

Blue skies at least for now

Finnair reports Q4 results on Feb 11. FY'25 was challenging due to labor issues, but right now the operating environment is mostly quite favorable so that EBIT should rebound well. Yet earnings multiples already reflect the positive trends.

At least some EUR 150m EBIT should be expected this year

Labor issues meant Finnair's FY'25 wasn't great in terms of profitability, but Q4 should already have been a clean performance. We estimate Q4 revenue to have grown 2% y/y and expect adj. EBIT flat at EUR 48m; we note Q4 faces a high comparison figure, but we believe Finnair could even beat it since lately its Asian volumes have grown well while such ticket prices increased about 3% y/y over the summer season. European ticket prices remained flat over the same period, yet Finnair's European PLFs gained by almost 300bps y/y in Q4. Finnair faces low comparison figures for most of FY'26, and we expect the company to again post around 5% EBIT margin this year.

EBIT could be trending above EUR 200m if trends persist

Jet fuel prices are still relatively low, even if slightly up in the past few months. In our view all these favorable trends imply Finnair should be well-positioned to reach some EUR 150–200m EBIT again this year; together Europe and Asia still account for some three-quarters of Finnair's revenue so that their positive development should compensate for the North Atlantic weakness. The mostly favorable current operating environment should help Finnair's asset utilization at least in the short-term; Finnair could even be headed above EUR 200m EBIT by next year should the trends persist, but right now it's early to extrapolate so far.

Earnings multiples already imply relatively high expectations

Last year marked a new record-high for airline profits, and the sector is expected to see more profitable growth also this year. Finnair is now clearly well-positioned to see a strong rebound in earnings after the recent challenges, and its updated strategy aims to improve RASK through better service experience. Finnair's EBIT could well improve to about EUR 250m in the coming years if the operating environment doesn't deteriorate and the company is able to deliver on its commercial strategy. We however find the valuation already quite optimistic about such prospects as Finnair is valued around 8–9x EV/EBIT on our FY'26–27 estimates, or some 15% above peer median multiples. Our new TP is EUR 2.7 (2.6) as we retain REDUCE rating.

Rating

Reduce



Share price, EUR (Last trading day's closing price)	2.96
Target price, EUR	2.7
Latest change in recommendation	14-Feb-25
Latest report on company	14-Nov-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	606
Free float, %	42.9 %
Exchange rate	1.19
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
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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	3118.4	46.7	1.5%	-35.2	-0.03	-118.3	0.5	31.7	-5.8%	0.05
2026E	3227.5	167.8	5.2%	-74.1	0.34	8.6	0.5	9.3	-12.2%	0.10
2027E	3340.5	190.4	5.7%	-40.0	0.42	7.1	0.5	8.5	-6.6%	0.12
Market cap, EURm	606		Gearing 2025E, %		145.8 %		CAGR EPS 2024–27, %		4.7 %	
Net debt 2025E, EURm	874		Price/book 2025E		1.0		CAGR Sales 2024–27, %		3.1 %	
Enterprise value, EURm	1 480		Dividend yield 2025E, %		1.7 %		ROE 2025E, %		-0.8 %	
Total assets 2025E, EURm	4 129		Tax rate 2025E, %		202.7 %		ROCE 2025E, %		-0.7 %	
Goodwill 2025E, EURm	0		Equity ratio 2025E, %		12.9 %		PEG, P/E 25/CAGR		-1.2	

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	9 499	39 306
y/y change	9 %	15 %	11 %	-73 %	-7 %	159 %	16 %	4 %	8 %	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	7 325	30 228
y/y change	14 %	13 %	11 %	-79 %	-36 %	309 %	31 %	0 %	4 %	7 %	8 %	5 %	5 %	7 %	3 %	3 %	4 %
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 %	77.1 %	76.9 %
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	0.7%-p	1.1%-p
Anollary and retail	145	161	176	62	44	123	148	37	45	48	52	182	45	50	53	57	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	2569	2835	3098	829	838	2356	2989	681	766	818	783	3049	694	788	835	802	3118
YoY change	11 %	10 %	9 %	-73 %	1 %	181 %	27 %	-2 %	2 %	0 %	8 %	2 %	2 %	3 %	2 %	2 %	2 %
Other income	77	74	56	48	63	154	130	33	32	31	44	140	35	23	25	29	111
Staff costs	-423	-500	-535	-284	-249	-447	-498	-130	-130	-125	-133	-519	-140	-132	-134	-137	-543
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	-215	-890
y/y change	-4 %	23 %	18 %	-66 %	-9 %	205 %	8 %	-4 %	2 %	1 %	-2 %	-1 %	2 %	1 %	-2 %	-2 %	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	-566	-1067	-1191	-304	-318	-331	-332	-1284	-348	-352	-353	-349	-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	-164	184	-12	44	72	48	151	-63	10	51	48	47
Comp. EBIT-%	6.6 %	7.7 %	5.9 %	-71.6 %	-56.0 %	-7.0 %	6.2 %	-1.7 %	5.7 %	8.7 %	6.1 %	5.0 %	-9.0 %	1.3 %	6.1 %	6.0 %	1.5 %

