

Aiming to capture RASK potential

Finnair's strategy update emphasizes RASK more than CASK, which itself wasn't a big surprise, however the target for unit revenue growth was more ambitious than expected.

Higher RASK through better service experience

Finnair has updated its financial targets and refined strategy; FY'26 estimates implied the base case assumption for EBIT, after this year's challenges, was roughly around EUR 150–200m but according to the new targets Finnair aims to reach some EUR 250m by 2029. In our view there should still be plenty of PLF upside potential over the long-term, but the strategy puts more emphasis on retail and customer loyalty initiatives as RASK upside is to be driven by long-haul foreigners but also improved monetization among Finnish passengers (where especially convenience is a big customer satisfaction factor). Ancillary revenues are another major part of improving RASK.

Fleet renewal decisions still to be confirmed

Premiumization has been a big theme in the hospitality and travel industry for a while, and Finnair also tries to capitalize on some of its potential; in this sense wealthier American and Asian passengers are important, and one of the ambitions is to improve such cohort loyalty with additional partner services (e.g. banks and retail institutions) and sell more through digital channels. The update didn't elaborate that much on fleet renewal, but Finnair says it's likely to add most of the new aircraft to its own balance sheet rather than lease them. Their financing is to rely largely on operating cash flow, yet Finnair could also raise up to around EUR 200m in new debt as its profitability improves and hence supports leverage ratios.

Earnings multiples are relatively high in the short-term

Finnair remains positioned between low-cost and full-service carriers in terms of CASK; cost discipline is crucial for profitability, but the new strategy aims to get Finnair closer to the FSCs in terms of RASK. The lower end of the 6–8% EBIT margin target range wasn't a surprise, but the upper end looks ambitious for now. Many airlines do 8% margins, and while we believe it shouldn't be too hard for Finnair to reach EUR 200m EBIT in the coming years it's early to expect much more than that. Finnair is valued a bit above 8x EV/EBIT on our FY'26 estimates, which is still a premium relative to key European FSC peers. Our new TP is EUR 2.6 (2.5) as we retain REDUCE rating.

Rating

Reduce



Share price, EUR (Last trading day's closing price) **2.80**
Target price, EUR 2.6

Latest change in recommendation 14-Feb-25

Latest report on company 31-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 574

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 11-Feb-26

Web site investors.finnair.com

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

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	3124.8	48.8	1.6%	-12.9	-0.01	-541.9	0.5	29.2	-2.3%	0.12
2026E	3234.2	177.9	5.5%	-4.6	0.42	6.6	0.5	8.2	-0.8%	0.13
2027E	3347.4	194.1	5.8%	-27.9	0.51	5.5	0.5	7.8	-4.9%	0.15
Market cap, EURm	574		Gearing 2025E, %		141.2 %		CAGR EPS 2024–27, %		11.9 %	
Net debt 2025E, EURm	852		Price/book 2025E		1.0		CAGR Sales 2024–27, %		3.2 %	
Enterprise value, EURm	1 426		Dividend yield 2025E, %		4.3 %		ROE 2025E, %		-0.2 %	
Total assets 2025E, EURm	4 115		Tax rate 2025E, %		65.1 %		ROCE 2025E, %		-0.6 %	
Goodwill 2025E, EURm	0		Equity ratio 2025E, %		13.1 %		PEG, P/E 25/CAGR		-2.3	

