

Company AS TALLINNA SADAM
Type Company Release
Category Management interim statement or quaterly financial report
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Attachments:

- Tallinna Sadam Q2 2022 ENG.pdf (<http://oam.fi.ee/en/download?id=6688>)
- Tallinna Sadam Financial Results Q2 2022 Data.xlsx (<http://oam.fi.ee/en/download?id=6689>)
- Tallinna Sadam Q2 2022 presentation.pdf (<http://oam.fi.ee/en/download?id=6690>)
- Tallinna Sadam Q2 2022 EST.pdf (<http://oam.fi.ee/en/download?id=6691>)
- Tallinna Sadam Financial Results Q2 2022 Data.xlsx (<http://oam.fi.ee/en/download?id=6692>)
- Tallinna Sadam Q2 2022 presentation.pdf (<http://oam.fi.ee/en/download?id=6693>)

Currency

Title AS Tallinna Sadam financial results for 2022 Q2 and 6 months

In the second quarter, Tallinna Sadam Group's revenue, adjusted EBITDA and profit increased year-on-year. Group revenue amounted to EUR 30 million in the second quarter, increasing by 25% compared to the same period last year. The group's adjusted EBITDA in the second quarter was EUR 15 million (+38%) and the profit was EUR 5.1 million (+205%). In the half-year summary, the revenue was EUR 57 million (+16%), the adjusted EBITDA was EUR 16 million (+31%) and the profit was EUR 12 million (+44%).

The Group's results for the first half of 2022 were strongly affected by the easing of the COVID-19 restrictions and a continuing decline in cargo throughput. As a result of lifting the restrictions and increased passenger confidence, the number of passengers increased nearly threefold in six months, especially on the Helsinki route. The decline in cargo volumes is mainly due to the third consecutive quarter of a decline in dry bulk and liquid bulk cargo volumes. At the same time, ro-ro and container goods showed a considerable increase. In shipping, the strong second quarter was supported by additional voyages of ferry Regula based on growing demand; and chartering of Botnica at the same level as last year.

Valdo Kalm, chairman of the management board of Tallinna Sadam, is pleased that despite the difficult circumstances, the company paid a dividend to the extent promised by the dividend policy. "We continued with the planned investments, and in order to secure future business, we decided to invest in the Paldiski South Harbour by building a new quay for the construction and servicing of wind farms," said Kalm.



Tallinna Sadam will present the financial results of the Group at a webinar on 10 August at 11:00 (EET), to attend, please click here (https://teams.microsoft.com/l/meetup-join/19%3ameeting_YzcyMzA2OWEtZTQzYi00YzE5LTkwNzctZjUwM2QwNGIyYWVi%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%22%2C%22role%22%3A%22a%22%7D&btype=a&role=a). The webinar will be held in English.

Key figures (in million EUR):

	Q2	Q2	+/-	6M	6M	+/-
	2022	2021	%	2022	2021	%
Revenue	30.4	24.3	25.2	57.1	49.3	16.0
Adjusted EBITDA	15.4	11.1	38.2		24.2	
Adjusted EBITDA margin	50.7%	45.9%	4.8	50.5%	49.0%	1.5
Operating profit	9.1	5.2	74.6	16.3	12.4	31.3
Income tax	-4.1	-3.3	25.5	-4.1	-3.3	25.5
Profit for the period	5.1	1.7	205.4	12.3	8.5	44.1
Investments	4.3	4.3	-0.5	9.0	7.9	13.1

	30.06.2022	31.12.2021	+/-
Total assets	618.6	629.5	-1.7%
Interest bearing debt	199.9	203.3	-1.7%
Other liabilities	51.0	45.3	12.6%
Equity	367.6	380.9	-3.5%
Number of shares	263.0	263.0	0.0%

Major events in Q2:

