



TRIPLA, HELSINKI, FINLAND

Goldman Sachs Symposium presentation

May 2021



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# 1. Strategy

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Strategy  
excecution  
towards  
sustainable urban  
development  
continues





More life in  
sustainable cities

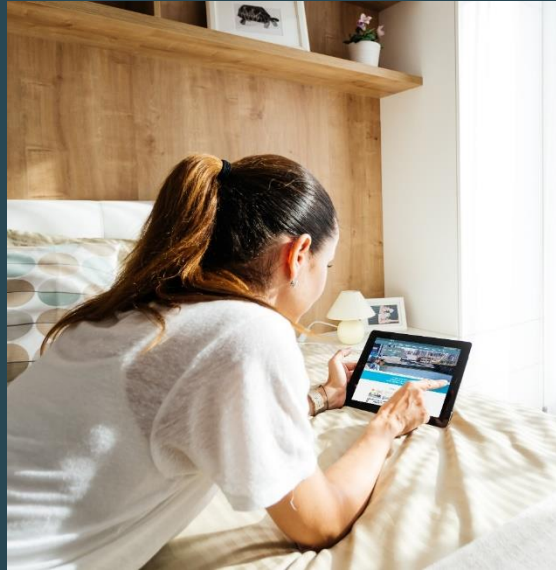
**15**  
**MINUTES'**  
**CITY**

# Megatrends driving growth and productivity



## URBANISATION

- Urban development
- Public transportation
- Complex projects
- Remote working



## DIGITALISATION

- Customer experience
- Higher productivity
- Utilisation of data
- Platform economy & corporate-start-up cooperation



## SUSTAINABILITY

- Circular economy
- Carbon neutrality
- Subsidies and green financing
- Re-vitalisation of urban areas



## CHANGING DEMOGRAPHY

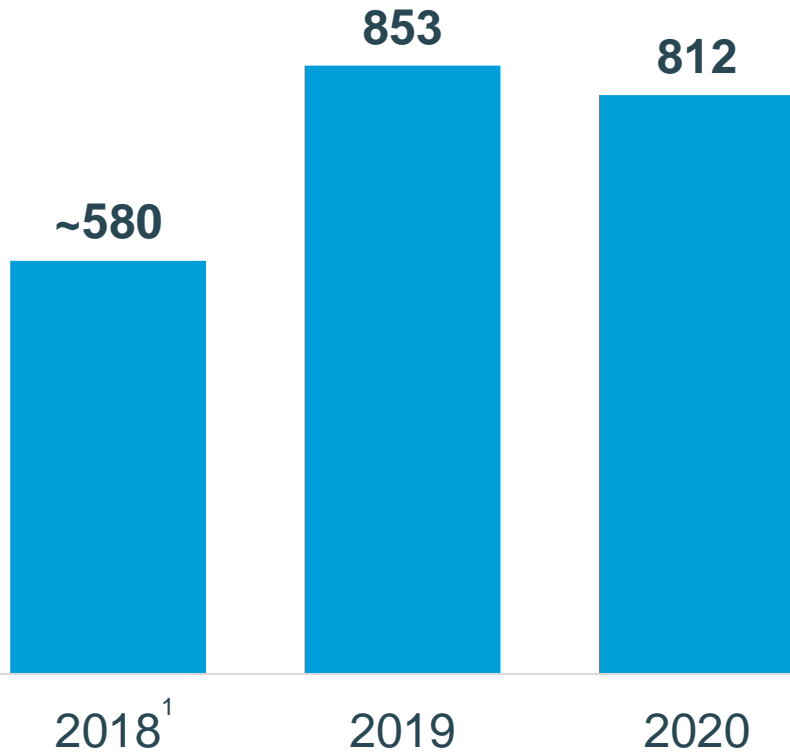
- Lack of people
- Competition for talent
- Aging people
- Health and safety

# More life in sustainable cities



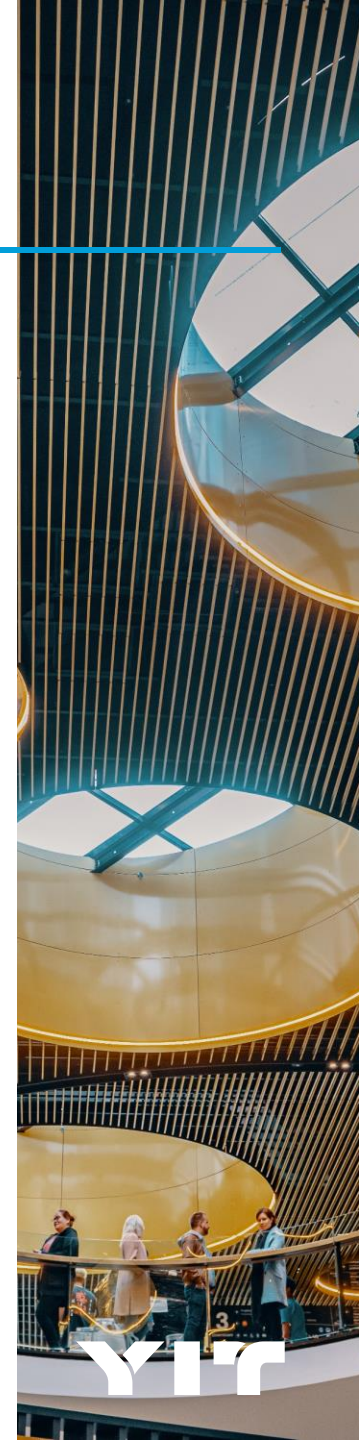
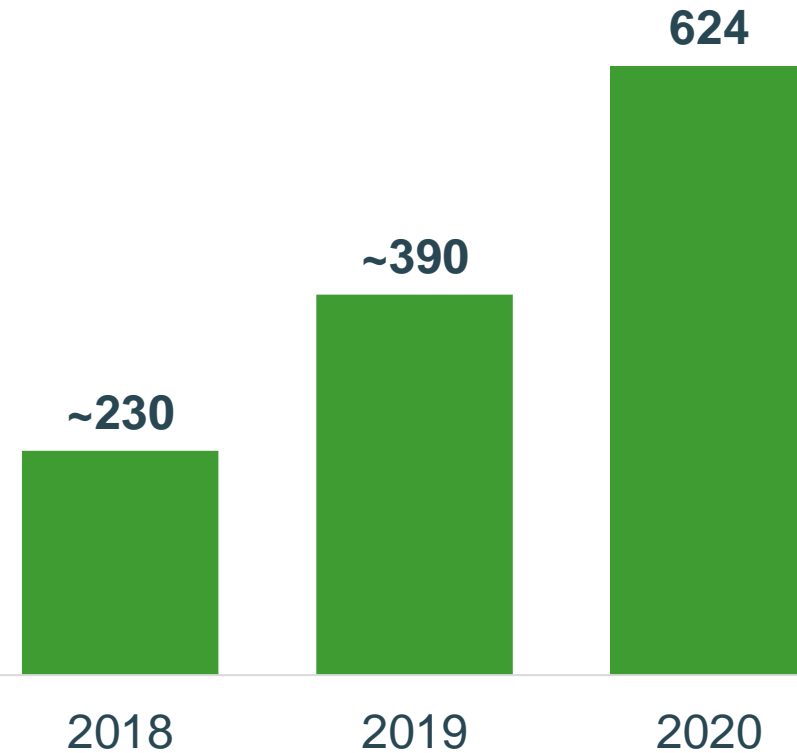
# We are growing on our focus areas

TOTAL PLOT RESERVE,  
€ million



<sup>1</sup> Excluding leased plots

ORDER BOOK OF LIFE-CYCLE PROJECTS,  
€ million



# Strategic targets

ROCE  
**>12%**

Gearing  
**<50%**

Dividend per share  
**Growing**

CO<sub>2</sub> emissions  
**-50%**  
by 2030 vs. 2019







# Long-term environmental targets to mitigate climate change

# -50%

## CO<sub>2</sub> emissions by 2030

CO<sub>2</sub> reporting from 2020

**CARBON NEUTRALITY**

### CO<sub>2</sub> emissions

We will halve carbon dioxide emissions of our own operations (incl. energy, waste and business flights) and self-developed projects (incl. materials) by 2030 compared to 2019.

