EVLI

FINNAIR

Transportation/ Finland, October 30, 2025
News flash

Q3 results didn't meet estimates

Finnair's Q3 revenue was lower than estimated as ticket prices developed softer than we expected. Finnair did a bit better than we estimated in terms of costs, but this wasn't enough to make up for the shortfall in revenue and Finnair's EUR 50.7m comparable EBIT fell almost EUR 15m short of the estimates. Finnair also adjusts its FY'25 guidance downwards due to many reasons, including weakness in the North Atlantic traffic. Finnair's updated comparable EBIT guidance midpoint implies EUR 46.5m for Q4'25.

- Finnair Q3 revenue grew by 2.0% y/y to EUR 834.9m vs the EUR 860.1m/847.9m Evli/consensus estimates. Passenger revenue grew only 1.6% y/y as ticket prices still developed softer than we estimated.
- Comparable EBIT was EUR 50.7m, compared to the EUR 64.4m/63.6m Evli/consensus estimates.
- Fuel costs were EUR 234m vs our EUR 235m estimate, whereas staff costs amounted to EUR 134m vs our EUR 128m estimate. All other OPEX+D&A were EUR 440m, compared to our EUR 453m estimate.
- Cost per Available Seat Kilometer was 7.49 eurocents vs our estimate of 7.60 eurocents.
- Finnair guides FY'25 revenue to be approximately EUR 3.1bn and its comparable EBIT within the range of EUR 30–60m (previously EUR 30–130m). The new guidance is due to the continued weak demand and yield environment in North Atlantic traffic, the indirect effects of industrial action on demand in broader terms, unplanned aircraft repair and maintenance needs, and fuel price developments. The new EBIT guidance midpoint implies EUR 46.5m for Q4'25. Finnair plans to increase its total capacity, measured by ASK, some 2% in FY'25.

Rating ■ Reduce

Q3'25	Actual	Evli	Year ago	Q2'25
Revenue	834.9	860.1	818.3	787.7
Adj. EBIT	50.7	64.4	71.5	10.3
Adj. EBIT-%	6.1 %	7.5 %	8.7 %	1.3 %

Share price, EUR (Last trading day's closing price)	**2.74**
Target price, EUR	2.7
Latest change in recommendation	14-Feb-25
Latest report on company	21-Oct-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	560
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	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	30.1	0.4	19.7	-0.1%	0.12
2026E	3273.1	180.0	5.5%	-1.3	0.43	6.4	0.4	7.9	-0.2%	0.13
2027E	3354.9	194.6	5.8%	-24.9	0.51	5.4	0.4	7.6	-4.4%	0.15

Market cap, EURm	560	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	1 400	Dividend yield 2025E, %	4.4 %	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.

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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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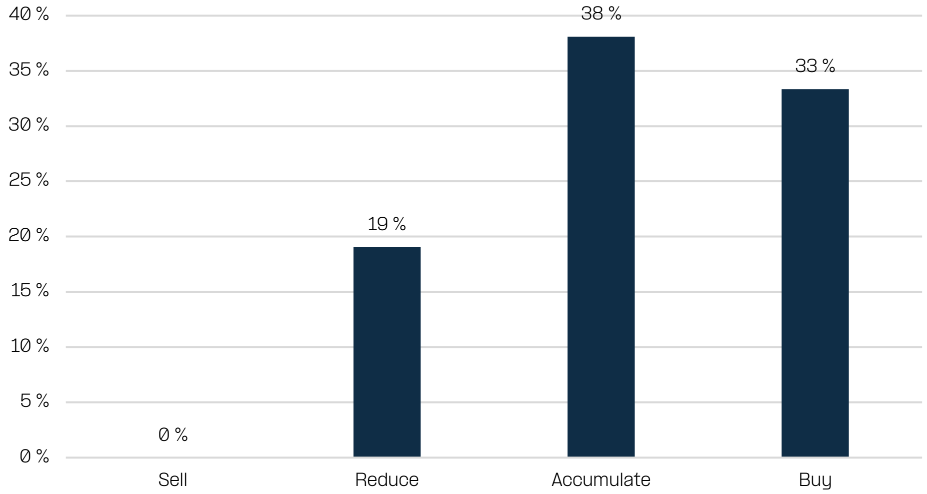

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Name(s) of the analyst(s): Joonas Ilvonen

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