

Passenger demand holding up well

This year may not prove quite as ruinous for airline earnings as feared, yet the situation remains very fluid for now.

Q1 earnings beat due to rather low costs

Finnair's Q1 revenue grew 12% y/y and was as estimated, yet the EUR -0.6m adj. EBIT was slightly higher than the EUR -17.8m/-4.8m Evli/cons. estimates due to lower-than-expected costs; aircraft materials and overhaul for instance were again lower than we estimated. Finnair specified its outlook a bit by lowering capacity growth estimate 200bps to 3% yet left its guidance intact, unsurprisingly implying higher ticket prices.

Airline earnings could hold relatively well despite headwinds

Demand still appears robust even if ticket fares are increasing; in our view there was a risk, unlike in 2022-23 after the previous fossil fuel spike, that this time demand will not hold as high since there should no more be significant pent-up demand as was following the pandemic. Finnair's 10% y/y ticket liability gain already reflects price hikes but is also due to a meaningful volume increase. There could still be bigger operational issues if jet fuel availability becomes a problem; so far this doesn't seem to be the case in Western countries, yet Asia is more vulnerable. Q1 was an encouraging data point from Finnair's perspective after the challenges last year, yet our updated FY'26 EBIT estimate of EUR 140m remains below the EUR 155m guidance midpoint. The narrow-body upgrade is a flexible plan; first and foremost a renewal program, however there's also a growth option which could see narrow-body ASK increase by roughly 10%, or 5% of total capacity. The plane deliveries will begin next year, and we estimate the total investment to be some EUR 2bn should the program be exercised in full.

Still a lot of estimate uncertainty amid all the dynamics

It's still early to say exactly how challenging the summer season will turn out to be since the situation is very dynamic when it comes to ticket and jet fuel prices. Airline earnings are to contract by at least some amount but are likely to start to bounce back towards next year. Finnair is valued around 9-10x EV/EBIT on our FY'26-27 estimates, which reflects some increasing NIBD going forward when the investment program starts. The multiples aren't very high all things considered, yet it's still hard to see meaningful upside amid all the uncertainty. Our TP is now EUR 2.9 (3.0) as we retain REDUCE rating.

