

2021



Business review, January–March

FINAVIA

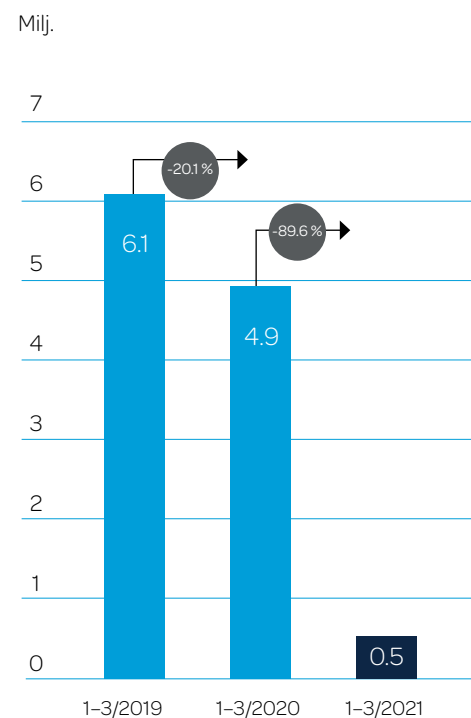
A weak start to the year for Finavia due to the COVID-19 pandemic

January–March 2021

- The total number of passengers was 0.5 million (4.9), showing a decrease of -89.6% compared to January–March 2020.
- Revenues totalled EUR 25.5 (86.7) million, a decrease of -70.6%.
- The operating margin before extraordinary items¹⁾ was EUR -14.8 (21.1) million, a decrease of -170.2%.
- The operating profit before extraordinary items¹⁾ was EUR -40.9 (-3.5) million, a decrease of -1,077.9%.
- Cash flow-based investments totalled EUR 44.3 (64.8) million.
- Interest-bearing liabilities at the end of the review period amounted to EUR 732.0 (564.0) million.
- Finavia did not take out any new long-term loans during the review period.

Unless otherwise stated, the figures in brackets are from the reference period, i.e. the same period in the previous year.

Passenger volumes at Finavia's airports



Group's key figures

	Q1 2021	Q1 2020	Change, %
Total number of passengers, million	0.5	4.9	-89.6
Revenues, EUR million	25.5	86.7	-70.6
Operating margin, EUR million	-15.7	21.1	-174.5
Operating margin, %	-61.6	24.3	
Operating margin before extraordinary items ¹⁾ , EUR million	-14.8	21.1	-170.2
Operating margin before extraordinary items ¹⁾ , %	-58.0	24.3	
Operating profit, EUR million	-41.8	-3.5	-1,094.7
Operating profit, %	-164.0	-4.0	
Operating profit before extraordinary items ¹⁾ , EUR million	-40.9	-3.5	-1,077.9
Operating profit before extraordinary items ¹⁾ , %	-160.5	-4.0	
Profit for the period, EUR million	-43.3	-6.1	-611.7
Return on equity, %	-23.2	-3.6	
Return on investment ²⁾ , %	-11.8	-1.1	
Equity ratio, %	48.8	48.8	
Cash flow-based investments, EUR million	44.3	64.8	-31.7
Net debt	469.1	518.2	-9.5
Balance sheet total, EUR million	1,660.6	1,380.7	20.3
Average personnel, person-years	1,202	2,298	-47.7

¹⁾ Extraordinary items comprise write-downs from the Helsinki Airport development programme, the effects of new and reversed additional environmental provisions as well as profit and performance bonuses.

²⁾ The formula used to calculate return on investment takes into account interest expenses and other financing costs, whereas financial income and financial expenses were taken into account previously. The return on investment shown for the comparison year has been updated to correspond to the calculation formula used in 2020.

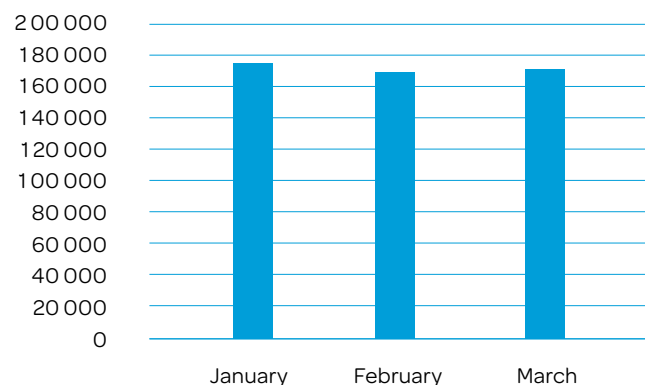
CEO Kimmo Mäki:

The passenger volumes of commercial air traffic at Finavia's airports in January–March 2021 declined by 89.6% year-on-year due to the COVID-19 pandemic. The total number of passengers was 508,038 (4,863,432). In the comparison period, air traffic was at the normal pre-pandemic level during the first two months, January and February 2020.

