

Earnings are climbing again

Finnair's Q4 earnings reached a record high especially due to efficient operations. Trends and outlook are now encouraging as the sector should continue to grow at a solid mid single-digit rate this year as well, and Finnair is positioned to see a significant rebound in its earnings.

Q4'25 efficiency may not be repeatable every quarter

Finnair's EUR 790m Q4 revenue was near the EUR 802m/796m Evli/cons. estimates, however comparable EBIT reached a record high of EUR 62m and was thus clearly above the EUR 48m/44m Evli/cons. estimates as most cost items were at least a bit below our estimates. Such low costs may not be repeatable throughout the coming quarters due to natural variation, but the continued mostly favorable operating environment in our view implies Finnair has good chances of achieving FY'26 comparable EBIT above the EUR 155m guidance midpoint.

EBIT is to clearly improve at least over the next 3 quarters

The EBIT guidance range wasn't surprising, yet we revise our FY'26 estimate up by almost EUR 15m due to the strong operational performance seen in Q4. Finnair's 5% planned ASK growth this year is to be allocated mostly to Asia and Europe, areas which have developed well recently. Finnair should be able to place the additional capacity there profitably when passenger volumes continue to grow while ticket pricing holds quite steady. North Atlantic demand growth remains soft relative to capacity, although recent traffic data suggests there may now be early signs of stabilization. We estimate Finnair FY'26 revenue to grow 7%, driven by Asia and Europe, which would be in line with peers. The lack of industrial action this year would by itself be enough to help Finnair's EBIT improve by some EUR 70m, yet we estimate the figure to gain by about EUR 50m on top of that to EUR 182m (or 5.5% EBIT margin). Q1'26 EBIT may in our view nonetheless remain negative.

Multiples also reflect expectations of almost 6% EBIT margin

Finnair is valued around 8x EV/EBIT on our FY'26–27 estimates, a level slightly higher than peers'. The multiples aren't very high if the current favorable environment persists; we estimate EBIT margin to improve by 30bps more next year, which could still prove a conservative estimate as in our view an EBIT margin of above 6% is also possible already then. Our new TP is EUR 3.3 (2.7) as we retain REDUCE rating.

Rating

Reduce



Share price, EUR (Last trading day's closing price) **3.59**
Target price, EUR 3.3

Latest change in recommendation 14-Feb-25

Latest report on company 02-Feb-26

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 734

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 22-Apr-26

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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
2024	3048.8	151.4	5.0%	308.5	0.36	6.1	0.4	8.4	68.1%	0.11
2025	3106.2	60.1	1.9%	226.0	0.07	45.3	0.4	20.5	35.1%	0.09
2026E	3315.3	181.9	5.5%	-183.3	0.48	7.5	0.5	8.4	-25.0%	0.10
2027E	3431.3	199.0	5.8%	-51.8	0.46	7.8	0.5	8.0	-7.0%	0.12
2028E	3534.2	222.7	6.3%	-84.1	0.56	6.4	0.5	7.7	-11.5%	0.13
Market cap, EURm	734		Gearing 2026E, %		110.4 %		CAGR EPS 2025–28, %		100.9 %	
Net debt 2026E, EURm	791		Price/book 2026E		1.0		CAGR Sales 2025–28, %		4.4 %	
Enterprise value, EURm	1 525		Dividend yield 2026E, %		2.8 %		ROE 2026E, %		14.5 %	
Total assets 2026E, EURm	4 279		Tax rate 2026E, %		17.0 %		ROCE 2026E, %		4.0 %	
Goodwill 2026E, EURm	0		Equity ratio 2026E, %		14.9 %		PEG, P/E 26/CAGR		0.0	

