



 TRIPLA, HELSINKI, FINLAND

Interim report January-September 2020

Harri-Pekka Kaukonen – Chairman of the Board

Antti Inkilä – Interim President and CEO

Ilkka Salonen – CFO



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More life in
sustainable cities

15
minutes'
city

Strategic actions to adjust business mix



Group-wide cornerstones to drive performance and build capabilities

Top performance

Success with
customers and
partners

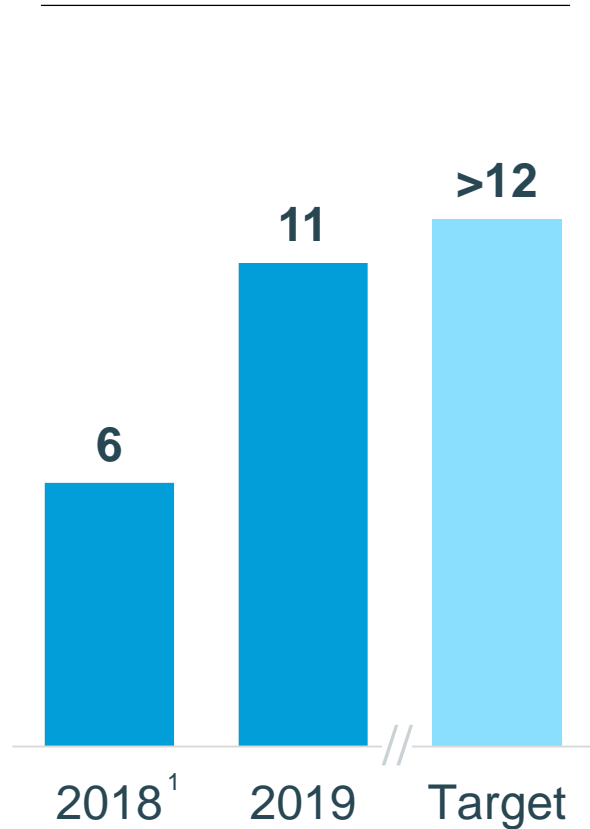
Stepping up
sustainability

Happy people



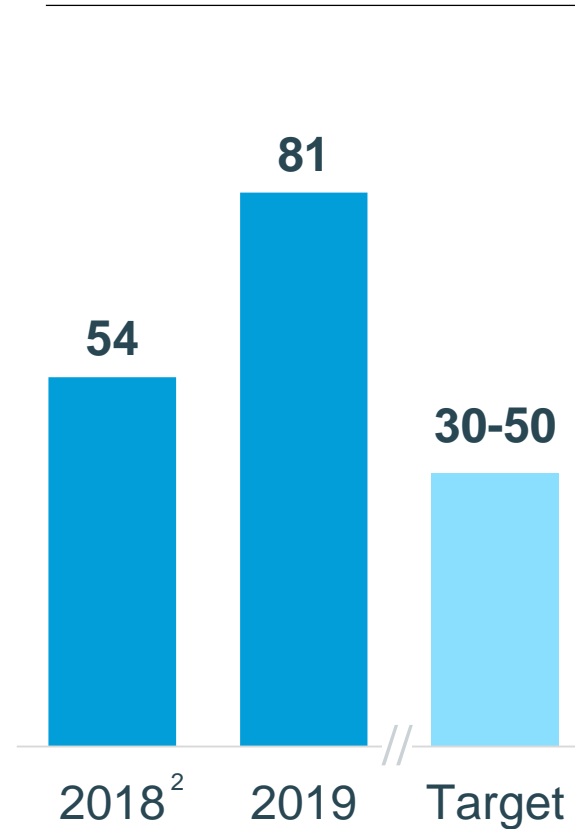
Financial targets unchanged

ROCE, %



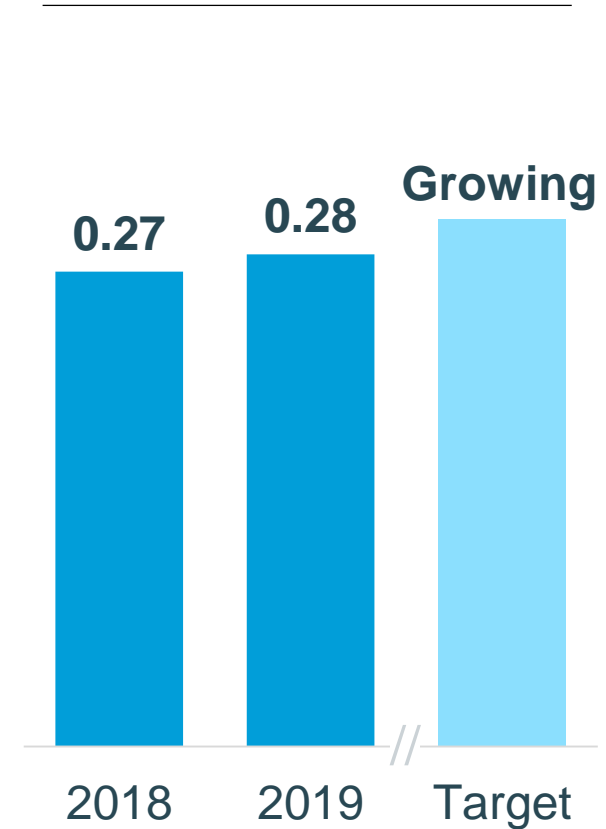
¹pro forma,
excluding IFRS 16

GEARING, %



²excluding IFRS16

DIVIDEND PER SHARE



Q3: Good results in housing segments supported by strong apartment sales

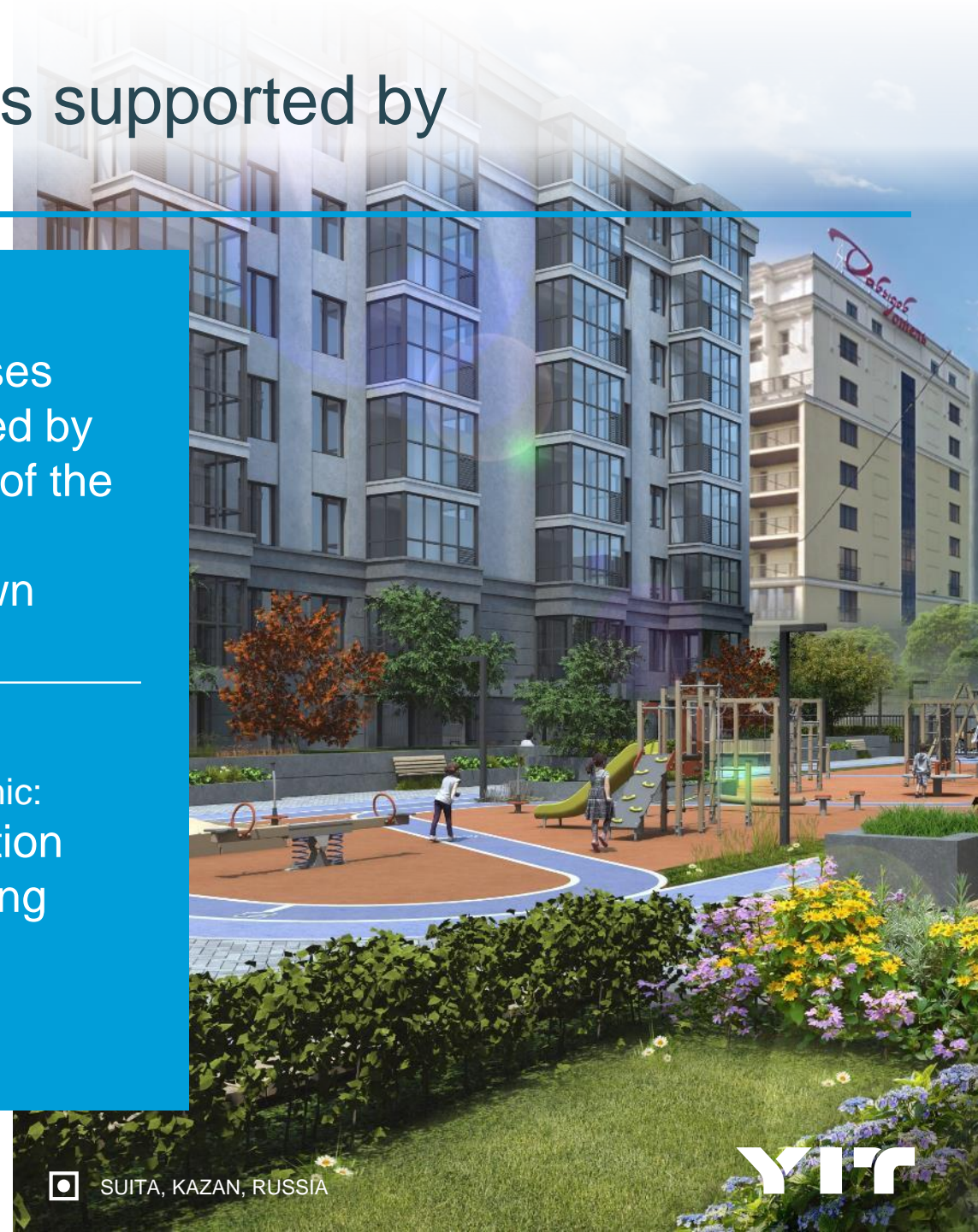
Adjusted
operating profit

€16
million (26)

Business premises
negatively impacted by
a margin reduction of the
Tripla project
and a write-down

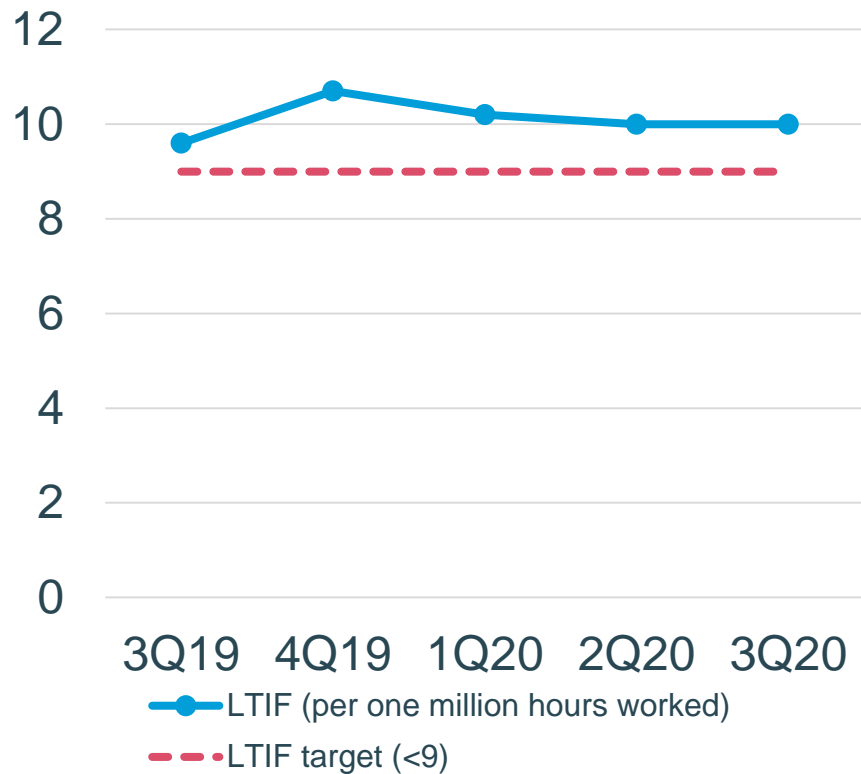
Profitability,
capital efficiency and
strong balance sheet
in focus

