

3 of 4 pistons running smoothly

YIT as expected saw a return to growth in Q4 and healthy profitability figures. Expected continued weakness in the Finnish residential construction market overshadows the good performance in other segments heading into 2026. We retain our **REDUCE**—rating with a TP of EUR 2.9 (3.0)

No larger surprises in Q4 figures

YIT's Q4 results were well in line with expectations, with revenue up 7% to EUR 557m (Evli/cons. EUR 565.5m/576.0m) and adj. operating profit at EUR 25m (Evli/cons. EUR 24.4m/25.3m). The EUR 70–100m guidance for comp. Group adj. operating profit (2025: EUR 50m) matched pre-Q4 expectations (Evli/cons. EUR 88m). A further positive was the raised growth targets (CAGR) for the strategy period 2025–2029 for Building construction and Infrastructure to 4% (2%) and 10% (5%) respectively. Release of capital employed through among other things the successful refinancing of Tripla aided balance sheet development, with net debt down ~100m q/q.

Good performance overshadowed by weak residential (FIN)

On a segment basis our main concerns relate to Residential Finland, while estimates for the other segments are largely intact. YIT flagged challenges relating to profitability in 2026, and with the very low number of investor apartments under construction and expected consumer apartment completions still at low levels, we now assume continued revenue decline and negative profitability for the segment. Our Group adj. operating profit estimate for 2026 is down to EUR 78m (88m). Earnings upside in 2026 in our view lies primarily on Residential CEE, where our expected >50% increase in EBIT may still prove to be conservative, along with timing of materialization of planned cost savings, and the upper guidance bracket is certainly not unachievable.

REDUCE—rating with a target price of EUR 2.9 (3.0)

We retain our **REDUCE**—rating and adjust our TP to EUR 2.9 (3.0). Valuation upside would in our view require good performance in all four segments and/or successful actions relating to non-core assets to further improve the balance sheet and ease the strain of financial expenses and enable allocation of capital to better growth opportunities.

Rating

■ Reduce



Share price, EUR (Last trading day's closing price)	2.98
Target price, EUR	2.9
Latest change in recommendation	22-Jan-26
Latest report on company	22-Jan-26
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	687
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	28-Apr-26
Web site	yitgroup.com/en/investors
Analyst	Jerker Salokivi
E-mail	jerker.salokivi@evli.com
Telephone	+358 9 4766 9149

■■■ 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
2024	1820.0	–55.0	–3.0%	63.0	–0.49	–5.1	0.8	–26.0	11.0%	
2025	1756.0	45.0	2.6%	80.0	–0.10	–29.6	0.9	33.4	11.3%	
2026E	1853.9	73.0	3.9%	172.7	0.07	43.9	0.7	17.9	25.1%	
2027E	2027.2	108.6	5.4%	71.8	0.23	13.0	0.6	11.4	10.4%	0.11
2028E	2160.3	127.8	5.9%	53.2	0.30	9.8	0.6	9.5	7.7%	0.15
Market cap, EURm	687						58.9 %	CAGR EPS 2025–28, %		0.0 %
Net debt 2026E, EURm	619						1.0	CAGR Sales 2025–28, %		7.2 %
Enterprise value, EURm	1 307						0.0 %	ROE 2026E, %		2.4 %
Total assets 2026E, EURm	2 178						20.0 %	ROCE 2026E, %		4.9 %
Goodwill 2026E, EURm	248						37.0 %	PEG, P/E 26/CAGR		0.6