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	2025	2025	2025	2025	2025	2026E	2026E	2026E	2026E	2026E
EURm	FY	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	38 259	9 126	10 208	10 474	9 499	39 306	9 533	10 681	11 040	9 837	41 090
y/y change	9 %	15 %	11 %	-73 %	-7 %	159 %	16 %	6 %	2 %	4 %	3 %	2 %	3 %	4 %	5 %	5 %	4 %	5 %
RPK (mkm)	30 749	34 660	38 534	8 150	5 178	21 157	27 627	29 000	6 731	7 816	8 355	7 325	30 228	7 093	8 428	8 929	7 562	32 012
y/y change	14 %	13 %	11 %	-79 %	-36 %	309 %	31 %	5 %	5 %	7 %	3 %	3 %	4 %	5 %	8 %	7 %	3 %	6 %
Load factor (RPK/ASK), PLF	83.3 %	81.8 %	81.7 %	63.0 %	42.8 %	67.6 %	76.4 %	75.8 %	73.8 %	76.6 %	79.8 %	77.1 %	76.9 %	74.4 %	78.9 %	80.9 %	76.9 %	77.9 %
y/y change	3.5%-p	-1.5%-p	-0.1%-p	-18.7%-p	-20.2%-p	24.8%-p	8.8%-p	-0.6%-p	1.6%-p	1.9%-p	0.2%-p	0.7%-p	1.1%-p	0.7%-p	2.3%-p	1.1%-p	-0.2%-p	1.0%-p
Anollery and retail	145	161	176	62	44	123	148	182	45	50	53	53	200	50	56	60	59	226
Cargo	197	207	212	178	335	352	192	206	50	51	49	55	205	48	49	47	53	197
Travel services	206	223	230	61	39	170	237	242	61	60	67	66	255	63	62	69	68	262
Total revenue	2569	2835	3098	829	838	2356	2989	3049	894	788	835	790	3108	743	849	894	829	3315
YoY change	11 %	10 %	9 %	-73 %	1 %	181 %	27 %	2 %	2 %	3 %	2 %	1 %	2 %	7 %	8 %	7 %	5 %	7 %
Other income	77	74	58	48	63	154	130	140	35	23	25	42	124	29	29	29	29	119
Staff costs	-423	-500	-535	-284	-249	-447	-498	-519	-140	-132	-134	-140	-548	-141	-134	-137	-144	-657
y/y change	17 %	18 %	7 %	-47 %	-12 %	80 %	11 %	4 %	8 %	1 %	7 %	5 %	5 %	1 %	2 %	2 %	3 %	2 %
% of revenue	16 %	18 %	17 %	34 %	30 %	19 %	17 %	17 %	20 %	17 %	16 %	18 %	18 %	19 %	16 %	15 %	17 %	17 %
Fuel	-472	-581	-687	-233	-212	-836	-900	-893	-214	-228	-234	-204	-879	-215	-240	-250	-225	-930
y/y change	-4 %	23 %	18 %	-66 %	-9 %	295 %	8 %	-1 %	2 %	1 %	-2 %	-2 %	-2 %	1 %	5 %	7 %	10 %	6 %
% of revenue	18 %	20 %	22 %	28 %	25 %	35 %	30 %	29 %	31 %	29 %	28 %	26 %	28 %	29 %	28 %	28 %	27 %	28 %
Other OPEX	-1314	-1318	-1444	-613	-566	-1067	-1181	-1284	-348	-352	-353	-334	-1387	-349	-366	-370	-351	-1437
y/y change	4 %	0 %	10 %	-58 %	-8 %	88 %	12 %	8 %	14 %	11 %	7 %	1 %	8 %	0 %	4 %	5 %	5 %	4 %
% of revenue	51 %	46 %	47 %	74 %	68 %	45 %	40 %	42 %	50 %	45 %	42 %	42 %	45 %	47 %	43 %	41 %	42 %	43 %
Comparable EBIT	171	218	183	-695	-469	-184	184	151	-63	10	61	62	60	-15	56	84	56	182
Comp. EBIT-%	6.6 %	7.7 %	5.9 %	-71.8 %	-56.0 %	-7.8 %	6.2 %	5.0 %	-0.7 %	1.3 %	8.1 %	7.8 %	1.9 %	-2.0 %	6.6 %	9.4 %	6.8 %	5.5 %

