

## Nothing new with Q1 result

Finnair's Q1 result was similar compared to the previous quarters. Q1'21 adj. EBIT was EUR -143m vs. our expectation of EUR -155m and consensus of EUR -159m. Revenue decreased by ~80% y/y and was EUR 114m vs. our expectation of EUR 96m and consensus of EUR 103m.

- Q1 revenue was EUR 114m (-79.8% y/y) vs. EUR 96m/103m Evli/cons. Revenue was supported by strong cargo demand.
- ASK decreased by ~88% y/y in Q1. PLF was 25.5% (-47.1pp). Strict travel restrictions continued to limit traveling in many countries and Finnair had to operate with limited network and frequencies during Q1.
- Q1 adj. EBIT was EUR -143m vs. EUR -155m/-159m Evli/cons. Q1 comparable EBITDA was EUR -61m vs. EUR -71m our view and consensus of EUR -67m.
- Absolute costs in Q1: Fuel costs were EUR 30m vs. EUR 28m our view. Staff costs were EUR 53m vs. EUR 41m our view. All other OPEX+D&A combined were EUR 183m vs. EUR 193m our view.
- Unit costs: CASK was 21.37 eurocents vs. 20.76 eurocents our view.
- The company will continue to operate with limited network during Q2 and it expects Q2 comparable loss to be of a similar magnitude as in the previous quarters.
- Finnair targets to reach permanent cost savings of approx. EUR 170m (prev. 140m) by 2022 (compared to 2019 levels).

Rating	🟡 HOLD
Share price, EUR (Last trading day's closing price)	0.74
Target price, EUR	0.75
Latest change in rating	14-Jul-20
Latest report on company	22-Apr-21
Research paid by issuer:	YES
No. of shares outstanding, '000's	1,407,231
No. of shares fully diluted, '000's	1,407,231
Market cap, EURm	1,041
Free float, %	42.9
Exchange rate EUR/USD	1.000
Reuters code	FIA1S.HE
Bloomberg code	FIA1S FH
Average daily volume, EURm	na.
Next interim report	27-Apr-21
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🟢 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
2019	3,097.7	162.8	5.3%	-12.3	0.50	11.7	0.4	8.5	-1.6	0.00
2020	829.2	-595.3	-71.8%	-1,281.1	-0.48	-1.6	2.9	-4.1	-119.8	0.00
2021E	1,428.4	-335.8	-23.5%	102.8	-0.24	-3.1	1.6	-6.7	9.9	0.00
2022E	2,989.7	186.3	6.2%	-62.4	0.04	17.2	0.7	11.8	-6.0	0.00
2023E	3,177.8	231.7	7.3%	-147.0	0.07	11.1	0.7	9.7	-14.1	0.00
Market cap, EURm		1,041	BV per share 2021E, EUR		212.0	CAGR EPS 2020-23, %				0.0
Net debt 2021E, EURm		1,196	Price/book 2021E		1.8	CAGR sales 2020-23, %				56.5
Enterprise value, EURm		2,237	Dividend yield 2021E, %		0.0	ROE 2021E, %				-45.5
Total assets 2021E, EURm		3,497	Tax rate 2021E, %		20.0	ROCE 2021E, %				-11.8
Goodwill 2021E, EURm		0	Equity ratio 2021E, %		17.3	PEG, P/E 21/CAGR				0.0

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

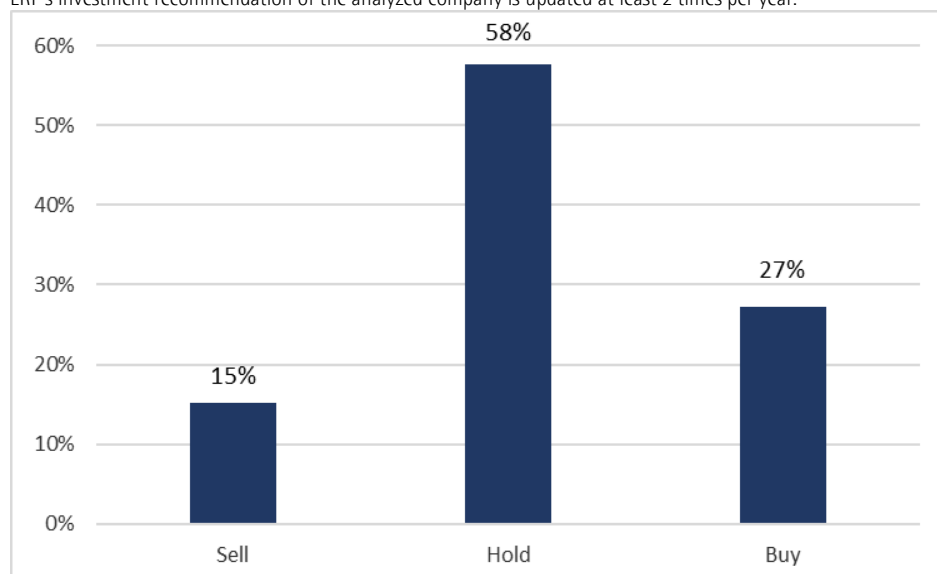
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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## Name(s) of the analyst(s): Rissanen

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