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	2025	2025	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	10 474	9 559	39 367
y/y change	9 %	15 %	11 %	-73 %	-7 %	159 %	16 %	4 %	6 %	9 %	3 %	6 %	2 %	4 %	3 %	2 %	3 %
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	7 485	30 387
y/y change	14 %	13 %	11 %	-79 %	-36 %	309 %	31 %	0 %	4 %	7 %	8 %	5 %	5 %	7 %	3 %	5 %	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
Anollary and retail	145	161	176	62	44	123	148	37	45	48	52	182	45	50	53	58	205
Cargo	197	207	212	178	335	352	192	46	51	53	55	206	50	51	49	53	203
Travel services	206	223	230	61	39	170	237	58	57	63	64	242	61	60	67	66	255
Total revenue	2560	2835	3098	829	838	2356	2989	681	766	818	783	3049	694	788	835	808	3125
YoY change	11 %	10 %	9 %	-73 %	1 %	181 %	27 %	-2 %	2 %	0 %	8 %	2 %	2 %	3 %	2 %	3 %	2 %
Other income	77	74	56	48	63	154	130	33	32	31	44	140	35	23	25	29	111
Staff costs	-423	-600	-635	-284	-249	-447	-498	-130	-130	-125	-133	-619	-140	-132	-134	-137	-643
y/y change	17 %	18 %	7 %	-47 %	-12 %	80 %	11 %	0 %	4 %	4 %	8 %	4 %	8 %	1 %	7 %	3 %	5 %
% of revenue	16 %	18 %	17 %	34 %	30 %	19 %	17 %	19 %	17 %	15 %	17 %	17 %	20 %	17 %	16 %	17 %	17 %
Fuel	-472	-581	-687	-233	-212	-836	-900	-210	-225	-239	-219	-893	-214	-228	-234	-220	-895
y/y change	-4 %	23 %	18 %	-66 %	-9 %	295 %	8 %	-4 %	2 %	1 %	-2 %	-1 %	2 %	1 %	-2 %	1 %	0 %
% 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	-666	-1067	-1191	-304	-318	-331	-332	-1284	-348	-352	-353	-348	-1401
y/y change	4 %	0 %	10 %	-58 %	-8 %	88 %	12 %	3 %	12 %	7 %	9 %	8 %	14 %	11 %	7 %	5 %	9 %
% of revenue	51 %	46 %	47 %	74 %	68 %	45 %	40 %	45 %	41 %	40 %	42 %	42 %	50 %	45 %	42 %	43 %	45 %
Comparable EBIT	171	218	183	-695	-469	-184	184	-12	44	72	48	151	-83	10	51	50	49
Comp. EBIT-%	6.6 %	7.7 %	5.9 %	-71.8 %	-56.0 %	-7.0 %	6.2 %	-1.7 %	5.7 %	8.7 %	6.1 %	5.0 %	-9.0 %	1.3 %	6.1 %	6.2 %	1.6 %

Sources: Finnair, Evli Research

FINNAIR PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/B		
		24	25	26	24	25	26	24	25	26
United Airlines Holdings	27451	6.3x	6.2x	5.4x	9.9x	9.8x	8.4x	2.6x	2.1x	1.6x
International Consolidated Airlines Group	20721	4.0x	3.8x	3.7x	6.1x	5.8x	5.6x	3.9x	2.7x	2.0x
Air France-KLM	2612	3.4x	3.4x	3.1x	9.0x	8.6x	7.5x			3.7x
Deutsche Lufthansa	9364	3.3x	3.4x	3.1x	8.0x	7.6x	6.4x	0.8x	0.8x	0.7x
Norwegian Air Shuttle	1423	2.7x	3.1x	2.9x	10.0x	6.4x	7.2x	2.2x	2.3x	2.0x
Aegean Airlines	1251	3.9x	4.1x	3.9x	8.2x	8.1x	7.6x		2.2x	2.0x
easyJet	4100	2.9x	2.2x	2.0x	6.6x	4.8x	4.3x	1.2x	1.1x	0.9x
Ryanair Holdings	28827	7.2x	8.0x	6.9x	12.2x	12.7x	10.5x	4.1x	3.7x	3.0x
Wizz Air Holdings	1297	5.9x	5.0x	4.0x	28.7x	36.2x	18.4x	5.1x	5.1x	3.9x
American Airlines Group	7483	7.9x	9.9x	7.5x	13.0x	18.9x	13.0x			
Delta Air Lines	33873	6.5x	6.5x	5.7x	9.8x	9.4x	8.1x	2.7x	2.0x	1.6x
Peer Group Average	12582	4.9x	5.0x	4.4x	11.0x	11.7x	8.8x	2.8x	2.4x	2.1x
Peer Group Median	7483	4.0x	4.1x	3.9x	9.8x	8.6x	7.6x	2.6x	2.2x	2.0x
Finnair (Evli est.)	574	2.6x	3.7x	3.1x	8.4x	29.2x	8.2x	0.7x	1.0x	0.9x