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	31608	6.9x	6.2x	5.6x	11.2x	9.4x	8.4x	2.5x	1.9x	1.9x
International Consolidated Airlines Group	22705	3.9x	3.9x	3.7x	5.9x	5.9x	5.6x	3.0x	2.2x	1.7x
Air France-KLM	3153	3.5x	3.2x	3.0x	9.0x	7.8x	6.8x		5.2x	1.7x
Deutsche Lufthansa	10669	3.6x	3.3x	3.1x	8.0x	6.9x	6.0x	0.9x	0.8x	0.7x
Norwegian Air Shuttle	1569	3.3x	3.1x	2.8x	6.9x	7.8x	6.9x	2.5x	2.1x	1.7x
Aegean Airlines	1313	4.2x	4.0x	3.8x	8.1x	7.7x	7.0x	2.4x	2.1x	2.0x
easyJet	4210	2.2x	2.0x	1.8x	4.7x	4.3x	3.8x	1.0x	0.9x	0.8x
Ryanair Holdings	28521	8.6x	6.8x	6.3x	13.7x	10.2x	9.5x	3.6x	3.0x	2.5x
Wizz Air Holdings	1648	5.4x	4.5x	3.8x	54.2x	26.4x	14.4x	5.3x	4.2x	2.7x
American Airlines Group	8363	10.9x	7.7x	6.9x	24.8x	12.9x	11.3x			231.6x
Delta Air Lines	40795	7.4x	6.7x	6.0x	10.5x	9.3x	8.4x	2.4x	2.0x	1.7x
Peer Group Average	14050	5.5x	4.7x	4.3x	14.3x	9.9x	8.0x	2.6x	2.5x	22.6x
Peer Group Median	8363	4.2x	4.0x	3.8x	9.0x	7.8x	7.0x	2.5x	2.1x	1.7x
Finnair (Evli est.)	734	3.1x	3.2x	3.2x	20.5x	8.4x	8.0x	1.0x	1.0x	0.9x

