

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

- Tallinna Sadam interim report Q3 2022 ENG.pdf (<http://oam.fi.ee/en/download?id=6888>)
- Tallinna Sadam Financial Results Q3 2022 Data.xlsx (<http://oam.fi.ee/en/download?id=6889>)
- Tallinna Sadam Q3 2022 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=6890>)
- Tallinna Sadama vahearuanne Q3 2022 EST.pdf (<http://oam.fi.ee/en/download?id=6891>)
- Tallinna Sadam Financial Results Q3 2022 Data.xlsx (<http://oam.fi.ee/en/download?id=6892>)
- Tallinna Sadam Q3 2022 webinar EST.pdf (<http://oam.fi.ee/en/download?id=6893>)

Currency

Title AS Tallinna Sadam financial results for 2022 Q3 and 9 months

In the third quarter, Tallinna Sadam Group's revenue, adjusted EBITDA and profit increased year-on-year. Group revenue amounted to EUR 36 million in the third quarter, increasing by 13% compared to the same period last year. The group's adjusted EBITDA in the third quarter was EUR 18 million (+5%) and the profit was EUR 12 million (+11%). In the 9-month summary, the revenue was EUR 93 million (+15%), the adjusted EBITDA was EUR 47 million (+14%) and the profit was EUR 24 million (+26%).

The Group's results were strongly affected by the lifting of the COVID-19 restrictions and recovery of passenger numbers, as well as the continued decline in cargo volumes. As a result of lifting the restrictions and increased passenger confidence, the number of passengers more than doubled in 9 months, especially on the Helsinki route (+137%), in addition, the number of cruise passengers more than tripled. However, compared to the pre-pandemic level of 2019, we are still 40% below in passenger numbers. The decline in cargo volumes is mainly due to the fourth consecutive quarter of decline in dry bulk and liquid bulk cargo volumes. In shipping, the strong third quarter was supported by additional voyages of ferry Regula based on growing demand; and chartering of Botnica at 100% utility rate.

The revenue and profit growth in both 9 months and the third quarter was driven by the continued strong recovery of the passenger business, which also covered the negative effects of the sanctions on cargo business. The 9-month revenue and adjusted EBITDA of the passenger harbours segment even exceeded the segment's result of full year 2021. At the same time, the pressure of inflation on operating and labor costs strengthened, which reduced the EBITDA margin. The



negative impact of the imposed sanctions has turned out to be smaller than expected, in 2022 it is estimated at EUR 2.5 million, as the sanctions have been implemented gradually during the year.

Tallinna Sadam management will present the financial results of the Group at a webinars on 10 November, including webinar in Estonian starting at 10.00 (EET) (link to EST webinar (https://teams.microsoft.com/l/meetup-join/19%3ameeting_M2I1ZTY1MDItOWE1ZS00ZDg4LWJhMmUtOWRlMjI1NDZlMGew%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%2C%22role%22%3A%22a%22%7D&btype=a&role=a)) and webinar in English starting at 11.00 (EET) (link to ENG webinar (https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZTgwZGZmNjQtMzYzOC00NWFKLWFkODAtNDk0YTViMGYwMTY2%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%2C%22role%22%3A%22a%22%7D&btype=a&role=a)).

Key figures (in million EUR):

	Q3	Q3	+/-	9M	9M	+/-
	2022	2021	%	2022	2021	%
Revenue	36.3	32.3	12.6	93.5	81.5	14.7
Adjusted EBITDA	18.0	17.1	5.4	46.9	41.2	13.7
Adjusted EBITDA margin	49.6%	52.9%	-3.3	50.2%	50.6%	-0.4
Operating profit	11.8	10.7	11.0	28.2	23.1	21.9
Income tax	0	0	0	-4.1	-3.3	25.5
Profit for the period	11.7	10.6	10.7	24.0	19.1	25.6
Investments	3.5	2.3	51.3	12.4	10.2	21.6

	30.09.2022	31.12.2021	+/-
Total assets	622.4	629.5	-1.1%
Interest bearing debt	159.5	203.3	-21.5%
Other liabilities	47.1	45.3	3.9%
Equity	379.3	380.9	-0.4%



Number of shares	263.0	263.0	0.0%
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Major events in Q3:

- * Closing of operations in Paljassaare Harbour
- * The Competition Authority terminated supervision proceedings regarding the contractual penalty of Worldwide Cargo Establishment
- * The state will not exercise the option to purchase the ferries
- * New composition of the supervisory board took office in July, changes on the audit committee and remuneration committee
- * Changes in the supervisory boards of TS Shipping and Green Marine
- * AS Tallinna Sadam investor day 'In the Winds of the Future'

Revenue

Revenue for the 9 months of 2022 grew by EUR 11.9 million (+14.7%) year on year to EUR 93.5 million. Growth was driven by 25% revenue growth in the second quarter, 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 except cargo charge, which fell slightly. The most increase came from passenger fee (+111%), operating lease (+13%), vessel dues (+6%) and ferry service revenue (+13%).

The nine-month revenue of the Passenger harbours segment grew by 46% year on year, mainly due to growth in passenger fee revenue through a surge in passenger numbers and growth in vessel dues. The segment also increased its lease income by leasing out new premises and electricity sales revenue which was supported by a rise in electricity prices. In the third quarter, revenue grew by 34% year on year to EUR 13.0 million.

The nine-month revenue of the Cargo harbours segment decreased by EUR 1.4 million year on year (-4.6%). The segment's vessel dues revenue dropped by EUR 2.0 million (-13%) due to a decline in dry bulk and liquid bulk cargo. Cargo charges decreased (EUR -143 thousand) as well but the decline in cargo charges was significantly smaller than the decrease in cargo throughput due to changes in the cargo structure. Lease income grew by EUR 281 thousand due to changes in lease rates and electricity sales revenue increased by EUR 659 thousand.