Finnair prem./disc. to peer median

-34 % -11 % -20 % -14 % 238 % 7 % -73 % -56 % -56 %

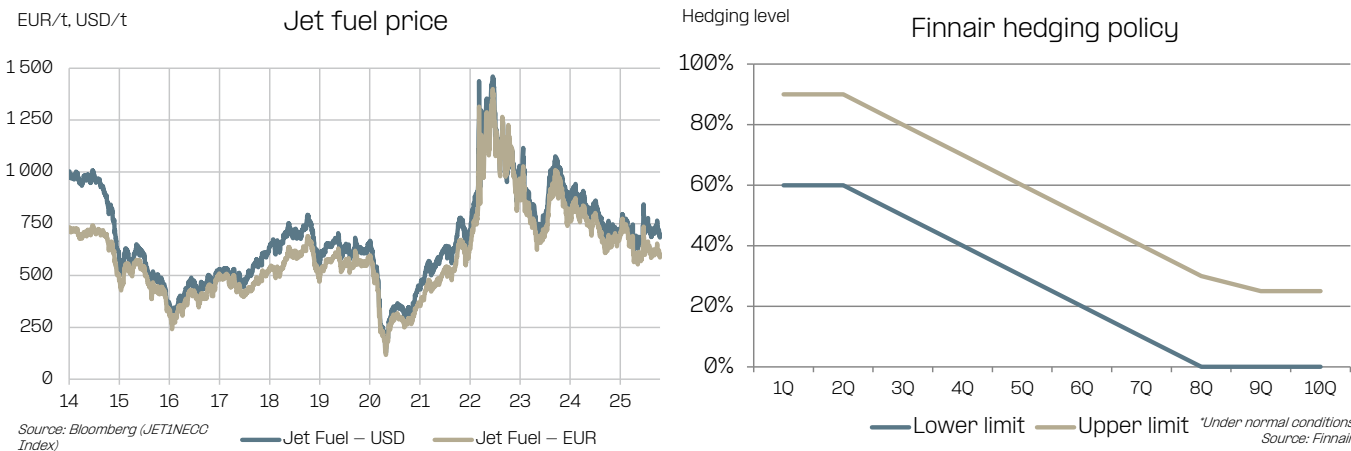
Source FactSet, Evli Research

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 %	-6.8 %	8.2 %	9.1 %	8.7 %	9.4 %	0.0 %	0.0 %	0.0 %
International Consolidated Airlines Group	29453	9.0 %	3.2 %	3.7 %	13.6 %	14.8 %	14.9 %	1.7 %	2.4 %	2.7 %
Air France-KLM	30019	4.8 %	4.9 %	4.2 %	5.0 %	5.8 %	6.4 %	0.0 %	0.3 %	1.3 %
Deutsche Lufthansa	35422	6.1 %	6.1 %	4.3 %	4.4 %	4.8 %	5.4 %	3.7 %	4.0 %	4.5 %
Norwegian Air Shuttle	2255	34.0 %	6.3 %	7.0 %	5.4 %	10.3 %	8.7 %	1.5 %	5.2 %	5.0 %
Aegean Airlines	1693	5.0 %	5.7 %	6.8 %	11.0 %	11.7 %	11.6 %	5.7 %	6.5 %	6.5 %
easyJet	9437	19.1 %	3.4 %	6.7 %	6.5 %	6.7 %	7.0 %	2.6 %	2.8 %	3.2 %
Ryanair Holdings	13444	3.0 %	8.0 %	6.3 %	12.3 %	14.6 %	16.5 %	1.4 %	1.6 %	1.9 %
Wizz Air Holdings	5073	3.1 %	10.5 %	14.0 %	4.5 %	3.0 %	5.1 %	0.0 %	0.0 %	0.0 %
American Airlines Group	48740	7.0 %	-9.3 %	6.0 %	6.0 %	3.6 %	4.9 %	0.0 %	0.0 %	0.4 %
Delta Air Lines	49855	11.5 %	-8.7 %	5.9 %	10.6 %	10.2 %	11.2 %	0.8 %	1.1 %	1.3 %
Peer Group Average	24998	10.3 %	2.1 %	6.7 %	8.0 %	8.6 %	9.2 %	1.6 %	2.2 %	2.4 %
Peer Group Median	29453	7.0 %	4.9 %	6.3 %	6.5 %	8.7 %	8.7 %	1.4 %	1.6 %	1.9 %
Finnair (Evli est.)	2989	2.0 %	2.5 %	3.5 %	5.0 %	1.6 %	5.5 %	5.0 %	4.3 %	4.6 %

