

## Return to growth in sight

YIT reports its Q4 results on February 6<sup>th</sup>. Aided by apartment unit completions, we expect to see the long on-going negative growth trend to reverse and profitability to improve clearly.

### Apartment unit completion support growth and profitability

YIT reports its Q4 results on February 6<sup>th</sup>. We expect good profitability and growth, as expected apartment unit completions for FY 2025 are heavily skewed towards Q4. Our estimate for revenue growth in Q4 is at 8.5%, which would also mark the first quarter of positive growth for YIT during the past few years. We expect an adj. EBIT of EUR 24m, with Residential CEE as the main contributor. We further anticipate the healthy trend in profitability development of the contracting segments seen during the year to continue. Our 2025e adj. EBIT estimate of EUR 54m is in the upper half of the guidance range (EUR 40–60m). Despite the EBIT improvement, full-year earnings on our estimates remain negative and we anticipate that no dividend distribution will be proposed.

### Residential CEE to drive growth and profitability in 2026

The end of 2025 will in our view mark a turning point for the unfavourable overall trend in recent years due to the weakened market conditions. The outlook for the Finnish construction market is still modest, but we expect to see improved demand for residential construction while for now remaining cautious regarding growth in the contracting segments. The Infrastructure segment in our view shows more growth potential, but order backlog support remains modest. The main driver for growth and profitability will be Residential CEE, supported by a good order backlog and demand. For 2026e, we estimate growth of near 8% and a notable improvement in profitability, with our adj. EBIT estimate at EUR 88m (2025e: EUR 54m).

### REDUCE (ACCUMULATE) with a TP of EUR 3.0

Without larger changes to our estimates or views, we retain our TP of EUR 3.0, but lower our rating to REDUCE following share price increases. Valuation becomes more attractive on 2027 estimates, but uncertainty in market recovery and stretched near-term valuation limits upside.

Rating ■ Reduce



Share price, EUR (Last trading day's closing price)	3.23
Target price, EUR	3.0
Latest change in recommendation	22-Jan-26
Latest report on company	31-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	746
Free float, %	55.0 %
Exchange rate	1.0
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	-35.0	0.8	32.1	1.7%	
2026E	1904.1	87.7	4.6%	214.4	0.14	23.6	0.7	14.2	28.7%	
2027E	2096.6	119.4	5.7%	82.1	0.29	11.2	0.6	9.7	11.0%	0.14
Market cap, EURm		746	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		1 456	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

All the important disclosures can be found on the last pages of this report.

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
<b>Total net sales</b>	<b>2163</b>	<b>412</b>	<b>434</b>	<b>453</b>	<b>521</b>	<b>1820</b>	<b>386</b>	<b>412</b>	<b>402</b>	<b>566</b>	<b>1766</b>	<b>1904</b>	<b>2097</b>
<i>Growth</i>	-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%
<b>EBIT</b>	<b>51</b>	<b>-8</b>	<b>-42</b>	<b>13</b>	<b>-17</b>	<b>-57</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>23</b>	<b>45</b>	<b>88</b>	<b>119</b>
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
<b>Total adj. EBIT</b>	<b>41</b>	<b>-14</b>	<b>7</b>	<b>26</b>	<b>13</b>	<b>32</b>	<b>8</b>	<b>10</b>	<b>12</b>	<b>24</b>	<b>54</b>	<b>88</b>	<b>119</b>
<i>Margin</i>	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
<b>Net earnings</b>	<b>3</b>	<b>-16</b>	<b>-51</b>	<b>-6</b>	<b>-39</b>	<b>-112</b>	<b>-8</b>	<b>-8</b>	<b>-9</b>	<b>7</b>	<b>-24</b>	<b>32</b>	<b>66</b>
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

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	3.23 PV of Free Cash Flow	797 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	3.40 PV of Horizon value	743 WACC, %	8.7 % Market risk premium, %
Share price potential, %	5.1 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	3.9 Marketable securities	137 Minimum WACC, %	8.2 % Equity beta coefficient
Minimum value	3.0 Debt – dividend	–893 Maximum WACC, %	9.2 % Target debt ratio, %
Horizon value, %	48.3 % Value of stock	784 No. of shares, Mn	230.6 Effective tax rate, %

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	2 765	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		39	231	80	71	78	72	66	57	54	49	743
= DFCF min WACC		39	232	81	72	79	74	68	59	56	51	837
= DFCF max WACC		39	230	79	70	76	71	64	55	52	47	664

