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PRESENTATION

Essi Nikitin
Welcome to YIT's third quarter 2026 results webcast. My name is Essi Nikitin, and I am heading the investor relations at YIT. Together with me here are our CEO, Heikki Vuorenmaa, and CFO, Erkka Repo. We will first hear Heikki to go through the third quarter developments in the company. Following that, Erkka will walk you through the latest financial developments.

We arranged a capital markets update in September to clarify how YIT is positioned to benefit from the current data center market growth. At the end of the presentation today, Heikki and Erkka will summarize the key messages from that event. After the presentation, the participants will have an opportunity to ask questions from Heikki and Erkka. But now, without further ado, I will hand over the floor to Heikki.

Heikki Vuorenmaa
Yes, thank you very much, Essi, and good morning also from my behalf. Welcome all to the third quarter webcast. As tradition, we start with the key highlights from our third quarter performance.

Our revenue increased 14%, driven by the strong growth in our contracting segments, as well as in the Residential CEE. Our profitability also improved, and adjusted operating profit increased 26% to EUR 30 million. We recorded over EUR 900 million worth of orders for the contracting segments from several customer segments. We can clearly see that our order book will also support the growth going forward. But let's go more into the details.

The group's quarter revenue stood at EUR 530 million, and adjusted operating profit margin reached 5.7%. This was now the third consecutive quarter that our revenue continued to increase, and the growth for the full year now exceeds 7%. Revenue and adjusted operating profit improvement came from the Residential CEE, Building Construction, and Infrastructure segments.

Let's start with the CEE. The revenue growth was close to 10% compared to previous year, while the profitability continued on the good level at 13%. It's overall a solid performance in a favorable market. Building construction revenue increased 35%, and the profitability also took a clear step forward. This profitability improvement is supported by some very successful project completions significantly ahead of schedule. Infrastructure revenue growth was above 20%, with the profitability exceeding 6% level. This was now seventh quarter in a row that infra revenue continued to increase, and we maintained solid profitability on that segment as planned.

Residential Finland continues to operate in the muted market conditions, and the team is working hard on turning the segment profitable with taking cost efficiency measures. We are seeing a progress, yet it's fair to say that as the top line continues to decline over 35%, the task is fairly challenging for the organization. The overall group operative performance direction is something we expected, and we are on track to deliver our strategic targets.

Now, let's go to the segment level details, and we start with the Residential Finland. While we still see year on-year significant decline in revenue, compared to actually the previous quarter, the development is now more stabilized. This is due to the fact that now most of the projects are for consumers, and the investor part of the business is at its lowest level. We do still see challenges with the investor market during 2026. However, improving occupancy rates might positively impact the outlook for the investor projects in the coming year.

We will continue to adjust our operations for this declining revenue and prevailing market conditions, obviously, and the cost saving measures now implemented earlier this year is only partially reflected in the segment performance by now.

Apartment sales were modest at 116 units, which is still a slight improvement from the previous quarter. We started two projects with a total of 43 units, but what is more significant is that these projects represent our new customer-centric residential concept launched during the year, Olo and Formia. The third concept, Fiksu, has also been launched, and the first projects are now on pre marketing. The new concepts, Olo and Formia, have received a positive response from our customers. Looking forward, we see that there are no further barriers in this Residential Finland market actually to prevent the market recovery to start. Economy is growing, purchasing power is increasing, and the housing is affordable. Also in the new build, we see that the reservations for those good projects are accumulating faster than in the past few years, and the funding for projects and the customers is available. Stock is at normal level, and there is a limited amount of new build ongoing. To conclude, there are conditions for a rebound in the residential construction in 2027 when we look the consumer market.

There were 131 apartment completions and 43 starts. Hence, the apartments under construction decreased to 514 units. As mentioned, the production for investors is at a historically low level, only one project with the 61 apartments. Sales rate remains stable at 30%. It's actually reflecting very well the consumer behavior of postponing the purchase decision closer to completion. Today, we have some 15 to 20 newly designed projects ready for pre-marketing and launch, as the market conditions are right for those.