- * Investment decision to build a new quay in the Paldiski South Harbour to serve the wind farms
- * Record volume in ro-ro cargo (3.5 million tonnes in 6 months)
- * Termination of Worldwide Cargo Establishment's contractual penalty lawsuit
- * Voting on the resolutions of the general meeting on 5-25 April 2022,



including election of new supervisory board

- * AS Tallinna Sadam paid the shareholders a dividend of EUR 0.097 per share, i.e. a total of EUR 25.5 million for 2021 (100% of previous year's profit)
- * AS Tallinna Sadam and the Port of Gdynia signed a letter of intent on cooperation in the field of developing hydrogen solutions

Revenue

Revenue for the six months of 2022 grew by EUR 7.9 million (+16.0%) to EUR 57.1 million. Most of the growth resulted from the second quarter when revenue grew by 25.2%, supported by an increase in the number of passengers as well as higher revenue from the operation of ferry service between Estonia's mainland and two largest islands. All revenue streams increased, the most being passenger fee (+163%), operating lease (+14%), vessel dues (+12%) and ferry service revenue (+10%).

The six-month revenue of the Passenger harbours segment grew by 57% year on year, mainly due to a rise in passenger fee revenue due to rapid growth in passenger numbers and an increase in vessel dues. The segment also increased its lease income (EUR +0.46 million) by leasing out new premises and electricity sales revenue. In the second quarter, revenue grew by 88% year on year to EUR 10.7 million.

The six-month revenue of the Cargo harbours segment remained at the same level as a year earlier (+0.6%). Its vessel dues revenue dropped (EUR -0.5 million) due to the decline in dry bulk and liquid bulk cargo. The decrease in vessel dues was offset by the growth in cargo charges (EUR +0.3 million) due to changes in the cargo structure, an increase in lease income (EUR +0.2 million) due to changes in lease rates and growth in electricity sales revenue (EUR +0.3 million). In the second quarter, the revenue of the Cargo harbours segment grew by EUR 32 thousand year on year.

The six-month revenue of the Ferry segment grew by EUR 1.6 million (+10.9%) due to growth in both ferry service revenue and lease income. Ferry service revenue increased through a rise in contractual fees due to an increase in the Estonian fuel cost, employment cost and consumer price indices and growth in the number of trips. In the second quarter, the revenue of the Ferry segment grew by EUR 1.0 million year on year (+12.8%).

The revenue of the segment Other grew by 2% in the first half-year and by 3.9% in the second quarter. Revenue growth was supported by the revision of the contractual fee due to a rise in the Estonian consumer price index.

EBITDA

Adjusted EBITDA for the first half of the year grew by EUR 4.7 million (+19.5%) to EUR 28.9 million. The strongest contributors to EBITDA growth were the Passenger harbours segment (EUR +4.5 million) and the Ferry segment (EUR +0.7 million). In the second quarter, EBITDA grew by EUR 4.3 million (+38.2%) year on year. Thus 90% of the growth in six-month EBITDA was delivered in the second quarter. The adjusted EBITDA margin for the first half-year increased from 49.0% to 50.5% and the adjusted EBITDA margin for the second quarter increased from 45.9% to 50.7%.

Profit



Profit for the first six months amounted to EUR 12.3 million, exceeding the profit for the comparative period by EUR 3.8 million (+44.1%), profit before tax for the first six months grew by EUR 4.6 million (+39%) year on year. Second-quarter profit was EUR 5.1 million (EUR +3.4 million) and profit before tax grew by EUR 4.2 million.

Investments

In the first six months of 2022, the Group invested EUR 9.0 million, EUR 1.0 million more than a year earlier. The largest investments were made in reconstructing the outdoor area around Terminal D, upgrading the quay equipment and reconstructing the shoreline reinforcements in Old City Harbour and in increasing the capacity of Muuga Harbour to serve ro-ro cargo. Investments of the second quarter totalled EUR 4.3 million (in the second quarter of 2021 also EUR 4.3 million).