Rating ■ Reduce



Share price, EUR (Last trading day's closing price)	3.00
Target price, EUR	2.9
Latest change in recommendation	14-Feb-25
Latest report on company	16-Apr-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	615
Free float, %	42.9 %
Exchange rate	1.18
Reuters code	FIA1S.HE
Bloomberg code	FIA1S FH
Average daily volume, EURm	0.5
Next interim report	22-Jul-26
Web site	investors.finnair.com
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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	3391.0	139.7	4.1%	-209.2	0.32	9.4	0.4	10.2	-34.0%	0.10
2027E	3509.7	168.5	4.8%	-92.7	0.33	9.0	0.4	9.2	-15.1%	0.12
2028E	3597.4	205.1	5.7%	-97.4	0.49	6.2	0.5	8.1	-15.9%	0.13
Market cap, EURm	615			Gearing 2026E, %	119.5 %		CAGR EPS 2025-28, %		91.4 %	
Net debt 2026E, EURm	817			Price/book 2026E	0.9		CAGR Sales 2025-28, %		5.0 %	
Enterprise value, EURm	1 431			Dividend yield 2026E, %	3.3 %		ROE 2026E, %		9.9 %	
Total assets 2026E, EURm	4 320			Tax rate 2026E, %	16.3 %		ROCE 2026E, %		2.3 %	
Goodwill 2026E, EURm	0			Equity ratio 2026E, %	14.0 %		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	2025	2026	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	9 454	10 643	10 835	9 735	40 667	
y/y change	9%	15%	11%	-73%	-7%	159%	16%	6%	2%	4%	3%	2%	3%	4%	4%	3%	2%	3%	
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	7 379	8 400	8 763	7 483	32 025	
y/y change	14%	13%	11%	-79%	-36%	309%	31%	5%	5%	7%	3%	3%	4%	10%	7%	5%	2%	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%	78.0%	78.9%	80.9%	76.9%	78.7%	
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	4.3%-p	2.4%-p	1.1%-p	-0.3%-p	1.8%-p	
Anollary and retail	145	161	176	82	44	123	148	182	45	50	53	53	200	54	56	59	59	228	
Cargo	197	207	212	178	335	352	192	206	50	51	49	55	205	52	49	47	53	201	
Travel services	206	223	230	61	39	170	237	242	61	60	67	66	255	59	62	69	68	258	
Total revenue	2569	2835	3098	829	888	2358	2989	3049	694	788	835	790	3105	778	891	888	834	3391	
YoY change	11%	10%	9%	-73%	1%	161%	27%	2%	2%	3%	2%	1%	2%	12%	13%	0%	0%	0%	
Other income	77	74	56	48	63	154	130	140	35	23	25	42	124	43	29	29	29	130	
Staff costs	-423	-500	-636	-284	-249	-447	-498	-519	-140	-132	-134	-140	-548	-148	-134	-137	-144	-663	
y/y change	17%	18%	7%	-47%	-12%	80%	11%	4%	8%	1%	7%	5%	5%	6%	2%	2%	3%	3%	
% of revenue	16%	18%	17%	34%	30%	19%	17%	17%	20%	17%	16%	18%	18%	19%	15%	15%	17%	17%	
Fuel	-472	-681	-687	-233	-212	-836	-900	-893	-214	-228	-234	-204	-879	-227	-290	-285	-260	-1062	
y/y change	-4%	23%	18%	-66%	-9%	295%	8%	-1%	2%	1%	-2%	-7%	-2%	6%	27%	22%	27%	21%	
% of revenue	18%	20%	22%	28%	25%	35%	30%	29%	31%	29%	28%	26%	28%	29%	33%	32%	31%	31%	
Other OPEX	-1314	-1318	-1444	-613	-566	-1067	-1101	-1284	-348	-352	-353	-334	-1387	-354	-365	-357	-343	-1418	
y/y change	4%	0%	10%	-59%	-8%	88%	12%	8%	14%	11%	7%	1%	9%	2%	4%	1%	2%	2%	
% of revenue	51%	46%	47%	74%	63%	45%	40%	42%	50%	45%	42%	42%	45%	45%	41%	40%	41%	42%	
Comparable EBIT	171	218	163	-696	-499	-164	184	151	-93	10	51	62	60	-1	49	57	86	140	
Comp. EBIT-%	6.6%	7.7%	5.3%	-71.8%	-56.0%	-7.0%	6.2%	5.0%	-9.0%	1.3%	6.1%	7.8%	1.9%	-0.1%	5.5%	6.4%	4.1%	4.1%	

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	26832	6.9x	6.8x	5.1x	11.2x	11.4x	7.9x	2.1x	1.8x	1.4x
International Consolidated Airlines Group	19860	3.9x	3.8x	3.5x	5.9x	5.9x	5.4x	2.6x	2.1x	1.7x
Air France-KLM	2593	3.2x	3.1x	2.8x	8.0x	8.5x	7.1x	18.5x	2.7x	1.2x
Deutsche Lufthansa	9064	3.9x	3.6x	3.2x	8.4x	8.2x	6.6x	0.8x	0.7x	0.7x
Norwegian Air Shuttle	1321	3.6x	3.1x	2.7x	7.7x	8.8x	6.8x	1.9x	1.7x	1.4x
Aegean Airlines	1150	4.6x	4.0x	3.8x	8.8x	8.4x	7.6x	2.1x	1.9x	1.7x
easyJet	3196	2.4x	1.8x	1.5x	5.4x	5.8x	3.8x	0.8x	0.8x	0.7x
Ryanair Holdings	25096	8.7x	6.2x	5.9x	13.8x	9.6x	9.0x	3.2x	2.7x	2.3x
Wizz Air Holdings	1123	5.6x	4.7x	3.8x	66.4x	109.1x	20.3x	4.0x	6.0x	5.1x
American Airlines Group	6613	10.8x	13.0x	6.9x	24.3x	45.6x	11.7x			
Delta Air Lines	39256	7.4x	7.7x	5.9x	10.5x	11.7x	8.3x	2.3x	2.0x	1.6x
Peer Group Average	12373	5.5x	5.3x	4.1x	15.5x	21.2x	8.6x	3.8x	2.2x	1.8x
Peer Group Median	6613	4.6x	4.0x	3.8x	8.8x	8.8x	7.6x	2.2x	1.9x	1.5x
Finnair (Evli est.)	615	3.1x	3.2x	3.2x	20.5x	10.2x	9.2x	1.0x	0.9x	0.8x