We move to our main residential business, the Residential CEE. Revenue increased by close to 10% from the comparison period, and now the rolling 12 months revenue keeps climbing, and it's at EUR 392 million. Also, on the rolling basis, profitability is now at solid level of 13.3%, quite close to the strategic target of 15%. It's overall a solid performance from the Residential CEE, but at the same time, on a group level, we are focusing our efforts to allocate further capital to this segment and accelerate growth even more in this favorable market.

Apartment sales were 406 units for the quarter, and the starts were on a moderate level of 148 units, as we communicated already earlier. However, when we look the next quarter, we are anticipating that to be much more active, as much of the project launches in 2026 are expected to take place in Q4 this year. Overall, market remained favorable across operating countries.

Apartments under construction decreased somewhat to 3,400 units, as there were a bit more completions than the starts. Sales rates of the apartments under construction is at 51%, which is reflecting the good market conditions, as well as our excellent product and brand fit on those specific markets and cities that we are operating in.

Let's move to our contracting segments, and this time we are starting with our Building Construction segment. The revenue was a strong EUR 217 million, growing 35% from the comparison period. While the data center construction was obviously the fastest growing sector, we are also seeing growth from the various other customer segments. Our improved operative efficiency, as well as increasing volumes, are supporting the profitability, and the profitability continues to improve. On a rolling 12 months basis, the profitability is now at 3.1%, and for the single quarter was at very good level of 5.2% in this segment.

Moving on to infra, and the growth in our Infrastructure segment continues. This was now the seventh consecutive quarter for the growth. Revenue increased by 23%. The story is very much the same here. The data centers are the fastest growing sector, obviously, but we are seeing growth also from other customer sectors. Our adjusted operating profit margin remains stable at a good level of 4.2% on the rolling 12-month basis. Overall, our infra continues solid and strong performance.

But as we discussed on the previous pages, both of the segments are on the growth mode, and already in the opening, I was discussing that amount of orders we recorded, and it is pleasant to say that the contracting segments recorded total over EUR 900 million of new orders, which will then support the growth going forward as well. Largest of this order was the data center atNorth in Kouvola, which we already announced in July, with a total value of approximately EUR 300 million. Also, there was other orders from the data center sector. Another order from our long-term collaboration with XTX was recorded to order book in

third quarter. Activity continues strong in the other segments, and during the quarter, we recorded also the implementation phase of Jätkäsaari swimming pool and sports center, value of EUR 94 million, as well as orders from the Rail and Defense sectors. The strong order intake is visible in both Building Construction and Infrastructure order books, which increased 32% and 24% respectively.

But let us then one more time double-click on the data center business. As said, the data centers are providing a considerable boost to both of our contracting segments, as well as outlook for the group, as we will discuss a little bit later with Erkka here. If you look at during the past 12 months, the data centers have now generated more than EUR 250 million in revenue, which is translating close to 20% of our contracting segments combined revenue. And these figures has continuously obviously increased, and with our strong order book and the recent order intake from this sector, we expect this development to continue. In addition, we are having several ongoing discussion with the customers that are planning to invest in Finland.

But then we move to market environment. We see that an economic recovery in Finland, as well as other visible positive indicators, combined with the decline in the residential supply, are creating conditions for a rebound in the residential construction in 2027, especially when we look at the consumer market. Therefore, we are upgrading our view on the Finnish residential market short-term outlook from stable to improving. However, market is still weak and remains consumer-driven, and a broad-based recovery remains still some way off. No other changes in our outlook, with the CEE residential market and in Finnish infrastructure market continuing as our strongest markets.

But that's all from my first part, and time to hand over to you, Erkka, to cover the financial development for the quarter.

Erkka Repo
Thank you, Heikki.

Let's start with the summary of our Q3 financial development. Operating cash flow after investments improved from the comparison period and was EUR 19 million positive for the third quarter. Gearing was at 90%, and net debt was EUR 604 million at the end of the quarter. Net debt decreased by over EUR 60 million from Q3 2025. Return on capital employed improved and was 6.7% at the end of the quarter, up from 5.7% a year ago. Let's look at each of these topics in more detail in the next slides.

