Q3

YIT Corporation
Interim Report 1-9/2022

Table of contents

Interim Report January-September 2022

Improved performance in a challenging business environment

Third quarter 2022 highlights

- Adjusted operating profit increased to EUR 21 million (11).
- Adjusted operating profit margin improved to 3.7% (2.0), reflecting a stable underlying performance across the segments.
- Determined strategy execution continued successfully, while increased construction material costs had a negative impact on margins.
- Result for the period was EUR 7 million (-3).
- Operating cash flow after investments amounted to EUR -149 million (-23), impacted by self-developed projects in Housing and Property Development, investments in plots as well as the increase in number of unsold completed apartments in Housing to 280 (30 Jun 2022: 204).
- Net interest-bearing debt was at EUR 590 million (411) and gearing at 69% (40).

- Order book increased to EUR 4,089 million (30 Jun 2022: 4,067).
- Land bank amounted to 2,172,000 sqm (30 Jun 2022: 2,145,000), which enables the construction of approx. 34,000 new homes.
- YIT has a large wind power development portfolio. At the end of the quarter, the portfolio consisted of approx. 3,000 MW of project opportunities in the preliminary study phase. In addition, YIT had approx. 550 MW of projects in the permitting phase.

- The number of safety observations, which YIT uses as a leading key performance indicator in safety management, has in 2022 improved by 109% compared to the corresponding period. On the other hand, the combined lost time injury frequency in the third quarter increased to 12.5 (11.7). The increase is disappointing, and YIT carries on its dedicated work to decrease accident frequency and pursue a zero-harm workplace.
- YIT took an important step towards low-carbon construction by starting to use Consolis Parma's low-carbon hollow-core slabs in housing production in Finland.

Key figures

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	560	535	1,623	1,782	2,652
Operating profit	16	0	60	31	56
Operating profit, %	2.9	0.0	3.7	1.7	2.1
Adjusted operating profit	21	11	67	49	85
Adjusted operating profit margin, %	3.7	2.0	4.1	2.8	3.2
Result before taxes	11	-8	38	5	22
Result for the period, continuing operations	7	-9	35	-1	6
Result for the period, including discontinued operations	7	-3	-403	12	4
Earnings per share, continuing operations, EUR	0.03	-0.05	0.15	-0.02	0.01
Operating cash flow after investments	-149	-23	-322	155	288
Net interest-bearing debt	590	411	590	411	303
Gearing ratio, %	69	40	69	40	30
Equity ratio, %	36	40	36	40	40
Return on capital employed, % (ROCE, rolling 12 months)	8.1	8.4	8.1	8.4	6.8
Order book	4,089	3,885	4,089	3,885	3,847
Combined lost time injury frequency (cLTIF, rolling 12 months)	12.5	11.7	12.5	11.7	11.0
Customer satisfaction rate (NPS)	48	51	48	51	51

From the first quarter of 2022 onwards, YIT has four reportable segments: Housing, Business Premises, Infrastructure and Property Development. Sold Russian businesses are reported as discontinued operations. On 25 April 2022, YIT restated financial information for comparative periods reflecting an operating model change, where certain operations and functions were transferred between reportable segments, and the reporting of the sold Russian businesses as discontinued operations. Balance sheet and cash flow statement for comparative periods were not restated. Unless otherwise noted, all figures in this report concern continuing operations.

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

Markku Moilanen, President & CEO

"I am pleased with our performance in the third quarter. In a challenging business environment, we delivered solid results and almost doubled our adjusted operating profit to EUR 21 million from the previous year. I am particularly content of the entire YIT team's achievement, as this was the third quarter in a row when we improved both our adjusted operating profit and adjusted operating profit margin compared to last year, demonstrating that our strategy execution is proceeding according to plan.

We made good progress in each of our four segments during the quarter despite the market challenges. Our Housing segment achieved stable results despite softer consumer demand and a weaker apartment sales mix. In our Infrastructure and Business Premises segments the transformation continued successfully. We have already achieved substantial productivity gains in project management and with the new operating model. However, these gains have been partly offset especially by the increased material costs. In the Property Development segment, we continued to strengthen our capabilities in wind power and renewable energy to boost our wind power development further.

While our businesses progressed favourably, the environment in which we operate weakened further, driven by rising interest rates, inflation and the emerging energy crisis that escalated during the quarter. Therefore, we expect consumer demand in the Housing segment to remain muted in the short term. Despite the prevailing weak market sentiment, we carefully continued to invest in selected, attractive plots in growing cities and made housing project start-ups to safeguard future earnings.

During the quarter, we took an important step in our ESG efforts towards low-carbon construction. We will use low-carbon hollow-core slabs in apartment buildings in the Helsinki Metropolitan Area and Uusimaa, gradually expanding the usage to all of Finland. This will considerably reduce the material-based emissions of our residential construction.

YIT's outlook for the full year 2022 remains unchanged. Our diversified business model provides us balance in the cyclical construction sector and our order book will support our volumes in this tough market.

Several market indicators point towards a downturn. We focus firmly on executing our strategy to improve our productivity and invest in ESG and other future growth opportunities. Moreover, we are taking determined actions to manage through this challenging period and secure our future earnings. We are disciplined in our cost management and will pursue further opportunities to increase efficiencies in both the short and the long term. I am confident that with these actions and our strong capabilities we will steer YIT forward through the current market turmoil."

Markku Moilanen
President and CEO

Guidance for 2022

In Housing, completions of consumer apartments are expected to decrease compared to 2021. In Business Premises, operational performance will continue to improve. Infrastructure will gradually improve, while still impacted by certain legacy low-margin projects. In Property Development, there are several promising projects in the pipeline.

YIT expects its Group adjusted operating profit for continuing operations to be higher than in 2021 (2021: EUR 85 million).

Temporary shutdowns or slower progress on construction sites and delayed completions due to the COVID-19 pandemic or challenges in construction material and labour availability could lead to the postponement of revenue and profit from one quarter or year to another. YIT aims to mitigate the impact of increased construction material costs by actively managing its customer relations, contracts, and procurement. Rising interest rates and overall inflation could have an impact on consumer demand and result in lower-than-expected apartment sales. Due to an increased number of apartments under construction, YIT expects to tie up more capital as the year progresses.

Market environment and outlook

Housing market

In Finland, consumer demand continued to soften on the back of rising living costs and weakening general consumer confidence. In the short term, demand is expected to remain muted. Challenges in construction material availability and cost inflation have still persisted, but the situation continued to stabilise during the quarter. Housing company loan financing has been challenging due to the cautiousness of banks.

In Baltic and Central Eastern European countries, consumer demand was negatively impacted as rising interest rates and high inflation weighed on consumer confidence and purchasing power. Consequently, demand is expected to remain somewhat muted in the short term. Challenges in construction material availability and cost inflation have still persisted, but the situation continued to stabilise during the quarter.

Market environment and outlook, Housing market

Region	Q3	Outlook
Finland	Weak	Stable
Baltic countries	Weak	Stable
Central Eastern Europe	Weak	Stable

Real estate market

In Finland, demand remained stable. However, increasing construction material costs added uncertainty to the market, while rising interest rates put upward pressure on yields. Growing cost pressures have slowed down customers' decision making, but so far only a few projects have been postponed.

In Baltic and Central Eastern European countries, demand and market activity have so far remained steady. Still, the headwinds caused by high inflation and increasing uncertainty in the macroeconomic outlook are expected to persist in the short term.

Market environment and outlook, Real estate market

Region	Q3	Outlook
Finland	Normal	Weakening
Baltic countries	Normal	Weakening
Central Eastern Europe	Normal	Weakening

Infrastructure market

In Finland, public sector demand remained on a moderate level with several projects in the planning and bidding phase. Private sector demand is driven by energy and industrial construction, as well as growing demand for wind power. However, cautiousness in the overall market has somewhat increased.

In Sweden, the market remained active due to a good level of demand in both the public and private sectors, although the competition for projects remained intense as well. The public sector is supported by several ongoing infrastructure projects, and the private sector demand is driven by industrial investments.