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	2.80 PV of Free Cash Flow	1 151 Long-term growth, %	1.0 % Risk-free interest rate, %	2.50 %
DCF share value	4.73 PV of Horizon value	656 WACC, %	13.0 % Market risk premium, %	5.8 %
Share price potential, %	68.7 % 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, %	36.3 % Value of stock	969 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	3 125	3 234	3 347	3 431	3 500	3 570	3 641	3 714	3 788	3 826	3 864
Sales growth (%)	2.0%	2.5%	3.5%	3.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%
Operating income (EBIT)	151	49	178	194	213	210	232	237	223	189	191	193
Operating income margin %	5.0%	1.6%	5.5%	5.8%	6.2%	6.0%	6.5%	6.5%	6.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	330	340	287	305	325	373	424	437	447	463	464	
EBITDA	482	388	465	499	538	583	656	674	670	652	656	
– Paid taxes	–4	–12	–36	–39	–43	–42	–46	–47	–45	–38	–38	
– Change in NWC	124	65	49	35	–3	11	11	12	12	12	6	
NWC / Sales, %	27.3%	28.7%	29.2%	29.3%	28.5%	28.2%	28.0%	27.8%	27.5%	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%	13.3%	13.2%	14.1%	20.4%	22.0%	14.6%	13.9%	15.3%	12.9%	9.8%	
– Acquisitions												
+ Divestments												
– Other items		–3	–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	217	188	215	133	29	39	308	350	299	264	236	1 995
= Discounted FCOFF		185	188	103	20	24	165	166	126	98	78	656
= DFCF min WACC		185	189	104	20	24	169	171	130	102	81	713
= DFCF max WACC		185	187	102	20	23	161	162	122	95	75	605

Sensitivity analysis, EUR

		Terminal WACC				
		10.95 %	11.95 %	12.95 %	13.95 %	14.95 %
Terminal EBIT–%	3.00 %	5.04	4.31	3.69	3.16	2.71
	4.00 %	5.77	4.92	4.21	3.61	3.09
	5.00 %	6.51	5.54	4.73	4.05	3.47
	6.00 %	7.24	6.15	5.25	4.49	3.85
	7.00 %	7.98	6.77	5.77	4.93	4.23