This target helps us fight climate change and enable the reduction of emissions for our customers.

### CO<sub>2</sub> reporting

We report the project-specific CO<sub>2</sub> emissions of our self-developed Projects starting from 2020.

This target helps us increase our understanding of project emissions and enables us to explore opportunities for reducing emissions.

### Carbon neutrality

We will enable carbon-neutral heating, cooling and hot water of our self-developed projects.

This target enables us to help our customers and the users of the properties reduce their carbon footprint.

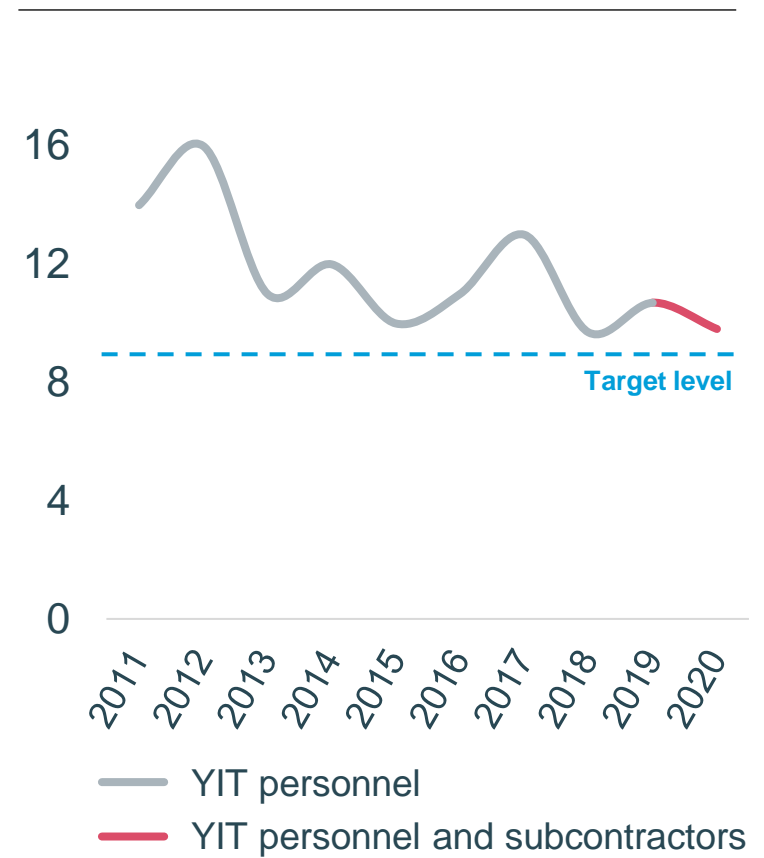


# Occupational safety essential throughout the supply chain



Target of  
**<9**  
combined lost time injury frequency (LTIF) of YIT personnel and subcontractors by 2021  
Rolling 12 months

LTIF, ROLLING 12 MONTHS



## 2. Q1/2021 results

Balance sheet continued to strengthen in Q1/2021



# ” My first impressions as YIT CEO ”

Markku Moilanen, President and CEO



OUR  
STRENGTHS  
TO BUILD  
UPON

Outstanding team spirit  
Competent, passionate people

YIT brand

Quality of work

Customer orientation



# ” We need to become more resilient in our operational performance ”

## IMMEDIATE ACTIONS

- Project management
- Operating model
- Infrastructure strategy

## LONG-TERM COMPETITIVENESS

Sustainability and health  
and safety in the core,  
strategy to be sharpened

# Q1: Adjusted operating profit €21m, gearing at target level

Solid performance in  
housing segments,  
stabilising Business  
premises

Strong operating cash flow  
after investments

**€70**  
million (-48)

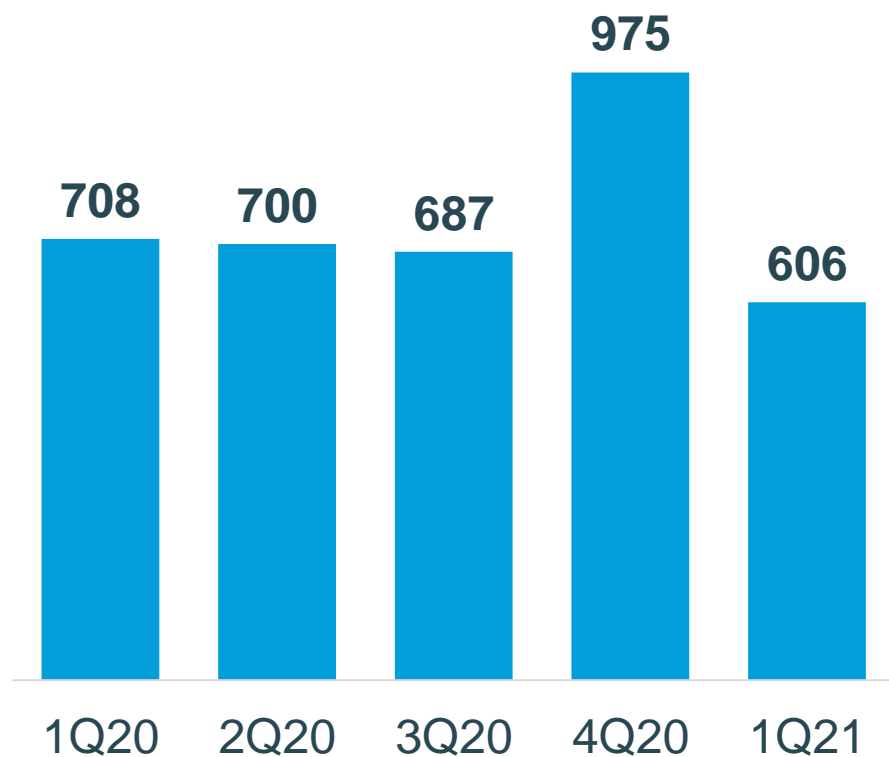
Three green bonds of  
**€300**  
million in total

