EVLI

FINNAIR

Transportation/ Finland, October 21, 2025
Preview

Starting to look better again

Finnair reports Q3 results on Oct 30. In our view the underlying Q3 results could already be relatively strong, but better performance towards next year is widely expected.

Earnings should again improve after industrial action
Finnair's FY'25 adj. EBIT will be largely ruined by industrial action; early July still suffered from such action so that Q3 sees a negative impact of ca. EUR 20m. We expect ticket prices to have stabilized and estimate Q3 revenue to have grown 5% y/y. Our EUR 64m Q3 EBIT estimate is EUR 7m below the comparison figure, meaning Finnair would achieve y/y earnings gains without the costs of industrial action but would still be below the high EUR 94m comparison figure seen 2 years ago. We estimate FY'25 adj. EBIT at EUR 71m, slightly below the guidance midpoint.

Asia and Europe performed well in Q3, North Atlantic less so
Jet fuel prices have remained relatively stable, albeit slightly declining, in the past 3 months. We thus expect Finnair's Q4 adj. EBIT to gain EUR 11m y/y as ticket prices stabilize and volumes continue to grow while cost inflation stays rather modest. Finnair's FY'25 guidance suggests the company might have been able to reach some EUR 150m EBIT without the costs of industrial action; we estimate EBIT to improve to EUR 180m (5.5% margin) next year as global aviation volumes grow more. Finnair seems to have however recently adjusted North Atlantic capacity down in response to weaker than expected demand, since its ASK declined by 6% y/y in September while it still grew 45% in August. Finnair's capacity growth now seems to focus on Asia, where PLFs are already well above 80%, while Europe and North Atlantic don't need to see that much additional capacity since their PLFs hover only around 75%. We expect updates next month on Finnair's future narrow body fleet renewal as well as how its strategy should develop going forward (e.g. strengthening unit revenues vs reducing unit costs).

Multiples largely in line with peers from next year onwards
Finnair is valued about 20x EV/EBIT on our FY'25 estimates as earnings dip due to industrial action, but the 8x multiple on our FY'26 estimates is in line with peers. Our EBIT estimates are a bit below the targeted 6% margin, so in that sense the multiples aren't very stretched, but Finnair also begins to invest in new narrow bodies in the coming years and this will burden the balance sheet even if Finnair's cash flow covers some of the outlay. We retain our EUR 2.7 TP and REDUCE rating.

Rating — Reduce

Share price, EUR (Last trading day's closing price)	**2.78**
Target price, EUR	2.7
Latest change in recommendation	14-Feb-25
Latest report on company	17-Jul-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	569
Free float, %	42.9 %
Exchange rate	1.16
Reuters code	FIA1S.HE
Bloomberg code	FIA1S FH
Average daily volume, EURm	0.5
Next interim report	30-Oct-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	3177.8	71.0	2.2%	-0.5	0.09	30.5	0.4	19.8	-0.1%	0.12
2026E	3273.1	180.0	5.5%	-1.3	0.43	6.4	0.4	8.0	-0.2%	0.13
2027E	3354.9	194.6	5.8%	-24.9	0.51	5.5	0.4	7.6	-4.4%	0.15

