

Company AS Tallink Grupp
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Attachments:

- Tallink Grupp 2024 Q2 ENG.pdf (<http://oam.fi.ee/en/download?id=8600>)
- Tallink Grupp 2024 Q2 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=8601>)
- AS Tallink Grupp Q2 2024 Presentation.pdf (<http://oam.fi.ee/en/download?id=8602>)
- Tallink Grupp 2024 Q2 EST.pdf (<http://oam.fi.ee/en/download?id=8603>)
- Tallink Grupp 2024 Q2 Financial Data.xlsx (<http://oam.fi.ee/en/download?id=8604>)
- AS Tallink Grupp Q2 2024 Presentation.pdf (<http://oam.fi.ee/en/download?id=8605>)

Currency

Title AS Tallink Grupp Unaudited Consolidated Interim Report Q2 2024

The Q2 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_MTA0ZTQzODItMDAwMC00MzM5LWJjZGEtMjRkZmY1YWI0Zjhm%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=b190583ba5ad0aace2de8e5024bd6bfd1&lang=en>).

In the second quarter (1 April - 30 June) of the 2024 financial year, AS Tallink Grupp and its subsidiaries (hereinafter referred to as "the Group") carried 1 451 768 passengers, which is 5.8% less than in the second quarter of 2023. The number of cargo units transported increased by 1.7% compared to the same period a year ago. The number of passenger vehicles was down by 11.4% year-on-year and amounted to 209 760. The Group's unaudited consolidated revenue amounted to EUR 210.0 million (EUR 229.7 million in Q2 2023), down by 8.5%. Unaudited EBITDA was EUR 46.6 million (EUR 68.5 million in Q2 2023) and the unaudited net profit for the period was EUR 6.1 million (EUR 33.4 million in Q2 2023).

The following operational factors impacted the Group's revenue and operating



results in the second quarter of 2024:

- * Demand continued to be affected by low consumer and business confidence levels, the economic challenges in the Group's core markets as well as mounting global geopolitical tensions.
- * Easter holidays that impacted the passenger volumes fell into the first quarter in 2024 while in 2023 the Easter holidays were in the second quarter.
- * As at the end of the quarter, the Group operated 14 vessels including 2 shuttle vessels, 2 cargo vessels, 5 operating cruise ferries as well as 3 vessels that were chartered out and 2 vessels that were in lay-up.
- * The Group operated 3 hotels in Tallinn and 1 in Riga.
- * The Group's net debt was down to EUR 548.9 million as at the end of the quarter (EUR 581.0 million as at 31 March 2024) bringing the net debt to EBITDA ratio to 2.7 as at 30 June 2024.
- * Income tax on dividends in the amount of EUR 9.2 million was recorded in the second quarter of 2024.
- * The Group continues to focus on cost efficiencies from the 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 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 2024, the Group's total revenue decreased by EUR 19.6 million to EUR 210.0 million compared to EUR 229.7 million in the second quarter of 2023.

Revenue from route operations (the Group's core business) decreased by EUR 6.2 million to EUR 168.8 million compared to the second quarter of 2023. The segment result from route operations (the Group's core business) amounted to EUR 25.6 million, down by 12.6 million compared to the second quarter of 2023.

The number of passengers carried on the Estonia-Finland route remained unchanged in year-on-year comparison. The number of transported cargo units increased by 5.4%. Revenue from the Estonia-Finland route increased by EUR 4.6 million to EUR 84.4 million while the segment result remained on the same level as a year ago amounting to EUR 24.9 million. The segment reflects the operations of two shuttle vessels and one cruise ferry until 31 May 2024 and two shuttle vessels from thereon. From 31 May 2024, the cruise ferry Victoria I started operating the Tallinn-Stockholm route. The shuttle vessel James Joyce (formerly Star) stopped operating the route in May 2023 due to the charter agreement.

