

# Q2

## Half-year report 1-6/2021

Markku Moilanen – President and CEO

Ilkka Salonen – CFO



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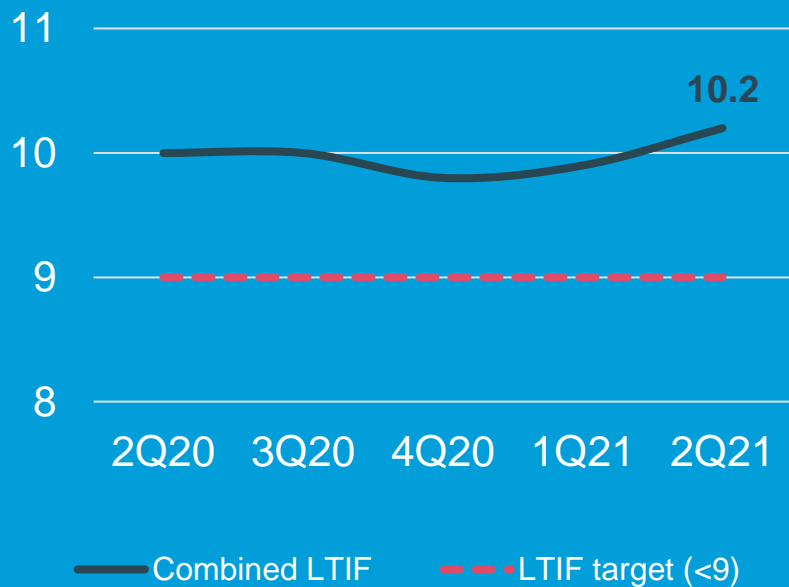
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# Our focus has been on preventive safety actions



## COMBINED LOST TIME INJURY FREQUENCY



Vigorous health and safety measures during COVID-19 pandemic



Annual safety week held in May



Management walks and safety observations progressing



# Q2: Satisfactory quarter driven by good housing results

Group adjusted  
operating profit

**€30**

million (5)

Good results in housing  
segments,  
Infrastructure at loss due to  
margin reductions

Solid operating cash flow  
after investments

**€109**

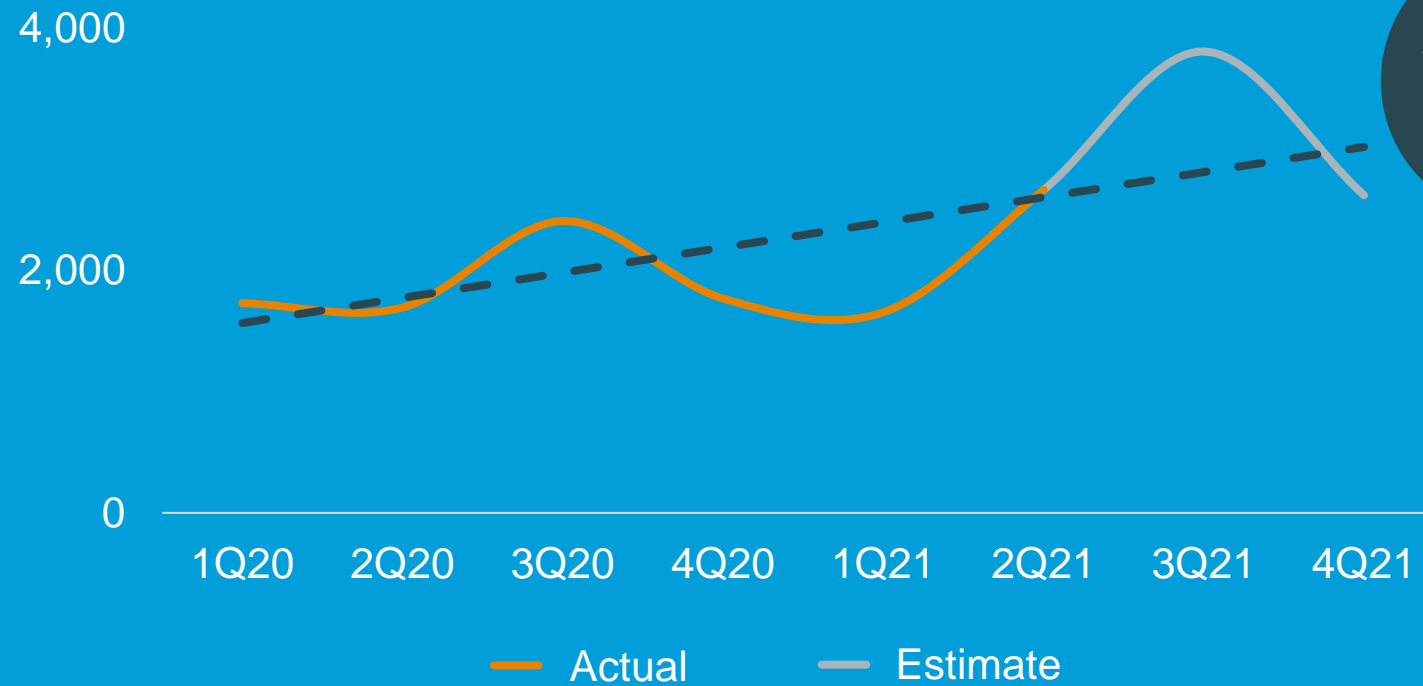
million (247)

Balance sheet  
strengthened further

# Answering to customer needs and ensuring solid market position



## ESTIMATED APARTMENT START-UPS





# Measures to improve performance progressed at a fast pace

1

Project management

2

Operating model

3

Infrastructure strategy



# Our future Infrastructure will be somewhat smaller, but clearly more predictable and profitable

Strategic role at YIT

Clear synergy benefits

More focused

Selectivity in projects



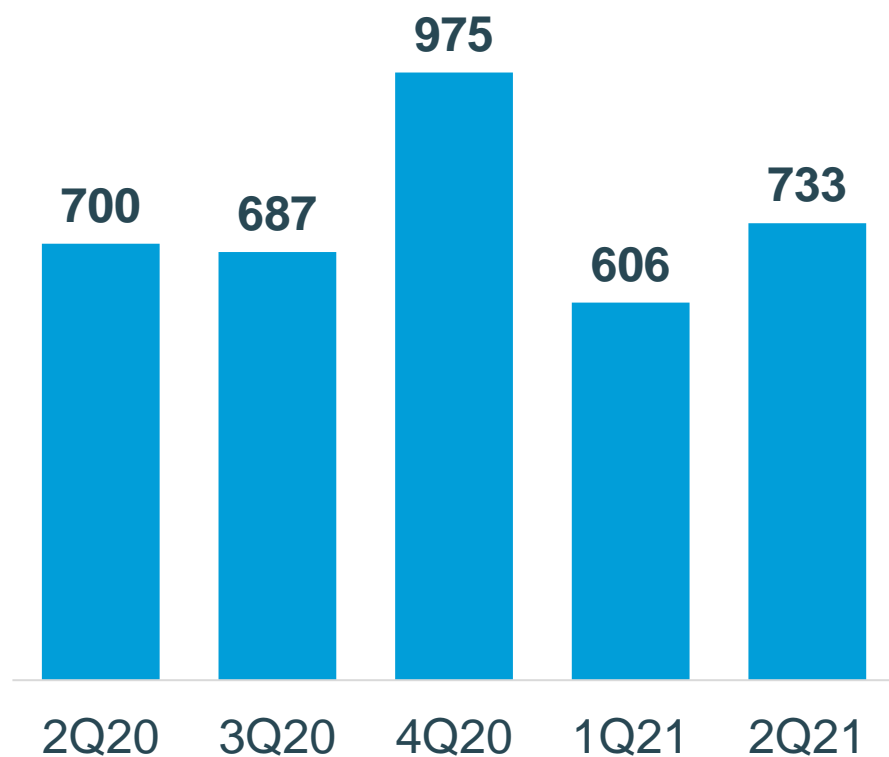
# Q2 results

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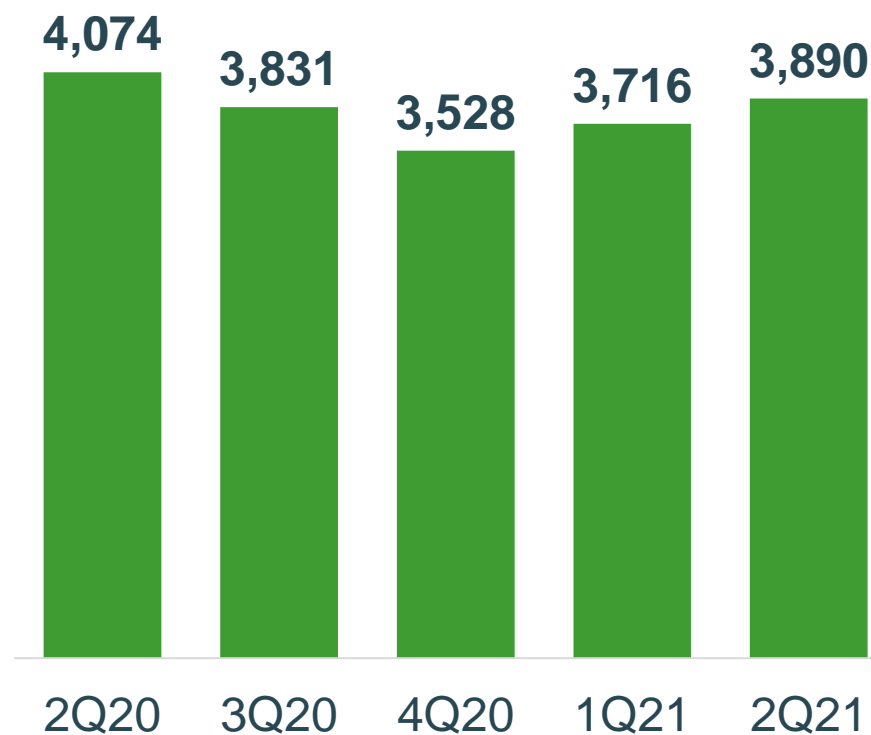


