EVLI

YIT

Construction & Engineering/ Finland, October 31, 2025
Company update

CEE pipeline supports growth

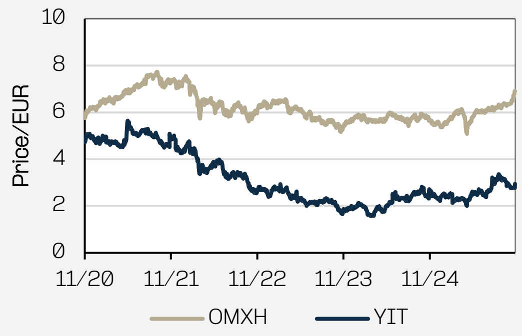
YIT's Q3 results overall corresponded to expectations but was positive in terms of profitability of the contracting segments. With slight upwards revisions to our estimates, we adjust our TP to EUR 3.0 (2.9) and retain our ACCUMULATE-rating.

No larger surprises on group level
YIT's Q3 results as a whole brought little surprises. The net sales of EUR 402m (-11%y/y) were quite in line with expectations (Evli/cons. EUR 417.9m/403m), affected by a low number of consumer apartment completions. The adj. EBIT of EUR 12m slightly beat expectations (Evli/cons. EUR 10.3m/10.3m). The order book of EUR 2,929m was on par with the previous quarter. On segment level a positive was the profitability of the contracting segments, both showing around a one percentage point y/y increase in adj. EBIT margins. The specified guidance range for Group adj. EBIT (EUR 40-60m, prev. 30-60m) was unsurprising, with our and consensus estimates in the upper half of the new guidance ahead of Q3.

Contracting segment margins raised, large CEE potential
Following segment level revisions, our profitability estimates for the coming years are up slightly. We have assumed a more conservative stance for business premise construction in Finland based on market outlook and order book and shifted residential (investor apartments) demand recovery more towards 2027, thus slightly lowering our net sales estimates. On the other hand, we have raised our margin expectations for the contracting segments, leading to the slightly raised profitability estimates. YIT also raised the market environment outlook for infrastructure to good, but the order book development does not yet support faster than lower single-digit growth. The strongest upside potential still lies in Residential CEE, where YIT has initiated projects valued at near 450m, to be completed in 2026, with our estimate of EUR 406m reflecting uncertainty in timing of apartment sales.

ACCUMULATE-rating with a target price of 3.0 (2.9)
Based on our slight upward adjustment to our estimates, we adjust our target price to EUR 3.0 (2.9) and retain our ACCUMULATE-rating. Larger near-term upside would mainly rely on a successful exit from Tripla, which we have not emphasized in our valuation due to challenging exit conditions.

Rating: Accumulate



Share price, EUR (Last trading day's closing price)	**2.94**
Target price, EUR	3.0
Latest change in recommendation	20-Oct-25
Latest report on company	20-Oct-25
Research paid by issuer:	YES
No. of shares outstanding, '000's	230 646
No. of shares fully diluted, '000's	230 646
Market cap, EURm	679
Free float, %	55.0 %
Exchange rate	-
Reuters code	YIT.HE
Bloomberg code	YIT FH
Average daily volume, EURm	0.5
Next interim report	06-Feb-26
Web site	yitgroup.com/en/investors

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BUY ACCUMULATE REDUCE SELL

KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2023	2163.0	51.0	2.4%	-195.0	0.01	139.0	0.6	25.2	-46.8%	
2024	1820.0	-55.0	-3.0%	63.0	-0.49	-5.1	0.7	-24.2	11.0%	
2025E	1764.5	45.4	2.6%	12.8	-0.09	-31.9	0.8	30.6	1.9%	
2026E	1904.1	87.7	4.6%	214.4	0.14	21.5	0.6	13.4	31.6%	
2027E	2096.6	119.4	5.7%	82.1	0.29	10.2	0.5	9.1	12.1%	0.14

