Q1

YIT Corporation
Interim Report 1–3/2024

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Interim Report January–March 2024

Cash flow and financial position improved, profitability impacted by the Finnish housing market and rising yields

First quarter 2024 in brief

- Order book was EUR 3,091 million (31 Dec 2023: 3,157). Order book remained stable in Housing and Business Premises and decreased slightly in Infrastructure. At the end of the quarter, 74% of the order book was sold (31 Dec 2023: 74%).
- Revenue decreased to EUR 412 million (455). In Housing, revenue decreased mainly due to lower number of completions in the Baltic and CEE countries. Revenue increased in Business Premises and decreased in Infrastructure, mainly due to revenue decrease in businesses to be closed down.
- The underlying operating performance was on the previous year's level, but the adjusted operating profit decreased to EUR -14 million (-3). The decrease was mainly due to a decrease in the fair value of Tripla Mall caused by a yield increase, impacting the adjusted operating profit by EUR -12 million. The adjusted operating profit margin was -3.4% (-0.7).
- Operating cash flow after investments increased significantly to EUR 1 million (-216). Cash and cash equivalents at the end of the period amounted to EUR 268 million (31 Dec 2023: 128), supported by the successful financing arrangement.
- Net interest-bearing debt decreased to EUR 768 million (837), and gearing improved to 89% (101). Both net interest-bearing debt and gearing also decreased compared to the previous quarter.
- In Housing, adjusted operating profit decreased to EUR -4 million (4), impacted by low consumer sales in Finland and a lower number of completions in the Baltic and CEE countries. Consumer apartment start-ups increased to 478 (29), All the start-ups in the first quarter were in the Baltic and CEE countries. The number of unsold completed apartments increased to 1,359 (31 Dec 2023: 1,267).
- In Business Premises, adjusted operating profit decreased to EUR -11 million (-7). The underlying performance for the segment improved and was positive. Based on market data, the yield for the Tripla Mall was increased during the quarter. The increase in the yield impacted the adjusted operating profit of the segment by EUR -12 million.
- In Infrastructure, adjusted operating profit amounted to EUR 1 million (1).
- On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of service equipment business YIT Kalusto Oy to Renta Oy. The transaction was completed on 29 February 2024.
- Result for the period was EUR -16 million (-14).
- On 12 March 2024 YIT announced that it had executed a substantial financing arrangement including equity and enhancements to existing loan terms, leading to an improvement in liquidity in excess of EUR 100 million. The financing arrangement comprised a directed share issue of EUR 33.5 million at market price, an issue of EUR 36 million convertible notes due in March 2029 with a coupon of 8% p.a. and a strike price of EUR 2.25 per share. Furthermore, lenders agreed to make amendments to the existing revolving credit facility (EUR 300 million) and the term loan (EUR 140 million) including maturity extensions and other positive amendments to key loan terms and postponements of amortisations. Combined, the amendments to loan terms increase available liquidity by over EUR 30 million. Above mentioned agreed amendments to existing loan facilities have entered into force in April 2024.

Key figures

EUR million	1–3/24	1–3/23	1–12/23
Revenue	412	455	2,163
Operating profit	-8	-7	51
Operating profit, %	-2.0	-1.6	2.4
Adjusted operating profit	-14	-3	41
Adjusted operating profit margin, %	-3.4	-0.7	1.9
Result before taxes	-22	-19	-5
Result for the period	-16	-14	3
Earnings per share, EUR	-0.08	-0.07	-0.01
Operating cash flow after investments	1	-216	-137
Net interest-bearing debt	768	837	795
Gearing ratio, %	89	101	94
Equity ratio, %	33	33	33
Return on capital employed, % (ROCE, rolling 12 months)	1.8	6.0	2.5
Order book	3,091	3,542	3,157
Combined lost time injury frequency (cLTIF, rolling 12 months)	11.4	13.5	12.1
Customer satisfaction rate (NPS)	53	47	54

Unless otherwise noted, the figures in brackets in this report refer to the corresponding period in the previous year.

Comments from the President and CEO, Heikki Vuorenmaa

Year 2024 started on a positive note, with continued strong housing sales in Central Eastern Europe and a clear pick-up in the Baltic countries, and in total, our consumer apartment sales increased by 59% compared to the previous year. Expectations of a decline in the euro area interest rates have moderated since the end of last year, and the outlook for interest rates remains subject to considerable uncertainty. As expected, this led to a continued low level of housing sales in Finland during the first quarter. The unique characteristics of the Finnish housing market and its sensitivity to interest rates is postponing the recovery of the market.

We improved our Group operating cash flow after investments by over EUR 200 million on a year-on-year basis. Our cash flow for the last 12 months was positive, and indebtedness decreased. Progress is connected to the successful execution of the transformation program and the capital release actions. There is still work to be done to bring the capital efficiency to the desired level and to reduce the indebtedness of the company. We will determinately continue to take the required measures towards these goals.

The Housing segment’s profitability continued to be muted due to prevailing market conditions in Finland and significantly less completions in the quarter in the Baltic and CEE countries. In the Baltic and CEE countries, the market recovery started earlier and has continued positively, especially in Poland, the Czech Republic, and Latvia. The past quarter was the fifth consecutive quarter with increased consumer apartment sales for YIT in the Baltic and CEE countries. This year, over 70% of our apartments will be completed outside Finland, so the good market conditions are key to the segment's performance. While there remains uncertainty regarding the timing of the recovery of the Finnish housing market, we are at full speed with our housing operations in our other operating countries.

In Business Premises, revenue increased and the underlying performance improved. Burden from the fixed price contracts starts to be behind and segment can focus on increasing margins. While the segment's underlying performance improved and was positive, the reported adjusted operating profit decreased mainly due to a decrease in fair values driven by the increase of the market yield for Tripla Mall.

In Infrastructure, the operations continued to be solid in the quarter. As a result of the decision to close down the Swedish operations and the successful divestment of the equipment services business, we focus on businesses in which we have a competitive advantage. The Finnish infrastructure market is active and there are several tenders ongoing, that fit our expertise well. As an example of the recent successes, we signed an agreement on the implementation of the excavation contract for Espoo City Rail in March.

Given the market uncertainty in Finland, we have focused on securing our cash and liquidity position. The substantial financing arrangement announced in March was a major milestone on our journey, including equity, convertible notes and enhancements to existing loan terms. It improved our liquidity by more than EUR 100 million and enables us to carry out the required capital release measures with optimized timing. We continue to firmly focus on improving our segments’ profitability and completing our transformation. As we do this, a strong financial position will allow us to evaluate growth opportunities, both in the contracting segments and in the Baltic and CEE operations.

Heikki Vuorenmaa
President and CEO

Guidance and outlook for 2024

YIT expects its Group adjusted operating profit for continuing operations to be EUR 20–60 million in 2024. The operating cash flow after investments is expected to be positive.

The housing market recovery in the Baltic countries and Central Eastern Europe is expected to continue. In Finland, the housing market is expected to continue to be weak in the second and third quarters of the year. In Business Premises and Infrastructure, the underlying operational performance is expected to improve.

YIT's performance will be supported by the increased efficiencies from the transformation program launched on 10 February 2023.

Changes in the macroeconomic environment, especially in interest rates, may impact the housing market demand and the fair value of investments. Delayed apartment completions could lead to the postponement of revenue and profit from one quarter or year to another. Actions to release capital may have an impact on the company's profit.

Market environment

Housing market

In Finland, consumer demand continued at a low level as a result of the continued generally weak consumer confidence. In the investor market, the higher interest rates have had a significant negative impact on activity levels. Although interest rates have shown signs of levelling off, uncertainty in the market remains high. The housing market is expected to continue to be weak in the second and third quarters of the year.

