

Company	AS Tallink Grupp
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Attachments:

- AS Tallink Grupp Q2 2023 Presentation.pdf (<http://oam.fi.ee/en/download?id=7586>)
- Tallink Grupp 2023 Q2 ENG.pdf (<http://oam.fi.ee/en/download?id=7587>)
- Tallink Grupp 2023 Q2 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=7588>)
- Tallink Grupp 2023 Q2 EST.pdf (<http://oam.fi.ee/en/download?id=7589>)
- Tallink Grupp 2023 Q2 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=7590>)
- AS Tallink Grupp Q2 2023 Presentation.pdf (<http://oam.fi.ee/en/download?id=7591>)

Currency

Title	AS Tallink Grupp Unaudited Consolidated Interim Report Q2 2023
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The Q2 2023 results of AS Tallink Grupp will be introduced at an Investor Webinar held today at 12:00 (EEST). To participate, please join via the following link; (https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDNmNTgzZDgtNzc1NC00NjBmLWI5MzktZjRhYTQ1MzNjOTlk%40thread.v2/0?context=%7b%22Tid%22%3a%2286359415-f0d5-4ea5-bb32-42128c4493be%22%2c%22Oid%22%3a%22fbc24b3a-8623-42c6-8311-65b8899e63dd%22%2c%22IsBroadcastMeeting%22%3atrue%7d%7d) we kindly ask participants to provide their questions latest by 11:00 am by email to: investor@tallink.ee (https://www.globenewswire.com/Tracker?data=sPXC0P04t9B-uBXRwzpCc9_urHLPH-XBCiT5f9VgaHjBgmHJXdMG7Jg3xYPMniStxcjyWGB1jA5Xo_gPeGTNxXf9rfqgQqnrBPw6kdbTEdo=). Further details are available in a previously published announcement (<https://view.news.eu.nasdaq.com/view?id=b5f2d93fc03736bf0f2bef4e681105ec8&lang=en>).

In the second quarter (1 April - 30 June) of the 2023 financial year, AS Tallink Grupp and its subsidiaries (the Group) carried 1 541 081 passengers, which is 0.7% less than in the second quarter of 2022. The number of cargo units transported decreased by 22.0% compared to the same period a year ago. The Group's unaudited consolidated revenue amounted to EUR 229.7 million (EUR 206.0 million in Q2 2022), up by 11.5%. Unaudited EBITDA was EUR 68.5 million (EUR 28.7 million in Q2 2022) and the unaudited net profit for the period was EUR 33.4 million (net loss of EUR 0.7 million in Q2 2022).

The following operational factors impacted the Group's revenue and operating results in the second quarter of 2023:



- * The volume of cargo and passenger transportation was impacted both by less vessels available due to chartering and by 18% less trips made compared to the same period a year ago. At the same time, stable consumer confidence levels in all Group's core markets supported the demand for travelling.
- * Ongoing war in Ukraine continued to impact the demand.
- * During the quarter the Group operated 15 vessels including 3 shuttle vessels (shuttle vessel Star was operating the Estonia-Finland route until 5 May 2023), 2 cargo vessels and 4 cruise ferries as well as 7 vessels that were chartered out (3 vessels on long-term and 4 vessels on short-term charter).
- * The Group operated 3 hotels in Tallinn and 1 in Riga.
- * Declining global fuel prices and the optimal fleet size had a positive impact on the Group's cost base. However, while the fuel prices have dropped the fuel transportation cost component has increased.
- * During the quarter the Group repaid long-term loans in the amount of EUR 105 million, bringing net debt to EBITDA ratio down to 3.1 as at 30 June 2023.
- * The Group continues to focus on cost efficiency from previously implemented measures and achieving profitable operations on its core routes.
- * The Group regularly monitors the developments on its core routes including the capacity of each route and continues to look for new chartering options for vessels not used on the main routes and to work on extending the existing chartering agreements.

Sales and Segments

In the second quarter of 2023, the Group's total revenue increased by EUR 23.6 million to EUR 229.7 million compared to EUR 206.0 million in the second quarter of 2022.

Revenue from route operations (core business) amounted to EUR 175.0 million, which is on the same level as in the second quarter of 2022.

The number of passengers carried on the Estonia-Finland route increased by 5.0% year-on-year. The number of transported cargo units decreased by 21.4%. The decline is mostly driven by less vessels available and less trips made compared to the same period a year ago. Revenue from the Estonia-Finland route increased by EUR 1.9 million to EUR 79.8 million and the segment result improved by EUR 12.4 million to EUR 24.9 million. The segment reflects the operations of three shuttle vessels until May 2023, and two shuttle vessels from thereon. On 5 May 2023, the shuttle vessel Star was chartered out and is currently operating under the name of Oscar Wilde between Ireland and the United Kingdom. The cruise ferry Silja Europa stopped operating on the Estonia-Finland route in August 2022 due to a charter agreement. The cargo vessel Sea Wind was sold at the end of April 2022.