Finnair prem./disc. to peer median

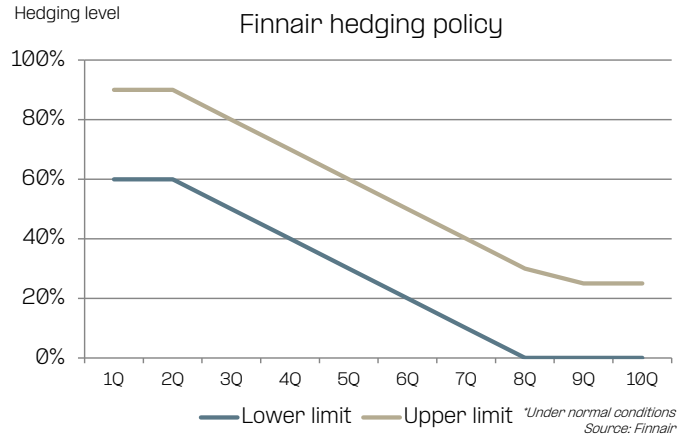
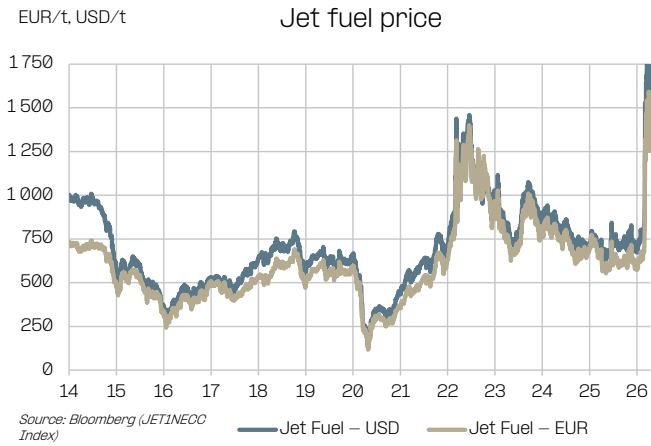
Source FactSet, Evli Research

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%	11.1%	5.3%	8.4%	6.7%	9.3%	0.0%	0.0%	0.0%
International Consolidated Airlines Group	32100	3.5%	4.6%	4.8%	15.0%	13.7%	14.3%	2.3%	2.5%	2.7%
Air France-KLM	31459	4.9%	6.2%	4.6%	6.0%	5.2%	5.9%	0.0%	0.0%	0.0%
Deutsche Lufthansa	37581	5.4%	7.4%	4.6%	4.9%	4.5%	5.3%	4.2%	4.2%	5.1%
Norwegian Air Shuttle	3023	10.2%	11.9%	4.5%	9.9%	6.8%	8.3%	5.3%	4.6%	4.5%
Aegean Airlines	1777	4.4%	6.3%	5.9%	12.0%	11.1%	11.5%	6.9%	7.0%	8.1%
easyJet	11164	5.4%	8.8%	8.4%	5.9%	3.5%	4.8%	3.1%	2.1%	2.9%
Ryanair Holdings	13949	8.2%	7.4%	7.4%	14.6%	15.8%	15.6%	1.9%	2.2%	2.4%
Wizz Air Holdings	5268	7.7%	16.3%	14.2%	1.8%	0.9%	4.0%	0.0%	0.0%	0.0%
American Airlines Group	52138	-12.3%	13.6%	4.9%	3.0%	1.3%	5.0%	0.0%	0.0%	0.1%
Delta Air Lines	55613	-10.0%	9.9%	4.0%	10.0%	8.1%	10.9%	0.9%	1.0%	1.1%
Peer Group Average	27167	1.8%	9.4%	6.2%	8.3%	7.0%	8.6%	2.2%	2.1%	2.4%
Peer Group Median	31459	4.9%	8.8%	4.9%	8.4%	6.7%	8.3%	1.9%	2.1%	2.4%
Finnair (Evli est.)	3049	1.9%	9.2%	3.5%	1.9%	4.1%	4.8%	2.9%	3.3%	4.0%

