Transportation/Finland, April 21, 2022 Preview

### Further challenges undermine EBIT

Finnair reports Q1 results on Apr 27. The focus will be on the responses to the change which alters the strategy's viability; we view profitability potential hard to gauge.

#### Finnair's Asian strategy will now have to be reviewed

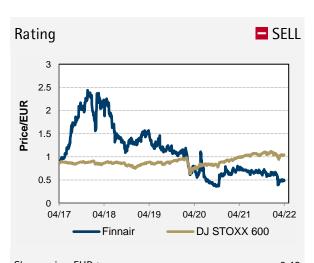
Q1 traffic was robust relative to expectations (the RPK metric was only 2% below our estimate) despite the lag due to slow Asian openings. South Korea opened only in the beginning of Q2, while Japan remains basically closed to foreigners and according to our understanding is unlikely to open before H2. China was previously set to open for H2, however even this conservative schedule may now be in question considering the very strict local virus policies. Asian flight volumes would thus remain subdued even without the closure of Russian airspace. The Siberian flightpath is unlikely to open in the foreseeable future and Finnair is revising its network plans in response to the fact that many Asian routes will not be profitable due to the added costs.

#### We make some further estimate cuts

Finnair is in the process of leasing out some of its resources which it cannot itself deploy under the circumstances. In our opinion some such deals, either leases or sales, seem inevitable given the scale of the problem as the Asian flights made more than 50% of Finnair's pre-pandemic revenue. We cut our top line estimates by some 10% at this point; in the long-term Finnair may be able to employ some of its current idle capacity on new European and North American routes, but there may still be need for additional revenue estimate cuts. We revise our FY '22 EBIT estimate to EUR -220m (prev. EUR -82m) and that for FY '23 down to EUR 47m (prev. EUR 171m). Costs remain yet another issue as jet fuel prices have continued to surge to new records.

#### Profitability potential remains highly uncertain for now

Finnair had EUR 1.7bn in cash at the end of last year; the financial position and potential additional measures, be they leases or outright sales of aircraft, should help the company manage through the extraordinary period of challenge. Finnair was valued, before the war, in line with other carriers on FY '23 estimates. It's now very hard to say how Finnair's next year will be like. Finnair is valued roughly 15x EV/EBIT on our FY '24 estimates, but this still doesn't seem like an attractive level. Our new TP is EUR 0.43 (0.60), and our rating is now SELL (HOLD).



0.48
0.43
21-Apr-22
18-Feb-22
YES
1,405,964
1,405,964
675
42.9
1.09
FIA1S.HE
FIA1S FH
2.0
27-Apr-22
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BUY HOLD SELL

KEY FIGU	KES									
	Sales EURm	EBIT EURm	EBIT %	FCF EURm	EPS EUR	P/E (x)	EV/Sales (x)	EV/EBIT (x)	FCF yield %	DPS EUR
2020	829.2	-595.3	-71.8%	-1,281.1	-0.48	-1.6	2.9	-4.1	-119.8	0.00
2021	838.4	-468.9	-55.9%	-997.4	-0.34	-1.7	2.8	-5.1	-119.2	0.00
2022E	1,958.2	-220.2	-11.2%	276.6	-0.19	-2.5	0.9	-8.3	41.0	0.00
2023E	2,467.5	47.2	1.9%	-243.9	-0.04	-12.3	0.8	41.9	-36.1	0.00
2024E	2,590.9	155.5	6.0%	-287.0	0.02	21.2	0.9	14.6	-42.5	0.01
Market cap	o, EURm		675 G	earing 2022E, (	%		377.0 CAGR	EPS 2021-2	4,%	0.0
Net debt 2	022E, EURm		1,162 P	rice/book 2022	E		2.2 CAGR	sales 2021-	24, %	45.7
Enterprise	value, EURm		1,836 D	ividend yield 2	022E, %		0.0 ROE 2	022E, %		-69.5
Total asset	s 2022E, EURn	ı	2,979 Ta	ax rate 2022E, 9	2/0		20.0 ROCE	2022E, %		-11.6
Goodwill 2	022E, EURm		0 E	quity ratio 202	2E, %		11.6 PEG, F	P/E 22/CAGR		0.1

**KEY FIGURES** 

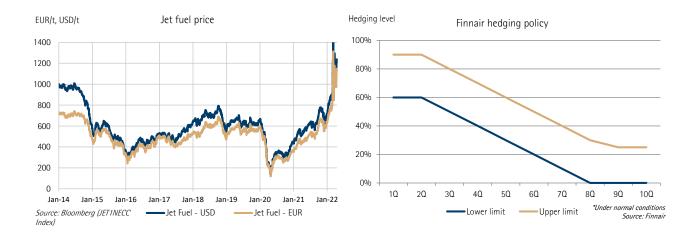


### FINNAIR Transportation/Finland, April 21, 2022 Preview

Estimates

FINNAIR	2017	2018	2019	2020	2021	2021	2021	2021	2021	2022E	2022E	2022E	2022E	2022E	2023E
EURm	FY	FY	FY	FY	Q1	02	Q3	Q4	FY	Q1	02	03	Q4	FY	FY
Passengers (thousands)	11905	13281	14650	3486	259	292	779	1523	2852	1509	1347	1733	2162	6750	8726
y/y change	10 %	12%	10 %	-76 %	-90 %	198 %	72 %	<i>447 %</i>	-18 %	<i>482 %</i>	<i>362 %</i>	1 <i>23 %</i>	42 %	137 %	<i>29 %</i>
ASK (mkm)	36 922	42 386	47 189	12 938	1 201	1 418	3 294	6 181	12 094	6 915	6 549	7 332	8 774	29 569	38 494
y/y change	9%	15 %	1196	-73 %	-88 %	311 %	<i>98 %</i>	<i>392 %</i>	-7 %	476 %	<i>362 %</i>	1 <i>23 %</i>	42 %	144 %	30.2%-р
RPK (mkm)	30 749	34 660	38 534	8 150	306	434	1 369	3 068	5 178	3 269	4 059	5 866	7 421	20 615	31 672
y/y change	14 %	13 %	11%	-79 %	-96 %	281 %	112%	738 %	-36 %	967 %	834 %	<i>328 %</i>	142 %	<i>298 %</i>	54 %
Load factor (RPK/ASK), PLF	83.3 %	81.8 %	81.7%	63.0 %	25.5 %	30.6 %	41.6 %	49.6 %	42.8 %	47.3 %	62.0 %	80.0 %	84.6 %	69.7 %	82.3 %
y/y change	3.5%-р	-1.5%-p	-0.1%-р	-18.7%-р	-47.1%-р	-2.5%-р	2.9%-р	20.5%-р	-20.2%-р	21.8%-р	31.3%-р	38.4%-р	34.9%-р	26.9%-р	12.6%-р
Ancillary and retail	145	161	176	62	9	6	11	19	44	25	35	28	31	119	197
Cargo	197	207	212	178	61	61	65	147	335	76	60	66	110	312	316
Travel services	206	223	230	61	1	0	10	28	39	25	27	29	37	118	133
Total revenue	2569	2835	3098	829	114	112	199	414	838	397	405	498	658	1958	2467
YoY change	1196	10 %	9 %	-73 %	-80 %	63 %	104 %	305 %	196	249 %	263 %	150 %	59 %	134 96	26 %
Other income	77	74	56	48	9	8	32	15	64	13	13	13	13	52	52
Staff costs	-423	-500	-535	-284	-53	-54	-58	-84	-249	-89	-86	-88	-97	-360	-367
y/y change	17 %	18 %	7%	-47%	-61 %	12 %	2%	100 %	-12%	70 %	60 %	50 %	15 %	45 %	2%
% of revenue	16 %	18 %	17 %	34 %	46 %	48 %	29 %	20 %	30 %	23 %	21 %	18 %	15 %	18 %	15 %
Fuel	-472	-581	-687	-233	-30	-31	-48	-102	-212	-115	-120	-110	-164	-509	-719
y/y change	-4 %	23 %	18 %	-66 %	-79 %	-7%	65 %	286 %	-9 %	278 %	<i>290 %</i>	130 %	60 %	141 %	70 %
% of revenue	18 %	20 %	22 %	28 %	27 %	28 %	24 %	25 %	25 %	29 %	30 %	22 %	25 %	26 %	<i>29 %</i>
Other OPEX	-1314	-1316	-1444	-613	-100	-105	-134	-227	-566	-247	-228	-249	-286	-1010	-1030
y/y change	4 %	0%	10 %	-58 %	-67 %	20 %	28 %	94 %	-8 %	146 %	117%	86 %	26 %	78 %	296
% of revenue	51%	46 %	47%	74 %	88 %	94 %	67 %	55 %	68 %	62 %	56 %	50 %	43 %	52 %	42 %
Comparable EBIT	171	218	163	-595	-143	-151	-109	-65	-445	-128	-102	-22	33	-220	47
Comp. EBIT-%	6.6 %	7.7 %	5.3 %	-71.8 %	-126.1 %	-135.3 %	-54.8 %	-15.8 %	-53.1 %	-32.3 %	-25.3 %	-4.5 %	5.0 %	-11.2 %	1.9 %

