

## Gains expected after tough spring

**Finnair reports Q2 results on Jul 16. Industrial action has continued to affect performance, while the earnings gains likely to be seen from H2 onwards are already priced in.**

### Industrial action a major negative for H1'25 earnings

Finnair's European and Asian PLFs have gained recently, a clear positive profitability driver as the two route areas together contribute more than three quarters of passenger volume even if North American capacity has been growing fastest this year; North Atlantic demand growth didn't keep up with the pace of supply in Q2, so Q3 still has to prove the decision to allocate capacity there was solid. Finnair has also suffered from extended amounts of industrial action so far this year; the company previously estimated the total cost at about EUR 40m this year, however we deem it likely Finnair will update this figure now that the labor situation at Helsinki Airport has been prolonged. We thus now believe Finnair's Q2 adj. EBIT will decline by EUR 11m y/y to EUR 33m.

### H2'25 earnings outlook already a lot better

We estimate FY'25 adj. EBIT at EUR 115m; we see H2'25 EBIT to gain some EUR 25m y/y as jet fuel prices are still relatively low, albeit slightly trending up recently. Finnair might already narrow its EBIT guidance range a bit as an interval of EUR 100m would be quite large for H2, although many sources of uncertainty still prevail (including ticket and jet fuel prices as well as general cost inflation).

### Next year's earnings gains have been widely priced in

IATA expects airline profits to increase somewhat this year in absolute terms thanks to modest revenue and margin gains. Growth outlook may not be quite as good as it was earlier this year, but Finnair's peers could still grow by another 5% while jet fuel prices are more modest. Airline valuations have gained in recent months and the median FY'25 EV/EBIT multiple is now about 9x, while Finnair trades close to 13x on our estimates. In our view this elevated multiple reflects the fact that Finnair has suffered significantly from the recent industrial actions, and indeed Finnair's FY'26 EV/EBIT multiple of roughly 8x is again in line with its peers. We believe Finnair is likely to return to earnings growth in H2'25, however earnings multiples already reflect such expectations. Our new TP is EUR 2.7 (2.4) as we retain our REDUCE rating.

## Rating ■ Reduce



<b>Share price, EUR</b> (Last trading day's closing price)	<b>2.94</b>
Target price, EUR	2.7
Latest change in recommendation	14-Feb-25
Latest report on company	30-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	601
Free float, %	42.9 %
Exchange rate	1.17
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
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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	3219.5	114.6	3.6%	-16.2	0.22	13.2	0.5	12.7	-2.7%	0.12
2026E	3316.1	189.0	5.7%	5.6	0.47	6.3	0.4	7.8	0.9%	0.13
2027E	3399.0	197.1	5.8%	18.1	0.51	5.8	0.4	7.5	3.0%	0.15

Market cap, EURm	601	Gearing 2025E, %	131.5 %	CAGR EPS 2024-27, %	11.9 %
Net debt 2025E, EURm	855	Price/book 2025E	0.9	CAGR Sales 2024-27, %	3.7 %
Enterprise value, EURm	1 456	Dividend yield 2025E, %	4.1 %	ROE 2025E, %	7.1 %
Total assets 2025E, EURm	4 223	Tax rate 2025E, %	8.3 %	ROCE 2025E, %	1.9 %
Goodwill 2025E, EURm	0	Equity ratio 2025E, %	13.7 %	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	2025	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	10 208	10 992	9 870	40 196
y/y change	9 %	15 %	11 %	-73 %	-7 %	159 %	16 %	4 %	6 %	9 %	3 %	6 %	2 %	4 %	8 %	6 %	5 %
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	7 816	8 913	7 776	31 236
y/y change	14 %	13 %	11 %	-79 %	-36 %	309 %	31 %	0 %	4 %	7 %	8 %	5 %	5 %	7 %	10 %	9 %	8 %
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 %	76.6 %	81.1 %	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	1.9%-p	1.6%-p	2.4%-p	1.9%-p
Anollary and retail	145	161	176	62	44	123	148	37	45	48	52	182	45	50	55	60	209
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	3008	829	838	2356	2989	681	766	818	783	3049	694	803	885	837	3219
YoY change	11 %	10 %	9 %	-73 %	1 %	181 %	27 %	-2 %	2 %	0 %	8 %	2 %	2 %	5 %	8 %	7 %	6 %
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 %	17 %	15 %	16 %	17 %
Fuel	-472	-581	-687	-233	-212	-836	-900	-210	-225	-239	-219	-893	-214	-226	-265	-231	-926
y/y change	-4 %	23 %	18 %	-66 %	-9 %	295 %	8 %	-4 %	2 %	1 %	-2 %	-1 %	2 %	1 %	7 %	6 %	4 %
% of revenue	18 %	20 %	22 %	28 %	25 %	35 %	30 %	31 %	29 %	29 %	28 %	29 %	31 %	28 %	29 %	28 %	29 %
Other OPEX	-1314	-1316	-1444	-613	-666	-1067	-1181	-304	-318	-331	-332	-1284	-348	-357	-362	-361	-1429
y/y change	4 %	0 %	10 %	-58 %	-8 %	88 %	12 %	3 %	12 %	7 %	9 %	8 %	14 %	13 %	9 %	9 %	11 %
% of revenue	51 %	46 %	47 %	74 %	68 %	45 %	40 %	45 %	41 %	40 %	42 %	42 %	50 %	44 %	41 %	43 %	44 %
Comparable EBIT	171	218	183	-595	-489	-184	184	-12	44	72	48	151	-83	33	86	58	115
Comp. EBIT-%	6.6 %	7.7 %	6.3 %	-71.8 %	-58.0 %	-7.0 %	6.2 %	-1.7 %	5.7 %	8.7 %	6.1 %	5.0 %	-9.0 %	4.1 %	9.7 %	7.0 %	3.6 %