Coronavirus pandemic:
Proactive adaptation
to rapidly changing
environment



Safety is in the core of our operations

COMBINED LOST TIME INJURY FREQUENCY (LTIF), rolling 12 months



LTIF,
rolling 12 months

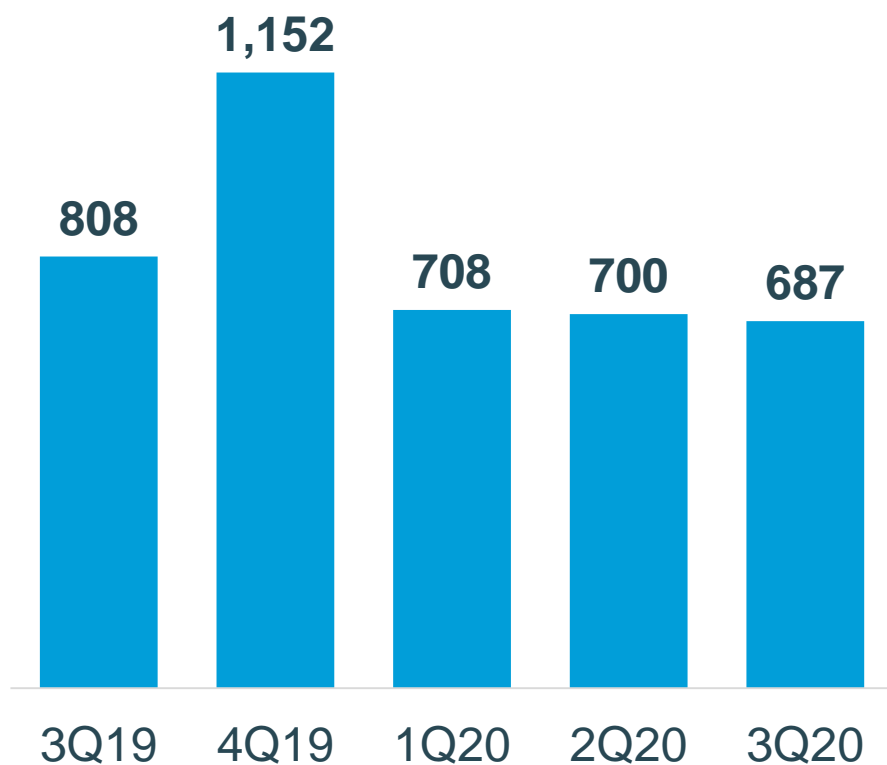
10.0

injuries of YIT's own employees and subcontractors per million hours worked

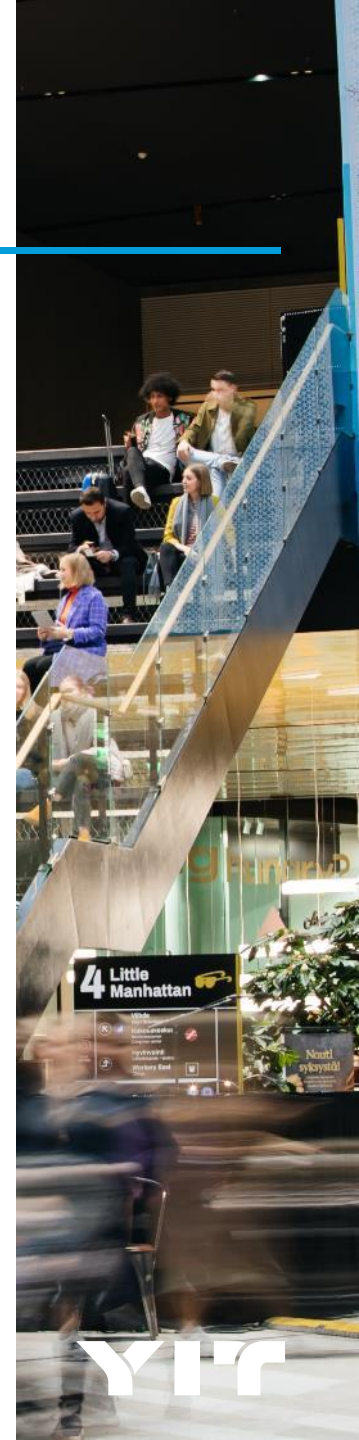
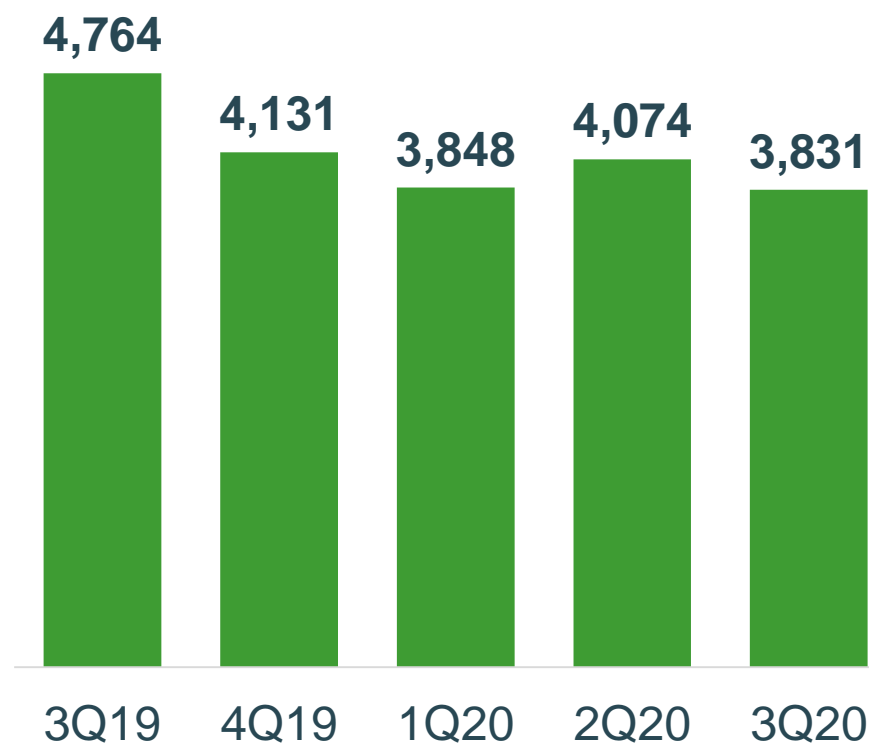