Our operative capital employed amounted to roughly EUR 1 billion at the end of the quarter, which is close to EUR 40 million less than a year ago. On a segment level, there were no significant changes during the quarter. Return on capital employed is on a positive trend and increased by one percentage point from the comparison period to 6.7% at the end of the quarter. Capital efficiency in business operations, as well as the improved adjusted operating profit, are visible in this metric. It is good to note that these figures are excluding our non-strategic items, which we intend to dispose of during the strategy period ending in 2029. Non-strategic items amounted to EUR 257 million at the end of the quarter. We will continue to drive profits and capital turnover to reach our financial target of at least 15% return on capital employed by the end of 2029.

Let's move on to the cash flow development. Operating cash flow after investments was EUR 19 million positive for the quarter, which is an improvement from the comparison period. If you look at a longer time period, we have generated close to EUR 140 million of positive cash flow during the past 12 months, which is EUR 60 million more than in the comparison period. This increase in cash flow has allowed us to increase our investments to plots to secure our future growth in the Residential CEE. We will continue our work to further improve cash generation across the operations.

Net interest-bearing debt decreased both from the previous quarter and from the comparison period, amounting to EUR 604 million at the end of the third quarter. The net interest-bearing debt includes IFRS 16 lease liabilities of EUR 254 million, as well as housing company loans of EUR 118 million related to unsold apartments. When excluding these items, the adjusted net debt amounted to some EUR 230 million. Gearing remained at the previous quarter's level, but increased by 5 percentage points year-on-year and was at 90% at the end of the quarter. Gearing has been impacted by the redemption of the outstanding 2021 issued hybrid bond of EUR 46 million in the first quarter of this year. We aim to reduce the debt level of the group and operate within the set financial framework of 30%-70%

gearing.

Our balance sheet remains asset-rich. We have over EUR 700 million worth of plots, enabling a pipeline of almost 30,000 apartments across our operating countries, which we see as an important platform for future profitable growth in the residential segments. Completed apartments and real estate in our inventory amount to EUR 225 million, and investments amount to EUR 168 million.

The book value of Tripla is now EUR 93 million, reflecting a EUR 19 million negative fair value change during the quarter due to an increase in the yield requirement and the fair value impact of the profit-sharing agreement. In maturity structure of the interest-bearing debt, having only minor amortizations to be performed this and next year, providing us a stability and allows us to further allocate capital for growth in Residential CEE.

Moving on to the guidance. We have now narrowed the range for the adjusted operating profit guidance. We now expect group adjusted operating profit for continuing operations to be between EUR 80 million-EUR 90 million in 2026. Previously, we expected the adjusted operating profit to be between EUR 70 million-EUR 100 million. The guidance update is a result of stable financial performance of the businesses during the first 9 months of the year. Our outlook remains unchanged.

Thank you, and now back over to you, Heikki.

Heikki Vuorenmaa
Yes, thank you very much, Erkka. And I promised there in the beginning, or was it you actually, Essi, that promised that we will touch base on the Capital Markets Update material that we provided. It's been about month since we updated the data center view, how we are present there, but I think it's good to discuss and get some key highlights.

Before we go there, let's look our progress towards the strategic targets as a whole. As you can see, we have been now updated our revenue growth to be at least 10%. We're seeing the growth coming. It's at the moment signaling 5% growth. Knowing is that we have been having this year now first time three quarters in the row growth for some times in the group history. When we then look our profitability, it is trending the right direction on a rolling 12-month basis, 3.5%, obviously still work to be done to reach our financial target of 7%. As a conclusion, whereas our capital is lowering and our profitability is improving, we see that the return on capital employed is also increasing and is now at 6.7%, as you, Erkka, discussed there earlier. Still way to go and work to be done to reach the 15%, but we are on the right track there.