INTERIM FIGURES

EVLI ESTIMATES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Net sales	6815	7661	8183	7829	3 048.8	6942	787.7	834.8	808.1	3 124.8	3 234.2	3 347.4
EBITDA	71.2	125.8	153.3	131.4	481.7	23.1	97.4	137.7	130.3	388.5	464.7	499.4
EBITDA margin (%)	10.5%	16.4%	18.7%	16.8%	15.8%	3.3%	12.4%	16.5%	16.1%	12.4%	14.4%	14.9%
EBIT	-11.6	43.6	71.5	47.9	151.4	-62.6	10.3	50.8	50.3	48.8	177.9	194.1
EBIT margin (%)	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	1.3%	6.1%	6.2%	1.6%	5.5%	5.8%
Net financial items	-20.3	-20.0	-5.1	-22.7	-68.1	-10.6	-4.6	-12.6	-15.0	-42.8	-54.0	-48.5
Pre-tax profit	-31.9	23.6	66.4	25.2	83.3	-73.2	5.7	38.2	35.3	6.0	123.9	145.7
Tax	7.6	-4.6	-14.3	2.2	-9.1	13.0	-1.9	-9.0	-6.0	-3.9	-24.8	-29.1
Tax rate (%)	23.8%	19.5%	21.5%	-8.7%	10.9%	17.8%	33.3%	23.6%	17.0%	65.1%	20.0%	20.0%
Net profit	-24.3	19.0	52.1	27.4	74.2	-60.2	3.8	29.2	26.1	-1.1	86.5	103.9
EPS	-0.12	0.09	0.25	0.13	0.36	-0.29	0.02	0.14	0.13	-0.01	0.42	0.51
EPS adj. (diluted)	-0.12	0.09	0.25	0.13	0.36	-0.29	0.02	0.14	0.13	-0.01	0.42	0.51
Dividend per share					0.11					0.12	0.13	0.15
SALES, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group total	6815	7661	8183	7829	3 048.8	6942	787.7	834.8	808.1	3 124.8	3 234.2	3 347.4
Total	6815	7661	8183	7829	3 048.8	6942	787.7	834.8	808.1	3 124.8	3 234.2	3 347.4
SALES GROWTH, Y/Y%	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group total	-1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	2.8%	2.0%	3.2%	2.5%	3.5%	3.5%
Total	-1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	2.8%	2.0%	3.2%	2.5%	3.5%	3.5%
EBIT, EURm	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group total	-11.6	43.6	71.5	47.9	151.4	-62.6	10.3	50.8	50.3	48.8	177.9	194.1
Total	-11.6	43.6	71.5	47.9	151.4	-62.6	10.3	50.8	50.3	48.8	177.9	194.1
EBIT margin %	2024Q1	2024Q2	2024Q3	2024Q4	2024	2025Q1	2025Q2	2025Q3	2025Q4E	2025E	2026E	2027E
Group total	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	1.3%	6.1%	6.2%	1.6%	5.5%	5.8%
Total	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	1.3%	6.1%	6.2%	1.6%	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	3 124.8	3 234.2	3 347.4
<i>Sales growth (%)</i>	-73.2%	1.1%	181.1%	26.8%	2.0%	2.5%	3.5%	3.5%
EBITDA	-251.5	-149.0	185.9	530.2	481.7	388.5	464.7	499.4
<i>EBITDA margin (%)</i>	-30.3%	-17.8%	7.9%	17.7%	15.8%	12.4%	14.4%	14.9%
Depreciation	-343.8	-319.9	-349.8	-346.2	-330.3	-339.7	-286.9	-305.3
EBITA	-595.3	-468.9	-163.9	184.0	151.4	48.8	177.9	194.1
Goodwill amortization / writedown								
EBIT	-595.3	-468.9	-163.9	184.0	151.4	48.8	177.9	194.1
<i>EBIT margin (%)</i>	-71.8%	-55.9%	-7.0%	6.2%	5.0%	1.6%	5.5%	5.8%
Reported EBIT	-597.7	-474.7	-163.9	184.0	151.4	48.8	177.9	194.1
<i>EBIT margin (reported) (%)</i>	-72.1%	-56.6%	-7.0%	6.2%	5.0%	1.6%	5.5%	5.8%
Net financials	-190.1	-127.5	-170.2	-72.3	-68.1	-42.8	-54.0	-48.5
Pre-tax profit	-785.4	-596.4	-334.1	111.7	83.3	6.0	123.9	145.7
Taxes	131.2	117.6	-105.4	135.2	-9.1	-3.9	-24.8	-29.1
Minority shares								
Net profit	-671.4	-484.6	-439.5	246.9	74.2	-1.1	86.5	103.9
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	1 593	1 673	1 844
Goodwill								
Right of use assets	918	1 182	1 083	917	780	781	841	837
Inventory	68	56	122	135	87	94	81	84
Receivables	70	137	158	166	232	176	164	150
Liquid funds	824	1 266	1 524	922	884	1 250	1 294	1 339
Total assets	3 646	4 047	4 133	3 698	3 721	4 115	4 274	4 475
Liabilities								
Shareholders' equity	897	476	411	577	627	604	665	743
Minority interest								
Convertibles								
Lease liabilities	1 016	1 381	1 128	951	840	781	841	837
Deferred taxes								
Interest bearing debt	1 182	1 428	1 299	911	861	1 321	1 334	1 438
Non-interest bearing current liabilities	176	291	452	507	659	675	699	723
Other interest-free debt	215	271	658	627	613	613	613	613
Total liabilities	3 647	4 047	4 133	3 698	3 721	4 115	4 274	4 475
CASH FLOW, EURm								
+ EBITDA	-251	-149	186	530	482	388	465	499
- Net financial items	-190	-128	-170	-72	-68	-43	-54	-48
- Taxes	-18	11	6	-18	3	-4	-25	-29
- Increase in Net Working Capital	-489	117	274	64	124	65	49	35
+/- Other	-17	-6				-3	-13	-13
= Cash flow from operations	-966	-155	296	504	541	404	422	444
- Capex	-315	-484	-149	-412	-386	-417	-427	-472
- Acquisitions								
+ Divestments								
= Free cash flow	-1 281	-639	147	92	155	-13	-5	-28
+/- New issues/buybacks	602	64	374	-81	-24			
- Paid dividend					23	25	27	32
+/- Other	551	1 018	-262	-614	-169	401	73	100
Change in cash	-128	442	259	-603	-38	366	44	45

