

Webcast transcript: Financial statements bulletin 2020

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PRESENTATION

Tommi Järvenpää

Good morning, and welcome to YIT's 2020 earnings webcast. My name is Tommi Järvenpää, I'm the Head of YIT's Investor Relations. With me here today are also our interim CEO, Antti Inkilä, and CFO, Ilkka Salonen. We will first go the presentation, followed by Q&A. At this point, I would like to hand over to our interim CEO, Antti. Please go ahead.

Antti Inkilä

Thank you, Tommi, and good morning to everyone. I will start with safety as it is in the core of our operations. In 2020, our safety performance improved, and the Group's rolling 12-month combined lost time injury frequency amounted to 9.8, and in 2019, the same figure was in the level of 10.7. It's good to note that this figure reflects our new reporting method as since the beginning of 2020 we renewed our safety reporting practices encompassing both own personnel and subcontractors. The aim is to lead the safety development of the industry in a more comprehensive direction. Although, we made progress it's clear that more work is needed to achieve a step change in our safety performance, and this is the key focus to our management also in 2021.

We made great progress in several areas in 2020. Our measures to minimise the impact of the COVID-19 pandemic were successful. We kept our construction sites open with only minor disturbances and we completed projects according to plans.

We also took a giant leap in digital sales in housing segments, which helped us to achieve good sales results. Our strategy execution remained determined in 2020 as we continue to focus on the core of our strategy: sustainable urban development. We streamlined our business portfolio by completing the sale of Nordic paving and mineral aggregates businesses and made a decision to close down our operations in Norway.

Our balance sheet was strengthened, and our full-year operating cash flow after investment was solid at more than €300 million. Furthermore, the target to halve the CO2 emissions of our own operations by 2030 got an excellent start in 2020 with a 21% decrease. We have speeded up work in several sustainability areas, including the prevention of the grey economy and improving occupational safety.

Looking ahead, we have a solid portfolio of projects, we have won (projects) but which have not yet been added to our order book. We also have a strong plot reserve and competent personnel, and we will focus more on select projects in which we can utilise our capabilities and strengths in the best way.

However, financially, our performance was very disappointing in 2020. Our adjusted operating profit amounted to €85 million and it's clearly lower than the €165 million during the year before. The biggest delta comes from fair value changes. Compared to previous year, there was a negative €94 million bridge impact for fair value changes, mainly related to the Mall of Tripla investment. The negative fair value change of €16 million into fourth quarter relates to increased market yields caused by the COVID-19 pandemic. On the contrary, during 2019, there was a significant positive fair value change related to Mall of Tripla.

Operationally, our financial performance in 2020 was mixed. On a positive note, the results in housing segments were very strong. Market situation was favourable for us during the second half of the year, but more important is that we have also been able to increase our market share. Our hard work to develop relationships with customers and enhance digital tools has now started to show tangible results. Customer feedback has been excellent throughout the year, and our customer satisfaction rates increased to 62 in Housing Finland and CEE, and to 60 in Housing Russia, compared to previous years, 51 and 57.

Unfortunately, this good development was overshadowed by project management issues. The three challenging projects that we have been talking about throughout 2020 led to financial settlements of €50 million in total during the year. Therefore, our Business premises segment posted a heavy loss, which obviously is a big disappointment for us. Thereby, we have already taken decisive steps to improve management to avoid similar issues in the future.

Those steps include working in several areas to change the ways how we operate. We have divided these actions into four categories: first, forecasting and reporting, meaning that we need to perform systematically with high quality and in accordance with common YIT-wide practices on all sites and segments. This requires more disciplined ways of working compared to the current state. Secondly, supply chain management, which means that all work and materials for each project and site are primarily ordered through commons systems. Suppliers will be managed with commonly agreed principles for each type of supplier. And thirdly, productivity based on well-defined daily management and planning routines on all YIT sites and a unified way to resource projects based on operational priorities. Fourthly, the management system that enables high quality project management uniformly used in each project and thorough risk management in cost estimation phase. This is not actually rocket science. We do all these things already today. But we need to harmonise the processes, decrease variance in managing projects, and ensure flawless information flow to improve visibility and enable immediate decision-making when needed. As said the work has already started and is ongoing in all these areas, and we expect to get tangible results already this year.