In the second quarter of 2023, the year-on-year decrease in the number of passengers on Finland-Sweden routes was 16.4%. The number of transported cargo units decreased by 43.2%. The decline was mostly driven by less vessels available and less trips made compared to the same period a year ago. The cruise ferry Galaxy I stopped operating on the Turku-Stockholm route from September



2022 due to a charter agreement. The routes' revenue decreased by EUR 6.3 million to EUR 70.3 million while the segment result improved by EUR 11.3 million to EUR 10.0 million, year-on-year. The segment reflects the operations of one cruise ferry on Turku-Stockholm/Kapellskär routes and two cruise ferries on the Helsinki-Stockholm route.

On Estonia-Sweden routes the number of carried passengers increased by 24.9% and the number of transported cargo units by 6.1% compared to Q2 2022. The revenue of Estonia-Sweden routes increased by EUR 5.1 million to EUR 24.8 million and segment result improved by EUR 7.7 million to EUR 3.3 million, year-on-year. Estonia-Sweden routes reflect the operation of two cargo vessels and one cruise ferry in the second quarter of 2023.

Revenue from the segment Other increased by a total of EUR 23.6 million and amounted to EUR 56.5 million. The increase was mainly driven by chartering out of vessels and accommodation sales. As at the end of second quarter 2023, the Group had 7 vessels on charter including 3 on long-term and 4 on short-term. The vessel Atlantic Vision was chartered to Canada in November 2008. The current agreement has been signed until May 2024 with an extension option for another 12 months. The agreement for chartering the cruise ferry Romantika was signed in March 2022 for three years and with the option to extend the agreement (3+1+1). Recent addition to long-term charters includes the shuttle vessel Star (from 5 May 2023) and the cruise ferry Isabelle (from 1 July 2023, on short-term charter until then) both with a purchase option. Short-term charter agreements have been signed for the cruise ferry Victoria I, Galaxy I and Silja Europa.

Earnings

In the second quarter of 2023, the Group's gross profit improved by EUR 41.0 million to EUR 66.5 million compared to EUR 25.5 million in the second quarter of 2022. EBITDA improved by EUR 39.8 million and amounted to EUR 68.5 million.

Amortisation and depreciation expense increased by EUR 1.5 million to EUR 25.3 million compared to the second quarter of the financial year 2022.

As a result of increased interest rates and increased financing obligations related to the shuttle-vessel Mystar, net finance costs increased by EUR 4.2 million year-on-year to EUR 10.0 million in the second quarter of 2023.

The Group's unaudited net profit for Q2 2023 was EUR 33.4 million or EUR 0.045 per share compared to a net loss of EUR 0.7 million or net loss of EUR 0.001 per share in Q2 2022.

Investments

The Group's investments in the second quarter of 2023 amounted to EUR 4.7 million.

Majority of the investments were made in the maintenance and repair works of vessels, IT developments as well as in the re-opening of hotel in Riga in April and in the opening of a new Burger King restaurant in Riga in June.



Financial Position

At the end of Q2 2023, the Group's net debt amounted to EUR 664.9 million having decreased by EUR 70.5 million compared to the end of first quarter of 2023. The net debt to EBITDA ratio was 3.1 at the reporting date (4.2 as at 31 March 2023).

As at 30 June 2023, the Group's cash and cash equivalents amounted to EUR 57.6 million (EUR 96.5 million as at 31 March 2023) and the Group had EUR 135.0 million in unused credit lines (EUR 135.0 million as at 31 March 2023). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 192.6 million (EUR 231.5 million as at 31 March 2023). In the second quarter of 2023, the Group repaid loans in the total amount of EUR 105.3 million compared to loan repayments of EUR 46.0 million in the second quarter of 2022. The current trade and other payables amounted to EUR 96.3 million (EUR 87.7 million as at 31 March 2023).

Dividends

In 2018, the Group adopted a dividend policy subject to which dividends of a minimum amount of EUR 0.05 per share would be paid if the economic performance enables it.

Due to continued global uncertainties the Annual General Meeting of Shareholders held on 13 June 2023 decided not to pay dividends for the financial year 2022.

Results of the first 6 months of 2023

In the first 6 months (1 January - 30 June) of the 2023 financial year, the Group carried 2.6 million passengers which is 14.0% more compared to the same period last year. The Group's unaudited revenue for the period increased by 28.4% and amounted to EUR 400.9 million. Unaudited EBITDA for the first 6 months was EUR 95.6 million (EUR 17.7 million in January-June 2022) and unaudited net profit was EUR 28.0 million (net loss of EUR 40.7 million in January-June 2022).

