow impact  
approx.

**+€285**  
million

Capital gain  
approx.

**+€40**  
million

Impact in gearing  
approx.

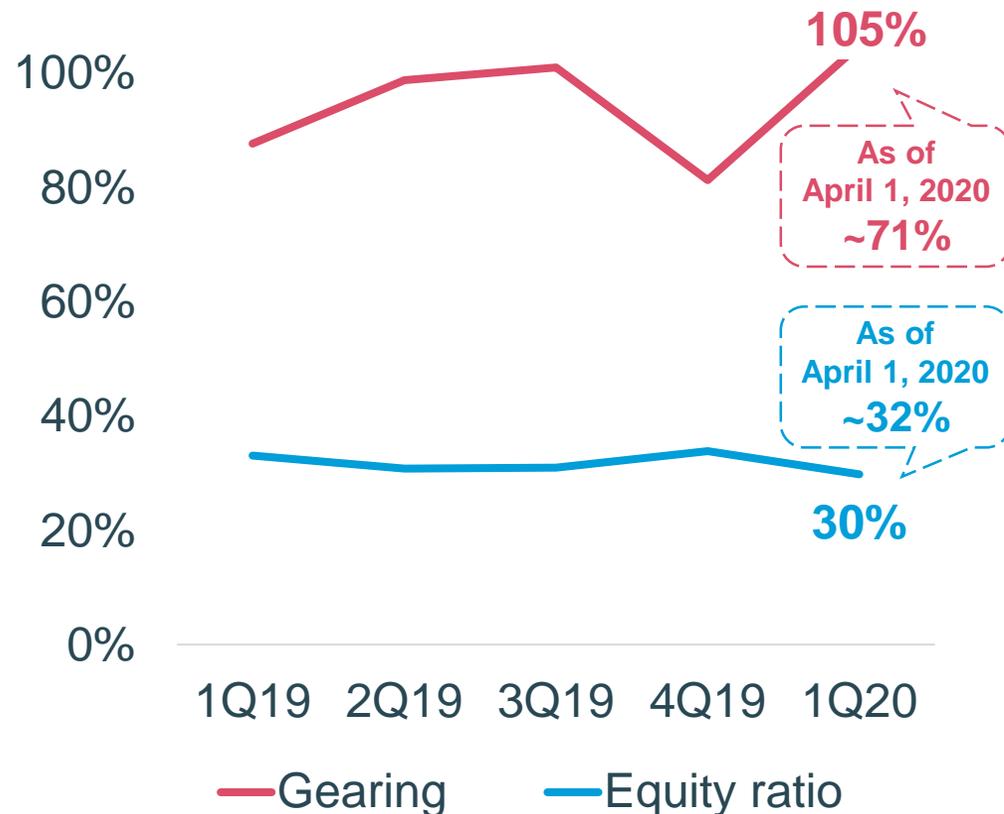
**-34**  
percentage points

Impact in equity ratio  
approx.