Market environment and outlook, Infrastructure market

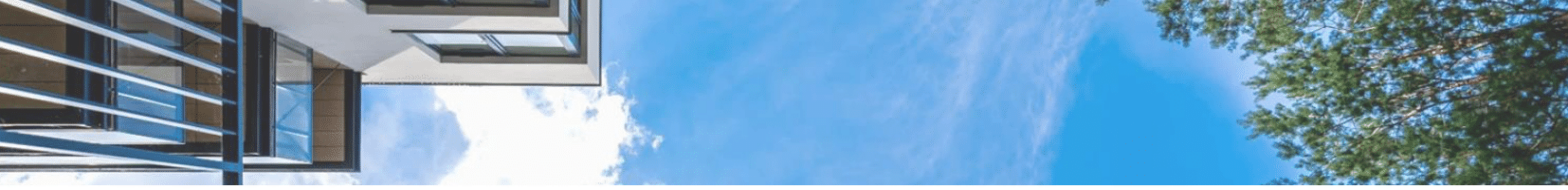
Region	Q3	Outlook
Finland	Normal	Stable
Sweden	Good	Stable

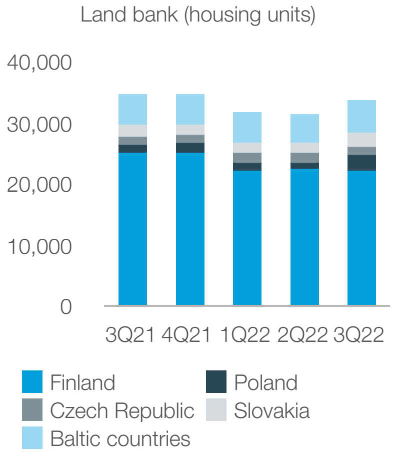
Q3 market environment

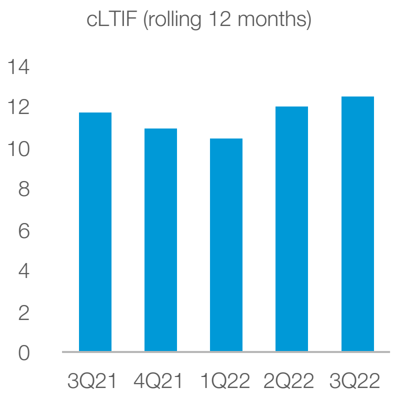
Good Normal Weak

Short-term market outlook

Improving Stable Weakening







Strategy

The objective of YIT's strategy is to be the most reliable partner to all stakeholders delivering predictable, market-leading results. YIT plans to achieve this objective by seeking growth in the Housing business and completing transformation in other businesses. YIT has three strategic priority areas: Focus, Productivity, and ESG

Focus

YIT is driving growth in the Housing business in selected growth cities in Finland, Poland, the Czech Republic and Slovakia. During the third quarter, YIT evaluated the impacts of the changing operating environment on its strategy, and concluded to carefully continue with its selected investments in attractive urban plots to safeguard future earnings.

In the third quarter, YIT made several plot acquisitions, the most significant of which include the plots for approximately 1,100 units in selected growth cities of Poland, and approximately 150 units in Prague, the Czech Republic. At the end of the third quarter, YIT´s land bank amounted to 2,172,000 sqm (30 Jun 2022: 2,145,000), which enables the construction of approximately 34,000 new homes.

Productivity

In its strategy, YIT aims to achieve a step change in productivity. YIT has already achieved substantial productivity gains, as demonstrated by the cumulative cost savings year to date from the new operating model, that amounted to over EUR 20 million at the end of the third quarter. Additionally, YIT has gained efficiencies from its enhanced project management. However, the challenging market situation, especially the increased material costs, has partly offset these gains.

ESG

Environment

During the third quarter, YIT took an important step towards low-carbon construction by starting to use Consolis Parma's low-carbon hollow-core slabs in housing production in YIT's units in the Helsinki Metropolitan Area and Uusimaa. The plan is to gradually expand the agreement to cover all of YIT's residential construction operations in Finland. In YIT's housing production, hollow-core slabs are the individual construction product category with the highest emission impact, representing roughly one-fifth of the material-based emissions of residential buildings. Switching to low-carbon hollow-core slabs will reduce carbon dioxide emissions by approximately four million kilograms per year.

YIT also continued to strengthen its capabilities in wind power development, where it has a large development portfolio. Wind power development plays a vital role in supporting the European energy transition by increasing access to renewable energy.

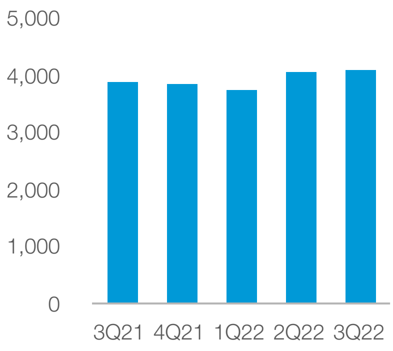
Social

The number of safety observations, which YIT uses as a leading key performance indicator in safety management, has in 2022 improved by 109% compared to the corresponding period. On the other hand, the combined lost time injury frequency in the third quarter increased to 12.5 (11.7). The increase is disappointing, and YIT carries on its dedicated work to decrease accident frequency and pursue a zero-harm workplace.

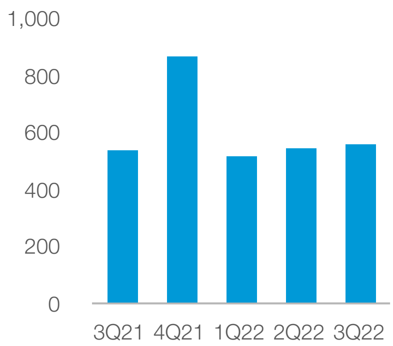
Governance

YIT continued to advance ESG matters throughout its supply chains. In Finland, YIT requires employees from non-EU/EEA/EFTA countries to have the right of employment and residence in order to prevent work-related exploitation and other grey economy phenomena. YIT has established a continuing internal process for inspecting non-EU/EEA/EFTA workers. So far in 2022, 13 non-compliant work permit statuses were found out of the 646 inspected.

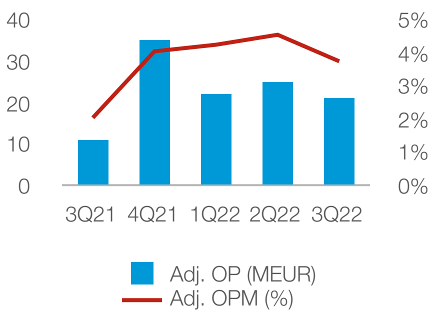
Order book (MEUR)



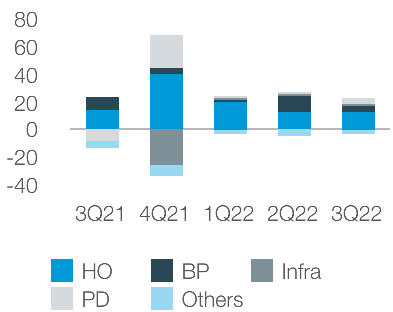
Revenue (MEUR)



Adjusted operating profit and adjusted operating profit margin



Adjusted operating profit per segment (MEUR)



Results

July–September

YIT's order book increased to EUR 4,089 million at the end of the third quarter (30 Jun 2022: 4,067). The increase was driven by the strengthened order book in Business Premises and Property Development. In Housing and Infrastructure, the order book remained stable. At the end of the quarter, 74% of the order book was sold (30 Jun 2022: 79%[1]).

YIT's revenue increased by 5% to EUR 560 million (535). This was the result of increased revenues in all segments.

YIT´s adjusted operating profit increased to EUR 21 million (11) and the adjusted operating profit margin improved to 3.7% (2.0). Improved profitability reflects stable underlying performance across the segments, although increased construction material costs had a negative impact on margins. The comparison period was burdened by a write-down in one project in Property Development and margin reductions in Infrastructure, partly offset by a plot sale in Business Premises.

YIT's operating profit was EUR 16 million (0). Adjusting items were EUR 5 million in the third quarter (11). Adjusting items were mainly related to merger related fair value allocations. The result for the period, including discontinued operations, was EUR 7 million (-3).

