

Summer should clear the skies

Finnair's Q1 earnings disappointment was due to three factors, including soft top line, costs of industrial action as well as generally higher costs. Earnings trend could again turn in Q2, but we still see too many sources of uncertainty.

Big earnings miss due to three things

Finnair's EUR 694m Q1 revenue was soft relative to the EUR 713m/715m Evli/cons. estimates as passenger revenue came in some EUR 25m below our estimate due to lower pricing in EMEA routes; fares have stayed quite stable lately but still declined by 5% y/y due to the high comparison period. Industrial action negatively affected EBIT to the tune of EUR 22m, while general cost inflation was another drag; many cost line items increased at a double-digit rate while we estimated high-single digit increases. Finnair's EUR -63m comparable EBIT thus fell significantly short of the EUR -14m/-13m Evli/cons. estimates because of these three factors. Finnair retained its earlier guidance but added that the on-going industrial action will leave a total hit of about EUR 40m to the bottom line over the year.

The wider operating environment is still not too bad

The base case scenario seems to be that travel demand continues to hold reasonably well this year and could even increase faster than capacity. In our view Finnair should see roughly stable development in Q2 EBIT y/y so long as RPK continues to grow faster than ASK by a couple of percentage points, the industrial action will already be less of a burden and the cost inflation seen in Q1 moderates a bit. H2'25 EBIT could then gain by almost EUR 30m y/y assuming jet fuel prices stay reasonably low. At such a run-rate Finnair would then be able to reach or land near EUR 200m EBIT next year.

Another EBIT inflection point perhaps near

We estimate FY'25 comparable EBIT at EUR 133m, on which basis Finnair is valued some 10.5x EV/EBIT. That level is some 30% above most airlines, but the multiple declines to slightly above 7x on our FY'26 estimates and would then be in line with peers. We thus consider Finnair's current valuation quite neutral. The industrial action's ultimate cost is just one of many risk factors at play now, and in our view the downside risks to demand on one hand and cost trends (including beneficially low jet fuel prices) on the other are even more significant when looking towards the summer and beyond. Our new TP is EUR 2.4 (2.8) as we retain our REDUCE rating.