Finnair prem./disc. to peer median

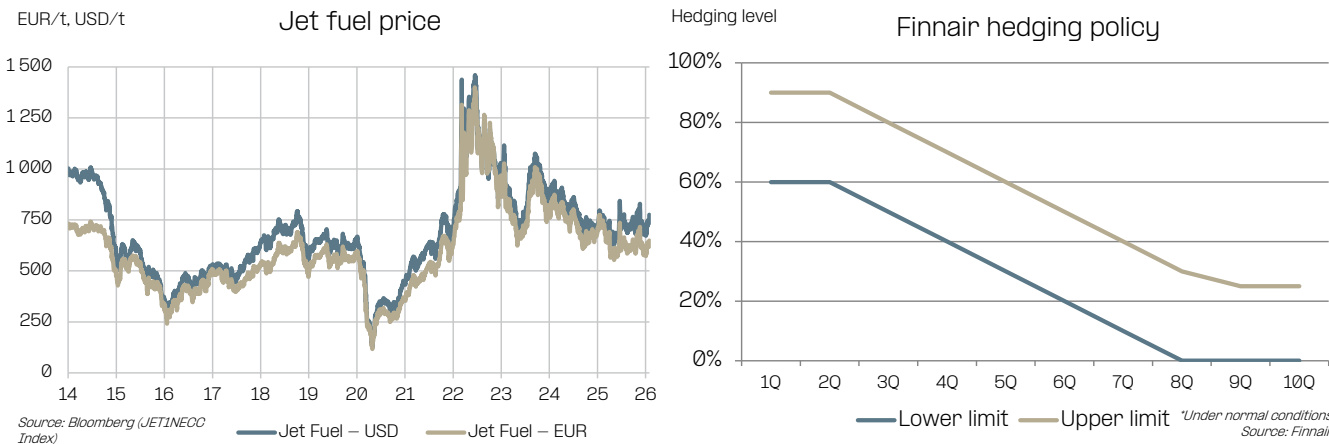
Source FactSet, Evli Research

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%	6.3%	6.9%	8.4 %	9.5 %	10.0 %	0.0 %	0.0 %	0.0 %
International Consolidated Airlines Group	32100	3.9%	3.9%	4.3%	15.0 %	15.1 %	15.2 %	2.1 %	2.3 %	2.5 %
Air France-KLM	31459	4.7%	4.7%	5.8%	5.7 %	6.3 %	6.8 %	0.0 %	0.1 %	0.7 %
Deutsche Lufthansa	37581	5.9%	4.7%	4.5%	4.8 %	5.5 %	6.0 %	3.6 %	4.0 %	4.8 %
Norwegian Air Shuttle	3023	9.6%	6.7%	5.1%	10.3 %	8.3 %	8.9 %	4.4 %	4.1 %	4.4 %
Aegean Airlines	1777	4.3%	6.6%	6.3%	12.0 %	12.1 %	12.5 %	6.1 %	6.7 %	7.5 %
easyJet	11164	5.8%	9.5%	7.5%	6.8 %	6.5 %	6.9 %	2.7 %	2.9 %	3.2 %
Ryanair Holdings	13949	8.1%	6.4%	6.7%	14.7 %	17.0 %	17.2 %	1.6 %	2.0 %	2.3 %
Wizz Air Holdings	5268	8.1%	16.1%	12.8%	2.2 %	3.9 %	6.3 %	0.0 %	0.0 %	0.0 %
American Airlines Group	52138	-12.3%	9.1%	5.7%	3.0 %	5.2 %	5.7 %	0.0 %	0.0 %	0.6 %
Delta Air Lines	55613	-10.0%	4.6%	5.7%	10.0 %	11.1 %	11.7 %	0.9 %	1.0 %	1.1 %
Peer Group Average	27167	1.8%	7.1%	6.5%	8.5 %	9.2 %	9.7 %	2.0 %	2.1 %	2.5 %
Peer Group Median	31459	4.7%	6.4%	5.8%	8.4 %	8.3 %	8.9 %	1.6 %	2.0 %	2.3 %
Finnair (Evli est.)	3049	1.9%	6.7%	3.5%	1.9 %	5.5 %	5.8 %	2.9 %	2.8 %	3.3 %

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	3.59 PV of Free Cash Flow	1 034 Long-term growth, %	1.0 % Risk-free interest rate, %
DCF share value	5.44 PV of Horizon value	669 WACC, %	13.0 % Market risk premium, %
Share price potential, %	51.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	5.9 Marketable securities	1 063 Minimum WACC, %	12.5 % Equity beta coefficient
Minimum value	5.1 Debt – dividend	–1 652 Maximum WACC, %	13.5 % Target debt ratio, %
Horizon value, %	39.3 % Value of stock	1 114 No. of shares, Mn	204.8 Effective tax rate, %
			2.50 %
			5.8 %
			3.5 %
			2.25
			30 %
			20 %

DCF valuation, EURm	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TERMINAL
Net sales	3 106	3 315	3 431	3 534	3 605	3 677	3 751	3 826	3 902	3 980	4 020	4 060
Sales growth (%)	1.9%	6.7%	3.5%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%
Operating income (EBIT)	60	182	199	223	216	239	244	230	195	199	201	203
Operating income margin %	1.9%	5.5%	5.8%	6.3%	6.0%	6.5%	6.5%	6.0%	5.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	344	300	307	327	350	400	440	449	465	472	483	
EBITDA	404	482	506	550	566	639	683	679	660	671	684	
– Paid taxes	–7	–31	–40	–45	–43	–48	–49	–46	–39	–40	–40	
– Change in NWC	82	111	37	1	12	13	13	13	13	14	7	
NWC / Sales, %	29.4%	30.9%	30.9%	30.0%	29.8%	29.6%	29.3%	–29.1%	28.9%	28.6%	28.5%	
+ Change in other liabs	–36											
– Operative CAPEX	–193	–375	–400	–450	–500	–300	–275	–325	–350	–350	–375	
opCAPEX / Sales, %	7.1%	20.9%	14.3%	14.9%	20.5%	18.3%	13.5%	14.8%	13.5%	14.1%	9.3%	
– Acquisitions												
+ Divestments												
– Other items			–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	249	187	91	44	22	291	360	309	272	282	264	2 229
= Discounted FCOFF		168	72	31	14	160	176	133	104	96	79	669
= DFCF min WACC		168	73	31	14	164	180	138	108	100	83	730
= DFCF max WACC		167	72	30	14	157	171	129	101	92	76	615

Sensitivity analysis, EUR

		Terminal WACC				
		10.95 %	11.95 %	12.95 %	13.95 %	14.95 %
Terminal EBIT–%	3.00 %	5.95	5.13	4.44	3.86	3.35
	4.00 %	6.66	5.72	4.94	4.28	3.71
	5.00 %	7.37	6.32	5.44	4.70	4.07
	6.00 %	8.09	6.91	5.94	5.12	4.43
	7.00 %	8.80	7.50	6.43	5.54	4.79