Sources: Finnair, Evli Research

FINNAIR PEER GROUP	MCAP MEUR	EV/EBITDA			EV/EBIT			P/B		
		25	26	27	25	26	27	25	26	27
United Airlines Holdings	28259	6.9x	5.7x	5.2x	11.2x	8.7x	7.8x	2.2x	1.7x	1.7x
International Consolidated Airlines Group	22031	3.9x	3.8x	3.6x	5.9x	5.7x	5.5x	2.9x	2.1x	1.7x
Air France-KLM	2835	3.5x	3.2x	2.9x	9.0x	7.7x	6.8x		4.8x	1.6x
Deutsche Lufthansa	10474	3.6x	3.3x	3.0x	7.9x	6.8x	6.0x	0.9x	0.8x	0.7x
Norwegian Air Shuttle	1508	3.3x	3.0x	2.8x	6.9x	7.5x	6.7x	2.4x	2.1x	1.7x
Aegean Airlines	1340	4.2x	4.0x	3.8x	8.3x	8.1x	7.2x	2.4x	2.2x	2.0x
easyJet	4143	2.2x	2.0x	1.8x	4.7x	4.2x	3.7x	1.0x	0.9x	0.8x
Ryanair Holdings	30148	8.6x	7.2x	6.7x	13.7x	10.8x	10.0x	3.9x	3.2x	2.6x
Wizz Air Holdings	1667	5.5x	4.5x	3.8x	54.4x	25.2x	13.7x	5.4x	4.0x	2.5x
American Airlines Group	7489	10.9x	7.5x	6.7x	24.8x	12.6x	11.0x			207.2x
Delta Air Lines	36489	7.0x	6.1x	5.5x	10.5x	8.6x	7.7x	2.1x	1.8x	1.5x
Peer Group Average	13308	5.4x	4.6x	4.2x	14.3x	9.6x	7.8x	2.6x	2.4x	20.4x
Peer Group Median	7489	4.2x	4.0x	3.8x	9.0x	8.1x	7.2x	2.4x	2.1x	1.7x
Finnair (Evli est.)	606	3.8x	3.4x	3.2x	31.7x	9.3x	8.5x	1.0x	0.9x	0.8x

