

## Q4 landed pretty close to estimates

Finnair's Q4 results came in much as estimated, although slightly below estimates. Top line growth continued at 5.8% y/y, but the EUR 727m revenue missed estimates by roughly EUR 20m and hence the EUR 22.5m EBIT was also some EUR 5m lower than estimated. Finnair's capacity will grow more than 10% in FY '24, however revenue growth will not quite keep up with the pace.

- Finnair's Q4 revenue grew by 5.8% y/y to EUR 727.2m, compared to the EUR 749.4m/744.9m Evli/consensus. Passenger revenue increased 7.0% y/y to EUR 573.1m.
- Comparable EBIT landed at EUR 22.5m vs the EUR 26.4m/28.3m Evli/consensus estimates.
- Fuel costs amounted to EUR 222m vs our EUR 249m estimate while staff costs were EUR 124m, compared to our EUR 120m estimate. All other OPEX+D&A were EUR 390m, compared to our EUR 368m estimate.
- Cost per Available Seat Kilometer was 7.79 eurocents vs our estimate of 7.99 eurocents.
- Finnair plans to increase its total capacity by more than 10% this year, including the agreed wet leases, Asia and Europe being the focus areas. Finnair expects its revenue to grow somewhat slower than capacity in FY '24. Finnair provides FY '24 EBIT guidance in connection with the Q2 report in July.
- The BoD proposes no dividend to be distributed for FY '23, as was expected.

### Rating + BUY

Q4'23	Actual	Evli	Year ago	Q3'23
Revenue	727.2	749.4	687.3	817.3
Adj. EBIT	22.5	26.4	17.9	94.3
Adj. EBIT-%	3.1 %	3.5 %	2.6 %	11.5 %

Share price, EUR (Last trading day's closing price) 0.04

Target price, EUR 0.04

Latest change in 08-Feb-24

Latest report on company 08-Feb-24

Research paid by issuer: YES

No. of shares outstanding, '000's 20,421,000

No. of shares fully diluted, '000's 20,421,000

Market cap, EURm 717

Free float, % 42.9

Exchange rate EUR/USD 1.08

Reuters code FIA1S.HE

Bloomberg code FIA1S FH

Average daily volume, EURm 0.5

Next interim report 14-Feb-24

Web site investors.finnair.com

Analyst Joonas Ilvonen

E-mail joonas.ilvonen@evli.com

Telephone +358 44 430 9071

+ BUY    + HOLD    - SELL

### PRE-REPORT KEY FIGURES

	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2021	838.4	-468.9	-55.9%	-639.2	-0.06	-1.7	2.8	-5.1	-76.4	0.00
2022	2,356.6	-163.9	-7.0%	146.7	-0.05	-1.2	0.6	-8.8	26.9	0.00
2023E	3,010.7	187.8	6.2%	36.5	0.01	3.8	0.5	7.9	5.1	0.00
2024E	3,131.1	195.7	6.3%	15.5	0.00	8.5	0.5	7.5	2.2	0.00
2025E	3,225.1	203.2	6.3%	49.3	0.00	7.6	0.4	7.1	6.9	0.00

Market cap, EURm	717	BV per share 2023E, EUR	107.9	CAGR EPS 2022-25, %	0.0
Net debt 2023E, EURm	761	Price/book 2023E	1.0	CAGR sales 2022-25, %	11.0
Enterprise value, EURm	1,477	Dividend yield 2023E, %	0.0	ROE 2023E, %	33.9
Total assets 2023E, EURm	4,091	Tax rate 2023E, %	-89.9	ROCE 2023E, %	3.2
Goodwill 2023E, EURm	0	Equity ratio 2023E, %	19.5	PEG, P/E 23/CAGR	-0.1

All the important disclosures can be found on the last pages of this report.

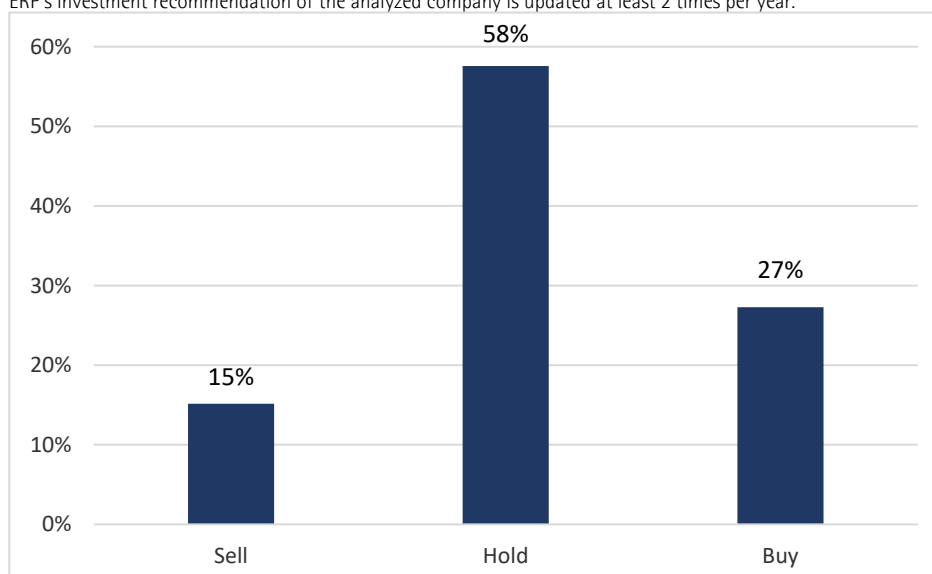
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< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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

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## Contact information

### SALES, TRADING AND RESEARCH

#### Equity, ETF and Derivatives Sales

Joachim Dannberg +358 9 4766 9123  
Ari Laine +358 9 4766 9115  
Kimmo Lijja +358 9 4766 9130

#### Trading

Lauri Vehkaluoto (Head) +358 9 4766 9120  
Pasi Väisänen +358 9 4766 9120  
Antti Kässi +358 9 4766 9120  
Miika Ronkanen +358 9 4766 9120

#### Structured Investments

Heikki Savijoki +358 9 4766 9726  
Aki Lakkisto +358 9 4766 9123

#### Equity Research

Atte Jortikka +358 40 054 3725  
Joonas Ilvonen +358 44 430 9071  
Jerker Salokivi +358 9 4766 9149

#### Evli Investment Solutions

Johannes Asuja +358 9 4766 9205

# EVLI

#### EVLI PLC

Aleksanterinkatu 19 A  
P.O. Box 1081  
FIN-00101 Helsinki, FINLAND  
Phone +358 9 476 690  
Internet [www.evli.com](http://www.evli.com)  
E-mail [firstname.lastname@evli.com](mailto:firstname.lastname@evli.com)

#### EVLI PLC, STOCKHOLMSFILIAL

Regeringsgatan 67 P.O. Box 16354  
SE-103 26 Stockholm  
Sverige  
[stockholm@evli.com](mailto:stockholm@evli.com)  
Tel +46 (0)8 407 8000