January–September

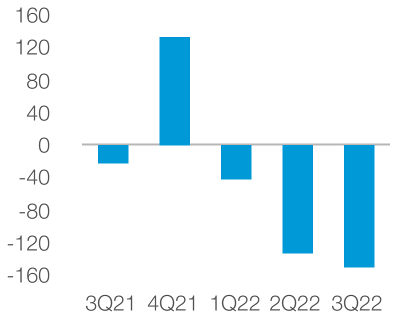
YIT´s revenue was EUR 1,623 million (1,782). Revenue increased in Business Premises and Property Development, but decreased in Housing and Infrastructure.

YIT´s adjusted operating profit increased to EUR 67 million (49) and the adjusted operating profit margin to 4.1% (2.8). Improved profitability reflects stable underlying performance across the segments, particularly the successful continued transformation in Business Premises and Infrastructure. In Housing, the adjusted operating profit decreased as a result of the lower number of apartment completions resulting from a lower number of start-ups during the COVID-19 pandemic, and lower sales.

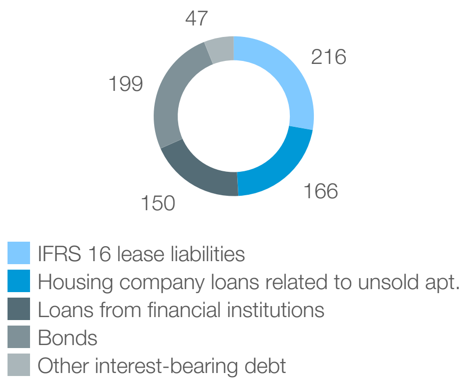
YIT's operating profit was EUR 60 million (31). The adjusting items amounted to EUR 7 million (19). Adjusting items were mainly related to merger related fair value allocations. The result for the period amounted to EUR -403 million (12) and the earnings per share amounted to EUR -1.94 (0.04). The result was impacted by the impairment booked in the first quarter following the held for sale classification of the Russian operations and the booking of the accumulated RUB/EUR translation difference in the second quarter.

[1] The comparative period figure has been corrected from the previously reported 92%.

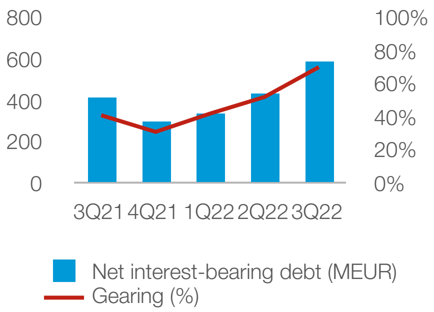
Operating cash flow after investments (MEUR)



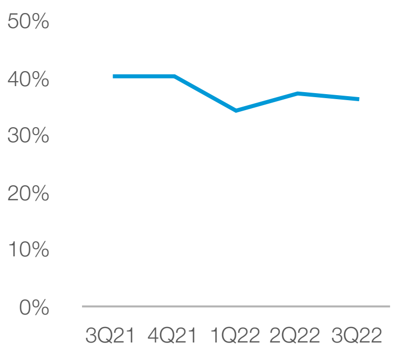
Distribution of interest-bearing debt (MEUR)



Net interest-bearing debt and gearing



Equity ratio



Cash flow and financial position

During July–September, the Group's operating cash flow after investments amounted to EUR -149 million (-23), impacted by self-developed projects in Housing and Property Development, investments in plots as well as the increase in number of unsold completed apartments in Housing. Cash flow from plot investments was EUR -21 million (-24). Cash flow from investments to associated companies and joint ventures was EUR -6 million (-5).

During January–September, the Group's operating cash flow after investments amounted to EUR -322 million (155), impacted mainly by the higher number of apartments under construction in Housing. The cash flow from plot investments was EUR -111 million (-67) and the cash flow from investments to associated companies and joint ventures was EUR -22 million (-20).

At the end of the period, interest-bearing debt amounted to EUR 778 million (758) and net interest-bearing debt to EUR 590 million (411). Net interest-bearing debt included IFRS 16 lease liabilities of EUR 216 million (234), as well as housing company loans of EUR 166 million (109) related to unsold apartments. Gearing ratio was 69% (40) and equity ratio 36% (40). Equity decreased to EUR 855 million (1,025). Net debt/adjusted EBITDA ratio was 4.5 and interest cover ratio 5.9 (30.6.2022: 4.3).

During July–September, the net finance costs amounted to EUR 5 million (7). Net finance costs were positively impacted by fair value changes in interest rate derivatives. During January–September, the net finance costs amounted to EUR 22 million (26).

Cash and cash equivalents decreased to EUR 125 million (292), and YIT had undrawn overdraft facilities amounting to EUR 32 million (32). Furthermore, a committed revolving credit facility of EUR 300 million (300) was completely undrawn, and unutilised and committed housing company and project loan limits related to apartment projects were EUR 288 million (247).

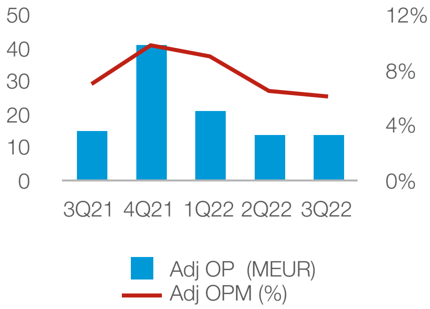
Capital employed was EUR 1,444 million (1,240, continuing operations) at the end of the quarter. Capital employed increased primarily due to an increased number of apartments under construction.

Investments and divestments

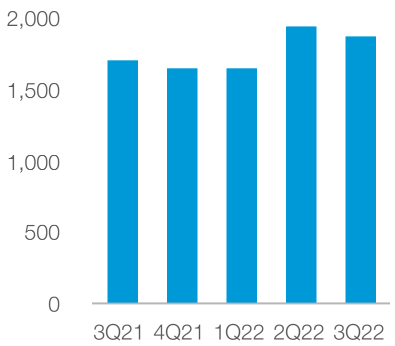
During July–September, gross capital expenditure amounted to EUR 5 million (4), of which EUR 4 million (3) was related to leased assets. Investments in plots were EUR 43 million (28), after which the plot reserve amounted to EUR 617 million (674). Investments in leased plots were EUR 19 million (9), after which the leased plot reserve amounted to EUR 106 million (113). The total plot reserve at the end of the quarter was EUR 724 million (787).

During January–September, the gross capital expenditure was EUR 13 million (19), or 0.8% of revenue (1.1), of which EUR 10 million (14) was leased. Investments in plots were EUR 128 million (74) and investments in leased plots EUR 19 million (12).

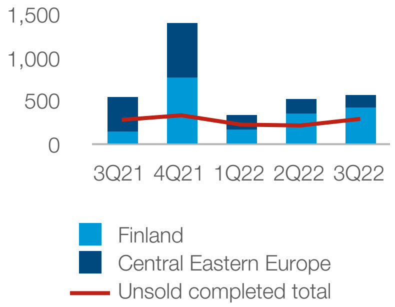
Adjusted operating profit and adjusted operating profit margin



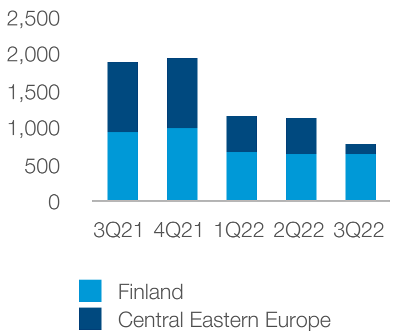
Order book (MEUR)



Consumer apartment completions (units)



Sold apartments (units)



Housing

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	239	218	693	863	1,281
Operating profit	14	14	49	68	109
Adjusted operating profit	14	15	49	68	109
Adj. operating profit margin, %	6.0	6.9	7.1	7.9	8.5
Order book at end of period	1,881	1,700	1,881	1,700	1,647
Capital employed	755	578	755	578	581

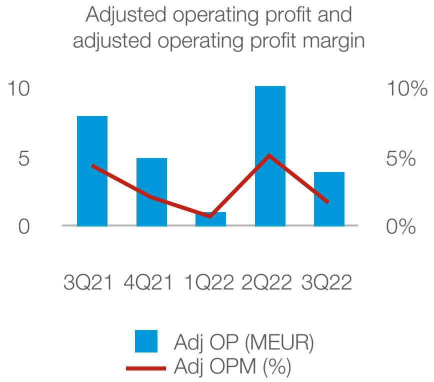
Results

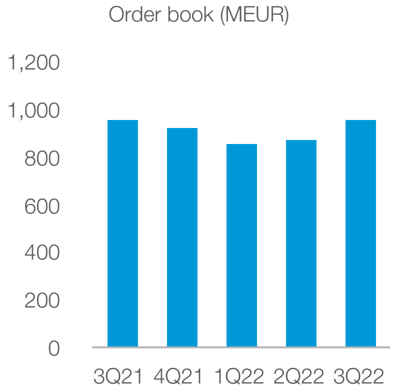
July–September

- Revenue increased by 10% to EUR 239 million (218) supported by a higher number of apartment completions during the quarter.
- The number of unsold completed apartments increased to 280 (269), as a result of the higher number of apartment completions and lower sales.
- Adjusted operating profit decreased slightly to EUR 14 million (15) impacted by the increased construction material costs, lower sales and a weaker apartment sales mix.
- Order book remained stable at EUR 1,881 million (30 Jun 2022: 1,941).
- Consumer apartment start-ups decreased to 596 (1,058), as higher reservation rates were required before start-ups.