Finnair prem./disc. to peer median

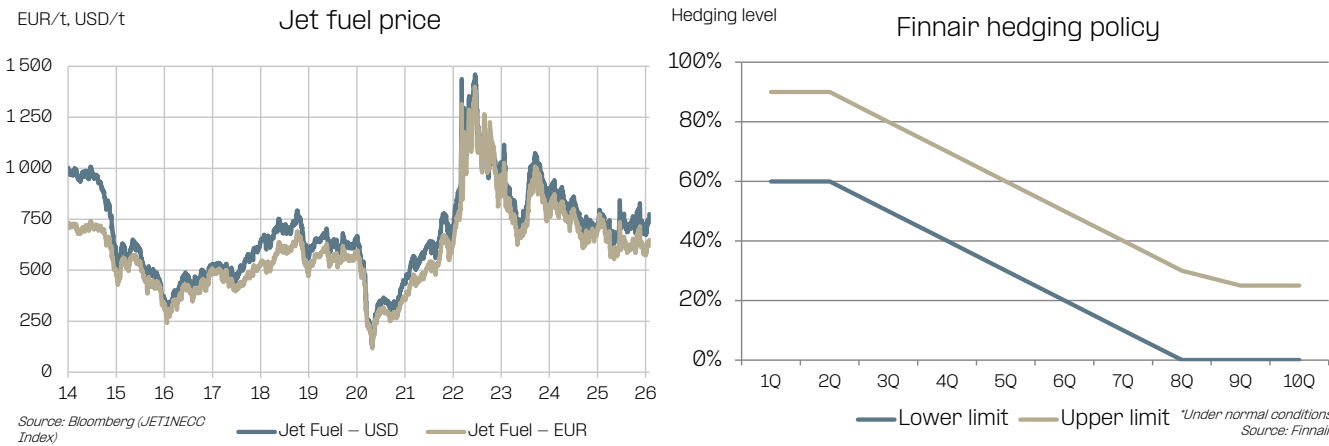
Source FactSet, Evli Research

FINNAIR PEER GROUP	Sales 24	Sales gr.			EBIT-%			Div. yield		
		25	26	27	25	26	27	25	26	27
United Airlines Holdings	54766	-7.8%	6.1%	6.9%	8.4 %	9.5 %	10.0 %	0.0 %	0.0 %	0.0 %
International Consolidated Airlines Group	32100	4.6%	3.8%	4.3%	15.0 %	15.1 %	15.1 %	2.2 %	2.4 %	2.6 %
Air France-KLM	31459	4.7%	4.6%	5.7%	5.7 %	6.3 %	6.8 %	0.0 %	0.1 %	0.7 %
Deutsche Lufthansa	37581	5.8%	4.6%	4.4%	4.8 %	5.5 %	6.0 %	3.6 %	4.1 %	4.8 %
Norwegian Air Shuttle	3023	8.4%	6.7%	5.1%	10.4 %	8.5 %	9.1 %	4.5 %	4.4 %	4.5 %
Aegean Airlines	1777	5.8%	7.1%	5.8%	11.5 %	11.4 %	12.1 %	6.1 %	6.8 %	7.5 %
easyJet	11164	5.9%	9.6%	7.5%	6.8 %	6.5 %	6.8 %	2.8 %	2.9 %	3.2 %
Ryanair Holdings	13949	8.1%	6.4%	6.7%	14.7 %	17.0 %	17.2 %	1.6 %	1.9 %	2.1 %
Wizz Air Holdings	5268	7.9%	15.3%	12.5%	2.2 %	4.2 %	6.8 %	0.0 %	0.0 %	0.0 %
American Airlines Group	52138	-12.3%	8.7%	5.7%	3.0 %	5.2 %	5.7 %	0.0 %	0.0 %	0.7 %
Delta Air Lines	55613	-10.0%	4.4%	5.7%	10.0 %	11.1 %	11.7 %	1.0 %	1.1 %	1.2 %
Peer Group Average	27167	1.9%	7.0%	6.4%	8.4 %	9.1 %	9.8 %	2.0 %	2.2 %	2.5 %
Peer Group Median	31459	5.8%	6.4%	5.7%	8.4 %	8.5 %	9.1 %	1.6 %	1.9 %	2.1 %
Finnair (Evli est.)	3049	2.3%	3.5%	3.5%	1.5 %	5.2 %	5.7 %	1.7 %	3.4 %	4.1 %

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	2.96 PV of Free Cash Flow	998 Long-term growth, %	1.0 % Risk-free interest rate, %	2.50 %
DCF share value	4.21 PV of Horizon value	704 WACC, %	13.0 % Market risk premium, %	5.8 %
Share price potential, %	42.3 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.5 %
Maximum value	4.6 Marketable securities	884 Minimum WACC, %	12.5 % Equity beta coefficient	2.25
Minimum value	3.8 Debt — dividend	−1 723 Maximum WACC, %	13.5 % Target debt ratio, %	30 %
Horizon value, %	41.4 % Value of stock	863 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	3 118	3 228	3 341	3 424	3 493	3 562	3 634	3 706	3 780	3 818	3 856
Sales growth (%)	2.0%	2.3%	3.5%	3.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%
Operating income (EBIT)	151	47	168	190	212	210	232	236	222	189	191	193
Operating income margin %	5.0%	1.5%	5.2%	5.7%	6.2%	6.0%	6.5%	6.5%	6.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	330	340	288	310	328	378	436	447	455	470	475	
EBITDA	482	386	456	501	540	588	668	683	678	659	666	
– Paid taxes	–4	–13	–34	–38	–42	–42	–46	–47	–44	–38	–38	
– Change in NWC	124	64	49	35	–3	11	11	11	12	12	6	
NWC / Sales, %	27.3%	28.7%	29.3%	29.3%	28.5%	28.2%	28.0%	27.8%	27.6%	27.3%	27.2%	
+ Change in other liabs	–8											
– Operative CAPEX	–377	–300	–375	–400	–450	–500	–300	–275	–325	–350	–375	
opCAPEX / Sales, %	12.7%	13.9%	14.9%	14.1%	20.7%	23.5%	14.4%	13.7%	15.1%	13.8%	9.8%	
– Acquisitions												
+ Divestments												
– Other items		–3	–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	217	135	83	85	32	44	320	360	307	270	246	2 082
= Discounted FCOFF		136	75	67	22	27	176	175	132	103	83	704
= DFCF min WACC		136	75	68	23	28	180	180	137	107	87	764
= DFCF max WACC		136	74	67	22	27	172	171	128	100	80	649

