

# FINANTSINSPEKTSIOON

Company AS TALLINNA SADAM

Type Company Release

Category Management interim statement or quarterly financial report

Disclosure time 10 May 2021 09:00:00 +0300

Attachments:

- Tallinna Sadam Q1 2021 webinar presentation ENG.pdf (<http://oam.fi.ee/en/download?id=5511>)
- Tallinna Sadam Q1 2021 ENG.pdf (<http://oam.fi.ee/en/download?id=5512>)
- Tallinna Sadam Q1 2021 EST.pdf (<http://oam.fi.ee/en/download?id=5513>)
- Tallinna Sadam Q1 2021 webinar presentation ENG.pdf (<http://oam.fi.ee/en/download?id=5514>)

Currency

Title AS Tallinna Sadam financial results for 2021 Q1

As a result of the ongoing global virus crisis, the revenue, adjusted EBITDA and profit of AS Tallinna Sadam (hereafter: "the Group") decreased in Q1 compared to the same pre-crisis period. Revenue amounted to EUR 25 million decreasing by 10% in Q1 year-on-year. The adjusted EBITDA of Q1 was EUR 13 million (-20%) and the profit amounted to EUR 6.8 million (-31%).

In the first quarter, revenue decreased by EUR 2.9 million and adjusted EBITDA and profit both by EUR 3.1 million, while adjusted EBITDA and profit in 2020 included a one-time transaction profit from the sale of Paljassaare harbour assets in the amount of EUR 1.6 million. Thus, without taking into account the one-time effect, adjusted EBITDA and profit have decreased by only EUR 1.5 million, i.e. we compensated for half of the decrease in Q1 revenue with cost savings.

According to Valdo Kalm, Chairman of the Management Board of Tallinna Sadam, the Group's financial results continued to be affected by the pandemic and restrictions on movement, especially in the passenger harbours' segment. "The decline in the passenger business is partly offset by the continued growth in cargo volumes in several types of cargo and the stable position in shipping. Stable cash flow and faith in the recovery of the passenger business have also made it possible to continue investing in the crisis and to submit a dividend proposal to the general meeting in accordance with the dividend policy even in the current global crisis," explained Kalm.

The management of Tallinna Sadam will present the financial results of the Group at a webinar on 10 May at 11:00 Estonian time, to attend, please click here ([https://teams.microsoft.com/dl/launcher/launcher.html?url=%2F%23%2F1%2Fmeetup-join%2F19%3Ameeting\\_MGU5ZmU4MzAtZDhkZC00NmE3LTgyZTEtMmUwNjdiOGUzzTzk%40thread.v2](https://teams.microsoft.com/dl/launcher/launcher.html?url=%2F%23%2F1%2Fmeetup-join%2F19%3Ameeting_MGU5ZmU4MzAtZDhkZC00NmE3LTgyZTEtMmUwNjdiOGUzzTzk%40thread.v2)



%2F0%3Fcontext%3D%257b%2522Tid%2522%253a%25223c572f71-c808-4685-aa00-2ca59a11c7e2%2522%252c%2522Oid%2522%253a%2522f76c4208-aa18-403e-b244-12d29bf7e0d0%2522%252c%2522IsBroadcastMeeting%2522%253atrue%257d%26btype%3Da%26ole%3Da%26anon%3Dtrue&type=meetup-join&deeplinkId=665e1b54-01cc-45c5-9dad-d960c8e15958&directDl=true&msLaunch=true&enableMobilePage=true&suppressPrompt=true). The webinar will be held in English.

Key figures (in million EUR):

	Q4 2020	Q4 2019	+/-	%
Revenue	25.0	27.9	-2.9	-10.4
Adjusted EBITDA	13.0	16.2	-3.1	-19.5
Adjusted EBITDA margin	52.1%	58.0%	-5.9	-
Operating profit	7.2	10.5	-3.2	-31.3
Profit for the period	6.8	10.0	-3.1	-31.4
Investments	3.6	8.8	-5.1	-58.4
	31.03.2021	31.12.2020	+/-	
Total assets	634.4	628.1	1.0%	
Interest bearing debt	208.6	211.6	-1.4%	
Other liabilities	43.5	41.1	-5.8%	
Equity	382.3	375.4	1.4%	
Number of shares	263.0	263.0	0.0%	

Major events in Q1:

- \* The impact of the COVID-19 pandemic continued
- \* Extension of term of office of Guldar Kivro, member of the management board of OÜ TS Laevad until 08.12.2024
- \* A ten-year contract was signed with the Transport Administration for chartering the icebreaker Botnica in winter periods during 20.12.2022-20.04.2032
- \* Confirmation from Baffinland to charter the icebreaker Botnica in summer 2021
- \* Nasdaq Baltic Awards 2021 recognized Tallinna Sadam as the company with the best investor relations in the Baltics
- \* Digital Construction Cluster awards Deed of the Year and Organization of the

Year in connection with the construction solutions in passenger terminal D

- \* Opening of the parking house of the passenger terminal D
- \* Agreement was signed for full transition to renewable energy consumption
- \* Tallink filed a claim against Tallinna Sadam
- \* Merike Saks became a new member of the nomination committee as a representative of the Ministry of Finance
- \* The management board proposed the general meeting to pay a dividend of EUR 0.077 per share, i.e. 20.251 million in total (71% of the profit for the previous financial year), in 2021

#### Revenue

Revenue for Q1 of 2021 decreased by EUR 2.9 million, i.e. 10%, year on year mainly due to decline in passenger volumes. Revenue decreased the sharpest in passenger fees (-76%) and vessel dues (-12%), revenues increased from the sale of electricity (29%) and cargo charges (4%). The decline is mainly attributable to fall in international lines passenger numbers, as well as reduced ferry timetables and increasing competition for the volume of liquid cargo left over from Russian ports.