Balance sheet strengthened,  
gearing at target

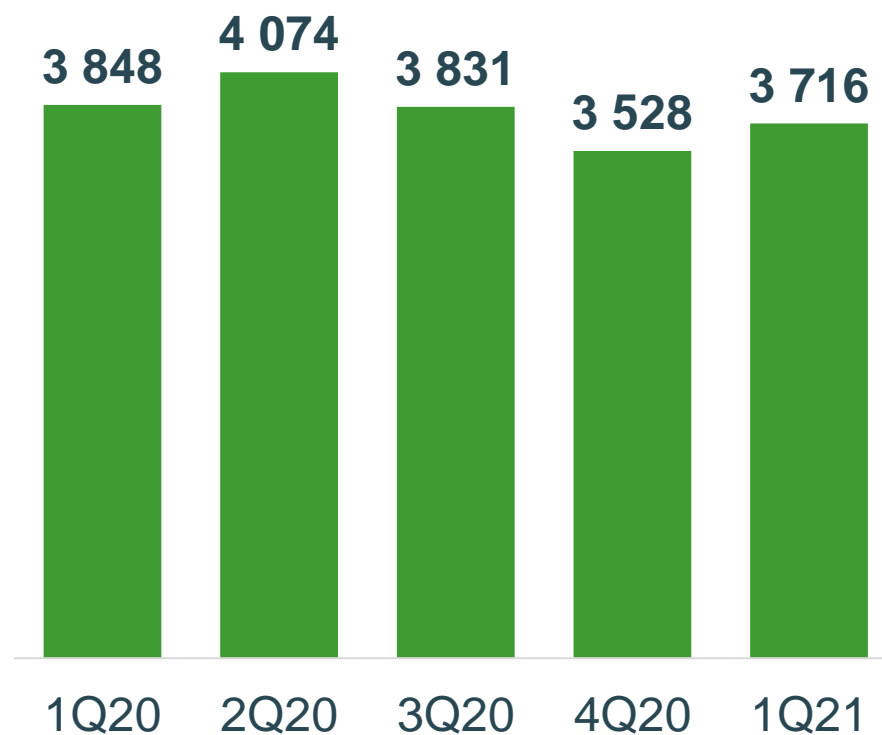


# Order book grew in all businesses

REVENUE, € million

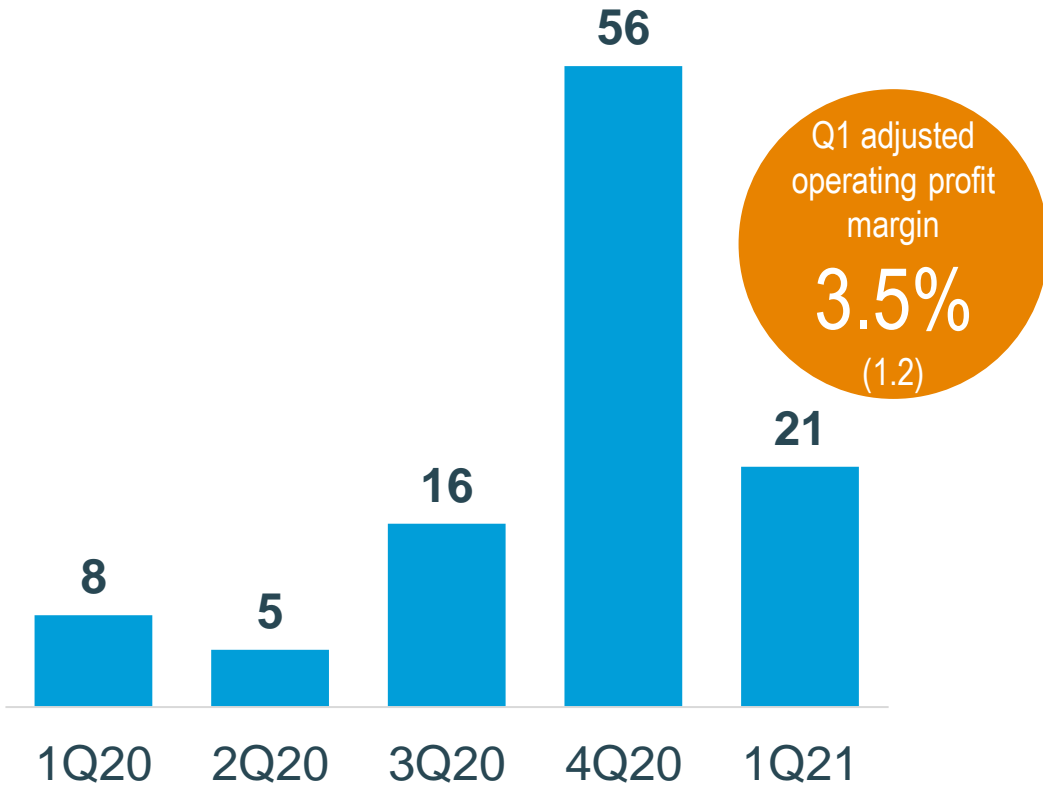


ORDER BOOK, € million

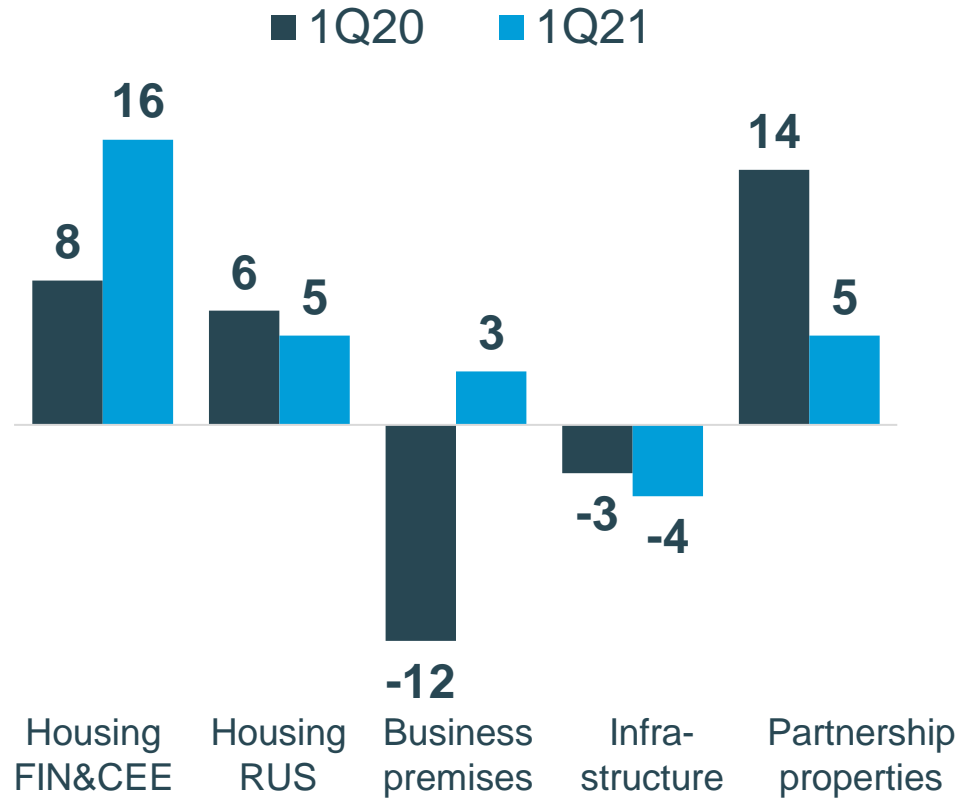


# Profitability improved, variation between segments

ADJUSTED OPERATING PROFIT, € million



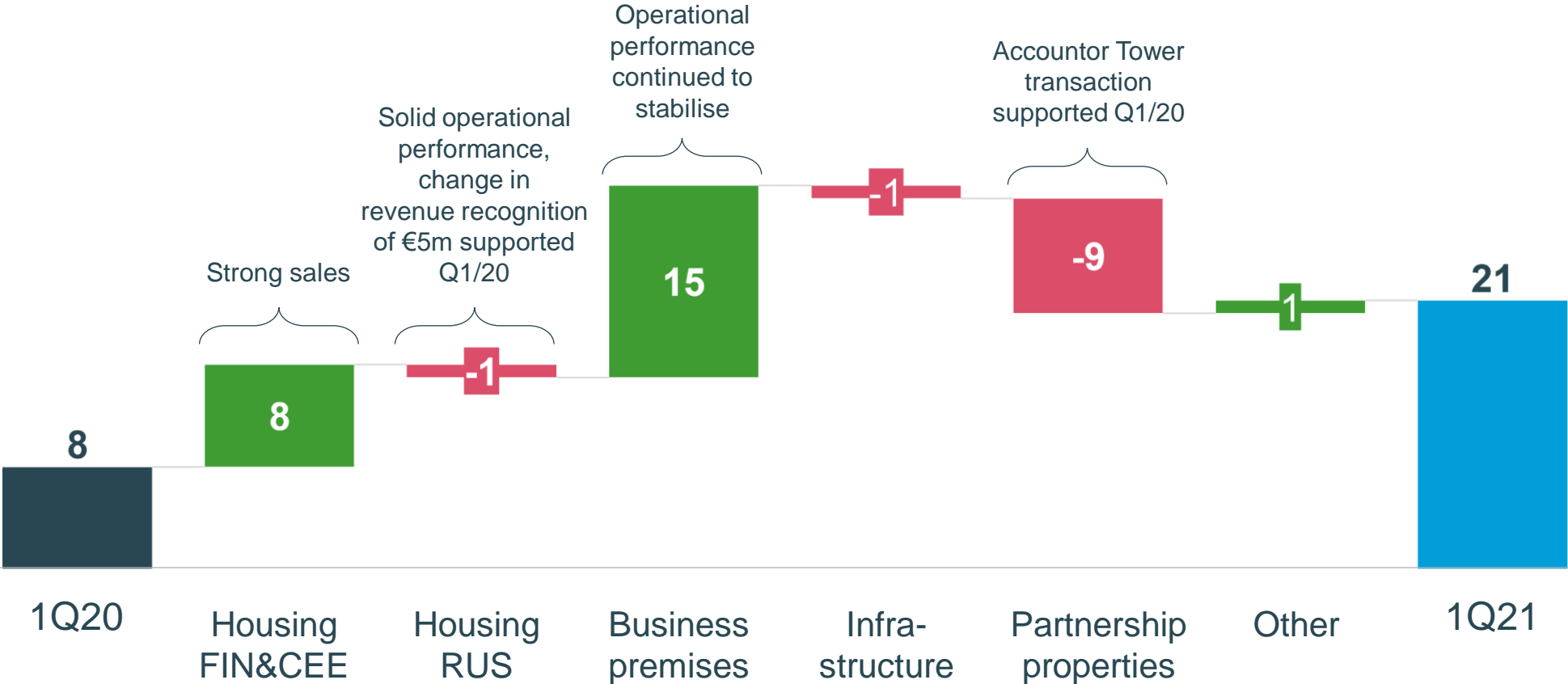
ADJUSTED OPERATING PROFIT BY SEGMENT, € million