Market cap, EURm	679	Gearing 2025E, %	89.6 %	CAGR EPS 2024-27, %	0.0 %
Net debt 2025E, EURm	710	Price/book 2025E	0.9	CAGR Sales 2024-27, %	4.8 %
Enterprise value, EURm	1 389	Dividend yield 2025E, %	0.0 %	ROE 2025E, %	-2.7 %
Total assets 2025E, EURm	2 417	Tax rate 2025E, %	-100.3 %	ROCE 2025E, %	2.8 %
Goodwill 2025E, EURm	248	Equity ratio 2025E, %	32.8 %	PEG, P/E 25/CAGR	0.0

Figure 1: Estimates summary

YIT	2023	Q1/'24	Q2/'24	Q3/'24	Q4/'24	2024	Q1/'25	Q2/'25	Q3/'25	Q4/'25E	2025E	2026E	2027E
Infrastructure	437	85	94	98	116	393	110	128	127	140	505	515	531
Building Construction	843	169	205	175	184	734	125	187	161	175	648	635	648
Residential Finland	628	118	99	106	103	427	81	77	71	107	336	380	453
Residential CEE	285	51	45	82	127	304	76	30	50	153	309	406	497
Other items	–30	–11	–10	–8	–9	–37	–7	–9	–7	–9	–32	–32	–32
Total net sales	**2163**	**412**	**434**	**453**	**521**	**1820**	**386**	**412**	**402**	**566**	**1766**	**1904**	**2097**
Growth	*–10.0%*	*–9.5%*	*–22.2%*	*–18.1%*	*–12.7%*	*–15.9%*	*–6.3%*	*–5.1%*	*–11.3%*	*8.5%*	*–3.0%*	*7.8%*	*10.1%*
EBIT	**51**	**–8**	**–42**	**13**	**–17**	**–57**	**6**	**7**	**9**	**23**	**45**	**88**	**119**
Infrastructure	15	1	6	5	6	18	3	5	7	7	22	24	24
Building Construction	0	–11	5	6	2	2	2	6	7	4	19	19	21
Residential Finland	–10	–7	–6	5	–12	–20	–1	2	–1	–5	–6	6	18
Residential CEE	42	2	2	8	25	37	5	–2	1	24	29	49	67
Other items	–5	1	0	2	–8	–5	–1	–1	–3	–6	–11	–10	–10
Total adj. EBIT	**41**	**–14**	**7**	**26**	**13**	**32**	**8**	**10**	**12**	**24**	**54**	**88**	**119**
Margin	*1.9%*	*–3.4%*	*1.6%*	*5.6%*	*2.6%*	*1.7%*	*2.1%*	*2.3%*	*3.0%*	*4.3%*	*3.0%*	*4.6%*	*5.7%*
Net interest expense	–57	–14	–15	–20	–15	–64	–14	–13	–14	–15	–56	–48	–36
Tax expense	8	6	6	1	–7	6	–1	–2	–5	–2	–11	–8	–17
Net earnings	**3**	**–16**	**–51**	**–6**	**–39**	**–112**	**–8**	**–8**	**–9**	**7**	**–24**	**32**	**66**
EPS	0.01	–0.07	–0.22	–0.03	–0.17	–0.49	–0.03	–0.03	–0.04	0.03	–0.08	0.14	0.29
Adj. EPS*	–0.01	–0.08	–0.23	–0.03	–0.18	–0.51	–0.04	–0.05	–0.04	0.02	–0.14	0.11	0.26