In the second quarter of 2024, the year-on-year decrease in the number of passengers on Finland-Sweden routes was 21.0%. The number of transported cargo



units increased by 6.4%. The routes' revenue decreased by EUR 11.7 million to EUR 58.6 million and the segment result decreased by EUR 8.5 million to EUR 1.5 million, year-on-year. The segment reflects the operations of one cruise ferry on Turku-Stockholm/Turku-Kapellskär routes and two cruise ferries on the Helsinki-Stockholm route.

On Estonia-Sweden routes the number of carried passengers increased by 2.4% while the number of transported cargo units decreased by 19.1% compared to the second quarter of 2023. The revenue of Estonia-Sweden routes increased by EUR 0.9 million to EUR 25.8 million and segment result decreased by EUR 4.2 million to a loss of EUR 0.9 million, year-on-year. Estonia-Sweden routes reflect the operation of two cargo vessels and one cruise ferry until 31 May 2024. The cruise ferry Victoria I was added to the Tallinn-Stockholm route on 31 May 2024, and it will be operating on the route until 31 August 2024.

Revenue from the segment Other decreased by a total of EUR 13.6 million and amounted to EUR 42.9 million. The decrease was mainly driven by less vessels on charter. As at the end of the second quarter of 2024, the Group had 3 vessels on charter, of which one was on long-term and two on short-term charter (Q2 2023: 7 vessels including 3 on long-term and 4 on short-term). The charter agreement of the ro-pax ferry Superfast IX (formerly Atlantic Vision) ended in May 2024 after being chartered to Canada since November 2008.

At the end of the second quarter of 2024, the following vessels were chartered out:

- * The shuttle vessel James Joyce (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.
- * 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 second quarter of 2024, the Group's gross profit declined by EUR 19.7 million to EUR 46.8 million compared to EUR 66.5 million in the second quarter of 2023. EBITDA declined by EUR 21.9 million and amounted to EUR 46.6 million.

Amortisation and depreciation expense decreased by EUR 0.9 million to EUR 24.3 million compared to the second quarter of the financial year 2023.

In the second quarter of 2024, the Group's profitability was impacted by the income tax expense on dividends in the amount of EUR 9.2 million.

The Group's unaudited net profit for the second quarter of 2024 was EUR 6.1 million or EUR 0.008 per share compared to EUR 33.4 million or EUR 0.045 per



share in the second quarter of 2023.

Investments

The Group's investments in the second quarter of 2024 amounted to EUR 4.6 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 Q2 2024, the Group's net debt amounted to EUR 548.9 million having decreased by EUR 32.1 million compared to the end of first quarter of 2024. The net debt to EBITDA ratio was 2.7 at the reporting date (2.6 as at 31 March 2024).

As at 30 June 2024, the Group's cash and cash equivalents amounted to EUR 70.9 million (EUR 48.9 million as at 31 March 2024) and the Group had EUR 75.0 million in unused credit lines (EUR 75.0 million as at 31 March 2024). The total liquidity buffer (cash, cash equivalents and unused credit facilities) amounted to EUR 145.8 million (EUR 123.9 million as at 31 March 2024). In the second quarter of 2024, the Group repaid loans in the total amount of EUR 16.5 million (EUR 105.3 million in the second quarter of 2023). The current trade and other payables amounted to EUR 97.1 million (EUR 90.0 million as at 31 March 2024).

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 Annual General Meeting of Shareholders held on 7 May 2024 adopted a resolution to pay a dividend of EUR 0.06 per share for the financial year of 2023. The dividends in the amount of EUR 44.6 million were paid out on 3 July 2024 (third quarter).

Results of the first 6 months of 2024

In the first 6 months (1 January - 30 June) of the 2024 financial year, the Group carried 2.6 million passengers which is down by 1.4% compared to the same period last year. The Group's unaudited revenue for the period decreased by 7.6% and amounted to EUR 370.4 million. Unaudited EBITDA for the first 6 months was EUR 81.1 million (EUR 95.6 million in January-June 2023) and unaudited net profit was EUR 8.7 million (EUR 28.0 million in January-June 2023).