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	3.00 PV of Free Cash Flow	1 045 Long-term growth, %	1.0 % Risk-free interest rate, %
DCF share value	5.57 PV of Horizon value	702 WACC, %	13.0 % Market risk premium, %
Share price potential, %	85.4 % Unconsolidated equity	0 Spread, %	0.5 % Debt risk premium %
Maximum value	6.0 Marketable securities	1 063 Minimum WACC, %	12.5 % Equity beta coefficient
Minimum value	5.2 Debt – dividend	-1 671 Maximum WACC, %	13.5 % Target debt ratio, %
Horizon value, %	40.2 % Value of stock	1 140 No. of shares, Mn	204.8 Effective tax rate, %

DCF valuation, EURm	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TERMINAL
Net sales	3 106	3 391	3 510	3 597	3 669	3 743	3 818	3 894	3 972	4 051	4 092	4 133
Sales growth (%)	1.9%	9.2%	3.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.0%	1.0%
Operating income (EBIT)	60	140	168	205	220	243	248	234	199	203	205	207
Operating income margin %	1.9%	4.1%	4.8%	5.7%	6.0%	6.5%	6.5%	6.0%	5.0%	5.0%	5.0%	5.0%
+ Depreciation+amort.	344	311	310	331	352	402	443	453	469	476	487	
EBITDA	404	451	479	536	572	646	691	687	668	678	692	
- Paid taxes	-7	-23	-34	-41	-44	-49	-50	-47	-40	-41	-41	
- Change in NWC	82	141	21	-2	13	13	13	13	14	14	7	
NWC / Sales, %	29.4%	-31.1%	30.6%	29.8%	29.6%	29.3%	-29.1%	28.9%	28.7%	28.4%	28.3%	
+ Change in other liabs	-36											
- Operative CAPEX	-193	-375	-400	-450	-500	-300	-275	-325	-350	-350	-375	
opCAPEX / Sales, %	7.1%	21.4%	14.0%	14.6%	20.3%	18.2%	13.4%	14.7%	13.3%	14.0%	9.2%	
- Acquisitions												
+ Divestments												
- Other items			-13	-13	-13	-13	-13	-13	-13	-13	-13	
= FCFE	249	194	54	30	28	297	367	316	279	289	270	2 284
= Discounted FCFE		178	44	22	18	168	184	140	109	100	83	702
= DFCF min WACC		179	44	22	18	171	188	144	113	104	87	765
= DFCF max WACC		178	44	21	18	164	179	136	106	96	80	645

Sensitivity analysis, EUR

		Terminal WACC				
		10.95 %	11.95 %	12.95 %	13.95 %	14.95 %
Terminal EBIT-%	3.00 %	6.07	5.23	4.53	3.93	3.41
	4.00 %	6.81	5.85	5.05	4.37	3.79
	5.00 %	7.55	6.47	5.57	4.81	4.16
	6.00 %	8.30	7.08	6.09	5.25	4.54
	7.00 %	9.04	7.70	6.60	5.69	4.91