Order book at a good level, margins improving

REVENUE, € million

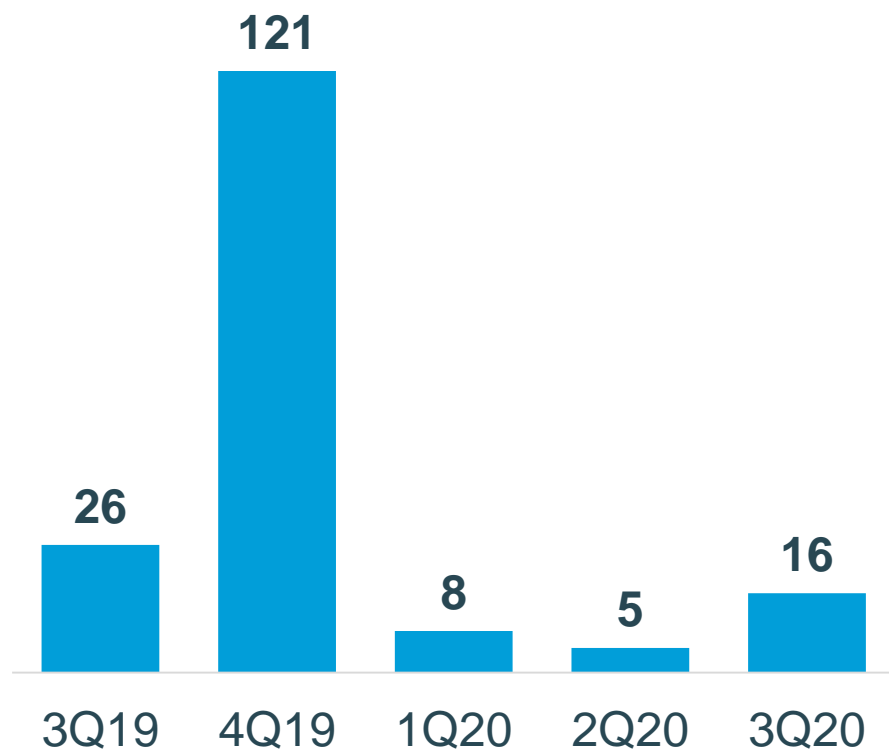


ORDER BOOK, € million



Good results in housing segments, offset by a loss in Business premises

ADJUSTED OPERATING PROFIT, € million

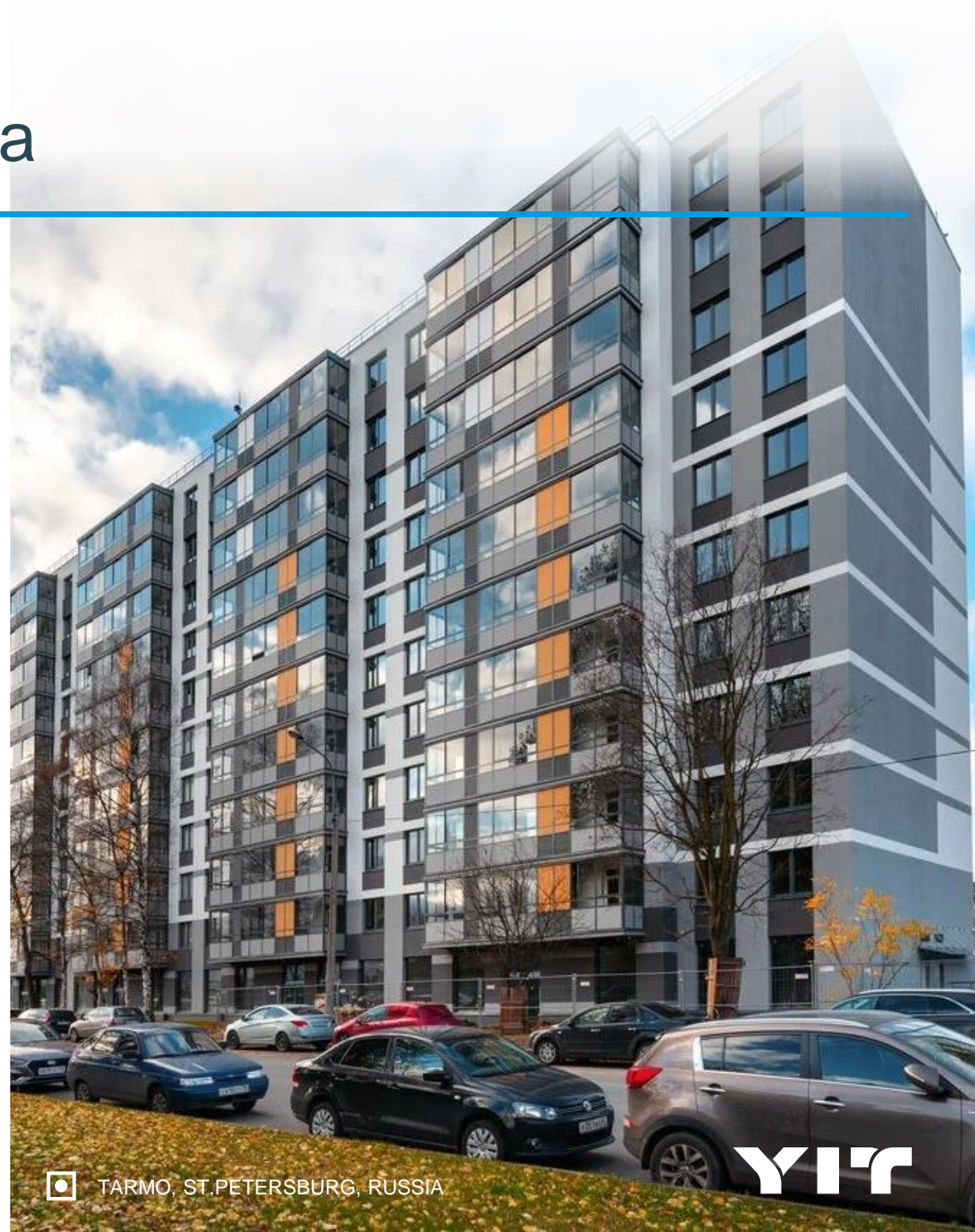
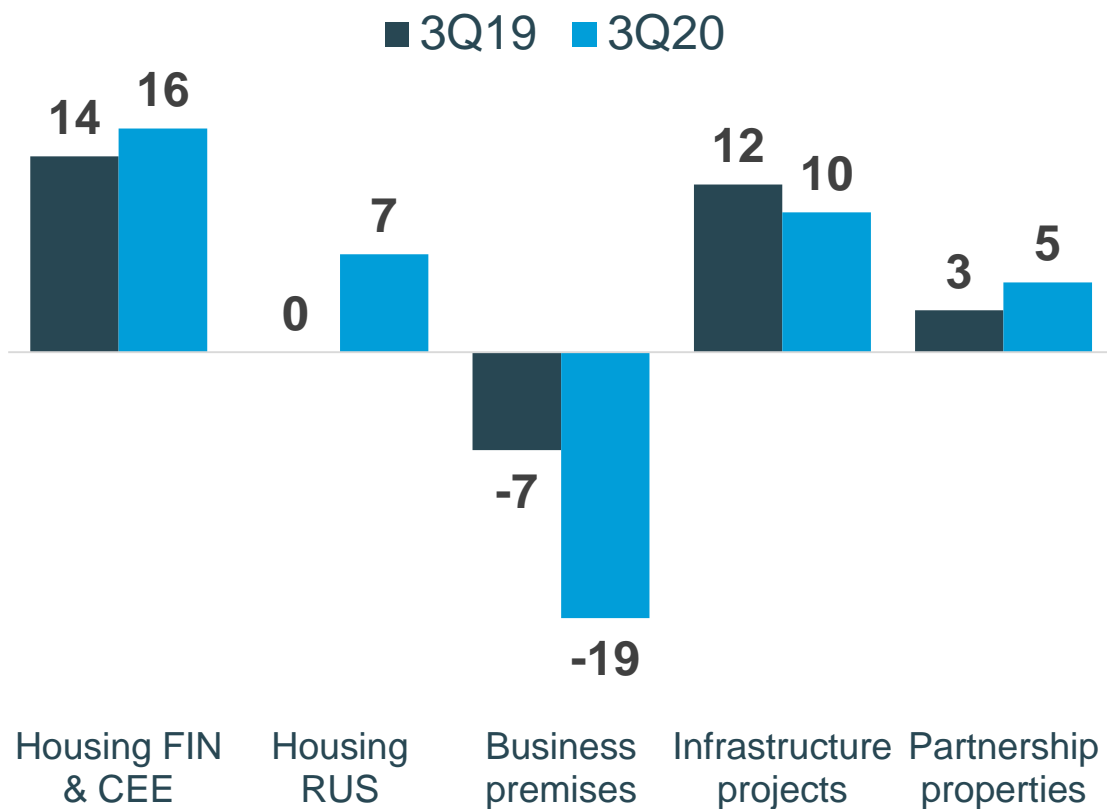


Q3 adjusted operating profit margin

2.4%
(3.2)

Strong improvement in Housing Russia

ADJUSTED OPERATING PROFIT, € million





Housing Finland and CEE Strong sales and improved profitability

Adjusted operating profit

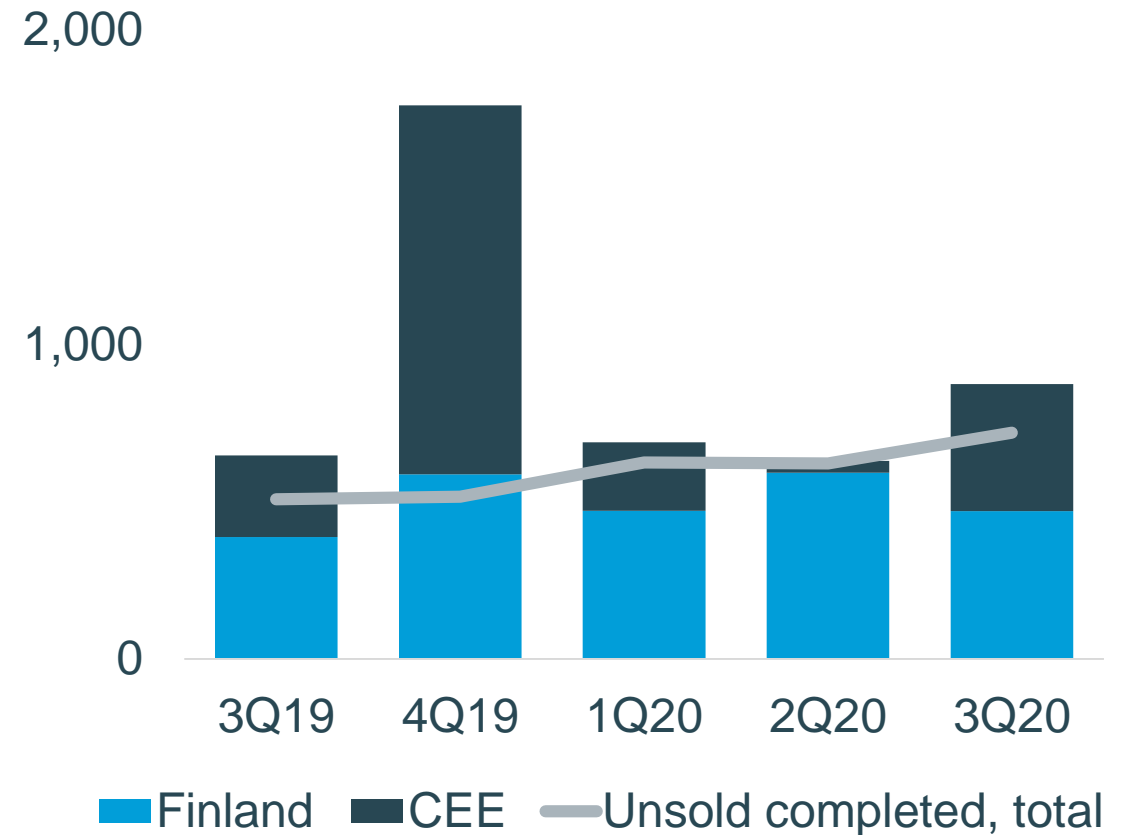
€16
million (14)

Housing sales supported by digitalisation and YIT brand

Apartment start-ups at good level

Living services continued to grow

COMPLETED CONSUMER APARTMENTS, units





Record-high apartment sales

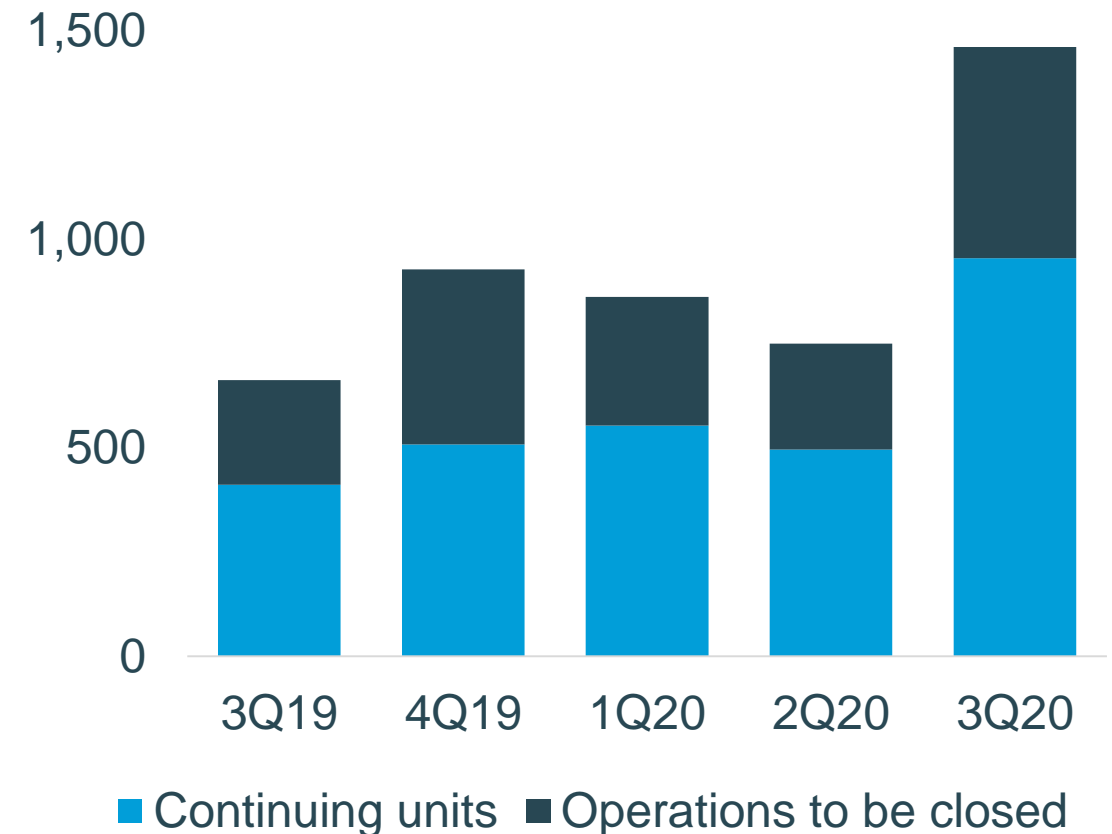
Adjusted operating profit
€7
million (0)