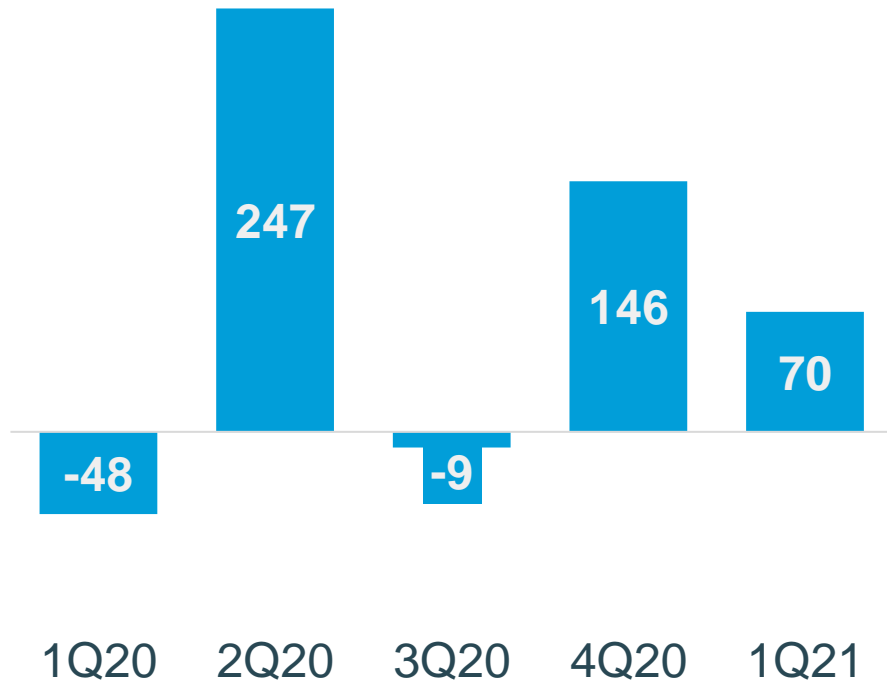
# Performance in Business premises stabilised

## DEVELOPMENT OF ADJUSTED OPERATING PROFIT, € million

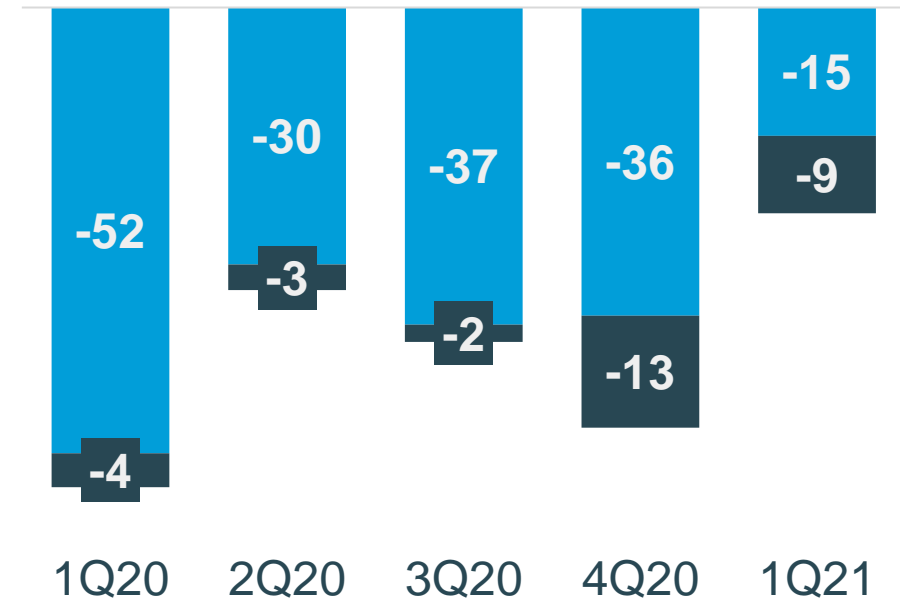


# Strong cash flow of €70m

OPERATING CASH FLOW AFTER INVESTMENTS, € million



CASH FLOW OF INVESTMENTS, € million



■ Associated companies and joint ventures  
■ Plot investments



# Green Finance Framework

## USE OF PROCEEDS:

Green and energy efficient buildings



Renewable energy



Clean transportation and technologies



Pollution prevention and control and protection of ecosystem services



Climate change adaptation



## SECOND PARTY OPINION BY CICERO SHADES OF GREEN:



CICERO  
Light Green



# Issuing three Green Bonds of €300m

Green Bond  
**€100**  
million

Matures on 3/2024

Floating coupon  
interest of  
3M Euribor + 3.1%

Green Bond  
**€100**  
million

Matures on 1/2026

Fixed coupon  
interest of 3.25%

Green  
Hybrid Bond  
**€100**  
million

No maturity date\*

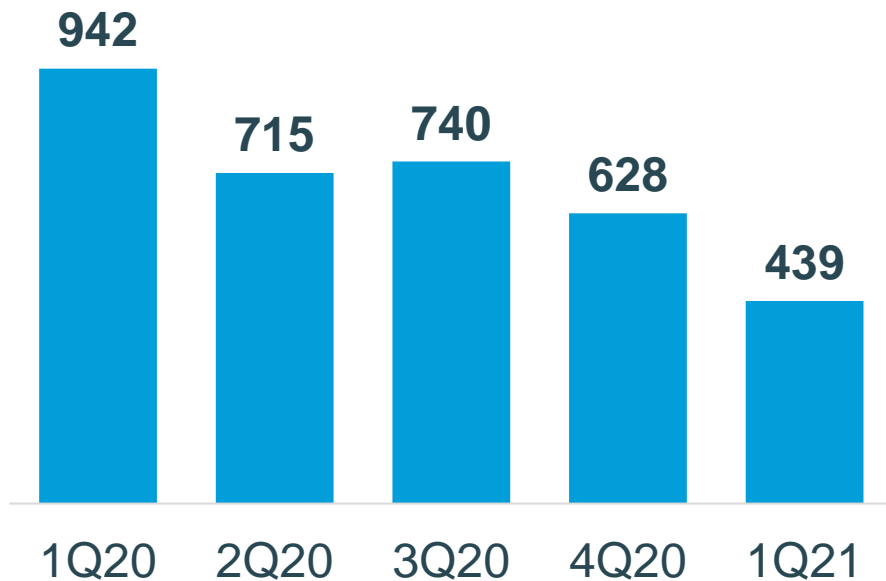
Fixed coupon  
interest of 5.75%  
until reset date\*