One element that is supporting to us to reach those strategic targets is, of course, the recent news and the development in the data center industry and what comes to Finland. If you look the data center development in Finland that is now projected until the 2029, at the end of our strategy period, we see that there is 10x plans to increase the deployed capacity in Finland. This data is coming from the Confederation of Finnish Industries, as well as there is another data point, which is the Finnish connection agreements. Both of these are from the August, the time that we also were providing update to the capital markets, and we do recognize that these numbers, especially the Confederation of Finnish Industries dataset, has been updated upwards, which is telling the increasing interest and activity to invest data center operations to Finland.

If we then look at what does it mean for construction industry, we see that this is actually unforeseen opportunity. We are looking up to EUR 15 billion addressable market for the construction industry companies through to 2029. It would be approximately 10% annual on top of the current industry volume, direct employment impact 25,000, as well as all would be in operational, so would create approximately 7,000 permanent jobs. So we talk about the massive opportunity on the society level as well when this is executed and correctly done. Regional local impacts to be mentioned. Obviously, many of these investments are planned to be located on the cities that has been maybe waiting for new business opportunities and growth for some years by now.

We have established ourselves since we launched our strategy over approximately two years ago. We have established ourself in a strong position. At the time when we announced and see that where we are, we are approximately having 30% market share from this industry, operating with the three dedicated campus teams, capability to scale up to six simultaneous data center campuses, and obviously growing beyond that

to meet the market and customer demand. So, we are in a good position, but Erkka, we discussed there also that how does this look in the YIT planned figures during the strategy period?

Erkka Repo
Thank you, Heikki. We have translated the potential market development paths into three illustrative revenue scenarios for YIT in 2029. In all of the three different scenarios, the business grows very strongly. The difference primarily being in how quickly data center investments can move from plans into construction. In our base case, power availability develops as expected, customer investment activity continues, and projects move forward under normal delivery conditions. As our base case, we see a credible path to about EUR 1 billion of revenue in 2029. In the low case, where the before-mentioned factors develop more slowly than expected, we still see the data center revenue reaching about EUR 700 million in 2029. The high case illustrates the upside if infrastructure is built out faster, customer investments remain strong, and more sites become construction-ready within the period. In that environment, data center revenue could reach about EUR 1.3 billion in 2029. While the exact pace will depend largely on external conditions, the direction is clear. Data centers offer YIT a material, profitable, and scalable growth platform.

Given the scale of the opportunity and the momentum we already are seeing in the market, we also announced an increase in our strategic growth ambitions in the event. The most significant change was our group growth target, which was doubled to at least 10% annual growth rate from our base year of 2024 through 2029. In Building Construction and Infrastructure, we raised our growth targets to at least 6% and at least 15%, respectively. All other targets remained as is. We are also confident that the data center growth will support us reaching our group profitability target of over 7% EBIT margin.

These were the highlights from our Capital Markets Day, and we are now ready to take questions.

Q&A

Operator
To ask a question, please dial pound key five on your telephone keypad to enter the queue. If you wish to withdraw your question, please dial pound key six on your telephone keypad. The next question comes from Anssi Raussi from SEB. Please go ahead.

Anssi Raussi
Yes, good morning all, and thank you for the presentation. I have a few questions. I go one by one. I start with the non-core assets. I think the number was EUR 257 million in Q3, a decline of more than EUR 40 million quarter-over-quarter. So, of course, Tripla had an impact, but could you comment on this sale of an office building in Lithuania? What was the value of this transaction, and also, was this included in your operating cash flow after investment? Thanks.

Heikki Vuorenmaa
Yeah, thank you, Anssi. So indeed, we sold that during the quarter. The value of the transaction has not been disclosed due to the request also from the customer. The value, as you can see it from the numbers of the values that how much we have there at the moment for different type of an assets, it is included obviously to our quarter cash flow as well.

Anssi Raussi
Okay. I guess it's clear. Then on your guidance, so if we look at your full-year guidance, this number or range indicates some EUR 20 million-EUR 30 million of adjusted EBIT in Q4. So, of course, your EBIT was EUR 30 million in Q3. So, could you comment which segment or in which segments you see that the earnings could decline a bit quarter-over-quarter?

