



Segment reporting and percentage of completion

March 6, 2026

Analyst call

 yitgroup.com



New operating model in Finnish residential business

Our internal product development efforts will be directed by clearly defined product categories that reflect customer demand.

A single centralized production entity will oversee both quality control and manufacturing processes.

Sales and customer insights to be leveraged comprehensively across the organization to lead our actions

Primary focus: project gross margin

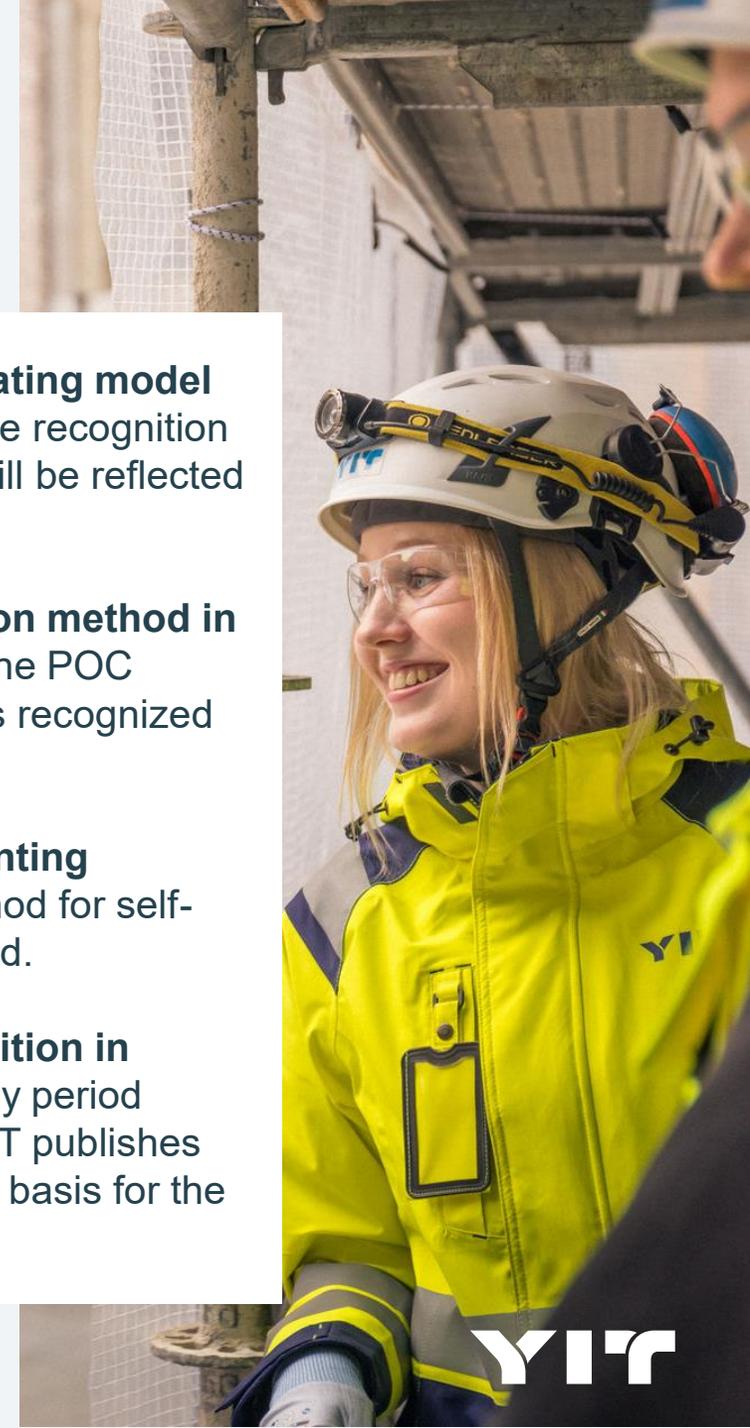
Primary focus: production efficiency, quality and cost

Primary focus: Apartment sales, marketing and consumer insights



YIT adopts percentage of completion revenue recognition method in segment reporting

