

Eva Airways (2618.TW/2618 TT)

1Q25 earnings missed

Neutral • Maintained

Price as of May 13 (NT\$)	43.75
12M target price (NT\$)	40.00
Previous target price (NT\$)	43.00
Revised down (%)	7.0
Downside (%)	8.6

Key message

- 1Q25 EPS came in at NT\$1.1, missing our forecast.
- 2025-26F passenger and cargo revenue revised down.
- Earnings will be hindered by forex losses, despite lower fuel costs, due to NT-dollar appreciation.

Trading data

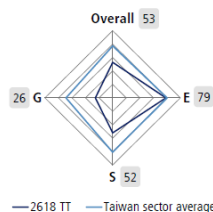
Mkt cap (NT\$bn/US\$mn)	236.3 / 7,780
Outstanding shares (mn)	5,400
Foreign ownership (mn)	1,209
3M avg. daily trading (mn)	28.75
52-week trading range (NT\$)	30.70 -47.70

Performance	3M	6M	12M
Absolute (%)	0.3	9.8	20.2
Relative (%)	9.2	16.5	17.9

Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2024	0.87A	1.44A	1.66A	1.39A
2025	1.10F	0.88F	0.88F	0.81F
2026	0.71F	0.46F	0.67F	0.56F

ESG score card



Source: Refinitiv, KGI securities

Event

1Q25 consolidated revenue arrived at NT\$54.9bn, up 5.8% YoY, and net profit totaled NT\$5.9bn, up 26% YoY, for EPS of NT\$1.1.

Impact

1Q25 earnings missed. 1Q25 consolidated revenue rose 5.8% YoY, slightly missing our forecast. Passenger revenue fell by 0.3% YoY, for a decline in RPK in three consecutive quarters. However, cargo revenue surged by 26% YoY on rising cargo prices during the peak season. As the decline in oil prices was limited, while the 1Q25 increase in variable passenger costs was higher than expected, earnings came in at NT\$5.9bn, up 26% YoY, for EPS of NT\$1.1, missing our forecast of NT\$1.31.

2025-26F passenger & cargo revenue revised down. We revise down our passenger and cargo revenue forecasts for 2025-26. For the passenger unit, as RPK has declined for three consecutive quarters, we revise down 2025-26F passenger revenue to declines of 2.3% YoY and 2% YoY, respectively. For the cargo unit, over 60% of revenue comes from shipments to the US. A contraction in e-commerce shipments to the US will result in lower cargo prices and volume. We accordingly revise down 2025-26F cargo revenue to declines of 3.6% YoY and 12.3% YoY, respectively.

Forex losses despite lower fuel costs, due to NT-dollar appreciation. We revise down Eva Airways' 2025-26F consolidated revenue to declines of 2.4% YoY and 3.7% YoY, respectively. As fuel costs have been slashed by NT-dollar appreciation and falling jet fuel prices, we estimate 2025-26F fuel costs will decrease by 10% YoY and 4.4% YoY, respectively, offsetting rising variable passenger costs. However, as Eva Airways' financial report indicates that each NT 1% appreciation of the NT dollar versus the US dollar will result in approximately NT\$200mn of pre-tax losses, we estimate 2025 forex losses of NT\$1.8bn. We accordingly revise down 2025-26F net profit to NT\$19.8bn and NT\$12.9bn, respectively, down 32% YoY and 35% YoY. We forecast 2025-26 revised EPS of NT\$3.68 and NT\$2.4, respectively.

Valuation & Action

Eva Airways will face lower sales and forex losses, despite fuel cost reductions from NT-dollar appreciation. We maintain our investment rating of Neutral, but revise down our one-year target price to NT\$40, based on 2025F PB of 1.6x.

Risks

Oil price downtrend and higher-than-expected NT-dollar appreciation.

Key financials and valuations

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (NT\$mn)	138,069	200,357	221,009	215,699	207,639
Gross profit (NT\$mn)	19,712	43,277	54,022	44,792	34,271
Operating profit (NT\$mn)	9,798	29,566	38,682	29,364	19,071
Net profit (NT\$mn)	7,091	21,594	29,007	19,847	12,946
EPS (NT\$)	1.34	4.01	5.37	3.68	2.40
Cash DPS (NT\$)	0.80	1.80	2.40	1.65	1.08
EPS growth (%)	2.3	199.5	33.8	(31.6)	(34.8)
PE (x)	32.6	10.9	8.1	11.9	18.3
PB (x)	2.7	2.2	1.9	1.8	1.7
EV/EBITDA (x)	6.3	3.8	3.2	3.5	4.0
Net debt to equity (%)	9.3	Net cash	Net cash	Net cash	Net cash
Dividend yield (%)	1.8	4.1	5.5	3.8	2.5
Return on average equity (%)	8.2	22.2	25.2	15.4	9.4