Market cap, EURm	569	Gearing 2025E, %	134.7 %	CAGR EPS 2024-27, %	11.7 %
Net debt 2025E, EURm	840	Price/book 2025E	0.9	CAGR Sales 2024-27, %	3.2 %
Enterprise value, EURm	1 408	Dividend yield 2025E, %	4.3 %	ROE 2025E, %	3.0 %
Total assets 2025E, EURm	4 155	Tax rate 2025E, %	3.5 %	ROCE 2025E, %	0.2 %
Goodwill 2025E, EURm	0	Equity ratio 2025E, %	13.4 %	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	2025 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	10 208	10 474	9 794	39 602
y/y change	*9 %*	*15 %*	*11 %*	*–73 %*	*–7 %*	*159 %*	*16 %*	*4 %*	*6 %*	*9 %*	*3 %*	*6 %*	*2 %*	*4 %*	*3 %*	*5 %*	*4 %*
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	8 355	7 671	30 574
y/y change	*14 %*	*13 %*	*11 %*	*–79 %*	*–36 %*	*309 %*	*31 %*	*0 %*	*4 %*	*7 %*	*8 %*	*5 %*	*5 %*	*7 %*	*3 %*	*7 %*	*5 %*
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 %	79.8 %	78.3 %	77.2 %
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*	*0.2%–p*	*1.9%–p*	*1.4%–p*
Ancillary and retail	145	161	176	62	44	123	148	37	45	48	52	182	45	50	52	59	206
Cargo	197	207	212	178	335	352	192	46	51	53	55	206	50	51	54	56	211
Travel services	206	223	230	61	39	170	237	58	57	63	64	242	61	60	65	66	252
Total revenue	**2569**	**2835**	**3098**	**829**	**838**	**2356**	**2989**	**681**	**766**	**818**	**783**	**3049**	**694**	**788**	**860**	**836**	**3178**
YoY change	***11 %***	***10 %***	***9 %***	***–73 %***	***1 %***	***181 %***	***27 %***	***–2 %***	***2 %***	***0 %***	***8 %***	***2 %***	***2 %***	***3 %***	***5 %***	***7 %***	***4 %***
Other income	77	74	56	48	63	154	130	33	32	31	44	140	35	23	21	27	105
Staff costs	–423	–500	–535	–284	–249	–447	–498	–130	–130	–125	–133	–519	–140	–132	–128	–137	–537
y/y change	*17 %*	*18 %*	*7 %*	*–47 %*	*–12 %*	*80 %*	*11 %*	*0 %*	*4 %*	*4 %*	*8 %*	*4 %*	*8 %*	*1 %*	*2 %*	*3 %*	*4 %*
% 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	–228	–235	–225	–901
y/y change	*–4 %*	*23 %*	*18 %*	*–66 %*	*–9 %*	*295 %*	*8 %*	*–4 %*	*2 %*	*1 %*	*–2 %*	*–1 %*	*2 %*	*1 %*	*–2 %*	*3 %*	*1 %*
% of revenue	*18 %*	*20 %*	*22 %*	*28 %*	*25 %*	*35 %*	*30 %*	*31 %*	*29 %*	*29 %*	*28 %*	*29 %*	*31 %*	*29 %*	*27 %*	*27 %*	*28 %*
Other OPEX	–1314	–1316	–1444	–613	–566	–1067	–1191	–304	–318	–331	–332	–1284	–348	–352	–373	–360	–1432
y/y change	*4 %*	*0 %*	*10 %*	*–58 %*	*–8 %*	*88 %*	*12 %*	*3 %*	*12 %*	*7 %*	*9 %*	*8 %*	*14 %*	*11 %*	*12 %*	*8 %*	*12 %*
% of revenue	*51 %*	*46 %*	*47 %*	*74 %*	*68 %*	*45 %*	*40 %*	*45 %*	*41 %*	*40 %*	*42 %*	*42 %*	*50 %*	*45 %*	*43 %*	*43 %*	*45 %*
Comparable EBIT	171	218	163	–595	–469	–164	184	–12	44	72	48	151	–63	10	64	59	71
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 %*	*–9.0 %*	*1.3 %*	*7.5 %*	*7.0 %*	*2.2 %*