- **YIT has completed the plans related to the previously announced change in the operating model** and, as part of the new operating model, will adopt percentage of completion (POC) revenue recognition method for self-developed projects in its internal management and reporting. The change will be reflected also in the external segment reporting.
- **Starting from Q1/2026, YIT will report all operations using the POC revenue recognition method in segment reporting.** Revenue from sales of self-developed projects will be reported using the POC method in segment reporting, in contrast to the previously used method where revenue was recognized upon project completion, when control is transferred to the customer.
- Going forward, YIT will **present financial information both according to the IFRS accounting standards and according to segment reporting** using the POC revenue recognition method for self-developed projects. Reconciliations between the two reporting methods will also be provided.
- **Adopting the POC revenue recognition method impacts the timing of revenue recognition in segment reporting.** Therefore, it has no impact on YIT's financial targets set for the strategy period 2025–2029 or the adjusted operating profit guidance given for year 2026. Going forward, YIT publishes adjusted operating profit only in accordance with the segment reporting, which will serve as basis for the guidance for 2026.



POC recognizes revenue during the construction period

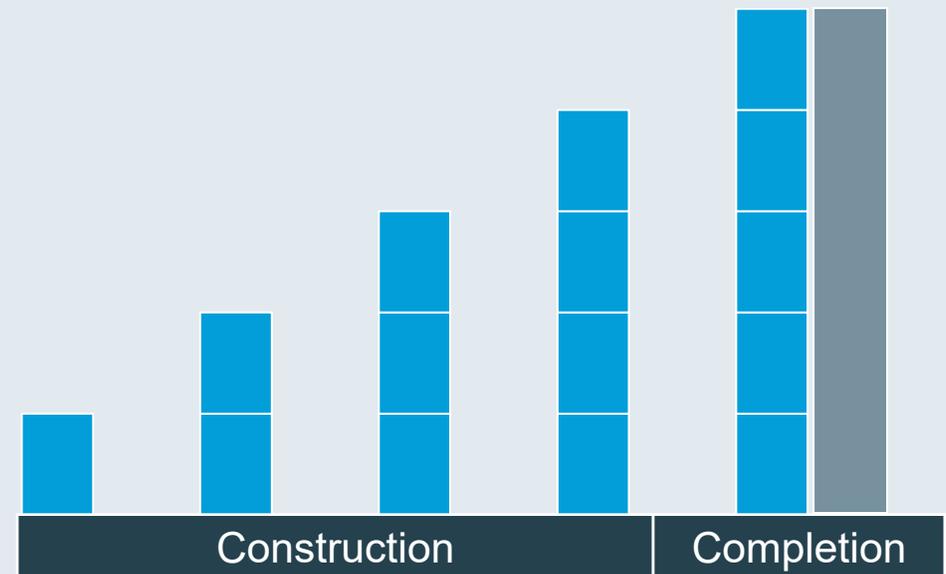
- POC method recognizes revenue of self-developed projects across the construction period.
- In IFRS, revenue from sales of self-developed projects is recognized upon project completion, when control is transferred to the customer.
- POC method provides more timely and predictable information compared to IFRS, as it reflects the progress of the projects already during the projects.
- The impact is primarily reflected in the residential segments.

Revenue recognized in POC

=

$$\boxed{\text{Completion rate}^*} \times \boxed{\text{Sales rate}} \times \boxed{\text{Total estimated revenue}}$$