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

YIT	2024	Q1/25	Q2/25	Q3/25	Q4/25	2025	Q1/26E	Q2/26E	Q3/26E	Q4/26E	2026E	2027E	2028E
Infrastructure	393	110	128	127	152	517	115	131	133	158	538	565	593
Building Construction	734	125	187	161	175	648	139	186	159	170	654	668	681
Residential Finland	427	81	77	71	88	317	48	55	78	118	299	387	460
Residential CEE	304	76	30	50	151	307	66	64	80	186	395	440	459
Other items	-37	-7	-9	-7	-9	-32	-8	-8	-8	-8	-32	-32	-32
Total net sales	1820	386	412	402	557	1757	361	428	441	624	1854	2027	2160
<i>Growth</i>	<i>-15.9%</i>	<i>-6.3%</i>	<i>-5.1%</i>	<i>-11.3%</i>	<i>6.9%</i>	<i>-3.5%</i>	<i>-6.6%</i>	<i>3.8%</i>	<i>9.8%</i>	<i>12.0%</i>	<i>5.5%</i>	<i>9.4%</i>	<i>6.6%</i>
EBIT	-57	6	7	8	22	43	6	13	18	36	73	109	128
Infrastructure	18	3	5	7	7	22	4	7	8	7	25	27	28
Building Construction	2	2	6	7	1	16	2	7	8	2	19	21	24
Residential Finland	-20	-1	2	-1	-8	-8	-2	0	-1	-4	-7	8	18
Residential CEE	37	5	-2	1	26	30	4	3	7	33	47	59	64
Other items	-5	-1	-1	-3	-2	-6	-1	-2	-2	-1	-6	-6	-6
Total adj. EBIT	32	8	10	11	24	54	7	14	19	38	78	109	128
<i>Margin</i>	<i>1.7%</i>	<i>2.1%</i>	<i>2.4%</i>	<i>2.8%</i>	<i>4.3%</i>	<i>3.1%</i>	<i>1.9%</i>	<i>3.3%</i>	<i>4.4%</i>	<i>6.0%</i>	<i>4.2%</i>	<i>5.4%</i>	<i>5.9%</i>
Net interest expense	-64	-14	-13	-14	-15	-56	-13	-13	-13	-13	-53	-43	-40
Tax expense	6	-1	-2	-5	-6	-14	1	0	-1	-5	-4	-13	-17
Net earnings	-112	-8	-9	-11	3	-27	-6	-1	4	18	16	53	70
Adj. EPS*	-0.51	-0.05	-0.05	-0.05	0.00	-0.15	-0.03	-0.01	0.01	0.07	0.03	0.19	0.26

*Adjusted for hybrid bond interest

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	2.98 PV of Free Cash Flow	742 Long-term growth, %	2.0 % Risk-free interest rate, %	2.50 %
DCF share value	2.66 PV of Horizon value	665 WACC, %	8.7 % Market risk premium, %	5.8 %
Share price potential, %	-10.6 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.5 %
Maximum value	3.1 Marketable securities	116 Minimum WACC, %	8.2 % Equity beta coefficient	1.30
Minimum value	2.3 Debt – dividend	-908 Maximum WACC, %	9.2 % Target debt ratio, %	25 %
Horizon value, %	47.3 % Value of stock	614 No. of shares, Mn	230.6 Effective tax rate, %	20 %