Sources: Finnair, Evli estimates



### Jet fuel cost

## **FINNAIR** Transportation/Finland, April 21, 2022

Preview

### Valuation

MCAP     EV/EBITDA EV/EBITDA EV/EBITDA EV/EBIT		MCAP	EV/ERITDA	EV/ERITDA	EV/EBITDA	EV/EBIT	EV/EBIT	EV/EBIT	P/E	P/E	P/E	P/B	P/B	P/B
Primary European peers     74x     43x     70x     48x     80x     30x     30x       SAS AB     International Consolidated Airlines Group     7152     7.7x     43x     25.8x     91x     391.5x     6.5x     80x       Air France-KLM SA     0.851     6.5x     4.7x     56.6x     13.1x     120x     1.4x     2.1x     1.9x       Deutsche Luftharisa AB     0.851     6.5x     4.7x     56.6x     13.1x     120x     1.4x     2.1x     1.9x       Concegin Airlines SA     500     5.5x     3.9x     51.2x     10.6x     17.94x     9.1x     2.4x     1.9x       Casylet pic     4462x     10.1x     50.2x     7.8x     6.4x     120x     9.6x     13.0x     10.6x     3.7x     2.9x     2.3x       North American peers     10x     10.5x     5.1x     2.35.9x     10.7x     10.2x     1.5x     11.8     1.0x     1.2x     1.5x     1.5x     1.5x     1.5x     1.5x     1.5x     1.5x     1.5x     1.5x	FINNAIR PEER GROUP							'						
SAS #     747     14.1x     7.0x     4.8x     3.0x     3.0x       International Consolidated Airlines Group     715     7.7x     4.8x     25.8x     9.1x     3.915x     6.5x     8.0x       Deutsche Lufthamsa AG     8551     6.5x     4.7x     5.66x     13.1x     1.4x     2.1x     1.9x       Norregian Air Shuttle ASA     10084     7.1x     3.0x     2.0x     4.4x     1.1x     1.4x     2.1x     1.9x       Acgean Airlines Sha     500     5.5x     3.9x     5.12x     10.6x     1.7x     2.4x     1.9x     1.4x     2.4x     1.9x       Ryanair Holdings Plc     1310     10.5x     5.1x     235.5x     10.7x     7.5x     8.7x     2.5x     1.1x     1.0x     1.4x     1.4x     1.4x     1.1x     1.0x     1.0x     1.5x     1.4x     1.5x     1.4x     1.5x     1.5x     1.5x <td></td> <td>local IX</td> <td>21</td> <td>22</td> <td>25</td> <td>21</td> <td>22</td> <td>25</td> <td>21</td> <td>22</td> <td>23</td> <td>21</td> <td>22</td> <td>25</td>		local IX	21	22	25	21	22	25	21	22	23	21	22	25
International Consolidated Airlines Group     7152     7.7x     4.3x     25.8x     3.1x     391.5x     6.5x     8.0x       Air France-KLM SA     0850     16.3x     5.4x     3.7x     51.x     20.8x     10.8x     25.8x     11.4x     2.1x     391.5x     6.5x     1.4x     2.1x     1.8x     2.5x       Norwegin Air Shuttle ASA     10894     7.1x     3.0x     2.05.5x     5.1x     1.0x     4.3x     2.5x     2.5x       Other European peers	· · ·	7847		14.1 x	7 0 x			48 9x				3 Ox		
Air France-KUM SA   2630   16.3x   5.4x   3.7x   Image of the second seco							25.8x			391 5x	6 5 x	3.07		80x
Deutsche Lurthansa AG     8551     Fix     3.7x     3.0x     20.5x     13.1x     12.0x     1.4x     2.1x     1.9x       Morwegian Air Shuttle ASA     10894     7.1x     3.0x     20.5x     6.1x     10.5x     4.3x     2.1x     1.9x       Aegran Airlines SA     500     5.5x     3.9x     5.12x     105x     1.3x     1.6x     1.3x     1.6x     1.4x     2.4x     1.9x       Aegran Airlines SA     500     5.5x     3.9x     5.12x     105x     1.3x     1.6x     1.4x     2.4x     1.9x       Witz Air Holdings Ple     16479     59.2x     7.8x     6.4x     12.0x     1.3x     1.6x     1.5x     5.6x       North American peers     3110     1.5x     5.1x     6.5x     1.7.2x     8.5x     1.7.2x     8.7x     1.0x     1.2x     1.2x     1.1x     1.0x			16.3x		-		20.07	-		331.57				0.07
Norwegian Air Shuttle ASA     10894     7.1x     3.0x     20.5x     6.1x     10.5x     4.3x     2.5x       Other European peers     4265     5.5x     3.9x     51.2x     10.6x     179.4x     9.1x     2.4x     1.9x       Regran Airlines SA     500     5.5x     3.9x     51.2x     10.6x     179.4x     9.1x     2.4x     1.8x     1.4x     1.5x     1.5x     1.5x     2.4x     1.9x       Ryanair Holdings Ple     3110     10.5x     5.1x     235.9x     10.7x     7.5x     8.7x     2.7x     2.8x     6.0x     17.2x     8.5x     17.0x     7.5x     8.7x     2.7x       Detta Air Lines, Inc.     27912     9.9x     6.0x     21.1x     8.8x     1.12x     1.1x     1.0x			10.57				56 6x					1 4x	21x	1 9x
Other European peers     V								-					2.175	
Acgan Airlines SA   500   5.5x   3.9x   51.2x   10.6x   179.4x   9.1x   2.4x   1.9x     easylet pic   4265   6.9x   4.3x   42.4x   10.1x   466.3x   13.9x   1.3x   1.4x   1.9x     Ryanair Holdings Pic   16479   59.2x   7.8x   6.4x   12.0x   9.5x   1.7x   10.5x   5.1x   235.9x   10.7x   10.5x   1.5x   1.5x<	5	10001		7.1.7	0.07		2010/1	0.17			10.07			2.07
essylet plc     4265     6.9x     4.3x     42.4x     10.1x     466.3x     13.9x     1.3x     1.6x     1.4x       Ryanair Holdings Plc     110     59.2x     7.8x     6.4x     12.0x     9.6x     13.0x     10.6x     3.7x     2.9x     2.2x       North American Jetrines Group, Inc.     12646     50.1x     8.5x     15.7x     17.0x     7.5x     8.7x     5.0x     2.7x       Jetla Air Lines, Inc.     27912     9.9x     6.0x     17.2x     8.5x     17.0x     7.5x     8.7x     5.0x     2.7x       JetBlue Airways Corporation     4166     14.8x     4.9x     1.5x     1.1x     10.0x     1.2x     1.1x     1.0x     1.2x     1.1x     1.0x     1.2x     1.1x     1.0x     1.2x     1.3x		500		5.5x	3.9x		51.2x	10.6x		179.4x	9.1x		2.4x	1.9x
Ryanair Holdings Plc     16479     59.2x     7.8x     6.4x     12.0x     9.6x     13.0x     10.6x     3.7x     2.9x     2.3x       Murz Air Holdings Plc     3110     10.5x     5.1x     235.9x     10.7x     10.2x     15.3x     16.5x     5.6x       Morth American Arilines Group, Inc.     12646     50.1x     8.5x     17.0x     7.5x     8.7x     5.0x     2.7x       LetBlue Airrines, Inc.     27912     9.9x     6.0x     11.72x     8.5x     17.0x     7.5x     8.7x     5.0x     2.7x       Southwest Airlines Co.     28036     10.1x     6.0x     21.1x     8.9x     41.9x     15.2x     2.8x     2.5x     2.2x     1.1x     1.0x     10.2x     1.1x     1.0x	5											1.3x		
Wizz Air Holdings Ple     3110     10.5x     5.1x     235.9x     10.7x     10.5x     5.1x     235.9x     10.7x     15.7x     15.3x     16.5x     5.6x       North American peers     27912     9.9x     6.0x     17.2x     8.5x     17.0x     7.5x     8.7x     5.0x     2.7x       JetBlue Airways Corporation     4186     10.1x     6.0x     21.1x     8.9x     41.9x     15.2x     12.4x     11.3x     1.0x     1.1x     1.0x     2.1x     2.2x     1.2x     1.1x     1.0x     1.1x     1.0x     1.2x     1.1x     1.0x     1.0x     1.2x     1.2x     1.2x     1.2x			59.2x		-			-						
North American peers     -	, 5													
American Airlines Group, Inc.     12646     50.1x     8.5x     15.7x     15.7x     12.4x       Delta Air Lines, Inc.     27912     9.9x     6.0x     17.2x     8.5x     17.0x     7.5x     8.7x     5.0x     2.7x       JetBlue Air Lines, Inc.     2793     6.0x     21.1x     8.9x     41.9x     15.2x     1.2x     1.1x     1.0x       Spirit Airlines, Inc.     2763     53.8x     8.5x     16.0x     1.1x     5.0x     1.3x     1.3x     1.3x     1.3x     1.1x       Primary European peers median     16.3x     7.1x     4.7x     -     25.4x     1.3x     1.3x </td <td>5</td> <td></td> <td></td> <td></td> <td>•••••</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	5				•••••									
Delta Air Lines, Inc.     27912     9.9x     6.0x     17.2x     8.5x     17.0x     7.5x     8.7x     5.0x     2.7x       JetBlue Airways Corporation     4186     14.4x     4.9x     9.2x     10.2x     1.1.2x     1.1.1x     10.0x     1.2x     1.1.1x     10.0x     1.2x     1.1.1x     10.0x     1.1.2x     1.1.1x     10.0x     1.1.2x     1.1.1x     10.0x     1.1.1x     1.0x     1.1.1x     1.0x     1.1.1x     1.0x     1.1.1x     1.0x     1.1.1x     1.0.1x     1.1.1x     1.0x	•	12646		50.1x	8.5x			15.7x			12.4x			
JetBlue Airways Corporation     4186     14.8x     4.9x     9.2x     9.2x     1.0.2x     1.2x     1.1x     1.0x       Southwest Airlines, Inc.     2753     53.8x     8.5x     -     16.0x     1.1x     6.0x     2.1x     8.9x     41.9x     15.2x     2.8x     2.2x     2.2x     2.2x     2.2x     2.2x     2.2x     1.1x     1.1x <td< td=""><td>1.</td><td>27912</td><td></td><td></td><td></td><td></td><td>17.2x</td><td>8.5x</td><td></td><td>17.0x</td><td>7.5x</td><td>8.7x</td><td>5.0x</td><td>2.7x</td></td<>	1.	27912					17.2x	8.5x		17.0x	7.5x	8.7x	5.0x	2.7x
Southwest Airlines Co.     28036     10.1x     6.0x     21.1x     8.9x     41.9x     15.2x     2.8x     2.5x     2.2x       Spirit Airlines, Inc.     2753     53.8x     8.5x     -     16.0x     -14.5x     1.3x     1.1x     1.3x     1.1x     1.3x     1.1x     1.3x     1.1x     1.3x     1.1x     1.1x<	-	4186												
Primary European peers median     16.3x     7.1x     4.7x     -     25.8x     13.1x     -     391.5x     11.3x     3.0x     2.1x     2.5x       Finnair (Evil est)*     -16.0x     14.0x     4.0x     -51.x     -8.4x     42.0x     -1.7x     -2.5x     -12.4x     1.8x     2.2x     1.8x       Finnair discount/premium to primary peer group median*     -138 %     88 %     -15 %     -     -131 %     -     -101 %     -210 %     -41 %     6 %     -25 %       FINNAIR PEER GROUP     Ticker     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21 <td></td> <td>28036</td> <td></td> <td>10.1x</td> <td>6.0x</td> <td></td> <td>21.1x</td> <td>8.9x</td> <td></td> <td>41.9x</td> <td></td> <td></td> <td></td> <td></td>		28036		10.1x	6.0x		21.1x	8.9x		41.9x				
Primary European peers median     16.3x     7.1x     4.7x     -     25.8x     13.1x     -     391.5x     11.3x     3.0x     2.1x     2.5x       Finnair (Evil est)*     -16.0x     14.0x     4.0x     -51.x     -8.4x     42.0x     -1.7x     -2.5x     -12.4x     1.8x     2.2x     1.8x       Finnair discount/premium to primary peer group median*     -158 %     -15 %     -     -132 %     221 %     -     -101 %     -210 %     -41 %     6 %     -25 %       FINNAIR PEER GROUP     Ticker     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21     22     23     21 <td></td> <td>1.3x</td> <td></td> <td></td>												1.3x		
Finnair discount/premium to primary peer group median*     -198 %     98 %     -15 %     -     -132 %     221 %     -     -101 %     -210 %     -41 %     6 %     -25 %       Finnair discount/premium to primary peer group median*     1     22     23     21     23     24     23     21     23     24     23	Primary European peers median		16.3x	7.1x	4.7x	-	25.8x	13.1x	-	391.5x	11.3x	3.0x		2.5x
FINNAIR PEER GROUP     Ticker     Div yield     Div yield     Div yield     Div yield     Div yield     Div yield     EBIT-%     EBIT-%     EBIT-%     CEIT-%     ROCE-%     ROCE-%     ROCE-%     ROE-%	Finnair (Evli est)*		-16.0x	14.0x	4.0x	-5.1x	-8.4x	42.0x	-1.7x	-2.5x	-12.4x	1.8x	2.2x	1.9x
FINNAIR PEER GROUP     Ticker     21     22     23     21     23     21     22     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21<	Finnair discount/premium to primary peer group median		-198 %	<b>98</b> %	-15 %	-	-132%	221 %	-	-101%	-210 %	-41%	6 %	-25 %
FINNAIR PEER GROUP     Ticker     21     22     23     21     23     21     22     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21     23     21<														
Primary European peers     SAS-SE     0.0%     0.0%     0.0%     -38.8%     -5.2%     2.1%     -14.8%     -4.7%     2.5%     -246.0%       International Consolidated Airlines Group     IAG-GB     0.0%     0.5%     1.3%     -35.1%     4.2%     9.6%     -13.5%     3.8%     10.2%     123.6%       Air France-KLM SA     AF-FR     0.0%     0.0%     0.0%     -45.3%     1.1%     4.1%     -8.9%     -0.8%     6.0%     -43.4%     24.2%     2.3%     1.1%     4.8%     -43.4%     24.2%     2.4%     2.3%     1.1%     4.8%     -43.4%     24.2%     2.3%     14.0%     -43.4%     24.2%     2.3%     14.0%     -38.7%     0.3%     10.3%     2.3%     10.3%     2.3%     10.0%     0.3%     -2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%     10.3%     2.3%			Div yield	Div yield	Div yield	EBIT-%	EBIT-%	EBIT-%	ROCE-%	ROCE-%	ROCE-%	ROE-%	ROE-%	ROE-%