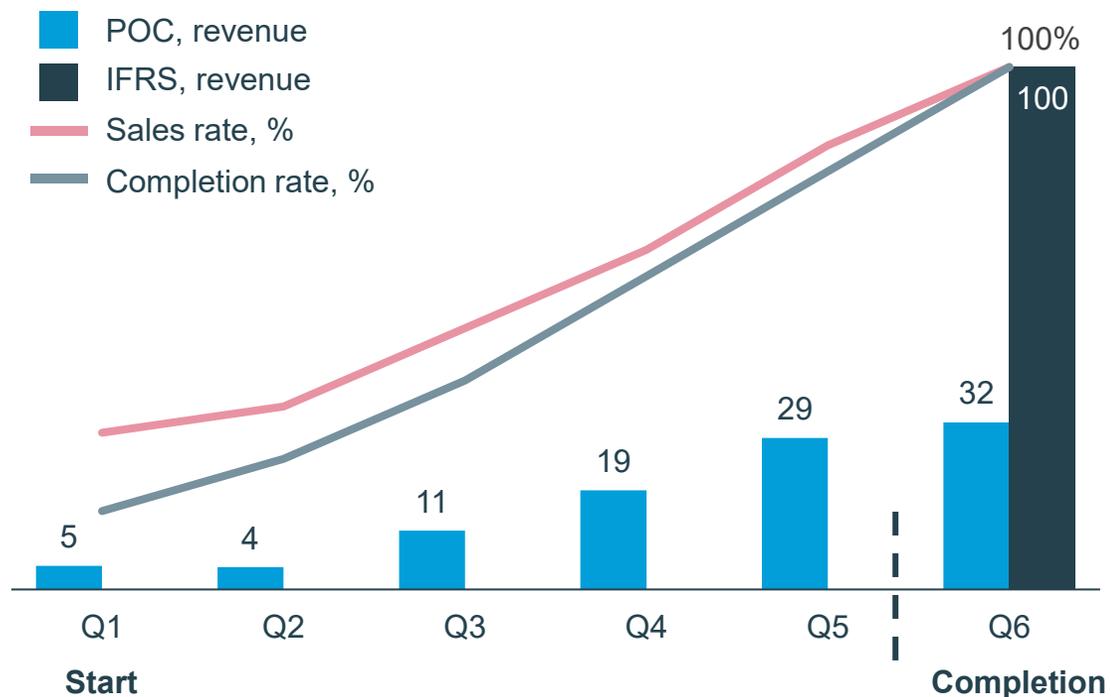
Illustrative cumulative revenue recognized in self-developed projects



*Completion rate is based on cumulated on-site costs

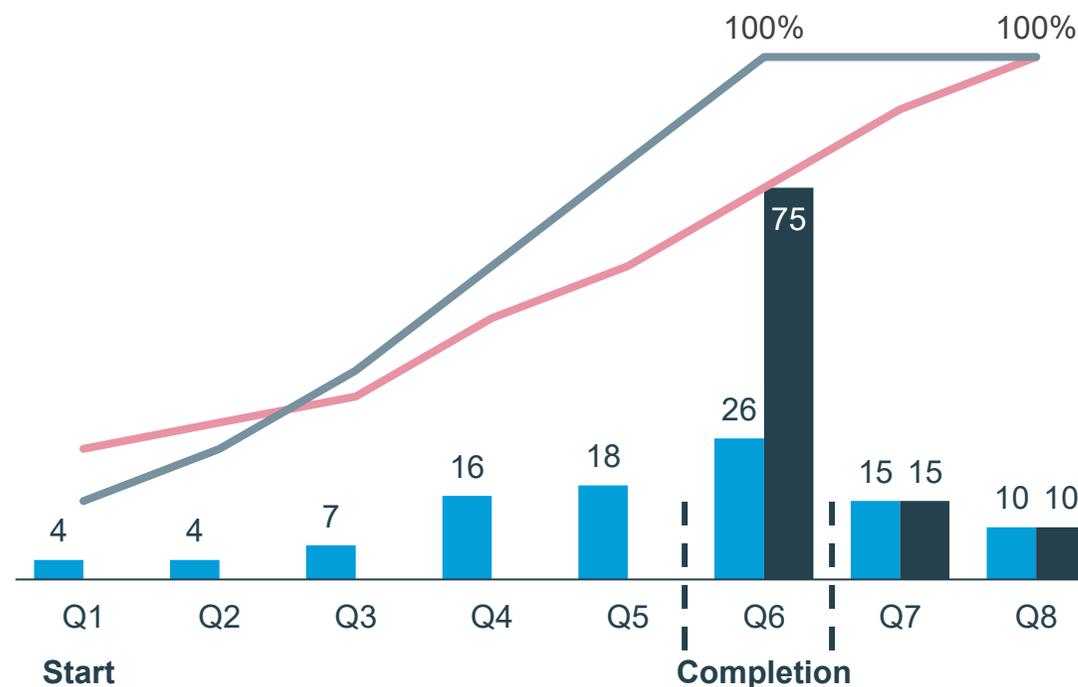
POC reduces quarterly variance caused by completion schedules of self-developed projects

Example: Project fully sold during construction period



Revenue recognition differs during construction. After completion, the cumulative revenue is the same in both methods.

