

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

- Tallinna Sadam interim report Q4 2023 ENG.pdf (<http://oam.fi.ee/en/download?id=8094>)
- Presentation of Q4 2023 webinar ENG.pdf (<http://oam.fi.ee/en/download?id=8095>)
- Tallinna-Sadam-Financial-Results-Q4-2023-Data.xlsx (<http://oam.fi.ee/en/download?id=8096>)
- Tallinna Sadama vahearuanne Q4 2023 EST.pdf (<http://oam.fi.ee/en/download?id=8097>)
- Presentatsioon Q4 2023 veebiseminar EST.pdf (<http://oam.fi.ee/en/download?id=8098>)
- Tallinna-Sadam-Financial-Results-Q4-2023-Data.xlsx (<http://oam.fi.ee/en/download?id=8099>)

Currency

Title AS Tallinna Sadam unaudited financial results for Q4 and 2023

In Q4 2023, both adjusted EBITDA and profit increased by 16% and 75%, respectively, and revenue remained close to the previous year's level of 28 million euros (-0.8%). Profit growth was mainly driven by lower operating expenses, longer charter period of the icebreaker Botnica and a decrease in depreciation, amortisation and impairment. As a result of austerity measures, maintenance and repair costs of non-current assets decreased (-5%). The number of employees decreased (-4.5%) also, which allowed personnel costs to maintain the previous year's level (+0.4%). At the same time, we invested 10 million euros (+586%).

In 2023, Tallinna Sadam earned 117 million euros in revenue (-4%) and 16 million euros in profit (-38%). Adjusted EBITDA was 49 million euros (-12%) and investments increased to 21 million euros (+50%).

Last year's results were most affected by the continuing decline in the cargo volumes of Tallinna Sadam (-29 %), due to the Russian-Ukrainian war and the general economic downturn. The number of passengers increased to 8 million passengers (13%) and the growth was mainly on regular lines, while the number of cruise ship visits fell (-45%) as the attractiveness of the region has decreased due to geopolitical risk and also due to the increase in costs related to environmental requirements. The rise in interest rates increased interest expense despite the reduction in debt, so net profit fell more than operating profit and EBITDA.

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 earn a decent profit. Different business areas balance each other, making the group as a whole resistant to the risks of the external environment, which is why we are still ready to pay dividends and at the same time continue with investments. "At the moment, there is a strong focus on cost savings while preparing and launching new growth projects such as offshore wind farms quay and real estate development. As an infrastructure company, we must be ready to invest during the economic downturn, to be ready to offer the required amount of service and grow during the new hightide," said Kalm.

Considering the company's continued strong cash flow and dividend policy, the management board proposes to pay a dividend to shareholders for 2023 in the same amount as the previous year, i.e. 0.073 euros per share.

The management board of Tallinna Sadam will present the group's financial results on February 28 in webinars, including a webinar in Estonian at 10:00 a.m. (EET) (link to Estonian-language seminar (

Main financial indicators (million EUR):

	Q4	Q4	+/-	2023	2022	+/-
	2023	2022	%			%
Revenue	28.0	28.2	-0.8	116.6	121.7	-4.2
Adjusted EBITDA	10.4	8,9	16.0	49.2	55.8	-11.9
Adjusted EBITDA margin	37.0%	31.7%	5.3	42.2%	45.9%	-3.7
Operating profit	4.6	2.6	76.9	24.6	30.8	-20.0
Income tax	0	-0.1	-100.0	-3.0	-4.2	-28.8
Profit for the period	2.9	1.6	75.0	15.9	25.6	-37.9
Investments	9.8	1.4	586.3	20.7	13.9	49.6



	31.12.2023	31.12.2022	+/-
Total assets	606.2	621.2	-2.4%
Interest bearing debt	171.5	187.4	-8.5%
Other obligations	57.0	52.9	7.9%
Equity	377.7	381.0	-0.9%
Number of shares	263.0	263.0	0.0%

Major events in Q4:

- * Amendment to construction contract for quay to serve offshore wind farms in Paldiski South Harbour (increase in price and extension of term date)
- * Agreement with Estonian Stockpiling Agency on operating LNG quay in Pakrineeme harbour
- * Bankruptcy proceedings against the client of Tallinna Sadam MPG AgroProduction OÜ and initiation of its reorganisation
- * Selecting the winner of the architectural design competition for passenger terminal A
- * Signing of memorandum of understanding on Green Corridor between Estonia and Finland
- * Tallinna Sadam Investor Day at the cruise terminal
- * Extension of contract of chairman of the management board until 28.02.2027
- * Extension of contract of CEO of the subsidiary TS Laevad until 04.01.2027.

