

## 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

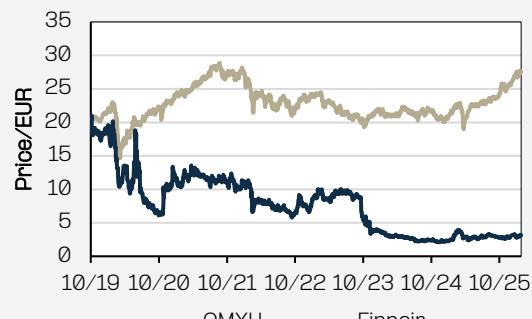
The EBIT guidance range wasn't surprising, yet we revise our FY'26 estimate up by almost EUR 15m due to the strong operational performance seen in Q4. Finnair's 5% planned ASK growth this year is to be allocated mostly to Asia and Europe, areas which have developed well recently. Finnair should be able 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
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
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 EURm	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025	2025	2026	2026	2026E	2026E	2026E	2026E	2026E
	FY	FY	FY	FY	FY	FY	FY	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	
ASK (mkm)	36 922	42 386	47 189	12 938	12 094	31 299	36 184	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	-15%+p	-0.1%+p	-18.7%+p	-20.2%+p	24.8%+p	8.8%+p	-0.6%+p	16%+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
<b>Annillary and retail</b>																		
<b>Cargo</b>	145	161	176	62	44	123	148	182	45	50	53	53	200	50	56	60	59	226
<b>Travel services</b>	197	207	212	178	335	352	192	206	50	51	49	55	205	48	49	47	53	197
<b>Total revenue</b>	<b>2569</b>	<b>2835</b>	<b>3098</b>	<b>829</b>	<b>838</b>	<b>2356</b>	<b>2089</b>	<b>3049</b>	<b>694</b>	<b>788</b>	<b>835</b>	<b>790</b>	<b>3106</b>	<b>743</b>	<b>849</b>	<b>894</b>	<b>829</b>	<b>3315</b>
<b>y/y change</b>	<b>11 %</b>	<b>10 %</b>	<b>9 %</b>	<b>-73 %</b>	<b>1 %</b>	<b>181 %</b>	<b>27 %</b>	<b>2 %</b>	<b>2 %</b>	<b>3 %</b>	<b>2 %</b>	<b>1 %</b>	<b>2 %</b>	<b>7 %</b>	<b>8 %</b>	<b>7 %</b>	<b>5 %</b>	<b>7 %</b>
Other income	77	74	56	48	63	154	130	140	35	23	25	42	124	29	29	29	29	116
<b>Staff costs</b>	<b>-423</b>	<b>-500</b>	<b>-535</b>	<b>-284</b>	<b>-249</b>	<b>-447</b>	<b>-498</b>	<b>-519</b>	<b>-140</b>	<b>-132</b>	<b>-134</b>	<b>-140</b>	<b>-546</b>	<b>-141</b>	<b>-134</b>	<b>-137</b>	<b>-144</b>	<b>-557</b>
y/y change	17 %	19 %	7 %	-47 %	-12 %	80 %	11 %	4 %	9 %	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 %
<b>Fuel</b>	<b>-472</b>	<b>-681</b>	<b>-687</b>	<b>-233</b>	<b>-212</b>	<b>-836</b>	<b>-900</b>	<b>-893</b>	<b>-214</b>	<b>-228</b>	<b>-234</b>	<b>-204</b>	<b>-879</b>	<b>-215</b>	<b>-240</b>	<b>-250</b>	<b>-226</b>	<b>-930</b>
y/y change	-4 %	23 %	18 %	-66 %	-9 %	295 %	8 %	-1 %	2 %	1 %	-2 %	-7 %	-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 %
<b>Other OPEX</b>	<b>-1314</b>	<b>-1318</b>	<b>-1444</b>	<b>-613</b>	<b>-568</b>	<b>-1087</b>	<b>-1191</b>	<b>-1284</b>	<b>-348</b>	<b>-362</b>	<b>-353</b>	<b>-334</b>	<b>-1387</b>	<b>-348</b>	<b>-386</b>	<b>-370</b>	<b>-351</b>	<b>-1437</b>
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 %
<b>Comparable EBIT</b>	<b>171</b>	<b>218</b>	<b>183</b>	<b>-595</b>	<b>-469</b>	<b>-184</b>	<b>184</b>	<b>151</b>	<b>-63</b>	<b>10</b>	<b>51</b>	<b>62</b>	<b>60</b>	<b>-15</b>	<b>56</b>	<b>84</b>	<b>56</b>	<b>182</b>
<b>Comp. EBIT-%</b>	<b>8.6 %</b>	<b>7.7 %</b>	<b>5.3 %</b>	<b>-71.8 %</b>	<b>-66.0 %</b>	<b>-7.0 %</b>	<b>6.2 %</b>	<b>5.0 %</b>	<b>-0.0 %</b>	<b>1.3 %</b>	<b>6.1 %</b>	<b>7.0 %</b>	<b>1.0 %</b>	<b>-2.0 %</b>	<b>6.6 %</b>	<b>8.4 %</b>	<b>6.8 %</b>	<b>5.5 %</b>