In the Baltic and Central Eastern European countries, inflation has slowed down, and the higher interest rates have started to decrease in Poland and Czech Republic. Demand in Poland, the Czech Republic and Latvia continued to further improve during the first quarter. The gradual market recovery is expected to continue, and the overall market outlook shows signs of improvement.

Real estate market

In Finland, demand remained moderate, but general low market confidence is slowing down customers' decision making, especially in the private sector. Activity in industrial projects is expected to increase in the coming years, driven by the green transition. Inflation in construction material prices has stabilised. The competition for new projects has intensified as a result of the overall decline in construction volumes. In the investor market, the low availability of financing and increased financing costs and yields have decreased activity levels in transactions and new developments.

In the Baltic and Central Eastern European countries, overall demand and market activity remained stable, supported especially by private-sector demand for new industrial premises in certain countries. Price inflation in construction materials has stabilised, but new project start-ups are facing challenges due to the low availability of financing and high financing costs and yield requirements.

Infrastructure market

In Finland, public-sector demand in infrastructure is expected to remain at a relatively stable level, with many investments currently in the design phase. Private-sector demand is driven by industrial construction and the transition to renewable energy. Lower construction volumes in residential construction are reflected in the demand for earthworks and foundation construction, but the long-term outlook for the overall market remains stable. The development span of infrastructure projects is relatively long, and changes in the market environment may lead to postponements of upcoming projects.

Q1 market environment

Good Normal Weak

Short-term market outlook

Improving Stable Weakening

Strategy

YIT launched its 2022–2025 strategy in November 2021. The objective of YIT's strategy is to be the most reliable partner for all its stakeholders, delivering predictable market-leading results. During 2023, YIT continued the implementation of its strategy and specified the action plans for the Housing, Business Premises and Infrastructure segments on how the business segments contribute to YIT's common goals. The company strengthened its focus on the customer and continued the determined work to improve productivity and sustainability. In February 2023, YIT launched a transformation program to accelerate the implementation of the strategy.

Transformation program

The purpose of YIT's transformation program is to improve competitiveness, generate efficiency gains, achieve cost savings and release capital, and to increase agility and strengthen customer focus.

The transformation program has progressed faster than originally expected, and YIT has launched all the planned measures to achieve the targeted annual inflation-adjusted run-rate cost savings of EUR 40 million by the end of 2024. With the actions taken by the end of March 2024, YIT will gain annualised run-rate cost savings of EUR 30 million, which will be fully realised by the end of 2024. Savings have been achieved by streamlining the organisation and reducing IT and premises costs, for example.

In addition to the cost savings, YIT is expecting to achieve a significant amount of project-related and capital efficiency gains. Competitiveness is improved by increasing efficiency in procurement, project management and productivity. YIT has changed the procurement model from project-level procurement to selective and partner-based cooperation, gaining savings by utilising YIT's and partners' combined knowledge. To reduce project management risks, an emphasis has been placed on project management training and supporting the starting projects in the early phases. Productivity development measures have focused on shortening the construction time and improving site coordination.

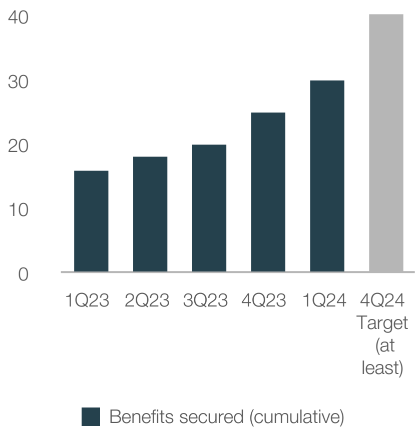
Program costs are estimated to be EUR 50–70 million, of which EUR 24 million was realised by the end of March 2024. Program costs are recorded in operating profit adjusting items.

In June 2023, YIT estimated that as part of the transformation program, the company had the potential to release approximately EUR 400 million in capital, excluding current assets such as self-developed projects, unsold apartments and land plots. Measures aiming to achieve the potential are ongoing. With the actions taken by the end of 2023, YIT had released approximately EUR 100 million of the stated potential. YIT will continue to evaluate alternatives for releasing capital, including YIT's share of the Mall of Tripla Ky, considering the market situation. The actions to improve net working capital are proceeding according to plan.

Safety development

YIT's combined lost time injury frequency improved to 11.4 (13.5) compared to the comparison period. Lost time injury frequency also improved compared to the previous quarter. YIT continued its systematic work to increase transparency and openness in safety communication and to strengthen day-to-day safety management within the company and with its partners.

Cumulative annualised cost savings secured from the transformation program (EURm)



Results

January–March

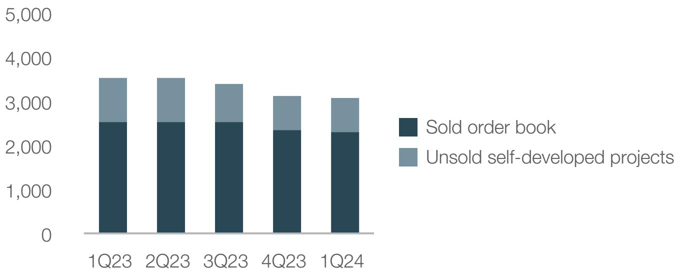
YIT’s order book decreased slightly from the previous quarter to EUR 3,091 million (31 Dec 2023: 3,157). The order book remained stable in Housing and Business Premises and decreased slightly in Infrastructure. At the end of the quarter, 74% of the order book was sold (31 Dec 2023: 74%).

YIT’s revenue decreased from the comparison period to EUR 412 million (455). In Housing, revenue decreased mainly due to lower number of completions in the Baltic and CEE countries. Revenue increased in Business Premises and decreased in Infrastructure, mainly due to the revenue decrease in businesses to be closed down.

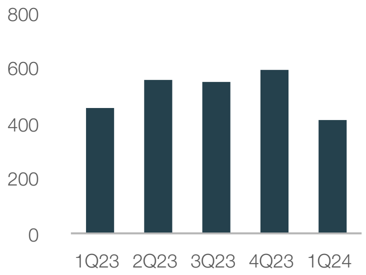
The underlying operating performance was on the previous year's level, but the adjusted operating profit decreased to EUR -14 million (-3). The decrease was mainly due to a decrease in the fair value of Tripla Mall caused by a yield increase, impacting the adjusted operating profit by EUR -12 million. Adjusted operating profit margin was -3.4% (-0.7). In Housing, adjusted operating profit was negatively affected by low consumer sales in Finland and the lower number of completions in the Baltic and CEE countries. In Business Premises, adjusted operating profit decreased. The underlying performance for the segment improved and was positive. Based on market data, the yield for the Tripla Mall was increased during the quarter. In Infrastructure, adjusted operating profit remained stable.

YIT’s operating profit was EUR -8 million (-7). Adjusting items were EUR -6 million in the first quarter (4), mainly related to the gain on sale of the equipment services business YIT Kalusto Oy, offset by the costs of transformation program and operating profit from operations to be closed down. Net finance costs increased to EUR 14 million (12) due to increased market interest rates and interest rate margins. The result for the period was EUR -16 million (-14).