Heikki Vuorenmaa
We will come back, of course, to the exact numbers, Anssi, then in the month of February. Where we looked at the third quarter, so like mentioned, we had a fairly good completions of projects that was executed well ahead of schedule during the third quarter to support, for example, our Building Construction segment performance. Our guidance is then highlighting the kind of the confidence what we have at the moment on our operations that we see that what is the level that we are going to perform towards the end of the year.

Anssi Raussi
Okay, got it. The final question from me regarding the Residential Finland segment. I think you have like 453 apartments under construction in Finland right now, and you expect to complete 315 in Q4. How do you plan to adjust your capacity going into 2027, or do you plan to start new projects in early next year, or how do you see this period?

Heikki Vuorenmaa
Well, we will, of course, need to look at how the overall market developments and in what conditions we continue to operate. We have ready projects, or the projects that are ready to start, some 15 to 20 at the moment. The starting capability is there. We need to assess city by city the situation and the micro-market then, and when we are making those decisions. There's another element which also I addressed there a bit, but maybe to elaborate a bit further, is that we see quite a strong phenomena of consumers postponing their purchasing decision-making closer to the completion of the apartments, which is fairly natural in a way. People, they want to be sure that they are capable to sell their own existing apartment, as well as then that they can see the project to be final and ready. We've observed that trend now with the several completions that has been taking now third quarter and that are going to take place in the fourth quarter. All that included, so we have capacity capabilities to start, but we are still kind of ensuring that we do not take unnecessary risks as a company when we make those starting decisions. Like said, we will…

Anssi Raussi
Thanks so much.

Heikki Vuorenmaa
Yeah, sorry, Anssi. Still one point that you asked there. We continue to, of course, adjust our capacity according to the market demand.

Anssi Raussi
Thanks.

Operator
The next question comes from Atte Jortikka from Inderes. Please go ahead.

Atte Jortikka
Good morning. This is Atte from Inderes. Thank you for taking my questions. First, going back to the data centers and asking again the question that I asked in the Capital Markets Update. You expect data centers to support contracting profitability from next year onwards. Why didn't you raise the margin targets for those segments, and when you only raised the growth targets?

Heikki Vuorenmaa
Yeah, thank you, Atte, for the question, and I need to give you the same answer as before. Data centers is, of course, it's one kind of area of the business. It's growing, but it's one customer segment that we see, which is for our Building Construction and Infra segment, kind of at the moment. Obviously, like we communicated, that will support us to reach those strategic targets, which are for both segments, is to be above 6%, not exactly a 6% or so.

Atte Jortikka
Yeah, understood. Then on Residential CEE, you expect the majority of starts to go forward in Q4. Summing up the starts in Q1 to Q3, that would mean more than 1,200 starts in the quarter. Is this the correct take on that? On which markets and projects are these starts coming from, and how confident are you in the timing?

Heikki Vuorenmaa
I start with the last one. We are confident with the timing of the starts. When we look the kind of the Q4, like we said, the activity will be the highest in the Q4. What comes to the actual numbers and the countries and how we are then kind of going into, we will come back to those as the kind of the starts has been then actually accumulated like we do. If overall looking the market conditions and operations in the different, kind of city by city, we see that the activity is in a very good level. It is more about our capability to allocate capital and get the projects ready for the starts instead of what the market provides us at this point in time. That is the kind of starting situation on the CEE.

Atte Jortikka
Yes. Then finally from me on the non-core assets. Tripla was written down again. Is there still a realistic path to exiting that asset during the next year or two?

Heikki Vuorenmaa
We continue to work on that. The Tripla is performing really well. If you look the number of visitors and how the mall is performing. Like said, there is third parties evaluating the yields, kind of evaluating the asset, and now the view on the third quarter was that the yield expectation were increasing, which is then negatively impacting us. That being said, we see that there is still somewhat demand on the prime shopping malls across the Europe, and we feel that Tripla is the number one in Finland.

Atte Jortikka
Thank you. That was all from me.

Heikki Vuorenmaa
Thank you very much.