January–September

- Revenue decreased by 20% to EUR 693 million (863), as a result of the lower number of apartment completions resulting from a lower number of start-ups during the COVID-19 pandemic, and lower sales.
- Adjusted operating profit decreased by 28% to EUR 49 million (68).
- Capital employed increased to EUR 755 million (31 Dec 2021: 581). The increase was mainly related to a higher number of apartments under construction.





Business Premises

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	220	199	606	522	787
Operating profit	4	8	14	4	8
Adjusted operating profit	4	8	16	6	11
Adj. operating profit margin, %	1.6	4.3	2.6	1.1	1.4
Order book at end of period	956	960	956	960	919
Capital employed	-64	-33	-64	-33	-92

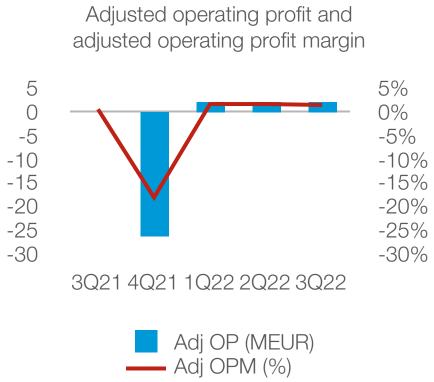
Results

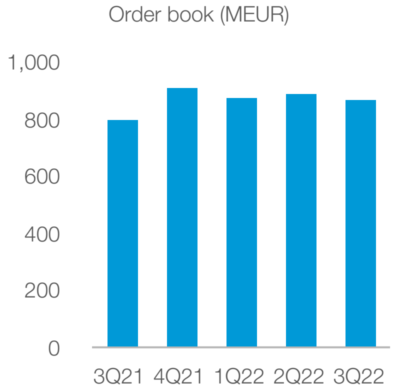
July–September

- Revenue increased by 10% to EUR 220 million (199).
- Adjusted operating profit decreased to EUR 4 million (8). The operational performance remained stable, but the increased construction material costs continued to have an impact on margins. The comparative period was supported by a plot sale.
- The order book increased to EUR 956 million (30 Jun 2022: 871)
    - The first phase of construction at Seinäjoki station, Nokia's new facilities in Oulu, and the renovation of the property at Aleksanterinkatu 13 in Helsinki, were among the projects entered in the order book.

January–September

- Revenue increased by 16% to EUR 606 million (522).
- Adjusted operating profit increased to EUR 16 million (6), supported by the stabilising operational performance and the successful transformation of the business according to plans, as well as the sale of two self-developed projects during the second quarter.





Infrastructure

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	133	128	393	404	544
Operating profit	1	-7	5	-24	-59
Adjusted operating profit	2	0	5	-13	-39
Adj. operating profit margin, %	1.1	0.2	1.3	-3.2	-7.2
Order book at end of period	864	795	864	795	910
Capital employed	34	37	34	37	-19

Operating profit from the businesses to be closed in Norway and the businesses sold in Estonia in 2021 is recorded in adjusting items and not presented in adjusted operating profit.

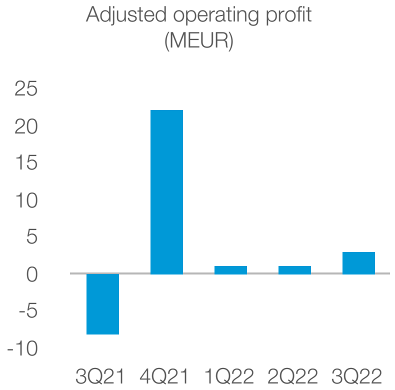
Results

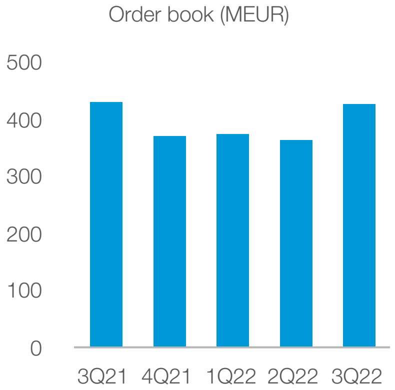
July–September

- Revenue increased by 4% to EUR 133 million (128).
- Adjusted operating profit increased to EUR 2 million (0) driven by the continued transformation, although the profitability was impacted by the increased construction material costs and certain legacy low-margin projects. The comparative period was impacted by margin reductions.
- The order book remained stable at EUR 864 million (30 Jun 2022: 891).
  - The development phase of the seawater heat recovery project, where YIT and ACCIONA were chosen as alliance partners by Helen, was among the projects entered in the order book.

January–September

- Revenue decreased by 3% to EUR 393 million (404).
- Adjusted operating profit increased to EUR 5 million (-13), driven by the continued transformation. The comparative period was impacted by margin reductions.
- Adjusting items were EUR 0 million (11) including operating profit from operations to be closed in Norway.





Property Development

EUR Million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	19	11	54	24	91
Operating profit	3	-8	5	-5	17
Adjusted operating profit	3	-8	5	-4	18
Order book at the end of period	426	431	426	431	371
Capital Employed	421	353	421	353	387

Results

July–September

- Revenue grew to EUR 19 million (11).
- Adjusted operating profit increased to EUR 3 million (-8). The comparative period was burdened by a write-down in one project and by the development costs of several development projects.
- The order book grew to EUR 426 million (30 Jun 2022: 364). The order book includes primarily service periods for life cycle projects.
- Capital employed increased to EUR 421 million (353) due to new investments and progress in development projects.
- YIT's partly owned Mall of Tripla continued its good performance with the number of visitors developing positively.
- YIT has a large wind power development portfolio. At the end of the quarter, the portfolio consisted of approximately 3,000 MW of project opportunities in the preliminary study phase. In addition, YIT had approximately 550 MW of projects in the permitting phase. The preliminary study phase is often long-lasting and associated with various uncertainties. Therefore, only some of the projects in the portfolio are typically realised as completed projects. Due to the nature of project development the size of the portfolio varies as studies progress and new potential projects are found. The realisation probability of the projects increases as they move on to the permitting phase.

January–September

- Revenue increased to EUR 54 million (24).
- Adjusted operating profit increased to EUR 5 million (-4). The comparative period was burdened by a write-down in one project.

Investment portfolio

- In addition to its project development and services businesses, the Property Development segment also participates in various equity investments, including, among others, investments in housing, commercial developments, and public-private partnerships.
- The internal rate of return for the segment´s investment portfolio was 11% at the end of the quarter.[1]

EUR million	Value[2]	Change 7/22 - 9/22[3]	Change 10/21 - 9/22[3]
Housing	70	8	17
Commercial	208	2	5
Infra	6	—	1
Total	**285**	**10**	**22**

[1] The internal rate of return is calculated for both fully exited investments since 2018 and current holdings based on monthly cash flows and latest value of the assets still in the portfolio.
[2] Book value of Property Development´s equity investment including shareholder/capital loan.
[3] Including changes in book value, e.g., fair value, additional investments, and/or capital returns.