DCF valuation, EURm	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TERMINAL
Net sales	1 756	1 854	2 027	2 160	2 279	2 348	2 418	2 490	2 565	2 642	2 695	2 749
<i>Sales growth (%)</i>	<i>-3.5%</i>	<i>5.6%</i>	<i>9.4%</i>	<i>6.6%</i>	<i>5.5%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>3.0%</i>	<i>2.0%</i>	<i>2.0%</i>
Operating income (EBIT)	45	73	109	128	141	146	145	137	141	145	148	151
<i>Operating income margin %</i>	<i>2.6%</i>	<i>3.9%</i>	<i>5.4%</i>	<i>5.9%</i>	<i>6.2%</i>	<i>6.2%</i>	<i>6.0%</i>	<i>5.5%</i>	<i>5.5%</i>	<i>5.5%</i>	<i>5.5%</i>	<i>5.5%</i>
+ Depreciation+amort.	19	18	19	21	22	23	24	25	26	26	26	27
EBITDA	64	91	128	149	163	169	169	162	167	172	175	
- Paid taxes	-17	-15	-22	-26	-28	-29	-29	-27	-28	-29	-30	
- Change in NWC	35	-33	3	-1	-12	-14	-14	-14	-14	-27	-19	
<i>NWC / Sales, %</i>	<i>42.3%</i>	<i>41.9%</i>	<i>38.1%</i>	<i>35.8%</i>	<i>34.4%</i>	<i>34.0%</i>	<i>33.6%</i>	<i>33.2%</i>	<i>32.8%</i>	<i>32.8%</i>	<i>32.9%</i>	
+ Change in other liabs	-24											
- Operative CAPEX	29	36	-21	-22	-23	-24	-25	-26	-26	-27	-28	
<i>opCAPEX / Sales, %</i>	<i>-2.4%</i>	<i>-2.2%</i>	<i>0.1%</i>	<i>1.7%</i>	<i>0.6%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.3%</i>	<i>1.2%</i>	
- Acquisitions												
+ Divestments												
- Other items												
= FOFF	87	210	88	100	100	102	102	95	98	88	99	1 516
= Discounted FCF	195	75	79	72	68	62	54	51	42	44	46	665
= DFCF min WACC	196	76	80	74	69	64	55	53	44	46	46	752
= DFCF max WACC	195	74	78	71	66	61	52	49	40	42	42	591

Sensitivity analysis, EUR

Terminal WACC					
	6.69 %	7.69 %	8.69 %	9.69 %	10.69 %
Terminal EBIT-%	3.50 %	2.31	1.61	1.10	0.71
	4.50 %	3.65	2.62	1.88	1.33
	5.50 %	4.99	3.62	2.66	1.95
	6.50 %	6.32	4.63	3.44	2.57
	7.50 %	7.66	5.63	4.23	3.19
					2.41

