

Company AS Tallink Grupp
Type Company Release
Category Management interim statement or quaterly financial report
Disclosure time 25 Apr 2024 09:00:00 +0300

Attachments:

- Tallink Grupp 2024 Q1 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=8357>)
- AS Tallink Grupp Q1 2024 Presentation.pdf (<http://oam.fi.ee/en/download?id=8358>)
- Tallink Grupp 2024 Q1 ENG.pdf (<http://oam.fi.ee/en/download?id=8359>)
- Tallink Grupp 2024 Q1 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=8360>)
- AS Tallink Grupp Q1 2024 Presentation.pdf (<http://oam.fi.ee/en/download?id=8361>)
- Tallink Grupp 2024 Q1 EST.pdf (<http://oam.fi.ee/en/download?id=8362>)

Currency

Title AS Tallink Grupp Unaudited Consolidated Interim Report Q1 2024

The Q1 2024 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_NjFhODczODQtYWlwny00NDZjLWFjNTQtM2IxMzkxMWY0MjI0%40thread.v2/0?context=%7B%22id%22%3A%2286359415-f0d5-4ea5-bb32-42128c4493be%22%2C%22oid%22%3A%22fbc24b3a-8623-42c6-8311-65b8899e63dd%22%2C%22isBroadcastMeeting%22%3Atrue%2C%22role%22%3A%22a%22%7D&btype=a&role=a) we kindly ask participants to provide their questions latest by 11:00 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=b4a83bd4debc1c075dd46b86343c09588&lang=en&src=listed>).

In the first quarter (1 January - 31 March) of 2024 financial year, AS Tallink Grupp and its subsidiaries (the Group) carried 1 102 738 passengers, which is 5.0% more than in the first quarter 2023. The number of cargo units transported decreased by 2.1% compared to the same period a year ago. The Group's unaudited consolidated revenue amounted to EUR 160.4 million (EUR 171.2 million in Q1 2023), down by 6.3%. Unaudited EBITDA was EUR 34.5 million (EUR 27.1 million in Q1 2023) and the unaudited net profit for the period was EUR 2.6 million (net loss of EUR 5.4 million in Q1 2023).

The following operational factors impacted the Group's revenue and operating results in the first quarter of 2024:



- * Demand was affected by low consumer and business confidence levels, and the weak economic environment in all of the Group's core markets as well as global geopolitical instability.
- * The Group sold the cruise ferry Isabelle in January 2024.
- * As at the end of the quarter, the Group operated 14 vessels including 2 shuttle vessels, 2 cargo vessels and 5 operating cruise ferries as well as 4 vessels that were chartered out (2 vessels on long-term and 2 vessels on short-term charter) and 1 vessel in lay-up.
- * The Group operated 3 hotels in Tallinn and 1 in Riga.
- * The Group's net debt to EBITDA ratio was 2.6 as at the end of the quarter (2.8 at the end of the financial year 2023). Net debt was down to EUR 581.0 million euros as at the end of the quarter (EUR 607.3 million at the end of the financial year 2023).
- * The Group continues to focus on cost efficiencies from previously implemented measures and maintaining 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 seek new chartering options for vessels not used on the main routes, as well as working to extend the existing charter agreements.

Sales and Segments

In the first quarter of 2024, the Group's total revenue decreased by EUR 10.8 million to EUR 160.4 million, compared to EUR 171.2 million a year ago.

Revenue from route operations (core business) increased by EUR 2.7 million to EUR 127.3 million compared to Q1 2023. The segment result from route operations (core business) amounted to a loss of EUR 2.1 million compared to a profit of EUR 1.3 million in the first quarter of 2023.

The number of passengers carried on the Estonia-Finland route increased by 14.6% year-on-year. The number of transported cargo units remained on the same level as in the first quarter 2023. The revenue from the Estonia-Finland route increased by EUR 7.9 million to EUR 65.4 million. The segment result improved by EUR 3.5 million to EUR 9.7 million. The segment reflects the operations of two shuttle vessels and one cruise ferry. The shuttle vessel Oscar Wilde (formerly Star) stopped operating on the route in May 2023 due to a charter agreement. The cruise ferry Victoria I was added to the route in October 2023.

In the first quarter of 2024, the number of passengers decreased by 10.5% on Finland-Sweden routes year-on-year. The number of transported cargo units increased by 5.5%. The routes' revenue decreased by EUR 3.3 million to EUR 44.3 million and the segment result dropped by EUR 5.0 million to a loss of EUR 8.3 million. The segment reflects the operations of one cruise ferry on the Turku-Kapellskär and two cruise ferries on the Helsinki-Stockholm route.

