

FINANTSINSPEKTSIOON

Company AS TALLINNA SADAM

Type Company Release

Category Management interim statement or quarterly financial report

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Attachments:

- Tallinna Sadam results 12M 2020 ENG.pdf (<http://oam.fi.ee/en/download?id=5225>)
- Tallinna Sadam Q4 2020 results presentation ENG.pdf (<http://oam.fi.ee/en/download?id=5226>)
- Tallinna Sadam Financial Results Q4 and 12M 2020 Data.xlsx (<http://oam.fi.ee/en/download?id=5227>)
- Tallinna Sadama tulemused 12 kuud 2020 EST.pdf (<http://oam.fi.ee/en/download?id=5228>)
- Tallinna Sadam Q4 2020 results presentation ENG.pdf (<http://oam.fi.ee/en/download?id=5229>)
- Tallinna Sadam Financial Results Q4 and 12M 2020 Data.xlsx (<http://oam.fi.ee/en/download?id=5230>)

Currency

Title AS Tallinna Sadam financial results for 2020 Q4 and 12 months

As a result of the ongoing global virus crisis, the revenue, adjusted EBITDA and profit of AS Tallinna Sadam (hereafter: "the Group") decreased in Q4. Revenue amounted to EUR 25.3 million decreasing by 15.7% in Q4 year-on-year. The adjusted EBITDA of Q4 was EUR 12.1 million (-18.3%) and the profit amounted to EUR 5.7 million (-32.3%).

In 2020, the annual revenue was EUR 107.4 million (-17.8%) and adjusted EBITDA amounted to EUR 58.4 million (-21.4%). Despite the pandemic, the profit for 2020 was EUR 28.5 million (-35.8%). Adjusted EBITDA margin decreased by 2.5 percentage points, but the volume of investments increased to EUR 37.1 million (+26%).

According to Valdo Kalm, Chairman of the Management Board of Tallinna Sadam, the negative impact of the pandemic on the company's financial results was particularly noticeable in the Passenger harbours segment, but the overall impact of the virus on the Group's finances was smaller than feared and the year ended with a strong profit given the circumstances. "The year 2020 proved that the business strategy with diversified risks and the contribution to the four business directions is justified. In a situation where the business related to passengers decreased by almost half, we are able to meet the expectations of investors and continue with the promised dividend policy, i.e. pay at least 70% of the previous year's profit for dividends," explained Kalm.

Kalm says that the large drop in the number of passengers has been compensated by the highest cargo volume of the last five years, the sales revenue of passenger ferries and icebreaker Botnica, which have all remained at levels



comparable to 2019. "The resulting stable cash flow and confidence in the recovery of the passenger business have also enabled us to continue investing in passenger services and infrastructure despite the crisis, especially in the Old City Harbour, where we have introduced innovative environmentally friendly solutions such as automatic mooring and on-shore power supply. This year, despite the slump in the passenger segment, several passenger service and real estate development projects in the Old City Harbour will be completed or continued, including the cruise terminal, the front square of the Terminal D and the pedestrian bridge of the Admiralty Canal," added Kalm.

Please also see Valdo Kalm's video message (<https://portoftallinn.sharepoint.com/:v/s/Turundus/EUAt4ksKAxNJvyKqffChg-oBAtfaylDgxPycamfmjLA7wA?e=QVYUDt>).

The management of Tallinna Sadam will present the financial results of the Group at a webinar on 26 February at 11:00, to attend, please click here (https://teams.microsoft.com/l/meetup-join/19%3ameeting_OTdmYjIwMTgtZTgzNC00YjE2LWFmYmMtMjY5NzAzNzQ5OWM1%40thread.v2/0?context=%7b%22Tid%22%3a%223c572f71-c808-4685-aa00-2ca59a11c7e2%22%2c%220id%22%3a%22f76c4208-aa18-403e-b244-12d29bf7e0d0%22%2c%22IsBroadcastMeeting%22%3atrue%7d). The webinar will be held in English.