In 2020, our strategy execution remained determined. We streamlined our business portfolio by completing the sale of the Nordic paving and mineral aggregates businesses, and we also made the decision to close down our operations in Norway. Our balance sheet was strengthened which is visible in our improved gearing figures. On the other hand, our return on capital employed weakened as the results declined. However, our measures to free up capital continued.

In light of our 2020 weak Group profitability, our key target is to ensure profitability growth in the future. We will continue to focus on top location plot investments and development in growth areas, which requires a strong balance sheet. Hence, the Board of Directors have decided to propose to the annual General Meeting a dividend of €0.14 per share. YIT set long-term targets for climate change mitigation in September 2019, one of them being to halve greenhouse gas emissions of our own operations and self-developed projects by 2030, compared to 2019. Last year, we achieved -21% reduction on the emission intensity of our own operations compared to last year. And it means that the low-hanging fruits have now been picked, and the future progress in the emissions reduction is expected to be slower when we move towards 2030.

Now, I will hand over to Ilkka.

Ilkka Salonen

Thank you Antti, and good morning, everyone. Just an outlook for our financial performance for the last year.

If you look at from the revenue side, it peaked as expected in Q4, and it was about €200 million lower than the previous year Q4 but it's good to remind that at that time the big revenue recognition over there was related for the Tripla. Probably more interesting is what comes to the order book. Over there, the drop is roughly about €600 million. And the Housing operations in Finland and

CEE, as well as in Russia, that covers about €450 million. And it's driven by the fact that the start-ups are on the lower level, and also in Russia as well as in Finland and the CEE segments. In Business premises and Partnership properties, if we combine those two, the order book was somehow higher. And then, in the Infraproject side, the order book was about 300 million lower. There are actually three components over there. One is related for the lower activities in the Scandinavian countries and Baltic countries. We have, for example, starting the closing of the Norwegian operations. In Finland, there are big projects coming to the end, which, of course, means that there is less in order books, and some of the big ones are in the development stage when the amount in the order book from the total value is very small. And the third one is that over there, and we have also chosen what we want to get to our order book. So, that's also a selection question. So roughly, housing operations, lower start-ups, infrastructure Baltic and Scandinavia large projects start to get to the end and selection of projects.

Then, if you look at the last quarter results: 56 million. That was burdened by a 16 million fair value change in Tripla Mall compared to the last year, 121, Antti had quite good bridge over there already previously.

Then segment by segment, this can be divided into three categories as well: housing operations, very good result. Strong, result in all areas. And especially if we look at for the spring when the COVID-19 started, I believe that this kind of picture was not in anyone's eyes.

Then the other categories is what comes to Business premises and Infrastructure. There we have struggled with the project management issues in some projects, however, the Business premises was slightly positive. And then the last one is related for the market dynamics and the yields in the markets. Last year we finalised Tripla in Q4 and took it to the fair value that's 79 million at that time, and as the yields increased, this year or last year, we took fair value loss about 16 million in Tripla in that way. So, three areas: housing, did very well, Business premises and Infrastructure, was weak, and then Partnership properties related to market development.

Housing Finland and CEE adjusted operating profit €65 million there we did see strong apartment sales, during of the last quarter the apartment start-ups was at a good level. As you remember in Q1 – at the end of Q1 and beginning of Q2, we actually stopped the start-ups in the beginning of the COVID virus. And then the living services, that continues to grow.

Housing Russia adjusted operating profit at €11 million. The sales over there developed very favourably. Also, in Q4 margins continued to increase. Strategic measures proceeding as planned as we have announced in the summer of 2019, and that we are closing some of our units over there. That's going as planned. One transaction over there was announced in the fall when we announced that we are selling lots in the Moscow area.