# Order book strengthened q-o-q

REVENUE, € million



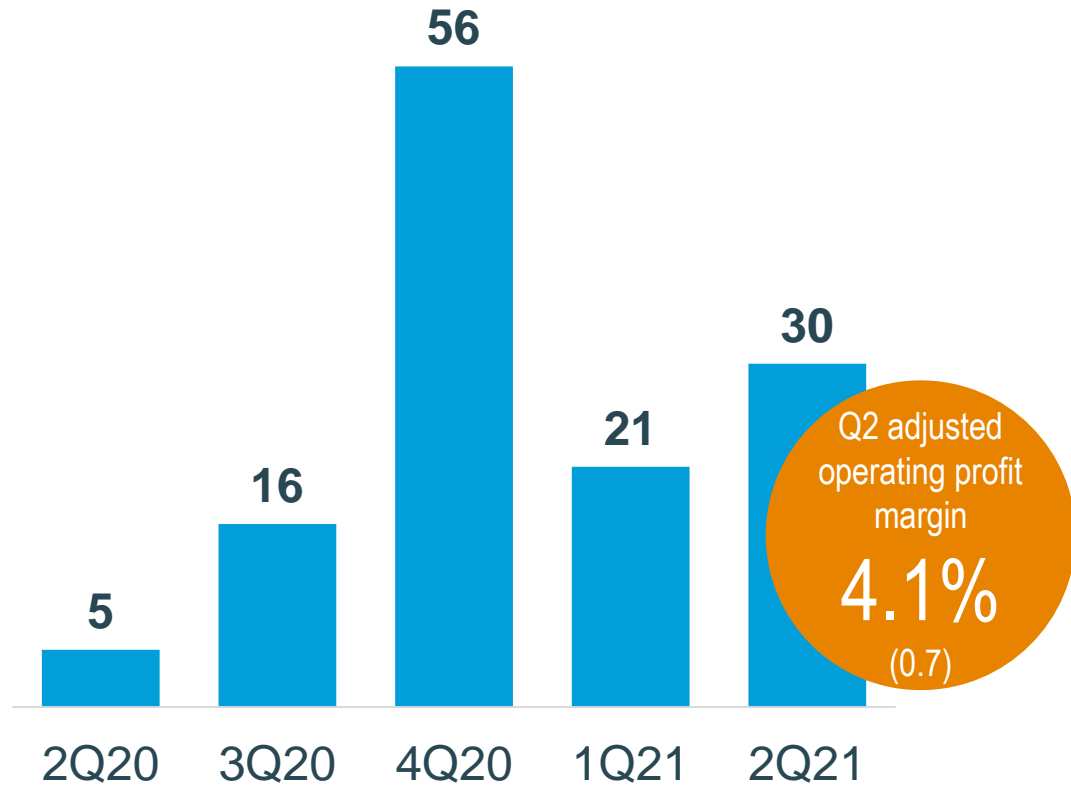
ORDER BOOK, € million



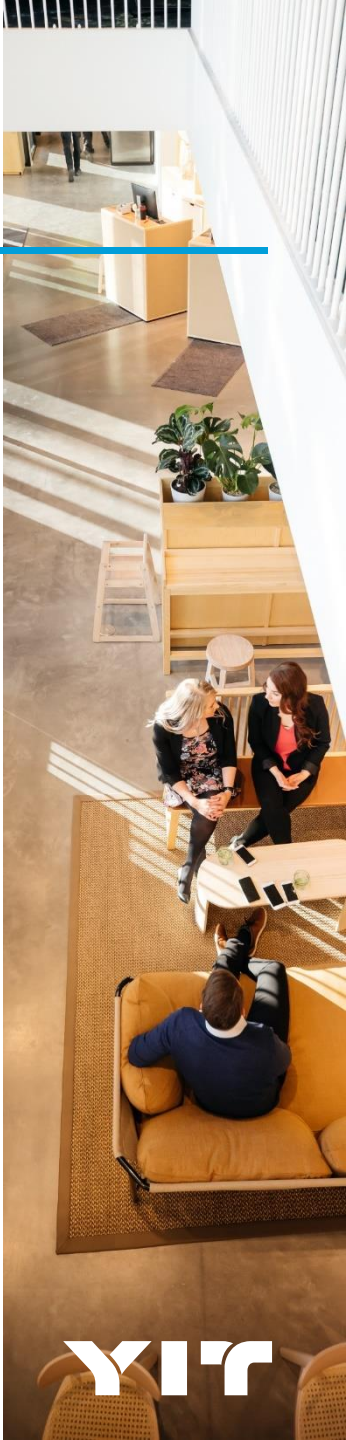
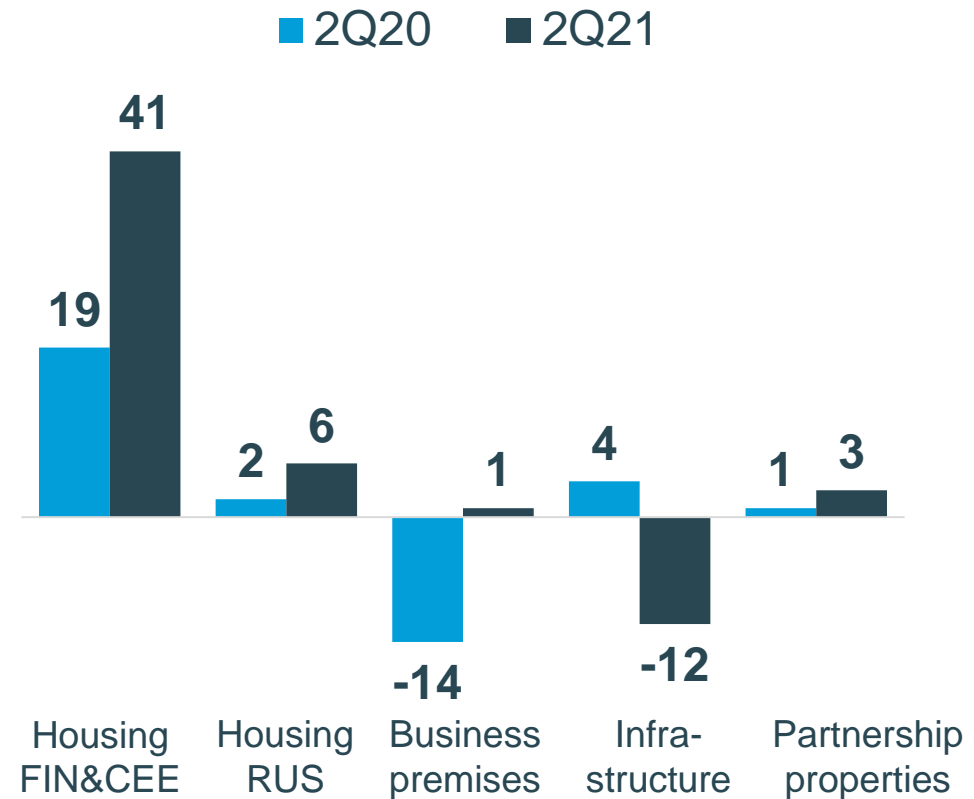