\*Reset date 31 Mar 2026

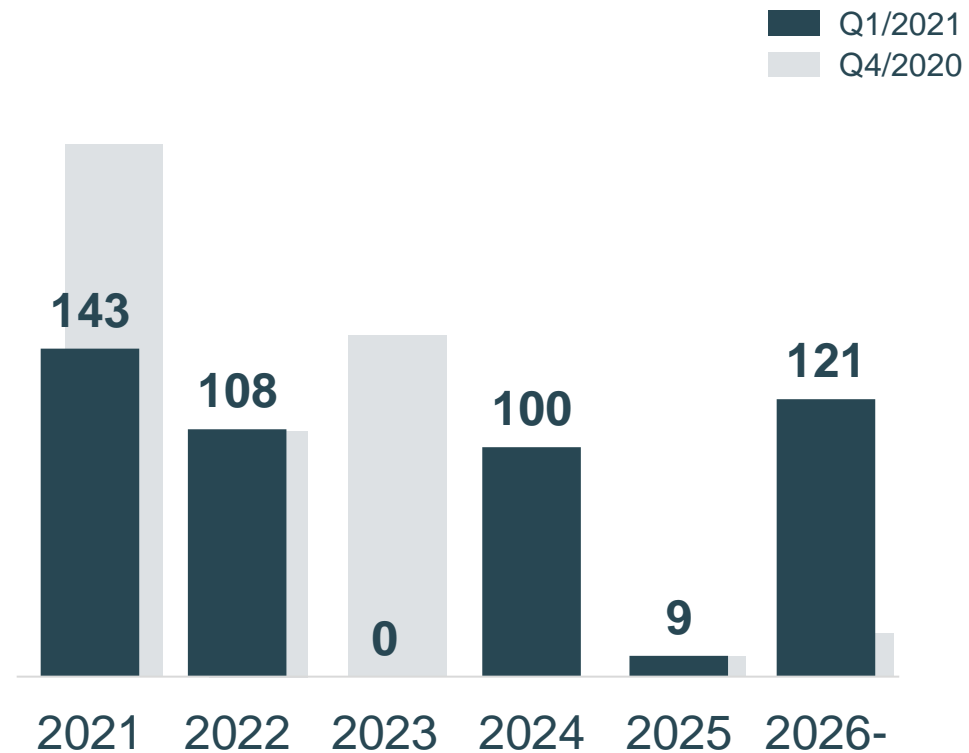


# Net interest-bearing debt -53% y-o-y, maturity profile extended

NET INTEREST-BEARING DEBT,  
€ million



MATURITY STRUCTURE OF INTEREST-BEARING DEBT<sup>1</sup>, € million



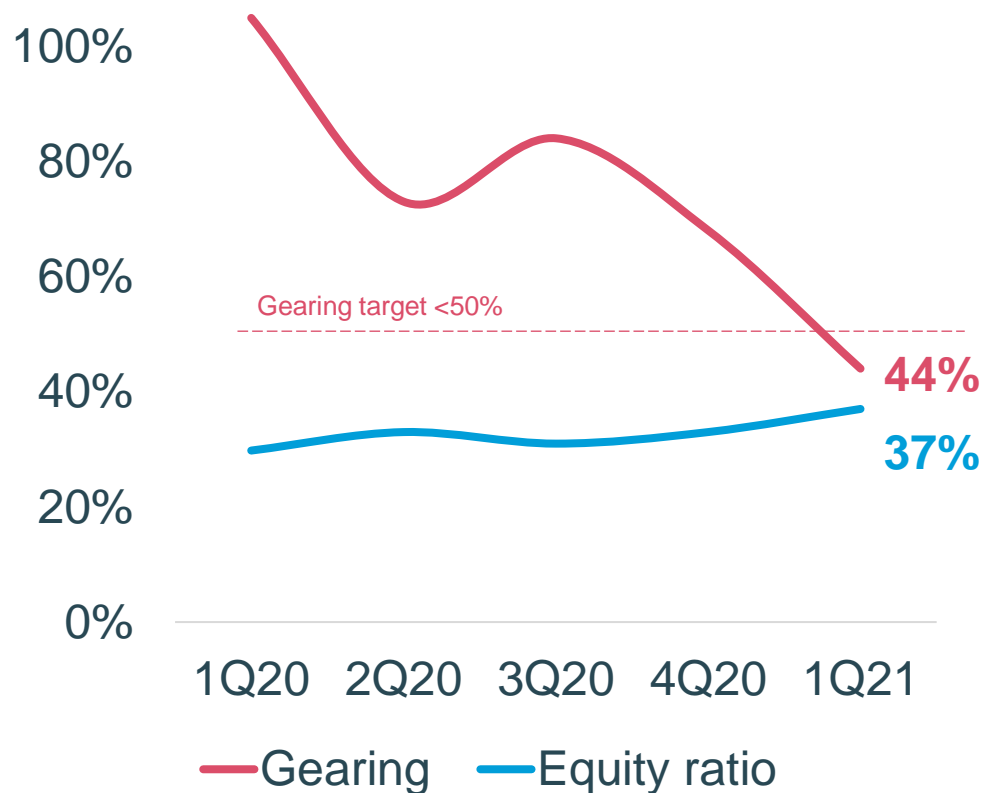
<sup>1</sup> Excluding housing company loans related to unsold apartments, €125 million, commercial papers, €195 million and lease liabilities, €206 million.

The hybrid bond, €100 million, is recorded as part of equity and therefore excluded from this paragraph.

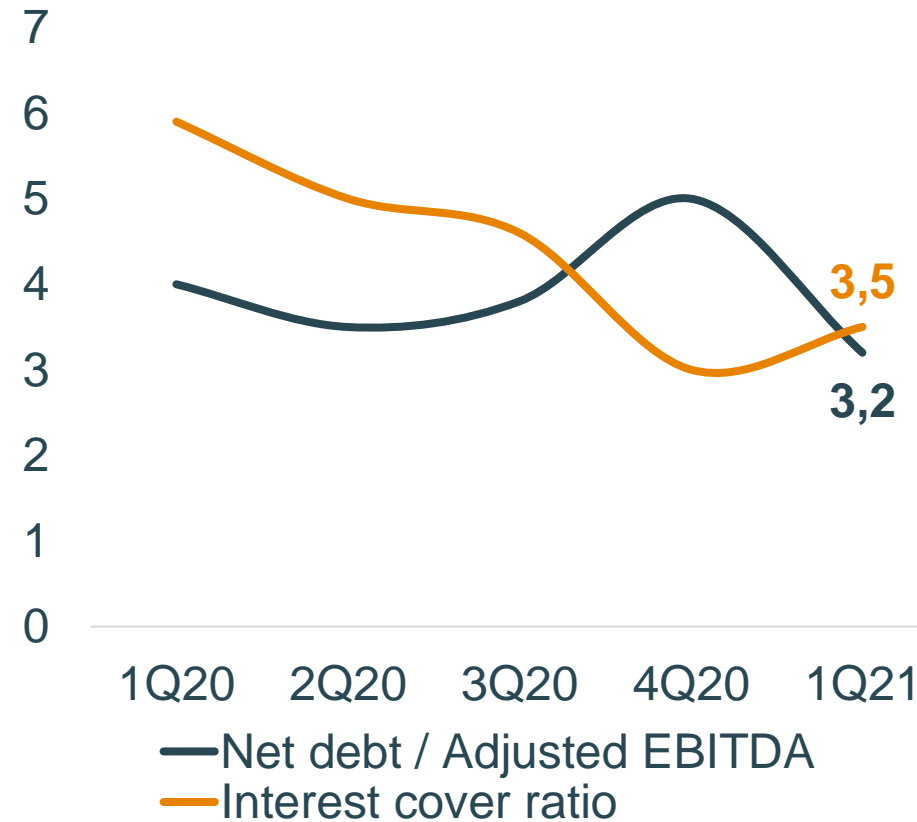


# Gearing below strategic target level of <50%

## EQUITY RATIO AND GEARING RATIO, %



## NET DEBT / ADJUSTED EBITDA RATIO AND INTEREST COVER RATIO



# 3. Outlook & guidance

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Stable development expected to continue in 2021