Source: Company data; KGI Research estimates

Figure 1: Breakdown of 1Q25 results & 2Q25 forecast revisions

NT\$m	1Q25					2Q25F				
	Actual	KGI forecast	Diff. (%)	QoQ (%)	YoY (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)
Sales	54,944	56,003	(1.9)	(2.9)	5.8	53,623	54,212	(1.1)	(2.4)	(3.2)
Gross profits	12,579	13,428	(6.3)	(12.3)	20.8	11,790	11,329	4.1	(6.3)	(13.4)
Operating income	8,351	9,628	(13.3)	(13.7)	25.5	8,140	8,729	(6.7)	(2.5)	(19.2)
Net income	5,930	7,048	(15.9)	(21.2)	25.8	4,774	6,405	(25.5)	(19.5)	(38.7)
EPS (NT\$)	1.10	1.31	(15.9)	(21.2)	25.8	0.88	1.19	(25.5)	(19.5)	(38.7)
Gross margin (%)	22.9	24.0	(1.1)ppts	(2.5)ppts	2.8 ppts	22.0	20.9	1.1 ppts	(0.9)ppts	(2.6)ppts
OP margin (%)	15.2	17.2	(2.0)ppts	(1.9)ppts	2.4 ppts	15.2	16.1	(0.9)ppts	(0.0)ppts	(3.0)ppts
Net margin (%)	10.8	12.6	(1.8)ppts	(2.5)ppts	1.7 ppts	8.9	11.8	(2.9)ppts	(1.9)ppts	(5.2)ppts

Source: KGI Research

Figure 2: Breakdown of 2025-26 forecast revisions

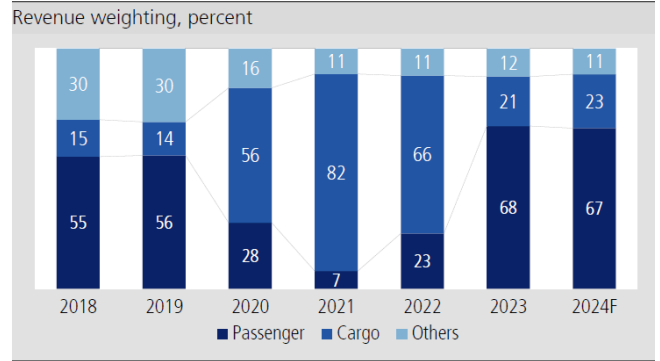
NT\$m	2025F				2026F			
	Revision	Previous	Chg. (%)	YoY (%)	Revision	Previous	Chg. (%)	YoY (%)
Sales	215,699	220,408	(2.1)	(2.4)	207,639	215,189	(3.5)	(3.7)
Gross profit	44,792	48,041	(6.8)	(17.1)	34,271	40,621	(15.6)	(23.5)
Operating income	29,364	34,291	(14.4)	(24.1)	19,071	26,621	(28.4)	(35.1)
Net income	19,847	25,244	(21.4)	(31.6)	12,946	19,466	(33.5)	(34.8)
EPS (NT\$)	3.68	4.67	(21.4)	(31.6)	2.40	3.60	(33.5)	(34.8)
Gross margin (%)	20.8	21.8	(1.0)ppts	(3.7)ppts	16.5	18.9	(2.4)ppts	(4.3)ppts
OP margin (%)	13.6	15.6	(1.9)ppts	(3.9)ppts	9.2	12.4	(3.2)ppts	(4.4)ppts
Net margin (%)	9.2	11.5	(2.3)ppts	(3.9)ppts	6.2	9.0	(2.8)ppts	(3.0)ppts

Source: KGI Research

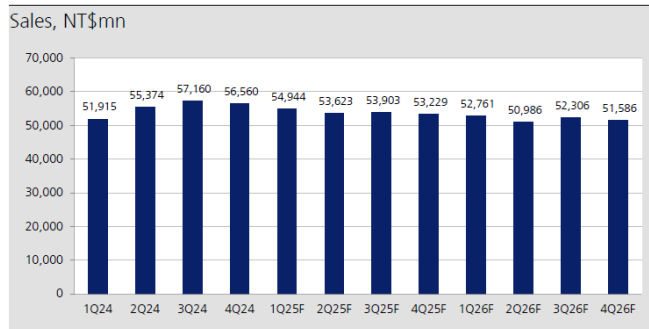
Figure 3: Company profile

Founded in 1989, Eva Airways is the second largest airline in Taiwan, with a fleet of 87 aircraft (78 for passenger transport and nine for cargo transport) serving 62 cities in Asia, Australia, Europe, and the Americas. The company has formed strategic alliances with all major airlines in the world, resulting in a comprehensive passenger and cargo flight network. In 2020, with passenger flights cut significantly due to the pandemic, Eva Airway's 2024 sales mix was passenger transport 66% and cargo 24%.

