

## No big surprises

Finnair's Q1 results landed very close to estimates. The report does not appear to contain any major surprises as demand continues to improve while Finnair also works on deploying some of its current capacity through leases and sales.

- Q1 revenue was EUR 399.8m, compared to the EUR 396.6m/390.9m Evli/consensus estimates.
- Adjusted EBIT amounted to EUR -132.9m vs the EUR -128.2m/-141.4m Evli/consensus estimates.
- Fuel costs were EUR 137m, compared to our EUR 115m estimate. Staff costs were EUR 102m vs our EUR 89m estimate. All other OPEX+D&A amounted to EUR 310m vs our EUR 333m estimate.
- Cost per Available Seat Kilometer was 7.70 eurocents vs our estimate of 7.59 eurocents.
- Finnair sees Q2'22 adjusted EBIT around the same level as that of Q4'21 (EUR -65m). Finnair expects to deploy, in the summer season of Q2 and Q3 this year, approximately 70% of the ASK it did during the comparison period of 2019. Leases to other airlines will raise the figure to almost 80%. The company also sees Q3 demand to be close to the pre-pandemic times in Europe, North America and South Asia (India, Singapore and Thailand).
- Finnair seeks to find EUR 60m in additional permanent cost savings on top of the already achieved EUR 200m.

Rating <span style="float: right;">■ SELL</span>				
Q1'22	Actual	Evli	Year ago	Q4'21
Revenue	399.8	396.6	113.6	413.5
Adj. EBIT	-132.9	-128.2	-143.2	-65.2
Adj. EBIT-%	-33.2 %	-32.3 %	-126.1 %	-15.8 %
Share price, EUR (Last trading day's closing price)				0.46
Target price, EUR				0.43
Latest change in recommendation				21-Apr-22
Latest report on company				21-Apr-22
Research paid by issuer:				YES
No. of shares outstanding, '000's				1,405,964
No. of shares fully diluted, '000's				1,405,964
Market cap, EURm				647
Free float, %				42.9
Exchange rate EUR/USD				1.07
Reuters code				FIA1S.HE
Bloomberg code				FIA1S FH
Average daily volume, EURm				2.0
Next interim report				27-Apr-22
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■ BUY ■ HOLD ■ SELL

### PRE-REPORT KEY FIGURES

	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	-2.4	0.9	-8.2	42.8	0.00
2023E	2,467.5	47.2	1.9%	-243.9	-0.04	-11.8	0.8	41.3	-37.7	0.00
2024E	2,590.9	155.5	6.0%	-287.0	0.02	20.4	0.9	14.4	-44.4	0.01
Market cap, EURm	647		BV per share 2022E, EUR		377.0		CAGR EPS 2021-24, %		0.0	
Net debt 2022E, EURm	1,162		Price/book 2022E		2.1		CAGR sales 2021-24, %		45.7	
Enterprise value, EURm	1,808		Dividend yield 2022E, %		0.0		ROE 2022E, %		-69.5	
Total assets 2022E, EURm	2,979		Tax rate 2022E, %		20.0		ROCE 2022E, %		-11.6	
Goodwill 2022E, EURm	0		Equity ratio 2022E, %		11.6		PEG, P/E 22/CAGR		0.0	

All the important disclosures can be found on the last pages of this report.

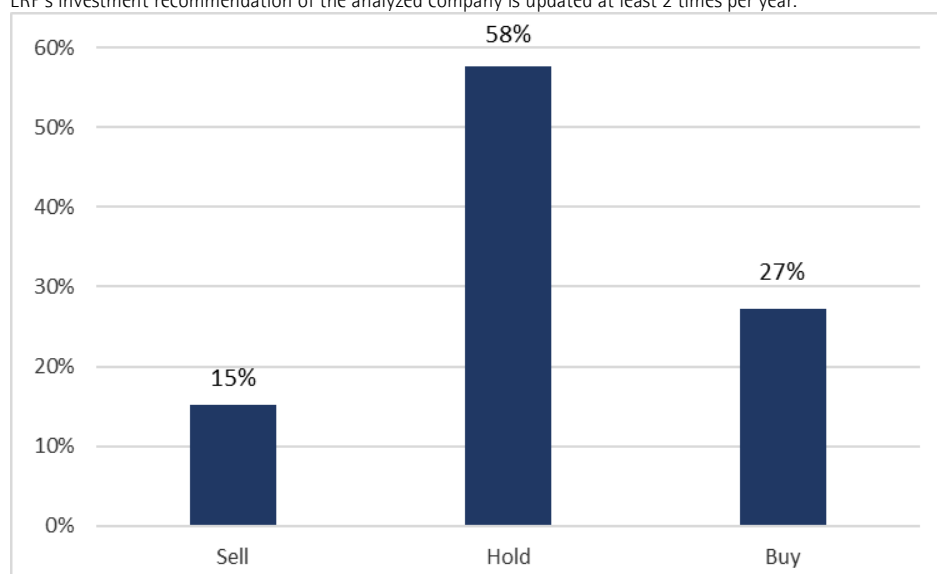
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Target price compared to share price	Recommendation
< -10 %	SELL
-10 – (+10) %	HOLD
> 10 %	BUY

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April 27, 2022

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