SAS AB   SAS-SE   0.0%   0.0%   0.0%   -38.8%   -5.2%   2.1%   -14.8%   -4.7%   2.5%   -246.0%     International Consolidated Airlines Group   IAG-GB   0.0%   0.0%   1.3%   -35.1%   4.2%   9.6%   -13.5%   3.8%   10.2%   -123.6%     Air France-KLM SA   AF-FR   0.0%   0.0%   0.0%   -45.3%   1.1%   4.1%   -8.9%   -0.8%   6.0%   -23.8%   -2.8%   15.8%     Deutsche Lufthansa AG   LHA-DE   0.0%   0.0%   1.1%   -45.3%   1.1%   4.1%   -8.1%   1.1%   4.8%   -53.4%   -2.8%   15.8%     Norwegian Air Shuttle ASA   NAS-ND   0.0%   0.0%   1.1%   -55.0%   6.9%   9.6%   -43.4%   -2.8%   15.8%   -43.4%   2.8%   10.3%   2.3%   14.0%   -34.4%   2.2%   2.3%   14.0%   -6.7%   -38.7%   0.3%   10.3%   20.8%   easylet plc   EZI-6B   0.0%   0.0%   0.3%   -7.6%   15.4%   15.7%   -3.8%   13.6%   5.8.0%   -214.6%	FINNAIR PEER GROUP	Ticker	21	22	23	21	22	23	21	22	23	21	22	23
International Consolidated Airlines Group     IAG-GB     0.0%     0.5%     1.3%     -35.1%     4.2%     9.6%     -13.5%     3.8%     10.2%     123.6%       Air France-KLM SA     AF-FR     0.0%     0.0%     0.0%     0.0%     -12.2%     -0.6%     3.5%     -8.9%     -0.8%     6.0%       Deutsche Lufthansa AG     LHA-DE     0.0%     0.0%     0.1%     -45.3%     1.1%     4.1%     -8.1%     1.1%     4.8%     -53.4%     -2.8%     15.8%       Norwegian Air Shuttle ASA     NAS-NO     0.0%     0.0%     1.7%     -55.0%     6.9%     9.6%     -43.4%     -53.4%     -2.8%     15.8%       Other European peers														
Air France-KLM SA   AF-FR   0.0%   0.0%   0.0%   -12.2%   -0.6%   3.5%   -8.9%   -0.8%   6.0%   -2.8%   -2.8%   15.8%     Deutsche Lufthansa AG   LHA-DE   0.0%   0.0%   0.1%   -45.3%   1.1%   4.1%   -8.1%   1.1%   4.8%   -53.4%   -2.8%   15.8%     Norwegian Air Shuttle ASA   NAS-N0   0.0%   0.0%   1.7%   -55.0%   6.9%   9.6%   -   -   -   -   -   -   -   -   -   -   4.1%   -												-246.0%		
Deutsche Lufthansa AG     LHA-DE     0.0%     0.0%     0.1%     -45.3%     1.1%     4.1%     -8.1%     1.1%     4.8%     -53.4%     -2.8%     15.8%       Norwegian Air Shuttle ASA     NAS-NO     0.0%     0.0%     1.7%     -55.0%     6.9%     9.6%     -43.4%     24.2%     24.2%       Other European peers     -     -     -     -     -     -     -     -     -     -     -     -     24.2%														123.6%
Norwegian Air Shuttle ASA     NAS-NO     0.0%     0.0%     1.7%     -55.0%     6.9%     9.6%     -43.4%     24.2%       Other European peers     Acgean Airlines SA     AEGN-GR     0.0%     0.7%     4.5%     1.8%     7.3%     2.3%     14.0%     1.3%     20.8%       easyJet plc     EZJ-GB     0.0%     0.0%     0.3%     -71.5%     2.2%     6.5%     -14.2%     1.6%     6.7%     -38.7%     0.3%     10.3%       Ryanair Holdings Plc     RYA-IE     0.0%     0.0%     0.0%     0.3%     7.6%     15.7%     -3.8%     13.6%     7.8.0%     2.21.6%     2.21.6%     2.4.3%     22.1%     21.6%       Wizz Air Holdings Plc     WIZZ-GB     0.0%     0.0%     0.1%     -18.5%     -3.5%     5.8%     -11.6%     -3.5%     7.0%     2.1.6%     -24.3%     55.3%       Morth American Jerics     DAL-US     0.0%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     7.0%       Delta Air Lines, Inc.     DAL-US														
Other European peers     Acgan Airlines SA     AEGN-GR     0.0%     0.7%     4.5%     1.8%     7.3%     2.3%     14.0%     1.3%     20.8%       easyJet plc     EZJ-GB     0.0%     0.0%     1.4%     -71.5%     2.2%     6.5%     -14.2%     1.6%     6.7%     -38.7%     0.3%     10.3%       Ryanair Holdings Plc     RYA-IE     0.0%     0.0%     0.0%     0.3%     15.7%     -3.8%     13.6%     15.0%     -80.%     22.1%     21.6%       Wizz Air Holdings Plc     WIZZ-GB     0.0%     0.0%     0.0%     -30.5%     0.7%     11.5%     -16.6%     0.7%     -214.6%     -24.3%     55.3%       North American Airlines Group, Inc.     AAL-US     0.0%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     10.6%     -76.9%     29.4%     36.1%       JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     9.5%     5.5%			0.0%					4.1%	-8.1%	1.1%	4.8%		-2.8%	
Aegean Airlines SA   AEGN-GR   0.0%   0.7%   4.5%   1.8%   7.3%   2.3%   14.0%   1.3%   20.8%     easyJet plc   EZJ-GB   0.0%   0.0%   1.4%   -71.5%   2.2%   6.5%   -14.2%   1.6%   6.7%   -38.7%   0.3%   10.3%     Ryanair Holdings Plc   RYA-IE   0.0%   0.0%   0.0%   0.3%   -7.6%   15.7%   -3.8%   13.6%   15.0%   -80%   22.1%   21.6%   Vizz Air Holdings Plc   WIZZ-GB   0.0%   0.0%   -30.5%   0.7%   11.5%   -3.8%   13.6%   15.0%   -21.4.6%   -24.3%   55.3%     North American peers   -   -   -   -   -   -   -   29.4%   36.1%     JetBlue Airways Corporation   JBLU-US   0.0%   0.0%   0.5%   -8.6%   6.4%   11.1%   -4.9%   5.6%   10.6%   -76.9%   29.4%   36.1%     JetBlue Airways Corporation   JBLU-US   0.0%   0.0%   -56.7%   15.6%   11.3%   -3.9%   4.3%   9.9%   -12.5%   6.0%   14.		NAS-NO	0.0%	0.0%	1.7%	-55.0%	6.9%	9.6%				-43.4%		24.2%
easyJet plc     EZJ-GB     0.0%     0.0%     1.4%     -71.5%     2.2%     6.5%     -14.2%     1.6%     6.7%     -38.7%     0.3%     10.3%       Ryanair Holdings Plc     RYA-IE     0.0%     0.0%     0.3%     -7.6%     15.4%     15.7%     -3.8%     13.6%     15.0%     -8.0%     22.1%     21.6%       Wizz Air Holdings Plc     WIZZ-GB     0.0%     0.0%     0.0%     -30.5%     0.7%     11.5%     -15.6%     0.7%     13.2%     -214.6%     -24.3%     55.3%       North American peers     American Airlines Group, Inc.     AAL-US     0.0%     0.0%     0.5%     -8.6%     5.8%     -11.6%     -3.5%     7.0%     -24.6%     29.4%     36.1%       Jetta Air Lines, Inc.     DAL-US     0.1%     0.0%     0.0%     -15.1%     -1.9%     7.2%     -8.8%     -1.6%     6.5%     -21.6%     5.5%     29.4%     36.1%       Jetta Kir Lines, Inc.     DAL-US     0.0%     0.0%     0.0%     -15.1%     -1.9%     7.2%     -8.8%														
Ryanir Holdings Plc     RYA-IE     0.0%     0.0%     0.3%     -7.6%     15.4%     15.7%     -3.8%     13.6%     15.0%     -8.0%     22.1%     21.6%       Wizz Air Holdings Plc     WIZZ-GB     0.0%     0.0%     0.0%     -30.5%     0.7%     11.5%     -15.6%     0.7%     13.2%     -21.4.6%     -24.3%     55.3%       North American peers     American Airlines Group, Inc.     AAL-US     0.0%     0.0%     0.1%     -18.5%     -3.5%     5.8%     -11.6%     -3.5%     7.0%       Delta Air Lines, Inc.     DAL-US     0.0%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     10.6%     -76.9%     29.4%     36.1%       JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     -15.1%     -1.9%     7.2%     -8.8%     -1.6%     6.5%     -21.6%     5.0%     14.3%       Southwest Airlines, Inc.     LUV-US     0.0%     0.0%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%														
Wizz Air Holdings Plc     WIZZ-GB     0.0%     0.0%     0.0%     -30.5%     0.7%     11.5%     -15.6%     0.7%     13.2%     -214.6%     -24.3%     55.3%       North American peers     American Airlines Group, Inc.     AAL-US     0.0%     0.0%     0.1%     -18.5%     -3.5%     5.8%     -11.6%     -3.5%     7.0%       Delta Air Lines, Inc.     DAL-US     0.1%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     10.6%     -76.9%     29.4%     36.1%       JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     0.6%     -15.1%     -1.9%     7.2%     -8.8%     -1.6%     6.5%     -21.6%     -50.0%     39.5%       Southwest Airlines, Inc.     DUV-US     0.0%     0.0%     0.0%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     14.3%       Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     0.0%     -3.5%     7.0%     -4.1%     -2.4%     5.5.%     -2.1.7%	<i>, , , , , , , , , ,</i>				-			6.5%						
North American peers     AML-US     0.0%     0.0%     0.1%     -18.5%     -3.5%     5.8%     -11.6%     -3.5%     7.0%       Delta Air Lines, Inc.     DAL-US     0.1%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     10.6%     -76.9%     29.4%     36.1%       JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     -15.1%     -1.9%     7.2%     -8.8%     -1.6%     6.5%     -21.6%     -5.0%     9.9%     36.1%     35.9%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     14.3%     5.5%     -20.7%     1.2.7%     7.5%     6.0%     14.3%     5.5%     -20.7%     1.2.7%     7.5%     7.0%     -6.0%     5.2%     -20.7%     1.2.7%     7.5%     6.0%     14.3%     5.5%     -20.7%     1.2.7%     7.5%     7.0%     -6.0%     5.5%     -20.7%     1.2.7%     7.5%     7.0%     -6.0%     5.5%     -20.7%     1.2.7%     7.5%     7.2%     7.2%     5.5%														
American Airlines Group, Inc.     AAL-US     0.0%     0.0%     0.1%     -18.5%     -3.5%     5.8%     -11.6%     -3.5%     7.0%       Delta Air Lines, Inc.     DAL-US     0.1%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     10.6%     -76.9%     29.4%     36.1%       JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     0.0%     -5.6%     11.3%     -4.9%     5.6%     -76.9%     29.4%     36.1%       Southwest Airlines Co.     LUV-US     0.0%     0.0%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     14.3%       Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     -13.0%     -3.5%     7.0%     -6.0%     5.5%     -20.7%     7.5%       Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     -3.8%     1.1%     -4.1%     5.5%     -20.7%     12.7%     7.5%       Primary European peers median     0.0%     0.0%     0.1%     -38.8%     1.1%	5	WIZZ-GB	0.0%	0.0%	0.0%	-30.5%	0.7%	11.5%	-15.6%	0.7%	13.2%	-214.6%	-24.3%	55.3%
Delta Air Lines, Inc.     DAL-US     0.1%     0.0%     0.5%     -8.6%     6.4%     11.1%     -4.9%     5.6%     10.6%     -76.9%     29.4%     36.1%       JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     0.0%     -15.1%     -1.9%     7.2%     -8.8%     -1.6%     6.5%     -21.6%     -5.0%     9.5%       Southwest Airlines Co.     LUV-US     0.0%     0.1%     0.8%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     14.3%       Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     0.0%     -3.5%     7.0%     -6.0%     -2.4%     5.5%     -20.7%     -1.2.7%     7.5%       Primary European peers median     0.0%     0.0%     0.1%     -38.8%     1.1%     4.1%     -11.2 %     0.2 %     5.4 %     -5.3.4%     -2.8%     24.2%														
JetBlue Airways Corporation     JBLU-US     0.0%     0.0%     0.0%     -1.51%     -1.9%     7.2%     -8.8%     -1.6%     6.5%     -21.6%     -5.0%     9.5%       Southwest Airlines Co.     LUV-US     0.0%     0.1%     0.8%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     14.3%       Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     0.0%     -3.5%     7.0%     -6.0%     -2.4%     5.5%     -20.7%     -12.7%     7.5%       Primary European peers median     0.0%     0.0%     0.1%     -38.8%     1.1%     4.1%     -11.2 %     0.2 %     5.4 %     -5.34%     24.2%														
Southwest Airlines Co.     LUV-US     0.0%     0.1%     0.8%     -6.7%     5.6%     11.3%     -3.9%     4.3%     9.9%     -12.5%     6.0%     14.3%       Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     0.0%     -3.5%     7.0%     -6.0%     -2.4%     5.5%     -20.7%     -12.7%     7.5%       Primary European peers median     0.0%     0.0%     0.1%     -38.8%     1.1%     4.1%     -11.2%     0.2%     5.4%     -2.8%     24.2%														
Spirit Airlines, Inc.     SAVE-US     0.0%     0.0%     0.0%     -13.0%     -3.5%     7.0%     -6.0%     -2.4%     5.5%     -20.7%     -12.7%     7.5%       Primary European peers median     0.0%     0.0%     0.1%     -38.8%     1.1%     4.1%     -11.2%     0.2%     5.4%     -53.4%     -2.8%     24.2%	, ,													
Primary European peers median 0.0% 0.0% 0.1% -38.8% 1.1% 4.1% -11.2% 0.2% 5.4% -53.4% -2.8% 24.2%														
		SAVE-US												
[Finnair (Evli est)* FIA1S-FI   0.0% 0.0% 0.0%   -55.9% -11.2% 1.9%   -17.9% -11.6% -2.2%   -69.8% -69.5% -16.5%														
Source: Factset Evil Research Note: Our model treats Finnair's FLR 200m hybrid hond as 100% equity. Our estimates exclude IAC and fair value changes but include hybrid interest														-16.5%