*Adjusted for hybrid bond interest

Source: YIT, Evli Research estimates

Figure 2: Peer group summary

	MCAP	EV/EBITDA			EV/EBIT			P/E		
YIT PEER GROUP	MEUR	25	26	27	25	26	27	25	26	27
Skanska	9947	10.8x	9.5x	9.1x	14.4x	12.2x	11.5x	16.8x	14.5x	13.7x
NCC	1952	8.0x	7.7x	7.4x	13.1x	12.0x	11.3x	15.5x	13.2x	12.3x
Peab	2020	8.0x	7.5x	7.1x	12.6x	11.4x	10.4x	13.5x	10.6x	9.4x
JM	809	43.3x	24.8x	16.1x	43.5x	26.0x	16.6x	73.8x	18.9x	10.9x
Bonava	327	15.9x	8.1x	6.2x	15.3x	8.0x	6.1x		9.0x	5.8x
AF Gruppen	1598	8.6x	7.8x	7.4x	12.5x	10.9x	10.2x	17.9x	15.9x	14.8x
Veidekke	1823	7.3x	6.8x	6.5x	12.0x	10.9x	10.3x	15.9x	14.5x	13.8x
SRV Yhtiot	90	10.3x	14.8x	9.3x	13.2x	17.7x	11.3x	8.4x	17.0x	6.8x
Peer Group Average	2072	14.0x	10.9x	8.6x	17.1x	13.6x	11.0x	23.1x	14.2x	10.9x
Peer Group Median	1598	9.4x	8.0x	7.4x	13.1x	11.7x	10.8x	15.9x	14.5x	11.6x
YIT (Evli est.)	727	21.6x	11.1x	7.8x	30.6x	13.4x	9.1x		27.3x	11.4x
YIT prem./disc. to peer median		*151 %*	*42 %*	*6 %*	*134 %*	*17 %*	*–12 %*		*48 %*	*–7 %*

Source: FactSet, Evli Research

VALUATION RESULTS		BASE CASE DETAILS		VALUATION ASSUMPTIONS		ASSUMPTIONS FOR WACC	
Current share price	2.94	PV of Free Cash Flow	781	Long-term growth, %	2.0 %	Risk-free interest rate, %	2.50 %
DCF share value	3.27	PV of Horizon value	729	WACC, %	8.7 %	Market risk premium, %	5.8 %
Share price potential, %	11.2 %	Unconsolidated equity	0	Spread, %	0.5 %	Debt risk premium %	3.5 %
Maximum value	3.7	Marketable securities	137	Minimum WACC, %	8.2 %	Equity beta coefficient	1.30
Minimum value	2.9	Debt - dividend	-893	Maximum WACC, %	9.2 %	Target debt ratio, %	25 %
Horizon value, %	48.3 %	Value of stock	755	No. of shares, Mn	230.6	Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	1 820	1 765	1 904	2 097	2 275	2 400	2 472	2 546	2 622	2 701	2 755	2 810
Sales growth (%)	*-15.9%*	*-3.1%*	*7.9%*	*10.1%*	*8.5%*	*5.5%*	*3.0%*	*3.0%*	*3.0%*	*3.0%*	*2.0%*	*2.0%*
Operating income (EBIT)	-55	45	88	119	132	149	153	153	144	149	152	155
Operating income margin %	*-3.0%*	*2.6%*	*4.6%*	*5.7%*	*5.8%*	*6.2%*	*6.2%*	*6.0%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*
+ Depreciation+amort.	33	19	18	20	22	24	25	26	27	27	28	
EBITDA	-22	64	106	139	154	173	178	179	171	176	180	
- Paid taxes	-13	-22	-18	-24	-26	-30	-31	-31	-29	-30	-30	
- Change in NWC	193	26	-5	1	-13	-10	-13	-13	-13	-13	-18	
NWC / Sales, %	*42.8%*	*42.6%*	*39.8%*	*36.1%*	*33.8%*	*32.5%*	*32.0%*	*31.6%*	*31.2%*	*30.8%*	*30.8%*	
+ Change in other liabs	-11	-11										
- Operative CAPEX	-28	-18	-20	-22	-24	-25	-26	-27	-27	-28	-29	
opCAPEX / Sales, %	*1.9%*	*0.6%*	*0.9%*	*0.3%*	*1.9%*	*0.6%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*	*1.2%*	
- Acquisitions												
+ Divestments			186									
- Other items												
= FCFF	119	39	249	94	91	108	109	108	102	105	103	1 566
= Discounted FCFF		38	226	79	70	76	71	65	56	53	48	729
= DFCF min WACC		38	227	79	71	78	72	67	58	55	50	822
= DFCF max WACC		38	225	78	69	75	69	63	54	51	46	651

