

A bit overcast for now

Finnair reports Q1 results on Apr 29. Finnair should still be on track to post annual EBIT gains, yet many questions remain.

FY'25 EBIT guidance range likely to stay wide for now

Finnair guided EUR 3.3–3.4bn revenue and EUR 100–200m EBIT for the year; the double-digit top line growth outlook was driven by the combination of still increasing capacity and demand, the latter of which should outpace the former so that PLFs would gain from the rather low levels seen last year. The lower end of EBIT range seemed conservative, although there were questions related to cost inflation. Finnair decided to allocate capacity to North Atlantic routes, which saw robust profitability also last year while Europe was softer. This might have seemed a reasonable plan just recently, but the 3 big American carriers all lately gave cautious comments on their domestic routes; the North Atlantic routes still seem to hold well as far as they are driven by relatively wealthy American travelers, however US-bound travel is reportedly facing notable headwinds.

Many recent developments, but EBIT still has potential to gain

North Atlantic routes have never been quite that big for Finnair as they contributed less than 10% of revenue also in the past two years, and it's possible Finnair's growth proceeds according to plan this year, but even if the US-travel boycotts are not an issue the trade war remains a factor which could hurt other routes' demand. Pilots' industrial action is another issue since we believe their salaries amount to some 25–30% of Finnair's above EUR 500m annual staff costs. On the positive side jet fuel prices have declined by around 15% in the past couple of months; this would represent a big earnings tailwind in the coming quarters, should the prices remain low, as Finnair's annual fuel bill has recently been around EUR 900m. On the other hand, in the current environment ticket prices might continue to soften.

Next few months should show further positive progress

In our view Q1 EBIT is likely to remain in the red; we don't believe Finnair will significantly narrow its EBIT guidance range at this point since there are still so many sources of uncertainty. Finnair is valued about 8.5x EV/EBIT on our FY'25–26 estimates, a bit above peers. Our estimates could prove conservative towards next year especially in a potential scenario where travel demand holds up while fuel prices stay low, however we see there remains too much uncertainty for now. Our TP is now EUR 2.8 (3.0) as we retain our REDUCE rating.

Rating

Reduce



Share price, EUR (Last trading day's closing price) **2.93**
Target price, EUR 2.8

Latest change in recommendation 14-Feb-25

Latest report on company 14-Feb-25

Research paid by issuer: YES

No. of shares outstanding, '000's 204 811

No. of shares fully diluted, '000's 204 811

Market cap, EURm 599

Free float, % 42.9 %

Exchange rate 1.15

Reuters code FIA1S.HE

Bloomberg code FIA1S FH

Average daily volume, EURm 0.5

Next interim report 29-Apr-25

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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	2988.5	184.0	6.2%	92.1	1.21	3.3	0.6	9.5	11.3%	
2024	3048.8	151.4	5.0%	154.9	0.36	6.1	0.4	8.4	34.2%	0.11
2025E	3282.7	184.7	5.6%	-132.0	0.44	6.7	0.5	8.5	-22.0%	0.12
2026E	3348.3	194.2	5.8%	-10.7	0.46	6.3	0.5	8.3	-1.8%	0.13
2027E	3415.3	204.9	6.0%	-2.7	0.50	5.9	0.5	8.0	-0.5%	0.15
Market cap, EURm	599		Gearing 2025E, %		139.8 %		CAGR EPS 2024–27, %		11.0 %	
Net debt 2025E, EURm	971		Price/book 2025E		0.9		CAGR Sales 2024–27, %		3.9 %	
Enterprise value, EURm	1 570		Dividend yield 2025E, %		4.1 %		ROE 2025E, %		13.6 %	
Total assets 2025E, EURm	4 423		Tax rate 2025E, %		19.0 %		ROCE 2025E, %		4.5 %	
Goodwill 2025E, EURm	0		Equity ratio 2025E, %		14.0 %		PEG, P/E 25/CAGR		0.0	