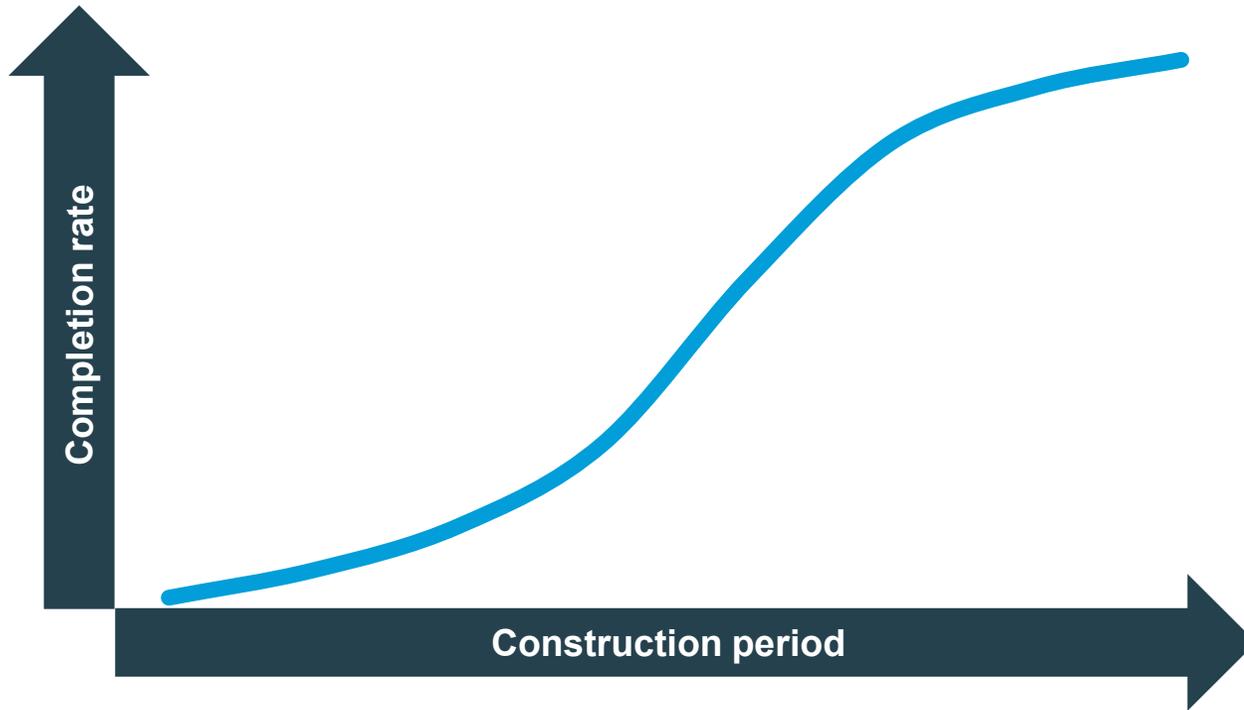
Example: Sales continue after construction period



Revenue from apartments sold after completion are recognized similarly in both methods.

