



Carnegie Finnish Construction Ecosystem - seminaari

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 yitgroup.com



YIT is a European developer and contractor

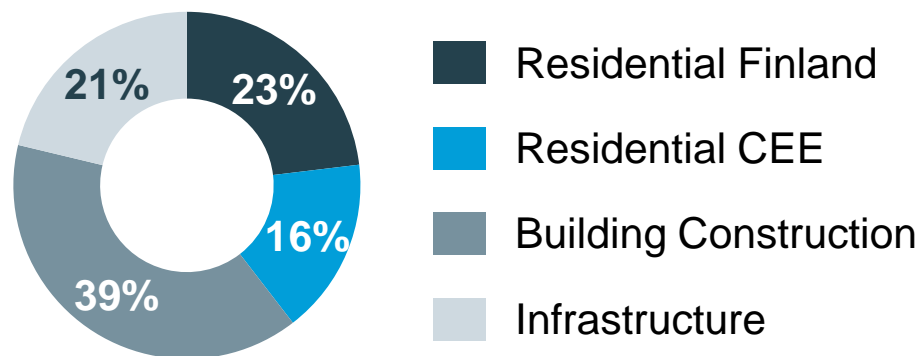
Revenue in 2024: EUR **1.8** billion




Adj. operating profit in 2024: EUR **32** million

Employees at the end of 2024: **4,121**

Customer satisfaction rate (NPS) in 2024: **57**

Revenue by segment in 2024:



-  Residential
-  Building Construction
-  Infrastructure



Financial performance in Q1

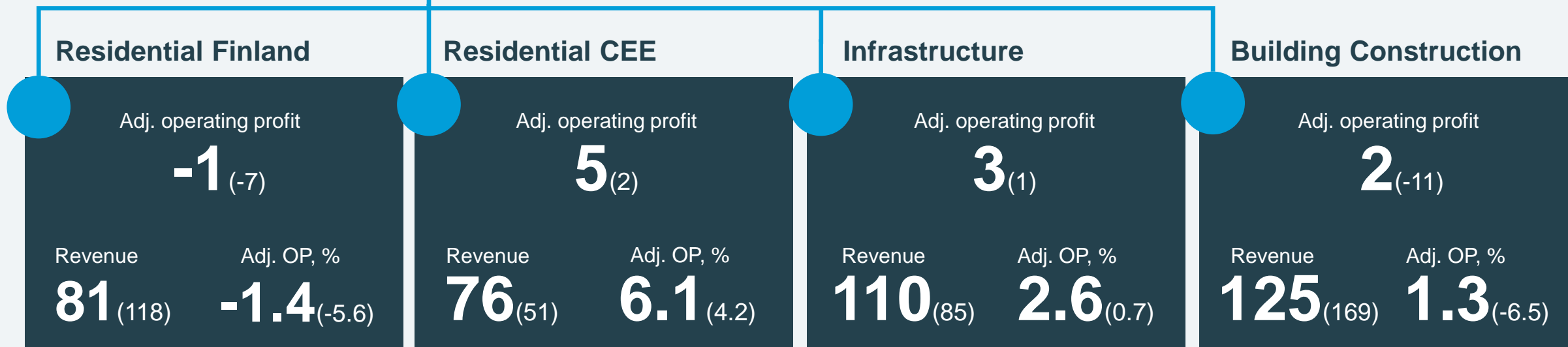
YIT Group, Q1/2025, EUR million

Adj. operating profit	Revenue	Adj. OP, %
8 (-14)	386 (412)	1.9 (-3.4)

(previous year comparable period in parenthesis)

- Improved sales mix and efficiency supported Residential Finland profitability improvement
- Strong growth in revenue in Residential CEE
- Infrastructure continued its solid performance
- Profitability improved in Building Construction. The comparison period included a EUR -10 million change in the fair value of segment's equity investments.