Key figures (in million EUR):

	Q4 2020	Q4 2019	+/- %	2020	2019	+/- %
Revenue	25.3	30.0	-15.7	107.4	130.5	-17.8
Adjusted EBITDA	12.1	14.8	-18.3	58.4	74.3	-21.4
Adjusted EBITDA margin	47.9%	49.5%	-1.6	54.4%	56.9%	-2.5
Operating profit	6.3	9.1	-31.1	35.6	51.7	-31.2
Income tax	0.0	0.0	-	-4.9	-5.8	-14.8
Profit for the period	5.7	8.5	-32.3	28.5	44.4	-35.8
Investments	8.2	10.7	-23.0	37.1	29.5	26.0
	31.12.2020	31.12.2019	+/-			
Total assets	628.1	625.5	0.4%			

Interest bearing debt	211.6	207.8	1.8%
Other liabilities	41.1	40.7	1.0%
Equity	375.4	377.0	-0.4%
Number of shares	263.0	263.0	0.0%

Major events in Q4:

- * The impact of the COVID-19 pandemic continued
- * Compromise with ESTEVE to end legal disputes
- * Appointment of Indrek Randveer as chairman of the Management Board of TS Laevad OÜ
- * Enlight Research started covering Tallinna Sadam
- * The supervisory board approved the company strategy for 2021-2025
- * The results of the mapping of the ecological footprint of Tallinna Sadam
- * Ando Leppiman was elected chairman of the Tallinna Sadam nomination committee
- * Completion of the parking structure of passenger terminal D
- * Past five years' record cargo volume in 2020 - 21.3 million tons

Revenue

Revenue for Q4 of 2020 decreased by EUR 4.7 million, i.e. 15.7%, year on year mainly due to decline in passenger volumes. Annually, the revenue decreased in total by 17.8% to EUR 107.4 million. Revenue decreased in all revenue streams, the sharpest in passenger fees (-59%) and vessel dues (-20%). The decline is mainly attributable to the cancellation of the cruise season as well as reduced ferry timetables and a slight decrease in the volumes of general, dry bulk and container cargo. Growth in the volume of liquid bulk cargo had a positive effect on revenue.

The revenue of the Passenger harbours segment decreased because the number of passengers declined in connection with COVID-19 related mobility restrictions, which led to the reduction of ferry timetables and the cancellation of the cruise season. The fourth quarter revenue of the Passenger harbours segment decreased to EUR 6.2 million (-41%) Q4 revenue of the Cargo harbours segment grew by EUR 0.2 million (+2.1%) to EUR 10.6 million. Annually, the revenue of the Cargo harbours segment decreased only slightly because cargo throughput grew by 7%. Cargo volume increased primarily due to liquid bulk, but the increase in the volume of liquid bulk with lower charge did not cover the effect of the decrease in the volume of other types of cargo in total cargo charge revenue.

The revenue of the Ferry segment decreased mostly during the summer season when the customer (the state) ordered a smaller number of extra trips and did not order an additional ferry to be put in service. Fourth quarter revenue decreased to EUR 6.9 million (-1.7%).

The revenue of the segment Other decreased both in Q4 and annually, because of the shorter summer charter period of the icebreaker Botnica due to COVID-19 related restrictions, which disrupted the production operations of the Canadian



charterer. The indexation of the ice-breaking and charter fee rates to the inflation index had a slight positive effect on revenue. Revenue for the fourth quarter decreased to EUR 1.6 million (-27%).

EBITDA

Adjusted EBITDA for Q4 declined by EUR 2.7 million (-18.3%) year on year. The annual adjusted EBITDA decreased to EUR 58.4 million (-21.4%) due to a fall in the Passenger harbours segment. Adjusted EBITDA margin declined from 56.9% to 54.4%.

Profit

The Group's net profit for 2020 amounted to EUR 28.5 million, EUR 15.9 million less than a year earlier. Net profit for Q4 was EUR 5.7 million (-32.3%). Profit before tax decreased by EUR 16.7 million to EUR 33.4 million (-33.4%) in 2020. Profit before tax for the fourth quarter decreased by EUR 2.7 million, year on year. Income tax expense decreased by EUR 0.9 million due to a smaller dividend distribution (EUR 30.2 million) compared with dividend paid in 2019 (EUR 35.2 million).

Investments

Q4 capital investments amounted to EUR 8.2 million, capital investments in 2020 totalled EUR 37.1 million, which is 26% more than in the prior year and the past few years' highest figure. The main investments were again made at the Old City Harbour, where despite the crisis the Group continued to invest in major improvements to the environment and travel conditions. The largest completed projects were the reconstruction of Terminal D and the construction of a nearby multi-storey parking structure. The installation of on-shore power supply systems and auto-mooring equipment for ferries reached the final phase and the construction of a cruise terminal and a footbridge across the canal of the Admiralty Basin was started. The largest works at the Muuga Harbour were related to improving the conditions of ro-ro traffic. Dredging works were carried out in the turning basin and approach canal of the Paldiski South Harbour. The largest projects in the Ferry segment were the installation of battery bank energy solution on the ferry Tõll in order to achieve energy savings and make the ferry more environmentally friendly and scheduled smaller-scale dry dock maintenance of ferries. On the icebreaker Botnica, the second part of the machinery control system was renewed and other technical systems were also upgraded.