The revenue of the Passenger harbours segment decreased by 37% due to the decline in passenger volume (-76%) in connection with COVID-19 related mobility restrictions, which only affected the reference period of the previous year from the second half of March.

The revenue of the Cargo harbours segment grew by EUR 0.2 million (+3%) mainly through growth in revenue from the sale of electricity and electricity distribution service due to the combined effect of an increase in both consumption and the electricity price.

The revenue of the Ferry segment decreased by EUR 0.2 million (-3%) primarily because the impact of a decrease in annual fee rates.

The revenue of the segment Other decreased slightly because last year was a leap year and thus there was an extra charter day along with related revenue.

#### EBITDA

Adjusted EBITDA declined by EUR 3.1 million (-20%) year on year. In segment terms, adjusted EBITDA grew in the segment Other and decreased in all other segments. The decrease was the sharpest in the Passenger harbours segment due to a fall in revenue. Adjusted EBITDA margin declined from 58.0% to 52.1%.

#### Profit

Profit before tax decreased by EUR 3.1 million (-31%) to EUR 6.8 million. Profit for the period was also EUR 6.8 million, EUR 3.1 million less than in the comparative period.

#### Investments

The Group's investments in the first quarter of 2021 totalled EUR 3.6 million, EUR 5.1 million less than in the comparative period when investments totalled EUR 8.8 million. Investments of the period were mostly related to the construction of a cruise terminal at Old City Harbour and a footbridge across the canal of the Admiralty Basin.



Interim condensed consolidated statement of financial position:

In thousands of euros	31 March 2021	31 December 2020
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<b>ASSETS</b>		
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Current assets		
Cash and cash equivalents	33,443	26,679
Trade and other receivables	11,611	10,183
Contract assets	191	0
Inventories	383	360
Non-current assets held for sale	33,443	114
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Total current assets	45,726	37,336
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Non-current assets		
Investments in associates	1,136	1,147
Other long-term receivables	303	0
Property, plant and equipment	584,956	587,506
Intangible assets	2,272	2,104
Total non-current assets	588,667	590,757
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Total assets	634,393	628,093
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**LIABILITIES**

Current liabilities

Loans and borrowings	17,266	17,266
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Derivative financial instruments	64	102
Provisions	585	1,289
Government grants	1,815	1,919
Taxes payable	943	744
Trade and other payables	8,225	9,149
<b>Total current liabilities</b>	<b>3,215</b>	<b>30,469</b>
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<b>Non-current liabilities</b>		
Loans and borrowings	191,314	194,314
Government grants	26,979	26,145
Other payables	792	841
Contract liabilities	881	892
<b>Total non-current liabilities</b>	<b>219,966</b>	<b>222,192</b>
<b>Total liabilities</b>	<b>252,079</b>	<b>252,661</b>
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<b>EQUITY</b>		
Share capital at par value	263,000	263,000
Share premium	44,478	44,478
Statutory capital reserve	20,262	20,262
Hedge reserve	-64	-102
Retained earnings (prior periods)	47,794	19,276
Profit for the period	6,844	28,518
<b>Total equity</b>	<b>382,314</b>	<b>375,432</b>
<b>Total liabilities and equity</b>	<b>634,393</b>	<b>628,093</b>
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Interim condensed consolidated statement of profit or loss:

In thousands of euros	Q1 2021	Q1 2020
Revenue	24,988	27,890
Other income	324	1,767
Operating expenses	-7,302	-8,327
Personnel expenses	-4,644	-4,677
Depreciation, amortisation and impairment	-6,022	-5,989
Other expenses	-123	-150
Operating profit	7,221	10,514
Finance income and costs		
Finance income	10	11
Finance costs	-376	-386
Finance costs - net	-366	-375
Share of profit of an associate accounted for under the equity method	-11	-157
Profit before income tax	6,844	9,982
Profit for the period	6,844	9,982
Attributable to owners of the Parent	6,844	9,982
Basic and diluted earnings per share (in euros)	0.03	0.04



Basic and diluted earnings per share - continuing operations (in euros)	0.03	0.04
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Interim condensed consolidated statement of cash flows:

In thousands of euros	Q1 2021	Q1 2020
Cash receipts from sale of goods and services	29,620	30,041
Cash receipts related to other income	14	13
Payments to suppliers	-9,956	-8,047
Payments to and on behalf of employees	-4,552	-3,661
Payments for other expenses	-111	-138
Cash from operating activities	15,015	18,208
Purchases of property, plant and equipment	-4,662	-6,859
Purchases of intangible assets	-218	-96
Proceeds from sale of property, plant and equipment	119	1,099
Government grants received	0	581
Interest received	1	5
Cash used in investing activities	-4,760	-5,270
Repayments of loans received	-3,000	-3,000
Interest paid	-491	-516
Cash from/used in financing activities	-3,491	-3,516
NET CASH FLOW	6,764	9,422
Cash and cash equivalents at beginning of the period	26,679	35,183



Change in cash and cash equivalents	6,764	9,422
Cash and cash equivalents at end of the period	33,443	44,605
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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. The group's sales in 2020 totalled EUR 107.4 million, adjusted EBITDA EUR 58.4 million and profit EUR 28.5 million.

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