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

Estimates and peer valuation

FINNAIR	2017	2018	2019	2020	2021	2022	2023	2024	2024	2024	2024	2024	2024	2025E	2025E	2025E	2025E	2025E
EURm	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	
ASK (mkm)	36 922	42 386	47 189	12 938	12 094	31 299	36 154	8 923	9 800	10 195	9 342	38 259	9 126	10 743	11 192	9 870	40 931	
y/y change	9 %	15 %	11 %	-73 %	-7 %	159 %	16 %	4 %	6 %	9 %	3 %	6 %	2 %	10 %	10 %	6 %	7 %	
RPK (mkm)	30 749	34 660	38 534	8 150	5 178	21 157	27 627	6 435	7 318	8 108	7 140	29 000	6 731	8 281	9 001	7 776	31 789	
y/y change	14 %	13 %	11 %	-79 %	-36 %	309 %	31 %	0 %	4 %	7 %	8 %	5 %	5 %	13 %	11 %	9 %	10 %	
Load factor (RPK/ASK), PLF	83.3 %	81.8 %	81.7 %	63.0 %	42.8 %	67.6 %	76.4 %	72.1 %	74.7 %	79.5 %	76.4 %	75.8 %	73.8 %	77.1 %	80.4 %	78.8 %	77.7 %	
y/y change	3.5%-p	-1.5%-p	-0.1%-p	-18.7%-p	-20.2%-p	24.8%-p	8.8%-p	-2.9%-p	-1.6%-p	-1.4%-p	3.3%-p	-0.6%-p	1.6%-p	2.4%-p	0.9%-p	2.4%-p	1.9%-p	
Anollary and retail	145	161	176	62	44	123	148	37	45	48	52	182	41	52	56	59	208	
Cargo	197	207	212	178	335	352	192	46	51	53	55	206	47	52	54	56	210	
Travel services	206	223	230	61	39	170	237	58	57	63	64	242	60	58	65	66	250	
Total revenue	2569	2835	3098	829	838	2356	2989	681	766	818	783	3049	713	836	899	835	3283	
YoY change	11 %	10 %	9 %	-73 %	1 %	181 %	27 %	-2 %	2 %	0 %	8 %	2 %	5 %	9 %	10 %	7 %	8 %	
Other income	77	74	56	48	63	154	130	33	32	31	44	140	31	31	31	33	125	
Staff costs	-423	-500	-535	-284	-249	-447	-498	-130	-130	-125	-133	-519	-134	-137	-131	-137	-539	
y/y change	17 %	18 %	7 %	-47 %	-12 %	80 %	11 %	0 %	4 %	4 %	8 %	4 %	3 %	5 %	5 %	3 %	4 %	
% of revenue	16 %	18 %	17 %	34 %	30 %	19 %	17 %	19 %	17 %	15 %	17 %	17 %	19 %	16 %	15 %	16 %	16 %	
Fuel	-472	-561	-687	-233	-212	-838	-900	-210	-225	-239	-219	-893	-215	-239	-255	-230	-939	
y/y change	-4 %	23 %	18 %	-66 %	-9 %	295 %	8 %	-4 %	2 %	1 %	-2 %	-1 %	2 %	6 %	7 %	5 %	5 %	
% of revenue	18 %	20 %	22 %	28 %	25 %	35 %	30 %	31 %	29 %	29 %	28 %	29 %	30 %	29 %	28 %	28 %	29 %	
Other OPEX	-1314	-1316	-1444	-613	-566	-1067	-1191	-304	-318	-331	-332	-1284	-327	-359	-371	-363	-1420	
y/y change	4 %	0 %	10 %	-58 %	-8 %	88 %	12 %	3 %	12 %	7 %	9 %	8 %	8 %	13 %	12 %	9 %	11 %	
% of revenue	51 %	46 %	47 %	74 %	68 %	45 %	40 %	45 %	41 %	40 %	42 %	42 %	46 %	43 %	41 %	43 %	43 %	
Comparable EBIT	171	218	163	-595	-469	-164	184	-12	44	72	48	161	-14	61	91	67	185	
Comp. EBIT-%	6.6 %	7.7 %	5.3 %	-71.8 %	-56.0 %	-7.0 %	6.2 %	-1.7 %	5.7 %	8.7 %	6.1 %	5.0 %	-1.9 %	6.1 %	10.1 %	6.8 %	5.6 %	