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	22683	6.3x	5.6x	4.9x	9.9x	9.1x	7.8x	2.1x	1.7x	1.3x
International Consolidated	19443	4.0x	4.1x	3.9x	6.1x	6.4x	6.0x	3.5x	2.5x	1.9x
Air France-KLM	2789	3.4x	3.3x	3.0x	9.0x	8.3x	7.2x			5.4x
Deutsche Lufthansa	8967	3.3x	3.3x	3.0x	8.0x	7.5x	6.1x	0.8x	0.7x	0.7x
Norwegian Air Shuttle	1368	2.7x	2.6x	2.4x	10.0x	6.5x	6.6x	2.2x	1.8x	1.6x
Aegean Airlines	1142	3.9x	4.3x	4.0x	8.2x	8.7x	7.9x			
easyJet	4597	2.9x	2.3x	2.1x	6.5x	4.9x	4.4x	1.3x	1.1x	1.0x
Ryanair Holdings	25931	7.2x	7.7x	6.8x	12.3x	12.5x	10.5x	3.7x	3.3x	2.7x
Wizz Air Holdings	1279	5.8x	4.2x	3.5x	28.7x	16.4x	10.8x	4.9x	2.8x	1.7x
American Airlines Group	6531	7.9x	9.0x	6.9x	13.0x	18.0x	12.0x			
Delta Air Lines	28211	6.5x	6.2x	5.5x	9.8x	9.5x	8.2x	2.3x	1.8x	1.4x
Peer Group Average	11176	4.9x	4.8x	4.2x	11.0x	9.8x	7.9x	2.6x	2.0x	2.0x
Peer Group Median	6531	4.0x	4.2x	3.9x	9.8x	8.7x	7.8x	2.2x	1.8x	1.6x
Finnair (Evli est.)	602	2.6x	3.3x	3.0x	8.4x	12.7x	7.8x	0.7x	0.9x	0.8x

Finnair prem./disc. to peer median -34 % -22 % -22 % -14 % 46 % 0 % -67 % -47 % -48 %