INTERIM FIGURES

EVLI ESTIMATES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Net sales	694.2	787.7	834.8	789.5	3 106.2	778.1	891.1	888.2	833.5	3 391.0	3 509.7	3 597.4
EBITDA	23.1	97.4	137.7	145.6	403.8	85.8	123.7	132.0	109.5	451.1	478.8	535.7
<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>11.0%</i>	<i>13.9%</i>	<i>14.9%</i>	<i>13.1%</i>	<i>13.3%</i>	<i>13.6%</i>	<i>14.9%</i>
EBIT	-62.6	10.3	50.8	61.6	60.1	-0.6	48.7	57.0	34.5	139.7	168.5	205.1
<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>-0.1%</i>	<i>5.5%</i>	<i>6.4%</i>	<i>4.1%</i>	<i>4.1%</i>	<i>4.8%</i>	<i>5.7%</i>
Net financial items	-10.6	-4.6	-12.6	-13.1	-40.9	-14.9	-17.0	-15.0	-15.0	-61.9	-67.1	-64.9
Pre-tax profit	-73.2	5.7	38.2	48.5	19.2	-15.5	31.7	42.0	19.5	77.8	101.3	140.2
Tax	13.0	-1.9	-9.0	-7.1	-5.0	2.3	-5.0	-5.0	-5.0	-12.7	-20.3	-28.0
<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>14.8%</i>	<i>15.8%</i>	<i>11.9%</i>	<i>25.6%</i>	<i>16.3%</i>	<i>20.0%</i>	<i>20.0%</i>
Net profit	-60.2	3.8	29.2	41.4	14.2	-13.2	26.7	37.0	14.5	65.1	68.5	99.5
EPS	-0.29	0.02	0.14	0.20	0.07	-0.06	0.13	0.18	0.07	0.32	0.33	0.49
EPS adj. (diluted)	-0.29	0.02	0.14	0.20	0.07	-0.06	0.13	0.18	0.07	0.32	0.33	0.49
Dividend per share					0.09					0.10	0.12	0.13
SALES, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	694.2	787.7	834.8	789.5	3 106.2	778.1	891.1	888.2	833.5	3 391.0	3 509.7	3 597.4
Total	694.2	787.7	834.8	789.5	3 106.2	778.1	891.1	888.2	833.5	3 391.0	3 509.7	3 597.4
SALES GROWTH, Y/Y%	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	1.9%	2.8%	2.0%	0.8%	1.9%	12.1%	13.1%	6.4%	5.6%	9.2%	3.5%	2.5%
Total	1.9%	2.8%	2.0%	0.8%	1.9%	12.1%	13.1%	6.4%	5.6%	9.2%	3.5%	2.5%
EBIT, EURm	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	-62.6	10.3	50.8	61.6	60.1	-0.6	48.7	57.0	34.5	139.7	168.5	205.1
Total	-62.6	10.3	50.8	61.6	60.1	-0.6	48.7	57.0	34.5	139.7	168.5	205.1
EBIT margin %	2025Q1	2025Q2	2025Q3	2025Q4	2025	2026Q1	2026Q2E	2026Q3E	2026Q4E	2026E	2027E	2028E
Group total	-9.0%	1.3%	6.1%	7.8%	1.9%	-0.1%	5.5%	6.4%	4.1%	4.1%	4.8%	5.7%
Total	-9.0%	1.3%	6.1%	7.8%	1.9%	-0.1%	5.5%	6.4%	4.1%	4.1%	4.8%	5.7%