Sources: Finnair, Evli Research

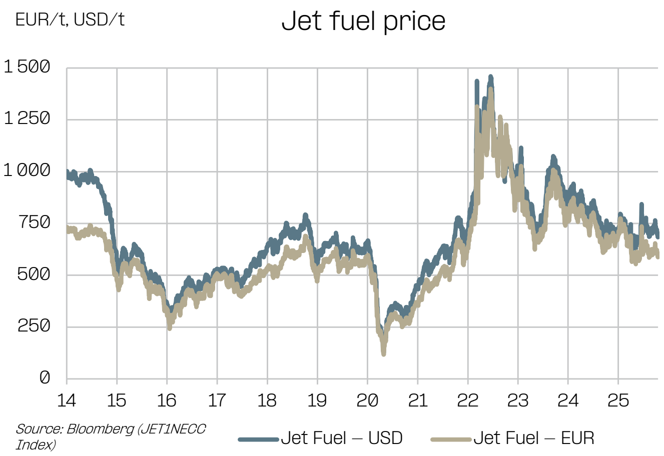
FINNAIR PEER GROUP	MCAP MEUR	EV/EBITDA 24	25	26	EV/EBIT 24	25	26	P/B 24	25	26
United Airlines Holdings	27508	6.3x	6.2x	5.5x	9.9x	10.0x	8.5x	2.6x	2.0x	1.5x
International Consolidated A	20950	4.0x	3.9x	3.7x	6.1x	5.8x	5.6x	3.9x	2.7x	2.0x
Air France–KLM	3111	3.4x	3.4x	3.1x	9.0x	8.3x	7.3x			3.5x
Deutsche Lufthansa	8702	3.3x	3.3x	3.0x	8.0x	7.5x	6.3x	0.8x	0.7x	0.7x
Norwegian Air Shuttle	1513	2.7x	2.9x	2.7x	10.0x	6.6x	6.9x	2.4x	2.1x	1.8x
Aegean Airlines	1190	3.9x	4.0x	3.8x	8.2x	7.8x	7.4x		2.1x	1.9x
easyJet	4201	2.9x	2.2x	2.0x	6.6x	4.8x	4.3x	1.2x	1.1x	0.9x
Ryanair Holdings	26792	7.2x	7.3x	6.4x	12.2x	11.7x	9.8x	3.8x	3.4x	2.8x
Wizz Air Holdings	1389	5.9x	4.9x	4.0x	28.7x	30.4x	17.0x	5.3x	4.6x	3.3x
American Airlines Group	6707	7.9x	9.6x	7.2x	13.0x	21.1x	13.1x			
Delta Air Lines	33377	6.5x	6.4x	5.7x	9.8x	9.4x	8.1x	2.7x	2.0x	1.6x
Peer Group Average	12313	4.9x	4.9x	4.3x	11.0x	11.2x	8.6x	2.8x	2.3x	2.0x
Peer Group Median	6707	4.0x	4.0x	3.8x	9.8x	8.3x	7.4x	2.6x	2.1x	1.9x
Finnair (Evli est.)	**569**	**2.6x**	**3.5x**	**3.1x**	**8.4x**	**19.8x**	**8.0x**	**0.7x**	**0.9x**	**0.8x**
Finnair prem./disc. to peer median		*–34 %*	*–13 %*	*–19 %*	*–14 %*	*138 %*	*8 %*	*–72 %*	*–56 %*	*–55 %*