Revenue

Tallinna Sadam ended 2023 with consolidated revenue of EUR 116.6 million, EUR 5.1 million (-4.2%) less than a year earlier. The decline is mainly attributable to lower revenue from vessel dues, electricity sales and cargo charges. In terms of revenue streams, the strongest rise was in ferry service revenue (+5%), charter fees revenue (the icebreaker Botnica; +13%) and passenger fees revenue (+12%). Vessel dues revenue decreased the most by EUR 5.8 million (-16%) to EUR 31.4 million due to fewer calls by tankers and cruise ships. In segment terms, revenue grew in 2023 in the Ferry segment and the segment Other, but the growth could not offset the revenue decline in the Passenger harbours and the Cargo harbours segments.

In the fourth quarter, revenue decreased by 0.8%. The decline in revenue is primarily attributable to lower revenue from electricity sales, cargo charges and vessel dues. Revenue from electricity sales (-32%) declined due to a lower electricity price and a decrease in consumption in the Cargo harbours segment. The revenue of the Passenger harbours segment decreased by 0.9% because revenue from vessel dues, other services, cargo charges and electricity sales declined. Vessel dues decreased due to fewer cruise ship calls. This in combination with the leaving of the vessel which accommodated Ukrainian war refugees in the previous summer reduced revenue from other services. Cargo charges declined due



to the overall economic slowdown. Growth in passenger numbers increased passenger fees revenue. In the fourth quarter, the revenue of the Passenger harbours segment grew by EUR 0.6 million (+8%) due to higher revenue from vessel dues and passenger fees.

More than a half of the revenue decrease (-21%) in the Cargo harbours segment was related to lower revenue from vessel dues. There were fewer calls by cargo vessels and the vessels that called were smaller on average. Although total vessel calls decreased, on certain routes the number of vessel calls increased, which meant higher discounts and lower vessel dues per call. The decline in cargo throughput reduced cargo charges revenue. Cargo charges revenue decreased less than cargo throughput, because the decline was sharper for cargo with lower charge rates and revenue from contractual penalties increased. The decrease in electricity sales revenue was attributable to a lower electricity price and smaller consumption. The fourth-quarter revenue of the Cargo harbours segment declined by EUR 1.9 million (-19%), because port dues revenue decreased by EUR 1.0 million, electricity sales revenue by EUR 0.6 million and cargo charges revenue by EUR 0.3 million.

The revenue of the Ferry segment grew due to the indexation of the contractual fee rates and a higher number of trips made (+0.6%). Revenue for the fourth quarter grew by EUR 0.2 million (+2%).

The revenue of the segment Other increased, although the summer charter of the icebreaker Botnica was shorter than a year earlier. Charter fee revenue for the icebreaking season grew and three summer charter projects increased revenue despite the drop in charter days. The fourth-quarter revenue of the segment grew by EUR 0.9 million (+49%) as the number of charter days increased (+44%). In the fourth quarter, the revenue from Botnica grew due to the increase in average charter fee rate for the non-icebreaking season.

EBITDA

Adjusted EBITDA decreased by EUR 6.6 million (-12%) to EUR 49.2 million due to a decrease in the Cargo harbours segment (-EUR 5.6 million) and the segment Other (the icebreaker Botnica). The adjusted EBITDA margin declined from 45.9% to 42.2%. Adjusted EBITDA for the fourth quarter increased by EUR 1.4 million (+16%), with the largest contribution from the Ferry segment through growth in vessel calls and passenger numbers and from the segment Other, where Botnica had more charter days in the project in Canada.

Profit

The Group's net profit for 2023 amounted to EUR 15.9 million, which is EUR 9.7 million (-38%) less than a year earlier. Fourth-quarter profit was EUR 2.9 million (+EUR 1.2 million, +75%).

Investments

In 2023, the Group invested EUR 20.7 million, EUR 6.9 million (+50%) more than a year earlier. Investments in harbour infrastructure assets, acquisition of non-current assets and improvements to existing infrastructure totalled EUR 16.6 million. Investments in the icebreaker Botnica amounted to EUR 3.0 million and investments in the Ferry segment to EUR 1.1 million.

The largest investment in 2023 was made in launching the construction of a new



quay to serve offshore wind farms in Paldiski South Harbour. At Muuga Harbour, the largest investments were related to improving the conditions of ro-ro traffic, the design and construction of a new workshop and the construction of a sewerage system for the quays. In Old City Harbour, investments were made in the marina quay next to the new tramway and ferry traffic improvement (the ramp of berth 5). Major works on the icebreaker Botnica included dry docking and ice class upgrade. Significant investments in the Ferry segment were the replacement of the cooling systems of the vessels' main engines and acquisition of critical equipment to ensure smooth operation of ferry traffic.