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	837	546	817	453	574	574	574
Net debt (excl. convertibles)	1 543	902	940	817	852	881	936
Enterprise value	2 380	1 448	1 756	1 269	1 426	1 455	1 510
Sales	838	2 357	2 989	3 049	3 125	3 234	3 347
EBITDA	-149	186	530	482	388	465	499
EBIT	-469	-164	184	151	49	178	194
Pre-tax	-596	-334	112	83	6	124	146
Earnings	-479	-440	247	74	-1	87	104
Equity book value (excl. minorities)	476	411	577	627	604	665	743

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	3.7	3.1	3.0
EV/EBITA	-5.1	-8.8	9.5	8.4	29.2	8.2	7.8
EV/EBIT	-5.1	-8.8	9.5	8.4	29.2	8.2	7.8
EV/OCF	-15.4	4.9	3.5	2.3	3.5	3.4	3.4
EV/FCF	-26.4	2.8	47.8	5.8	7.6	6.8	11.4
P/FCFR	-0.1	0.2	0.1	2.9	-44.4	-124.1	-20.6
P/E	-1.7	-1.2	3.3	6.1	-541.9	6.6	5.5
P/BV	1.8	1.3	1.4	0.7	1.0	0.9	0.8
Target EV/EBITDA					3.6	3.0	2.9
Target EV/EBIT					28.4	7.9	7.6
Target EV/FCFF					-106.9	-305.5	-52.6
Target P/BV					0.9	0.8	0.7
Target P/E, diluted	-1.8	-1.3	4.3	7.6	-502.5	6.2	5.1

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	-0.01	0.42	0.51
Operating cash flow per share	-1.85	3.53	2.47	2.64	1.97	2.06	2.17
Free cash flow per share	-7.63	1.75	0.45	0.76	-0.06	-0.02	-0.14
Book value per share	5.68	4.90	2.83	3.06	2.95	3.25	3.63
Dividend per share				0.11	0.12	0.13	0.15
Dividend payout ratio, %				30.4%	-2 319.1%	30.8%	30.4%
Dividend yield, %				5.0%	4.3%	4.6%	5.5%
FCF yield, %	-76.4%	26.9%	11.3%	34.2%	-2.3%	-0.8%	-4.9%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-69.8%	-99.2%	50.0%	12.3%	-0.2%	13.6%	14.8%
ROCE	-17.9%	-8.9%	3.2%	2.4%	-0.6%	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%	5.1%	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%	-28.7%	-29.2%	-29.3%
Operative CAPEX/Sales, %	57.8%	6.3%	13.8%	12.7%	13.3%	13.2%	14.1%
CAPEX/sales (incl. acquisitions), %	57.8%	6.3%	13.8%	12.7%	13.3%	13.2%	14.1%
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	2.2	1.9	1.9
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%	141.2%	132.4%	126.0%