Sources: Finnair, Evli estimates

FINNAIR PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/B		
		24	25	26	24	25	26	24	25	26
United Airlines Holdings	18548	6.3x	4.9x	4.3x	9.9x	7.8x	6.7x	1.7x	1.3x	1.0x
International Consolidated Airlines Group	13769	4.0x	3.2x	3.1x	6.1x	5.0x	4.8x	2.5x	1.8x	1.4x
Air France-KLM	1903	3.4x	3.0x	2.7x	9.0x	7.4x	6.5x			2.3x
Deutsche Lufthansa	7416	3.4x	3.0x	2.7x	8.0x	6.8x	5.6x	0.7x	0.6x	0.6x
Norwegian Air Shuttle	1020	2.7x	2.7x	2.5x	10.0x	7.8x	7.4x	1.8x	1.5x	1.4x
Aegean Airlines	1040	3.9x	4.1x	3.9x	9.8x	7.8x	7.4x	2.2x	1.9x	1.7x
easyJet	4172	2.9x	2.2x	2.0x	6.5x	4.7x	4.3x	1.2x	1.0x	0.9x
Ryanair Holdings	21217	7.1x	6.6x	6.1x	11.9x	10.7x	9.6x	2.9x	2.5x	2.1x
Wizz Air Holdings	1805	5.5x	4.4x	3.7x	21.8x	13.8x	9.9x	7.4x	3.9x	2.2x
American Airlines Group	5187	7.9x	7.5x	6.4x	13.0x	12.9x	10.2x			
Delta Air Lines	22413	6.5x	5.4x	4.7x	9.8x	8.1x	7.0x	1.8x	1.4x	1.1x
Peer Group Average	8954	4.9x	4.3x	3.8x	10.5x	8.4x	7.2x	2.5x	1.8x	1.5x
Peer Group Median	5187	4.0x	4.1x	3.7x	9.8x	7.8x	7.0x	1.8x	1.5x	1.4x
Finnair (Evli est.)	599	2.6x	3.1x	3.1x	8.4x	8.5x	8.3x	0.7x	0.9x	0.8x