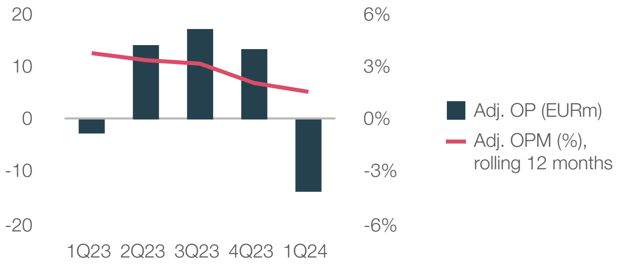
Order book (EURm)



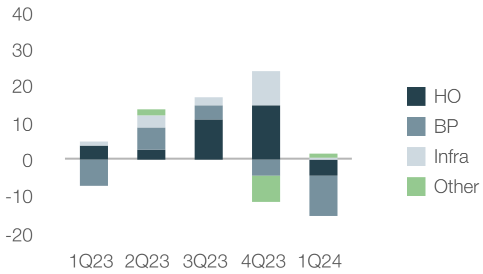
Revenue (EURm)



Adjusted operating profit and adjusted operating profit margin



Adjusted operating profit per segment (EURm)

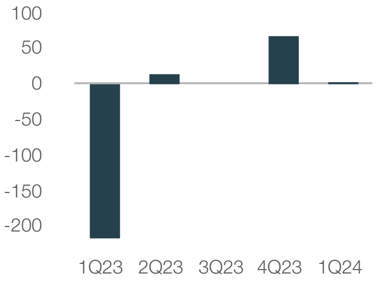


Cash flow

January–March

YIT’s operating cash flow after investments increased to EUR 1 million (-216). Cash flow was supported by YIT’s improved net working capital efficiency and the successful divestment of the equipment services business YIT Kalusto Oy. Operating cash flow after investments in the comparison period was burdened by the Housing segment's low consumer sales, payments for plot investments made before the reporting period, and apartments under construction. Cash flow from plot investments amounted to EUR -6 million (-47).

Operating cash flow after investments (EURm)



Financial position

At the end of the period, interest-bearing debt amounted to EUR 1,114 million (975). Net interest-bearing debt decreased to EUR 768 million (837), decreasing also from the previous quarter. Net interest-bearing debt included IFRS 16 lease liabilities of EUR 269 million (260), as well as housing company loans of EUR 240 million (260) related to unsold apartments. The gearing ratio decreased to 89% (101), decreasing also from the previous quarter. The equity ratio was 33% (33). Equity increased to EUR 866 million (831). The net debt/adjusted EBITDA ratio was 13.9 (31 Dec 2023: 11.7), and the interest cover ratio 1.0 (31 Dec 2023: 1.3).

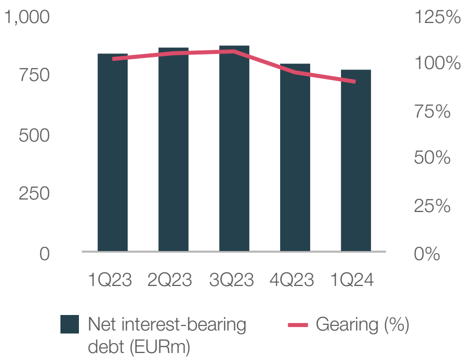
Cash and cash equivalents increased to EUR 268 million (75), and YIT had undrawn overdraft facilities amounting to EUR 20 million (32). YIT also had a EUR 300 million committed revolving credit facility, of which EUR 124 million (300) was unused and available at the end of the first quarter. Unutilised and committed housing company loan limits associated with apartment projects decreased to EUR 31 million (171), as a result of the lower number of consumer apartments under construction in Finland.

On 12 March 2024, YIT announced that it had executed a substantial financing arrangement including equity and enhancements to existing loan terms, leading to an improvement in liquidity in excess of EUR 100 million. The financing arrangement comprised a directed share issue of EUR 33.5 million at market price, an issue of EUR 36 million convertible notes due in March 2029 with a coupon of 8% p.a. and a strike price of EUR 2.25 per share. Furthermore, lenders agreed to make amendments to the existing revolving credit facility (EUR 300 million) and the term loan (EUR 140 million) including maturity extensions and other positive amendments to key loan terms and postponements of amortisations. Combined, the amendments to loan terms increase available liquidity by over EUR 30 million. Above mentioned agreed amendments to existing loan facilities have entered into force in April 2024.

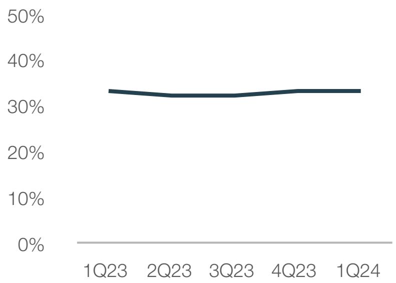
Capital employed decreased slightly to EUR 1,591 million (1,672) at the end of the first quarter, remaining stable from the previous quarter (31 Dec 2023: 1,618). Capital employed was supported by the successful capital release measures and burdened by the increased capital employed in Housing in Finland, attributable to low consumer apartment sales and the increase in the number of unsold completed apartments to 1,359 (747).

Investments in plots in the quarter were EUR 0 million (26). Investments in leased plots were EUR 7 million (0). The total plot reserve at the end of the quarter amounted to EUR 808 million (824).

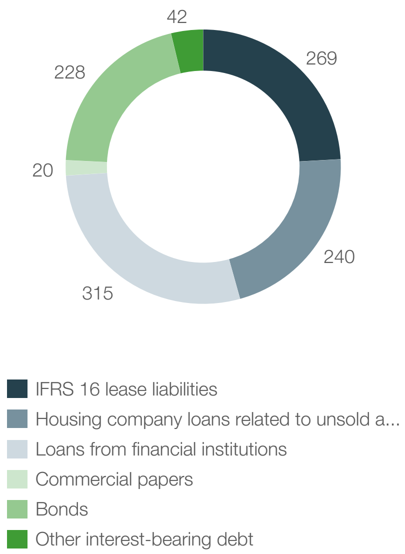
Net interest-bearing debt and gearing



Equity ratio



Distribution of interest-bearing debt (EURm)



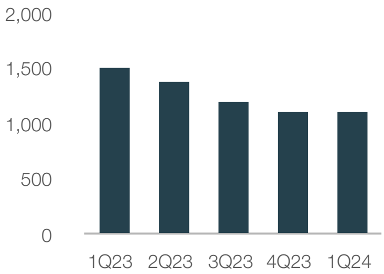
Housing

EUR million	1–3/24	1–3/23	1–12/23
Revenue	169	194	912
Operating profit	-4	4	32
Adjusted operating profit	-4	4	32
Adj. operating profit margin, %	-2.6	1.9	3.5
Order book at end of period	1,118	1,515	1,105
Capital employed	1,067	1,064	1,054

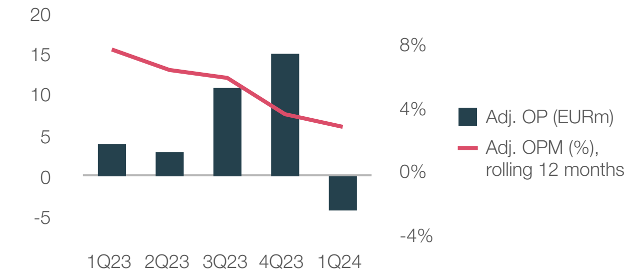
January–March

- Revenue decreased to EUR 169 million (194), mainly related to lower number of completions in the Baltic and CEE countries.
    - Revenue in Finland was EUR 113 million (120).
    - Revenue in the Baltic and CEE countries was EUR 57 million (74).
- Adjusted operating profit decreased to EUR -4 million (4), negatively impacted by low consumer sales in Finland and the lower number of completions in the Baltic and CEE countries.
    - Adjusted operating profit in Finland was EUR -7 million (-5)
    - Adjusted operating profit in the Baltic and CEE countries was EUR 2 million (9)
- Consumer apartment sales increased in Finland to 135 (74) apartments. Demand in the Baltic and CEE countries was healthy, with consumer apartment sales increasing for the fifth consecutive quarter to 237 (160) apartments.
- Consumer apartment start-ups increased to 478 (29), of which 0 (29) were in Finland, and 478 (0) in the Baltic and CEE countries.
- The number of unsold completed apartments increased to 1,359 (31 Dec 2023: 1,267). The unsold completed apartments are located in attractive housing markets, with more than 90% of the units in capital regions or university towns in Finland and the Baltic and CEE countries. YIT recognises unsold completed apartments at the lower of cost or net realisable value on its balance sheet.
- The share of results of associated companies and joint ventures was EUR 1 million (2), and changes in the fair value of the segment's equity investments amounted to EUR -1 million (-1).
- Capital employed at the end of the period remained stable at EUR 1,067 million (1,064), burdened by the increase in the number of unsold completed apartments to 1,359 (747). Capital employed in Finland was EUR 705 million (648), and in the Baltic and CEE countries, EUR 362 million (416) at the end of the period.
- The land bank in Housing amounted to 2,175,000 sqm (31 Dec 2023: 2,080,000). The land bank will enable the construction of approximately 35,000 new homes.
- Consumer apartment sales from the inventory of YIT's project development associated companies and joint ventures was 110 apartments (22) in the first quarter. Respectively, the number of unsold completed apartments was 213 (13).