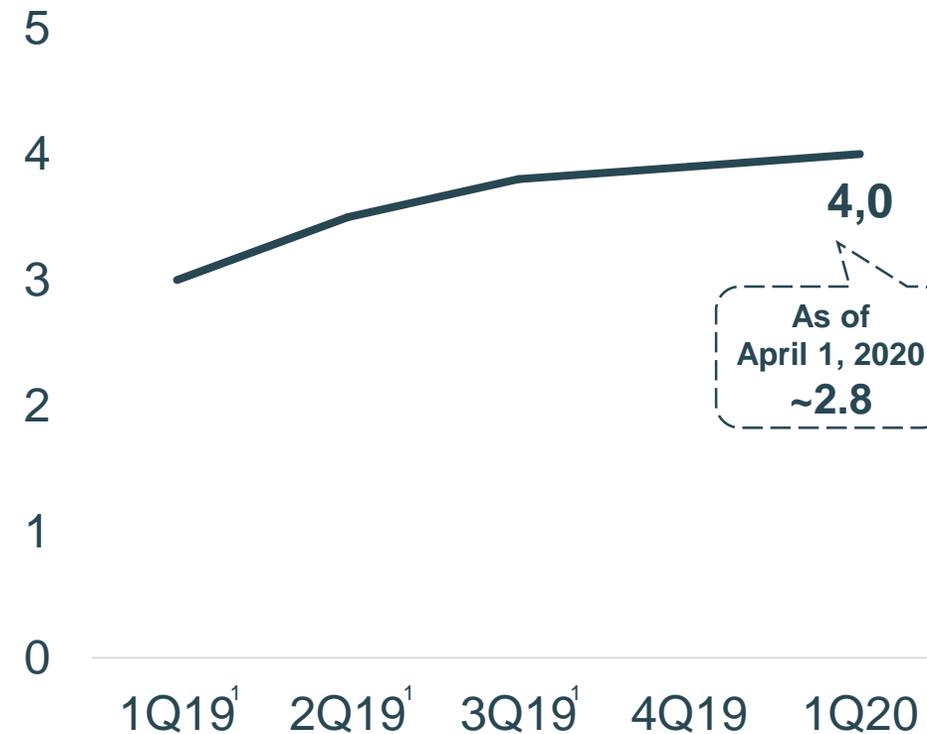
**+2**  
percentage points

# Financial key ratios to improve significantly after closing of the Nordic paving and mineral aggregates transaction

## EQUITY RATIO AND GEARING, %



## NET DEBT / ADJUSTED EBITDA ratio

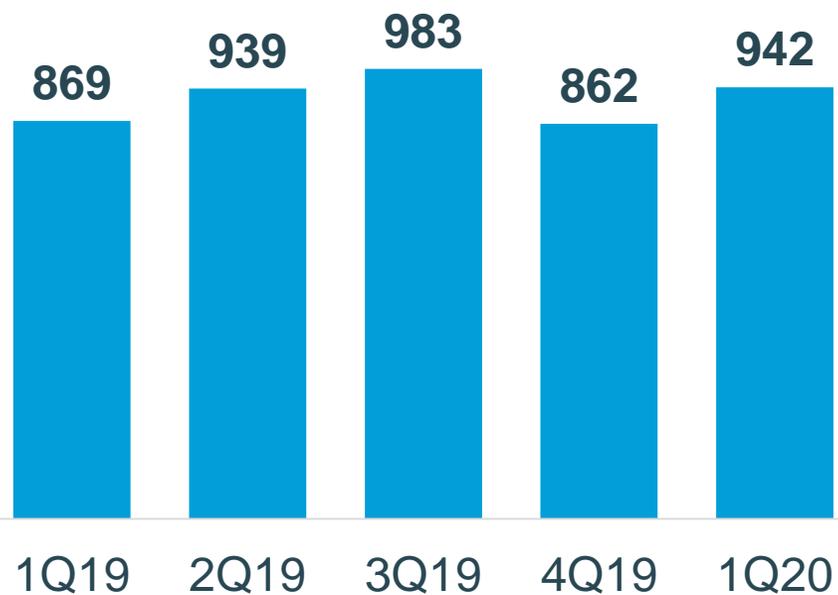


<sup>1</sup> Figures before 4Q19 do not include IFRS 16 impact.