INTERIM FIGURES

EVLI ESTIMATES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Net sales	694.2	787.7	834.8	789.5	3 106.2	743.5	849.2	893.7	828.9	3 315.3	3 431.3	3 534.2
EBITDA	23.1	97.4	137.7	145.6	403.8	60.3	131.2	159.0	131.3	481.9	506.0	550.1
EBITDA margin (%)	3.3%	12.4%	16.5%	18.4%	13.0%	8.1%	15.5%	17.8%	15.8%	14.5%	14.8%	15.6%
EBIT	-62.6	10.3	50.8	61.6	60.1	-14.7	56.2	84.0	56.3	181.9	199.0	222.7
EBIT margin (%)	-9.0%	1.3%	6.1%	7.8%	1.9%	-2.0%	6.6%	9.4%	6.8%	5.5%	5.8%	6.3%
Net financial items	-10.6	-4.6	-12.6	-13.1	-40.9	-17.0	-17.0	-15.0	-15.0	-64.0	-65.1	-63.0
Pre-tax profit	-73.2	5.7	38.2	48.5	19.2	-31.7	39.2	69.0	41.3	117.9	133.9	159.7
Tax	13.0	-1.9	-9.0	-7.1	-5.0	-5.0	-5.0	-5.0	-5.0	-20.0	-26.8	-31.9
Tax rate (%)	17.8%	33.3%	23.6%	14.6%	26.0%	-15.8%	12.7%	7.2%	12.1%	17.0%	20.0%	20.0%
Net profit	-60.2	3.8	29.2	41.4	14.2	-36.7	34.2	64.0	36.3	97.9	94.6	115.1
EPS	-0.29	0.02	0.14	0.20	0.07	-0.18	0.17	0.31	0.18	0.48	0.46	0.56
EPS adj. (diluted)	-0.29	0.02	0.14	0.20	0.07	-0.18	0.17	0.31	0.18	0.48	0.46	0.56
Dividend per share					0.09					0.10	0.12	0.13
SALES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	694.2	787.7	834.8	789.5	3 106.2	743.5	849.2	893.7	828.9	3 315.3	3 431.3	3 534.2
Total	694.2	787.7	834.8	789.5	3 106.2	743.5	849.2	893.7	828.9	3 315.3	3 431.3	3 534.2
SALES GROWTH, Y/Y%	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	1.9%	2.8%	2.0%	0.8%	1.9%	7.1%	7.8%	7.1%	5.0%	6.7%	3.5%	3.0%
Total	1.9%	2.8%	2.0%	0.8%	1.9%	7.1%	7.8%	7.1%	5.0%	6.7%	3.5%	3.0%
EBIT, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	-62.6	10.3	50.8	61.6	60.1	-14.7	56.2	84.0	56.3	181.9	199.0	222.7
Total	-62.6	10.3	50.8	61.6	60.1	-14.7	56.2	84.0	56.3	181.9	199.0	222.7
EBIT margin %	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1E	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	-9.0%	1.3%	6.1%	7.8%	1.9%	-2.0%	6.6%	9.4%	6.8%	5.5%	5.8%	6.3%
Total	-9.0%	1.3%	6.1%	7.8%	1.9%	-2.0%	6.6%	9.4%	6.8%	5.5%	5.8%	6.3%