# Profitability improved, variation between segments

ADJUSTED OPERATING PROFIT, € million



ADJUSTED OPERATING PROFIT PER SEGMENT, € million





# Very good results in housing segments

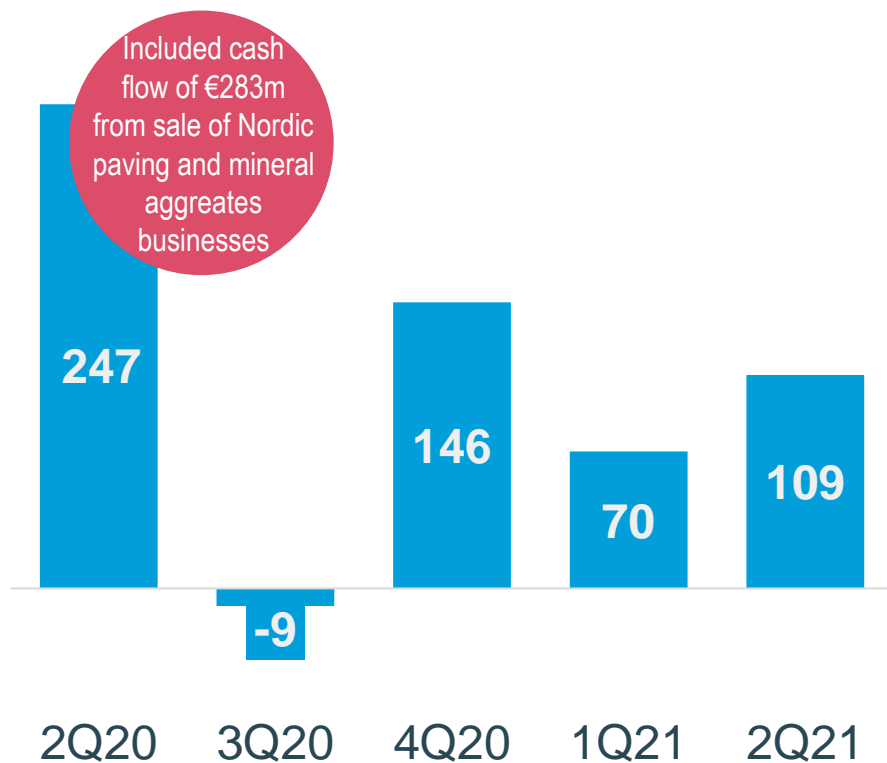
## DEVELOPMENT OF ADJUSTED OPERATING PROFIT, € million



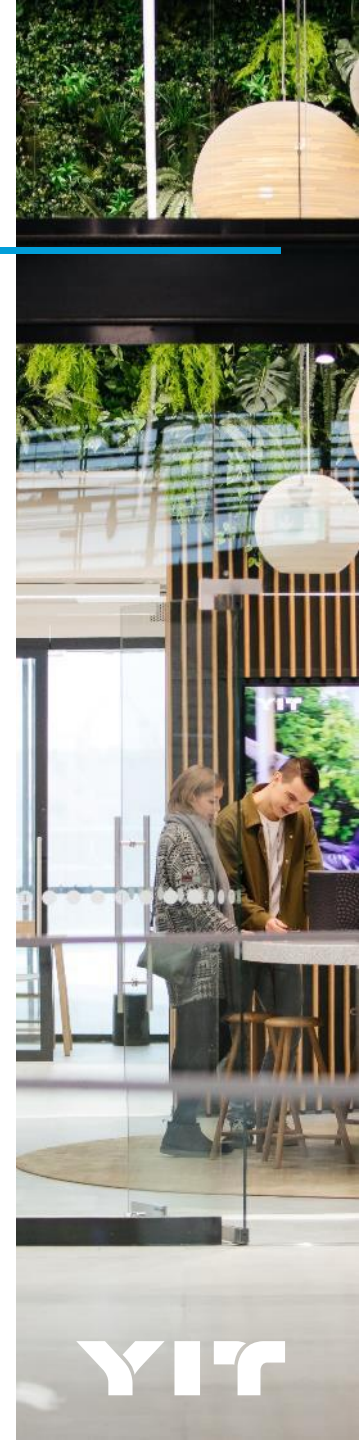
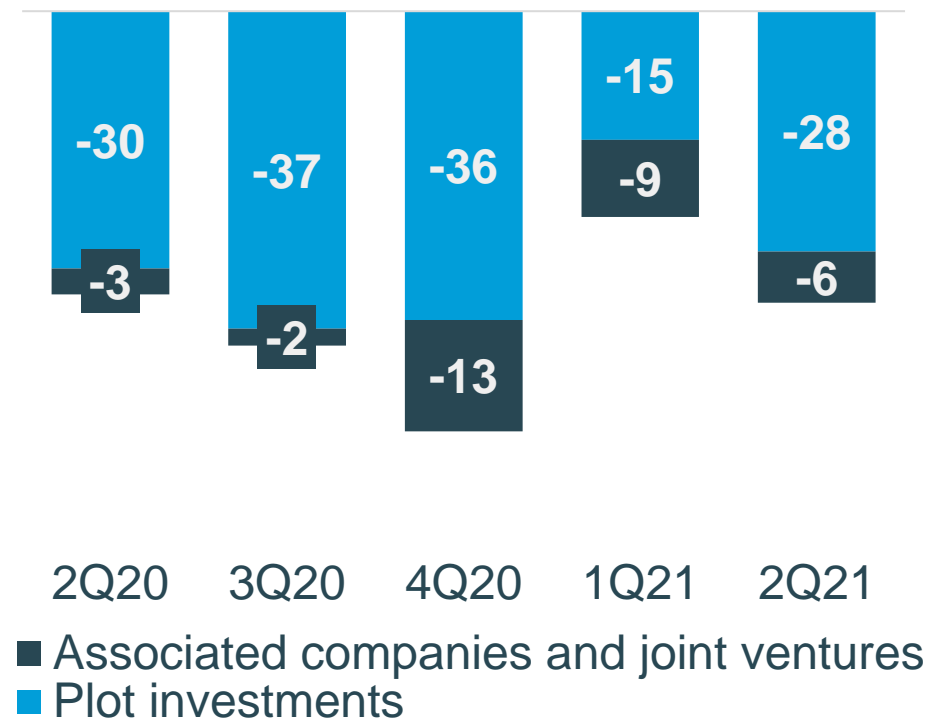


# Strong cash flow of €109m

## OPERATING CASH FLOW AFTER INVESTMENTS, € million

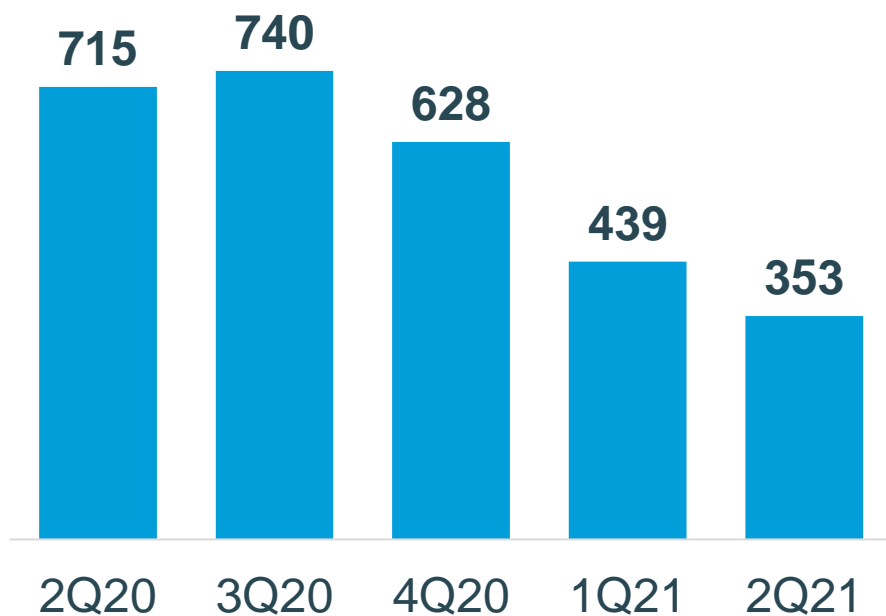


## CASH FLOW OF INVESTMENTS, € million

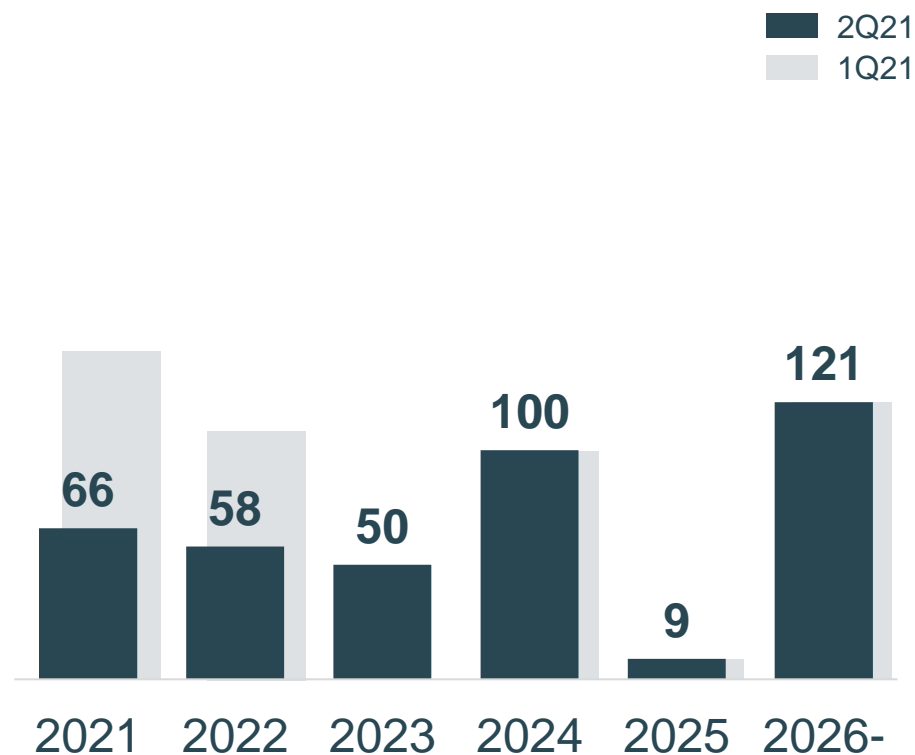


# Net interest-bearing debt -51% y-o-y

## 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, €106 million, commercial papers, €0 million and lease liabilities, €204 million.