Source: Factset, Evi Research Note: Our model treats Finnair's EUR 200m hybrid bond as 100% equity. Our estimates exclude IAC and fair value changes, but include hybrid interest.

# FINNAIR

VALUATION RESULTS	BASE CASE DETAILS	VALUATION ASSUMPTIONS	ASSUMPTIONS FOR WACC	
Current share price	0.48 PV of Free Cash Flow	720 Long-term growth, %	2.0 Risk-free interest rate, %	2.25
DCF share value	0.47 PV of Horizon value	1,484 WACC, %	9.6 Market risk premium, %	5.8
Share price potential, %	-2.2 Unconsolidated equity	0 Spread, %	0.5 Debt risk premium, %	2.8
Maximum value	0.6 Marketable securities	1,266 Minimum WACC, %	9.1 Equity beta coefficient	1.35
Minimum value	0.3 Debt - dividend	-2,809 Maximum WACC, %	10.1 Target debt ratio, %	20
Horizon value, %	67.3 Value of stock	660 Nr of shares, Mn	1,406.0 Effective tax rate, %	25

DCE valuation ELIPm	2021	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2020E	2030E	2021E	Horizon
DCF valuation, EURm	2021	-		-	2025E		-		2029E		2031E	Horizon
Net sales	838	1,958	2,467	2,591	2,669	2,722	2,776	2,832	2,889	2,946	3,005	3,065
Sales growth, %	1.1	133.6	26.0	5.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Operating income (EBIT)	-469	-220	47	155	173	163	167	170	173	192	195	199
Operating income margin, %	-55.9	-11.2	1.9	6.0	6.5	6.0	6.0	6.0	6.0	6.5	6.5	6.5
+ Depreciation+amort.	320	352	443	324	302	315	326	335	344	351	359	
EBITDA	-149	132	490	479	475	479	493	505	517	543	554	
- Paid taxes	-15	44	-9	-31	-35	-33	-33	-34	-35	-38	-39	
- Change in NWC	117	22	38	9	6	4	4	4	4	4	4	
NWC / Sales, %	-43.9	-20.0	-17.4	-16.9	-16.6	-16.5	-16.3	<i>-16.1</i>	-15.9	-15.8	-15.6	
+ Change in other liabs	39	0	0	0	0	0	0	0	0	0	0	
- Operative CAPEX	-434	-400	-450	-400	-250	-250	-240	-240	-240	-240	-240	
opCAPEX / Sales, %	100.5	-8.9	27.2	25.2	15.3	14.9	14.3	14.1	14.0	13.8	8.0	
- Acquisitions	0	0	0	0	0	0	0	0	0	0	0	
+ Divestments	0	0	0	0	0	0	0	0	0	0	0	
- Other items	-6	-16	-13	-13	-13	-13	-13	-13	-13	-13	-13	
= FCFF	-448	-218	56	45	184	187	211	223	234	256	267	3,597
= Discounted FCFF		-205	48	35	131	122	125	121	116	116	110	1,484
= DFCF min WACC		-205	49	35	133	125	129	125	120	121	115	1,661
= DFCF max WACC		-204	48	34	129	119	122	117	112	111	105	1,332

