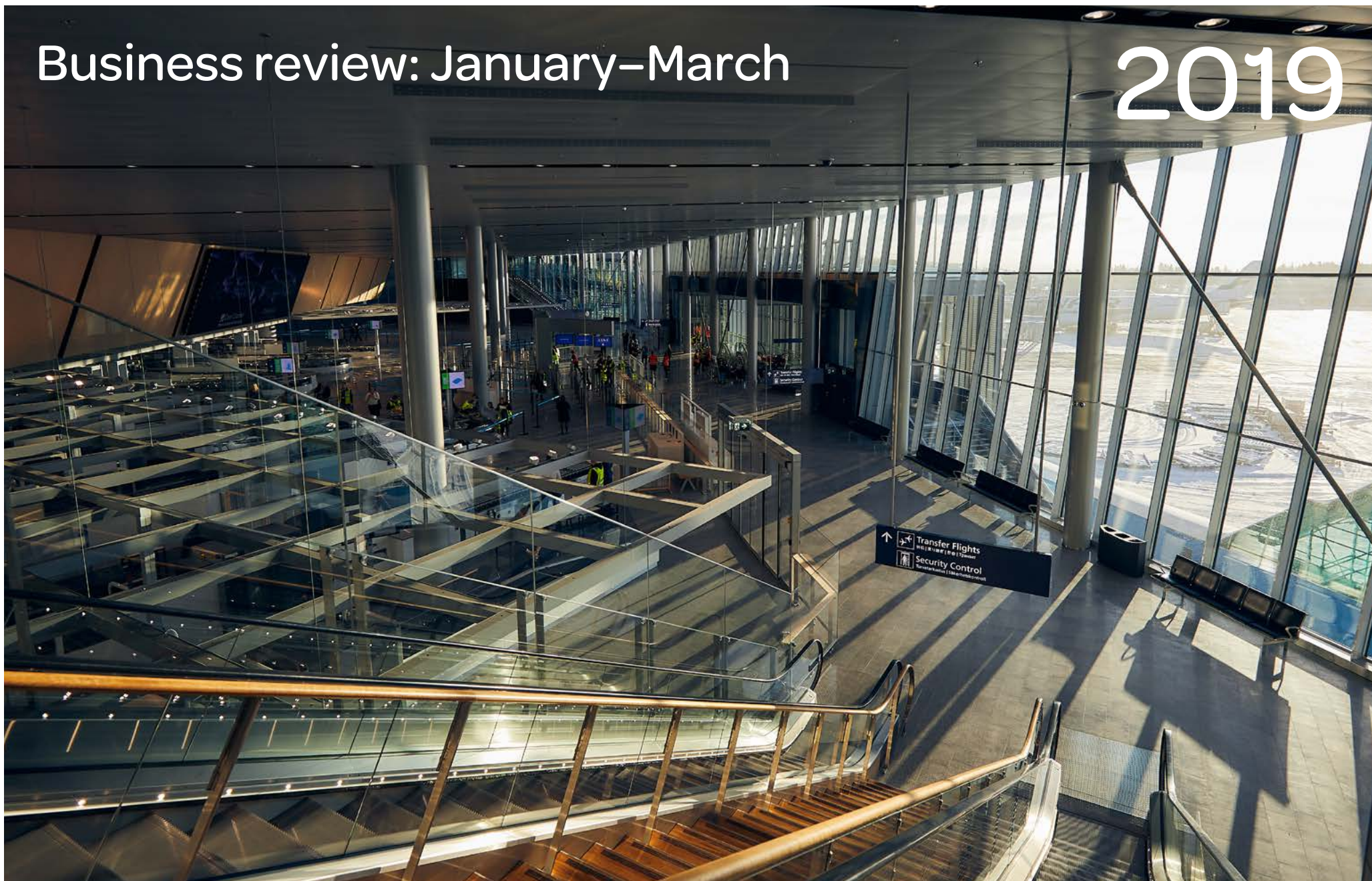


Business review: January–March

2019



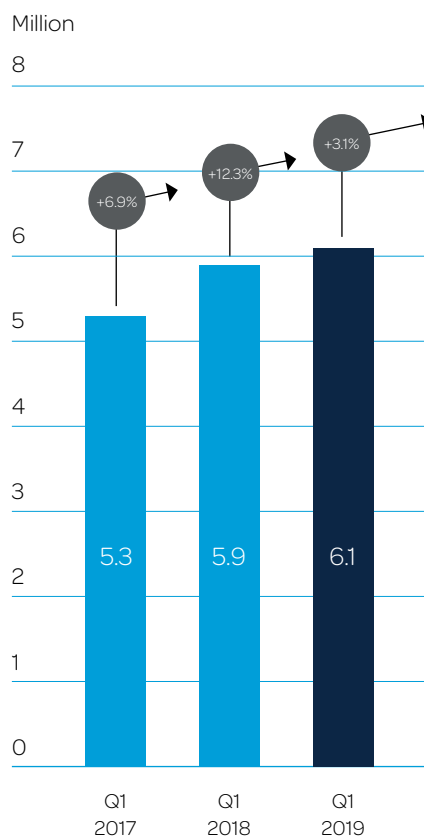
FINAVIA

Finavia's growth evened out in Q1 of 2019

January–March 2019

- The total number of passengers was 6.1 million (5.9), showing a growth of 3.1% compared to the corresponding period in 2018.
- The turnover was EUR 102.3 million (97.5). The turnover rose by 4.9% thanks to the growth in the passenger volume and the increased sales of de-icing fluids.
- The gross margin without non-recurring¹⁾ items was EUR 31.2 million (32.5). The gross margin decreased by 4.3% as a result of rising operating expenses.
- The net operating profit without non-recurring¹⁾ items was EUR 9.5 million (15.4).
- Cash flow-based investments amounted to EUR 58.8 million (32.0).
- Interest-bearing debts amounted to EUR 369.7 million (197.1). New loans worth EUR 50 million were raised during the report period.

Commercial traffic passenger volumes of Finavia airports



Group key figures

	Q1/2019	Q1/2018	Change (%)	2018
Total passenger volume (million passengers)	6.1	5.9	+3.1	25.0
Turnover (EUR million)	102.3	97.5	+4.9	377.3
Net operating profit without non-recurring ¹⁾ items (EUR million)	9.5	15.4	-39.0	61.4
Net operating profit without non-recurring ¹⁾ items (%)	9.2	15.8	-	16.3
Report period result (EUR million)	6.7	14.6	-66.2	45.3
ROE (%)	4.1	15.9 ²⁾	-	7.0
ROI (%)	3.3	15.6 ²⁾	-	6.9
Equity ratio (%)	56.4	66.0	-	58.7
Cashflow-based investments (EUR million)	58.8	32.0	83.9	239.5
Net debt (EUR million)	331.9	174.6	90.1	300.3
Total balance (EUR million)	1,162.3	959.9	20.4	1,133
