

Flash Note

CEE | Equity Research

ENTER AIR (ENT PW; BUY; TP PLN 76.0)**1Q26 results: adjusted earnings under pressure from maintenance and overhaul schedule [neutral]**

PLNm	1Q25	2Q25	3Q25	4Q25	1Q26	Y/Y	Q/Q	1Q26E	Cons.
Revenues	465	790	1,168	529	482	4%	-9%	493	535
EBITDA	43	174	348	2	40	-6%	+	44	43
Adj. EBITDA*	49	181	343	10	39	-19%	+	44	
EBIT	-33	93	172	-89	-51	-	-	-28	-40
Adj. EBIT*	-33	92	168	-81	-52	-	-	-28	
Net financial result	74	93	-50	-16	-142	-	-	-105	
Net profit	27	161	109	-74	-159	-	-	-108	-101
Adj. Net profit*	-47	84	98	-51	-42	-	-	-50	
OCF	-30	296	309	-12	-74	-	-		
FCF	-125	173	145	-158	-149	-	-		
Net debt	1,811	1,686	1,810	1,824	2,202	22%	21%		
EBITDA margin	9.2%	22.0%	29.8%	0.4%	8.3%	-1pp	8pp		8.1%
Adj. EBITDA margin	10.5%	22.9%	29.3%	1.9%	8.2%	-2pp	6pp		
EBIT margin	-	11.7%	14.7%	-	-	-	-		-
Adj. EBIT margin	-	11.7%	14.4%	-	-	-	-		-
Net profit margin	5.8%	20.3%	9.3%	-	-	-	-		-
Adj. Net profit margin	-	10.6%	8.4%	-	-	-	-		-
P/E12M trailing	6.2	3.4	4.5	4.3	25.6				
Adj. P/E12M trailing	8.3	6.5	8.6	11.4	10.7				
EV/EBITDA 12M trailing	5.1	4.7	4.1	4.9	5.6				
Adj. EV/EBITDA 12M trailing	5.0	4.5	4.1	4.8	5.5				

Source: Company, Trigon. Note: (*) adjusted for unrealized FX and financial derivatives

#CEO commentary

- „We do not see any material impact of geopolitical turbulence on the execution of the summer programme“;
- „Importantly, contrary to some market concerns, fuel has remained and continues to remain available, and aircraft are operating as scheduled“;
- „We are operationally prepared for the season: we have a larger fleet, a contracted flight programme, and flexibility that allows us to respond quickly to tour operator demand“.

Comment: Adj. EBITDA in 1Q came in below both consensus and our expectations, while adj. net profit was above expectations. Reported net profit was burdened by unrealised negative FX differences on the valuation of lease liabilities (-PLN 71m) and an unrealised loss on the valuation of jet fuel hedging instruments (-PLN 46m). Both items were excluded in the calculation of adjusted earnings. The latter item requires additional commentary from management.

#Volumes. The company reported a 9% y/y increase in the number of completed operations. The appreciation of the PLN against the USD had an adverse effect on reported revenue growth in 1Q, given that contracts are predominantly denominated in USD. At the same time, in USD terms, revenues increased by 14% y/y, implying a mid-single-digit increase in the average price per completed operation.

For the summer season, the group guides for a fleet of 40 operating aircraft (+14% y/y). Contracting with the four largest clients increased by 18% y/y.

#OPEX ex fuel. Operating costs excluding fuel increased by 21% y/y in 1Q. This was mainly driven by third-party services costs (+24% y/y, approx. two-thirds of total OPEX), reflecting the schedule of maintenance and overhaul works ahead of the high season. Additionally, c. 3 p.p. of growth was attributable to significantly higher de-icing costs y/y.

Depreciation and personnel costs both grew at around 20% y/y. Profitability in 1Q was negatively impacted by a c. 9% y/y decline in the average USD/PLN exchange rate, given the group's long FX position (revenues largely in USD, costs also in EUR and PLN).

A key item reducing total cost growth in 1Q was the realised gain on fuel hedging (PLN 51m), which offset rising spot prices.

#BS & CF. OCF came in materially weaker y/y, mainly due to higher NWC requirements, particularly in receivables and trade payables, which requires further explanation from the company.

To summarize, reported 1Q results were under pressure from FX and the valuation of fuel hedging instruments. Additionally, the quarter fell in the low season, while being affected by the fleet maintenance schedule ahead of the summer season and revenue recognition from contracts signed in the previous commercial cycle (2H24), the final phase of which coincided with peak cost pressure despite indexation clauses in contracts.

From 2Q onwards, Enter Air executes sales based on a new commercial cycle. We do not identify a need for a material revision of adjusted earnings for this year. Demand from tour operators remains solid, although market growth is slowing compared to the past three years. In our view, the company should be able to leverage the challenges in the charter services market into market share gains. (Grzegorz Kujawski)

PLNm	2023	2024	2025	2026E	2027E	2028E
Revenues	2,626	2,926	2,952	3,338	3,623	3,892
adj. EBITDA	425	531	583	704	788	863
adj. EBIT	167	223	142	244	261	280
adj. Net profit	82	65	83	116	130	144
adj. EPS (PLN)	4.7	3.7	4.7	6.6	7.4	8.2
adj. P/E (x)	11.6	14.6	11.4	8.2	7.3	6.6
adj. EV/EBITDA (x)	5.2	5.1	4.8	4.6	4.2	4.1
FCFF Yield (%)	2.3%	14.1%	3.8%	5.1%	9.6%	10.4%
DY (%)	0.0%	8.1%	5.6%	5.8%	6.4%	6.7%

Source: Company, Trigon

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