

Company AS TALLINNA SADAM
Type Company Release
Category Management interim statement or quaterly financial report
Disclosure time 10 Nov 2021 08:00:00 +0200

Attachments:

- Tallinna Sadam Q3 2021 ENG.pdf (<http://oam.fi.ee/en/download?id=5877>)
- Tallinna Sadam Financial Results Q3 2021 Data.xlsx (<http://oam.fi.ee/en/download?id=5878>)
- Tallinna Sadam Q3 2021 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=5879>)
- Tallinna Sadam Q3 2021 EST.pdf (<http://oam.fi.ee/en/download?id=5880>)
- Tallinna Sadam Financial Results Q3 2021 Data.xlsx (<http://oam.fi.ee/en/download?id=5881>)
- Tallinna Sadam Q3 2021 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=5882>)

Currency

Title AS Tallinna Sadam financial results for 2021 Q3

In the third quarter, year on year, the revenue of AS Tallinna Sadam increased, but adjusted EBITDA and profit decreased. Revenue amounted to EUR 32 million in the third quarter, increasing by 2% year on year. The Group's adjusted EBITDA in the third quarter was EUR 17 million (-14%) and the profit amounted to EUR 11 million (-23%). In the first nine months, revenue was EUR 82 million (-1%), adjusted EBITDA EUR 41 million (-11%) and profit EUR 19 million (-16%).

The Group's results were still strongly influenced by cross-border travel restrictions between countries put in place due to the COVID-19 pandemic, which had a particularly strong effect on the performance of the passenger harbours segment. As a result of the restrictions, passenger numbers dropped sharply year on year, particularly in the first quarter but the figure for the third quarter decreased somewhat as well. The number of port calls by ferries grew slightly year on year and there were also 39 port calls by cruise ships, compared with none last year. In Q3 and 9 months, cargo throughput continued to grow vigorously through growth in liquid bulk, ro-ro and dry bulk cargo.

According to Valdo Kalm, Chairman of the Management Board of Tallinna Sadam, in addition to the significant decrease in the number of passengers caused by the pandemic, the company must also take into account the pressure on the cost base by higher prices for services and steeply rising energy prices, which have a direct impact on the transport sector as a whole. The increase in costs was also due to the lower-than-usual reference base due to the austerity measures implemented in 2020. Last year's profit was also supported by a one-time profit from the sale of assets, mainly in Paljassaare Harbor. "However, even in today's difficult situation, a diverse business model will help to maintain strong



profits and we will keep the promised dividend level," said Kalm.

The CEO and the head of investor relations of Tallinna Sadam will present the financial results of the Group at a webinar on 10 November at 11:00 Estonian time (EET), to attend, please click here (https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZGM3YzI3ODItYjY0ZC00N2UzLTk3ZTYtODEwMjgxZmY0OGMz%40thread.v2/0?context=%7b%22Tid%22%3a%223c572f71-c808-4685-aa00-2ca59a11c7e2%22%2c%22Oid%22%3a%22a6492212-75ef-498f-8735-75f88c5d463a%22%2c%22IsBroadcastMeeting%22%3atrue%7d&btype=a&role=a). The webinar will be held in English.

Key figures (in million EUR):

	Q3	Q3	+/-	9M	9M	+/-
	2021	2020	%	2021	2020	%
Revenue	32.2	31.8	1.6	81.5	82.1	-0.7
Adjusted EBITDA	17.1	19.9	-14.2	41.2	46.3	-10.9
Adjusted EBITDA margin	52.9%	62.7%	-9.8	50.6%	56.4%	-5.8
Operating profit	10.7	14.2	-24.8	23.1	29.3	-21.1
Income tax	0	0	-	-3.3	-4.9	-33.3
Profit for the period	10.6	13.6	-22.5	19.1	22.8	-16.3
Investments	2.3	11.5	-80.2	10.2	28.9	-64.7

	30.09.2021	31.12.2020	+/-
Total assets	622.9	628.1	-1.5%
Interest bearing debt	204.2	211.6	-3.5%
Other liabilities	44.4	41.1	8.0%
Equity	374.4	375.4	-0.3%
Number of shares (mln)	263.0	263.0	0.0%

Significant events in Q3:

- * Opening of cruise terminal and promenade
- * HHLA new container cranes at the Muuga harbor
- * Incident with the ferry Tõll



- * Opening of the Admiral Bridge
- * Investor Day at the cruise terminal
- * Extension of Katoen Natie terminal in Muuga
- * Cruise terminal and promenade was awarded as Tallinn Development Project 2021

Revenue

Revenue for the third quarter grew by EUR 0.5 million (+1.6%).

Revenue for the first 9 months declined by EUR 0.5 million (-0.7%) amounting to EUR 81.5 million. The decrease is attributable to the first quarter because there were no COVID-19-related restrictions or impacts at the beginning of last year.

In terms of revenue streams, the decline appeared in passenger fees revenue (-39%) and vessel dues revenue (-1%), other revenue streams increased, the most in the sale of electricity (+35%), ferry service (+2%) and cargo charge revenue (+6%).

The nine-month revenue of the Passenger harbours segment decreased by EUR 2.2 million (-10%) year on year, mainly because passenger fees revenue dropped due to a decline in the number of passengers (primarily in the first quarter) in connection with COVID-19-related travel restrictions. In Q3 the revenue of the Passenger harbours segment decreased by EUR 0.4 million year on year (-4%).

The nine-month revenue of the Cargo harbours segment grew by EUR 1.2 million (+4%) due to the combined effect of various revenue items but mostly through growth in electricity sales. The Q3 revenue of the Cargo harbours segment grew by EUR 0.5 million for the same reasons.