One topic where it is good to stop for a while is Russian escrow accounts and that is changing the local legislation. Previously, construction companies were able to collect advanced payments from their customers but then the local legislation changed so that construction companies cannot collect those ones. But those money has to be put for the escrow accounts. So, what it means in our side is that our net interest-bearing debt has increased by €55 million due to that reason, so we have – we take an external loan from those banks, of course with a very favourable margin, but it is seen in our gearing figures.

Business premises adjusted operating profit slightly positive. And the second box is showing that our solid - that our order book is solid and healthy. Usually, this business area is seen as only the offices, but in the real life 77% of our order backlog is related to the public sectors. There are hospitals, there are schools, different kind of contracting models, life cycles and so on. So, that's good for the coming years.

And then the actions to improve project management it is ongoing and during Q4 we sold several business premises. And in order book side I want to remind over here is that in the spring last year we transferred the real estate management from Business premises to Partnership properties so the underlying order book in Business premises is higher than a year earlier.

In infrastructure, the adjusted operating profit was €2 million; last year €6 million. And as we announced in December that we sold the Murtomäki wind park so that is impacting positively for the operating profit. So, it is quite clear that we had some challenges in a few projects over there. And also as we mentioned that we are closing the Russian - Norwegian operations. That also has an impact for the production volumes. In Baltics, it's more related for the market dynamics.

In Partnership property side, adjusted operating profit minus €15 million, out of which €16 million related for the fair valuation change in Mall of Tripla. We also sold hosing stock off ÅB Kodit Ky and then the Workery+ concept was launched in 2021, in January. And what is Workery+? It's related for the using of office premises and it brings flexibility for our customers in their premises need. They can reserve spaces from hubs and that has been very well taken in the market. The customers are interested and during this year, we are targeting to ramp up that concept to the market.

Then to the cash flow and balance sheet side. Our cash flow after investment was very good; €336 million. €250 million out of that was related for the paving deal last year. If we take that away, our cash flow was also very good compared to our results. Where we invested in last quarter of course, the plot investments of €36 million, and €13 million for associated companies. If we look at last year, the total amount we invested for plot investments was about €150 million, so a little bit more, which was exactly the same figure as in 2019, and if look further into the coming years, we are definitely willing to invest in the plots as well because that's the source where we get the profitability and cash flow in the future.

Of course, when the cash flow was strong, the net interest-bearing debt was down from €862 down to €628 so about €230 million and that was of course driven by the paving sales, but as I mentioned the operational cash flow was also very good last year. Our maturity structure, we last year prolonged some our loans or debts and this year, there is €213 million in maturity, out of which €100 million is in one bond. The other bond is expiring in 2023.

Financial key ratios, the gearing was 68. We are not yet in the target area where we want to be in 30 to 50. But of course, last year was a good performance towards that target. Equity ratio, 33, and net debt to adjusted EBITDA was increased and that is fully driven by the profitability of the last year.

That was shortly about the financial structure. Now back to Antti, please.

Antti Inkilä

Okay, thank you Ilkka. So, let's go to the market outlook. As you can see our market outlook is relatively stable. However, the COVID-19 pandemic is still causing uncertainties and limits our visibility. In the housing business, demand has been on a good level, and it's expected to remain so in Finland and CEE. In Russia the consumer demand is expected to normalise after a very strong peak at the end of 2020.

In Finland, the real estate investor demand is starting to recover and the contracting market is stable. The yield requirements for commercial projects are expected to be impacted by accelerating online sales, uncertainty caused by COVID-19. In the Baltics country, the contracting market is recovering in both infra and real estate businesses. Infra demand is expected to continue subdued in Finland but remains good in Sweden.

When we look at estimated consumer apartment completions in Finland and CEE, we see that we will see a similar pattern in 2021 compared to 2020. So, the fourth quarter is expected to be clearly the strongest. This also means that large part of our profit will be realised then. We also see a decrease in total amount of completions comparative to previous year and like Ilkka already told, this is due the lower number of start-ups during the spring 2020 when we stopped start-ups for 1.5 months.

