



2018

Business review January–March

FINAVIA

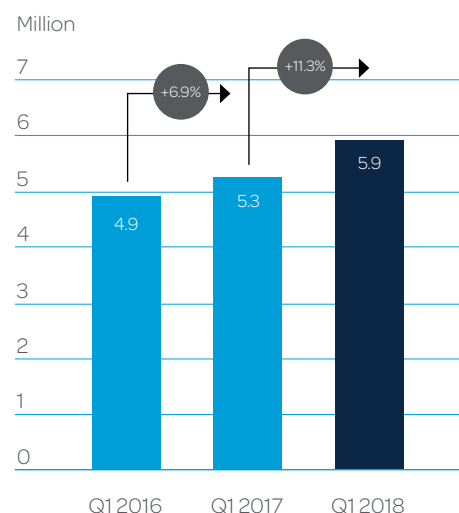
Strong beginning for 2018 supported by passenger volume growth and operating environment

January–March 2018

- Total passenger volume was 5.9 million (5.3), representing an 11.3 per cent growth compared to the corresponding period in 2017.
- Revenues amounted to EUR 97.5 million (102.4). Revenues decreased by 4.8 per cent due to the corporatisation of the air navigation business into Air Navigation Services Finland Oy and the change of LAK Real Estate Oy into an associated company.
- Comparable revenues stood at EUR 97.5 million (85.8), increasing by 13.6 per cent due to good traffic development.
- EBITDA without extraordinary¹⁾ items was EUR 32.5 million (30.0). EBITDA increased due to good traffic development.
- Operating profit without extraordinary¹⁾ items amounted to EUR 15.4 million (12.5).
- Cash flow-based investments were EUR 32.0 million (33.6).
- Interest-bearing debts totalled EUR 197.1 million (264.6). No new loans were taken during the reporting period.

The figures in parenthesis refer to the corresponding period, i.e. the same time period in the previous year, unless otherwise indicated.

Commercial aviation passengers at
Finavia's airports



Group's key figures

	Q1/2018	Q1/2017	Change, %	2017
Total passenger volume, million passengers	5.9	5.3	11.3%	22.7
Revenues, EUR million	97.5	102.4	-4.8%	373.6
Comparable revenues, EUR million	97.5	85.8	13.6%	344.0
Operating profit without extraordinary ¹⁾ items, EUR million	15.4	12.5	23.2%	60.0
Operating profit without extraordinary ¹⁾ items, %	15.8	12.2		16.1
Result for the review period, EUR million	14.6	11.1	31.7%	37.7
Return on equity, %	15.9	7.5		6.2
Return on investments, %	15.6	7.1		6.1
Equity ratio, %	66.0	59.2		58.4
Cash flow-based investments, EUR million	32.0	33.6	-4.8%	181.8
Net debt, EUR million	174.6	234.8	-25.6%	295.7
Balance sheet total, EUR million	959.9	1,007.0	-4.7%	1,074.5
Personnel average, full time equivalent	2,222	2,521	-11.9%	2,172

1) Extraordinary items include write-downs related to the Helsinki Airport development programme, the impacts of new and cancelled environmental provisions and profit and bonus provisions.

CEO Kimmo Mäki:

Finavia got a strong start for 2018. Passenger volume increased by 11.3% during the period under review to 5.9 million passengers. The positive development of the operating environment continued to support the growth in passenger volumes and revenues. The increase in holiday and business travel was influenced by the positive development of the overall economic situation. In addition, Finland as a travel destination, and Lapland in particular, have been discovered internationally. Especially the number of Chinese passengers traveling to Lapland has increased significantly.

The passenger volume at Helsinki Airport increased in the beginning of the year at a faster pace than at other Nordic main airports. During the period under review, the volume of international passengers at Helsinki Airport increased by 13%, while the second fastest-growing point of comparison, Arlanda airport in Stockholm, grew its passenger volume by 4.7%. Transit passenger volume at Helsinki Airport increased by 24.2% during the period under review. The growth in transit passenger volume was driven by, among other things, the expanded Asian connections of Finnair and the continued strong interest airlines are showing in route development to Finland.

Comparable revenues increased during the first quarter by 13.6% to EUR 97.5 million. The positive development was mainly caused by the increased passenger volume. Revenues decreased by 4.8% due to the corporatisation of the air navigation business and the change of LAK Real Estate Oy into an associated company. With the associated company, Finavia can better develop the business of LAK Real Estate Oy in cooperation with new shareholders.

Finavia's profitability improved during the review period. Operating profit without extraordinary items increased by 23.2% to EUR 15.4 million. The profitability improvement was driven by the growth in passenger volume as well as cost control.

It is essential to Finavia that airport services are developed in a customer-centric way. This also applies during the expansion

of Helsinki Airport, with passenger volumes growing at the same time. Helsinki Airport was recognised for its good work in passenger experience development, as it was voted the best airport in Northern Europe in the 2018 SKYTRAX World Airport Awards held in March.

Progress of the Helsinki Airport development programme

For the EUR 900 million development programme at Helsinki Airport, the year 2018 mainly involves execution of ongoing construction projects. At the same time, implementations taking place in 2019 are in preparation.

The ongoing work related to the development programme proceeded well during the first quarter. Preparations for the expansion of Terminal 2 were continued towards a potential investment decision during the review period. No new implementations or investment decisions were made during the first quarter.

Project planning for the expansion of Terminal 2 proceeded as planned during the first quarter.

Financial position

In January–March, cash flow from business operations amounted to EUR 29.5 million (31.3). Cash flow after investments was EUR 26.1 million (1.7). Cash flow-based investments amounted to EUR 32.0 million (33.6).

The Group's interest-bearing debts amounted to EUR 197.1 million (264.6) at the end of the period under review and interest-bearing net liabilities were EUR 174.6 million (234.8). Finavia's liquidity was good with cash and cash equivalents standing amounting to EUR 22.5 million (29.8) at the end of the review period. At the end of the review period, Finavia had a total of EUR 320 million of unutilised long-term credit arrangements for funding the expansion of Helsinki Airport. In addition, Finavia has a EUR 250 million short-term commercial paper programme, which was unutilised at the end of the review period.

Outlook for the rest of the year

Finavia estimates that traffic will develop positively during the remainder of 2018 and total passenger volume will increase from the previous year.

The company estimates that revenues for 2018 will remain at the same level as in 2017 and operating profit without extraordinary items will be somewhat below the level of 2017.

The business review is unaudited.

Finavia Corporation

For more information, please contact
CEO Kimmo Mäki, tel. +358 20 708 2000 and
CFO Niclas Köhler, tel. +358 40 342 4420.

Calculation of key figures

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

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