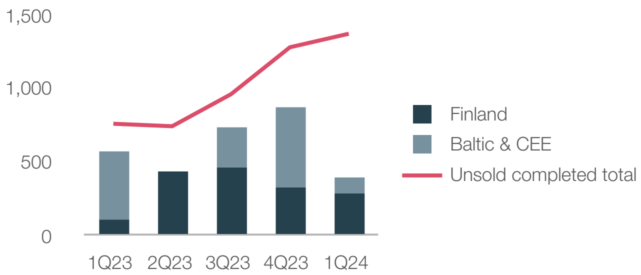
Order book (EURm)



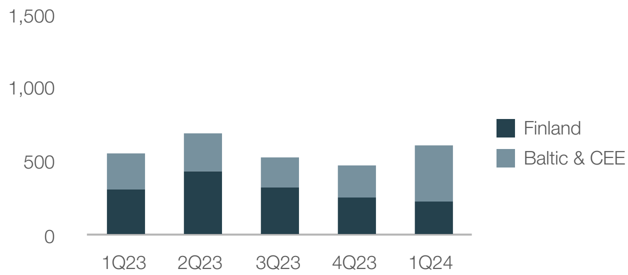
Adjusted operating profit and adjusted operating profit margin



Consumer apartment completions (units)



Sold apartments (units)



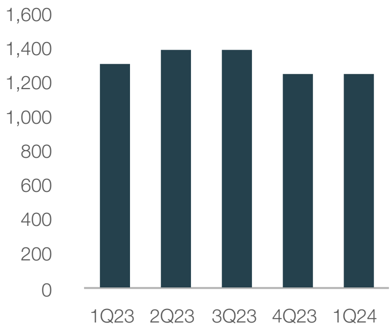
Business Premises

EUR million	1–3/24	1–3/23	1–12/23
Revenue	169	161	843
Operating profit	-11	-7	-2
Adjusted operating profit	-11	-7	0
Adj. operating profit margin, %	-6.5	-4.3	—
Order book at end of period	1,251	1,313	1,244
Capital employed	258	297	247

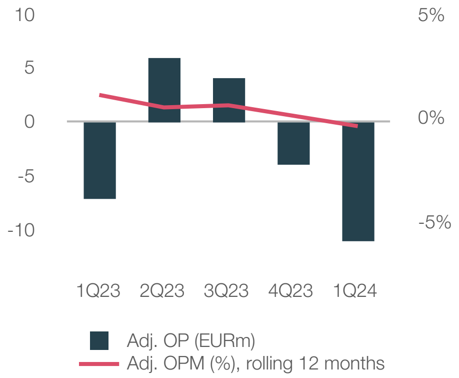
January–March

- Revenue increased to EUR 169 million (161).
- Adjusted operating profit decreased to EUR -11 million (-7). The underlying performance for the segment improved and was positive. Based on market data, the yield for the Tripla Mall was increased by 0.25 percentage points to 6.00% during the quarter. The increase in the yield impacted the adjusted operating profit of the segment by EUR -12 million.
- YIT's partly owned Mall of Tripla continued its good operational performance. The Mall of Tripla's total revenue increased, and the total number of visitors grew year-on-year. The fair value of YIT's equity investment in Tripla Mall Ky was EUR 182 million (31 Dec 2023: 192). The total change in the fair value of the segment's equity investments, including the yield increase of the Tripla Mall, amounted to EUR -10 million (2).
- The share of results of associated companies and joint ventures was EUR 0 million (0).
- Capital employed at the end of the period decreased to EUR 258 million (297).
- The order book amounted to EUR 1,251 million (31 Dec 2023: 1,244). At the end of the quarter, the order book included EUR 318 million (31 Dec 2023: 322) of service periods for life cycle projects.
- On 25 January 2024, YIT announced that it had been chosen as the development phase partner for the new building of the Meilahti pharmacy, central kitchen and parking facility in Meilahti, Helsinki, with the highest quality points in the tender. The development phase commenced immediately, with the goal of transitioning to the implementation phase of the project in autumn of 2024.
- On 25 January 2024, YIT also announced that it had, as part of an alliance, signed a contract for the implementation phase of Kokkola Sports Park. During the development phase, announced in 2022, the content and implementation of the alliance entity was planned at a more detailed level, and the total estimated cost of the first phase of the implementation phase has been set at approximately EUR 56 million, of which the share to be booked to YIT is approximately EUR 47 million.

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Infrastructure

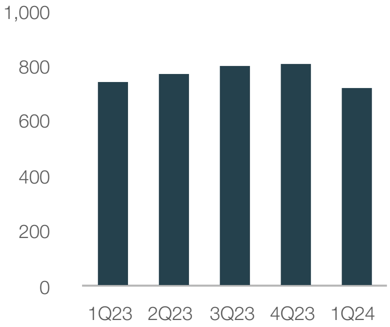
EUR million	1–3/24	1–3/23	1–12/23
Revenue	85	109	437
Operating profit	11	1	45
Adjusted operating profit	1	1	14
Adj. operating profit margin, %	0.7	0.6	3.3
Order book at end of period	722	743	808
Capital employed	5	56	36

Operating profits from the businesses to be closed down in Norway, and Sweden from Q4/23 onwards, are recorded in adjusting items and not presented in adjusted operating profit.

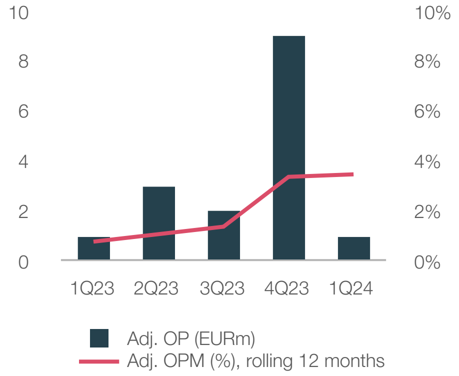
January–March

- Revenue decreased by 22% to EUR 85 million (109), mainly due to the revenue decrease in businesses to be closed down to EUR 11 million (26). Revenue in Finland decreased to EUR 74 million (83).
- Adjusted operating profit amounted to EUR 1 million (1). Adjusted operating profit in Finland remained stable at EUR 1 million (1). Adjusted operating profit margin increased to 0.7% (0.6), supported by the steady performance of the projects in Finland.
- Capital employed at the end of the period decreased to EUR 5 million (56). The improvement was mainly related to the sale of the equipment services business and successful capital release measures.
- The order book amounted to EUR 722 million (31 Dec 2023: 808).
- On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of service equipment business YIT Kalusto Oy to Renta Oy. As part of the arrangement, YIT and Renta announced the signing of a long-term cooperation agreement on the delivery of equipment services to YIT in Finland. The enterprise value of the transaction was EUR 37 million in total. The net cash inflow from the arrangement was EUR 29 million. YIT recorded a gain on sale of EUR 18 million. The gain on sale is reported in operating profit adjusting items, and it therefore has no effect on YIT's guidance for 2024. The transaction was completed on 29 February 2024.
- On 14 March 2024, YIT announced that it had won seven state road maintenance contracts for the years 2024–2029. The contracts cover the areas of Espoo, Joensuu, Kankaanpää, Kouvola, Salo, Seinäjoki and Vantaa. The total value of the contracts is approximately EUR 112 million, which will be recorded in the order book for the second quarter of 2024. The contracts will commence on 1 October 2024. The duration of the contracts is five years, with the exception of Kankaanpää's contract, which lasts for seven years.