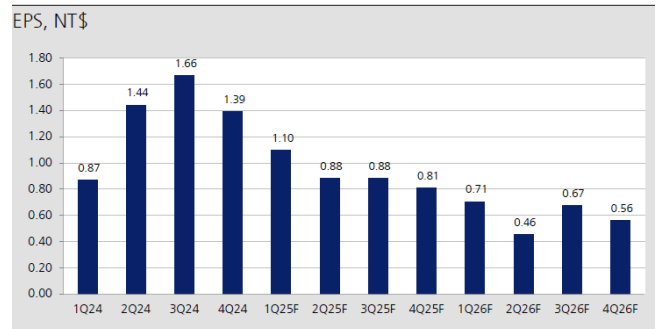
Source: KGI Research

Figure 4: Cargo revenue weighting rose in 2024


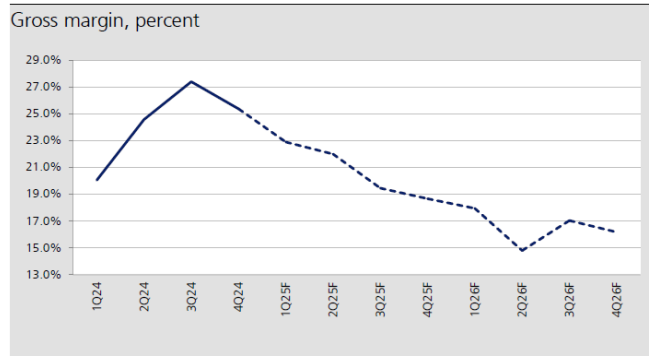
Source: KGI Research

Figure 5: Sales


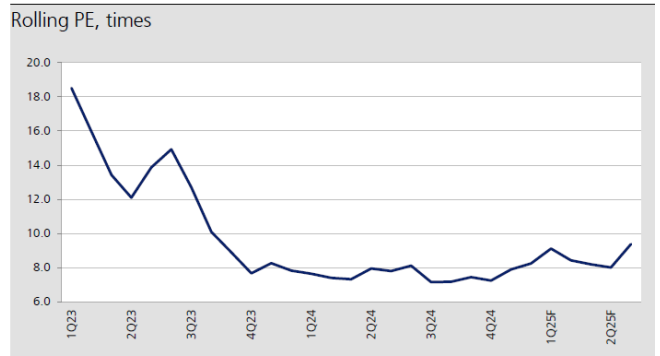
Source: KGI Research

Figure 6: EPS


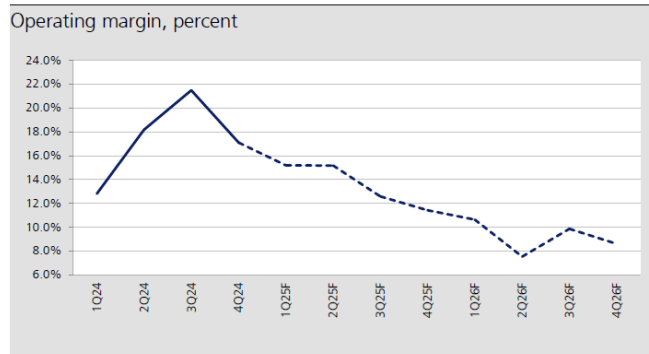
Source: KGI Research

Figure 7: Gross Margin


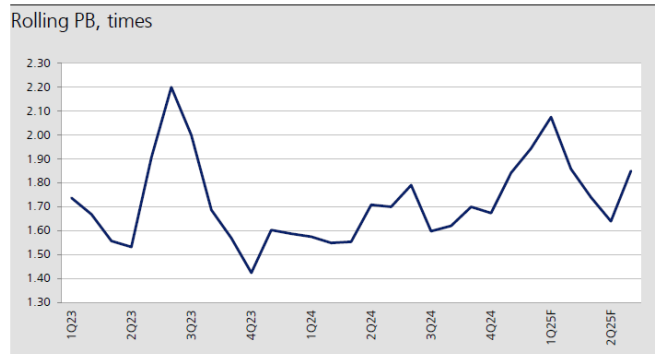
Source: KGI Research

Figure 8: Rolling PE


Source: KGI Research

Figure 9: Operating Margin


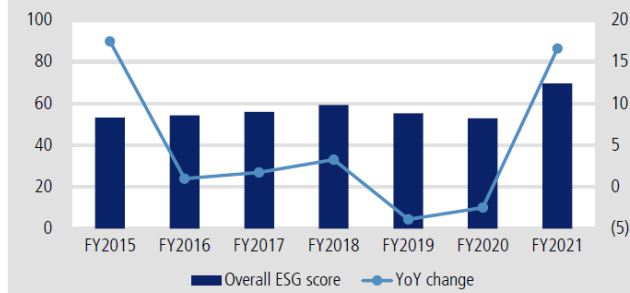
Source: KGI Research

Figure 10: Rolling PB


Source: KGI Research

Figure 11: Overall ESG score

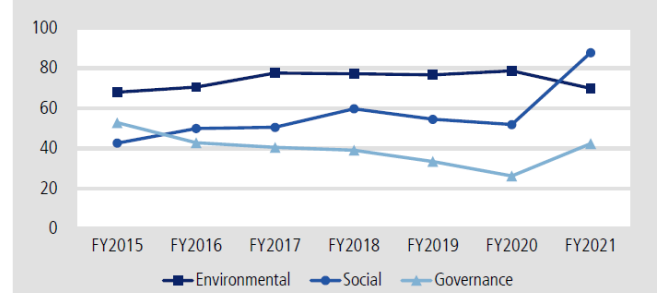
ESG score (LHS); YoY change (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 12: ESG scores