Discontinued operations

On 30 May 2022, YIT announced it had completed the sale of its businesses in Russia to Etalon Group PLC. The total transaction price was EUR 71 million and the debt-free purchase price EUR 30 million. Net cash impact was EUR -14 million. YIT classified the operations that are part of the transaction as assets held for sale and has reported them as discontinued operations in the first quarter of 2022.

The result for discontinued operations in the third quarter was EUR 0 million (6). January–September result for discontinued operations was EUR -438 million (13). The result was impacted by the impairment booked in the first quarter following the held for sale classification of the Russian operations and the booking of the accumulated RUB/EUR translation difference in the second quarter.

Shares

YIT Corporation's share capital and the number of shares remained unchanged during the reporting period. The number of shares outstanding at the end of the reporting period, on 30 September 2022, was 209,511,146 (31 Dec 2021: 209,118,906).

Dividend

On 14 September 2022, YIT Corporation's Board of Directors decided on the record date and payment date for the dividend's second instalment of EUR 0.08 per share. The record date was 4 October, and the dividend's second instalment was paid on 12 October. The total amount of dividends paid by YIT in 2022 is EUR 0.16 per share.

Personnel

During January–September, the Group employed on average 5,256 people (5,604) in continuing operations. Personnel expenses in July–September totalled EUR 75 million (77) and in January–September amounted to EUR 255 million (260).

Governance

Extraordinary General Meeting

YIT announced on 15 September 2022 a notice convening YIT Corporation's Extraordinary General Meeting. The Extraordinary General Meeting was held on 6 October 2022 in Helsinki.

Significant risks and uncertainties

The purpose of YIT's risk management is to identify the most significant risks to the company's operations and manage them in a balanced way. Risk management aims to ensure the continuity of YIT's operations and the achievement of targets. YIT has a risk management policy that guides the management of the company's overall risk position. Risk management is included in all of the Group's significant operating, reporting and management processes.

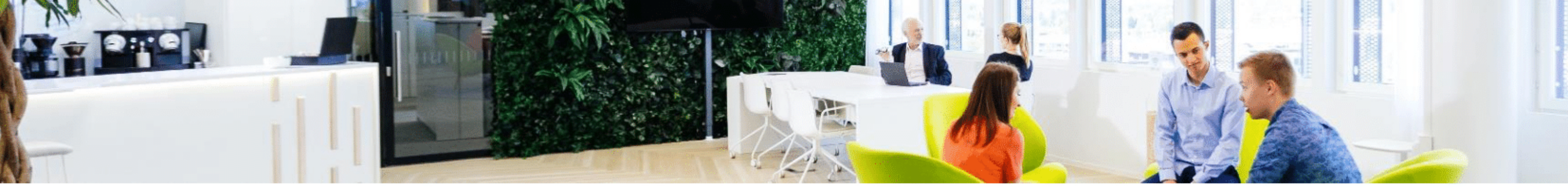
YIT has categorised the risks that are significant to its operations into strategic, operational, financial, event, and project risks.

Detailed descriptions of risks, their impacts and risk management practices are available in YIT's Annual Review 2021. These risks still apply. The main updates to risks since the publication of the review are related to the changes in the geopolitical situation, as well as removal of Russia related country and currency exchange risks as a result of the completion of the sale of YIT's businesses in Russia.

Russian invasion of Ukraine has led to uncertainty in the availability of construction materials and labour. Additionally, although the cost inflation in construction materials showed some signs of stabilising during the third quarter, increasing energy costs continue to put pressure on prices. Uncertainty about the outlook for consumer demand for apartments has also grown, which began to show during the second quarter as a slowdown in consumer decision-making and a decrease in sales in the Finnish housing market. The uncertainty surrounding consumer and investor demand is further increased by rising interest rates.

YIT has evaluated the effects of the Russian invasion of Ukraine on its business with a scenario analysis. In the first phase, the review focused especially on the business effects of cost inflation through the price increases and challenges in the availability of construction materials. The prevailing scenario seems to be a prolonged conflict, the effects of which will increase uncertainty in the operating environment in the medium term. At the end of the review period and after that, the risk of an energy crisis affecting operations in Central Europe in particular has increased significantly. Its possible direct and indirect effects on YIT's business are still difficult to predict at this stage. The consequences of the crisis may lead to a deterioration in the profitability of YIT's business, or in a change in the timing of revenue and operating profit from one reporting period to another. The consequences of the crisis may also impact YIT's ability to achieve its long-term targets.

In order to anticipate the effects of Russian invasion of Ukraine, YIT's risk management function has conducted regular business continuity risk assessments together with business segments and group functions during the period. Risk assessments and the measures initiated on the basis of them have been aimed at preventing the possible effects on business continuity and creating a continuous situational picture of the effects. This practice will continue for the time being.



Events after the reporting period

YIT announced on 6 October 2022 that Extraordinary General Meeting held on that day had decided on amendments to the Company's Articles of Association and on the composition of the Board of Directors in accordance with the proposals of the Board of Directors. The Extraordinary General Meeting resolved to elect as new members Sami Laine and Keith Silverang to the Board of Directors for a term ending at the close of the next Annual General Meeting.

YIT announced on 7 October 2022 that the Board of Directors decided in its meeting held on that day to reinforce its committees with the newly elected members. Sami Laine was elected as a new member of the Audit Committee, and Keith Silverang was elected as a new member of the Personnel Committee.

YIT Corporation
Board of Directors

Helsinki, 27 October 2022

Interim Report January-September 2022: Tables

Table of contents

Primary Financial Statements

Consolidated Income statement

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Revenue	**560**	**535**	**1,623**	**1,782**	**2,652**
Other operating income	1	5	11	11	14
Change in inventories of finished goods and in work in progress	41	41	117	-17	-108
Production for own use	—	—	—	—	—
Materials and supplies	-106	-109	-283	-343	-536
External services	-342	-345	-1,005	-972	-1,350
Personnel expenses	-75	-77	-255	-260	-351
Other operating expenses	-57	-44	-138	-159	-251
Changes in fair value of financial assets	4	2	8	4	6
Share of results of associated companies and joint ventures	3	1	9	9	11
Depreciation, amortisation and impairment	-11	-8	-26	-25	-32
Operating profit	**16**	**0**	**60**	**31**	**56**
Finance Income	5	1	6	2	2
Exchange rate differences (net)	-3	—	-7	-1	-1
Finance expenses	-8	-8	-21	-27	-35
Finance income and expenses, total	-5	-7	-22	-26	-34
Result before taxes	**11**	**-8**	**38**	**5**	**22**
Income taxes	-4	-1	-4	-6	-16
Result for the period, continuing operations	**7**	**-9**	**35**	**-1**	**6**
Result for the period, discontinued operations	**—**	**6**	**-438**	**13**	**-2**
Result for the period	**7**	**-3**	**-403**	**12**	**4**
Attributable to					
Owners of YIT Corporation	7	-3	-403	11	4
Non-controlling interests	—	—	—	—	1
Earnings per share, attributable to the equity holders of the parent company, EUR					
Basic, total	0.03	-0.02	-1.94	0.04	0.00
Diluted, total	0.03	-0.02	-1.94	0.04	0.00
Basic, continuing operations	0.03	-0.05	0.15	-0.02	0.01
Basic, discontinued operations	—	0.03	-2.09	0.06	-0.01
Diluted, continuing operations	0.03	-0.05	0.15	-0.02	0.01
Diluted, discontinued operations	—	0.03	-2.09	0.06	-0.01

Consolidated statement of comprehensive income

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Result for the period	7	-3	-403	12	4
Items that may be reclassified to income statement					
Cash flow hedges, net of tax	1	—	3	—	—
Change in translation differences, continuing operations	-1	-1	-2	—	2
Change in translation differences, discontinued operations	—	8	27	22	20
Translation differences reclassified to income statement, continuing operations	—	—	—	—	—
Translation differences reclassified to income statement, discontinued operations	—	—	253	—	—
Items that may be reclassified to income statement, total	**—**	**7**	**281**	**23**	**23**
Items that will not be reclassified to income statement					
Change in fair value of defined benefit pension, net of tax	—	-1	—	-1	-1
Items that will not be reclassified to income statement, total	**—**	**-1**	**—**	**-1**	**-1**
Other comprehensive income, total	**—**	**6**	**281**	**22**	**22**
Total comprehensive income, continuing operations	7	-10	36	-2	8
Total comprehensive income, discontinued operations	—	14	-157	35	18
Total comprehensive income	**7**	**3**	**-122**	**34**	**26**
Attributable to					
Owners of YIT Corporation	7	3	-122	33	25
Non-controlling interests	—	—	—	—	1