INTERIM FIGURES

EVLI ESTIMATES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Net sales	386.0	413.0	400.0	557.0	1 756.0	360.7	427.7	441.4	624.1	1 853.9	2 027.2	2 160.3
EBITDA	12.0	11.0	13.0	28.0	64.0	10.9	17.1	22.3	40.7	91.0	127.6	148.6
EBITDA margin (%)	3.1%	2.7%	3.3%	5.0%	3.6%	3.0%	4.0%	5.1%	6.5%	4.9%	6.3%	6.9%
EBIT	7.0	6.0	9.0	23.0	45.0	6.4	12.6	17.8	36.2	73.0	108.6	127.8
EBIT margin (%)	1.8%	1.5%	2.3%	4.1%	2.6%	1.8%	2.9%	4.0%	5.8%	3.9%	5.4%	5.9%
Net financial items	-14.0	-13.0	-14.0	-14.0	-55.0	-13.4	-13.4	-13.4	-13.4	-53.4	-42.7	-40.3
Pre-tax profit	-7.0	-7.0	-5.0	9.0	-10.0	-7.0	-0.8	4.4	22.8	19.6	65.9	87.5
Tax	-10	-2.0	-6.0	-5.0	-14.0	1.4	0.2	-0.9	-4.6	-3.9	-13.2	-17.5
Tax rate (%)	-14.3%	-28.6%	-120.0%	55.6%	-140.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Net profit	-8.0	-9.0	-11.0	4.0	-24.0	-5.6	-0.6	3.6	18.3	15.7	52.7	70.0
EPS	-0.03	-0.04	-0.05	0.02	-0.10	-0.02	0.00	0.02	0.08	0.07	0.23	0.30
EPS adj. (diluted)	-0.03	-0.04	-0.05	0.02	-0.10	-0.02	0.00	0.02	0.08	0.07	0.23	0.30
Dividend per share										0.11	0.15	
SALES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Residential Finland	81.0	77.0	71.0	88.0	317.0	48.4	54.6	77.7	117.8	298.5	386.7	460.1
Residential CEE	76.0	30.0	49.0	151.0	306.0	65.8	64.2	79.5	185.8	395.2	440.4	458.5
Building Construction	125.0	187.0	161.0	175.0	648.0	139.3	185.7	159.3	170.2	654.5	667.6	680.9
Infrastructure	110.0	128.0	127.0	152.0	517.0	115.2	131.2	132.9	158.3	537.7	564.6	592.8
Group	-6.0	-9.0	-8.0	-9.0	-32.0	-8.0	-8.0	-8.0	-8.0	-32.0	-32.0	-32.0
Total	386.0	413.0	400.0	557.0	1 756.0	360.7	427.7	441.4	624.1	1 853.9	2 027.2	2 160.3
SALES GROWTH, Y/Y%	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Residential Finland	-31.4%	-22.2%	-33.0%	-14.6%	-25.6%	-40.3%	-29.1%	9.4%	33.9%	-5.8%	29.6%	19.0%
Residential CEE	49.0%	-33.3%	-40.2%	18.9%	0.3%	-13.4%	113.9%	62.2%	23.0%	29.2%	11.4%	4.1%
Building Construction	-26.0%	-8.8%	-8.0%	-4.9%	-11.6%	11.4%	-0.7%	-11%	-28%	10%	2.0%	2.0%
Infrastructure	29.4%	36.2%	29.6%	310%	31.6%	4.7%	2.5%	4.7%	4.2%	4.0%	5.0%	5.0%
Group	-45.5%				-13.5%	33.3%	-11.1%		-11.1%			
Total	-6.3%	-4.8%	-11.7%	6.9%	-3.5%	-6.6%	3.6%	10.4%	12.0%	5.6%	9.4%	6.6%
EBIT, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Residential Finland	-10	2.0	-2.0	-7.0	-8.0	-2.0		-1.0	-4.0	-7.0	7.7	18.4
Residential CEE	5.0	-2.0	1.0	26.0	30.0	4.0	3.0	7.0	33.4	47.4	59.0	64.2
Building Construction	2.0	6.0	7.0	1.0	16.0	2.4	6.6	7.8	1.8	18.6	21.4	23.8
Infrastructure	2.0	4.0	6.0	5.0	17.0	3.0	5.0	6.0	6.0	20.0	26.5	27.9
Group	-10	-4.0	-3.0	-2.0	-10.0	-1.0	-2.0	-2.0	-1.0	-6.0	-6.1	-6.5
Total	7.0	6.0	9.0	23.0	45.0	6.4	12.6	17.8	36.2	73.0	108.6	127.8
EBIT margin %	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Residential Finland	-1.2%	2.6%	-2.8%	-8.0%	-2.5%	-4.1%		-1.3%	-3.4%	-2.4%	2.0%	4.0%
Residential CEE	6.6%	-6.7%	2.0%	17.2%	9.8%	6.1%	4.7%	8.8%	18.0%	12.0%	13.4%	14.0%
Building Construction	1.6%	3.2%	4.4%	0.6%	2.5%	1.7%	3.6%	4.9%	11%	2.8%	3.2%	3.5%
Infrastructure	1.8%	3.1%	4.7%	3.3%	3.3%	2.6%	3.8%	4.5%	3.8%	3.7%	4.7%	4.7%
Group	16.7%	44.4%	37.5%	22.2%	31.3%	12.5%	25.0%	25.0%	12.5%	18.8%	19.0%	20.3%
Total	1.8%	1.5%	2.3%	4.1%	2.6%	1.8%	2.9%	4.0%	5.8%	3.9%	5.4%	5.9%