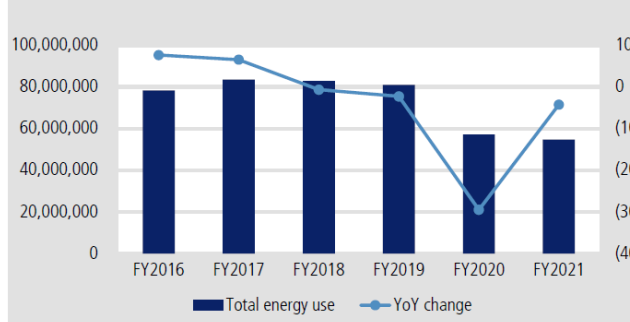
ESG score



Source: Refinitiv; KGI Research; Company data

Figure 13: Energy use

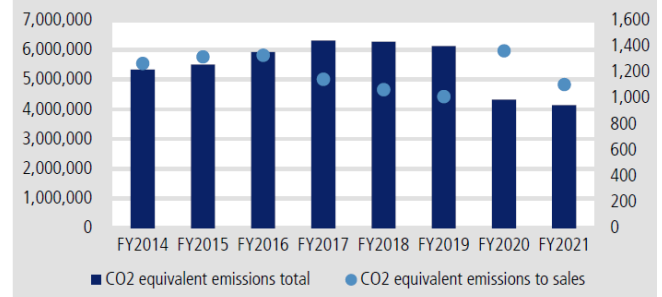
Energy use, gigajoules; YoY change, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 14: CO2 equivalent emissions

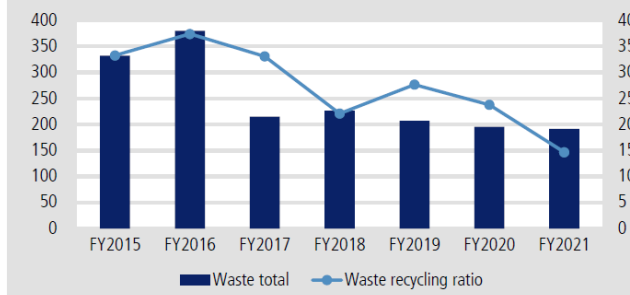
CO2 equivalent emissions, metric tons; emissions to revenue, metric tons per US\$mn



Source: Refinitiv; KGI Research; Company data

Figure 15: Waste total

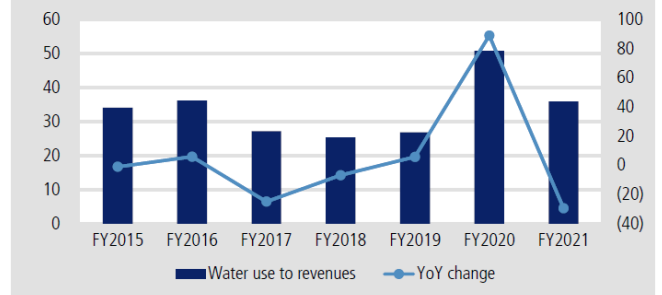
Waste total, metric tons; waste recycling ratio, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 16: Water use to revenue

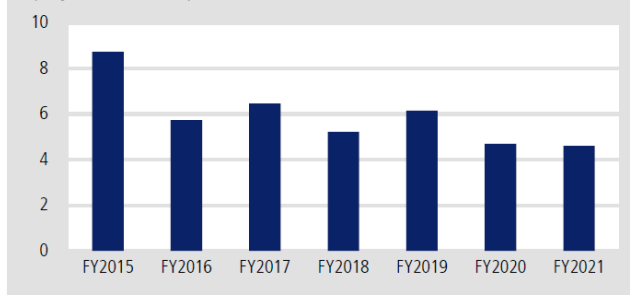
Waste total, metric tons; waste recycling ratio, percent (RHS)



Source: Refinitiv; KGI Research; Company data

Figure 17: Employee turnover

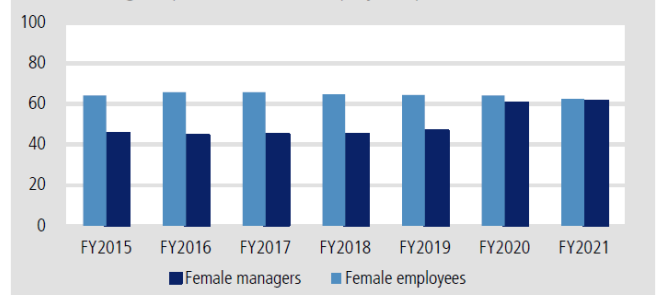
Employees turnover, percent



Source: Refinitiv; KGI Research; Company data

Figure 18: Gender diversification

Female managers, percent; Female employees, percent (RHS)