Finnair prem./disc. to peer median

-34 % -24 % -17 % -14 % 9 % 19 % -60 % -43 % -43 %

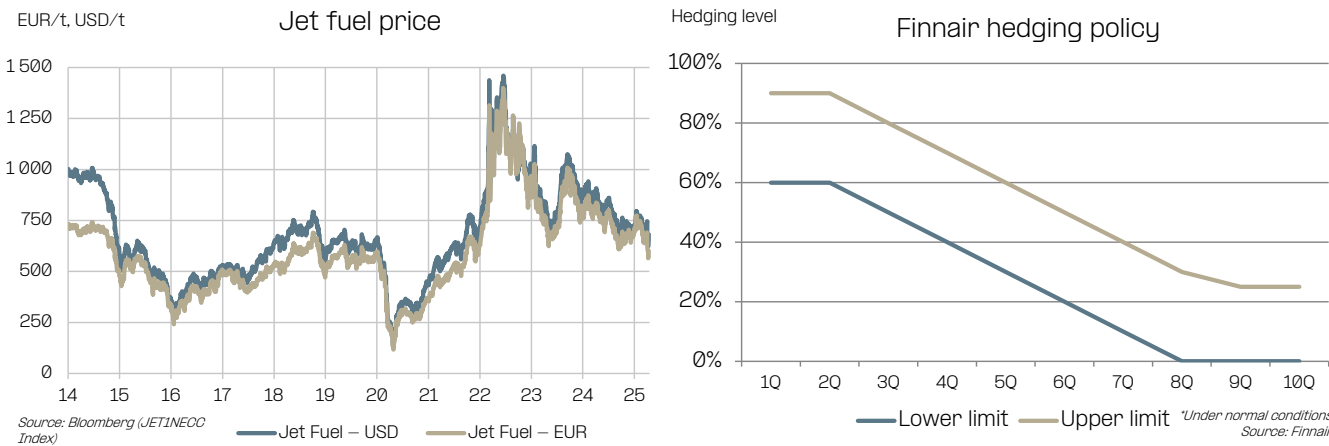
Source FactSet, Evli Research

FINNAIR PEER GROUP	Sales 23	Sales gr.			EBIT-%			Div. yield		
		24	25	26	24	25	26	24	25	26
United Airlines Holdings	49589	10.4%	-6.4%	7.3%	9.1 %	8.5 %	9.2 %	0.0 %	0.0 %	0.0 %
International Consolidated Airlines Group	29453	9.0%	2.3%	3.6%	13.6 %	13.7 %	13.8 %	2.6 %	3.7 %	4.5 %
Air France-KLM	30019	4.8%	5.3%	3.9%	5.0 %	5.7 %	6.2 %	0.0 %	0.0 %	1.3 %
Deutsche Lufthansa	35422	6.1%	5.3%	3.8%	4.4 %	4.9 %	5.8 %	4.7 %	4.7 %	5.6 %
Norwegian Air Shuttle	2255	34.1%	4.8%	6.2%	5.4 %	7.1 %	7.0 %	1.9 %	2.7 %	3.0 %
Aegean Airlines	1693	5.0%	5.8%	5.6%	9.2 %	11.8 %	11.9 %	6.9 %	7.0 %	7.2 %
easyJet	9437	20.1%	5.9%	6.6%	6.6 %	7.1 %	7.3 %	2.7 %	3.1 %	3.4 %
Ryanair Holdings	13444	2.6%	5.6%	6.1%	12.6 %	13.9 %	14.7 %	1.9 %	2.1 %	2.4 %
Wizz Air Holdings	5073	3.5%	14.4%	15.5%	5.8 %	8.1 %	9.8 %	0.0 %	0.0 %	0.0 %
American Airlines Group	48740	7.0%	-6.9%	5.7%	6.0 %	5.1 %	6.1 %	0.0 %	0.0 %	0.4 %
Delta Air Lines	49855	11.5%	-10.7%	6.3%	10.6 %	9.5 %	10.5 %	1.2 %	1.4 %	1.4 %
Peer Group Average	24998	10.4%	2.3%	6.4%	8.0 %	8.7 %	9.3 %	2.0 %	2.3 %	2.7 %
Peer Group Median	29453	7.0%	5.3%	6.1%	6.6 %	8.1 %	9.2 %	1.9 %	2.1 %	2.4 %
Finnair (Evli est.)	2989	2.0%	7.7%	2.0%	5.0 %	5.6 %	5.8 %	5.0 %	4.1 %	4.4 %