Order book (EURm)



Adjusted operating profit and adjusted operating profit margin



Shares

A total of 20,960,000 new shares subscribed for in YIT Corporation's directed share issue were registered in the Finnish Trade Register on 12 March 2024. After the registration of the new shares, the company has 232,059,853 shares in total. YIT Corporation's share capital remained unchanged during the reporting period.

At the end of the reporting period, YIT's share capital was EUR 149,716,748.22 (31 Dec 2023: 149,716,748.22), and the number of shares outstanding was 230,507,734 (31 Dec 2023: 209,547,734).

Personnel

During January–March, the Group employed an average of 4,503 people (5,139) in continuing operations. Personnel expenses in January–March totalled EUR 68 million (82).

Governance

Changes in the Group Management Team

There were no changes in the Group Management Team during January-March 2024.

Resolutions passed at the Annual General Meeting

The Annual General Meeting of YIT Corporation held on 14 March 2024 adopted the 2023 financial statements and discharged the members of the Board of Directors and the President and CEO from liability. The Annual General Meeting approved the remuneration report for the company's governing bodies for the financial year 2023 and supported the presented remuneration policy for 2024-2027. The Annual General Meeting also decided on the composition of the Board of Directors and their remuneration, as well as authorising the Board of Directors to decide on the repurchase of company shares and share issues.

The Annual General Meeting decided to approve the proposal of the Board of Directors not to distribute dividend.

The Annual General Meeting resolved to elect a Chairman, Vice Chairman and four ordinary members to the Board of Directors for a term ending at the close of the next Annual General Meeting following their election, namely: Jyri Luomakoski was elected as the Chairman, Casimir Lindholm was elected as the Vice Chairman and Sami Laine and Kerttu Tuomas were re-elected as members, and Leena Vainiomäki and Anders Dahlblom were elected as new members.

The Stock Exchange Releases on the resolutions of the Annual General Meeting and on the organisational meeting of the Board of Directors were published on 14 March 2024. The Stock Exchange Releases and introductions of the members of the Board of Directors are available on YIT's website.

Significant risks and uncertainties

The purpose of YIT's risk management is to promote the achievement of the objectives set for YIT's operations and ensure the continuity of operations. Risk management is incorporated into all the Group's significant operating, reporting and management processes. Risk management planning, risk exposure assessment and risk analyses of the operating environment are part of the annual strategy and planning process. In addition, material changes in risks and risk exposure are reported and monitored on a monthly and quarterly basis in accordance with the Group's governance and reporting practices.

YIT has categorised the risks that are significant to its operations as strategic, operational, project-related, financial and event risks. Detailed descriptions of risks, their impacts and risk management practices are available in the Board of Directors' Report published on 19 February 2024.

Low residential demand, especially in Finland, continues due to the uncertainty in the macroeconomic environment. At YIT, the implications of market uncertainty could lead to weakening business performance and profitability or the postponement of revenue and profit from one quarter or year to another. Delayed apartment completions could also lead to the postponement of revenue and profit from one quarter or year to another.

The escalation of geopolitical risks reflected in general uncertainty and demand could have a negative impact on the company's financial position.

The company is executing capital release measures that may have an impact on its financial position.

YIT Corporation
Board of Directors

Helsinki, 30 April 2024

Interim Report January–March 2024: Tables

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Primary Financial Statements

Consolidated income statement

EUR million	1–3/24	1–3/23	1–12/23
Revenue	**412**	**455**	**2,163**
Other operating income	20	3	57
Change in inventories of finished goods and in work in progress	-45	36	-47
Materials and supplies	-52	-65	-353
External services	-203	-313	-1,234
Personnel expenses	-68	-82	-310
Other operating expenses	-58	-37	-207
Changes in fair value of financial assets	-11	1	-1
Share of results of associated companies and joint ventures	—	2	13
Depreciation, amortisation and impairment	-5	-7	-29
Operating profit	**-8**	**-7**	**51**
Finance Income	3	1	5
Exchange rate differences (net)	-1	-2	-5
Finance expenses	-16	-11	-56
Finance income and expenses, total	-14	-12	-56
Result before taxes	**-22**	**-19**	**-5**
Income taxes	6	5	8
Result for the period	**-16**	**-14**	**3**
Attributable to			
Owners of YIT Corporation	-16	-14	3
Earnings per share, attributable to the equity holders of the parent company, EUR			
Basic, total	-0.08	-0.07	-0.01
Diluted, total	-0.08	-0.07	-0.01

Consolidated statement of comprehensive income

EUR million	1–3/24	1–3/23	1–12/23
Result for the period	-16	-14	3
Items that may be reclassified to income statement			
Cash flow hedges, net of tax	-1	—	-3
Change in translation differences	-1	1	4
Items that may be reclassified to income statement, total	**-2**	**1**	**2**
Items that will not be reclassified to income statement			
Change in fair value of defined benefit pension, net of tax			—
Items that will not be reclassified to income statement, total	**—**	**—**	**—**
Other comprehensive income, total	**-2**	**1**	**2**
Total comprehensive income	**-18**	**-13**	**5**
Attributable to			
Owners of YIT Corporation	-18	-13	5

Consolidated statement of financial position

EUR million	3/24	3/23	12/23
ASSETS			
Non-current assets			
Property, plant and equipment	21	36	22
Leased property, plant and equipment	57	70	60
Goodwill	248	249	248
Other intangible assets	3	4	3
Investments in associated companies and joint ventures	77	75	77
Equity investments	204	219	214
Interest-bearing receivables	65	61	62
Trade and other receivables	50	42	73
Deferred tax assets	56	34	49
Non-current assets total	**781**	**791**	**807**
Current assets			
Inventories	1,353	1,499	1,417
Leased inventories	205	209	192
Trade and other receivables	283	297	255
Interest-bearing receivables	13	2	12
Income tax receivables	3	5	2
Cash and cash equivalents	268	75	128
Current assets total	**2,125**	**2,086**	**2,006**
Assets classified as held for sale			**18**
Total assets	**2,906**	**2,877**	**2,832**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent company	766	732	746
Hybrid bond	99	99	99
Equity total	**866**	**831**	**845**
Non-current liabilities			
Deferred tax liabilities	1	8	4
Pension obligations	3	3	3
Provisions	88	89	87
Interest-bearing liabilities	442	239	328
Lease liabilities	253	241	240
Contract liabilities, advances received	5	—	5
Trade and other payables	22	29	29
Non-current liabilities total	**814**	**607**	**695**
Current liabilities			
Contract liabilities, advances received	256	263	248
Other contract liabilities	6	92	10
Trade and other payables	487	534	535
Income tax payables	8	3	5
Provisions	49	52	54
Interest-bearing liabilities	403	476	414
Lease liabilities	17	19	16
Current liabilities total	**1,227**	**1,438**	**1,282**
Liabilities directly associated with assets classified as held for sale			**11**
Liabilities total	**2,040**	**2,045**	**1,987**
Total equity and liabilities	**2,906**	**2,877**	**2,832**