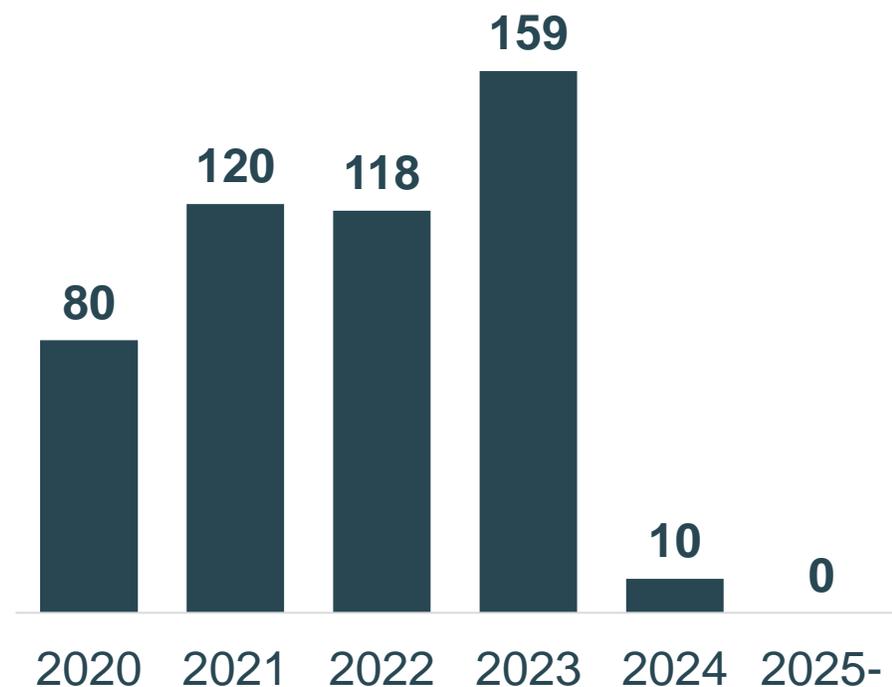


# Net debt increased slightly

NET INTEREST-BEARING DEBT,  
€ million



MATURITY STRUCTURE<sup>1</sup>,  
€ million



<sup>1</sup> Excluding housing company loans related to unsold apartments, € 193 million, commercial papers, € 216 million and IFRS 16 lease liabilities, € 271 million.



# Coronavirus pandemic causes uncertainties

## RISKS



### The most significant uncertainties

- Availability of personnel
- Availability of materials
- Authorities' decisions
- Decline in demand
- Investor decisions postponed

## IMPACTS



### Potential impacts

- Temporary shutdowns or slower progress on sites
- Delayed completions
- Revenue and profit postponed
- Extra costs due to preventive actions

## ACTIONS

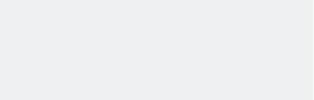
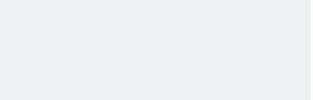
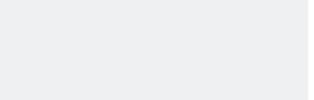
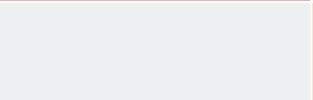
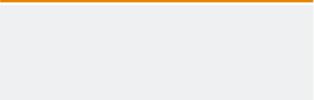
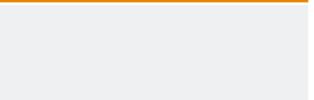
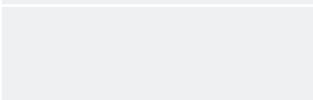
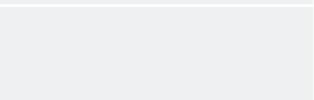
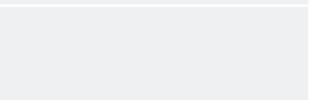


### Comprehensive anticipatory actions taken

- Task force
- Substitutive resources
- Hygiene concept
- Preparedness for shutdown and restart of sites
- Digital sales boosted
- Savings measures



# Uncertainties are impacting the market outlook

	Housing	Business premises	Infrastructure projects	Partnership properties
Finland				
Russia				
Baltic countries				
Central European countries				
Sweden				
Norway				