On Estonia-Sweden routes the number of carried passengers decreased by 5.1%



year-on-year. The number of transported cargo units decreased by 19.3% compared to the same period a year ago. The revenue of Estonia-Sweden routes decreased by EUR 1.9 million to EUR 17.6 million and segment result dropped by EUR 2.0 million to a loss of EUR 3.4 million. Estonia-Sweden routes reflect operation of two cargo vessels and one cruise ferry in the first quarter of 2024.

Revenue from the segment Other decreased by EUR 13.7 million and amounted to EUR 34.1 million. The segment result declined year-on-year by EUR 8.2 million amounting to EUR 6.1 million. The decrease was mainly driven by having less vessels on charter. In the first quarter of 2024, the Group had 5 vessels on charter, of which 3 were on long-term and 2 on short-term charter (Q1 2023: 6 vessels). During the quarter, the charter agreement of the cruise ferry Isabelle ended due to sale of the vessel at the end of January 2024.

At the end of the first quarter of 2024, long-term charters were as follows:

- * The vessel Atlantic Vision has been chartered out to Canada since November 2008. The current agreement runs until May 2024 and will not be extended.
- * The shuttle vessel Oscar Wilde (formerly Star) was chartered out from 5 May 2023 for 20 months with an option to extend the charter by 2+2 years and an option to purchase the vessel.

At the end of the first quarter of 2024, short-term charters were as follows:

- * The cruise ferry Galaxy I was chartered out in September 2022. In March 2024, the agreement was extended by six months until October 2024 with the option of extending the agreement at the end of the agreement period.
- * The cruise ferry Silja Europa was chartered out in August 2022. In October 2023, the charter agreement was extended until the end of 2024.

Earnings

In the first quarter of 2024, the Group's gross profit dropped by EUR 11.0 million to EUR 13.8 million. EBITDA improved by EUR 7.4 million and amounted to EUR 34.5 million.

Amortisation and depreciation expense decreased by EUR 0.6 million to EUR 24.6 million compared to the first quarter of the financial year 2023.

Net finance costs amounted to EUR 7.5 million remaining on the same level (EUR 7.6 million) as in first quarter 2023.

The Group's unaudited net profit for the first quarter of 2024 was EUR 2.6 million or EUR 0.003 per share compared to a net loss of EUR 5.4 million or EUR 0.007 per share in Q1 2023.

Investments

The Group's investments in the first quarter of 2024 amounted to EUR 6.3



million.

Main investments in vessels included maintenance and repair works i.e., technical works as well as interior upgrades. The Group also continued to invest in the improvement of its IT systems.

Financial Position

At the end of the first quarter of 2024, the Group's net debt amounted to EUR 581.0 million having decreased by EUR 26.3 million compared to the end of 2023. The net debt to EBITDA ratio was 2.6 at the reporting date (2.8 as at 31 December 2023).

As at 31 March 2024, the Group's cash and cash equivalents amounted to EUR 48.9 million (EUR 41.9 million as at 31 December 2023) and the Group had EUR 75.0 million in unused credit lines (EUR 75.0 million as at 31 December 2023). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 123.9 million (EUR 116.9 million as at 31 December 2023). In the first quarter of 2024, the Group repaid loans in the total amount of EUR 16.0 million (EUR 19.3 million the during first of 2023). The current trade and other payables amounted to EUR 90.0 million (EUR 85.4 million as at 31 December 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.

The Management Board of the Group has prepared a proposal to the Annual General Meeting of Shareholders to be held on 7 May 2024 to pay a dividend of 0.06 euros per share in 2024 for the financial year of 2023.

Key Figures

For the period	Q1 2024	Q1 2023	Q1 2022
Revenue (EUR million)	160.4	171.2	106.1
Gross profit/loss (EUR million)	13.8	24.8	-19.9
EBITDA ¹ (EUR million)	34.5	27.1	-11.0
EBIT ¹ (EUR million)	9.8	1.9	-34.6
Net profit/loss for the period (EUR million)	2.6	-5.4	-40.0



Depreciation and amortisation (EUR million)	24.6	25.2	23.7
Capital expenditures ^{1 2} (EUR million)	6.3	11.5	0.0
Weighted average number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064
Earnings/loss per share ¹ (EUR)	0.003	-0.007	-0.054

Number of passengers	1 102 738	1 049 777	720 261
Number of cargo units	84 950	86 732	101 938
Average number of employees	4 888	4 883	4 634

As at	31.03.2024	31.03.2023	31.03.2022
Total assets (EUR million)	1 548.6	1 672.1	1 560.2
Total liabilities (EUR million)	760.0	970.5	907.6
Interest-bearing liabilities (EUR million)	629.9	831.8	789.5
Net debt ¹ (EUR million)	581.0	735.4	688.5
Net debt to EBITDA ¹	2.6	4.2	12.8
Total equity (EUR million)	788.6	701.6	652.5
Equity ratio ¹ (%)	51%	42%	42%