Sensitivity analysis, EUR

		Terminal WACC				
		10.95 %	11.95 %	12.95 %	13.95 %	14.95 %
Terminal EBIT–%	3.00 %	4.55	3.79	3.15	2.60	2.13
	4.00 %	5.30	4.42	3.68	3.06	2.52
	5.00 %	6.05	5.05	4.21	3.51	2.91
	6.00 %	6.80	5.68	4.74	3.96	3.30
	7.00 %	7.55	6.31	5.28	4.42	3.69

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	801.7	3 118.4	3 227.5	3 340.5
EBITDA	71.2	125.8	153.3	131.4	481.7	23.1	97.4	137.7	128.2	386.4	455.7	500.9
<i>EBITDA margin (%)</i>	<i>10.5%</i>	<i>16.4%</i>	<i>18.7%</i>	<i>16.8%</i>	<i>15.8%</i>	<i>3.3%</i>	<i>12.4%</i>	<i>16.5%</i>	<i>16.0%</i>	<i>12.4%</i>	<i>14.1%</i>	<i>15.0%</i>
EBIT	-11.6	43.6	71.5	47.9	151.4	-62.6	10.3	50.8	48.2	46.7	167.8	190.4
<i>EBIT margin (%)</i>	<i>-1.7%</i>	<i>5.7%</i>	<i>8.7%</i>	<i>6.1%</i>	<i>5.0%</i>	<i>-9.0%</i>	<i>1.3%</i>	<i>6.1%</i>	<i>6.0%</i>	<i>1.5%</i>	<i>5.2%</i>	<i>5.7%</i>
Net financial items	-20.3	-20.0	-5.1	-22.7	-68.1	-10.6	-4.6	-12.6	-17.0	-44.8	-64.0	-68.2
Pre-tax profit	-31.9	23.6	66.4	25.2	83.3	-73.2	5.7	38.2	31.2	1.9	103.8	122.2
Tax	7.6	-4.6	-14.3	2.2	-9.1	13.0	-1.9	-9.0	-6.0	-3.9	-20.8	-24.4
<i>Tax rate (%)</i>	<i>23.8%</i>	<i>19.5%</i>	<i>21.5%</i>	<i>-8.7%</i>	<i>10.9%</i>	<i>17.8%</i>	<i>33.3%</i>	<i>23.6%</i>	<i>19.2%</i>	<i>202.7%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	-24.3	19.0	52.1	27.4	74.2	-60.2	3.8	29.2	22.1	-5.1	70.5	85.2
EPS	-0.12	0.09	0.25	0.13	0.36	-0.29	0.02	0.14	0.11	-0.03	0.34	0.42
EPS adj. (diluted)	-0.12	0.09	0.25	0.13	0.36	-0.29	0.02	0.14	0.11	-0.03	0.34	0.42
Dividend per share					0.11					0.05	0.10	0.12
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	801.7	3 118.4	3 227.5	3 340.5
Total	6815	7661	8183	7829	3 048.8	6942	787.7	834.8	801.7	3 118.4	3 227.5	3 340.5
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%	2.4%	2.3%	3.5%	3.5%
Total	-1.9%	2.3%	0.1%	7.7%	2.0%	1.9%	2.8%	2.0%	2.4%	2.3%	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	48.2	46.7	167.8	190.4
Total	-11.6	43.6	71.5	47.9	151.4	-62.6	10.3	50.8	48.2	46.7	167.8	190.4
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%	6.0%	1.5%	5.2%	5.7%
Total	-1.7%	5.7%	8.7%	6.1%	5.0%	-9.0%	1.3%	6.1%	6.0%	1.5%	5.2%	5.7%

