

Company AS TALLINNA SADAM
Type Company Release
Category Management interim statement or quaterly financial report
Disclosure time 10 Nov 2023 08:00:00 +0200

Attachments:

- Tallinna Sadam interim report 9M 2023 ENG.pdf (<http://oam.fi.ee/en/download?id=7819>)
- Tallinna Sadam Q3 2023 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=7820>)
- Tallinna Sadam Financial Results Q3 2023 Data.xlsx (<http://oam.fi.ee/en/download?id=7821>)
- Tallinna Sadama vahearuanne 9 kuud 2023 EST.pdf (<http://oam.fi.ee/en/download?id=7822>)
- Tallinna Sadam Q3 2023 webinar EST.pdf (<http://oam.fi.ee/en/download?id=7823>)
- Tallinna Sadam Financial Results Q3 2023 Data.xlsx (<http://oam.fi.ee/en/download?id=7824>)

Currency

Title AS Tallinna Sadam financial results for 2023 Q3 and 9 months

Tallinna Sadam earned 31 million euros in revenue and 6 million euros in profit in the third quarter. The nine-month revenue was 89 million euros and the profit reached 13 million euros. In the third quarter, the volume of investments increased to nearly 5 million euros, since the beginning of the year we invested a total of 11 million euros.

In the third quarter, both revenue (-14%), adjusted EBITDA (-25%) and profit (-49%) decreased year-on-year. Operating expenses in the third quarter decreased mainly due to the drop in energy prices. In the 9 months total, the revenue decreased by 5%, and due to the pressure of cost growth, adjusted EBITDA (-17%) and profit (-46%) fell.

Nine months in total, the number of passengers increased by 15%, but there were fewer passenger ship calls. Compared to the previous year, fewer cruise ships visited our harbours, although the occupancy of the ships was significantly higher. The decrease in cargo volumes continued due to sanctions and the general decrease in freight volumes, which led to a decrease in revenue and adjusted EBITDA. In shipping, both ferries and the icebreaker Botnica showed growth, but regular dock work and costs related to the new charter contracts affected Botnica's profitability. As a result of wage pressure and the rise in Euribor interest rates, personnel costs and financial costs increased the most on the cost side.

Valdo Kalm, chairman of the management board of Tallinna Sadam, states that times are difficult, and we have moved from one crisis to another, but the company continues to make a decent profit. The various business areas balance



each other, making the group as a whole resistant to the risks of the external environment, which is why we are ready to pay dividends next year as well and simultaneously continue with investments. "At the moment, there is a strong focus on cost savings and on the development and launch of new growth projects, such as the construction of the Paldiski offshore wind farm quay and the cost-benefit analysis of the maintenance fleet and the start of operation of the Pakrineeme harbor LNG quay," said Kalm.

The management board of Tallinna Sadama will present the group's financial results in webinars on 10 November, including a webinar in Estonian at 10:00 a.m. (EET) (link to EST webinar (

Key figures (million EUR):

	Q3	Q3	+/-	9M	9M	+/-
	2023	2022	%	2023	2022	%
Revenue	31.4	36.3	-13.5	88.6	93.5	-5.2
Adjusted EBITDA	13.5	18.0	-24.9	38.8	46.9	-17.2
Adjusted EBITDA margin	43.0%	49.6%	-6.6	43.8%	50.2%	-6.4
Operating profit	7.4	11.8	- 37.1	20.0	28.2	-29.0
Income tax	0	0	-	-3.0	-4.1	-27.4
Profit for the period	6.0	11.7	-49.1	13.0	24.0	-45.6
Investments	4.8	3.5	37.4	10.9	12.4	-12.3
	30.09.2023	31.12.2022	+/-			
Total assets	612.7	621.2	-1.6%			
Interest bearing debt	180.0	187.4	-3.9%			



Other liabilities	57.9	52.9	9.6%
Equity	374.8	381.0	-1.6%
Number of shares	263.0	263.0	0.0%

Major events in Q3:

- * Additional trips by the ferry Regula in September 2023
- * Changes on the management board of AS Tallinna Sadam's subsidiary OÜ TS Shipping
- * The administrator of the state shares in AS Tallinna Sadam from July 2023 is the Ministry of Climate
- * Icebreaker Botnica 2023 summer charters - Equinor, British Petroleum and Baffinland
- * The cruise terminal of Tallinn Old City Harbour obtains the international Green Key certificate.
- * 30th anniversary of Paldiski South Harbour and laying the cornerstone for a new quay
- * Crevex2023 evacuation exercise at Muuga.