# FINNAIR

INTERIM FIGURES												
EVLI ESTIMATES, EURm	2021Q1	202102	202103	2021Q4	2021	2022Q1E	2022Q2E	2022Q3E	2022Q4E	2022E	2023E	2024E
Net sales	113.6	111.8	199.5	413.5	838.4	396.6	405.4	498.0	658.2	1,958.2	2,467.5	2,590.9
EBITDA	-60.9	-70.1	-30.6	12.6	-149.0	-42.2	-15.4	64.7	124.7	131.8	490.3	479.1
EBITDA margin (%)	-53.6	-62.7	-15.3	3.0	-17.8	-10.7	-3.8	13.0	19.0	6.7	19.9	18.5
EBIT	-143.2	-151.3	-109.1	-65.3	-468.9	-128.2	-102.4	-22.3	32.7	-220.2	47.2	155.5
EBIT margin (%)	- <i>126.1</i>	-135.3	-54.7	-15.8	-55.9	-32.3	-25.3	-4.5	5.0	-11.2	1.9	6.0
Net financial items	-32.7	-11.0	-39.1	-44.7	-127.5	-25.0	-25.0	-25.0	-25.0	-100.0	-100.0	-100.0
Pre-tax profit	-175.9	-162.3	-148.2	-110.0	-596.4	-153.2	-127.4	-47.3	7.7	-320.2	-52.8	55.5
Tax	36.3	30.1	30.1	21.1	117.6	30.6	25.5	9.5	-1.5	64.0	10.6	-11.1
Tax rate (%)	20.6	18.5	20.3	19.2	19.7	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Net profit	-139.6	-132.2	-118.1	-88.9	-478.8	-126.7	-106.0	-41.9	2.1	-272.6	-54.8	31.8
EPS	-0.10	-0.09	-0.08	-0.06	-0.34	-0.09	-0.08	-0.03	0.00	-0.19	-0.04	0.02
EPS adjusted (diluted no. of shares)	-0.10	-0.09	-0.08	-0.06	-0.34	-0.09	-0.08	-0.03	0.00	-0.19	-0.04	0.02
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
SALES, EURm												
Group total	113.6	111.8	199.5	413.5	838.4	396.6	405.4	498.0	658.2	1,958.2	2,467.5	2,590.9
Total	113.6	111.8	199.5	413.5	838.4	396.6	405.4	498.0	658.2	1,958.2	2,467.5	2,590.9
SALES GROWTH, Y/Y %												
Group total	-79.8	63.0	104.7	305.4	1.1	249.1	262.6	149.6	59.2	133.6	26.0	5.0
Total	-79.8	63.0	104.7	305.4	1.1	249.1	262.6	149.6	59.2	133.6	26.0	5.0
EBIT, EURm												
Group total	-143.2	-151.3	-109.1	-65.3	-468.9	-128.2	-102.4	-22.3	32.7	-220.2	47.2	155.5
Total	-143.2	-151.3	-109.1	-65.3	-468.9	-128.2	-102.4	-22.3	32.7	-220.2	47.2	155.5
EBIT margin, %												
Group total	-126.1	- 135.3	-54.7	-15.8	-55.9	-32.3	-25.3	-4.5	5.0	-11.2	1.9	6.0
Total	-126.1	- 135.3	-54.7	-15.8	-55.9	-32.3	-25.3	-4.5	5.0	-11.2	1.9	6.0