Rating

■ Reduce



Share price, EUR (Last trading day's closing price)	2.42
Target price, EUR	2.4
Latest change in recommendation	14-Feb-25
Latest report on company	23-Apr-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	496
Free float, %	42.9 %
Exchange rate	1.14
Reuters code	FIA1S.HE
Bloomberg code	FIA1S FH
Average daily volume, EURm	0.5
Next interim report	16-Jul-25
Web site	investors.finnair.com
Analyst	Joonas Ilvonen
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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	3259.0	132.6	4.1%	-35.0	0.31	7.8	0.4	10.3	-7.1%	0.12
2026E	3356.8	194.7	5.8%	6.6	0.48	5.1	0.4	7.1	1.3%	0.13
2027E	3440.7	206.4	6.0%	23.0	0.54	4.5	0.4	6.7	4.6%	0.16
Market cap, EURm	496		Gearing 2025E, %		130.8 %		CAGR EPS 2024-27, %		14.1 %	
Net debt 2025E, EURm	874		Price/book 2025E		0.7		CAGR Sales 2024-27, %		4.1 %	
Enterprise value, EURm	1 370		Dividend yield 2025E, %		5.0 %		ROE 2025E, %		9.8 %	
Total assets 2025E, EURm	4 285		Tax rate 2025E, %		6.4 %		ROCE 2025E, %		2.6 %	
Goodwill 2025E, EURm	0		Equity ratio 2025E, %		13.9 %		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 EURm	2017 FY	2018 FY	2019 FY	2020 FY	2021 FY	2022 FY	2023 FY	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2024 FY	2025 Q1	2025E Q2	2025E Q3	2025E Q4	2025E 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	45	52	56	60	212
Cargo	197	207	212	178	335	352	192	46	51	53	55	206	50	52	54	56	212
Travel services	206	223	230	61	39	170	237	58	57	63	64	242	61	58	65	66	250
Total revenue	2569	2835	3098	829	838	2356	2989	681	766	818	783	3049	694	833	896	837	3259
YoY change	11 %	10 %	9 %	-73 %	1 %	181 %	27 %	-2 %	2 %	0 %	8 %	2 %	2 %	9 %	9 %	7 %	7 %
Other income	77	74	56	48	63	154	130	33	32	31	44	140	35	31	31	33	130
Staff costs	-423	-500	-535	-284	-249	-447	-498	-130	-130	-125	-133	-519	-140	-137	-131	-137	-548
y/y change	17 %	18 %	7 %	-47 %	-12 %	80 %	11 %	0 %	4 %	4 %	8 %	4 %	8 %	5 %	5 %	3 %	5 %
% of revenue	16 %	18 %	17 %	34 %	30 %	19 %	17 %	19 %	17 %	15 %	17 %	17 %	20 %	16 %	15 %	16 %	17 %
Fuel	-472	-581	-687	-233	-212	-838	-900	-210	-225	-239	-219	-893	-214	-239	-254	-229	-936
y/y change	-4 %	23 %	18 %	-66 %	-9 %	295 %	8 %	-4 %	2 %	1 %	-2 %	-1 %	2 %	6 %	6 %	5 %	5 %
% of revenue	18 %	20 %	22 %	28 %	25 %	35 %	30 %	31 %	29 %	29 %	28 %	29 %	31 %	29 %	28 %	27 %	29 %
Other OPEX	-1314	-1316	-1444	-613	-566	-1067	-1191	-304	-318	-331	-332	-1284	-348	-359	-371	-363	-1440
y/y change	4 %	0 %	10 %	-58 %	-8 %	88 %	12 %	3 %	12 %	7 %	9 %	8 %	14 %	13 %	12 %	9 %	12 %
% of revenue	51 %	46 %	47 %	74 %	68 %	45 %	40 %	45 %	41 %	40 %	42 %	42 %	50 %	43 %	41 %	43 %	44 %
Comparable EBIT	171	218	183	-505	-469	-164	184	-12	44	72	48	151	-63	48	89	59	133
Comp. EBIT-%	6.6 %	7.7 %	5.9 %	-71.8 %	-66.0 %	-7.0 %	6.2 %	-1.7 %	5.7 %	8.7 %	6.1 %	5.0 %	-9.0 %	5.7 %	9.9 %	7.0 %	4.1 %

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	19759	6.3x	5.1x	4.5x	9.9x	8.1x	7.0x	1.8x	1.4x	1.1x
International Consolidated Airlines Group	14504	4.0x	3.3x	3.2x	6.1x	5.2x	4.9x	2.6x	1.9x	1.4x
Air France-KLM	1938	3.4x	3.0x	2.8x	9.0x	7.5x	6.6x			2.6x
Deutsche Lufthansa	7493	3.4x	3.1x	2.8x	8.0x	6.8x	5.6x	0.7x	0.6x	0.6x
Norwegian Air Shuttle	1108	2.7x	2.8x	2.6x	10.0x	8.0x	7.7x	1.9x	1.6x	1.5x
Aegean Airlines	1052	3.9x	4.1x	3.9x	8.2x	7.9x	7.4x	2.3x	1.9x	1.7x
easyJet	4377	2.9x	2.3x	2.1x	6.5x	4.8x	4.4x	1.2x	1.1x	0.9x
Ryanair Holdings	21996	7.1x	6.8x	6.2x	11.9x	11.1x	9.8x	3.0x	2.6x	2.2x
Wizz Air Holdings	2000	5.6x	4.6x	3.8x	22.9x	14.4x	10.2x	8.1x	4.2x	2.3x
American Airlines Group	5709	7.9x	8.2x	6.5x	13.0x	15.4x	10.8x			
Delta Air Lines	24078	6.5x	5.5x	4.8x	9.8x	8.4x	7.2x	1.9x	1.5x	1.2x
Peer Group Average	9456	4.9x	4.4x	3.9x	10.5x	8.9x	7.4x	2.6x	1.9x	1.5x
Peer Group Median	5709	4.0x	4.1x	3.8x	9.8x	8.0x	7.2x	1.9x	1.6x	1.5x
Finnair (Evli est.)	496	2.6x	3.0x	2.8x	8.4x	10.3x	7.1x	0.7x	0.7x	0.7x