# Q2 market outlook stable with limited visibility

	Housing market	Real estate market	Infrastructure market
Finland			
Russia			
Baltic countries			
Central European countries			
Sweden			

## Q1/2021 market environment\*

Good
 Normal
 Weak

## Q2/2021 market outlook\*

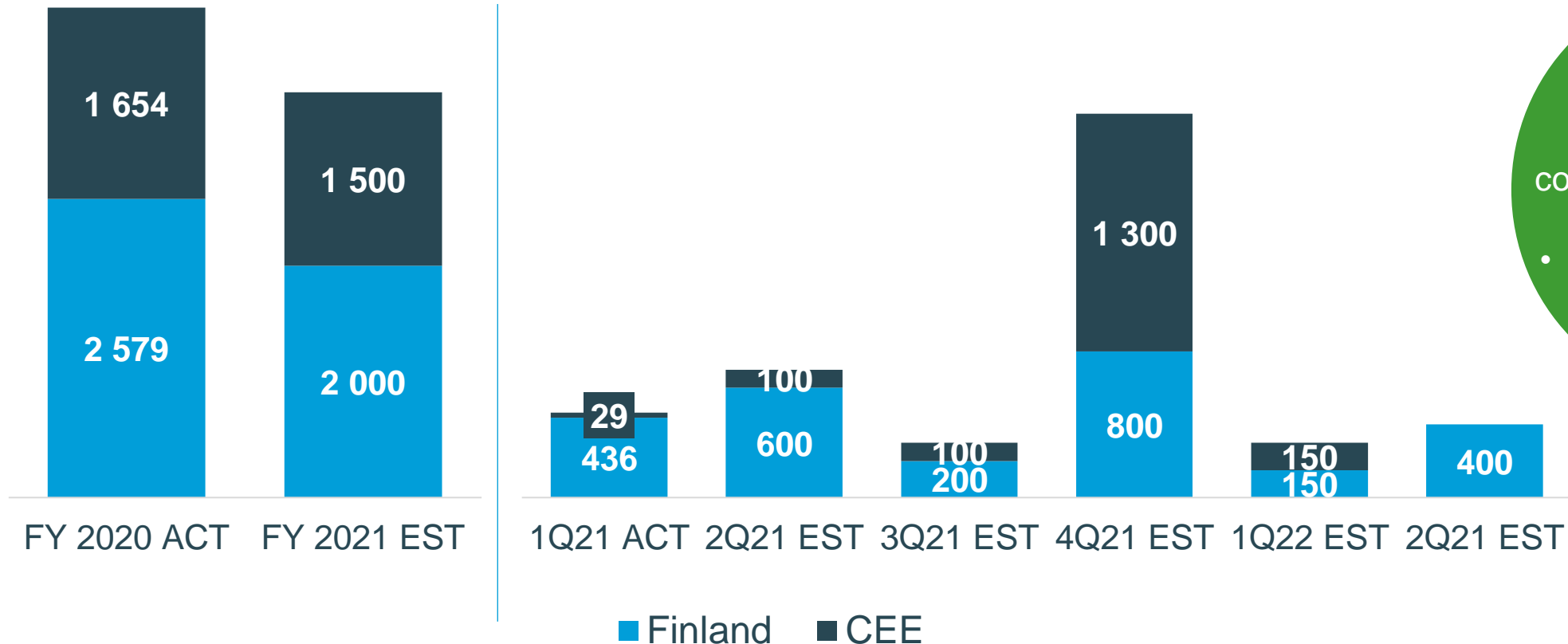
Improving
 Stable
 Weakening





# Number of completions declining, completions expected to peak again in Q4

## ESTIMATED COMPLETIONS OF CONSUMER APARTMENT PROJECTS UNDER CONSTRUCTION, units



In addition, revenue from apartments under construction recognised over time (POC):

- 2,062 for investors
- 4,060 in Russia

# Guidance for 2021

Group adjusted operating profit  
to be  
**higher**  
**than in 2020**  
(€85 million)

## Housing

- Demand outlook solid in all regions
- Completions in 2021 to decrease compared to 2020 and volatility between the quarters to be high
- COVID-19 could lead to delays

## Business premises

- Performance continues to stabilise

## Infrastructure

- Strategy under review as project management issues continue
- Lestijärvi transaction to be closed in 2021 or 2022

## Partnership properties

- Changes in market yields or estimated future cash flows may impact fair values of the investments

# Management agenda

1

We have strong foundation to build upon

2

We are taking immediate actions to stabilise our performance

3

Sustainability, health and safety in the core, strategy to be sharpened

# Additional information

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YIT's  
Q2 half-year report  
will be published on