Source: Refinitiv; KGI Research; Company data

ESG chart definition

Item	Definition	Remarks
Energy use	<p>Total direct and indirect energy consumption in gigajoules.</p> <ul style="list-style-type: none"> - the total amount of energy that has been consumed within the boundaries of the company's operations - total energy use = total direct energy consumption + indirect energy consumption - purchased energy and produced energy are included in total energy use - for utilities, transmission/ grid loss as part of its business activities is considered as total energy consumed and data does not consider electricity produced to answer energy use (utility company produces to sell) - for utilities, raw materials such as coal, gas or nuclear used in the production of energy are not considered under 'total energy use' 	
Renewable energy purchased	<p>Total primary renewable energy purchased in gigajoules.</p> <ul style="list-style-type: none"> - energy consumed by the company from various sources and among the purchased energy, how much energy is renewable in nature (solar, wind, hydro, biomass, geothermal) are in scope - if there is no evidence that renewable energy is produced by the company, then we consider the reported energy figure as renewable energy purchased 	
Renewable energy use ratio	Renewable energy to total energy used	
CO2 equivalent emissions	<p>Direct CO2 and CO2 equivalent emissions in metric tons.</p> <ul style="list-style-type: none"> - direct emissions from sources that are owned or controlled by the company (scope 1 emissions) - following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) 	
CO2 equivalent emissions to sales	<p>Direct CO2 and CO2 equivalent emissions (metric tons) to sales (NT\$mn)</p> <ul style="list-style-type: none"> - direct emissions from sources that are owned or controlled by the company (scope 1 emissions) - following gases are relevant: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorinated compound (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3) 	
Waste total	<p>Total amount of waste produced in metric tons.</p> <ul style="list-style-type: none"> - total waste = non-hazardous waste + hazardous waste - only solid waste is taken into consideration, exceptionally if liquid waste is reported in metric tons, then we do the summation to derive total including liquid waste - for sectors like mining, oil & gas, waste generation like tailings, waste rock, coal and fly ash are also considered 	
Waste recycling ratio	<p>The waste recycling ratio as reported by the company.</p> <ul style="list-style-type: none"> - waste recycling ratio = waste recycled/total waste*100 - waste to energy or waste incinerated with energy recovery are considered as waste recycled - waste recovered via composting is considered as recycled waste 	
Water withdrawal total	<p>Total water withdrawal in cubic meters.</p> <ul style="list-style-type: none"> - the total volume of water withdrawn from any water source that was either withdrawn directly by the reporting organization or through intermediaries such as water utilities - different sources of water like wells, town/utility/municipal water, river water, and surface water are considered 	
Environmental expenditures	<p>Total amount of environmental expenditures.</p> <ul style="list-style-type: none"> - all environmental investment & expenditures for environmental protection or to prevent, reduce, control environmental aspects, impacts, and hazards. It also includes disposal, treatment, sanitation, and clean-up expenditures 	
Turnover of employees	<p>Percentage of employee turnover.</p> <ul style="list-style-type: none"> - includes employees who left the company for any reason (voluntary or involuntary), such as resignations, retirement, natural departure/death, medical incapacitation, redundancy, layoffs, restructuring, dismissal, retrenchment or end of a fixed-term contract - employees turnover rate = (employees leaving/average number of employees)*100 - where the average number of employees = (employees at the end of the current year + employees at the end of the previous year)/2 - employees at the end of the current fiscal year = employees at the end of the previous fiscal year + new employees - employees leaving 	
Women managers	<p>Percentage of women managers.</p> <ul style="list-style-type: none"> - percentage of women managers among total managers of the company - if there is a breakdown by category in percentage, such as top, senior, middle, and junior management, then we consider the percentage of middle women managers - percentage of women managers = number of women managers/total number of managers*100 	
Women employees	<p>Percentage of women employees.</p> <ul style="list-style-type: none"> - percentage of women employees to the total number of employees of the company - percentage of women employees = number of women/total number of employees*100 	
Training hours total	<p>Total training hours performed by all employees.</p> <ul style="list-style-type: none"> - consider only employee training hours - includes all types of training given to general employees (such as health & safety, environmental, emergency response, skills & career development training) - if the value is given in days, multiply by 8, assuming that 1 day = 8 hours worked 	
Training hours per employee	Training hours per employee per year	