Consolidated cash flow statement

EUR million	1–3/24	1–3/23	1–12/23
Result for the period	**-16**	**-14**	**3**
Reversal of accrual-based items	-1	13	28
Change in trade and other receivables	-7	-26	17
Change in inventories	62	-66	21
Change in current liabilities	-42	-80	-121
Change in working capital, total	14	-173	-83
Cash flow of financial items	-21	-21	-66
Taxes paid (-)	-2	-15	-21
Net cash generated from operating activities	**-26**	**-210**	**-139**
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash	—	—	—
Sale of subsidiaries, net of cash	34	—	10
Investments in associated companies and joint ventures	-1	-1	-6
Proceeds from sale of associated companies and joint ventures	—	—	2
Purchases of tangible assets	-5	-1	-4
Purchases of intangible assets	—	—	—
Proceeds from tangible and intangible assets	1	1	2
Proceeds from sale of investments	—	—	11
Dividends received (from associated companies and joint ventures)	—	—	4
Increase in interest-bearing receivables	-5	-7	-27
Decrease in interest-bearing receivables	1	1	11
Net cash used in investing activities	**26**	**-7**	**2**
Operating cash flow after investments	**1**	**-216**	**-137**
Cash flow from financing activities			
Proceeds from issue of shares	32	—	—
Proceeds from non-current interest-bearing liabilities	132	—	360
Repayments of non-current interest-bearing liabilities	—	—	-310
Proceeds from current interest-bearing liabilities	20	144	326
Repayments of current interest-bearing liabilities	-39	-55	-260
Payments of lease liabilities	-4	-5	-22
Change in treasury shares	—	—	—
Dividends paid	—	—	-38
Net cash used in financing activities	**140**	**84**	**57**
Net change in cash and cash equivalents	141	-132	-81
Cash and cash equivalents at the beginning of the period	128	206	206
Foreign exchange differences	-1	1	2
Cash and cash equivalents at the end of the period	**268**	**75**	**128**

Consolidated statement of changes in equity

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2024	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**
Result for the period						-16	-16		-16
Cash flow hedges, net of tax				-1			-1		-1
Translation differences			-1				-1		-1
Comprehensive income for the period, total			**-1**	**-1**		**-16**	**-18**		**-18**
Share issue		33					33		33
Share-based incentive schemes					—	—	—		—
Convertible note						6	6		6
Transactions with owners, total		**33**			**—**	**6**	**39**		**39**
Equity on 31 March 2024	**150**	**586**	**4**	**—**	**-8**	**34**	**766**	**99**	**866**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						-14	-14		-14
Cash flow hedges, net of tax				—			—		—
Translation differences			1				1		1
Comprehensive income for the period, total			**1**	**—**		**-14**	**-13**		**-13**
Dividend distribution						-38	-38		-38
Share-based incentive schemes						—	—		—
Transactions with owners, total						**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-1	-1		-1
Equity on 31 March 2023	**150**	**553**	**2**	**3**	**-8**	**32**	**732**	**99**	**831**

EUR million	Share capital	Unrestricted equity reserve	Translation differences	Fair value reserve	Treasury shares	Retained earnings	Equity attributable to owners of parent company	Hybrid bond	Equity total
Equity on 1 January 2023	**150**	**553**	**1**	**4**	**-8**	**84**	**783**	**99**	**883**
Result for the period						3	3		3
Cash flow hedges, net of tax				-3			-3		-3
Change in fair value of defined benefit pension, net of tax						—	—		—
Translation differences			4				4		4
Comprehensive income for the period, total			**4**	**-3**		**3**	**5**		**5**
Dividend distribution						-38	-38		-38
Share-based incentive schemes					—	1	1		1
Transactions with owners, total					**—**	**-37**	**-37**		**-37**
Hybrid bond interests and expenses, net of tax						-6	-6		-6
Equity on 31 December 2023	**150**	**553**	**5**	**1**	**-8**	**44**	**746**	**99**	**845**

Basis of preparation and accounting policies of the interim report

Basis of preparation

This interim report has been prepared in accordance with IFRS Accounting Standards recognition and measurement principles, but not all the requirements of IAS 34 Interim Financial Reporting standard have been applied. This interim report should be read together with YIT's consolidated Financial Statements 2023. The figures presented in the interim report are unaudited. In the interim report, the figures are presented in million euros doing the rounding on each line, which may cause some rounding inaccuracies in columns and total sums.

Accounting policies

The same IFRS Accounting Standards recognition and measurement principles have been applied in the preparation of this interim report as in YIT's consolidated Financial Statements 2023, except for the amendments to the IFRS Accounting Standards effective as of January 1, 2024 and the additions described in the following paragraphs. The amendments had no impact on the consolidated financial statements.

Convertible bonds are compound instruments with components of the bonds classified separately as financial liabilities and equity in accordance with the substance of the arrangement. The liability component is recognized initially at fair value of a similar liability. The equity component is recognized initially at the difference between the fair values of the full bond and the liability component. Transaction costs are allocated to the components in proportion to their initial carrying amounts. The fair value includes the value of conversion rights. Subsequently the liability component is measured at amortized cost with the effective interest method. At conversion or on expiry the equity component is reclassified within equity.

In addition, when calculating the earnings per share, diluted earnings per share is calculated by adjusting the adjusted weighted average number of ordinary shares outstanding with the assumption that convertible instruments are converted. The profit or loss used in the calculation is adjusted for the interest expense related to the instrument and recognised in the period, net of tax. However, potential ordinary shares are only dilutive if the adjustments decrease the earnings per share ratio.

Significant management judgements

In preparing this interim report, significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated Financial Statements for the year ended 31 December 2023.

Russia's invasion of Ukraine

The sections of the financial statements that involve an unusual amount of judgement or that include significant assumptions and estimates have been described in YIT's Financial Statements 2023. When making these judgements, the management constantly estimates the impact of Russia's invasion of Ukraine on the estimates and judgements. The Russian invasion of Ukraine is not expected to have direct impacts on YIT's financial performance that would require material adjustments to carrying amounts in the statement of financial position. However, YIT's management continuously monitors the market indicators and estimated future cash flows related to fair values of investments and carrying amounts of other assets.

Most relevant currency exchange rates used in the interim report

		Average rates		End Rates	
		1–3/24	1–3/23	3/24	3/23
1 EUR =	CZK	25.0767	23.7867	25.3050	23.4920
	PLN	4.3323	4.7083	4.3123	4.6700
	SEK	11.2810	11.2027	11.5250	11.2805
	NOK	11.4206	10.9856	11.6990	11.3940

Notes

Adjustments concerning prior periods

Adjustment to reported leased plots

YIT supplemented agreements in the scope of IFRS 16 leases in the last quarter in 2023. YIT adjusted the income statement and statement of financial position for the first three quarters of 2023 for the effects of the supplemented lease agreements. All adjustments are related to Housing segment. The adjustments are described in the tables below.