Then, if we go to our guidance, we expect our full year 2020 adjusted operating profit to be higher than 2020. The fourth quarter is expected to be clearly the strongest. As mentioned, housing

completions are expected to decrease in Housing Finland and CEE compared to last year. In Russia, solid underlying performance is estimated to continue. In Business premises, performance is expected to stabilise after poor performance in 2020. And project management issues in the Infrastructure segment are still burdening earnings, but those issues are expected to be resolved as the year progresses. In Partnership properties, portfolio development is expected to continue.

What comes to our management agenda, it remains unchanged if we compare that to the last interim report. So firstly, we need to improve our project management; absolutely crucial is to reduce the number of negative surprises and to achieve this promoting an open culture, discipline and common ways of working and of course, sharing the best practises with better project management improve our profitability.

Secondly, we will continue to expand our service further. It is very important to understand our customers better and hence provide better customer experience and we have made excellent progress in this area for the last year. And we expect that this will continue also this year.

Thirdly, sustainability is in the core of our business and like I have said, we have announced that we are going to halve our CO2 emissions by 2030. Finally, last but not least, the people. Our people are our assets and improving safety performance in all areas and especially nowadays, ensuring the health of our people during this pandemic are the key priorities. We really have a good, great team of people and I'm sure that we will be successful in these four priority areas this year.

So, thank you for your time and now I hand over to Tommi. Please, Tommi.

Tommi Järvenpää

Thank you, Antti. Operator, we are now ready for the questions.

Q&A**Operator**

Thank you. If you would like to ask a question, please press 01 on your telephone keypad if you wish to withdraw question you may do so by pressing 02 to cancel. Our first question is from Anssi Kiviniemi from SEB. Please go ahead.

Anssi Kiviniemi

Yeah. Hi, guys, thanks for taking my questions. It's Anssi Kiviniemi from SEB. I have a couple of them so I will take them one by one, if that's okay. Firstly, one of the reasons you are now cutting dividend is the increasing profitability focus and plot acquisitions and development business altogether. Could you elaborate a bit on this side? What will happen in the next year so that you need more room in your balance sheet in large projects, but also in the housing business? What are the kind of ambition levels to tie more capital?

Ilkka Salonen

If we look at – that's not only about tie capital. If we look at that for the last year, yes the cash flow was strong driven by the cash flow from operations but especially from the paving deal. On the other hand, if we look at it from the balance sheet side, there we had a drop in equity, which of course has an impact negatively for our gearing. And there was – of course, the drivers over there were the dividends we paid last year, but especially the translation difference in Ruble and also the result didn't distribute it as much as it should have been. And, as our clear target is really to ensure the increased profitability, it means that we have to be able to invest for the plots and start-ups and at the same time we have the gearing target in 30 to 50. And that is the rationale behind the dividend proposal for the last year.

Anssi Kiviniemi

Okay, and what should we expect from the housing business? How much are you going to increase your start-ups on that side? I mean, the consumer market, especially in Finland, seems to be quite okay or even booming currently. So, what are your ambitions there?

Antti Inkilä

Well, let's say so that last year, we had the 1.5 months break in start-ups and if there won't be any big surprises related to the pandemic, we could see that we don't have to use that break this year. But at the same time, I have to say that especially in Central Europe, this pandemic has been more difficult than in Finland, and it has had effects to building permits. We hope that there won't be any postpones of start-ups, but it is possible. It is related to building permits and how authorities are able to handle our applications.

Anssi Kiviniemi

Okay, thanks. Then on large projects. Is there anything around the corner? I mean, mostly Keilaniemi, Helsinki Garden, Maria Hospital; are the projects looking attractive in the current market environment. And when will they go ahead with full speed?

Antti Inkilä

Well, of course, all big projects are on our table and we are developing them further. And when it's possible to start up, we will see. We will see. But anyway, we are developing them all at the moment.

Anssi Kiviniemi

Is it a good assumption to assume that these will kick off this year or kind of what should we expect?

Antti Inkilä

Sorry. I didn't hear.