INCOME STATEMENT, EURm	2021	2022	2023	2024	2025	2026E	2027E	2028E
Sales	838.4	2 356.6	2 988.5	3 048.8	3 106.2	3 315.3	3 431.3	3 534.2
<i>Sales growth (%)</i>	1.1%	181.1%	26.8%	2.0%	1.9%	6.7%	3.5%	3.0%
EBITDA	-149.0	185.9	530.2	481.7	403.8	481.9	506.0	550.1
<i>EBITDA margin (%)</i>	-17.8%	7.9%	17.7%	15.8%	13.0%	14.5%	14.8%	15.6%
Depreciation	-319.9	-349.8	-346.2	-330.3	-343.7	-300.0	-307.0	-327.5
EBITA	-468.9	-163.9	184.0	151.4	60.1	181.9	199.0	222.7
Goodwill amortization / writedown								
EBIT	-468.9	-163.9	184.0	151.4	60.1	181.9	199.0	222.7
<i>EBIT margin (%)</i>	-55.9%	-7.0%	6.2%	5.0%	1.9%	5.5%	5.8%	6.3%
Reported EBIT	-474.7	-163.9	184.0	151.4	60.1	181.9	199.0	222.7
<i>EBIT margin (reported) (%)</i>	-56.6%	-7.0%	6.2%	5.0%	1.9%	5.5%	5.8%	6.3%
Net financials	-127.5	-170.2	-72.3	-68.1	-40.9	-64.0	-65.1	-63.0
Pre-tax profit	-596.4	-334.1	111.7	83.3	19.2	117.9	133.9	159.7
Taxes	117.6	-105.4	135.2	-9.1	-5.0	-20.0	-26.8	-31.9
Minority shares								
Net profit	-484.6	-439.5	246.9	74.2	14.2	97.9	94.6	115.1
Cash NRIs	-5.8							
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	1 215	1 165	1 325	1 517	1 488	1 663	1 885	2 131
Goodwill								
Right of use assets	1 182	1 083	917	780	645	862	824	778
Inventory	56	122	135	87	89	83	86	88
Receivables	137	158	166	232	188	132	118	138
Liquid funds	1 266	1 524	922	884	1 063	1 326	1 373	1 414
Total assets	4 047	4 133	3 698	3 721	3 687	4 279	4 498	4 762
Liabilities								
Shareholders' equity	476	411	577	627	637	716	790	881
Minority interest								
Convertibles								
Lease liabilities	1 381	1 128	951	840	632	862	824	778
Deferred taxes								
Interest bearing debt	1 428	1 299	911	861	1 020	1 255	1 412	1 608
Non-interest bearing current liabilities	291	452	507	659	715	763	790	813
Other interest-free debt	271	658	627	613	597	597	597	597
Total liabilities	4 047	4 133	3 698	3 721	3 687	4 279	4 498	4 762
CASH FLOW, EURm								
+ EBITDA	-149	186	530	482	404	482	506	550
- Net financial items	-128	-170	-72	-68	-41	-64	-65	-63
- Taxes	11	6	-18	3	3	-20	-27	-32
- Increase in Net Working Capital	117	274	64	124	82	111	37	1
+/- Other	-6						-13	-13
= Cash flow from operations	-155	296	504	541	448	508	439	443
- Capex	-484	-149	-412	-232	-222	-692	-491	-528
- Acquisitions								
+ Divestments								
= Free cash flow	-639	147	92	309	226	-183	-52	-84
+/- New issues/buybacks	64	374	-81	-24	18			
- Paid dividend				23	18	20	25	27
+/- Other	1 018	-262	-614	-322	-42	464	119	150
Change in cash	442	259	-603	-38	179	263	46	41

KEY FIGURES	2022	2023	2024	2025	2026E	2027E	2028E
M-cap	546	817	453	644	734	734	734
Net debt (excl. convertibles)	902	940	817	589	791	863	972
Enterprise value	1 448	1 756	1 269	1 232	1 525	1 597	1 706
Sales	2 357	2 989	3 049	3 106	3 315	3 431	3 534
EBITDA	186	530	482	404	482	506	550
EBIT	-164	184	151	60	182	199	223
Pre-tax	-334	112	83	19	118	134	160
Earnings	-440	247	74	14	98	95	115
Equity book value (excl. minorities)	411	577	627	637	716	790	881

Valuation multiple	2022	2023	2024	2025	2026E	2027E	2028E
EV/Sales	0.6	0.6	0.4	0.4	0.5	0.5	0.5
EV/EBITDA	7.8	3.3	2.6	3.1	3.2	3.2	3.1
EV/EBITA	-8.8	9.5	8.4	20.5	8.4	8.0	7.7
EV/EBIT	-8.8	9.5	8.4	20.5	8.4	8.0	7.7
EV/OCF	4.9	3.5	2.3	2.8	3.0	3.6	3.8
EV/FCF	2.8	47.8	3.4	4.9	8.2	17.5	38.9
P/FCFR	0.2	0.1	1.5	2.8	-4.0	-14.2	-8.7
P/E	-1.2	3.3	6.1	45.3	7.5	7.8	6.4
P/BV	1.3	1.4	0.7	1.0	1.0	0.9	0.8
Target EV/EBITDA					3.0	3.0	3.0
Target EV/EBIT					8.1	7.7	7.4
Target EV/FCFF					-8.0	-29.7	-19.6
Target P/BV					0.9	0.9	0.8
Target P/E, diluted	-1.3	4.3	7.6	-107.9	6.9	7.1	5.9