Sensitivity analysis, EUR

		Terminal WACC				
		6.69 %	7.69 %	8.69 %	9.69 %	10.69 %
Terminal EBIT-%	3.50 %	2.85	2.11	1.58	1.17	0.84
	4.50 %	4.28	3.20	2.42	1.84	1.39
	5.50 %	5.72	4.28	3.27	2.52	1.94
	6.50 %	7.15	5.37	4.12	3.20	2.50
	7.50 %	8.58	6.45	4.97	3.88	3.05

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	412.0	434.0	453.0	521.0	1 820.0	386.0	413.0	400.0	565.5	1 764.5	1 904.1	2 096.6
EBITDA	-3.0	-25.0	18.0	-12.0	-22.0	12.0	8.5	15.5	28.4	64.4	106.1	139.3
EBITDA margin (%)	*-0.7%*	*-5.8%*	*4.0%*	*-2.3%*	*-1.2%*	*3.1%*	*2.1%*	*3.9%*	*5.0%*	*3.7%*	*5.6%*	*6.6%*
EBIT	-8.0	-42.0	13.0	-18.0	-55.0	7.0	3.5	11.5	23.4	45.4	87.7	119.4
EBIT margin (%)	*-1.9%*	*-9.7%*	*2.9%*	*-3.5%*	*-3.0%*	*1.8%*	*0.9%*	*2.9%*	*4.1%*	*2.6%*	*4.6%*	*5.7%*
Net financial items	-14.0	-15.0	-20.0	-14.0	-63.0	-14.0	-13.0	-14.0	-15.0	-56.0	-48.2	-36.3
Pre-tax profit	-22.0	-57.0	-7.0	-32.0	-118.0	-7.0	-9.5	-2.5	8.4	-10.6	39.5	83.1
Tax	6.0	6.0	1.0	-7.0	6.0	-1.0	-2.0	-6.0	-1.7	-10.7	-7.9	-16.6
Tax rate (%)	*27.3%*	*10.5%*	*14.3%*	*-21.9%*	*5.1%*	*-14.3%*	*-21.1%*	*-236.2%*	*20.0%*	*-100.3%*	*20.0%*	*20.0%*
Net profit	-16.0	-51.0	-6.0	-39.0	-112.0	-8.0	-11.5	-8.5	6.7	-21.3	31.6	66.5
EPS	-0.07	-0.22	-0.03	-0.17	-0.49	-0.03	-0.05	-0.04	0.03	-0.09	0.14	0.29
EPS adj. (diluted)	-0.07	-0.22	-0.03	-0.17	-0.49	-0.03	-0.05	-0.04	0.03	-0.09	0.14	0.29
Dividend per share												0.14

SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Residential Finland	118.0	99.0	106.0	103.0	426.0	81.0	77.0	71.0	106.5	335.5	379.6	452.9
Residential CEE	51.0	45.0	82.0	127.0	305.0	76.0	30.0	49.0	153.0	308.0	406.3	497.5
Building Construction	169.0	205.0	175.0	184.0	733.0	125.0	187.0	161.0	175.0	648.0	635.0	647.7
Infrastructure	85.0	94.0	98.0	116.0	393.0	110.0	128.0	127.0	140.0	505.0	515.1	530.6
Group	-11.0	-9.0	-8.0	-9.0	-37.0	-6.0	-9.0	-8.0	-9.0	-32.0	-32.0	-32.0
Total	412.0	434.0	453.0	521.0	1 820.0	386.0	413.0	400.0	565.5	1 764.5	1 904.1	2 096.6

SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Residential Finland	-1.7%	-51.2%	-46.2%	-3.7%	-32.1%	-31.4%	-22.2%	-33.0%	3.4%	-21.2%	13.2%	19.3%
Residential CEE	-31.1%	-8.2%	203.7%	-5.9%	7.0%	49.0%	-33.3%	-40.2%	20.5%	1.0%	31.9%	22.4%
Building Construction	5.0%	0.5%	-26.8%	-23.3%	-13.2%	-26.0%	-8.8%	-8.0%	-4.9%	-11.6%	-2.0%	2.0%
Infrastructure	-22.0%	-16.1%	4.3%	-4.9%	-10.1%	29.4%	36.2%	29.6%	20.7%	28.5%	2.0%	3.0%
Group	22.2%	-10.0%	100.0%	28.6%	23.3%	-45.5%				-13.5%		
Total	-9.5%	-22.2%	-18.1%	-12.7%	-15.9%	-6.3%	-4.8%	-11.7%	8.6%	-3.1%	7.9%	10.1%

EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Residential Finland	-7.0	-6.0	5.0	-12.0	-20.0	-1.0	1.5	-1.5	-5.3	-6.3	5.7	18.1
Residential CEE	2.0	2.0	8.0	25.0	37.0	5.0	-2.0	1.0	24.5	28.5	48.8	66.7
Building Construction	-11.0	5.0	6.0	3.0	3.0	2.0	4.0	9.0	4.2	19.2	19.1	20.7
Infrastructure	11.0	-16.0	-1.0	-7.0	-13.0	2.0	4.0	6.0	6.0	18.0	23.7	24.4
Group	-3.0	-27.0	-5.0	-27.0	-62.0	-1.0	-4.0	-3.0	-6.0	-14.0	-9.5	-10.5
Total	-8.0	-42.0	13.0	-18.0	-55.0	7.0	3.5	11.5	23.4	45.4	87.7	119.4

EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Residential Finland	-5.9%	-6.1%	4.7%	-11.7%	-4.7%	-1.2%	2.0%	-2.2%	-5.0%	-1.9%	1.5%	4.0%
Residential CEE	3.9%	4.4%	9.8%	19.7%	12.1%	6.6%	-6.7%	2.0%	16.0%	9.3%	12.0%	13.4%
Building Construction	-6.5%	2.4%	3.4%	1.6%	0.4%	1.6%	2.1%	5.6%	2.4%	3.0%	3.0%	3.2%
Infrastructure	12.9%	-17.0%	-1.0%	-6.0%	-3.3%	1.8%	3.1%	4.7%	4.3%	3.6%	4.6%	4.6%
Group	27.3%	100.0%	62.5%	100.0%	100.0%	16.7%	44.4%	37.5%	66.7%	43.8%	29.8%	32.8%
Total	-1.9%	-9.7%	2.9%	-3.5%	-3.0%	1.8%	0.9%	2.9%	4.1%	2.6%	4.6%	5.7%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales		2 652.0	2 403.0	2 163.0	1 820.0	1 764.5	1 904.1	2 096.6
Sales growth (%)			−9.4%	−10.0%	−15.9%	−3.1%	7.9%	10.1%
EBITDA		88.0	135.0	80.0	−22.0	64.4	106.1	139.3
EBITDA margin (%)		3.3%	5.6%	3.7%	−1.2%	3.7%	5.6%	6.6%
Depreciation		−32.0	−33.0	−29.0	−33.0	−19.0	−18.4	−19.9
EBITA		56.0	102.0	51.0	−55.0	45.4	87.7	119.4
Goodwill amortization / writedown								
EBIT		56.0	102.0	51.0	−55.0	45.4	87.7	119.4
EBIT margin (%)		2.1%	4.2%	2.4%	−3.0%	2.6%	4.6%	5.7%
Reported EBIT		54.0	−336.0	51.0	−55.0	45.4	87.7	119.4
EBIT margin (reported) (%)		2.0%	−14.0%	2.4%	−3.0%	2.6%	4.6%	5.7%
Net financials		−35.0	−28.0	−56.0	−63.0	−56.0	−48.2	−36.3
Pre−tax profit		21.0	74.0	−5.0	−118.0	−10.6	39.5	83.1
Taxes		−18.0	−10.5	8.0	6.0	−10.7	−7.9	−16.6
Minority shares								
Net profit		1.0	−374.5	3.0	−112.0	−21.3	31.6	66.5
Cash NRIs		−2.0	−438.0					
Non−cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets		338	331	316	293	292	108	110
Goodwill		249	249	248	248	248	248	248
Right of use assets		253	226	252	259	251	248	231
Inventory		1 285	1 426	1 417	1 185	1 149	1 181	1 216
Receivables		449	377	422	291	282	304	335
Liquid funds		389	206	128	137	133	143	158
Total assets		2 994	2 845	2 832	2 475	2 417	2 294	2 360
Liabilities								
Shareholders' equity		1 017	883	838	770	793	824	891
Minority interest								
Convertibles								
Lease liabilities		235	208	256	276	251	248	231
Deferred taxes		19	9	4	1	1	1	1
Interest bearing debt		516	624	742	617	592	392	341
Non−interest bearing current liabilities		1 034	950	793	636	617	665	733
Other interest−free debt		87	83	112	97	97	97	97
Total liabilities		2 994	2 845	2 832	2 475	2 417	2 294	2 360
CASH FLOW, EURm								
+ EBITDA		88	135	80	−22	64	106	139
− Net financial items		−35	−28	−56	−63	−56	−48	−36
− Taxes		−30	−20	−16	−10	−11	−8	−17
− Increase in Net Working Capital		−654	−148	−169	193	26	−5	1
+/− Other		−2	−438					
= Cash flow from operations		−633	−499	−161	98	23	45	87
− Capex		−527	−19	−34	−35	−10	−16	−5
− Acquisitions								
+ Divestments							186	
= Free cash flow		−1 160	−518	−195	63	13	214	82
+/− New issues/buybacks	84	1 045	274	−10	44	44		
− Paid dividend	29	33	38					33
+/− Other		533	94	165	−98	−61	−204	−68
Change in cash		389	−183	−78	9	−4	11	14