Anssi Kiviniemi

Yeah, the question was, is it a good assumption to assume that these projects will kick off this year or how should we look at the development phase?

Antti Inkilä

Yeah, I think that yes, the target is that anyway, we are planning at least some of them to start this year.

Anssi Kiviniemi

Okay, thanks. Then on the guidance, you highlighted Business premises, you expect to performance to stabilise, so probably this means at these new additional bookings from Tripla, right?

Ilkka Salonen

Could you repeat, please?

Anssi Kiviniemi

Yeah, in the CEO comments you highlight - no, in the guidance section you highlighted that in Business premises, you expect the performance to stabilise this year. So probably this means no additional bookings for Tripla or from any other sources, right?

Ilkka Salonen

It's quite good – reading meaning if you look at the three challenging projects from the last year. Not those kind of negative topics in the projects, those three - those have been more or less closed. In Tripla, we still have some last financial settlements under negotiations, take Q1/Q2. But not that kind of performance than last year. Yeah, you're right.

Anssi Kiviniemi

Okay, thanks. Then the last one is on Infra business, you highlighted that project management issues are expected to burden earnings. Are we talking about tens of millions or are we talking about single millions of the kind of potential burden from project management in Infra?

Ilkka Salonen

It was more that a - helping not too much expectation for the first half of the year, when we still are struggling with a couple of projects.

Anssi Kiviniemi

Okay, thanks, that's all for me.

Operator

And our next question is from Svante Krogfors from Nordea, please go ahead.

Svante Krogfors

Yes, good morning and thank you for taking my questions. I hope you can hear me.

Ilkka Salonen

Yeah, we can.

Svante Krogfors

Great. So, yes, I have a few questions left after Anssi. I also wondered regarding the Infrastructure. If you could be a bit more specific on the sizes and what kind of issues it really is because I couldn't - or I didn't find what kind of magnitude it would be. I guess it's significantly smaller than – or the projects are smaller than in Business premises where the problems have been. But could you try to be a bit more specific on the size?

Ilkka Salonen

Yeah, you're right when it comes to the challenges in Business premises compared to Infraprojects, the size of the projects are different and it is related for a couple of projects. But for the size, we haven't stated that one. It's more related to – more for helping that the expectations are not too high in the infrastructure side in the first half of the year.

Svante Krogfors

Okay, thank you and then on Housing Finland and CEE. Do you expect – how – when the Coronavirus broke out you correctly estimated that there could be perhaps more need for larger apartments. Can you comment on what kind of mix changes have happened after that and also keeping in mind that there appears to be an oversupply of smaller apartments for rental purposes. So, could you elaborate a bit on the mix in your housing projects?

Antti Inkilä

That's true that the demand for bigger apartments has increased, but now we are in the same situation as last year, so we are not increasing the average size of an apartment anymore, but we have done that before and it seems that also bigger apartments - maybe not just in the Helsinki city area – the demand is increasing and that is something that we are - we try to find good projects and also make start-ups over there.

Svante Krogfors

Okay. Thank you. And then the last one on the Mall of Tripla. If I remember correctly you earlier said that the holding company or entity that holds that; there's roughly 50% debt and 50% equity. Has there been any equity calls from the lenders regarding this write-down and how do you look at that going forward?

Iikka Salonen

No, if you look at Tripla last year and its performance... Yes, the visitors and the number of visitors was lower. Of course the sales in the Tripla was also lower. But it was probably one of the best ones in Finland anyway. It was lower than the budget, but I would say that taking account that there was Corona or the Coronavirus going on that Tripla Mall made a good year for that one. And of course, when the COVID will start to ease, we also believe that people will want to be together again and one place to be together is Tripla. But there hasn't been extra equity call from the owners.

Svante Krogfors

Okay, that's clear. Thank you very much.

Operator

And just as a reminder, if you do wish to ask a question, please press 01 on your telephone keypad now. Our next question is from Matias Rautiomaa from Danske Bank. Please go ahead.