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 A	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
<b>Finnair (Evli est.)</b>	<b>734</b>	<b>3.1x</b>	<b>3.2x</b>	<b>3.2x</b>	<b>20.5x</b>	<b>8.4x</b>	<b>8.0x</b>	<b>1.0x</b>	<b>1.0x</b>	<b>0.9x</b>
Finnair prem./disc. to peer median		-28 %	-21 %	-17 %	128 %	7 %	15 %	-59 %	-52 %	-46 %

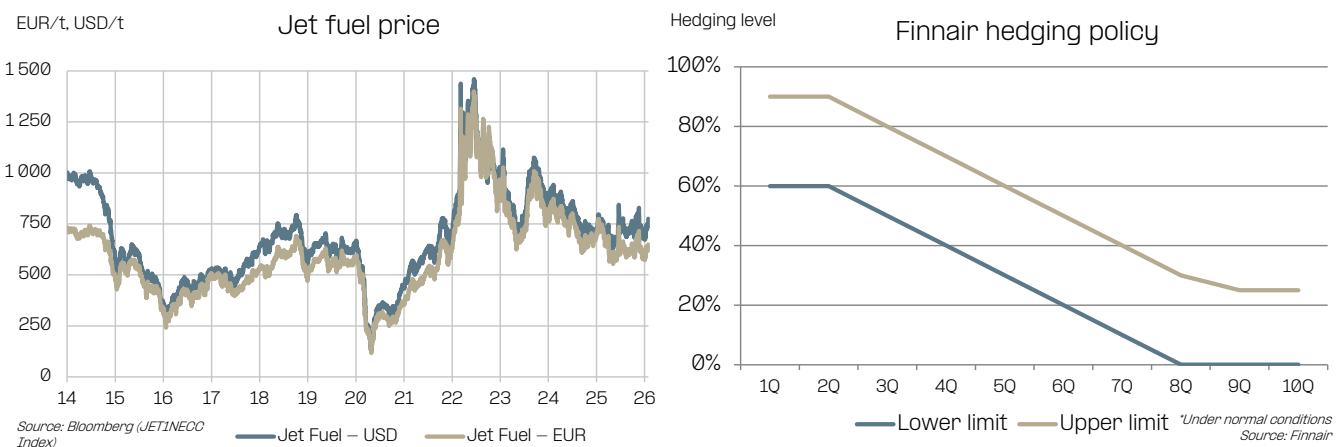
Source FactSet, Evli Research

FINNAIR PEER GROUP	Sales 24	Sales gr.		EBIT-%			Div. yield			
		25	26	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 A	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 %
<b>Finnair (Evli est.)</b>	<b>3049</b>	<b>1.9%</b>	<b>6.7%</b>	<b>3.5%</b>	<b>1.9 %</b>	<b>5.5 %</b>	<b>5.8 %</b>	<b>2.9 %</b>	<b>2.8 %</b>	<b>3.3 %</b>