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	319.844	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	16.341	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	7.819	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	5.888	1.0 %
The State Pension Fund	1 795 000	5.033	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	3.373	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.044	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.567	0.3 %
Finnair Oyj	300 082	0.841	0.1 %
Forsten Visa Tapio	245 700	0.689	0.1 %
Ten largest	129 614 941	363.440	63.3 %
Residual	75 196 059	210.850	36.7 %
Total	204 811 000	574.290	100%

EARNINGS CALENDAR

February 11, 2026	FY 2025 Results
April 22, 2026	Q1 report
July 22, 2026	Q2 report
October 27, 2026	Q3 report

OTHER EVENTS

COMPANY MISCELLANEOUS

CEO: Turkka Kuusisto	Tietotie 9, 01053 FINNAIR (VANTAA AIRPORT)
CFO: Pia Aaltonen-Forsell	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

Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. Target prices may be altered on the basis of new information coming to light in the underlying company or changes in interest rates, changes in foreign exchange rates, other securities prices or market indices or outlook for the aforementioned factors or other factors that may change the conditions of financial markets. The valuation assumptions used are sensitive to changes and can significantly affect fair values. A change of a single percentage point in any used assumption could affect fair values by more than +/-20%. Recommendations and changes by analysts are available at [Analysts' recommendations and ratings revisions](#).

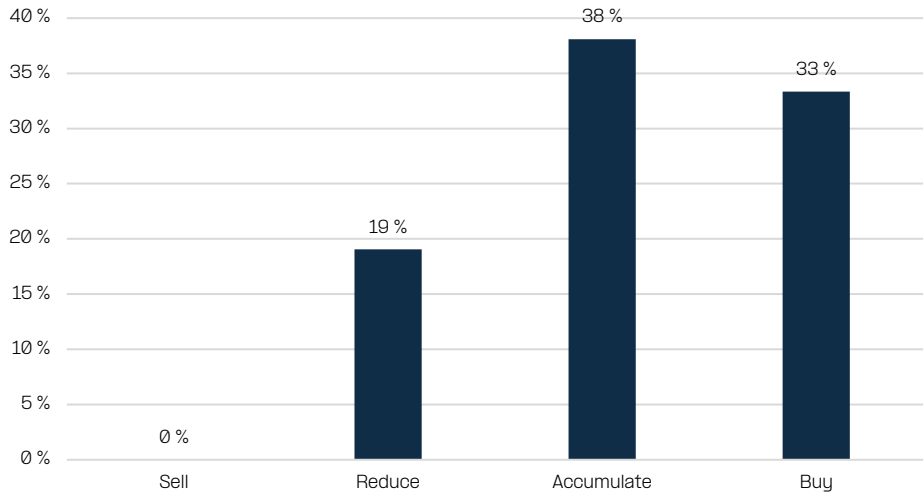
Investment recommendations are defined as follows:

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

Recommendation
 SELL
 REDUCE
 ACCUMULATE
 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.

ERP's investment recommendation of the analyzed company is updated at least 2 times per year.



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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Plc. Production of the investment recommendation has been concluded on [14.11.2025, 9:05]. This report has been published on [14.11.2025, 9:25].

None of the analysts contributing to this report, persons under their guardianship or corporations under their control have a position in the shares of the company or related securities.

The date and time for any price of financial instruments mentioned in the recommendation refer to the previous trading day's closing price(s) unless otherwise stated in the report.

Each analyst responsible for the content of this report assures that the expressed views accurately reflect the personal views of each analyst on the covered companies and securities. Each analyst assures that (s)he has not been, nor are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

Companies in the Evli Group, affiliates or staff of companies in the Evli Group, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the publication or report.

According to ERP's best knowledge, the issuer(s) of the securities does/(do) not hold in excess of 5% of the total issued share capital of the issuer(s).

Neither ERP nor any company within the Evli Group have managed or co-managed a public offering of the company's securities during the last 12 months prior to, received compensation for investment banking services from the company during the last 12 months prior to the publication of the research report.