Matias Rautiomaa

Good morning. A couple of questions. Firstly, could you elaborate more on the strong figures in Housing Finland and CEE during this Q4? Was there any effect from the sale of the Housing fund in Partnership properties? Or was this just driven by good sales?

Antti Inkilä

Yeah, no effect from housing funds in that sense. But if you think about selling these housing funds, it is in Partnership properties figures so good sales in housing.

Iikka Salonen

Thanks to Antti's team is that the unsold ready apartments that there was some good performance in Q4. Yes, which of course has also impacted the balance sheet.

Matias Rautiomaa

Sorry, could you repeat? What kind of apartments had good performance?

Iikka Salonen

Unsold completed completed.

Matias Rautioma

Okay. All right. Then another question concerning housing business. So, can you help me to understand the low level of housing start-ups that you have currently? And if I look correctly, the amount of units under construction is now on the lowest level that I can remember. And to me at least it seems that housing markets are performing well even, if not even booming. So, are you held back by resources or some timing issues, or is your increased leverage affecting your willingness to start or is it the project financing which is still burdening you? Can you help me to understand this?

Antti Inkilä

The main reason that we have had the start-ups break during last spring and there is like a postponement for 1.5 months. And that is seen in our figures; start-up figures. And also, like I said earlier in CEE countries we have those building permit issues related to COVID and authorities and that is one thing which has postponed our start-ups.

Matias Rautioma

Okay. Then a question concerning Partnership properties. So, was there this Keilalampi development project included? Did you sell the project in Q4?

Iikka Salonen

No, it hasn't been closed.

Matias Rautioma

It hasn't been closed, but when do you expect it to be closed?

Iikka Salonen

This year. It is the target for the city plan process in the court
There is an appeal in the court related to city plan and when it's valid then it's possible. And it's not related to the business premises. It's related to the housing plans, but they are in the same plot. So, that's the reason why the Keilalampi deal hasn't been closed either.

Matias Rautioma

Okay, but you have a binding agreement that the seller is obliged to buy it when the conditions are right.

Iikka Salonen

Yeah.

Matias Rautioma

Okay. Then about infra markets a little bit. You know that this slow phase in the market, but some bigger projects in the bidding phase. So, when do you expect this new development phase project to start to contribute in revenues?

Antti Inkilä

I think it will be quarter three, if we are successful. Starting from quarter three, quarter four, yeah.

Matias Rautioma

Okay, am I correct that the one big one could be Crown Bridges

Antti Inkilä

It could be, yes.

Matias Rautioma

Okay, all right. Then a question on your net debt position. So, how do you expect net debt to develop in 2021? So, you highlighted that you want to invest in plots and last year, the cash flow was good, but how to see it going forward?

Iikka Salonen

Yeah, if you look at our main target is to get the gearing to 30% to 50%. Our net debt came down last year. And of course, the gearing is a combination of net debt as well as equity. I would say that it's not only about the absolute figure, but it's also about the combination of what comes to where the net debt is put and definitely, as we see in the Housing Finland and CEE, there we see that capital allocation for that one is this worth.

On the other hand, what we have stated for already a couple of years that the risk level in Russian operations, we want to get it at a lower level. And that, those are the drivers. Then if we look at for the net debt, one technical topic which increased that one is the escrow account in Russia. But generally, yes, we want to get for the lower level in the gearing and it comes for the increase equity and also, we have room to decrease the net debt in the long run.

Matias Rautiomaa

Okay, one question related to Russia. So, do you see that these double-digit margins are sustainable now in Russia? At least, if I look at your competitors, for example, Bonava they just reported 16% for the whole year last year and now you are also making double digit margins. So, would you see these levels to continue?

Antti Inkilä

Yeah, we see that there is no – at the moment, it seems that it's quite a stable situation in that sense, yes.

Matias Rautiomaa

Okay, thank you. That was all from my side.

Operator

And our next question is from Olli Koponen from Inderes. Please, go ahead.