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M–cap	901	515	417	574	679	679	679
Net debt (excl. convertibles)	362	626	870	756	710	496	414
Enterprise value	1 263	1 141	1 287	1 330	1 389	1 175	1 093
Sales	2 652	2 403	2 163	1 820	1 765	1 904	2 097
EBITDA	88	135	80	–22	64	106	139
EBIT	56	102	51	–55	45	88	119
Pre–tax	21	74	–5	–118	–11	40	83
Earnings	3	64	3	–112	–21	32	66
Equity book value (excl. minorities)	1 017	883	838	770	793	824	891

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	0.5	0.5	0.6	0.7	0.8	0.6	0.5
EV/EBITDA	14.4	8.5	16.1	–60.5	21.6	11.1	7.8
EV/EBITA	22.6	11.2	25.2	–24.2	30.6	13.4	9.1
EV/EBIT	22.6	11.2	25.2	–24.2	30.6	13.4	9.1
EV/OCF	–2.0	–2.3	–8.0	13.6	59.7	26.2	12.5
EV/FCF	–1.3	–2.2	–10.7	11.2	35.9	4.7	11.6
P/FCFR	–0.8	–1.0	–2.1	9.1	53.0	3.2	8.3
P/E	300.4	8.1	139.0	–5.1	–31.9	21.5	10.2
P/BV	0.9	0.6	0.5	0.7	0.9	0.8	0.8
Target EV/EBITDA					21.8	11.2	7.9
Target EV/EBIT					30.9	13.5	9.3
Target EV/FCFF					109.4	5.5	13.5
Target P/BV					0.9	0.8	0.8
Target P/E, diluted					–32.5	21.9	10.4