Source: Refinitiv, KGI Research

Income statement

	Quarterly								Annually		
	Mar-25F	Jun-25F	Sep-25F	Dec-25F	Mar-26F	Jun-26F	Sep-26F	Dec-26F	Dec-24A	Dec-25F	Dec-26F
Income statement (NT\$mn)											
Revenue	54,944	53,623	53,903	53,229	52,761	50,986	52,306	51,586	221,009	215,699	207,639
Cost of goods sold	(42,365)	(41,833)	(43,417)	(43,292)	(43,292)	(43,442)	(43,392)	(43,242)	(166,987)	(170,907)	(173,368)
Gross profit	12,579	11,790	10,486	9,937	9,469	7,544	8,914	8,344	54,022	44,792	34,271
Operating expenses	(4,228)	(3,650)	(3,700)	(3,850)	(3,850)	(3,700)	(3,750)	(3,900)	(15,340)	(15,428)	(15,200)
Operating profit	8,351	8,140	6,786	6,087	5,619	3,844	5,164	4,444	38,682	29,364	19,071
Depreciation of fixed assets	(8,387)	(8,387)	(8,387)	(8,387)	(9,094)	(9,094)	(9,094)	(9,094)	(28,311)	(33,547)	(36,376)
Amortisation of intangible assets	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(65)	(238)	(259)	(259)
EBITDA	16,803	16,592	15,238	14,538	14,778	13,003	14,323	13,603	67,230	63,170	55,706
Interest income	700	710	710	710	750	750	750	750	2,623	2,830	3,000
Investment income	47	103	113	75	48	107	117	80	73	338	352
Other non-op income	11	11	11	11	12	12	12	12	47	44	48
Non-operating income	758	824	834	796	810	869	879	842	2,743	3,212	3,400
Interest expense	(930)	(930)	(930)	(930)	(940)	(940)	(940)	(940)	(3,650)	(3,720)	(3,760)
Investment loss	-	-	-	-	-	-	-	-	(201)	-	-
Other non-op expenses	(256)	(1,500)	(300)	(50)	(100)	(100)	(100)	(100)	815	(2,106)	(400)
Non-operating expenses	(1,186)	(2,430)	(1,230)	(980)	(1,040)	(1,040)	(1,040)	(1,040)	(3,036)	(5,826)	(4,160)
Pre-tax profit	7,923	6,534	6,390	5,903	5,389	3,673	5,003	4,246	38,388	26,750	18,311
Current taxation	(1,598)	(1,307)	(1,278)	(1,181)	(1,078)	(735)	(1,001)	(849)	(7,972)	(5,363)	(3,662)
Minorities	(395)	(453)	(353)	(338)	(501)	(476)	(371)	(354)	(1,409)	(1,540)	(1,703)
Normalised net profit	5,930	4,774	4,759	4,384	3,810	2,462	3,631	3,042	29,007	19,847	12,946
Extraordinary items	-	-	-	-	-	-	-	-	-	-	-
Net profit	5,930	4,774	4,759	4,384	3,810	2,462	3,631	3,042	29,007	19,847	12,946
EPS (NT\$)	1.10	0.88	0.88	0.81	0.71	0.46	0.67	0.56	5.37	3.68	2.40
Margins (%)											
Gross profit margin	22.9	22.0	19.5	18.7	17.9	14.8	17.0	16.2	24.4	20.8	16.5
Operating margin	15.2	15.2	12.6	11.4	10.6	7.5	9.9	8.6	17.5	13.6	9.2
EBITDA margin	30.6	30.9	28.3	27.3	28.0	25.5	27.4	26.4	30.4	29.3	26.8
Pretax profit margin	14.4	12.2	11.9	11.1	10.2	7.2	9.6	8.2	17.4	12.4	8.8
Net profit margin	10.8	8.9	8.8	8.2	7.2	4.8	6.9	5.9	13.1	9.2	6.2
Sequential growth (%)											
Revenue growth	(2.9)	(2.4)	0.5	(1.3)	(0.9)	(3.4)	2.6	(1.4)			
Gross profit growth	(12.3)	(6.3)	(11.1)	(5.2)	(4.7)	(20.3)	18.2	(6.4)			
Operating profit growth	(13.7)	(2.5)	(16.6)	(10.3)	(7.7)	(31.6)	34.3	(13.9)			
EBITDA growth	1.4	(1.3)	(8.2)	(4.6)	1.6	(12.0)	10.1	(5.0)			
Pretax profit growth	(20.1)	(17.5)	(2.2)	(7.6)	(8.7)	(31.8)	36.2	(15.1)			
Net profit growth	(21.2)	(19.5)	(0.3)	(7.9)	(13.1)	(35.4)	47.5	(16.2)			
YoY growth (%)											
Revenue growth	5.8	(3.2)	(5.7)	(5.9)	(4.0)	(4.9)	(3.0)	(3.1)	10.3	(2.4)	(3.7)
Gross profit growth	20.8	(13.4)	(33.0)	(30.7)	(24.7)	(36.0)	(15.0)	(16.0)	24.8	(17.1)	(23.5)
Operating profit growth	25.5	(19.2)	(44.8)	(37.1)	(32.7)	(52.8)	(23.9)	(27.0)	30.8	(24.1)	(35.1)
EBITDA growth	19.5	(4.0)	(21.1)	(12.3)	(12.1)	(21.6)	(6.0)	(6.4)	13.7	(6.0)	(11.8)
Pretax profit growth	22.3	(36.3)	(45.6)	(40.5)	(32.0)	(43.8)	(21.7)	(28.1)	33.1	(30.3)	(31.5)
Net profit growth	25.8	(38.7)	(47.0)	(41.7)	(35.7)	(48.4)	(23.7)	(30.6)	34.3	(31.6)	(34.8)