INCOME STATEMENT, EURm	2021	2022	2023	2024	2025	2026E	2027E	2028E
Sales	2 652.0	2 403.0	2 163.0	1 820.0	1 756.0	1 853.9	2 027.2	2 160.3
<i>Sales growth (%)</i>	<i>-9.4%</i>	<i>-10.0%</i>	<i>-15.9%</i>	<i>-3.5%</i>	<i>5.6%</i>	<i>9.4%</i>	<i>6.6%</i>	
EBITDA	88.0	135.0	80.0	-22.0	64.0	91.0	127.6	148.6
<i>EBITDA margin (%)</i>	<i>3.3%</i>	<i>5.6%</i>	<i>3.7%</i>	<i>-1.2%</i>	<i>3.6%</i>	<i>4.9%</i>	<i>6.3%</i>	<i>6.9%</i>
Depreciation	-32.0	-33.0	-29.0	-33.0	-19.0	-18.0	-19.0	-20.8
EBITA	56.0	102.0	51.0	-55.0	45.0	73.0	108.6	127.8
Goodwill amortization / writedown								
EBIT	56.0	102.0	51.0	-55.0	45.0	73.0	108.6	127.8
<i>EBIT margin (%)</i>	<i>2.1%</i>	<i>4.2%</i>	<i>2.4%</i>	<i>-3.0%</i>	<i>2.6%</i>	<i>3.9%</i>	<i>5.4%</i>	<i>5.9%</i>
Reported EBIT	54.0	-336.0	51.0	-55.0	45.0	73.0	108.6	127.8
<i>EBIT margin (reported) (%)</i>	<i>2.0%</i>	<i>-14.0%</i>	<i>2.4%</i>	<i>-3.0%</i>	<i>2.6%</i>	<i>3.9%</i>	<i>5.4%</i>	<i>5.9%</i>
Net financials	-35.0	-28.0	-56.0	-63.0	-55.0	-53.4	-42.7	-40.3
Pre-tax profit	21.0	74.0	-5.0	-118.0	-10.0	19.6	65.9	87.5
Taxes	-18.0	-10.5	8.0	6.0	-14.0	-3.9	-13.2	-17.5
Minority shares								
Net profit	1.0	-374.5	3.0	-112.0	-24.0	15.7	52.7	70.0
Cash NRIs	-2.0	-438.0						
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	338	331	316	293	238	53	55	56
Goodwill	249	249	248	248	248	248	248	248
Right of use assets	253	226	252	259	246	241	223	238
Inventory	1 285	1 426	1 417	1 185	1 100	1 149	1 176	1 199
Receivables	449	377	422	291	294	310	339	362
Liquid funds	389	206	128	137	116	122	134	143
Total assets	2 994	2 845	2 832	2 475	2 296	2 178	2 229	2 299
Liabilities								
Shareholders' equity	1 017	883	838	672	647	663	715	759
Minority interest								
Convertibles				98	144	144	144	144
Lease liabilities	235	208	256	276	258	241	223	238
Deferred taxes	19	9	4	1	1	1	1	1
Interest bearing debt	516	624	742	617	506	357	314	282
Non-interest bearing current liabilities	1 034	950	793	636	591	624	682	727
Other interest-free debt	87	83	112	97	83	83	83	83
Total liabilities	2 994	2 845	2 832	2 475	2 296	2 178	2 229	2 299
CASH FLOW, EURm								
+ EBITDA	88	135	80	-22	64	91	128	149
- Net financial items	-35	-28	-56	-63	-55	-53	-43	-40
- Taxes	-30	-20	-16	-10	-6	-4	-13	-17
- Increase in Net Working Capital	-654	-148	-169	193	35	-33	3	-1
+/- Other	-2	-438						
= Cash flow from operations	-633	-499	-161	98	38	1	75	90
- Capex	-527	-19	-34	-35	42	41	-3	-37
- Acquisitions								
+ Divestments							131	
= Free cash flow	-1 160	-518	-195	63	80	173	72	53
+/- New issues/buybacks	1 045	274	-10	-54	-1			
- Paid dividend	33	38					26	35
+/- Other	533	94	165		-100	-166	-60	-18
Change in cash	389	-183	-78	9	-21	6	11	9