Completion rate progression follows on-site cost cumulation

Illustrative **completion rate** progression in a typical residential project

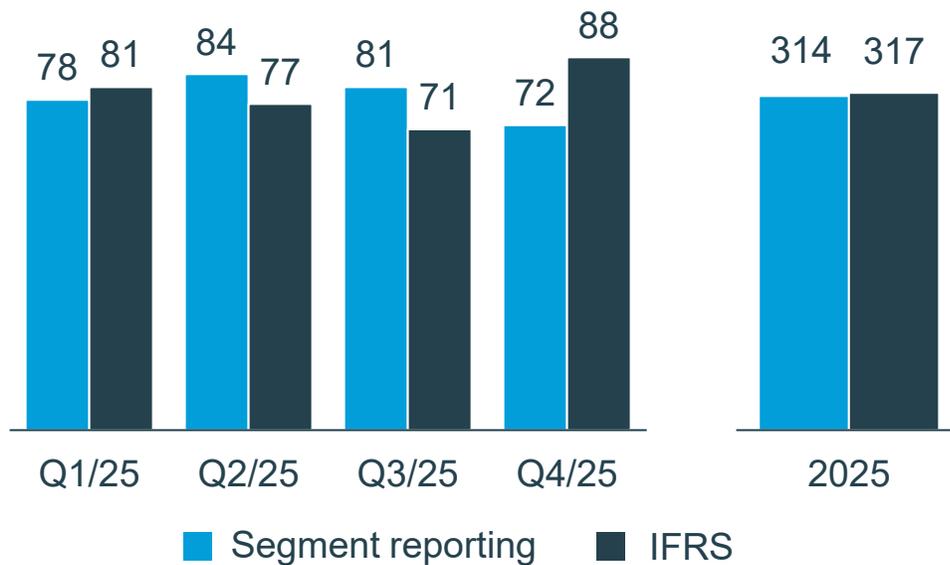


- Completion rate calculation is based on cumulated on-site costs
- In an average residential project, cost cumulation follows an S-type curve where costs are cumulated slower close to the beginning and end of the project, and quicker during the middle period of construction