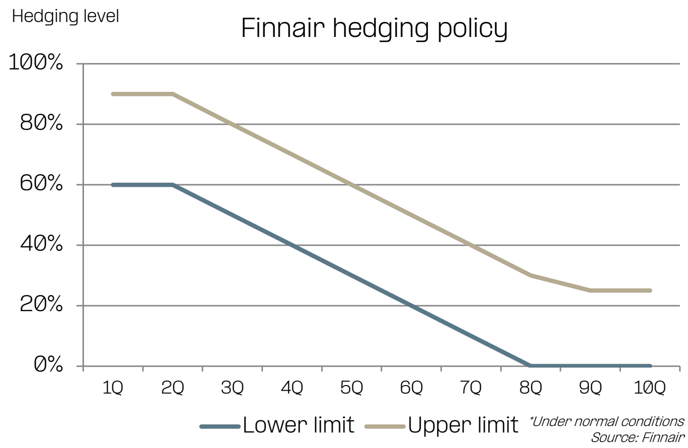
Source FactSet, Evli Research

FINNAIR PEER GROUP	Sales 23	Sales gr. 24	25	26	EBIT–% 24	25	26	Div. yield 24	25	26
United Airlines Holdings	49589	10.4%	–7.4%	8.0%	9.1 %	8.5 %	9.3 %	0.0 %	0.0 %	0.0 %
International Consolidated A	29453	9.0%	4.1%	3.4%	13.6 %	14.8 %	14.9 %	1.7 %	2.5 %	2.7 %
Air France–KLM	30019	4.8%	5.4%	4.2%	5.0 %	5.9 %	6.4 %	0.0 %	0.3 %	1.2 %
Deutsche Lufthansa	35422	6.1%	5.6%	4.1%	4.4 %	4.8 %	5.4 %	4.0 %	4.2 %	4.6 %
Norwegian Air Shuttle	2255	34.0%	5.8%	7.5%	5.4 %	9.6 %	8.5 %	1.4 %	4.1 %	4.0 %
Aegean Airlines	1693	5.0%	5.7%	6.8%	11.0 %	11.7 %	11.6 %	6.0 %	6.8 %	6.9 %
easyJet	9437	19.6%	4.6%	6.8%	6.5 %	6.8 %	7.1 %	2.6 %	2.8 %	3.1 %
Ryanair Holdings	13444	3.0%	7.8%	6.1%	12.3 %	14.4 %	16.2 %	1.5 %	1.8 %	2.0 %
Wizz Air Holdings	5073	3.1%	11.3%	14.2%	4.5 %	3.6 %	5.6 %	0.0 %	0.0 %	0.0 %
American Airlines Group	48740	7.0%	–10.4%	6.1%	6.0 %	3.1 %	4.7 %	0.0 %	0.0 %	0.4 %
Delta Air Lines	49855	11.5%	–9.2%	5.9%	10.6 %	10.2 %	11.2 %	0.8 %	1.1 %	1.3 %
Peer Group Average	24998	10.3%	2.1%	6.6%	8.0 %	8.5 %	9.2 %	1.6 %	2.1 %	2.4 %
Peer Group Median	29453	7.0%	5.4%	6.1%	6.5 %	8.5 %	8.5 %	1.4 %	1.8 %	2.0 %
Finnair (Evli est.)	**2989**	**2.0%**	**4.2%**	**3.0%**	**5.0 %**	**2.2 %**	**5.5 %**	**5.0 %**	**4.3 %**	**4.7 %**
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	2.78	PV of Free Cash Flow	1 164	Long-term growth, %	1.0 %	Risk-free interest rate, %	2.50 %
DCF share value	4.75	PV of Horizon value	649	WACC, %	13.0 %	Market risk premium, %	5.8 %
Share price potential, %	71.1 %	Unconsolidated equity	0	Spread, %	0.5 %	Debt risk premium %	3.5 %
Maximum value	5.1	Marketable securities	884	Minimum WACC, %	12.5 %	Equity beta coefficient	2.25
Minimum value	4.4	Debt - dividend	-1 723	Maximum WACC, %	13.5 %	Target debt ratio, %	30 %
Horizon value, %	35.8 %	Value of stock	973	No. of shares, Mn	204.8	Effective tax rate, %	20 %