Revenue increased by
41%

Apartment sales
+120%
y-o-y

Strategic measures proceeding as planned

APARTMENT SALES, units

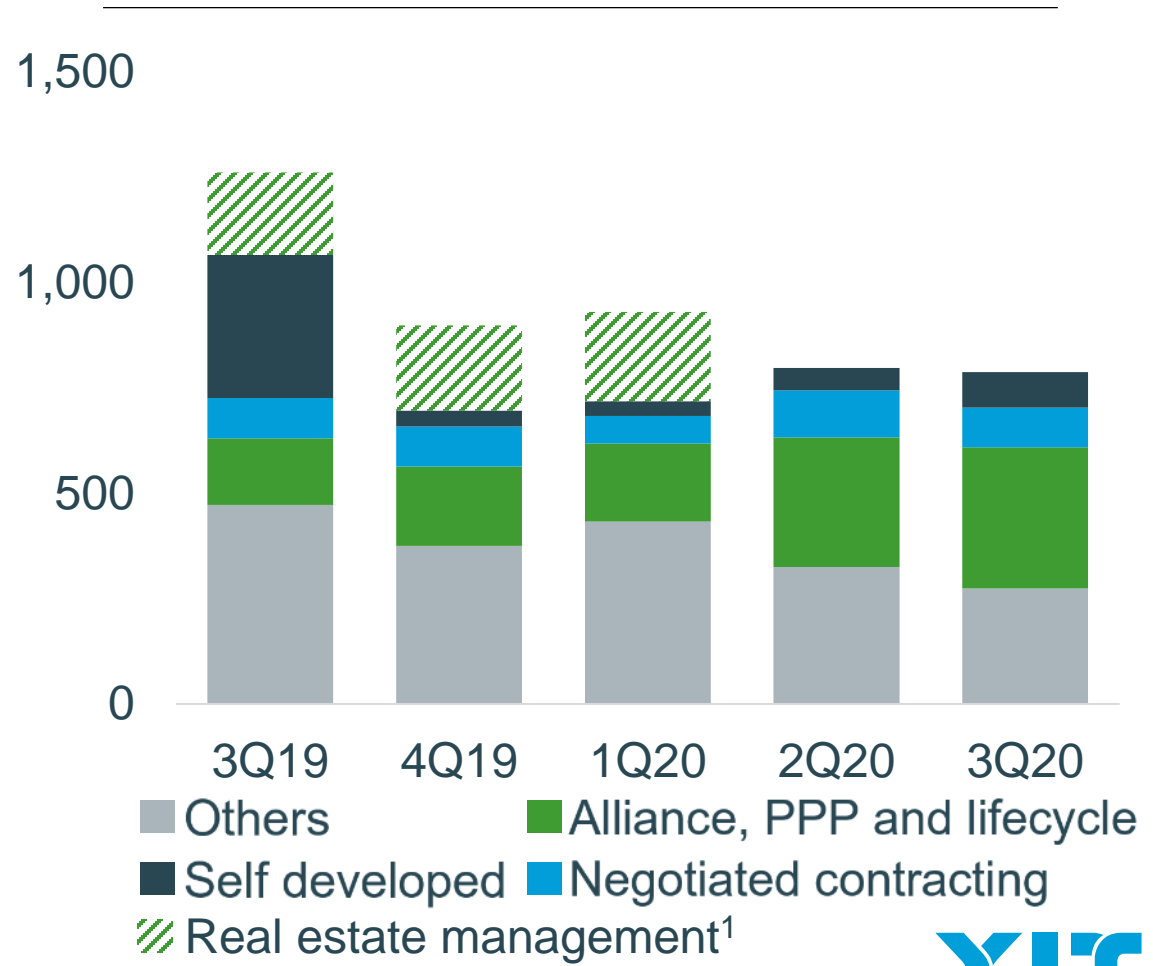




Margin reduction and write-down burdened the result

Adjusted operating profit €-19 million (-7)	€18 million margin reduction in Tripla project
€7 million inventory write-down	Solid and healthy order book

ORDER BOOK, € million





Infrastructure projects

Stable performance

Adjusted operating profit

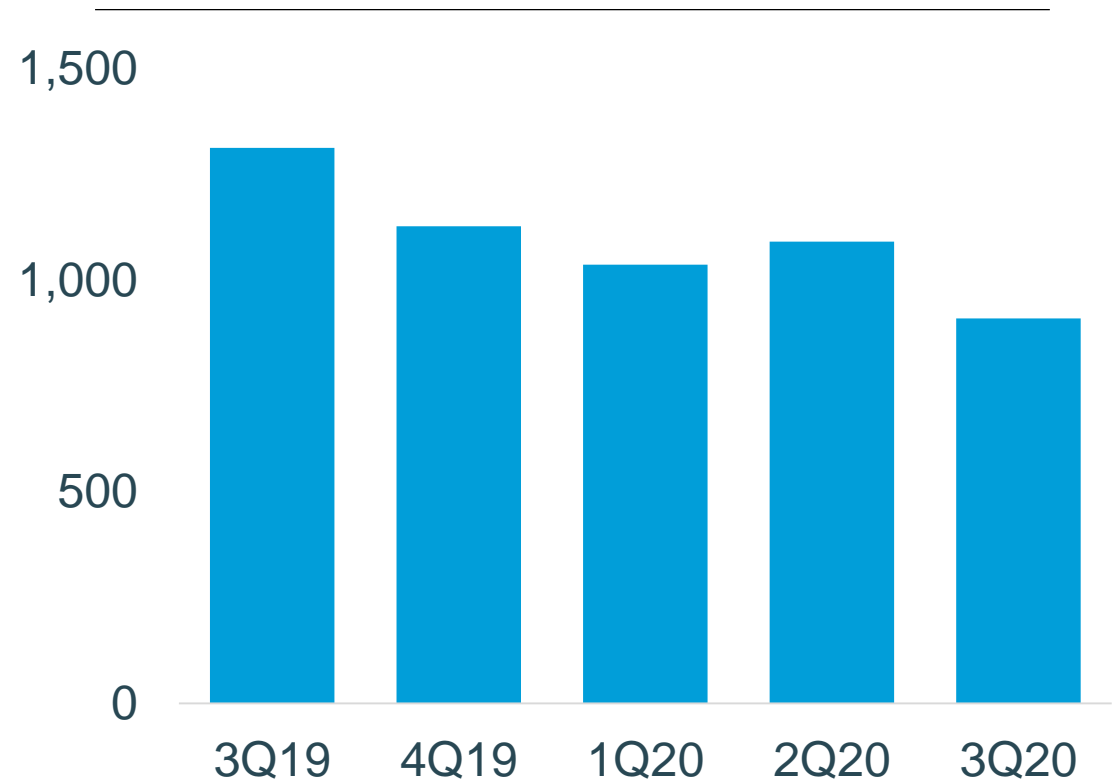
€10
million (12)

Preparations to close-down infrastructure business in Norway

Production volumes decreased in Scandinavia and the Baltics

Order book decreased due to several large projects about to be completed

ORDER BOOK, € million

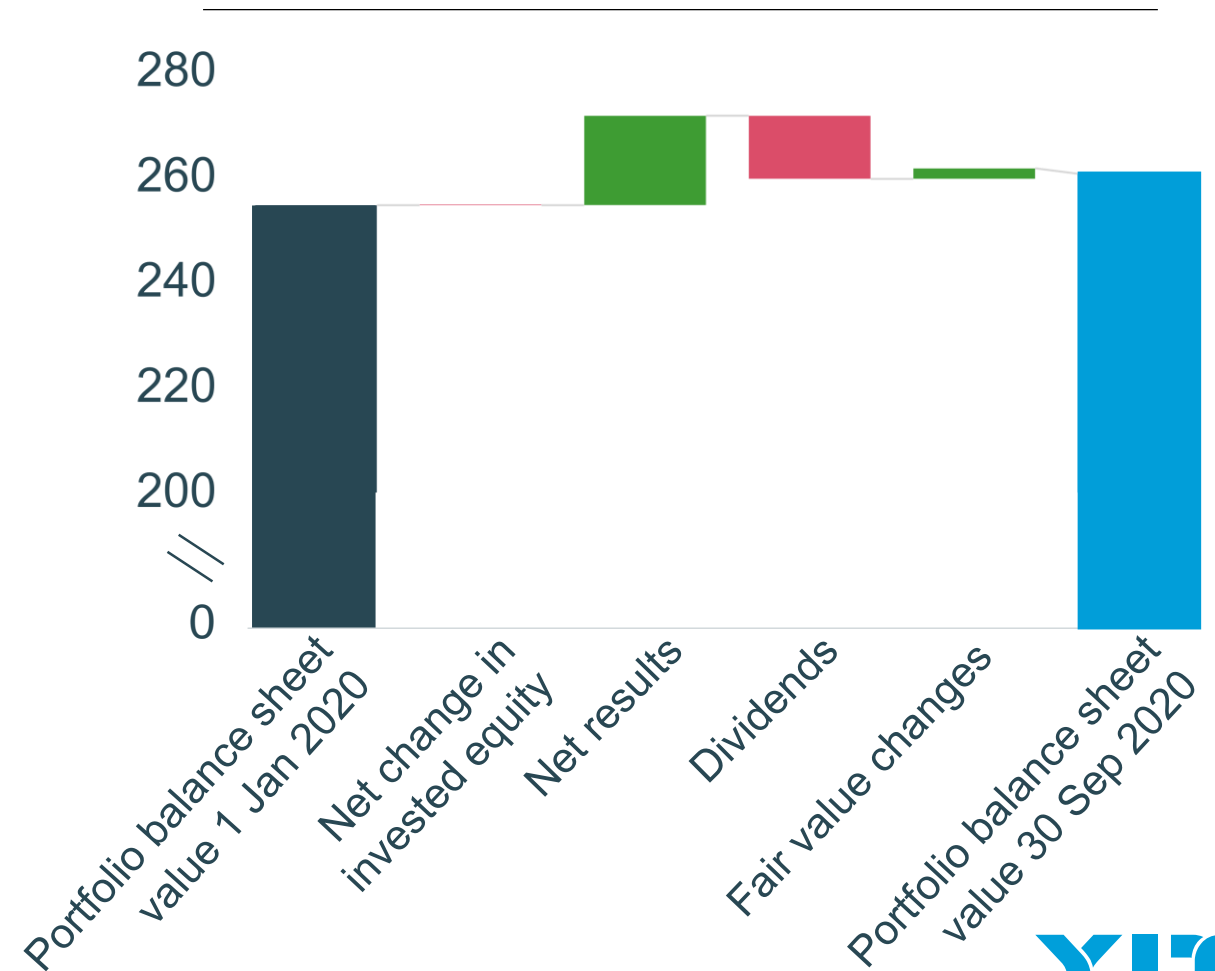




Partnership properties Investment portfolio widened

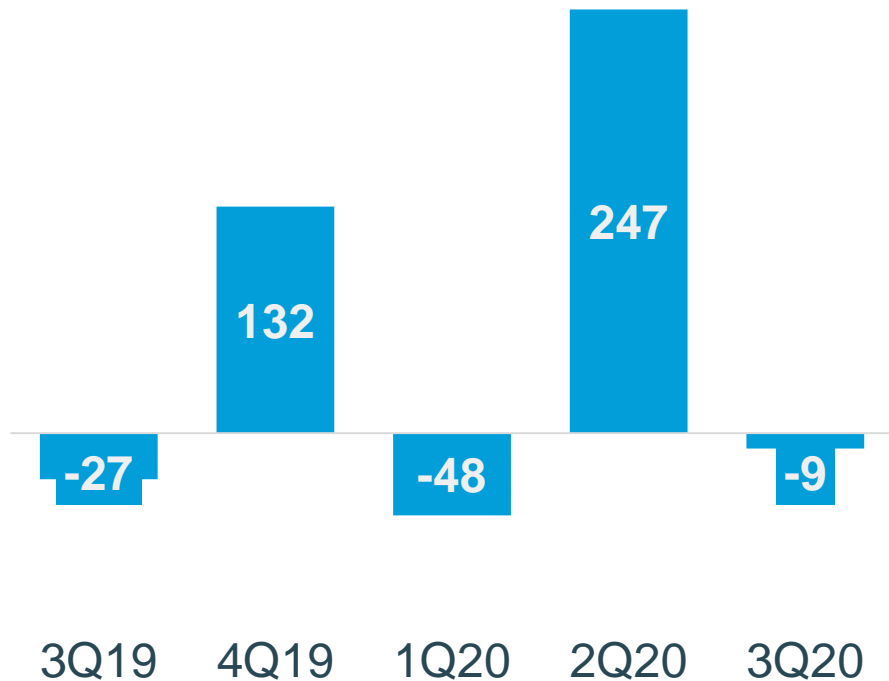
Adjusted operating profit €5 million (3)	New associated company established to strengthen housing portfolio
Order book €305 million from real estate management	Portfolio value €260 million