Finnair prem./disc. to peer median

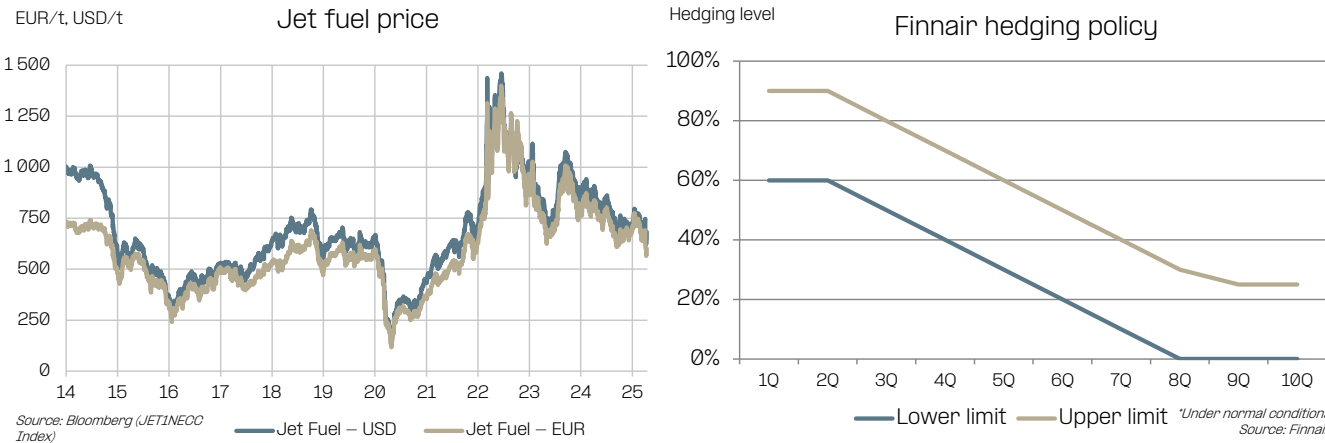
Source FactSet, Evli Research

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%	-5.5%	7.3%	9.1 %	8.4 %	9.1 %	0.0 %	0.0 %	0.0 %
International Consolidated Airlines Group	29453	9.0%	3.6%	3.4%	13.6 %	13.6 %	13.8 %	2.5 %	3.6 %	4.3 %
Air France-KLM	30019	4.8%	5.2%	3.9%	5.0 %	5.7 %	6.2 %	0.0 %	0.0 %	1.2 %
Deutsche Lufthansa	35422	6.1%	5.3%	3.8%	4.4 %	4.9 %	5.8 %	4.6 %	4.7 %	5.5 %
Norwegian Air Shuttle	2255	34.0%	5.6%	6.2%	5.4 %	7.3 %	7.1 %	1.8 %	2.5 %	2.8 %
Aegean Airlines	1693	5.0%	5.9%	5.5%	11.0 %	11.8 %	11.9 %	6.8 %	7.0 %	7.2 %
easyJet	9437	20.5%	6.7%	6.5%	6.6 %	7.2 %	7.4 %	2.5 %	2.9 %	3.3 %
Ryanair Holdings	13444	2.7%	5.4%	5.8%	12.6 %	14.0 %	14.9 %	1.9 %	2.1 %	2.4 %
Wizz Air Holdings	5073	3.5%	14.6%	15.3%	5.6 %	8.1 %	9.9 %	0.0 %	0.0 %	0.0 %
American Airlines Group	48740	7.0%	-7.6%	6.0%	6.0 %	4.1 %	5.6 %	0.0 %	0.0 %	0.4 %
Delta Air Lines	49855	11.5%	-9.6%	6.1%	10.6 %	9.5 %	10.5 %	1.1 %	1.3 %	1.4 %
Peer Group Average	24998	10.4%	2.7%	6.3%	8.2 %	8.6 %	9.3 %	1.9 %	2.2 %	2.6 %
Peer Group Median	29453	7.0%	5.3%	6.0%	6.6 %	8.1 %	9.1 %	1.8 %	2.1 %	2.4 %
Finnair (Evli est.)	2989	2.0%	6.9%	3.0%	5.0 %	4.1 %	5.8 %	5.0 %	5.0 %	5.4 %