Interim condensed consolidated statement of financial position:

In thousands of euros	30 June 2022	31 December 2021

ASSETS		
Current assets		
Cash and cash equivalents	31,110	34,840
Trade and other receivables	9,453	14,151
Contract assets	575	0
Inventories	565	399

Total current assets	41,703	49,390

Non-current assets		
Investments in associates	1,881	1,559
Other long-term receivables	896	896
Property, plant and equipment	572,082	575,563
Intangible assets	2,042	2,130
Total non-current assets	576,901	580,148



Total assets	618,604	629,538
LIABILITIES		
Current liabilities		
Loans and borrowings	15,916	15,916
Provisions	958	1,572
Government grants	1,665	1,223
Taxes payable	829	890
Trade and other payables	12,953	10,291
Contract liabilities	3,551	57
Total current liabilities	35,872	29,949
Non-current liabilities		
Loans and borrowings	184,015	187,398
Government grants	29,741	29,835
Other payables	552	652
Contract liabilities	788	809
Total non-current liabilities	215,096	218,694
Total liabilities	250,968	248,643
EQUITY		
Share capital at par value	263,000	263,000
Share premium	44,478	44,478



Statutory capital reserve	22,115	21,271
Retained earnings (prior periods)	25,791	26,534
Profit for the period	12,252	25,612
Total equity	367,636	380,895
Total liabilities and equity	618,604	629,538

Interim condensed consolidated statement of profit or loss:

In thousands of euros	Q2 2022	Q2 2021	6M 2022	6M 2021
Revenue	30,363	24,260	57,135	49,248
Other income	434	335	728	659
Operating expenses	-9,841	-8,070	-18,504	-15,372
Personnel expenses	-5,554	-5,100	-10,325	-9,744
Depreciation, amortisation and impairment	-6,225	-6,076	-12,512	-12,098
Other expenses	-66	-130	-194	-254
Operating profit	9,111	5,219	16,328	12,439
Finance income and costs				
Finance income	34	27	63	37
Finance costs	-323	-365	-605	-741
Finance costs - net	-289	-338	-542	-704
Share of profit of an associate accounted for under the equity method	350	52	577	41



Profit before income tax	9,172	4,933	16,363	11,776
Income tax	-4,111	-3,275	-4,111	-3,275
Profit for the period	5,061	1,658	12,252	8,501
Attributable to owners of the Parent	5,061	1,658	12,252	8,501
Basic and diluted earnings per share (in euros)	0.02	0.01	0.05	0.03
Basic and diluted earnings per share - continuing operations (in euros)	0.02	0.01	0.05	0.03

Interim condensed consolidated statement of cash flows:

In thousands of euros	6M 2022	6M 2021
Cash receipts from sale of goods and services	67,852	55,753
Cash receipts related to other income	71	34
Payments to suppliers	-23,580	-19,123
Payments to and on behalf of employees	-9,664	-9,064
Payments for other expenses	-238	-271
Income tax paid on dividends	-4,335	0
Cash from operating activities	30,106	27,329
Purchases of property, plant and equipment	-9,618	-9,255
Purchases of intangible assets	-261	-426
Proceeds from sale of property, plant and equipment	77	263



Proceeds from government grants related to assets	4,954	0
Dividends received	255	0
Interest received	2	1
Cash used in investing activities	-4,591	-9,417

Repayments of loans received	-3,383	-3,383
Dividends paid	-25,287	-20,082
Interest paid	-570	-734
Other payments related to financing activities	-5	-1
Cash from/used in financing activities	-29,245	-24,200

NET CASH FLOW	-3,730	-6,288

Cash and cash equivalents at beginning of the period	34,840	26,679
Change in cash and cash equivalents	-3,730	-6,288
Cash and cash equivalents at end of the period	31,110	20,391

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 2021 totalled EUR 110 million, adjusted EBITDA EUR 54 million and profit EUR 26 million.

Additional information:

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