According to the international airport association ACI Europe, passenger volumes at European airports declined by 77% year-on-year.

The passenger volume of Helsinki Airport declined by 90.6% during the period under review. The total number of passengers was 363,660. International transfer passengers accounted for 23% of the total passenger volume. Air traffic between Asia and Europe, which is vital for Helsinki Airport, was nearly at a standstill.

Passenger volumes January–March 2021



Amongst the other major Nordic airports, passenger volumes fell by 85.2% at Stockholm Arlanda, 91.0% in Copenhagen and 84.1% in Oslo.

A total of 144,378 passengers travelled through the regional network airports in January–March 2021. The passenger volume declined by 85.7%. The state carried out competitive tendering for scheduled flights to five domestic destinations during the review period. As a result, scheduled flights from Helsinki Airport to Joensuu, Jyväskylä, Kokkola-Pietarsaari, Kemi-Tornio and Kajaani will be operated by new airlines starting in May 2021.

Finavia's revenues declined significantly compared to the corresponding period last year. Revenues for January–March 2021 decreased by -70.6% and amounted to EUR 25.5 (86.7) million.

Profitability declined in January–March 2021. The operating margin before extraordinary items declined by -170.2% to EUR -14.8 (21.1) million.

The operating profit before extraordinary items was EUR -40.9 (-3.5) million, a decrease of -1,077.9%. This was attributable to the decline in passenger volumes caused by the COVID-19 pandemic.

In January–March 2021, Finavia selected three key focus areas with the aim of safeguarding the company's financial position, enabling the resumption of air traffic and building the well-being and future of the company's personnel. Finavia also focused on ensuring health security at its airports.

The recovery of the aviation sector will require that the pandemic abates, travel restrictions are lifted and the supply and demand for flights recover. The current travel restrictions in Finland will remain in effect until 30 April 2021, and it is expected that they will be extended until the summer. This would mean that the direct impacts of the pandemic on Finavia's business would continue until the autumn. Global economic development and the general recovery of society will also affect how long the recovery of travel will ultimately take.

Helsinki Airport development programme and investments in regional airports

Finavia's investments in Helsinki Airport, worth over one billion euros in total, continued faster than scheduled in January–March 2021. Construction was under way on the new main entrance of Terminal 2, the new arrival and departure halls and a multimodal travel centre. Extension work on gate area 37–39 also continued. The extension will increase capacity and flexibility for non-Schengen and Schengen flights. Despite the significant scale of construction, Finavia was able to keep the customer experience at a good level.

Finavia decided to invest EUR 5 million in the renovation of Mariehamn Airport. The renovations at the airport in the summer of 2021 include, for example, repaving the runway and the renewal of the runway light system.

Progress was made with Finavia's climate programme towards net zero emissions as zero-carbon district heating was deployed at Rovaniemi Airport. Finavia focuses on increasing the use of renewable energy and improving energy efficiency, as the climate impacts of airports largely arise from the heating of buildings and the energy consumption of vehicles.

Financial position

In the 2021 budget, the Finnish Parliament granted EUR 350 million to be used to ensure Finavia's solvency. In March 2021, Finavia's Extraordinary General Meeting decided to strengthen Finavia's equity by EUR 317.15 million. The capital investment was recognised in its entirety in the company's reserve for invested unrestricted equity. The European Commission approved the decision. The Prime Minister's Office is additionally making preparations for granting a capital loan of EUR 33 million to Finavia later in 2021.

Cash flow from operations amounted to EUR -12.6 (36.0) million in January–March. Cash flow after investments was EUR -58.3 (-28.4) million. Cash flow-based investments totalled EUR 44.3 (64.8) million.

Finavia's liquidity was sound, with cash and cash equivalents amounting to EUR 262.9 (45.7) million at the end of the period under review. The Group's interest-bearing liabilities totalled EUR 732.0 (564.0) million and interest-bearing net liabilities EUR 469.1 (518.2) million at the end of the period.

Finavia did not take out any new long-term loans in January–March. At the end of March, Finavia had EUR 75 million in unused long-term credit facilities to finance the Helsinki Airport expansion project. In addition, Finavia has a EUR 250 million commercial paper programme that was unused at the end of March. Finavia also has a revolving credit facility of EUR 125 million, which was not in use at the end of the review period.

Outlook for 2021

The outlook for 2021 is uncertain. Forecasts indicate that air traffic will increase slightly compared to 2020.

The company expects its revenues for 2021 to be at the same level as in 2020. This expectation is based on the current view of the development of air traffic. The operating result excluding extraordinary items is estimated to be at the same level as in 2020 while remaining negative by a very clear margin.

The business review is unaudited.

Finavia Corporation

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

Calculation of key figures

Return on investment, %	$\frac{\text{Profit (loss) before year-end allocations and taxes + interest and other financial expenses}}{\text{Equity + interest-bearing financial liabilities, average of opening and closing balance}}$
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