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	3 391.0	3 509.7	3 597.4
<i>Sales growth (%)</i>	1.1%	181.1%	26.8%	2.0%	1.9%	9.2%	3.5%	2.5%
EBITDA	-149.0	185.9	530.2	481.7	403.8	451.1	478.8	535.7
<i>EBITDA margin (%)</i>	-17.8%	7.9%	17.7%	15.8%	13.0%	13.3%	13.6%	14.9%
Depreciation	-319.9	-349.8	-346.2	-330.3	-343.7	-311.4	-310.4	-330.7
EBITA	-468.9	-163.9	184.0	151.4	60.1	139.7	168.5	205.1
Goodwill amortization / writedown								
EBIT	-468.9	-163.9	184.0	151.4	60.1	139.7	168.5	205.1
<i>EBIT margin (%)</i>	-55.9%	-7.0%	6.2%	5.0%	1.9%	4.1%	4.8%	5.7%
Reported EBIT	-474.7	-163.9	184.0	151.4	60.1	139.7	168.5	205.1
<i>EBIT margin (reported) (%)</i>	-56.6%	-7.0%	6.2%	5.0%	1.9%	4.1%	4.8%	5.7%
Net financials	-127.5	-170.2	-72.3	-68.1	-40.9	-61.9	-67.1	-64.9
Pre-tax profit	-596.4	-334.1	111.7	83.3	19.2	77.8	101.3	140.2
Taxes	117.6	-105.4	135.2	-9.1	-5.0	-12.7	-20.3	-28.0
Minority shares								
Net profit	-484.6	-439.5	246.9	74.2	14.2	65.1	68.5	99.5
Cash NRIs	-5.8							
Non-cash NRIs								
BALANCE SHEET, EURm								
Assets								
Fixed assets	1 215	1 165	1 325	1 517	1 488	1 667	1 888	2 134
Goodwill								
Right of use assets	1 182	1 083	917	780	645	882	842	791
Inventory	56	122	135	87	89	85	88	90
Receivables	137	158	166	232	188	117	120	140
Liquid funds	1 266	1 524	922	884	1 063	1 356	1 404	1 439
Total assets	4 047	4 133	3 698	3 721	3 687	4 320	4 556	4 808
Liabilities								
Shareholders' equity	476	411	577	627	637	683	731	806
Minority interest								
Convertible								
Lease liabilities	1 381	1 128	951	840	632	882	842	791
Deferred taxes								
Interest bearing debt	1 428	1 299	911	861	1 020	1 291	1 491	1 699
Non-interest bearing current liabilities	291	452	507	659	715	780	808	828
Other interest-free debt	271	658	627	613	597	597	597	597
Total liabilities	4 047	4 133	3 698	3 721	3 687	4 320	4 556	4 808
CASH FLOW, EURm								
+ EBITDA	-149	186	530	482	404	451	479	536
- Net financial items	-128	-170	-72	-68	-41	-62	-67	-65
- Taxes	11	6	-18	3	3	-13	-20	-28
- Increase in Net Working Capital	117	274	64	124	82	141	21	-2
+/- Other	-6						-13	-13
= Cash flow from operations	-155	296	504	541	448	517	400	428
- Capex	-484	-149	-412	-232	-222	-726	-493	-525
- Acquisitions								
+ Divestments								
= Free cash flow	-639	147	92	309	226	-209	-93	-97
+/- New issues/buybacks	64	374	-81	-24	18			
- Paid dividend				23	18	20	25	27
+/- Other	1 018	-262	-614	-322	-42	521	161	157
Change in cash	442	259	-603	-38	179	293	47	35

KEY FIGURES	2022	2023	2024	2025	2026E	2027E	2028E
M-cap	546	817	453	644	615	615	615
Net debt (excl. convertibles)	902	940	817	589	817	930	1 052
Enterprise value	1 448	1 756	1 269	1 232	1 431	1 545	1 667
Sales	2 357	2 989	3 049	3 106	3 391	3 510	3 597
EBITDA	186	530	482	404	451	479	536
EBIT	-164	184	151	60	140	168	205
Pre-tax	-334	112	83	19	78	101	140
Earnings	-440	247	74	14	65	68	100
Equity book value (excl. minorities)	411	577	627	637	683	731	806

Valuation multiple	2022	2023	2024	2025	2026E	2027E	2028E
EV/Sales	0.6	0.6	0.4	0.4	0.4	0.4	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	10.2	9.2	8.1
EV/EBIT	-8.8	9.5	8.4	20.5	10.2	9.2	8.1
EV/OCF	4.9	3.5	2.3	2.8	2.8	3.9	3.9
EV/FCF	2.8	47.8	3.4	4.9	7.4	28.6	55.7
P/FCFR	0.2	0.1	1.5	2.8	-2.9	-6.6	-6.3
P/E	-1.2	3.3	6.1	45.3	9.4	9.0	6.2
P/BV	1.3	1.4	0.7	1.0	0.9	0.8	0.8
Target EV/EBITDA					3.1	3.2	3.1
Target EV/EBIT					10.1	9.0	8.0
Target EV/FCFF					-6.7	-16.4	-16.9
Target P/BV					0.9	0.8	0.7
Target P/E, diluted	-1.3	4.3	7.6	-107.9	9.1	8.7	6.0