PORTFOLIO VALUE, € million

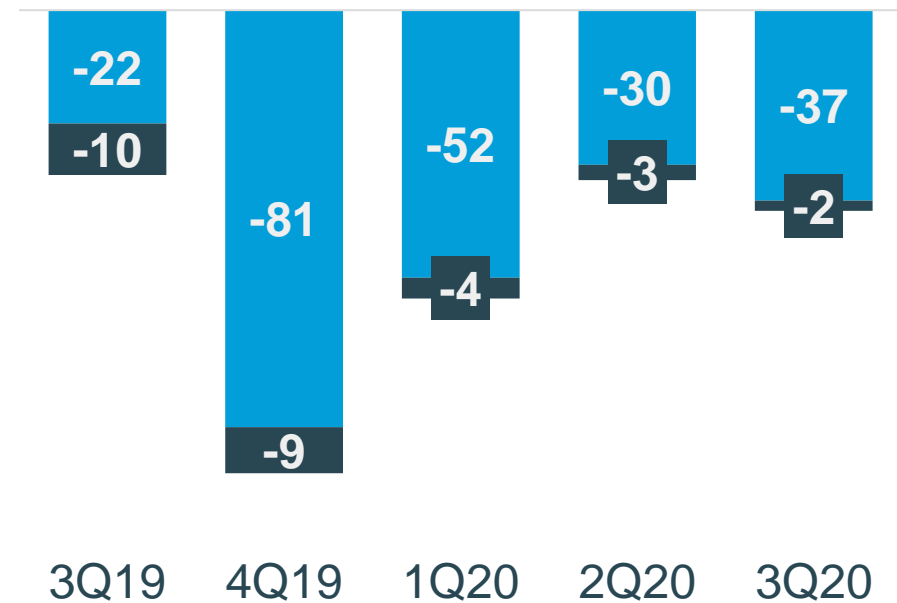


Cash flow negative, improved y-o-y

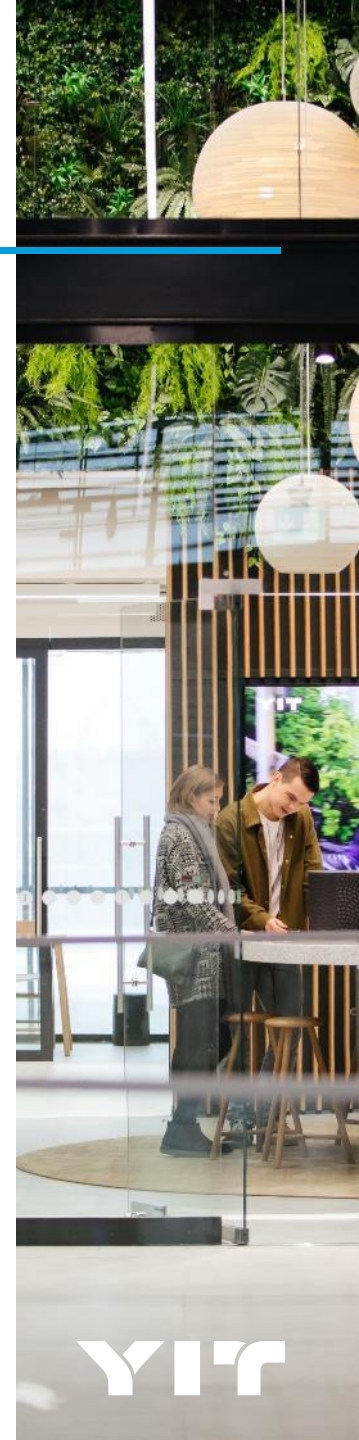
OPERATING CASH FLOW AFTER INVESTMENTS, € million



CASH FLOW OF INVESTMENTS, € million

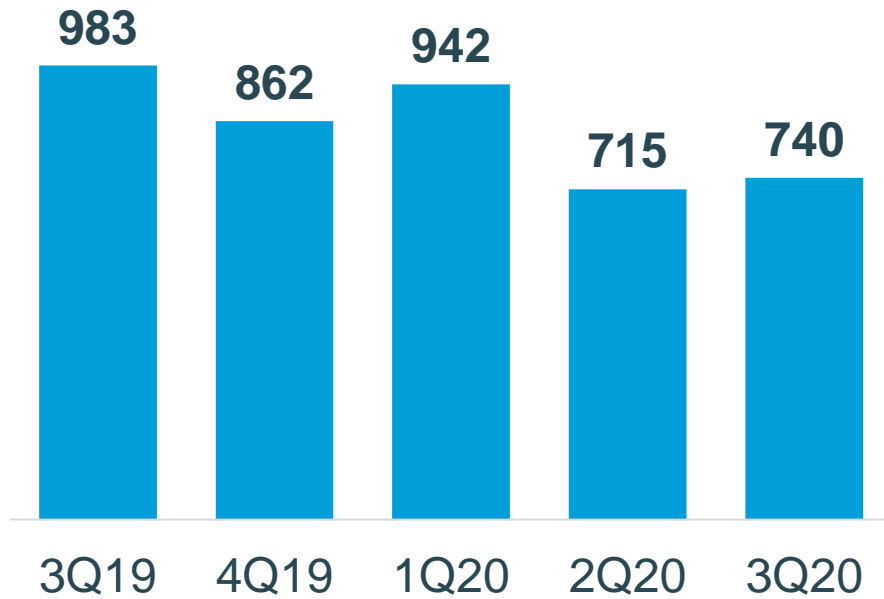


■ Associated companies and joint ventures
■ Plot investments

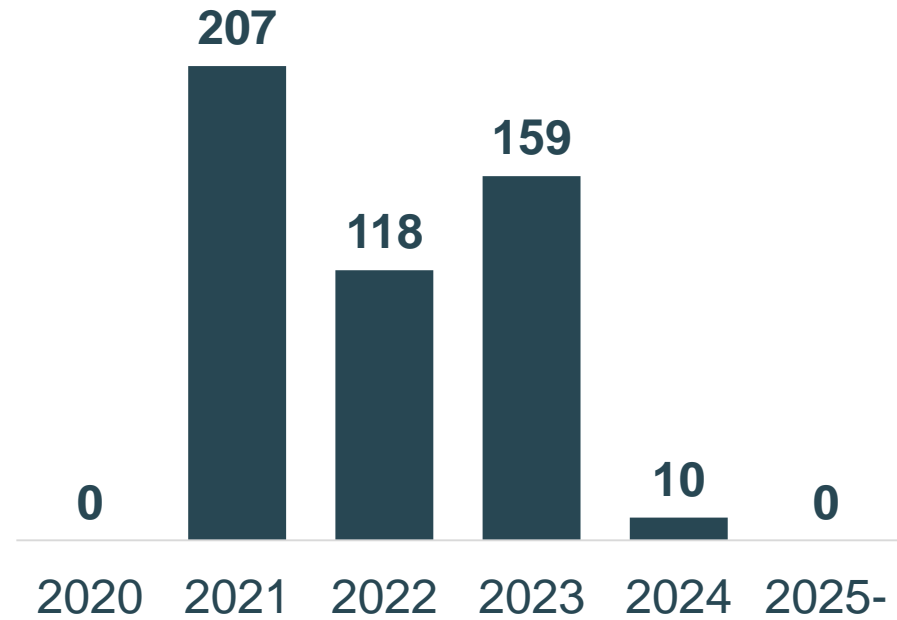


Strong liquidity position remains

NET INTEREST-BEARING DEBT,
€ million



MATURITY STRUCTURE¹,
€ million

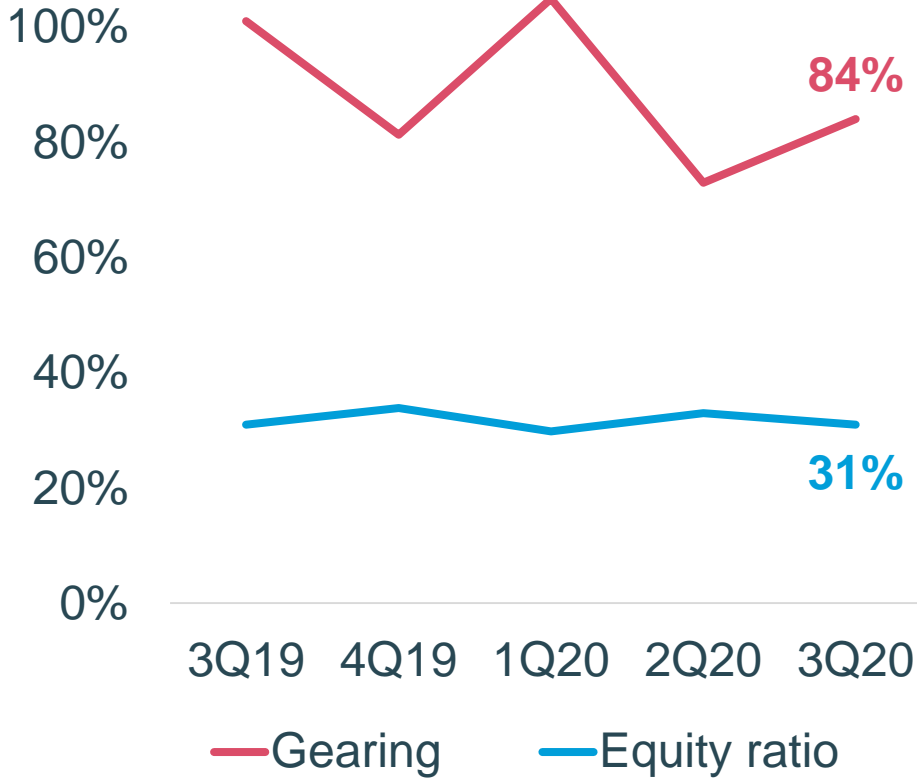


¹ Excluding housing company loans related to unsold apartments, € 194 million, commercial papers, € 215 million and IFRS 16 lease liabilities, € 262 million.