Consolidated statement of financial position

EUR million	9/22	9/21	12/21
ASSETS			
Non-current assets			
Property, plant and equipment	43	56	53
Leased property, plant and equipment	68	75	79
Goodwill	249	249	249
Other intangible assets	5	8	7
Investments in associated companies and joint ventures	90	83	92
Equity investments	193	184	186
Interest-bearing receivables	57	43	46
Trade and other receivables	46	11	36
Deferred tax assets	25	37	31
Non-current assets total	**776**	**745**	**779**
Current assets			
Inventories	1,394	1,370	1,285
Leased inventories	170	181	174
Trade and other receivables	341	432	350
Interest-bearing receivables	6	13	13
Income tax receivables	1	6	5
Cash and cash equivalents	125	292	389
Current assets total	**2,037**	**2,293**	**2,215**
Total assets	**2,814**	**3,038**	**2,994**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	756	922	915
Non-controlling interests	—	3	3
Hybrid bond	99	99	99
Equity total	**855**	**1,025**	**1,017**
Non-current liabilities			
Deferred tax liabilities	6	7	19
Pension obligations	3	3	3
Provisions	69	78	86
Interest-bearing liabilities	388	339	398
Lease liabilities	153	160	161
Contract liabilities, advances received	1	—	11
Trade and other payables	28	32	27
Non-current liabilities total	**646**	**619**	**705**
Current liabilities			
Contract liabilities, advances received	301	324	293
Other contract liabilities	143	149	121
Trade and other payables	576	619	615
Income tax payables	11	9	5
Provisions	44	34	46
Interest-bearing liabilities	174	185	118
Lease liabilities	64	74	74
Current liabilities total	**1,312**	**1,394**	**1,272**
Liabilities total	**1,959**	**2,013**	**1,977**
Total equity and liabilities	**2,814**	**3,038**	**2,994**

Consolidated cash flow statement

EUR million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Result for the period	**7**	**-3**	**-403**	**12**	**4**
Reversal of accrual-based items[1]	1	17	459	60	117
Change in trade and other receivables[1]	-39	-85	-90	-11	69
Change in inventories[1]	-87	-40	-248	18	104
Change in current liabilities	-14	86	25	94	24
Change in working capital, total[1]	-139	-40	-313	101	197
Cash flow of financial items	-10	-2	-55	-30	-28
Taxes paid (-)	-2	-4	-11	-12	-14
Net cash generated from operating activities[1]	**-143**	**-32**	**-323**	**131**	**275**
Cash flow from investing activities					
Acquisition of subsidiaries, net of cash	—	—	-4	-1	-1
Sale of subsidiaries, net of cash	—	—	-14	10	8
Investments in associated companies and joint ventures	-6	-5	-22	-20	-29
Proceeds from sale of associated companies and joint ventures	-2	12	28	20	22
Purchases of tangible assets	-1	-1	-3	-4	-8
Purchases of intangible assets	—	—	—	-1	-1
Proceeds from tangible and intangible assets	—	3	2	14	15
Proceeds from sale of investments	—	—	—	—	—
Dividends received (from associated companies and joint ventures)	3	—	15	7	7
Net cash used in investing activities	**-5**	**8**	**1**	**24**	**14**
Operating cash flow after investments[1]	**-149**	**-23**	**-322**	**155**	**288**
Cash flow from financing activities					
Proceeds from non-current interest-bearing liabilities[1]	—	—	18	200	239
Repayments of non-current interest-bearing liabilities	—	—	—	-300	-329
Proceeds from current interest-bearing liabilities[1]	87	309	281	173	326
Repayments of current interest-bearing liabilities	-61	-292	-205	-424	-597
Payments of lease liabilities	-5	-8	-16	-25	-31
Change in interest-bearing receivables	1	6	-3	9	5
Proceeds from hybrid bond	—	—	—	100	100
Change in treasury shares	—	—	—	—	—
Dividends paid	—	—	-17	-15	-30
Net cash used in financing activities[1]	**21**	**14**	**58**	**-282**	**-316**
Net change in cash and cash equivalents	-128	-9	-263	-127	-29
Cash and cash equivalents at the beginning of the period	248	304	389	419	419
Foreign exchange differences	4	-4	-1	-1	-1
Cash and cash equivalents at the end of the period	**125**	**292**	**125**	**292**	**389**

[1] Q2/2022 figures have been adjusted

Consolidated statement of changes in equity

EUR million	Share Capital	Legal reserve	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Non-controlling interests	Hybrid bond	Equity total
Equity on 1 January 2022	**150**	**1**	**553**	**-281**	**—**	**-10**	**501**	**915**	**3**	**99**	**1,017**
Result for the period							-403	-403	—		-403
Cash flow hedges, net of tax					3			3			3
Change in fair value of defined benefit pension, net of tax							—	—			—
Translation differences				25				25	—		25
Translation differences reclassified to income statement				253				253			253
Comprehensive income for the period, total				**278**	**3**	**—**	**-403**	**-122**	**—**		**-122**
Dividend distribution							-33	-33			-33
Share-based incentive schemes						2	—	2			2
Transactions with owners, total						**2**	**-33**	**-31**	**—**		**-31**
Hybrid bond interests and expenses, net of tax							-5	-5			-5
Other changes		-1	—					-2	-3		-4
Other items, total		**-1**	**—**				**-5**	**-6**	**-3**		**-9**
Equity on 30 September 2022	**150**	**—**	**553**	**-3**	**4**	**-8**	**60**	**756**	**—**	**99**	**855**

EUR million	Share Capital	Legal reserve	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Non-controlling interests	Hybrid bond	Equity total
Equity on 1 January 2021	**150**	**1**	**553**	**-303**		**-10**	**527**	**918**	**2**		**920**
Result for the period							11	11	—		12
Cash flow hedges, net of tax					—			—			—
Change in fair value of defined benefit pension, net of tax							-1	-1			-1
Translation differences				22				22	—		23
Translation differences reclassified to income statement				—				—			—
Comprehensive income for the period, total				**22**	**—**		**11**	**33**	**1**		**34**
Dividend distribution							-29	-29			-29
Share-based incentive schemes						—	1	1			1
Transactions with owners, total						**—**	**-29**	**-29**			**-29**
Hybrid bond										99	99
Other items, total										**99**	**99**
Equity on 30 September 2021	**150**	**1**	**553**	**-281**	**—**	**-10**	**509**	**922**	**3**	**99**	**1,025**

EUR Million	Share Capital	Legal reserve	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Non-controlling interests	Hybrid bond	Equity total
Equity on 1 January 2021	**150**	**1**	**553**	**-303**		**-10**	**527**	**918**	**2**		**920**
Result for the period							4	4	1		4
Cash flow hedges, net of tax					—			—			—
Change in fair value of defined benefit pension, net of tax							-1	-1			-1
Translation differences				22				22	—		22
Translation differences reclassified to income statement				—				—			—
Comprehensive income for the period, total				**22**	**—**		**3**	**25**	**1**		**26**
Dividend distribution							-29	-29	—		-29
Share-based incentive schemes						—	1	1			1
Transactions with owners, total						**—**	**-28**	**-28**	**—**		**-28**
Hybrid bond										99	99
Other items, total										**99**	**99**
Equity on 31 December 2021	**150**	**1**	**553**	**-281**	**—**	**-10**	**501**	**915**	**3**	**99**	**1,017**

Basis of preparation and accounting policies of the interim report

Basis of preparation

This interim report has been prepared in accordance with IFRS recognition and measurement principles, but not all requirements of IAS 34 Interim Financial Reporting standard have been applied. This interim report should be read together with YIT's consolidated Financial Statements 2021. The figures presented in the interim report are unaudited. In the interim 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 recognition and measurement principles have been applied in the preparation of this interim report as in YIT's consolidated Financial Statements 2021 except for the amendments to IFRS standards which were effective as of January 1, 2022. The amendments did not have impact on the consolidated financial statements.