KEY FIGURES	2022	2023	2024	2025	2026E	2027E	2028E
M-cap	515	417	574	710	687	687	687
Net debt (excl. convertibles)	626	870	756	648	475	404	377
Enterprise value	1 141	1 287	1 428	1 502	1 307	1 235	1 208
Sales	2 403	2 163	1 820	1 756	1 854	2 027	2 160
EBITDA	135	80	-22	64	91	128	149
EBIT	102	51	-55	45	73	109	128
Pre-tax	74	-5	-118	-10	20	66	87
Earnings	64	3	-112	-24	16	53	70
Equity book value (excl. minorities)	883	838	672	647	663	715	759
Valuation multiple	2022	2023	2024	2025	2026E	2027E	2028E
EV/Sales	0.5	0.6	0.8	0.9	0.7	0.6	0.6
EV/EBITDA	8.5	16.1	-64.9	23.5	14.4	9.7	8.1
EV/EBITA	11.2	25.2	-26.0	33.4	17.9	11.4	9.5
EV/EBIT	11.2	25.2	-26.0	33.4	17.9	11.4	9.5
EV/OCF	-2.3	-8.0	14.6	39.5	1613.4	16.5	13.4
EV/FCF	-2.2	-10.7	12.0	17.3	6.2	14.0	12.1
P/FCFFR	-10	-2.1	9.1	8.9	4.0	9.6	12.9
P/E	8.1	139.0	-5.1	-29.6	43.9	13.0	9.8
P/BV	0.6	0.5	0.9	1.1	1.0	1.0	0.9
Target EV/EBITDA					14.2	9.5	8.0
Target EV/EBIT					17.6	11.2	9.3
Target EV/FCFF					7.5	17.0	22.3
Target P/BV					1.0	0.9	0.9
Target P/E, diluted					42.7	12.7	9.6
Per share measures	2022	2023	2024	2025	2026E	2027E	2028E
Number of shares (million)	209.51	209.55	230.57	230.65	230.65	230.65	230.65
Number of shares (diluted, million)	209.51	209.55	230.57	230.65	230.65	230.65	230.65
EPS	0.30	0.01	-0.49	-0.10	0.07	0.23	0.30
Operating cash flow per share	-2.38	-0.77	0.43	0.16	0.00	0.32	0.39
Free cash flow per share	-2.47	-0.93	0.27	0.35	0.75	0.31	0.23
Book value per share	4.21	4.00	2.91	2.81	2.87	3.10	3.29
Dividend per share	0.18					0.11	0.15
Dividend payout ratio, %	59.4%					50.0%	50.0%
Dividend yield, %	7.3%					3.8%	5.1%
FCF yield, %	-100.4%	-46.8%	11.0%	11.3%	25.1%	10.4%	7.7%
Efficiency measures	2022	2023	2024	2025	2026E	2027E	2028E
ROE	6.7%	0.4%	-14.8%	-3.6%	2.4%	7.7%	9.5%
ROOE	5.9%	2.9%	-3.1%	2.8%	4.9%	7.8%	9.1%
Financial ratios	2022	2023	2024	2025	2026E	2027E	2028E
Inventories as % of sales	59.3%	65.5%	65.1%	62.6%	62.0%	58.0%	55.5%
Receivables as % of sales	15.7%	19.5%	16.0%	16.7%	16.7%	16.7%	16.7%
Non-int. bearing liabilities as % of sales	39.5%	36.7%	34.9%	33.7%	33.7%	33.7%	33.7%
NWC/sales, %	33.4%	44.9%	42.8%	42.3%	41.9%	38.1%	35.8%
Operative CAPEX/Sales, %	0.8%	1.6%	1.9%	-2.4%	-2.2%	0.1%	1.7%
CAPEX/sales (incl. acquisitions), %	0.8%	1.6%	1.9%	-2.4%	-2.2%	0.1%	1.7%
FCFF/EBITDA	-3.9	-15	-5.4	1.4	2.3	0.7	0.7
Net Debt/EBITDA, book-weighted	4.6	10.9	-34.4	10.1	5.2	3.2	2.5
Debt/equity, market-weighted	1.2	1.8	1.1	0.7	0.5	0.5	0.4
Equity ratio, book-weighted	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Gearing, %	70.9%	103.8%	98.2%	81.9%	58.9%	46.9%	41.7%