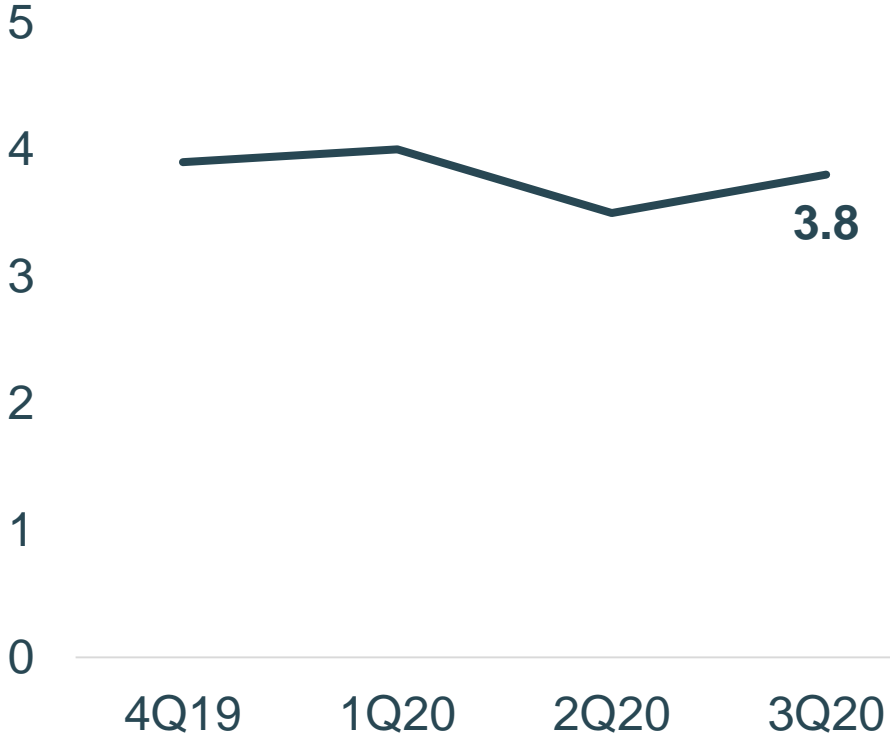


Financial key ratios weakened slightly

EQUITY RATIO AND GEARING, %



NET DEBT / ADJUSTED EBITDA ratio



Market outlook stable with limited visibility

	Housing	Business premises	Infrastructure projects	Partnership properties
Finland				
Russia				
Baltic countries				
Central European countries				
Sweden				

Q3 market situation

Good
 Normal
 Weak

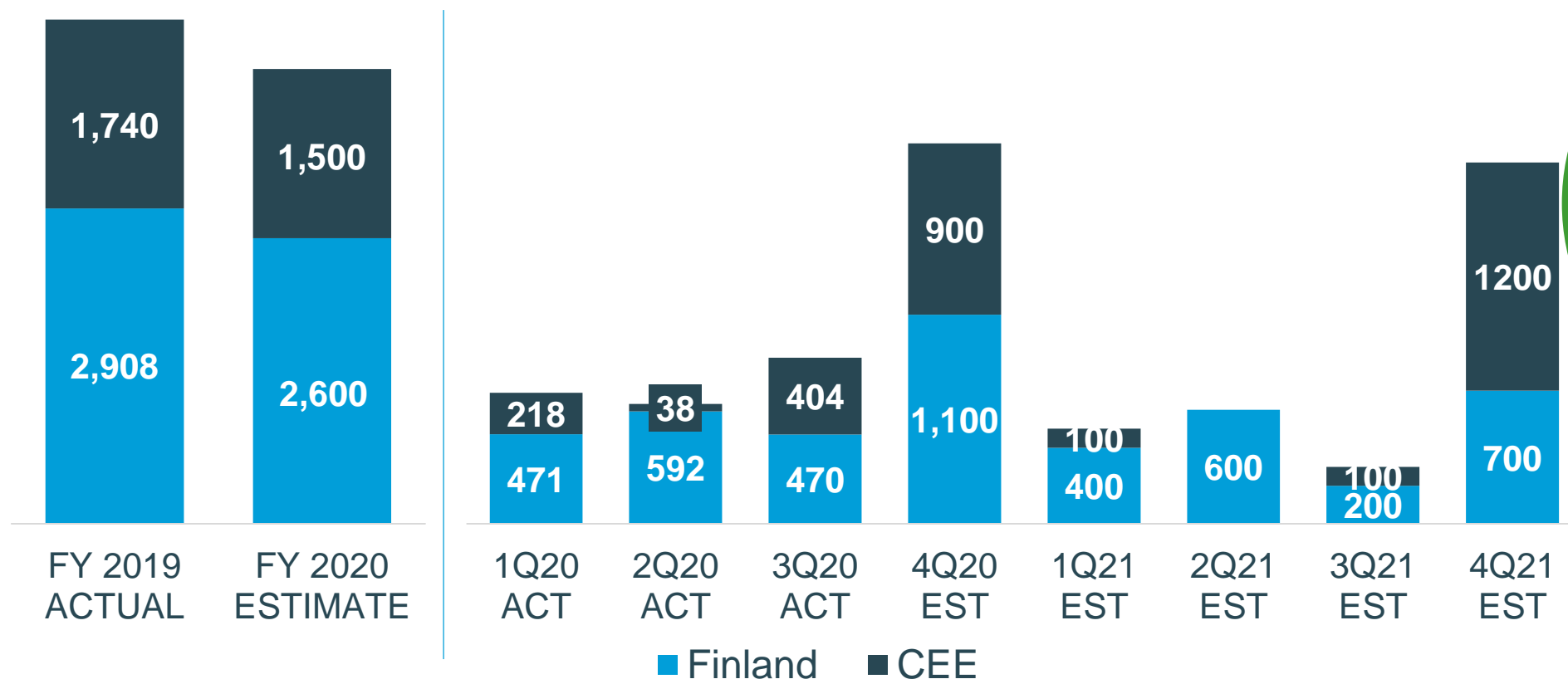
Q4 market outlook

Improving
 Stable
 Weakening



Completions expected to peak in Q4

ESTIMATED COMPLETIONS OF CONSUMER APARTMENT PROJECTS UNDER CONSTRUCTION, units



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

- 2,104 for investors
- 5,950 in Russia

Guidance for 2020 reinstated

Group adjusted operating profit
€90-110
million

During the rest of the year, YIT expects its projects to be completed on schedule despite the second wave of the coronavirus pandemic.

However, possible decisions by authorities, such as closing down construction sites widely or slow acceptance processes in completion, may lead to temporary shutdowns and cause postponements of revenue and profit into 2021.

Management agenda

TOP PERFORMANCE

Improve project management to drive profitability

SUCCESS WITH CUSTOMERS AND PARTNERS

Continue to expand digital services

STEPPING UP SUSTAINABILITY

Continue to develop climate action plan

HAPPY PEOPLE

Ensure health and safety of our people



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YIT's Q4 financial
statements bulletin
will be published on

**3 Feb
2021**



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Appendices



Appendices

- I. Key figures
- II. Housing sales and start-ups
- III. Share ownership
- IV. Debt structure
- V. Investment portfolio

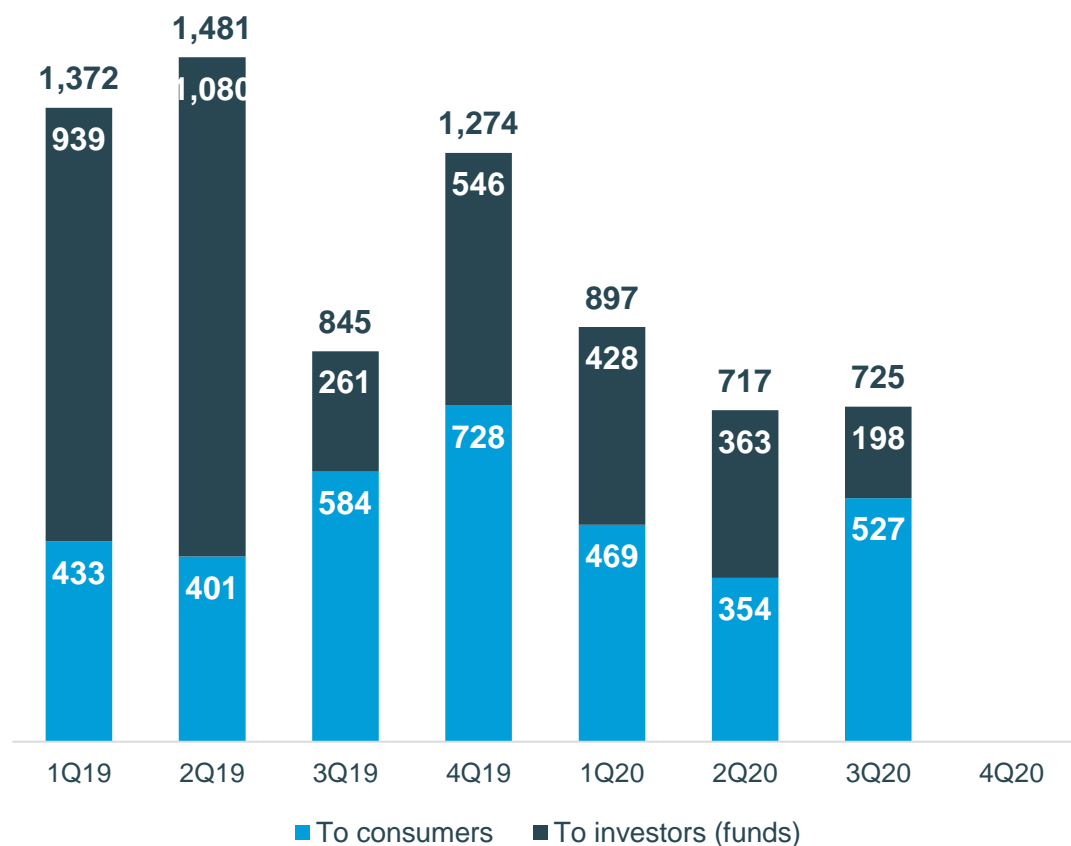


I. Key figures

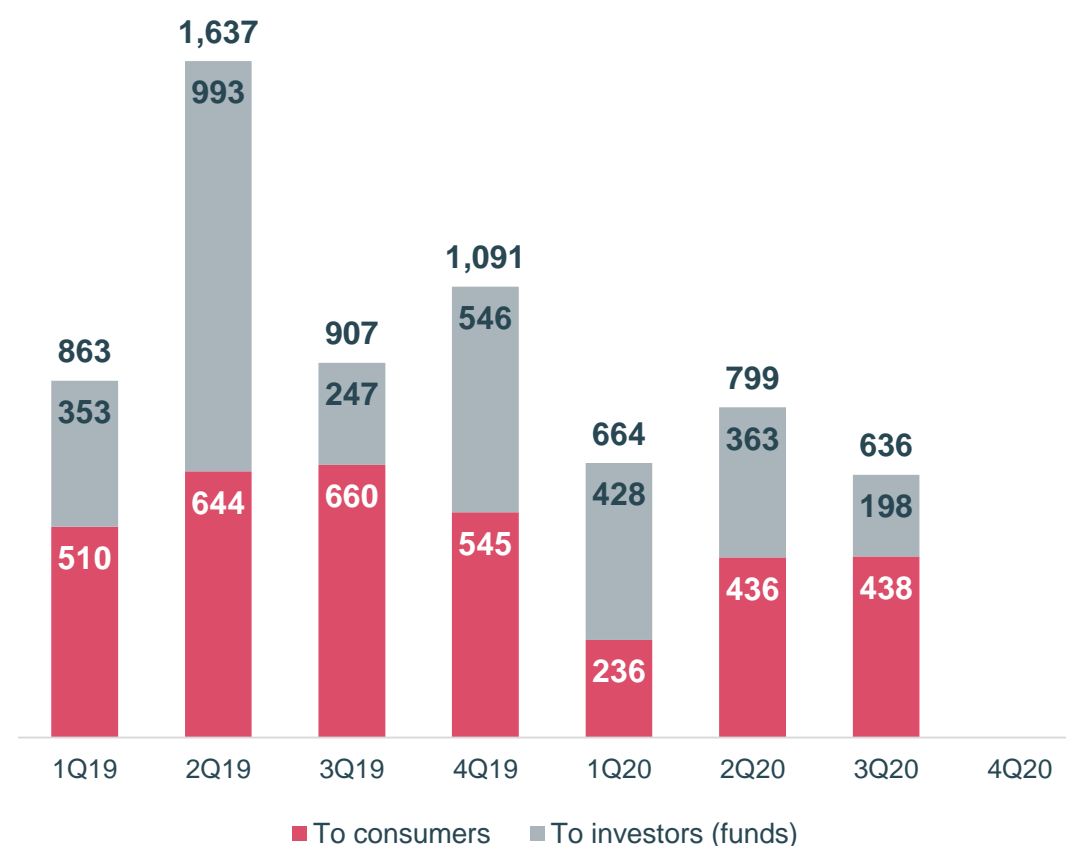
€ million	7-9/20	7-9/19	1-9/20	1-9/19	1-12/19
Revenue	687	808	2,094	2,239	3,392
Operating profit	-16	18	-20	-17	80
Operating profit margin, %	-2.4	2.3	-0.9	-0.7	2.4
Adjusted operating profit	16	26	29	45	165
Adjusted operating profit margin, %	2.4	3.2	1.4	2.0	4.9
Result before taxes	-27	7	-52	-47	40
Result for the period, continuing operations	-26	6	-44	-54	5
Result for the period	-26	27	-12	-58	15
Earnings per share, EUR	-0.12	0.13	-0.06	-0.28	0.07
Operating cash flow after investments	-9	-27	190	-81	51
Net interest-bearing debt	740	983	740	983	862
Gearing ratio, %	84	101	84	101	81
Equity ratio, %	31	31	31	31	34
Adjusted return on capital employed, % (ROCE, rolling 12 months)	8.9	9.0	8.9	9.0	11.1
Order book	3,831	4,764	3,831	4,764	4,131