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	3 118.4	3 227.5	3 340.5
<i>Sales growth (%)</i>	-73.2%	1.1%	181.1%	26.8%	2.0%	2.3%	3.5%	3.5%
EBITDA	-251.5	-149.0	185.9	530.2	481.7	386.4	455.7	500.9
<i>EBITDA margin (%)</i>	-30.3%	-17.8%	7.9%	17.7%	15.8%	12.4%	14.1%	15.0%
Depreciation	-343.8	-319.9	-349.8	-346.2	-330.3	-339.7	-287.8	-310.5
EBITA	-595.3	-468.9	-163.9	184.0	151.4	46.7	167.8	190.4
Goodwill amortization / writedown								
EBIT	-595.3	-468.9	-163.9	184.0	151.4	46.7	167.8	190.4
<i>EBIT margin (%)</i>	-71.8%	-55.9%	-7.0%	6.2%	5.0%	1.5%	5.2%	5.7%
Reported EBIT	-597.7	-474.7	-163.9	184.0	151.4	46.7	167.8	190.4
<i>EBIT margin (reported) (%)</i>	-72.1%	-56.6%	-7.0%	6.2%	5.0%	1.5%	5.2%	5.7%
Net financials	-190.1	-127.5	-170.2	-72.3	-68.1	-44.8	-64.0	-68.2
Pre-tax profit	-785.4	-596.4	-334.1	111.7	83.3	1.9	103.8	122.2
Taxes	131.2	117.6	-105.4	135.2	-9.1	-3.9	-20.8	-24.4
Minority shares								
Net profit	-671.4	-484.6	-439.5	246.9	74.2	-5.1	70.5	85.2
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	1 643	1 842	2 043
Goodwill								
Right of use assets	918	1 182	1 083	917	780	748	742	702
Inventory	68	56	122	135	87	94	81	84
Receivables	70	137	158	166	232	176	163	150
Liquid funds	824	1 266	1 524	922	884	1 247	1 291	1 336
Total assets	3 646	4 047	4 133	3 698	3 721	4 129	4 341	4 536
Liabilities								
Shareholders' equity	897	476	411	577	627	599	660	724
Minority interest								
Convertibles								
Lease liabilities	1 016	1 381	1 128	951	840	748	742	702
Deferred taxes								
Interest bearing debt	1 182	1 428	1 299	911	861	1 373	1 507	1 654
Non-interest bearing current liabilities	176	291	452	507	659	674	698	722
Other interest-free debt	215	271	658	627	613	613	613	613
Total liabilities	3 647	4 047	4 133	3 698	3 721	4 129	4 341	4 536
CASH FLOW, EURm								
+ EBITDA	-251	-149	186	530	482	386	456	501
- Net financial items	-190	-128	-170	-72	-68	-45	-64	-68
- Taxes	-18	11	6	-18	3	-4	-21	-24
- Increase in Net Working Capital	-489	117	274	64	124	64	49	35
+/- Other	-17	-6				-3	-13	-13
= Cash flow from operations	-966	-155	296	504	541	399	407	431
- Capex	-315	-484	-149	-412	-386	-434	-481	-471
- Acquisitions								
+ Divestments								
= Free cash flow	-1 281	-639	147	92	155	-35	-74	-40
+/- New issues/buybacks	602	64	374	-81	-24			
- Paid dividend					23	10	20	25
+/- Other	551	1 018	-262	-614	-169	421	128	106
Change in cash	-128	442	259	-603	-38	363	44	45

KEY FIGURES	2021	2022	2023	2024	2025E	2026E	2027E
M-cap	837	546	817	453	606	606	606
Net debt (excl. convertibles)	1 543	902	940	817	874	959	1 019
Enterprise value	2 380	1 448	1 756	1 269	1 480	1 565	1 625
Sales	838	2 357	2 989	3 049	3 118	3 228	3 341
EBITDA	-149	186	530	482	386	456	501
EBIT	-469	-164	184	151	47	168	190
Pre-tax	-596	-334	112	83	2	104	122
Earnings	-479	-440	247	74	-5	70	85
Equity book value (excl. minorities)	476	411	577	627	599	660	724