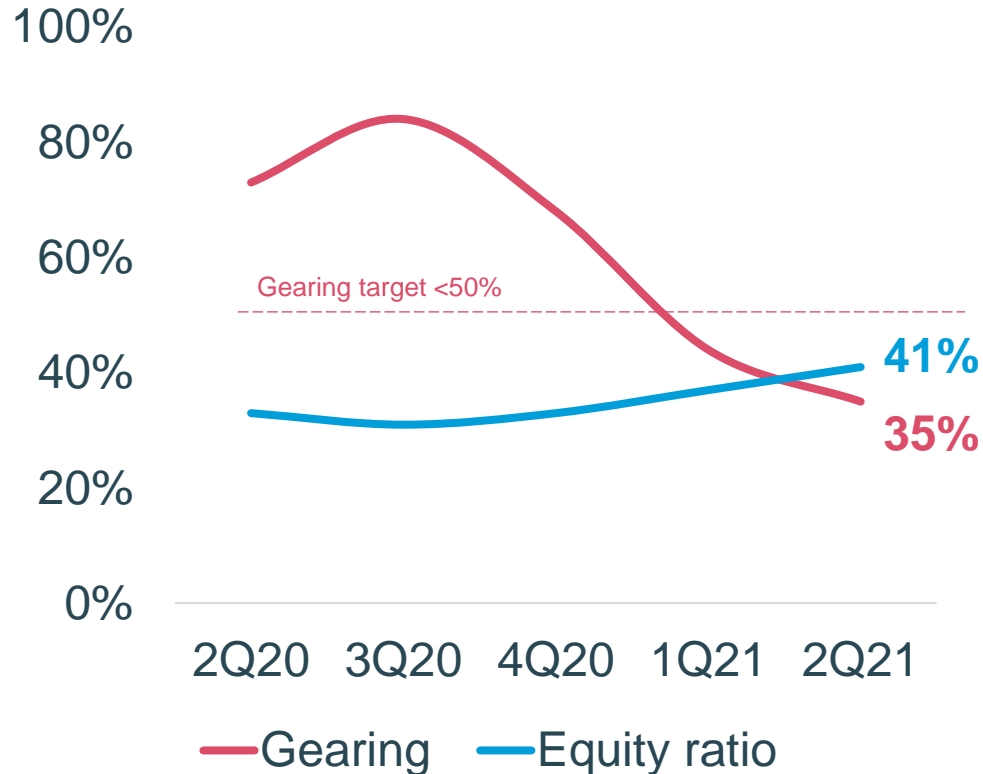
The hybrid bond, €100 million, is recorded as part of equity and therefore excluded from this paragraph.