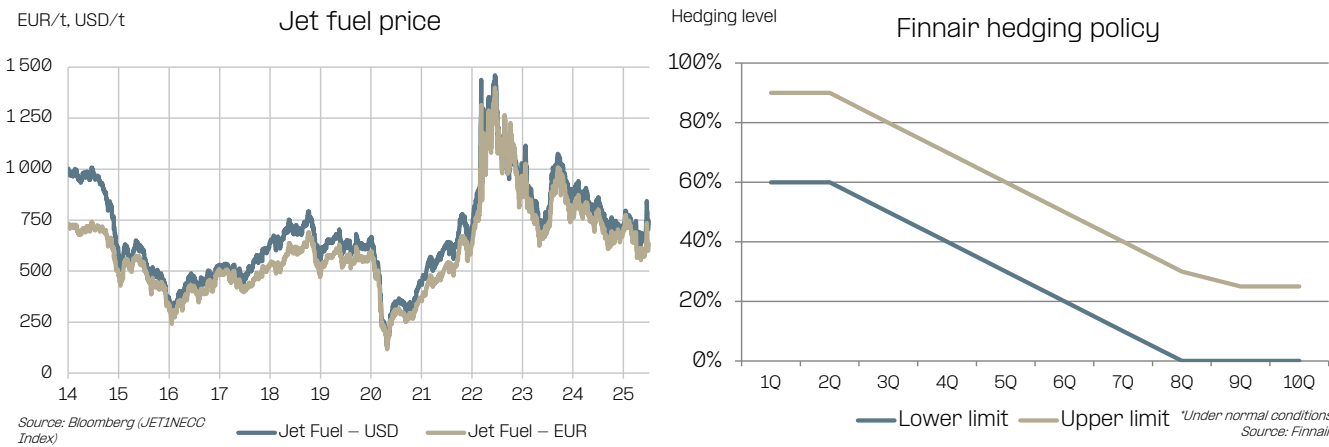
Source FactSet, Evli Research

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%	-8.1%	7.4%	9.1 %	8.3 %	9.0 %	0.0 %	0.0 %	0.0 %
International Consolidated	29453	9.0%	2.9%	3.8%	13.6 %	13.8 %	14.1 %	1.8 %	2.4 %	3.7 %
Air France-KLM	30019	4.8%	5.3%	4.2%	5.0 %	5.7 %	6.3 %	0.0 %	0.0 %	0.9 %
Deutsche Lufthansa	35422	6.1%	6.4%	4.1%	4.4 %	4.8 %	5.6 %	3.9 %	3.9 %	4.5 %
Norwegian Air Shuttle	2255	34.0%	4.5%	7.0%	5.4 %	8.2 %	7.6 %	1.6 %	2.7 %	2.8 %
Aegean Airlines	1693	5.0%	6.3%	6.2%	11.0 %	11.2 %	11.6 %	6.3 %	6.5 %	6.6 %
easyJet	9437	19.8%	5.1%	6.6%	6.6 %	7.2 %	7.5 %	2.4 %	2.8 %	3.1 %
Ryanair Holdings	13444	3.0%	6.5%	5.8%	12.2 %	13.9 %	15.7 %	1.6 %	1.8 %	2.1 %
Wizz Air Holdings	5073	3.1%	15.7%	16.0%	4.5 %	6.4 %	8.3 %	0.0 %	0.0 %	0.0 %
American Airlines Group	48740	7.0%	-10.7%	6.0%	6.0 %	3.7 %	5.2 %	0.0 %	0.0 %	0.3 %
Delta Air Lines	49855	11.5%	-11.6%	6.1%	10.6 %	9.5 %	10.3 %	0.9 %	1.1 %	1.2 %
Peer Group Average	24998	10.3%	2.0%	6.6%	8.0 %	8.4 %	9.2 %	1.7 %	1.9 %	2.3 %
Peer Group Median	29453	7.0%	5.1%	6.1%	6.6 %	8.2 %	8.3 %	1.6 %	1.8 %	2.1 %
Finnair (Evli est.)	2989	2.0%	5.6%	3.0%	5.0 %	3.6 %	5.7 %	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	2.94 PV of Free Cash Flow	1 752 Long-term growth, %	2.0 % Risk-free interest rate, %
DCF share value	12.06 PV of Horizon value	1 558 WACC, %	9.6 % Market risk premium, %
Share price potential, %	310.9 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	13.1 Marketable securities	884 Minimum WACC, %	9.1 % Equity beta coefficient
Minimum value	11.1 Debt – dividend	–1 723 Maximum WACC, %	10.1 % Target debt ratio, %
Horizon value, %	47.1 % Value of stock	2 471 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	3 220	3 316	3 399	3 467	3 536	3 607	3 679	3 753	3 828	3 904	3 983
Sales growth (%)	2.0%	5.6%	3.0%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating income (EBIT)	151	115	189	197	208	212	234	239	225	230	234	239
Operating income margin %	5.0%	3.6%	5.7%	5.8%	6.0%	6.0%	6.5%	6.5%	6.0%	6.0%	6.0%	6.0%
+ Depreciation+amort.	330	326	296	314	330	344	363	377	390	410	412	
EBITDA	482	440	485	511	538	556	598	616	615	640	646	
– Paid taxes	–4	–10	–38	–39	–42	–42	–47	–48	–45	–46	–47	
– Change in NWC	124	80	48	30	–6	11	11	12	12	12	12	
NWC / Sales, %	27.3%	28.3%	28.9%	–29.1%	28.3%	–28.1%	27.9%	27.6%	27.4%	27.2%	27.0%	
+ Change in other liabs	–8											
– Operative CAPEX	–377	–250	–250	–240	–240	–240	–240	–240	–300	–300	–325	
opCAPEX / Sales, %	12.7%	14.5%	13.1%	12.7%	12.6%	13.6%	12.8%	12.9%	14.5%	11.5%	8.3%	
– Acquisitions												
+ Divestments												
– Other items		–9	–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	217	251	233	250	238	272	310	327	269	293	274	3 701
= Discounted FCOFF		240	203	199	173	181	188	181	136	135	115	1 558
= DFCF min WACC		241	205	201	176	185	193	187	141	141	121	1 742
= DFCF max WACC		240	202	197	170	177	183	176	132	130	111	1 399