Q1/2025, EUR million



Market environment remained stable; the primary apartment market sales volumes are expected to slightly increase during 2025 in Finland

	Residential market	Building construction market	Infrastructure market
Finland	↗	→	↗
Baltic countries	→	→	
Central Eastern Europe	↗	→	

Q1 market environment

Good Normal Weak

Short-term market outlook

↗ Improving → Stable ↘ Weakening

Transformation program successfully completed in 2024 – targets achieved and exceeded



Key focus areas & achievements

Transformation program



Renewed procurement

- Centralized control and transparency in supply chain via category-based procurement and partnerships



Improved project management

- Real-time visibility into construction progress
- Significant reduction of project margin deviation



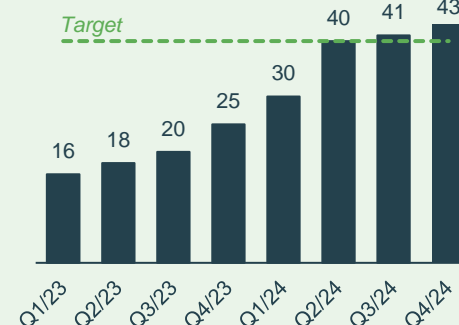
Enhanced productivity

- ~15% reduction in residential construction lead time in Finland in 2022-2024
- Faster cash conversion across all operations

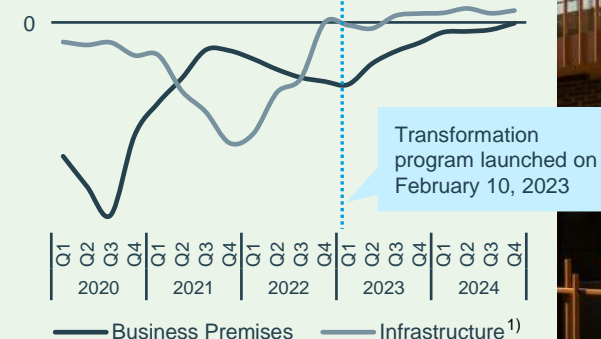
YIT continues to seek further savings and efficiencies

Examples of results

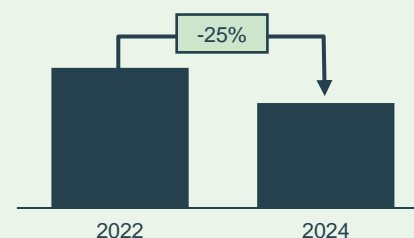
Cumulative annualized cost savings, EUR million



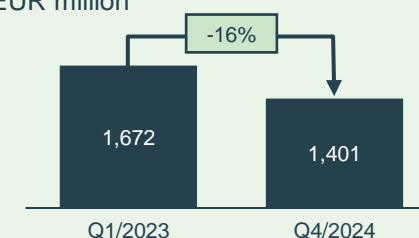
Project margin net deviations, rolling four quarters



Fixed costs²⁾



Capital employed, EUR million



Financial stability reached through rigorous execution

Divested non-core assets

Focused, resilient business portfolio

Date	Divestment / exit	Value
Ongoing	Infrastructure Sweden exit	
May 2024	Sale of stake in JV Tieyhtiö Vaalimaa Oy to Meridiam Infra	€6M
Feb 2024	Sale of YIT Kalusto Oy to Renta	€37M
Dec 2023	Sale of YIT's renewables portfolio to Eolus	€48M
Oct 2023	Sale of Sia LiveOn co-investment vehicle to Vienna Insurance Group	€7M
May 2022	Sale of businesses in Russia to Etalon	€50M