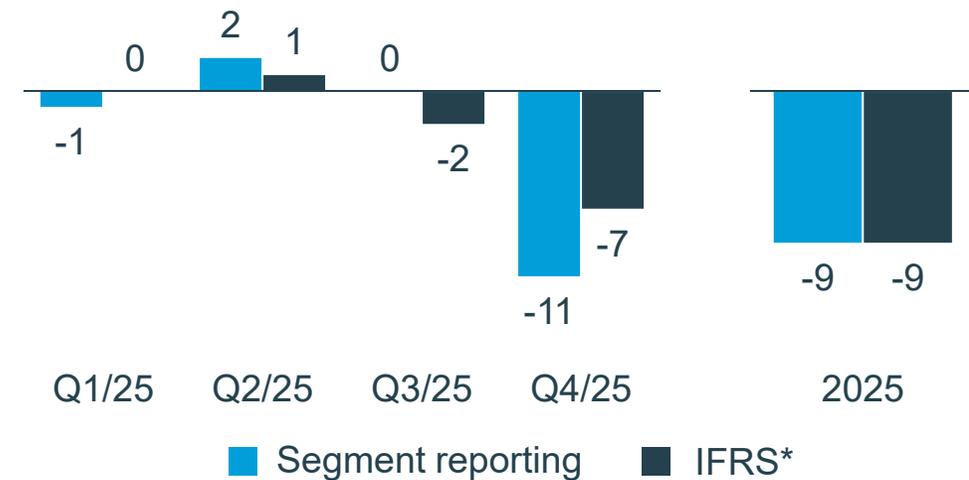


Residential Finland financials for 2025

Revenue,
EUR million

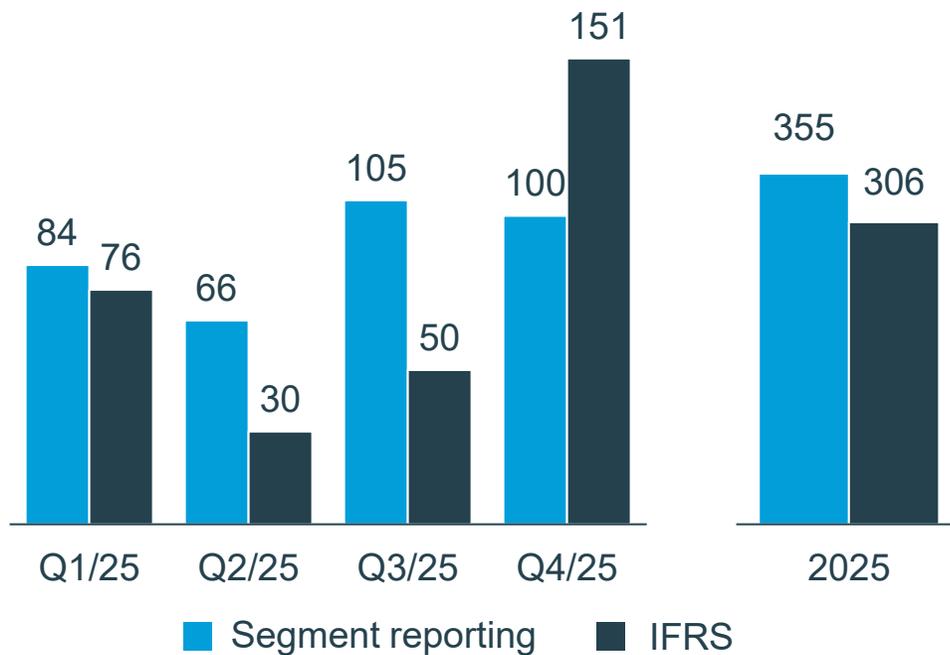


Adjusted operating profit,
EUR million

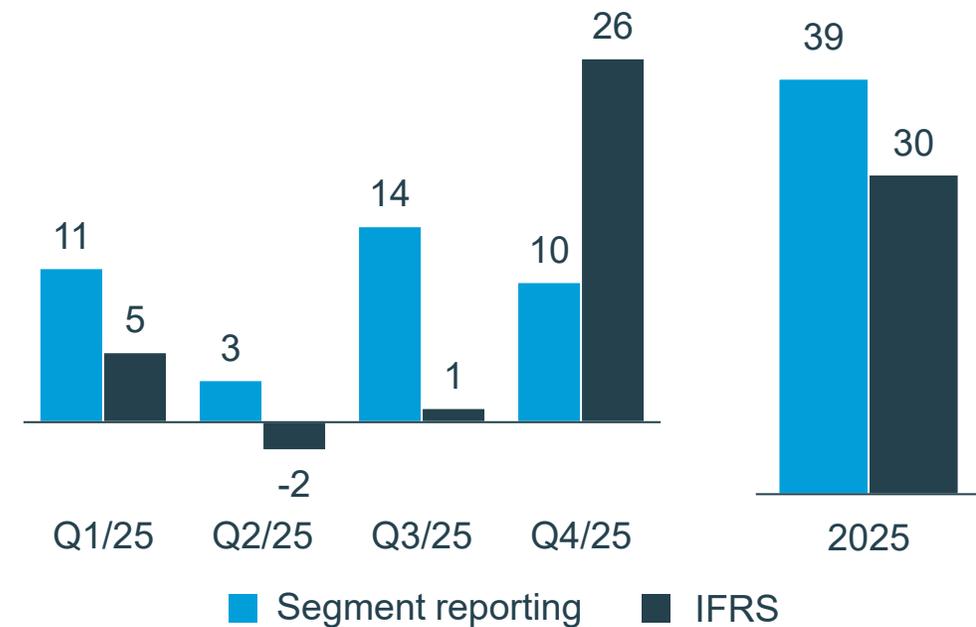


Residential CEE financials for 2025

Revenue,
EUR million

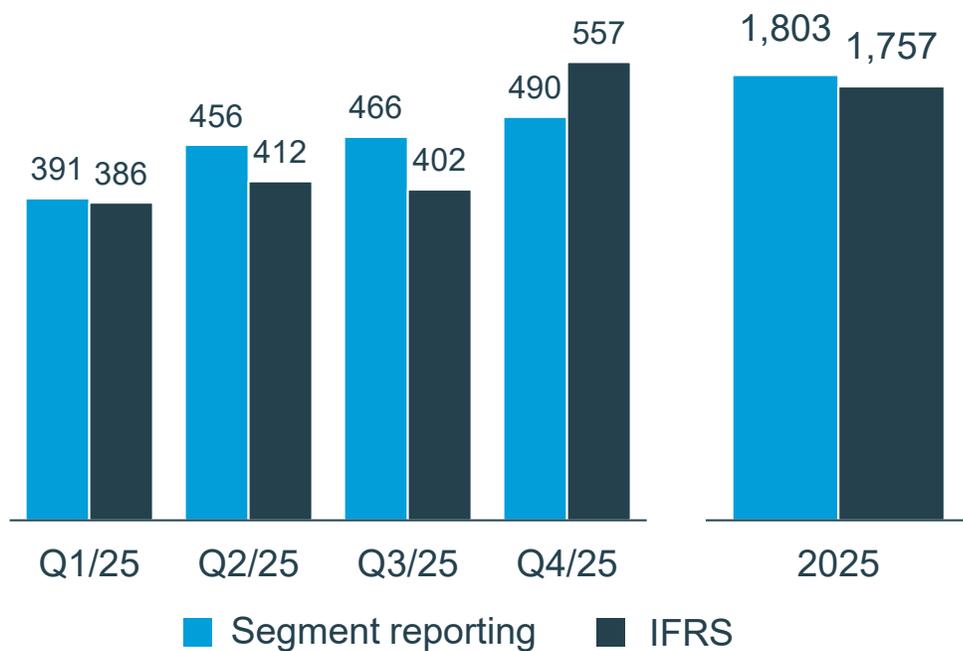


Adjusted operating profit,
EUR million

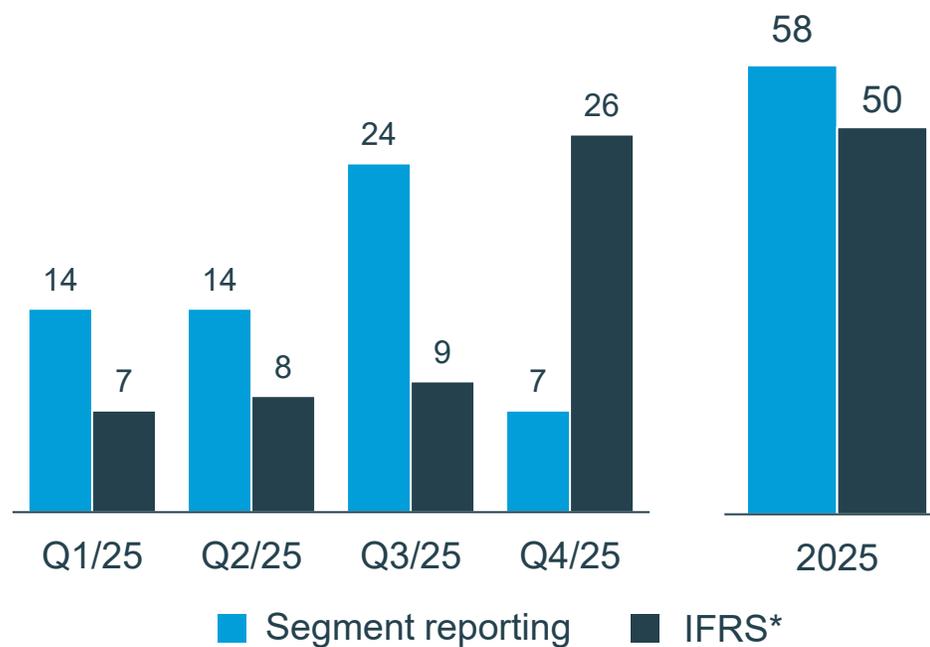


Group financials for 2025

Revenue,
EUR million



Adjusted operating profit,
EUR million



Key takeaways

Adapting new reporting method (POC) in segment reporting – no impact on Group full year guidance

POC reduces the dependence on timing of completions and provides more timely information as profit generation reacts faster to market dynamics

New segment reporting will be applied from Q1'26 onwards, comparison figures available for year 2025

**Together
we can
do it.**