Average personnel (person-years)	2,375	2,242	5.9	2,186

1) Non-recurring items include the write-downs pertaining to the Helsinki Airport development programme, the effect of new and dismantled extra environmental allocations as well as the profit and result bonuses.

2) The sales of LAK Real Estate shares in 2018 improved the return on equity in Q1/2018.

Kimmo Mäki, CEO:

In the first quarter of 2019, the number of passengers increased by 3.1% in total and a total of 6.1 million passengers were served at Finavia's airports.

The rapid increase in the number of passengers evened out at the turn of the year, and the air traffic returned to a period of normal growth. Passenger volume increased during the first quarter, particularly at Helsinki Airport (by 3.6%, 4.8 million passengers) and the airports in Lapland (by 5.7%, 0.7 million passengers).

Air traffic also continued to grow globally, and travelling developed further. Changes in the operating environment, such as Brexit, the slowing down of economic growth and the grounding of the Boeing 737 MAX 8 and 737 MAX 9 plane types did not have a material effect on flying.

Helsinki Airport's position in air traffic between Asia and Europe continued to strengthen. In the report period, the number of transfer passengers increased by 7.7%. Compared to other Nordic airports, while Helsinki Airport's total passenger volume increased by 3.6% between January and March, the passenger volume of Oslo airport increased by 2.7%, while the passenger volume of Stockholm airport decreased by 3.8%.