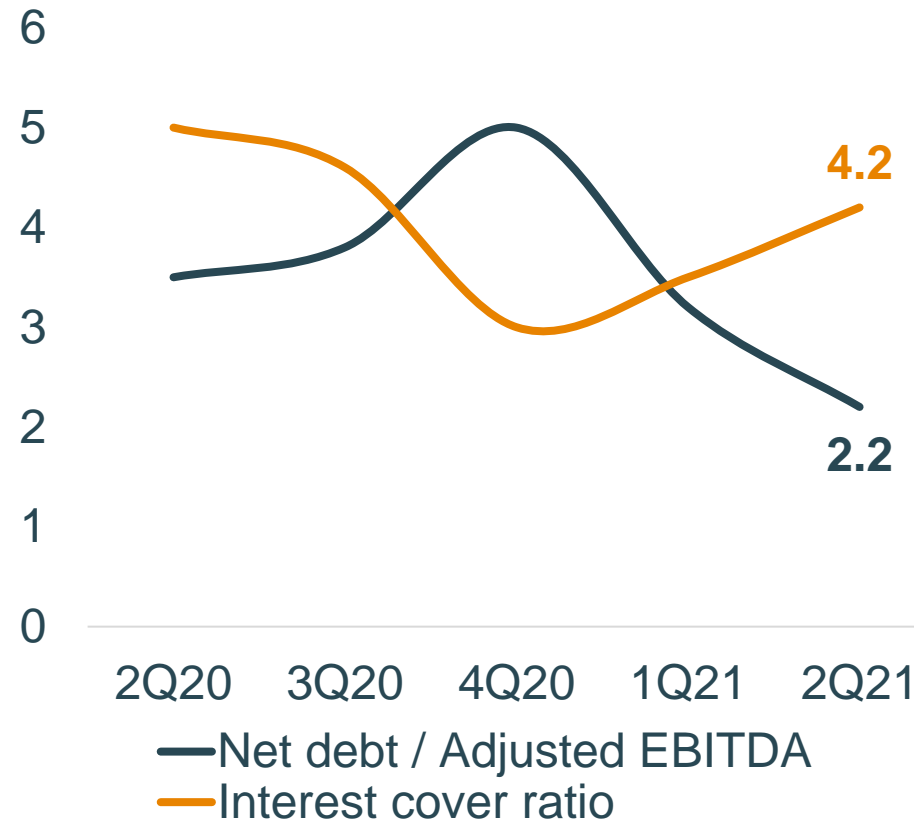


# Gearing remains below strategic target level of <50%

## EQUITY RATIO AND GEARING RATIO, %



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










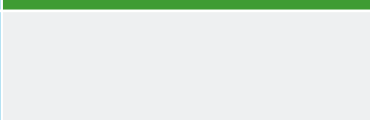



# Outlook





# Q3 market outlook stable

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

## Q2/2021 market environment\*

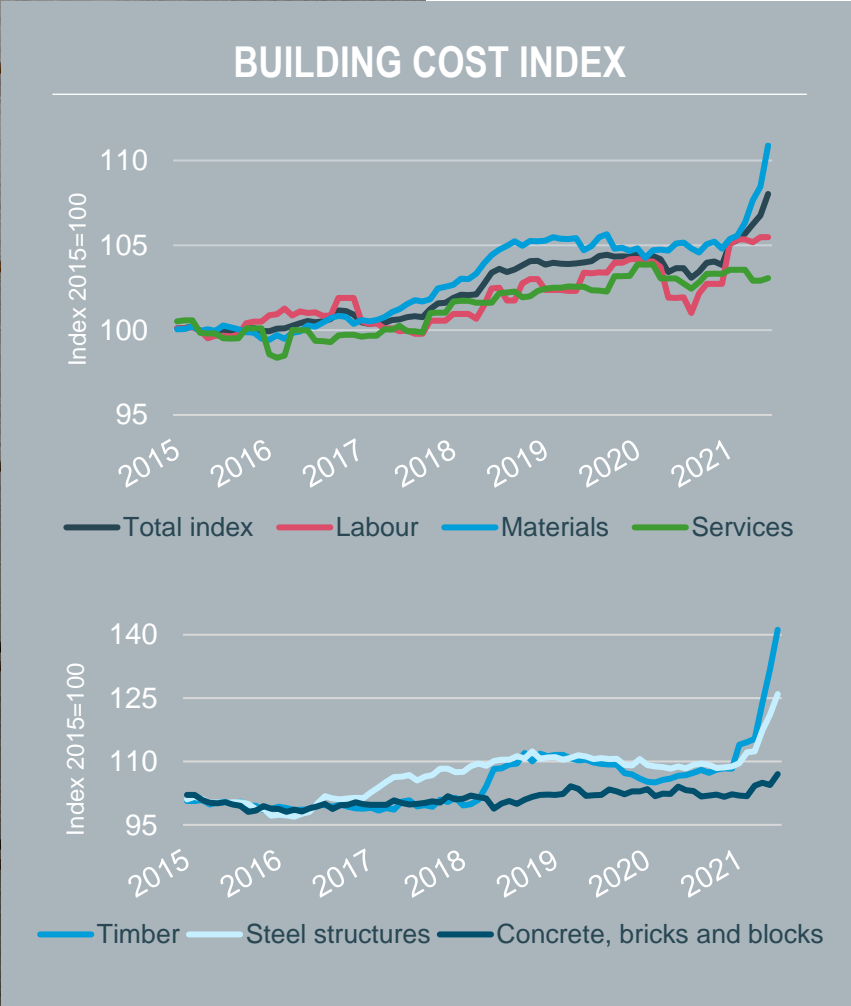
 Good
  Normal
  Weak

## Q3/2021 market outlook\*

 Improving
  Stable
  Weakening



# Mitigation action taken to minimise impacts of material cost inflation



Source: Statistics Finland

## MITIGATION ACTIONS AT YIT



Procurement practices

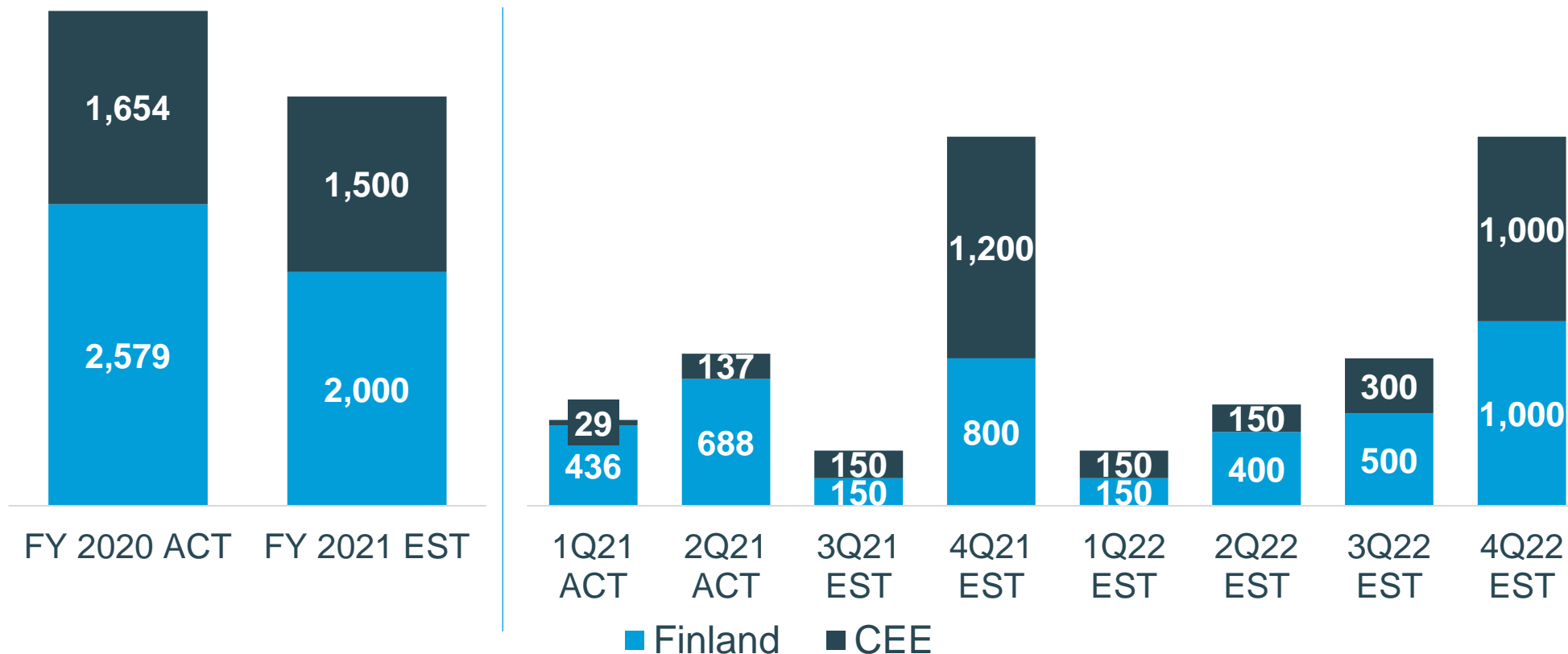


Pricing and contractual practices



# Number of completions reaching bottom in Q3, 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):

- 2,049 for investors
- 4,313 in Russia

# Guidance for 2021

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

## Housing FIN&CEE

- Q3 completions down to ~300 units (874)
- Q4 completions at a high level

## Housing Russia

- Solid underlying performance to continue

## Business premises

- Performance continues to stabilise

## Infrastructure

- Impacted by certain low performing projects

## Partnership properties

- Portfolio development to continue



# Our management team continues to strengthen

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**ILKKA TOMPERI**

Executive Vice President  
Partnership properties  
as of August 2021



**PASI TOLPPANEN**

Executive Vice President  
Infrastructure  
as of August 2021



**TUOMAS MÄKIPESKA**

Chief Financial Officer  
as of February 2022

# Management agenda for H2

1

Continue actions to stabilise performance, implement new operating model

2

Develop sharpened strategy

3

Take proactive actions in health and safety, develop sustainability roadmap



# Additional information

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YIT's Q3 interim  
report will be  
published on Fri