Per share measures	2022	2023	2024	2025	2026E	2027E	2028E
Number of shares (million)	83.75	204.21	204.81	204.81	204.81	204.81	204.81
Number of shares (diluted, million)	83.75	204.21	204.81	204.81	204.81	204.81	204.81
EPS	-5.25	1.21	0.36	0.07	0.48	0.46	0.56
Operating cash flow per share	3.53	2.47	2.64	2.19	2.48	2.14	2.17
Free cash flow per share	1.75	0.45	1.51	1.10	-0.90	-0.25	-0.41
Book value per share	4.90	2.83	3.06	3.11	3.50	3.86	4.30
Dividend per share			0.11	0.09	0.10	0.12	0.13
Dividend payout ratio, %			30.4%	129.8%	20.9%	26.0%	23.1%
Dividend yield, %			5.0%	2.5%	2.8%	3.4%	3.6%
FCF yield, %	26.9%	11.3%	68.1%	35.1%	-25.0%	-7.0%	-11.5%

Efficiency measures	2022	2023	2024	2025	2026E	2027E	2028E
ROE	-99.2%	50.0%	12.3%	2.3%	14.5%	12.6%	13.8%
ROCE	-8.9%	3.2%	2.4%	-0.2%	4.0%	3.7%	4.1%

Financial ratios	2022	2023	2024	2025	2026E	2027E	2028E
Inventories as % of sales	5.2%	4.5%	2.9%	2.9%	2.5%	2.5%	2.5%
Receivables as % of sales	6.7%	5.6%	7.6%	6.1%	4.0%	3.4%	3.9%
Non-int. bearing liabilities as % of sales	19.2%	17.0%	21.6%	23.0%	23.0%	23.0%	23.0%
NWC/sales, %	-27.3%	-23.7%	-27.3%	-29.4%	-30.9%	-30.9%	-30.0%
Operative CAPEX/Sales, %	6.3%	13.8%	7.6%	7.1%	20.9%	14.3%	14.9%
CAPEX/sales (incl. acquisitions), %	6.3%	13.8%	7.6%	7.1%	20.9%	14.3%	14.9%
FCFF/EBITDA	2.8	0.1	0.8	0.6	0.4	0.2	0.1
Net Debt/EBITDA, book-weighted	4.9	1.8	1.7	1.5	1.6	1.7	1.8
Debt/equity, market-weighted	2.4	1.1	1.9	1.6	1.7	1.9	2.2
Equity ratio, book-weighted	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Gearing, %	219.7%	162.9%	130.2%	92.5%	110.4%	109.2%	110.3%

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	409.045	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	20.898	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	10.000	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	7.531	1.0 %
The State Pension Fund	1 795 000	6.437	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	4.314	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.614	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	2.004	0.3 %
Finnair Oyj	300 082	1.076	0.1 %
Forsten Visa Tapio	245 700	0.881	0.1 %
Ten largest	129 614 941	464.799	63.3 %
Residual	75 196 059	269.653	36.7 %
Total	204 811 000	734.452	100%

EARNINGS CALENDAR

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: Erkki 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

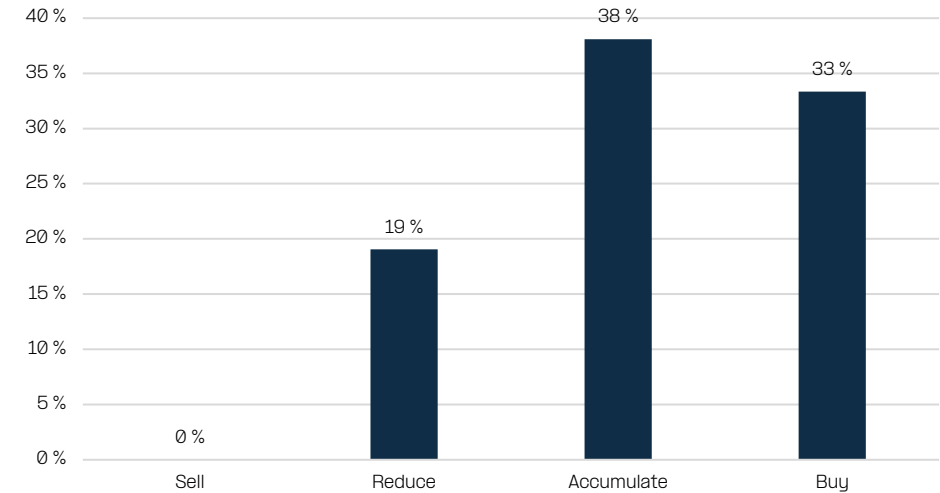
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Investment recommendations are defined as follows:

Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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