**30 Jul**  
2021



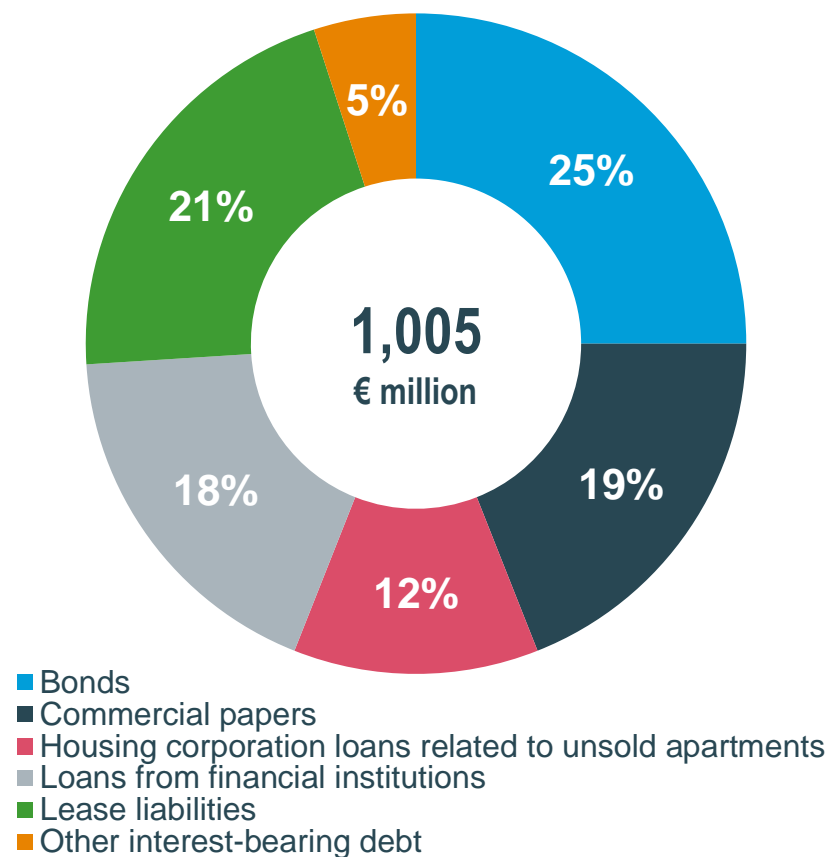
# 4. Appendices

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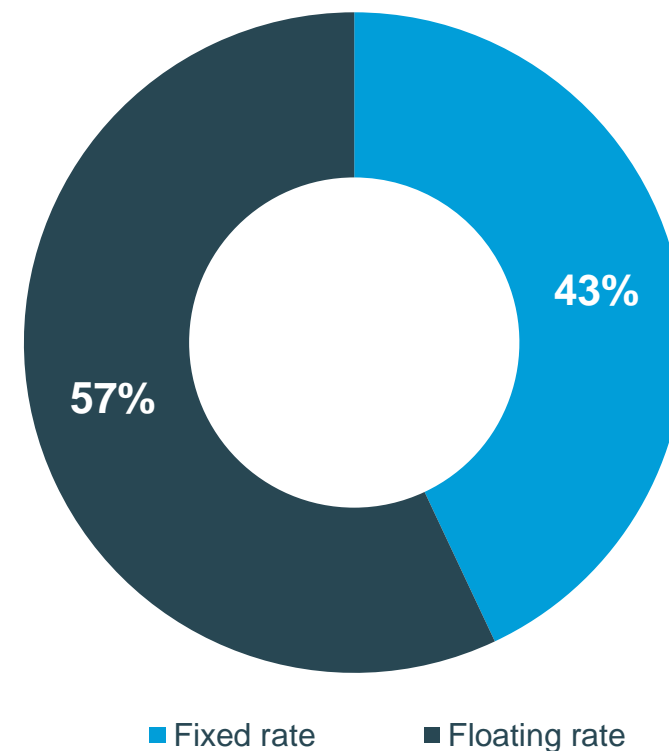
- I. Debt structure
- II. Strategic targets
- III. Market position

# I. Debt structure, 31 March 2021

## DISTRIBUTION OF INTEREST-BEARING DEBT



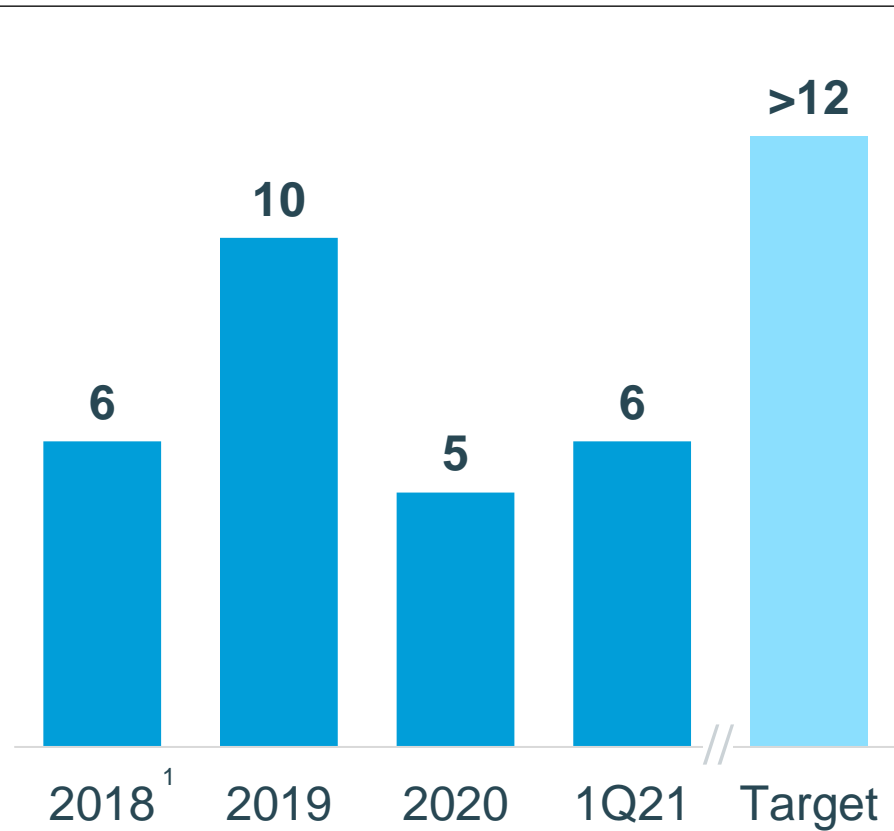
## INTEREST RATE DISTRIBUTION OF INTEREST-BEARING DEBT<sup>1</sup>



<sup>1</sup> Including interest-bearing debt and interest rate derivatives, but excluding lease liabilities, EUR 206 million

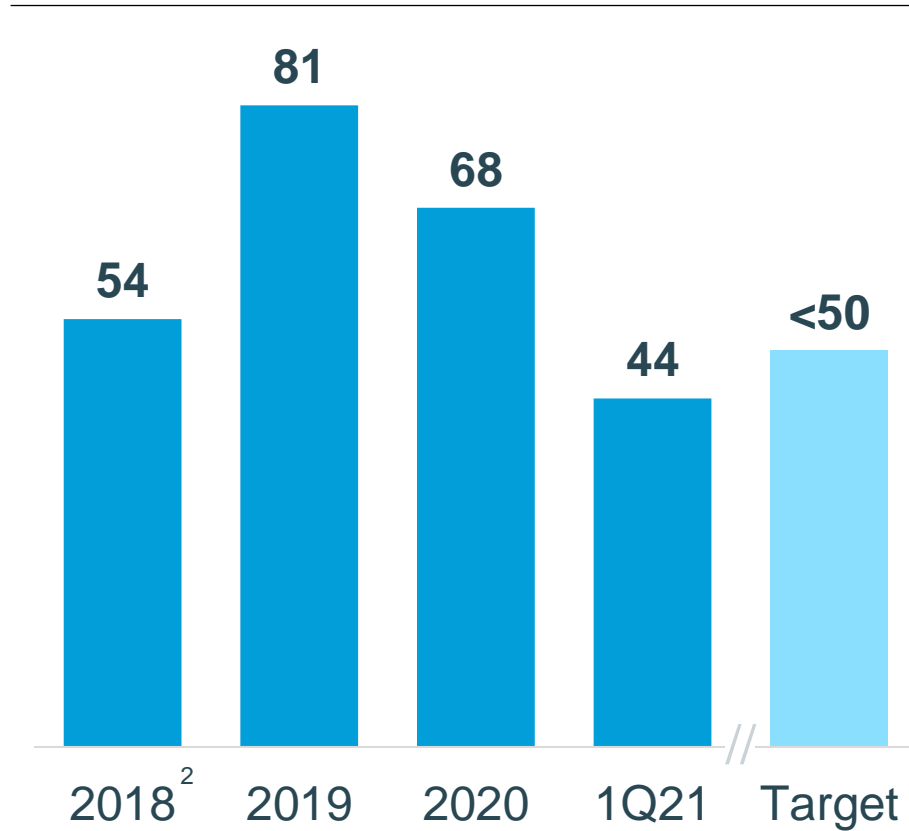
## II. Strategic targets Gearing improved, ROCE weakened