Significant management judgements

In preparing this interim 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 2021.

Coronavirus pandemic (COVID-19) and Russian 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 2021. When making these judgements, the management estimates constantly the impacts of coronavirus pandemic and the Russian invasion of Ukraine on the estimates and judgements. There were no material impacts in the third quarter reporting. However, YIT's management follows constantly 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 interim report

		Average rates			End Rates		
		1-9/22	**1-9/21**	**1-12/21**	**9/22**	**9/21**	**12/21**
1 EUR =	CZK	24.6198	25.7372	25.6465	24.5490	25.4950	24.8580
	PLN	4.6712	4.5471	4.5647	4.8483	4.6197	4.5969
	RUB	76.7372	88.5963	87.2208	58.1076	84.3391	85.3004
	SEK	10.5229	10.1519	10.1452	10.8993	10.1683	10.2503
	NOK	10.0040	10.2289	10.1635	10.5838	10.1650	9.9888

Notes

Adjustments concerning prior periods

Restated financial figures for 2021 reflecting operating model change and sale of the Russian businesses

On 25 April 2022, YIT published restated financial figures for 2021 reflecting the operating model change impact to segment reporting and sale of the YIT's operations in Russia. YIT classified the operations that are part of the transaction as assets held for sale and reported them as discontinued operations in the first quarter 2022. On 30 May 2022, YIT announced it had completed the sale of its businesses in Russia to Etalon Group PLC.

Presentation of contract liabilities

In the last quarter of 2021, YIT changed the presentation and names of contract liabilities in the primary financial statements in the statement of financial position. Previously, YIT has presented all customer contract related liability items in the Advances received line item in the statement of financial position. The presentation was changed in such a way that the housing company loans and lease liabilities of leased plots related to sold apartments in unfinished residential development projects, presented before in Advances received, have been transferred to Other contract liabilities line item. In addition to this, Advances received line item was named Contract liabilities, advances received.

The below table presents the changed balances (considering the adjustment related to the gross amount presentation described below).

EUR million	9/21	6/21	3/21
Contract liabilities, advances received	324	309	303
Other contract liabilities	149	129	185

Adjustment to customer contract related items in the statement of financial position

In the last quarter of 2021, YIT adjusted current Trade and other receivables and current Contract liabilities, advances received line items in the statement of financial position. The adjustment relates to gross amount presentation of customer contract balances for CEE countries, which was adjusted to net amount-based presentation. The cash flow statement was adjusted between the line items Trade and other receivables and Current liabilities. The adjustment did not have an impact on the income statement.

EUR million	9/21	Adjust-ment	Adjusted 9/21	6/21	Adjust-ment	Adjusted 6/21	3/21	Adjust-ment	Adjusted 3/21
Trade and other receivables	459	-27	**432**	363	-19	**345**	430	-27	**403**
Contract liabilities, advances received	351	27	**324**	328	19	**309**	330	27	**303**

Adjustment to presentation of certain material costs in the consolidated income statement

YIT changed the presentation of certain material costs in the consolidated income statement. Starting from the second quarter of 2022 these costs are presented in Materials and Supplies instead of External Services. The adjustment applies to the first quarter of 2022 and all quarters of financial year 2021. The adjustment did not have an impact on the operating profit, on the consolidated statement of financial position or cash flow statement.

The below table presents the changed cumulative balances.

EUR million	1-3/21	Adjust-ment	Adjusted 1-3/21	1-6/21	Adjust-ment	Adjusted 1-6/21	1-9/21	Adjust-ment	Adjusted 1-9/21
Materials and Supplies	-82	-16	**-98**	-201	-34	**-234**	-296	-48	**-343**
External Services	-310	16	**-294**	-660	34	**-626**	-1,020	48	**-972**

EUR million	1-12/21	Adjust-ment	Adjusted 1-12/21	1-3/22	Adjust-ment	Adjusted 1-3/22
Materials and Supplies	-460	-76	**-536**	-52	-26	**-78**
External Services	-1,425	76	**-1,350**	-339	26	**-313**

Segment information

Segment financial information

7-9/22 EUR Million	Housing	Business Premises	Infrastructure	Property Development	Other Items	Group
Revenue	**239**	**220**	**133**	**19**	**-52**	**560**
Revenue from external customers	239	201	123	19	-22	560
Revenue Group internal	—	19	10	—	-30	—
Depreciation, amortisation and impairment	-1	-1	-3	—	-7	-11
Operating Profit	**14**	**4**	**1**	**3**	**-6**	**16**
Operating profit margin, %	**6.0**	**1.6**	**1.0**	**16.1**		**2.9**
Adjusting items	—	—	—	—	4	5
Adjusted operating profit	**14**	**4**	**2**	**3**	**-2**	**21**
Adjusted operating profit margin, %	**6.0**	**1.6**	**1.1**	**16.1**		**3.7**

7-9/21 EUR million	Housing	Business Premises	Infrastructure	Property Development	Other Items	Group
Revenue	**218**	**199**	**128**	**11**	**-21**	**535**
Revenue from external customers	218	199	126	11	-18	535
Revenue Group internal	—	—	2	—	-2	—
Depreciation, amortisation and impairment	-1	-1	-3	—	-3	-8
Operating Profit	**14**	**8**	**-7**	**-8**	**-7**	**0**
Operating profit margin, %	**6.5**	**4.0**	**-5.6**	**-73.3**		**0.0**
Adjusting items	1	1	7	—	2	11
Adjusted operating profit	**15**	**8**	**0**	**-8**	**-5**	**11**
Adjusted operating profit margin, %	**6.9**	**4.3**	**0.2**	**-70.9**		**2.0**

1-9/22 EUR Million	Housing	Business Premises	Infrastructure	Property Development	Other Items	Group
Revenue	**693**	**606**	**393**	**54**	**-122**	**1,623**
Revenue from external customers	685	563	364	53	-42	1,623
Revenue Group internal	8	43	29	—	-81	—
Depreciation, amortisation and impairment	-3	-2	-8	-1	-13	-26
Operating Profit	**49**	**14**	**5**	**5**	**-13**	**60**
Operating profit margin, %	**7.1**	**2.3**	**1.4**	**9.5**		**3.7**
Adjusting items	—	2	—	—	6	7
Adjusted operating profit	**49**	**16**	**5**	**5**	**-8**	**67**
Adjusted operating profit margin, %	**7.1**	**2.6**	**1.3**	**9.5**		**4.1**

1-9/21 EUR Million	Housing	Business Premises	Infrastructure	Property Development	Other Items	Group
Revenue	**863**	**522**	**404**	**24**	**-31**	**1,782**
Revenue from external customers	863	522	394	23	-20	1,782
Revenue Group internal	—	—	10	—	-11	—
Depreciation, amortisation and impairment	-2	-2	-9	—	-10	-25
Operating Profit	**68**	**4**	**-24**	**-5**	**-12**	**31**
Operating profit margin, %	**7.8**	**0.8**	**-6.0**	**-19.4**		**1.7**
Adjusting items	1	2	11	—	5	19
Adjusted operating profit	**68**	**6**	**-13**	**-4**	**-8**	**49**
Adjusted operating profit margin, %	**7.9**	**1.1**	**-3.2**	**-18.3**		**2.8**

1-12/21 EUR Million	Housing	Business Premises	Infrastructure	Property Development	Other Items	Group
Revenue	**1,281**	**787**	**544**	**91**	**-51**	**2,652**
Revenue from external customers	1,281	787	529	90	-35	2,652
Revenue Group internal	—	—	15	—	-16	—
Depreciation, amortisation and impairment	-3	-3	-12	-1	-13	-32
Operating Profit	**109**	**8**	**-59**	**17**	**-20**	**56**
Operating profit margin, %	**8.5**	**1.1**	**-10.8**	**19.1**		**2.1**
Adjusting items	—	3	20	—	6	29
Adjusted operating profit	**109**	**11**	**-39**	**18**	**-14**	**85**
Adjusted operating profit margin, %	**8.5**	**1.4**	**-7.2**	**19.4**		**3.2**

Capital employed by segments

EUR million	9/22	9/21	12/21
Housing	755	578	581
Business Premises	-64	-33	-92
Infrastructure	34	37	-19
Property Development	421	353	387
Other items	298	305	286
Segments, total	**1,444**	**1,240**	**1,142**
Reconciliation*	—	183	172
Capital employed, total	**1,444**	**1,423**	**1,314**

* Reconciliation relates to Russian businesses which are not part of segment reporting.