## Q1 market situation

 Good
  Normal
  Weak

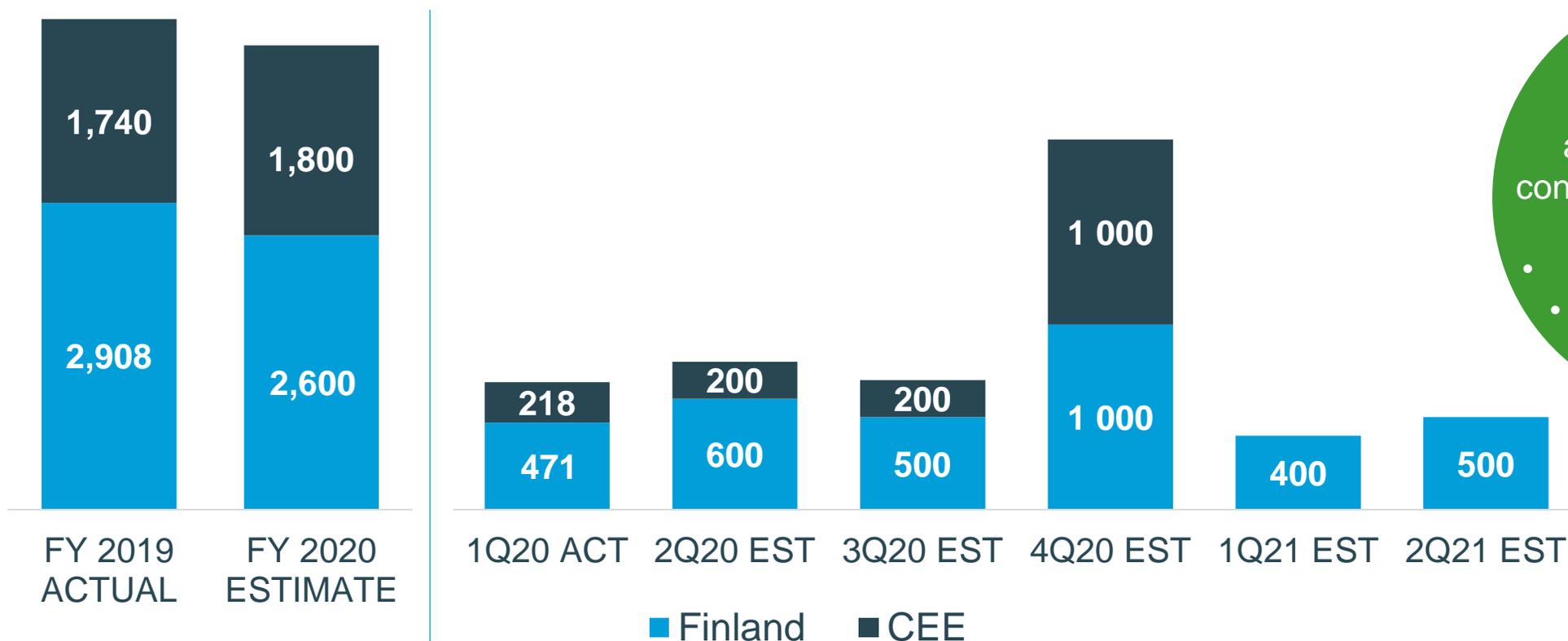
## Market outlook, 12 months

 Improving
  Stable
  Weakening



# Completions estimated to peak in Q4

## ESTIMATED COMPLETIONS OF CONSUMER APARTMENT PROJECTS UNDER CONSTRUCTION, units



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

- 2,517 for investors
- 4,994 in Russia



# Guidance for Q2/20

Outlook blurred by significant market uncertainty because of the coronavirus pandemic.



- Apartment sales at low level
- Consumer apartment completions to halve in Finland and CEE



- Business premises segment's revenue to bottom in Q2



- Infrastructure projects segment impacted by seasonal slowness



- Rebound in number of customers in Mall of Tripla once restrictions have been removed

Significant fluctuation between the quarters, Q4 the strongest.