## Sensitivity analysis, EUR

		Terminal WACC				
		7.56 %	8.56 %	9.56 %	10.56 %	11.56 %
Terminal EBIT–%	4.00 %	14.01	11.66	9.90	8.53	7.43
	5.00 %	15.76	13.02	10.98	9.41	8.15
	6.00 %	17.51	14.38	12.06	10.29	8.87
	7.00 %	19.27	15.74	13.15	11.16	9.60
	8.00 %	21.02	17.10	14.23	12.04	10.32

## 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	803.4	885.4	836.5	3 219.5	3 316.1	3 399.0
EBITDA	71.2	125.8	153.3	131.4	481.7	23.1	112.7	166.2	138.3	440.3	485.2	511.5
EBITDA margin (%)	10.5%	16.4%	18.7%	16.8%	15.8%	3.3%	14.0%	18.8%	16.5%	13.7%	14.6%	15.1%
EBIT	-11.6	43.6	71.5	47.9	151.4	-62.6	32.7	86.2	58.3	114.6	189.0	197.1
EBIT margin (%)	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	4.1%	9.7%	7.0%	3.6%	5.7%	5.8%
Net financial items	-20.3	-20.0	-5.1	-22.7	-68.1	-10.6	-14.0	-15.0	-15.0	-54.6	-54.0	-51.3
Pre-tax profit	-31.9	23.6	66.4	25.2	83.3	-73.2	18.7	71.2	43.3	60.0	135.0	145.8
Tax	7.6	-4.6	-14.3	2.2	-9.1	13.0	-6.0	-6.0	-6.0	-5.0	-27.0	-29.2
Tax rate (%)	23.8%	19.5%	21.5%	-8.7%	10.9%	17.8%	32.1%	8.4%	13.9%	8.3%	20.0%	20.0%
Net profit	-24.3	19.0	52.1	27.4	74.2	-60.2	9.5	62.1	34.2	45.6	95.4	104.1
EPS	-0.12	0.09	0.25	0.13	0.36	-0.29	0.05	0.30	0.17	0.22	0.47	0.51
EPS adj. (diluted)	-0.12	0.09	0.25	0.13	0.36	-0.29	0.05	0.30	0.17	0.22	0.47	0.51
Dividend per share					0.11					0.12	0.13	0.15
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2E	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	6815	7661	8183	7829	3 048.8	6942	803.4	885.4	836.5	3 219.5	3 316.1	3 399.0
Total	6815	7661	8183	7829	3 048.8	6942	803.4	885.4	836.5	3 219.5	3 316.1	3 399.0
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%	4.9%	8.2%	6.9%	5.6%	3.0%	2.5%
Total	-1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	4.9%	8.2%	6.9%	5.6%	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	32.7	86.2	58.3	114.6	189.0	197.1
Total	-11.6	43.6	71.5	47.9	151.4	-62.6	32.7	86.2	58.3	114.6	189.0	197.1
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%	4.1%	9.7%	7.0%	3.6%	5.7%	5.8%
Total	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	4.1%	9.7%	7.0%	3.6%	5.7%	5.8%

