

Icelandair Group hf. - Forecast 2026-2035 and valuation as of 1 Jan 2026

Amounts are in USD thousand / % Consolidated basis	Actual 31/12/2021	Actual 31/12/2022	Actual 31/12/2023	Actual 31/12/2024	Actual 31/12/2025	Forecast 31/12/2026	Forecast 31/12/2027	Forecast 31/12/2028	Forecast 31/12/2029	Forecast 31/12/2030	Forecast 31/12/2031	Forecast 31/12/2032	Forecast 31/12/2033	Forecast 31/12/2034	Forecast 31/12/2035
Statement of Comprehensive Income															
Operating revenue	584,913	1,265,118	1,523,569	1,570,607	1,740,886	1,845,339	1,956,060	2,053,862	2,156,556	2,264,383	2,377,603	2,496,483	2,621,307	2,752,372	2,889,991
Operating expenses	-607,716	-1,127,392	-1,367,105	-1,430,751	-1,584,312	-1,630,106	-1,708,352	-1,772,314	-1,850,146	-1,931,332	-2,027,898	-2,129,293	-2,235,758	-2,347,546	-2,464,923
Operating profit before D&A (EBITDA)	-22,803	137,726	156,464	139,856	156,574	215,233	247,707	281,549	306,409	333,051	349,704	367,189	385,549	404,826	425,067
Depreciation and amortisation	-113,136	-118,875	-135,477	-154,067	-173,813	-178,326	-189,026	-199,394	-209,364	-219,832	-230,824	-242,365	-254,483	-267,208	-280,568
Fair value changes of investment properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit (loss) (EBIT)	-135,939	18,851	20,987	-14,211	-17,239	36,907	58,682	82,154	97,045	113,219	118,880	124,824	131,065	137,619	144,500
Finance income	13,242	8,846	27,308	31,501	41,673	21,611	21,107	19,287	20,155	21,021	21,938	22,915	23,983	25,129	26,329
Finance cost	-12,597	-33,175	-40,962	-42,770	-48,399	-52,416	-55,873	-53,085	-52,678	-51,203	-49,522	-49,092	-49,613	-50,147	-50,643
Gain on sale of associate/subsidiary	5,235	5,657	456	673	3,605	4,439	4,599	4,765	4,936	5,114	5,298	5,489	5,686	5,891	6,103
Profit (loss) before tax and OCI	-130,059	179	7,789	-24,807	-20,360	10,541	28,515	53,122	69,458	88,151	96,594	104,135	111,122	118,492	126,289
Income tax	25,263	-5,998	3,380	4,638	10,833	-1,220	-4,783	-9,671	-12,904	-16,607	-18,259	-19,729	-21,087	-22,520	-24,037
Other comprehensive income (loss)	13,371	-14,326	3,478	9	25,034	0	0	0	0	0	0	0	0	0	0
Total comprehensive income (loss)	-91,425	-20,145	14,647	-20,160	15,507	9,321	23,732	43,450	56,554	71,544	78,335	84,406	90,035	95,972	102,252
Operating revenue, chg. in %	34.9%	116.3%	20.4%	3.1%	10.8%	6.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
EBITDA %	-3.9%	10.9%	10.3%	8.9%	9.0%	11.7%	12.7%	13.7%	14.2%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Depreciation and amortisation %	17.4%	15.8%	15.1%	15.9%	16.7%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%
EBIT %	-23.2%	1.5%	1.4%	-0.9%	-1.0%	2.0%	3.0%	4.0%	4.5%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Interest rate on loans 1)	4.3%	5.8%	6.6%	6.5%	7.0%	7.0%	7.0%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
Return on equity (ROE) 2)	-33.5%	-7.8%	5.4%	-7.0%	5.7%	3.3%	8.0%	13.6%	15.6%	17.1%	16.7%	16.3%	15.9%	15.4%	15.0%
Financial Position															
Non-current assets	762,927	964,925	1,070,599	1,194,339	1,286,959	1,353,850	1,423,695	1,480,156	1,536,671	1,592,933	1,641,101	1,721,395	1,805,680	1,894,156	1,987,030
Current assets	408,632	446,248	457,077	462,380	576,775	557,878	591,398	618,393	646,687	675,781	706,663	739,614	775,336	812,753	852,011
Total assets	1,171,559	1,411,173	1,527,676	1,656,719	1,863,734	1,911,728	2,015,093	2,098,549	2,183,358	2,268,713	2,347,764	2,461,009	2,581,015	2,706,908	2,839,041
Equity	222,384	273,386	288,347	269,067	286,422	295,629	319,239	362,558	418,971	490,365	540,072	593,132	649,392	709,336	773,185