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	2.42 PV of Free Cash Flow	1 790 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	12.24 PV of Horizon value	1 556 WACC, %	9.6 % Market risk premium, %
Share price potential, %	405.9 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	13.3 Marketable securities	884 Minimum WACC, %	9.1 % Equity beta coefficient
Minimum value	11.3 Debt – dividend	–1 723 Maximum WACC, %	10.1 % Target debt ratio, %
Horizon value, %	46.5 % Value of stock	2 508 No. of shares, Mn	204.8 Effective tax rate, %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	3 049	3 259	3 357	3 441	3 509	3 580	3 651	3 724	3 799	3 875	3 952	4 031
Sales growth (%)	2.0%	6.9%	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	151	133	195	206	211	215	237	242	228	232	237	242
Operating income margin %	5.0%	4.1%	5.8%	6.0%	6.0%	6.0%	6.5%	6.5%	6.0%	6.0%	6.0%	6.0%
+ Depreciation+amort.	330	326	303	321	337	351	365	379	392	413	414	
EBITDA	482	458	497	527	547	566	603	621	620	645	652	
– Paid taxes	–4	–8	–39	–41	–42	–43	–47	–48	–46	–46	–47	
– Change in NWC	124	85	48	31	–6	11	12	12	12	12	12	
NWC / Sales, %	27.3%	–28.1%	28.7%	28.9%	28.2%	28.0%	–27.7%	27.5%	27.3%	–27.1%	26.8%	
+ Change in other liabs	–8											
– Operative CAPEX	–377	–250	–250	–240	–240	–240	–240	–240	–300	–300	–325	
opCAPEX / Sales, %	12.7%	15.6%	13.2%	12.8%	12.7%	12.7%	12.7%	12.8%	14.4%	11.4%	8.2%	
– Acquisitions												
+ Divestments												
– Other items		–9	–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	217	276	244	264	247	282	314	332	274	298	279	3 764
= Discounted FCOFF		259	210	207	176	184	187	180	136	135	115	1 556
= DFCF min WACC		260	211	210	179	188	192	186	141	141	121	1 742
= DFCF max WACC		259	208	205	173	180	182	175	131	130	110	1 397

Sensitivity analysis, EUR

		Terminal WACC				
		7.56 %	8.56 %	9.56 %	10.56 %	11.56 %
Terminal EBIT–%	4.00 %	14.27	11.88	10.09	8.70	7.58
	5.00 %	16.02	13.24	11.17	9.57	8.29
	6.00 %	17.77	14.59	12.24	10.44	9.01
	7.00 %	19.52	15.95	13.32	11.31	9.72
	8.00 %	21.27	17.30	14.40	12.18	10.43