EUR million	3/23	Adjust ment	Adjusted 3/23	6/23	Adjust ment	Adjusted 6/23	9/23	Adjust ment	Adjusted 9/23
Leased inventories	163	47	**209**	180	47	**226**	158	48	**206**
Equity attributable to owners of the parent company	732	0	**732**	729	—	**729**	725	—	**725**
Non-current lease liabilities	194	46	**241**	213	46	**259**	193	48	**241**
Current lease liabilities	19	0	**19**	19	—	**20**	32	—	**32**

EUR million	1-3/23	Adjusted 1-3/23	1-6/23	Adjusted 1-6/23	1-9/23	Adjusted 1-9/23
Other operating expenses	-38	**-37**	-103	**-101**	-149	**-146**
Operating profit	-8	**-7**	2	**4**	16	**18**
Finance expenses	-10	**-11**	-21	**-23**	-34	**-36**
Finance income and expenses, total	-11	**-12**	-22	**-23**	-34	**-37**
Result before taxes	-19	**-19**	-20	**-19**	-19	**-18**
Result for the period	-14	**-14**	-15	**-15**	-14	**-14**

Key figures

EUR million	1-3/23	Adjusted 1-3/23	1-6/23	Adjusted 1-6/23	1-9/23	Adjusted 1-9/23
Adjusted operating profit	-4	**-3**	10	**11**	26	**28**
Adjusted operating profit-%	-0.9	**-0.7**	0.9	**1.1**	1.6	**1.8**
Capital employed	1,626	**1,672**	1,636	**1,683**	1,632	**1,681**
Net interest-bearing debt	791	**837**	819	**865**	820	**869**
Gearing ratio, %	95	**101**	99	**104**	100	**105**
Equity ratio, %	34	**33**	33	**32**	33	**32**
Return on capital employed, % (ROCE, rolling 12 months)	6.0	**6.0**	4.9	**4.9**	4.4	**4.4**
Net debt/ adjusted EBITDA, rolling 12 months	7.1	**7.5**	8.2	**8.5**	8.7	**9.0**

Restated financial information for Q1/2023

On 20 June 2023, YIT published restated financial information for 2022 and Q1/2023 reflecting the new organisational structure. YIT has simplified its organisational structure as part of the transformation program. The new organisation, effective from 1 April 2023, consists of three business segments: Housing, Business Premises, and Infrastructure. The operations in the former Property Development segment have been allocated to the other segments and Group Functions. As a result, YIT has restated the financial information for 2022 and for Q1/2023.

Adjustment to presentation of consolidated cash flow statement

YIT has adjusted the presentation of consolidated cash flow statement between net cash used in investing activities and net cash used in financing activities. Change in interest-bearing receivables, previously presented in net cash used in financing activities, is now presented in net cash used in investing activities. The table below presents the adjustments for Q1-Q3/2023.

EUR million	1-3/23	Adjust -ment	Adjusted 1-3/23	1-6/23	Adjust -ment	Adjusted 1-6/23	1-9/23	Adjust -ment	Adjusted 1-9/23
Net cash used in investing activities	-1	-5	**-7**	0	-5	**-5**	-1	-4	**-5**
Net cash used in financing activities	79	5	**84**	85	5	**90**	89	4	**93**

Segment information

Segment financial information

1–3/24 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**169**	**169**	**85**	**-11**	**412**
Revenue from external customers	163	169	81	—	412
Revenue Group internal	7	1	4	-11	—
Depreciation, amortisation and impairment	-1	-1	-2	-2	-5
Operating profit	**-4**	**-11**	**11**	**-4**	**-8**
Operating profit margin, %	**-2.6**	**-6.5**	**13.4**		**-2.0**
Adjusting items	—	—	-11	5	-6
Adjusted operating profit	**-4**	**-11**	**1**	**1**	**-14**
Adjusted operating profit margin, %	**-2.6**	**-6.5**	**0.7**		**-3.4**

1–3/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**194**	**161**	**109**	**-8**	**455**
Revenue from external customers	194	160	102	-1	455
Revenue Group internal	—	—	7	-7	—
Depreciation, amortisation and impairment	-1	-1	-2	-2	-7
Operating profit	**4**	**-7**	**1**	**-4**	**-7**
Operating profit margin, %	**1.9**	**-4.3**	**0.6**		**-1.6**
Adjusting items	—	—	—	4	4
Adjusted operating profit	**4**	**-7**	**1**	**0**	**-3**
Adjusted operating profit margin, %	**1.9**	**-4.3**	**0.6**		**-0.7**

1–12/23 EUR million	Housing	Business Premises	Infrastructure	Other Items	Group
Revenue	**912**	**843**	**437**	**-30**	**2,163**
Revenue from external customers	912	844	409	-3	2,163
Revenue Group internal	—	-1	28	-28	—
Depreciation, amortisation and impairment	-4	-6	-10	-10	-29
Operating profit	**32**	**-2**	**45**	**-24**	**51**
Operating profit margin, %	**3.5**	**-0.2**	**10.3**		**2.4**
Adjusting items	—	1	-31	20	-10
Adjusted operating profit	**32**	**0**	**14**	**-5**	**41**
Adjusted operating profit margin, %	**3.5**	**0.0**	**3.3**		**1.9**

Capital employed by segments

EUR million	3/24	3/23	12/23
Housing	1,067	1,064	1,054
Business Premises	258	297	247
Infrastructure	5	56	36
Other Items	262	256	266
Capital employed, segments total	**1,591**	**1,672**	**1,603**
Reconciliation*	—	—	15
Capital employed, total	**1,591**	**1,672**	**1,618**

*Reconciliation relates to assets and liabilities classified as held for sale, which are not part of capital employed items presented in the consolidated statement of financial position.

Order book at the end of the period by segments

EUR million	3/24	3/23	12/23
Housing	1,118	1,515	1,105
Business Premises	1,251	1,313	1,244
Infrastructure	722	743	808
Internal order book	—	-28	—
Order book, total	**3,091**	**3,542**	**3,157**

Disposals of business

On 9 January 2024, YIT announced that it had agreed on the sale of the entire share capital of YIT Kalusto Oy, the company's subsidiary providing in-house equipment services, to Renta Oy. As part of the arrangement, YIT and Renta announced the signing of a long-term cooperation agreement on the delivery of equipment services to YIT in Finland. In addition to the share transaction, YIT announced that it would sell the property used by YIT Kalusto Oy, located in Urjala, Finland, to Renta. Prior to the share transaction, the specialised equipment related to YIT's Infrastructure business and the personnel working with the business was transferred to YIT Infra Oy in an intra-group business transaction. The transaction was closed on 29 February 2024. YIT Kalusto Oy was classified as an asset held-for-sale at year-end 2023 because the sale was highly probable at year-end. YIT Kalusto Oy was part of the Infrastructure segment.

YIT recorded a gain on sale of EUR 18 million of the transaction. The enterprise value of the transaction was EUR 37 million in total, and the cash flow from the transaction amounted to EUR 34 million. As a condition precedent to the closing of the transaction, YIT redeemed the leased equipment to YIT Kalusto Oy, which resulted the total net cash inflow from the transaction to amount EUR 29 million.

In December 2023, YIT sold its renewable energy business, YIT Energy Oy, to Eolus Vind AB. The transaction price consists of a fixed and a variable consideration. YIT recorded a discounted total consideration of EUR 48 million and a gain on sale of EUR 47 million in 2023. The effect of discounting in the total consideration recorded amounts to EUR 4 million. Gain on sale is presented as part of the other operating income in the consolidated income statement. YIT Energy Oy was part of the Infrastructure segment.

Inventories

EUR million	3/24	3/23	12/23
Raw materials and consumables	6	7	7
Work in progress	287	585	370
Plot reserve	645	688	664
Completed apartments and real estate	399	198	360
Advance payments	16	20	16
Other inventories	—	1	—
Inventories	**1,353**	**1,499**	**1,417**
Plot reserve	163	137	150
Plots, work in progress	6	42	12
Plots, completed apartments and real estate	36	31	30
Leased inventories	**205**	**209**	**192**

In 2023, YIT recognised inventory write-downs related to the Business Premises segment amounting to EUR 3 million.

Convertible notes

In March 2024 YIT issued senior unsecured convertible notes with a total nominal amount of EUR 36 million to some of the largest Finnish institutional investors. The coupon of the convertible is 8% per annum. The subscription price of the related 16 000 000 shares is EUR 2.25 per share and is subject to certain potential adjustments in accordance with the conditions of the notes.

The notes were issued at 100 per cent of the nominal amount and, unless previously converted, redeemed or purchased and cancelled, will be redeemed at 100 per cent of the nominal amount on the maturity date, being 19 March 2029.