II. Housing Finland Sales and start-ups 2019-2020

SOLD APARTMENTS, units



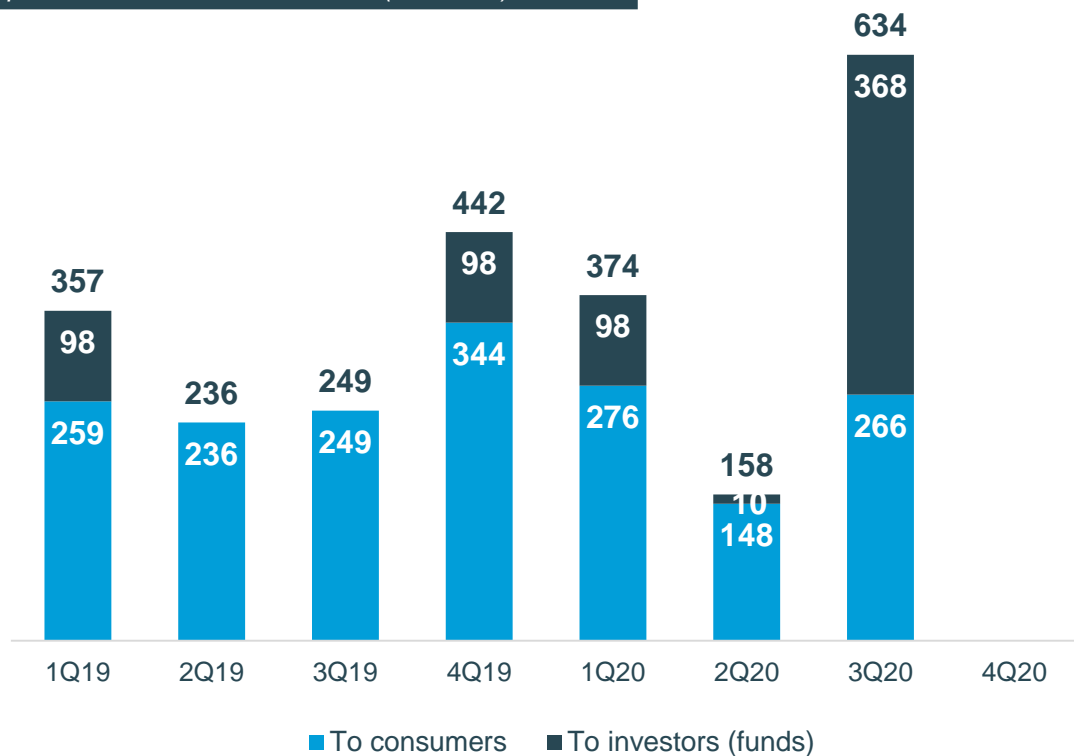
APARTMENT START-UPS, units



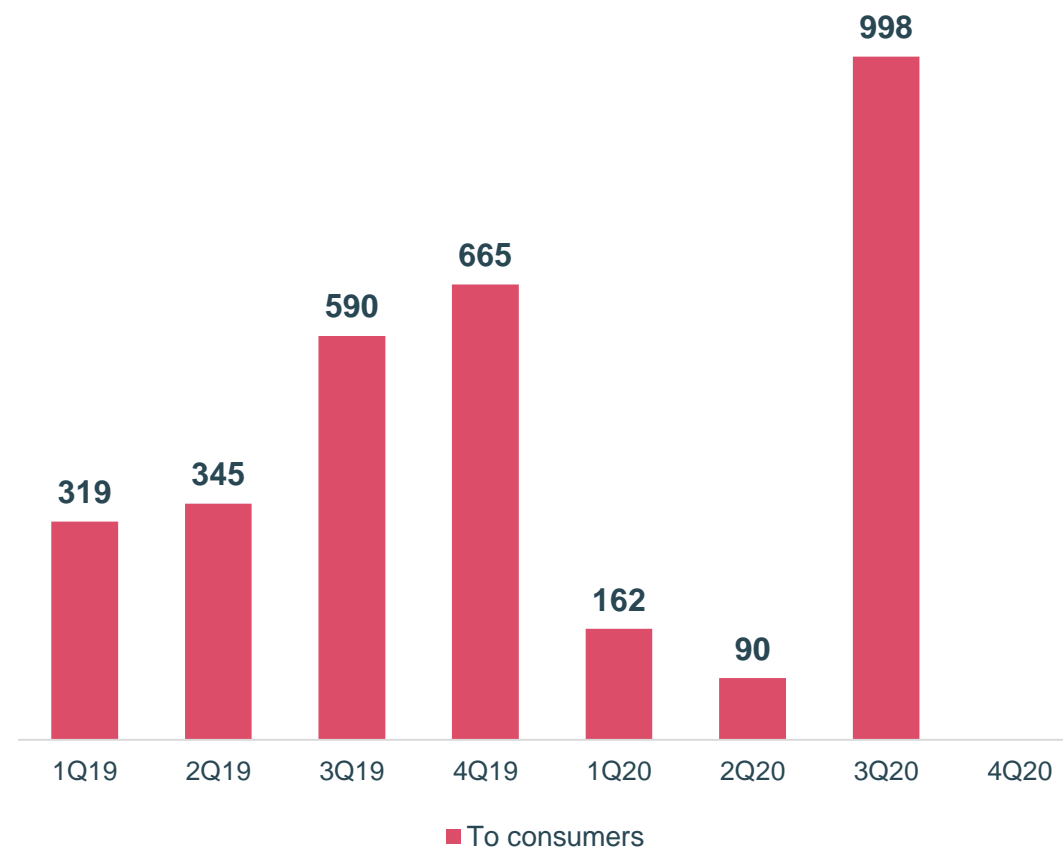
II. Housing CEE Sales and start-ups 2019-2020

SOLD APARTMENTS, units

Of projects earlier sold to YCE Housing I fund or a JV, and recorded as investor sales, YIT sold 57 apartments further to consumers (3Q19: 83)

