



DNB Nordic Real Estate & Construction Conference

10 September 2024

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 yitgroup.com

YIT is a leading construction and development company

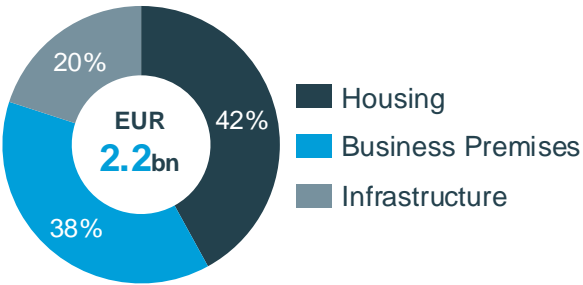
- Our goal is to create more sustainable, functional and attractive cities and living environments operating through three segments: Housing, Business Premises and Infrastructure.
- In growing cities, the YIT builds, develops and renovates homes, public premises and business premises that have long lifespans and are highly functional. YIT further builds infrastructure to facilitate smooth mobility and transport for people - already since 1912.
- During 2023, YIT continued the implementation of its strategy and specified the action plans for its segments. The company strengthened its strategic focus on the customer and continued the determined work to improve productivity and sustainability with the ultimate plan of increasing competitiveness and performance.

Segments

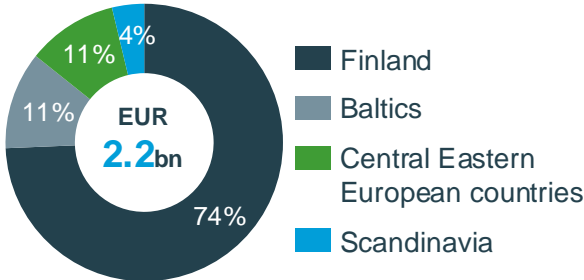
-  Housing
-  Business Premises
-  Infrastructure



Revenue by segment, 2023



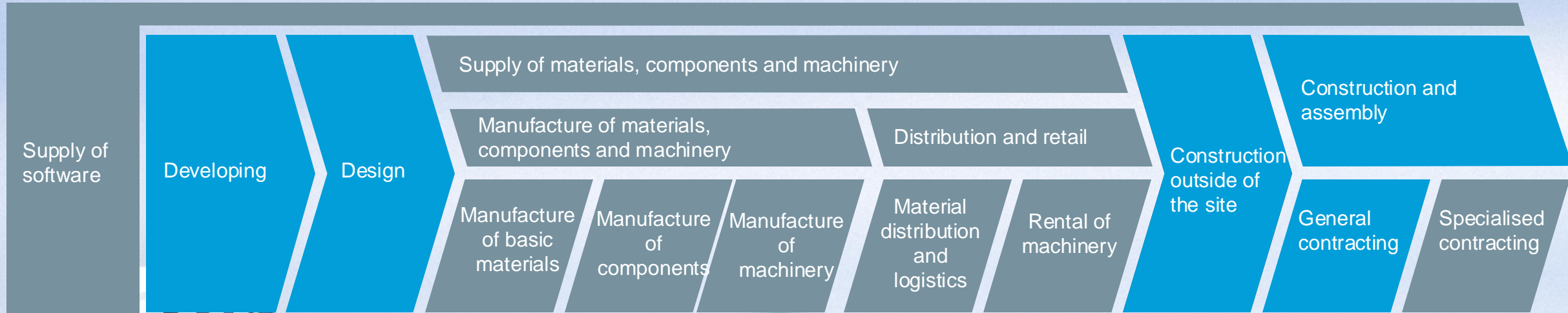
Revenue by geography, 2023



* In January 2024, YIT announced the closing down of its operations in Sweden. Ongoing projects are expected to be completed by 2027.



Our role in the construction value chain



We are part of a diverse construction value chain

- We develop and design our self-developed projects such as apartments and offices
- Construction, assembly and general contracting are in our own hands
- In other areas, we rely on our strong network of partners

Market environment stable; housing market in Finland not expected to materially improve during 2024

	Housing market	Real estate market	Infrastructure market
Finland	Weak →	Normal →	Normal →
Baltic countries	Weak ↗	Normal →	
Central Eastern Europe	Normal →	Normal →	