Revenue

Revenue for nine months decreased by EUR 4.8 million (-5.2%) year on year to EUR 88.6 million. The decline is attributable to lower revenue from vessel dues, electricity sales, cargo charges and other services, which was not offset by higher revenue from ferry service between Estonia's mainland and two largest islands, passenger fees, the charter fees of the icebreaker Botnica in the segment Other and operating leases.

In terms of revenue streams, the biggest change in nine months was in vessel dues revenue, which declined by EUR 5.5 million (-18.6%) to EUR 24.1 million. This was mainly attributable to fewer calls by cargo ships and ro-pax vessels due to the decrease in cargo volumes as well as a drop in the number of cruise ship calls (-44.9%). In terms of segments, the decrease in nine-month revenue posted by the Cargo harbours and the Passenger harbours segments exceeded the revenue growth delivered by the Ferry segment and the segment Other (the icebreaker Botnica).

The nine-month revenue of the Passenger harbours segment decreased by EUR 1.0 million (-3.2%) year on year, mainly due to fewer cruise ship calls, which lowered the segment's vessel dues revenue (-EUR 2.1 million). In the third quarter, revenue decreased by 17.2% year on year to EUR 10.7 million (-EUR 2.2 million), mainly due to fewer cruise ship calls, which lowered vessel dues revenue.

The nine-month revenue of the Cargo harbours segment decreased year on year (-EUR 6.1 million, -21.2%). Vessel dues revenue dropped significantly (-EUR 3.5 million) because the number of vessel calls decreased due to the decline in cargo volumes. Cargo charge revenue decreased (-EUR 0.6 million) because volumes contracted for all cargo types with the exception of non-marine. Revenue from the sale of electricity decreased (-EUR 1.9 million) because consumption



declined due to lower cargo volumes and electricity prices were lower than a year earlier. Lease income and revenue from the sale of other services also declined. The third-quarter revenue of the Cargo harbours segment decreased by EUR 2.2 million (-23.4%) year on year, mainly due to lower vessel dues and electricity sales revenue.

The nine-month revenue of the Ferry segment grew by EUR 1.7 million (+6.5%), driven by growth in ferry service revenue. 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. In the third quarter, the revenue of the Ferry segment grew by EUR 0.2 million (+1.6%) year on year.

The nine-month revenue of the segment Other grew by EUR 0.5 million (+6.0%). Revenue grew due to the additional summer charter of the icebreaker Botnica and higher charter fee revenue for the icebreaking season, both in the first half of the year. Revenue for the third quarter fell because the utilisation rate of Botnica was lower. Last year, the charter to Baffinland started earlier and the vessel had no idle days in the third quarter. In the third quarter of this year, the vessel was chartered to BP Exploration Operating Company and the charter to Baffinland in Canada started in early September, i.e. later than last year. Revenue for the third quarter dropped by EUR 0.6 million (-17.0%).

EBITDA

Adjusted EBITDA for nine months dropped by EUR 8.1 million (-17.2%) year on year to EUR 38.8 million. Adjusted EBITDA decreased the most in the Cargo harbours segment (-EUR 4.7 million), where revenue decreased and expenses increased. In the segment Other, the decline in adjusted EBITDA (-EUR 3.4 million) resulted from higher expenses and lower profit on the investment in the equity-accounted associate. The adjusted EBITDA of the Passenger harbours segment decreased (-EUR 0.9 million) due to lower revenue, which was slightly offset by lower expenses. Adjusted EBITDA grew only in the Ferry segment (+EUR 0.9 million), driven by revenue growth. Adjusted EBITDA for the third quarter decreased by EUR 4.5 million (-24.9%) year on year. Adjusted EBITDA decreased in all segments except the Ferry segment. Adjusted EBITDA margin for nine months dropped from 50.2% to 43.8% and adjusted EBITDA margin for the third quarter decreased from 49.6% to 43.0%.

Profit

Profit before tax for nine months fell by EUR 12.1 million (-43.0%) year on year to EUR 16.0 million. Profit decreased more than operating profit because the profit from the equity-accounted associate AS Green Marine decreased by EUR 0.4 million and finance costs (net) grew (+EUR 3.5 million). Profit for the first nine months decreased by EUR 10.9 million (-45.6%) year on year. Third-quarter profit was EUR 6.0 million (-EUR 5.7 million, -49.1%).

Investments

In the first nine months of 2023, the Group invested EUR 10.9 million, EUR 1.5 million less than a year earlier. The largest investments were made in the regular dry docking works and ice class upgrade of the icebreaker Botnica, building a new quay in Paldiski South Harbour, reconstructing a quay and a quay ramp and completing the reconstruction of the outdoor area around terminal D in



Old City Harbour, increasing the capacity of Muuga Harbour to serve ro-ro cargo (second floor ramp), and software. Investments of the third quarter totalled EUR 4.8 million (EUR 3.5 million in the third quarter of 2022).