The financial result of the first 6 months of 2023 was impacted by the following factors:

- * Strong demand for travelling supported by stable consumer confidence levels in all Group's core markets. However, the volume of cargo and passenger transportation was impacted both by less vessels available due to chartering of vessels and by less trips made compared to the same period a year ago.
- * The chartering of 7 vessels including 3 on long-term and 4 on short-term charter.
- * Planned maintenance works of 45 days which affected the Finland-Sweden segment's first quarter passenger and cargo levels as well as the financial result.
- * Repayment of long-term loans in the amount of EUR 124.6 million.
- * The lower operating cost base compared to the same period in 2022 arising from chartering of vessels but also significantly lower global fuel costs.



Key Figures

For the period	Jan-Jun			Jan-Jun		
	2023			2022		
	Q2 2023	Q2 2022	2023	2022		
Revenue (EUR million)	229.7	206.0	400.9	312.2		
Gross profit/loss (EUR million)	66.5	25.5	91.3	5.6		
EBITDA ¹ (EUR million)	68.5	28.7	95.6	17.7		
EBIT ¹ (EUR million)	43.3	4.9	45.1	-29.7		
Net profit/loss for the period (EUR million)	33.4	-0.7	28.0	-40.7		
Depreciation and amortisation (EUR million)	25.3	23.8	50.5	47.5		
Capital expenditures ^{1 2} (EUR million)	4.7	9.2	16.2	18.1		
Weighted average number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	743 569 064		
Earnings/loss per share ¹ (EUR)	0.045	-0.001	0.038	-0.055		
Number of passengers	1 541 081	1 552 174	2 590 858	2 272 435		
Number of cargo units	85 359	109 380	172 091	211 318		
Average number of employees	4 973	5 251	4 944	4 944		
As at	30.06.2023	31.03.2023	30.06.2022	31.03.2022		
Total assets (EUR million)	1 613.6	1 672.1	1 550.1	1 560.2		
Total liabilities (EUR million)	878.4	970.5	897.8	897.8		
Interest-bearing liabilities						



(EUR million)	722.5	831.8	746.5	789.5
Net debt ¹ (EUR million)	664.9	735.4	655.9	688.5
Net debt to EBITDA ¹	3.1	4.2	8.4	12.8
Total equity (EUR million)	735.2	701.6	652.3	652.5
Equity ratio ¹ (%)	46%	42%	42%	42%

Number of ordinary shares outstanding 743 569 064 743 569 064 743 569 064 743 569 064

Shareholders' equity per share (EUR) 0.99 0.94 0.88 0.88

Ratios ¹			Jan-Jun	Jan-Jun
	Q2 2023	Q2 2022	2023	2022
Gross margin (%)	28.9%	12.4%	22.8%	1.8%
EBITDA margin (%)	29.8%	13.9%	23.8%	5.7%
EBIT margin (%)	18.8%	2.4%	11.3%	-9.5%
Net profit/loss margin (%)	14.6%	-0.3%	7.0%	-13.0%
ROA (%)	7.0%	-1.1%	7.0%	-1.1%
ROE (%)	11.8%	-5.7%	11.8%	-5.7%
ROCE (%)	8.9%	-1.4%	8.9%	-1.4%

1 Alternative performance measures based on ESMA guidelines are disclosed in the Alternative Performance Measures section of this Interim Report.

2 Does not include additions to right-of-use assets.

EBITDA: result from operating activities before net financial items, share of profit of equity-accounted investees, taxes, depreciation and amortization

EBIT: result from operating activities

Earnings/loss per share: net profit or loss/ weighted average number of shares outstanding



Equity ratio: total equity / total assets
 Shareholder's equity per share: shareholder's equity / number of shares outstanding
 Gross profit/loss margin: gross profit / net sales
 EBITDA margin: EBITDA / net sales
 EBIT margin: EBIT / net sales
 Net profit/loss margin: net profit or loss / net sales
 Capital expenditure: additions to property, plant and equipment - additions to right-of-use assets + additions to intangible assets
 ROA: earnings before net financial items, taxes 12-months trailing / average total assets
 ROE: net profit 12-months trailing / average shareholders' equity
 ROCE: earnings before net financial items, taxes 12-months trailing / (total assets - current liabilities (average for the period))
 Net debt: interest-bearing liabilities less cash and cash equivalents
 Net debt to EBITDA: net debt / EBITDA 12-months trailing