ROCE, %



<sup>1</sup> Pro forma, excluding IFRS 16

GEARING, %



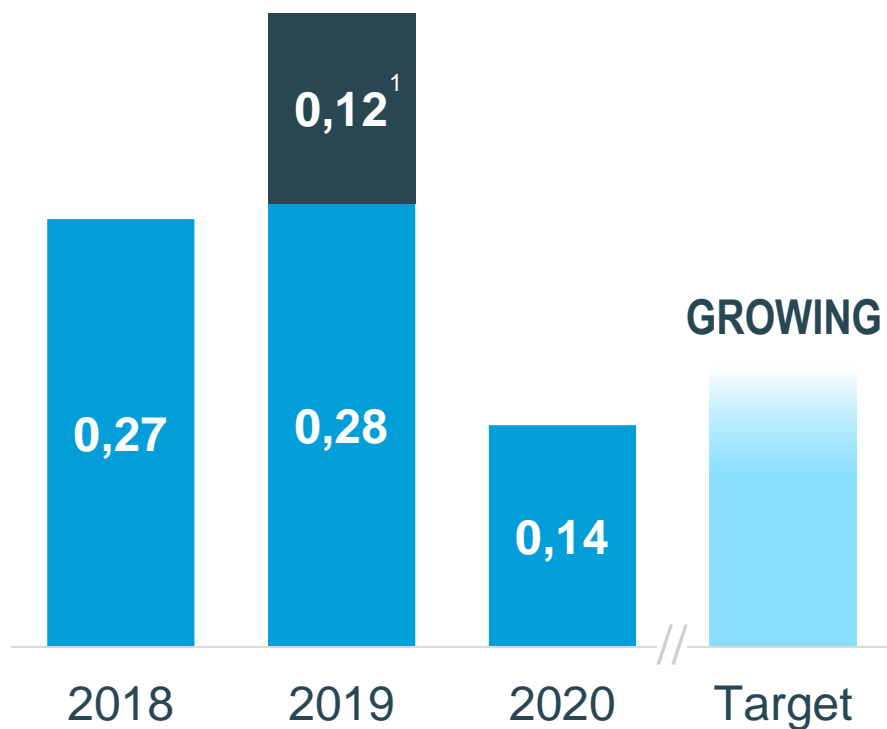
<sup>2</sup> Excluding IFRS16



## II. Strategic targets

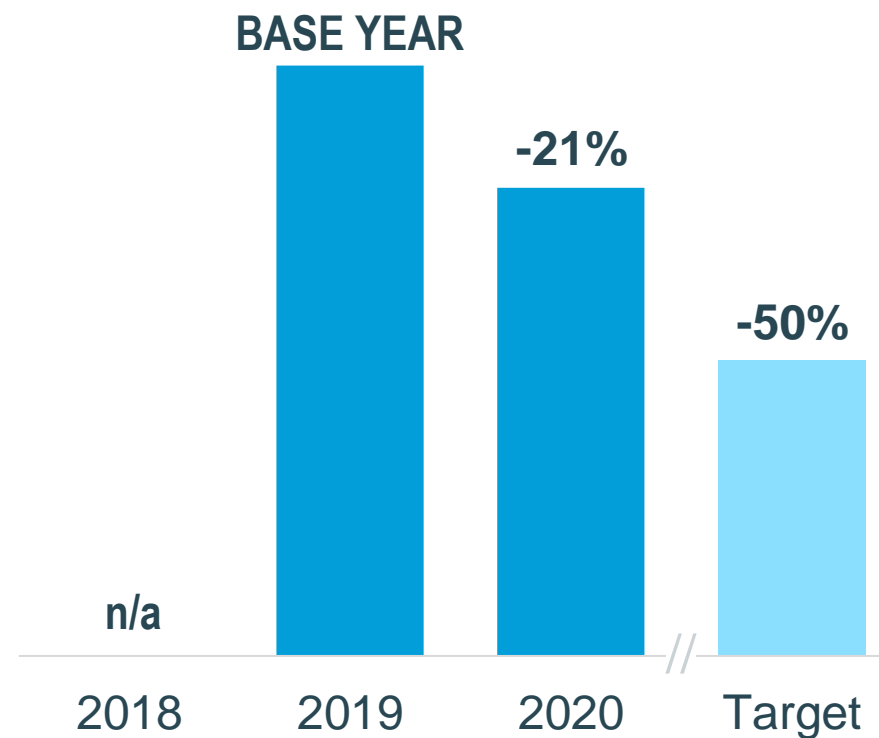
# II. Dividend proposal €0.14 per share

### DIVIDEND PER SHARE, €



<sup>1</sup> Additional dividend.

### EMISSION INTENSITY OF OWN OPERATIONS, tCO<sub>2</sub>e/M€





# III. YIT has strong market position in urban development

## SHARE OF TOTAL REVENUE IN 2020

### BUILDING CONSTRUCTION



Housing

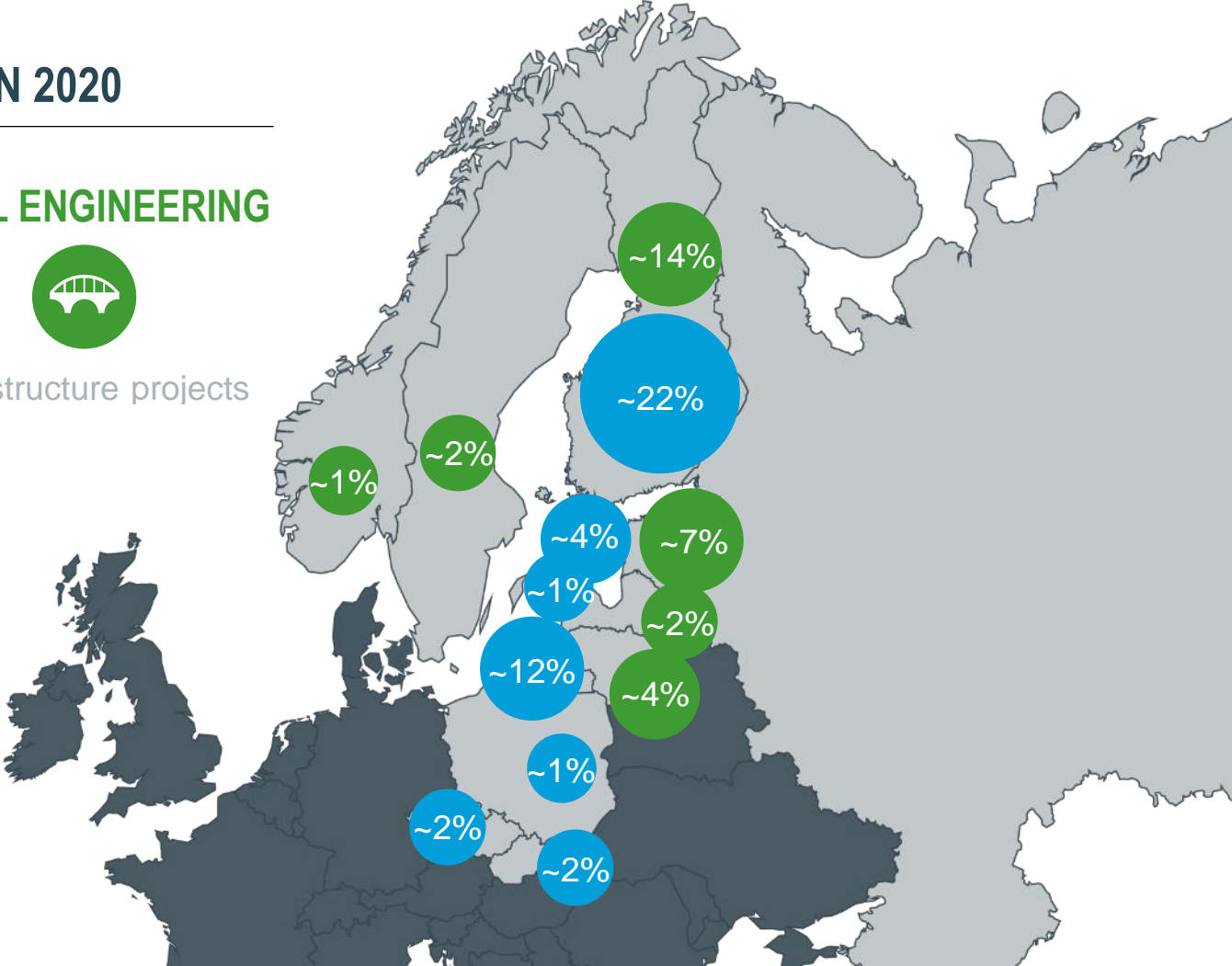


Business premises

### CIVIL ENGINEERING



Infrastructure projects



Source: Eurostat, company own estimate.  
 Turnover data for building and civil engineering based on harmonized country-specific industry statistics collected by Eurostat. Only the comparable share of enterprises with more than 50 employees in the total turnover of the statistics has been taken into account. In the EU28, the share is on average 48% in the building construction industry and 71% in the civil engineering industry. Revenue data is based on confirmed figures collected by Eurostat and changes in output by country and industry in the Euroconstruct report. The calculated share of revenue has been compared to YIT's comparable revenue.



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we can  
do it.**