Flash Note

CEE | Equity Research

Enter Air (Buy; PLN 68)

2Q25 Results Review: EBIT above expectations, FCF under pressure from higher lease payments [slightly positive]

PLNm	2Q24	3Q24	4Q24	1Q25	2Q25	Y/Y	Q/Q	2Q25E	Cons.
Revenues	**773**	**1,188**	**573**	**465**	**790**	**2%**	**70%**	**783**	**763**
Fuel related costs	-249	-390	-198	-194	-234	-6%	21%	-236	
Outsourced services	-328	-485	-196	-183	-316	-4%	73%	-324	
Other cash operating costs	-44	-55	-38	-49	-58	34%	20%	-55	
EBITDA	152	257	140	40	182	20%	353%	168	165
Adj. EBITDA*	**150**	**257**	**128**	**46**	**189**	**26%**	**307%**	**173**	
EBIT	88	181	18	-36	100	15%	-	90	86
Adj. EBIT*	**86**	**180**	**6**	**-30**	**108**	**25%**	**-**	**95**	
Net profit	40	186	-96	27	161	301%	493%	145	140
Adj. Net profit*	**55**	**140**	**-24**	**-45**	**77**	**40%**	**-**	**60**	
OCF	296	274	5	-30	296	0%	-		
FCF	184	175	-137	-125	173	-6%	-		
Net debt	1,510	1,512	1,777	1,811	1,686	12%	-7%		
EBITDA margin	19.7%	21.7%	24.5%	8.6%	23.0%	3.3pp	14.4pp	21.4%	21.5%
Adj. EBITDA margin	19.5%	21.6%	22.4%	10.0%	23.9%	4.4pp	13.9pp	22.0%	
EBIT margin	11.3%	15.2%	3.2%	-	12.7%	1.4pp	-	11.5%	11.2%
Adj. EBIT margin	11.1%	15.2%	1.1%	-	13.6%	2.5pp	-	12.2%	
Net profit margin	5.2%	15.6%	-	5.8%	20.3%	15.2pp	14.5pp	18.5%	18.3%
Adj. Net profit margin	7.1%	11.7%	-	-	9.8%	2.6pp	-	7.7%	
P/E12M trailing	9.8	4.2	14.7	6.1	3.5				
Adj. P/E12M trailing	16.6	8.4	8.9	7.7	6.6				
EV/EBITDA 12M trailing	5.9	5.1	4.7	4.7	4.3				
Adj. EV/EBITDA 12M trailing	5.7	5.1	4.8	4.8	4.3				

Source: Company, Trigon, PAP consensus (median). Note: (*) adjusted for one-offs including FX.

 # 2Q25 results

- Revenues increased by 2% y/y to PLN 790m, broadly in line with our forecasts and 3% above consensus.
- Fuel and energy costs decreased by 6% y/y, driven by lower fuel prices (–17% y/y) and a weaker USD/PLN (–6% y/y).
- Outsourced services costs declined by 4% y/y, mainly due to a lower number of ACMI-leased aircraft (2 vs. 4 in 2Q24).
- Depreciation rose by 26% y/y, reflecting a growing fleet and a higher share of more expensive B737 MAX aircraft (27% vs. 24% a year ago).
- At the operating level, the company also reported a negative FX impact of PLN –8m.
- Adjusted EBIT came in at PLN 108m (+25% y/y), 13% ahead of our estimates.
- On financials, Enter Air booked a positive FX impact of PLN 103m (vs. PLN –19m a year ago), related to a 7% q/q depreciation of the USD/PLN.
- Excluding this effect and IRS valuation, net financial result stood at PLN –23m (vs. PLN –24m a year ago).
- The equity-accounted profit contribution from Chair rose to PLN 9.4m (vs. PLN 6.4m a year ago).
- Adjusted net profit reached PLN 77m, 28% above our forecasts.

 # Cash Flow & Fleet

- OCF was stable y/y at PLN 296m, with a slightly lower working capital contribution (+PLN 131m vs. +PLN 143m a year ago).
- FCF decreased by 6% y/y to PLN 173m due to higher lease payments (PLN 116m vs. PLN 87m a year ago), despite lower capex (PLN 7m vs. PLN 25m a year ago).
- Net debt declined by 7% q/q to PLN 1.69bn, with ND/EBITDA improving to 2.7x from 3.1x at end-March.
- At the end of 2Q, the fleet included 33 owned aircraft (+3 q/q), comprising 9 B737 MAX and 24 B737 NG. In late September, the first of six ordered MAX aircraft was delivered.

Comment: *We view the results as slightly positive. On the P&L side, the company delivered a strong rebound in adjusted EBIT (+25% y/y; 13% above forecasts), mainly supported by lower ACMI usage (2 vs. 4 in 2Q24) and q/q fuel price decline, which provides short-term profits. On the cash flow side, the picture is less favorable: OCF remained flat y/y, while FCF decreased by 6% y/y due to higher lease payments, although the ND/EBITDA ratio improved to 2.7x from 3.1x q/q. Looking ahead, we expect 3Q25 (results due Nov 27) to be burdened by a one-off cost related to the redemption of purchased CO2 allowances (which we estimate at around PLN 60m), resulting in lower EBIT y/y. In the medium term, key factors remain the pace of fleet expansion and contract negotiations with tour operators, which determine earnings visibility. Enter Air continues to benefit from a structural cost advantage over peers, stable relations with leading tour operators, and rising demand for package tourism. In the coming months, potential catalysts for the stock (besides results) include announcements of new contracts for the 2026 season, which we expect in December. Our latest forecasts (LINK) for 2026 imply EV/EBITDA of 4.5x and P/E of 8.5x.* ***(Volodymyr Shkuropat 695 850 063)***

ENT: financial forecasts

PLNm	2022	2023	2024	2025E	2026E	2027E
Revenues	2,256	2,626	2,926	2,984	3,297	3,654
adj. EBITDA	396	424	569	608	709	790
EBIT	226	166	261	187	256	267
adj. Net profit	109	81	109	80	117	124
adj. EPS (PLN)	6.2	4.6	6.2	4.6	6.6	7.1
adj. P/E (x)	9.1	12.3	9.1	12.4	8.5	8.0
adj. EV/EBITDA (x)	5.5	5.3	4.9	4.8	4.5	4.0
P/BV (x)	6.2	2.8	2.9	2.6	2.4	2.2
FCF yield (%)	7.9%	2.4%	15.2%	0.7%	10.2%	10.8%
DY (%)	-	-	7.8%	5.3%	5.6%	6.1%

Source: Company, Trigon. Note: adjusted for one-offs incl. FX.

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