The revenue of the Ferry segment grew by EUR 0.5 million (+2.2%) through slight growth in ferry service revenue as well as lease revenue which in the comparative period was lowered by a decline in passenger traffic caused by travel restrictions. The Q3 revenue of the Ferry segment grew by EUR 0.3 million.

The nine-months revenue of the segment Other remained stable year on year. There was no significant change in the revenue for Q3.

EBITDA

Adjusted EBITDA for Q3 dropped by EUR 2.8 million (-14%), mostly due to Passenger harbours segment (EUR -3.0 million). Adjusted EBITDA for 9 months decreased by EUR 5.1 million (-11%). In segment terms, adjusted EBITDA for Q3 increased slightly in the segment Other and declined in all other segments, the most in the Passenger harbours segment. Adjusted EBITDA margin declined in 9 months from 56.4% to 50.6%. In Q3 the margin fell slightly from 62.7% to 52.9%.

Profit

Profit for the third quarter was EUR 10.6 million, which is EUR 3.1 million less than in the comparative period. Profit for 9 months was EUR 19.1 million (EUR -3.7 million). Profit decreased less than operating profit because net finance costs decreased and the result of the Group's equity-accounted associate Green Marine improved

Investments



Investments of the third quarter totalled EUR 2.3 million (Q3 2020: EUR 11.5 million). In the first nine months of 2021, the Group invested EUR 10.2 million, significantly less than in the same period last year (EUR 28.9 million). Investments of the period were mostly made in the completion of the construction of a cruise terminal and a promenade and the construction of a footbridge at Old City Harbour.

Interim condensed consolidated statement of financial position:

In thousands of euros	30 September 2021	31 December 2020

ASSETS		
Current assets		
Cash and cash equivalents	25,724	26,679
Trade and other receivables	12,981	10,183
Contract assets	692	0
Inventories	276	360
Non-current assets held for sale	0	114

Total current assets	39,673	37,336

Non-current assets		
Investments in associates	1,412	1,147
Other long-term receivables	530	0
Property, plant and equipment	579,144	587,506
Intangible assets	2,175	2,104
Total non-current assets	583,261	590,757

Total assets	622,934	628,093

LIABILITIES



Current liabilities		
Loans and borrowings	17,266	17,266
Derivative financial instruments	0	102
Provisions	1,170	1,289
Government grants	2,011	1,919
Taxes payable	1,542	744
Trade and other payables	8,564	9,149
Total current liabilities	1,821	30,469
<hr/>		
Non-current liabilities		
Loans and borrowings	186,931	194,314
Government grants	27,688	26,145
Other payables	722	841
Contract liabilities	859	892
Total non-current liabilities	216,200	222,192
<hr/>		
Total liabilities	248,574	252,661
<hr/>		
EQUITY		
Share capital at par value	263,000	263,000
Share premium	44,478	44,478
Statutory capital reserve	21,271	20,262
Hedge reserve	0	-102
Retained earnings (prior periods)	26,534	19,276
Profit for the period	19,077	28,518



Total equity	374,360	375,432
Total liabilities and equity	622,934	628,093

Interim condensed consolidated statement of profit or loss:

In thousands of euros	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	32,263	31,767	81,511	82,055
Other income	379	823	1,037	2,793
Operating expenses	-10,081	-7,744	-25,454	-23,281
Personnel expenses	-5,370	-4,581	-15,114	-14,065
Depreciation, amortisation and impairment	-6,405	-5,983	-18,502	-17,895
Other expenses	-116	-89	-369	-302
Operating profit	10,670	14,193	23,109	29,305
Finance income and costs				
Finance income	23	5	60	29
Finance costs	-341	-482	-1,082	-1,295
Finance costs - net	-318	-477	-1,022	-1,266
Share of profit of an associate accounted for under the equity method	224	-72	265	-331
Profit before income tax	10,576	13,644	22,352	27,708
Income tax	0	0	-3,275	-4,913



Profit for the period	10,576	13,644	19,077	22,795
Attributable to owners of the Parent	10,576	13,644	19,077	22,795
Basic and diluted earnings per share (in euros)	0.04	0.05	0.07	0.09
Basic and diluted earnings per share - continuing operations (in euros)	0.04	0.05	0.07	0.09

Interim condensed consolidated statement of cash flows:

In thousands of euros	9M 2021	9M 2020
Cash receipts from sale of goods and services	87,777	86,160
Cash receipts related to other income	83	31
Payments to suppliers	-30,919	-31,146
Payments to and on behalf of employees	-13,877	-11,758
Payments for other expenses	-376	-327
Other payments	0	-2,600
Income tax paid on dividends	-3,440	-4,913
Cash from operating activities	39,248	35,447
Purchases of property, plant and equipment	-11,516	-28,134
Purchases of intangible assets	-525	-348
Proceeds from sale of property, plant and equipment	523	1,618
Government grants received	0	2,061
Interest received	2	15



Cash used in investing activities	-11,516	-24,788
Proceeds from loans received	0	10,000
Repayments of loans received	-7,383	-6,383
Dividends paid	-20,085	-30,008
Interest paid	-1,218	-1,331
Other payments related to financing activities	-1	-11
Cash from/used in financing activities	-28,687	-27,733
NET CASH FLOW	-955	-17,074
Cash and cash equivalents at beginning of the period	26,679	35,183
Change in cash and cash equivalents	-955	-17,074
Cash and cash equivalents at end of the period	25,724	18,109

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.

Additional information:

Marju Zirel
Head of Investor Relations
Tel. +372 5342 6591

m.zirel@ts.ee (mailto:m.zirel@ts.ee)