Interim condensed consolidated statement of financial position:

In thousands of euros	31 December 2020	31 December 2019
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ASSETS		
Current assets		
Cash and cash equivalents	26,679	35,183



Trade and other receivables	10,183	10,614
Inventories	360	408
Non-current assets held for sale	114	142
Total current assets	37,336	46,347

Non-current assets		
Investments in associates	1,147	1,609
Other long-term receivables	0	294
Property, plant and equipment	587,506	575,267
Intangible assets	2,104	2,015
Total non-current assets	590,757	579,185

Total assets	628,093	625,532
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LIABILITIES

Current liabilities		
Loans and borrowings	17,266	16,266
Derivative financial instruments	102	243
Provisions	1,289	1,915
Government grants	1,919	193
Taxes payable	744	893
Trade and other payables	9,149	11,755
Total current liabilities	30,469	31,265



Non-current liabilities

Loans and borrowings	194,314	191,580
Government grants	26,145	24,754
Other payables	1,733	915
Total non-current liabilities	222,192	217,249

Total liabilities	252,661	248,514
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EQUITY

Share capital at par value	263,000	263,000
Share premium	44,478	44,478
Statutory capital reserve	20,262	18,520
Hedge reserve	-102	-243
Retained earnings (prior periods)	19,276	6,859
Profit for the period	28,518	44,404
Total equity	375,432	377,018

Total liabilities and equity	628,093	625,532
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Interim condensed consolidated statement of profit or loss:

In thousands of euros Q4 2020 Q4 2019 2020 2019

Revenue 25,303 30,005 107,358 130,536



Other income	223	229	3,015	1,017
Operating expenses	-7,576	-9,212	-30,858	-36,669
Personnel expenses	-5,426	-5,740	-19,491	-19,867
Depreciation, amortisation and impairment	-6,199	-6,125	-24,094	-23,037
Other expenses	-68	-77	-368	-301
Operating profit	6,257	9,080	35,562	51,679
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Finance income and costs				
Finance income	7	13	36	42
Finance costs	-410	-463	-1,705	-1,797
Finance costs - net	-403	-450	-1,669	-1,755
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Share of profit of an associate accounted for under the equity method	-130	-173	-462	244
Profit before income tax	5,724	8,457	33,431	50,168
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Income tax	0	0	-4,913	-5,764
Profit for the period	5,724	8,457	28,518	44,404
Attributable to owners of the Parent	5,724	8,457	28,518	44,404
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Basic and diluted earnings per share (in euros)	0.02	0.03	0.11	0.17
Basic and diluted earnings per share - continuing operations (in euros)	0.02	0.03	0.11	0.17
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Interim condensed consolidated statement of cash flows:



In thousands of euros

2020 2019

	2020	2019
Cash receipts from sale of goods and services	114,378	138,690
Cash receipts related to other income	94	193
Payments to suppliers	-43,954	-47,210
Payments to and on behalf of employees	-15,713	-16,892
Payments for other expenses	-376	-377
Income tax paid on dividends	-4,913	-10,985
Cash from operating activities	49,516	63,419
Purchases of property, plant and equipment	-35,811	-27,965
Purchases of intangible assets	-661	-550
Proceeds from sale of property, plant and equipment	2,863	39
Government grants received	3,561	0
Dividends received	0	204
Interest received	15	28
Cash used in investing activities	-30,033	-28,244
Redemption of debt securities	-9,000	-9,000
Loans received	20,000	10,000
Repayments of loans received	-7,266	-6,766
Dividends paid	-30,008	-34,970
Interest paid	-1,694	-1,769
Other payments related to financing activities	-19	-50
Cash from/used in financing activities	-27,987	-42,555



NET CASH FLOW	-8,504	-7,380
Cash and cash equivalents at beginning of the period	35,183	42,563
Change in cash and cash equivalents	-8,504	-7,380
Cash and cash equivalents at end of the period	26,679	35,183

Tallinna Sadam is one of the largest cargo- and passenger port complexes in the Baltic Sea region, which serves annually 10 million passengers and 20 million tons of cargo in average. In addition to passenger and freight services, Tallinna Sadam group also operates in shipping business via its subsidiaries - OÜ TS Laevad provides ferry services between the Estonian mainland and the largest islands, and OÜ TS Shipping charters its multifunctional vessel Botnica for icebreaking and construction services in Estonia and offshore projects abroad. Tallinna Sadam group is also a shareholder of an associate AS Green Marine, which provides waste management services. According to unaudited financial results, the group's sales in 2020 totalled EUR 107.4 million, adjusted EBITDA EUR 58.4 million and profit EUR 28.5 million.

Additional information:

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