Finnair prem./disc. to peer median

Source FactSet, Evli Research

Jet fuel cost



VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC
Current share price	2.93 PV of Free Cash Flow	1 892 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	13.28 PV of Horizon value	1 668 WACC, %	9.6 % Market risk premium, %
Share price potential, %	353.9 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	14.4 Marketable securities	884 Minimum WACC, %	9.1 % Equity beta coefficient
Minimum value	12.3 Debt – dividend	–1 723 Maximum WACC, %	10.1 % Target debt ratio, %
Horizon value, %	46.9 % Value of stock	2 720 No. of shares, Mn	204.8 Effective tax rate, %
			25 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	3 049	3 283	3 348	3 415	3 484	3 553	3 624	3 697	3 771	3 846	3 923	4 002
Sales growth (%)	2.0%	7.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	151	185	194	205	209	213	236	240	226	231	235	240
Operating income margin %	5.0%	5.6%	5.8%	6.0%	6.0%	6.0%	6.5%	6.5%	6.0%	6.0%	6.0%	6.0%
+ Depreciation+amort.	330	320	329	341	357	371	380	389	397	423	436	
EBITDA	482	505	523	546	566	585	616	629	623	654	672	
– Paid taxes	–4	–35	–39	–41	–42	–43	–47	–48	–45	–46	–47	
– Change in NWC	124	138	–6	11	11	11	11	12	12	12	12	
NWC / Sales, %	27.3%	29.5%	28.8%	28.5%	28.3%	28.0%	27.8%	27.6%	27.4%	–27.1%	26.9%	
+ Change in other liabs	–8											
– Operative CAPEX	–377	–250	–250	–240	–240	–240	–240	–240	–300	–300	–325	
opCAPEX / Sales, %	12.7%	20.7%	12.8%	13.4%	13.4%	12.4%	12.3%	12.2%	15.6%	13.8%	8.3%	
– Acquisitions												
+ Divestments												
– Other items		–13	–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	217	345	216	263	282	301	328	340	277	307	299	4 040
= Discounted FCOFF		324	185	206	201	196	195	185	137	139	124	1 668
= DFCF min WACC		325	186	209	205	200	200	190	142	144	129	1 867
= DFCF max WACC		323	183	204	198	192	190	179	133	133	118	1 497

Sensitivity analysis, EUR

		Terminal WACC				
		7.56 %	8.56 %	9.56 %	10.56 %	11.56 %
Terminal EBIT–%	4.00 %	15.72	13.10	11.15	9.63	8.41
	5.00 %	17.46	14.45	12.22	10.49	9.12
	6.00 %	19.19	15.79	13.28	11.36	9.83
	7.00 %	20.93	17.13	14.35	12.22	10.54
	8.00 %	22.66	18.48	15.42	13.08	11.24

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	6815	7661	8183	7829	3 048.8	712.7	835.8	898.9	835.2	3 282.7	3 348.3	3 415.3
EBITDA	71.2	125.8	153.3	131.4	481.7	66.2	130.8	171.1	136.5	504.7	523.1	546.3
EBITDA margin (%)	10.5%	16.4%	18.7%	16.8%	15.8%	9.3%	15.6%	19.0%	16.4%	15.4%	15.6%	16.0%
EBIT	-11.6	43.6	71.5	47.9	151.4	-13.8	50.8	91.1	56.5	184.7	194.2	204.9
EBIT margin (%)	-1.7%	5.7%	8.7%	6.1%	5.0%	-1.9%	6.1%	10.1%	6.8%	5.6%	5.8%	6.0%
Net financial items	-20.3	-20.0	-5.1	-22.7	-68.1	-14.0	-14.0	-15.0	-15.0	-58.0	-60.0	-62.3
Pre-tax profit	-31.9	23.6	66.4	25.2	83.3	-27.8	36.8	76.1	41.5	126.7	134.2	142.6
Tax	7.6	-4.6	-14.3	2.2	-9.1	-6.0	-6.0	-6.0	-6.0	-24.0	-26.8	-28.5
Tax rate (%)	23.8%	19.5%	21.5%	-8.7%	10.9%	-21.6%	16.3%	7.9%	14.5%	19.0%	20.0%	20.0%
Net profit	-24.3	19.0	52.1	27.4	74.2	-36.9	27.6	67.0	32.4	90.1	94.8	101.5
EPS	-0.12	0.09	0.25	0.13	0.36	-0.18	0.13	0.33	0.16	0.44	0.46	0.50
EPS adj. (diluted)	-0.12	0.09	0.25	0.13	0.36	-0.18	0.13	0.33	0.16	0.44	0.46	0.50
Dividend per share					0.11					0.12	0.13	0.15
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	6815	7661	8183	7829	3 048.8	712.7	835.8	898.9	835.2	3 282.7	3 348.3	3 415.3
Total	6815	7661	8183	7829	3 048.8	712.7	835.8	898.9	835.2	3 282.7	3 348.3	3 415.3
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	-1.9%	2.3%	0.1%	7.7%	2.0%	4.6%	9.1%	9.9%	6.7%	7.7%	2.0%	2.0%
Total	-1.9%	2.3%	0.1%	7.7%	2.0%	4.6%	9.1%	9.9%	6.7%	7.7%	2.0%	2.0%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	-11.6	43.6	71.5	47.9	151.4	-13.8	50.8	91.1	56.5	184.7	194.2	204.9
Total	-11.6	43.6	71.5	47.9	151.4	-13.8	50.8	91.1	56.5	184.7	194.2	204.9
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1E	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	-1.7%	5.7%	8.7%	6.1%	5.0%	-1.9%	6.1%	10.1%	6.8%	5.6%	5.8%	6.0%
Total	-1.7%	5.7%	8.7%	6.1%	5.0%	-1.9%	6.1%	10.1%	6.8%	5.6%	5.8%	6.0%