Source: Company data; KGI Research estimates

Balance sheet

NTSmn	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Total assets	319,532	330,182	353,684	347,824	340,351
Current assets	84,727	86,586	96,044	98,223	101,385
Cash & ST securities	69,257	68,849	76,781	70,535	73,770
Inventory	3,676	-	-	-	-
Accounts receivable	10,421	11,939	12,895	20,684	19,911
Other current assets	1,372	5,799	6,367	7,004	7,705
Non-current assets	234,805	243,596	257,640	249,601	238,966
LT investments	5,894	6,448	6,154	6,419	6,694
Net fixed assets	123,604	135,812	142,767	132,220	118,844
Other assets	105,307	101,336	108,720	110,962	113,428
Total liabilities	223,292	213,162	221,940	203,623	187,328
Current liabilities	77,623	86,279	84,291	75,746	69,101
Accounts payable	8,530	10,218	7,649	7,850	7,963
Interest bearing ST liabilities	14,255	8,447	9,439	8,523	8,407
Other current liabilities	54,838	67,613	67,203	59,372	52,732
Non-current liabilities	145,669	126,884	137,649	127,877	118,226
Long-term debt	62,064	40,231	41,717	41,133	39,750
Other L-T liabilities	79,419	82,641	91,869	82,682	74,414
Total equity	96,240	117,020	131,745	144,201	153,024
Share capital	53,602	54,004	54,004	54,004	54,004
Retained earnings reserve	-	33,421	51,470	62,386	69,506
Minority interests	8,303	10,036	8,542	10,082	11,786
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Growth					
Revenue growth	32.9%	45.1%	10.3%	(2.4%)	(3.7%)
Operating profit growth	(5.4%)	201.8%	30.8%	(24.1%)	(35.1%)
EBITDA growth	1.3%	50.5%	13.7%	(6.0%)	(11.8%)
Net profit growth	7.3%	204.5%	34.3%	(31.6%)	(34.8%)
EPS growth	2.3%	199.5%	33.8%	(31.6%)	(34.8%)
Profitability					
Gross profit margin	14.3%	21.6%	24.4%	20.8%	16.5%
Operating margin	7.1%	14.8%	17.5%	13.6%	9.2%
EBITDA margin	28.5%	29.5%	30.4%	29.3%	26.8%
Net profit margin	5.1%	10.8%	13.1%	9.2%	6.2%
Return on average assets	2.2%	6.6%	8.5%	5.7%	3.8%
Return on average equity	8.2%	22.2%	25.2%	15.4%	9.4%
Stability					
Gross debt to equity	79.3%	41.6%	38.8%	34.4%	31.5%
Net debt to equity	9.3%	Net cash	Net cash	Net cash	Net cash
Interest coverage (x)	3.5	9.3	11.5	8.2	5.9
Interest & ST debt coverage (x)	0.2	0.7	0.7	0.7	0.5
Cash flow interest coverage(x)	16.6	19.7	15.9	11.1	12.2
Cash flow/int. & ST debt (x)	3.5	5.7	4.4	3.4	3.8
Current ratio (x)	1.1	1.0	1.1	1.3	1.5
Quick ratio (x)	1.0	1.0	1.1	1.3	1.5
Net debt (NT\$mn)	8,909	(18,127)	(23,322)	(18,576)	(23,311)
Per share data					
EPS (NT\$)	1.34	4.01	5.37	3.68	2.40
CFPS (NT\$)	11.93	12.68	10.75	7.66	8.51
BVPS (NT\$)	16.41	19.81	22.81	24.83	26.15
Adj BVPS (NT\$)	16.62	19.88	22.81	24.83	26.15
SPS (NT\$)	26.09	37.24	40.92	39.94	38.45
EBITDA/share (NT\$)	7.43	10.99	12.45	11.70	10.32
Cash DPS (NT\$)	0.80	1.80	2.40	1.65	1.08
Activity					
Sales / avg assets	0.43	0.62	0.65	0.61	0.60
Days receivable	27.5	21.7	21.4	35.0	35.0
Days inventory	11.3	-	-	-	-
Days payable	26.3	23.7	16.8	16.8	16.8
Cash cycle	12.6	(2.0)	4.6	18.2	18.2