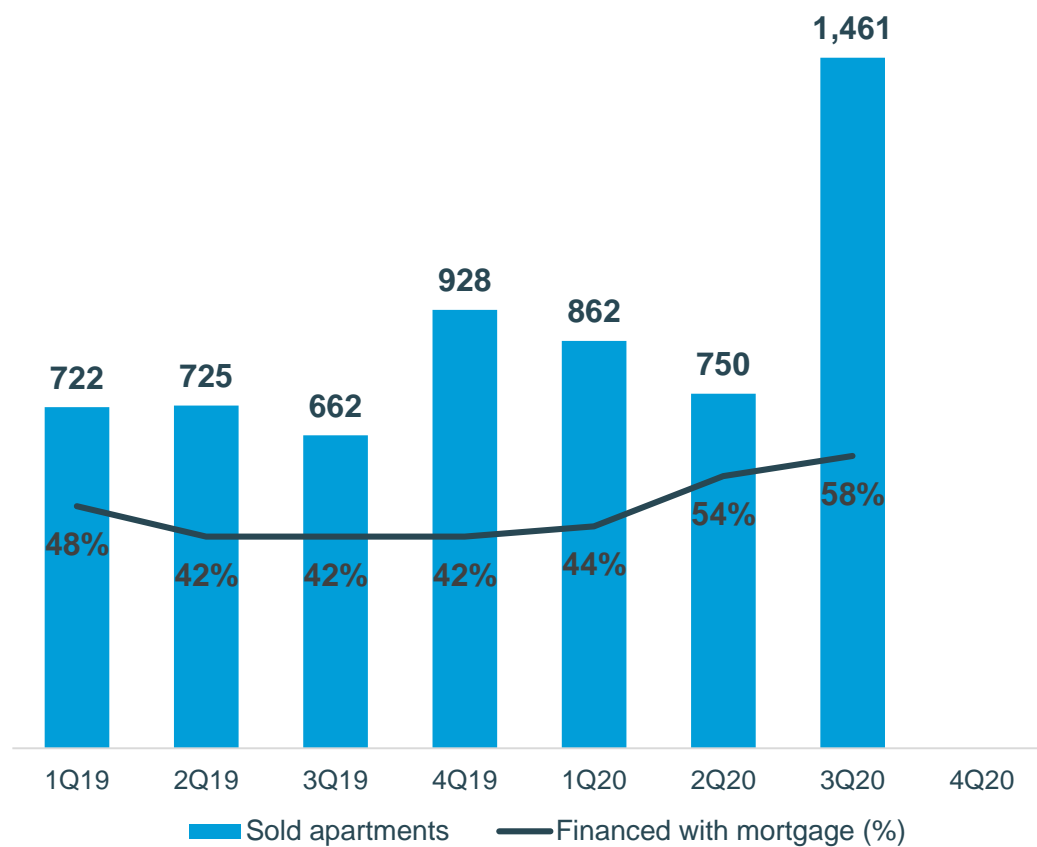


APARTMENT START-UPS, units

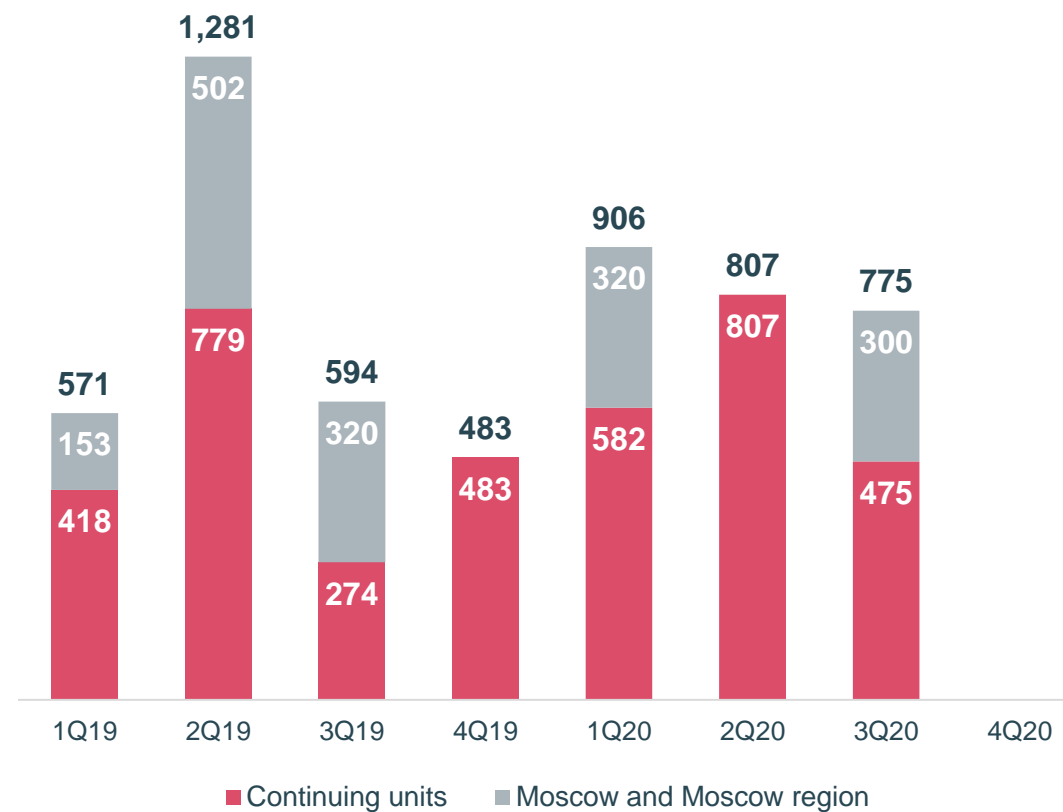


II. Housing Russia Sales and start-ups 2019-2020

SOLD APARTMENTS, units



APARTMENT START-UPS, units

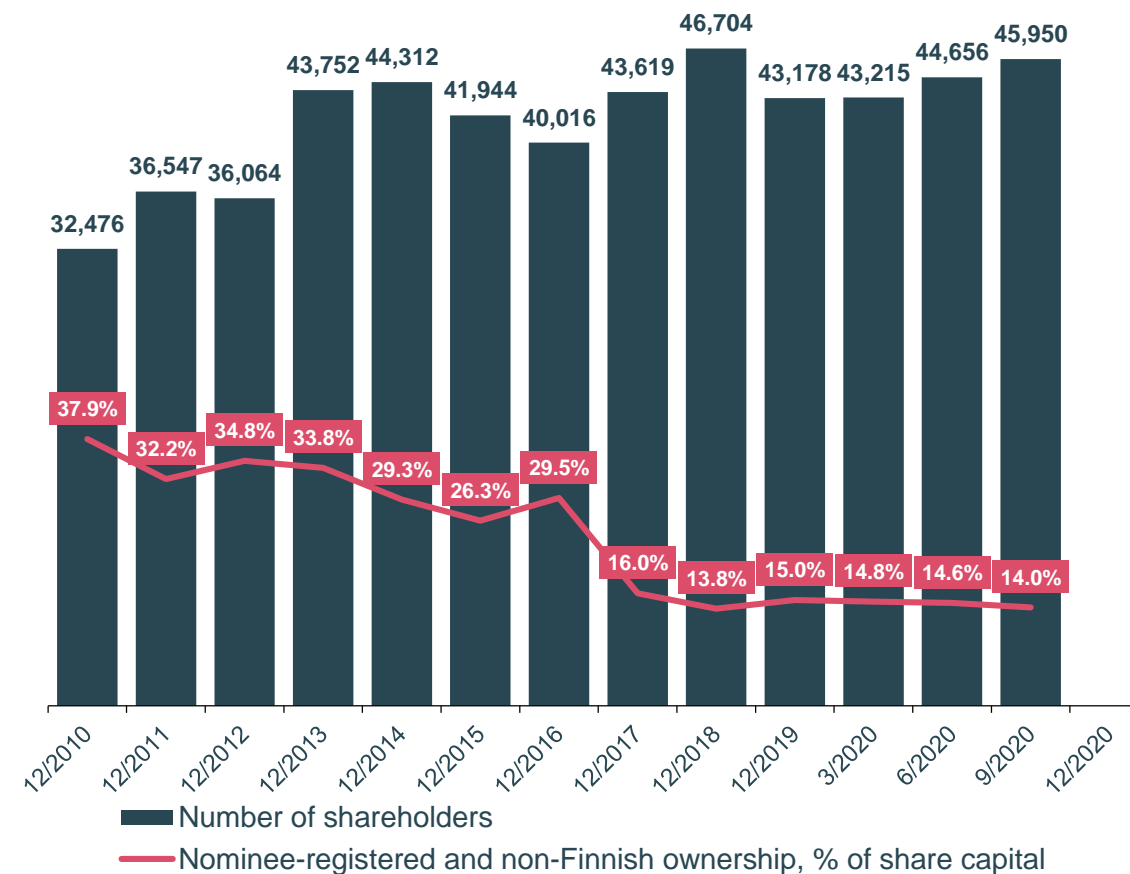


III. Share ownership, 30 September 2020

MAJOR SHAREHOLDERS

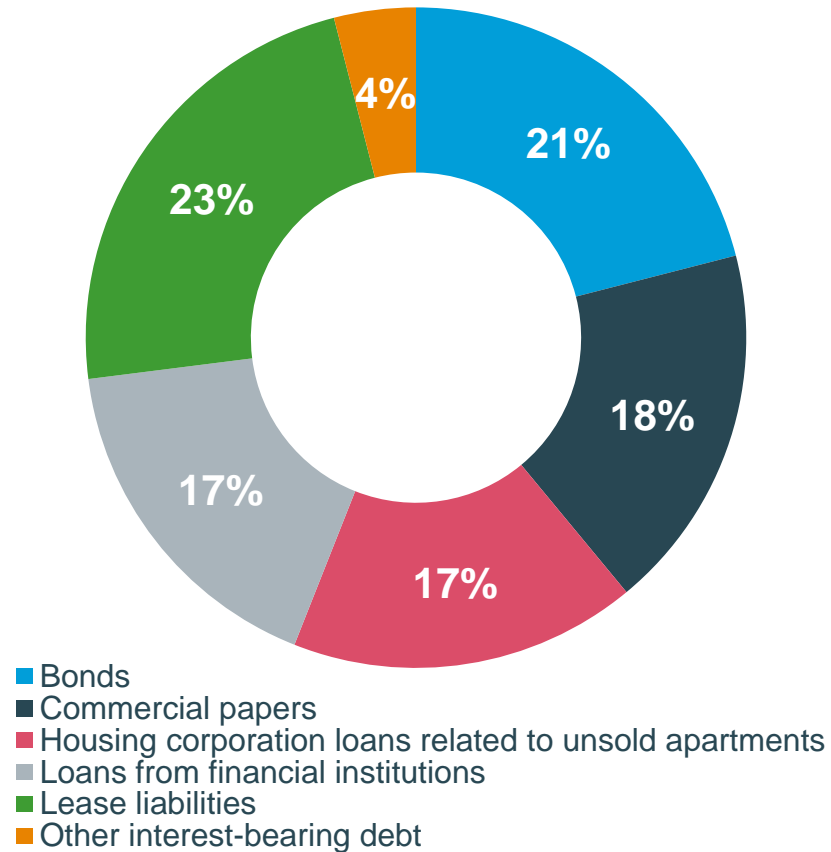
SHAREHOLDERS	SHARES	% OF SHARE CAPITAL
1. Tercero Invest AB	24,650,000	11.68
2. Varma Mutual Pension Insurance Company	15,954,975	7.55
3. PNT Group Oy	15,296,799	7.25
4. Conficap Oy	8,886,302	4.21
5. Pentti Heikki Oskari Estate	8,146,215	3.86
6. Ilmarinen Mutual Pension Insurance Company	5,984,339	2.83
7. Forstén Noora Eva Johanna	5,115,529	2.42
8. Elo Mutual Pension Insurance Company	4,396,850	2.08
9. Herlin Antti	3,560,180	1.69
10. Pentti Lauri Olli Samuel	3,398,845	1.61
Ten largest total	95,381,034	45.18
Nominee registered shares	23,618,191	11.19
Other shareholders	92,100,628	43.63
Total	211,099,853	100.00

NUMBER OF SHAREHOLDERS AND SHARE OF NOMINEE-REGISTERED AND NON-FINNISH OWNERSHIP

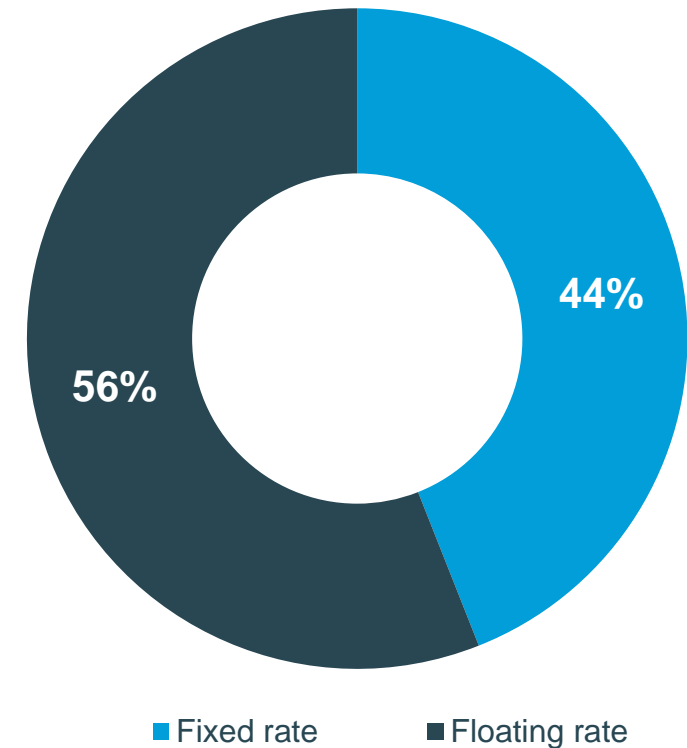


IV. Debt structure, 30 September 2020

INTEREST-BEARING DEBT PORTFOLIO, € million



INTEREST RATE DISTRIBUTION OF INTEREST PORTFOLIO¹



¹ Excluding IFRS 16 lease liabilities, EUR 262 million

V. Partnership properties

Investment portfolio and estimated timelines

COMPLETED AND ONGOING > €2 billion

Equity investments

Tripla Mall Ky

Associated companies and joint ventures

Tieyhtiö Vaalimaa Oy (PPP project)

Regenero Oy (Keilaniemi area)

ÅB Lunastustontti I Ky (plot fund)

YCE Housing I Ky (project development fund)

ÅB Kodit Ky (real estate fund)

FinCap Asunnot Oy (real estate fund)

OP Kodit Ky (real estate fund)

OPPORTUNITIES > €2 billion

Vallila Campus

Otava property¹

Maria 01

Trigoni Helsinki High Rise¹

Helsinki Garden¹

Plot investment

Rental apartment joint venture

Wind farms

	YIT'S OWNERSHIP	YIT'S EQUITY INVESTMENT COMMITMENT	FAIR VALUATION STARTED
Tripla Mall Ky	38.75%	117 M€	4Q19
Tieyhtiö Vaalimaa Oy (PPP project)	20%	5 M€ ⁵	3Q19 ³
Regenero Oy (Keilaniemi area)	50%	8 M€ ²	-
ÅB Lunastustontti I Ky (plot fund)	20%	10 M€	-
YCE Housing I Ky (project development fund)	40%	15 M€	-
ÅB Kodit Ky (real estate fund)	40%	18 M€	4Q19 ⁴
FinCap Asunnot Oy (real estate fund)	49%	11 M€	4Q19 ⁴
OP Kodit Ky (real estate fund)	40%	20 M€	-
Vallila Campus			
Otava property ¹			
Maria 01			
Trigoni Helsinki High Rise ¹			
Helsinki Garden ¹			
Plot investment			
Rental apartment joint venture			
Wind farms			

2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030

■ Planning and zoning period ■ Estimated construction period ■ Income for Partnership properties segment ■ Illustration of potential exit period

¹ Construction subject to required decisions
² YIT's current equity investment in Regenero Oy
³ Fair valuation of a loan receivable
⁴ Completed investment properties measured at fair value
⁵ Includes also shareholder loans

**Together
we can
do it.**