INCOME STATEMENT, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Sales	829.2	838.4	2 356.6	2 988.5	3 048.8	3 282.7	3 348.3	3 415.3
<i>Sales growth (%)</i>	-73.2%	1.1%	181.1%	26.8%	2.0%	7.7%	2.0%	2.0%
EBITDA	-251.5	-149.0	185.9	530.2	481.7	504.7	523.1	546.3
<i>EBITDA margin (%)</i>	-30.3%	-17.8%	7.9%	17.7%	15.8%	15.4%	15.6%	16.0%
Depreciation	-343.8	-319.9	-349.8	-346.2	-330.3	-320.0	-328.9	-341.3
EBITA	-595.3	-468.9	-163.9	184.0	151.4	184.7	194.2	204.9
Goodwill amortization / writedown								
EBIT	-595.3	-468.9	-163.9	184.0	151.4	184.7	194.2	204.9
<i>EBIT margin (%)</i>	-71.8%	-55.9%	-7.0%	6.2%	5.0%	5.6%	5.8%	6.0%
Reported EBIT	-597.7	-474.7	-163.9	184.0	151.4	184.7	194.2	204.9
<i>EBIT margin (reported) (%)</i>	-72.1%	-56.6%	-7.0%	6.2%	5.0%	5.6%	5.8%	6.0%
Net financials	-190.1	-127.5	-170.2	-72.3	-68.1	-58.0	-60.0	-62.3
Pre-tax profit	-785.4	-596.4	-334.1	111.7	83.3	126.7	134.2	142.6
Taxes	131.2	117.6	-105.4	135.2	-9.1	-24.0	-26.8	-28.5
Minority shares								
Net profit	-671.4	-484.6	-439.5	246.9	74.2	90.1	94.8	101.5
Cash NRIs	-2.4	-5.8						
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	1 683	1 215	1 165	1 325	1 517	1 607	1 685	1 745
Goodwill								
Right of use assets	918	1 182	1 083	917	780	1 050	1 071	1 127
Inventory	68	56	122	135	87	82	84	85
Receivables	70	137	158	166	232	149	167	169
Liquid funds	824	1 266	1 524	922	884	1 313	1 339	1 366
Total assets	3 646	4 047	4 133	3 698	3 721	4 423	4 569	4 714
Liabilities								
Shareholders' equity	897	476	411	577	627	695	765	840
Minority interest								
Convertibles								
Lease liabilities	1 016	1 381	1 128	951	840	1 050	1 071	1 127
Deferred taxes								
Interest bearing debt	1 182	1 428	1 299	911	861	1 234	1 274	1 275
Non-interest bearing current liabilities	176	291	452	507	659	709	724	738
Other interest-free debt	215	271	658	627	613	613	613	613
Total liabilities	3 647	4 047	4 133	3 698	3 721	4 423	4 569	4 714
CASH FLOW, EURm								
+ EBITDA	-251	-149	186	530	482	505	523	546
- Net financial items	-190	-128	-170	-72	-68	-58	-60	-62
- Taxes	-18	11	6	-18	3	-24	-27	-29
- Increase in Net Working Capital	-489	117	274	64	124	138	-6	11
+/- Other	-17	-6				-13	-13	-13
= Cash flow from operations	-966	-155	296	504	541	548	418	454
- Capex	-315	-484	-149	-412	-386	-680	-429	-456
- Acquisitions								
+ Divestments								
= Free cash flow	-1 281	-639	147	92	155	-132	-11	-3
+/- New issues/buybacks	602	64	374	-81	-24			
- Paid dividend					23	25	27	31
+/- Other	551	1 018	-262	-614	-169	584	62	56
Change in cash	-128	442	259	-603	-38	429	26	27