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	3.8	3.4	3.2
EV/EBITA	-5.1	-8.8	9.5	8.4	31.7	9.3	8.5
EV/EBIT	-5.1	-8.8	9.5	8.4	31.7	9.3	8.5
EV/OCF	-15.4	4.9	3.5	2.3	3.7	3.8	3.8
EV/FCF	-26.4	2.8	47.8	5.8	11.0	18.8	19.1
P/FCFR	-0.1	0.2	0.1	2.9	-17.2	-8.2	-15.2
P/E	-1.7	-1.2	3.3	6.1	-118.3	8.6	7.1
P/BV	1.8	1.3	1.4	0.7	1.0	0.9	0.8
Target EV/EBITDA					3.7	3.3	3.1
Target EV/EBIT					30.5	9.0	8.3
Target EV/FCFF					-40.6	-20.4	-39.3
Target P/BV					0.9	0.8	0.8
Target P/E, diluted	-1.8	-1.3	4.3	7.6	-107.9	7.8	6.5

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	-0.03	0.34	0.42
Operating cash flow per share	-1.85	3.53	2.47	2.64	1.95	1.99	2.10
Free cash flow per share	-7.63	1.75	0.45	0.76	-0.17	-0.36	-0.20
Book value per share	5.68	4.90	2.83	3.06	2.93	3.22	3.54
Dividend per share				0.11	0.05	0.10	0.12
Dividend payout ratio, %				30.4%	-199.8%	29.1%	28.9%
Dividend yield, %				5.0%	1.7%	3.4%	4.1%
FCF yield, %	-76.4%	26.9%	11.3%	34.2%	-5.8%	-12.2%	-6.6%

Efficiency measures	2021	2022	2023	2024	2025E	2026E	2027E
ROE	-69.8%	-99.2%	50.0%	12.3%	-0.8%	11.2%	12.3%
ROCE	-17.9%	-8.9%	3.2%	2.4%	-0.7%	1.2%	1.7%

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%	-29.3%	-29.3%
Operative CAPEX/Sales, %	57.8%	6.3%	13.8%	12.7%	13.9%	14.9%	14.1%
CAPEX/sales (incl. acquisitions), %	57.8%	6.3%	13.8%	12.7%	13.9%	14.9%	14.1%
FCFF/EBITDA	0.6	2.8	0.1	0.5	0.3	0.2	0.2
Net Debt/EBITDA, book-weighted	-10.4	4.9	1.8	1.7	2.3	2.1	2.0
Debt/equity, market-weighted	1.7	2.4	1.1	1.9	2.3	2.5	2.7
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%	145.8%	145.3%	140.7%

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	337.639	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	17.250	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	8.254	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	6.216	1.0 %
The State Pension Fund	1 795 000	5.313	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	3.561	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.158	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.654	0.3 %
Finnair Oyj	300 082	0.888	0.1 %
Forsten Visa Tapio	245 700	0.727	0.1 %
Ten largest	129 614 941	383.660	63.3 %
Residual	75 196 059	222.580	36.7 %
Total	204 811 000	606.241	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, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

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Target price compared to share price

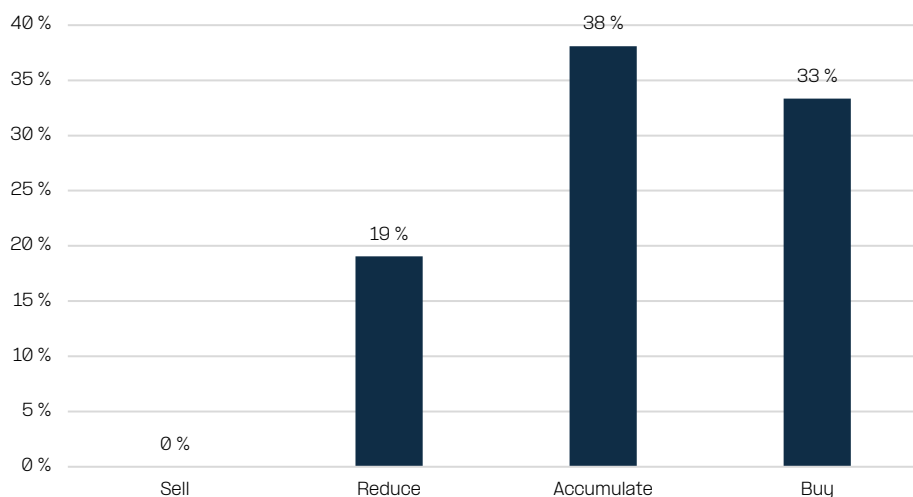
< -10 %
-10 - 0 %
0 - (+10) %
> 10 %

Recommendation

SELL
RECUDE
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.

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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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