**29 Oct**  
2021





# Appendices

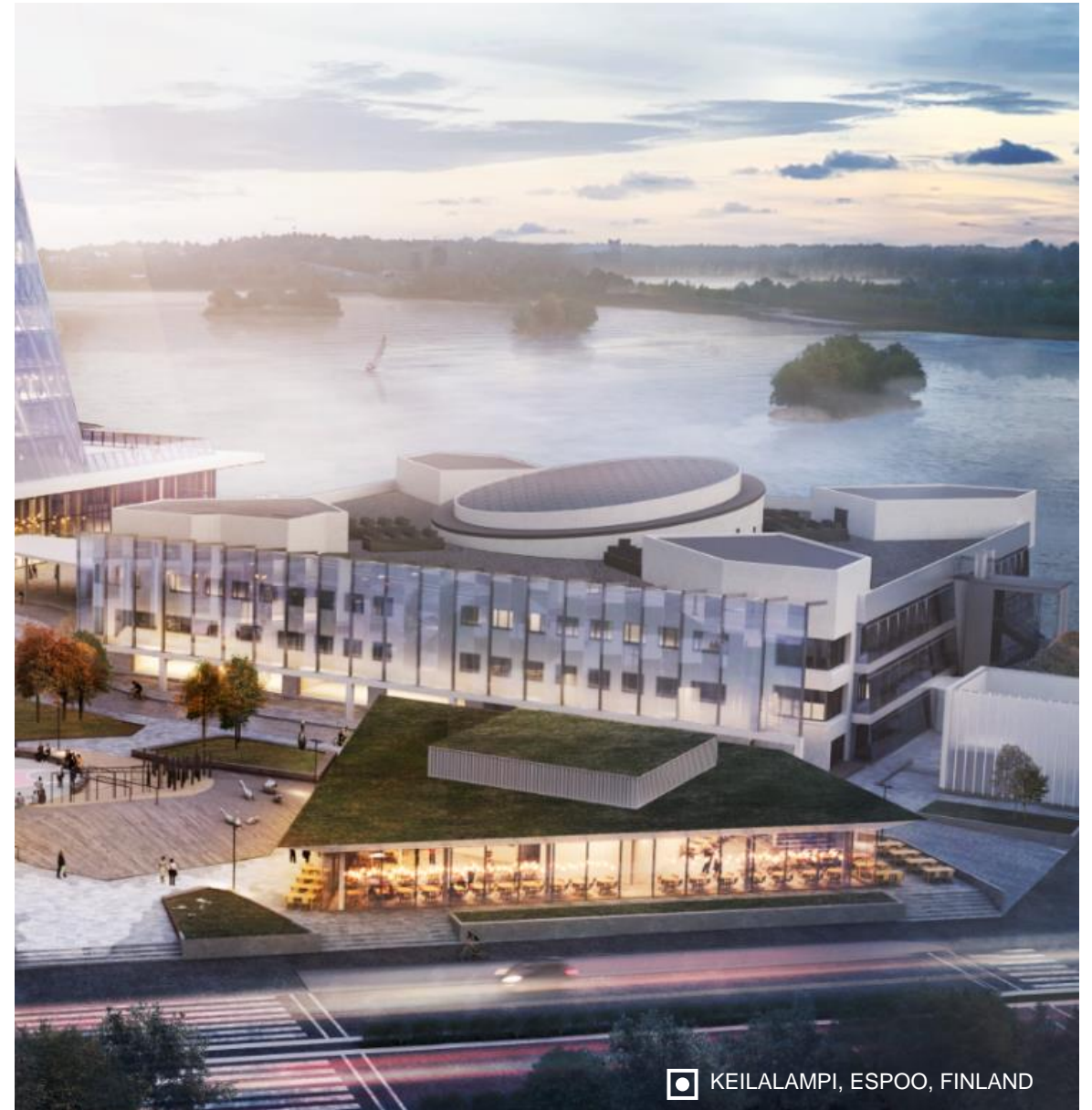




# Appendices

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



KEILAMPI, ESPOO, FINLAND

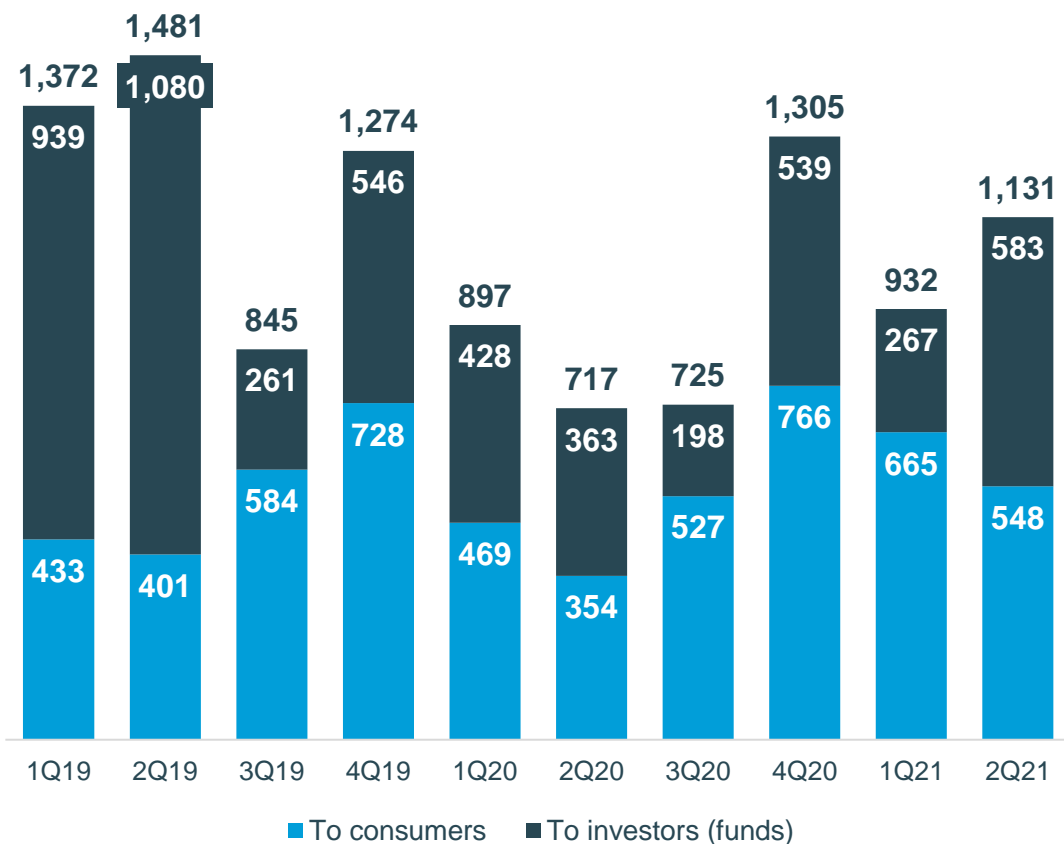
# I. Key figures

€ million	4-6/21	4-6/20	1-6/21	1-6/20	1-12/20
Revenue	733	700	1,339	1,407	3,069
Operating profit	25	0	40	-4	35
Operating profit margin, %	3.5	0.0	3.0	-0.3	1.1
Adjusted operating profit	30	5	51	13	85
Adjusted operating profit margin, %	4.1	0.7	3.8	0.9	2.8
Result before taxes	17	-8	23	-25	-6
Result for the period	11	-9	15	-18	-8
Result for the period, including discontinued operations	11	45	15	13	27
Earnings per share, EUR	0.05	0.22	0.06	0.06	0.13
Operating cash flow after investments	109	247	178	199	336
Net interest-bearing debt	353	715	353	715	628
Gearing ratio, %	35	73	35	73	68
Equity ratio, %	41	33	41	33	33
Return on capital employed, % (ROCE, rolling 12 months)	8.0	9.5	8.0	9.5	5.2
Order book	3,890	4,074	3,890	4,074	3,528
Combined lost time injury frequency (LTIF, rolling 12 months)	10.2	10.0	10.2	10.0	9.8
Customer satisfaction rate (NPS)	51	53	51	53	51