# **FINNAIR**

Sates growth flight     10.9     10.4     9.2     -7.22     1.1     1.33.6     2800       EBITDA     299.6     512.6     448.2     -251.5     -143.0     131.8     490.3     4       Ball Damargin (%)     11.7     18.7     15.8     -30.3     -17.8     6.7     19.9       Depreciation     -123.2     -284.2     -325.4     -343.8     -313.9     -352.0     444.3     1.3       Goodwill amortization / writedown     0.0 <t< th=""><th>INCOME STATEMENT, EURm</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022E</th><th>2023E</th><th>2024E</th></t<>	INCOME STATEMENT, EURm	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBTDA     2006     512.6     488.2     2-251.5     1-10.0     11.18     400.3     4       BETDA     17.7     18.7     15.8     -30.3     -17.8     6.7     15.9       BETDA     17.04     218.4     162.8     -68.9     -22.02     44.3.1     -       BETDA     170.4     218.4     162.8     -68.9     -40.20     0.	Sales	2,568.4	2,836.1	3,097.7	829.2	838.4	1,958.2	2,467.5	2,590.9
EBTDA     2006     512.6     488.2     2-251.5     1-10.0     11.18     400.3     4       BETDA     17.7     18.7     15.8     -30.3     -17.8     6.7     15.9       BETDA     17.04     218.4     162.8     -68.9     -22.02     44.3.1     -       BETDA     170.4     218.4     162.8     -68.9     -40.20     0.	Sales growth (%)	10.9	10.4	9.2	-73.2	1.1	133.6	26.0	5.0
Depresentation     1722     2942     -3254     -343.8     -319.9     -352.0     -443.1     -272     1       Boodmill amorization / writedown     0.0	-	299.6	512.6	488.2	-251.5	-149.0	131.8	490.3	479.1
Depresentation     1722     2942     -3254     -343.8     -319.9     -352.0     -443.1     -272     1       Boodmill amorization / writedown     0.0	EBITDA margin (%)	11.7	18.1	15.8	-30.3	-17.8	6.7	19.9	18.5
Goodwill amorization / writedown     00     00     00     00     00     00     00     00       EBT     1704     2184     1628     -593     -4869     -2102     472     1       Reported BIT     1685     218.3     160.0     -587.7     -474.7     -200.2     47.2     1       Bettin margin (kg)     6.6     7.7     5.2     -7.2     1.72     1.9     1       Net financials     1.3.7     -1230     -67.0     -190.1     -12.75     -100.0     1.000.0     -100.0     -100.0     1.000     1.00.0     1.00.0     0.0	-								-323.6
Goodwill zmortization / writedown     0.0     0.0     0.0     0.0     0.0     0.0     0.0     0.0       EBIT     1704     2184     1628     -5533     -71.8     -5539     -71.2     1.12     1.13       EBIT margin (kg)     6.6     7.7     5.3     -71.8     -55.9     -71.2     1.72	EBITA	170.4	218.4	162.8	-595.3	-468.9	-220.2	47.2	155.5
EBT     1704     218.4     162.8     -995.3     -46.8     -20.2     47.2     1.1 <i>EBJT margin (Paperled [Pay]</i> 6.6     7.7     5.7     -71.8     -55.9     -11.2     1.9 <i>EBT margin (Paperled [Pay]</i> 6.6     7.7     5.7     -72.1     -5.66     -11.2     1.9 <i>EBT margin (Paperled [Pay]</i> 6.6     7.7     5.7     -72.1     -5.66     -11.2     1.9       Texts profit     156.7     83.4     95.8     -785.4     -198.4     -390.4     -202.2     -52.8     -       Taxes     -31.3     -52.5     -184.8     131.2     117.6     64.0     10.0     -       Minority shares     0.0     0.0     0.0     0.0     0.0     0.0     0.0     0.0       Minority shares     0.0     0.0     0.0     0.0     0.0     0.0     0.0       Marcin Shares     0.0     0.0     0.0     0.0     0.0     0.0     0.0     0.0        1.119 <td>Goodwill amortization / writedown</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.0</td>	Goodwill amortization / writedown								0.0
EBT     ergen field     6.6     7.7     5.3     -71.8     -75.9     -11.2     1.9       Reported EBT     168.5     218.3     160.0     -597.7     -474.7     -220.2     47.2     1       Bed margin (kported) fiel)     6.6     7.7     5.2     -72.7     -56.6     -11.2     1.9       Net financials     -13.7     -123.0     -67.0     190.1     1-12.5     -100.0     -100.0     -10       Taxes     -31.3     -25.6     -18.4     131.2     117.6     64.0     10.6     -       Minority shares     0.0     0.		170.4	218.4	162.8		-468.9		47.2	155.5
Peptred:     Fight may     Fight may <th< td=""><td>EBIT margin (%)</td><td>6.6</td><td></td><td></td><td></td><td></td><td></td><td></td><td>6.0</td></th<>	EBIT margin (%)	6.6							6.0
EBT mayin (region (regin (region (region (region (region (region (region (region (regi	-		218.3	160.0					155.5
Net financials   -137   -129.0   -67.0   -197.1   -177.5   -100.0   -100.0   -1     Pre-tary prift   156.7   89.4   95.8   -785.4   -596.4   -320.2   -52.8     Minority shares   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0     Net profit   1119   51.1   61.8   -742.4   -5.8   0.0   0.0     Non-cash NRIs   0.0   0.0   0.0   0.0   0.0   0.0   0.0   0.0     BALANCE SHEEF, EURM   -   0.0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0   0	•								6.0
Pre-tax profit     156.7     89.4     95.8     -785.4     -596.4     -320.2     -52.8       Taxes     -31.3     -25.6     -18.4     131.2     117.6     64.0     10.6       Minority stares     0.0     0.0     0.0     0.0     0.0     0.0     0.0       Net profit     111.9     51.1     61.8     +671.4     -484.6     -272.6     -54.8       Cash NRis     0.0     0.0     0.0     0.0     0.0     0.0     0.0       BALANCE SHEET, EURm									-100.0
Taxes     -31.3     -25.6     -18.4     131.2     117.6     64.0     10.6       Minority shares     0.0<									55.5
Minority shares     0.0     0.0     0.0     0.0     0.0     0.0     0.0       Net profit     111.9     51.1     61.8     -671.4     -484.6     -272.6     -54.8       Cash NRis     0.0     0.0     0.0     0.0     0.0     0.0     0.0       MLANCE SHEET, EURm     -     0.0     0     0     0     0     0     0     0     0     0     0     0     0     0     -     -     -     -     -     -     <									-11.1
Net profit     111.9     51.1     61.8     -671.4     -484.6     -722.6     -54.8       Cash NRIs     -0.9     -0.1     -2.8     -2.4     -5.8     0.0     0.0       An-rash NRIs     0.0     0.0     0.0     0.0     0.0     0.0       Assets									0.0
Cash NRIs     -0.9     -0.1     -2.8     -2.4     -5.8     0.0     0.0       Non-cash NRIs     0.0     0.0     0.0     0.0     0.0     0.0       BALANCE SHET, FURm     -     0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>31.8</td></t<>									31.8
Non-cash NRIs     0.0     0.0     0.0     0.0     0.0     0.0       BALANCE SHEEF, EURm									0.0
BALANCE SHEET, EURm       Assets     Fixed assets     1,446     1,547     1,751     1,683     1,215     1,263     1,357     1       Goodwill     0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.0</td>									0.0
AssetsFixed assets1,4461,5471,7511,6831,2151,2631,3571Goodwill000000000Right of use assets09998789181,182607740Inventory171218068564962Receivables4402102177013785100Liquid funds9651,0679528241,2667839871Total assets2,8873,9443,8783,6464,0472,9793,4383Shareholder's equity1,016918966897476308358Minority interest0000000Convertibles01,1591,0541,0161,381607740Deferred taxes74486400000Literest bearing debt7196155211,1821,2831,5471Non-interest bearing current liabilities2,8873,9443,8783,6474,0472,9793,4383CASH FLOW, EURm-1-52-2-18116411-1- Increase in Net Working Capital5750-7-4891172238- Net financial items-14-129-67-190-127-100-100- Taxes </td <td></td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> <td>0.0</td>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill     0<	I								
Right of use assets     0     999     878     918     1,182     607     740       Inventory     17     121     80     68     56     49     62       Receivables     460     210     217     70     137     85     100       Liquid funds     965     1,067     952     824     1,266     783     987     1       Total assets     2,887     3,944     3,878     3,646     4,047     2,979     3,438     3       Shareholder's equity     1,016     918     966     897     476     308     358       Minority interest     0	Fixed assets	1,446	1,547	1,751	1,683	1,215	1,263	1,357	1,544
Inventory     17     121     80     68     56     49     62       Receivables     460     210     217     70     137     85     100       Liquid funds     965     1,067     952     824     1,266     783     987     11       Total assets     2,87     3,944     3,878     3,646     4,047     2,979     3,438     33       Liabilities     -     0	Goodwill	0	0	0	0	0	0	0	0
Receivables     460     210     217     70     137     85     100       Liquid funds     965     1,067     952     824     1,266     783     997     1       Total assets     2,887     3,944     3,878     3,646     4,047     2,979     3,438     3       Shareholder's equity     1,016     918     966     897     476     308     358       Minority interest     0	Right of use assets	0	999	878	918	1,182	607	740	881
Receivables     460     210     217     70     137     85     100       Liquid funds     965     1,067     952     824     1,266     783     987     1       Total assets     2,887     3,944     3,878     3,646     4,047     2,979     3,438     3       Shareholder's equity     1,016     918     966     897     476     308     358       Minority interest     0	Inventory	17	121	80	68	56	49	62	65
Liquid funds     965     1,067     952     8.24     1,266     783     987     1       Total asets     2,887     3,944     3,878     3,646     4,047     2,979     3,438     3       Liabilities		460		217			85	100	104
Total assets     2,887     3,944     3,878     3,646     4,047     2,979     3,438     3       Liabilities     Shareholder's equity     1,016     918     966     897     476     308     358       Minority interest     0 <td>Liquid funds</td> <td>965</td> <td>1,067</td> <td>952</td> <td>824</td> <td>1,266</td> <td>783</td> <td>987</td> <td>1,036</td>	Liquid funds	965	1,067	952	824	1,266	783	987	1,036