In the third quarter, the revenue of the Cargo harbours segment decreased by EUR 1.5 million year on year.

The nine-month revenue of the Ferry segment grew by EUR 3.2 million (+13.7%) due to growth in both ferry service revenue and lease income. Ferry service revenue grew 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 third quarter, the revenue of the Ferry segment grew by EUR 1.6 million year on year (+18.5%).

The revenue of the segment Other grew by 10.2% in the first nine months and by 22.2% in the third quarter. Revenue growth was supported by the revision of the contractual fee due to the indexation of the fee rates.

EBITDA

Adjusted EBITDA for the first nine months grew by EUR 5.6 million (+13.7%) year on year to EUR 46.9 million. The strongest contributors were the Passenger



harbours segment (EUR +6.7 million) and the Ferry segment (EUR +1.4 million). In the Cargo harbours segment, adjusted EBITDA decreased by EUR 3.2 million due to smaller cargo throughput. In the third quarter, EBITDA grew by EUR 0.9 million (+5.4%) year on year. The strongest contributor was the Passenger harbours segment (EUR +2.1 million). The adjusted EBITDA margin for nine months decreased from 50.6% to 50.2% and the adjusted EBITDA margin for the third quarter decreased from 52.9% to 49.6% compared with the same period last year.

Profit

Profit for the first nine months amounted to EUR 24.0 million, exceeding the profit for the comparative period by EUR 4.9 million (+25.6%). Third-quarter profit was EUR 11.7 million (EUR +1.1 million). Profit before tax for the first nine months grew by EUR 5.7 million (+25.6%) compared with the same period last year, rising to EUR 28.1 million.

Investments

In the first nine months of 2022, the Group invested EUR 12.4 million, EUR 2.2 million more than a year earlier. Investments were mainly made in reconstructing the outdoor area around Terminal D, upgrading the quay equipment and reconstructing the shoreline reinforcements in Old City Harbour and increasing the capacity of Muuga Harbour to serve ro-ro cargo. Investments of the third quarter totalled EUR 3.5 million (Q3 2021: EUR 2.3 million).

Interim condensed consolidated statement of financial position:

In thousands of euros	30 September 2022	31 December 2021

ASSETS		
Current assets		
Cash and cash equivalents	36 416	34 840
Trade and other receivables	11 117	14 151
Contract assets	457	0
Inventories	507	399

Total current assets	48 497	49 390

Non-current assets		
Investments in associates	2 118	1 559



Other long-term receivables	379	896
Property, plant and equipment	569 384	575 563
Intangible assets	2 006	2 130
Total non-current assets	573 887	580 148
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Total assets	622 384	629 538
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LIABILITIES

Current liabilities

Loans and borrowings	15 916	15 916
Provisions	1 253	1 572
Government grants	551	1 223
Taxes payable	1 603	890
Trade and other payables	10 159	10 291
Contract liabilities	1 839	57
Total current liabilities	31 321	29 949
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Non-current liabilities

Loans and borrowings	180 015	187 398
Government grants	30 422	29 835
Other payables	504	652
Contract liabilities	778	809
Total non-current liabilities	211 719	218 694
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Total liabilities	243 040	248 643
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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	23 960	25 612
Total equity	379 344	380 895
Total liabilities and equity	622 384	629 538

Interim condensed consolidated statement of profit or loss:

In thousands of euros	Q3 2022	Q3 2021	9M 2022	9M 2021
Revenue	36 325	32 263	93 460	81 511
Other income	412	379	1 140	1 037
Operating expenses	-12 763	-10 081	-31 267	-25 454
Personnel expenses	-5 885	-5 370	-16 210	-15 114
Depreciation, amortisation and impairment	-6 191	-6 405	-18 703	-18 502
Other expenses	-55	-116	-249	-369
Operating profit	11 843	10 670	28 171	23 109
Finance income and costs				
Finance income	32	23	97	60
Finance costs	-404	-341	-1 011	-1 082
Finance costs - net	-372	-318	-914	-1 022



Share of profit of an associate accounted for under the equity method	237	224	814	265
Profit before income tax	11 708	10 576	28 071	22 352
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Income tax	0	0	-4 111	-3 275
Profit for the period	11 708	10 576	23 960	19 077
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Attributable to owners of the Parent	11 708	10 576	23 960	19 077
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Basic and diluted earnings per share (in euros)	0.04	0.04	0.09	0.07
Basic and diluted earnings per share - continuing operations (in euros)	0.04	0.04	0.09	0.07
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Interim condensed consolidated statement of cash flows:

In thousands of euros	9M 2022	9M 2021
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Cash receipts from sale of goods and services	101 077	87 777
Cash receipts related to other income	135	83
Payments to suppliers	-38 682	-30 919
Payments to and on behalf of employees	-14 673	-13 877
Payments for other expenses	-296	-376
Income tax paid on dividends	-4 335	-3 440
Cash from operating activities	43 226	39 248
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Purchases of property, plant and equipment	-12 932	-11 516



Purchases of intangible assets	-346	-525
Proceeds from sale of property, plant and equipment	91	523
Proceeds from government grants related to assets	4 924	0
Dividends received	255	0
Interest received	3	2
Cash used in investing activities	-8 005	-11 516
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Repayments of loans received	-7 383	-7 383
Dividends paid	-25 287	-20 085
Interest paid	-968	-1 218
Other payments related to financing activities	-7	-1
Cash from/used in financing activities	-33 645	-28 687
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NET CASH FLOW	1 576	-955
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Cash and cash equivalents at beginning of the period	34 840	26 679
Change in cash and cash equivalents	1 576	-955
Cash and cash equivalents at end of the period	36 416	25 724
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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. 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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