DCF valuation, EURm	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	TERMINAL
Net sales	3 049	3 178	3 273	3 355	3 422	3 490	3 560	3 631	3 704	3 778	3 816	3 854
Sales growth (%)	*2.0%*	*4.2%*	*3.0%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*1.0%*	*1.0%*
Operating income (EBIT)	151	71	180	195	205	209	231	236	222	189	191	193
Operating income margin %	*5.0%*	*2.2%*	*5.5%*	*5.8%*	*6.0%*	*6.0%*	*6.5%*	*6.5%*	*6.0%*	*5.0%*	*5.0%*	*5.0%*
+ Depreciation+amort.	330	333	289	307	325	373	423	437	446	463	464	
EBITDA	482	404	469	502	531	582	655	673	669	651	655	
- Paid taxes	-4	-2	-36	-39	-41	-42	-46	-47	-44	-38	-38	
- Change in NWC	124	73	47	30	-6	11	11	11	12	12	6	
NWC / Sales, %	*-27.3%*	*-28.4%*	*-29.1%*	*-29.3%*	*-28.5%*	*-28.3%*	*-28.0%*	*-27.8%*	*-27.6%*	*-27.3%*	*-27.2%*	
+ Change in other liabs	-8											
- Operative CAPEX	-377	-250	-250	-350	-450	-500	-300	-275	-325	-350	-375	
opCAPEX / Sales, %	*12.7%*	*13.4%*	*13.0%*	*13.9%*	*20.3%*	*22.0%*	*14.6%*	*13.9%*	*15.3%*	*12.9%*	*9.8%*	
- Acquisitions												
+ Divestments												
- Other items		-6	-13	-13	-13	-13	-13	-13	-13	-13	-13	
= FCFF	217	218	218	130	21	39	307	349	298	263	235	1 988
= Discounted FCFF		213	188	100	14	23	163	164	124	97	77	649
= DFCF min WACC		213	189	100	14	24	167	169	128	101	80	705
= DFCF max WACC		213	187	99	14	23	159	160	120	93	74	598

Sensitivity analysis, EUR

Terminal EBIT-% \ Terminal WACC	10.95 %	11.95 %	12.95 %	13.95 %	14.95 %
3.00 %	5.07	4.34	3.72	3.20	2.75
4.00 %	5.79	4.95	4.24	3.64	3.12
5.00 %	6.52	5.55	4.75	4.08	3.50
6.00 %	7.25	6.16	5.27	4.51	3.87
7.00 %	7.98	6.77	5.78	4.95	4.25

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Net sales	681.5	766.1	818.3	782.9	3 048.8	694.2	787.7	860.1	835.8	3 177.8	3 273.1	3 354.9
EBITDA	71.2	125.8	153.3	131.4	481.7	23.1	97.4	144.4	138.9	403.8	469.1	501.6
EBITDA margin (%)	*10.5%*	*16.4%*	*18.7%*	*16.8%*	*15.8%*	*3.3%*	*12.4%*	*16.8%*	*16.6%*	*12.7%*	*14.3%*	*15.0%*
EBIT	–11.6	43.6	71.5	47.9	151.4	–62.6	10.3	64.4	58.9	71.0	180.0	194.6
EBIT margin (%)	*–1.7%*	*5.7%*	*8.7%*	*6.1%*	*5.0%*	*–9.0%*	*1.3%*	*7.5%*	*7.0%*	*2.2%*	*5.5%*	*5.8%*
Net financial items	–20.3	–20.0	–5.1	–22.7	–68.1	–10.6	–4.6	–15.0	–15.0	–45.2	–54.0	–49.5
Pre–tax profit	–31.9	23.6	66.4	25.2	83.3	–73.2	5.7	49.4	43.9	25.8	126.0	145.1
Tax	7.6	–4.6	–14.3	2.2	–9.1	13.0	–1.9	–6.0	–6.0	–0.9	–25.2	–29.0
Tax rate (%)	*23.8%*	*19.5%*	*21.5%*	*–8.7%*	*10.9%*	*17.8%*	*33.3%*	*12.1%*	*13.7%*	*3.5%*	*20.0%*	*20.0%*
Net profit	–24.3	19.0	52.1	27.4	74.2	–60.2	3.8	40.3	34.7	18.6	88.2	103.5
EPS	–0.12	0.09	0.25	0.13	0.36	–0.29	0.02	0.20	0.17	0.09	0.43	0.51
EPS adj. (diluted)	–0.12	0.09	0.25	0.13	0.36	–0.29	0.02	0.20	0.17	0.09	0.43	0.51
Dividend per share					0.11					0.12	0.13	0.15

SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	681.5	766.1	818.3	782.9	3 048.8	694.2	787.7	860.1	835.8	3 177.8	3 273.1	3 354.9
Total	681.5	766.1	818.3	782.9	3 048.8	694.2	787.7	860.1	835.8	3 177.8	3 273.1	3 354.9

SALES GROWTH, Y/Y %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	–1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	2.8%	5.1%	6.8%	4.2%	3.0%	2.5%
Total	–1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	2.8%	5.1%	6.8%	4.2%	3.0%	2.5%

EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	–11.6	43.6	71.5	47.9	151.4	–62.6	10.3	64.4	58.9	71.0	180.0	194.6
Total	–11.6	43.6	71.5	47.9	151.4	–62.6	10.3	64.4	58.9	71.0	180.0	194.6

EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3E	2025Q4E	2025E	2026E	2027E
Group total	–1.7%	5.7%	8.7%	6.1%	5.0%	–9.0%	1.3%	7.5%	7.0%	2.2%	5.5%	5.8%
Total	–1.7%	5.7%	8.7%	6.1%	5.0%	–9.0%	1.3%	7.5%	7.0%	2.2%	5.5%	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	3 177.8	3 273.1	3 354.9
Sales growth (%)	–73.2%	1.1%	181.1%	26.8%	2.0%	4.2%	3.0%	2.5%
EBITDA	–251.5	–149.0	185.9	530.2	481.7	403.8	469.1	501.6
EBITDA margin (%)	–30.3%	–17.8%	7.9%	17.7%	15.8%	12.7%	14.3%	15.0%
Depreciation	–343.8	–319.9	–349.8	–346.2	–330.3	–332.8	–289.1	–307.0
EBITA	–595.3	–468.9	–163.9	184.0	151.4	71.0	180.0	194.6
Goodwill amortization / writedown								
EBIT	–595.3	–468.9	–163.9	184.0	151.4	71.0	180.0	194.6
EBIT margin (%)	–71.8%	–55.9%	–7.0%	6.2%	5.0%	2.2%	5.5%	5.8%
Reported EBIT	–597.7	–474.7	–163.9	184.0	151.4	71.0	180.0	194.6
EBIT margin (reported) (%)	–72.1%	–56.6%	–7.0%	6.2%	5.0%	2.2%	5.5%	5.8%
Net financials	–190.1	–127.5	–170.2	–72.3	–68.1	–45.2	–54.0	–49.5
Pre–tax profit	–785.4	–596.4	–334.1	111.7	83.3	25.8	126.0	145.1
Taxes	131.2	117.6	–105.4	135.2	–9.1	–0.9	–25.2	–29.0
Minority shares								
Net profit	–671.4	–484.6	–439.5	246.9	74.2	18.6	88.2	103.5
Cash NRIs	–2.4	–5.8						
Non–cash NRIs								

BALANCE SHEET, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
Assets								
Fixed assets	1 683	1 215	1 165	1 325	1 517	1 595	1 675	1 846
Goodwill								
Right of use assets	918	1 182	1 083	917	780	794	851	839
Inventory	68	56	122	135	87	95	82	84
Receivables	70	137	158	166	232	178	165	150
Liquid funds	824	1 266	1 524	922	884	1 271	1 309	1 342
Total assets	3 646	4 047	4 133	3 698	3 721	4 155	4 303	4 482
Liabilities								
Shareholders' equity	897	476	411	577	627	623	687	764
Minority interest								
Convertibles								
Lease liabilities	1 016	1 381	1 128	951	840	794	851	839
Deferred taxes								
Interest bearing debt	1 182	1 428	1 299	911	861	1 316	1 324	1 420
Non–interest bearing current liabilities	176	291	452	507	659	687	707	725
Other interest–free debt	215	271	658	627	613	613	613	613
Total liabilities	3 647	4 047	4 133	3 698	3 721	4 155	4 303	4 482