Consolidated statement of profit or loss and other comprehensive income

Unaudited, in thousands of EUR	Q2 2023		Q2 2022		Jan-Jun 2023		Jan-Jun 2022	
Revenue	229	675	206	028	400	920	312	171
Cost of sales	-163	206	-180	511	-309	669	-306	554
Gross profit/loss	66	469	25	517	91	251	5	617
Sales and marketing expenses	-11	292	-10	613	-20	382	-17	942
Administrative expenses	-12	207	-11	766	-26	319	-22	894
Other operating income	308		1	841	593		5	575
Other operating expenses	-25		-79		-33		-84	
Result from operating activities	43	253	4	900	45	110	-29	728
Finance income	316		142		671		181	
Finance costs	-10	339	-5	961	-18	296	-11	659
Profit/loss before income tax	33	230	-919		27	485	-41	206



Income tax	219	248	540	546
Net profit/loss for the period	33 449	-671	28 025	-40 660
Net profit/loss for the period attributable to equity holders of the Parent	33 449	-671	28 025	-40 660
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operations	199	447	273	448
Other comprehensive income for the period	199	447	273	448
Total comprehensive profit/loss for the period	33 648	-224	28 298	-40 212
Total comprehensive profit/loss for the period attributable to equity holders of the Parent	33 648	-224	28 298	-40 212
Profit/loss per share (in EUR)	0.045	-0.001	0.038	-0.055

Consolidated statement of financial position

Unaudited, in thousands of EUR	30.06.2023	30.06.2022	31.12.2022
ASSETS			
Cash and cash equivalents	57 645	90 605	114 935
Trade and other receivables	36 069	40 783	31 380



Prepayments	12 474	18 672	9 379
Prepaid income tax	30	0	37
Inventories	42 254	44 493	39 965
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Current assets	148 472	194 553	195 696
Investments in equity-accounted investees	75	165	75
Other financial assets and prepayments	4 238	3 102	3 622
Deferred income tax assets	21 840	21 840	21 840
Investment property	300	300	300
Property, plant and equipment	1 408 826	1 296 262	1 438 286
Intangible assets	29 895	33 888	31 823
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Non-current assets	1 465 174	1 355 557	1 495 946
TOTAL ASSETS	1 613 646	1 550 110	1 691 642

LIABILITIES AND EQUITY

Interest-bearing loans and borrowings	169 916	254 416	165 049
Trade and other payables	96 272	107 735	86 934
Payables to owners	6	6	6
Income tax liability	35	47	35
Deferred income	59 591	43 490	44 222
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Current liabilities	325 820	405 694	296 246
Interest-bearing loans and borrowings	552 597	492 112	688 465
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Non-current liabilities	552 597	492 112	688 465
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Total liabilities	878 417	897 806	984 711
Share capital	349 477	349 477	349 477
Share premium	663	663	663
Reserves	68 401	67 354	66 363
Retained earnings	316 688	234 810	290 428
Equity attributable to equity holders of the Parent	735 229	652 304	706 931
Total equity	735 229	652 304	706 931
TOTAL LIABILITIES AND EQUITY	1 613 646	1 550 110	1 691 642

Consolidated statement of cash flows

Unaudited, in thousands of EUR	Jan-Jun		Jan-Jun	
	Q2 2023	Q2 2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/loss for the period	33 449	-671	28 025	-40 660
Adjustments	34 936	29 882	67 438	58 919
Changes in:				
Receivables and prepayments related to operating activities	844	-13 394	-7 762	-19 856
Inventories	-1 411	-3 445	-2 289	-9 862
Liabilities related to operating activities	16 532	32 523	24 571	38 084
Changes in assets and liabilities	15 965	15 684	14 520	8 366
Cash generated from operating activities	84 350	44 895	109 983	26 625
Income tax repaid/paid	-44	-35	-91	-76



NET CASH FROM/USED OPERATING ACTIVITIES	84 306	44 860	109 892	26 549
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment and intangible assets	-4 656	-9 242	-16 166	-18 133
Proceeds from disposals of property, plant, equipment	1	2 740	80	2 781
Interest received	316	1	671	2
NET CASH USED IN INVESTING ACTIVITIES	-4 339	-6 501	-15 415	-15 350
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loans received	-105 312	-45 988	-124 619	-45 988
Change in overdraft	15	6 696	0	18 127
Payment of lease liabilities	-4 371	-4 297	-8 806	-8 512
Interest paid	-9 109	-5 142	-17 230	-11 474
Payment of transaction costs related to loans	0	0	-1 112	-303
NET CASH FROM/USED IN FINANCING ACTIVITIES	-118 777	-48 731	-151 767	-48 150
TOTAL NET CASH FLOW	-38 810	-10 372	-57 290	-36 951
Cash and cash equivalents at the beginning of period				
	96 455	100 977	114 935	127 556
Change in cash and cash equivalents	-38 810	-10 372	-57 290	-36 951
Cash and cash equivalents at the end of period	57 645	90 605	57 645	90 605



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