Number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064
Shareholders' equity per share (EUR)	1.06	0.94	0.88

Ratios ¹	Q1 2024	Q1 2023	Q1 2022
Gross margin (%)	8.6%	14.5%	-18.7%
EBITDA margin (%)	21.5%	15.8%	-10.3%



EBIT margin (%)	6.1%	1.1%	-32.6%
Net profit/loss margin (%)	1.6%	-3.2%	-37.7%
ROA (%)	7.6%	4.6%	-2.7%
ROE (%)	11.4%	7.1%	-9.2%
ROCE (%)	9.1%	6.0%	-3.3%

(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	Q1 2024	Q1 2023
Revenue	160 402	171 245
Cost of sales	-146 603	-146 463
Gross profit/loss	13 799	24 782



Sales and marketing expenses	-9 769	-9 090
Administrative expenses	-12 745	-14 112
Other operating income	19 377	285
Other operating expenses	-827	-8
Result from operating activities	9 835	1 857
Finance income	228	355
Finance costs	-7 683	-7 957
Profit/loss before income tax	2 380	-5 745
Income tax	192	321
Net profit/loss for the period	2 572	-5 424
Net profit/loss for the period attributable to equity holders of the Parent	2 572	-5 424
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations	191	74
Other comprehensive income for the period	191	74
Total comprehensive profit/loss for the period	2 763	-5 350
Total comprehensive profit/loss for the period attributable to equity holders of the Parent	2 763	-5 350



Basic and diluted profit/loss per share (in EUR)	0.003	-0.007
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Consolidated statement of financial position

Unaudited, in thousands of EUR	31.03.2024	31.03.2023	31.12.2023
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ASSETS

Cash and cash equivalents	48 872	96 455	41 921
Trade and other receivables	30 718	33 492	31 766
Prepayments	22 411	15 873	7 661
Prepaid income tax	193	35	193
Inventories	42 192		41 411
Short-term intangible assets	1 481	0	0
Current assets	145 867	186 698	122 952

Investments in equity-accounted investees	0	75	0
Other financial assets and prepayments	499	3 992	4 794
Deferred income tax assets	21 840	21 840	21 840
Investment property	300	300	300
Property, plant and equipment	1 353 435	1 428 058	1 377 664
Intangible assets	26 663	31 089	27 671
Non-current assets	1 402 737	1 485 354	1 432 269
TOTAL ASSETS	1 548 604	1 672 052	1 555 221

LIABILITIES AND EQUITY

Interest-bearing loans and borrowings	104 486	169 986	104 097
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Trade and other payables	89 969	87 668	85 406
Payables to owners	6	6	6
Income tax liability	10	35	10
Deferred income	40 163	50 928	34 788
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Current liabilities	234 634	308 623	224 307
Interest-bearing loans and borrowings	525 381	661 848	545 160
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Non-current liabilities	525 381	661 848	545 160
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Total liabilities	760 015	970 471	769 467
Share capital	349 477	349 477	349 477
Share premium	663	663	663
Reserves	66 807	65 925	67 056
Retained earnings	371 642	285 516	368 558
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Equity attributable to equity holders of the Parent	788 589	701 581	785 754
Total equity	788 589	701 581	785 754
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TOTAL LIABILITIES AND EQUITY	1 548 604	1 672 052	1 555 221

Consolidated statement of cash flows

Unaudited, in thousands of EUR Q1 2024 Q1 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Net profit/loss for the period	2 572	-5 424
Adjustments	13 863	32 502



Changes in:

Receivables and prepayments related to operating activities	-9 208	-8 606
Inventories	-2 262	-878
Liabilities related to operating activities	11 625	8 039
Changes in assets and liabilities	155	-1 445
Cash generated from operating activities	16 590	25 633
Income tax repaid/paid	-7	-47
NET CASH FROM/USED OPERATING ACTIVITIES	16 583	25 586

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant, equipment and intangible assets	-6 327	-11 510
Proceeds from disposals of property, plant, equipment	24 436	79
Interest received	228	355
NET CASH USED IN INVESTING ACTIVITIES	18 337	-11 076

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of loans received	-15 970	-19 307
Change in overdraft	0	-15
Payment of lease liabilities	-4 669	-4 435
Interest paid	-6 972	-8 121
Payment of transaction costs related to loans	-358	-1 112
NET CASH FROM/USED IN FINANCING ACTIVITIES	-27 969	-32 990

TOTAL NET CASH FLOW	6 951	-18 480



Cash and cash equivalents at the beginning of period	41 921 114 935
Change in cash and cash equivalents	6 951 -18 480
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Cash and cash equivalents at the end of period	48 872 96 455

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