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, %	2.50 %
DCF share value	5.44 PV of Horizon value	669 WACC, %	13.0 % Market risk premium, %	5.8 %
Share price potential, %	51.7 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %	3.5 %
Maximum value	5.9 Marketable securities	1 063 Minimum WACC, %	12.5 % Equity beta coefficient	2.25
Minimum value	5.1 Debt – dividend	–1 652 Maximum WACC, %	13.5 % Target debt ratio, %	30 %
Horizon value, %	39.3 % Value of stock	1 114 No. of shares, Mn	204.8 Effective tax rate, %	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
<i>Sales growth (%)</i>	<i>1.9%</i>	<i>6.7%</i>	<i>3.5%</i>	<i>3.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>1.0%</i>	<i>1.0%</i>
Operating income (EBIT)	60	182	199	223	216	239	244	230	195	199	201	203
<i>Operating income margin %</i>	<i>1.9%</i>	<i>5.5%</i>	<i>5.8%</i>	<i>6.3%</i>	<i>6.0%</i>	<i>6.5%</i>	<i>6.5%</i>	<i>6.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>
+ 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	
<i>NWC / Sales, %</i>	<i>29.4%</i>	<i>30.9%</i>	<i>30.9%</i>	<i>30.0%</i>	<i>29.8%</i>	<i>29.6%</i>	<i>29.3%</i>	<i>–29.1%</i>	<i>28.9%</i>	<i>28.6%</i>	<i>28.5%</i>	
+ Change in other liabs	–36											
– Operative CAPEX	–193	–375	–400	–450	–500	–300	–275	–325	–350	–350	–375	
<i>opCAPEX / Sales, %</i>	<i>7.1%</i>	<i>20.9%</i>	<i>14.3%</i>	<i>14.9%</i>	<i>20.5%</i>	<i>18.3%</i>	<i>13.5%</i>	<i>14.8%</i>	<i>13.5%</i>	<i>14.1%</i>	<i>9.3%</i>	
– Acquisitions												
+ Divestments												
– Other items		–13	–13	–13	–13	–13	–13	–13	–13	–13	–13	
= FCOFF	249	187	91	44	22	291	360	309	272	282	264	2 229
= Discounted FCFF		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
<i>EBITDA margin (%)</i>	<i>3.3%</i>	<i>12.4%</i>	<i>16.5%</i>	<i>18.4%</i>	<i>13.0%</i>	<i>8.1%</i>	<i>15.5%</i>	<i>17.8%</i>	<i>15.5%</i>	<i>14.5%</i>	<i>14.8%</i>	<i>15.6%</i>
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
<i>EBIT margin (%)</i>	<i>-9.0%</i>	<i>1.3%</i>	<i>6.1%</i>	<i>7.8%</i>	<i>1.9%</i>	<i>-2.0%</i>	<i>6.6%</i>	<i>9.4%</i>	<i>6.8%</i>	<i>5.5%</i>	<i>5.8%</i>	<i>6.3%</i>
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
<i>Tax rate (%)</i>	<i>17.8%</i>	<i>33.3%</i>	<i>23.6%</i>	<i>14.6%</i>	<i>26.0%</i>	<i>-15.8%</i>	<i>12.7%</i>	<i>7.2%</i>	<i>12.1%</i>	<i>17.0%</i>	<i>20.0%</i>	<i>20.0%</i>
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%

<b>INCOME STATEMENT, EURm</b>	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								
<b>BALANCE SHEET, EURm</b>								
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
<b>CASH FLOW, EURm</b>								
+ 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
+/- 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/FOCF					-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 %
<b>Total</b>	<b>204 811 000</b>	<b>734.452</b>	<b>100%</b>

**EARNINGS CALENDAR**

April 22, 2026 Q1 report  
 July 22, 2026 Q2 report  
 October 27, 2026 Q3 report