CASH FLOW, EURm	2020	2021	2022	2023	2024	2025E	2026E	2027E
+ EBITDA	–251	–149	186	530	482	404	469	502
– Net financial items	–190	–128	–170	–72	–68	–45	–54	–49
– Taxes	–18	11	6	–18	3	–1	–25	–29
– Increase in Net Working Capital	–489	117	274	64	124	73	47	30
+/– Other	–17	–6				–6	–13	–13
= Cash flow from operations	–966	–155	296	504	541	425	424	440
– Capex	–315	–484	–149	–412	–386	–425	–426	–465
– Acquisitions								
+ Divestments								
= Free cash flow	–1 281	–639	147	92	155	0	–1	–25
+/– New issues/buybacks	602	64	374	–81	–24			
– Paid dividend					23	25	27	31
+/– Other	551	1 018	–262	–614	–169	410	64	84
Change in cash	–128	442	259	–603	–38	387	38	33

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	837	546	817	453	569	569	569
Net debt (excl. convertibles)	1 543	902	940	817	840	865	917
Enterprise value	2 380	1 448	1 756	1 269	1 408	1 434	1 486
Sales	838	2 357	2 989	3 049	3 178	3 273	3 355
EBITDA	-149	186	530	482	404	469	502
EBIT	-469	-164	184	151	71	180	195
Pre-tax	-596	-334	112	83	26	126	145
Earnings	-479	-440	247	74	19	88	103
Equity book value (excl. minorities)	476	411	577	627	623	687	764

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	3.5	3.1	3.0
EV/EBITA	-5.1	-8.8	9.5	8.4	19.8	8.0	7.6
EV/EBIT	-5.1	-8.8	9.5	8.4	19.8	8.0	7.6
EV/OCF	-15.4	4.9	3.5	2.3	3.3	3.4	3.4
EV/FCF	-26.4	2.8	47.8	5.8	6.5	6.6	11.4
P/FCFR	-0.1	0.2	0.1	2.9	-1178.2	-441.0	-22.8
P/E	-1.7	-1.2	3.3	6.1	30.5	6.4	5.5
P/BV	1.8	1.3	1.4	0.7	0.9	0.8	0.7
Target EV/EBITDA					3.4	3.0	2.9
Target EV/EBIT					19.6	7.9	7.6
Target EV/FCFF					-2883.5	-1099.4	-59.0
Target P/BV					0.9	0.8	0.7
Target P/E, diluted	-1.8	-1.3	4.3	7.6	29.7	6.3	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	0.09	0.43	0.51
Operating cash flow per share	-1.85	3.53	2.47	2.64	2.07	2.07	2.15
Free cash flow per share	-7.63	1.75	0.45	0.76	0.00	-0.01	-0.12
Book value per share	5.68	4.90	2.83	3.06	3.04	3.35	3.73
Dividend per share				0.11	0.12	0.13	0.15
Dividend payout ratio, %				30.4%	131.8%	30.2%	30.4%
Dividend yield, %				5.0%	4.3%	4.7%	5.5%
FCF yield, %	-76.4%	26.9%	11.3%	34.2%	-0.1%	-0.2%	-4.4%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-69.8%	-99.2%	50.0%	12.3%	3.0%	13.5%	14.3%
ROCE	-17.9%	-8.9%	3.2%	2.4%	0.2%	1.6%	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%	-28.4%	-29.1%	-29.3%
Operative CAPEX/Sales, %	57.8%	6.3%	13.8%	12.7%	13.4%	13.0%	13.9%
CAPEX/sales (incl. acquisitions), %	57.8%	6.3%	13.8%	12.7%	13.4%	13.0%	13.9%
FCFF/EBITDA	0.6	2.8	0.1	0.5	0.5	0.5	0.3
Net Debt/EBITDA, book-weighted	-10.4	4.9	1.8	1.7	2.1	1.8	1.8
Debt/equity, market-weighted	1.7	2.4	1.1	1.9	2.3	2.3	2.5
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%	134.7%	126.0%	120.1%