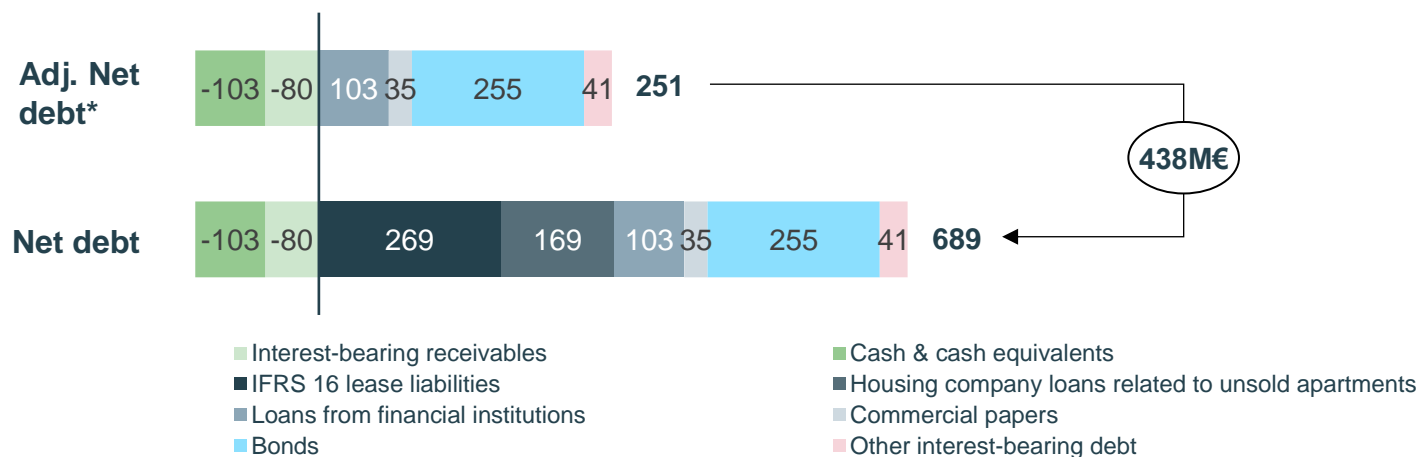
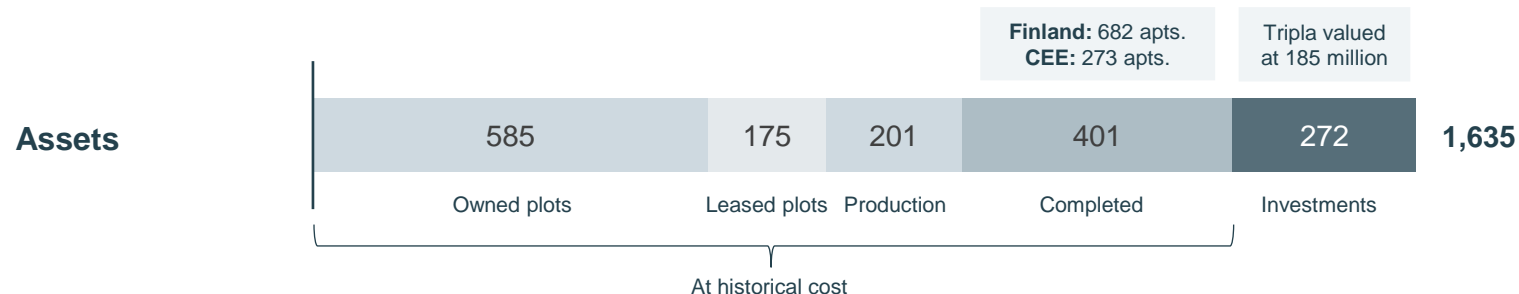
Successful refinancing

Comprehensive financing and stable position

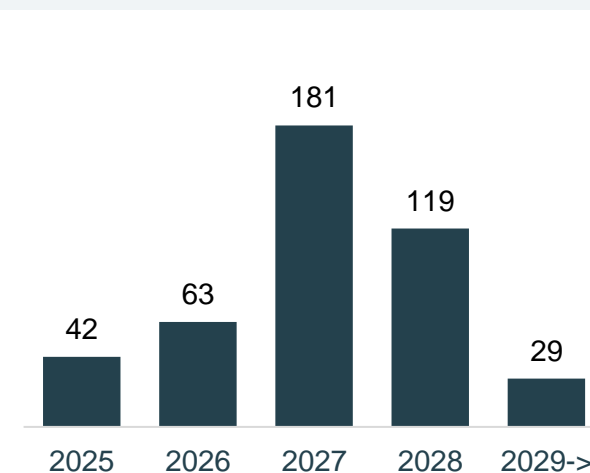
Date	Financing	Value
May 2025	Issue of green capital securities	€100M
Mar 2025	Tendering of the notes maturing in 2026	€91M
Mar 2025	Issue of secured green notes	€120M
Jun 2024	Issue of secured green notes	€100M
Apr 2024	Repayment of bond	€100M
Mar 2024	Directed share issue Convertible notes issue Amendments to loan terms	€100M
Nov 2023	Loan signing (refinancing of existing loans)	€140M

Maturity structure of interest-bearing debt extended significantly, balance sheet remains asset rich

Assets and net debt breakdown, EUR million, at the end of Q1/25



Maturity structure of interest-bearing debt, EUR million*



*Excluding IFRS 16 lease liabilities and housing company loans related to unsold apartments
 The hybrid bond, EUR 100 million, is recorded as part of equity under IFRS and therefore excluded from this paragraph.