Interim condensed consolidated statement of financial position:

in thousands of euros	30.09.2023	31.12.2022

ASSETS		
Current assets		
Cash and cash equivalents	37,912	44,387
Trade and other receivables	14,074	7 477
Contract assets	582	0
Inventories	387	749
Non-current assets held for sale	0	100
Total current assets	52,955	52,713
Non-current assets		
Investments in associates	2 137	2,099
Other long-term receivables	29	303
Property, plant and equipment	555,660	564 379
Intangible assets	1 968	1 735
Total non-current assets	559,794	568,516

Total assets	612,749	621 229

LIABILITIES

Current liabilities



Loans and borrowings	13,916	15,916
Provisions	978	2 013
Government grants	8 131	8,578
Taxes payable	1 726	1,060
Trade and other payables	9,598	9,770
Contract liabilities	1,650	62
Total current liabilities	35,999	37,399
<hr/>		
Non-current liabilities		
Loans and borrowings	166,099	171,482
Government grants	32,552	30 156
Other payables	529	449
Contract liabilities	2,765	767
Total non-current liabilities	201,945	202,854
<hr/>		
Total liabilities	237,944	240 253
<hr/>		
EQUITY		
Share capital at par value	263,000	263,000
Share premium	44,478	44,478
Statutory capital reserve	22,858	22 115
Retained earnings (prior periods)	31 441	25,791
Profit for the period	13,028	25,592
<hr/>		
Total equity	374,805	380,976
<hr/>		
Total liabilities and equity	612,749	621 229
<hr/>		



Interim condensed consolidated statement of profit or loss:

in thousands of euros	Q3 2023	Q3 2022	9M 2023	9M 2022
Revenue	31,426	36,325	88,615	93,460
Other income	371	412	1 231	1 140
Operating expenses	-11,910	-12,763	-31,977	-31,267
Personnel expenses	-6,254	-5,885	-18,229	-16,210
Depreciation, amortisation and impairment	-6 129	-6 191	-19,356	-18,703
Other expenses	-55	-55	-280	-249
Operating profit	7 449	11,843	20,004	28 171
Finance income and costs				
Finance income	330	32	916	97
Finance costs	-2,073	-404	-5,303	-1 011
Finance costs - net	-1 743	-372	-4,387	-914
Share of profit of an associate accounted for under the equity method	258	237	396	814
Profit before income tax	5,964	11,708	16,013	28,071
Income tax	0	0	-2,985	-4 111
Profit for the period	5,964	11,708	13,028	23,960
Attributable to owners of the Parent	5,964	11,708	13,028	23,960



Basic and diluted earnings per share (in euros)	0.02	0.04	0.05	0.09
Basic and diluted earnings per share - continuing operations (in euros)	0.02	0.04	0.05	0.09

Interim condensed consolidated statement of cash flows

in thousands of euros	9M 2023	9M 2022
Cash receipts from sale of goods and services	94,692	101,077
Cash receipts related to other income	247	135
Payments to suppliers	-38,900	-38,682
Payments to and on behalf of employees	-18,511	-14,673
Payments for other expenses	-253	-296
Income tax paid on dividends	-3,264	-4,335
Cash from operating activities	34,011	43,226
Purchases of property, plant and equipment	-10,063	-12,932
Purchases of intangible assets	-627	-346
Proceeds from sale of property, plant and equipment	28	91
Proceeds from government grants related to assets	0	4,924
Dividends received	357	255
Interest received	875	3
Cash used in investing activities	-9,430	-8,005
Repayments of loans received	-7,383	-7,383



Dividends paid	-19,012	-25,287
Interest paid	-4,654	-968
Other payments related to financing activities	-7	-7
<hr/>		
Cash from/used in financing activities	-31,056	-33,645
<hr/>		
NET CASH FLOW	-6,475	1 576
<hr/>		
Cash and cash equivalents at beginning of the period	44,387	34,840
Change in cash and cash equivalents	-6,475	1 576
Cash and cash equivalents at the end of the period	37,912	36,416
<hr/>		

Tallinna Sadam is one of the largest cargo- and passenger port complexes in the Baltic Sea region. 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 offshore services in Estonia and projects abroad. Tallinna Sadam group is also a shareholder of an associate AS Green Marine, which provides waste management services.

Additional information:

Marju Zirel
Head of Investor Relations
Tel. +372 53 42 6591
E-mail: m.zirel@ts.ee (mailto:m.zirel@ts.ee)