The financial result of the first 6 months of 2024 was impacted by the following factors:

- * Low consumer and business confidence in the home markets as well as mounting



geopolitical tensions.

- * The number of vessels on charter dropped from 5 in the beginning of the year to 3 as at the end of the second quarter.
- * Sale of the cruise vessel Isabelle in the first quarter of 2024.
- * Two vessels in lay-up including the cruise vessel Romantika the charter agreement of which was prematurely terminated in September 2023 and MV Superfast IX (formerly Atlantic Vision) the charter agreement of which ended in May 2024.
- * Income tax on dividends in the amount of EUR 9.2 million was recorded in the second quarter of 2024.
- * Repayment of long-term loans in the amount of EUR 32.5 million.

Key Figures

For the period	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Revenue (EUR million)	210.0	229.7	370.4	400.9
Gross profit/loss (EUR million)	46.8	66.5	60.6	91.3
EBITDA ¹ (EUR million)	46.6	68.5	81.1	95.6
EBIT ¹ (EUR million)	22.3	43.3	32.1	45.1
Net profit/loss for the period (EUR million)	6.1	33.4	8.7	28.0
Depreciation and amortisation (EUR million)	24.3	25.3	49.0	50.5
Capital expenditures ^{1 2} (EUR million)	4.6	4.7	10.9	16.2
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)	0.008	0.045	0.012	0.038
Number of passengers	1 451 768	1 541 081	2 554 506	2 590 858
Number of cargo units	86 813	85 359	171 763	172 091
Average number of employees	5 060	4 961	4 974	4 938



As at	30.06.2024	31.03.2024	30.06.2023	31.03.2023
Total assets (EUR million)	1 567.0	1 548.6	1 613.6	1 672.1
Total liabilities (EUR million)	816.6	970.5	878.4	897.8
Interest-bearing liabilities (EUR million)	619.8	629.9	722.5	789.5
Net debt ¹ (EUR million)	548.9	581.0	664.9	735.4
Net debt to EBITDA ¹	2.7	2.6	3.1	4.2
Total equity (EUR million)	750.4	788.6	735.2	701.6
Equity ratio ¹ (%)	48%	51%	46%	42%

Number of ordinary shares outstanding	743 569 064	743 569 064	743 569 064	743 569 064
Shareholders' equity per share (EUR)	1.01	1.06	0.99	0.94

Ratios ¹	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Gross margin (%)	22.3%	28.9%	16.4%	22.8%
EBITDA margin (%)	22.2%	29.8%	21.9%	23.8%
EBIT margin (%)	10.6%	18.8%	8.7%	11.3%
Net profit/loss margin (%)	2.9%	14.6%	2.3%	7.0%
ROA (%)	6.4%	7.0%	6.4%	7.0%
ROE (%)	7.7%	11.8%	7.7%	11.8%
ROCE (%)	7.7%	8.9%	7.7%	8.9%



(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 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
Revenue	210 047	229 675	370 449	400 920
Cost of sales	-163 243	-163 206	-309 846	-309 669
Gross profit/loss	46 804	66 469	60 603	91 251
Sales and marketing expenses	-11 894	-11 292	-21 663	-20 382
Administrative expenses	-13 494	-12 207	-26 239	-26 319
Other operating income	1 022	308	20 399	593
Other operating expenses	-132	-25	-959	-33



Result from operating activities	22 306	43 253	32 141	45 110
Finance income	261	316	489	671
Finance costs	-7 374	-10 339	-15 057	-18 296
Profit/loss before income tax	15 193	33 230	17 573	27 485
Income tax	-9 087	219	-8 895	540
Net profit/loss for the period	6 106	33 449	8 678	28 025
Net profit/loss for the period attributable to equity holders of the Parent	6 106	33 449	8 678	28 025
Other comprehensive income				
Items that may be reclassified to profit or loss				
Exchange differences on translating foreign operations	178	447	369	273
Other comprehensive income for the period	178	447	369	273
Total comprehensive profit/loss for the period	6 284	33 896	9 047	28 298
Total comprehensive profit/loss for the period attributable to equity holders of the Parent	6 284	33 896	9 047	28 298
Basic and diluted profit/loss per share (in EUR)	0.008	0.045	0.012	0.038