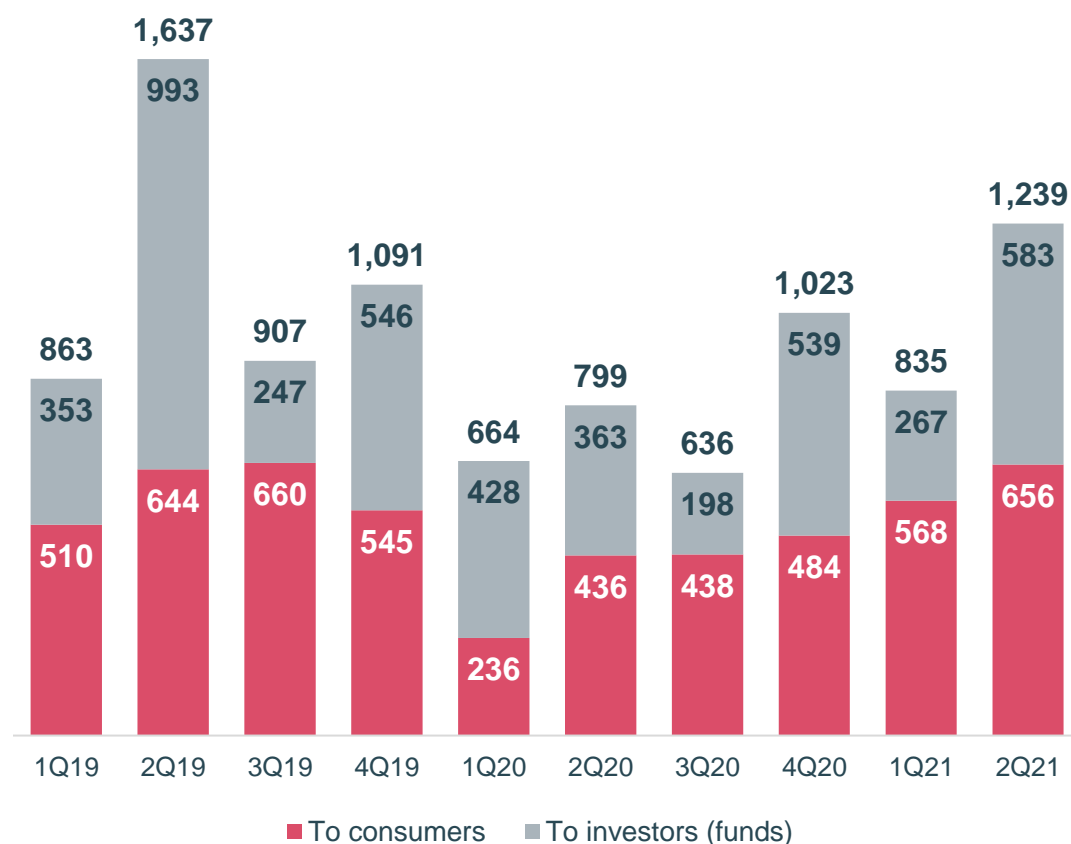


## II. Housing Finland Sales and start-ups 2019-2021

### SOLD APARTMENTS, units



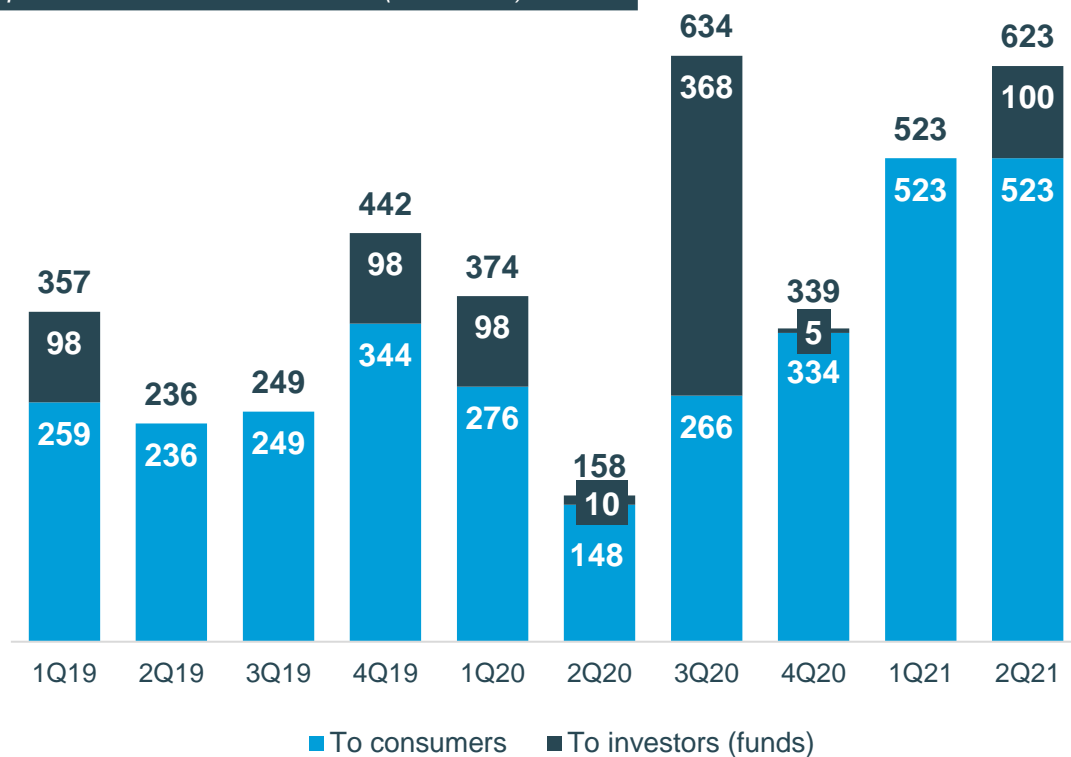
### APARTMENT START-UPS, units



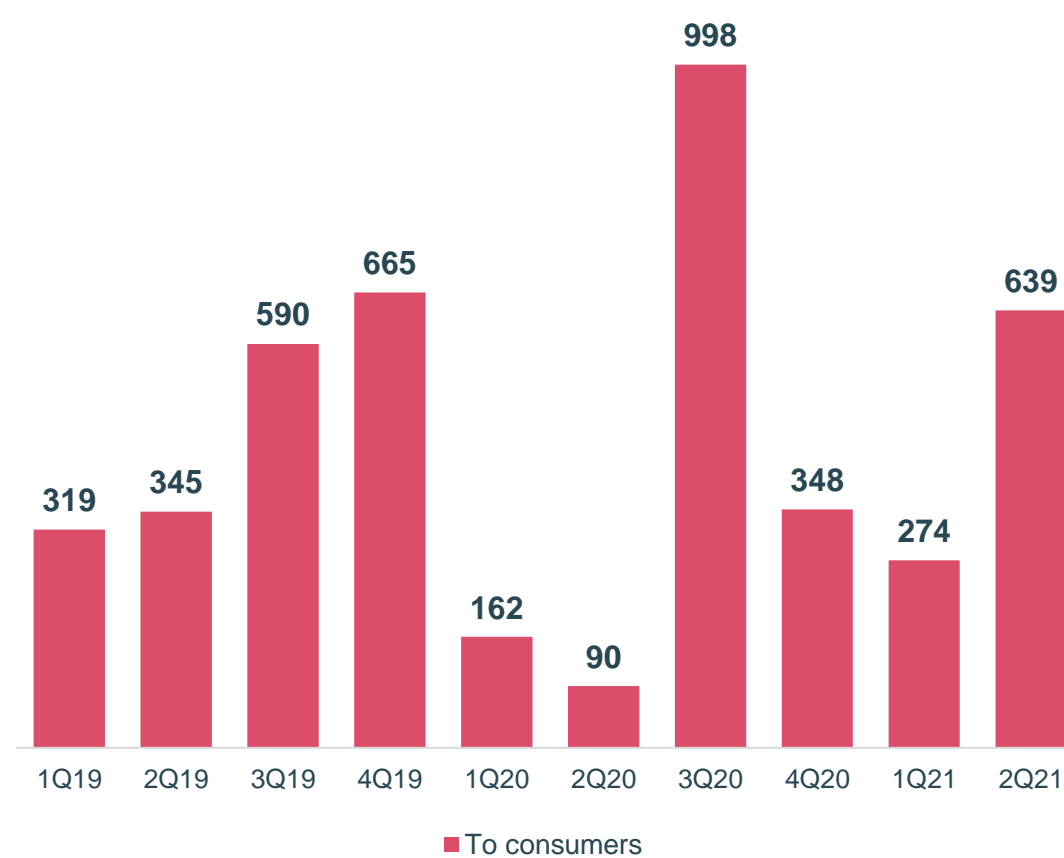
## II. Housing CEE Sales and start-ups 2019-2021

### SOLD APARTMENTS, units

Of projects earlier sold to YCE Housing I fund or a JV, and recorded as investor sales, YIT sold 1 apartments further to consumers (1Q20: 112)