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	209.12	209.51	209.55	230.57	230.65	230.65	230.65
Number of shares (diluted, million)	209.12	209.51	209.55	230.57	230.65	230.65	230.65
EPS	0.01	0.30	0.01	–0.49	–0.09	0.14	0.29
Operating cash flow per share	–3.03	–2.38	–0.77	0.43	0.10	0.19	0.38
Free cash flow per share	–5.55	–2.47	–0.93	0.27	0.06	0.93	0.36
Book value per share	4.86	4.21	4.00	3.34	3.44	3.57	3.86
Dividend per share	0.16	0.18					0.14
Dividend payout ratio, %	1 115.3%	59.4%					50.0%
Dividend yield, %	3.7%	7.3%					4.9%
FCF yield, %	–128.7%	–100.4%	–46.8%	11.0%	1.9%	31.6%	12.1%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE		6.7%	0.4%	–13.9%	–2.7%	3.9%	7.8%
ROCE	6.3%	5.9%	2.9%	–3.1%	2.8%	5.7%	8.2%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	48.4%	59.3%	65.5%	65.1%	65.1%	62.0%	58.0%
Receivables as % of sales	16.9%	15.7%	19.5%	16.0%	16.0%	16.0%	16.0%
Non–int. bearing liabilities as % of sales	39.0%	39.5%	36.7%	34.9%	34.9%	34.9%	34.9%
NWC/sales, %	24.7%	33.4%	44.9%	42.8%	42.6%	39.8%	36.1%
Operative CAPEX/Sales, %	19.9%	0.8%	1.6%	1.9%	0.6%	0.9%	0.3%
CAPEX/sales (incl. acquisitions), %	19.9%	0.8%	1.6%	1.9%	0.6%	0.9%	0.3%
FCFF/EBITDA	–11.4	–3.9	–1.5	–5.4	0.6	2.4	0.7
Net Debt/EBITDA, book–weighted	4.1	4.6	10.9	–34.4	11.0	4.7	3.0
Debt/equity, market–weighted	0.6	1.2	1.8	1.1	0.9	0.6	0.5
Equity ratio, book–weighted	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Gearing, %	35.6%	70.9%	103.8%	98.2%	89.6%	60.2%	46.4%

COMPANY DESCRIPTION: YIT is a European developer and contractor with operations in Finland, Baltics and Central Eastern European countries. YIT was founded in 1912 and listed in 1995 on the Helsinki stock exchange. The company employs currently some 4,100 employees across the operating regions. YIT specializes in the development and construction of residential, business premises, and infrastructure projects. In 2024, majority of the company's revenue came from Housing and Business Premises construction (approximately 80% of total sales) while Infrastructure was approximately fifth of the revenue. In 2024, YIT was by a clear margin the largest construction company in Finland. In addition to its overall leading position, the company is also a leading player in the Finnish market in both infrastructure and renovation sectors. In the Baltics and CEE, the company's competitive position varies by market, with opportunities to increase market share in countries such as Poland.

INVESTMENT CASE: With low number of residential completions expected for 2025E, the residential net sales will still fall compared to last year. Going forward, we expect strong starts in Residential CEE in 2025 to drive completion volumes in 2026 which supports the segments volumes and profitability. For Residential Finland, the market remains largely in stand-by mode and we forecast more material pick-up in pace starting from 2027. With higher volumes, improving sales mix and ongoing self-help in contracting, we estimate rapid earnings growth from a low base during 2025-2027.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Tercero Invest Ab	43 000 000	126.592	18.6 %
Pnt Group Oy	15 897 799	46.803	6.9 %
Varma Mutual Pension Insurance Company	13 195 975	38.849	5.7 %
Conficap Oy	10 776 302	31.725	4.7 %
Pentti Heikki Oskari Kuolinpesä	8 091 215	23.821	3.5 %
Herlin Antti	8 015 750	23.598	3.5 %
Ilmarinen Mutual Pension Insurance Company	5 994 252	17.647	2.6 %
Forsten Noora Eva Johanna	5 085 529	14.972	2.2 %
Elo Mutual Pension Insurance Company	3 437 000	10.119	1.5 %
Pentti Lauri Olli Samuel	3 268 845	9.623	1.4 %
Ten largest	116 762 667	343.749	50.6 %
Residual	113 883 394	335.273	49.4 %
Total	230 646 061	679.022	100%