ERP has signed an agreement with the issuer of the financial instruments mentioned in the recommendation, which includes production of research reports. This assignment has a limited economic and financial impact on ERP and/or Evli. Under the assignment ERP performs services including, but not limited to, arranging investor meetings or –events, investor relations communication advisory and production of research material.

ERP or another company within the Evli Group does not have an agreement with the company to perform market making or liquidity providing services.

For the prevention and avoidance of conflicts of interests with respect to this report, there is an information barrier (Chinese wall) between Investment Research and Corporate Finance units concerning unpublished investment banking services to the company. The remuneration of the analyst(s) is not tied directly or indirectly to investment banking transactions or other services performed by Evli Plc or any company within Evli Group.

This report has not been disclosed to the company prior to its dissemination.

This report is provided and intended for informational purposes only and may not be used or considered under any circumstances as an offer to sell or buy any securities or as advice to trade any securities.

This report is based on sources ERP considers to be correct and reliable. The sources include information providers FactSet and Bloomberg, stock-exchange releases from the companies and other company news, and publicly available online sources. However, ERP does not guarantee the materialization, correctness, accuracy or completeness of the information, opinions, estimates or forecasts expressed or implied in the report. In addition, circumstantial changes may have an influence on opinions and estimates presented in this report. The opinions and estimates presented are valid at the moment of their publication and they can be changed without a separate announcement. Neither ERP nor any company within the Evli Group are responsible for amending, correcting or updating any information, opinions or estimates contained in this report. Neither ERP nor any company within the Evli Group will compensate any direct or consequential loss caused by or derived from the use of the information represented in this publication.

All information published in this report is for the original recipient's private and internal use only. ERP reserves all rights to the report. No part of this publication may be reproduced or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any retrieval system of any nature, without the written permission of ERP.

This report or its copy may not be published or distributed in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore or South Africa. The publication or distribution of this report in certain other jurisdictions may also be restricted by law. Persons into whose possession this report comes are required to inform themselves about and to observe any such restrictions.

Evli Plc is not registered as a broker-dealer with the U. S. Securities and Exchange Commission ("SEC"), and it and its analysts are not subject to SEC rules on securities analysts' certification as to the currency of their views reflected in the research report. Evli Bank is not a member of the Financial Industry Regulatory Authority ("FINRA"). It and its securities analysts are not subject to FINRA's rules on Communications with the Public and Research Analysts and Research Reports and the attendant requirements for fairness, balance and disclosure of potential conflicts of interest. This research report is only being offered in U.S. by Auerbach Grayson & Company, LLC (Auerbach Grayson) to Major U.S. Institutional Investors and is not available to, and should not be used by, any U.S. person or entity that is not a Major U.S. Institutional Investor. Auerbach Grayson is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the FINRA. U.S. entities seeking more information about any of the issuers or securities discussed in this report should contact Auerbach Grayson. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements.

ERP is not a supervised entity but its parent company Evli Plc is supervised by the Finnish Financial Supervision Authority.

Contact information**SALES, TRADING AND RESEARCH****Equity Sales & Trading**

Joachim Dannberg (head)	+358 9 4766 9123
Aleksi Jalava	+358 9 4766 9123
Pasi Väisänen	+358 9 4766 9123

Evli Investment Solutions

Johannes Asuja	+358 9 4766 9205
----------------	------------------

Equity Research

Jerker Salokivi (head)	+358 9 4766 9149
Joonas Ilvonen	+358 44 430 9071
Atte Jortikka	+358 40 054 3725
Atte Pitkälampi	+358 44 047 6597

EVLI

EVLI PLC
Aleksanterinkatu 19 A
P.O. Box 1081
FIN-00101 Helsinki, FINLAND
Phone +358 9 476 690
Internet www.evli.com
E-mail firstname.lastname@evli.com

**EVLI PLC,
STOCKHOLMSFILIAL**
Regeringsgatan 67 P.O. Box 16354
SE-103 26 Stockholm
Sverige
stockholm@evli.com
Tel +46 (0)8 407 8000