Operator
As a reminder, if you wish to ask a question, please dial pound key five on your telephone keypad. The next question comes from Svante Krokfors from Nordea. Please go ahead.

Svante Krokfors
Good morning. Yes, Svante from Nordea. Thank you, Heikki, Erkka, and Essi, for the presentation. A couple of questions left from my part. Let's start with the popular theme of data centers. Could you, I mean, given the media report regarding Google's environmental issues in Finland and the postponements there, has that had any impact on your discussions on your data center projects?

Heikki Vuorenmaa
I think, of course, broadly speaking, every project is an individual project as such, and the individual discussions are more related to ready for service and the power availability and all those related questions than other factors at the moment.

Svante Krokfors
You wouldn't say that the sentiment has become more hesitant then?

Heikki Vuorenmaa
I wouldn't draw that conclusion myself.

Svante Krokfors
Okay, that's clear. Thank you. You talked a bit about your investor, or on the residential side, the investor projects are almost nonexistent. Have you seen any change in interest in that side?

Heikki Vuorenmaa
Not a material change. It's always the question about, does the Excel work right? There's still kind of positive drivers which comes for the occupancy rates that are from our viewpoint is those are on an increasing trend. But of course, at the moment, when we look at the increasing interest rates on a global level, that doesn't really help the Excel calculation what comes from the investor's perspective to get these projects up and running.

Svante Krokfors
Okay, thank you. Last question, coming back to Mall of Tripla. You have been quite successful in leveraging up the joint venture, and you have been able to take out money from that project, and I guess the LTV has gone up quite significantly there. Now LTV probably also goes up as the value of Mall of Tripla has come down. There is no risk you see that you would have to inject some more equity into the Mall of Tripla joint venture?

Heikki Vuorenmaa
Mall of Tripla performance continuously improve all the time. So that's the situation, and it's a difference between the valuation on our balance sheet and how the operative, the performance, and the capability to generate cash is, so that those are not linked per se.

Svante Krokfors
Okay, thank you. That is all from me.

Heikki Vuorenmaa
Thank you.

Operator
The next question comes from Anssi Raussi from SEB. Please go ahead.

Anssi Raussi
Yes, one more question from me. It is on the Baltic and CEE country segment. You described the market as resilient, but I think this was described as solid in Q2. Have you seen some changes in market environment in some countries, or is there anything behind this outlook change?

Heikki Vuorenmaa
Well, one positive change is Estonia. There, for quite some time, Estonia market was very much looking like Finland, so muted, due to the fact that there was no economical growth also in Estonia for several time being. Now we see that Estonia, the economy recovery has started alongside with also the residential sales. It is a quite small market for us in a whole portfolio of CEE, that to be acknowledged, but we saw a clear step change in that market in the month of July, and has continued since. It is good to note that it actually follows a very much similar pattern that we have seen in other CEE countries. For example, in Lithuania some time ago, some quarters ago, it went from much muted, where there was a low demand and a lot of uncertainty, to actually one of the highest volume countries. Same happened in Latvia, and the residential market rebound was quite fast. Now we saw that in Estonia during the third quarter, and like said, materially, it's not that big for us, but it means that we have been capable to sell more and obviously encouraging us to continue our ramp-ups and scaling that business as the market has been there, a bit more favorable for us.

Anssi Raussi
Okay, so it's more like resilient but higher level, I assume.

Heikki Vuorenmaa
Yes, and it means that when you have more operation countries performing on a better level, that provides us the resilience. We are also discussing that we are not solely on a single revenue stream dependent, but we are actually capable to generate our business from multiple operating countries. I think it's even more to talk about cities, actually, when we look our CEE operations. It's much more about the city we are operating, in what product and what area, and that provides us the capability and the resilience, even though there would be in some cities ups and downs there locally. That's how we see the question on the Residential CEE at the moment.

Anssi Raussi
All right. Thank you.

Operator
There are no more questions at this time, so I hand the conference back to the speakers.

Essi Nikitin
Thank you. As there are no more questions, we thank you all for participating and wish you all great rest of the day.

Heikki Vuorenmaa
Thank you.

Erkka Repo
Thank you