Q2 market environment

■ Good
 ■ Normal
 ■ Weak

Short-term market outlook

↗ Improving
 → Stable
 ↘ Weakening

Our performance was impacted by the unprecedentedly challenging market in 2023

Adjusted operating profit
at

EUR **41** million

in 2023

Operating cash flow
after investments was

EUR **-137** million

in 2023

Capital employed
amounted to

EUR **1,618** million

at the end of 2023

Net debt at

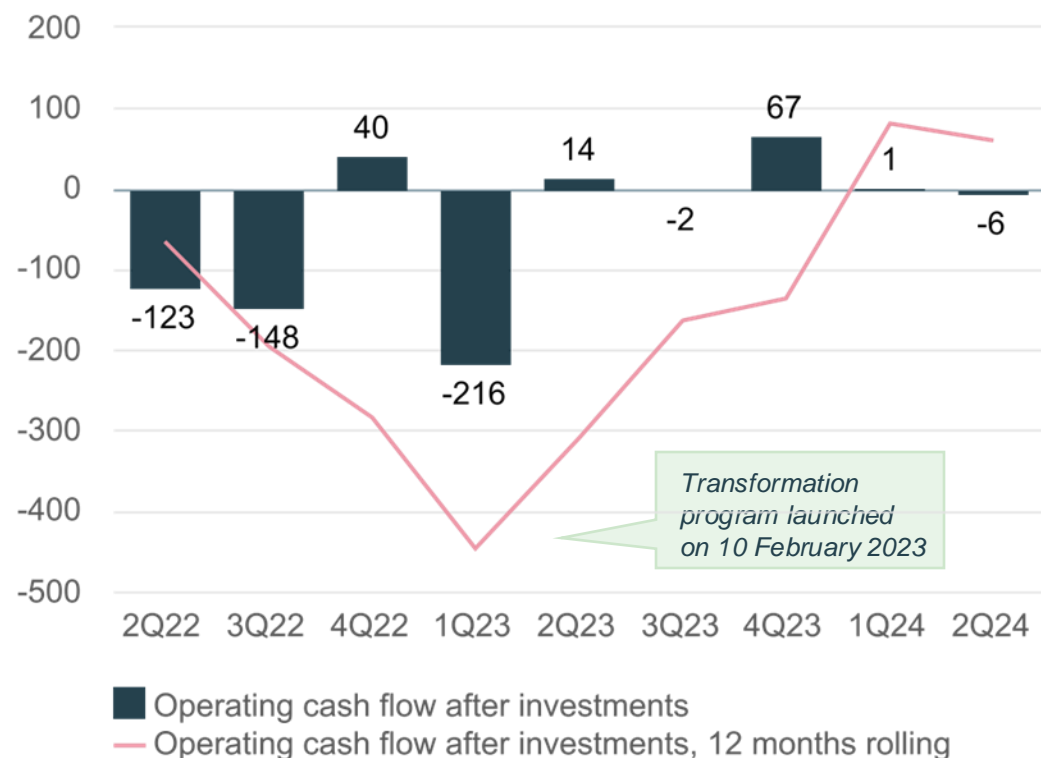
EUR **795** million

at the end of 2023



We navigated through the perfect storm by prioritising the company's liquidity position and disposing non-core assets

Operating cash flow after investments, EUR million



- We turned the rolling 12 months operating cash flow after investments from EUR 447 million negative to EUR 80 million positive in one year
- Financing renewed with substantial arrangements totaling approximately EUR 600 million in value
- Transformation program savings target of EUR 40 million achieved ahead of schedule
- Operational efficiency in the contracting businesses increasing – rolling 12 months adj. operating profit exceeds 4% in Infrastructure
- EUR 140 million of capital released from operations
- Substantial further opportunities to deleverage the company by divesting non-operative assets from balance sheet

The revised EPBD creates opportunities

New construction

Case example: Nihdin Tower

- Housing project completed in 2024
- Energy Efficiency Class A building
- Solar panels, wastewater heat recovery, energy monitoring, low carbon hollow slabs etc.



Implications of the directive:

- Energy efficiency embedded to design guidelines
- New solutions may increase construction costs

Open considerations

- National implementation, especially regarding district heating

Attractive upgrades

Case example: Aleksanterinkatu 13

- Renovation of a historical premise originally built in 1900
- Energy efficiency improved by 30%



Implications of the directive:

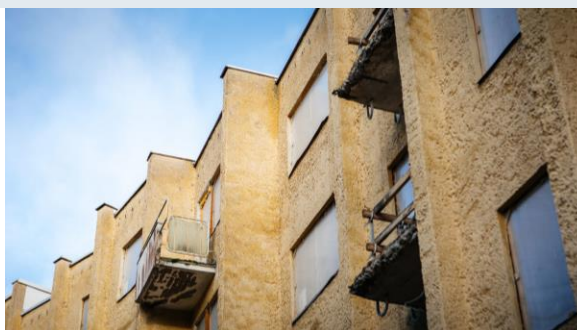
- Creates demand for energy efficiency renovations
- Will have more of an impact in the Baltic and CEE countries, buildings in Finland in a better condition to meet the requirements

Open considerations

- How to strike a balance between LCA and Energy efficiency
- Balance between design and practical solutions

Old building stock

A stock of old buildings and houses where large renovations are not economically feasible due to investment costs



Implications of the directive:

- Stock of buildings that are not economically viable to renovate may see significant decline in value going forward, requirements may impact the implementation speed of national solutions

Open considerations

- Does government provide support on some form to secure renovations? Potential circular economy solutions?

Thank you!

Additional information:

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YIT's Interim Report Q3/2024
will be published on Thursday,

31 October
2024

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