



2018

Business review January–June

FINAVIA

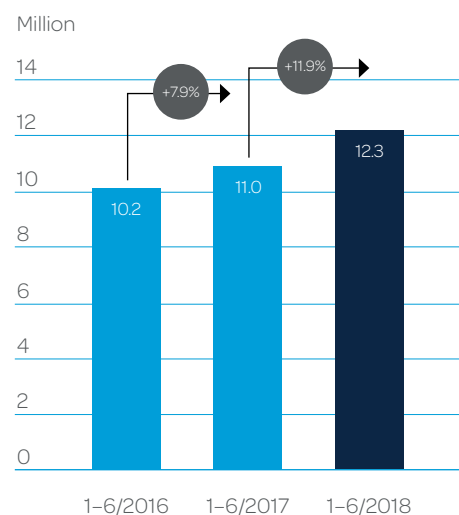
Strong growth of passenger volumes continued during the first half-year

January–June 2018

- Total passenger volume was 12.3 million (11.0), representing an increase of 11.9 per cent compared to the first half of 2017.
- Comparable revenues amounted to EUR 187.8 million (168.5), showing an 11.4 per cent increase due to good traffic development.
- Revenues stood at EUR 187.8 million (189.3). Revenues decreased by 0.8 per cent due to the removal of the air navigation business from the Group and to the change of LAK Real Estate Oy into an associated company.
- EBITDA without extraordinary¹⁾ items was EUR 67.6 million (62.3). EBITDA improved due to good traffic development.
- Operating profit without extraordinary¹⁾ items was EUR 33.2 million (29.0).
- Cash flow-based investments amounted to EUR 85.3 million (76.1).
- Interest-bearing debts totalled EUR 263.2 million (258.1) at the end of the review period. During the review period, EUR 70.0 million of new long-term debt was drawn.

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 airports



Group's key figures

	1-6/2018	1-6/2017	Change, %	2017
Total passenger volume, million passengers	12.3	11.0	11.9%	22.7
Revenues, EUR million	187.8	189.3	-0.8%	373.6
Comparable revenues, EUR million	187.8	168.5	11.4%	344.0
Operating profit without extraordinary ¹⁾ items, EUR million	33.2	29.0	14.4%	60.0
Operating profit without extraordinary ¹⁾ items, %	17.7	15.3		16.1
Result for the review period, EUR million	27.2	21.4	26.8%	37.7
Return on equity, %	11.8	7.2		6.2
Return on investments, %	10.6	6.7		6.1
Equity ratio, %	61.5	61.1		58.4
Cash flow-based investments, EUR million	85.3	76.1	12.1%	181.8
Net debt, EUR million	199.4	239.2	-16.6%	295.7
Balance sheet total, EUR million	1,048.8	993.2	5.6%	1,074.5
Personnel average, full time equivalent	2,124	2,271	-6.5%	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:

The year 2018 continued strong for Finavia. The passenger volume at Finavia's airports increased by 11.9% during the first half of the year; passenger volume reached 12.3 million, which is 1.3 million more than in the corresponding period last year. The strong economic situation and global trends continued to support the growth of passenger volumes and revenues. The clear growth in passenger volume was particularly driven by the positive development of transit travel between Asia and Central Europe. Interest towards Lapland continued strong well into the spring.

International traffic increased faster at Helsinki Airport during the first half-year than at other main airports in the Nordic countries. The number of international passengers at Helsinki Airport during the first half-year was 10.1 million, showing an increase of 12.5%. Correspondingly, Copenhagen reached a growth of 3.3% and Stockholm 3.2%. The number of transit passengers at Helsinki Airport increased during the review period by as much as 23.9%. The strong growth of Helsinki Airport stems from new routes and increased capacity on existing routes.

Comparable revenues increased in January–June by 11.4%, amounting to EUR 187.8 million and showing the strong growth in passenger volume. Profitability improved quite well during the first half of the year. Operating profit without extraordinary items increased by 14.4% to EUR 33.2 million. The growth of passenger volume simultaneously with successful cost structure control can be seen in the positive profitability development of the first half of the year.

As for the remainder of the year, the operating environment seems to remain stable and the passenger volumes of Finavia's airports for the whole year are expected to increase. As development projects proceed and traffic volumes grow, Finavia focuses particularly on first-rate customer experience and on upholding its record-breaking customer satisfaction level.

Helsinki Airport development programme and other investments

The ongoing projects related to the development programme proceeded well during the first half of the year.

Project planning of the expansion of Terminal 2 continued as planned during the second quarter. The goal is to begin construction of the new departure and arrival halls at the end of 2018. The new building is scheduled to be completed in 2022. With the expansion of Terminal 2, the investment in the development programme amounts to more than one billion euros in total.

During the spring, the updating of the general plan of Helsinki Airport commenced. The plan draws up guidelines for the development of the airport until 2040.

In addition to Helsinki Airport, Finavia invests in its airport network. During the second quarter, Finavia decided on an EUR 55 million investment programme concerning its airports in Lapland. Rovaniemi, Kittilä and Ivalo airports will be substantially expanded, and more services will be offered to correspond to growing passenger volumes. The expansions are estimated to be completed by the end of 2019.

The largest development and renovation programme in the history of the Tampere-Pirkkala airport commenced in April. The EUR 15 million project includes renovation and expansion of the infrastructure required by the airport.

Financial position

In January–June, cash flow from business operations was EUR 57.9 million (56.0). Cash flow after investments amounted to EUR 1.3 million (-11.0). Cash flow-based investments totalled EUR 85.3 million (76.1).

Finavia's liquidity was good with cash and cash equivalents amounting to EUR 63.8 million (18.9) at the end of the review period.

The Group's interest-bearing debts amounted to EUR 263.2 million (258.1) at the end of the review period and interest-bearing net liabilities stood at EUR 199.4 million (239.2). During the review period, EUR 70.0 million of new long-term debt was drawn.

At the end of the review period, Finavia had a total of EUR 250 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

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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.