EARNINGS CALENDAR

February 06, 2026	FY 2025 Results
April 28, 2026	Q1 report
July 24, 2026	Q2 report
October 30, 2026	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

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IR: Essi Nikitin	

DEFINITIONS

P/E Price per share / Earnings per share	**EPS** Profit before extraord. items and taxes – income taxes + minority interest / Number of shares
P/BV Price per share / Shareholder's equity + taxed provisions per share	**DPS** Dividend for the financial period per share
Market cap Price per share * Number of shares	**OCF (Operating cash flow)** EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments
EV (Enterprise value) Market cap + net debt + minority interest at market value – share of associated companies at market value	**FCF (Free cash flow)** Operating cash flow – Operative CAPEX – acquisitions + divestments
EV/Sales Enterprise value / Sales	**FCF yield, %** Free cash flow / Market cap
EV/EBITDA Enterprise value / Earnings before interest, tax, depreciation and amortization	**Operative CAPEX / Sales** Capital expenditure – divestments – acquisitions / Sales
EV/EBIT Enterprise value / Operating profit	**Net working capital** Current assets – current liabilities
Net debt Interest bearing debt – financial assets	**Capital employed / Share** Total assets – non–interest bearing debt / Number of shares
Total assets Balance sheet total	**Gearing** Net debt / Equity
Div yield, % Dividend per share / Price per share	**Debt/Equity, %** Interest bearing debt / Shareholders' equity + minority interest + taxed provisions
Payout ratio, % Total dividends / Earnings before extraordinary items and taxes – income taxes + minority interest	**Equity ratio, %** Shareholders' equity + minority interest + taxed provisions / Total assets – interest–free loans
ROCE, % Profit before extraordinary items + interest expenses + other financial costs / Balance sheet total – non–interest bearing debt (average)	**CAGR, %** Cumulative annual growth rate = Average growth rate per year
ROE, % Profit before extraordinary items and taxes – income taxes / Shareholders' equity + minority interest + taxed provisions (average)	

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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – 0 %	RECUDE
0 – (+10) %	ACCUMULATE
> 10 %	BUY

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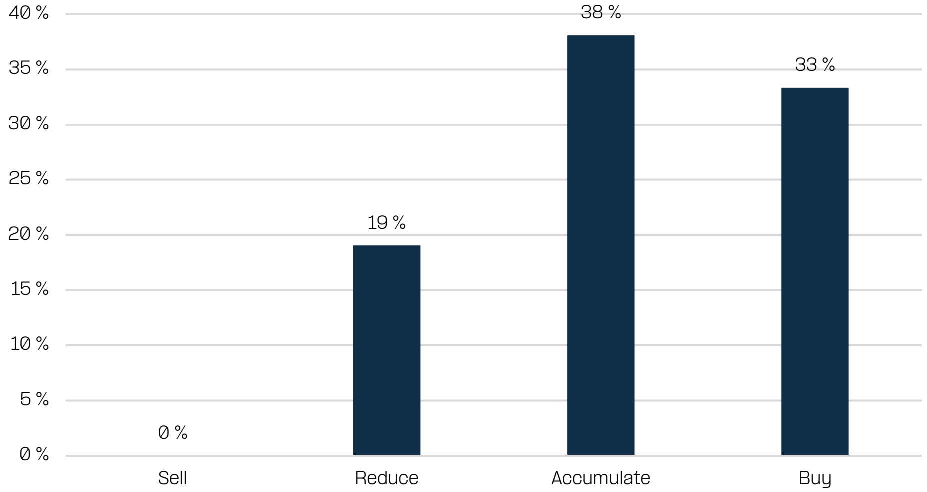

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

Name(s) of the analyst(s): Jerker Salokivi

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