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	0.32	0.33	0.49
Operating cash flow per share	3.53	2.47	2.64	2.19	2.53	1.95	2.09
Free cash flow per share	1.75	0.45	1.51	1.10	-1.02	-0.45	-0.48
Book value per share	4.90	2.83	3.06	3.11	3.34	3.57	3.94
Dividend per share			0.11	0.09	0.10	0.12	0.13
Dividend payout ratio, %			30.4%	129.8%	31.5%	35.9%	26.8%
Dividend yield, %			5.0%	2.9%	3.3%	4.0%	4.3%
FCF yield, %	26.9%	11.3%	68.1%	35.1%	-34.0%	-15.1%	-15.9%

Efficiency measures	2022	2023	2024	2025	2026E	2027E	2028E
ROE	-99.2%	50.0%	12.3%	2.3%	9.9%	9.7%	13.0%
ROCE	-8.9%	3.2%	2.4%	-0.2%	2.3%	2.6%	3.5%

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%	3.5%	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%	-31.1%	-30.6%	-29.8%
Operative CAPEX/Sales, %	6.3%	13.8%	7.6%	7.1%	21.4%	14.0%	14.6%
CAPEX/sales (incl. acquisitions), %	6.3%	13.8%	7.6%	7.1%	21.4%	14.0%	14.6%
FCFF/EBITDA	2.8	0.1	0.8	0.6	0.4	0.1	0.1
Net Debt/EBITDA, book-weighted	4.9	1.8	1.7	1.5	1.8	1.9	2.0
Debt/equity, market-weighted	2.4	1.1	1.9	1.6	2.1	2.4	2.8
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%	119.5%	127.1%	130.5%

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	342.429	55.7 %
Varma Mutual Pension Insurance Company	5 827 783	17.495	2.8 %
Ilmarinen Mutual Pension Insurance Company	2 788 500	8.371	1.4 %
Elo Mutual Pension Insurance Company	2 100 000	6.304	1.0 %
The State Pension Fund	1 795 000	5.389	0.9 %
Sijoitusrahasto Danske Invest Suomi Osake	1 203 042	3.612	0.6 %
Sijoitusrahasto Säästöpankki Pienyhtiöt	729 000	2.188	0.4 %
Sijoitusrahasto Nordea Pro Suomi	558 729	1.677	0.3 %
Finnair Oyj	300 082	0.901	0.1 %
Forsten Visa Tapio	245 700	0.738	0.1 %
Ten largest	129 614 941	389.104	63.3 %
Residual	75 196 059	225.739	36.7 %
Total	204 811 000	614.843	100%

EARNINGS CALENDAR

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, % $\frac{\text{Profit before extraordinary items and taxes} - \text{income taxes}}{\text{Shareholders' equity} + \text{minority interest} + \text{taxed provisions (average)}}$	

Important Disclosures

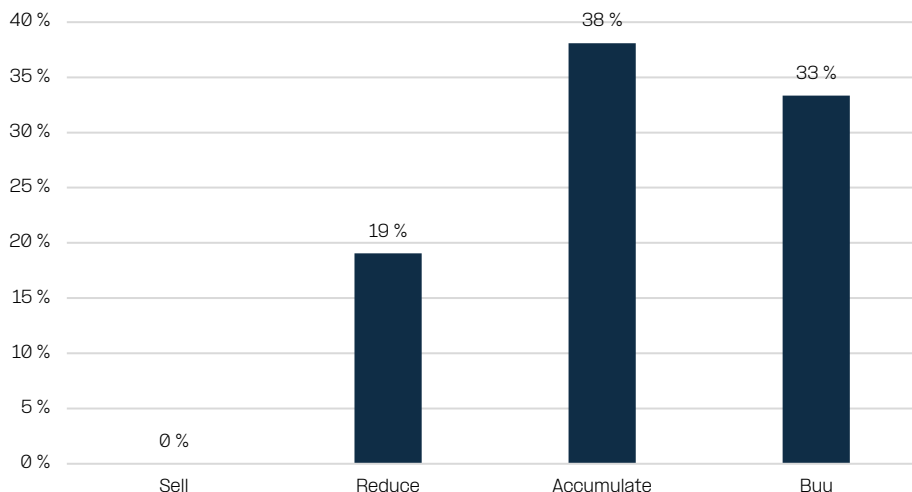
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 - 0 %	RECUDE
0 - (+10) %	ACCUMULATE
> 10 %	BUY

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

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