Consolidated statement of financial position

Unaudited, in thousands of EUR	30.06.2024	30.06.2023	31.12.2023
ASSETS			
Cash and cash equivalents	70 863	57 645	41 921
Trade and other receivables	33 915	36 069	31 766
Prepayments	17 046	12 474	7 661
Prepaid income tax	193	30	193
Inventories	48 244	42 254	41 411
Short-term intangible assets	3 332	0	0
Current assets	173 593	148 472	122 952
Investments in equity-accounted investees	0	75	0
Other financial assets and prepayments	500	4 238	4 794
Deferred income tax assets	21 840	21 840	21 840
Investment property	300	300	300
Property, plant and equipment	1 345 138	1 408 826	1 377 664
Intangible assets	25 647	29 895	27 671
Non-current assets	1 393 425	1 465 174	1 432 269
TOTAL ASSETS	1 567 018	1 613 646	1 555 221
LIABILITIES AND EQUITY			
Interest-bearing loans and borrowings	104 582	169 916	104 097
Trade and other payables	97 108	96 272	85 406
Payables to owners	44 620	6	6



Income tax liability	9 211	35	10
Deferred income	45 912	59 591	34 788
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Current liabilities	301 433	325 820	224 307
Interest-bearing loans and borrowings	515 214	552 597	545 160
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Non-current liabilities	515 214	552 597	545 160
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Total liabilities	816 647	878 417	769 467
Share capital	349 477	349 477	349 477
Share premium	663	663	663
Reserves	66 586	68 401	67 056
Retained earnings	333 645	316 688	368 558
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Equity attributable to equity holders of the Parent	750 371	735 229	785 754
Total equity	750 371	735 229	785 754
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TOTAL LIABILITIES AND EQUITY	1 567 018	1 613 646	1 555 221

Consolidated statement of cash flows

Unaudited, in thousands of EUR	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
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CASH FLOWS FROM OPERATING ACTIVITIES

Net profit/loss for the period	6 106	33 449	8 678	28 025
Adjustments	40 547	34 936	54 410	67 438
Changes in:				
Receivables and prepayments related to				



operating activities	2 299	844	-6 909	-7 762
Inventories	-7 903	-1 411	-10 165	-2 289
Liabilities related to operating activities	14 560	16 532	26 185	24 571
Changes in assets and liabilities	8 956	15 965	9 111	14 520
Cash generated from operating activities	55 609	84 350	72 199	109 983
Income tax repaid/paid	-18	-44	-25	-91
NET CASH FROM/USED OPERATING ACTIVITIES	55 591	84 306	72 174	109 892

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant, equipment and intangible assets	-4 435	-4 656	-10 762	-16 166
Proceeds from disposals of property, plant, equipment	54	1	24 490	80
Interest received	261	316	489	671
NET CASH USED IN INVESTING ACTIVITIES	-4 120	-4 339	14 217	-15 415

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of loans received	-16 482	-105 312	-32 452	-124 619
Change in overdraft	26	15	26	0
Payment of lease liabilities	-4 467	-4 371	-9 136	-8 806
Interest paid	-8 465	-9 109	-15 437	-17 230
Payment of transaction costs related to loans	-92	0	-450	-1 112
NET CASH FROM/USED IN FINANCING ACTIVITIES	-29 480	-118 777	-57 449	-151 767

TOTAL NET CASH FLOW	21 991	-38 810	28 942	-57 290
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Cash and cash equivalents at the beginning of period	48 872	96 455	41 921	114 935
Change in cash and cash equivalents	21 991	-38 810	28 942	-57 290
Cash and cash equivalents at the end of period	70 863	57 645	70 863	57 645

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