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	837	546	817	453	599	599	599
Net debt (excl. convertibles)	1 543	902	940	817	971	1 006	1 036
Enterprise value	2 380	1 448	1 756	1 269	1 570	1 606	1 635
Sales	838	2 357	2 989	3 049	3 283	3 348	3 415
EBITDA	-149	186	530	482	505	523	546
EBIT	-469	-164	184	151	185	194	205
Pre-tax	-596	-334	112	83	127	134	143
Earnings	-479	-440	247	74	90	95	101
Equity book value (excl. minorities)	476	411	577	627	695	765	840

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	2.8	0.6	0.6	0.4	0.5	0.5	0.5
EV/EBITDA	-16.0	7.8	3.3	2.6	3.1	3.1	3.0
EV/EBITA	-5.1	-8.8	9.5	8.4	8.5	8.3	8.0
EV/EBIT	-5.1	-8.8	9.5	8.4	8.5	8.3	8.0
EV/OCF	-15.4	4.9	3.5	2.3	2.9	3.8	3.6
EV/FCF	-26.4	2.4	53.0	5.8	4.5	7.4	6.2
P/FCFR	-0.1	0.2	0.1	2.9	-4.5	-55.8	-222.2
P/E	-1.7	-1.2	3.3	6.1	6.7	6.3	5.9
P/BV	1.8	1.3	1.4	0.7	0.9	0.8	0.7
Target EV/EBITDA					3.1	3.0	2.9
Target EV/EBIT					8.4	8.1	7.9
Target EV/FCFF					-11.7	-147.0	-596.6
Target P/BV					0.8	0.7	0.7
Target P/E, diluted	-1.8	-1.3	4.3	7.6	6.4	6.1	5.7

Per share measures	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares (million)	83.75	83.75	204.21	204.81	204.81	204.81	204.81
Number of shares (diluted, million)	83.75	83.75	204.21	204.81	204.81	204.81	204.81
EPS	-5.72	-5.25	1.21	0.36	0.44	0.46	0.50
Operating cash flow per share	-1.85	3.53	2.47	2.64	2.68	2.04	2.21
Free cash flow per share	-7.63	1.75	0.45	0.76	-0.64	-0.05	-0.01
Book value per share	5.68	4.90	2.83	3.06	3.39	3.73	4.10
Dividend per share				0.11	0.12	0.13	0.15
Dividend payout ratio, %				30.4%	27.3%	28.1%	30.4%
Dividend yield, %				5.0%	4.1%	4.4%	5.1%
FCF yield, %	-76.4%	26.9%	11.3%	34.2%	-22.0%	-1.8%	-0.5%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-69.8%	-99.2%	50.0%	12.3%	13.6%	13.0%	12.7%
ROCE	-17.9%	-8.9%	3.2%	2.4%	4.5%	1.8%	2.0%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	6.7%	5.2%	4.5%	2.9%	2.5%	2.5%	2.5%
Receivables as % of sales	16.3%	6.7%	5.6%	7.6%	4.5%	5.0%	5.0%
Non-int. bearing liabilities as % of sales	34.7%	19.2%	17.0%	21.6%	21.6%	21.6%	21.6%
NWC/sales, %	-43.9%	-27.3%	-23.7%	-27.3%	-29.5%	-28.8%	-28.5%
Operative CAPEX/Sales, %	57.8%	6.3%	13.8%	12.7%	20.7%	12.8%	13.4%
CAPEX/sales (incl. acquisitions), %	57.8%	6.3%	13.8%	12.7%	20.7%	12.8%	13.4%
FCFF/EBITDA	0.6	3.2	0.1	0.5	0.7	0.4	0.5
Net Debt/EBITDA, book-weighted	-10.4	4.9	1.8	1.7	1.9	1.9	1.9
Debt/equity, market-weighted	1.7	2.4	1.1	1.9	2.1	2.1	2.1
Equity ratio, book-weighted	0.1	0.1	0.2	0.2	0.2	0.2	0.2
Gearing, %	324.4%	219.7%	162.9%	130.2%	139.8%	131.6%	123.3%