Order book at the end of the period by segments

EUR million	9/22	9/21	12/21
Housing	1,881	1,700	1,647
Business Premises	956	960	919
Infrastructure	864	795	910
Property Development	426	431	371
Internal order book	-38	—	—
Order book, total	**4,089**	**3,885**	**3,847**

Discontinued operations

On 30 May 2022, YIT announced it had completed the sale of its businesses in Russia to Etalon Group PLC. YIT classified the operations that are part of the transactions as assets held for sale and has reported them as discontinued operations in the first quarter of 2022.

Results of discontinued operations

EUR Million	1-9/22	1-9/21	1-12/21
Revenue	**60**	**145**	**204**
Other operating income	1	2	—
Change in inventories of finished goods and in work in progress	6	-19	-24
Materials and supplies	-150	-7	-23
External services	-43	-77	-111
Personnel expenses	-7	-15	-19
Other operating expenses	-17	-13	-18
Depreciation, amortization and impairment	—	-1	-1
Operating profit	**-152**	**15**	**7**
Finance income	1	1	2
Exchange rate differences (net)	-18	3	3
Finance expenses	-2	-2	-1
Finance income and expenses, total	**-20**	**2**	**3**
Result before taxes	**-171**	**17**	**10**
Income taxes	-7	-4	-12
Result after taxes	**-179**	**13**	**-2**
Loss on sale of Discontinued operations	**-6**		
Translation differences reclassified to income statement	**-253**		
Result from discontinued operations	**-438**	**13**	**-2**

In 2021, the result of the discontinued operations includes an adjustment of EUR -3 million related to the sale of YIT's paving and mineral aggregates businesses in Finland, Sweden, Norway and Denmark.

Cash flows (used in) discontinued operations

EUR Million	1-9/22	1-9/21	1-12/21
Net cash used in operating activities	-24	42	41
Net cash used in investing activities*	-14	—	—
Net cash used in financing activities	23	11	9
Cash flow for the period	**-18**	**50**	**43**

* Includes EUR 30 million related to cash consideration received from the sale of Russian businesses and EUR -44 million related to cash and cash equivalents held by the sold Russian entities.

Effect of discontinued operations on the statement of financial position

EUR Million	May 30, 2022
ASSETS	
Property, plant and equipment	2
Leased property, plant and equipment	3
Other intangible assets	1
Deferred tax assets	—
Inventories	15
Leased inventories	1
Trade and other receivables	102
Income tax receivables	5
Cash and cash equivalents	44
Total assets	**173**
LIABILITIES	
Deferred tax liabilities	3
Interest-bearing liabilities	55
Contract liabilities, advances received	15
Provisions	8
Lease liabilities	4
Trade and other payables	57
Income tax payables	—
Total liabilities	**142**
Net assets sold	**31**

EUR Million	1-9/22	1-12/21
Cash consideration received	30	—
Net assets sold	-31	—
Other items	-5	-3
Loss on sale of discontinued operations	**-6**	**-3**

Total transaction price amounted to EUR 71 million and the debt-free purchase price EUR 30 million.

Inventories

EUR Million	9/22	9/21	12/21
Raw materials and consumables	7	7	7
Work in progress	658	563	501
Plots and plot owning companies	617	674	643
Completed apartments and real estate	88	85	92
Advance payments	23	39	41
Other inventories	1	2	—
Total inventories	**1,394**	**1,370**	**1,285**
Leased inventories	**170**	**181**	**174**

Derivative contracts

EUR Million	9/22	9/21	12/21
Value of underlying instruments			
Interest rate derivatives (hedge accounting applied)	100	100	100
Interest rate derivatives (hedge accounting not applied)	140	60	30
Foreign exchange derivatives	218	305	216
Commodity derivatives	—	1	—
Fair value			
Interest rate derivatives (hedge accounting applied)	5	—	1
Interest rate derivatives (hedge accounting not applied)	4	—	—
Foreign exchange derivatives	2	3	-2
Commodity derivatives	—	—	—

Contingent liabilities and assets and commitments

EUR Million	9/22	9/21	12/21
Guarantees given			
Guarantees on behalf of others	1	1	1
Guarantees on behalf of construction consortia	2	10	10
Guarantees on behalf of associated companies and joint ventures	4	5	5
Guarantees on behalf of parent and other Group companies	1,024	996	989
Other commitments			
Investment commitments	107	81	85
Purchase commitments	137	188	171

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

As a result of the partial demerger registered on June 30, 2013, YIT has a secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 5 million (6) on 30 September 2022.

Purchase commitments are mainly pre-contracts for plot acquisitions, which will apply when contract terms are met, for example when the zoning of the area is confirmed.

At the end of the reporting period, YIT has EUR 3 million (3) accrued interest on the hybrid bond which is not recognised in the statement of financial position.

Legal proceedings

Quality concerns related to ready-mixed concrete

Ready-mixed concrete, among other things, has been used in construction business as a raw material. During the year 2016, especially in some infrastructure projects, suspicions arose that the ready-mixed concrete used in Finland would not entirely fulfil the predetermined quality requirements.

The Hospital District of Southwest Finland presented claims for damages to YIT relating to the quality of the ready-mixed concrete as well as the work performance in the project for the construction of the concrete deck of the T3 building of Turku University Hospital.

YIT has in April 2019 signed a contract with the concrete supplier on agreeing the dispute between YIT and the concrete supplier.

The Hospital District of Southwest Finland has on June 3, 2020 filed a summons in the District Court of Southwest Finland against YIT and presented claims for damages etc. to YIT relating to the project for the construction of the concrete deck of the T3 building of Turku University Hospital. The capital amount of the claims totals approximately EUR 20 million. The company deems the claims for damages etc. unfounded.

YIT has submitted its response to the Hospital District's claims to the District Court on 29 January 2021. In its response YIT has denied the Hospital District's claims as unfounded. In February-March 2022, the parties reached an amicable settlement, which became final in April 2022.

Additional information

Reconciliation of certain key figures

Reconciliation of adjusted operating profit

EUR Million	7-9/22	7-9/21	1-9/22	1-9/21	1-12/21
Operating profit (IFRS)	**16**	**0**	**60**	**31**	**56**
Adjusting items					
Goodwill impairment	—	—	—	—	—
Fair value changes related to redemption liability of non-controlling interests	—	—	2	—	1
Restructurings and divestments	—	3	—	3	3
Court proceedings	—	—	—	—	—
Operating profit from operations to be closed	—	7	—	13	22
Inventory fair value adjustment from PPA*	—	—	—	1	1
Depreciation, amortisation and impairment from PPA*	4	1	5	2	2
Adjusting items, total	**5**	**11**	**7**	**19**	**29**
Adjusted operating profit	**21**	**11**	**67**	**49**	**85**

*PPA refers to merger related fair value adjustments.

Reconciliation of adjusted EBITDA, rolling 12 months

EUR Million	9/22
Adjusted operating profit	**102**
Depreciation and amortisation	33
Depreciation, amortisation and impairment from PPA	-6
Adjusted EBITDA	**130**

Reconciliation of order book

EUR Million	9/22	9/21	12/21
Partially or fully unsatisfied performance obligations	3,042	3,201	3,193
Started unsold self-developed projects	1,047	684	654
Order book	**4,089**	**3,885**	**3,847**

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 to 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, costs on the basis of statutory personnel negotiations and adaption measures, and 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").	
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 presents capital employed of segment's operative business.
Interest-bearing debt	Non-current borrowings, current borrowings and non-current and current lease liabilities.	Interest-bearing debt is a key figure to measure 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 to measure YIT's net debt financing.
Equity ratio, %	Equity total / total assets less advances received.	Equity ratio is a key figure to measure 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	
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	

Key figure	Definition	Reason for use
Order book	Transaction price allocated to performance obligations that are partially or fully unsatisfied and estimated transaction price related to started unsold own developments.	Order book presents estimated transaction price for all started 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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