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	3 219.5	3 316.1	3 399.0
<i>Sales growth (%)</i>	-73.2%	1.1%	181.1%	26.8%	2.0%	5.6%	3.0%	2.5%
EBITDA	-251.5	-149.0	185.9	530.2	481.7	440.3	485.2	511.5
<i>EBITDA margin (%)</i>	-30.3%	-17.8%	7.9%	17.7%	15.8%	13.7%	14.6%	15.1%
Depreciation	-343.8	-319.9	-349.8	-346.2	-330.3	-325.7	-296.2	-314.3
EBITA	-595.3	-468.9	-163.9	184.0	151.4	114.6	189.0	197.1
Goodwill amortization / writedown								
EBIT	-595.3	-468.9	-163.9	184.0	151.4	114.6	189.0	197.1
<i>EBIT margin (%)</i>	-71.8%	-55.9%	-7.0%	6.2%	5.0%	3.6%	5.7%	5.8%
Reported EBIT	-597.7	-474.7	-163.9	184.0	151.4	114.6	189.0	197.1
<i>EBIT margin (reported) (%)</i>	-72.1%	-56.6%	-7.0%	6.2%	5.0%	3.6%	5.7%	5.8%
Net financials	-190.1	-127.5	-170.2	-72.3	-68.1	-54.6	-54.0	-51.3
Pre-tax profit	-785.4	-596.4	-334.1	111.7	83.3	60.0	135.0	145.8
Taxes	131.2	117.6	-105.4	135.2	-9.1	-5.0	-27.0	-29.2
Minority shares								
Net profit	-671.4	-484.6	-439.5	246.9	74.2	45.6	95.4	104.1
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	837	895	952
Inventory	68	56	122	135	87	97	83	85
Receivables	70	137	158	166	232	179	166	151
Liquid funds	824	1 266	1 524	922	884	1 288	1 326	1 360
Total assets	3 646	4 047	4 133	3 698	3 721	4 223	4 373	4 510
Liabilities								
Shareholders' equity	897	476	411	577	627	650	721	798
Minority interest								
Convertibles								
Lease liabilities	1 016	1 381	1 128	951	840	837	895	952
Deferred taxes								
Interest bearing debt	1 182	1 428	1 299	911	861	1 306	1 305	1 291
Non-interest bearing current liabilities	176	291	452	507	659	696	717	735
Other interest-free debt	215	271	658	627	613	613	613	613
Total liabilities	3 647	4 047	4 133	3 698	3 721	4 223	4 373	4 510
CASH FLOW, EURm								
+ EBITDA	-251	-149	186	530	482	440	485	511
- Net financial items	-190	-128	-170	-72	-68	-55	-54	-51
- Taxes	-18	11	6	-18	3	-5	-27	-29
- Increase in Net Working Capital	-489	117	274	64	124	80	48	30
+/- Other	-17	-6				-9	-13	-13
= Cash flow from operations	-966	-155	296	504	541	451	439	449
- Capex	-315	-484	-149	-412	-386	-467	-434	-431
- Acquisitions								
+ Divestments								
= Free cash flow	-1 281	-639	147	92	155	-16	6	18
+/- New issues/buybacks	602	64	374	-81	-24			
- Paid dividend					23	25	27	32
+/- Other	551	1 018	-262	-614	-169	443	58	42
Change in cash	-128	442	259	-603	-38	404	39	33

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	837	546	817	453	601	601	601
Net debt (excl. convertibles)	1 543	902	940	817	855	874	883
Enterprise value	2 380	1 448	1 756	1 269	1 456	1 475	1 484
Sales	838	2 357	2 989	3 049	3 220	3 316	3 399
EBITDA	-149	186	530	482	440	485	511
EBIT	-469	-164	184	151	115	189	197
Pre-tax	-596	-334	112	83	60	135	146
Earnings	-479	-440	247	74	46	95	104
Equity book value (excl. minorities)	476	411	577	627	650	721	798