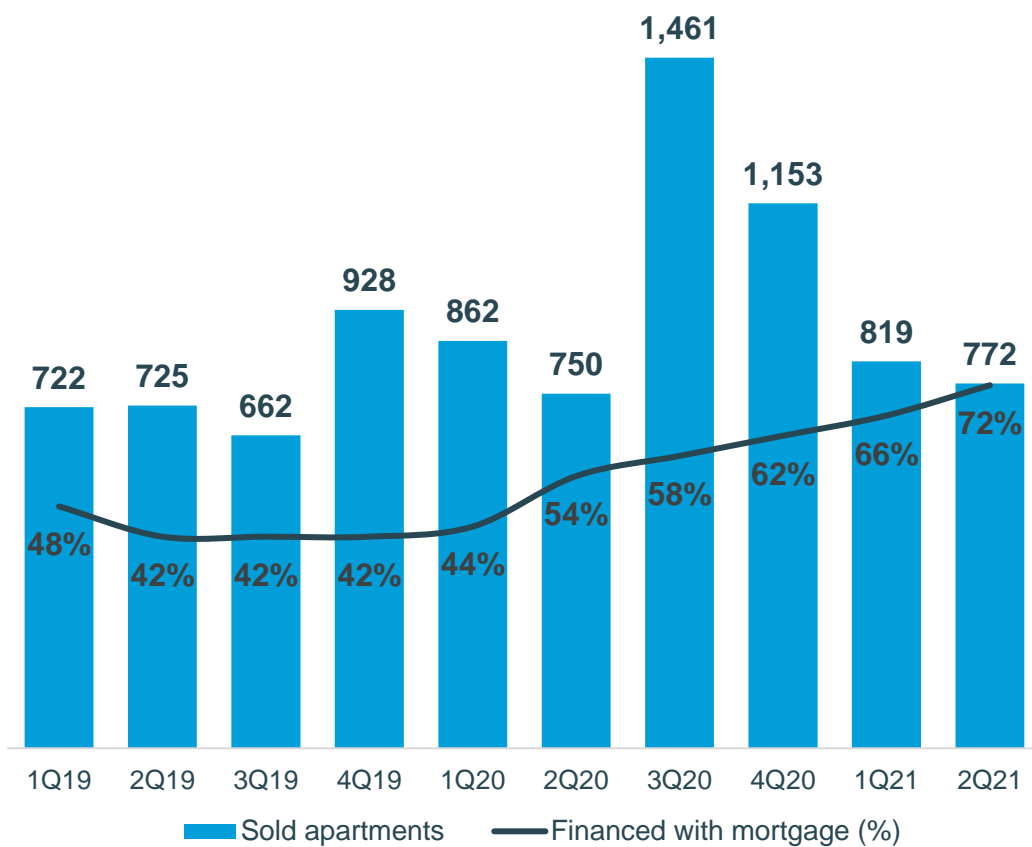
### APARTMENT START-UPS, units



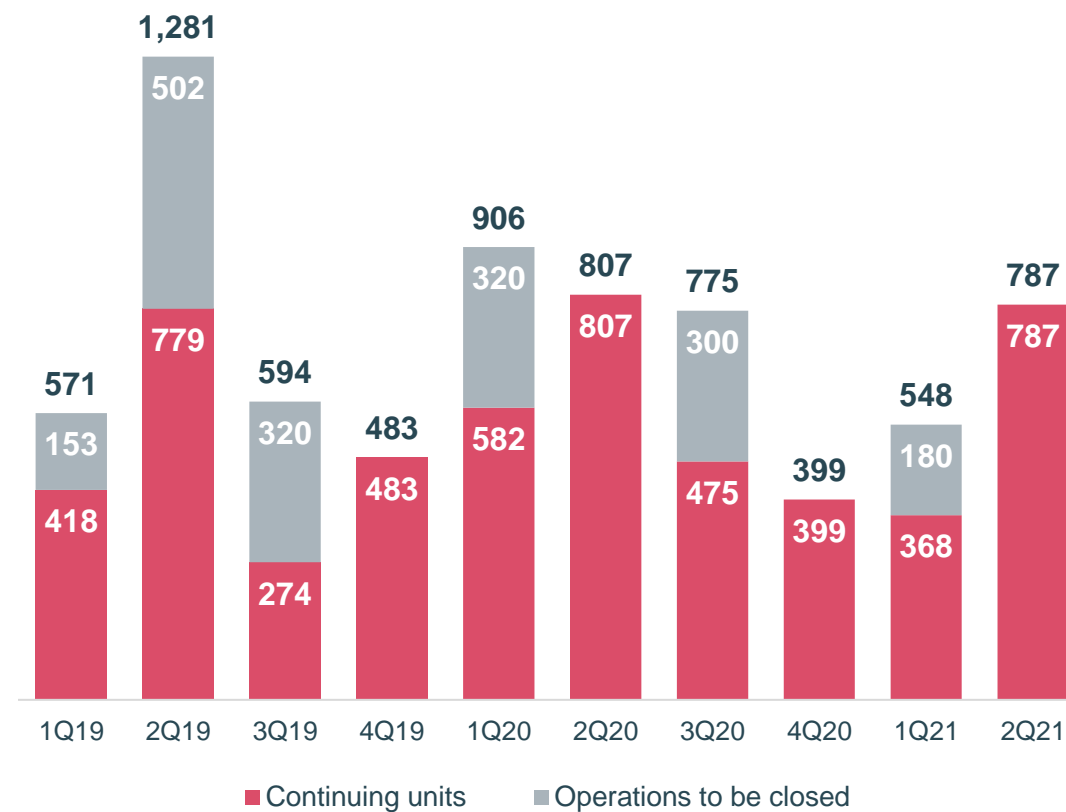


## II. Housing Russia Sales and start-ups 2019-2021

### SOLD APARTMENTS, units



### APARTMENT START-UPS, units

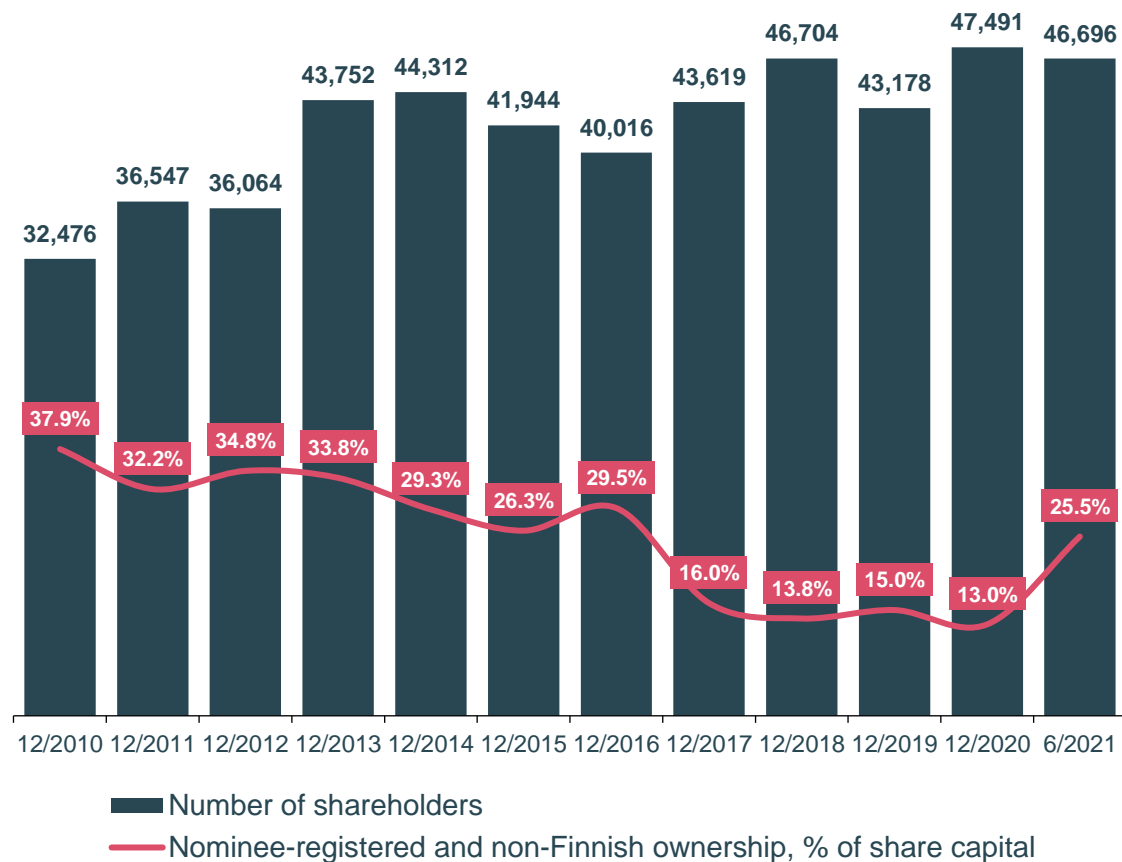


# IV. Share ownership\*, 30 June 2021

## MAJOR SHAREHOLDERS

SHAREHOLDERS	SHARES	% OF SHARE CAPITAL
1. Tercero Invest AB	25,100,000	11.89
2. Varma Mutual Pension Insurance Company	15,945,975	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	5,684,339	2.69
7. Forstén Noora Eva Johanna	5,115,529	2.42
8. Elo Mutual Pension Insurance Company	4,229,577	2.00
9. Herlin Antti	3,445,180	1.63
10. Pentti Lauri Olli Samuel	3,398,845	1.61
Ten largest total	95,248,761	45.12
Nominee registered shares	22,784,764	10.79
Other shareholders	93,066,328	44.09
<b>Total</b>	<b>211,099,853</b>	<b>100.00</b>

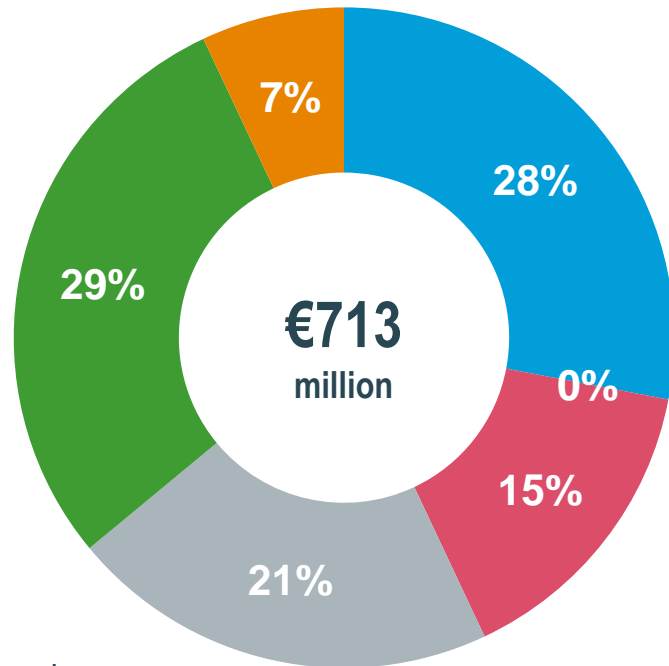
## NUMBER OF SHAREHOLDERS AND SHARE OF NOMINEE-REGISTERED AND NON-FINNISH OWNERSHIP





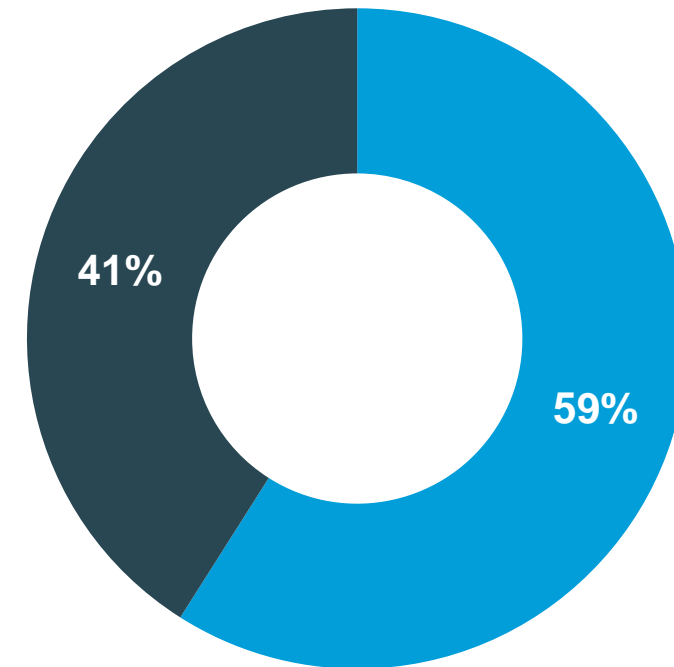
# V. Debt structure, 30 June 2021

## DISTRIBUTION OF INTEREST-BEARING DEBT



- Bonds
- Commercial papers
- Housing company loans related to unsold apartments
- Loans from financial institutions
- Lease liabilities
- Other interest-bearing debt

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



- Fixed rate
- Floating rate

<sup>1</sup> Including interest-bearing debt and interest rate derivatives, but excluding lease liabilities, €204 million

# VI. 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 Vuokrakoti Ky (real estate fund)

### OPPORTUNITIES > €2 billion

Vallila Campus

Maistraatinportti 1

Maria 01<sup>1</sup>

Trigoni Helsinki High Rise<sup>1</sup>

Helsinki Garden<sup>1</sup>

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€ <sup>5</sup>	3Q19 <sup>3</sup>
Regenero Oy (Keilaniemi area)	50%	8 M€ <sup>2</sup>	-
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 <sup>4</sup>
FinCap Asunnot Oy (real estate fund)	49%	11 M€	4Q19 <sup>4</sup>
OP Vuokrakoti Ky (real estate fund)	40%	20 M€	-
Vallila Campus			
Maistraatinportti 1			
Maria 01 <sup>1</sup>			
Trigoni Helsinki High Rise <sup>1</sup>			
Helsinki Garden <sup>1</sup>			
Plot investment			
Rental apartment joint venture			
Wind farms			

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

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



**Together  
we can  
do it.**