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	6815	7661	8183	7829	3 048.8	6942	8327	895.6	836.5	3 259.0	3 356.8	3 440.7
EBITDA	71.2	125.8	153.3	131.4	481.7	23.1	127.6	168.8	138.9	458.3	497.3	527.4
EBITDA margin (%)	10.5%	16.4%	18.7%	16.8%	15.8%	3.3%	15.3%	18.9%	16.6%	14.1%	14.8%	15.3%
EBIT	-11.6	43.6	71.5	47.9	151.4	-62.6	47.6	88.8	58.9	132.6	194.7	206.4
EBIT margin (%)	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	5.7%	9.9%	7.0%	4.1%	5.8%	6.0%
Net financial items	-20.3	-20.0	-5.1	-22.7	-68.1	-10.6	-14.0	-15.0	-15.0	-54.6	-57.0	-53.0
Pre-tax profit	-31.9	23.6	66.4	25.2	83.3	-73.2	33.6	73.8	43.9	78.0	137.7	153.4
Tax	7.6	-4.6	-14.3	2.2	-9.1	13.0	-6.0	-6.0	-6.0	-5.0	-27.5	-30.7
Tax rate (%)	23.8%	19.5%	21.5%	-8.7%	10.9%	17.8%	17.9%	8.1%	13.7%	6.4%	20.0%	20.0%
Net profit	-24.3	19.0	52.1	27.4	74.2	-60.2	24.4	64.7	34.7	63.6	97.6	110.1
EPS	-0.12	0.09	0.25	0.13	0.36	-0.29	0.12	0.32	0.17	0.31	0.48	0.54
EPS adj. (diluted)	-0.12	0.09	0.25	0.13	0.36	-0.29	0.12	0.32	0.17	0.31	0.48	0.54
Dividend per share					0.11					0.12	0.13	0.16
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	6815	7661	8183	7829	3 048.8	6942	8327	895.6	836.5	3 259.0	3 356.8	3 440.7
Total	6815	7661	8183	7829	3 048.8	6942	8327	895.6	836.5	3 259.0	3 356.8	3 440.7
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	-1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	8.7%	9.5%	6.9%	6.9%	3.0%	2.5%
Total	-1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	8.7%	9.5%	6.9%	6.9%	3.0%	2.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	-11.6	43.6	71.5	47.9	151.4	-62.6	47.6	88.8	58.9	132.6	194.7	206.4
Total	-11.6	43.6	71.5	47.9	151.4	-62.6	47.6	88.8	58.9	132.6	194.7	206.4
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	5.7%	9.9%	7.0%	4.1%	5.8%	6.0%
Total	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	5.7%	9.9%	7.0%	4.1%	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	3 259.0	3 356.8	3 440.7
<i>Sales growth (%)</i>	-73.2%	1.1%	181.1%	26.8%	2.0%	6.9%	3.0%	2.5%
EBITDA	-251.5	-149.0	185.9	530.2	481.7	458.3	497.3	527.4
<i>EBITDA margin (%)</i>	-30.3%	-17.8%	7.9%	17.7%	15.8%	14.1%	14.8%	15.3%
Depreciation	-343.8	-319.9	-349.8	-346.2	-330.3	-325.7	-302.7	-321.0
EBITA	-595.3	-468.9	-163.9	184.0	151.4	132.6	194.7	206.4
Goodwill amortization / writedown								
EBIT	-595.3	-468.9	-163.9	184.0	151.4	132.6	194.7	206.4
<i>EBIT margin (%)</i>	-71.8%	-55.9%	-7.0%	6.2%	5.0%	4.1%	5.8%	6.0%
Reported EBIT	-597.7	-474.7	-163.9	184.0	151.4	132.6	194.7	206.4
<i>EBIT margin (reported) (%)</i>	-72.1%	-56.6%	-7.0%	6.2%	5.0%	4.1%	5.8%	6.0%
Net financials	-190.1	-127.5	-170.2	-72.3	-68.1	-54.6	-57.0	-53.0
Pre-tax profit	-785.4	-596.4	-334.1	111.7	83.3	78.0	137.7	153.4
Taxes	131.2	117.6	-105.4	135.2	-9.1	-5.0	-27.5	-30.7
Minority shares								
Net profit	-671.4	-484.6	-439.5	246.9	74.2	63.6	97.6	110.1
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	1 601	1 680	1 740
Goodwill								
Right of use assets	918	1 182	1 083	917	780	880	940	998
Inventory	68	56	122	135	87	98	84	86
Receivables	70	137	158	166	232	181	167	153
Liquid funds	824	1 266	1 524	922	884	1 304	1 343	1 376
Total assets	3 646	4 047	4 133	3 698	3 721	4 285	4 436	4 575
Liabilities								
Shareholders' equity	897	476	411	577	627	668	741	825
Minority interest								
Convertibles								
Lease liabilities	1 016	1 381	1 128	951	840	880	940	998
Deferred taxes								
Interest bearing debt	1 182	1 428	1 299	911	861	1 298	1 295	1 274
Non-interest bearing current liabilities	176	291	452	507	659	704	725	744
Other interest-free debt	215	271	658	627	613	613	613	613
Total liabilities	3 647	4 047	4 133	3 698	3 721	4 285	4 436	4 575
CASH FLOW, EURm								
+ EBITDA	-251	-149	186	530	482	458	497	527
- Net financial items	-190	-128	-170	-72	-68	-55	-57	-53
- Taxes	-18	11	6	-18	3	-5	-28	-31
- Increase in Net Working Capital	-489	117	274	64	124	85	48	31
+/- Other	-17	-6				-9	-13	-13
= Cash flow from operations	-966	-155	296	504	541	475	449	462
- Capex	-315	-484	-149	-412	-386	-510	-442	-439
- Acquisitions								
+ Divestments								
= Free cash flow	-1 281	-639	147	92	155	-35	7	23
+/- New issues/buybacks	602	64	374	-81	-24			
- Paid dividend					23	25	27	33
+/- Other	551	1 018	-262	-614	-169	477	57	37
Change in cash	-128	442	259	-603	-38	420	39	34