**OTHER EVENTS**
**COMPANY MISCELLANEOUS**

CEO: Turkka Kuusisto  
 CFO: Pia Aaltonen-Forsell  
 IR: Erkka Salonen

Tietotie 9, 01053 FINNAIR (VANTAA AIRPORT)  
 Tel: +358 9 818 2780

**DEFINITIONS**

<b>P/E</b>  $\frac{\text{Price per share}}{\text{Earnings per share}}$	<b>EPS</b>  $\frac{\text{Profit before extraord. items and taxes} - \text{income taxes} + \text{minority interest}}{\text{Number of shares}}$
<b>P/BV</b>  $\frac{\text{Price per share}}{\text{Shareholder's equity} + \text{taxed provisions per share}}$	<b>DPS</b>  Dividend for the financial period per share
<b>Market cap</b>  $\text{Price per share} * \text{Number of shares}$	<b>OCF (Operating cash flow)</b>  $\text{EBITDA} - \text{Net financial items} - \text{Taxes} - \text{Increase in working capital} - \text{Cash NRIs} \pm \text{Other adjustments}$
<b>EV (Enterprise value)</b>  $\text{Market cap} + \text{net debt} + \text{minority interest at market value} - \text{share of associated companies at market value}$	<b>FCF (Free cash flow)</b>  $\text{Operating cash flow} - \text{Operative CAPEX} - \text{acquisitions} + \text{divestments}$
<b>EV/Sales</b>  $\frac{\text{Enterprise value}}{\text{Sales}}$	<b>FCF yield, %</b>  $\frac{\text{Free cash flow}}{\text{Market cap}}$
<b>EV/EBITDA</b>  $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	<b>Operative CAPEX / Sales</b>  $\frac{\text{Capital expenditure} - \text{divestments} - \text{acquisitions}}{\text{Sales}}$
<b>EV/EBIT</b>  $\frac{\text{Enterprise value}}{\text{Operating profit}}$	<b>Net working capital</b>  $\text{Current assets} - \text{current liabilities}$
<b>Net debt</b>  $\text{Interest bearing debt} - \text{financial assets}$	<b>Capital employed / Share</b>  $\frac{\text{Total assets} - \text{non-interest bearing debt}}{\text{Number of shares}}$
<b>Total assets</b>  $\text{Balance sheet total}$	<b>Gearing</b>  $\frac{\text{Net debt}}{\text{Equity}}$
<b>Div yield, %</b>  $\frac{\text{Dividend per share}}{\text{Price per share}}$	<b>Debt/Equity, %</b>  $\frac{\text{Interest bearing debt}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}$
<b>Payout ratio, %</b>  $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes} - \text{income taxes} + \text{minority interest}}$	<b>Equity ratio, %</b>  $\frac{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions}}{\text{Total assets} - \text{interest-free loans}}$
<b>ROCE, %</b>  $\frac{\text{Profit before extraordinary items} + \text{interest expenses} + \text{other financial costs}}{\text{Balance sheet total} - \text{non-interest bearing debt} \text{ (average)}}$	<b>CAGR, %</b>  Cumulative annual growth rate = Average growth rate per year
<b>ROE, %</b>  $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions} \text{ (average)}}$	

**Important Disclosures**

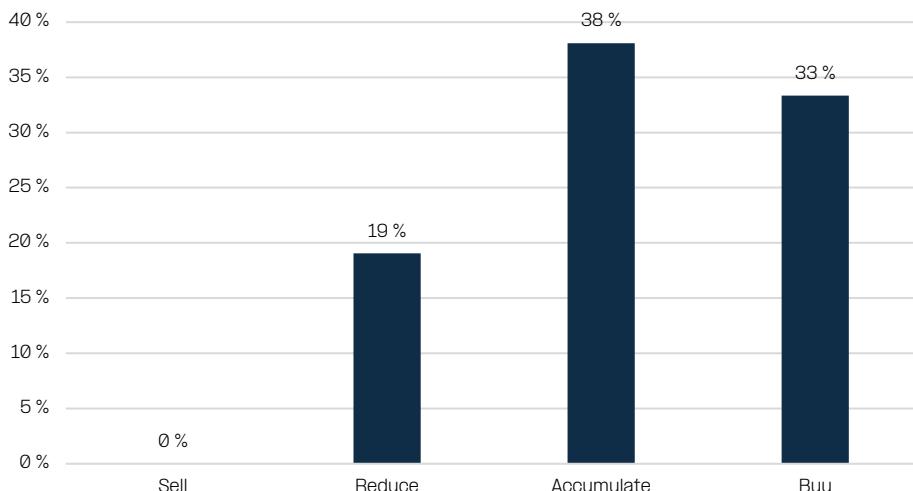
Evli Research Partners Plc ("ERP") uses 12-month target prices. Target prices are defined by utilizing analytical techniques based on financial theory including (but not limited to) discounted cash flow analysis and comparative valuation. The selection of valuation methods depends on different circumstances. 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	Recommendation
< -10 %	SELL
-10 – 0 %	REDUCE
0 – (+10) %	ACCUMULATE
> 10 %	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 Iivonen

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 [12.2.2026, 7:35]. This report has been published on [12.2.2026, 8:00].

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 Väistönen +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 Pitkäjärvi +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](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