Investments of the fourth quarter amounted to EUR 9.8 million, EUR 8.4 million more than a year earlier. The high volume of investments in the fourth quarter was driven by the construction of the new quay in Paldiski.

Interim condensed consolidated statement of financial position:

in thousands of euros	31.12.2023	Restated* 31.12.2022	Restated* 01.01.2022

ASSETS			
Current assets			
Cash and cash equivalents	29,733	44,387	34,840
Trade and other receivables	12,118	7,477	14,151
Inventories	550	749	399
Non-current assets held for sale	0	100	0
Total current assets	42,401	52,713	49,390
Non-current assets			
Investments in associate	2,177	2,099	1,559
Other long-term receivables	163	303	896
Investment properties	14,069	14,069	14,069
Property, plant and equipment	545,271	550,310	561,494
Intangible assets	2,083	1,735	2,130
Total non-current assets	563,763	568,516	580,148
Total assets	606,164	621,229	629,538

LIABILITIES			



Current liabilities			
Loans and borrowings	13,916	15,916	15,916
Provisions	1,311	2 013	1,572
Government grants	7,344	8,578	1,223
Taxes payable	876	1,060	890
Trade and other payables	11,407	9,832	10,348
Contract liabilities	34,854	37,399	29,949

Non-current liabilities			
Loans and borrowings	157,566	171,482	187,398
Government grants	33,075	30,156	29,835
Other payables	3,010	1,216	1,461
Contract liabilities	193,651	202,854	218,694

Total non-current liabilities	228,505	240,253	248,643

EQUITY			
Share capital at par value	263,000	263,000	263,000
Share premium	44,478	44,478	44,478
Statutory capital reserve	22,858	22,115	21,271
Retained earnings (prior periods)	31,441	25,791	52,146
Profit for the period	15,882	25,592	0

Total equity	377,659	380,976	380,895

Total liabilities and equity	606,164	621,229	629,538

* Based on the results of an additional analysis carried out in 2023, the Group concluded that properties (land plots) not in use, which used to be accounted for as items of property, plant and equipment, meet the definition of investment property and ought to be classified as such. Accordingly, the properties were reclassified to investment properties in 2023 and the opening balances were



restated to ensure comparability.

Interim condensed consolidated income statement

in thousands of euros	Q4 2023	Q4 2022	2023	2022
Revenue	28,030	28,243	116,646	121,703
Other income	977	301	2,208	1,441
Operating expenses	-10,570	-12,152	-42,548	-43,418
Personnel expenses	-6,984	-6,955	-25,214	-23,165
Depreciation, amortisation and impairment	-6,033	-6,609	-25,389	-25,312
Other expenses	-793	-213	-1,073	-462
Operating profit	4,627	2,615	24,630	30,787
Finance income and costs				
Finance income	320	119	1,237	216
Finance costs	-2,132	-1,002	-7,435	-2,013
Finance costs - net	-1,812	-883	-6,198	-1,797
Share of profit of an associate accounted for under the equity method	39	-19	435	795
Profit before income tax	2,854	1,713	18,867	29,785
Income tax expense	0	-82	-2,985	-4,193
Profit for the period	2,854	1,631	15,882	25,592
Basic earnings and diluted earnings per share (in euros)	0.01	0.01	0.06	0.10



Condensed Consolidated Statement of Cash Flows:

in thousands of euros	2023	2022
Cash receipts from sale of goods and services	124,344	130,099
Cash receipts related to other income	272	188
Payments to suppliers	-52,911	-53,548
Payments to and on behalf of employees	-24,165	-19,899
Payments for other expenses	-317	-368
Income tax paid on dividends	-3,264	-4,335
Cash receipts from sale of goods and services	43,959	52,137
Purchases of property, plant and equipment	-17,946	-15,189
Purchases of intangible assets	-799	-455
Proceeds from sale of property, plant and equipment	28	191
Proceeds from government grants related to assets	0	15,001
Dividends received	357	255
Interest received	1,179	83
Cash used in investing activities	-17,181	-114
Redemption of bonds	-7,650	-7,650
Repayments of loans received	-8,266	-8,266
Dividends paid	-19,012	-25,287
Interest paid	-6,494	-1,264



Redemption of bonds	-10	-9
In financing activity(s)		
Cash from/used in financing activities	-41,432	-42,476

TOTAL CASH FLOW	14,654	9,547
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Cash and cash equivalents at the beginning of the period	44,387	34,840
Change in money and money equivalents	-14,654	9,547
Cash and cash equivalents at the end of the period	29,733	44,387

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:

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