Valuation multiple	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	2.8	0.6	0.6	0.4	0.5	0.4	0.4
EV/EBITDA	-16.0	7.8	3.3	2.6	3.3	3.0	2.9
EV/EBITA	-5.1	-8.8	9.5	8.4	12.7	7.8	7.5
EV/EBIT	-5.1	-8.8	9.5	8.4	12.7	7.8	7.5
EV/OCF	-15.4	4.9	3.5	2.3	3.2	3.4	3.3
EV/FCF	-26.4	2.4	53.0	5.8	5.8	6.3	5.9
P/FCFR	-0.1	0.2	0.1	2.9	-37.2	108.1	33.3
P/E	-1.7	-1.2	3.3	6.1	13.2	6.3	5.8
P/BV	1.8	1.3	1.4	0.7	0.9	0.8	0.8
Target EV/EBITDA					3.2	2.9	2.8
Target EV/EBIT					12.3	7.6	7.3
Target EV/FCFF					-87.1	256.6	79.4
Target P/BV					0.9	0.8	0.7
Target P/E, diluted	-1.8	-1.3	4.3	7.6	12.1	5.8	5.3

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	0.22	0.47	0.51
Operating cash flow per share	-1.85	3.53	2.47	2.64	2.20	2.15	2.19
Free cash flow per share	-7.63	1.75	0.45	0.76	-0.08	0.03	0.09
Book value per share	5.68	4.90	2.83	3.06	3.17	3.52	3.90
Dividend per share				0.11	0.12	0.13	0.15
Dividend payout ratio, %				30.4%	53.9%	27.9%	30.4%
Dividend yield, %				5.0%	4.1%	4.4%	5.3%
FCF yield, %	-76.4%	26.9%	11.3%	34.2%	-2.7%	0.9%	3.0%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-69.8%	-99.2%	50.0%	12.3%	7.1%	13.9%	13.7%
ROCE	-17.9%	-8.9%	3.2%	2.4%	1.9%	1.8%	1.9%

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%	5.6%	5.0%	4.5%
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%	-28.3%	-28.9%	-29.1%
Operative CAPEX/Sales, %	57.8%	6.3%	13.8%	12.7%	14.5%	13.1%	12.7%
CAPEX/sales (incl. acquisitions), %	57.8%	6.3%	13.8%	12.7%	14.5%	13.1%	12.7%
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	2.2	2.2	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%	131.5%	121.2%	110.6%

**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	334.901	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	17.110	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	8.187	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	6.166	1.0 %
The State Pension Fund	1 795 000	5.270	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	3.532	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.140	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.640	0.3 %
Finnair Oyj	300 082	0.881	0.1 %
Forsten Visa Tapio	245 700	0.721	0.1 %
Ten largest	129 614 941	380.549	63.3 %
Residual	75 196 059	220.776	36.7 %
Total	204 811 000	601.325	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

<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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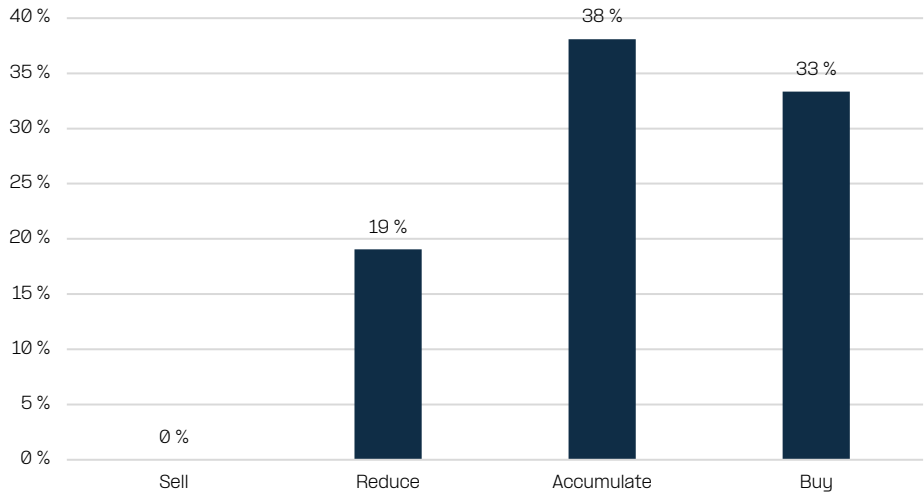
Investment recommendations are defined as follows:

Target price compared to share price  
 < -10 %  
 -10 - 0 %  
 0 - (+10) %  
 > 10 %

Recommendation  
 SELL  
 REDUCE  
 ACCUMULATE  
 BUY

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

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