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	128.140	18.6 %
Pnt Group Oy	15 897 799	47.375	6.9 %
Varma Mutual Pension Insurance Company	13 195 975	39.324	5.7 %
Conficap Oy	10 776 302	32.113	4.7 %
Pentti Heikki Oskari Kuolinpesä	8 091 215	24.112	3.5 %
Herlin Antti	8 015 750	23.887	3.5 %
Ilmarinen Mutual Pension Insurance Company	5 994 252	17.863	2.6 %
Forsten Noora Eva Johanna	5 085 529	15.155	2.2 %
Elo Mutual Pension Insurance Company	3 437 000	10.242	1.5 %
Pentti Lauri Olli Samuel	3 268 845	9.741	1.4 %
Ten largest	116 762 667	347.953	50.6 %
Residual	113 883 394	339.373	49.4 %
Total	230 646 061	687.325	100%

EARNINGS CALENDAR

April 28, 2026 Q1 report
 July 24, 2026 Q2 report
 October 30, 2026 Q3 report

OTHER EVENTS
COMPANY MISCELLANEOUS

CEO: Heikki Vuorenmaa
 CFO: Tuomas Mäkipeska
 IR: Essi Nikitin

Panuntie 11, PL 36, 00620 Helsinki
 Tel: +358 20 433 111

DEFINITIONS

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

Important Disclosures

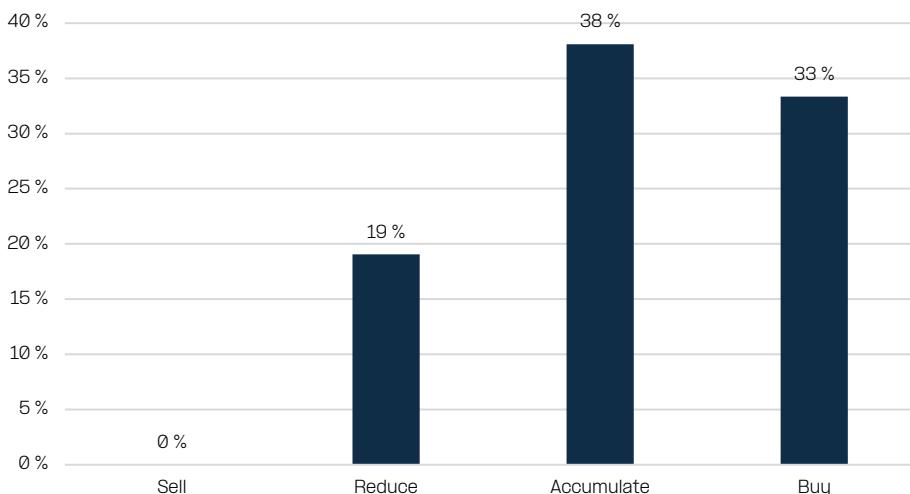
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Investment recommendations are defined as follows:

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

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

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Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head)	+358 9 4766 9123
Aleksi Jalava	+358 9 4766 9123
Pasi Väistönen	+358 9 4766 9123

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------

Equity Research

Jerker Salokivi (head)	+358 9 4766 9149
Joonas Ilonen	+358 44 430 9071
Atte Jortikka	+358 40 054 3725
Atte Pitkäjärvi	+358 44 047 6597

EVLI

EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000