### Sensitivity analysis, EUR

		Terminal WACC				
		6.69 %	7.69 %	8.69 %	9.69 %	10.69 %
Terminal EBIT–%	3.50 %	2.94	2.20	1.67	1.26	0.94
	4.50 %	4.39	3.31	2.53	1.95	1.50
	5.50 %	5.85	4.41	3.40	2.65	2.07
	6.50 %	7.31	5.51	4.26	3.34	2.63
	7.50 %	8.76	6.62	5.13	4.03	3.20

## 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%

<b>INCOME STATEMENT, EURm</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
Sales		2 652.0	2 403.0	2 163.0	1 820.0	1 764.5	1 904.1	2 096.6
<i>Sales growth (%)</i>			-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
<i>EBITDA margin (%)</i>		3.3%	5.6%	3.7%	-12%	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
<i>EBIT margin (%)</i>		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
<i>EBIT margin (reported) (%)</i>		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								
<b>BALANCE SHEET, EURm</b>								
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
<b>CASH FLOW, EURm</b>								
+ 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	746	746	746
Net debt (excl. convertibles)	362	626	870	756	710	496	414
Enterprise value	1 263	1 141	1 287	1 330	1 456	1 242	1 160
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	0.7	0.6
EV/EBITDA	14.4	8.5	16.1	-60.5	22.6	11.7	8.3
EV/EBITA	22.6	11.2	25.2	-24.2	32.1	14.2	9.7
EV/EBIT	22.6	11.2	25.2	-24.2	32.1	14.2	9.7
EV/OCF	-2.0	-2.3	-8.0	13.6	62.5	27.7	13.3
EV/FCF	-1.3	-2.2	-10.7	11.2	37.6	5.0	12.3
P/FCFR	-0.8	-1.0	-2.1	9.1	58.2	3.5	9.1
P/E	300.4	8.1	139.0	-5.1	-35.0	23.6	11.2
P/BV	0.9	0.6	0.5	0.7	0.9	0.9	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%					4.5%
FCF yield, %	-128.7%	-100.4%	-46.8%	11.0%	1.7%	28.7%	11.0%

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	0.8	0.5	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	139.062	18.6 %
Pnt Group Oy	15 897 799	51.413	6.9 %
Varma Mutual Pension Insurance Company	13 195 975	42.676	5.7 %
Conficap Oy	10 776 302	34.851	4.7 %
Pentti Heikki Oskari Kuolinpesä	8 091 215	26.167	3.5 %
Herlin Antti	8 015 750	25.923	3.5 %
Ilmarinen Mutual Pension Insurance Company	5 994 252	19.385	2.6 %
Forsten Noora Eva Johanna	5 085 529	16.447	2.2 %
Elo Mutual Pension Insurance Company	3 437 000	11.115	1.5 %
Pentti Lauri Olli Samuel	3 268 845	10.571	1.4 %
Ten largest	116 762 667	377.610	50.6 %
Residual	113 883 394	368.299	49.4 %
Total	230 646 061	745.909	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**

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



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Investment recommendations are defined as follows:

Target price compared to share price

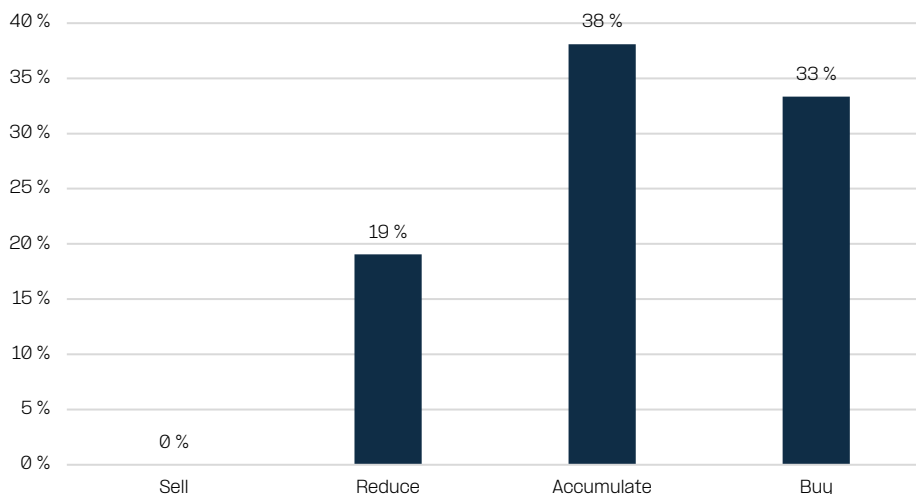
< -10 %  
 -10 - 0 %  
 0 - (+10) %  
 > 10 %

Recommendation

SELL  
 REDUCE  
 ACCUMULATE  
 BUY

ERP may temporarily suspend the rating and, if applicable, the target price to comply with regulations and/or firm policies, in which case a NOT RATED classification is used.

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

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