Liabilities   Shareholder's equity   1,016   918   966   897   476   308   358     Minority interest   0   0   0   0   0   0   0   0     Convertibles   0   1,159   1,054   1,016   1,381   607   740     Deferred taxes   74   48   64   0   0   0   0     Interest bearing debt   719   615   521   1,182   1,428   1,338   1,547   1     Non-interest bearing current liabilities   566   285   243   176   291   255   321     Other interest-free debt   428   811   873   215   271   271   271     Total liabilities   2,887   3,944   3,878   3,647   4,047   2,979   3,438   3     CSHIDW, EURm     + EBITDA   300   513   488   -251   -149   132   490     - Taxes   -1   -52   -2   -18   11   64   11     - In	•	2.887							3,822
Minority interest     0	Liabilities		·						
Minority interest     0	Shareholder's equity	1.016	918	966	897	476	308	358	390
$\begin{array}{c c c c c c c c c c c c c c c c c c c $			0			0			0
Lease liabilities     0     1,159     1,054     1,016     1,381     607     740       Deferred taxes     74     48     64     0     0     0     0       Interest bearing debt     719     615     521     1,182     1,428     1,338     1,547     1       Non-interest bearing current liabilities     566     285     243     176     291     255     321     1       Other interest-free debt     428     811     873     215     271     271     271     1       Total liabilities     2,887     3,944     3,878     3,647     4,047     2,979     3,438     3       CASH FLOW, EURm     -     -     -     -14     -129     -67     -190     -127     -100     -100     -       - Taxes     -1     -52     -2     -18     11     64     11     -       - Increase in Net Working Capital     57     50     -7     -489     117     22     38				0					0
Deferred taxes     74     48     64     0     0     0     0       Interest bearing debt     719     615     521     1,182     1,428     1,338     1,547     1       Non-interest bearing current liabilities     566     285     243     176     291     255     321       Other interest-free debt     428     811     873     215     271     271     271       Total liabilities     2,887     3,944     3,878     3,647     4,047     2,979     3,438     3       CASH FLOW, EURm     -     -     -     132     490     -       + EBITDA     300     513     488     -251     -149     132     490       - Net financial items     -14     -129     -67     -190     -127     -100     -100       - Taxes     -1     -52     -2     -18     11     64     11     -       - Increase in Net Working Capital     57     50     -7     -489     117     22 <td>Lease liabilities</td> <td>0</td> <td>1.159</td> <td>1.054</td> <td>1.016</td> <td>1.381</td> <td>607</td> <td>740</td> <td>881</td>	Lease liabilities	0	1.159	1.054	1.016	1.381	607	740	881
Interest bearing debt     719     615     521     1,182     1,428     1,338     1,547     1       Non-interest bearing current liabilities     566     285     243     176     291     255     321       Other interest-free debt     428     811     873     215     271     271     271       Total liabilities     2,887     3,944     3,878     3,647     4,047     2,979     3,438     33       CASH FLOW, EURm		74							0
Non-interest bearing current liabilities     566     285     243     176     291     255     321       Other interest-free debt     428     811     873     215     271     271     271       Total liabilities     2,887     3,944     3,878     3,647     4,047     2,979     3,438     3       CASH FLOW, EURm          490       - Net financial items     -14     -129     -67     -190     -127     -100     -100     -100       - Taxes     -1     -52     -2     -18     11     64     11       - Increase in Net Working Capital     57     50     -7     -489     117     22     38       +/- Other     40     1     -16     -17     -6     -16     -13       = Cash flow from operations     382     383     397     -966     -155     102     426       - Capex     -405     -330     -409     -315     -842     175     -670<									1,743
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	5								337
Total liabilities2,8873,9443,8783,6474,0472,9793,4383CASH FLOW, EURm+ EBITDA300513488-251-149132490- Net financial items-14-129-67-190-127-100-100- Taxes-1-52-2-18116411- Increase in Net Working Capital5750-7-4891172238+/- Other401-16-17-6-16-13= Cash flow from operations382383397-966-155102426- Capex-405-330-409-315-842175-670- Acquisitions0000000+ Divestments15721400000= Free cash flow134268-12-1,281-997277-244+/- New issues/buybacks60-1102160264105105- Paid dividend-13-38-350000	5								271
CASH FLOW, EURm     + EBITDA   300   513   488   -251   -149   132   490     - Net financial items   -14   -129   -67   -190   -127   -100   -100     - Taxes   -1   -52   -2   -18   11   64   11     - Increase in Net Working Capital   57   50   -7   -489   117   22   38     +/- Other   40   1   -16   -17   -6   -16   -13     = Cash flow from operations   382   383   397   -966   -155   102   426     - Capex   -405   -330   -409   -315   -842   175   -670     - Acquisitions   0   0   0   0   0   0   0     + Divestments   157   214   0   0   0   0   0     = Free cash flow   134   268   -12   -1,281   -997   277   -244     +/- New issues/buybacks   60   -110   21   602   64   105									3,822
- Net financial items $-14$ $-129$ $-67$ $-190$ $-127$ $-100$ $-100$ - Taxes $-1$ $-52$ $-2$ $-18$ $11$ $64$ $11$ - Increase in Net Working Capital $57$ $50$ $-7$ $-489$ $117$ $22$ $38$ +/- Other $40$ $1$ $-16$ $-17$ $-6$ $-16$ $-13$ = Cash flow from operations $382$ $383$ $397$ $-966$ $-155$ $102$ $426$ - Capex $-405$ $-330$ $-409$ $-315$ $-842$ $175$ $-670$ - Acquisitions $0$ $0$ $0$ $0$ $0$ $0$ + Divestments $157$ $214$ $0$ $0$ $0$ $0$ = Free cash flow $134$ $268$ $-12$ $-1,281$ $-997$ $277$ $-244$ +/- New issues/buybacks $60$ $-110$ $21$ $602$ $64$ $105$ $105$ - Paid dividend $-13$ $-38$ $-35$ $0$ $0$ $0$ $0$			•	·	·	·		·	
- Taxes-1-52-2-18116411- Increase in Net Working Capital5750-7-4891172238+/- Other401-16-17-6-16-13= Cash flow from operations382383397-966-155102426- Capex-405-330-409-315-842175-670- Acquisitions000000+ Divestments1572140000= Free cash flow134268-12-1,281-997277-244+/- New issues/buybacks60-1102160264105105- Paid dividend-13-38-3500000	+ EBITDA	300	513	488	-251	-149	132	490	479
- Increase in Net Working Capital $57$ $50$ $-7$ $-489$ $117$ $22$ $38$ $+/$ - Other $40$ $1$ $-16$ $-17$ $-6$ $-16$ $-13$ $=$ Cash flow from operations $382$ $383$ $397$ $-966$ $-155$ $102$ $426$ $-$ Capex $-405$ $-330$ $-409$ $-315$ $-842$ $175$ $-670$ $-$ Acquisitions $0$ $0$ $0$ $0$ $0$ $0$ $0$ $+$ Divestments $157$ $214$ $0$ $0$ $0$ $0$ $=$ Free cash flow $134$ $268$ $-12$ $-1,281$ $-997$ $277$ $-244$ $+/$ New issues/buybacks $60$ $-110$ $21$ $602$ $64$ $105$ $105$ $-$ Paid dividend $-13$ $-38$ $-35$ $0$ $0$ $0$ $0$	- Net financial items	-14	-129	-67	-190	-127	-100	-100	-100
- Increase in Net Working Capital $57$ $50$ $-7$ $-489$ $117$ $22$ $38$ $+/$ - Other $40$ $1$ $-16$ $-17$ $-6$ $-16$ $-13$ $=$ Cash flow from operations $382$ $383$ $397$ $-966$ $-155$ $102$ $426$ $-$ Capex $-405$ $-330$ $-409$ $-315$ $-842$ $175$ $-670$ $-$ Acquisitions $0$ $0$ $0$ $0$ $0$ $0$ $0$ $+$ Divestments $157$ $214$ $0$ $0$ $0$ $0$ $=$ Free cash flow $134$ $268$ $-12$ $-1,281$ $-997$ $277$ $-244$ $+/$ New issues/buybacks $60$ $-110$ $21$ $602$ $64$ $105$ $105$ $-$ Paid dividend $-13$ $-38$ $-35$ $0$ $0$ $0$ $0$	- Taxes	-1	-52	-2	-18	11	64	11	-11
+/- Other401 $-16$ $-17$ $-6$ $-16$ $-13$ = Cash flow from operations $382$ $383$ $397$ $-966$ $-155$ $102$ $426$ - Capex $-405$ $-330$ $-409$ $-315$ $-842$ $175$ $-670$ - Acquisitions000000+ Divestments1572140000= Free cash flow134268 $-12$ $-1,281$ $-997$ 277+/- New issues/buybacks60 $-110$ 21 $602$ $64$ $105$ $105$ - Paid dividend $-13$ $-38$ $-35$ 0000	- Increase in Net Working Capital	57	50	-7	-489	117	22	38	9
= Cash flow from operations     382     383     397     -966     -155     102     426       - Capex     -405     -330     -409     -315     -842     175     -670       - Acquisitions     0     0     0     0     0     0     0     0       + Divestments     157     214     0     0     0     0     0       = Free cash flow     134     268     -12     -1,281     -997     277     -244       +/- New issues/buybacks     60     -110     21     602     64     105     105       - Paid dividend     -13     -38     -35     0     0     0     0		40	1	-16	-17	-6	-16	-13	-13
- Capex     -405     -330     -409     -315     -842     175     -670       - Acquisitions     0     0     0     0     0     0     0     0       + Divestments     157     214     0     0     0     0     0     0       = Free cash flow     134     268     -12     -1,281     -997     277     -244       +/- New issues/buybacks     60     -110     21     602     64     105     105       - Paid dividend     -13     -38     -35     0     0     0     0	= Cash flow from operations	382	383	397	-966	-155	102	426	365
- Acquisitions     0     0     0     0     0     0     0     0       + Divestments     157     214     0     0     0     0     0       = Free cash flow     134     268     -12     -1,281     -997     277     -244       +/- New issues/buybacks     60     -110     21     602     64     105     105       - Paid dividend     -13     -38     -35     0     0     0     0									-652
+ Divestments 157 214 0 0 0 0   = Free cash flow 134 268 -12 -1,281 -997 277 -244   +/- New issues/buybacks 60 -110 21 602 64 105 105   - Paid dividend -13 -38 -35 0 0 0 0									0
= Free cash flow     134     268     -12     -1,281     -997     277     -244       +/- New issues/buybacks     60     -110     21     602     64     105     105       - Paid dividend     -13     -38     -35     0     0     0     0	-								0
+/- New issues/buybacks 60 -110 21 602 64 105 105 - Paid dividend -13 -38 -35 0 0 0 0									-287
- Paid dividend -13 -38 -35 0 0 0 0									0
									0
									336
Change in cash 151 103 -116 -128 442 -482 204									49