COMPANY DESCRIPTION: Finnair is a network airline established in 1923. The company focuses on passenger and cargo traffic between Nordic capitals and destinations across the northern hemisphere and it has over 100 destinations worldwide. The company has modern and eco-friendly fleet that consists of over 80 aircrafts.

INVESTMENT CASE: Finnair's investment case relies on restoring profitability according to its new strategy and operating a cost efficient and eco-friendly modern fleet.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Prime Minister's Office	114 067 105	333.760	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	17.052	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	8.159	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	6.145	1.0 %
The State Pension Fund	1 795 000	5.252	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	3.520	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.133	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.635	0.3 %
Finnair Oyj	300 082	0.878	0.1 %
Forsten Visa Tapio	245 700	0.719	0.1 %
Ten largest	129 614 941	379.253	63.3 %
Residual	75 196 059	220.024	36.7 %
Total	204 811 000	599.277	100%

EARNINGS CALENDAR

April 29, 2025	Q1 report
July 16, 2025	Q2 report
October 30, 2025	Q3 report

OTHER EVENTS**COMPANY MISCELLANEOUS**

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CFO: Kristian Pullola	Tel: +358 9 818 2780
IR: Erkkä Salonen	

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)	

Important Disclosures

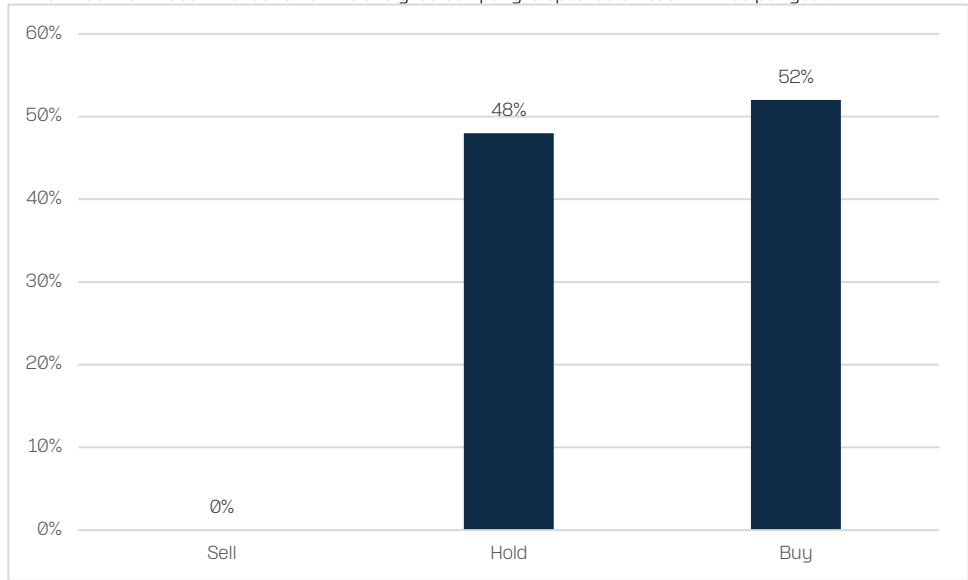
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Investment recommendations are defined as follows:

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

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Name(s) of the analyst(s): Joonas Ilvonen

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