YIT strategy for 2025-2029

*Published at Capital Markets Day on
November 13, 2024*

YIT to continue benefiting from megatrends

Megatrend	Quantified opportunity	Segment impact			YIT references
					
Urbanization & demographics	Share of urban population in Europe is expected to increase from 76% in 2023 to 84% by 2050 ¹	High	Mid	Mid	Major downtown apartment and office complex in Bratislava Total value €460M
Global security needs	European members of NATO are increasing defense spend by 18% ² in 2024	Low	High	Mid	Multiple classified projects
Climate change & energy transition	European Green Deal estimated to require +600B€ each year in investments	Mid	High	High	Prysmian Tower, Finland's tallest building Total value €100M
Digitalization & AI	European datacenter market projected to double in 2024-2027 ³	Low	High	Mid	Multiple classified projects



Three strategic priorities for strategy period 2025-2029 to guide Group execution

1

Deliver industry-leading productivity and financial performance

2

Generate targeted growth and resilience

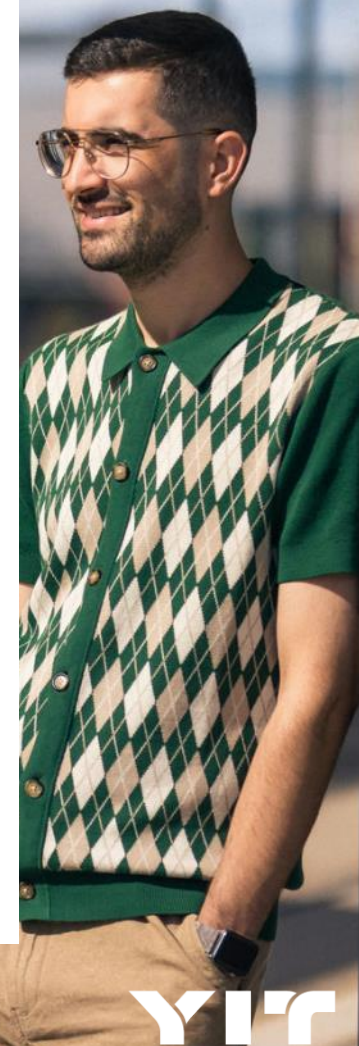
3

Elevate customer and employee experience



Three strategic priorities for strategy period 2025-2029 to guide Group execution

Examples of initiatives	
1	Deliver industry-leading productivity and financial performance
	Strong fixed cost discipline across the operations
	Focus on productivity of construction process, standardize processes and leverage AI for automatization
2	Generate targeted growth and resilience
	Sell or divest non-operating assets
	Grow in selected areas in Finland and current CEE countries
3	Elevate customer and employee experience
	Collaborate with local and international customers on demanding construction projects
	Expand vertically in selected parts of the value chain
	Continue development of our customer experience processes
	Most attractive employer for experts in the industry
	Step change in work safety for own and subcontractor employees



YIT's financial targets to be reached by the end of 2029

Growth

≥5%

Net sales CAGR¹⁾

Operative performance

≥7%

Adjusted EBIT

Capital efficiency

≥15%

ROCE





Financial framework

Net debt to equity (gearing) in the range of 30-70% over the cycle

Dividend payout ratio ≥ 50%²⁾

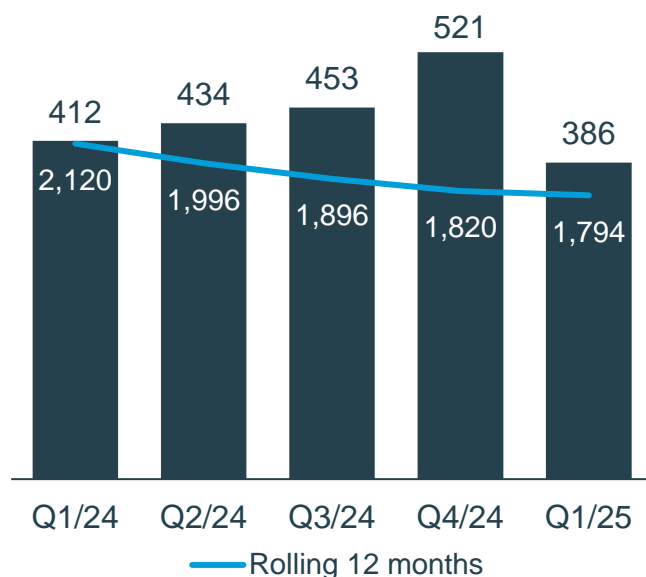
Four distinctive segments to deliver on Group targets:

Segment roles:

		Growth	Adjusted EBIT	Capital efficiency (ROCE)	
	Residential Finland	Increase market share	≥10%	≥20%	Segments to deploy capital efficiently and drive returns. Strong growth potential in Finland as market recovers and in developing CEE cities.
	Residential CEE	≥15% net sales CAGR ¹⁾	≥15%	≥25%	
	Building Construction	≥2% net sales CAGR ¹⁾	≥6%	Negative capital employed	Stable segments with solid profitability. Cash flow generation with negative capital employed.
	Infrastructure	≥5% net sales CAGR ¹⁾	≥6%	Negative capital employed	

Progress towards the strategic targets

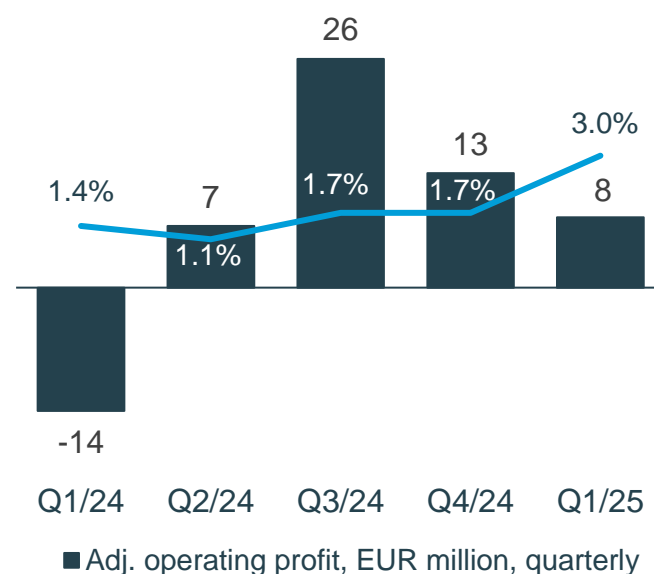
Revenue,
EUR million



Group revenue decline is connected to weak market conditions in Residential Finland and the decision to exit Sweden.

Target: Revenue growth of at least 5%, with the compound annual growth rate (CAGR) based on year 2024

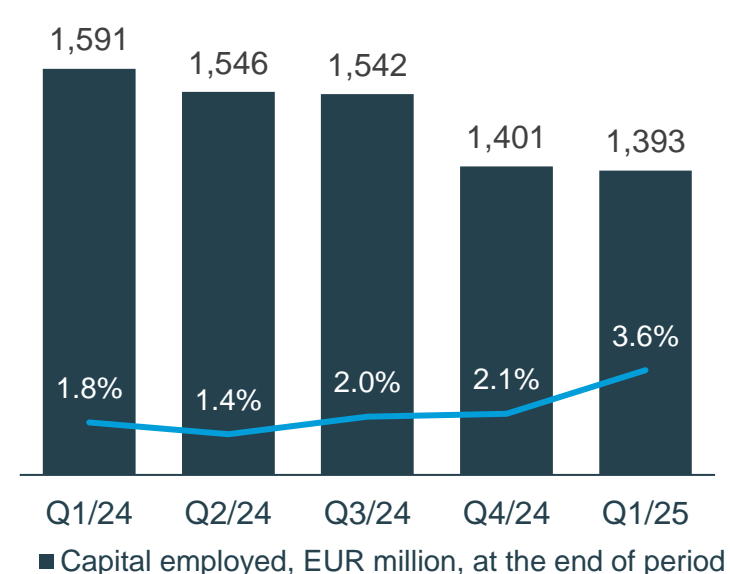
Adjusted operating profit margin %,
rolling 12 months



Transformation program benefits support the profitability, growing operations in Residential CEE will drive profit growth.

Target: Adjusted operating profit margin of at least 7%

ROCE %,
rolling 12 months



Further opportunities to release capital will boost ROCE.

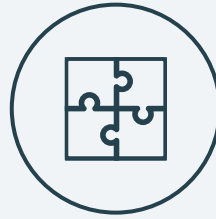
Target: Return on capital employed (ROCE) of at least 15%

Key investment highlights



Trusted industry leader

Preferred brand
Leading urban developer
Diverse, engaged talent
Forerunner in sustainable solutions



Resilient business model

Presence in multiple markets and construction sectors
Balanced project portfolio
Residential market recovering in Finland
Tailwinds from megatrends



Execution focused corporate culture

Transformation delivering results
Ongoing productivity improvements and capital release
Renewed capabilities to execute strategy

**Together
we can
do it.**