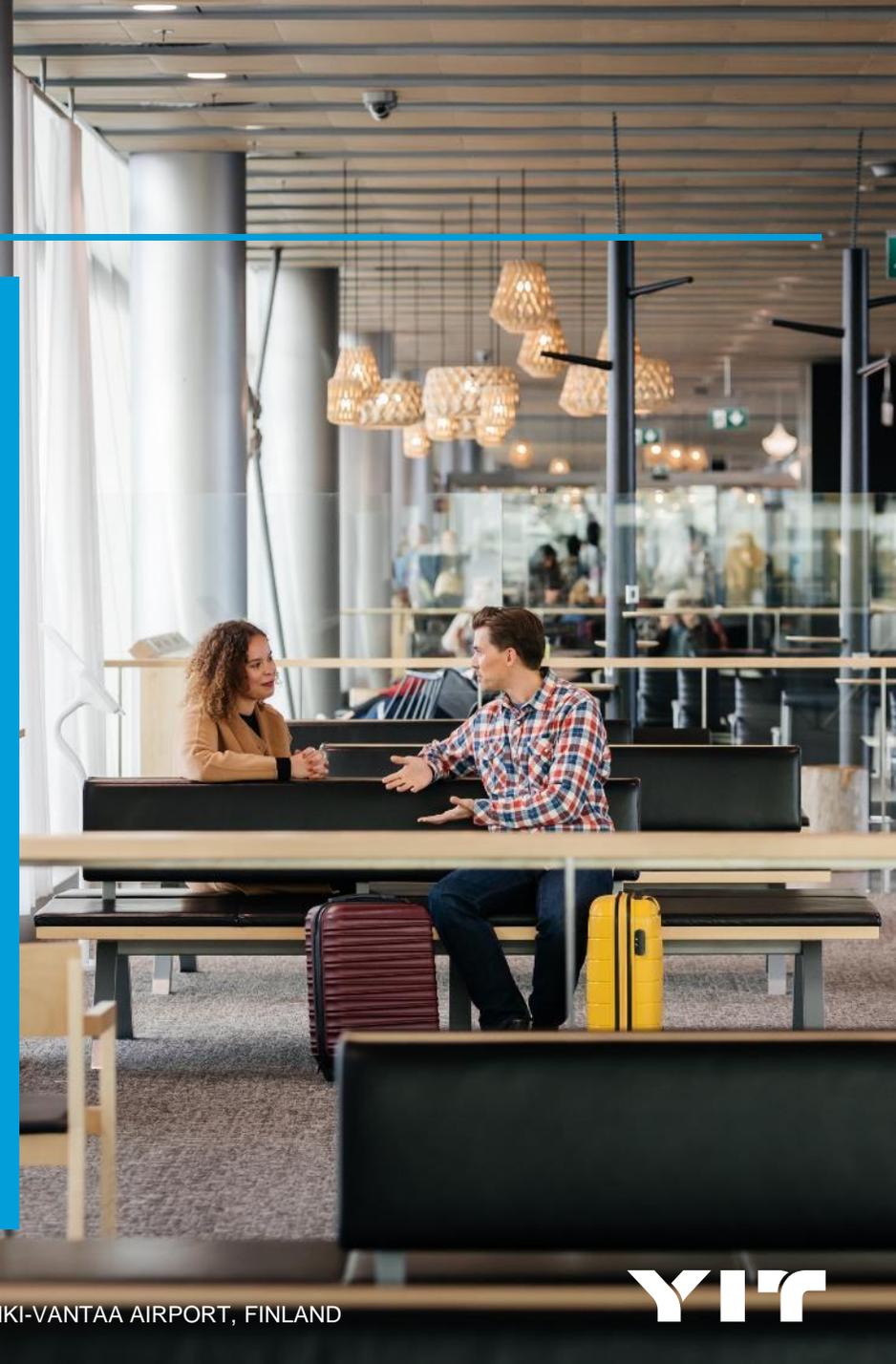


# Our short-term priorities

Positive  
operating cash flow in 2020

Coronavirus pandemic:  
Construction sites  
ongoing

Utilise YIT's  
strong position



**Together  
we can  
do it.**