The noteholders will be entitled to convert the notes into shares in the company in accordance with the conditions of the notes. The shares are offered to the holders of the notes in deviation from the pre-emptive subscription rights of the shareholders. There are weighty financial reasons for the company to deviate from shareholders' pre-emptive subscription rights, as the share issue related to convertible notes forms an integral part of the financing arrangement announced on 12 March 2024, which strengthens the company's balance sheet, improves the company's liquidity position, enables the loan terms more beneficial for the company, and provides equity on terms and timetable that, in the assessment of the Board of Directors, would otherwise not be available.

Should all the notes be converted into shares of the company at the initial subscription price, the shares to be issued by the company would represent approximately 6.5 per cent of all the company's shares immediately after the conversion of the notes. Should adjustments be made to the initial subscription price, requiring an increase of the number of shares to be issued, a separate resolution may be made in accordance with the Finnish Companies Act to increase the number of shares.

Derivative contracts

EUR million	3/24	3/23	12/23
Value of underlying instruments			
Interest rate derivatives (hedge accounting applied)	100	100	100
Interest rate derivatives (hedge accounting not applied)	200	175	200
Foreign exchange derivatives	193	202	188
Fair value			
Interest rate derivatives (hedge accounting applied)	—	4	1
Interest rate derivatives (hedge accounting not applied)	3	5	1
Foreign exchange derivatives	1	-2	-3

Contingent liabilities and assets and commitments

EUR Million	3/24	3/23	12/23
Guarantees given			
Guarantees on behalf of others	—	1	—
Guarantees on behalf of construction consortia	2	2	2
Guarantees on behalf of associated companies and joint ventures	—	—	—
Guarantees on behalf of parent and other Group companies	931	911	883
Collateral given			
Nominal amount of financial liabilities covered by collateral	273	—	140
Collateral related to financial liabilities above			
Plots and real estate properties in inventories	162	—	150
Equity investments	194	—	192
Subsidiary shares*	114	—	—
Subsidiary loan receivables*	32	—	—
Other commitments			
Investment commitments	89	66	82
Purchase commitments**	307	303	317

*Book value in the separate financial statements of the owning group company.
**Amount of purchase commitments in Q1/2023 has been adjusted by EUR 132 million.

Guarantees given are typical in construction industry including, for example, performance and warranty guarantees.

As a result of the partial demerger registered on 30 June, 2013, YIT has a secondary liability for guarantees transferred to Caverion Corporation, with a maximum total amount of EUR 5 million (5) on 31 March 2024.

Purchase commitments are mainly pre-contracts for plot acquisitions, the realisation of which typically depends on the implementation of zoning. The value of the plot purchase commitments is an estimate which is subject to zoning, amount of building rights and changes in cost indexes. In addition, the amount presented in the notes is based on the estimated acquisition value of the plot, despite conditionalities or possible termination clauses in the contract.

Additional information

Reconciliation of certain key figures

Reconciliation of adjusted operating profit

EUR million	1–3/24	1–3/23	1–12/23
Operating profit (IFRS)	**-8**	**-7**	**51**
Adjusting items			
Gains and losses on disposal of businesses	-18	—	-47
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	5	4	20
Operating profit from operations to be closed	7	—	17
Depreciation, amortisation and impairment from PPA*	—	—	1
Adjusting items, total	**-6**	**4**	**-10**
Adjusted operating profit	**-14**	**-3**	**41**

*PPA refers to merger-related fair value adjustments.

Reconciliation of adjusted EBITDA, rolling 12 months

EUR million	3/24
Adjusted operating profit	**30**
Depreciation and amortisation	27
Depreciation, amortisation and impairment from PPA	-1
Items related to restructuring, efficiency and adaptation measures, and other non-recurring costs related to Group management team	-1
Adjusted EBITDA	**55**

Reconciliation of order book

EUR million	3/24	3/23	12/23
Partially or fully unsatisfied performance obligations	2,298	2,549	2,345
Unsold self-developed projects	793	994	812
Order book	**3,091**	**3,542**	**3,157**

Definitions of financial key performance indicators

Key figure	Definition	Reason for use
Operating profit	Result for the period before taxes and finance expenses and finance income equalling the subtotal presented in the consolidated income statement.	Operating profit shows result generated by operating activities excluding finance and tax-related items.
Adjusted operating profit	Operating profit excluding adjusting items.	Adjusted operating profit is presented in addition to operating profit to reflect the underlying core business performance and to enhance comparability from period to period. Management believes that this alternative performance measure provides meaningful supplemental information by excluding items not part of YIT's core business operations thus improving comparability from period to period.
Adjusting items	Adjusting items are material items outside ordinary course of business such as write-down of inventories, impairment of goodwill, fair value changes related to redemption liability of non-controlling interests, integration costs related to merger, transaction costs related to merger, costs, compensations and reimbursements related to court proceedings, write-downs related to non-core businesses, operating profit from businesses to be closed down, gains or losses arising from the divestments of a business or part of a business, items related to restructuring, efficiency and adaptation measures and other non-recurring costs arising from agreements with the Group management team, impacts of the fair value adjustments from purchase price allocation, such as fair value adjustments on acquired inventory, depreciation of fair value adjustments on acquired property, plant and equipment, and amortisation of fair value adjustments on acquired intangible assets relating to business combination accounting under the provisions of IFRS 3, referred to as purchase price allocation ("PPA"). YIT has clarified the definition of Adjusting items on 1 January 2022 to include also other non-recurring costs arising from agreements with the Group management team in addition to restructuring, efficiency and adaptation measures related items.	
Capital employed	Capital employed includes tangible and intangible assets, shares in associates and joint ventures, investments, inventories, trade receivables and other non-interest bearing receivables, provisions, advance payments and other non-interest bearing debts excluding items related to taxes, finance items and profit distribution. Capital employed is calculated from the total capital employed of the segments.	Capital employed presents capital employed of segment's operating business.
Interest-bearing debt	Non-current and current borrowings including non-current and current lease liabilities.	Interest-bearing debt is a key figure for measuring YIT's total debt financing.
Net interest-bearing debt	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables.	Net interest-bearing debt is an indicator for measuring YIT's net debt financing.
Equity ratio, %	Equity total/total assets less advances received.	Equity ratio is a key figure for measuring the relative proportion of equity used to finance YIT's assets.
Gearing ratio, %	Interest-bearing debt less cash and cash equivalents and interest-bearing receivables/total equity.	Gearing ratio is one of YIT's key long-term financial targets. It helps to understand how much debt YIT is using to finance its assets relative to the value of its equity.
Return on capital employed, segments total (ROCE), %, rolling 12 months	Rolling 12 months adjusted operating profit/capital employed, segments total average.	Return on capital employed, % is one of YIT's key long-term financial targets. Key figure describes segment's relative profitability, in other words, the profit received from capital employed.
Return on equity, %	Result for the period, 12 months rolling/equity total average	Key figure describes YIT's relative profitability.

Key figure	Definition	Reason for use
Operating cash flow after investments	Operating cash flow presented in cash flow statement after investments.	
Order book	Transaction price allocated to performance obligations that are partially or fully unsatisfied and estimated transaction price related to unsold own developments.	Order book presents estimated transaction price for all projects.
Gross capital expenditures	Investments in tangible and intangible assets.	
Equity per share	Equity total divided by number of outstanding shares at the end of the period.	
Net debt/adjusted EBITDA ratio (rolling 12 months)	Net debt/rolling 12 months adjusted operating profit before depreciations and amortisations added	Net debt to adjusted EBITDA gives investor information on ability to service debt.
Interest cover ratio	Adjusted operating profit before depreciations and amortisations/ (net finance costs - net exchange currency differences), rolling 12 months	Interest cover ratio gives investors information on YIT's ability to service debt
Market capitalisation	(Number of shares - treasury shares) multiplied by share price on the closing date by share series.	
Average share price	EUR value of shares traded during period divided by number of shares traded during period.	

Together we can do it.

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