Olli Koponen

Yeah, hello, it's Olli Koponen from Inderes. Thanks for taking my question. I have a couple of questions left. First on the Housing Finland and CEE, you had a very good year-end there, but now we see that consumer completions are coming down this year compared to 2020. Should we expect this to materially affect your profitability in that segment, or do you expect you can keep it on the same level as the year 2020? How should we read this?

Antti Inkilä

Well, if the volumes come down, it has some effects, of course. But I guess not so big drama. I think that we have quite a nice project portfolio going on. But of course, if completions are in a smaller amount, then it will have effects on profitability.

Iikka Salonen

And one thing to remind is that there is actually, more than 2,000 apartments under construction for investors which is coming with the POC method throughout the year.

Olli Koponen

Yeah, and just on the geographical mix there... Is there any change to previous years or is it all the same?

Antti Inkilä

At the moment, no changes but of course we want to forecast the market how we see it and then if we see that something changes will happen then we can change the mix but right now, it seems quite stable, but like we have thought already the pandemic is an uncertain in some sense and

we are very thoroughly investigating the market situation and luckily, we have many selling offices and we have a very good grip on what is the demand situation in Finland and also in other countries.

Iikka Salonen

And if we look at last year's start-ups, it's fair to say that – which we also mentioned in Q2 reporting, is that when we stop and restart, the capital area was after that following 100% its plans, there were some postponements in Turku, Tampere and more postponements in the other areas in Finland. So even though the start-ups are lower, the capital area is quite close to the initial plans last year.

Olli Koponen

Okay. And just on the guidance to wrap up, how should we read this higher than in 2020 guidance in operating profit? You have previously given us a numerical guidance and should - what is the kind of range we should expect here? Is it like 5% to 10% higher or could it be also be like 50% higher? How should we read this?

Iikka Salonen

Yeah, I can take this one. We say that it is higher. There is some uncertainties when we look at for this year. And one is of course, related to COVID and about the fair valuations, which is coming from the market development that we saw also at the end of last year. The other one is that there are transactions - let's say binary transactions which are related to timing. And is it Business premises side or is it Infra side for example wind power projects were - the one like that was Murtomäki the end of last year. We have more of those in the pipeline. Depends on how the negotiations goes over there, how the signing, how the closing. So, there are timing questions during of this year probably more than in a normal year. So those are one of the factors why we decided not to give a guidance at that time, or very tight guidance, because there are uncertainties. And especially when it comes to the timing.

Olli Koponen

Okay.

Antti Inkilä

So, in other words, that is not in our hands. Yeah, that is the main reason.

Olli Koponen

Okay. And previously you have given us also a revenue guidance. Is that also the - or those reasons are also the reason you didn't give us any revenue guidance this year?

Iikka Salonen

No, we didn't. And if we look at for this year, definitely it's for the profit that's in the focus.

Olli Koponen

Okay, thank you. That's all for me, thanks.

Operator

And our next question is from Matias Rautiomaa from Danske Bank. Please go ahead.

Matias Rautiomaa

Yeah, I have still one question remaining. So, looking at Finland and CEE, the housing business, you provided some guidelines how to see the consumer business, but about this investor side. So, could you help us to understand what is now the – how the revenue is progressing and profitability in investor business?

Antti Inkilä

No big change from past, but anyway, the investor demand and interest in residential businesses is in a quite high level. But we don't see any big changes when it comes to that demand.

Matias Rautioma

Okay, how about revenue - how about the revenue recognition there? Because I see that start-ups for investors were down last year. Do you expect the revenue from investor production to be stable this year compared to last year or to decline or to increase?

Antti Inkilä

At the moment, we see it is quite stable, but like I already said that if we see that there will be some changes then we can change our mix.

Matias Rautioma

Okay, stable.

Antti Inkilä

Consumer projects and investor projects.

Matias Rautioma

Okay. All right, thank you.

Operator

And just as a final reminder, if you do wish to ask a question, please press 01 on your telephone keypad now.

And there seems to be no further audio questions. I will hand the word back to the speakers.

Tommi Järvenpää

Thank you. Thank you everyone for the questions. YIT's first quarter 2021 results will be published on April 30. Until then, thank you and have a great day.