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	316.878	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	16.190	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	7.746	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	5.834	1.0 %
The State Pension Fund	1 795 000	4.987	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	3.342	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.025	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.552	0.3 %
Finnair Oyj	300 082	0.834	0.1 %
Forsten Visa Tapio	245 700	0.683	0.1 %
Ten largest	129 614 941	360.070	63.3 %
Residual	75 196 059	208.895	36.7 %
Total	204 811 000	568.965	100%

EARNINGS CALENDAR

October 30, 2025	Q3 report

OTHER EVENTS

November 13, 2025	Capital Markets Update

COMPANY MISCELLANEOUS

CEO: Turkka Kuusisto
CFO: Pia Aaltonen-Forsell
IR: Erkka Salonen

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DEFINITIONS

P/E $\frac{\text{Price per share}}{\text{Earnings per share}}$	**EPS** $\frac{\text{Profit before extraord. items and taxes – income taxes + minority interest}}{\text{Number of shares}}$
P/BV $\frac{\text{Price per share}}{\text{Shareholder's equity + taxed provisions per share}}$	**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 $\frac{\text{Enterprise value}}{\text{Sales}}$	**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** $\frac{\text{Capital expenditure – divestments – acquisitions}}{\text{Sales}}$
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** $\frac{\text{Total assets – non–interest bearing debt}}{\text{Number of shares}}$
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, %** $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity + minority interest + taxed provisions}}$
Payout ratio, % $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes – income taxes + minority interest}}$	**Equity ratio, %** $\frac{\text{Shareholders' equity + minority interest + taxed provisions}}{\text{Total assets – interest–free loans}}$
ROCE, % $\frac{\text{Profit before extraordinary items + interest expenses + other financial costs}}{\text{Balance sheet total – non–interest bearing debt (average)}}$	**CAGR, %** Cumulative annual growth rate = Average growth rate per year
ROE, % $\frac{\text{Profit before extraordinary items and taxes – income taxes}}{\text{Shareholders' equity + minority interest + taxed provisions (average)}}$	

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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

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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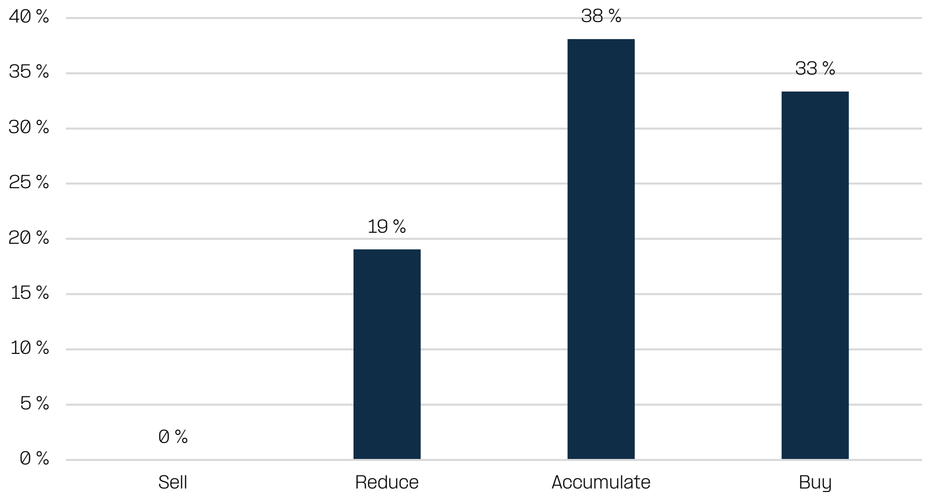

The graph above shows the distribution of ERP's recommendations of companies under coverage on the 16th of May, 2025. If recommendation is not given, it is not mentioned here.

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

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