Source: Company data; KGI Research estimates

Profit & loss

NTSmn	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue	138,069	200,357	221,009	215,699	207,639
Cost of goods sold	(118,357)	(157,080)	(166,987)	(170,907)	(173,368)
Gross profit	19,712	43,277	54,022	44,792	34,271
Operating expenses	(9,914)	(13,711)	(15,340)	(15,428)	(15,200)
Operating profit	9,798	29,566	38,682	29,364	19,071
Non-operating income	1,346	2,797	2,743	3,212	3,400
Interest income	-	2,346	2,623	2,830	3,000
Investment income	206	405	73	338	352
Other non-op income	1,141	46	47	44	48
Non-operating expenses	(1,676)	(3,523)	(3,036)	(5,826)	(4,160)
Interest expense	(3,795)	(3,469)	(3,650)	(3,720)	(3,760)
Investment loss	-	-	(201)	-	-
Other non-op expenses	2,119	(54)	815	(2,106)	(400)
Pre-tax profit	9,469	28,840	38,388	26,750	18,311
Current taxation	(1,645)	(5,737)	(7,972)	(5,363)	(3,662)
Minorities	(732)	(1,509)	(1,409)	(1,540)	(1,703)
Extraordinary items	-	(0)	0	-	-
Net profit	7,091	21,594	29,007	19,847	12,946
EBITDA	39,296	59,123	67,230	63,170	55,706
EPS (NT\$)	1.34	4.01	5.37	3.68	2.40

Cash flow

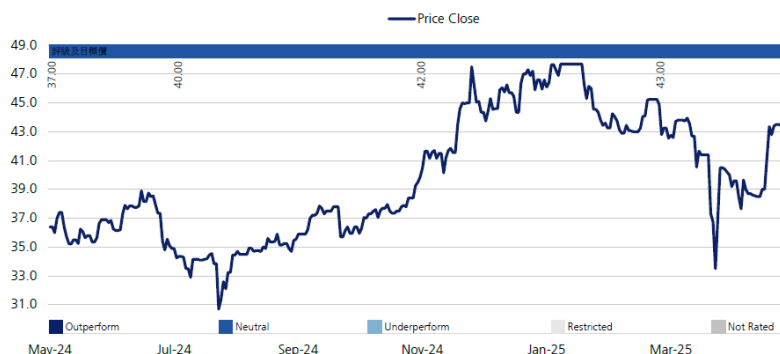
NTSmn	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Operations cash flow	63,152	68,205	58,051	41,363	45,957
Net profit	7,091	21,594	29,007	19,847	12,946
Depreciation & amortisation	29,498	29,557	28,549	33,806	36,635
Decrease in working capital	2,994	(347)	(3,941)	(12,025)	(3,349)
Other operating cash flow	23,569	17,400	4,436	(265)	(275)
Investing cash flow	958	(21,834)	(23,722)	(25,501)	(25,726)
Sale of ST investment	2,416	(187)	(248)	-	-
New investments	76	-	-	0	0
Capital expenditure	(3,605)	(23,003)	(27,039)	(23,000)	(23,000)
Others investing cashflow	2,070	1,355	3,564	(2,501)	(2,726)
Free cash flow	36,652	29,599	27,980	21,999	25,283
Financing cash flow	(44,979)	(46,979)	(26,678)	(22,108)	(16,996)
Increase in short term debt	300	(80)	(40)	-	-
Increase in long term loans	(27,564)	(26,843)	2,518	(1,500)	(1,500)
New ordinary shares issued	-	-	-	-	-
Ordinary dividends paid	(3,163)	(4,290)	(9,721)	(12,961)	(8,931)
Other financing cashflow	(14,552)	(15,765)	(19,435)	(7,647)	(6,565)
Forex effects	25	3	22	-	-
Total cash generated	19,155	(606)	7,673	(6,246)	3,235

ROIC

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
1 - COGS/revenue	7.2%	6.8%	6.9%	7.2%	7.3%
- Operating exp./revenue	7.1%	14.8%	17.5%	13.6%	9.2%
= Operating margin	7.1%	14.8%	17.5%	13.6%	9.2%
1 / (Working capital/revenue	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)
+ Net PPE/revenue	0.9	0.7	0.6	0.6	0.6
+ Other assets/revenue)	0.1	0.1	0.1	0.1	0.1
= Capital turnover	1.5	2.2	2.0	1.8	1.8
Operating margin	7.1%	14.8%	17.5%	13.6%	9.2%
x Capital turnover	1.5	2.2	2.0	1.8	1.8
x (1 - tax rate)	82.6%	80.1%	79.2%	80.0%	80.0%
= After-tax ROIC	8.7%	25.8%	28.0%	20.0%	13.5%

Source: Company data; KGI Research estimates

Eva Airways – Recommendation & target price history



Date	Rating	Target	Price
2025-03-12	Neutral	43.00	44.90
2024-11-13	Neutral	42.00	39.85
2024-07-15	Neutral	40.00	34.25
2024-05-10	Neutral	37.00	37.60
2024-03-13	Neutral	34.00	32.60
2023-12-29	Outperform	38.00	31.45
2023-11-08	Neutral	30.00	29.25
2023-06-12	Neutral	34.00	34.85
2023-04-14	Neutral	26.00	27.30
2023-02-15	Neutral	26.80	28.50

Source: TEJ; KGI Research

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