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	837	546	817	453	496	496	496
Net debt (excl. convertibles)	1 543	902	940	817	874	892	896
Enterprise value	2 380	1 448	1 756	1 269	1 370	1 388	1 391
Sales	838	2 357	2 989	3 049	3 259	3 357	3 441
EBITDA	-149	186	530	482	458	497	527
EBIT	-469	-164	184	151	133	195	206
Pre-tax	-596	-334	112	83	78	138	153
Earnings	-479	-440	247	74	64	98	110
Equity book value (excl. minorities)	476	411	577	627	668	741	825

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	2.8	0.6	0.6	0.4	0.4	0.4	0.4
EV/EBITDA	-16.0	7.8	3.3	2.6	3.0	2.8	2.6
EV/EBITA	-5.1	-8.8	9.5	8.4	10.3	7.1	6.7
EV/EBIT	-5.1	-8.8	9.5	8.4	10.3	7.1	6.7
EV/OCF	-15.4	4.9	3.5	2.3	2.9	3.1	3.0
EV/FCF	-26.4	2.4	53.0	5.8	5.0	5.7	5.3
P/FCFR	-0.1	0.2	0.1	2.9	-14.1	75.2	21.6
P/E	-1.7	-1.2	3.3	6.1	7.8	5.1	4.5
P/BV	1.8	1.3	1.4	0.7	0.7	0.7	0.6
Target EV/EBITDA					3.0	2.8	2.6
Target EV/EBIT					10.3	7.1	6.7
Target EV/FCFF					-39.0	209.8	60.4
Target P/BV					0.7	0.7	0.6
Target P/E, diluted	-1.8	-1.3	4.3	7.6	7.7	5.0	4.5

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	0.31	0.48	0.54
Operating cash flow per share	-1.85	3.53	2.47	2.64	2.32	2.19	2.26
Free cash flow per share	-7.63	1.75	0.45	0.76	-0.17	0.03	0.11
Book value per share	5.68	4.90	2.83	3.06	3.26	3.62	4.03
Dividend per share				0.11	0.12	0.13	0.16
Dividend payout ratio, %				30.4%	38.7%	27.3%	30.4%
Dividend yield, %				5.0%	5.0%	5.4%	6.8%
FCF yield, %	-76.4%	26.9%	11.3%	34.2%	-7.1%	1.3%	4.6%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-69.8%	-99.2%	50.0%	12.3%	9.8%	13.8%	14.1%
ROCE	-17.9%	-8.9%	3.2%	2.4%	2.6%	1.9%	2.1%