During the first quarter, the turnover increased by 4.9% to EUR 102.3 million. The positive trend was primarily affected by the increased number of passengers.

Profitability remained at a sustainable level. The cost structure reflected large investments and the effect of the extension of Terminal 2, such as the dismantling of the P1/P2 car park and the changes to business premises.

The profit (excluding one-time items) decreased as a result of increased write-offs by 39% to EUR 9.5 million.

Finavia has implemented its new strategy for just under a year. The strategic choices that were made have proved to be correct, and they have taken the company closer to its set targets. During the report period, the development programmes

progressed according to plan, the turnover of commercial services remained at a healthy level and the excellent cooperation with airlines continued. To take just one example, three new airlines – Juneyao Air, Tibet Airlines and Air Serbia – all announced new routes to Helsinki Airport.

The cornerstone of the strategy is good customer experience. Despite the massive scale of construction, Finavia was able to keep the customer experience at a good level in the first quarter. As an indication of the good work, ACI (Airports Council International) awarded Helsinki Airport with the award for the best passenger experience in Europe. It is an international ASQ (Airport Service Quality) award in the 15–25 million passenger size category.

Progress of development programmes of Helsinki Airport and airports in Lapland

Finavia's total investment of more than EUR 1.2 billion in Helsinki Airport and the airports in Lapland have progressed according to plan.

For Helsinki Airport, 2019 will be a year of significant deployment and construction. The extension work aimed at increasing the transfer passenger capacity will be finished by the end of the year, and the construction of the Terminal 2 extension will be in full swing. The extension of Terminal 2 started in January with the dismantling of the P1/P2 car park and the reorganisation of vehicular traffic.

The new Aukio terminal area that services non-Schengen passengers was deployed in February as part of the transfer passenger capacity project. Aukio comprises cutting-edge security control, as well as an exciting event square with new digital solutions, shops and restaurants.

The planning of the new north extension that services the non-Schengen and Schengen flight capacity began in the first quarter. Preparations were also made for the deployments taking place later in the year as well as the public transport

changes linked to the extension of Terminal 2.

The Lapland airport development programme will be finished by the end of 2019.

Financial position

The business cash flow in the January–March period was EUR 38.2 million (29.5). The cash flow after investments was EUR -20.5 million (26.1). The cash flow-based investments amounted to EUR 58.8 million (32.0).

At the end of the report period, the Group's interest-bearing debt was EUR 369.7 million (197.1) and interest-bearing net debt was EUR 331.9 million (174.6). Finavia's liquidity was sound, with the cash and bank balance at the end of the report period being EUR 37.8 million (22.5).

At the end of the report period, Finavia had a total of EUR 130 million of unused long-term credit facilities to finance the extension of Helsinki Airport. In addition, Finavia has a EUR 250 million company certificate programme that was unused at the end of the report period.

Outlook for the rest of the year

Finavia estimates the trend to remain positive for the rest of 2019 and the passenger volume to increase from the previous year.

According to Finavia's estimate, the turnover in 2019 will be slightly higher than in 2018. Specifically, as the result of the increased write-offs, the operating result (again, excluding the one-time items) is estimated to remain at a level that is clearly lower than in 2018.

The business report has not been audited.

Finavia Corporation

For additional information, please contact CEO Kimmo Mäki, tel. +358 (0)20 708 2000 or CFO Niclas Köhler, tel. +358 (0)40 342 4420.

Calculation of key figures

Return on investment, %	$\frac{\text{Profit (loss) before year-end allocations and taxes + financing income and expenses}}{\text{Equity + interest-bearing financial liabilities, average of opening and closing balance}}$
Return on equity, %	$\frac{\text{Profit (loss) before year-end allocations and taxes - income taxes from operations}}{\text{Equity + minority interest, average of opening and closing balance}}$
Equity ratio, %	$\frac{\text{Equity + minority interest}}{\text{Balance sheet total - advance payments received}}$
Interest-bearing net liabilities	Interest-bearing debts - Cash and cash equivalents

The term passenger refers to a commercial aviation passenger in this business review.