# **FINNAIR**

KEY FIGURES	2018	2019	2020	2021	2022E	2023E	2024E
M-cap	908	753	1,069	837	675	675	675
Net debt (excl. convertibles)	707	623	1,374	1,543	1,162	1,300	1,588
Enterprise value	1,615	1,377	2,443	2,380	1,836	1,975	2,262
Sales	2,836	3,098	829	838	1,958	2,467	2,591
EBITDA	513	488	-251	-149	132	490	479
EBIT	218	163	-595	-469	-220	47	155
Pre-tax	89	96	-785	-596	-320	-53	55
Earnings	51	65	-669	-479	-273	-55	32
Equity book value (excl. minorities)	918	966	897	476	308	358	390
Valuation multiples							
EV/sales	0.6	0.4	2.9	2.8	0.9	0.8	0.9
EV/EBITDA	3.2	2.8	-9.7	-16.0	13.9	4.0	4.7
EV/EBITA	7.4	8.5	-4.1	-5.1	-8.3	41.9	14.6
EV/EBIT	7.4	8.5	-4.1	-5.1	-8.3	41.9	14.6
EV/OCF	4.2	3.5	-2.5	-15.4	18.0	4.6	6.2
EV/FCFF	6.1	8.4	-2.4	-5.3	-8.4	35.0	50.7
P/FCFE	18.4	-333.2	-0.8	-0.8	2.4	-2.8	-2.4
P/E	10.2	11.7	-1.6	-1.7	-2.5	-12.3	21.2
P/B	1.0	0.8	1.2	1.8	2.2	1.9	1.7
Target EV/EBITDA	0.0	0.0	0.0	0.0	13.4	3.9	4.6
Target EV/EBIT	0.0	0.0	0.0	0.0	-8.0	40.4	14.1
Target EV/FCF	0.0	0.0	0.0	0.0	6.4	-7.8	-7.6
Target P/B	0.0	0.0	0.0	0.0	2.0	1.7	1.5
Target P/E	0.0	0.0	0.0	0.0	-2.2	-11.0	19.0
Per share measures							
Number of shares	695,894	695,894	1,407,231	1,405,964	1,405,964	1,405,964	1,405,964
Number of shares (diluted)	695,894	695,894	1,407,231	1,405,964	1,405,964	1,405,964	1,405,964
EPS	0.07	0.09	-0.48	-0.34	-0.19	-0.04	0.02
Operating cash flow per share	0.55	0.57	-0.69	-0.11	0.07	0.30	0.26
Free cash flow per share	0.38	-0.02	-0.91	-0.71	0.20	-0.17	-0.20
Book value per share							0.28
	1.32	1.39	0.64	0.34	0.22	0.25	0.28
Dividend per share	1.32 0.05	1.39 0.00	0.64 0.00	0.34 0.00	0.22 0.00	0.25 0.00	0.28
Dividend per share Dividend payout ratio, %							
•	0.05	0.00	0.00	0.00	0.00	0.00	0.01
Dividend payout ratio, %	0.05 68.6	0.00 0.0	0.00 0.0	0.00 0.0	0.00 0.0	0.00 0.0	0.01 33.0
Dividend payout ratio, % Dividend yield, %	0.05 68.6 3.9	0.00 0.0 0.0	0.00 0.0 0.0	0.00 0.0 0.0	0.00 0.0 0.0	0.00 0.0 0.0	0.01 33.0 1.6
Dividend payout ratio, % Dividend yield, % FCF yield, %	0.05 68.6 3.9	0.00 0.0 0.0	0.00 0.0 0.0	0.00 0.0 0.0	0.00 0.0 0.0	0.00 0.0 0.0	0.01 33.0 1.6
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures	0.05 68.6 3.9 29.5	0.00 0.0 0.0 -1.6	0.00 0.0 0.0 -119.8	0.00 0.0 0.0 -119.2	0.00 0.0 0.0 41.0	0.00 0.0 0.0 -36.1	0.01 33.0 1.6 -42.5
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE	0.05 68.6 3.9 29.5 5.3	0.00 0.0 -1.6 6.9	0.00 0.0 -119.8 -71.8	0.00 0.0 -119.2 -69.8	0.00 0.0 41.0 -69.5	0.00 0.0 -36.1 -16.5	0.01 33.0 1.6 -42.5 8.5
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE	0.05 68.6 3.9 29.5 5.3	0.00 0.0 -1.6 6.9	0.00 0.0 -119.8 -71.8	0.00 0.0 -119.2 -69.8	0.00 0.0 41.0 -69.5	0.00 0.0 -36.1 -16.5	0.01 33.0 1.6 -42.5 8.5
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios	0.05 68.6 3.9 29.5 5.3 9.9	0.00 0.0 -1.6 6.9 6.2	0.00 0.0 -119.8 -71.8 -21.1	0.00 0.0 -119.2 -69.8 -17.9	0.00 0.0 41.0 -69.5 -11.6	0.00 0.0 -36.1 -16.5 -2.2	0.01 33.0 1.6 -42.5 8.5 2.0
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales	0.05 68.6 3.9 29.5 5.3 9.9 4.3	0.00 0.0 -1.6 6.9 6.2 2.6	0.00 0.0 -119.8 -71.8 -21.1 8.2	0.00 0.0 -119.2 -69.8 -17.9 6.7	0.00 0.0 41.0 -69.5 -11.6 2.5	0.00 0.0 -36.1 -16.5 -2.2 2.5	0.01 33.0 1.6 -42.5 8.5 2.0 2.5
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4	0.00 0.0 -1.6 6.9 6.2 2.6 7.0	0.00 0.0 -119.8 -71.8 -21.1 8.2 8.4	0.00 0.0 -119.2 -69.8 -17.9 -6.7 16.3	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1	0.01 33.0 1.6 -42.5 8.5 2.0 2.5 4.0
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4 10.1	0.00 0.0 -1.6 6.9 6.2 2.6 7.0 7.8	0.00 0.0 -119.8 -71.8 -21.1 8.2 8.4 21.2	0.00 0.0 -119.2 -69.8 -17.9 -6.7 16.3 34.7	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3 13.0	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1 13.0	0.01 33.0 1.6 -42.5 2.0 2.5 4.0 13.0
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, %	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4 10.1 -26.4	0.00 0.0 -1.6 6.9 6.2 2.6 7.0 7.8 -23.9	0.00 0.0 -119.8 -71.8 -21.1 8.2 8.4 21.2 -30.3	0.00 0.0 -119.2 -69.8 -17.9 6.7 16.3 34.7 -43.9	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3 13.0 -20.0	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1 13.0 -17.4	0.01 33.0 1.6 -42.5 2.0 2.5 4.0 13.0 -16.9
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, % Operative CAPEX/sales, %	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4 10.1 -26.4 11.6	0.00 0.0 -1.6 6.9 6.2 2.6 7.0 7.8 -23.9 13.2	0.00 0.0 -119.8 -71.8 -21.1 -71.8 -21.1 -21.1 -21.2 -30.3 38.0	0.00 0.0 -119.2 -69.8 -17.9 6.7 16.3 34.7 -43.9 100.5	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3 13.0 -20.0 -8.9	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1 13.0 -17.4 27.2	0.01 33.0 1.6 -42.5 2.0 2.5 4.0 13.0 -16.9 25.2
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, % Operative CAPEX/sales, % CAPEX/sales (incl. acquisitions), % FCFF/EBITDA	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4 10.1 -26.4 11.6 11.6	0.00 0.0 -1.6 6.9 6.2 2.6 7.0 7.8 -23.9 13.2 13.2	0.00 0.0 -119.8 -71.8 -21.1 -71.8 -21.1 -21.1 -30.3 38.0 38.0 38.0	0.00 0.0 -119.2 -69.8 -17.9 6.7 16.3 34.7 -43.9 100.5 100.5	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3 13.0 -20.0 -8.9 -8.9	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1 13.0 -17.4 27.2 27.2	0.01 33.0 1.6 -42.5 2.0 2.5 4.0 13.0 -16.9 25.2 25.2 25.2 0.1
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, % Operative CAPEX/sales, % CAPEX/sales (incl. acquisitions), % FCFF/EBITDA Net debt/EBITDA, book-weighted	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4 10.1 -26.4 11.6 11.6 11.6 0.5	0.00 0.0 -1.6 6.9 6.2 2.6 7.0 7.8 -23.9 13.2 13.2 13.2 0.3	0.00 0.0 -119.8 -71.8 -21.1 8.2 8.4 21.2 -30.3 38.0 38.0 38.0 4.0	0.00 0.0 -119.2 -69.8 -17.9 6.7 16.3 34.7 -43.9 100.5 100.5 3.0	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3 13.0 -20.0 -8.9 -8.9 -8.9 -1.7	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1 13.0 -17.4 27.2 27.2 27.2 0.1	0.01 33.0 1.6 -42.5 8.5 2.0 2.5 4.0 13.0 -16.9 25.2 25.2
Dividend payout ratio, % Dividend yield, % FCF yield, % Efficiency measures ROE ROCE Financial ratios Inventories as % of sales Receivables as % of sales Non-interest bearing liabilities as % of sales NWC/sales, % Operative CAPEX/sales, % CAPEX/sales (incl. acquisitions), % FCFF/EBITDA	0.05 68.6 3.9 29.5 5.3 9.9 4.3 7.4 10.1 -26.4 11.6 11.6 11.6 0.5 1.4	0.00 0.0 -1.6 6.9 6.2 2.6 7.0 7.8 -23.9 13.2 13.2 13.2 0.3 1.3	0.00 0.0 -119.8 -71.8 -21.1 8.2 8.4 21.2 -30.3 38.0 38.0 38.0 4.0 -5.5	0.00 0.0 -119.2 -69.8 -17.9 6.7 16.3 34.7 -43.9 100.5 100.5 100.5 3.0 -10.4	0.00 0.0 41.0 -69.5 -11.6 2.5 4.3 13.0 -20.0 -8.9 -8.9 -8.9 -1.7 8.8	0.00 0.0 -36.1 -16.5 -2.2 2.5 4.1 13.0 -17.4 27.2 27.2 27.2 0.1 2.7	0.01 33.0 1.6 -42.5 2.0 2.5 4.0 13.0 -16.9 25.2 25.2 25.2 0.1 3.3

COMPANY DESCRIPTION: Finnair is a network airline established in 1923. The company specializes in passenger and cargo traffic between Asia and Europe 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 growth and profitability improvement which stems from its competitive advantage of operating the transfer traffic between Europe and Asia due to its geographical position and operating a growing cost efficient and eco-friendly modern fleet.

OWNERSHIP STRUCTURE	SHARES	EURm	%
Prime Minister's Office	786,669,685	377.601	56.0%
Varma Mutual Pension Insurance Company	50,081,263	24.039	3.6%
Ilmarinen Mutual Pension Insurance Company	30,000,000	14.400	2.1%
Elo Mutual Pension Insurance Company	14,008,115	6.724	1.0%
The State Pension Fund	11,000,000	5.280	0.8%
Finnairin Henkilöstörahasto Hr.	3,772,902	1.811	0.3%
OP Life Assurance Company Ltd	1,954,798	0.938	0.1%
Finnairin Eläkesäätiö	1,505,262	0.723	0.1%
Finnair Oyj	1,421,133	0.682	0.1%
Mäkitalo Allan Risto Pekka	1,195,547	0.574	0.1%
Ten largest	901,608,705	432.772	64%
Residual	504,355,367	242.091	36%
Total	1,405,964,072	674.863	100%

EARNINGS CALENDAR	
April 27, 2022	Q1 report
July 19, 2022	Q2 report
October 28, 2022	Q3 report
OTHER EVENTS	

COMPANY MISCELLANEOUS	
CEO: Topi Manner	Tietotie 9, 01053 FINNAIR (VANTAA AIRPORT)
CFO: Mika Stirkkinen	Tel: +358 9 818 2780
IR: Erkka Salonen	

### FINNAIR Transportation/Finland, April 21, 2022 Preview

DEFINITIONS

P/E	EPS	
Price per share Earnings per share	Profit before extraord. items and taxes- income taxes + minority interest	
Lannings per snare	Number of shares	
P/BV	DPS	
Price per share	Dividend for the financial period per share	
Shareholders' equity + taxed provisions per share		
Market cap	OCF (Operating cash flow)	
Price per share * Number of shares	EBITDA – Net financial items – Taxes – Increase in working capital – Cash NRIs ± Other adjustments	
	Capital – Cash Nhis I Other aujustments	
EV (Enterprise value)	FCF (Free cash flow)	
Market cap + net debt + minority interest at market value -	Operating cash flow – operative CAPEX – acquisitions + divestments	
share of associated companies at market value	· · · · · · · · · · · · · · · · · · ·	
EV/Sales	FCF yield, %	
Enterprise value	Free cash flow	
Sales	Market cap	
EV/EBITDA	Operative CAPEX/sales	
Enterprise value	Capital expenditure – divestments – acquisitions	
Earnings before interest, tax, depreciation and amortization	Sales	
EV/EBIT	Net working capital	
Enterprise value	Current assets – current liabilities	
Operating profit		
Net debt	Capital employed/Share	
	Capital Chiployed/Share	
Interest bearing debt – financial assets	Total assets – non-interest bearing debt	
	Number of shares	
Total assets	Gearing	
	ocanny	
Balance sheet total	_Net debt_	
	Equity	
Div yield, %	Debt/Equity, %	
	- 4 1. 1.	
_Dividend per share_	Interest bearing debt	
Price per share	Shareholders' equity + minority interest + taxed provisions	
Device the state of	Faulte mate 0/	
Payout ratio, %	Equity ratio, %	
Total dividends		
Earnings before extraordinary items and taxes – income taxes + minority interest	<u>Shareholders' equity + minority interest + taxed provisions</u> Total assets - interest-free loans	
ROCE, %	CAGR, %	
NUCE, %	CAGN, %	
Profit before extraordinary items + interest expenses+ other financial costs Balance sheet total – non-interest bearing debt (average)	Cumulative annual growth rate = Average growth per year	
ROE, %		
Profit before extraordinary items and taxes – income taxes		
Shareholder's equity + minority interest + taxed provisions (average)		

### FINNAIR Transportation/Finland, April 21, 2022 Preview

#### 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. 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 HOLD -10 - (+10) % > 10 % BUY ERP's investment recommendation of the analyzed company is updated at least 2 times per year. 58% 60% 50% 40% 27% 30% 20% 15% 10% 0% Sell Hold Buy

The graph above shows the distribution of ERP's recommendations of companies under coverage in 11th of May 2020. If recommendation is not given, it is not mentioned here.

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

This research report has been prepared by Evli Research Partners Plc ("ERP" or "Evli Research"). ERP is a subsidiary of Evli Bank Plc. Production of the investment recommendation has been concluded on [21.4.2022, 9:30]. This report has been published on [21.4.2022, 9:45].

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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.

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### FINNAIR Transportation/Finland, April 21, 2022 Preview

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