Financial ratios	2021	2022	2023	2024	2025E	2026E	2027E
Inventories as % of sales	6.7%	5.2%	4.5%	2.9%	3.0%	2.5%	2.5%
Receivables as % of sales	16.3%	6.7%	5.6%	7.6%	5.5%	5.0%	4.4%
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%	-28.1%	-28.7%	-28.9%
Operative CAPEX/Sales, %	57.8%	6.3%	13.8%	12.7%	15.6%	13.2%	12.8%
CAPEX/sales (incl. acquisitions), %	57.8%	6.3%	13.8%	12.7%	15.6%	13.2%	12.8%
FCFF/EBITDA	0.6	3.2	0.1	0.5	0.6	0.5	0.5
Net Debt/EBITDA, book-weighted	-10.4	4.9	1.8	1.7	1.9	1.8	1.7
Debt/equity, market-weighted	1.7	2.4	1.1	1.9	2.6	2.6	2.6
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%	130.8%	120.4%	108.6%

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	276.042	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	14.103	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	6.748	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	5.082	1.0 %
The State Pension Fund	1 795 000	4.344	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	2.911	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	1.764	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.352	0.3 %
Finnair Oyj	300 082	0.726	0.1 %
Forsten Visa Tapio	245 700	0.595	0.1 %
Ten largest	129 614 941	313.668	63.3 %
Residual	75 196 059	181.974	36.7 %
Total	204 811 000	495.643	100%

EARNINGS CALENDAR

July 16, 2025	Q2 report
October 30, 2025	Q3 report

OTHER EVENTS
COMPANY MISCELLANEOUS

CEO: Turkka Kuusisto	Tietotie 9, 01053 FINNAIR (VANTAA AIRPORT)
CFO: Kristian Pullola	Tel: +358 9 818 2780
IR: Erkkä Salonen	

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 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 $\frac{\text{Enterprise value}}{\text{Sales}}$	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 Current assets – current liabilities
Net debt Interest bearing debt – financial assets	Capital employed / Share $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
Total assets 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, % $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt (average)}}$	CAGR, % Cumulative annual growth rate = Average growth rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

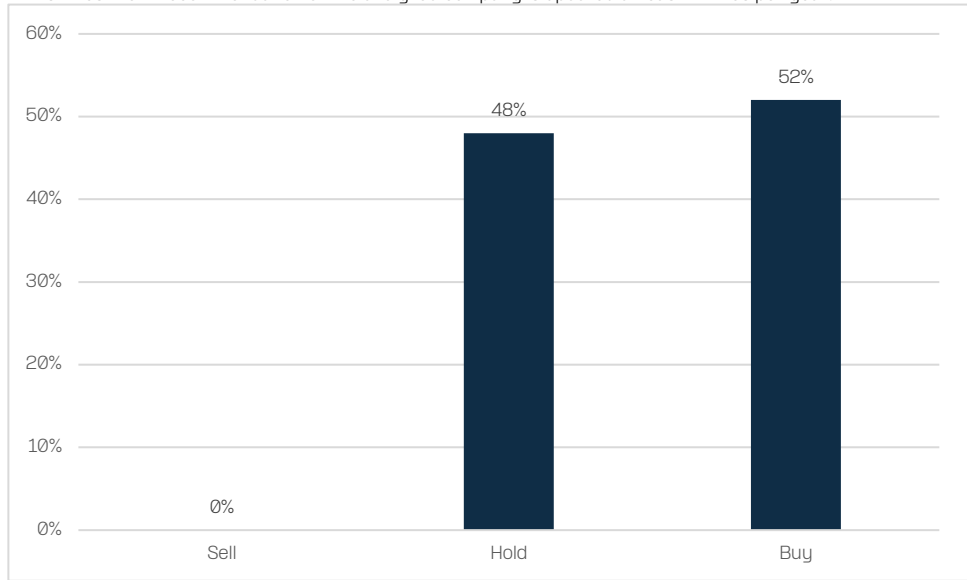
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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