Non-current liabilities	457,565	537,903	593,509	663,058	746,622	789,536	818,985	821,219	809,944	783,791	770,177	783,944	796,147	808,200	819,969
Current liabilities	491,610	599,884	645,820	724,594	830,690	826,563	876,869	914,772	954,443	994,558	1,037,515	1,083,932	1,135,476	1,189,372	1,245,887
Total equity and liabilities	1,171,559	1,411,173	1,527,676	1,656,719	1,863,734	1,911,728	2,015,093	2,098,549	2,183,358	2,268,713	2,347,764	2,461,009	2,581,015	2,706,908	2,839,041
OpRev / OA (incl. ROU; incl. IA; excl. GW)	0.90	1.48	1.63	1.57	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
Inv. in OA, ROU & IA (excl. GW), net	108,522	326,935	214,723	217,370	255,998	243,250	257,845	260,185	273,195	286,854	301,197	316,257	332,070	348,673	366,107
Cash & cash equiv. / current liabilities	0.53	0.44	0.42	0.35	0.44	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Interest bearing liabilities (incl. leases)	521,839	597,872	638,580	670,858	716,923	780,675	815,696	817,681	803,193	772,270	751,488	759,041	767,524	775,446	782,802
Dividend / owners' total comp. income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Equity ratio	19.0%	19.4%	18.9%	16.2%	15.4%	15.5%	15.8%	17.3%	19.2%	21.6%	23.0%	24.1%	25.2%	26.2%	27.2%
Valuation - ISK															
Wtd. avg. shares (m)	31,606	38,807	41,120	41,120	41,120	41,120	41,120	41,120	41,120	41,120	41,120	41,120	41,120	41,120	41,120
Total comp. income - owners (thousand USD)	-90,928	-23,260	14,204	-20,551	15,704	9,036	23,427	43,123	56,203	71,168	77,932	83,974	89,572	95,475	101,720
Owners' equity at year end (thousand USD)	224,622	272,509	287,070	267,399	284,051	293,087	316,514	359,637	415,840	487,008	536,473	589,275	645,257	704,904	768,433
USD / ISK	130	142	136	138	125	125	125	125	125	125	125	125	125	125	125
Total comp. income - owners (million ISK)	-11,855	-3,304	1,935	-2,840	1,966	1,131	2,933	5,399	7,037	8,910	9,757	10,514	11,214	11,954	12,735
Dividend paid (million ISK)	0	0	0	0	0	0	0	0	0	0	3,564	3,903	4,205	4,486	4,781
Owners' equity at year end (million ISK)	29,286	38,707	39,099	36,955	35,563	36,695	39,628	45,027	52,063	60,973	67,166	73,777	80,786	88,254	96,208
EPS (including OCI)	-0.38	-0.09	0.05	-0.07	0.05	0.03	0.07	0.13	0.17	0.22	0.24	0.26	0.27	0.29	0.31
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.09	0.10	0.11	0.12
BPS	0.81	0.94	0.95	0.90	0.86	0.89	0.96	1.09	1.27	1.48	1.63	1.79	1.96	2.15	2.34
Value sensitivity	Avg. change in OpRev, 2026-2035		Residual earnings ...		-0.04	-0.06	-0.02	0.03	0.06	0.09	0.09	0.09	0.09	0.09	0.10
per share	3.2% 5.2% 7.2%		Discount rate		10.0%	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.59
Avg. EBIT 2026-2035	2.4% 0.49 0.56 0.66		Present value of RE ..		-0.05	-0.01	0.03	0.04	0.06	0.05	0.05	0.05	0.04	0.04	0.04
	4.4% 1.50 1.77 2.10		Total PV of RE		0.27										
	6.4% 2.52 2.98 3.54		PV of CV		0.64										
			BV per share 1.1.2026		0.86										
			PV per share		1.77	Value per share on 1.1.2026 in ISK, USD 1 = ISK 125									
			Outstanding shares ..		41,120	million									
			Equity value		72,944	Equity value on 1.1.2026 (ISK million)									
			Continuing value (CV): RE 2035 x (1 + 5%) / (10% - 5%) =		1.65										
			Perpetuity growth rate		4.0%										
Key figures	2021-2025	2026-2035													
OpRev chg.	32.0%	5.2%													
EBITDA ...	7.0%	14.0%													
EBIT	-4.5%	4.4%													
Avg. ROE ..	-7.4%	13.7%													

1) Interest rate on loans = Finance expenses ÷ [(Interest-bearing liabilities 1 Jan + 31 Dec) / 2]

2) ROE = Total comprehensive income ÷ [Equity at 1 Jan - (9/12 × Dividends) ± (6/12 × Other changes)]